

SPECIAL REPORT | HEDGE FUNDS

Best 100 Hedge Funds

What will topple the dominance of structured credit?

By Eric Uhlfelder

HEDGE-FUND MANAGER CHRISTIAN ZUGEL HAS MADE A MINT IN mortgage-backed securities, and he has also been wheeling and dealing in a lot of real estate. He has had to figure out how to fit a growing staff of 73 into a renovated garment factory, originally built by a grandfather of former Disney Chairman Michael Eisner near the Jersey shore in the town of Red Bank. Zugel also has moved into bigger quarters in London's Hanover Square, and is in the process of doubling his space in Shanghai, so his firm, Zais Group, can broaden its research and investor base around the world.

Zugel's flagship fund, the \$462 million Zais Opportunity fund, is No. 1 on *Barron's* Hedge Fund 100 ranking for the second consecutive year, the first time any fund has posted back-to-back wins in the eight-year history of our tally. Playing a variety of mortgage- and asset-backed securities as well as collateralized loans, the Stuttgart, Germany, native, 53, posted remarkable three-year annualized returns north of 50% through Dec. 31, 2012, nearly five times better than the Standard & Poor's 500 and 13 times better than the average hedge-fund return in that time. His firm oversees \$5.4 billion in all.

"Mispricing triggered by the financial crisis set up a great run for us," says Zugel, who once ran high-yield trading at JPMorgan.

He wasn't the only beneficiary. The revived housing market has helped drive big returns for a number of hedge funds (see the strategy returns at right). Top-performing MBS shops occupied four of *Barron's* first 15 spots in our Hedge Fund 100: Deepak Narula's Metacapital Mortgage Opportunities (No. 5), Don Brownstein's SPM Core (No. 9), and Russell Jeffrey's Providence MBS (No. 15) all scored big. Although not, strictly speaking, a mortgage specialist, Copenhagen's Asgard Fixed-Income fund, run by Morten Mathiesen, primarily invested in Europe's more secure covered bond version of mortgage-backed last year, finishing at No. 8.

Non-real-estate asset-backed securities have also been delivering impressive gains. (Like MBS, their income comes from pools of payments, but from credit-card or auto-loan debt, among other forms.) This group was led by London-based Chenavari-Toro Capital fund (No. 3), which returned more than 46.54% over each of the past three years, and STS Partners (No. 7), whose returns averaged more than 28%.

In contrast to the many secured credit investors near the top of our list, the only long-short equity fund in the top 15 was ValueAct Capital Master, which averaged a 25.20% gain per year, good for No. 11.

The strong returns in MBS and ABS funds helped power the whole Hedge Fund 100. Overall, it delivered an average gain of 17.42%, versus the BarclayHedge average annualized return of 4.30% and S&P 500's 10.87%, as well as the Barclays US Aggregate Bond index, which returned 6.19% a year. (BarclayHedge is unrelated to the Barclays bond index.)

What distinguishes this group from their peers? Stellar returns over time, for sure. But top funds also have "excellent people, management incentives strongly aligned with investors, a disciplined process, a focus on risk and portfolio management, and a culture of innovation," says Kent Clark, who runs over \$22 billion as chief investment officer of hedge-fund strategies at Goldman Sachs Asset Management. Just as important, Clark adds, is that managers continuously refine their investment process as market conditions evolve.

Barron's Hedge Fund 100 tries to identify these consistent performers. To make sure that doesn't mean simply operating in a hot industry or region, we exclude those that invest only in a single country or sector as well as narrower asset types such as commodities. So we will, for example, include a fund that invests in Asian stocks, but not one that focuses on Chinese equities alone. To target professionally run shops that offer stability and adequate liquidity, we require that funds run at least \$300 million, and we assess returns over three years, instead of just one.

Our research starts with screens prepared by two hedge-fund databases, BarclayHedge (barclayhedge.com)

and Morningstar (morningstar.com), which sort through thousands of funds to meet our basic criteria. We then contact the managers to verify their results. With the help of *Barron's* Contributing Editor Erin E. Arvedlund, we also tapped additional trustworthy sources for performance or other information that was hard to come by.

A few names stand out for consistency over time: David Tepper's Appaloosa, Ray Dalio's Bridgewater, Ken Griffin's Citadel, Michael Hintze's CQS, D.E. Shaw, Guggenheim, Steve Kuhn's Pine River, and yes, Steven Cohen's SAC, have been part of the Hedge Fund 100 several times.

One measure of how tough it is to excel: Only about 40% of last year's funds made this year's list. Another sign: Fund liquidations continued to rise from a postrecession low of 743 in 2010 to 873 in 2012. That despite net flows and appreciation of hedge funds of more than \$244 billion in 2012, pushing industry assets above \$2.25 trillion, according to data compiler HFR. That's a 60% gain over year-end 2008's \$1.4 trillion.

Will 2013 end the dominance of structured-credit managers like Zais? Their strong returns in 2011 and 2012 pretty much assure most a position in next year's tally, but their relative strength is likely to wane a bit in 2013.

So far through April, all fund strategies are significantly trailing the S&P 500's nearly 13% gain, though asset-backed securities and equity long-bias are neck-and-neck, with returns of 7.41% and 7.18%, respectively. The most noteworthy gainers so far have been global macro, which has risen 4.59%, and distressed securities, whose 6.84% return already exceeds its trailing three-year annual return after just four months. And returns on MBS have come back to earth, with 4.44% through April, according to BarclayHedge.

Russ Koesterich, global chief investment strategist at BlackRock, thinks foreign developed and emerging stock markets will beat the S&P 500 for the rest of 2013. Interest rates should start heading higher in the U.S. once the Fed, as it began to do recently, signals more consistently that it's going to inch away from its easy-money policies, says Koesterich, whose firm runs \$3.8 trillion and has three hedge funds on our list. Higher rates obviously make it harder for fixed-income securities, including ABS and MBS, to prosper.

In the interim, the BlackRock strategist believes the U.S. equity rally will continue to be driven by healthy balance sheets, ultralow rates, and falling oil prices. Koesterich views U.S. megacaps as undervalued. However, international shares are even cheaper than the broad U.S. market, he says. A stronger dollar should also help foreign businesses.

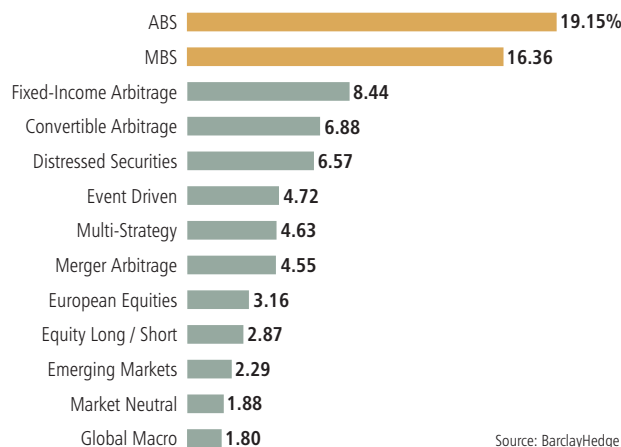
As for highflying ABS and MBS, Zugel concedes that "most of the big mispricing opportunities caused by the financial crisis have pretty much corrected, pushing us to refine our search." Might be a good time to hedge. ■

The complete Hedge Fund 100 listing begins on page P31.

ASSET- AND MORTGAGE-BACKED SECURITIES'

annualized gains have left other hedge-fund strategies in the dust over the past three years. Strong equity performance and rising rates make it unlikely to happen again.

PERFORMANCE BY STRATEGY (2010-2012)



Source: BarclayHedge

SPECIAL REPORT | HEDGE FUNDS

OUR TOP HEDGE FUNDS compiled a remarkable record over the three years ended in 2012: Their compound average annual return of 17.42% topped the BarclayHedge hedge-fund average return by more than fourfold and also handily topped both the S&P 500's gain and the U.S. bond market's rise in that time. Repeating in first was structured-credit specialist Zais Opportunity fund, with a phenomenal compound annual return of 52.39%, followed by global macro investor Quantedge Global, up an average of 50.07%, and asset-backed expert Chenavari-Toro Capital, up 46.54%.

| Rank | | Fund Name | Fund Assets (mil) | Fund Strategy | 3-Yr Compound Annual Return | 2012 Return | Company/Location | Total Firm Assets (mil) |
|------|------|---|----------------------|--|--------------------------------|--------------------|---|----------------------------|
| 2012 | 2011 | | | | | | | |
| 1. | 1. | Zais Opportunity Fund Class B | \$462 | Structured Credit | 52.39% | 24.69% | Zais Group / Red Bank, N.J. | \$5,400 |
| 2. | N.R. | Quantedge Global | 488 | Global Macro | 50.07 | 39.46 | Quantedge Capital / Singapore | 488 |
| 3. | N.R. | Chenavari - Toro Capital IA (Euro) | 362 | Asset-Backed Securities | 46.54 | 32.42 | Chenavari Investment Managers / London | 3,214 |
| 4. | 52. | AQR Global Risk Premium—Full Risk | 400 | Global Macro | 39.20 | 40.80 | AQR Capital Management / Greenwich, Conn. | 70,700 |
| 5. | 2. | Metacapital Mortgage Opportunities Fund Ltd | 1,440 | Mortgage-Backed Securities | 38.64 | 41.25 | Metacapital Management / New York | 1,600 |
| 6. | N.R. | Hildene Opportunities Fund Ltd | 655 | Distressed Securities | 30.62 | 45.46 | Hildene Capital Management / New York | 1,070 |
| 7. | N.R. | STS Partners LP | 652 | Asset-Backed Securities | 28.38 | 27.43 | Deer Park Road / Steamboat Springs, Colo. | 818 |
| 8. | N.R. | Asgard Fixed Income I Ltd (Euro) | 348 | Fixed-Income Relative Value | 26.57 | 34.12 | Moma Advisors / Copenhagen | 348 |
| 9. | N.R. | SPM Core Ltd | 1,831 | Mortgage-Backed Securities—Agency and Non-Agency | 25.88 | 19.65 | Structured Portfolio Management / Stamford, Conn. | 3,708 |
| 10. | 9. | VR Global Partners LP | 1,816 | Emerging Markets/Distressed | 25.53 | 20.62 | VR Advisory Services / Dubai | 1,816 |
| 11. | 26. | ValueAct Capital Master | 8,952 | Equity Long/Short | 25.20 | 20.40 | ValueAct Capital Management / San Francisco | 8,952 |
| 12. | 8. | Barnegat Ltd | 655 | Fixed-Income Arbitrage | 23.85 | 47.57 | Barnegat Fund Management / Hoboken, N.J. | 655 |
| 13. | 12. | Pine River Fixed Income Ltd | 3,538 | Fixed-Income Relative Value | 23.05 | 34.84 | Pine River Capital Management / Minnetonka, Minn. | 11,590 |
| 14. | 43. | Pure Alpha 18% Strategy | 60,730 | Global Macro | 22.30 | 0.80 | Bridgewater Associates / Westport, Conn. | 144,000 |
| 15. | 7. | Providence MBS Fund Ltd | 1,801 | Mortgage-Backed Securities | 22.16 | 10.94 | Providence Investment Mgmt / Providence, R.I. | 1,801 |
| 16. | 20. | Danske Invest Hedge Fixed Income Strategies | 1,145 | Fixed-Income Arbitrage | 22.10 | 33.71 | Danske Capital / Copenhagen | 121,830 |
| 17. | N.R. | OxAM Quant | 3,800 | Quantitative Multi-Strategy | 20.92 ¹ | 13.70 ¹ | OxFORD Asset Management / Oxford, U.K. | 3,800 |
| 18. | N.R. | Black River EMEA, LP | 355 | Emerging Market Multi-Strategy | 20.22 | 20.84 | Black River Asset Management / Hopkins, Minn. | 5,500 |
| 19. | N.R. | Renaissance Institutional Equities Fund LLC Series BB | 5,738 | Equity Long-Bias | 19.73 | 9.42 | Renaissance Technologies / New York | 21,637 |
| 20. | N.R. | Greylock Global Opportunity Ltd | 390 ² | Emerging Market Fixed-Income | 19.72 | 33.49 | Greylock Capital Management / New York | 600 |
| 21. | 15. | Autonomy Global Macro Ltd | 2,200 | Global Macro | 19.68 | 20.60 | Autonomy Capital / New York | 3,300 |
| 22. | 6. | ECF Value Fund, LP | 1,450 | Event Driven | 19.34 | 27.35 | Gates Capital Management / New York | 1,450 |
| 23. | N.R. | FORT Global Contrarian LP | 308 | Systematic CTA | 19.16 | 2.83 | FORT LP / Chevy Chase, Md. | 437 |
| 24. | N.R. | Ares Enhanced Credit Opportunities | 2,504 | Credit Long/Short | 19.14 | 19.07 | Ares Management / Los Angeles | 58,471 |
| 25. | 86. | All Weather @ 12% Ltd | 65,034 | Diversified Systematic | 19.03 | 16.49 | Bridgewater Associates / Westport, Conn. | 144,000 |
| 26. | 54. | Silver Point Capital LP | 2,600 | Credit | 19.00 | 25.14 | Silver Point Capital / Greenwich, Conn. | 7,200 |
| 27. | N.R. | Axonic Credit Opportunities Ltd | 1,089 | Structured Credit | 18.93 | 25.69 | Axonic Capital / New York | 1,343 |
| 28. | 21. | Citadel Kensington Ltd | 4,609 | Multi-Strategy | 18.89 | 24.83 | Citadel / Chicago | 13,000 |
| 29. | N.R. | 400 Capital Credit Opportunities LP | 354 | Asset-Backed Securities | 18.79 | 34.20 | 400 Capital Management / New York | 577 |
| 30. | N.R. | Waterfall Eden Fund, Ltd | 489 | Asset-Backed Securities | 18.48 | 23.23 | Waterfall Asset Management / New York | 2,000 |
| 31. | 19. | NZC Guggenheim | 1,262 | Opportunistic Credit | 18.41 | 21.01 | Guggenheim Partners / New York | 160,000 |
| 32. | 27. | Titan Partners, LP | 625 | Equity—Long Only | 18.14 | 18.42 | HHR Asset Management / Berkeley Heights, N.J. | 1,871 |
| 33. | 63. | Drawbridge Special Opportunities | 4,910 | Distressed Securities | 17.95 | 17.90 | Fortress Investment Group / New York | 53,430 |
| 34. | N.R. | BlackRock 32 Capital | 716 | Equity Long/Short | 17.91 | 8.77 | BlackRock / New York | 3,792,000 |
| 35. | N.R. | AHL Evolution Ltd | 2,000 | Diversified, Systematic | 17.87 | 23.62 | AHL / London | 14,400 |
| 36. | 42. | Third Point Offshore | 10,100 | Multi-Strategy | 17.49 | 21.50 | Third Point / New York | 10,100 |
| 37. | N.R. | Angelo Gordon Mortgage Value Partners LP | 3,180 | Distressed Credit | 17.10 | 20.60 | Angelo Gordon / New York | 25,000 |
| 38. | N.R. | Seer Capital Partners LP | 1,388 | Securitized Credit | 17.08 | 25.86 | Seer Capital Management / New York | 1,537 |
| 39. | 45. | CQS Directional Opportunities (USD) | 1,567 | Multi-Strategy | 16.98 | 35.94 | CQS / London | 12,000 |
| 40. | N.R. | GoldenTree Credit Opportunities Ltd | 1,310 | Credit Long/Short | 16.94 | 17.70 | GoldenTree Asset Management / New York | 16,700 |
| 41. | 14. | GLG Market Neutral Fund (USD) | 836 | Diversified Credit | 16.82 | 18.40 | GLG Partners / London | 26,600 |
| 42. | 10. | Palomino Fund—Class B | 5,100 | Credit/Global Macro | 16.82 | 29.27 | Appaloosa / Short Hills, N.J. | 14,400 |
| 43. | 46. | Guggenheim Partners Opportunistic Investment-Grade Securities | 1,961 | Structured Credit | 16.67 | 15.05 | Guggenheim Partners / New York | 160,000 |
| 44. | N.R. | GLG European Distressed—Class A | 548 | Distressed Credit | 16.34 | 17.92 | GLG Partners / London | 26,600 |
| 45. | N.R. | Cevian Capital II Ltd (USD hedged) | 7,432 | Operational Activist | 16.20 | 22.40 | Cevian Capital / London | 8,580 |
| 46. | 56. | Omega Overseas Partners Ltd | 7,007 | Equity Long/Short | 15.56 | 29.70 | Omega Advisors / New York | 7,007 |
| 47. | N.R. | Napier Park Mortgage Credit Opportunity | 452 | Mortgage-Backed Securities | 15.40 | 26.83 | Napier Park Global Capital / New York | 6,400 |
| 48. | N.R. | BlackRock Fixed-Income Global Alpha | 3,786 | Diversified Fixed-Income | 15.17 | 14.37 | BlackRock / New York | 3,792,000 |
| 49. | 84. | Quaesta Capital Bond Global Select | 604 | Macro | 15.11 | 19.13 | Quaesta Capital / Frankfurt, Germany | 793 |
| 50. | N.R. | Good Hill Overseas Ltd | 342 | Asset-Backed Securities | 15.00 | 11.96 | Good Hill Partners / Westport, Conn. | 381 |
| 51. | 85. | Halcyon Off-Shore Asset-Backed Value Ltd | 2,600 | Distressed Asset-Backed Securities | 14.86 | 16.13 | Halcyon Asset Management / New York | 12,000 |

SPECIAL REPORT | HEDGE FUNDS

| Rank | | Fund Assets (mil) | Fund Strategy | 3-Yr Compound Annual Return | 2012 Return | Company/Location | Total Firm Assets (mil) | |
|--|------|---|------------------|---|----------------|------------------|---|-----------|
| 2012 | 2011 | | | | | | | |
| 52. | N.R. | Redwood Offshore Ltd | \$4,300 | DistressedCredit | 14.86% | 23.40% | Redwood Capital Mgmt / Englewood Cliffs, N.J. | 5,000 |
| 53. | N.R. | Oculus | 9,000 | Discretionary Macro | 14.82 | 20.00 | D.E. Shaw / New York | \$20,000 |
| 54. | N.R. | Children’s Investment Fund | 4,944 | Equity Long/Short | 14.74 | 29.52 | TCI Fund Management / London | 8,200 |
| 55. | N.R. | PanAgora Diversified Risk Multi Asset | 2,126 | Global Macro | 14.49 | 14.29 | PanAgora Asset Management / Boston | 28,700 |
| 56. | N.R. | Cassiopeia Fund - Class B | 689 | Volatility Arbitrage | 14.47 | 25.38 | Dominicé & Co Asset Mgmt / Geneva | 747 |
| 57. | 62. | Obsidian | 810 | Fixed-Income Relative Value | 14.34 | 34.28 | BlackRock / New York | 3,792,000 |
| 58. | N.R. | Premium Point Mortgage Credit | 811 | Mortgage-Backed Securities | 14.33 | 25.72 | Premium Point Investments / New York | 1,577 |
| 59. | N.R. | Lone Kauri | 3,897 | Equity Long/Short | 14.24 | 27.70 | Lone Pine Capital / Greenwich, Conn. | 17,000 |
| 60. | 93. | Litespeed Offshore Ltd | 1,366 | Event Driven | 14.08 | 21.84 | Litespeed Management / New York | 1,366 |
| 61. | N.R. | Citadel Global Equities Ltd | 2,132 | Equity Long/Short | 14.00 | 16.90 | Citadel / Chicago | 13,000 |
| 62. | N.R. | Adage Capital Partners | 18,200 | Equity Long/Short ex Small Cap | 13.70 | 20.80 | Adage Capital Management / Boston | 27,245 |
| 63. | 69. | Rimrock High Income PLUS Ltd | 1,322 | Credit Long/Short | 13.68 | 14.34 | Rimrock Capital Management / Irvine, Calif. | 2,320 |
| 64. | N.R. | MW Global Opportunities | 1,552 | Equity Long/Short | 13.64 | 6.83 | Marshall Wace / London | 8,345 |
| 65. | N.R. | Blue Harbour Strategic Value Offshore Ltd | 1,100 | Activist | 13.61 | 16.20 | Blue Harbour Group / Greenwich, Conn. | 1,300 |
| 66. | 17. | Pine River Ltd | 1,628 | Global Multi-Strategy Relative Value | 13.59 | 21.75 | Pine River Capital Management / Minnetonka, Minn. | 11,590 |
| 67. | N.R. | Ellington Credit Opportunities Ltd | 463 | Mortgage-Backed Securities | 13.53 | 27.73 | Ellington Management Group / Old Greenwich, Conn. | 4,900 |
| 68. | N.R. | Visium Global Offshore Ltd | 500 | Multi-Strategy | 13.40 | 19.53 | Visium Asset Management / New York | 4,000 |
| 69. | N.R. | Solus Sola Ltd | 1,112 | Event Driven/Distressed | 13.38 | 11.56 | Solus Alternative Asset Management / New York | 3,021 |
| 70. | N.R. | III Fund Ltd Series 1 | 596 ³ | G7 Sovereign and Agency Debt | 13.06 | 11.83 | III Associates / Boca Raton, Fla. | 2,296 |
| 71. | 60. | Friedberg Global Macro, Ltd | 878 | Global Macro | 12.71 | -8.72 | Friedberg Mercantile Group / Toronto | 2,788 |
| 72. | N.R. | JANA Nirvana Offshore Fund, Ltd | 547 | Event Driven | 12.70 | 33.31 | JANA Partners / New York | 3,951 |
| 73. | 36. | PH&N Absolute Return Fund | 769 | Multi-Strategy | 12.63 | 10.81 | RBC Global Asset Management / Vancouver | 286,900 |
| 74. | N.R. | Echo Street Capital Partners LP | 484 ⁴ | Equity Long/Short | 12.47 | 16.60 | Echo Street Capital Management / New York | 484 |
| 75. | 40. | Glenview Offshore Opportunity Ltd | 937 | Equity Long/Short | 12.30 | 53.80 | Glenview Capital Management / New York | 4,530 |
| 76. | N.R. | III Relative Value Credit Strategies Ltd Series 2 | 553 ⁵ | Relative Value Credit | 12.27 | 10.22 | III Associates / Boca Raton, Fla. | 2,296 |
| 77. | 24. | Cambrian Fund Ltd | 776 | Equity—Long Only | 12.22 | 8.31 | Atlantic Investment Management / New York | 1,777 |
| 78. | 18. | Serengeti Opportunities | 643 | Event Driven | 12.20 | 13.40 | Serengeti Asset Management / New York | 1,124 |
| 79. | 25. | GoldenTree Master | 2,939 | Credit Long/Short | 12.17 | 14.49 | GoldenTree Asset Management / New York | 16,700 |
| 80. | 61. | Teton Capital Partners, LP | 546 | Equity Long/Short | 12.16 | 22.25 | Ancient Art / Austin, Texas | 546 |
| 81. | N.R. | Fir Tree Value LP | 6,121 | Opportunistic Value | 11.97 | 17.38 | Fir Tree / New York | 8,848 |
| 82. | N.R. | CQS ABS Ltd Class B (USD) | 2,433 | Asset-Backed Securities | 11.92 | 16.86 | CQS / London | 12,000 |
| 83. | N.R. | Perella Weinberg Partners Asset-Based Value LP | 871 | Distressed Securities | 11.87 | 10.49 | Perella Weinberg Partners Capital Mgmt / New York | 8,500 |
| 84. | 29. | Discovery Global Opportunity Ltd | 6,232 | Global Macro/Equity Long-Short | 11.85 | 15.05 | Discovery Capital Mgmt / South Norwalk, Conn. | 8,560 |
| 85. | N.R. | Waterfall Victoria Ltd | 466 | Mortgage-Backed Securities—Non-performing | 11.84 | 14.51 | Waterfall Asset Management / New York | 2,000 |
| 86. | N.R. | Dymon Asia Macro | 2,535 | Asian Global Macro | 11.80 | 1.00 | Dymon Asia Capital / Singapore | 2,800 |
| 87. | N.R. | GMO Emerging Country Debt LP | 978 | Emerging Sovereign | 11.78 | 20.50 | Grantham, Mayo, Van Otterloo / Boston | 106,200 |
| 88. | N.R. | SAC Capital International | 9,000 | Equity Long/Short | 11.75 | 14.00 | SAC Capital Advisors / Stamford, Conn. | 15,000 |
| 89. | N.R. | Newbrook Capital Partners | 540 ⁶ | Equity Long/Short | 11.70 | 10.40 | Newbrook Capital / New York | 685 |
| 90. | N.R. | Dorsal Capital Partners, LP | 735 | Equity Long/Short | 11.59 | 11.25 | Dorsal Capital Management / Redwood City, Calif. | 735 |
| 91. | N.R. | MidOcean Credit Opportunity LP | 441 | Credit Long/Short | 11.55 | 10.77 | MidOcean Partners / New York | 638 |
| 92. | N.R. | Value Partners High-Dividend Stocks Fund | 880 | Emerging Markets—Asia | 11.49 | 24.97 | Value Partners Limited / Hong Kong | 7,900 |
| 93. | N.R. | Marathon EM Opportunity | 320 | Emerging Market Credit | 11.48 | 4.90 | Marathon Asset Management / New York | 10,800 |
| 94. | N.R. | Eagle Global Ltd | 387 | Diversified Systematic | 11.46 | 8.10 | Eagle Trading Systems / Princeton, N.J. | 2,578 |
| 95. | 16. | Element Capital Ltd | 3,939 | Global Macro | 11.42 | 2.74 | Element Capital Management / New York | 3,939 |
| 96. | N.R. | Fir Tree Capital Opportunity LP | 1,550 | Credit | 11.41 | 12.70 | Fir Tree / New York | 8,848 |
| 97. | N.R. | First Quadrant Essential Beta—10% Volatility | 565 | Long-only futures and options | 11.38 | 7.88 | First Quadrant / Pasadena, Calif. | 17,105 |
| 98. | 94. | Contrarian Capital Fund I | 2,100 | Distressed | 11.36 | 24.54 | Contrarian Capital Management / Greenwich, Conn. | 3,200 |
| 99. | N.R. | PIMCO PARS V Master Ltd | 367 | Global Fixed-Income | 11.30 | 15.90 | PIMCO / Newport Beach, Calif. | 2,000,000 |
| 100. | N.R. | Whitebox Concentrated Convertible Ltd | 303 | Convertible Arbitrage | 11.28 | 9.50 | Whitebox Advisors LLC / Minneapolis | 2,311 |
| Barron’s Top 100 Hedge Fund Average | | | | 17.42 | 20.28 | | | |
| BarclayHedge Fund Index Average | | | | 4.30 | 8.25 | | | |
| S&P 500 Average | | | | 10.87 | 16.00 | | | |
| Barclays U.S. Aggregate Bond Index Average | | | | 6.19 | 4.21 | | | |

Assets as of December 2012. Fund assets include both on- and off-shore funds. Fund Name: When there are on- and off-shore funds, the performance cited is the larger of the two funds, with LP typically indicating on-shore and Ltd indicating off-shore. **N.R.** = Not Ranked. **1**-Oxam’s 2012 data for both performance figures are only through October 2012. **2**-Greylock Global Opportunity has \$150M in the fund with \$240M in two SMAs that are run pari passu. **3**-III Ltd has feeder funds assets of \$262M plus \$334M in private funds and SMAs that are run pari passu. **4**-Echo Street Partners assets include the LP fund of \$98M, QP (qualified purchaser) fund of \$146M, and one SMA run pari passu valued at \$240M. The LP, despite being smaller, is the source for performance because the QP doesn’t have three years of history. **5**-III RVCS has \$177M in the fund, and \$376M in private funds and SMAs that are run pari passu. **6**-Newbrook Capital’s fund assets are as of December 2011. Sources: BarclayHedge and Morningstar