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## **HEDGE FUND CLOSURES IN 2007 TOTAL \$18.6 BILLION, ACCORDING TO ABSOLUTE RETURN**

### **Sowood, Citi, Bear Stearns Among Biggest Fallouts**

**\$6.66 Billion in shutdowns so far in 2008**

New York, March 26, 2008 – At least 49 U.S. hedge funds closed down in 2007, representing \$18.6 billion in assets, according to recently released research published by *Absolute Return* magazine, a unit of HedgeFund Intelligence. More than half of the 10 largest shutdowns were on the wrong side of leveraged credit positions, including two Bear Stearns Asset Management structured credit funds and the year's biggest liquidation, Sowood Capital Management's \$3 billion Sowood Alpha Fund.

So far in 2008, hedge funds with \$6.66 billion in assets have shut down, including Peloton ABS Fund, Sailfish Multistrategy Fixed Income Fund and Drake Global Opportunities Fund.

By number, more long/short equity funds closed than any other strategy, with 16 funds representing \$4 billion in assets. Multistrategy funds had the biggest losses in terms of assets, with five fund shutdowns representing \$7.3 billion.

Among the notable closings were Citigroup's September shutdown of the \$2.5 billion Tribeca Global Investments and UBS Asset Management's Dillon Read Capital Management, which had raised \$1.5 billion from outside investors.

Hedge fund closures fell sharply from the prior year, when more than 83 funds managing approximately \$35 billion were liquidated. The collapse of a single firm, \$9.1 billion Amaranth Advisors, was the most significant closure in 2006.

Research conducted by *Absolute Return* includes only those funds that once managed \$25 million or more in assets. The full list was published in *Absolute Return's* March issue. Unless noted otherwise, all asset figures are as of January 1, 2008.

## TOP TEN 2007 HEDGE CLOSURES

Firm name	Fund name	Strategy	Peak Assets (in \$ millions)
Sowood Capital Management	Sowood Alpha Fund	Multi	3,000
Citi Alternative Investments	Tribeca Global Investments	Multi	2,500
Dillon Read Capital Management	DRCM outside investor fund	Multi	1,500*
NorOdin Investment Management	NorOdin Macro RV Overseas	Macro	1,200
Copper Arch Capital	Copper Arch Capital	U.S. Equity	1,000
Cantillon Capital Management	Cantillon U.S. Low Volatility	U.S. Equity	1,000**
Bear Stearns Asset Management	Bear Stearns High-Grade Structured Credit Strategies	ABS/MBS	900
Merlin BioMed Group	Merlin BioMed International Fund	Global Equity	900
Bear Stearns Asset Management	Bear Stearns Asset Backed Securities Fund	ABS/MBS	866
Bear Stearns Asset Management	Bear Stearns High-Grade Structured Credit Strategies Enhanced Leverage Fund	ABS/MBS	600

\* estimate

\*\*The fund was closed after investors elected to transfer about \$900 million of the \$1 billion into Cantillon U.S., a separate strategy run by Cantillon Capital Management.

Source: Absolute Return

### About *Absolute Return*

*Absolute Return* is the leading source of U.S. hedge fund news and information, featuring proprietary data and analysis on more than 2,700 U.S. single-manager hedge funds. *Absolute Return*, a monthly magazine, and the Absolute Return Directory and Database, are divisions of HedgeFund Intelligence, the biggest provider of hedge fund news and data in the world. We supply data on over 8,500 funds as well as comprehensive news and analysis from across the globe. For more information, please visit [www.hedgefundintelligence.com/ar](http://www.hedgefundintelligence.com/ar).