

AR Magazine Reveals the 25 Top-Earning Hedge Fund Managers of 2011

The world's top 25 hedge fund managers earned an average of \$576 million last year. The top three took home a combined \$8.5 billion.

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New York, New York, March 30, 2012 – The global economy may still be in recovery mode, but the hedge fund industry's top 25 managers are doing just fine. They took home a combined \$14.4 billion in 2011, according to *AR* magazine's annual Rich List survey of the world's top-earning hedge fund managers. The average pay for the top 25 was \$576 million, according to the ranking, which appears in the April issue of *AR*.

The richest managers were not immune to market volatility, however. Last year's total compensation for the 25 top earners fell nearly 35 percent from more than \$22 billion in 2010, and disappointing hedge fund performance played a large role in the steep decline. The HedgeFund Intelligence Global Composite Index lost 2.01 percent last year.

"Hedge fund managers are paid high fees to deliver positive absolute returns, regardless of the direction of the markets," says Michael Peltz, editor of both *AR* and *Institutional Investor* magazines. "In 2011, the majority of managers failed to do that."

Several managers bucked that trend, led by Raymond Dalio, the founder of Westport, Connecticut-based Bridgewater Associates. Dalio is the top hedge fund moneymaker for 2011, with earnings of nearly \$4 billion. Bridgewater is now the largest hedge fund firm in the world, with \$70 billion in hedge fund assets and \$120 billion in total assets under management.

Corporate-raider-turned-activist-investor Carl Icahn takes second place, with a \$2.5 billion payday in 2011. Though he returned capital to outside investors in the first half of 2011, his full-year gains of 34.5 percent before fees enabled him to qualify for this year's list.

Renaissance Technologies Corp. founder James Simons, No. 3 on the list, also benefited from strong performance, ending the year with a \$2.1 billion paycheck. Though Simons is retired from the East Setauket, New York firm, he still has a large percentage of his personal capital invested in Renaissance's hedge funds, which produced big gains last year.

The top five moneymakers for 2011 were:

1. Raymond Dalio (Bridgewater Associates)	\$3.9 billion
2. Carl Icahn (Icahn Capital Management)	\$2.5 billion
3. James Simons (Renaissance Technologies Corp.)	\$2.1 billion
4. Kenneth Griffin (Citadel)	\$700 million
5. Steven Cohen (SAC Capital Advisors)	\$585 million

Several managers turned in tepid performances in 2011, but that didn't stop them from qualifying for this year's Rich List. No fewer than 11 managers made the list despite posting only single-digit gains in their funds. This is partly because these managers have much of their personal wealth tied up in their funds, but also because their firms' assets have grown so large that income generated from management fees — typically 1 to 2 percent of a firm's assets — became a huge profit center.

The tough markets in 2011 led to a major shakeup of the Rich List this year. The majority of last year's winners — some 15 managers — fell off the list. The most high profile of these is Paulson & Co. founder John Paulson, who failed to make the Rich List for the first time since 2007 after some of his firm's hedge funds generated losses of between 30 and 50 percent.

There is no shortage of fresh faces on this year's Rich List. Eight managers on the list are newcomers, demonstrating that even in challenging markets it's still possible to generate outsize returns. They include Bridgewater co-chief investment officers Greg Jensen and Robert Prince, and Paul Singer of Elliott Management Corp.

This year marks the 11th year of the Rich List ranking, which started in the pages of *Institutional Investor* magazine, before migrating to *AR*. To be included on this year's list, a manager had to earn \$100 million, the lowest number in four years. The full list of the 25 top hedge fund moneymakers 2011 appears in the April issue of *AR* and can be found on the *AR* website, www.absolutereturn-alpha.com.

About AR

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