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## Record Hedge Fund Closures in 2008 From Madoff, Other Losses

MONDAY, MARCH 23, 2009 : PERMALINK

New York (HedgeCo.Net) - Over \$84 billion worth of U.S. hedge funds shut down last year, compared to just \$18.7 billion in 2007, according to the latest data published by Absolute Return Magazine, a unit of HedgeFund Intelligence. More than 200 funds closed up shop in 2008, with 20 percent or \$16 billion of those assets deriving from Madoff feeder funds.

The largest fund closure was Fairfield Greenwich Group's Fairfield Sentry fund, which once managed \$6.9 billion in assets, and fed almost all of their investments to Madoff funds. The other major Madoff feeder funds that faltered included Tremont Group's Rye funds, which once managed \$3.1 billion and Kingate Management's Kingate Global Fund which was worth about \$2.7 billion.

The largest failure unrelated to the Madoff scandal was Drake Management, who was forced to close funds that once oversaw \$4.7 billion. Citigroup's Old Lane Partners, another Multi-strategy hedge fund founded by its Chief Executive Vikram Pandit, decided to liquidate after unimpressive returns and mounting write downs by the bank. It once managed \$4.4 billion in assets.

Here are the top 10 hedge fund closures of 2008 according to Absolute Return Magazine:

1. Fairfield Greenwich Group, Fairfield Sentry  
Madoff feeder fund  
6.9 Billion
2. Drake Management, Global Opp, Low Volatility, Abs. Return  
Macro/Multi  
4.7 Billion
3. Citigroup, Old Lane Partners  
Multistrategy  
4.4 Billion
4. D.B. Zwirn, Zwirn Special Opp. Fund  
Multistrategy  
4.0 Billion
5. Tontine Capital Management, Tontine Capital, Tontine Partners  
Equity Long/Short  
4.0 Billion
6. Ospraie Management, Ospraie Fund  
Commodities  
3.8 Billion
7. Highland Capital Management, Crusader, Highland Credit  
Credit  
3.5 Billion
7. Peloton Partners, Peloton ABS, Peloton Multistrategy  
ABS, Multistrategy  
3.5 Billion
9. Tremont Group Holdings, Rye Investment Management  
Madoff feeder fund  
3.1 Billion
10. Kingate Management, Kingate Global Fund  
Madoff feeder fund  
2.7 Billion

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