



TIGER 21

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TIGER 21 Releases Results of 2011 Member Favorites Survey

Equities remain top ranked among favorite investment strategies of members from leading peer-to-peer investor network; Apple, Berkshire Hathaway, and GE top three stock plays; Master Limited Partnerships receive special attention

New York, NY (November 1, 2011) – While the economy remains unstable and the financial markets continue to experience dramatic swings, the high net worth investors of TIGER 21 have held their asset allocations generally steady and continue to favor investments that will produce over the long-term, according to its most recent Member Favorites Survey.

The survey of the more than 180 high net worth investors of TIGER 21 reveals that investments in public equities – whether through direct investments, ETFs, or managed accounts – were named as a favorite investment by 31% of respondents. Public equities were followed by hedge funds (22%), real estate (12%), fixed income (11%), private equity (11%), commodities (7%), cash (4%), currencies (1%), and all others categories (1%).

“In general, TIGER 21 members are interested in preserving the wealth they’ve built up over many years of hard work rather than taking unwarranted risks in a very volatile environment,” said Michael Sonnenfeldt, founder and chairman of TIGER 21.

The survey asked TIGER 21 members – who collectively control more than \$15 billion – to name their favorite investments and the percentage of their portfolios allocated to those investments.

Direct investment in individual stocks was the preferred method of investing in public equities – the most favored category according to the survey. Individual stock purchases were preferred by 50% of members who said public equities were their first choice, with equity investments through hedge funds (27%), ETFs /Index Funds (19%), and mutual funds (4%) accounting for the other half of the pie. Interestingly, although 31% of the members indicated that their “favorite” investment was public equity, only 19% of total assets were allocated to public equities.

The top-four most popular stocks among members are Apple (AAPL), Berkshire Hathaway (BRK-A), General Electric (GE), and Microsoft (MSFT). Broken down by sector, financial equities were most popular at 24%, followed by information technology (16%), and energy stocks (13%). Rounding out the top five sectors were consumer staples (10%) and healthcare (9%).

Interestingly, while Hedge Funds were the favorite investment of 22% of the members, in the aggregate, members were only allocating about 12% of total assets to Hedge Funds. This likely reflects that even when Hedge Funds provide superior returns, members still limit their exposure to this category.

Of the 22% of members indicating that their favorite investment was a hedge fund, hedge funds focused on Equity Long/Short strategy were most preferred (29%), while Event Driven Funds were favored by 24%, Multi-Strategy Funds by 21%, Macro Funds 15%, Relative Value 9%, and Fund of Funds 3%.



Among the hedge fund managers included in member's top ten favorites list (of all types of investments) were Elliott Management Corporation, Alpine Associates, Millennium Management LLC, Ramius Advisors LLC, and Hayman Advisors LP.

Two investments focused on Master Limited Partnership funds (MLPs) which made it into the top 10 of members' favorites were Chickashaw Capital Management's MLP Managed Account and Neuberger Berman LLC – The Rachlin Group's Income Plus Portfolio. MLP's have distinctive investment characteristics, combining the tax benefits of a limited partnership with the liquidity of publicly traded securities.

Other investment managers ranked in the top 10 by TIGER 21 members were Golub Capital Inc. (private equity), Morgan Stanley Smith Barney LLC – The Schmidt Group (Commodities), and equity fund manager Southeastern Asset Management, Inc.

Fixed income investments were named by 11% of respondents as a favorite investment with PIMCO Investments LLC specifically named as a favorite manager of these investments. Fixed income, along with the other safe haven of cash/cash equivalents, accounted for 26% of respondents' aggregate asset allocation. "The stability afforded by fixed income is in-line with members' appetite for safer investments and generally reliable returns. Members report allocating more than a quarter of their portfolios to cash and fixed income, echoing the cautious approach to investing that appears to be the new norm," added Sonnenfeldt.

Real Estate accounted for the largest allocation of assets at 25%, which blends members' ownership of one or more homes with their investments in income producing real estate (historically a roughly equal split). The attraction to real estate investments reflects members' backgrounds (many have created the majority of their wealth in real estate) as well as the sense that real estate can be income producing and returns can be quite independent of public equity market returns. "Many members created their wealth in this sector and feel comfortable investing in something they know. Over the long term, real estate, when well bought, has represented a very good opportunity to build and preserve wealth," said Sonnenfeldt.

"The investment managers named in the Member Favorites Survey represent the best-of-breed managers, yet is certainly not all-inclusive. The majority of TIGER 21 members take an active role in managing their portfolios, which includes vetting and choosing fund managers. Our members see great value in the TIGER 21 process, including actively interacting during presentations by top-tier fund managers, which helps them make informed decisions about individual investments as well as target asset allocations," said Sonnenfeldt.

About TIGER 21:

TIGER 21 (The Investment Group for Enhanced Results in the 21st Century) is North America's premier peer-to-peer learning network for high net worth investors. TIGER 21 has 180 Members who collectively manage over \$15 billion in investable assets and have been entrepreneurs, inventors and top executives. TIGER 21 focuses on improving investment acumen as well as exploring common issues of wealth preservation, estate planning and family dynamics beyond finance. Founded in 1999, TIGER 21 is headquartered in New York City and has groups in New York, Los Angeles, San Francisco, San Diego, Miami, Washington, DC, and Dallas, as well as Canadian groups in Vancouver, Toronto, Calgary and Montreal. More information can be found at www.tiger21.com.