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in Airlines. Lots
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a different risk; you can take it but you have to understand it's a political calculus rather than just straight payoff."

Zimmerman has more clarity on industries like Tronox, the Kerr-McGee spinoff. The maker of titanium dioxide declared bankruptcy in 2009 to get clear of environmental problems its parent encountered in the former subsidiary. Litespeed purchased Tronox bonds, which then converted into stock at an average price of \$47 a share.

Without the environmental liabilities,

Tronox has a promising future. It's the fifth-largest producer of the paint chemical. Zimmerman estimates 2012 Ebitda will more than double to \$400 million. The market is dominated by a few players that reduced capacity during 2008 and 2009 and are now operating at nearly full bore. As demand recovers, Tronox and its rivals are raising prices, she says.

Tronox now trades at \$155 a share, and Zimmerman has a target price north of \$200. A little more legwork, and it could push across that line. ■

Embracing Risk

As the stock-market rally extended its gains, previously unpopular areas like Europe benefited.

Best	% Returns					Assets (mil)	Strategy
	Jan.	YTD*	1-Year	3-Yr Cum.	5-Yr Cum.		
Henderson Euro Select USD Cl A	45.6%	45.6%	17.7%	31.7%	24.1%	N/A	HF Europe Lg/Sh Equity
Loyola Capital Ltd	44.3	44.3	26.0	283.5	-39.0	4.8	HF US Lg/Sh Equity
Loyola Capital Ptnrs LP	43.6	43.6	27.2	315.7	-33.4	26.7	HF US Lg/Sh Equity
MTB Invest Ptnrs LP	28.9	28.9	1.0	N/A	N/A	8.2	HF US Lg/Sh Equity
Accretive Capital Ptnrs LLC	28.2	28.2	5.2	299.8	64.6	N/A	HF US Small Cap Lg/Sh Eq
Lasefense TianJin Ptnrs Corp	26.1	26.1	1.1	N/A	N/A	N/A	HF Global Macro
Fotic Chaos Value Growth	24.6	24.6	N/A	N/A	N/A	N/A	HF China Lg/Sh Equity
Bennett Diversified Global LP	24.2	24.2	-25.2	N/A	N/A	0.3	HF Global Macro
Vatea	24.1	24.1	-26.5	N/A	N/A	10.2	HF Global Macro
Northwest Warrant Ltd USD	24.1	24.1	-60.1	164.1	-68.6	10.2	HF Emerge Mkts Lg/Sh Eq
WORST							
NIS Guarded Strategy GBP	-47.7	-47.7	-64.9	N/A	N/A	0.2	HF of Fds - Multistrat
NIS Guarded Strategy Euro	-47.4	-47.4	-64.0	N/A	N/A	0.0	HF of Fds - Multistrat
Lionhart Asia Plus Ltd (OFF)	-29.0	-29.0	-68.0	-58.9	-48.8	22.7	HF Diversified Arbitrage
Lionhart Asia Plus Part (KY)	-28.6	-28.6	-68.4	N/A	N/A	4.1	HF Diversified Arbitrage
Lionhart Aurora Ltd-Venture(OFF)	-24.7	-24.7	-62.2	-33.1	-33.0	20.8	HF Diversified Arbitrage
Vol Edge A	-22.9	-22.9	-32.2	-93.1	N/A	140.5	HF Volatility
Vol Edge B	-22.2	-22.2	-35.2	-92.9	N/A	0.4	HF Volatility
Connective Capital II Cayman Ltd	-17.0	-17.0	23.0	N/A	N/A	1.9	HF Multistrategy
Connective Capital II QP	-16.9	-16.9	25.4	-24.8	23.4	15.2	HF US Lg/Sh Equity
SITIC FirstTrust Vector Invest Tr	-16.7	-16.7	N/A	N/A	N/A	N/A	HF China Lg/Sh Equity

BIGGEST

Bridgewater Pure Alpha Strat 18%	-1.1	-1.1	26.6	77.0	127.9	22555.0	HF Global Macro
Bridgewater Pure Alpha Strat 12%	-0.7	-0.7	16.7	45.9	78.9	10131.0	HF Global Macro
Winton Futures USD Cls B	0.6	0.6	6.9	15.6	60.5	9878.6	HF Systematic Futures
Millennium Int'l Ltd	1.8	1.8	8.8	40.8	53.8	8843.0	HF Diversified Arbitrage
Transtrend DTP - Enhance Risk (USD)	1.1	1.1	-6.9	-5.6	46.6	7315.8	HF Systematic Futures
Bridgewater All Weather 12% Strat	4.7	4.7	25.8	68.4	45.0	5231.0	HF Systematic Futures
Millennium USA LP	1.7	1.7	9.2	41.1	53.2	4572.0	HF Diversified Arbitrage
Brunner & Ptnrs Multi-Strategy	-0.6	-0.6	1.5	17.0	35.9	4360.0	HF Multistrategy
ACL Alternative	1.0	1.0	-7.5	-0.4	50.8	4155.7	HF of - Macro/System
Quantitative Global Program	-4.5	-4.5	6.8	8.1	62.4	3939.0	HF Systematic Futures
Owl Creek Overseas Ltd	3.6	3.6	-15.6	4.3	24.7	3489.0	HF Event Driven
Brunner & Ptnrs Nektar	0.6	0.6	6.4	72.7	98.3	3351.5	HF Debt Arbitrage
Aurora Offshr Ltd	2.3	2.3	-4.4	22.8	9.0	3256.0	HF of Fds - Equity
Bay Resource Ptnrs Offshr Ltd	6.9	6.9	1.3	101.0	75.3	2640.0	HF US Lg/Sh Equity
Absolute Alpha PCC Diversified EUR	-0.1	-0.1	-2.2	12.7	-2.0	2543.5	HF of Fds - Multistrat
Aurora Offshr Ltd II	2.2	2.2	-4.3	21.9	7.1	2455.0	HF of Fds - Equity
Arden Alternative Advisers SPC	1.3	1.3	-0.6	19.3	5.6	2271.0	HF of Fds - Multistrat
Lighthouse Diversified Ltd	1.8	1.8	-0.4	25.4	9.7	2271.0	HF of Fds - Multistrat
Man AHL Diversified plc Acc	0.3	0.3	-3.2	-8.7	32.1	2240.9	HF Systematic Futures