

## **J.P. Morgan's Highbridge Capital Management Announces Purchase of Majority Interest in Gávea Investimentos**

### ***-- Gávea to Expand Highbridge and J.P. Morgan Asset Management's Emerging Markets and Macroeconomic Investment Capabilities --***

**NEW YORK and RIO DE JANEIRO** - October 27, 2010 - Highbridge Capital Management, the global alternative asset manager owned by J.P. Morgan Asset Management, today announced the purchase of a majority interest in Gávea Investimentos, a leading alternative asset management company in Brazil with approximately \$6 billion of assets under management. Gávea was co-founded in 2003 by Chairman and Chief Investment Officer Arminio Fraga, former President of the Central Bank of Brazil.

"This has been a long courtship of one of the finest global macroeconomic hedge fund managers in the world," said Mary Callahan Erdoes, CEO of J.P. Morgan Asset Management. "Our clients look to us to invest their money with the smartest, most talented alpha managers. Partnering with Gávea gives our clients the ideal combination of local emerging markets expertise with the global platform of J.P. Morgan Asset Management."

"This is an important transaction for the future of Gávea and Highbridge. Gávea is a fantastic organization that reflects not only Arminio Fraga's well-deserved reputation as an exceptional economist and investor, but also his belief in the importance of creating a long-term business franchise," said Glenn Dubin, Chief Executive Officer of Highbridge. "Gávea will provide Highbridge with greater macroeconomic insight and direct exposure to investing in Brazil, which will be a powerful addition to our investment capabilities."

"We believe that this transaction creates one of the most compelling partnerships in the industry, and we are delighted to be joining Highbridge and J.P. Morgan Asset Management," said Arminio Fraga. "While our emerging market investment strategies can enhance Highbridge's global platform, we will benefit from their successful track record of building businesses like ours. Ultimately, this partnership will ensure that we continue to perform for our clients."

"J.P. Morgan Asset Management's successful alliance with Highbridge gives us a great foundation for this new partnership with Arminio Fraga and Gávea," added Jes Staley, CEO of J.P. Morgan's Investment Bank. "By partnering together, Highbridge and Gávea can bring even more value to their global clients."

According to Cláudio Berquó, CEO of J.P. Morgan Brazil, "Our alliance with a high-caliber organization such as Gávea will certainly help us accelerate our expansion plans in Brazil and in the region."

Highbridge and Gávea will have a relationship similar to that created by J.P. Morgan Asset Management's original purchase of Highbridge in 2004. Gávea's investment process will remain unchanged, and its day-to-day activities will continue to be managed by its executive team. This includes Arminio Fraga; Luiz Fraga, co-Founder and co-CIO of private equity, Gabriel Srouf, co-CIO of hedge funds, Chris Meyn, Head Portfolio Manager of private equity, and CEO Amaury Bier, a former deputy finance minister of Brazil. Marcelo Stallone will maintain his key role in the wealth management business. Arminio and Luiz Fraga will both join Highbridge's Board of Managers and Executive Committee, and Arminio Fraga will join the Highbridge Investment Committee.

The transaction is subject to the satisfaction of documentation conditions and is expected to close shortly.

### **About Highbridge Capital Management**

Highbridge Capital Management, LLC is a global alternative asset management firm founded in 1992. Since its inception, the company has developed for its clients a diversified investment platform that includes hedge funds, traditional investment management products, and debt and private equity investments with longer-term holding periods. With more than 350 employees, including over 110 investment professionals, Highbridge manages approximately \$21 billion of capital for some of the world's most prominent institutional investors, public and corporate pension funds, endowments, foundations and family offices. The firm is based in New York with offices in London, Hong Kong and Tokyo.

In December 2004, J.P. Morgan Asset Management purchased a majority interest in Highbridge, creating one of the largest and most significant strategic alliances in the hedge fund industry. In July 2009, J.P. Morgan Asset Management completed its purchase of substantially all remaining shares of the firm. This transaction remains at the vanguard of the institutionalization of the hedge fund industry and is widely viewed as a model of success.

### **About Gávea Investimentos**

Based in Rio de Janeiro, Gávea Investimentos is one of Brazil's leading alternative asset management organizations. With approximately \$6 billion of assets under management, Gávea offers its clients a broad range of investment products, including hedge funds, private equity and longer term investments, and wealth management services. Gávea invests across both emerging and broader international markets, with a macroeconomic, research-intensive investment process.

Gávea was co-founded in 2003 by Chairman and Chief Investment Officer Arminio Fraga, former President of the Central Bank of Brazil and current Chairman of the Board of the BM&F Bovespa, Brazil's securities, commodities and derivatives exchange. Mr. Fraga is also a distinguished scholar with extensive experience in international capital markets.

With offices in Rio de Janeiro and São Paulo, Gávea has over 100 employees. Gávea is regulated by the Brazilian Central Bank and the Comissão de Valores Mobiliários.

### **About J.P. Morgan Asset Management**

J.P. Morgan Asset Management, with assets under supervision of \$1.8 trillion, is a global leader in investment and wealth management that includes the J.P. Morgan Private Bank. J.P. Morgan Asset Management's clients include institutions, retail investors and high-net worth individuals in every major market throughout the world. J.P. Morgan Asset Management offers global investment management in equities, fixed income, real estate, hedge funds, private equity and liquidity. J.P. Morgan Asset Management provides trust and estate, banking and brokerage services to high-net-worth clients and retirement services for corporations and individuals. JPMorgan Chase & Co. (NYSE: JPM), the parent company of J.P. Morgan Asset Management, is a leading global financial services firm with assets of \$2.1 trillion and operations in more than 60 countries.

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