Welcome to the latest edition of Hedge Fund Spotlight, the monthly newsletter from Preqin providing insights into hedge fund investors. Hedge Fund Spotlight uses information from our online product Hedge Investor Profiles

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Hedge Fund Spotlight

September 2011

Liquidity Special

Feature Articles

This month's special edition of Hedge Fund Spotlight features two main articles on one of the most important issues in the hedge fund industry today - liquidity.

Liquidity Drives Institutional Flows into Hedge Funds - What do investors require and desire from their fund managers in terms of redemption and lock-up requirements? We reveal current investor sentiment and assess views on illiquid funds. Page 2.

Snapshot Study: Liquidity of Funds Post-Crisis - To what extent have managers had to change their terms to attract/retain investors over the past three years? We examine and evaluate the current clauses in fund offering documentation. Page 5.

Industry News

Institutional Investor News
Each month Preqin's analysts speak to hundreds of investors from around the world, uncovering vital, exclusive intelligence on hedge fund investment plans. This month's Industry News features important updates on EIM Group, Krusen Capital Management and SunAmerica Financial amongst others.Page 8.

Fundraising Assignment

Seed Fund of Hedge Funds
We evaluate institutional investor appetite for a fund of hedge funds team marketing a global seed capital vehicle with $300 million in assets under management. Page 10.

The Facts

What does the investor landscape look like in each region? Which investors are most interested in each fund strategy? Which fund strategies are most sought after by each group of investors? This month, The Facts examines:

- Japanese investors in hedge funds Page 12.
- Private sector pension funds that invest in hedge funds Page 13.
- Conferences - Details of upcoming hedge fund conferences from around the world Page 14.

Data

You can download all the data in this month's Spotlight in Excel
Wherever you see this symbol, the data is available for free download on Excel. Just click on the symbol and your download will begin automatically. Feel free to use the data in any presentations, but please remember to cite Preqin as your source.

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Liquidity Drives Institutional Flows into Hedge Funds

In the wake of the financial crisis and in times of heightened market volatility, liquidity is a prime concern for investors and managers alike. Dami Solebo uncovers current investor sentiment on this key issue.

Over the last few years, it has become clear that liquidity is a key concern for investors in the hedge fund space. As allocations to the asset class continue to grow, the profile of hedge funds has transformed, with a marked increase in demand for liquidity and transparency from investors. Liquidity is of great interest to investors as it enables them to exit positions at their own discretion, and in times of distressed markets it provides the opportunity to close positions in underperforming hedge funds.

In the June edition of Hedge Fund Spotlight we focused on demands for transparency within hedge fund portfolios. This month we take a closer look at the liquidity demands of institutional investors active in the asset class. Preqin analysts conducted detailed interviews with 80 institutional investment officers on a variety of topics surrounding the liquidity issue to ascertain their current attitudes and concerns. Investors which participated in this study were from a variety of global institutions including funds of hedge funds, endowments, public and private sector pension funds and family offices.

Increasing Liquidity Requirements

Three quarters of investors look for greater liquidity in their hedge fund portfolios in the post-financial-crisis period than they did previously, as shown in Fig. 1. This suggests that the market turmoil has had a profound effect upon investors with respect to both current and future investments in the asset class. In terms of the remaining 25% of investors which state no change in their liquidity requirements, it is unlikely that liquidity was not already a considerable concern for them, rather it was an issue which had played a important part in investment decisions prior to the financial crisis and as such the ensuing tumult did not have a significant impact on their fund selections. No investors interviewed stated that they seek less liquidity from hedge funds since 2008.

The current market difficulties appear to be having a small, but significant, effect on institutional acceptance of illiquidity in return for more favourable conditions. At present, 12% of investors stated that during this period of volatility they are exclusively looking at liquid investment strategies in their hedge fund portfolios.

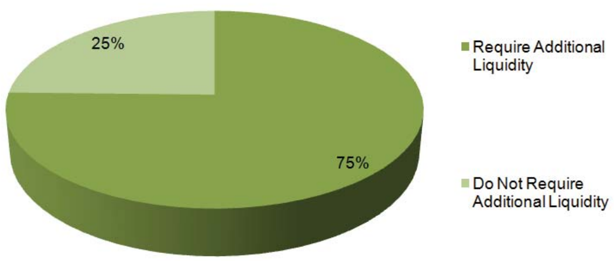
Lock-Up Requirements of Institutional Investors

Fig. 2 shows that 30% of investors that participated in this study are not prepared to consider funds that have a lock-up period. In many cases these investors have previously allowed capital to be locked-in, but have since reviewed their stance in the post-crisis environment. A European-based fund of hedge funds manager advised that it had previously considered investing in funds with lock-up periods beyond 12 months; however a greater demand for flexibility amongst its underlying investors has changed this stance and now it only considers completely liquid vehicles. In general, investors are unlikely to consider lock-up periods of above 24 months, with just 6% of investors surveyed accepting lock-ups greater than this.

Quarterly Redemption Favoured by the Institutional Market

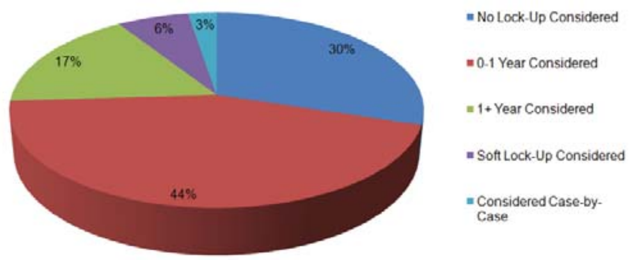
46% of investors that participated in the study look for quarterly redemptions from their hedge fund managers, although a small but significant group of investors will consider annual or biannual redemption periods. In general, the investors that are prepared to consider funds with higher lock-up periods, i.e. above 12 months, are also more inclined to accept at least semi-annual liquidity. Monthly redemptions are also popular amongst the institutional market, with 32% stating a preference for such liquidity provisions,

Fig. 1: Change in Investor Attitude Towards Hedge Fund Liquidity since 2008



Source: Preqin

Fig. 2: Breakdown of Investor Consideration of Hedge Fund Lock-Up Periods



Source: Preqin

as demonstrated by Fig. 3. With quarterly redemptions, 45 days was the most commonly chosen notice period, whereas investors that prefer monthly redemption typically favour a 30-day notice window.

Interestingly, investors appear to be limiting illiquidity in their hedge fund portfolios by requiring their hedge fund managers to offer shorter lock-up provisions, rather than reduced redemption periods. A preference for redemption periods shorter than a month is relatively uncommon, with just 7% of the surveyed investors requiring funds that allow such frequent withdrawal of capital.

Negotiations between Investors and Fund Managers

In a more difficult fundraising and asset-retaining environment, investors wield much power to negotiate favourable terms from their managers. Fig. 4 demonstrates that fees are the aspect of a fund which investors show the strongest desire to negotiate favourable terms over. Negotiations over this period have resulted in average fund management fees experiencing a marked drop from their 2% industry standard over the past three years, falling to approximately 1.6% on average today. 42% of the surveyed investors stated that they would be willing to allow capital to be locked-in to funds for greater lengths of time if this flexibility were rewarded with lower management fees.

To a lesser extent reduced performance fees are a popular choice for negotiations, with 38% of respondents stating they would allow longer lock-ups for more preferential performance charges. Approximately 37% of investors would consider locking up capital for extended periods of time if a longer-term strategy would be likely to result in greater returns for investors; however for 34% of investors that took part in the study, liquidity is the greatest concern, taking precedence over any proposed preferential terms and consequently would not enter into such an arrangement.

Previous Liquidity Restrictions Do Not Deter the Institutional Market

Although liquidity is clearly an important issue amongst the institutional universe, investors demonstrate allowances to funds that may have compromised liquidity terms in the past. This demonstrates that investors recognize the credit constraints experienced by fund managers in the post-crisis landscape and as long as this has been remedied in the intervening years then they will often consider the fund on equal terms to its peers. Fig. 5 shows that approximately 54% of the investors surveyed would consider investment with a fund that has previously changed liquidity terms to become more stringent. In many cases this was dependent upon the manager's motivation for the action, with one established fund of hedge funds manager commenting that it would not play a major part in the consideration of prospective investments as long as the adjustment was commensurate with the hedge fund's risk profile.

A similar percentage of institutions were also prepared to consider investing in hedge funds which have put fund/investor level gates in fund contracts. 54% of the investors which participated in the study have been invested in a fund that has gated assets and therefore it is encouraging to managers that despite this liquidity mismatch in the past, over half of investors are still willing to invest in funds with gates in the future.

Outlook

Hedge fund liquidity has become a prime consideration for institutional investors in the three years following the financial crisis. The majority of investors have grown in their desire to allocate to more liquid funds and to be able to exit their investments on a more regular basis. The demand for funds with shorter lock-up periods and greater flexibility in terms of redemptions has grown markedly since 2008, with funds which have adopted better liquidity terms for their investors being more successful in attracting institutional capital. Despite this, investors are also demonstrating encouraging levels of flexibility in their demands for liquidity, with many institutions willing to compromise on liquidity in return for concessions on fees, or for the promise of greater returns.

The demand for hedge fund managers to provide a greater degree of liquidity is also driving the growth of specialized structures such as managed accounts and UCITS within the industry, as investors seek to allocate to more liquid alternatives to the traditional commingled fund model.

Ultimately, managers that understand the underlying liquidity needs of their investors and subsequently structure and market their funds accordingly will be more likely to succeed in their

Fig. 3: Investors' Preferred Fund Redemption/Notice Periods

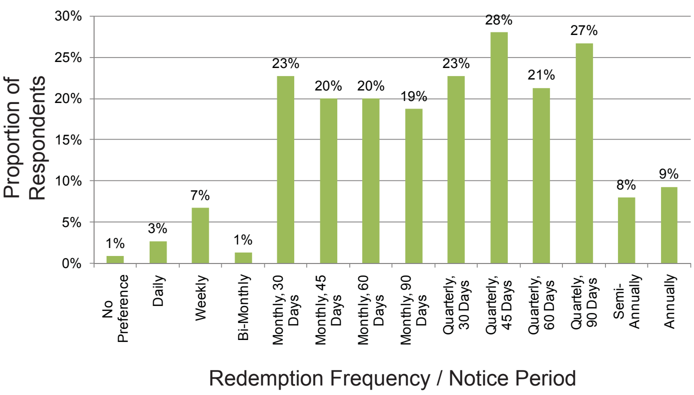


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Fig. 4: Investor Consideration of Preferential Terms in Exchange for Longer Lock-Up Periods

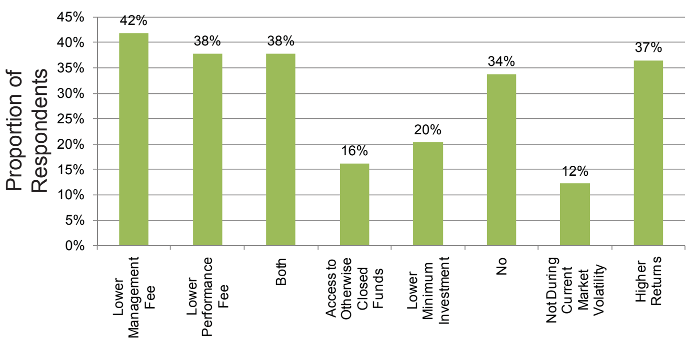

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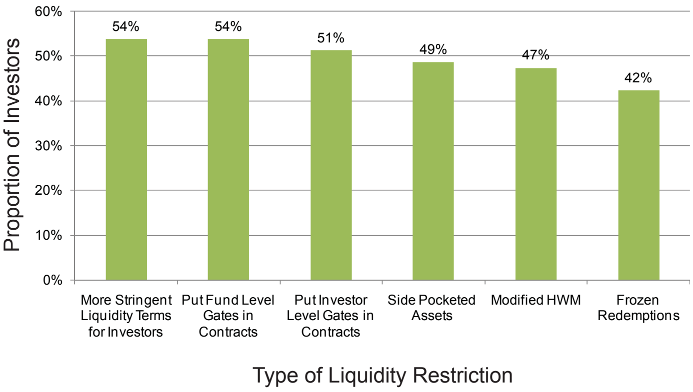
Fig. 5: Investor Appetite for Funds That Have Previously Imposed Liquidity Restrictons



Source: Preqin

Data Source:

Hedge Fund Investor Profiles represents an invaluable source of intelligence to hedge fund managers and industry professionals, featuring profiles for over 2,900 hedge fund investors.

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quest to gather institutional assets. In times of heightened market turbulence, the ability to provide such attractive terms becomes even more significant for attracting institutional capital, as investors seek to invest their capital in liquid assets.

Snapshot Study: Liquidity of Funds Post-Crisis

In a period of sustained difficulty in the fundraising market, hedge fund managers are under increasing pressure. Alex Chalikiopoulos investigates how managers have reacted to investors' liquidity concerns.

Over recent months, global market volatility, uncertainty surrounding regulatory reforms within the industry, and policymakers' reactions to events from Japan all the way to the US, have all acted as reminders of the financial situation witnessed in 2008. Since the 2008 crisis, the hedge fund industry has experienced a period of accommodation and adaptation, and has resulted in an investor base which is much more institutional in its make-up, and more demanding from its managers. Preqin's latest research focuses on how liquidity terms, gating provisions and redemption policies within the industry have evolved following events such as the credit crisis and the Madoff scandal. In this Snapshot Study of the hedge fund industry we examine in more detail manager provision of liquidity to investors. To accompany our in-depth interviews with key personnel on the institutional investor community, Preqin carried out a study of 50 hedge fund managers in order to examine how they were responding to an environment of increased liquidity demands by the investor universe.

Liquidity Is Important to Hedge Funds Post 2008

When asked about how much attention has been paid to the liquidity structure of a fund since 2008, just under half of the hedge fund managers which participated in the study responded that they pay a high level of attention to this aspect of their funds. Given the importance of this liquidity to institutional investors, it is an encouraging sign that managers are listening and accommodating investor concerns. About 38% cited that the level of attention paid was no different than that on other aspects of the fund, such as the fee structures, performance and asset allocation.

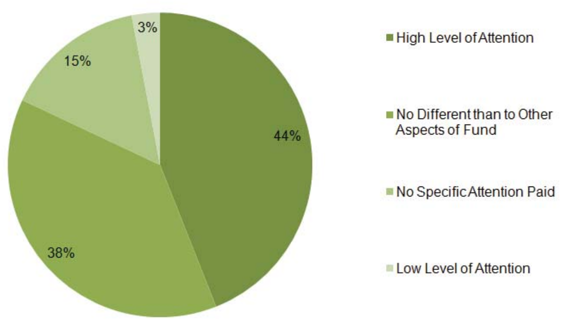
When looking at the underlying assets of a fund, over two-thirds of respondents stated that they have not changed in their liquidity appetite at the investment level, as shown in Fig. 2; however nearly a quarter of respondents advised that they are now looking at investing in more liquid assets at fund level. Given the investor-based appetite for fund transparency and the fact that in a separate investor study featured in Hedge Fund Spotlight 78% of hedge fund institutional investors stated that they were now looking ever more closely at underlying investments, it is no surprise that some managers may be more selective as to where their capital is invested and now take further into account the implications that liquidity, or lack thereof, will have on their asset allocation.

Lock-Ups and Redemption Frequencies of Funds in Market

According to the investor feature in this edition of Spotlight, 30% of the institutional investor space will not consider any lock-ups on their hedge fund investments. Using data on 6,000 hedge funds tracked by Preqin, this demand can be met by 53% of hedge funds (Fig. 3). 80% of funds that have a lock-up provision do so for one year or less and just 1% of the funds tracked by Preqin have a lock-up greater than three years. These figures demonstrate that managers are by and large offering more liquid funds to the investor community, and these more liquid offerings will aid fund managers' aims to gather much-valued new investor commitments.

The majority of funds (approximately 57%) opt to offer monthly redemption periods on their vehicles. When combined with the 23% that offer quarterly redemption, it is clear that only a minority fall outside of these two options. 11% of funds have redemption frequencies shorter than one month, and just 9% offer investors redemption periods less often. Funds that are wrapped in a

Fig. 1: Breakdown of Hedge Fund Managers' Attention Paid to the Liquidity of their Funds Over the Past Three Years



Source: Preqin

Fig. 2: Change in the Liquidity of Assets Invested in through Hedge Funds over the Past Three Years

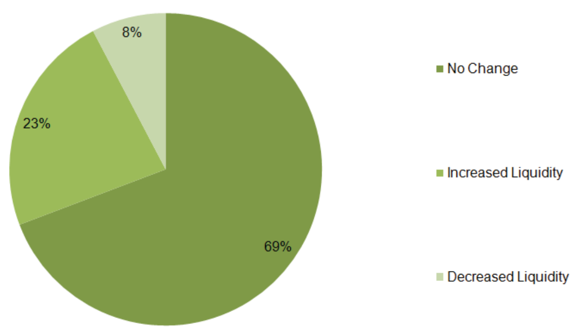


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Fig. 3: Breakdown of Hedge Fund Lock-up Periods

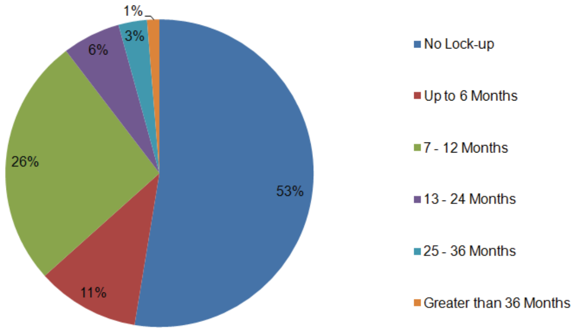

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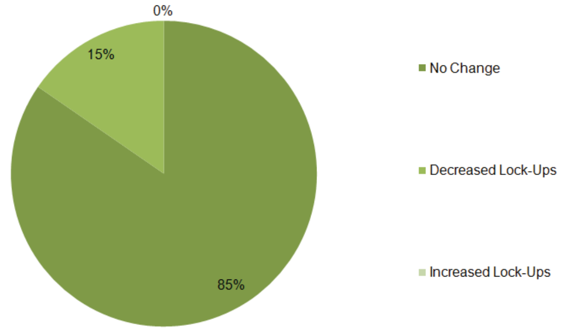
Fig. 4: Change in Hedge Fund Lock-Up Policies Over the Past Three Years



Source: Preqin

UCITS structure (the so-called 'Newcits') are constrained to a maximum of bi-monthly frequencies; however many UCITS-compliant funds offer greater liquidity than this. George Cadbury - of UCITS specialist Merchant Capital - told Preqin his firm had recommended that weekly frequencies on their funds be offered to investors as a competitive edge in a liquidity hungry environment.

Managers Favour Changes to Redemption Frequencies over Lock-Ups in their Bid for Liquidity

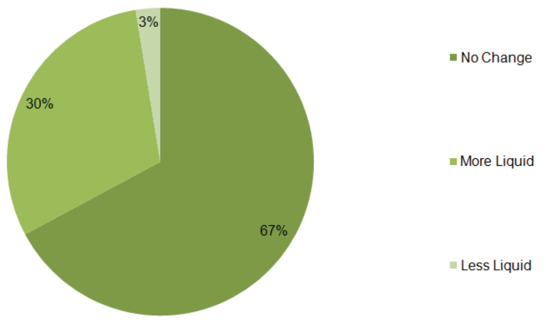
Not a single fund manager that participated in this study indicated that lock-ups had increased on their hedge fund offerings, with 15% stating that they had actually decreased over the same period, and 85% responding that they had not significantly changed. Consequently, while only a relatively small proportion of managers have altered the lock-ups of their funds post-crisis, all changes that have been made have resulted in more liquidity for investors.

Furthermore, 30% of participants in the study advised that redemption policies of their funds had improved over the same period. For example, Spartan Fund Management notified investors in its July fund report that it had improved the redemption terms for its flagship Volatility Arbitrage hedge fund, reducing its notice period from 45 days to one month. Additionally, a California-based hedge fund manager admitted liquidity was the number-one factor they considered prior to launch and consequently shortened the redemption frequencies and notice periods on their single-strategy funds from the monthly framework to 7 days.

40% of Funds have Contractual Gates

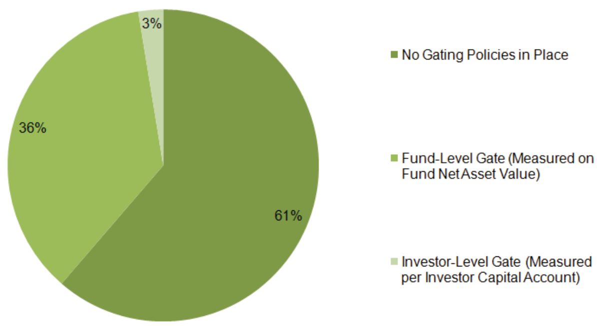
In regards to the gating policies within the industry (see Fig. 6), 61% of participants in the study confirmed that they had none in place, while the 39% that did have such provisions had an average gating clause percentage of 17.9%. One of the major problems hedge funds faced during the financial crisis was a string of redemption requests as investors rushed to get in line to remove their capital, in some cases 'over-inflating' their demands and spurring redemption suspensions. The gating of assets was a source of much malcontent from the investor community and has been a major cause of the growth of the appetite for liquidity in the hedge fund industry. Although, as our investor feature suggests, investors will consider funds with gating clauses, it is such discontent from the investor community that has led some managers to revisit their policies. For instance a large New York-based hedge fund revealed in our study that it is evaluating whether to implement an investor-level gate, from its current 15% fund-level gating policy, in order to eliminate the co-investor risk

Fig. 5: Change in Hedge Fund Liquidity/Redemption Policies Over the Past Three Years



Source: Preqin

Fig. 6: Breakdown of Current Hedge Fund Gating Policies



Source: Preqin

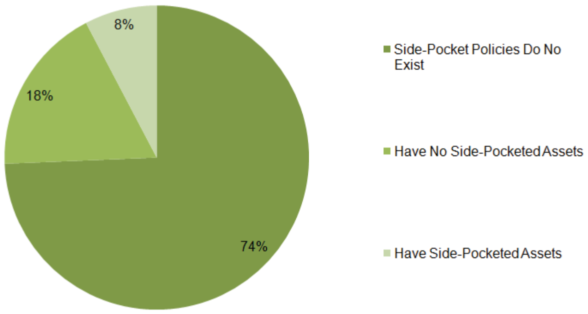
implied with fund-level gates and to become more attractive to investors.

Although none of the respondents that divulged information on their gating policies had actually raised gates, it was intriguing to note that one other US-based manager had implemented an investor-level gate in the wake of the market turbulence three years ago. In fact, the same firm had side-pocket provisions in place prior to that period, but had come a long way in achieving increased liquidity through its offerings by completely eradicating lock-ups. As Fig. 7 shows, only 8% of the managers that responded stated that they had side-pocketed assets in the past, as opposed to 74% which implied that no such provision was in place. Of those managers that had in the past side-pocketed assets, the terms had been implemented prior to the 2008 financial crisis.

Outlook

As the hedge fund industry continues to adapt and shape itself around the increasing and ever-changing demands from the institutional investor universe, it is likely that managers which address such concerns will be in a position to increase inflows. In line with the investor community's sentiment, one Singapore-based manager vowed to remain as liquid as possible, but would be focusing on AUM growth through performance and operational excellence, rather than battling ahead with further liquidity reforms. Recent history has demonstrated that, on average, the industry has outperformed traditional markets in a downturn. As some clouds begin to appear over the horizon with regards to the global economy, investors' requirements for liquidity surrounding their investments in hedge funds will be of paramount interest and so will the response of fund managers worldwide.

Fig. 7: Proportion of Hedge Funds that have Side-Pocketed Assets



Source: Preqin

Industry News

Claire Wilson rounds up the latest headlines, based upon intelligence gathered by Preqin analysts. Preqin Online subscribers can click on the investor name to view the full profiles.

Global macro is in vogue this month, with a number of investors announcing plans to add such hedge funds to their portfolios during the coming year.

For example, Trafalgar House Pension Trust, which maintains a hedge fund allocation of between 32% and 35%, recently hired a global macro manager and anticipates adding another over the next 12 months.

At present most of the pension plan's investments are made through single-manager funds and in the long term it anticipates increasing its allocations to equity hedge funds, meaning that its investment in multi-manager funds is likely to decline.

CrossBorder Capital is also looking for opportunities in the global macro space, and its planned investments are likely to focus on funds of this type or long/short equity strategies. The $50 million fund of hedge funds manager invests globally and currently manages two funds of hedge funds. It is invested in 25 underlying hedge funds.

Another fund of hedge funds manager, EIM Group, may invest in global macro in the next 12 months through new multi-manager vehicles it expects to launch. The $7.5 billion firm, which has not revealed its specific investment plans, is also keen to add CTA and event driven managers to its portfolios.

Strategic Changes

Some investors are changing the way in which they invest in hedge funds. Louisiana Parochial Employees Retirement System has redeemed one of its existing fund of hedge funds investments in order to make direct investments. To date it has invested in two multi-strategy direct hedge funds and its portfolio consists of one fund of hedge funds and the two direct investments.

Krusen Capital Management meanwhile, has announced plans to start investing in managed accounts in the next year. The $220 million fund of hedge funds manager, which currently has a diverse portfolio of 18 funds, is to continue investing with its existing managers and is looking to transfer its commingled investments to managed accounts.

Hunting for More Hedge Funds

Insurance companies are keen to invest in hedge funds and Preqin has learnt that two such investors are looking for new opportunities. Firstly, the $250 million SunAmerica Financial Group will invest in up to five new managers in the next 12 months. The insurance company has no particular strategic preferences, but will not invest in funds of hedge funds, preferring to invest directly. Funds should have lock ups of no more than 36 months.

Secondly, Swiss National Accident Insurance Institution is also planning to invest in multiple hedge funds in the coming year. The $45 billion company, which invests globally, is planning to invest in around seven hedge funds and does not have any preferences when it comes to strategy. Each opportunity will be considered on a case-by-case basis although the insurance company will not invest with emerging managers or spin-off teams.

Data Source:

Do you have any news you would like to share with the readers of Spotlight? Perhaps you're about to launch a new fund, have implemented a new investment strategy, or are considering investments beyond your usual geographic focus?

Send your updates to cwilson@preqin.com and we will endeavour to publish them in the next issue.

Preqin gathers industry news from our direct communication with hedge fund investors and regular news can be found on Preqin Hedge Fund Investor Profiles. In the last month Preqin's team of dedicated research analysts have added 80 new hedge fund investors and updated 450 investor profiles.

2011 Preqin Global Hedge Fund Investor Review

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The 2011 Preqin Global Hedge Fund Investor Review provides profiles and analysis for the most important institutional investors in hedge funds from around the world.

- Profiles for 1,000 key institutional investors arranged into 23 key regions from around the world
- Profiles include fund preferences by strategy and geography, key financial information, direct contact details for key personnel, sample investments
- Analysis and league tables for investors from each region
- Analysis for investors in each of the ten most important hedge fund strategies with listings for active investors
- Analysis and listings for investors looking to allocate to UCITS or managed account vehicles
- Exclusive results of Preqin investor surveys
- Listings and analysis for 167 third party marketers and 103 prime brokers
- Analysis of emerging manager investors
- Exclusive information gained through direct contact with institutional investors

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Seed Fund of Hedge Funds

Each month, Spotlight examines the make-up of investors that are most likely to be interested in specific fund types. This month, Graeme Terry looks at the best prospects for a fund of hedge funds team targeting investors for a global seed capital vehicle.

Fig. 1: The Assignment

Fund Strategy	Seed Fund of Funds
Fund Geographic Focus	Global
Track Record	2 Years
Assets Under Management	$300mn

Source: Preqin

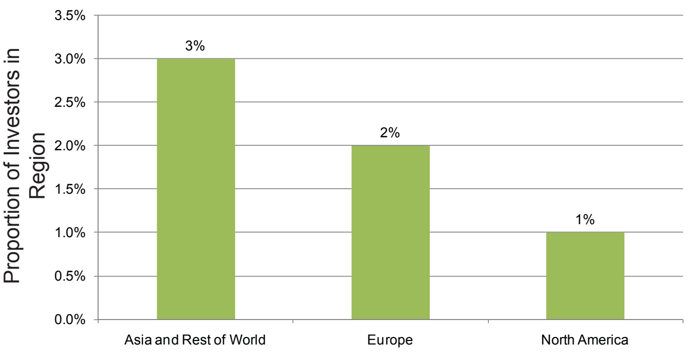
The Long List

This month we are looking at a fund of hedge funds manager marketing a global seed capital vehicle. The fund in question has $300mn in assets under management and has had a successful track record since Q1 2009. It is looking to grow through institutional marketing in order for it to be able to make additional seed investments. Preqin's Hedge Fund Investor Profiles product shows that 43 institutional investors show an interest in this fund, which demonstrates that seeding amongst institutional investors such as pension funds, endowments and foundations is relatively niche. Despite this, with the rising number of fund launches and stalling in fundraising for some vehicles, seed capital provision is becoming ever more significant for hedge funds seeking to reach institutional size. As a result the importance of seeding platforms and providers of seed capital is growing.

The fund would appeal to a slightly higher percentage of investors in Asia and Rest of Word compared with investors in Europe and North America, as shown by Fig. 2. Potential investors in this region include Australia-based asset manager ipac Asset Management, which previously provided seed capital to the Prisma Global Multi-Strategy fund of hedge funds. In terms of investor type, asset managers and investment companies are most likely to be interested in investing in this type of fund. Potential investors include the Japanese asset manager Pension Fund Association and US-based investment company Granite Associates, which have both stated they are open to the possibility of seeding funds. The next most likely targets are superannuation schemes and pension funds. Typically these investors have a preference for funds of hedge funds, although UK-based Universities Superannuation Scheme, which recently announced plans to make seed investments, is one such institution that intends to do so directly rather than via a fund of funds vehicle.

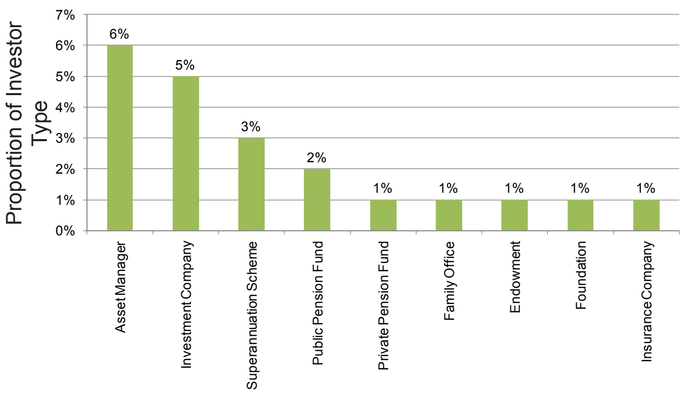
The investment barometer in Fig. 4 highlights how the final list of 43 investors is determined from the overall universe of investors. By adding levels of investment criteria we get to the list of investors that would be prepared to invest in a global seed capital fund of hedge funds vehicle. It can be seen in all cases that the majority of investors will target funds that invest on a global scale: however only a very small percentage of investors are willing to provide seed capital for a fund. This is because for many institutional investors the rewards of investing in such an early stage of fund management group are outweighed by the possible costs of fund implosion. Some groups of investors, such as endowments, show a relatively strong appetite for seeding (around 5% of such investors), but prefer to seed funds directly rather than through a fund of funds and consequently a vehicle

Fig. 2: Proportional Appetite of Investors by Region



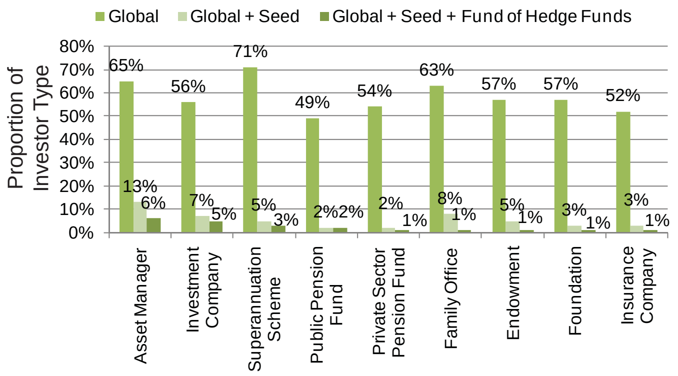
Source: Preqin

Fig. 3: Proportional Appetite of Investors by Investor Type



Source: Preqin

Fig. 4: Investor Barometer: Proportion of Investors with Interest in Fundraising Assignment by Type



Source: Preqin

Data Source:

There are currently 285 investors profiled on Hedge Fund Investor Profiles that express an interesting in seeding hedge funds. 156 are in North America, 98 in Europe and 31 in Asia and ROW

How can Hedge Fund Investor Profiles help you target the most likely investors for your fund? For more information please visit: www.preqin.com/hedge

such as this is not appealing. Interestingly nearly all public pension funds that seed funds do so via a fund of funds or seed platform. It is expected that the number of potential investors will increase in the next few years as the importance of seeding platforms and fund of funds continue to grow and as institutional risk appetite grows.

The Short List

Fig. 5 reveals the key details of three prominent institutional investors that would be potentially interested in such a fund of hedge funds.

Fig. 5: The Short List

Investor	Type	Location	Details
Gjensidige Forsikring	Insurance Company	Norway	• Has seeded funds in the past and would do so again if a suitable opportunity arises. • Invests in funds of hedge funds and managers with a global mandate.
Policemen's Annuity and Benefit Fund of Chicago	Public Pension Fund	US	• Prepared to seed funds. • Only invests through funds of hedge funds. • Planning to make opportunistic hedge fund investments over the next 12 months.
Pension Fund Association	Asset Manager	Japan	• Invests in funds of hedge funds on a global scale. • Open to the possibility of seeding a fund.

Source: Preqin

Japanese Investors

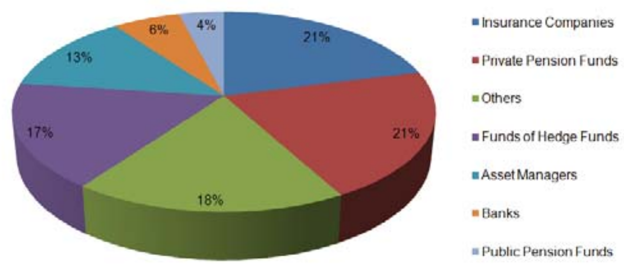
In this month's Regions section, Ivan Jincheng Han takes a look at Japan-based institutional investors in hedge funds.

Fig. 1: Key Facts: Japanese Institutional Investors

Median AUM ($mn)	22.4bn
Median allocation to HFs	2.8%
Median target allocation to HFs	1%
Typical portfolio size	20-30
Typically been investing for	7 Years

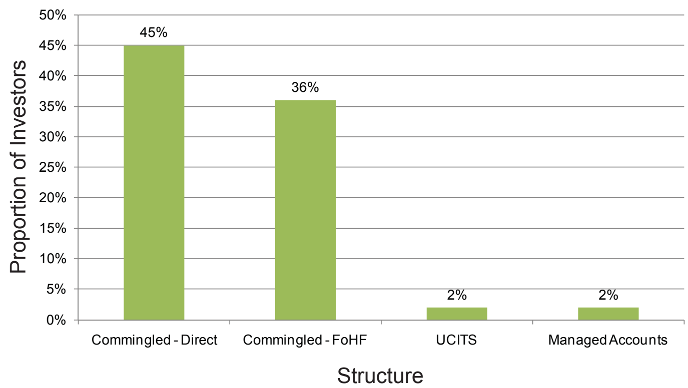
Source: Preqin

Fig. 2: Breakdown of Japanese Institutional Investors by Type



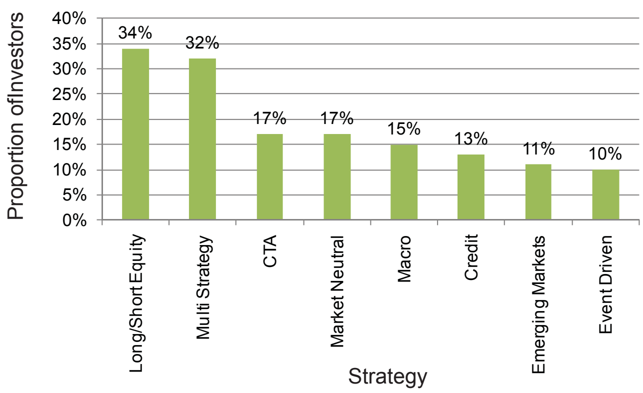
Source: Preqin

Fig. 3: Structures of Hedge Funds Used by Japanese Institutional Investors



Source: Preqin

Fig. 4: Strategic Preferences of Japanese Institutional Investors



Source: Preqin

Fig. 5: Key Japanese Institutional Investors

Investor	Investor Type	AUM ($bn)	Allocation to HF (%)
Sumitomo Life Insurance Company	Insurance Company	282.7	1.0
Pension Fund Association	Asset Manager	137.8	4.0
Sumitomo Mitsui Asset Management	Asset Manager	110	1.0
Sony Pension Fund (Japan)	Private Pension Fund	672.2	9.9
KDDI Pension Plan	Private Pension Fund	347.7	27.6

Source: Preqin

Preqin Hedge Investor Online subscribers can click on the firm name to see the full profile.

Private Sector Pension Funds

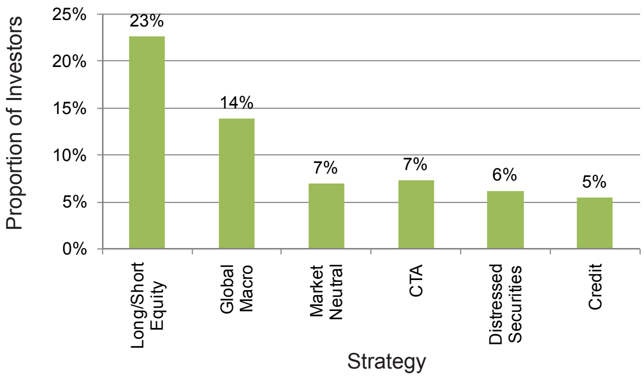
Amy Bensted takes a look at private sector pension funds with exposure to hedge funds.

Fig. 1: Key Facts: Private Sector Pension Funds

Average allocation to hedge funds	8%
Average target allocation to hedge funds	9%
Most favoured investment approach (direct funds, funds of funds, mixture of both)	Funds of funds
Average number of hedge fund investments in portfolio	7-10
Typically been investing for	4 years

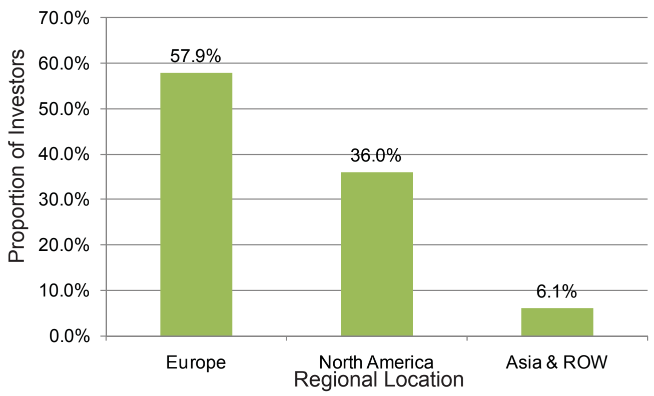
Source: Preqin

Fig. 2: Strategic Preferences of Private Sector Pension Funds Investing in Hedge Funds



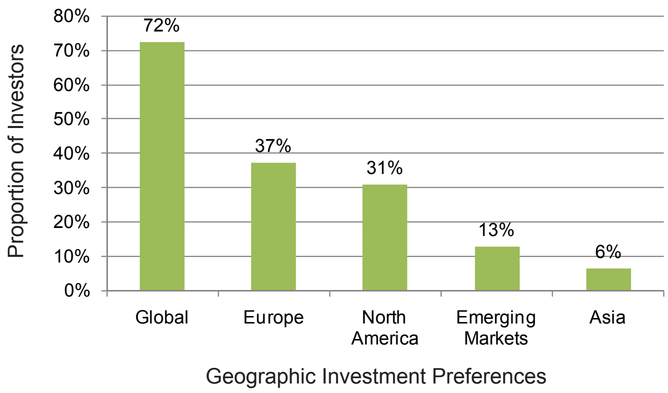
Source: Preqin

Fig. 3: Geographic Location of Private Sector Pension Funds Investing in Hedge Funds



Source: Preqin

Fig. 4: Regional Preferences of Private Sector Pension Funds Investing in Hedge Funds



Source: Preqin

Fig. 5: Five Leading Private Sector Pension Funds Active in Hedge Funds

Name	Location	AUM ($bn)	Allocation to HF (%)
Stichting Shell Pensioenfonds	Netherlands	24.1	8.0
Raytheon Company Pension Plan	US	14	20.0
Toshiba Employees' Pension Fund	Japan	8.6	11.0
Trafalgar House Pension Trust	UK	2.3	32.4
Edifondo	Switzerland	0.3	18.8

Source: Preqin

Preqin Hedge Investor Online subscribers can click on the firm name to see the full profile.

Conferences Spotlight
Forthcoming Events

Conference	Dates	Location	Organizer
Marketing & Client Servicing for Hedge Funds	8 - 9 September 2011	New York	Financial Research Associates
InvestHedge Forum 2011	13 - 14 September 2011	London	Hedge Fund Intelligence
Hedge Fund Summit	14 September 2011	New York	FINforums
UCITS Alternatives Conference	19 - 20 September 2011	Zurich	2n20
9th Annual Alternative Investments Summit	19 - 20 September 2011	Miami	IMN
MENA Investment Management Forum	2 - 5 October 2011	Doha	ICBI
Introduction to Hedge Funds	3 October 2011	New York	FMW
Hedge Funds World LatAm 2011	4 - 6 October 2011	New York	Terrapinn
Shorex Annual Wealth Management Forum Zurich	5 October 2011	Zurich	Shorex
Emerging Hedge Funds World New York 2011	7 October 2011	New York	Terrapinn

Chief Investment Officer Summit

Date: 26 - 27 October 2011
Location: New York City
Organiser: Alpha Institutes

CIO Summit is intended to be a strategy-driven forum within the alternative investment community. Panel sessions are poised to highlight current fund management models, stimulate investment ideas and discuss current and futureinvesting trends. Attendees will explore a variety of alternative investment vehicle and the most effective and popular strategies implemented by active institutional investors.

Information: http://alpha-institutes.com/main/bbs/board.php?bo_table=2_01

Hedge 2011

Date: 1 - 3 November 2011
Location: Guoman Tower, London
Organiser: Terrapinn

Hedge 2011 brings together pension fund advisors with over $6 trillion of allocations to provide insights into the best Hedge Fund opportunities of 2012 and beyond.

Information: www.terrapinn.com/2011/hedge