

Industry News

Alex Jones rounds up the latest industry news based upon intelligence gathered by Preqin analysts. Preqin Online subscribers can click on the investor name to view the full profiles.

Despite challenging conditions for hedge funds in the past few years, with many managers experiencing poor performance, a number of institutional investors are planning on investing new capital in the next 12 months. As shown in the Chart of the Month, the majority (54%) of these investors expect to commit up to \$99mn to hedge funds, while a smaller proportion (14%) plan to invest \$500mn or more. In recent weeks we have seen a number of investors initiating new searches for fund managers, or increasing their allocation to the asset class.

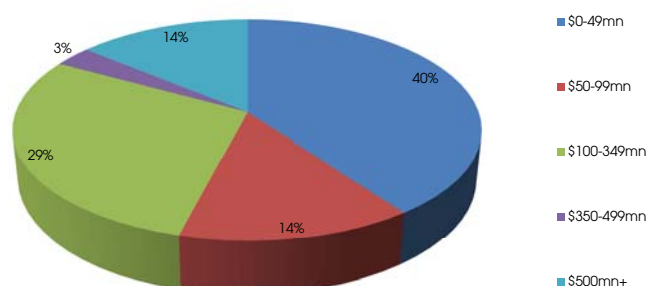
One example is [Alberta Investment Management Corporation \(AIMCo\)](#), which is looking to invest with a direct hedge fund manager to add to its current portfolio of seven fund managers. The CAD 70bn asset manager typically invests CAD 50-250mn per fund and considers hedge funds on a global scale, including in emerging markets. AIMCo is open to investment in a variety of strategies and approaches, and will consider emerging managers.

In the US a number of investors have initiated new searches. [Oklahoma State University Foundation](#) is planning a major allocation to hedge funds, hoping to commit an additional 10-15% of its total assets (around \$50-75mn) across the next year. The foundation will look at direct investment opportunities and is open to a wide range of strategies, with a particular focus on global macro and credit hedge funds. Texas-based [Covariance Capital Management](#), which manages \$1bn and has a 25% allocation to hedge funds, will soon be looking at new macro and managed futures opportunities to add to its portfolio of 25 single-manager funds. The asset manager will be approaching the new investments on an opportunistic basis, and has a very wide remit – considering all strategies on a global scale. Despite this, Covariance does require that potential managers have at least \$200mn in assets under management.

The \$45bn [Swiss National Accident Insurance Institution \(SUVA\)](#) intends to add 2-3 new hedge funds over the coming 12 months, with a particular focus on macro managers based in Asia. SUVA has a broad global mandate, is willing to invest in a variety of strategies depending on the fund structure, and will consider lock-up periods on a case-by-case basis. It will not invest with emerging managers or spin-off teams; however, it will consider UCITS-compliant funds when looking at European opportunities.

In Asia, [Korean Teachers' Credit Union \(KTCU\)](#) is also looking to increase its allocation to hedge funds in the near term. The \$16.5bn pension fund hopes to invest opportunistically, but has not yet decided how much capital it will commit to the asset class. While it has invested primarily through funds of

Chart of the Month: Amount of Fresh Capital Institutional Investors Expect to Invest in Hedge Funds over the Next 12 Months



Source: Preqin Hedge Fund Investor Profiles

hedge funds to date, KTCU is also considering making its first commitments to single-manager funds and is likely to prefer arbitrage strategies such as credit and fixed income arbitrage. The pension fund typically invests globally, preferring to hire managers that can offer regional exposure, as opposed to country-specific approaches.

Data Source:

Want to find out which investors are changing their manager portfolios? Which European public pension giant is expanding its hedge fund portfolio? Which asset manager has recently acquired a fund of hedge funds? This and even more news can be found on [Preqin Hedge Fund Investor Profiles](#).

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 58 investors, and updated 506.

To find out how we can help you, please visit:

www.preqin.com/hedge

Future Fund Searches and Mandates

The difference between success and failure in attracting institutional capital is often the ability to identify which investors are most interested in your fund.

To help with this task, Preqin Hedge Fund Investor Profiles now allows subscribers to identify likely investors in their fund by searching for institutional investors by their future investment plans.

Preqin updates these details by speaking directly to investors - saving you time and ensuring our intelligence is up to date and accurate.

- **Future Investment Plans** - Investor profiles now include details of investors' future fund searches, detailing whether they are targeting specific hedge fund strategies, regions of focus, or particular hedge fund structures.
- **Future Fund Searches and Mandates** - Forward-looking search for all the institutional investors that are looking to invest in funds that match your criteria.
- Filter potential investors by location, type, strategy preferences for the next 12 months, structural preferences for the next 12 months, regional preferences for the next 12 months and likely timeframe for their next fund commitment.

Future Plans, Searches and Mandates

Date of Plans: Q3 2012


Next 12 Months:

Strategies Targeting: Long Bias, Long/Short Equity, Macro

Structures Targeting: Commingled Direct

Regions Targeting: Europe, North America, Global

Summary: As of Q3 2012, [Investor Name] planned to increase its allocation to the hedge fund asset class over the next 12 months on an opportunistic basis. The [Investor Name] primarily looks to invest in long/short equity hedge funds along with global macro and long only funds. It will also consider investing in emerging managers.

Hedge Funds 

Fund Searches and Mandates

Select all required filter criteria

- Investor Type
- Investor Location
- Strategy Preferences - Fund Searches and Mandates
 - Event Driven
 - Global Macro
 - Long Short
 - Relative Value
 - Others
 - Include Opportunistic Investors
- Structural Preferences - Fund Searches and Mandates
- Region Preferences - Fund Searches and Mandates
 - Asia Pacific
 - Europe
 - North America
 - Emerging Markets
 - Global
 - Rest of World
 - Include Opportunistic Investors
- Timeframe of Next Commitment

Keyword Search:

Investor Name	Strategies	Regions	Structures	Date Inserted
[Investor Name]	Diversified	Emerging Markets, Global	Commingled Direct	06/08/2012
[Investor Name]	Opportunistic, Diversified, Event Driven, Macro	Global	Commingled Direct	02/08/2012
[Investor Name]	Diversified, Long/Short Equity, Macro	Asia Pacific, Global	Commingled Direct	02/08/2012
[Investor Name]	Diversified, Opportunistic	Global, North America	Commingled Direct	02/08/2012
[Investor Name]	Macro, Managed Futures / CTA	Global	Commingled Direct	02/08/2012
[Investor Name]	Diversified	Global	Commingled Direct	02/08/2012
[Investor Name]	Currency, Diversified, Long / Short Credit	North America	Commingled Direct	02/08/2012

Whether you're hoping to grow the assets of a niche Asia-focused fund of hedge funds, or launch a US global macro fund, access to Hedge Fund Investor Profiles can help.

[Hedge Fund Investor Profiles](#)

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