

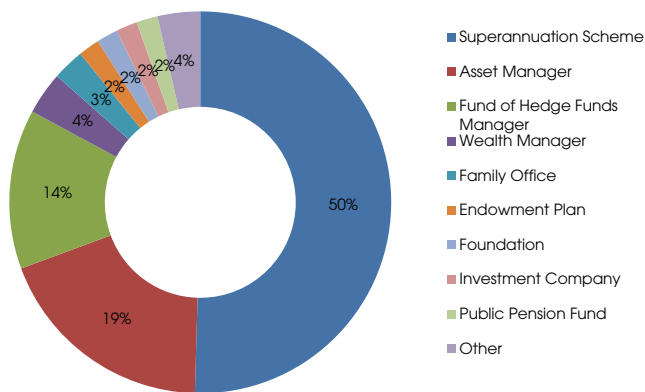


# Australian Hedge Fund Industry in Focus

We take a detailed look at the hedge fund industry in Australia, including a breakdown of investors and fund managers based in the country.

Australia is the most important source of institutional capital for hedge funds in the Asia-Pacific region, with the country representing more than 30% of the entire regional hedge fund investor pool. This can mainly be attributed to the well-developed pension system in Australia, which is traditionally a mainstay of the institutional investor landscape. Preqin's [Hedge Fund Investor Profiles](#) currently tracks over 110 institutional hedge fund investors based in Australia, and over 50% of these investors are superannuation schemes. Aside from superannuation schemes, Australia's sovereign wealth fund, Future Fund, features prominently as the largest investor in the country and one of the biggest investors in hedge funds in the Asia-Pacific region.

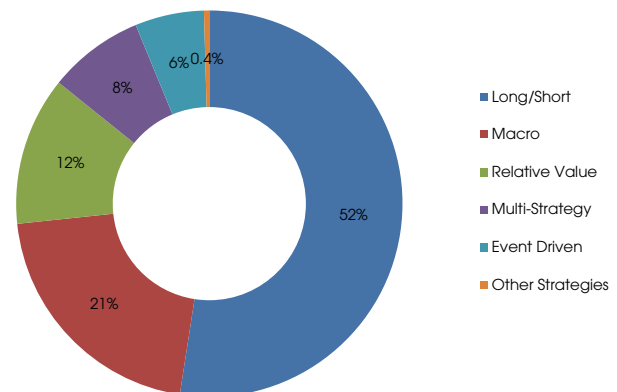
Fig. 1: Breakdown of Australia-Based Hedge Fund Investors by Type



Source: Preqin Hedge Fund Investor Profiles

On top of a well-developed institutional investor landscape, Australia also plays host to a very active hedge fund industry. Preqin's [Hedge Fund Analyst](#) shows that nearly 18% of Asia-Pacific-based hedge fund managers are based in Australia, with the country behind only Hong Kong and Singapore. The industry is dominated by long/short strategies; 38% of Australia-based funds use a core long/short equity strategy, while 8% utilize a long bias approach. This is far ahead of the next most common strategy, macro, which represents 21% of managers, including 11% with a managed futures/CTA strategy. Unsurprisingly, the majority of managers are based in Sydney, including the largest hedge fund manager in Australia, Platinum Asset Management.

Fig. 2: Breakdown of Hedge Funds Managed by Australia-Based Firms by Strategy



Source: Preqin Hedge Fund Analyst

## Australia in Numbers

64% of Australia-based hedge fund managers are based in Sydney

6 years Average track record of a hedge fund vehicle managed by Australia-based managers

7 of the top 20 largest investors in hedge funds in Asia-Pacific are based in Australia

14.62 Year-to-date average net return (%) of Australia-based hedge funds

8.3% Mean hedge fund allocation (as a % of AUM) of an Australia-based hedge fund investor

85% of Australia-based hedge fund investors invest in hedge funds directly

85.9 Assets under management in \$bn of Future Fund, Australia's biggest investor in hedge funds

234 Median assets under management in \$mn of an Australia-based hedge fund manager

## Data Source:

Preqin's [Hedge Fund Online](#) offers a complete resource for those looking for intelligence on the hedge fund industry in Australia, including detailed profiles for 143 managers and 111 investors based in the country.

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