



Preqin Industry News

Jessica Sutro 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 in the hedge fund market, some investors are still increasing their allocations to the asset class. Investors that made commitments in the last month include a number of pension funds that are planning to either make new investments or increase their allocations to the asset class. As shown in the Chart of the Month, public pension funds represent a large proportion of the top 25 largest investors in hedge funds, demonstrating their significant place among investors in the asset class.

One recent example is [London Borough of Camden Pension Fund](#), which has doubled its hedge fund allocation from 5% to 10% of total assets and is set to hire its second hedge fund manager. The £1bn pension fund previously invested in a fund managed by BlueCrest Capital, and has now selected Brevan Howard Asset Management as its second hedge fund manager, expecting to fund this commitment at the end of September. Both of its hedge fund investments are investments in funds of hedge funds which invest exclusively in hedge funds managed by BlueCrest and Brevan Howard. Following its second allocation, however, the pension is unlikely to consider any further additions to its hedge fund portfolio in the near future. [British Coal Staff Superannuation Scheme](#) also plans on augmenting its portfolio, and will consider making investments in a number of single-manager funds in order to boost its exposure to the asset class. The £8.4bn pension fund invests in single-manager funds and will not consider fund of hedge funds structures.

Some investors remain uncertain about their future plans for hedge fund investments. [Community Foundation of St. Clair County](#) is currently in the process of redeeming one of its two fund of hedge funds investments due to the closure of the fund. It is considering a variety of options for the future of its hedge fund portfolio – the \$33mn foundation could decide to hire a new manager, allocate additional capital to its remaining manager, or redeem from the asset class completely. It relies heavily on its consultant – [Asset Strategies Portfolio Services](#) – for all investment matters, and will only invest with managers recommended by them. The foundation currently allocates 5% of its total assets to its two fund of hedge funds.

However, there are still investors that are leaving the asset class for the immediate future. [Icelandic State Employees' Pension Fund](#) is now close to fully liquidating its sole investment in hedge funds, a fund of funds managed by Greyston & Co. The pension fund has no plans to make any new hedge fund investments in the next 12 months, but may consider investing in the long term.

Fund manager [MAP Alternative Asset Management](#) is in the process of launching its first fund of hedge funds, with the goal

Chart of the Month: Top 25 Largest Hedge Fund Investors (by Capital Invested) by Investor Type



Source: Preqin Hedge Fund Investor Profiles

of having it operational by the second half of 2013. The firm plans to invest in 10 managers in the next 12 months, with a longer-term goal of 25 managers. Strategies targeted include fixed income, fixed income arbitrage, and long/short credit. The firm will invest directly through commingled and managed account structures, and consider low to very high volatility. The firm does not have specific requirements in terms of track records from managers, and is open to investing in emerging managers. It hopes to consider seeding funds and spin-offs in the longer term.

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 47 investors, and updated 452.

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