



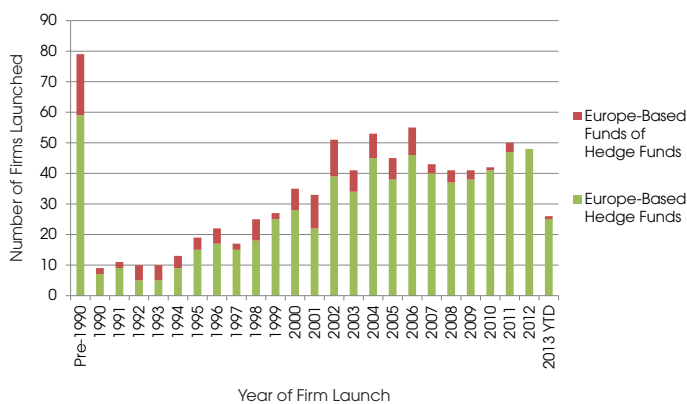
Europe-Based Hedge Fund Managers

We take a look at hedge fund managers based in Europe, including a breakdown of the strategies employed by hedge funds in the region and the leading hedge fund managers in Europe.

The European hedge fund industry has come under global scrutiny this year with the European Union's incoming Alternative Investment Fund Managers Directive (AIFMD) regulations affecting not only Europe-based fund managers, but also any manager across the globe seeking to market to investors in the region.

The sovereign debt crisis in Europe has been a cause of concern and great discussion over recent years, and although it may not be entirely over, it is at least dormant currently, and some financial centres in the region see potential for growth and recovery. The hedge fund industry in the region has in fact seen some growth in 2013 so far, with single-manager hedge fund assets increasing by \$33bn to \$582bn since the start of the year. In 2012, there were a record number of new Europe-based hedge fund managers; however in 2013 the number of new hedge fund firms launched seems to have been much lower. Only 8% of new hedge fund managers entering the market in 2013 are based in Europe, compared to 18% in 2012 and 22% in 2011. Much of the decline in the number of launches in Europe can be attributed to the new

Fig. 2: Number of Europe-Based Funds of Hedge Funds and Hedge Funds Firms Established Each Year



Source: Preqin Hedge Fund Analyst

Fig. 4: Five Largest Europe-Based Hedge Fund Managers by Assets under Management

Firm	Headquarters	Assets under Management (\$bn)
Man Investments	UK	40.4
Brevan Howard Asset Management	UK	40.0
BlueCrest Capital	UK	35.3
Standard Life Investments	UK	29.4
GAM	UK	24.1

Source: Preqin Hedge Fund Analyst

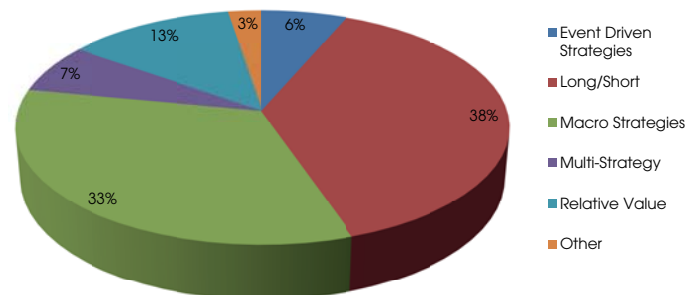
AIFMD, which was written into law on 22 July 2013. Many managers have delayed formalizing new businesses in order to see what impact the directive will have on a prospective operation. Now that the AIFMD has been finalized and local jurisdictions are confirming their guidelines, we could see an uptick in fund launches in the EU in the latter part of 2013.

Fig. 1: Five Leading European Countries for Hedge Fund Management by Number of Managers Based in Each Country

Country	Number of Hedge Fund Managers
UK	696
Switzerland	251
France	81
Sweden	53
Netherlands	44

Source: Preqin Hedge Fund Analyst

Fig. 3: Breakdown Europe-Based Hedge Funds by Strategy Employed



Source: Preqin Hedge Fund Analyst

Europe-Based Hedge Fund Managers in Numbers

- 74 is the number of new Europe-based funds launched in 2013 year-to-date.
- 552 is the number of Europe-based hedge funds structured under the UCITS regime.
- 76% is the proportion of Europe-based hedge fund capital managed by funds over \$1bn in size.
- 1.60% is the mean management fee of a Europe-based hedge fund manager.
- 75% is the proportion of Europe-based hedge fund capital managed by firms headquartered in UK.
- 431 is the mean size (in \$mn) of a Europe-based hedge fund.