

Growing Asia-Pacific Hedge Fund Industry Outperforms All Other Regions over Last 12 Months

Asia-Pacific-focused hedge funds posted net returns of 18.61% over the 12-month period ending July 2013

New research in Preqin Special Report: Asia-Pacific Hedge Funds, September 2013 reveals that Asia-Pacific-focused hedge funds posted net returns of 18.61% over the 12 months since July 2013, compared to the 15.38% and 11.97% achieved by North America- and Europe-focused funds.

Investor appetite for Asia-Pacific hedge funds is strong, with 41% of Asia-Pacific-based hedge fund investors surveyed by Preqin planning to increase their allocations to hedge funds over the coming 12 months. An even more significant 53% of non-Asia-Pacific-based investors surveyed will look to increase their allocation to hedge funds targeting investments in the region over the next 12 months.

Other Key Facts:

- Additionally, Preqin data shows that Asia-Pacific-focused hedge funds have outperformed the overall hedge fund benchmarks in both 2013 (as of 31 July) and 2012, as well as on an annualized basis over the past two, three and five years.
- Over the course of 2013 so far, Asia-Pacific-focused funds managed by firms based in the region have produced a net return of 6.91%, which is nearly three times higher than funds managed by firms based elsewhere focused on the region at 2.40%.
- Asia-Pacific-focused long/short funds posted a net return of 22.06% for the 12-month period ending 31 July 2013, outperforming the overall long/short benchmark, which returned 12.55%.
- Despite strong performance, the volatility for Asia-Pacific-focused hedge funds is higher than the global hedge fund average over the last four years. As of 31 July 2013, five-year volatility for Asia-Pacific-focused long/short funds was at 12.55% compared with 10.63% for all long/short funds, 11.24% for North America-focused long/short funds and 6.66% for Europe-focused long/short funds.
- 81% of Asia-Pacific-based investors surveyed said that their hedge fund investments had met or exceeded expectations over the past 12 months.
- 56% of Asia-Pacific-based fund managers believe the hedge fund industry assets under management in the region will increase in the next 12 months.

For more information and analysis, please see

https://www.preqin.com/docs/reports/Preqin_Special_Report_Asia_Pacific_Hedge_Funds_Sep_13.pdf

Comment:

“This is a significant period for the hedge fund industry in the region. New developments, particularly the advent of the new Securities Investment Funds Law in China, could lead to significant changes in the region and provide a boost to the hedge fund industry. Strong performance by Asia-Pacific-focused funds over the past 12 months has contributed to an increase in appetite for the region among investors based in Asia-Pacific and globally. This impressive performance could enable the Asia-Pacific hedge fund industry to grow to record levels in the coming years.”

Amy Bensted – Head of Hedge Fund Products, Preqin

Note to Editors:

- Preqin is spelled without the letter ‘U’ after the ‘Q’, the company name being an amalgamation of the former name, Private Equity Intelligence.

About Preqin:

Preqin is the leading source of information for the alternative assets industry, providing data and analysis via online databases, publications and bespoke data requests.

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