

61% of Hedge Fund Industry Capital is Managed by the 100 Largest Fund Managers

The 100 largest hedge fund managers have combined assets under management of \$1.4tn

Preqin's May edition of Hedge Fund Spotlight reveals over half of industry capital is managed by the top 100 hedge fund managers, ranked by assets under management (AUM). These 100 largest hedge fund managers have a mean year of establishment of 1994, compared to 2002 for all other hedge fund managers.

Looking ahead, this trend is likely to continue, as investors which commit the largest amount of capital to hedge funds look to target hedge fund managers with a significant AUM. The 176 investors which allocate \$1bn or more to hedge funds, also explored in this month's Spotlight, on average require assets under management of \$818mn; in comparison, other hedge fund investors on average require assets under management of \$474mn.

Other Key Facts:

- The mean AUM for the largest 100 fund managers is just under \$13.9bn.
- There are 17 fund managers on the largest 100 list that manage over \$20bn.
- Three-quarters of the largest 100 managers are based in the US, with 19% based in Europe.
- In comparison, two-thirds of capital committed by \$1bn plus investors is from institutions based in North America. 24% of capital from \$1bn plus investors comes from those based in Europe, decreasing from 33% in 2012.
- Although investors that allocate \$1bn or more to hedge funds require a significant average fund AUM, 81% will consider emerging managers, compared with 43% of all other hedge fund investors.
- Pension funds account for 44% of investors allocating \$1bn or over to hedge funds, with the largest public pension funds allocating more than \$10bn to hedge funds.

To read the full report, please visit:

http://www.preqin.com/docs/newsletters/HF/Hedge_Fund_Spotlight_May_2013.pdf

Comment:

"The hedge fund industry has grown significantly since its inception in 1949 and today represents some \$2.3tn in industry capital. The 100 largest hedge fund managers have combined assets under management of \$1.4tn, representing a significant 61% of all hedge fund industry capital.

With hedge fund industry assets returning to pre-crisis levels at the end of 2012, these figures would suggest that investors chose to allocate capital to established fund managers that had weathered the turbulent markets not only in 2008, but also in previous times of crisis in the hedge fund industry and beyond. This flow of capital into these established fund management groups has created the mega-fund managers that we now see today."

Amy Bensted, Head of Hedge Fund Products

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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:

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