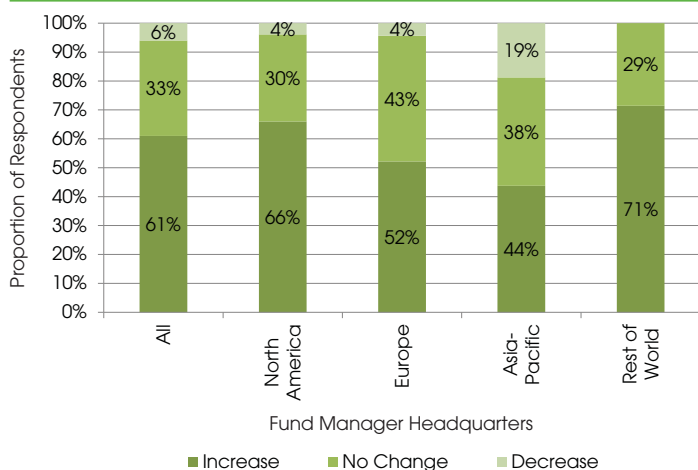




# Hedge Fund Manager Outlook: H2 2015

In this excerpt from [Preqin Special Report: Hedge Fund Manager Outlook](#), we take a closer look at the level of competition in the industry today and use our latest survey results to reveal fund manager predictions for asset growth for the rest of 2015.

**Fig. 1: Fund Managers' Views on the Level of Competition for Investor Capital Compared to 12 Months Ago**



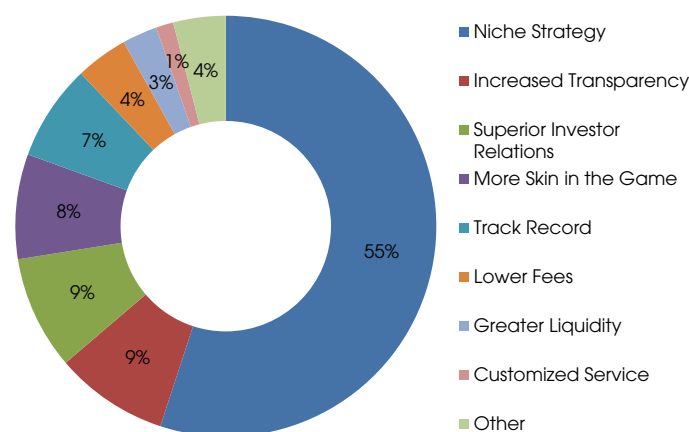
Source: Preqin Fund Manager Survey, 2015

In June 2015, Preqin surveyed 190 hedge fund managers to find out more about their thoughts on the challenges in the hedge fund industry today and their outlook for the rest of the year. In this excerpt from the recently released [Preqin Special Report: Hedge Fund Manager Outlook](#), we take a closer look at the current level of competition in the industry and fund manager predictions for asset growth for the rest of 2015. For more results including fund manager outlook on regulation, key issues in the industry today and sources of inflows in H1 2015, please view the [full report](#).

## Competition Is Increasing

The majority (61%) of all the fund managers that participated in the Preqin study believe that the level of competition for investor capital has increased over the past 12 months (Fig. 1). However, there are some clear differences between fund managers in different regions; nearly two-thirds of fund managers in North America reported that they have seen more competition in the past year, compared to 52% of managers in Europe and 44% in Asia-Pacific. In contrast, nearly a fifth of all fund managers in Asia-Pacific have seen a drop in the level of competition for assets in the past year, compared to just 4% of those firms headquartered in both Europe and North America respectively.

**Fig. 2: Fund Managers' Perception of the Key Differentiator of Their Business**



Source: Preqin Fund Manager Survey, 2015

## A Niche Strategy Is Key

With fund managers finding fundraising challenging, and over 60% of hedge fund managers reporting an increase in the level of competition for investor capital, Preqin looked at how fund managers differentiate themselves in order to gain the attention of potential investors. When ranking the most important way they can differentiate themselves from the 5,500 other fund managers seeking investor capital today, managers rated having a niche strategy as the best way to get the attention of a prospective investor (Fig. 2). For the remaining 45% of fund managers, factors such as transparency, superior investor relations teams, significant levels of 'skin in the game', and a proven track record, also rated relatively highly. However, these remaining managers were largely split in how they should differentiate themselves, and the need to have a differentiated strategy from the competition, as well as an innovative departure from traditional strategies, was argued as the best way for a hedge fund to stand out from the crowd.

## Fund Managers Remain Optimistic for Inflows

Despite the challenges the industry faces in 2015, the Preqin study has captured the optimism within the hedge fund industry today. Eighty-one percent of participants are anticipating inflows over the rest of the year, and an increase in industry AUM over H2 2015.

## Preqin Special Report: Hedge Fund Manager Outlook

This report features exclusive results from Preqin's surveys with over 150 hedge fund managers conducted in June 2015, and details fund managers' views on H1 inflows over the first half of the year, their outlook on AIFMD regulation, the key aspects managers view as drivers of change for the months to come, and their outlook on AUM and competition for investor capital going into the second half of 2015.

For more information, and to download your complimentary copy, please [click here](#).



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