

Welcome to the latest edition of Hedge Fund Spotlight, the monthly newsletter from Preqin providing insights into the hedge fund industry, including information on investors, funds, performance and more. Hedge Fund Spotlight uses information from our online product Hedge Fund Online, which includes Hedge Fund Investor Profiles and Hedge Fund Analyst.

July 2014
Volume 6 - Issue 7

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+44 (0)20 7645 8888

Singapore:
One Finlayson Green
#11-02
Singapore 049246
+65 6305 2200

San Francisco:
1700 Montgomery Street
Suite 134
San Francisco
CA 94111
+1 415 835 9455

w: www.preqin.com
e: info@preqin.com

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Hedge Fund Spotlight

July 2014

Feature Article

H1 2014 Round-up: Winners and Losers

Hedge fund performance in the early stages of 2014 was disappointing; however, May and June produced more encouraging returns. We assess which fund groups were the winners and losers in the first half of the year.

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Lead Article

Global Hedge Fund Managers Respond to AIFMD

Preqin surveyed 150 global hedge fund managers to find out more about their outlook on regulation and the AIFMD, their concerns about the Directive, how prepared they are for the new regulation, and how they plan to market funds in the EU.

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Preqin Investor Network

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H1 2014 Round-up: Winners and Losers

Hedge fund performance in early 2014 was disappointing with the All Regions and Strategies benchmark posting negative returns in January, March and April. However, May and June produced more encouraging returns. Graeme Terry looks at which fund groups were the winners and losers in the first half of the year.

Winners

Event Driven Strategies

Event driven strategies have continued their impressive performance in the first half of 2014, with this category again the leading strategy benchmark after the first six months of the year. Event driven strategies also formed the leading strategy benchmark in both 2012 and 2013, with these funds able to take advantage of opportunities presented by the economic environment. Investors are taking notice of this consistent positive performance, and event driven was the second most searched for strategy in Q2 2014, replacing macro, which had previously consistently been the second most searched for strategy after long/short equity. The proportion of funds launching with a core event driven strategy has remained relatively constant over the past six quarters, with 12% of all fund launches in H1 2014 using this strategy.

- 12** Number of consecutive positive months for the Preqin Event Driven Strategies benchmark.
- 20%** of investor searches issued in H1 2014 included a search for event driven funds.
- 1** Top performing hedge fund strategy category in H1 2014.
- 5.24%** Event driven strategies funds made gains of 5.24% in H1 2014.

North America

Funds focused on investing in North America have outperformed funds focused on all other regions in H1 2014, with six months of positive performance taking average year-to-date returns to 6.02%. North America-based firms are continuing to dominate fund launch activity, representing approximately 70% of all hedge fund launches in the first six months of 2014; there was also an increase in the proportion of funds launching with a North America focus. Institutional investors based in North America continue to drive inflows into the hedge fund industry, and these firms accounted for 46% of all investor searches initiated during the second quarter. North America is the most established hedge fund region and it is likely that this region will continue to drive the growth of the industry moving forward.

- 1** Top performing hedge fund regional benchmark in H1 2014.
- 26%** Proportion of hedge funds launched with a North America focus in H1 2014.
- 8** Consecutive quarters of positive performance for the North America benchmark.
- \$43bn** North America-based institutions increased their total hedge fund allocation by \$43bn in H1 2014.

Losers

Multi-Strategy

Hedge funds with a multi-strategy approach have had underwhelming performance in the first six months of the year, posting average year-to-date returns of 3.21% as of 30 June 2014. This means that multi-strategy funds trail the overall hedge fund benchmark, which stands at 3.86%. There has been less launch activity in this sector, with just 3% of all hedge funds launched in H1 2014 adopting a multi-strategy approach, as managers have focused on more specialized strategies. There remains some institutional interest in multi-strategy funds, with 13% of all searches initiated in H1 2014 including a multi-strategy component; however, this has declined slightly from H2 2013. The increased diversification provided by multi-strategy funds continues to be attractive to some investors, although there is a sense that a number of investors are looking for the funds they invest in to have a clearly defined strategy in place.

- 2%** Just 2% of all hedge fund launches in Q2 2014 have a multi-strategy approach.
- 2** Second worst performing strategy benchmark in H1 2014.
- 2.26%** Average returns of a multi-strategy hedge fund in Q2 2014.
- 13%** of investor mandates in H1 2014 included a search for multi-strategy funds.

Asia-Pacific

Asia-Pacific-focused hedge funds posted strong returns in 2013 as a result of buoyant equity markets, but these funds have been unable to sustain this performance in the first half of 2014; the Preqin Asia-Pacific benchmark was the worst performing regional benchmark in H1, with average returns of 2.43%. This is a very different Asia-Pacific market to the one witnessed last year, when the Asia-Pacific benchmark delivered returns in excess of 8% in both H1 and H2 of 2013. These recent performance struggles have been reflected in the number of fund launches focusing on the region, with just 9% of all hedge fund launches in Q2 2014 having an Asia-Pacific focus. This is the lowest proportion of quarterly fund launches represented by the region since Q4 2012.

- 3** Worst performing regional benchmark in H1 2014.
- 9%** Proportion of all hedge fund launches represented by Asia-Pacific-based managers in H1 2014.
- H2 2011** Asia-Pacific-focused funds posted their worst half yearly returns since H2 2011.
- 14%** of all investor searches issued in H1 2014 were by investors based in Asia-Pacific.











Activist

As highlighted in the [Preqin Special Report: Activist Hedge Funds](#), activist funds have been growing in prominence in recent years. Activist hedge funds often deliver higher returns than other hedge fund approaches, with these funds returning an average of 5.32% in H1 2014, although they do not always deliver favourable returns in a risk-adjusted context. The Preqin Activist benchmark suffered a loss in both January and April, but gains in May and June have placed these funds just behind the 5.39% year-to-date returns they had at the same stage in 2013, when the benchmark went on to achieve annual returns in excess of 16%. 2013 saw the highest number of activist fund launches since 2007 and there have been further new launches in this space in the first half of 2014. Activist hedge funds now manage a total of more than \$100bn.

UCITS

There has been a slow-down in launches of UCITS-compliant hedge funds, with the structure representing just 3% of all hedge fund launches in Q2 2014. This decline in activity is likely related to the introduction of the AIFMD, as there is still uncertainty within Europe about how the UCITS structure will be affected when the AIFMD is fully implemented. UCITS-compliant hedge funds have also had less than impressive performance so far in 2014, posting six monthly returns of just 2.27% after matching the hedge fund benchmark by suffering losses in January, March and April. Despite this uncertainty, a significant number of investors within Europe remain interested in this regulated fund structure, and 14% of all investor mandates in Q2 2014 included a search for UCITS-compliant funds.

-  The Activist Hedge Fund benchmark has produced returns exceeding 2% in four out of the last 12 months.
-  Average returns of an activist hedge fund in May 2014.
-  Number of recorded activist hedge fund launches in the first half of 2014.
-  The activist benchmark has delivered positive returns in each quarter since Q2 2012.

-  11% of investor searches in H1 2014 were targeting UCITS funds.
-  Year-to-date performance of UCITS hedge funds (as of 30 June 2014).
-  11 Number of consecutive quarters where the UCITS benchmark has underperformed compared to hedge fund benchmark.
-  3% UCITS funds accounted for just 3% of hedge fund launches in Q2 2014, compared to 8% in Q1.





Outlook

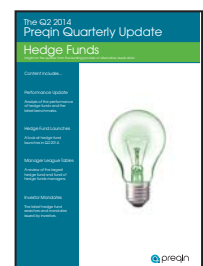
Hedge funds had a volatile start to the year, with performance in Q1 2014 representing the worst start to a year since 2008. The All Regions and Strategies hedge fund benchmark was also in the red for April; however, positive returns in May and June have improved the overall picture and taken benchmark year-to-date returns to 3.86%, only marginally behind the 4.28% recorded by the benchmark at the same stage last year. There has continued

to be a healthy number of new hedge fund mandates issued by investors in the first half of the year, and managers will be looking to build on more encouraging performance in May and June in order to continue attracting inflows from the institutional community. So far in 2014, it has been the established hedge fund industry in North America and event driven strategies that have delivered the highest returns and it will be interesting to see if this changes in the second half of the year.

Preqin Quarterly Update: Hedge Funds, Q2 2014

If you are interested in finding more information and statistics on the hedge fund industry in Q2 2014 please download our free **Preqin Quarterly Update: Hedge Funds, Q2 2014**. This indispensable guide to the hedge fund industry covers:

-  All leading fund benchmarks for Q2 2014
-  The latest hedge fund launches
-  The latest hedge fund searches and mandates issued by investors
-  League tables of the largest hedge fund managers



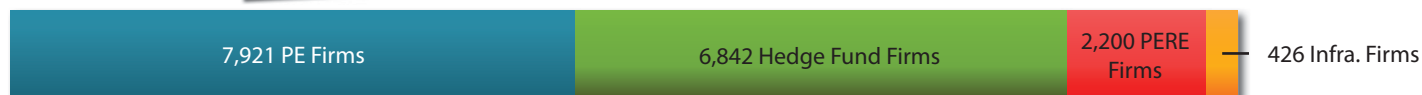
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****Preqin contacts investors directly to ensure their alternatives programs are active. We emphasize active investors, but clients can also view profiles for investors no longer investing or with programs on hold.



Global Hedge Fund Managers Respond to AIFMD... At A Glance

Preqin surveyed 150 global hedge fund managers to find out more about their outlook on regulation and the AIFMD, their concerns about the Directive, how prepared they are for the new regulation, and how they plan to market funds in the EU. [Amy Bensted](#) provides a snapshot of the results.

After years of discussions and amendments the Alternative Investment Fund Managers Directive (AIFMD) was written into national law by EU member states on 22 July 2013. Following a year long grandfathering period, existing AIFMs had until 22 July 2014 to apply for authorization to the regulators.

The new Directive aims to provide harmonized regulatory standards across all alternative investment managers. In particular, hedge fund managers will need to obtain authorization, meet ongoing reporting conditions and comply with transparency requirements in order to manage and market hedge funds within the EU. Key requirements of the Directive include the appointment of a depository, reporting requirements, separation of risk and portfolio management, an appropriate and regularly updated due diligence process and remuneration controls. The AIFMD was introduced

to increase investor confidence in alternative asset managers through the reduction of systemic risk and enhancement of investor protection. However some critics of the new regulations have said they increase cost and complexity.

With that in mind Preqin turned its attention to hedge fund managers globally to find out more about how they are reacting to this regulation. In June 2014 Preqin conducted a survey of 150 global hedge fund managers representing \$380bn in assets under management. We asked these managers to answer the following questions:

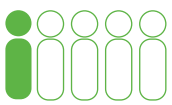
- What is their outlook on regulation and the AIFMD in particular?
- What are their concerns about the Directive?
- How prepared are they for the new regulation?
- How do they plan to market funds in the EU?

Preqin's Results...At a Glance

US Fund Managers



US fund managers have the most negative outlook on the AIFMD — **71%** believe the directive will affect the industry negatively and only **2%** positively.



18% of US-based fund managers are already AIFMD compliant.



40% will not actively market in the EU.



23% are looking for more guidance from the regulators.

12% of US-based hedge fund managers plan to rely on private placement regimes; these managers plan to do this in the following member states.

37% UK Only

54% in 2-4 Member States

9% in 5 or More Member States

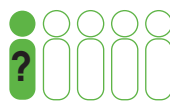
Europe (Excl. UK Managers)



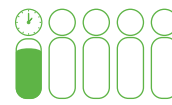
These managers are the most positive about the Directive - **40%** still believe the AIFMD will have a positive impact, although **45%** think the effect will be negative.



48% of European fund managers are already AIFMD compliant.



19% are looking for more guidance from the regulators.



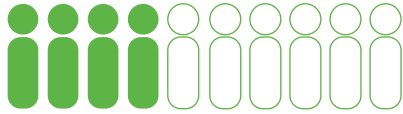
15% have submitted their application and are awaiting final approval.



53% of European (excl. UK managers) reported costs as their biggest concern about the AIFMD. **74%** reported costs have been higher than expected.



UK Fund Managers



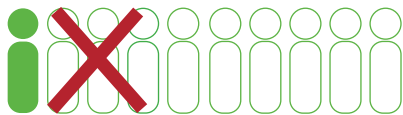
43% of UK hedge fund managers are already AIFMD compliant.

35% of UK fund managers have submitted their application but are still awaiting final approval from the FCA.



Costs are causing the least concern to UK based fund managers — just **29%** stated that as their key concern. This may be because they were more realistic at the start of the process: **73%** stated costs were as expected compared to **42%** globally.

Asia & Rest of World Fund Managers



Just **13%** of Asia and Rest of World-based fund managers are already AIFMD compliant. **27%** will not actively market in the EU.

50% of fund managers in these regions will rely on reverse solicitation to attract EU capital.



Three-quarters of Asia and Rest of World fund managers reported that AIFMD costs of compliance have been higher than initially expected.

Download the full report: **Global Hedge Fund Managers Respond to the AIFMD**

The full report is available for **free** on Preqin's **Research Center Premium** and looks at:

- Outlook on Regulation
- Concerns Surrounding the AIFMD
- Are Hedge Fund Managers Ready for the AIFMD?
- How Are Hedge Fund Managers Responding?
- What Are the Opportunities in the EU?

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Editor's View - Industry News

Graeme Terry takes a look at investors targeting North America-focused hedge funds and recent event driven hedge fund launches.

Investors Targeting North America-Focused Hedge Funds

As highlighted in our feature article, H1 Round-up: Winners and Losers, North America was the best performing Prequin regional benchmark in the first six months of 2014. A number of institutional investors are seeking to profit from opportunities presented by this outperformance by making new investments in funds with a North America focus. The \$3.5bn fund of hedge funds manager [Tokio Marine Asset Management](#) is looking to allocate \$50-100mn to four or five new hedge funds over the next 12 months. The Japan-based fund of hedge funds manager has a preference for global or North America-focused funds that utilize an event driven strategy.

Elsewhere, a Canada-based single family office announced that it is hoping to gain exposure to long/short equity strategies focusing on North America, Europe and emerging markets, as well as credit-based strategies focusing on North America, as part of plans to invest with 12-15 new managers over the next 12 months. A US-based foundation also revealed to Prequin in July that it plans to increase its exposure to North America-focused strategies during the coming year.


Despite this increased interest, North America will not be the only region attracting new hedge fund investments; [Rochdale Investment Management](#) instead plans to focus on the European market for its new investments. The New York-based firm plans to add one or two new managers focused on European debt and direct lending strategies to its investment portfolio.


Event Driven Strategies Hedge Fund Launches


Event driven strategies has once again outperformed the other hedge fund strategy benchmarks, with average returns of 5.24% making it the top performing Prequin strategy benchmark in H1 2014. India-based [Eight Capital Management](#) is in the process of launching [Eight Capital India Recovery Fund](#), which is being formed to invest in special situation and distressed investment opportunities in India. The fund is aiming to restructure and turnaround financially distressed but viable companies and its investment team will focus on industrial and cyclical sectors that are fragmented and will benefit the most from consolidation and an upturn in the economy.

New York-based [Cedarview Capital Management](#) launched a new event driven fund in 2014 with an initial \$5mn in assets. [Cedarview Liquid Short Duration](#) is an event driven strategy investing in a diversified portfolio of senior secured loans and bonds of high


In Numbers: Hedge Fund Spotlight - July 2014


 Returns of the Prequin Event Driven Strategies benchmark in H1 2014, the top performing strategy category.

 Average year-to-date performance of a hedge fund focused on North America, the top performing of Prequin's regional benchmarks.


 North America-based institutions increased their total hedge fund allocation by \$43bn in H1 2014.

 71% of US-based hedge fund managers surveyed stated that they believe the AIFMD will have a negative impact on the industry.

 74% of EU-based (excluding UK) hedge fund managers reported that costs associated with the AIFMD had been higher than expected.

 35% of UK-based fund managers have submitted their application for AIFMD compliance but are still waiting on final approval from the FCA.

 Hedge fund assets under management of Australia-based Platinum Asset Management, the largest hedge fund manager in Asia-Pacific.

 65% of hedge funds reviewed on Prequin Investor Network in June 2014 are headquartered in the US.

quality companies with less than three and a half years duration. Cedarview has been managing [Cedarview Opportunities Master Fund](#), a credit opportunities event driven fund, since August 2004. Activist hedge funds have also been in the spotlight in the first half of 2014, with a number of high profile cases involving these funds being mentioned in the press. One firm that has launched a new hedge fund with an activist approach is Japan-based [SPARX Asset Management](#). [SPARX Japan Value Impact Fund](#) was launched in May 2014 and invests in equities of Japanese companies that have good future growth prospects and are currently trading at near book value.

Do you have any news you would like to share with the readers of Spotlight?

Perhaps you're about to launch a new fund, have implemented a new investment strategy, or are considering investments beyond your usual geographic focus?

Send your updates to spotlight@prequin.com and we will endeavour to publish them in the next issue.

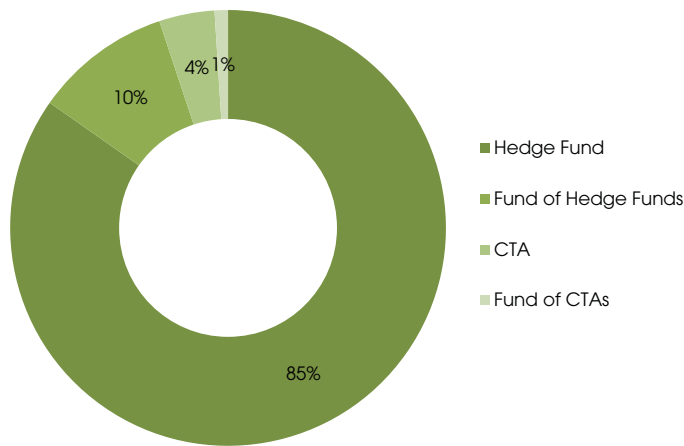


On the Network This Month: What Are Investors Searching For?

In this feature, we examine the activity of the investors on [Preqin Investor Network](#) to see which fund types, strategies and regions are of current importance to investors, as well as which institutional investor types have been proactively looking at funds in June.

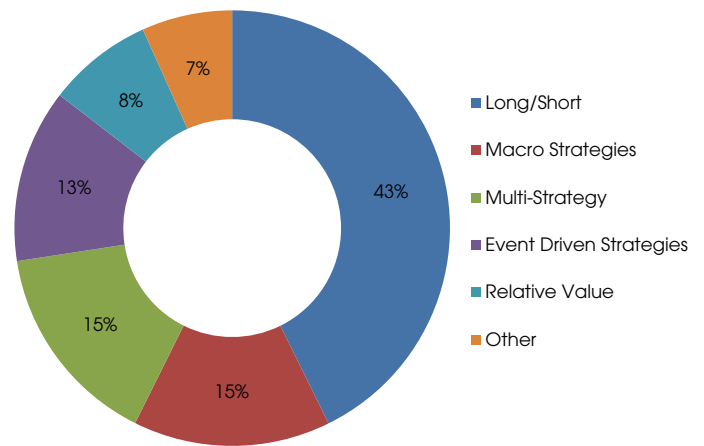
Preqin Investor Network is a unique system designed to help investors source and connect with alternative fund managers. Currently over 6,000 individuals at almost 3,400 institutional investor firms are using the Network to find and reach out to the 14,550 alternative investment funds open for investment on the Network. If you would like to find out more, please email: pin.info@preqin.com

Fig. 1: Breakdown of Hedge Funds Reviewed by Investors on Preqin Investor Network by Fund Type, June 2014



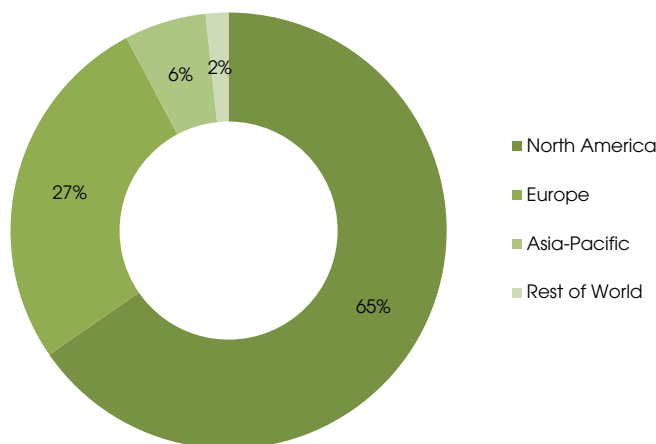
Source: Preqin Investor Network

Fig. 2: Breakdown of Hedge Funds Reviewed by Investors on Preqin Investor Network by Core Strategy, June 2014



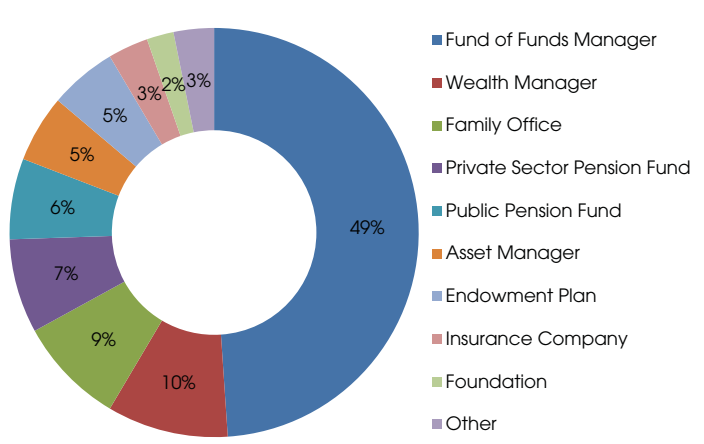
Source: Preqin Investor Network

Fig. 3: Breakdown of Hedge Funds Reviewed by Investors on Preqin Investor Network by Geographic Headquarters, June 2014



Source: Preqin Investor Network

Fig. 4: Breakdown of Investors Searching for Hedge Funds on Preqin Investor Network by Type, June 2014



Source: Preqin Investor Network

In Numbers: On the Network This Month

67 Number of hedge funds added to Preqin Investor Network in June 2014.

12,323 Total number of hedge funds currently available to view on Preqin Investor Network.

\$1.16bn The average size of hedge funds reviewed on Preqin Investor Network in June.

8% of funds searched on Preqin Investor Network in June have an inception date as recent as 2013 or 2014.



Preqin Performance Benchmarks

June 2014

Preqin's preliminary benchmarks for June 2014.

Fig. 1: Summary of Preliminary June 2014 Performance Benchmarks (Net Return, %)

	June 2014	May 2014	2014 YTD	Last 12 Months
Hedge Funds (All Strategies & Regions)	1.48	1.10	3.86	11.27
Long/Short	1.79	1.20	3.93	13.53
Event Driven Strategies	1.20	0.95	5.24	14.00
Relative Value	0.51	0.84	3.21	7.32
Macro Strategies	1.70	1.10	2.86	5.32
Multi-Strategy	0.97	0.78	3.21	8.81
Activist	1.91	2.39	5.32	16.26
Volatility	0.60	0.53	2.31	7.30
Discretionary	1.70	1.09	4.50	14.23
Systematic	0.57	1.19	2.49	6.81
North America	1.97	0.99	6.02	15.97
Europe	0.08	0.87	3.76	12.62
Asia-Pacific	1.77	1.18	2.43	11.62
Emerging Markets	1.67	2.26	3.76	9.75
Developed Markets	1.02	0.88	4.37	11.05
USD	1.65	1.15	4.00	11.53
EUR	0.99	0.89	3.22	8.58
GBP	1.08	0.46	1.87	4.68
JPY	1.53	1.16	0.92	10.53
BRL	1.89	1.12	3.06	7.81
Funds of Hedge Funds (All Strategies & Regions)	0.78	1.12	2.11	7.20
Long/Short	0.90	1.36	1.95	9.24
Multi-Strategy	0.69	1.05	1.96	6.87
Funds of CTAs	2.72	0.91	-2.36	-1.30
USD	1.17	1.08	2.37	7.78
EUR	-0.10	1.07	0.24	4.94
UCITS Hedge Funds (All Strategies & Regions)	0.79	1.23	2.27	7.45
Long/Short	1.26	1.63	2.91	11.24
Relative Value	-0.16	0.39	0.48	2.19
Macro Strategies	0.55	1.10	1.85	3.51
USD	1.58	1.44	2.48	8.06
EUR	0.59	1.19	1.98	6.67
CTAs (All Strategies & Regions)	1.27	0.53	1.74	2.51
Discretionary	1.75	-0.17	0.87	2.50
Systematic	1.47	1.29	2.48	3.22
USD	1.48	0.51	1.87	2.88
EUR	0.89	1.14	1.49	0.91

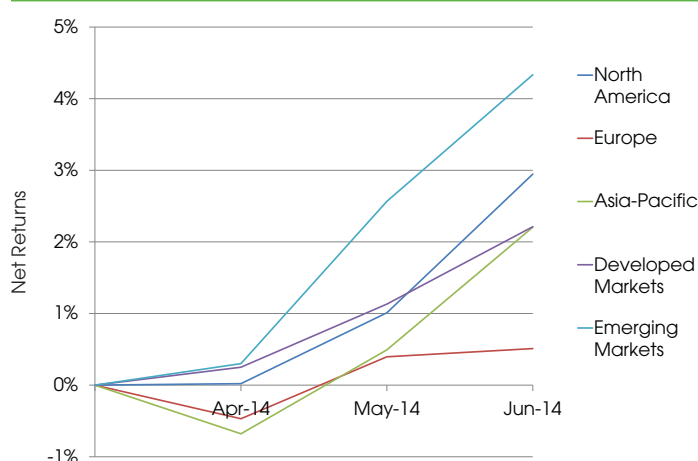
* Please note, all performance information includes preliminary data for June 2014 based upon net returns reported to Preqin in early July 2014. Although stated trends and comparisons are not expected to alter significantly, final benchmark values are subject to change.

Source: Preqin Hedge Fund Analyst

Hedge funds followed on from positive performance in May with another month of gains in June to take 2014 year-to-date returns for the All Strategies and Regions benchmark to 3.86% (Fig. 1). Long/short was the top performing strategy category for the month, with average returns of 1.79%, although event driven strategies continues to lead the way for 2014 year-to-date, with an average of 5.24%. CTAs posted returns of 1.27% in June, the fourth positive month for this benchmark in 2014, with year-to-date returns at 1.74%.

After a loss of 1.98% in January, emerging markets-focused hedge funds recovered by posting five consecutive months of positive performance, and this was the leading regional benchmark in Q2 2014, with average returns of 4.27% (Fig. 2). Hedge funds focused on North America continue to fare well, adding 3.00% in Q2, and this is the leading regional benchmark year-to-date, with average returns of 6.02%. However, Europe-focused hedge funds failed to build on a strong Q1, with average Q2 returns of 0.47% making it the worst performing of the Preqin regional benchmarks in Q2.

Fig. 2: Cumulative Net Returns of Hedge Funds by Geographic Focus, Q2 2014



Source: Preqin Hedge Fund Analyst



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Asia-Pacific-Based Hedge Fund Managers

We take a look at hedge fund managers based in Asia-Pacific, including a breakdown of the strategies employed by hedge funds based in the region.

The Asia-Pacific hedge fund industry has been recovering from record capital outflows since the global financial crisis. Emerging and developed markets in the region continue to present exciting opportunities, allowing Asia-Pacific-based hedge fund managers access to more capital from institutional investors within and outside the region. The first half of 2014 saw substantial inflows to hedge funds launched by Asia-Pacific-based managers, with assets managed by hedge fund managers in the region increasing by \$8bn to \$96.4bn. This represents a significant 9% increase in the total hedge fund assets managed by managers based in the region since the start of the year.

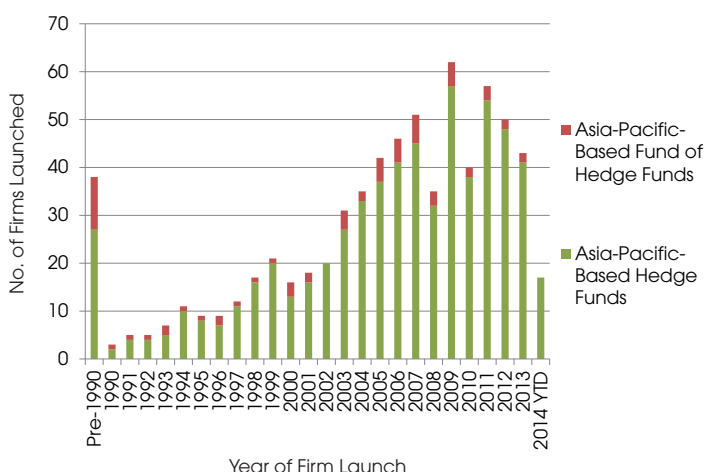
While the number of new Asia-Pacific-based hedge fund firm launches in 2014 is lower compared to previous years, a higher

Fig. 1: Five Leading Countries in Asia-Pacific by Number of Hedge Fund Managers Based in Each Country

Country	No. of Hedge Fund Managers
Hong Kong	289
Singapore	183
Australia	114
Japan	65
China	39

Source: Preqin Hedge Fund Analyst

Fig 3: Number of Asia-Pacific-Based Hedge Fund and Fund of Hedge Funds Firms Established Each Year



Source: Preqin Hedge Fund Analyst

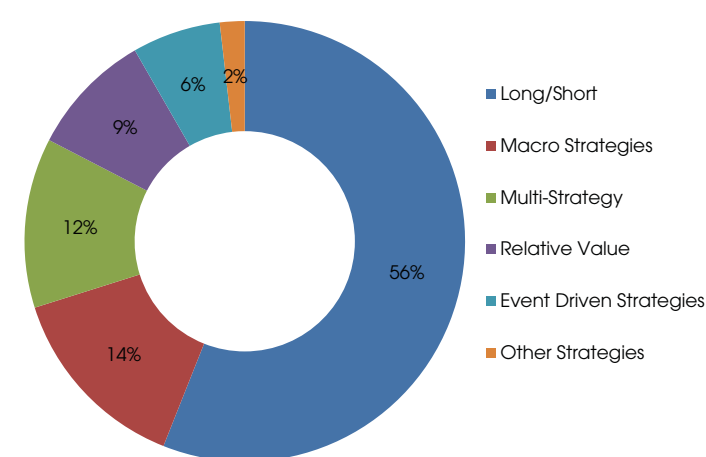
percentage of all firms (18%) entering the market worldwide are headquartered in the region, with the majority choosing to be based in Hong Kong. The proportion of fund launches by Asia-Pacific-based managers is also higher in 2014; 34 funds have been inceptioned this year, representing 11% of all fund launches, compared to 10% in both 2012 and 2013. Maiden fund launches by new hedge fund firms represent 44% of these fund launches, with an average size of less than \$50mn. This suggests that most of the new capital flowing into the region went into existing funds that were already established, indicating investors have a preference for experienced managers with a track record of producing risk-adjusted returns. This trend is likely to continue, especially as large investors such as Japanese private pension funds and Australian superannuation schemes grow their allocations to the asset class.

Fig. 2: Five Largest Asia-Pacific-Based Hedge Fund Managers by Assets under Management

Firm	Headquarters	Assets under Management (\$bn)
Platinum Asset Management	Australia	21.5
Value Partners	Hong Kong	9.2
Hillhouse Capital Management	Singapore	7.8
MCP Asset Management	Japan	5.2
Dymon Asia Capital	Singapore	4.0

Source: Preqin Hedge Fund Analyst

Fig 4: Breakdown of Asia-Pacific-Based Hedge Funds by Strategy Employed



Source: Preqin Hedge Fund Analyst

In Numbers: Asia-Pacific-Based Hedge Funds

34 Number of new Asia-Pacific-based hedge funds launched in 2014 year-to-date (as of 15 July 2014).

38% Proportion of Asia-Pacific-based hedge fund capital managed by firms headquartered in Hong Kong.

1.50% Mean management fee of an Asia-Pacific-based hedge fund.

79% of Asia-Pacific-based managers have a preference for investing in their home region.

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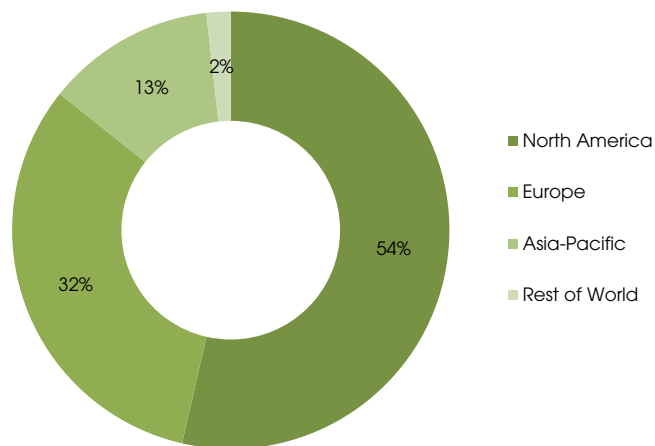
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Fund Searches and Mandates

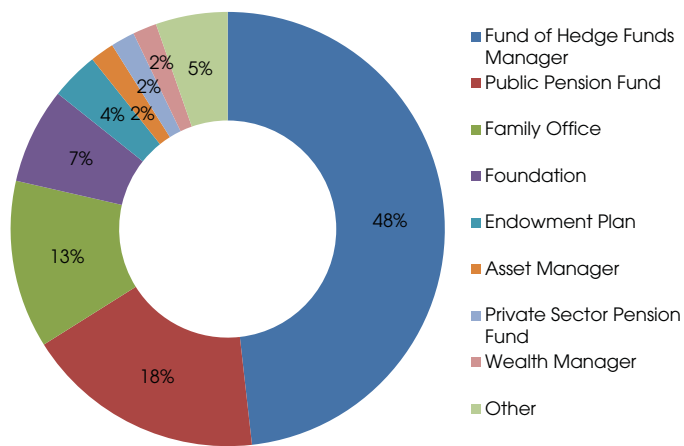
We look at the strategies and regions hedge fund investors plan to target in the year ahead, as well as which investors are planning new investments.

Fig. 1: Breakdown of Hedge Fund Searches Issued by Investor Location, June 2014



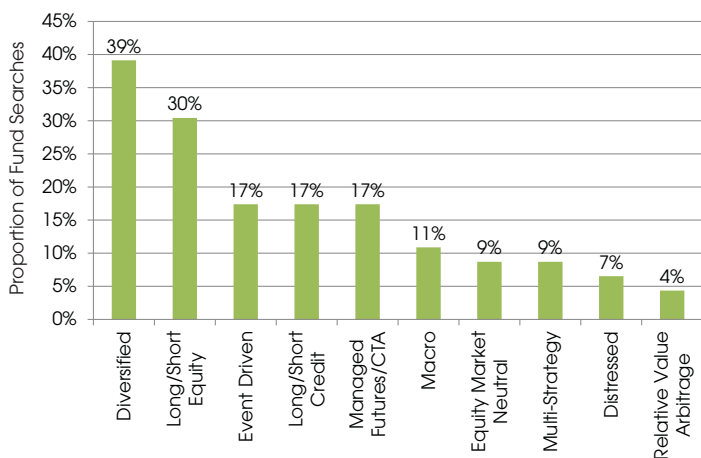
Source: Preqin Hedge Fund Investor Profiles

Fig. 2: Breakdown of Hedge Fund Searches Issued by Investor Type, June 2014



Source: Preqin Hedge Fund Investor Profiles

Fig. 3: Hedge Fund Searches Issued by Strategy, June 2014



Source: Preqin Hedge Fund Investor Profiles

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Fig. 4: Examples of Fund Searches Issued in June 2014

Investor	Investor Type	Location	Fund Search Details
Maine Community Foundation	Foundation	US	The \$380mn foundation anticipates making up to two new hedge fund investments within the next 12 months. Maine Community Foundation currently has eight hedge fund investments and is hoping to gain additional exposure to long/short equity and macro strategies. It is a global investor and plans to commit approximately 1% of its total assets under management to each fund.
Banque Heritage	Fund of Hedge Funds Manager	Switzerland	The \$50mn fund of hedge funds manager is planning to invest in new hedge funds over the coming year, with a focus on global credit-based and relative value funds, as these strategies are underweight in its portfolio at this time. The Geneva-based firm expects to invest in an unspecified number of new funds and it is likely to commit capital to existing managers it has previously invested with alongside new managers.
Dragon Pearl Partners	Family Office	Thailand	The \$150mn Thailand-based multi-family office does not currently hold any hedge fund investments, but is expecting to start investing in the asset class over the next 12 months. It plans to commit up to 5% of its total assets to hedge funds and will invest solely through funds of hedge funds investing in long/short equity and event driven strategies on a global basis.

Source: Preqin Hedge Fund Investor Profiles



Conferences Spotlight

Conference	Dates	Location	Organizer	Preqin Speaker	
Hedge Funds World Asia 2014	2 - 4 September 2014	Hong Kong	Terrapinn	-	-
Research & Due Diligence for Wealth Management Platforms	15-16 September 2014	New York	Financial Research Associates	-	15% Discount: FMP187
Establishing a '40 Act Alternative Fund	17 - 18 September 2014	New York	Financial Research Associates, LLC	-	15% Discount: FMP187
Alpha Hedge West conference	21 -23 September 2014	San Francisco	IMN	-	-
The Private Investment Funds Due Diligence Summit	22 - 23 September 2014	-	Financial Research Associates, LLC	-	15% Discount - FMP187
CTA Expo Chicago	23 September 2014	Chicago	CTA Expo	Amy Bensted	-
Catalyst Cap Intro: L/S Equity Event Driven Alternative Investing	24 September 2014	New York	Catalyst Financial Partners	-	-
Fund Manager Selection Zurich	24 September 2014	Zurich	Informa	-	-
Quant Invest 2014	29- 30 September 2014	Paris	Terrapinn	-	-

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- Evaluating the Costs and Fees of a Liquid Alternative Fund
- Sub-Advising Your Strategies to Other Funds – A Cost-Friendly Alternative?
- Key Start-Up Issues: Lessons Learned From Established Funds

Day 2

- State of the Market – How Alternative Strategies are Making Their Way into the '40 Act Space
- Measuring Performance in the Liquid Alternative Space
- The Ins and Outs of the Distribution Process
- Keys to Drawing Independent Channels for Distribution
- The Formula for Success - Optimizing Your Sales and Marketing Team
- Opportunities in the Retirement Space

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Research and Due Diligence for Wealth Management Platforms

Date: 15 - 16 September 2014 **Information:** <https://www.frallc.com/conference.aspx?ccode=B927>
Location: The Princeton Club - New York, NY **Discount Code:** 15% Discount - FMP187
Organiser: Financial Research Associates

Network with industry leaders in wealth management from wirehouses, regional and independent broker/dealers, RIA platforms, and consultancies. Profit from rarely shared perspectives on the current business priorities, advisor use of home office resources, innovative screening techniques, the rise of the consultants, and the challenges of offering alternative investments. In the increasingly model-driven investment environment against the backdrop of financial advisor practices becoming more holistic, understanding the nuances of manager selection could not be more important.

Establishing a '40 Act Alternative Fund

Date: 17 - 18 September 2014 **Information:** <https://www.frallc.com/conference.aspx?ccode=B933>
Location: The Princeton Club - New York, NY **Discount Code:** 15% Discount - FMP187
Organiser: Financial Research Associates

What's especially unique about this program is the design. On day one - Successfully Operating a '40 Act Alternative Fund - take a deep dive into what it takes to efficiently run a fund in this space. On day two - '40 Act Alternative Fund Growth Strategies - explore the overall marketplace and how to distribute your fund through various lucrative channels. Attend day one, day two, or for optimum value and substance attend both days!

20th Annual Alpha Hedge West

Date: 21 - 23 September 2014 **Information:** <http://www.imn.org/investment-management/conference/Alpha-Hedge-West/Home.html>
Location: The Ritz-Carlton, San Francisco, CA
Organiser: IMN

The conference features cutting-edge perspectives from leaders in the hedge fund space, with agenda content developed in partnership with leading experts representing the global investment community. Speaking firms include: Passport Capital, CalPERS, Carlyle Group, Fortress Investment Group, PAAMCO, Man Group, Aurora Investment Management, Napier Park, CalSTRS, BlackRock, & more.

Private Investment Funds Due Diligence Summit

Date: 22 - 23 September 2014 **Information:** <https://www.frallc.com/conference.aspx?ccode=B941>
Location: The Princeton Club - New York, NY **Discount Code:** 15% Discount - FMP187
Organiser: Financial Research Associates

This is an insider-only event that will bring together investors, and industry leaders in hedge funds and private equity funds to address current and future trends in due diligence. Plus, new this year: post-conference workshop on private equity due diligence with information on the SEC and new enforcement actions, management fees, and valuation.



Catalyst Cap Intro: L/S Equity | Event Driven Investing

Date: 24 September 2014 **Information:** <http://catalystforum.com/node/300>
Location: New York City
Organiser: Catalyst Financial Partners

Catalyst Cap Intro Events are sector focused, investor driven events that host hand-picked investment managers and investors that are introduced to each other with a view to become investment partners.

This Catalyst Cap Intro Event focuses only on the L/S Equity and Event Driven sectors.

Investors constitute predominantly single and multi-family offices, endowment and foundations, and their advisors, located on the US East Coast corridor, but also internationally.

Fund Manager Selection Zurich 2014

Date: 24 - 25 September 2014 **Information:** <http://www.iiribcfinance.com/FKW52796SPL>
Location: Zurich, Switzerland
Organiser: IIR Conferences

Fund Manager Selection (FMS) is a unique event focused on the complex and increasingly important area of assessing and choosing external asset managers.

As a manager, FMS Zurich 2014 will help you discover what top institutional investors, trustees, family offices, multi-managers & consultants are looking for and how you can improve your investment processes.

Quant Invest 2014

Date: 29 - 30 September 2014 **Information:** www.terrapinn.com/quant
Location: The Dorchester, London, UK
Organiser: Terrapinn

Quant Invest is the premier business event in Europe for quant investors and managers and examines the latest strategies and innovations in this field of finance.

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