

# Europe Hedge Fund Industry Approaches €600bn in Assets

## Number of active investors has doubled since 2008 as industry expands

Europe-based hedge fund managers hold €587bn in assets under management as of March 2018. The hedge fund industry in Europe has seen robust growth in recent years, with assets increasing by almost 10% in 2017 alone. This may be partly driven by strong inflows: 52% of Europe-based managers saw net inflows in 2017, the highest of any region, and saw net inflows of €27bn for the year as a whole. In addition, Europe-based hedge funds posted returns of 9.05% in 2017, higher than both the FTSE 100 and the EURO STOXX 50 indices, and the industry has outperformed those indices over both 3- and 5-year annualized horizons. This strong long-term performance may have driven increased investor appetite – at the start of 2018 Preqin tracked 1,101 Europe-based investors allocating €404bn to hedge funds, up from 595 that invested €175bn a decade prior.

**For more information and analysis, see the full *Alternative Assets in Europe* report here:**

<http://docs.preqin.com/reports/Preqin-Markets-in-Focus-Alternative-Assets-in-Europe-June-2018.pdf>

### Key Europe Hedge Fund Industry Facts:

- **Europe-based assets under management have reached €587bn** as of the end of Q1 2018, accounting for 41% of the total €1.48tn held by the alternative assets industry in the region.
- The region saw three consecutive quarters of inflows from Q2-Q4 2017, and recorded **€27bn in net inflows for the year** overall.
- **Fifty-two percent of Europe-based fund managers saw net inflows** in 2017, higher than any other region.
- **The number of Europe-based hedge fund investors has almost doubled** from 595 in 2008 to 1,101 in 2018. Total capital invested by these investors has risen commensurately from €175bn to €404bn in the same period.
- **Private sector pension funds make up the largest proportion (22%) of Europe-based hedge fund investors**, while fund of hedge fund managers make up 17% and wealth managers account for 11%.
- **Despite this, net launch activity is slowing.** After seeing net growth in the number of active funds in 2012-2015, 2016 saw an equal number of launches and liquidations, while in 2017 liquidations outstripped launches.
- However, **European hedge funds outperformed the EURO STOXX 50 and FTSE 100 indices** in 2017, and offer higher 3-year and 5-year annualized returns.

### Amy Bensted, Head of Hedge Fund Products:

“The European hedge fund industry has experienced strong growth over the past five years, as assets under management have seen consistent increases, attributable to strong net capital inflows. Investors have certainly taken notice of the region, and we’ve seen the number of Europe-based hedge fund investors almost double in the past decade.

The European industry had a more successful 2017 than North America in terms of asset flows. Emboldened by the positive year in terms of capital flows, almost 40% of Europe-based hedge fund managers surveyed by Preqin in November 2017 planned to launch a new fund in 2018, while just 23% of North America-based managers plan to do the same. Looking ahead, the industry looks set to see further growth and we can expect capital inflows for the European hedge fund industry.”

*Preqin is the leading source of information for the alternative assets industry, providing insight and analysis gathered by its global teams of dedicated researchers. Founded in 2003, the company is a frequent source of intelligence used in the global financial press, through its online databases, regular publications and bespoke data requests.*

**For more information, contact our dedicated press team at [press@preqin.com](mailto:press@preqin.com) or call (+44) 20 3207 0265.**