

Welcome to the latest edition of Hedge Fund Spotlight, the monthly newsletter from Preqin providing insights into hedge fund investors. Hedge Fund Spotlight uses information from our online product Hedge Fund Investor Profiles.

October 2012
Volume 4 - Issue 10

FEATURED PUBLICATION:

The 2012 Preqin Hedge Fund Investor Review



More information available at:
www.preqin.com/hfir

New York:
One Grand Central Place
60 E 42nd Street
Suite 2544
New York
NY 10165
+1 212 350 0100

London:
Equitable House
47 King William Street
London, EC4R 9AF
+44 (0)20 7645 8888

Singapore:
Asia Square Tower 1
#07-04 8 Marina View
Singapore
018960
+65 6407 1011

www.preqin.com
info@preqin.com

Twitter: www.twitter.com/preqin
LinkedIn: www.linkedin.com
Search for Preqin

Hedge Fund Spotlight

October 2012

Feature Article

Investors in Emerging Manager Hedge Funds

With continuing global economic uncertainty, many investors are reconsidering their investments in emerging managers and their associated higher risk when compared with more established managers. In this month's feature article we explore the impact of these trends on emerging managers, and the outlook for the future.

Industry News

In this month's news section we turn our attention to investors looking to make new investments in hedge funds in the near future, and also those planning to increase their allocations to the asset class.

Page 7

The Facts

A look at the latest August 2012 hedge fund performance benchmarks: [Page 8](#)

The key stats on the long/short hedge fund universe: [Page 9](#)

A look at investors' fund searches and mandates in Q3 2012: [Page 10](#)

Details of upcoming hedge fund conferences from around the world: [Page 13](#)



You can download all the data in this month's Spotlight in Excel. Wherever you see this symbol, the data is available for free download on Excel. Just click on the symbol and your download will begin automatically. Feel free to use the data in any presentations, but please remember to cite Preqin as your source.

Free Subscription:

Click [here](#) to sign up to receive your free edition of Hedge Fund Spotlight every month!



Is Investor Appetite for Emerging Manager Hedge Funds Declining?

In today's turbulent economic climate, many investors in hedge funds are pursuing the stability of established managers, leaving emerging managers with a shortfall in institutional investor interest in their offerings. Graeme Terry explores the latest trends in investor appetite for emerging funds and the outlook for the future.

Hedge funds managed by new and emerging managers can be attractive to investors as such funds are often more nimble, provide a larger opportunity set and a more streamlined decision making process. However, investing in emerging managers is often perceived to be riskier than investing with established managers due to the lack of track record.

2011 was a challenging year for emerging managers seeking institutional capital and 2012 has continued to prove difficult. Confidence in hedge funds among investors has decreased over the past year and institutions have begun to re-evaluate hedge funds and their role in their portfolio, and as such, it has become even more difficult for emerging funds to attract capital from institutional investors. As a result, overall appetite for emerging managers has decreased over the past 12 months as investors continue to look for more established funds amid ongoing financial uncertainty.

Institutional Investor Attitudes towards Emerging Manager Hedge Funds

A Preqin study in December 2011 indicated that 83% of investors in hedge funds allocate to emerging managers due to their potential to offer stronger returns. If the performance of established hedge funds continues to disappoint, then there may be opportunities for emerging managers to attract capital from dissatisfied investors. Other reasons for investors targeting emerging managers include an ability to negotiate better terms, access to new strategies, a greater alignment of interests between manager and investor, and the fact that emerging managers can offer long-term investment prospects.

As shown in Fig.1, first-time funds continue to attract the most attention of all emerging manager funds among institutional investors in hedge funds on the Preqin database, with 42% of these investors willing to commit capital to these vehicles. While this is a healthy percentage of interested investors, it is significant that this figure has decreased from 54% in 2010 and 48% in 2011, demonstrating that appetite for these funds is continuing to decline. A further 17% of investors would consider making commitments to first-time funds, but 41% will not invest in first-time funds, a proportion that has increased from the 38% of investors which indicated they would not invest in first-time funds in 2011.

Interest in hedge funds managed by spin-off teams has also dropped over the past year, with 38% of investors indicating they are interested in such funds compared to 43% in 2011. Spin-offs had previously shown the largest fall in investor appetite, decreasing

Fig. 1: Institutional Hedge Fund Investor Attitudes towards Emerging Manager Fund Types



Source: Preqin Hedge Fund Investor Profiles

from 61% to 45% between 2009 and 2010. Spin-off funds provide access to experienced industry professionals but they do not always offer exposure to the value-added niche strategies that investors typically look for in an emerging manager allocation.

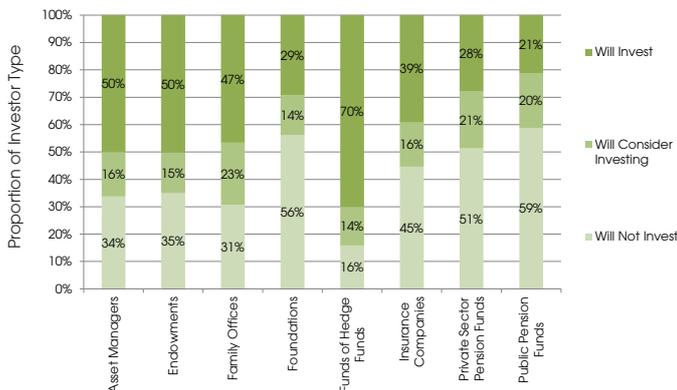
There has also been a reduction in the number of investors that are willing to provide seed capital to start-up hedge funds over the past year. Interest in seeding hedge funds among investors almost doubled between 2009 and 2010 but decreased in the following years from 21% in 2011 to 19% in 2012. Seeding can provide benefits to investors as they can take ownership stakes in hedge funds; however, there is higher risk involved in investing in funds with no previous track record. There has been an increase in the number of specialist seeding platforms in recent years, with seeding specialists offering investors the opportunity to gain exposure to start-up hedge funds without the risk involved in selecting funds themselves. Fund of hedge funds manager Hermes BPK announced earlier this year that it planned to launch a hedge fund seeding platform with the assistance of private equity firm Northern Lights Capital Group.

Breakdown of Emerging Hedge Fund Managers by Investor Type

Investors in emerging hedge fund managers typically tend to be those with a large capital base and strong investment resources. As a result, it is unsurprising that funds of hedge funds remain the investor type most likely to invest in small and emerging funds, as shown in Fig. 2. The proportion of funds of hedge funds interested in emerging managers has remained relatively constant over the previous year and currently 70% indicate an interest in such funds.



Fig. 2: Institutional Hedge Fund Investor Attitudes towards Emerging Managers by Investor Type



Source: Preqin Hedge Fund Investor Profiles

Endowments are typically experienced investors with a long-term outlook on the asset class – they have traditionally been one of the most active investor groups in terms of investing in emerging managers. However, appetite for emerging managers among endowments appears to be decreasing, with 50% currently interested compared to 65% in 2010 and 58% in 2011. Although this is disappointing for emerging managers, endowments remain second in terms of proportional interest in such hedge funds and a number of these remain active in the space. Hawaii-based Kamehameha Schools is an example of an endowment that actively considers investments in emerging managers. Asset managers are another investor group which targets emerging manager hedge funds, with 50% of these investors indicating an interest. Similar

to funds of hedge funds, these investors are likely to have a strong investment team, allowing them to carry out the necessary due diligence on lesser-known funds.

Family offices have shown a slight increase in appetite for emerging manager hedge funds over the previous year, with 47% of these investors interested compared to 44% in 2011. This is still well below the 54% that indicated an interest in 2010, but the small increase shows that family offices may be starting to regain faith in the benefits offered by emerging funds. Smaller, more entrepreneurial funds often appeal to family offices for their potential for greater diversification, stronger returns, and access to better fund terms. The percentage of foundations interested in emerging managers has also increased slightly in the past year to 29% compared to 26% in 2011. Foundations vary significantly in terms of size and resources and while some of the larger foundations are happy to actively seek emerging managers, the smaller foundations are more likely to invest with well-known managers.

Pension funds have traditionally been more conservative hedge fund investors and, as a result, they have tended to prefer investing with established names over emerging managers. Interest in emerging manager hedge funds among pension funds has remained relatively static over the past year, with 28% of private sector pension funds and 21% of public pension funds currently interested in such funds. Over the past few years, pension funds have tended to target investments with experienced managers in order to obtain the perceived security offered by well-known funds. Despite this, pension funds can still be a key source of capital for emerging managers due to their large dollar allocations. Some

4th Annual

GAIMOps International

16-18 October, 2012
Crown Plaza Paris-République
Paris, France

NEW LOCATION

AS ODD DEMANDS INCREASE, ENSURE YOUR DUE DILIGENCE IS CUTTING EDGE

- Hear from **70+** global experts from Europe, Great Britain, United States, Canada, Japan, Singapore and Australia
- Satisfy the **increasing demands of investors** – understanding fee pressure, liquidity demands, transparency requests, and new structures
- Attend **5+ hours of regulatory guidance** – region by region updates from United States, Europe and Asia
- Choose from **35+ comprehensive sessions** on operational due diligence, compliance and risk management
- Unrivaled **global community** of CCOs, COOs, CFOs and Heads of ODD from around the globe

Receive a **15% discount** when you mention code **XU2388PRQ** when registering

www.GaimOpsInternational.com

Fig. 3: Institutional Hedge Fund Investor Attitudes towards Emerging Managers by Investor Region



Source: Prequin Hedge Fund Investor Profiles

pension funds are keen to invest with emerging managers in order to diversify their holdings and tap into new sources of alpha.

Geographic Breakdown of Investors in Emerging Hedge Fund Managers

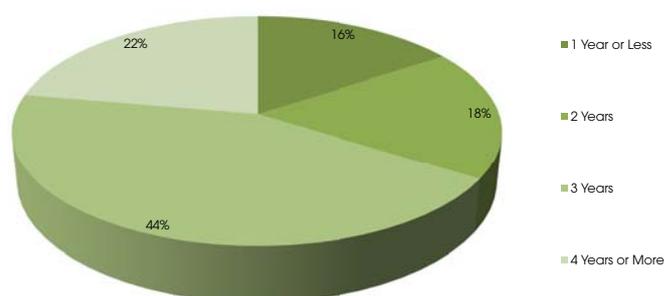
North America is the most established region in terms of hedge fund investing and the majority of capital committed to emerging managers comes from this region. The number of fund launches in this region is currently significantly higher than in other regions worldwide, meaning there are more opportunities for investors based in North America to access emerging manager funds being raised in their region. Overall appetite for emerging managers in North America has grown marginally over the last 12 months, with Fig.3 showing 50% are now willing to commit to emerging managers compared to 48% in 2011. This proportion is still some way below the 60% of investors that planned to commit to such funds in 2010. Interest from Europe-based investors in emerging managers has also shown an increase over the past year from 39% in 2011 to 42% in October 2012. Investors in this region are typically more cautious, particularly in light of the ongoing sovereign debt crisis.

Investors in Asia and Rest of World have shown the largest change in appetite for emerging manager hedge funds over the past 12 months. Overall hedge fund performance has been disappointing, which has led to many investors in the region to try to reduce risk in their portfolios. Current investor appetite for emerging managers stands at 46% for Asia and 43% for Rest of World, which is a significant decline on the 53% and 58% respectively that were interested in 2011. Investors in these regions do not typically have the same experience as investors in Europe or North America and may feel that investing with established managers poses fewer risks in the uncertain financial climate.

Barriers to Entry for Emerging Hedge Fund Managers

As a result of growing concerns over hedge fund performance, investors are now more demanding than ever when it comes to selecting hedge fund managers. Over recent years there has been a decrease in investors targeting funds with a two-year track record or less. Thirty-four percent of investors in hedge funds said they would invest in such a manager in 2011 compared to 54%

Fig. 4: Minimum Fund Manager Track Record Required by Institutional Investors in Hedge Funds



Source: Prequin Hedge Fund Investor Profiles

in 2009. This trend has continued over the course of 2012, with 34% of investors still indicating they would be willing to invest in a manager with a two-year track record or less (Fig. 4). Forty-four percent of all investors in hedge funds look for at least a three-year track record, with a further 22% requiring managers to have at least four years of previous experience. Managers with a track record stretching back at least three years have shown themselves to be able to cope in challenging economic circumstances, making them attractive to cautious investors. Prequin's historical data on investor track record requirements show that currently the majority of investors (66%) will not invest in a fund with a track record of less than three years, which is a substantial increase compared to 2009 when this proportion stood at 46%. This suggests that investors are trying to reduce risk by investing with managers with strong previous experience.

More investors are also looking to invest in larger managers in an attempt to find funds which can produce consistent and reliable returns and have shown considerable success in gaining commitments from other investors, according to Fig. 5. Seventy-four percent of institutional investors will invest in managers with less than \$500mn in assets under management, which is a slight reduction on the 78% that indicated this in 2011. Public pension funds are most likely to look for larger funds, with 62% of this investor group requiring assets under management of at least \$500mn. Despite this trend towards larger funds, a number of investors retain a preference for smaller funds as these funds are typically in a better position to react quickly to market changes.

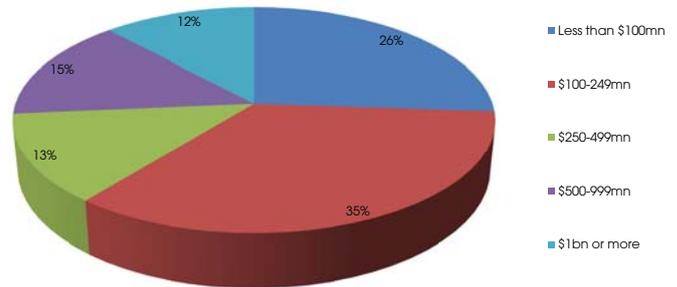
Outlook

2011 and 2012 have proved to be challenging years for hedge fund investors and there has been a noticeable shift of investors moving towards investing with more experienced hedge fund managers in the wake of market uncertainty. This has led to a difficult environment for emerging managers attempting to raise capital, with investors often unwilling to take too many risks in these challenging economic times. Despite this, 42% of institutional investors remain happy to allocate to emerging managers, which means there should continue to be opportunities for potential investment. The emerging manager hedge fund space is continuing to evolve and these managers are

capable of producing strong returns and additional diversification benefits. Investors are becoming increasingly disappointed with hedge fund returns and so may be tempted to look towards smaller managers that can offer higher alpha, lower fees, and greater transparency.

In this difficult fundraising environment, hedge fund managers must work to understand the institutional community of investors and market an emerging fund to the appropriate sources of capital. Prequin currently has information on more than 950 institutional investors that have indicated a preference for small and emerging funds and, as a result, Prequin's Hedge Fund Investor Profiles database can be indispensable to those managers looking to gain the attention of the institutional investors.

Fig. 5: Minimum Fund Manager Assets under Management Required by Institutional Investors in Hedge Funds



Source: Prequin Hedge Fund Investor Profiles

Subscriber Quicklink:

Subscribers can click [here](#) to search all 850 hedge fund investors currently investing in emerging manager hedge funds. Prequin's [Hedge Fund Investor Profiles](#) now features the ability to search and filter for investors based upon their fund searches and mandates.

Not yet a subscriber? [Hedge Fund Investor Profiles](#) is the leading tool in helping fund managers find institutional investors with a pre-qualified stated preference for their vehicle, along with the direct contact details to get you in touch with the key decision makers.

For a demo of [Hedge Fund Investor Profiles](#), or to get information on how this useful tool can help you, please visit:

www.prequin.com/hfip

Investment and strategy for quant investors and their managers

5 - 7 November 2012, Hotel Lutetia, Paris, France

Now in its 6th year, Quant Invest brings institutional investors together with global quant managers to explore the strategies, academic research and technologies that are managing risk and creating returns.

Key speakers include:



Albert-László Barabási
Director, Center for Complex Network Research
Northeastern University



Arjen Pasma
Chief Risk Officer
PGGM Investments



Michiel Schuijt
Chief Risk Officer
MN

Register now to secure your place.



Register now - on your phone!

Scan this QR pattern with the camera on your smartphone to register with a special voucher code: PREQ



www.terrapinn.com/quant

2012 Preqin Hedge Fund Investor Review

The [2012 Preqin Hedge Fund Investor Review](#) provides profiles and analysis for the most important institutional investors in hedge funds from around the world. This invaluable resource contains the following key features:

- Profiles for 1,000 key institutional investors arranged into 23 key regions from around the world.
- Profiles include fund preferences by strategy and geography, key financial information, direct contact details for key personnel, sample investments.
- Analysis for investors from each region.
- Analysis for investors in each of the ten most important hedge fund strategies with listings for active investors.
- Analysis and listings for investors looking to allocate to UCITS or managed account vehicles.
- Analysis of emerging manager investors.
- Exclusive information gained through direct contact with institutional investors.



www.preqin.com/hfir

For more information see www.preqin.com/hfir

I would like to purchase the 2012 Preqin Hedge Fund Investor Review:

Single Copy:

- \$795 + \$40 Shipping
- £465 + £10 Shipping
- €550 + €25 Shipping

Additional Copies:

- \$180 + \$20 Shipping
- £110 + £5 Shipping
- €140 + €12 Shipping

Data Pack:

- \$300 / £180 / €220

Data Pack contains all underlying data for charts and graphs contained in the publication. Only available alongside purchase of the publication.

All prices correct at time of going to print. For current pricing, please see www.preqin.com

Shipping costs will not exceed a maximum of £15 / \$60 / €37 per order when all shipped to same address. If shipped to multiple addresses then full postage rates apply for additional copies.

Completed Order Forms:

Post (to Preqin):

One Grand Central Place
60 E 42nd Street
Suite 2544
New York, NY 10165

Equitable House,
47 King William Street,
London, EC4R 9AF

Asia Square Tower 1
#07-04
8 Marina View
Singapore 018960

Fax:

+1 440 445 9595
+44 (0)87 0330 5892
+65 6407 1001

Email:

info@preqin.com

Telephone:

+1 212 350 0100
+44 (0)20 7645 8888
+65 6407 1011

Payment Details:

- Cheque enclosed (please make cheque payable to 'Preqin')
- Credit Card Amex Mastercard
- Visa Please invoice me

Card Number: _____

Name on Card: _____

Expiration Date: _____

Security Code: _____



American Express, four digit code printed on the front of the card.



Visa and Mastercard, last three digits printed on the signature strip.

Shipping Details:

Name: _____

Firm: _____

Job Title: _____

Address: _____

City: _____

Post/Zip: _____

Country: _____

Telephone: _____

Email: _____



Preqin Industry News

Jessica Sutro rounds up the latest industry news based upon intelligence gathered by Preqin analysts. Preqin Online subscribers can click on the investor name to view the full profiles.

Despite challenging conditions in the hedge fund market, some investors are still increasing their allocations to the asset class. Investors that made commitments in the last month include a number of pension funds that are planning to either make new investments or increase their allocations to the asset class. As shown in the Chart of the Month, public pension funds represent a large proportion of the top 25 largest investors in hedge funds, demonstrating their significant place among investors in the asset class.

One recent example is [London Borough of Camden Pension Fund](#), which has doubled its hedge fund allocation from 5% to 10% of total assets and is set to hire its second hedge fund manager. The £1bn pension fund previously invested in a fund managed by BlueCrest Capital, and has now selected Brevan Howard Asset Management as its second hedge fund manager, expecting to fund this commitment at the end of September. Both of its hedge fund investments are investments in funds of hedge funds which invest exclusively in hedge funds managed by BlueCrest and Brevan Howard. Following its second allocation, however, the pension is unlikely to consider any further additions to its hedge fund portfolio in the near future. [British Coal Staff Superannuation Scheme](#) also plans on augmenting its portfolio, and will consider making investments in a number of single-manager funds in order to boost its exposure to the asset class. The £8.4bn pension fund invests in single-manager funds and will not consider fund of hedge funds structures.

Some investors remain uncertain about their future plans for hedge fund investments. [Community Foundation of St. Clair County](#) is currently in the process of redeeming one of its two fund of hedge funds investments due to the closure of the fund. It is considering a variety of options for the future of its hedge fund portfolio – the \$33mn foundation could decide to hire a new manager, allocate additional capital to its remaining manager, or redeem from the asset class completely. It relies heavily on its consultant – [Asset Strategies Portfolio Services](#) – for all investment matters, and will only invest with managers recommended by them. The foundation currently allocates 5% of its total assets to its two fund of hedge funds.

However, there are still investors that are leaving the asset class for the immediate future. [Icelandic State Employees' Pension Fund](#) is now close to fully liquidating its sole investment in hedge funds, a fund of funds managed by Greyston & Co. The pension fund has no plans to make any new hedge fund investments in the next 12 months, but may consider investing in the long term.

Fund manager [MAP Alternative Asset Management](#) is in the process of launching its first fund of hedge funds, with the goal

Chart of the Month: Top 25 Largest Hedge Fund Investors (by Capital Invested) by Investor Type



Source: Preqin Hedge Fund Investor Profiles

of having it operational by the second half of 2013. The firm plans to invest in 10 managers in the next 12 months, with a longer-term goal of 25 managers. Strategies targeted include fixed income, fixed income arbitrage, and long/short credit. The firm will invest directly through commingled and managed account structures, and consider low to very high volatility. The firm does not have specific requirements in terms of track records from managers, and is open to investing in emerging managers. It hopes to consider seeding funds and spin-offs in the longer term.

Data Source:

Want to find out which investors are changing their manager portfolios? Which European public pension giant is expanding its hedge fund portfolio? Which asset manager has recently acquired a fund of hedge funds? This and even more news can be found on [Preqin Hedge Fund Investor Profiles](#).

Preqin gathers industry news from our direct communication with hedge fund investors and regular news can be found on [Preqin Hedge Fund Investor Profiles](#). In the last month Preqin's team of dedicated research analysts have added 47 investors, and updated 452.

To find out how we can help you, please visit:

www.preqin.com/hedge



Preqin Performance Benchmarks: August 2012

Joe Childs reviews the latest hedge fund performance benchmarks for August 2012.

Fig. 1: Summary of August 2012 Hedge Fund Performance Benchmarks

	August 2012	July 2012	Year To Date	Last 12 Months
Hedge Funds (All Strategies & Regions)	1.26	0.63	4.34	2.02
Long/Short	1.15	0.57	3.55	-0.51
Event Driven Strategies	1.65	0.34	2.81	1.67
Relative Value	0.68	0.49	5.30	6.41
Macro Strategies	1.42	1.17	4.27	3.96
Multi-Strategy	1.57	0.97	5.30	5.00
North America	1.34	0.77	5.84	5.27
Europe	0.74	0.78	3.49	3.26
Asia-Pacific	0.60	-0.20	2.77	-1.30
Emerging Markets	1.19	0.69	4.28	0.24
USD	1.46	0.67	5.13	2.30
EUR	0.34	0.58	2.64	1.14
GBP	0.39	0.53	1.48	0.89
JPY	-0.81	-1.12	-0.95	-1.59
AUD	1.74	-0.20	4.02	2.94
BRL	1.38	1.11	8.44	11.57
Funds of Hedge Funds (All Strategies & Regions)	0.78	0.66	2.36	-0.83
Multi-Strategy	0.61	0.78	2.34	-0.47
USD	0.84	0.61	2.32	-0.92
EUR	0.61	0.75	1.72	-1.74
UCITS Hedge Funds (All Strategies & Regions)	0.88	0.65	3.27	1.28
USD	0.86	0.89	3.58	-0.28
EUR	0.52	0.71	2.40	0.73
CTAs (All Strategies & Regions)	-0.51	2.68	2.80	1.27
USD	-0.30	2.56	3.48	2.41
EUR	-1.70	4.08	-0.82	-3.84

Source: Preqin

Event driven strategies were the top performers in August; however, in year to date their cumulative returns have lagged behind other strategies.

In Fig. 2 we examine the Value Added Monthly Index (VAMI) of a \$1,000 investment event driven strategy from 2009 to August 2012 compared to a benchmark of all hedge fund strategies.

Add hfperformance@preqin.com to your monthly performance distribution lists to ensure your fund information remains accurate and is updated regularly.

Fig. 2: Hedge Fund Performance: Event Driven vs. All Strategies, January 2009 - August 2012



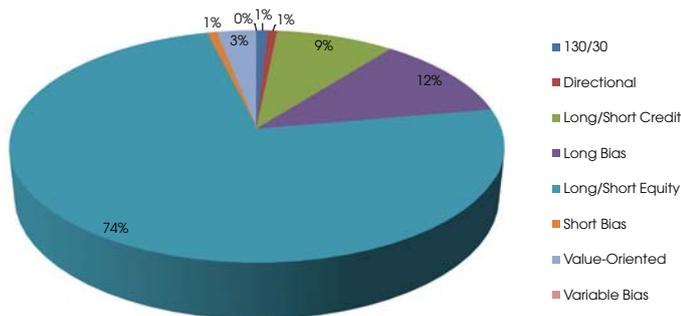
Source: Preqin



Long/Short Hedge Fund Strategy Universe

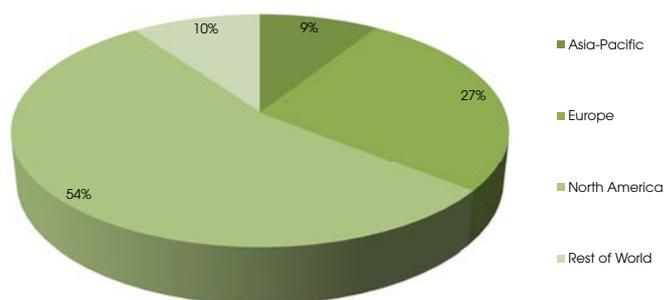
Ross Ford takes a look at the key stats on hedge funds with a long/short strategy, including a breakdown of the universe and a list of five leading hedge funds following the strategy.

Fig. 1: Breakdown of Long/Short Hedge Fund Strategy Universe



Source: Preqin

Fig. 2: Breakdown of Long/Short Hedge Funds by Region



Source: Preqin

Fig. 3: Five Leading Long/Short Hedge Funds

Fund Name	Firm	Location	Inception Date	Core Strategy	Fund Type	Size (\$mn)
Viking Global Equities	Viking Global Investors	US	01-Oct-1999	Long/Short Equity	Hedge Fund	8,473*
Viking Global Equities follows a global long/short equity strategy. The fund's investments are primarily in equity securities, but it also has holdings in debt, credit, derivative, and other financial instruments. Viking Global Equities sees a relatively low net exposure through its long/short holdings, and has some notable US-based pension plans and foundations among its investor base.						
Lansdowne Developed Markets Fund	Lansdowne Partners	UK	01-Aug-2001	Long/Short Equity	Hedge Fund	6,800*
The Lansdowne Developed Markets Fund, formerly known as the Lansdowne UK Equity Fund, uses a long/short strategy with a targeted volatility of 8% to 12% over the medium term. It invests primarily in the equity and equity-related securities of companies in developed markets, which are identified as being mispriced, either in absolute terms or relative to other equity securities. The fund typically targets a gross exposure range of between 100% and 300% of the net asset value. The fund employs fundamental analysis to make investment decisions with a typical time horizon of one to four years.						
Renaissance Institutional Equities Fund	Renaissance Technologies	US	01-Jul-2005	Long Bias	Hedge Fund	5,291
Renaissance Institutional Equities Funds (RIEF) invest primarily in US and non-US equity securities publicly traded on US exchanges, based on a quantitative, long-biased investment strategy. RIEF has been designed to achieve returns that, on a gross basis, exceed the average yearly returns of the S&P 500 Index with dividends reinvested in the long term. The RIEF investment process is automated and employs proprietary statistical models of price prediction, risk, and trading cost to build a portfolio of thousands of long/short positions.						
Cedar Rock Capital Partners	Cedar Rock Capital	UK	01-Feb-2003	Long Bias	Hedge Fund	3,585*
Cedar Rock Capital Partners is a value orientated, long-biased fund that maintains a concentrated portfolio of about 20 stocks and pursues a buy and hold global equity strategy. The fund aims to keep each stock in its portfolio for five to six years. The fund takes a bottom-up approach when selecting companies appropriate for long-term investment.						
Glenview Institutional Partners	Glenview Capital	US	01-Feb-2001	Long/Short Equity	Hedge Fund	3,244*
Glenview Institutional Partners, managed by Glenview Capital, employs a deep, bottom-up approach and will primarily invest in US equities, with some exposure to European equities as well. The fund will also invest in high yield bonds.						

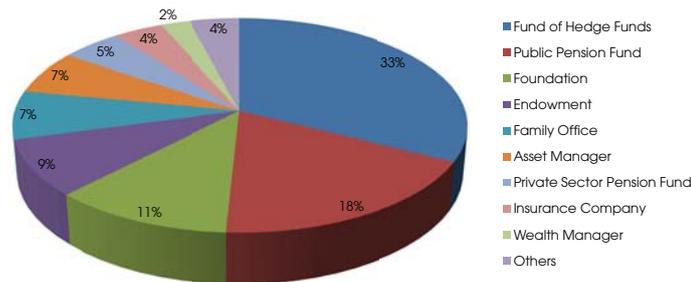
Source: Preqin

* Denotes estimated fund size.

Fund Searches and Mandates - Q3 2012

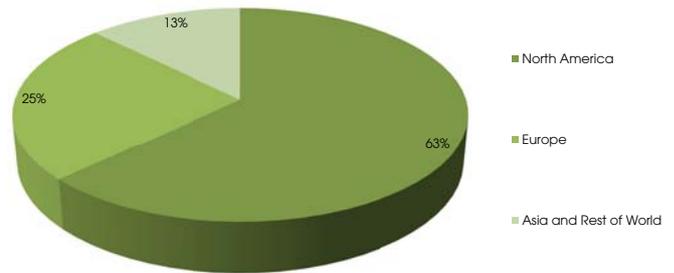
Which investors initiated hedge fund searches in Q3 2012? Which hedge fund strategies are these investors targeting? [Dami Solebo](#) explores Prequin's latest data on hedge fund searches and mandates in Q3 2012.

Fig. 1: Hedge Fund Searches Issued by Investor Type, Q3 2012



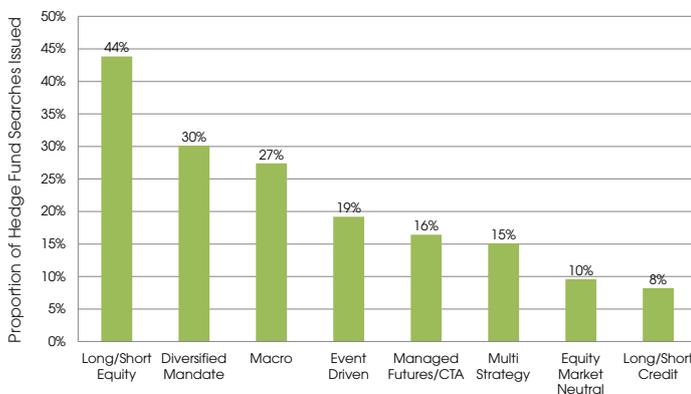
Source: Prequin Hedge Fund Investor Profiles

Fig. 2: Hedge Fund Searches Issued by Investor Location, Q3 2012



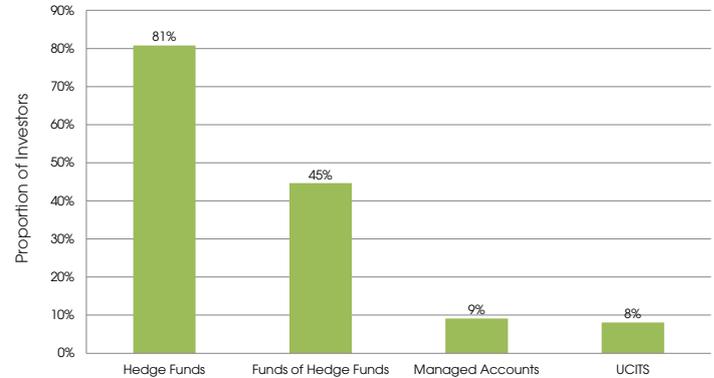
Source: Prequin Hedge Fund Investor Profiles

Fig. 3: Hedge Fund Searches Issued by Strategy, Q3 2012



Source: Prequin Hedge Fund Investor Profiles

Fig. 4: Hedge Fund Searches Issued by Structure, Q3 2012



Source: Prequin Hedge Fund Investor Profiles

Fig. 5: Examples of Fund Searches Issued in Q3 2012

Investor	Investor Type	Location	Fund Search Details
Benida Group	Family Office	US	Although currently at its target allocation, Benida Group is planning to replace three managers in the coming 12 months. The office typically turns over 10% of its hedge fund portfolio annually. It will be searching for established managers with a three year track record and assets under management above \$1bn. It will be targeting long/short equity strategies.
United States Olympic Foundation	Foundation	US	United States Olympic Foundation is currently below its target of 20% to hedge funds and is seeking to fill this allocation in the next 12 months. It prefers to invest with established managers based in North America that provide global exposure to diversified strategies. It is open to both direct investment with hedge fund managers and funds of hedge funds.
Western Research & Management	Fund of Hedge Funds	US	Western Research & Management, the asset management segment of the Western Commerce Group, aims to invest in as many as eight managers over the next 18 months. As it considers smaller managers it will be looking for funds sized around \$150mn. It searches for managers that are experts in niche fields and has a preference for commodity and global macro strategies.

Source: Prequin Hedge Fund Investor Profiles

Future Fund Searches and Mandates

The difference between success and failure in attracting institutional capital is often the ability to identify which investors are most interested in your fund.

To help with this task, Preqin [Hedge Fund Investor Profiles](#) now assists subscribers to identify likely investors in their fund by searching for institutional investors by their current searches and mandates.

Preqin updates these details by speaking directly to investors - saving you time and ensuring our intelligence is up to date and accurate.

- [Future Investment Plans](#) - Investor profiles now include details of investors' future fund searches, detailing whether they are targeting specific hedge fund strategies, regions of focus, or particular hedge fund structures.
- [Future Fund Searches and Mandates](#) - Forward-looking search for all the institutional investors that are looking to invest in funds that match your criteria.
- Filter potential investors by location, type, strategy preferences for the next 12 months, structural preferences for the next 12 months, regional preferences for the next 12 months and likely timeframe for their next fund commitment.

Future Plans, Searches and Mandates

Date of Plans: Q3 2012

Next 12 Months:

Strategies Targeting: Long Bias, Long/Short Equity, Macro

Structures Targeting: Commingled Direct

Regions Targeting: Europe, North America, Global

Summary: As of Q3 2012, [BlackRock](#) planned to increase its allocation to the hedge fund asset class over the next 12 months on an opportunistic basis. The [fund](#) primarily looks to invest in long/short equity hedge funds along with global macro and long only funds. It will also consider investing in emerging managers.

Hedge Funds 

Fund Searches and Mandates

Select all required filter criteria

- Investor Type
- Investor Location
- Strategy Preferences - Fund Searches and Mandates
 - Event Driven
 - Global Macro
 - Long Short
 - Relative Value
 - Others
 - Include Opportunistic Investors
- Structural Preferences - Fund Searches and Mandates
- Region Preferences - Fund Searches and Mandates
 - Asia Pacific
 - Europe
 - North America
 - Include Opportunistic Investors
 - Emerging Markets
 - Global
 - Rest of World
- Timeframe of Next Commitment

Keyword Search:

Investor Name	Strategies	Regions	Structures	Date Inserted
BlackRock	Diversified	Emerging Markets, Global	Commingled Direct	06/08/2012
BlackRock	Opportunistic, Diversified, Event Driven, Macro	Global	Commingled Direct	02/08/2012
BlackRock	Diversified, Long/Short Equity, Macro	Asia Pacific, Global	Commingled Direct	02/08/2012
BlackRock	Diversified, Opportunistic	Global, North America	Commingled Direct	02/08/2012
BlackRock	Macro, Managed Futures / CTA	Global	Commingled Direct	02/08/2012
BlackRock	Diversified	Global	Commingled Direct	02/08/2012
BlackRock	Currency, Diversified, Long / Short Credit	North America	Commingled Direct	02/08/2012

Whether you're hoping to grow the assets of a niche Asia-focused fund of hedge funds, or launch a US global macro fund, access to Hedge Fund Investor Profiles can help.

[Hedge Fund Investor Profiles](#)

For more information and to arrange a walkthrough of the service, please visit: www.preqin.com/hfip

Conferences Spotlight

Conference	Date	Location	Organizer
The 10th Annual Global ARC Boston	15 - 17 October 2012	Boston	Global ARC
GAIM Ops International	16 - 18 October 2012	Paris	IIR USA
The Alternative Asset Summit	17 - 19 October 2012	Las Vegas	Alternative Assets
SALT Singapore 2012	17 - 19 October 2012	Singapore	SkyBridge Capital
Hedge Fund CIO Summit & PE/VC CIO Summit	18 October 2012	New York	Alpha Institutes
Hedge Arbitrage	24 - 25 October 2012	London	Terrapinn
3rd Emerging Marketing Investing Summit: BRIC & Beyond	24 October 2012	New York	iGlobal Forum
CTA World	6 - 7 November 2012	Paris	Terrapinn
Hedge Funds Trading and Investments 2012	8 November 2012	Singapore	WBR Singapore

All rights reserved. The entire contents of Hedge Fund Spotlight are the Copyright of Preqin Ltd. No part of this publication or any information contained in it may be copied, transmitted by any electronic means, or stored in any electronic or other data storage medium, or printed or published in any document, report or publication, without the express prior written approval of Preqin Ltd. The information presented in Hedge Fund Spotlight is for information purposes only and does not constitute and should not be construed as a solicitation or other offer, or recommendation to acquire or dispose of any investment or to engage in any other transaction, or as advice of any nature whatsoever. If the reader seeks advice rather than information then he should seek an independent financial advisor and hereby agrees that he will not hold Preqin Ltd. responsible in law or equity for any decisions of whatever nature the reader makes or refrains from making following its use of Hedge Fund Spotlight.

While reasonable efforts have been made to obtain information from sources that are believed to be accurate, and to confirm the accuracy of such information wherever possible, Preqin Ltd. does not make any representation or warranty that the information or opinions contained in Hedge Fund Spotlight are accurate, reliable, up-to-date or complete.

Although every reasonable effort has been made to ensure the accuracy of this publication Preqin Ltd. does not accept any responsibility for any errors or omissions within Hedge Fund Spotlight or for any expense or other loss alleged to have arisen in any way with a reader's use of this publication.