



Preqin Industry News

Olivia Harmsworth examines the latest hedge fund industry news, including investors targeting new investments in the asset class, and recently launched hedge funds.

A number of hedge fund investors are planning to make new investments in the asset class:

[Lotte Insurance](#) is planning to make its first overseas investments in hedge funds within the next 12 months. The South Korea-based insurance company plans to invest up to \$20mn in one or two direct hedge funds managed by overseas fund managers with a track record of at least two years.

[Bryn Mawr College Endowment](#) is looking to add one to two new managers, or \$3-10mn in capital, to its hedge fund holdings in the next 12 months. The endowment invests in the asset class through direct single managers and typically seeks North American investment exposure. When selecting prospective managers, the endowment has a preference for managers with a track record of at least three years. The endowment is willing to consider any strategies recommended by its investment consultant, [Cambridge Associates](#).

[Houston Baptist University Endowment](#) plans to add new hedge fund investments in the next 12 months as it is below its target to the asset class of 13%. When committing to funds, the endowment invests between \$6mn and \$10mn. When selecting prospective managers, the endowment will only consider investing in emerging managers and spin-off teams upon the recommendation of its investment consultant, Cambridge Associates.

[Albuquerque Community Foundation](#) will be looking to add one or two funds, or \$1-10mn in capital, to its hedge fund holdings in the coming 12 months, with both new and existing managers under consideration. The foundation will be considering established funds of hedge funds on a global basis, with a focus on long/short equity strategies.

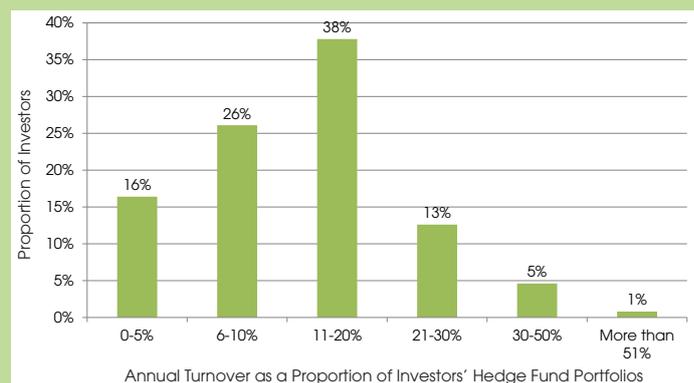
Q1 2013 saw many hedge fund managers launch new funds:

[ShearLink Partners](#) is a long/short fund, launched in March 2013, which adopts a private equity approach to investing in public markets, employing fundamental research in order to identify companies which show prospects for growth over a multi-year holding period.

[Numina Capital Fund](#), launched in January 2013, follows an event driven strategy. The fund invests in the stocks of US companies undergoing mergers and acquisitions, spin offs, restructurings and changes in response to activist pressure.

[Bowe Street Capital Partners](#) follows a diversified fixed-income strategy focused on US municipal and US government

Breakdown of Investors by Annual Turnover as a Proportion of Their Hedge Fund Portfolios



Source: Preqin Hedge Fund Analyst

The large majority of hedge fund investors (80%) have an annual turnover of between 0 and 20% of their hedge fund portfolios, with the largest proportion of investors (37%) having an annual turnover of 11-20%. This demonstrates that a significant number of hedge fund investors are continually looking for new opportunities in the asset class, providing a constant source of potential capital for hedge fund managers.

agency securities. The fund seeks to capitalize on opportunities in government agency and US municipal securities related to the US housing market recovery.

[CCP Core Macro Fund](#) is designed to give investors access to diversified macro strategies with a reduced fee structure and daily liquidity. It is expected to show negligible correlation to traditional sources of risk (equity and fixed income) and limited correlation to trend following strategies.

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@preqin.com and we will endeavour to publish them in the next issue.



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