



California: Industry Overview

We take a look at the hedge fund industry in California, including investors and fund managers based in the region, as well as key figures for the state.

California is the most populous state in the US and boasts the largest pension fund in the region, California Public Employees' Retirement System, with over \$262bn in assets under management. CalPERS is currently the largest non-fund of funds investor in the state, with \$5.3bn at work in the hedge fund industry today. California as a whole has a significant role in the hedge fund universe and is second only to New York in terms of both the number of investors and managers based in the state. Preqin's Hedge Fund Investor Profiles currently tracks almost 300 institutional hedge fund investors based in California and Preqin's Hedge Fund Analyst tracks more than 400 active hedge fund managers headquartered in California.

Although there are a large number of management groups in California with assets in excess of \$1bn, just two of the hedge funds in the state, Farallon Capital Management and Canyon Partners, feature in the

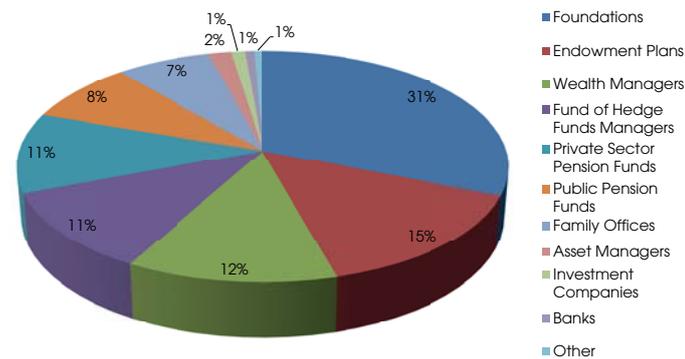
top 20 largest hedge fund managers in North America. This, coupled with the fact that 45% of California-based investors are under their target allocations to hedge funds, shows that there is room for further expansion on the West Coast.

Data Source:

Preqin's [Hedge Fund Online](#) service offers a complete resource for those looking for intelligence on the hedge fund market in California, including 291 investors and 442 fund managers based in the region.

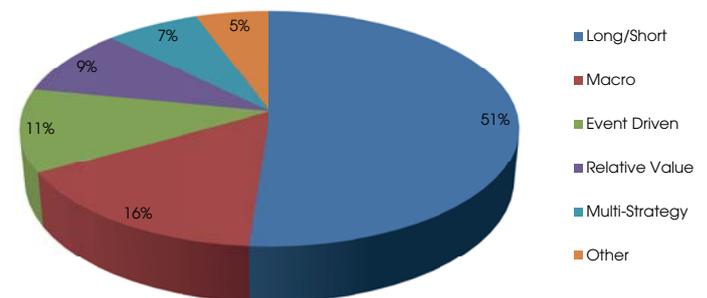
For more information, or to register for a demonstration, please visit: www.preqin.com/hedge

Fig. 1: Breakdown of California-Based Hedge Fund Investors by Type



Source: Preqin Hedge Fund Investor Profiles

Fig. 2: Breakdown of Hedge Funds Managed by California-Based Managers by Strategy



Source: Preqin Hedge Fund Analyst

California in Numbers

- 15.3%** Mean hedge fund allocation of a California-based hedge fund investor.
- \$210mn** Median assets under management of a California-based hedge fund manager.
- 28%** Percentage of California-based hedge funds managing over \$1bn in assets.
- \$2.7tn** Total assets under management of active Californian hedge fund investors.

- +1.10%** Year-to-date performance of California-based hedge funds.
- 6 years** Average track record of a hedge fund vehicle managed by California-based managers.
- 29%** Proportion of investors globally with an allocation to a California-based fund manager. 52% of investors in California have an investment in a fund in their local state.
- 2** Number of the top 20 largest single fund managers in North America based in California.