



The Top 100 Largest Hedge Fund Managers Today

Ross Ford examines the largest 100 hedge fund managers in the industry today by assets under management.

Fig. 1: Mean Year Established by Hedge Fund Manager Assets Under Management

Assets Under Management	Mean Year Established
Below \$10bn	1996
\$10-\$19.9bn	1994
\$20bn+	1990

Source: Preqin Hedge Fund Analyst

Since its inception in 1949, the hedge fund industry has grown to represent over \$2.3tn in total assets spread across a broad range of strategies, styles and regions. Today there are over 4,000 fund management groups managing over 10,000 hedge funds across the globe. These managers range in size from less than \$1mn to over \$144bn. In this article, Preqin takes an in-depth look at the 100 largest fund managers in the industry today, ranked by total hedge fund assets under management, to find out more about which firms have been the most successful in garnering investor allocations. The top 100 largest hedge fund managers have combined assets under management of \$1.4tn; this represents 61% of all hedge fund industry capital.

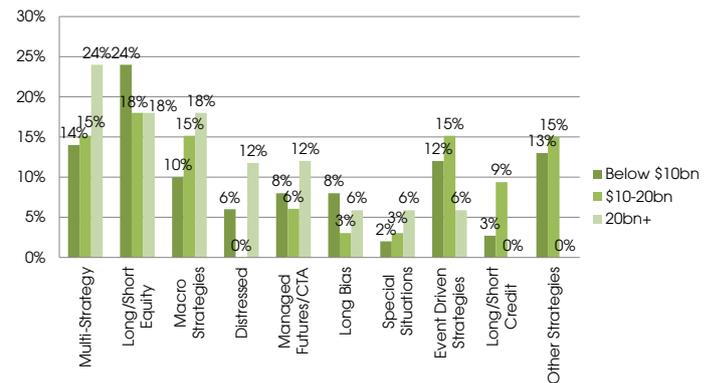
Top 100 Largest Hedge Fund Managers: Size and Age Distribution

The mean assets for the largest 100 fund managers is just under \$13.9bn, with a median of \$9.9bn. The largest hedge fund manager today is Bridgewater Associates, which manages \$144bn; this is 24 times the \$6bn managed by the firm in 100th place on the list. Its flagship strategies Pure Alpha and AllWeather, both macro strategies, account for 94% of its total assets under management. Bridgewater's two flagship strategies have increased their combined assets under management by \$27bn in the past 12 months.

The mean year of establishment for the top 100 largest hedge fund managers is 1994, compared to 2002 for all other hedge fund managers. The majority of the 100 largest hedge fund managers have been actively managing funds for at least 18 years (based on median year of establishment), with only 25% of fund managers in the largest 100 being established since 2001. The newest fund management groups in the top 100 list were all founded in 2006, while the oldest was founded in 1969. One of the newest firms on the list is Perella Weinberg Partners, which manages a variety of long/short equity, event driven and asset-based lending strategies.

There are 17 fund managers within the largest 100 list that manage over \$20bn in assets. On average, these firms have a track record of 23 years, considerably longer than the rest of their top 100 peers (Fig. 1). With hedge fund industry assets returning to pre-crisis levels at the end of 2012, these figures would suggest that investors chose to allocate capital to established fund managers that had weathered the turbulent markets not only in 2008, but also in previous times of crisis in the hedge fund industry and beyond. This flow of capital into these established fund management groups

Fig. 2: Strategy of the Largest Hedge Fund Managed by Assets under Management of the Top 100 Fund Managers



Source: Preqin Hedge Fund Analyst

has created the mega-fund managers that we now see today. Raising capital is one of the biggest challenges facing emerging fund managers today, with no firms that were launched in the past seven years appearing in the top 100 largest fund managers. This adds further support to the results of our in-depth interviews with fund managers at the turn of the year, which appear in the [2013 Preqin Hedge Fund Global Report](#). This showed that 48% of respondents feel that fundraising is the most important challenge facing fund managers in 2013.

Macro and Multi-Strategy Funds Lead the Way with the Largest of the Top 100 Hedge Fund Managers

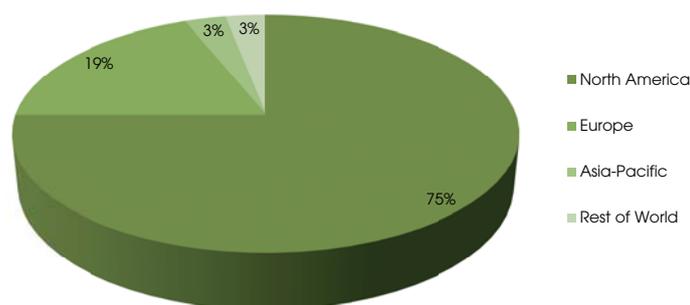
What other characteristics differentiate these largest managers from their peers outside the top 100? Fig. 2 shows the main strategies employed by the largest 100 hedge fund managers when broken into three size groups. A markedly larger proportion of mega-fund managers (those managing \$20bn plus) employ multi-strategy and macro strategies for their funds. Both of these strategies may offer a larger set of global investment opportunities, allowing fund managers to raise higher levels of capital than in other strategies, where such growth cannot be tolerated due to a restricted range of available opportunities for capital to be put to work. More illiquid strategies, such as special situations and distressed, are commonly found in the \$20bn plus group. Equity-focused fund vehicles (long/short equity and long bias) are more commonly found among the smaller end of the top 100 largest fund managers, in the below \$10bn group. Opportunities for pure equity funds can be limited; therefore, fund sizes are often restricted by the amount of investment opportunities within the particular sector of the market they operate within.

US is the Centre for the Mega Hedge Fund

Three-quarters of the top 100 hedge fund managers are headquartered in North America, with all but one of these firms



Fig. 3: Breakdown of Top 100 Largest Hedge Fund Managers by Location of Headquarters



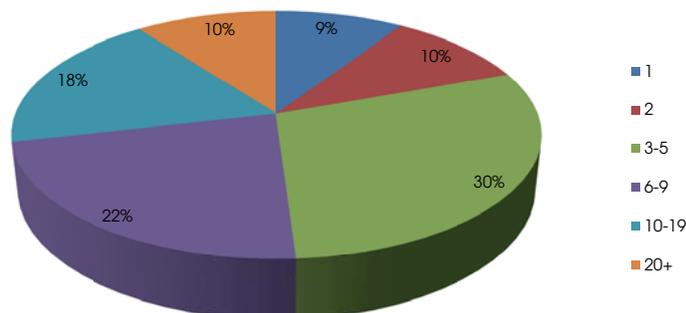
Source: Preqin Hedge Fund Analyst

managed from the US. Fig. 3 shows that 19% of the largest hedge fund managers are based in Europe and 6% are based in Asia-Pacific and other regions. The 100 largest fund managers are headquartered in 11 separate countries. The UK is home to the largest number of top 100 firms within Europe, with 14 of these largest hedge fund management groups headquartered in the UK. The largest UK-based hedge fund manager is Brevan Howard Asset Management, a \$40bn group; the firm's largest fund, the Brevan Howard Master Fund, is a macro strategy launched in 2003. Today, the firm manages over 40 vehicles across a range of strategies and structures, including UCITS vehicles to cater for the growing appetite for the regulated structure within Europe. Two managers from Brazil feature in the top 100 largest list, Gávea Investimentos and BTG Pactual; both of these firms manage both single-manager funds and multi-manager vehicles. The Asia-Pacific region is represented in the largest 100 by Australia, Hong Kong and Singapore.

A Variety of Business Strategies Are Employed by the Top 100

Nineteen of the top 100 largest hedge fund managers have just one or two fund offerings. These managers choose to focus both investment decisions and marketing activities on one or two extra-large funds. One such example is Convexity Capital Management, which was launched in 2006 by the former head of Harvard Management Company, Jack Meyer. Convexity is the manager of a vehicle that uses a similar strategy to that employed by Meyer at the endowment, and the firm has had significant success in raising

Fig. 4: Breakdown of Top 100 Largest Hedge Fund Managers by Number of Existing Hedge Funds Managed by Firm Prior to Q1 2013



Source: Preqin Hedge Fund Analyst

capital from foundations, endowments and private sector pension funds in the US.

Twenty-eight of the top 100 largest fund managers run 10 or more active fund vehicles. Some of the largest fund management groups globally - such as Man, the UK giant with over \$31bn in AUM - currently manage more than 50 hedge funds. These firms which have a diversified range of funds, tend to offer a variety of strategies, structures and legal structures to appeal to a broad group of institutional, retail and private individuals. For instance, Man, through various groups, runs at least 13 hedge fund strategies as both funds of hedge funds and direct funds, structured as commingled offshore vehicles, European regulated UCITS funds and listed funds.

Subscriber Quicklink:

Hedge Fund Analyst subscribers can click [here](#) to view a league table of fund managers by assets under management. Filter this list by core strategy, fund manager location and types of funds managed.

For more information, please visit: www.preqin.com/hfa

Fig. 5: Top 10 Largest Hedge Fund Managers by Assets Under Management

Firm Name	Firm Location	Total AUM (\$bn)
Bridgewater Associates	US	144.0
Brevan Howard Asset Management	UK	40.0
Och-Ziff Capital Management	US	35.6
BlueCrest Capital	UK	35.3
Man Investments	UK	31.4
BlackRock Proprietary Alpha Strategies	US	26.9
Winton Capital Management	UK	26.0
Angelo, Gordon & Co	US	25.0
AQR Capital Management	US	24.9
Baupost Group	US	23.8

Source: Preqin Hedge Fund Analyst

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