



Industry News

Alex Jones 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.

The hedge fund space attracts a wide variety of institutional investors, with assets both large and small. The Chart of the Month shows the distribution of investors' allocations to hedge funds based upon their assets under management. This month we have seen a number of institutional investors revealing new plans for their hedge fund portfolios.

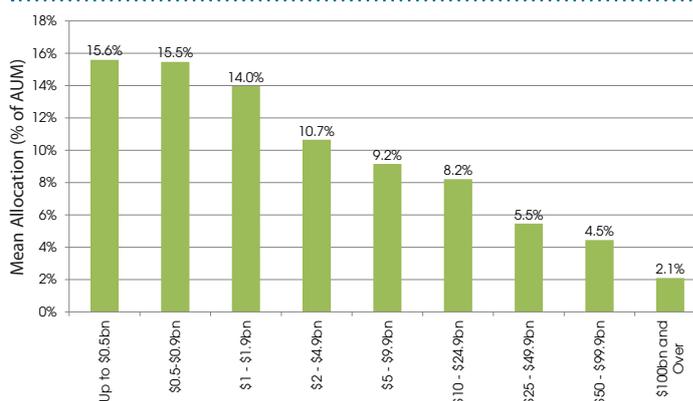
One example is [Hatteras Funds](#), a \$1.4bn hybrid fund of funds manager, which is now looking to target long/short equity and structured credit hedge funds in emerging markets. However, the firm is also below its overall target allocation to tactical trading strategies and therefore may also be open to new investments in managed futures and global macro funds. The group plans on reducing its exposure to distressed funds in order to make room for the increase. Hatteras invests on an opportunistic basis, with no specific targets in terms of the number of funds to invest in or the amount to commit. It currently allocates 75% of its hybrid fund of funds to hedge fund investments and has around 40 investments in its core hedge fund portfolio, with a bite-size of around \$20-25mn per vehicle.

Also on the hunt for new funds is [New Mexico State Investment Council](#), which has ramped up its target allocation to hedge funds from 5% to 8% of AUM, paving the way for potential new investments. At present, the \$15.6bn sovereign wealth fund is undecided as to whether it will search for new managers or allocate to existing managers, but expects to have a more solid plan by the end of 2012. At present it has relationships with three managed account funds of hedge funds, which maintain an underlying portfolio featuring a diverse range of complimentary hedge fund strategies.

[Prelude Capital](#), which manages over \$600mn in assets, is looking to expand its risk-based managed account platform. At present the platform has a profile of 30 hedge fund managers and focuses predominately on long/short equity, quantitative macro and risk arbitrage strategies. Prelude does not have a set number of funds to target, but will maintain a similar strategic focus – investing in liquid strategies – and will allocate to both emerging and established managers, with an average commitment size of \$20mn per fund.

One investor that is planning on allocating capital to hedge funds for the first time is [Vancouver Foundation](#). The CAD 670mn institution plans on investing in the space within the next 12 months and intends to allocate an as of yet undecided amount of capital to two multi-strategy direct hedge funds.

Chart of the Month: Breakdown of Mean Allocation to Hedge Funds by Institutional Investors' Assets under Management



Source: Preqin Hedge Fund Investor Profiles

Other hedge fund investors, however, are exiting the space. [Vestian Group](#), the \$100mn multi-manager, has decided to shutter its fund of hedge funds and has no plans to launch any new funds in the foreseeable future. Launched in 2009, the fund invested in around 20-30 underlying hedge funds across a wide range of strategies. Elsewhere, €12.5bn [Timeos](#) has revealed that it is no longer investing in hedge funds. The pension fund first began allocating to the asset class in 2008, but decided to exit these investments in 2011. Previously, it had allocated approximately 2.5% of its assets under management to hedge funds and was invested in four multi-managers. While it has no specific plans to re-enter the asset class, it will not rule out making new investments in the future.

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 53 investors, and updated 525.

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

www.preqin.com/hedge



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, [Investor Name] planned to increase its allocation to the hedge fund asset class over the next 12 months on an opportunistic basis. The [Investor Name] 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 |
|-----------------|---|--------------------------|-------------------|---------------|
| [Investor Name] | Diversified | Emerging Markets, Global | Commingled Direct | 06/08/2012 |
| [Investor Name] | Opportunistic, Diversified, Event Driven, Macro | Global | Commingled Direct | 02/08/2012 |
| [Investor Name] | Diversified, Long/Short Equity, Macro | Asia Pacific, Global | Commingled Direct | 02/08/2012 |
| [Investor Name] | Diversified, Opportunistic | Global, North America | Commingled Direct | 02/08/2012 |
| [Investor Name] | Macro, Managed Futures / CTA | Global | Commingled Direct | 02/08/2012 |
| [Investor Name] | Diversified | Global | Commingled Direct | 02/08/2012 |
| [Investor Name] | 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:

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