

US-Based Hedge Fund Industry Sees Strong Growth in Assets under Management

The capital managed by US-based hedge funds has grown by a significant \$150bn in 2013 so far

New research released in Preqin's latest special report reveals that the US hedge fund industry has recovered faster and more strongly than other regions across the globe, and is currently enjoying significant growth in terms of assets under management, having already grown by \$150bn in 2013 so far. Although much of this growth can be accounted for by the solid performance of hedge funds in 2013 year to date, we have also witnessed some significant commitments to US-based hedge funds so far this year. US-based hedge funds account for an overwhelming 73% of total hedge fund industry assets under management.

Other Key Facts:

- New York and Connecticut are the first and third leading centers for hedge funds globally by total assets under management, with the UK the second largest.
- US-based funds of hedge funds represent \$508bn in assets under management, or 65% of the capital managed by funds of hedge fund globally.
- 95% of US-based hedge fund industry assets under management is accounted for by the 10 leading states for hedge fund management in the US, which are explored in further detail in Preqin's report: New York, California, Connecticut, Massachusetts, Illinois, Texas, New Jersey, Minnesota, Pennsylvania and Florida.
- In contrast to the US's growth of \$150bn in 2013, Europe-based hedge funds have added \$33bn in assets in 2013 to date.
- 55% of all institutional capital invested in hedge funds is accounted for by US-based investors; discounting funds of funds, the largest proportion of this capital is invested by public pension funds.
- US-based hedge funds have enjoyed strong performance over the past 12 months, posting a net return of 13.54%, easily beating the global hedge fund benchmark of 11.09%.

For more information and analysis, please see

https://www.preqin.com/docs/reports/Preqin_Special_Report_US_Hedge_Fund_Industry_Sep_13.pdf

Comment:

"The US is the undeniable center of the hedge fund industry, with more hedge fund managers and investors than anywhere else in the world. Although hedge funds have had a rocky few years globally, the recovery of the US hedge fund industry has been strong. In addition, US-based institutional investors represent a vital source of capital for hedge fund managers. These investors recognize the value that hedge funds can add to their portfolio, and have begun to allocate significant sums to hedge funds to complement their traditional equity and fixed income portfolios."

Amy Bensted – Head of Hedge Fund Products, Preqin

Note to Editors:

- Preqin is spelled without the letter 'U' after the 'Q', the company name being an amalgamation of the former name, Private Equity Intelligence.

About Preqin:

Preqin is the leading source of information for the alternative assets industry, providing data and analysis via online databases, publications and bespoke data requests.

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