

# GLOBAL HEDGE FUND ASSETS SURGE 19% TO \$2.48 TRILLION

- **Global hedge fund assets rise over 19% in the first half**
- **New York extends its lead as the top centre**
- **About half of industry assets still allocated via funds of funds**

**London, Monday 1 October 2007** – Assets under management in global hedge funds have reached nearly \$2.5 trillion at the mid-year point of 2007 according to new research compiled by HedgeFund Intelligence, publisher of the newsletters and databases of *EuroHedge*, *AsiaHedge*, *South AfricaHedge* and *InvestHedge*, as well as the U.S.-based magazine *Absolute Return*.

The survey, which is based on information from the most comprehensive database of the hedge fund industry, follows HedgeFund Intelligence's last Global Review, published in March, which found industry assets had cleared the \$2 trillion mark (see notes) and growing at 30% per annum.

The mid-year survey, conducted with well over 5,000 single-manager hedge funds using the same methodology as the original survey, revealed that by July 2007 industry assets had grown further to \$2.481 trillion, at an even faster growth rate of over 19% during the first half of the year (38% annualised).

#### **The survey's other findings included:**

- **New asset gathering driving asset growth**

With hedge funds averaging investment performance of just over 6% in the first half – according to HedgeFund Intelligence's Global Composite Index – the bulk of the increase (about two-thirds) came from net inflows of new money from investors.

- **Top 370 firms manage 75% of global assets**

The bulk of assets remain in the hands of the 'Billion Dollar Club' – with the top 372 firms, each managing more than \$1 billion in hedge fund assets – collectively managing \$1.892 trillion, or three-quarters of the industry's total assets (up from 351 Billion Dollar Club firms managing \$1.564 billion in January).

- **US dominance strengthened; New York most popular city**

According to the latest research from *Absolute Return* magazine, 246 of the Billion Dollar Club firms are headquartered in the US (up from 241 in January), managing a collective \$1.457 trillion. According to our *EuroHedge* and *AsiaHedge* research there are also 126 other firms based outside the U.S. that also now run over \$1 billion each.

New York has extended its lead as the top centre for hedge fund management globally, with the number of billion dollar-plus funds located there increasing from 123 to 139 over the first half, and their collective assets rising sharply from \$650 billion to \$881 billion. London remains in second place, with the number

of billion dollar firms there rising from 72 to 79, with collective assets also rising from \$261 billion to \$316 billion.

- **Europe assets up 17%**

The *EuroHedge* asset survey showed that assets in European hedge funds had reached \$539 billion by the mid-year point, up from \$460 billion at the start of the year, for a growth rate of about 17%. As in the U.S., the bigger firms have got bigger in Europe, with the top 20 by assets under management now accounting for over \$200 billion in aggregate.

- **Asia up 13%; Japan see outflows**

The latest *AsiaHedge* survey showed that assets in Asia-Pacific hedge funds had grown to about \$167 billion at the mid-year point, up from about \$147 billion at the start of the year – with net outflows (of about \$10 billion) from Japan equity funds being more than offset by rapid growth in ex-Japan funds.

Australia has also emerged as Asia’s largest centre for hedge fund firms, and the country with the third-most members in the Billion Dollar Club (8) after the US (246) and UK (79).

- **Fund of funds major allocator**

According to the latest research from *InvestHedge* – which tracks investors in hedge funds – an increasing proportion of the new money flowing in is coming from institutional investors, with the majority of it allocated via the fund of fund sector.

Commenting, Neil Wilson, the managing director of HedgeFund Intelligence said:

“The latest Global Survey shows that the hedge fund industry has continued to thrive, and attract increasing asset flows. While these figures are only to July, and don’t yet take account of the turbulence the industry endured in August, they indicate an industry still in robust health. The survey has also shown, despite the speculation that it may be overtaken by London as the world’s financial centre, New York remains very much the most favoured location of the world’s top hedge fund traders and talent.”

## THE GLOBAL BILION DOLLAR CLUB - BY LOCATION OF MANAGER

Location	Number of firms	Assets \$bn
New York, US	139	881
London, UK	79	316
Connecticut, US	32	200
California, US	24	109
Massachusetts, US	14	83
Texas, US	11	45
Australia	8	28
New Jersey, US	8	20
Paris, France	7	24
Hong Kong	7	12
Singapore	6	7
Illinois, US	5	28
Japan	4	7
Bermuda	3	9
Russia	3	5
Sweden	3	8
Minnesota, US	3	17
Wisconsin, US	3	18
Norway	2	4
Florida, US	2	7
Georgia, US	2	13
Virginia, US	2	4
Others	14	48
<b>Total*</b>	<b>381</b>	<b>1892</b>

\* including 9 firms with more than one headquarters

Source: HedgeFund Intelligence

## TOP TEN HEDGE FIRMS GLOBALLY

Firm Name	Head Office	Country	Assets Jul-07
JPMorgan JPMorgan Asset Management (\$19.5bn) Highbridge Capital Management (\$36.7bn)	NY	USA	56.2
Goldman Sachs Asset Management	NY	USA	39.98
D. E. Shaw Group	NY	USA	34
Bridgewater Associates	CT	USA	32.1
Och-Ziff Capital Management	NY	USA	29.2
Renaissance Technologies Corp.	NY	USA	29.2
Farallon Capital Management	CA	USA	26.06
Barclays Global Investors	CA	USA	23
Man Investments Limited	London	UK	21.13
Tudor Investment Corporation	CT	USA	20.96

Source: HedgeFund Intelligence

###ENDS###

### Notes to editors:

- This research was conducted from HedgeFund Intelligence databases and surveys that cover more than 5,000 single-manager hedge funds across the world. It is the largest participant base for any research of this type.
- The statistics above represent single-manager hedge funds only. Funds of funds, which are tracked by *InvestHedge*, are not included in the \$2.48 trillion calculations.
- HedgeFund Intelligence was founded in 1998, and is strictly a publishing business. It does not manage money, nor advise investors.

### About HedgeFund Intelligence

HedgeFund Intelligence is the biggest provider of hedge fund news and data in the world, with the largest and most knowledgeable editorial and research teams of any hedge fund information provider. We supply data on more than 8000 funds and comprehensive news and insight from across the globe. Through 4 regional brands – *Absolute Return*, *EuroHedge*, *AsiaHedge*, *South AfricaHedge* – and *InvestHedge*, which focuses on investors in hedge funds – we provide news and data to the global hedge fund industry.

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