

Content Includes:

# Preqin Special Report: Hedge Funds in the US

October 2016

## Industry Dominance

The US is home to over half of all hedge fund managers and institutional investors active in hedge funds globally.

## New York, New York

The state of New York itself represents over one-third of all global hedge fund industry assets.

## Investor Allocations

US-based institutional investors allocate an aggregate \$1.7tn to hedge funds, over half the global industry total.

## League Tables

Who are the largest hedge fund managers and investors in the top 10 US states?





# Foreword

The US is home to more hedge fund managers, institutional investors and hedge fund capital than any other country in the world; nearly three out of every four dollars invested in hedge funds are managed by a US-based hedge fund manager. However, with this significant presence in the hedge fund industry, the current issues within the asset class surrounding fees and performance have been prevalent concerns among US-based firms.

Since 2013, the performance of hedge funds and their ability to meet the needs of institutional investors has come under scrutiny, leading high-profile US-based institutional investors such as California Public Employees' Retirement System in September 2014 and New York City Employees' Retirement System in April 2016 to vote to fully unwind their hedge fund holdings. However, the US hedge fund industry has shown strong growth in recent years, increasing by \$13bn in the first half of 2016 and by \$138bn since the start of 2015. Furthermore, in Preqin's recent survey of over 270 hedge fund managers, significantly more US-based managers reported an increase (26%) in the proportion of their assets under management allocated by institutional investors than reported a decrease (4%), depicting a more positive outlook for hedge funds in the US.

Each of the 50 states contains at least one institutional investor actively investing in hedge funds, while, as seen in this report, there are just five states without a hedge fund manager headquartered there. Using the profiles of over 3,100 US-based institutional investors and 3,200 hedge fund managers on Preqin's **Hedge Fund Online**, we take a closer look at the state of the hedge fund industry in the US, and focus on the leading 10 states in terms of their hedge fund activity. Within the US, there are vastly different hedge fund industries: from Connecticut, home to the largest hedge fund manager in the world, to the \$76bn allocated to hedge funds by institutional investors based in California; from East Coast New York, containing half of all US hedge fund assets, to Texas, home of the largest single allocator to hedge funds in the US. **Preqin Special Report: Hedge Funds in the US** provides an in-depth analysis of geographies crucial not only to the US but to the global hedge fund universe.

We hope you find this report useful, and welcome any feedback you may have. For more information about Preqin and our **Hedge Fund Online** database, please visit [www.preqin.com](http://www.preqin.com) or contact [info@preqin.com](mailto:info@preqin.com).

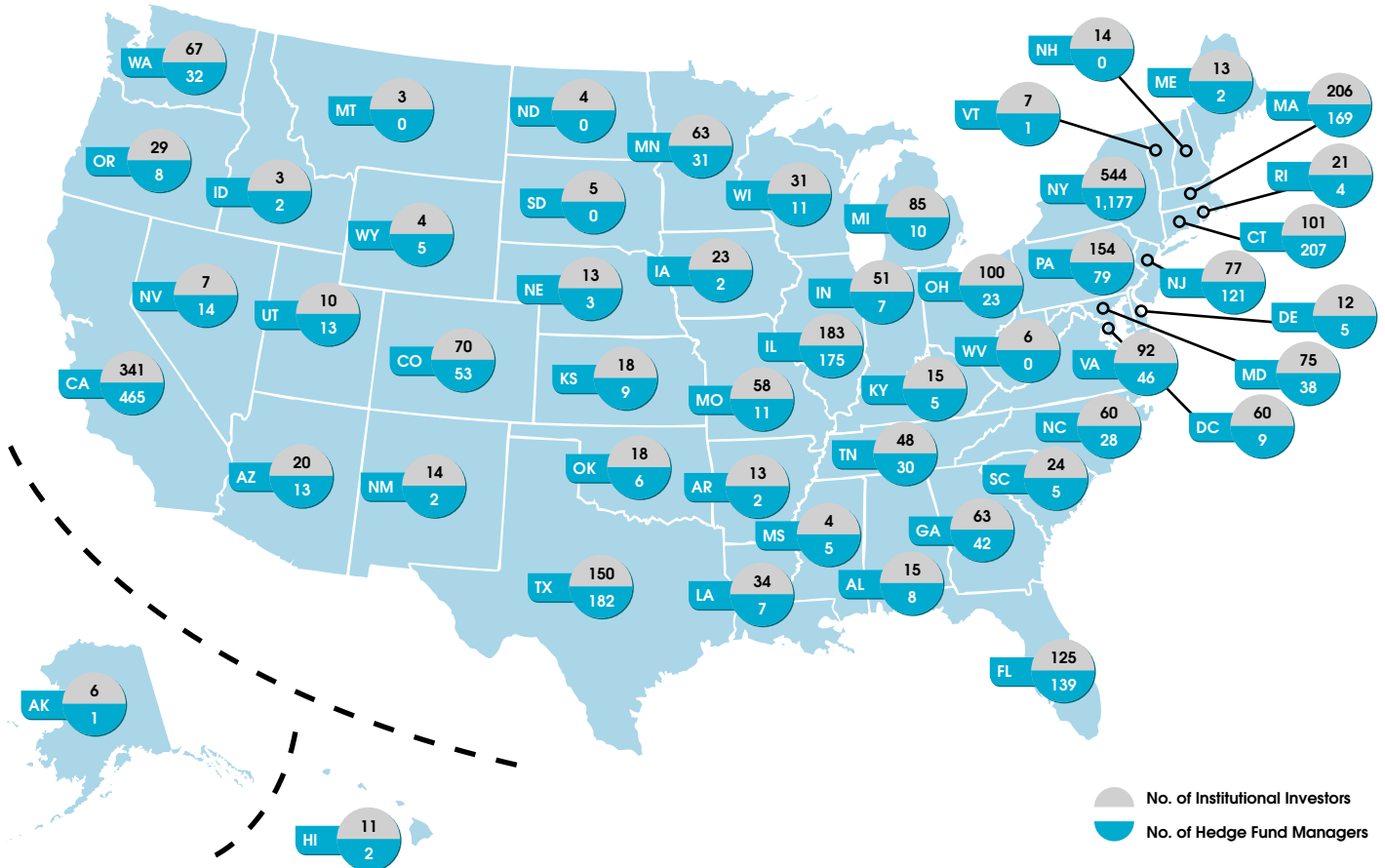
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# Hedge Funds in the US

**Fig. 1:** Active US-Based Hedge Fund Managers and Institutional Investors by State



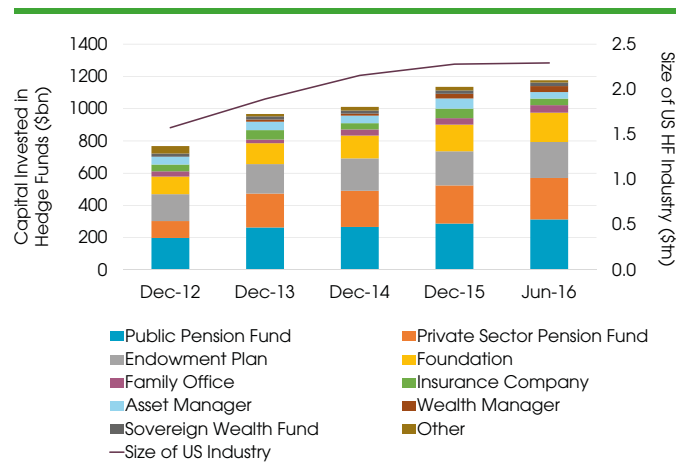
Source: Preqin Hedge Fund Online

## The US Hedge Fund Industry

The US is a vital part of the hedge fund community globally, accounting for 72% of the approximate \$3.1tn in global assets as of 30 June 2016. Although other regions globally are emerging in regards to hedge fund activity, the US is home to 3,170 of the 5,092 institutional investors active in hedge funds and 3,209 of the 5,377 active hedge fund managers tracked by Preqin's **Hedge Fund Online**.

Every state in the US is home to at least one institutional investor actively investing in hedge funds, and there are only five states that contain no hedge fund managers. This report will focus on the major industry hubs within the US. Connecticut is home to the two largest hedge fund managers in the world (page 6); New York represents over one-third of all global hedge fund industry assets (page 5), while in seven of the 10 featured states, institutional investors are collectively committing over \$50bn to the asset class.

**Fig. 2:** Capital Invested in Hedge Funds by US-Based Institutional Investors by Type (Excluding Funds of Hedge Funds)



Source: Preqin Hedge Fund Online



By combining the number of institutional investors and hedge fund managers located in each state, we have selected 10 key states within the US, in which we look at the size of the hedge fund industry, the make-up of investors active in hedge funds and the biggest players within each state.

#### US-Based Hedge Fund Investors

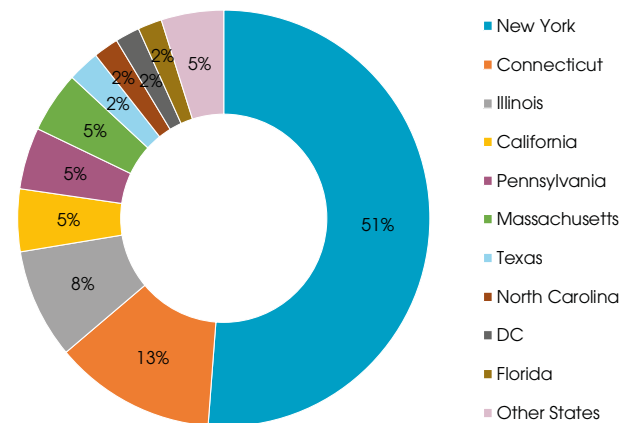
As seen in Fig. 2, when discounting funds of hedge funds, pension funds are the largest aggregate allocator, contributing nearly half of all institutional capital invested in hedge funds by US-based institutions.

The majority of US-based funds of hedge funds are located in New York (Fig. 3), with aggregate AUM of multi-managers headquartered in the state accounting for \$291bn of the \$569bn currently managed by US-based funds of hedge funds. The largest fund of hedge funds manager in the world, Blackstone Alternative Asset Management, is headquartered in New York City and manages \$68bn (as of 31 March 2016).

#### US-Based Hedge Fund Managers

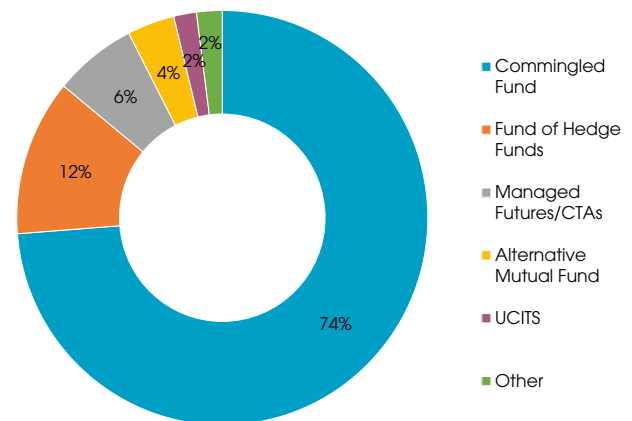
Over one-third (37%) of all US-based fund managers reside in New York, with California and Connecticut home to 14% and 5% respectively. Commingled vehicles represent the significant majority (74%) of US-based hedge funds, while multi-manager, managed futures/CTAs and liquid alternative structures represent 12%, 6% and 4% respectively (Fig. 4).

**Fig. 3: Assets under Management of US-Based Funds of Hedge Funds by Manager Location**



Source: Preqin Hedge Fund Online

**Fig. 4: US-Based Hedge Funds by Structure**



Source: Preqin Hedge Fund Online

**Fig. 5: 20 Most Active US States in the Hedge Fund Industry**

State	Investors		Fund Managers			
	No. of Active Institutional Investors	Average Current Allocation to HF (%)	No. of Active FoHF Managers	FoHF Manager AUM (\$bn)	No. of Hedge Fund Managers	Industry Size (\$bn)
New York	544	17.1%	145	291	1,177	1,112
Connecticut	101	14.5%	27	72	207	334
California	341	14.4%	35	28	465	230
Massachusetts	206	11.0%	22	27	169	213
Illinois	183	11.8%	25	49	175	107
Texas	150	14.6%	18	14	182	56
New Jersey	77	18.8%	7	1	121	55
Florida	125	13.6%	15	11	139	39
Minnesota	63	14.6%	1	1	31	29
Virginia	92	14.3%	6	6	46	25
Pennsylvania	154	13.8%	14	27	79	18
Colorado	70	15.5%	8	2	53	14
Maryland	75	13.9%	3	2	38	14
Georgia	63	15.0%	6	1	42	10
Michigan	85	13.4%	3	1	10	4
Washington	67	16.8%	13	6	32	4
Ohio	100	15.0%	3	1	23	3
Tennessee	48	15.6%	4	3	30	3
Missouri	58	14.5%	2	0	11	3
North Carolina	60	14.1%	11	11	28	2

Source: Preqin Hedge Fund Online



# New York



1,177

Number of active New York-based hedge fund managers.



\$1.1tn

Size of the New York hedge fund industry.



544

Number of New York-based institutional investors active in hedge funds.

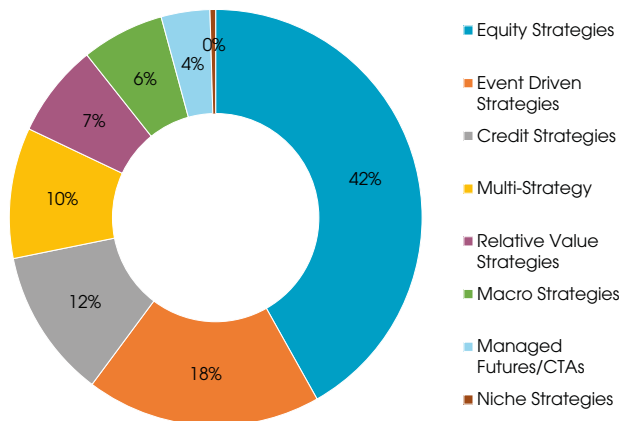
New York remains the hub of the hedge fund world, with the state representing 36% of the global hedge fund industry's assets under management (AUM) and nearly half of all US-based hedge funds. New York City is home to 94% of all hedge fund managers in the state.

On average, New York-based investors allocate 17% of their total assets to hedge funds, a greater proportion than various

other states featured in this report, such as California (14%) and Massachusetts (11%).

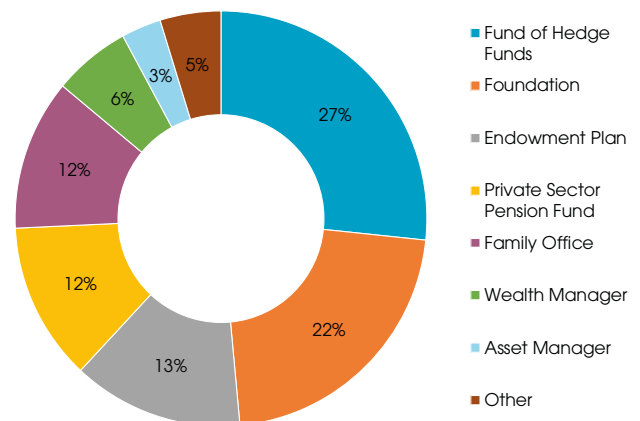
With New York representing nearly half (46%) of funds inception since 2009, as well as since 2015, the state is clearly one of the most important within the hedge fund industry, with New York City a hub of activity.

**Fig. 6:** New York-Based Hedge Funds by Top-Level Strategy



Source: Preqin Hedge Fund Online

**Fig. 7:** New York-Based Investors Active in Hedge Funds by Type



Source: Preqin Hedge Fund Online



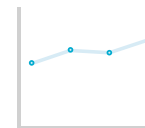
\$2.7mn

Average minimum investment required to access a New York-based hedge fund.



236

Of the 668 hedge fund managers worldwide with over \$1bn in AUM, 236 are based in New York.



2.42%

Net H1 2016 return of all New York-based hedge funds.

**Fig. 8:** Largest New York-Based Institutional Investors by Current Allocation to Hedge Funds

Investor	Current Allocation to HF (\$mn)
New York State Common Retirement Fund	6,055
Citi Private Bank	5,766
AIG	5,221

Source: Preqin Hedge Fund Online

**Fig. 9:** Largest New York-Based Hedge Fund Managers by Assets under Management

Manager	Assets under Management (\$mn)
Och-Ziff Capital Management	39,200 (As at 1 Sep 16)
Renaissance Technologies	35,668 (As at 31 Aug 16)
Millennium Management	34,170 (As at 1 Sep 16)

Source: Preqin Hedge Fund Online





# Connecticut



**207**

Number of active Connecticut-based hedge fund managers.



**\$334bn**

Size of the Connecticut hedge fund industry.



**101**

Number of Connecticut-based institutional investors active in hedge funds.

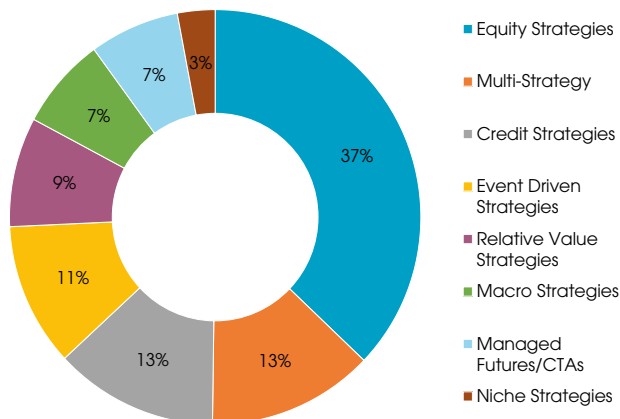
Home to some of the largest hedge fund managers in the world, the Constitution State boasts the second largest hedge fund industry in the US after New York.

Despite the high number of managers based in Connecticut, there are significantly fewer institutional investors headquartered in the state: Connecticut-based fund managers outnumber investors 2:1. The average minimum

investment required to access a Connecticut-based hedge fund is \$4.3mn, second only to Florida (\$5.2mn).

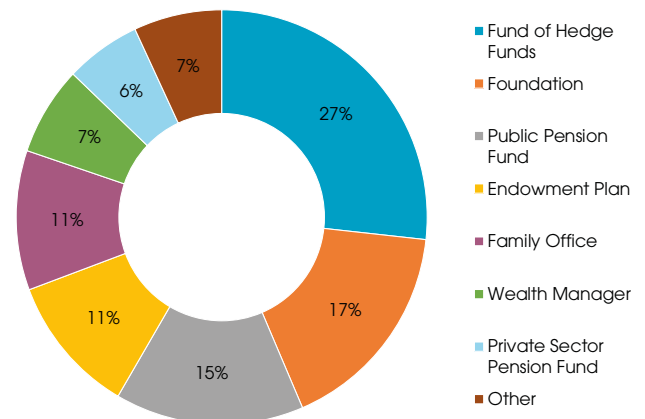
Foundations (17%) and public pension funds (15%) represent large proportions of Connecticut-based institutional investors (Fig. 11). The minimum investment of a Connecticut-based institutional investor is typically around \$17mn, the third highest level of any state featured in this report.

**Fig. 10: Connecticut-Based Hedge Funds by Top-Level Strategy**



Source: Preqin Hedge Fund Online

**Fig. 11: Connecticut-Based Investors Active in Hedge Funds by Type**



Source: Preqin Hedge Fund Online



**1st**

Westport-based Bridgewater Associates is the largest hedge fund manager in the world.



**\$72bn**

Amount of capital currently invested in the industry by Connecticut-based funds of hedge funds.



**0.89%**

Net H1 2016 return of all Connecticut-based hedge funds.

**Fig. 12: Largest Connecticut-Based Institutional Investors by Current Allocation to Hedge Funds**

Investor	Current Allocation to HF (\$mn)
Yale University Endowment	5,242
General Electric Pension Trust	3,468
United Technologies Pension Fund	2,460

Source: Preqin Hedge Fund Online

**Fig. 13: Largest Connecticut-Based Hedge Fund Managers by Assets under Management**

Manager	Assets under Management (\$mn)
Bridgewater Associates	153,106 (As at 31 Aug 16)
AQR Capital Management	84,100 (As at 31 Mar 16)
Viking Global Investors	29,000 (As at 29 Feb 16)

Source: Preqin Hedge Fund Online



# California



**465**

Number of active California-based hedge fund managers.



**\$230bn**

Size of the California hedge fund industry.



**341**

Number of California-based institutional investors active in hedge funds.

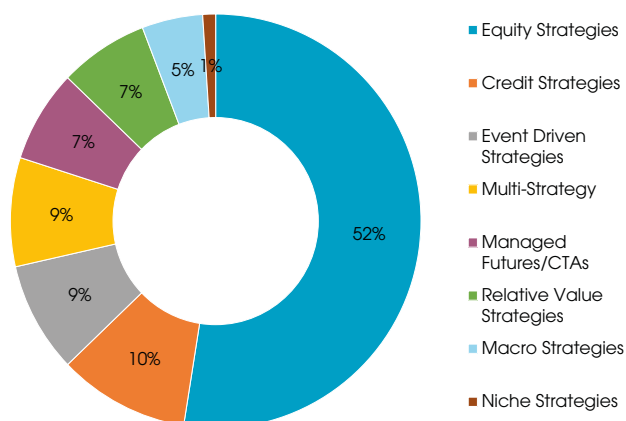
Of the 465 hedge fund managers located in the Golden State, 169 operate out of San Francisco. California-based hedge fund managers currently oversee \$230bn in combined assets, ranking it third among US states.

The majority (64%) of hedge fund investors in California currently have less than \$1bn in AUM, while a significant 82%

of fund managers based in the state also manage less than \$1bn in assets.

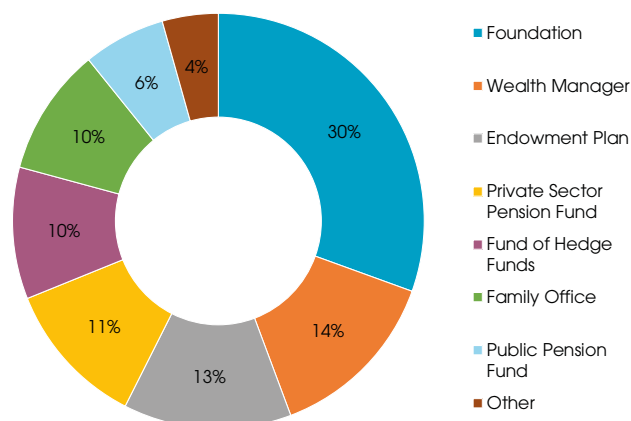
California-based institutional investors typically invest between \$14mn and \$33mn when committing to a hedge fund.

**Fig. 14: California-Based Hedge Funds by Top-Level Strategy**



Source: Preqin Hedge Fund Online

**Fig. 15: California-Based Investors Active in Hedge Funds by Type**



Source: Preqin Hedge Fund Online



**\$350mn**

Average allocation to hedge funds of a California-based institutional investor active in the asset class.



**55.03%**

12-month net return to June 2016 of 7-13 Capital Strategy, the best performing US-based fund.



**2.93%**

Net H1 2016 return of all California-based hedge funds.

**Fig. 16: Largest California-Based Institutional Investors by Current Allocation to Hedge Funds**

Investor	Current Allocation to HF (\$mn)
Regents of the University of California	10,639
Stanford Management Company	5,529
CTC myCFO	4,810

Source: Preqin Hedge Fund Online

**Fig. 17: Largest California-Based Hedge Fund Managers by Assets under Management**

Manager	Assets under Management (\$mn)
Farallon Capital Management	18,932 (As at 31 Dec 15)
Symphony Asset Management	17,477 (As at 31 Jul 16)
ValueAct Capital	17,400 (As at 29 Feb 16)

Source: Preqin Hedge Fund Online



# Massachusetts



169

Number of active Massachusetts-based hedge fund managers.



\$213bn

Size of the Massachusetts hedge fund industry.



206

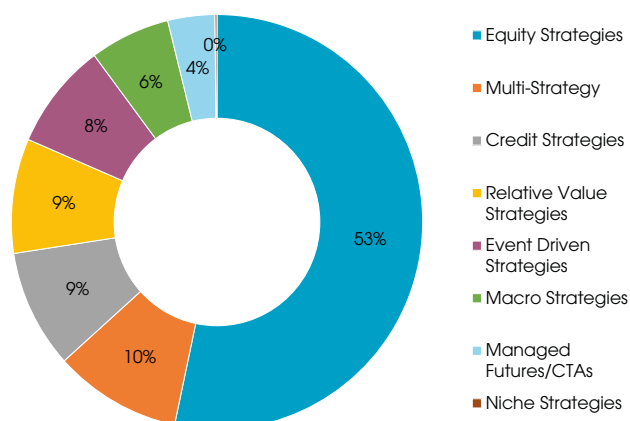
Number of Massachusetts-based institutional investors active in hedge funds.

There are currently 206 Massachusetts-based institutional investors active in hedge funds – the third highest number of any state. Massachusetts-based investors allocate the smallest proportion (11.0%) of total assets to hedge funds than any other state featured in this report; New Jersey- and New York-based investors allocate on average 18.8% and 17.1% of total assets to hedge funds respectively.

Public pension funds represent the greatest proportion (26%) of the Massachusetts investor universe (Fig. 19), a composition seen in just one other state (Louisiana).

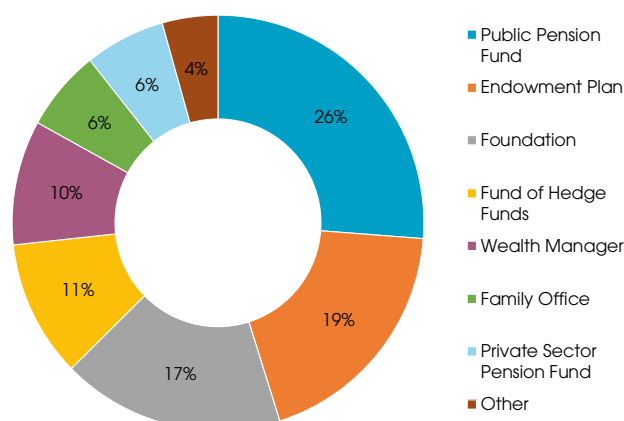
The hedge fund industry in Massachusetts is the fourth largest in the US (\$213bn) and, on average, managers based in the Bay State offer the lowest management fee (1.25%) among the 10 featured states.

**Fig. 18: Massachusetts-Based Hedge Funds by Top-Level Strategy**



Source: Preqin Hedge Fund Online

**Fig. 19: Massachusetts-Based Investors Active in Hedge Funds by Type**



Source: Preqin Hedge Fund Online



1.25%

Average management fee of Massachusetts-based funds.



11.0%

Current allocation to hedge funds by Massachusetts-based investors.



6.01%

Net H1 2016 return of all Massachusetts-based hedge funds.

**Fig. 20: Largest Massachusetts-Based Institutional Investors by Current Allocation to Hedge Funds**

Investor	Current Allocation to HF (\$mn)
Harvard Management Company	5,640
Massachusetts Pension Reserves Investment Management Board	5,086
SCS Financial	3,217

Source: Preqin Hedge Fund Online

**Fig. 21: Largest Massachusetts-Based Hedge Fund Managers by Assets under Management**

Manager	Assets under Management (\$mn)
Adage Capital Management	27,475 (As at 31 Dec 15)
Baupost Group	26,942 (As at 31 Dec 15)
Bracebridge Capital	21,830 (As at 31 Dec 15)

Source: Preqin Hedge Fund Online





# Illinois



175

Number of active Illinois-based hedge fund managers.



\$107bn

Size of the Illinois hedge fund industry.



183

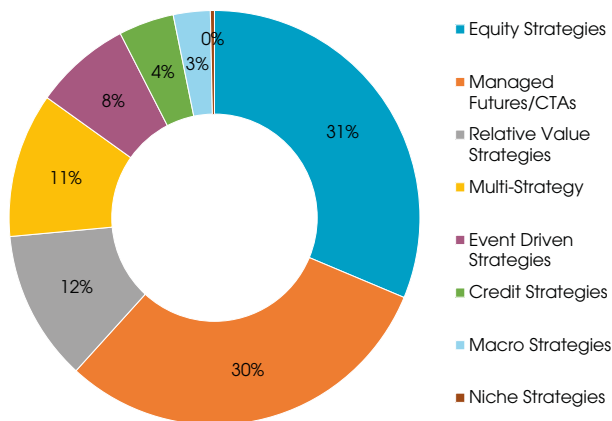
Number of Illinois-based institutional investors active in hedge funds.

The state of Illinois is home to 17% of all US-based managed futures/CTAs, with 118 of these vehicles based in the state, the highest figure of any state bar New York (142). This high concentration of managed futures/CTAs (Fig. 22) is likely driven by the state being home to the world's largest derivatives exchange, The Chicago Mercantile Exchange. Chicago also hosts two-thirds (67%) of all Illinois-based

active hedge fund managers, with 128 firms based in the Windy City.

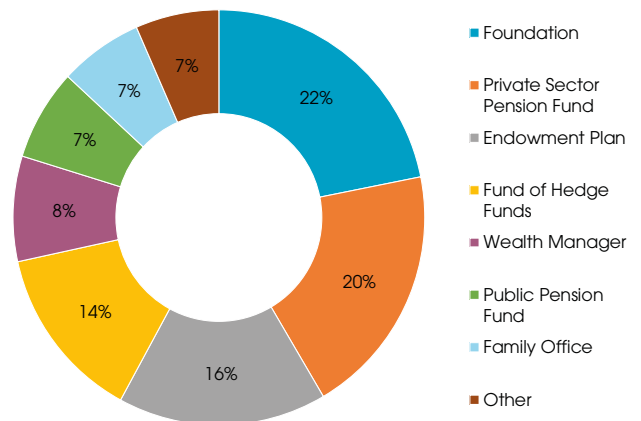
In a similar trend seen across the US, foundations represent the greatest proportion (22%) of Illinois-based institutional investors active in hedge funds, followed closely by private sector pension funds (20%, Fig. 23).

**Fig. 22: Illinois-Based Hedge Funds by Top-Level Strategy**



Source: Preqin Hedge Fund Online

**Fig. 23: Illinois-Based Investors Active in Hedge Funds by Type**



Source: Preqin Hedge Fund Online



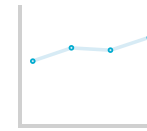
\$18.9mn

Typical minimum investment of Illinois-based hedge fund investors.



128

Number of hedge fund managers based in Chicago.



1.51%

Net H1 2016 return of all Illinois-based hedge funds.

**Fig. 24: Largest Illinois-Based Institutional Investors by Current Allocation to Hedge Funds**

Investor	Current Allocation to HF (\$mn)
Boeing Company Pension Fund	5,478
Teachers' Retirement System of the State of Illinois	3,300
Exelon Corporation Pension Fund	2,375

Source: Preqin Hedge Fund Online

**Fig. 25: Largest Illinois-Based Hedge Fund Managers by Assets under Management**

Manager	Assets under Management (\$mn)
Citadel Advisors	25,000 (As at 31 Aug 16)
Magnetar Capital	13,100 (As at 1 Apr 16)
Balyasny Asset Management	11,800 (As at 31 Mar 16)

Source: Preqin Hedge Fund Online

# Texas



182

Number of active Texas-based hedge fund managers.



\$56bn

Size of the Texas hedge fund industry.



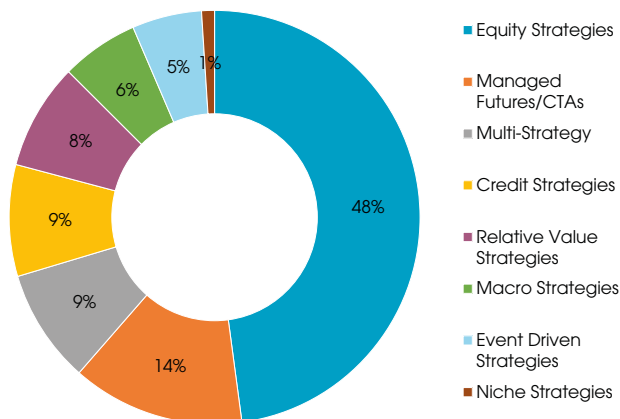
150

Number of Texas-based institutional investors active in hedge funds.

Texas is home to over 180 hedge fund managers and more than 150 institutional investors that allocate capital to hedge funds. What most distinguishes the oil-rich state from its peers is its relatively high allocation to hedge funds by investors based in the Southern state.

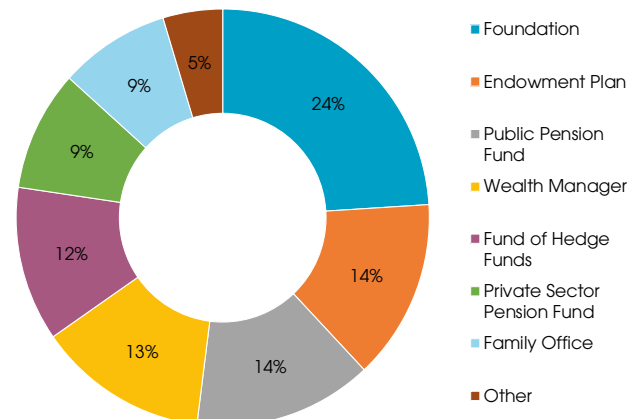
Despite being home to just 150 institutional investors, less than half of those based in New York (399) and California (306), investors in the Lone Star State allocate on average \$599mn to hedge funds, the highest level among all featured states. It is perhaps unsurprising then, that the largest single allocator to hedge funds in the US is based in Texas (Austin-based Teacher Retirement System of Texas, Fig. 28).

**Fig. 26:** Texas-Based Hedge Funds by Top-Level Strategy



Source: Preqin Hedge Fund Online

**Fig. 27:** Texas-Based Investors Active in Hedge Funds by Type



Source: Preqin Hedge Fund Online



5th

Teacher Retirement System of Texas is the largest allocator to hedge funds in the US and fifth largest in the world.



\$599mn

Average allocation to hedge funds of a Texas-based institutional investor active in the asset class.



1.79%

Net H1 2016 return of all Texas-based hedge funds.

**Fig. 28:** Largest Texas-Based Institutional Investors by Current Allocation to Hedge Funds

Investor	Current Allocation to HF (\$mn)
Teacher Retirement System of Texas	12,767
University of Texas Investment Management Company	10,481
Texas County & District Retirement System	6,188

Source: Preqin Hedge Fund Online

**Fig. 29:** Largest Texas-Based Hedge Fund Managers by Assets under Management

Manager	Assets under Management (\$mn)
Maverick Capital	15,200 (As at 31 Mar 16)
HBK Capital Management	9,934 (As at 31 Jul 16)
Carlson Capital	9,000 (As at 31 Jul 16)

Source: Preqin Hedge Fund Online



# New Jersey



121

Number of active New Jersey-based hedge fund managers.



\$55bn

Size of the New Jersey hedge fund industry.



77

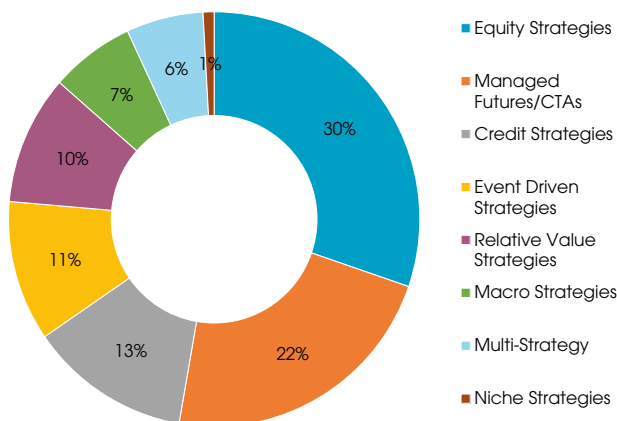
Number of New Jersey-based institutional investors active in hedge funds.

New Jersey boasts the third largest hedge fund investor base by aggregate AUM within the US. Despite the announcement that the largest allocator to hedge funds in the state, New Jersey State Investment Council, plans to reduce its hedge fund exposure, the wider New Jersey-based investor universe remains committed to hedge funds, with the highest average current allocation of the 10 states featured in this report at

18.8%. Foundations represent the greatest proportion (26%) of New Jersey-based institutional investors (Fig. 31).

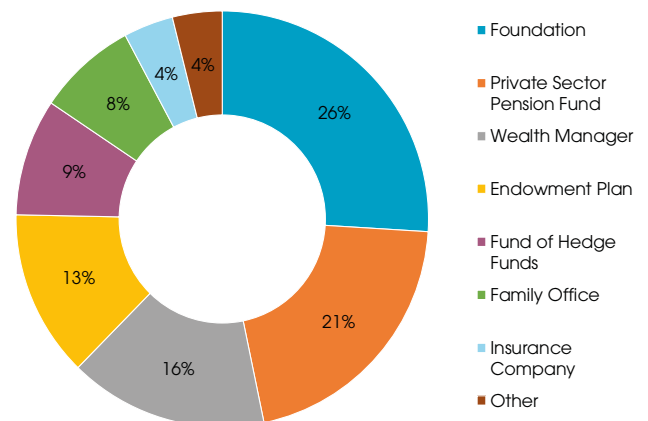
There are currently 121 hedge fund managers located in the Garden State, including Alpine Associates Advisors, manager of one of the oldest active hedge funds in the world, Alpine Associates, inception in September 1976.

**Fig. 30: New Jersey-Based Hedge Funds by Top-Level Strategy**



Source: Preqin Hedge Fund Online

**Fig. 31: New Jersey-Based Investors Active in Hedge Funds by Type**



Source: Preqin Hedge Fund Online



18.8%

Average allocation to hedge funds of a New Jersey-based institutional investor active in the asset class.



\$7bn

AUM of Onex Credit Partners, the largest New Jersey-based hedge fund manager (as at 31 July 2016).



6.07%

Net H1 2016 return of all New Jersey-based hedge funds.

**Fig. 32: Largest New Jersey-Based Institutional Investors by Current Allocation to Hedge Funds**

Investor	Type	Current Allocation to HF (\$mn)
New Jersey State Investment Council	Public Pension Fund	8,615
Princeton University Investment Company	Endowment Plan	5,166
Robert Wood Johnson Foundation	Foundation	3,531

Source: Preqin Hedge Fund Online



# Florida



139

Number of active Florida-based hedge fund managers.



\$37bn

Size of the Florida hedge fund industry.



125

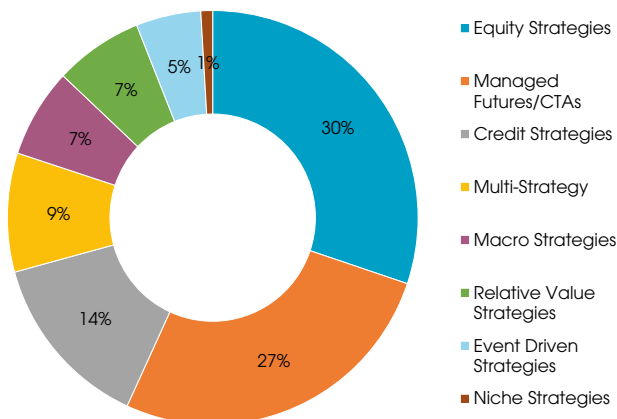
Number of Florida-based institutional investors active in hedge funds.

The average minimum investment in hedge funds of a Florida-based institutional investor is \$7.2mn, less than half of the largest states for average minimum investment: Illinois (\$18.9mn) and Texas-based (\$17.9mn) investors.

Florida-based hedge fund managers offer a varied range of strategies; equity strategies do not play as dominant a

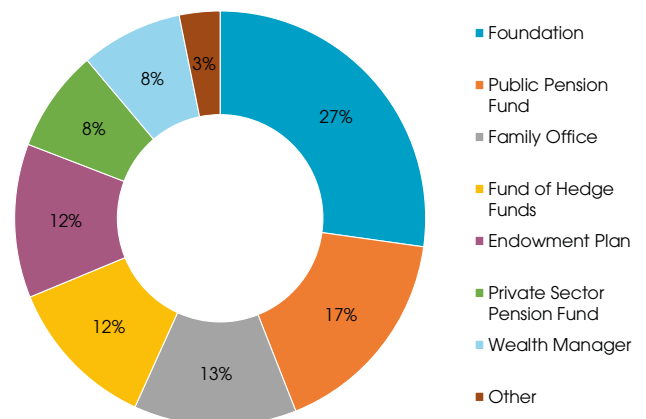
role as in other featured states (Fig. 33). Managed futures/CTAs (27%) is the second most utilized strategy by Florida-based hedge fund managers: nearly one-fifth of US-based managed futures/CTA launches since 2015 can be attributed to a Florida-based hedge fund manager.

**Fig. 33:** Florida-Based Hedge Funds by Top-Level Strategy



Source: Preqin Hedge Fund Online

**Fig. 34:** Florida-Based Investors Active in Hedge Funds by Type



Source: Preqin Hedge Fund Online



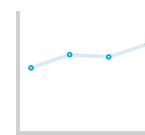
18%

Nearly one-fifth of all US-based managed futures/CTAs launched since 2015 are managed by a Florida-based manager.



\$18.5bn

AUM of Appaloosa Management, the largest Florida-based hedge fund manager (as at 31 March 2016).



2.93%

Net H1 2016 return of all Florida-based hedge funds.

**Fig. 35:** Largest Florida-Based Institutional Investors by Current Allocation to Hedge Funds

Investor	Type	Current Allocation to HF (\$mn)
Florida State Board of Administration	Public Pension Fund	4,502
Alfred I. duPont Testamentary Trust	Foundation	1,200
University of Florida Investment Corporation	Endowment Plan	729

Source: Preqin Hedge Fund Online



# Virginia



46

Number of active Virginia-based hedge fund managers.



\$25bn

Size of the Virginia hedge fund industry.



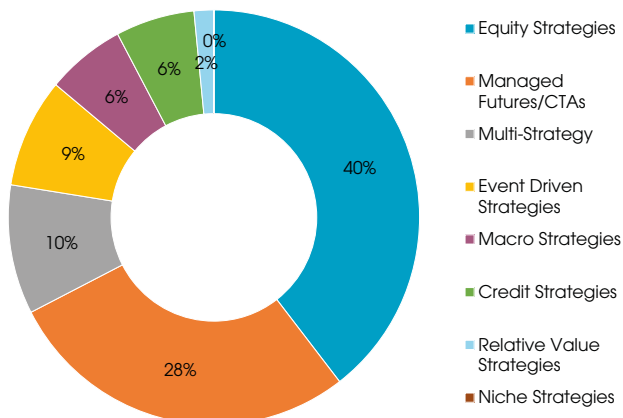
92

Number of Virginia-based institutional investors active in hedge funds.

Virginia constitutes only a small fraction of the overall US hedge fund industry: of the 6,470 funds launched in the US since 2009, just 76 were based in Virginia. Nevertheless, Virginia-based funds have generated the second highest returns of any of the 10 states featured in this report on a three-year annualized basis (+8.13%). However, Virginia-based funds charge an average of 20% of performance-related

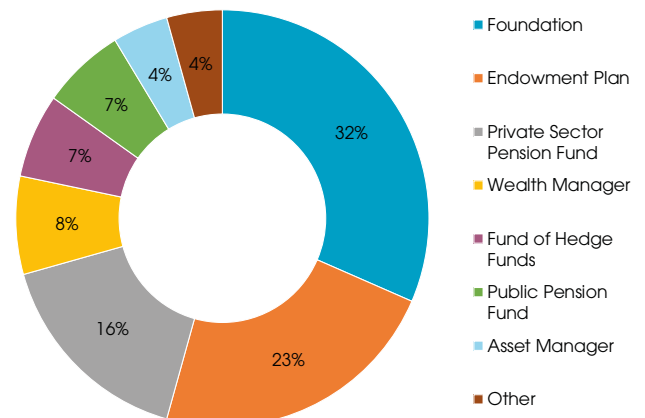
gains, the highest performance fee among the 10 states in this report. Equity strategies make up 40% of Virginia-based funds, but the state also has a large proportion (28%) of managed futures/CTA vehicles, possibly reflecting Virginia's strong technological knowledge base and infrastructure (Fig. 36).

**Fig. 36:** Virginia-Based Hedge Funds by Top-Level Strategy



Source: Preqin Hedge Fund Online

**Fig. 37:** Virginia-Based Investors Active in Hedge Funds by Type



Source: Preqin Hedge Fund Online



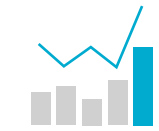
\$16.8bn

AUM of Thompson, Siegel & Walmsley, the largest Virginia-based hedge fund manager (as at 31 July 2016).



20.00%

The average performance fee of a Virginia-based hedge fund.



8.13%

Three-year annualized net return of Virginia-based hedge funds (as at June 2016).

**Fig. 38:** Largest Virginia-Based Institutional Investors by Current Allocation to Hedge Funds

Investor	Type	Current Allocation to HF (\$mn)
Virginia Retirement System	Public Pension Fund	5,092
Investure	Asset Manager	3,000
University of Virginia Investment Management Company	Endowment Plan	1,844

Source: Preqin Hedge Fund Online





# Pennsylvania


**79**

Number of active Pennsylvania-based hedge fund managers.


**\$18bn**

Size of the Pennsylvania hedge fund industry.


**154**

Number of Pennsylvania-based institutional investors active in hedge funds.

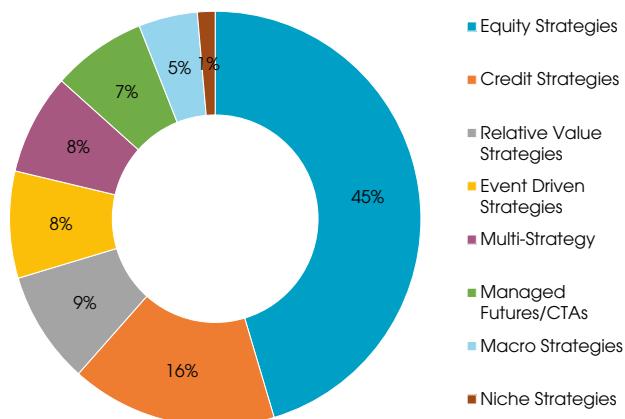
Pennsylvania is home to 154 institutional investors allocating capital to hedge funds, with Pennsylvania-based investors outnumbering fund managers nearly 2:1.

Foundations represent the greatest proportion (26%) of Pennsylvania-based institutions (Fig. 30). The largest proportion (45%) of Pennsylvania-based funds employ equity strategies, with credit strategies representing just 16% (Fig.

39). Pennsylvania-based hedge funds exhibit a performance fee more than two percentage points lower than the average fee charged by Virginia- (20.00%) and Connecticut-based (19.72%) funds, the highest among the featured states.

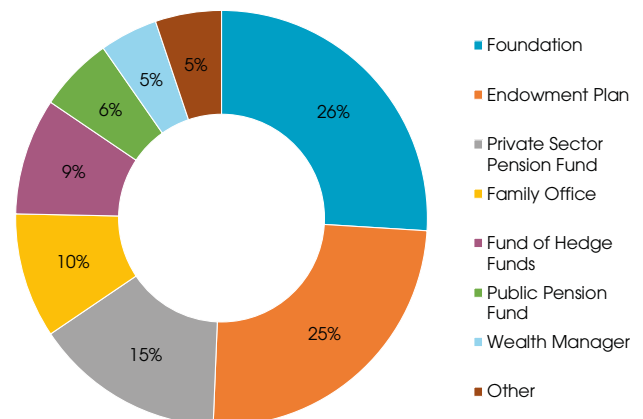
In terms of performance, as of June 2016, Pennsylvania-based hedge funds have returned 10.10% in 2016, the highest YTD return among all states featured in this report.

**Fig. 39: Pennsylvania-Based Hedge Funds by Top-Level Strategy**



Source: Preqin Hedge Fund Online

**Fig. 40: Pennsylvania-Based Investors Active in Hedge Funds by Type**



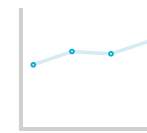
Source: Preqin Hedge Fund Online


**17.54%**

The average performance fee of Pennsylvania-based hedge funds.


**\$2.1bn**

AUM of Stevens Capital Management, the largest Pennsylvania-based hedge fund manager (as at 31 December 2015).


**10.10%**

Net H1 2016 return of all Pennsylvania-based hedge funds.

**Fig. 41: Largest Pennsylvania-Based Institutional Investors by Current Allocation to Hedge Funds**

Investor	Type	Current Allocation to HF (\$mn)
Pennsylvania Public School Employees' Retirement System	Public Pension Fund	4,855
University of Pennsylvania Endowment	Endowment Plan	3,040
Veritable	Family Office	2,974

Source: Preqin Hedge Fund Online



## Other States



516

Number of active US-based hedge fund managers based outside the 10 featured states\*.



\$104bn

Size of the hedge fund industry outside the 10 featured states\*.



1,197

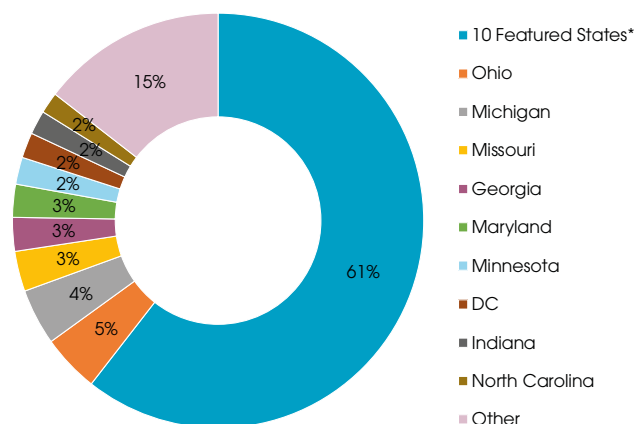
Number of US-based institutional investors active in hedge funds based outside the 10 featured states\*.

As seen in Fig. 42, the 10 states featured in this report together account for nearly two-thirds of the US hedge fund industry; however, outside these states there are still prominent industries with crucial players in the asset class.

Columbus-based Ohio Public Employees' Retirement System is the second largest US-based institutional investor by allocation to hedge funds and the seventh largest in the world. Ohio is home to the greatest number (100) of investors active in the class outside the 10 featured states.

The hedge fund industry of Minnesota is larger at \$29bn than that of both Virginia (\$25bn) and Pennsylvania (\$18bn), and unsurprisingly contains the two largest hedge fund managers outside the 10 featured states: Minneapolis-based Vårde Partners and Hopkins-based CarVal Investors, which operate \$10.2bn and \$8.8bn as of 31 December 2015 respectively. Minnesota is also home to the highest number (115) of hedge funds outside the featured states.

**Fig. 42: Aggregate Capital Committed to Hedge Funds by US-Based Investors by Investor Location (Excluding Funds of Hedge Funds)**



Source: Preqin Hedge Fund Online



\$29bn

Size of the Minnesota hedge fund industry, larger than that of both Virginia (\$25bn) and Pennsylvania (\$18bn).



100

Ohio is home to the most institutional investors active in hedge funds outside the 10 featured states\*.



53

Colorado is home to the most hedge fund managers outside the 10 featured states\*.



31%

Foundations represent just under one-third of US-based institutional investors located outside the 10 featured states\*.

**Fig. 43: Largest US-Based Institutional Investors outside the 10 Featured States\* by Current Allocation to Hedge Funds**

Investor	Type	Location	Funds under Management (\$mn)	Current Allocation to HF (\$mn)	Fund Type Preference
Ohio Public Employees' Retirement System	Public Pension Fund	Columbus, Ohio	96,243	12,438	Direct, Fund of Hedge Funds
Howard Hughes Medical Institute	Foundation	Chevy Chase, Maryland	19,000	5,700	Direct
Alaska Permanent Fund Corporation	Sovereign Wealth Fund	Juneau, Alaska	53,617	5,470	Direct, Fund of Hedge Funds

Source: Preqin Hedge Fund Online

\*The 10 states featured in this report are as follows: New York, Connecticut, California, Massachusetts, Illinois, Texas, New Jersey, Florida, Virginia and Pennsylvania.



# Preqin Special Report: Hedge Funds in the US

October 2016

## Preqin: Global Data and Intelligence

With global coverage and detailed information on all aspects of the hedge fund asset class, Preqin's industry-leading **Hedge Fund Online** service keeps you up-to-date on all the latest developments across the hedge fund universe.

### Source new investors for funds

Find the most relevant investors, with access to detailed profiles for over 5,000 institutional investors actively investing in hedge funds, including insurance companies, pension funds, family offices, foundations, wealth managers, endowment plans, banks, fund of hedge funds managers and more.

### Identify potential investment opportunities

View in-depth profiles for hedge funds seeking capital, including information on investment strategy, geographic focus, structure, service providers used, sample investors, direct contact information and more.

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Search for firms operating hedge funds. View information on key contacts, assets under management, performance history, key investment preferences, known investors and more.

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Identify which fund managers have the best track records with fully customizable performance benchmarks, and view performance details on individual named funds and share classes.

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Access fund-by-fund and industry level fund terms and conditions data for individual hedge funds, which provide a market overview, enabling you to see the current trends for specific strategies, structures, sizes and more.

### View detailed profiles of service providers

Search for active administrators, custodians, prime brokers, auditors and law firms by type and location of funds and managers serviced. Customize league tables of service providers by type, location of headquarters, and total known number of funds serviced.

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