



PRESS RELEASE

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ALMOST 50% OF HEDGE FUND FIRMS PLAN TO LAUNCH A NEW HEDGE FUND BY THE END OF 2016

The hedge fund industry expanding, distribution disrupted, spotlight on alternatives, shows joint PwC/AIMA survey

London - 14 December 2015: Around half of hedge fund firms intend to launch a new hedge fund by the end of next year and most are reporting rising assets, according to a global survey by PwC and the Alternative Investment Management Association (AIMA), the global industry body representing alternative asset managers.

The report, 'Global Hedge Fund Distribution Survey 2015: Distribution Disrupted - A Spotlight On Alternatives', assesses the impact of regulatory reforms and changed investor behaviour on hedge fund distribution models and capital-raising efforts.

The survey of fund managers worldwide found 61% reported rising assets in their hedge funds, while more than 80% of firms that have liquid alternatives funds said those products were also growing.

Forty-four per cent of managers said they would launch a new hedge fund by the end of 2016. In the same period, almost one-third of US managers and 50% of UK managers said they would roll out a new liquid alternatives fund.

In terms of distribution models, managers said their own direct sales channel was the most productive source of growth followed by prime brokers' capital introduction teams, investment consultants and referrals.

The impact of the Alternative Investment Fund Managers Directive (AIFMD) was assessed as varied. Around three-quarters of managers had changed where or how they market non-EU funds to EU investors as a result of the directive. Only a small number of EU managers were found to be using the passport, since they continue to manage non-EU funds, but a large proportion of those managers said they would apply for the passport if it became available. A small number of non-EU managers were found to have either set up EU AIFMs or be acting as sub-advisers to EU AIFMs.

The managers surveyed said their investors typically had taken 6-12 months before making an allocation. These investors cited fund performance, manager experience and investment strategy as the three most important factors in making a decision to invest.



Jack Inglis, AIMA CEO, said: *“As our new survey with PwC shows, the alternatives industry continues to grow and evolve, a sign that it is responding positively to changed investor demands as well as regulatory reforms. The industry, having begun the process of institutionalisation prior to the global financial crisis, is now maturing rapidly in order to manage a variety of distribution opportunities.”*

Olwyn Alexander, PwC EMEA Alternatives Leader, said: *“This survey, the first of its kind, clearly shows how regulation has sparked a growing distribution awareness in the hedge fund industry. There is an ever increasing sophistication amongst investors in how and where they invest and hedge fund managers are clearly thinking strategically about what channels they wish to sell to, where in the world and what mechanisms they use to sell their funds. It is heartening to see the number of managers considering a launch of new products in the coming year, which is testimony to the resilience and strength of the industry.”*

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Notes to editors

1. The report ‘Global Hedge Fund Distribution Survey 2015: Distribution Disrupted - A Spotlight On Alternatives’, is available on PwC’s website.
2. The survey of hedge fund firms in Europe, North America and Asia was undertaken in mid-2015. The respondents collectively manage around \$550 billion in hedge fund assets. A total of 146 firms were surveyed.
3. Olwyn Alexander, EMEA Alternatives Leader, PwC, is available for comment.

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About AIMA

The Alternative Investment Management Association (AIMA) has over 1,600 corporate members and over 10,000 individual contacts in over 50 countries. Members include hedge fund managers and other alternative asset managers, fund of funds managers, prime brokers, legal and accounting firms, investors, fund administrators and independent fund directors. AIMA's manager members collectively manage more than \$1.5 trillion in assets. All AIMA members benefit from AIMA's active influence in policy development, its leadership in industry initiatives, including education and sound practice manuals, and its excellent reputation with regulators worldwide. AIMA is a dynamic organisation that reflects its members' interests and provides them with a vibrant global network. AIMA is committed to developing industry skills and education standards and is a co-founder of the Chartered Alternative Investment Analyst designation (CAIA) - the industry's first and only specialised educational standard for alternative investment specialists. For further information, please visit AIMA's website, www.aima.org.

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