



Largest Funds Continue to Dominate Hedge Fund Industry, According to PerTrac's Annual Database Study

Ranks of Funds of Hedge Funds Continue to Thin for All but Billion-Dollar-Plus Firms, US and UK Funds Manage Nearly 68% of Reported Assets, Study Finds

New York - April 30, 2012 - The "billion dollar club" is still the great colossus of the hedge fund world. Single-manager hedge funds with greater than \$1 billion under management account for a mere 3.9% of reporting funds, but they control about 60% of the total single-manager hedge fund assets, according to a study conducted by [PerTrac](#), the provider of analytics, risk and communications software for hedge funds, funds of funds and other institutional investors.

According to the study, 322 single-manager hedge funds reported having AUMs in excess of \$1 billion in 2011, for a total of \$1.08 trillion in AUM. Despite their dominance, there was only a 1.40% year-over-year increase in the assets of billion-dollar-plus funds in 2011 based on those that reported their results. (Some funds do not report to any database).

"The flight to size continues for hedge fund investors," said Jed Alpert, Managing Director of Global Marketing at PerTrac. "Investors continue to view larger hedge funds as a better, safer bet even though industry data, including our own, indicates that smaller funds have generally outperformed larger ones."

The institutional bias towards size also applied to funds of hedge funds (FoHFs). The number of reporting FoHFs managing greater than \$1 billion in assets climbed by nearly 18% in 2011. Yet overall, the number of FoHFs declined 4.80% in 2011 to 3,388.

The study also found that single-manager hedge fund and FoHF managers located in the United States manage approximately \$950 billion, or 42.3% of the total reported AUM. The United Kingdom has the second highest amount, with \$574 billion in assets under management, or 25.6% of the total reported AUM.

The PerTrac study, now in its 9th edition, is unique because it is the only one that aggregates information from 11 leading global databases. This provides for the most holistic picture of the industry, as approximately 54% of hedge funds reported to only one database in 2011, a fact highlighted in this year's study. PerTrac's proprietary analytics software also removes duplicative fund data for an added level of precision in analyzing the number of funds and assets under management.

The study also found among reporting funds that:

- Overall, the number of single-manager hedge funds and FoHFs increased to 13,395, a growth of 3.73% from 2010 to 2011.
- The AUM of single-manager hedge funds and FoHFs expanded by 3.37% to reach \$2.245 trillion at the end of 2011.
- More than half of all single-manager hedge funds and FoHFs are denominated in US Dollars and 77% are denominated in either US Dollars or Euros.
- The number of single-manager hedge funds increased by 6.98% in 2011, reaching 10,007 funds.
- The AUM of single-manager hedge funds was \$1.798 trillion at the end of 2011, an increase of 4.2% from 2010.

To download the complete study which includes additional data on the composition and size of the hedge fund industry, please click [here](#).

About PerTrac

PerTrac provides software solutions for investment professionals at the fund-level of investing, including pensions, family offices, hedge funds, long-only managers, endowments, sovereign wealth funds, funds of hedge funds and industry service providers. More than 1,400 organizations in 50 countries rely on PerTrac software solutions to help them maximize returns, reduce risk and operate more efficiently. Founded in 1996, PerTrac is headquartered in New York with offices in London, Hong Kong, Tokyo, Reno, and Memphis. For additional information on the full suite of PerTrac software solutions, please visit www.pertrac.com.

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