SFC

證監會

Executive Summary

Introduction

The Securities and Futures Commission (SFC) has conducted its fifth fact-

Investment strategy (based on top three hedge funds reported)

Equity long/short and multi-strategy remained the most popular investment strategies in Hong Kong. The adoption of equity long/short increased from 33.1% to 40.8%, mainly due to the increase in long-bias strategy, which rose from 3% in 2012 to 10.9% in 2014.

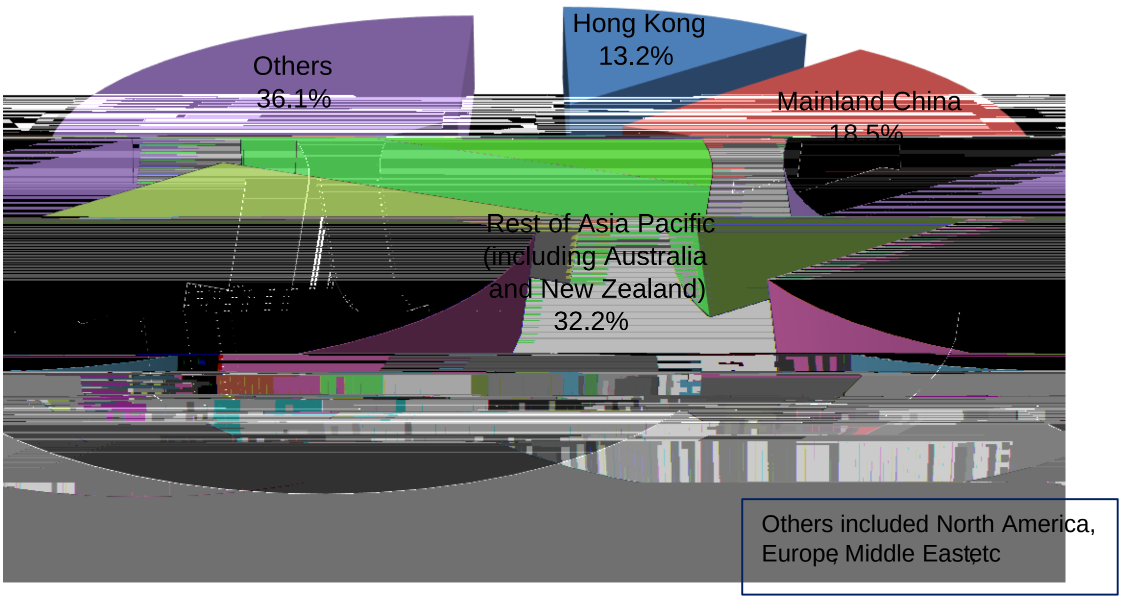
There was a notable decrease in the AUM attributable to funds of hedge funds. It fell from 20% in 2006, the earliest year we collected such comparable data, to 11.2% in 2012 and then to 8.1% in 2014.

The major asset class exposures were equities

Geographical capital allocation[5]

AUM allocated to Asia Pacific markets by Hong Kong managers constituted 63.9% of the total. Hong Kong and mainland China accounted for 31.7%.

Breakdown of AUM by geographical areas



[5] In 2014, residual or unallocated cash was included and attributed to the relevant geographical area, and non-investment items (eg, redemption payable, subscription receivable, etc) were assigned to a geographical region based on the currencies they were denominated in instead of being reported separately in "unallocated cash" category in the previous surveys.

AUM stratification of hedge fund managers

As a percentage of the total, the number of hedge fund managers with AUM of US$100 million or more grew from 40% in 2012 to about 44% in 2014