



*HFMWeek's annual countdown of the sector's most influential investors and what they have done over the past 12 months*  
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**T**he HFM Investor Power 30 outlines those allocators with significant influence over the industry, a task which is subjective but more important than ever in an environment where competition for capital is steep and the pressure to offer better alignment on fees and terms, as well as differentiated strategies, is intense.

These heavyweights flex their muscles in various ways, from pushing for more consideration of envi-

ronmental, social and governance factors, demanding customised structures or co-investments or leading the charge for better alignment of interest between managers and LPs.

In the following pages we lay out 30 of the most powerful allocators in the sector, based on their activities over the last 12 months, the opinions of managers and prime brokers as well as our editorial judgement. As always, we expect there to be plenty of debate.

# 30

## STANDARD LIFE ABERDEEN

FOHF (UK)

HF AuM: \$10.5bn

Total AuM: \$805bn

Key figure: Andrew McCaffery (Global head of alternatives, Aberdeen)

Aberdeen has over \$10bn invested in hedge funds. If the merger with Standard Life goes through, the combined entity would have around \$35.8bn in private markets and hedge funds strategies, with alternatives a growth area for the business and described as “hugely important” by one source close to the firm. Given the continued pressures many FoHFs face – last year’s #30 was held by SkyBridge, which lost its place on account of founder Anthony Scaramucci’s departure – SLA’s future influence on hedge funds remains to be seen.

# 29

## YALE UNIVERSITY

ENDOWMENT (US)

HF AuM: \$5.6bn

Total AuM: \$25.4bn

Key figure: David Swensen (CIO)

Swensen hit out at “fee bashers” in Yale’s annual report, published in April, for prioritising gross fees over net returns. He highlighted Yale’s “ability to identify top-tier active managers that consistently generate better-than-market returns” after fees, and that, had it invested in a classic 60/40 portfolio for the past 30 years, the university’s available funds would have shrunk by over \$28bn. A pioneer among allocators, and one that many endowments and other investors follow closely, Yale remains a deserving Power 30 entrant.

# 28

## ONTARIO TEACHERS’ PENSION PLAN (OTPP)

PENSION (CANADA)

HF AuM: \$9.9bn

Total fund AuM: \$130.7bn

Key figures: Ron Mock (president & CEO), Bjarne Graven Larsen (CIO), Jonathan Hausman (head of strategic investments)

OTPP promoted hedge fund chief Hausman to lead global strategic relationships in January, reflecting an increasing focus. The pension drops slightly in this year’s ranking, as it reduced the number of external managers it invests in, bringing their HF assets down by almost 25%. Meanwhile, the \$92bn Public Sector Pension Investment Board, which has \$9.7bn in hedge funds, has also been making waves, opening a London hub and providing a \$560m seed to AlbaCore Capital, a credit start-up founded by ex-CPIB money manager David Allen. One source noted that both pensions have grown their industry standing in recent years. “Their direct investment approaches seem to be validated in the market.”

# 27

## BT PENSION FUND

PENSION (UK)

HF AuM: \$5.5bn

Total fund AuM: \$59.3bn

Key figure: Frank Naylor (CIO)

BT Pension fund’s hedge fund portfolio increased by around \$200m over the past year. The pension plan for British Telecom workers has one of the largest hedge fund allocations among UK corporate schemes and it is the sole investor in several strategies, including the Hermes Real Estate Senior Debt Fund and the Ares European Credit Strategies Fund II.



#23 JANE BUCHAN (PAAMCO PRISMA)



#23 GIRISH REDDY (PAAMCO PRISMA)

# 26

## ENTRUSTPERMAL

FOHF (US)

HF AuM: \$24.4bn

Key figure: Gregg Hymowitz (chairman and CEO)

When EnTrust and Permal announced their merger last year, it became one of the most-commented on deals of 2016, but some sources have questioned how successful it has been so far, with assets decreasing from the firms’ combined \$26bn when the move was first publicised. The FoHF is increasingly focused on less liquid offerings and co-investments.

# 25

## VARMA

PENSION (FINLAND)

HF AuM: \$7.6bn

Total fund AuM: \$49.4bn

Key figure: Jarkko Matilainen (director of hedge funds)

Finland’s largest private investor has slightly decreased its exposure since 2015, sitting at 15% as of 31 March 2017, but it nonetheless remains a significant allocator. It has been a vocal proponent of using environmental, social and governance criteria to evaluate managers and has used a responsible investment policy since 2014. It was a leading contributor to the ESG DDQ released by the Principles of Responsible Investment, Aima and the Hedge Fund Standards Board in May.

# 24

## CALSTRS

PENSION (US)

HF AuM: \$10bn

Total AuM: \$206bn

Key figure: Christopher Ailman (CIO)

Calstrs started investing in hedge funds in 2011 with an ambitious plan for a risk offset portfolio. Today, the pension has around 5% of its total portfolio predominantly invested in CTA and macro funds, including Bridgewater, Graham Capital and AQR. It uses managed accounts where possible and doesn’t invest in FoHFs. The portfolio is concentrated, with six CTA and six macro fund managers at the moment, with the last allocation made last year.

# 23

## PAAMCO PRISMA

FOHF (US)

HF AuM: \$30bn

Key figures: Jane Buchan and Girish Reddy (Co-CEOs)

The merger of Paamco and KKR Prisma, completed on 1 June, creates one of the biggest independent FoHF firms remaining in the industry, earning them a presence on this year’s list. Sources are taking a “wait and see” approach as to whether the merger, which brings together two different investment styles, yields success, given that other tie-ups have experienced teething problems.

# 22

## CANADIAN PENSION PLAN INVESTMENT BOARD (CPPIB)

PENSION (CANADA)

Est HF AuM: \$23.5bn

Total AuM: \$235.4bn

Key figures: Poul Winslow (MD, head of thematic investing & external portfolio management), Scott Taylor (MD, external portfolio management)

“They’re everywhere – doing direct deals, partnering with hedge funds and PE firms, seeding,” says one source about one of North America’s largest institutions, describing them as “the gold

standard". The allocator doesn't have a dedicated hedge fund bucket, but its \$57.8bn external portfolio management unit includes hedge funds. Over the last year, CPPIB has made investments with Man Group, Garda Capital Partners, Frontlight Capital, Pine River Capital Management and Tenaron Capital Management.

# 21

## HARVARD MANAGEMENT COMPANY

**ENDOWMENT (US)**

HF AuM: \$4.9bn  
Total fund AuM: \$35.7bn  
Key figures: Narv Navekar (CEO), Rick Slocum (CIO)

New CEO Navekar announced earlier this year that the endowment was transitioning to a "generalist" model which would see it halve its 230-strong investment team, including its entire hedge fund-focused staff. While the effect of the decision has yet to fully play out, experts point out that HMC will likely be more active in outsourcing capital, potentially increasing their influence on the sector.

# 20

## CLIFFWATER

**CONSULTANT (US)**

HF AuA: \$35bn  
HF AuM: \$500m  
Key figure: Stephen Nesbitt (CIO)

Cliffwater saw its advisory and discretionary assets decrease by 12.5% and 66.7% respectively over the last 18 months, but with several big public institutions as clients, Cliffwater remains one of the most influential in the US. Allocators it advises include the Texas County & District Retirement System, the State of Wisconsin Investment Board and Reed College.

# 19

## SAFE INVESTMENT COMPANY

**SOVEREIGN WEALTH FUND (CHINA)**

Est total fund AuM: \$474bn  
Key figure: Pan Gongsheng (Deputy governor of the People's Bank of China and administrator of Safe)

The Chinese State Administration of Foreign Exchange (Safe) manages China's trade surpluses. The entity is very private about its allocation but several sources have told us that they allocate large amounts of money to hedge funds, with a preference for FX and fixed income-related strategies.

# 18

## KAUST INVESTMENT MANAGEMENT COMPANY

**ENDOWMENT (SAUDI ARABIA)**

Est total fund AuM: \$20bn  
Key figure: Gumersindo Oliveros (CIO, CEO)

The King Abdullah University of Science and Technology endowment has dropped down a few places since last year's ranking, prompted by the reported departure of Edgar Nehme, a managing director on the allocator's hedge fund team. Nehme, who joined KIMC in 2010 from Crestline, is said to have taken up a position at a family office entity of Robert Bass.

# 17

## FUTURE FUND

**SOVEREIGN WEALTH FUND (AUSTRALIA)**

HF AuM: \$13.1bn  
Total fund AuM: \$97bn  
Key figure: David George (Head of debt & alternatives)

One of the country's largest entities, Future Fund has recently redeemed from



#14 DALE WEST  
(TEACHERS RETIREMENT SYSTEM)

some managers who were less flexible about fees, according to our sources. However, despite dropping from #15 in last year's ranking, the SWF remains significant. Its directional portfolio is its largest strategic allocation within the alternatives portfolio, comprising over 60% on an asset-weighted basis. A further 26% of its alternatives portfolio is invested in multi-strategy and relative value managers, including Bridgewater, BlackRock and Citadel.

# 16

## MERCER

**CONSULTANT (US)**

HF AuA: \$38.1bn  
HF AuM/directed: \$7.4bn  
Key figure: Bill Muysken (global CIO - alternatives)

Mercer's client base has historically been pension funds. The consultant's hedge fund AuM has been growing steadily over the recent years and it remains a 'top 3' consultant in most markets globally, despite the headwinds facing the consulting industry as a whole. Going forward, Mercer will be advocating the wider use of hurdle rates in the industry, sources indicate.

# 15

**PENSION (SOUTH KOREA)**

## KOREA POST

Est total fund AuM: \$100bn  
Key figure: Seung Sehyoung (Hedge fund investment, Korea PostSavings), Jung Da-Woon (Hedge fund investment, Korea Post Insurance)

Cited as "probably the most significant investor in South Korea" after the country's sovereign wealth fund, Korea Post has been heavily building up its hedge fund and broader alternatives expo-

sure over the last year. In November 2016 it selected Guggenheim Partners, Park Square Capital and Partners Group for a \$300m CLO mandate and has also put out requests for proposal for insurance-linked security funds, multistrategy and credit managers this year.

# 14

## TEACHERS RETIREMENT SYSTEM (TRS) OF TEXAS

**PENSION (US)**

HF AuM: \$11bn  
Total fund AuM: \$135bn  
Key figures: Britt Harris (CIO), Dale West (senior MD of external public markets)

Already viewed as a bellwether among US public pensions, TRS has upped its credentials through the proposal of a new fee structure; 1 or 30. "Everyone was talking about this and other institutions will definitely follow. The move was very well publicised, much applauded by investors and will have a large influence," one prime brokerage pro tells us. TRS's hedge fund allocation has dropped since last year, when it was around \$14.9bn, but this doesn't detract from their status.

# 13

## CAMBRIDGE ASSOCIATES

**CONSULTANT (US)**

HF AuM: \$4.5bn  
HF AuA: \$31.8bn  
Key figure: Noel O'Neill (head of global investment research), Jerry Kraus (MD, hedge funds)

Cambridge Associates' core business is consulting to small- and medium-sized investors, particularly in the endowment and foundation space. It focuses on investing counter-cyclically and finding opportunities in strategies where sentiment

is low and capital is flowing out. The consultant has seen a decline in advisory assets over the last 18 months, while discretionary mandates have grown, reflecting a shift in broader strategy.

# 12

## GCM GROSVENOR

**FOHF (US)**

HF AuM: \$26bn  
Total AuM: \$50bn  
Key figure: Jon Levin (chair of the Global Investment Council)

Described by one participant as the only FoHF to have taken a positive step in recent years, GCM Grosvenor has a reputation that far exceeds its Chicago roots. With clients including Korea's National Pension Service, the FoHF is predominantly focused on managing customised portfolios, which make up more than two-thirds (about \$17bn) of its hedge fund business, sources indicate. The firm has seen inflows of over \$3bn in the last 12 months and is among the finalists to run a \$580m customised mandate for the Los Angeles Water and Power retirement plan.

# 11

## HS GROUP

**SEEDER (HONG KONG)**

HF AuM: \$2.4bn  
Key figures: Johannes Kaps, Michael Garrow

Founded by former Blackstone and Goldman Sachs executives Kaps and Garrow, HS Group replaces Blue Pool Capital in this year's round-up, with experts tipping it as one Asia's most influential early-stage allocators. "They really know the best Asian traders working at global shops who a lot of other investors wouldn't," says one prime with knowledge of the region. She adds

that unlike local seeders which only deploy small tickets, HS Group knows how to "move the dial".

# 10

## GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION (GIC)

**SOVEREIGN WEALTH FUND**

Est total fund AuM: \$350bn  
Key figure: Jeffrey Jaensubhakij (Group CIO)

In January, the SWF appointed Jaensubhakij as its new CIO, but its strategy is unlikely to change as Lim Chow Kiat, who held the CIO role for three years and was previously instrumental in diversifying the fund's investments, was appointed CEO. Meanwhile, Betty Tay, external manager chief, joined the Hedge Fund Standards Board last year amid the growing influence of Asia-Pacific investors globally.

# 9

## MAN FRM

**FOHF (US)**

HF AuM: \$14.5bn  
Total AuM: \$88.7bn  
Key figures: Keith Haydon (CIO), Michelle McCloskey (president)

Man Group's FoHF arm saw net assets increase by \$2.4bn in the 12 months to 31 March 2017, from \$12.8bn to \$14.5bn, driven predominantly by customised mandates, including one worth \$1.4bn that it received in the first quarter of 2017. Clients using their managed account platform include US public pension plans, a specialist UK insurance firm and an Asia-Pacific SWF. Earlier this year, McCloskey revealed that Man FRM was bullish about long/short equity under the new US administration.



# 8

## BLACKROCK ALTERNATIVE ADVISORS

**FOHF (US)**

HF AuM: \$22.5bn  
Total AuM: \$5.4trn  
Key figures: Bryan Smith (management committee chair), Dave Matter (investment committee chair)

A new Power 30 entrant, the hedge fund franchise of BlackRock keeps a low profile, but this is not indicative of inaction. BAA won a \$1bn "marquee" mandate from New Jersey's investment division, whose due diligence notes provide a good snapshot of the business. The New Jersey investment council highlighted BAA's successful history of being a founding/early stage investor and an industry leader in providing customised solutions, among others as being key selection criteria. BAA has made day-one investments with 56% of its managers, an approach taken by the team since 1998, when they were at Quellos, which BlackRock acquired in 2007.

# 7

## AKSIA

**CONSULTANT (US)**

HF AuA: \$76bn  
Key figures: Jim Vos (CEO), Valérie Bénard (head of Aksia Europe), Manabu Washio (head of Asia)

Aksia has continued to grow its client roster and the firm's AuA has climbed 15% to over \$76bn since December, when it was \$66bn. The consultant has maintained its "hedge fund-centric approach", says one source familiar with the firm, and has a focus on fee and structure customisation. It advises some of the world's largest investors, including the \$50bn Pennsylvania Public School Employees'

Retirement System and Uninvest, the in-house asset manager of Unilever's pension schemes.

# 6

## GOLDMAN SACHS HEDGE FUND STRATEGIES

**FOHF (US)**

HF AuM: \$28bn  
Key figure: Kent Clark (CIO, HF strategies), David Mullane (MD, HF strategies)

Sources indicate that the bank's hedge fund unit has been able to benefit from a challenging year, with negotiations on behalf of clients a key element. The unit has a particular emphasis on working with emerging managers and some 34% of its roster manages less than \$1bn. The team has won mandates with corporate and insurance clients recently, one prime indicates.

# 5

## UBS HEDGE FUND SOLUTIONS / A&Q

**FOHF (SWITZERLAND)**

HF AuM: \$36bn  
Key figure: Bruce Amlicke (CIO)

AuM increased by \$2bn since last year and sources indicate the FoHF unit has continued to strengthen its Asia-Pacific foothold, with new mandates ranging from \$250m to \$1bn. Dawn Fitzpatrick, who led equities, multi-asset investments and O'Connor, one part of UBS's hedge fund business, joined Soros Fund Management as CIO earlier this year, in what participants say is a coup for the family office. Areas of focus for UBS's hedge fund unit include co-investments, seeking out hedge fund launches and finding "bond-proxy" portfolios for clients, one prime broker indicates.

# 4

## BLACKSTONE ALTERNATIVE ASSET MANAGEMENT (BAAM)

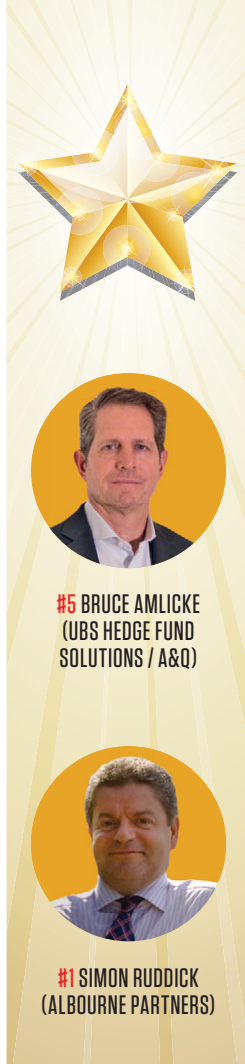
FOHF / SEEDER (US)

HF AuM: \$73bn

Total fund AuM: \$368bn

Key figure: Tomilson Hill (CEO), Halbert Lindquist (chief investment strategist)

Baam has had a mixed 12 months, with \$3.6bn in inflows offset by \$2.5bn in outflows, driven by client liquidity needs and “strategic shifts in their programmes”, their latest quarterly report stated. The firm also shuttered its \$1.8bn direct investing platform, Senfina Advisors, in December due to poor performance. Greg Hall, Baam’s seeding and stake-taking co-head departed the firm in May last year, while Senfina chief Parag Pande has also left. Pande is planning to start his own multi-manager platform next year, *HFMWeek* understands. The venture could receive backing from Ziff Bothers Investments and would use a similar format to Senfina, with the underlying portfolio managers encouraged to pursue their best ideas.



#5 BRUCE AMLICKE  
(UBS HEDGE FUND SOLUTIONS / A&Q)



#1 SIMON RUDDICK  
(ALBOURNE PARTNERS)

## ONES TO WATCH

Not every powerful investor made it onto the Power 30, and there are some names which could challenge the incumbents over the next few years, sources say.

The list of contenders includes two highly secretive investors from the Middle East: Hassana, Saudi Arabia’s pension plan for non-government workers and the country’s national petroleum and natural gas company, Saudi Aramco. Sources tell us that they have sizeable allocations and always hold court at cap intro events.

Then there’s Japan Post Bank, which has already put several billion dollars to work in the alternatives space since it went public 18 months ago and Temasek, a \$242bn Singaporean SWF, both named as respected allocators in Apac.

In the US, the Wisconsin State Investment Board has been making some bold moves in hedge funds while in the corporate space, sources highlight defence contractor Raytheon’s due diligence process as sophisticated. Their \$18bn DB plan aims to achieve above 6% from its absolute return asset class over the market cycle in the current environment, *HFMWeek* understands.

# 3

## CHINA INVESTMENT CORPORATION (CIC)

SOVEREIGN WEALTH FUND (CHINA)

Est HF AuM: \$103bn

Est. total fund AuM: \$814bn

Key figure: Roslyn Zhang, (MD, fixed income & absolute return investments)



“They’ve got a pretty mature hedge fund portfolio and are absolutely a thought-leader for the region,” one source focused on Asian investors says of China’s SWF. The behemoth holds the #3 spot in our run-down, having told a packed Salt Conference that it was looking to make fresh allocations this year. The SWF, which opened a New York office in April, is focused on building technology positions as well as gaining exposure to the “China factor” through managers it partners with. It also told a conference earlier this year that it was looking to boost its investment in US hedge funds.

# 2

## ABU DHABI INVESTMENT AUTHORITY (ADIA)

SOVEREIGN WEALTH FUND (UAE)

Est. HF AuM: \$60bn

Est. total fund AuM: \$800bn

Key figure: Khalifa Al Mheiri (head of alternative investments)



Adia dedicates 60% of its portfolio to external managers, and created a new special situations co-investment mandate in 2015, according to its latest annual report. The SWF’s managers delivered mixed performance but ended the year in positive territory. Liquid alternative strategies were flat on average in 2015, systematic CTAs focused on fundamentals and non-trend technicals “delivered positive returns ranging from modest to excellent” while event-driven firms struggled. Adia flagged a key goal for the year ahead to “recruit selectively to gain certain specialist skills for its investment and risk teams” and has so far tapped executives from UBS, Pimco, State Street and RBC Capital Markets, reports indicate.

# 1

## ALBOURNE PARTNERS

CONSULTANT (UK)

HF AuA: \$400bn

Key figures: John Claisse (CEO), Simon Ruddick (chairman, co-founder, pictured), Guy Ingram (head of HF research)



With some 256 clients accessing Albourne’s hedge fund research, including the University of Texas Investment Management Company, Cargill and RHM Pension Trust, Albourne tops this year’s list precisely because of its client reach. The consultant launched a series of initiatives towards the end of last year to bring better transparency to the industry on fees and other terms, and has been championing the use of a new fee structure - 1 or 30 - in conjunction with the Teacher Retirement System of Texas (see #14). TRS, one of its first US public pension clients, may have brought the idea

of 1 or 30 to Albourne, but it was the consultant who helped refine the structure. Participants indicate that if anyone is influential enough to encourage a wider take-up of 1 or 30, it’s Albourne. The consultant is in conversations with at least 50 hedge fund managers who have adopted the 1 or 30 model, while many more are considering it.