

The Majority Of Foreign Investors Don't Pay Enough Attention To Japanese Hedge Fund Managers

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Hedge fund managers in Japan feel that the majority of foreign investors don't pay enough attention to domestic Japanese hedge fund managers, according to the results of a new survey published by AlphaWeek and institutional hedge fund investment advisor Sussex Partners.

The inaugural AlphaWeek and Sussex Partners Japan Hedge Fund Industry Survey 2020 interviewed twelve hedge fund managers in Japan to take the temperature of the respondents with regards to their thoughts about investor sentiment – both foreign and domestic - towards domestic Japanese hedge fund managers. Three-quarters of survey respondents don't think that non-Japanese investors pay enough attention to domestic Japanese managers.

“It has historically been very challenging to generate returns investing long-only in Japan, and the Japanese hedge fund market is not very transparent, posing a real challenge for many foreign investors that are not able to dedicate a significant, boots on the ground, manager research effort”, said Patrick Ghali, Managing Partner, Sussex Partners. “However, we have also seen a very welcome and very real effort being made by the Tokyo municipality, in conjunction with the Japanese regulator and select service providers, aimed at making it easier to set up a hedge fund in Tokyo. Furthermore, we are seeing more and more diverse sub strategies emerging. This now allows allocators a greater choice of investment opportunities. We are positive on the outlook for the Japanese hedge fund industry from an alpha generation standpoint given these new developments and will follow the evolution of the Japanese hedge fund industry with great interest.”

These developments might already be bearing fruit, as more than four fifths – 83% – of respondents said that they had seen increased interest in their funds in the past twelve months.

Read and download the inaugural survey here [AlphaWeek and Sussex Partners Japan Hedge Fund Survey 2020.pdf](#)

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