



UNDERSTANDING HEDGE FUNDS

Welcome to Understanding Hedge Funds, a monthly e-newsletter designed to provide accessible educational content about the hedge fund industry and investment strategies.

The hedge fund industry has grown in recent years to become a leading investment partner for qualified institutions and individuals around the world. The information and resources contained in these newsletters help explain how the industry works, who it benefits, and why so many institutional investors are increasingly using hedge funds to diversify and manage risk in their portfolios.

In this month's issue:

1. **[Who Invests in Hedge Funds?](#)**

This educational infographic takes readers through the many types of hedge fund investors, illustrating the importance and magnitude of each investor class.

2. **[Hedge Funds and Pensions](#)**

This educational presentation features data from industry provider Preqin outlining the growing relationship between pensions and hedge funds. You will learn more about why pensions invest with hedge funds and how endowments, foundations, and other non-profit organizations utilize hedge funds to manage their portfolios.

3. **[Hedge Funds and Universities](#)**

This presentation explores the growing partnership between hedge funds and university and college endowments. For many educational institutions, hedge funds are an important tool used to diversify their portfolios, manage risk and produce reliable returns over time. Hedge fund investments help these institutions fund financial aid, scholarships, operations, research, academics and athletic programs.

4. **[Hedge Funds and Foundations](#)**

Hedge funds help foundations and other institutional investors meet their obligations and goals. This presentation explains how hedge funds originated as an investment vehicle to help individuals diversify portfolios, manage risk, and produce reliable returns over time. Now, hedge funds' investor base has evolved from individuals to institutions, which now represent about 65 percent of the capital invested in the industry.

**For more information on the hedge fund and
managed futures fund industry, visit the links below:
[Hedge Funds 101](#) | [U.S. Regulation 101](#) | [CTA/CPO 101](#)**