



UNDERSTANDING HEDGE FUNDS

Welcome to Understanding Hedge Funds, a monthly e-newsletter designed to provide accessible educational content about the hedge fund and managed futures 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 the volatility in their portfolios.

In this month's issue:

1) [Commodity Trading Advisors/Commodity Pool Operators 101 Presentation and Infographic](#)

Commodity Trading Advisors (CTA) and Commodity Pool Operators (CPO) have long been vital to the alternative investment industry. The presentation and infographic allows those new to the alternative investment industry to better understand how CTAs and CPOs function, how they are regulated, and how the Dodd-Frank Act and recent CFTC rulemakings have affected these entities.

2) [Electronic Trading Primer](#)

Not only does electronic trading continue to make our financial markets more competitive, but it has brought numerous benefits to all investors. This presentation seeks to provide an overview of the evolution of electronic trading, provide clear definitions of often misused terms, and demystify electronic trading strategies like high frequency trading.

3) [Hedge Fund Due Diligence](#)

In light of changes brought forth by the new rules adopted by the Securities and Exchange Commission's implementing the Jumpstart our Business Startups (JOBS) Act, MFA released the Hedge Fund Due Diligence presentation to provide investors with resources about the hedge fund industry. In light of potential public advertisements by hedge funds, the presentation is designed as an educational tool with basic information about who can invest in hedge funds as well as some potential red flags regarding investment fraud.

4) [How Do Hedge Funds Manage Risk?](#)

Focusing on risk management, this video details how hedge funds are structured and how managers' interests are aligned with their investors. MFA President and CEO Richard H. Baker discusses how hedge funds help to manage and mitigate risk.

**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](#)

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