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 the volatility in their portfolios.

In this month’s issue:

1) **Hedge Funds 101**

Hedge funds play a vital role in helping a wide range of institutions – from pensions to endowments to non-profits – meet their financial obligations. Sixty-six percent of global hedge fund assets come from these institutional investors. This presentation answers common questions about the hedge fund industry, including: What is a hedge fund? Who invests in hedge funds? and, What strategies do hedge funds use?

2) **Hedge Fund Strategies**

Hedge funds offer qualified investors a unique partnership and investment opportunity that is shaped by the strategy and experience of the fund manager and its team. This presentation provides a brief overview of some of the strategies used by hedge funds in the marketplace today.


Hedge funds are subject to the same trading and reporting requirements as other investors in publicly traded securities in the U.S. While the financial regulatory landscape in the U.S. is evolving due to recent legislative changes, including the Dodd-Frank Act, this guide provides a brief overview of the U.S. regulatory structure, as it stands today, and how it relates to the hedge fund industry.

4) **How Hedge Funds Benefit Institutional Investors**

MFA President and CEO Richard Baker explains how hedge funds provide risk-adjusted, low volatility benefits to their investors. Hedge funds originated as a vehicle to help diversify investment portfolios, manage risk, and produce reliable returns over time. While hedge funds’ investor base has evolved over the years – from individuals to institutions such as pensions, universities and foundations – their core goals have not.