



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) [Short Selling: A Brief Overview and Regulatory Update](#)

This presentation offers helpful information on what short selling is and how it works, different types of short selling, and provides an overview of the regulatory actions taken both in the U.S. and in Europe.

## 2) [How Are Hedge Funds Regulated in the U.S.?](#)

This infographic explains how hedge funds have been regulated at the federal, state, and local levels since their inception in the 1940s. It also illustrates how hedge funds are subject to the same trading and reporting requirements as other investors in traded securities.

With this infographic, users will learn more about laws that have shaped the regulation of hedge funds. It also illustrates the multiple regulators overseeing the hedge fund industry or its activities in the U.S., including federal regulators at the Securities and Exchange Commission and the Financial Stability Oversight Council, and industry self-regulatory organizations (SROs) like the National Futures Association.

## 3) [Who Invests in Hedge Funds In My State?](#)

MFA's Hedge Fund Investor Map takes publicly available data from both public and private pension plans, university endowments, and foundations in all 50 states to show what groups are investing in hedge funds. Public pensions such as the AFL-CIO, AFSCME, or Florida Retirement System, and corporate pensions like UPS, 3M, or John Deere all invest in hedge funds. In fact, public pension funds represent the largest portion of capital invested in hedge funds by institutional investors at over 22%.

## 4) [How Do Hedge Funds Help Pensions Meet Their Obligations?](#)

This educational video outlines how pensions have partnered with hedge funds to generate returns and manage 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](#)