

Hedge funds offer investors many investment options. No two hedge funds are identical, but funds can be categorized by their investment strategies.



Each fund makes different investment decisions, but hedge funds are united by fundamental goals:



Portfolio Diversification: Prevents over-concentration in specific assets



Risk Management: Helps anticipate and avoid volatility in the marketplace



Reliable Returns Over Time: Provides opportunities for asset growth

How do hedge funds invest?

Hedge funds manage approximately **\$3 trillion*** in global assets across these leading strategies:



Long/Short Equity Funds: Maintain long and short positions in equity and equity derivative securities



Global Macro: Analyze market impact of economic variables to develop investment strategies



Event Driven: Maintain positions in companies currently or prospectively involved in corporate transactions (mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments)



Relative Value: Maintain positions based on valuation discrepancy in the relationship between multiple securities



Credit Funds: Invest in fixed income securities, taking large investment positions and using the ownership stake to participate in the management of a company



Quantitative Funds: Trade positions based on computer models built to identify investment opportunities



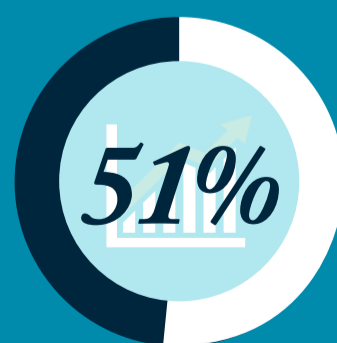
Multi-Strategy Funds: Utilize a variety of processes to arrive at an investment decision, including both quantitative and fundamental techniques



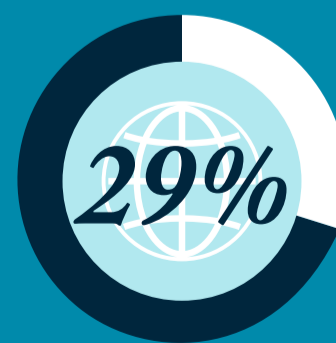
Managed Funds Trading (CTAs): Investors, often called commodity trading advisors (CTAs), trade in these markets using futures, forwards and options contracts in everything from grains and gold, to currencies, stock indexes and government bond futures

What are investors looking for?

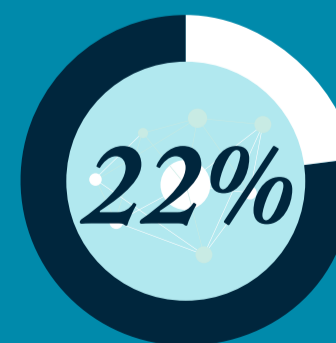
Investors reported looking for the following strategies during 2016:



Long/Short Equity Funds



Macro Funds



Event Driven Funds