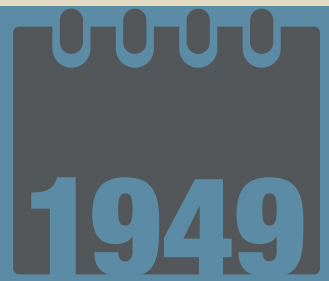


WHAT IS A **HEDGE FUND**?

The roots of the modern day hedge fund industry date back to 1949 when a man by the name of Alfred Winslow Jones began employing an investment strategy that offset positions in long equities with short positions in order to better manage risk. This balanced approach now defines today's hedge fund industry.

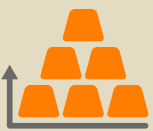


WHAT IS THEIR PURPOSE?

Hedge funds employ a wide range of investment and trading activities to maximize return while minimizing risk.



PORTFOLIO DIVERSIFICATION



OPPORTUNITIES FOR ASSET GROWTH

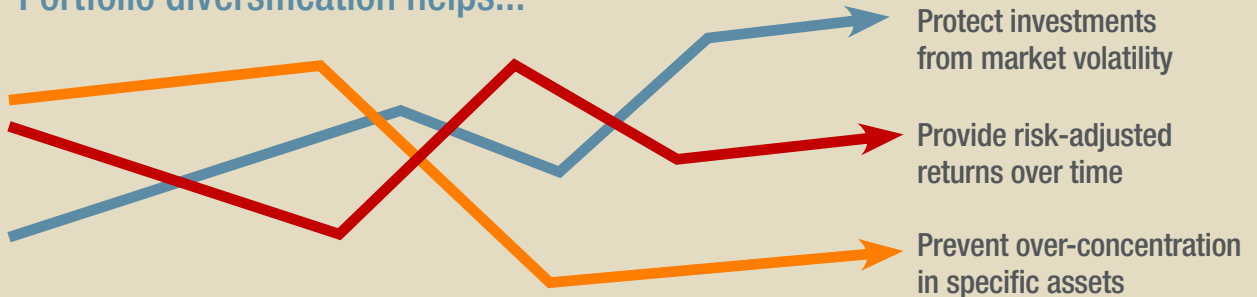


RISK MANAGEMENT

Hedge funds invest in a range of assets, including **common stock, bonds, commodities, futures** and **other vehicles.**



Portfolio diversification helps...



There are more than **15,000** active hedge funds globally. Hedge funds manage about **\$3 Trillion** in assets. There are many unique investment strategies common among the various hedge funds active in the U.S., for example:



Global Macro



Managed Futures



Quantitative funds



Equity Funds



Relative Value

WHO INVESTS?

Hedge funds are a direct partnership formed between the fund manager and his/her investors. Typically hedge fund managers invest a significant amount of personal capital, aligning their interests with their investors.



PUBLIC AND CORPORATE PENSION PLANS



UNIVERSITY ENDOWMENTS



CHARITABLE FOUNDATIONS



HIGH NET WORTH INDIVIDUALS AND FAMILY OFFICES

ABOUT **2/3RDS** OF GLOBAL HEDGE FUNDS ASSETS COME FROM PENSIONS, COLLEGES, NON-PROFITS AND OTHER INSTITUTIONAL INVESTORS.

WHO BENEFITS?

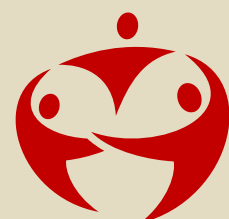
These investments benefit local communities and residents in ways that are not always explained or well-understood. Institutions partner with hedge funds to help:



...Fund retiree benefits and ensure retirement security for millions of U.S. and global pensioners.



...Colleges and universities fund investments that provide scholarships, research funding and operating income.



...Fund the work of national and community foundations and non-profit organizations.

HEDGEfundamentals.org

Source: Preqin