



AIMA AND CAIA LAUNCH SERIES OF HEDGE FUND PAPERS FOR PENSION FUND TRUSTEES

London - 28 January 2015: The Alternative Investment Management Association (AIMA), the global hedge fund association, and the CAIA Association, the global leader in alternative investment education, have jointly published the first of a series of educational papers about hedge funds for pension fund trustees and other fiduciaries at institutional investors.

The paper, titled "The Way Ahead: Helping trustees navigate the hedge fund sector", sets out to give practical guidance about how existing investors have managed issues and challenges associated with their hedge fund investments as well as detailing the advantages of allocating to hedge funds.

The other papers in the series, to be released between now and Q1 2016, will cover such topics as hedge fund strategies, transparency and governance. They are being produced in collaboration with the AIMA Investor Steering Committee, a group of leading institutional investors globally with approximately \$150 billion invested in hedge funds.

Among the findings of the first paper:

- Roughly one in every four dollars managed by the global hedge fund industry today - well over \$700 billion in total - is invested by public and private pension plans, and this proportion is increasing
- Uncorrelated and risk-adjusted returns are among the most important objectives cited by investors who invest in hedge funds [1]
- Investors have earned a combined \$1.5 trillion after fees from hedge funds in the last 10 years [2]

Jack Inglis, AIMA CEO, said: *"The global hedge fund industry has grown at approximately 10% a year since the financial crisis, and much of this growth can be attributed to increased allocations from public and private pensions. Hedge funds have become part of the mainstream, and today they manage over \$700 billion from pensions worldwide and well over \$2 trillion from institutional investors generally.*

"But at the same time, many trustees are asking questions about their existing or prospective hedge fund allocations. Rarely has there been such demand for a realistic assessment of the benefits - and also the risks - associated with hedge fund investing. We hope that this series of educational papers which we are producing with CAIA will be considered by trustees as a trusted source and help them to improve their understanding of hedge funds at this important time in the industry's growth and development."



William J. Kelly, Chief Executive Officer at the CAIA Association, said: *“The alternative investing industry has experienced tremendous growth over the past decade and now finds itself at something of a crossroads. Continued growth and acceptance will depend greatly on the ability to educate investors not just on the fundamentals of the products, but also on the role these funds are designed to provide within an overall portfolio.”*

The paper, “The Way Ahead: Helping trustees navigate the hedge fund sector”, can be downloaded from the AIMA website. [3]

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Notes for Editors

[1] Source: Preqin

[2] This data was provided by Hedge Fund Research for this paper

[3] www.aima.org/en/document-summary/index.cfm/docid/F4D1F5DA-B20A-4052-80D8CC894090C9A1

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About AIMA

The Alternative Investment Management Association (AIMA) is the global hedge fund industry association, with over 1,500 corporate members (and over 8,000 individual contacts) in over 50 countries. Members include hedge fund managers, fund of hedge funds managers, prime brokers, legal and accounting firms, investors, fund administrators and independent fund directors. AIMA’s manager members collectively manage more than \$1.5 trillion in assets. All AIMA members benefit from AIMA’s active influence in policy development, its leadership in industry initiatives, including education and sound practice manuals, and its excellent reputation with regulators worldwide. AIMA is a dynamic organisation that reflects its members’ interests and provides them with a vibrant global network. AIMA is committed to developing industry skills and education standards and is a co-founder of the Chartered Alternative Investment Analyst designation (CAIA) - the industry’s first and only specialised educational standard for alternative investment specialists. For further information, please visit AIMA’s website, www.aima.org.

About the CAIA Association

The CAIA Association, a non-profit organization founded in 2002, is the world leader and authority in alternative investment education. The CAIA Association is best known for the CAIA Charter®, an internationally recognized credential granted upon successful completion of a rigorous two-level exam series, combined with relevant work experience. Earning the CAIA Charter is the gateway to becoming a member of the CAIA Association, a global network of over 7,000 alternative investment leaders located in 80+ countries, who have demonstrated a deep and thorough understanding of alternative investing. Having grown



rapidly, the CAIA Association now supports vibrant chapters located in financial centers around the world and sponsors more than 120 educational and networking events each year. The CAIA Association also offers a continuing education program, where trustees can learn the Fundamentals of Alternative Investments in a 20 hour, video-based program. For more information, please visit CAIA.org.