



Hedge Fund Association



Fund Services



TOP HEDGE FUND STRATEGIES 2018 INDUSTRY SURVEY RESULTS

Results and key takeaways from the 2018 second quarter survey of institutional investors, alternative investment managers and industry executives conducted by the Hedge Fund Association and sponsored by thought leader UMB Fund Services.

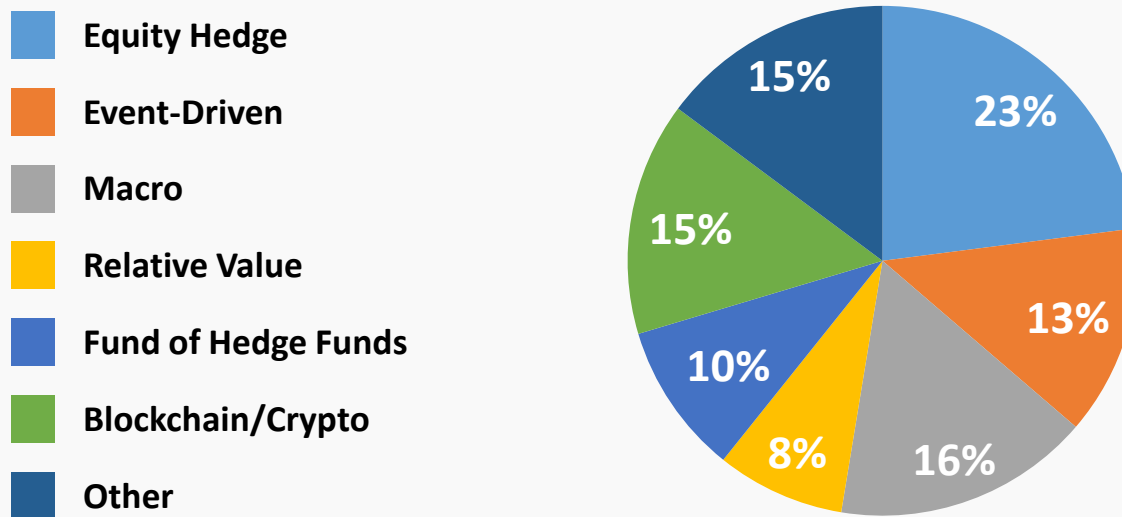
July 2018

Top Hedge Fund Strategies 2018 Survey Overview

- **Responses: Over 60**
- **Categories of survey respondents:** Hedge fund, institutional investor, family office, multi-manager platform, high net worth investor, service provider
- **Investment strategies featured:** Equity Hedge, Macro, Event-Driven, Blockchain/Crypto, Relative Value, Fund of Funds, “Other”
 - **“Other:”** Managed Futures, Opportunistic, Real Estate, Private Credit, Life Settlement, Multi-Strategy, Credit
- **Differentiation factors:** Uncorrelated strategies, reputation/pedigree, management team’s experience, performance
- **Fund development considerations/challenges:** Capital raising, regulatory/tax considerations, costs, fund structure/terms, infrastructure, outsourcing decision
- **Investor reporting challenges:** Customization, portfolio analysis, timing, privacy, delivery

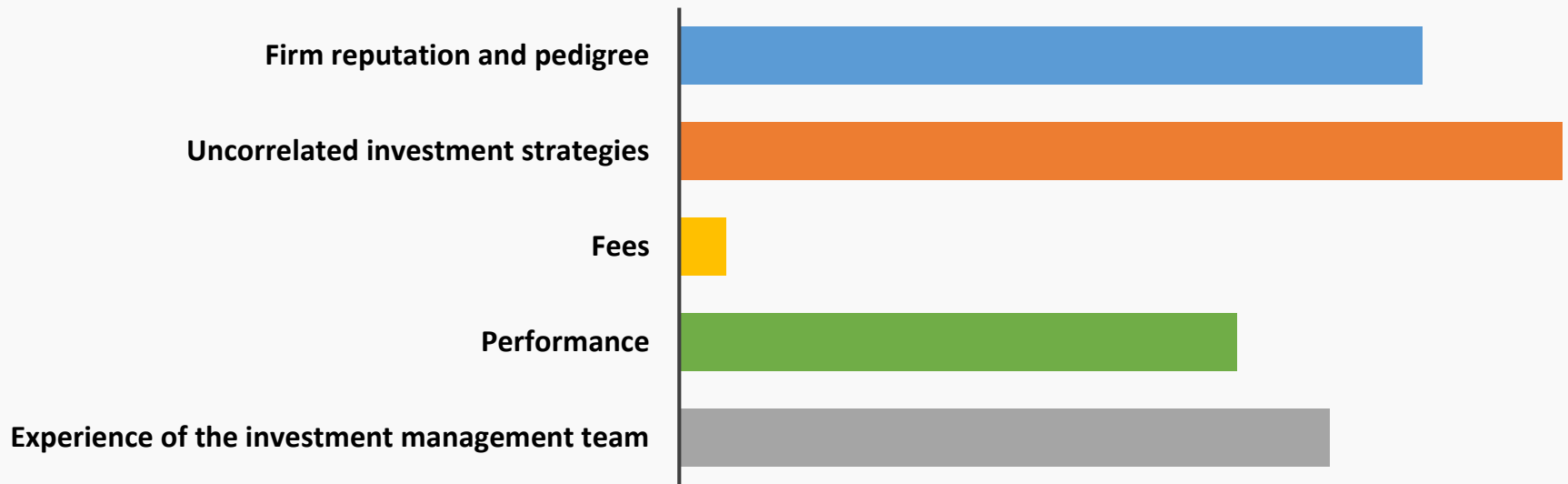


What strategies have the most market demand or are seeing most interest from your investors/clients?



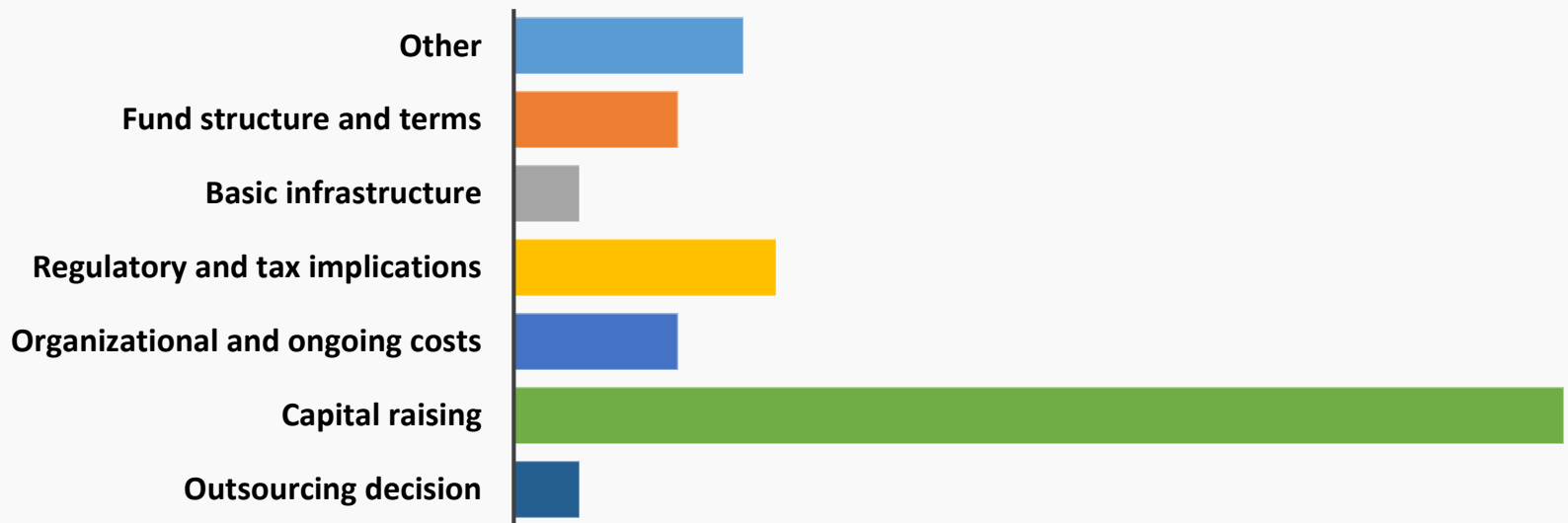
Equity hedge was selected as the top investment strategy based on market demand or investor/client interest, followed by Macro, Blockchain/Crypto and Event-Driven.

What is the most impactful way you differentiate from your competition?



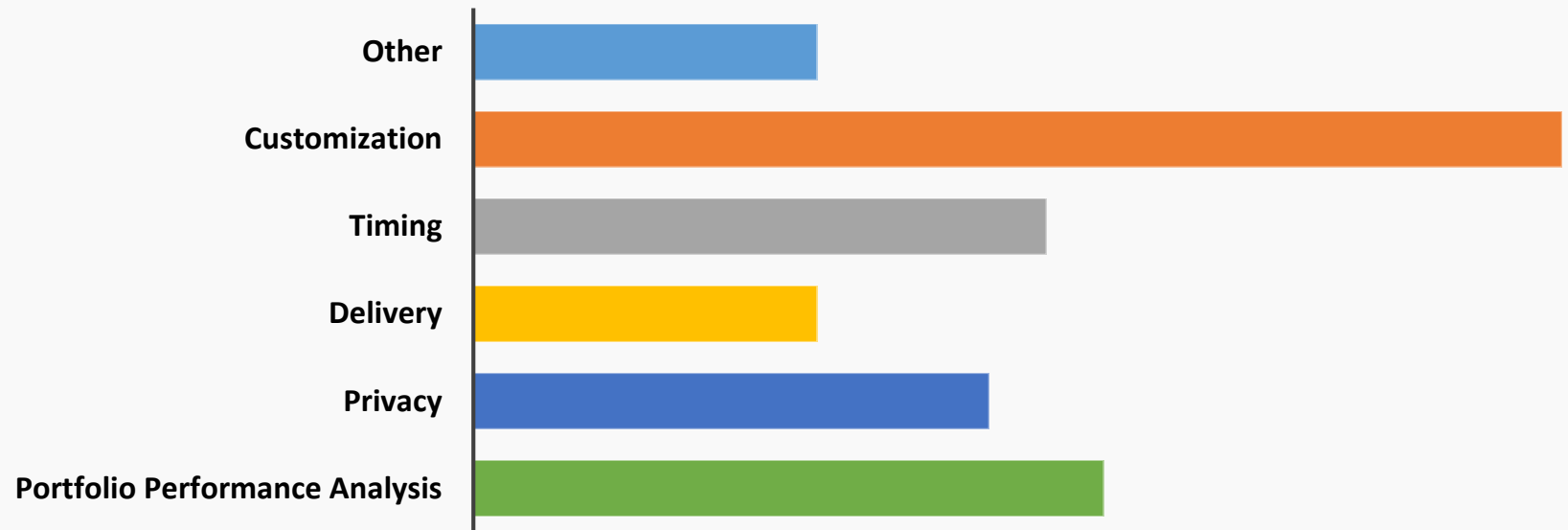
Uncorrelated investment strategies was cited as the most impactful source of differentiation, followed closely by firm reputation and pedigree, with experience of the investment management team ranked #3, performance as #4 and fees as #5.

What is the top consideration or hurdle for your firm when embarking on new fund development?



Capital raising was selected by a wide margin as the top consideration or hurdle to new fund development. Considerations #2-6 were Regulatory and tax implications, followed by Fund structure and terms, Organizational and ongoing costs, Basic infrastructure, Outsourcing decision and 'Other.'

What is your greatest challenge when it comes to investor reporting requirements?



Customization was identified by a wide margin as the greatest investor reporting challenge, followed by Portfolio performance analysis, Timing, Privacy, Delivery and 'Other.'



Hedge Fund Association

The Hedge Fund Association (HFA) is an international non-profit industry trade and nonpartisan lobbying organization devoted to advancing transparency, development and trust in alternative investments. HFA's global presence spans 5 continents and over 16 countries.

Membership in HFA includes hedge fund firms, financial institutions, funds of hedge funds, family offices, public and private pension funds, endowments and foundations, high net worth individuals, allocators, and service providers including prime brokers, administrators, custodians, auditors, lawyers, risk managers, technologists and third party marketers. HFA leaders are volunteers and work on behalf of the entire hedge fund industry, including more than 10,000 hedge funds in the U.S. and abroad which collectively manage in excess of \$3 trillion in assets, as well as sophisticated investors and industry service providers.

More on HFA: <https://www.hedgefundassoc.org>



Fund Services

UMB Fund Services is known for high-touch service, leading-edge technology, and the stability of a highly capitalized parent that's been around for 100+ years.

We offer a complete back-office solution for private equity funds, hedge funds, funds of funds and unlisted closed-end funds. Our full-service lineup includes product formation assistance, fund administration and accounting, investor servicing and reporting, tax preparation and reporting, and custody (through our affiliate, UMB Bank, n.a.).

At UMB, we excel at adapting in an ever-changing market environment. This agility positions our operation to meet client needs now and in the future.

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