



Alternative Investments in Europe

Managed Funds Association
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About MFA

- The authoritative voice of the global alternative investment industry
- **13,000** investment professionals
- MFA Fund Manager Members make up:
 - **Nine** of the **top ten** largest hedge funds
 - **60** of the **100 largest** hedge funds
- Our network includes the leading professional service providers, banks, law firms, and institutional investors in the world
- MFA is an advocacy, education, and communications organization established to enable hedge fund and managed futures firms in the alternative investment industry to participate in public policy discourse, share best practices and learn from peers, and communicate the industry's contributions to the global economy.



What MFA Does

MFA is the industry's authoritative advocacy organization and premier platform for peer-to-peer networking and operational, legal, and compliance training.

6 major global conferences

Attended by **700** unique managers and **260** large allocators

90+ thematic forums and seminars

Attended by nearly **500** unique fund managers, strategic partners, and others

US and EU Policy Advocacy

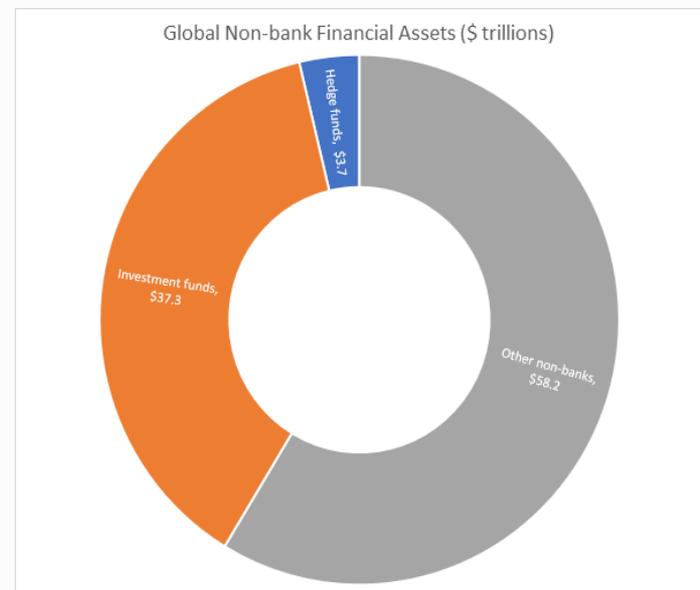
35 comment letters and **200** policymaker meetings in 2018 alone



Alternative Asset Management Industry At a Glance

Hedge funds help investors manage risk and volatility in their portfolios while earning reliable, risk-adjusted returns over time.

- Hedge funds invest \$3.6 trillion in assets around the globe. Nearly 60 percent of total assets under management come from institutional investors (pension funds, life insurance, foundations, university endowments, and non-profit organizations).
- Total global asset management sector is \$99 trillion.
- **Focus on Europe:** Europe-based hedge funds manage €601 billion, slightly more than Europe-based PE firms (€507 billion). *Source: Preqin*

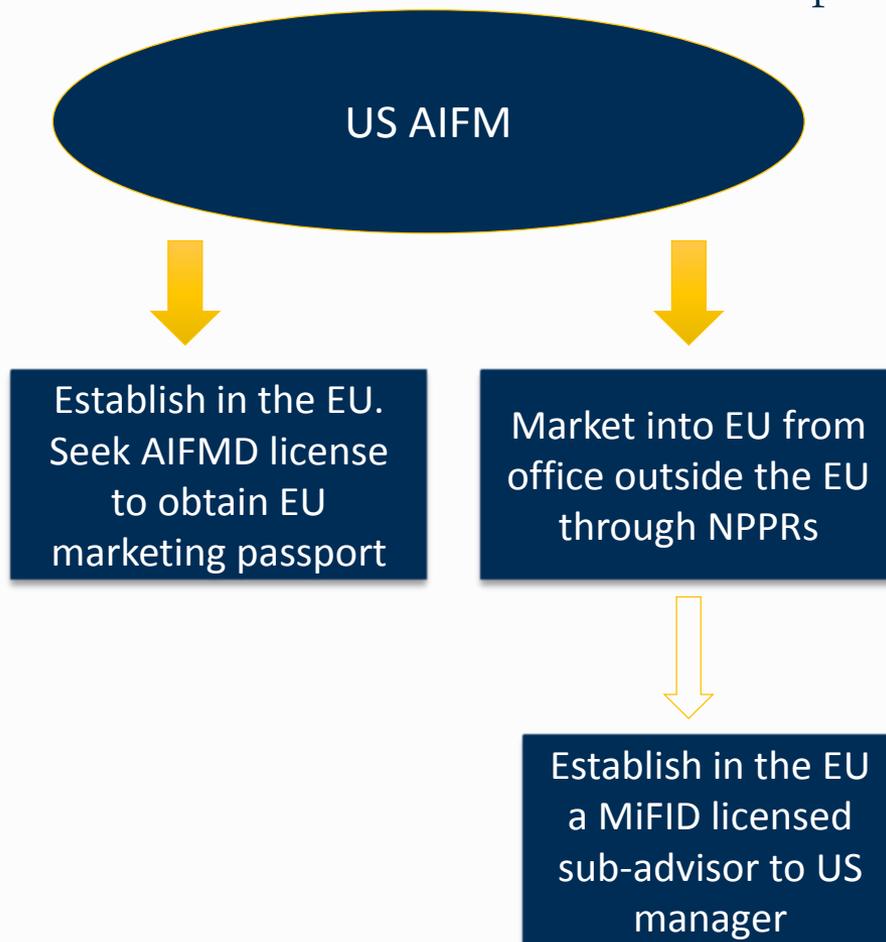


Source: FSB



Firm Structures in Europe

Alternative Fund Managers are regulated in both the U.S. and the EU under a number of regulations – these managers do not receive taxpayer support or backstops.



- In Europe, managers register under AIFMD or MiFID depending on activities and structure.
- Many MFA members are U.S.-headquartered managers with a MiFID entity in the EU.



MFA EU Policy Priorities

Hedge funds are well-regulated investment tools. In the United States, Europe and beyond, regulators have extensive oversight of hedge fund managers and a wealth of information about their investment activities.

- **IFR:** MFA is of the view that alternative asset managers do not pose a systemic risk.
- **ESA Review:** MFA believes the longstanding model of financial portfolio delegation and outsourcing arrangements has served EU pension funds and investors well for decades and should not be subject to an additional layer of regulation, which could harm investor choice.
- **Leverage:** MFA has advocated that IOSCO should not rely on an overly simplistic metrics to measure investment firms' leverage and that regulators should not tie such metrics to supervisory oversight.

