



Morgan Lewis

**ADVANCED TOPICS IN
HEDGE FUND PRACTICES
CONFERENCE**

Manager and Investor Perspectives

NEW YORK

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Emerging Developments and Opportunities in the Hedge Fund Marketplace

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Overview

- Quick review of the stats
- Credit funds: open-end/closed-end mixed mechanics
- Multistrategy funds
- Hybrid funds
- LPs asking for SIF and/or co-invests at the same time as investing in the flagship fund
- Distribution & Placement Agents
- Business development companies

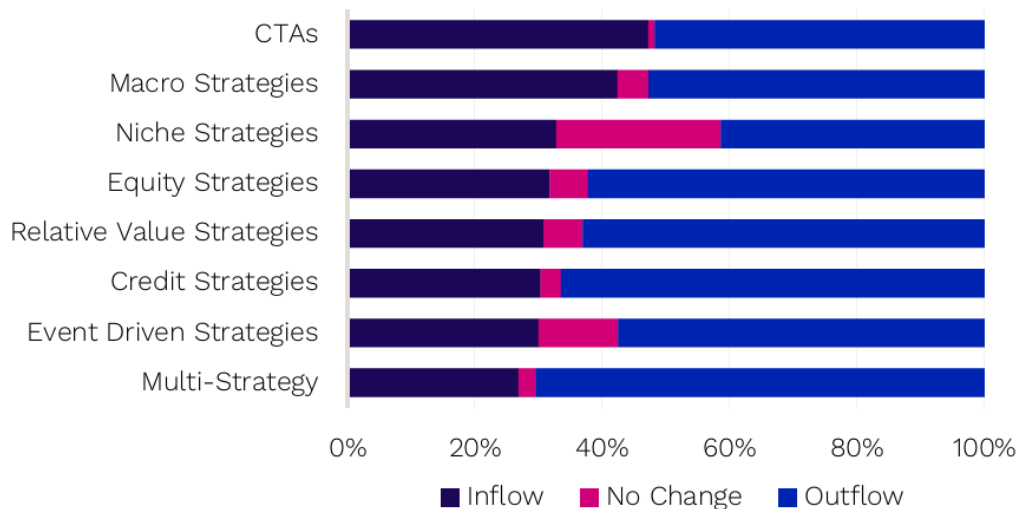
Key Facts and Statistics as of September 2022

- **\$4.1 trillion** – hedge funds AUM
- **-\$54.9 billion** – industry net outflows
- **-12.2%** – annualized net return of hedge funds
- **+11.1%** – annualized net returns of commodities trading advisor (CTAs) funds and other managed futures funds, the best-performing category within the industry according to Preqin
- **-18%** – annualized net return of equity hedge funds
- **+7%** – annualized net return of commodities macro hedge funds

Source: Preqin Global Report 2023: Hedge Funds

Hedge Fund Asset Flows

Fig. 2.3: Hedge fund asset flows by top-level strategy, Q1 – Q3 2022

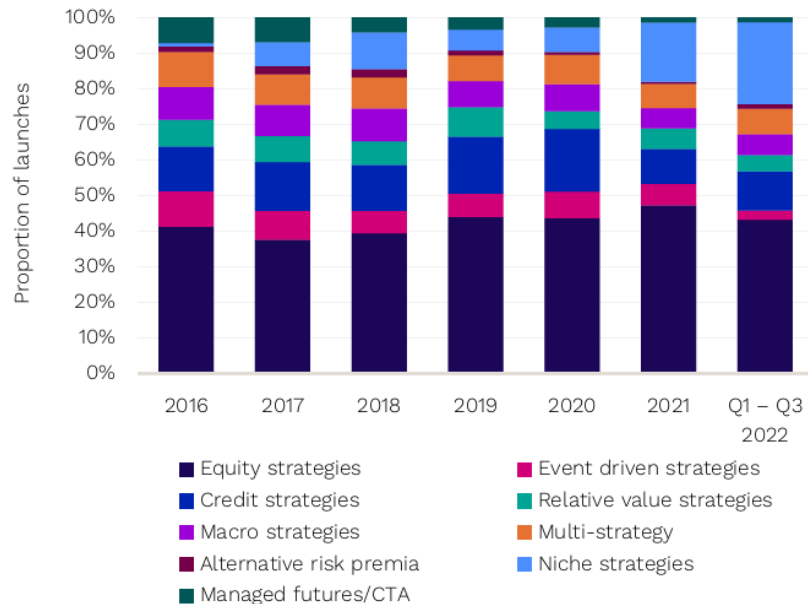


Source: Preqin Global Report 2023: Hedge Funds

Source: Preqin Pro. Data as of September 2022

Top-level Hedge Fund Strategy Launches

Fig. 2.11: Top-level hedge fund strategy launches as a proportion of all launches, by year of inception, 2016 – Q3 2022



Source: Preqin Global Report 2023: Hedge Funds

Source: Preqin Pro. Data as of September 2022

Manager Review of Market Conditions

Fig. 2.14: Manager views on market conditions for hedge fund strategies in 2023



Source: Preqin Fund Manager Survey, November 2022

Source: Preqin Global Report 2023: Hedge Funds

Manager AUM Change

Fig. 2.15: Manager AUM change relative to the past 12 months, from different investor types



Source: Preqin Fund Manager Survey, November 2022

Source: Preqin Global Report 2023: Hedge Funds

Overview

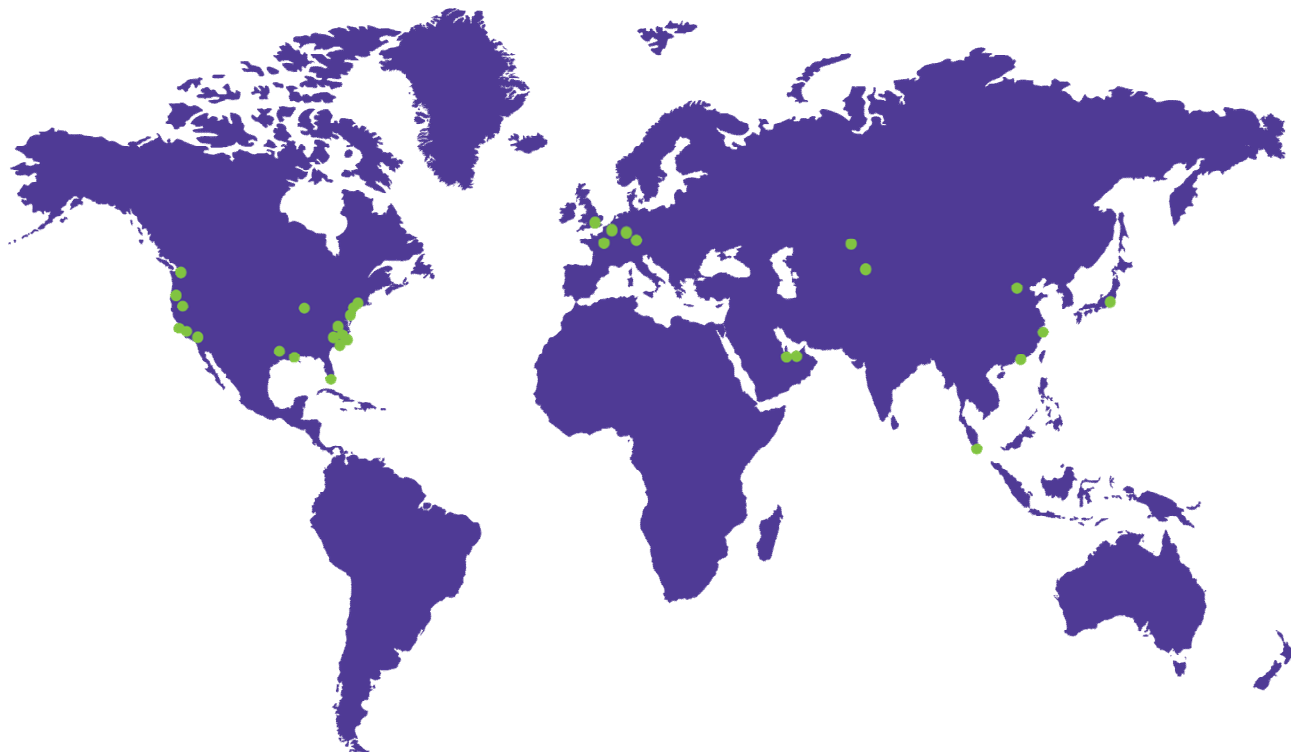
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Latin America
Middle East
North America

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Dubai
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