



Media Release

AIMA Australia releases Risk Disclosure Guidelines for Australian Hedge Funds

Peak body affirms commitment to industry best practice

Sydney, 16 August 2007 – AIMA Australia, the Australian chapter of the Alternative Investment Management Association, the leading global hedge fund and alternative investment industry association, today released its Risk Disclosure Guidelines for Australian hedge funds. The move strongly underlines the industry's commitment to best practice for providing information to investors about investing in hedge funds.

The Guidelines, which have been developed by members of the AIMA Australia Regulatory Committee over the past year, create a clear communication format to enable potential investors to easily compare and assess the hedge fund offerings available to them. Their release reinforces AIMA's goal of setting sound practices for hedge fund industry stakeholders and demonstrates the Australian hedge fund industry's global leadership in the area of good disclosure and promotion of hedge fund products.

"The Guidelines aim to improve the exchange of information between Australian hedge fund managers and the investor, and provide even greater assurance of the industry's transparency and professionalism," AIMA Australia Chairman, Kim Ivey said.

"While they are voluntary, AIMA Australia strongly encourages members to take the Guidelines into account in their documentation, such as the Information Memorandum or Product Disclosure Statement. With around 80 per cent of Australian hedge funds managers being AIMA members, and following feedback obtained to date, we expect them to be widely adopted."

The Guidelines aim to provide individual investors with more detail of key terms in the offer documents and encourage them to look beyond past performance when evaluating a hedge fund. These key terms include: how managers use leverage; liquidity of the underlying assets and the Fund; specific risk of particular investment strategies; and increased standardisation of how fees and costs are explained.



The Australian hedge fund industry has evolved rapidly over the past few years bringing its current level of assets under management to over AUD\$63 billion, one of the largest in the Asian region. Accompanying this growth in assets has also been a significant increase in the number of different hedge fund strategies available to Australian investors. Knowledge of hedge funds, how they operate, and their relevance in the investment community is becoming increasingly adopted and understood in Australia.

Members of the AIMA Australia Regulatory Committee for 2006-7 charged with developing the Risk Disclosure Guidelines include: John Currie, Henry Davis York, Chairman; Philip Barlin, Colonial First State Investments Limited; Steven Beare, GMO Australia Limited; Nathan Cahill, Minter Ellison; Peter Dobson, Basis Capital Pty Limited; Kim Ivey, Vertex Capital Management Limited; Martin Jamieson, Phillips Fox; John Moutsopoulos, Clayton Utz; Rick Steele, TechInvest Pty Limited.

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About AIMA Australia

AIMA Australia is the Australian chapter of the Alternative Investment Management Association, the only truly representative, not-for-profit global hedge fund association. Founded in 1990, AIMA is a not-for-profit global trade association with corporate membership in 47 countries. AIMA's role is to represent its 1200+ corporate members including leading hedge fund managers, fund of hedge funds managers, prime brokers, legal and accounting services and fund administrators. They all benefit from AIMA's active influence in policy development, its leadership in industry initiatives, including education and sound practice manuals.

In Australia AIMA has over 60 members locally. It adopts and adapts global industry tools for the Australian marketplace as well as leading new initiatives for the positive development of the industry

Its objectives are:

- ≈ To provide an interactive and professional forum for our membership and act as a catalyst for the industry's future development;
- ≈ To be the pre-eminent voice of the industry to the wider financial community, institutional investors, the media, regulators, governments and other policy makers; and
- ≈ To offer a centralised source of information on the industry's activities and influence, and to secure its place in the investment management community.

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