



Alternative Investment Management Association

AIMA COMMENTS ON SEC HEDGE FUND RULE COURT JUDGEMENT

London 26th June 2006 - AIMA, the global trade association for the hedge fund industry has given a cautious welcome to the decision of the U.S. Courts of Appeals for the D.C. Circuit that has struck down the Securities and Exchange Commission's rule requiring hedge fund managers to register.

The SEC's professional staff is now "to provide the Commission with a set of alternatives for consideration".

Commenting on the Court's ruling, Christopher Fawcett, Chairman of AIMA said, "The impact of the existing rule affected all hedge fund managers globally.

This judgement has far-reaching impact. Whilst AIMA is generally in favour of efficient and appropriate regulations, such as those that exist in the UK and many other countries, AIMA has always been firmly against the SEC requirement for dual registration for non-US based managers, who are already effectively regulated in their own jurisdictions".

He continued: "However, the effects of the decision are not yet clear for those hedge fund managers who are already registered or those currently seeking registration. AIMA will seek to work with the SEC and its peers in other jurisdictions to arrive at a solution whereby the majority of its non-US members, who are fully regulated already, will be able to de-register from the SEC."

AIMA will offer further comment as this matter develops.

The Court's judgement can be seen at

<http://pacer.cadc.uscourts.gov/docs/common/opinions/200606/04-1434a.pdf>

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Notes to Editors:

About AIMA

Founded in 1990, AIMA is a not-for-profit global trade association with corporate membership in 46 countries, including over 520 in Europe. AIMA focuses specifically on hedge funds, managed futures and managed currency funds. More than 1000 corporate members (comprising 3500 individuals) enable the Association to create global tools for the benefit of its members, institutional investors and regulators. Its objectives are to increase investor education, transparency and promote due diligence and related sound practices, and to work closely with regulators and interested parties in order to promote the responsible use of alternative investments. AIMA's membership includes fund of funds managers, institutional investors, hedge fund managers, prime brokers, exchanges, fund administrators, auditors, lawyers and other specialist service providers. Please visit us at www.AIMA.org.

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