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International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores

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IOSCO Publishes third Hedge Funds Survey report

The International Organisation of Securities Commissions today published a [Report on the Third IOSCO Hedge Fund Survey](#) that looks at efforts by regulators to better understand the hedge fund industry.

The aim of the IOSCO survey is to gather data from hedge fund managers and advisers about the markets in which they operate, their trading activities, leverage, funding and counterparty information. It forms part of IOSCO's efforts to support the G20 initiative to mitigate risk associated with hedge funds. The report explains the results of the third IOSCO survey and provides an overview of the hedge fund industry as of 30th September 2014.

The IOSCO Hedge Fund Survey remains the only global view on hedge funds from a regulatory perspective and is therefore of key interest to the wider global debate on related issues.

The report highlights the following observations:

- the Survey captured data from 1,486 qualifying funds, an increase of 42% from the 1,044 funds that participated in the September 2012 survey.
- hedge fund assets under management were USD 2.6 trillion, up 34% from the last Survey. Most of this growth can be attributed to changes in asset values, net inflows and fund structures. Some of this growth also reflects more widespread and accurate reporting across participating jurisdictions;

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- the hedge fund industry is largely concentrated in the United State of America, whilst the Cayman Islands continue to be the tax domicile of choice;
- hedge funds remain mostly US dollar based and predominantly invested in North American assets;
- the use of equity-based strategies remains the most popular amongst hedge funds;
- financial leverage is used by hedge funds across all jurisdictions, except in Japan; comparisons of synthetic and gross leverage continue to be hampered by the different leverage metrics used by jurisdictions;
- reported data suggests there is no significant liquidity mismatch in hedge funds; however, this is against the backdrop of “normal” market conditions; and
- hedge funds seem aware of the market liquidity of their portfolio positions, and they can generally make use of suspensions and gating to manage investor redemptions.

Future steps:

IOSCO, through its policy Committee C5 on Investment Management, will continue to discuss how the survey can be further improved to enhance regulators’ understanding of hedge fund activities and their risks. It will in particular consider the consistency and appropriateness of the data and metric definitions used for the elaboration of this survey, taking into account the evolution of regulatory regimes within the Committee and the type of information available. IOSCO will aim to continue to conduct this survey on a periodic basis.

NOTES TO THE EDITORS

1. IOSCO is the leading international policy forum for securities regulators and is recognized as the global standard setter for securities regulation. The organization's membership regulates more than 95% of the world's securities markets in more than 115 jurisdictions and it continues to expand.
2. The IOSCO Board is the governing and standard-setting body of the International Organization of Securities Commissions (IOSCO). The Board is made up of 34 securities regulators. Mr Greg Medcraft, chairman of the Australian Securities and Investments Commission, is the chair of the IOSCO Board.

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The members of the IOSCO Board are the securities regulatory authorities of Australia, Belgium, Brazil, China, Egypt, France, Germany, Greece, Hong Kong, India, Italy, Japan, Kenya, Korea, Malaysia, Mexico, the Netherlands, Nigeria, Ontario, Pakistan, Peru, Quebec, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Thailand, Trinidad and Tobago, Turkey, United Kingdom and the United States.

3. IOSCO aims through its permanent structures:

- to cooperate in developing, implementing and promoting adherence to internationally recognized and consistent standards of regulation, oversight and enforcement in order to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks;
- to enhance investor protection and promote investor confidence in the integrity of securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market intermediaries; and
- to exchange information at both global and regional levels on their respective experiences in order to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

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