

Moving into Hedge Funds

Francois van der Merwe FIA
Bank of Bermuda

What is this talk about?

- Introduction
- The World of Hedge Funds
- Can an Actuary add Value?
- How do you get in?
- Is Hedge Funds a viable career?
- Summary and questions

The World of Hedge Funds

■ What it is

- Celebrities and nobles
- Dodgy accounting, Frauds, Scandals and Blow-ups
- "The next bubble"

- Truth: Common Sense money management

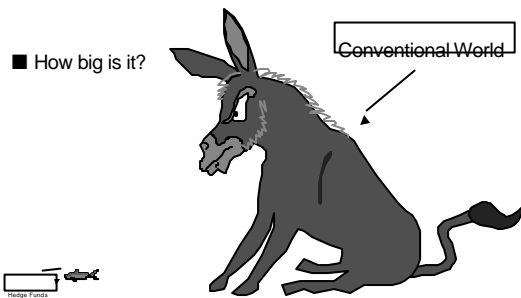
The World of Hedge Funds

■ How does it work?

- Largely unregulated
- Money machines
 - Quant monsters and Rocket scientists
 - Fundamentalists and Contrarians
 - Mavericks and Gamblers
- Capital Allocators
 - HNWs
 - Endowments and ?Pension funds?
 - Fund of Funds
 - Institutions

The World of Hedge Funds

■ How big is it?



Can actuaries add value?

■ Classical Angle

- Strong stats
- Basic investment & finance fundamentals
- ... so probably not much of an angle

■ Contemporary Angle

- Grasp of complicated issues
- Risk-orientation
- 'Halo'-effect
- Network of institutional contacts
- ... so definitely a strong angle

Moving into hedge funds

■ Small leap options

- Pension fund consultants
- Institutional involvement



- Study support
- Actuarial ticket
- Further from the action

■ Big leap options

- FoFs
- Individual hedge funds



- On the action
- No actuarial ticket
- No study support

Is there a future in hedge funds?

■ Fraud and other nasties

■ Regulation

■ Inflows

■ Access

- Retail
- Institutions

■ Sophistication

- Risk Control
- Technology

■ Cycles

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■ Introduction

■ The World of Hedge Funds


■ Can an Actuary add Value?

■ How do you get in?

■ Is Hedge Funds a viable career?

Lastly

Questions?

The Actuarial Profession 
making financial sense of the future

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