Investing in Hedge Funds
A Guide to Measuring Risk and Return Characteristics

Turan G. Bali
Yigit Atilgan
K. Ozgur Demirtas
Investing in Hedge Funds
A Guide to Measuring Risk and Return Characteristics

Turan G. Bali
Yigit Atilgan
K. Ozgur Demirtas
# CONTENTS

**Preface**

**Chapter 1 Introduction**

1.1 What Are Hedge Funds?

1.2 The History and the Future

1.3 Academic Perspective

1.4 The Aim of the Book

**Chapter 2 Hedge Fund Strategies**

2.1 Event-Driven Strategies

2.2 Equity Hedge Strategies

2.3 Relative Value Strategies

2.4 Global Macro Strategies

2.5 Other Strategies

2.6 Funds of Hedge Funds

**Chapter 3 Hedge Fund Databases, Biases, and Indices**

3.1 Hedge Fund Data Biases

3.2 Hedge Fund Databases and Indices

3.3 Hedge Fund Index Return Distributions

**Chapter 4 Risk-Adjusted Performances of Hedge Fund Indices**

4.1 Sharpe Ratio

4.2 Sortino Ratio

4.3 Return to VaR Ratio

4.4 Calmar Ratio
Chapter 5 Determinants of Hedge Fund Index Returns......................153
5.1 Predictability of Hedge Fund Index Returns by Moments of the Return Distribution .................................................................153
5.2 Predictability of Hedge Fund Index Returns by Exposures to Macroeconomic Risk Factors.................................166

References.........................................................................................173


References


