

Hedge Fund Performance in Year 2013

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The Hedge Fund Performance in Year 2013

According to Durden, (p.1) a hedge fund refers to the pooled investment produced by respective management professionals of any given organization. Similarly, Russolillo (p.1) found that hedge fund performance is structured in the form of limited partnership and are always distinguished with the funds of private equity. The investment of the hedge fund covers a wide market ranges through the use of investment and financial styles and investments respectively. The use of hedge fund performance existed even in the ancient days when it was referred to as traditional hedging techniques (Durden, p.1). However, the current hedge funds are calculated differently as they exist to the selected investors. Moreover, hedge funds are not being sold to the public as realized in the early days. Based on the current hedge fund performance, this paper provides adequate information about the hedge fund performance of the year 2013.

The current hedge fund performance shows that the performance of the hedge fund has decrease in 2013 from the last five years. The underperformance of hedge funds has been realized as early as March with June and July recording higher rates of underperformance. According to Durden (p.1), the underperformance of the 2013 hedge fund has been experience as a result of poor performance of the existing brand names in the market. Similarly, Durden (p.1) realized that poor performance of hedge funds have been realized through shifting to higher exposure of net log based on their past performance by some of the developed organizations. Moreover, the decrease in performance of the hedge performance especially in 2013 has existed due to high taxes imposed on some of the organizations. The poor performance of the hedge fund has resulted to negative impacts to the market in many ways.

Some of the statistic on the performance of hedge fund in 2013 alone shows that at the beginning of the year 2013, the hedge performance rose by approximately 4 percent, but the performance decreases towards march (Russolillo, p.1). The performance and rise of 4 percent is when compared to the return of 20 percent, which included even the divided shows how the performance of the hedge fund has underperformed in the market (Durden, p.1). According to Russolillo (p.1) poor performance has also been blamed on how the approach that has been used in the determination of short positions in relation to the hedge funds. Some of the organizations especially smaller organizations are unable to close the gap of the hedge fund performance because they have smaller shares than other organization, which also contribute to the underperformance of the hedge funds in 2013.

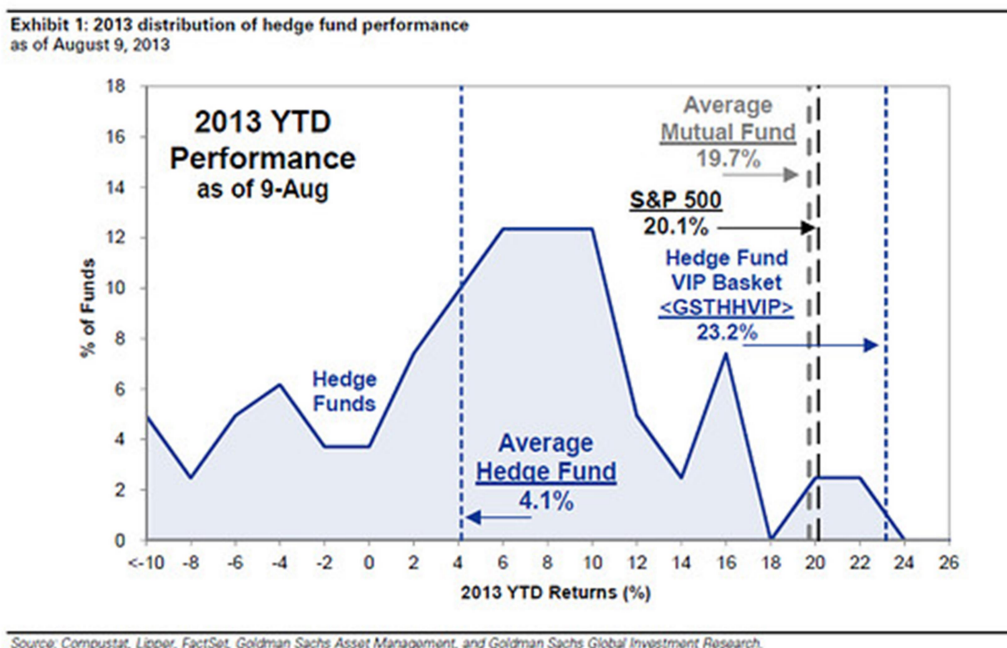


Fig. 1: A figure showing the 50 stocks most loved hedge fund managers globally

Source: Durden (p.1)

Due to the underperformance of hedge funds as realized since 2009, measurers should be taken that helps in the increasing the performance of hedge fund performance. For instance, as found by Durden (p.1) one of the best approach of dealing with the current situation is to ensure there is increased in returns with the hedge allocations. Moreover, the other approach that should be targeted in the process of increasing hedge fund performance is through enhancing investment returns with proper measurers of dealing with risk-returns. By coming up with proper strategies of ensuring the above factors of hedge fund performance recovery are dealt with, hedge fund performance will increase globally.

References:

Durden, T., 2013. *Most Hedge Funds Underperforming The S & P 500 For Fifth Year In A Row-Full YTD Performance*. [Online] Available at: <http://www.zerohedge.com/news/2013-03-15/most-hedge-funds-underperforming-sp-500-fifth-year-row> [Accessed 4 November 2013].

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