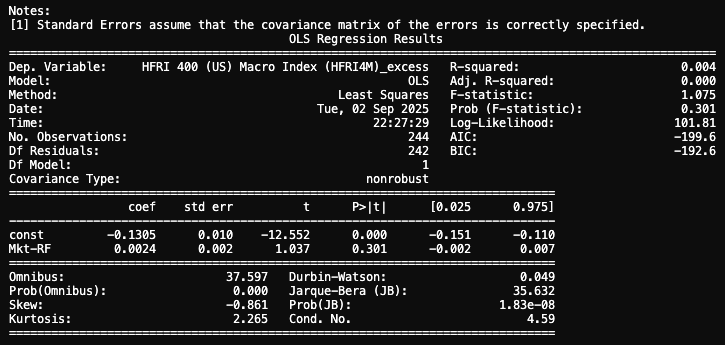
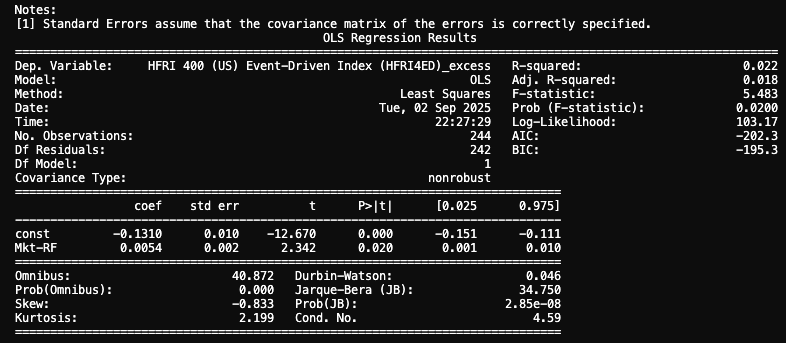
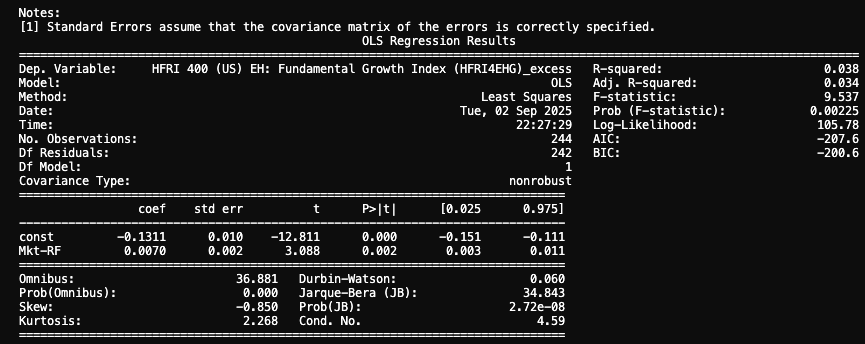
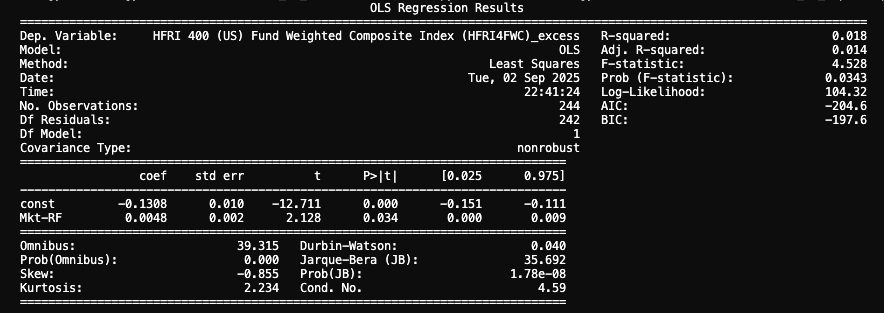
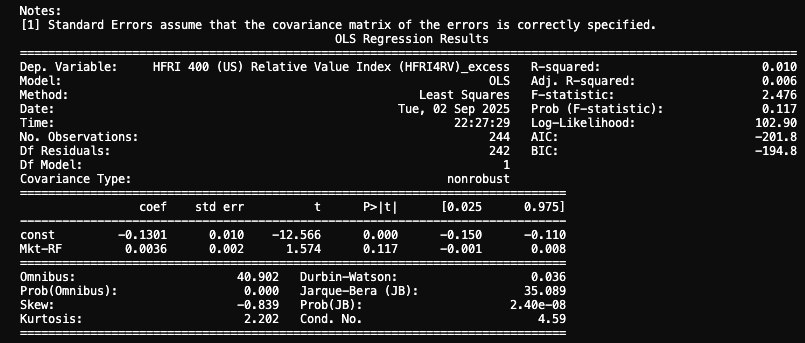
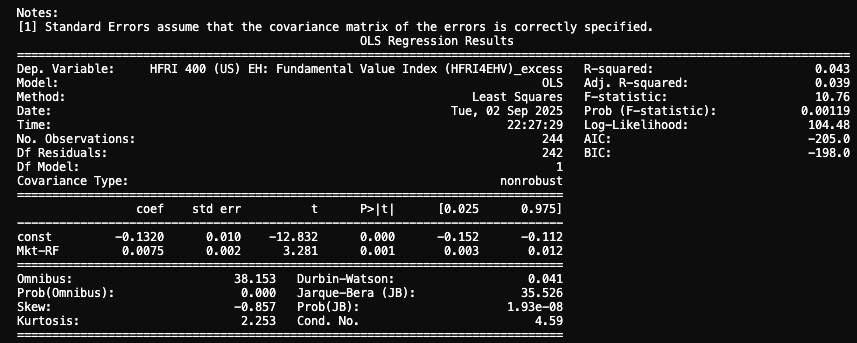
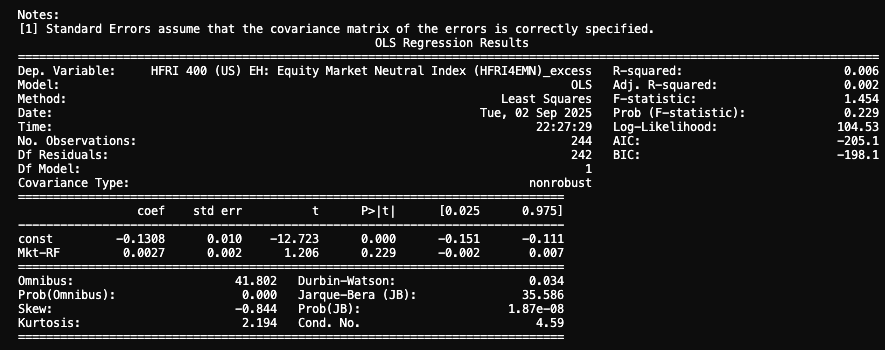
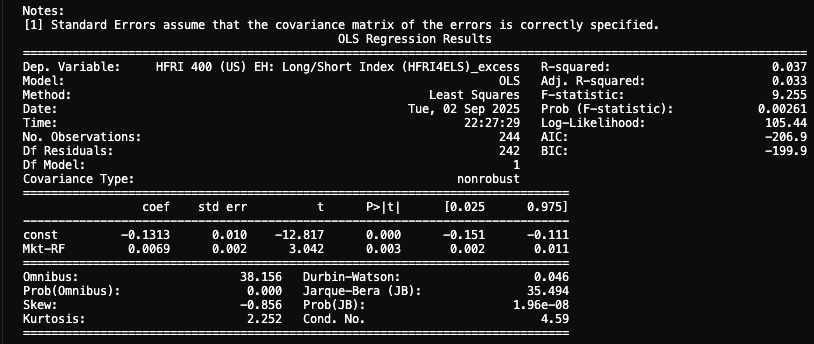
The hedge fund return index have huge deviation to my our knowledge of” normal” mutual fund. Mutual Fund tend to long only strategy and usually has positive beta, so the return is mostly generating from bearing market risk.  
However, as we can see in these 8 summary tables, hedge funds have small beta and statistically significant (P-value = 0) alpha(might be positive or negative).

We can conclude from the tables that these hedge fund had market neutral portfolio and can generate alpha using their strategy.

CAPM performs poorly in explaining hedge fund returns. From the regression tables, we see that the returns are mostly not driven by beta (i.e., exposure to market risk). The scatter plots also show that the relationship between hedge fund returns and the market is weak and not linear, contrary to what CAPM would imply.



一張含有 文字, 行, 數字, 螢幕擷取畫面 的圖片

AI 產生的內容可能不正確。