

Abstract

Even though hedge funds account for a small portion of global investment funds, they have achieved a strong position in investment options for institutional investors in last two decades. Due to recent financial crisis and a fear of possible risks connected with hedge funds, regulators start to focus more on regulation of this industry.

This thesis focus mainly on investment strategies of hedge funds and on regulatory efforts in the USA. Before the work describes this, it is necessary to define and specify them. Then some of common used investment strategies are introduced in order to better describe the unique role of hedge funds to reader. In the end, after funds are specified, the thesis can describe regulatory efforts and evaluate them.

Key Words

hedge, fund, regulation, Dodd-Frank, AIFM, strategy, risk, performance