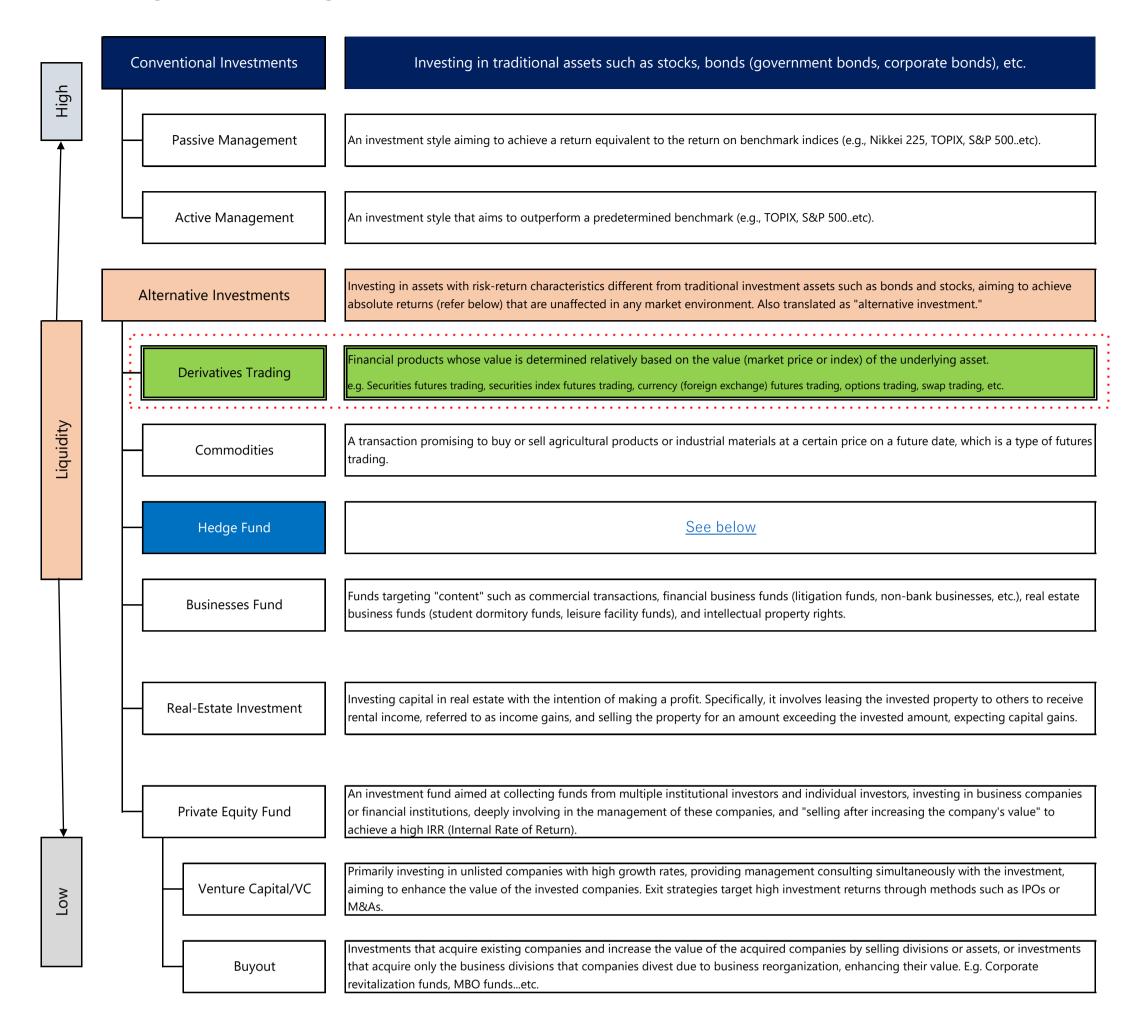
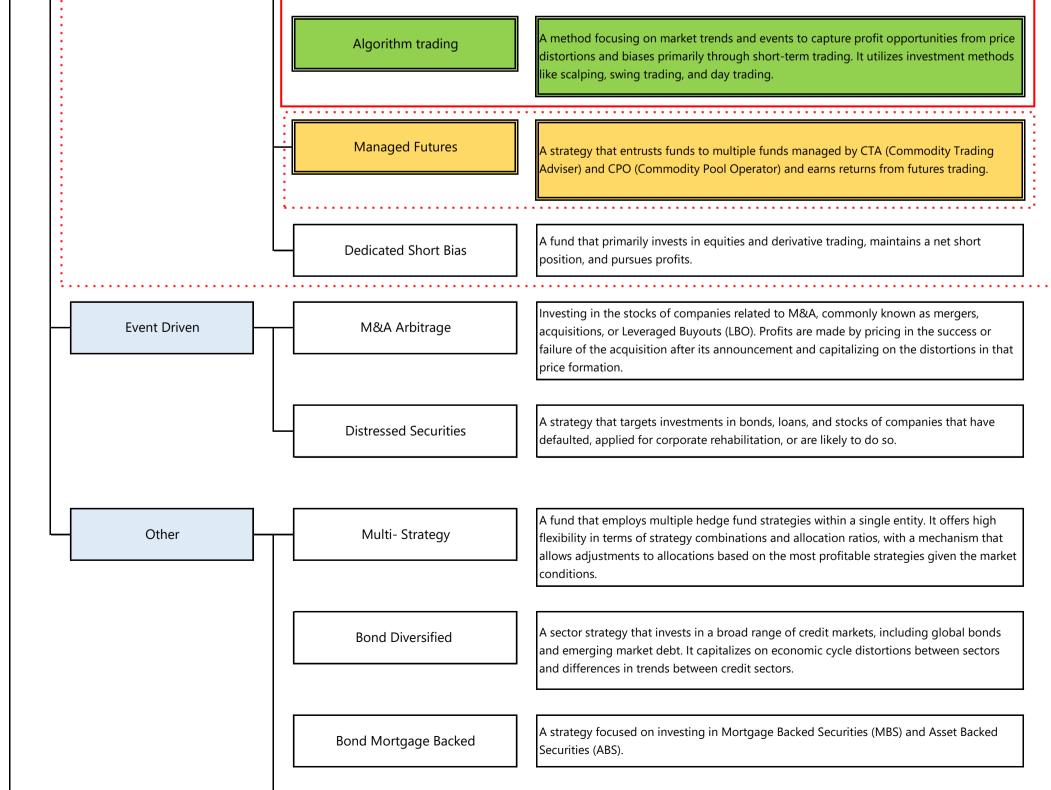
## Hedge Funds Categories



Hedge fund	fluctuations. In traditional investmer	o the acquisition price or the initial price, regardless of the overall market hts, relative returns are based on the overall market trends; thus, even if a loss turn" if the decline is smaller than the overall market downturn. Investors who	
Single Fund	question this contradiction and seek risk diversification or alternatives are expanding their investment targets to "alternative investments" with low correlation to traditional investments and, within that, "hedge funds" that pursue absolute returns.		
Arbitrage Dealing	CB Arbitrage	A strategy that utilizes the dual price characteristics of convertible bonds (CB), combining the bond and stock components, and conducts arbitrage trading combined with other markets like stocks or interest rates. This includes strategies such as volatility long.	
	Bond Arbitrage	A strategy that mainly utilizes liquid markets of government bonds in developed countries and futures markets, seeking profit opportunities from interest rate differentials between markets or distortions in the yield curve.	
	Market Neutral	Combining a buying portfolio of stocks expected to appreciate with a selling portfolio of stocks expected to decline, this strategy aims to achieve excess returns by excluding the impact of market fluctuations.	
	Statistical Method Arbitrage	Acquiring profit opportunities from "arbitrage trading" based on models generated fundamentally by the principle of mean reversion, using statistical and quantitative methods on a wide range of asset classes that are held for short periods daily.	
	Relative Price Arbitrage	A trading strategy that simultaneously invests in relatively undervalued assets and shorts extremely similar overvalued assets.	
Directional Strategy	Long-Short Equity	A strategy aiming for medium to long-term absolute returns by selecting individual stocks to buy and sell. Market sensitivity and sector allocation neutrality are not a priority.	
	Global Macro	A strategy that forecasts the economic and financial market environment reflected in stock prices, currencies, or bonds (interest rates) and takes long or short positions in specific markets. Futures are often used, and it tends to be highly leveraged.	
	Market Timing	An investment approach that captures price distortions between market prices and the intrinsic value of underlying assets in various markets, converting these gaps into profit. Profit opportunities are captured through anomalies, breakouts, and trend-following.	



	Regulation D	Listed companies raise funds through private offerings of stocks or bonds, which tend to be cheaper compared to publicly issued stocks or bonds. Strategies aim for arbitrage with securities issued under Regulation D or apply leverage to seek returns.
	Sector	A strategy that narrows down to specific sectors such as natural resources, finance, healthcare/biotechnology, mining, real estate, technology, and others, taking long or short positions in specific markets.
	Emerging Market	A fund that invests in financial markets in Asia, Central and South America, the Middle East, Africa, and Eastern European countries, seeking returns.
Fund of Hedge fund		A gatekeeper, who has the responsibility for investments, selects top-performing funds from the thousands of hedge funds that match their own investment strategy and constructs a portfolio.

Reference: Classification of strategies by Hedge Fund Research Inc.