

THE USE OF POTENTIAL OF HEDGE FUNDS FOR UKRAINIAN INVESTORS

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Studies show that the world of finance is not standing still; new methods and tools of attracting and using financial capital are constantly appearing. This, in turn, allows you to implement modern, more complex, strategies for managing profitability and risk of financial transactions. One such tool is hedge funds, which today are the most objective indicators of the development of the global financial system. This is due to the fact that they not only use modern financial technologies to make a profit, but also adapt all their actions to any changes in the world economy and international finance, and sometimes, as practice shows, shape these changes. That is why this investment instrument is one of the most popular in the European and American markets. Their high flexibility attracts the most talented financial managers to hedge funds, who are able to demonstrate impressive long-term results.

The purpose of the article is development of an international investment project «Creating a hedge fund with Ukrainian investments» and evaluating its effectiveness.

Hedge funds are a specific class of alternative investment funds that use modern capital management strategies, which are not available to «traditional» funds, have the right to invest their participants in any assets, use a hedging strategy for capital management, i.e. simultaneous purchase and sale of assets, trading in various instruments. This is the fastest growing segment of the financial market. The specifics of their activities allow hedge funds to make a profit even during periods of falling stock and bond markets. Hedge funds focus on the maximum return in terms of optimal (specified) risk or the minimum risk in terms of optimal return. Recently, complex algorithms and analytical methods have been developed to attract artificial intelligence for creating profit.

Hedge funds are of special interest to Ukraine, but, unfortunately, have not yet appeared in our country. The lack of hedge funds in Ukraine is explained by the lack of necessary laws to regulate the derivatives market; insufficiently active stock market; psychological unpreparedness of domestic investors for possible high risks; lack of qualified specialists. It is proposed to turn to foreign experience and attract the organizational tools that are available today. Namely, to open hedge funds under the jurisdiction of offshore countries and with the involvement of outsourcing for their management and operation.

It proposed the creation of a closed, unregulated, discrete hedge fund. The completed calculations of the project for a period of five years demonstrated its feasibility with a positive value of net present value, a discounted payback period of four years and a profitability index of more than one unit.

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