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https://www.100test.com/kao_ti2020/225/2021_2022__E9_87_91_E8_9E_8D_E8_8B_B1_E8_c92_225760.htm Many people know that hedge funds are investments for the wealthy. But what exactly are they? A hedge fund is an investment group often organized as a limited partnership. Hedge funds are governed by agreements between investors and one or more advisers. Hedge funds have existed for more than fifty years. There are different kinds, and thousands of different funds. Still, the industry in the United States is small compared to the value of mutual funds. Hedge funds, though, do not have to report their activities to the Securities and Exchange Commission. The S.E.C. is the government agency that supervises financial markets. But as of this year, advisers must register so the agency knows who they are. Funds must also have a rules officer and written rules to help protect investors. Complex investment positions mean investors may not know the value of their investments at any given time. Hedge fund investors must be worth at least one million dollars. But a person with at least twenty-five thousand dollars to invest can put the money into funds that invest in hedge funds. Not all of these register with the S.E.C., however. To hedge is to balance investment risk. Like mutual funds, hedge funds may buy stocks and bonds. But hedge funds often borrow very large amounts of money to trade in risky investments in hopes of high returns. That does not always happen. Hedge funds can be very profitable to manage. Management costs can take from one to five percent of the total

value of the fund. And advisers can receive twenty or even forty percent of the profits. In nineteen ninety-eight, a major hedge fund got into financial trouble and almost failed. Long-Term Capital Management controlled investments worth more than one hundred thousand million dollars. The Federal Reserve helped get the parties involved to agree on a plan to save the company. World markets were already weak, so the central bank intervened to avoid a crisis. Recently, Federal Reserve Chairman Ben Bernanke warned of risks to the financial system from the fast growth of the hedge fund industry. And the European Central Bank called hedge funds a major risk to world markets. Yet Alan Greenspan had praise for hedge funds. The former central bank chairman said they improve markets by finding what he called mispriced securities. 100Test 下载频道开通，各类考试题目直接下载。详细请访问 www.100test.com