

# Opponent's Report on Dissertation Thesis

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Advisor:	Doc. Jiří Novák MS.c. Ph.D. (IES)
Title of the Thesis:	Hedge Fund Regulation, Characteristics, and Performance
Type of Defense:	<b>DEFENSE</b>
Date of Pre-Defense	April 24, 2024
Opponent:	Prof. Karel Hrazdil PhD (Simon Fraser University, Canada)

Thank you very much for giving me the opportunity to participate in this dissertation process and I congratulate Fan on successfully passing her pre-defense. I have reviewed Fan's responses to the referees' comments from the pre-defense and the updated final version of her dissertation.

The dissertation comprises three interconnected segments, all delving into the factors influencing hedge fund performance.

The first paper (chapter 2) conducts a meta-analysis of 'alphas' (sourced from 74 research papers), and investigates potential biases stemming from selective publication. The findings reveal that while scholars have considerable discretion in selecting data samples and methodologies for analyzing hedge fund performance, there is scant evidence of publication selection bias. The results suggest that publication of empirical findings may not be selective when strong a priori theoretical predictions about estimated coefficient signs are absent.

The second paper (chapter 3) scrutinizes individual determinants of hedge fund performance in greater detail and assesses the influence of various hedge fund strategies and research design choices on reported outcomes. Her findings reveal a notable decline in hedge fund performance over recent decades, which may stem from heightened competition in the hedge fund market or stricter regulatory mandates for enhanced transparency, which in turn facilitate hedge fund oversight and encourage emulation of successful investment strategies.

The third paper (chapter 4) focuses specifically on a potential determinant of hedge fund performance by examining the impact of the European Union's (EU) hedge fund regulation enacted in 2013, which increased transparency requirements for hedge funds marketed in the EU. Her findings reveal that the demand for greater transparency was indeed linked to a decline in hedge fund performance in the EU. Collectively, the three papers furnish novel insights into the significance of various performance determinants pertinent to investors, regulators, and researchers analyzing hedge fund performance in the future.

In summary, this is an insightful thesis and Fan is a credit to her thesis advisors and committee members, the Institute of Economic Studies, Faculty of Social Sciences, and Charles University. I wish Fan the very best of luck in what I am sure will be a very promising career. Below are my responses to the requested questions and my suggestions for individual chapters.

Address the following questions in your report, please:

**a) Can you recognize an original contribution of the author?**

Fan makes a significant contribution to academic literature in all three papers, which are original and indicative of her great research potential. All three chapters demonstrate solid methodological approaches to tackling a research question and reflect new findings that are worthwhile publishing in high quality economic journals (as evidenced by the second paper being published in the Journal of Economic Surveys).

**b) Is the thesis based on relevant references?**

The topic of hedge fund performance is timely and relevant to academics and practitioners alike. Each paper is very nicely contextualized within academic literature and provides seminal references, which are necessary for conducting relevant literature reviews and meta-analyses.

**c) Is the thesis defensible at your home institution or another respected institution where you gave lectures?**

If I was in a position of a senior supervisor for Fan Yang at our institution (Simon Fraser University), I would pass her thesis as defensible.

**d) Do the results of the thesis allow their publication in a respected economic journal?**

The results of the thesis are original and merit to be published in reputable economic / finance journals. In fact, the second paper has already been published in the Journal of Economic Surveys. I congratulate Fan on such a great achievement.

**e) Are there any additional major comments on what should be improved?**

Yan has addressed all my suggestions to the best of her abilities, demonstrating mature and respectful approach in her answers.

**f) What is your overall assessment of the thesis? (a) I recommend the thesis for defense without substantial changes, (b) the thesis can be defended after revision indicated in my comments, (c) not-defensible in this form.**

My overall assessment is that that the thesis can be defended without additional changes.

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Date:	August 18, 2024
Opponent's Signature:	
Opponent's Affiliation:	Prof. Karel Hrazdil PhD (Simon Fraser University, Canada)