Report on **Bachelor / Master Thesis**

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	**Aleksa Radosavčević**
Advisor:	**PhDr. Boril Šopov, MSc., LL.M.**
Title of the thesis:	**Risk factor modeling of Hedge Funds' strategies**

OVERALL ASSESSMENT *(provided in English, Czech, or Slovak):*

Aleksa thesis analyzes various risk factors affecting hedge funds' performance. The topic itself is quite interesting and given how risk management has been shifting more towards reporting it is refreshing to read more technical work.

The thesis structure is standard, yet I would suggest going into more details in methodology and definitely separating it from the empirical results' part. This would also improve the flow of the thesis. Despite these shortcomings, the analysis itself is carried out diligently.

I would also welcome better readability of the presented figures (see 5.1.2, 5.1.3; 5.2.1 etc.). The figures are too crowded and very hard if not impossible to read. My concern is somehow superficial methodology explanation; for example PCA is described vaguely and lacks depth, the section too quickly refers to the R implementation, which gives the feeling that the author call the functions without really knowing what they do. BMA is explained in similar fashion.

In conclusion, the thesis set off to evaluate quite trivial hypotheses, used advanced techniques and arrived at expected conclusions. Aleksa showed good understanding of the selected topic and his focus on practical results, which have direct impact into portfolio selection; yet this insight is somehow missing the conclusion. The conclusion is again referring to many sources and omits presenting the results of the thesis.

Having considered the above, I award grade 2 - Good

SUMMARY OF POINTS AWARDED *(for details, see below):*

CATEGORY		**POINTS**
Literature	*(max. 20 points)*	17
Methods	(max. 30 points)	12
Contribution	*(max. 30 points)*	15
Manuscript Form	*(max. 20 points)*	18
TOTAL POINTS	*(max. 100 points)*	**62**
GRADE	*(1 – 2 – 3 – 4)*	**2**

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NAME OF THE REFEREE: PhDr. Boril Šopov, MSc., LL.M.

DATE OF EVALUATION: 18th June 2017

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Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

Strong	Average	Weak
20	10	0

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

Strong	Average	Weak
30	15	0

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

Strong	Average	Weak
30	15	0

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Strong	Average	Weak
20	10	0

Overall grading:

TOTAL POINTS	GRADE		
81 – 100	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě