

Handling Multiple Time Scales in Hedge Fund Index Products

Jovan Njetic^{1,*}, Drago Indjic^{2,3}

1. Business School of Novi Sad, Serbia

2. Sunningdale Capital LLP, UK

3. London Business School, UK

*Contact author: jovan.nj@uns.ac.rs

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The analysis of portfolio of hedge funds suffers from numerous data quality problems. In particular case of hybrid fund structure investing across the full universe of hedge fund products in marketplace with contractual liquidity ranging from intra-daily to annual, we have to handle time series with varying periodicity and possibly multiple price status (estimated, executed, audited etc).

We have been using virtually all commonly known *R* time series packages libraries (such as **xts**, **zoo**) to clean and ‘synchronize’ the time series in order to provide standard risk reporting and risk limit management functionality, exposing several design flaws and fixing minor bugs (e.g. `to.weekly`, `Return.portfolio`) and attempting to develop a new wrapper function specifically addressing hedge fund data sources and features.

This work is based on “*R* in Modern Portfolio of Hedge Fund Analysis” presentation given at London *R* group meeting in December 2010.

References

Indjic, D., (2010), *R* in Modern Portfolio of Hedge Fund Analysis, <http://www.londonr.org/LondonR-20090331/R%20in%20modern%20FoHF.pdf>