
Book Review

HEDGE HUNTERS

by Katherine Burton

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In *Hedge Hunters*, Katherine Burton does a wonderful job in siphoning through the hedge fund industry's best and well-respected hedge fund managers for this long-awaited book. Over a ten-year period, Burton kept a close watch on these talented gurus/titans of privately managed money. She allows the reader to enter into the minds of 18 hedge fund masters by describing and tracing their initial steps right up through to the evolution of their success as well as finding out what makes these top flight managers tick by thorough in-depth interviews. Burton artfully depicts their entry into the alternative investment arena as gladiators using their trading strategies that have made them well known across the globe as stars in their domain.

Each hedge fund master describes and elaborates on their individual trading style, highlighting their best trades, personal anecdotes, and history throughout their career as well as the beliefs each manager has about the future. The underlying lessons to be learned from Burton's book is that having a strong will can develop one's skills to get better at the game. Tales are told by many hedge masters on their mistakes they made in the past and reveal that errors are simply part of the game and that every manager goes through the learning process to develop wisdom. For example, confidence, decisiveness, and staying afloat through bad

markets are what separate hedge fund masters from the average hedge fund manager. As one hedge fund master sums it up, it is all about saying a minimal amount to investors that he believes is better than saying more; in other words, keep your cards close to your chest. Other hedge masters recommend focusing on risk rather than merely crunching numbers all day long while others point out that one must have a philosophical view of the markets and understand the big picture.

The book enlightens the reader of how these modest individuals became to be known for what they are today. Hedge fund masters come from all walks of life and from different fields. Some even grew up in tough neighbourhoods to eventually set up their own hedge fund; from the initial start-ups and interests in managing money, these hedge masters now run successful billion-dollar hedge funds. Burton leaves no stone unturned when interviewing each hedge master in-depth. One hedge fund master suggests that each has his own individual trading style just like each artist is known for his brushstrokes. One master, however, seemed concerned that everyone is jumping on the bandwagon today without even understanding the basic foundations of portfolio theory and asset allocation which may result in a future implosion of a fund. The recurrent theme in this

book is that the correct mixture of skills is what it takes to be a hedge fund master. One does not need to be the best quant on Wall Street, it is all about independent, thinking, ambition as one hedge master emphasises the following: be a disciple and follow Van Gogh's strokes, learn from the hedge master and have vision...it is not all about number crunching...sit back and be philosophical... look at the entire landscape before making decisions. In order to be successful, one hedge master sums it up by saying that it requires a greater deal of knowledge than anybody else out there and the manager who is the best at interpreting information will do better...hire smart and talented personnel and work as a team with a leader.

Hedge masters come from all walks of life, be it geology, law, or accounting; their initial venture or exposure to Wall Street ignited the fire in their bellies, making them masters of the palette, vision, and brushstrokes. One hedge

master argues that being a contrarian and doing the opposite of what Wall Street does can yield successful results with every master being recognised for his different style or brushstrokes. Training also helps enormously to become a hedge master, especially when your boss is none other than Julian Robertson.

In conclusion, I believe Burton has written an excellent and captivating book, enabling the reader to see how hedge fund masters think and how they perform their job. For all aspiring hedge fund managers, money managers, and anyone interested in learning more about the way top hedge fund masters think, this is an excellent book.

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