

Ideological connotations in financial terminology:

an English-French-Italian study from 'hedge funds' through 'fondi speculativi/fonds spéculatifs' to 'fondi alternativi/fonds alternatifs'

By Danio Maldussi (University of Bologna, Italy)

Abstract & Keywords

English:

During the worldwide economic crisis of recent years, hedge funds have been accused by the investment community of exacerbating tensions on the financial markets. According to some, however, hedge funds are merely a scapegoat for the financial universe. The aim of this presentation is four-fold. First, to address the nature of this negative judgement from a range of perspectives – conceptual, ideological, operational and linguistic – on the basis of an analysis carried out on a comparable multilingual specialised corpus, made up of ten sub-corpora; second, to survey the universe of the operational activities and strategies of hedge funds and the analogies and differentiating aspects between hedge funds and *fondi speculativi* and *fonds spéculatifs*; third, to map the different connotations of the concept of *speculazione*/speculation and discuss the choice of the denomination *fondi speculativi* adopted by the Italian legislator, in the absence of an ad hoc law on hedge funds at a Community level; and fourth, to measure the change in ideological connotations when moving from the denomination *fondi speculativi* and *fonds spéculatifs* to *fondi alternativi* and *fonds alternatifs* and assess the degree of linguistic awareness of the Italian and European legislators compared to that of experts from the financial sector, academics and politicians.

Keywords: hedge funds, speculation, fonds spéculatifs, fonds alternatifs, fondi speculativi, fondi alternativi, speculazione

1. The universe of the hedge funds, of the 'fondi speculativi' and of the 'fonds spéculatifs': between analogies and conceptual distinctions

In our paper *I concetti di fair value e costo storico nel diritto contabile francese e italiano: riorganizzazione concettuale, implicazioni semantiche e problematiche traduttivo-terminologiche* we carried out an in-depth analysis of the semantic and notional interferences linked to the choice of translational equivalents in a multilingual context which are unsubstantiated and thus evoke misleading associations and alter meaning at a referential level (Maldussi: 2009).[1] The case of the *fondi speculativi* under Italian law compared to American *hedge funds* may be rightly considered a case of terminological incongruency or, more precisely, a manifold case of partial equivalence.

As will be discussed in the present section drawing on various sources, the denomination *fondi speculativi*, chosen by the Italian legislator (*Decreto del Ministero del Tesoro n° 228 of May 24 1999*) to establish *hedge funds* under Italian law shows some substantial differences at a conceptual level with the American counterpart. We will start by defining the conceptual dimension of these investment vehicles. To this end we follow the analysis by Nigro and Romano in their online contribution *La regolamentazione degli hedge funds negli USA: dal quasi-collasso di Long-Term Capital Management al Dodd-Frank Act*. According to these authors, identifying unequivocally and precisely the nature of a *hedge fund* is not a simple matter and remains indeed a real challenge" (2013: 9). As the document *Hedge Funds in Denmark and Internationally*, cited in Nigro and Romano, confirms:

There is no clear, generally accepted definition of a hedge fund. The term covers a large number of different investment funds with very different risk profiles and investment strategies. Often they are private companies where a manager invests capital contributed by wealthy private individuals and in some cases institutional investors (Theusen, 2005: 99).

The Report of the French Assemblée Nationale, *Rapport fait au nom de la commission d'enquête sur les mécanismes de spéculation affectant le fonctionnement des économies*, reiterates the same concept adding that the Commission realized that hedge funds could not be defined and, in the absence of a clear definition, decided that the Directive would address all funds that were not UCITS:

À l'origine, il s'agissait de réguler les hedge funds, jusqu'à ce que la Commission s'aperçoive que ceux-ci ne pouvaient être définis. On ne peut en effet qu'en indiquer les caractéristiques – jeu contracyclique, utilisation de méthodes telles que le short selling pour obtenir la meilleure rentabilité en prenant le moins de risques possible. Au demeurant, la traduction littérale de hedge funds est « fonds de couverture ». Faute de définition des hedge funds, donc, la Commission a décidé que la directive viserait tout ce qui n'était pas OPCVM – organisme de placement collectif en valeurs mobilières, ou, en anglais, UCITS, undertaking for collective investment in transferable securities –, et par voie de conséquence les fonds immobiliers et le capital investissement, ou private equity (2010: 468).

In the face of the impossibility of an unequivocal definition, we will limit ourselves in collecting some of the most important available definitions, all of them sharing the same vagueness, and focus on some of the features characterizing these investment vehicles. The European Central Bank's *Financial Stability Review 2004*, for example, focuses on the flexibility of these vehicles:

A hedge fund can be defined as a fund whose managers receive performance-related fees and can freely use, and do use, various active investment strategies to achieve positive absolute returns, involving any combination of financial leverage, long and short positions in securities, derivatives or any other assets in a wide range of markets (123).

Thanks to the already cited Theusen report, we are also able to discover the definition provided in the Report of The President's Working Group on Financial Markets entitled *Hedge Funds, Leverage, and the Lessons of Long-Term Capital Management*. The definition emphasizes the fact that these vehicles are not statutorily defined and that the compound term hedge funds tends to be a superordinate one, covering a whole series of products sharing the same characteristics:

The term *hedge fund* is commonly used to describe a variety of different types of investment vehicles that share some similar characteristics. Although it is not statutorily defined, the term encompasses any pooled investment vehicle that is privately organized, administered by professional investment managers, and not widely available to the public. The primary investors in hedge funds are wealthy individuals and institutional investors. In addition, hedge fund managers frequently have a stake in the funds they manage. Entities classified as hedge funds are commonly organized as limited partnerships or limited liability companies, and in many cases are domiciled outside the United States (1999: 1).

The Theusen report offers us a key to dissipate the vagueness surrounding the concept of the *hedge fund*: 'One way of describing what *hedge funds* are is to see them in relation to more narrowly defined and regulated investment schemes, e.g. investment associations' (2005: 100). This indicates that a hedge fund defines itself in the negative. As Nigro and Romano point out,

excluding some exceptions such as the definition in the Theusen report, the President's Working Group Report or a regulation adopted in South Africa, hardly any system of law defines a hedge fund in a positive sense: 'quasi nessun ordinamento giuridico fornisce una definizione di *ius positum* che si spinga sino a stabilire cosa sia, in positivo, un hedge fund. Altro è, infatti, l'usuale approccio seguito dai regulators, preferendosi piuttosto dire cosa un hedge fund non è, e cioè un fondo comune d'investimento, alla cui regolamentazione viene così ad essere sottratto' (2013: 9-10).

As far as operational strategies are concerned, *hedge funds* are recognised as liquidity providers, in the search of positive absolute returns, position-taking in a wide range of markets, free to select various investment techniques, including short-selling, financial leverage and derivatives and finally characterised by a weak correlation to market trends. However, it should be recalled that the current working principles of *hedge funds* only remotely correspond to the first *hedge fund* invented by Alfred Winslow Jones in the Forties. He created what he considered to be a conservative investment scheme, using debt (i.e. leverage) to buy more shares and short selling (that is, selling securities he did not own in order to buy them subsequently, expecting a price decline) to prevent market risk.

The current array of financial strategies with which *hedge funds* are currently endowed is certainly wider and more sophisticated. Anyway, always according to the above-mentioned European Central Bank report, it is rather the proliferation of these investment vehicles which represents a problem in the trade-off between financial efficiency and financial system stability (2004: 12). Most important, *hedge funds* move in an unregulated universe and all attempts to regulate them have to some extent failed (Nigro and Romano 2013: 55-56). As the Theusen report points out, the regulation of typical *hedge funds* differs from typical investment associations. The first are 'typically legally domiciled in offshore financial centres with limited regulation and supervision. No or few reporting and transparency requirements' while the second are 'legally domiciled in ordinary national jurisdictions. Regulated and under supervision. Reporting and transparency requirements' (2005: 102).

As far as Italian *fondi speculativi* are concerned, they started to operate in 2001, thanks to the *Decreto del Ministero del Tesoro* n° 228 of May 24 1999. Italian *fondi speculativi* have as distinguishing features the fact that they have a minimum initial investment of not less than 500,000 Euro, without the possibility of splitting these shares, and of soliciting clients to invest in these shares. The *fondi speculativi* are managed by the SGR (Società di gestione del risparmio). Also, their risky nature must be clearly stated:

Art. 16
(Fondi speculativi)

1. Le SGR possono istituire fondi speculativi il cui patrimonio è investito in beni, anche diversi da quelli individuati nell'articolo 4, comma 2, in deroga alle norme prudenziali di contenimento e frazionamento dal rischio stabilite dalla Banca d'Italia, ai sensi dell'articolo 6, comma 1, lett. c) del Testo Unico.
2. Il numero dei soggetti che partecipano a ciascun fondo speculativo non può superare le duecento unità.
3. L'importo minimo della quota iniziale non può essere inferiore a 500.000 euro. Le quote dei fondi speculativi non possono essere frazionate in nessun caso.
4. Le quote dei fondi speculativi non possono essere oggetto di sollecitazione all'investimento.
5. Il regolamento del fondo deve menzionare la rischiosità dell'investimento e la circostanza che esso avviene in deroga ai divieti e alle norme prudenziali di contenimento e frazionamento del rischio stabilite dalla Banca d'Italia.
6. Nel regolamento del fondo sono indicati i beni oggetto dell'investimento e le modalità di partecipazione con riferimento all'adesione dei partecipanti ed al rimborso delle quote.
7. La Banca d'Italia indica i casi in cui i fondi disciplinati dal presente articolo, in considerazione dei potenziali effetti sulla stabilità della società, possono essere istituiti o gestiti solo da SGR che abbiano come oggetto esclusivo l'istituzione o la gestione di tali fondi.

The analogies between *hedge funds* and *fondi speculativi* are many, but not so evident as to make the two concepts overlap. Since their creation, many changes have intervened in the organizational and operational activity of the Italian *fondi speculativi* such as, for instance, the creation in 2008 of side pockets and, more important, the abrogation of the maximum number of participants (once 200, as stated in previous citation of article 16 of the *Decreto del Ministero del Tesoro*). And many think that the assimilation between these two types of funds is only partly true. Annunziata, in the preface to the volume *Gli hedge fund parlano italiano*, states that although the two categories do not perfectly overlap, the *fondi speculativi* are often associated to *hedge funds*. This assimilation is only partly true as the category of the *fondi speculativi* lends itself to welcoming wider types of funds than those traditionally belonging to *hedge funds*:

Con l'avvento del Testo Unico delle disposizioni in materia di intermediazione finanziaria (D. Lgs. N. 58/1998), si è assistito ad una vera e propria trasformazione negli assetti della disciplina della gestione collettiva del risparmio. Il sistema italiano, tradizionalmente impermeabile allo sviluppo di forme "alternative" di gestione collettiva, ha visto l'introduzione di nuove tipologie di fondi comuni di investimento, tra cui rientrano i fondi cosiddetti "speculativi". Sebbene le due categorie non coincidano perfettamente, i fondi speculativi vengono generalmente associati con gli *hedge fund*, di cui rappresenterebbero, per l'appunto, l'omologo: l'assimilazione è valida soltanto in parte in quanto i fondi speculativi si prestano, in realtà, ad "accogliere" tipologie più ampie e diversificate di quelle che tradizionalmente, in letteratura, vengono ricondotte nell'ambito della famiglia degli *hedge funds* (Manuli et al., 2003: VI).

Most importantly, Annunziata stresses the main characteristics that differentiate *hedge funds* from *fondi speculativi*, that is, the absence or presence or degree of regulation, *hedge funds* being essentially unregulated and the *fondi speculativi* regulated under the aegis of the Central Bank of Italy. The *fondi speculativi* are not an alien entity, totally out of control from the point of view of overall fairness and correctness:

La specialità del caso italiano, rispetto a quanto si rinviene in altri ordinamenti o sistemi, è rappresentata dal fatto che i fondi speculativi vengono sottoposti alla generale disciplina di vigilanza, prevista per le altre tipologie di gestione collettiva. Viene, cioè, ad essere superato uno dei tratti distintivi dell'universo degli *hedge fund*, quale tipicamente declamato, e cioè il fatto di essere per l'appunto, un universo tendenzialmente *unregulated*. Nel caso italiano, di contro, si assiste – a quanto consta per la prima volta nel pur variegato panorama internazionale – all'introduzione di una tipologia di fondo "alternativo" che si incardina perfettamente nel sistema generale dei soggetti e dei prodotti finanziari sottoposti a vigilanza pubblica, sulla base della disciplina di settore. Il fondo speculativo, per tale via, tende a "normalizzarsi": cessa dunque di essere un'entità aliena, che sfugge alla disciplina generale dei controlli – sia prudenziali, sia di correttezza – per collocarsi a fianco e vicino alle altre "forme" di gestione collettiva del risparmio. In questo, tuttavia, il fondo speculativo mantiene un tratto distintivo, e cioè il fatto di non essere sottoposto ad alcuna limitazione o divieto in punto di politiche e attività di investimento. [...] Il "mix" tra controlli e libertà di azione è dosato sapientemente, facendo così del caso italiano un unicum nel suo genere (*Ibid.*: VI-VII).

It would appear that the terms *hedge funds* and *fondi speculativi* conceal two different legal situations that the denomination alone is unable to clarify. From a linguistic point of view, and drawing inspiration from discourse analysis which contributes strongly to the analysis of ideological connotations of formulations and expressions in different cultures,[2] we can classify both expressions, *fondi speculativi* and *fonds spéculatifs*, as cases of hyperbole.[3]

The function of hyperbole is to focus attention on a particular aspect of a social phenomenon, thus bolstering the opinion that the choice of the adjective *speculativo* could be linked to the wish to emphasise the risk embedded in these vehicles (for a discussion on the meaning of *speculativo* see Section 3). At the same time, the expressions *fondi speculativi* and *fonds spéculatifs*

may rightly be considered vague concepts as maintained by Dancette (2013: 460). The question is: how can we define the concept of *speculazione* and *spéculation*? This is why we have felt the necessity to deepen the analysis of this concept in specialized and general communication. Also, as we will see later on, the treatment in French and Italian written discourse adds to this ambiguity.

As far as the French denomination is concerned, *fonds spéculatifs*, according to the list of recommended terms, expressions and definitions of FranceTerme, is the official French translation published in the *Journal officiel de la République française* (pursuant to the Decree No 96-602 of 3 July 1996 concerning the improvement of French language) on 14 August 1998. This definition underlines the risk associated with these funds and the very high use of leverage:

Fonds d'investissement à haut risque portant principalement sur des produits à effet de levier particulièrement élevé, c'est-à-dire permettant, pour des mises limitées, d'opérer sur des montants beaucoup plus importants, mais avec des risques considérables.

However, it should also be noted that, always according to FranceTerme, the official French translation of *hedger*, namely *opérateur en couverture*, published in the *Journal officiel de la République française* on 22 September 2000, is closer to the semantics of *hedge*, that is 'for hedging purposes':

Opérateur intervenant sur le marché dans le but de couvrir, ou de compenser, totalement ou partiellement, un risque de variation d'un élément financier, ce risque provenant d'une fluctuation des cours des titres, des devises, des taux d'intérêt, ou des prix des matières premières.

IATE (InterActive Terminology for Europe), the EU multilingual termbase, also registers 'fonds de gestion alternative' as an alternative translation of *hedge fund*. As far as the Italian language is concerned, other proposals include 'fondo di copertura', 'fondo comune speculativo' and 'fondo comune di investimento speculativo'. As we will see in this study, and in accordance with the general views of scholars, representatives of financial institutions and the financial community in general, language is crucial, as confirmed by the existence in the French financial press of different translations for *hedge funds*:

Laissant de côté le trop littéral "fonds de couverture", leurs promoteurs préconisent plutôt le "fonds alternatif", voire le "fonds d'arbitrage", ou encore "gestion absolue". Trois expressions fidèles, selon eux, à leurs approches et à leurs stratégies innovantes, comme la sélection et la vente à découvert de titres, les arbitrages de courbe de taux, d'obligations convertibles, de fusions-acquisitions, ou encore plus exotiques, les opérations à base d'obligations catastrophes ou de dérivés climatiques (Raulot: 2004).

As far as the operational side is concerned, French alternative managers have the use of *Organismes de placement collectif en valeurs mobilières (OPCVM) à procédure allégée*. However these investment vehicles are reserved for qualified investors and have a minimum subscription requirement of EUR 500.000. According to the paper *Challenges arising from alternative investment management* (Amenc *et al.*, 2003: 117) published in the Banque de France *Financial Stability Review*:

In France, management strategies seeking to deliver absolute returns, uncorrelated with a benchmark index have developed only marginally. They are not widely distributed and account for limited amounts under management. Amid difficult market conditions, demand for these products has grown, mirroring the international development of hedge funds. Today, these management strategies are commonly referred to as *alternative*, although this term has no standard international definition and its substance varies significantly. In France, alternative investments primarily consist of alternative funds of funds, i.e. French funds invested in offshore funds or French funds with a specialist bias, such as futures or options). It is therefore necessary to establish a precise legal framework which can be applied to an activity that France has tolerated for almost a decade.

This means that alternative management activity in France has had to have recourse to off-shore funds in order to be able to use less regulated strategies and lighter structures, developing at the same time an expertise in selecting hedge funds constituted under foreign law.

In our opinion, both definitions, the official denomination provided by the Italian legislator and that provided in the *Journal officiel de la République française*, are misleading and imbued of ideology. Both terms risk giving rise to dangerous shifts in meaning, a semantic ambiguity linked to the discordance between linguistic term and conceptual meaning. As we have already seen, the Italian legislation has created its own legal entity, conceptually similar and yet not totally overlapping, with American *hedge funds*. As we will argue in Section 2, the choice of the adjective *spéculatifs*, as well as the choice of *speculativi*, bears a heavy responsibility in emphasizing one of the components of the semantic spectrum of these products and thus giving a negative connotation also to such neutral words as *fonds* and *fondi*, albeit for different reasons.

2. The incongruency between general and specialist use of the term 'spéculation', 'speculazione'

The Italian writer Camilleri, author of the series dedicated to the police commissioner Montalbano, during a guest appearance on the Italian television programme *Che tempo che fa*, on March 30 2014, was asked to list three words that were too often pronounced or were unpronounceable to the extent that they were never to be pronounced. Camilleri cited 'spending review', as this Anglicism is useful to hide the reality of things, and 'speculation'. When he was asked if he meant the speculation of thinking, Camilleri replied that he meant financial and real estate speculation. Then he was asked to list some unavoidable words. Camilleri mentioned 'honesty', 'fantasy', 'levity' and again 'speculation'. But added that it should be understood in the original meaning of the word, that is 'cogitation', 'thought'. A 'speculative mind', Camilleri added, is 'a mind capable of judging facts'. The anecdote is revealing as speculation associated with fraudsters, sharks and ill-gotten gains, especially to the detriment of other people, is the starting point of our research.

As the following graph shows, taken from the *Corpus français*,^[4] a database composed of 37 millions sentences, thus approximately 700 millions words, created by the University of Leipzig, *spéculation* is followed by predicate adjectives like *effrénée*, *forte*, by attributive adjectives such as *boursière*, *immobilière*, *financière* and preceded by the verb *freiner*. The graph in Figure 1 shows the semantic relations between the keyword *spéculation* and the words that co-occur very frequently in the same sentences.

Graph v. 1.6 für spéculation

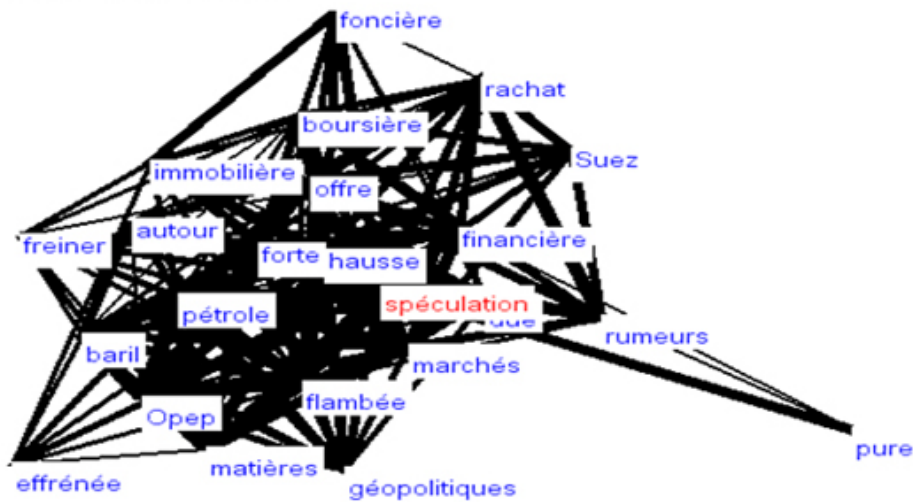


Figure 1: the semantic relations for the word ‘spéculation’ taken from the *Corpus français* of the University of Leipzig

For the purposes of this study we have constructed a corpus made up of ten sub-corpora, the first eight electronic, the last two constructed manually. The first two electronic sub-corpora (French and Italian, referred to here as “speculation sub-corpora”) focused on the operations of *hedge funds* and were constructed with the same keywords translated into the respective languages but without including the terms *speculazione* and *spéculation* as seeds. It has to be remembered that the use of seeds for the construction of online corpora necessarily involves the selection of terms considered distinctive of the topic that the corpus is meant to represent, i.e. to use ‘internal criteria’ following Sinclair’s terminology.[5] Excluding the terms that we are specifically studying, if anything, avoids the pitfall of constructing a corpus biased in favour of these terms, risking circularity (e.g. over-representation of lexical patterns surrounding the seed terms);[6] the four subsequent sub-corpora were constructed with articles from Italian and French financial newspapers (namely *Il Sole 24 Ore*, *Milano Finanza*, *Les Echos*, *La Tribune*) (referred to here as “financial press sub-corpora”); two sub-corpora (French, Italian, referred to here as “hedge funds sub-corpora”) were constructed using the same seeds translated in the respective language (*hedge*, *hedge funds*, *hedging*, *fondi*, *società*, thus avoiding terms such as *speculazione*, *fondi speculativi*, *spéculation*, *fonds spéculatifs*) and created *ad hoc* to evaluate the linguistic behaviour of the French and Italian terms *fondi speculativi* and *fonds spéculatifs* in written discourse;[7] the last two ad hoc sub-corpora (Italian and French) focused on the terms *fondi alternativi* and *fonds alternatifs* (referred to here as “alternative funds sub-corpora”) were constructed manually with articles from the Italian *Il Sole 24 Ore* and *Milano Finanza* and the French *La Tribune* and *Les Echos* in the period from 2011 (the year in which the Directive on Alternative Investment Fund Managers came into force) to 2015.[8] The search was actually carried out on *fondi alternativi* and *fonds alternatifs* as more frequent than the denominations *fondi di investimento alternativi* and *fonds d’investissement alternatifs* contained in the Directive 2011/61 on Alternative Investment Fund Managers.

The exploration of our specialised French sub-corpora focused on the operations of *hedge funds* (see Figure 2) confirms the same essentially negative connotation surrounding this term: the verbs that are more frequently associated with the 218 occurrences of *spéculation* are: ‘limiter’ (30 occurrences, often associated with, among others, ‘activités spéculatives, the ‘bulles spéculatives’ etc.), ‘contrer’ (14), ‘interdire’ (74 occurrences, often associated with, among others, ‘ventes à découvert’). However, it is important to point out that out of the 97 occurrences of the verb ‘limiter’, 60 of them are associated with ‘le risque’ or ‘les risques’ which represent, as we have seen in Section 1, one of the characteristics of *hedge funds*.

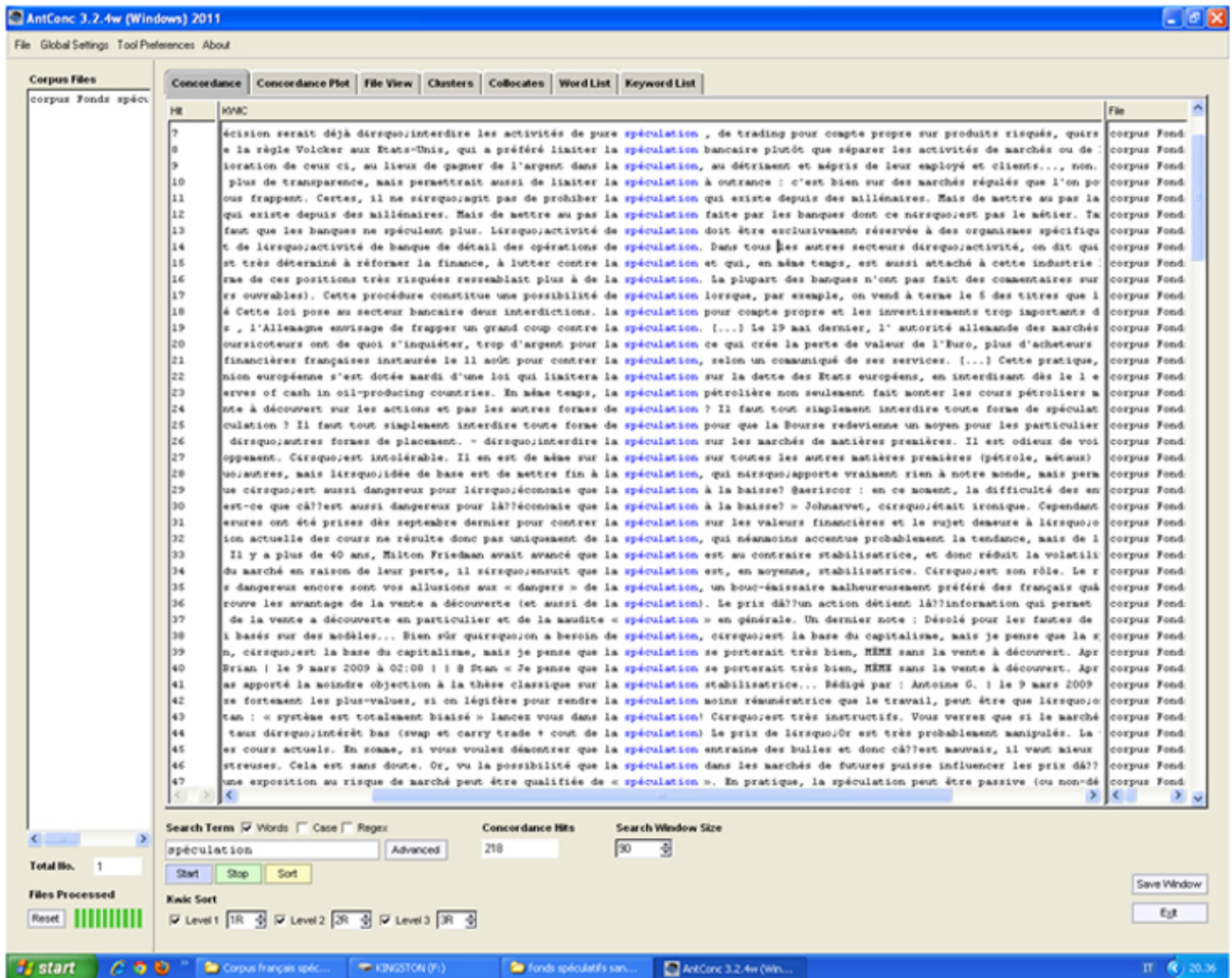


Figure 2: concordance lines for the term 'spéculation'

The specialised Italian sub-corpus focused on the operations of *hedge funds*, for its part, clearly shows the difference between *speculazione* in the negative sense and *speculazione* in its technical sense associated with the notions of *arbitraging*[9] or *hedging*, as in examples 1, 2, 3, 4, 9, 10, 13, 38 and 40 in Figure 3, which are operational strategies typically adopted by *hedge funds*.

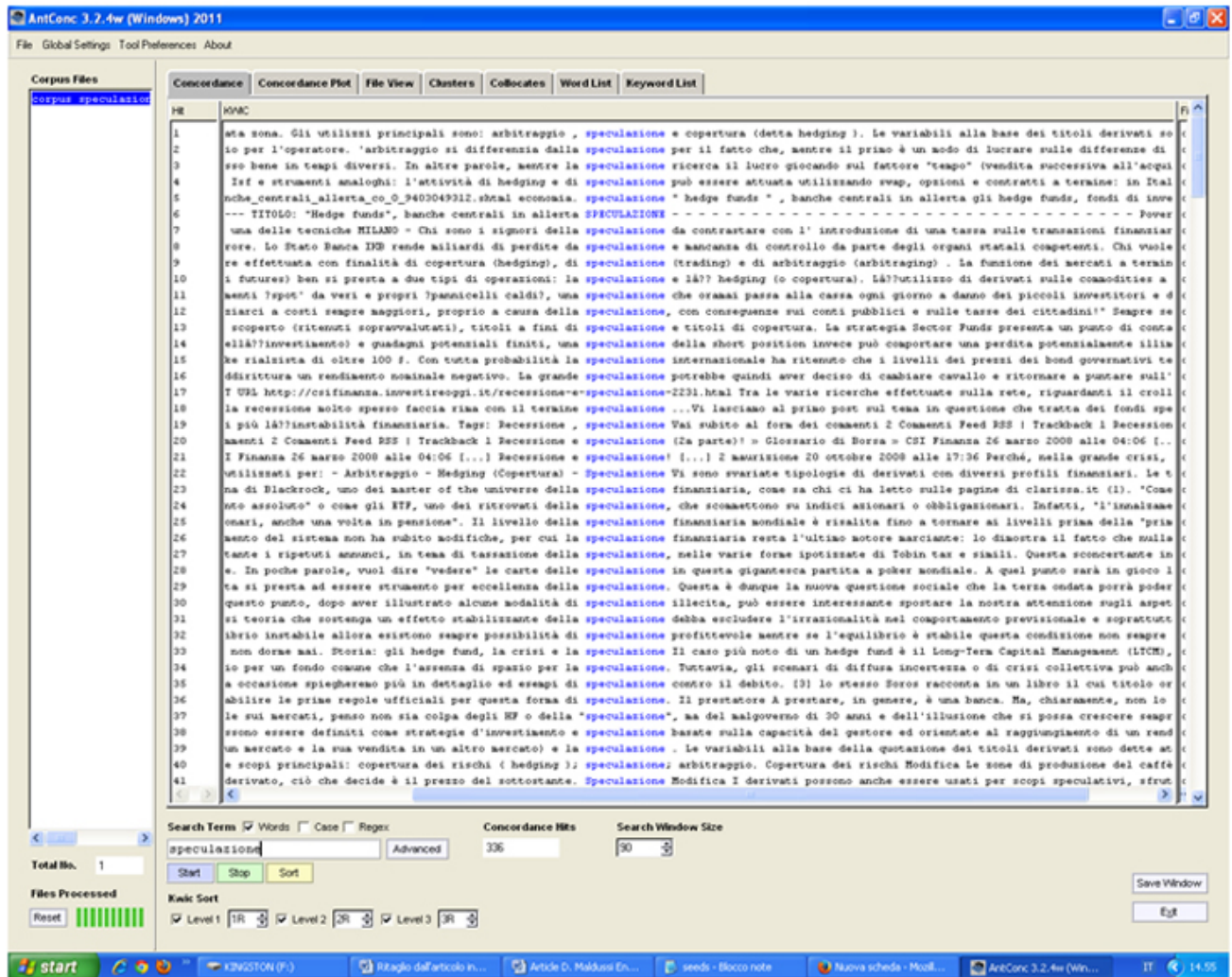


Figure 3: concordance lines for the term 'speculazione'

If on the one hand, then, the social sanction prevails, as Figure 1 shows, on the other hand, in the financial field there is a general acceptance of a useful, or better still, beneficial, and not negatively connotated on the axiological scale, sense of *speculation* and *speculazione*. Far from justifying largely proscribed social behaviour, it is crucial to grasp the behavioural codes of the financial universe and to understand its governing laws, avoiding the application of ethical codes and in particular, as Luigi Einaudi, President of the Italian Republic from 1948 to 1955, wrote, the disparaging sense inherent in common usage of the term: 'senso spregiativo accolto nel discorrere volgare' (1956: 107). The terms *speculazione* and *spéculation* are closely and frequently associated with *hedge funds* and with their operational activities and strategies.

On the occasion of the harsh economic crises that have led recently to slumps – the Tequila crisis and the devaluation of the Mexican currency in 1995, the collapse of Long Term Capital Management in 2009, the sub-primes crisis from 2007 to 2009 to name just a few – *hedge funds* have been accused by the investment community of exacerbating tensions on the financial markets. However, according to some, *hedge funds* have been the scapegoat of the financial universe, and precise responsibilities have never been totally acknowledged, while grey areas still persist. The Italian social sciences encyclopaedia Treccani offers a pertinent and in-depth illustration of the semantic constellation of the entry *speculazione* where ambiguity, semantic charge, and the presence of a positive and negative connotation clearly appear.[10]

On the political side, the already cited report of the French *Assemblée Nationale* illustrates the shared consensus of the people heard by the Commission which proves that *spéculation* is unavoidable, but yet useful. The report also arouses perplexities concerning the lack of transparency, the danger that *spéculation* may lead to mimetic behaviour and bring about unrestrained dynamics (2010: 23-31). As far as *short-selling* is concerned, for example, the text emphasizes the illicit usage of an instrument which is otherwise indispensable (112). Here are some of the most significant comments on the concept of *spéculation* (23-24) by scholars, representatives of financial institutions and the financial community, taken from the cited report of the French *Assemblée Nationale* (2010). As can be seen from the following quotations, *spéculation* (1) provides a balance in financial markets, (2) is an integral part of financial markets, (3) means anticipating price movements, (4) is necessary to future markets which "work" only thanks to the *spéculateurs*, and (5) provides liquidity to the market:

1. 'En temps normal, la spéculation joue un rôle équilibrant: des acteurs financiers mieux informés que d'autres, découvrant que les prix de certains produits ne correspondent pas à leur valeur réelle, jouent sur le retour des prix à cette valeur' (Michel Aglietta, Consultant for the Centre d'études prospectives et d'informations internationales (CEPII));
2. 'Sans spéculateurs, il n'y aurait pas de marché. Pour qu'une transaction se fasse, il faut un acheteur et un vendeur, chacun considérant qu'elle est dans son intérêt.[...] La spéculation est consubstantielle au marché' (Jean-Pierre Jouyet, Chairman of the French financial markets regulator);
3. '[...] spéculer, c'est essayer d'anticiper l'avenir: un épargnant qui achète des actions ne le fait pas dans l'idée qu'elles vont baisser. Tout le monde est donc peu ou prou spéculateur, financièrement ou intellectuellement' (Bertrand Jacquillat, Professor at the Institut d'études politiques in Paris; Chairman and co-founder of Associés en Finance);
4. '[...] il est très difficile de tracer une frontière entre les opérations de 'trading' nécessaires et celles qui sont purement spéculatives. Les marchés à terme de biens ne fonctionnent que grâce aux spéculateurs: les opérateurs professionnels s'orientent tous dans le même sens au même moment. [...] pour qu'il y ait marché, il faut pouvoir trouver des contreparties, en l'occurrence des 'traders' ou des "hedge funds"' (Patrick Artus, Chief Economist of Natixis);[11]

5. 'La prise de positions ouvertes est nécessaire à la **liquidité des marchés**' (Christian Noyer, Governor of Banque de France).

On the basis of the results of our *ad hoc* financial press sub-corpora that were constructed for this study (from *Il Sole 24 Ore*, *Milano Finanza*, *Les Echos*, *La Tribune*),^[12] *spéculation* bears a largely negative connotation but judgement is softer when referring to its effects on financial markets: it helps, inter alia, to stabilize and support prices, carrying out an adjustment action on financial markets, and provides liquidity to the market. We may consider some examples from our French financial press sub-corpora. *Spéculation* is elsewhere defined as 'équilibrante', 'stabilisante', and also 'bonne', that is, an operation which bets on the reduction of default risk. The so-called *courant monétariste* praises *spéculation* as 'équilibrante', a notion which is resumed in the following statement 'la spéculation lisse les courbes de prix et leurs fluctuations'.

These examples give support to the previous analysis by Treccani encyclopedia and by the report of the French *Assemblée Nationale*. What, actually, is a *speculator*? According to the glossary of the Commodity Futures Trading Commission, a speculator is a 'trader who does not hedge, but who trades with the objective of achieving profits through the successful anticipation of price movements'. The Barrons' Dictionary of Banking Terms enriches and expands the meaning of *speculative* with regard to *securities*, i.e.:

1) Securities rated as sub-investment paper by an investment advisory service, and thus an unsuitable investment for a bank investment portfolio or trust department. Speculative securities are rated by Standard & Poor's as grade BB or lower, and by Moody's Investors Service as Ba or lower.

2) Investment security subject to loss of interest or principal, or both. Banking regulators have discouraged investing in certain types of derivative mortgage backed securities, unless these are used as a hedging device of limit interest rate risk [...]. (Fitch 1993: 573)

The previous definition of *speculator* is crucial for our research as it contains the term 'hedge'. A *hedger*, according to CFTC glossary, is:

A trader who enters into positions in a futures market opposite to positions held in the cash market to minimize the risk of financial loss from an adverse price change; or who purchases or sells futures as a temporary substitute for a cash transaction that will occur later.

As we have seen, the exploration of *ad hoc* financial press sub-corpora enriches the semantic charge surrounding the term *spéculation* and *speculazione*, giving also major support to already known aspects. At this point, it is important to reinforce the thin and often elusive line between the negative connotation in public opinion (which, in our opinion, ends up influencing the adjectives *speculativi* and *spéculatifs* and consequently the nouns *fondi* and *fonds*) and the operational activities which distinguish hedge funds from other forms of investment funds.

A revealing example is offered by an interest rate swap with hedging purposes, i.e. with the purpose of minimizing the risk of rate fluctuations, found in the Italian *Il Sole 24 Ore* financial press sub-corpora. According to former article 1418 of the Italian civil code, this contract may be considered 'void' in the absence of a real cause, thus turning it into a speculative contract. Research into the adjective *speculativo* also confirms that the speculative component is defined as short-term or very short-term oriented, while all those activities which are not *speculative* are investment oriented. What is *speculativo* is mostly the misuse of these financial products, in order, for example, to cash in upfront liquidity. The exploration of our French and Italian financial press sub-corpora confirms that the meaning of *speculativo* and *spéculatif* defines itself in the negative, that is, an activity which is not for hedging purposes.^[13] In this sense, the definition coincides with the above-mentioned one provided by the American Commodity Futures Trading Commission.

Derivatives products, for example, according to our French sub-corpora, become *spéculatifs* and pathological once they go beyond a nascent and physiological condition. In conclusion, a derivative contract is signed for speculative purposes when it is not for hedging purposes, that is, not for protecting from risk, rather to assume that same risk.

3. Putting the terms 'hedge funds', 'fonds spéculatifs' and 'fondi speculativi' to the test of corpora

The Italian adjective *speculativi* in connection with *fondi* is considered improper by the financial literature for several reasons that we are going to list briefly. According to Nigro and Romano, *hedge funds*, from an operational viewpoint, on the whole manage to avoid from restrictions and regulations and maybe this is the reason why the Italian legislator has chosen the adjective *speculativo* to stress their high degree of risk:

Probabilmente è questo l'elemento capace di spiegare il perché un fenomeno finanziario la cui denominazione sembrerebbe evocare l'impiego di strategie atte a dar copertura agli investimenti ("hedging"), abbia invece nel tempo acquisito la fama di gestione finanziaria di tipo "speculativo" e, quindi, altamente rischiosa. Il che è soprattutto vero con riferimento all'Europa continentale, ove il fenomeno viene appunto così identificato dal legislatore italiano (fondi speculativi) e da quello Tedesco (Sondervermögen mit zusätzlichen Risiken), i quali, in un certo senso, nel momento in cui "codificano" questa forma di investimento, la connotano nel senso di un suo superiore grado di rischiosità [...] (2013: 13).

The same authors express some doubts as to the use of the adjective *speculativo*, unless its meaning is clearly stated: 'A parere di chi scrive, discutibile appare, invece, l'operazione di qualificare le gestioni di tipo hedge tramite l'impiego dell'aggettivo *speculativo*, salvo che di quell'aggettivo si chiariscano significato e portata' (*Ibid*: 14). Nichele and Stefanini agree that the term *fondi speculativi* adopted by the Italian legislator may reveal itself misleading because the term itself very probably does not allow an understanding of their true nature:

[...] la traduzione fatta propria dal legislatore italiano del termine anglosassone "hedge fund" non pone nella corretta dimensione questa nuova tipologia di fondi, ma getta su di essi un'immagine negativa che ne enfatizza la ricerca del rendimento facendo passare in secondo piano la sofisticata gestione del rischio che invece li caratterizza (2002: 155).

However, and in this Nichele and Stefanini are at odds with Nigro and Romano, they add that the choice of the adjective *speculativo* is due to the fact that the Italian legislator did not force them to respect any investment ban:

[the choice of the adjective *speculativo*] è indicativa del fatto che [the Italian legislator] non li ha vincolati al rispetto di alcun divieto in materia di investimenti, normalmente invece previsti per altre tipologie di fondi. L'aggettivo "speculativi" va quindi inquadrato in tali termini e non necessariamente associato alla loro rischiosità, che, per molti essi, risulta assai inferiore a quella di tanti fondi comuni di investimento di tipo tradizionale" (2002: 5).

In order to analyse these terms in written discourse in association with *hedge funds*, we will explore two hedge funds sub-corpora (French, Italian) built using the same seeds translated in the respective languages (*hedge*, *hedge funds*, *hedging*, *fondi*, *società*), thus avoiding terms such as *speculazione*, *fondi speculativi*, *spéculation*, *fonds spéculatifs*.^[14] For our part, the terms *fondi speculativi* and *fonds spéculatifs* increase the ethical dimension of these investment vehicles but only in terms of evaluation, as the negatively connotated semantic prosody of *speculazione* and *spéculation* has shown, thus authorising distorted inferences. Moreover, the textual dimension, as we can see in Figures 4 and 5, constitutes a supplementary layer of complexity. The Italian linguistic context proves to be highly variegated, and in any case more so than the French one.

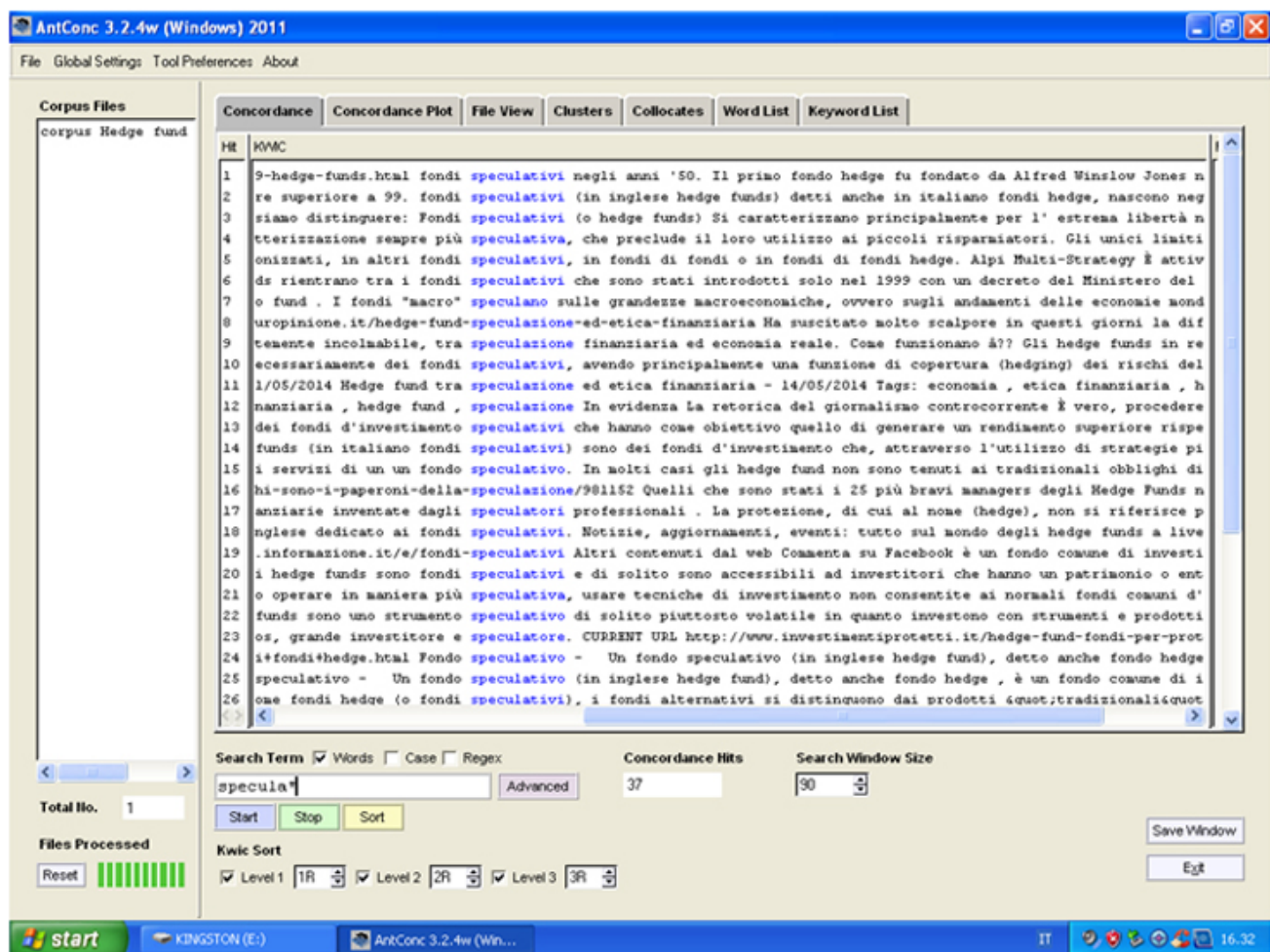


Figure 4: concordance lines for 'specula*'

We will start by making a few clarifications. The terms *fondi* and *fonds* do not allow inferences to be drawn from them. On the contrary, it is the association with the predicates *speculativi* and *spéculatifs* that leads to inferences being drawn. The predicate gives information which is not contained in the subject. In the case of compound terms such as *fondi speculativi*, the meaning is motivated by the respective meanings of the two components. The conceptual component *speculativo* is incorporated in the meaning of the compound term, which is not arbitrary, unless otherwise stated. In both cases, *fondi speculativi* and *fonds spéculatifs* emphasize one of the components of the semantic spectrum of these particular vehicles, with the concept of *speculazione/spéculation* spreading its negative connotations to these adjectives. It is also important to recall, as we have seen in Section 2, that the use of the term *fondi speculativi* is improper because what is *speculativo* is the strategy of these funds, a strategy that can be carried out for hedging purposes or for speculative purposes, or the misuse of these vehicles, as our sub-corpora have shown. Having said this, the use in written discourse of these terms shows another problematic aspect, which risks hampering the comprehension of the conceptual difference between an American hedge fund and the *fondi speculativi* under Italian law. We have summarized below some of the most meaningful examples of association between *fondi speculativi* and *hedge* (52 occurrences out of 215 occurrences of *fondi speculativi*) that appear in Figure 4. They are as follow:

- (example 2) [...] fondi speculativi (in inglese hedge funds)
- (example 3) [...] fondi speculativi (o hedge funds)
- (example 14) Gli hedge funds (in italiano fondi speculativi)
- (example 20) Gli hedge funds sono fondi speculativi [...]
- (example 24) Un fondo speculativo (in inglese hedge fund) detto anche fondo hedge...
- (example 26) [...] fondi hedge (o fondi speculativi)

Let us focus on examples 2, 3, 14, 24, 26: all of them stipulate the full equivalence, from a conceptual point of view, between the two terms, or better yet they present themselves as equivalents. The same evaluations which apply to *hedge funds* are applied to *fondi speculativi*, thus creating a sort of illusion of equivalence. Moreover, the adjective *speculativi* and *spéculatifs* negatively influence the nouns *fondi* and *fonds*. Adopting the term *fondi speculativi* for *hedge funds*, there is the risk that the reference is to American *hedge funds* and not to *fondi speculativi* under Italian law, bearing in mind the conceptual differences that we have pointed out in Section 1. On the other hand, example 20, 'Gli hedge funds sono fondi speculativi', simply characterises itself as encyclopaedic information, absolutely sharable, a realization or a concise characterization of these investment vehicles. As far as the term *fonds spéculatifs* in French written discourse is concerned, the examples in Figure 5 show a mainly negative connotation surrounding this term.

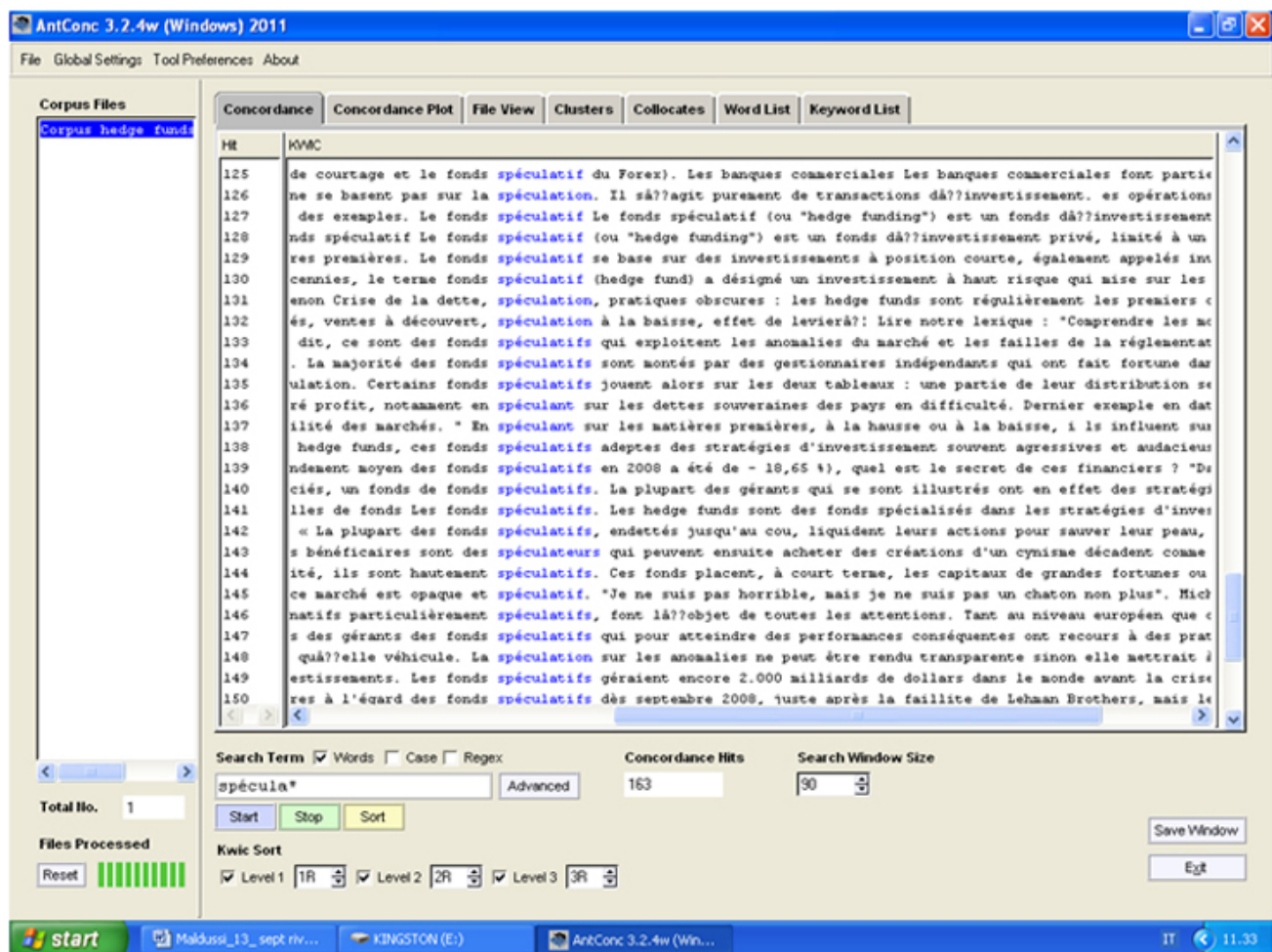


Figure 5: concordance lines for 'spécula*'

According to Figure 5, the *fonds spéculatifs* invest only in the short term (examples 129, 141, 144), are located in tax havens (example 134), are related to the collapse of the Lehman Brothers (examples 131, 150), are 'endettés jusqu'au cou' (example 142), profit from market anomalies (examples 133, 148) and are accused of illegal behaviour (example 147). As far as the linguistic context is concerned, the French one is less variegated than the Italian one, as the preference for the recommended term *fonds spéculatifs* shows.

4. Assessing the impact of the new concept of 'alternative investment funds'

In this section we aim to analyse and assess the impact of the Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 from a semantic and linguistic perspective. In order to do so, it is important to recall here the recitals 1 to 3 which recapitulate the prerequisites ('recent financial difficulties'), the aim ('establishing common requirements [...] in order to provide a coherent approach to the related risks and their impact on investors and markets in the Union') and the target audience ('Managers of alternative investment funds') of this Directive.[15]

The Directive on Alternative Funds Managers clearly states that its objectives are manifold, including the creation of a harmonized regulatory framework thus ensuring disclosure and investor protection. From a linguistic point of view, the expression *alternative (investment) funds*, like the expression *fondi speculativi*, is a vague one (what does *alternative* mean?), but less imprecise. Unlike *fondi speculativi*, and in the absence of an unequivocal definition of *hedge funds*, the Directive comes up with a definition in the negative: *alternative investment funds* are 'all types of funds that are not covered by Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to the undertakings for collective investment in transferable securities (UCITS)'.

From a linguistic point of view, the expression *alternative investment funds* acts here as a hypernym as it encompasses a variety of funds: real estate and infrastructure funds, private equity funds, *hedge funds*. Also, it should be noted that there are no occurrences of the term *hedge funds* in the text of the AIFM Directive but only in the recitals to the same Directive. This is not surprising. On the contrary, this absence demonstrates once again, in our view, the wish to reassure investors. Moreover, at this stage of our analysis, the fact that the French and Italian translation of *hedge funds* contained in the recitals is respectively *fondi speculativi* and *fonds spéculatifs* proves to be irrelevant and would only demonstrate the passive linguistic attitude of the European legislator. The expression *fondi speculativi* has been classified as hyperbole as it focuses on the risky aspects embedded in these funds. On the contrary, we think that the new category of *alternative investment funds* more closely reflects a euphemistic and reassuring expression. The prosody surrounding these new financial vehicles has also changed: unlike *fondi speculativi* or *fonds spéculatifs*, *fondi alternativi* or *fonds alternatifs* are no longer accused of illegal behaviour.

The two Italian and French "alternative funds sub-corpora" were constructed manually with articles from the Italian *Il Sole 24 Ore* and *Milano Finanza* and the French *La Tribune* and *Les Echos* in the period from 2011 (the year in which the Directive on Alternative Investment Fund Managers came into force) to 2015. These sub-corpora highlight specific positive aspects (see Figures 6 and 7).[16]

The Italian sub-corpus (Figure 6) shows that these new financial vehicles will bring about a new homogeneity in the *hedge funds* industry (example 11), they gain in popularity, prompted by the search for higher yields by investors (example 16), they bring in larger and larger amounts (examples 19, 21, 23, 24, 25, 27), they are affected by specific constraints, which means that they are less risky than previous *hedge funds* (examples 13, 14, 15, 20, 26, 29, 30, 31, 31, 33, 34, 35), they represent an era after investment in real estate (example 18).

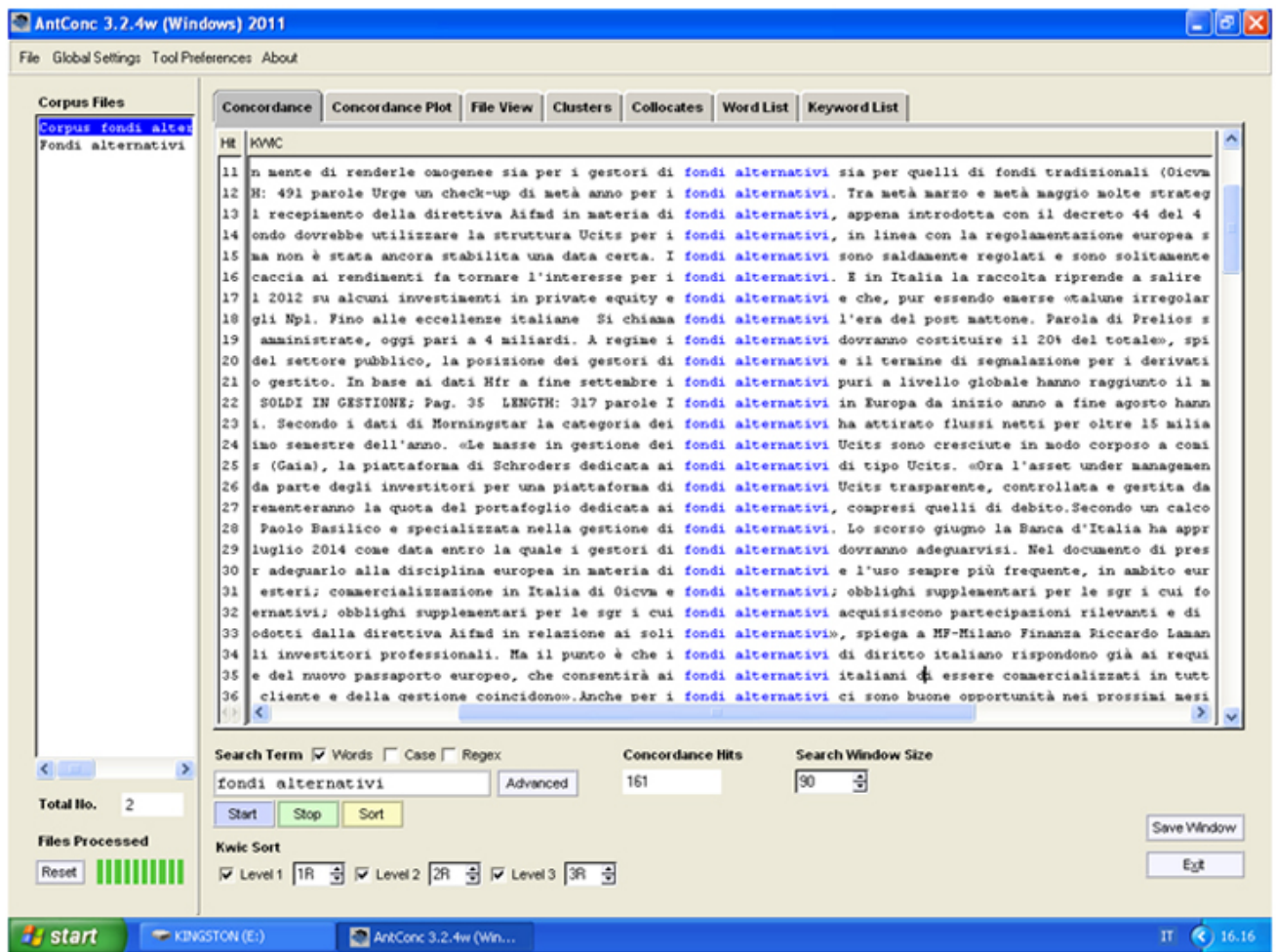


Figure 6: concordance lines for the term 'fondi alternativi'

The French sub-corpus (Figure 7), on its part, shows that this sector is a monitored and regulated one (examples 30, 32, 34, 35, 41), that the new Directive provides a better framework for these funds (examples 16, 20, 21, 23) and more protection for the investors (example 27). Also they are more transparent (example 30): looking at the collocates with *fonds alternatifs*, the top fifty, in order of frequency, refer to 'gestionnaires', 'Directive', 'gérants', 'AIFM', 'Ucits' and 'transparence'.

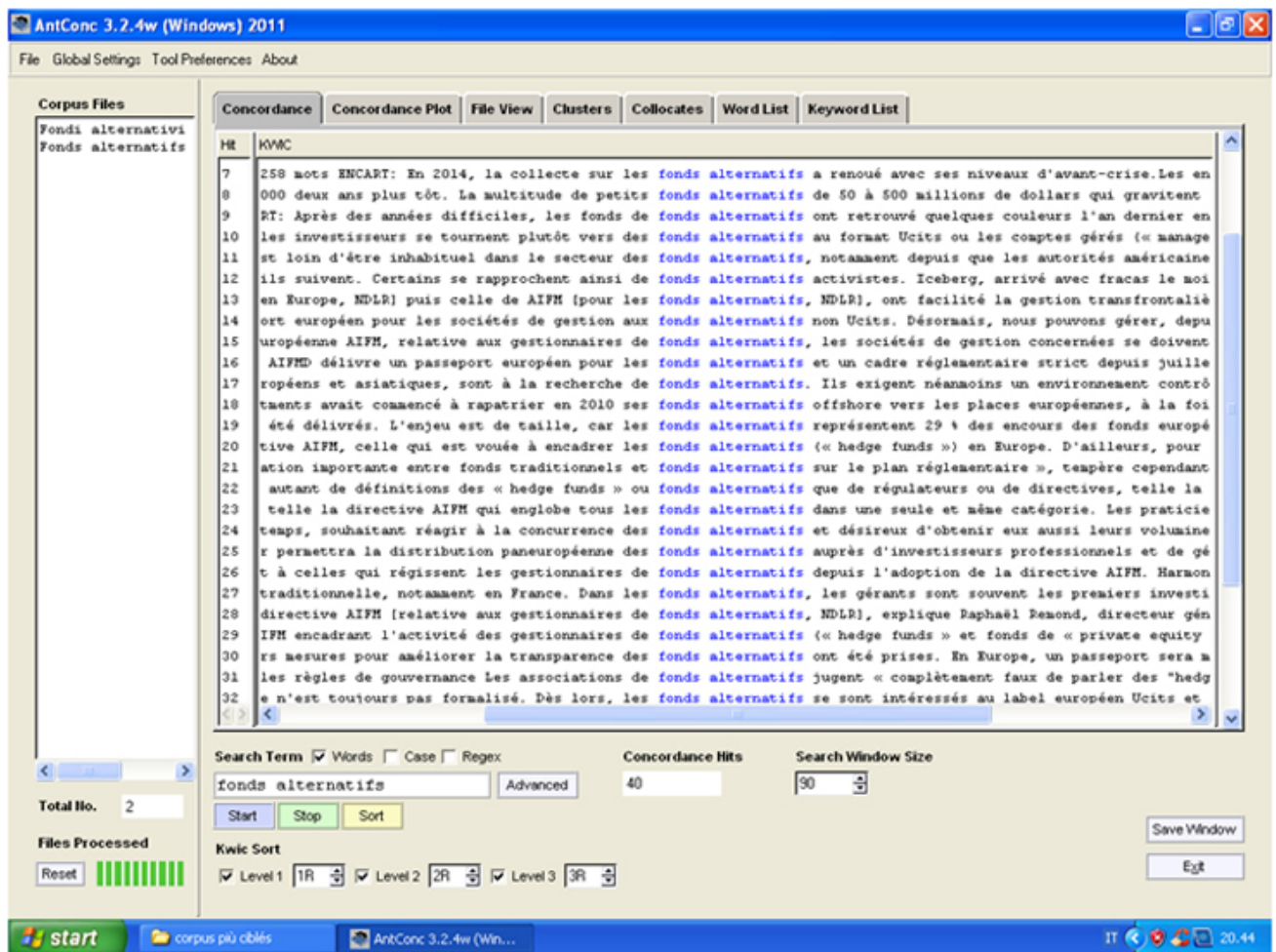


Figure 7: concordance lines for the term 'fonds alternatifs'

So, what are the reasons for this regaining of popularity? We think that the reasons are specifically attributable to the new regulatory policy which has been implemented by the AIFM Directive, which has also prompted a change in the terminological denomination of these investment vehicles. The expressions *fondi alternativi* and *fonds alternatifs*, reassuring and vague terms which define themselves in the negative, specifically reflects this turnaround. Both the French and Italian financial press sub-corpora show this reassuring trend in varying degrees. The new Directive seems to have ushered in a new era for the alternative investment industry but some difficulties remain.

5. Discussion of results and conclusions

The main innovation of our study is its specific focus on the ideological connotations surrounding the choice of the adjectives *speculativi* and *spéculatifs* and of the new denominations *fondi alternativi* and *fonds alternatifs* in the Italian and French financial press on the basis of an analysis carried out on comparable specialised sub-corpora. The findings of this study show that there is still a certain degree of confusion surrounding the conceptual differences and the inappropriateness of the choice of the adjective *speculativi* and *spéculatifs*, a choice which risks conveying only part of the complex concept represented by *hedge funds* and also spreading a negative connotation to such neutral nouns as *fondi* and *fonds*. Moreover, it shows that a change in regulatory policy has prompted a change in denomination: from *hedge funds* through *fondi speculativi/fonds spéculatifs* to *fondi alternativi/fonds alternatifs*. Semantic prosody has changed too: if the aura of meaning surrounding *fondi speculativi* is substantially negative, as the words that typically co-occur has shown, the aura of meaning surrounding *fondi alternativi* is a reassuring one.

Treatment in written discourse does not help, in particular from an intralinguistic and an interlinguistic perspective between English and Italian terms. Hence there is a risk that the frequent juxtaposition between *fondi speculativi* and *hedge funds* smoothes the conceptual differences between the two terms, thus creating the presumption of equivalence and allowing erroneous inferences.

However, we would like to mention that the findings of this study should be interpreted with caution. Future studies could also refine the methodology used in this study to provide a better insight into the association between linguistic terms and semantic values, e.g. building bigger sub-corpora to support results.

As a conclusion, we are pleased to quote again Luigi Einaudi (both quotations are translated in footnote) when referring to the 'attività' on Commodities Exchanges, activities referred to as mainly *speculative* in the negative sense, that is, using a strongly connotated adjective in Italian common usage:

Se si usasse da tutti la parola 'speculazione' nel senso di 'operazione fatta da chi, guardando al di là della punta del suo naso, si preoccupa di quel che può accadere nell'avvenire', non vi sarebbe nessun inconveniente nell'usarla. Siccome però l'uso comune è legato a concetti quali 'filibustiere' - 'brigante in guanti gialli' - 'frequentatore di locali malfamati' e simili, parrebbe opportuno astenersene nei documenti legislativi (1956: 107).[17]

And again:

fa d'uopo riportare la parola speculazione al suo significato genuino; che è quello di chi guarda all'avvenire, di chi tenta, a suo rischio, di scrutare (speculare) l'orizzonte lontano ed indovinare i tempi che verranno. Purtroppo, gli 'speculatori' veri sono rarissimi (1973: 347).[18]

Mindful of Luigi Einaudi's remarks, and in the face of the multitude of definitions and equivalents that reflects the lack of conceptual clarity, as we have seen in Section 1, the translational proposal 'Performance funds' (that is funds which generate

absolute performance, de-correlated from market trends and whose management fees are instead correlated to the performance of the fund) made by financial guru Soros should not be ignored:

Hedge funds engage in a variety of investment activities. They cater to sophisticated investors and are not subject to regulations that apply to mutual funds geared toward the general public. Fund managers are compensated on the basis of performance rather than as a fixed percentage of assets. 'Performance funds' would be a more accurate description (Vaughan 2003).

Soros' proposed translation and the considerations on the inappropriateness of the adjective *speculativo* seen in this presentation when referring to *hedge funds* give us an insight into the degree of awareness of market players towards linguistic, conceptual and translational aspects.

However, if on the one hand the different terms proposed show how hard it is to find a common definition, on the other, as the following warning referred to France seems to suggest, the suspicion that *hedge funds* still generate, and the lack of a unanimously accepted translation and of a respectable status can hamper the success of these investment instruments. And this, even though the expression *fonds spéculatifs* reflects only one of the features of *hedge funds*, i.e. the use of high levels of leverage:

Le commerce des hedge funds dans l'Hexagone est bridé par la méfiance qu'ils inspirent encore aux investisseurs et aux autorités de tutelle tricolores. Peut-être leur manque-t-il, pour accéder en France à un statut parfaitement respectable, une traduction unanimement acceptée du vocable anglophone. Aucune version n'étant à ce jour parvenue à s'imposer. Cinq ans après la faillite de LTCM, il reste difficile de convaincre ses clients de souscrire à des "fonds spéculatifs", même si l'expression reflète un des aspects du hedge fund, à savoir le recours à l'endettement en vue d'accroître l'effet de levier et de doper ses performances (Raulot: 2004).

This highlights once again the primary responsibility of language and translation in transmitting concepts adequately and the danger of inducing erroneous inferences through semantic discrepancy.

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Notes

[1] The example that we have analysed is the Italian and French translation of the term *fair value* (namely with *valore equo* and *juste valeur*) which is one of the major new elements following the adoption of International Accounting Standards by companies listed on Stock Exchanges.

[2] According to Krieg-Planque, there are historical reasons for this. In her view, at least in the French tradition, discourse analysis is inextricably linked to a Marxist perspective and to a reflection on ideology: '[...] l'analyse du discours dans son versant français (l'"Ecole française d'analyse du discours") s'est constituée au milieu des années 1960, dans la convergence d'un travail scientifique sur les textes et d'une volonté militante de critique des discours dans une perspective marxiste. Dans la configuration intellectuelle de l'époque, marquée par le structuralisme, irriguée par la pensée de Louis Althusser et par celle de Michel Foucault, l'analyse du discours est alors indissociable d'une réflexion sur l'idéologie' (2012: 49).

[3] According to the classification of discursive formulas maintained by Dancette, the list is made up of *euphemism*, *hyperbole*, *slogans* and *passwords* (2013: 455). For an in-depth analysis of the functioning of discursive formulas, see also Krieg-Planque 2009 and Krieg-Planque 2012.

[4] The *Corpus français* was created by the research group of the University of Leipzig (Germany) and developed with the participation of Daniel Elmiger and Alain Kamber (**University of Neuchâtel** / Switzerland). Interfaces and research tools have been developed as part of the project **Leipzig Corpora Collection** of Computer Science of the University of Leipzig.

[5] 'Selection criteria that are derived from an examination of the communicative function of a text are called external criteria, and those that reflect details of the language of the text are called internal criteria. Corpora should be designed and constructed exclusively on external criteria' (Sinclair 1992).

[6] Excluding a term from a set of seeds does not mean, however, that it will be absent in the corpus.

[7] The first eight comparable sub-corpora used for this research were constructed with the software BootCat (<http://bootcat.sslmit.unibo.it/>), developed by Eros Zanchetta (University of Bologna), Marco Baroni (University of Trento), Silvia Bernardini (University of Bologna) and Nikola Ljubešić (University of Zagreb). The construction of electronic sub-corpora is clearly suitable to providing the answers to the issues relating to linguistic behaviour in written discourse that we are seeking; however it should be kept in mind that these sub-corpora are not to be considered representative of the whole spectrum of the French and Italian press but just of the articles that BootCat included in the sub-corpora. Wikipedia articles and dictionary items were excluded from the selection of articles. The size of French sub-corpus dedicated to *spéculation* is 754.952 words. The keywords (called 'seeds' in BootCat language) used to build the French sub-corpus are the following: *vente à découvert*, *protection*, *levier*, *levier financier*, *leverage*, *dérivés*, *fonds de couverture*, *fonds alternatifs*, *short*, *hedge*, *fonds spéculatifs*, *couverture*, *hedging*, *position longue*, *position courte*, *rendement absolu* et *hedge funds*. The same translated seeds have been used to build our specialised Italian sub-corpus (1.115.206 words). As the literature on corpus linguistics states, comparable specialised sub-corpora have a narrow size but offer, on the other hand, the advantage of being focused on a specific domain or sub-domain. For an in-depth analysis of this issue, see Gavioli and Zanettin 2000.

[8] The Alternative Funds sub-corpora were constructed manually because the software BootCat does not allow the selection of online texts with a specific time frame.

[9] According to the glossary of the Commodity Futures Trading Commission, *arbitrage* is 'A strategy involving the simultaneous purchase and sale of identical or equivalent commodity futures contracts or other instruments across two or more markets in order to benefit from a discrepancy in their price relationship. In a theoretical **efficient market**, there is a lack of opportunity for profitable arbitrage'.

[10] For a detailed analysis of the concept of *speculazione*, see the entry *Speculazione* by Massimo De Felice in Treccani's *Enciclopedia delle Scienze Sociali*, retrievable from: http://www.treccani.it/enciclopedia/speculazione_%28Enciclopedia_delle_scienze_sociali%29/. The difference between *speculazione* and gambling, the profile of a speculator in collective and social imagination and in the financial field are also analysed.

[11] It is important to note that in the footnote referring to the quotation of Patrick Artus (example 4), *hedge funds* are defined 'fonds d'investissement' dits 'alternatifs' and not 'spéculatifs' and elsewhere in the text 'fonds de couverture' (85), the denomination *fonds spéculatifs* never being used in the text in association with *hedge funds*. As we will see later on, this remark is particularly significant as the absence of juxtaposition between *fonds spéculatifs* and *hedge funds* prevents the concept of *spéculation* from giving a negative connotation also to *fonds*.

[12] The seeds that were used are the following: *fondi speculativi*, *fondi alternativi*, *leva*, *speculativa*, *derivati*, *speculazione*, *leverage*, *opzioni*, *leveraged*, *short*, *fondi di copertura*, *hedge*, *speculativo*, *speculativa*, *hedging*, *copertura*, *coperture*, *vendita allo scoperto*, *hedge funds*. The same seeds, translated in French, were used to build the French financial press sub-corpora. The size of Il Sole 24 Ore sub-corpus is 107.283 words; Milano Finanza 79.146 words; La Tribune 29.648 words; Les Echos 80.130 words.

[13] The difference between *speculation* and *hedging* is illustrated in the following statement taken from InsideTrade LLC: 'Without proper risk management, your yields will always disappear in the long-run. In summary, hedging and speculating are the main strategies of futures traders. Speculation aims for high yields by predicting price movement, while hedging focuses on reducing risk to stabilize returns. Though either strategy can generate profit, it's always best to use both when trading futures. Whether you choose to speculate or hedge, the reality is, futures trading is only as risky as the strategy'. Retrieved from <http://insidetradelle.com/blog/futures-education-hedging-vs-speculating/>

[14] The two sub-corpora were compared to three general corpora, so as to verify that selected texts were adequately specialised. The list of keywords, ranked by frequency, generated from the comparison with an Italian general corpus include: *investimento*, *strategie*, *speculativo*, *mercato*, *titoli*, *hedging*, *gestione*, *rendimento*, *portafoglio*, *short*. The search was in fact carried out on *specula** and *specula** in order to find the plurals and feminine forms of these adjectives.

[15] '(1) | Managers of alternative investment funds (AIFMs) are responsible for the management of a significant amount of invested assets in the Union, account for significant amounts of trading in markets for financial instruments, and can exercise an important influence on markets and companies in which they invest.

(2) | The impact of AIFMs on the markets in which they operate is largely beneficial, but recent financial difficulties have underlined how the activities of AIFMs may also serve to spread or amplify risks through the financial system. Uncoordinated national responses make the efficient management of those risks difficult. This Directive therefore aims at establishing common requirements governing the authorisation and supervision of AIFMs in order to provide a coherent approach to the related risks and their impact on investors and markets in the Union.

(3) | Recent difficulties in financial markets have underlined that many AIFM strategies are vulnerable to some or several important risks in relation to investors, other market participants and markets. In order to provide comprehensive and common arrangements for supervision, it is necessary to establish a framework capable of addressing those risks taking into account the diverse range of investment strategies and techniques employed by AIFMs. Consequently, this Directive should apply to AIFMs managing all types of funds that are not covered by Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to the undertakings for collective investment in transferable securities (UCITS) (4), irrespective of the legal or contractual manner in which the AIFMs are entrusted with this responsibility. AIFMs should not be entitled to manage UCITS within the meaning of Directive 2009/65/EC on

the basis of an authorisation under this Directive' (Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010)'.

[16] The size of *Milano Finanza* sub-corpus is 37.564 words; *Il Sole 24 Ore* 31.948; *La Tribune* 17.113 words; *Les Echos* 14.613.

[17] "If everyone employed the word 'speculation' in the sense of 'an operation undertaken by someone who, looking beyond the end of his nose, is concerned about what might happen in the future', there would be no problem with using it. But as common use is tied to the idea of a 'filibuster', 'brigand in kid gloves', 'frequenter of undesirable places', it would seem to be reasonable to abstain from using it in legislative documents".

[18] "It is necessary to take the word 'speculation' back to its original meaning; that is, someone who looks to the future, someone who tries, at his own risk, to make out (speculate about) the far horizon and to guess what the future holds in store for us. Unfortunately, real "speculators" are very rare."

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"Ideological connotations in financial terminology: an English-French-Italian study from 'hedge funds' through 'fondi speculativi/fonds spéculatifs' to 'fondi alternativi/fonds alternatifs'", *inTRAlinea* Special Issue: New Insights into Specialised Translation.

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