

Absolute Returns

The Risk and Opportunities of Hedge Fund Investing

ALEXANDER INEICHEN

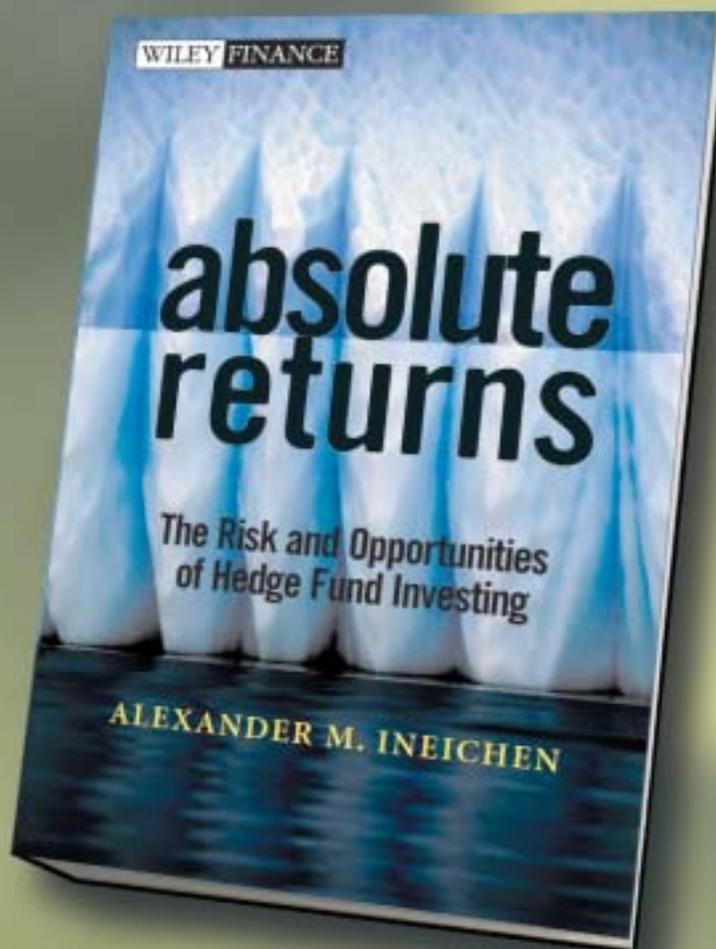
0471251208 • October 2002 • 528 pages • \$69.95

The very first hedge fund was created more than fifty years ago as a conservative investment approach designed to protect capital from market downturns. Today, the hedge fund business is about achieving excellent returns, not about beating an index or being in the top percentage of a peer group of funds. In other words, the hedge fund business is about absolute returns.

In *Absolute Returns: The Risk and Opportunities of Hedge Fund Investing*, hedge fund analyst Alexander Ineichen demystifies what hedge funds are, how they invest to generate superior risk-adjusted returns, and what the concurrent risks of investing in them are. Filled with in-depth insights and timely advice, this book will:

- Introduce you to the new investment paradigm of absolute returns
- Outline the risk and opportunities of absolute return strategies
- Dispel the myths and misconceptions that have surrounded hedge funds
- Provide a detailed look at the advantages and disadvantages of hedge fund investing

Blending critical facts, practical tips, and revealing insights, *Absolute Returns* will help you understand hedge funds as an investment and show you what to look for before you commit to them.



PRaise for Absolute Returns:

"The world of investing floats on a vast sea of words, most of which are obvious, simple-minded, and clichés, and all of those are dangerous to financial health. The story in this book bears no relation to all that stuff. Ineichen's message is original, powerful, comprehensive, and essential to robust financial health. The literary clarity he blends with his financial wisdom is an additional blessing."

—Peter L. Bernstein, President, Peter L. Bernstein, Inc.,
author of *Against the Gods* and *The Power of Gold*

"Written for the professional investor, Alexander Ineichen's book provides a comprehensive, in-depth analysis of alternative investment strategies. Combining the latest research with his own insights, Ineichen has produced the definitive study of hedge funds and funds of hedge funds."

—Richard Elden, Chairman,
Grosvenor Capital Management, L.P.

"Hedge funds are not mainstream and this book is not mainstream either. The author challenges traditional investment paradigms and the way investors think about risk. An exciting read and a must for every professional investor."

—Dr. Burkhard Poschadel, Chief Executive Officer, GAM

"A good understanding of the working of the hedge fund market and hedge fund strategies is important for every active investor. Ineichen's book does an excellent job tying together historical, empirical, and theoretical analysis in a way readily accessible to practitioners. A more comprehensive examination of the hedge fund market and hedge fund strategies would be hard to find."

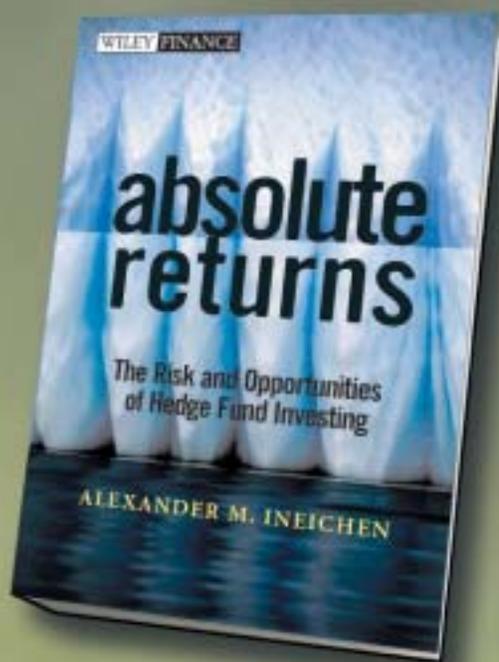
—Hans de Ruiters, Senior Portfolio Manager,
Quantitative Equity Strategies, ABP Investments

"No one can afford to risk money in hedge funds without reading this comprehensive guide. The details are illuminating, presentation captivating, analysis brilliant and lessons profound. A wonderful contribution to the hedge fund literature."

—Prof. Narayan Y. Naik, Director, Centre for Hedge Fund
Research and Education, London Business School

"Alexander Ineichen's in-depth research findings and analytical insight are brought together in this book which is chock-full of useful statistics on hedge fund strategies. Definitions, examples, return/risk parameters, and key risk factors are provided for each strategy. This comprehensive book is a necessity for every hedge fund investor."

—Lois Peltz, President, Infovest21



ABOUT THE AUTHOR:

ALEXANDER M. INEICHEN, CFA, is Managing Director and Head of Equity Derivatives Research at UBS Warburg in London. In October 2000, Ineichen authored *In Search of Alpha: Investing in Hedge Funds*, which has become the most often printed research publication in the documented history of UBS Warburg. He has also published several papers in peer-refereed financial journals, contributed numerous articles and chapters to financial newspapers, magazines, and books, and regularly speaks about hedge funds and risk at industry conferences.

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