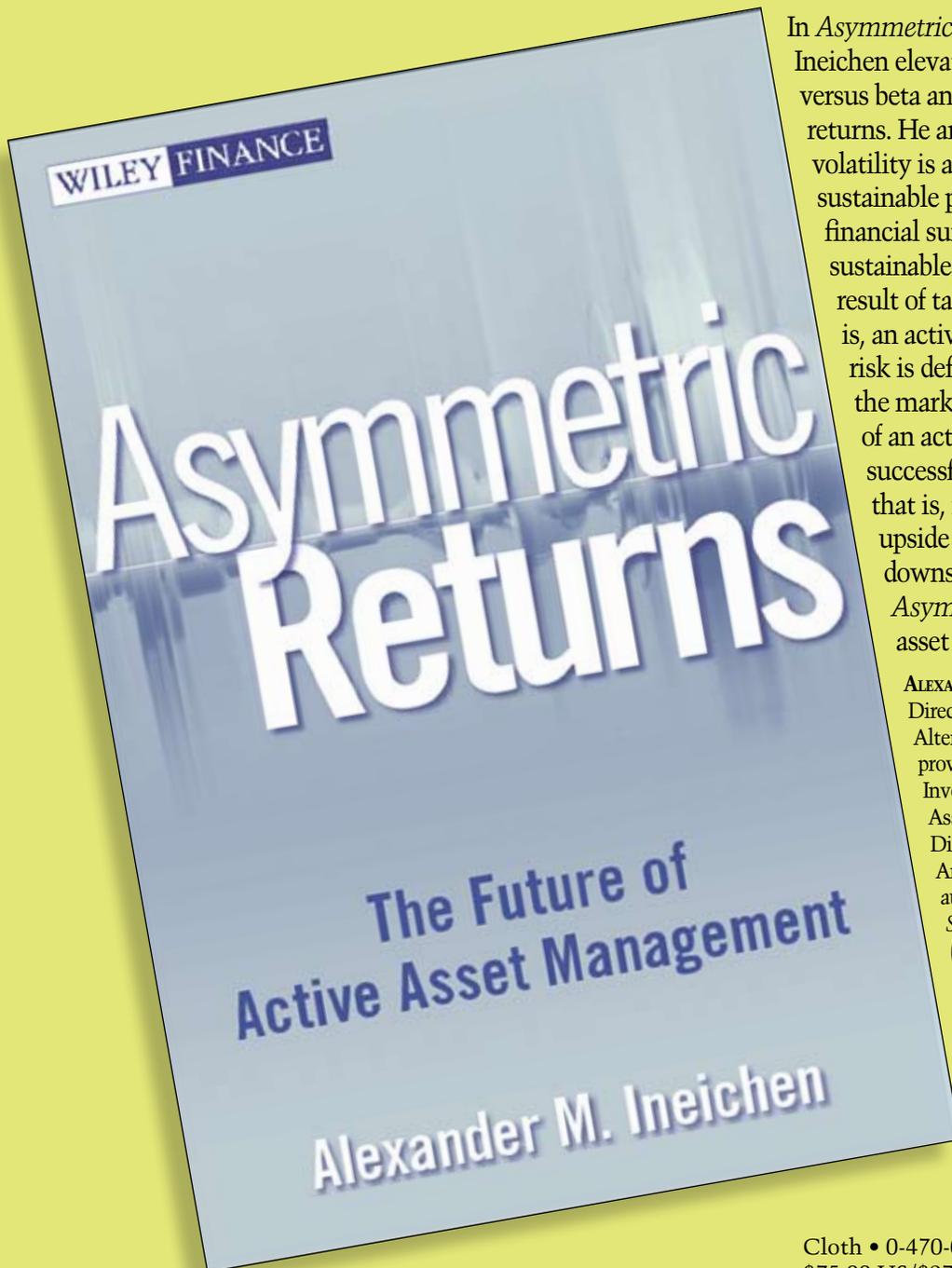


New from Wiley

# Asymmetric Returns

The Future of Active Asset Management

ALEXANDER M. INEICHEN



In *Asymmetric Returns*, financial expert Alexander Ineichen elevates the critical discussion about alpha versus beta and absolute returns versus relative returns. He argues that controlling downside volatility is a key element in asset management if sustainable positive compounding of capital and financial survival are major objectives. Achieving sustainable positive absolute returns are the result of taking and managing risk wisely, that is, an active risk management process where risk is defined in absolute terms and changes in the market place are accounted for. The result of an active risk management process when successful is an asymmetric return profile, that is, more and higher returns on the upside and fewer and lower returns on the downside. Ineichen claims that achieving *Asymmetric Returns* is the future of active asset management.

ALEXANDER M. INEICHEN, CFA, CAIA, is Managing Director and Senior Investment Officer for the Alternative Investment Solutions team, a key provider within Alternative and Quantitative Investments, itself a business within UBS Global Asset Management. He is also on the Board of Directors of the Chartered Alternative Investment Analyst Association (CAIAA). Ineichen is the author of the two UBS research publications *In Search of Alpha—Investing in Hedge Funds* (October 2000) and *The Search for Alpha Continues—Do Fund of Hedge Funds Add Value?* (September 2001). As of 2006 these two reports were the most often printed research papers in the documented history of UBS. He is also author of the widely popular *Absolute Returns—The Risk and Opportunities of Hedge Fund Investing*, also published by John Wiley & Sons.

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# Praise for Asymmetric Returns

"Ineichen is a brilliant thinker and a beautiful writer. The result is this extraordinary book. *Asymmetric Returns* offers powerful and innovative investment advice in a language every investor can read. What a tempting combination! This book is one temptation you must not resist."

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"Alexander Ineichen remains at the leading edge of the hedge fund industry. But what really distinguishes him from other industry pioneers and commentators is his ability to articulate major changing themes in a way which is colourful and comprehensible to many readers. This book is a must read for practitioners and major customers in the industry."

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"This book is a must-read for today's professional investor. Alexander Ineichen goes way beyond the typical debate in the money management industry in regard to alternative investing or traditional investing. He explains the various concepts and concludes that at the end there is only one thing that matters: positive absolute returns."

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"This book is thoroughly entertaining, thought provoking, and deeply insightful. Ineichen leads the reader between the abstract and the concrete in a splendid fashion. A compelling addition to any bona fide financial athenaeum."

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"Ineichen is clearly the thought leader on asymmetric returns. For example, his discussion in Chapter 3 on the pricing of asymmetric returns and his analysis of higher moments of the distribution in Chapter 4 provide ample food for thought upon which investors can feast for years to come."

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"The book is comprehensive and provides a very good overview on issues that many institutional investors are currently facing. The examples used throughout the book are as helpful as they are entertaining."

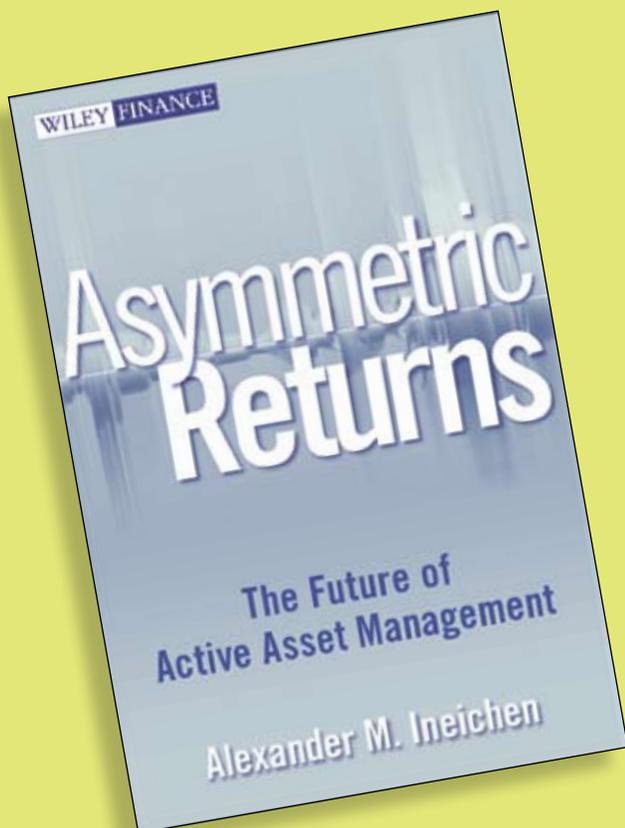
—KURT SILBERSTEIN, Portfolio Manager, Absolute Return Strategies, California Public Employees' Retirement System

"In *Asymmetric Returns*, Ineichen advances the practice of active management by distilling the essential elements of the craft from the pedestrian pursuit of index-tracking strategies. Broadly expanding on his seminal work, *In Search of Alpha*, this treatise is resplendent with assessable facts and reasoning that will recalibrate the focus and attention of thoughtful investors."

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"Once again, Alexander Ineichen is at the forefront of observations about the industry. ... a must read for investors and asset managers alike!"

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