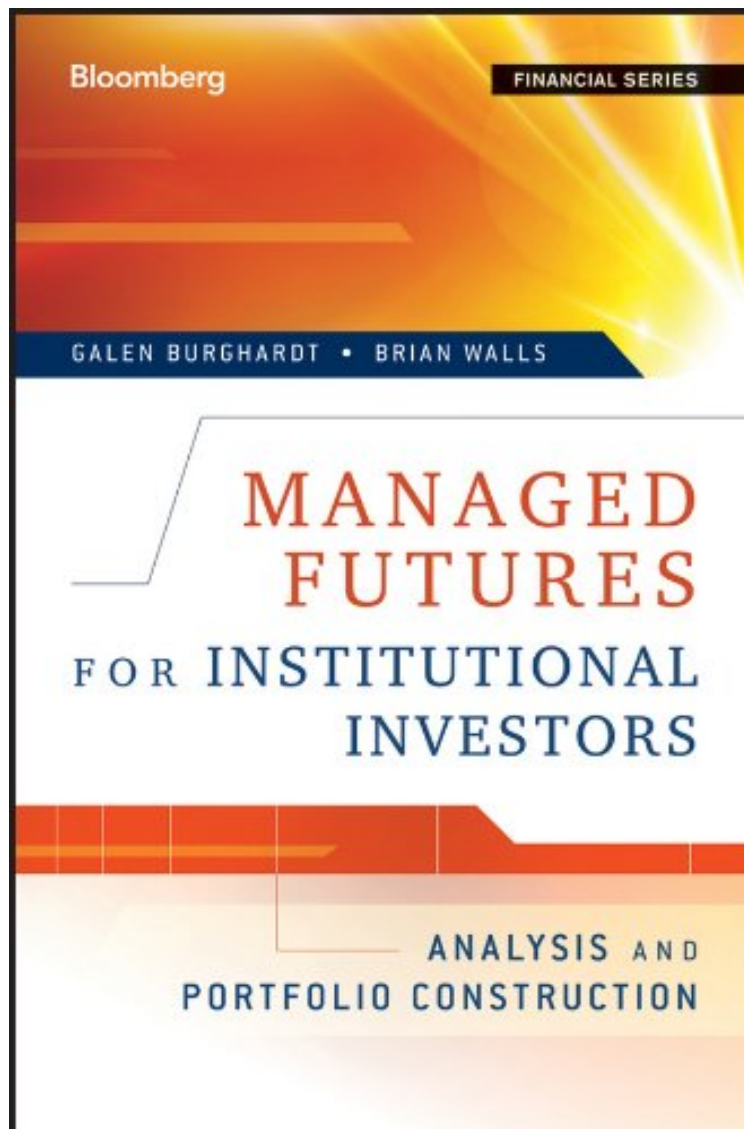


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## Managed Futures for Institutional Investors: Analysis and Portfolio Construction (Bloomberg Financial)

*Galen Burghardt, Brian Walls*  
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**Galen Burghardt, Brian Walls : Managed Futures for Institutional Investors: Analysis and Portfolio Construction (Bloomberg Financial)** before purchasing it in order to gage whether or not it would be worth my time, and all praised Managed Futures for Institutional Investors: Analysis and Portfolio Construction (Bloomberg Financial):

0 of 0 people found the following review helpful. Kindle version has issuesBy TeresaJust bought this today. So far I

have found 1) the graphics will not zoom when using the Windows reader (both on the desktop and tablet - I have not tried other platforms) and 2) chapter numbers are missing in the text - e.g. near location 429 under the section "How the Book is Structured" you will see numerous examples in the text of sentences like "In Chapter , for example..." Whoops, what chapter? Also 3) some of the graphics are not rotated correctly. I hope they correct these issues soon (particularly the zoom) as the content itself looks great.

3 of 3 people found the following review helpful. Excellent

By Mr. Russell Newton

I'm generally not a big fan of business books but this one was very good indeed. One of the main problems with this type of book is that it either ends up being so dumbed-down it's patronizing to pretty much everyone who reads it, or so detailed and technical it's inaccessible to the majority of readers. Burghardt Walls do a great job of balancing these two extremes - the first few chapters are a very good primer on managed futures, covering sources of return, basic mechanics of a futures portfolio, pitfalls of data analysis, ways to invest. The middle section of book then goes on to describe basic trend-following momentum trading ideas as well as considering statistical properties of returns such as mean-reversion, draw-downs and correlations. The final section covers some research on portfolio construction. For some reason, managed futures as an asset-class has always been considered by many institutional investors as the ugly step-child of the alternative investment space; I think in part this is due to lack of familiarity with (or understanding of) the mechanics of the industry, as well as a deep skepticism about the whole 'black box' approach (as though the brain itself were not a black box!). Hopefully this book will be a step towards increasing institutional understanding of the space.

1 of 1 people found the following review helpful. Excellent

Education for both Allocators and Academia

By Ranjan Bhaduri

In finance, it is rare to find a book that will be appreciated by both academia and industry practitioners. There are not many books written on managed futures, which is a subset of the hedge fund universe. Galen Burghardt and Brian Walls have written a very useful book, which gives a solid introduction to the topic, but also delves deeper by presenting some interesting ideas for portfolio construction. Moreover, this should be a book that appeals both to academia and industry. It would be a great addition to the curriculum of an undergraduate or graduate finance program (including as a text for a MBA course). It would also be a valuable addition to the collection of portfolio managers of allocators (pensions, endowments, sovereign wealth funds, fund of funds, and family offices). In full disclosure, I have the pleasure of knowing the authors; both are very well known and well respected in the managed futures space. In the Acknowledgements, the authors state thank participants of an annual research forum that Newedge hosts; these pure Research forums are top-notch, and rightly recognized as the best in the industry. It is indeed very good on Burghardt and Walls to take some of the nuggets of wisdom from these special events and include them in this book. I am hard-pressed to find a weakness, but perhaps more could have been written on the different strategies and styles of managed futures. However, the authors do a great job in providing a useful road map to the managed futures space. Both Walls and Galen Burghardt have long been champions for education in the managed futures space, and this book is a tremendous addition for educating folks about this space. Overall, this is a great book, that I recommend without reservations. I strongly hope that it will be added by many universities, and read by many allocators.

A practical guide to institutional investing success

Managed Futures for Institutional Investors is an essential guide that walks you through the important questions that need to be addressed before investing in this asset class and contains helpful direction for investors during the investing process. Backed by years of institutional experience, the authors reveal the opportunities offered by managed futures. They also include information on practices in the managed futures area and present the various analytical tools and building blocks required to use managed futures effectively. The book also contains insight on the issues that must be addressed when building and evaluating portfolios. Shows where to find data to evaluate managed futures and explains how managed futures are regulated Offers guidance on how to apply classic portfolio construction tools to managed futures Reveals how managed futures investments can help investors evaluate and meet risk, return, and liquidity objectives

Managed Futures for Institutional Investors provides all the practical information to manage this type of investment well.

From the Inside Flap

Managed futures are an essential part of the investment industry. Within this arena, managed futures professionals—also known as Commodity Trading Advisors (CTAs)—actively manage client assets using global futures and other derivative securities. Authors Galen Burghardt and Brian Walls—part of Newedge USA, a global multi-asset brokerage firm based out of Chicago—have extensive experience in the managed futures space, and now, with *Managed Futures for Institutional Investors*, they address the issues that will allow you to gain a firm understanding of this field and improve the performance of your portfolios through the use of CTAs. Divided into three comprehensive parts, the book opens with a detailed discussion of how this specific industry works. Here, everything from cash management practices and calculating a rate of return on something that has no net liquidating value is covered. You'll also gain insights on the most common vehicles for investing in CTAs, including funds, platforms, and managed accounts. Part Two, *Building Blocks*, offers some informative answers to the tough questions surrounding CTAs. Throughout this section, Burghardt and Walls touch on a number of topics, such as how trend following works and what active management of CTA investments really costs. Along the way, they also show

how to put a CTA's drawdown experience in perspective and take a close look at how the single most important source of volatility in world financial markets affects the relationship between stock returns and CTA returns. Rounding out this in-depth look at CTAs and managed futures, Part Three, Portfolio Construction, examines how the predictability of volatility and correlation can be used to build portfolios that perform well. Here, the authors share their insights into the things that will help, and hinder, you in creating a well-diversified portfolio. They also show how to identify low correlation reliably and where the past, in fact, does reveal something useful about the future. Using futures as part of any actively managed portfolio is essential. This reliable guide offers a practical look at what CTAs and futures are all about, and how they can be used to evaluate and meet risk, return, and liquidity objectives.

**From the Back Cover**  
**Praise for Managed Futures for Institutional Investors**

"Brian and Galen echo their wealth of experience and their access to a data set of unrivalled breadth to produce a useful and comprehensive guide to the managed futures industry. Topics are tackled responsibly and with great perspective. A useful guide for all managed futures investors." —Leda Braga, PhD, President, BlueCrest Capital Management LLP

"As one of the only books to analytically address the effect of estimation error on inferences and decision making, this book is a must-read for any serious hedge fund investor. Building on their own long history of thoughtful research, Galen and Brian deliver an exceptionally clear exposition of the managed futures industry. Their expert knowledge of the markets in which CTAs invest, the key participants involved, and the nuances of the data enable Galen and Brian to offer both a state-of-the-art understanding of every component of CTA investing as well as expansive insights about how investors should evaluate and combine managers using the historical data available." —Mark Carhart, PhD, CEO, Kepos Capital LP

"Burghardt and Walls' unique backgrounds of academic research combined with practical market experience make this book a required read for any institutional investor considering a managed futures investment." —Tony Gannon, CEO, Abbey Capital Limited

"Galen Burghardt and Brian Walls have produced a superb book on managed futures. It is an accessible yet thoughtful and rigorous analysis of a much misunderstood asset class by two of the very best experts in the field. The clarity of their explanations and the quality of their research are exceptional. Every institutional investor should own a copy." —Ewan Kirk, PhD, CEO and founder, Cantab Capital Partners

"This book is a fantastic introduction to managed futures. The research is of the highest quality, the topics are both broad and thoroughly researched, and the writing is clear and interesting. Galen and Brian have produced an indispensable resource for any serious investor." —Rishi K Narang, founding principal, Telesis Capital LLC, and author of *Inside the Black Box: The Simple Truth About Quantitative Trading*

**About the Author**  
Galen Burghardt is Director of Research for Newedge USA, LLC, a joint venture between Calyon and Societe Generale. He is the lead author of *The Treasury Bond Basis* and *The Eurodollar Futures and Options Handbook*, which are standard texts for users of financial futures. He was an adjunct professor of finance in the University of Chicago's Graduate School of Business (now the Booth School). He was the head of financial research for the Chicago Mercantile Exchange, and gained access to the world of futures through his work in the Capital Markets Section of the Federal Reserve Board. His PhD in economics is from the University of Washington in Seattle. Brian Walls is the Global Head of Research at Newedge Prime Brokerage, the foremost provider of brokerage services to the managed futures industry. He has worked in the financial services industry for thirty years in the various capacities of trading, operations, management, and research. He was a pioneer of capital introduction services and is a sought after and trusted advisor to many Commodity Trading Advisors, global macro managers, fund of funds and institutional investors. He is the chairman of the Newedge Index Committee.