Contents

Acknowledgments ix

PART I Introduction 1

1 Alternative Investments: An Overview 3
H. Kent Baker and Greg Filbeck

2 The Role of Alternative Investments in Strategic Asset Allocation 19
Douglas Cumming, Lars Helge Haß, and Denis Schweizer

3 Trends in Alternative Investments 37
Erik Benrud

4 Alternative Investments and Due Diligence 53
Gökhan Afyonoğlu

PART II Real Estate 77

5 REITs and the Private Real Estate Market 79
Shaun A. Bond and Qingqing Chang

6 Commercial Real Estate 99
Peter Chinloy

7 Real Estate Investment Trusts 119
Brad Case

8 Mortgaged-Backed Securities 143
Eric J. Higgins

9 Mezzanine Debt and Preferred Equity in Real Estate 163
Andrew R. Berman

10 Real Estate Appraisal and Valuation 185
Jeffrey D. Fisher and Demetrios Louziotis, Jr.

11 **Performance of Real Estate Portfolios** 213
David Geltner

PART III **Private Equity** 239

12 **Venture Capital** 241
Tom Vanacker and Sophie Manigart

13 **Mezzanine Capital** 263
Sameer Jain and Phillip Myburgh

14 **Buyout Funds** 281
Christian Rauch and Mark Wahrenburg

15 **Distressed Debt Investing** 303
Michelle M. Harner, Paul E. Harner, Catherine M. Martin, and Aaron M. Singer

16 **Performance of Private Equity** 323
Christoph Kaserer and Rüdiger Stucke

17 **Private Equity: Risk and Return Profile** 345
Axel Buchner, Arif Khurshed, and Abdulkadir Mohamed

PART IV **Commodities and Managed Futures** 363

18 **Investing in Commodities** 365
Claudio Boido

19 **Performance of Commodities** 381
Andrew Clark

20 **Commodity Futures and Strategic Asset Allocation** 399
Yongyang Su, Marco C. K. Lau, and Frankie Chau

21 **Managed Futures: Markets, Investment Characteristics, and Role in a Portfolio** 419
Davide Accomazzo

22 **An Overview of Managed Futures' Performance: 1983 to Post-2008 Credit Crisis** 437
Kai-Hong Tee

PART V **Hedge Funds** 453

23 **Investing in Hedge Funds** 455
Hunter M. Holzhauer

24 **Performance of Hedge Funds** 475
Dianna Preece

25 **Hedge Funds and Risk Management** 495
Theodore Syriopoulos

26 **Hedge Funds and the Financial Crisis** 521
Jing-Zhi Huang and Ying Wang

27 **Hedge Funds: Replication and Nonlinearities** 541
Mikhail Tupitsyn and Paul Lajbcygier

28 **Fund-of-Funds: A Tale of Two Fees** 567
Kartik Patel

Answers to Discussion Questions 587

Index 619