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Market Neutral INVESTING

[LONG / SHORT
HEDGE FUND
STRATEGIES]

JOSEPH G. NICHOLAS

"Market-neutral investing . . . is the fastest growing segment within the global hedge funds industry. Nicholas offers . . . **valuable insights** into eight specific market-neutral strategies that are in growing demand by both institutional and private investors. . . . **This is a milestone publication**, which broadens our knowledge and investment horizons—an **invaluable reference tool** for global portfolio managers, the international investor community, and industry service providers."

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THE WHAT, WHEN, AND WHY OF MARKET-NEUTRAL STRATEGIES

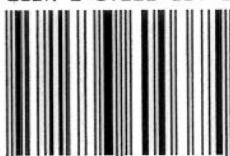
CLEAR EXPLANATIONS OF SPECIFIC APPROACHES

THE RISKS AND MERITS OF EIGHT STRATEGIES

HOW TO BUILD A MARKET-NEUTRAL INVESTMENT PORTFOLIO

ADVICE AND INSIGHT FROM THE FOREMOST PRACTITIONERS
OF MARKET-NEUTRAL STRATEGIES

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Market-Neutral Investing Long/Short Hedge Fund Strategies

"Joseph Nicholas has used his years at the center of the hedge fund industry to create a comprehensive road map to market-neutral investing."

GENE T. PRETTI, President and Chief Investment Officer
Zazove Associates LLC

IN TODAY'S VOLATILE MARKETS, MANAGING risk is more important than ever. Investors are looking for downside protection while maintaining good returns—and market-neutral investing has emerged as a leading method to meet that need. In this book, industry expert Joseph G. Nicholas explores new approaches to return enhancement and risk reduction through market-neutral strategies.

Market-neutral investments are attractive because they have produced substantially better risk-adjusted returns than the market during the past ten years. The complexities created by the combination of longs, shorts, and leverage, however, make market-neutral strategies very different from conventional investments. Getting to know how these strategies work involves breaking them down into their basic components and then examining how those parts interact as a system with specific risk and reward characteristics. This invaluable guide zeros in on eight key strategies, revealing the source of their past returns and giving the investor tools

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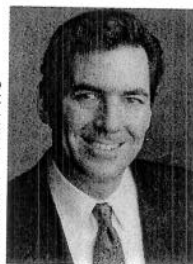
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with which to measure the possibility of repeat performance.

Nicholas draws extensively on his company's database of over 3,000 hedge funds and from HFR's daily portfolio analysis conducted for hedge fund portfolios. He has also incorporated extensive input and actual investment examples provided by managers and practitioners of each of the strategies discussed.

This is a book that looks at market-neutral strategies head on, assessing those that have worked and some notable ones that have failed—and explaining why. Clear, insightful, and illustrated with numerous charts and graphs, *Market-Neutral Investing* is an essential resource for professional investors.

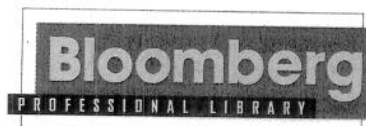
JESSICA TAMPAS



JOSEPH G. NICHOLAS, J.D. is Founder and Chairman of Hedge Fund Research LLC, an investment advisory firm, and Hedge Fund Research, Inc., a leading supplier of hedge fund data. Mr. Nicholas also cofounded the Zurich HFR Index Funds. Author of *Investing in Hedge Funds: Strategies for the New Marketplace* (Bloomberg Press, 1999), he is a frequent lecturer and media expert on topics relating to alternative investments.

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