

## Index

- A SQUARE database, 28, 225–6  
Advanced Neural Networking Investing (ANNI), 217–9  
Africa, 125, 130–1  
agriculture, 71–2  
aircraft, 111  
    *see also* aviation finance  
AlphaMetrix Alternative Investment Advisors, 227  
American Association of Wine Economists, 191–4  
ANNI *see* Advanced Neural Networking Investing  
Applied Risk Transfer (ART), 58  
arbitrage, 95, 171, 197, 221–2  
ART *see* Applied Risk Transfer  
art investment, 166–84  
    as an asset class, 169–70  
    buy-and-hold strategies, 169  
    case studies, 172–84  
    characteristics, 166  
    contemporary art, 177–8, 182  
    costs, 171  
    currency arbitrage, 171  
    future aspects, 171  
    Impressionists, 174–6  
    investible universe, 166  
    Islamic art, 181–4  
    market growth, 171  
    mediums, 170–1  
    museums, 170  
    Old Masters, 172–4  
    outlook, 169–71  
    paintings, 170–1  
    performance, 169–71  
    Post-Impressionists, 174–6  
    private trading, 171  
    return drivers, 168  
    risk, 166–8  
    Russian art, 179–81  
    strategies, 168–9  
    vehicles of investment, 168–9  
    wine, 188–98  
artist-centric music model, 155–7  
artists, 170–1, 174–5, 179, 182  
asset led premiums, liquid, 227–8  
asset prices, 212–3  
asset-based lending, 103–63  
    aviation finance, 108–13  
    definition, 103  
    investible universe, 105  
    loan categorisation, 104  
    outlook, 108  
    return drivers, 107  
    risk mitigation, 107–8  
    ship financing, 114–20  
    SWOT analysis, 105–7  
    trade finance, 120–30  
    types, 158–63  
auctions, 171, 204–8  
Australia, 138–41  
aviation finance, 108–13  
    aircraft as investment, 111  
    economic cyclicality, 112  
    evolution, 110  
    fuel prices, 112–3

- aviation finance (*Continued*)  
  innovation, 113  
  investible universe, 108  
  leasing, 110–2  
  leverage, 112  
  outlook, 110  
  ownership, 111–2  
  performance, 110  
  risk mitigation, 110  
  strategy, 108  
  surviving shake out, 113  
  SWOT analysis, 109  
  valuing aircraft, 111
- banks/banking, 104, 124–5, 128, 135–8
- behaviour finance, 215–9  
  historical data, 217  
  manager perspectives, 215–7  
  mispricing correction, 216–7  
  neural investing, 217–9  
  prices/pricing, 215–7  
  risk, 216–7  
  time decay, 217  
  value effect, 215–6
- betting, 218–9
- Bhaduri, Ranjan, 227–8
- bioenergy, 12–15
- biomass, 12–15
- ‘Black Swan’ events, 217
- Bockum, Kaspar, 45
- Brazilian timberland, 40–3, 54
- Brickwood, John, 28
- Brynjolfsson, John, 86
- bulk carriers, 117–20
- buy and hold strategies, 95, 169, 190–1, 197
- Bywater, Tom, 155
- Campbell, Rachel, 173
- capital markets, 58–60, 68, 75–6, 85, 98–9
- carbon credits, 17–20
- carbon dioxide (CO<sub>2</sub>), 19–20
- carbon sequestration, 17
- cars *see* vintage cars
- Cat Bond Index, 85
- catastrophe bonds, 63
- catastrophe-linked securities, 69
- catastrophe models, 74–5
- catastrophe risk, 68, 72
- catastrophes, 78–80, 82  
  *see also* crises; disasters
- CDOs *see* collateralised debt obligations
- Centurion Portfolio Managers, 92
- CFA *see* conditional fee arrangements
- Chinese timberland, 3–4, 7, 35–9, 56
- Classic Modern photography market, 186
- clonal planting, 41
- collateralised debt obligations (CDOs), 71
- collectables, 165–209
- commercial litigation, 132, 135
- commercial real estate, 220–3
- commodities, 28–9
- competitiveness, 53, 155
- conditional fee arrangements (CFA), 137
- conservation, 15–17
- contemporary art, 177–8, 182
- copyrights, 153–4
- Corriero, Timothy, 29
- costs  
  litigation in US, 131
- counterparty risk, 83
- credit, 212–13
- credit crisis, 75–6, 104, 134–5, 158, 197
- credit rating agencies, 71
- crises  
  credit, 75–6, 104, 134–5, 158, 197  
  liquidity, 149  
  sovereign debt, 73, 75–6
- currency arbitrage, 171
- currency volatility, 129
- demand, 32–3, 56
- deterministic valuation, 92
- digital downloading, 154–5
- digital revolution, 156–7
- disasters, 86–7, 129  
  *see also* catastrophes
- discount factoring, 159
- Dixon, Gordon, 110
- DKR Fusion Management, 215
- Dorsten, Matt, 86
- earnings, 23
- earthquake in Tokyo, 80
- Eastern European timberland, 46–7, 54–5

- Eastwood, Sam, 135  
Emir of Qatar, 182  
Emission Trading Schemes (ETSs), 18  
energy, bioenergy, 12–15  
*en primeur* wine prices, 190–1  
entertainment investing *see* film financing  
ETSs *see* Emission Trading Schemes  
eucalyptus trees, 41  
Europe, 54  
event risk, 62–3  
extraction strategies, 211–23  
    behaviour finance, 215–9  
    case study, 220–3  
    volatility investing, 211–5  
    *see also* Iceberg Alternative Real Estate  
extreme mortality risk, 57, 98–101
- factoring, 103, 159–62  
farms, 17–20  
Ferrari cars, 204–9  
FFAs *see* Forward Freight Agreements  
Field, Richard, 130  
film financing, 144–51  
    characteristics, 145  
    insights, 149  
    investor checklist, 150–1  
    liquidity crisis, 149  
    media derivatives, 151  
    new/old thinking, 150  
    niche investing, 149–50  
    observations, 148  
    outlook, 151  
    performance, 149  
    risk, 147–8  
    structuring, 145–7  
    SWOT analysis, 144  
financial crises, 204–5  
Fine Art Fund Group, 169, 172  
First State Media (FSM), 152–3  
Fisch, Andrew, 228  
floor plan financing, 159–60  
flu pandemic, 99, 101  
forests, 2–3, 17–20, 43, 48–9  
    *see also* timberland  
Forward Freight Agreements (FFAs), 162  
freight derivatives, 162–3  
FSM *see* First State Media  
fuel prices, 112–3, 129  
full-recourse financing, 159  
Fundabilis, 94  
Gamut Re CDO, 71  
genetically modified organisms (GMOs), 41  
genetically trained neural nets, 219  
global aspects of timberland, 17–20, 52–3  
Global Maritime Assets, 117–20  
GMOs *see* genetically modified organisms
- H1N1 flu pandemic, 101  
Habitat Conservation Bank, 15–16  
Hagler, R., 55–6  
hazard risk, 68  
Historic Automobile Group indices, 203–4  
Hoffman, Philip, 169, 172  
hospital receivables, 141–3  
Hu, David, 124  
Hurricane Katrina, 57, 63, 67
- Iceberg Alternative Real Estate, 220–3  
IDR *see* implied discount rate  
IFL *see* intact forest land  
IIG *see* The International Investment Group  
illiquidity, 25–6, 33–5, 227–9  
    *see also* liquidity  
ILS *see* insurance-linked securities  
IMAREX *see* International Maritime Exchange  
IMF (Australia) Ltd, 139–41  
implied discount rate (IDR), 24–5  
Impressionists, 174–6  
innovation, 113  
insurance risk transfer, 57–101  
    asset characteristics, 61–2  
    classification, 60–1  
    constraints, 64  
    evolution, 66–7  
    extreme mortality risk, 98–101  
    investor perspectives, 59, 95  
    life, 61, 66–7, 87–97  
    market overview, 66–7  
    market participants, 58  
    non-life, 60–1, 64–85  
    pandemic-related, 98–101

- insurance risk transfer (*Continued*)  
place in portfolio, 85  
players, 64–6  
in practice, 85–7  
returns, 64, 72–3  
traditional risk bearing, 57–60, 64–5,  
72  
insurance-linked securities (ILS), 59–60,  
67–9, 75  
intact forest land (IFL), 2–3  
intellectual property, 133  
internal rate of return (IRR), 23–5  
The International Investment Group (IIG),  
122, 124  
International Maritime Exchange  
(IMAREX), 117  
investors, 43, 59, 95, 150–1, 155–6  
invoice discounting, 161–2  
IRR *see* internal rate of return  
Islamic art, 181–4
- Jackson, Michael, 155  
Juridica Capital Management, 130
- Khalil, Nasser D., 182  
Kleef, Peter van, 211  
Kroesen, Robert, 47  
Kubli, Heinz, 94  
Kulhanek, Jason, 217  
Kyoto compliant CO<sub>2</sub> trading, 19–20
- Lakeview Capital Market Services, 211  
Lamont, Owen, 215  
land expectations value (LEV), 24–5  
*see also* timberland  
Latin America, 129  
lawsuits in US, 130–2  
leasing, 44–5, 108–20, 160  
'Leggenda e Passione' auction of Ferrari,  
207–8  
legislation and timberland, 35–6, 40  
lending, asset-based, 103–62  
LEV *see* land expectations value  
leverage, 112, 214  
LIBOR (London Interbank Offered Rate),  
73  
life insurance risk transfer, 61, 66–7,  
87–97  
catastrophe-linked securities, 69  
challenges, 97  
constraint, 97  
indices, 97  
investor perspectives, 95  
life settlement, 88  
longevity, 61, 87–90  
macro longevity, 89–90  
market overview, 67  
micro longevity, 88–9  
mortality, 87–8  
outlook, 97  
players, 66  
policy holders, 89  
pool of policies, 90  
rationale, 89–90  
risk, 90–1  
statistics, 88  
strategy instruments, 95–7  
structural benefits, 96  
third party, 90  
the underlying, 88  
valuation, 91–5  
life settlement, 88, 93–5  
liquidity  
behaviour finance, 217  
illiquidity, 25–6, 33–5, 227–9  
insurance risk transfer, 62  
liquid asset led premiums, 227–8  
trade finance, 125–6, 129  
wine, 197–8  
litigation investing, 130–41  
Australia, 138–41  
case studies, 135–41  
challenges, 133  
claimants, 135  
commercial litigation, 132, 135  
credit crisis, 134–5  
defendants, 135  
future developments, 138–9  
intellectual property, 133  
lawsuit profile, 130–2  
lawyer perspectives, 135–8  
market capacity, 133  
packaging claims, 137–8  
raison d'être, 132  
Liv-ex, 195–6  
loan-based lending, 108–13  
longevity, 61, 87–9, 96  
losses, 101, 211–12

- managers of funds, 69–74, 98–9,  
215–7
- markets/marketing  
Classic Modern photography, 186  
competitiveness, 53  
growth, 129–30, 171  
insurance risk transfer, 66–7  
pricing, 220–3  
real estate, 220–3  
trade finance, 129–30
- maturity factoring, 159
- MDEX *see* The Trend Exchange
- media derivatives, 151
- Mei, Richard (Bin), 23–4, 35
- Messerli, Jean-Paul, 94
- Metcalf, Charlie, 153
- meteorite risk, 80
- Middle Eastern art market, 181–4  
*see also* Islamic art
- Miles, James, 195
- mortality, 87–8, 92–4, 98–101
- Moses, Michael, 168
- museums, 170
- music investing, 152–8  
artist-centric model, 155–8  
challenges, 153  
characteristics, 152–3  
competitiveness, 155  
copyrights, 153–4  
digital downloading, 154–5  
performance potential, 155  
piracy, 154–5  
risk, 154  
value creation, 154
- mutual betting, 218–9
- Myers, Rob, 204
- Nakada, Peter, 68
- natural catastrophes *see* catastrophes
- natural disasters *see* disasters
- NCREIF Timberland Property Index,  
29–30
- Nephila Capital, 69
- net present value (NPV), 23–5
- neural investing, 217–9
- niche investing, 149–50, 226  
*see also* collectables
- Nielsen, Ingrid, 40
- Nielson, Dennis, 17, 49
- non-life insurance risk transfer, 60–1,  
64–85  
case studies, 74–85  
fund manager perspectives, 69–74  
issuance trends, 69–70  
market overview, 66–7  
modeller perspectives, 68–9  
natural disasters, 86–7  
new risks, 70  
players, 64–5  
risk classification, 60–1  
role of models, 74–80  
affordability issues, 78  
catastrophe models 74–5  
catastrophes 74–5, 78–80  
challenges to markets, 75  
constraints, 75  
earthquake in Tokyo, 80  
events affecting models, 77  
factors prompting model-building,  
76–7  
impact of crises 75–6  
meteorite risk, 80  
terrorism, 78–80  
Solidum EL S Fund SAC Fund 2, 80–5  
statistics, 66–7
- non-recourse factoring, 159
- non-notification factoring, 159
- Nonon Rose, 135
- notes, 96
- notification factoring, 159
- NPV *see* net present value
- Nude, Green Leaves and Bust* (Picasso),  
169–70, 177
- oil prices, 129
- Old Masters, 172–4
- opportunistic investment, 27
- opportunities *see* SWOT analysis
- ownership of aircraft, 111–2
- painters/paintings, 170–1, 174–5
- Panamanian timberland, 47–9
- Panamax bulk carriers, 117–20
- pandemic-related insurance investing,  
98–101
- pari* mutual betting, 218–9
- pension funds, 226–7
- perceived risk, 20

- performance  
aviation finance, 110  
contemporary art, 178  
Iceberg Alternative Real Estate LLP, 222  
Old Masters, 173–4  
ship financing, 115–6  
Solidum ELS Fund SAC Fund 2, 84  
trade finance, 124  
volatility investing, 214
- photography, 184–8  
Picasso, 169–70, 177  
piracy, 154–5  
plantations, 47  
*see also* timberland  
Polstein, Peter M., 58  
portfolios, 83–4, 185–6, 220–1, 225–9  
Post-Impressionists, 174–6  
*see also* Impressionists  
Power Amp Music, 155  
PRI *see* Principles of Responsible Investment  
prices/pricing  
behaviour finance, 215–7  
*en primeur* wine, 191  
fuel prices, 112–3  
Iceberg Alternative Real Estate, 220–3  
mispricing correction, 216–7  
non-life insurance risk transfer, 73  
real estate, 220–3  
volatility investing, 212–3  
Principles of Responsible Investment (PRI), 5  
private trading, 171  
probabilistic valuation, 92–3  
purchase order financing, 160
- Qatar, Emir of, 182
- rare cars, 200, 204–5  
Rawson-Mackenzie, David, 92  
re-factors, 162  
real estate, 160, 220–3  
recession, 206  
recourse factors, 161  
Red-Cockaded Woodpecker conservation story, 16–17  
regulation and timberland, 8  
reinsurance, 57, 59, 71, 73, 100
- return led premiums, illiquid, 227–8
- returns  
asset-based lending, 107  
effect of disasters, 87  
Global Maritime Assets, 119  
hospital receivables, 143  
insurance risk transfer, 64, 72–3  
IRR, 23–5  
ship financing, 115  
trade finance, 123, 128–9
- risk  
asset-based lending, 107–8  
aviation finance, 110  
behaviour finance, 216–7  
catastrophe risk, 68, 72  
counterparty risk, 83  
event risk, 62–3  
extreme mortality risk, 98–101  
Global Maritime Assets, 118–9  
hazard risk, 68  
hospital receivables, 142–3  
Iceberg Alternative Real Estate, 220–1  
insurance risk transfer, 57–101  
Islamic art, 184  
life insurance risk transfer, 90–1, 95  
litigation investing, 138  
pandemic risk, 98–101  
portfolio risk, 220–1  
trade finance, 123–4, 128–9  
vintage cars, 199, 201–2  
vulnerability risk, 68  
weather risk, 70–2  
risk management, 81–3, 192–3, 220–1  
Risk Management Solutions, Inc. (RMS), 66, 68, 75–6, 79, 100  
risk transfer, insurance-linked, 57–101  
RM Auctions, 204  
RMS *see* Risk Management Solutions, Inc.  
Roeckemann, Christian, 33  
Romanian timberland, 45–7  
Russian art, 179–81  
Russian timberland, 4, 7, 43–5, 56  
Rutten, Lamon, 123
- Schauble, Barney, 69  
secured lending, 158–9  
securities, 59–60, 67–9  
sentiment risk, 216

- ship financing, 114–20
  - case study, 118–20
  - characteristics, 115
  - Global Maritime Assets, 117–20
  - outlook, 116
  - performance, 116, 162
  - return drivers, 115
  - statistics, 115
  - strategies, 116
  - structure, 115
  - SWOT analysis, 114
- shipping bottlenecks, 128
- single-invoice factors, 161
- Solidum ELS Fund SAC Fund 2, 80–5
- sovereign debt crisis, 73, 75–6
- spot factoring, 160
- spreads, 72–3
- SRCM *see* Swiss Re Capital Markets
- State Street Absolute Return Investment Strategies Advisors 228
- strengths *see* SWOT analysis
- supply, 32–3, 56
- swaps, 96
- swine flu pandemic, 99
- Swiss Re Capital Markets (SRCM), 85
- SWOT (strengths, weaknesses, opportunities and threats) analysis
  - asset-based lending, 105–7
  - aviation finance, 109
  - ship financing, 114
- synthetics, 96
- taxation, 36, 54
- teak, 47–52
- terrorism, 78–80
- third party insurance, 90
- threats *see* SWOT analysis
- timber investment management organisation (TIMO), 29–33, 52
- timberland, 1–56
  - 2010 and beyond, 53–5
  - bioenergy example, 12–15
  - biological productivity, 9–10
  - Brazil, 40–3, 54
  - carbon credits, 17–20
  - challenges, 55–6
  - characteristics, 5–6
  - China, 3–4, 7, 35–9, 56
  - as a commodity, 28–9
  - conservation, 15–17
  - country case studies, 35–49
  - defining investability, 1–2
  - global emergence, 52–3
  - illiquid investment, 25–6, 33–5
  - investment
    - drivers, 6–9
    - markets, 53–5
    - objectives, 25–7
    - in practice, 29–35
    - strategy, 27–9
  - investor profile, 53
  - liquid investment, 26, 33–5
  - location, 6–7
  - measuring risk, 22–5
  - opportunistic investment, 27
  - opportunities, 55–6
  - option strategy, 28–9
  - outlook, 52–3
  - Panama, 47–9
  - perceived risk, 20
  - price volatility, 6
  - quadrant approach, 55
  - real risk, 21
  - returns, 9–20, 22–5, 38–9, 42–3
  - risk, 20–5
  - Romania, 45–7
  - Russia, 4, 7, 43–5, 56
  - statistics, 1–4
  - storing value on stump, 5
  - strategic options, 9, 11–12
  - supply/demand, 32–3, 56
  - teak case study, 49–52
  - technology, 8
  - TIMO, 29–33, 52
- TIMO *see* timber investment management organisation
- Tokyo earthquake, 80
- trade finance, 121–30
  - Africa, 124, 129–30
  - banks, 124–5, 128
  - borrower profile, 127
  - broader asset base, 126
  - characteristics, 122
  - entry barriers, 128
  - finance structures, 126
  - investible universe, 122
  - Latin America, 129

- trade finance (*Continued*)  
liquidity, 125–6, 129  
market growth, 129–30  
new entrants, 127–8  
outlook, 124, 130  
performance, 124  
players, 122  
returns, 123, 128–9  
risk, 123–4, 128–9  
securing loans, 127  
strategies, 122–3  
SWOT analysis, 122  
tightening systems, 125–6
- traditional insurance risk bearing, 57–60,  
64–5, 72
- trees, 17–20, 36–7, 41  
*see also* timberland
- The Trend Exchange (MDEX), 151
- UN Principles of Responsible Investment  
(PRI), 5
- underlying, 88
- United States (US)  
lawsuits, 130–2  
non-life insurance risk transfer, 73–4  
timberland, 4, 29–33, 52  
TIMO, 29–33, 52
- valuation  
aircraft, 111  
life insurance risk transfer, 91–5  
vintage cars, 204
- value creation, 154
- value effect, 215–6
- van Kleef, Peter, 211
- very contemporary art, 177–8
- vintage cars, 199–209  
auctioneer perspectives, 204–6  
case studies, 206–9  
characteristics, 199  
costs, 200  
Ferrari cars, 204–9  
financial crises, 204–5  
Historic Automobile Group, 203–4  
investible universe, 199  
investment cycles, 205–6  
investment-grade cars, 206  
market access, 203  
market bubbles, 205  
performance, 203  
rare cars, 200, 204–5  
re-sale aspects, 204  
recessions, 206  
returns, 200–1, 205  
risk, 199, 201–2  
strategies, 202–3  
SWOT analysis, 202  
value maintenance, 204
- Vita Capital (I, II, III, IV), 100
- volatility, 62, 129, 211–15
- vulnerability risk, 68
- Walker, John, 139
- Wan, Pollyanna, 92
- weaknesses *see* SWOT analysis
- weather risk, 70–2
- web 2.0, 157–8
- Western Europe, 54
- wine, 188–98  
arbitrage, 197  
buy and hold strategy, 190–1, 197  
characteristics, 190  
costs, 198  
credit crisis, 197  
*en primeur* prices, 190–1  
liquidity, 197–8  
Liv-ex index, 195–6  
observations, 198  
outlook, 194–5  
performance, 193–4  
regions, 193–4  
return drivers, 192  
risk management, 192–3  
‘shorting’ wines, 196–7  
strategies, 190–2, 197–8  
SWOT analysis, 188–9  
time frames, 196  
tradable pool, 197