

# Contents

<b>Preface</b>	<b>vii</b>
<b>Acknowledgments</b>	<b>ix</b>
<b>PART ONE</b>	
<b>Overview</b>	<b>1</b>
<b>CHAPTER 1</b>	
<b>The Basics of Hedge Fund Investing</b>	<b>3</b>
<b>CHAPTER 2</b>	
<b>Who Invests in Hedge Funds and Why?</b>	<b>37</b>
<b>CHAPTER 3</b>	
<b>Industry Trends, Flows, and Characteristics</b>	<b>69</b>
<b>PART TWO</b>	
<b>Understanding the Strategies</b>	<b>89</b>
<b>CHAPTER 4</b>	
<b>Global Macro Investing</b>	<b>91</b>
<b>CHAPTER 5</b>	
<b>Long and Short Equity Strategies</b>	<b>115</b>
<b>CHAPTER 6</b>	
<b>Fixed Income Relative Value and Credit Arbitrage Strategies</b>	<b>165</b>

<b>vi</b>	<b>CONTENTS</b>
<b>CHAPTER 7</b>	
<b>Convertible Arbitrage Strategies</b>	<b>193</b>
<b>CHAPTER 8</b>	
<b>Multistrategy Funds and Funds of Hedge Funds</b>	<b>211</b>
<b>PART THREE</b>	
<b>Evaluating Factors Influencing Individual Fund Risk and Reward</b>	<b>231</b>
<b>CHAPTER 9</b>	
<b>Measuring Performance and Performance Persistence</b>	<b>233</b>
<b>CHAPTER 10</b>	
<b>Impact of Fund Characteristics and Terms on Performance</b>	<b>255</b>
<b>CHAPTER 11</b>	
<b>Performing Due Diligence on Specific Managers and Funds</b>	<b>271</b>
<b>CHAPTER 12</b>	
<b>Evaluating the Roles of Service Providers</b>	<b>297</b>
<b>Conclusion</b>	<b>327</b>
<b>Glossary</b>	<b>329</b>
<b>Index</b>	<b>337</b>