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# Commodity Trading Advisors

Risk, Performance Analysis, and Selection

GREG N. GREGORIOU • VASSILIOS N. KARAVAS FRANÇOIS-SERGE LHABITANT • FABRICE ROUAH

## Commodity Trading Advisors

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Risk, Performance Analysis, and Selection

GREG N. GREGORIOU VASSILIOS N. KARAVAS FRANÇOIS-SERGE LHABITANT FABRICE ROUAH



John Wiley & Sons, Inc.

To my mother Evangelia, and in memory of my beloved father Nicholas—G.N.G.

To my parents Virginia and Nikos—V.K.

To the ones I love—F.S.L.

To my parents Jacqueline and Jean, and in loving memory of my grandfather David—F.R.

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#### **Preface**

The idea for this book came about when we realized that a collection of managed futures articles dealing with quantitative and qualitative analyses of commodity trading advisors (CTAs) could be a useful and welcomed addition to existing books on the subject. The chapters that follow introduce readers to many of the issues related to managed futures that we believe are vital for proper selection and monitoring of CTAs. These issues include performance assessment, benchmarking, and risk management of managed futures investing, evaluation and design of managed futures programs, CTA management and incentive fees, and regulatory considerations.

All chapters in this book are written by leading academics and practitioners in the area of alternative investments. Although some chapters are technical in nature, we have asked the contributors of those chapters to emphasize the impact of their analytical results on managed futures investing, rather than to focus on technical topics.

We, therefore, believe this book can serve as a guide for institutional investors, pension funds managers, endowment funds, and high-net-worth individuals wanting to add CTAs to traditional stock and bond portfolios.

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