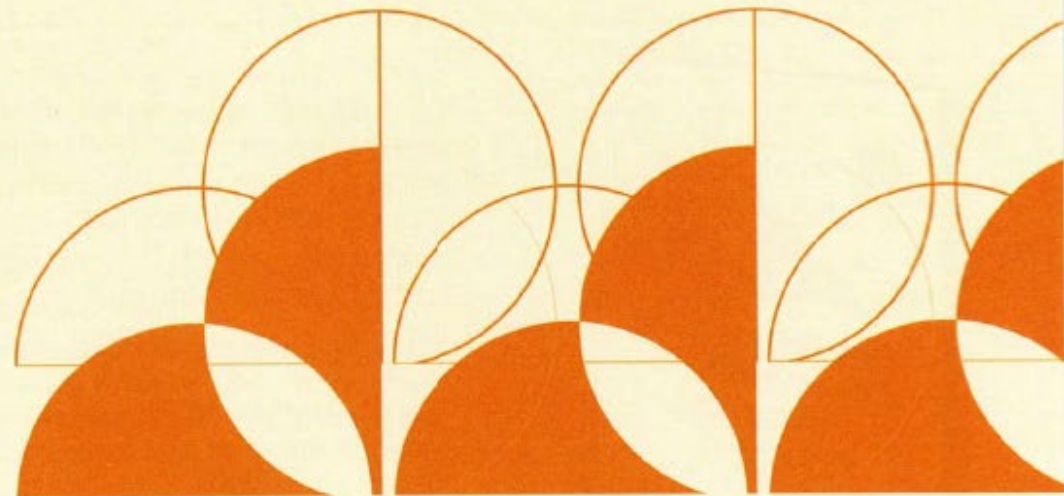


**Risk**books

# Intelligent Commodity Investing

New Strategies and  
Practical Insights for  
Informed Decision Making

Edited by Hilary Till  
and Joseph Eagleeye





---

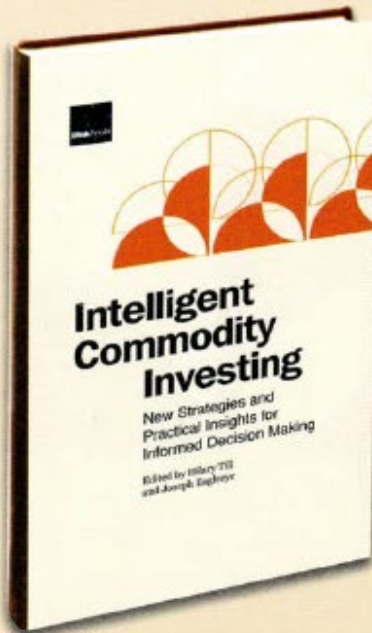
“This book covers a full range of concepts that are critical for anyone investing in these markets.”

Mr David Kuenzi, Head of Risk Management and Quantitative Research, Glenwood Capital Investments, LLC

“Essential reading for commodity investors, or would-be investors, everywhere.”

Sir Howard Davies, Director, London School of Economics and Political Science; and Former Chairman of the Financial Services Authority

---



**New for 2007**

---

Price  
£99/US\$178/€149

Format  
Hardback, c350pp  
ISBN  
978 1 904339 63 2

---

As commodities move into the realm of respectable investments and with research continually demonstrating their attractiveness in an overall portfolio, this book provides institutional investors with a framework for intelligent commodity investing.

With the booming interest in commodity investment – as investors seek alternatives to more traditional investments – there is a growing demand for up-to-date investment information. *Intelligent Commodity Investing* presents a breadth of opinions (see full list of contributors overleaf) for sophisticated investors. Comprehensive insights into commodity investment from the perspective of: The Investor, The Active Manager, The Commodity Index Provider, The Risk Manager and The Researcher.

In response to the rapid growth in the market, this timely publication will bring you up to speed on the trends and challenges of commodity investment, providing you with a practical investment framework.

Recommended reading for hedge fund managers, pension fund consultants, mutual fund portfolio managers, endowment chief investment officers, futures traders, family office investors, commodity trading advisers, brokers, dealers and MBA students researching this important subject.





# Contents and contributors



## Foreword

Robert Greer, PIMCO

## Introduction

Hilary Till and Joseph Eagleeye,  
Premia Capital Management, LLC

## I Overview

- 1 **Commodities: Trends, Cycles and Investment Implications**  
Sean Corrigan and Stephan Wrobel,  
Diapason Commodities Management S.A.

## II Research Perspective

- 2 **Introduction to a Long-Term Perspective on Commodity Futures Returns**  
Hilary Till, Premia Capital Management, LLC  
and EDHEC Risk and Asset Management  
Research Centre
- 3 **Part I of a Long-Term Perspective on Commodity Futures Returns: Review of the Historical Literature**  
Hilary Till, Premia Capital Management, LLC  
and EDHEC Risk and Asset Management  
Research Centre
- 4 **Part II of a Long-Term Perspective on Commodity Futures Returns: Term Structure as the Primary Driver of Returns**  
Hilary Till, Premia Capital Management, LLC  
and EDHEC Risk and Asset Management  
Research Centre
- 5 **Predictability in Commodity Futures Markets**  
Frans de Roon, Tilburg University
- 6 **Commodities and Strategic Asset Allocation**  
Thomas Idzorek, Ibbotson Associates

- 7 **An Evaluation of the Commodity Exposure in Commodity Trading Advisors**  
Bhaswar Gupta, CISDM and Kathryn Wilkens,  
CAIA

## III Index-Provider Perspective

- 8 **Commodity Index Fundamentals**  
Daniel Raab, AIG Financial Products
- 9 **Structural Shifts in Commodity Index Investing**  
Michael Lewis, Deutsche Bank
- 10 **The Long and Short of Commodity Futures Index Investing**  
Jodie Gunzberg and Paul Kaplan, Morningstar

## IV Active-Manager Perspective

- 11 **Enhanced Commodity Indexing**  
Michael Magers, Barclays Global Investors
- 12 **Commodity Returns: Implications for Active Management**  
Kenneth J. Armstead and Ram Venkatraman,  
Absolute Plus Management, LLC
- 13 **Relative-Value Trading Opportunities in Energy and Agriculture**  
Ashmead Pringle and Tom Fernandes,  
GreenHaven LLC
- 14 **Collision: Investing for the New World Commodity Order**  
Colin Waugh, Galtere International Fund

## V Investor Perspective

- 15 **Alpha, Beta, and Commodities: Can a Commodities Investment be both a High Risk-Adjusted Return Source and a Portfolio Hedge?**  
Rian Akey, Cole Asset Management
- 16 **Dynamic Commodity Timing Strategies**  
Evert Vrugt, Rob Bauer, Roderick Molenaar  
and Tom Steenkamp, ABP Investments

- 17 **Conducting Investment Due Diligence on Active Natural-Resource Managers**  
John E. Dunn III, UBK Alternative Investments

## VI Risk Management Perspective

- 18 **Risk Management Best Practices for Investments in Energy and Commodity Markets**  
Carlos Blanco and Jose Ramon Aragonés,  
Black Swan Risk Advisors, LLC
- 19 **Benchmark-Relative Risk in Active Commodities Portfolios: Incorporating Fat Tails and Downside Risk**  
Mark Hooker, State Street Global Advisors
- 20 **Risk Management, Strategy Development and Portfolio Construction**  
Joseph Eagleeye, Premia Capital Management

## VII New Market Developments

- 21 **The Move to Electronic Trading: What to Expect in the Natural-Resources Commodity Markets**  
George T. Dowd III, Spectrum Asset  
Management, LLC
- 22 **The Evolution of Commodity Structured Products: From the Gold Market to Collateralized Commodity Obligations**  
Matthew Schwab, AIG Financial Products
- 23 **Trading Carbon in Europe**  
Paul Cameron and Jeremy Wilcox,  
Intelligent Carbon
- 24 **Chinese Commodity Markets: History, Development and Prospects**  
Nick Ronalds, UBS and Wang Xueqin,  
Zhengzhou Commodity Exchange