

Roundtable white paper has alternative investing advice

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People buy nontraditional assets to diversify their stock and bond portfolios, the goal being to lower volatility, lessen losses and improve overall results.

Some invest in gold or currencies, or put their money in real estate. But these don't usually act like stocks and bonds and cash equivalents, the traditional investor assets.

Alternative investments are the stuff of futures, commodities, hedge funds, private equity and venture capital. And as you might expect, Greenwich is the home of an organization that focuses on providing education on this very topic. Called the Greenwich Roundtable, this is where the experts meet to discuss cutting-edge strategies and new styles of nontraditional investing, according to executive director [Steve McMenamin](#).

Of course, the goal of improving returns is not always achieved, especially when credit markets freeze, as they did after the collapse of Lehman Brothers in September 2008. Even the best minds who ran the best and the biggest endowment and pension funds were caught in a liquidity trap because of Lehman's demise. Hedge funds did not hedge effectively. Protective strategies did not work. Money was lost.

Such events call for self-exploration, and the Roundtable provides a venue for that type of analysis to take place in discussion forums and through publications.

One such publication deserves to be read by all who are interested in the topic: "Best Practices in Alternative Investing: Portfolio Construction."

Published this year, the Roundtable's white paper is not a blanket advertisement for the alternative industry. It is a real, unbiased and refreshing statement of how the alternative world works.

Here is a sample.

When choosing hedge fund managers, people naturally look at returns. But what should you make of the returns they claim?

Because the dissemination of return data is voluntary, return data can be skewed.