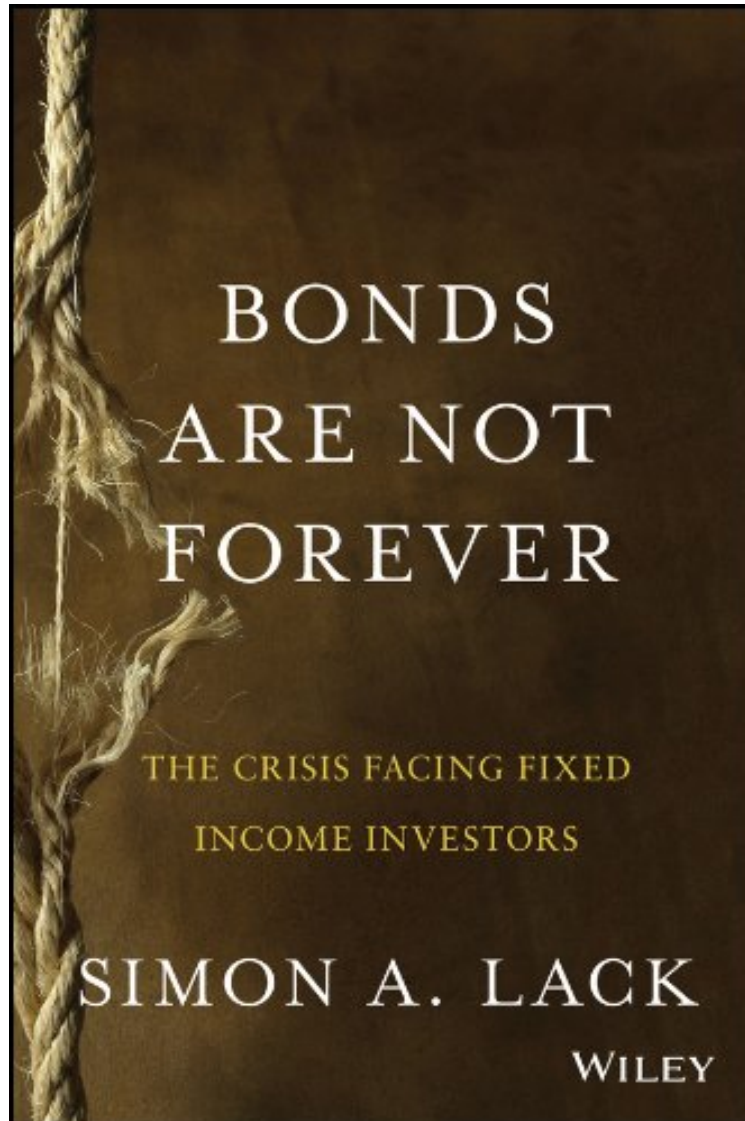


[Download] Bonds Are Not Forever: The Crisis Facing Fixed Income Investors

Bonds Are Not Forever: The Crisis Facing Fixed Income Investors

Simon A. Lack

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Simon A. Lack : Bonds Are Not Forever: The Crisis Facing Fixed Income Investors before purchasing it in order to gauge whether or not it would be worth my time, and all praised Bonds Are Not Forever: The Crisis Facing Fixed Income Investors:

2 of 2 people found the following review helpful. Investing Common SenseBy ChasIn the interests of full disclosure, I have known the author for many years.It is refreshing to read a book that puts the investor first and gives a well thought out economic approach to the pitfalls of investing in Bonds, in the current environment. Governments and Central Banks are keeping interest rates artificially low post the economic crisis of 2007 and 2008 and Simon gives a succinct history of how Governments have operated in these scenarios over centuries.The text allows those not

familiar with the financial world to gain an insight into how that world operates in the major financial centers, but notably New York. This book will benefit both the individual or professional investor, in terms of thinking about changing your traditional approach to investing if you want to beat inflation. I believe it would also benefit the political class, to better understand the ramifications for investors and their constituents by the lost art of compromise.

0 of 1 people found the following review helpful. It is an easy read and makes you aware of several important considerations ... By Larry R Campbell If you have any bond or bond funds in your portfolio (or you plan to) this should be required reading. It is an easy read and makes you aware of several important considerations that you probably have not thought about or focused on.

0 of 2 people found the following review helpful. Not Great By Roger Lussier Not much on how to handle the "crisis". Mostly a personal history..not useful to a person with even a small knowledge of the bond market Books by Cohen are much better and filled with practical advise.

An up-close look at the fixed income market and what lies ahead Interweaving compelling, and often amusing, anecdotes from author Simon Lack's distinguished thirty-year career as a professional investor with hard economic data, this engaging book skillfully reveals why Bonds Are Not Forever. Along the way, it provides investors with a coherent framework for understanding the future of the fixed income markets and, more importantly, answering the question, "Where should I invest tomorrow?" Bonds Are Not Forever chronicles the steady decline in interest rates from their peak in the 1980s and the concurrent drop in inflation during that period. Lack explains how those two factors spurred a dramatic growth in borrowing among both governments and individuals. Along the way, Lack describes how a financial industry meant to provide capital needed to drive productivity and economic growth became disconnected from Main Street and explores the grave economic, social, and political consequences of that disconnect. Provides practical solutions for avoiding the risk of falling bond markets and guaranteed negative real returns on savings Explains how the bursting of the real estate bubble in 2007–2008 led to massive borrowing by governments as they attempted to offset a sharp fall in economic activity Details how the trends of exploding debt and a financial sector that has grown much bigger than it needs to be have dramatically changed the game for savers Offering a uniquely intimate, yet analytically thorough look at the coming fixed income crisis, Bonds Are Not Forever is must reading for investment professionals, as well as retail investors and their advisors.

From the Inside Flap In his international bestseller, *The Hedge Fund Mirage*, Simon Lack blew the lid off of the hedge fund industry, revealing why, despite their grandiose claims of record-breaking returns, the industry's chief beneficiaries have been hedge fund managers themselves. Now, in a book that is sure to become a finance classic, Lack shifts his focus to the fixed income markets to explain why, while fixed income may once have been a great investment, for the foreseeable future, investing in bonds could be hazardous to your financial health. But before you can understand why bonds, long a reliable source of portfolio income, should be handled with extreme caution, it is important to know the full story of how we got here.

Interweaving compelling, often amusing anecdotes from Simon Lack's distinguished thirty-year career as a professional investor with hard economic data, *Bonds Are Not Forever* tells that story, identifying the forces that have shaped the financial sector over the past three decades. In the process, it provides investors with a coherent framework for understanding the future of the fixed income markets and, more importantly, answering the question, "Where should I invest tomorrow?"

A story in two parts, *Bonds Are Not Forever* begins by chronicling the steady decline in interest rates from their peak in the 1980s and the concurrent drop in inflation during that period. Lack explains how those two factors spurred a dramatic growth in borrowing among both governments and individuals. He relates how Clinton-era policies drove home ownership to historic levels leading to the real estate boom. And he explains how the bursting of the real estate bubble in 2007–2008 led to massive borrowing by governments as they attempted to offset a sharp fall in economic activity. The other big story during this time was the explosive growth of financial services, as banks, brokers, and Wall Street, encouraged by the loosening of financial regulations, have come to claim an unprecedented portion of global GNP. Lack describes how an industry that was meant to provide the capital needed to drive productivity and economic growth became disconnected from Main Street and the grave economic, social, and political consequences of that disconnect. Lack explains how those trends—exploding debt and a financial sector that has grown much bigger than it needs to be—have dramatically changed the game for savers, engendering an environment hostile to bond investors. And he provides practical solutions for avoiding the risk of falling bond markets and guaranteed negative real returns on savings resulting from a massive transfer of real wealth to those who have borrowed too much.

Offering a uniquely intimate, yet analytically thoroughgoing look at the coming fixed income crisis, *Bonds Are Not Forever* is must reading for investment professionals, as well as retail investors and their advisors.

From the Back Cover **Praise for BONDS ARE NOT FOREVER** "Simon Lack, a former J.P. Morgan trader and money manager, advises investors to steer clear of U.S. Treasury bonds on the grounds that the government's indulgence in the age-old practice of inflating away debt makes a negative return likely. His book also offers an insider's account of the dramatic changes in international finance at a time when a global explosion in public and private debt was expanding the size, scope, and complexity of banking. Personal anecdotes, especially about the fast-paced trading of exotic 'derivatives,' make this book not only

informative, but entertaining. It won't, however, relieve anxieties about the current fragile state of the global economy." —George Melloan, former editor and columnist, Wall Street Journal, and author of *The Great Money Binge* "This fascinating and prescient narrative of the bond market's past, present, and future will captivate both professional and personal investors. Peppared with anecdotes from Mr. Lack's four decades of experience in the financial markets, this book prepares financial stakeholders for an investing landscape that may look very different from what they have come to take for granted." —Gabriel Hammond, founder and Portfolio Manager, Oppenheimer SteelPath Funds, and founder, Alerian "In *The Hedge Fund Mirage*, Simon Lack exposed the appalling mediocrity of a hedge fund industry grown fat on investors' fees. In his latest book, he takes on the great thirty-year bond bull market, turning an insider's eye on how we got here and the risks that lurk in portfolios of supposedly safe debt." —Dan McCrum, U.S. Investment Correspondent, Financial Times

About the Author Simon A. Lack has worked as a trader and hedge fund investor for more than thirty years. Following twenty-three years with J.P. Morgan, he founded SL Advisors, LLC, a Registered Investment Advisor, in 2009. Much of Simon's career at J.P. Morgan was spent in North American Fixed Income Derivatives and Forward FX trading, a business that he ran successfully through several bank mergers and culminated in his overseeing fifty professionals and \$300 million in annual revenues. In addition, Simon Lack sat on J.P. Morgan's investment committee, allocating over \$1 billion to hedge fund managers and founded the J.P. Morgan Incubator Funds, two private equity vehicles that took an economic stake in emerging hedge fund managers. Currently, Simon chairs the Investment Committee of Wardlaw-Hartridge School in Edison, New Jersey, and also chairs the Memorial Endowment Trust Investment Committee of St. Paul's Episcopal Church in Westfield, New Jersey. He is the author of *The Hedge Fund Mirage: The Illusion of Big Money and Why It's Too Good to Be True*, which received high praise from the mainstream financial press, including the Economist, the Financial Times, and the Wall Street Journal. Simon makes regular appearances on cable business shows as an expert on hedge funds and investing. He is a CFA charter holder.