



## Hedge Funds

Hedge funds are one of the fastest growing, yet probably least understood, sectors of the asset management industry. This course presents a detailed and comprehensive picture of the hedge fund industry.

## Targeted Audience

Employees of funds, family offices, private client financial service providers, individual investors and others involved directly or indirectly in the development of, offering of, marketing of and investing in hedge funds.

## Special Offer

Clients who register for this course will receive a complimentary 4-month subscription to FT.com. The Financial Times is the world's most respected financial newspaper, providing a broad assessment on finance, business and the industrial sector. The move to the electronic version follows an ongoing review of our environmental responsibilities as a global business and as part of the Pearson group. FT.com also has features that are not available in hard copy, such as: Special Reports, Alphaville, editor blogs, education sections and much more! Subscriptions will start within 6-8 weeks of the start of class and are limited to one subscription per client. (Please note: as of May 1, 2011, the electronic subscription replaces the hard-copy 3-month Financial Times subscription.)

## Advance Preparation

No advance preparation required.

## Prerequisites

This program assumes no (or very little) prior knowledge of hedge funds. While not required, attendees would benefit from having prior basic knowledge of capital markets and derivatives.

## Learning Objectives

Students will be able to:

- . Describe the main characteristics of hedge funds
- . Distinguish among the different types and styles of hedge funds
- . Explain who invests in hedge funds and why
- . Identify the issues and risks faced by hedge fund managers and hedge fund investors

## **Alumni Comments**

*"Great job providing an overview of a complex industry."*

*"Instructor was well-prepared and well-informed. He used real examples to make the subject matter more interesting."*

*"The real life examples help you to better understand concepts."*

*"The instructor cited simple real-life examples/scenarios to explain theories."*

*"Very knowledgeable and experienced instructor!"*

**Level: Intermediate**

**cfp Credits: 7.0**

**CPE Credits: 7.0**

**Instructional Method: Group-Live**

## **Detailed Outline**

### **Introduction**

- . Traditional Investments and Alternative Assets
- . Rationale for Hedge Funds in an Investor s Portfolio
- . Definition of a Hedge Fund and the Concept of Hedging
- . Common Hedge Fund Traits
- . History of the Hedge Fund Industry
- . Size and Growth of the Industry
- . Why have they been so successful? Comparisons with the long-only world

## **How a Hedge Fund Works**

- . Governing Regulations
- . Legal Structures
- . Documentation

## **Hedge Fund Providers and Counter-Parties**

- . Outside Service Providers
- . Prime Brokerage

## **Hedge Fund Strategies**

- . Market Directional
- . Corporate Restructuring
- . Convergence Trading
- . Opportunistic

## **Issues for Hedge Fund Investors**

- . Who can invest in Hedge Funds
- . Due Diligence
- . Fees
- . Portfolio Monitoring
- . Benchmarks and Biases
- . Leverage
- . Unique Risks for Hedge Funds
- . Fund of Funds
- . Portfolio Construction

## **Risk Management for Hedge Funds**

- . Measures of Return
- . Measures of Risk
- . The non-correlated Asset Class
- . Tools for the Analysis of Financial Risk From VaR to Stress Testing

For more information regarding administrative policies such as complaints and refunds, please contact our offices at 212-641-6616.