Inside Hedge Funds
SYLLABUS for COURSE 390-04
Duke University, Economics Dept
Fall, 2015

Course: Inside Hedge Funds, Course #390-04
Course Classroom: 327 Social Sciences Bldg
Class time: Wednesdays from 1:25pm-3:25pm
Professor: Linsey Lebowitz Hughes
Professor’s Office: 327E Social Sciences Bldg, 3rd Floor
Office Hours: Mon & Tues 10:30am-12:30pm
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IMPORTANT NOTES:
• Your grade for this class will be equally weighted between: your class participation, the mid-term assignment & the final assignment.
• If you cannot make it to class, please email me in advance. Your participation is a large component of your grade, so attendance is important.
• On days when we have guest speakers, please do not wear t-shirts or flip flops — I will not ask you to come in suits, but looking polished is appreciated, THANK YOU!
• Because of the abundance of guest speakers, who all have busy schedules, some of the dates and lectures may be subject to change. I ask for your patience on this and promise to send an updated syllabus if this occurs.
• As you are all aware, all of us at Duke University take the Honor Code very seriously. I expect students in this course to understand and abide by it, which includes the expectation that you all work independently on assignments, unless I state otherwise. Here’s the resource for any guidance on student conduct: http://studentaffairs.duke.edu/conduct/about-us/duke-community-standard
• Audio recordings of this class are not permitted and students will be asked to keep the information shared by some of our guest speakers confidential. Anyone who is on the staff of The Chronicle is not permitted to take this class. Let’s honor this so that we can continue to get high quality visitors & information.

INSIDE HEDGE FUNDS COURSE CURRICULUM:

August 26th
Introduction of Inside Hedge Funds class – what to expect this semester
Our Classmates – who we are, where we’ve been & where we are going
The Hedge Fund basics – learning the language, new sources (handouts)
The History of Hedge Funds – Tiger Management, Tiger Cubs & Soros
How Hedge Funds look now
Overview of HF Competition

ASSIGNMENT: Familiarize yourself with HF language, resources and news (see handout)
ASSIGNMENT: Pick your HF Competition Teams (3 per team), Captains & Team names, due on Sept 2nd
NOTE: Email me by Monday, Aug 31st if you need me to assign you to a team!

Sept 2nd
DUE: Submit a page with HF Competition Team members, designated Team Captain & unique Team Name
What does an HF look like on the inside?
What makes a successful HF?
Why do HFs fail?

ASSIGNMENT: “HF Strategy Note Card” assignment (to be handed out in class), due Sept 9th

Sept 9th
DUE: HF Strategy Note Card Assignment
HF Strategy Note Card Presentations
How to launch an HF

Discuss MID-TERM ASSIGNMENT: Top 15 HFs Globally (due Oct 7th)
ASSIGNMENT: Read the book’s intro chapter & Mark Yusko’s chapter from Katherine Burton’s Hedge Hunters (this will be emailed to you)
NOTE: You must sign-up your team on the HF Challenge website by Sept 16th!

Sept 16th
DEADLINE: Sign your team up on the HF Challenge website!
HF Competition Educational Session
No class today, but attendance to this event is MANDATORY (business attire)
Location: Perkins 217, 1-5pm = Educational Session, 5-5:30pm Pizza & Networking
Topics: Manager Selection, Idea Generation, Trade Structuring, Macro View
GUEST SPEAKERS:
Mark Yusko, CEO & Founder of Morgan Creek Capital Management
Dan Magid, Portfolio Manager at Silverback Asset Management
David Perkins, CEO of Hatteras Funds
Last Speaker TBD

Sept 23rd
HF Marketing & Terms
Inside the HF Presentation – verbal & written
HF Roles – What are the jobs at HF and the HF organizational chart
HF vs Investment Banks – Pros & Cons and getting paid

NOTE: Don’t forget that the 1 page outline for HF Competition is due Sept 30th

Sept 30th
DUE: 1 page outline for HF Competition
The world of Investors
Building a portfolio of HFs
Who Invests in HFs – Family Offices, Funds of Funds, Pensions, Endowments, Foundations & Consultants

FINISH YOUR MID-TERM ASSIGNMENTS, DUE Oct 7th!
Oct 7th
MidTerm Presentations: The Top 15 HFs Globally
ASSIGNMENT: Read Roger Lowenstein's *When Genius Failed*
Read LTCM HBS Case Study
Prepare notes on case questions for class discussion on Oct 28th

Oct 14th
Managing Investors in tough times
The HF World post-2008 - Bruised but still standing
Wearing many hats at an HF
Working at a start-up fund
**GUEST SPEAKER: Peter Nolan, Managing Principal, QMS Capital Management (Quant HF)**

Oct 21st
The relationship between HFs & Investment Banks
HF Financing via Prime Brokerage – swaps, leverage, risk & credit
The COO Role at an HF
**GUEST SPEAKER: Peter Alpern, Director of Global Prime Services Sales, Wells Fargo Securities, NY**

Oct 28th
Discuss LTCM Case Study & *When Genius Failed*
The “Big HF Blow-ups” and what we’ve learned
The impact of “Headline Risk”

Nov 4th
How Investors think - an inside look from DUMAC
Understanding & evaluating new vs established hedge funds (from an investor’s perspective)
**GUEST SPEAKER: Justin Nixon (The Duke Endowment’s Co-Head of HF Portfolio)**

Nov 11th
**FINAL HF Competition Presentations due on Nov 11th**

Nov 18th
Discuss The CalPERS story, the evolution of the firm and what’s next for this behemoth
**NOTE: HF Competition is Friday, Nov 20th at 1pm at the Washington Duke Hotel. Please make every effort to attend, even if you are not one of the finalists.**

Nov 25th
**NO CLASS – ENJOY YOUR THANKSGIVING BREAK!**

Dec 2nd
Regulations & the future of the HF industry
Getting a job at an HF
LLH’s Final Words of Wisdom
**LDOC = Dec 4th**