

Inside Hedge Funds
COURSE SYLLABUS
Duke University, Economics Dept
Fall, 2014

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
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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, shorts 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 27th

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 resources and news (see handout)

ASSIGNMENT: Pick your HF Competition Teams (3 per team), Captains & Team names, due on Sept 3rd

Sept 3rd

DUE: HF Competition Teams, Captains & Team Names

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)

Sept 10th

HF Strategy Note Card Presentations

How to launch an HF

GUEST: Wes Van Dyk to visit class to discuss competition

Discuss **MID-TERM ASSIGNMENT: Top 15 HFs Globally (due Oct 8th)**

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 before 1:30pm on Sept 17th

Sept 17th

DEADLINE: Sign your team up on the HF Challenge website by 1pm today!

HF Competition Educational Session

No class today, but attendance to this event is **MANDATORY** (business attire)

Location: Washington Duke Hotel, 1:30-5pm = Educational Session, 5:30pm-7:30pm = 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

Justin Nixon, Head of Public Investments at DUMAC

David Perkins, CEO of Hatteras Funds

Sept 24th

HF Marketing & Terms

Inside the HF Presentation – verbal & written

HF Roles – What are the jobs at HFs and the HF organizational chart

HFs vs Investment Banks – Pros & Cons and getting paid

NOTE: Don't forget that the 1 page outline for HF Competition is due Oct 1st

Oct 1st

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 8th!

Oct 8th

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 29th

Oct 15th

Managing Investors in tough times

The HF World post-2008 - Bruised but still standing

GUEST SPEAKER: Sheila Corcoran, Head of Marketing, Empyrean Capital Partners LLC

Oct 22nd

The relationship between HFs & Investment Banks

HF Financing via Prime Brokerage – swaps, leverage, risk & credit

The COO Role at an HF

GUEST SPEAKER: Scott Carter, N.American Head of Prime Brokerage Sales for Deutsche Bank

Oct 29th

Discuss LTCM Case Study & *When Genius Failed*

The Big HF Blow ups

Headline Risk

Nov 5th

How Investors think - an inside look into 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)

FINAL HF Competition Presentations due on Nov 12th

Nov 12th

HF Competition PRESENTATIONS

Each team will submit a FINAL (written) Presentation and will present to the class & the panel

ASSIGNMENT: Read Commonfund HBS Case Study. Come prepared to Nov 19th class with notes on case questions. Read CalPERS articles and come prepared to discuss this investor on Nov 19th

Nov 19th

Discuss Commonfund Case Study

Discuss The CalPERS story, the evolution of the firm and what's next for this behemoth

NOTE: HF Competition is Friday, Nov 21st at 5pm at the Washington Duke Hotel. Please make every effort to attend, even if you are not one of the finalists.

Nov 26th

NO CLASS – THANKSGIVING BREAK

Dec 3rd

Regulations & the future of the HF industry

Getting a job at an HF

LLH's Final Words of Wisdom

LDOC = Dec 5th