SalmonThrust
Financial Training for Investment Professionals

MBA in Hedge Funds

4 Days

COURSE OVERVIEW

This comprehensive **4-day MBA** gives you in-depth coverage of all strategies employed by hedge funds and delivers the qualitative and quantitative skills investors need to understand and identify a top quality hedge fund. Significant uses of case studies will give you first-hand experience evaluating various hedge funds and trading strategies.

A basic understanding of financial markets and investing is assumed for this workshop. Some mathematical skills are useful as the course introduces various quantitative strategies used by hedge funds and also develops quantitative due diligence techniques.

LEVEL

Managerial

WHAT WILL I GET OUT OF IT?

- Achieve a balanced perspective on hedge fund management with both academic and practical insights.
- Gain a comprehensive and practical understanding of hedge fund strategies.
- Understand the attractiveness of various hedge fund strategies in various economic scenarios.
- Understand the rationale for the implementation of a portable alpha strategy.
- Build superior hedge fund portfolios with sounder risk profiles.
- Make better asset allocation decisions.
- Explain risk and management issues associated with hedge funds.

WHO'S IT FOR?

- Institutional or Private Investors and Advisers
- Investment Consultants, Accountants, and Independent Financial Advisers
- Pension Fund and Endowment Trustees
- Investment and Private Bankers as well as family offices
- Risk Managers, Regulators, Lawyers, and Compliance Officers
- Prime Brokers, Custodians, Administrators, and other Hedge Fund Providers

COURSE CONTENT

Introduction
- A brief history of the hedge fund industry
- What is a Hedge Fund
- Asset growth pattern
- Historical performance
- Contemporary issues such as regulation and marketing approaches
- Fund of Funds, Indices

Fund Analysis Tools
- The measurement of risk
- Return distributions and volatility analysis
- Risk adjusted returns and Sharpe Ratios
- Market efficiency
- Quantitative skill measurement
- Comprehensive coverage of alpha and beta including emphasis on determining the alpha a hedge fund is generating
- Engineering portfolio alpha

Hedge Fund Strategies Part I: Equity
- Equity Long/Short
- Quantitative Equity
- Statistical Arbitrage
- Merger Arbitrage

Hedge Fund Strategies Part II: Fixed Income
- Traditional Credit Strategies including Credit Long/Short
- Modern Credit Strategies including Capital Structure Arbitrage
- Mortgage Backed Securities including prepayment modeling
- Structured Credit and Credit Crisis of 2007

Hedge Fund Strategies Part III: Hybrids
- Volatility Arbitrage and Gamma Trading
- Convertible Bond Arbitrage
- Global Macro
- Distressed Securities and other event driven approaches

Hedge Fund Strategies Part IV: Commodity and FX Strategies
- Commodity and Currency (CTAs)
- System Trading

Performance Analysis
- Efficient Markets, Efficient Frontiers and The Capital Asset Pricing Model
- Determining what a hedge fund has achieved: qualitative and quantitative approaches
- Performance metrics and alpha attribution

Hedge Fund Risk Profiles
- What is an alternative investment
- Do hedge funds deliver alternative returns
- Hedge fund risk profiles
- Synthetic hedge funds

Portfolio Design

- Designing the optimal hedge fund portfolio
- Tools and techniques for portfolio design
- LTCM and hedge fund failures: myths, realities and lessons for investors

Case studies of Amaranth, LTCM and others

Hedge Fund Risk Management

- Market risk measurement
  - Investor requirements
  - Value-at-Risk: Pros, Cons, alternatives
- Style drift
- Operational risk management
  - Back office
  - IT risks

Hedge Fund Due Diligence and Monitoring

- Objectivity and subjectivity
- Due diligence process
- Continual monitoring of hedge fund managers

Hedge Fund Replication

- Factor based techniques
- Distributional cloning

Philosophical Issues

- Survivorship bias, backfill bias, barriers to entry
- Alignment of interests
- Performance option
- Efficient Markets, alpha and risk premiums

Advanced Concepts and Current Issues

- Sharpe Ratio revisited
- Behavioural finance
- Arbitrage: Does it exit?
- Current risk management issues
- 130/30 Funds