
Alternative Investment Strategies

Overview

The primary objective of this program is to provide the participants with an in depth understanding of Hedge Funds as an Alternative Investment Strategy. Alternative Investments represent a growing asset class as distinct from traditional asset classes that included equities, bonds, futures and commodities.

Learning Outcome Statements

- Inception and growth of the hedge fund industry
- How to measure hedge fund performance
- Identify sources of problems at hedge funds
- Make intelligent, well informed decisions with respect to alternative investments

Key Contents

- Introduction to Alternative Investments
 - Hedge Funds
 - Commodity Trading Advisors and Managed Futures
 - Asset Backed Securities – CBOs and CLOs
 - Private Equity and Venture Capital
 - Insurance Linked Securities
- The Hedge Fund Industry
 - Inception and History
 - Size, Growth and Development
 - Performance
 - Key Players
 - Key factors driving the growth of the hedge fund industry
 - Types of Hedge Funds
 - Famous Hedge Funds
 - Advantages and Disadvantages of investing in Hedge Funds
 - Mutual Funds versus Hedge Funds
- Hedge Fund Strategies
 - Long/Short Equity Market Neutral
 - Convertible Arbitrage
 - Distressed Debt
 - Relative Value Fixed Income

- Global Macro
- Multi-Strategy Funds
- Emerging Markets and High Yield
- Short Sellers

- Measuring Hedge Fund Performance
 - Sources of monthly NAV Data
 - Selection of Benchmark Index
 - Selection of Peer Group
 - Annual Returns
 - Annual Volatility
 - Sharpe Ratio
 - Sortino Ratio
 - Maximum Drawdown
 - Down-side Deviation
 - Percentage Positive Months
 - Consistency of Returns
 - Computing the "Alpha" of a Hedge Fund

- Fund of Hedge Funds
 - Advantages
 - Disadvantages
 - Cost of Conducting Hedge Fund Research for a Fund of Funds
 - Major Fund of Hedge Funds
 - Performance of Fund of Hedge Funds

- Constructing a Fund of Hedge Funds

- Discussion on popular myths surrounding Hedge Funds

- Commodity Trading Advisors and Managed Futures Programs

- Asset Backed Securities – CBOs and CLOs
 - CBOs – Collateralized Bond Obligations
 - CLOs – Collateralized Loan Obligations

- Private Equity and Venture Capital Insurance Linked Securities