

Alternative Investments

2026/2027

IB9CR0

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Professor of Practice in Finance
Warwick Business School



Synopsis

Whether you aspire for a **career in investment** (traditional or alternative investments) or **anywhere else in finance** or to become a **corporate or public sector** leader or an academic, you will benefit greatly from learning about the investment strategies run by alternatives fund managers who are pioneers in the investment world. These strategies are **relevant to alternative, traditional and active** investments including private equity and hedge fund investing styles. They have delivered significant gains and/or diversification over the years to the various stakeholders.

This module, which was highly rated by previous cohorts (see feedback examples under 'Recommendations' on my LinkedIn profile), will equip you with a **practical and academic foundation** of alternative investments and introduce you to their **different ways** of thinking, approaches and some unique perspectives that will benefit you in many industries and careers.

I will teach this course as a former senior hedge fund market practitioner and an academic altogether.

As with previous years, I intend to invite some of my former colleagues and contacts as expert guest speakers.

Samer Jarkasy

Module Background Information Overview

- ⦿ Synopsis (previous slide)
- ⦿ Module Leader's Biography
- ⦿ Motivation: Why Alternative Investments
 - Investment Perspective
 - Commercial & Employment Perspective
 - Commercial, Private Markets & Employment Perspective
 - Practical Link: Alternative Investments, Other Subjects & Career Opportunities
- ⦿ Main Topics
- ⦿ Key Learning Aims
- ⦿ Timetable
- ⦿ Assessment
- ⦿ References

Samer Jarkasy (Sam), Professor of Practice in Finance

Samer is Professor of Practice in Finance at Warwick Business School, University of Warwick. His practitioner and academic experience include serving as the first Chief Capital Markets Officer of Tokamak Energy Ltd (leading TE's successful investment round C), Associate Fellow at Saïd Business School-University of Oxford (Visiting Professor of Practice) and Managing Director at a large global hedge fund firm (Winton).

Before retiring from the City of London to work as a private investor, lecture and spend time with his family, Samer was one of the Managing Directors of Winton Group / Winton Capital Management, London – one of the world's largest and most successful global hedge fund firms during the nine years he worked there. He was also a Board Director of Winton UCITS Funds PLC. Samer also served as an advisor to the Board of Directors of Race Nation Limited, a sports technology business.

Prior to that, he gained extensive corporate experience since 1994 including when he worked for the executive chairman (as Assistant Director to Group Chairman) of the Oxford-based group companies of Bishopsgate Investments Ltd (Oakhill Group Ltd, Hartwell plc, Oakhill/Hartwell Property Investments, Seven Spires Investments Ltd, Hartwell Finance Ltd, Ebbon-Dacs Ltd/Ebbon Group, and Autavis Ltd – a privately-held, private-equity-like group) where he was responsible for the group's small-business M&A deals and was heavily involved in commercial real estate investment, corporate restructuring and also in the group's venture capital angel investment fund.

His academic side includes a Doctor of Philosophy in Finance degree from Bayes Business School (City, University of London - formerly Cass) & four other academic degrees (PhD, MSc, MPhil, PgDip and BSc in finance, investment, accounting and economics) and part-time lecturing in investment management (Alternative Investments, Public Equity Investing, ESG Investing, Portfolio Management and Company Valuation) at the MBA, MSc and BSc programmes at the universities of Oxford, Warwick, Reading and City St George's, University of London.

Samer won the University of Oxford SSD Teaching Excellence Award 2023.

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Motivation: Why Alternative Investments

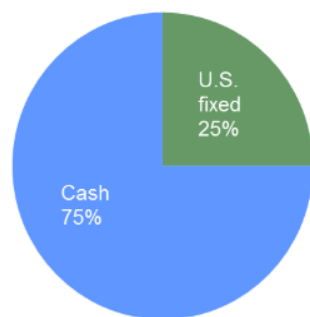
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Investment Perspective

5% Expected Real Returns Over Past 30 Years

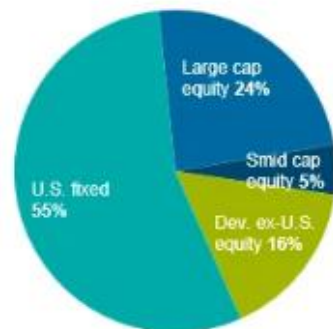
Source: Callan Associates, www.callan.com

Increasing Complexity →



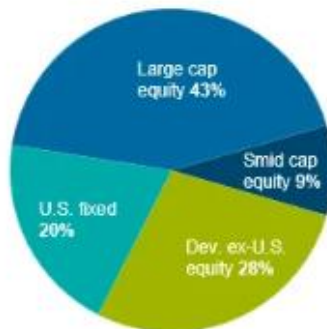
1989

Return: 7.5%
Risk: 3.1%



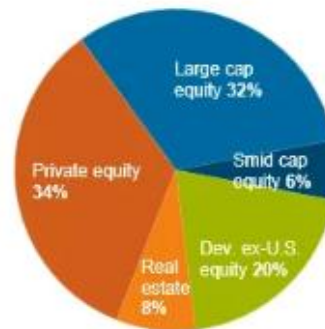
1996

Inflation: 3.50%
Real Return: 5.0%
Risk: 7.8%



2011

Inflation: 2.50%
Real Return: 5.0%
Risk: 14.2%



2022

Inflation: 2.25%
Real Return: 5.0%
Risk: 17.8%



2026

Inflation: 2.50%
Real Return: 5.0%
Risk: 14.2%

Increasing Risk →

- ◉ We currently live in a world of very unpredictable returns from traditional asset classes (traditional long-only equities and fixed income), high investment risk, less available diversification and increased future liabilities (e.g., pension liabilities).
- ◉ Higher inflation risk returned since 2022.
- ◉ It was possible by 1989 to make 7.5% annual return for around 3% annualised volatility by investing in cash and bonds
- ◉ Nowadays, it would take a globally well-diversified portfolio (different equity investment styles, bonds, real estate, private equity, fixed income, etc.) to produce **c7% (5% real)** annualized returns but for around **4.6x(2026) to 5.7x(2022) the volatility risk of 1989**.
- ◉ This is an example research by Callan Associates on this.

Motivation: Why Alternative Investments

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Investment Perspective (continues)

- ◎ Also, it is worth noting that the long-term Sharpe Ratio (volatility-adjusted excess return) for the S&P 500 is around 0.3:
 - This means it is statistically possible (although unlikely) not to make money on the S&P 500 for an extended period (decades)

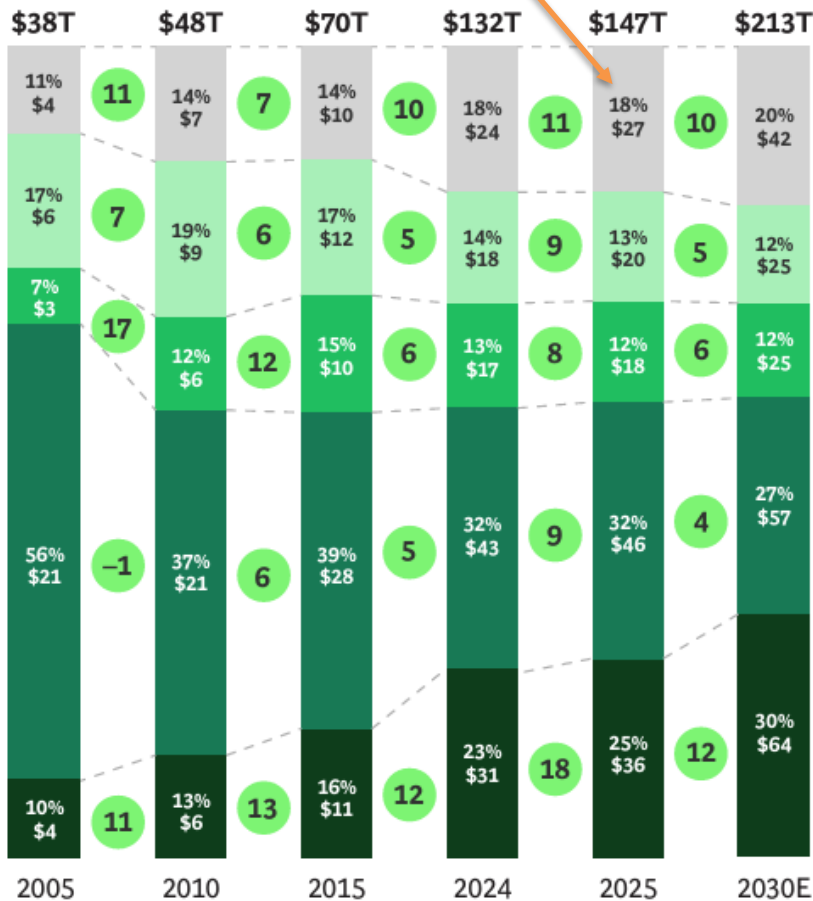
- ◎ Therefore, investors turned to adding Alternative Investments (with higher Sharpe Ratios; e.g., 0.6 – 1.0+) to their traditional portfolios **to expand their efficient frontier (opportunity set)** for:
 - **Return Enhancement (Alpha)** by accessing opportunities outside the traditional space, and
 - **Risk Reduction** from diversifying into alternatives with risk-return characteristics that are different from those of traditional investments (i.e., with lower correlations).

Motivation: Why Alternative Investments

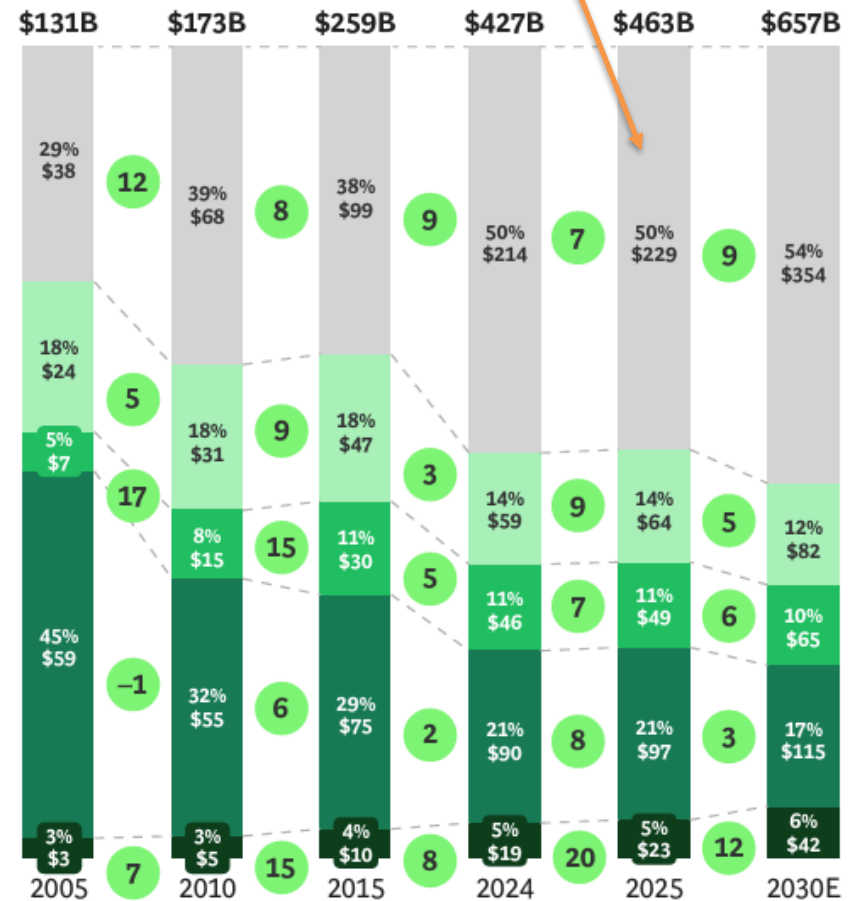
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Commercial & Employment Perspective – see commentary on next slide

GLOBAL AuM SPLIT BY PRODUCT (%) | \$T



GLOBAL REVENUE SPLIT BY PRODUCT (%) | \$B



Alternatives¹
 Active specialties²
 Solutions, LDI, and multiassets³
 Active core⁴
 Passive⁵
 CAGR (%)

Source: The Boston Consulting Group – BCG Global Asset Management April 2026 report

Motivation: Why Alternative Investments

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Commercial & Employment Perspective (continues)

The statistics (on the previous slide) about the Assets under Management (AUM) and Revenues of the Alternative Investment Industry are informative:

- ◎ **\$27tn AUM** (18% of the \$147tr **global AUM**) but representing \$229bn in revenues (50% of the \$463bn global asset management **revenues**) in 2025 although performance fees of private equity and hedge funds (which are significant over time) were not included in these revenue estimates
- ◎ Expected growth by 2030 to **\$42tn** AUM (20% of \$213tr expected global AUM) and \$354bn in revenues (54% of \$657bn expected global asset management revenues)

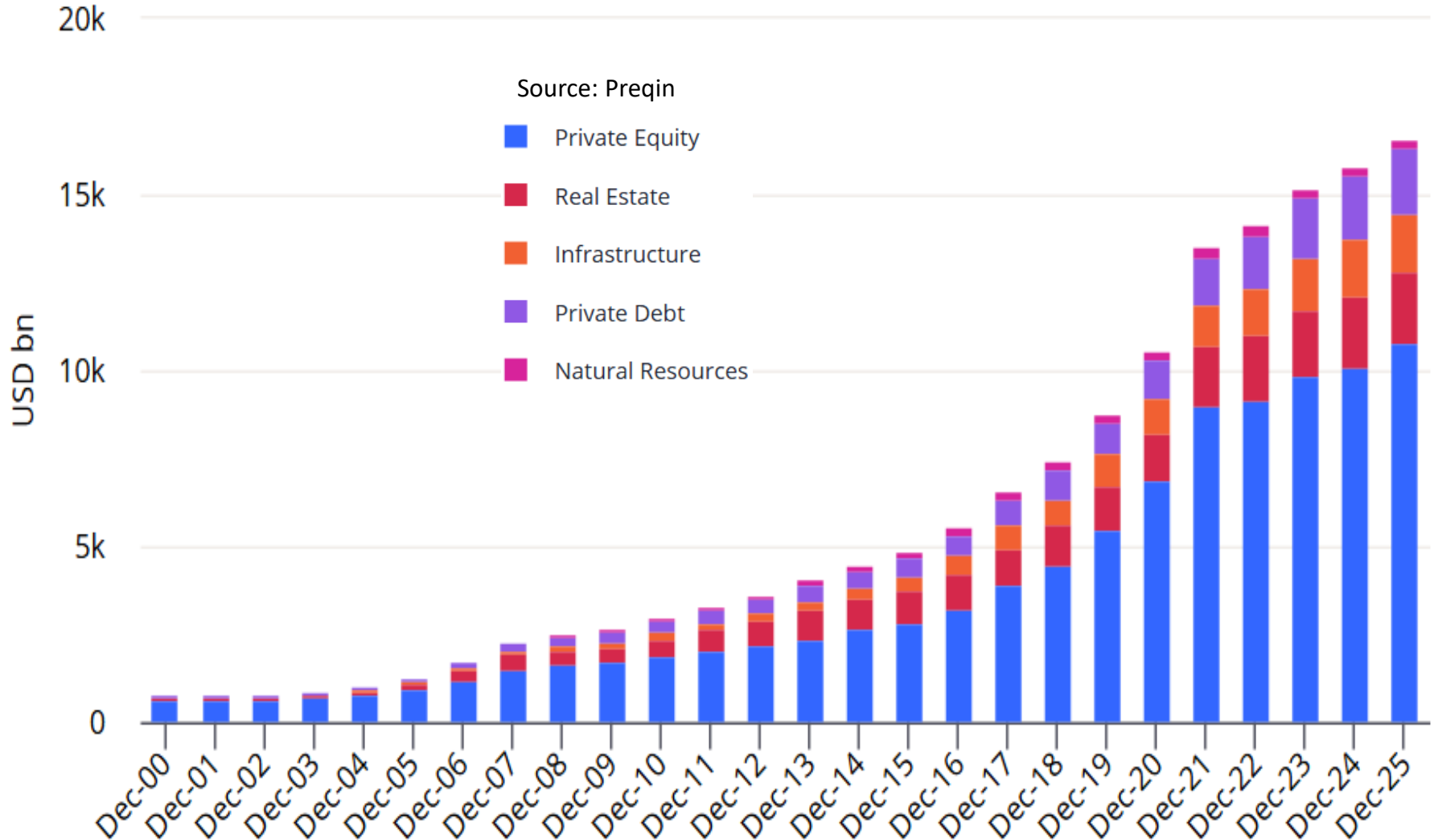
Source: The Boston Consulting Group – BCG Global Asset Management April 2026 report

Motivation: Why Alternative Investments; Why Private Equity

Commercial, Private Markets & Employment Perspective

Private Markets on the Rise ⇔ Career Opportunities in Private Markets

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Motivation: Why Alternative Investments

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Practical Link: Alternative Investments, Other Subjects and Career Opportunities

- ⦿ Alternative investments by their very nature are **applications of various disciplines**.
- ⦿ Therefore, this **general practitioner (foundation)** module will **build on** the students' knowledge from any **relevant courses**; general finance, corporate finance, investment, economics, accounting, financial analysis, asset pricing, valuation, business/management, statistics, econometrics, financial mathematics, big data, machine learning, engineering, law, etc., (none of such subjects is a specific prerequisite for this elective, except as formally required).
- ⦿ The students are strongly encouraged to **make the practical link** between their **other subjects and the topics of this elective** and how this could **inform their future career** or research decisions. It would enable them to recognise how they can **leverage** their knowledge in other disciplines **to pursue and develop a career in or around investment**. Below are some **examples** (not exhaustive).
 - Economics ↔ Global Macro Hedge Fund Strategies, Strategic Asset Allocation
 - Corporate Finance, Corporate Governance ↔ Merger Arbitrage, Corporate Activism, Private Equity, Long-Only Active Equities
 - Accounting, Valuation, Equities ↔ Fundamental Equity Long/Short Hedge Funds, Private Equity, Long-Only Active Equities
 - Fixed Income ↔ Fixed Income Arbitrage, Distressed Securities Investing, L/O Active FI
 - Mathematics, Econometrics, Statistics, Big Data, Machine Learning, Coding, Engineering ↔ Quantitative Investing, Systematic Trading/Investing, Managed Futures

The same way of thinking applies to other fields of finance and investment

In Conclusion:

Based on all the above, it is unsurprising that **Alternative Investments warrant reasonable attention** from:

- ⦿ Candidates (seeking careers in the investment world whether in traditional or alternative investments)
- ⦿ Investors
- ⦿ Financial Institutions
- ⦿ Corporate Leaders
- ⦿ Public Sector Leaders
- ⦿ Regulators
- ⦿ Academics

The **skills you will acquire here are transferable** and this elective would contribute to informing your career decisions.

Please note that, like many areas of finance and investing, hedge funds and private equity go through **cycles of in- and out-of-favour**.

Topics

This is a **general practitioner (foundation)** module which will introduce and cover:

- ⦿ Introduction to **Alternative Investments**
- ⦿ **Hedge Funds (HFs)**
 - Introduction to Hedge Funds
 - Global Macro
 - Managed Futures
 - Event-Driven Hedge Funds
 - Relative Value Hedge Funds
 - Equity Hedge Funds
 - Funds of Hedge Funds
 - **Risk Premia: Alternative Risk Premia vs Smart Beta** (Introduction)
 - Due Diligence of Fund Managers
- ⦿ **Private Equity (PE)** including **Venture Capital (VC)**
- ⦿ Introduction to **Real Assets (RA)**

We may be able to briefly discuss **Responsible/ESG Investing** (for general knowledge – not assessed) in class if time allows. Otherwise, I can provide/point out some resources. You will also be invited to attend **2x1 hrs ESG guest speakers' talks**

Key Learning Aims

- ◎ Introducing the world of Alternative Investments
 - Hedge Funds, Alternative Risk Premia & Smart Beta, Private Equity (including Venture Capital) and Real Assets (briefly, such as real estate, natural resources and land, infrastructure, commodities and intellectual property)
- ◎ Providing practical and academic foundations and skills that are useful and relevant whether for a career with an alternative investment fund manager, investor, intermediary, or to pursue academic research in alternative investments and also beneficial for other careers
- ◎ Understanding key areas of major alternative investments such as:
 - Main types, investment strategies and risk-return characteristics
 - Investment legal entity (vehicle) and compensation structures
 - The module's topics will introduce and support understanding related areas such as manager due diligence, selection, allocation, performance evaluation and benchmarks
 - The role and positioning of alternative investments in the investment world
 - Role and contribution to an investor's traditional asset portfolios
 - Strategy behaviour in different market/economic environments
- ◎ Linking alternative investments and their transferable skills to the skills and knowledge of other relevant disciplines and informing students' career or research decisions in or around alternative investments as highlighted earlier

Indicative – To be updated for Jan-Mar 2027 in due course
Provisional Timetable, Weeks 2-10, Term 2, Jan-Mar 2026

Session	Date/Time	Venue	Topics, Combined Lectures & Seminars Material*	Hours
Session 1 Week 2	Fri 23/01/26 11am-2pm	M2	Module Introduction Introduction to Alternative Investments Introduction to Hedge Funds	1:00 1:00 1:00
Session 2 Week 3	Fri 30/01/26 11am-2pm	M2	Global Macro Managed Futures (1 of 2)	1:30 1:30
Session 3 Week 4	Fri 06/02/26 11am-2pm	M2	Managed Futures (2 of 2) Event-Driven Hedge Funds	1:30 1:30
Session 4 Week 5	Fri 13/02/26 11am-2pm	M2	Relative Value Hedge Funds Equity Hedge Funds (1 of 2)	1:30 1:30
Session 5 Week 6	Fri 20/02/26 11am-2pm	M2	Equity Hedge Funds (2 of 2)	3:00
S 6 Online Week 7	Thu 26/02/26 3pm-6pm	Online wbsLive	Three Expert Guest Speaker Lectures (each lecture x3: 30-35mins guest talk + 15-20mins Q&A + 10mins Break) – Link in my.wbs	3x1hr
Session 7 Week 7	Fri 27/02/26 11am-2pm	M2	Funds of Hedge Funds Introduction to Alternative Risk Premia vs Smart Beta	1:00 2:00
Session 8 Week 8	Fri 06/03/26 11am-2pm	M2	Due Diligence of Fund Managers, Other Relevant Thoughts Private Equity including Venture Capital (1 of 2)	1:00 2:00
S 9 Online Week 9	Thu 12/03/26 3pm-6pm	Online wbsLive	Three Expert Guest Speaker Lectures (each lecture x3: 30-35mins guest talk + 15-20mins Q&A + 10mins Break) – Link in my.wbs	3x1hr
Session 10 Week 9	Fri 13/03/26 11am-2pm	M2	Private Equity including Venture Capital (2 of 2) Introduction to Real Assets Exam Paper: Structure, Tips, Q&A	1:00 1:15 0:45
Session 11 Week 10	Fri 20/03/26 11am-2pm (+1hr)	M2	Group Presentations Concluding Remarks	2:45 0:15
S 12 Online Week 10	Fri 20/03/26 3-5pm	Online wbsLive	Two ESG Investing Expert Guest Speaker Lectures (each lecture x2: 35mins guest talk + 15mins Q&A) – Link in my.wbs	2x1hr

*Seminar and Asynchronous Material

This module is allocated 9 weekly in-person sessions (3 hours each) combined Lecture & Seminar.

Seminar Material is made of practical discussions and items that will be **incorporated**, embedded in and **spread** across the lecture notes to be placed with their **relevant sections** to enrich the course and ensure **seamless coverage** of the topics (i.e., so seminar elements are discussed where most relevant while covering lecture material). The **practical seminar material** includes **items such as** strategy examples and illustrations, strategy historical returns and risk (analysis and characteristics), real world (cases, lessons, trades and examples of some top fund managers for each strategy), illustrations of an investment system simulations, and information and discussion on careers in alternative investments.

Should I expand some strategies by more seminar exercises, problem sets or case studies to address in class to simplify exam preparations, we will not have enough time to cover all the other main strategies and that will not serve your learning objectives well. How to prepare for your exam will be clear. The main reference textbook includes many useful applications to enhance your learning in your free time instead of using teaching time for something that is easily accessible to you.

Assessment

- ◎ **Final In-Person Examination – 75%**
- ◎ **Coursework (Group Presentation) – 25%** (includes peer review)
- ◎ Class discussions and interactive teaching would, in effect, provide informal **Ongoing Formative Feedback** and significant opportunity for student engagement. Students are strongly encouraged to join all sessions, ask questions and participate in discussions. It is expected that this process will be enhanced significantly by the class being self-selected, this being an elective

The lecturer will make sure the students are very clear on how to prepare for the assessment (exam and coursework) from the start and throughout the term. Students are **requested** and **encouraged** to ask any questions on assessment they wish to clarify throughout the term (**in class for the benefit of everyone**).

Main References

- ◉ **Lecture and seminar teaching notes**
- ◉ Chambers, et al., **Alternative Investments CAIA Level I**, Wiley (2020 4th edition). **The choice of this main reference textbook was deliberate being the adopted textbook for CAIA Level I qualification by the Chartered Alternative Investment Analyst (CAIA) Association.**
- ◉ Additional and optional reference sources, including industry reports, such as the below and/or those listed in lecture notes, will be useful for industry or general reference and to expand on or support the understanding of a specific topic.

Optional – Additional alternative investments references

- ◉ Chartered Alternative Investment Analyst (CAIA) Association book: Kazemi, Black and Chambers (2020), **Alternative Investments: An Allocator's Approach**, 4th edition, Wiley
- ◉ Chartered Alternative Investment Analyst (CAIA) Association book: Kazemi, Black and Chambers (2016), **Alternative Investments CAIA Level II**, 3rd edition, Wiley
- ◉ Phalippou, Ludovic (2021), **Private Equity Laid Bare** (and free resources on <http://pelaidbare.com/>)
- ◉ Bookstaber, Richard (2007), **A Demon of Our Own Design: Markets, Hedge Funds, and the Perils of Financial Innovation**, Wiley
- ◉ Thaler, Richard H. (2021), **The Winner's Curse: Paradoxes and Anomalies of Economic Life**, Free Press – (1990s classic original foundational arguments)
- ◉ Thaler, Richard H. and Imas, Alex O. (2025), **The Winner's Curse: Behavioral Economics Anomalies Then and Now**, Allen Lane – (current, richer, and more empirically grounded)
- ◉ Zuckerman, Gregory (2019), **The Man Who Solved the Market: How Jim Simons Launched the Quant Revolution**, Portfolio Penguin
- ◉ Sinclair, Euan (2013), **Volatility Trading**, 2nd edition, Wiley
- ◉ Dunbar, Nicholas (1999), **Inventing Money: The Story of Long-Term Capital Management and the Legends Behind It: Long-term Capital Management and the Search for Risk-free Profits**, Wiley
- ◉ Lowenstein, Roger (2002), **When Genius Failed: The Rise and Fall of Long Term Capital Management**

References

(2 of 2)

- ◎ Taleb, Nassim Nicholas (2010), **The Black Swan: The Impact of the Highly Improbable**, 2nd edition, Penguin
- ◎ Baum, Andrew (2022), **Real Estate Investment: A Strategic Approach**
- ◎ Tetlock, Philip and Gardner, Dan (2016), **Superforecasting: The Art and Science of Prediction**

Optional – Additional general investment and finance references students could refer to (general or to support a specific topic)

- ◎ McKinsey & Company Inc., Koller, Goedhart and Wessels (2025), **Valuation: Measuring and Managing the Value of Companies**, 8th edition, Wiley
- ◎ Brealey, Myers, et al., (2025), **Principles of Corporate Finance ISE**, 15h edition, McGraw-Hill
- ◎ Bodie, Z., Kane, A., and Marcus, A.J. (2023), **Investments ISE**, 13th International edition, McGraw-Hill
- ◎ Elton, E., Gruber, M.J., Brown S.J. and Goetzmann W.N. (2017), **Modern Portfolio Theory and Investment Analysis**, 9th edition, Wiley
- ◎ Hull, J.C. (2021), **Options, Futures, and Other Derivatives**, 11th Global Edition, Pearson

Industry reports and documents – below are some examples:

- ◎ The Boston Consulting Group (BCG), Global Asset Management Reports, 2019-2026
- ◎ The Investment Association (IA) Annual Survey, Asset Management in the UK, 2017-2026
- ◎ McKinsey Global Private Markets Reviews, 2018-2026
- ◎ Alternative Investment Management Association (AIMA) and Bloomberg, The Hedge Fund Start-Up Guide
- ◎ The module will be enriched by real world/practical cases, examples and discussions