

Alternative Investments

UGBA 137

Course Overview:

This course will provide a high-level introduction to venture capital, private equity, and hedge funds. In the course, students will learn:

- Who are the Limited Partners that Invest in these funds?
- What is the difference between General Partners and Limited Partners?
- Asset Allocation Strategies driving the investment in these Asset Classes?
- What types of investments do these funds make to achieve their returns?
- What makes a good Venture Capital, Private Equity and Hedge Fund Investment?
- What are the different strategies found in each asset class?
- What are the key variables that determine success for firms in each asset class?

Teaching Method:

The course will use case studies. There will be some lecture to introduce core concepts. The course syllabus will focus approximately 33% on venture capital, 33% on private equity and 33% on hedge funds.

Prerequisites / Grading / Homework:

- Course is best suited for UC Berkeley seniors with extensive prior course work in business.
- Some interest or experience in start-ups, investing or finance will be helpful.
- Homework will include reading and analyzing approximately one business case per week of approximately 15- 20 pages in length.
- Grading will be based on: 75% evenly divided between three short group papers (3-4 students) in each of the three topics and 25% on individual write-ups on approximately half the cases chosen by the student.

Instructors:

The class is co-taught by Sam Olesky and Stephen Etter.

Stephen Etter has been a member of the Professional Finance Faculty at U.C. Berkeley's Haas school of Business since 1995. At Haas, he teaches graduate and undergraduate courses in Corporate Finance, Alternative Investments, Cost Accounting and Financial Statement Analysis. He has received the Earl F. Cheit Award for Excellence in Teaching as a Lecturer and GSI and the UC Berkeley Distinguished Teaching Award as GSI. He earned his BS and MBA degrees from Berkeley Haas.

Today he also spends a great deal of time in social impact investing and philanthropic endeavors. He spent most of his career investing in the private markets through senior and junior debt as well as a variety of equity securities. Before retiring in 2020, he spent twenty-five years as one of the Founding Partners at Greyrock Capital, where they managed over \$700 million in capital over four funds. Etter served as a director on the boards of Allen Technologies, Allstar Magnetics, Arrowhead Brass Products, Bentec Medical, DecisionQuest, Dickenson Frozen Foods, Mozzarella Fresca, MWA Intelligence, Ogle Beauty Schools, Paletaria La Michoacan, Paragon Products, Pinnacle Tile, Rennhack Marketing Systems, SK Food and Solair.

Sam Olesky has been a member of the Professional Finance Faculty at U.C. Berkeley's Haas School of Business since 2004. At Haas, he teaches graduate and undergraduate courses in Financial Institutions and Markets, Portfolio Management, Investments, Asset Management, Hedge Funds, Hedge Fund Strategies, Equity Investment Strategies, the Haas Investment Fund and the Haas Sustainable Investment Fund.

Sam is the Managing Member of Olesky Capital Management, LLC an independent investment advisory firm that conducts principal investing and trading, manages separate accounts for trusts, partnerships, individuals, retirement plans, endowments, and foundations. From 1998 through 2010, Mr. Olesky managed an Olesky Capital hedge fund. Prior to founding Olesky Capital in 1998, Mr. Olesky was employed with TD Waterhouse, Inc. (now TD Ameritrade) where he was First Vice President over a large group of areas, including Client Services, Electronic Brokerage, Banking Services, Corporate Actions, Retirement Plans and Regulatory Response and Quality Assurance. Mr. Olesky joined TD Waterhouse in 1989.