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# BEHIND THE MARKETS WITH TWO HEDGE FUND MANAGERS

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Last week on our “Behind the Markets” podcast, I spoke with Garth Friesen, Principal at III Capital Management, and Jason Gerlach, CEO of Sunrise Capital Partners. The conversation with these two alternative investment managers, who have both been in the business for nearly 30 years, covered a number of interesting topics, including:

- Friesen’s pending new book, “Bite the Ass Off a Bear: Getting In and Standing Out on a Hedge Fund Trading Floor.” The book is going to be geared toward young graduates looking to enter the hedge fund space
- How Gerlach followed a non-traditional path to becoming CEO of a hedge fund that started with him being a lawyer and how he made the transition to run a hedge fund business
- We explored a number of topics related to how both guests built their teams and general advice for employees of asset management firms
- The value of emotional intelligence (EQ) vs. the standard IQ in a future quant-oriented world.
- Strategies for [tail risk hedging](#) and how to overcome some of the costs to protecting portfolios using [correlation](#) hedges and different option contingency structures
- Thoughts on bond market and the trend in rates and [credit](#)-related assets
- How Sunrise Capital tries to be reactive to various markets to perform well in all market environments
- Trends in hedge fund assets, performance and fee pressures

I appreciate both guests coming on. Listen to the full podcast below.

For standardized performance and the most recent month-end performance click [here](#) NOTE, this material is intended for electronic use only. Individuals who intend to print and physically deliver to an investor must print the monthly performance report to accompany this blog.

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## **DEFINITIONS**

**Tail risk hedging** : Strategies which seek to mitigate of potential effects of low probability events on a portfolio.

**Correlation** : Statistical measure of how two sets of returns move in relation to each other. Correlation coefficients range from -1 to 1. A correlation of 1 means the two subjects of analysis move in lockstep with each other. A correlation of -1 means the two subjects of analysis have moved in exactly the opposite direction.

**Credit** : A contractual agreement in which a borrower receives something of value now and agrees to repay the lender at some date in the future.