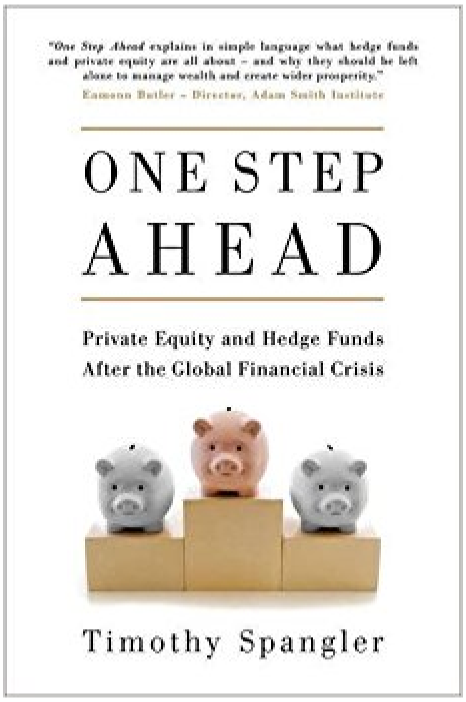
One Step Ahead: Private Equity And Hedge Funds After The Global Financial Crisis



Synopsis

Never has there been such an appetite and desire to understand the financial institutions that govern us. But despite dominating international headlines, alternative investment vehicles including private equity and hedge funds remain elusive with few able to explain their success.In this accessible and timely study, award-winning writer Timothy Spangler explains how funds are structured to function outside of the rules that restrict other financial organizations. Designed to adapt and react to new conditions, they have thrived since the financial downturn, despite new laws and robust regulations.From start-ups to complex venture capital firms, this is the essential, no-nonsense guide to how hedge funds drive growth and influence markets. Staying one step ahead of the lawmakers, they continue to be significant players in both public and private sectors the world over.

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Customer Reviews

Private equity and hedge funds are an often misunderstood and maligned segment of the investment world, sparsely regulated and often relegated to the dark corners of Wall Street, but together they represent more than $3 trillion in assets. Hedge funds specialize in complex investment strategies, often involving high risk; they are increasingly sought after by pension managers, university endowments, charities, and banks to boost yields and play â œcatch-upâ • on prior losses. Private-equity funds purchase distressed and undervalued companies for reorganization; Mitt Romneyâ ™s ties to private-equity fund Bain Capital put the industry into the spotlight during the â œprivate-equity bashingâ • of the 2012 presidential campaign. Spangler examines the state of the industry in the aftermath of the 2008 financial crisis, which caused more than 1,000 funds to shutter. He considers the consequences of financial-reform legislation and the Bernie Madoff scandal that exposed these funds to higher scrutiny. Spangler dispels myths about how these funds operate and comes down as an advocate for them without sugarcoating the risks involved. Spangler is a writer, commentator, lawyer, and academic who divides his time between Southern California and the UK. --David Siegfried --This text refers to an out of print or unavailable edition of this title.

’Finally a book that sheds a knowledgeable light on the private equity and hedge fund worlds. Long demonized by the media, Spangler has humanized these often secretive industry sectors all the while revealing just how essential they are.’ John Tamny - Political Editor, Forbes ’An excellent insight... Written in a very readable and accessible style, this book should be read by anyone wanting to learn more about this important and politically contentious sector.’ -- Professor Julia Black - London School of Economics

Timothy Spangler’s One Step Ahead is an extensive read on all things private equity and hedge fund related. To almost an exhaustive degree Spangler takes you chapter by chapter through different types of securities. This book will provide a novice individual with a good foundation for what these types of securities are, as well as a deeper and more thorough understanding for an experienced industry professional.

Excellent

Easy to read.

One Step Ahead: PriÃ Â-vate Equity and Hedge Funds After the Global FinanÃ Â-cial CriÃ Â-sis by TimÃ Â-oÃ Â-thy SpanÃ Â-gler is a non-fiction book focusÃ Â-ing on the mysÃ Â-terÃ Â-ies of finance which seem to evade the layman.One Step Ahead: PriÃ Â-vate Equity and Hedge Funds After the Global FinanÃ Â-cial CriÃ Â-sis by TimÃ Â-oÃ Â-thy SpanÃ Â-gler is one of those books I always wanted to read but couldnÃ¢Â Â™t find. Mr. SpanÃ Â-gler offers a very inforÃ Â-maÃ Â-tive, high level, inforÃ Â-maÃ Â-tion about alterÃ Â-naÃ Â-tive investÃ Â-ments in a most readÃ Â-able way.The book is dense, choke full of inforÃ Â-maÃ Â-tion for peoÃ Â-ple like me, those who not just enough to cause damÃ Â-age before being stripped naked by Wall Street sharks. While I do not intend, nor do I have the funds, to invest in hedge funds or priÃ Â-vate equity, it is an interÃ Â-estÃ Â-ing subject.The secÃ Â-tion which I found the most interÃ Â-estÃ Â-ing was about taxes and why the income made from investÃ Â-ments is taxed at a much lower rate from income earned by actuÃ Â-ally workÃ Â-ing. Mr. SpanÃ Â-gler argued both posiÃ Â-tions quite clearly, I did not change my mind, but I cerÃ Â-tainly underÃ Â-stand the other side of the arguÃ Â-ment much betÃ Â-ter. The author did change my mind about thinkÃ Â-ing that the whole priÃ Â-vate equity finanÃ Â-cial sysÃ Â-tem is based on stealÃ Â-ing money from the midÃ Â-dle class, he does delve into that perÃ Â-cepÃ Â-tion as well and admits that those finanÃ Â-cial indusÃ Â-tries do have a big PR problem.Mr. SpanÃ Â-gler talks about the strucÃ Â-ture of the funds, the operÃ Â-aÃ Â-tions of both priÃ Â-vate equity and hedge funds, as well as their role in the 2008 finanÃ Â-cial criÃ Â-sis. The author also disÃ Â-cusses finanÃ Â-cial regÃ Â-uÃ Â-laÃ Â-tions, laws and enforceÃ Â-ment (or lack thereof) and the issues with them (can you say Ã¢Â ÂœCongressÃ¢Â Â•?).This book has a lot of high qualÃ Â-ity, helpÃ Â-ful finanÃ Â-cial inforÃ Â-maÃ Â-tion, yet it is very readÃ Â-able. The author does not vilÃ Â-ify, nor defend bad behavÃ Â-ior. The author presents the facts about these finanÃ Â-cial vehiÃ Â-cles, both the conÃ Â-triÃ Â-buÃ Â-tions to sociÃ Â-ety as well as the theft and other shenanigans.

I got this book because I wanted to understand more about the world of private equity.The book does an excellent job of explaining how private equity works, for the investors and for the private equity firms who are investing funds for those investors. It also explains- who the investors in private equity typically are and what kinds of constraint and issues they have- common 2/20 reward mechanisms which can lead to large profits for individuals managing the money for their investors.- differences between hedge funds and private equity- reasons why such ’alternative’ investments have attracted ’bad press’ with an interesting action on Mitt Romney and Bain Capital- how strategies are shifting towards improving companies through applying operational knowhow rather than financial engineeringThere are a couple of quotes, or near quotes which I found interesting.A fund is the answer to a question This question will typically involve how to connect people with talent, but insufficient money, to people with money, but insufficient talent, in order to allow the former to make investments on behalf of the latter.A fundamental purpose of private equity is to rescue faltering companies. Some jobs may be lost during the rescue mission but ultimately the company survives and should get stronger rather than go out of business.Finally having spent many years in publicly listed industry, distant from the owners of the money that gets invested, and with very little notion that money needs to be returned to those investors at a given rate an a given time horizon, I personally find the private equity model refreshingly straightforward.1. Investors provide money to acquire all or part of a company needing funds (entry point).2. Note individuals in the private equity firm invest their own money as well.3. Help company to use invested funds to grow in value through operational engineering and activities4. Sell all or part of company to realise growth in invested money for investors within 10 year period (exit point)5. Return invested money plus profits to original (usually institutional) investors6. Private equity company receives a share of the profits because these individuals invested as well and because the managed the whole process from entry, through value growth, to the final exit.

One Step Ahead is not an easy book for those with no more than a passing interest in the world of hedge funds. The Prologue and the Foreword both signal an accessible, if not thorough, look at the present state of private equity / hedge fund markets, and yet there’s still an expectation for the reader to be well past the Intro to Financial Markets level of knowledge.The problems faced by fund managers are compounded by the PR problems of hedge funds in general. Mistrust of Wall Street is still high, and while Timothy Spangler makes a strong case for the necessity of hedge fundsÃ¢Â Â”arguably one of the most efficient ways to connect investors with producersÃ¢Â Â”the creation and management of such funds are inherently complex and further shrouded in secrecy by only being available to certain accredited investors.I highly doubt hedge funds will ever be regulated out of existence. Their value is too great given the innate risks. I recommend Spangler’s book if only to dispel many of the myths and falsehoods surrounding this component of the financial sector. If you’re looking for an introduction to the topic, I recommend looking elsewhere first.

One Step Ahead: Private Equity and Hedge Funds After the Global Financial Crisis Writing Term Sheets For Private Equity Funds: An Easy To Use How-To Blueprint (Private Equity Series) Getting a Job in Private Equity: Behind the Scenes Insight into How Private Equity Funds Hire From Zero to Sixty on Hedge Funds and Private Equity: What They Do, How They Do It, and Why They Do The Mysterious Things They Do Investment Banks, Hedge Funds, and Private Equity, Second Edition Investment Banks, Hedge Funds, and Private Equity Investment Banks, Hedge Funds, and Private Equity, Third Edition Funds: Private Equity, Hedge and All Core Structures (The Wiley Finance Series) From Zero to Sixty on Hedge Funds and Private Equity 3.0 An Introduction to Investment Banks, Hedge Funds, and Private Equity: The New Paradigm The Private Equity Edge: How Private Equity Players and the World’s Top Companies Build Value and Wealth Beyond the J Curve:

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