KASE LEARNING VIDEOS

KASE LEARNING

LESSONS FROM THE TRENCHES:
VALUE INVESTING BOOTCAMP

HOW TO LAUNCH & BUILD AN
INVESTMENT FUND

ADVANCED SEMINAR ON
SHORT SELLING

Kase Learning has suspended all live teaching to focus on a new investment newsletter business launching in 2019. It has, however, just made available videos of webinars of all three of its programs:

LESSONS FROM THE TRENCHES: VALUE INVESTING BOOTCAMP

- 32 teaching modules, totaling 24 hours
- 5 guest speakers, totaling 5 hours
- 57 answers to questions, totaling 7 hours
- 36 hours in total!
- Cost: $995

Video and more information: ***https://vimeo.com/ondemand/kasebootcamp***

HOW TO LAUNCH AND BUILD AN INVESTMENT FUND

- 12 teaching modules, totaling 8 hours
- 3 guest speakers, totaling 3 hours
- 12 answers to questions, totaling 1 hour
- 12 hours in total!
- Cost: $495

Video and more information: ***https://vimeo.com/ondemand/kasefund***

AN ADVANCED SEMINAR ON SHORT SELLING

- 7 teaching modules, totaling 6 1/2 hours
- 1 guest speaker (on Tesla), totaling 1 1/4 hours
- 1 student presentation (on Zillow), totaling 35 minutes
- 13 answers to questions, totaling 1 hour
- 10 hours in total!
- Cost: $495

Video and more information: ***https://vimeo.com/ondemand/kaseshorting***

If you register for one or more of them, please email info@kaselearning.com to receive a link to a folder with all of the files we teach from.

BENEFITS

While nothing can fully match the in-person learning experience, the videos offer many advantages:

- **No need to take time off of work:** You can watch the videos at any time, day or night.
- **No need to travel:** Anyone, anywhere in the world, can watch the videos using a smartphone, tablet or computer.
- **Unlimited viewing for a full year:** You can watch (and re-watch) them as much as you want *for a full year*.
- **More affordable:** Participants won't incur any travel or hotel costs and, because we don't have to pay for renting a room, providing meals, etc., we're pricing the videos at a small fraction of our normal tuition.

FURTHER INFORMATION

To learn more, call (212) 265-4510, email info@kaselearning.com, or go to www.kaselearning.com.

LESSONS FROM THE TRENCHES: VALUE INVESTING BOOTCAMP

Rooted in sharing his nearly two decades of experience as a value investor and fund manager, Whitney Tilson has launched a new business, Kase Learning, and created an intensive, 30-hour bootcamp, ***Lessons from the Trenches: Value Investing Bootcamp***.

During this seminar, Mr. Tilson and his partner, Glenn Tongue share everything they've learned over the years, answer all questions, and invite several veteran investors as guest speakers to share their wisdom, so that participants can stand on their collective shoulders and achieve even greater success. It's equal doses of learning, self-improvement and fun!

The seminar is designed not only for professional investors but also avid amateurs who simply want to become better investors.

Tthe curriculum falls into three areas:

HOW TO BECOME A BETTER INVESTOR | 60%

- Investing lessons from our story of success, then failure
- How to find big winners (Case studies: McDonald's, Netflix, Google and Facebook)
- Avoid value traps (Case studies: Valeant and Spark Networks)
- Become a better short seller
- Effectively manage your portfolio
- Determine your edge
- Develop a sound investment process
- Do effective scuttlebutt research and develop proprietary insights
- Become a leading expert (Case studies: Berkshire/Buffett/ Munger and the housing crisis)

HOW TO BECOME A BETTER BUSINESSPERSON AND ENTREPRENEUR | 20%

- Learn from Whitney's experience building – and then closing – Kase Capital
- Differentiate yourself – and your business – from the crowd
- Become a more effective salesperson and raise big money
- Develop and deliver a compelling stock pitch
- Learn how Whitney earned high honors at Harvard Business School (10 Strategies For Winning the Class Participation & Business Meeting Game)
- How to create a great slide presentation and make a killer stock pitch

THE MENTAL GAME & LIFE LESSONS | 20%

- Understand and exploit behavioral finance/investor irrationality
- Avoid the five calamities that can destroy your life
- Cultivate mentors, make friends, and develop deep relationships
- Learn how to deal with mistakes and apologize
- Make a great impression

REGISTRATION

Find out if one of Kase Learning's programs is right for you. Please call (212) 265-4510, email info@kaselearning.com, or go to www.kaselearning.com

HOW TO LAUNCH & BUILD AN INVESTMENT FUND

Rooted in sharing his nearly two decades of experience as a hedge fund manager, Whitney Tilson has created a new business, Kase Learning, and launched an intensive 12-hour seminar entitled ***How to Launch and Build an Investment Fund***.

During the seminar, Mr. Tilson and his partner, Glenn Tongue, share everything they've learned over the years about launching and building multiple hedge funds and mutual funds, answer all questions, and invite veteran investors as guest speakers to share their wisdom, so that participants can stand on their collective shoulders and achieve even greater success.

The seminar is designed for two types of investors: a) those who aspire to launch their own funds; and b) those who are already running their own funds and would like grow them.

AGENDA

Each seminar will be tailored to the specific interests of those attending, but in general the curriculum will include:

- Make the right decision about whether/when to launch your own fund
- Decide whether to create a hedge fund or separately-managed accounts business
- Optimize the fund's management fee, carry and redemption terms
- Choose the right service providers
- Identify and solve legal, regulatory and compliance issues
- Negotiate a partnership and/or seed deal
- Hire the right people at the right time
- Make a name for yourself and stand out from the crowd
- Target the right investors
- Raise $1 billion (or not)
- Create a great investor pitch deck
- Write compelling investor letters
- How to survive periods of poor performance
- Develop resilience (why I paid the Navy SEALs kick the xxxx out of me)
- Develop great slide presentations and make killer stock pitches

FURTHER INFORMATION

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KASE LEARNING

ADVANCED SEMINAR ON

SHORT SELLING

Rooted in sharing his nearly two decades of experience as a hedge fund manager, Whitney Tilson has created a new business, Kase Learning, and launched an intensive 10-hour ***Advanced Seminar on Short Selling***.

During the seminar, Mr. Tilson and his partner, Glenn Tongue, share everything they've learned over the years about short selling, answer all questions, and invite veteran investors as guest speakers to share their wisdom, so that participants can stand on their collective shoulders and achieve even greater success.

The seminar is designed for two types of investors: a) those who are already engaged in short selling and want to enhance their skills; and b) those who not engaged in it but want to add this valuable tool to their investing toolkit.

This long bull market has inflicted absolute carnage among short sellers, and even seasoned veterans are throwing in the towel. This capitulation, however, combined with the increasing level of overvaluation, complacency, hype and even fraud in our markets, spells opportunity for courageous investors, so there is no better time for a seminar focused solely on short selling.

AGENDA

- **Our history on the short side**
- **Arguments for and against shorting**
- **Don't get sucked in for the wrong reasons**
- **Charlie Munger's advice to me**
- **How to mitigate risk in a bull market**
- **"Guerilla shorting"**
- **The three types of shorts we've been unsuccessful with**
- **The one type of short in which we've been successful**
- **How to find collapsing earnings**
- **Being too smart can be painful**
- **Look for obvious bubbles**
- **Avoid valuation shorts – and never short accelerating growth**
- **Don't use options**
- **Sources of good short ideas**
- **Case studies: The bursting of the housing bubble, Lumber Liquidators, Tesla, Plus 500, Wingstop, K12, Zillow**

FURTHER INFORMATION

To learn more, call (212) 265-4510, email info@kaselearning.com, or go to www.kaselearning.com.

TESTIMONIALS FROM
WHITNEY TILSON'S KASE LEARNING BOOTCAMP

In early December, Mr. Tilson hosted a seminar with a dozen participants. Here's what all 12 plus an observer had to say:

"It was a wonderful, almost life-changing experience. In a nutshell, it felt like an intensive infusion of wisdom and practical advice. I also really enjoyed meeting the people in the group who were, without exception, intelligent, hard-working, open-minded and friendly." – Gabriel Grego, Quintessential Capital Management LLC

"I would absolutely recommend this seminar to anyone aspiring to run their own investment management business. What is taught in this seminar is pure gold. It's not taught anywhere else and there aren't that many people in the world who really understand what it takes to raise a billion-dollar fund. I think that this is an incredible product. It's not really a proxy for business school or Columbia's value investing program. It's more advanced and for someone farther ahead in their career. There are so many start-up, emerging managers who have no idea how to raise money and where to start." – Anonymous

"I'm lost in words while expressing my appreciation. It was the mother of all seminars. Really. It was invaluable: so many wise teachings, thoughts and reflections, and opportunities for personal growth. When I got back to work, I spent the entire afternoon sharing with my team the many learnings from our week together. Your humility, candor and selflessness are all great trademarks of yours and were evident during the week. You are a heck of a role model and I'm so lucky to have you as my cherished friend." – Paco Carrillo, Mexico Value Partners

"At the beginning of Whitney's course, I didn't know what to expect and had little idea of how to set up and market my business, but after only a few days it's not an understatement that the seminar will make me millions of dollars and save me a great deal of trouble. Whitney laid out everything he did right in launching and growing his fund for more than a decade and then, perhaps more importantly, very honestly detailed what he did wrong. Through his connections, we also met with investors at the very top of the industry who were very generous with their time and open to all questions.

Lastly, I now have 12 friends who are very bright and at a similar point in their careers who I can bounce ideas off of, a clear plan for how to market and grow the business (it's encouraging when you hear Bill Ackman tell you he likes your plan), and most importantly I know what pitfalls to avoid." – Angelo Martorell, Martorell Capital Partners

"As a young analyst trying to get ahead, this was the shot in the arm I needed. I know the hedge fund world has become increasingly difficult and competitive, so I've been looking for any leg up I could find – and the seminar delivered, far surpassing my expectations. I was blown away by the one-on-one, personalized attention and can't imagine a better way to learn than from Whitney's case-based format. I left the seminar a better investor, entrepreneur and, unexpectedly, better person. Highly recommended!" – Jeremy Lichtman, SevenSaoi Capital

"I was incredibly psyched to be a part of the seminar, but I wasn't sure what to expect. Given some of the reading material, I assumed it would involve more theory and I was pleasantly surprised that wasn't the case. One thing I didn't expect was that there would be so much wisdom and life lessons intertwined with investing. I think this is a brilliant addition and one of the many ways that you can differentiate this program. If I had heard before the start that it would involve a discussion on marriage, I would have thought it was strange, but experiencing this in real time amongst the group was transformative. These tangents combined with endless practical advice on investing and raising money convinced me that there is no other program like this in the world." – Anonymous

"Your seminar was outstanding. I didn't expect to get so much out of it. Not only did we learn about investing, but also how to become better people. The group of people that you put together was significantly better than I could have imagined. I am looking forward to further strengthening my relationships with all of them and will try to contribute to each person's future success. Also, I truly enjoyed our meetings with some of the world best investors, especially Tom Russo, who is a great personality; listening to his investment philosophy was like music to my ears." – Fabian Degen, Deutsche Asset Management

"I would HIGHLY recommend it! I already have a bunch of people who I think would be interested and perfect candidates."
– Peter Gylfe, Bay Street Capital Partners

"Thanks again for all you've done for us. Your class was a profoundly life changing experience, and I think the rest of the guys would concur." – Jon Costello, Costello Investment Management, LLC

"Whitney exceeded expectations and delivered a high quality seminar filled with excellent content, including nine meetings with industry insiders. It was extremely refreshing to learn from his experiences (including mistakes!) first-hand, as this is a business where rarely someone gets second chances. This seminar is must-do for anyone working at a hedge fund, as not only you will learn to analyze investments the right way, but you will also have a great sounding board to test your ideas (without putting any capital at risk). Whitney could have easily charged 10x for the seminar, and it still would have been a great bargain." – Anonymous

"The seminar was a great experience. There are many books and courses teaching value investing, but this was truly unique in that you have the opportunity to learn from an actual practitioner who is open and honest, not only about his successes but also about his failures. Not only was Whitney forthcoming about all aspects of his career, good and bad, but his guest speakers also spoke frankly about their experiences and what it takes to be successful in the industry in 2017. The other seminar participants were incredibly impressive and I expect the relationships I forged to last a lifetime." – Anonymous

"Thank you very much for a great week. I found "Whitney's Worldly Wisdom" particularly insightful and helpful. It doesn't matter how well you invest – if you're reckless in your habits or are experiencing a divorce/splitting with your spouse, your chances of doing well are dramatically reduced. Learning from peers in both the classroom and offline discussions is another immense, unexpected benefit. Unexpected in the sense that it's easy to take for granted when you're registering for the seminar, but you assembled a terrific group.

The guest speakers were great, each in their own way. Let's take a high profile one like Bill Ackman: despite zillions of interviews and biographies you can read about him, there's something very special about hearing directly from him what it was like to start his fund in those early days and the adversity he and his partner faced. Even simple words of encouragement like "there are always wealthy people out there willing to bet on a younger manager with little to no track record because often the track record is the manager himself and his ideas/case studies." These stories and lessons stay with you and are invaluable." – Rob G.

"I would highly recommend Whitney's seminar to anybody who has a goal of launching a hedge fund or has already launched a fund and wants to achieve long-term success. There has been no place where you can learn how to maximize your probability of success – both as an investor and a hedge fund entrepreneur / businessperson. Working and killing it as an analyst and getting an MBA are helpful and provide a great foundation but they are not targeting specific issues of how to make a hedge fund successful. For example, at Stanford business school I was exposed to various investment styles and learned how to analyze industries and sustainable competitive advantage, build models and value companies. During the seminar, I learned how to balance contrarian investing with humility, build a team, select vendors, communicate with investors, and develop a fundraising strategy (just to name a few). These were things that were never covered in business school.

When I launched Caro-Kann Capital, friends who were few years ahead of me gave me a hand, but I ended up learning a lot by doing. There was no better way to do it three years ago, but now there is!

Whitney is an incredible teacher. He has wealth of knowledge and experience, and he has been an active and very well-respected member of the investment community for many years. On top of that, Whitney has an extremely high level of self-reflection, which means that he was able to effectively share with us how he achieved success as well as how he fell short. Very few people who have been running funds for decades can do that. Such ability to share and teach requires a certain type of personality and internal wiring, and Whitney has both. Finally, Whitney is fully committed to his students' success, which was apparent by how much time he spent with us during the seminar (8:15am to 7:30pm daily, sometimes followed by dinner!). Whitney is not the type to run out the door at 5:01pm!

If you are running a fund or planning to do so, you need to do whatever you can to maximize your chance of success. You owe it to yourself and – more importantly – your investors. Participating in Whitney's seminar and being an active learner will help you achieve exactly that." – Artem Fokin, Caro-Kann Capital LLC

LESSONS FROM THE TRENCHES:

VALUE INVESTING, ENTREPRENEURSHIP & LIFE

OVERVIEW OF KASE LEARNING

BY WHITNEY TILSON | WTILSON@KASELEARNING.COM

KASE LEARNING

WHITNEY TILSON'S KASE LEARNING BOOTCAMP

I CLOSED MY HEDGE FUNDS IN OCTOBER 2017 AND SHORTLY THEREAFTER

LAUNCHED KASE LEARNING

- My parents are both educators, I love to teach, and I've done a lot of teaching, writing and mentoring over the years, so it was a natural transition
- There's a large global market of sophisticated investors – both professionals and avid amateurs – who want to learn and become better, many of whom want to start/grow their own investment funds
- There's almost nobody teaching high-level investing and fund entrepreneurship
  - Continuing Legal Education (CLE) and Continuing Medical Education (CME) are major industries, but there's nothing comparable for investors
- My long-time partner at Kase Capital, Glenn Tongue, has rejoined me
- We seek to capture all of the lessons we learned in nearly two decades in the hedge fund trenches, both as investors and entrepreneurs, and impart that knowledge to others so they can stand on our shoulders and achieve even greater success

INVESTING IS A BATTLE

- The reason we call Kase Learning's core program *Lessons from the Trenches* is that investing is a battle
- This long bull market combined with the rise of indexing and the increasing sophistication of supercomputers has made the job of investors and fund managers much harder
- Thus, to succeed you must be better than ever before: do even more in-depth research, do better analysis, be more patient and disciplined, etc.
- Most importantly, you have to get on a steep learning/experience curve and stay on it for a lifetime
- There are only two ways to get experience: learning from veterans (like us) or stumbling around on your own, making mistakes and getting scars on your back
- Which do you prefer?

REAL-WORLD EXPERIENCES & CASE STUDIES

- We are not interested in academic theories; we only teach via case studies rooted in our own real-world experiences
- There are many value investing programs and books that teach the basics: intrinsic value, margin of safety and sustainable competitive advantage; various valuation methodologies; how to do a discounted cash flow, etc.
- But understanding these topics is far from what is truly necessary to successfully navigate today's difficult markets
- We teach dozens of lessons we learned – in many cases, the hard way – over two decades in the trenches: how to find great stocks, avoid value traps, manage a portfolio effectively, short sell, be an activist, control one's emotions, hire the right people at the right time, make a name for yourself, raise money, communicate well with investors, and much more

WE FOCUS ON SUCCESSES *AND* MISTAKES

- During our years at Harvard and Wharton business schools, we read hundreds of case studies and pretty much every one featured a heroic protagonist, facing a difficult issue, but almost every time reaching the right decision and achieving great success
  - We can't recall a single one in which the protagonist made wrong decisions and screwed it all up
- This is not how the world works — everyone makes mistakes and suffers setbacks
- We believe that it's just as important to teach and learn from mistakes, so we honestly share the many we made so that others can avoid them
  - "Only a fool learns from his own mistakes. The wise man learns from the mistakes of others." – Otto von Bismarck

HOW WE THINK ABOUT INVESTING

- We are value investors, so anyone looking for hot stock tips or advice on how to get rich quick *should not take our programs*
- That said, we are primarily "make money" investors, so we define value broadly
  - We believe that value can be found in many places, even among growth stocks, so we teach case studies that include Netflix, Alphabet, Facebook and SodaStream

WE ALSO TEACH ENTREPRENEURSHIP

- The hedge fund industry is now very large, but at its core it's still an apprenticeship business: young investors learn the business from grizzled veterans
- But what about the 99% of investors who dream of being the next Warren Buffett or Julian Robertson, but aren't lucky enough to land a job at an established firm?
- How are they supposed to learn what they need to know to have a reasonable chance of success?

KASE LEARNING'S THREE CORE PROGRAMS

1. A three-day *Lessons from the Trenches: Value Investing Bootcamp*
2. A one-day seminar on *How to Launch and Build an Investment Fund*
3. A one-day *Advanced Seminar on Short Selling*

- They can be taken individually or in any combination, though most choose to take all three
- We teach them in person over five 12-hour days (3+1+1) and also via live webinars: 15 2½-hour modules (9 for the bootcamp and 3 for each seminar) that we teach live every day from 7:00-9:30am EST

TESTIMONIALS

- "The greatest teacher of investing was Benjamin Graham. He was followed by Warren Buffett and Charlie Munger. Believe me, the third person is Whitney Tilson. He's a natural teacher." – Chris Stavrou, Stavrou Partners (watch the video here)
- "It was a wonderful, almost life-changing experience. In a nutshell, it felt like an intensive infusion of wisdom and practical advice. I also really enjoyed meeting the people in the group who were, without exception, intelligent, hard-working, open-minded and friendly." – Gabriel Grego, Quintessential Capital Management LLC
- "I would absolutely recommend this seminar to anyone aspiring to run their own investment management business. What is taught in this seminar is pure gold. It's not taught anywhere else and there aren't that many people in the world who really understand what it takes to raise a billion-dollar fund. I think that this is an incredible product. It's not really a proxy for business school or Columbia's value investing program. It's more advanced and for someone farther ahead in their career. There are so many start-up, emerging managers who have no idea how to raise money and where to start."

TESTIMONIALS (2)

- "As a young analyst trying to get ahead, this was the shot in the arm I needed. I know the hedge fund world has become increasingly difficult and competitive, so I've been looking for any leg up I could find – and the seminar delivered, far surpassing my expectations. I was blown away by the one-on-one, personalized attention and can't imagine a better way to learn than from Whitney's case-based format. I left the seminar a better investor, entrepreneur and, unexpectedly, better person. Highly recommended!" – Jeremy Lichtman, SevenSaoi Capital
- "At the beginning of Whitney's course, I didn't know what to expect and had little idea of how to set up and market my business, but after only a few days it's not an understatement that the seminar will make me millions of dollars and save me a great deal of trouble. Whitney laid out everything he did right in launching and growing his fund for more than a decade and then, perhaps more importantly, very honestly detailed what he did wrong. Through his connections, we also met with investors at the very top of the industry who were very generous with their time and open to all questions. Lastly, I now have 12 friends who are very bright and at a similar point in their careers who I can bounce ideas off of, a clear plan for how to market and grow the business (it's encouraging when you hear Bill Ackman tell you he likes your plan), and most importantly I know what pitfalls to avoid." – Angelo Martorell, Martorell Capital Partners

ARTICLES BY/ABOUT KASE LEARNING

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- *The Last Days of Whitney Tilson’s Kase Capital*, Institutional Investor, 3/20/18
  - www.institutionalinvestor.com/article/b17f19gwp3595r/the-last-days-of-whitney-tilson's-kase-capital
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  - https://finance.yahoo.com/news/success-led-fall-174512177.html
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  - https://seekingalpha.com/article/4177128-sa-interview-whitney-tilson-launch-kase-learning-running-hedge-fund

FURTHER INFORMATION

- Further information is at www.kaselearning.com or call (212) 265-4510
- Email me at WTilson@kaselearning.com if you would like to be added to my investing email list and/or have questions or comments
- Follow Kase Learning on:

So You Want to Be a Hedge Fund Star?

By Ben Walsh
Barron's, May 11, 2018 4:05 p.m. ET
www.barrons.com/articles/so-you-want-to-be-a-hedge-fund-star-1526069114

To succeed, hedge funds search for an edge, a bit of information or insight that gives them an advantage over everyone else in the market. As a hedge fund manager for nearly 19 years, Whitney Tilson searched for one, too.

But in his new business of appearing at investing seminars and conferences, Tilson has found that his biggest edge is failure—the lessons from the closing of his own hedge fund.

"When CNBC is calling you the Prophet," he says, "watch out!"

Tilson is giving a PowerPoint presentation at the New York Athletic Club, the Italian Renaissance–style colossus on Central Park South. The group of about 30 men—and for the first three days of the seminar, it's all men—are dressed in the finance industry's uniforms of blazers, vests, and sweaters. While it is a class, no one is wearing jeans or sneakers. (The 150-year-old club's dress code prohibits them.) There are also no laptops or cellphones. Those, Tilson has banned.

Tuition for a full four days of the hedge fund “boot camp” is $6,500. Participants aren’t complete finance novices. Most are professional investors; one mentions that he started a company when he was 14.

From a lectern flanked by two screens, Tilson is detailing exactly what went wrong at his hedge fund, Kase Capital Management. At its peak, it oversaw nearly $200 million—and about a quarter of that when he finally shut it down last year, after years of mediocre performance. “It’s embarrassing to teach this,” he tells his students. “It’s embarrassing to admit this.”

Still, it’s what he does these days. Tilson, 51, started Kase Learning with his former investing partner, Glenn Tongue, 59, to provide seminars and put on conferences.

The meat of what Tilson teaches is focused on making the students better investors. There are case studies on specific stocks, lessons on portfolio management, and how to know when, exactly, is the right time to move. (Best to wait, he says, until you are “trembling with greed.”) Some of what Tilson teaches are industry details like the specific, polite phrasing to employ when asking potential investors for money. He also explains why you should put your investment thesis in writing and how to structure a stock pitch presentation.

He also talks a lot about how to cultivate mentors and potential investors: Do your research, but don’t be creepy. Have a clear understanding of what you want out of any interaction, but take a sincere interest in people, so you don’t seem overly transactional. At one point, he name-checks Dale Carnegie; indeed, a lot of what Tilson teaches could be titled “How to Win Friends and Influence People With an HP 12C Calculator.”

And one afternoon is spent discussing how to avoid personal disaster.

“I’ve become an observer, a student of calamities,” Tilson says, and he offers the class ways to reduce the risk of death, divorce, prison, impoverishment, and addiction. Among other things, he recommends not smoking, driving drunk, or BASE jumping (wingsuit flying or parachuting off a cliff or a building).

He says he looked at his friends’ divorces, and adds that communication and shared values are crucial to a healthy marriage. Tilson, a former consultant, also lists 12 questions everyone should ask about a potential spouse, just one of 11 PowerPoint slides in the marriage advice section.

Is this worth $6,500?

Tilson isn’t hawking “how to get rich quick in hedge funds.” It’s something much more boring, and yet probably more useful to financial pros.

Continuing education, midcareer professional training, and networking are offered across almost every industry. That’s not always the case at hedge funds, outfits famed for being led by secretive, short-tempered egomaniacs. Strategies and how to conduct business can stay inside the heads of hedge fund founders or be kept confidential by their lawyers. It’s not fertile ground for mentorship; learning takes place almost exclusively through an apprenticeship.

For people starting, or in the middle of, finance careers, what Tilson teaches can be valuable. And for the intended audience of investment professionals, the price tag is far from unaffordable.

If Warren Buffett is the Led Zeppelin of investing, Tilson is a sort of very competent cover band, compensating for what he lacks in star power by being available to the financial media and being able to hit the right notes. And while Buffett's track record and value investing approach looms large over the course, Tilson adds something more personal and absorbing: a good confession detailing where and how he went wrong.

For the first 11½ years in which he managed money, Tilson beat the Standard & Poor's 500 index by nearly 182 percentage points. Then, in 2010, as the post-financial-crisis bull market took hold, his fund began to underperform, badly. A huge part of the problem: It had far too many positions. "When you get down to your 40th best long position, nobody is a good investor," Tongue tells the class. And unlike bigger funds that used the precrash boom to build large staffs with strict rules aimed at limiting losses, Kase Capital Management's investing staff never grew beyond Tilson and Tongue.

Tilson started investing further afield in warrants and options. Perhaps most damaging of all was that, as his performance suffered, he tried harder and harder to regain the ground he had lost and traded himself further behind the market.

Psychologically, Tilson was getting beaten up. He was miserable and yet also convinced that he could, somehow, turn things around. It took conversations with friends and mentors to make him realize that he "no longer had a viable business."

During his seminar, Tilson zeroes in on his biggest mistake. He pulls up a chart showing how he beat the market during the first half of his investing career. When he was putting up those numbers, he says, he should have raised $500 million to $1 billion. He left a fortune on the table by not raising that money and building a bigger team.

He lists several plausible reasons for not doing that: He was building his reputation by writing and appearing on TV, and was widely quoted about Berkshire Hathaway and the housing crisis. He didn't take concrete steps like hiring someone to help him raise the money, and didn't directly ask often enough if someone could write a check.

But the best answer to why Tilson never managed far more money becomes clear at another point in the course. He talks about a company that wants to sell itself and gets a bid from Buffett. The company thinks it could easily get more money from another bidder, but goes with Buffett because of his reputation for letting acquired companies run things their own way.

For the owner of the business, Tilson explains, a little more money isn't a motivation. "Once you are a billionaire, does it matter if you are a 1.2 billionaire?" he asks, implying that it doesn't.

Yet for someone who runs a billion-dollar hedge fund, yes, it absolutely matters. In fact, he should be trembling with greed.

Want to Run a High-Flying Hedge Fund? Don't Be a Cheapskate

Whitney Tilson's successful hedge fund sputtered and closed. Now, he's teaching others how to avoid the mistakes he made

By Anne Kadet
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Last fall, after trailing the market for eight years, Whitney Tilson closed his once-highflying hedge fund. So what's he up to now? Teaching others how to start a hedge fund.

"I did it, and I screwed it up. So I can teach you both things. What to do, and what not to do," the 51-year-old recently told me.

His $2,000, one-day "How to Launch and Build an Investment Fund" seminar is pitched at stock pickers who didn't go to Harvard or intern at Goldman Sachs, said Mr. Tilson, who did go to

Harvard and worked in the nonprofit sector before launching his fund, Kase Capital Management, from his Manhattan bedroom in 1999.

“There are super-talented investors who didn’t come down that narrow track, and good luck getting a job in the hedge-fund industry if you didn’t,” he said.

His most recent seminar was held at the swanky New York Athletic Club on Central Park South in Manhattan. Most of the students on hand said they worked in finance, but their ranks included a fashion stylist, an aerospace engineer and a real-estate broker. There were 13 men and three women. Half were white.

“In 20 years of business, this is the most diverse room I’ve ever been in,” Mr. Tilson said. “It’s usually all guys who look like me!”

Whitney Tilson, shown in 2015, launched Kase Capital Management in 1999. It eventually closed and now he is teaching others how to avoid the mistakes he made during his $2,000, one-day ‘How to Launch and Build an Investment Fund’ seminar.

Mr. Tilson said he started his fund after enjoying success with his personal portfolio, including a big bet on AOL.

“I was a bull-market genius,” he said. “I was so full of myself I decided to run other people’s money.”

He had several advantages: He was living rent-free in an apartment belonging to his wife's grandparents. And his wife, a lawyer, was earning six figures.

Don't try this at home, he advised, unless you have three years of living expenses in the bank.

Still, he noted, there are few barriers to starting a fund. He launched his own with $1.1 million raised from his parents and in-laws. He said he spent just $18,000 the first year on expenses such as a computer, cellphone and travel.

The morning's seminar presentation covered logistical issues such as how to choose a brokerage. When it comes to fees, Mr. Tilson recommended charging the usual 20% of returns plus a 1.5% management fee.

"It's an obscene and usurious fee structure, but it's the industry standard," he said. "Anything out of the norm and you waste half your time answering questions about your stupid-ass fees."

To raise one's profile, Mr. Tilson recommended taking informed but contrarian positions on hot topics. He made his name, in part, by predicting the housing bubble. CNBC called him "the Prophet."

He also made smart trades. Between 1999 and 2010, Kase Capital returned 184% compared with 2.6% for the S&P 500.

Investors came flocking. At his 2010 peak, Mr. Tilson had $200 million under management.

That performance should have attracted more business, he said. He regrets not hiring a marketing pro: "I was a stupid cheapskate in so many ways."

During the lunch break—chicken wraps, assorted salads, cookies—Bronx real-estate broker Ovan Morrison told me the seminar had inspired him to get serious about starting his own fund.

No one in his circle has $100,000 to invest, he said, but they likely would contribute smaller sums: "My mother will do it. My friends will do it."

"I feel like I've seen the promised land, being in this environment. And I can't turn back," Mr. Morrison said.

Student Eric Schleien said the class would have saved him a lot of effort had he attended before launching his own firm, Granite State Capital Management, three years ago.

"The investing aspect, I knew how to do that very well," he said. "But when it comes to operations, a lot was learning on the job."

No one shares the information Mr. Tilson presents, he said. "In this industry, they're very secretive."

After lunch, we got to the fun part: How to raise a billion dollars.

Start with friends and family, followed by high-net-worth individuals, Mr. Tilson said. The institutional money comes later.

Cultivate personal relationships with investors, he advised. Buy them gifts and bake them cookies. Give them your cellphone number.

Ugh. This business was sounding less fun by the minute.

The final topic was investor presentations and letters. Mr. Tilson showed examples of what not to do, including an investor update from a fund manager who went on for eight pages about his pet position. “If you’re an obsessive lunatic, hide it from your investors,” he advised.

I know what I’ll be doing this summer: Not starting a hedge fund.

The father of three daughters, meanwhile, said he’s happier these days, and is determined to avoid repeating his cheapskate mistakes with his new Manhattan-based venture, Kase Learning. He’s hired three employees to manage and market his seminars, and has planned a global tour of 13 cities.

“I’m $700,000 in the hole right now, and burning,” he said of his personal investment in his new business. “I hope I’ve got the tiger by the tail.”

The Last Days of Whitney Tilson's Kase Capital

The hedge fund founder explains why his fund was "sucking the joy" out of his life — and why he's turning its failure into a teachable moment.

By Michelle Celarier

www.institutionalinvestor.com/article/b17f19gwp3595r/the-last-days-of-whitney-tilson's-kase-capital

Whitney Tilson's Facebook friends surely thought he was on top of the world last summer.

Photo after photo posted on the social media site tells the story of a rich, exciting life. There's Tilson watching whales off the coast of Iceland. Next, he's on the canals of Amsterdam with his wife and daughter. Just a few days later, he's checking out Lenin's tomb in Moscow. Last August he even climbed to the top of the famed Eiger mountain in the Swiss Bernese Alps, photographing every step of the arduous journey.

Illustration by Nicolas Ortega

But to hear Tilson talk today, the reality was grim. After 18 years in the hedge fund business, his firm — Kase Capital Management — was losing money, and Tilson found himself dipping into his savings to keep it afloat.

"I had lost my passion for the game," Tilson confided in a two-hour, soul-searching interview about the events that led him to shut down his hedge fund last September. After gaining 184 percent, net — when the broader market was up only 3 percent — during the first 11 and a half years of his hedge fund's existence, Tilson's returns had been floundering. Since 2010, Tilson says, he trailed the Standard & Poor's 500 stock index, and in 2017 he had lost almost 9 percent on the year by the time he shut down his fund. "In an ironic twist, I always built my firm to survive the worst storm, but it was a nine-year bull market — complacency and sunshine — that took me out."

Tilson is one of several veteran hedge fund managers, including Eton Park Capital Management's Eric Mindich, Hutchin Hill Capital's Neil Chriss, Eclectica Asset Management's Hugh Hendry, and Blue Ridge Capital's John Griffin, who called it quits in 2017. Small hedge funds come and go with great regularity, but the inability of the industry's stars to profit as the stock market soared to new heights has raised questions about the viability of the model. Tilson was a much smaller player than the others — at his peak he managed only $200 million — but his experiences are a window into the headwinds that have faced these former masters of the universe.

What distinguishes Tilson from many of his peers is his willingness to talk about the long, excruciating road down. "It's hard, after seven years at sucking at something, to wake up and tap-dance to work. So, I found myself getting distracted. I wasn't physically getting out of shape; it was the opposite. I was going and climbing mountains. This one part of my life, I was miserable at: I was having no success. It's hard to have the self-discipline to focus all your attention like a laser, and all your spare time on a particular part of your life in which you're getting so much negative reinforcement."

Last year, as his fund's losses began to mount, Tilson says, "I didn't feel like I could look my investors in the eye and say, "'Look, I'm losing you money, but I'm not doing anything else, 18 hours a day that I'm awake, the only thing I am doing is trying to turn performance around.' " The vacation photos notwithstanding, Tilson says he even felt guilty attending his daughter's soccer games. "My hedge fund was sucking all the joy out of my life."

Tilson's introspection is uncommon for those in the hedge fund business, where self-confidence and salesmanship are as important to success as any investing prowess. As Tilson readily admits, managers cannot afford to be frank while they are going through turmoil, lest they further hurt their business — and their investors. "The last thing you want to do is air your dirty laundry. That will further shake the confidence of your investors."

But there's another reason for Tilson's uncommon openness: His experiences, both positive and negative, have led him to create a whole new business, turning Kase Capital into Kase Learning (*Kase* stands for the first letters of the names of Tilson's wife and three daughters). From a small conference room at the New York Athletic Club, Tilson has started teaching the perils and profits of investing in general — and running a hedge fund specifically — to aspiring youngsters who don't come out of big seeding platforms like Julian Robertson's Tiger Management or a multibillion-dollar hedge fund.

"Unless you are the lucky 1 percent who has the chance of learning in an apprenticeship, how are you supposed to learn how to do this?" Tilson says. "Nobody teaches the next generation. There is not one business school on the planet that teaches anything really usable to starting up your own hedge fund.

"It's so rare to talk to a manager who is injected with truth serum, isn't it?" he asks as he details his long bumpy journey through hedge fund land. "But I don't give a crap anymore."

TILSON, age 51, still has an athletic endurance that means you'd never know he has been suffering from a kidney stone for days. After a weekend in San Francisco, where the pain got so bad he had to delay his flight, he's back in New York City. Dressed sharply in a navy blue suit, crisp white shirt, and hot pink tie, Tilson is pitching his new business to prospective students. He calls it a boot camp: "Lessons From the Trenches: Value Investing, Entrepreneurship & Life."

So far, he's held two four-day boot camps, each attended by about a dozen 30-something men (and one woman) in New York. Another session is planned for April, and a daylong seminar on short-selling slated for May already has almost 100 attendees and a roster of speakers including big names like Greenlight Capital founder David Einhorn and Muddy Waters Research's Carson Block. Tilson also plans to take his show on the road, with sessions in Italy and London in the works. His target students are mostly young men in their early to mid-30s who are either working at an investment firm and want to go out on their own or are already running a small hedge fund and hope to get bigger.

Tilson thinks he can help them. "What were the things I did right? What were the things I did wrong to screw it up and give it all back?" he asks the 15 men and one woman in the audience. "This is a business where when you hit it, [and] you have a great ten-year run, you should be making a lot of money," he encourages them.

Tilson's transformation from hedge fund manager to mentor might seem odd to those who don't know him. But a number of younger investors, like Sahm Adrangi of Kerrisdale Capital Management and Chris Irons of GeoInvesting, say Tilson is one of the first hedge fund elders who encouraged them in their early days.

"I'm a lot happier doing this," Tilson admits, leaning his lanky frame against the desk as he continues talking for more than an hour. He veers from discussions about investments called "value traps" to the perils of short-selling to what he calls life lessons, such as the desirability of driving a new car with the latest safety features. (He is convinced a new Volvo saved his wife's life when she ran into a tree in a late-night accident last Thanksgiving.)

"Whitney is a great storyteller," says Enrique Abeyta, a hedge fund founder of two former funds, Skadia Capital and 360 Global Capital, who is one of Tilson's guest speakers. "He gets very deep and very in-depth."

Tilson comes by it honestly. Both of his parents, who met in the Peace Corps and later took their small children to live in Tanzania and Nicaragua, were public school teachers, and the son seems to have inherited the teaching gene.

If anything, becoming a hedge fund manager was out of character. After Tilson graduated at the top of his class from Harvard Business School in 1994, his first gig was a nonprofit called the Initiative for a Competitive Inner City. Five years of nonprofit work didn't add up to much, but his wife's job as a corporate lawyer allowed him to pay off his student debt, and the couple even had $10,000 to spare. Before then, Tilson says, "I never had any interest in investing. I had never owned a stock, my parents had never owned a stock."

But, hey, it was the late 1990s, dot-com mania was on the rise, and Jeremy Siegel's *Stocks for the Long Run* was a best seller. On the advice of his Harvard Business School classmate Bill Ackman, who'd already started a hedge fund, Tilson began reading Warren Buffett's writings and quickly became a convert to the notion of value investing. "It just made sense to me. My mom can squeeze a dollar until it screams. . . . I grew up driving secondhand cars and wearing secondhand clothes. Not surprisingly, the idea of buying stocks at a discount waiting until you can buy a dollar bill for 50 cents inherently appealed to me.

"In hindsight, I had no idea what I was doing," Tilson admits. But in the bull market of the late 1990s, it didn't matter. Investing his small nest egg, Tilson saw everything he bought go up. "After a couple of years of that, I thought I was God's gift to investing. I was your prototypical bull market genius."

The next step in those days was to start his own hedge fund. "I was having dinner with my wife and her parents, and I remember telling them: "˜It's just hit me. I'm going to start my own hedge fund.' " Six weeks later, after lawyers at Schulte Roth & Zabel (where Tilson's wife worked at the time) gave him a discount to do the paperwork, Tilson was in business. With money from his parents and his in-laws, he started with $1.1 million on day one and began operating Tilson Capital Partners from a corner of his bedroom on New York's Upper East Side. Since his personal investment account had been "ripping for the previous two or three years," he says, it wasn't hard to get other friends and family, including Harvard classmates, to sign on. Tilson bought shares of AOL, which went up six times, and thought he was conservative for buying Microsoft Corp., though it was trading at 150 times earnings. Buffett's Berkshire Hathaway was his biggest position — one he held until the very end. The future looked golden. "I started out with a plus-30 or plus-40 year," he recalls wistfully.

Tilson also built up a media presence, first writing a column for the Motley Fool and later being interviewed on *60 Minutes*, where he appeared in an Emmy-winning program about the internet bubble, whose demise he had predicted. ("That should have been a career maker," Tilson wryly observes.) The bursting of that bubble, and the market downturn that ensued, was a boost to the fortunes of hedge funds, which took off in 2003 and soon became a trillion-dollar industry that was attracting pensions funds and other institutional investors. Many hedge fund managers adhered to value investing, which also had a comeback. Tilson launched a newsletter and an investment conference, the Value Investing Congress, which ran for ten years. But after surviving the bloodbath of 2008 by savvy shorting, like so many other hedge fund managers he had trouble finding his footing.

In retrospect, not only was he spreading himself too thin, Tilson tells his students during a session on how to build a hedge fund, "I kept costs too low. I never really invested in the business. . . . Money was coming in, the phone was ringing, the email box was filling, but I never had a well-organized, well-executed business plan. I could easily have raised $500 million, and if I had wanted to stretch a little bit, raise a little bit more volume, I could have gotten to a billion." He says that kind of money would have helped him build a stronger infrastructure, including hiring analysts to build out an investment team. "It was an enormous lost opportunity."

After running Tilson Capital Partners on his own for five years, Tilson hooked up with Glenn Tongue, a former DLJ banker who is now his partner in Kase Learning, to run a fund called T2 Partners in 2004. By 2010, at their peak, the men finally decided to hire a third-party marketer. But then, "Literally, the month we hired them and signed the contract, our returns went to shit," says Tilson. In 2011, his worst year, T2 Partners fell 25 percent, and it was impossible to raise money. The two split up but remained good friends.

"Most successful hedge funds don't have the structure we had, which was co—portfolio managers," says Tongue. "We didn't argue much at all. We just didn't generate returns."

IN 2012, TILSON started what would become his final hedge fund: Kase Capital. It was a bare-bones, one-man operation run out of shared space in Carnegie Hall Tower in midtown Manhattan. Although he stopped the bleeding, Tilson says, he never beat the market again. "At every point in this long bull market, I had felt like it was ahead of the fundamentals. It turned out I was absolutely wrong the entire time," he admits. "I was too dogmatic. I failed to appreciate some of the incredible stocks I should have been able to figure out."

It was Tilson's passion for short-selling that ultimately did him in, he says. "If you're a value investor, that means you're a contrarian. You like betting against the crowd." He adds that shorting "bad people and bad companies made me feel good, like it was very righteous. That appealed to the crusader in me."

Tilson gained fame for his short on Lumber Liquidators, again getting the attention of *60 Minutes*, which did a devastating exposÃ© on some of company's products. The stock fell about 75 percent in 2015.

But shorting can also be lethal, especially when most stocks are going straight up. After a small gain of 3.8 percent in 2016 — a year when the S&P 500 rose 12 percent — Tilson wasn't happy. But at least he wasn't losing money for his investors, who by then had diminished to just friends and family. Then things got worse, and by the middle of 2017, he was down more than 6 percent, his portfolio getting creamed by the many shorts in his book.

Short-selling was "enormous fun," Tilson says, "but it cost me financially. It was a significant contributor to my underperformance that ultimately put me out of business. I was in a vicious cycle. I felt like I had lost my mojo. Money was coming out of my fund, which was consistently underperforming."

Tilson's first step to stanch the bleeding was to cover all his single-name shorts, which he did in June. Among them was Exact Sciences Corp., which Tilson says appeared on its way to bankruptcy less than a year ago, but "rose from the ashes" after the U.S. Preventive Services Task Force gave its colorectal cancer screening test the go-ahead. "It had gone from 5 to 23 when I covered," he said. "It was a bad short." (Tilson had pitched it at Robin Hood conferences in 2014 and 2016.)

But covering his shorts did not turn the portfolio around, and by mid-September, Kase Capital was still losing money. Finally, Tilson decided to pull the plug after sharing his problems at a September 18 meeting of the Manhattan chapter of Young Presidents' Organization, a global group of young CEOs who serve as a support group for one another. "These are people I've been meeting with every month for many, many years. We help each other think things through," he explains.

Tilson wasn't planning on shutting his fund when he went to that meeting, but the words came spilling out. "I said, "'We're wrapping up the third quarter, it's another miserable quarter of trailing the market, it's another quarterly letter that I have to write to my investors confessing to the poor performance and trying to explain it, and I'm completely miserable. I don't know. I've tried everything to turn things around. I've covered my short book. I bought some Google and Facebook, which I don't feel great about, buying those stocks ten years later than I should have. It feels like a capitulation buy. I'm doing things I don't like. Even the stocks that work, like Hertz — it fell from 50 to 10, and I bought it, and it went to 25 within six weeks — it's my biggest win of this year, but I knew I took hideous risks to do it. So I don't even feel good about the things I'm making money on. I'm taking terrible risks.' "

Those at the meeting, Tilson recalls, asked him bluntly: "Is it time to pull the plug? Do you have a viable business here? Even if you had a huge fourth quarter that turned things around and ended up in positive territory for the year, even if you had a big year next year, hedge funds are in the doghouse right now. You have had seven years of underperformance. So one good quarter, even one good year — it isn't like you're going to be able to go out and start raising money. Right?"

Kase Capital was down to $50 million, and the 1 percent management fee on the funds didn't even cover expenses. "So now, just to keep the doors open," they reminded him, "you're going to have to start writing a check."

Tilson knew they were right. "I was below my high-water mark, so I wasn't earning any promote. Every year my assets were shrinking. One of the key tipping points for me was recognizing that to keep the fund open, I was going to have to accelerate my cash burn." At the same time, he was paying for three teenagers in private school, two of them in college. "It wasn't impossible to turn things around, but it was increasingly, realistically a real long shot."

The next day Tilson called his broker and sold almost all his stocks, even Berkshire Hathaway, the one he had held since the beginning. The fund closed 12 days later, on September 30, and he returned 95 percent of investors' capital on October 15. He's still trying to unload one private holding and, ironically, close out a short on Lehman Brothers Holdings, a position that dates from the financial crisis.

Hearing such stories can be a bit overwhelming for Tilson's new students. "Whitney has been super honest and transparent about his own personal ups and downs and the pitfalls that come with being in the business," says Ronald Chan of Lakeside Financial in Seattle, who adds that the program is "a great crash course for aspiring managers to go into this business with eyes wide open."

He adds, "Given the headwinds in raising hedge fund capital, especially from institutions, I wonder if a hedge fund is the business model that most people should be trying." For now, Chan says, he's sticking with offering clients separately managed accounts instead.

Tilson agrees that the hedge fund model might not be suitable for everyone, and says he plans to add managed accounts and other investment products to round out his courses. But if you can do a hedge fund, he still believes, it's the best way to go.

"It's sort of funny. When I look back on my 18 years, I have nothing but happy memories," Tilson says. "It was tough times, but I think it was worth it in the end."

His greatest fear about shutting down his fund, Tilson says, was that "I would actually have to go get a job and work for somebody. When you've been an entrepreneur for 30 years, the idea of actually having a boss, and having somebody else decide which hours of the day I have to work, when I can go on vacation or not, was an unappealing prospect."

Tilson's new venture might not be as lucrative as a hedge fund, but he's still the boss. And at $6,500 for a four-day course, if Kase Learning could bring in, say, 20 students once a month, the business would gross more than $1.5 million a year.

So far, with only word-of-mouth marketing, Tilson appears to have found a new purpose in life — and an underserved market. After deciding to give teaching a try late last year, Tilson says, last November he sent an email to the 4,500 people on his investors' email list, saying, "I'm looking for 12 people, and I'm going to do it the first week of December." He ended up getting 50 applicants from all over the world and picked 12 of them for the first session. "We had an incredible week together," he recalls. "It made me realize, holy cow! There is an awful lot that I have to teach."

Whitney Tilson On The Rise And Fall Of Kase Capital

An interview with Whitney Tilson, an American investor and author. Tilson managed Kase Capital Management and now manages Kase Learning.

Forbes, May 1, 2018

www.forbes.com/sites/kevinharris/2018/05/01/whitney-tilson-on-the-rise-and-fall-of-kase-capital

Whitney Tilson is an American hedge fund manager, and the founder and former Managing Partner of Kase Capital. He has co-authored several books on investing (including *Poor Charlie's Almanack),* and a bevy of articles in the *Financial Times*, *The New York Times*, *Forbes,* and *Kiplinger's.* Tilson is also known for publicizing colorful shorts. In 2015, he was interviewed on 60 Minutes, where he claimed that Lumber Liquidators flooring contained dangerous amounts of formaldehyde. This caused the stock to plunge, and *60 Minutes* was awarded an Emmy in Investigative Journalism for the episode.

In the same year, following a statement of Tilson's about a presidential cabinet appointment, he was rebuked by Senator Elizabeth Warren. The rebuke came over Facebook, with Warren writing: "Tilson knows that, despite all the stunts and the rhetoric, Donald Trump isn't going to change the economic system... The next four years are going to be a bonanza for the Whitney Tilsons of the world."

The last two years heralded the steady decline of Kase Capital's AUM, which lead to the wind down of the fund in 2017. Following its shuttering, Tilson launched Kase Learning, a venture designed to educate the next generation of active managers.

Kevin Harris from SumZero sat down with Tilson to discuss value investing, Tilson's career, and the launch of Kase Learning.

Kevin Harris, SumZero: A recent Institutional Investor article quoted you as saying that your "hedge fund was sucking the joy out of [your] life." What is your advice for hedge fund managers who may be underperforming in this bull climate?

Whitney Tilson, Kase Capital/Learning: The most important thing to do is turn around performance – easier said than done, of course! To do so, you first must honestly and accurately identify what's causing the poor performance, which can be extremely difficult. Is it just a bad market and/or is your style of investing simply out of favor for a bit, in which case you should stay the course? That's the easy answer, but it's often wrong. Do you need to fire someone? Should you exit certain positions?

Most importantly, you need to do an honest self-assessment: What mistakes have you made and what changes do you need to make? Have you become distracted? Are you delegating too much? Has your ego led you outside of your circle of competence and/or to take on too much risk? Have you strayed from your core investing tenets?

Very few people are good at self-assessment, so ask others to help you – start with friends, mentors, your spouse, and trusted investors, but you might also consider a professional like a shrink or executive coach. If you can find the right person, sit down and together do a deep dive into your portfolio.

Lastly, a warning: when performance is poor, the desire to turn things around can be so strong that it can lead you to take excessive risks and swing for the fences, which usually just makes things worse. Keep in mind the first rule of holes: when you're in one, *stop digging*!

Harris: What is most misunderstood about the day to day of running a hedge fund?

Tilson: Breathless articles and TV shows like Billions make it look like there's a lot of action managing a hedge fund, but in reality most hedge fund offices I've seen – and I've seen a lot – appear more like libraries: people quietly reading and thinking all day. That's the key to investment success in my opinion. The more trading/action, the worse the returns based on my experience and observation.

Harris: What did you find most rewarding and challenging about your hedge fund career?

Tilson: Even on vacation, I read business books and publications for pleasure because I'm fascinated by the business world and love studying how companies compete, rise and fall. Investing is simply an extension of this: accurately forecasting the future of particular industries and companies, and then making bets, long and short, when my view of the future is materially different from the consensus. It's such a great feeling to outwit the "herd", which is comprised of so many smart investors and supercomputers.

The most challenging part of my career was the difficulty of successfully and consistently doing this – the herd is right the great majority of the time, especially during a complacent bull market.

Harris: Given your well-publicized fondness of Munger and Buffett, why did Kase Capital rely on such a short heavy strategy?

Tilson: I wouldn't say that I ever had a short-heavy strategy, as I didn't run a short-biased or even a market-neutral fund – my long book was always 2-3x larger than my short book. That said, other than a couple of good years in 2008 and 2013, shorting was a costly activity for most of the 15 years I did it. Oh why didn't I listen to Munger, who warned me not to do it early in my career?!

There are many answers to this, but the main one is that I felt like every short position in my portfolio was hugely overvalued and likely to go down a lot, so even though I'd lost money in the past in aggregate on the short side, I felt that the future would be highly profitable. I also liked having insurance against a market downturn – it saved me in 2008 and allowed me to play a strong hand all the way down. Lastly, I built a name for myself by being very publicly bearish about the internet and housing bubbles right before they burst.

Harris: How does activist shorting fit into your understanding of value investing?

Tilson: Activism, whether on the long or short side, is one way that a value investor can help close the value discrepancy that they've identified. But it can be very expensive and lead to nasty fights with companies, especially if the investor is short the stock and trying to bring it down, as I did most famously in the case of Lumber Liquidators. I'm proud that my work here resulted in the company ceasing its purchase and sale to American homeowners of toxic, formaldehyde-drenched Chinese-made laminate flooring.

I think it's very healthy for our markets when short sellers are willing to share their bearish views publicly – it helps offset the incessant stock promotion by corporate executives and Wall Street, and often exposes frauds – think Enron, WorldCom and Lehman Brothers. To encourage more of this, I'm hosting a first-of-it-kind conference dedicated entirely to short selling next Thursday, May 3 in NYC on *The Art, Pain and Opportunity of Short Selling*. It will feature 22 of the world's top practitioners, including David Einhorn and Carson Block, who will share their wisdom, lessons learned, and best, actionable short ideas.

The idea for the conference is rooted in the fact that this long bull market has inflicted absolute carnage on short books, and even seasoned veterans are throwing in the towel. This capitulation, however, combined with the increasing level of overvaluation, complacency, hype and even fraud in our markets, spells opportunity for courageous short sellers, so there is no better time for this conference.

Harris: What was your immediate reaction to Senator Elizabeth Warren's Facebook post in which she attacked you for supporting President Trump's pick of Steve Mnuchin to be Secretary of the Treasury? Any reflections on the issue ~18 months later?

Tilson: My initial reaction was incredulity. I'm quite public regarding my negative views on Trump and was no fan of Mnuchin – but in light of some of Trump's other picks, I gave a quote to a reporter basically saying, "Well, it could have been worse," which is what Sen. Warren seized on. Her attack on me was even more ironic and misguided given that she had been my wife's favorite professor at Harvard Law School, we'd donated to her campaign, and I'm a huge (and public) champion of the agency she effectively created, the Consumer Financial Protection Bureau.

I was inclined to ignore it, but came to realize that powerful politicians like Trump and Warren shouldn't attack private citizens under any circumstances, so I fed the story to a reporter at the *New York Times* and, after the *Boston Globe* and other media picked it up, Sen. Warren apologized and removed the post. My wife and I ended up, months later, having a very pleasant meeting with her.

Harris: What catalyzed the shuttering of Kase Capital?

Tilson: After nearly a dozen great years from 1999 through mid-2010, in which I beat the market almost every year and tripled my investors' money in a flat market, my fund grew from $1 million to $200 million under management and I was riding high. But as the economy recovered and stocks rallied, I developed the view that the market was ahead of the fundamentals, so I positioned my fund defensively, holding a lot of cash and carrying a meaningful short book, waiting for the next big downturn, which of course hasn't yet come (though it eventually will – I just don't know when!). This conservative positioning led to my fund significantly underperforming this long bull market over the past seven years, which caused my investors to get fatigued and assets to shrink to $50 million. More importantly, I was miserable: month after month, year after year, I felt like I was letting my investors down, so I finally decided to pull the plug last fall.

Harris: What do you hope to achieve with your new business, Kase Learning? Has launching Kase Learning changed your perspective on the hedge fund industry?

Tilson: After a couple of months of thinking about various options, I decided to launch Kase Learning. My parents are both educators, I love to teach, and I've done a lot of teaching, writing and mentoring over the years, so it was a natural transition. I believe there's a large market of people all over the world who want to become better investors and/or start their own investment funds, and there's almost nobody teaching these things. My goal is to capture all of the lessons I learned in nearly two decades in the hedge fund trenches and impart that knowledge to the next generation of investors to they can stand on my shoulders and achieve even greater success – and avoid the many mistakes I made.

The hedge fund industry is now very large, but at its core it's still an apprenticeship business. Young guys (sadly, they're almost all men) learn the business from grizzled veterans – but what about the 99% of people who dream of being the next Warren Buffett or Julian Robertson who aren't lucky enough to land a job at an established firm? How are they supposed to learn what the need to know to have any chance of success? This is what I'm teaching – and I'm not aware of anyone else doing so.

Harris: What is your view on the current state of the active management? Do you have any strong thoughts on the broad shift from active to passively managed funds?

Tilson: The trend toward indexing is causing problems for active managers, who especially tend to underperform in a bull market, as they, unlike the indices, hold cash and tend to own smaller stocks. Every year that active managers underperform, investors yank their money, forcing active managers to sell, depressing the prices of the stocks they own, causing further underperformance. This money, in turn, often goes into index funds, which blindly buy more of the biggest stocks that dominate the indices, driving their prices up further and widening the performance gap with active managers. Lather, rinse, repeat. It's a very powerful trend that I don't see ending anytime soon.

In general, the rise of indexing is a healthy thing – investors pay lower fees and will, collectively, outperform active managers over time. But it's easy for investors to be lulled into a sense of complacency when the market goes up year after year – they can forget that index funds go down in line with the market as well. During those times, they might wish they had some money with active managers who can hold cash and short stocks to mitigate losses and invest aggressively at the bottom, as I did in 2008 and 2009.

Harris: The agenda for your upcoming 'The Art, Pain and Opportunity of Short Selling' conference details 'The absurdity of bitcoin' as an agenda item. What are your thoughts on the recent cryptocurrency boom?

Tilson: It's an obvious bubble, fueled by the hype of shameless promoters, massive amounts of fraud, and regulators who are, as usual, asleep on the job. As with every bubble, there's a kernel of legitimacy – I don't doubt that blockchain technology is real and important – but that doesn't mean cryptocurrencies have any value. They don't. I remember the internet craze back in the late 1990s. The internet proved to be very real and important, but the stocks linked to this bubble still went down 80-100%.

Harris: In your recent 'Lessons from 15 Years of Short Selling' article, you detailed collapsing earnings as a powerful predictive screen for shorts. What else do you look for in a short?

Tilson: Shorting is so hard that you need multiple ways to win. So, in addition to collapsing earnings, I look for a very high valuation (far above historical and peer averages), very high margins that are likely to contract, companies/industries in permanent secular decline, a fad coming to an end, a lot of debt that can lead to financial distress, the market under-reacting to an earnings miss/guide down, new competitors emerging, and regulatory problems.

Harris: What has been your greatest investment mistake? What did you learn from it?

Tilson: Selling Netflix after it went up 5x in 18 months – and then watching it go up another 8x since then. Had I done nothing but hold onto this position since I first bought it in 2011, my fund would have outperformed and I'd still be flying high. The lesson here is that if you're lucky enough to identify a great company firing on all cylinders, as long as the story is intact and the fundamentals are strong, don't anchor on the price at which you bought it and sell too early, as I did. Ride it! I know people who've owned Berkshire Hathaway shares for decades and never sold. For certain stocks, you only have to be right once in a lifetime to do awfully well…

Harris: What has changed the most in the industry since you started? What advice do you have for the next generation of hedge fund managers?

Tilson: This long bull market combined with the rise of indexing and the increasing sophistication of supercomputers has made the job of stock pickers much harder. So, to succeed, you have to be better than ever before: do even more in-depth research, do better analysis, be more patient and disciplined, etc. Most importantly, you have to become even more of a learning machine – which is what I aim to help with via Kase Learning.

How My Success Led to My Fall

Whitney Tilson
Yahoo Finance, May 23, 2018
https://finance.yahoo.com/news/success-led-fall-174512177.html

In my new career teaching investing and investment fund entrepreneurship at Kase Learning, one of the most important things I teach is my story and the many, many lessons that can be learned from it.

I launched a tiny hedge fund with only $1 million under management in January 1999, running the entire business myself from my laptop on a rickety Ikea desk in a corner of my bedroom for the first five years. But I learned fast, worked around the clock, made some good decisions and, frankly, got lucky over the first dozen years, during which I nearly tripled my investors' money in a flat market and grew to three hedge funds and two mutual funds with $200 million under management.

And then I screwed it up over the next seven years, seizing defeat from the jaws of victory. My funds chronically underperformed, which led to assets shrinking to $50 million and, eventually, the decision to close my funds last September.

You might think the single more important and valuable thing I teach during my *Lessons from the Trenches* investing bootcamp is how I achieved such success in my first dozen years.

But you'd be wrong. While there are of course many important lessons I teach about this early period in my investing career that will benefit those who seek to achieve similar success, I believe the most valuable thing I teach is what happened afterward.

Studying mistakes and failures

"Huh?" you might ask. "Why should I study mistakes and failures?"

Here's why: If you want to learn anything difficult (investing, surgery, flying a plane, etc.), don't just study success: *Spend an equal amount of time studying mistakes and failures*. As Charlie Munger says, "Invert, always invert" and "All I want to know is where I'm going to die so I never go there." (I discussed this way of thinking in my commencement address two years ago at my alma mater, Eaglebrook; video here, text with appendices here.)

During my two years at Harvard Business School, I read ~300 case studies and pretty much every one featured a heroic protagonist, facing a difficult issue, but almost every time reaching the right decision and achieving great success. I can't recall a single one in which the protagonist made wrong decisions and screwed it all up. It's absolute negligence on the part of HBS (and, to be fair, pretty much every other business school I suspect) to teach success 99% of the time. That's not how the world works — everyone makes mistakes and suffers setbacks. In addition, if you want to make good decisions, it's critical to be able to rule out bad ones, which means you need to study them!

How to avoid a similar fate

After I finished teaching my personal tale of woe during the recent bootcamp, one of my students asked a wonderful, simple question: "What steps can I take to prevent this from happening to me?"

My quick answer was: "Don't become successful."

After the laughter subsided, I added: “And don’t go to Harvard … and graduate with high honors …twice!” (More laughter.)

But I was actually serious, as I explained:

I think being super successful educationally, and then being super successful in the first part of my investing career led to my downfall in many ways. Here are two:

First, an overabundance of hubris (going to Harvard tends to instill that) led me to launch my fund in January 1999 with almost no relevant experience — I had a good general business and entrepreneurial background, but hadn’t worked a day in the finance or investment industries.

I fancied myself a true value investor, following the principles of Warren Buffett and Munger, but I now see that I was little more than a late-’90s bull market genius. For example, I made six times my money in AOL stock in 1998, which led me to believe that I was God’s gift to investing. (I can’t tell you how many young investors today remind me *exactly* of myself back then!)

I shouldn’t have been managing my own money, much less anyone else’s, much less launching a hedge fund until I’d gotten some real experience in this apprenticeship-based business. But instead I took a shortcut.

While I was able to overcome my lack of experience for a number of years, I made some big mistakes, both as an investor and entrepreneur, which eventually caught up with me.

Second, nailing the internet bubble and then the housing bubble (which culminated in being featured in a “60 Minutes” segment in December 2008 that won an Emmy and CNBC calling me “The Prophet” filled me with hubris (which had become even worse after more than a decade of great success), which blinded me to risks and led to many bad decisions.

Perhaps the worst is that I thought I was a good macro prognosticator and market timer. Thus, instead of just focusing on finding a dozen or so cheap stocks, which is all I did in my early days, I instead formed the opinion that the market was ahead of itself and might plunge at any moment, as it had in 2008-09. Worse yet, I acted on this view, positioning my portfolio defensively, with lots of cash and a big short book, waiting for the market meltdown that never came. Needless to say, this was exactly the wrong positioning during this long, complacent bull market.

To succeed, you have to be better than ever before

The reason I call Kase Learning’s core program *Lessons from the Trenches* is that it’s a battle. This long bull market combined with the rise of indexing and the increasing sophistication of supercomputers has made the job of investors and fund managers much harder. So, to succeed, you have to be better than ever before: do even more in-depth research, do better analysis, be more patient and disciplined, etc.

Most importantly, you have to constantly be moving rapidly up the experience curve, studying both successes *and* failures. There are only two ways to get experience: learning from veterans (like me) or stumbling around on your own, making mistakes and getting scars on your back. Which do you prefer?

Whitney Tilson founded and for nearly two decades managed hedge fund Kase Capital. He is now teaching the next generation of investors via his new business, Kase Learning.

Interview With Whitney Tilson: The Launch Of Kase Learning And Running A Hedge Fund

Seeking Alpha, May 26, 2018 7:30 AM ET
https://seekingalpha.com/article/4177128-sa-interview-whitney-tilson-launch-kase-learning-running-hedge-fund

Summary

- Whitney Tilson is the founder of Kase Learning and founded/ran Kase Capital Management for nearly two decades.
- Tilson discusses his new business, Kase Learning, why he started it, and how he's helping the next generation of investors and fund managers achieve success.
- This insightful and candid discussion about his successes and failures should be required reading for all investors, especially current/potential fund managers.

Feature interview

Whitney Tilson is the founder of Kase Learning, an educational platform offering a range of programs for people interested in becoming better investors and launching and building a successful investment management business. He founded and, for nearly two decades, ran Kase Capital Management, which managed three value-oriented hedge funds and two mutual funds. He is also the co-founder of Value Investor Insight, an investment newsletter.

Mr. Tilson has co-authored two books, The Art of Value Investing: How the World's Best Investors Beat the Market (2013) and More Mortgage Meltdown: 6 Ways to Profit in These Bad Times (2009) and was one of the authors of Poor Charlie's Almanack (2005), the definitive book on Berkshire Hathaway Vice Chairman Charlie Munger. He was featured in two 60 Minutes segments in December 2008 about the housing crisis (which won an Emmy) and in March 2015 about Lumber Liquidators. He has appeared dozens of times on CNBC, Bloomberg TV, and Fox Business Network and has spoken widely on value investing and behavioral finance.

We emailed with him about what they don't teach you at Harvard Business School, how to increase the odds of success in starting (and growing) a hedge fund and the key questions all aspiring managers need to ask.

Seeking Alpha: Can you talk about your new business, Kase Learning? What led you to start it?

Whitney Tilson: After I closed my funds last October, I spent a couple of months of thinking about various options and then decided to launch Kase Learning. My parents are both educators, I love to teach, and I've done a lot of teaching, writing, and mentoring over the years, so it was a natural transition.

I believe there's a large market of people all over the world who want to become better investors and/or start their own investment funds, and there's almost nobody teaching these things. My long-time partner in the hedge fund business, Glenn Tongue, has now joined me, and our goal is to capture all of the lessons we learned in nearly two decades in the hedge fund trenches and impart that knowledge to the next generation of investors so they can stand on our shoulders and achieve even greater success – and avoid the many mistakes we made.

The hedge fund industry is now very large, but at its core, it's still an apprenticeship business. Young guys (sadly, they're almost all men) learn the business from grizzled veterans – but what about the 99% of people who dream of being the next Warren Buffett or Julian Robertson who aren't lucky enough to land a job at an established firm? How are they supposed to learn what they need to know to have any chance of success? This is what we're teaching – and I'm not aware of anyone else doing so.

SA: Is there anything *you* learn from the bootcamps?

WT: There's an old saying, "If you want to learn something, read about it. If you want to understand something, write about it. If you want to master something, teach it." This perfectly captures my experience. As I've developed and taught my students dozens of case studies – all of our teaching is via our own real-world experiences – it's forced me to go back and really study what I did right (which is fun and easy), but also what I did wrong (which is hard!).

But it's critical to do so because if you want to learn anything difficult (investing, surgery, flying a plane, etc.), don't just study success: Spend an equal amount of time studying mistakes and failures. As Charlie Munger says, "Invert, always invert" and "All I want to know is where I'm going to die so I never go there."

During my two years at Harvard Business School, I read ~300 case studies and pretty much every one featured a heroic protagonist, facing a difficult issue, but almost every time reaching the right decision and achieving great success. I can't recall a single one in which the hero made wrong decisions and screwed it all up. It's absolute negligence on the part of HBS (and, to be fair, pretty much every other business school I suspect) to teach success 99% of the time. That's not how the world works – everyone makes mistakes and suffers setbacks. In addition, if you want to make good decisions, it's critical to be able to rule out bad ones, which means you need to study them!

SA: What advice would you give to a reader who is thinking about starting their own hedge fund?

WT: You might think that, since I run a one-day seminar on *How to Launch and Build an Investment Fund*, I would enthusiastically tell your readers to follow in my footsteps and launch their own funds – but that's not the case. Launching and building a successful fund is extremely difficult, especially these days, and the hard truth is that, unless you've just spent the past 5-10 years at a major fund, the odds are probably against you no matter what. But there's a big difference between a 35% chance of success vs. 5%, which is where I try to help via Kase Learning.

To be successful, you only have to do two main things: raise money and invest it successfully – simple, but not easy. The questions I ask any aspiring hedge fund entrepreneur are:

- Are you well positioned to raise the money you need to? (If you're bootstrapping a fund, I think you need a reasonable path to raising $10 million within a year.)
- Do you have the training, experience, strategy, and edge to have a good chance at putting up good numbers? (There are a lot of bull-market geniuses out there after nine years of a steadily rising market.)
- What is your performance likely to be in a bear market? How has your portfolio done during down periods?
- Do you have portfolio management skills (which are nearly as important as stock picking ability)?
- Do you have enough money in the bank (or a spouse earning enough) to cover your personal expenses for at least three years?
- Are you an entrepreneur?

SA: Tell us more about what you mean about entrepreneurship?

WT: Being a good entrepreneur is critical. Contrary to popular myth, most successful entrepreneurs aren't risk-takers – at least not reckless ones. Before making the entrepreneurial leap, they spend many, many years developing the skills, experience, judgement, relationships, and financial strength necessary to have a high chance of success. Being very good at a particular skill (investing, cooking, accounting, law, surgery, etc.) does not mean you have the entrepreneurial skills needed to successfully launch and build a business. Key skills of entrepreneurs include: leadership, independence, an extreme work ethic, an ability to deal with complexity and multi-task, very high self-confidence (tempered with humility), being a very good judge and manager of people, and strong sales skills.

Here's the analogy I'd use: Imagine that you love to cook, have developed exceptional skills in this area, and decided that this is your life's calling. You have two choices: open a restaurant or get a job at one. If you open your own, you can cook, but you also have to raise capital, choose a location, negotiate a lease, hire staff, manage, and motivate them, make sure they're not stealing from you, find suppliers, set up a marketing campaign, decide on pricing, deliver excellent customer service, etc., etc., etc. Only a small part of the job will be doing what you love: cooking.

Alternatively, you can (hopefully) get a job, spend 100% of your time doing what you love, work fixed hours, and be able to relax when you're not at work. But you will have a boss, could get fired, won't be able to control the success of the business, and won't own any upside if the business is successful. You're a wage earner/employee, not an entrepreneur/owner.

So what should you do? There's no easy answer: it depends on many factors, both logical and emotional. But my experience and observation are that the vast majority of people are better off – now and forever – developing and applying their skills within a larger organization and building a successful career, rather than being entrepreneurs.

SA: What advice would you give to a reader who is already running their own fund and wants to grow?

WT: Growing a fund is really hard and very few people succeed in doing it. I can't tell you how many energetic, talented young investors I've seen over the years launch funds, get to $5-10 million under management, and then stall out, never growing beyond this. At this size, the business is losing money – not to mention the opportunity cost of not having a job and earning a salary – so these folks are just bleeding, year after year, refusing to give up on their dream… but it never materializes.

How I was able to escape this trap is the core of what we teach in the second half of our one-day seminar on *How to Launch and Build an Investment Fund*. I launched a tiny hedge fund with only $1 million under management in January 1999, running the entire business myself from my laptop on a rickety IKEA desk in a corner of my bedroom for the first five years. But I learned fast, worked around the clock, made some good decisions and, frankly, got lucky over the first dozen years, during which I nearly tripled my investors' money in a flat market and grew to three hedge funds and two mutual funds with $200 million under management. I'd guess that fewer than 1% of funds really hit it like I did.

In addition to putting up excellent returns – by far the most important thing in the investment business! – I was highly effective in making a name for myself. I'm a good writer, so I used this skill to write thoughtful, in-depth investor letters as well as pick up writing gigs at the Motley Fool, TheStreet.com, and elsewhere. I also went to every Berkshire Hathaway and Wesco annual meeting, took copious notes, and published them – a real service to the value investing community worldwide. These things earned goodwill and helped me get noticed, which is critical in an industry crowded with thousands of small funds.

In addition, to this day I keep track of every person who emails me (over 31,000 and counting) and send out regular emails to those who request it with my latest commentary, articles, and letters.

SA: How did you raise money and what did you learn from it?

WT: I was really good at "bootstrap" marketing, which generated a lot of inquiries from prospective investors, but I largely failed at the other key part of raising money: converting as many leads as possible into actual investors.

Here's a simple, obvious mistake I made (and never fixed in nearly two decades): I created my own investor pitch deck – my key marketing document. I'm good with PowerPoint, so it looked okay, but it was obviously hand-made. When I look at it now, I cringe at what an obtuse cheapskate I was. One of the small but critically important things we teach our students is that they must pay a graphics professional to take the pitch deck they create and polish it so it really shines and presents a professional image to investors. This will cost a few thousand dollars at a minimum, but it's money well spent.

Mathematically, the amount you raise is how many prospects you pitch to, times your conversion rate, times the amount they invest (the first two are batting average and the third is slugging percentage). Maximizing each of these three steps require a careful plan and a rigorous, disciplined process, most likely supported by a marketing person.

I totally dropped the ball here, failing to use my excellent returns and reputation to maximize the amount of capital I raised. I never hired a marketing person or third-party marketer, even when my assets reached $200 million (I now realize that I should have hired someone when assets were closer to $15 million).

Also, while I had a good system for initially responding to inquiries, I did no follow up whatsoever. Almost nobody will invest in response to an email. Rather, after sending your materials, you need to follow up with a phone call and then set up an in-person meeting (sometimes many of them) before asking for the investment (something I also rarely did).

It's sort of like dating: prospective investors need to be wooed. But instead of doing this, I did the dating equivalent of swiping them on Tinder and then immediately made a marriage proposal. Not surprisingly, few people took me up on my offer.

What an idiot I was! But I didn't realize it at the time because new investors were coming in and I was thrilled as my assets grew from $1 million to $200 million. I only realize now that I could have easily gotten to $500 million, maybe even $1-2 billion, if I'd hired a marketing person and developed even a rudimentary fundraising plan and process. This mistake cost me tens of millions of dollars.

This is a business where you have to make hay when the sun is shining. The sun shone on me for a dozen years and I did well – I'm not complaining about my lot in life – but I feel enormous regret knowing that I only made a fraction of what I should have made because I didn't recognize and take full advantage of the opportunity.

In the next stage of my life with Kase Learning, I want to help the next generation of entrepreneurial investors like me achieve similar success – and take full advantage of it!

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Thanks to Whitney Tilson for the interview. If you'd like to check out or follow his work, you can find the profile here.