

SOHN INVESTMENT CONFERENCE:

Hedge Funds vs Pediatric Cancer



Speakers and Trustees pose at the SOHN London Investment Conference at London Marriott Hotel on October 31, 2013 in London, England.

By DAVID WONG

WALL STREET PROFESSIONAL IRA SOHN WAS DIAGNOSED WITH CANCER IN 1989. HIS BATTLE LASTED FIVE YEARS BEFORE THE DISEASE OVERCAME HIM IN 1995 AT THE AGE OF 29. FOLLOWING HIS UNTIMELY DEATH, FRIENDS AND FAMILY FOUNDED THE IRA W. SOHN INVESTMENT RESEARCH CONFERENCE AS A WAY TO HONOUR HIM AND RAISE MONEY FOR CANCER RESEARCH.

Sohn Conference co-founder Doug Hirsch explains that, at its inception, they had to ask friends to speak at the conference and 50 acquaintances attended. Today, the Sohn Conference has raised over \$50 million for pediatric cancer research from its sell-out events and it has been called the “Super Bowl of investor conferences”.

A true giant on the investment calendar, what started as a way to honour a family member, friend and colleague while raising money for cancer research has developed into a leading philanthropic event for investors and finance professionals. Reuters has described it as a place to “hear top money managers discuss their favourite stock picks.” The Sohn Foundation has achieved such status that it is one of the largest hedge fund conferences in the calendar, serving as the podium for some of the industry’s boldest claims and investment ideas resulting in real-time market-moving commentary.

It’s fair to say the Sohn Conference has experienced phenomenal growth and success, yet it has not once faltered in upholding the ideology on which it was founded – to treat and cure pediatric cancer, to which all raised funds are still devoted. What began as an annual event held in New York City has expanded to include investment forums in San Francisco and London. The proceeds from the Sohn Conference London, held on 31st October 2013, are being used to support programmes at the Royal Marsden Cancer Charity and Delete Blood Cancer UK.

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So far over \$1.5 million has been donated to the Damon Runyon Cancer Research Foundation, a leading charity that offers the Damon Runyon-Sohn Pediatric Cancer Fellowship Award to innovative young cancer researchers. Acknowledging a lack of funding to research, the purpose of the award is to make money accessible for scientists and clinicians to conduct research that will have a significant effect on pediatric cancer. Seven researchers and four scientists have received the award, securing almost \$700,000 for research.

To continue the push for further breakthroughs, the Sohn Investment Idea Contest was conceived to find an extremely timely and actionable investment idea to be featured at the Sohn Investment Conference, with the winner being chosen by a group of industry legends – Joel Greenblatt, Bill Ackman, David Einhorn, Seth Klarman and Michael Price.

The Sohn Conference Foundation pursues preeminent and bold partners in its mission to treat and cure pediatric cancer. It does not limit resources to a single type of cancer, research focus or hospital. The Foundation funds medical research, technology and innovative projects at world leading institutions. For example, Hirsch explained that Rockefeller University needed a million dollars to buy a microscope that would allow them to do transformative research. After a series of meetings, the Sohn Conference donated the microscope.

Eighteen years after conception, the Sohn Conference is still seeking new ways to accelerate discoveries in the field of pediatric cancer, and in October 2013 announced a partnership with the Pershing Square Foundation to launch an alliance dedicated to accelerating cures for cancer. The alliance provides \$200,000 per year, for up to three years, to scientists in New York to conduct their boldest research even though traditional funding is not very forthcoming. The purpose

of the prize is to foster collaboration among scientists, academics, nonprofits, business investors and the biotech and pharmaceutical industries by directing philanthropic funds in support of critical scientific discoveries.

The efforts surpass seeking a cure and also focus on follow-up care. As cancer changes a child's life forever, the Ira Sohn Research Center for Cure and Beyond provides follow-up assessments as well as lifetime monitoring of the physical and psychosocial health of each patient. In addition, Tomorrows Children's Fund has received over ten million dollars from the Sohn Conference, and in recognition of its dedication, named a recent in-patient unit the Ira W. Sohn Research Conference Wing. Equipped with 16 beds, all private rooms with bathrooms, beds for parents, playrooms, solariums and washers and dryers, the new wing is truly state of the art.

Throughout its illustrious tenure, the Sohn Conference has played host to memorable moments and launched certain money managers to a wider audience – particularly notable is David Einhorn's 2002 short idea on Allied Capital, which ultimately paid off and spawned a best-selling book *Fooling Some of the People All of the Time*. Einhorn sealed his place in the upper pantheon of hedge fund managers when he took the podium again in the 2008 Sohn Conference with his speech "Accounting Ingenuity", where he explained the reasons for his short position on Lehman Brothers, noting a near 20% stock price decline, curious write-downs and differences in the numbers between what was being presented and what had really happened. Four months after Einhorn brought this to light, Lehman filed for bankruptcy.

The Sohn Conference Foundation capably unites the secretive world of hedge funds and investments with the philanthropic efforts to cure a disease. Some hedge fund managers have even pledged a portion of their



profits from the investment ideas they share at the Sohn Conference to charity. The powerful effects of the Conference's efforts are widely reported and go above and beyond fundraising. Moreover, in 18 years the organisers, speakers and attendees have not faltered in recognising the purpose of the event.

With innovative strategies continuing to be created to seek treatment and cures for pediatric cancer, the Sohn Conference Foundation is working tirelessly to make the world a better place – by taking a unique investor's approach to grant making. The

Foundation supports cutting-edge research, innovative technologies and bold initiatives that will have the greatest impact in treating and curing pediatric cancer. ■

B Beyond attended the Sohn Conference in London recently courtesy of Manuel Stotz – who is co-founder and trustee of the Sohn Foundation London. Manuel is a partner at THS Partners where he is the portfolio manager for the THS Kingsway Fund – a value oriented frontier consumer fund. For more information on Manuel Stotz and THS Partners, please visit www.thspartners.com.

The flagship Sohn Investment Conference 2014 is scheduled to take place on May 5th at the Lincoln Center, New York City. For more information on the Sohn Conference Foundation, please visit www.sohnconference.org