

# **My Experience With Extreme Sleep Deprivation**

**By Whitney Tilson  
WTilson@KaseLearning.com**

**Lessons from the Trenches:  
Value Investing, Hedge Fund  
Entrepreneurship and Life**  
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# Why I Became Sleep Deprived

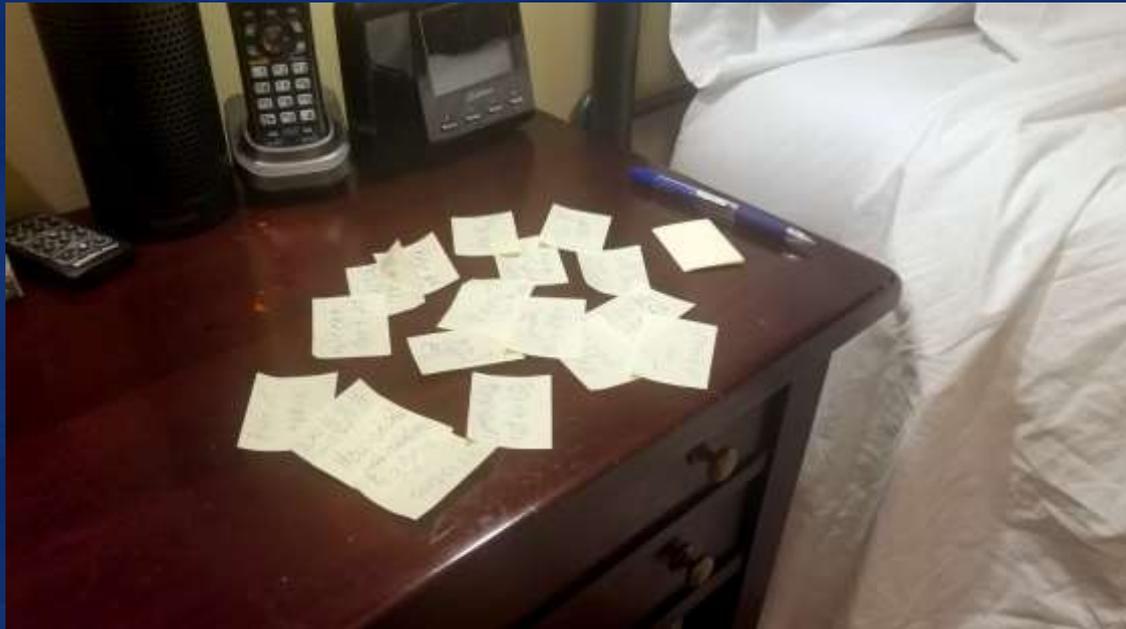
- In November I developed a new investment seminar, the *Kase Advanced Seminar on Value Investing and Hedge Fund Entrepreneurship*
- From 8:15am to 7:00pm every day from Monday, Dec. 4<sup>th</sup> through Friday, Dec. 8<sup>th</sup> (plus dinners afterward on three nights), I was teaching, moderating or giving feedback to my 12 students, half of whom were running small (under \$20 million) hedge funds and the other half planning to do so in the near future
- Because I had never taught this seminar before (in fact, I'm not aware that *anyone* has ever taught anything quite like this), I had to create 80%+ new material, much of it on the fly
  - After each day, based on the questions my students asked and the direction the conversations went, I decided on the agenda for the next day and, often, had to create new content overnight

# Why I Became Sleep Deprived (2)

- Almost every night, starting two days before the seminar, every night of it, and the four nights after it ended (10 nights in a row), I would wake up ~3am and my mind would start churning with ideas. This prevented me from falling back asleep, so I'd get up and work right up until the seminar started at 8:15am (twice even missing breakfast!)
- Thus, I didn't have a good night's sleep for 10 consecutive nights, averaging ~5 hours per night, which is highly unusual for me
  - I am normally a good sleeper and average 7-8 hours almost without exception (unless I'm traveling across 6+ time zones, doing an endurance race or climbing a big, hairy mountain!)
  - 10 days of sleep deprivation is roughly twice as long as any other period in my life
    - I know many people (special forces guys, doctors/interns/residents, etc.) go through far worse extended sleep deprivation, but this was extreme for me

# Here's What My Mind Churning Looks Like

- What prevents me from going back to sleep isn't just that my mind is churning, but that I worry I'll forget the rapid-fire ideas that are popping into my head, so I keep my cell phone next to my bed to send quick email notes to myself
- The light from the screen, however, stimulates my brain even further so in an attempt to get some sleep one night I left my cell phone in the other room and instead put a pen and a pad of Post-It notes on my nightstand
- Here's what it looked like four hours later when I woke up!



# My Observations on the Impact on Me

- I feel a bit manic
- I've become more giddy/goofy
  - Say or write whatever pops into my head (be careful Whitney!)
- I don't feel as sharp mentally
  - Maybe a 5-10% decline if you tested me
  - My crossword puzzle times are slower
- My head, throat and eyes hurt and my nose is running
- I've become very emotional
  - I've cried more in the past week than in the past decade
    - I started crying in front of my students as I described a particularly difficult episode in my life, which was definitely not on the schedule!
    - I get choked up every time I talk about my wife's serious car accident a few weeks ago, and I feel much more intense love for her than usual (I know, I know, there's nothing greater than infinity, but you know what I mean! ;-)

# Incredible Creativity and Productivity

- I haven't been this creative and productive in more than a decade; in only a week and half, I've created remarkably in-depth, high-quality content (in my opinion), captured in roughly two dozen new slide presentations across three subject areas:
  - 1) How to be a better investor (find more good investments, avoid value traps, manage the portfolio better, etc.);
  - 2) How to be a better hedge fund entrepreneur (create/launch a stronger fund, raise more capital, hire the right people at the right time, create more compelling presentations and investor letters, better cultivate mentors, etc.); and
  - 3) How to be a better person (a better friend/husband/father, more optimistic/confident/resilient/happy, better avoid calamities that can derail a life (death/serious injury, bad marriage/suffering a permanently impaired relationship with a loved one, loss of reputation or wealth, addiction), etc.
- I conceived of this slide deck and created it from 1:00-2:30am on the 10<sup>th</sup> night

# Concluding Thoughts

- It's an amazing feeling to be this creative and productive
  - I feel like I could conquer the world right now!
- However, it would not be good for me, mentally or physically, to do this very often
  - Saying or writing whatever pops into my head is particularly dangerous
  - But going on the occasional “jag” (as my mom calls it) could be very beneficial
- I wonder how long it will take me to get back to normal?