

Quant, Crypto Investing to Fuel Hedge Hiring in '18

By [Lydia Tomkiw](#) December 6, 2017

Quant skills, knowledge of cryptocurrencies, and credit investing chops will be in demand heading into next year as stronger hedge fund performance helps buoy hiring efforts, industry recruiters say.

The demand for [quantitative strategies](#) from investors will keep a strong emphasis on data and quant positions, says **Michael Goodman**, managing partner at New York-based recruiting firm [Long Ridge Partners](#). “Quant and data analysts are probably where will see the most amount of growth,” Goodman says.

Searches are underway for quantitative sales specialists who know how to market a machine, and the boom of Bitcoin signals that cryptocurrency hedge funds – now counted at well over 100, as [reported](#) – will continue to attract hiring attention in 2018, says **Sasha Jensen**, CEO at [Context Jensen Partners](#), a recruiting firm for alts manager marketing and sales. “No one has really got the track record or experience... We are living the cycle right now,” she adds.

Those hot spots have emerged even as 35% of hedge fund managers report having had senior personnel departures in the past year, up from 29% the previous year, according to [NEPC](#)'s 2017 hedge fund operational due diligence survey of 201 managers.

One factor explaining an increase in moves is that senior personnel have had more opportunities to find other roles this year after 2016 saw a wave of fund closures, Goodman says.

“A lot of that has to do with last year not being a great year, and senior management not getting paid,” he says.

Firms are also laser-focused on performance, says **Adam Zoia**, CEO of search firm **Glocap**. “Firms are more disciplined about weeding people out who aren't really adding alpha,” he says.

The hedge fund industry overall has seen better performance and inflows during 2017. While \$2.9 billion exited the space in October, year-to-date net flows remain positive at \$33.26 billion, according to the latest figures from [eVestment](#).

Credit strategies in particular have continued to gain assets with inflows of \$9.35 billion year-to-date by eVestment's count. Credit investment professionals are starting to become more in demand as firms begin to hire again, says **Anthony Keizner**, a partner at **Odyssey Search Partners**, an executive search firm.

“They are foreseeing more opportunities in distressed and high yield in '18 than they did in '17,” he says, noting that firms are positioning for that.

Following the disappointment of 2016, many hedge funds planned to increase their resources for marketing and investor relations roles, as [reported](#). Many moves took place, with a total of 261 at the end of the third quarter and another 30 or so anticipated by the end of year – and with a demand for people who are experienced in areas including family office networks, Jensen says.

“With a recovery in performance, they have pressed the green light on hiring,” she says.

Despite the inflows, 2017 has also seen some noted hedge fund closures, including most recently **Neil Chriss’s \$2.2 billion Hutchin Hill Capital**, as [reported](#), and **Eric Mindich’s Eton Park**. [Tudor Investment Corporation](#) is shutting its discretionary macro fund, with CIOs **Andrew Bound** and **Aadarsh Malde** both departing the firm, as [reported](#).

Some hedge fund employees also are still looking to other industries, Keizner says. “I see people exiting the industry... either going a corporate route or to start-ups or to a different investing environment like a family office,” he says.

And even as buzz around data scientists has been building up, hiring activity for such roles isn’t matching the hype, Zoia says. The most active push may be from fundamental hedge funds that are seeing an opportunity to meld traditional and quant skills, he adds.

“There has been some notable hiring going on for data scientists going to traditional equity, stock picking funds,” he says. “I expect in 2018 that category to continue. There’s a real curiosity around it and a sense that ‘I better look at this very closely because my competitors are.’”