

Bridgewater Leads Pack on Client Service with Massive Staff

By [Lydia Tomkiw](#) August 16, 2017

Hedge funds are doubling down on investor relations, bringing more customization to clients and searching for technical skills to fill roles, even as the industry's performance has rebounded this year. But [Bridgewater Associates](#) is far ahead of the pack, with a client services group that employs 200 people.

The \$160 billion Connecticut-based firm has approximately 350 clients with a total staff of [over 1,400](#), with its client service team's size breaking down to a ratio of one person for every 1.75 clients, *Bloomberg* [reported](#). Approximately two-thirds of its client services staffers work in direct client-facing roles or in direct support of client-facing roles, according to a source familiar with the matter.

At the outset of 2017, an increased number of hedge fund managers said they were planning to focus more resources on investor relations, as [reported](#). Nevertheless, Bridgewater's scale has helped it achieve a ratio many firms aspire to but will not be able to achieve, says **Rich Scarinci**, a partner at [Partners Capital](#), an outsourced investment office that oversees more than \$18 billion.

"The ratio at Bridgewater is arguably one of the best and from there it varies widely," he says. "Funds that don't have that scale have to be more selective in how they are enhancing the overall client experience."

The persistent focus on investor relations comes as the hedge fund industry has experienced a recovery from challenging performance in 2016 and renewed inflows. Inflows to hedge funds had hit \$23.3 billion for the year through the end of May, as [reported](#).

The number of hedge fund marketing moves also has increased slightly this year, with 180 hires during the first half of 2017 compared to 173 in the first half of 2016, according to a count by [Context Jensen Partners](#), which does not separate out distribution and client service roles.

Hiring has stayed aggressive over the last three years in investor relations roles, says **Michael Goodman**, managing partner at New York-based recruiting firm [Long Ridge Partners](#).

"It's been very consistent all along," he says. "There's an increased amount of [limited partners] out there and there needs to be increased coverage to take care of them."

Investors are increasingly looking for managers to proactively share tips and market insights as part of their relationships, as well as seeking customized information, says **Michelle Noyes**, COO in the [Alternative Investment Management Association](#)'s (AIMA) New York office.

“They are really looking if something is happening in the markets, a news item in a part of the world or sector. They are really starting to expect and appreciate having access to how the manager is positioning the portfolio... It might also raise questions they should be asking their other managers or raise questions about... parts of their portfolios they manage internally,” she says.

With hedge fund performance disappointing many investors in 2016, firms are also looking for IR hires who can handle more questions from concerned clients. “Ultimately you want the investment professionals spending the bulk of their time managing the portfolio,” Noyes says.

The hedge fund industry is facing more demanding investors who push investors relations professionals to become more sophisticated and knowledgeable, says **George Wilbanks**, founding partner of executive recruitment firm [Wilbanks Partners](#). But the industry is still far behind other asset managers, he argues.

“Hedge fund and private equity firms are roughly a decade to 15 years behind their traditional peers in how sophisticated they are in managing client facing and distribution activities,” he says.

Hedge fund firms are looking to fill investor relations roles with individuals who have investment backgrounds. Some firms are even asking for designations such as a CFA, he says.

“That’s the nature of where our industry is going... The level of service that people expect is very high,” he adds.

Responsiveness remains one of the key best practices and something clients haven’t stopped looking for over the past decade, Scarinci says. That comes amid many hedge funds looking to diversify their product base.

“We are seeing fewer and fewer funds offering one and only one product or solution for investors. When you look at the range of what funds are offering today... what is being offered from a single firm is expanding and as that expands, you are going to need more and more people to service, sell, and explain those products,” he says.