

CORNER OFFICE



Amy Whyte

Hedge Funds Keep Losing Assets — But Hiring Fundraisers

The sector led hiring for alternatives marketers in the third quarter as investors pulled nearly \$30 billion.

October 28, 2019



Jin Lee/Bloomberg

Hedge funds were active hirers in the third quarter, bolstering their marketing and fundraising teams at a time when investors were actively pulling money out of the industry.

Executive recruiting firm Jensen Partners tracked 75 marketing hires at hedge funds between July and September, more than any other alternative asset class. The second most active hirers — multi-asset firms — made up 73 moves out of a total 278.

Sasha Jensen, the firm's founder and CEO, noted that hedge fund hiring was "quite high given what people have been saying" about the hedge fund industry, which has

undergone redemptions since late 2018. According to eVestment, investors pulled almost \$30 billion out of hedge funds during the third quarter, marking the sixth consecutive quarterly outflow.

“I think it’s very telling that there’s been no let-up in hiring,” Jensen said. “There’s still hiring across all hedge fund strategies.”

According to Jensen, hedge funds, as well as other alternatives firms, have been adding marketing and fundraising personnel that are “way more senior than usual.” This includes hiring senior managing directors and principals with an emphasis on technical investment expertise.

“It’s looking very much like individual firms are getting ready for what might be a slight downturn in the market, by hiring technical individuals who would be able to retain assets and assist in the correct deployment of assets,” Jensen said. “We’re looking at marketers who have very different skill sets than the classic VP or SVP — these are much more strategic hires.”

Another hiring trend that Jensen Partners observed in the third quarter was an improvement in the [diversity](#) of new hires. Women made up about 46 percent of marketing staff hired during the third quarter, up from about 40 percent in the first half of 2019. Meanwhile, about 21 percent of new hires identified as non-white, compared to roughly 16 percent of hires made during the six months prior.

According to Jensen, this trend reflects an active push by alternatives firms to recruit diverse talent. “We’ve had to deliver long lists and short lists of candidates that are more than 51 percent diverse,” she said. “The hiring figures mirror that.”

Although the third quarter as a whole was a relatively slow period for hiring — a seasonal lull that Jensen said likely won’t pick back up until 2020, as prospective candidates wait out their year-end bonuses — it was the strongest quarter yet for [wealth management](#) since Jensen Partners began tracking the sector at the beginning of this year. The recruiting firm recorded 33 hires for fundraising positions targeting high-net-worth and retail clients, typically through banks and registered investment advisors.

“There have been many [wealth management] build-outs across different strategies,” Jensen said. “I think it’s worthwhile keeping a very close eye on this area.”