

Recruitment

How to hire a specialised marketer

Sasha Jensen, CEO of Context Jensen Partners, looks at the growing need for strategy-specific skills in the hedge fund salesforce

The investor relations function is no longer considered a 'nice-to-have' but a 'must-have' across the hedge fund industry, as the relationship between managers and investors becomes more intertwined.

It's no surprise then that hedge funds are investing in high-quality marketing talent in record numbers. Indeed, hedge funds accounted for nearly 50% of all marketing hires in 2016 among alternative investment firms (358 of 819), according to data from our fourth-quarter newsletter.

But some firms are now taking it a step further by pursuing marketers that specialise in a specific type of product or strategy.

Why?

The role of a marketer has evolved significantly over the last few years. Where previously a fundraising professional might have been expected to check in with investors once or twice a quarter and ask the same list of a dozen clients for capital every time a new fund was

launched, today marketing is one of the most demanding jobs in the hedge fund industry, requiring competency across multiple disciplines.

With institutional investors demanding real-time transparency into fund performance and operations, and with increased competition squeezing returns across the industry, marketers can never rest on their laurels.

The combination of these trends is pushing hedge funds to hunt for increasingly specialised and sophisticated marketing talent.

This is especially true for more esoteric strategies in the credit and quant universe, which are expected to be among the biggest growth drivers for the industry in 2017.

Here are three questions marketers should be prepared to answer in interviews with hiring managers.

1. How would you explain this strategy to an institutional investor?

Marketers are expected to have a sophisticated understanding of

quantitative trading, and are therefore likely only wholly understood by the programmers who wrote the trading algorithms, marketers should be able to explain in simplistic terms how the algorithm works, with an emphasis on risk management in the event of a market crisis.

2. Where have you previously raised capital for this type of strategy?

Capital-raising for a specific strategy or product is an entirely different animal than fundraising for a general fund. Hedge funds marketing a new product need a sales force with a track record of raising capital for that specific type of fund or product, and relationships with investors who have a history of allocating to such strategies.

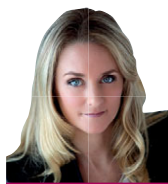
Marketers should be prepared to break down their track record by both type of investor type (family office, pension fund, university endowment, etc.) and geography, showing exactly where they would provide the most value-add to the existing investor relations team.

3. How would this strategy fit into an investor portfolio?

Where before investors might have been looking for a specific amount of hedge fund exposure in their portfolios, today's investors are looking more closely at each strategy and how it correlates to other parts of their portfolio. For example, is a credit hedge fund just going to model the fixed income portion of a portfolio, or does it provide an asymmetric and differentiated return?

Marketers should have a solid idea of the target audience for the strategy, and not just offer the fund to every investor they've ever worked with. Accepting allocations just for the sake of boosting assets under management will only lead to trouble in the future when investors wonder why they were sold a product they didn't need. ■

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whichever strategy they're trying to sell, including details on the investment outlook and fund terms and fees. They should be able to walk into a meeting with an institutional investor and describe the strategy as well as an analyst or portfolio manager.

For strategies that rely more on