

# Hedge Fund Alert

THE WEEKLY UPDATE ON FUND MANAGEMENT INTELLIGENCE

## Bidding Wars Prevail as Hedge Fund Firms Compete for Investment, Operations Talent

Attractive alternative investment candidates have suddenly found themselves inside a real-life version of a game show – only instead of “Name That Tune” or “The Price is Right,” they’ve become contestants on Name Your Price.

While salary statistics are hard to come by in a notoriously secretive industry, numerous recruiters say hedge fund operators and private equity firms alike have had to shell out far more money to satisfy the financial demands of would-be employees since the pandemic began unfolding two years ago.

And the higher wages apply not just to top-tier portfolio managers. Even junior employees are winning better pay as firms struggle to fill spots.

**Rich Scardina**, co-founder of recruiting firm **Atlantic Group**, said he has never seen so many open jobs in his company’s 15 years in existence – or so many counteroffers for employees looking to switch jobs.

Scardina was talking with a portfolio manager just this month about a hire of a prospective chief financial officer.

“Listen, I just want to be clear. You’re not going to get the person you want at the price you want,” Scardina bluntly told the manager. “I will tell you what the bid is, and either you hit that bid or you move on to the next candidate.”

“Candidates are just not taking jobs at price points less than what they want. They’re just not,” Scardina said after relating that conversation to **Hedge Fund Alert**. “Because they are smart enough to know how good the market is, and somebody will hit their bid.”

Principal and executive recruiter **Andrea Colabella** of **Cardea Group** has encouraged candidates to capitalize on this market and increase their compensation “by margins that are not typical and not going to last forever.”

Pent-up demand from 2020, coupled with positive performance in 2020 and 2021, created “more needs than we’ve ever seen in the market” for legal and compliance talent, she said.

“Because of the demand, what has been probably the biggest phenomenon we’ve witnessed is the huge uptick in terms of compensation,” Colabella said. “Some companies are offering compensation packages north of what candidates are asking for.”

**Adam Kahn**, founder and managing partner of New York firm **Odyssey Search Partners**, said the two years since the start of the pandemic have probably been among the top three or four in his 17 years in the business, in terms of hiring volume for hedge funds and private equity operations.

He said the shift towards private funds continues, particularly among recent college graduates or junior employees.

“As the years go on and hedge funds get beat up, the (younger workers) who thought hedge funds were the road to riches have become a lot more focused on venture capital and private equity,” Kahn said.

Among the hot strategies for prospective job seekers is special-situations investing, he observed.

**Vickram Tandon**, a director who heads **Tardis Group’s** New York office, said digital assets “continue to keep us extremely busy as firms are looking to build out the vertical across trading, technology, and operations,” though he noted that potential regulations surrounding cryptocurrency remain on everyone’s mind.

Other strategies keeping the firm active are systematic/quantitative approaches across asset classes, event-driven and index investing, he noted.

Wherever the new jobs are, the employees who take them will increasingly be back in an office setting, several recruiters predicted.

“Work from home in its entirety will end soon for most funds,” said **Robin Judson**, founder of New York executive-search firm **Robin Judson Partners**. “However, many funds are shifting toward at least one remote day each week. While some are offering flexibility on the remote day, many have required in-office days so that teams can spend several days together each week. Candidates almost uniformly ask about policies, with some wanting that flexibility and others preferring to be able to have full access to colleagues’ thoughts in real time.” ■