

# eFINANCIAL CAREERS

## PICKY HEDGE FUNDS SCOUR CAMPUSES FOR GRADUATES

By Paul Clarke

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Hedge funds' popularity with graduates is on the up, as the allure of investment banking starts to fade. However, while the large banks hire thousands of graduates every year, even the large hedge funds take in just a handful of students annually and only the very best make the cut.

Never slow to spot an opportunity, hedge funds have been scouring top university campuses more than ever this year, according to college career advisers we spoke to. It's having a positive effect, as more students have been applying for a limited number of positions at hedge funds.

Jacqueline Michael from UK hedge fund CQS' human resources department, says graduate applications have increased in recent years: "The kind of candidates that apply for our scheme are often also applying for investment banking opportunities as well, however, we don't necessarily target these candidates."

Even the largest hedge funds hire just a few graduates annually, though. Behemoth Man Group, for instance, hires just 10-15 graduates, and that's across finance, marketing, operations, technology and investments.

As well as Man Group, there are a notable number of larger hedge funds with formal graduate recruitment schemes. In the UK, both CQS and Marshall Wace hire graduates, while large US players Bridgewater Associates, D.E. Shaw and SAC Advisors also have graduate programmes. Then there are those recruiting students on a more ad hoc basis – sources say that UK firms AKO Capital and Cantab Capital Partners have been at Cambridge University this year.

"Investment banks are very visible, holding large campus events and talks to hundreds of students, but hedge funds are more inconspicuous," says Gordon Chesterman, director of the careers service at Cambridge University. "They may place an ad on the university careers portal, or appear at a generic careers fair. The sort of animal they want to recruit tends to be switched on enough to find the opportunities themselves."

Top academics are a first line screen when it comes to securing a role at a hedge fund. In fact, if you're not at a top five UK university or one of the Ivy League schools in the US, you're unlikely to encounter a hedge fund on campus. CQS' Michael, tells us that they only participate in careers fairs at Oxford and Cambridge, for example.

**[Bob Olman](#), founder and managing partner of New York-based headhunters [Alpha Search Advisory](#), regularly talks to business schools and universities on how to get a job in a hedge fund. Only the most tenacious and resourceful undergraduates succeed, [he](#) says.**

**“Most hedge funds are so small that they don’t even have a dedicated HR resource. You fire your resume off to the generic careers email that receives hundreds of applications each day, and the chances are that it’s not even read,” he says. “You have to ask yourself is, what makes me different and how can I show this to a hedge fund?”**

**Because hedge funds are often small organisations, they’re more likely to take a chance on a graduate they feel would fit into the firm, says Olman. Therefore, graduates need to engineer ways of getting introduced to hedge fund managers.**

**This is easier than you think. Hedge fund managers do a lot of charity work, he says, and students who volunteer time for them are likely to be well-regarded. What’s more, in the US at least, there are countless opportunities to network with hedge fund managers – ignore the swanky dinners, and target industry networking events and conferences like those from the Connecticut Hedge Fund Association, which cost around \$75 to attend, or HedgeCo, which last week hosted a \$20 a head networking event at the Aspen Social Club in New York.**

**Even assuming that you take a hedge fund managers’ fancy, you’ll still have to go through an often difficult interview process. While investment banks test graduates’ aptitude and passion for role, hedge funds are more likely to see how they handle pressure.**

**“Expect competency and logic-based questions, but also expect a grilling,” says Olman. “Imagine having four people throwing questions at you at the same time, not allowing you to finish your sentence and attacking your argument at every opportunity. There are not many undergraduates who could handle that type of pressure.”**

D.E. Shaw and Man Group declined to comment. Bridgewater Associates, Marshall Wace, SAC Advisors and Cantab Capital Partners didn’t respond to our requests for comment.

URL: <http://news.efinancialcareers.com/uk-en/132819/picky-hedge-funds-scour-campuses-for-graduates/>

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