

Global Recession provides opportunities for Talented People within Hedge Funds and Asset Management

Hedge Funds look to poach talented people from Asset Management firms.

London, September 18th, 2009. The global recession has led to opportunistic recruitment by Asset Management Firms and Hedge Funds as they look to poach from rival firms; some recent research has found.

A survey by pre-employment screening firm *Powerchex* has found that Hedge Funds and Asset Managers recruited a significant proportion of new starters from within their respective sectors during the summer months. However, they also looked outside their respective industries for talented individuals, in particular current and ex-employees of banks and investment banks devastated by the economic downturn.

During the months of July and August, Asset Management firms recruited approximately 45% of new staff from sector rivals, and poached a further 25% from banks and investment banks. New hires from Hedge Funds remained well below 10% in both months (see tables 1a and 2a).

Hedge Funds, however, seem to be taking advantage of the global recession by poaching employees from their Asset Management counterparts, with approximately 20% of new employees over both months coming from the sector. A further 35%-40% of new starters came from rival Hedge Funds, with 20%-25% from banking and investment banking firms (see tables 1a and 2a).

Within Hedge Funds, a clear picture starts to unfold upon the realisation that many of these new recruits are high-earning individuals. This is extremely interesting development, not least because 75% of those recruited from AM firms were previously earning more than £80,000pa, which means that Hedge Funds are actively recruiting talented people from Asset Management (see tables 1b and 2b).

“It might be that smaller market players, especially within Fund Management, are taking advantage of the slack job market by hiring better people from within the talent pool,” says Powerchex MD Alexandra Kelly. Certainly the statistics seem to support this, with 25% of those poached directly from rival firms previously on salaries of more than £80,000pa.

–ENDS–

Job Applicants to Hedge Funds and Asset Management Firms (July and August 2009)

Table 1a: % recruitment from each industry sector (July)

Sector	% of recruitment by Asset Management firms by sector	% of recruitment by Hedge Funds by sector
Accountancy	1.46%	6.98%
Bank	13.14%	11.63%
Consulting	2.55%	2.33%
Asset Managers	47.81%	18.60%
Hedge Funds	4.01%	34.88%
Investment Banks	10.58%	13.95%
Insurance	2.55%	0.00%
Stockbroker	1.09%	0.00%
Other	16.79%	11.63%

Table 1b: % recruitment from each industry sector (July)

	Asset Management	Hedge Funds
L1: £80,001+	22.63%	39.53%
L2: £30,000 - £80,000	35.40%	23.26%
L3: Under £30,000	31.02%	20.93%
Salary Undisclosed	10.95%	16.28%

Table 2a: new hires by previous salary (August)

Sector	% of recruitment by Asset Management firms by sector	% of recruitment by Hedge Funds by sector
Accountancy	0.77%	2.17%
Bank	15.83%	14.13%
Consulting	4.25%	7.61%
Asset Managers	40.93%	18.48%
Hedge Funds	8.11%	38.04%
Investment Banks	15.06%	4.35%
Insurance	1.54%	1.09%
Stockbroker	0.39%	1.09%
Other	13.13%	13.04%

Table 2b: new hires by previous salary (August)

	Asset Management	Hedge Funds
L1: £80,001+	18.15%	33.70%
L2: £30,000 - £80,000	31.27%	29.35%
L3: Under £30,000	28.19%	22.83%
Salary Undisclosed	22.39%	14.13%

NOTES TO EDITORS:

About the survey:

Market researchers analysed 317 job candidates for Asset Management Firms and Hedge Funds received between 1st to the 31st July 2009, and 351 job candidates received for Asset Management Firms and Hedge Funds between 1st August and 31st August 2009. The survey looked at the sector that new recruits were joining from, in addition to their salary at their previous firm.

About Powerchex

Powerchex is the UK's premier pre-employment screening firm for financial institutions. Based in the City of London, Powerchex checks the background, employment history, criminal records and professional qualifications of applicants on behalf of financial institutions. It sets the industry benchmark of 5 days for a background check.

www.powerchex.co.uk

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