



Business Basics

How To Get A Job At A Hedge Fund

Susan Adams, 09.21.10, 6:00 PM ET

Many hedge funds were battered by the recession, but they still hold a powerful allure. Mysterious and secretive, they dangle the possibility of enormous paydays and a work environment populated by intense math geniuses who dwell in giant Connecticut mansions or Upper East Side townhouses studded with artworks by Jeff Koons and Damien Hirst.

What's the hiring picture at these firms? Must you be a financial genius with an IQ of 140 to even get a foot in the door?

In Pictures: How To Get A Job At A Hedge Fund

No. But you do have to design your search strategy to fit the hyper, pressurized, risk-taking culture. The good news: Hedge funds are indeed hiring right now. According to Constance Melrose, managing director of the North American division at the jobs website eFinancialcareers.com, hedge fund job listings increased by 32% this August from a year earlier. Last month the site posted a total of 300 openings at these funds.

The first step in considering a hedge fund job, says Melrose, is to think long and hard about whether your personality is suited to the pressure-cooker environment of most funds. "The competition to keep the edge and to outperform is very high," she notes. Consider not only whether you truly thrive under pressure but also whether you're good at synthesizing and evaluating a lot of data quickly.

If you're ready to make the leap, get ready to be aggressive about networking, says Roy Cohen, a career and executive coach and author of *The Wall Street Professional's Survival Guide*. "Hedge fund types have short attention spans, and they are not very comfortable networking," he observes. That means you have to push hard yourself and avoid taking rejection personally.

Melrose agrees. "Leverage whatever contacts you have," she says. Because hedge funds are unregulated and tend to keep their business under wraps, they don't hold events that are open to the public. "You can't just walk into a hedge fund conference and sign up," she notes.

Be sure to demonstrate your serious commitment to working at a hedge fund, Cohen advises. He had a client who worked in sales at a traditional financial institution and wanted to become an analyst for a hedge fund. He took the time to prepare an analysis of a company he thought the fund should consider. Then he approached the fund. "He said, 'Would you take a look at this? I want to get your feedback. And by the way, do you know anyone I should be talking to?'" Cohen recalls. He got the job.

You must do your homework to be aware of the kinds of investments a fund makes. "This career is not for the faint of heart or the lazy," Cohen says. Since hedge funds use lots of metrics, you should be specific when presenting your own accomplishments. For instance, if you played sports in college and set a record or captained a team, note that on your résumé, Cohen suggests. Or if you've worked as an institutional salesman and you want to make the transition to hedge fund fundraiser, note your concrete sales accomplishments. Use numbers wherever you can.

When you're networking or interviewing with hedge funders, focus on clarity and brevity, Cohen counsels. "You need to be able to clearly articulate what you want, why you want it, and how they will benefit as a result," he says. "If you can't convey your unique qualifications quickly, you'll be ignored--or even worse, you'll be viewed as an annoyance."

Another strategy is to take a small step before you make the big leap. If you're working for a brokerage firm on the sell side, for instance, make an internal move to the prime brokerage division, the area that provides financing to hedge funds. Melrose also suggests making use of any specialized knowledge and experience you have. Do you know something about biochemistry? Then search out a hedge fund that makes biotech investments.

When interviewing, prepare for offbeat questions, Melrose says. At most hedge funds, she notes, "the purpose of the

interview is to find out how agile your mind is and how well you know your subject matter." Two sample questions she quotes from recent hedge fund interviews: "What was the last movie you paid money to see?" And "On a spectrum from analytic at one end to strategic at the other, where do you place yourself?" Be honest and don't over-think your answers, she adds. "They want to see how quick you are on your feet."

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