PARAGON Alpha

TOP TALENT AND STRATEGIC HIRES THAT RESHAPED HEDGE FUNDS

Interview with Software Engineer from one of the leading alternative investment fund

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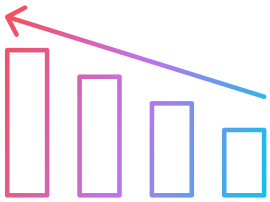
The recent performance statistics from the hedge fund industry underscore a trend of remarkable resilience and strategic acumen. Funds focusing on diverse strategies—from digital assets and commodities to emerging market debts and sovereign wealth—have not only shown the ability to navigate the complex global financial landscape but have also achieved significant gains, in Q1 of 2024.

HEDGE FUND PERFORMANCES IN Q1

Keystone Investors, a spinoff from Schonfeld Asia, has doubled its assets under management to $2 billion and achieved a 10% increase year-to-date through February, following a 20.5% gain in 2023.

BFAM Partners, a multi-strategy hedge fund, saw a 2.5% gain in January from investments in non-Chinese credits, outperforming the Eurekahedge Asia Multi-strat Hedge Fund Index which dropped 2.5%. Despite managing $600m to $800m, the firm experienced a 1.7% loss in 2023, against the average 2.9% rise of Asian multi-strategy funds.

Man Group's hedge fund business saw its assets under management (AuM) reach a record $47.7 billion last year, bolstered by a 3.7% increase through $2.3 billion in net inflows and $200 million from positive investment returns, despite an $800 million reduction due to FX and other movements, as per the company's 2023 results.



The Quantedge Global Fund achieved a 6.6% increase in January, ranking it among the top systematic macro funds of the month, driven by equities and commodities. This strong start for the $3.3 billion fund follows a 30% return last year.

RBC Bluebay's Emerging **Market Credit Alpha fund,** which saw a 2.3% increase in February and has risen 3.4% year-to-date, also pointed out Egypt as a key positive influence on emerging markets.

In February, hedge funds rose by 2.1%, with the average fund up 2.3% year-to-date, as CTAs emerged as the month's top-performing strategy, and funds managing less than $100 million outperformed their larger counterparts.

AQR Capital Management led its rivals this year with a strong first quarter in quant equity offerings, as its $1.5 billion long/short equity mutual fund surged 6.3% in March, reaching a 14.2% gain for the quarter and nearly 28% annualized since its 14% drop in 2020 due to Covid's impact on quant factor models.

TRANSFER WINDOW

The transfer window provides an overview of significant movements within the hedge fund industry, highlighting key personnel changes across various prominent firms.

Seasoned hedge fund COO **Raymond Cheng** has moved to **Bamboo Hill**, a Hong Kong hedge fund under the leadership of ex-Tairen Capital deputy CIO Hao Yu. Cheng previously served as COO at Nan Fung Trinity, the investment division of the diverse Nan Fung Group.

Jain Global has appointed **Bradley Smith** to manage the onboarding of portfolio managers as it ramps up its investment team for the much-awaited launch of its multi-manager platform. Smith has reportedly taken on the role of head of PM onboarding at **Jain Globa**l.

Dymon Asia Capital has recruited **David Chen** from Millennium to join its multi-strategy team in Hong Kong, where he specialized in a market-neutral tech stock portfolio covering Asia and the US. Previously, he had a similar role at Pinpoint Asset Management. This move is part of Dymon's recent trend of hiring ex-Millennium and Pinpoint PMs.

London's **Eisler Capital** has hired **Leo Niemeläinen** from Finland's top pension insurer, Ilmarinen, as a portfolio manager. With nearly nine years at the €56 billion institution, Niemeläinen brings expertise in managing volatility, macro hedge funds, DM rates, equity, and FX.

Millennium Management has appointed **Ken Pang**, a former top executive at Credit Suisse, as the head of equities in Asia. Pang is expected to join the $62 billion asset manager, following the recent departure of Vikesh Kotecha.

Brevan Howard plans to bring on board the four-member team from Tekmerion Capital, established in 2017 by ex-Bridgewater experts **Zachary Squire and Lawrence Minicone.**

Dymon Capital Asia has enhanced its investment team by adding two portfolio managers to increase its focus on Japan. **Hirofumi Hoshika** from Millennium joined the Tokyo office in January, and Junya Sato, previously with Sumitomo, came onboard this month.

George Panos, a former portfolio manager at **Echo Street Capital Management**, has brought on **Michael Grady**, the former trading head of his previous firm, to serve as the head of trading at Panos' Sone Capital. This move comes in preparation for the firm's expected launch of an equity market-neutral strategy later this year.

Brevan Howard has added **Peter McTeague**, an experienced global macro strategist and portfolio manager, to its macro research team in New York. McTeague is reported to have started with the firm earlier this month.

Brummer & Partners-supported startup hedge fund, **Katamaran Capital**, has appointed **Andrew Whiting** as COO. Starting in January, he will manage the fund's operations.

Benchstone Capital Management, a hedge fund startup supported by Schonfeld and spearheaded by JT Shields and Tommaso Trento from Point72 Asset Management and Citadel, has appointed its inaugural CFO, **Michael Vittorio**, who recently came from North Fourth Asset Management, a now-closed firm formerly backed by Schonfeld and Squarepoint Capital.

Dimension Management, a spinout from Tybourne, has appointed **Harry Mui,** previously the head of operations at Eton Park, as COO, succeeding Hilda Cheng who departed to join Certitudo Capital, a hedge fund startup directed by Ansel Lu, the former research head at Owl Creek Asia.

Cadian Capital, a TMT-focused long/short equity hedge fund managed by Eric Bannasch with assets of $2.5 billion, has recruited **Blaine Hurty**, previously the head of capital introduction at Clear Street, to enhance its investor relations amidst a notable 44% gain in 2023.

SaddleRock Capital, a startup long/short equity hedge fund led by Ari Herman, has recruited **Louis Sultan**, the former COO and CFO of the now-closed Brahman Capital, where he worked for over two decades, to serve as its COO and CFO.

London-based **Dan Avery** is reportedly leaving Izzy Englander's $62 billion multi-strategy hedge fund, with sources indicating that he is poised to join **Balyasny Asset Management** to manage an event-driven investment portfolio.

Northern Right Capital Management, based in Connecticut, recently appointed **Richard Billig,** a veteran executive from Morgan Stanley, as their Chief Operating Officer after his tenure at Atlas Impact Partners.

After 11 years, California-based Endurant Capital Management is closing, with its portfolio manager and co-founder, **Quang Pham**, moving to Steve Cohen's **Point72 Asset Management**, as reported by sources to With Intelligence, noting the healthcare equity firm's shutdown.

Walleye Capital, a multi-strategy hedge fund with $4.4 billion in assets based in Minnesota, has brought on **Arnaud de Bevy**, a former portfolio manager at Brevan Howard, as a senior PM in its New York office to establish a systematic fixed-income team.

Rishi Doshi, a former investment professional at **Blackstone**, has appointed a COO in preparation for the debut of his new event-driven hedge fund, Kutumb Investments.

Jain Global, a launching multi-strategy startup, has strengthened its Asia team by adding **Alan Ng**, **Gerin Tertilt**, and **Anurag Nema** as portfolio managers from Segantii, Fulcrum, and BNP Paribas, respectively, to focus on various trading specialties, including global macro and commodities.

LAUNCHES

AR Global Capital

A former project manager at Hong Kong Asset Management is gearing up to introduce a fixed income hedge fund. Reports indicate that Abhishek Rawat is actively developing strategies for the imminent launch of AR Global Capital, based in Singapore, in the near future.

Naya Capital

A previous partner at Naya Capital, based in London, is gearing up to introduce his own hedge fund. Faiz Bhanji is reportedly in the process of developing his new firm, with plans to launch it sometime within the year.

Felis Advantage

A former partner at Tiger Global Management is set to launch Felis Advantage, a long/short equity hedge fund, in early 2025, according to With Intelligence. Based in Boston, Felis Advantage aims to implement a global long/short equity strategy and is currently seeking to hire a COO.

Endurance Macro Investors

Brian Brugman, previously a portfolio manager at AllianceBernstein, has abandoned his initial plans to start his own hedge fund and has instead joined the quantitative firm Engineers Gate. Brugman had been preparing to launch Endurance Macro Investors later this year and was in talks with potential service providers. His planned firm was set to manage a systematic macro strategy.

TOP MARKETS FOR HEDGE FUNDS IN 2024

01

New York

New York, home to 23.7% of the world's hedge funds and 36.5% in the USA, dominates as the leading city in the global and the USA hedge fund industries.

02

London

London, with 8.5% of global hedge funds and second to New York, excels in regulation and hosts major firms like Man Group, ranking highly for hedge fund managers.

03

Boston

Boston, hosting 3.3% of global and 5% of US hedge funds, benefits from its proximity to Wall Street and strong academic institutions, making it a top city for hedge fund talent.

04

Hong Kong

Hong Kong hosts 3.3% of global hedge funds, attracting major firms like Citadel LLC and Renaissance Technologies due to its strategic position and access to Chinese markets.

05

Chicago

Chicago, a top 5 city for hedge fund managers, holds 2.7% of global and 4.2% of US hedge funds, hosting leading firms like Citadel LLC and Balyasny Asset Management, renowned for innovation and performance.

06

Greenwich

Greenwich, known as the world's hedge fund capital, hosts 2.6% of global hedge funds and 4% of those in the US, distinguished by its investment-centric atmosphere and home to some of the largest funds by AUM

07

San Francisco

San Francisco, with 2.4% of global and 3.7% of US hedge funds, attracts diverse investors like foundations and wealth managers, ranking it high for hedge fund AUM and its global industry significance.

08

Paris

Paris, comparable in hedge fund count to Toronto and LA, hosts global firms with European HQs, offering diverse investment strategies like long/short equity and macro to capture alpha across markets.

09

Toronto

Toronto, with 1.6% of global hedge funds and home to firms like Peregrine Investment Management, is noted for high-performance strategies and ranks ninth among the best cities for hedge fund managers.

10

Los Angeles

LA ranks in the top 10 cities globally for hedge funds, accounting for 1.6% worldwide and 2.5% in the US, with a diverse and active investment scene.

WHAT IS IT LIKE TO WORK FOR ONE OF THE BIGGEST HEDGE FUNDS?

Interview with a Software Engineer

In this insightful interview, we delve into the world of hedge fund technology with C.W., a Software Engineer at one of the world's leading hedge funds. With a robust background in mathematics and transitions from sell-side quant to a pivotal role on the buy-side, C.W. offers a unique perspective on the challenges and innovations shaping the hedge fund industry. Through our conversation, we explore the essential role of technology in trading, the impact of AI and cloud computing on future strategies, and the dynamic, fast-paced work environment that drives the fund's success.

- **Can you briefly describe your background and what led you to work as a software engineer in the hedge fund industry?** I hold a master's degree in mathematics. I started as a sell-side quant and after few years, transferred to the buy-side.

- **What specific team or department do you work in, and what are your primary responsibilities?** I work in a hedge fund with several portfolio managers, I am responsible for basically everything that's needed for trading; including trading data sourcing, back-testing systems, and maintenance of order management systems.

- **How does your role as a software engineer in a hedge fund differ from similar roles in other industries you've worked in?** Working as a software engineer in a hedge fund can resemble working in a startup company, both in terms of organizational size and the pace of iteration. Typically, there are fewer constraints but a higher frequency of iterations.

"Compared to the sell side, the environment is much more conducive to open collaboration among teammates in a hedge fund."
C.W., Software Engineer

- **What are some of the most challenging technical problems you've tackled in your current role?** How to write efficient, robust, and scalable code.

- **On which project you're particularly proud and the impact it had on the fund's operations or strategy?** Made our order system work more smoothly.

- **How does the need for high-speed and reliable trading systems influence your work and the technologies you utilize?** The faster the better, but it also has to be accurate, because it is related to real-time trading, if there is a bug in the code, it could easily lead to very large costs in seconds.

- **What is the work culture like at one of the world's largest hedge funds, and how does it compare to tech companies?** Fast-paced, performance is rewarded, and employees are often compensated based on their contribution to the fund's PnL.

- **How collaborative is the work environment, especially between software engineers and financial analysts or traders?** Compared to the sell side, the environment is much more conducive to open collaboration among teammates in a hedge fund. However, when it comes to proprietary intellectual property (IP), there is a tendency to be more conservative and cautious in sharing sensitive information

- **What skills do you find most essential for a software engineer in the hedge fund industry, and how do you keep these skills sharp?** At this hedge fund, there is not as many restrictions around what tools to use. This is advantageous to know more about the pro's and con's of different frameworks, and design patterns.

- **How does the hedge fund support professional development and continuous learning for its technical staff?** This hedge fund encourages people to explore, but always holds the current project & needs as their highest priority.

- **From your perspective, how is technology shaping the future of hedge funds and the broader financial industry?** AI is definitely impacting the industry, from the ChatGPT we are using every day to some machine learning strategies used in trading.

- **What do you see as the biggest technological challenges facing hedge funds today, and how is your team addressing them?** Faster back-test speed, more robust system. Need to be careful about the code design, and the database choice.

- **What do you enjoy most about working for a hedge fund, and what are the most significant challenges?** Always learning new stuff, and that your work is being reflected in the PnL.

WE ARE HIRING

FOR THE WORLDS LARGEST HEDGE FUNDS

Paragon Alpha is a specialist hedge fund recruitment and advisory firm. We support our clients to grow, transform, and evolve by hiring superior talent and providing market intelligence.

TOP JOBS

Click on the job to find more details.

Senior Commodities PM – Macro Hedge Fund – US
Cross-Asset Volatility PM – Hong Kong
FX Analyst – Greenwich
Macro Analyst – Multi-Strategy Hedge Fund – New York
Equity Quant Researcher – Global
Junior C++ Engineer - Cambridge
Java Engineer (Trading) - London
Consumer Data Analyst - New York
C++ Quant Developer (Equities) - London
Commodity Futures Quant Researcher – US
Power Fundamental Analyst – UK
Senior Security Engineer - New York
Macro Risk Strategist – USA
Data Engineer - New York
Quantitative Developer - Commodities - London
Quantitative Macro Researcher - Hong Kong
Junior PM (Index Rebal) - New York
Quantitative Analyst - New York
Systematic Quant Developer - New York
Senior Software Engineer - New York
Systematic Crypto PM - Abu Dhabi / Geneva
C++ Low Latency Engineer - London
Intraday Futures Sub-PM – London / New York
Macro Risk Manager – UK

WHAT THEY SAY ABOUT US?

★★★★★

I have been working directly with Colin and more broadly with Paragon alpha for many years.
When Colin helped me find a new job years ago, he was relentless in helping me and did an amazing job while being always available.
I have been also working with Colin and Paragon to build several teams. He has a great expertise and a great network.
I can strongly recommend Colin and his team.

Stephane Fischhoff, Portfolio Manager

"Working with my Harriet has been an incredibly positive experience. Her dedication, expertise, and commitment to finding the right opportunities aligned perfectly with my career goals. She demonstrated exceptional professionalism, excellent communication skills, and a genuine understanding of my skills and aspirations. I highly recommend Harriet to anyone seeking to move within the buy-side space."

Aalok Sathe, Analyst

★★★★★

★★★★★

"Rob is a very encouraging recruiter, and is super positive in his conversations. He helped me land my next role successfully, and was elaborate and professional throughout the process. Would definitely encourage you to speak with him if you're looking too! "

Ritvik Verma, Systematic Data

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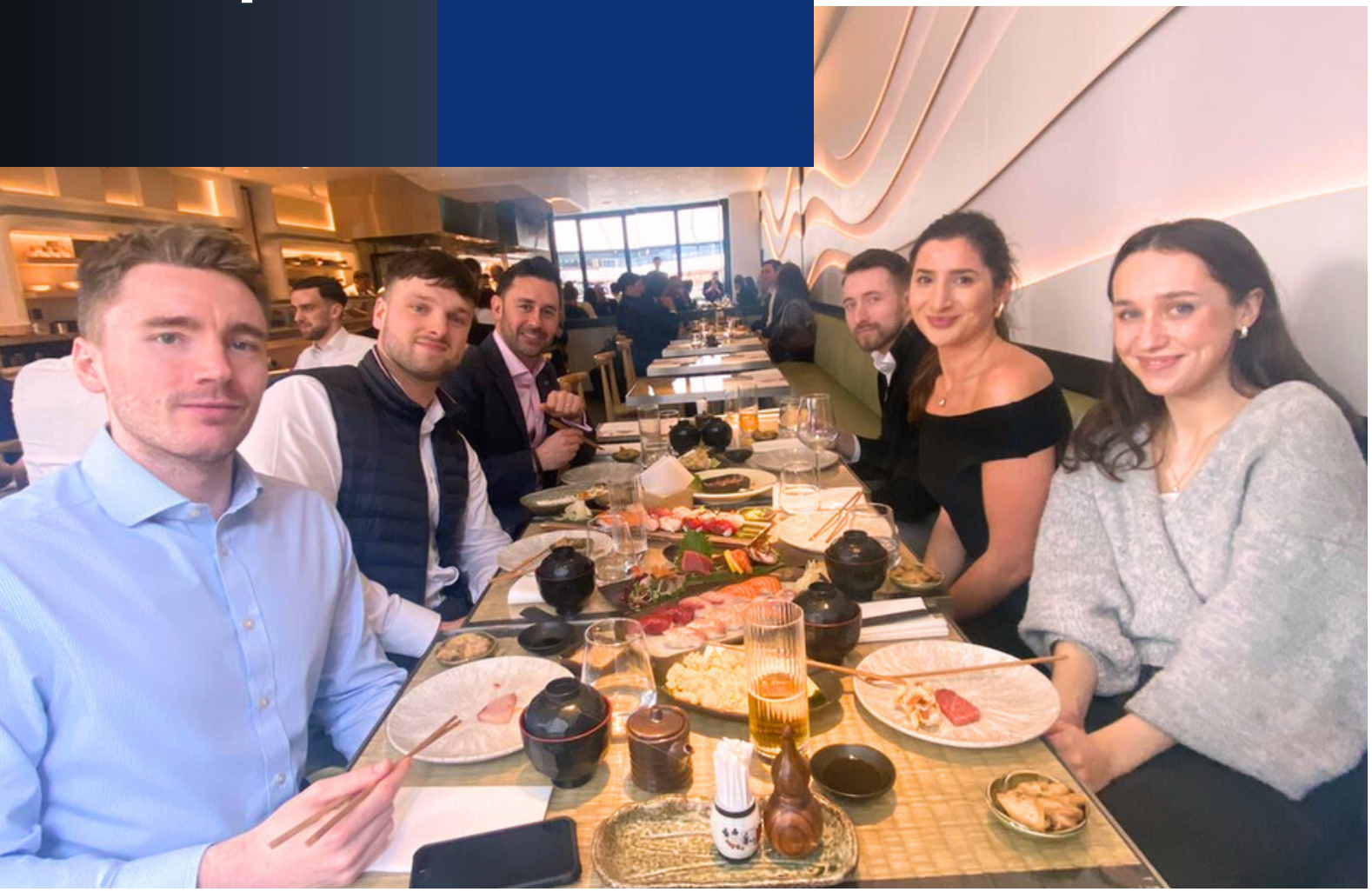
In our next edition of Alpha Watch Tower- Q2:

Read the interview with one of the world's most successful Quant Portfolio Managers.

Find your next Alpha with us!



Contact us for a confidential chat about the best global Hedge Fund talent for your business.

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