

The AIMA logo is a white square with a thin white border. Inside the square, the word "AIMA" is written in a bold, white, sans-serif font. The logo is positioned in the top right corner of the cover.

**AIMA**

# **Kickstarting a Career in Hedge Funds**

**A guide to the global hedge fund industry**

**May 2022**

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# Foreword

A career in the hedge fund industry is likely not the answer that springs to mind during high school or university careers interviews. Investment banker? Possibly. Compliance Officer or Head of Marketing and Investor Relations at a hedge fund manager? Probably not. With the nature of many hedge fund firms being quite small – most firms have under 50 staff worldwide, with around a third having under 10 – and few direct paths into the industry, the possibility of pursuing a career in the hedge fund industry is less known.

Yet, a career in hedge funds offers the opportunity to stand at the cutting edge of financial and legal practice, working with some of the most talented individuals in the financial services sector, and to embark on a journey of continual learning and challenge. Many individuals who work in the industry are drawn to its purpose: protecting money on the downside while creating long-term wealth for investors and funds on behalf of, for example, schools, pension plans, universities and hospitals.

Alfred Winslow Jones is credited as the ‘father’ of the hedge fund industry, having founded the first modern hedge fund in 1949. His innovations transformed the face of investing and set the ground for an industry built on breaking with the traditional and championing difference. Today, there are around 7,956 hedge fund managers across the world managing 24,351 hedge funds worth over US\$4.3 trillion.<sup>1</sup>

At the Alternative Investment Management Association (“AIMA”), we are keen to support the next generation of hedge fund professionals and build a fair and balanced industry. In an industry whose core purpose is to manage the money of people and institutions from across the globe, there can only be space for individuals with varied interests, ideas and inspirations – someone like you. Whether you are a student unsure of where your next step lies or a career-changer looking for a new challenge, AIMA has created a guide to help you to understand and kickstart a career in hedge funds.

Informed by the experiences and advice of around 50 hedge fund professionals, the guide breaks down the industry and various career opportunities within. Starting with an overview of what differentiates hedge funds from traditional forms of investment, we set out the types of roles and tasks that you can expect at both a hedge fund manager and the professional services firms that form a part of the hedge fund ‘ecosystem’, a number of entry routes and some key practices to help launch your career.

## **Jack Inglis**

Chief Executive Officer, AIMA

## **Robyn Grew**

Chair, AIMA Diversity, Equity and Inclusion Steering Group; Vice Chair, AIMA Council; Global Chief Operating Officer and General Counsel, Head of ESG and Head of Man Group US

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<sup>1</sup> See <https://www.aima.org/educate/hedge-fund-industry-data.html>.

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Investors are increasingly looking to the qualities that hedge funds demonstrate in being able to manage any downside risk for market volatility and generate out-performance.

At the end of 2021, there were a record of over 24,000 hedge funds in the world managing approximately US\$4 trillion in assets - the greatest number of hedge fund assets under management to date.

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### **Tom Kehoe**

Global Head of Research and Communications  
AIMA





# Overview of the Hedge Fund Industry

A fund is a pool of money that is set aside for a specific purpose. This could, for example, be money set aside by a university to award a scholarship or by a government to invest in schemes that cut the country's carbon emissions. An investment fund pools **capital** from many investors and invests according to the fund's objectives, with a fund manager that manages the investment **portfolio** on its investors' behalf.

Investment funds benefit from **diversification** and management expertise, helping to mitigate some of the risk that individual investors take on. There are many types of investment funds, each with different investment strategies and goals. Some are categorised as '**active**' funds and others as '**passive**' funds. Funds that are managed actively aim to outperform (beat) a **benchmark**, such as the FTSE 100, and the market. The fund manager actively chooses the underlying investments held in the fund on its investors' behalf and continually undertakes research and analysis. Funds that are managed passively do not seek to outperform the market. Instead, they seek to match the return and risk of a benchmark.

## Hedge Funds

**Hedge funds** are a type of investment fund that pools capital from multiple individuals or **institutional investors** into a portfolio and invests in various assets. The aim of hedge funds is to maximise investor returns and eliminate risk, regardless of the economic or market environment - the term '**hedge**' refers to a reduction or elimination of market risk. Thus, hedge funds are designed to provide greater protection against the large peak-to-trough losses that traditional asset classes sometimes experience.

Hedge funds are referred to as '**alternative investments**' as some of the investment tools and methods that hedge funds use are different to those used by 'traditional' investment managers.

Hedge funds are primarily distinguished from other pooled investment vehicles by their:

- **Use of sophisticated investment techniques**  
Hedge funds are highly diversified and usually actively managed, with a flexible investment strategy. They can move rapidly when opportunities appear. Depending on the strategy, they may apply **leverage**, invest in private **securities**, real assets and **structured products**, actively trade **derivative** instruments, establish **short positions** and hold relatively concentrated positions. Hedge fund strategies are sometimes considered opportunistic because they may take sizeable positions for a short period of time. Traditional investment managers such as **mutual fund** managers, by contrast, tend to hold longer-term positions and generally prefer to spread their exposure across a market.
- **Limited availability to investors**  
Hedge funds are usually only available to **accredited** or qualified investors who meet certain financial requirements and investment knowledge criteria set by regulators.
- **Agreements that lock up investors' capital for fixed periods**  
Most hedge funds only allow investors to withdraw funds following a lock-up period and on certain dates. The duration that an investor's capital is locked up for depends on the length of time that the hedge fund manager believes will be needed to implement their strategies successfully and realise expected returns.
- **Performance-based compensation for managers**  
Hedge fund managers typically receive compensation through an annual **management fee** and a **performance fee**. Performance fees are usually only earned if the fund is above its 'high-water mark' – the highest value, net of fees, that the fund has reached at any time in the past. This ensures that investors pay the managers only for net returns calculated from their initial investment – not for returns that recoup previous losses.

A myth about modern hedge funds is that they are risky and volatile. However, insertion of hedge funds into a diversified investment portfolio can improve its risk-return profile significantly. Pension funds, for example, invest in hedge funds because they are less risky than **stocks**. They offer steadier returns with lower volatility and tend to perform better than most asset classes during crises and crashes.

Hedge fund structures allow them to develop customised products for their investors. For example, a pension plan may request that a hedge fund manager hold securities only in a specific market sector or request a reduction or increase in the level of leverage. Hedge fund managers often aim to add value by specialising in a sector or market strategy. These managers seek to generate '**alpha**' and contribute above-market returns through the application of skill or knowledge of a narrow market or underlying strategy.

Until about the mid-2000s, hedge funds and other alternative investment funds were almost solely for the very wealthy. But today, far more capital is invested in such funds on behalf of schoolteachers, nurses, doctors, private sector workers and university students, than high net-worth individuals. This is because roughly three in every four US Dollars invested is done so by investors such as public sector and corporate pension funds, **endowment funds**, charities and **sovereign wealth funds**. Only about one in four US Dollars is invested by the wealthy – and this proportion is falling all the time.

The changed investor demographic - from private individuals to a predominantly institutional base - has had far-reaching implications for the industry. Institutional investors are guardians of investments on behalf of the general public. They are serious in terms of **due diligence** and demand appropriate risk management, governance and regulatory compliance from the investment managers and funds to whom they allocate. Institutional investors demand transparency, both during the initial due diligence process and on an ongoing basis as an investor in the fund. Investment managers have had to invest significantly in systems, technology and people as a result. Increased regulation has also had a significant impact.

Importantly, alternative investment managers also invest their own capital in their funds. Such co-investment, often called 'skin in the game', is much higher in alternative investments than in other investments such as mutual funds or **tracker funds**. It helps with risk management, through aligning both the interests of fund managers and investors and acting as a powerful incentive to reduce losses and maximise investment profits.

## Investment Management

As mentioned earlier, funds are often managed by investment managers to help individuals and institutional investors to implement their investment goals. Investment managers perform many activities for their client investors, including:

- **Asset allocation**  
Asset allocation concerns the proportion of a portfolio that should be invested in various asset classes. Investment managers assess the risks and return characteristics of potential investments to determine appropriate allocation.
- **Investment analysis**  
Investment analysis involves estimating the fundamental value of potential investments
  - the present value of all the cash flows that the investment will generate in the future
  - and identifying attractive securities and assets.
- **Portfolio construction**  
Portfolio construction involves investment managers trading the securities and assets, following their investment analysis and clients' appropriate asset allocations, managing the securities and assets and evaluating the performance of the investments.

It should be noted that investment management differs to other forms of financial management, such as wealth or money management. While investment/asset/fund managers focus on investing assets and creating the maximum returns possible for investors, wealth managers look holistically at an individual or family's overall financial situation to assist with financial planning and ensure that their wealth will be maximised or protected in the long-term. Services offered by a wealth manager include retirement planning and estate planning (how an individual's assets, property and savings will be distributed upon their incapacitation or death).

Fund managers range in size and strategy. Assets under management ("AUM") - the total market value of the securities that a fund manager owns or manages on behalf of its investors – is a key measure of a firm's size and maturity and performance indicator of success at a given point in time. AUM changes constantly as, for example, the value of securities in which AUM is invested changes and investors increase or reduce the size of their investment. A larger AUM is generally correlated with higher revenue, in the form of management fees, and indicates a large investor base and level of **liquidity** (a fund's ability to provide a 'cushion' in the event of large investor **redemptions**). Larger and more diversified fund managers manage multiple strategies and offer a variety of products to investors. In contrast, boutique fund managers focus on a single investment strategy and offer a limited set of products, with a more concentrated investor base. While larger managers attract the most investment capital, allocators have increased their appetite for smaller fund managers. Investor requests for boutique fund managers increased by more than 20% in 2020 compared to 2019<sup>2</sup> and some of the smallest fund managers were also among the best industry performers<sup>3</sup>. Smaller firms are seen as having the ability to be nimbler, with their smaller portfolio sizes useful for navigating through sharp market corrections.

## Family Offices

Family offices manage the financial assets of a single family or multiple families who reach a certain wealth threshold. While family offices traditionally turn to trust companies or foundations to hold and structure their family wealth, as the wealth of a family grows the family office may become more institutionalised in its approach to structuring assets and behave more like a fund manager. Family offices can invest in assets indirectly through traditional investment funds, though they are increasingly investing into assets directly, with investments managed internally by family office team members. Direct investing allows a family office to build an investment portfolio around their own timescale and needs. Family offices are an important source of investment capital for hedge funds, and some hedge fund managers morph into family offices when they no longer manage third-party funds.

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2 See AIMA's Hedge Fund Confidence Index Q4 2020, a global index that offers a measurement of confidence that hedge funds have in the economic prospects of their business over the next 12 months. The Q4 2020 index is based on a sample of over 200 hedge funds. Available at <https://www.aima.org/asset/DEA75472-8E05-4E04-A053AED8BCA14915/>.

3 Ibid.

## The Global Industry

North America stands as the world's largest asset management centre, with 67% of the world's hedge fund managers<sup>4</sup> and the US accounting for 75% of assets managed globally. The UK is home to the second largest alternative investment management industry, responsible for 85% of the total AUM in Europe. UK firms also make up around 31% of investment managers registered with the US regulator, the Securities and Exchange Commission, and manage around US\$4,835 trillion in assets for US investors. Other key jurisdictions for hedge fund management include Hong Kong, Switzerland, Singapore and Australia. Most institutional investors that allocate to hedge funds are based in North America (67%), followed by Europe (17%) and Asia (7%). Around half of these investors are private and public sector pension funds.<sup>5</sup>

The Cayman Islands has traditionally been viewed as the global home of hedge funds – that is because many hedge funds are set up, or 'domiciled', in the region. When determining where to domicile their funds, investment managers consider a range of factors, including whether the jurisdiction would offer a good base for distributing funds to target markets, its regulatory standards and legal framework and the quality of local service providers (such as law firms and audit firms) and non-executive fund directors. The particular attractiveness of a fund domicile depends on who the end-investor is and the primary location of the fund's investments.

The Cayman Islands is popular for its robust regulatory regime, fund infrastructure quality and supply of qualified service providers. However, other key fund domiciles include the State of Delaware in the US; the Channel Islands comprising Jersey, Isle of Man and Guernsey; Bermuda; the British Virgin Islands; Ireland; Luxembourg; and Malta. Most US hedge funds are domiciled in the State of Delaware and the British Virgin Islands, while most Asia-Pacific hedge funds are domiciled in the Cayman Islands and Australia. European hedge funds are typically domiciled in Luxembourg and Ireland, with Luxembourg having had the fastest global growth in terms of relative weight of fund domiciliation since the Global Financial Crisis. More than two thirds of the world's cross-border funds are domiciled in Luxembourg.<sup>6</sup>

## Industry Outlook

The size and market performance of the hedge fund industry has grown significantly since the 1990s, rebounding well from the Global Financial Crisis and COVID-19 pandemic-induced market volatility. In the last quarter of 2021, there were a total of 24,351 hedge funds in the world and US\$4,339 billion AUM - the greatest number of hedge fund assets under management to date.<sup>7</sup>

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4 See <https://www.aima.org/educate/hedge-fund-industry-data.html>.

5 Ibid.

6 See <https://www.alfi.lu/Alfi/media/Statements/2020/HedgeFund-Flyer-2020-20201302-8.pdf>.

7 Ibid.



Investors are increasingly looking to the qualities that hedge funds demonstrate in being able to manage any downside risk for market volatility and generate out-performance. The role that hedge funds can fulfil in an investor's portfolio was highlighted during the market volatility and business uncertainty that was triggered by the COVID-19 pandemic. While investors feared over the impact of rising inflation on assets such as **equities** and **bonds**, hedge funds provided a risk-adjusted alternative and, in the first half of 2020, outperformed, achieving the best first-half market performance since 2009.

Further to mitigating inflation concerns and the expectation of strong returns, in AIMA's recent Hedge Fund Confidence Index<sup>8</sup> investors noted "*exciting new opportunities*" as a reason for investing in hedge funds and increasing fund allocations. One of these opportunities is gaining exposure to environmental, social and governance ("ESG")-focused strategies and digital assets. Amid growing interest in responsible investment ("RI"), an increasing number of hedge fund managers are integrating ESG factors into their investment decisions and launching ESG-orientated funds. European-based fund managers are leading the way, driven by initiatives such as the European Union's ("EU") Sustainable Finance Disclosure Regulation and Sustainable Finance Action Plan. Similarly, as the ecosphere for digital assets – also referred to as cryptoassets – continues to emerge, hedge funds are deploying more capital into the asset class. In 2021, AIMA found that around a fifth of non-crypto focused (traditional) hedge funds around the world are currently investing in digital assets and a quarter of traditional hedge fund managers are in late-stage planning or looking to invest<sup>9</sup>, noting the potential to stand at the forefront of innovation.

Further information on the growth of the global hedge fund industry and current landscape can be found in AIMA research<sup>10</sup>.

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8 See AIMA's Hedge Fund Confidence Index Q2 2021, a global index that offers a measurement of confidence that hedge funds have in the economic prospects of their business over the next 12 months. The Q2 2021 index is based on a sample of more than 300 hedge funds, 36.8% of which are based in the US and 33.8% in the UK. Available at <https://www.aima.org/asset/0A3BC8C4-F910-428F-AD29066999C94590/>.

9 See PwC and Elwood Asset Management's 3rd Annual Global Crypto Hedge Fund Report 2021, where AIMA explored the rising interest in the digital assets industry from the perspective of non-crypto focused hedge funds. The data contained in AIMA's chapter comes from a survey that was conducted in Q1 2021 with 39 hedge funds that accounted for an estimated US\$180 billion in assets under management. Available at [www.aima.org/educate/aima-research/third-annual-global-crypto-hedge-fund-report-2021.html](http://www.aima.org/educate/aima-research/third-annual-global-crypto-hedge-fund-report-2021.html).

10 Available at [www.aima.org](http://www.aima.org).



“When the opportunity arises to join this industry, don’t let the voice in the back of your head tell you that you’re different and you don’t belong. Remember that a diverse mix of voices leads to better discussions, decisions and outcomes for all involved and those around you will know and believe this too. So, focus your energy on the changes that you can make, even something as simple as voicing your opinion.”

**Sukhminder Cheema**

Head of Legal  
Aspect Capital

# Roles within the Industry

Investment industry participants are classified by whether they are on the 'sell-side' or 'buy-side'. Investment managers, institutional investors and insurance companies are collectively referred to as the 'buy-side', as they are involved in the purchasing of securities from investment banks, **dealers** and **brokers** - the 'sell-side'. The sell-side is involved in the origination, sale and trade of securities and, for example, advises corporate clients on major transactions, mergers and acquisitions. Many large firms and investment banks have divisions or subsidiaries that provide investment management services and therefore provide both sell-side and buy-side functions.

Within the hedge fund industry, there are a number of career paths that individuals can pursue. This could be at a hedge fund manager or at a firm providing services to the industry, such as fund administrators or research providers. The type of work and career opportunities that are available will depend on factors such as the size and location of the firm.

## Hedge Fund Manager

Roles at a hedge fund manager can be differentiated by whether they are investment-related or non-investment related.

Investment roles refer to those that are involved in making investment decisions and implementing investment strategies. These activities can be classified as 'front' or 'middle' office roles. The front office handles client-facing activities that generate revenue directly, such as capturing and executing trades. Key front office activities are sales, marketing and customer service. The middle office includes the core activities of the firm, such as risk management, IT, corporate finance, portfolio management and research. The middle office also supports front office activities by validating, booking, confirming and reporting

trades. Non-investment roles are those that include 'back' office activities. These consist of administrative and support functions, such as clearing and settling trades, accounting, software development and human resources ("HR"). There are also non-investment activities that cannot be classified as front, middle or back office as they are relevant to the entire firm, such as legal and compliance.

During the COVID-19 pandemic, front office revenue-generating professionals were in high demand, particularly experienced portfolio managers, researchers, data scientists and investor relations professionals. The virtual working environment also meant firms were more amenable to hiring from different regions and sectors.<sup>11</sup> As major economies move towards the next phase of the COVID-19 pandemic, according to AIMA's research paper 'Gaining an Edge: How Hedge Funds are Navigating the New Talent Landscape'<sup>12</sup>, the reinvigoration of financial markets is creating an intense hiring demand, with the greatest demand centred on *"many forms of technologists, such as software developers and quantitative analysts"*<sup>13</sup> and individuals with skills in operations functions. Multi-strategy funds, in particular, are driving the demand for quantitative and data analytical experts, with some long-short funds also showing an interest. Alongside this, investor demand for ESG products and increasing regulatory pressures are anticipated to make expertise in responsible investing *"the must-have skill set of the future"*<sup>14</sup>, with ESG specialists expected to become one of the most in-demand hires over the next five to 10 years.

Below we dive into the nature of some key roles at a hedge fund manager.

## Compliance and Legal

The compliance function at a hedge fund manager involves ensuring that the firm and its clients comply with various regulations that govern the industry, from laws concerning trading, anti-money laundering, operations and information disclosure to rules around business continuity planning, data protection and marketing materials. While the day-to-day legal and compliance issues faced by a firm may differ according to factors such as the firm's investment strategy and location, compliance officers are required to understand the firm's regulatory requirements and internal policies and be able to negotiate or present matters to the firm's management staff in a compelling manner. Typical responsibilities include reviewing trading positions and providing advisory support to sales and trading desks, identifying regulatory developments that may impact the firm and liaising with industry regulators, ensuring that possible breaches of regulatory requirements or internal policies are appropriately investigated and resolved, and developing compliance manuals and training for the wider business. For Janine Frederick, former Managing Director, Chief Compliance Officer – Europe, Executive Committee member and Company Secretary at a global US hedge fund, compliance work is the *"ethical heart"* of an organisation, being *"integrated with every part of a business"*.

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11 See AIMA's Global Hedge Fund Benchmark Study 2021, page 32. Available at: [www.aima.org/educate/aima-research/global-hedge-fund-benchmark-study.html](https://www.aima.org/educate/aima-research/global-hedge-fund-benchmark-study.html).

12 See AIMA's Gaining an Edge: How Hedge Funds are Navigating the New Talent Landscape (2021). The market survey that underpins this report was conducted during Q2 2021 and garnered responses from 100 hedge fund managers, accounting for roughly US\$520 billion in AUM. 51% of all respondents were based in Europe, the Middle East and Africa, with 37% from the UK. 28% of respondents were from North America and 17% were from the Asia-Pacific. Available at <https://www.aima.org/educate/aima-research/gaining-an-edge.html>.

13 AIMA, Gaining an Edge: How Hedge Funds are Navigating the New Talent Landscape (2021), page 6.

14 AIMA, Gaining an Edge: How Hedge Funds are Navigating the New Talent Landscape (2021), page 4.

The legal function at a hedge fund manager is similar to compliance in that it also seeks to interpret rules and regulations and guide the firm, however it differs through striking a balance between the firm's business objectives and what is legally permissible. The legal function is to protect the firm and advance its interest within the boundaries of the law, while the compliance function is not of an advocate - instead requiring a degree of objectivity and independence. As legal counsel deal with a broad range of legal issues, they often liaise with lawyers at law firms who have more specialist knowledge. Angela Berti, **General Counsel** (Europe) at Sculptor Capital Management, enjoys her role as an in-house lawyer, finding the work broader and *"much closer to the investment decision"*.

At smaller investment managers, the General Counsel and Chief Compliance Officer roles are typically held by the same individual. Rita Nethercot, General Counsel and Chief Compliance Officer at Selwood Asset Management, enjoys the *"greater diversity of work"* available to legal and compliance personnel in smaller firms and notes that while compliance professionals are not required to have a legal background, the ability to bring legal judgement to specific compliance challenges can be seen as an advantage, particularly as many issues do not fit neatly into distinct 'compliance' or 'legal' categories. Rita's work ranges from negotiating custody and trading agreements with French, Swiss, British and American banks for the firm's Cayman, Irish and Luxembourg funds and speaking with regulators in respect of licence applications or amendments to existing regulatory permissions to dealing with institutional fund investors to tailor special investment terms in **side-letter agreements** and attending board meetings for the firm's Irish and Cayman funds.

## Investor Relations

Raising and retaining investor capital is a fundamental aspect of fund management. Fund managers must be able to build a compelling case as to why they should be entrusted to preserve and grow an investor's assets and provide transparency once an allocation is made so that investors can monitor their investments effectively.

The investor relations function is regarded as the face and voice of a hedge fund manager. It encompasses business development, marketing and client services. Business development involves prospecting for new investors, managing relationships with consultants and participating in the identification and design of new products. Marketing primarily relates to the design of investor-facing materials and coordination of external communications. Typical responsibilities include preparing investor reports, planning events and liaising with public relations firms to issue press releases. Lastly, client services focuses on maintaining existing investor relationships, such as onboarding new clients, liaising with fund service providers and coordinating *ad hoc* investor requests. At smaller fund managers, the investor relations function is often held by one individual. At larger firms, the various responsibilities are often separated in the above way.

Investor relations personnel work closely with portfolio managers and may participate in regular investment committee meetings, as they are usually the first point of contact for investors and fund allocators. As such, they must have detailed knowledge of portfolio positioning and be able to communicate effectively. Some fund managers



have a designated 'product specialist' function which assists the investor relations team in developing knowledge of the investment strategy and portfolio and provide support when dealing with investors. As salespersons, investor relations personnel must also have a good reputation, business sense and interpersonal skills. Head of Marketing and Investor Relations at INOKS Capital, Ursula Nitschke is responsible for the design and implementation of the firm's business plan. She enjoys the dynamic and competitive nature of the role and notes *"a passion for investments, clients and communication"* as good ingredients for being a successful salesperson, as well as a *"dose of creativity"*.

Further information on the investor relations function can be found in AIMA's Guide to Sound Practice for Investor Relations.<sup>15</sup>

## Investment Research

Investment research is centred around creating financial models and valuations to assess a particular investment's potential and calculate the effects of trading according to different strategies. In practice, this means monitoring industry and company trends, generating investment ideas, conducting due diligence (often with on-site visits), responding to questions from senior analysts<sup>16</sup> and portfolio managers, and providing updates to prospective or existing portfolio companies on how, for example, companies in a particular sector are performing.

One Credit Analysis Manager at a firm that provides capital in the form of **private credit** and equity to companies seeking to grow describes their role as *"analysing and making daily recommendations to the firm's investment committee about the companies that (they) believe the firm should lend to and providing information on their current and expected performance"*. This involves reading information from other companies, industry bodies and newspapers and building a financial model that forecasts future profit and cash flow.

*"My work broadly falls in to three buckets"* shares another investment research professional. These are *"working on existing portfolio companies, working specifically on new investment opportunities and working to identify potential new opportunities"*. Whether it be analysing data and determining whether their firm is comfortable with making a particular investment or negotiating legal documentation with the support of law firms, assessing where and how more value can be created and supporting implementation of these plans (through, for example, improvements to IT or completing an acquisition), the aspect that they enjoy most is *"building relationships with business owners and management teams"*. They add that the role is for the *"curious"* as it *"provides you with a niche knowledge about a broad range of sectors and industries"*.

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<sup>15</sup> Summary available at [www.aima.org/static/uploaded/af081827-aef9-4293-87ccc141bf18e4f5.pdf](http://www.aima.org/static/uploaded/af081827-aef9-4293-87ccc141bf18e4f5.pdf).

<sup>16</sup> Compared to junior analysts, senior analysts often specialise in one sector, industry or strategy and spend more time pitching investment ideas to portfolio managers.

## Operations

The operations function at a hedge fund manager is positioned both in the front office and back office and includes helping to onboard new clients and ensuring the accurate processing of all trade activity. The latter involves reconciling the trading positions of securities with sell-side **counterparties** to a trade, such as banks, and ensuring that all trades are accounted for and settled correctly. Operations roles can also involve assisting with infrastructure projects within a firm, such as the implementation of new systems, and liaising daily with multiple stakeholders, from technology and accounting teams to the trading desk and portfolio managers.

Evgeniya Pozhilova is a Vice President at MPMF Fund Management (Ireland) Limited - Maples Group's Central Bank of Ireland-authorized **UCITS management company** and alternative investment fund manager. While the role may be thought to be mostly administrative in nature, Evgeniya shares that *"in reality, it brings exposure to a range of areas within the investment funds industry"* and *"no typical day"*, with a wide array of tasks, such as reviewing documentation for prospective clients and filing periodic regulatory returns for the company and its 120 funds under management, as well as monitoring the performance of the funds, attending board meetings across all funds and speaking with legal counsel and **fund delegates**.

As part of her oversight of fund operations and activities, Evgeniya and her team perform due diligence reviews of investment managers. This involves vetting an investment manager's business and operational infrastructure, internal controls and whether the firm has any ongoing litigation to gauge the operational robustness of an investment target and product under consideration. Operational due diligence ("ODD") is the final stage of the 'sales' process and an important part of the wider investment process. It enables an investor to consider into which funds to invest, form a considered view as to whether to remain invested in a specific fund and identify conditions that the investor may seek to negotiate to reduce the level of operational risk associated with an existing or new investment. Larger investors tend to have in-house ODD teams though others often hire consultants or dedicated outsourced ODD providers to manage the process. Fund managers can also act in an advisory capacity to investors and carry out independent ODD to mitigate risk in clients' investments.

Aglaya Nickolova of Aurum Research Limited, likens her role as Senior Operational Due Diligence Analyst to a *"panorama-type investigative journalist"* and recommends the role to individuals who enjoy *"analysing and understanding the big picture while also paying attention to the small print"*. Having worked in ODD for over 13 years, Aglaya notes that the industry has matured, with ODD professionals increasingly involved in more analytical work around risk, liquidity and counterparty monitoring. She states that ODD analysts require a thorough understanding of a firm's business and products to be able to identify potential areas of concern, and notes that the role is evolving with new risks around cybersecurity and alternative data.

## Portfolio Management

Like investment and research analysts, portfolio managers generate and evaluate investment ideas, monitor markets and conduct due diligence. However, they are also responsible for making final trading decisions and monitoring a fund's portfolio and middle and back office operations. Portfolio managers focus more on investment logistics, such as the percentage of AUM that should be allocated to various ideas, risks that relate to individual positions and an entire portfolio and portfolio-wide diversification. Portfolio managers also hold a number of non-investment responsibilities, such as marketing a fund, raising capital and overseeing the infrastructure required to support the fund. Compensation varies and depends almost entirely on performance.

From catching up on overnight news flow before markets open in the UK at 8am to leaving for home after markets close at 5pm, one portfolio manager summarises their role as *"all about assimilating knowledge and information, forming opinions and making balanced judgements"*. While the work is *"intense"*, they point to teamwork as a core aspect of the role, for *"what happens if there's a market-moving piece of news just as you step away from your desk? What if a stock is bid for, or a rights issue is announced, or a rumour starts circulating?... You want to know that your team will cover you when you aren't able to be there yourself"*. In the end, there are three things that matter to them the most – that they can *"work effectively, spend time with (their) newborn daughter and exercise/relax"*. For this hedge fund professional, portfolio management *"ticks all of those boxes"*.

## Other

As mentioned earlier, there are a number of roles at a hedge fund manager. Traders, for example, take the allocation decisions of portfolio managers and buy and sell assets according to the portfolio manager's strategy and in a way that minimises disruption to market prices. Treasury personnel ensure that payments can be made by a firm efficiently. Louis Bartram, Treasury Analyst at Man Group, describes his role as evaluating Man Group's liquidity position or risk exposure to a certain currency, investing (depositing) surplus cash at banks to earn daily interest and managing relationships with these banks. In practical terms, Louis' daily tasks include building currency 'packs' which summarise the cash flows that the firm is expecting for the day and providing a short-term forecast of its cash position.

Beyond a firm's trading and treasury operations, hedge fund managers employ a wide range of staff, such as IT technicians and software developers, who help maintain and upgrade internal systems, and designated HR, diversity and inclusion ("D&I") and ESG staff. Charlie Beeson, Deputy Chief of Staff for Infrastructure at Man Group, works across all teams in infrastructure – HR, Talent, Communications, Compliance, Legal, Business Operational Risk, Corporate Real Estate, Operations and Responsible Investment. Charlie has a particular focus on Corporate Social Responsibility and technology and data enablement across the wider firm. Charlie loves the variety of her role, with each day bringing a new challenge from carbon offsetting to python automation or rolling out Man Group's agile working framework.

Hedge fund managers may also employ government and regulatory policy professionals. A country's typical regulatory process involves determination of a need by a legal authority, a costs and benefits analysis, public consultation on proposals, implementation of rules, compliance monitoring, enforcement and a review of the effectiveness of regulation. Firms may use government and regulatory policy professionals to engage with regulators and policymakers on proposed legislation and rule changes that impact their business. Depending on factors such as the size of the firm, this role could be created in-house or outsourced to agencies or representative bodies who act on behalf of multiple firms. **Trade associations** like AIMA collaborate with key governments and authorities and co-ordinate services, such as education and regulatory engagement, in the collective interest of their member firms.

Nick Smith, Managing Director of Private Credit at the Alternative Credit Council ("ACC"), summarises his role as combining *"advocacy, research, communications, event planning and working with people from different disciplines"*. AIMA founded the ACC to represent investment management firms in the alternative credit - private credit/direct lending - space. On any day, Nick prepares to meet with industry participants, politicians and regulators to discuss the shape of future private credit regulation; drafts technical responses to proposals issued by UK, EU and US governments or regulators; speaks with industry press on the growth of the industry and manages the ACC's research pipeline, from developing new projects to marketing completed papers.

At a family office, roles can similarly range from investment positions, such as investment advisers, portfolio managers and traders, to non-investment roles in legal, compliance, accounting, administration and operations. However, they can also include more niche roles such as lifestyle or property managers, concierge services, philanthropists or personal assistants. Family office employees tend to have at least 10 years' experience working at an investment manager or investment bank.

## Hedge Fund Service Provider

Service providers form a key part of the hedge fund ecosystem, assisting the smooth running of a firm's operations, from the custody and valuation of assets to fund-raising processes and providing advice on regulation and fund terms. Whether it be a smaller fund manager outsourcing compliance or investor relations functions to third parties during the initial phases of their operations, or a larger fund manager, firms often employ the expertise and external resources of service providers to help with the day-to-day duties associated with running a hedge fund.

Service providers commonly used by fund managers and investors include fund marketing firms, which help hedge fund managers to target potential investors and guide investors through **subscription** and due diligence processes; investment or compliance consultants; investment research providers; credit rating agencies; financial data vendors; fund administrators; audit firms; and law firms. Trading service providers include brokers, dealers, **clearing houses**, **settlement agents**, **custodians** and **depositories**. These entities help buyers and sellers of securities and assets to arrange trades with each other and hold assets for clients.

Hedge fund service providers are commonly based in fund domicile locations. Ireland, for example, is seen as a large global centre for hedge fund administration. Meanwhile, the UK is currently looking to introduce a series of professional investor fund vehicles which would increase its attractiveness as a fund domicile and encourage the creation of jobs in sectors that service these funds.

Below we provide an overview of some of the main hedge fund service providers.

## Audit Firms

Audit firms assist hedge fund managers with accounting, regulatory and tax advice for their fund structures. Services range from regulatory audit and assurance to advice relating to the evaluation of a fund's assets and liabilities and the audit of information regarding a fund's financial position, expense levels and decisions.

Jennifer Fitzpatrick is an Associate Partner within the Wealth & Asset Management industry practice at EY Ireland Financial Services. As an auditor, Jennifer and her team provide audit services for both Irish and international fund structures. She enjoys finding pragmatic solutions for hedge fund managers that seek to establish new fund structures in Ireland and presenting on key developments in the industry, such as ESG and corporate governance. A passionate team leader, Jennifer gains joy from coaching and mentoring younger members of her team and seeing them develop professionally. She works with her team to support them in reaching their full potential, encouraging them to go above and beyond to exceed client expectations. She also enjoys collaborating with international colleagues on large audits, which provides an opportunity to share knowledge and insights.

The role of an auditor is very dynamic according to Jennifer. She shares that *"no two days, or two weeks are the same. One day you are having a call with your client to understand key developments in their business, the next you are presenting key audit findings and accounting updates to board members"*. Jennifer has been in the industry for over 13 years and *"still learns something new every day"*. She adds, *"it's a fantastic career if you want to challenge yourself and have variety in your work - if you are someone who is inquisitive, has an eye for detail and enjoys being part of a team, then a career in audit will be perfect for you."*

Leading external auditors include AIMA sponsoring partners EY, KPMG, PwC and RSM.



## Fund Administrators

Fund administrators conduct services such as fund accounting and financial reporting as well as processing paperwork for trades and investor changes. Individuals working in fund administration must be highly organised with great analytical and numeracy skills. Depending on the fund manager, fund administrators could be required to handle complex multi-jurisdictional investment structures.

Some of the largest fund administrators used by hedge fund managers around the world include AIMA sponsoring partners Citco Fund Services, SS&C GlobeOp, State Street (International Fund Services) and Sudrania Fund Services.”

## Law Firms

While hedge fund managers have in-house legal and compliance functions, they often seek the specialist advice of external commercial and corporate law firms on specific matters. Legal services could range from negotiating contracts or assisting a firm throughout the fund-raising process, including preparation of offering materials and partnership agreements, to advising on regulatory and compliance issues or managing any litigation. As well as supporting fund managers, law firms can advise service providers to hedge funds, including prime brokers, and investors in funds.

Law firms with large hedge fund or investment management industry practices include AIMA sponsoring partners Allen & Overy, Clifford Chance, Dechert, K&L Gates, Maples Group and Simmons & Simmons.

## Prime Brokers and Custodians

Prime brokers help hedge funds to borrow securities or cash and coordinate complex trading in a variety of financial instruments, with services including cash management and securities lending. They also provide trade clearing and settlement services and may offer access to their own research services.

A custodian is a financial firm that holds financial assets for safekeeping. Larger prime brokers may also offer custody services, as well as credit facilities.

Prime brokerage and custodian services are provided by investment banks, such as AIMA sponsoring partners BNY Mellon, Cowen and Scotiabank.

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How does a woman from a small town in Italy become European General Counsel at one of the oldest hedge funds? Obviously, luck and timing always play a part, but we can only concentrate on the things we can control... If I were to summarise in one word my advice to anyone interested in pursuing a similar path, I would say: "reputation".

Your reputation is the most important commodity you possess; always be professional, prepared and helpful in all your work interactions. You never know where the next big break might come from – make sure your reputation will open doors when that opportunity comes along. //



**Angela Berti**

General Counsel (Europe)  
Sculptor Capital Management

# Routes into the Industry

Unlike a career in law or banking, for example, there is no particular route into the hedge fund industry. While many industry professionals have a background in finance or a Master's in Business Administration ("MBA") from a reputable institution, the wide-ranging roles available across the industry allow for individuals with varied educational backgrounds and skill sets.

When beginning your career journey there are a number of factors to consider, such as the type of firm that you would like to work at. Hedge funds can be differentiated by their size, fund model, investment strategies, industry or regional focus and the products that they invest in. They range from those that invest in credit which may never be repaid ('distressed hedge funds') to those that invest in emerging markets. Some hedge funds restrict themselves to particular products or markets (such as equities or fixed income) while others, such as systematic macro hedge funds, are regarded as multi-asset and look for trends in price movements across multiple products – from **commodities**, equities and currencies to indices, rates and bonds. Such systematic hedge funds are more interested in deductive reasoning and making statistical inferences. Individuals with a keen interest and skills base in mathematics or science may find greater opportunities at firms that specialise in systematic or quantitative trading strategies, where there is a preference for individuals with coding and research backgrounds and training in analytical and quantitative skills, such as astrophysicists. Quantitative analysts, for example, are required to write code to generate new research models, thus an interest in numbers and coding languages, such as C and Java, and the ability to problem-solve is essential. In contrast, equity fund managers, while still required to process vast amounts of financial data, usually require a lower level of technical mathematical knowledge and experience. Given the varying positions and entry requirements at hedge fund managers, knowing a firm's structure and investment approach can help you to decide which type of hedge fund manager you wish to work with.

In the next pages, we highlight some traditional and non-traditional routes into the hedge fund industry.

## Traditional Routes

### Relevant Education

With the hedge fund industry being a part of the broader financial sector, it is unsurprising that for most roles - particularly investment roles - an interest in and knowledge of finance and investment concepts is key. Many industry professionals begin their careers with a degree in a finance-related subject and/or an MBA from a reputable university, to learn skills in areas such as data analytics, risk management and capital allocation and understand accounting, economics and investment operations. It should be noted that an educational background in finance does not limit your career options to investment roles. For example, Janine Frederick, a civil and commercial barrister, shared that at university she undertook a pure mathematics degree and after obtaining an MBA worked for large asset management companies focusing on compliance. Along her career, she was called to the Bar in the UK and qualified as a Notary Public of England and Wales, with **rights of audience** before the Astana International Financial Centre Court in Kazakhstan.

While at school/college, it can be difficult to familiarise yourself with finance and gauge whether you wish to study or pursue a career in the field as it is not typically taught as a core subject. However, taking part in extracurricular entrepreneurial or finance-related activities are a useful way to test or build this interest. For example, Ursula Nitschke, Global Head Marketing & Investors Relations at INOKS Capital, attributes her *“fascination for financial markets and economic development”* to taking part in a stock-picking competition in high school. The competition prompted her to study for an international business degree at partner universities Dublin City University Business School and the ESB Business School in Germany. There are a number of organisations and charities around the world that run finance/business programmes and competitions for students, both individually and in partnership with schools and universities. Whether it be a stock-trading challenge<sup>17</sup>, where teams are allocated a sum of money to invest in fictional shares, required to identify an investment strategy and create as much profit as possible; an essay competition focusing on a comparison of law relevant to commercial transactions in different legal systems<sup>18</sup>; or an international merger and acquisition competition<sup>19</sup>, where participants conduct research on an industry/sector and pitch an optimal deal to a panel of investment professionals, there are many ways to augment your understanding and practical awareness of finance and investment operations.

### Relevant Industry Experience

While gaining relevant education and qualifications is a good first step for building a career in the hedge fund industry, relevant industry experience is equally, if not more, important.

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<sup>17</sup> See, for example, <https://www.stockmarketgame.org/>; <https://globalyouth.wharton.upenn.edu/investment-competition/>.

<sup>18</sup> See, for example, <https://www.gide.com/en/news/gide-delighted-to-be-collaborating-with-grays-inn-to-launch-french-english-law-essay-prize>.

<sup>19</sup> See, for example, <https://www.focusfinance.org/closethedeal>.

Aglaya Nickolova, Senior Operational Due Diligence Analyst at Aurum Research Limited, notes that the key is to *“start early”*, achieve the right grades and *“work for your luck to happen”*. By the time that Aglaya had graduated in Accounting from a Liberal Arts College in the US, she notes that she had *“a total of three different internships”* – one in payroll accounting for a large law firm; one in advisory at one of the *“Big 4”* accounting firms; and one in corporate tax at a Certified Public Accounting firm. Securing these internships while being a full-time student with a variety of part-time campus jobs was no easy feat. However, even with her work experience, graduating during the Global Financial Crisis left her career options limited. She recalls *“coming from a small college in Indiana, I found it difficult to get an interview against competition from colleges with a ‘brand name’”*. To give herself a better chance, she decided to undergo further education and applied for master’s degrees in well-known universities across the US and Europe, accepting an offer from the London School of Economics. *“The rest”*, she says, *“is history”*.

Beyond internships, many firms seek to recruit individuals with past industry work experience – in particular, sell-side experience. As one Associate Director at an alternative asset manager notes, while some firms take on individuals earlier *“most require you to have a few years’ experience in a relevant industry before you join”*. A large number of industry professionals begin their career journeys at sell-side institutions, such as investment banks, to consolidate their understanding of investment concepts and gain practical experience in areas such as financial modelling and valuation. Entry-level investment roles typically include sell-side or buy-side analysts – in particular, research analysts.

It can also be useful to gain experience working at an investor or hedge fund service provider. Katherine Abrat, Chief Operating Officer at Arkkan Capital, began her career as a private practice lawyer in Australia (corporate law) and then Hong Kong (asset management). After developing an interest in a commercial role in the industry, Katherine became an in-house regional legal counsel for an asset manager before moving to Goldman Sachs, where she then led the investment bank’s Asia-Pacific prime services consulting team. In that role, she helped Asian and global hedge funds to build and grow their businesses in the region. Looking back at her experience, Katherine shares that her legal experience provided her with a *“fantastic technical grounding”* and *“opportunity to develop client service skills”*. Through working in service provider roles, Katherine has been able to work with *“multiple industry participants and understand how different segments of the industry work together”*. Tony Peccatiello, co-founder and CEO of Parallel Markets, shares Katherine’s enthusiasm for working as a service provider. At Parallel Markets, Tony works with investors, investment platforms and Web3 companies to simplify onboarding and identity verification processes. For Tony, it is this ability to problem-solve and improve industry functioning that makes service provider roles so exciting and resourceful.



## Non-Traditional Routes

### Apprenticeships and Placements

It is less common for individuals to enter the industry directly from school or university, particularly at a buy-side firm. However, an increasing number of hedge fund managers are offering summer internships, graduate programmes and/or apprenticeship schemes to students. Internship/graduate programmes can range from those that involve rotations across different areas of the firm's business, from sales, trading, research and investment management to software engineering, technology, business development and HR, and those that are limited to specific divisions, such as big data or operations. While programmes are generally geared towards individuals with an interest or background in quantitative disciplines, such as computer science, mathematics, science and engineering, their specific educational requirements depend on the firm itself, with some, for example, open to individuals with a social sciences background. Apprenticeship opportunities in the industry do not generally require any knowledge of business, finance or IT and can introduce individuals to a firm's technology, fund services, compliance, operations and risk business areas.

By way of example, the Investment 20/20 programme<sup>20</sup> offers one-year paid internships to school leavers and graduates at partner companies in the UK, for investment and corporate roles in areas such as project management, sustainability and ESG, data and modelling, HR and software testing. Individuals are provided with training, on the job experience and the opportunity to undertake an industry professional qualification. At the end of the internship, participants are considered for a permanent position. Scheme participants are also invited to industry insight days and events which introduce financial markets and explore commercial topics such as the impact of 'Brexit' on the UK/EU investment management industry. Investment 20/20 shares that around 60% of graduates enrolled on its 2020 trainee programme did not study finance, mathematics or economic subjects at university. A non-exhaustive list of organisations that provide guidance, mentoring and support to individuals seeking to explore careers in investment and hedge fund industries can be found in Appendix 2.

Having always preferred learning in a *"hands-on environment"*, Sophie Kessler, HR Assistant at Aspect Capital, recently completed her second apprenticeship with the firm. When an Organisational Development Apprentice in Aspect Capital's HR department, Sophie assumed that her role would *"consist entirely of typical receptionist duties"* but soon realised that she *"couldn't have been more wrong"*. From expanding her technical knowledge of HR functions to communicating with a diverse range of employees every day, the experience has *"opened so many doors"* for Sophie, boosting her confidence and *"real-life experience"* of the industry. Abdi Musse, a Compliance Officer at Man Group, shares in Sophie's apprenticeship experience. Growing up, Abdi notes that he had *"few role models and many challenges"*. Unsure about continuing with further study or finding a job, he found apprenticeships to strike the right balance – enabling him to earn money while developing

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20 See <https://www.investment2020.org.uk/start-your-career/investment20-20-programme/>.

professionally. With help of City Gateway, Abdi successfully gained an apprenticeship at Man Group. Fast forward a few years and Abdi secured a full-time role in compliance and is working towards numerous financial qualifications.

While an apprenticeship or graduate placement at a hedge fund manager can offer a direct route into a particular role or hedge fund manager, experience at other industry organisations can also be helpful. Claude Mendes, a third-year Economics student at the University of Surrey and recent Research and Communications Intern at AIMA, describes his placement at the industry trade association as *“invaluable”*. Not only has Claude been able to *“contextualise and further expand upon knowledge gained through (his) degree”* but through participating in a range of data analysis tasks, such as leading on the quantitative effort in AIMA’s Global Hedge Fund Benchmark Study and the Hedge Fund Confidence Index, he has been able to *“connect with industry professionals across the globe”* and *“learn more about the hedge fund industry as a whole, from trends surrounding ESG and digitalisation to key challenges facing the hedge fund industry”*. For individuals interested in policymaking, for example, pursuing graduate schemes at a regulator or in government may be of interest. Adam Jacobs-Dean, Global Head of Markets, Governance and Innovation at AIMA, discovered his interest in the *“technical aspect of financial rulemaking”* while completing a graduate scheme at the UK’s Financial Conduct Authority (“FCA”). While being in the minority of graduates in his intake who had not studied law or economics (instead studying languages), Adam notes that *“like many who work in the industry”* his destination today is *“not necessarily what (he) had in mind when leaving university”*.

If a placement or graduate scheme is something that you wish to pursue, Ellie Callcut, a Graduate Engineer at Man Group, recommends engaging in extracurricular activities throughout school and university to stand out from other applicants. Whether it be a part-time job, volunteering, setting up or leading a student society, or undertaking online courses in a subject of interest, Ellie points to the need to show motivation, soft skills such as communication and teamwork and, ultimately, *“your character”*. If your applications are unsuccessful, do not give up. As Ellie adds, *“many people secure a place on graduate schemes a couple of years out of university”*. Ellie experienced this first-hand - it was only after working her first job at a start-up and setting her LinkedIn profile to ‘open to work’ that she was approached by Man Group with a job opening. After being invited to interview, Man Group suggested she apply to their graduate scheme. Despite the move seeming like a step backwards, Ellie sought the structured learning of a placement and, since successfully securing a place in the firm’s technology department, has not looked back.

## Other

While relevant education and industry experience can place you in good stead for a career in the hedge fund industry, it is not to say that studying non-traditional subjects or working in atypical fields places you at a disadvantage. Hedge fund operations are centred on a team of skilled individuals, each with different specialisations. As such, whatever your academic or professional background, an important aspect is the transferable skills that you take away. As Sonam Malhi, ESG/ RI Investment Services Specialist at Man Group describes, *“communicating effectively, being a team player, having a good attitude and being willing to learn are all vital skills – the rest you’ll be able to acquire along the way”*.

Take Monique Nash, Head of Project Management; Susann Lewis, Senior Principal Consultant at ACA Group; and Elise Blackford, Communications and Marketing Coordinator at Man Group – all individuals with unique paths into the industry. Monique had her eyes set on being an architect and vowed never to enter *“the corporate world”*. However, when she first walked in, a feeling in her gut told her *“this is where I am meant to be”*. Today, she *“couldn’t be happier”* and notes that her *“creative thinking”* and understanding that *“excellence is in the detail”* has carried her a long way. Similarly, Susann, who began her career in hotel management finds that her experience in a customer service industry *“continuously helps with (her) daily client interactions”* as a Global Investment Performance Standards consultant. For Elise, who trained for a university degree in professional dance and theatre studies, the transition to investment management was *“smoother”* than she had initially anticipated. Crediting her experience on and off-stage and the demands of a professional dancer, she states, *“I learned self-discipline, punctuality, flexibility, communication and teamwork”*. It should be noted that the importance placed on having an industry-related background varies per role and firm. However, as Elise notes, *“good firms know to look beyond well-worn avenues for hiring talent”*.



“ It was July 2009 and I was getting ready to start my first role as an Assistant Operational Due Diligence in a US\$2 billion **fund of hedge funds**. I had no idea what the terms ‘hedge fund’, ‘alternative investments’ or ‘operational due diligence’ really meant at the time. At the time, I felt ‘lucky’ to have found a job in finance. Looking back, I realise I had worked for my luck to happen. Getting the right grades, work experience and a master’s degree from a brand-name university all helped.

So, my advice is to start working on it early. Get involved in extracurricular activities and get work experiences (even short-term roles). Once you finally graduate, *apply, apply apply*. That first job you land is your foot in the door - from then on, it is up to you how you navigate your career.”

**Aglaya Nickolova**

Senior Operational Due Diligence Analyst  
Aurum Research Limited



# Launching Your Career

Building a successful career in the hedge fund industry requires determination, stamina and a sharp mind. In an industry premised on growth and doing things differently, understanding your unique value proposition and homing in on it can help you to align your interests and attract new opportunities.

After asking industry participants for some key practices that individuals could follow to enhance their professional development and propel their careers, we identified three core actions – be proactive, be open-minded and build relationships. In short, nurture a growth mindset.

## Be Proactive

Industry professionals must be alert to political, economic, regulatory and market developments both locally and internationally to mitigate risk and effectively manage funds in the interests of clients, in line with their fiduciary duties. Individuals involved in asset valuations and allocations or business development, for example, need to be able to analyse historical data trends and make sensible predictions about future events to understand the impact on funds and the fund managers' wider business. Thus, individuals seeking to enter the industry should foster an interest in and curiosity for the global investment landscape. As Trysha Daskam, Managing Director and Head of ESG Strategy at Silver Regulatory Associates, advises, in an ever-changing regulatory environment it is vital to *"be current and thoughtful"* and *"understand who the leading and emerging firms are"*. This passion for the dynamic investment world motivated Jason Chin, a Senior Associate at a family office, to spend *"countless evenings and weekends"* researching into various companies and industries and reading books on successful fund managers to stay on top of the latest trends and developments.



While learning is often attributed to formal or academic settings, everyday workplace interactions can often offer the greatest opportunities to increase knowledge. Not only is it good to understand how your role relates to other parts of the business but proving that you are able to do more than your job description is essential for demonstrating competence and supporting a promotion. Wendy Kang, Vice President at BlackRock Asset Management Canada Limited, found that through *“active listening and extensive note taking”* she was able to absorb the knowledge and cadence of senior staff and be recognised as reliable and engaged. As well as being an active listener, it is important to ask questions. Asking questions demonstrates a structured and intellectually curious mind and, as one Associate Director at an alternative asset manager notes, can *“sometimes help to solve a problem or improve an organisation”*.

Beyond building industry and firm knowledge, it is important to be proactive in developing soft skills. When we think of competencies, verbal skills often come to mind, such as public speaking and presenting. However, written communication is equally as valuable. As one Communications Consultant at a hedge fund manager advises, *“strive for economy, specificity, and precision in your writing. Don’t make sweeping generalisations and use long words when short ones will do and jargon/abstract terminology”*. To be an effective writer, they add, *“be challenging - question orthodoxies and write against the grain”*. Further to the workplace, the opportunity for active learning outside of the office should not be underestimated. As well as engaging with organisations that offer skills support, simply pursuing a hobby - be it painting on a Sunday afternoon or a stroll in the park - can help your mind to be creative, receptive and recharge. As Monique Nash, Head of Project Management, reflects, *“immerse yourself in the real world and realise that the best knowledge comes from experience”*.

It is important to remember that no matter how much knowledge and experience you have gained, there is always room to learn and develop further. Elizabeth Eng, Vice President at Maples Group, calls individuals who are mindful of and open to learning on a regular basis as *“intentional learners”*. She finds that intentional learners set goals, protect time for learning, actively seek feedback, conduct deliberate practice and reflect on their progress. Whether it be learning from your mistakes or identifying shortfalls in your experience or qualifications and *“putting in the work necessary to achieve your long- term goals”*, like Garth Ebanks, Vice President at Maples Group, be proactive and learn intentionally.

Proactive learning feeds into a key part of your professional development - your reputation. Angela Berti, General Counsel (Europe) at Sculptor Capital Management, finds reputation to be the *“most important commodity that you possess”* and advises individuals to be professional, prepared and helpful in all work interactions. Monique shares in this view and urges individuals to *“be comfortable in taking on responsibility”* and *“always go to someone with a solution, rather than a problem”*. For in the end, as Angela cautions, *“you never know where the next big break might come from - make sure your reputation will open doors when that opportunity comes along”*.

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Intentional learners set goals, protect time for learning, actively seek feedback, conduct deliberate practice and reflect on their progress.

Individuals armed with such a growth mindset demonstrate resourcefulness and not only seize opportunities that come their way but create new avenues for growth themselves. //



**Elizabeth Eng**

Vice President  
Maples Group

## Professional Qualifications

On the subject of learning, there are a number of investment-related qualifications that individuals can pursue to consolidate their skills and understanding of the investment management industry. Many firms cover examination fees and encourage employees to undertake professional qualifications as a way of demonstrating competence, in line with guidance issued by financial services regulators.

For the alternative investment management industry, common qualifications include:

### CFA Institute qualifications

The Chartered Financial Analyst (“CFA”) Program<sup>21</sup> is a master’s-level global certification that covers a broad range of financial topics, from economics and corporate finance to alternative investments and portfolio management and wealth planning, providing the widest career options. The CFA Program is designed for students who wish to work in the investment management profession, portfolio and wealth managers, investment and research analysts and professionals involved in the investment decision-making process. It is made up of three exams – Level I to III – and individuals must have a combination of 4,000 hours of investment or non-investment related work experience, completed in a minimum of three years, and/or higher education over three sequential years before undertaking the qualification. Speaking on her experience of undertaking the CFA Program, Eleanor Davidson, Quantitative Researcher at Aspect Capital, shares that the course has given her a *“more holistic understanding of data, finance and investment management”*, helping her to transition from an academic mathematician to a *“practitioner”*. Though, Eleanor cautions that *“it is not something to be taken on lightly”*, with successful candidates reportedly spending over 300 hours of study time per level, and recommends scanning through study materials before registering for the programme.

The CFA Institute is currently developing a separate programme for individuals who wish to gain a preliminary understanding of the investment management industry. Details of the product and its delivery will be provided on the CFA Institute’s website in due course.

### CFA Society of UK (CFA Institute member society) qualifications

The Investment Management Certificate (“IMC”) is only available in the UK and is a benchmark entry-level qualification into the UK investment profession. It provides individuals with a foundation into the core areas of portfolio management, research analysis, relationship management, risk management and front office investment activities at investment firms to demonstrate regulatory competence. Those who complete the programme gain a UK FCA-appropriate qualification for managing investments. The programme is made up of two exams – the investment environment and investment practice. There are no entry requirements, but individuals are recommended to undertake a one-day core skills online course if some time has passed since they studied mathematics. The core skills course

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21 See <https://www.cfainstitute.org/en/programs/cfa>.

includes an introduction to quantitative methods and basic derivatives. Yasmin Bou Hamze, an Associate at the Alternative Credit Council, describes the IMC as *“no easy feat”*, especially when conducted in tandem with a full-time job. Despite its introductory nature, Yasmin notes that it requires *“a serious time commitment, continuous self-motivation and a willingness to memorise and review a wide variety of topics including economics, accounting, investment practice, regulation and ethics.”* Though, she adds that for someone with little academic exposure to finance, the programme could provide *“just the right amount of breadth and depth to take a firm step into a career in the alternative investment industry”*.

Aside from the IMC, individuals can study for the CFA Certificate in ESG Investing<sup>22</sup>, a qualification that delivers the benchmark knowledge and skills required by investment professionals to integrate ESG factors into the investment process. There are no entry requirements, however it is recommended that individuals have an understanding of the investment process through formal qualification or experience.

### CAIA qualifications

The Chartered Alternative Investment Analysis Association (“CAIA”) Charter<sup>23</sup> is a globally recognised credential focused on the alternative investment management sector, for professionals managing, analysing, distributing or regulating alternative investments. It is made up of two exams – Level I and II – which cover a range of topics in detail, from private credit and the types of hedge funds to the methods for alternative investing and selection of a fund manager. There are no entry requirements, though it is recommended that individuals understand the basic concepts of finance and quantitative analysis. Alice Hill, who works in Investor Relations at Tresidor Investment Management, found the CAIA Charter useful for *“gaining a deeper understanding of the wider alternative investment industry and products and marketing to prospective investors”*. On studying for the CAIA Charter, and/or any other qualification, Alice recommends signing up with a study provider, such as ‘UpperMark’, for helpful videos and practice questions.

CAIA offers a 20-hour online programme, the Fundamentals of Alternative Investments, for individuals who wish to build a functional base of knowledge in alternative investments. For individuals interested in the effect of data science on the finance industry, CAIA also offers the Financial Data Professional Charter<sup>24</sup> which explores the application of big data, data mining and machine learning in investment decisions.

### Other

There are a number of other qualifications relevant to the investment industry, such as the Chartered Institute for Securities and Investment’s Certificate in Investment Management<sup>25</sup>, for individuals interested in financial risk management, and Certificate in Investment

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22 See <https://www.cfauk.org/study/esg#gsc.tab=0>.

23 See <https://caia.org/programs/the-caia-charter>.

24 See <https://caia.org/about/financial-data-professional-institute>.

25 See <https://www.cisi.org/cisiweb2/cisi-website/study-with-us/capital-markets/certificate-in-investment-management>.

Operations<sup>26</sup>, for individuals seeking to work in the administration and operations areas of financial services. For qualifications deemed appropriate in individual jurisdictions, you should check the relevant regulator's communications. For example, qualifications deemed appropriate by the UK's FCA can be found in the FCA Handbook<sup>27</sup>.

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26 See <https://www.cisi.org/cisiweb2/cisi-website/study-with-us/operations/ioc>.

27 See <https://www.handbook.fca.org.uk/handbook/TC/App/4/1.html>.



“

If you're not convinced by the road you've started on, carve your own path.

How do you do that?  
Be observant. Find ways to add value to your firm. Pick up the responsibilities that nobody else wants to hold.

In short, plant the seeds, absorb all information around you and in time new opportunities will grow. ”



**Edane Barton**

Director - thinkFolio Professional Service  
IHS Markit

## Be Open-Minded

Further to being proactive, in a rapidly evolving and interconnected world it is important to remain agile and embrace change. While it is good to consider where you wish to be long-term and show commitment to the path that you choose, it is okay not to have a strong sense of how you would like your career to develop. As Adam Jacobs-Dean, Global Head of Markets, Governance and Innovation at AIMA, puts it, *“the job that you will be doing in 15 years’ time probably doesn’t exist today, so don’t get too hung up on the precise destination.”* Likewise, a clear linear career path is rare to find as often things do not go to plan, with many unforeseen bumps and diversions. Though, as Sukhminder Cheema, Head of Legal at Aspect Capital, reflects, *“that may be one of the best things that could happen to you”*.

At all stages of your career, being flexible and open to new experiences will allow you to realise where your interests lie and what you are good at. Whether it be taking a multidisciplinary approach to university studies, as Phillip Meyer, General Counsel, Chief Compliance Officer and Co-Chief Operating Officer at Oasis Management Company, recommends; taking a career break like Valentina Han, Vice President at Maples Group, to teach English as a second language in Hong Kong; or turning a year’s placement at a fund administrator in the Cayman Islands into a full-time move and setting up your own fund governance and compliance firm like Ronan Guilfoyle, Co-Founder and Director of Calderwood, saying “yes” to ideas and opportunities that come your way, including those outside of your comfort zone, enables you to break barriers and increase your potential. Individuals armed with such a growth mindset, as Elizabeth Eng observes, demonstrate resourcefulness and not only seize opportunities that come their way but *“create new avenues for growth themselves”*.

One individual who has seen the value of nurturing a growth mindset is Edane Barton, Director- thinkFolio Professional Service at IHS Markit. Edane began his career in the US at Bloomberg as a customer service representative and in analytics, providing trade order management solutions for buy-side firms. Edane noticed that compliance analytics was a function many found difficult and took it upon himself to become *“the compliance guy”*. Later, when Bloomberg were hiring for a new compliance sales role in the US, he suggested it create a parallel position in the UK to help with implementation. After successfully pitching the idea to senior management and presenting himself for the role, Edane made the move, building a career aligned to his interests. Emphasising the importance of taking advantage of all learning opportunities he advises, *“you may not see the value of your efforts straight away or directly but don’t lose steam. Be useful and genuine in all interactions. The connections and learning will, over the course of your career, benefit you and those around you.”* These opportunities for growth can also come from outside of your day work. For example, Claire Van Wyk-Allan, Head of Canada at AIMA, notes that through actively getting involved with AIMA while at a boutique hedge fund firm, from *“volunteering on the AIMA Canada events committee and eventually becoming chair”* to joining AIMA’s Canada Executive Committee and overseeing the Sales Practices Committee, she was *“asked to take on the ‘Head of AIMA Canada’ role”*. In taking on different responsibilities and staying open-minded, Claire was able to nurture new passions and turn them into a full-time role.

Further to this, embracing change can give you the push to seek an environment or role that fulfils your curiosity and is aligned with your needs and goals, even if it requires a form of trade-off or temporary 'setback'. Rosellen Bounds, Director at ACA Group, remembers a time that she wished to quit a job three days after starting, as she had soon realised that it was not the place for her. However, she recalls *"doing the 'responsible thing' and sticking it out because (she) had bills to pay and was not a 'quitter'"*. However, in hindsight she questions whether she would indeed have been a 'quitter' for seeking a more inspiring workplace, one where there were *"women at the top that were successful and worth emulating"*. Rosellen's advice to anyone unsure of taking a risk and making the jump is *"don't treat jobs that you hope will turn into careers like marriage – loyalty and fidelity are lovely traits but not what are important when going through your career, at any stage"*.

## Build Relationships

Whether you are providing funding to small and medium enterprises or facilitating trade flow and cross border investment as an industry professional, developing connections with others is essential. For Nick Crasner, Founder and Chairman of Crasner Capital, a boutique investment bank focused on emerging markets, it was a drive to invest in and connect different communities that led him to build a career in financial services. Descending from Caribbean and English parents and growing up in numerous emerging markets, Nick had a burning desire to leverage the power of investment to drive social and economic development and to facilitate investment between the UK and the emerging world. At the age of 26, Nick became the youngest person to own an FCA-regulated investment bank. With its success, and that of his other businesses, he decided to pioneer diversity-led venture investing and created Crasner Ventures, a platform dedicated to supporting early-stage businesses founded by female founders and entrepreneurs of diverse heritage. Reflecting on his journey, Nick identifies a common thread: building relationships. He advises, *"always play to your strengths and fill your weaknesses by teaming up with great people"*. Drawing on the importance of sport, Nick adds *"you can't be the person scoring a goal, defending the goal and setting up in the middle all at the same time – you have to build a strong team and network, and play your role within that"*.

With the management of investors' money at the core of firms' businesses, effective interpersonal and communication skills are essential. Investment professionals, such as portfolio managers, need to be able to build and maintain relations with clients and liaise effectively with analysts to assess financial information and investment opportunities. As one individual notes, investment roles allow staff to *"build relationships with individuals across the whole business in different teams and seniority levels"*. Similarly, non-investment professionals, such as those in compliance and legal roles, need to be able to communicate regulatory risks and developments to colleagues and senior management. As many investment managers, particularly smaller managers, tend to outsource work to third-party service providers, good people management and negotiation skills are also important. As well as helping to improve your interpersonal and communication skills, investing in professional relationships, particularly with like-minded individuals and other industry professionals, is a powerful way to explore new perspectives and connect ideas that

could help support your career. Ronan Guilfoyle, Co-Founder and Director of Calderwood, attributes his success to being a go-getter, making mistakes and never making them again and, specifically, surrounding himself with individuals that *“shared the same work ethic and mindset”*. Similarly, Jason Chin, Senior Associate at a family office, states that his *“initial breakthrough”* came from a referral through a close friend at the firm. After expressing a desire for a research-orientated role, Jason never imagined that it would be his university peers that would be his *“best advocate”* in the profession. As many in the industry reiterate, *“you never know where ex-colleagues will end up”* so it is important to take the time to develop and maintain your network.

‘Networking’ is a popular buzzword. It enables you to learn from individuals from different backgrounds, each with their own unique skillsets, experiences and expertise, improve your self-awareness and be visible. Although it may seem daunting, *“it can be hugely valuable and enables you to meet people who inspire and challenge you”*, as Robyn Grew, Global Chief Operating Officer and General Counsel, Head of ESG and Head of Man Group US affirms. Where you do attend an event, Claire Van Wyk-Allan, Head of Canada at AIMA, recommends introducing yourself to two or three new people each time and following up after a positive conversation. She adds, *“it’s about building long-term relationships, rather than just a one-time interaction”*.

Through building rapport with a range of industry professionals, you may also be able to develop authentic mentorship and sponsorship relations. No matter how far you are into your career, it is important to *“stay humble and help others to find their voice”*, as Zornitsa Daskalova, Regulatory Compliance Consultant at Optima Partners, encourages. Building a successful mentor/mentee relationship can be difficult, however as Wendy Kang, Vice President at BlackRock Asset Management Canada Limited, advises, *“it is important as a mentee to be upfront about what you want to learn and ensure there is a structure to meetings”*. As a mentor, be someone who you wish you had as a mentor in your earlier years. Lauren Malafronte, Managing Director at Scotiabank and Board Chair Emeritus of 100 Women in Finance, began her career as one of a few women in computer programming. Today, she has worked across a number of investment banks in senior client-facing roles, attributing part of her success to the valuable guidance of sponsors throughout her career. For the past 20 years, Lauren has been an active member of 100 Women in Finance, a global network of professionals in the finance industry working together to empower women at each career stage. Having seen first-hand the opportunities and self-belief that come with true organic relations, she is committed to supporting others in the industry and highlights that while you embark upon your own career journey *“don’t forget to promote one another”*.

Beyond your career, *“keep fighting for equity and calling out discrimination and microaggressions”*, as Robyn expresses, and *“make people laugh, because humour is an under-rated skill that can be disarming and powerful”*.



# SUMMARY

## Be Proactive

- Foster an interest in and curiosity for the global investment landscape and stay on top of political, economic, regulatory and market developments.
- Be professional, prepared and helpful in all work interactions - show that you can do more than your job description.
- Learn intentionally - set goals, protect time for learning, actively seek feedback, conduct deliberate practice and reflect on your progress.

## Be Open-Minded

- Be flexible and open to new experiences - allow yourself to realise where your interests lie and what you are good at.
- Say yes to ideas and opportunities that come your way, including those outside of your comfort zone.
- Take risks and pursue the environment or role that aligns with your needs and goals, even if it requires a form of trade-off or temporary 'setback'.

## Build Relationships

- Surround yourself with individuals that share the same work ethic and mindset - find people who inspire and challenge you.
- Introduce yourself to two or three new people each time you attend an event and follow up after a positive conversation.
- Seek mentorship and help others to find their voice.



“

My parents, who are from the Caribbean, have had a huge influence on me, instilling the values of education, hard work and integrity. Throughout my career, these attributes have helped me to create new opportunities. But it has not been a straight route - being determined has played a key part. At university, I was selected to take part in the Windsor Fellowship leadership development programme. Today, I stand having advanced to C-suite and executive positions.

My advice? Think ahead as to where you want to be, lay the foundations and then persevere. Currently, I am applying for higher rights of audience in Grenada and empowering entrepreneurs in Africa as an Advisory Board Member of the Makeda Foundation. ”



**Janine Frederick**

Civil and Commercial Barrister

# AIMA Careers Network

The COVID-19 pandemic and lockdown experience has fundamentally altered global perceptions of life and what it means to connect. Through needing to support and integrate new joiners and staff returning from parental leave without the in-office dynamic, industry participants have been required to rethink how they include staff and help them to perform to the best of their abilities.

In the midst of these challenges, AIMA sought to carve a space dedicated to self-development and fellowship for individuals across our member firms and, in 2020, launched a Careers Network. For some, the Network provides an opportunity to meet and learn from like-minded individuals, and for others a safe space to offload and take a break. Through open discussions, drop-in chats and skills workshops for the Network's Early, Middle Level and Experienced Professionals, on areas such as personal branding and career moves abroad, AIMA has been helping individuals to leverage opportunities during lockdown and in a post-pandemic setting.

Following 32 years of AIMA representing the voice of the alternative investment industry, we would like to dedicate a spread to the next generation, as members of the Careers Network navigate their hopes for the future.

*"Dear future professional", begins one member, as she remembers the times that imposter syndrome would weigh in on her, "I wish I could wrap my arms around you and tell you that some challenges just take time".* Now Legal Counsel at an investment management firm, she recalls moving from Australia to the UK and the challenges of working and studying to cross-qualify as a lawyer in England and Wales. As she watches the industry build ladders for the next generation of women in finance, Maryam Idroos, a Membership and Events Associate, joins her in her hope to see one day *"a profusion of diverse exceptional leaders and an industry benefit for it"*. As a *"visible woman of colour donning a hijab"*, Maryam has always felt that she has had to *"go the extra mile"* in order to dispel concerns of cultural barriers and be perceived as hardworking and worthy. As she continues to embrace different learning experiences, her wish is to showcase how her hijab empowers her every day. Similarly, Grishma Raval, a Trading Support Analyst, reflects on being *"one of only 16% of women that make up the UK technology industry"*. Courage and resilience have carried her through and, in the future, she hopes to mentor young women with a similar interest in technology and see this percentage rise. Sharleen Hussey, an Associate Engineer, shares such passion and has been helping lead initiatives for Man Group's NextGen network, building a supportive community for young professionals at the firm. As a young black woman, she hopes to play her part in paving the way for gender and racial equity and equality in the industry, helping to inspire future generations. Sharleen mentions the significance of stepping up and taking advantage of all opportunities that arise, remembering that *"you miss 100% of the shot you don't take"*.

AIMA shares in this hope for the industry to flourish with greater representation and uplifting of individuals from different communities. While we look to the changing landscape, as Syra Sanghera signs off, we encourage you to *"continue to take the path less travelled, for it has given us the greatest experiences so far"*.



“ The path ahead will not be as defined as you may hope. There will be roadblocks with unforeseen bumps and diversions...but remember, these are not obstacles - they are opportunities.

Immerse yourself in the real world and realise that the best knowledge comes from experience. ”

**Monique Nash**  
Head of Project Management

# Glossary of Terms

**Accredited Investor:** Also termed 'sophisticated investor', these are persons or legal entities (like a financial institution or a corporation) that generally have a high net worth or earn a high income. They have access to complex and higher-risk investments, such as venture capital and hedge funds, and are allowed to trade securities that may not be registered with financial authorities. Some types of financial offerings are only made to accredited investors.

**Active (Investing):** An investment strategy that involves actively selecting, buying and selling assets in the hope of outperforming a benchmark or an index. It involves building a portfolio that is deliberately different from the overall market.

**Alpha:** A term used to describe an investment strategy's 'edge' or ability to beat the market. It is regarded as the value that a portfolio manager adds above and beyond a benchmark index's risk and reward profile, and the excess return of an investment relative to the return of an index.

**Alternative Investment:** The essential defining features of alternative investments are: (1) the pursuit of absolute return – that is, the quest to achieve a positive return regardless of whether asset prices are rising or falling; (2) freedom to trade all asset classes and a wide range of financial instruments while employing a variety of investment styles, strategies and techniques in diverse markets, and (3) reliance on the investment manager's skill and application of a clear investment process to exploit market inefficiencies and opportunities with identifiable and understandable causes and origins. Alternative investment managers may take advantage of pricing anomalies between related securities, engage in

'momentum' investing to capture market trends, or utilise their expert knowledge of markets and industries to capture profit opportunities that arise from special situations. The ability to use derivatives, arbitrage techniques and short selling – selling assets that one does not own with the expectation of buying them back at a lower price – affords alternative investment managers rich possibilities to generate growth in falling, rising and unstable markets.

**Benchmark:** A standard against which the risk and return of a portfolio and the performance of a security, fund or investment manager can be measured. Benchmarks are generally broad market indices, such as the FTSE All-Share index, which contains around 600 of the largest companies traded on the London Stock Exchange.

**Bond:** An instrument that represents a loan made by an investor to a borrower and includes details such as when the original sum of the loan is due to be repaid to the bond owner and the terms for interest payments. Bonds are often issued by companies, converted into marketable securities and sold to investors to raise money.

**Broker:** Agents who arrange trades for their clients by searching for traders who are willing to take the other side of their clients' orders. This reduces the cost of finding counterparties for clients' trades. They can also serve as professional negotiators, increasing the likelihood of arranging trades with favourable financial terms. Brokers often ensure that clients settle their trades. Many brokers also act as **proprietary traders**, rather than agents, and fill their clients' orders by trading directly with clients,



instead of arranging trades with others on their clients' behalf.

**Capital:** Cash or liquid assets held or obtained for productive or investment purposes.

**Clearing House:** Clearing houses arrange for the final settlement of trades for their members after they have been arranged – that is, facilitating the final exchange of cash for securities. Reliable settlement of trades is important for reassuring investors that their trades will be settled and minimising settlement risk.

**Collateral:** An asset that a lender accepts as a form of protection to secure repayment of a loan. If a borrower defaults on their obligations, the lender can seize the collateral to recoup some or all of its losses.

**Commodity:** Raw materials or primary agricultural products, such as wheat, oil, sugar and metals, that can be traded, bought or sold.

**Counterparty:** An entity on the other side of a contract or financial transaction, such as brokers, investment banks and dealers.

**Custodian:** Custodians hold money and securities for safekeeping on behalf of their clients, holding all assets managed by an investment manager. They may also provide trade settlement services and collect interest and **dividends** for their clients.

**Dealer:** Dealers match buyers and sellers who want to trade the same instrument at different times and are thus unable to trade directly with each other. This contrasts with brokers, who must bring a buyer and seller together to trade at the same time and place. Dealers participate in their clients' trades and are ready to buy from or sell to clients. Many dealers also broker orders.

**Depository:** Depositories act as both custodians and monitors. They prevent the loss of securities and payments and fraud and ensure that securities said to be purchased are, in fact, purchased. They also ensure that securities are not made as **collateral** for loans by the same borrower more than once.

**Derivative:** A contract between two parties that derives its value from the value of an underlying asset, rate or a variable. Common derivatives underlyings include securities (shares and bonds), commodities and various rates and variables such as interest rates, foreign exchange rates or measures of volatility, weather and freight activity.

**Diversification:** A strategy of including a group of investments in a portfolio that are dissimilar to each other, so that the combined effect of their inclusion results in the greater likelihood that the portfolio's goals will be achieved - compared to the likelihood of doing so with a portfolio of similar investments.

**Dividend:** A distribution of a company's profits awarded to a chosen class of the company's shareholders, such as cash payments or stocks.

**Due Diligence:** An audit performed to investigate a potential investment and confirm details of facts such as financial records, the company's profitability and the stock exchanges upon which shares are traded.

**Endowment Fund:** A long-term fund of a not-for-profit institution, such as a university, school, museum and hospital.

**Equity:** A type of security that confers an ownership stake to the holder, such as shares of common or preferred stock.



**Exchange-Traded Fund:** A type of investment fund that is traded on a stock exchange and can be bought and sold at any time during the day. The fund typically tracks a specific market index, such as the FTSE 100.

**Fund Delegate:** Investment managers based in the EU, for example, can delegate functions, such as investment management, to entities outside of the EU – a ‘fund delegate’. Investment managers are required to carry out due diligence on the fund delegate and justify why the delegate is most suitable to perform the functions and demonstrate sufficient independent oversight.

**Fund of Hedge Funds:** A pooled investment fund that invests in hedge funds. Its portfolio contains different underlying portfolios of hedge funds. Funds of funds attract smaller investors or those with limited capital who wish to gain better exposure to the underlying assets with fewer risks compared to directly investing in securities or individual funds.

**General Counsel:** A General Counsel leads the legal department at a firm and is responsible for all legal matters, from general corporate governance and advising on the regulations, establishment, management, governance and marketing of funds to responding to or initiating lawsuits and managing external counsel.

**Hedge:** A technique, conceptually similar to insurance, where the investment manager seeks to manage the risks that a fund is exposed to by entering into partially offsetting positions by the use of derivatives or short selling.

**Hedge Fund:** A vehicle used to invest alternative investments. There is no standard international or legal definition though hedge funds may have all or some of the following characteristics: they may use some form of short asset exposure; involve

derivatives and/or more diverse risks or complex underlying products; and use some form of leverage. Also, hedge funds charge a fee based on the performance of the fund as well as a management fee; investors are typically permitted to redeem their interest only periodically, for example, quarterly or semi-annually; and typically, the manager is a significant investor alongside other (outside) fund investors.

**Institutional Investor:** An entity that pools money to purchase securities and investment assets on behalf of its clients or members or to advance their mission, such as pension funds and hedge funds.

**International Standard Setting Body:** A private sector or intergovernmental body whose purpose is the development and promotion of national and international policies to shape the behaviour of firms and other economic actors. Bodies include the International Monetary Fund, World Bank and Basel Committee on Banking Supervision.

**Leverage:** An investment strategy of using borrowed money or capital to increase the potential return of an investment. A firm can borrow cash or securities or use derivative instruments to increase or decrease exposure to a particular risk or set of risks. Leverage does not necessarily mean more risk: it is a way of adjusting the amount of risk that a firm takes on.

**Liquidity:** The ease with which an asset or security can be converted into cash without affecting its market price.

**Management Fee:** A fee paid to a fund manager for managing and providing services to the fund and to cover certain operating expenses. Investors are typically charged separately for costs incurred for outsourced services. The management fee is generally expressed as a charge against

investor assets and typically ranges from an annual 0.5% to 2% of an investor's entire holdings in the fund. It is usually collected on a quarterly basis.

**Mutual Fund:** A professionally managed investment fund that pools money from many investors to purchase securities and assets. Each investor in the mutual fund owns shares in the fund, as opposed to the securities in which the funds invest.

**Passive (Investing):** An investment strategy that tracks a specific index by replicating the composition of the index. It requires a buy-and-hold mentality.

**Performance Fee:** A fee paid to a fund manager for providing returns on an investment, often by reference to a benchmark or hurdle rate. The fee is based on net new profits and is earned by the hedge fund manager for the period concerned. It may be paid annually or quarterly but accrues monthly in the fund valuation.

**Portfolio:** A collection of financial investments such as stocks, bonds, commodities and art which are allocated in a way that reflects an investor's risk tolerance and financial goals.

**Private Credit:** Credit that is extended to companies or projects on a bilaterally negotiated basis. It is not publicly traded such as many corporate bonds and is originated or held by lenders other than banks. It takes various legal forms including loans, bonds, notes or private securitisation issues. Private credit encompasses various strategies including real estate debt, infrastructure debt, distressed debt, direct lending, mezzanine financing and structured financing. Private credit is also sometimes described as 'non-bank lending', 'private debt', 'direct lending' or 'alternative finance'.

**Private Equity:** An alternative investment class that consists of investing into companies that are not listed on a public exchange. Private equity funds and investors directly invest in private companies and seek to restructure them to accelerate growth.

**Proprietary Trading:** A method of trading where a financial institution makes trades for its own direct market gain instead of on behalf of its clients, thereby earning profit through market activities instead of through commission from client trading activities.

**Redemptions:** The process by which an investor sells (or 'redeems') its holdings (or shares) in a hedge fund. Most funds allow shares to be redeemed on certain pre-determined dates. The frequency of redemption days varies from fund to fund and is influenced by the nature of a firm's investment strategy. For example, funds investing in less liquid investments typically offer less frequent redemption days than funds investing in highly liquid investments.

**Retail Investor:** A non-professional investor who buys and sells relatively small amounts of securities or funds that contain a basket of securities for their personal accounts rather than for an organisation.

**Rights of Audience:** In common law, a right of audience is generally a right of a lawyer to appear and conduct proceedings in court on behalf of their client.

**Rights Issue:** An invitation to existing company shareholders to purchase additional new shares in the company at a special price, in proportion to their existing holding of shares, to raise extra capital.

**Securities:** Tradeable financial assets such as stocks, bonds and derivatives.

**Settlement Agent:** Settlement agents arrange the final exchange of cash for securities.

**Short Position:** A trading technique wherein an investor sells a security that they have borrowed with plans to buy it later when the price of the security falls, to make a profit.

**Side-Letter Agreement:** An agreement that is ancillary to another contract.

**Sovereign Wealth Fund:** A state-owned investment fund comprised of money generated by a government, which is often derived from the country's surplus reserves, that is invested in various financial assets to benefit its economy and citizens.

**Stock:** A type of financial instrument that represents a unit of equity ownership interest or ownership share in a company.

**Structured Product:** A pre-packaged investment that normally involves exposure to assets linked to interest and derivatives.

**Subscription:** The process by which an investor's money is placed into a fund's trading account.

**Tracker Fund:** Pooled investments that closely track the movement of a market index and aim to mirror its performance, by investing in companies within that index.

**Trade Association:** An industry trade group that participates in public relations activities, such as education and lobbying, and is focused on collaboration between its members. Trade associations are often non-profit organisations that are funded by businesses that operate within the relevant industry. They are directed by their member firms.

**UCITS Management Company:** An entity whose regular business is the collective portfolio management of UCITS funds (undertakings for the collective investment in transferable securities).

# Appendix 1: Recommended Reading

## Careers

**Breaking Into The City: An Interview Handbook by Ian Sangster:** Sangster provides an insight into how finance interviews work, what firms look for and examples of answers to finance questions.

**Conversational Intelligence: How Great Leaders Build Trust And Get Extraordinary Results by Judith Glaser:** Organisational anthropologist Glaser explores the key dimensions of conversational intelligence – that is, what we think we are saying, what we mean, what others hear and how we feel about it afterwards. Glaser discusses how to move beyond fear and distrust to have more meaningful and useful discussions.

**Deep Work: Rules For Focused Success In A Distracted World by Cal Newport:** ‘Deep work’ is the ability to focus without distraction on a cognitively demanding task. In this book, Newport explains how deep work maximises productivity and how to make it a regular practice.

**Getting To Yes: Negotiating Agreement Without Giving In by Roger Fisher and William Ury:** Fisher and Ury present a framework for principled negotiations – a systematic approach to getting better outcomes which address what you want in an efficient way while maintaining/improving relationships.

**Lean In: For Graduates by Sheryl Sandberg:** A handbook that offers advice and inspiration for the next generation, from finding your first job and negotiating a salary to listening to your inner voice. The handbook includes stories from young people from around the world who have pushed past their fears and achieved their goals.

**Reinventing You: Define Your Brand, Imagine Your Future by Dorie Clark:** A step-by-step guide to help you to assess your unique strengths and think big about your professional goals, develop a compelling personal brand and ensure that others recognise the powerful contribution that you can make.

**The Chimp Paradox: The Mind Management Programme For Confidence, Success And Happiness by Steve Peters:** Peters, a consultant psychiatrist who specialises in the functioning of the human mind, explores three independent components of the psychological mind - the Chimp (the emotional machine that responds very quickly to stimulus and can trigger either constructive or destructive thoughts and feelings); the Human (the rational, analytical part of the brain that processes information in a considered, factual way before eliciting action); and the Computer (which stores information, including experiences and learned behaviours, for future reference) – and offers a tool to manage your mind and help you to achieve your goals.

**The Power Of Habit: Why We Do What We Do In Life And Business by Charles Duhigg:** Duhigg explains why the brain tries to make routines into habits and provides a framework for understanding your habits and how they can be changed.

## Commercial Awareness

**Crashed By Adam Tooze:** Tooze provides an analysis of the Global Financial Crisis and its long-term consequences, with a focus on the US, Europe and China.

**Fed Up! – Success, Excess & Crisis Through The Eyes Of A Hedge Fund Macro Trader By Colin Lancaster:** Lancaster tells the story of a global ‘macro’ trader working amidst the COVID-19 pandemic.

**Lords Of Finance: The Bankers Who Broke The World by Liaquat Ahamed:** Ahamed dives into the events leading up to and culminating in the Great Depression, as told through the personal histories of the heads of the Central Banks of the world’s four major economies at the time - Norman Montagu of the Bank of England, Benjamin Strong of the New York Federal Reserve, Hjalmar Schacht of the Reichsbank and Emile Moreau of the Banque de France. Ahamed explores how the bankers sought to reconstruct the world of international finance after the First World War and how their decisions were a primary cause of the economic meltdown and ultimately transformed the US into the world’s financial leader.

**More Money Than God: Hedge Funds And The Making Of A New Elite by Sebastian Mallaby:** Mallaby provides a history of the hedge fund industry in the US, with each chapter taking a narrative focus on one individual or company that played an important role in the history of hedge funds.

**The Man Who Solved The Market: How Jim Simons Launched The Quant Revolution by Gregory Zuckerman:** Zuckerman tells the story of how world-class mathematician and former code breaker, Jim Simons, pioneered a data driven algorithmic approach to investing that is sweeping the world.

**The Regulation Of Hedge Funds: A Global Perspective by Ana Maria Fagetan:** Fagetan compares the regulation of hedge funds in the US, Europe and offshore jurisdictions in the aftermath of the Global Financial Crisis and analyses the effect of Brexit on the application of laws and distribution of financial products in Continental Europe.

**When Prime Brokers Fail: The Un-Headed Risk To Hedge Funds, Banks And The Financial Industry by J.S. Aikman:** Aikman examines the relationship between prime brokers and funds, the role of prime brokerages in the financial system and the impact of their near collapse following the Global Financial Crisis.



## Technical

**Capital Allocators: How The World's Elite Money Managers Lead And Invest by Ted Seides:** Drawing on interviews from the first 150 episodes of the Capital Allocators podcast, Seides explores how Chief Investment Officers allocate their time and their capital, the skills they require and the investment frameworks that they employ across governance, strategy, process and technological innovation.

**Hedge Fund Investing: Understanding Investor Motivation, Manager Profits And Fund Performance by Kevin R Mirabile:** Mirabile's hedge fund, Renaissance Technologies, is considered one of the most successful and innovative funds in the world. In this book, he provides an insight into who invests in hedge funds, why they invest and how to evaluate performance and risk.

**Market-Neutral Investing: Long/Short Hedge Fund Strategies by Joseph Nicholas:** Nicholas dives into one of the most popular hedge fund trading strategies – long/short trading.

**Opening Credit: A Practitioner's Guide To Credit Investment by Justin McGowan and Duncan Sankey:** McGowan and Sankey provide a practical guide to credit investing and the corporate credit market.

**Options, Futures And Other Derivatives by John C Hull:** Hull provides an introductory text on the futures and options markets for readers with a limited background in mathematics. The book contains a modern look at the derivatives markets, with an insight into some of the latest regulations and trends.

**Roadmap To Hedge Funds by Alexander Ineichen:** AIMA and Ineichen's roadmap sets out what a hedge fund is, risk management, the value proposition of hedge funds, hedge fund operations and related third-party partners and strategies.

**The Hedge Fund Book: A Training Manual For Professionals And Capital-Raising Executives by Richard Wilson:** Using a case-study format, Wilson explores the tactics of investing and raising capital and analyses different hedge funds through their life cycles. The book provides an insight into the day-to-day operations of hedge funds and the activities of hedge fund managers.

**The Family Office Book: Investing Capital For The Ultra-Affluent by Richard C Wilson:** Wilson provides an overview of the basics of the family office industry, outlining key strategies for family offices and how the industry operates and selects investment managers. The book also includes interviews with the most famous family offices and explores how to break into the industry.

# Appendix 2: Industry Initiatives

## Asia-Pacific

**Financial Executive Women ("FEW"):** <https://executivewomeninfinance.com.au/>. FEW was developed to provide a Career Advocacy Program for successful women within financial services. The Career Advocacy Program is designed to provide FEW members with advice, guidance and support from more experienced members.

**The Women's Foundation:** <https://twfhk.org/>. The Women's Foundation, based in Hong Kong, runs a mentoring programme for women leaders, challenges gender stereotypes, empowers women in poverty, works to foster young girls' interest in STEM careers and helps women entrepreneurs to develop the skillsets needed to grow and scale their businesses. It supports a range of scholarships that facilitate outstanding participants to pursue degree programmes and other courses at global and local blue-chip institutions and runs an allies initiative.

**Women in Banking and Finance ("WIBF"):** <https://www.wibf.org.au/>. WIBF creates business opportunities for its members, with a focus on results, action and innovation, and seeks to make a tangible impact on gender diversity. Its programmes have been designed to grow the pipeline of women across the mid-senior career stages of the industry.

**Women in Finance Asia ("WiFA"):** <https://wifasia.org/>. WiFA is an association that provides individuals in the financial services industry the tools, resources and network to enhance their professional interactions.

## Europe, the Middle East and Africa

**2to3days:** <https://www.2to3days.com/>. 2to3days connects women with flexible career opportunities. The organisation lists part-time and flexible jobs in London in various industries including the investment management and hedge fund industries.

**Black Women in Asset Management ("BWAM"):** <https://bwam.network/>. BWAM champions the positive impact of black women who work in asset management and provides tools that will enable them to thrive. It holds networking events, development workshops and outreach initiatives.

**City Gateway:** <https://www.citygateway.org.uk/>. City Gateway is a charity based in East London that works with young people, women and families to give them the skills, experience and qualifications they need to achieve their ambitions. City Gateway's traineeship programme prepares young people aged 16–24 for employment, further training or an apprenticeship through coaching and work experience. City Gateway's

women's programmes provide opportunities for local women to learn English, gain independence, grow in confidence, access employment and develop skills in a community environment.

**Founders4Schools:** <https://wwwFOUNDERS4SCHOOLS.org.uk/>. Founders4Schools is a charity that connects educators with a network of inspirational business leaders, to improve the employment chances of young people.

**Interbank LGBT Forum:** <http://www.interbanklgbtforum.co.uk/>. The Interbank LGBT Forum was formed in 2002 and aims to create an open and inclusive forum for LGBT+ employees from financial services firms to meet and discuss issues impacting LGBT+ employees in their day-to-day work environment; enable the sharing of best practices between LGBT+ employee network groups of financial services firm regarding, for example, recruitment of LGBT+ talent; and promote and encourage networking opportunities for LGBT+ employees.

**Investment 20/20:** <https://investment2020.org.uk/>. Investment 20/20 is a careers site that provides information about the investment management industry and access to school leaver and graduate trainee programmes with around 42 partner companies.

**LGBT Great:** <https://www.lgbtgreat.com/>. LGBT Great is a global investment industry organisation working to develop all aspects of LGBT+ equality and inclusion within the workplace.

**Rare Recruitment:** <https://www.rarerecruitment.co.uk/>. Rare Recruitment partners with schools and universities to offer one-to-one support with university applications and personal statements, CV and interview workshops, debating and commercial awareness sessions. Rare Recruitment also develops and recruits for bespoke work experience placements.

**SEO London:** <https://www.seo-london.org/>. SEO London is a mentoring programme to help underserved students gain admission to competitive universities and graduate roles in London. SEO Schools helps high-achieving students in years 11-13 to broaden their horizons through access to academic, professional and enrichment opportunities. SEO Careers equips talented students to launch successful careers. SEO Connect is a lateral hiring platform that supports SEO Careers alumni and like-minded professionals as they progress throughout their careers.

**Social Mobility Foundation:** <http://www.socialmobility.org.uk/>. The Social Mobility Foundation is a charity that aims to make a practical improvement in social mobility for young people from low-income backgrounds. It provides support to students throughout university across 11 career sectors (accountancy, architecture, banking and finance, biology and chemistry, business, digital, engineering and physics, law, media and communications, medicine or politics). Mentors include banking executives, analysts in hedge funds, investment advisers and traders. The SMF has offered internships with numerous financial service providers, including leading investment banks, hedge funds and private equity firms.

**Speakers For Schools:** <https://www.speakersforschools.org/>. Speakers for Schools was formed in 2010 to help young people from a state-funded school, academy or college to access the same prestigious networks available to the top fee-paying schools in the UK.

**The Brokerage:** <https://www.thebrokerage.org.uk/>. The Brokerage is a City of London-based social mobility charity that helps disadvantaged young people to fulfil their potential through improved awareness and access to professional career opportunities, such as mentoring, CV development and paid internships.

**The Prince's Trust:** <https://www.princes-trust.org.uk/>. The Prince's Trust works with delivery partners across the UK to offer free courses, grants and mentoring opportunities to inspire young people aged 11-30 to build their confidence and start a career.

**The Sutton Trust Pathways to Banking and Finance:** <https://www.suttontrust.com/our-programmes/pathways-to-banking-and-finance/>. The Sutton Trust was established in 1997 and works to address low social mobility in Britain. Its Pathways to Banking and Finance Programme works with a number of state-funded schools in London to widen access to the financial sector. Over the course of two academic years, Pathways to Banking students gain access to Sutton Trust Online and have the opportunity to take part in a work experience placement, attend university events, have an undergraduate mentor, attend a summer school and access an alumni network.

**upReach:** <https://upreach.org.uk/upreach-diversity-project-springboard/>. upReach delivers an intensive programme of career support, working in close partnership with leading employers and universities to help students to broaden their horizons, understand career pathways and develop the skills, networks and experiences needed for career success. The upReach Investment Industry Springboard is designed to help UK undergraduates from a wide range of backgrounds build their professional networks and secure internships and graduate jobs in investment and savings. Participants on the programme are matched with a mentor working in the sector to receive one-to-one professional support and offered work experience opportunities.

**Windsor Fellowship ("WF"):** <https://www.windsor-fellowship.org/> - WF is a charitable organisation that partners with leading organisations from the private and public sectors and develops relationships with schools, universities and community groups throughout the UK to design and deliver innovative personal development and leadership programmes, in areas such as STEM.

## Global

**100 Women in Finance:** <https://100women.org/aboutus/>. 100 Women in Finance is an affinity group for women in the finance and alternative investments industries, supporting women in advancing their careers through education, giving back through philanthropy and leveraging relationships through peer engagement.

**Diversity Project:** <https://diversityproject.com/>. The Diversity Project was founded in 2016 by a group of leaders in the investment and savings profession who decided to take action to accelerate progress towards an inclusive culture within the industry.

**Girls Who Code:** <https://girlswhocode.com/>. Operating in the US, Canada, UK and India, Girls Who Code seeks to create pathways for middle and high school women to enter the computing workforce. It offers university-level networks for college-aged women interested in tech to support one another, free computer science activities and programmes to teach girls – trans and cis – and non-binary students the computer science skills they need to make an impact in their community while preparing for a career in tech.

**The Forage:** <https://www.theforage.com/>. The Forage provides free virtual work experience programmes that replicates work at leading companies in over 70 industries and roles across 100 countries, including investment management.

**Women in Derivatives (“WIND”):** <http://womeninderivatives.org/>. WIND is a non-profit organisation whose mission is to attract, retain, educate and develop women leaders in the financial industry. WIND provides targeted channels for education, mentoring and sponsorship, leveraging senior leaders within the organisation. Participants include people in trading, sales, law, economics, portfolio management, risk, marketing, research, academia, government, operations and technology.

**Women in ETFs:** <https://womeninetsfs.com/>. Women in ETFs brings together people in the **exchange-traded fund** industry across the globe to champion goals of actively choosing equality, diversity and inclusion. Its mission is to develop and sponsor talent, recognise and honour the achievements of women in the industry and invest in the ETF community.

**Women in Listed Derivatives (“WILD”):** <https://www.womeninlistedderivatives.org>. WILD is an organisation founded by derivatives-industry women with a unified goal to promote the advancement of women in the industry. WILD’s network includes more than 1,000 women globally, from diverse backgrounds including: management, technology, sales and marketing, trading and clearing and customer support. It raises awareness about the benefits of women in senior management positions and helps prepare women for boardrooms through panel discussions, workshops and access to high-profile speakers.



## North America

**Association of Asian American Investment Managers ("AAAIM"):** <https://www.aaaim.org/>. AAAIM is a national non-profit organisation, founded in 2006, dedicated to the advancement of Asian Americans & Pacific Islanders in the field of investment management. AAAIM supports those trying to grow their careers by providing a forum for professionals in the industry to meet, network and create business opportunities.

**Black Hedge Fund Professionals Network ("BHFPN"):** <https://www.bhfpn.org/>. BHFPN was launched in 2019 and offers support and education, career advancement tools and mentorship to black and brown professionals that are otherwise underrepresented in the industry. It offers support to both experienced and early career professionals. BHFPN's 'Future Founders' initiative involves a series of small group events and curated interactions between early career professionals and buy-side founders, Chief Investment Officers and senior investment professionals.

**BLK Capital Management:** <https://www.blkcapitalmanagement.org/>. BLK Capital Management is a 100% black-owned and student-run hedge fund that focuses on educating its members by exposing them to the field of active investment management. It was founded in 2017 by three black members of Harvard and Princeton University who want to help change the culture of the financial services industry and works to promote the financial literacy of black students through professional mentorship, a 6-month education programme and real-time active management of its long/short equity portfolio.

**Code2040:** <http://www.code2040.org/>. Code2040 seeks to dismantle the structural barriers that prevent the full participation and leadership of black and latinx technologists in the innovation economy. Through events, trainings, early-career programmes and knowledge sharing, it equips black and latinx technologists and their allies with the tools, connections and care they need to advocate for and achieve racial equity in the tech industry.

**Encouraging Women Across All Borders ("EWAAB"):** <https://www.ewaab.org/>. EWAAB is a non-profit organisation that aims to strengthen the confidence of women and non-binary individuals in the STEM and finance fields through, for example, personal mentorship and a support network of role models.

**Financial Services Industry Exchange ("FSIX"):** <https://www.fsix.org/>. Formed in 1983 as the New York Bankers Group, a group for gay professionals in banking, the group expanded in the mid-1990s to include LGBT+ financial professionals in industries other than banking. In 2002, the group officially changed its name to the FSIX. It is the only independent LGBT+ networking organisation in the financial services industry in New York and Los Angeles. FSIX members work at financial services firms and span the banking, hedge fund, asset and investment management, accounting, consulting, real estate and legal sectors.

**Girls Who Invest:** <http://www.girlswhoinvest.org/>. Girls Who Invest is a non-profit organisation dedicated to increasing the number of women in portfolio management and executive leadership in the asset management industry. It offers two fully-subsidised education programmes in investment/asset management for sophomores.

**National Association of Investment Companies ("NAIC"):** <http://naicpe.com/>. NAIC is an industry association and network of diverse-owned and emerging manager private equity firms and hedge funds. NAIC has engaged with over 80 capital allocators via the NAIC Institutional Roadshows and its regular course of business. These capital allocators manage over US\$2.5 trillion collectively. NAIC member firms collectively manage more than US\$100 billion in assets and are widely utilised by the nation's largest institutional investors, including many public pension plans, corporate pension plans, foundations, and endowments.

**National Association of Securities Professionals ("NASP"):** <https://www.nasphq.org/>. NASP assists people of colour and women to achieve inclusion in the financial services industry. It connects members to industry leaders and business opportunities; advocates for policies that create equal representation and inclusion; provides educational opportunities; and works to build awareness about the value of ensuring that people of colour and women are included in all aspects of the financial services industry.

**OutForUndergrad ("O4U"):** <https://www.outforundergrad.org/>. O4U invites high-achieving LGBTQ+ students to four annual conferences: Out for Undergrads in Business, Out for Undergrads in Technology, Out for Undergrads in Marketing and Out for Undergrads in Engineering.

**Portfolios with Purpose ("PwP"):** <https://www.portfolioswithpurpose.org/>. The PwP Academy offers students a practical investment education, with lectures delivered by PwP's digital faculty, professional investors from PwP's Master Class, leaders from the investment industry and experts in money management. PwP Academy students are invited to join events with professional investors, career coaches and finance industry employers to discuss how to build their careers. Students can also join PwP's annual online stock-picking challenge to test their knowledge and compete with students from around the world.

**Rock the Street, Wall Street:** <https://rockthestreetwallstreet.com/>. Rock the Street, Wall Street is a financial literacy programme designed to spark the interest of high school girls into careers of finance.

**Sponsors for Educational Opportunity ("SEO"):** <https://www.seo-usa.org/>. SEO was founded in 1963 by investment banking consultant Michael Osheowitz as a mentoring programme to help underserved students gain admission to competitive colleges and universities. He recruited executives at top firms in law, finance, advertising and industry to work one-on-one with scholars to help get them into colleges such as Harvard, Dartmouth, Williams, Smith, Mt. Holyoke, Columbia and Brown as well as SUNY and CUNY schools. SEO Alternative Investments (<https://ai.seo-usa.org/>) offers a 10-month NYC-based fellowship to first and second-year investment banking analysts of colour and combines specialised training and mentoring to help Fellows successfully compete for positions in private equity and alternative investments.

**The Canadian Association of Urban Financial Professionals ("CAUFP"):** <https://caufp.ca/>. CAUFP is a member-based resource organisation providing a link between corporations and black communities through programmes that facilitate educational opportunities and the economic empowerment of black professionals. As part of its work, CAUFP offers soft skill workshops, facilitates networking with Canada's leading corporations, educates on financial planning and, through its annual CAUFP 'Inspired to Achieve' Youth Summit, connects high-performing students to firms on Bay Street within finance, law, consulting, professional services and technology.

**The Joyce Ivy Foundation:** <https://www.joyceivyfoundation.org/>. The Joyce Ivy Foundation is a non-profit organisation committed to the academic advancement and leadership development of young women from the Midwest. The Joyce Ivy Foundation Summer Scholars programme provides scholarships for talented high school women from the Midwest to participate in summer academic programs on the campuses of its college partners.

**Wall Street Prep:** <https://www.wallstreetprep.com/>. Wall Street Prep was established in 2004 by investment bankers to train individuals in the financial services industry. Its online training programmes bridge the gap between academia and the real world by teaching practical skills needed to succeed on the job. Its client list includes top investment banks, private equity firms, investment funds and business schools.

**Women in Capital Markets ("WCM"):** <https://wcm.ca/>. WCM is committed to advancing women in the finance industry and increasing the number of women in senior leadership roles in the Canadian economy. The group provides networking opportunities, promotes career advancement through knowledge-sharing and mentorship programmes and helps women to develop skills and relationships. It organises networking events, hands-on educational workshops on practical topics such as the effective use of social media and informal gatherings throughout the year.

## About AIMA

The Alternative Investment Management Association (AIMA) is the global representative of the alternative investment industry. Our fund manager members collectively manage more than US\$2.5 trillion in hedge fund and private credit assets. AIMA works to grow the alternative investment industry to benefit the world's economy, savers and investors. To achieve this, we strengthen the links between fund managers, investors, regulators and industry service providers.

Our 32-year heritage means we understand our members' priorities, who access our resources to grow their businesses, create lasting connections using our events and benefit from the effect our advocacy work has on the environment in which they must operate. Since our formation the industry has grown by 60 times.

AIMA's capacity to deliver local support across the globe has made us connected, knowledgeable and influential, and means our 2,100 members are now based in over 60 countries.

AIMA set up the Alternative Credit Council (ACC) to help firms focused in the private credit and direct lending space. The ACC currently represents over 250 members that manage US\$600 billion of private credit assets globally.

We are committed to developing skills and education standards and are a co-founder of the Chartered Alternative Investment Analyst designation (CAIA) – the first and only specialised educational standard for alternative investment specialists.

For further information, please visit AIMA's website, [www.aima.org](http://www.aima.org).



[aima.org](http://aima.org)