



Asset Management - Risk Market Update *2H 2022 Market Update*

The market has been quite the roller coaster over the past 12 months, but a war for talent persists and as much as we hear about layoffs in many larger and later stage firms we consistently see demand for key strategic talent in specific pockets of the market and in earlier stage firms. We expect to see more RIFs in the coming weeks but equally we are already seeing a number of moves as bonuses get paid. What we hear from leadership and HR is that current market conditions are an opportunity to cull underperformers, but some portion of layoffs are indeed a loss of valued talent. ***How can you know who is who if you aim to hire someone who has been laid off?*** I'm happy to share some proven strategies that will limit your risk of making a bad hire.

TALENT SUPPLY & DEMAND TRENDS:

The "War for Talent" continues; even as market uncertainty has brought overall ***demand for talent down from the dizzying heights*** we saw in the first half of 2022, demand for strategic and specialized talent persists. Employers expectations and needs are ever more complex, the supply is perpetually short. Recent efforts by the ***FTC to ban non-competes*** I expect would add a large pool of specialized talent to the broader market; that said I don't expect the hedge funds well known for their heavy non competes (Citadel, Bridgewater, etc) would ever stop protecting their IP in this way.

I expect the ***big tech firms culling their herds*** of talent will increase the supply of technical, quant, AI/ML oriented and finance talent at the more junior levels but based on the trends I've seen, most financial firms expect more than some coding skills and a STEM degree; the need for a real perspective and understanding of financial markets will pose a higher hurdle for this group than it does for those already employed in financial firms.

H1B applications for 2023 were up 57% over 2022; there is only a 17.6% chance a submitted application will be selected in the lottery. Financial firms typically make up a large part of these applications so might this mean that supply will fall shorter than ever this year for junior technical talent? Furthermore, the drop in applications in 2019 – 2020 likely means a shortage for talent in the 3-4 years of experience range.

Demand from the fintech space, more specifically ***crypto*** has gone almost completely away in the US (most of what does exist is in Asia). The broader ***fintech*** industry, experiencing challenges in raising capital and having postponed IPO plans have also greatly reduced the demand that made up a good part of the market the past few years. That said, in the alternatives space; as always ***there are winners and losers*** and the winners continue to hire and grow, we hear that a bigger portion of that overall growth/demand will be in Asia (Singapore, etc.). Credit Funds are creating demand too as they think about how to get ahead of a possible increase in defaults; experienced talent that can simultaneously



think like an investor and a risk manager is on their minds (just one of the trends we see in what companies are looking for from their next hire).

Be well, be in touch and drop a line if you are interested to learn more about any of the topics I mentioned above.

NOTABLE MARKET MOVES 2H 2022:

- **Kristen Walters** joins **CPP Investments** as Chief Risk Officer. She comes from **Natixis Investment Managers** where she served as Chief Risk Officer.
- **Suhail Jan** who is the **Chief Risk Officer** for Tudor Investment Corp. is now also the **Chief Executive Officer** at **Tudor Capital Europe LLP**.
- **Chandrasekhar Pisupati** joins **McKinsey & Company** as Senior Advisor. He comes from **Manulife** where he served as Global Head of Financial Risk.
- **Mark Klebanov** joins **Balyasny Asset Management** as Co-Head Equity L/S Risk. He comes from **Citadel** as Head of Risk, Equities.
- **Joseph Cua** joins **Citadel** as Chief Operating Officer, Office of the CIO. He comes from **Two Sigma** where he served as Managing Director, Chief Risk Officer.
- **Keith Davies** joined Admiral Group Plc as Group Chief Risk and Compliance Officer in September 2022, he joined from Federated Hermes Limited where he was CRO & CCO.
- **Alec Crawford**, Partner and Chief Investment Risk Officer at **Lord, Abbett & Co.** has retired and is now *Limited (Retired) Partner*.
- **Capstone Investment Advisors** hires **Niall Cameron** as Chief Risk Officer. He comes from **LMR Partners** where he served as Chief Risk Officer.
- **Antara Capital LP** appoints **Jeffrey Garnett** as the Chief Risk Officer. He comes from **TPRV Capital** where he was the CRO.
- **Kingdom Capital** hires **Jaron Abbott** as Head of Crypto Quant Research. He comes from **Cryptic Capital Management** where he served as the Chief Risk Officer, Head of Quant Research.
- **West Tower Group** hires **Rishin Roy** as Chief Risk Officer. He comes from **Brean Asset Management** where he served as the Chief Risk Officer.
- **Qinzhu Yu** who had served as Director, Global Lead Fixed Income Risk and US Head Investment Risk at **Allianz Global Investors** has joined a Family Office as Portfolio Manager and Trader.