

JANUARY 31, 2011, 2:27 PM HEDGE FUNDS

## For Fund Managers, a Class in Raising Money

BY AZAM AHMED

PALM BEACH, Fla. — So you're a hedge fund manager. You've been around for five years, have solid returns but took a beating during the financial crisis that reduced your assets base to a little more than \$1 billion from \$2 billion. How do you raise money?

That's a question permeating both the industry and the sun-baked air here, where the annual networking meeting of the Managed Funds Association is under way at the Breakers Palm Beach resort.

Tables and chairs are at a premium in the networking lounge, where managers, servicers and investors huddle with notebooks and paperwork, hoping to land business or at the very least make a pitch.

And for all the would-be hedge fund managers of the world preparing for a big meeting with a big investor, the advice sounds a bit like speed-dating.



Tomohiro Ohsumi/Bloomberg News

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Listen. Ask questions. Pay attention to body language. Don't just start into your pitch — the pension fund executives you're talking to may have their own ideas.

Donny Ebenstein, a partner at [Consensus](#), a firm that helps hedge funds communicate their "value propositions" and more broadly offers negotiation consulting, put on a panel for attendees that literally offered a test run.

He called on the somewhat sleepy crowd for a volunteer to participate in the test run.

Crickets.

Eventually, one hedge fund employee stepped up the stage, and the trial run began.

They started and stopped periodically to bring up important points. The hedge fund employee conceded at one point that he was simply talking too much and not allaying or addressing the concerns of the investor.

Mr. Ebenstein's advice sounded a bit like Jerry Maguire's. Basically, managers should be saying to investors: Help me help you.

He asked the manager guinea pig about performance and about staff turnover, two sensitive areas.

The manager responded by acknowledging his point and addressing it.

The two prompted their share of laughs, but to many of the managers hoping to grow, the issue is no laughing matter. Big funds are getting bigger and smaller ones are casting about for some attention. It's tough out there to raise money.

One endowment official said before the conference that he was inundated with more e-mails and calls than he could respond to. Eventually, he had his secretary simply collect the materials with a promise to get back to people.

As the panel drew to a close, someone from the audience asked whether Mr. Ebenstein was planning to invest after the mock interview.

"I'm still thinking about it," he responded.