

Looking ahead with *BraddockMatthewsBarrett*



**Braddock
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What is a key talent trend you are keeping an eye on in the remainder of the year and beyond?

"Across the asset owner space, including endowments, foundations, healthcare systems, and family offices, we continue to see significant demand for (and candidate interest in) Chief Investment Officer and other critical investment team roles. Despite some uncertainty earlier in the year surrounding endowment tax and other policies, the depth and quality of interested candidate pools for not-for-profit investment searches remain vibrant, and endowment and foundation professionals remain interested in high-impact, mission-driven investment roles. We still see asset owner investment professionals carefully weighing the intrinsic benefits of mission-oriented investing against more commercial private company investment opportunities, including within the rapidly expanding family office space."

David Barrett

Partner, New York

Elizabeth Havens

Partner, New York

"In Europe, economic and geopolitical uncertainty continue to create caution and have caused traditional asset managers to move towards new areas of growth - for example, the continued expansion of private markets capabilities (organic or via partnership), development of active ETFs, and focus on insurance assets are all themes we see. Additionally, senior sales leaders with strong client relationships and access to the largest pools of capital are in high demand, as firms with multi-asset capabilities across public and private markets are racing to build meaningful long-term strategic partnerships. Firms are focused on fewer but more impactful hires in order to right size headcount and upgrade talent. Both are important to drive results in an increasingly competitive environment. Overall, I expect the coming months to reward those taking a nimble and forward-looking approach, while firms clinging to legacy assets and revenues will fall further behind."

Marcus Hanbury

Partner, London

"For alternative asset managers, a major story is still private wealth management. The summer announcement regarding alternatives inclusion in 401(k) plans has accelerated an already-frenetic part of the market. Firms that moved into PWM early have benefited from a head start, but others are quickly playing catch up, with varying degrees of success. This explosion of sales and product development efforts, as well as the growing appetite for alternatives from retail investors, is rapidly redefining how these teams and functions are staffed. Demand continues to be high for candidates with both key relationships and a technical understanding of alternative asset management strategies. These candidates can command major premiums, and firms have needed to be smart and creative in hiring. Alternatives firms have hired top performers from traditional asset managers, and/or used other creative hiring tactics to build these teams."

Lisa Steele

Partner, New York

"In private equity's middle market, the fundraising and performance gaps between the 'haves' and 'have nots' have grown ever wider and more apparent. Top-performing firms continue to attract an outsized share of capital, while others struggle to raise follow-on funds. This divergence is creating a parallel talent dynamic. Strong firms can capitalize on the instability of underperforming competitors by recruiting high-caliber professionals who were previously unavailable or less mobile. We expect to see strategic talent moves as firms with momentum strengthen their benches, while others face retention challenges amid increased uncertainty. From a talent perspective, this creates the potential for these observed gaps to widen even further."

Bill Matthews

Partner, Boston

What forward-looking strategies are firms adopting to compete across the industry?

"There's no doubt we are still in the early stages of A.I.'s impact on the industry, but we are seeing firms using A.I. to inform decision-making processes across an increasingly broad variety of business areas including the investment process, distribution strategy and talent strategy. Machine learning and automative decision systems have predictably made their way into portfolio construction and risk management, but are also increasingly leveraged within client engagement, operational efficiency, and compliance monitoring. To the extent that firms are growing organically and building organizational structures, the integration of A.I. is a core component. This expansion will certainly continue, expand, and accelerate, particularly within those firms most committed to long-term competitiveness and future growth positioning."

Paul Ciancarelli

Partner, Boston

"Within traditional asset management businesses, innovation coupled with rapidly eroding fund fee income has created an urgent imperative to evolve. Nimble firms have already pivoted meaningfully to growth areas-wealth, alternatives, insurance, and family offices. The organic alternatives build is challenging and time consuming with many traditional firms accelerating their efforts via acquisition or strategic partnerships. Cost cutting and a realignment of traditional business models within distribution and investments is happening simultaneously with these strategic builds, while advances in A.I. and technology further accelerate the path to higher margins. Firms that have not or cannot adapt their business model and enhance their offerings will increasingly be left behind and perhaps not survive. There is no longer a time to waste."

Bob Gorog

Partner, Boston