COMMODITY TALENT LLC

Markets Media Online 1/10

Commodity Hedge Fund Hiring Gains

Higher commodity prices are helping shore up hedge funds' hiring outlook for traders and other experienced natural-resource professionals, buoying confidence that 2010 may meet or exceed expectations as an improved year for employment in the sector.

"With investor sentiment again bullish on commodities as an asset class, existing funds are selectively opening their books to new hires, new funds are starting up and long-stalled emerging fund managers are gearing up to raise money and eventually staff up," **George Stein**, managing director of New York-based search firm **Commodity Talent**, told Markets Media on Wednesday.

Crude oil futures traded down about $1.50 to $79. 30 per barrel on Wednesday, but the benchmark is off only about $4 from a 15-month high reached earlier this month. Copper recently traded at a 17-month high and gold prices remain strong. Key commodities have increased as investors anticipate an economic recovery that will boost demand for raw materials.

"Our fund clients are showing renewed interest" in adding personnel, said Stein.

The 2007-2008 financial crisis did not hit commodity hedge funds as hard as some other types of funds, such as those focusing on long equity, derivatives, securitized products or high yield credit.

"Commodity funds, with some exceptions, came through the storm comparatively well," Stein added.

More than 20 percent of all hedge funds shut down over the past two years, search firm Heidrick & Struggles said today in a report. Helped by 2009 market performance, hedge funds re-crossed $2 trillion in total assets under management in November, a "Pyrrhic victory" for the industry, according to the search firm.

Heidrick & Struggles said the availability of top talent is decreasing as professionals displaced in the credit crisis find new jobs, and hedge fund compensation is rising but it will not reach boom levels of a few years ago.

Posted on Jan. 13, 2009

George H. Stein, CFA
Managing Director, Commodity Talent LLC
T +1 917 545-9850
E ghstein@commoditytalent.com