THE TICKER

COPING WITH THE COVID ERA: DO WOMEN MAKE BETTER HEDGE FUND MANAGERS?

In the first four months of 2020, woman-led hedge funds lost 3.5%. During the same time, hedge funds in general dropped 5.5%.

The uncertainty that COVID-19 unleashed on financial markets earlier in the year has been challenging for hedge fund managers, to say the least. But there is a small group that has been coping better than average: female hedge fund managers.

In the first four months of 2020, woman-led hedge funds lost 3.5%, according to the data group HFR's Women Access Index. During that same period, the HFRI 500 Fund Weighted Composite Index, a measure of performance that includes funds led by both men and women, dropped 5.5%.

It's not clear why woman-led funds have performed better this year, or even whether this is a trend or simply a one-time event. There is also debate over the data itself: Women manage about 1% of hedge fund assets, according to global investment firm Aberdeen Standard. Is this sample size large enough to draw conclusions from?

Those who believe in the data theorize that women may simply be better at protecting against losses. Performance data seems to support this theory: Woman-led hedge funds posted smaller losses during the market selloffs in February and March, according to HFR indices.

Why would female fund managers be more skilled in this way? Perhaps they have better skills in general. Higher barriers for women to enter the industry may filter out all but the top entrants, so those who do gain entry are the best of the best. **IQ** *By Mark Jost*

HOME SWEET OFFICE

As workplace restrictions related to COVID-19 are lifted, employers are assessing the benefits of the work-from-home approach. The current reality of working remotely has proved popular, it seems. A survey by the IBM Institute for Business Value found more than 75% of adults indicate they would like to continue to do their jobs remotely at least occasionally, while 54% would prefer it to be their primary routine.

Many businesses have taken notice. Facebook CEO Mark Zuckerberg said that in the next five to 10 years, half of its employees could be working remotely. Other businesses with similar goals include Nationwide, Shopify, Twitter and Barclays Capital.

So what makes working away from the office so appealing? A survey of hiring managers done by the global freelancing platform Upwork Inc. identified several factors. No. 1 was "no commute" (49% of the vote), followed closely by "reduced meetings" (46%) and "less distractions" (41%). Fewer than 2% of respondents said that nothing was working well.

A decentralized workforce has the potential to benefit companies, too. The shift removes geographic limitations to hiring and allows employers to seek the best talent regardless of physical location. Employees living in areas with lower costs of living don't need to be paid what their big-city counterparts make, and if businesses no longer must maintain a full office workspace, they can reduce spending on rent.

While economists at the University of Chicago estimate that just 37% of U.S. jobs can be done entirely from home, data shows that the move to a decentralized workforce is well underway. **IQ**
By Spencer Carney