

PEOPLE TO KNOW

Making Connections: Lisa Vioni, CEO and Founder, Hedge Connection Inc.

By Brian O'Connor, Managing Editor



Lisa Vioni

How did your experience marketing hedge funds influence your later ventures?

After eight years as a mortgage derivatives specialist on Wall Street at Prudential and Lehman Brothers, I decided to make a career change and went to work as a hedge fund marketer. The first fund I worked for was an emerging manager with \$4 million in AUM. While working for this fund I learned how to market a

hedge fund and began building relationships with investors.

I later worked as Director of Marketing for Ellington Management Group, LLC, who were former clients of mine. I essentially went from an emerging manager to a multi billion dollar mortgage hedge fund after only two years. The skills I learned at the first fund and the relationships I built were critical in being successful at Ellington.

I was fortunate to work with both an emerging manager and a blue-chip hedge fund. These experiences helped me as I built Hedge Connection because I understood what it was like to be a marketer from both sides of the fence.

You stress the importance of building relationships—what is one component you think is important in building relationships?

Relationships are critical for most endeavors and are at the center of building a successful hedge fund business. Relationship building does not happen overnight, it takes time and effort. One of the key components of building an effective relationship is to build trust. Trust is at the core of a good relationship with hedge fund investors and trust is undermined by surprises. To build trust, I advise managers to disseminate information about their fund clearly to insure that investors are not subject to any surprises. This is not limited to drawdown announcements. For example, we have heard of managers that have encountered hiccups as a result of changing service providers and did not think of alerting their investors

beforehand causing undue problems and a strain on the relationship. The bottom line is that you must be transparent and keep lines of communication open in order to build trust with your investors.

How did IMR's "Meet the Manager Forums" lead to Hedge Connection?

A year after I began IMR's MTM, I realized the huge demand hedge funds had for marketing support and investor networking. Knowing that I wanted to begin a web-based business, I brainstormed with my team for three months to decide what our next step would be.

The idea actually came while I was hiking up the side of a waterfall in Alberta. Online dating was becoming more popular, and I thought that I could apply that concept to hedge fund and investor introductions. Shortly after beta launching the site in 2005, I had 250 investors that indicated that they wanted to become members of Hedge Connection. At that point, I knew the idea had legs.

What we built was an efficient and valuable marketing tool. All Hedge Connection investor members are opt-in and provide a detailed investment profile. Since every group listed is a member of this private club, every user ultimately has a preexisting relationship giving hedge funds the ability to call investor members without any potential problems.

What can Emerging Managers gain from joining Hedge Connection?

Emerging Managers gain access to a multi dimensional marketing tool, which includes access to our investor members, events, marketing advice and a platform to advertise their fund. We now have almost 800 opt-in vetted investors from 35 countries that hedge fund members can meet. All investor members are highly scrutinized, qualified and active in the alternative space. 32% are family offices, 35% are fund of funds, 10% are advisors to HNW, 9% are HNW and the rest are pension funds, consultants, endowments and foundations. Hedge Connection also hosts private events for members so that they can meet each other offline. Finally, managers get marketing consulting from the HC team and promotions from our various media and industry strategic partners.

Building a successful hedge fund is a long process. It takes patience, talent and a focused marketing plan. Relationships are built on trust and trust comes over time. If managers want to have a successful hedge fund business they have to be committed for the long run.