# Hedge Fund Interview Questions:

The type of interview questions you will be asked regarding a hedge fund can varysubstantially depending on certain factors (i.e. the fund's culture, strategy and regional focus), but are all aimed at judging your ability to think as an investor. Below are a few tips that can help you to prepare ahead for your hedge fund interview.

1. Research the fund and its strategy.

There are hundreds of different hedge fund strategies, so you need to determine the key elements of the fund strategy by finding the answers to these questions:

- Who runs the fund: date when was it founded and by whom.
- What is the background of the founders? (Prior employers? Did they all attend an Ivy League school?)
- Who are the financial backers? Which instruments do they use to invest: equities? debt? derivatives?
- Is there a regional or sector focus?
- What is the typical investment time horizon?
- What kind of investments have they made in the past? (Any newsworthy items?)

2. Prepare investment ideas that are relevant to the fund.

The type of investment ideas you propose need to show the following:

- The ability to explain your thoughts concisely and precisely, and to make a logically articulated investment recommendation
- A deep understanding of valuation/accounting/mathematical concepts
- Understanding of industry dynamics and "external" factors that can affect the investment's performance
- An understanding of the fund strategy (i.e. don't talk about debt investments if the fund is equity-only)
- Culture-fit questions will vary a lot from fund to fund

3. Catch up with the latest news and trends in relevant sectors.

Read the latest about the fund, the industry you chose for your investment ideas, and also the latest market news for the day and the prior weeks. Be ready to be quizzed on any event that happened fairly recently, but also very broad questions such as, “What are your thoughts on the equity and credit markets?”

4. Be ready to tell your story.

Expect the standard questions about your background:

- Why are you here?
- Why this fund in particular?
- Why not private equity instead of hedge fund? (etc.)

Also, expect lots of questions about your prior investing experiences, which can include:

- School competitions and investment clubs;
- Personal stock portfolios;
- Research projects; and
- Any other other professional experiences related to investing.

**Step 5. Get some brainteaser practice**

Since hedge fund jobs are always very analytical and often require working under pressure, you'll often get brainteasers during hedge fund interviews.