

# Modern Pioneers of Wall Street: Female Hedge Fund Managers

Shirley M. Mueller

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Four percent of my medical school class was female. It was lonely. We were leading the way. Today, another pioneer group is emerging outside of medicine. It is female hedge fund managers. Only 270 or three per cent of the 9,000 such funds are run by women. A lot is stacked against them. Still, they outperform.

The fairer sex produced over three percent more in average annualized return than their men hedge fund counterparts between January 2000 to May 31, 2009 according to [Hedge Fund Research, Inc.](#) The data was presented in a [report last year](#).

Specially, the women had a 9% return from January 2000 to May 31, 2009 compared to 5.82 for men hedge fund managers in the same period. Additionally, the women hedge fund results were healthier during the recent downturn. In 2008, the females' funds were down 9.6% in contrast to their male colleagues who dropped 19%.

The forty nine page report by the [National Council for Research on Women](#) provided excellent documentation of differences in gender characteristics, which the report theorizes contribute to fund managers' results, women compared to men. One cited study showed a disparity in approaches to decision making. Women tend to take in more detail before making a choice whereas men are more likely to reduce data and make decisions based on the face value of the presentation. In other words, males are less likely to dig deeper or look for contradictory evidence than females. This means that male managers tend to ignore data that does not conform to their original decision.

Also cited was a study that suggests that men are more apt to take greater risks under pressure in order to assert their authority over others. Women, on the other hand, are less likely to do this. Excessive risk taking is part of the herd mentality exhibited in our recent market run up before the free fall in late 2008.

Whatever the reason, women hedge fund manager outperformed in the last decade. This could very well influence some investors, whether they are individual or professional. As Anna Nikolayevsky, Founder/CIO, [Axel Capital Management](#) said in an interview for [Alpha Magazine](#) in February, 2007: "Over the long term, capital is gender blind and will be allocated according to merit."

Indeed, when the object is to make money, few people care whether men, women, or both invest it, as long as the result is favorable.