

Hedge Fund ALERT

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Survey Shows Caution in Reopening

Abacus' work as a supplier of information-technology support to alternative-investment firms is giving it an early look into those operations' office-reopening plans.

About 20 hedge fund managers that use Abacus' services have informed the New York firm that they plan to allow some employees to return this week and next. That number, representing a mere 5% of the outfit's total hedge fund clientele, reinforces expectations that initial transitions to on-site workspaces in the wake of the coronavirus crisis will be confined to a small sliver of the industry.

Most hedge fund professionals have been working remotely since early March.

The early movers appear to be acting very cautiously, based on a June 5 survey by Abacus and separate conversations with clients. Chief technology officer **Paul Ponzeka** said just one customer has informed it of plans to rotate multiple employees through its office, with the rest preparing to send in just one or two at the start.

Most of the firms are in Los Angeles, where lockdown orders still dictate that office workers can return only if they aren't able to perform their tasks remotely. Some of the shops are in New York, where offices also are off limits to non-essential employees.

Cole-Frieman & Mallon partner **Bart Mallon** wrote in the firm's Hedge Fund Law Blog that certain supporting personnel at investment-management firms could be considered essential employees under federal guidelines and could work in offices nationwide during the pandemic, if necessary. And under a New York state executive order, services related to financial markets were considered to be essential, Mallon wrote.

"A few happen to have shared with us that some of their employees feel they work better in the office, so they're hoping to be able to get to a point where they can accommodate those employees returning to offices as it becomes safer," Abacus chief executive **Chris Grandi** said. "But, whether they're large, which some are,



or smaller, the main thing right now is that the majority of our few clients who are looking to reopen offices to employees over the next few weeks are doing so at a very slow dribble."

Still, 71% of Abacus' clients either have no timeframe to return or don't plan to do so within the next four weeks. And about 20 private equity firms said they won't ever reopen their offices.

Abacus services 4,600-plus users at more than 600 firms. ❖

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