

# Talent Scouts In The Investment Management Space

An Interview with Steven Friedman, CFA, Founder and President, Santangel's Review

**EDITORS' NOTE** Steven Friedman is the Founder and President of Santangel's Review. Prior to founding the company, he worked at a hedge fund in New York. He holds dual degrees from the Wharton School and the College of Arts and Sciences at the University of Pennsylvania and holds the Chartered Financial Analyst® designation.



Steven Friedman

**FIRM BRIEF** Santangel's Review ([santangelsreview.com](http://santangelsreview.com)) is dedicated to finding and analyzing undiscovered investors. It is the creator and organizer of the Santangel's Investor Forum® and the Santangel's Roundtable. From 2010 to 2012, it eponymously published original research on outstanding money managers who were not well-known to the wider community of fund allocators.

## What was your vision for creating Santangel's Review?

There is a unique quirk in the investment management industry. What makes a great investor? Someone extraordinarily dedicated to the art and science of stock picking. This is a person who lives and breathes managing their portfolio – reading, researching stocks, and turning over rock after rock to find rare, extremely mispriced securities. Great investors rely on their own diligence, and because of that, they're likely to have a contrarian bent. They're not easily swayed by what the crowd is doing. All of these incredible traits don't always go hand in hand with developing a large network and marketing a fund. Many times, phenomenal investors end up with small funds comprised of friends and family. They often put up incredible returns, but few know outside of a small circle.

On the other hand, you have family offices, endowments, and foundations all looking for the best investing talent in order to place capital. I don't know if this is still true, but at one point there were more hedge funds than there were stocks on the major U.S. exchanges. Capital allocators are constantly bombarded by funds looking for capital and it is really hard to sift through all the noise.

The vision for Santangel's Review was to fill this gap. We are devoted to finding the most talented "undiscovered" investors and introducing them to capital allocators.

## How do you define Santangel's Review's mission and purpose?

We are essentially talent scouts in the investment management space. We are trying to find truly outstanding investors who are either young and emerging or what we call "undiscovered" which we define as investors with top-tier track records of outperformance who are not well known. They usually live in off-the-beaten path locations and don't market themselves. We then introduce this talent to high-net-worth individuals, family offices, endowments, and foundations.

## Will you provide an overview of Santangel's Review's events?

Our events have evolved over time. We started by doing "best ideas" conferences, but flipped the traditional model on its head. Attendance was by invitation-only and instead of having famous investors presenting, we had undiscovered doing so. The speakers were undiscovered talent presenting stock pitches and ideas. It has been 12 years since our first event, and over that time, several of our previously undiscovered investors have become famous in their own right. The most prominent example is probably Mark Leonard, the CEO of Constellation Software. As far as I know, our event is the only place he has ever spoken publicly. We have also hosted retreats in Miami and Nantucket, but the main focus now is what we call the Santangel's Roundtable. We host these three times per year, twice in New York City and once in Boston. These are cap-intro conferences where we highlight around 40 under-the-radar hedge funds and set up meetings for them with high-net-worth individuals, family offices, endowments, and foundations.

## What are the keys to producing a successful event that has impact and drives action?

I am completely and utterly focused on quality. The most important component of this is the quality of our events' attendees. Every attendee is vetted to make sure they are a great fit for the rest of our audience. In addition, we want to make sure the venue, the food and the overall experience is outstanding. We solicit feedback after every single event and use almost all of it to improve. We are constantly improving.

I had no event experience when I first launched the business so I had no preconceptions about how it should be done. This has led

some of what we do to be unique and, perhaps more importantly, has led us to have a learning mindset. Even after over a decade, I haven't lost that. I am always trying to improve the events.

One thing I decided early on was that I wanted the events to be exceptionally high quality, and that meant keeping them small. I think you have to choose whether you want to be the largest or the best. I don't think you can do both. We want to be the best. People really love what we've put together and I'm really proud of that. I'm also incredibly protective of what we've built, and I am careful about not outgrowing what makes the events special.

## Where do you see growth opportunities for Santangel's Review?

We have historically stayed in the hedge fund space, but I think our model and relationships can allow us to expand into other sectors of finance like private equity and venture capital. The key will be finding the right partner or partners to make sure we keep the quality of these managers as high as we have for the hedge fund events.

We are also becoming more focused on sourcing deals in addition to marketing undiscovered managers. We have a large network of smart and fantastic investors. When they find something they think is the best idea they have found in the last three to five years, we want them to let us know so we can help find additional investors. These ideas range from public companies to litigation finance to venture capital and even finding a buyer for a professional sports team. We have a very high bar for the quality of opportunities.

## Did you know at an early age that you had an entrepreneurial spirit and desire to build your own business?

Yes, definitely. From buying candy in bulk and reselling by the piece on the school bus to starting a snow shoveling business in my neighborhood, I always had little businesses as a kid. In college, I studied entrepreneurship and after working for a hedge fund for several years, I started Santangel's Review when I was 29.

## What are your priorities for Santangel's Review as you look to the future?

First and foremost, I want to maintain and improve the quality of our events. That is paramount. If we can grow the number of our events per year while maintaining the quality, that would be great, but we won't sacrifice quality to grow. I also want to continue to source incredible under-the-radar investing talent and continue to refine our process and grow our network. ●