

## Geraldine Sundstrom

President, Master, Distinguished Governor, Graduates and Graduands, Guests, and Colleagues:

Today, I have the delightful task of welcoming Geraldine Sundstrom as a Fellow of Birkbeck.

She is “The Hedgefund Superstar”, according to the London Evening Standard. The Times called her “the most prominent woman in the famously secretive world of hedge funds”. “A Titan”, according to yet another. Sundstrom is a force to be reckoned with.

Let’s go back, just 7 years (a cloudy Thursday, 30 September 2010) when Sundstrom walked into the magnificent C16th Middle Temple Hall, one of the Inns of Court that had not only hosted the first performance of Shakespeare’s Twelve Night in 1602 but also survived the Great Fire of London and both World Wars. She was seated opposite Prince William and they dined on sautéed scallops with a lemon hollandaise, chicken with bubble and squeak, and raspberry sorbet. The occasion was the gala for the top “100 Women in Hedge Funds”, a non-profit organization for professionals in the alternative investments industry. With 200 leading men and women from the hedge fund business looking on, Sundstrom was awarded the 2010 “European Industry Leadership Award”, an accolade awarded to a woman “whose professional talent, business ethic, and passion for investing help define and advance the hedge fund industry's standards of excellence”. As Effie Datson, board chair of 100 Women in Hedge Funds London, put it, “We are so pleased to recognize Geraldine Sundstrom's talents as an investor and her commitment to the hedge fund industry”. The money raised at the gala went to supporting Centrepoin, a national charity dedicated to improving the lives of young homeless people.

Earlier that year, the Hedge Fund Journal announced the publication of “Tomorrow's Titans: Blue Chip Managers for the Next Decade”. This was a list of “the top 40 hedge fund industry leaders of tomorrow”. The criteria? Their performance as managers, the extent of their portfolio management responsibilities, and testimonials from investors. Over 20 nationalities were represented on the initial long list of some 200 individuals; in the final 40, there were over 10 nationalities represented. There we also find Sundstrom, the only woman of the 18 European “Titans”.

At that stage, Sundstrom was partner and portfolio manager at Brevan Howard Asset Management, which she had joined only three years earlier. There she managed its \$2bn Emerging Markets Strategies Master Fund, which invests in interest rates, currencies and bonds. Prior to this, she had held senior research roles with Citigroup Global Investments and Pareto Partners, before becoming a portfolio manager at the global macro hedge fund Moore Capital Management where she focused on emerging markets across a range of asset classes.

Since 2015, she has been a managing director and portfolio manager at the California-based investment management firm PIMCO, the world’s biggest bond fund manager, with 2 trillion in assets under management worldwide. When she joined, Bill Gross, Pimco’s chief investment officer, boasted that it was a “great senior portfolio manager hire.... She represents an important addition of demonstrated leadership and skill as we continue to build out our multi-asset group for the benefit of our clients.”

These are by no means her only accolades. Exactly a year ago, Sundstrom was again singled out for praise in the Financial News’s “100 Women in Financial Service” in Europe, the Middle East, and Africa. At that event, Jayne-Anne Gadhia – the UK’s first Women in Finance Champion and Chief Executive of Virgin Money Holders (UK) – admitted that there was an urgent need to “manage the flow of female talent to leadership positions in financial services so that it properly reflects the diversity of our society.” Gadhia had led a review into

diversity in the financial sector which culminated in the Treasury's March 2016 report into gender equality in the City. The report's recommendations included calling for organizations to link senior managers' pay to internal diversity targets, publish annual progress reports, and appoint an executive responsible for gender, diversity, and inclusion. In Gadhia's words: "It is important to keep the momentum going and recognize the strong link between greater gender balance and improved productivity and performance." Sundstrom herself is the best evidence possible of the importance of gender diversity, avoiding "group think", and attracting the smartest brains. That is the only way we can secure Britain's place as a globally competitive economy.

If we are to fully recognize Sundstrom achievements in the world of finance, a few statistics are necessary. Only 3 per cent of senior investment roles in hedge funds are held by women. If we look at the Executive Committees of the 6 largest US banks, fewer than 20 per cent of members are women.

The reasons for this dire state of affairs are not hard to find. The top jobs are often the result of networking: transparent recruiting processes are rare. Despite the fact that a report last month showed that female-led Hedge Funds outperform the broader industry, unconscious biases are rife: people notice colleagues who look like themselves – that is, white males. There are also fewer women studying mathematics and finance.

Historically, too, women have been under-represented in finance. Until recently, the history of finance, business, and investment has been blind to gender. This is changing, but there is still a great deal of research needed if we are to understand women's historical role in financial industries (a perfect topic for a PhD). Fundamentally, women are held back by prejudices.

Let us not imagine that such prejudices have been banished to “the past”. Recently, the distinguished Birkbeck mathematician, Professor Sarah Hart, cited an experiment in which a group of girls and boys were given a mathematics test, and they both performed similarly. When they were given a mathematics test which required them to tick a box at the beginning stating whether they were male or female, the girls – reminded of their sex – did worse. Cultural expectations exert a formidable force.

Which brings me to the other major reason why Sundstrom is so remarkable: she seeks to make a difference to the lives of other people, whether female or treated unfairly for economic or other reasons. Sundstrom is a Birkbeckian. She had two degrees from Parisian universities when she decided to come to Birkbeck to do her MSc in Finance. She has retained a passion and affection for our community ever since. Through a generous donation to the Department of Economics, Mathematics, and Statistics here at Birkbeck, she has made it possible to offer five scholarships to students wanting to join our MSc programmes. The Sundstrom Scholarship for Postgraduate Taught Study ensures that the most talented mathematicians can study at Birkbeck, regardless of their financial situation.

She is also the founder of the Sundstrom Scholarship for Women Leaders, providing support for exceptional female leaders on the MBA programme, as well as the Sundstrom Readership in Mathematics, which was awarded to Dr. Steven Noble and allowed Professor Sarah Hart to step into the role of Head of the Economics, Mathematics, and Statistics Department. She provides bursaries for students who might otherwise not be able to gain a higher education. In short, she gives back to the community: she transforms lives.

Sundstrom is a private person with a huge public conscience. People matter to her, as does scholarship at the highest possible level, available to all who are willing to work hard.

These are just some of the reasons we admire Sundstrom: her professional talent, business ethic, dedication to gender parity in senior roles in the financial world, passion to make our world a better place.

Geraldine Sundstrom: we are thrilled to welcome you as a Fellow of Birkbeck.