

Blackstone Pumps Up New Advisor Sales Squad

By [Tom Stabile](#) March 29, 2017

Blackstone Group has built a new sales team over the past year to help bring existing funds – and the wider palette of alts products it is developing – out into the independent broker-dealer marketplace. It has hired at least eight experienced wholesalers, and some recruiters in the market say the firm does not yet appear done with its drive.

The hiring push appears to have begun a year ago, around the time it hired **Brad Fryer**, an experienced independent brokerage market sales veteran who has worked at firms such as **NorthStar Securities**, **CNL Securities**, and **LPL Financial**, according to a LinkedIn [profile](#). It steadily added others through the fall last year and most recently brought aboard two more experienced hands, with **Brian Munson** starting in February and **Patrick Agnew** coming aboard earlier this month.

Blackstone has had a larger sales team in place for several years bringing its private fund menu primarily to advisors at the wirehouses, particularly feeder structures providing access to its institutional private equity funds as well as a variety of hedge fund products. But it has made a **big push of late** with a new product group aimed at creating alts products that are accessible to a wider range of advisors and individual clients, starting out with a **private real estate investment trust** (REIT) fund it launched last year.

That effort included meeting with independent brokerage market firms and ultimately responding to their interest in having sales relationships more tailored to them, says a source familiar with Blackstone's approach.

But it may soon have company, says **Sasha Jensen**, CEO of **Context Jensen Partners**, a recruiting firm. "Everybody is building some sort of team with a private wealth management focus, even at smaller firms," she says. "The hedge funds have hit a bump in the road, and sales are increasing in private equity, real estate, real assets, and private debt."

Other alts managers are not just hiring sales professionals but also **developing product sets** that can reach a wider range of advisors, such as REITs, business development companies (BDCs), and interval or closed-end funds, says **Matt Brown**, CEO of **CAIS**, an alts product platform aimed at the independent advisor market.

"Product creation is critical," he says. "Some of the most institutional products are not designed for the [advisor] channels and don't work... Investment managers today are just as focused on product structure as on strategy to achieve distribution in wealth management."

The push entails not only products designed for distinct advisor channels – based on historical or permitted sales practices – but increasingly ones that can sell across multiple markets, says **Steve DeAngelis**, head of distribution at **FS Investments**, who **came over last year** from **Goldman Sachs**. FS mostly ran BDCs sold to independent brokerages until recently, but now is creating products it can distribute into that market as well as to wirehouses, regional and insurance brokerages, and registered investment advisors (RIAs)

– such as an energy-focused interval fund it launched Monday with **Magnetar Asset Management** as subadvisor.

“As FS and other firms continue to focus on widening that product lineup and expanding access to these types of investments, we need to be able to do so in an array of share classes and structures, not just for brokers and not just advisory,” he says.

But each firm is taking its own path. Blackstone appears to have followed an aggressive course to assembling its independent broker-dealer sales team, with one industry player noting a general sense the manager has been “picking off” senior players from traditional fund firms.

The recent hires all report ultimately to **Joseph Lohrer**, national sales manager at Blackstone in its recently renamed private wealth solutions group, who came to the firm in 2011 from **Legg Mason**. In addition to Fryer, Munson, and Agnew, other sales professionals who have joined recently include **John Cronin** in Boston last May; **Kelly Klobucar** in New York last September; **Bill Sheehan** in New York and **Jeffrey Hartmann** in Colorado, both in October; and **John Donovan** in Los Angeles in November.

Blackstone’s effort clearly reflects a willingness to put its resources into play, Brown says. “There are only a handful of firms that are large enough and have enough product breadth and depth to justify the creation of their own distribution team – and furthermore the bifurcation of their distribution efforts [by channel],” he says.

Other firms may instead opt for a large, single team to cover all channels, or distribute through third party alts product platforms such as CAIS, Brown says. Its main platform competitors are **Artivist**, **iCapital Network**, and **Mercury Capital Advisors**.

One size does not fit all in terms of advisor distribution, especially now with more products that can cross over, DeAngelis says. “Different organizations have different strengths in the way that their sales forces are created and developed, with different structures and levels of expertise,” he says.

Blackstone’s new team has extensive independent brokerage channel experience across a range of managers, according to various LinkedIn profiles. Donovan **came over** after five years at **Schroders**, and previously had been an internal wholesaler at Legg Mason. Sheehan **most recently** had been at **Fidelity Investments**, and had previous sales roles at **Nuveen**, **DWS Investments**, and **Wells Fargo**.

Klobucar had also been at Schroders as its head of U.S. intermediary internal sales, after **previous roles** at **FBR Asset Management** and **Lord Abbett**, while Cronin had **come over** from **State Street Global Advisors** and Hartmann from CNL **after a long stint** at **Deutsche Asset Management**. Munson’s **most recent stop** was **Thornburg Investment Management**, after previous stops at **American Funds**, **Curian Capital**, and **Putnam Investments**, while Agnew had **most recently been** at **Central Park Group**, with prior roles at various **Wachovia** affiliates and at **Columbia Management**.