

2020

North American Alternative Asset Management Marketing and Investor Relations Professional Compensation Survey



Contents

A message from the authors	4
Methodology	5
Alternative asset management market context	6
Base and bonus compensation trends, 2017–2019	7

A message from the authors

Welcome to the report on our latest North America alternative asset management marketing and investor relations professional compensation survey.

Together with our surveys of private equity investment and operating professionals, this report provides a comprehensive picture of the compensation that North American executives in the hedge fund, real estate, and private equity industries currently receive.

For this report, Heidrick & Struggles compiled compensation data from a survey of 300 alternative asset management marketing and investor relations professionals in North America who are employed in private equity, hedge funds, or real estate.

We hope you enjoy reading the report, which remains the only one of its kind. As always, suggestions are welcome, so please feel free to contact us—or your Heidrick & Struggles representative—with questions and comments.

With warmest regards,



Graham Beatty
Partner
Real Estate Practice
gbeatty@heidrick.com



Paul Charles
Partner
Financial Services Practice
pcharles@heidrick.com



John Hindley
Partner
Financial Services Practice
jhindley@heidrick.com

On confidentiality

The North America alternative asset management marketing and investor relations professional compensation survey, 2019, was conducted on an anonymous basis.

Acknowledgments

The authors wish to thank **Mohd Arsalan** and **Akshat Singhal** for their contributions to this report.

Methodology

In an online survey in the field before the COVID-19 pandemic became widespread in the United States and Canada, we asked participants to provide their compensation data for 2017, 2018, and 2019. All data collected was self-reported by the survey respondents and has been aggregated to evaluate trends in cash base salary and bonus compensation packages.

Survey participants

Assets under management sample sizes

	All professionals	Private equity/credit	Hedge funds	Real estate
Less than \$1bn	49	26	23	22
\$1bn–\$5bn	68	33	46	16
\$5bn–\$10bn	42	19	27	16
\$10bn–\$30bn	52	40	24	21
More than \$30bn	80	56	49	48

Experience sample sizes

	All professionals	Private equity/credit	Hedge funds	Real estate
0–5 years	29	12	16	12
6–10 years	97	63	54	41
11–15 years	100	61	61	41
16+ years	62	37	37	28

Title sample sizes

	All professionals	Private equity/credit	Hedge funds	Real estate
Associate	5	1	5	1
Vice president	21	11	10	11
Principal	12	10	3	1
Director	58	32	36	24
Managing director	113	72	69	55
Partner	50	30	29	17

Source: Heidrick & Struggles' North America alternative asset management marketing and investor relations professional compensation survey, 2019, n = 300 investment professionals

Alternative asset management market context

This year's survey of compensation of marketing and investor relations professionals in the hedge fund, real estate investment, and private equity industries was set against a backdrop of shifts within these sectors, and in the world at large, prior to the COVID-19 pandemic. How professionals were paid in a particular year has generally indicated how they will be paid in the following year, but it is far from clear as of this writing that that will be the case in 2020.

The hedge fund industry is mature, and assets under management (AUM) have remained flat, globally, for the past several years now. This has made it challenging to raise assets, which in turn has had a detrimental effect on compensation. However, during the same period, real estate and private capital have seen remarkable levels of inflows that have reshaped compensation at firms in those sectors and made them ever more attractive, especially to more junior professionals.

Raising capital

Overall in 2019, institutional investors showed a willingness to explore investing in alternative investment strategies, which led to dynamic and robust capital-raising activity in private equity, venture capital, and private credit. Increased competition for capital has meant that firms have broadened their coverage for capital beyond pension funds, endowments and foundations, and sovereign wealth funds and into funds of funds, family offices, registered investment advisers, and insurance, among others. Platforms continued to expand their product capabilities both organically and inorganically. And real assets enjoyed a notable edge in fundraising, which has positive implications for both capital flows and talent attraction. Finally, the continued globalization of asset raising led to more funds tapping international asset pools in 2019, with a particular focus on Asia.

Growth equity was particularly attractive in 2019, with venture capital firms doing larger deals and private equity firms raising specialist growth funds. The number of new funds continued to increase as a result of prolonged strong market performance, especially in technology. While preferred large placement agents dominate the sector, boutique firms have continued to perform while facing the challenges of fee pressures and a highly competitive market for capital.

Currently, many managers of alternative assets are actively fundraising as a result of the COVID-19 crisis, whether it is for distressed and special situation funds or simply to take advantage of buying opportunities that might appear in the light of market corrections. However, we expect a slowdown in capital-raising mandates in the near term and a shuffling of the performance-return league tables, which will redirect capital flows to certain managers.

Hiring and compensation

As a complement to a slowdown in capital-raising mandates, we expect an uptick in the number of investor relations positions, with client communications, reporting, and focus at their core. Over the past year as a whole, we have seen high demand for fundraising and investor relations talent, as greater competition in the industry has led alternatives firms to acknowledge their strategic and tactical importance. Recently formed funds are hiring investor relations professionals earlier in a firm's development, sometimes at fund I and pre-fund II capital-raising stages. We have seen that as firms mature, they become more interested in adding marketing and investor relations roles, particularly firms with \$1 billion to \$5 billion in AUM. It's also notable that in 2019, real estate firms refined and expanded fundraising and client services teams, leading them to compete with other alternatives firms for the same talent.

We have also observed a continued trend of the development of fundraising and investor relations teams that are increasingly specialized in terms of product representation, geographical coverage, and functional alignment. Many larger firms continue to develop dedicated fundraising and investor relations teams, and the importance of investment consultants in the capital-raising process continues to grow. In parallel, fundraising and investor relations teams are becoming increasingly sophisticated, consisting of professionals who can demonstrate deep product knowledge and have the ability to clearly differentiate messaging verbally and visually—which allow firms to deploy more consultative, knowledgeable, and sophisticated marketing strategies.

The increase in the number and importance of these roles has led to a highly competitive talent environment, with many people often

receiving offers from multiple firms. There has been a particular increase in competition in strategies that are in greater demand, such as debt and infrastructure, where there is a small talent pool. Competition is particularly strong for people who have a proven track record of asset raising and a global network of relationships.

Firms are hiring a younger bench of investor relations talent. Concurrently, we also see experienced executives whose firms became large multiproduct asset gatherers interested in heading fundraising and investor relations on small- to medium-size platforms with fewer products. Many firm leaders remain averse to candidates who have changed jobs frequently, but, given market challenges, we are seeing greater leeway in this regard.

The larger the firm at which a marketing or investor relations professional works, the better his or her compensation is, our survey shows, and \$10 billion in AUM is the clearest inflection point for this trend. The data also shows, as expected, that professionals at the largest firms or with the most experience are more highly compensated than those who are new to the profession or work at smaller firms. We also know anecdotally that working for a larger firm typically provides professionals with a broader range of products to sell, less volatile year-on-year earnings, and greater possibilities for career advancement.¹

Real estate and private capital have seen remarkable levels of inflows that have reshaped compensation at firms in those sectors and made them ever more attractive, especially to more junior professionals.

¹ We are seeing some larger hedge funds creating roles, such as product development and chief operating officer for sales, with compensation that is harder to compare to any benchmark. In this report, we have not reported on these new roles, as the data points are few and many idiosyncrasies make benchmarking difficult.

Base and bonus compensation trends, 2017–2019

Compensation for alternative asset management marketing and investor relations professionals in North America changed modestly—generally with small upticks—in 2019 from 2018 and 2017. Those with more experience at the smaller firms had only modest gains, if any. Bonuses generally trended upward each of the three years.

Viewed by industry sector for 2019, professionals in private equity surpassed their colleagues in hedge funds in median total cash compensation pay bands.

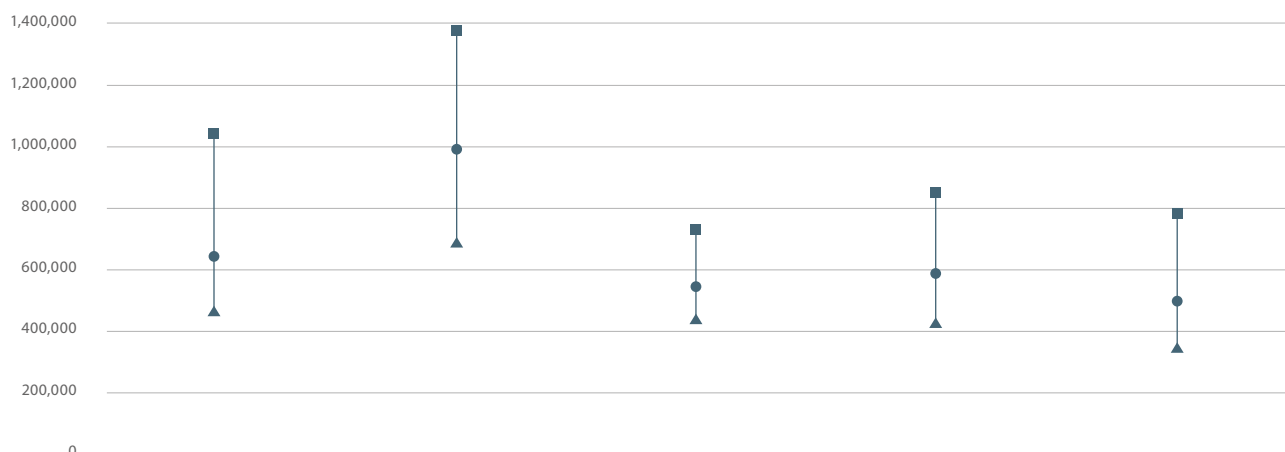
However, 2019 median cash bonus was more variable across the different sectors.

It is also notable that just over half the respondents worked in one dedicated sector, either private equity, hedge funds, or real estate, while the others worked in more than one. The survey shows that total cash compensation skews higher at the top end for those working only in private equity.

Private equity

Private equity: Total cash compensation, 2019 (US\$)

	Overall	Head of sales	Sales individual producer	Sales and investor relations	Other
▲ 25th	465,625	687,500	437,500	425,000	337,500
● Median	637,500	993,750	537,500	587,500	500,000
■ 75th	1,037,500	1,368,750	725,000	843,750	781,250



Source: Heidrick & Struggles' North America alternative asset management marketing and investor relations professional compensation survey, 2019, n = 300 investment professionals

Private equity: Overall total cash compensation, 2017–2019 (US\$)

■ 2019 ■ 2018 ■ 2017

	Base	Bonus	Total cash compensation
25th	187,500	250,000	465,625
	187,500	250,000	437,500
	187,500	150,000	387,500
Median	237,500	350,000	637,500
	237,500	350,000	612,500
	237,500	350,000	568,750
75th	287,500	750,000	1,037,500
	287,500	650,000	937,500
	287,500	650,000	937,500

Source: Heidrick & Struggles' North America alternative asset management marketing and investor relations professional compensation survey, 2019, n = 300 investment professionals

Private equity: Total cash compensation by specific role, 2017–2019 (US\$)

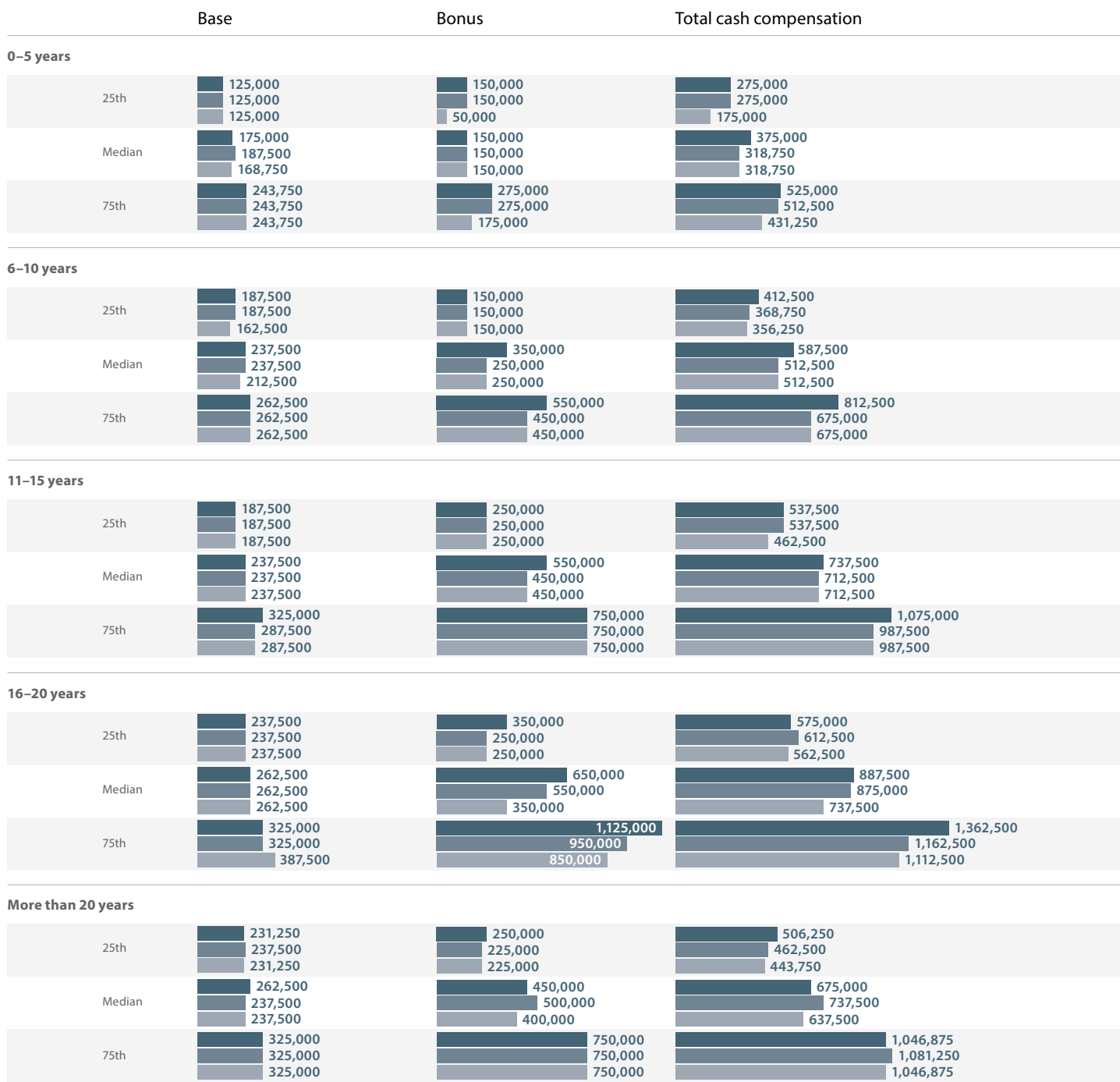
■ 2019 ■ 2018 ■ 2017

	Base	Bonus	Total cash compensation
Head of sales			
25th	237,500	450,000	687,500
	237,500	425,000	637,500
	231,250	350,000	587,500
Median	262,500	650,000	993,750
	262,500	600,000	918,750
	262,500	550,000	912,500
75th	325,000	1,125,000	1,368,750
	325,000	1,125,000	1,343,750
	325,000	993,750	1,290,625
Sales individual producer			
25th	162,500	250,000	437,500
	187,500	250,000	425,000
	162,500	150,000	356,250
Median	212,500	350,000	537,500
	212,500	350,000	537,500
	212,500	250,000	462,500
75th	250,000	500,000	725,000
	250,000	450,000	637,500
	237,500	400,000	587,500
Sales and investor relations			
25th	187,500	200,000	425,000
	187,500	150,000	362,500
	187,500	150,000	375,000
Median	237,500	350,000	587,500
	237,500	350,000	562,500
	237,500	250,000	512,500
75th	262,500	550,000	843,750
	262,500	450,000	775,000
	275,000	450,000	737,500
Other			
25th	162,500	150,000	337,500
	153,125	150,000	303,125
	125,000	125,000	275,000
Median	212,500	250,000	500,000
	237,500	250,000	475,000
	212,500	250,000	500,000
75th	287,500	475,000	781,250
	262,500	375,000	656,250
	268,750	375,000	656,250

Source: Heidrick & Struggles' North America alternative asset management marketing and investor relations professional compensation survey, 2019, n = 300 investment professionals

Private equity: Total cash compensation by years of experience, 2017–2019 (US\$)

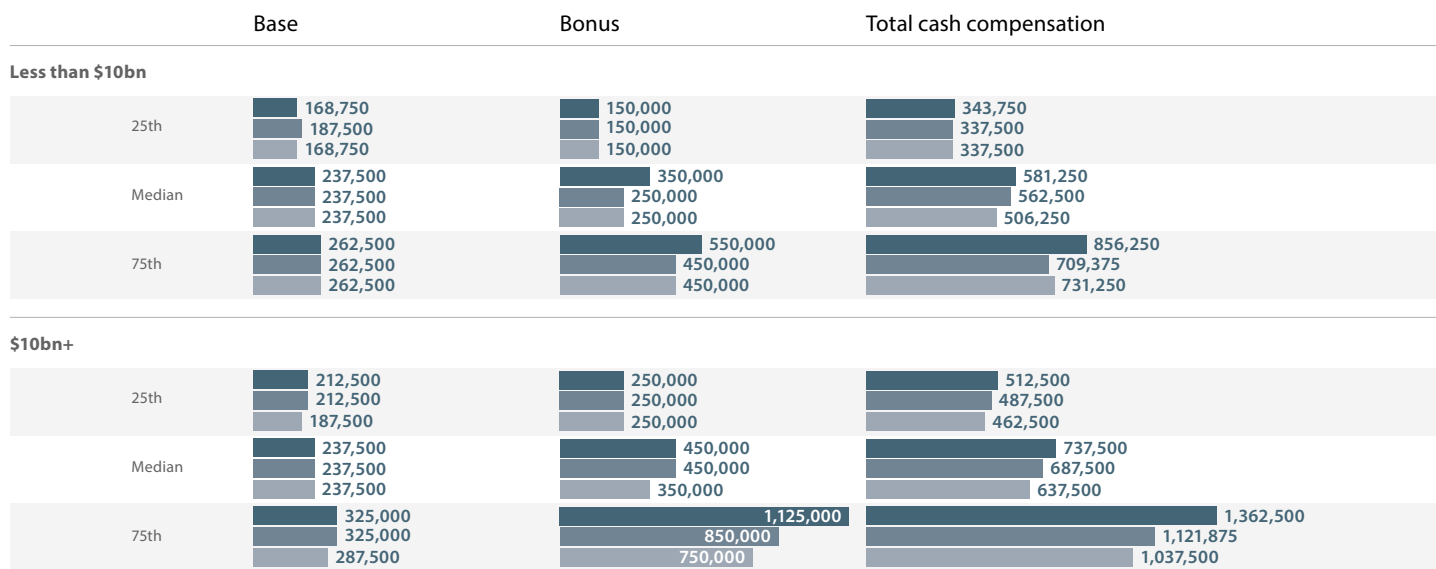
■ 2019 ■ 2018 ■ 2017



Source: Heidrick & Struggles' North America alternative asset management marketing and investor relations professional compensation survey, 2019, n = 300 investment professionals

Private equity: Total cash compensation by AUM, 2017–2019 (US\$)

2019 2018 2017

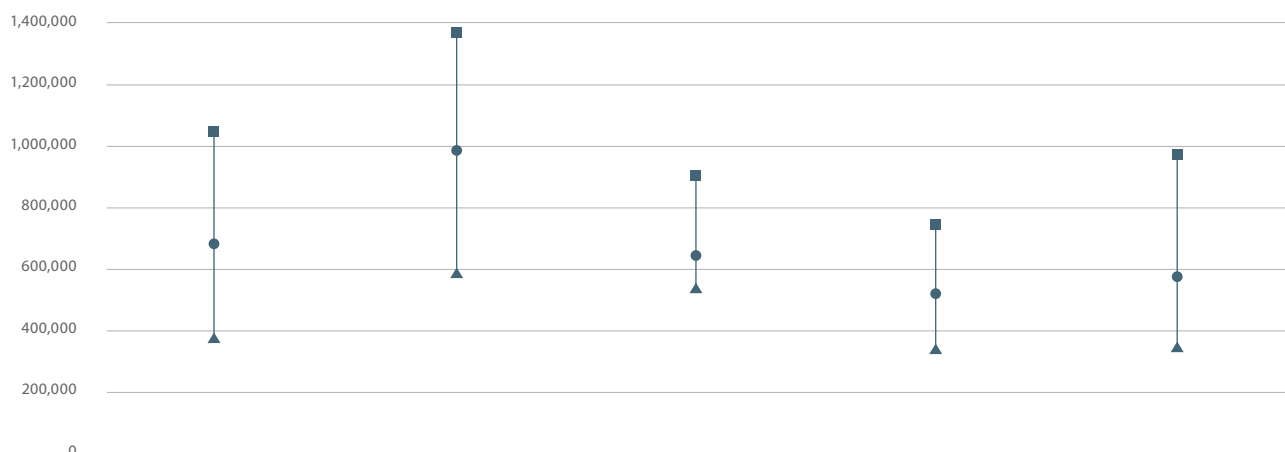


Source: Heidrick & Struggles' North America alternative asset management marketing and investor relations professional compensation survey, 2019, n = 300 investment professionals

Hedge funds

Hedge funds: Total cash compensation, 2019 (US\$)

	Overall	Head of sales	Sales individual producer	Sales and investor relations	Other
▲ 25th	375,000	587,500	537,500	337,500	343,750
● Median	675,000	975,000	637,500	512,500	575,000
■ 75th	1,037,500	1,362,500	900,000	737,500	968,750



Source: Heidrick & Struggles' North America alternative asset management marketing and investor relations professional compensation survey, 2019, n = 300 investment professionals

Hedge funds: Overall total cash compensation, 2017–2019 (US\$)

2019 2018 2017

	Base	Bonus	Total cash compensation
25th	187,500 162,500 162,500	150,000 150,000 150,000	375,000 375,000 337,500
Median	237,500 237,500 212,500	450,000 350,000 350,000	675,000 600,000 562,500
75th	287,500 287,500 262,500	750,000 650,000 650,000	1,037,500 975,000 937,500

Source: Heidrick & Struggles' North America alternative asset management marketing and investor relations professional compensation survey, 2019, n = 300 investment professionals

Hedge funds: Total cash compensation by specific role, 2017–2019 (US\$)

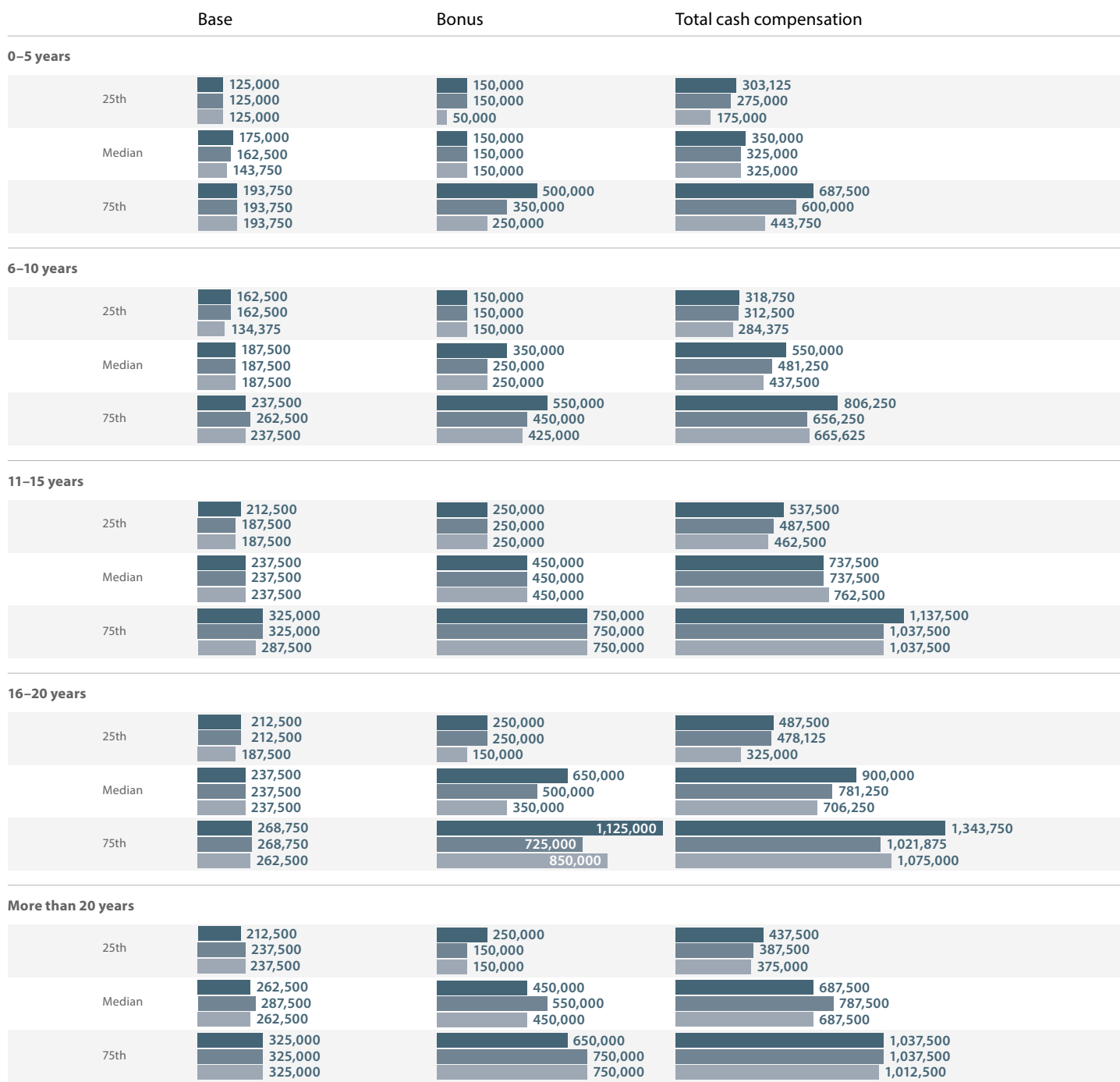
2019 2018 2017

	Base	Bonus	Total cash compensation
Head of sales			
25th	212,500 212,500 187,500	350,000 250,000 250,000	587,500 575,000 512,500
Median	237,500 237,500 262,500	650,000 550,000 550,000	975,000 812,500 762,500
75th	325,000 325,000 287,500	1,125,000 850,000 850,000	1,362,500 1,100,000 1,137,500
Sales individual producer			
25th	187,500 187,500 162,500	350,000 250,000 200,000	537,500 475,000 387,500
Median	237,500 212,500 212,500	450,000 350,000 250,000	637,500 562,500 512,500
75th	275,000 275,000 237,500	650,000 550,000 500,000	900,000 843,750 856,250
Sales and investor relations			
25th	162,500 162,500 143,750	150,000 100,000 50,000	337,500 275,000 275,000
Median	187,500 187,500 187,500	250,000 250,000 250,000	512,500 487,500 437,500
75th	250,000 237,500 237,500	550,000 450,000 450,000	737,500 737,500 712,500
Other			
25th	162,500 162,500 125,000	150,000 150,000 75,000	343,750 318,750 275,000
Median	237,500 225,000 212,500	350,000 300,000 300,000	575,000 481,250 550,000
75th	287,500 281,250 287,500	750,000 750,000 550,000	968,750 987,500 921,875

Source: Heidrick & Struggles' North America alternative asset management marketing and investor relations professional compensation survey, 2019, n = 300 investment professionals

Hedge funds: Total cash compensation by years of experience, 2017–2019 (US\$)

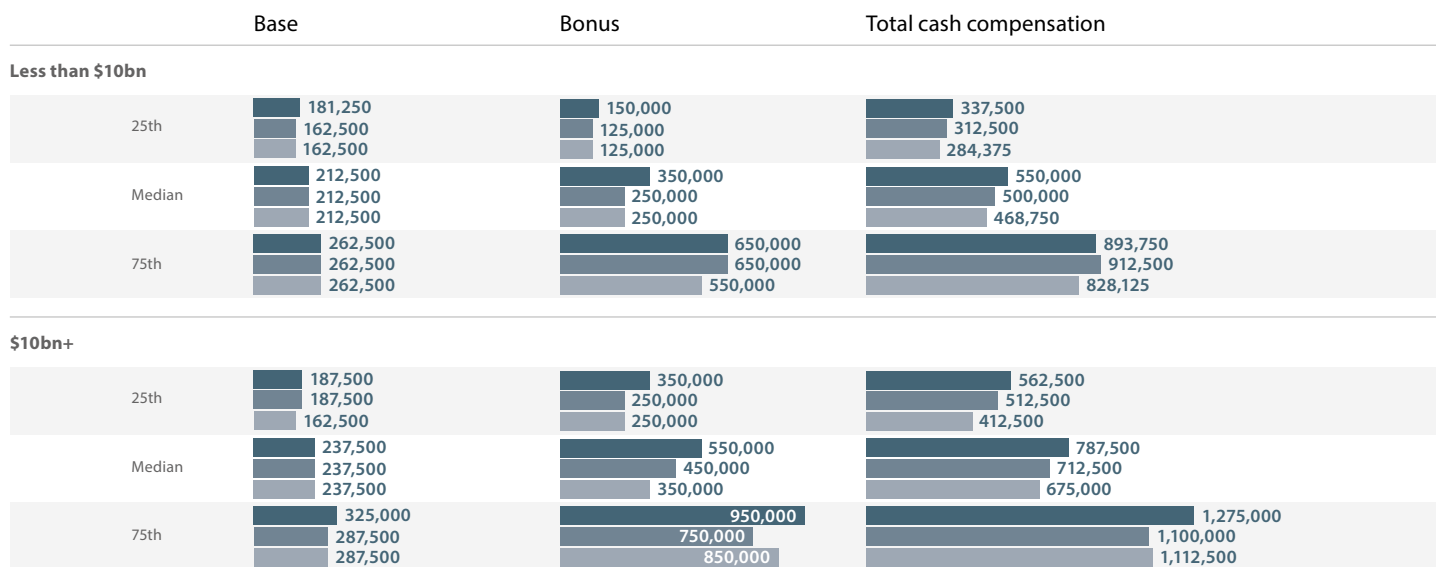
2019 2018 2017



Source: Heidrick & Struggles' North America alternative asset management marketing and investor relations professional compensation survey, 2019, n = 300 investment professionals

Hedge funds: Total cash compensation by AUM, 2017–2019 (US\$)

■ 2019 ■ 2018 ■ 2017

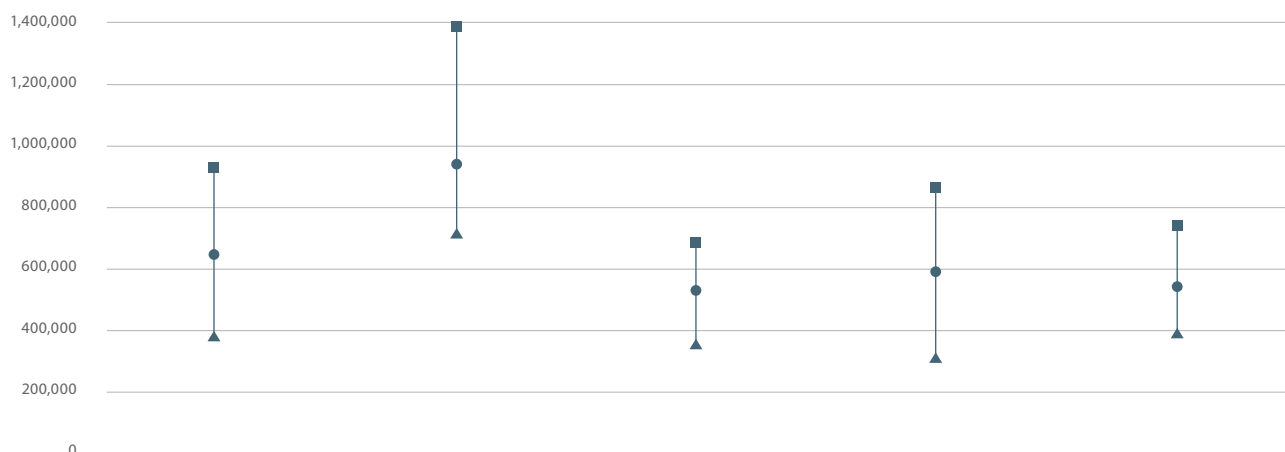


Source: Heidrick & Struggles' North America alternative asset management marketing and investor relations professional compensation survey, 2019, n = 300 investment professionals

Real estate

Real estate: Total cash compensation, 2019 (US\$)

	Overall	Head of sales	Sales individual producer	Sales and investor relations	Other
▲ 25th	387,500	712,500	356,250	303,125	387,500
● Median	637,500	937,500	525,000	593,750	537,500
■ 75th	925,000	1,387,500	687,500	865,625	737,500



Source: Heidrick & Struggles' North America alternative asset management marketing and investor relations professional compensation survey, 2019, n = 300 investment professionals

Real estate: Overall total cash compensation, 2017–2019 (US\$)

2019 2018 2017

	Base	Bonus	Total cash compensation
25th	187,500 187,500 187,500	150,000 150,000 150,000	387,500 387,500 387,500
Median	237,500 237,500 237,500	350,000 350,000 250,000	637,500 575,000 537,500
75th	325,000 306,250 287,500	650,000 550,000 550,000	925,000 887,500 856,250

Source: Heidrick & Struggles' North America alternative asset management marketing and investor relations professional compensation survey, 2019, n = 300 investment professionals

Real estate: Total cash compensation by specific role, 2017–2019 (US\$)

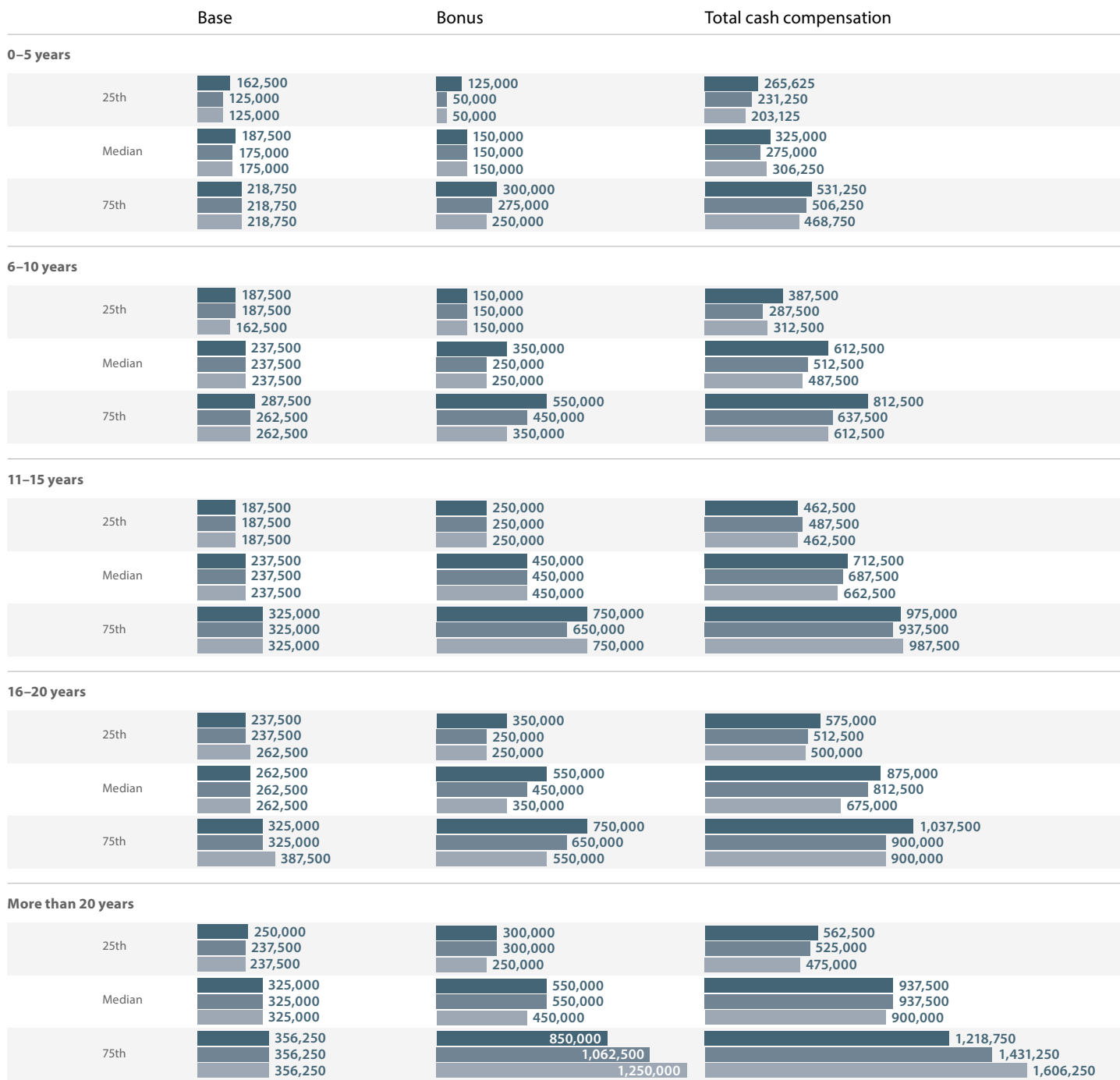
2019 2018 2017

	Base	Bonus	Total cash compensation
Head of sales			
25th	237,500 237,500 237,500	450,000 350,000 350,000	712,500 612,500 512,500
Median	287,500 287,500 287,500	650,000 550,000 550,000	937,500 875,000 900,000
75th	325,000 325,000 325,000	1,125,000 950,000 1,125,000	1,387,500 1,100,000 1,450,000
Sales individual producer			
25th	162,500 175,000 162,500	150,000 150,000 150,000	356,250 312,500 325,000
Median	237,500 237,500 212,500	250,000 250,000 250,000	525,000 512,500 437,500
75th	275,000 262,500 250,000	450,000 450,000 400,000	687,500 662,500 612,500
Sales and investor relations			
25th	181,250 162,500 162,500	125,000 125,000 125,000	303,125 275,000 284,375
Median	237,500 237,500 237,500	300,000 250,000 250,000	593,750 500,000 487,500
75th	268,750 262,500 262,500	550,000 475,000 450,000	865,625 775,000 737,500
Other			
25th	187,500 200,000 187,500	150,000 150,000 250,000	387,500 387,500 425,000
Median	237,500 237,500 212,500	250,000 250,000 250,000	537,500 487,500 512,500
75th	306,250 262,500 275,000	450,000 450,000 450,000	737,500 662,500 662,500

Source: Heidrick & Struggles' North America alternative asset management marketing and investor relations professional compensation survey, 2019, n = 300 investment professionals

Real estate: Total cash compensation by years of experience, 2017–2019 (US\$)

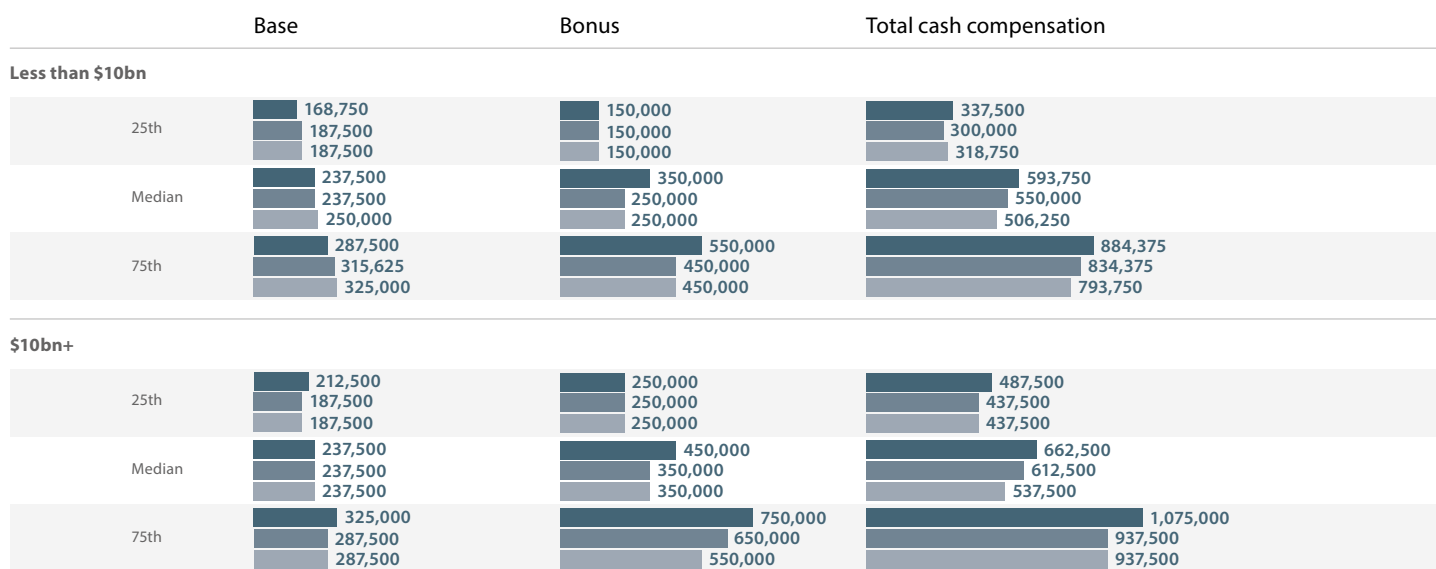
■ 2019 ■ 2018 ■ 2017



Source: Heidrick & Struggles' North America alternative asset management marketing and investor relations professional compensation survey, 2019, n = 300 investment professionals

Real estate: Total cash compensation by AUM, 2017–2019 (US\$)

■ 2019 ■ 2018 ■ 2017



Source: Heidrick & Struggles' North America alternative asset management marketing and investor relations professional compensation survey, 2019, n = 300 investment professionals

The data also shows that sales leaders across all sectors are typically among the most highly compensated people in the marketing and investor relations functions. In 2019, in private equity, for example, people in head-of-sales roles were 5.8 times more likely than individual producers to have a combined cash base and bonus of more than \$1 million; though lower in hedge funds and real estate, the multiples there are still high.

Private equity/credit

- Heads of sales are 5.8 times more likely than individual sales producers, 1.8 times more likely than those in sales and investor relations roles, and 1.6 times more likely than those in other roles to make \$1 million or more.
- Those who cover distressed lending/special situations are 28% more likely than those who cover venture and growth to make \$1 million or more in total compensation.

Hedge funds

- Heads of sales are 3.1 times more likely than those in sales and investor relations roles and 1.3 times more likely than individual sales producers to make \$1 million or more.
- Those who cover macro products are 110% more likely than those who cover directional equity products and 120% more likely than those who cover arbitrage strategies to make \$1 million or more in total compensation.

Real estate

- Heads of sales are 2.6 times more likely than individual sales producers, 2.2 times more likely than those in sales and Investor relations, and 1.2 times more likely than those in other roles to make \$1 million or more.
- Those who cover separately managed accounts and infrastructure equity are 39% more likely than those in real estate—open-end—equity and real estate—debt to make \$1 million or more.

Total cash compensation by specific role, 2019 (%)

Private equity/credit		Head of sales	Sales individual producer	Sales and investor relations	Other
Number of responses		56	27	55	36
<\$500k	n = 53	11	30	38	50
\$500k–\$999k	n = 74	39	63	44	31
\$1m–\$1.49m	n = 27	30	7	11	6
\$1.5m–\$1.99m	n = 10	7	0	5	8
\$2m+	n = 10	13	0	2	6
\$1m+		50	7	18	19

Hedge funds		Head of sales	Sales individual producer	Sales and investor relations	Other
Number of responses		57	19	59	34
<\$500k	n = 58	19	16	49	44
\$500k–\$999k	n = 64	32	63	39	32
\$1m–\$1.49m	n = 31	32	16	10	12
\$1.5m–\$1.99m	n = 6	7	5	2	0
\$2m+	n = 10	11	0	0	12
\$1m+		49	21	12	24

Real estate		Head of sales	Sales individual producer	Sales and investor relations	Other
Number of responses		37	27	32	27
<\$500k	n = 41	8	44	41	48
\$500k–\$999k	n = 55	51	44	47	33
\$1m–\$1.49m	n = 16	22	11	13	4
\$1.5m–\$1.99m	n = 4	8	0	0	4
\$2m+	n = 7	11	0	0	11
\$1m+		41	11	13	19

Source: Heidrick & Struggles' North America alternative asset management marketing and investor relations professional compensation survey, 2019, n = 300 investment professionals

Total cash compensation by investment type, 2019 (%)

Private equity/credit

	Buyout	Growth	Co-invest	Venture	Distressed/ special situations	Direct lending	Mezzanine lending	Structured credit and CLOs
Number of responses	77	69	70	42	81	91	51	64
<\$500k	30	30	31	43	26	27	31	25
\$500k–\$999k	39	43	41	31	41	44	39	47
\$1m–\$1.49m	17	12	16	14	22	14	14	16
\$1.5m–\$1.99m	8	9	4	2	4	5	12	8
\$2m+	6	6	7	10	7	9	4	5
\$1m+	31	26	27	26	33	29	29	28

Hedge funds

	Equity long short	Directional equity	Arbitrage strategies	Systematic strategies	Distressed/ special situations	Credit	Structured credit and CLOs	Macro	RV strategies	Multi- strategy
Number of responses	72	35	31	40	52	67	43	36	33	61
<\$500k	35	40	32	38	19	27	26	33	42	33
\$500k–\$999k	35	43	52	35	52	51	49	31	42	39
\$1m–\$1.49m	21	9	13	10	21	16	14	14	12	20
\$1.5m–\$1.99m	7	6	0	8	0	3	5	0	0	3
\$2m+	3	3	3	10	8	3	7	22	3	5
\$1m+	31	17	16	28	29	22	26	36	15	28

Real estate

	Real estate— open end— equity	Real estate— closed end— equity/special situations	Real estate— debt	Infrastructure —equity	Infrastructure —debt	Separately managed accounts
Number of responses	53	85	62	57	29	52
<\$500k	36	33	34	37	24	27
\$500k–\$999k	42	40	42	32	48	42
\$1m–\$1.49m	9	14	11	18	14	17
\$1.5m–\$1.99m	8	5	5	7	7	4
\$2m+	6	8	8	7	7	10
\$1m+	23	27	24	32	28	31

Source: Heidrick & Struggles' North America alternative asset management marketing and investor relations professional compensation survey, 2019, n = 300 investment professionals

Financial Services Practice

Heidrick & Struggles' global Financial Services Practice uses our broad and deep experience to find the leaders today who are equipped to address the critical issues of tomorrow.

Emerging from global crises while adapting to new markets, the global financial services industry needs leaders with the technical skills, creativity, and insight to craft winning strategies in an increasingly data-heavy digital world. With more than 80 consultants in locations around the world, our Financial Services Practice team combines unparalleled search resources with a deeply consultative approach. We have strong expertise across all financial services sectors, including: asset management; consumer and commercial finance; financial services infrastructure; financial technology; global markets; hedge funds; insurance; investment banking; private equity; real estate; venture capital; and wealth management.

Leaders of Heidrick & Struggles' Financial Services Practice

Global

Jenni Hibbert
Global Practice Managing Partner
jhibbert@heidrick.com

Americas

Todd Taylor
Regional Managing Partner
ttaylor@heidrick.com

Asia Pacific and Middle East

Steven Greenberg
Regional Managing Partner
sgreenberg@heidrick.com

WE HELP OUR CLIENTS CHANGE THE WORLD,
ONE LEADERSHIP TEAM AT A TIME®

Copyright © 2020 Heidrick & Struggles International, Inc. All rights reserved. Reproduction without permission is prohibited. Trademarks and logos are copyrights of their respective owners.