



2018–2019  
**Asia Pacific  
Private Capital  
Investment Professional  
Compensation Survey**

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# 2018–2019 Asia Pacific Private Capital Investment Professional Compensation Survey

04	A message from the author
05	Methodology
06	Executive summary
08	State of the private capital market
10	Investment professional hiring trends
11	State of investment professional compensation
21	Spotlight on venture capital
23	The Greater China premium is shrinking
25	Looking ahead

# A message from the author

Welcome to our *2018–2019 Asia Pacific Private Capital Investment Professional Compensation Survey*. This is the sixth annual edition of our survey, and we are pleased to say that participation has grown steadily. This year's survey includes responses from 215 investment professionals working across the region.

Our goal is to provide the industry with the clearest and most up-to-date analysis in the market on how compensation is evolving across strategies and levels as private capital grows and matures in Asia Pacific. This year's survey comes as deal values for private equity and venture capital continue to rise, assets under management account for a rising share of the global total, firms are expanding their office footprint, and the universe of investment employers is widening. Each of these developments bodes well for the industry over the long term.

That said, numerous challenges lie ahead. Shifting global economic winds, Sino-US trade friction, increasing competition for deals, and difficulties that new or smaller platforms increasingly face in fundraising are only a handful of the most significant.

Regardless of what challenges you face, our Private Capital team and consultants across our industry practices are ready to provide counsel before, during, and after the deal is done. We hope this survey is useful to you and welcome questions and comments.

With warmest regards,



**Michael Di Cicco**  
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Asia Pacific  
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#### **On confidentiality**

The *2018–2019 Asia Pacific Private Capital Investment Professional Compensation Survey* was conducted on an anonymous basis; no data relating to the identity of individual respondents or their employers is included in the following report.

#### **Acknowledgments**

The author would like to especially thank **Mohd Arsalan** and **Samantha Lassoff** for their contributions to this report.

# Methodology

In an online survey, we asked participants to provide their compensation data from 2017, 2018, and 2019, as well as their expectations for changes in compensation in 2019. All data collected is self-reported by private capital investment professionals and has been aggregated to evaluate trends in compensation packages, including base salary, bonus, and carried interest (carry). In addition to overall compensation data, we segregated responses by global versus regional funds and by investment strategy across buyout, growth capital, real estate, and venture capital.

Responses from 215 participants are included in the survey results, covering compensation data for 2017, 2018, and 2019. We conducted the survey in the second quarter of 2019.

In some compensation tables, we report the mean, lower quartile (25th percentile), median, upper quartile (75th percentile), and highest responses. Please note that the mean can be influenced by particularly high or low data points, especially in small sample sizes. Many firms that use compensation surveys set their compensation targets around or above the upper quartile (75th percentile).

Carried interest is calculated using “carry dollars at work,” which is the expected return on total carry participation across all vehicles, based on achieving a net 2x return (above hurdle and after fees) in a vehicle charging a 20% performance fee. For example, 7 points (700 bps) of carry (out of a possible 100) in a \$500 million fund with 20% carry would result in \$7 million of carry dollars at work ( $500 \times 0.2 \times 0.07 = 7$ ).

All compensation figures in tables and charts are reported in USD thousands unless otherwise noted.

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## A note on role definitions

While title structures vary according to firm, we have divided respondents into five groups based on level and responsibility.

**Managing partner:** Most senior level at the firm. Typically, although not always, one of the founders.

**Partner/managing director:** Proven investment track record. Experienced dealmaker and board member.

**Principal:** Investment professional with experience originating and leading his or her own investments. Accomplished executive with board member experience.

**Vice president:** Leads and manages deal execution for the firm, including managing service providers and due diligence.

**Associate/senior associate:** Responsible for analyzing companies and business plans, conducting due diligence, and working with service providers under the direction of the vice president or principal.

# Executive summary

This year's survey includes a review of 2018 private capital activity (defined as private equity plus venture capital) in Asia Pacific, our thoughts on the major hiring trends for investment professionals, a deep dive into what 2019 compensation packages for investment professionals look like, and indications of how investment professionals view opportunities in their market over the next year.

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## Private capital: The big picture (pages 8–9)

- 2018 was a strong year for private capital in Asia Pacific (APAC).
  - Aggregate deal value was \$169 billion, down slightly from 2017 but more than double the \$75 billion mark set in 2014.
  - Venture capital deal value soared to a record high of \$129 billion, from \$89 billion in 2017, powered by \$105 billion generated in China.
  - Assets under management (AUM) in Asia Pacific totaled \$883 billion, or 26% of global private equity (PE) AUM—nearly triple the level in 2009, of 9%.
- However, several factors suggest that industry conditions may become more challenging in the immediate term. Those factors include Sino-US tensions, a slowdown of global economic growth, high prices demanded by investment targets (particularly in China), and a lack of exits, especially through capital markets.
  - There is also increasing polarization between the large, established general partners (GPs) that are the region's biggest players and smaller, newer GPs that are finding it difficult to raise funds.

## Investment professionals: Hiring trends (page 10)

- We are seeing strong demand for investment professionals throughout APAC.
- Hiring is especially robust for principals and vice presidents.
- Sources of demand are increasing as pension funds, sovereign wealth funds, and a broader assortment of private equity firms are more aggressively seeking talent than in prior years.
- Firms are also moving beyond the region's traditional major economic capitals and opening offices closer to where deal activity is taking place.

### Investment professionals: Compensation findings (pages 11–20)

#### Cash compensation by seniority (page 11)

- Each of the five seniority levels of investment professionals we surveyed experienced annual gains in cash compensation between 2017 and 2019.
- In all cases, the greatest percentage gains were at the associate/senior associate (i.e., lowest) level and declined moving up the ranks to managing partner.

#### Base and bonus (page 12)

- Base salary went up for 42% of respondents in 2019, a slightly lower percentage than reported an increase in 2018 but the same as in 2017.
- The percentage of respondents who received higher bonuses dropped to 45% in 2019 after soaring from 49% in 2017 to 59% in 2018.

#### Compensation by firm AUM and current fund size (pages 13–15)

- There was little correlation between total platform AUM range and total compensation. Unlike total platform AUM, fund size correlated with compensation: at most levels of seniority, the largest total compensation was paid at the largest funds.

### The Greater China premium is shrinking (pages 23–25)

- Greater China traditionally has led the pack in terms of private capital compensation.
- This is beginning to change, however. The Greater China premium is growing smaller, our data suggests.

#### Looking ahead (pages 25–27)

##### Base salary (details on pages 25–26)

- Sixty-five percent of respondents expected their salary to rise in the next 12 months.
- Thirty-four percent expected no change, and just 1% thought they were likely to receive a cut.

##### Market sentiment (details on pages 26–27)

- Large groups of respondents in each investment strategy expected market conditions to remain unchanged: 38% in buyouts, 43% in growth capital, 51% in real estate, and 41% in venture capital.
- Viewed broadly, market sentiment among the regions within Asia Pacific was similar to the trend for strategies in that a plurality of respondents thought conditions would remain unchanged or improve.

# State of the private capital market

2018 was a very good year for private capital in Asia Pacific. The aggregate deal value for private equity and venture capital transactions was \$169 billion, down slightly from 2017 but more than double the \$75 billion mark set just four

years earlier.<sup>1</sup> At \$883 billion in assets under management, APAC’s share of global private equity AUM reached 26%, nearly triple its 9% level in 2009.<sup>2</sup>

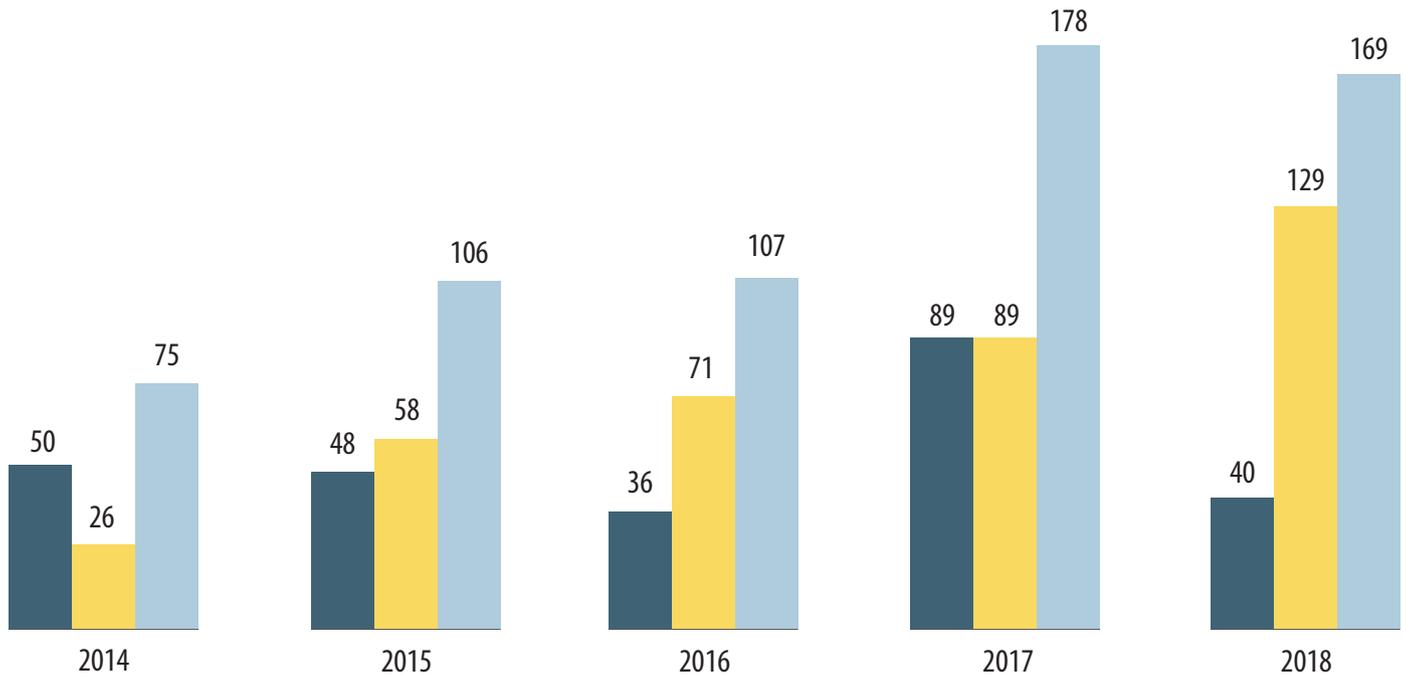
<sup>1</sup> Ee Fai Kam, “The transformative effects of private equity in Asia,” Preqin, March 13, 2019, preqin.com.

<sup>2</sup> Bain & Company, *Asia-Pacific Private Equity Report 2019*, March 2019, bain.com.

## Aggregate value of buyouts vs. venture capital deals in Asia, 2014–2018

■ Buyout ■ Venture capital ■ Total

Aggregate deal value (\$bn)



Note: Numbers may not sum to total, because of rounding.

Source: Preqin Pro

Venture capital (VC) was particularly strong. VC deal value soared to a record high of \$129 billion, from \$89 billion in 2017, powered by \$105 billion generated in China.<sup>3</sup> It was the first time China's annual VC deal value exceeded that of the United States, which totaled \$98 billion.

Another measure of the APAC market's health was the range of investor types participating in deals. Led by corporations (27% of the total) and banks/investment banks (12%), the categories of APAC investors were similar to those found in the United States and Europe. Other investor categories included investment companies, insurance companies, family offices, asset managers, government agencies (notably in Greater China, India, and Japan, but not in the United States), wealth managers, and funds of funds.<sup>4</sup>

The immediate future may not be as rosy, though, as several factors suggest that rougher seas may lie ahead:

- Sino-US trade friction is affecting growth across Asia Pacific. Resolving this tension is likely to be a drawn-out affair and is itself only one part of a multifaceted process of redefining the relationship between the two countries.
- An economic slowdown—globally but especially in China—may well have a chilling effect on private capital activity across the region.
- General partners (GPs) have been buying assets at top prices, and the forces that have produced strong returns over the past decade—revenue growth and multiple expansion—could dissipate.<sup>5</sup>

- More than 70% of APAC GPs say competition increased in 2018, especially from regional and local PE firms—making it more difficult to find attractive deals going forward.
- Many also see a clear decline in proprietary deals.
- Most expect holding periods to expand, making it harder to achieve premium internal rates of return.

There is increasing polarization between the large, established general partners that are the region's biggest players and smaller, newer GPs that are finding it difficult to raise funds.<sup>6</sup> This trend could potentially reduce competition and discourage smaller GPs from entering, or even staying in, the market.

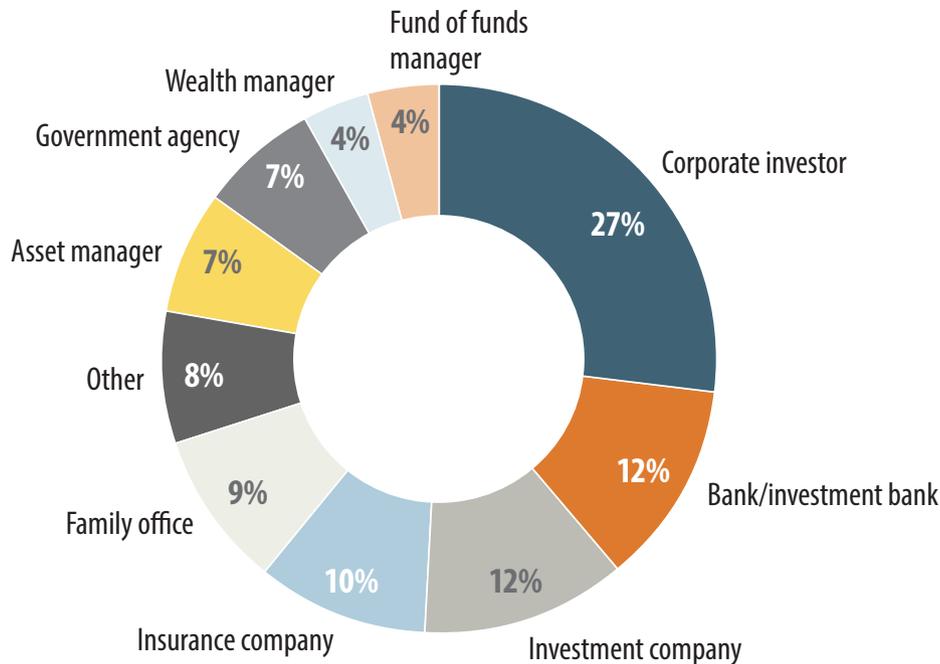
<sup>3</sup> Preqin, *Preqin Special Report: Asian Private Equity & Venture Capital*, September 2018, preqin.com.

<sup>4</sup> Preqin, *Preqin Special Report: Asian Private Equity & Venture Capital*, September 2018, preqin.com.

<sup>5</sup> Bain & Company, *Asia-Pacific Private Equity Report 2019*, March 2019, bain.com.

<sup>6</sup> Bain & Company, *Asia-Pacific Private Equity Report 2019*, March 2019, bain.com.

## APAC private capital investors now mirror other regions



Source: Preqin Pro

# Investment professional hiring trends

## Demand

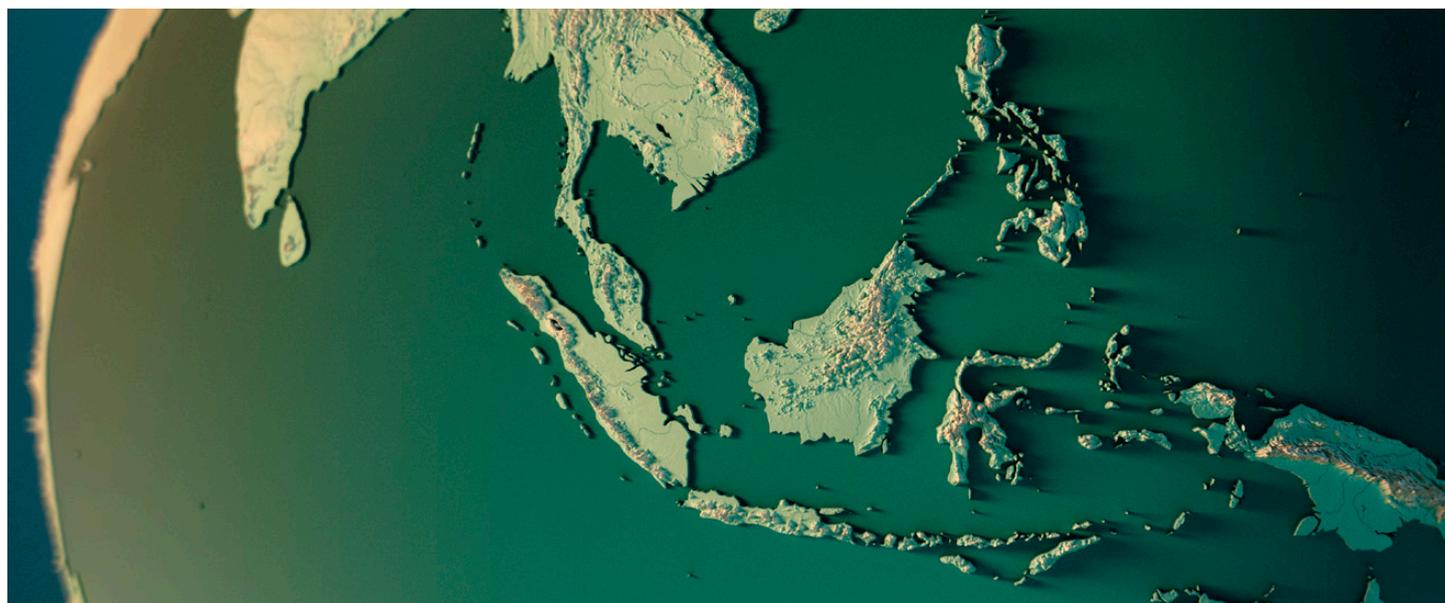
Across Asia Pacific, we're seeing increasing demand for investment professionals, underscoring the industry's robust growth and indicating salaries are likely to continue rising.

- Hiring is especially robust for principals and vice presidents, which suggests that firms are looking to strengthen their middle ranks to position themselves for future growth.
- More sources of demand are emerging. New funds are entering the market, and traditional limited partners such as pensions, sovereign wealth funds, corporates, and family offices are steadily building direct investment units of their own.

- Firms are also moving beyond the region's traditional major economic capitals and opening offices closer to where deal activity is taking place. For example, in Southeast Asia, funds are increasingly opening offices in Indonesia, as well as beginning to open offices in Thailand and Vietnam, rather than solely covering deals in those locations with teams based in Singapore.
  - Firms want their deal teams to be closer to where the deals are happening.
  - More teams are locating throughout China, rather than basing their China teams in Hong Kong.
  - Venture capital firms are expanding beyond China and India and into Singapore, which they're using as a hub for activity in Southeast Asia.
- The range of investment strategies offered by significant platforms is also expanding, which is increasing demand for areas of expertise such as private credit and specialized forms of real asset investments.

## Supply

- There is a shortage of professionals with the specific expertise, networks, and language skills required for success in those local markets.
- The talent shortage should ease as APAC-based firms mature and the industry becomes more institutionalized. We're seeing firms making greater efforts to create the next generation of professionals through formal training programs and promotion practices that emphasize homegrown talent.

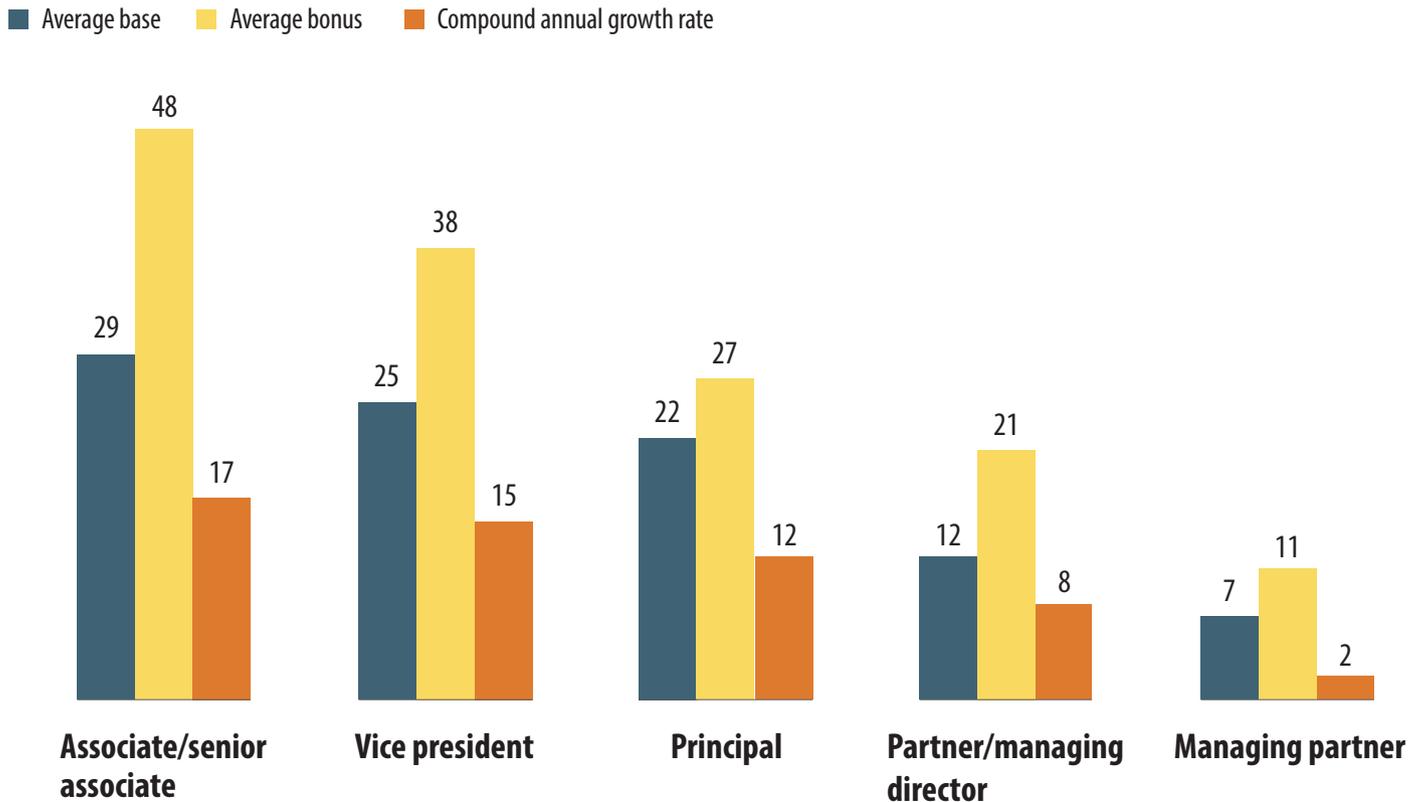


# State of investment professional compensation

Each of the five seniority levels of investment professionals we surveyed saw annual gains in cash compensation<sup>7</sup> between 2017 and 2019. In all cases, the greatest percentage gains were at the associate/senior associate (i.e., lowest) level and declined moving up the ranks to managing partner.

<sup>7</sup> Includes base and bonus only.

## Changes in cash compensation by seniority level, 2019 vs. 2017, %



## All investment professionals: Base and bonus

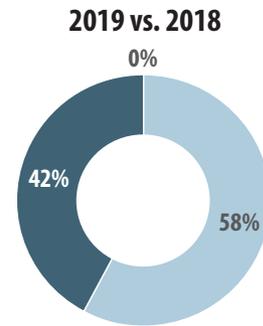
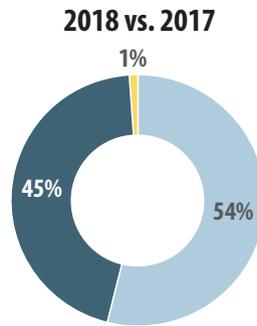
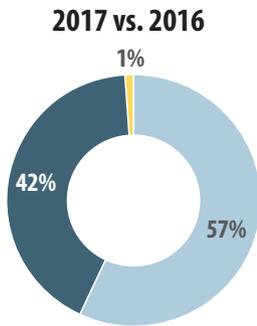
We asked respondents whether their base and bonus had risen, fallen, or stayed the same in 2018 and 2019.

- Forty-two percent of respondents told us that their base went up in 2019, slightly lower than the proportion whose base rose in 2018 but the same percentage as in 2017. Fifty-eight percent reported no 2019 change in base, similar to the responses for 2018 and 2017. Almost no respondents experienced a decline in base during the three-year period.
- Changes in bonuses were more pronounced. After soaring from 49% in 2017 to 59% in 2018, the percentage of respondents whose bonus rose dropped to 45% in 2019. Six percent told us their bonuses fell in 2019, double the level of 2018 but the same as in 2017.

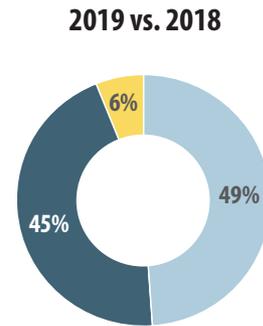
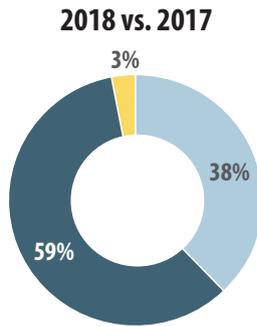
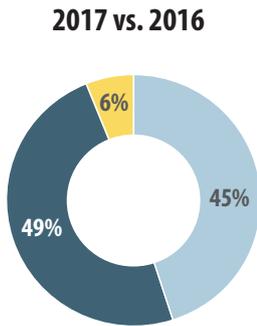
## Compensation trends, 2016–2019

■ Increase ■ No change ■ Decrease

### Base



### Bonus



## All investment professionals: Compensation by firm AUM and by current fund AUM

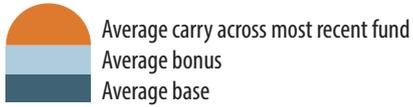
We analyzed compensation data by respondents' firm sizes as measured by four ranges of assets under management (AUM). Although complete figures weren't available for all ranges, we did observe that there was little correlation between overall firm AUM range and average total compensation.

The picture differed when we looked at compensation by respondents' current fund size. Unlike firm AUM, fund size correlated with compensation: at most levels of seniority (managing partner and vice president were the exceptions), the largest average total compensation was paid by the largest fund size.

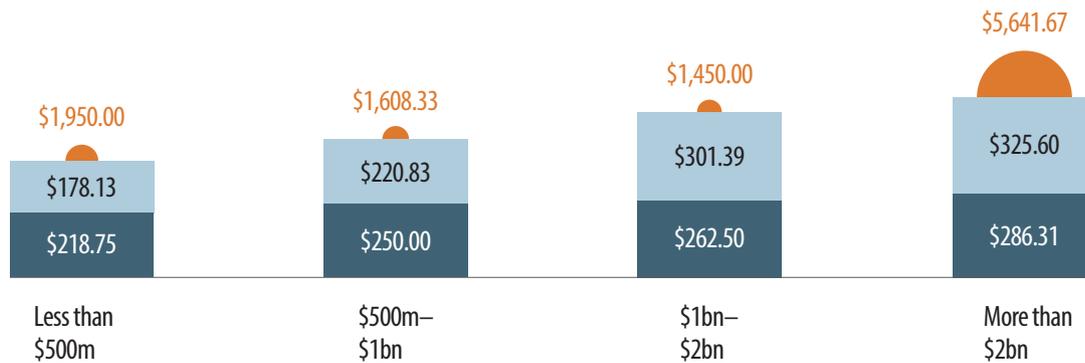
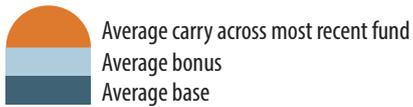
### Average 2019 base, bonus, and carry: Managing partner



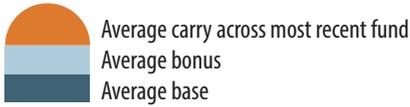
### Average 2019 base, bonus, and carry: Partner/managing director



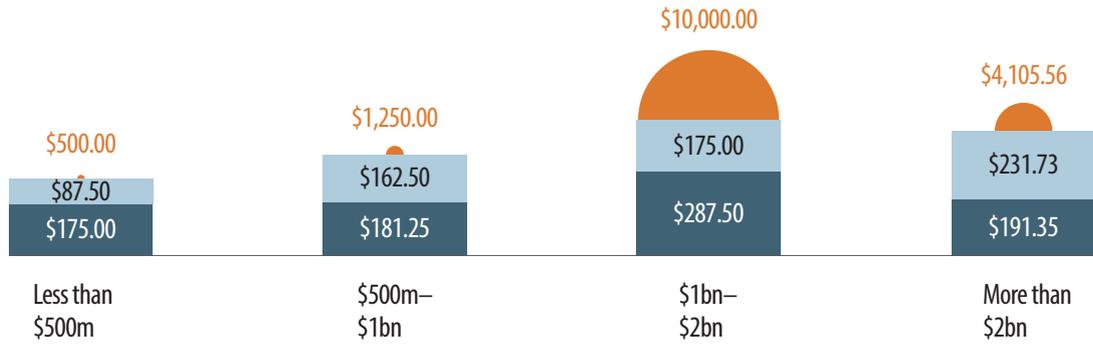
### Average 2019 base, bonus, and carry: Principal



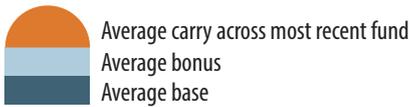
### Average 2019 base, bonus, and carry: Vice president



**Number of respondents**  
Carry **13**    Salary **21**



### Average 2019 base, bonus, and carry: Associate/senior associate



**Number of respondents**  
Carry **8**    Salary **44**



Note: No carry reported at the associate level.

## Compensation by fund type

Average 2019 compensation at global funds was lower than at regional funds for the more senior levels. Regional fund salaries have steadily been catching up to those paid by global funds over the past several years, and this year's survey underscored that Asia Pacific's larger homegrown funds can and do compete toe-to-toe with their global peers for top dealmakers.

### Global funds

#### Breakdown of cash compensation

	Managing partner	Partner/managing director	Principal	Vice president	Associate/senior associate
Number of respondents	2	35	26	10	23

	Base breakdown by quartile 2017					Base breakdown by quartile 2018					Base breakdown by quartile 2019				
	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High
Managing partner	387.50	381.75	<b>388.00</b>	394.25	400.00	400.00	388.00	<b>400.50</b>	413.00	425.00	400.00	388.00	<b>400.50</b>	413.00	425.00
Partner/managing director	358.09	266.13	<b>308.83</b>	413.00	825.00	381.07	286.44	<b>359.88</b>	419.25	825.00	393.93	311.44	<b>363.00</b>	421.75	850.00
Principal	229.81	192.69	<b>228.63</b>	248.94	325.00	246.15	208.00	<b>244.25</b>	281.75	325.00	279.81	233.00	<b>265.50</b>	303.63	675.00
Vice president	155.00	138.00	<b>163.00</b>	179.67	200.00	177.50	154.67	<b>175.50</b>	206.75	275.00	190.00	163.00	<b>188.00</b>	213.00	300.00
Associate/senior associate	94.85	62.83	<b>100.50</b>	125.50	200.00	111.27	84.88	<b>115.50</b>	147.38	200.00	121.52	96.33	<b>125.50</b>	154.67	200.00

	Bonus breakdown by quartile 2017					Bonus breakdown by quartile 2018					Bonus breakdown by quartile 2019				
	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High
Managing partner	375.00	338.00	<b>350.50</b>	413.00	425.00	312.50	213.00	<b>225.50</b>	413.00	425.00	412.50	406.75	<b>413.00</b>	419.25	425.00
Partner/managing director	424.61	145.81	<b>321.33</b>	499.25	1,450.00	492.62	188.00	<b>400.50</b>	694.25	1,450.00	530.13	256.75	<b>400.50</b>	806.75	1,450.00
Principal	243.25	163.00	<b>250.50</b>	313.00	525.00	289.42	181.75	<b>292.17</b>	346.33	600.00	319.23	191.13	<b>313.00</b>	394.25	875.00
Vice president	140.00	88.00	<b>150.50</b>	194.25	225.00	180.00	131.75	<b>188.00</b>	238.00	275.00	187.50	138.00	<b>200.50</b>	238.00	300.00
Associate/senior associate	57.30	15.75	<b>50.50</b>	92.17	150.00	74.91	34.88	<b>75.50</b>	106.75	175.00	86.30	34.88	<b>78.00</b>	141.13	200.00

	Managing partner	Partner/managing director	Principal	Vice president	Associate/senior associate
Average 2019 most recent fund carry	NA	11,463.89	3,511.54	4,941.67	NA

## Regional funds

### Breakdown of cash compensation

	Managing partner	Partner/managing director	Principal	Vice president	Associate/senior associate
Number of respondents	7	20	16	10	15

	Base breakdown by quartile 2017					Base breakdown by quartile 2018					Base breakdown by quartile 2019				
	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High
Managing partner	533.93	419.25	469.25	506.75	1,025.00	555.36	419.25	488.00	581.75	1,025.00	562.50	419.25	488.00	606.75	1,025.00
Partner/ managing director	376.25	275.50	363.00	450.50	725.00	400.00	275.50	413.00	463.00	1,000.00	435.00	308.83	450.50	500.50	1,000.00
Principal	215.63	175.50	213.00	250.50	350.00	251.56	213.00	244.25	269.25	425.00	265.63	230.50	250.50	288.00	475.00
Vice president	159.95	113.00	150.50	188.00	375.00	182.50	131.75	175.50	191.13	425.00	202.50	156.75	183.83	206.75	475.00
Associate/ senior associate	93.12	61.25	96.33	131.75	175.00	107.43	84.25	104.67	141.13	175.00	124.13	98.42	129.67	156.75	175.00

	Bonus breakdown by quartile 2017					Bonus breakdown by quartile 2018					Bonus breakdown by quartile 2019				
	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High
Managing partner	651.54	119.25	388.00	1,006.75	2,025.00	637.33	163.00	250.50	1,013.00	2,025.00	645.67	213.00	250.50	1,013.00	2,025.00
Partner/ managing director	548.00	197.38	313.00	881.75	2,025.00	592.74	222.38	313.00	931.75	2,025.00	625.63	247.38	338.00	1,003.63	2,025.00
Principal	220.31	113.00	225.50	300.50	550.00	257.81	100.50	288.00	325.50	575.00	281.25	125.50	300.50	375.50	625.00
Vice president	150.00	69.25	125.50	188.00	350.00	175.00	94.25	175.50	238.00	375.00	210.00	138.00	200.50	306.75	400.00
Associate/ senior associate	70.00	16.40	56.75	115.08	200.00	89.07	44.25	88.00	135.92	200.00	94.54	54.67	100.50	144.25	200.00

	Managing partner	Partner/managing director	Principal	Vice president	Associate/senior associate
Average 2019 most recent fund carry	8,708.33	11,941.54	3,881.82	3,133.33	883.33

## Investment strategy: Buyout

### Breakdown of cash compensation

	Managing partner	Partner/managing director	Principal	Vice president	Associate/senior associate
Number of respondents	7	26	29	17	22

	Base breakdown by quartile 2017					Base breakdown by quartile 2018					Base breakdown by quartile 2019				
	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High
Managing partner	530.36	394.25	<b>488.00</b>	706.75	1,000.00	533.93	394.25	<b>488.00</b>	706.75	1,000.00	555.36	394.25	<b>488.00</b>	706.75	1,025.00
Partner/ managing director	392.50	283.31	<b>369.25</b>	459.88	775.00	411.50	302.58	<b>403.63</b>	465.08	775.00	430.50	319.25	<b>404.67</b>	473.42	775.00
Principal	220.26	186.75	<b>227.06</b>	249.72	350.00	249.57	219.25	<b>248.71</b>	274.61	425.00	280.60	235.66	<b>266.13</b>	299.46	675.00
Vice president	155.12	116.13	<b>158.00</b>	180.19	375.00	177.21	135.92	<b>171.33</b>	198.94	425.00	191.91	156.75	<b>179.67</b>	209.25	475.00
Associate/ senior associate	110.94	83.31	<b>119.25</b>	144.25	200.00	118.38	89.56	<b>122.38</b>	157.79	200.00	129.12	105.71	<b>129.67</b>	164.25	200.00

	Bonus breakdown by quartile 2017					Bonus breakdown by quartile 2018					Bonus breakdown by quartile 2019				
	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High
Managing partner	569.57	109.88	<b>388.00</b>	856.75	2,025.00	666.00	169.25	<b>413.00</b>	981.75	2,025.00	687.43	219.25	<b>413.00</b>	1,081.75	2,025.00
Partner/ managing director	564.56	250.50	<b>400.50</b>	500.50	2,025.00	588.50	250.50	<b>425.50</b>	600.50	2,025.00	647.90	300.50	<b>450.50</b>	850.50	2,025.00
Principal	225.40	141.13	<b>238.00</b>	309.88	525.00	272.84	153.63	<b>296.33</b>	369.25	600.00	296.98	156.75	<b>304.67</b>	394.25	875.00
Vice president	153.68	103.63	<b>154.67</b>	197.38	350.00	190.44	141.13	<b>197.38</b>	236.44	375.00	209.56	153.63	<b>209.88</b>	259.88	400.00
Associate/ senior associate	48.97	10.55	<b>21.60</b>	69.25	200.00	77.86	28.63	<b>68.00</b>	131.75	200.00	84.98	22.25	<b>71.33</b>	147.38	200.00

	Managing partner	Partner/managing director	Principal	Vice president	Associate/senior associate
Average 2019 most recent fund carry	8,800.00	14,023.53	4,020.00	3,745.00	1,566.67

## Investment strategy: Growth capital

### Breakdown of cash compensation

	Managing partner	Partner/managing director	Principal	Vice president	Associate/senior associate
Number of respondents	3	17	22	10	20

	Base breakdown by quartile 2017					Base breakdown by quartile 2018					Base breakdown by quartile 2019				
	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High
Managing partner	629.17	419.25	<b>488.00</b>	981.75	1,000.00	645.83	469.25	<b>488.00</b>	981.75	1,000.00	670.83	494.25	<b>513.00</b>	1,006.75	1,025.00
Partner/ managing director	371.88	238.00	<b>350.50</b>	463.00	650.00	402.21	328.63	<b>419.25</b>	481.75	700.00	425.74	331.75	<b>438.00</b>	490.08	700.00
Principal	217.05	181.75	<b>225.50</b>	269.25	325.00	235.23	194.25	<b>254.67</b>	279.67	325.00	250.00	229.67	<b>269.25</b>	294.25	350.00
Vice president	164.95	119.25	<b>163.00</b>	188.00	375.00	200.00	144.25	<b>183.83</b>	213.00	425.00	217.50	163.00	<b>188.00</b>	219.25	475.00
Associate/ senior associate	71.00	37.50	<b>75.50</b>	100.50	150.00	88.58	53.79	<b>94.25</b>	120.50	175.00	103.63	75.50	<b>100.50</b>	142.17	200.00

	Bonus breakdown by quartile 2017					Bonus breakdown by quartile 2018					Bonus breakdown by quartile 2019				
	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High
Managing partner	995.67	119.25	<b>863.00</b>	2,006.00	2,025.00	1,037.33	119.25	<b>988.00</b>	2,006.00	2,025.00	1,079.00	144.25	<b>1,088.00</b>	2,006.00	2,025.00
Partner/ managing director	485.94	150.50	<b>425.50</b>	500.50	1,450.00	515.44	228.63	<b>463.00</b>	694.25	1,450.00	546.32	277.58	<b>463.00</b>	844.25	1,450.00
Principal	159.02	63.00	<b>142.17</b>	253.63	400.00	204.55	72.38	<b>150.50</b>	288.00	600.00	209.09	88.00	<b>150.50</b>	294.25	525.00
Vice president	127.50	69.25	<b>125.50</b>	181.75	225.00	172.50	113.00	<b>175.50</b>	238.00	275.00	197.50	138.00	<b>200.50</b>	263.00	325.00
Associate/ senior associate	48.50	12.50	<b>25.50</b>	75.50	175.00	71.15	33.83	<b>65.50</b>	100.50	175.00	81.13	25.50	<b>68.36</b>	125.50	200.00

	Managing partner	Partner/managing director	Principal	Vice president	Associate/senior associate
Average 2019 most recent fund carry	11,250.00	9,780.00	2,764.00	4,780.00	650.00

## Investment strategy: Real estate

### Breakdown of cash compensation

	Managing partner	Partner/managing director	Principal	Vice president	Associate/senior associate
Number of respondents	4	25	7	NA	8

	Base breakdown by quartile 2017					Base breakdown by quartile 2018					Base breakdown by quartile 2019				
	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High
Managing partner	456.25	400.50	<b>463.00</b>	475.50	525.00	500.00	425.50	<b>475.50</b>	550.50	600.00	512.50	425.50	<b>475.50</b>	575.50	625.00
Partner/ managing director	380.50	277.06	<b>321.33</b>	459.88	825.00	416.50	294.25	<b>363.00</b>	473.42	1,000.00	431.50	316.13	<b>369.25</b>	473.42	1,000.00
Principal	198.21	172.38	<b>204.67</b>	219.25	250.00	208.93	190.08	<b>204.67</b>	219.25	275.00	233.93	197.38	<b>231.75</b>	278.63	300.00
Vice president	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Associate/ senior associate	87.36	66.00	<b>94.25</b>	116.13	150.00	99.94	83.83	<b>100.50</b>	125.50	150.00	106.19	88.00	<b>113.00</b>	133.83	150.00

	Bonus breakdown by quartile 2017					Bonus breakdown by quartile 2018					Bonus breakdown by quartile 2019				
	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High
Managing partner	312.38	25.50	<b>125.50</b>	350.50	800.00	129.00	19.00	<b>163.00</b>	206.75	225.50	212.33	19.00	<b>213.00</b>	406.75	425.00
Partner/ managing director	421.85	138.00	<b>300.50</b>	600.50	1,050.00	491.65	188.00	<b>325.50</b>	800.50	1,400.00	519.77	200.50	<b>350.50</b>	825.50	1,400.00
Principal	262.50	119.25	<b>163.00</b>	531.75	525.00	312.50	144.25	<b>288.00</b>	556.75	600.00	376.79	184.88	<b>331.75</b>	606.75	875.00
Vice president	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Associate/ senior associate	15.64	7.08	<b>14.67</b>	22.25	50.00	34.13	12.50	<b>25.50</b>	50.50	100.00	37.25	12.50	<b>25.50</b>	63.00	100.50

	Managing partner	Partner/managing director	Principal	Vice president	Associate/senior associate
Average 2019 most recent fund carry	7,500.00	13,785.71	3,150.00	NA	NA

# Spotlight on venture capital

This year's survey includes compensation data for investment professionals at venture capital firms. Venture capital continues to grow throughout the region, and we intend to make this compensation data a permanent part of this survey going forward.

Historically, venture firms have tended to pay less generously than those focusing on buyouts, growth capital, or real estate—a reflection, at least in part, of their smaller fund size. But our data suggests this relationship is in the process of changing. Measured in absolute terms, changes in

annual cash compensation are closing the pay gap at most levels, with the exception of associate/senior associate. While the sample size for professionals in venture capital is relatively small, the trends mirror what we are seeing in our work with executive searches across the region.

## Investment strategy: Venture capital

### Breakdown of cash compensation

	Managing partner	Partner/managing director	Principal	Vice president	Associate/senior associate
Number of respondents	7	8	7	3	4

	Base breakdown by quartile 2017					Base breakdown by quartile 2018					Base breakdown by quartile 2019				
	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High
Managing partner	408.93	319.25	<b>438.00</b>	506.75	600.00	419.64	319.25	<b>444.25</b>	531.75	600.00	455.36	434.88	<b>488.00</b>	556.75	600.00
Partner/managing director	350.00	250.50	<b>275.50</b>	425.50	650.00	387.50	275.50	<b>350.50</b>	425.50	700.00	387.50	275.50	<b>350.50</b>	425.50	700.00
Principal	212.50	144.25	<b>231.75</b>	281.75	325.00	226.79	147.38	<b>238.00</b>	303.63	325.00	241.07	172.38	<b>238.00</b>	306.75	350.00
Vice president	95.67	56.50	<b>88.00</b>	156.75	175.00	95.67	56.50	<b>88.00</b>	156.75	175.00	120.83	84.88	<b>94.25</b>	181.75	200.00
Associate/senior associate	55.88	24.83	<b>50.17</b>	75.50	125.00	55.88	24.83	<b>50.17</b>	75.50	125.00	55.88	24.83	<b>50.17</b>	75.50	125.00

	Bonus breakdown by quartile 2017					Bonus breakdown by quartile 2018					Bonus breakdown by quartile 2019				
	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High	Mean	Lower quartile	Median	Upper quartile	High
Managing partner	428.92	19.00	<b>100.50</b>	338.00	2,025.00	445.58	19.00	<b>100.50</b>	388.00	2,025.00	453.92	19.00	<b>100.50</b>	388.00	2,025.00
Partner/managing director	474.88	25.50	<b>225.50</b>	500.50	1,450.00	465.50	25.50	<b>300.50</b>	425.50	1,450.00	465.50	25.50	<b>300.50</b>	425.50	1,450.00
Principal	166.00	44.25	<b>138.00</b>	331.75	375.00	276.79	69.25	<b>263.00</b>	456.75	600.00	255.29	59.88	<b>238.00</b>	503.63	525.00
Vice president	28.83	9.25	<b>19.00</b>	56.75	75.00	37.33	19.00	<b>38.00</b>	56.75	75.00	45.83	34.88	<b>44.25</b>	56.75	75.00
Associate/senior associate	12.00	6.00	<b>12.50</b>	19.00	25.00	12.00	6.00	<b>12.50</b>	19.00	25.00	12.00	6.00	<b>12.50</b>	19.00	25.00

	Managing partner	Partner/managing director	Principal	Vice president	Associate/senior associate
Average 2019 most recent fund carry	8,100.00	8,733.33	2,580.00	NA	NA

**Breakdown of total cash compensation by investment strategy, 2017–2019**

<b>Number of respondents</b>	<b>Managing partner</b>	<b>Partner/ managing director</b>	<b>Principal</b>	<b>Vice president</b>	<b>Associate/ senior associate</b>
Venture capital	7	8	7	3	4
Buyout	7	26	29	17	22
Growth capital	3	17	22	10	20
Real estate	4	25	7	NA	8

	<b>Managing partner</b>	<b>Partner/ managing director</b>	<b>Principal</b>	<b>Vice president</b>	<b>Associate/ senior associate</b>	
<b>2017</b>	<b>Venture capital</b>	<b>776.57</b>	<b>824.88</b>	<b>378.50</b>	<b>124.50</b>	<b>67.80</b>
	<b>Buyout</b>	1,099.93	934.48	445.66	308.80	159.91
	<b>Growth capital</b>	1,624.84	857.82	376.07	292.45	119.50
	<b>Real estate</b>	768.33	785.48	460.71	NA	103.00
<b>2018</b>	<b>Venture capital</b>	<b>801.57</b>	<b>853.00</b>	<b>503.58</b>	<b>133.00</b>	<b>67.88</b>
	<b>Buyout</b>	1,199.93	976.46	522.41	367.65	196.24
	<b>Growth capital</b>	1,683.16	917.65	439.78	372.50	159.73
	<b>Real estate</b>	596.75	888.48	521.43	NA	134.07
<b>2019</b>	<b>Venture capital</b>	<b>844.43</b>	<b>853.00</b>	<b>496.36</b>	<b>166.66</b>	<b>67.88</b>
	<b>Buyout</b>	1,242.79	1,052.48	577.58	401.47	204.36
	<b>Growth capital</b>	1,749.83	972.06	459.09	415.00	184.76
	<b>Real estate</b>	671.75	930.48	610.72	NA	143.44

# Comparing the regions: The Greater China premium is shrinking

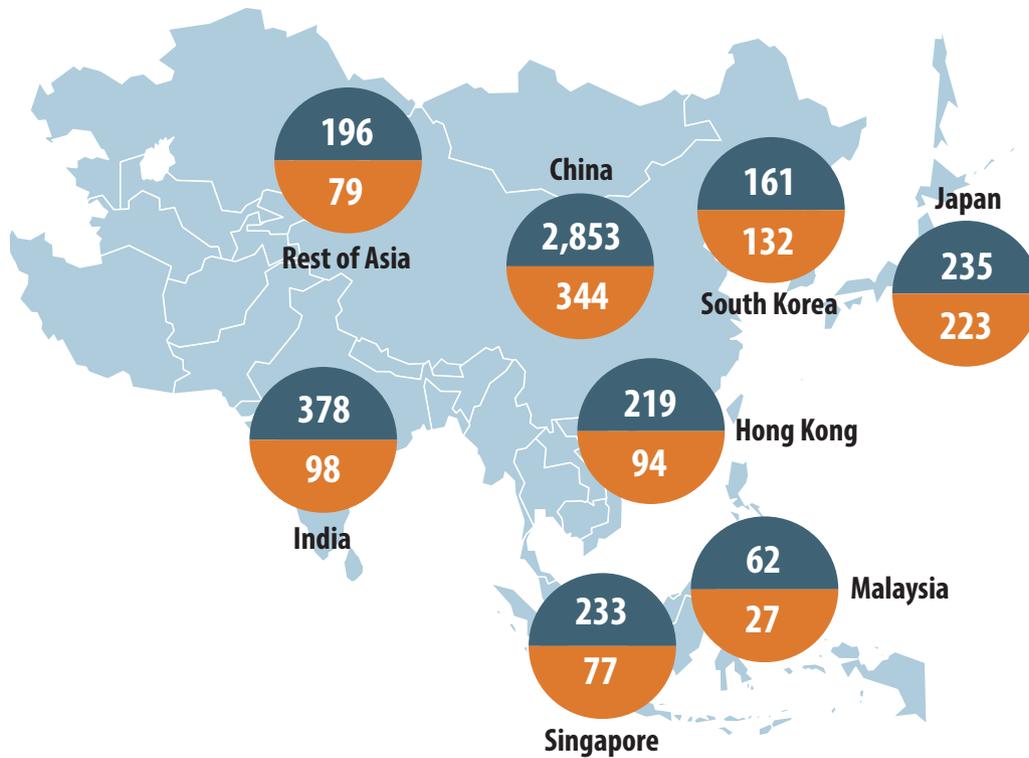
Greater China, which includes both the mainland and Hong Kong, sets the standard for private capital investment in Asia Pacific: it has the most fund managers (3,072, or 71% of the total) and institutional investors (438, or 41%) in the region, by far.<sup>8</sup>

Greater China traditionally has led the pack in terms of private capital compensation, as its sheer size and breadth of opportunities have translated into higher pay packages for investment professionals based in mainland China and Hong Kong.

<sup>8</sup> Preqin, *Preqin Special Report: Asian Private Equity & Venture Capital*, September 2018, prequin.com.

## Greater China is the biggest APAC investor in private capital

▲ Number of fund managers    ● Number of investors



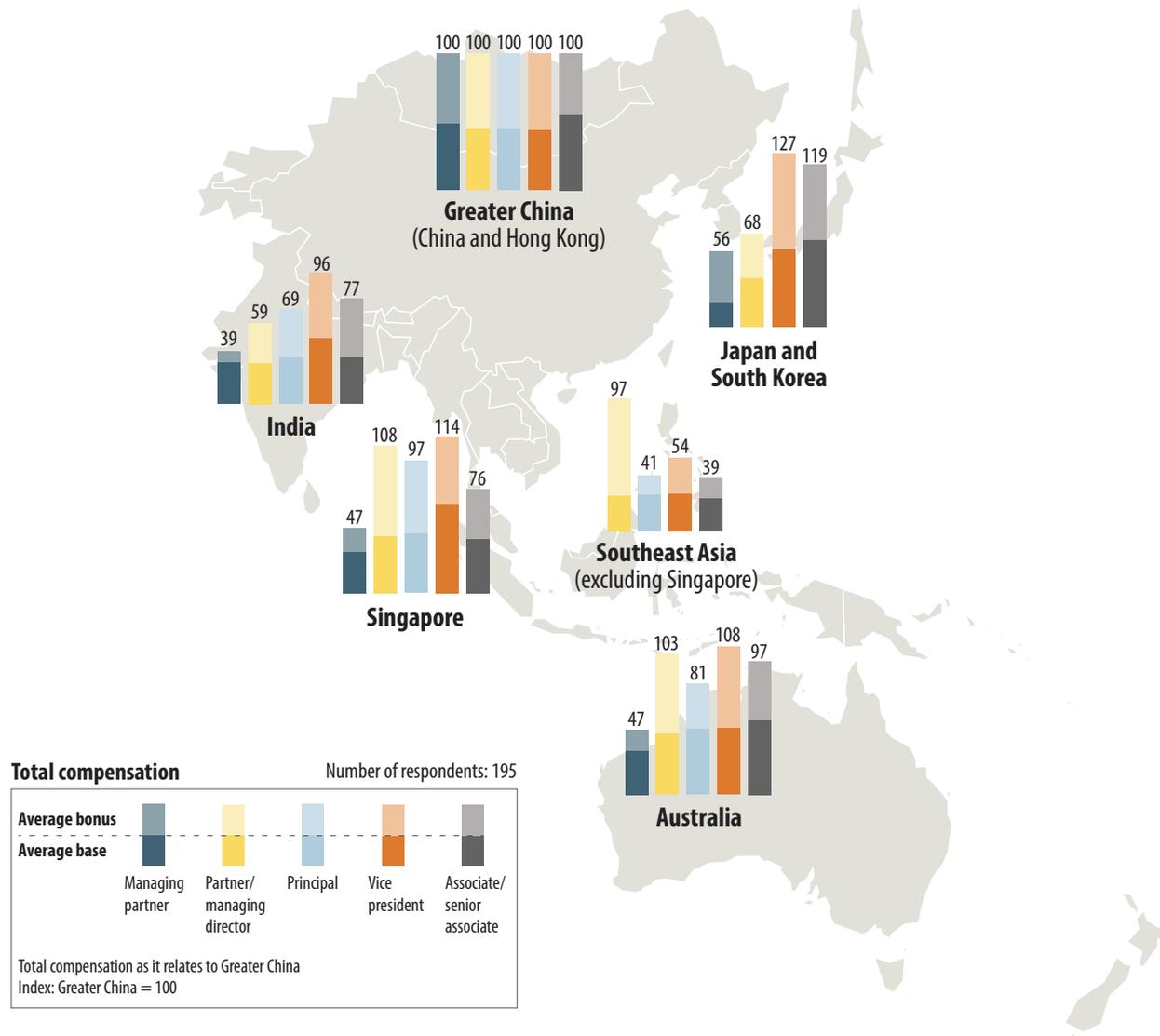
Source: Preqin Pro

This is beginning to change, however. Our survey indicates that the Greater China premium is shrinking and, in some cases, has turned into a deficit.

We believe the gains in compensation outside of Greater China reflect a number of

factors, most notably rising deal activity in Southeast Asia, particularly Singapore; the industry’s maturation across APAC; and a paucity of talent with localized experience in the smaller markets.

## Comparison of compensation across APAC



## The Greater China premium is shrinking as compensation rises elsewhere in APAC

### APAC compensation relative to Greater China, by country

	Managing partner	Partner/ managing director	Principal	Vice president	Associate/ senior associate
<b>Greater China</b>	100%	100%	100%	100%	100%
<b>Australia</b>	47%	103%	81%	108%	97%
<b>India</b>	39%	59%	69%	96%	77%
<b>Japan and South Korea</b>	56%	68%	NA	127%	119%
<b>Singapore</b>	47%	108%	97%	114%	76%
<b>Southeast Asia*</b>	NA	97%	41%	54%	39%

\*Southeast Asia in this table excludes Singapore. It includes Indonesia, Malaysia, the Philippines, Thailand, and Vietnam.

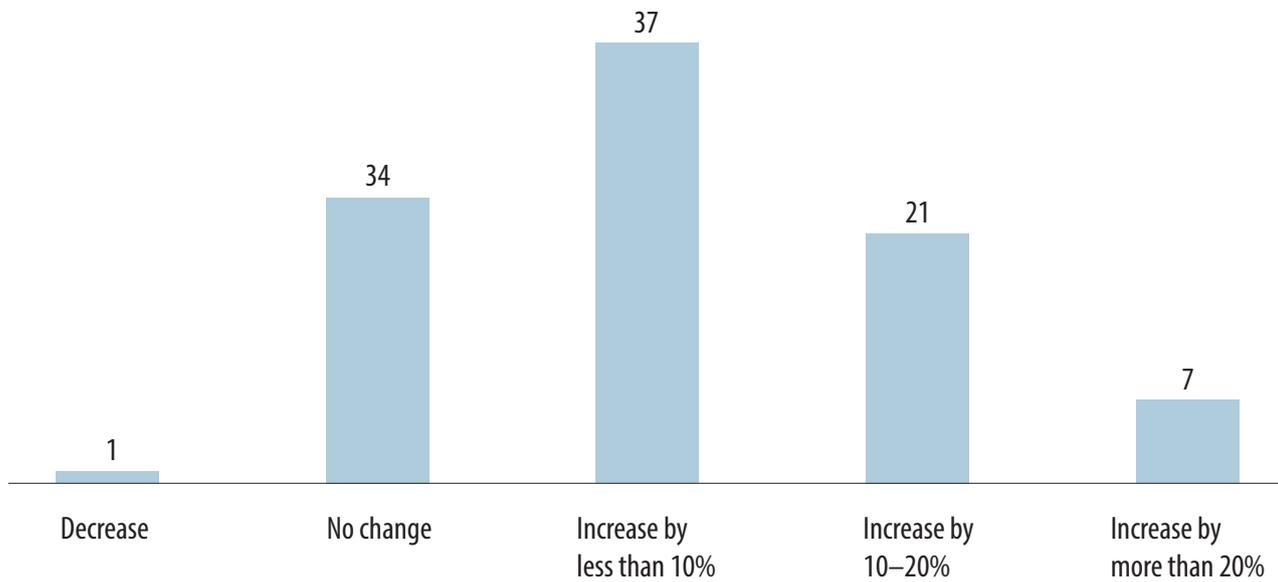
## Looking ahead

We asked survey respondents how they felt about the future as reflected by potential changes in their base salaries and in market sentiment. While their answers about salary were solidly optimistic, they expressed a more mixed outlook for the private capital market overall.

### Base salary

- Sixty-five percent of respondents expected their salary to rise in the next 12 months. Viewed more finely, 37% thought they'd receive an increase of less than 10%, 21% said 10–20%, and 7% said more than 20%.
- Thirty-four percent expected no change in salary, and just 1% thought they would receive a cut.

## Expected change in base compensation in next 12 months



## Market sentiment by investment strategy

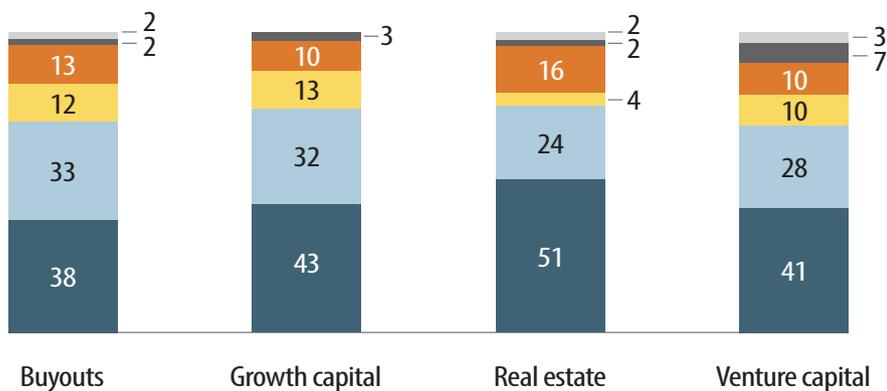
Large groups of respondents from each of the four strategies we surveyed expected market conditions to remain unchanged: 38% in buyouts, 43% in growth capital, 51% in real estate, and 41% in venture capital.

## A mixed picture of market sentiment among investment strategies

Percentage of respondents

n = 215

Legend: About the same (dark blue), Somewhat better (light blue), Much better (yellow), Somewhat worse (orange), Much worse (dark grey), Don't know (light grey)



Note: Numbers may not sum to 100%, because of rounding.

## Market sentiment by region

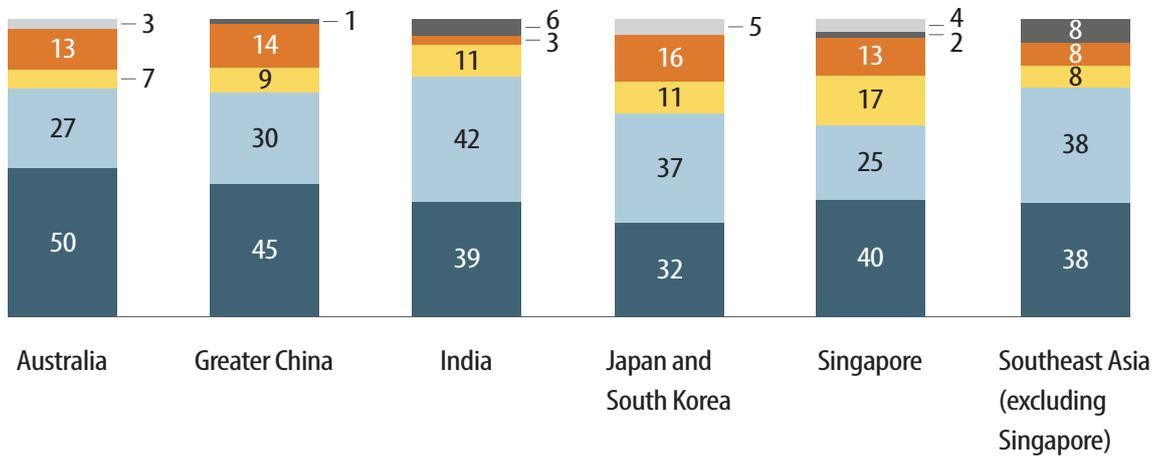
Viewed broadly, market sentiment among the regions within Asia Pacific was similar to the trend for strategies: most respondents thought conditions would remain unchanged or improve, and the proportion that expected a decline was relatively small (mostly in the 13–16% range). But a closer look revealed a more nuanced picture.

- **Australia.** Exactly half of Australian professionals expected the same conditions going forward, the biggest such proportion among the regions. Correspondingly, Australia had the fewest respondents who thought the environment would improve (34%).
- **Greater China.** The 39% of Chinese professionals who expected better conditions ranked second-to-last behind Australia.
- **India.** India took the prize for greatest optimism, with a robust 53% of respondents saying that the market would become more favorable.
- **Japan and South Korea.** Despite weakness in deal flow and performance in Japan and South Korea of late, 48% of professionals there expressed a positive outlook—exceeded only by India’s 53%.
- **Singapore.** The proportions of respondents expecting the status quo and improvement were most similar in Singapore: 40% and 42%, respectively.
- **Southeast Asia.** Responses in Southeast Asia, excluding Singapore, were mostly in the middle of the pack, with 38% saying that conditions wouldn’t change and 46% looking for improvement.

## Sentiment among regions is more nuanced compared to strategies

Percentage of respondents  
n = 215

■ About the same ■ Somewhat better ■ Much better ■ Somewhat worse ■ Much worse ■ Don’t know



Note: Numbers may not sum to 100%, because of rounding.

# Private Equity Practice

Heidrick & Struggles' global Private Equity Practice combines a deep understanding of private equity markets with world-class expertise across all major industries and functions to provide a broad range of value-adding services.

We pride ourselves on finding top private equity management talent by recruiting investment professionals, operating partners, and other essential senior managers who support financial growth. Additionally, we work with private equity-backed portfolio companies to bring innovative services designed to meet today's challenges while securing the leadership needed to deliver on tomorrow's strategies.

Our expertise includes due-diligence support, pre- and post-acquisition executive search, leadership assessment, proactive introductions, and the construction of advisory boards for both private equity firms and their portfolio companies. With more than 80 consultants in 50 offices around the world, our team includes functional experts in areas such as technology and operations, finance, human resources, marketing, compliance, risk, and legal infrastructure. Our blend of search and consulting services enables us to develop long-term strategic partnerships that build winning leadership teams and create substantial value.

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