

HEIDRICK & STRUGGLES
PRIVATE EQUITY PRACTICE

2018

North American Private Equity
Investment Professional
Compensation Survey



Contents

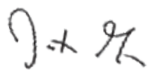
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Introduction

We are pleased to present our *2018 North American Private Equity Investment Professional Compensation Survey*. For this report, Heidrick & Struggles compiled compensation data from a survey of more than 630 investment professionals in North America.

This survey examines the following topics:

- Compensation development over the past three years
- Compensation across professional levels
- Compensation across fund size and AUM
- Regional compensation across the United States
- Respondents' educational backgrounds
- Compensation across years of private equity experience
- Annual bonus plans
- Carried interest provisions
- Coinvestment plans



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On confidentiality

The survey has been conducted on an anonymous basis for the individuals and their employers, and Heidrick & Struggles has removed the data relating to identity from reported compensation figures.

Methodology

In an online survey, we requested participants to provide compensation data from 2016, 2017, and 2018. All data collected is self-reported by private equity investment professionals and has been aggregated to evaluate trends in compensation packages, including base salary, bonus, and carried interest plans (carry).

In each compensation table we report the lowest response, lower quartile (25th percentile), mean, upper quartile (75th percentile), and highest response. 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”—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.

A note on titles

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 deal maker and board member.

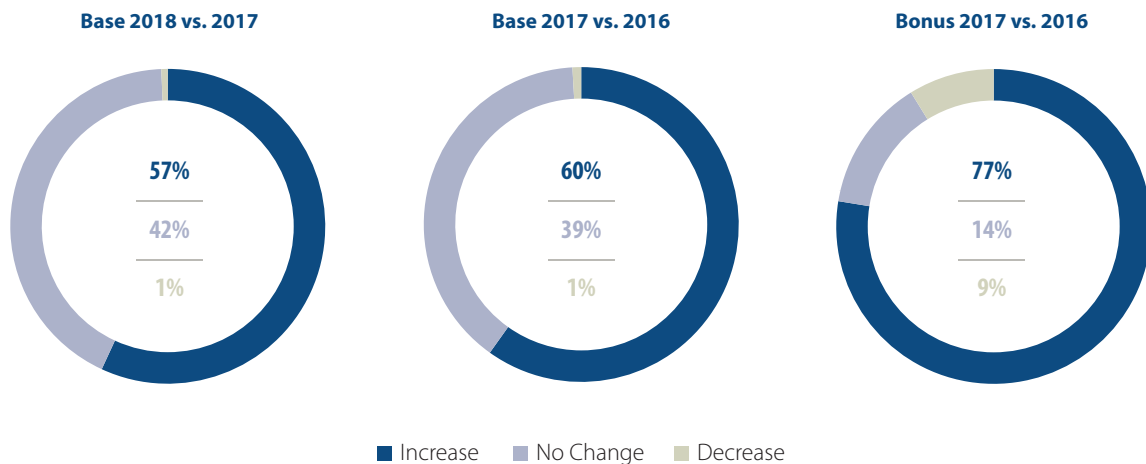
Principal: Investment professional with early experience originating and leading their own investments. Accomplished executor with board of director experience. Leads and manages deals for the firm. Personal track record not yet extensive.

Vice president: Deal quarterback; responsible for high-level company and business plan analysis. Leads due diligence and manages service providers and financing. Develops proprietary network of contacts for due diligence and deal-flow generation. Works closely with the portfolio and might have board exposure or seats.

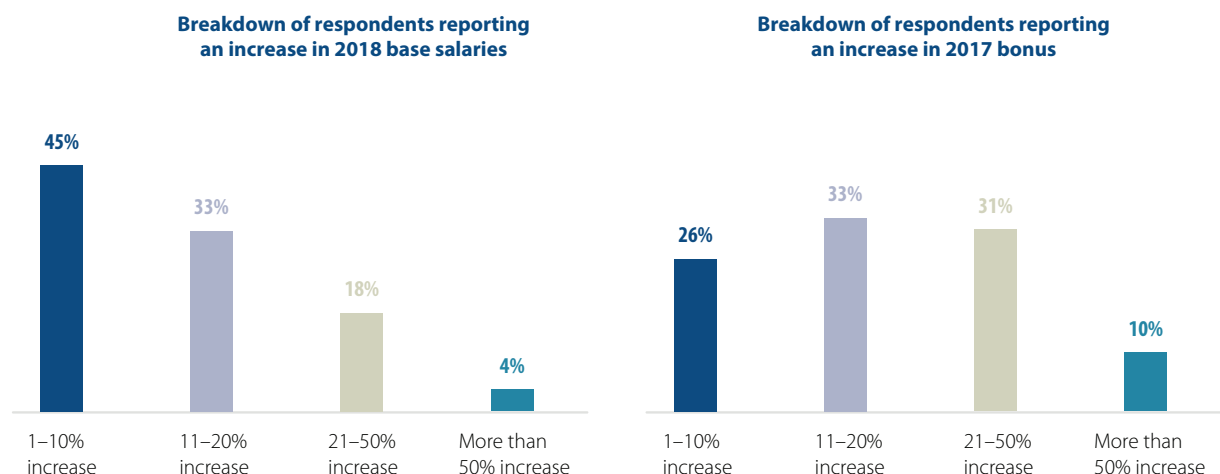
Associate/senior associate: Responsible for analyzing companies and business plans, conducting due diligence, and working with service providers under the direction of the vice president.

General observations and market backdrop

Across North America, compensation for private equity investment professionals remained favorable in 2018. A vast majority of respondents found that their 2018 base salary and 2017 overall compensation (base + bonus) increased or remained the same. More than half of respondents (57%) reported an increase in base salary from 2017 to 2018. The latest figure is slightly lower than the 60% of respondents whose base increased in 2017.



For those respondents who experienced an increase in 2018 base salary, 78% reported an increase of up to 20%. A total of 77% of investment professionals reported an increase in their bonus from 2016 to 2017, with 90% reporting an increase of up to 50%.



General observations and market backdrop

Base compensation increased for private equity investment professionals across all levels from 2017 to 2018. Managing partners experienced the largest base salary increase with 13.6% growth to \$786,000, followed by principals with an increase of 10.3% to \$289,000. While associates/senior associates and vice presidents experienced a 6.8% and 6.5% increase, respectively, base salaries for partners/managing directors increased by 8.1% in 2018.

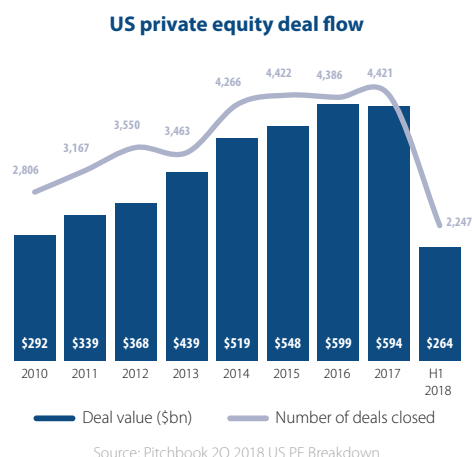
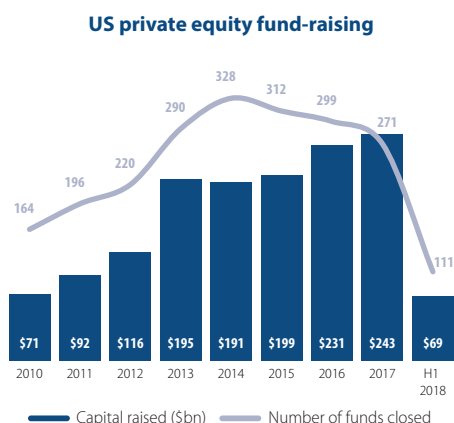
From 2016 to 2017, there was strong total cash compensation (base + bonus) growth for investment professionals, especially junior members. Vice presidents experienced a 16.4% increase while associates/senior associates had their cash compensation grow 14.4% over the period. Total cash compensation grew for senior investment professionals at a slower rate, with partners/managing directors witnessing a 5.5% increase and managing partners having a 8.6% increase to \$1.54 million.

	Associate/senior associate					Vice president			Principal			Partner/managing director			Managing partner		
Number of responses	160					157			161			121			33		

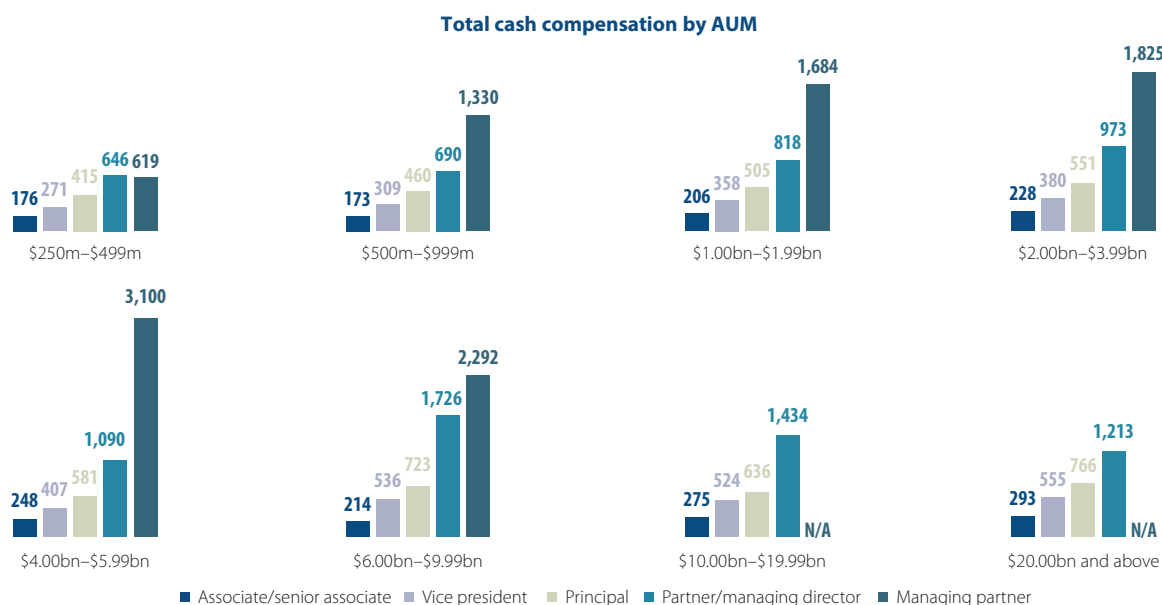
	2016					2017					2018				
	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High
Base															
Associate/senior associate	60	90	106	115	195	70	100	117	130	250	75	110	125	138	250
Vice president	85	135	164	200	275	100	150	183	200	1,001	100	160	195	225	325
Principal	118	179	241	250	800	125	200	262	300	850	133	220	289	325	900
Partner/managing director	125	275	476	500	2,500	125	300	518	550	3,000	160	300	560	600	4,000
Managing partner	214	388	660	800	1,570	227	400	692	800	2,000	240	400	786	850	3,500
Bonus															
Associate/senior associate	15	56	95	125	305	10	70	110	140	305					
Vice president	15	118	176	215	600	20	130	205	250	700					
Principal	30	175	263	350	750	22	200	300	400	800					
Partner/managing director	75	250	619	650	5,000	100	300	642	743	5,000					
Managing partner	100	274	931	1,000	3,000	100	446	1,035	1,125	4,000					
Total salary (base + bonus)															
Associate/senior associate	60	155	194	240	455	70	174	222	268	455					
Vice president	105	250	329	400	800	125	299	383	450	1,301					
Principal	185	375	494	600	1,020	202	415	551	650	1,400					
Partner/managing director	255	550	1,000	1,100	6,000	310	623	1,055	1,250	6,000					
Managing partner	300	750	1,417	2,000	3,500	352	840	1,539	2,100	4,240					

General observations and market backdrop

Continued growth in private equity compensation reflects the industry's strength in recent years. Investors view private equity favorably; fund-raising, a crucial component in determining compensation, reached \$243 billion across 271 vehicles in 2017. Similarly, private equity deal activity remains steady with 4,421 deals closing at a value of \$594 billion in 2017.



Many private equity firms are raising their largest ever flagship funds while simultaneously struggling to find new methods of deploying capital, such as adding new strategies, the majority of which are credit related. Firms can sense an impending turn in the market and are therefore attracted to special situations or distressed or structured equity solutions as a way to protect themselves during a downturn. Additionally, in today's hyper-competitive buyout market, these strategies can offer buyout-like returns with lower risk profiles. There has also been significant growth of new entrants to the market from international firms expanding their presence in the United States, sovereign wealth funds, family offices, permanent capital vehicles, and limited partners morphing into general partners. This increased competition in the market has led to generous compensation packages for top talent.



General observations and market backdrop

Trends in hiring

Demand

We are currently in the most active hiring market that has ever existed within private markets, and demand is coming from both existing and new funds. Activity includes the following:

- Most general partners are getting larger, adding new strategies and hiring more investment professionals.
- Given the robust fund-raising market, there are more spinout and first-time funds than ever before. There is significant hiring for these new groups, as well as replacement searches for existing funds.
- Foreign pensions and sovereign wealth funds, such as Caisse de dépôt et placement du Québec (CDPQ), Canada Pension Plan Investment Board (CPPIB), and Temasek, are hiring large numbers of direct equity professionals.
- Family offices and institutional investors are becoming more sophisticated and have increased hiring.
- European investment groups are creating or growing their US-based offices.
- Since 2016, managing directors/partners have taken on more than double the number of assignments they did in previous years.

Supply

Many candidates are interested in joining newly formed groups where they will receive a higher-ranking title and faster upward mobility. Other and related trends include the following:

- Vice president–level candidates receive one to four opportunities each week. They are therefore becoming more selective about new opportunities.
- Despite this selectivity, we are still witnessing unprecedented interest from high-quality investment professionals who are willing to consider moving from one firm to another.
- Additionally, we have seen many PE professionals who are willing to trade high current compensation and (perceived) unlimited upside at a traditional private equity fund for more moderate current compensation and capped upside at firms that have permanent capital with the ability to invest and not sell businesses for noneconomic reasons.
- We have also seen PE professionals move for lower compensation that better positions them for higher compensation in the long run.

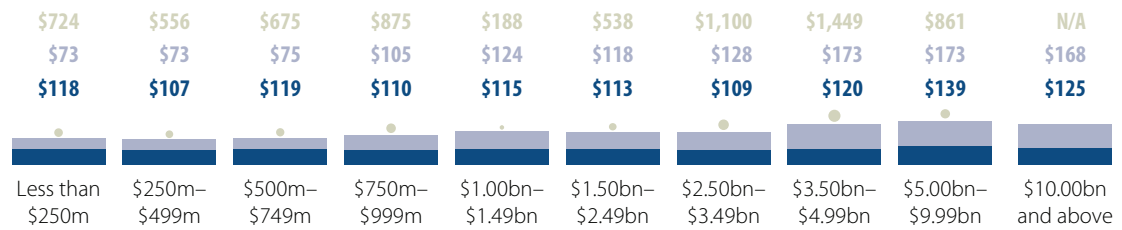
Other notable trends

Given the growth of intermediaries and the low cost of capital, finding an edge in sourcing transactions has become key. We have seen the following as it relates to hiring:

- PE firms are adding pure business development people, from relatively junior professionals to very senior professionals who will come in at the partner/managing director level.
- Firms are focusing on obtaining investment professionals who can source transactions, even at a fairly junior level.
- PE firms are also increasingly requesting to see a flow of industry executives who can be helpful in either stimulating deal flow, understanding a particular industry or company, or serving as the expert in the room at deal closing.
- Furthermore, given the challenges in finding proprietary deals and the increase in deal multiples, PE firms have been more focused on hiring operating executives who can help with diligence, post-acquisition plans, and portfolio management.

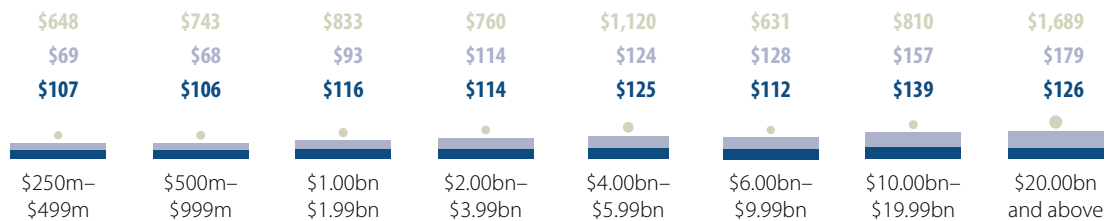
Average base, bonus, and carry: Associate/senior associate

By most recent fund

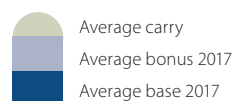


	Number of respondents									
Carry	5	8	8	4	4	6	1	3	9	N/A
Salary	8	30	26	18	17	16	12	7	21	3

By AUM

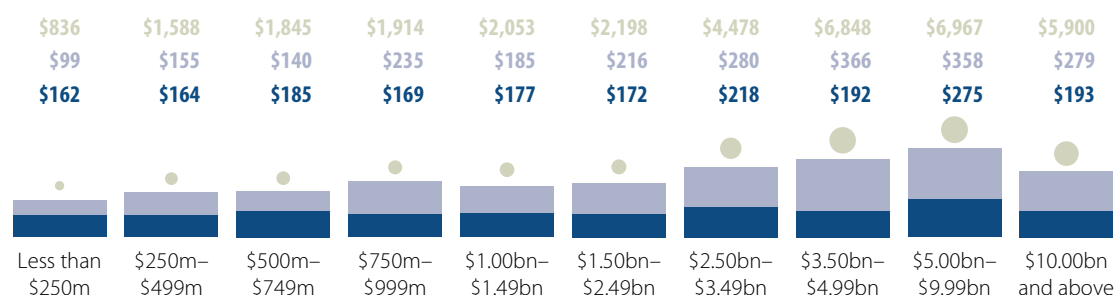


	Number of respondents							
Carry	6	4	10	10	2	4	6	7
Salary	16	17	33	37	11	14	15	14



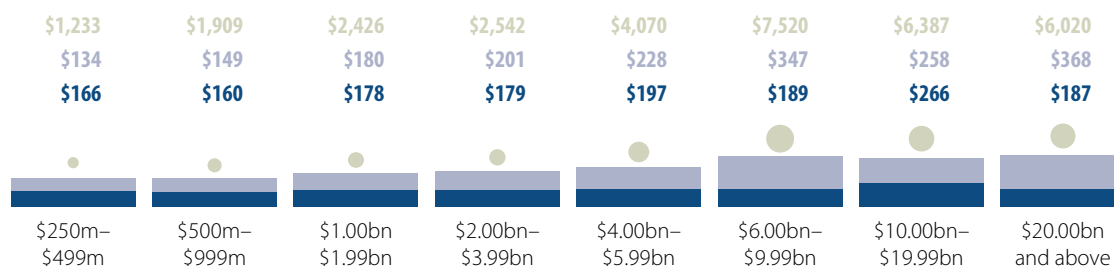
Average base, bonus, and carry: Vice president

By most recent fund

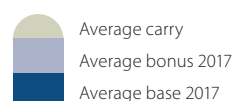


	Number of respondents									
Carry	8	23	26	22	24	13	10	7	6	5
Salary	11	25	29	22	25	14	10	7	8	6

By AUM

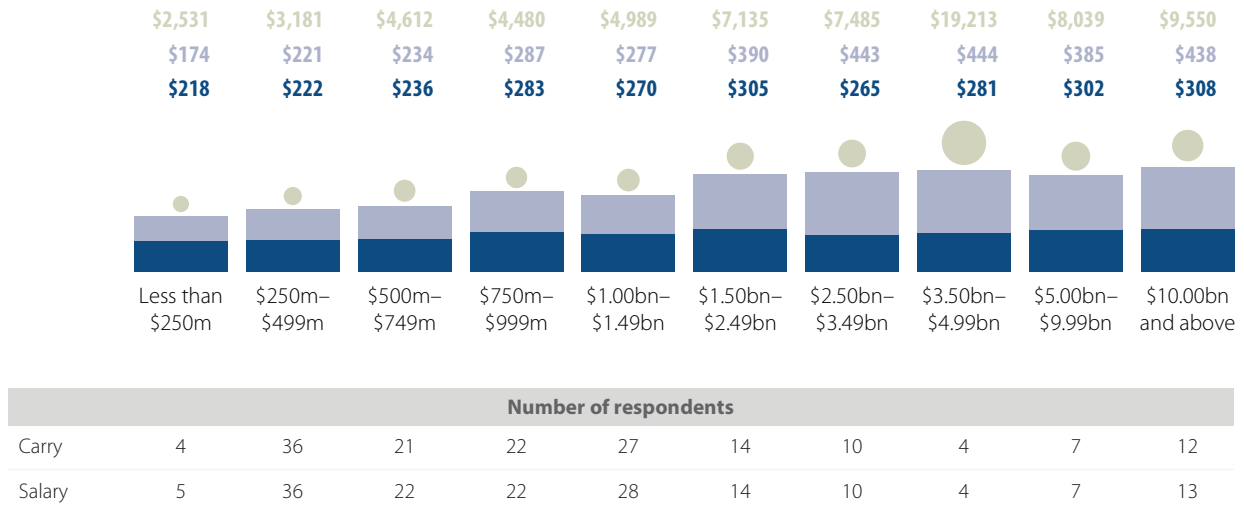


	Number of respondents							
Carry	14	18	42	34	11	5	10	9
Salary	14	22	44	37	11	5	11	11

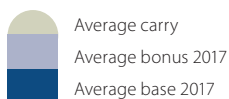
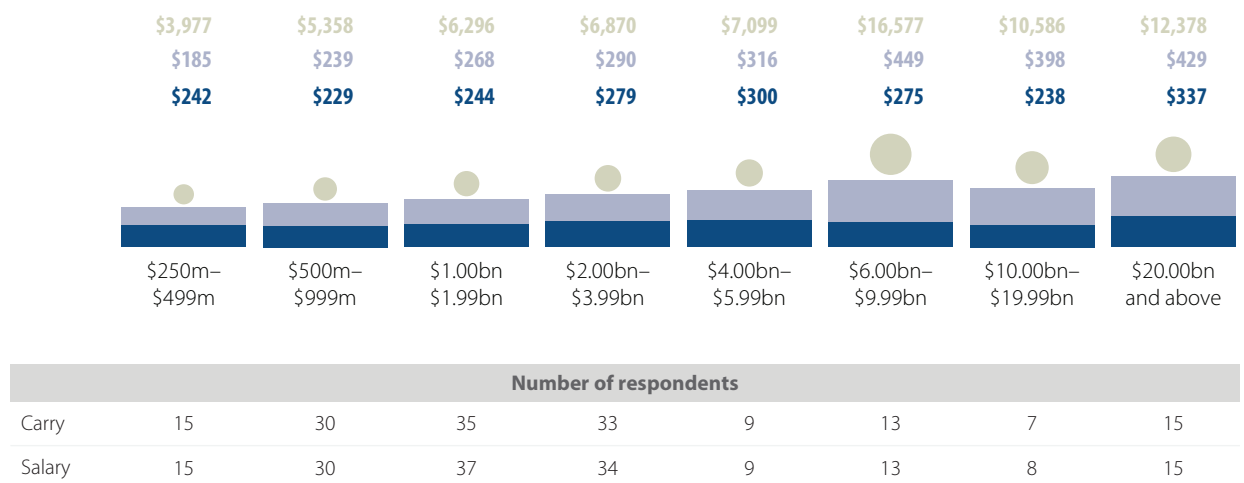


Average base, bonus, and carry: Principal

By most recent fund

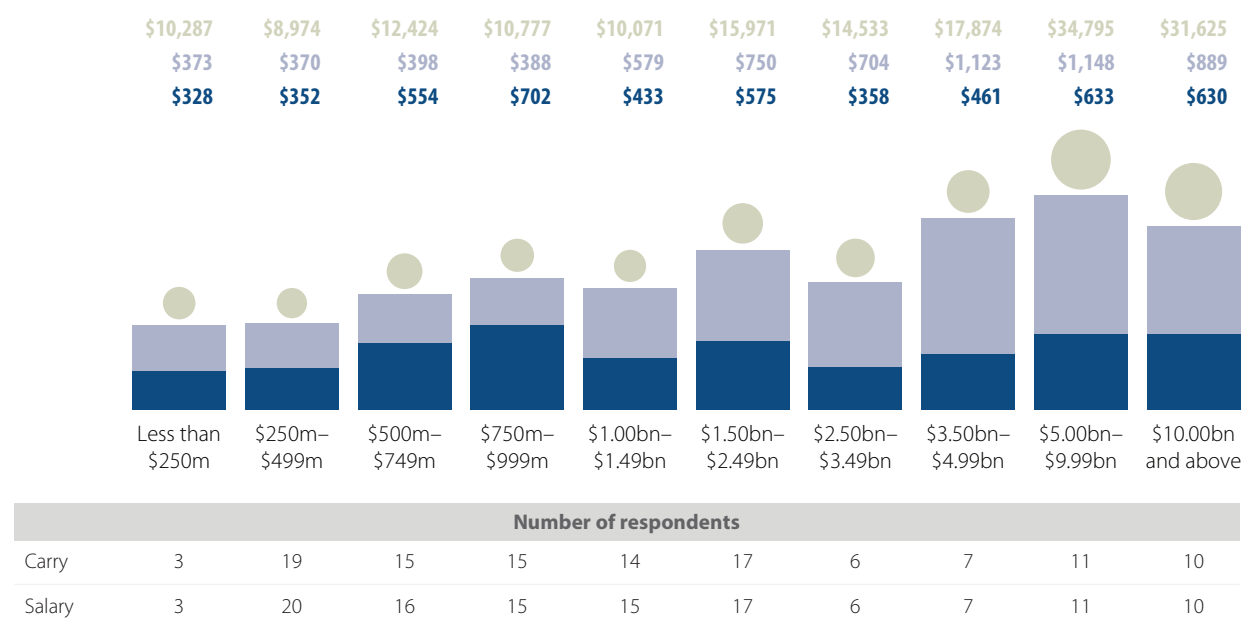


By AUM

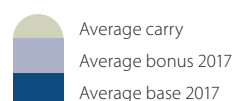
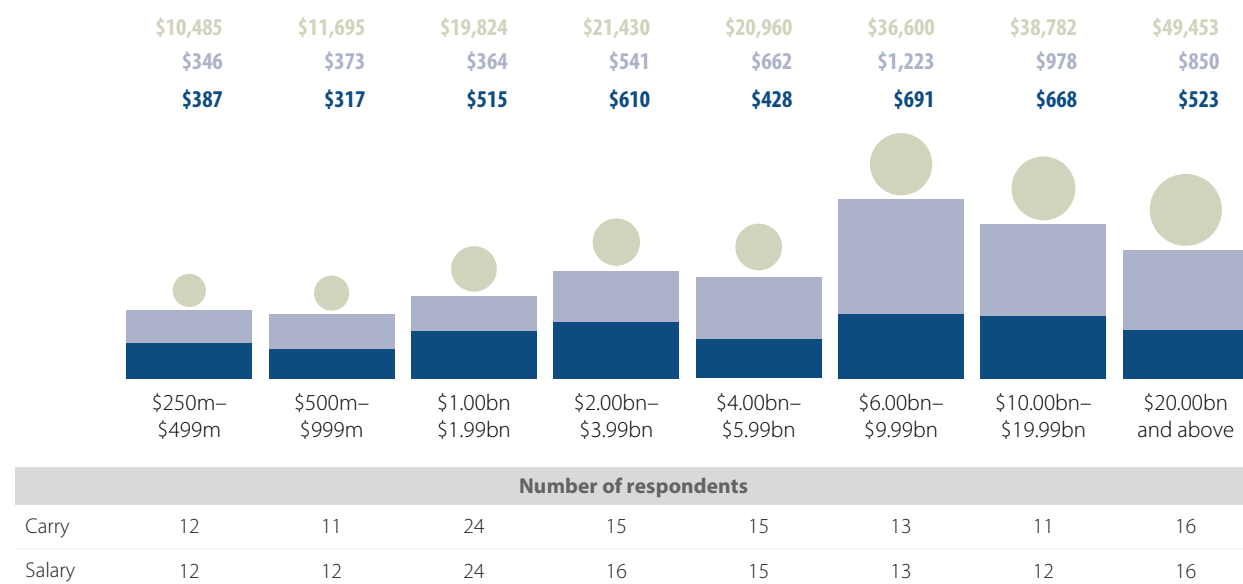


Average base, bonus, and carry: Partner/managing director

By most recent fund

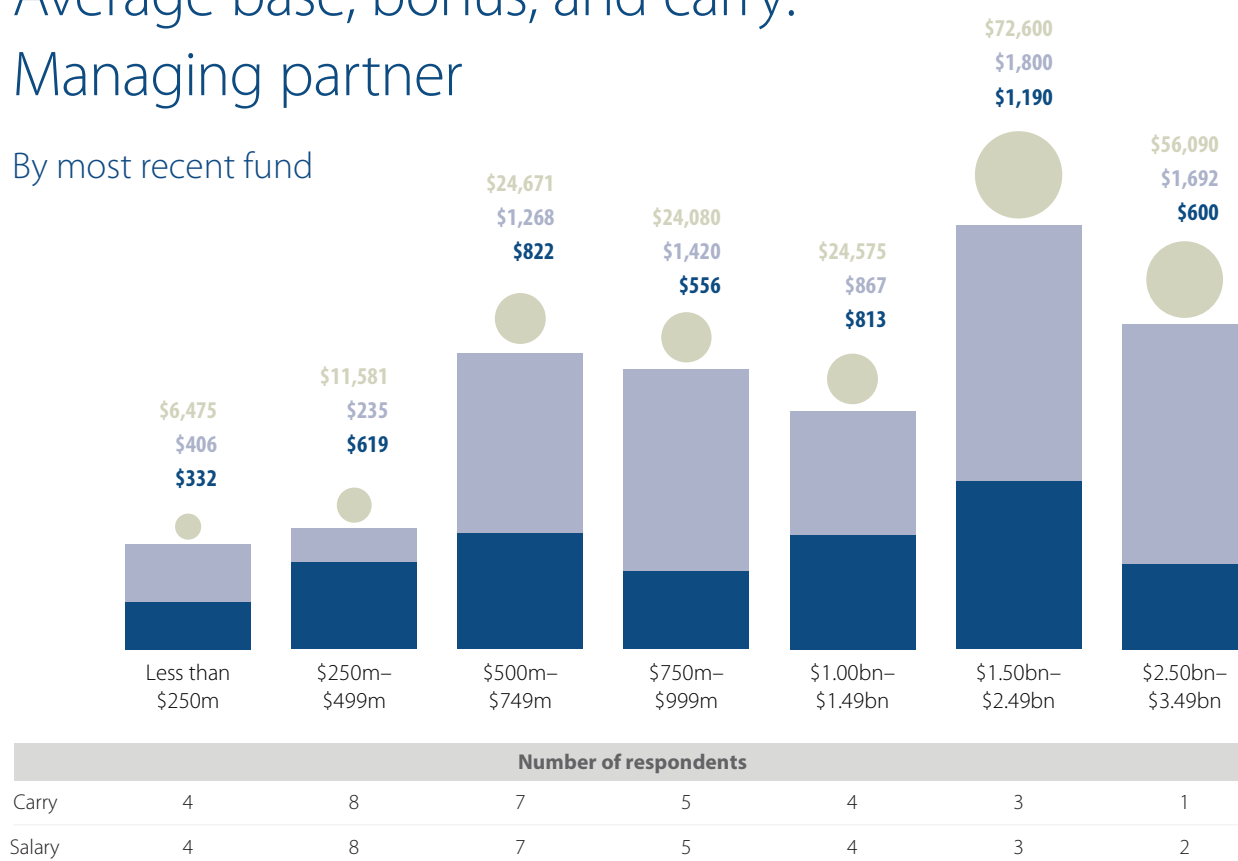


By AUM

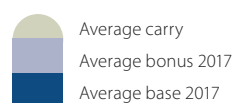
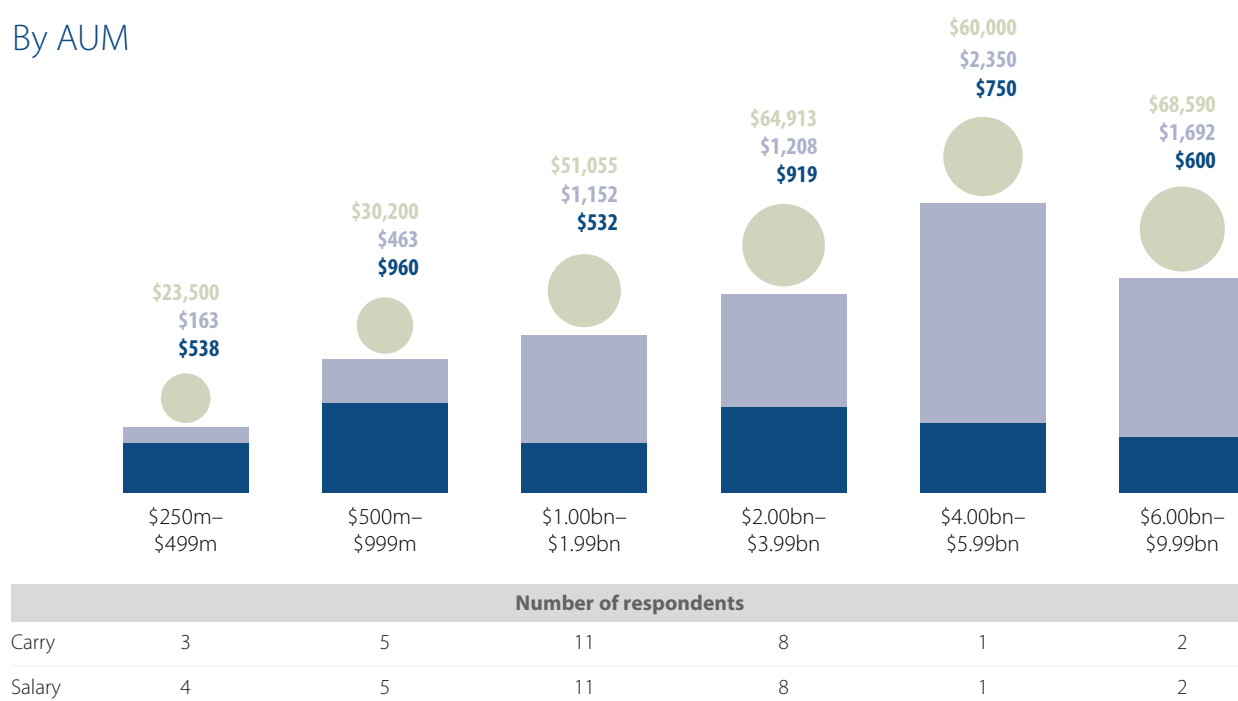


Average base, bonus, and carry: Managing partner

By most recent fund



By AUM



Base, bonus, and carry by AUM

\$250m–\$499m

	Associate/senior associate	Vice president	Principal	Partner/managing director	Managing partner
Number of responses	16	14	15	12	4

	2016					2017					2018				
	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High
Base															
Associate/senior associate	70	90	99	110	125	73	95	107	125	130	85	104	114	125	140
Vice president	110	135	156	167	225	125	141	166	186	230	125	160	183	196	275
Principal	125	181	215	224	450	125	200	242	268	450	150	213	285	300	600
Partner/managing director	160	269	333	400	600	160	269	387	550	600	160	294	412	600	675
Managing partner	225	281	494	588	1,000	250	363	538	625	1,000	330	383	558	625	1,000
Bonus															
Associate/senior associate	15	50	60	75	100	10	60	69	82	100					
Vice president	60	87	112	120	265	75	98	134	143	320					
Principal	30	100	149	194	275	100	106	185	245	400					
Partner/managing director	75	115	232	256	700	120	200	346	365	1,100					
Managing partner	100	131	163	194	225	100	131	163	194	225					
Total salary (base + bonus)															
Associate/senior associate	130	140	159	175	190	83	159	176	204	225					
Vice president	200	210	251	250	465	140	226	271	296	550					
Principal	185	300	365	420	550	225	333	415	485	600					
Partner/managing director	255	438	526	563	1,000	310	454	646	641	1,650					
Managing partner	300	413	575	663	1,000	400	456	619	700	1,000					

Carry (all funds)	Low	Lower quartile	Mean	Upper quartile	High
Associate/senior associate	350	500	648	875	1,040
Vice president	200	706	1,233	1,475	3,200
Principal	1,600	2,700	3,977	4,250	10,500
Partner/managing director	4,000	5,825	10,485	11,750	24,000
Managing partner	14,500	14,750	23,500	28,000	41,000

Base, bonus, and carry by AUM

\$500m–\$999m

	Associate/senior associate	Vice president	Principal	Partner/managing director	Managing partner
Number of responses	17	22	30	12	5

	2016					2017					2018				
	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High
Base															
Associate/senior associate	60	85	92	100	110	80	95	106	125	140	82	105	119	130	170
Vice president	85	128	155	188	225	100	143	160	175	225	100	150	168	200	230
Principal	118	175	207	200	750	125	186	229	225	750	133	200	253	288	750
Partner/managing director	125	250	288	294	500	125	250	317	388	550	175	250	333	425	550
Managing partner	400	500	760	800	1,500	400	600	960	1,000	2,000	400	600	1,060	1,000	2,500
Bonus															
Associate/senior associate	20	30	56	80	100	25	50	68	85	110					
Vice president	15	65	132	183	255	20	101	149	205	350					
Principal	50	108	198	253	415	50	125	239	347	650					
Partner/managing director	150	250	330	413	500	200	269	373	500	600					
Managing partner	150	175	283	350	500	150	188	463	625	1,000					
Total salary (base + bonus)															
Associate/senior associate	60	105	137	161	210	120	150	173	200	235					
Vice president	105	219	270	325	465	125	270	309	350	500					
Principal	198	300	399	451	1,000	270	334	460	545	1,400					
Partner/managing director	355	500	617	663	1,000	450	500	690	856	1,000					
Managing partner	400	500	930	1,000	2,000	750	900	1,330	1,000	3,000					

Carry (all funds)	Low	Lower quartile	Mean	Upper quartile	High
Associate/senior associate	170	418	743	1,125	1,200
Vice president	700	925	1,909	2,675	4,700
Principal	1,000	2,895	5,358	6,000	20,000
Partner/managing director	3,500	5,500	11,695	16,550	35,000
Managing partner	11,000	20,000	30,200	45,000	55,000

Base, bonus, and carry by AUM

\$1.00bn–\$1.99bn

	Associate/senior associate	Vice president	Principal	Partner/managing director	Managing partner
Number of responses	35	44	37	24	11

	2016					2017					2018				
	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High
Base															
Associate/senior associate	68	90	103	118	150	78	105	116	125	165	80	111	126	135	200
Vice president	98	125	162	185	275	100	150	178	200	300	100	171	196	220	325
Principal	135	180	230	250	500	150	200	244	263	500	150	210	268	275	500
Partner/managing director	200	323	456	500	1,300	200	373	515	600	1,300	200	396	542	675	1,300
Managing partner	240	275	531	600	1,500	240	275	532	600	1,500	240	300	556	600	1,500
Bonus															
Associate/senior associate	25	60	79	98	160	28	70	93	110	200					
Vice president	48	125	165	200	475	48	119	180	222	550					
Principal	90	179	250	289	600	120	189	268	306	500					
Partner/managing director	100	188	348	450	900	100	219	364	463	900					
Managing partner	265	550	960	1,000	3,000	275	550	1,152	1,250	4,000					
Total salary (base + bonus)															
Associate/senior associate	60	158	175	206	280	70	177	206	225	330					
Vice president	110	263	316	363	625	180	300	358	415	700					
Principal	275	385	473	575	875	295	425	505	600	875					
Partner/managing director	365	500	732	900	1,900	365	575	818	1,000	1,900					
Managing partner	550	983	1,491	1,800	3,240	642	945	1,684	2,200	4,240					

Carry (all funds)	Low	Lower quartile	Mean	Upper quartile	High
Associate/senior associate	300	508	833	1,075	2,000
Vice president	250	1,500	2,426	2,925	8,000
Principal	1,000	3,975	6,296	8,220	19,800
Partner/managing director	6,400	13,350	19,824	25,000	45,900
Managing partner	10,000	30,000	51,055	68,500	120,000

Base, bonus, and carry by AUM

\$2.00bn–\$3.99bn

	Associate/senior associate	Vice president	Principal	Partner/managing director	Managing partner
Number of responses	38	37	34	16	8

	2016					2017					2018				
	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High
Base															
Associate/senior associate	60	90	104	111	150	70	100	114	125	250	75	100	119	125	250
Vice president	100	140	165	190	250	100	150	179	210	275	100	160	196	225	275
Principal	125	186	250	274	600	175	200	279	300	650	175	238	299	329	650
Partner/managing director	220	285	541	500	2,500	300	325	610	500	3,000	300	340	726	500	4,000
Managing partner	480	688	919	1,063	1,570	480	688	919	1,063	1,570	480	688	1,200	1,143	3,500
Bonus															
Associate/senior associate	25	95	115	135	305	25	80	114	135	305					
Vice president	50	135	173	200	325	50	150	201	225	350					
Principal	100	179	265	350	750	22	200	290	400	600					
Partner/managing director	225	331	506	563	1,250	130	375	541	650	1,050					
Managing partner	250	625	1,083	1,188	2,700	600	775	1,208	1,188	2,700					
Total salary (base + bonus)															
Associate/senior associate	65	180	213	243	455	110	200	228	250	455					
Vice president	130	273	333	388	500	240	323	380	425	525					
Principal	289	391	500	588	1,020	202	429	551	650	900					
Partner/managing director	500	661	920	869	2,500	500	645	973	1,000	3,000					
Managing partner	1,000	1,075	1,731	2,125	3,500	1,000	1,160	1,825	2,125	3,500					

Carry (all funds)	Low	Lower quartile	Mean	Upper quartile	High
Associate/senior associate	50	350	760	975	2,000
Vice president	750	1,500	2,542	3,350	9,000
Principal	1,800	4,100	6,870	8,300	13,650
Partner/managing director	8,000	14,200	21,430	25,000	45,000
Managing partner	30,000	34,925	64,913	54,100	212,000

Base, bonus, and carry by AUM

\$4.00bn–\$5.99bn

	Associate/senior associate					Vice president			Principal		Partner/managing director			Managing partner	
Number of responses	11					11			9		15			N/A	

	2016					2017					2018				
	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High
Base															
Associate/senior associate	90	100	119	125	195	95	100	125	133	225	100	108	135	140	245
Vice president	100	135	174	225	250	100	150	197	240	290	150	170	211	243	325
Principal	175	188	276	250	800	190	210	300	250	850	190	250	329	300	900
Partner/managing director	175	306	411	460	750	200	350	428	478	750	250	400	474	550	750
Managing partner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bonus															
Associate/senior associate	75	98	110	125	150	82	108	124	140	175					
Vice president	80	150	200	250	350	90	155	228	319	375					
Principal	175	196	273	306	450	190	241	316	350	550					
Partner/managing director	194	406	592	688	1,600	294	440	662	718	1,750					
Managing partner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A					
Total salary (base + bonus)															
Associate/senior associate	120	200	217	250	275	190	224	248	275	325					
Vice president	250	289	374	475	540	275	334	407	488	635					
Principal	350	375	519	550	800	380	460	581	600	850					
Partner/managing director	425	675	1,004	1,350	1,950	550	813	1,090	1,215	2,100					
Managing partner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A					

Carry (all funds)	Low	Lower quartile	Mean	Upper quartile	High
Associate/senior associate	300	710	1,120	1,530	1,940
Vice president	715	1,475	4,070	4,400	14,000
Principal	1,500	4,800	7,099	6,250	20,000
Partner/managing director	5,000	13,900	20,960	25,000	50,000
Managing partner	N/A	N/A	N/A	N/A	N/A

Base, bonus, and carry by AUM

\$6.00bn–\$9.99bn

	Associate/senior associate	Vice president	Principal	Partner/managing director	Managing partner
Number of responses	14	5	13	13	2

	2016					2017					2018				
	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High
Base															
Associate/senior associate	60	93	104	123	138	75	100	112	125	155	85	100	117	130	150
Vice president	125	150	170	200	200	150	172	189	200	225	175	200	204	220	225
Principal	150	185	268	300	480	175	225	275	325	400	175	250	303	375	450
Partner/ managing director	175	335	643	1,000	1,250	175	350	691	1,000	1,500	175	400	750	1,000	1,500
Managing partner	400	500	600	700	800	400	500	600	700	800	400	500	600	700	800
Bonus															
Associate/senior associate	20	99	113	145	150	25	96	128	161	185					
Vice president	150	175	278	240	600	175	275	347	300	700					
Principal	215	326	385	450	575	225	378	449	525	750					
Partner/ managing director	165	525	1,422	1,640	5,000	165	478	1,223	1,325	5,000					
Managing partner	1,000	1,380	1,761	2,141	2,521	1,000	1,346	1,692	2,037	2,383					
Total salary (base + bonus)															
Associate/senior associate	80	198	216	263	265	82	160	214	278	300					
Vice president	300	325	448	425	800	375	425	536	500	925					
Principal	430	600	653	750	900	450	650	723	800	1,000					
Partner/ managing director	525	1,000	1,847	1,600	6,000	575	1,000	1,726	2,000	6,000					
Managing partner	1,800	2,080	2,361	2,641	2,921	1,800	2,046	2,292	2,537	2,783					

Carry (all funds)	Low	Lower quartile	Mean	Upper quartile	High
Associate/senior associate	80	279	631	1,025	1,100
Vice president	2,400	3,600	7,520	10,000	11,600
Principal	5,700	8,600	16,577	16,700	49,000
Partner/managing director	8,500	15,600	36,600	35,400	125,000
Managing partner	62,180	65,385	68,590	71,795	75,000

Base, bonus, and carry by AUM

\$10.00bn–\$19.99bn

	Associate/senior associate	Vice president	Principal	Partner/managing director	Managing partner
Number of responses	14	11	9	12	N/A

	2016					2017					2018				
	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High
Base															
Associate/senior associate	95	108	126	147	150	103	125	139	145	175	105	133	145	157	200
Vice president	100	143	164	194	225	125	175	266	225	1,001	150	200	225	263	325
Principal	125	200	209	231	250	200	219	238	250	275	200	250	280	300	350
Partner/managing director	250	385	682	1,000	1,500	250	400	668	875	1,500	250	500	680	750	1,500
Managing partner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bonus															
Associate/senior associate	56	125	135	165	185	80	128	157	175	245					
Vice president	85	143	195	208	375	88	188	258	300	475					
Principal	200	313	347	400	475	250	350	398	421	550					
Partner/managing director	120	570	973	1,313	2,000	130	600	978	1,250	2,000					
Managing partner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A					
Total salary (base + bonus)															
Associate/senior associate	188	240	262	296	320	140	235	275	319	389					
Vice president	225	300	359	409	550	233	368	524	575	1,301					
Principal	450	494	556	600	675	500	619	636	659	750					
Partner/managing director	370	825	1,418	1,950	3,000	375	863	1,434	2,000	2,500					
Managing partner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A					

Carry (all funds)	Low	Lower quartile	Mean	Upper quartile	High
Associate/senior associate	100	450	810	1,000	1,700
Vice president	3,200	4,275	6,387	8,750	10,000
Principal	3,600	4,000	10,586	15,000	23,500
Partner/managing director	2,000	22,350	38,782	55,000	78,000
Managing partner	N/A	N/A	N/A	N/A	N/A

Base, bonus, and carry by AUM

\$20.00bn and above

	Associate/senior associate	Vice president	Principal	Partner/managing director	Managing partner
Number of responses	14	11	15	16	N/A

	2016					2017					2018				
	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High
Base															
Associate/senior associate	100	106	109	115	115	90	111	126	149	150	115	124	138	146	175
Vice president	100	155	179	194	275	125	152	187	213	275	150	163	205	225	275
Principal	175	263	312	350	450	175	293	337	400	475	225	310	361	425	500
Partner/managing director	190	250	484	513	1,250	200	269	523	563	1,500	225	275	556	600	1,500
Managing partner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bonus															
Associate/senior associate	60	138	158	198	200	75	150	179	200	300					
Vice president	95	250	279	320	425	120	305	368	423	600					
Principal	125	350	368	400	575	175	400	429	463	800					
Partner/managing director	300	540	817	1,080	1,700	440	600	850	1,025	1,350					
Managing partner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A					
Total salary (base + bonus)															
Associate/senior associate	175	189	249	300	315	150	279	293	319	430					
Vice president	170	400	430	495	700	245	493	555	658	750					
Principal	300	580	655	725	900	475	723	766	800	1,100					
Partner/managing director	535	1,000	1,148	1,275	2,100	640	1,079	1,213	1,350	1,625					
Managing partner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A					

Carry (all funds)	Low	Lower quartile	Mean	Upper quartile	High
Associate/senior associate	50	88	1,689	3,200	5,000
Vice president	450	2,650	6,020	8,000	17,000
Principal	5,000	8,700	12,378	15,000	21,600
Partner/managing director	1,000	15,750	49,453	70,000	175,000
Managing partner	N/A	N/A	N/A	N/A	N/A

Base, bonus, and carry by most recent fund

Less than \$250m

	Associate/senior associate					Vice president			Principal		Partner/managing director			Managing partner	
Number of responses	8					11			5		4			4	

	2016					2017					2018				
	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High
Base															
Associate/senior associate	85	92	111	125	150	95	100	118	127	160	100	109	125	127	175
Vice president	85	120	158	200	225	100	125	162	200	225	100	135	170	212	250
Principal	175	180	201	200	250	175	200	218	250	263	200	200	265	275	450
Partner/managing director	275	288	293	302	305	300	318	328	343	350	300	319	346	369	400
Managing partner	214	232	271	300	350	227	244	332	388	500	240	247	348	425	500
Bonus															
Associate/senior associate	30	46	63	70	125	33	58	72	81	135					
Vice president	60	99	143	186	220	25	57	99	128	200					
Principal	125	125	164	200	220	125	150	174	200	230					
Partner/managing director	75	213	375	525	700	120	310	373	500	500					
Managing partner	100	200	400	550	800	125	256	406	546	700					
Total salary (base + bonus)															
Associate/senior associate	135	145	174	171	275	150	162	191	206	295					
Vice president	200	210	254	305	350	125	190	234	275	355					
Principal	300	325	365	400	420	325	340	392	430	450					
Partner/managing director	380	503	668	812	1,000	455	628	702	825	850					
Managing partner	314	432	671	850	1,150	352	463	636	744	1,050					

Carry (most recent fund)	Low	Lower quartile	Mean	Upper quartile	High
Associate/senior associate	500	500	724	920	1,200
Vice president	200	500	836	964	2,000
Principal	1,225	1,881	2,531	3,350	3,500
Partner/managing director	3,360	7,930	10,287	13,750	15,000
Managing partner	4,000	4,000	6,475	7,725	11,400

Base, bonus, and carry by most recent fund

\$250m–\$499m

	Associate/senior associate	Vice president	Principal	Partner/managing director	Managing partner
Number of responses	30	25	36	20	8

	2016					2017					2018				
	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High
Base															
Associate/senior associate	60	88	97	109	125	73	95	107	125	140	82	105	118	130	170
Vice president	90	126	151	165	250	105	140	164	175	275	120	150	178	200	275
Principal	118	153	196	213	450	125	187	222	239	450	133	200	247	278	600
Partner/managing director	125	250	315	400	600	125	250	352	500	600	160	250	397	525	825
Managing partner	225	375	534	650	1,000	250	400	619	850	1,000	330	400	629	850	1,000
Bonus															
Associate/senior associate	15	46	62	80	150	10	60	73	85	180					
Vice president	15	73	125	150	265	20	95	155	210	350					
Principal	30	104	193	234	500	50	120	221	267	500					
Partner/managing director	75	200	274	319	500	150	225	370	450	1,100					
Managing partner	100	138	169	206	225	100	150	235	225	500					
Total salary (base + bonus)															
Associate/senior associate	80	140	159	183	240	70	151	176	202	280					
Vice president	105	240	276	319	465	125	260	319	350	550					
Principal	185	300	388	449	875	225	341	437	508	875					
Partner/managing director	255	450	561	613	1,000	310	488	667	720	1,650					
Managing partner	300	438	619	813	1,000	400	569	766	1,000	1,000					

Carry (most recent fund)	Low	Lower quartile	Mean	Upper quartile	High
Associate/senior associate	170	463	556	600	1,200
Vice president	250	900	1,588	2,065	3,600
Principal	250	2,000	3,181	3,925	10,500
Partner/managing director	1,800	4,500	8,974	11,055	24,000
Managing partner	3,450	8,100	11,581	15,250	23,400

Base, bonus, and carry by most recent fund

\$500m–\$749m

	Associate/senior associate	Vice president	Principal	Partner/managing director	Managing partner
Number of responses	27	29	22	16	7

	2016					2017					2018				
	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High
Base															
Associate/senior associate	68	85	103	110	195	78	100	119	125	225	80	110	125	125	245
Vice president	100	150	175	200	275	100	150	185	225	300	100	160	204	250	325
Principal	135	175	223	250	450	150	200	236	254	450	175	214	278	300	500
Partner/managing director	250	358	493	488	1,300	300	400	554	550	1,300	300	400	597	688	1,300
Managing partner	240	400	749	1,050	1,500	240	408	822	1,050	2,000	240	413	931	1,175	2,500
Bonus															
Associate/senior associate	25	51	65	81	130	25	55	75	95	165					
Vice president	48	79	133	176	250	48	90	140	190	250					
Principal	50	147	209	239	600	100	173	234	300	400					
Partner/managing director	100	150	373	613	900	100	169	398	613	1,000					
Managing partner	265	500	1,052	1,250	3,000	275	550	1,268	1,250	4,000					
Total salary (base + bonus)															
Associate/senior associate	60	103	149	183	270	105	165	191	209	330					
Vice president	120	269	301	350	430	180	275	325	390	500					
Principal	275	330	413	444	775	300	391	449	500	650					
Partner/managing director	365	494	804	1,013	1,900	365	556	884	1,013	2,050					
Managing partner	750	1,008	1,801	2,300	3,240	750	1,020	2,090	2,750	4,240					

Carry (most recent fund)	Low	Lower quartile	Mean	Upper quartile	High
Associate/senior associate	50	188	675	850	2,000
Vice president	400	1,125	1,845	2,400	4,200
Principal	1,000	3,200	4,612	5,700	13,000
Partner/managing director	5,000	8,750	12,424	15,000	23,800
Managing partner	7,500	11,600	24,671	34,500	45,000

Base, bonus, and carry by most recent fund

\$750m–\$999m

	Associate/senior associate	Vice president	Principal	Partner/managing director	Managing partner
Number of responses	18	22	22	15	5

	2016					2017					2018				
	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High
Base															
Associate/senior associate	75	90	98	110	125	85	100	110	124	140	100	101	118	129	150
Vice president	100	136	158	180	250	100	150	169	198	250	100	164	184	200	250
Principal	150	196	271	269	750	150	200	283	275	750	150	216	305	344	750
Partner/managing director	220	250	634	750	2,500	225	289	702	713	3,000	250	308	763	588	4,000
Managing partner	300	480	556	700	800	300	480	556	700	800	350	480	546	600	800
Bonus															
Associate/senior associate	45	90	100	110	160	55	86	106	119	160					
Vice president	90	150	212	250	475	100	156	235	275	550					
Principal	100	180	233	275	470	120	185	287	350	650					
Partner/managing director	165	250	359	406	620	165	250	388	519	670					
Managing partner	700	700	1,200	1,000	2,700	700	700	1,420	2,000	2,700					
Total salary (base + bonus)															
Associate/senior associate	120	180	198	220	280	165	196	216	235	300					
Vice president	110	274	344	406	625	275	343	404	448	700					
Principal	275	376	493	569	1,000	295	415	557	600	1,400					
Partner/managing director	500	650	921	975	2,500	500	750	1,033	1,000	3,000					
Managing partner	1,180	1,200	1,756	1,500	3,500	1,180	1,400	1,976	2,300	3,500					

Carry (most recent fund)	Low	Lower quartile	Mean	Upper quartile	High
Associate/senior associate	600	825	875	1,000	1,000
Vice president	500	1,125	1,914	2,288	4,500
Principal	1,000	3,050	4,500	6,053	9,000
Partner/managing director	4,500	7,750	10,777	13,200	25,000
Managing partner	10,000	10,000	24,080	36,000	44,000

Base, bonus, and carry by most recent fund

\$1.00bn–\$1.49bn

	Associate/senior associate					Vice president			Principal		Partner/managing director			Managing partner	
Number of responses	18					25			28		15			4	

	2016					2017					2018				
	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High
Base															
Associate/senior associate	90	100	109	125	130	95	100	115	130	150	100	105	126	138	200
Vice president	100	128	157	179	250	110	150	177	200	260	125	160	191	225	266
Principal	125	185	232	255	600	175	208	270	300	650	175	236	284	303	650
Partner/managing director	175	284	389	438	800	200	300	433	500	1,000	250	306	447	500	1,000
Managing partner	500	688	813	1,000	1,000	500	688	813	1,000	1,000	500	688	813	1,000	1,000
Bonus															
Associate/senior associate	75	100	110	125	150	75	105	124	125	200					
Vice president	65	129	154	200	240	90	150	185	225	300					
Principal	100	199	273	325	750	22	225	277	325	600					
Partner/managing director	194	373	535	550	1,600	294	395	579	615	1,750					
Managing partner	250	425	617	800	1,000	600	800	867	1,000	1,000					
Total salary (base + bonus)															
Associate/senior associate	165	200	219	231	280	195	220	239	250	330					
Vice president	200	269	311	343	425	260	323	362	405	515					
Principal	289	390	495	581	1,020	202	440	537	600	900					
Partner/managing director	375	518	781	842	1,950	500	652	857	975	2,100					
Managing partner	1,000	1,000	1,275	1,325	2,000	1,000	1,075	1,463	1,813	2,000					

Carry (most recent fund)	Low	Lower quartile	Mean	Upper quartile	High
Associate/senior associate	50	88	188	300	300
Vice president	800	1,438	2,053	2,763	4,950
Principal	1,875	3,300	4,989	5,800	14,400
Partner/managing director	5,000	6,250	10,071	10,225	30,000
Managing partner	21,300	21,825	24,575	27,250	28,000

Base, bonus, and carry by most recent fund

\$1.50bn–\$2.49bn

	Associate/senior associate	Vice president	Principal	Partner/managing director	Managing partner
Number of responses	16	14	14	17	3

	2016					2017					2018				
	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High
Base															
Associate/senior associate	60	89	101	116	150	70	99	113	116	250	75	100	121	129	250
Vice president	105	139	163	175	250	115	150	172	200	250	150	175	191	215	250
Principal	175	206	285	280	800	200	250	305	288	850	225	250	331	311	900
Partner/managing director	250	381	541	700	1,250	250	400	575	700	1,312	250	406	633	700	1,378
Managing partner	750	1,000	1,190	1,410	1,570	750	1,000	1,190	1,410	1,570	750	1,160	1,940	2,535	3,500
Bonus															
Associate/senior associate	25	95	102	119	150	25	95	118	140	230					
Vice president	85	120	180	238	300	88	146	216	271	350					
Principal	208	300	344	400	475	240	350	390	450	525					
Partner/managing director	225	294	897	825	3,800	130	370	750	863	2,010					
Managing partner	1,250	1,525	1,800	2,075	2,350	1,250	1,525	1,800	2,075	2,350					
Total salary (base + bonus)															
Associate/senior associate	65	146	186	240	265	110	198	230	271	330					
Vice president	130	251	328	419	500	233	300	376	444	525					
Principal	438	550	605	656	800	500	600	668	744	850					
Partner/managing director	525	806	1,326	1,408	4,500	500	830	1,193	1,312	2,430					
Managing partner	1,570	2,035	2,390	2,800	3,100	1,570	2,035	2,390	2,800	3,100					

Carry (most recent fund)	Low	Lower quartile	Mean	Upper quartile	High
Associate/senior associate	80	425	538	688	1,000
Vice president	475	900	2,198	2,400	8,000
Principal	3,840	5,438	7,135	8,225	10,500
Partner/managing director	2,700	9,000	15,971	20,000	40,000
Managing partner	44,800	44,900	72,600	86,500	128,000

Base, bonus, and carry by most recent fund

\$2.50bn–\$3.49bn

	Associate/senior associate					Vice president			Principal		Partner/managing director			Managing partner	
Number of responses	13					11			10		6			2	

	2016					2017					2018				
	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High
Base															
Associate/senior associate	60	100	102	114	125	75	100	109	123	140	85	109	120	131	150
Vice president	150	150	198	225	275	150	181	218	250	290	175	200	236	275	325
Principal	150	181	258	288	480	175	250	265	280	400	175	250	295	315	450
Partner/managing director	200	263	333	400	450	250	281	358	438	475	250	325	417	488	600
Managing partner	400	500	600	700	800	400	500	600	700	800	400	500	600	700	800
Bonus															
Associate/senior associate	20	118	118	148	157	25	107	128	154	200					
Vice president	150	180	248	300	425	150	210	280	334	425					
Principal	200	313	367	443	525	250	363	443	533	750					
Partner/managing director	275	456	675	900	1,250	300	544	704	938	1,150					
Managing partner	1,000	1,380	1,761	2,141	2,521	1,000	1,346	1,692	2,037	2,383					
Total salary (base + bonus)															
Associate/senior associate	80	233	219	250	267	82	159	219	277	325					
Vice president	300	355	446	500	700	350	385	497	550	700					
Principal	375	563	625	694	900	460	651	708	800	1,000					
Partner/managing director	525	794	1,008	1,150	1,700	575	869	1,063	1,319	1,500					
Managing partner	1,800	2,080	2,361	2,641	2,921	1,800	2,046	2,292	2,537	2,783					

Carry (most recent fund)	Low	Lower quartile	Mean	Upper quartile	High
Associate/senior associate*	N/A	N/A	N/A	N/A	N/A
Vice president	2,000	3,300	4,478	4,750	12,000
Principal	3,000	5,025	7,485	9,750	12,700
Partner/managing director	4,500	13,375	14,533	16,650	21,000
Managing partner	50,000	53,045	56,090	59,135	62,180

*Only 1 associate/senior associate out of 13 reported carry, and it was \$1.1m.

Base, bonus, and carry by most recent fund

\$3.50bn–\$4.99bn

	Associate/senior associate					Vice president			Principal		Partner/managing director			Managing partner	
Number of responses	7					7			4		7			N/A	

	2016					2017					2018				
	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High
Base															
Associate/senior associate	110	114	126	135	150	95	108	120	130	150	100	110	124	138	150
Vice president	125	150	168	188	200	150	174	192	213	225	175	210	221	225	275
Principal	175	213	263	313	350	175	213	281	344	400	175	269	313	381	400
Partner/managing director	175	256	450	500	1,000	175	275	461	500	1,000	175	500	525	500	1,000
Managing partner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bonus															
Associate/senior associate	130	134	190	219	305	95	124	173	209	305					
Vice president	150	193	296	350	600	175	263	366	438	700					
Principal	300	319	388	406	575	325	381	444	463	650					
Partner/managing director	375	663	1,005	1,188	2,000	600	757	1,123	1,375	2,000					
Managing partner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A					
Total salary (base + bonus)															
Associate/senior associate	250	258	316	339	455	100	215	269	323	455					
Vice president	300	345	464	525	800	350	441	558	638	925					
Principal	550	588	650	713	750	625	644	725	806	825					
Partner/managing director	650	857	1,455	1,938	2,500	850	994	1,584	2,000	2,500					
Managing partner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A					

Carry (most recent fund)	Low	Lower quartile	Mean	Upper quartile	High
Associate/senior associate*	346	1,173	1,449	2,000	2,000
Vice president	4,033	4,900	6,848	9,300	10,000
Principal	7,500	13,688	19,213	26,200	28,000
Partner/managing director	3,000	11,060	17,874	18,750	45,000
Managing partner	N/A	N/A	N/A	N/A	N/A

*Only 3 associates/senior associates out of 7 received carry.

Base, bonus, and carry by most recent fund

\$5.00bn–\$9.99bn

	Associate/senior associate					Vice president			Principal		Partner/managing director			Managing partner	
Number of responses	21					8			7		11			N/A	

	2016					2017					2018				
	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High
Base															
Associate/senior associate	100	115	126	138	150	105	125	139	150	175	115	135	148	160	200
Vice president	100	130	155	175	200	125	150	275	206	1,001	150	150	206	225	325
Principal	175	218	280	325	400	190	253	302	350	420	190	273	323	375	450
Partner/managing director	250	388	613	800	1,500	250	388	633	800	1,500	250	388	665	838	1,500
Managing partner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bonus															
Associate/senior associate	56	125	143	179	200	80	140	173	189	300					
Vice president	125	170	249	318	325	160	275	358	419	600					
Principal	125	201	276	344	400	175	245	385	425	800					
Partner/managing director	120	600	1,231	1,438	5,000	130	525	1,148	1,106	5,000					
Managing partner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A					
Total salary (base + bonus)															
Associate/senior associate	175	233	261	300	320	150	265	296	325	430					
Vice president	250	320	404	493	500	325	509	633	675	1,301					
Principal	300	363	517	690	700	380	529	687	775	1,100					
Partner/managing director	370	875	1,731	1,850	6,000	375	1,005	1,676	1,800	6,000					
Managing partner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A					

Carry (most recent fund)	Low	Lower quartile	Mean	Upper quartile	High
Associate/senior associate	50	100	861	1,400	3,000
Vice president	450	1,923	3,307	4,075	8,000
Principal	3,000	4,500	8,039	10,888	15,000
Partner/managing director	3,250	19,000	34,795	35,000	125,000
Managing partner	N/A	N/A	N/A	N/A	N/A

Base, bonus, and carry by most recent fund

\$10.00bn and above

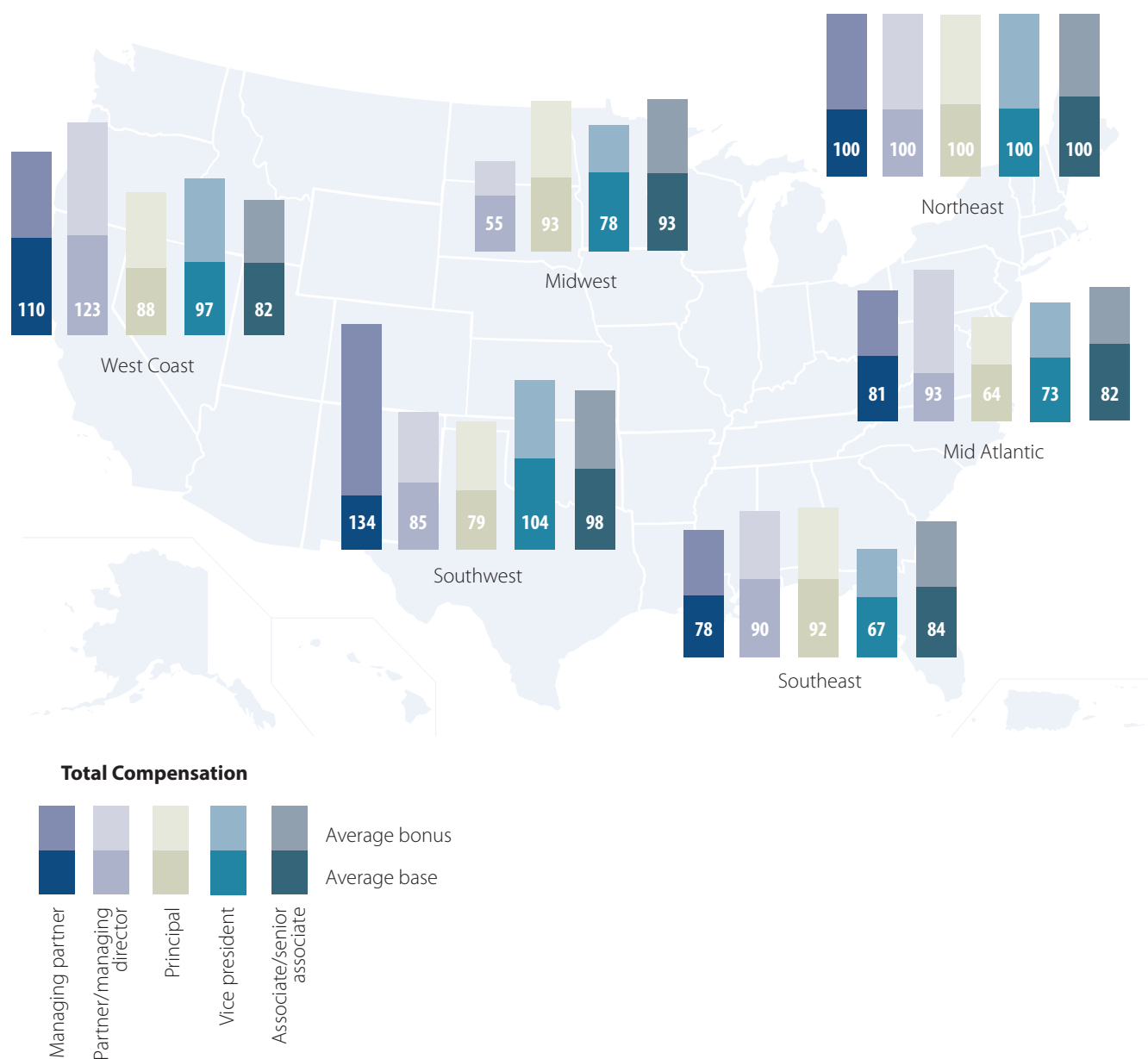
	Associate/senior associate	Vice president	Principal	Partner/managing director	Managing partner
Number of responses	3	6	13	10	N/A

	2016					2017					2018				
	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High	Low	Lower quartile	Mean	Upper quartile	High
Base															
Associate/senior associate	N/A	N/A	N/A	N/A	N/A	100	115	125	138	145	115	128	133	143	145
Vice president	125	150	175	200	230	150	160	192	219	245	153	184	211	244	250
Principal	175	200	288	350	450	175	200	308	400	475	200	250	338	425	500
Partner/managing director	200	256	571	888	1,250	225	275	630	900	1,500	225	275	653	900	1,500
Managing partner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bonus															
Associate/senior associate	N/A	N/A	N/A	N/A	N/A	145	153	168	180	200					
Vice president	75	169	198	254	265	120	256	279	305	420					
Principal	275	350	392	450	575	285	400	438	485	600					
Partner/managing director	500	570	806	1,028	1,100	500	700	889	1,013	1,350					
Managing partner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A					
Total salary (base + bonus)															
Associate/senior associate	N/A	N/A	N/A	N/A	N/A	290	290	293	295	300					
Vice president	170	200	333	400	495	270	452	471	496	665					
Principal	500	600	680	750	900	570	685	747	800	950					
Partner/managing director	900	1,013	1,136	1,238	1,355	1,000	1,119	1,253	1,294	1,625					
Managing partner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A					

Carry (most recent fund)	Low	Lower quartile	Mean	Upper quartile	High
Associate/senior associate	N/A	N/A	N/A	N/A	N/A
Vice president	3,500	4,000	5,900	6,000	12,000
Principal	3,000	4,825	9,550	13,500	17,600
Partner/managing director	1,000	17,625	31,625	40,000	70,000
Managing partner	N/A	N/A	N/A	N/A	N/A

Comparison of compensation across US regions

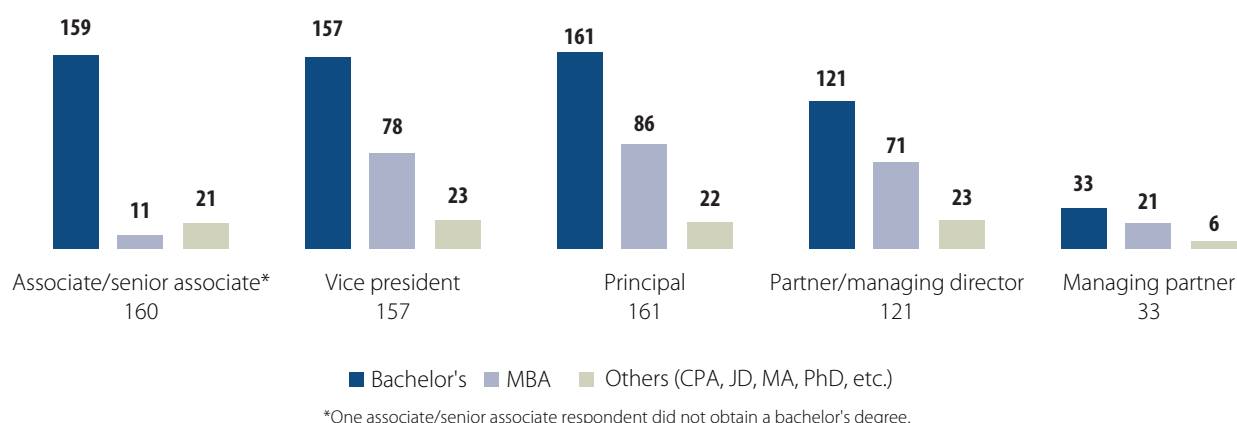
In general, investment professionals in the Northeast receive the highest total cash compensation as compared with other regions, followed by West Coast and Southwest investment professionals. This year, however, managing partners in the Southwest received 34% higher compensation than their Northeast counterparts, the highest recorded in the country. West Coast managing partners and partners/managing directors also received higher compensation than their counterparts in the Northeast (by 10% and 23%, respectively). The difference in the total cash compensation across regions is primarily due to varying costs of living across the United States.



Total compensation as it relates to the Northeast
Index: Northeast = 100

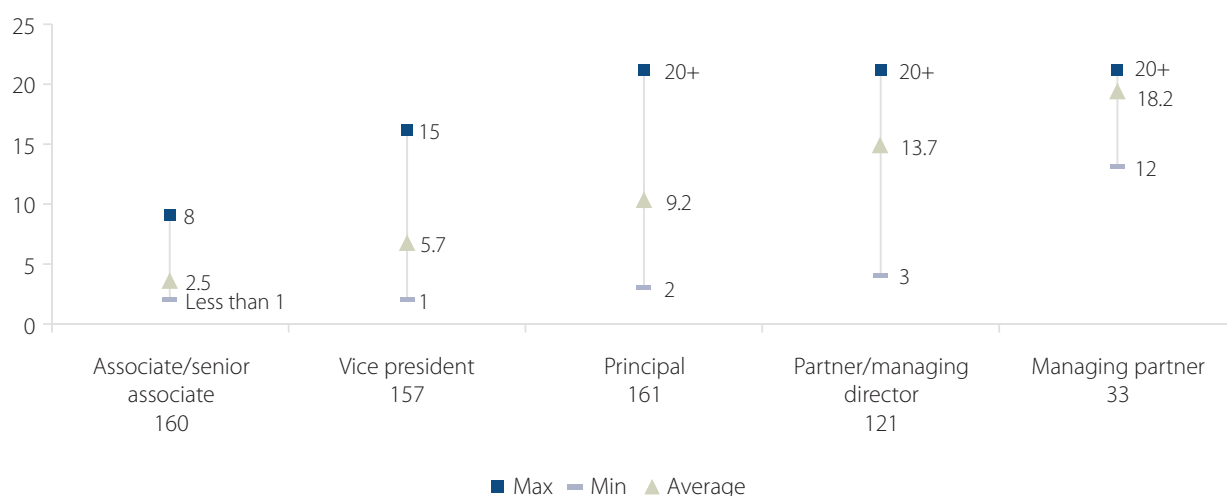
Education and years of private equity experience

Educational background of respondents



The respondents can be broadly classified under two categories: MBA and non-MBA. The percentage of MBAs directly correlates with the level of seniority, with 35% of the managing partners obtaining their MBA followed by 33%, 32%, 30%, and 6% of partners/managing directors, principals, vice presidents, and associates/senior associates, respectively.

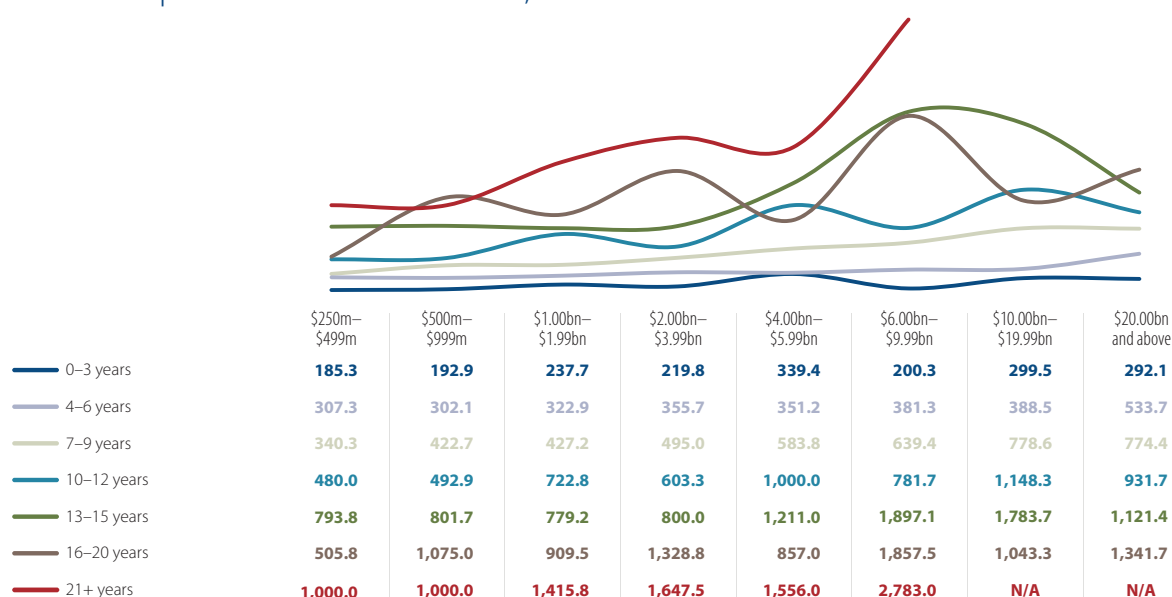
Years of private equity experience also directly correlates with professional level (that is, senior team members have more years of private equity experience). To join a firm as a partner/managing director or lower, a minimum of 2 to 3 years of private equity experience is required, with the average ranging from 2.5 years for associates/senior associates to 13.7 years for partners/managing directors. In order to become a managing partner, investment professionals should have at least 12 years of private equity experience, with the average being 18.2 years.



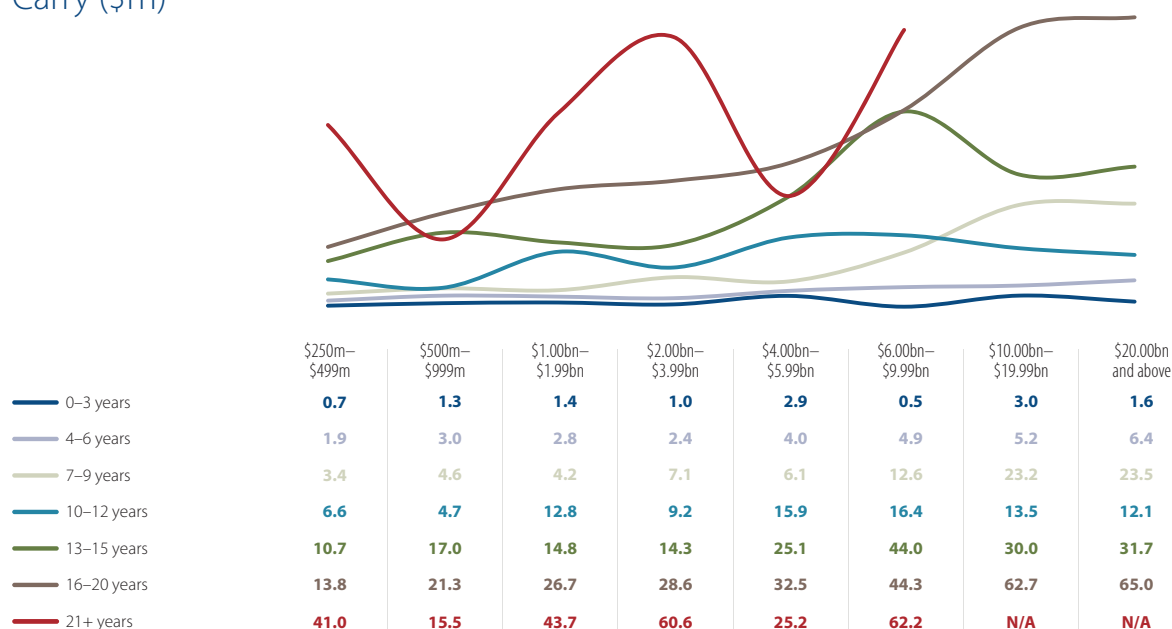
Years of private equity experience and compensation

The relationship between total cash compensation/carry and years of private equity experience by AUM is highly correlated to the years of private equity experience and also the AUM to some extent. That is, the more years of private equity experience and the higher the AUM, the higher the total cash compensation.

Total compensation: base + bonus, 2017



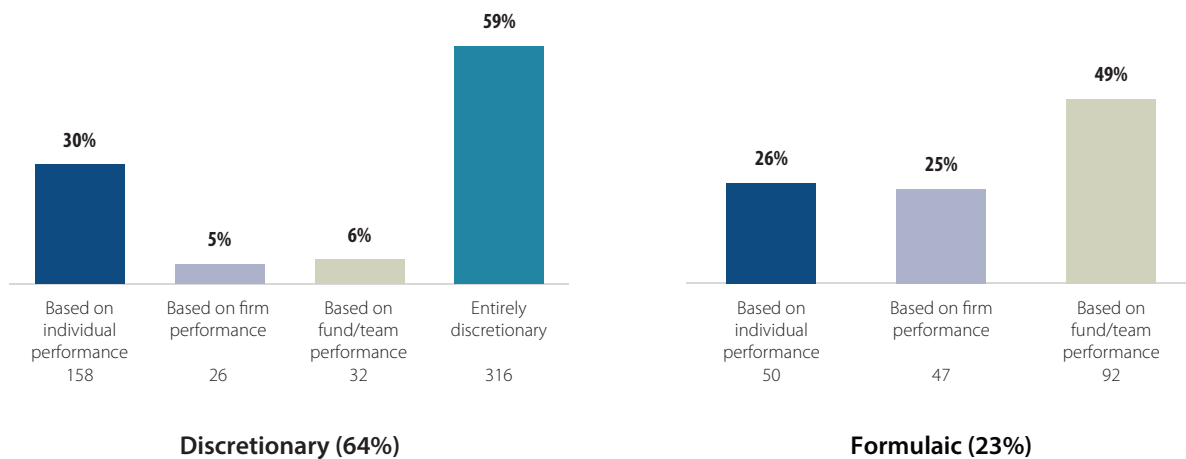
Carry (\$m)



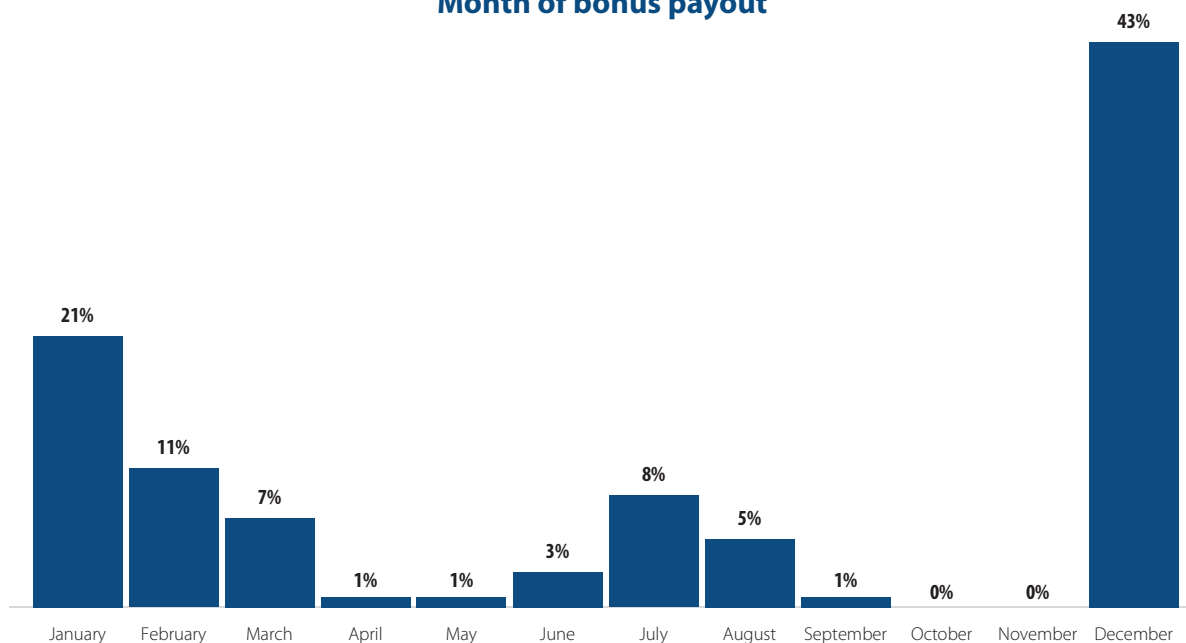
Annual bonus plan

About two-thirds (64%) of investment professionals receive a discretionary bonus. While the majority of these investment professionals have an entirely discretionary bonus, 30% have their discretionary bonus based on individual performance. An additional 23% of investment professionals receive a bonus that is based on the firm's formula, while 13% reported no bonus plan.

Annual bonus determinants



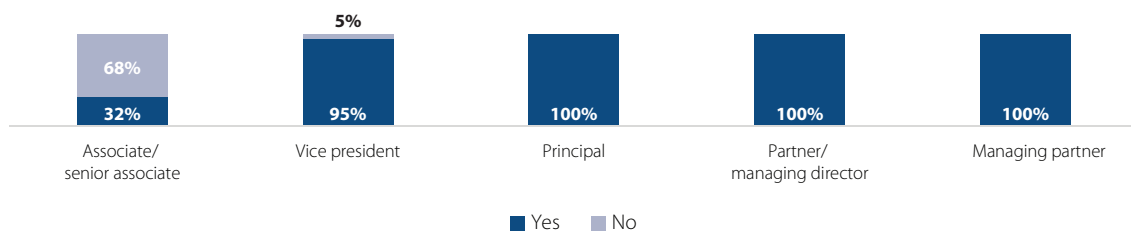
Month of bonus payout



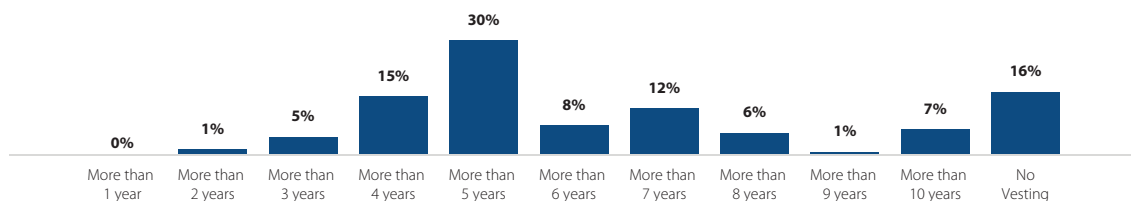
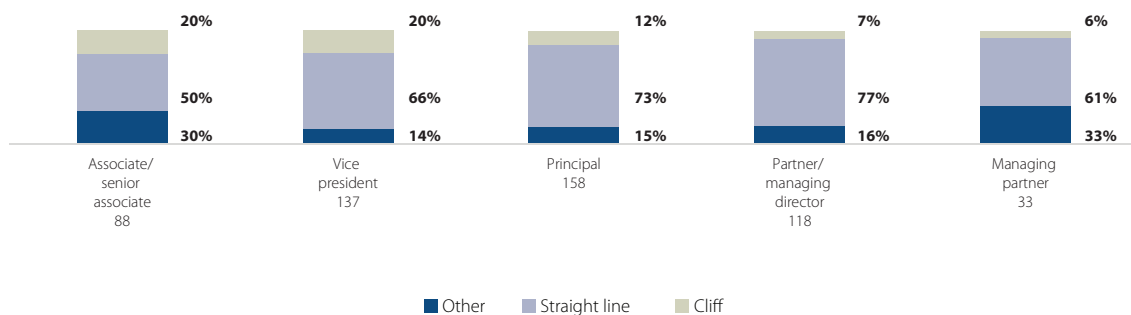
Carried interest provisions

More than two-thirds (68%) of investment professionals eligible for carried interest indicated that vesting is based on a straight line while 14% responded that their plan has a cliff vesting schedule. Other responses include time-based vesting, realization upon exit, or a mix with a partial straight line followed by a cliff. Approximately one-third (30%) of respondents reported that their carry vests for more than five years, whereas 16% have no carry vesting.

Do you receive carry?



Vesting schedule

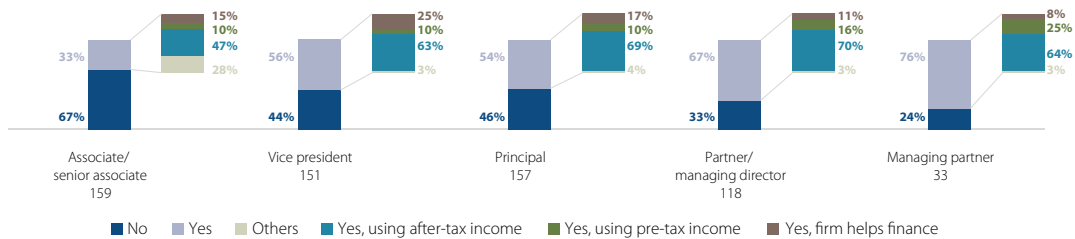


Carried interest provisions

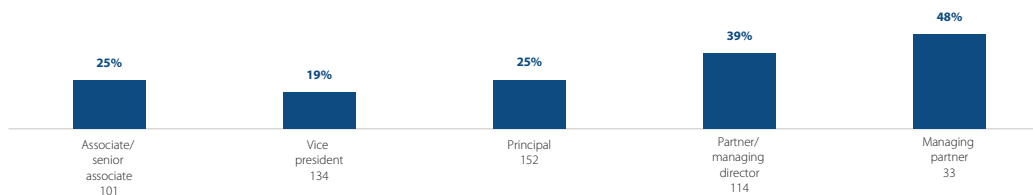
In general, senior investment professionals are more likely to be required to write a check or otherwise contribute capital toward their portion of carry. While 76% of managing partners are required to contribute capital, only 33% of associates/senior associates are expected to. Of those investment professionals who do contribute capital, 78% write a check using after-tax income.

The percentage of investment professionals whose carry is subject to clawback provisions in a bad leaver situation generally increases with seniority, and 48% of managing partners facing such provisions. In the case of an underperforming fund, more than half of respondents at the principal, partner/managing director, and managing partner levels have their carry subject to holdback as a reserve.

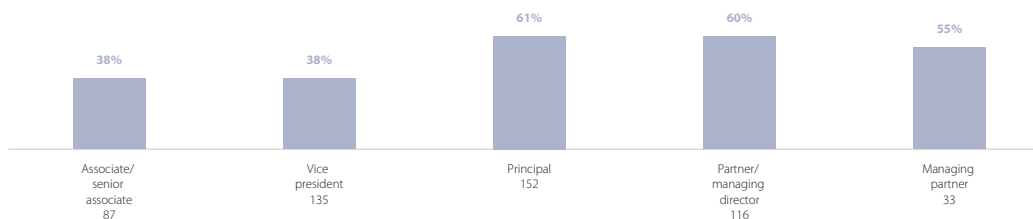
Do respondents contribute capital toward their portion of carry?*



Respondents whose carry is subject to clawback in bad leaver situation



Respondents with carry holdback as a reserve for potential fund underperformance

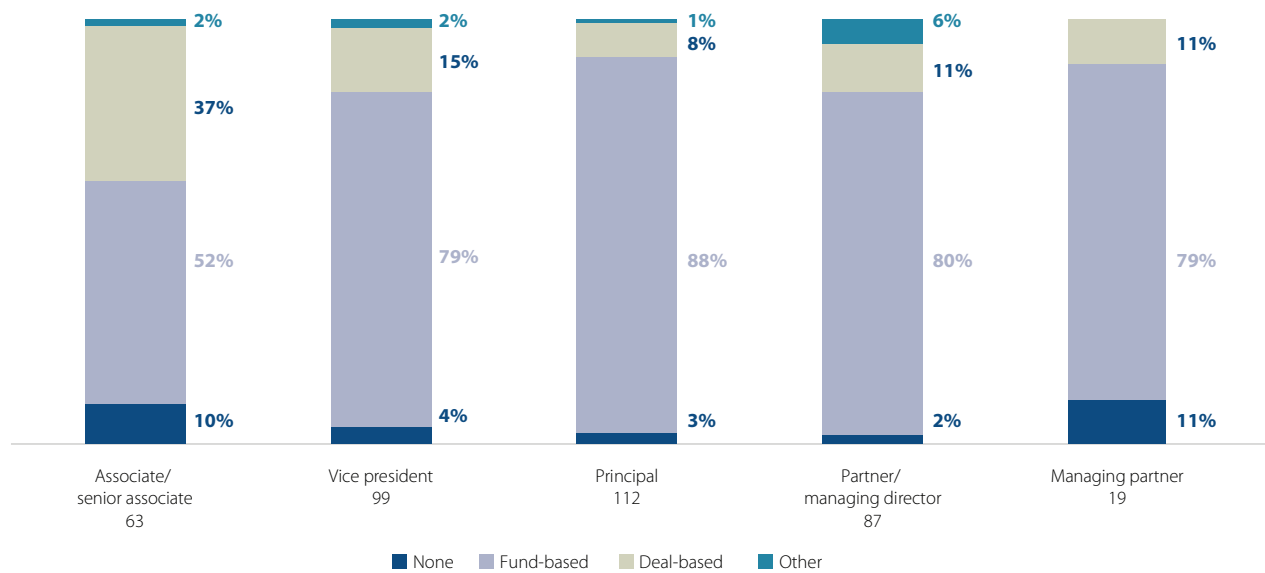


Coinvestment plan

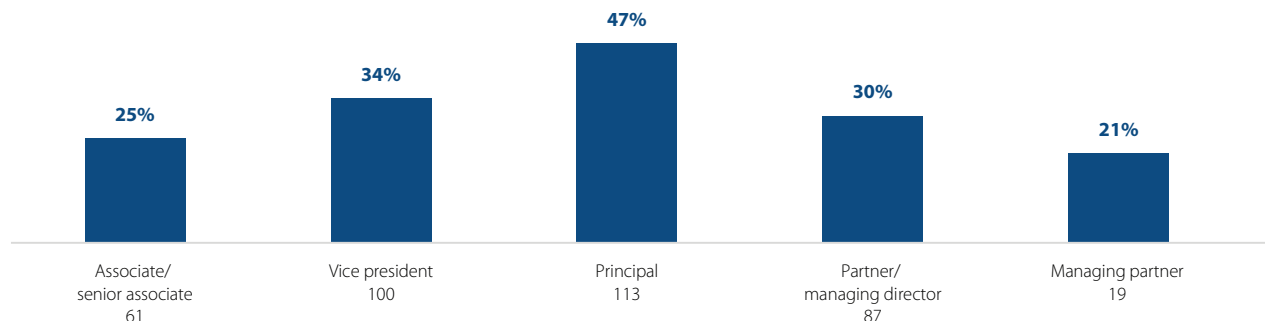
In addition to cash compensation and carry, many firms also offer their investment professionals an option to coinvest. On average, 65% of all survey respondents are eligible for coinvestment. For investment professionals who are eligible to participate, the majority of coinvestment rights are fund-based with little opportunity to cherry-pick deals.

Some private equity firms provide their investment professionals with loans to assist with coinvesting. However, fewer than half of survey respondents by level are provided leverage by their firms.

Coinvestment eligibility and rights*



Respondents provided with leverage on the dollars they invest



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