

Conditions Turn Favorable, But Winter May Be Coming

2017 Asset Management Compensation

December 5, 2017

Executive Summary:



After bracing for a coming chill, investment management professionals are instead enjoying an unexpectedly favorable climate in terms of year-end compensation. But make no mistake: Winter may be coming, so asset management firms and professionals should prepare.

The results of the 2017 Asset Management Compensation Study by Greenwich Associates and Johnson Associates reveal an industry benefiting from historically strong markets that are driving significant asset appreciation and AUM growth. These tailwinds have propped up and even inflated compensation for professionals at both traditional asset management organizations and hedge funds.

Methodology:

ABOUT THIS REPORT

In this report, Greenwich Associates and Johnson Associates present the key findings of their joint 2017 Asset Management Compensation Study. Results are based on data collected by Greenwich Associates through telephone and in-person interviews with more than 1,000 U.S.-based financial professionals in equity and fixed-income investor groups at investment management firms, mutual funds, hedge funds, banks, insurance companies, government agencies, and pensions and endowments, as well as users of foreign exchange at large corporations and financial institutions.

Armed with this self-reported data as a baseline, Johnson Associates uses proprietary information on compensation and other industry data to project compensation levels and trends for 2017. Johnson Associates actively monitors compensation trends and issues through intensive research and ongoing client assignments. In select areas, the self-reported information from investment professionals may not necessarily align directly with overall market trends. Some of these variances can be explained by different sample sets of professionals' year-over-year or specific circumstances related to individuals (transfers, new hires, promotions, change of job, etc.).

Contributors include Associate Director, Relationship Manager Will Llamas from Greenwich Associates and Managing Director Francine McKenzie from Johnson Associates.



The data reported in this document reflect solely the views reported to Greenwich Associates by the research participants. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Greenwich Associates compiles the data received, conducts statistical analysis and reviews for presentation purposes in order to produce the final results. Unless otherwise indicated, any opinions or market observations made are strictly our own.

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