HEIDRICK & STRUGGLES

Trending: Private Equity Compensation Up in Asia; Succession Planning Lacking

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Heidrick & Struggles' Private Equity Compensation Survey Released

HONG KONG, April 19, 2016 /PRNewswire/ -- Heidrick & Struggles (NASDAQ: HSII), the premier provider of <u>executive search</u>, <u>leadership consulting</u> and <u>culture shaping</u>, today revealed the findings of its <u>Private Equity APAC Compensation Survey 2015/2016</u>.



Key trends and findings of the PE compensation study:

- Regional funds now solidly offer compensation on par with global fund platforms, allowing them to compete head-on for talent.
- The number and size of control transactions continues to grow, fueling an increased focus on value creation and the recruitment of operating professionals.
- Compensation is rising across the board, as it has in our 2015 and 2014 surveys, with growth most pronounced in junior execution professionals.
- There has been sustained growth in new fund initiatives as existing platforms broaden their offerings and new players enter the market with niche strategies. Key growth areas include credit & special situations, real assets, technology and early-stage investing.

Increasing and broadening demand from well-funded Limited Partners is attracting investment professionals from General Partners as these firms grow their exposure to direct private equity.

According to Asian Venture Capital Journal, private equity investment in the region topped US\$139 billion in 2015, a record total and up more than 50 percent from US\$92.5 billion in 2014.

"Asia Pacific's private equity is maturing at a rapid pace and the market for top talent is highly competitive. We are seeing sustained demand for experienced talent across different types of investment, especially those who excel at value creation, and are equipped with strong financial knowledge and experience in company-wide operations," said <u>Frazer Wilson, Managing Partner of Heidrick & Struggles' Financial Services Practice</u>, <u>Asia Pacific</u>.

"Another important finding this year is that succession planning within the PE sector in Asia is lacking. In many cases there just isn't a clear leadership pipeline for top executives," said <u>Michael Di Cicco, Heidrick & Struggles Partner and Head of the Private Equity and Real Estate practices in Asia</u> <u>Pacific</u>.

More than half of all Partners and Managing Directors surveyed said their funds do not have a succession plan in place for the leaders of their Asia fund platforms. The responses were similar for global funds with offices in Asia and regional funds whose headquarters are in the region. "Private

equity is a long-term business and generational change is a risk that funds need to address," said Di Cicco said.

In December of 2015, Heidrick & Struggles surveyed more than 200 executive leaders within the PE sector. As part of the survey, the firm collected data on compensation levels from 2013 to 2015, and recorded the expectations of respondents for 2016 bonuses and base salaries.

This is the third year in a row that Heidrick & Struggles conducted the APAC PE compensation survey.

Click here for the full Private Equity APAC Compensation Survey 2015/2016.

About Heidrick & Struggles

Heidrick & Struggles International, Inc. (NASDAQ: HSII) serves the executive talent and leadership needs of the world's top organizations as a premier provider of leadership consulting, culture shaping and senior-level executive search services. Heidrick & Struggles pioneered the profession of executive search more than 60 years ago. Today, the firm serves as a trusted advisor, providing integrated leadership solutions and helping its clients change the world, one leadership team at a time. <u>www.heidrick.com</u>

H&S Media Contacts:

 Karen Lau
 Lily Siu

 +852 2103 9329
 +852 2103 9339

 klau@heidrick.com
 lsiu@heidrick.com

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