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Heidrick & Struggles Latest Private Equity Fund Compensation Survey Indicates Positive Outlook

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Salaries, bonuses poised to grow amid increased private equity activity in Asia

Hong Kong, 13 March 2014 – [Heidrick & Struggles International, Inc.](#) (Nasdaq: HSII), the premier professional services firm focused on serving the leadership needs of top organizations globally, today announced the findings of its **Asia Private Equity Compensation Survey 2013/2014**. The study reveals that competition for private equity investment professional and operating partners will push up compensation levels throughout 2014. Having remained largely flat for years, both base salaries and bonuses are poised to increase at a time when both fundraising and deal activity are picking up across Asia.

In December, 2013, Heidrick & Struggles carried out its **Asia Private Equity Compensation Survey 2013/2014** and received input from 132 professionals from across the industry. Two thirds of the respondents were investment professionals. As part of the survey, Heidrick & Struggles collected data on compensation levels from 2011 to 2013 and recorded the expectations of respondents for 2013 bonuses and base salaries.

"We're seeing fairly broad optimism on compensation and that's mirroring overall growth trends in private equity, particularly in Southeast Asia", says [Michael Di Cicco](#), **Partner, and head of Private Equity for Heidrick & Struggles in Asia**.

After three years of virtually no change in base salaries and bonuses, industry professionals expect to see growth in their 2013 bonuses and 2014 base salaries. Sixty-six percent of the respondents took part in the Heidrick & Struggles Asia Private Equity Compensation Survey & Outlook expect higher base salaries in 2014 compared to 2013.

Both regional and global funds are more active this year. Regional funds are growing in size, scope and sophistication and can now compete with their global peers for the best talent. Funds are not only looking for investment professionals but also for operating partners that can add value to the companies in which they invest.

"Private equity funds in Asia have evolved in the last few years. They have expanded their range of investment products, investment strategies and investment geographies. Most funds are still run out of a handful of hubs such as Hong Kong, Shanghai, Beijing, Tokyo, Seoul or Mumbai but operations now reach every corner of the region", says [Harry O'Neill](#), **Managing Partner of the Financial Services Practice, Asia Pacific, Heidrick & Struggles**. "Private equity fund managers and investors are more sophisticated than ever before while corporates in Asia have a greater understanding of the private equity model and that is opening up new opportunities", he adds.

Some of the key findings include:

- Competition for private equity investment professionals is rising as successful regional players expand their range of investing products and grow large enough to compete with global funds for talent, both in terms of compensation and the opportunities they provide. This increased competition will push up compensation levels through 2014.
- A 66% majority of investment professionals surveyed expect an increase in base salary in 2014. Only 1% expects a decrease. At the same time, 35% of respondents expect an increase in their 2013 bonuses compared to 2012 while 62% expect no change. Top executives are most optimistic about the size of the bonuses they will receive for 2013 but two thirds of respondents said they don't expect their 2013 bonuses will change compared to 2012. A third anticipates an increase.
- Expectations for higher compensation go hand-in-hand with an uptick in activity among regional and global funds. Fundraising has become easier for most established funds as confidence builds that deal activity is strengthening across the region.
- Funds are not only competing for investment professionals but also for operating partners that can add value to investee companies.

Private equity professionals in Hong Kong reported the highest total compensation in the region, followed by Australia and Singapore, then China, India, Indonesia and South Korea. Compensation levels may vary across the region but activity is picking up almost everywhere. The largest U.S. and European funds no longer invest in Asia exclusively from their global pools exclusively but are more likely to raise Asia-focused funds and investment strategies have broadened geographically and now expand well beyond the traditional hubs.

The full Asia Private Equity Compensation Survey & Outlook 2013/2014 report is available [here](#).

About Heidrick & Struggles International, Inc.

Heidrick & Struggles International, Inc. (NASDAQ: HSII) is the premier provider of senior-level Executive Search, Culture Shaping and Leadership Consulting services. For 60 years, we have focused on quality service and built strong leadership teams through our relationships with clients and individuals worldwide. Today, Heidrick & Struggles' leadership experts operate from principal business centers in North America, Latin America, Europe and Asia Pacific. For more information about Heidrick & Struggles, please visit www.heidrick.com.

Media contacts:
Karen Lau Lily Siu
 +852 2103 9339

+852 2103 9329
klau@heidrick.com

lsiu@heidrick.com