

LUDGATE SEARCH | INSIGHTS

EUROPEAN INVESTMENT MANAGEMENT

COMPENSATION REVIEW

2021

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Ludgate Search provides executive search, diversity and inclusion advisory services to the Asset Management and Alternatives industry. Ana Maria Tuliak, Partner at Ludgate Search, specialises in C-suite and senior distribution mandates across EMEA.

EMEA Distribution

The executive search market in this space has been extremely buoyant across EMEA and our latest projects include building an EMEA Alternatives Distribution team at a top 20 global asset manager, and an European leadership team at a top 10 global asset manager.

Compensation Review

Across UK and EU leadership roles (Country Heads and Heads of Channels) and local business development roles, we have observed an overall increase on basic salaries especially by EU and UK headquartered organisations. Traditionally, US firms have offered lower base and higher total compensation (higher risk- higher compensation) and whilst we see this trend continuing, EU and UK firms are hoping to increase their competitiveness with higher basic salaries and larger benefits packages (higher car allowances, larger pensions pots, greater flexible working options etc). This is a noteworthy trend across EMEA, and especially prominent in the Netherlands, Germany, Switzerland and Italy.

- In 2015 the Dutch government introduced a bonus cap of 20% without the option to deviate if the majority of shareholders agree. As a result many non-Dutch owned investment managers have their branches

registered in Luxembourg and are able to offer more competitive total compensation packages compared to local players. Having said that, local players have generally been providing higher basic salaries to compensate for this and compete for the best talent.

- Switzerland and Germany (DACH region) are two of the highest markets for base salaries in EU. Candidates are also very particular about their base salaries (and their car allowance).
- Italy follows the above as many investments firms have been opening branches in Milan in the past 3-5 years thus the base and total compensation has increased considerably due to high demand for top talent. Candidates are equally very particular about their base salaries (and their car allowance).

Basic salary plus bonus has always been a large focus for business development roles and this remains the priority for top talent in this very candidate lead market. We expect candidates to demand higher base salaries and / or higher total compensation packages.

There has also been a large emphasis on benefit packages when candidates are considering their next move and we predict that in order to attract and retain top talent organisations will have to offer higher basic salaries and higher total compensation as well as flexible working / unlimited holidays / sabbaticals, car allowances, increased pension options (a percentage of overall compensation), LTIPs, profit share etc.

COMPENSATION REVIEW 2021

| | ROLE | SALARY | | BONUS | |
|---|------------------------------|-----------|-----------|---------|-------|
| | | LOW | HIGH | LOW | HIGH |
| UK | | | | | |
| | Head of Country | £180,000 | £250,000 | 100%+ | 150%+ |
| Wholesale | Head of Wholesale | £120,000 | £180,000 | 100%+ | 150%+ |
| | Regional Sales | £60,000 | £90,000 | 40% | 100%+ |
| | National Advisory | £60,000 | £110,000 | 50% | 100%+ |
| | London based Sales | £70,000 | £100,000 | 50% | 100%+ |
| | Family Office Sales | £90,000 | £130,000 | 60% | 100%+ |
| | Global Accounts Sales | £100,000 | £150,000 | 70-100% | 100%+ |
| | Senior US Distribution Sales | £120,000 | £150,000 | 70-100% | 100%+ |
| Institutional | Head of Institutional | £150,000 | £200,000 | 100%+ | 150%+ |
| | Head of Consultants | £120,000 | £180,000 | 50-80% | 100%+ |
| | Institutional Sales | £100,000 | £180,000 | 90-100% | 100%+ |
| DACH (Zurich and / or Frankfurt) | | | | | |
| | Head of Country | € 200,000 | € 300,000 | 100% | 150%+ |
| | Head of Wholesale | € 200,000 | € 250,000 | 100% | 150%+ |
| | Head of Institutional | € 200,000 | € 250,000 | 100% | 150%+ |
| Netherlands and Nordics | | | | | |
| | Head of Country | € 200,000 | € 300,000 | 100% | 150%+ |
| | Head of Wholesale | € 150,000 | € 200,000 | 100% | 150%+ |
| | Head of Institutional | € 200,000 | € 250,000 | 100% | 150%+ |
| Frabelux | | | | | |
| | Head of Country | € 200,000 | € 250,000 | 100% | 150%+ |
| | Head of Wholesale | € 150,000 | € 200,000 | 100% | 150%+ |
| | Head of Institutional | € 150,000 | € 200,000 | 100% | 150%+ |
| Italy | | | | | |
| | Head of Country | € 180,000 | € 250,000 | 100% | 150%+ |
| | Head of Wholesale | € 120,000 | € 170,000 | 100% | 150%+ |
| | Head of Institutional | € 130,000 | € 180,000 | 100% | 150%+ |
| Spain | | | | | |
| | Head of Country | € 150,000 | € 200,000 | 100% | 150%+ |
| | Head of Wholesale | € 120,000 | € 170,000 | 100% | 150%+ |
| | Head of Institutional | € 130,000 | € 180,000 | 100% | 150%+ |

Country Head Compensation

Total compensation will vary depending on the team size (rule of thumb - larger team equals larger compensation) but this also depends on the location of the company's headquarters and size of the firm. European firms tend to pay larger basic salaries whilst US or APAC owned investment firms usually provide lower basic salary and a notably higher total compensation package.

Smaller specialist boutiques or newer entrants to the market usually pay a premium on total compensation (mainly to compensate for the risk) compared to the more established brands which might provide greater security.

As in any industry, we have observed there is a price to pay for being part of the premium brands (in this case - top 10 global investment management firms). Furthermore, if an organisation is heavily focused on alternatives / private markets or currently growing this product offering, their total compensation will also be significantly higher.

Head of Channel Compensation

Basic salaries and total compensation do not differ much in any country for Head of Institutional vs Head of Wholesale. In the past, institutional heads were paid more, but today, things have evened out as so many firms are building out their wholesale sales business. That talent is in demand right now.

Demand

The highest demand for sales professionals and leaders in the past 8 months has been within Alternatives. Large asset managers as well as specialist boutiques have been focusing on building their alternatives / private markets offering. There has been a noticeable demand over recent months and we have led a number of searches for EMEA Sales Specialists based across Europe focused specifically on private equity, private debt, infrastructure, hedge-funds and real estate. We predict that this trend will only continue to grow as firms seek to diversify their product offering especially with a goal of increasing their capabilities with the high margin asset classes.

INCLUSIVE EXECUTIVE SEARCH TRENDS

Ana Maria recently published a piece on Inclusive Executive Search where she shares her candid view on the best practice in the investments and saving industry, and beyond. She also share some anecdotes of a decade working with executives within our industry, and her top tips.

DOWNLOAD THE REPORT



KEY CONTACT

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Ana Maria has a multicultural background (Croatian, Slovenian, and British with Italian roots) and holds a 1st class degree in International Business. Ana Maria has extensive experience in recruitment, executive search, and D&I. In 2012, she joined Bruin, the sister company to Ludgate Search, to grow and lead their Sales and Marketing team, focusing specifically on senior assignments in Asset Management, Alternatives and Wealth.

In 2017 Ana Maria joined Ludgate Search where she leads C-Suite and senior distribution mandates across EMEA. Ana Maria spent a decade partnering with financial services firms; specifically working with investment organisations ranging from top 10 global institutions to boutique alternatives; UK and European asset managers; to USA, Asian and Australian new entrants to the UK and European markets. Examples of her recent projects include building an EMEA Alternatives Distribution team at a top 20 global asset manager and a European leadership team at a top 10 global asset manager.

Ana Maria is passionate about working with organisations which focus on attracting and developing inclusive leaders with an aim to create and cultivate more diverse and inclusive workplaces, and to compliment her skillset she is

working towards a Professional Certificate in Executive Coaching at Henley Business School. She works closely with the Steering Committee at the Diversity Project to facilitate collaboration on inclusive talent attraction and retention initiatives across the industry. She is a member of the Diversity Inclusive Recruitment Initiative, and former chair of the SMART Working workstream.

She is also a member of the Henley Centre for Coaching and Women on Boards. She mentors a number of aspiring female leaders, formerly through the Social Mobility Foundation. She co-authored Diversity Project's '*SMART Working Manifesto for Change*', contributed to '*Build Back Better*' white paper and '*The Diversity Project*' and '*Inclusive Culture: Leading change across organisations and industries*' books written by Steve Butler published 2021; providing leaders with a broad perspective on inclusion and diversity for New World playbooks.

Ana Maria was a finalist for the 'Role Model of the Year' & 'Contribution to Diversity' at Women in Investment Awards 2020 and awarded 'Diversity Project Champion' in 2020.