

Market update – investment management finance

In 2010 we saw a cautious approach to hiring throughout the investment management industry. For firms that made it through the worst of the recession, recruitment was mainly focused on replacement or critical hires, as opposed to growth. Candidates were cautious about an external move, with strong candidates being retained by their employers.

During 2011, we saw an overall increase in hiring. Candidates became more confident about the increasing number of roles available and consequently we also witnessed a stronger candidate flow for individual vacancies. Despite this, good quality candidates with certain niche skills are still in short supply. Profiles of particular high demand/short supply are those coming from an 'in-house/non-administrator' fund background with circa two to three years of post qualified industry experience. Far fewer funds were hiring newly qualified practice accountants post crisis 2008-09 and the dip in supply of candidates with this level of industry experience is a result of this. This trend is particularly prominent in the hedge fund market and even more so in real estate funds.

In terms of major hiring trends for 2011 we saw a very encouraging uplift in Q1/Q2 with many investment management firms launching new funds and seeking to make expansion hires. In addition to this, with more candidates actively looking for and finding new roles, the number of replacement hires too has been noticeably higher. Another interesting trend is the increase of opportunities in start-up ventures, an area of the market almost non-existent between 2008-10. Summer 2011 was quieter than the previous two quarters, however this is typical of yearly hiring cycles as processes slow down for annual leave. As the economic outlook looked increasingly uncertain for Q3, a number of the investment banks entered recruitment freezes, positions were put on hold and if roles were not deemed 'business critical' they lost external sign off. The buy-side however retained a more positive outlook with replacement hires still going ahead. Naturally, we did see a slowdown towards the end of the year, mainly due to annual review of headcount and compensation.

Encouragingly, we are already having conversations with various hedge funds, wealth managers and private equity houses about anticipated recruitment and how to secure the best talent in Q1 2012.

Recently qualified practice accountants

The buy-side market for junior ACAs has been on a very positive increase since the end of 2010. There has also been some strong competition from the investment banks in this area. In 2011 we saw some of the larger banks offering as much as up to £60k for 'Big 4' recently qualified ACAs. In addition to this, many banks ran recruitment evenings for volume hires across product control, internal audit and financial control. Non-banking financial services industries have had to compete with these increasingly strong offers in order to secure the top talent and we have seen salary expectations for a newly qualified accountant within investment management increase from circa £50k at the end of 2010, up to £55k by summer 2011. Michael Page made three trips to Dublin in 2011 to further source strong ACAs with financial services and investment management experience.

Financial controllers

The hiring of financial controllers has been steady following a surge between Q1-Q2 in 2011. Opportunities at this level are a good indication of general market conditions, with the overall hiring pattern being upward, especially when compared to similar level recruitment in the investment/retail banking industry. The final quarter of the year has seen a slight slow-down in hiring at this level, however as discussed earlier this is more a reflection of seasonal/winter hiring patterns rather than an ominous economic climate. It is anticipated we will see a similar increase in hiring at this level for Q1/Q2 2012.

Senior finance positions, FD/CFO level

The senior end of the market remains conservative, with fewer roles at this level than the financial controller or newly qualified market. However, whilst the FD/CFO market has been slowest to gain momentum, returning market confidence with both fund managers and investors has led to a noticeable increase in the number of start-ups, creating demand for highly experienced, senior candidates with solid buy-side background.

Future outlook

The outlook for 2012 is looking comparatively positive for the buy-side as a whole. It is likely that with most of the larger banks currently facing hiring freezes the investment management industry should gain momentum and candidate share. Post bonus announcements in Q1 will undoubtedly produce a stronger candidate flow as well as the necessity for replacement hiring. As such 'A-grade' candidates will be in stronger demand and potentially facing multiple offer scenarios from buy-side firms.

With the looming EU alternative investment fund managers directive to be implemented by July 2013, the hiring outlook going forward looks increasingly positive for finance candidates complemented with a strong regulatory skill set.

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Investment management finance salaries in Q4 2011

Title/years experience	Basic salary range	Bonus
Newly Qualified Accountant (small/medium sized practice)	£45-50,000	0-20%
Newly Qualified Accountant (Big 4)	£50-55,000	0-20%
Accountant with two to four years post qualified experience (this covers financial accountants/fund accountants/management accountants)	£60-70,000	5-25%
Financial/Fund Controller	£75-85,000	10-40%
Finance Director/Head Of Dept (Fund Accounting/Management Reporting/Financial Accounting)	£85-100,000	15-50%
CFO	£100-150,000	20-60%

Recent assignments that we have completed include:

Job title	Organisation	Salary
CFO	Boutique hedge fund	£120,000
Head of Finance	Asset management firm	£100,000
Financial Director	Private equity firm	£95,000
Financial Controller	Private wealth manager	£85,000
Fund Controller	Hedge fund	£75,000
Financial Controller	Private equity firm	£75,000
Finance Manager	Asset management firm	£65,000
Management Accountant	Multi-strategy hedge fund	£60,000
Finance Analyst	Large asset management firm	£60,000
Financial Accountant	Fund services provider	£55,000
Investment/Fund Accountant	Hedge fund	£50,000
Fund Accountant	Fund services provider	£45,000

Further Information

We recently started a group on LinkedIn where we share research and raise discussion topics. We've posted items such as:

- Exclusive content from our 2011/2012 Employment Trends Survey
- Research on diversity in our placements
- Discussion topics around rebased salaries and on the impact of the 50% tax bracket

It is a 'closed' group, so there are no other recruiters in it.

Please join our LinkedIn group by [clicking here](#).

If you would like more details on the market outlook or you are looking to recruit, please get in touch on 020 7645 1445 or email me at jamesdewhirst@michaelpage.com