

JAPANESE BUY-SIDE COMPENSATION HIGHLIGHTS

2019 All-Japan Research Team Insights

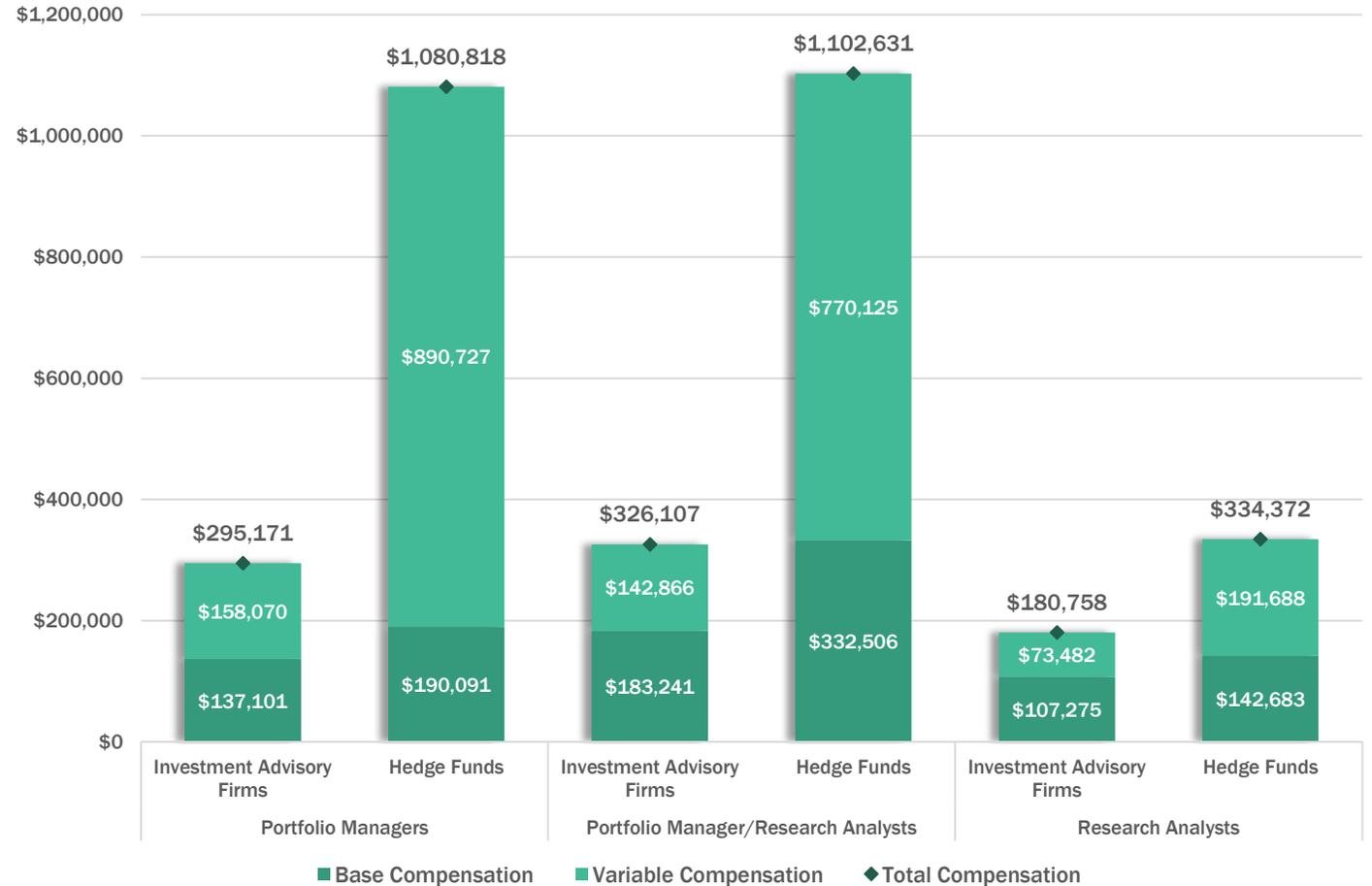
HOW MUCH DO JAPANESE EQUITIES INVESTORS EARN IN COMPENSATION?

Japanese equities investors at investment advisory firms and hedge funds have disparate base and variable (including bonuses, commissions, and options) compensation with those at hedge funds earning higher pay as can be expected. However, their pay in comparison to their global money manager counterparts is more variable when broken down by title.

Nearly 100 investment professionals managing Japanese equities disclosed their compensation insights as part of *Institutional Investor's 2019 All-Japan Research Team* survey.

AVERAGE TOTAL COMPENSATION

Portfolio managers at hedge funds receive an average variable compensation of over **\$890 thousand** that is three times the total compensation received by those at investment advisory firms. Similarly, base compensation for portfolio manager/research analysts at hedge funds is greater than the average total compensation of those at investment advisory firms. Conversely, the average total compensation for research analysts at hedge funds is much closer to that of portfolio managers and those in dual roles at investment advisory firms than of those at hedge funds. Indeed, total compensation for research analysts at hedge funds is just slightly greater than the average base compensation of portfolio manager/research analysts at hedge funds.



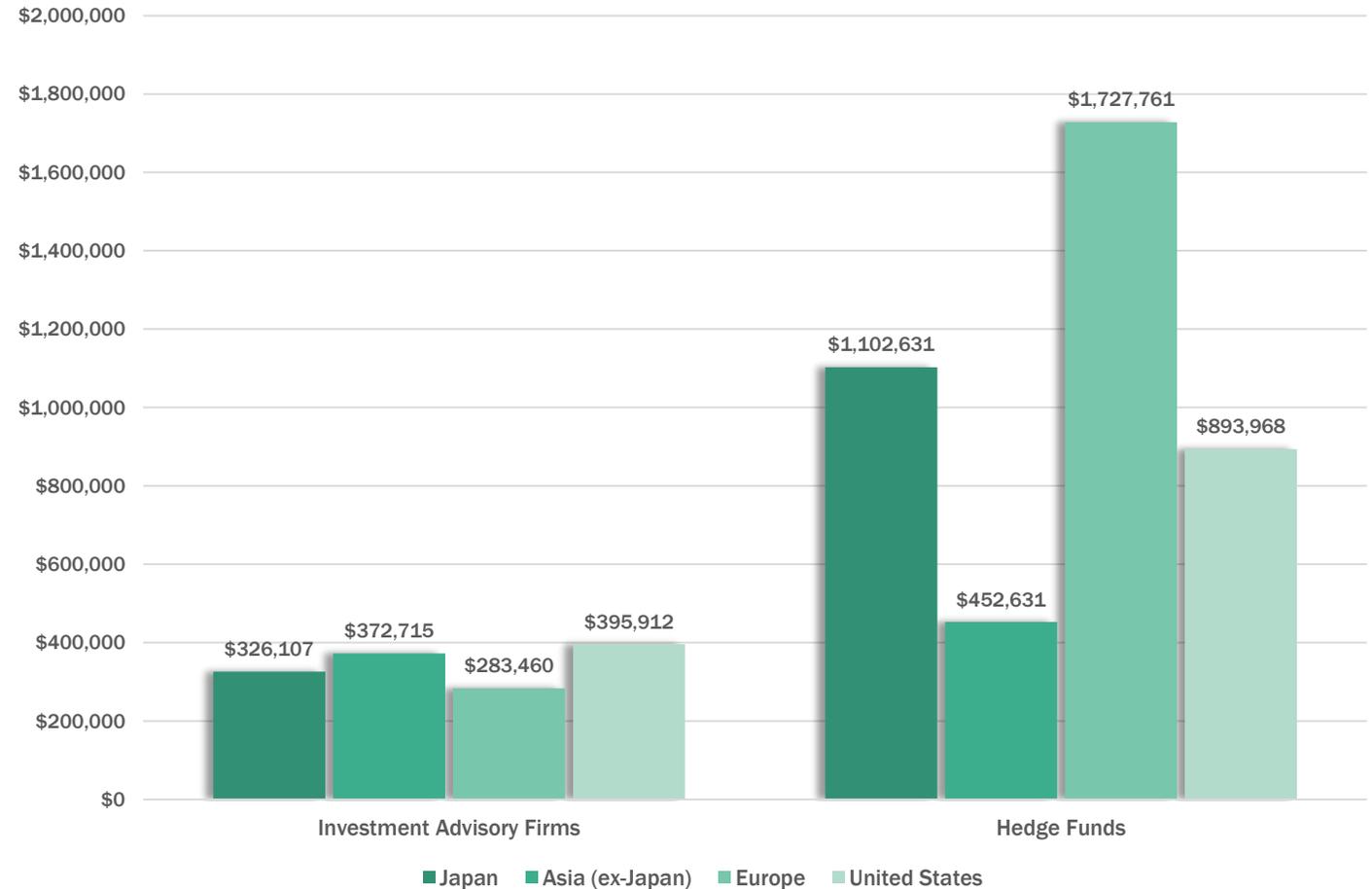


PORTFOLIO MANAGERS

Portfolio managers at investment advisory firms are greatly outearned by their counterparts managing Asian equities whose near **\$1 million** in average total compensation is nearly **three and a half times greater**. On the other hand, portfolio managers at hedge funds earn the second highest average total income of their global peers with an average total compensation of **\$1.08 million**, nearly **double** the average compensation for European portfolio managers.

PORTFOLIO MANAGER/RESEARCH ANALYSTS

The average total compensation for dual role portfolio manager/research analysts at investment advisory firms is fairly comparable across investing regions with average total compensation coming in below \$400,000 across the board. At the same time, Japanese portfolio manager/research analysts at hedge funds outearn their Asian counterparts with an average total compensation of \$1.1 million but are surpassed by those managing European equities.





RESEARCH ANALYSTS

Japanese research analysts earn the lowest average total compensation of their global peers at both investment advisory firms and hedge funds. In fact, United States research analysts at hedge funds earn over **\$675 thousand** in average total compensation, more than twice that of Japanese research analysts.

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