



Another Gloomy Bonus Season for the Buy Side

2016 Asset Management Compensation

December 13, 2016

Executive Summary:

Pay levels in the asset management industry are on the decline in 2016—marking the second consecutive year of reduced compensation for professionals at traditional asset management firms and the third for hedge funds.

Even after recent disappointments in pay, this year's bonus season could bring some unpleasant surprises. The reason: Last year, for the first time in recent memory, some traditional asset management firms faced difficult conditions but found ways to avoid or at least minimize compensation cuts. In the face of continued business headwinds, that will be much harder to do this year—and even more difficult for hedge funds, some of which are feeling extreme pressure following several consecutive years of disappointing performance.

As major investment indices have climbed to record highs over the past 12 months, another pay reduction might come as unexpected news, particularly for portfolio managers that have notched solid investment returns in their own funds this year.



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greenwich.com

ContactUs@greenwich.com

Ph +1203.625.5038