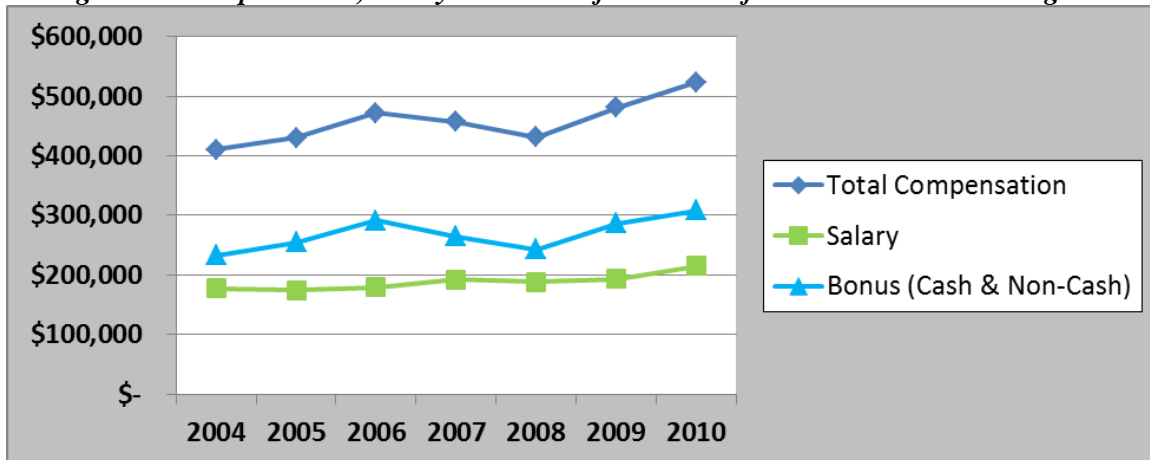


**Executive Summary**

The **2011 Risk Talent Associates Professional Compensation Survey – Asset Management** reveals a second consecutive year of growth for risk professional compensation in asset management after declines in 2007 and 2008. Based on data gathered in 2011, total compensation grew 7.2%, salaries grew by 2.4% and bonuses grew 10.8% between 2009 and 2010. These gains put compensation back on the growth trajectory typical of the time period before the credit crisis and recession.

**Figure 1:**  
*Average Total Compensation, Salary and Bonus for Risk Professionals in Asset Management*



Source: Risk Talent Associates Professional Compensation Surveys 2005-2011. All figures in US Dollars.

Job movement reflects a similar trend: 23% of respondents reported changing jobs in the last two years, equivalent to the percentage reported last year as well as years before 2006. Looking forward, 29% report they will seek new jobs in the future, which is lower than the 35% reported last year. The most common way of filling risk management positions remains internal recruiting, job boards, retained and contingency search firms.

Over 115 risk professionals representing asset management participated in this year's Risk Talent Associates salary survey, including executives from traditional asset management (58%), alternative investments including hedge funds and fund of funds (13%) and insurance (29%).

Survey Analysis

Growth more consistent across alternative, traditional and insurance segments

In the past, growth in total compensation has been strongest for alternative investment firms (hedge funds and fund of funds) fueled by larger bonuses. The alternative investment segment continues to exhibit the strongest gains with 11% growth as compared to 8% for traditional asset management and 3% for insurance/reinsurance. However, averages for traditional asset management and insurance/reinsurance were quite a bit higher than in last year's survey, showing strength across the board.

The gap also narrowed between the three segments when analyzing the impact of the bonus on total compensation. Last year in alternative investments, the average bonus as a percentage of total compensation exceeded 70%, compared to 55% for traditional asset management and 45% of insurance executives included in the survey. However, this year bonus as a percentage of total compensation was more closely aligned across all three segments: 62% for alternative investments, 60% for traditional asset management and 56% for insurance/reinsurance.

**Figure 2: Average Total Compensation, Salary and Bonus by Segment and Title (USD)**

Segment/ Seniority	Total Comp		Salary		Bonus-Cash		Bonus- Non-Cash	
	2009	2010	2009	2010	2009	2010	2009	2010
<b>Traditional Asset Management</b>								
Associate/Analyst/Manager	\$ 147,886	\$ 168,645	\$ 108,636	\$ 114,545	\$ 30,500	\$ 44,350	\$ 8,750	\$ 9,750
VP/SVP/Director	\$ 414,810	\$ 439,327	\$ 205,862	\$ 210,345	\$ 137,628	\$ 159,162	\$ 71,320	\$ 69,820
MD/Chief Risk Officer	\$ 764,629	\$ 833,302	\$ 273,600	\$ 286,200	\$ 289,935	\$ 323,196	\$ 201,094	\$ 223,906
<b>Alternative Investments</b>								
Associate/Analyst/Manager	**	**	**	**	**	**	**	**
VP/SVP/Director	\$ 338,500	\$ 353,500	\$ 137,500	\$ 157,500	\$ 101,000	\$ 71,000	\$ 100,000	\$ 125,000
MD/Chief Risk Officer	\$ 517,302	\$ 622,794	\$ 199,444	\$ 197,222	\$ 167,857	\$ 257,571	\$ 150,000	\$ 168,000
<b>Insurance</b>								
Associate/Analyst/Manager	\$ 171,250	\$ 177,417	\$ 133,333	\$ 136,667	\$ 37,917	\$ 40,750	\$ -	\$ -
VP/SVP/Director	\$ 380,845	\$ 363,564	\$ 190,789	\$ 191,842	\$ 154,556	\$ 133,222	\$ 35,500	\$ 38,500
MD/Chief Risk Officer	\$ 846,619	\$ 944,000	\$ 320,714	\$ 304,286	\$ 218,571	\$ 263,714	\$ 307,333	\$ 376,000

Source: Risk Talent Associates Salary Survey 2011. All figures in US Dollars and rounded to nearest thousand.

Notes: Abbreviations of titles: Vice President (VP), Senior Vice President (SVP), Managing Director (MD).

Note: \*\* = insufficient data to report on this segment.

Highest level titles show largest growth

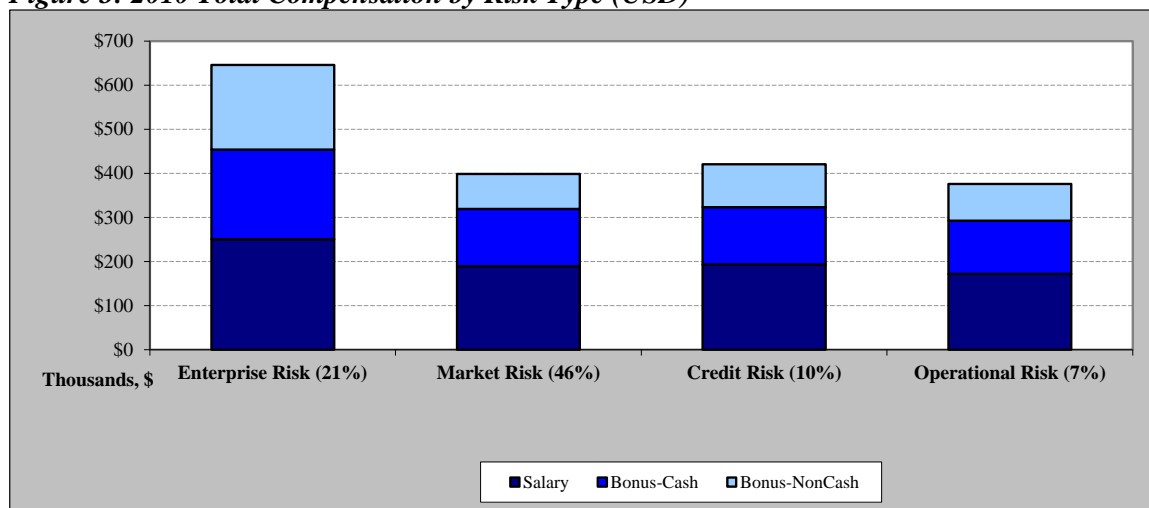
This year's survey confirms that total compensation and salary growth is highest for those at two extremes of the experience spectrum. By title, the most senior level positions (Managing Directors and Chief Risk Officers) show the highest growth.

However, by years of experience, growth is consistent for professionals with varying tenure (0-6 years, 7-10 years, 11-15 years, and 16 or more years of experience) with slightly higher growth for professionals with less than 6 years of experience.

**Enterprise Risk Professionals Receive Highest Total Compensation**

Enterprise risk professionals (21% of respondents) receive the highest total compensation, exceeding professionals who focus on a single risk area including Market Risk (46% of respondents), Credit Risk (10% of respondents) and Operational Risk (7% of respondents). The remaining 11% of respondents focus on other types of risk including Financial Compliance and Risk Technology. This year’s survey included a higher percentage of enterprise risk professionals and lower percentage of credit risk professionals as participants.

**Figure 3: 2010 Total Compensation by Risk Type (USD)**



Source: Risk Talent Associates Salary Survey 2011. All figures in US Dollars and rounded to nearest thousand. Notes: Percentage of overall respondents reported in brackets “(%)”.

**Professionals Based in East Earn Top Compensation in U.S.**

While risk professionals based in New York City and the Northeast earn top compensation in the United States, there is less disparity than in years past between those financial centers and other parts of the country. Risk managers in the Western and Midwestern U.S. report compensation and salaries that are highly competitive with these regions.

Percentage of respondents by region included: Europe (6%), New York (28%), the US Northeast (19%), the US West (11%), the US MidWest (18%), the US South/ Southeast (4%), US Mid-Atlantic (4%) and Canada (6%).

## Survey Methodology

The **2011 Risk Talent Associates Professional Compensation Survey – Asset Management** was conducted in the spring of 2011 using Survey Monkey survey software. Invitations to participate in the survey were sent to risk professionals in the Risk Talent Associates corporate database.

The survey collected information on 2009 and 2010 salary, cash and non-cash compensation (such as stock, options, and other non-cash compensation). Survey respondents identified their capital markets segment, years of experience, title, type of risk focus, and geographic location.

Risk Talent Associates, an executive search firm focused on risk management, is conducting its seventh annual series of risk compensation surveys in 2011 across several market segments: capital markets, asset management, software, consulting, energy and corporate.

### **About Risk Talent Associates**

Risk Talent Associates ([www.risktalent.com](http://www.risktalent.com)) is the leading international executive search firm focused exclusively on positions in the fields of market, credit and operational risk, as well as financial compliance and risk technology. Risk Talent's expertise, industry knowledge, proprietary network and dedicated focus shorten the recruiting process to deliver senior and mid-level risk managers in the capital markets, asset management, energy, consulting and software industries. Risk Talent has offices in New York, Chicago, Hong Kong and London.

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