

MARKET UPDATE

ROBERT WALTERS



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CAN WE HELP?

Please get in touch if you'd like to discuss your recruitment needs.

Permanent**Chad Lawson**

020 7509 8242

chad.lawson@robertwalters.com

Contract**John Gillespie**

020 7509 8927

john.gillespie@robertwalters.com

INVESTMENT MANAGEMENT OPERATIONS - PERMANENT

Job Volumes

Overall buy-side job volumes remained consistent with quarter two despite market uncertainty.

After increasing significantly in the first half of the year, recruitment levels within hedge funds remained stable. While larger asset managers reviewed their hiring requirements and were less active, boutique private wealth houses and family offices continued to recruit strongly, particularly at the junior level.

Candidate Flow

Although overall we saw fewer candidates looking to move jobs, there were still some extremely high-calibre professionals considering new opportunities. In particular, there was a noticeable increase in senior-level management candidates coming to market. We also saw a greater number of high-quality graduates interested in buy-side jobs. Many of these had excellent academics, strong excel skills and relevant internship experience. There was a notable interest from sell-side professionals in buy-side roles due to some investment banking operations functions being offshored.

Strong candidates continued to receive multiple job offers and employers that moved quickly were able to secure key talent. The expectations among some professionals looking to move jobs were extremely high – some expected salary increases of 25% having not progressed their careers for the previous couple of years, which was unrealistic in the existing market.

Key Hiring Areas

We saw demand in specific areas in quarter three, including:

- High-calibre graduates with Excel macros experience, excellent academics and internships
- Client services roles – particularly with specific language skills
- Trade support specialists within hedge funds (equity-focused professionals were particularly in demand in this area)
- Private wealth management client administrators
- Business analysts at VP level with business-facing experience in a private wealth firm
- Change management roles within hedge funds
- Relationship managers with institutional asset management experience

Skill Shortages

We witnessed skills shortages in some specific areas, including:

- Client service executives with western European language skills
- Business analysts and project managers with private wealth management experience
- Graduates with specific technical skill sets (i.e. the ability to read and write Excel macros)
- Hedge fund operations specialists at analyst to AVP level

Firms Flexible on Salary for Desired Candidates

Salaries generally remained relatively stable. However, firms recognised that they needed to be competitive on pay to secure the best people and some, particularly boutique houses, were prepared to be increasingly flexible. For example, one private wealth firm was looking to recruit for a role at the junior level and intended to pay a salary of £30k but adjusted this to £37k to secure its first choice candidate. Similarly, another hedge fund was willing to offer a basic salary of up to £80k, which was well above market rate, for a mid-level position to a sufficiently high-calibre professional.

Offer Process

We noticed the recruitment process lengthen during quarter three – this was primarily due to the time of year with both candidates and hiring managers on annual leave. Candidates who impressed but did not receive feedback for a significant period after their interview typically became disinterested in the role and firm. Conversely, employers capable of moving quickly after meeting candidates they liked stood the best chance of recruiting them.

Custody/Security Services

As throughout the first half of the year, recruitment levels remained relatively low across custody/security services. These firms were affected by the market slowdown witnessed during quarter three and outsourcing. Despite this, we did see some demand for lending/CDO specialists.

Hedge Funds

After recruiting aggressively during quarter one, hiring volumes within hedge funds remained stable throughout quarter three. We saw demand for product-specific trade support roles (mainly equities but some in fixed income). Interestingly, we also saw an increase in change management roles, which are generally rare within the hedge fund space. As these institutions grew and matured, they were looking for experienced change managers to ensure they had the correct operating model in place to harness this expansion.

Hedge funds continued to look to hire at a junior level, seeking graduate-calibre candidates with 1-2 years' operations experience. Many firms were struggling to meet the pay expectations of candidates who, unable to appreciate the benefits of working at a total compensation-focused organisation, were being tempted by the larger base salaries on offer from investment banks. With many hedge fund professionals holding out for bonuses at the start of next year, we also noticed fewer candidates looking for new roles in quarter three.

Private Wealth Management

Recruitment activity within private wealth management firms remained strong in quarter three and we expect this to continue in quarter four. Smaller houses focused on hiring high-calibre graduate candidates with internship experience, intending to train them for mixed administration and client servicing roles. Larger houses hired junior to mid-level positions – there were high volumes of private banking assistant roles, client services and a distinct increase in project and business analyst positions available.

Asset Managers

Larger organisations revised their recruitment objectives and typically focused on business-critical hires. This was due to the greater financial market uncertainty. Clients were noticeably particular with the skill set and qualifications they required from candidates (i.e. technical ability and degree-qualified) and this led to the recruitment process slowing. However, there was continued demand for client reporting and performance candidates.

Outlook

With a number of private wealth management houses looking to take advantage of insecurities in the market and implementing extremely aggressive long-term growth plans, we expect to see an increase in recruitment within these firms during quarter four and throughout 2012. In particular, we anticipate most growth in smaller firms which are more protected from broader market instability. As in quarter three, we expect to see continued hiring at the junior level as firms seek to hire professionals and develop them on a long-term basis.



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INVESTMENT MANAGEMENT OPERATIONS - CONTRACT

Contract recruitment levels within investment management firms remained consistent after peaking in quarter two. Organisations continued to hire people due to the strength of investor appetite and growth of assets under management across the larger long-only asset managers and multi-strategy hedge funds.

Roles in Demand

We saw a significant increase in performance and attribution roles at all levels on the buy-side. This was indicative of increased revenue being generated by organisations, which needed more people to monitor this improved performance. We also saw increased demand for reporting specialists within the custody space, which was evidence that this area had also picked up.

In addition, we saw notable demand for transitions roles as firms looked to consolidate their existing operations functions. Where these have been offshored, institutions have been looking to recruit candidates with a mixture of processing and client liaison experience to communicate with these outsourced operations and report back to the business in the UK.

Due to shortages in these specific areas, candidates with these skill sets remained scarce in the market and this led to significant competition for the best talent.

Clients Increasingly Flexible on Pay

With the best candidates interviewing at numerous institutions in quarter three, some clients were prepared to be flexible on hourly rates to secure their first choice. For example, a performance candidate who met all the requirements of the job specification secured a daily rate 20 per cent above that advertised.

Candidates Focus on Career Progression

Although we saw increased flexibility on pay for high-calibre talent, professionals looking for new contract roles were also increasingly concerned by job stability, career progression and personal development. With this in mind and strong candidates still receiving a number of job offers, firms which had most success in attracting talent typically 'sold' their opportunity and offered the possibility of future employment within the company following contract completion.

Outlook

Overall, firms seem more in tune with market conditions this year and have recruited more consistently than in 2010 (when we saw huge surges in hiring in quarters one and two and relatively quiet quarters three and four). Discussions with our clients indicate that there remains an appetite to recruit and we expect increases in hiring levels in October and November as firms look to fill headcount allowances signed off earlier in the year.

Role	0 - 3 yrs' exp Perm Salary Per Annum £UK	4+ yrs' exp Perm Salary Per Annum £UK	1 - 3 yrs' exp Contract Rate (Per Hour) £UK	4+ yrs' exp Contract Rate (Per Hour) £UK
Business Analyst		£50 - 70k	£250+ p/d	£350+ p/d
Project Manager		£50 - 70k	£250 - 400 p/d	£400+ p/d
Relationship Management		£48 - 65k	£18 - 20	£20 - 25
Oversight	£28 - 40k	£42 - 60k		
Loans/CDO	£28 - 42k	£42 - 50k	£16 - 20	£20 - 24
Corporate Actions/Dividends	£25 - 40k	£40 - 48k	£16 - 20	£20 - 25
All Round HF Operations	£25 - 45k	£45 - 60k	£16 - 22	£22 - 30
Performance	£30 - 45k	£50 - 70k	£18 - 25	£25 - 35
Transitions	£30 - 40k	£42 - 60k	£15 - 22	£22 - 28
Fund Accounting (non-qualified)	£25 - 45k	£42 - 55k	£16 - 24	£25 - 30
Fund Administration	£25 - 38k	£38 - 45k	£15 - 20	£20 - 25
Valuations	£30 - 40k	£40 - 45k	£15 - 20	£20 - 25
Client Reporting	£25 - 38k	£40 - 50k	£15 - 18	£18 - 24
Client Services	£25 - 38k	£40 - 50k	£14 - 20	£20 - 25
Pricing Analyst	£30 - 40k	£40 - 48k	£16 - 20	£20 - 26
Data Management	£25 - 38k	£40 - 46k	£14 - 18	£18 - 22
Settlements	£25 - 38k	£40 - 46k	£14 - 18	£18 - 22
Silo Product Trade Support/MO	£25 - 42k	£43 - 55k	£16 - 20	£20 - 25
Cross Product Trade Support/MO	£25 - 45k	£46 - 60k	£17 - 20	£20 - 25
Reconciliations/Cash Management	£25 - 38k	£38 - 43k	£14 - 16	£16 - 20
Fund Manager's Assistant	£28 - 42k	£42 - 52k	£14 - 18	£18 - 24
Private Banking Executive	£25 - 35k	£35 - 45k	£14 - 18	£18 - 22
Collateral Management	£28 - 38k	£40 - 55k	£16 - 20	£20 - 28

Please note: these salaries are for non-management staff. p/d = per day.

INVESTMENT MANAGEMENT FINANCE - PERMANENT

General job volumes remained stable in quarter three, with strong recruitment demand continuing in certain areas. Overall, most hiring occurred within smaller businesses due to the critical need within these organisations to replace finance staff who moved on. However, we did still see some demand from larger firms and overall vacancy levels remained at relatively high levels.

Aggressive hiring patterns within institutional asset management firms slowed down as these institutions focused on key hires. By contrast, private equity and hedge funds were actively looking to recruit. Hedge funds – in particular – were focusing on recruiting candidates with multiple skill sets (e.g. financial control combined with projects experience). We also saw notable hiring activity within real estate investment management firms as these institutions attempted to take advantage of existing market conditions to raise funds for distressed debt.

In-Demand Areas

While business partners have become less sought-after as the year has progressed, we have seen an increase in financial control roles. This is indicative of where many firms' priorities currently lie – most are now focusing on critical rather than 'luxury' hires after filling headcount that was signed off earlier in the year. Where firms were recruiting, we saw strong demand for ACA-qualified accountants with front, middle and back office knowledge. Equity research and operational due diligence experience were also in-demand skill sets.

Costing has also been a priority, with firms exploring not only how expenditure could be reduced but also looking at how reporting could be improved. For example, one

large firm recruited costing and planning specialists and management reporting professionals at all levels in quarter three.

Despite most of these roles being replacement hires, we did see pockets of 'growth-focused' recruitment activity.

Salary Levels

General salary levels remained consistent with earlier in the year. However, firms needed to be competitive on pay to secure the best people available.

Outlook

With candidates generally sitting tight ahead of their bonus payments in the New Year and clients typically focusing on business-critical hires, we expect recruitment activity to remain stable in quarter four, with some good opportunities still available.

The best candidates will continue to receive multiple job offers and firms that take their time to make hiring decisions risk missing out on the best talent. Also, firms able to offer more job security will attract high-quality talent as this is currently a key priority for people looking to move roles.

"We are constantly impressed with the level of candidates that Robert Walters have to offer, and remain confident in their ability to support us in the future. We believe that our medium and long-term growth targets should transcend market volatility and we continue to consider quality candidates with the ability to help us achieve our strategic objectives."

Simon Ezequiel – Head of Finance, Sarasin & Partners



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Gus Barraclough
020 7509 8093
gus.barraclough@robertwalters.com

Joe Whitfield

020 7509 8389
joe.whitfield@robertwalters.com

Contract

Richard Caccioppoli
020 7509 8339
richard.caccioppoli@robertwalters.com

INVESTMENT MANAGEMENT FINANCE - CONTRACT

We saw demand for contractors at all levels in quarter three on both daily rates and fixed term contract arrangements. Overall job volumes remained consistent with quarter two – however, this represented a significant increase on vacancy levels witnessed last year and, despite uncertainty in the market, there is a real feeling among the buy-side community that it is continuing to turn the corner after a difficult period.

Larger Institutions Hire in Greatest Volumes

In direct contrast to the permanent market, we saw most activity within the larger institutions – such as larger asset managers, wealth managers and custodians – in quarter three. These firms particularly focused on tightening financial controls connected with cost and revenue as they sought to develop more robust processes without committing to permanent hires. This led to demand for management reporting, financial modellers and business analysts as they looked to implement improvements internally. Much of this demand was also driven by the time of year as firms were proceeding with their management reporting cycles.

Recruiting Firms Become More Flexible

Despite more opportunities becoming available compared to last year, the best candidates remained scarce and are

received a number of job offers. Consequently, a swift and efficient recruitment process was vital to securing the top talent.

Clients increasingly appreciated the difficulties presented by this candidate-shortage in quarter three and many adjusted their requirements as a result. For example, we have noticed some firms recruit candidates on longer notice periods than they previously would have. In addition, we have also noticed a greater willingness to consider broader financial services – as opposed to specific buy-side – experience. This in particular has enabled some larger firms to recruit some extremely high-calibre people in a short space of time.

Outlook

On the back of an encouraging quarter three and a generally improved year compared to 2010, we expect the momentum witnessed on the buy-side in 2011 to continue in quarter four. As many clients head towards their year-end, we anticipate demand for candidates with financial accounting and audit experience, with general external reporting skills particularly sought-after.

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INVESTMENT MANAGEMENT FINANCE - PERMANENT

Role	Permanent Salary Per Annum £UK	Bonus*
Finance Director/Chief Financial Officer		
8+ yrs' PQE	£120 - 180k	50 - 100%+
Internal Audit		
8+ yrs' PQE	£80k+	30 - 50%
3 - 5 yrs' PQE	£60 - 80k	20 - 40%
0 - 3 yrs' PQE	£50 - 60k	10 - 20%
Fund Accountant/Head of Fund Accounting		
8+ yrs' PQE	£80 - 110k	30 - 80%+
5 - 8 yrs' PQE	£65 - 85k	20 - 60%
2 - 4 yrs' PQE	£55 - 65k	20 - 40%
0 - 1 yrs' PQE	£45 - 55k	10 - 20%
Financial Accountant/Financial Controller		
8+ yrs' PQE	£120k+	30 - 80%+
5 - 8 yrs' PQE	£70 - 110k	20 - 60%
2 - 4 yrs' PQE	£55 - 65k	20 - 40%
0 - 1 yrs' PQE	£45 - 55k	10 - 20%
Financial Analyst		
3+ yrs' PQE	£60 - 90k+	20 - 50%
0 - 3 yrs' PQE	£40 - 60k	10 - 30%
Part Qualified - ACCA/CIMA		
Part 3	£35 - 45k	10 - 20%
Part 2	£25 - 35k	10 - 15%
Part 1	£25 - 30k	5 - 10%

*Bonus ranges quoted are dependant on sector and firm/market performance.

INVESTMENT MANAGEMENT FINANCE - CONTRACT

Role	0-1 yrs' PQE	1-2 yrs' PQE	3+ yrs' PQE
	Contract Rates (Per Hour) PAYE £UK		
Payroll	£10 - 12	£12 - 14	£15 - 18
Ledger Clark (Payable/Receivable)	£10 - 12	£12 - 14	£14 - 16
Accounts Assistant	£12 - 14	£14 - 18	£18 - 20
PQ Accountant (MA/FA)	£16 - 25		
Financial Accountant	£25 - 30	£30 - 35	£35+
Management Accountant	£25 - 30	£30 - 35	£35+
Business Analyst	£23 - 28	£28 - 33	£40+
Financial Analyst	£25 - 30	£28 - 33	£35+
Fund Accountant	£25 - 32	£29 - 35	£35+
Project Accountants	£35+	£35+	£40+
Internal Audit	£30+	£35+	£40+
Head of Finance/Financial Controller			£400+ p/d
Systems Accountant	£23 - 28	£28 - 33	£33+

Please note: p/d = per day.

ROBERT WALTERS LATEST NEWS**AGENCY WORKERS REGULATIONS (AWR)**

With the AWR formally implemented on 1 October 2011, we will be working with our clients to ensure that both we and you comply with the AWR obligations. We expect the transition to the new rules to be seamless and do not envisage any significant issues for employers that take the time to understand the regulations. To help organisations prepare, we have produced a full list of responses to a wide range of FAQs covering some of the more complicated and 'greyer' areas of AWR - to view these visit www.robertwalters.co.uk/awr.

ONLY HALF TAKE FULL HOLIDAY ALLOWANCE

A global survey of more than 1,700 professionals that we recently conducted reveals that only 53% of professionals in the UK used their full annual leave allowance last year. The survey also highlighted that 23% took approximately 75 per cent of their holiday allowance, 6% took 50 per cent, 7% took 25 per cent and 11% took none. However, the overall results indicate that workers in the UK take more holiday allowance than the rest of the world – globally, only 39% took all their annual leave allowance and 15% took none.