

Highlights of BSAS Career Related Events

Investment Management Hiring Trends

by Susan B. Weiner, CFA

Notes on a presentation by Paige Steinbock of Korn/Ferry International to the Boston Security Analysts Society, December 11, 2003

PREDICTION

- There will be a big uptick in hiring by the end of the 1Q2004, after bonuses are paid

TRENDS

- More companies are doing their own recruiting, so check their websites if you're job hunting
- Opportunistic hiring, include team lift-outs, to strengthen or upgrade product line
- Institutionalization of hedge funds, which are also diversifying their product lines
- Boutique firms (< \$10 billion in assets under management) that have good performance are strengthening their research and often hiring their first employee specializing in client service
- Korn/Ferry is seeing more searches for fundamental analysts than quantitative analysts
- Korn/Ferry's search revenues have increased dramatically over the last three months, though it's too early to say it's a trend

COMPLIANCE EMPLOYEES

- Big increase in compliance hiring, which is currently Korn/Ferry's busiest investment management practice
- More compliance heads are reporting to CEO instead of chief operating officer
- Firms are starting to take their compliance heads to meet clients

BONUSES

- Shift from bonuses based on subjective criteria to discretionary compensation based on achievable objectives
- While investment companies have done well the past couple quarters, nothing has stabilized, so bonuses may disappoint

BOSTON TRENDS

- Boston firms are tending to insist on candidates who exactly fit their requirements
- Korn/Ferry's Boston office has recently seen a dramatic rise in the level of incoming phone calls

TIPS FOR NEWCOMERS TO INVESTMENT MANAGEMENT

- Job as an analyst with an investment consulting firm may be a good starting point, giving a broad exposure to different kinds of investment management firms
- A good path into securities analysis includes: good undergraduate school, industry experience and MBA from a top school; however, people without this background can get jobs through determined networking
- CFA is increasingly required for sales and marketing jobs in addition to jobs in portfolio management and investment research
- CFP is useful credential for dealing with high net worth clients