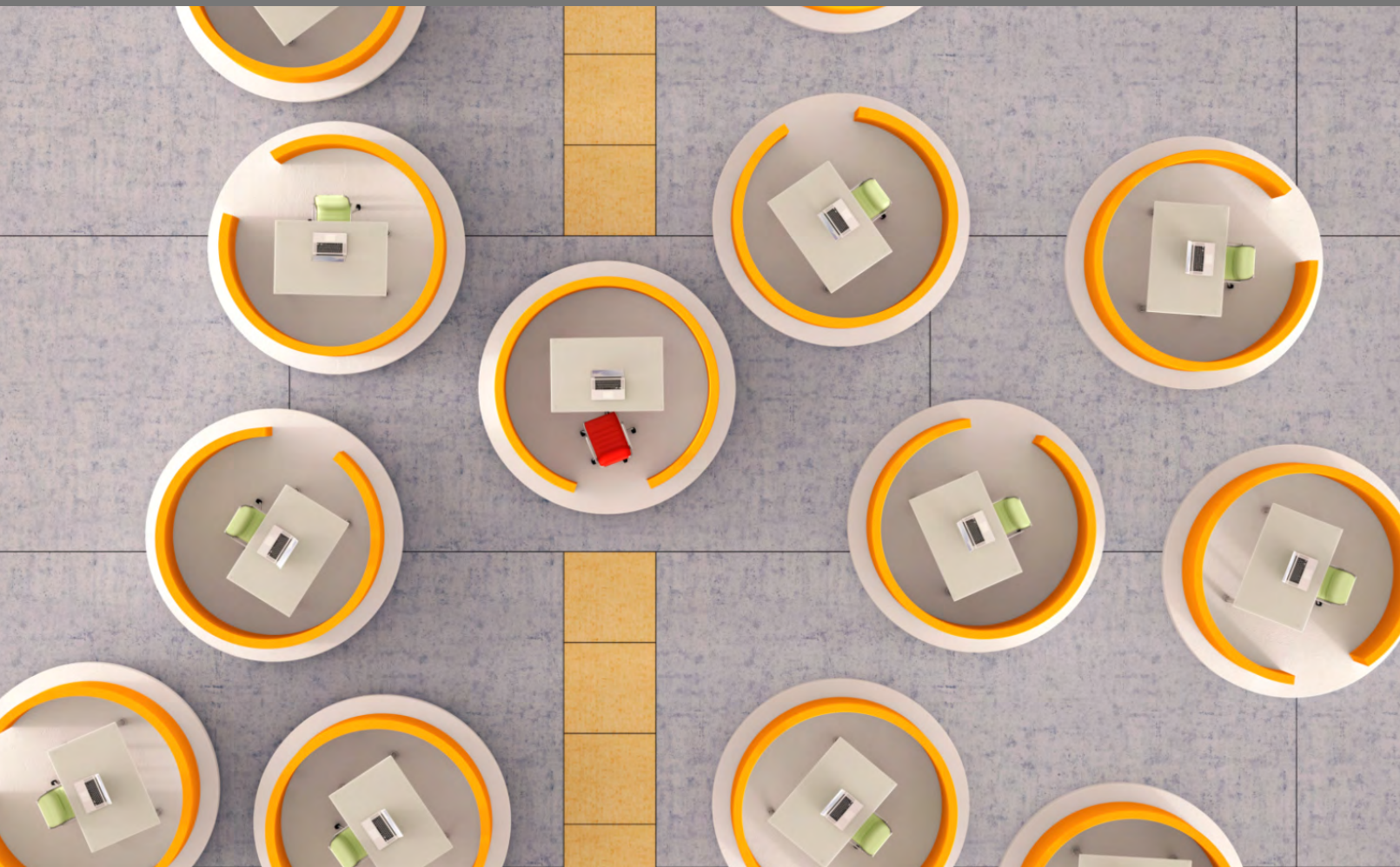


HEIDRICK & STRUGGLES

Financial Services

Asia Pacific Private Equity Compensation Survey

2015 - 2016



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INTRODUCTION

We are pleased to present the results of Heidrick & Struggles' APAC Private Equity Compensation Survey 2015/2016, which was conducted in November and December 2015. We invited more than 2,500 private equity professionals working in global and regional platforms across Asia Pacific to participate by completing an online survey of compensation.

This is the third annual edition of the survey and participation has grown each year. In this year's survey we received a total of 204 responses, a 10% increase from the previous year.

We requested participants to provide data from 2015, 2014 and 2013 as well as to report their expectations for compensation development in 2016. In addition to overall pooled data, we filtered responses by Global versus Regional funds and by strategy across Buyout, Growth, Real Assets, Fund of Funds and Special Situations. For the first time, this year's report also includes data from Value Creation professionals.

Should you wish to discuss the survey in greater detail, please do not hesitate to contact us.

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On Confidentiality:

The survey was conducted on an anonymous basis for the individuals and their employers. Heidrick & Struggles has kept separate the data relating to name and firm from their compensation.

This survey examines the following topics

- How has compensation developed over the past three years?
- How does compensation compare across levels?
- How does compensation compare across fund size?
- How does compensation compare across strategies?
- How does compensation vary across geographic locations?
- What is the internal perception of how prepared regional and global firms are for succession in Asia?
- What is the internal perception of how transparent and equitable compensation policies are at regional and global funds in Asia?

A Note on Definitions

While title structures vary according to company, we have attempted to divide respondents into three groups based on level and responsibility:

Managing Partner/Partner/Managing Director - Most senior level at the firm, proven and experienced dealmaker and board member.

Principal/Vice President - Investment professional with some experience originating and leading their own investments. Accomplished executor with board of directors experience. Leads and manages deal execution for the firm including managing service providers and due diligence.

Associate/Senior Associate - Responsible for analyzing companies and business plans, conducting due diligence, working with service providers under the direction of the Vice President or Principal.

Carried interest - The methodology we used in the survey for calculating carried interest is “carry dollars at work”. For example, 7 points (700 bps) of carry (out of a possible 100) in a \$500 million fund with 20% carry would have \$7 million of carry dollars at work ($500 \times 0.2 \times 0.07 = 7$).

MARKET BACKDROP

Asia Pacific's private equity industry continues to grow and mature at a swift pace. In 2015, private equity investment in the region topped US\$ 139 billion, according to research from the Asian Venture Capital Journal, the highest ever total and up markedly from the US\$92.5 billion in 2014. We continue to see sustained demand for experienced talent across investment, value creation and firm-level operations and finance professionals. Key trends and findings that have come out of our research include:

- Compensation is rising across the board, as it has in our 2015 and 2014 surveys, with growth most pronounced in junior execution professionals.
- Regional funds now solidly offer compensation on par with global fund platforms, allowing them to compete head-on for talent.
- The number and size of control transactions continues to grow, fueling an increased focus on value creation and the recruitment of operating professionals.
- There has been sustained growth in new fund initiatives as existing platforms broaden their offerings and new players enter the market with niche strategies. Key growth areas include credit & special situations, real assets, technology and early-stage investing.
- Increasing and broadening demand from well-funded limited partners is attracting investment professionals from general partners as these firms grow their exposure to direct private equity.

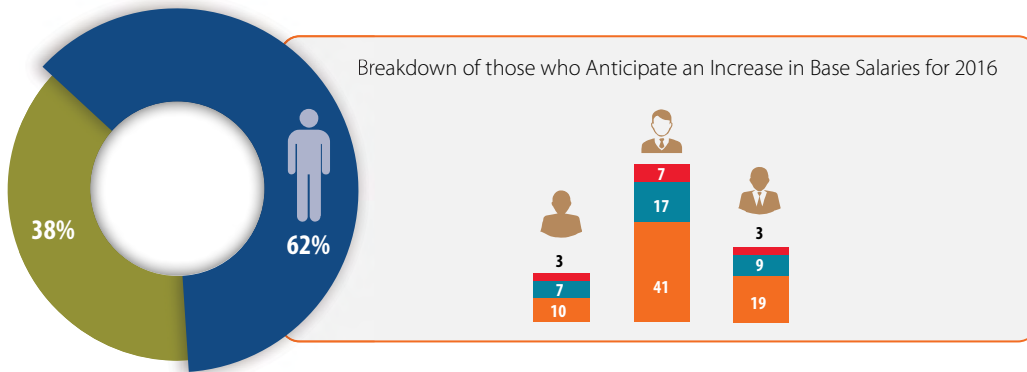
In this year's report, we sought to expand our focus slightly beyond compensation and to gather views on two related areas of concern for the industry: succession planning for senior leadership in Asia and the transparency of compensation across all levels of the organization.

The responses in the succession planning section highlight a challenge that investment firms will need to face in their Asia businesses, whereas the transparency of compensation structures was seen as less of a concern. More than half of all Partners/Managing Directors who responded to our survey say their funds do not have a succession plan in place for the leaders of their Asia fund platforms. This was true for executives working on both global and regional platforms.

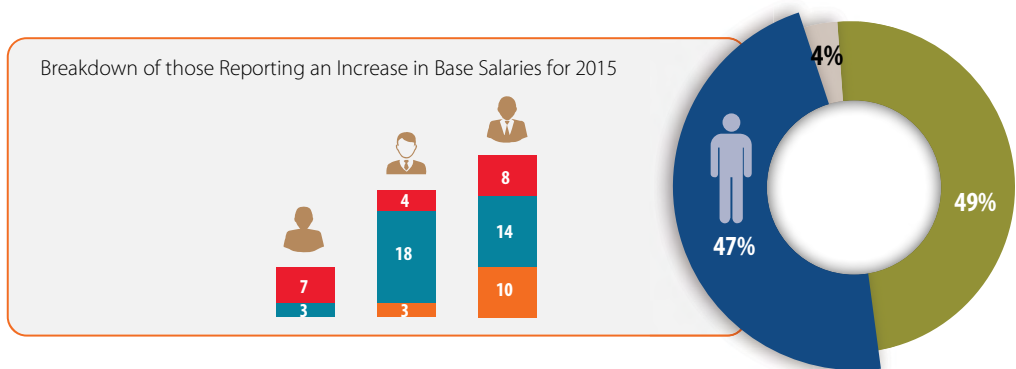
Private equity is a long-term business, and generational change is a significant and growing concern for funds and their limited partners regionally and globally. In an Asian context, regional funds face perhaps the most serious challenges, with those lacking a suitable talent pool vulnerable to consolidation or unable to raise future funds over time.

General Observations on Compensation Trends

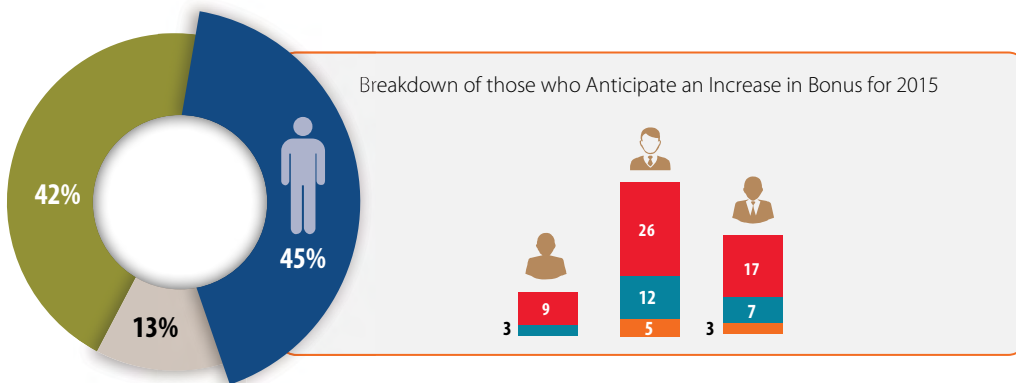
Expected 2016 Base Salary



Base Salary 2015



Bonus 2015



Associate/Senior Associate
 Vice President/Principal/Director
 Partner/Managing Partner/Managing Director

Increase
No Change
Decrease
Increase by less than 10%
Increase by 10-20%
Increase by more than 20%

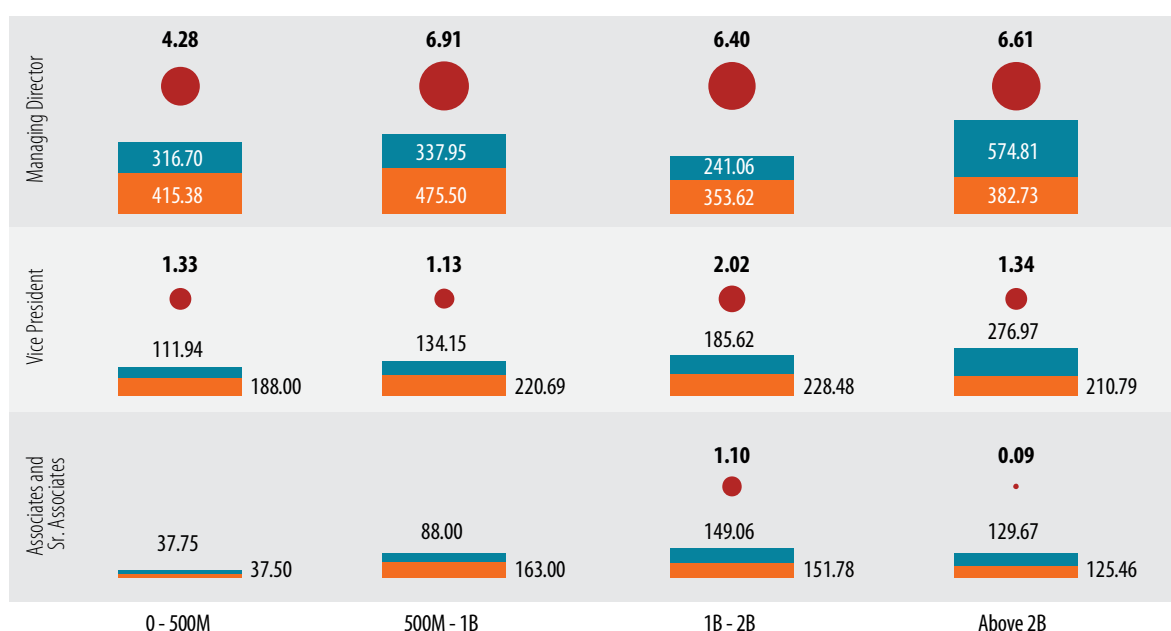
The numbers reflect compensation as self-reported by respondents

Respondents Cash Compensation Development 2013-2015

All Investment Professionals

(USD'000)	2013			2014			2015			CAGR
Level	Mean Base	Mean Bonus	Total Comp	Mean Base	Mean Bonus	Total Comp	Mean Base	Mean Bonus	Total Comp	Total Comp 2015
Associates / Senior Associates	103.35	87.95	191.3	120.86	116.36	237.22	133.56	131.43	265	17.70%
Vice President / Principal / Director	181.15	149.85	331	196.62	172.73	369.35	208.40	187.09	395.50	9.31%
Partner / Managing Partner / Managing Director	392.76	320.31	713.07	407.74	381.39	789.13	423.70	388.75	812.45	6.74%

Mean Base, Bonus & Carry by Current Fund Size 2015



Fund Sizes in USD Millions

Breakdown of Respondents	0 - 500M	500M - 1B	1B - 2B	Above 2B
Partner, Managing Partner and Managing Director	21	20	8	19
Principal/Vice President	27	13	21	34
Associates and Senior Associates	2	1	9	12

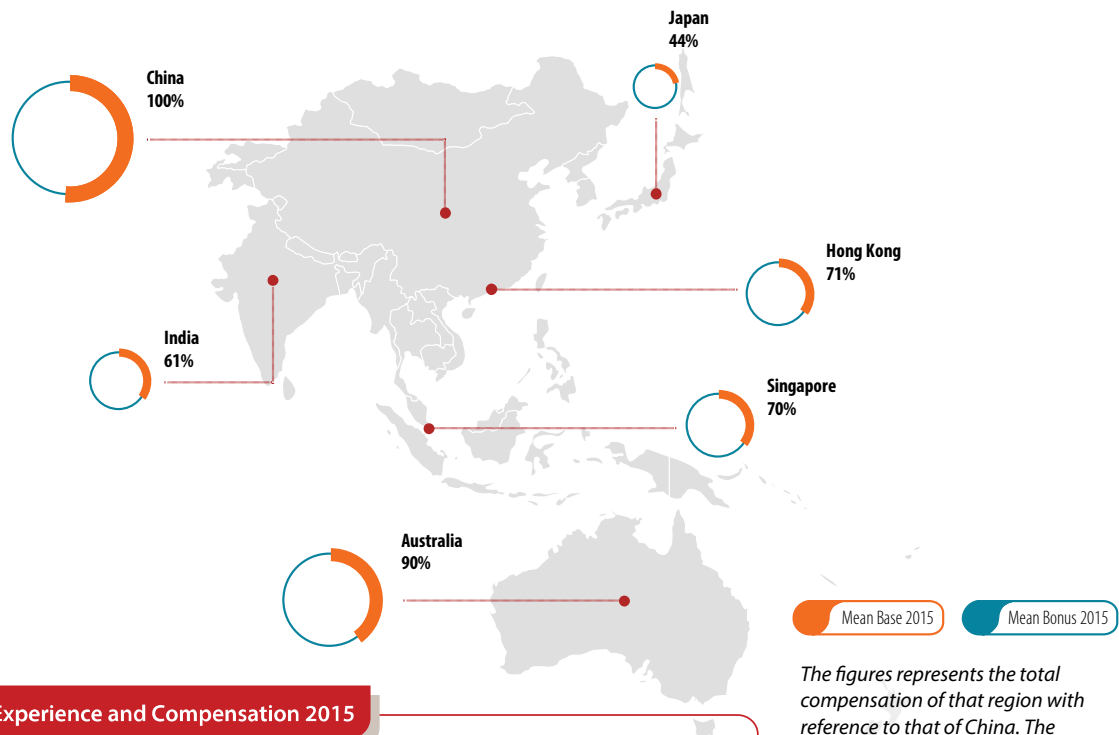
Mean Base 2015 (USD Thousands)
Mean Bonus 2015 (USD Thousands)
Mean Carry Most Recent Fund 2015 (USD Millions)

The numbers reflect compensation as self-reported by respondents

Comparison of Compensation Across APAC

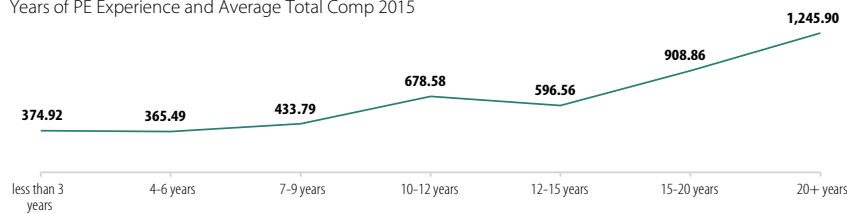
Global and regional funds are continuing to expand their office networks across Asia Pacific. Compensation levels are not uniform and tend to vary by market. Of our respondents, those based in mainland China reported the highest total compensation compared to their peers elsewhere in the region. In our own recruitment work, we have found that professionals with a strong track record of investing in China can command higher salaries than those elsewhere in the region. Australia followed closely behind China.

Furthermore, regional hubs Hong Kong and Singapore reported similar compensation levels. This is a shift from our previous surveys, where professionals in Singapore reported lower compensation than those in Hong Kong.

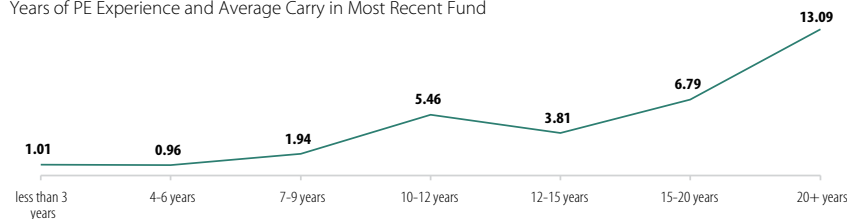


Years of PE Experience and Compensation 2015

Years of PE Experience and Average Total Comp 2015



Years of PE Experience and Average Carry in Most Recent Fund



The numbers reflect compensation as self-reported by respondents

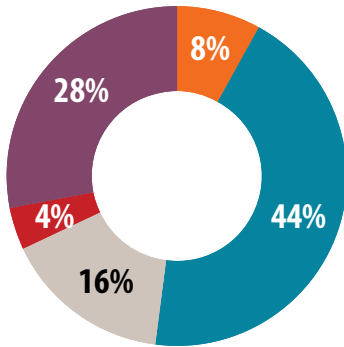
The figures represents the total compensation of that region with reference to that of China. The numbers reflect compensation as self-reported by respondents.

Transparency of Compensation Policies

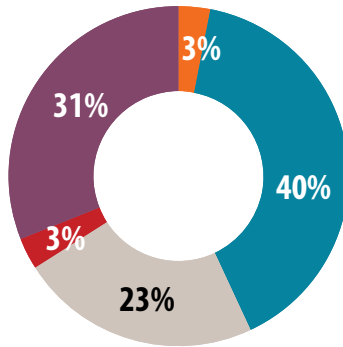
'Compensation Policies are Clear and are Communicated Transparently Throughout the Organization'

Global Funds

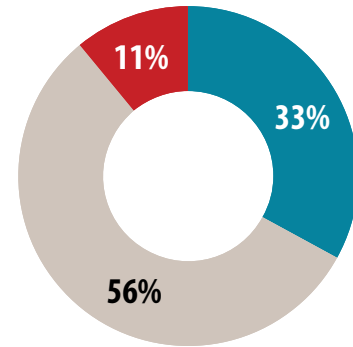
Partner, Managing Partner
and Managing Director



Vice President/ Principal

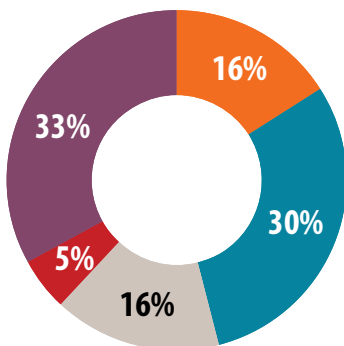


Associates
and Senior Associates

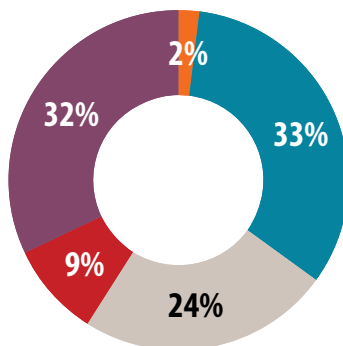


Regional Funds

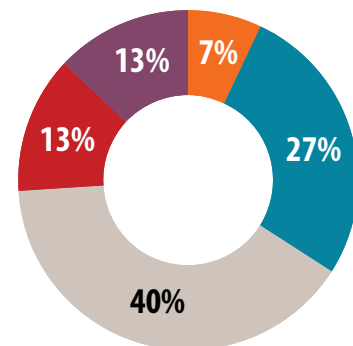
Partner, Managing Partner
and Managing Director



Vice President/ Principal



Associates
and Senior Associates



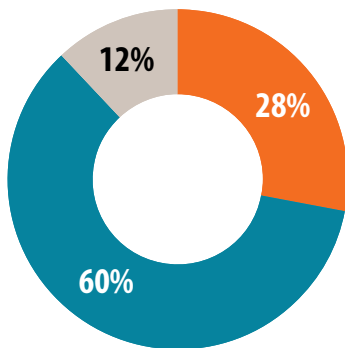
The numbers reflect compensation as self-reported by respondents

Succession Plan for Senior Leaders

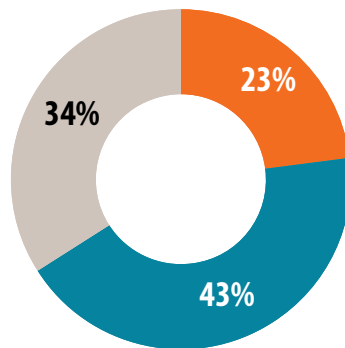
'Does the Organization Have a Succession Plan in Place for Senior Leaders in Asia?'

Global Funds

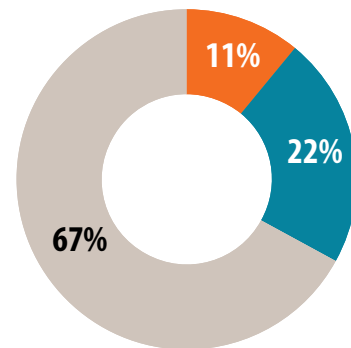
Partner, Managing Partner
and Managing Director



Vice President/ Principal

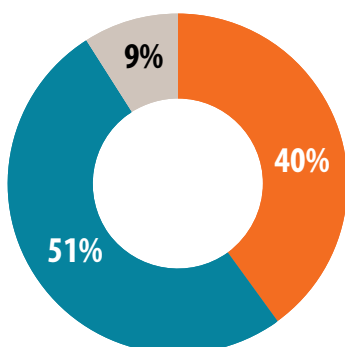


Associates
and Senior Associates

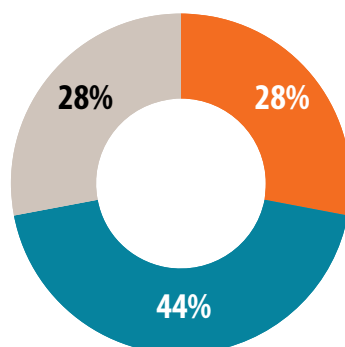


Regional Funds

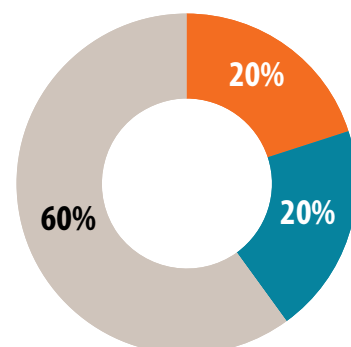
Partner, Managing Partner
and Managing Director



Vice President/ Principal



Associates
and Senior Associates



Yes
 No
 Don't Know

The numbers reflect compensation as self-reported by respondents

Compensation Breakdown by Fund Type – Global Funds

Base and Bonus (2013 vs. 2014 vs. 2015)

(USD '000)	Base Mean and Quartiles 2013					Base Mean and Quartiles 2014					Base Mean and Quartiles 2015				
	Global	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100	Mean	25	50 Median	75
Associates and Senior Associates	104.61	91.13	109.88	123.94	150.50	107.39	91.13	109.88	123.94	175.50	121.28	108.31	122.38	140.08	200.50
Vice President / Principal	185.79	144.25	181.75	213.00	375.50	203.97	169.25	200.50	235.50	425.50	211.61	175.50	208.83	240.50	450.50
Partner, Managing Partner and Managing Director	309.00	230.71	269.25	334.88	700.50	322.00	239.04	288.00	347.38	725.50	348.00	253.63	315.08	372.38	775.50

(USD '000)	Bonus Mean and Quartiles 2013					Bonus Mean and Quartiles 2014					Bonus Mean and Quartiles 2015				
	Global	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100	Mean	25	50 Median	75
Associates and Senior Associates	88.00	56.75	84.88	98.94	200.50	126.89	91.13	119.25	169.25	225.50	140.78	116.13	138.00	169.25	225.50
Vice President/ Principal	168.87	78.00	156.75	238.00	500.50	197.71	100.50	158.83	250.50	525.50	217.17	100.50	163.00	300.50	825.50
Partner, Managing Partner and Managing Director	392.00	181.75	288.00	444.25	2000.50	487.00	231.75	313.00	419.25	2000.50	465.98	191.13	363.00	594.25	2000.50

Breakdown of Respondents		
Associates and Senior Associates	Vice President / Principal	Partner, Managing Partner and Managing Director
9	36	25

Compensation Breakdown by Fund Type – Regional Funds

Base and Bonus (2013 vs. 2014 vs. 2015)

(USD '000)	Base Mean and Quartiles 2013					Base Mean and Quartiles 2014					Base Mean and Quartiles 2015				
	Regional	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100	Mean	25	50 Median	75
Associates and Senior Associates	97.42	48.90	94.25	144.25	225.50	123.57	66.00	125.50	169.25	300.50	134.53	70.75	138.00	169.25	400.50
Vice President / Principal	180.54	124.16	161.75	215.08	450.50	193.93	141.65	174.36	231.75	450.50	208.34	155.97	194.82	246.75	450.50
Partner, Managing Partner and Managing Director	430.44	265.08	354.67	469.25	1500.50	447.88	278.63	369.25	502.58	1350.50	456.60	289.96	394.25	528.63	1425.50

(USD '000)	Bonus Mean and Quartiles 2013					Bonus Mean and Quartiles 2014					Bonus Mean and Quartiles 2015				
	Regional	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100	Mean	25	50 Median	75
Associates and Senior Associates	84.08	35.92	81.75	115.08	225.50	104.00	56.75	106.75	131.75	300.50	119.60	69.25	106.75	153.63	400.50
Vice President/ Principal	137.04	57.53	105.19	149.46	675.50	156.59	57.79	113.00	203.63	725.50	173.96	63.89	133.31	203.63	1025.50
Partner, Managing Partner and Managing Director	266.57	53.65	133.00	322.38	1500.50	310.49	105.71	196.33	344.25	1425.50	340.32	109.88	200.50	388.00	1525.50

Breakdown of Respondents		
Associates and Senior Associates	Vice President / Principal	Partner, Managing Partner and Managing Director
15	59	43

* Bonus levels for 2015 are anticipated. The numbers reflect compensation as self-reported by respondents

Compensation Breakdown by Fund Strategy – Buyout

Base and Bonus (2013 vs. 2014 vs. 2015)

(USD '000)	Base Mean and Quartiles 2013					Base Mean and Quartiles 2014					Base Mean and Quartiles 2015				
	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100
Buyout															
Associates and Senior Associates	94.68	69.17	96.33	119.25	175.50	119.17	100.50	119.25	150.50	200.50	124.46	91.13	129.67	159.88	225.50
Vice President / Principal	186.40	134.09	166.75	203.63	450.50	202.00	146.75	185.92	238.00	450.50	213.50	163.00	198.00	255.86	450.50
Partner, Managing Partner and Managing Director	411.39	241.13	344.25	460.92	1500.50	426.71	255.19	344.25	503.63	1350.50	432.35	284.88	356.75	541.13	1200.50

(USD '000)	Bonus Mean and Quartiles 2013					Bonus Mean and Quartiles 2014					Bonus Mean and Quartiles 2015				
	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100
Buyout															
Associates and Senior Associates	83.41	47.38	88.00	110.92	175.50	108.79	88.00	113.00	138.00	200.50	124.50	91.13	131.75	165.08	225.50
Vice President/ Principal	187.40	80.19	131.75	278.63	675.50	211.46	88.00	163.00	306.75	725.50	241.96	97.38	175.50	338.00	1025.50
Partner, Managing Partner and Managing Director	400.06	156.75	221.33	503.63	2000.50	446.05	159.88	243.00	581.75	2000.50	500.06	169.25	313.00	706.75	2000.50

Breakdown of Respondents		
Associates and Senior Associates	Vice President / Principal	Partner, Managing Partner and Managing Director
13	50	31

Compensation Breakdown by Fund Strategy – Growth Capital

Base and Bonus (2013 vs. 2014 vs. 2015)

(USD '000)	Base Mean and Quartiles 2013					Base Mean and Quartiles 2014					Base Mean and Quartiles 2015				
	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100
Growth Capital															
Associates and Senior Associates	94.06	50.17	88.00	125.50	225.50	121.17	56.50	113.00	169.25	300.50	146.17	56.50	138.00	194.25	400.50
Vice President / Principal	168.77	127.58	159.88	205.71	300.50	187.38	146.93	184.88	225.50	325.50	201.75	163.00	197.72	238.00	350.50
Partner, Managing Partner and Managing Director	366.03	231.75	288.00	419.25	1225.50	387.24	246.75	294.25	444.25	1325.50	401.64	260.92	329.67	459.88	1425.50

(USD '000)	Bonus Mean and Quartiles 2013					Bonus Mean and Quartiles 2014					Bonus Mean and Quartiles 2015				
	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100
Growth Capital Global															
Associates and Senior Associates	87.88	25.50	100.50	117.17	225.50	112.89	56.75	113.00	147.38	300.50	137.89	56.75	138.00	172.38	400.50
Vice President/ Principal	146.91	55.19	109.88	208.31	525.50	173.59	58.83	125.50	233.83	600.50	182.34	60.50	133.83	238.00	825.50
Partner, Managing Partner and Managing Director	332.45	63.00	142.17	350.50	2000.50	365.28	104.07	213.00	375.50	2000.50	379.64	106.75	238.00	394.25	2000.50

Breakdown of Respondents		
Associates and Senior Associates	Vice President / Principal	Partner, Managing Partner and Managing Director
9	40	33

* Bonus levels for 2015 are anticipated. The numbers reflect compensation as self-reported by respondents

Compensation Breakdown by Fund Strategy – Credit & Special Situations

Base and Bonus (2013 vs. 2014 vs. 2015)

(USD '000)	Base Mean and Quartiles 2013					Base Mean and Quartiles 2014					Base Mean and Quartiles 2015				
	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100
Associates and Senior Associates	100.50	88.00	100.50	113.00	125.5	113.00	106.75	113.00	119.25	125.50	113.00	106.75	113.00	119.25	125.50
Vice President / Principal	206.18	134.88	188.00	256.75	450.5	219.82	180.19	197.38	256.75	450.50	217.55	181.75	204.67	231.75	450.50
Partner, Managing Partner and Managing Director	423.71	309.88	338.00	506.75	825.5	445.14	319.25	413.00	506.75	825.50	434.43	319.25	363.00	506.75	825.50

(USD '000)	Bonus Mean and Quartiles 2013					Bonus Mean and Quartiles 2014					Bonus Mean and Quartiles 2015				
	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100
Associates and Senior Associates	63.00	38.00	50.50	88.00	100.50	138.00	88.00	100.50	188.00	200.50	188.00	163.00	175.50	213.00	225.50
Vice President/ Principal	158.36	34.88	88.00	303.63	500.50	194.77	47.38	138.00	356.75	525.50	235.68	69.25	138.00	356.75	825.50
Partner, Managing Partner and Managing Director	283.75	88.00	200.50	488.00	600.50	367.08	213.00	250.50	588.00	800.50	317.00	19.00	150.50	688.00	800.50

Breakdown of Respondents		
Associates and Senior Associates	Vice President / Principal	Partner, Managing Partner and Managing Director
2	11	7

Compensation Breakdown by Fund Strategy – Fund of Funds

Base and Bonus (2013 vs. 2014 vs. 2015)

(USD '000)	Base Mean and Quartiles 2013					Base Mean and Quartiles 2014					Base Mean and Quartiles 2015				
	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100
Associates and Senior Associates	100.38	75.50	113.00	125.50	150.50	100.38	75.50	113.00	125.50	150.50	112.88	75.50	133.83	142.17	150.50
Vice President / Principal	167.17	156.75	175.50	188.00	200.50	173.71	159.88	178.63	189.56	200.50	195.14	172.38	194.25	216.13	250.50
Partner, Managing Partner and Managing Director	288.00	256.75	288.00	319.25	350.50	303.00	266.13	313.00	334.88	350.50	333.00	310.92	321.33	344.25	400.50

(USD '000)	Bonus Mean and Quartiles 2013					Bonus Mean and Quartiles 2014					Bonus Mean and Quartiles 2015				
	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100
Associates and Senior Associates	100.50	50.50	88.00	100.50	200.50	119.25	50.50	113.00	125.50	225.50	106.75	50.50	125.50	138.00	150.50
Vice President/ Principal	133.83	88.00	125.50	169.25	225.50	141.57	84.88	138.00	191.13	250.50	163.00	97.38	138.00	191.13	350.50
Partner, Managing Partner and Managing Director	127.90	31.75	138.00	219.25	250.50	192.90	181.75	231.75	247.38	300.50	297.90	231.75	363.00	394.25	500.50

Breakdown of Respondents		
Associates and Senior Associates	Vice President / Principal	Partner, Managing Partner and Managing Director
4	7	5

* Bonus levels for 2015 are anticipated. The numbers reflect compensation as self-reported by respondents

Compensation Breakdown by Fund Strategy – Real Estate & Infrastructure

Base and Bonus (2013 vs. 2014 vs. 2015)

(USD '000)	Base Mean and Quartiles 2013					Base Mean and Quartiles 2014					Base Mean and Quartiles 2015					
	Real Estate/ Infrastructure	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100
Vice President / Principal		178.79	130.19	169.25	228.63	375.50	202.47	156.75	196.33	235.92	400.50	215.63	165.08	209.88	244.25	400.50
Partner, Managing Partner and Managing Director		343.56	256.75	338.00	419.25	500.50	375.50	281.75	350.50	481.75	625.50	400.50	281.75	350.50	488.00	625.50

(USD '000)	Bonus Mean and Quartiles 2013					Bonus Mean and Quartiles 2014					Bonus Mean and Quartiles 2015					
	Real Estate/ Infrastructure	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100
Vice President/ Principal		115.58	48.42	81.75	141.13	500.50	140.61	69.25	98.00	166.13	500.50	159.05	69.25	129.67	206.75	500.50
Partner, Managing Partner and Managing Director		150.50	38.00	142.17	194.25	425.50	175.40	38.00	175.50	238.00	425.50	182.90	38.00	138.00	238.00	525.50

Breakdown of Respondents		
Associates and Senior Associates	Vice President / Principal	Partner, Managing Partner and Managing Director
NA	19	10

Operating Partners

Base and Bonus (2013 vs. 2014 vs. 2015)

(USD '000)	Base Mean and Quartiles 2013					Base Mean and Quartiles 2014					Base Mean and Quartiles 2015					
	Base	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100
Vice President / Principal		180.86	119.25	144.25	256.75	375.50	202.29	119.25	188.00	306.75	375.50	195.14	122.38	188.00	256.75	350.50
Partner, Managing Partner and Managing Director		263.00	219.25	238.00	331.75	350.50	300.50	238.00	250.50	338.00	475.50	292.17	244.25	275.50	338.00	375.50

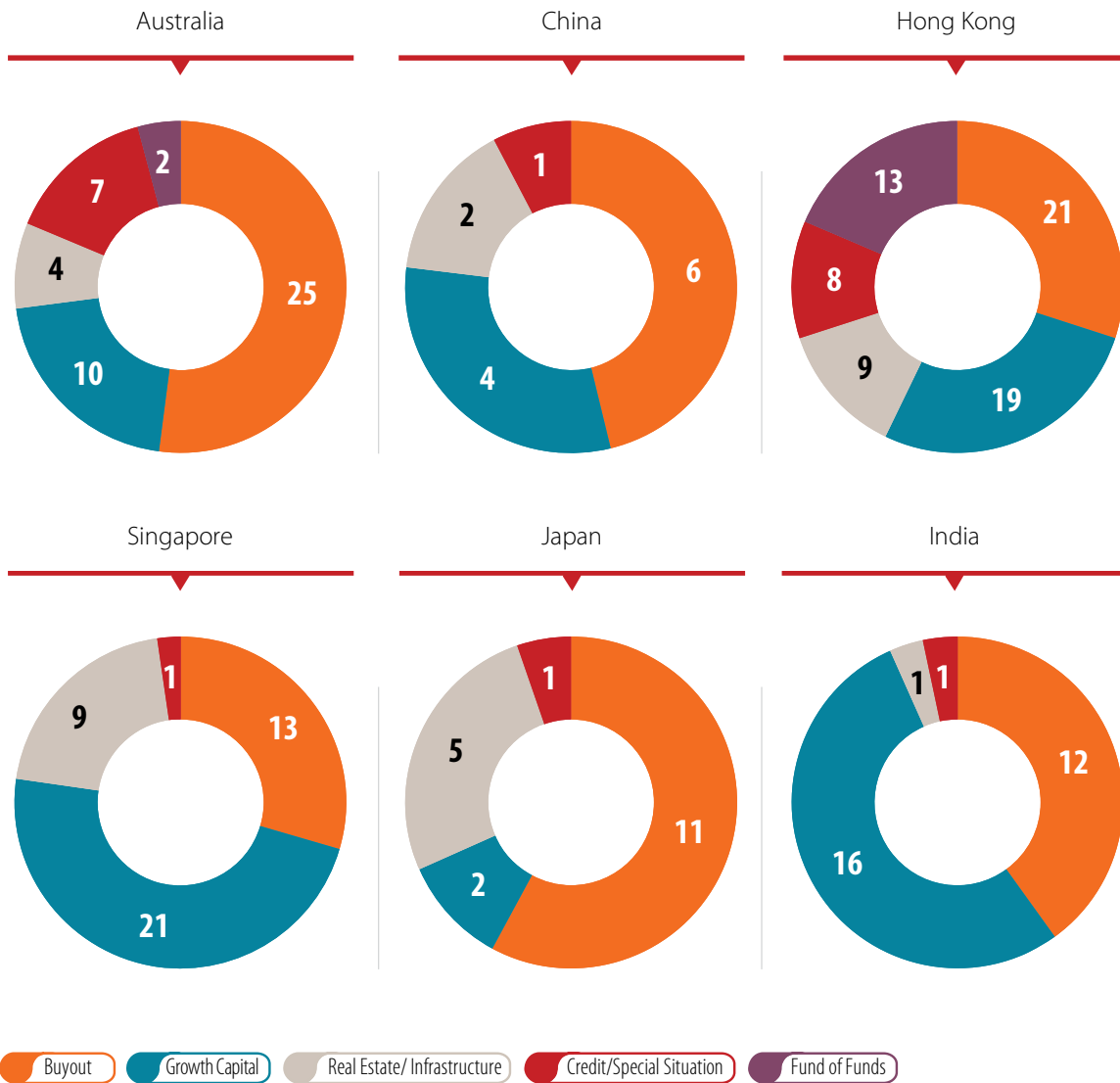
(USD '000)	Bonus Mean and Quartiles 2013					Bonus Mean and Quartiles 2014					Bonus Mean and Quartiles 2015					
	Bonus	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100	Mean	25	50 Median	75	100
Vice President/ Principal		137.86	22.25	138.00	191.13	400.50	177.14	22.25	163.00	306.75	400.50	195.07	44.25	188.00	306.75	450.50
Partner, Managing Partner and Managing Director		312.92	188.00	225.50	438.00	750.50	604.67	219.25	350.50	488.00	2000.50	350.50	188.00	225.50	413.00	825.50

(USD '000)	Carry 2015					
	Base	Mean	25	50 Median	75	100
Vice President/ Principal		1.49	0	0.15	3	8
Partner, Managing Partner and Managing Director		2.36	0	2.4	3.02	8

Breakdown of Respondents	
Vice President / Principal	Partner, Managing Partner and Managing Director
7	6

* Bonus levels for 2015 are anticipated. The numbers reflect compensation as self-reported by respondents

Respondent's Location by Fund Strategy



The numbers reflect compensation as self-reported by respondents

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