

Hiring Trends in Finance Industry

Sell-Side HR Report

Anne Ng
Elisha Goh
Tay Jing Lai
Rinnea Lam
Too Yun Zheng



Human Resources | 6 February 2021



**NUS
INVESTMENT
SOCIETY**

Agenda

Divisions

1. Corporate Banking
2. Investment Banking
3. Sales & Trading
4. Private Banking

Table of Contents

1. Division Overview
2. 2021 Outlook
3. Salary Trends
4. Interview Preparation
5. Interview Process
6. Interview Questions



Introduction: Corporate Banking

Corporate banking is all about providing a range of tailored banking services, in particular loans, to companies (rather than people) to help them run their day-to-day operations.



- Corporate bankers are often called ‘relationship managers’ (RMs) because they are tasked with growing client relationships over the long-term rather than focusing on a single deal.
- While corporate banking is often used interchangeably with the term “commercial banking”, the latter is actually an even broader sector and typically encompasses not just corporate banking but also retail/consumer banking services to individuals.

Top Corporate Banks

Some firms run corporate banking separately from investment banking, while others – like Deutsche Bank and J.P. Morgan – combine the two divisions to allow bankers to cross-sell products to their larger clients.

J.P.Morgan



UBS



DBS



UOB



BNP PARIBAS

ICBC



CREDIT SUISSE



HSBC

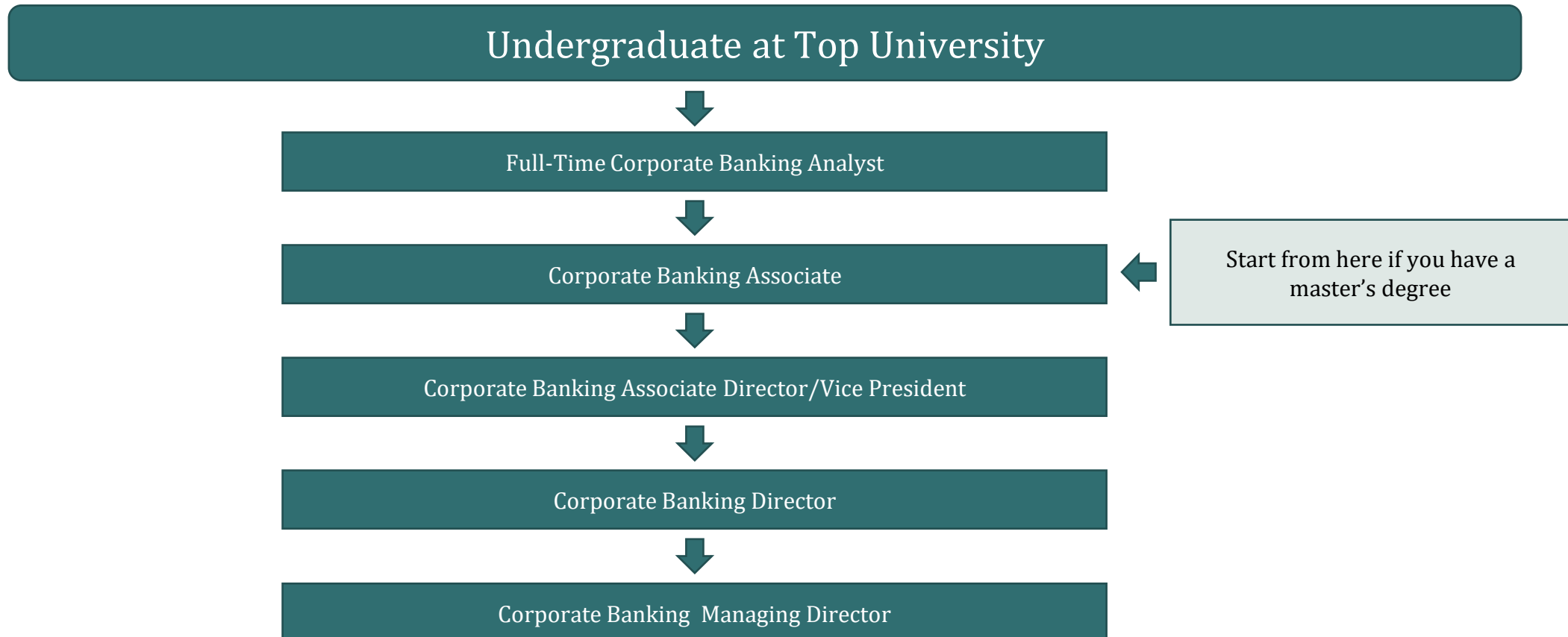


Goldman Sachs



NUS
INVESTMENT
SOCIETY

Corporate Banking Career Path



General Overview of Division in 2020



Capital and corporate banking are undergoing seismic changes fueled by:

- Macro-geopolitical volatility
- Technological transformation
- Newly emergent risks such as cyber-crime
- Heightening emphasis on Environmental, Social, Corporate Governance (ESG)
 - Banking Institutions are looking extensively at green investment products, green bonds and green pricing

Source: HSBC

<https://www.gbm.hsbc.com/insights/securities-services/2020-trends-in-corporate-banking-and-issuer-services>

General Overview of Division in 2020



Corporate banking has gone from being the growth engine of wholesale banking to being on the frontline of the crisis (Covid-19 induced)

- Spike in provisions level
- Fall in net interest income (NII) as central banks cut policy rates to near zero or negative
- Banks have had to manage the operational challenge of meeting the extraordinary demand from corporates and SME(s) for emergency credit

Overall revenues for corporate and transaction banking are down by 10%

Source: Oliver Wyman

<https://www.oliverwyman.com/our-expertise/insights/2020/aug/priorities-for-corporate-banks-in-2020.html>

Outlook of Division



- Over the next three to five years, a third of job functions in Singapore's finance sector will be merged, changed or cut due to the advent of data analytics and automation
- To survive the rise of digital self-service platforms for clients, RMs need to learn how to better use software and analytics tools to identify cross-selling opportunities

Source: eFinancialCareers SG

<https://www.efinancialcareers.sg/news/2019/04/the-singapore-banking-jobs-most-likely-to-be-axed-in-the-next-three-years>

Outlook of Division



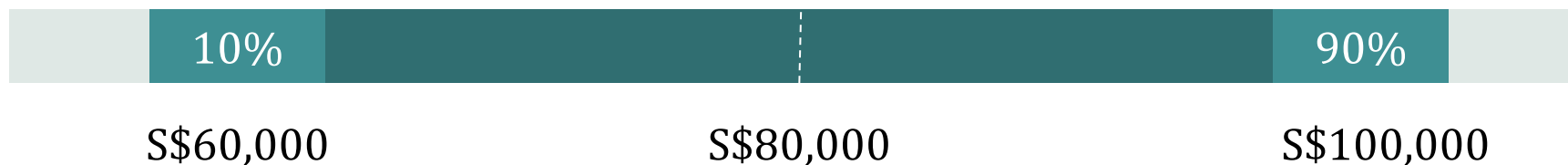
- The client experience is going to be instrumental in defining the future direction of the Corporate and Investment Banking sector
- Client's expectations has been raised by digital technologies and highly personalized services, and they are now demanding the same frictionless experience from all of their financial service providers

Source: Fenargo

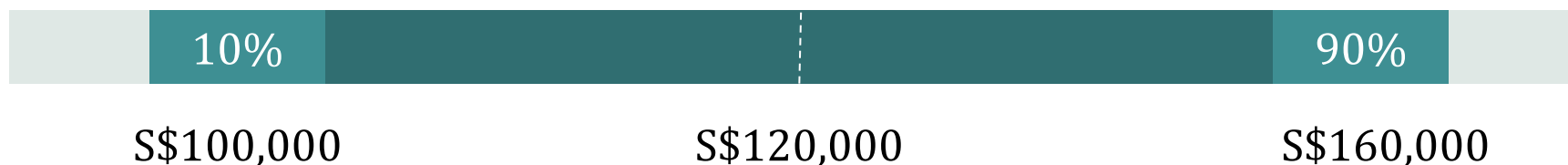
<https://www.fenargo.com/blog/2020-corporate-and-investment-banking-trends-set-to-shape-client-management/>

Salary Range

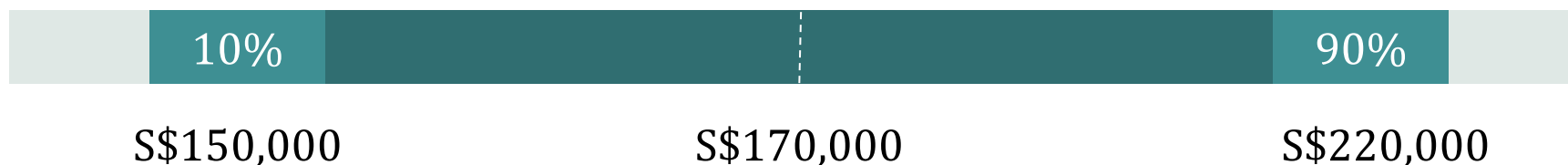
Average Corporate Banking Analyst Salary in Singapore



Average Corporate Banking Associate Salary in Singapore



Average Corporate Banking VP Salary in Singapore



Salary Trends

	Analyst	Associate	Vice President	Director	Managing Director
Timeframe for promotion	Undergraduates start their career path here. 2-3 years	Require MBA 3-4 years	3-4 years	2-3 years	NA
Salary + Bonus	\$60K - \$100K	\$100K - \$160K	\$150K - \$220K	\$220K - \$300K	\$300k+
Additional Information	<ul style="list-style-type: none"> - This is where you start after an undergraduate degree. - Being an analyst is all about learning the ropes and working long hours. 	<ul style="list-style-type: none"> - This is where you start with if you have a master's degree. - Even analysts usually need to get an MBA or something to eventually reach the associate role. - This is the actual start of your career where you are more than just an office grunt and do some real work. 	<ul style="list-style-type: none"> - This is where you can start making a real difference and get to take meaningful decisions. - Not client level decisions, but at least on the operational and execution level. - This is also where you begin to cement your understanding about client industries and business in general. 	<ul style="list-style-type: none"> - The first real leadership position. Most Directors will have a small team reporting to them and your focus shifts towards management and leadership, in addition to managing escalations and revenue targets. - Most will hit this level in their mid-thirties, and this is when life starts to cruise along. 	<ul style="list-style-type: none"> - Not everyone really makes it to this level since the number of roles are limited. - The pressure is to perform is very high though. You are expected to bring in hundreds of millions in revenue each year and you are constantly under threat from others who can supposedly do better.



How to prepare for corporate banking interviews?



Ensuring that you have the relevant knowledge regarding the division

- Familiarize yourself with the credit agreements (definitions, pricing, covenants)
- Understanding the corporate banking role
- Preparing for both the technical questions (basic accounting and valuation) as well as the qualitative questions

Make sure that you are able to answer all if not most of the corporate banking interview questions (can be found online)

What are employers looking out for? (Personalities and characteristics for a good fit)



High qualitative skills and EQ allows one to build relationships in corporate banking



Need for curiosity, be interested in what the client wants (or does not want)
Must care about the success of their business rather than just selling products to them

Interview Questions

Common Fit Questions

- What does a corporate banker do? How does this division fit into the bank as a whole?
- Why corporate banking rather than investment banking?
- What are your strengths and weaknesses? / Give me an example of a time when you led a team.

Common Accounting Questions

- Walk me through the 3 financial statements and how you link them. (Income Statement, Balance Sheet and Statement of Cash Flows)
- What is EBITDA, and how do you calculate it starting with Net Income or Operating Income?
- What happens on the statements when Accounts Receivable or Depreciation goes up by \$10?

Interview Questions



Common Credit Questions

- How would you evaluate the creditworthiness of a company?
- What are maintenance and incurrence covenants?
- What's the difference between Revolvers and Term Loans?
- What is the original issue discount (OID)?

Introduction: Investment Banking



The role

- Creation of capital for other companies, governments, and other entities.
- Help corporations, governments, and other groups plan and manage financial aspects of large projects.
- Act as intermediaries between investors and corporations

Examples of activities provided:

- Underwriting (Capital raising)
- Merger and Acquisitions Advisory (M&A)

Source:

Investment Banking Definition. (2020). Investopedia.

<https://www.investopedia.com/terms/i/investment-banking.asp>

Top IB Companies



Morgan Stanley

Source:

The World's Top 10 Investment Banks (2021). Investopedia.

<https://www.investopedia.com/articles/investing/111114/worlds-top-10-investment-banks.asp>

Covid-19 Implications

Digitization

- Traditionally, most IB firms operate on premise
- We are likely to see more IB moving towards digitized workflows, collaboration tools and a more flexible work location

Focus on risk management

- COVID-19 will likely accelerate towards a greater focus in risk management of many businesses and clients
- More active approach to clients, businesses, acquisitions to adjust their product mix and resources that are more strategically valuable



Outlook beyond 2021

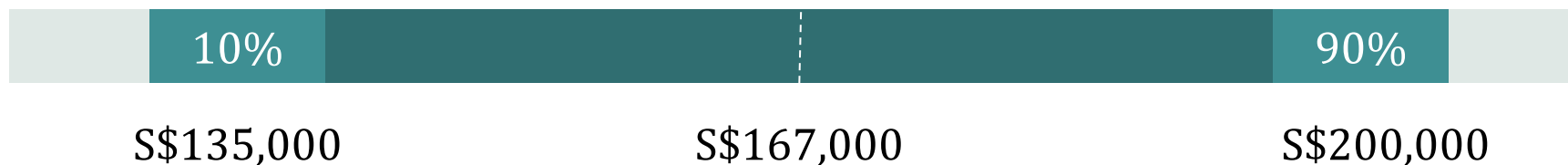
In-demand skills and experience to adapt with to rapid pace of change

80% of financial institution believed their organization is not effective in developing leaders that can adapt with rapid pace of change; need to balance traditional expectations and new competencies

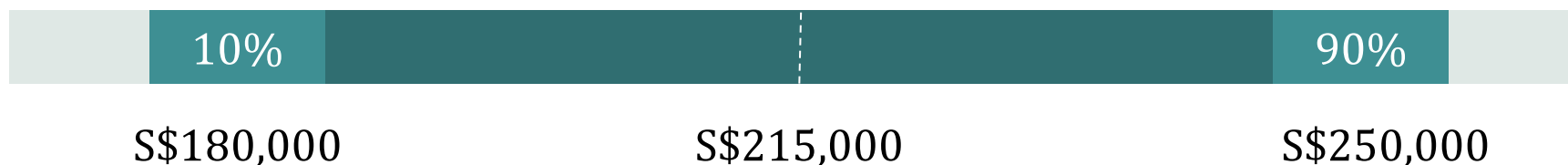


Salary Range

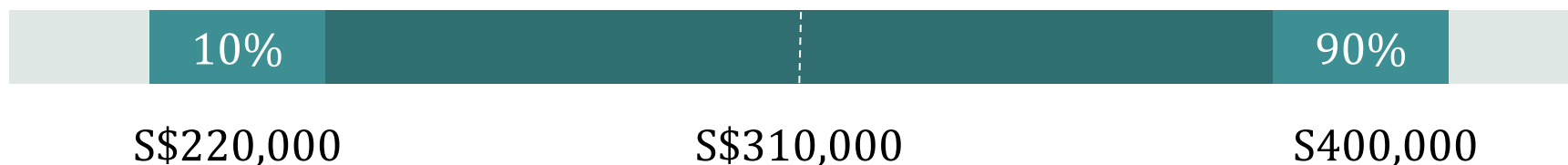
Average Investment Banking Analyst Salary in Singapore



Average Investment Banking Associate Salary in Singapore



Average Investment Banking VP Salary in Singapore



Salary Trends

	Intern	Analyst	Associate	Vice President	Managing Director
Timeframe for promotion	NA	Undergraduates start their career path here. 2-3 years	Require MBA 3-4 years	3-4 years	NA
Salary + Bonus	\$8-\$10K	\$85,000 - \$100,000 + \$50,000 - \$100,000	\$100,000 - \$120,000 + \$80,000 - \$130,000	\$120,000 - \$150,000 + \$100,000 - \$250,000	\$300,000 - \$1,000,000 + \$200k - \$10,000,000+
Additional Information	- Interns are typically in the office at 6.30am and leave at 9pm,	- This is where you start after an undergraduate degree, mostly doing grunt work but you also learn the most here	- This is where you start with if you have a master's degree - Even analysts usually need to get an MBA or something to eventually reach the associate role - This is the actual start of your career where you are more than just an office grunt and do some real work	- This is where you can start making a real difference and get to take meaningful decisions - Sweet spot between responsibility and power, beyond VP, you will have too much revenue pressure	- Not everyone makes it to this level since the number of roles are limited - The pressure is to perform is very high. You are expected to bring in hundreds of millions in revenue each year and you are constantly under threat from others who can supposedly do better

Source: eFinancialCareers SG (2019), Straits Times (2017)

<https://news.efinancialcareers.com/sg-en/212240/this-is-what-your-investment-banking-salary-should-be-in-singapore>

<https://www.straitstimes.com/business/top-interns-in-singapore-rake-in-up-to-10000-a-month-at-major-foreign-banks>



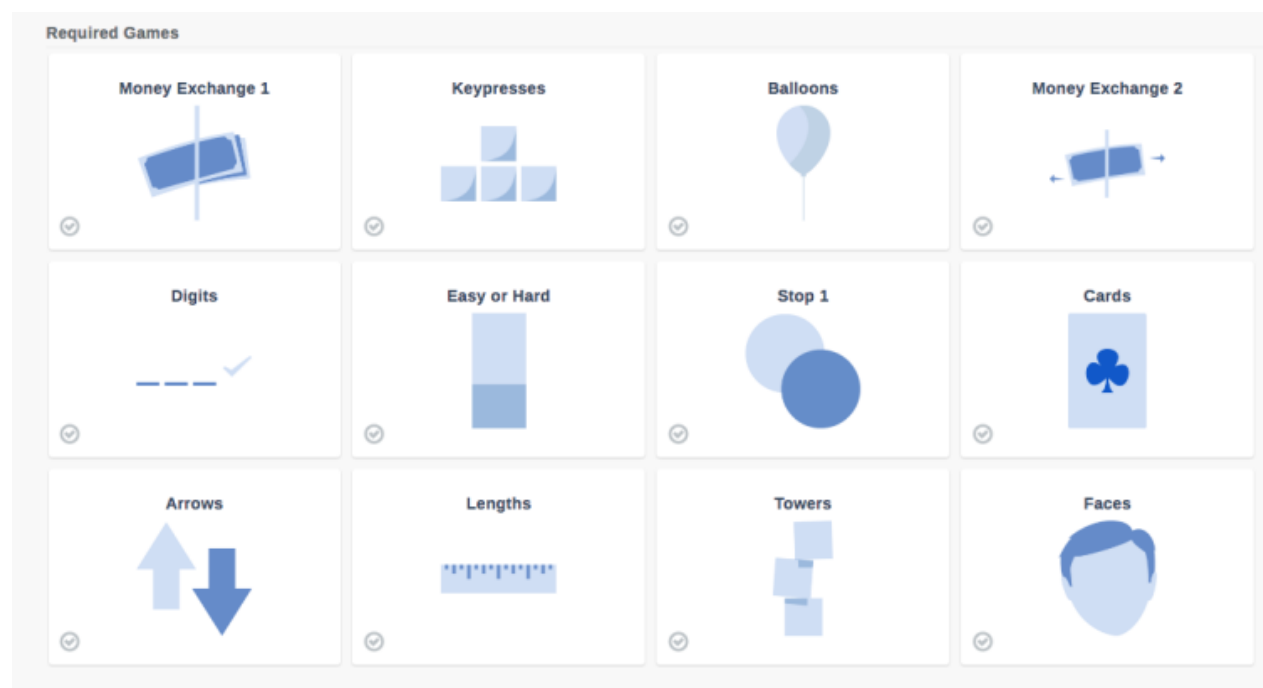
Interview Preparation

- Attend presentations and meet recruiting teams
- Talk to students who have interned/worked at the firms you are interested in
- Know the difference between the firms and their competitors and understand the differences
- Take advantage of workshops and educational sessions
- Keep updated on businesses and financial news
- Utilise career center resume and interview skills workshop



Interview Process

Online Application → Pymetrics → Video interview on Hirevue → Assessment Centers (Case studies, Group exercises) → Interview → Offer



Interview Process

Assessment Centres

Types of activities vary but you can expect:

1. Pre-reading
2. Interviews
3. Case study
4. Networking
5. Group exercise



Interview Questions

Category 1 → Telling Your Story

There is only one question in this category, though it may be phrased in different ways:

- “Tell me about yourself.”
- “Walk me through your resume.”
- “Why are you here today?”
- “Tell me about your experience.”



Interview Questions

Investment Banking Interview Question Category 2: “Fit” Questions

This category includes questions such as:

- “Tell me about a team activity that did not go as planned.”
- “What’s your greatest strength?”
- “What’s your greatest failure?”
- “Why is your CAP on the low side?”



Interview Questions

Investment Banking Interview Question Category 3: Deals, Markets, and Companies

This category includes questions such as:

- “Tell me about a recent deal.”
- “Tell me about a deal our bank worked on recently.”
- “Tell me about a company you’re interested in.”
- “What makes Market X interesting to you?”

Potential Strategic Buyers for Shakespeare

(\$ in millions)

Company	Key Metrics	Strategic Rationale
	Market Cap: \$12,255.8 Enterprise Value: 9,066.3 Cash: 5,342.7 Debt: 2,153.2 EV / CY11 Rev: 1.59x EV / CY11 EBITDA: 5.5x	<ul style="list-style-type: none"> + Complementary product roadmaps + SanDisk in August launched its first product in embedded SSD category + Shakespeare's announced new strategic move into the Flash packaging focusing on Micro SD cards, SD cards, and USBs + Strategic opportunity to leverage Shakespeare's current presence to penetrate Brazil market by offering full manufacturing capability and shorter lead times - Specialized DRAM business not a clear fit
	Market Cap: \$11,914.9 Enterprise Value: 13,087.9 Cash: 2,411.0 Debt: 3,584.0 EV / CY11 Rev: 1.40x EV / CY11 EBITDA: 4.1x	<ul style="list-style-type: none"> + Expand downstream by further integrating Shakespeare's highly differentiated specialty DRAM capabilities to drive higher margins and top line growth + Synergistic product offering: Shakespeare's XceedIOPS SAS solution currently ships with Micron's MLC Flash components + Opportunity to leverage Shakespeare's presence and relationships with Tier 1 OEMs to cross sell into the Brazil's high growth end markets - High volume focused
	NA	<ul style="list-style-type: none"> + #1 global memory module vendor – opportunity to acquire the closest competitor and further consolidate the market + Shakespeare's dominant position in Brazil provides instant access to highly attractive end markets + Access to Shakespeare's IP and expertise in enterprise-class SSS solutions to complement its consumer/computing SSS offering - Privately held and has not executed M&A historically
	Market Cap: \$121,087.6 Enterprise Value: 112,354.1 Cash: 21,126.8 Debt: 12,393.3 EV / CY11 Rev: 0.91x EV / CY11 EBITDA: 4.5x	<ul style="list-style-type: none"> + Expand downstream by further integrating Shakespeare's highly differentiated specialty DRAM capabilities to drive higher margins and top line growth + Developing a new SSD controller in partnership with Seagate - enterprise-class SSD's slated for a "mid-2012" release - Has not historically executed on M&A

Source: FactSet and I/B/E/S consensus estimates. Data as of 2/25/11.



Interview Questions

Investment Banking Interview Question Category 4: Technical Questions and Answers

- How are the three financial statements linked?
- What are the benefits of raising equity and what are the benefits of raising debt?
- What are the greatest challenges the financial sector will face in the next 5 years?

Income Statement								
Revenue	102,007	118,086	131,345	142,341	150,772	158,311	165,435	172,052
Cost of Goods Sold (COGS)	39,023	48,004	49,123	53,254	57,310	58,575	61,211	61,939
Gross Profit	62,984	70,082	82,222	89,087	93,462	99,736	104,224	110,113
Expenses								
Salaries and Benefits	26,427	22,658	23,872	23,002	25,245	25,000	25,000	25,000
Rent and Overhead	10,963	10,125	10,087	11,020	11,412	10,000	10,000	10,000
Depreciation & Amortization	19,500	18,150	17,205	16,544	16,080	15,008	15,005	13,003
Interest	2,500	2,500	1,500	900	900	900	900	900
Total Expenses	59,390	53,433	52,664	51,466	53,637	50,908	50,905	48,903
Earnings Before Tax	3,594	16,649	29,558	37,622	39,825	48,827	53,319	61,210
Taxes	1,120	4,858	8,483	10,908	11,598	13,672	14,929	17,139
Net Earnings	2,474	11,791	21,075	26,713	28,227	35,156	38,389	44,071
Balance Sheet								
Assets								
Cash	167,971	181,210	183,715	211,069	239,550	274,339	317,122	328,798
Accounts Receivable	5,100	5,904	6,567	7,117	7,539	7,807	8,158	8,485
Inventory	7,805	9,601	9,825	10,531	11,342	11,715	12,242	12,388
Property & Equipment	45,500	42,350	40,145	38,602	37,521	37,513	32,508	44,505
Total Assets	226,376	239,065	240,252	267,319	295,951	331,374	370,030	394,175
Liabilities								
Accounts Payable	3,902	4,800	4,912	5,265	5,671	5,938	6,205	6,279
Debt	50,000	50,000	30,000	30,000	30,000	30,000	30,000	10,000
Total Liabilities	53,902	54,800	34,912	35,265	35,671	35,938	36,205	16,279
Shareholder's Equity								
Equity Capital	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Retained Earnings	2,474	14,265	35,340	62,053	90,280	125,436	163,825	207,897
Shareholder's Equity	172,474	184,265	205,340	232,053	260,280	295,436	333,825	377,897
Total Liabilities & Shareholder's Equity	226,376	239,065	240,252	267,319	295,951	331,374	370,030	394,175
Check	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Cash Flow Statement								
Operating Cash Flow								
Net Earnings	2,474	11,791	21,075	26,713	28,227	35,156	38,389	44,071
Plus: Depreciation & Amortization	19,500	18,150	17,205	16,544	16,080	15,008	15,005	13,003
Less: Changes in Working Capital	9,003	1,702	775	903	827	375	611	398
Cash from Operations	12,971	28,239	37,505	42,354	43,480	49,789	52,783	56,676
Investing Cash Flow								
Investments in Property & Equipment	15,000	15,000	15,000	15,000	15,000	15,000	10,000	25,000
Cash from Investing	15,000	15,000	15,000	15,000	15,000	15,000	10,000	25,000



Introduction: Sales & Trading



Salesperson

- Engage potential clients (Institutions/Individuals) in the primary market to sell securities (e.g. IPOs)
- Primary contact for clients such as portfolio managers, funds and other investment banks
- Works together with traders to price and execute trades

Traders

- Traders Buy/Sell securities in the secondary market on behalf of investment firm/bank to generate profit
- Each Trader has their own trading book where each Trader specialise in executing orders on their assigned securities (e.g. Equities, Fixed Income, Commodities)

Top Trading Companies

BofA SECURITIES 

**JPMORGAN
CHASE & CO.**

 **BARCLAYS**


citi

**Goldman
Sachs**

 **Deutsche Bank**

CREDIT SUISSE 

 **UBS**

 **HSBC**

Outlook of Division

Overall Reduction of Headcount

Most trading desks had lost headcounts over the past decade with Cash Equities desk hit the hardest

Growing trend of Commodity Trading in Asia

Asia is on track to top 50% of global GDP and growing demand for commodity firms to set up in Singapore

Huge demand for Quantitative candidates

Model building & Model System designers with Programming backgrounds to conduct risk analytics are highly demanded due to today's volatile market



Outlook of Division beyond 2020

Economic headwinds caused by COVID-19

- Delayed Hiring
- Reduced hiring budgets → Lesser headcounts moving into 2021

Governmental Support for Finance Industry

- “Growing Timber” Project

Possible Lesser demand for Underwriters

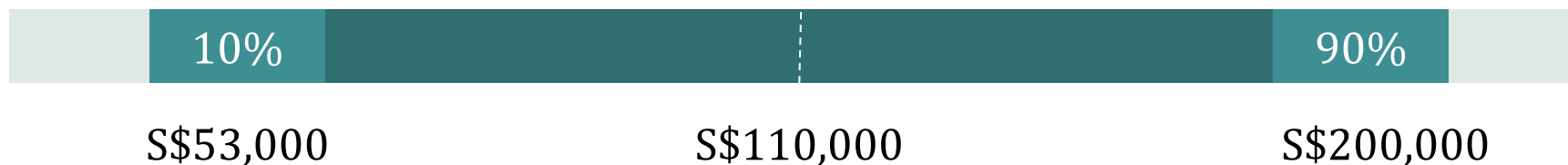
On 22 December 2020, Securities and Exchange Commission (SEC) approved companies to raise capital through direct listings instead of Banks.

- Eliminates the need for companies to pay for large amount of underwriting fees
- Reduced demand for Traditional IPOs → Salespersons' Commissions may be affected

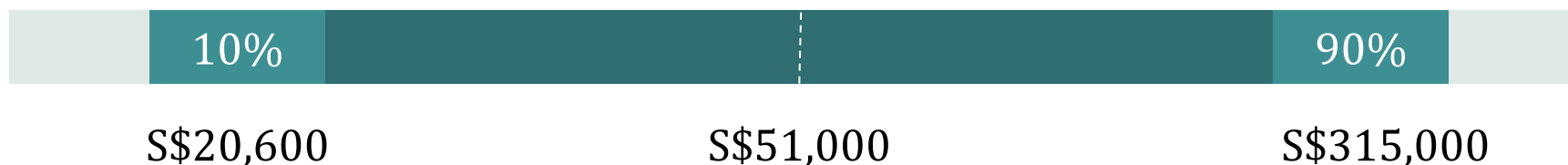


Salary Range

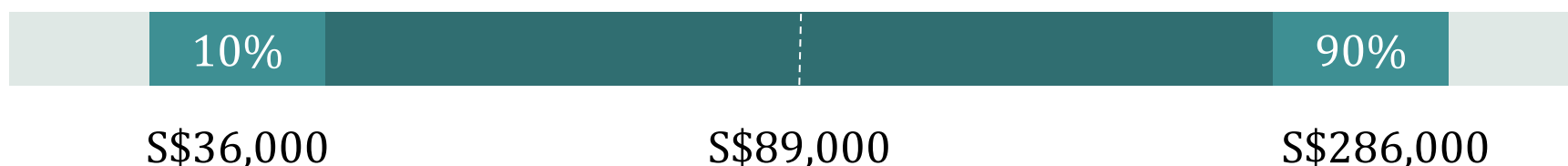
Average Commodity Trader Salary in Singapore



Average Equity Trader Salary in Singapore



Average Institutional Salesperson Salary in Singapore



Source: Average Trader, Commodities Salary in Singapore (n.d.). Payscale.

Average salary for Institutional Sales professionals (n.d.). Emolument.

https://www.payscale.com/research/SG/Job=Trader%2C_Commodities/Salary

<https://www.emolument.com/salary-reports/jobs/institutional-sales/38472>



Salary Trends

	Intern	Analyst	Senior Analyst/Associate	Asst. Vice Pres./Vice Pres.
Years of relevant experience needed	0 Years. Relevant internship experience is a plus	0-2 years of relevant experience or fresh graduate with excellent academic results and internships experience	3-6 years of investment experience	7-10 years & above of investment/relevant work experience
Average Annual Salary + Bonus	\$36,000	\$89,000 + ~\$30,000	\$125,000 + ~\$40,000	\$208,000 - \$357,000 + ~\$90,000 - \$100,000
Additional Information	As a fresh intern, you will most likely spend your time on administrative tasks than actual trading E.g. Checking of trades entered into trading system, monitoring P/L and financial modelling	Responsibility of making trades usually begin here You will start to learn all the available execution tools, trading costs and objective of the trade	Consistent performance in your junior years should earn you this spot rather quickly You must be well versed with the risk management principles of the firm and familiar with its trading objectives	Proven ability to manage the trading team and made significant contribution to the firm over the years Can also be replaced with AVP/VP of other firms

Source: Average Trader, Commodities Salary in Singapore (n.d.). Payscale.
Average salary for Institutional Sales professionals (n.d.). Emolument.
https://www.payscale.com/research/SG/Job=Trader%2C_Commodities/Salary
<https://www.emolument.com/salary-reports/jobs/institutional-sales/38472>



What to expect for your upcoming interview & how do I prepare for it?



- **Fit/Behavioural Questions**
- **Brain teasers & Math Questions**
- **Case studies/Programming tests***
**if you are applying for tech-related roles*



- **Be familiar with current market situation**
e.g. Key events/news, market performances
- **Have 1-2 stock pitches ready and be prepared to showcase your trade ideas**

What are hirers looking for during the interview?



Quick decision-making skills

- Hirers may throw you off with an unexpected brainteaser or question that you may not have prepared well
- Even if you do not have the right answers, hirers want to see your ability to provide rationale explanations for your answers and how well you perform under pressure



Interest in specific product and the ability to demonstrate your drive for trading/sales

- As the job demands for candidates with a strong skill set, you need to demonstrate your knowledge for the role you are applying for. Go back to your fundamentals again!

e.g. Trading Strategies, How you evaluate risk, Analysing a stock

Interview Questions

- Why do you want to become a trader/salesperson?
- Why are you interested in sales and trading rather than investment banking?
- What would you do with \$1 million?
- Talk to me about the economy.
- Pitch me a stock that you would buy or sell now.
- What is the greatest risk you have ever taken? How risky are you?
- What is the probability of flipping 3 heads and 1 tail?

***Always show consistency in your answers and demonstrate competency in the field you applying for!**

Remember: Show broad understanding in every response and avoid answers that are too cliché or standard!



Introduction: Private Banking



- PB is an enhanced offering for the high-net-worth individual (HNWI) clients of a financial institution, consisting of personalized financial and investment services and products from a dedicated personal banker
- Includes a wide range of wealth management services, and all provided under one roof

Top Private Banking Companies

CREDIT SUISSE 

 **HSBC**

 **BNP PARIBAS**

Goldman
Sachs

Standard
Chartered 

 **Deutsche Bank**

Julius Bär

 **PICTET**

 **LGT**

 **UBS**

Morgan Stanley

JPMORGAN
CHASE & CO.

 **NUS
INVESTMENT
SOCIETY**

Outlook of Private Banking



- While the finance sector in Asia experienced a new normal of delayed or frozen recruitment, some private banks still want to expand their headcounts in Singapore and Hong Kong, albeit at a slower rate than planned.
- Asia continues to be a growth driver in wealth management and therefore private banks will continue to look to grow their business, either organically or via acquisitions.

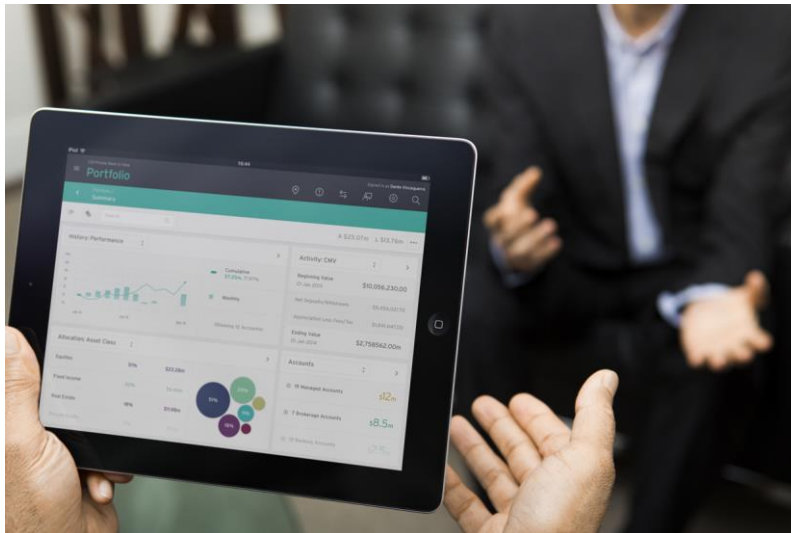
COVID-19 Implications

19% of homeowners have lost faith in their banks due to lack of financial support available during the pandemic

31% of customers were frustrated by their banks' dependence on chatbots and automated services.



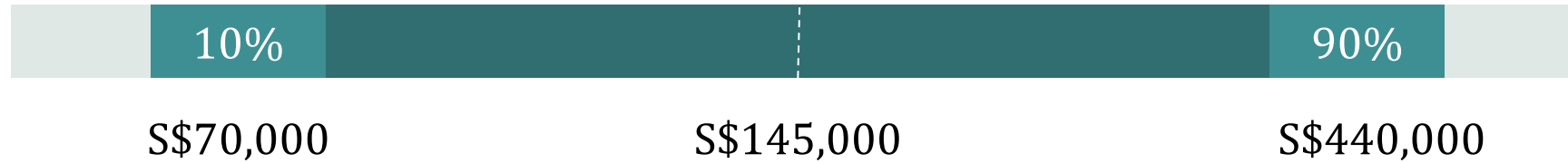
COVID-19 Implications



- Importance of **effective customer engagement**
- This is especially so in these uncertain times where people are eagerly looking for advice and support.
- Importance of **technology**
- This means creatively adapting to the new normal and not letting the other challenges they face overshadow their customer engagement. Technology needs to be seen as an instrument that can be creatively leveraged to engage with their clients and networks.

Salary Range

Average Private Banker Salary in Singapore



Salary Trends

	Assistant RM/Associate Client Advisor	Associate Director/AVP	Director/VP	Executive Director/SVP	Managing Director
Years of relevant experience needed	2-6	6-9	9-13	13-17	17+
Min Annual Salary	\$52,000	\$107,000	\$174,000	\$280,000	\$410,000
Max Annual Salary	\$94,000	\$187,000	\$298,000	\$408,000	+
Additional Info	Usually will start PB career here and this is essentially a trainee role.	This is when you become a full-fledged private banker. Expect salary to rise dramatically.	The salaries of newly hired private bankers in Singapore are typically tied to the proportion of their current clients' AUM they can bring to the new bank.	Only EDs and MDs are able to get high increments that are not necessarily tied to AUM commitments.	Only EDs and MDs are able to get high increments that are not necessarily tied to AUM commitments.

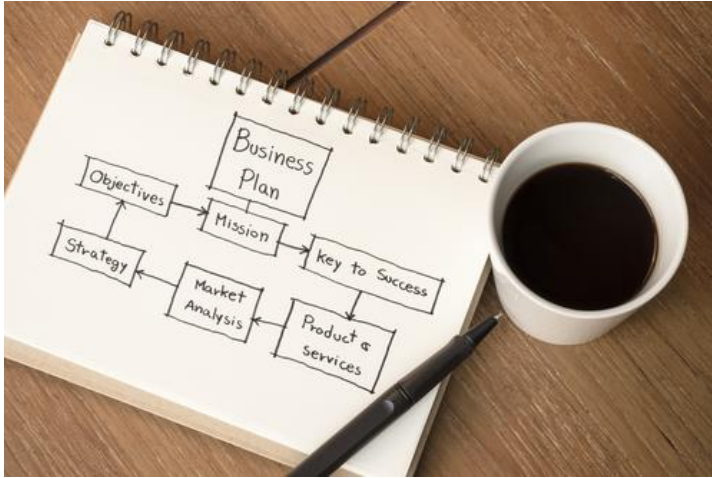


Salary Trends

- Bonus percentage depends more on banks rather than seniority
- Most private banks calculate bonus based on a percentage of their personal annual revenue minus their base pay.



How to prepare for Private Banking interviews?



- **Prepare a business plan before interview** - present a business plan on how you intend to build assets under management (AUM) and develop new clients
- **Estimate your level of candidate support** - work out the percentage of transferable assets for each individual client – from 100% for clients who are like family, down to about 20% for the ones who you can't guarantee
- **Prepare for compliance and risk questions** - with increasing focus on risk management and compliance nowadays, candidates must expect governance-related questions

Interview Questions

- Why wealth management/ private banking?
- How do you conduct a Credit Risk Management Assessment?
- How would you overcome a client's reluctance to work with you because of your youth or perceived inexperience?
- If you started today, what is the first investment you would make and why?
- What's the most important trait for a private banker to possess?
- What is a balanced portfolio to you?

***Always show consistency in your answers and demonstrate competency in the field you applying for!**

Remember: Show broad understanding in every response and avoid answers that are too cliché or standard!



Hiring Trends in Finance Industry

Buy-Side HR Report

Elise Lim

Sim Pei Ying

Hintze Tan

Zhao Danfeng

Mazel Tan



Human Resources | 6 February 2021



**NUS
INVESTMENT
SOCIETY**

Agenda

Divisions

1. Venture Capital
2. Hedge Funds
3. Asset Management
4. Family Office
5. Private Equity

Table of Contents

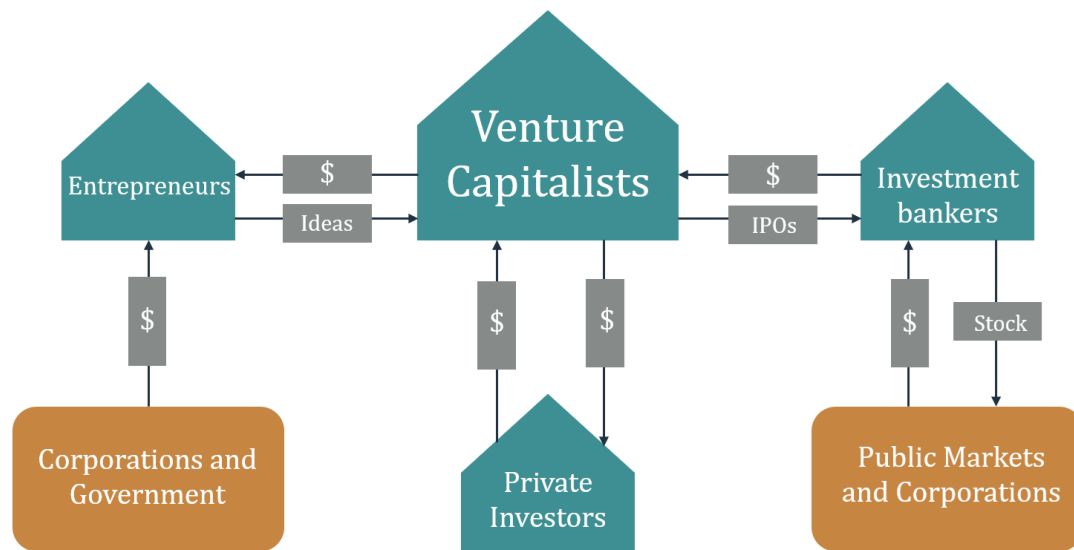
1. Division Overview
2. 2021 Outlook
3. Salary Trends
4. Interview Preparation
5. Interview Process
6. Interview Questions



Introduction to Venture Capital

Whether you are replying to a message on Whatsapp, listening to Spotify or catching a Grab ride, we use products and services from venture capital-backed firms in our everyday lives.

How the Venture Capital Industry Works



- Venture capital (VC) is a form of financing, where capital is invested into **early-stage, high-growth-potential companies**, in exchange of equity.
- Investors of VC firms are called *Limited Partners*.
- VCs grow these companies and exit via acquisitions or initial public offerings (IPOs).

Source:

Zider, B. (1998, November-December). How Venture Capital Works, *Harvard Business Review*, 98611, 131-139.

PitchBook. (2020, October 5). *What is venture capital?* PitchBook Blog. <https://pitchbook.com/blog/what-is-venture-capital>

Ramsinghani, M. (2014). *The Business of Venture Capital: Insights from Leading Practitioners on the Art of Raising a Fund, Deal Structuring, Value Creation, and Exit Strategies*, Second Edition. John Wiley & Sons. <https://doi.org/10.1002/9781118931646>

Tech IPOs are now global — and bigger

The 10 largest VC-backed tech IPOs in 2020 by valuation:



The 10 largest VC-backed tech IPOs in 2013 by valuation:



Source:

CB Insights. (2019, April 11). *Research Brief: The Top 20 Venture Capitalists in Asia*. CB Insights. <https://www.cbinsights.com/research/top-asia-venture-capital-partners/>
Willis, A. (2020, December 15). The 10 Biggest IPOs of 2020. *Morning Star*. <https://www.morningstar.com/articles/1014850/the-10-biggest-ipos-of-2020>

Top VC Firms in Southeast Asia

Listed in no particular order:

1. East Ventures



2. 500 Durian



3. SG INNOVATE



4. Sequoia Capital



5. Insignia Venture Partners



6. Wavemaker Partners



7. Global Founders Capital



8. SEEDS Capital



9. Golden Gate Ventures



10. Alpha JWC Ventures



11. EV Growth



12. Gobi Partners



Source:

Sedaghat, J.P. (2020, January 21). *The 2020 Ultimate list of top VCs in SouthEast Asia!* Medium. <https://medium.com/@vantagecapital/the-2020-ultimate-list-of-top-vcs-in-southeast-asia-1c2a4c003828>

Breaking into Venture Capital

Pre-MBA

- Graduated from university.
- Worked in **investment banking, management consulting, business development, sales or product management** at a start-up for a few years.

Post-MBA

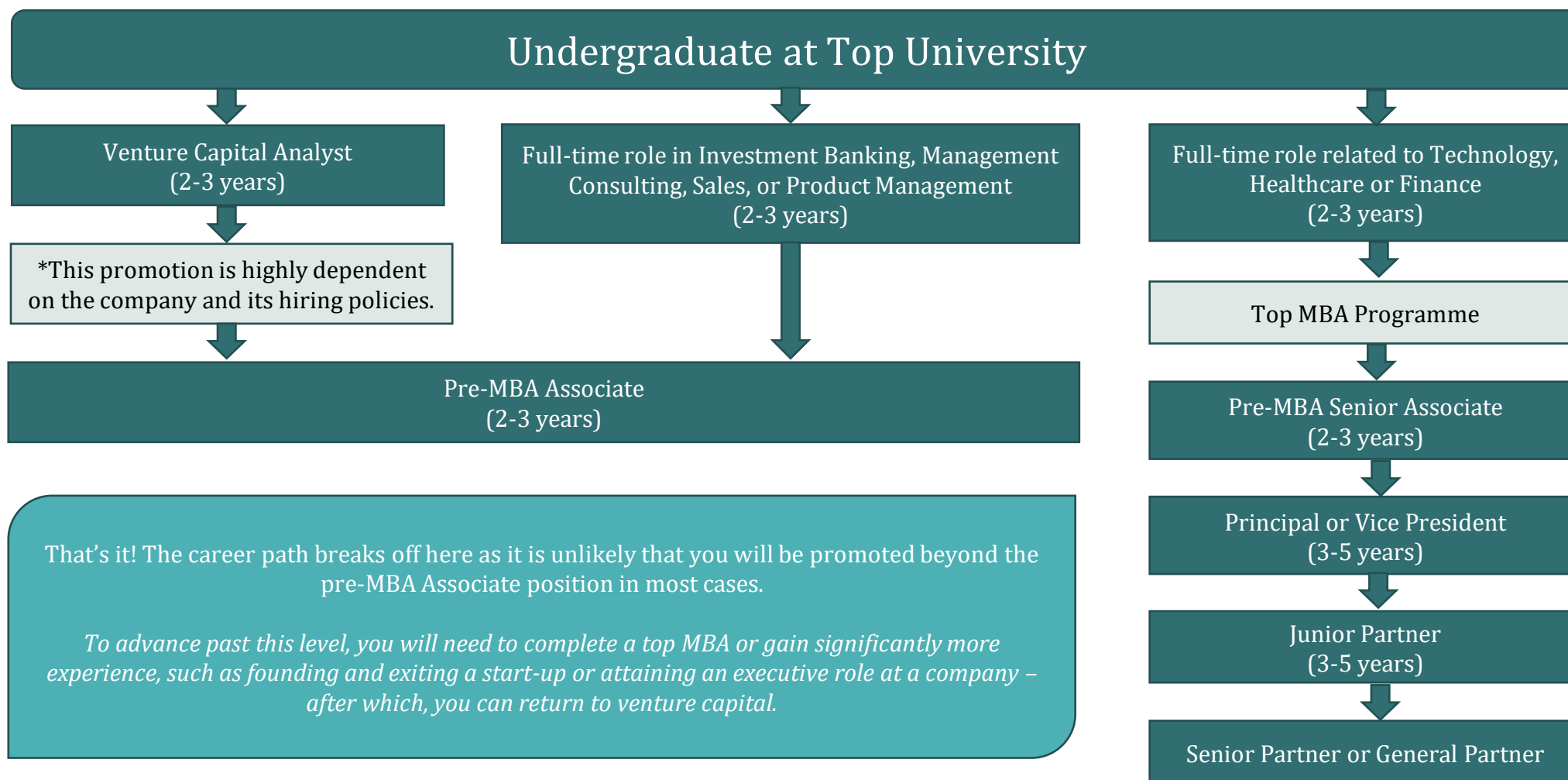
- Background in **technology, healthcare or finance** before business school.
- Enrolled in a top business school afterwards.

Senior Level/ Operating Partner

- Successfully **founded** and exited a start-up.
- Or were a **high-level executive** (VP or C-level) at a large company that operates in an industry of interest to VCs.



Career Pathways in Venture Capital



2021 Outlook and Trends for Venture Capital

Despite the pandemic, the long-term outlook for venture capital investing remains **positive**.

VCs have refocused their business models to reap opportunities created by the pandemic, such as food delivery or remote working.

Post COVID-19, investors will continue to seek out strong talent and technologies.

Healthcare is poised to be in greater demand.



Firms with portfolio in **online services** have benefitted from the disruption.



But **travel and entertainment** companies and **SMEs** are feeling the heat from the pandemic.



Investing requires a long-term horizon as the world eventually recovers from COVID-19.

Source:

Bestsenny, O., Gilbert, G., Harris, A., & Rost, J. (2020, May 29). *Telehealth: A quarter-trillion-dollar post-COVID-19 reality?* McKinsey & Company.

<https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/telehealth-a-quarter-trillion-dollar-post-covid-19-reality>

Craft. (2020, December 3). *Meritech Capital Partners*. Craft Co. <https://craft.co/meritech-capital-partners>

Knowledge@Wharton. (2020, June 19). *COVID-19: 3 ways businesses can find growth opportunities during the crisis*. World Economic Forum.

<https://www.weforum.org/agenda/2020/06/innovation-rethink-wharton-covid19-coronavirus/>

Taherian, S. (2020, April 26). *What is the Future of Venture Capital Post-Crisis?* Forbes. <https://www.forbes.com/sites/suzytaherian/2020/04/26/what-is-the-future-of-venture-capital-post-crisis/?sh=74ce10342981>



Relevancy of Division Moving Forward

There is *tremendous uncertainty* worldwide as to the impact of the virus on the economy.



1

VC Firms

VCs are **working with portfolio companies** to navigate through COVID-19.

2

2020 Outlook

Compared to 2019, **2020 venture investing levels fell.**

3

Limited Partners

Limited Partners will **re-evaluate investment.**

4

Post-pandemic

VC industry could rebound strongly post-pandemic.

5

Historically...

Amazing companies have been built in hard times.

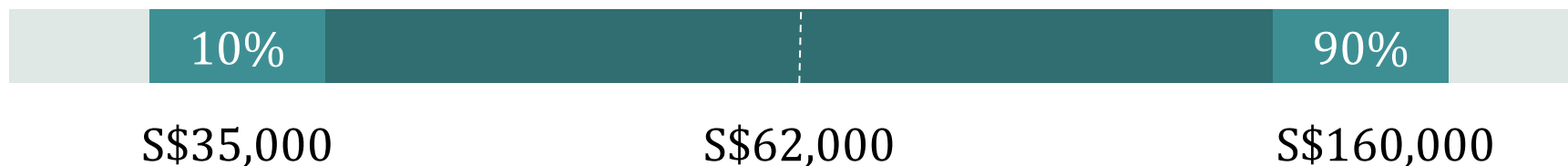
Source:

Taherian, S. (2020, April 26). *What is the Future of Venture Capital Post-Crisis?* Forbes. <https://www.forbes.com/sites/suzytaherian/2020/04/26/what-is-the-future-of-venture-capital-post-crisis/?sh=74ce10342981>

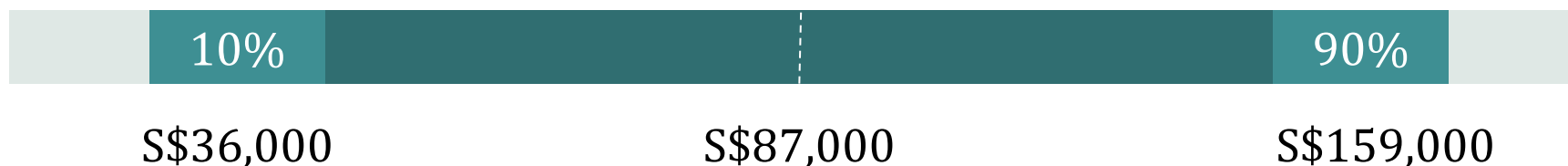


Salary Range

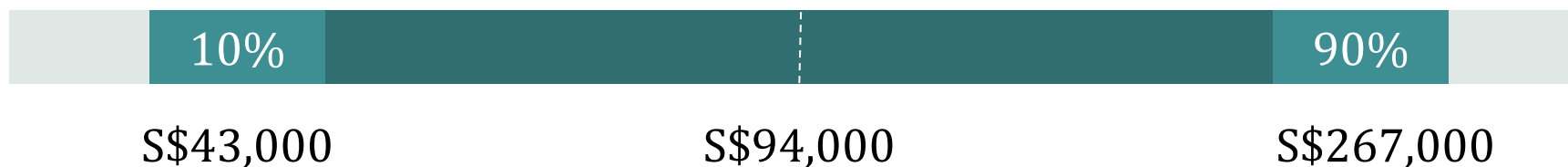
Average Investment Analyst Salary in Singapore



Average Investment Associate Salary in Singapore



Average Investment Manager Salary in Singapore



Source:

PayScale. (2020, November 10). *Average Associate - Venture Capital Firm Salary in Singapore*. PayScale Inc. https://www.payscale.com/research/SG/Job=Associate_-_Venture_Capital_Firm/Salary



Salary Trends

	Investment Analyst	Senior Associate/ Investment Associate	Venture Partner	Investment Manager
Years of relevant experience needed	Graduated from a reputable university with some work experience in Investment Banking	≥3 years of work experience in Investment Banking, Venture Capital, Private Equity or Management Consulting or fresh MBA from top B-schools	3-5 years of work experience in a startup or a VC firm	5-8 years of work experience in a product management, concept exploration and design, human-centred research capabilities, market analysis and strategy development role
Salary + Bonus	\$39K - \$193K	\$39K - \$127K	\$141K - \$516K	\$47K - \$388K
Additional requirements	<ul style="list-style-type: none"> - Bachelor degree in Mathematics, Statistics, Finance, Economics or Accounting - Passion for working with early-stage companies, great instincts, and a unique perspective 	<ul style="list-style-type: none"> - Experience in financial modelling and data analysis - Excellent written and verbal communication skills 	<ul style="list-style-type: none"> - Can raise and manage venture funds, set and make investment decisions and help portfolio companies exit - A strong interest and passion in start-up/ venture creation 	<ul style="list-style-type: none"> - Experience working alongside multiple stakeholders to create new products, services and business models - Strong analytical ability to conduct research of opportunity areas



Source:

PayScale. (2020, November 30). *Salary for Industry in Singapore: Venture Capital Firm*. PayScale Inc.

https://www.payscale.com/research/SG/Industry=Venture_Capital_Firm/Salary.

Novellis, M. D. (2020, July 6). *MBA Jobs in Venture Capital | 5 Things You Need to Know*. BusinessBecause. <https://www.businessbecause.com/news/mba-jobs/7048/mba-jobs-venture-capital>



Strategies to Survive the Interviews

Strive to sound like an investor in interviews (rather than a portfolio company executive)!

Come with an informed perspective — talk about themes of interest and changing markets.

Sound **confident** about investing and **show your interest** in choosing a career in Venture Capital.

Discuss the **teams, markets and business models** VCs look at in their own investment decisions.



Talk about **what made your company successful** from a market perspective.



Note: VC firms aren't hyper-growth companies and generally employ few people.



If you're intent on getting into VC, you'll likely have to focus on it for quite some time and forgo multiple job offers in the corporate world, which can test the mettle of even an extremely qualified candidate.

Venture Capital Interview Process

Compared to investment banking interviews, the interview process for Venture Capital is generally less structured.



- The **VC interview process tends to be more ad-hoc.**
- On several occasions, you may have to constantly check your email or wait for follow-up calls after your interview.

Word of advice: **Show consistent interest!**

Source:

Sweat, E. (2018, April 26). *Don't Break Into VC but Wait for the Best Opportunity for You*. Medium. <https://medium.com/the-importance-of-being-earnest/oceans-33-months-e9196a8b609e>

What Employers are Looking Out For

What kind of backgrounds do Venture Capital Firms like?



Product Executive

- Seen a company grow from early stage to big
- Has Product Experience
- Ensure product-market fit



Former Startup Founder

- Grown a company as CEO or founding employee
- Entrepreneurs will value your advice
- Able to attract strong deals

Product Executives and Former CEOs are attractive to VC firms because *many of the most successful VCs have those backgrounds themselves!*

Source:

Miller, D. (2019, October 5). *Inside the Venture Capital Recruiting Process*. LinkedIn. <https://www.linkedin.com/pulse/inside-venture-capital-recruiting-process-daniel-miller/>

Broad Categories of Venture Capital Interview Questions

In rough order of importance, here are the question categories you can expect:

- ★ **1. “Fit” & Background**
Your resume, why venture capital, why this firm, your strengths and weaknesses, etc.
- ★ **2. Market & Investment**
Which startup would you invest in? Which market is attractive? Which markets should we avoid?
- ★ **3. Firm-Specific & Process**
What do you think about our portfolio? Which companies would you have invested in? How would you analyze a potential investment and make a decision?
- 4. Deal, Client, and Fundraising Experience**
How did you add value in the IB deals you’ve worked on? If you worked at a startup, how did you win more customers or partners in a sales or BD role?
- 5. Technical**
Generally standard questions about accounting and valuation, as well as VC-specific questions about cap tables, key metrics in your industry and how to value startups and size markets. *Eg. What is a cap table? How do you use it?*
- 6. Formal Case Studies & Modeling Tests**
These are less likely, but you could get a short investment recommendation or a market/ company analysis.

Venture Capital Interview Questions

Firm-specific Questions

- What do you think of our portfolio? Which companies would you have invested in or not invested in?
- Who are our main competitors? How do we differentiate against them?
- How would you evaluate one of our portfolio companies? Which data would you request to do so?



Venture Capital Interview Questions

Technical Questions (Finance)

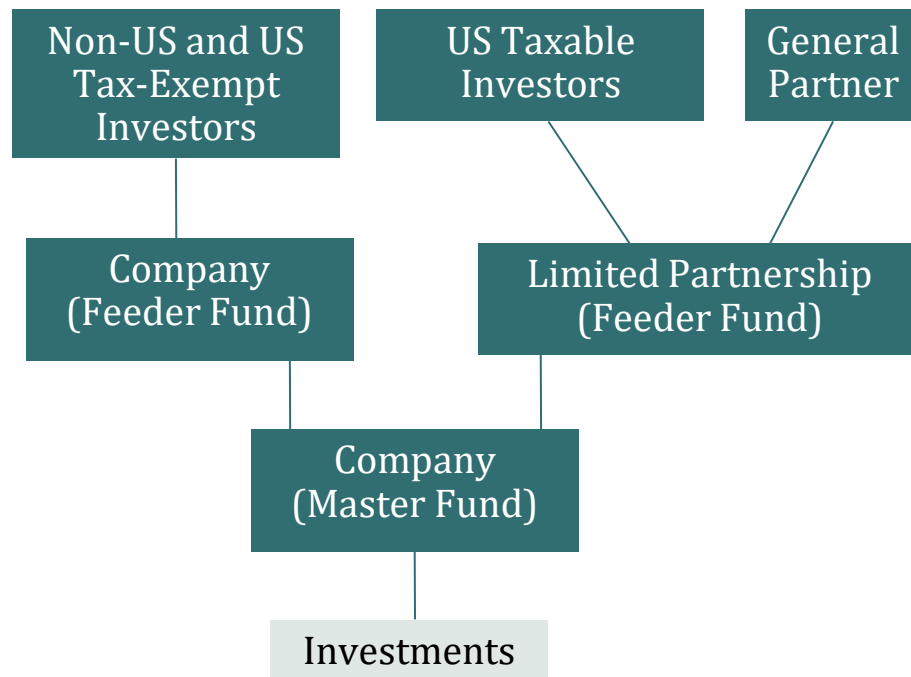
- What is the difference between pre-money and post-money valuations?
- What are some of the key metrics and ratios for SaaS companies?
- How would you value a company with negative cash flows for the foreseeable future?
- Suppose that our firm invests \$10 million for a 20% stake in a startup. This startup later runs into huge competitive challenges and sells itself for only \$30 million. However, we do not lose money in the deal, but instead earn back our initial \$10 million investment. How is this possible?



Introduction to Hedge Funds

Hedge funds are alternative investments using pooled funds that employ different strategies to earn active return, or alpha, for their investors.

How the Hedge Fund industry works



- Aggressively managed or make use of derivatives and leverage in both domestic and international markets
- Goal: generating high returns
- Only accessible to accredited investors

Source:

Simmons & Simmons. (2021, n.d.). *How should I structure my hedge fund?* Simmons & Simmons. <https://www.simmons-simmons.com/products/launchplus-singapore/ck180twbbh8rl0b23c3lzkMRI/launchplus-singapore-get-started/ck180vlyyhmwv0b69k93k8gmd/launchplus-singapore-get-started-decide-on-your-fund-structure-how-should-i-structure-hedge-fund>

Chen, J. (2020, October 27). *Hedge Fund*. Investopedia. <https://www.investopedia.com/terms/h/hedgefund.asp>

Structure of Hedge Funds

Most non-quant hedge funds are split into three main areas:

- 1** Investment Team – The Research/Investment Analysts and Portfolio Managers who generate and evaluate ideas and make investment decisions.
- 2** Trading Team – The Execution Traders who implement the Investment Team's strategies and aim for the best price on each trade.
- 3** Middle and Back Office – The back office at a hedge fund consists of supporting areas such as compliance, accounting, operations, and IT.

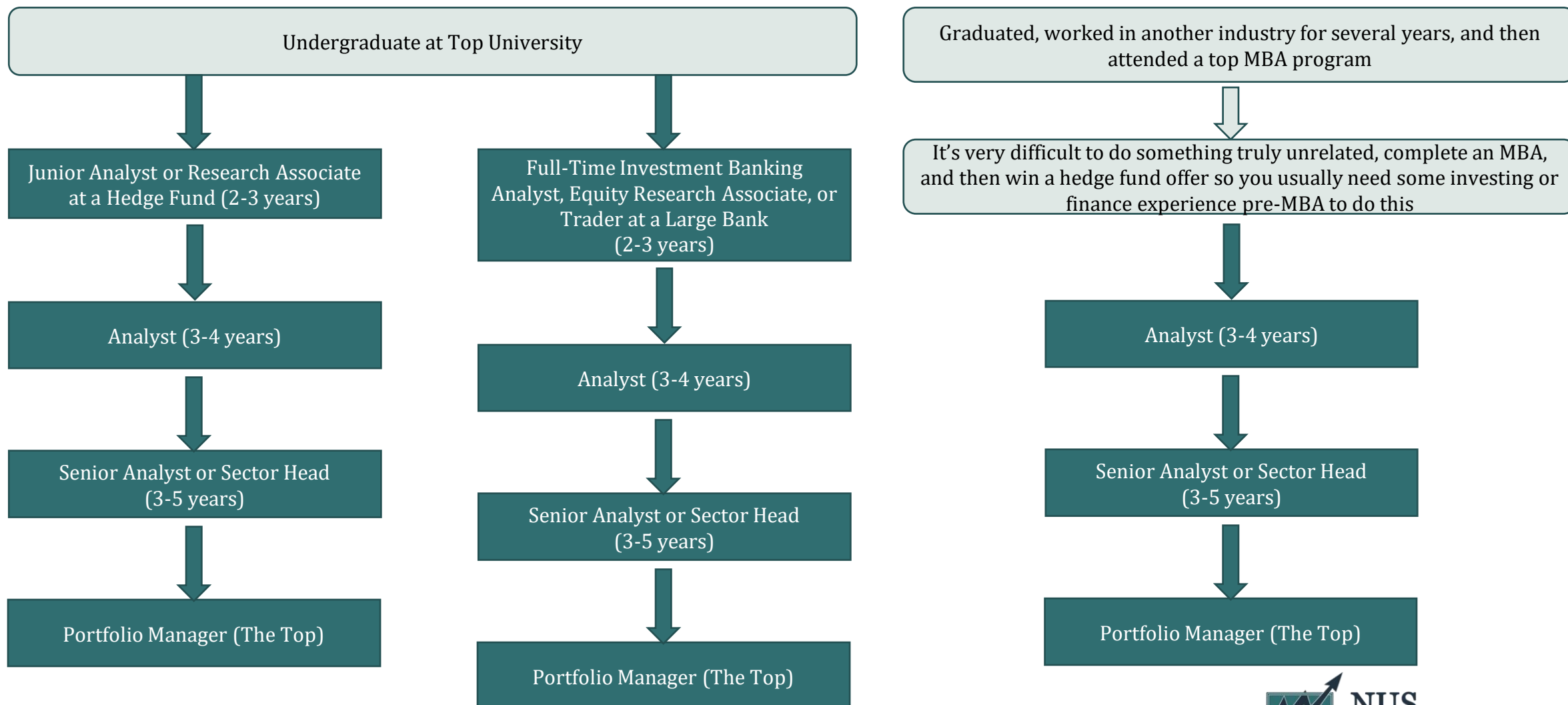
Top Hedge Fund Companies in Asia



World's Top 10 Hedge Fund Firms



Hedge Funds Career Path



Source:
DeChesare, B. (2019, May 29). *The Hedge Fund Career Path: The Complete Guide*. Mergers and Inquisitions. <https://www.mergersandinquisitions.com/hedge-fund-career-path/>



2021 Outlook and Trends for Hedge Funds

Despite the pandemic, the long-term hiring outlook for hedge funds remains **positive**.

Hedge funds in Asia have continued to increase their headcount and still have appetite to hire more talent despite the economic uncertainty brought about by COVID-19.

35%

of hedge funds in Asia Pacific stated that they increased their headcount during the pandemic.

15%

of hedge funds in Asia Pacific noted that they did not hire but have plans to do so.

Source:

KPMG. (2020, September 23). *Asia Hedge Funds continue to hire in 2020 despite COVID-19, KPMG and AIMA survey finds*. KPMG. <https://home.kpmg/cn/en/home/news-media/press-releases/2020/09/asia-hedge-funds-continue-to-hire-in-2020-despite-covid19.html>



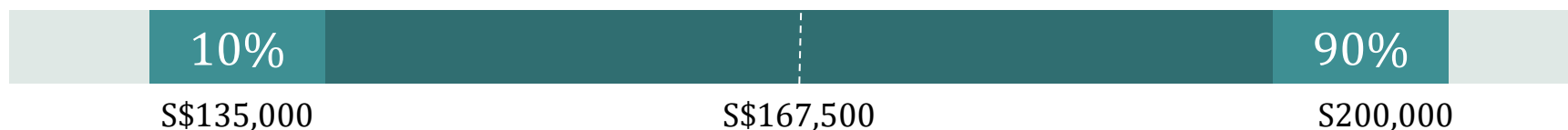
Salary Trends

	Research Associate/Junior Analyst	Research Analyst/Hedge Fund Analyst	Senior Analyst/Sector Head	Portfolio Manager
Years of relevant experience needed	1-2 years of IB, sell-side research, consulting	3-5 years of relevant experience or fresh MBA from top 20 B-schools	6-9 years of investment experience	12-20 years of investment experience
Salary + Bonus (USD)	\$135K - \$200K	\$240K - 270K	\$300K - \$335K	\$335K - \$400K
Additional requirements	<ul style="list-style-type: none"> - Strong financial modelling and market research skill - High level of quantitative working knowledge: accounting, financial markets, financial analysis and statistics - Detail-oriented and passionate about the market 	<ul style="list-style-type: none"> - Broader investment coverage universe - Energetic, tactical, and patient (to constantly respond to PM's or Senior Analyst's specific inquiries as they challenge your investment ideas) 	<ul style="list-style-type: none"> - Masters is quantitative knowledge: An investment designation like CFA is probably required - In-depth understanding of the public market: Have developed a specific industrial or geographical expertise, and specialize in a particular asset class 	<ul style="list-style-type: none"> - Usually, only investment professionals who reached the peak of their career are qualified to sit this position - UNLESS you start your own hedge fund as soon as during your 20s

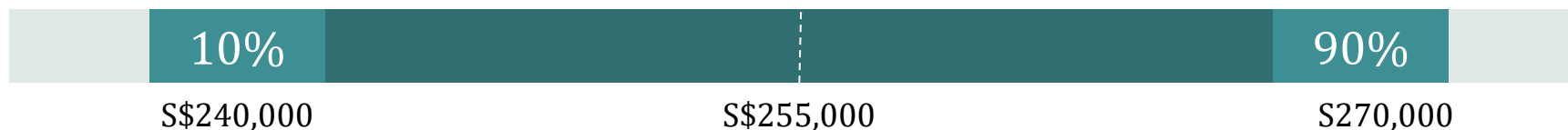


Estimated Salary Range (including bonus)

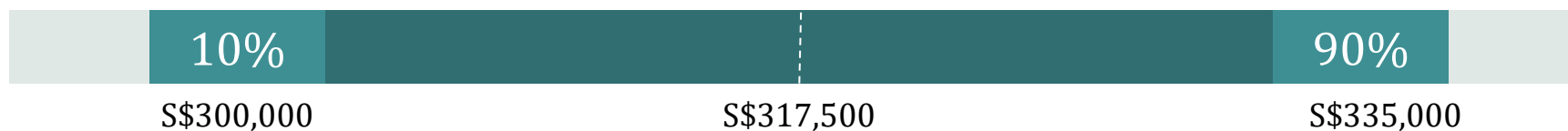
Average **Junior Research Analyst/Trader** Salary in Asia Pacific



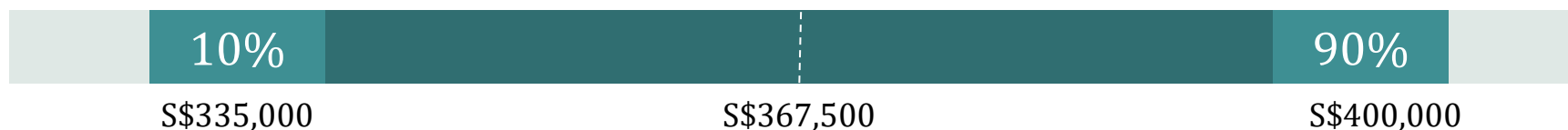
Average **Research Analyst/Trader** Salary in Asia Pacific



Average **Senior Analyst/Trader** Salary in Asia Pacific



Average **Portfolio Manager** Salary in Asia Pacific



Source:

Agreus Group.(2020). Global Family Office Compensation Benchmark Report. Retrieved from <https://www.agreusgroup.com/wp-content/uploads/2020/06/Global-Family-Office-Compensation-Benchmark-Report-2020.pdf>



What Employers are Looking Out For

What kind of backgrounds do Hedge Fund Firms look for?



Knowledge in accounting, finance, valuation, and all the other technical skills required in investment banking, equity research, and asset management.



Passion for the markets, strong critical thinking, team player-ness, and emotional stability to get in and perform well.

Source:

Seth, S. (2020, February 27). *Top Skills Hedge Funds Look for in Job Candidates*. Investopedia. <https://www.investopedia.com/articles/investing/051415/top-skills-hedge-funds-look-job-candidates.asp>

Hedge Fund Interview Process

Round 1 (Behavioural Interview)

Objective: Determine whether the candidate is a good fit and, overall, an impressive candidate.

Round 2 (Technical Interview)

Candidates will be asked questions relating to Accounting, Financial Statement Analysis, and Valuation.

Round 3 (Case Study)

Candidates will be given a company name, and will be tasked to build a financial model, and form an investment opinion based on the model and public information available.



Note: The candidate will typically have approximately one week to turn this case in. If it is an in-house case study, the candidate will usually be given about 1-3 hours, with the amount of work dependent on how much time is given.

Source:

Street of Walls. (2013, n.d.). *Hedge Fund Interview*. Street of Walls. <http://www.streetofwalls.com/finance-training-courses/hedge-fund-training/hedge-fund-interview/>

Hedge Fund Interview Questions

Behavioural Questions

- Tell me about yourself.
- Walk me through your resume.
- Why do you want to work for a hedge fund?
- What do you plan to do in the next 5-10 years?
- Why do you think you'll be successful as a hedge fund analyst?

Technical Questions (Markets)

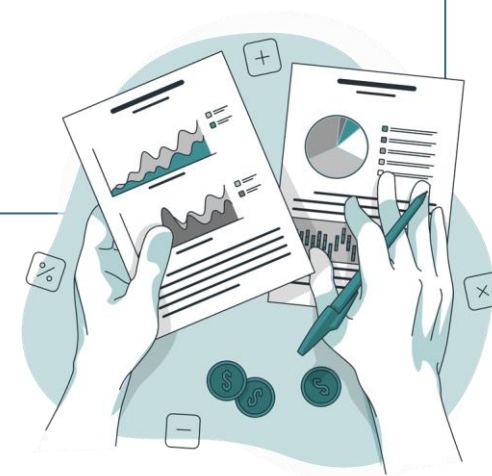
- Where do you think interest rates are going? What is driving them?
- What happened in the markets in the past three months?
- What industry do you follow and what numbers do you look at to determine if a firm is doing well in the industry?
- What determines the premium you place on growth stocks relative to their peers?
- How do you screen for stocks? What is your holding period?



Hedge Fund Interview Questions

Technical Questions (Finance)

- What is EBITDA?
- Walk me through the major line items of a Cash Flow Statement.
- Say you knew a company's net income. How would you figure out its cash flows?
- What is the difference between the balance sheet and the income statement?
- What is Goodwill? How does it affect Net Income?
- What are deferred taxes? How do they arise?
- What is working capital? How do you calculate it?



Introduction to Asset Management

Asset management is the direction of all or part of a client's portfolio by a financial services institution, usually an investment bank, or an individual.



- Asset management refers to the management of investments on behalf of others. The process essentially has a dual mandate - **appreciation of a client's assets** over time while **mitigating risk**.
- There are investment minimums, which means that this service is generally available to high net-worth individuals, government entities, corporations and financial intermediaries.

Source:

Asset Management Definition. (2020). Investopedia. <https://www.investopedia.com/terms/a/assetmanagement.asp>

World's Top Asset Management Firms



Notable Asset Management Firms in Asia



2021 Outlook and Trends for Asset Management

Overall, it has generally been a **slow pace** for the Asset Management industry.



There is **increased difficulty** amongst our boutique to mid-size clients to **raise new assets** as investors continue to compress fees.



Large movement of talent away from traditional jobs in banks and fund management companies towards the VC/Fintech industry.



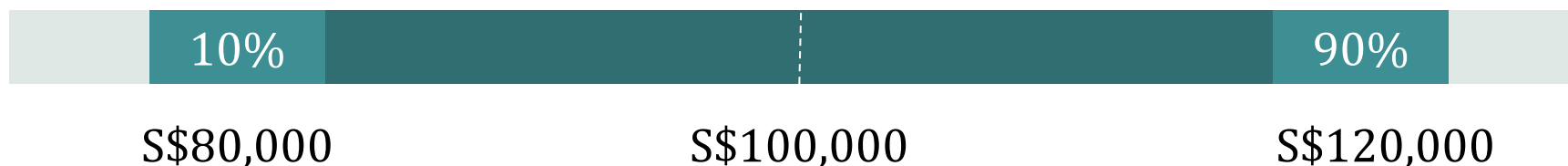
We anticipate hiring for these new-age wealth management firms in roles such as **investment counsellors, product or fund gatekeepers, product developers** and/or **specialists with strong structuring of funds expertise**.

Source:

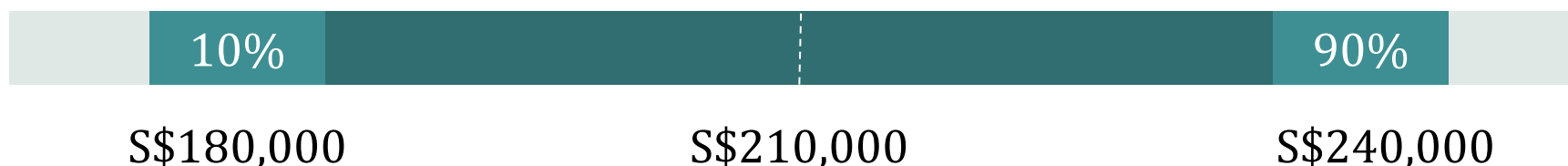
The Funds Partnership Asia's Salary Guide 2020 : Asset Management – Funds Partnership Asia. (2020, March 5). FP Asia. <https://www.fpasia.co/2020/03/05/the-funds-partnership-asias-salary-guide-2020-asset-management/>

Estimated Salary Range

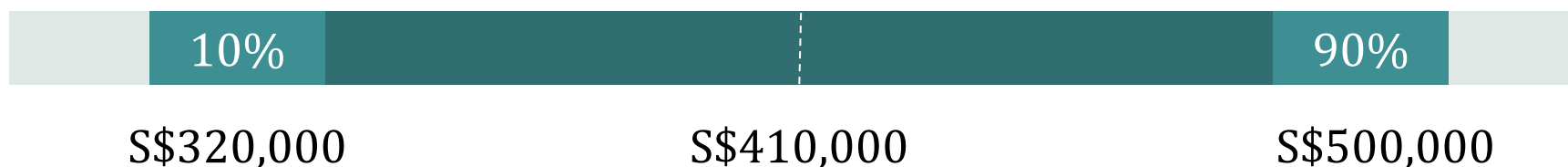
Average Associate Salary in Asia Pacific



Average Senior Manager Salary in Asia Pacific



Average Managing Director Salary in Asia Pacific



Source:

The Funds Partnership Asia's Salary Guide 2020 : Asset Management – Funds Partnership Asia. (2020, March 5). FP Asia. <https://www.fpasia.co/2020/03/05/the-funds-partnership-asias-salary-guide-2020-asset-management/>



Salary Trends

	Associate	Manager	Senior Manager	Director	Head/ Managing Director
Years of relevant experience needed	3-5 years	6-12 years	>12 years	>15 years	>20 years
Salary + Bonus	\$80K - \$120K	\$120K - \$200K	\$180K - \$240k	\$240K - \$350k	\$320K - \$500k+
Additional Requirements	<ul style="list-style-type: none"> - Bachelor degree in Finance, Math, Accounting or Economics - Able to sell yourself to bring in new clients and increase the amount of assets under your management. 	<ul style="list-style-type: none"> - Ability to thrive in a fast-paced, collaborative environment - Strong analytical and quantitative skills 	<ul style="list-style-type: none"> - An investment designation like CFA is probably required - Obtaining a MBA degree will help greatly 	<ul style="list-style-type: none"> - Good work performance and demonstrated expertise - Excellent organizational skills and project management skills 	<ul style="list-style-type: none"> - Proven to be able to update research according to new developments - Able to communicate with industry contacts and presenting recommendations to clients.

Source:

Investment Fund Manager Average Salary in Singapore 2021 - The Complete Guide. (n.d.). Salary Explorer. Retrieved January 9, 2021, from <http://www.salaryexplorer.com/salary-survey.php?loc=196&loctype=1&job=12465&jobtype=3>

What Employers are Looking Out For



Individuals who are...

- Highly motivated
- A self-starter
- Good judgment



Useful qualities to possess

- Strategic thinkers
- Problem solvers
- Opportunity takers
- Sociable networkers

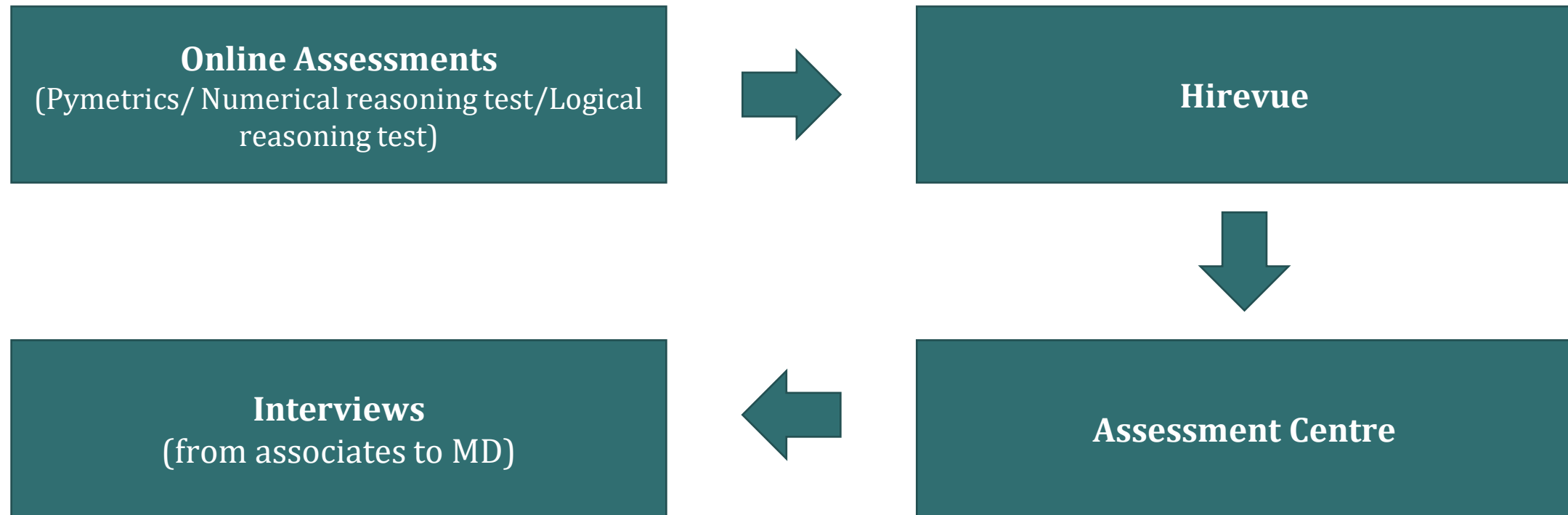
Researchers and Analysts are attractive to AM firms because *they can come out with investment ideas for their field!*

Source:

Key skills & how to demonstrate them in Investment & Asset Management. (n.d.). Bright Network. <https://www.brightnetwork.co.uk/career-path-guides/asset-investment-management/key-skills-asset-management/>

Kamat, S. (2018, July 17). *How to get into asset management.* MBA Crystal Ball. <https://www.mbacrystalball.com/blog/2018/03/09/asset-management-how-to-get-in/>

Asset Management Interview Process



Source:

Key skills & how to demonstrate them in Investment & Asset Management. (n.d.). Bright Network. <https://www.brightnetwork.co.uk/career-path-guides/asset-investment-management/key-skills-asset-management/>

Typical Interview Questions

Behavioural Questions

- **Walk me through your resume**
Narrate your story in 2 to 3 minutes.
- **Why buy side?**
Highlight your interest in the industry and tie into your story if possible.
- **Why their firm?**
Avoid answers that make the firm or job position a means as opposed to an end.
- **Why their investment strategy?**
This ties in closely to the stock pitch that follows. In order to properly execute that pitch, you will need an understanding of the firm's strategy (growth, value, long-only etc)
- **Pitch a stock**
Aim for 2-3 minutes - know it extremely well and tailor it to their strategy.

Source:

Asset Management Interview Preparation / Wall Street Oasis. (2018, April 22). WSO.
<https://www.wallstreetoasis.com/forums/asset-management-interview-preparation>



Typical Interview Questions

Technical Questions

- **What are some of the challenges currently facing by the asset management industry? How can they be overcome?**
This demonstrates the candidate's analytical thinking and problem-solving skills.
- **Can you describe an experience when you had to negotiate favourable terms for a client?**
This reveals the candidate's interpersonal and negotiation skills.
- **What method do you use to eliminate errors in your work?**
This reveals the candidate's attention to detail and efficiency.
- **How do you monitor asset performance and market trends?**
This reveals the candidate's working methods and organisation skills.

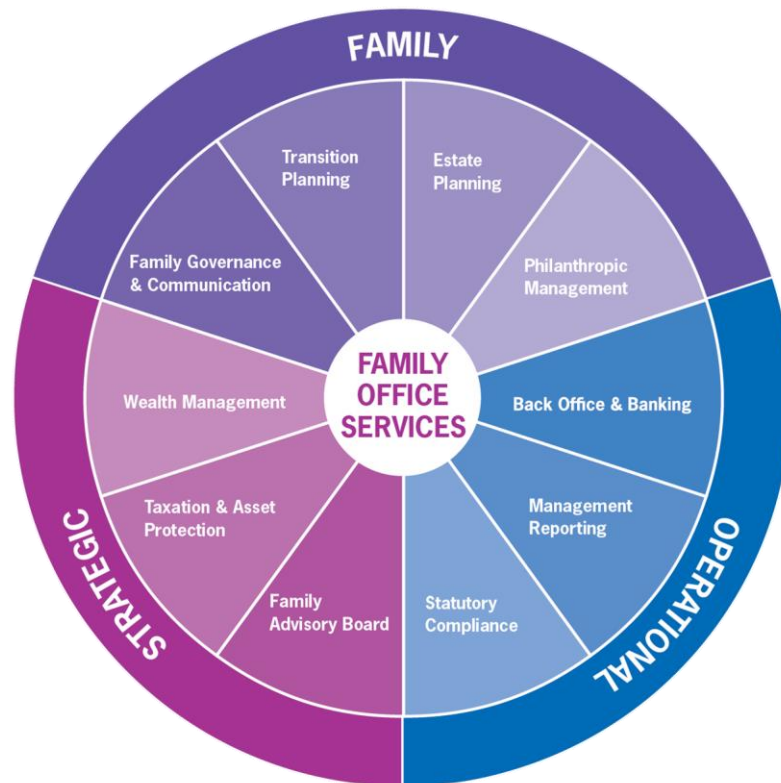
Source:

Matthew Chulaw. (2020, November 26). *Top 25 Asset Manager Interview Questions & Answers*. <https://interviewpenguin.com/asset-management-interview-questions/>
Asset Manager Interview Questions. (2020). Betterteam. <https://www.betterteam.com/asset-manager-interview-questions>



Introduction to Family Offices

Family offices are private wealth management services that serve just one or a small number of **ultra-high-net-worth** families.



- Single family offices manages only the wealth of the single family.
- Multi-family offices manages the wealth of multiple families and provide a variety of services for families with different needs.
- Services provided by some family offices include lifestyle management, on top of the traditional wealth management services.

Future of Family Offices

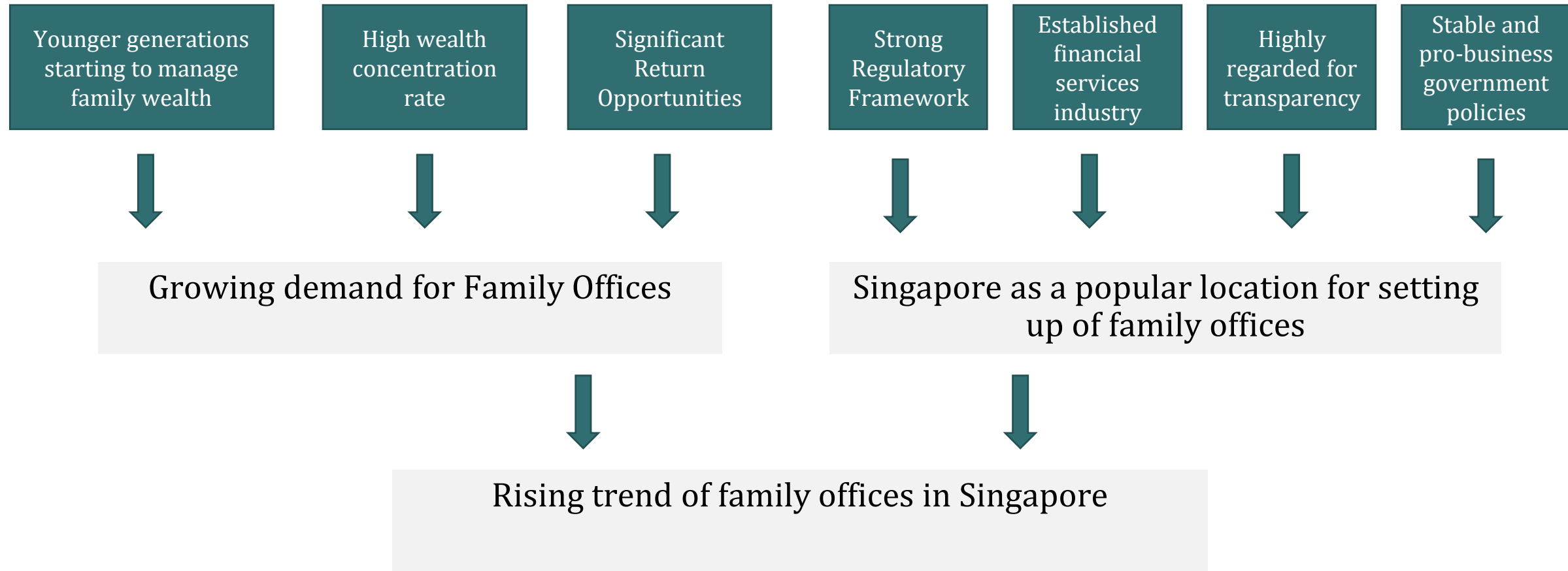
Future for Family Offices is **looking very good**, especially in Singapore.

About 200 single family offices in Singapore manage some \$27 billion in assets: Tharman

Source: Straits Times

Source:
The Straits Times. (2020, October 6). About 200 single family offices in Singapore manage some \$27 billion in assets: Tharman. Retrieved from <https://www.straitstimes.com/business/banking/about-200-single-family-offices-in-singapore-manage-some-27-billion-in-assets>

Future of Family Offices



Source:

Kagalwala, A., & Talina, T. (2019). The increasing trend of family offices in Asia. Retrieved from <https://www.pwc.com/gx/en/services/family-business/family-office/family-offices-in-asia.html>

Family Offices during the Pandemic

Family Offices have been largely unaffected and **industry outlook remains positive** during the Covid-19 pandemic.



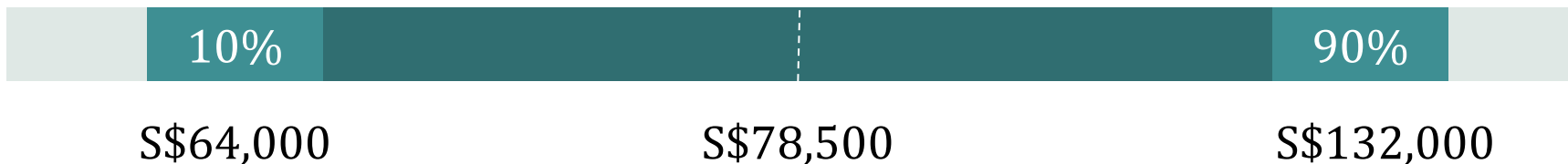
- Greater wealth flow into Singapore as wealthy families diversify their exposure to risk amidst uncertainty.
- Generally a less risky approach is taken during this pandemic.

Source:

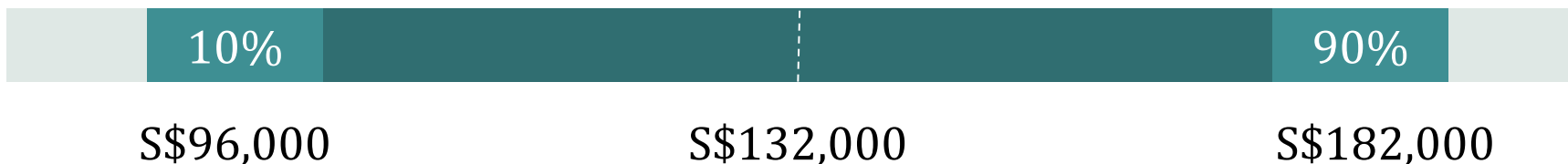
Saks, B. (2020, September 23). Global Trends for Family Offices. Retrieved from <https://www.linkedin.com/pulse/global-trends-family-offices-brittney-saks/>
Ilie, A. (2020, March 20). Covid-19: Are Family Offices at Risk? Retrieved from <https://home.kpmg/xx/en/blogs/home/posts/2020/03/covid-19-are-family-offices-at-risk.html/>

Estimated Salary Range

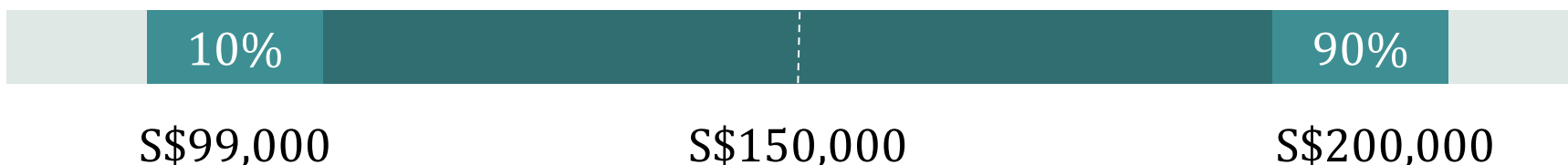
Average Investment Analyst Salary in Asia Pacific



Average Financial Controller Salary in Asia Pacific



Average Investment Manager Salary in Asia Pacific



Source:

Agreus Group.(2020). Global Family Office Compensation Benchmark Report. Retrieved from <https://www.agreusgroup.com/wp-content/uploads/2020/06/Global-Family-Office-Compensation-Benchmark-Report-2020.pdf>



Salary Trends

	Investment Analyst/ Accountant	Financial Controller	Investment / Operations Manager	CFO/COO
Years of relevant experience needed	1-2 years of experience in fund accounting or administration	At least 5-8 years of experience in financial services	At least 5-8 years of experience in asset management roles	At least 15 years of experience in relevant roles with seniority
Salary before bonus (USD)	\$72K - \$99K	\$99K - \$132K	\$132K - \$158K	\$198K - \$264K
Additional requirements	<ul style="list-style-type: none"> - High level of quantitative working knowledge: accounting, financial markets, financial analysis and statistics - Team player with great personality, excellent communication and interpersonal skills 	<ul style="list-style-type: none"> -Attention to detail -Accounting qualification with strong academic background -Strong numerical ability 	<ul style="list-style-type: none"> - Good interpersonal and communication skills -High level of quantitative working knowledge. CFA is preferred -Experience engaging with ultra-high-net-worth families is preferred 	<ul style="list-style-type: none"> -Proven ability to manage, recruit and mentor a high performing team -Those with international experience are preferred

Source:

Agreus Group.(2020). Global Family Office Compensation Benchmark Report. Retrieved from <https://www.agreusgroup.com/wp-content/uploads/2020/06/Global-Family-Office-Compensation-Benchmark-Report-2020.pdf>

efinancialcareers. (2020, November 3). Financial Controller- Family Office. (Retrieved from https://www.efinancialcareers.sg/jobs-UK-London-Financial_Controller_-_Family_Office.id08895509/

Mycareersfuture. (2020, December 10). Investment/Technical Analyst for a Single Family Office. Retrieved from <https://www.mycareersfuture.gov.sg/job/banking-finance/investment-technical-analyst-single-family-office-st-clair-73d1384301b87c8b5c0eb0f1c6c2b246>



Salary Trends



A common reward practice amongst Family Offices worldwide is that significant discretionary bonuses are paid.

On average, Asia Pacific (where Singapore is located) pays the highest at **31 - 50% of basic salary as a bonus.**

Source:

Agreus Group.(2020). Global Family Office Compensation Benchmark Report. Retrieved from <https://www.agreusgroup.com/wp-content/uploads/2020/06/Global-Family-Office-Compensation-Benchmark-Report-2020.pdf>

Botha, F. (2020, July 26). Family Office Compensation: Strategies To Attract, Reward & Retain Top Talent. Retrieved from <https://www.forbes.com/sites/francoisbotha/2020/07/26/family-office-compensation-report-2020/?sh=25a16c506489/>

Getting ready for the interview



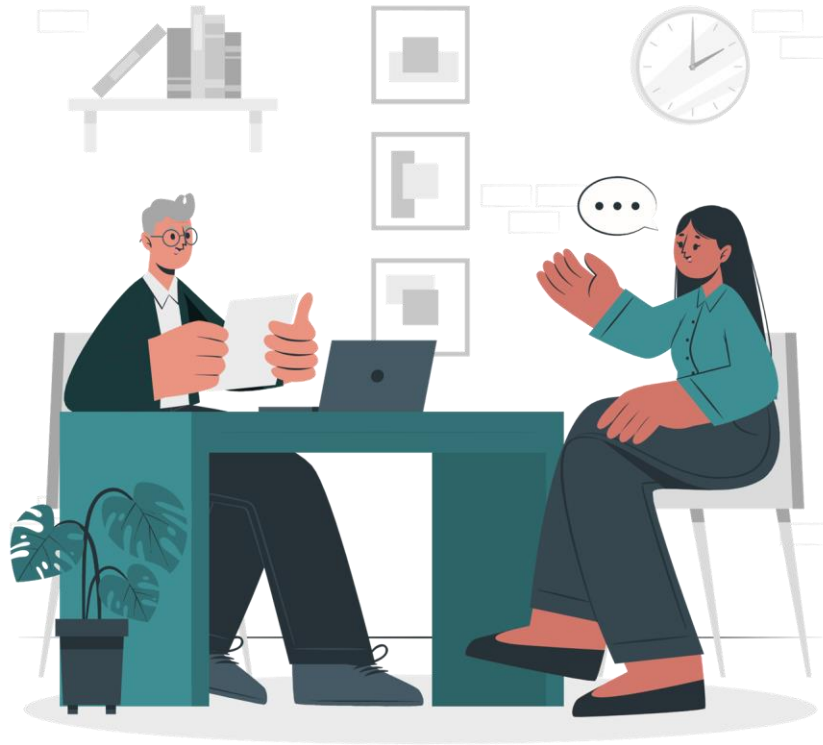
Useful skills to possess

- Strong communication and interpersonal skills
- Ability to create case studies, presentations, slide decks and marketing materials well
- Knowing the latest private wealth trends and legal and tax regulations
- CFA would be helpful

Source:

Abacus Capital. (2020). Sales & Business Development, Family Office Funds. Retrieved from <https://www.linkedin.com/jobs/view/2203120319/>
Mycareersfuture. (2020, December 10). Investment/Technical Analyst for a Single Family Office. Retrieved from <https://www.mycareersfuture.gov.sg/job/banking-finance/investment-technical-analyst-single-family-office-st-clair-73d1384301b87c8b5c0eb0f1c6c2b246>

Getting ready for the interview



Preparing for the questions

- Take time to understand the firm since family offices value personality fit highly
- Practise answering scenario-based questions and show them your attributes that would be useful to them

Source:

True House Partners. (2018, August 20). Family Office Hiring Guide. Retrieved from <https://www.truehousepartners.com/2018/08/20/family-office-hiring-guide-2018/>
Raj, A. (2020, April 23). They're hiring! Multi-family office plans to add seven more. Retrieved from <https://citywireasia.com/news/theyre-hiring-multi-family-office-plans-to-add-seven-more/a1349374/>

What Employers are Looking Out For

What kind of backgrounds do Family Offices like?



Technical abilities

- Shows an entrepreneurial nature that seeks to solve client problems instead of merely selling products
- Ability to handle clients well



Personality type

- Self-driven and hungry
- Independent, resilient, flexible and adaptable
- **Personality suited for that particular family office**

Source:

True House Partners. (2018, August 20). Family Office Hiring Guide. Retrieved from <https://www.truehousepartners.com/2018/08/20/family-office-hiring-guide-2018/>
Raj, A. (2020, April 23). They're hiring! Multi-family office plans to add seven more. Retrieved from <https://citywireasia.com/news/theyre-hiring-multi-family-office-plans-to-add-seven-more/a1349374/>

Family Offices Interview Questions

Behavioural Questions

- What do you look for in terms of job satisfaction?
- How do you approach and deal with a problem you have not encountered before?
- What do you consider to be some of the main positives of your personality, and how do these benefit your work? Additionally, how will these aid your assimilation into our family office.



Source:

True House Partners. (2018, August 20). Family Office Hiring Guide. Retrieved from <https://www.truehousepartners.com/2018/08/20/family-office-hiring-guide-2018/>

Family Offices Interview Questions

Technical Questions

- What would you do if you won the lottery of \$25 million?
- Where do you see the markets going this year?
- Your client wants to do something exceptionally ill-advised, like pouring all his money into a company that is, at best, a high-risk venture. What do you do?
- You propose what you believe is a very strong investment opportunity to your client, but he balks. What do you do?



Source:

True House Partners. (2018, August 20). Family Office Hiring Guide. Retrieved from <https://www.truehousepartners.com/2018/08/20/family-office-hiring-guide-2018/>
Vault Careers. (2015, October 5). 7 Interview Questions You Need to Nail to Work in Wealth Management. Retrieved from <https://www.vault.com/blogs/interviewing/7-interview-questions-you-need-to-nail-to-work-in-wealth-management>

Introduction to Private Equity

Private Equity (PE) refers to capital investment made into companies that are not publicly traded.



- PE firms raise funds from institutions and High Net Worth Individuals (HNWIs).
- These funds will be used to invest in private companies which the PE firms believes has high growth potential.
- The PE firm will loan out money to firms of interest and subsequently request for a percentage or ownership of the private company.

Private Equity vs. Venture Capital

	Private Equity	Venture Capital
Similarities	Both PE and VC refer to firms that invest in private companies and exit by selling their investments in equity financing - for e.g. IPOs.	
Differences	Invest in more mature companies.	Invest in startups with high growth potential
	Mostly buy 100% ownership of the companies they invest in	Usually invest in 50% or less in the company



Top 10 Private Equity companies in Asia

MBK
PARTNERS

AFFINITYEQUITY
PARTNERS

RRJ

BPEA
Baring Private Equity Asia

CITIC CAPITAL
中信資本

CDH
鼎晖投资

 中信
CITIC

PAG 


厚朴
HOPU

 弘毅投资
HONY CAPITAL

Top 10 Private Equity companies worldwide

KKR

THE CARLYLE GROUP

NB | PRIVATE EQUITY PARTNERS

 **TPG**

Blackstone

WARBURG PINCUS

CVC

EQT

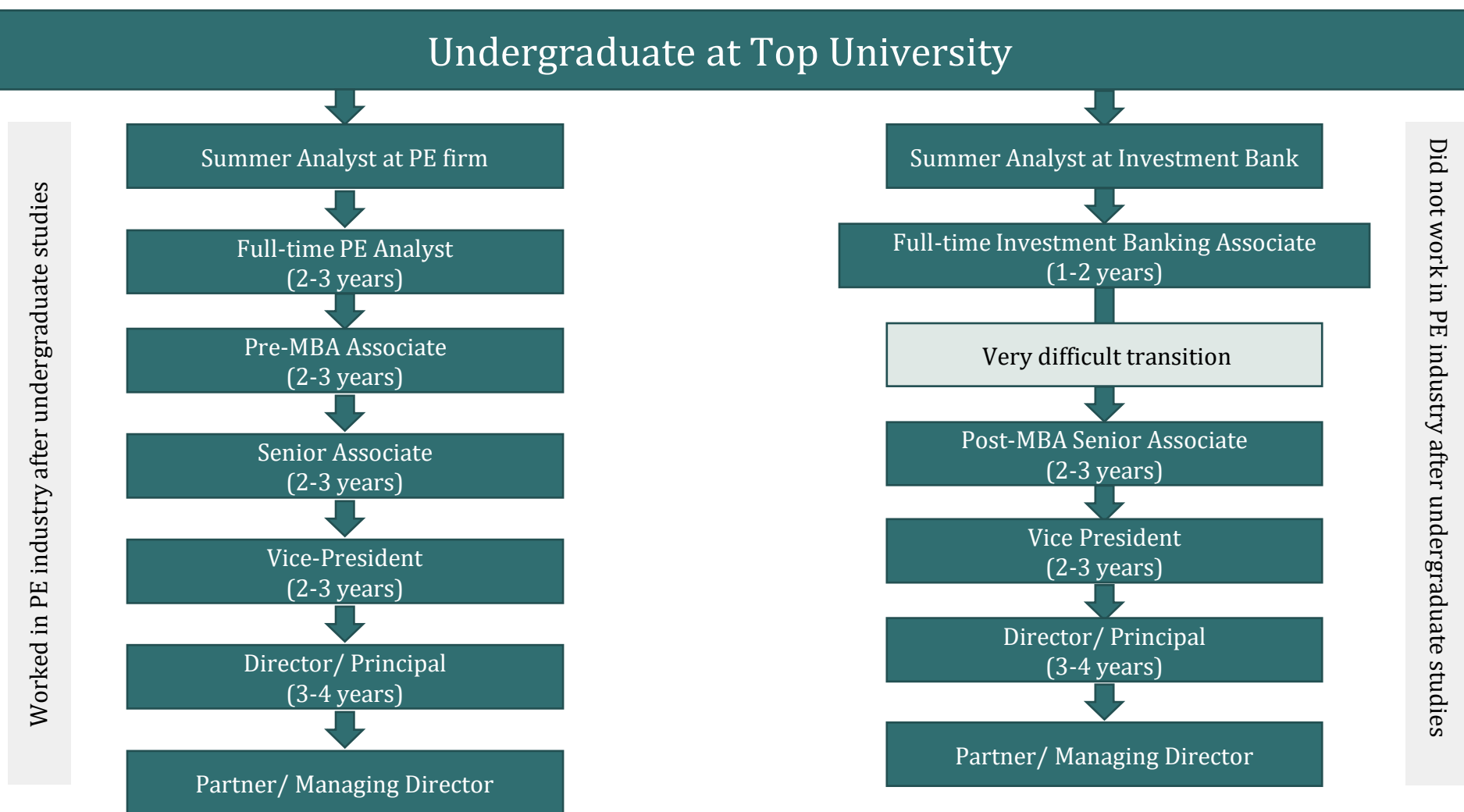

Advent International
GLOBAL PRIVATE EQUITY

98

 **NUS**
INVESTMENT
SOCIETY

Source:
Mendoza, C. (2018, May 2). PEI 300: The top-ranked Asia-headquartered firms. Retrieved January 09, 2021, from <https://www.privateequityinternational.com/pei-300-top-ranked-asia-headquartered-firms/>
Private Equity International. (n.d.). PEI-300. Retrieved January 09, 2021, from <https://www.privateequityinternational.com/database/#!/pei-300>

Private Equity career path



2021 Outlook and Trends for Private Equity

The outlook for Private Equity in 2021 is overall positive.

- PE buyouts remain resilient in the later half of 2020
 - 2020 Q3 recorded a 10% YOY increase in deal activity (US\$148.1bn), although volume decreased by 24% to 750 deals.
- As more investors allocate more funding to private equity, analysts predict that fundraising will surpass the \$316.9 billion high water mark set in 2019.



Source:

PitchBook. (2020, December 15). PitchBook Releases 2021 Private Equity Outlook Predicting Record Fundraising Year. Retrieved December 26, 2020, from <https://www.prnewswire.com/news-releases/pitchbook-releases-2021-private-equity-outlook-predicting-record-fundraising-year-301193002.html>

2021 Outlook and Trends for Private Equity

Concerns:

- Geopolitical concerns
 - US-China tensions is expected to have the biggest impact on deal environment in the upcoming 12-18 months.
 - Ranked as number one concern according to 2021 Dechert Global Private Equity Outlook report
- Potential impacts of COVID-19 pandemic are on respondents' minds
 - 90% of respondents expect more distressed debt deals and 80% expect more deal delays as a result of the pandemic.
- Buy-and-build deals are on the upswing
 - Although the number of add-on acquisitions increased 28% YOY in the first three quarters of 2020, the size of these deals appears to be smaller.
 - Total value was 29% below the same period in 2019.

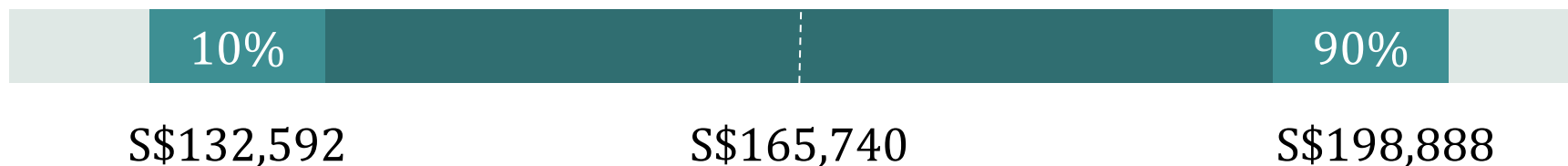
Source:

Dechert LLP & Mergermarket. (2020, December 2). *2021 Global Private Equity Outlook* (Publication). Retrieved December 26, 2020, from <https://www.mergermarket.com/info/2021-global-private-equity-outlook>

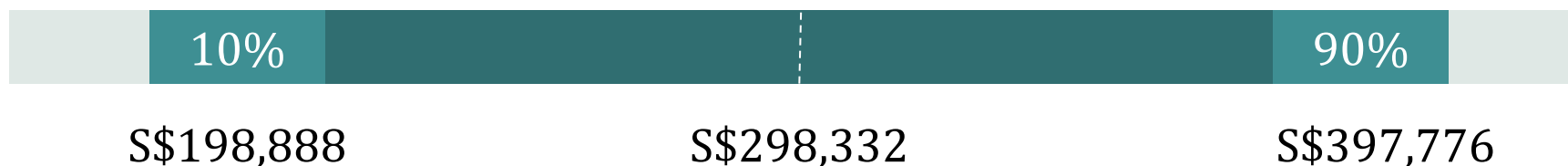


Salary Range

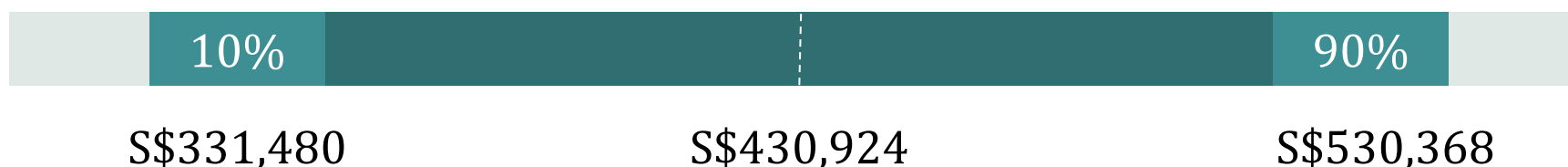
Average Private Equity Analyst Salary in Singapore



Average Private Equity Associate Salary in Singapore



Average Private Equity Senior Associate Salary in Singapore



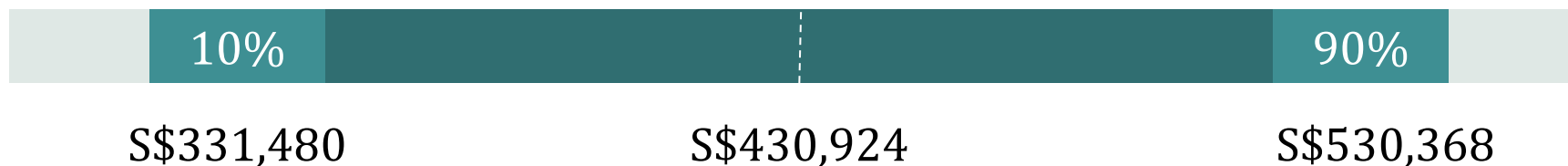
Source:

DeChesare, B. (2020, November 13). Private Equity Career Path: Hierarchy, Promotions, Salaries, and More. Retrieved December 26, 2020, from <https://www.mergersandinquisitions.com/private-equity-career-path/>

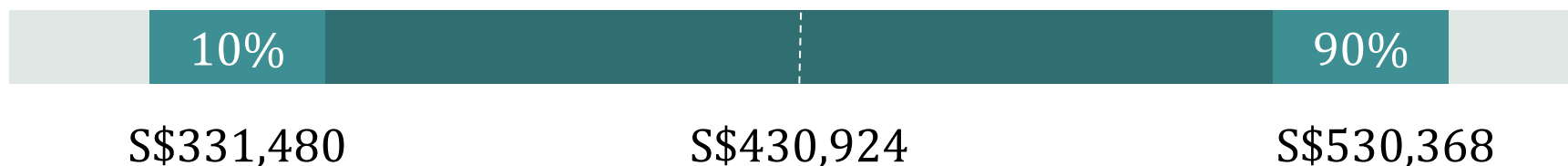


Salary Range

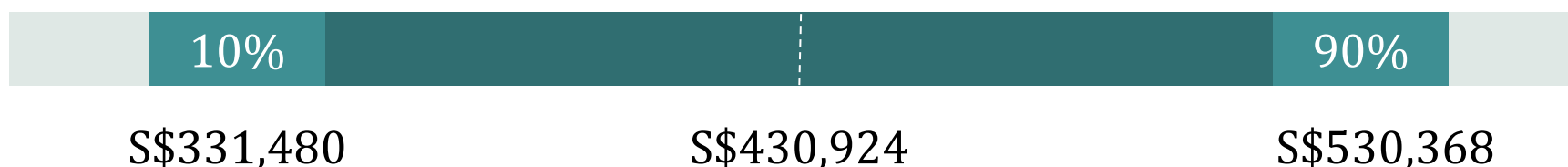
Average Vice President Salary in Singapore



Average Director or Principal Salary in Singapore



Average Partner or Managing Director Salary in Singapore



Source:

DeChesare, B. (2020, November 13). Private Equity Career Path: Hierarchy, Promotions, Salaries, and More. Retrieved December 26, 2020, from <https://www.mergersandinquisitions.com/private-equity-career-path/>



Salary Trends

	Analyst	Associate	Senior Associate	Vice President (VP)	Director or Principal	Partner or Managing Director
Years of relevant experience needed	2-3 years	5 years	8 years	10 years	13 years	> 15 years
Salary + Bonus (USD)	\$100k - \$150k	\$150k - \$300k	\$250k - \$400k	\$250k - \$400k	\$250k - \$400k	\$250k - \$400k
Additional Requirements	<ul style="list-style-type: none"> – Masters not required – Proficient in Microsoft Office 	<ul style="list-style-type: none"> – Proficient in building financial models 	<ul style="list-style-type: none"> – Display leadership qualities as he/she is required to take on more managerial responsibilities 	<ul style="list-style-type: none"> – Excellent communication skills as VPs work directly with clients 	<ul style="list-style-type: none"> – Excellent communication skills to procure deals 	<ul style="list-style-type: none"> – Strong networking skills as Partners/MDs are frequently required to attend networking sessions



How to prepare for Private Equity interviews?

Ensure that you have the relevant skills required

- Knowledge of specific industries
- Ability to develop and analyze spreadsheets
- Financial modeling/analysis skills
- How management interventions could help businesses
- Ability to research markets, competition, customers, etc

*Would be good to take the CFA if you want to do PE.



Source:

Kamat, S. (2019, October 28). A guide to private equity careers. Retrieved December 26, 2020, from <https://www.mbacrystalball.com/blog/2018/04/02/private-equity-careers-guide/>

Interview Process

Boutique PE Firms

Interview with PE firm partners

Non-boutique PE firms

Online Assessments
(Pymetrics/ Numerical reasoning
test/Logical reasoning test)

Hirevue

Assessment Centre

Final Interview

Source:

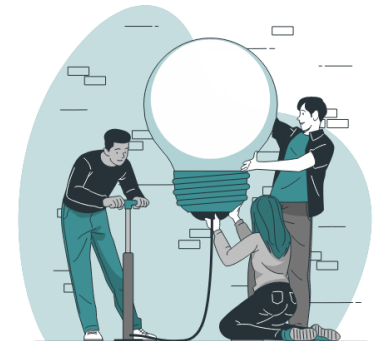
Kamat, S. (2019, October 28). A guide to private equity careers. Retrieved December 26, 2020, from <https://www.mbacrystalball.com/blog/2018/04/02/private-equity-careers-guide/>



Private Equity Interview Questions

Technical Questions

- What are the limitations of a DCF model? - know how to use a DCF model to value the company
- What are the most important factors in a m&a model?
- What indicators would quickly tell you if an M&A deal is accretive or dilutive?
- What assumptions is an LBO model most sensitive to?
- Given 2 companies, how would you determine which one to invest in?



Private Equity Interview Questions

Fit & Personality Questions

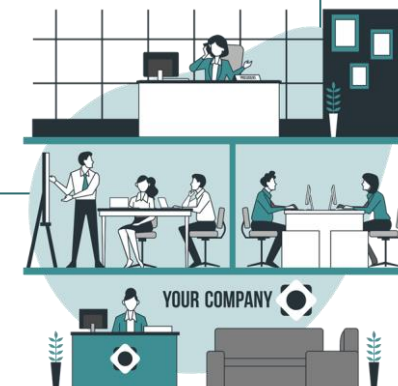
- Why do you want to work in PE?
- Walk me through your resume.
- What are your personal strengths and weaknesses?
- What do you like to do when you're not working?
- How do you de-stress?
- How do you manage risk in your personal life?



Private Equity Interview Questions

Firm knowledge

- What do you know about us and why do you want to work at our firm? - know what kind of investments the firm makes, what types of companies they are interested in, what are their most recent deals etc.
- What do you think about some of our portfolio companies?
- What is our firm's investment strategy?



Disclaimer

This research material has been prepared by NUS Invest. NUS Invest specifically prohibits the redistribution of this material in whole or in part without the written permission of NUS Invest. The research officer(s) primarily responsible for the content of this research material, in whole or in part, certifies that their views are accurately expressed, and they will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this research material. Whilst we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee its accuracy or completeness, and you should not act on it without first independently verifying its contents. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. You may wish to seek advice from a financial adviser regarding the suitability of the securities mentioned herein, taking into consideration your investment objectives, financial situation or particular needs, before making a commitment to invest in the securities. This report is published solely for information purposes, it does not constitute an advertisement and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein. The research material should not be regarded by recipients as a substitute for the exercise of their own judgement. Any opinions expressed in this research material are subject to change without notice.

© 2020 NUS Investment Society