



Remuneration, Equity & Outlook Report 2024

A report on private equity
and venture capital investors

Introduction

Thank you for your interest in Finatal's 2024 Remuneration, Equity and Outlook Report, focused on investment professionals working in private equity and venture capital. This is the second annual edition of this report, analysing salary benchmarks, bonuses, total compensation and carry and the differentiations between fund sizes. It aims to provide a transparent view of the private capital landscape, giving insight to enable organisations and individuals to build success.

The past twelve months have certainly seen challenges for the private capital community in terms of M&A activity and fundraising, alongside broader macro trends of high inflation and interest rates. At Finatal, we saw a record-breaking 2023, with overseas expansion and by partnering with new funds and their portfolio companies. The start of 2024 has continued in this trend and there certainly feels to be a more positive shift in sentiment from the clients we work with and advise as we move into Q2.

There has been a noticeable uplift in compensation at the entry levels since our previous report, with a modest, although not insignificant increase in the more senior roles. It is clear that 'paying up' for talent to attract and retain is still an important dynamic in our industry.

Many thanks to all those who responded to our online survey. If you have any questions or observations on the report, I'd be delighted to discuss with you.



Charlie Linacre
Managing Director,
Finatal

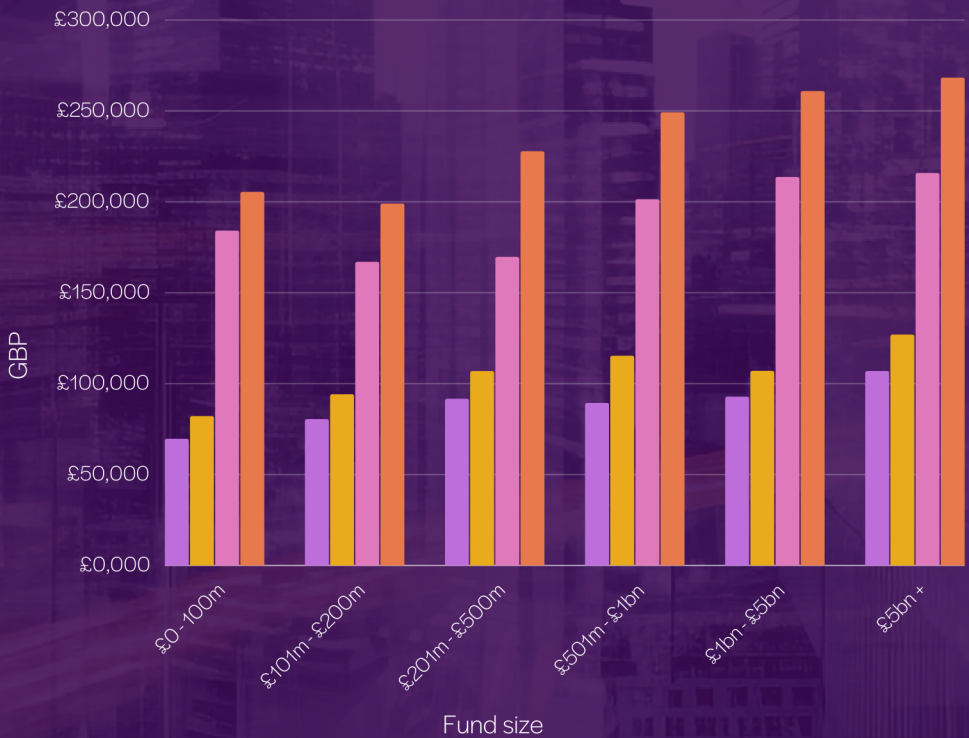
The data in this report was gathered in January 2024, from a sample of UK-based private equity and venture capital investors, who are currently working in funds or private capital or who have done so in the last 12 months. A detailed breakdown of the data that feeds into the charts throughout the report is included in the appendix.



Private equity salaries

The average salary across levels and funds of all sizes has increased 13% year-on-year from our 2023 data set. The sharpest increase was at 'feeder pool' level, where average increases

were between 21% and 23%, with more senior roles seeing closer to 10%. This is indicative of the competition between funds and professional services businesses for entry level talent.



Private equity bonus allocation

Bonus allocation broadly increases in line with seniority and fund size, reaching up to an average value of £332,060 for Partners and Senior Partners in funds over £5 billion.

7.3%

average increase in bonus size, compared with 2023



Associate

Senior Associate/Investment Manager

Principal/VP/Investment Director

Partner/Senior Partner



Private equity total compensation

The total compensation for PE professionals has increased across all levels. As expected, there remains a significant jump from investment manager to director and above.

Whilst the job market has remained tight and highly competitive for talent, salaries for mid to senior investors have increased, even in the midst of a tougher fundraising environment.



Venture capital salaries

Across venture capital, there was an increase of 14.9% in salaries year-on-year. Average salaries increase in line with fund size, with the most senior roles

in the largest funds commanding the greatest salary. There is also a large pay increase reported between Investment Managers and Investment Directors: a marked 89%.



Venture capital bonus allocation

In a trend similar to that seen in private equity, the uptick in bonuses compared with 2023 has primarily been seen in the junior roles across fund sizes, with a less significant increase in more senior roles.

10.7%

average increase in bonus size, compared with 2023



Associate

Senior Associate/Investment Manager

Principal/VP/Investment Director

Partner/Senior Partner



Venture capital total compensation

Venture capital compensation has increased, although generally the hiring market has been much tougher. Whilst fundraising remains challenging, there is still intense competition for talent for funds that are building out their teams.

In comparison to the data points collected in last year's survey, higher bonus levels have been the primary driver in the overall increase of total compensation across seniority levels.



Carried interest

Compared to our data from 2023, carried interest allocation has increased for Partner/Senior Partner levels, whilst there was a drop at Associate and Senior Associate/Investment Manager levels.

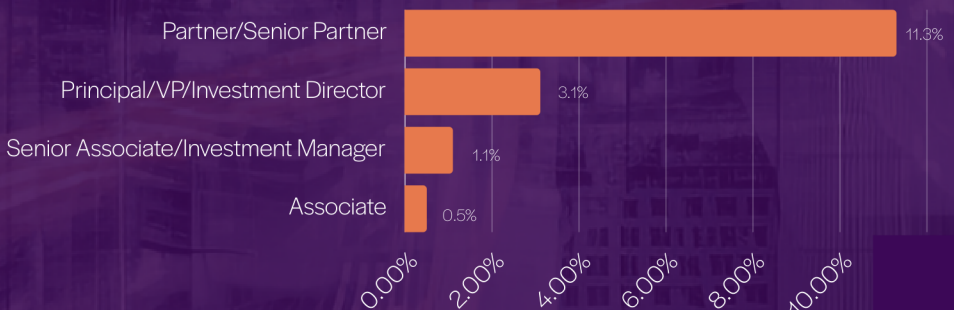
This would suggest that with fewer new fundraises closing over the past twelve months carry allocations are concentrated around longer-tenured investors with

newer hires being compensated with larger cash compensation, with carry allocation pushed out until funds close or people have been in seat for longer.

11.3%

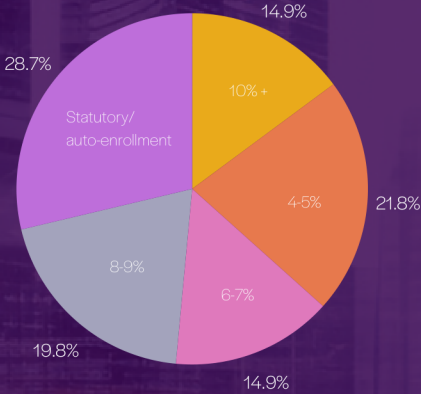
**average carried interest for senior roles
across funds of all sizes**

Average carried interest across PE and VC



Benefits

Employer pension contributions

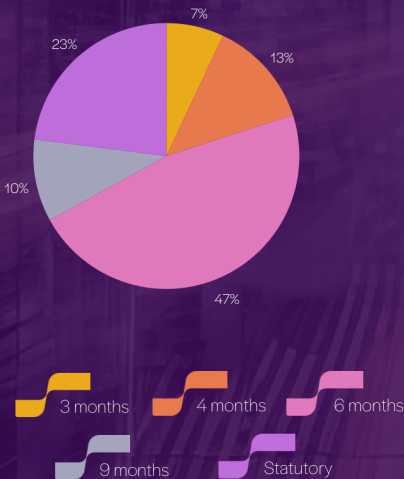


This year's data suggests a significant uptick in employer contribution towards all benefits in comparison to previous years, suggesting the industry may be moving towards a more holistic approach to compensation.

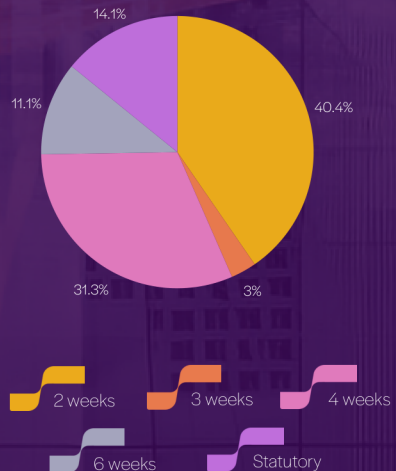
Although statutory pension allowance remains the largest percentage, a greater number of respondents across the industry reported an increased contribution.

A significant increase in paid maternity leave - from 30% of respondents at six months' full pay in our previous report to 47% at six months' full pay - is a notable change. For paternity leave, two weeks' full pay is now a greater allowance than statutory leave (two weeks' leave at 90% pay).

Maternity leave (length of time where full pay is allocated)



Paternity leave (length of time where full pay is allocated)



Market outlook

Perhaps unsurprisingly given the challenging backdrop for transactions, exits and fundraising are at the top of our respondents' lists of anticipated critical market issues for 2024.

Deal flow is one of the biggest factors that is not seen to be an issue by those we

surveyed, indicating there is a perception that this year may see significant change compared to last.

As a sign of the long term positive sentiment of the industry, staff retention and hiring are also perceived to be a low impact issue.

	Not an issue	Issue with some impact	Critical issue
Exits impact	22%	53%	35%
Fund raising impact	29%	40%	31%
Macroeconomic impact	11%	63%	26%
Deal flow	45%	36%	19%
Inflationary impact	42%	47%	11%
Geopolitical tensions impact	39%	55%	7%
Staff retention impact	58%	36%	7%
Hiring impact	67%	27%	7%



Conclusion

Private equity and venture capital funds have long shown their ability to navigate economic uncertainty and capitalise on what can be a challenging environment. The data from this report highlights the continued demand industry-wide for skilled investment professionals, as investors seek strong talent to create and deliver value in times of change.

We are delighted to have supported a record number of candidates and clients to build success in the last year. As 2024 continues, we hope to see an increase in deal flow and fundraising, which will continue to drive recruiting at all levels and further growth of the industry.

This report has been conducted on an anonymous basis. The data has been reviewed and reported on only in aggregate.

Who we are

Finatal is the search partner for private capital investors and their portfolio companies. We recruit world-class talent across international markets. We partner with businesses at all stages of the investment cycle to build successful talented teams, offering exceptional service at an unrivalled pace.

Perfectly placed to work on permanent and interim assignments, we fuse our extensive expertise and broad network to match the strong candidates with the businesses that complement their ambitions.

To find out more about how Finatal can help you or your business to build success, please get in touch.



Appendix A - Private equity data set

Salaries

Fund size	Associate	Senior Associate/Investment Manager	Principal/VP/Investment Director	Partner/Senior Partner
£0 - £100m	£69,668	£82,146	£184,161	£205,453
£101m - £200m	£80,498	£94,147	£166,982	£199,064
£201m - £500m	£91,690	£106,914	£169,727	£227,837
£501m - £1bn	£89,366	£115,338	£201,447	£249,235
£1bn - £5bn	£92,832	£107,024	£213,686	£260,931
£5bn +	£106,921	£126,969	£215,876	£268,301

Bonus

Fund size	Associate	Senior Associate/Investment Manager	Principal/VP/Investment Director	Partner/Senior Partner
£0 - £100m	£22,596	£48,175	£49,744	£79,724
£101m - £200m	£32,212	£55,516	£58,779	£102,682
£201m - £500m	£63,232	£61,681	£107,405	£178,892
£501m - £1bn	£79,376	£88,798	£134,651	£189,830
£1bn - £5bn	£98,997	£107,938	£251,349	£208,115
£5bn +	£103,078	£181,050	£284,106	£332,060

Total compensation

Fund size	Associate	Senior Associate/Investment Manager	Principal/VP/Investment Director	Partner/Senior Partner
£0 - £100m	£92,264	£130,321	£233,905	£285,177
£101m - £200m	£112,711	£149,663	£225,761	£301,746
£201m - £500m	£154,922	£168,595	£277,131	£406,729
£501m - £1bn	£168,742	£204,135	£336,098	£439,065
£1bn - £5bn	£191,829	£214,961	£465,034	£469,046
£5bn +	£209,999	£308,019	£499,982	£600,361

Appendix B - Venture capital data set

Salaries

Fund size	Associate	Senior Associate/Investment Manager	Principal/VP/Investment Director	Partner/Senior Partner
£0 - £100m	£65,001	£84,410	£168,808	£164,555
£101m - £200m	£74,730	£90,381	£176,345	£177,537
£201m - £500m	£85,547	£103,126	£184,961	£188,325
£501m - £1bn	£86,583	£101,448	£187,959	£218,352
£1bn - £5bn	£89,990	£105,645	£199,385	£223,435

Bonus

Fund size	Associate	Senior Associate/Investment Manager	Principal/VP/Investment Director	Partner/Senior Partner
£0 - £100m	£26,971	£39,769	£44,059	£67,430
£101m - £200m	£25,248	£50,491	£63,443	£69,050
£201m - £500m	£36,680	£65,127	£87,389	£126,091
£501m - £1bn	£70,710	£94,753	£91,793	£149,898
£1bn - £5bn	£84,028	£137,422	£197,035	£242,433

Total compensation

Fund size	Associate	Senior Associate/Investment Manager	Principal/VP/Investment Director	Partner/Senior Partner
£0 - £100m	£91,971	£124,180	£212,866	£231,985
£101m - £200m	£99,978	£140,873	£239,788	£246,586
£201m - £500m	£122,227	£168,253	£272,350	£314,416
£501m - £1bn	£157,293	£196,201	£279,751	£368,250
£1bn - £5bn	£174,018	£243,067	£396,421	£465,868

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