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Odyssey Search Partners: 2017 Hedge Fund Investment Professional Compensation Report

We are excited to share the results of Odyssey Search Partners' 2017 Hedge Fund Investment Professional Compensation Report.

This report is a summary of how Investment Professionals in the Hedge Fund industry have been paid over recent years and how they expect to be paid for the 2017 year. The Investment Professionals we surveyed are US-based, and invest in fundamentally driven investment strategies. We bucketed the strategies into equity, credit, event-driven and multi-strategy.

We received anonymous responses from over 500 Investment Professionals in Oct/Nov 2017 detailing their 2015 and 2016 compensation and their expectations for 2017. In addition, each respondent, from junior analysts to PMs, shared information about their experience levels, firm strategy and investment focus.

Some of the main questions we answered using the data collected:

- Overall base vs bonus breakdown
- Compensation averages based on years of experience
- Effects on compensation by size and performance of fund
- Differences in pay based on firm strategy
- Long only vs long/short equity comp expectations
- Single vs multi manager expectations

We hope you find this Report useful and welcome the opportunity to continue the dialogue and further discuss any aspects of this.

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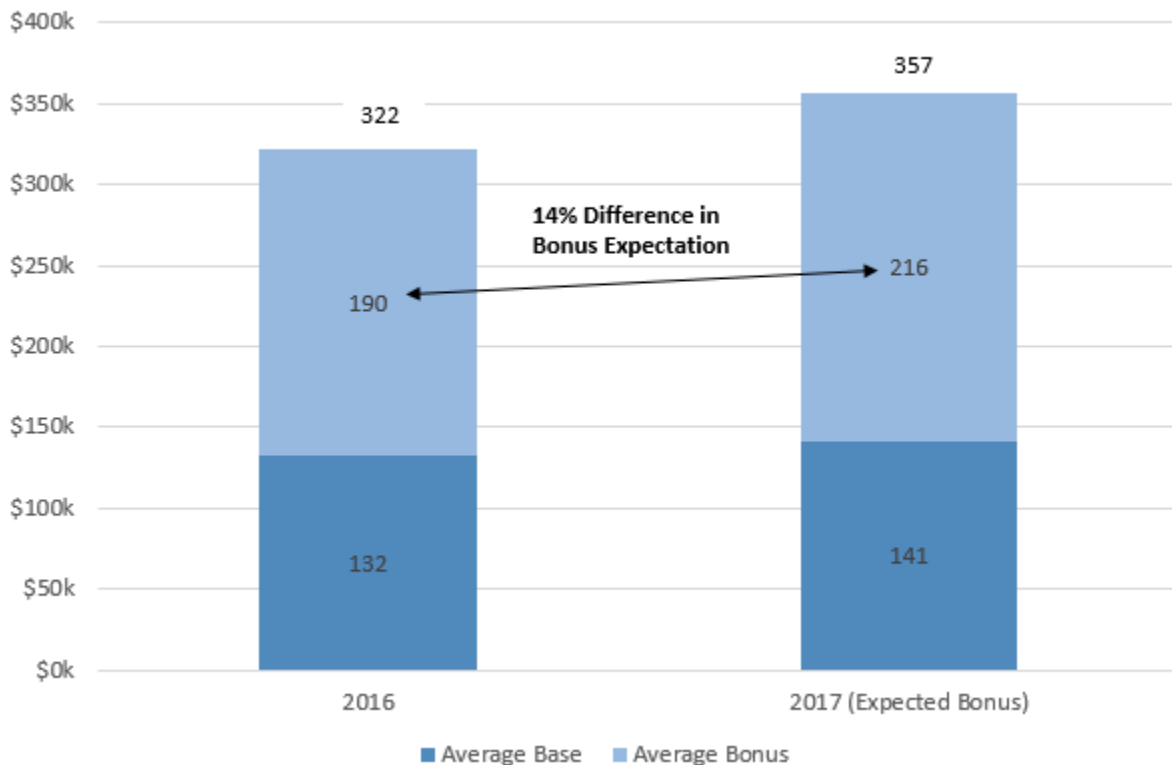
Junior Analysts (<2 yrs) 1 of 3

Junior Analysts

In this section we look at those participants surveyed that have less than 2 years of buy-side experience investing in publicly traded securities (so typically 3 to 6 years out of undergrad). These folks have typically completed a 2-year banking program, as well as some having been Private Equity Associates (known as 2+2s). This Junior Analyst group is also referred to as “Pre-MBAs”.

On average, Junior Analysts expect their total compensation to rise about 14% from \$322k to \$357k. These Junior Analysts understand that their compensation is less correlated to performance. Last year, their compensation was protected from the disappointing year for hedge funds and this year they don't expect to share in the upside in anything like how their more senior colleagues expect to.

Junior Analysts (<2 years of public buy-side experience): Total Compensation





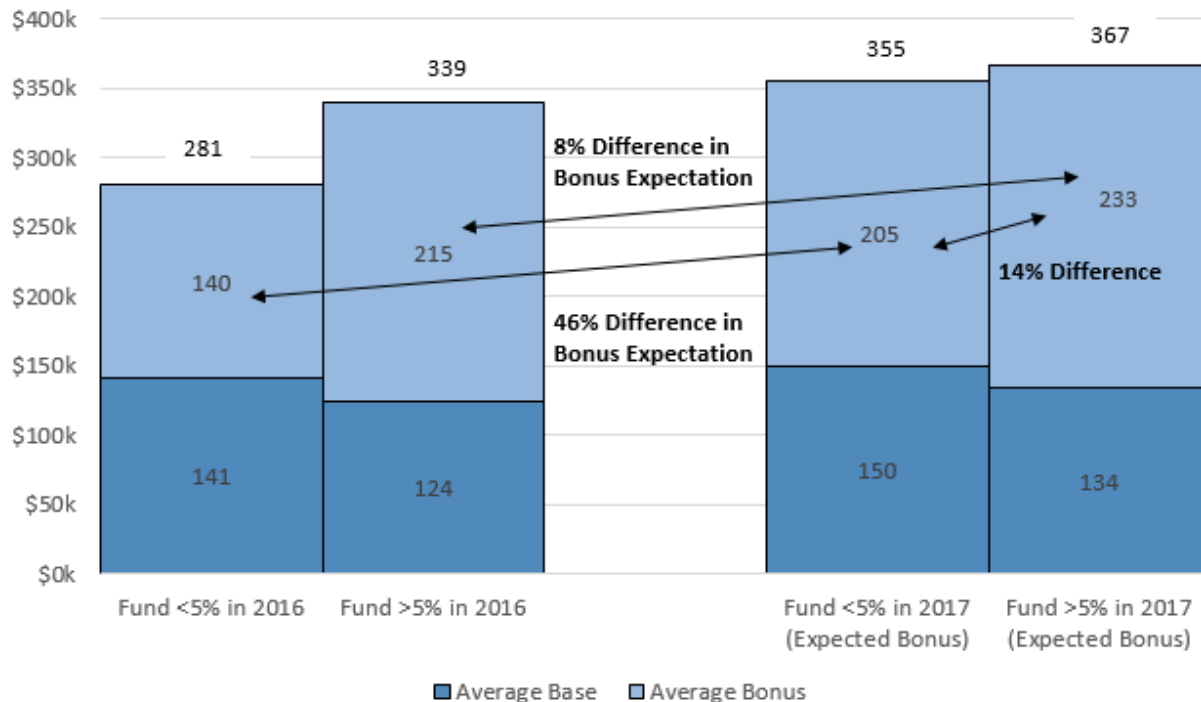
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Junior Analysts (<2 yrs) 2 of 3

Junior Analysts whose funds were up over 5% in 2017 expect to get paid bonuses 14% higher than those at funds that were up less than 5% in 2017 (expected bonuses of \$233k compared to \$205k).

Note the biggest year-on-year difference is from Junior Analysts in the poorer performing category, where there was a greater rebound relative to what's expected from those at higher performing funds (46% YOY increase vs. 8% YOY increase).

Junior Analysts: Compensation Difference by Fund Performance



FOR MORE DETAILS, PLEASE CONTACT:

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