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**RESULTS OF 1999 COMPENSATION SURVEY
OF INVESTMENT MANAGEMENT PROFESSIONALS RELEASED
BY AIMR AND RUSSELL REYNOLDS ASSOCIATES**

**Earnings of Investment Pros at Mutual Funds Outpace Counterparts at
Other Financial Services Companies;
Income of Global Managers Greatly Exceeds Domestic Managers**

NEW YORK, July 20, 1999 – Investment management professionals with ten or more years of experience expect to earn total compensation of \$200,000 in 1999 and those employed by mutual funds should earn significantly more than counterparts at banks, insurance companies and securities firms. These findings are part of the results of one of the most extensive and far reaching compensation surveys ever undertaken of the investment management profession, conducted by the Association for Investment Management and Research (AIMR) and Russell Reynolds Associates.

The new study released today examined compensation levels of portfolio managers, securities analysts, pension officers, marketing/client services professionals and other senior executives at an array of investment management and financial organizations. The results, based on survey responses from more than 8,500 AIMR members in the United States and Canada, were compiled by Wirthlin Worldwide, an independent market research firm. AIMR is a nonprofit organization dedicated to raising the professional, educational and ethical standards of investment management and research practitioners around the globe. Its survey co-sponsor, Russell Reynolds Associates, is a leading international executive recruiting firm.

Results of 1999 Compensation Survey of Investment Management Professionals -- 2

The survey uncovered wide variations in compensation among geographic regions, areas of specialization within the profession, types of financial organizations and individuals (based on professional certification, the CFA[®] designation).

Discussing the motivation behind initiating one of the largest and most broad-based compensation surveys ever done in the investment management industry, AIMR President and Chief Executive Officer Thomas A. Bowman, CFA, said, “Due to the size and multi-faceted nature of the investment management profession, it is often a challenge to get a true handle on such a crucial issue like compensation, with all of its implications to the industry and its customers. We thought that a comprehensive survey of the wide cross-section of professionals that make up AIMR’s membership would provide a solid barometer reading on this important topic.”

“There is strong competition for top investment management talent,” said Richard S. Lannamann, CFA, global head of the investment management practice of Russell Reynolds Associates. “The rapid growth in the investment management industry has caused employers to value highly those who are deemed able to provide superior performance or attract assets.”

Some of the survey’s key findings include:

- Investment management professionals employed by mutual fund organizations typically earn 24% more than their counterparts in insurance companies, banks, investment advisors and securities firms.

Results of 1999 Compensation Survey of Investment Management Professionals -- 3

Of the different types of financial organizations that employ investment professionals, mutual fund management companies most richly reward their managers. The 1999 median total compensation for investment professionals at **mutual fund companies** is expected to be \$196,000, followed by **investment counseling firms** and **securities broker/dealers** at \$185,000, **insurance companies** at \$150,000, **banks** at \$128,000, **plan sponsors/endowments/foundations** at \$104,200 and lastly **pension consulting firms** at \$95,000. The 1999 median total compensation for all survey respondents is expected to be \$150,000.

- Portfolio managers and analysts focusing on global or international investing generally earn more than their domestic counterparts. In fact, the expected 1999 median total compensation for a portfolio manager of domestic equities is \$153,000 and for global equities it is \$211,000. In 1999, a portfolio manager of domestic fixed income is expected to earn \$158,000, while a portfolio manager of global fixed income is expected to make \$185,000.
- Investment managers in the northeast United States enjoy median compensation 25 percent greater than the U.S. and Canadian average, while compensation for managers in the southern United States region lags by 10 percent.
- Across all levels of experience, women earn less than men earn. In aggregate, women's median total compensation is 17 percent less than men's (comparable to national employment statistics across sectors).
- Those serving institutional clients are generally rewarded with higher median total compensation than those working with a high net worth client base.
- Directors of research and marketing/client service professionals are also well compensated, earning median compensation on a par with their colleagues in portfolio management roles.

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The survey also examines the prevalence and structure of bonuses and incentives. The most common bonus is one given on the basis of an organization's overall business performance (a factor in the bonus determination of 60 percent of those surveyed), followed by an individual's own investment performance (45 percent), an organization's investment performance (42 percent), and an individual's business development performance (40 percent). Debra J. Brown, an executive recruiter in Russell Reynolds Associates' Investment Management Practice, notes, "Incentive compensation is most significant at mutual fund firms and securities broker/dealers, accounting for roughly half of the median total compensation at these organizations. This finding is consistent with their pay-for-performance cultures and the trend towards greater differentiation in remuneration."

Additionally, the survey found that the compensation of investment professionals holding the Chartered Financial Analyst (CFA) designation is 22 percent higher than those without the credential. Three-quarters of those surveyed report that their firm either requires or encourages them to work toward a CFA charter. The CFA designation, sponsored and coordinated by AIMR, represents the most rigorous and practice-oriented professional standard in the investment industry.

"We are gratified that the marketplace has affirmed the value of becoming a CFA charterholder," said AIMR's Mr. Bowman. "The survey results demonstrate that mastery of our profession's body of knowledge and adherence to its ethical guidelines is substantially rewarded by the marketplace."

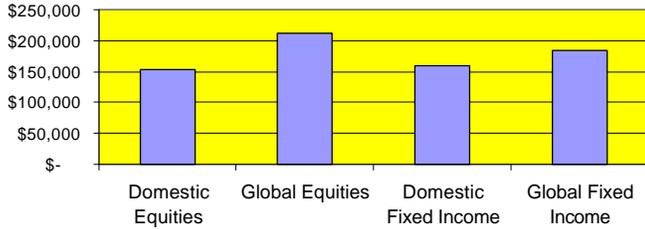
The Association for Investment Management and Research is a global, nonprofit organization of more than 36,000 investment professionals from 70 countries worldwide. Through its headquarters in Charlottesville, Virginia, and more than 80 affiliated societies and chapters throughout the world, AIMR provides global leadership in investment education, professional standards, and advocacy programs. For more information on AIMR and its programs and services, call 800-247-8132 or 804-980-3668 or visit the AIMR web site at www.aimr.org.

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Founded in 1969, Russell Reynolds Associates, is one of the world's leading executive recruiting firms, with more than 250 recruiting professionals in 33 offices around the globe. The firm's Investment Management Practice works with investment counseling firms, banks, securities firms, mutual funds, insurance companies, pensions, endowments and foundations to identify, recruit and retain senior investment management professionals. The Russell Reynolds Associates web site is located at www.russellreynolds.com.

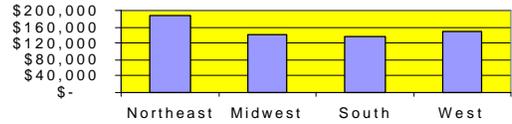
NOTE TO EDITORS: *The entire AIMR-Russell Reynolds Associates 1999 Compensation Study is available on the AIMR web site (www.aimr.org).*

Compensation Differences, Portfolio Managers (Median Total Compensation)



Source: AIMR and Russell Reynolds Associates 1999 Investment Management Compensation Survey

U.S. Regional Differences (Median Total Compensation)



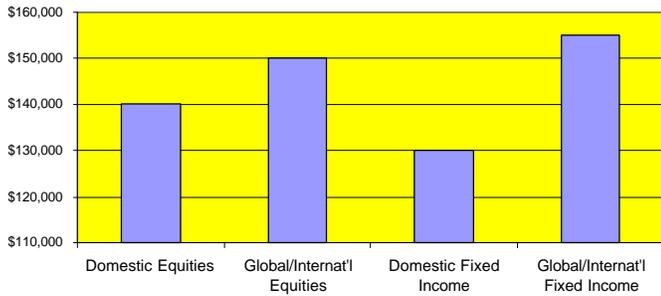
Source: AIMR & Russell Reynolds Associates 1999 Investment Management Compensation Survey

U.S. vs. Canada



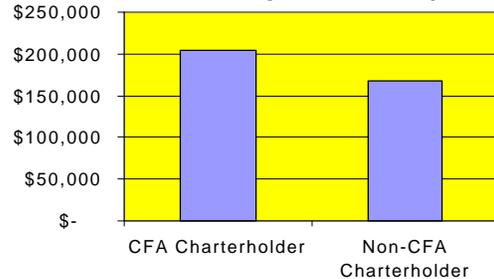
Source: AIMR & Russell Reynolds Associates 1999 Investment Management Compensation Survey

Compensation Differences of Securities Analysts (Median Total Compensation)



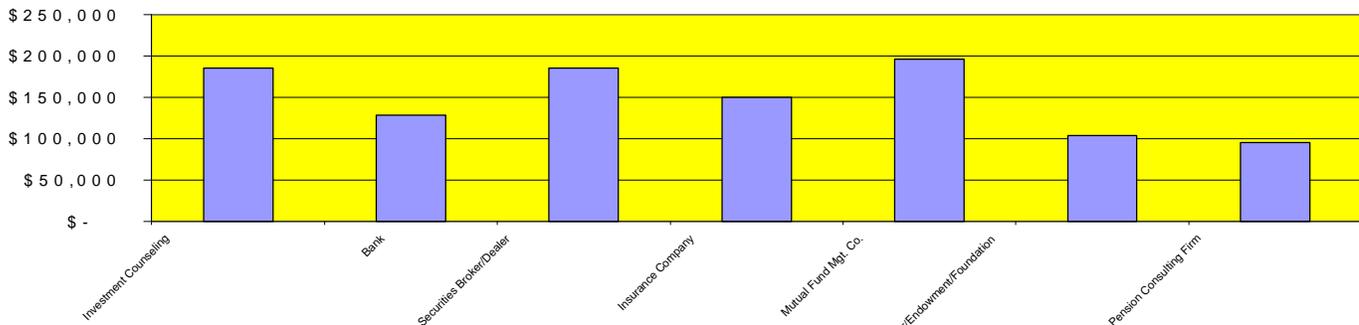
Source: AIMR & Russell Reynolds Associates 1999 Investment Management Compensation Survey

CFA Charterholder vs. Non-CFA Charterholder (Median Total Compensation)



Source: AIMR & Russell Reynolds Associates 1999 Investment Management Compensation Survey

Differences by Type of Organization (Median Total Compensation)



Source: AIMR and Russell Reynolds Associates 1999 Investment Management Compensation Survey