

**INTERNATIONAL
QUALITY
PROFESSIONAL-
(FUND/ WEALTH
MANAGER)-**

annexure-48

Overview of Wealth Management Career

Wealth management career involves rendering Financial Advisory Services, Accounting Services, Estate Planning, Insurance Policies, Investments in Equity & Debt Markets, Retirement Planning, etc. The wealth management job is an Advisory Desk of the Company where a Single Person being a Professional in the Field is allotted to the HNI Clients to understand their requirements and satisfy them with the best Financial Solution to Grow their Asset base.

The Wealth Management Professional is the person who is the Single Point of Contact between the HNI Client and the Company. He will use both Internal & external means to arrive at a Conclusion to provide the best possible mix to the Client. The wealth Management Department is more aggressive when the Economy is Growing, and Equity Markets

are at its peak & there are more Investments—coming in the Markets from and HNI Investors.

Let us now discuss the top 5 careers in wealth management in detail –

Career #1 – Personal Financial Advisor

Who is the Personal Financial Advisor?

He is the one who personally meets the Clients in recommending them the best possible option for their Financial Planning, Accounting, Estate Planning, and Insurance.

Personal Financial Advisor – Job Description

Responsibilities Responsible for sourcing new clients for the company from the market by cross-selling various financial products to them.

Designation Financial Advisor

Actual Role Meet new people on a daily basis and try to convince them by recommending various financial products like mutual funds, stocks, insurance, etc to achieve their financial goals and investments.

Top Companies Boston Consultancy Group, Travelers, Cisco, Goldman Sachs, Deloitte, Morgan Stanley, J.P Morgan

Salary The median annual salary for a personal financial advisor as of 2016 was \$ 88,890.

Demand & Supply Keeping pace with the current technological advances, the demand for this profile has gone down significantly because there are multiple online modes available for people to make their informed decision and invest in their favored product without and personal help.

Education Requirement CPA/MBA from tier -1 universities with at least 5-10 yrs of experience.

Recommended Courses CPA/MBA

Positives Client facing role as you have to convince the client to buy your product which increases your marketing & business skills.

Negatives Many people prefer to do direct investments rather than going through a personal financial advisor since it comes with a cost.

Career #2 – Relationship Manager

Who is a Relationship Manager?

He is the one who is Single Point of Contact for the HNI Client and the Wealth Management Firm.

Relationship Manager – Job Description

Responsibilities Responsible for sourcing business for the company by understanding the risk profile of the client and maintaining a long-lasting relationship with them for gaining repetitive business.

Designation Relationship Manager

Actual Role Source new business and coordinate with the internal departments to get it executed.

Job Statistics As per the bureau of labour statistics of the US <https://www.bls.gov/ooh/management/sales-managers.htm>, the number of jobs in this category was 3,85,500 as of 2016 and are expected to grow by 7% from 2016 to 2026.

Top Companies Fidelity, Wells Fargo, Goldman Sachs, Morgan Stanley, J.P Morgan, and Vanguard Group

Salary The median annual salary for a relationship manager as of 2016 was \$ 1,24,220.

Demand & Supply The demand and supply ratio will totally depend upon the growth or contraction of the sector in which the company operates along with the government policies that will favor the financial services industry.

Education Requirement CFA/CFP/CPA/MBA from Tier -1 universities with at least 5-10 yrs of experience.

Recommended Courses CPA/MBA/CFA/CFP/FRM

Positives Analytical skills become sharp and a chance to work along with all the asset classes.

Negatives Sales Targets can be a burden on the employee.

Career #3 – Director of Business Development

Who is the Director of Business Development?

He is the one who leads the Business Development Team in the Company.

Director of Business Development – Job Description

Responsibilities Building strong relationships with Ultra HNI clients and investors in the market.

Designation Director – Business Development

Actual Role Lead the team of relationship managers in the company and mentor them with the right kind of training and guidance required for the job.

Job Statistics Since it is a management-level position, the statistics are not readily available on the web.

Top Companies Fidelity, Wells Fargo, Goldman Sachs, Morgan Stanley, J.P Morgan, and Vanguard Group

Salary The median annual salary for a personal business development director will go anywhere between \$2,00,000 – \$5,00,000 depending upon the salary structure.

Demand & Supply Highly demanded profile in the market since it requires extensive experience and sector expertise. It is the most demanding job in the industry where the supply is limited and demand is increasing day by day.

Education Requirement CFA/CFP/FRM/CPA/MBA from tier -1 universities with at least 15-20 yrs of experience.

Recommended Courses CPA/MBA/CFA/CFP

Positives Leading role in the company and sole responsibility for generating business for the organization.

Negatives Risky profile since the monthly targets need to be achieved.

Career #4 – AVP – Portfolio Management

Who is AVP?

He is the one who heads the PMS Department of the Wealth Management Firm.

AVP – Portfolio Management – Job Description

Responsibilities Responsible for end-to-end operations of the PMS dept and monitor the portfolios of the HNI clients and service their needs.

Designation AVP – PMS

Actual Role Operational support to the fund manager by servicing the HNI clients on demand.

Job Statistics It varies from country to country.

Top Companies Fidelity, Wells Fargo, Goldman Sachs, Morgan Stanley, J.P Morgan, and Vanguard Group.

Salary The median annual salary for an AVP PMS would be between \$ 75,000 – \$1,50,000.

Demand & Supply Very high demand in the growing market since many accounts get opened when the stock market is at its peak, which requires a senior-level service.

Education Requirement CFA/CPA/MBA from tier -1 universities with at least 8-10 yrs of experience.

Recommended Courses CPA/ MBA/CFA/CFP

Positives Direct interaction with the portfolio manager of the company and good insights into the financial markets.

Negatives Desk job and client servicing can be boredom for a person who likes to market himself and generate business for the organization.

Career #5 – Investment Counselor

Who is an Investment Counselor?

He is the one who generally works in a Bank and who understands the Risk Appetite

of the Client and offers him an appropriate Solution.

Investment Counselor – Job Description

Responsibilities Responsible for providing the right solution to the customer as per his requirement.

Designation Investment Counselor

Actual Role Works closely with the product team in the company.

Job Statistics It varies from company to company.

Top Companies Fidelity, Wells Fargo, Goldman Sachs, Morgan Stanley, J.P Morgan, and Vanguard Group.

Salary The median annual salary for an investment counselor would be between \$ 100,000 – \$2,00,000.

Demand & Supply Very much demanded profile in the market since it comes along with a lot of experience in the field since a personal touch is required to handhold the client, understand his requirement and then offer him the best solution.

Education Requirement CFP/CFA/CPA/MBA from tier -1 universities with at least 8-10 yrs of experience.

Recommended Courses MBA/CFA

Positives Meet new people and develop good relations within the organization.

Negatives Desk job and client servicing can be boredom for a person who likes to market himself and generate business for the organization.

Conclusion

Wealth Management is one of the Exciting Careers which one can look at in the long term as they will be exposed to multiple Asset Classes

like Stocks, Bonds

, Estate Planning, PMS, AIF, Mutual funds

, Retirement Plans, Government Securities, Treasury Bills

, etc. However, the Candidate would require special expertise in one of these Asset Classes to make a specialization in this field in the long term. For example, A Statistical Analyst will be the best person for a Retirement Planning Role, and a Financial Analyst will be best suited to sell PMS/AIF/Mutual Funds/Stocks.

"Money never starts an idea; it is the idea that starts the money." ~ W.J. Cameron

A wealth manager is a type known as a financial consultant who focuses on providing wealth management services to high-net-worth customers. The responsibilities of a wealth manager, however, go far beyond just providing financial advice. They specialize in a broad range of services that cover all aspects of a person's financial health. Private wealth management jobs can involve financial planning and investment management, as well as accounting and tax services, retirement programs, and estate planning and implementation. Individuals in the Wealth Manager career mainly work with wealthy clients who have a lot of investable assets. The wealth manager's Job is to assist customers in defining their goals and creating a financial strategy to achieve those.

Wealth manager in a Nutshell

Professionals who provide complete personal financial services include wealth managers. Private wealth management jobs include helping you by giving financial guidance. Individuals in the wealth

management consultant career carry out research on your behalf and distribute your financial statements in accordance with your investment strategies, timeframes, and risk tolerance.

What is the role of Wealth manager?

Individuals in the Wealth Manager's career make decisions about the purchase and sale of financial items while keeping an eye on their client's portfolios. Wealth management consultants job is to help their clients with risk management, tax preparation, retirement planning, insurance planning, and financial counselling. Additionally, wealth management advisors might offer them advice on fundraising strategy, trust administration, estate planning, and family legacy management. Individuals in the Wealth Manager career conduct client interviews to gather information such as current earnings, expenditures, insurance benefits, tax situation, financial plans, investment strategy, and other details required to create a financial plan. To develop plans for achieving their client's financial goals, wealth management advisors examine the financial data they get from clients.

Market Research

By using business intelligence, and data mining, a wealth manager keeps up with market research. The wealth manager Job is to determine and enforce process changes, including the development of ad hoc reports, analytics, and computer dashboards.

Prepare reports

The data in reports, which includes marketing strategies, financial and accounting assistance, and strategic analysis, can be used to assess prospective courses of action. Using the data from their investigation, wealth managers create reports based on their analysis of the financial accounts they looked into as part of their job responsibilities.

Financial forecasting

To support recommendations of financial decisions made by him or her, a wealth manager continues to be active in reporting, operations metrics tracking, financial data analysis, and financial model construction.

Types of a Wealth manager

In this section, we have discussed the types of Wealth Managers.

Financial analyst: In order to assist businesses or clients in making business decisions, financial analysts analyse financial data. The study is often done to help companies make informed investment decisions. Financial analysts analyse the stock markets and assist their companies in financial decisions.

Accountant: Accounting professionals such as auditors and financial statement analysts are known as accountants. He or she may start a private practice or work for an accounting firm, a large corporation with an internal accounting department, or both.

Financial Planner: Financial planners are experts in investments and money who assist both individuals and businesses in achieving their long-term financial objectives. Following client consultation, they begin researching their customers' goals, risk tolerance, and stages of life or businesses in order to choose the best class of investments for them.

The Hedge Fund Career Path: The Complete Guide

What Do Hedge Funds Do?

Hedge funds are investment funds that raise capital from institutional investors and accredited investors and then invest it in financial assets – usually liquid, publicly traded assets.

Unlike mutual funds, they target absolute returns rather than relative returns, and unlike private equity firms, they do not buy and sell entire companies.

Hedge funds might use a wide variety of strategies, most of which are unavailable to mutual funds: short-selling securities, using derivatives, or going activist on a company to force change, for example.

They earn money from a management fee, based on a small percentage of assets under management (AUM), and a performance fee, based on a percentage of annual returns.

Traditionally, hedge funds charged “2 and 20,” meaning 2% of AUM for the management fee and 20% of the returns for the performance fee.

However, funds have been forced to cut fees ever since the 2008-2009 financial crisis and their poor performance afterward, and the average fees are now closer to 1.5% and 15.0%.

This fee structure gives you the potential to earn *a lot* of money if your fund performs well – far beyond what bankers or any other sell-side role could earn.

For more, see our [overview of the hedge fund industry](#) and our [hedge fund vs private equity discussion](#).

Why Work at a Hedge Fund?

Many people are drawn to the hedge fund career path because of the money: even junior-level employees can earn \$500K up to \$1 million, and senior-level Portfolio Managers can go well beyond that.

You work with smart, ambitious people, you can study a new global issue or market each day, and you can be more creative and independent than in sell-side roles.

You must be passionate about the public markets to do well (read: you trade stocks and research companies and financial assets for fun in your spare time).

On the negative side, the hours are still long and stressful (though better than [investment banking hours](#)), job security can be low, and your exit opportunities will be limited.

Also, many people argue that the long-term outlook isn't great and that it would have been better to enter in the 1980s or 1990s when the industry was still growing quickly.

Hedge Fund Career Requirements

We covered these points in the article on [how to get a job at a hedge fund](#), but to summarize:

- You should ideally be an [investment banking analyst](#) at a top bank, an [equity research associate](#) at a top bank, a research or investment analyst at an asset management firm or mutual fund, or a sales & trading professional on a highly relevant desk.
- Students sometimes get in straight out of university, but this is less common (though more funds, especially the bigger ones, are starting to recruit on campus).
- Your academic credentials, such as school reputation, GPA, and test scores, still matter.
- And you still need to know accounting, finance, valuation, and all the other technical skills required in investment banking, equity research, and asset management.
- It's *a bit* more plausible to break in as a non-traditional candidate since hedge funds value results above all else.
- You need a passion for the markets, strong critical thinking, team player-ness, and emotional stability to get in and perform well.

An MBA won't help much, the CFA is marginally useful, and it is tough to win offers coming from smaller banks.

If you have these experiences, qualities, and skills, see our [hedge fund recruiting guide](#) for the step-by-step process to winning offers.

The 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.**

There are other areas as well, such as Risk Management and Investor Relations, which may be separate or part of the ones above.

We’re going to focus on the Investment Team in this article because most of the content on this site relates to careers that lead there.

The Hedge Fund Career Path

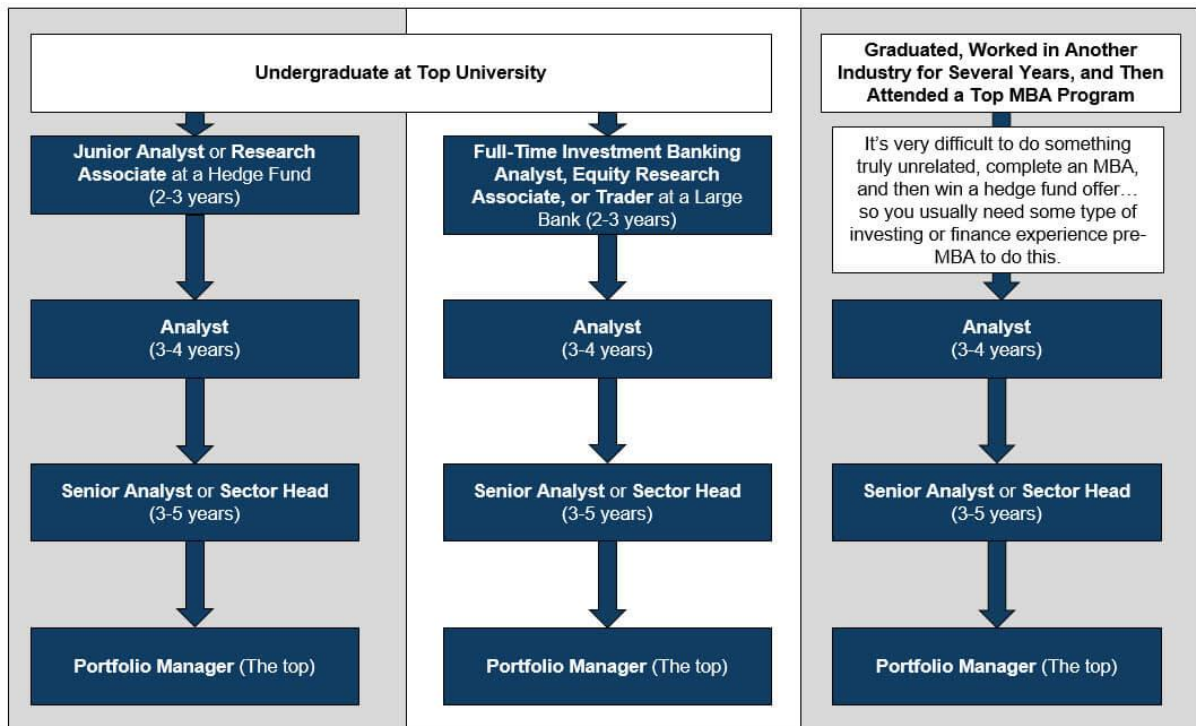
The hedge fund career path and hierarchy vary from firm to firm, but here’s a representative example:

- Junior Analyst or Research Associate – Random Task Monkey.**
- [Hedge Fund Analyst](#) – Number Cruncher and Researcher.**
- Senior Analyst or Sector Head – Builder and Pitcher of Investment Ideas.**
- [Hedge Fund Portfolio Manager](#) – Decision-Maker and Firm Representative.**

On the Execution Trading side, the path might look like this:

- Junior Trader or Execution Trader – Trader in Training.**
- Senior Trader or Head Trader – Trader with (more) P&L Responsibilities.**

And here’s a flow-chart summary:



There's not much to the Execution Trading path, and I ran out of space, so I left it off.

It is not common to break in as an undergrad, but some of the bigger funds, such as Citadel, Bridgewater, Man Group, and Brevan Howard, are increasingly recruiting undergrads.

They do this more often for quant roles that require math/statistics/programming.

We're not going to address [exit opportunities](#) at each level because they don't change much: move to another hedge fund, [start a hedge fund](#), [do an MBA to rebrand yourself](#), or do something outside of finance.

Hedge fund work is more specialized than private equity or investment banking, so you have less mobility.

The hours don't necessarily change much at each level, and in some ways, PMs have the most stressful jobs of anyone.

Technically, you work "market hours plus a bit more," but that still adds up to 60-70 hours per week – and even more than that at the biggest funds.

The key differences in each level lie in the work tasks, promotion time, and compensation:

Junior Analyst or “Research Associate” Job Description

If you win an offer right out of undergrad, this is your level. Some funds might not have a separate title for this level, so you could just be an “Analyst.”

You perform some of the same tasks as full Analysts: financial modeling, data gathering, due diligence, idea generation, and monitoring existing investments.

But the difference is that you have less independence, and most of your tasks are assigned to you by the Analysts.

This means that you’ll often work on whatever needs to get done “right now” instead of focusing on a longer-term idea or project.

Also, you’ll have less direct interaction with the Senior Analysts and Portfolio Managers, as they tend to filter their requests through the Analysts.

Age Range: 22 – 25

Junior Analyst Salary + Bonus: At this level, total compensation is likely in the \$100K to \$150K USD range, with an even split between base salary and bonus.

Yes, that is a discount to [investment banking analyst pay](#). That’s just how it works – [positions at this level in private equity also earn less than in IB](#).

Promotion Time: 2-3 years

Hedge Fund Analyst Job Description

This one is often the first step in the hedge fund career path after you work in investment banking, equity research, or certain sales & trading desks for a few years, and sometimes it’s labeled “Investment Analyst” or “Research Analyst” instead.

If you recruit for hedge funds out of an MBA program, you’ll also join at this level (see our full article on the [hedge fund analyst](#) role).

You complete many of the same tasks as Junior Analysts, but you have more independence and spend more time working on specific investment theses.

Daily tasks might include:

- **Monitoring industry and company trends.**
- **Speaking with management, customers, and suppliers at potential or current portfolio companies.**
- **Responding to questions from Senior Analysts and Portfolio Managers and explaining/defending your ideas.**
- **Generating investment ideas.**
- **Building financial models and valuations to support your ideas.**
- **Conducting due diligence, often with on-site visits and “channel checks.”**

An average day might look like this:

- **Morning: Wake up, check the news, and see if anything affects current or potential positions. Pick 3-4 companies you want to work on for the day.**
- **Late Morning / Early Afternoon: Read material about those companies, speak with managers and suppliers, and run a quick/simple model to see if a new strategy or acquisition makes sense.**
- **Late Afternoon: Speak with the Senior Analyst about a new idea you’re working on and answer questions from the Portfolio Manager, who’s skeptical of a previous idea that you and the Senior Analyst presented.**
- **Early Evening: Leave around 7-8 PM, for a 12-hour day that ends a few hours after market close.**

Age Range: 24 – 30

Hedge Fund Analyst Salary + Bonus: The most likely range here is \$200K to \$600K total.

Yes, this is a very wide range because of the following:

- 1. Base salary starts around \$100K – \$150K and increases each year, and your bonus might be 0%, 100%, or even 200% of that.**
- 2. Pay is heavily dependent on fund size and performance. Compensation reports such as the ones produced by SumZero often report low median figures, but they're skewed by data from 2- and 3-person startup funds.**

If you join an established, mid-sized-to-large fund that performs decently, your first-year total compensation might be in the \$250K to \$300K range.

Promotion Time: 3-4 years

Hedge Fund Senior Analyst Job Description

If you perform well in the first few years of the hedge fund career path, the Portfolio Manager likes you, and there's an opening, you'll be promoted to Senior Analyst.

Some funds might label this level something slightly different, such as "Sector Head" or "Director of Research."

You perform some of the same tasks as Analysts, but there are a few differences at this level:

- 1. As the alternate names imply, you often specialize in one sector, industry, or strategy.**
- 2. You spend more time pitching the Portfolio Managers on your ideas, coming up with ideas, and having Analysts flesh out and support those ideas.**
- 3. You spend more time on management – developing Analysts below you to help with work, getting the PMs to trust you, and building a reputation with equity research analysts and management teams.**

At this level, you are a "Portfolio Manager in training."

Assuming that a promotional path is open, they're evaluating you to see if you can perform well enough to make it to the next level.

Age Range: 28 – 33

Hedge Fund Senior Analyst Salary + Bonus: The likely range here is \$500K to \$1 million total, with the majority from your bonus.

To set expectations, it's not very likely that you'll earn \$1 million or more until you become a PM and perform well in the role.

Promotion Time: 3-5 years

Hedge Fund Portfolio Manager Job Description

If this is a [single-manager hedge fund](#), then the [Portfolio Manager](#) raised the capital and has responsibility for all of it; if it's a [multi-manager fund](#), he/she was assigned a certain amount of assets under management (AUM) to invest.

Regardless of the fund type, the PM makes final trading decisions, monitors risk and the entire portfolio, and oversees back/middle office operations such as compliance, IT, and accounting.

PMs are General Partners who hold significant equity interests in the fund, so the pay ceiling is much higher as well.

There is some overlap between the PMs' responsibilities and those of Analysts and Senior Analysts: they still generate and evaluate investment ideas, monitor the markets and current positions, and conduct due diligence.

However, there are some significant differences at this level of the hedge fund career path:

- 1. Investment Logistics – The PM has to think more about hedging and sizing issues. For example, what percentage of AUM should be allocated to Idea X vs. Idea Y? What's the best way to hedge, and how much should be allocated to that? How well can the traders execute the orders required to build the position?**
- 2. Risk Management – PMs focus more on risks related to both the individual positions and macro risks that might affect the entire portfolio – and how to prevent disaster if there's a market meltdown.**
- 3. Entire Portfolio – PMs spend more time thinking about portfolio-wide diversification and points like the net**

exposure (% long positions – % short positions). Even if Company X has 50-70% upside, it might not make sense to invest if it doesn't fit with the rest of the portfolio, or if it would skew risk too much in one direction.

- 4. Non-Investment Responsibilities – PMs must spend time marketing the fund, raising capital from LPs, and answering their questions and concerns. They also oversee all the infrastructure required to support the fund, which means they may not be quite as involved in the nitty-gritty details of investing.**

Age Range: 32+

Hedge Fund Portfolio Manager Salary + Bonus: Compensation at this level varies so much that I hesitate to quote specific numbers.

Pay at this level depends almost 100% on performance, which means that PMs could make a few hundred thousand USD... up to \$1 million or even \$10 million+.

***On average*, though, a PM at a mid-sized fund that performs decently might earn between \$500K and \$3 million.**

If you look at compensation reports, median pay tends to be just above or below \$1 million, depending on the year.

Promotion Time: N/A – This is usually the top position unless you're at a much bigger fund or multi-manager fund that has a management layer above this.

Hedge Fund Execution Trader Job Description

I'm not going to cover each level separately here because it's a relatively flat part of the hedge fund career path.

As an Execution Trader, your job is to take the PM's decisions and place orders that result in the best pricing without disrupting the security's market price too much.

The challenge is similar to what [traders at investment banks deal with](#): they must split up larger orders and find buyers and sellers in such a way that minimizes price disturbances.

These roles are open primarily to sales & trading professionals from large banks because it's a completely different skill set than investment banking or equity research.

As you move up, you will be granted more P&L responsibility, and your title may change slightly, but the job will be similar.

Execution Trading seems to have a terrible reputation if you look at online commentary, with people saying that it's "boring" or that "the pay cap is too low" or "there is no path to PM."

There is *some* truth to those comments: it can be quite difficult to move from Execution Trading to the Investing side, especially if your fund uses a strategy like [long/short equity](#) or [merger arbitrage](#).

As for the transition to Portfolio Manager, some funds like to limit the movement between ET and PM roles because they want traders to view the job as a long-term career – but some funds are more flexible, so this is not a universal rule.

Hedge Fund Execution Trader Salary + Bonus: Compensation is a discount to the levels in Investing roles.

Entry-level traders might start at around \$150K – \$200K, and more senior traders who perform well might earn closer to \$500K in total compensation.

You're unlikely to earn into the 7-figure range as a trader because many funds view it as a "supporting role."

Before the angry commenters come out: yes, some traders might still earn \$1 million+, but you're far more likely to reach that compensation level in a PM role.

Benefits / Advantages:

- **High salaries and bonuses at all levels – especially if you're at a mid-sized or larger fund that performs well.**
- **Interesting work that allows you to think critically about almost any global issue and turn it into an investment.**

- **Somewhat better hours than investment banking, at least at non-mega-funds, and a more predictable schedule since you do not work on transactions.**
- **You work with smart, ambitious people, and they may come from more diverse backgrounds than the typical teams in IB/PE.**
- **There's a wide variety of strategies and firm cultures – the office environment varies far more than in IB/PE, so you can probably find something that fits you.**
- **Firms are small and results-driven, so compensation and advancement are strongly linked to your**

THANK YOU

BE WISE, BE RICH

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