FUNDS MANAGEMENT & PRIVATE CAPITAL

15 practical interview questions for your next investment hire

A candidate’s transaction list tells you where they have worked. These questions help establish what they can do.

How to use this guide

Choose the questions that match the position, then use the same core set for each candidate. Ask for anonymised examples or public information rather than confidential investment papers.

Assess the responsibilities of the role, not personal circumstances. Offer reasonable adjustments where required so candidates can demonstrate their ability.

Use the notes beneath each question to record evidence, the candidate’s personal contribution and anything requiring verification. These prompts support judgement; they are not a scoring formula.

Interview record

Candidate _____

Position _____

Interviewer / date _____

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01 Choose one investment you worked on. What did you personally deliver?

Distinguish completing analysis, making recommendations and approving the decision. An associate need not have held a portfolio manager's authority to demonstrate their contribution.

EVIDENCE / FOLLOW-UP

02 At the price you recommended, what had to happen for the investment to earn its required return?

Look for the connection between purchase price, operating performance, distributions and exit assumptions. Which assumption mattered most, and how was it checked?

EVIDENCE / FOLLOW-UP

03 How did you assess cash generation rather than reported profit?

Ask about working capital, capital expenditure and adjustments. Where could cash become trapped, or strong earnings require continuing investment?

EVIDENCE / FOLLOW-UP

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04 Which diligence finding changed your recommendation?

Seek a specific change to valuation, terms, structure or the decision to proceed. If nothing changed, ask what would have overturned the recommendation.

EVIDENCE / FOLLOW-UP

05 What did you test in the downside case, and what decision did it inform?

Look for assumptions that interact rather than isolated sensitivities. For leveraged investments, ask about liquidity, covenant headroom and refinancing under weaker performance.

EVIDENCE / FOLLOW-UP

06 What did the investment return after fees and costs, and how much was realised?

Distinguish gross from net performance, distributions from valuation gains, and investment-level returns from the investor’s experience. An unrealised valuation is not an exit.

EVIDENCE / FOLLOW-UP

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07 What benchmark did you use, and why was it fair?

Look for consistency in currency, period and performance measure, alongside the strategy's risk. If no simple benchmark fits, a candidate should explain its limitations.

EVIDENCE / FOLLOW-UP

08 How did you assess an unlisted investment's valuation between transactions?

Ask what evidence supported the valuation, who challenged it and how operating changes were reflected. Understand the candidate's work, not merely whether a policy existed.

EVIDENCE / FOLLOW-UP

09 For a fund investment, what could the investor actually withdraw, and when?

Ask about notice periods, lock-ups, gates and suspension rights. A withdrawal provision is not the same as a guarantee that cash will be available.

EVIDENCE / FOLLOW-UP

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10 How did you allow for future capital calls or additional funding?

Ask what happens if distributions slow while several investments need cash. Establish whether the candidate performed the work or relied on someone else.

EVIDENCE / FOLLOW-UP

11 How did you assess currency exposure for an Australian investor?

Separate local-currency performance from the AUD result. If hedging mattered, probe costs, cash requirements and residual exposure.

EVIDENCE / FOLLOW-UP

12 What supported your recommendation of a manager beyond past returns?

For allocator roles, ask about the people responsible for performance, team changes, portfolio exposures, fees and capacity. Did the candidate investigate the manager’s explanation?

EVIDENCE / FOLLOW-UP

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13 What did you monitor after investing, and what triggered action?

Connect indicators and review frequency to decisions: further investigation, engagement, a revised valuation, additional capital or exit.

EVIDENCE / FOLLOW-UP

14 Tell us about an investment that underperformed. What did you recommend next?

Establish what was known at the time and which options were realistically available. Look for a reasoned comparison, not an explanation built around the eventual outcome.

EVIDENCE / FOLLOW-UP

15 Given our mandate, what would you need to establish before recommending your first investment?

Provide a consistent brief. Their questions should address objectives, existing exposures, liquidity, constraints and decision authority.

EVIDENCE / FOLLOW-UP

Record the candidate's personal contribution, the evidence behind it and the gaps requiring checks. A candidate who identifies a missing fact may be exercising better judgement than one who answers immediately, provided they can explain why it matters and how they would resolve it.

Discuss your next investment hire.