

Fund Manager interview questions

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What to expect

Fund Manager interviews test technical investment knowledge, judgement under market pressure, and the ability to explain decisions clearly to clients and boards. Expect a mix of analytical questions, scenario-based judgement tests, and questions about regulatory compliance under the Corporations Act and ASIC requirements.

- **Technical/analytical:** Questions on valuation methods, portfolio construction and how you interpret financial reports or economic data to find opportunities.
- **Scenario/judgement:** Hypothetical market conditions (a sharp downturn, a benchmark miss) where the interviewer wants to see your decision-making process, not just the outcome.
- **Behavioural:** Past examples of managing risk, handling a client relationship under pressure, or defending an investment call that didn't work out.
- **Compliance and risk:** How you ensure a fund stays within its mandate and meets ASIC and APRA obligations.
- **Client-facing:** How you communicate strategy and performance to clients or a board, particularly when results disappoint.

Most processes start with a recruiter or HR screen on experience and licensing, followed by a technical interview or case study with a senior portfolio manager, then a panel round involving the investment committee or CIO where scenario and compliance questions dominate. Some employers add a written case study analysing a hypothetical portfolio before the final panel.

1. Walk me through how you would evaluate a company for inclusion in a diversified portfolio.

Why they ask

Tests whether you have a structured approach to financial analysis rather than relying on instinct or headline numbers.

How to structure your answer

Walk-through: describe your process step by step, from data sources through to the final portfolio decision, noting checkpoints where you'd reject a candidate investment.

Example answer

"I'd start with the financial reports: revenue trends, margins, debt levels, and cash flow, cross-checked against sector data in FactSet. Then I'd look at valuation relative to peers and the broader market using Bloomberg. If the fundamentals and valuation stack up, I'd assess how the position fits with existing sector and asset-class weightings before recommending it to the investment committee, since a good individual holding can still be wrong for the portfolio."

2. Tell me about a time you had to defend an investment decision that underperformed.

Why they ask

Fund managers face scrutiny from clients and boards when calls don't pay off; this tests accountability and communication under pressure.

How to structure your answer

STAR: situation, task, action, result, with emphasis on how you communicated the outcome to stakeholders.

Example answer

"A sector allocation I'd recommended lagged the benchmark over a quarter due to an unexpected regulatory change affecting that industry. I reviewed the original thesis with the team, confirmed the fundamentals hadn't materially changed, and presented the board with a clear explanation distinguishing the short-term market reaction from the long-term case. We held the position, and it recovered over the following two quarters. The board appreciated the transparency rather than a defensive response."

3. The market drops sharply overnight and several holdings breach their risk limits. What do you do in the first hour?

Why they ask

Tests judgement under pressure and knowledge of risk protocols, a core part of the role given daily performance monitoring.

How to structure your answer

Judgement-under-pressure: state your immediate priorities in order, the information you'd check first, and who you'd escalate to.

Example answer

"First, I'd check which specific positions breached limits and by how much, using Bloomberg and internal risk dashboards, rather than reacting to headline market moves. I'd separate liquidity risk from valuation risk, since they need different responses. Then I'd flag the breaches to the risk and compliance team as required under the fund mandate, and consult with the investment committee before making any rebalancing decision, since trading into a falling market without a clear rationale can compound losses."

4. How do you keep a portfolio compliant with its mandate and with ASIC requirements on an ongoing basis?

Why they ask

Directly probes the regulatory compliance and risk and internal controls skills central to this role.

How to structure your answer

Process explanation: describe the systems and checkpoints you rely on, not just a general statement of intent.

Example answer

"I treat compliance as a daily check rather than a periodic review. I use the fund's mandate document as the reference point for every trade and reconcile exposure limits against actual holdings using our portfolio management system. Any near-breach gets flagged to compliance immediately, and I document the rationale for material portfolio changes so there's a clear audit trail if ASIC or an internal auditor reviews the fund."

5. A major institutional client questions why the fund missed its benchmark this year. How would you handle that conversation?

Why they ask

Tests client-facing communication skills, particularly the ability to explain underperformance without losing the client's confidence.

How to structure your answer

Judgement-under-pressure combined with communication approach: outline how you'd prepare, what you'd say, and how you'd handle pushback.

Example answer

"I'd prepare a clear breakdown of where the underperformance came from, sector allocation, security selection or market timing, rather than a vague explanation. In the meeting I'd acknowledge the result

directly, walk through the attribution analysis, and explain what, if anything, we're changing as a result. If the client pushes back, I'd stick to the data and avoid overpromising a quick turnaround, since credibility matters more than reassurance in that conversation."

6. What's your view on using quantitative models versus fundamental analysis in portfolio construction?

Why they ask

Given the moderate AI risk rating for this role and the tools listed (MSCI analytics, economic modelling), interviewers want to know how you balance model output with judgement.

How to structure your answer

Opinion with justification: state your position, then explain the reasoning and any limits you place on it.

Example answer

"I use quantitative tools like MSCI analytics and economic models to screen opportunities and flag risk concentrations I might otherwise miss, but I don't let a model make the final call. Markets shift on factors a backward-looking model can't always capture, like a regulatory change or a shift in management strategy. I treat the model output as a starting point for fundamental analysis, not a substitute for it."