

A large, modern glass-walled building, likely an MIT structure, serves as the background. The sun is shining brightly through the glass, creating a lens flare effect. The building's architecture is contemporary with a grid of window frames.

Finance at MIT

Where ingenuity drives results

CAREERS IN FINANCE & ALTERNATIVE INVESTMENTS

Fall 2023

FINANCE FACULTY



Telis Bertsekas

Lecturer, Finance

Head of Finance
Certificate



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Alternative Investments

CDO TEAM: FINANCE FOCUS

Career Development & Advising: MFin & MBA

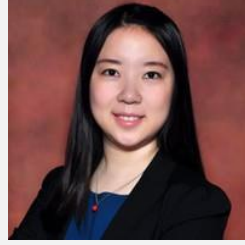
Employer Relations & Recruiting



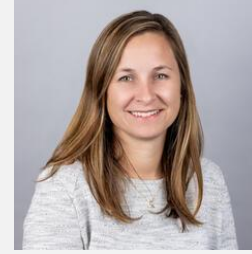
Rose Keating
Director – Career Advising MFin Advising Team Lead



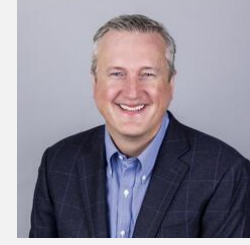
Laura Angoff
MFin Advising Team Lead



Maggie Luo
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Carrie Cabezas
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Mark Newhall
Director – ER&R



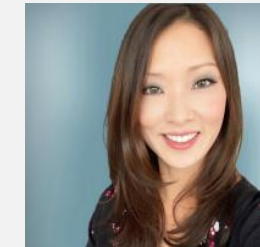
Georgette Arato
MBA Career Advisor



Lindsey Nicholson
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Lew Weinstein
MBA Career Advisor



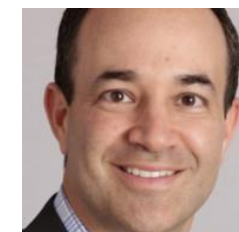
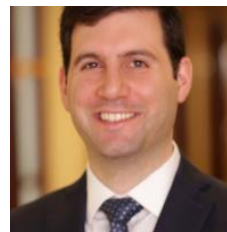
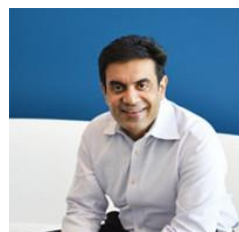
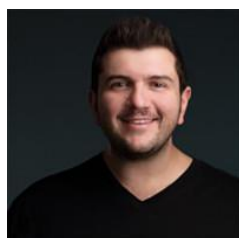
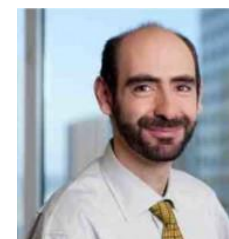
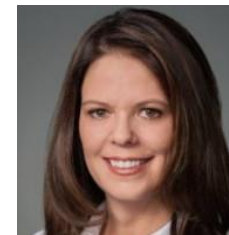
Julie Bae
Finance
ER&R

CDO: SLOAN INDUSTRY ADVISORS - FINANCE

Venture Capital | Hedge Funds | FinTech | Investment Banking | Investment Management | Impact Investing/ ESG






Finance	Samuel Epee-Bounya, MBA '03	Mutual Funds/Investment Management
Finance	Kristen Robinson Darcy, EMBA '13	Finance, Operations
Finance	Jane Levy, MBA '97	Venture Capital, Digital Health/Health Tech
Finance	Millie Liu, MFin '12	Venture Capital/ Entrepreneurship/ Enterprise deep tech
Finance	Pilar Carvajo Lucena, MBA '17	Finance, Strategy, Fundraising, Impact Investing/Social Impact
Finance	York Lo, EMBA '18	Funds/Investment Management/Alternative Investments/ESG/DEI
Finance	Preetish Nijhawan, MBA '98	Venture Capital
Finance	Dmitri Rabin, MBA '04	Investment Management, Fixed Income, Securitization
Finance	James Saliba, MBA '15, MFin '10	Consulting, Finance
Finance	Gil Simon, MBA '03	Hedge Funds/Alternative Strategies
Finance	Lenora Suki, MBA '97	Social Impact Investing/ESG
Finance	David Segrera, MBA '11	AI/Machine Learning, Digital Health, IoT/Mobility Tech, VC
Finance	Matt Weimann, EMBA '17	Finance, Operations
FinTech	Kosta Ligris, EMBA '18	Real Estate Tech, FinTech



FINANCE RESOURCES AT MIT SLOAN



- **Career Development Office (CDO)**

- Your CDO (cdo.mit.edu), Finance Career Community
- MBA/MFin Career Advisors, Sloan Industry Advisors
- Recruiting and networking events, workshops etc.
- Finance-specific resources
 - Pitchbook – PE and VC market data 
 - Wall Street Prep – technical finance interview prep tool 
 - Prequin – global research on IM including PE and Hedge Funds 

Finance Certificate

Knowledge and skills about finance and the industry

Clubs

Teamwork for recruiting and industry contacts

- **Clubs**

- ClubFest Event - 9/14 evening
- VC/PE, Quantitative Finance, Finance & Policy
- Investment Management, Investment Banking
- FinTech, MIT Sloan Impact Investing Initiative (Mi3)

CDO

Career-building skills and employer portal



- **Other**

- Martin Trust Center, Alumni, IAP and SIP events, etc.

OVERVIEW OF FINANCE CAREERS



Finance Career Paths

Investment/
Asset
Management
(IM/AM)

Investment
Banking
(IBD)

Impact
Finance

Venture
Capital/
Private Equity
(VC/PE)

Industry • Recruiting • Careers • Coursework • Toolkit • Resources

INVESTMENT/ASSET MANAGEMENT



Industry	Recruiting	Careers
<ul style="list-style-type: none"> • Investors: individuals, retirement plans, non-profits, corporations • Advisors: wealth advisors, consultants, family offices, OCIO • Managers (buy-side): Traditional IMs, hedge funds, Infrastructure • Street (sell-side): Research, banking, advisory, trading, sales • Active vs. Passive (index) • Quant (systematic) vs. Fundamental • Increasing demand and expectation of quantitative skills across all roles • Impact as part of investment process 	<ul style="list-style-type: none"> • Communication skills are as valuable as the technical skills • Networking is key, especially for smaller and boutique firms • Passion for the markets • Quant as skillset, not just a function • Employers include hedge funds, mutual funds, pensions, financial services companies and IB's • Expect to pitch multiple investment ideas in networking and interviews • Stock pitch competitions and other events are often recruiting events 	<ul style="list-style-type: none"> • Analyst/ Associate: individual work, specific product/industry • VP/Director/PM: individual work, lead small teams, client work • Specialization and the value of domain expertise • Compensation is performance driven • Lifestyle: <u>typically</u> more flexible <div data-bbox="1505 672 2142 1049"> <h3>IM Club</h3> <ul style="list-style-type: none"> • Training sessions for modeling, analysis, and investment pitches • Networking events / guest speakers <div data-bbox="1505 929 2142 1049"> <h4>2022 MBA Employment Report</h4> <ul style="list-style-type: none"> • 5.5% intern IM Industry (Summer 2022) • 3.6% full-time IM Industry (June 2022) </div> </div>

Required Toolkit	Communication skills • EQ • Finance Skills (FSA) • Data skills & analysis • Passion for markets • Stock pitches • Critical & original thinking (<u>ability to generate differentiated insights</u>)
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Resources For You	IM Club • VC/PE Club • Finance Cert & Courses • CDO (E52-331) • Wall Street Prep • Alumni Read industry reports, trade journals, <u>WSJ/Barrons</u> , research reports
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INVESTMENT/ASSET MANAGEMENT – JOB OVERVIEW



These are “buy side” jobs – I think of asset management as the broad category that includes the following subsets:

Investment Management (public markets debt and equity):

- Mutual funds, ETFs, hedge funds, etc
- Usually more liquidity, shorter time horizons, different kinds of customers (retail, institutional, etc)

Hint: Higher liquidity and transparent pricing = less diligence ... longer time horizon = better lifestyle

Infrastructure Investing (broad definition)

- projects, utility/energy related, public/private partnerships
- can resemble private equity

Real Estate + Other Hard Assets

Crypto Related

Asset managers maximize risk adjusted returns on behalf of their outside investors
These are “idea” industries – being able to pitch ideas is an essential skill

INVESTMENT BANKING

Industry

- Offer strategic advice including transaction-related advisory (M&A, capital raising, equity, debt) and client services (insights around industry developments, restructuring, regulatory changes)
- **Product groups:** M&A, ECM, DCM, LevFin, Restructuring, etc.
- **Industry groups:** Tech, Media & Telecom, Real Estate, Healthcare, Financial Sponsors, Industrials, Oil and Gas, Consumer Retail, etc.
- **Bulge Brackets (BBs):** the largest global banks that offer all products and services and operate in all geographic regions

Goldman Sachs

Morgan Stanley

J.P.Morgan

Bank of America

citibank

BARCLAYS

CREDIT SUISSE

Deutsche Bank

UBS

- **Boutiques:** smaller than BBs; tend to specialize in areas like M&A and restructuring advisory rather than underwriting, though they may still work on very large deals; geographic reach and industry specialization varies

EVERCORE

LAZARD

PJT

Catalyst PARTNERS

CENTERVIEW PARTNERS

MOELIS & COMPANY

Greenhill

Rothschild & Co

Careers

- Structured career progression



- Lifestyle: deal-focused, very long hours
- Demanding profession with endless learning opportunities, high impact, and meritocratic career progression

The Associate Role

What the job entails

- Project management ("quarterback of the deal")
- Liaison between Analyst and VP
- Checking analyst work, presenting to senior bankers
- Long hours
- Intensity, pressure, multitasking
- Minimum guidance at times

What banks look for

- Leadership & teamwork
- Ownership mentality
- Personality fit
- Effective communicator
- Resilience and commitment
- Analytical mindset
- Attention to detail

Recruiting

- Very structured recruiting process
- Banks rely heavily on internship recruiting to fulfill full-time needs
- Networking is critical; construct your "Why IB" story
- Career switchers are common; however, it helps to have a previous connection to the industry or product group you are pursuing
- Look for company and team cultural fit; learn about groups via networking and coffee chats
- Diversity recruiting initiatives
- **Behavioral:** resume, cover letter, "why banking," recent deal and industry discussion
- **Technical:** accounting, financial statement analysis, equity value, enterprise value, valuation metrics, multiples, DCFs, M&A models, LBOs

Investment Banking Club

- MIT Sloan student club focused on providing students the resources, information, and support to facilitate successful recruiting at investment banks
- Finance Day (October), company events, mentorship, technical and behavioral interview prep
- Investment Banking Club contact information: ibclub.officers@sloangroups.mit.edu
- ~5-6% of our students intern or take full time jobs in Investment Banking

Required Toolkit

Financial valuation models (DCF, comps) • FSA (accounting & tax) • Work ethic & tenacity • Leadership • Passion for deals • Demonstrated preparation • Professional persistence

Resources For You

IB Club • CDO (E52-331) • Steering Your Career (IB) • NYFD • Wall Street Prep • WSJ & FT (IB Scorecard & League Tables) • Pitchbook • Capital IQ • Alumni



INVESTMENT BANKING – JOB OVERVIEW

This is a “sell side” job – the bank sells advisory and capital raising services to corporations and investors

Deal revenues generated as a % of transaction value (~ 1-2%)

Growth from more/bigger deals and engaging new clients.

Services Include:

- M&A
- Debt and Equity Issuance
- Activism Defense
- Restructuring

Deal Teams:

Analyst – undergrads

Associate (post MBA) – internal manager b/w junior + senior members

VP/ED/MD – senior roles with increasing client focus + biz dev

Investment Banking is a LOT of work but offers great experience + optionality



INVESTMENT BANKING: WHAT IS IT LIKE?



- Why is it so much work?
 - Banking is a “time is money” business
 - Bank gets paid on transactions fees/services of various kinds
 - Bank competes with other banks to win the business
 - What kind of work is it?
 - Associates and analysts do much of the bottom-up work that supports this effort
 - Modeling, financial analysis, pitch construction, other diligence
 - Challenging and dynamic projects
- What kind of people like it?
 - Highly competitive, meritocratic
 - Love financial markets, passionate about deals
- What are the options once you have been in banking?
 - Few bankers make it up to ED or MD level – different skill set + highly competitive
 - Build domain expertise in asset class/industry and move to buy side role
 - Build domain expertise and move into entrepreneurial role or industry














IMPACT FINANCE/ IMPACT INVESTING



- What do we mean by impact finance?
- What are significant areas of interest?
- Skills needed:
 - Build a solid base in finance: 15.401 and 15.402 in 1st year of MBA
 - Finance Certificate (MFin – impact finance concentration)
 - Action learning projects in impact investing: 15.453 (Finance Lab)
 - Electives – PE and VC, Entrepreneurial Finance, Impact Investing
 - Acquire impact measurement knowledge and experience
- Community: Mi3 – MIT Sloan Impact Investing Initiative

ASSET CLASSES

Social impact investors deploy assets across a variety of asset classes, with different return and risk profiles. building a diversified portfolio is critical for robust financial returns

	INVESTORS				
	Retail Investors / High Net Worth Individuals	Family Offices, Endowments and Foundations	Pension Funds and Other Institutions	Development Finance Institutions (DFI)	Government
Equity <ul style="list-style-type: none"> PE/VC Public Equities 	   	 	<p>Teachers' Retirement System of the City of New York (TRS NYC)</p> <p>Fonds de Solidarité and Fondation (Quebec's workers funds)</p> 	  	  <p>Scandinavia</p> <p>Various city governments in social impact bonds</p> 
Fixed Income <ul style="list-style-type: none"> Municipal Bonds Corporate Bonds Green Bonds Private Debt Project Finance Microfinance & SME Funds Social Impact Bonds 					

PRIVATE VS. PUBLIC MARKETS

Private



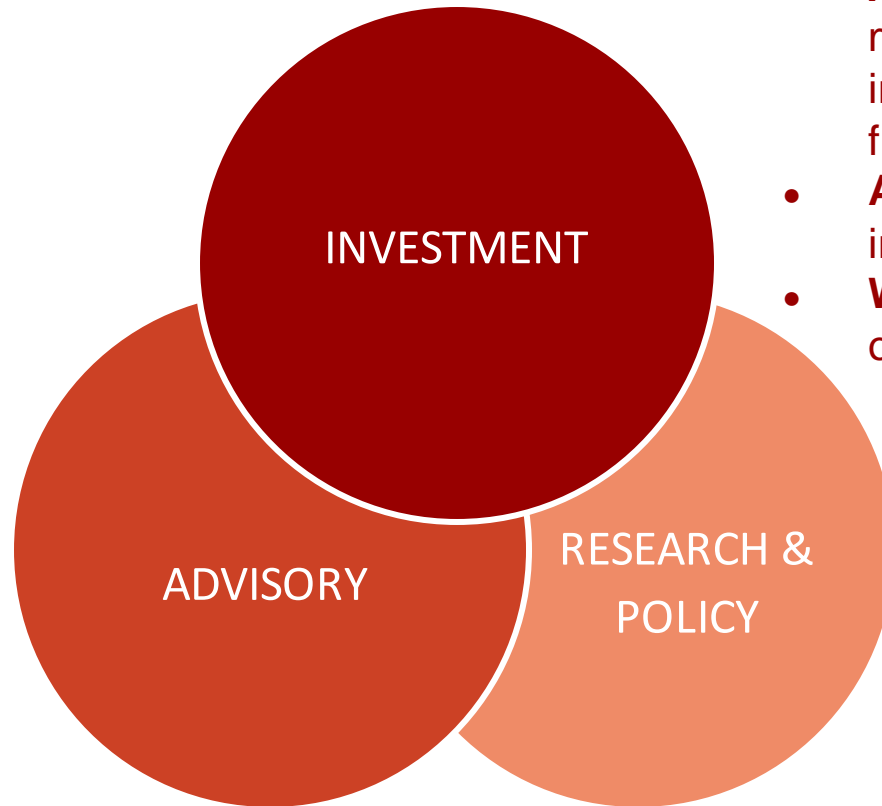
Investments not traded on a public exchange or market (PE/VC)

Public



Investments traded on the stock exchange; highly-liquid (Asset mgmt.)

EXPLORE AND ZERO-IN ON YOUR IMPACT INVESTING PATH



- **Asset owner** - e.g., foundations pursuing mission-aligned investing / PRIs, institutional investors like pension funds, sovereign wealth funds
- **Asset manager** - e.g., mutual funds incorporating impact, PE, VC, real asset funds
- **Wealth manager** - e.g., financial advisors, family offices

- Government-sponsored institutions
- Research and thought leadership
- Impact measurement and ratings groups

- **Consultants** - guiding investors / asset owners / wealth managers on impact investments; helping entrepreneurs find impact capital

REFLECT ON YOUR INTERESTS AND UNDERSTAND YOUR EXPERTISE

Do you have a **geographic** focus?

Domestic vs. International

Developed vs. Emerging Market

Urban vs. Rural

+ Do you have an **issue area** focus?

Economic Development

Financial Inclusion

Renewable Energy

Education

Gender Equality

Healthcare

+ Which **asset class(es)** interest you most?

Fixed Income

Private Equity

Public Equity

Real Estate

+ Most importantly, what **expertise** do you bring to the table?

Finance (Investment Banking, PE, or VC)

Strategy & Operations

Impact / Development

Other

Investment Role

Example: Investment Associate for a large PE firm's impact fund

Key Question: Do I pursue traditional investment banking to build skillset?

Advisory Role

Example: Program Manager at a social venture accelerator

Key Question: Who do I want to advise? Investors? Entrepreneurs? Policymakers?

Research & Policy Role

Example: Fellowship with local government office

Key Question: How can I leverage my MBA training to distinguish myself from other graduate school candidates?

VENTURE CAPITAL AND PRIVATE EQUITY



Industry	Recruiting	Careers
<ul style="list-style-type: none"> • PE and VC are both about investing in private companies • VC: Early-stage investments • PE: Later stage and longer-term investments (5-7 years) • Some funds specialize by industry and asset class vs. others more generalist • Large-cap vs. mid-market firms relates to investable assets which impacts both investment stake and size of investment company 	<ul style="list-style-type: none"> • Limited opportunities in PE but improving significantly • PE many times values prior PE experience (but occasionally IBD and consulting) • Offer an industry point-of-view • VC market competitive but shown more appreciation of MBA skillset in internships • Experience at VC-backed firms can be alternative route into VC (highlight your strength like tech, healthcare, regions etc) • Networking is incredibly important and necessary for a successful job search • Unstructured recruiting process required MBA to take ownership of his/her job search 	<ul style="list-style-type: none"> • Relatively low turnover in PE • Opportunities to invest in portfolio companies / deals • Portfolio group vs. investment group at PE firms • Board member opportunities with PE portfolio companies • Lifestyle: PE deal-focused vs. VC less face-time and more networking events; typical hours 8/9-7/8 <p>2022 MBA Employment Report</p> <ul style="list-style-type: none"> • 1.8% intern PE function (Summer 2022) • 11.3% intern VC function (Summer 2022) • 8% full-time PE/VC function (June 2022)
Required Toolkit	Prior relevant work experience • Domain expertise • Ability to value companies • Strong communications & ability to influence • Self-starter (limited guidance & imperfect info)	
Resources for You	VCPE Club/Investment Conference • Finance Certificate & PE/VC Courses • CDO (E52-331) • Wall Street Prep • Capital IQ • Pitchbook • Preqin • Alumni	



Q&A

APPENDIX



REVIEW OF FINANCE CAREERS



Investment/ Asset Management (IM/AM)

- Passion for the markets
- Know the firm (investment philosophy, process, people)
- Performance driven

Investment Banking (IBD)

- Structured recruiting process
- Valuation skills tested in interviews
- Deal-focused
- Competitive

Impact Finance

- Becoming increasingly popular
- Develop the technical skills (FSA, finance)
- Opportunities across disciplines in finance – lean into club resources

Venture Capital/ Private Equity (VC/PE)

- Relevant work experience desired & ability to offer value to firm on day 1
- Limited opportunities in PE but significantly improving
- Networking is key; especially mid-market firms
- Knowledge of the industry is key so take the courses

Finance Skills • Network • Leverage MIT Ecosystem of Resources

IMPACT FINANCE/IMPACT INVESTING



Industry	Recruiting	Careers
<ul style="list-style-type: none">• Increase of interest and opportunities for impact investing• ESG (Environmental, Social and Governance)• SRI (Socially Responsible Investing)• Impact investing arms in PE firms: double-bottom line investing (make money while investing in companies that do good)	<ul style="list-style-type: none">• All about networking!• Unstructured recruiting process• Fewer opportunities and growing interest making recruiting more competitive• Opportunities across disciplines in finance• Understanding and passion for the field is important, but as are the hard, technical skills (FSA, finance)	<ul style="list-style-type: none">• Careers reflective of the underlying finance discipline• Smaller teams with opportunity to be thought-leader
Required Toolkit	Demonstrated passion in impact + Experience needed matches the finance discipline	
Resources for You	Clubs (MI3 and relevant finance clubs) • Finance Certificate & Courses • CDO (E52-331) • WSP • Alumni	

FINTECH

Industry

- Young industry with a broad set of businesses under one category
- Payments & remittances: PayPal, ApplePay, Venmo, Xoom, Square
- Digital banks: Tandem, NuBank
- Cryptocurrencies & Blockchain: Circle, Coinbase, FTX
- Alternative finance: SoFi, Upstart, LendingClub
- Insuretech: Lemonade, Oscar
- Regtech: AlgoDynamix, Chainalysis
- Robo-Advisors
- Banking-as-a-Service (BaaS)

Recruiting

- Unstructured recruiting process
- Networking and entrepreneurial mindset is key – leverage MIT network
- Participate in events and conferences to build connections
- Join Fintech Club: fintech.officers@sloangroups.mit.edu
- Contribute to Fintech Conference
- Range of opportunities – from start-ups to BBs (Barclays Accelerator with Techstars)

Careers

- Careers reflective of the underlying finance discipline
- Careers in both finance roles and product/tech roles
- Important to stay current on innovation and market trends
- Usually smaller teams with opportunity to be thought-leader
- Entrepreneurial lifestyle: Long hours because of passion for work vs. required face-time

2022 MBA Employment Report

- 2.4% intern (Summer 2022)
- 1.5% full-time (June 2022)

Required Toolkit

Passion for field • Entrepreneurial mindset and self-starter • Knowledge of finance and hard skills • Specialized knowledge relevant to sub-industry

Resources For You

Clubs (Entrepreneurship, FinTech, Finance-related) • Finance Track & Courses • FinTech Treks & Conferences • CDO (E52-331) • Steering Your Career (VC speaker FinTech space) • Alumni

