WALL STREET CLUB

Alternative Careers Officers ’18 – ‘19

Emily Feczko & Kevin Marks

UNIVERSITY OF NOTRE DAME

WSC

About Me

- Senior from Long Island, NY
- Used to live in Siegfried Hall
- Finance and Data Science
- Kmarks4@nd.edu

I SQUARED CAPITAL

GOLDEN GATE CAPITAL

About Me

- Senior from Butler, PA
- RA in Pasquerilla West Hall
- Finance and Theology
- Efeczko@nd.edu

girls who invest

Morgan Stanley

Private Equity Overview

- PE is an investing business that as opposed to buying shares in a business, you buy the whole company – *with leverage*
- A PE Firm raises money from institutional investors and receives a period of time *(usually ~ 4 -7 years)* to invest that money before they return the investors money
- During that time, the firm will go *buy companies, operate them* in a way that creates value, and then sell them to harvest their gains
  - The firm holds these investments for the length of the fund
- In exchange for taking investor money for a long period of time, a *PE firm offers higher returns to investors*
  - Target IRR in the low to mid 20%s for the average firm

Selected Current GGC Investments

Analyst & Associate Role / Needed Skills

Research / Diligence

- A PE Analyst's main task is to diligence potential investments
- You need to take *deep* dives into a business to discern if it is a good investment
- Investing is a group task, but a lot of time spent *reading* & *learning* about different business models and industries

Modeling / PowerPoint

- Another important part of the job is the deal process
- *LBO modeling* and creation of *Investment Committee Presentations*
- We don't have 'clients' but the same level of formatting as bankers

Interpersonal Skills

- Communication is key within an investment team
- *You need to be prepared to be asked your opinion on an investment at all times*
- Part of the research process is coordinating and executing *expert calls, consulting engagements, and managing the sell side bankers*

Wealth Management Overview

- Manage investments of individuals and institutions with focus on long-term financial strategy and personal goals
- Create comprehensive, multigenerational wealth management plans based on client's needs, challenges, and values
- Private Wealth Management is a subsector that focuses on ultra high net worth individuals and includes:
  - Portfolio construction
  - Tax, trust, and estate planning
  - Philanthropy management
- Some characteristics you might have:
  - Interest in the markets and keeping up with current events
  - Analytical and adaptive, and eager to work closely with a team
  - Strong oral and written communication skills
- Hours are not as bad as IB, but are more than a 9-5 ~ about 70 hours a week

Examples of Firms:

Bank of America Merrill Lynch

charles SCHWAB

Morgan Stanley

Analyst & Associate Role / Needed Skills

Market Research

- Stay up-to-date with the markets in order to best understand clients' portfolio activity
  - Many firms will have a morning meeting with market updates
- Develop views on portfolio management
- Understand how a specific client's goals may be reached through proper asset allocation

Presentations

- Have conviction behind your ideas that you will pitch either to team members or to clients
- Create PowerPoint presentations for client meetings
- Some analytical work in Excel, although usually not modeling

Interpersonal Skills

- All about being able to understand your client
- Meetings happen both internally with your team as well as externally with the client
- Although you might not always have the answers, you can always have (at least) one question

Equity Research Overview

- A sell-side equity research analyst writes reports on earning and company news and sends them out to buy-side clients
- Responsible for covering 20-30 names within a specific sector
- Talk on the phone with clients to walk them through models, company news, or sector overviews
- Begin as an Associate and work your way up to the Analyst
- Smaller analyst class than IB
- More manageable hours than IB ~ 60-80 hour weeks, no weekends
  - Busy earnings season

Examples of Firms:

citi

J.P.Morgan

EVERCORE

Analyst & Associate Role / Needed Skills

Market Research

- Stay up-to-date with the markets in order to best understand the companies you are covering
  - Many firms will have a morning meeting with market updates
- Develop views on companies and industries
- Understand how real-time updates may affect the fundamental value of a business

Modeling / PowerPoint

- Build models for companies
- Very lean teams, so get access to meaningful work
- Best of both worlds between IB and S&T – analytical thinking and modeling skills of IB with the client interaction of someone in sales & trading

Interpersonal Skills

- Be able to speak both internally with team and externally with clients about differentiated views on companies
- Regularly interact with CEOs, CFOs, and IR teams of Fortune 500 companies
- Not much downtime or wasted time at the office

Other Careers

- Hedge Funds
- Growth Equity
- Venture Capital
- Sales & Trading

Q &A

- Why did you choose this path vs a traditional one?
- What's your favorite part of the job?
- What is the most difficult part of the job?
- How does the recruiting process for the various paths differ from that of IB?