

Introduction to Careers in Investing

Industry

Buy Side (Blackrock, Fidelity, Wellington, Renaissance Technologies etc)

- Passive : investment decision making is mechanic and transparent, e.g. ETF
- Active: non-passive; most of mutual fund, all hedge funds; highly specialized in asset classes / strategies / cross-assets (asset allocation) / methodologies
- Private equity: involves non-public companies

Sell Side (Investment Banks, such Goldman Sachs, Morgan Stanley etc.)

- Investment banking: primary market; IPO, equity/bond issuing
- Sales and trading: broker business, deal making in OTC markets

Investing Approaches

- Fundamental: firm specific information
- Quantitative: firm common characteristics
- Technical: charting

What do I do?

- Research and develop new investment strategies
- Manage existing portfolios

Skills Needed

Leaf reading astrology

Skills Needed (cont.)

- Finance (CFA curriculum)
- Programming (any)
- Statistics (as simple as normal dist. properties, as hard as stochastic processes)
- Math (linear algebra, optimization)

Machine learning (might or might not be relevant)