

Working in New-York How to Make it a Reality?



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I. Who Are We?

I. Who are we?

- **Dominic Becotte**

- My Background:

- B.A.A. Finance (1999) and M.Sc. Finance (2001) at HEC-Montreal
- CFA Charterholder / Canadian Securities Course from the CSI
- Started my career in Montreal at National Bank Financial (4 years) and TD Securities (8 months)
- My interest: corporate finance, financial & business strategy, merger & acquisition, venture capital & private equity investments

- My Ambition:

- Working in corporate finance in a global environment
- Become a global banker

I. Who are we?

- **Dominic Becotte (cont'd)**

- My Job Today:

- Vice President – Investment Banking / Merger & Acquisition at Messier Partners
- Working on corporate transactions between Europe and North America

- My Firm: Messier Partners

- Investment banking boutique focusing on cross-border transactions with expertise in various industry sectors such as technology, media & telecommunications, banking & financial institutions, energy & utilities, retail, and private equity group
- Created by Jean-Marie Messier (former CEO of Vivendi Universal) 6 years ago
- Boutique firm: A new model for investment banks

I. Who are we?

- **Marc-André Nantais**

- My Background:

- B.A.A. Finance (2003)
 - CFA Chartholder (2006)
 - Canadian Securities Course (2001), Canadian Practice Handbook Course (2003)
 - Series 7, 3 & 63 – NASD
 - Started my career with Goldman Sachs in NY in their summer internship program – 1st Quebecer enrolled in the program
 - My interest: Sales, Asset Management, Business Development and corporate development.

- My Ambitions:

- Launching an investment management firm
 - Stay involve in the community

I. Who are we?

- **Marc-André Nantais (cont'd)**

- My Job Today:

- Associate – International Sales at Goldman Sachs
 - Selling all equity products to institutional investors across Canada and the US.

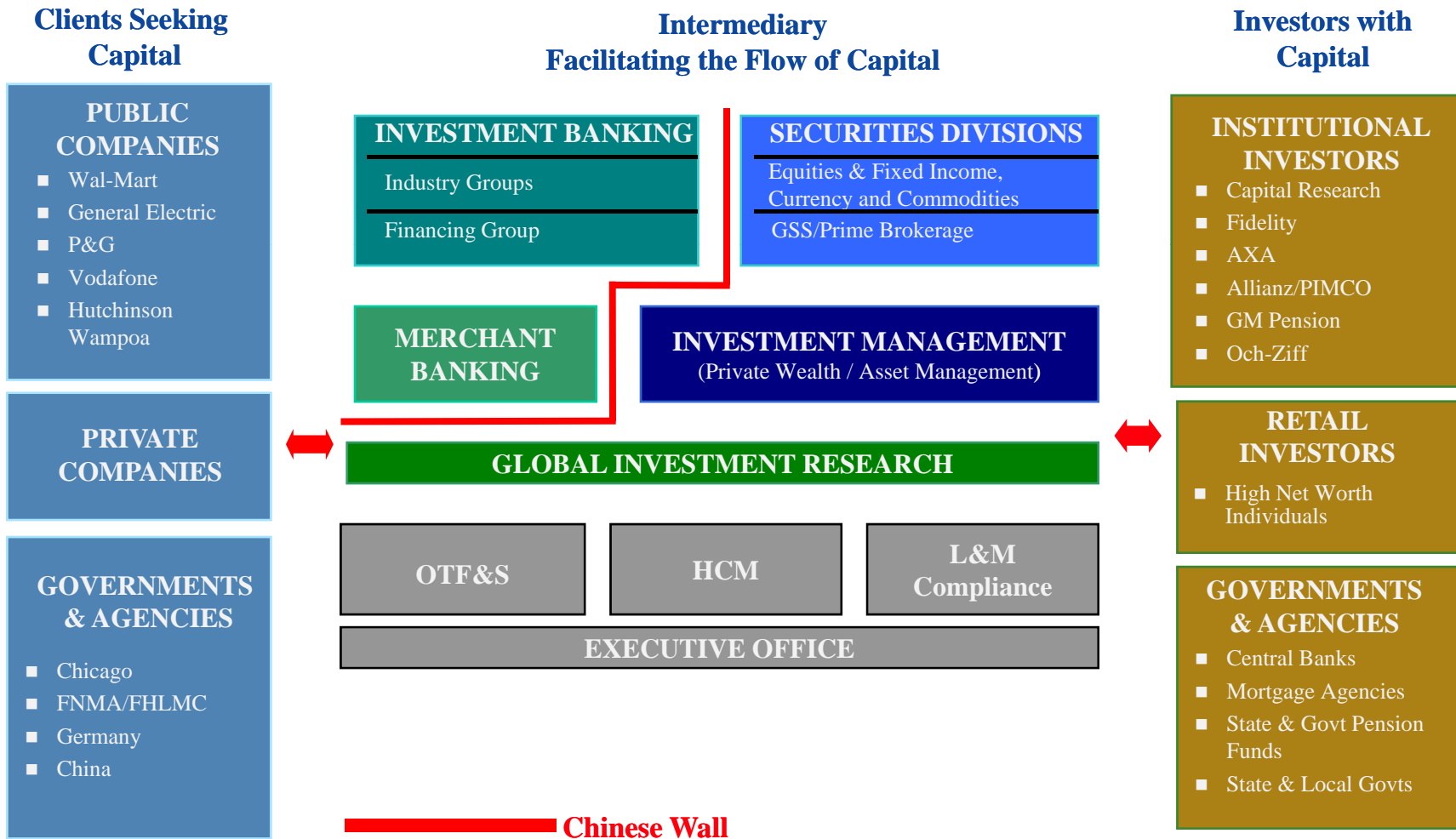
- My Firm: Goldman Sachs

- Large global bank holding company that engages in investment banking, securities and investment management.
 - Goldman Sachs was founded in 1869, and is headquartered in the Lower Manhattan area of New York City. Goldman Sachs has offices in all major world financial centers.
 - The firm acts as a financial advisor and money manager for corporations, governments, and wealthy families around the world. Goldman offers its clients mergers & acquisitions advice, underwriting services, asset management, and engages in proprietary trading, and private equity deals. It is a primary dealer in the U.S. Treasury securities market.

II. Overview of the Financial World

II. Overview of the Financial World

Global Portrait



II. Overview of the Financial World

Buy Side // Sell Side – How to view our world in 2 buckets?

- The buy side and sell side make up both sides of a financial market.

- **Buy Side**
 - The buy side refers to participants which buy and sell securities, usually for money-management purposes.

 - Buy side firms participate in a smaller number of overall transactions, and aim to profit from market movements and accruals rather than through risk management and the bid-offer spread.

II. Overview of the Financial World

Buy Side // Sell Side – How to view our world in 2 buckets?

- **Sell Side**
 - It refers to participants that sell securities and make recommendations for brokerage firms' customers.
 - Sell side participants are paid through commissions charged on the sales price of the stock.
 - Sell side firms employ research analysts, traders and salespeople who collectively strive to generate ideas and execute trades for Buy side firms, enticing them to do business.

II. Overview of the Financial World

Buy Side – The clients!

- Pension Funds
- Mutual Funds
- Hedge Funds
- Private Equity firm
- Endowment // Foundation
- Insurance Companies
- Sovereign Funds

II. Overview of the Financial World

Sell Side – The middle men!

- Investment Banks & Commercial Banks
- Boutique and M&A firms
- Broker Dealers
- Consultant
- Accounting Firm

II. Overview of the Financial World




Investment Banking in Details

- **What is Investment Banking?**
 - Investment banks help companies and governments raise money by issuing and selling securities in the capital markets (both equity and bond)
 - A majority of investment banks also offer strategic advisory services for:
 - Mergers and acquisitions
 - Divestiture and corporate restructuring
 - Trading of derivatives, fixed income, foreign exchange, commodity, and equity securities

II. Overview of the Financial World

Investment Banking in Details

- Who are the Key Players?

U.S. Bulge Bracket	Middle Market or Regional Banks	Universal Banks	Boutiques
     	     	      	    

II. Overview of the Financial World

Investment Banking in Details

- **Transaction Types**
 - Financing :
 - Equity Offering (corporations)
 - Bond Offering (states and federal governments, municipalities,...)
 - Corporate financing (senior debt, subordinated debt, mezzanine debt, convertible, preferred equity, shareholder loans,...)

 - Advisory:
 - Mergers and acquisitions
 - Restructuring
 - Private equity
 - LBO / MBO

II. Overview of the Financial World

Investment Banking in Details

■ A Day in the Life of a Junior Investment Banker

- 7:00 Wake up, read the emails received last night from last night
 - Nothing urgent = Go to the gym
 - Urgent email = You have 30 minutes to shower and get to work!
- 8:30 Arrive at work, go through security check point
- 8:45 Engulf your muffin and coffee while reading your WSJ and Financial Times
- 9:30 Prepare the daily news update on the Technology Media Telecom sector
- 10:00 One last look at this comparable analysis, send to your VP for approval
- 10:30 Your VP is not too happy, you forgot to include the options of this large retail European company in your comps, redo the work!
- 11:30 Conference call with a client in the renewable energy sector to discuss the electronic data room for the due diligence process that will start next week
- 1:00 Eat your lunch at your desk while looking at the news from European closing
- 2:00 Work on an M&A model due in 2 days
- 5:00 Check in with VPs and heads of deal teams on status of work
- 6:45 Dinner... at work (paid by the firm of course)
- 8:00 Get more work from your VP
- 9:45 Try to make FedEx cutoff for pitchbooks to be delivered tomorrow
- 11:00 Call for the towncar service, leave for home

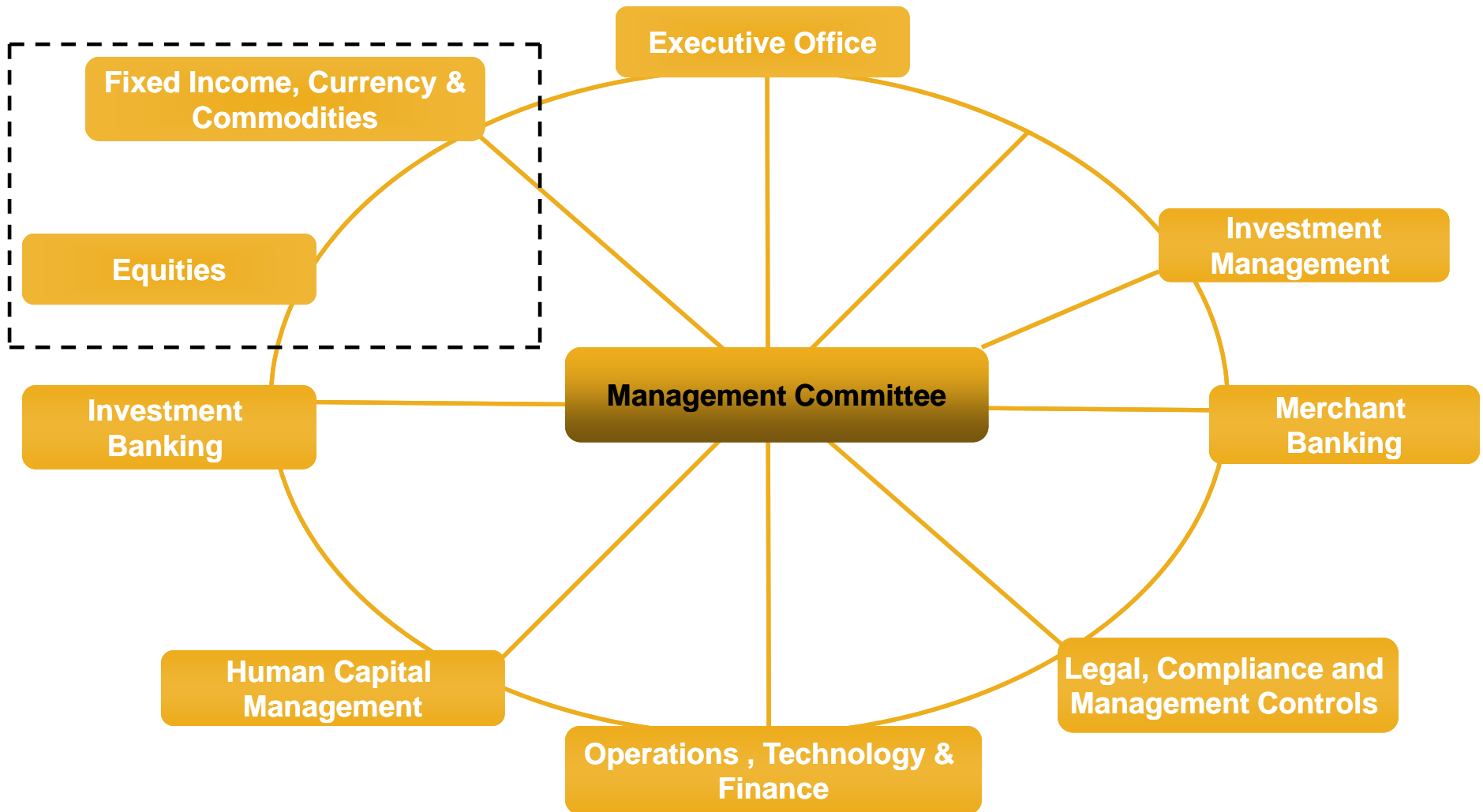
II. Overview of the Financial World

Investment Banking in Details

- **What Are the Exit Options for an Investment Banker?**
 - Private equity firm
 - Venture capital fund
 - Hedge fund
 - Corporation (VP Corporate Development or CFO)
 - Start your own company?

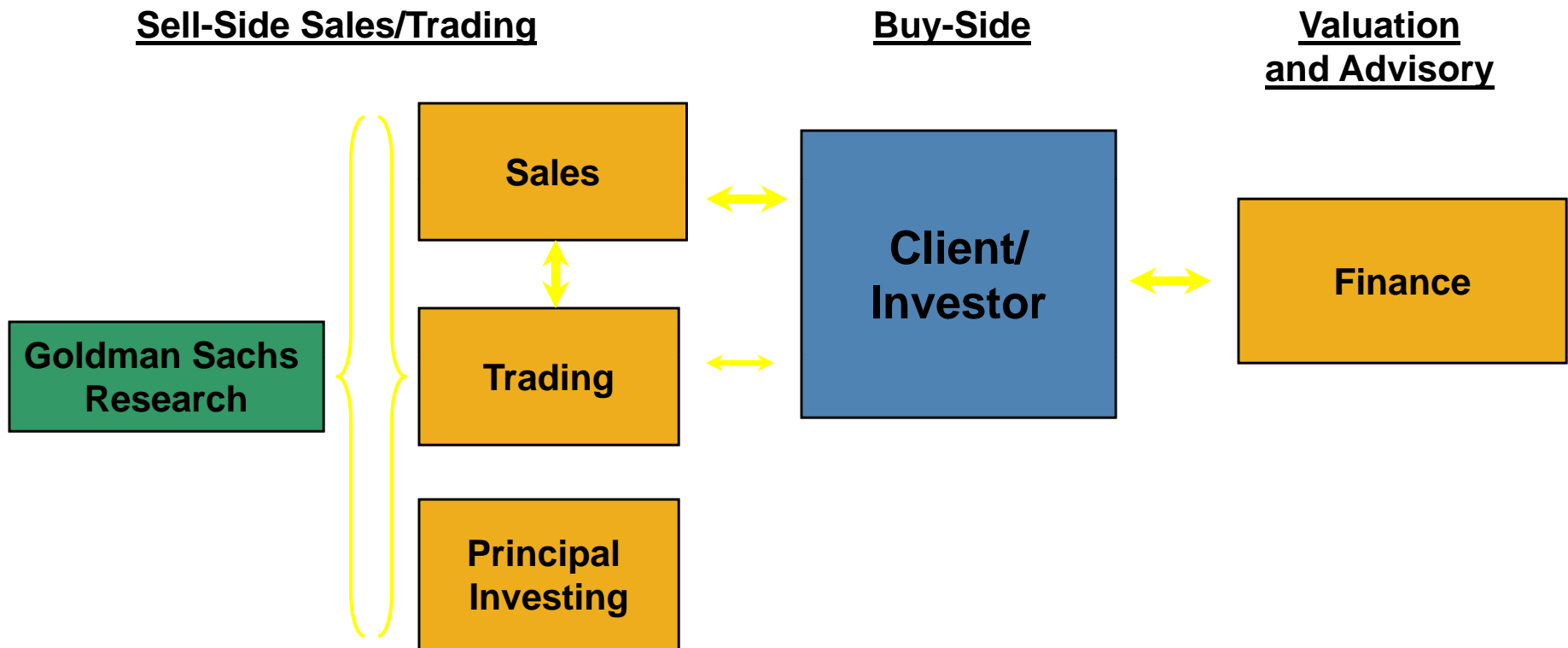
II. Overview of the Financial World

Equities and Fixed Income sales and trading in details



II. Overview of the Financial World

Equities and Fixed Income sales and trading in details



II. Overview of the Financial World

Equities: What we do?

- Make markets in equity and equity-linked securities
- Trade large blocks of equity and equity-linked securities
- Portfolio hedging and restructuring
- Underwrite IPOs and facilitate governmental privatizations
- Provide execution services for clients in all equity-related securities including prime brokerage, securities lending, and floor-based specialist services
- Structure and enter into a wide variety of derivative transactions
- Engage in proprietary trading and arbitrage activities
- Develop advanced mathematical and technological solutions to complex business problems

II. Overview of the Financial World

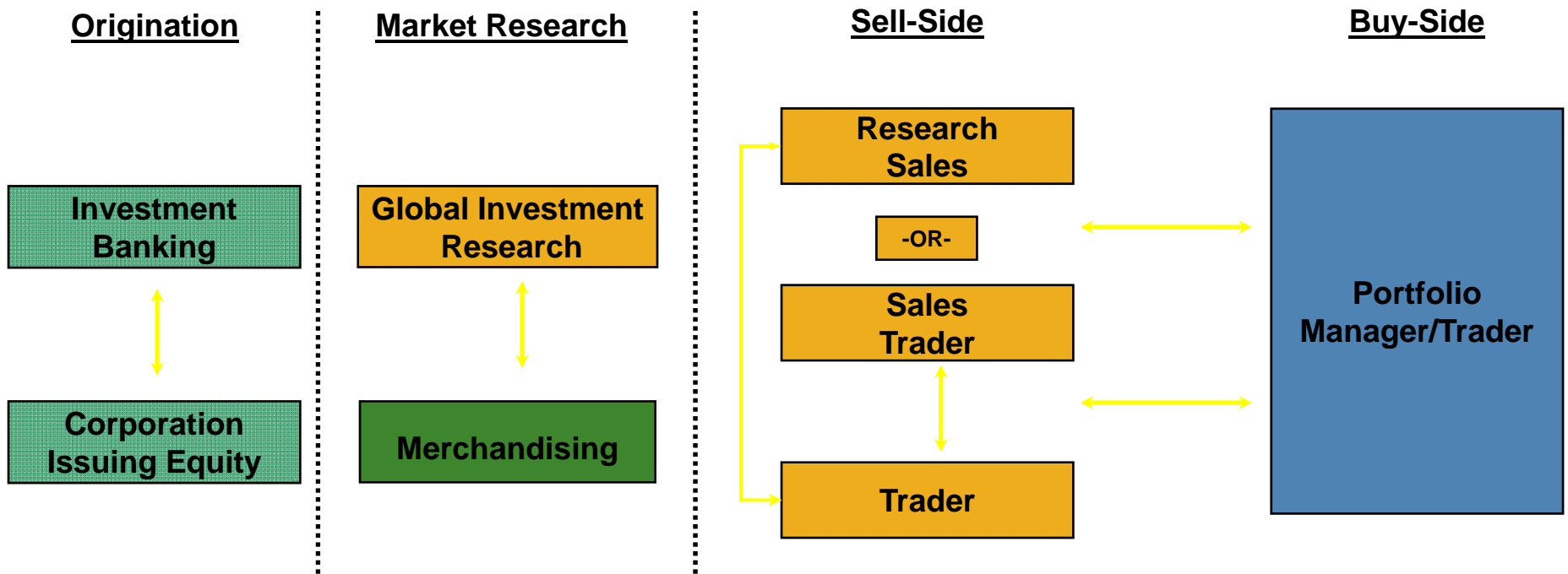
Equities: overview of the functions



II. Overview of the Financial World

Equities: How Equities Market Players Communicate

Shares Businesses (small institution model)



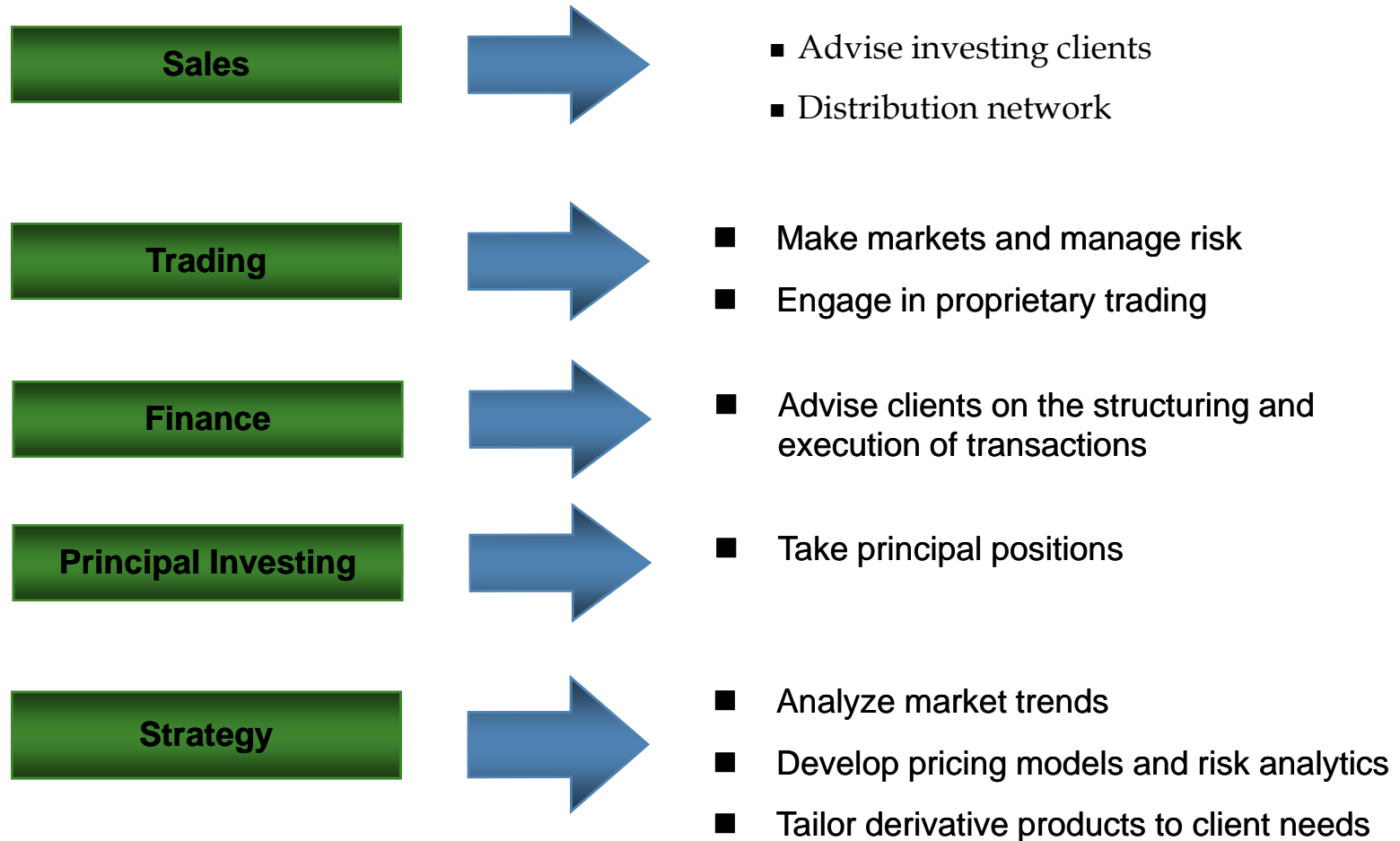
II. Overview of the Financial World

FICC: What do we do?

- Make markets and trade bonds, money market instruments, bank loans, asset-backed securities, currencies, commodities, and other products
- Raise capital for our clients in the private and public markets
- Structure and enter into a wide variety of derivative transactions
- Invest in distressed assets
- Engage in proprietary trading and arbitrage activities
- Develop advanced mathematical and technological solutions to complex business problems

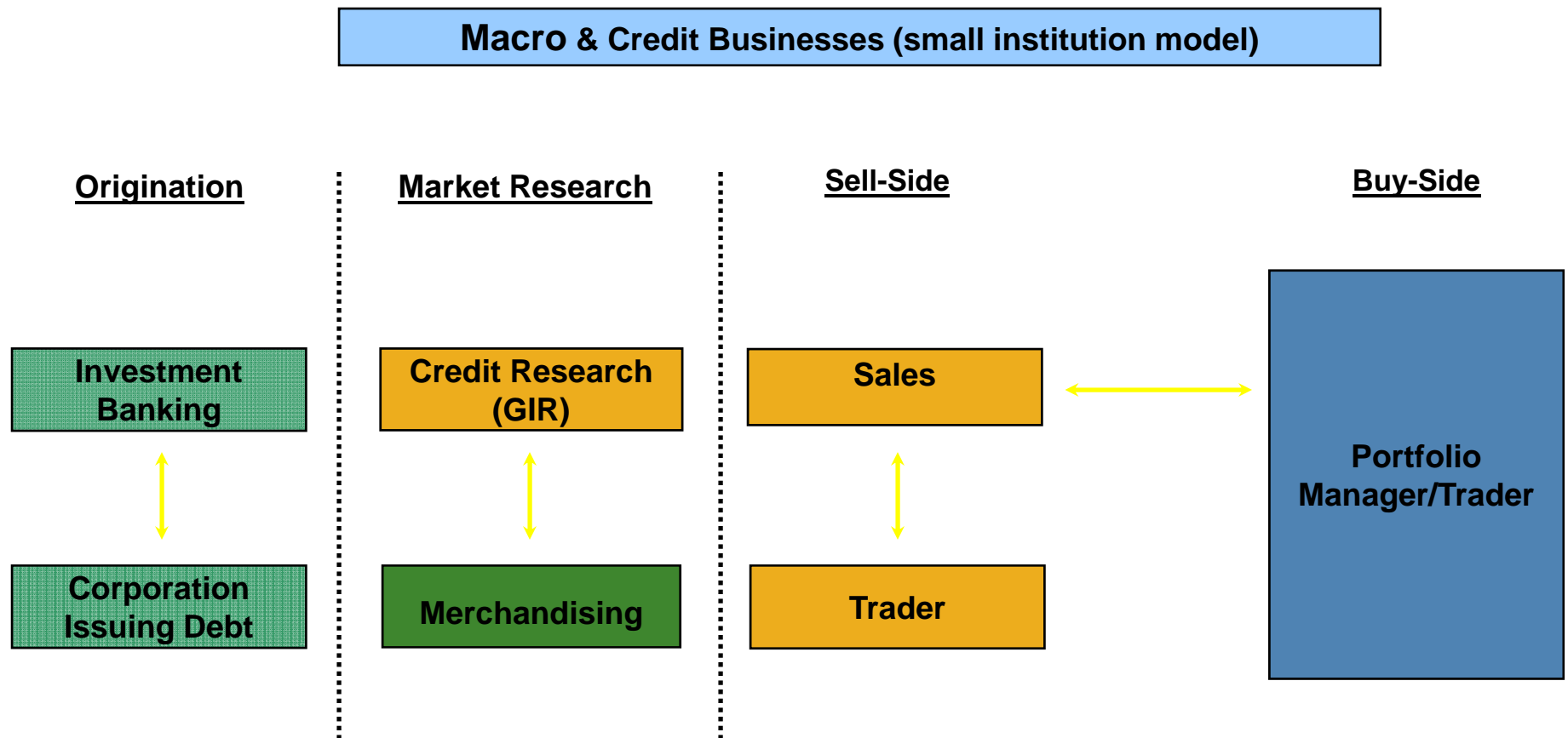
II. Overview of the Financial World

FICC: Overview of FICC Functions?



II. Overview of the Financial World

FICC: How FICC Market Players Communicate?



II. Overview of the Financial World

What other careers exist on Wall Street?

- Operations
- Accountants
- Researchers
- Lawyers
- Technologists
- Human Resources Professionals
- Real Estate Management
- Event Planners
- Building Planners
- Global Security
- Community Outreach/Philanthropy

III. A Career in NY - How to Make it Happen?

III. A Career in NY – How to Make it Happen!

- **Hellooo! I am a first year student at HEC. What can I do today to get there tomorrow?**
 - Develop your passion:
 - Read (LaPresse, National Post, WSJ, The Financial Time, The Economist, Business Week, Fortune Magazine,...)
 - Share (learn how to analyze a situation and debate about it)
 - Develop your network :
 - Student Associations such as the Fonds de Placement HEC
 - Other associations
 - Develop your business personality :
 - Not something you learn in the books
 - Develop your self-confidence
 - Get the best grades:
 - Enjoy life at school as much as you want BUT get the results!
 - Take as much finance classes as you can, starting next semester

III. A Career in NY – How to Make it Happen!

- **Hellooo! I am a first year student at HEC. What can I do today to get there tomorrow?**
 - Expand your Horizons:
 - If you only speak French, learn English
 - If you speak both, learn Spanish... and consider Mandarin!!!
 - HEC-Montreal exchange program
 - Summer Internship (or Abroad) in the U.S.:
 - Tricky but possible
 - The Work Experience program
 - Your two new friends Marc & Dom from New York
 - Think about the Next Step:
 - Consider an MBA or M.Sc. Degree in the U.S. or abroad

IV. Know Your Competition

Working in New York: How to Make it a Reality?

EDUCATION:

HARVARD COLLEGE, Cambridge, MA 2005-Present

- Candidate for A.B. degree with Honors in Economics, expected June 2009
- Peer Advising Fellow (PAF) – selected from over 500 applicants to be one of 180 mentors responsible for advising group of freshmen on wide range academic, extracurricular, and personal matters, as well as leading weekly community events
- The Friendship Circle – volunteer for non-profit organization dedicated to creating friendships between college students and children with mental disabilities
- Harvard Investment Association – Associate of Harvard’s leading business/finance club, which hosts lectures by investment professionals and facilitates exchange of financial industry knowledge
- The Hasty Pudding Club – elected Alumni Coordinator (2007) and Punchmaster (2006) for largest and oldest social club at Harvard founded in 1790, with esteemed alumni including five U.S. Presidents. Responsible for strategic planning and implementation of multi-million dollar capital campaign, as well as management of comprehensive recruiting process

CRANBROOK KINGSWOOD HIGH SCHOOL, Bloomfield Hills, MI 2001-2005

- SAT I: 1520 (800 Math/720 Verbal) SAT II: 790 Writing
- Scored highest possible (5) on 5 Advanced Placement (AP) exams – named AP Scholar with Distinction
- Student Council Secretary/Treasurer (2003-2005), Chairman of Class Fundraising Committee (2004-2005)
- President of Habitat for Humanity (Cranbrook Kingswood Chapter) – led volunteer groups in building homes for underprivileged families, created a highly successful fundraising campaign using innovative incentive-based solicitation

EXPERIENCE:

GOLDMAN, SACHS & CO., New York, NY Summer 2007**Summer Financial Analyst, Securities Division** – Participated in ten week Equities and FICC Rotational Program

- Rotated between Global Interest Rate Products Trading, Prime Brokerage Sales, and International Equities Trading. Also, learned about many additional desks and areas of the firm by arranging meetings and establishing new relationships
- Shadowed traders and salespeople, gaining in-depth exposure to equity and fixed income markets
- Worked on wide range of research projects including original investment theses, assessment of growth potential in emerging markets, quantitative analysis of trends in economic indicators, and financial modeling
- Helped lead team of other summer analysts in summer-long group project/presentation on Nigerian government’s risk profile

THE HARVARD LAMPOON, Cambridge, MA Fall 2007-Present**Advertising Manager** for nation’s oldest continually published humor magazine with distribution of approximately 30,000

- Manage all business activities and advertising relationships of The Harvard Lampoon
- Responsible for production of at least \$100,000 in advertising revenue per year, spanning 5 issues
- In fall of 2007 personally raised \$38,744 in under eight weeks by establishing new advertiser relationships and negotiating the renewal of existing contracts during the “comp” process
- In charge of all advertising layout and conflict resolution in the event of disputed placements

SOTHEBY’S, London, England Summer 2006**Summer Intern** – Rotated between Finance, Contemporary Art, and Impressionist and Modern Art Departments

- Learned how to value works of art using market trend analysis, comparables, and recent transaction prices
- Produced variety of research projects including quantitative analysis of historical sale data, relative performance of contemporary art market as compared to other financial indices, market trends, and sources of capital inflow
- Analyzed structure of Sotheby’s risk in deals with consignors and buyers, specifically focusing on guaranteed pieces

SOTHEBY’S, New York, NY Spring 2005**Intern, Corporate Finance**

- Produced daily reports for all senior management summarizing activity of financial markets with focus on Sotheby’s stock
- Prepared weekly Global Market-Share Report detailing worldwide auction results and changes in Sotheby’s market-share

UNIVERSITY OF MICHIGAN, Ann Arbor, MI Summer 2003, 2004**Program for Understanding Neurological Diseases (PFUND)**

- Founder and Director of Camp Neuron – gained entrepreneurial experience by developing summer program designed to inspire enthusiasm for scientific research amongst local high school scholars
- Co-Author, “Identification of Candidate Drugs for the Treatment of ALS,” published in: *Amyotrophic Lateral Sclerosis*

SKILLS/PERSONAL:

Computer: Proficient in Microsoft Office, and STATA**Interests:** Travel, Politics and Current Events, Poker, Contemporary Art and Architecture, and Ski Racing

IV. Know Your Competition

■ From the US:

- Diploma from a Tier I business school
- Summer internship at a Tier I financial institution
- Summer internship in Europe
- Student association

Working in New York: How to Make it a Reality?

IV. Know Your Competition

■ From Europe:

- Diploma from a Tier I French business school and lycée
- M&A summer internship at a Tier I investment bank (outside of France)
- Extracurricular activities (humanitarian organization)
- Leadership role in a student association
- Speaks 3 languages or more

EDUCATION

2006-present	HEC School of Management, Paris <i>Master of science in management</i> : graduation expected in June 2010 Ranked the leading business school in Europe by the Financial Times <ul style="list-style-type: none">• Main courses: market finance, corporate finance, theory of finance, accountancy
2004-2006	Saint-Jean de Passy, <i>Classe préparatoire</i>, Paris A two-year program preparing for competitive entrance exams for top French business schools
2004	Saint-Louis de Gonzague High School, Paris Scientific Baccalauréat (equivalent to a high school diploma specialised in mathematics with high honors)

WORK EXPERIENCE

Jul-Sep 2008	Lehman Brothers, Mergers & Acquisitions, London <ul style="list-style-type: none">• Valuation of companies using DCF, transaction and trading multiples• Research of public and private companies and identification of potential acquirers• Preparation of offering memoranda, deal pitches and other written materials
2007	Association Good Morning Vietnam, a student humanitarian organization Relief worker for a microfinance mission <ul style="list-style-type: none">• Managed and restructured a microfinance fund• Analysed loan risks• Conceived and launched a training program for underprivileged Vietnamese families
2005	Pierre Cornette de Saint Cyr's auction house, Modern and Contemporary Art, Paris Assistant to auctioneer <ul style="list-style-type: none">• Helped to organize an important sale at the Drouot auction house in Paris• Followed up on clients purchases

LANGUAGES AND SOFTWARES

French:	Native language
English:	Fluent (TOEIC: 960/990)
German:	Fluent

Computer skills:	Excel, PowerPoint, Bloomberg, Reuters, Thomson Financial, FactSet
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PERSONAL INTERESTS AND ADDITIONAL INFORMATION

Vice-president of a student organization running in 2007 for election at HEC student government <ul style="list-style-type: none">• Coordinated different teams• Negotiated with HEC management for authorizations	
Interests:	Wine: member of the board of <i>Grand Cru</i> , a student organization at HEC Gastronomy Modern and Contemporary Art Cinema: vice-president of HEC film board
Sports:	Skiing (competition), Tennis

IV. Resources Available

IV. Resources Available

- **Reseau HEC in New York**



- HEC-Montreal's presence in New York
- Strong social and professional association representing HEC-Montreal and its graduates in New York
- Provide HEC-Montreal graduates in New York with networking opportunities, professional activities, informative activities and other services
- Organized HEC-Montreal centennial celebration in NY



IV. Resources Available

- **HEC-Montreal Work Experience Program**
 - This program enables carefully selected HEC-Montreal Msc students to carry out research projects during the summer for companies doing business in the US, for government agencies or NGOs.
 - For HEC students, the program provides the opportunity to live in the United States, to work with a company or organization and to acquire greater understanding of its business culture and practices. For the host company or organization, the program provides the opportunity to gain a useful research project at little cost.

IV. Resources Available

- **Young Canadians in Finance (www.ycif.org)**



- Provides Canadians working in the financial industry an exclusive network that enables them to take leading roles in Finance
- Promote the collaboration and education of its members to achieve a greater collective success and build a more competitive Canadian financial community
- Builds a network through cultural events where members can interact and share ideas
- Provides learning opportunities through its conference call series where we ask Canadian leaders to comment on current economic and political conditions in Canada.
- A catalyst for Opportunity

IV. Resources Available

- **Délégation du Québec à New York**



- Promote Quebec's interests in New York and the U.S.
 - Arts and culture
 - Trade and investments
 - Education and research
 - Employment and immigration

IV. Resources Available

- **Service de Gestion de Carrière HEC-Montreal**
 - A great support to find a job or summer internship
 - They have a significant number of connections in Quebec, Canada and the U.S.
 - They are there for you, stop by as soon as possible to see what they have to offer

IV. Resources Available

■ Fonds de Placement HEC

- Le Fonds de placement étudiant HEC (FPHEC) est un club d'investissement en règle gérant activement un portefeuille réel d'environ 120 000\$ qui a comme objectif de former la relève financière montréalaise tout en servant la communauté étudiante de HEC Montréal en tant que l'association finance des étudiants au Baccalauréat en administration des affaires.
- Le FPHEC fournit aux étudiants membres une longueur d'avance dans leur parcours professionnel, une grande valeur ajoutée à leur cheminement scolaire et permet un agrandissement de leurs connaissances du milieu des affaires.

■ Fonds de Placement Standard Life

- Le Fonds Standard Life – HEC Montréal est un fonds doté d'une somme de 4 millions de dollars investie dans des actions et des obligations canadiennes.
- Une dizaine d'étudiants réunis en comité de gestion agissent à titre d'analystes financiers et de gestionnaires de portefeuille du Fonds.
- Ce comité de gestion relève d'une équipe composée de professeurs de HEC Montréal, d'un représentant de Standard Life et de deux représentants de Investissements Standard Life (ISL) qui assurent l'encadrement et la supervision.

V. Appendix

V. Appendix

1 – The Buy Side: our clients

■ Pension fund

- A pension fund is a pool of assets forming an independent legal entity that are bought with the contributions to a pension plan for the exclusive purpose of financing pension plan benefits.
- Pension funds are important shareholders of listed and private companies

■ Mutual funds

- A mutual fund is a professionally managed type of collective investments that pools money from many investors and puts it in stocks, bonds, short-term money market instruments, and/or other securities.
- The mutual fund will have a fund manager, that trades the pooled money on a regular basis, and after realizing capital gains or losses are passed out in the form of dividends to the individual investors. Currently, the worldwide value of all mutual funds totals more than \$26 trillion.

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1 – The Buy Side: our clients

■ Hedge Funds

- A hedge fund is a private investment fund, having a largely unregulated pool of capital, whose managers can buy or sell any assets, make speculative trades on falling as well as rising assets, and participate substantially in profits from money invested.
- It charges both a performance fee and a management fee. Typically open only to very wealthy qualified investors, hedge fund activity in the public securities markets has grown substantially, accounting for approximately 10% of all U.S. fixed-income security transactions, 35% of U.S. activity in derivatives with investment-grade ratings, 55% of the trading volume for emerging-market bonds, and 30% of equity trades.
- Hedge funds dominate certain specialty markets such as trading within derivatives with high-yield ratings and distressed debt

V. Appendix

1 – The Buy Side: our clients

- **Private Equity firm**

- Private equity is an asset class consisting of equity securities in operating companies that are not publicly traded on a stock exchange.
- There is a wide array of types and styles of private equity and the term private equity has different connotations in different countries

- **Endowment // Foundation**

- A financial endowment is a transfer of money or property donated to an institution, usually with the stipulation that it be invested, and the principal remain intact in perpetuity or for a defined time period. This allows for the donation to have a much greater impact over a long period of time than if it were spent all at once.
- The total value of an institution's investments is referred to as the institution's endowment.

V. Appendix

1 – The Buy Side: our clients

■ Insurance company

- Insurance, in law and economics, is a form of risk management primarily used to hedge against the risk of a contingent loss.
- Insurance is defined as the equitable transfer of the risk of a loss, from one entity to another, in exchange for a premium. An insurer is a company selling the insurance.
- The insurance rate is a factor used to determine the amount, called the premium, to be charged for a certain amount of insurance coverage. Risk management, the practice of appraising and controlling risk, has evolved as a discrete field of study and practice.

■ Sovereign Wealth Fund

- A sovereign wealth fund (SWF) is a state-owned investment fund composed of financial assets such as stocks, bonds, property, precious metals or other financial instruments.
- Sovereign wealth funds have gained world-wide exposure by investing in several Wall Street financial firms including Citigroup, Morgan Stanley, and Merrill Lynch.

V. Appendix

2 – The Sell Side: the middle men!

- **Investment Banks**

- Investment banks help companies and governments raise money by issuing and selling securities in the capital markets (both equity and bond), as well as providing advice on transactions such as mergers and acquisitions.
- Until the late 1980s, the United States and Canada maintained a separation between investment banking and commercial banks.
- A majority of investment banks offer strategic advisory services for mergers, acquisitions, divestiture or other financial services for clients, such as the trading of derivatives, fixed income, foreign exchange, commodity, and equity securities.

V. Appendix

2 – The Sell Side: the middle men!

- **Commercial Banks**

- A commercial bank is a type of financial intermediary and a type of bank. Commercial banking is also known as business banking. After the Great Depression, the U.S. Congress required that banks only engage in banking activities, whereas investment banks were limited to capital market activities.
- As the two no longer have to be under separate ownership under U.S. law, some use the term "commercial bank" to refer to a bank or a division of a bank primarily dealing with deposits and loans from corporations or large businesses. In some other jurisdictions, the strict separation of investment and commercial banking never applied.
- Commercial banking may also be seen as distinct from retail banking, which involves the provision of financial services direct to consumers. Many banks offer both commercial and retail banking services

V. Appendix

2 – The Sell Side: the middle men!

- **Boutique and M&A firms**
 - A boutique brokerage is a type of brokerage company, that acts much the same as a boutique shop. They often do not charge fees, instead taking a percentage of any profits generated.
 - Commonly, boutique brokers operate with family and friends and do not have advertising campaigns. They generally are in the investment field, but can also exist in other fields such as information technology.
 - Boutique brokerage can also refer to a real estate brokerage firm

V. Appendix

2 – The Sell Side: the middle men!

- **Broker dealer**

- A broker-dealer is a company that trades securities for customers as well as for its own account. In the United States, a broker-dealer has to be registered with the Financial Industry Regulatory Authority. When executing trade orders on behalf of a customer, the institution is said to be acting as a broker. When executing trades for its own account, the institution is said to be acting as a dealer.
- Securities bought from clients or other firms in the capacity of dealer may be sold to clients or other firms acting again in the capacity of dealer, or they may become a part of the firm's holdings.
- There are two types of broker dealers: introducing and clearing.

V. Appendix

2 – The Sell Side: the middle men!

- **Consultant**

- Management consulting refers to both the industry of, and the practice of, helping organizations improve their performance, primarily through the analysis of existing business problems and development of plans for improvement.
- Management consultants generally bring their own, proprietary methodologies or frameworks to guide the identification of problems, and to serve as the basis for recommendations for more effective or efficient ways of performing business tasks.

- **Accounting firm**

- Financial accountancy (or financial accounting) is the field of accountancy concerned with the preparation of financial statements for decision makers, such as stockholders, suppliers, banks, employees, government agencies, owners, and other stakeholders. The fundamental need for financial accounting is to reduce principal-agent problem by measuring and monitoring agents' performance and reporting the results to interested users.