

# **How to Break Into**

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**Investment Banking, Private Equity, Hedge Fund**

Kevin Romanteau

## About the Author

Inspired by his family business, Kevin developed a real understanding of the commodity markets from an early age. At age 16, his burgeoning interest in financial markets naturally led him to start investing in the equity markets, and shortly after that qualified, on two occasions, for the most renowned French trading competition on BFM Business.

Kevin graduated from London Business School in 2021 with an executive Masters in Finance. He worked for 4 years as an EMEA investment banker, successively at BNP Paribas, Société Générale, and Citi Bank. In doing so, he progressively mastered the art of corporate finance across a wide range of sectors.

Passionate about shareholder activism, he published a paper titled 'The Golden Age of Activism Investing,' which resulted in advisory and speaking engagements with the French Ministry of Economy and Finance and at the Middle East Investment Summit, respectively.

Kevin has always keenly shared his vast knowledge, expertise, and insight with students interested in a career in financial services. He has extensive teaching experience as a lecturer at a French business school and through one-on-one training. He has a demonstrable track record, having helped over 200 students successfully obtain internships or jobs in the most prestigious financial institutions.

Kevin has utilized his multi-faceted perspectives, that of a private investor, a former master's student, a corporate finance lecturer, and a former investment banker, to compose [Investment Banking 101: Quicksheet to the Art of Private Equity, M&A, IPOs, Credits](#).

### *Contact the Author*

Please get in touch with any questions, comments, or suggestions for future editions.

## Introduction

**Investment Banking 101: How to Break Into Investment Banking, Private Equity, Hedge Fund** is the ideal complement to [Investment Banking 101: Quicksheet to the Art of Private Equity, M&A, IPOs, and Credits](#) – enabling undergraduates and MBA students to truly master the interview process and refine the core skills to secure summer, graduate, off-cycle role or full-time job.

Starting a career in Investment Banking is a challenging feat. This career option is often difficult to access with intense competition, high pressure, and limited positions. Fortunately, several concrete and structured processes can help any candidate shine in their interview and land that Investment Banking job. Whether you are an undergraduate prepping for your first internship, or seeking a new career in Investment Banking, Private Equity or Hedge Fund knowing the ins and outs of each industry can help you make your big break.

The **Investment Banking 101: How to Break Into Investment Banking, Private Equity, Hedge Fund** shares all the steps-by-steps process to help prepare readers for their chance at landing in investment banking, private equity, or hedge fund.

This manual is designed to:

- Introduce analyst/associate summer, graduate, and off-cycle processes
- Present a step-by-step approach to breaking into IB, PE, or HF
- Prepare the resume, cover letter, and interview questions
- Ace the interview with sample questions and brainteasers
- Equip undergraduates or MBA students with efficient tools
- Learn the art of networking to increase the odds

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# 1. Introduction

Before we dive into the main material, we'd like to give you an overview of the important steps you need to take and what the recruitment process entails. Trust us; you will feel overwhelmed at some point. You'll start questioning yourself, asking questions like "What am I doing?" or "Why am I doing this?" or even "Does networking matter during recruitment?" In times like these, this book will be your closest ally. It will help you see the bigger picture, gain perspective and eventually land the sell-side or buy-side position.

**Preparation is the Key to Success.** You're prepared not just because you've studied a lot about finance. When we say preparation, we mean it seriously, with focus and precision. You can't afford to take any chances. Based on our past experiences, if the interviewer realizes you're unprepared in a specific area, they'll likely ask you about it. So, what do you have to prepare for? There are three things:

***Your Story:*** you must have a compelling story that is crucial. Your CV, cover letter, and networking activities will all play a role in helping you craft a narrative that explains why you're drawn to this field. Your story will be the first chance to make an impression on bankers at networking events, so you must put time and effort into developing it. Later on, during interviews, you can expect to be asked about your motivations for pursuing banking, and it's important to have a well-thought-out answer that goes beyond just wanting to make money. Start by thinking about what you were doing before you decided to pursue this career, and then explain why you became interested in banking and how you're working to develop the necessary skills. By doing so, you'll be well on your way to making a positive impression on potential employers.

***Market Knowledge:*** It's important to have a deep understanding of the market and its current conditions, as well as an awareness of the unique qualities of each major financial institution. When meeting with a representative from a particular institution, they will likely ask why you chose to work with them specifically. Preparing a relevant answer to the specific situation can make all the difference.

***Technical Skills:*** When preparing for job interviews, you must have a strong grasp of your financial and technical abilities. However, it's

equally important to communicate your skills and experience to potential employers effectively. This can be daunting, but you can become a confident and effective interviewer with practice and preparation. Consider practicing in front of a mirror, with friends, or participating in mock interviews with other people in familiar boats as you. You'll be better equipped to showcase your strengths and land your dream job by honing your interview skills.

When pursuing a career as a banker, starting with the right mindset is important. You need to emulate the behavior and thinking of a successful Analyst. Networking is a great way to gain insight into their thought process. Investment bankers share several key characteristics, such as a strong drive to succeed, a commitment to hard work, and a focus on achieving their goals. Understanding these qualities will help you impress potential employers when interviewing for an Associate or Analyst position.

The road to landing a job in banking is long, arduous, and stressful. You'll need to reflect on your goals and motivations often along the way, and it's easy to become discouraged. However, you must persevere. Every step in the process is important; even small mistakes can make the difference between receiving an offer and being rejected. Don't give up, and stay focused on your objectives. Good luck!

### **Learn about the Economy, the Markets, the Deals, and the Culture**

When pursuing a career in investment banking, having a solid understanding of the culture is just as important as having the necessary skills to fulfill the role. Investment bankers look for candidates who share similar interests and have the potential to thrive in the industry. This is why it's crucial to demonstrate that you understand their mindset and have something in common with them. Each financial sector has a specific culture, and it's essential to familiarize yourself with it. This means regularly reading publications such as the Financial Times, New York Times, and the Economist. Don't make the mistake of being technically proficient but failing to understand the culture and mindset of the interviewer. Show that you have the potential to be an effective banker by demonstrating your knowledge and interest in the industry.

Furthermore, reading about finance can be immensely helpful in becoming familiar with the terminology used in the financial industry. It can also give you a good idea of the types of things that bankers are exposed to. It's important to remember that interacting with customers is crucial to investment banking. Clients want to know your opinion on current events in the market, so it's essential to be prepared with informed views. For example, what led Pfizer to consider AstraZeneca a potential acquisition target? Was the price Facebook paid for the acquisition of WhatsApp excessive? What is the impact of AI on Google or Microsoft?

It's important to note that the volume of information and terminology used in finance can be overwhelming at first. Reading a financial newspaper daily can help you retain significant knowledge, and studying corporate finance can help you comprehend the underlying concepts. Gradually increasing your understanding of finance and economics can make a difference when networking and interviewing for jobs. Discussing your thoughts with peers and colleagues is also helpful, as this can provide valuable insight and perspectives. Joining a small group to discuss views and opinions can be surprisingly beneficial.

### **The Key to Victory in the Game**

Remembering that it's a competition is important, but there's no need to panic. Success can be achieved through hard work and strong interpersonal skills. One key aspect to focus on is perfecting your story and building relationships with business professionals and former students. With these strategies in mind, you'll be well on your way to success.

To succeed in the financial world, it is important to immerse yourself in the industry's mentality. Reading the financial newspaper daily is an excellent way to gain expertise in the business. Additionally, joining a finance club and attending events is crucial for networking. It is also important to start networking with people in the industry, generally with Analysts and Associates.

During this time, it is important to remember to place a special emphasis not just on improving your narrative but also on networking. Focusing on finishing your narrative, particularly when explaining why you want to switch from deep-water drilling to IB or PE, is important. This is a crucial question, and your response needs to be logical and persuasive.

Remember that you'll need to explain your "what" and "why" to every banker you talk to, and they'll evaluate your trustworthiness based on the reasoning you provide.

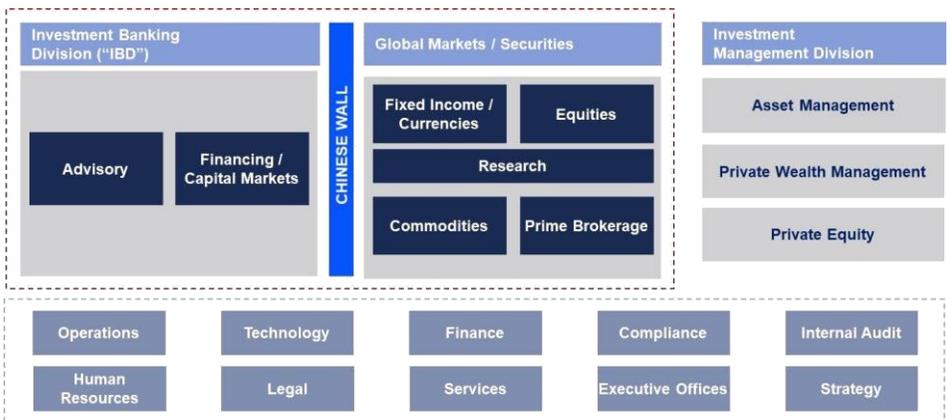
Always be a learner who is open to new information, and work to improve your presentation or story after talking to a banker. Additionally, focus on cultivating relationships because banking is a highly personal line of work. Finding a job in IB or PE is more like asking someone out on a date than studying for a test. The human element is more important than any other factor, and having extensive expertise in a subject is useless if you can't overcome difficulties on the interpersonal front.

Furthermore, remember that your final interview may be with the same bankers you met for a coffee during your networking. If they liked you, the interview might verge on the most recent rugby match you played, the most recent movie you watched, or a charity you were involved in. So, focus on building strong relationships and being personable, as these qualities can go a long way in banking.

# **What is --- Investment Banking?**

## 2. What is Investment Banking?

When talking about investment banking, they usually refer to a wide range of banking services. These services include asset management, retail and commercial banking, private banking, markets, and investment banking. It's important to remember that Investment Banks offer much more than investment services. They can also help manage your assets, provide retail and commercial banking services, and even offer private banking options. So, an Investment Bank might be the way to go if you're looking for a comprehensive banking solution. Let's look at each aspect of investment banking individually.



## 2.1 Investment Banking Division

### A. Asset Management

As a potential investor, it's important to know that there are professionals out there who can help manage your cash and guide you toward profitable investments. These experts are known as asset managers. Their role is to advise clients and invest their money into various assets, like equities, fixed income, and even commodities. The ultimate goal for an asset manager is to increase the value of their client's investments while staying within the client's desired level of risk. By working with an asset manager, clients can know that their investments are in good hands and managed by a professional.

- **Buy-Side:** Regarding asset management, the 'buy side' of the firm is responsible for purchasing the investments offered by the 'sell side' of the business, which encompasses investment banking and capital markets. The buy side is the one paying the commissions and spread, and they're the source of capital raised for investment banking clients. It's worth noting that the asset management division is separate from the rest of the firm, and the sell-side businesses will treat them as an independent asset manager. In industry terms, asset management is treated as an 'arm.' The buy side can take many forms, with the world's largest managers controlling over 1 trillion US dollars of assets under management.
- **Primary Asset Class:** There are a few primary asset classes when investing: fixed income, equity, and money markets. However, it's important to note that these asset classes include derivatives and structured products. Some asset managers may specialize in commodities, currency, or real estate. Understanding these different asset classes and how they can fit into your investment strategy is important.

## **Type of Clients and Types of Products**

When it comes to asset management, there are a few key client groups that stand out. Institutional investors such as pension funds, insurance companies, and charities exist. These clients typically have large amounts of capital to invest and require a sophisticated asset management approach to achieve their desired returns.

Another important client group is retail investors, who typically access asset management products through retail banks. These clients tend to have smaller amounts of capital to invest. They may have less experience with investing, so products need to be designed with their needs in mind. Investment management clients are also important, as they specialize in managing specific types of products such as equities, fixed income, growth, and value funds. These clients require a deep understanding of their markets and a keen eye for identifying opportunities to generate strong returns.

Finally, alternative asset management clients exist, such as those involved in real estate or hedge fund investing. These clients may have a higher tolerance for risk and require a more bespoke approach to asset management to achieve their goals. Successful asset management requires a deep understanding of each client group and a tailored approach to meet their unique needs.

If you're looking to become an asset manager, there are certain skills you should possess. These include:

- Excellent numerical and analytical abilities,
- Being detail-oriented,
- Having strong communication and networking capabilities.
- You should also be able to work with key investors and be prepared to work long hours. Additionally, it's recommended that you obtain certifications such as CFA, CAIA, or FRM to enhance your qualifications.

## B. Corporate Banking

Corporate banking is a type of banking that is specifically designed to cater to the needs of large companies and corporations. It involves providing various financial services such as lending, cash management, trade finance, and investment banking to these organizations. Large banks often provide corporate banking that can handle these businesses' complex financial needs. Corporate banking aims to help these companies optimize their financial performance, manage risks, and achieve their strategic objectives. It plays a crucial role in the global economy by providing the necessary capital and financial expertise to support the growth and development of businesses.

- **Trade finance:** Trade finance is often tied to the export market. The process is similar to what we've discussed, where the loan gets secured by future receipts when the importer pays up.
- **Risk management:** A responsible corporation must know the various financial risks that can impact a business. These risks can include fluctuations in foreign exchange rates, the volatility of commodity prices, and changes in interest rates. However, companies do not need to face these risks alone. A corporate bank can provide a range of solutions to help mitigate these risks and protect the company's financial stability. By working together, corporations can ensure that their businesses thrive despite uncertainty.
- **Cash:** Internet banking is a great way for corporations to keep track of their cash flow. It provides transparency as to where the business's cash is and allows for easy management of transactions. Transaction services are especially useful for moving and managing money. For example, payments and receipts can be made in various currencies. Additionally, sweeping cash into a central account is a great way to achieve interest rate efficiency. Overall, utilizing these tools can greatly benefit a corporation's financial management.

If you're looking to work as a corporate banker, there are a few essential skills that you'll need to have. They include the following:

- Confidence with numbers and analysis, as you'll deal with complex financial data daily.
- Another key skill is strong communication and networking abilities, which will help you build relationships with clients and colleagues.
- Additionally, you'll need to build trust and establish yourself as a trusted advisor to your clients. This requires understanding various financial instruments and good market awareness, including economics and rates.
- Finally, you should be comfortable working with finance professionals and entrepreneurs, as you'll collaborate frequently.

### **C. Private Banking**

Private banking is a specialized service catering to high-net-worth individuals, families, and businesses. It offers customized financial solutions and personalized services to clients requiring more attention and expertise. Private banking typically includes investment management, asset protection, estate planning, tax planning, and wealth transfer services. Private banking aims to help clients achieve their financial goals and preserve their wealth over the long term. It is a highly exclusive and confidential service that requires a certain level of wealth and financial sophistication.

Furthermore, the minimum threshold for being considered an HNWI can vary from bank to bank. Still, you need liquid assets exceeding seven figures to be eligible. Private banking is all about providing a personalized retail banking experience to these clients, and many of the major banks have successful private banking businesses that cater to this elite clientele.

- **Wealth Management:** The following are the most important aspects of wealth management in which a private banker will provide advice:
  - Investment management
  - Liquidity management
  - Estate management and planning
  - Markets

To excel in private banking, you must possess various skills to work effectively with clients and meet their diverse financial needs. These include:

- Strong communication and networking skills are crucial for building relationships and establishing client trust.
- Additionally, having excellent skills with numbers and analysis is necessary for analyzing financial data and identifying investment opportunities.
- Understanding various financial instruments, including stocks, bonds, and derivatives, is essential.
- Finally, developing strong sector-specific skills will allow you to provide more tailored financial advice to your clients and stay ahead of the competition.

## D. Markets

Investment banking also includes market services. Let's look at some aspects of this service as we have done with the others.

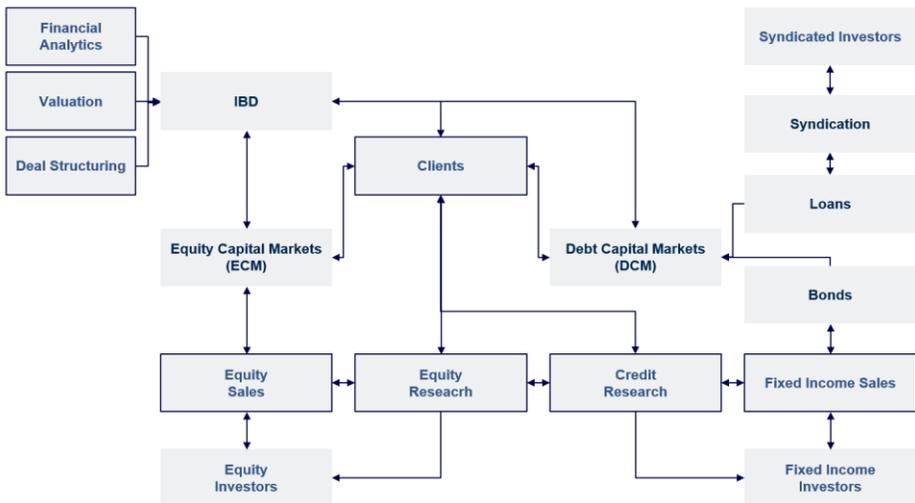
- **Research:** Banks might focus on a few types of research - equity, credit, and economic research are common. The research aims to provide educated and informed views on markets, economic trends, and stock recommendations. It's an important part of banks' intellectual and academic work.
- **Structuring:** Structures are experts who create custom financial instruments for clients. It's interesting to think about how these instruments can be tailored to achieve specific risk profiles, cash flow patterns, or regulatory requirements. It must take a lot of expertise and attention to detail to create such complex structures.
- **Money Markets and Forex:** Money markets refer to the segment of the finance industry that deals with short-term borrowing and lending. This contrasts the capital market, which deals with products with longer maturities, like bonds and equities. Money market products generally have a maturity period of less than 12 months, with overnight lending and borrowing being the shortest. Other money market products are available, such as Treasury bills, commercial paper, certificates of deposit, and repos. Banks also provide forex services to buy and sell foreign currency, either in the present or through the use of derivatives in the future.
- **Derivatives & Commodities:** Derivatives can be complex instruments that allow clients to manage and transfer risk. The markets division is well-equipped to structure, trade, and sell these instruments to our clients. There are various ways that derivatives can be structured, including around equities, credit, commodities, and foreign exchange.

## Interaction between IB and Markets

First, they are controlled by a “Chinese wall.” IB and markets sometimes represent a conflict of interest. Parties who make investments decision are separated by the Chinese wall from parties that are party to material inside information that could influence these decisions. This is why a Chinese wall was created to separate the parties involved. An M&A team may have potential transactions in the deal pipeline that could be a game-changer for a listed client. However, if this information falls into the hands of traders, there is a risk that it could be used to take a position.

## How the Various Divisions within a Bank Interact

The various divisions within a bank interact in the following ways.



**Capital markets:** Capital markets origination teams are highly knowledgeable about capital markets. They use this expertise to price, book build, and sell transaction finance to maximize distribution power by leveraging their understanding of market trends and investor behavior. DCM capital market rating advisory can provide valuable insights and guidance regarding rating advice.

**M&A:** The M&A team will offer advice on valuation and transaction structuring. They will also help with deal execution and have access to a global network of resources.

**Coverage:** Coverage teams are knowledgeable about specific industries and offer relevant knowledge and advice unique to the industry. They have a lot of experience in their areas of expertise and solid relationships within those industries, so they will have solid connections inside the industry they cover.

**Derivatives:** The derivatives group will also assist in hedging out the risk of the transaction with products like M&A collars, Swap spread locks, Treasury locks, CDS, and interest rate options. The derivatives team can provide hedging strategies to hedge risks such as credit and forex risks embedded in the transaction finance solutions developed by the capital markets (ECM DCM). The team working on derivatives will concentrate on more innovative structuring solutions that some clients want.

**Research:** The research teams gather market feedback and provide valuable insights into the industry and the deal.

## 2.2 Major Players

There are two major players in investment banking, and they are classified into universal banks and specialized players/boutiques. Let's look at this in detail.

Morgan Stanley, Bank of America Merrill Lynch (BAML), Citi, Goldman Sachs, Barclays, J.P. Morgan, HSBC, Deutsche Bank, UBS, BNP, and Nomura are some examples of universal banks that do campus recruitment on various campuses in Europe and the United States. These participants offer various services and conduct business in retail and corporate loans.

This highlights a distinction in investment banking that is of utmost significance. Goldman Sachs and Morgan Stanley are two examples of companies that have maintained their status as "pure" investment banks. At the same time, JPMorgan, Citigroup, and Bank of America all have commercial banking divisions. Historically, the two models have been treated as entirely distinct organizations. While investment banks traditionally offered mergers and acquisitions (M&A) and other strategic financial advice to businesses, commercial banks were primarily responsible for lending funds (often for the same transaction).

However, due to changes in the law and the evolution of businesses, many financial institutions are now permitted to offer money and advice to their customers, creating what is known as a "one-stop shop" for the customers.

Bulge bracket	Independent	Regional / Mid-market
		<ul data-bbox="747 1204 1020 1503" style="list-style-type: none"><li>• BMO</li><li>• BNP Paribas</li><li>• Credit Agricole</li><li>• HSBC</li><li>• Itau BBA</li><li>• Macquarie</li><li>• Nomura</li><li>• RBC</li><li>• RBS</li><li>• Santander</li><li>• Societe Generale</li><li>• Standard Chartered</li><li>• UniCredit</li></ul>

# **Resume & Cover Letter**

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### **3. Preparing Your Resume**

Your resume must be crafted to catch the eye of recruiters. Here is a guide below.

#### **Quantitative & Analytical Ability**

Strong quantitative and analytical skills are vital for an investment banking resume, especially in the beginning stages. Bankers need to know that you can tackle complex quantitative problems, and showcasing this ability on your resume can boost your chances. Overall, you should be able to demonstrate the following:

- You must have an impressive track record of problem-solving and analytical skills. Your ability to filter through data and assumptions and identify reasonable responses to complex problems makes you stick out. You should also have demonstrated proficiency in synthesizing large amounts of information and identifying key issues.
- Furthermore, you should showcase proactive approaches to problem-solving. This means you would have taken the initiative to identify problems and worked towards finding solutions. This is a valuable trait that can benefit any individual or organization.
- In addition, your performance in courses with rich analytical and quantitative content would indicate a strong aptitude for these areas. Your ability to perform experiments requiring hypothesis formulation and evidence collection to support or reject it is necessary.
- You must possess unique skills and qualities that can be leveraged in various settings.

## **Initiative and Motivation**

As you prepare to enter the job market, it's important to know that firms seek candidates with initiative, motivation, and energy. One way to showcase these qualities is by tracking and measuring your achievements in specific situations. This will allow you to highlight your skills and qualities in your resume and during interviews. Speaking in detail about your accomplishments will demonstrate your ability to deliver strong results and set you apart from other candidates. Remember always to stay motivated and showcase your best self to potential employers.

Some examples of accomplishments to consider include:

- Bringing in new customers or revenue
- Proving yourself to be a self-starter who goes above and beyond
- Demonstrating the ability to switch priorities and move tasks quickly
- Achieving challenging goals
- Attending to important details while juggling multiple tasks
- Taking an innovative and efficient approach to getting things done

### **3.1 Resume Template**

An important initial step in landing an investment banking or private equity position is putting together an excellent resume that catches the eye of both recruiters and PE firms. Most people think they have a great resume, and many do, but headhunters are looking for a very particular style. Without the right resume, it does not matter how smart or hard-working you are. You won't get in the door.

PE firms almost always recruit from recruiters or headhunters. A headhunter is an informal name for an employment recruiter, sometimes called an executive search. Headhunters will do all the firm vetting, checking over resumes, interviewing candidates, etc. Recruiters will typically agree to meet in person with those people whose resume reflects the variables their private equity client want. Thus, the best way to land a meeting with a recruiter is to ensure your resume shows relevant industry experience.

## 3.2 General Formatting Rules

When creating a resume, it's important to keep the formatting simple and avoid unnecessary sections like "Objective." Instead, highlight your major accomplishments near the top and make them stand out with bold or underlined text.

Be specific and quantify your results where possible but choose brevity over detail if unsure. High school experience should not take up more than one line if mentioned. Always submit your resume in PDF format, and never be dishonest.

Lastly, proofread your resume multiple times to ensure it is mistake-free, including no typos, grammatical, spelling, or formatting/alignment errors.

- Keep bullet points concise and to the point.
- Ensure spacing is consistent and hits the how/why/what/result.
- Use bullet points instead of paragraphs.
- For undergraduates and graduates, limit the resume to one page with normal font size and margins.
- Use active voice and descriptive verbs to highlight accomplishments.
- Use bold and underlined formatting consistently throughout the document.
- Maintain a consistent font size and style.
- Avoid fancy designs and stick to a white background with black text.

## 4. Preparing Your Cover Letter

When you're applying for a job, it's important to remember that even if a firm requires a cover letter, they may not take the time to read it. However, this doesn't mean that you should skimp on perfecting it. If they do decide to read it, a poorly written cover letter can only hurt your chances. Remember that your cover letter should be no more than one page to make the most of this opportunity. Use a standard business letter format with your contact information at the top, followed by the firm's contact information. Address the letter to a specific contact (if you have one), or use "To Whom It May Concern" for general submission. After writing the body of your letter (as described below), finish with "Sincerely," "Regards," or a similar closing, followed by your signature and typed name. Some fundamentals to take note of are:

**First paragraph** of the cover letter, state the position you are applying for and briefly describe why you are interested in working for the company. Even if most of the letter will be boilerplate, each business is special if you are looking for employment of the same kind at several different companies. A significant number of candidates merely repeat the information that they discovered on the corporate website. Make an effort to carry out some in-depth study. You can set yourself apart from the competition by sharing something you learned about the company's culture from an employee already working there or by talking about a line of business in which the company is particularly strong. Make sure that whatever it is, it is tailored specifically to that company.

**Second paragraph**, describe the reasons that make you an ideal candidate for the job you seek. To the extent that it applies, highlight any previous work experience, academic or athletic accomplishments, or other aspects of your past that pique the interest of a screener and demonstrate why you should be invited to an interview for the position.

**Closing paragraph**, you should restate how interested you are in the position and the company and then underline how you can provide value. Include information about how you intend to follow up with the company (if you are sending this to a specific person) and how they can contact you.

After you have formally closed the letter with " or its equivalent, applied your virtual signature, saved it as a PDF, and then printed it, you are finished. If you do not have much work experience or something unique to communicate to the employer, three succinct and engaging paragraphs should cover all relevant ground.

Remember that if you present the reader with excessive text, your letter will most likely be discarded without being read.

## **4.1 Tips to Write a Cover Letter**

**1. Get the appearance right.** Your letter should be a single page, ideally 3-4 paragraphs. Your letter's main body should not exceed 300 words. In addition, you should use the standard header, date, and addressee format. Your salutations should also be used rightly. For example, when using the name of the addressee (Dear Mr. McBride), you should use "Yours sincerely," and when using "Dear Sir," you should end with "Yours faithfully." Furthermore, be careful that the title of the post you are applying for, the name of the person you're applying to, and the name of the company are spelled correctly.

**2. Go straight to the point.** As stated earlier, this is crucial. From the get-go, you must position yourself and your expertise. Declare in no uncertain terms who you are, what you seek, and who you know. Your first paragraph should contain an introduction to yourself, some background information, and an explanation of the opportunity you seek. There is no longer any need to bring up your name.

**3. Connect the letter to the recipient's needs and not yours.** Any cover letter you write should be specific to the job opening and the firm for which it is being submitted. It would be best if you emphasized that you understand the requirements of the role, that you can illustrate how you have the talents and expertise that fit, and that you can provide instances to substantiate these claims.

**4. Do lots of research.** Research is important when it comes to crafting a standout cover letter. More than highlighting your skills and experience is needed; you must show that you understand the unique qualities and values of the company you're applying to. By delving into the company's history, mission, and recent achievements, you can demonstrate knowledge and enthusiasm that will set you apart from other candidates. Trust me, the effort you put into researching will ultimately pay off.

**5. Be personal!** Make sure your statements reflect who you are as an individual. Don't just list the facts; explain why they are significant in guiding you toward the career path you want to pursue. Concentrate on the aspects of the organization or role that set it apart, and connect those aspects with your most valuable skills, experiences, and networks.

**6. Remember to close.** The closing paragraph highlights what's next, what you attached, and thanks the recipient/reader.

**7. Keep a positive tone.** Don't use any kind of negative words in your letter. For example, stating something like "I don't like making presentations" will draw the reader's attention. The same applies to saying you have a problem working with a team or struggle writing reports. Negative statements like these could lead to your letter being dismissed. So, keep your letter positive.

**8. Do not ever lie.** Always be truthful in your statements. It's important not to exaggerate things to the point where they're no longer true. Lying to get a job is not only a fireable offense but also begs the question, do you want to spend your career pretending to be someone you're not? Honesty is always the best policy.

**9. Re-read your letter for any grammar or spelling mistakes.** Review the letter for any typos and then read it over again. Picture yourself in the role of the hiring manager or the person who will be reading the letter. Would you hire yourself if you found so many grammar and spelling errors?

## 4.2 What Makes a Good Cover Letter

**It must be relevant:** First, a good cover letter must set the context for why you're applying and grab the reader's attention.

**Motivation:** It should capture why you want to work for the company. For example, what about them appeals to you? Your motivation for applying for the job should also address "why you want to take the role you're applying for." Therefore, focus on why you chose that role (or why you want to do the job) and not what you'll learn from it or how it is a stepping stone.

**Impact** Mention your skills and accomplishments and use them to explain how you add value to the company and the role you are applying for. You should also prove that you can use them to address the company's needs.

**Closing:** Summarize by stating the benefits you bring and close the letter.

### **4.3 Cover Letter Examples**

#### **Example #1 – Equity Research, Metals, and Mining Analyst at GS**

To whom it may concern,

I am writing to apply for the metals and mining Analyst position in the Global Investment Research Division at Goldman Sachs ("GS"). I graduated from London Business School with a Master's in Finance and have several years of experience in M&A. After informal discussions with GS employees, I have gained a deeper understanding of GS' innovative approach and team-orientated, consensus-driven culture. Not only is GS a trusted, vanguard advisor to the world's largest corporations, renowned for its best-in-class advice and execution, but it is also an industry leader in the area of equity research.

# **Recruitment Process**

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# **in Investment Banking**

## 5. Investment Banking Recruitment

Students studying investment banking in many business schools go through a Summer internship. The Summer internship allows an employer to keep you as a permanent staff. But that's not all. It also allows you to see if working there long-term is what you want. That's the summary of the whole thing. But let's get into the details.

It's no secret that banks are always looking for the best candidates. And to find them, they offer Summer internships that serve as a 10-week-long interview. During this time, you'll be thrown right into the thick of things, allowing you to show off your skills and potential.

Ultimately, this recruiting process aims to identify individuals with what it takes to excel as an Associate and grow into more senior positions. This means being able to create external relationships and generate business.

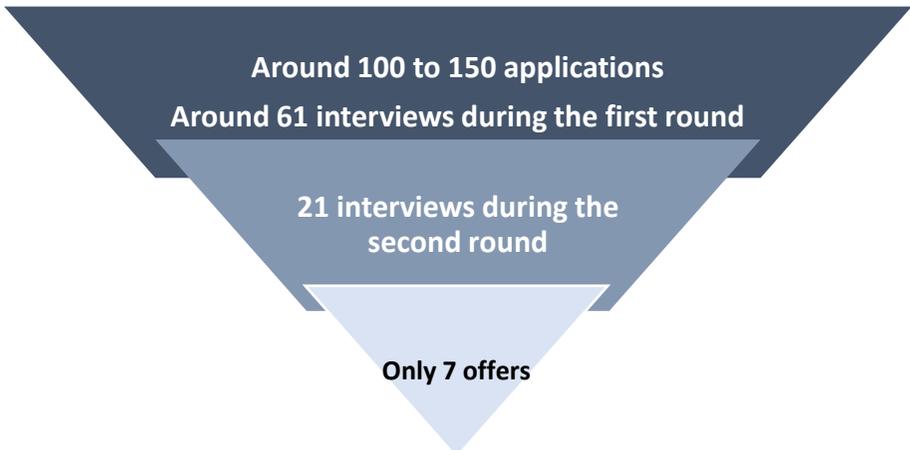
But keep in mind that different banks will have different internship structures. Some may assign you to a specific industry or product team, while others may put you in a more general pool.

Which option is right for you? It depends on your background and expectations. A pool may be the way to go if you don't want to specialize too early. However, you have a very specialized or industry-focused background. In that case, it may be worth leveraging your knowledge to land a spot in a specific team and demonstrate your value to them. After all, the ultimate goal is to win a full-time offer!

## 5.1 What is the Process Like?

Recruiting for a banking job can be a long and challenging process. You may feel overwhelmed by all the events and networking opportunities but don't give up hope. With diligence and effectiveness, you can increase your chances of success. All your preliminary work should aim to secure a one-round interview slot. However, remember that many banks receive hundreds of applications and can only interview a small fraction of candidates. Therefore, it's crucial to establish meaningful connections with the firms you're interested in. Impress bankers who can pass your name on to HR to improve your chances of being placed on the interview list. Additionally, some banks have a book of CVs sent to Associates and VPs, and only the candidates with the most ticks get interview calls. Be careful to make a good impression, as a bad one can prevent you from getting on the list.

The recruitment process for the major banks is highly competitive. It's a rigorous process designed to select the best candidates for the job. Here's a representative image to illustrate the steps involved:



## 5.2 IBD Summer Associate Life

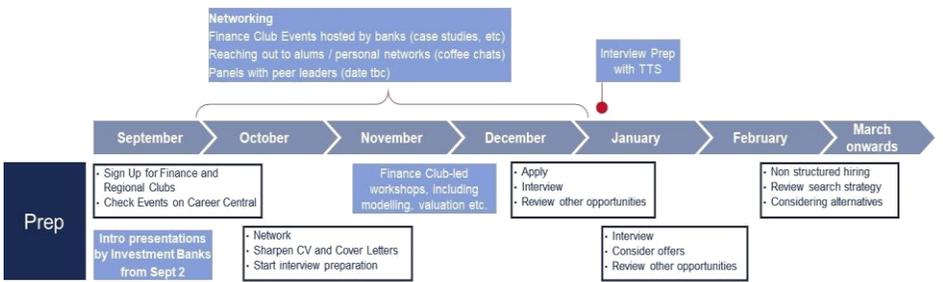
You must understand the expectations for an Associate before starting your Summer internship. You may be asked to articulate your understanding of this role during your interviews. As an Associate, you will be the second most junior member of the team, but not during the Summer. It is important to remember that the Analyst will still be calling the shots and driving the work. It is essential to win over the Analysts in the team and not be patronizing. As an Associate, you will be the project manager and analytical overseer for the team's daily work. You will be in charge of executing tasks given by senior colleagues.

When it comes to finding the best Associates, there are a few key qualities recruiters look out for. First, they need the right technical skills and knowledge to do the job. But beyond that, they should also be able to effectively mentor, lead, and coordinate other Analysts on the team.

Another important quality is business judgment. This is what sets top performers apart from the rest - that little bit of sparkle that makes them shine. They must make smart decisions quickly and confidently, even in high-pressure situations.

Last but not least, great Associates should also have strong commercial skills. This means effectively communicating with clients, understanding their needs, and providing solutions that meet them.

So, let's look at a rundown of what you can do from September to January:



## **September**

Consider your background; prospective employers are interested in learning why you want to work in banking and what makes you qualified. The story needs to be aligned with your CV and show the various milestones that led to where you are. How come in September? You will quickly realize that at every coffee interaction with bankers, you first need to focus on introducing yourself and explaining why you are interested in the banking industry. Make use of every conversation to hone your story more thoroughly.

Spend some time reviewing the CVs of other candidates who were successful. Doing this will help you gather some great inspiration of your own. Boost your confidence in landing the job by creating a strong CV that should include examples from your Summer Internship experience.

# **Fit Questions**

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## 7. Fit Questions

### STAR Method

To be sure that the stories you tell are all focused and told efficiently (remember thirty minutes isn't enough time to ramble!), you can use the STAR system:

- **S:** Describe the **SITUATION**
- **T:** Describe the **TASK**
- **A:** Describe the **ACTION**
- **R:** Describe the **RESULTS**

**Situation:** Describe the situation that you were in or the task that you needed to accomplish. You must describe a specific event or situation, not a generalized description of what you have done in the past. Be sure to give enough detail for the interviewer to understand. This situation can be from a previous job, volunteer experience, or a relevant event.

**Tasks:** What goal were you working towards?

**Action:** Describe the actions you took to address the situation with an appropriate amount of detail and keep the focus on YOU. What specific steps did you take, and what was your particular contribution? Be careful not to describe what the team or group did when discussing a project but what you did. Use the word "not " when describing actions.

**Result:** Describe the outcome of your actions, and don't be shy about taking credit for your behavior. How did the event end? What did you accomplish? What did you learn? Make sure your answer contains multiple positive results.

# **The Art of Networking**

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## **8. Networking**

### **8.1 The Art of Networking**

Networking is more of an art than a science; a big piece of it is finding your style. Are you assertive and great at pitching people on the phone? Then your best bet is cold emailing/calling insiders, briefly selling yourself, and then asking them for a few minutes to discuss their backgrounds and careers.

The key is figuring out the situation and approach where you are the most comfortable. Unfortunately, no book can make you an expert networker. You have to practice in the real world. That thought may make you want to poke your eyes out or become a hermit, but if you're going to improve, you have to get out there and practice with real people, preferably older or more senior professionals, because those are the people you want on your side.

#### **Pre-Networking Checklist**

- Knowing what you want and why you want it
- Tell me about yourself
- Why Investment Banking or why a boutique?
- Why Paris / London / New York / Dubai?
- Why XYZ company?
- Base-level technicals (basic accounting and valuation questions)

#### **Do's**

- Start as soon as you are feel are ready –the sooner, the better
- Ask thought-provoking questions that show you've done your research
- Try to have multiple phone calls per firm you are targeting
- Try to keep the conversation casual
- Try to be referred to others at the firm –but never force anyone to refer you (let the topic come up organically)
- Always thank the person for getting on the phone

## **Don't's**

- Start networking before you are prepared
- Reach out to multiple people at the same firm at the same time – people talk
- Follow up annoyingly often
- Be cocky
- Have mistakes in your email
- Treat the phone call as an interview (find a balance between professionalism and colloquialism)
- Keep the person on the phone for an excessively long time –since the tone and let them end the call when they need to

## **Why Networking is Important**

- For undergraduate or MBA from a non-core school, if you don't network, you're not getting a second look / first-round interview.
- Networking gets your name out there –when it comes time to select who gets an interview, HR will ask bankers who they recommend giving an interview –if you've networked and left a good impression, they'll say your name.
- Networking gives you tangible things to mention during interviews that others wouldn't know unless they had networked.
- Networking gives you the inside scoop on recruiting –some firms (esp. Boutique / Private Equity / Hedge Fund) don't even have online apps –the only way to get into the process is to network.
- Demonstrates your interest/passion for the firm
- You learn a lot about the industry from talking to people (especially senior people)
- And last but certainly not least, you get a sense of what the culture is like at the firm and can decide for yourself, whether you see yourself fitting in there.

8.

# Reading List

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## 10. Reading Lists

- Educating yourself is a must when preparing for private equity interviews. The following tips and reading list will help you further develop the mindset of an investor:
- Follow the markets on a regular basis and develop a clear point of view. Get a subscription to a respectable news resource like the Wall Street Journal or Financial Times.
- Keep up on current events that may be affecting the Private Equity industry and think about how these may affect the industry in the future. For example, if no successful IPOs have occurred in the last 6 months, then it is more than likely a bad time to attempt an IPO exit of a portfolio company.
- Read books on investing and on different private equity strategies and historical transactions. The most popular book regarding the private equity industry is “Barbarians at the Gate: The Fall of RJR Nabisco” by Bryan Burrough and John Helyar.

### **PE related books include:**

- Stephen A. Schwarzman - What It Takes: Lessons in the Pursuit of Excellence
- Prof. Talmor Eli, Prof. Florin Vasvari: Private Capital Volume I & II
- Zeisberger, Claudia; Pahl, Michael; White, Bowen – Mastering Private Equity

*The following reading list includes great books that will help you think more like an investor and become knowledgeable of past success stories (red books and recommended).*

## **Behavioural Finance/Psychology Reading**

Cialdini, Robert - Influence: The Psychology of Persuasion  
Claxton, Guy - Hare Brain, Tortoise Mind  
Gilovich & Belsky - Why Smart People Make Big Money Mistakes  
Gilovich, Thomas - How We Know What Isn't So  
Haugen, Robert - The Inefficient Stock Market  
Klarman, Seth - Margin of Safety: Risk-Averse Investing Strategies for the Thoughtful Investor  
Nofsiger, John - Investment Madness  
Plous, Scott - The Psychology and Judgment of Decision Making  
Pring, Martin - Investment Psychology Explained: Classic Strategies to Beat the Market  
Russo, J. - Decision Traps: 10 Barriers to Brilliant Decision Making  
Shefrin, Hersh - Beyond Greed and Fear  
Smith, Adam - The Money Game  
Tobias & McKay - Extraordinary Popular Delusions and the Madness of Crowds  
Whitman, Martin - The Aggressive Conservative Investor  
Wilson, Tim - Stranger To Ourselves: The Adaptive Unconscious  
Wright, Robert - The Moral Animal: Why We Are the Way We Are

## **Analysis/Strategy Reading**

Anson, Mark J.P. - The Handbook of Alternative Assets  
Arnold, Glen - Value Growth Investing  
Bernstein, Peter - Against the Gods: The Remarkable Story of Risk  
Bernstein, Peter - Capital Ideas: Improbable Origins of Modern Wall Street  
Bernstein, William - The Four Pillars of Investing: Lessons for Building a Winning Portfolio  
Carret, Philip - The Art of Speculation  
Christensen, Clayton - Innovator's Dilemma: When New Technologies Cause Failure  
Collins & Porras - Built to Last: Successful Habits of Visionary Companies  
Dreman, David - Contrarian Investment Strategies in the Next Generation  
Drobny, Steven - Inside the House of Money: Top Hedge Fund Traders on Profiting in the Global Markets  
Dubil, Robert - An Arbitrage Guide to Financial Markets  
Ellis, Charles - Winning the Loser's Game: Timeless Strategies for Successful Investing  
Einhorn, David - Fooling Some of the People All the Time: A Long Short Story  
Fabozzin & Asness - Short Selling: Strategies, Risks and Rewards  
Fisher, Philip - Common Stock and Uncommon Profits and Other Writings

## **Market**

Graham, Benjamin - Security Analysis  
Graham, Benjamin - The Intelligent Investor: The Definitive Book of Value Investing  
Greenblatt, Joel - You Can Be a Stock Market Genius: Uncover the Secret Hiding Places...  
Greenwald, Bruce - Value Investing: From Graham to Buffet and Beyond  
Gross, William - Bill Gross on Investing

Hagstrom, Robert - The Warren Buffett Way  
 Howard Marks: Mastering the Market Cycle: Getting the Odds on Your Side  
 L'Habitant, Francois - Serge Hedge Funds: Myths and Limits  
 Lynch, Peter- One Up On Wall Street  
 Malkiel, Burton - A Random Walk Down Wall Street  
 Moe, Michael - Finding the Next Starbucks: How to Identify in the Hot Stocks of Tomorrow  
 Mulford, Charles - Creative Cash Flow Reporting  
 Neff, John - John Neff on Investing  
 Nicholas, Joseph Market - Neutral Investing: Long/Short Hedge Fund Strategies  
 O'Glove, Thornton - Quality of Earnings  
 O'Neill, William - How to Make Money Selling Stocks Short  
 Porter, Michael - Competitive Advantage  
 Rogers, Jim - A Bull in China: Investing Profitably in the World's Greatest Market  
 Rogers, Jim - Hot Commodities: How Anyone Can Invest Profitably in the World's Best Market  
 Rosenberg, Hilary - The Vulture Investors  
 Schilit, Howard - Financial Shenanigans: How to Detect Accounting Gimmicks  
 Siegel, Jeremy - Stocks For the Long Run  
 Soros, George - Alchemy of Finance  
 Staley, Kathryn - The Art of Short Selling  
 Stefanini, Filippo - Investment Strategies of Hedge Funds  
 Stokes, Eric - Market-Neutral Investing

## **Historical/Biographical Reading**

Baruch, Bernard - Baruch: My Own Story  
 Bernstein, Peter - Against the Gods: The Remarkable Story of Risk  
 Biggs, Barton - Hedgehogging  
 Bogle, John - John Bogle On Investing: The First 50 Years  
 Brooks, John - Go-Go Years: Drama and Crashing Finale of Wall Street's Bullish 60s  
 Bruner, Robert - The Panic of 1907: Lessons Learned from the Market's Perfect Storm  
 Burton, Katherine - Hedge Hunters: Hedge Fund Masters on the Rewards, the Risk, and the Reckoning  
 Byrne, John - Chainsaw: The Notorious Career of Al Dunlap  
 Chancellor, Edward - Devil Take the Hindmost: A History of Financial Speculation  
 Cunningham, Lawrence - The Essays of Warren Buffett: Lessons for Corporate America  
 Ellis & Vertin - Classic II: Another Investor's Anthology  
 Garber, Peter - Famous First Bubbles  
 Giesst, Charles - Wall Street: A History  
 Gordon, John S. - The Great Game  
 Homer, Sidney - A History of Interest Rates, 4th Edition  
 Lefevre, Edwin - Reminiscences of a Stock Operator  
 Lowe, Janet Damn Right – Behind the Scenes with Berkshire Billionaire Charlie Munger  
 Lowenstein, Roger - Buffet: The Making of an American Capitalist  
 Mehrling, Perry - Fisher Black and the Revolutionary Idea of Finance  
 Middleton, Timothy - The Bond King: Investment Secrets from PIMCO's Bill Gross

Schwager, Jack - Market Wizards: Interviews with Top Traders  
Schwager, Jack - The New Market Wizards: Conversations with America's Top Traders  
Schwed, Fred - Where Are the Customers' Yachts?  
Soros, George - Soros on Soros: Staying Ahead of the Curve  
Steinhardt, Michael - No Bull: My Life In and Out of Markets  
Strachman, Daniel - Julian Robertson: A Tiger in the Land of Bulls and Bears  
Train, John - The New Money Masters

### **Economics Reading**

Baumohl, Benjamin - The Secrets of Economic Indicators: Hidden Clues to Future Economic Trends and Investment Opportunities  
Friedman, Milton - Capitalism and Freedom

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