



Market Update

September 25, 2014

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Headlines

- **U.S. Issues New Rules to Combat Tax Inversions**
- The new rules are intended to make inversions more difficult to execute and less profitable. Specific blocked “tactics” are:
- **More difficult for US companies to legally “invert”**
 - **Before:** A US company acquires a foreign company and “relocates” its headquarters to that foreign country, and the company is now treated as a foreign corporation for tax purposes
 - **After:** If the initial shareholders own more than 80% of the foreign parent’s stock, then the new foreign parent corporation will still be treated as a US corporation for tax purposes
- **Hopscotching**
 - **Before:** US multinational companies avoided taxes on the earnings of its foreign subsidiaries by “loaning” their earnings to a foreign parent instead of the US parent
 - **After:** These “hopscotch” loans are now taxable as dividends

Headlines

■ Decontrolling

- **Before:** US multinational companies permanently avoided taxes on the deferred earnings of their foreign subsidiaries by having the new foreign parent buy enough stock of the subsidiary to take control of the subsidiary away from the former US parent
- **After:** Despite the selling of the subsidiary's stock, the US tax code will now treat the US multinational as continuing to own all of the transferred stock within 10 years after the inversion

■ This may impact a number of pending acquisitions where a tax inversion may have part of the economics of the deal

- AbbVie's \$54 billion acquisition of Shire (U.K.)
- Medtronic's \$42.9 billion acquisition of Covidien (Ireland)
- Burger King's \$12.8 billion acquisition of Tim Hortons (Canada)
- Mylan's \$5.3 billion acquisition of Abbott Laboratories (Netherlands)
- Salix Pharmaceutical's \$2.68 billion acquisition of Cosmos (Ireland)
- Chiquita Brand's \$1.07 billion merger with Fyffes (Ireland)

Market of the Week: Copper (FXCM: Copper)

Copper down almost 4% in last week on news of Chinese Industrial Production slowdown.



Company of the Week: Alibaba Group: (BABA)



■ Alibaba IPO at \$68 per Share

- Debuted last Friday
- IPO valued at \$25 Billion (Largest Ever), Market Cap over \$200 Billion

■ First Day Price Surge and Outlook

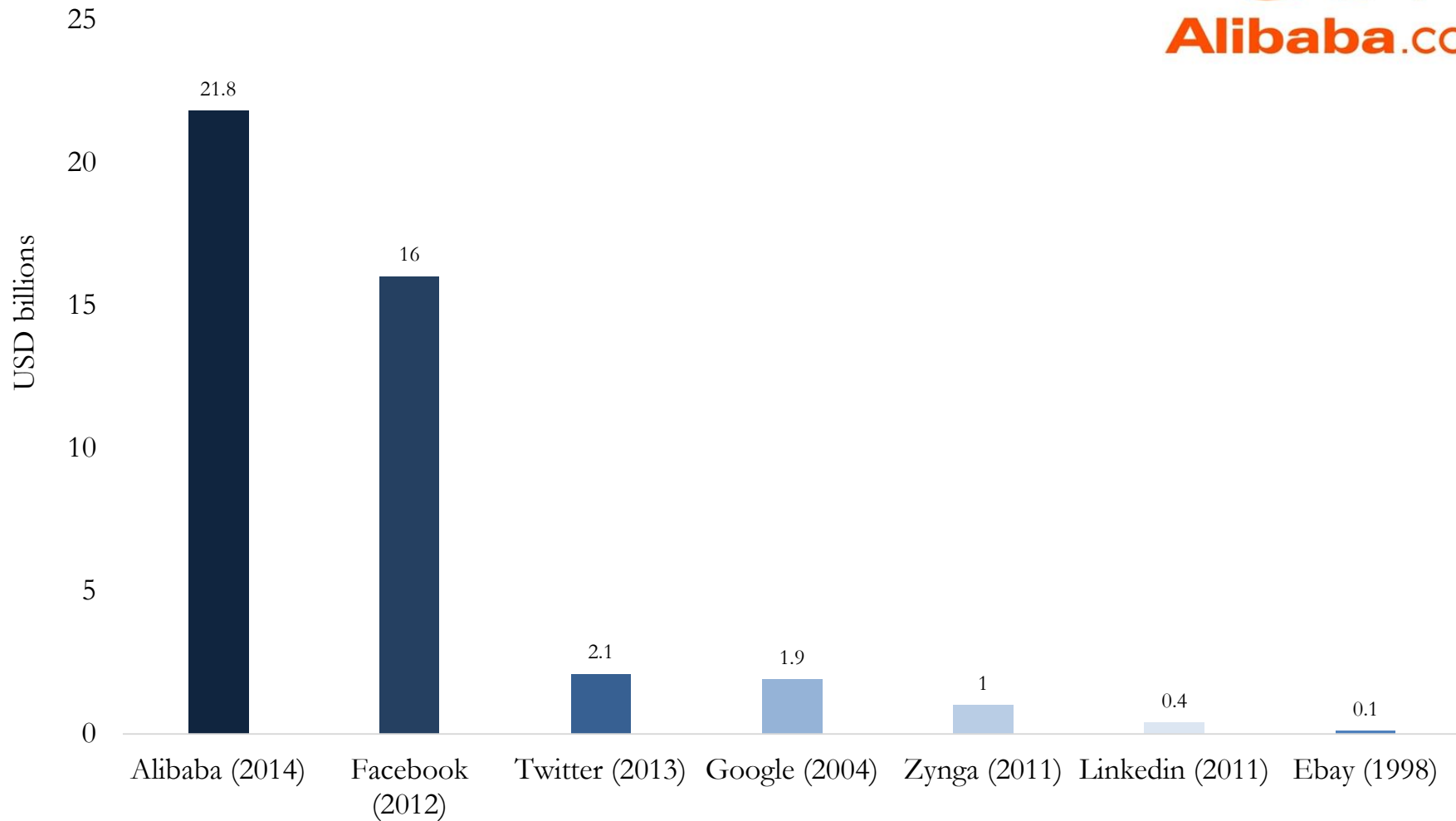
- Finished the day at \$92.70, over 35% jump from initial price
- Jack Ma insists focus will be on growing Chinese Market
- War Chest gives it edge over rivals, provides expansion and acquisition opportunities.

■ Some Win, Some Lose

- Yahoo Inc. shares decline post Alibaba IPO
- “There’s no other reason the stock did well other than Yahoo owned a big slug of Alibaba” – Daniel Niles, AlphaOne Capital Partners (WSJ)

Company of the Week: Alibaba Group: (BABA)

Tech IPOs



Upcoming Events

- October 2nd – Barclays: Investment Banking Panel
- October 9th – Evercore: Life of an Analyst
- October 16th – BlackRock: Asset Management Overview
- October 23rd – Blackstone: Strategic Partners
- **Reminder: Senior Mentorship Program**
 - Applications Due: This Friday, September 26th at 1 PM
 - bit.ly/seniormp

RESUME & INTERVIEW PREP





Resume & Interview Prep

September 25, 2014

Things to Think About

- Basic part of any application, probably the first thing you should refine in your job/internship search
- Besides meeting people and networking, probably the most important part of an application
- 30 seconds – first impressions and formatting matters
 - poor formatting, unorthodox layout, a typo, a grammatical error, etc.
 - Generally conservative cultural and professional heritage
 - Having a clean and "industry standard" resume also communicates that you "get it" and have done the proper legwork and preparation

In a Resume

- Header
- Personal information
- Education
- Work Experience
- Leadership Experience
- Skills (I don't include)
- Interests
 - Stand out, be different
- Miscellaneous (Other Activities)
- High school experience?

Every bullet = fair game

- Great starting point: Mergers and Inquisitions resume⁽¹⁾

[Name]
[Physical Address]
[Phone Number] | [Email Address]

EDUCATION

[University Name] [City], [State/Country]
Bachelor of [Arts/Science] in [Major] Expected [Graduation Date]
• **GPA:** [xx] / 4.0; SAT: [xx] [If you're outside the US, list grades under your system here instead]
• **Honors:** [xx]
• **Relevant Coursework:** [Economics / Accounting / Finance classes, anything business-related]

WORK & LEADERSHIP EXPERIENCE

[Company Name] [City], [State/Country]
[Position Title], [Group Name] [Start Date] – [End Date]
• [Summary sentence stating what you did and the overall results of your work]
• Selected [Client / Project / Transaction] Experience:

- [Project #1]
 - [Led team to do xx, which resulted in more efficiency / time or money saved / higher sales]
- [Project #2]
 - [Analyzed xx and concluded that key factor was xx, which made project viable / not viable; resulted in company proceeding with project]
- [Project #3]
 - [Created xx new method for doing xx; led to increased efficiency / sales]

[Company Name] [City], [State/Country]
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• [Summary sentence stating what you did and the overall results of your work]
• [Led team's efforts to do xx by creating/managing xx; resulted in increased sales / profits / cost savings]
• [Analyzed options available for xx and recommended xx based on time and resource considerations; implementation led to successful marketing of xx]
• [Developed strategy for marketing to new prospective clients / fund-raising / promoting brand; resulted in increased awareness / capital commitments]

[Student Club Name] [City], [State/Country]
[Position Title] [Start Date] – [End Date]
• [Summary sentence stating what you did and the overall results of your work]
• [Recruited over xx members to club with promotional campaign]
• [Organized conferences, speaker events and community events]

SKILLS, ACTIVITIES & INTERESTS

Languages: Fluent in [xx]; Conversational Proficiency in [xx]
Technical Skills: [List any programming languages – **not** MS Office/Excel]
Certifications & Training: [Any extra courses or programs relevant to finance]
Activities: [Student Clubs, Volunteer Work, Independent Activities]
Interests: [Keep this to 1-2 lines and be specific; do **not** go overboard]

Common Mistakes

- Not being specific enough
- Not focusing on results
- Attention to detail + results

“Compiled information about acquisitions”

- Not being specific enough
 - What acquisitions?
 - What information?
 - Attention to detail

“Researched acquisition targets in the construction and home-building industries”

- Better
 - Numbers
- What criteria?
- Results?

Example (cont.)

“Researched over 100 acquisition targets in the construction and home-building industries and narrowed list down to 10 companies using financial criteria such as revenue growth and EBITDA margins”

- Results?

*“Researched over 100 acquisition targets in the construction and home-building industries and narrowed list down to 10 companies using financial criteria such as revenue growth and EBITDA margins; **resulted in private equity firm conducting additional due diligence on 3 companies**”*

- Can't use this format for everything, but it's good to think about how you could add numbers, results, details in each bullet
- Ensure your points are defensible – don't BS

Example (cont.)

Susan Perry, RN, MS
9000 Derby Lane, Richmond, VA
(515) 519-5154 sueperry@hotmail.com

Compassionate registered nurse dedicated to patient safety and exceptional care.

**HR gives a 10-20 second look. Would you read all of this? **

QUALIFICATIONS

- ◆ Team oriented with ability to work in multi-disciplinary, high reliability organizations.
- ◆ Experienced working with Clinical Nurse Specialists developing accredited training modules to meet Joint Commission patient safety standards and accreditation requirements.
- ◆ Able to assess and evaluate needs of clients into attainable and measurable outcomes.
- ◆ Critical thinker with experience in appropriate delegation of tasks to available staff.
- ◆ Excellent verbal and written communication skills and a creative problem solver.
- ◆ Exemplary organizational skills and experienced team leader dedicated to quality improvement.
- ◆ Skillful at building client rapport and utilizing listening skills in an acute care clinical setting.
- ◆ Proficient in translating evidence base research into practice in an acute care setting.
- ◆ 8 years experience of direct counseling services to families experiencing grief related trauma.
- ◆ Skilled in computerized documentation, assessment and medication administration.
- ◆ Knowledgeable regarding cost containment and budget reconciliation.
- ◆ Highly engaged skilled trainer with over 3,500 hours providing education to health care professionals, communities, families, and clients on a range of preventive medicine topics.

EDUCATION and HONORS

Frederick Community College, Frederick, Maryland, December 2009

Associate Degree in Nursing

Elected Student Faculty Liaison for evening/weekend option

Robin L. Herring Memorial Scholarship

Frederick Community College Alumni Association Grant

Clinical Training:

Carroll Hospital, Westminster, MD (Acute Care) – Fundamentals, OR, PACU

Frederick Memorial Hospital, Frederick, MD – ICU, MEDSURG I, II, III, BHU, OB/GYN, TELE, ED

Shady Grove Adventist Hospital, Shady Grove, MD- Pediatrics, PICU, NICU, Pediatric ED

Lorion, Frederick, MD (Long term facility) - Tracheotomy and ventilator care

University of Maryland Baltimore County, Baltimore, Maryland, May 2002

Master of Science, Emergency Health Services, Preventive Medicine and Epidemiology

Shriver Peace Worker Fellow, Shriver Center, University of Maryland, Baltimore County

State University of New York at Stony Brook, Stony Brook, New York, May 1995

Dual Degree, Bachelor of Sciences in English/ Biochemistry

Dean's list, Fall 1991, Spring 1992, Spring 1993, Golden Key National Honor Society Spring 1994

Volunteer at Stony Brook Hospital (320 hours in a variety of departments)

United States Peace Corp Training

Technical training 200 Hours, Public health focus, language and cultural competence, June 1997

[Name]
[Physical Address]
[Phone Number] | [Email Address]

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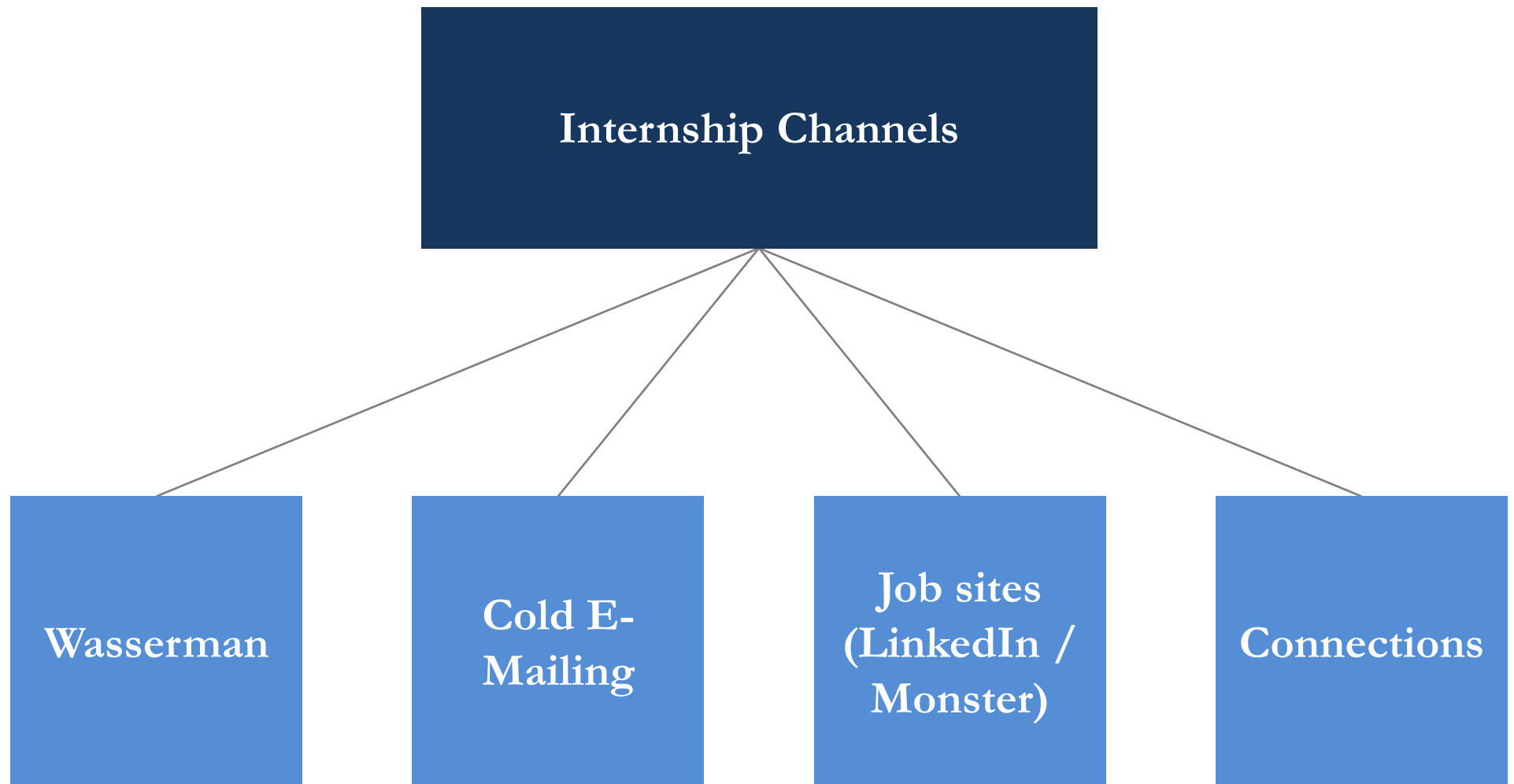
Interests: [Keep this to 1-2 lines and be specific; do **not** go overboard]

Formatting

- The people you are sending this to, especially in IB, do this for a living
- Don't...
 - Italicize text incorrectly
 - Space unevenly between lines
 - Spell incorrectly
- Single page PDF **only!**
 - Make your font or margins smaller; generally go with smaller font
- Reverse Chronological Order or Order of Importance
- Choose a professional looking font: **Garamond** or **Book Antiqua**
- Edit and re-edit (i.e., have many people read your resume)

The Internship Search

Finding an Internship



- Apply to each and every posting you find marginally relevant
 - Don't expect responses from everyone
- Search either for:
 - (1) firms (e.g., Goldman Sachs, Morgan Stanley), or
 - (2) industries (e.g., investment banking, private equity, hedge funds, asset management, etc.)
- Wasserman becomes especially relevant for Junior / Senior year On-Campus Recruiting (OCR)

E-Mail Formats

- Let's pretend we are attempting to contact Lloyd Craig Blankfein at Goldman Sachs
 - Lloyd.Blankfein@gs.com
 - LBlankfein@gs.com
 - LloydB@gs.com
 - Lloyd.C.Blankfein@gs.com

- As it turns out, the GS E-Mail format is **First.Last@gs.com**
 - As is with 99.9% of places you will want to reach out to

E-Mail Formats (cont.)

- **Credit Suisse:** First.Last@credit-suisse.com
- **Bank of America:** First.Last@baml.com
- **Barclays:** First.Last@barclays.com
- **Blackstone:** First.Last@blackstone.com
- **Citi:** First.Last@citi.com
- **Deutsche Bank:** First.Last@db.com
- **Evercore:** First.Last@evercore.com
- **Goldman Sachs:** First.Last@gs.com
- **Greenhill:** First.Last@greenhill.com
- **JP Morgan:** First.M.Last@jpmorgan.com⁽¹⁾
- **Lion Tree:** FLast@liontree.com
- **UBS:** First.Last@ubs.com
- **Qatalyst:** First.Last@qatalyst.com

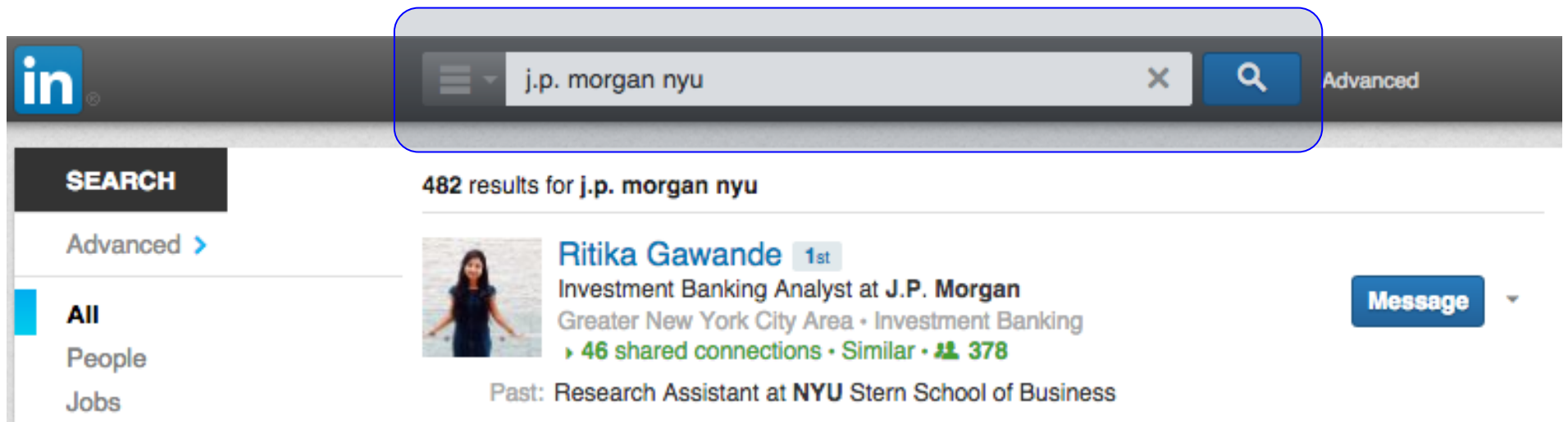
LinkedIn

- An **amazing** tool to find current students and alumni to aid in the internship search process
- **Find where students have interned, and e-mail those places!**
- Can't find any employees on the Company's website?
 - Search on LinkedIn!



LinkedIn (cont.)

- Let's say I don't know where to intern this summer, and I don't know where to start...
- Search: *Company* + *NYU* to find recent alumni



The screenshot shows the LinkedIn search interface. The search bar at the top contains the text "j.p. morgan nyu" and is highlighted with a blue border. Below the search bar, the results are displayed for "482 results for j.p. morgan nyu". The first result is for Ritika Gawande, an Investment Banking Analyst at J.P. Morgan in the Greater New York City Area. Her profile includes a photo, a "1st" badge, and a "Message" button. Below her current role, it lists "Past: Research Assistant at NYU Stern School of Business". The left sidebar shows the "SEARCH" section with "Advanced" and "All" options, and "People" and "Jobs" filters.

LinkedIn (cont.)

- Look at where people you think are successful have interned in the past
 - Chances are, you can cold e-mail these firms for a summer internship

Background



Experience

Investment Banking Analyst

J.P. Morgan

2014 – Present (less than a year) | Greater New York City Area

Healthcare Group

J.P.Morgan

Investment Banking Summer Analyst

J.P. Morgan

June 2013 – August 2013 (3 months) | Greater New York City Area

J.P.Morgan

Investment Banking Intern – M&A

Marlin & Associates

September 2012 – January 2013 (5 months)

Connections

- Can function in one of two ways:
 - 1. Alumni / club members / friends put you in touch with someone
 - 2. Family effectively gives you an interview / job – **don't mess up!**
- Don't be afraid to embrace connections – everyone else is and any leg up helps in the process
 - However, sometimes if an internship is too good to get without a connection it may backfire, and interviewers will know

Quick Tips

- Apply to as many jobs as possible – you can't be picky until you have an offer
- Check for alumni on company websites to serve as an icebreaker for cold e-mails
- Look to Seniors / Juniors and ask where they interned
- Check Wasserman regularly (preferably daily)
- Make sure your resume and cover letter don't have any mistakes
- HR almost never has a say in the recruiting process – but will open up doors if you don't have any
- Junior employees (i.e., analysts / associates) are the ones who pull resumes, so befriend Seniors who will be graduating soon
- Join clubs to gain easy access to alumni

- **Always keep looking!**

Getting the Interview

The E-Mail

- Professional Emails are meant to be short
 - Get to the point
 - One Blackberry screen
- Structure
 - Introduce yourself
 - If you have met them before, reference the event
 - Ask a question or ask to discuss a specific topic
 - Ask the professional if they would have time to discuss it further
 - Leave open ended or ask for specific method
 - Phone call
 - Coffee chat
- End the email professionally

The Call

- Be Prepared
 - Learn about the firm in advance
 - How they structure the groups
 - Unique firm-specific factors
- Make sure you have a few questions prepared
 - Avoid awkward silence
 - Typical call ~15 minutes
- Allow the other person to get to know you as well
 - Don't let the professional dominate the entire call
- Make sure to follow up and keep the connection

Interview Questions

Fit Questions

- No “correct” answers; just proper ways to answer depending on your background and interests
- 2 common mistakes:
 - Fail to use **specific** examples
 - Fail to **structure** answers properly
- Structure:
 - Start with a **main idea** and support it with **anecdotes**
 - Avoid jumping around from point to point
 - Should take no longer than 1 minute (with the exception of “walk me through your resume” and “tell me about yourself”)
 - Concise and conversational in tone

Tell Me About Yourself

- First impression; **not** a life story
 - Aim for about 2 minutes
- Be chronological
- What to mention:
 - Area of study
 - Why you're interested in a specific field
 - Previous work experience
- What **not** to do:
 - Hesitate
 - Talk about irrelevant facts
- The goal is to convey that you've prepared for the interview, and that you have a genuine interest in the field

Strengths

- Different forms of the same question:
 - Straight forward
 - “What are 3 words your best friend would use to describe you?”
- Idea is to indicate that you are:
 - Hardworking
 - Team player
 - Efficient
- Make sure to include **examples** that support your claims

Weaknesses

- Different forms of the same question:
 - Straight forward
 - “What are some areas your team from your latest internship said you could improve in?”
- Make sure to give **actual** weaknesses
 - **Not** “working too hard”
 - Mention how you’ve worked to **improve**
 - Weakness **can’t be** a dealbreaker

Technical Questions

- Unlike fit, there is a **correct** answer
- Interviewers aren't just looking for solution
 - Make sure you can **think** through the process and **articulate** it
 - Don't just spit out the correct answer, as that makes it seem like you memorized it
- If you don't know the correct answer
 - **Don't panic**
 - Try to think through it
 - Maintain composure, as that shows the employer that you respond well under pressure

Accounting

- How would depreciation increasing by \$10 affect the 3 financial statements?
- Income Statement:
 - Operating Income down by \$10
 - Net Income down by \$6, assuming 40% tax rate
- Cash Flow Statement:
 - Net Income down by \$6, but \$10 depreciation added back
 - Cash from operations up by \$4
 - No changes in cash from investing or financing
- Balance Sheet:
 - Assets: PP&E down by \$10, Cash up by \$4; Net: down by \$6
 - Liabilities & SE: Retained earnings (SE) down by \$6

Valuation

- Walk me through a DCF
- *“A DCF values a company based on the present value of its cash flows and the present value of its terminal value. First you **project** out a company’s financials using assumptions for revenue growth, expenses, and working capital; then you get down to free cash flow each year, which you then sum up and discount to a **net present value**, based on your discount rate – usually the **weighted average cost of capital**. Once you have the present value of the cash flows, you determine the company’s terminal value, using either the **multiples method** or the **Gordon growth method**, and then also discount that back to its **net present value** using **WACC**. Finally, you add the two together to determine the company’s **enterprise value**.”*