

Let's Talk Business

For Ted Rogers Students

These reports describe industry sectors and career paths of interest to Ted Rogers students and Alumni. Each report leverages BCH employment data and the expertise of our staff. This collaborative effort engages staff, students, alumni and the University Business Librarian.

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A Guide to Understanding Capital Markets

Capital markets, a significant part of the financial system, is the area that raises public capital funds through a diverse group of markets. These markets facilitate the exchange of financial instruments.

Capital markets are meant to raise long-term funds for governments, banks, and private/public corporations and also act as a vehicle for trading securities. Therefore, it connects users of capitals to lenders of capitals (e.g. buyers and sellers) allowing them to trade financial securities such as equities (stocks), debt instruments (bonds) and other long-term investments.¹

Types of Capital Markets²

Primary Markets	Secondary Markets
Securities are created in this market. Also, shares, debentures and other securities are sold for the first time by different firms. This is done to collect long-term capital.	Securities are transacted through buying and selling in this market. Some examples of secondary markets include the Toronto Stock Exchange, New York Stock Exchange, etc.

BCH's Capital Markets Prep Program

This three-day program is hands-on, and facilitated by industry leaders in the field. Exclusive to Ted Rogers students, you have the opportunity to learn about the industry, gain exposure to technical interviewing, network with alumni and recruiters, and become better prepared to enter this industry. Our Prep Program showcases and involves leading organizations like BMO Capital Markets, DBRS Morningstar, OMERS, TD, RBC, and Slate Asset Management.

BMO  **Capital Markets**

OMERS

MORNINGSTAR | **DBRS**

TD **Bank**

 **RBC**
Royal Bank

SLATE

Skills of Interest to Hiring Managers³



Advanced Knowledge of
Financial Statements

Bloomberg

Bloomberg



Technical Proficiency in
Microsoft Excel and PowerPoint



Communication and Leadership



Financial Modeling

Areas of Focus⁴

Knowing the differences between the buy-side and the sell-side is crucial when discussing investment banking. These two elements provide a complete picture of the financial market, and both are essential to one another.

Buy-Side	<p>Investors on the buy-side deploy capital in their clientele's name for money management purposes.</p> <p>Buy-side analysts evaluate and recommend investments to their client. They conduct research on companies and the economic environment.</p> <p>Areas of Specialization: Traditional private equity, hedge funds, asset management, pension funds, real estate investment trusts (REITs).</p>
Sell-Side	<p>Sell-side firms sell securities or services such as brokering/dealing, investment banking, advisory and investment research.</p> <p>Sell-side analysts give buy/sell/hold recommendations; their reports are publicly available. In comparison, buy-side recommendations are private, i.e. for the client.</p> <p>Areas of Specialization: investment banking, sales and trading, equity research, risk management, operations</p>

Segments in Financial Services⁵

Front Office

The primary function of the 'front office' is to generate revenue for the bank or financial institution and maximize profit for their clients. 'Front office' roles are client-facing roles, and fall into two areas: a) creating products for clients and b) trading.

Most roles listed below make the trades themselves and support clients as they buy, merge or sell or provide advice and services, when it comes to financing and restructuring. However, researchers investigate potential markets and investment opportunities for clients to inform pitches and asset management.

Key players in the 'front office' include:



Brokers



Asset Managers



Sales Professionals



Researchers

Characteristics of the Front Office

The 'front office' is a demanding job, but provides opportunities to make important decisions in short time-frames. These roles generally have the highest salaries in investment banking!

Middle Office

Depending on the institution, the 'middle office' usually consists of risk management, research and compliance departments, and some elements of technology. It is known as the business division that directly supports the 'front office'.

The goal of the 'middle office' is to ensure that the investment bank does not engage in certain activities that could be detrimental to the bank's overall health as a firm. They also support the 'front office' in raising capital to ensure that the company is not taking on too much risk in underwriting certain securities.

Characteristics of the Middle Office

Responsible for making sure the Bank does not breach regulations and put its financial position and reputation at stake.

Challenges: The 'middle office' needs to convince the front office not to get carried away with risky investments, while at the same time, allow room to make profitable decisions.

Back Office

'Back office/operations' is an essential aspect of any firm in the capital market space. Operations ensure that the day-to-day activities of the firm can be completed efficiently.

There is an industry-wide initiative currently taking place, to improve and innovate 'back office' duties, and many firms are looking to implement new processes and technologies to gain a competitive edge. Although the 'back office' is typically out of sight, it is absolutely crucial in maintaining efficient, liquid capital markets.

Characteristics of the Back Office

More standard office hours compared to the 'front office'. 'Back office' can be an international dynamic, as multinational investment banks often unite their operations teams across the globe to get tasks done and solve problems. There are still essential deadlines to meet, though not as intense as in the 'front office'.

Join a Student Group at TRSM

Ted Rogers Investment Council (TRIC)

The [Ted Rogers Investment Council](#) (TRIC) is a student-run organization that teaches students about financial markets, value investing and careers in the finance industry. The team consists of 30 students who manage a \$1,000,000 virtual portfolio and focus on outperforming the market, while managing risk. Weekly meetings allow the team to discuss financial news, market trends and present investment ideas. TRIC also offers members exclusive networking events, seminars with industry professionals and renowned financial modeling and valuation courses.



Ted Rogers Finance Society (TRFS)

Founded in 2003, [Ted Rogers Finance Society](#) (TRFS) is the premier campus resource for finance students. Within TRFS, they believe that in order to reach your potential you must know how to be a business leader. This life lesson is not just taught in a classroom, which is why TRFS challenges students to participate in their initiatives. Their members organize events that create opportunities for like-minded students to exchange ideas and information with industry professionals.




Your Roadmap to a Career in Capital Markets⁶



First Year

- Take your classes seriously, as this is the year where your grades are most prone to fall. One bad semester takes significant time to improve.
- Get involved with student groups that align with your career goals (e.g. [TRFS](#), [TRIC](#)).
- Apply for [Co-op](#) if you are in a program that applies at the end of your first year. Alternatively, obtaining a summer internship at this time is great, but not mandatory.



Second Year

- Be curious about independent learning (ie. online courses, podcasts, articles). Register for BCH's Prep Program in Capital Markets.
- Start competing in case competitions, as they develop relevant skills and expose you to common business cases that you may encounter in industry.
- Apply for [Co-op](#) if you are in a program that applies at the end of your second year.
- It may be difficult to get your first role, so make sure to network and dedicate time to apply for different positions.
- First internship should aim for any area of finance.



Third Year

- Should be aiming to take higher leadership roles in student groups.
- Continuing to expand and nurture your network.
- Second internship should aim for any area of Capital Markets.
- Interview prep should be second nature (e.g. vault guides, Mergers & Inquisitions, 400 questions).



Fourth Year

- For Co-op students: aim for your last internship (fifth year) to be an area of Capital Markets that you prefer (i.e. Investment Banking, Sales and Trading, Private Equity).
- For Non-Co-op students: begin voluminously applying for your full-time grad position.



Fifth Year/ Master Degree

- If you are a Co-op student, you will need to come back school for a Fall semester.
- A Master degree is a valuable tool to use in further developing internship experience. In addition, you can learn more and expand your network!
- The goal is to secure a full-time role that you are happy with, note that opportunities present themselves all the time and you will most likely switch careers at some point.

Meet a Ted Rogers Co-op Student



Global Markets
Summer Analyst at
RBC Capital Markets

JUSTIN PHAM



My "day-to-day" tasks include assisting traders on the desk with balancing our market position (by returning X number of stocks on loan/borrow side), running inventory reports that helping the team decide on trades to take for the day. Other tasks include looking for ways to improve efficiency and directing operations with the instruction of traders on the desk.

The technical skills I mainly use within my role include Microsoft Excel and using the native trading software. Excel is the main tool I use for calculations, data management, and other various neat things. Financial Modeling was probably, by far, the most useful course, as it improved my Excel skills with the sheer amount of modeling.

Ace This Case: Capital Markets

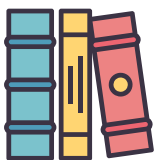
[Ace This Case](#) is a series of workshops intentionally designed to provide Ted Rogers students and alumni with the knowledge and skill set to excel in cutting cases during case interviews!

Our newest series was launched in Winter 2022, focused on preparing you for the various technical aspects of the Capital Markets industry. Our student facilitated workshops aim to introduce capital markets and the various interview types, core technical skills, and how to build a stock pitch.

Follow us on [Instagram](#) for dates of our next program offering!



Want to Learn More for Free?



Wall Street Prep

[Courses and bootcamps to help students prepare for corporate finance jobs](#)



Vault Guides

[Career guides on what it takes to get a job in your field](#)



Corporate Finance Institute

[Accredited provider of online finance courses and certifications](#)



Sell Side Handbook

[Publication with career guides, interview prep, and industry primers](#)



Investopedia

[Provides investment dictionaries, advice, reviews, ratings, and more](#)

Visit the Business Career Hub

Employer Events

The BCH hosts several employer events to prepare you for your professional career. Refer to your weekly 'BCH Careers Newsletter' for a list of upcoming events.

Bootcamps/Prep Programs

Advance your technical and soft skills, earn digital badges, and gain an advantage in today's workforce through bootcamps. [Click here to register for current bootcamps.](#)

Coaching & Mock Interview

For career coaching, interview prep and more, [schedule a 1:1 appointment](#) with a Career Consultant or a Co-op Coordinator.



Career Consultant Contributor Tanya Maden-Skydan

Tanya is a Manager of Strategic Partnerships at the Business Career Hub, supporting the Ted Rogers Co-op program. She has previously contributed to another report titled [Let's Talk Business - Financial Analyst.](#)



Student Contributor Myuri Mohan

Myuri is a 3rd-year Law and Business Co-op and an Events Operation Coordinator at the Business Career Hub. She is a member of the Ted Rogers Students' Society, and the Lead for the BCH Student Ambassador team. She is passionate about academia.



Student Contributor Bushra Mohamud

Bushra is a 3rd-year Marketing Management Co-op student working as a Project Coordinator at the Business Career Hub.

Data Sources

1-2. <https://www.investopedia.com/terms/c/capitalmarkets.asp>

3-6. Capital Markets Prep Program Guide 2022

4. <https://corporatefinanceinstitute.com/resources/careers/jobs/buy-side-vs-sell-side/>

5. <https://www.indeed.com/career-advice/finding-a-job/front-office-vs-middle-office-vs-back-office-investment-banking>