

M&T Fellowship Report: Summer Internship at Mumbai  
Zheyuan Liu

Overstatement is not my forte, but this summer, thanks deeply to M&T's alum connection and the extremely generous Fellowship Award, has given me a chance to seriously consider a career path that I have so stubbornly ignored and, furthermore, even made me convinced of the superior opportunity it offers. During the 10 weeks from June to August, I interned at India's first licensed alternative asset management fund, *Forefront Capital Management*, which was founded in 2009 by three legendary M&T alums. Forefront, based in Mumbai, is an Indian-focused boutique portfolio manager that specializes in fundamental-driven quantitative equity and commodity investment. The firm has had a decently long history already and has grown substantially in AUM. However, it still has fewer than 20 employees in total, including the investment team and the business development team. Given its non-trivial AUM, it is not hard to tell that each employee is given significant responsibilities, including the interns. At Forefront, my fellow interns and I were placed under the Asian Special Situation (commonly known as event-driven strategy) fund and entrusted with the responsibility of quantitative research into corporate event arbitrage opportunities within the Pan-Asian emerging markets. Overall, this journey into investment finance and Mumbai simultaneously has been eye-opening, enlightening, and most of all a lot of fun. I do not wish to convey the full picture with a few hundred words, so I will focus on what may be useful for the young, aspiring underclassmen.

I have never thought of pursuing anything related to finance simply because I did not enjoy the IB vibe that pervades the campus. I understood the financial system well enough to know that different financial bodies and market participants play different roles, but still, pursuing finance was a "no", even the buy-side. Instead, I always thought I would end up doing something tech-related on my own, hopefully something big. As a result, for my sophomore summer, I only interviewed with tech start-ups, except Forefront. When I saw Forefront's quantitative research intern position in an M&T OCR email, I decided to apply because it was an internship in India, a country I have never been! My philosophy for life is to experience everything, especially different, unique opportunities. Certainly, I experienced the different aspects of India. Along with my fellow interns, I toured Dharavi (biggest slum in India), rode in rickshaws, got "drowned" in the Mumbai monsoon, got ripped-off multiple times, watched a Bollywood movie of which I did not understand a single word, and also enjoyed the luxurious lifestyle by staying at Grand Hyatt, which was a much needed break from our tiny hostel. My 10-week stay at Mumbai has been decently eventful considering we worked 6 days a week.

Meanwhile, the internship has been truly "eventful", as well. As mentioned before, this year's interns were all placed under the Asian Special Situation fund with the goal to identify arbitrage or simple equity investment opportunities induced by corporate events, with mergers being the most cited example. In my humble opinion, an event-driven strategy is an extremely suitable point of entry into quantitative equity research and has helped me gain a basic understanding about what it takes to be a fund manager. More specifically, in order to be a successful event-driven fund manager, the full spectrum of skills is required, ranging from the most qualitative such as a thorough understanding of regulations and economics to the most quantitative such as mathematical or computational modeling capabilities. With limited time and experience, I unfortunately only scratched the surface during my internship despite the fact that the interns read over 100 academic papers on event-driven arbitrage. However, the mindset I picked up from analyzing over 6 different corporate events, although hard to put into words, is what I consider to be the most valuable thing I learned from the internship. Aside from the research project, our supervisor Nalin Moniz, the fund founder and an M&T alum, would occasionally invite us to live deal analyses, where the fast pace, stress, and excitement were unparalleled. He also conducted lecture series on different investment-related finance topics,

including portfolio statistics and fixed income, to help us understand the bigger picture of which we are a part.

A fund is essentially a product, and it takes just as much if not more to manage a pool of investors' money as to manage a company. A fund manager needs to worry about the same issues that concern start-up founders, such as product differentiation, and needs to oversee the same operations, such as sales, marketing, and client relations. Moreover, without any detailed analysis, it suffices to say that, in China, where I would like to settle for my career eventually, the financial environment in the next 5 to 10 years offers a brighter prospect than the fast-changing conditions for tech start-ups. Certainly, what I am offering here is nothing more than a simplified statement of my perspectives. These perspectives, combined with a genuine interest in the money business and a taste for competitions, gave me this thought that the buy-side finance in the foreseeable future may not be an unacceptable career choice anymore.

What we become in the future very often depends on what we were in the past. Without this internship, I would by no means have the same preferences and considerations for my future. We should choose what we would like to experience now wisely but bravely because everything is, to some degree, life-changing.