Growing interest in career in alternative investments

By WONG WEI HAN

A GROWING number of students and graduates at Nanyang Technological University (NTU) are setting their sights on the lucrative field of alternative investments as a career choice.

They are being lured to private equity firms, hedge funds and the like by the industry’s growth opportunities and handsome remuneration.

But at least some industry insiders worry that students are not properly prepared by their courses for the realities of working at these firms.

The growing level of interest was apparent at the Alternative Investments Symposium organised by the Nanyang Business School (NBS) earlier this month, which saw some 200 participants, including students and alumni.

One of them, Mr Sun Liyang, a 22-year-old double major in finance and accountancy, told The Straits Times: “The pay packages offered by private equity firms and hedge funds are pretty attractive – we all heard stories of people earning more than $10,000 every month.”

“We hope to see more of these firms recruit fresh grads instead of just poaching from investment banks,” Mr Sun said. “We students are driven to be successful and well-trained – but most importantly, we are motivated to learn, which I think is the most important thing in this highly competitive industry.”

Numbers provided by the NBS show that students or alumni taking up full-time positions at alternative investment companies such as private equity firms, hedge funds, real estate investment trusts and commodities traders have been steadily increasing, from just two in 2010 to 30 last year.

Internships at these companies rose at a quicker pace – from just three students in 2010, to 30 last year. Ms Dorothy Lim, another student at the symposium, was among this group, having taken up an internship at Goldman Sachs last August.

“After the sub-prime mortgage crisis, the more traditional roles in the finance industry are not as plentiful as before. So we are looking more towards alternative areas for exciting career opportunities,” she said.

Inaugurated last year, the Alternative Investments Symposium gathers NBS alumni now working in notable financial and investment firms to share their experience and insights as industry specialists.

“We hope this will fill gaps where our courses and programmes can’t fill, because there are so many different asset classes and each requires a deep-dive understanding that we can’t always provide,” NBS associate dean Low Buen Sin said.

But another speaker at the symposium, founding partner of Apollo Global Management in Asia Tan Chin Hwee, noted that preparing students for the world of alternative investments remains a work in progress.

“My own experience in hiring local interns for Apollo Global Management suggests that students are not at all well trained – sometimes not even in the areas of Excel model building and Bloomberg skills,” he said.

“That’s why we are launching the Centre for Applied Financial Education (Cafe) at NTU.”

Cafe facilitates platform-based learning via professional analysis tools such as Bloomberg Professional and Thomson Reuters’ Eikon terminals, with the goal of training students to become industry-ready.

Mr Tan, who is part of the advisory council for Cafe, said the first batch of 35 students have started training at the centre just this week, but he remains concerned over the talent landscape here for alternative investments.

“Singapore’s system is one that trains for scholars and corporates, but success in alternative investments takes a killer instinct,” he said. “The industry continues to have a lack of talent – and I’m not sure whether the gaps can be filled.”

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