

Fidelity Next

Women in Leadership: How you can build a successful career in asset management

Liz Chow, Vice President, Investment Operations and Capital Markets

Reetu Kumra, Equity Research Analyst

Quinn Flaherty, Host

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Voiceover: Hello and welcome to Fidelity Next, a podcast for post-secondary students, brought to you by Fidelity Investments Canada, where we'll provide you with the tools you need to navigate your impending careers successfully in today's landscape.

On today's episode we're focusing on women in leadership and how you can build a successful career in asset management. We'll hear from two experienced and successful members of Fidelity Canada's investment team: Liz Chow, Vice President, Investment Operations and Capital Markets, and Reetu Kumra, Equity Research Analyst.

Liz and Reetu speak with host Quinn Flaherty about their career paths and growth, what their day-to-day job looks like, how they got here, and advice they have for the next generation. Among other topics of discussion on today's show, Liz shares what skill set she believes employers are looking for in new hires, and Reetu shares which certifications and designations are essential to a career in asset management.

We'll turn things over to Quinn in just a moment. I wanted to remind everyone listening that throughout the rest of the year we'll be offering several live interactive Fidelity Next webcasts for students and recent grads. To view upcoming topics and register to attend, please visit fidelity.ca/next.

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Quinn Flaherty: Hello, and welcome to Fidelity Next. My name is Quinn Flaherty and I am the Research and Thought Leadership manager here at Fidelity Investments Canada. I'm also one of the lead producers of the show that you're watching today, our webcast series built for you: students who are looking to find more information about their own career paths and opportunities here at Fidelity Investments Canada.

Super excited for you to join us today and I'm also super excited to be hosting today's show, for the reason being that for many of you, you're at school trying to figure out what that first job might be and what the right career path might be for you. Today's show is really all about that. Listen to the incredible career experiences of two very successful women here at Fidelity who can provide advice that you could perhaps use as you're trying to figure out what that right first job might be for you and what the appropriate career path might be as well.

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I'm excited to introduce Reetu Kumra and Liz Chow. Reetu is an equity research analyst at Fidelity Investments Canada. Reetu is responsible for covering a universe of stocks, finding different levels of analyses and ultimately using that analysis to provide investment ideas and recommendations for Fidelity portfolio managers who can input them into Fidelity products.

I'm also really excited to introduce Liz Chow. Liz is our Vice President of Investment Operations and Capital Markets. Liz has a really, really cool job here at Fidelity. I'm sure we are looking forward to Liz speaking a little bit more about that. Liz is really the main liaison between our internal investment and trading partners and internal and external capital markets partners as well. So why don't I bring Reetu and Liz into the conversation? Welcome to Fidelity Next.

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Liz Chow: Very happy to be here.

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Reetu Kumra: Thank you for having us.

[00:03:42]

Quinn Flaherty: Thank you for coming. We only have 30 minutes to go through both your career experiences and all your memories and advice. Why don't we kick it off with just really starting from the beginning? Reetu and Liz, you've been in the same shoes as the students watching today. You were at a moment in your careers where you're thinking about what that first job might be and what your career path might look like. I'm wondering if each of you could take a moment to speak to and summarize your career experience from the beginning coming out of school and now here at Fidelity. Maybe Liz, I can ask you to start first.

[00:04:14]

Liz Chow: Sure. I'll take you back to high school because that's when I really developed an interest in current events, business and investing. That led me to pursue an undergraduate degree in business and I majored in accounting. Coming out of the degree, I really wanted to understand businesses, their strategies and how their results manifested themselves through their financial statements. I started my career in investment banking and that really provided me with good exposure to capital markets, understanding how companies raise capital and mergers and acquisitions. After a few years, I realized that I really wanted to explore investing, so I went back and I did my MBA at UPenn. After that, I found my way to Fidelity.

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Quinn Flaherty: That's amazing. In our production meetings before today's webcast, I didn't even know that you attended UPenn, which is fantastic and amazing. Can ask you Liz, your experience in investment banking and then into investment, how was that leap? Perhaps some people on the call would see it as kind of a traditional career path going from school into investment banking. What were some of your learnings and maybe things that were different than what you thought it would be coming out of school into investment banking and finance?

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Liz Chow: I think the largest difference was in investment banking you're an advisor to companies, and so you're giving them the best advice as to who you think might be a strategic fit for their business in terms of an acquisition or what you think their optimal capital structure is. But when you're on the investing side, you're making the same analysis but you're actually putting investments, real dollars behind your analysis. I think it was a very fluid transition in that in investing, as Reetu will talk to you more about, when you analyze stocks and sectors, you need to understand how companies make money. You need to have a very strong grounding in financial analysis and accounting. There's also the art aspect where you have to put together a lot of different pieces of information to make the right investment decision based on your analysis.

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I think in terms of one of my major learnings from investment banking, it's less based on the actual technical part but more based on once you decide what you want to do, where your passions and interests are, it's really choosing the right company based on the company's culture and the colleagues that you'll meet through the interview process because you'll be spending a lot of time with these people day in, day out and so from a long-term view, I've been with Fidelity for 14 years, and there's a reason why I've stayed here. It's really the people.

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Quinn Flaherty: I completely agree with you and I hope we can talk a little bit more about the Fidelity culture a little bit later in the show. Reetu, I'm going to ask you to summarize your career journey.

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Reetu Kumra: Yeah, sure. I apologize for my technical issues. I have a little bit of an unconventional path to getting to Fidelity. I did my undergrad in statistics, mathematics, and biology and thereafter I went to do my master's in statistics at Harvard. I went there with the goal of wanting to apply quantitative analysis to finance but I realized ... I worked in the capacity of a statistician thereafter but I realized that I just needed ... in order for me to be able to do that, I needed to actually do my MBA. I ended up doing my MBA at the University of Chicago Booth School of Business and I really dug into fundamental equity research at that time and that's when I kind of pivoted to the asset management world.

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Before I actually came to Fidelity, I lived in the U.S. for about 10 years and I worked in the fixed income capacity prior to coming to Fidelity. I was doing that for about two and a half years, so investment management but on the other side of the balance sheet. When I was looking to move back to Canada, that's when I applied to Fidelity. I took a little bit of a roundabout path given my original training is in statistics but don't regret it at all.

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Quinn Flaherty: Well, your conversation and theme about a roundabout experience, it resonates with me as someone who studied something completely different from finance. I had studied kinesiology as my undergraduate and went to business school thereafter. Maybe I could ask you for your thoughts that a roundabout career journey may be perhaps an unconventional way to get into the asset management industry. You talk about the benefits or reflecting back on your journey to where you are now. What were the benefits or things that you reflect on being that was a real positive moment in my career?

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Reetu Kumra: I think there's pros and cons to, I guess, to every path, right? When I look at the pros, I think about the fact that I got to do an extra couple of degrees. I had the opportunity to really hone in on my analytical skills. I had the opportunity to work in the fixed income capacity and all those skill sets helped me to shape who I am today as an analyst at Fidelity. While I don't regret it, I do wish I got to Fidelity before when I did because I just love what I do and I just wish I was kind of doing it off the bat.

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Quinn Flaherty: Exactly. We should all try to find ways to find a job that we love going to every single day and I think we all agree that we found it here at Fidelity, which is fantastic. Maybe Liz, I'll pose this question to you. Would you say the skill sets that employers are looking for, are they similar between those in investment banking and investment management?

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Liz Chow: Yes, I'd say absolutely. I think there's generally three things that we look for. Number one, intellectual curiosity and just a passion for what you're applying to. So whether that be investment banking or investment management, it's very clear when someone has demonstrated passion just in their day-to-day. If it's investing, for example, and you're a student, you don't necessarily have to be putting money to work in the stock market but you could still be following stocks and perhaps creating a paper portfolio and following the stock through its reporting season and just understanding how stocks move. So that's number one.

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Number two would be work ethic and that could be demonstrated not just in academics but in your extracurricular pursuits, be it a sport it, be it non-profit work, or just anything that you're really passionate about.

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Number three, it's communication skills. Although what we do is very technical on analysis front, to make a real impact on portfolios and if it's investment banking to make a real impact on the clients, communication skills are essential.

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Quinn Flaherty: Those are great three points. And maybe Reetu, I'll ask you any other kind of skill sets or things to add in investment management that either you look for or think are helpful in your role?

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Reetu Kumra: Yeah, I concur with everything that Liz has said. The only thing that I would probably add is grit. Just having the horsepower to just continuously ask the question why, why, why, why because you do generally get to the answer when you have that horsepower, that grit. Other than that, I agree with everything that Liz had said, the communication, the intellectual curiosity, the passion for what you do. We spend a lot of our time in our week on our career, so you just have to make sure you really, really enjoy it.

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Quinn Flaherty: Great points. Thanks, Reetu. Maybe we'll take a step back again and let's talk about your experiences. This webcast is titled Begins with Women in Leadership. Both of you are incredibly successful women here at Fidelity and we know that women face unique challenges on their career journeys and on their career path. Maybe I'd ask each of you to take a moment and maybe you could talk about maybe some unique challenge that you faced in your career journeys and how you overcame that. Maybe we can start with you, Liz.

[00:12:10]

Liz Chow: I know this topic gets a lot of attention because when you look at numbers, the fact of the matter is there are fewer females in investment management particularly in the portfolio management and analyst space. Honestly, I would have to say that I never really felt any unique challenges to being a woman when I started as an equity research analyst at Fidelity or through my 10 years there.

The one time period I would call out though is when I was starting to think about having a family and thinking about maternity leave. So questions as to how much time should I take and if I'm away for a period of time, would that impact my career progression versus somebody that didn't take time off? I think what helped me through this time was just having a manager and the company's leadership team just being extremely supportive of any route that I wanted to take.

At the end of the day, investment management is also a meritocracy, so the investment team, our number one goal is to add value, add returns to our clients. It's very clear if we're adding value by the returns that you can see of our funds. So in that sense, it's a very good industry to alleviate the concerns I had around that time.

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Quinn Flaherty: Thanks Liz. Reetu, any thoughts on your career path reflecting back unique challenges at all?

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Reetu Kumra: I would say when it came time to having a family, that is definitely something that poses a challenge, especially as being a new mom that wanted to keep my family happy, my kids happy but also at the same time, very career driven. Finding that right balance that worked for me, I think was a challenge for me.

I think what helps is I have a very supportive family, a very supportive husband on the home front but I also have, like Liz had talked about, a very supportive leadership team and that really helps. Everyone at work, and this is part of the Fidelity culture, everyone at work is very family oriented, family friendly. We all know each other's families and I think just having a leadership that just enforces, making sure that you have that work-life balance.

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In fact, one of our leaders just gave us a little, what we call, PM lunches. He had said when he was talking that if you ever miss a ballet recital or your child's baseball game, you should really rethink your priorities and you should frankly get canned. So that says a lot. There's a lot of power in those words when your leader is talking about how important work-life balance is. That just gives you a little bit of insight as to the support we have around the office.

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Quinn Flaherty: Well, how appropriate is it that we have leadership in the title of this webcast? It's important to have leadership to enjoy that balance and have a great career at Fidelity or wherever else. How important are

industry-specific internships? If I want to work in asset management, do I have to have all my internship experience in the industry or maybe diversify it a bit?

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Reetu Kumra: I don't think it's important at all. As I talked about with my path, I was a statistician by training, so I wasn't really specific to any industry. I think what matters is just more the skill set than your actual experience because ultimately, when an analyst comes in and is assigned an industry, you're not expected to know everything about the industry and you are given a ramp period. I think that just given the rotational model that we have here at Fidelity within the analyst role, you end up going through a few different rotations where you learn about different industries. You're not expected to know anything, frankly, about any industry coming in. It's just more your analytical skills, your ability, all the skills that we had discussed in the prior question.

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Quinn Flaherty: There was another question, Reetu, maybe just a quick point on this, certifications, designations, are they essential to the role, to an application? I imagine and can assume your response here.

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Reetu Kumra: I have a few degrees and I also have my CFA. I don't think it's essential to have your CFA in order to be able to be successful at Fidelity. Some people do, some people don't. People come from all walks of life. I think even if you decide to do your CFA after you come on as an analyst, Fidelity will support you through that process. I did my CFA because I found that it only helped me and it enhanced my skills, so I was interested in doing that but it's not a requirement.

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Quinn Flaherty: Fantastic. Thanks, Reetu. Liz, I'll pose a new question to you. Let's explore your role at Fidelity. Right now you're the Vice President of Investment Operations and capital markets. Before that, you mentioned you've been with the company now for 14 years, can you talk a little bit about the different roles that you've had and what you've learned and maybe some advice for our viewers today about transitioning between roles within a company, your experience there.

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Liz Chow: Sure. I did start as an equity research analyst and I covered several different sectors. As Reetu mentioned, there's a rotational program that we have for our equity analysts. I always thought that would be my path so when I graduated from BA, the conventional career path within our portfolio management team is to start in those as an analyst and then progress to portfolio manager over time.

I loved what I did but I think after 10 years, I realized that my personal values and my aspirations changed just at the same time as my personal life was changing. The opportunity arose where they needed a capital markets person here in Toronto and it was kind of right place, right time. Things like that will happen. You can't really plan everything. You can have a sense for what you want to do and where you want to go but I'd say my biggest learning was being flexible to doors that opened. Because I'm working with the same team, the same portfolio managers, the same folks, it was a very seamless and easy transition for me.

Frankly, I feel quite fortunate that I've been able to continue to work with the team. Coming back to what I said at the beginning, it's really your work colleagues can almost become like your family because you are spending so much time with them. That's something that I feel very grateful for.

[00:18:57]

Quinn Flaherty: Thanks, Liz. Very interesting and important to have great management and I totally agree with you. Great to have doors being opened and follow through and see what that experience may be. One of the questions that I have here and I think it's a really interesting one. We always talk, whether these webcasts or career blogs or whichever, we talk about credentials and designations and experience but sometimes the day-to-day habits also bear fruit in a job or a career path. Maybe I can ask each of you, maybe starting with you, Reetu, what are some of those daily habits that you have that you think are beneficial in building a career? I'd be interested to hear your thoughts on that.

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Reetu Kumra: I think Liz touched on it earlier. I think my daily habits as a student is different than my daily habits today and being in the role. As a student, I think just keeping up with what's happening in the world, understanding where we are in the market, having a sense of why the market went up, why the market went down, but also just having your own PA. I think it really just helps you understand what you do day-to-day on the job. Those are the daily things I was doing just as a student. But today, other than the PA part which you can replace with actual stocks that we look at at work, it's kind of the same thing, just making sure we understand why things are happening in the world, why the rates are going up or it's going down, why the markets are going up or going down, where we are in the cycle, just having a bottom-up and yet a top-down view of the world.

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Quinn Flaherty: Fantastic. Liz, what are your thoughts on day-to-day habits? Maybe I can ask you, as Reetu said, maybe a habit as a student that was beneficial and then maybe a habit now.

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Liz Chow: I think a habit that's taken me through is just my organizational skills. We have so much going on in our lives, be it at work, keeping track of what needs to be done, deadlines and so forth, prioritizing and then in our personal life, too. So for me, staying organized, knowing what I have on my plate for the next day, for example, helps me organize my day. I think in terms of staying motivated, for me, it's just making sure that my values and my interests align with what I'm doing at work as well as making time for interests outside of work. For me, it's getting that workout in. Over the COVID time period, I bought a Peloton and it's been a lifeline for me. Also just being present for my family when I'm away from work, just being there for my family. Those are what keeps me motivated.

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Quinn Flaherty: It sounds great and striking a balance. I didn't buy Peloton myself. I have a treadmill down in my basement. I'm hanging clothes on it, it might be collecting dust but I'm more motivated to use it now.

Liz and Reetu, maybe I'll ask you what's your proudest accomplishment as part of your role here at Fidelity? You work on so many projects, you review so many different stocks, and do so many things. Maybe I can ask each of you, what's your proudest accomplishment? Liz, I'll start with you.

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Liz Chow: I think Reetu and I might have very similar answers on this one. It's a team effort. For me, the greatest satisfaction comes when we're able to come together and really generate superior investment returns for the benefit of our clients through fund performance. Whether it be in the portfolio manager role, the equity research role, uncovering those investment ideas, taking the time to do the fundamental analysis, to get an edge on the investment.

In my role now in capital markets, I do spend some time on assisting the team with investing in private companies. When it all comes together, when we're able to work together to make an investment happen for the benefit of the funds, that's the icing on the cake.

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Quinn Flaherty: Reetu, anything to add or maybe something different?

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Reetu Kumra: I think Liz put it beautifully. I don't think there's just any one accomplishment. I think every day the market tells you whether your portfolio is set up correctly or not, or if things have changed or not. When you can look at the market and you look at your performance and just the ability to create alpha for fund holders, I think it just speaks volumes and it's truly a team effort. Whether it's Liz working on the capital market side or PMs looking at new ideas or analysts turning over stones, it's truly a team effort.

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Quinn Flaherty: Great. Thanks, Reetu. Given the COVID environment, has it changed how you look at investing or how you do or go about your job? Interesting question. What do you think, Liz?

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Liz Chow: I think in terms of how we invest, when I first started, we were one year away from the global financial crisis, from the bankruptcies that we've seen with financial institutions in New York. You never really think that you'll see that many black swan events in your career. The COVID-19 was unprecedented. I think it makes you realize just how infrequent events can happen more frequently than history suggests. Through it all, the approach to investing ... and I think Reetu can add light onto this because she was an analyst real time during this period, is at Fidelity, we're bottoms-up investors and so we follow our companies when the macro environment seems fairly stable and benign and we follow the companies when the environment seems like it's uncertain. The day-to-day work that we do speaking with companies, getting management updates, following the markets and valuations and putting together that mosaic to drive our investment thesis, that's the bread and butter of what we do and that stays the same.

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In terms of work life, I think COVID accelerated a lot of trends in the professional realm. Fidelity, as well as all our peers, we had to pivot to working from home in a very quick fashion. I think Fidelity was very good at giving everyone the technology they needed to work from home. The transition was very seamless. Probably on a personal level it was just more of an adjustment because you're logged into your virtual private network, it's very easy to get on, whether it be 5 at night or if you need to jump on at 7 at night, I think for me it was probably creating that barrier in terms of turning it off for the night and not coming back to it, that was probably the biggest challenge that I had.

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Quinn Flaherty: It's a similar challenge for many people, for sure. Reetu, I want to pose this last question to you as we're quickly running out of time and that's the fact that there are opportunities to work with the two of you in the Fidelity Canada investment team. I was wondering maybe you could take a moment just to talk about the equity research associate positions and summer internships.

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Reetu Kumra: Yeah, of course. We are hiring for both internships as well as full-time positions. For those of you who are interested, I'd really encourage you to apply and basically coming into the role, I can describe it a little bit, coming into the role, the opportunity is you'll be assigned a sector, you'll be given 20 to 25 stocks. Now I'm talking in a full-time capacity, not necessarily a summer internship. And you'll be given time to just ramp and you're given the autonomy to ramp in whichever way you see fit. Because I don't think there's one way to invest.

I think that you're going to be given mentorship but you're also going to be allowed to use your own flexibility to just see what works best for you because every investor's a different type of an investor. It's basically covering the companies, having a view on your sector, covering each stock, meeting with your management teams, going through earnings season, creating your own models and just making your own buy, holds and sell picks. The beauty about this job is that the market will tell you every single day if you're right or you're wrong. If you're right 60% of the time, that's a home run.

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Quinn Flaherty: We'll have to leave it there. Liz, Reetu, I'm sure we could talk for another half hour but we'll have to leave it there. Thank you very much for joining the show and we'll have to do part 2 some other time and continue the discussion. Thanks for joining us.

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Reetu Kumra: Thank you.

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Liz Chow: Thank you.

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Quinn Flaherty: If you're looking for more information about co-op positions or full-time positions here at Fidelity, please go to your school's co-op job boards or visit the Fidelity Careers page. Thanks again for joining us. My name's Quinn Flaherty and I look forward to seeing you on the next Fidelity Next.

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