

Essential skills for investment managers

Set yourself up for a career in investment management by understanding the key qualities and capabilities that make a great investor and being proactive in attaining those skills.

Investment management is a dynamic field that requires a diverse set of skills to navigate financial markets and deliver results. A strong foundation of financial analysis is key, as are skills that go beyond technical expertise such as great communication and a deep curiosity and passion for markets and companies.

Key qualities of an investment manager

- **Financial analysis:** A strong foundation in financial analysis is fundamental for investment managers. This includes the ability to analyse financial statements, assess company performance, and understand valuation metrics. You will also need to have strong financial modelling capabilities.
- **Risk management:** Effective risk management is critical. You need to understand the different types of risks and risk management strategies, and be able to implement portfolio diversification techniques to mitigate potential losses.
- **Market research and analysis:** Staying up to date on market trends, economic indicators, and industry developments is crucial. You need to be adept at conducting thorough research, analysing market data, and identifying investment opportunities based on a comprehensive understanding of market dynamics.
- **Investment strategy:** Developing and articulating an investment strategy that aligns with clients' objectives and risk tolerance is a core part of the job. This involves identifying appropriate asset classes, selecting investment vehicles, and constructing well-diversified portfolios.
- **Communication and relationship management:** You'll need excellent communication skills to effectively articulate investment strategies, provide updates to clients, and build strong relationships. Clear and concise communication fosters trust and enhances client satisfaction. Active listening skills are also crucial for understanding clients' goals and expectations.
- **Decision-making and judgment:** Strong analytical skills, critical thinking, and the ability to assess various factors are essential for making sound investment decisions. You will need to have the judgment to evaluate potential risks and rewards of different investment options.
- **Ethical conduct:** Ethics and integrity are fundamental to the investment management profession. Managers must adhere to legal and regulatory requirements, act in the best interests of clients, and maintain confidentiality.
- **Curiosity and continuous learning:** The investment landscape is constantly evolving, so you need a strong commitment to ongoing learning and a deep curiosity and passion for markets. Keeping up with industry trends, technological

advancements, and new investment strategies ensures you remain competitive and open to opportunities.

How to set yourself up for an investing career

Starting a career in investment management takes time and a passion for learning. Traditionally, front-office investing roles required at least 2 years work experience, however many firms are now offering internships and graduate programs to attract the brightest young minds in the country. Here are a few things you can do to best position yourself for a career in investment management:

- **Blitz your degree:** Investment firms are looking for the best and brightest minds to join their teams. Put the work in at university and top those marks!
- **Take the CFA course:** Completing the Chartered Financial Analyst (CFA) exams will build your knowledge and practical skills, and show a commitment to learning
- **Start your own portfolio:** There is no better way to learn about investing than by creating and managing your own portfolio
- **Stay informed:** Read investment publications and blogs to stay up to date with global markets and trends, such as The Australian Financial Review, Bloomberg Australia, Livewire Markets and Morningstar Australia
- **Follow investor influencers:** Balance out your social media feed with people who understand and comment on markets, such as Peter Switzer (@peterswitzer), Scott Phillips (@TMFScottP), Gemma Dale (@gemma_dale) and Roger Montgomery (@rogermontgomery) (could be another blog with info on each plus others)
- **Get an internship:** Securing a paid or unpaid internship with an investment firm is a great way to learn about professional investing from the inside and build valuable contacts.
- **Join a finance uni club:** University clubs and societies are a great way to connect with other students interested in investment management, and network with investment firms that engage with these clubs. A great example is Melbourne University's Banking in Women, who have a great relationship with industry and offer its members regular networking, learning and job opportunities.
- **Read books about investing:** There are many books about investing out there but it is well worth reading some of the classics to give you a solid understanding of the industry, such as The Intelligent Investor by Benjamin Graham
- **Participate in investment competitions:** Many firms and universities run investment competitions for students that provide exposure to and practical application of investing scenarios. Future IM/Pact runs an annual Investment Competition which awards winners paid internships at leading investment firms in Australia such as Schroders, Cbus, HESTA, QIC, Mercer, Munro, TDM.
- **Build a network:** Build relationships with people in the investment management industry, such as mentors and business leaders. Be proactive at networking events and introduce yourself to the speaker or industry representatives. A great way to build your networks is to join Future IM/Pact and attend events.
- **Join Future IM/Pact:** Attend our events, participate in the Investment Competition, subscribe to our newsletter and take advantage of the unparalleled access we can provide to industry leaders, professional development experiences, internship and job opportunities. Join us today!

