

Master of Finance **Finance Research PracticumSM**



SOLVE PROBLEMS WITH FUTURE MASTERS OF FINANCE

Infuse fresh thinking into a pressing problem. Engage with MIT Sloan's world-renowned faculty. Meet potential recruits — high achievers trained by an elite institution. You'll experience these benefits — and more — as a sponsor of MIT Sloan's Finance Research PracticumSM, a key element of our Master of Finance program (MFin).

HOW IT WORKS

Each year, interested sponsors propose research projects involving practical financial problems, to be addressed by a team of two to three highly motivated, top-tier graduate-level students working full-time during the month of January. Faculty work with sponsors to define projects that best allow students to apply theory to practice in real-world scenarios, testing their skills in research methodologies and data analysis while introducing them to the broader financial community.

Teams may work on-site at your offices or on-campus, or both. And while sponsors are encouraged to defray travel and living expenses, there is no required sponsorship fee.

THE OUTCOME

After an intensive four to six weeks, where sponsors provide guidance and feedback for a few hours per week, teams present their research findings, both onsite at your offices and in the classroom. We partner with you in advance to determine the final output — a white paper, presentation, software code, model, or a combination of deliverables. You walk away with valuable, fresh thinking, and first-hand exposure to some of our brightest minds.

SAMPLE PROJECTS

Investment Research

- Assess the predictive power of leader-follower relationships among companies.
- Use machine learning and AI techniques to research alpha signals in social media data (Glassdoor, etc.).
- Investigate a probability-based model for emerging markets currency crises.
- Build a trading strategy for rates and currencies using the volatility risk premium.

Venture Capital/Private Equity

- Perform valuation analysis for a late-stage growth company in the SAAS space.
- Identify attractive PE targets in the small family-owned US manufacturing segment.
- Build detailed valuation models for startup healthcare diagnostics company in South Asia.

Trading/Risk Analysis

- Use transaction-level intraday bond data to construct measures of overall bond market liquidity.
- Perform factor analysis on illiquid alternative investments like private equity and distressed credit.
- Analyze notional vs. actual trading liquidity in fixed income ETFs; factor crowding in strategies.



ACCESS WORLD-CLASS FINANCE TALENT THROUGH MIT SLOAN

Q: How are students assigned?

A: Course faculty determine assignments based on student and sponsor preferences and required skill sets.

Q. What skill sets are typically required?

A. Projects typically tap into one or more advanced skills: financial econometrics, simulation, derivatives valuation, optimization, software and programming languages, and qualitative or policy-related analysis.

Q: Am I guaranteed a team will be assigned to my project?

A: No. While it's our desire to take on every project, we have to confirm the number of course participants before committing.

Q: How does the Practicum differ from an internship?

A: Students are not employees of the sponsor; they receive teaching and mentoring from course faculty in conjunction with real-world experience. Faculty assign teams and recruit projects that leverage our academic curriculum and meet course objectives.

Q: Can I use the Practicum as a recruiting tool?

A: Yes. We'll involve our Career Development Office to ensure that your needs are met.

Q: What is the cost to participate in the Practicum?

A: MIT Sloan does not charge sponsors to participate. However, some sponsors incur out-of-pocket costs, such as reimbursing students for travel and living expenses outside the Boston area; sponsor travel to campus; and data and software purchases as needed.

Q. Do students have access to MIT Sloan data and software?

A. Yes. Students have access to Bloomberg, Capital IQ, Pitchbook, Compustat, CRSP, FactSet, MATLAB, Mathematica, Barra, Northfield, Windham Portfolio Advisor, and more.

Q: What determines if the project is done onsite or offsite?

A: The sponsor and faculty determine the best venue. Our preference is for students to meet in person with sponsors at least once a week for four weeks. However, we are flexible given sponsor constraints.

Q: Is it appropriate to ask students to sign a confidentiality agreement?

A: Sponsors should clearly communicate what is and is not proprietary. If sponsors wish to formalize an understanding, it can be discussed with course faculty.

KEY DATES

September 30, 2019

Deadline for communicating intent to participate.

October 15, 2019

Project descriptions due from sponsors (one page or less).

November 27, 2019

Students receive assignments and are introduced to their sponsors.

January 6, 2020

Official start date (or earlier, schedule permitting).

January 31, 2020

Official last day students are available for full-time project work.

February/March, 2020

Students present their research to sponsors and in class.

For MFin Program Information

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For Finance Research Practicum Information

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Learn more about the MFin program: mitsloan.mit.edu/mfin