Internship Report: Protégé Partners LLC

Protégé Partners LLC is a Hedge Fund of Funds in New York City that was started in 2002 by Ted Seides and Jeffery Tarrant. The firm specializes in investing within a universe of small and emerging Hedge fund managers to differentiate itself from the large majority of hedge fund investors that focus primarily on large widely held hedge funds. Protégé Partners LLC uses a unique model of investing that combines arms-length and seed investment strategies. They aim to invest in smaller and more agile hedge funds that cover a wide range of the market. At Protégé this summer I held a great deal of responsibilities. I had the ability to work in all aspects of the firm including the Investment, Risk Management, and Marketing teams. The majority of my time was spent on the investment desk working as an analyst on various projects.

Working for Protégé this summer was an incredible learning experience for me. As there was a considerable amount of information I needed to teach myself in the first few weeks, I spent my time shadowing various members of the Investment team and sitting in on meetings with various portfolio managers to get a better understanding of how the universe of Hedge funds operated. I taught myself how to navigate the Bloomberg Terminals as well as advanced Excel functions and data modeling. My work at Protégé was spent completing various projects for the different departments in the firm. In the beginning I was tasked with small assignments like uploading data and simple research as the firm really wanted me to spend my time becoming acquainted with the hedge fund world and learning as much as possible about finance in the first few weeks. At the weekly investment meetings I would give research presentations and updates on sector news. This required me to keep a very close eye on the different stock positions each of
the Hedge Fund Managers we were invested in held as well as analyzing major
macroeconomic factors. For the Investment team specifically I created a very in depth
Excel model that could determine how much stock overlap there was spanning each of
our managers’ portfolios. From this I could show how much Protégé itself was invested
in each particular stock as well as if a certain portfolio manager was not adding to the
diversification of our own portfolios. I took the models I created to calculate different
exposure reports for the Risk Management department. I was also tasked with finding and
researching new Hedge fund Managers to put into our due diligence pipeline. I would sit
in on conference calls from our various brokerage firms to find Hedge funds that fit a
specific niche and compiled them all into a database to give to the Investment team to
follow up on. Protégé Partners is always looking for new investors to increase their assets
under management so for the marketing department I compiled a list of new Institutional
Investors that were in search of Hedge funds to invest in like Protégé. I would search for
these Institutional investors and upload their information into our client management
database. I also went through this database to update the information from our past clients
to seek out new investor opportunities to make a comprehensive list of contacts for the
marketing team to reach out to.

Working at Protégé over the summer was an invaluable experience for me and I
learned a great deal. The only low point that I remember was at the very beginning of my
internship when I felt like a real outsider not knowing that much about how hedge funds
operate. There was a major learning curve that I needed to conquer, but I quickly adapted
and began teaching myself as much as I could through sitting down with the people on
the investment team and through studying in my own time. I had to learn the
fundamentals of stock analysis, how credit markets worked, different global markets and how their macroeconomic factors effected our investments. A major highpoint during my internship was when I gave my first major research analysis presentation on the healthcare sector. I was charged with finding key movers in the healthcare sector and also analyzing the hedge fund we were invested in that worked strictly in the healthcare sector. From my research I deduced that our healthcare manager was not picking the best stocks especially when it came to biotech, which is the fastest growing portion of the healthcare sector. My report was very well received and led to Protégé actually pulling its investment from this particular manager and putting it with another one, which ended up being a very good decision. Another high point came more as a realization than any particular event. Towards the end of my internship I realized that I was very comfortable sitting in on investor meetings with other hedge funds holding constructive conversations about their operations and the stocks they were invested in. I became very confident when I no longer had to have someone explain things to me and could produce an exposure analysis report and have it on my coworker’s desk shortly after they asked.

Protégé was my first real foray into the investment world and gave real insight into what I would like to do later in my life. I was surrounded by some of the best investment professionals in the country and got incredible exposure to the inner workings of Wall Street. As far as my career goals are concerned I have found that I definitely would like to pursue a career in finance or investment banking. It may not be at a hedge fund to begin with, but I can see myself working for one later on. I now know that I have the ability to thrive in the long hour, high stress environment that finance offers and look forward to my next internship hopefully in investment banking.