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Inside Citadel's internship program for aspiring investors that paves the way for a six-figure salary at the elite hedge fund after college

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- **Citadel, one of the largest hedge funds, accepts just 1% of applicants to its associate program.**
- **Last year's interns participated in Shark Tank-style challenges at a Four Seasons hotel in Florida.**
- **Insider spoke to program participants and Citadel employees about how applicants can gain an edge.**

CITADEL

Bhavya Kethireddipalli (right) during her Citadel summer internship in 2022.

Few college students know what a hedge fund is, let alone that they want to work for one. Not Caleb Nuttle. He got his first taste for buying and selling stocks through an investing club at New York University, and had learned to build an argument in high-school debate competitions.

So when he learned about Citadel's program that places college students on track to work for the firm and one day maybe run their own portfolios, he jumped at the chance.

It wasn't easy. Citadel – headed by billionaire CEO Ken Griffin – is a top hedge fund that manages about $66 billion in assets for an array of large investors, like pension funds. Its associate program lets aspiring fund managers skip the traditional two-year investment banking program that is usually a prerequisite for a hedge fund job. But it only accepts 10 to 12 students per year, about 1% of applicants. That's leaner than Harvard's 4% acceptance rate.

But Nuttle made the cut. And it put him on the lightning lane to a lucrative career in one of the most prestigious arms of the finance industry – at 22 he's an associate at Ashler Capital, an equities team at Citadel.

The Citadel Associate Program (called CAP by those who run it) launched in 2020, and selects a handful of students each year to do an intensive 11-week summer internship before their senior year of college. They return after graduating for five months of training, and then (if all goes well) get placed as full-time associates on one of Citadel›s 70-odd equities teams.

Applications for summer 2024 are currently open for

CITADEL

CAP participants at a team building activity with a NASCAR pit crew in 2022.

the program, and we spoke to Citadel employees and CAP participants to explain how the program works, the perks of doing it, and how applicants can gain an edge in the recruitment process.

From intern to full-time associate

CAP is a direct route into Citadel, allowing college students to become full-time employees after the program, and continue to work their way up the ranks in their career. About 55% of Citadel's portfolio managers are internal promotes, said Christa Short, head of junior talent strategy and associate business development in Citadel's equities business.

Applications for the summer 2024 intern class opened in February, and while there's no hard deadline to apply, the summer class of 2022 filled up by June of 2021. And though the firm announced last year that it had moved its headquarters to Miami, as Insider previously reported, participants are placed in a variety of office locations depending on preference and availability.

The associate program is different from Citadel's broader internship program. The rising seniors in the internship portion of CAP have some of the same experiences as the broader intern class, like participation in an offsite trip. But the curriculum and program roadmap are different – the broader internship has about 300 students a year across more areas of Citadel, like software engineering, trading, and quantitative research, whereas the CAP is much smaller, with about 10 to 12 students in each class, and is focused on equities teams.

First, participants spend 11 weeks as an intern, typically during the summer before their senior year of college. The base salary range is $2,800 to $3,000 per week. Here's a breakdown of the summer:

- Week 1: The program starts with a week-long offsite trip to Florida – last year it was at the Four Seasons in Fort Lauderdale and Palm Beach, where participants did Shark Tank-style challenge sessions and heard from guest speakers like Michael Phelps.
- Weeks 2-3: Students head to New York for orientation and training in financial modeling and analysis, led by Citadel employees and a third-party training vendor.
- Weeks 4-7: Interns do their first team rotation and initiation project, where students are assigned a stock to research and asked to present financial models, a write-up of their diligence, and a pitch for their portfolio manager about the company. In week 6, students complete their first set of presentations. In week 7, they return to the classroom to present projects to their class, do more training, and prepare for the second rotation.
- Weeks 8-11: During the last phase of the program, interns do a second rotation and initiation project on a different team. That might mean they move offices to another city like Dallas or Boston or Chicago. In week 11, they return to the classroom for final sessions, participate in service projects, hear from Citadel executives, and participate in group activities. Last year, they spent a day doing a team building exercise with a NASCAR pit crew.

"The internship really was focused on investment philosophy, like what makes a good or bad company? What makes a good or bad investment? How are you successful in this job?" said Nuttle.

A year later, after the students graduate, they return for the second part of CAP, a five-month trading program. That training brings you deeper, he said.

"The five months when you come back full-time is very practical. What's the investment philosophy? What do you check first? How do you initiate on something? What if your PM gave you two hours to generate questions for a company?"

Here's a breakdown of the post-graduation portion of the program:

- Months 1-3: Participants are together again in a classroom setting, where they do "much more advanced" training in financial modeling and research than the fundamentals learned the previous summer, said Short.
- Month 4: Grads do a team rotation, this time with more responsibility than the summer internship – they are fully integrated into the teams, and their work is driven by real-time needs versus a set project.
- Month 5: Grads do another team rotation. The rotations in the second part of CAP are usually on different teams than the participants worked with in the summer – more than half of 2022 graduate participants chose a rotation outside of New York, like Chicago, San Francisco, Boston, Dallas, and London, said Short.
- After the program: While getting a full-time slot is never guaranteed, program graduates are "well positioned" to build a career on Citadel's platform – and the number of open associate roles exceeds the number of

program participants, according to a spokesperson for the firm. While they usually end up one of the teams they worked on during the program, placement depends on team need and availability. The base salary range for an associate at Citadel is $125,000 to $150,000.

How to stand out

This program has a 1% acceptance rate – which is a lower rate than Harvard. But Short imparted a few ways candidates can get an edge over other applicants.

"We're looking for students who have a demonstrated interest in public markets investing. They're intellectually curious. They have a passion for problem solving and critical thinking," said Short. "They really demonstrate a competitive drive and an ability to collaborate within and across teams."

Involvement in finance-related extracurriculars can help get applicants in the door. Short said that outside of its application process, Citadel identifies candidates through campus info sessions, stock pitch competitions, and investment conferences.

For example, Citadel sponsored the 15th Annual ENGAGE Undergraduate Investment Conference and the Texas Stock Pitch competition. Citadel executives have also spoken to campus investment clubs on the following campuses: Wharton, Harvard, the University of Chicago, Princeton, UC Berkeley, The University of Texas at Austin, Duke, Yale, Claremont McKenna, and the University of Virginia.

That's how Bhavya Kethireddipalli, who completed the internship portion of CAP last summer, discovered the program. Now a senior at UT Austin, Kethireddipalli participated in a women's stock pitch competition in 2021, where she met a Citadel employee.

To prepare for the application process, Short said she recommends reading as much as possible about the investment industry, and reaching out to alumni or other connections within the company or industry.

But to really stand out, candidates should work on stock pitches on their own as early as possible, she said. Choose a company that interests you and dig into its strategy, potential earning opportunities, and future worth. It's helpful practice and can make for good talking points during the interview process, because that's what interns do during the internship.

"That is essentially what we're doing day in and day out here. I think anyone can, on their own time, research companies and form a point of view," said Short. "So I think it's hopefully very easy for people to prepare in that respect."

The interview process, she said, is a blend of behavioral and technical questions. Short conducts the final round herself.

"I want to understand what motivates and drives the students, how they make decisions, how they're interested in seeing their career unfold. I'm curious about their passions and what they've done to demonstrate their interest in equities."

2021 CAP participant Christopher Wang, who is now an associate on the TMT team at Surveyor Capital at Citadel, said he did just that – and opted to skip out on the popular and pricey interview guides many aspiring financiers use to prepare for recruiting.

He said in college he used tools like the SEC's EDGAR, Seeking Alpha, Value Investors Club and even "Fin Twit," which stands for people who talk about the financial industry on Twitter. From becoming familiar with financial models to trends on certain business stocks, anyone with a self-starting attitude can prepare for recruitment themselves, he emphasized.

"If you're worried about whether or not you can learn the technical stuff, it's out there for you to learn," said Wang. "I did it from my college dorm, on my laptop in between classes."

The benefits of bypassing the sell-side

The normal route to jobs at hedge funds and private equity firms is usually a two-year stint working for an investment bank like Goldman Sachs or JPMorgan after college, also known as the sell-side. Citadel's program lets aspiring investors bypass that stint, known for its grueling hours and sometimes menial work.

"Our graduates will hopefully be well on their way to their first promotion before peers in investment banking have even finished their first two year stints," said Short.

Richard Wegener, who has run Citadel's financial services team in global equities in Chicago since 2015, pointed out that the associate program at Citadel is not for everyone. For those who know from a young age – college freshmen and sophomores – that they want to be investors and portfolio managers, it's a straight path at a top fund. But not everyone can or should make that decision at 20 years old.

"This program is really for students who know that they want to be an investor," said Wegener, who himself began his career as an analyst at Credit Suisse before joining Citadel 16 years ago. "There are a lot of people who probably need the focus of investment banking. I probably did myself."

Those programs provide a fundamental foundation on finance knowledge and skills, he said. But CAP students are just as professional and well equipped as recruits from banking jobs – Wegener had two participants work under him last summer.

"Because it's very small and because they receive a lot of one-on-one attention, they can make the leap and be in sort of an equal position as someone who's had a couple of years in a banking program," he said.

To know if the buy-side is right for you, consider how you work and whether you're comfortable with uncertainty, said Kethireddipalli.

"Something that was emphasized to us over the summer was that you're not going to be right all the time. In fact, you're probably only going to be right a little more than half the time," said Kethireddipalli. "So being okay with that kind of discomfort and being willing to learn from it I think is really important."

Nuttle applied to both investment banking and buy-side internships his sophomore year of college at NYU. But the accelerated nature of the CAP program appealed to him over other opportunities, he said.

"There are not many roles on the street where you get the sort of hands-on training at such an early age with the opportunity for getting a full-time offer," Nuttle said. "A lot of responsibility was given early and a lot of resources are invested in us, more so than I would even say from my friends that work across different industries."

More and more buy-side firms have spun up their own training programs, including Bain Capital and Point72. Perhaps it's no surprise that a fund like Citadel, whose CEO Ken Griffin is known for a hard-driving but innovative leadership style, would be among the first to create a talent pipeline they could mold themselves.

"By leapfrogging the investment banking and private equity recruitment process, this gives us the opportunity to really identify and hire a select group of students who are very passionate about pursuing equity careers," said Short. "And so we think this program will absolutely become a vital source of talent and is a key strategic focus of our management team."

For now, the intention isn't to replace their traditional recruiting techniques, Wegener said. "This will be growing, but by no means will it be a replacement for hiring from banks and research firms."