At the most fundamental level, the SELL-SIDE advises corporations on their future capital needs and then helps corporations access the public and private markets for capital (debt and equity) by linking them with buyers for their securities. These buyers of securities are grouped together and called the BUY-SIDE. As you can see from the outline, there are parts of the SELL-SIDE taking part in BUY-SIDE activities, which blurs the line between what is really BUY-SIDE and what is really SELL-SIDE. Alternately, larger, more diversified Hedge Funds, which are considered part of the BUY-SIDE, often partake in some SELL-SIDE activities.

**Buy-Side**

I. Investment Departments of Corporations
   a. Insurance Companies Investment Departments
   b. Large Multinational Companies Investment Departments

II. Corporate Treasury Departments

III. Business Development a.k.a. “biz dev” departments of Corporations (investment banking clients more than typical buy-side)

IV. Large Foundations

V. Non-profit entities

VI. Private Pension Funds

VII. Public Employee Retirement Funds

VIII. University Endowments

IX. US Federal Reserve (due to recent purchases of Mortgages, etc.)

X. Investment Advisors & Wealth Managers

XI. Family Office (can also be an incubator of Hedge Funds)

XII. Venture Capital Funds

XIII. Private Equity Funds a.k.a. Leveraged Buyout Firms

XIV. Mutual Fund Companies (delineated by style)
   a. Deep Value (Graham & Dodd advocates)
   b. Value
   c. GARP (Growth at a Reasonable Price)
   d. Growth
   e. Aggressive Growth

XV. Hedge Funds
   a. Equity (derivatives often incorporated into these strategies)
      i. Long/Short Equity (directional)
      ii. Market Neutral Equity
      iii. Activist
      iv. Event Driven
   b. Fixed Income (derivatives often incorporated into strategies)
      i. Mortgage Backed Bonds
      ii. Securitized Markets
         1. Event Driven
         2. Derivatives
      iii. Event-Driven (equities, bonds, derivatives, commodities, etc.)
      iv. Global Macro
      v. Commodities
      vi. Derivatives
      vii. Relative Value
         3. Convertible Arbitrage
         4. High Frequency Trading
         5. Other Arbitrage strategies
   viii. Multi-Strategy
Sell-Side

II. Investment Banking
   a. Mergers and Acquisitions advice (modeling, opinion, help drafting proxy and other SEC-required documents)
   b. Merchant Banking: business loans to private and public companies, sold to investors
   c. Initial Public Offerings
   d. Secondary Offerings
   e. PIPE Offerings
   f. Bond Offerings/Issuance
      i. Bridge Loans to support M&A activity of clients
      ii. Corporate Bonds
      iii. Municipal Bonds
      iv. Mortgage-Backed Bonds & their securitization
      v. Asset-Backed Bonds & their securitization
      vi. Treasury Offerings (for a select few banks the treasury employs them to conduct treasury auctions)

III. Institutional Sales (Interacts with Buy Side, sells deals from (a) above)
   a. Equity Markets
   b. Bond Markets
      i. Corporate Bonds
      ii. Asset Backed Securities (Mortgages, autos, credit cards)
      iii. Treasuries and Municipal Bonds
   c. Prime Broker Services (services for hedge funds)
      i. Cash management
      ii. Lending securities services (lending so clients can sell short)
      iii. Lending capital to help hedge funds operate with leverage

IV. Institutional Trading (Interacts with Buy Side, trades with buy side)
   a. Equity Markets
      i. Market making
      ii. Block trading for and with institutions/clients
      iii. Trading with and for institutional desks
   b. Bond Markets
      i. Corporate Bonds
      ii. Asset Backed Securities (Mortgages, autos, credit cards)
      iii. Treasuries and Municipal Bonds

V. Institutional Research (can be distributed to HNW or retail clients)
   a. Equity Markets
   b. Bond Markets
      i. Corporate Bonds
      ii. Asset Backed Securities (Mortgages, autos, credit cards)
      iii. Treasuries and Municipal Bonds

VI. Prop Desk (Proprietary – for the benefit of the firm)
   a. Trading (equities, bonds, derivatives, commercial paper, etc.)
   b. Venture Capital for firm’s own benefit
   c. Hedge fund for firm’s own benefit (+outside investors)
   d. Private Equity for firm’s own benefit (+outside investors)
   e. Mutual Funds (for outside and firms own internal investors, but competes against firm’s institutional sales and trading clients who manage mutual funds)
   f. The Sell-side firm’s own internal treasury, cash management and risk management department.

VII. Investment Advisors, Private Wealth Managers, Financial Planners
   a. Small Family Office Client (Ultra High Net Worth) Advice
   b. High Net Worth Client Advice
      i. Interact with CPAs, Lawyers, Business Managers
   c. Individual Investor Advice
      i. Financial Plan: tax, college, retirement and estate plans
      ii. Asset allocation and portfolio recommendations

VIII. Commercial Banking
   a. Cash Management (for customers)
   b. Asset-Backed Loans
   c. Term Loans
   d. Derivatives/SWAPS (for customers)
   e. Retail Banking
      i. Personal Loans to individuals and small businesses
      ii. Hold customer deposits (FDIC insured)
      iii. Consumer and corporate Credit Cards
      iv. Mortgage origination