



# ICM342 WORK PLACEMENT AND PROJECT

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i) **A presentation/overview of the organisation, its principal activities, and the role/activities of the department(s) you were part of.**

The organization I worked for during my Work Placement is named “Quantyx”, a company working in the financial services industry, more specifically in the AIFs (alternative investment funds). The services provided by the company are divided into 3 major classes: Asset Valuation, Portfolio Analytics, and Risk Management, the last one being the area to which I applied and then assigned. For what concerns the different asset classes covered instead, Quantyx collaborates with funds in the following areas:

- Private Equity
- Venture Capital
- Real Estate
- Private Debt
- Funds of Funds
- Infrastructure
- Credit Lending

Just to give a few numbers and information about Quantyx, it was founded in 2009 by risk management professionals and it is based in Italy and Luxembourg, with its main office located in Milan. The company is the market leader in AIFs Risk Management with a global footprint, indeed it serves more than 700 AIFs, more than 100 European GPs (General Partners) and LPs (Limited Partners), and is compliant under AIFMD.

The core values that characterize the organization are “customer centricity” and “excellence”, indeed, the main activity of the firm is to provide customized solutions and proactive risk management advice to alternative investment funds via the Quantyx RM platform.

Quantyx RM is a CLOUD-Native infrastructure whose main peculiarities are:

- Multi-level encryption system;
- Guaranteed continuity of service;
- Real-time data update;
- Flexible web API service to facilitate systems integrations.

As anticipated above I was part of the Risk Management function, and inside it, of the Private Equity Team.

The main activities carried out by the Risk Management function about private equity funds are:

1. Periodic monitoring of the risk profile of the AIFs portfolio as a whole and its single assets;
2. Valuation ex-ante of the risk a profile of a prospective asset (possible investment/divestment);
3. Back-testing and stress testing of the models.

For what concerns the first point, the FRM uses the following models to assess the risk of the AIF and of the assets in the portfolio:

- *ARA (asset risk assessment)*, whose objective is to estimate and monitor the risk profile of the single assets in the AIF’s portfolio, and its contribution to the comprehensive AIF’s risk. The risk is measured through a Risk Rating that derives from the non-linear combination of the scores relative to 6(+1) macro areas, defined according to the AIFMD Directive: counterparty/business, liquidity, market, credit, operational, ESG, and Specific (+1). The Specific Risk outlines all the risks that are not captured by the other KRIs (Key Risk Indicators) and is a more qualitative measure of the risks linked to that asset. Specific to the ARA is the estimation of the Credit Risk of the investee, which is carried out through the “PD Model”. The model estimates the probability of default (PD) of the asset using a non-linear model based on the logit function. The input data are retrieved from the last 3 approved financial statements, and it determines as output the conditional probability of default for the following 7 years, taken as single periods (not cumulated).

- *FRA (fund risk assessment)*, whose objective is to estimate and monitor the risk profile of the AIF as a whole. The risk is measured in the same way as before (non-linear combination of the risk rating relative to the same 6(+1) macro areas of the ARA) but the perspective and, as a consequence, the KRIs for each risk area are different. Specific to the FRA are the Market Stress Test and Liquidity Stress Test: Both stress tests are relative to the same model (Liquidity Model) but they generate different results: The first is relative to the Market Risk area and has been designed to determine the probability of not reaching the hurdle rate, as defined by the AIF in its Management Regulation, using Monte Carlo simulations applied to the random variables of the process. The second, instead, is carried out assuming a conservative hypothesis on the divestment process. This stress test verifies the capacity of the AIF to cover its liabilities in all periods from the date of the assessment and the AIF's life term, based on the cash available and the credits to subscribers (i.e. Limited Partners who provide liquidity to the AIF).

For both risk assessments, the final rating is obtained as the weighted average of the risk ratings assigned to each area, using the "Weakest-link" methodology and adding to the final score, an additional component relative to the Specific Risk.

As a Junior Analyst, my main responsibility was to carry out the risk assessments above mentioned for the clients I was following (3 Italian SGRs and one registered in Luxembourg) about (i) new investments/divestments of the fund or (ii) annual and semi-annual monitoring.

For what concerns the ARA of an asset in the portfolio of PE funds, the KRIs to be computed to generate the risk rating for each risk area are reported below:

#### ASSET RISK ASSESSMENT (ARA)

KRIs	
Counterparty/ Business Risk	<i>RC1</i> Level of geographical concentration
	<i>RC2</i> Concentration level by product
	<i>RC3</i> Customer concentration level
	<i>RC4</i> Forward-looking respect of covenants
Liquidity Risk	<i>RL1</i> Shareholders Agreement
	<i>RL2</i> Fair Market Value
	<i>RL3</i> Financial duration of the investment
	<i>RL4</i> Reference GICS sector and EV(EBITDA multiple volatility)
Credit Risk	<i>RCR1</i> Model PD "Step Wise"
Market Risk	<i>RM1</i> Comparison between company and market growth rates
	<i>RM2</i> Damodaran sectorial "Average Levered Beta" of the reference period
	<i>RM3</i> FX risk
	<i>RM4</i> DV01/EBIT
Operational Risk	<i>RO1</i> Legal and Fiscal potential liabilities
	<i>RO2</i> Financing Contract
	<i>RO3</i> Other Operational Risk
	<i>RO4</i> Quality of Management and organizational structure
ESG Risk	<i>RS01</i> Company's ESG protection
	<i>RS02</i> Environmental
	<i>RS03</i> Social
	<i>RS04</i> Governance
Specific Risk	<i>RS1</i> Any other type of risk

Table 1 – Asset Risk Assessment KRIs

For what concerns the FRA instead, the KRIs are the following:

### FUND RISK ASSESSMENT (FRA)

KRIs	
Counterparty/ Business Risk	<i>RC1</i> Dimensional exposure
	<i>RC2</i> Geographical exposure
	<i>RC3</i> Sectoral exposure
	<i>RC4</i> SME Exposure
	<i>RC5</i> Counterparties Rating
	<i>RC6</i> Contribution of assets to Counterparty Risk
Liquidity Risk	<i>RL1</i> Liquidity Stress Test
	<i>RL2</i> Benchmarking - Called Capital
	<i>RL3</i> Benchmarking - DPI
	<i>RL4</i> Fair Market Value
	<i>RL5</i> Stage of the AIF's life cycle
	<i>RL6</i> Contribution of assets to Liquidity Risk
Credit Risk	<i>RCR1</i> Investor Concentration Index
	<i>RCR2</i> Defaults/ Systematic delays in called capital
	<i>RCR3</i> Financial leverage
	<i>RCR4</i> Contribution of assets to Credit Risk
Market Risk	<i>RM1</i> Market Stress Test (IFR)
	<i>RM2</i> Equity Risk Premium
	<i>RM3</i> Turbulence Index
	<i>RM4</i> Benchmarking - TVPI
	<i>RM5</i> Contribution of Assets to Market Risk
Operational Risk	<i>RO1</i> Adherence to the AIF Activity Plan (I)
	<i>RO2</i> Adherence to the AIF Activity Plan (D)
	<i>RO3</i> Operational risk related to the investment process
	<i>RO4</i> Regulatory Capital/Minimum Capital Requirements
	<i>RO5</i> Operational risk in management and control
	<i>RO6</i> Contribution of assets to Operational Risk
ESG Risk	<i>RSO1</i> ESG - Presidia
	<i>RSO2</i> Contribution of assets to ESG Risk ("Environmental")
	<i>RSO3</i> Contribution of assets to ESG Risk ("Social")
	<i>RSO4</i> Contribution of assets to ESG Risk ("Governance")
Specific Risk	<i>RS1</i> Any other type of risk
	<i>RS2</i> Contribution of assets to Operational Risk

Table 2 – Fund Risk Assessment KRIs

Since an asset management company such as the Italian SRG can have more than one active fund and in different stages, the monitoring can be long and demanding in terms of time and information required. Therefore, what I learned since the first day is to organize my activities so that I was ready in case of new operations coming through in addition to the ordinary monitoring.

Other activities carried out by the Risk Management Function (RMF) are:

- Analysis of Valuations' Adequacy;
- Analysis of Business Plan (BP) Adequacy;
- Limits Control (according to the fund's Regulation).

ii) **Sector analysis and competitive position of the employer.**

Since Risk Management for Alternative Investments is a niche market, is it not an easy task to retrieve information on its size and composition. Indeed, since most of the alternative investments are private, data are not disclosed and what is publicly available is not enough to carry out a proper sector analysis. What I can say is that considering the strengthening of regulation around alternative investments, the risk management function will be increasingly important in the future scenario of private markets. Indeed, the tools provided by risk managers allow them to weigh the returns of investments for their risk and therefore provide an essential measure of risk-return relationship. The problem with private investments (not publicly traded) is that risk managers have to evaluate risk without its historical and most effective measure: volatility. Risk and volatility have always been an inseparable combination in finance, as evidenced by the most common and classical measures of risk: VaR and ES. Not having a time series of prices those measures lose significance and this requires alternative investments' risk managers to find alternative ways to measure risks. For this reason, risk management is even more important in private markets.

Considering the type of contracts between SGRs for the outsourcing of the risk management function we can also understand the main dynamics of this market. Indeed, the contracts usually cover the entire life of the fund and are independent of its performances, therefore the stream of cash flow is stable and pre-determined, and this allows efficient and reliable budgeting and planning. We can therefore consider the sector a defensive one, devoid of seasonality and not cyclical. For sure it is part of the financial services industry, and it depends on it, but given the nature of the contracts that constitute the major source of income, it represents the sector less influenced by economic cycles.

For what concerns the competitive position of Quantyx, it is the market leader in Italy in providing risk management services for alternative investments, with more than 90% of Italian SGRs covered.

iii) **Analysis of employers' growth prospects, as well as challenges and threats facing the employer.**

When I was in the last interview of the selection process, before closing the speech the partners asked me if I had any questions on the company and I replied by asking where they saw Quantyx in 5 years from now. The answer was rapid and confident: European leader. Looking at the growth in the last year and the number of people hired to support the growth I believe this goal may be reached even faster. The recent entrance into the LPs (Limited Partners) risk management has extended the size of the business by far and provided new routes for development and growth. Moreover, the increasing regulations on sustainability criteria and their consequences on ESG risk are providing another important source of development for the sector. Indeed, a lot of new sustainability-driven funds have been established recently, giving a boost to the ESG transitions by acting directly on increasing infrastructure efficiency and sustainability. Quantix follows and provides service to many infrastructural funds, which are gaining popularity and attractivity to investors. Being present in this growing area of investments provides a solid base for future growth, considering institutional pressure towards renewable energies and increasing investors' sensitiveness around sustainability.

iv) **Discussion of the carbon footprint and sustainability of the employer's operations.**

The company has almost no emissions since it does not produce any “product”. The product is a risk management service for alternative investment companies. Therefore, we can consider the operations of Quantyx sustainable, moreover evaluating the ESG risk the company plays a fundamental role in promoting and supporting a more transparent and sustainable economy.

Further to the previously mentioned commitment to sustainability, in April 2022 Quantyx announced the partnership with Ecomate, a self-regulated ESG rating agency, developing an innovative B2B SaaS platform driven by an open-standard approach and a RaaS (Rating As A Service) offer. Ecomate uses a panel of independent contributors for the development of its rating methodologies, making them transparent, accountable, objective, and peer-reviewed. This increases the reliability of Quantyx's opinion on ESG risk and consequently encourage funds to invest in ESG-driven project so as not to be penalized by poor sustainability commitment.

v) **A critical, reflective, self-evaluation of your role and tasks, and ways in which they contributed to the goals of the organisation.**

In my opinion, working for an organisation means making themselves available at 100% for the realisation of its goals, trying at the same time to gain the most from the activities carried out. This is the way I interpreted the internship period in Quantyx, and from the feedback received, I think it was appreciated both by colleagues and top management. I think flexibility and versatility are two of the most important soft skills nowadays since it puts you a step ahead of others and allows you to see problems and solutions from different perspectives. This is the reason why any time my colleagues ask me for help on a new task I'm always excited to support them, since facing new things, even better if challenging, gives you the opportunity to improve your knowledge/competencies and consequently be more versatile. Obviously, working in fields you know little about is not easy at all, and requires extra effort to search for information, but exiting your comfort zone is the fastest way to grow your knowledge and makes your thinking process more creative and innovative. This is how I spent my time as a Junior Risk Analyst PE in Quantyx, trying to grasp the most from any activity and combining my personal growth with the growth of the organization. In particular, I took a proactive approach to my role, in the sense that whenever I saw the possibility of increasing the efficiency or effectiveness of a task (being it an Excel Spreadsheet or the way a process was organised), I always asked to work on it. Analysing the way a task is carried out, and breaking it down into its components allows you to deeply understand the mechanisms that allow it to function and this helped me in the first month to enter properly learn the fundamental concepts that shape the risk management world. I think my efforts were well-repaid by seeing the improvements reached on many tasks, and by receiving positive feedback from colleagues. When you do your job to the best of your possibilities, people appreciate it and know that they can trust you, which is really important in the working environment.

I think the work placement had a WIN-WIN outcome, as it allowed me to grow both personally and professionally and it brought important enhancements to the company's processes.

vi) **An overview of the challenges you faced and how you resolved them.**

The main challenge I faced during my internship in Quantyx was managing time in the most effective and efficient way: since I was following different projects and clients at the same time at the beginning it was not easy for me to be organized and ready to switch from one task to another completely different in few minutes. Anyway, I think it is common for every new worker to feel a bit overwhelmed when starting a new job. In my opinion, what is important is not panicking and trying to structure the workload allowing time for contingencies, as they may create problems in delivering projects on time. I faced this challenge by setting up some Excel spreadsheets used as tracking for the different activities I was working on, in which to write down every progress or problem so that when you switch from one task to another, you just need a few seconds to understand where to re-start from. Then I set up a system that compares the days left for the different deadlines to the days needed to complete the task so that I always know if there are any inefficiencies in the scheduling and I can fix them in advance.

vii) **A critical overview of the employability skills you developed as part of the placement and tasks you were assigned to.**

For sure I developed strong organizational skills, indeed the multiple activities I was assigned required a well-organized schedule to be carried out properly and delivered on time. Moreover, I improved by far my Excel knowledge and speed: thanks to the different tasks I worked on I could study new functions and apply them to the situation I was trying to solve. For example, there was the need to create a function that could bring back all the input countries/regions to some predefined areas in order to compute the geographical diversification of the fund. Through the combination of 3 functions and some pivot tables, I found a way to get the result wanted and this helped me to master my Excel skills. In addition, I started using VBA and Macros to automate the spreadsheets on which the Valuation Adequacy was based with the aid of some colleagues from the IT team. The point is that, whatever the task, I want to do it to the best of my capabilities and this helps me to improve my skills. Moreover, I like learning by doing since I want to put into practice what has been taught to me as soon as possible to see the results. In my opinion, this is also the right way to fix concepts in your mind forever.

Another skill I developed during my placement is teamwork. At the time I started the internship I had already worked in groups: university's group projects, football, and other activities are examples of teamwork but on a completely different level compared to the working environment. I was part of different teams working on different projects at the same time, and this contributed to improving my communication and organisation skills, given the multiple people about different teams that I had to confront.

Being engaged in many activities with different people allows you to face different personalities and working habits, and this gives a huge help to understand how to behave to get the best from people you are working with. Since high-standard results from teamwork are obtained only if everyone does their best, understanding how to collaborate with other people in the team is essential.

Finally, during the work placement, I developed a high flexibility in terms of availability to help other colleagues. What I think is that if possible is always beneficial to help a colleague, both because one day you could need help as well, maybe to deliver an important report before the deadline having other tasks to complete. Second, helping a colleague with a difficult task may save you time in the future if you face the same problem.



viii) **An overview of any academic skills you acquired during your degree that were particularly relevant for your placement and how the placement helped you build/enhance these skills further.**

First of all, through this work placement, I've improved by far my knowledge of Risk Management in the private markets, specifically in the Private Equity field. Moreover, I analysed the operational risk of business processes relative to financial intermediaries that manage private equity funds. This was a completely new topic since in the Private Equity and Venture Capital course at the University we focused more on the Investors' perspective, and having the possibility to see how Investment Management companies operate was really insightful and interesting, even if very complicated: regulations in particular in private markets is particularly articulated and strict, but necessary given the fact that informational asymmetries are much more frequent and data are not publicly disclosed.

During the internship, I also learned to identify key risks linked to a company's financial statement (BS, P&L, and CF), working capital needs, the maximum degree of leverage it can sustain, the level of non-performing loans, etc.; and also the main risks relative to the business plan of a target investment: what are the projected market growth of the sector? What are the main opportunities to exploit? Does the company have a proper organizational structure to support the opportunity for growth? Is the company in financial stress? What point can the production capacity reach? Is it enough or is it necessary to build a new plant? Those are all questions you need to answer to understand if the company can be a good/bad investment for the fund and to assess the risk related to it.

Then, I mastered my valuation skills, already at a good level thanks to the "Modelling Skills for Equity Analysis Module" delivered by Financial Edge. Having to give a risk opinion on the adequacy and consistency of valuation methodology applied by private equity funds to value target investments, I applied and improved the valuation techniques learned in class: DCF, Transaction Multiples, Market Multiples, etc. It is not an easy task to value an asset that is not publicly traded, and I understood that there's much more to do than what I learned at the University. Indeed, most of the time an illiquidity discount is applied on the price/multiple since the asset is not liquid while the comparables are. Furthermore, a lot of times the target company operates in a niche market, and it is not easy to find comparables of the same size and operations, therefore a panel discount can be applied. All these activities are finalized to identify the right FMV (Fair Market Value) for the company not to overpay it or to monitor its growth in value over time.

Finally, the most difficult task but also the most satisfactory in terms of competencies/knowledge acquired was to evaluate the risk related to economic macro and micro trends. Every time you analyse a new company you need to understand the market it is working in and how it can be influenced by macroeconomic developments, but you also need to find out what the microeconomic forces shaping the market from the inside. It is essential to conduct PESTEL and SWOT analysis as well as reading carefully the Strategic DD provided by a consultancy firm appointed by the AIF. I am very happy with the skills developed during my work placement since I applied many of the arguments studied in class at the University and I acquired important skills for my future career in finance.

ix) **Reflection on your career opportunities in the firm/sector.**

Considering my background, my interest in deepening the various risk management facets, and the fact that I truly believe this sector will be the protagonist in the growth of the financial industry shortly, I think that Quantyx is the right reality for me to grow in. Indeed, it is a young and dynamic working environment, where hard-working is rewarded with promotions and re-negotiation of contracts. Since I want to give my contribute to the growth and development of the firm and the risk management sector, I think I could grow my career inside Quantyx, given the opportunities and challenges it offers.

**ANNEX A: Student Work Placement Diary** (to be completed by student and employer every week)

Student ID (SPR code): 30844629

Student Name: Francesco Bordignon

Organisation: Quantyx Advisors S.r.l.

**WEEK: 1<sup>st</sup>**

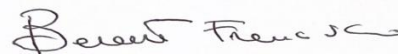
**Dates: 15<sup>th</sup> – 21<sup>st</sup> May**

**Summary of work undertaken and events attended during week:** During the first week of my internship, I was taught the core concepts of the activities carried out by the company. Asking my colleagues and reading the different types of reports produced, I started familiarizing myself with the wording used and the standard to reach. To be more specific, I first analysed the Risk Management Policy of an Italian S.G.R, a document that Quantyx draws up for every client, and describes how the risks related to the asset management company are managed and evaluated. Moreover, the Risk Management Policy outlines all the relevant data the AM needs to disclose to the RMF in order to be able to evaluate and monitor the risk level of the investments.

**Student comments on progress and issues arising:** One important thing that I learned from the first week is that there's a distinction for the AM companies that manage less/more than € 500 ml in Italy. Indeed, the ones who manage more are obliged to externalise the Risk Management Function, for example outsourcing it to Quantyx.

**Student targets for next week:** n/a

**Comments/evaluation from host employer:**



**WEEK: 2<sup>nd</sup>**

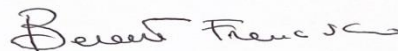
**Dates: 22<sup>nd</sup> – 28<sup>th</sup> May**

**Summary of work undertaken and events attended during week:** In the second week, mostly through showing interest in the material I was reading and asking questions to clarify any doubt I was pretty confident with the stuff I was assigned to read/study and my colleagues gave me something more practical to do. Indeed, a new operation of a fund one of my colleagues was following arrived and he asked me if I would like to participate in the ARA (Asset Risk Assessment) drafting. I was excited about the opportunity to learn by doing and I promptly accepted. Therefore, I spent almost all my second week reading the Investment Memorandum and the Due Diligences (Tax, Legal, Financial, Strategic) as well as analysing the Financial Statements of the target company to understand the main risk linked to the investments. Then I went on computing the different KRI (Key Risk Indicators) that are used to evaluate the different risk areas, through pre-set and self-made Excel spreadsheets. Finally, I reported all the information on the platform so that my colleague could read and adjust it.

**Student comments on progress and issues arising:** Asking for feedback I found out the task was well done apart from some wording inaccuracies.

**Student targets for next week:** n/a

**Comments/evaluation from host employer:**



**WEEK: 3<sup>rd</sup>**

**Dates: 29<sup>th</sup> May – 4<sup>th</sup> June**

**Summary of work undertaken and events attended during week:** During the third week, I was assigned my first client, an Investment Company based in Luxembourg, which has many active funds and more to come (pipeline) but just one pertaining to the Private Equity area. Actually, the Private Equity Fund I was following did not carry out proper "private equity" operations if we identify private equity investments as investments in well-established companies with a solid market position if not market leaders. Indeed, the two investees were early-stage companies working in developing markets. Anyway, the concept of Private Equity varies from country to country and can be seen also as a macro area of investments just through equity participation.

**Student comments on progress and issues arising:** I worked all week on the new client, trying to catch up on the possible new operations and the operations completed so that I would have been ready in case a new one came through. Moreover, I looked also at the Valuation Policy of the Investment Company, since the RMF is called to give an opinion on the adequacy of the valuation of the investees. Indeed, this was one of the first activities I carried out for the client since the team was drafting the annual monitoring and the Valuation Adequacy is a document part of the Annual Relation.

**Student targets for next week:** n/a

**Comments/evaluation from host employer:**

*Benoit France*

**WEEK: 4<sup>th</sup>**

**Dates: 5<sup>th</sup> – 11<sup>th</sup> June**

**Summary of work undertaken and events attended during week:** In my fourth week I started also working on a group project aimed at automating the ARA and FRA computation directly in the platform based on data input. My job was to create a list of the various KRI and their thresholds to check if the software was functioning properly. Since the process of creating an algorithm and implementing it into software is much more complex than defining a list, we are still waiting for the IT team to give us the automated ARA and FRA to test. Thanks to this activity I familiarized myself with the ARA and FRA KRIs and how they are computed since the process of drafting an ARA or FRA is long and requires precision and completeness. This is also one of the reasons why Quantyx is trying to automate them, so that is it faster and easier to go through asset and fund monitoring.

**Student comments on progress and issues arising:** n/a

**Student targets for next week:** n/a

**Comments/evaluation from host employer:**

*Benoit France*

**WEEK: 5<sup>th</sup>**

**Dates: 12<sup>th</sup> – 18<sup>th</sup> June**

**Summary of work undertaken and events attended during week:** During my 5th week, thanks to my curiosity and willingness to learn I was assigned another project on the standardization of Excel files relative to Valuation Adequacy. Since most of the analysts had different versions of the files used for carrying out the adequacy of valuation, I was asked to create a standardized version, both in English and Italian. Basically, the crucial point was the variation in the portfolio value relative to the last valuation, with a constant perimeter. It was in that computation that most errors were made, and the managers wanted the right number not to be checked at any time. Given my expertise with Excel showed up in the first month, I was assigned this task that took me more than a week since I also had other activities to go through but in less than 3 weeks the file was ready to use and now it is implemented into the system of Valuation Adequacy.

**Student comments on progress and issues arising:** n/a

**Student targets for next week:** n/a

**Comments/evaluation from host employer:**

*Benoit France*

**WEEK: 6<sup>th</sup>**

**Dates: 19<sup>th</sup> – 25<sup>th</sup> June**

**Summary of work undertaken and events attended during week:** In the 6th week, I was assigned other 3 Italian clients, other than the one from Luxembourg. The three clients are 3 Italian SGRs, of which 1 has just launched its first fund (commitment € 800 ml), 1 is about to conclude the first closing of its second fund and the third has two active funds.

**Student comments on progress and issues arising:** I spent almost all week familiarizing myself with the new clients since being assigned new clients requires you to understand how they invested all the money raised, any complications arise during calls and distributions, what kind of business they invested in and how the investees are performing as well as preparing for new operations (investments if they are still in the investment phase or divestments if the investment phase is finished)

**Student targets for next week:** n/a

**Comments/evaluation from host employer:**

*Benoit France*

**WEEK: 7<sup>th</sup>**

**Dates: 26<sup>th</sup> June – 2<sup>nd</sup> July**

**Summary of work undertaken and events attended during week:** I spent all week organising and planning for the new clients, setting deadlines in order to understand which would have been the periods with the heaviest workload. To do so I looked back to the history of Annual and Semi-Annual Relation to understand when it had to be delivered to the clients, then I set up an Excel file to track all the activities and the days left before the deadline to understand if any overload were present.

**Student comments on progress and issues arising:** For the first time ever, I experienced how beneficial organising in advance is. Indeed, with so many tasks to carry out it is easy to feel lost and panicking, therefore having a clear and well-distributed workload is essential to work properly. Moreover, if the ordinary activities are well-organized, you are ready for unexpected events, like a new investment or a divestment.

**Student targets for next week:** n/a

**Comments/evaluation from host employer:**

*Benoit France*

**WEEK: 8<sup>th</sup>**

**Dates: 3<sup>rd</sup> July – 9<sup>th</sup> July**

**Summary of work undertaken and events attended during week:** When I was just about finalizing the schedule of my clients, a new operation came through. It was not one of my clients making the investments but since the client was not assigned yet and I was almost done with my tasks, the manager asked me if I would take part in the new operation. It was the first investment of a new fund of an Investment Company based in Luxembourg but operating also in Italy. The fund was focused on sustainable investing; indeed, the fund rules allowed it to invest only in the following sectors: Recycling and environmental clean-up, Renewables and hydrogen tech, Water efficiency and treatment, Biomethane and biofuel, Digital economy & and e-mobility. It was a great opportunity for me to dive into the sustainable economy, in particular, I understood how finance through investments in the real economy (e.g. private equity) can help in the sustainability transition. The target company was working in the "water efficiency and treatment" industry, with a well-established market position and a stable stream of cash flow. The main risks were related to the organizational structure that needed to be improved to support the growth planned by the Management Team of the Fund.

**Student comments on progress and issues arising:** As soon as I finished with the ARA of the target company, I asked the manager for feedback to understand where to improve. The feedback was positive, and the manager gave me important pieces of advice to grow my writing skills.

**Student targets for next week:** n/a

**Comments/evaluation from host employer:**

*Benoit Franc*

**WEEK: 9<sup>th</sup>**

**Dates: 10<sup>th</sup> July – 16<sup>th</sup> July**

**Summary of work undertaken and events attended during week:** In the 9th week, I followed my clients' ordinary activities, like storing information relative to the Investment Committees and possible new operations in the pipeline, as well as updating information about calls and distributions, changes in the Management Team of the AIF, new Valuation Policies, ecc. Moreover, one of my colleagues asked me for help in relation to monitoring one of his client's funds (English Fund). Since I had no important deadline approaching, I promptly accepted and, in a few days, I completed the update of the ARAs of two investees. No substantial changes were made from the last monitoring and therefore the monitoring was not particularly demanding in terms of time and effort.

**Student comments on progress and issues arising:** n/a

**Student targets for next week:** n/a

**Comments/evaluation from host employer:**

*Benoit Franc*

**WEEK: 10<sup>th</sup>**

**Dates: 17<sup>th</sup> – 23<sup>rd</sup> July**

**Summary of work undertaken and events attended during week:** As the end of July was approaching I had to complete the Adequacy of Valuation of the funds of my clients. Therefore, I dedicated all week to this activity, revising each SGR's Valuation Policy and comparing the methodology of the last valuation to the current one to check for consistency. The main points under consideration are the valuation method used (DCF, Market Multiples, Transaction Multiples, Purchase Price), the discounts applied and the panel of comparables selected. In the case of DCF valuation of the investees, we looked also at the type of financials used.

**Student comments on progress and issues arising:** n/a

**Student targets for next week:** n/a

**Comments/evaluation from host employer:**

*Benoit France*

**WEEK: 11<sup>th</sup>**

**Dates: 24<sup>th</sup> – 30<sup>th</sup> July**

**Summary of work undertaken and events attended during week:** Since the funds to cover were 4 and the investees many more it took me around two weeks to complete to verify the adequacy and consistency of the valuation methodology. Therefore, also the 11th week was dedicated to this task.

**Student comments on progress and issues arising:** n/a

**Student targets for next week:** n/a

**Comments/evaluation from host employer:**

*Benoit France*

**WEEK: 12<sup>th</sup>**

**Dates: 31<sup>st</sup> July – 6<sup>th</sup> August**

**Summary of work undertaken and events attended during week:** After finishing the Valuation Adequacy for my clients, I was pretty much done with important deadlines and I was asked by one of my colleagues to help him with the setup of new Excel files regarding a new category of investors Quantyx was starting to serve: LP (Limited Partners). To be more specific, the task was about creating a spreadsheet for every division of the Risk Management area (PE & VC, Infrastructure, FoF, PD, RE) in order to compute the FRA of the funds in which the LP were investing. Basically, we had to change perspective to evaluate the risk from the point of view of the LPs, anyway, many of the KRIs used for GP were translated to the new files since they presented common characteristics.

**Student comments on progress and issues arising:** n/a

**Student targets for next week:** n/a

**Comments/evaluation from host employer:**

*Benoit France*

**WEEK: 13<sup>th</sup>**

**Dates: 7<sup>th</sup> – 13<sup>th</sup> August**

**Summary of work undertaken and events attended during week:** This was the last activity before summer break, but since I found a healthy working environment as well as available colleagues, I would like to continue my experience in Quantyx. Since also the company is happy about my contribution we are currently working to find a way to continue to collaborate.

**Student comments on progress and issues arising:** n/a

**Student targets for next week:** n/a

**Comments/evaluation from host employer:**

*Bened Frensch*



**ANNEX B: Statement of Completion of Work Placement** *(to be completed by employer at end of placement)*

Dear Employer

One of our students has been undertaking a placement with your organisation as part of their degree course. We would be grateful if you could confirm how this person has performed during their placement.

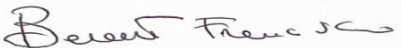
Name of organisation: Quantyx Advisors S.r.l.

Student ID: 30844629

Student Name: Francesco Bordignon

**B.1. SATISFACTORY COMPLETION**

This is to certify that the student, identified above, above has satisfactorily completed their work placement with our organisation from 15 May 2023 to 11 August 2023 (please add relevant dates).

Signed: 

Date: 31 August 2023

Print name: Francesco Benedet

Position/Job Title: Project Leader Private Equity

Comment (if appropriate): The overall evaluation of the internship is positive; the student has quickly grasped the fundamental concepts and effectively applied them in the activities assigned to him. His learning attitude was excellent, as well as his behavior and ability to interact with other colleagues/work in a team. The student has been confirmed and will be hired for the position.

Official Stamp or attached Business Card below:

