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ICFAS FUND MANAGEMENT CHALLENGE: THE STATS & LUCK TEAM OF THE UNIVERSITY OF PADUA WINS THE FIRST EDITION

Young Italian university students successfully performed in the competition rewarding Italian excellence in finance

The challenge, which lasted five months, ended on June 29th. The winners and the excellence achieved by all the teams were recognized in an awards ceremony held on July 4th in Milan

Matteo Cassiani, President of ICFAS: "Preparations are underway for the second edition"

Milan, July 9th 2012 – The first edition of the **Fund Management Challenge**, organized by the **Italian CFA Society (ICFAS)** in collaboration with **FactSet**, **Morgan Stanley** and **CFA Institute**, concluded a few days ago. The equity fund management competition devoted to Italian university students saw the victory of the Stats & Luck team of Padua University, as they structured the portfolio with the highest return.

The QuantPV team of Pavia University and the Stock to Watch team of Bocconi University finished second and third, respectively.

The students confronted various market phases. The first month was marked by a lateral market, then a brief rally gave way quickly to a long downturn that was halted at the start of June by a sharp inversion of trend.

From the start of the challenge, the participants selected clearly-stated investment objectives: the difference in performance between the first and last finishers was 12.5%; the turnover fluctuated from a minimum of one trade per week to four trades, with a minimum of 29 and a maximum of 82 over the entire period.

The results obtained with the long-short strategy on the EuroStoxx50 index, basket of securities the students could invest in, were significant. From the start of the competition, the index lost 10%, but the student portfolios outperformed it in absolute and relative terms: the top finisher outperformed the index by 17%. This result is even more surprising if we consider that in the early months of the competition the portfolios were below the benchmark on average. This strong recovery demonstrates the commitment of the students, their attention to the indications coming from the Organizing Committee, and the flexibility and quick learning of the teams.



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In the last weeks, there was an increase in activity by the top four universities, a sign that the students decided to emphasize an active strategy to gain victory. Activity in the lower part of the classification was different: they preferred not to jeopardize their already precarious performance with higher trading costs.

Matteo Cassiani, CFA, Chairman of ICFAS, stated: "We are truly satisfied with the results of this first challenge in terms of the performance and commitment demonstrated by the teams, and we are thinking about a second edition for next year. Right in the closing weeks we received expressions of interest from three universities and contacts with two more are at an advanced stage. Our objective," the President went on to say "is to involve universities in Central and Southern Italy in the initiative, thus extending coverage to the entire country. As an Association, we wish to enable students to experience a real encounter with the working world, applying the basic principles of analysis and professional preparation, essential in the CVs of candidates in the examination to obtain the "CFA Charter", which is recognized internationally as a diploma of excellence in the financial profession."

Italian CFA Society

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For more information

ICFAS

www.icfas.it

info@icfas.it

FactSet Italia Srl

Milan Office

Via Monte di Pietà', 21

20121 Milan - Italy

Tel.: +39 02 00663715

marketing@factset.com

www.factset.com

CFA Institute

www.cfainstitute.org

Morgan Stanley

Twister communications group

Andrea Monzani

Phone. +39.02438114208

Mobile + 39.3351309845

amonzani@twistergroup.it

Marco Pedrazzini

Phone +39.02438114203

mpedrazzini@twistergroup.it