**Graduate Investment Analyst – Case Study**

The Excel file provided is an example of the type of data we could receive from a seller. From this data, we will work to determine a price we would be willing to pay for the portfolio,

**Part 1: Summary of the data**

Could you please provide a one-page summary of the data that will enable the Investment Team to understand the characteristics of the portfolio for sale, you may want to consider:

* The total balance (i.e. amount of debt owed by each customer) that is available for sale.
* The number of accounts available for sale.
* How much the portfolio has historically paid, for example in the last 3 months, and any trends.
* The distribution of customer balances across the portfolio, for example what number of customers sit in the £0-£500 balance range compared to the £500-£1,000 range? Consider what ranges could make sensible groupings.
* The portion of customers that appear to be consistent payers.
* General analysis (Totals, Averages, Trend analysis etc), anything that could provide some useful insight.

**Part 2: Pricing the portfolio**

1. Assuming a cost to collect of 10%, what are the net collections forecast over the life of the portfolio?
2. If Perch are targeting an IRR of 15%, what would be the purchase price (net present value) we would look to pay for this portfolio?
3. Perch have agreed a purchase price of £1m, to be paid in August 2024, what would the IRR be at this purchase price?