



## **Activity Report**

**Allianz Endowed Chair of Finance**

**Center of Asset and Wealth Management**

**2014**

**1st September 2013 - 31st August 2014**

**Allianz Endowed Chair of Finance  
Center of Asset and Wealth Management**

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Coverpicture: (front row from left to right) Danny Stutz, Katja Harder, Marianne Diel, Kai Winselmann, Markus Rudolf, Julia Kapraun, Katrin Baedorf, Kirsten Schmitz (back row from left to right) Markus Duram, Sören Pippart, Ruth Kümmerle, Marcel Omachel, Konstantin Storms, Markus Hüren, Johannes Frankenfeld

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# Sponsors and Friends

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# Foreword

This is the 15th annual report of the Allianz Endowed Chair of Finance at WHU and provides you with important information and updates regarding the academic year 2013/2014.

In addition to the chair's activities, a significant portion of its resources are also absorbed by the chair holder's appointment as Associate Dean of WHU – Otto Beisheim School of Management for a term of three years starting in September 2011 and his continued role as Academic Director of the Master of Science (MSc) and Master of Law and Business (MLB) programs.

The MSc program family now consists of two programs, the Master in Management (MiM) and the Master in Finance (MiF). While the MiM can be considered the successor of the "old" Master of Science program, the introduction of the MiF is a new milestone at WHU. This summer, the program received 305 applications from potential students, 121 of whom will enroll in the MiM and the MiF class of 2016. Hence, we have seen an increase in the number of enrollments of close to 20%, while the number of applications has increased by 70%. The vast majority of the additional applications (more than 96%) came from students who earned their Bachelor degree outside of WHU. The recruiting process was enhanced by the re-inclusion of the Master in Management (MiM) program in the 2013 Financial Times ranking. We are very pleased that the program is ranked among the top three Master in Management programs worldwide. Information about the Financial Times rankings for Master's programs is available under [rankings.ft.com/busi-](http://rankings.ft.com/busi-)

[nessschoolrankings/rankings](http://rankings.ft.com/busi-).

Another important milestone in the activity portfolio of the chair is that the cooperation in the MLB program with the Bucerius Law School has come to a close after 8 intense and insightful years. WHU – Otto Beisheim School of Management and the Bucerius Law School have been running this MLB program jointly since 2006. For us at WHU – Otto Beisheim School of Management, the last 8 years in which we promoted the MLB program was a very exciting experience as well. There will be a lot which will remain for us, not only because we learned a lot about the law side of business transaction. We were also able to connect with excellent students with an extended view of the world. The two schools have agreed to focus more on their key portfolio of educational programs in the future and hence not to extend the Law and Business program.

In addition, the following developments and achievements at the Chair of Finance deserve special mention:

1. We welcomed three new research assistants to the chair in the past academic year, namely Konstantin Storms, Danny Stutz, and Kai Winselmann. Please find details about their career paths in this report.
2. Two dissertations were completed in the last year. Jan Peter Schmötsch successfully submitted his thesis „Financial Analysts' Forecasts: Lessons from the Crisis“ and Julia Kapraun submitted her thesis „Volatility as an Asset Class - The Benefits of Volatility Investments in Equity Portfolio Management“.

3. On March 28, 2014, we hosted the 5th Private Banking Day. A record number of 143 professionals and students registered for participation. The team at the center has decided not to continue the series of Private Banking Days due to the modified focus and renaming of the Center of Private Banking.

4. The 14th Campus for Finance – WHU New Year's Conference took place from January 8-9, 2014. Due to the record number of more than 400 participants, we for the first time booked the Rhein-Mosel-Halle in Koblenz as an additional venue for the conference, in addition to the WHU facilities in Vallendar.

5. During the past year, the Center of Private Banking came to an agreement with SUNGARD to establish a trading and data center at WHU – Otto Beisheim School of Management. This trading center will be beneficial for the research community at WHU but also for the students of all degree programs, in particular the Master in Finance students. SUNGARD will be a close partner in the Center of Asset and Wealth Management and will contribute the software and data and will support the center. Due to this shift in focus, in April 2014 it was decided to rename the Center of Private Banking into the Center of Asset and Wealth Management. In addition to SUNGARD, the center's sponsors are Böker & Paul AG, Professor Günter Dufey, Sparkasse Koblenz, and d-fine. These join sponsors Berenberg and Commerzbank, who have both continued to support our center since 2006.

I wish to sincerely thank all those at the chair and associated with it who have

contributed to the success of WHU – Otto Beisheim School of Management and the Allianz Chair of Finance during the past business year. In closing, I wish to express my gratitude to the sponsors of the chair as well as the sponsors of the Center of Asset and Wealth Management for their support and contributions. I especially would like to thank Allianz SE, which has been a very close friend and supporter of the chair for many years.

Sincerely,



## The Team



### **Professor Dr. Paul Achleitner**

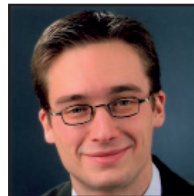
Paul Achleitner is the non-executive chairman of the supervisory board of Deutsche Bank AG. Since February 2001 he has been an honorary professor at WHU – Otto Beisheim School of Management and represents the investment banking domain.



### **Dr. Katrin Baedorf**

Katrin Baedorf is the director of the Center of Asset and Wealth Management at WHU – Otto Beisheim School of Management. She studied Economics and Mathematics at the Rheinische Friedrich-Wilhelms-Universität in Bonn. Upon graduating with two diploma degrees in 2001, she joined McKinsey & Compa-

ny, Inc., where she stayed for more than four years. In 2006 she joined the Center of Private Banking at WHU – Otto Beisheim School of Management, where she completed her dissertation on the topic of performance measurement of customer portfolios in private banking. Between 2009 and 2011 she was an assistant professor at the Center of Private Banking. In her research she focused on asset management with particular interest in illiquid assets and behavioral finance as well as service quality within private banking. As director she is responsible for all activities and relationships at the Center of Asset and Wealth Management. Dr. Baedorf is on maternity leave until October 2014.



### **Dipl.-Kfm. Michael Borß**

Michael Borß started as a research assistant at the Center of Private Banking in May 2009. He studied Business Administration at the University of Münster and studied abroad in Strasbourg and in Illinois. Michael Borß joined the Boston Consulting Group in 2006. His research focuses on behavioral finance and experimental economics. He left the center in October 2011.



### **Marianne Diel**

Marianne Diel has been the personal assistant of Professor Markus Rudolf at the Allianz Endowed Chair of Finance since January 1999. With respect to organizational matters she is also engaged at the Center of Asset and Wealth Management.



### **Dipl.-Kfm. Matthias Feldhues**

Matthias Feldhues started as a research assistant and PhD candidate at the Allianz Endowed Chair of Finance in July 2011. In 2008, he obtained a master's degree in Business Administration and Economics (Dipl.-Kfm.) from WHU - Otto Beisheim School of Management with exchange terms at Kobe University, Japan as well as Queen's University, Canada. Subsequent to his studies, he worked for two and a half years for Accenture's

Strategy Consulting Practice in Germany, Switzerland, and the U.S. before taking a leave of absence to pursue a PhD. Mr. Feldhues' research focuses on international finance and asset allocation. He left the chair in July 2013.



### **Dipl.-Wirtsch.-Math. Katja Harder**

Katja Harder studied Business Mathematics at the University of Leipzig from 2004 to 2010, with majors in Financial Mathematics and Stochastic Analysis. During this time she worked for the Landesbank Sachsen, among others, and gained first practical experiences in risk controlling. Katja Harder has been a research assistant and PhD candidate at the Allianz Endowed Chair of Finance since December 2010. Her research focus lies in the area of sovereign risk.





### **Dipl.-Kfm. Matthias Held**

During his studies of Finance and International Management at the University of Magdeburg, Matthias Held worked as an intern at BayernLB's risk office. Since August 2010, he has been employed as research assistant at the Allianz Endowed Chair of Finance. Matthias currently researches market sentiment derived from option data. He left the the chair in February 2014.



### **Dr. Stefan Jentzsch**

Stefan Jentzsch is partner at Perella Weinberg Partners in London and was chief executive officer of Dresdner Kleinwort and a member of Dresdner Bank's board of managing directors with responsibility for investment banking. Within

the MLB Program he teaches the course "Leadership in Investment Banking."



### **Dr. Julia Kapraun**

Julia Kapraun started as a research assistant at the Allianz Endowed Chair of Finance in July 2011. Previously, she studied Mathematics at the Technische Universität Berlin with majors in Mathematical Finance and Stochastic Analysis. Prior to WHU, she was a junior risk controller with Union Asset Management in Frankfurt and gained practical experiences in equity derivatives at UBS Investment Bank in Frankfurt and BNP Paribas Arbitrage in Paris. Her focus of interest is on financial modeling and asset allocation.



### **Dipl.-Vw. Ruth Kümmerle**

Since April 2011 Ruth Kümmerle has been a research assistant and PhD candidate at the Allianz Endowed Chair of Finance. She studied Economics at the Technische Universität Berlin and Business Administration at Toulouse Business School. After graduation she worked as a portfolio manager, first at Deutsche Bank in Frankfurt, managing commodity related portfolios, and then at Sal. Oppenheim, focusing on customized wealth management. Her research focus area is portfolio management, especially modelling investment decisions with illiquid investments.



### **Dr. Hartmut Leser**

Hartmut Leser is the chief executive officer of Aberdeen Asset Management, Germany. Prior to this position, he held several high-ranking positions in the asset management industry and was partner of an investment consultancy firm. He lectures on asset management for the MSc program at WHU – Otto Beisheim School of Management.



### **Dipl.-Wi.-Math. Marcel Omachel**

Marcel Omachel joined WHU as a research assistant at the Allianz Endowed Chair of Finance in March 2013. Prior to that he finished his master's degree in Mathematics at the University of Cambridge in 2009 and obtained his diploma degree in Business Mathematics from the University of Cologne in 2010. Subsequently, he worked for two years at Deutsche Bank in New York. In his dissertation he focuses on the informativeness of the European sovereign CDS market.



### **Dipl.-Kfm. Sören Pippart**

Sören Pippart joined WHU – Otto Beisheim School of Management as a research assistant to the Allianz Endowed

Chair of Finance in October 2011. After completing his studies in business sciences at the University of Mannheim and Saarland University, he spent a semester abroad at the University of British Columbia in Vancouver, Canada. Sören gained firsthand practical experience during internships as a financial auditor at KPMG AG and as an equity derivatives sales trader at Natixis S.A. From September to December 2013 he was offered the courtesy title of a visiting scholar (Ph.D. level) at New York University, sponsored by Professor Viral V. Acharya. In his dissertation, he focuses on international finance, in particular on exchange rates.



### **Professor Dr. Markus Rudolf**

Markus Rudolf is the associate dean of WHU and since 1998 full Allianz Professor of Finance at the WHU – Otto Beisheim School of Management. He also heads WHU’s Center of Asset and Wealth Management. He earned his Ph.D. in fall 1994 and his habilitation in May 1999, both at the University of St. Gallen, Switzerland. His recent publications focus on banking and private banking, the sovereign risk crises, asset and risk ma-

agement, and derivatives pricing. He is co-editor of the journal „Financial Markets and Portfolio Management“ and acts as academic director of the Campus for Finance – WHU New Year’s Conference. He holds supervisory board positions at Black Rock Asset Management Deutschland AG, at Boeker & Paul AG, and at Brain Capital GmbH.



### **Kirsten Schmitz**

Since 2009 Kirsten Schmitz has assisted the secretarial office of the Allianz Endowed Chair of Finance and the Center of Asset and Wealth Management.



### **Dr. Jan Peter Schmütsch**

Jan Peter Schmütsch started as a research assistant in April 2012. He studied Business Administration at WHU – Otto

Beisheim School of Management, the University of Texas at Austin, and New York University. During his studies, he gained work experience through internships with the credit risk management of Commerzbank, the M&A advisory of J.P. Morgan, and the corporate development practice of The Boston Consulting Group. In his dissertation he focused on the temporal link of financial crises and market expectations.



### **M. Sc. Konstantin Storms**

Konstantin Storms started as a research assistant and PhD candidate at the Allianz Endowed Chair of Finance in June 2014. He studied Business Administration at WHU – Otto Beisheim School of Management, the Georgia Institute of Technology and the Tuck School of Business at Dartmouth College. After graduating in 2012 he joined The Boston Consulting Group. His research focuses on investor attention in the context of stock market efficiency.



### **M. Sc. Danny Stutz**

Danny Stutz has been a research assistant and PhD candidate at the Allianz Endowed Chair of Finance since November 2013. During his studies of Business Administration with majors in Banking & Finance at the University of Trier, he worked there as research assistant at the Chair of Corporate Finance and Capital Markets. He gained work experience as an intern at Deutsche Bank Luxembourg S.A., Villeroy & Boch AG, and Deutscher Fussball Bund. His research focus is on behavioral finance and wealth management.



### **Prof. Dr. Axel Wieandt**

Axel Wieandt is the Chief Executive Officer of Valovis Bank. His career started at McKinsey followed by a position as

Senior Associate at Morgan Stanley. In 1998 he left Morgan Stanley for Deutsche Bank where he held several management positions, amongst others as Head of Corporate Development. In 2008 he was appointed Chief Executive Officer of Hypo Real Estate. This was followed by positions as Managing Director at Deutsche Bank and Credit Suisse before joining Valovis Bank in his current position. Since 2005 he has been an Honorary Professor at WHU – Otto Beisheim School of Management. His teaching is focused on the area of financial intermediation

South Africa. His research focuses on the Kelly capital growth investment criterion.



## **M. Sc. Kai Philipp Winselmann**

Kai Philipp Winselmann has been a research assistant and PhD candidate at the Allianz Endowed Chair of Finance since April 2014. He studied Business Administration at WHU – Otto Beisheim School of Management, the University of Wisconsin-Madison, and China Europe International Business School. Upon graduation in 2012 he joined Bain & Company in their Munich office and worked two years in management consulting in Germany and

# Center of Asset and Wealth Management

In April 2014 the focus of the former Center of Private Banking was expanded to include asset management, while at the same time the focus area of private banking is now reflected in the more contemporary term „wealth management.“ The thereby established Center of Asset and Wealth Management continues to carry out the activities of the Center of Private Banking while also expanding its activities in the directions of trading and asset management. The Center of Asset and Wealth Management is affiliated with the Allianz Endowed Chair of Finance, headed by Prof. Dr. Markus Rudolf, at WHU – Otto Beisheim School of Management. The center focuses on three aspects: research, teaching/training, and dialogue.

## Research:

Until now Germany has lacked an independent scientific perspective on asset management with a special focus on wealth management and private banking. The activities of the Center of Asset and Wealth Management at WHU – Otto Beisheim School of Management are making strides towards closing this gap with the support of industry professionals. WHU and the center’s sponsors jointly define research projects that allow them to develop solutions to industry problems that cannot be solved by practitioners alone. The concept of scientific backing supports the decision to transfer these tasks to WHU. Core areas of research include aspects of asset and wealth management as well as measurement of customer satisfaction and service quality in the industry. Aspects of behavioral finance are also addressed. Since the former Center of Private Banking was established in 2006, 57 publications and 11 dissertations have been produced at the center.

This includes the successful monograph Private Banking, which has appeared in a second edition. One additional result of the center’s research activities was the development of the WHU Private Banking Rating, which measures customer satisfaction and quality of services in the German private banking industry. After the data collection phase between 2010 and 2013, the rating database now includes more than 985 datasets from private banking customers and will be further expanded in the next months

## Teaching/training:

Several lectures and seminars in the areas of asset and wealth management are offered in the student programs at WHU – Otto Beisheim School of Management. A new and integral component was added in 2014, namely a SUNGARD trade, order, and billing system that will be made available to all students at WHU, enabling a new level of financial education at the school. In addition, an executive education program was established at the Center of Asset and Wealth Management to offer tailor-made company programs for employees of firms in the financial industry, or ongoing training for individuals in an open training program with a final certificate.

For members of the Center of Asset and Wealth Management, the individually designed training program took place for the third time in 2014. The program featured two modules: Private Banking Rating and Communication in Private Banking. The current program will finish with an exam in 2014. In total, 41 participants from different areas of private banking, all members of the center, took part in this year’s program.

### Dialogue:

Open dialogue about highly relevant topics in financial practice as well as in the academic community takes place among the partners and members of the Center of Asset and Wealth Management. In addition the center sharpens WHU's research profile and institutionalizes contacts with firms and practitioners in the field of asset and wealth management, especially in Germany, Switzerland, Liechtenstein, Austria, and Luxembourg.

# Advisory Board of the Center of Asset and Wealth Management (CAWM)



**Johannes Baratta**  
Credit Suisse (Deutschland) AG  
Chairman of the Management Board  
(left the board in 2014)



**Prof. Dr. Günter Dufey**  
Prof. Emeritus of the University of Michigan



**Andreas Brodtmann**  
Berenberg  
Personally liable Partner  
(left the board in 2014)



**Christian U. Haas**  
(designated member)  
SUNGARD Systeme GmbH, CEO



**Stefan Keitel**  
(designated member)  
Berenberg  
Head Portfolio Management & Advisory





**Michael Kohl**

(designated member)

Commerzbank AG

Head of Product Management  
& Asset Management



**Matthias Nester**

(designated member)

Sparkasse Koblenz

Chairman of the Management Board



**Richard Manger**

(designated member)

DZ PRIVATBANK S.A.

Member of the executive board



**Thomas Paul**

(designated member)

Böker & Paul AG

Kanzlei für Vermögensmanagement



**Prof. Dr. Markus Rudolf**  
WHU - Otto Beisheim School of Management, Associate Dean  
Head of the Center



**Dr. Egbert Scharck**  
(designated member)  
d-fine GmbH  
CEO



**Dr. Bernd Türk**  
Commerzbank AG  
Head of the Advisory Board  
Head Sales Management and  
Head Asset Management  
(left the board in 2013)



**Ralf Vielhaber**  
Fuchsbriefe/Dr. Hans Fuchs GmbH  
Managing Director

## Associated Members of the Center of Asset and Wealth Management (CAWM)



**Prof. Dr. Thomas Burkhardt**  
Universität Koblenz-Landau, Campus  
Koblenz



**Prof. Dr. Lutz Johanning**  
WHU - Otto Beisheim School of Management, Holder of the Chair of Empirical Capital Market Research



**Thomas Fehr**  
Commerzbank International S.A. Luxembourg, Member of the executive board



**Dr. Kyros Khadjavi**  
Berenberg, Head Private Banking



**Lisa Gerstner**  
Berenberg, HR Development, Graduate Recruitment (left the center in 2014)



**Jürgen Lampe**  
firstfive AG, Frankfurt/Main, CEO



**Prof. Volkmar Liebig**  
Ulm University of Applied Sciences



**Thomas Paul**  
Böker & Paul AG, Member of the executive board



**Melanie Monßen, CFP**  
Bank Vontobel Europe AG, Director Private Banking (left the center in 2013)



**Dr. Jörg Richter**  
Institut für Qualitätssicherung und Prüfung von Finanzdienstleistungen GmbH (IQF), Hannover , CEO

# Fifth WHU Private Banking Day in 2014

On March 28th 2014 the fifth WHU Private Banking Day took place for the second time on the newly established WHU Campus in Düsseldorf. The discussions and presentations revealed that the whole sector is facing immense challenges and battles against losses in reputation and trust.



Welcoming Speech Prof. Dr. Markus Rudolf

These issues were discussed in many fascinating presentations by the following speakers:

- Andreas Brodtmann – Personally liable Partner, Joh. Berenberg, Gossler & Co. KG
- Johannes Cremer – Managing Partner, moneymeets community GmbH
- Dr. Tasso Enzweiler – Managing Partner, Enzweiler & Partner
- Christian U. Haas – Managing Director, SunGard Systeme GmbH
- Til Klein - Managing Director, The Boston Consulting Group

- Richard Manger – Member of the Management Board, DZ Privatbank S.A.
- Alexander Pick – Head of Family Office, Allianz Global Investors Europe GmbH
- Prof. Dr. Sabine B. Rau - WHU – Otto Beisheim School of Management
- Prof. Dr. Markus Rudolf - WHU – Otto Beisheim School of Management
- Ralf Vielhaber – Managing Director Fuchsbriefe/Dr. Hans Fuchs GmbH
- Prof. Dr. Heinz Zimmermann – University of Basel



Ralf Vielhaber, Managing Director Fuchsbriefe

In his presentation Mr. Vielhaber described the emergent regulations within advisory businesses and how to deal with these issues. For Professor. Dr. Rau entrepreneurial families are special clients that need tailor-made solutions. According to Alexander Pick, a paradigm shift in capital markets is taking place and advisory services have to provide intelligent risk management solutions in the future.

Against the backdrop of the current challenges of the Private Banking Industry, the speakers focused on the following further aspects: Mr. Manger considered demographic variables and their impact on the wealth management process. Professor Dr. Zimmermann indicated the impact of speculation on commodity future prices.



Richard Manger, Member of the Management Board, DZ Privatbank S.A.

The afternoon session ended with a lively panel discussion about “Social Media in Private Banking – encouragement or contradiction?” Dr. Tasso Enzweiler chaired the discussion of the following panelists: Johannes Cremer (moneymeets community GmbH), Christian U. Haas (SunGard Systeme GmbH), and Professor Til Klein (The Boston Consulting Group).



Networking of the participants

The conference ended with the dinner speech of Andreas Brodtmann (Personally liable Partner, Berenberg Bank) entitled “Banking Industry – Quo Vadis.” According to Brodtmann the financial crisis has left its traces: the regulatory requirements as well as high-quality customer advice have become increasingly important. A change of private banking business models will be the consequence.

After this concluding dinner speech the day ended with a joint dinner at the lounge of the WHU Campus in Düsseldorf. The participating students confirmed the conference “to be worth visiting” and the corporate participants also experienced a day full of highlights.

## Contributions to WHU



Prof. Dr. Markus Rudolf delivering the welcome note at the 5th WHU Private Banking Day

Professor Dr. Markus Rudolf is the Associate Dean of WHU, a position he has held since October 2009. In his role as Associate Dean he has represented the university on a variety of occasions, delivered addresses at many events and lead several internal committees. Among others, Professor Rudolf has acted as representative of WHU at the Hochschulrektorenkonferenz (HRK), the Landeshochschulpräsidentenkonferenz (LHPK) and the Koblenzer Hochschulleiterkonferenz as well as the EFMD Annual Conference and the EFMD Conference on Master Programs, with the latter having been

hosted at WHU's Düsseldorf campus in December 2013. In the past academic year, Professor Rudolf also gave the welcome addresses at WHU Euromasters and the Campus for Finance conferences as well as the keynote address at the 5th WHU Private Banking Day.

Professor Rudolf continues to serve as the academic director of two master programs. At WHU, he is the academic director of both the WHU Master in Management (M.Sc.) program and the WHU Master in Finance (M.Sc.) program. WHU's M.Sc. programs are designed as

consecutive business science degrees. They are tailored towards outstanding, performance-oriented students holding B.Sc. degrees in the area of business studies who are keen to further expand their academic and business knowledge into an international context.

In addition to his role as the academic director of WHU's M.Sc. programs, Professor Rudolf has also been co-director of the joint Bucerius Law School and WHU Master of Law and Business – Joachim Herz Program (“MLB Program”) between 2006 and 2014. This program offers legal and business professionals the opportunity to deepen their knowledge of international business law as well as international management. MLB students are systematically trained to take an interdisciplinary approach to legal and management questions. The program aims to convey knowledge out of both branches of study in combined lectures on special topics. In addition to his role as co-director of the MLB program, Professor Rudolf is responsible for the conceptual design and planning of those parts of the program focusing on management studies. The MLB program is taught at Bucerius Law School in Hamburg, but also encompasses two live-in weeks on WHU's campus in Vallendar each year. The cooperation between Bucerius Law School and WHU will not be extended after 2014.

In the past academic year, Professor Rudolf has chaired six search committees,

some of them ongoing, for professors and assistant professors. He is in charge of the search committees for the professors for financial accounting and operations management as well as the search committees for the assistant professors for Finance in Asset and Wealth Management, Supply Chain Finance, Supply Management and International Business, and Finance of Family Firms.

Furthermore, Professor Rudolf acts as academic director of the Campus for Finance - WHU New Year's Conference and heads the Center of Asset and Wealth Management, which is associated to the Allianz Endowed Chair of Finance. The Center of Asset and Wealth Management emerged from the former Center of Private Banking which was founded in 2006 and extended in scope in April 2014 to Asset Management with the previous scope of Private Banking being captured in the more modern term Wealth Management.

Allianz SE is a continued crucial sponsor of the Allianz Endowed Chair of Finance. Berenberg, Böker & Paul, Commerzbank, d-fine, Credit Suisse, Sparkasse Koblenz and SunGard are sponsors of the Center of Asset and Wealth Management. Highly valued contributions to the Center are also made by firstfive, Fuchsbriefe, and IQF.



# Advisory Board Allianz Endowed Chair of Finance



**Dr. Karl-Georg Altenburg**  
JPMorgan Chase Bank, N.A.  
CEO Germany/Austria/Switzerland



**Martin Korbmacher**  
Managing Associate, Event Horizon Capital & Advisory GmbH



**Prof. Dr. Günter Dufey**  
Prof. Emeritus of the University of Michigan



**Dr. Stephan Leithner**  
Deutsche Bank AG  
Member of the executive board



**Stephan Gemkow**  
Franz Haniel & Cie. GmbH  
Chairman of the executive board



**Rudolf Matter**  
Director of Schweizer Radio und Fernsehen (SRF)



**Dr. Thorsten Reitmeyer**  
comdirect bank AG  
CEO



**Professor Dr. Markus Rudolf**  
WHU – Otto Beisheim School of  
Management, Associate Dean



**Stephan Johannes  
Theissing**  
Allianz SE  
Head of Corporate Finance  
Chairman of the Advisory Board



**Johannes Züll**  
RTL Hrvatska  
CEO

The Advisory Board consists of 10 nationally and internationally renowned experts from the fields of research and practice. Its members support the Allianz Endowed Chair of Finance in strategic projects and ensure an active exchange between the academic and corporate worlds. This year, the Advisory Board met on January 9, 2014 and on May 12, 2014 at WHU.

# Research and Publications

## Publications

Alexander, Carol, Dimitris Korovilas and Julia Kapraun (WHU and Sussex University) [2014]: Trading and Investing in Volatility Products, forthcoming in: Financial Markets, Institutions and Instruments.

Rudolf, Markus and Volker Seiler [2014]: Customer Satisfaction in Private Banking, in: Credit and Capital Markets, Volume 3, p. 485-520.

Back, Janis, Marcel Prokopczuk and Markus Rudolf [2013]: Seasonality and the Valuation of Commodity Options, in: Journal of Banking and Finance, Volume 37, Issue 2, p. 273-290.

Back, Janis, Marcel Prokopczuk (WHU and Zeppelin University) [2013]: Commodity Price Dynamics and Derivatives Valuation: A Review, in: International Journal of Theoretical and Applied Finance, Volume 16, Issue 6, p. 1-30.

Krume, Tim and Markus Rudolf [2013]: Die Performance ist verbesserungswürdig, in: Bank und Markt, Volume 42, Issue 2, p. 35-38.

Krume, Tim, Markus Rudolf and Volker Seiler Volker [2013]: The Influence of Socio-Demographic Variables on Customer Satisfaction and Loyalty in the Private Banking Industry, in: International Journal of Bank Marketing, Volume 31, Issue 4, p. 235-258.

Lücke, Marc-Olivier and Markus Rudolf [2013]: Bankruptcy Codes, Bargaining, and the Valuation of Distressed Securities, in: Problems and Perspectives in Management, Volume 11, Issue 2, p. 7-23.

## Working Papers

Kapraun, Julia and Markus Rudolf [2014]: Dynamic Asset Allocation with Volatility.

Omachel, Marcel and Markus Rudolf [2014]: The Relationship between Sovereign Defaults and Exchange Rate Shocks in the Eurozone: A Simple Measure for Systemic Sovereign Credit Risk.

Alexander, Carol, Dimitris Korovilas and Julia Kapraun (WHU and Sussex University) [2014]: When do Equity Investors benefit from Volatility Diversification?

Feldhues, Matthias [2014]: Industry-based diversification and reallocation in U.S. holdings of foreign equity.

Back, Janis, Raphael Paschke, Marcel Prokopczuk and Markus Rudolf (WHU, University of Mannheim and Zeppelin University) [2011]: Seasonal Stochastic Volatility: Implications for the Pricing of Commodity Options.

## Conference Presentations

50th Anniversary Eastern Finance Association Meeting, Pittsburgh [2014]: Felthues, Matthias [2014]: Industry-based diversification and reallocation in U.S. holdings of foreign equity.

International Conference on the Restructuring of the Global Economy (ROGE), London [2013]: Schmötsch, Jan Peter, Markus Rudolf and Jan Christoph Rülke [2013]: Euro Stoxx 50 and the Business Cycle: Revisiting Rationality.



# CAMPUS FOR FINANCE

## NEW YEAR'S CONFERENCE



Prof. Dr. Markus Rudolf delivering an address to participants of the Campus for Finance - New Year's Conference 2014

### **Tomorrow's Financial Services - Breakdown or Revival?**

WHU – Otto Beisheim School of Management was proud host of the 14th annual Campus for Finance – New Year's Conference on January 8-9, 2014. To accommodate its ongoing growth, the two-day conference aimed at students, academics, young professionals and corporates alike was for the first time spread over two locations. In addition to WHU's campus in

Vallendar parts of the program were for the first time held at the Rhein-Mosel-Halle Convention Center in Koblenz. The conference attracted participants from all over the world to WHU to socialize, share their insights, and discuss new ideas.

Campus for Finance could successfully continue its 14-year history of success and further expand and broaden the conference. The number of admitted student participants was increased to 330 and a further increase is planned for future conferences, given the additional space

that the expansion to Koblenz has made available. The number of speakers increased to 25 world-renowned academics and executives. Also, new sponsors from fields other than pure financial services, such as Bayer and BP Europe, could be attracted to the conference for the first time.



Nobel Laureate Professor Rheinhard Selten giving a joint speech with Professor Robin Pope

Corporate talks, academic presentations, and panel discussions are the main elements of the conference, but several special sessions targeted at specific participant groups were also offered. Corporate sponsors held workshops for students and young professionals, and professors from WHU and abroad gave presentations on recent innovative research for participants from academia. Entrepreneurial talks between conference speakers and selected small groups brought conference participants and speakers into closer contact, enabling participants to learn more about the speakers' back-

grounds, their careers, and their advice about what it takes to succeed in today's corporate world.



Paul Achleitner, Chairman, Deutsche Bank, delivering a speech

The Campus for Finance – New Year's Conference 2014 was enriched by the following speakers: Paul Achleitner (Chairman, Deutsche Bank), Karl-Georg Altenburg (CEO Germany/Austria/Switzerland, J.P. Morgan), Werner Baumann (CFO, Bayer AG), Holger Bross (Head of Corporate and Investment Banking Germany, Merrill Lynch), Alexander Doll (Co-CEO Germany and Co-Head IBD, Barclays), Marisa Drew (Co-Head of EMEA Investment Banking, Credit Suisse), Klaus Entenmann (CEO, Daimler Financial Services AG), Georg Fahrenschon (President, German Saving Banks Association), Adam Farkas (Executive Director, European Banking Authority), Rüdiger Filbry (Managing Director, The Boston Consulting Group), Michael Fuchs (Vice Parliamentary Party Leader, CDU/

CSU), Ulrich Grillo (President, Federation of German Industries), Stefan Jentzsch (Partner, Advisory Group, Perella Weinberg Partner), Prof. Tobias Kollmann (University Duisburg-Essen), Wolfgang Langhoff (CFO, BP Europa), Konrad Meyer (Senior Investment Manager, Waterland), Matthias Nester (Chairman of Sparkasse Koblenz), Martin Neuhaus (Partner, Latham & Watkins), Dirk Notheis (Managing Director and Investor, Rantum Capital), Prof. Robin Pope (Guest Professor, University of Graz), Stephen Price (Head of Commercial Banking, CMB Germany), Klaus Regling (Managing Director, ESM; CEO, EFSF), Michael Rüdiger (CEO, Deka Bank), Prof. Markus Rudolf (Associate Dean, WHU – Otto Beisheim School of Management; Academic Director, Campus for Finance), Prof. Reinhard Selten (Department of Economics, Rheinische Friedrichs-Wilhelms-University), Davide Talente (Partner & Head of Public Policy Practice EMEA, Oliver Wyman), Burkhard Varnholt (Global Strategist Investor, Bank J. Safra Sarasin Ltd).

The next Campus for Finance – New Year's Conference will take place on January 14 & 15, 2015 at WHU – Otto Beisheim School of Management in Vallendar and in the Rhein-Mosel-Halle Convention Center in Koblenz. The Campus for Finance – New Year's Conference is a student initiative supported by the Endowed Chair of Finance. Professor Markus Rudolf is Academic Director of Campus for Finance.



Ulrich Grillo, President of the Federation of German Industries, during his talk

# CAMPUS FOR FINANCE 14

## WHU PRIVATE EQUITY CONFERENCE

### Private Equity Growing Up – Value creation Strategies in a Maturing Market



Professor Dr. Markus Rudolf during his opening speech

On March 27 & 28, the Campus for Finance – WHU Private Equity Conference took place at WHU – Otto Beisheim School of Management in Vallendar. For the ninth time, students, young professionals, and industry representatives were offered a platform for presentations and discussions of the latest trends in private equity. In keynote speeches, panel discussions, and workshops renowned professionals offered interesting insights and facts from the private equity industry. After several years defined by the financial crisis and its aftermath, at this year's con-

ference it was time to look forward to a potentially bright future. Recovering economies around the globe simultaneously offer chances and risks for the industry's players. Participants passionately discussed which promising strategies could yield high returns for investors in a market environment where there is only a limited number of possible investment objects.



Participants at one of the many panel discussions during the conference sharing their views of the Private Equity industry

Workshops for the executive program were conducted by Innosquared, Oliver Wyman, and Wellensiek Rechtsanwälte, while young professionals participated in workshops by Denis Schweizer and Quadriga Capital. Workshops for students and academics were offered by ARDIAN,



AUCTUS Capital Partners, Bain & Company, and Lazard.

The following speakers enriched the WHU Private Equity Conference: Ronald Ayles (Managing Director, Advent International), Prof. Reiner Braun (University Erlangen-Nürnberg), Michael Drill (CEO, Lincoln International Germany), Rainer Effinger (Managing Director, NORD Holding), Tobias Eichner (Partner, Oliver Wyman), Klaus Esser (former General Atlantic LLC), Till Hafner (Senior Lawyer, Wellensiek Rechtsanwälte), Fotis Hasiotis (Managing Director, Lazard), Gregor Hilverkus (Managing Director, CVC Capital Partners), Sascha Kaumann (Associate Director, HgCapital), Arndt Kaminski (Partner, Bain & Company), David Klein (Co-founder & Managing Partner, One Peak Partners), Matthias Loos (Head Financial Sponsors Germany, Lazard), Mirko Meyer-Schönherr (Partner, PAI Partners), Jörg Mugrauer (Director, Quadriga Capital), Jan-Daniel Neumann (Managing Director, Brockhaus Private Equity), Yasir Piracha (Director, Quadriga Capital), Michael Röchner (CEO, Blancco), Denis Schweizer (Assistant Professor Alternative Investments, WHU – Otto Beisheim School of Management), Prof. Bernard Schwetzler (HHL Leipzig Graduate School of Management), Florian Strehle (Board of Directors, AUCTUS Capital Partners), and Max von Bismarck (Partner & CEO, SkyBridge Capital).



Michael Drill, CEO at Lincoln International Germany during his speech

This year's Campus for Finance – WHU Private Equity Conference was supported by ARDIAN, Atheneum Partners, AUCTUS Capital Partners, Avedon Capital Partners, Bain & Company, Baker Tilly Roelfs, Innosquared, Lazard, Lincoln International, NORD Holding, Oliver Wyman, Quadriga Capital, and Wellensiek Rechtsanwälte.

The Campus for Finance – WHU Private Equity Conference is an initiative entirely organized by WHU students and supported by the Endowed Chair of Finance with Professor Markus Rudolf as its academic director. The organizing students were: Gregor Burkart (Speakers), Julia Fiedler (Participants), Stefan Jakubczyk (Organization), Robin Klemm (Budget & Communication), Martin Schlappa (Sponsors), Marc Wierzbitzki (IT & Design), Florian Winkler (Corporate Program), Quanbo Wu (Young Professional Pro-

gram), and Fangqi Yang (Press & Public Relations).

We very much look forward to next year's Campus for Finance – WHU Private Equity Conference which will take place in Vallendar on March 26 & 27, 2015. Participants in 2015 will discuss topics including how to achieve attractive returns at high valuations, is there new competition through increasing shadow capital, and what to learn from current developments in venture capital.

# Bucerius/WHU Master of Law and Business – Joachim Herz Program



MLB Class of 2014 at graduation date

The Chairholder Professor Dr. Markus Rudolf is the academic co-director of the Master of Law and Business Program, a joint program with the Bucerius Law School in Hamburg, which was launched in 2006. He is responsible for the program's business and management curriculum.

The Bucerius/WHU Master of Law and Business - Joachim Herz Program aims to provide students with preparation in the fields of law and business studies by offering combined lectures on special topic areas. The target group consists of international students whose first degree is primarily in law or business studies with at least two years of working experience.

The program's legal component deals with all key legal challenges confronting an internationally operating company. By applying a comparative law approach, the participants learn to judge international legal questions by integrating the different perspectives of different legal systems. The business studies component of the program is primarily concerned with basic business management knowledge that is particularly relevant to commercial lawyers.

The specific focus of the program is to offer complementary law and business courses, taking an interdisciplinary approach to central issues in international business and using a lifecycle-based

method. The program is also unique in offering internationally focused, comparatively-oriented classroom instruction with teaching staff from many countries as well as an internship, Studium Generale, Master's thesis, a Capstone course and a Social Project. All of these elements are integrated into one – very intensive – calendar year.

In addition to the business and law studies courses, the participants are taught practical skills, as well. The students receive writing courses in drafting English-language contracts, letters and memos as well as courses in negotiation skills.

The students of the program are characterized by their high degree of internationalism and diversity, so the participants in Class of 2014 represent 30 countries on five continents. The Program primarily takes place on the campus of Bucerius Law School in Hamburg, but the participants also spend time on the WHU campus – for example, for two Live-in weeks and in some cases while they are writing their master's thesis, and for some student events.

With the successful completion of the program, students are graduates of the WHU and graduates of the Bucerius Law and they are very welcome to join both alumni networks. The commitment of the Joachim Herz Stiftung deserves particular mention; this is a German non-profit foundation, which has provided generous

financial support to the MLB Program since 2009 in order to improve even further the Program's already-acquired profoundly international character.

## **The two Live-in Weeks of the Bucerius/WHU Master of Law and Business Class of 2014 at the WHU**

From September 22rd through 28th, 2013 and from May 04th through May 10th, 2014 WHU welcomed the students of the Bucerius/WHU MLB Class of 2014 in Valendar. The live-in weeks consisted of diverse lectures as well as a social program rich in variety. Throughout the two weeks, the students could choose from a variety of business and law courses. In addition to the lectures they were invited to participate at the company presentations of Deutsche Bank and the Career Day organized by the career service of WHU, got to know the MBA Class of 2014 at the campus in Düsseldorf, and received a first impression of In Praxi, the alumni association of WHU.

During the two weeks in September and May the students experienced the fairytale landscape of the Mosel Valley with its vineyards and castles through a knights' banquet at the Ehrenburg in Brodenbach, a boat trip to the Rhine village Boppard and a hiking tour through the vineyards, as well as a bus trip to the headquarter of Deutsche Telekom as well as

the UN Campus in Bonn. These events framed the get together of both students and the MLB-team from Bucerius Law School and WHU.



MLB Class of 2014 during the first Live-in Week at the WHU Campus Vallendar

## Graduation Ceremony of the MLB Class of 2014

The eighth class of the Bucerius/WHU Master of Law and Business – Joachim Herz program donned their caps and gowns on September 2, 2014 for the MLB Graduation Ceremony. Ammad Ahmad, MLB alumnus of the class of 2010 and founder and managing partner of Atheneum Partners, was the keynote speaker.

This year 52 students successfully completed the Master of Law and Business Program and received their diplomas. In addition to the conferral of diplomas, student representative Nata Ghibradze from Georgia spoke on behalf of her classmates about her experiences over

the past 12 months. The “Best Teacher Award Law and Business” was awarded to Professor Dr. Jürgen Weigand of WHU – Otto Beisheim School of Management for business instruction and to Professor Dr. Rüdiger Veil of Bucerius Law School for legal instruction.



Student representative Nata Ghibradze during her speech

Dr. Hariolf Wenzler, CEO of Bucerius Law School, thanked Professor Dr. Markus Rudolf and WHU for the good cooperation in the past 8 years. The ceremony ended with the enrollment of 35 students in the new LLM/MLB class.

## TERMINATION OF THE MLB PROGRAM

As of fall 2014, the MLB program itself will not be continued as a joint Bucerius/WHU program. While the MLB program has been a huge academic success for both schools and its graduates, both institutions wish to adjust their respective program portfolios to reflect their institu-

tional developments over the past 8 years. As the MLB Program is currently the only master's level program at the Law School, Bucerius will continue to offer the MLB degree. In addition, the Law School will introduce the internationally well-recognized LL.M. (Legum Magister) degree with a focus on business law, thus creating synergies with the MLB Program. WHU in turn will continue its successful programs Master in Management, Master in Finance, MBA, Part-time MBA, and Executive MBA, in order to focus on pure business programs as a part of its growth strategy.

# Doctoral Seminar Burgenland



Ruth Kümmerle (WHU) while presenting her research project

## Doctoral Seminar Burgenland 2013

Continuing its tradition, the Allianz Endowed Chair of Finance accepted the invitation of the Finanznetzwerk e.V. to participate in its annual doctoral seminar in Burgenland, Austria. This year's event took place from October 3-5, 2013. Among the 16 participants were professors and doctoral candidates from WHU – Otto Beisheim School of Management and the University of Bamberg, as well as WHU alumni.

As in previous years the primary goal of this year's event lay in the presentation and discussion of research projects. Additionally, participants received the opportunity to exchange ideas and opinions

regarding their respective research projects.

The participant's arrival was planned for Thursday, October 3rd. After check-in and a general meeting of the Finanznetzwerk e.V. a joint dinner was organized in the hotel restaurant. The Friday was reserved for presentations and discussions. Eleven research projects were presented throughout the day, whereby for each presentation enough time was allocated for an elaborate discussion and feedback. The day ended in a dinner at local restaurant to exchange impressions and ideas with fellow participants. The seminar concluded on Saturday with a cycling tour around lake Neusiedl.

The following research projects were presented on Friday, October 4th 2013:

- Kaufmann, Tobias (University of Bamberg): Valuation of ESM – A basket option Approach
- Omachel, Marcel (WHU): A Quanto CDS based Systemic Risk Measure for the Eurozone
- Harder, Katja (WHU): Staatsausfallrisiko in der EURO-Zone – Eine empirische Analyse der Determinanten
- Frankenfeld, Johannes (WHU): Bildungsfonds als Anlageklasse
- Kapraun, Julia (WHU): Trading and Investing in Volatility Products
- Kümmerle, Ruth (WHU): Modelling Illiquid Investments
- Held, Matthias (WHU): Option Implied Sentiment
- Fäßler, Robert (University of Bamberg): Asset pricing with exhaustible resources
- Putz, Christian (University of Bamberg): Asset Pricing and Taxation



Marc-Olivier Lücke participating in the cycling tour around lake Neusiedl



# Course Offerings in Finance

## BSc Program

### Fall Term 2013:

- International Capital Markets and Derivatives (2 SWS, Dr. Michel)

### Spring Term 2014:

- Foundations of Finance (2 SWS, two groups, Prof. Dr. Rudolf)
- Corporate Finance (2 SWS, two groups, Prof. Dr. Andres)
- International Capital Markets and Derivatives (2 SWS, Prof. Dr. Mei Wang)
- Alternative Investments (2 SWS, Assistant Prof. Dr. Schweizer)
- Asset Management (2 SWS, Prof. Dr. Johanning)
- Introduction to Banking (2 SWS, Prof. Dr. Wieandt)
- Investment Banking (2 SWS, Prof. Dr. Achleitner)

## MSc Program

### Courses für Master in Management and Mater in Finance

#### Fall Term 2013:

- Capital Market Theory (2,5 SWS, Prof. Dr. Rudolf)
- Advanced Corporate Finance (2,5 SWS, Prof. Dr. Yurtoglu)

#### Spring Term 2014:

- Investment Banking & Mergers and Acquisitions (2,5 SWS, Prof. Dr. Aktas)

## Full-Time MBA Program

#### Fall Term 2013:

- Managerial Finance (2 SWS, Prof. Dr. Yurtoglu)

#### Spring Term 2014:

- Corporate Finance (2 SWS, Prof. Dr. Andres)
- Risk Management (2 SWS, Prof. Dr. Johanning)

## **Part-Time MBA Program**

### **Fall Term 2013:**

- Managerial Finance (2 SWS, Prof. Dr. Yurtoglu)

### **Spring Term 2014:**

- Corporate Finance (2 SWS, Prof. Dr. Andres)
- Risk Management (2 SWS, Prof. Dr. Johanning)

## **Executive MBA Program**

### **Fall Term 2013:**

- Managerial Finance (3 SWS, Prof. Dr. Rudolf)

### **Spring Term 2014:**

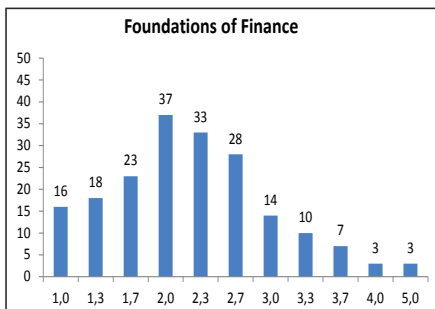
- Corporate Finance (3 SWS, Prof. Dr. Andres)

# The Lectures

## Foundations of Finance (Prof. Dr. Rudolf 2 SWS, 2 groups, BSc Program)

... is a compulsory course for the Bachelor students. The lectures are held in English. The course covers the foundations of financial decision making. It focuses on investment decisions first under certainty and then under uncertainty. It presents solutions to the optimal combination of risky assets in a portfolio and the determination of the market price of risk.

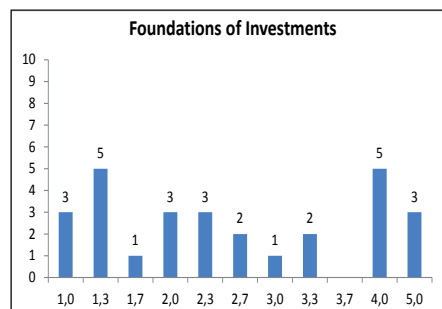
189 students passed the exam in Spring Term 2014 with an average grade of 2.21. The overall grading is shown in the figure below.



## Foundations of Investments (Prof. Dr. Rudolf 2 SWS, MLB Program)

... is a lecture in the MLB Program. The course covers the foundations of financial decision making. The theoretical guideline of the course is inspired by paradigms, neoclassical economics as well as behavioral economics. The course provides an introduction to the basic concepts of finance. Investments under certainty, the valuation and risk assessment of bonds as well as behavioral biases are considered.

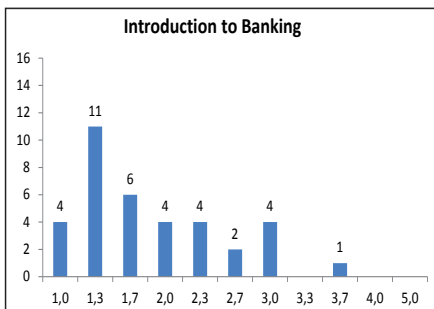
In Fall Term 2013, 25 students in the MLB program passed the exam with an average grade of 2.36. The overall grading is shown in the figure below.



## Introduction to Banking (Prof. Dr. Wieandt 2 SWS, BSc Program)

... is an optional course for Bachelor students. The course is offered by Prof. Dr. Axel Wieandt. The lectures cover essential aspects of financial intermediation, banking and the functions, products and services of banks. A special focus lies on the following two points: the economic structures of the banking sector and a basic knowledge of the activities, structure, and functions of banks. Descriptive case studies are used to work out tendencies and strategies in the financial services sector. The lectures are held in English.

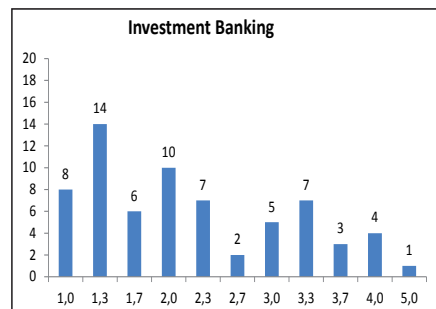
36 students in the BSc Program passed the exam in Spring Term 2014 with an average grade of 1.86. The overall grading is shown in the figure below.



## Investment Banking (Prof. Dr. Achleitner 2 SWS, BSc Program)

... is a course offered by Prof. Dr. Paul Achleitner for students in the third and in the fifth semesters of their Bachelor studies. The products and services as well as the actual trends in the M&A business are presented. The focus is on the analysis of the strategic drivers, the capital market drivers, and the company specific drivers of the M&A business. Furthermore the course deals with the market for company controls.

In Spring Term 2014, 66 students in the BSc Program passed the exam with an average grade of 2.17. The overall grading is shown in the figure below.



## Asset Management (Dr. Leser, 2 SWS, MSc Program)

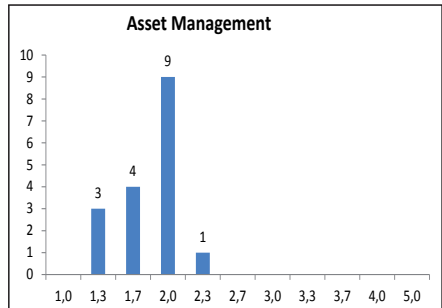
...enables students to understand the structure and current issues of the market for active and passive asset management services and their relationship to a number of concepts of capital market theory. After completing the course, students are familiar with the various styles, tools, and techniques of real-life asset management.

Part I of the lecture revisits important elements of capital market theory with a special emphasis on those aspects of model architecture which are not usually covered in textbooks.

Part II explains the basic structure of the asset management industry by deviations from the perfect world of theory. It analyses the tools and techniques applied by real world asset managers as well as the role of investment consultants.

In addition, the demand side of the market is analyzed by describing the methodologies and tools of institutional investors.

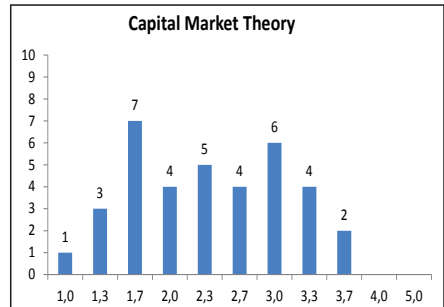
In Spring Term 2014 17 students successfully passed Asset Management with an average grade of 1.82. The overall grading is shown in the figure below.



## Capital Market Theory (Prof. Dr. Rudolf, 2 SWS, MSc Program)

... is the foundation of the Finance elective at the WHU M.Sc. program. It is offered in the first semester (study section 1) and the first quarter of the program. It covers the theoretical background of the main topics in finance, namely option pricing, state preference theory and behavioral finance. Additionally, the course discusses the analysis of sovereign credit risk. The course provides the students with the tools and knowledge for the remaining finance courses in the M.Sc. program, which are Valuation, Capital Structure, Derivatives, Financial Risk Management, Asset Management and Behavioral Finance.

In Fall Term 2013, 36 students passed the exam with an average grade of 2.38. The overall grading is shown in the figure below.



## Course Evaluations - (DOBES)

Student course evaluations are carried out each semester in order to encourage the continuous improvement of teaching quality. Students are able to anonymously evaluate the quality of the courses after each lecture period using the DOBES system (DOzentenBEwertungsSystem).

The evaluation of the courses is based on a questionnaire that measures the quality of different course criteria (lecturer, course structure, student input, reasonable requirements). Generally, courses with 15 or more attendees are evaluated.

For the BSc and MSc Programs grading is from 1 ("strongly agree") to 5 ("strongly disagree"). For the MLB Program grading is designed vice versa. That means grading ranges from 5 ("strongly agree") to 1 ("strongly disagree").

The lecture "Investment Banking" for the BSc Program held by Prof. Dr. Achleitner was graded 1.37 in Spring Term 2014.

The lecture "Introduction to Banking" offered for the BSc Program in Spring Term 2014 by Prof. Dr. Wieandt received a 2.06.

The courses of Prof. Dr. Rudolf also reached a very good grading. In the MLB Program his lecture "Foundations of Investments" received a 4.21 with 5.0 being the best grade. His lecture "Capital Markets Theory" in the MSc Program obtained a grading of 2.19 in Fall Term 2013. Furthermore, the compulsory lecture "Foundations of Finance" in the BSc Program was graded 1.79 in Spring Term 2014.

Moreover, Dr. Leser obtained a 2,19 for his lecture „Asset Management“ in the MSc Program in Spring Term 2014.

Course (Lecturer)	DOBES
Foundations of Finance (Prof. Dr. Rudolf)	1,79
Capital Market Theory (Prof. Dr. Rudolf)	2,19
Investment Banking (Prof. Dr. Achleitner)	1,37
Asset Management (Dr. Leser)	2,19
Foundations of Investments (Prof. Dr. Rudolf)*	4.21
Introduction to Banking (Prof. Dr. Wieandt)	2,06

\*for grading in the MLB Program 5,0 is the best mark

# Dissertations



## Volker Anger

Topic: The Pricing and Hedging of Volatility Derivatives

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. Olaf Korn

Behavioral Lab and in the BonnEconLab in order to gain a deeper understanding of third-order risk preferences such as preferences for skewness and prudence. A preference for skewness is relevant in, for example, a portfolio context, as returns of most asset classes are not normally distributed - as traditionally assumed - but skewed. The chosen experimental approach ensures that the analysis is not just based on economic theory but comprises empirical data obtained by individual decision making under uncertainty.



## Michael Borß

Topic: Third Order Moment Preferences in Decision Making – An Experimental Approach

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. Frauke Lammers

The objective of this research project is to analyze risk preferences in a laboratory experiment. Experiments with about 100 participants were conducted in the WHU



## Dennis Dlugosch

Research assistant at WHU since May 2011

Topic: On Home Bias and Knightian Uncertainty

Referee: Prof. Dr. Mei Wang

Second referee: Prof. Dr. Markus Rudolf

According to Obstfeld & Rogoff (2001), „The six major puzzles in international macroeconomics: is there a common cause?“ in: Bernanke, Rogoff (eds.): NBER Macroeconomics Annual 2000, Vol. 15. MIT Press, pp. 339-412.) home



bias is one of the “six major international macroeconomics puzzles”. There is growing behavioral evidence that the fear of the unknown plays a role in investors’ portfolio decisions. Whereas the empirical literature uses proxies for perceived ambiguity, attitudes towards ambiguity are overlooked. Hence, with data from a worldwide survey, we fit a three-way fixed effects panel model to investigate, whether investors have aversion-to-ambiguity preferences. Further eliciting on this point, the second project uses an experiment to shed light on the question of whether variables frequently used to proxy for perceived ambiguity (such as familiarity (measured as the distance between two countries) or patriotism) reduce investors’ perceived ambiguity or whether there are preferences for familiarity/patriotism per se.



## Markus Duram

Topic: Shadow banking - structure and systemic risks

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. Christian Andres

Shadow banking, commonly defined as „credit intermediation involving entities and activities outside the regular banking system“ (FSB, 2011), was at the center of the financial crisis in 2007-2009 (Gorton and Metrick, 2012). Therefore, academic research on shadow banking has grown in recent years and the regulation of shadow banking has become a critical part of the political agenda of the G20. This research project analyzes structure and systemic risks of shadow banking. In particular, empirical analysis conducted in this project should improve the understanding of runs in the shadow banking sector.



## Jan Eiben

Topic: The Financing of Family Enterprises in Germany

Referee: Prof. Dr. Peter Witt

Second referee: Prof. Dr. Markus Rudolf



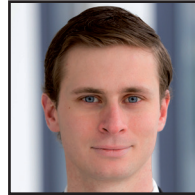
## Matthias Feldhues

Topic: The Allure of Investing at Home: On Drivers of Equity Home Bias and International Portfolio Diversification

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. Mei Wang

In financial research, the prevalence of equity home bias - i.e. the observation that domestic investors hold too little of their financial assets in foreign equities - is oftentimes considered irrational or suboptimal. This research project aims to collect empirical evidence on the equity home bias exhibited by portfolio investors around the world. It contributes to the literature by analyzing if potential sources of diversification benefits such as country and industry effects translate to visible patterns in international equity investment. Moreover, the impact of foreign exchange risk and additional concepts from the neoclassical and behavioral finance literature on equity home bias is tested.



## Johannes Frankenfild

Topic: Higher Education Financing Funds as an Asset Class - The perspective of institutional and private investors

Referee: Prof. Dr. Markus Rudolf

Second referee: : Prof. Dr. Dr. h. c. Jürgen Weber

Any type of education is associated with costs. From an economic view it is fair that the one who benefits covers the associated costs. However, financing options are limited or unattractive for students. Alternative financing options could solve the at least some issues and give investors new return and diversification options. The aim of this research project is to evaluate alternative financing options from an investor's perspective and highlight the possible implications of alternative financing options as a new asset class on the asset allocation of an investor.



## **Katja Harder**

Research assistant at WHU since December 2010

Topic: Sovereign risk in the EURO area – An empirical analysis of the determinants

Referee: Prof. Dr. Markus Rudolf

Second referee: Juniorprof. Dr. Achim Czerny

A specialty of the debt crisis in Europe, in contrast to earlier debt crises, is the financial integration of the European states by a common currency. The basic question is: what underlying economic determinants drive the debt crisis in Europe? The objective of this PhD project is therefore to develop a quantitative empirical model that allows for investigation the influence of relevant determinants on the default risk of a country in the Euro zone. Because of the variety of considered economic and political risk determinants, the analysis of the risk factors is carried out using a structural equation model.



## **Matthias Held**

Topic: Option Implied Sentiment

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. Mei Wang

Following the option implied sentiment theory of Shefrin (2008), this thesis estimates the time series of sentiment from actively traded S&P 500 index options and the index itself. The time series properties of the sentiment factor are examined and their potential contribution to the cross section of stock returns is assessed.



## **Markus Hüren**

Topic: The Impact of Corporate Reputation on Performance in the Financial Services Industry

Referee: Prof. Dr. Markus Rudolf

Second referee: NN



### **Samah Adel Ahmed Ibrahim**

Topic: Assessing the readiness of the Egyptian market for derivatives: A proposed derivatives market in Egypt

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. Burcin Yurtoglu

This study aims to provide an analysis of the factors that might hinder or slow introducing derivatives in Egypt and the requirements of a successful introduction and implementation of such a financial tool. Factor analysis will be implemented for the factors and the requirements to reach the most effective ones to the Egyptian context then will both be fed into a structural equation model (SEM) to estimate the weights and effect of their interrelationships. Using the results of the previous analysis and SEM the appropriate derivatives market and tools will be proposed.



### **Dr. Julia Kapraun**

Research assistant at WHU since July 2011

Topic: Volatility as an Asset Class - The Benefits of Volatility Investments in Equity Portfolio Management

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. Lutz Johanning

The focus of the dissertation is to provide a formal analysis of the benefits of volatility investments in equity portfolio management. The fundamentals and characteristics of volatility are considered and analyzed regarding their contribution to the attractiveness of the volatility as an own asset class. The results are taking into account to construct an optimal portfolio strategy with volatility derivatives for a European investor in the mean-variance as well as in the stochastic volatility frameworks.

The dissertation was completed in 2014



## Silke Krieg

Topic: Vertrauen von vermögenden Privatkunden in ihren Wealth Manager

Referee: Prof. Dr. Martin Fassnacht

Second referee: Prof. Dr. Markus Rudolf



## Ruth Kümmerle

Research assistant at WHU since April 2011

Topic: Illiquid Investments in a Portfolio Context

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. B. Burcin Yurtoglu

The special risks of illiquidity cannot be fully captured by traditional portfolio op-

timization. Therefore, this thesis project aims to analyze the special characteristics of illiquidity in depth and tries to answer the following questions: How can one measure illiquidity? How does one model illiquidity? What are the implications for portfolio optimization with illiquid investments? The results of the research project will provide a better understanding of illiquidity and of its implications for portfolio optimization. These results can be of interest for theoreticians and practitioners alike who deal with illiquid investments in a portfolio context.



## Sebastian C. Moenninghoff

Topic: The Regulation and Supervision of Systemically Relevant Banks following the Financial Crisis of 2008

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. Lutz Johanning

Third referee: Prof. Dr. Axel Wieandt

The thesis aims to derive policy recommendations for the regulation of systemically relevant banks. It examines the evolution of the concept of systemic relevance of banks both in theory and

practice, analyzes the regulatory policy choices to limit systemic risk and the Too-Big-to-Fail doctrine, and evaluates the suitability of the recently proposed regulation for systemically relevant banks developed by the Financial Stability Board and the Basel Committee for Banking Supervision.



## Marcel Omachel

Research assistant at WHU since March 2013

Topic: Three Essays on the Informativeness of the European Sovereign CDS Market

Referee: Prof. Dr. Markus Rudolf

Second referee: NN

European sovereign CDS spreads have become a widely used indicator of financial market stability. Using sovereign CDS spreads to deduce information about the stability of financial markets presumes that prices are sufficiently efficient. Recent empirical studies on the price discovery relationship between CDS spreads and bond yields have verified superior

informational efficiency of CDS over bond markets. It is therefore all the more important to understand the impact of the EU short selling regulation ("Regulation (EU) No 236/2012"), which, inter alia, bans naked short positions on sovereign CDS contracts. This research project analyzes the informational efficiency of the sovereign CDS market and the impact of the EU short selling regulation on the price discovery relationship between CDS, bond and equity markets. Thereby emphasis is put on systemic risk. In particular, it will be studied how systemic risk propagates between CDS, bond and equity markets. In addition, the European sovereign CDS market denominated in EUR is investigated on the basis of which an indicator of the systemic importance of individual Eurozone countries will be constructed.



## Sören Pippart

Research assistant at WHU since October 2011

Topic: Exchange Rate Determination – The Role of Financial Crises

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. Ralf Fendel

The objective of this research project is to reassess the exchange rate disconnect puzzle by focusing on the financial rather than the macroeconomic facets. The puzzle describes the phenomenon that exchange rates cannot adequately be determined by macroeconomic fundamentals. Within the analysis the explanatory power of selective financial market data is investigated. Thereby special attention is paid to the most recent developments on the financial markets, in particular the crisis of the EMU.



## Nicolas Schmidt

Topic: Success in retail asset management in Germany

Referee: Prof. Dr. Lutz Johanning

Second referee: Prof. Dr. Markus Rudolf



## Dr. Jan Peter Schmütsch

Topic: Financial Analysts' Forecasts – Lessons from the Crisis

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. Ralf Fendel

This research project strives to describe how economic crises and biases in financial analysts' forecasts interact and how this could be attuned with standard and alternative concepts of rationality. In its first part, the loss functions of analysts delivering prognoses for companies listed in Europe and the U.S. are estimated using a method of Elliott et al. (2005). Relying on the ingenious herding detection method of Bernhardt (2006), the second part uncovers and compares forecast biases in Germany and the U.S. over time and quantifies the impact of the bias on forecast accuracy.

The dissertation was completed in 2013.



## Konstantin Storms

Research Assistant at WHU since June 2014

Topic: Investor attention in the context of market efficiency

Referee: Prof. Dr. Markus Rudolf

Second referee: NN



## Danny Stutz

Research Assistant at WHU since November 2013

Topic: Behavioral Biases in der Finanzberatung - Wie kognitive Fehler Berater und Investmentratschläge beeinflussen

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. Christina Günther



## Hubertus Theissen

Topic: Family Offices as an Instrument for the Governance of Intra- and Inter-Organizational Relationships

Referee: Prof. Dr. Sabine Rau

Second referee: Prof. Dr. Markus Rudolf

The planned dissertation prepares to thoroughly discuss and explore the so far scientifically mostly untouched organizational form of family offices, a now widespread means for wealthy families to govern intra- and inter-organizational relationships, aiming at preserving and enhancing accumulated family's wealth. This proposed field of research promises to be challenging and highly rewarding at the same time. Admittedly, family offices tend to be tight-lipped and secretive, reluctant to divulge data. In return they represent forms and modes of governance, whose understanding pledges a valuable access to enclosed questions of management and governance as well as family business related concerns. Their grasp



possibly allows drawing an economic and behavioral driven blueprint for institutions outside the innermost family office sphere. A vast and enquired number of presentations, forums, round-tables and hands-on publications, all domiciled in the practical field, helps to gauge the relevance and interest, wealthy families have repeatedly ascribed to family offices over the past years. The overall turmoil that financial markets have experienced and the negative experiences families have potentially made with their third party wealth advisors might have partly fueled this profound interest.



## Gerhard Weihl

Topic: “Capacity planning in the automotive industry: The business value of excess capacity and chaining in a global factornetwork under demand and exchange rate risk“

Referee: Prof. Dr. Arnd Huchzermeier

Second referee: Prof. Dr. Markus Rudolf



## Kai Winselmann

Research Assistant at WHU since April 2014

Topic: The Kelly capital growth investment criterion

Referee: Prof. Dr. Markus Rudolf

Second referee: NN



## **Oxana Zhukova**

Topic: Risk Management Strategy by FDI in Russia

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. Ralf Fendel

This dissertation project focuses on analyzing the influence of political, economic and financial risk management on the performance of multinational companies operating in Russia. Since the topic is approached empirically, the valuation of risk management strategies is based on the results of an online questionnaire and personal in-depth interviews with executives of foreign companies in Russia. The data were acquired in cooperation with large international business associations in Russia. The results show the connection between the applied risk management strategies used by foreign companies and the firm performance. Furthermore, an efficient risk management policy for coping with country-specific risks in Russia is proposed.

## BSc Theses Abstracts



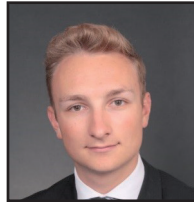
**Lucas Loch**

BSc

Tutor: Katja Harder

Topic: An Empirical Analysis of Risk Triggers

The thesis “An Empirical Analysis of Risk Triggers” analyses a logit model, developed by Feder et al. in 1981, to predict default risks of developing countries. This regression model is modified in order to measure the Eurozone countries’ default risks. The paper calculates different model types, tests their reliability, and finally comes up with an adjusted version of the model of Feder et al. (1981) that generates comparatively reliable results for developed European countries.



**Patrick Weigel**

BSc

Tutor: Danny Stutz

Topic: Behavioral biases in financial advisory services

Behavioral biases is a field of growing importance. Nevertheless, not much research has been done regarding its connection to advisory services. This literature review shows that behavioral biases have a strong impact on financial activities and can lead to suboptimal decisions. Not only private individuals, but also financial advisors suffer significantly from behavioral biases. Even though advisors are better educated and usually more experienced, they are not immune to biases nor are they conscious of their own. As a result, financial advice and decisions are suffering and the market as well as individual wealth are negatively affected.

## MSc Theses Abstracts



### Uta Antonia Blatt

MSc

Tutor: Dr. Michael Adams (Deutsche Bank), Marcel Omachel

Topic: TBTF: Structural Reforms of Systemically Important Banks – A Comparison and Discussion

Within the aftermath of the recent financial crisis, the term Too Big To Fail (TBTF) increasingly gained worldwide recognition. This term concerns banks too big to let fail, but too costly to save. Structural reforms have been introduced as a potential solution by restructuring banks in a way that they indeed may either fail or be saved again. The aim of this research is to compare four different proposals offered by the US, the UK, the EU and the OECD on structural reforms and to discuss their success in addressing the TBTF problem.



### Philipp Girrbach

MSc

Tutor: Sören Pippart

Topic: The empirical performance of exchange rate models

This thesis examines empirical tests for three structural monetary exchange rate models of Frenkel-Bilson (flexible prices), Dornbusch-Frankel (sticky prices), and Hooper-Morton (real interest differential) as well as a Taylor-rule exchange rate equation model for the out-of-sample period 2000-2013 for four currency pairs (EUR/USD, GBP/USD, JPY/USD, CHF/USD) after in-sample coefficient estimation for the period 1990-2000. Forecasting performance is compared to the benchmark naïve random walk model. In conclusion, the study cannot universally confirm theoretical model expectations but evinces valuable predictive power of the models. Poor model performance is mainly attributed to the violation of linear regression conditions and data limits.



## Markus Hüren

MSc

Tutor: Ruth Kümmerle

Topic: The Impact of Corporate Reputation on Performance: Evidence From the Financial Services Industry

Corporate reputation has long been recognized as a valuable intangible asset by academics as well as practitioners. Theoretically, according to the resource-based view of the firm, a good corporate reputation positively impacts firms in numerous ways, ultimately leading to a superior performance. While multiple studies have investigated this relationship with varying results, little attention has been paid in specific to the role of corporate reputation in the financial services industry. Using regression analysis for a dataset comprising 51 firms from the financial services industry from nine countries, this study presents evidence that corporate reputation indeed positively impacts corporate performance.



## Maximilian Könen

MSc

Tutor: Stefan Mantel (Commerzbank), Julia Kapraun

Topic: Immobilien und Finanzierung im Private Banking

Properties have played a big role for Germans in general and for private banking clients in specific in the last decades. This thesis examines the performance of different real estate classes regarding yield and volatility in the past twenty years and compares it to the performance of other asset classes. Furthermore, an empirical analysis in terms of a survey among relationship managers of different banks shows that properties have been important for private banking clients and that there is further potential for the banks' management to expand their sales activities in the property sector.



## Simon Math

MSc

Tutor: Katja Harder

Topic: Sovereign risk modeling – The state of the art

This thesis develops a model to evaluate the default risk of sovereign bonds. The developed model uses the exchange rate as a macroeconomic signaling variable, which triggers a default as soon as it touches a default barrier. The dynamics of this barrier are determined based on the volatility of the chosen variable as well as the introduced debt/GDP ratio. The presented results show the high validity of the model when ratings are compared to the S&P grades as well as the ability to deliver an early warning for a worsening financial situation.



## Andrea Oesterle

MSc

Tutor: Ruth Kümmerle

Topic: How to invest for the Long-Term – Asset Allocation in the Endowment Model of Investing

The endowment model of investing has captured much attention due to superior long-term returns of large U.S. university endowments. Some argue that this success is due to asset allocation policy, in particular a large exposure to alternative investments. This raises the question of whether private investors can profit from following the asset allocation advice of the endowment model. However, an empirical investigation revealed that endowment success is likelier to be due to managerial skills (i.e. security selection and market timing) than asset allocation. Furthermore, it appears that endowments with a large allocation to alternatives perform well in good and normal market phases, but face large losses in times of crisis.



## Iryna Podoliak

MSc

Tutor: Benedikt Schoeps (Deutsche Bank), Julia Kapraun

Topic: Success factors of dual track transactions

This thesis examines explanatory factors for the success of dual track IPO/M&A sale process using a hand-collected sample of 300 transactions completed between 2002 and 2013 in North America and Europe. For targeted firms, transaction success is found to be positively associated with growth and profitability, characteristics of targeted firms, market and industry environment, and negatively associated with transaction risk. For acquiring firms, transaction success is documented to be negatively associated with equity and mixed transaction financing methods and growth characteristics of targeted firms. Moreover, a model for identification of factors prompting the choice of the exit strategy is developed.



## Julian Scheffler

MSc

Tutor: Konstantin Storms

Topic: Academic View on IPO Pricing and Evidence in the European Market

The paper deals with underpricing of IPOs and long-term trading performance compared to similar companies. In total, 430 IPOs occurring in the largest European economies from 1995 to 2012 are examined and show that underpricing is very common regardless of time period, industry or country. However, the degree of underpricing varies significantly with the highest levels ensuing in years of elevated market valuations. In the aftermarket, IPOs are driven by positive momentum in the first year outperforming benchmark indices and relative underperformance in years two and three which can be attributed to an overrepresentation of low-quality companies among new listings.



## **Sergey Shashkov**

MSc

Tutor: Dr. Hartmut Leser (Aberdeen Asset Management), Danny Stutz

Topic: The Emerging Asset Management Industry in Russia

This paper aims to provide a global outlook on the asset management market in Russia. The asset management market is examined through its connections and dependencies on other industries, as well as other stakeholders' influences on the sphere. The author provides a deep analysis of the evolution of each connected sphere in order to understand the determinants that have driven the development of the asset management market. This method helped to prepare a thoughtful analysis of the current state and predictions regarding future development.



# Seminar Papers Abstracts



## **Caroline Klaas**

BSc

Tutor: Marcel Omachel

Topic: Fenner's Investment Case – The Ugly Duckling

This practical seminar paper discusses a hypothetical investment and valuation case on Fenner, a manufacturing company that was analyzed by the author during an internship in Deutsche Bank's Corporate Finance division. Subsequently the paper also critically evaluates the limitations of the financial analysis performed and finally examines the role of ethical behavior and the profit driven working environment at investment banks in light of the recent financial crisis.

# Sustainability in Finance

At the Allianz Endowed Chair of Finance we are committed to reducing the use of natural resources in our daily work. But far more than that, with our research, teaching, and business engagement, we strive to work towards stable and sustainable solutions concerning all aspects of finance. As sustainability in finance is not only about being green, we encourage students to focus their research projects on sustainability-related topics. In addition we also educate our students regarding ethical and sustainable behaviors, as the social and governance performance of financial markets institutions are key drivers of their financial performance.

In 2014, we initiated a number of research projects. This included a Master's thesis entitled "TBTF: Structural Reforms of Systemically Important Banks: A Comparison and Discussion" comparing four different proposals for restructuring banks in a way that they may either fail or be saved without unbalancing the economic system.

We acknowledge the enduring and growing meaningfulness of this stream of literature and therefore will stick to our goal of further expanding our research in the field of sustainable finance.

**Wishing you a very Happy  
Christmas...**



A collection of handwritten signatures in blue ink, arranged in a circular pattern. The signatures are: S. Rippe, J. Kestler, M. Dill, M. Reilly, P. O'Connell, K. Bascot, W. H. H. H., S. H. H. H., D. Shutz, and K. H. H. H.

**...and a prosperous New Year**