



## **Activity Report**

**Allianz Endowed Chair of Finance**

**Center of Asset and Wealth Management**

**2015**

**1st September 2014 - 31st August 2015**

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

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Coverpicture: (front row from left to right) Katrin Baedorf, Marianne Diel, Markus Rudolf, Kirsten Schmitz (back row from left to right) Sabine Winkler, Kai Winselmann, Benedikt Himbert, Konstantin Storms

# Index

- 4 Supporters
- 5 Foreword
- 7 The Team
- 15 Center of Asset and Wealth Management
- 17 Advisory Board of the  
Center of Asset and Wealth Management (CAWM)
- 19 Associated Members/Lecturer of the  
Center of Asset and Wealth Management (CAWM)
- 21 SunGard Trading Room
- 23 Opening Event - CAWM and SunGard Trading Room
- 25 WHU on Finance
- 27 Contributions to WHU
- 29 Advisory Board Allianz Endowed Chair of Finance
- 31 Research and Publications
- 34 Campus for Finance – New Year’s Conference
- 37 Campus for Finance – Private Equity Conference
- 39 Doctoral Seminar Burgenland
- 41 Capstone Course Abroad
- 43 Course Offerings in Finance
- 46 The Lectures
- 51 Course Evaluations (DOBES)
- 52 Dissertations
- 62 BSc/MSc Theses Abstracts
- 67 Sustainability


# Supporters

Chair Sponsor



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Sponsors Center of Asset and Wealth Management

Professor Gunter Dufey, PhD  **ayondo**



**COMMERZBANK**  **d-fine**



Center of Asset and Wealth Management Friends



# Foreword

This 16th annual report of the Allianz Endowed Chair of Finance at WHU – Otto Beisheim School of Management provides you with information and updates about our activities in the academic year 2014/2015. In addition to the activities at the chair itself, a substantial portion of the chair's resources are dedicated to Professor Dr. Markus Rudolf's role as dean of WHU – Otto Beisheim School of Management and to his capacity as academic director of the Master of Science in Management program.

As of January 1st 2015, Professor Dr. Markus Rudolf assumed the position of dean of WHU – Otto Beisheim School of Management, and very much looks forward to leading the school and continuing its path of success. During his time as dean, he will devote particular attention to our long-standing claim of offering „Excellence in Management Education“ – excellence that is intended to be driven to new heights with the Excellence Strategy. The Excellence Strategy will shape all areas of WHU: teaching and research, our efforts to cultivate business relations, our continuing commitment to further increase diversity, and the administration of our business school. To achieve ever-greater levels of excellence, we need to mobilize our ideas and energies from across the school by giving more autonomy and also more responsibility to departments and individuals. Only together can we raise WHU to the next level. Our common goal is to ensure and improve WHU's position in the Champions League of European business schools. Although this goal is ambitious, we are convinced that the work ahead will bring not only challenges,

but also deep satisfaction and enjoyment as we take WHU to the next level.

We are delighted to point to the continued success story of our master's programs at WHU. Professor Dr. Markus Rudolf serves as academic director of WHU's Master in Management program. Both the Master in Finance and the Master in Management have seen an increase in the number of students as well as applicants, with both numbers reaching a new record this year. In 2015, 153 students will start their master's studies at WHU. We are especially glad that in this year's intake, many graduates of WHU's bachelor's program decided to stay at WHU, and equally glad that the share of students who did their bachelor's elsewhere has increased to about 2/3, as this makes WHU a more diverse place. Our continued outstanding position in rankings illustrates the success of the program as well as the success of our students after graduation. The Financial Times masters in management ranking has, for the third year running, ranked WHU's program as the best program in Germany and among the very top in Europe. We are also very happy that in the future Professor Dr. Burcin Yurtoglu will manage the master's programs.

The SunGuard Trading Room is now established at WHU and has been available to WHU students and visitors since January 2015. Real-time market data and state-of-the-art trading tools are provided by SunGard and allow deep market analysis, simulated trading, and portfolio monitoring. We wish to express our gratitude to both SunGard and d-fine for their investment of time, money, and resources,

without which the trading room at WHU would not have come into existence.

At the Allianz Endowed Chair of Finance we welcomed Sabine Winkler as a new research assistant. During the academic year 2014/2015 three doctoral dissertations were finished successfully: Julia Kapraun earned her doctoral degree with a dissertation titled "Investing in Volatility: Analytical and Empirical Studies on the Benefits of Volatility Exposure in Equity Portfolios," Michael Borß with his dissertation titled "Third-Order Risk Preferences and Cumulative Prospect Theory – An Experimental Study," and Matthias Held with his dissertation titled "Essays in Finance." We are very pleased that these research projects were completed so successfully and thank everyone who contributed to the research projects – and of course we especially congratulate the authors on earning their doctoral degrees.

We wish to sincerely thank all those at the chair and those associated with it who contributed to the success of WHU – Otto Beisheim School of Management and the Allianz Endowed Chair of Finance during the past academic year. In closing, we wish to express our 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. We especially would like to thank Allianz SE, which has been a very close friend and supporter of the chair for many years.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Rummey". The signature is written in a cursive, flowing style.

## 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.

two diploma degrees in 2001, she joined McKinsey & Company, 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 assistant professor at the Center of Private Banking. In her research she focuses on asset management with a particular interest in illiquid assets and behavioral finance as well as service quality in private banking. After her maternity leave starting in October 2014, she now serves as Director, where she is responsible for all activities and relationships at the Center of Asset and Wealth Management.



**Dr. Katrin Baedorf**

Katrin Baedorf is Director at 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



**Marianne Diel**

Marianne Diel has been the personal assistant of Professor Dr. Markus Rudolf at the Allianz Endowed Chair of Finance since January 1999 and at the Dean's Office since January 2015.



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

Matthias Feldhues has been a research assistant and PhD candidate at the Allianz Endowed Chair of Finance since 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. She left the chair in December 2014.



### **Dr. 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 and graduated in July 2015. Matthias researches market sentiment derived from option data, the relationship between sovereign and exchange rate risks, and semivariance risk premia in stock market indexes. He left the chair in Januar 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. In the MLB program he teaches the course "Leadership in Investment Banking."



### **Jun.-Prof. Dr. Julia Kapraun**

Julia Kapraun is an Assistant Professor of Asset and Wealth Management, sponsored by Sparkasse Koblenz. She studied Mathematics with majors in Mathematical Finance and Stochastic Analysis at the Technische Universität Berlin. During and after her studies she gained practical experience in derivatives & structured products at UBS and BNP Paribas and in Risk Management at Union Investment. She joined the Allianz Endowed Chair of Finance as a research assistant and PhD candidate in July 2011 and graduated with a PhD Thesis on Volatility Investments in September 2014. Her current research focus is on asset and wealth management, derivatives, and risk management.



### **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 modeling investment decisions with illiquid investments. She left the chair in September 2014.



### **Dr. Hartmut Leser**

Hartmut Leser is the chief executive officer of Aberdeen Asset Management, Ger-

many. 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. He left the chair in August 2015.



### **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 and exchange rates in particular. He left the chair in April 2015.



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

Markus Rudolf is 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. degree in fall 1994 and his habilitation degree in May 1999, both at the University of St. Gallen, Switzerland. His recent publications focus on Banking and Private Banking, on the sovereign risk crises, on asset and risk management, and on derivatives pricing. He is co-editor of the journal „Financial Markets and Portfolio Management“ and acts as academic director for the Campus for Finance – WHU New Year's Conference. He holds supervisory board positions at BlackRock Asset Management Deutschland AG and at Boeker & Paul AG.



### **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.



### **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 a senior financial services professional. Until spring 2015 he was CEO of Valovis Bank AG. Other prior full-

time positions he has held include Head of Corporate Development/Corporate Investments of Deutsche Bank AG, CEO of Hypo Real Estate Holding AG, and CEO of pbb Deutsche Pfandbriefbank AG, as well as Managing Director in Investment Banking with Credit Suisse Securities. After graduating as a scholar of the Studienstiftung des Deutschen Volkes from WHU Otto-Beisheim School of Management (Diploma and Doctorate, both summa cum laude) and as a DAAD scholar from the Kellogg Graduate School of Management at Northwestern University (Master of Management with honors) Axel Wieandt began his career with McKinsey & Company in Düsseldorf and Boston, MA and subsequently with Morgan Stanley in London. He is currently Professor for Financial Intermediation (Bachelor Program) and Bank Management (Master of Finance) at WHU and lecturer for Bank Management (Part Time Master in Finance) at Goethe Business School, Frankfurt University. He is member of the advisory boards of auxmoney GmbH, the leading European consumer lending market place, and of Aquila Capital Group, an independent alternative asset manager; he is also chairman of the supervisory board of Alceda Asset Management GmbH, the regulated subsidiary of the Group. Axel Wieandt serves on the Board of Trustees of the „Europäische Stiftung Kaiserdom zu Speyer“. He is married with two children and lives near Frankfurt.



### **Dipl.-Kffr. Sabine Winkler**

Sabine Winkler is a research assistant and Ph.D. candidate at the Allianz Endowed Chair of Finance, having joined WHU – Otto Beisheim School of Management in October 2014. Prior to joining WHU – Otto Beisheim School of Management, she was Director in the Credit Suisse Global Fixed Income and Economics Research team, based in London. Her role at Credit Suisse involved analyzing covered bond markets and structures, as well as supranational institutions and agencies. Prior to joining Credit Suisse, she was a covered bond analyst with Bank of America Merrill Lynch and ABN AMRO Bank. Fluent in German and English, Sabine holds an advanced graduate degree in Business Administration from the Ludwig Maximilian University of Munich.



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

Kai Philipp Winselmann has been a research assistant and PhD candidate at the 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 South Africa. His research focuses on the Kelly capital growth investment criterion.

# Center of Asset and Wealth Management



Advisory Board of the 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 was integrated into the 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 and expands 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 at WHU – Otto Beisheim School of Management, where Prof. Dr. Markus Rudolf is the current Dean. Dr. Katrin Baedorf is Director at the Center of Asset and Wealth Management and responsible for the management and Assistant Professor Dr. Julia Kapraun

is head of the academic activities at the Center. The Center focuses on three aspects: research, teaching and training, and dialogue.

## Research:

Until now, Germany has lacked an independent scientific center studying asset management with a special focus on wealth management and private banking. WHU – Otto Beisheim School of Management contributes to closing this gap with its activities at the Center of Asset and Wealth Management, which enjoys significant industry support. WHU and the sponsors of the Center of Asset and Wealth Management jointly define research projects that allow them to solve profound problems that practitioners cannot address during the normal course

of business. The center's team of academics and researchers supply the scientific background and research expertise needed to tackle these problems and derive concrete solutions. The center's core areas of research include aspects of asset and wealth management, measuring customer satisfaction and service quality in the banking industry, and aspects of behavioral finance. Since the former Center of Private Banking was founded 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.

#### Teaching/training:

Several lectures and seminars in the area of asset and wealth management are offered in the degree programs at WHU – Otto Beisheim School of Management. A new and exciting development was the opening in 2015 of a new SunGard trading room (B-201) with a SunGard trade, order, and billing system that will be made available to all students at WHU. The SunGard trading room enables a new level of financial education at WHU. In addition, a new executive education seminar titled “WHU on Finance” was held this year for the first time in Frankfurt am Main. In 12 after-work sessions offered between April and July 2015, more than 70 participants from different institutions discussed fundamental and currently relevant topics of

financial markets. The next WHU on Finance seminar will start in spring 2016.

#### Dialogue:

The partners of the Center of Asset and Wealth Management engage in an ongoing and open dialogue about highly relevant topics pertaining both to financial practice as well as to research developments. Additionally, the center sharpens WHU's profile by institutionalizing contacts to the asset and wealth management practice, especially in Germany, Switzerland, Liechtenstein, Austria, and Luxembourg.



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



**Prof. Gunter Dufey, PhD**  
Prof. Emeritus of the University of Michigan



**Michael Kohl**  
Commerzbank AG  
Head of Product Management  
& Asset Management



**Christian U. Haas**  
SUNGARD Systeme GmbH, CEO



**Robert Lempka**  
CEO  
ayondo GmbH



**Stefan Keitel**  
Berenberg  
Head Portfolio Management & Advisory  
(left the board in 2015)



**Richard Manger**  
DZ PRIVATBANK  
Member of the executive board



**Matthias Nester**  
Sparkasse Koblenz  
Chairman of the Advisory Board



**Dr. Holger Schmieding**  
Berenberg  
Chief Economist



**Thomas Paul**  
Böker & Paul AG  
Kanzlei für Vermögensmanagement



**Dr. Egbert Scharck**  
d-fine GmbH  
CEO



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



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

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



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



**Dr. Kyros Khadjavi**  
Berenberg, Head Private Banking  
(left the center in 2015)



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



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



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



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



**Dr. Jörg Richter**

Institut für Qualitätssicherung und Prüfung von Finanzdienstleistungen GmbH (IQF), Hannover , CEO



**Dr. Borislav Stokic**

Manager  
d-fine GmbH



**Jörg R. Walter (Lecturer)**

Senior Manager  
d-fine GmbH

# SunGard Trading Room



SunGard Trading Room

Since January 2015 WHU students and other visitors have access to the SunGard Trading Room located in B-201. The real-time market data and state-of-the-art trading tools provided by SunGard allow for deep market analysis, simulated trading, and portfolio monitoring.

The SunGard Trading room is equipped with 12 terminals that can be used (after registration) at the Center of Asset and Wealth Management (CAWM). Each terminal consists of a PC with two monitors provided with standard WHU software and the SunGard applications MarketMap and Front Arena. Additionally, the trading room has two large screens on the walls that show consolidated real-time market data. Instructors can use their own laptops to log in to the SunGard applications.

The SunGard MarketMap application provides an extensive universe of real-time market data for a variety of financial instruments from more than 160 global exchanges and OTC data sources. Furthermore it is a very powerful tool for chart, technical, and fundamental analysis.

SunGard Front Arena is a state-of-the-art trading tool that delivers simulated electronic trading and active position management infrastructure across all asset classes and business lines. It allows pricing, trading and position management, real-time profit and loss calculations, as well as risk and sensitivity analysis.

The SunGard Trading Room is a significant contribution to WHU. It enables the implementation of innovative teaching

concepts in lectures and seminars. For instance, in 2015, the SunGard tools were applied in several classes of WHU Bachelor and Master programs: Foundation of Finance (BSc, 2nd Semester, Professor Dr. Markus Rudolf and Dr. Katrin Baedorf), „Trading and Real-Time Data Interpretation“ (BSc, 6th Semester, Dr. Katrin Baedorf), “Asset Management” (BSc, 4th/5th Semester, Ass.-Professor Dr. Julia Kapraun), “Capital Market Theory” (MSc/MiF, 1st Semester, Professor Dr. Markus Rudolf and Ass.-Professor Dr. Julia Kapraun).

tions and other events related to the topic of financial markets.



Opening Event SunGard Trading Room

Beyond teaching activities, interested students and visitors can obtain an individual login for the SunGard applications. For this purpose, introductions and demonstrations of the SunGard MarketMap and Front Arena are offered by the Allianz Endowed Chair of Finance and CAWM on a regular basis. Further, the SunGard Trading Room is ideally suited for presenta-

# Opening Event - CAWM and SunGard Trading Room in 2015

On May 19, 2015 WHU – Otto Beisheim School of Management celebrated the opening of the Center of Asset and Wealth Management (CAWM). The new CAWM is associated with the Allianz Endowed Chair of Finance under the leadership of Professor Dr. Markus Rudolf. The mission of the Center is to combine research, training, and dialogue. In addition to scholarly publications presenting results of practical relevance, this also includes extensive exchange among students, graduates, and practitioners. In the area of training, expertise is shared through quick knowledge transfer and by promoting awareness of relevant findings. This takes place through a variety of courses offered through programs at WHU and a certificate program in the area of wealth management for practitioners.



Welcoming Speech Prof. Dr. Markus Rudolf

At the end of 2014, a SunGard trading room was set up as an integral component in which new teaching methods are

used. This trading room permits a new level of financial education at WHU. It offers 12 terminals for up to 36 students, with market data available in real time thanks to two applications that SunGard has made available to WHU: Market Map and Front Arena. With the SunGard trading room WHU reaches a new level in finance education and offers trading room participants an unprecedented level of real-world experience. This makes the trading room an integral part of finance education at WHU. The trading room has already been incorporated in instruction at WHU, as well, where a variety of case studies offer students an opportunity to develop and implement trading strategies.



Guides through the SunGard Trading Room

The opening event started with a short welcome note by Markus Rudolf, Matthias Nester (CEO Sparkasse Koblenz), and Christian U. Haas (CEO, SunGard Systeme GmbH). All of the invited guests at the opening ceremony then had the oppor-

tunity to view the SunGard trading room personally and to see for themselves the resulting opportunities for teaching and research. The evening featured a keynote speech by Michael Rüdiger, CEO of DeKaBank Deutsche Girozentrale.

Thereafter, guests had an opportunity for an extended discussion of the topic of the keynote address, „Asset & Wealth Management in a Negative Environment.“



Dinner speech of Michael Rüdiger (CEO, DeKa-Bank)

The successful day ended with a gala dinner in the business school's vaulted cellar with musical entertainment provided by WHU staff. In retrospect, this opening event offered an extremely varied day. The guests especially appreciated the practical relevance of the newly opened trading room as well as the successful event organization.



# WHU on Finance



## **„WHU on Finance“ program provides new format for after-work executive education**

The Center of Asset and Wealth Management offered a new program, „WHU on Finance,“ a new form of after-work executive education, for the first time in 2015. In twelve evening lectures of 90 minutes each, the program offered tailor-made executive education to the interested public in the banking hub of Frankfurt. Participants could either book all twelve lectures or hand-pick their topics of interest and book selected lectures only. For participants who attended at least eight lectures, the Center of Asset and Wealth Management additionally offered the opportunity to take an exam and write

a thesis to obtain a certificate and up to 3 ECTS credits.

The range of topics covered in the “WHU on Finance” program ranged from classical financial education topics (such as portfolio theory, valuation concepts and derivative instruments) to current topics (including the Euro crisis and European banking union, or today’s challenges in private banking). Lecturers in the program were Prof. Dr. Markus Rudolf, Prof. Dr. Burcin Yurtoglu, Prof. Dr. Christian Andres, Ass.-Prof. Dr. Julia Kapraun, Dr. Katrin Baedorf, Dr. Jan Peter Schmötsch and Marcel Omachel. All lecturers were professors at WHU or current and past research assistants at the Allianz Endowed Chair of Finance.

Even in its first trial run, the “WHU on Finance” program was very successful and attracted a total of 73 participants. Of those participants, 27 took part in the entire series and 46 attended selected events. All lectures were held in Frankfurt in conference rooms at the Deutsche Bank headquarters, which all participants could conveniently reach from their offices after work.

## Contributions to WHU



Professor Dr. Markus Rudolf when he took office as Dean

Professor Dr. Markus Rudolf is Dean of WHU - Otto Beisheim School of Management since the start of the year. He was appointed by the WHU Foundation Executive Committee. He also holds the Allianz Endowed Chair of Finance and heads the Center of Asset and Wealth Management. In his role he represents our university on a variety of occasions, delivers speeches and keynotes, and is a sought-after interview partner.

Professor Dr. Markus Rudolf is Academic Director of both the WHU Master in Finance program and WHU Master in Management program. These programs are consecutive business science degrees. They are tailored to outstanding

performance-oriented students with a B.Sc. degree in business science who are keen to further expand their academic and business knowledge in an international context.

Professor Dr. Markus Rudolf and his team offer students advice, guidance, and hands-on support in many areas. Professor Dr. Markus Rudolf chairs committees, such as those recruiting new professors in financial accounting and operations management, and those searching for assistant professors in finance, asset and wealth management, supply chain finance, supply management and international business, as well as finance of family firms.

He is Academic Director of the Campus for Finance. The 15th Campus for Finance - WHU New Year's Conference took place on 14-15 January 2015. The topic of the conference was „Cheap Money, Easy Borrowing, Tough Investing?“. It was a large success and offered leading corporate representatives and academics the possibility to meet engaged international students, to debate important questions, and to exchange innovative ideas.

Our university celebrated the opening of the Center of Asset and Wealth Management (CAWM) in May 2015. This center is the successor of the Center of Private Banking. The key focus areas are asset and wealth management and trading. The brand-new SunGard Trading Room opened its doors in January 2015. As an integral part of financial education, the SunGard Trading Room takes excellence at our university to the next level.

The 12th Postbank Finance Award was awarded in June 2015. At 100,000 euros, this is the highest endowed university award in Germany. More than 20 student teams from universities and colleges in Germany participated in the competition on the following theme: „Auswege aus dem Zinsdilemma - hat Geldanlage Zukunft?“. The WHU - Otto Beisheim School of Management student team was pleased to achieve fourth place at the Postbank Finance Award 2015.

Allianz SE is the key sponsor of the Allianz Endowed Chair of Finance. Sponsors of the CAWM include Professor Gunter

Dufey, PhD, Berenberg, Böker & Paul, Commerzbank, d-fine, DZ PRIVATBANK, Sparkasse Koblenz, and SunGard. first-five, Verlag Fuchsbriefe, and IQF make highly appreciated contributions to the CAWM. ayondo will start supporting the CAWM in September 2015. Their generous contributions and support ensure the ongoing promotion of research and education in finance and asset and wealth management.

# Advisory Board Allianz Endowed Chair of Finance



**Dr. Karl-Georg Altenburg**  
Deutsche Bank AG  
Co-Head EMEA Corporate Finance



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



**Prof. Gunter Dufey, PhD**  
Prof. Emeritus of the University of Michigan



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



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



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



**Michael Rüdiger**

DekaBank  
Chairman of the executive board



**Stephan Johannes  
Theissing**

Allianz SE  
Head of Corporate Finance  
Chairman of the Advisory Board



**Professor Dr. Markus Rudolf**

WHU – Otto Beisheim School of  
Management  
Dean



**Johannes Züll**

Studio Hamburg Gruppe  
Chairman of the management board

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 15, 2015.

# Research and Publications

## Publications

Alexander Carol, Kapraun Julia, Korovilas Dimitris (WHU and Sussex University) [2015]: Trading and Investing in Volatility Products, in: Financial Markets, Institutions and Instruments, Volume 25, Issue 4.

Engelbrecht Marc [2015]: Asset Allocation im Private Banking, Köln: Eul Verlag

Moenninghoff Sebastian, Ongena Steven, Wieandt Axel [2015]: The perennial challenge to counter Too-Big-to-Fail in banking: Empirical evidence from the new international regulation dealing with Global Systemically Important Banks, in: Journal of Banking & Finance, Volume 61, p. 221-236

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

Stutz Danny, Rudolf Markus [2015]: Kognitive Verzerrungen in der Finanzberatung – Wie verhaltenspsychologische Phänomene professionelle Finanzberater beeinflussen.

## Working Papers

Alexander Carol, Korovilas Dimitris, Kapraun Julia (WHU and Sussex University) [2015]: Home-grown Diversification with Volatility Products.

Held Matthias, Omachel Marcel, Rudolf Markus [2015]: The Relationship between Sovereign Credit and EUR/USD Risk Premia in the Eurozone.

Held Matthias, Omachel Marcel [2015]: Up- and Downside Variance Risk Premia in Global Equity Markets.

Held Matthias, Omachel Marcel [2015]: An Efficient Parallel Simulation Method for Posterior Inference on Paths of Markov Processes.

Omachel Marcel [2015]: Two Products - One Market: The Impact of the EU Short Selling Regulation on the European Sovereign Debt Market.

Omachel Marcel, Rudolf Markus [2015]: The Relationship between Sovereign Defaults and Exchange Rate Shocks in the Eurozone: A Simple Measure for Systemic Sovereign Credit Risk.

Pippart Sören, Rudolf Markus [2015]: Eurozone Sovereign Credit Risk and its Impact on the EUR/USD Exchange Rate.

Storms Konstantin, Kapraun Julia, Rudolf Markus [2015]: Can Retail Investor Attention Enhance Market Efficiency? Insights from Search Engine Data.

Storms Konstantin, Kapraun Julia, Rudolf Markus [2015]: In Search of Alpha – Trading on Limited Investor Attention.

Winselmann Kai, Rudolf Markus [2015]: Using the Kelly Criterion to Protect Wealth Growth in Myopic Multi-Period Mean-Variance Portfolio Selection.

Held Matthias [2014]: Option Implied Investor Sentiment.

Kümmerle Ruth, Rudolf Markus [2014]: Portfolio Optimization with Illiquid Life Insurance Investments.

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

## Conference Presentations

51st Eastern Finance Association Meeting, New Orleans [2015]: Omachel Marcel, Rudolf Markus [2015]: The Relationship between Sovereign Defaults and Exchange Rate Shocks in the Eurozone: A Simple Measure for Systemic Sovereign Credit Risk.

64th Annual Meeting of the Midwest Finance Association, Chicago [2015]: Held Matthias, Omachel Marcel, Rudolf Markus [2015]: The Relationship between Sovereign Credit and EUR/USD Risk Premia in the Eurozone.

10th Annual Conference of the Financial Intermediation Research Society, Reykjavik [2015]: Held Matthias, Omachel Marcel [2015]: Up- and Downside Variance Risk Premia in Global Equity Markets.

18th SGF Conference, Zurich [2015]: Held Matthias, Omachel Marcel [2015]: Up- and Downside Variance Risk Premia in Global Equity Markets.

18th SGF Conference, Zurich [2015]: Kümmerle Ruth, Rudolf Markus [2014]: Portfolio Optimization with Illiquid Life Insurance Investments.



2nd Young Finance Scholars' Conference, University of Sussex [2015]: Storms Konstantin, Kapraun Julia, Rudolf Markus [2015]: Can Retail Investor Attention Enhance Market Efficiency? Insights from Search Engine Data.

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

# CAMPUS FOR FINANCE

## NEW YEAR'S CONFERENCE



Professor Dr. Markus Rudolf delivering an address to participants of the Campus for Finance - New Year's Conference 2015

### Cheap Money - Easy Borrowing, Tough Investing?

WHU – Otto Beisheim School of Management was the proud host of the 15th annual Campus for Finance – WHU New Year's Conference on January 14 & 15, 2015. The two-day annual conference is an international finance conference that engages students, academics, corporate representatives, and politicians in the discussion of a current economic topic. The program consists of speeches, pa-

nel discussions, and workshops as well as several networking events. This year's topic was placed in the context of the low interest rate environment, and the motto "Cheap Money – Easy Borrowing, Tough Investing?" provoked a series of enlightening speeches, lively panel discussions, and numerous conversations between the 350 participants who joined the conference from around the world.

As in the previous year, the growing conference was again spread over two locations. In addition to WHU's campus in Val-

lendar parts of the program were staged at the Rhein-Mosel-Halle Convention Center in Koblenz. Participants and speakers could enjoy the comfort and space of a modern convention center, while for the more intimate parts of the conference, such as the gala dinner and workshops, the unique cozy atmosphere of WHU's campus in Vallendar was once again a perfect setting.



A speech by Alexander Doll (MD and Co-CEO of Barclays Germany) at the Rhein-Mosel-Halle Convention Center

Campus for Finance successfully continued its 15-year growth story. The conference was further expended to include more speeches and had for the first time a peak of three parallel speeches. The conference was also opened to more sponsors from not only the financial services sector but also the producing industry. The number of speakers was increased to 27 renowned academics and executives who delivered addresses or participated in panel discussions. The number of admitted student participants

was increased to 350 and a continuing increase in participants is planned for future editions of the WHU New Year's Conference, thanks to the additional space that the move to Koblenz has made possible.

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, participants from academia could enjoy presentations on recent research by professors and young researchers, a career fair provided an extensive opportunity to network with potential employers and participants, and both speakers and sponsors enjoyed discussions about research, business, and careers in the field of finance.



David Blumer (Head of EMEA, BlackRock) during his talk

The Campus for Finance – New Year's Conference 2015 featured the following speakers: Alexander Doll (MD/Co-CEO

Germany/Co-Head IBD, Barclays), Andreas Dombret (Member of the Executive Board, Deutsche Bundesbank), Anthony Saunders (Professor of Finance, New York University), Bob Elfring (Co-Head of EMEA Corporate & Investment Banking, Bank of America Merrill Lynch), Carsten Knobel (CFO, Henkel), David Blumer (Head of EMEA, BlackRock), Dirk Müller (Author and Stock Market Expert), Dieter Heuskel (former CEO, The Boston Consulting Group), Finja Kütz (Partner and Market Leader Germany/Austria/Luxembourg, Oliver Wyman), Frank Strauß (Chairman of the Executive Board, Postbank), Gisbert Rühl (CEO, Klöckner & Co), Hans Reitz (Founder & Managing Director, Grameen Creative Lab), Hans-Peter Burghof (Professor of Banking and Financial Services, University of Hohenheim), Isabel Schnabel (Professor of Financial Economics, Gutenberg University Mainz), Jaime Caruana (General Manager, Bank for International Settlements), Joachim von Schorlemer (Head of Germany/Austria/Switzerland, Royal Bank of Scotland), Karl-Georg Altenburg (Co-Head Corporate Finance EMEA, Deutsche Bank), Lucrezia Reichlin (Professor of Economics, London Business School), Markus Leippold (Professor of Banking and Finance, University of Zurich), Martin Reitz (CEO Germany, Rothschild), Max Otte (Professor of Corporate Leadership and Entrepreneurship, University of Graz), Neil Wallace (Professor of Economics, Pennsylvania State University),

Nobuhiro Kiyotaki (Professor of Economics, Princeton University), Norbert Reis (Member of the Executive Board, HSBC), Tamaz Georgadze (CEO, Saving Global), Thomas Groffmann (COO Germany/Austria/Eastern Europe, BlackRock), Wolfgang Fink (Co-CEO Germany/Austria, Goldman Sachs).



Gisbert Rühl (CEO, Klöckner & Co) delivering a speech

The next Campus for Finance – WHU New Year’s Conference will take place on January 13 & 14, 2016 under the topic “Financing European Business – What is the future of corporate and institutional funding?” at WHU – Otto Beisheim School of Management in Vallendar and at the Rhein-Mosel-Halle Convention Center in Koblenz.

The Campus for Finance – WHU New Year’s Conference is a student initiative supported by the Allianz Endowed Chair of Finance. Professor Dr. Markus Rudolf is Academic Director of Campus for Finance.



# CAMPUS FOR FINANCE 15

## WHU PRIVATE EQUITY CONFERENCE

### 10th Campus for Finance - WHU Private Equity Conference held in Vallendar



Participants at the career fair during the WHU Private Equity Conference 2015

On March 26 & 27 the Campus for Finance – WHU Private Equity Conference 2015 took place at WHU – Otto Beisheim School of Management. The conference provided students, young professionals, and industry representatives a platform for learning, exchange, and discussions. The discussions included recent trends in the private equity industry, such as the changing role of limited partners and shadow capital. The conference also offered introductory workshops for students without prior exposure to the world of private equity. Entrepreneurial talks provided selected students with close contact to industry leaders and allowed discussions

about career paths and perspectives in private equity in a more intimate atmosphere. A career fair gave all participants a valued opportunity to network with the conference sponsors and get to know potential employers.



A panel discussion at Campus for Finance - WHU Private Equity Conference

In keynote speeches, panel discussions, and workshops renowned professionals offered insights and details from their careers in the private equity industry. After several years under the shadow of the financial crisis and its aftermath, this year's conference could look forward to a brighter future. Economies around the globe simultaneously offer chances and risks for the industry's players, but at the same time valuations are perceived to be on the high side. As a result, strengthening the portfolio companies' profitability may no longer be sufficient to succeed in

private equity investments. Participants passionately discussed the most promising strategies to yield attractive returns for investors in a market environment where there are only a limited number of possible investment objects.



Burkhard Varnholt (Member of the Executive Board, Bank Julius Baer) delivering another of his speeches

A young professionals program for participants with first professional experience was successfully integrated into the WHU Private Equity Conference 2015, after the Campus for Finance successfully pioneered this program at the New Year's Conference. Accenture Strategy, Roland Berger Strategy Consultants, and Quadriga Capital conducted workshops for the young professionals program. Sponsors of the conference include Bain & Company, Ardian, Oliver Wyman, and Auctus.

The following speakers enriched the WHU Private Equity Conference 2015: Alexander Bruells (Director, KKR), Burkhard Varnholt (Chief Investment Officer, Bank Julius Baer), Christof Huth (Senior

Partner, Roland Berger Strategy Consultants), Prof. Christoph Kaserer (Chair for Financial Management, TU Munich), Dominic Faber (Co-Founder, Porterhouse Partners), Emilio Matthaei (Chief Executive Officer, Leverton), Franz-Robert Klingan, (Partner, Bain & Company), Fredrik Åtting (Partner, EQT), Gabriele Todesca (Principal, European Investment Fund), Matthias Rückriegel (Partner, Roland Berger Strategy Consultants), Giovanna Maag (Director, 3i), Hans-Jürgen Schmitz (Managing Director, Mangrove Capital Partners), Ingo Krocke (Founder and Managing Director, Auctus), Max Cartellieri (Managing Director, AlphaSights), Michael Drill (Chief Executive Officer, Lincoln International Germany), Mirko Meyer-Schönherr (Partner, PAI Partners), Steve Roberts (Partner and Private Equity Leader, PricewaterhouseCoopers), Tobias Eichner (Partner, Oliver Wyman), Sascha Kaumann (Industrials Team Member, Hg-Capital), Prof. Serden Ozcan (Chair for Innovation & Organization, WHU), Jens Tschauder (Managing Partner, Acxit Capital Partners).

The next Campus for Finance – WHU Private Equity Conference will take place in Vallendar on March 31 & April 1, 2016. The Campus for Finance – WHU Private Equity Conference is an initiative entirely organized by WHU students and supported by the Allianz Endowed Chair of Finance. Professor Dr. Markus Rudolf is Academic Director of Campus for Finance.

# Doctoral Seminar Burgenland



Dr. Stefan Weisheit (Bamberg) while presenting his research project

## Doctoral Seminar Burgenland 2014

Continuing the tradition, the Allianz Endowed Chair of Finance accepted the invitation of Finanznetzwerk e.V. to participate in an annual doctoral seminar in Burgenland, Austria. This year's event took place from October 23 to October 25, 2014. Among the 19 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 was the presentation and discussion of research projects. Additionally, participants received an opportunity to exchange ideas and opinions

regarding their respective research projects.

The participants' arrival was planned for Thursday, October 23. After check-in a joint dinner was organized in the hotel restaurant. Friday was reserved for presentations and discussions. Eleven research projects were presented throughout the day, with enough time allocated for an elaborate discussion and feedback of each project. The day ended with dinner at a local restaurant to exchange impressions and ideas with fellow participants. The seminar concluded on Saturday with a social group event in the climbing garden.



Seminar participants in the climbing garden

The following research projects were presented on Friday, October 24, 2014:

- Kai Winselmann (WHU): Growth Optimal Strategies versus Mean-Variance Optimization
- Konstantin Storms (WHU): Investor Attention in the context of market efficiency
- Tobias Kaufmann (WHU): Collective liabilities in credit risk models
- Sören Pippart (WHU): EUR/USD Exchange Rate and Sovereign Credit Risk - short-run dynamics and long-run equilibrium
- Christian Putz (Bamberg): Asset Prices and Taxation in a Model of Perpetual Youth
- Markus Duram (WHU): Schattenbanken - Überblick zum Stand der Forschung
- Marcel Omachel (WHU): Upside and Downside Variance Risk Premia in Global Equity Markets
- Dr. Stefan Weisheit (Bamberg): International portfolio choice when correlations are stochastic



# Capstone Course Abroad



The Capstone Course in New York

The international Capstone Module for students of the 90cr-track consists of customized lectures on selected topics as well as company visits. It includes a trip to one of the business metropolises in America, Asia, or Europe. Accompanied and organized by the Allianz Endowed Chair of Finance, students take advantage of cross-cultural learning experiences through tailor-made lectures combined with local company visits.

From May 3-9, the weeklong international capstone module for 2015 took place for the second time in New York City. The company visits and presentations covered all fields of business and were focused on solving practical problems and case studies during the visit in New York City.

The capstone course started with a welcome dinner on Sunday evening. Participants enjoyed accommodation in one of the most iconic buildings in the Big Apple: the Sheraton New York Times Square Hotel, located only five blocks from Times Square and less than a half-mile from Central Park. During the week, participants visited eight companies from different fields of business including finance, innovation & entrepreneurship, marketing & sales, product management, media, and logistics. The course ended with a farewell dinner in Manhattan.



Visit to Beiersdorf

Participants enjoyed the following company visits and presentations:

- Kühne + Nagel, Topic: “Innovation @ KN”
  - Goldman Sachs, Topic: “Shareholder Activism - Reshaping the Investing, Board Room and Management Culture in North America and Beyond”
  - New York University Stern, Topic: “Conflicts of interest, reputational risk and corporate governance in wholesale finance”
  - Perella Weinberg Partners, Topic: “Case Study review by Peter Weinberg”
  - Penguin Random House, Topic: “Overview of Penguin Random House and its challenges”
  - Oscar Health Insurance, Topic: “Company Presentation / Why work on Data / Becoming a social entrepreneur”
- Beiersdorf, Topic: “Implementing the Blue Agenda in the US – A Turnaround Story”
  - BMW North America, Topic: “BMW Group in the US Market / Industry Changes / Project Work”

In summary, it was an exciting week in New York City. All of the participants were able to gain an extensive impression of different business areas in the US.



Visit to BMW North America and Test-driving a BMW i3 and i8

# Course Offerings in Finance

## BSc Program

### Fall Term 2014:

- International Markets and Derivatives (Prof. Dr. Mei Wang, 2 SWS)
- Asset Management (Jun.-Prof. Dr. Julia Kapraun, 2 SWS)
- Introduction to Financial Accounting (Dr. Alexander Vincenzo, 2 SWS)
- Financial Statements (Jun.-Prof. Dr. Maximilian Müller, 2 SWS)
- Cases in International Accounting (Prof. Dr. Edgar Löw, 2 SWS)
- International Accounting (Prof. Dr. Martin Glaum, 2 SWS)
- Business Taxation (Prof. Dr. Martin Jacob, 2 SWS)
- Finance Function Challenges – A CFO's Perspective (Prof. Dr. Edgar Ernst, 2 SWS)
- Foundations of Finance (Prof. Dr. Markus Rudolf and Dr. Katrin Baedorf, 2 SWS)
- Corporate Finance (Prof. Dr. Christian Andres and Prof. Dr. Nihat Aktas, 2 SWS)
- International Markets and Derivatives (Prof. Dr. Mei Wang, 2 SWS)
- Seminar in Empirical Corporate Finance (Prof. Dr. Burcin Yurtoglu, 2 SWS)
- Asset Management (Jun.-Prof. Dr. Julia Kapraun, 2 SWS)
- Seminar in Trading and Real Time Data Interpretation (Dr. Katrin Baedorf, 2 SWS)
- Cases in International Accounting (Prof. Dr. Edgar Löw, 2 SWS)
- International Accounting (Prof. Dr. Martin Glaum, 2 SWS)
- Seminar in Financial Accounting (Prof. Dr. Martin Glaum, 2 SWS)
- Business Taxation (Prof. Dr. Martin Jacob, 2 SWS)
- Foundations in Business Taxation (Prof. Dr. Martin Jacob and Dr. Robert Risse, 2 SWS)
- Finance Function Challenges – A CFO's Perspective (Prof. Dr. Edgar Ernst, 2 SWS)
- Introduction to Banking (Prof. Dr. Axel Wieandt, 2 SWS)
- Investment Banking (Prof. Dr. Paul Achleitner, 2 SWS)
- Cases in Business Taxation (Prof. Dr. Holger Ernst and Sven Westphäliger, 2 SWS)

### Spring Term 2015:

- Foundations of Finance (Prof. Dr. Markus Rudolf and Dr. Katrin Baedorf, 2 SWS)
- Corporate Finance (Prof. Dr. Christian Andres and Prof. Dr. Nihat Aktas, 2 SWS)
- International Markets and Derivatives (Prof. Dr. Mei Wang, 2 SWS)
- Seminar in Empirical Corporate Finance (Prof. Dr. Burcin Yurtoglu, 2 SWS)

## MSc Program

### Master in Management (MiM) and Master in Finance (MiF)

#### Fall Term 2014:

- Capital Market Theory (Prof. Dr. Markus Rudolf and Jun.-Prof. Dr. Julia Kapraun, 2.5 SWS)
- Advanced Corporate Finance (Prof. Dr. Burcin Yurtoglu, 2.5 SWS)
- Exchange Rates and International Finance (Prof. Dr. Michael Frenkel and Jun.-Prof. Jan-Christoph Rülke, 2.5 SWS)
- Advanced Econometrics (Prof. Dr. Michael Massmann, 2.5 SWS)
- International Financial Reporting I (Prof. Dr. Martin Glaum, 2.5 SWS)

#### Spring Term 2015:

- Mergers and Acquisitions (Prof. Dr. Nihat Aktas, 2.5 SWS)
- International Financial Reporting II (Prof. Dr. Martin Glaum, 2.5 SWS)
- Accounting for Financial Instruments and M&A Transactions (Prof. Dr. Edgar Löw and Prof. Dr. Martin Glaum, 2.5 SWS)
- Economics of Financial Markets (Prof. Dr. Ralf Fendel, 2.5 SWS)

- Financial Statement Analysis and Valuation (Prof. Dr. Garen Markarian, 2.5 SWS)
- Sustainable Finance I (Prof. Dr. Burcin Yurtoglu, 2 SWS)
- Sustainable Finance II (Prof. Dr. Burcin Yurtoglu, 2 SWS)

### Master in Finance (MiF)

#### Fall Term 2014:

- Financial Valuation (Prof. Dr. Nihat Aktas, 2.5 SWS)
- Corporate Governance (Prof. Dr. Christian Andres, 2.5 SWS)

#### Spring Term 2015:

- Financial Risk Management (Prof. Dr. Lutz Johanning, 2.5 SWS)
- Behavioral Finance and Emotional Finance (Prof. Dr. Mei Wang and Prof. Dr. Lutz Johanning, 2.5 SWS)
- Asset Management (Dr. Hartmut Leser, 2.5 SWS)
- Bank Management (Prof. Dr. Axel Wieandt, 2.5 SWS)
- Capstone Module Abroad (Prof. Dr. Markus Rudolf & Jun.-Prof. Dr. Julia Kapraun)
- Leadership in Investment Banking (Dr. Stefan Jentzsch, 2 SWS)

## **Full-Time MBA Program**

### **Fall Term 2014:**

- Risk Management (Jun.-Prof. Dr. Denis Schweizer, 2 SWS)

### **Spring Term 2015:**

- Managerial Finance (Prof. Dr. Burcin Yurtoglu, 3 SWS)
- Corporate Finance (Prof. Dr. Christian Andres, 2 SWS)

## **Part-Time MBA Program**

### **Fall Term 2014:**

- Risk Management (Prof. Dr. Lutz Johanning, 2 SWS)

### **Spring Term 2015:**

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

## **Executive MBA Program**

### **Spring Term 2015:**

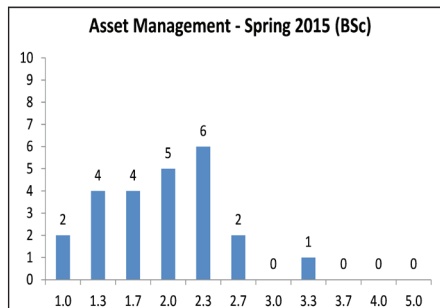
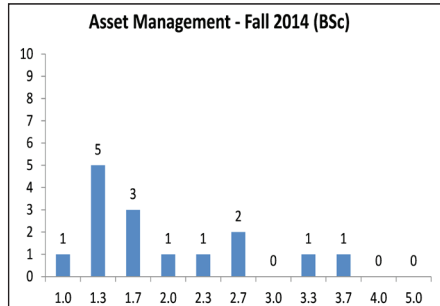
- Corporate Finance (Prof. Dr. Christian Andres, 3 SWS)

# The Lectures

## Asset Management (Jun.- Prof. Dr. Julia Kapraun, 2 SWS, BSc Program)

This course covers the main topics in Asset and Wealth Management, namely Asset Classes and Instruments, Asset Allocation Process, Equity and Bond Portfolio Management, Portfolio Performance and Risk Management as well as Behavioral Asset Management.

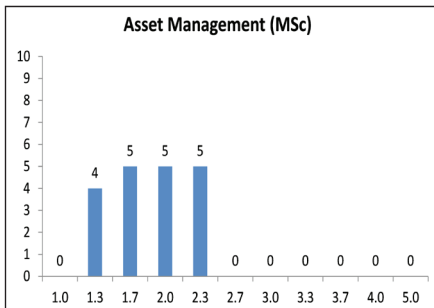
15 students passed the exam in Fall Term 2014 with an average grade of 1.95. Furthermore 24 students passed the exam in Spring Term 2015 with an average grade of 1.94. The overall grading is shown in the figures below. (Grades are module grades of the “International Finance” module).



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

This class 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.

19 students passed the exam in Spring Term 2015 with an average grade of 1.85. The overall grading is shown in the figure below.

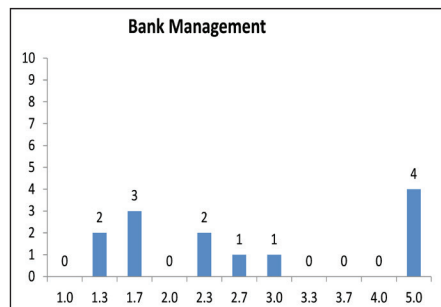


## Bank Management (Prof. Dr. Axel Wieandt, 2 SWS, MSc Program)

This course studies key concepts and issues in bank management and is cen-

tered around Jean Dermine's book on bank valuation and value-based management. As a motivation, it highlights current challenges by analyzing the financial crisis of 2007-2009 (including a detailed case study on the near-failure and rescue of HRE) and the ensuing tightening in bank regulation. A general framework for bank valuation then provides the background against which value-based bank management is discussed. Topics covered include the drivers of bank value and a detailed examination of deposit and loan pricing. The course concludes with an introduction to risk management in banking

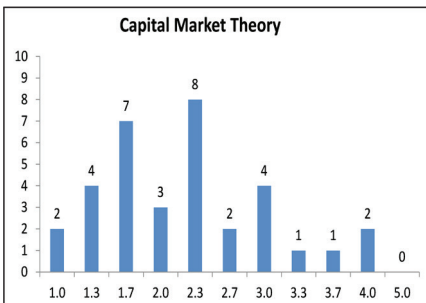
9 students passed the exam in Spring Term 2015 with an average grade of 2.00. The overall grading is shown in the figure below.



**Capital Market Theory (Prof. Dr. Markus Rudolf & Jun.-Prof. Dr. Julia Kapraun, 2 SWS, MSc Program)**

... is the foundation of the Finance elective in the WHU M.Sc. 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.

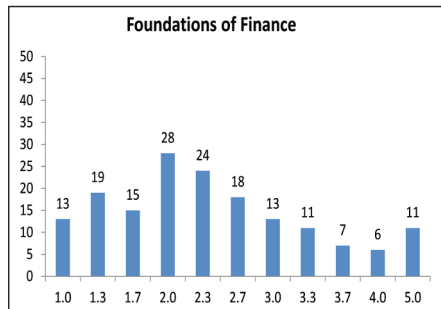
34 students passed the exam in Fall Term 2014 with an average grade of 2.23. The overall grading is shown in the figure below.



**Foundations of Finance (Prof. Dr. Markus Rudolf & Dr. Katrin Baedorf, 2 SWS, 3 groups, BSc Program)**

... is a compulsory course for Bachelor students. 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.

154 students passed the exam in Spring Term 2015 with an average grade of 2.26. The overall grading is shown in the figure below. (Grades are module grades of the "Finance" module).

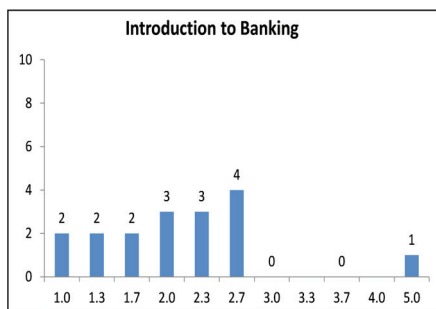




## Introduction to Banking (Prof. Dr. Axel Wieandt, 2 SWS, BSc Program)

... is an optional course for Bachelor students. The lectures cover essential aspects of financial intermediation and banking as well as the functions, products, and services of banks. A special focus is placed on the following two points: on the one hand, the economic structures of the banking sector; on the other hand, 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.

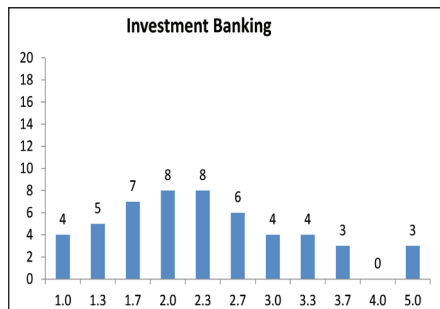
16 students passed the exam in Spring Term 2015 with an average grade of 1.98. The overall grading is shown in the figure below.



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

This class presents products and services as well as the actual trends in the M&A business. The focus lies on the analysis of the strategic drivers, the capital market drivers, and the company-specific drivers of the M&A business. The class also deals with the market for company controls.

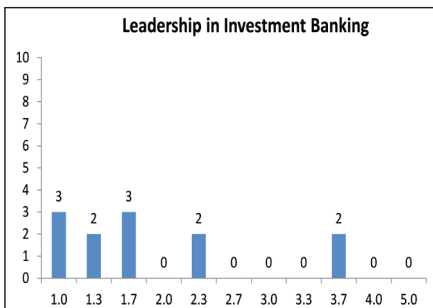
49 students passed the exam in Spring Term 2015 with an average grade of 2.23. The overall grading is shown in the figure below.



## Leadership in Investment Banking (Dr. Stefan Jentsch, 2 SWS, MSc Program)

This course provides students with an in-depth understanding of the key aspects of managing an investment bank, focusing on its major three components: people, capital, and reputation. Hence the course covers the essential aspects of Human Resource Management, Risk Management, Financial Management and Compliance. Each aspect will be given a theoretical base supported by case studies and practical examples on how to translate them into the real world. It is the particular aim of the course to give a close understanding of leadership in investment banking in an interactive and realistic manner.

12 students passed the exam in Spring Term 2015 with an average grade of 1.89. 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 via 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. Grading is from 1 ("strongly agree") to 5 ("strongly disagree").

The lecture "Investment Banking" for the BSc Program held by Prof. Dr. Achleitner was graded 1.68 in Spring Term 2015. The lecture "Introduction to Banking" offered for the BSc Program in Spring Term 2015 by Prof. Dr. Wieandt received a 1.88. Prof. Dr. Wieandt also obtained a

1.5 for his lecture "Bank Management" in the MSc Program in Spring Term 2015.

The courses of Prof. Dr. Rudolf were also well received. His lecture "Capital Markets Theory" in the MSc Program obtained a grade of 1.88 in Fall Term 2014. Furthermore, the compulsory lecture "Foundations of Finance" which was taught jointly by Dr. Katrin Baedorf and Prof. Dr. Rudolf in the BSc Program was graded 1.75 in Spring Term 2015. The lecture "Asset Management" offered for the BSc Program in Spring Term 2015 and Fall Term 2014 by Dr. Julia Kapraun received a 2.33.

Moreover, Dr. Leser obtained a 2.15 for his lecture "Asset Management" in the MSc Program in Spring Term 2015. Finally, Dr. Stefan Jentzsch received a 1.18 for his lecture "Leadership in Investment Banking" in the MSc Program in Spring Term 2015.

Course (Lecturer)	DOBES
Asset Management (Dr. Leser)	2,15
Asset Management (Dr. Julia Kapraun)	2,33
Bank Management (Prof. Dr. Wieandt)	1,5
Capital Market Theory (Prof. Dr. Rudolf)	1,88
Foundations of Finance (Prof. Dr. Rudolf & Dr. Katrin Baedorf)	1,75
Introduction to Banking (Prof. Dr. Wieandt)	1,88
Investment Banking (Prof. Dr. Achleitner)	1,68
Leadership in Investment Banking (Dr. Stefan Jentzsch)	1,18

# 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.

The dissertation was completed in 2015.



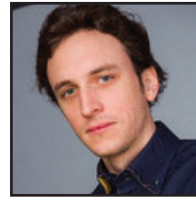
## Dr. Michael Borß

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



## Dr. Dennis Dlugosch

Topic: On Home Bias and Knightian Uncertainty

Referee: Prof. Dr. Mei Wang

Second referee: Prof. Dr. Markus Rudolf

According to Obstfeld & Rogoff\*, 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, like familiarity (measured via the distance between two countries) or patriotism, reduce investors' perceived ambiguity or if there are preferences for familiarity/patriotism per se.

\*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.

The dissertation was completed in 2015.



## 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) has been at the center of the financial crisis 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 whether 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 Frankenfeld

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 to highlight the possible implications of alternative financing options as a new asset class on the asset allocation of an investor.



## **Katja Harder**

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 special aspect of the debt crisis in Europe, in contrast to the earlier debt crises, is the financial integration of the European states by a common currency. The basic question is what the underlying economic determinants are that drive such a debt crisis in Europe. The objective of the PhD project is therefore to develop a quantitative empirical model that allows investigating 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.



## **Dr. Matthias Held**

Topic: Option Implied Sentiment

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. Mei Wang

Along 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.

The dissertation was completed in 2015.



## **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 at providing 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 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.



### **Ruth Kümmerle**

Topic: Illiquid Investments in a Portfolio Context

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. B. Burcin Yurtoglu

The special risks due to illiquidity cannot be fully captured by traditional portfolio optimization. Therefore, this thesis project aims to analyze the special characteristics of illiquidity in greater depth and tries to answer the following questions: How can one measure illiquidity? How can one model illiquidity? And 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**

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

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. Mei Wang

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

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 financial rather than the macroeconomic facets. The puzzle describes the phenomena 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



## Konstantin Storms

Topic: Investor attention in the context of market efficiency

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. Mei Wang

Investors are limited in their cognitive capabilities and hence focus their scarce resource attention. Assuming that, for

immediate reflection of information in asset prices, rational investors with unlimited attention are required in order to discover a piece of information, derive the meaning for the fundamental value of the security, and act on that insight, investor attention is expected to be a driver of market efficiency – a hypothesis to be investigated by this dissertation project.



## Danny Stutz

Topic: Behavioral Biases in Financial Advisory Services

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. Christina Günther

In finance research, there is ample evidence that retail investors are prone to behavioral biases. While there is little doubt that cognitive errors can be harmful from the individual investor's point of view, there is no evidence on the probably more important question of whether they have serious implications for financial advisor. This research project strives to describe if behavioral biases are present on the demand side of financial decision-making.

Moreover, the impact of demographic variables and investor characteristics on the extent of behavioral biases is tested. The results will provide a better understanding of behavioral obstacles and of its implications for the decision making process of financial advisor. Furthermore it will be of interest for theoreticians and practitioners who deal with behavioral biases in an advisory context.



## 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 will discuss and explore the organizational form of family offices, a now common means for wealthy families to govern intra- and inter-organizational relationships and that are aimed 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 promises valuable access to questions of management and governance as well as family business related concerns. Their grasp possibly allows researchers to draw an economic and behavioral driven blueprint for institutions outside the innermost family office sphere. A large number of presentations, forums, round-tables and hands-on publications from the practical field help to gauge the relevance and interest that wealthy families have ascribed to family offices over the past years. The overall turmoil that the financial markets have lived through 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 factor-network under demand and exchange rate risk”

Referee: Prof. Dr. Arnd Huchzermeier

Second referee: Prof. Dr. Markus Rudolf



### **Sabine Winkler**

Topic: Housing Market and Economic Fluctuations Nexus

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. Jürgen Weigand

The main objective of this research project is to examine the relationship between housing markets and economic fluctuations. A cross-country comparison of estimates of the housing wealth effect on consumption will reveal whether there are differences across economies based on market specifics. A possible outcome may be that the housing wealth effect on consumption is not the core channel for interaction between housing markets and economic activity. The price responsiveness of supply bears important implications for housing market dynamics. Despite its importance for the evolution of house prices, limited empirical work in an international context exists on the price elasticity of housing

supply. This issue will be addressed by this research project. Estimates of the price elasticity of housing supply and the housing wealth effect on consumption can be useful tools in the debate whether housing policy reform has macroeconomic implications. This hypothesis will be investigated by this research project.



## **Kai Winselmann**

Topic: The Kelly Capital Growth Investment Criterion

Referee: Prof. Dr. Markus Rudolf

Second referee: Prof. Dr. Stefan Spinler

Given the complexity of true multi-period formulations of mean-variance optimization, multi-period mean-variance optimizers are frequently modeled as myopic. Growth optimal strategies and the Kelly Criterion have been dismissed for their assumption of log utility and for their high volatility of returns. This research project investigates the multi-period long-term performance of myopic mean-variance optimizers in comparison to growth optimal strategies.

## BSc Theses Abstracts



### Julian Busch and Martin Schlappa

BSc

Tutor: Konstantin Storms

Topic: Quantitative easing as an unconventional monetary policy instrument and its impact on financial markets

After the Bank of England, Bank of Japan, and the Federal Reserve Bank, the European Central Bank recently started to engage in the unconventional monetary policy of quantitative easing. This bachelor thesis examines the impact of European Central Bank's quantitative easing on the financial markets. Based on event studies, the paper confirms that quantitative easing announcements cause a decrease in government bond yields and depreciation in the domestic currency, while equities tend to appreciate. Furthermore, we show that the mutualization of risk leads to a convergence of Economic and Monetary Union core/periphery spreads and that the effect on European markets is not

smaller compared to past quantitative easing measures in other jurisdictions.



### Alexander Evertz and Jan Runo

BSc

Tutor: Kai Winselmann

Topic: Growth optimal strategies: Kelly criterion and the football betting market

This bachelor thesis introduces the Kelly criterion and develops an application to sports betting. After introducing the theoretical properties of the Kelly criterion and reviewing the basic literature, the thesis describes examples for the application of the Kelly criterion in academic literature. Special emphasis is put on racetrack betting. The second half of the thesis presents a self-developed application of the Kelly Criterion to football betting in Germany and other EU countries. The thesis develops a system to identify favorable bets.



## Florian Winkler

BSc

Topic: The impact of news on financial markets

This bachelor thesis investigates the impact of news on sovereign credit default swaps as well as foreign exchange markets by surveying existing literature. The comparison of different approaches and transmission channels shows that macroeconomic news exerts the biggest influence on both markets. The respective economic situation makes financial markets more sensitive to new information. However, relying solely on fundamentals is only a half-true description of price changes in financial markets. Monetary policy, official communications, as well as rating announcements are considered as the other main sources for price changes. Overall, the impact of negative news tends to be bigger than positive news.



## Vladimir Diring

BSc

Tutor: Marcel Omachel

Topic: How good are portfolio insurance strategies? Performance evaluation and comparison of portfolio insurance strategies

This bachelor thesis empirically analyzes the performance of portfolio insurance strategies during bullish and bearish market trends. Applying the recently developed Omega ratio in order to evaluate the risk-return character of different algorithms within portfolio insurance strategies, it emphasized that strategies which implement gain protection trigger deliver the highest Omega ratio, while they give up return potentials during bullish trends. It is shown that there is still not an all-around solution within asset management for achieving high returns with low associated risk.



## Stefan Jakubczyk

BSc

Tutor: Marcel Omachel

Topic: Quantifying systemic risk

This bachelor thesis describes and estimates three recently developed measures of systemic risk: realized systemic expected shortfall, systemic risk, and covariance. The empirical analysis shows that systemic risk displays the best performance with regards to predictive power and crisis monitoring.



## Srecko Dzeko

BSc

Srecko Dzeko

Tutor: Joachim Ringer (Deutsche Bank) and Danny Stutz

Topic: Capital costs in a low interest rate environment

This bachelor thesis examines the cost of capital in the German market during the unforeseen low interest rate environment after 2008 and finds that, despite contradictory, method-contingent results for the cost of equity, the cost of debt as well as the weighted average cost of capital decreased significantly. Because prevalent models fail to reflect pervasive structural changes, it is observed that companies appear to adhere more or less persistently to overstated cost of capital. Eventually, a framework to adjust the cost of capital to low interest surroundings is presented, depending on expectations about the sustainability of low rates and the lifetime of a project.





## **Maximilian Huber**

BSc

Tutor: Danny Stutz

Topic: The role of financial advice in investment decision processes – A literature review

The market for financial advice has developed extremely complex structures with regards to product/service designs and compensation schemes. It is impossible for retail investors to grasp these structures. Academic researchers have seized the question about the causes for this evolution. Many scientists in the field of household finance, such as Prof. Andreas Hackethal, conclude that problems lie on the supply and on the demand side. This bachelor thesis analyses the literature from the perspectives of both parties involved. Furthermore, a literature categorization is developed to classify relevant works in line with central research questions. That is, financial literacy, biases, advisee characteristics, and the naiveté of retail investors on the demand side and the question of advisors' right to exist, their

biases and incentives on the supply side. Whether financial advice can be a substitute for financial literacy will be discussed in detail. Moreover, literature that can be not categorized in one of the central research questions is mentioned to provide the reader with alternative approaches to the role of financial advice. The structure of the paper is set up in accordance with the literature categorization.

# MSc Theses Abstracts



## **Stanko Kondic**

MSc

Tutor: Julia Kapraun

Topic: Portfolio optimization under regime switching

The global financial crisis demonstrated - for many investors in a tremendously expensive way - that volatilities and correlations are not stable over time but tend to increase substantially during periods of recession. As a result, this study indicates that portfolio optimization under regime-switching has the potential to economically capitalize state-dependent return asymmetries especially in long-short strategies. However, the developed Markov-switching-based asset allocation methodology could not find an econometric setup, based on different parametric distributions as well as dynamic versus static volatility modeling, which generally dominates across all market conditions and is universally applicable for each asset class.

# Sustainability in Finance

The Allianz Endowed Chair of Finance minimizes the use of natural resources on the job. We are committed to reducing our carbon footprint, and encourage students to jump on the bandwagon. We are supportive of research projects focusing on sustainability. We are in favor of ethical and sustainable behavior, and our conviction is that social responsibility and corporate governance are important determinants of financial performance. Natural resources are finite. We acknowledge the importance of green finance and green investments, and are supportive of research projects in this field.

**With all Good Wishes for Christmas...**



**...and the New Year**