

# Activity Report 2017/2018

Allianz Endowed Chair of Finance  
Center of Asset and Wealth Management  
[www.whu.edu/finance](http://www.whu.edu/finance)

Excellence in  
Management  
Education

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## SUPPORTERS

### CHAIR SPONSOR



### SPONSORS OF THE CENTER OF ASSET AND WEALTH MANAGEMENT

Professor Gunter Dufey, PhD



### CENTER OF ASSET AND WEALTH MANAGEMENT FRIENDS



## FOREWORD



### Courage and Commitment

This 19th 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 2017/2018. In addition to the activities of the chair itself, since January 1, 2015, a substantial portion of the chair's resources have been dedicated to Professor Dr. Markus Rudolf's role as dean of WHU – Otto Beisheim School of Management. After his re-election by the senate on March 22, 2017 and re-appointment by the executive board of the Stiftung WHU on June 13, 2017, Professor Rudolf will serve another three-year term as dean, from January 1, 2018 to December 31, 2020.

During his time as dean, Professor Rudolf will devote particular attention to fulfilling the core values of the school:

1. Excellence
2. Community
3. Cosmo-politeness
4. Entrepreneurship

The Excellence Strategy shapes all areas of WHU, but is especially designed to ensure that WHU's excellence is reflected in European business school rankings. One of our central goals is to ensure that WHU returns to a stronger position in the Financial Times European Business School ranking, increasing from position #37 in 2017. Together, we aim to secure WHU's position among the very best European business schools. We look forward to pursuing the ambitious goal of taking WHU to the next level, and we welcome both the challenges and the satisfaction that the work ahead will bring. In this respect, we are delighted that intake numbers have increased in all programs for the academic year 2017/2018 with just one exception - the full-time MBA, where the intake is only slightly below the all-time high. This year we

welcomed 69 new part-time MBA students, 59 new MBA students, and 56 new EMBA students. We accepted 239 new bachelor's students, 114 new Master in Management students, 47 new Master in Finance students, and – for the second time – 16 new Master in Entrepreneurship students. Application numbers in the master's programs reached an all-time high with 485 applications in total (after 450 in the previous year).

Our Executive Education programs at WHU have been a strong success since 2014. Professor Rudolf has been serving as academic director for these programs since October 2014. During this period, WHU's revenues from Executive Education have grown from €370,000 to €2.05 million. At the end of the fiscal year 2017/2018, the WHU's Executive Education was able to break even for the second time. In October 2017, Professor Serden Ozcan took over the role of Academic Director of Executive Education.

At the Allianz Endowed Chair of Finance, we welcome Nabil Alkafri, Rene Maler, and Tobias Burggraf as new research assistants. During the academic year 2017/2018 two doctoral dissertations were successfully completed: Kai Winselmann earned his doctoral degree with a dissertation titled "Essays on The Kelly Criterion and Growth Optimal Strategies," and Benedikt Himbert finished his dissertation "Parameter estimation risk in portfolio optimization – an application to Smart Beta investment strategies." We are very pleased that these research projects were completed so successfully, and thank everyone who contributed to them – and of course we especially congratulate the authors on earning their doctoral degrees. Assistant Professor Julia Kapraun left for a position at Goethe University in Frankfurt. We congratulate her on her new offer and hope that she will return to WHU one day in the future.

Dr. Katrin Baedorf assumed a new role as head of the dean's office at WHU, thereby leaving the Center of Asset and Wealth Management (CAWM). Sebastian Seidens was conditionally appointed as Junior Professor by the WHU Senate, conditional on successful completion of his dissertation. He will step into Dr. Baedorf's role as head of CAWM. The center continues to concentrate its energy and activities along the three dimensions of research, teaching, and dialogue. One current focus is research in the FinTech area, including two dissertations in the "VikoDiA" project, which is funded by the European Union and the state of

North Rhine Westfalia, together with moneymeets, a Cologne-based FinTech company. In 2018, the CAWM Executive Education Program "WHU on Finance" was able to attract 94 participants who attended 294 events.

We wish to 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. Let me express my most sincere thanks to Marianne Diel and Kirsten Schmitz for their incredible effort and dedication. Their work is more valuable than ever due to the fact that the chair holder currently serves as dean of the school and regularly has to shift priorities.

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 thank Allianz SE and Mr. Stephan Theissing, member of the WHU Executive Board, for their support and their friendship with WHU. I am especially delighted that Stephan Theissing has been appointed by WHU's Senate to succeed Professor Brockhoff as an executive board member of the WHU Foundation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mr. Theissing". The signature is written in a cursive style with a large initial 'M'.

# 1. TEAM

## 1.1. MEMBERS OF THE CHAIR AND THE CAWM



### **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, where he teaches investment banking.



### **Nabil Alkafri, M.Sc.**

Nabil Alkafri joined WHU – Otto Beisheim School of Management as a research assistant to the Allianz Endowed Chair of Finance and as a doctoral student in September 2017. He earned a B.Sc. in business management with a major in finance and a minor in business psychology from the Ludwig-Maximilians-University in Munich and a M.Sc. in Management from the University of Mannheim with a focus on finance. He has previously worked and gained experience at the quantitative asset management departments of Allianz Global Investors GmbH (Advanced Fixed Income), Berenberg Gossler & Co KG (Equity Selection), and Deka Investment GmbH (Quantitative Stock and Pension Funds). His research focuses on quantitative investment strategies and is being conducted in cooperation with Vontobel in Switzerland and Berenberg in Germany.



**Dr. Katrin Baedorf, Director Center of Asset and Wealth Management**

Katrin Baedorf was 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 & 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 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 a particular interest in illiquid assets and behavioral finance as well as service quality within private banking. As the director, she was responsible for all activities and relationships at the Center of Asset and Wealth Management. She left the center in April 2018, since May 2018 she is director of the Dean's Office.



**Tobias Burggraf, M.Sc.**

Tobias Burggraf started in August 2018 as a research assistant and doctoral candidate at the Allianz Endowed Chair of Finance. He earned his Bachelor's degree in Economics with focus on Finance from Goethe University Frankfurt and his Master's degree in Finance from WHU. He also spent a semester abroad at Bocconi University in Milan. He gained experience in the field of asset management while working for HSBC, AXA Investment Managers, and Commerzbank. His research interests include robust portfolio optimization, behavioral finance, and alternative investments.



**Ralf Conen, M.Sc.**

Ralf Conen joined the chair in October 2016 after graduating from WHU as a Member of the MSc Class of 2016. He further holds a BSc in Economics from the University of Mannheim and was a visiting scholar at the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill as well as National Taiwan University, Taipei. His research is centered on innovations in the asset management sector.



**Marianne Diel**

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





**Dipl.-Kfm. Matthias Feldhues**

Matthias Feldhues has been a research assistant and PhD candidate at the 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. After graduation, 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.



**Dr. Benedikt Himbert**

Benedikt Himbert joined WHU – Otto Beisheim School of Management as a research assistant to the Allianz Endowed Chair of Finance and PhD candidate in October 2015. He holds a Masters in Management from London Business School and a B.Sc. in Investment & Financial Risk Management from Cass Business School. His research focuses on investment and alternatively weighted equity index strategies in the light of parameter estimation error. He left the chair in December 2017.



**Markus Hüren, M.Sc.**

Markus Hüren has been a PhD candidate since July 2014 and joined the Allianz Endowed Chair of Finance as research assistant in July 2016. He studied business administration at WHU – Otto Beisheim School of Management, the Gatton College of Business and Economics at the University of Kentucky, and the University of Cape Town Graduate School of Business. Prior to and during his studies, he gained work experience at HSBC Trinkaus & Burkhardt, RETHMANN Group, J.P. Morgan, Deutsche Bank, and Roland Berger. After his graduation in 2014, he headed the office of In Praxi – WHU Alumni Association until June 2016. His research focuses on corporate reputation in the financial services industry. He left the chair in December 2017.



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

Julia Kapraun was an Assistant Professor of Asset and Wealth Management, sponsored by Sparkasse Koblenz. She studied Mathematics with majors in Mathematical Finance and Stochastic Analysis at 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 recent research focus is on asset and wealth management, derivatives and risk management. She left the center in October 2017.



**Alex Kusen, M.Sc.**

Alex Kusen started as a research assistant and doctoral candidate at the Allianz Endowed Chair of Finance in August 2016. He studied Economics at the University of Bonn with a specialization in Finance and Capital Markets and at San Diego State University. Having gained professional experience at HSBC INKA, DekaBank and Postbank among others, his research interests are international markets, assets and financial derivatives.



**Red Laviste, M.Sc.**

Red Laviste joined the Allianz Endowed Chair of Finance as a research assistant in May 2016. He holds a Master's degree in Finance from Durham University in England, and a BSc in Economics from the University of Victoria, British Columbia, Canada. Previously a CFA Vancouver member, his research is on portfolio risk management. He left the chair in April 2018.



**Prof. 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 managing partner of an investment consultancy firm. He lectures on asset management for the MSc program at WHU – Otto Beisheim School of Management.



**Rene Maler, M.Sc.**

Rene Maler started as a doctoral candidate at the Allianz Chair of Finance in October 2016. Before, he has completed his Bachelor at WHU in 2013, which included an exchange semester at Chinese University of Hong Kong in 2012, and in 2016 he graduated from the WHU Master in Finance program. While his professional experiences is mainly in the field of investment banking and consulting, his dissertation project focuses on the analysis of long-term academic research productivity.”



**Quynh Pham, M.Sc.**

Quynh Pham has been a research assistant and doctoral candidate at the Allianz Endowed Chair of Finance since August 2017. She received a Master's Degree in Financial Economics from BI Norwegian Business School and was an exchange student at Frankfurt School of Finance and Management in Winter Semester 2015/16. Her research focus is on asset pricing, risk management, and portfolio management.



**Prof. 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 Boeker & Paul AG and at Black Rock Asset Management Deutschland AG between June 2008 and March 2016.



**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.



**Sebastian Seidens, M.Sc.**

Sebastian Seidens started as a research assistant and doctoral candidate at the Allianz Endowed Chair of Finance in April 2016 and has been a visiting scholar at the University of Cambridge – Judge Business School. He earned his Master's degree in Finance (International Money, Finance, and Investment) from Durham University in England; he was also a visiting scholar at Mannheim University Business School from June 2015 to February 2016. He gained experience in the field of capital markets and portfolio management while working for Citigroup, Deutsche Bank, and BayernInvest. His main research interests are in the fields of asset pricing and behavioral finance.



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

Axel Wieandt is a senior financial services professional with many years of management and restructuring experience in high profile executive roles in the European banking sector. He has led the execution of multi-billion USD transactions in Europe, the US, China, and Australia. Axel Wieandt has also managed the execution of large equity and debt capital markets transactions.

Until mid 2015 he was CEO of Valovis Bank AG. Other prior full-time positions he has held include Head of Corporate Development and 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 J.L. 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 Ltd. 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. In the spring of 2016 Axel Wieandt served as Adjunct Professor of Finance at the J.L. Kellogg School of Management where he taught a thought leadership seminar on "European Banking and the Financial

Crisis". Axel Wieandt has published extensively including in the leading German newspapers and international academic journals in the fields of business economics and banking. He is the author of "Unfinished Business: Putting European Banking (and Europe) Back on Track".

Axel Wieandt is chairman of the advisory board of Hannover Leasing GmbH & Co, KG and chairman of the supervisory board of Hannover Leasing Investment GmbH, both in Pullach near Munich. He is member of the advisory boards of auxmoney GmbH in Düsseldorf, the leading European consumer lending market place, of Debitos GmbH in Frankfurt, the European online market-place for non-performing loans, and chairman of the advisory board of Mehrwerk GmbH in Bielefeld, a leading provider of value-added services in Germany.

Axel Wieandt is regularly advising London based private equity funds on transactions in the financial services sector. He has recently joined Speedinvest, the Vienna based VC firm as operating partner banking in their latest fintech fund SiF.

Since 2010 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.



**Marc Wierzbitzki, M.Sc.**

Marc Wierzbitzki is a research assistant at the Allianz Endowed Chair of Finance at WHU – Otto Beisheim School of Management since February 2017. He holds a BSc in Business Administration and an MSc in Finance from WHU. As part of the EU-funded VikoDiA project, he focuses on the identification of adequate and innovative mechanisms to report investment performance to private investors in digital settings. His research interests furthermore comprise personal investment strategies, the behavior of individual investors, and potential strategies to debias their financial decision-making.



**Dr. 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. After graduation in 2012 he joined Bain & Company in their Munich office and worked for two years in management consulting in Germany and South Africa. His research focuses on the Kelly capital growth investment criterion. He left the chair in March 2016.



## 1.2. ADVISORY BOARD OF THE CAWM



**Johannes Cremer**  
Founder and CEO  
moneymeets



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



**Professor Gunter Dufey, PhD**  
Professor Emeritus of the University of  
Michigan



**Robert Lempka**  
ayondo GmbH, CEO



**Christian U. Haas**  
COLLEND A GmbH, CEO



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



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



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



**Thomas Paul**  
Böker & Paul AG  
Member of the executive board  
Kanzlei für Vermögensmanagement



**Henning Gebhardt**  
Berenberg  
Member of the extended executive  
board



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



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

### 1.3. ASSOCIATED MEMBERS/LECTURES OF THE CAWM



**Sarah Brylewski**  
ayondo  
Chief Marketing Officer



**Dr. Ruth Kümmerle**  
Allianz Global Investors



**Prof. Dr. Thomas Burkhardt**  
University of Koblenz-Landau



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



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



**Claudia Spanier-Dönges**  
Deputy member of the Executive Board  
Sparkasse Koblenz



**Jörg R. Walter (Lecturer)**  
Senior Manager  
d-fine GmbH

## 1.4. ADVISORY BOARD OF THE ALLIANZ ENDOWED CHAIR OF FINANCE



**Dr. Karl-Georg Altenburg**



**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**  
Kampmann, Berg & Partner,  
Executive Partner



**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

## 2. TEACHING

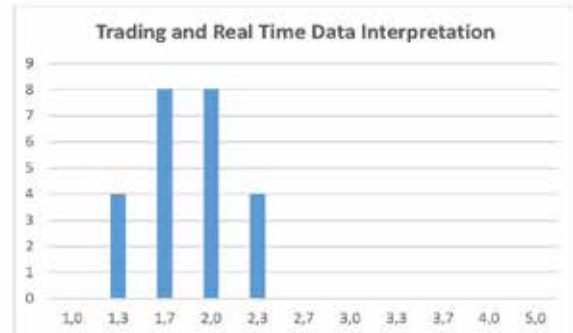
### 2.1. BACHELOR OF SCIENCE PROGRAM

#### 2.1.1. TRADING AND REAL TIME DATA INTERPRETATION

(DR. KATRIN BAEDORF, 2 SWS)

The objective of this course is to enable students to use practically relevant tools for market data analysis and trade execution by applying them in a real time trading process. To achieve this, students work in WHU's newly established SunGard Trading Room with access to a SunGard real time market data tool (Market Map) and Sungard's trading software (Front Arena Prime). Several exercises make students familiar with instruments and challenges of a trading process. The class session ends with a talk by a professional trader to integrate the perspective of a practitioner on the trading process.

24 students passed the exam in Spring Term 2018 with an average grade of 1.83. The overall grading is shown in the figure on the right.

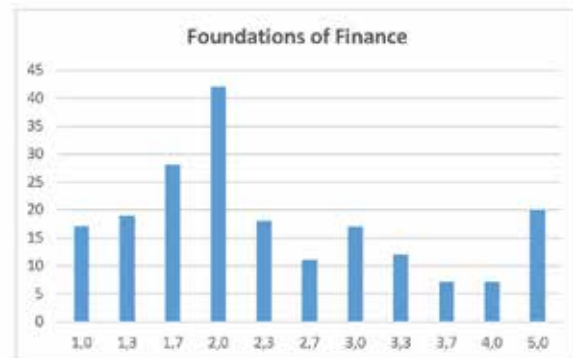


#### 2.1.2. FOUNDATIONS OF FINANCE

(PROF. DR. MARKUS RUDOLF & DR. KATRIN BAEDORF, 2 SWS, 3 GROUPS)

This course 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.

178 students passed the exam in Spring Term 2018 with an average grade of 2.18. The overall grading is shown in the figure on the right. (Grades are module grades of the "Finance" module.)



### 2.1.3. INTRODUCTION TO BANK MANAGEMENT

(PROF. DR. AXEL WIEANDT, 2 SWS, BSc PROGRAM)

This course is an optional course for Bachelor students. The lecture covers essential aspects of financial intermediation, banking, and the functions, products, and services of banks. A special focus lies on two points: on the one hand, analyzing the economic structures of the banking sector; and on the other hand, developing a basic knowledge of the activities, structure, and functions of banks. Descriptive case studies are used to devise tendencies and strategies in the financial services sector.

15 students passed the exam in Spring Term 2018 with an average grade of 2.29. The overall grading is shown in the figure on the right.





## 2.2. MASTER OF SCIENCE PROGRAM

### 2.2.1. ASSET MANAGEMENT

(PROF. DR. HARTMUT LESER, 2.5 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. 12 students passed the exam in Spring Term 2018 with an average grade of 1.88. The overall grading is shown in the figure on the right.

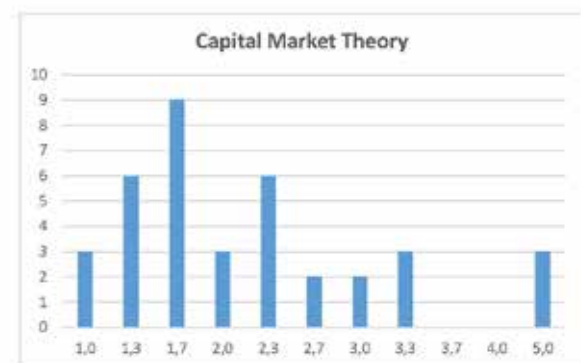


### 2.2.2. CAPITAL MARKET THEORY

(PROF. DR. MARKUS RUDOLF & ASS.-PROF. DR. JULIA KAPRAUN, 2.5 SWS, MSc PROGRAM)

This class is a core module of the WHU M.Sc. Finance program. It provides the theoretical background for the main topics in finance, namely Option Pricing, State Preference Theory and Behavioral Finance. The course provides students with the tools and knowledge they need for the remaining finance courses in the M.Sc. program, which are Valuation, Capital Structure, Derivatives, Financial Risk Management, Asset Management, and Behavioral Finance. The case study on derivatives was delivered in the SunGard Trading Room by Mr. Jörg Walter, Senior Manager at d-fine GmbH.

34 students passed the exam in Fall Term 2017 with an average grade of 1.98. The overall grading is shown in the figure on the right.

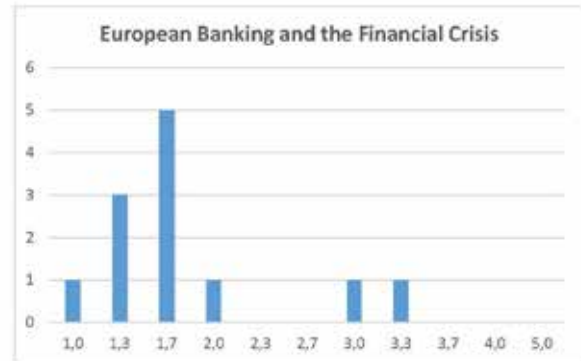


## 2.2.3. EUROPEAN BANKING AND THE FINANCIAL CRISIS

(PROF. DR. AXEL WIEANDT, 2.5 SWS, MSc PROGRAM)

This course studies key concepts and issues in bank management using Jean Dermine's book on bank valuation and value-based management. To heighten interest, the course 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 for a discussion of value-based bank management. Topics covered include the drivers of bank value and a detailed examination of the ongoing regulatory reform agenda. The course concludes with an introduction to strategic challenges and illustrates opportunities for European banks.

12 students passed the exam in Spring Term 2018 with an average grade of 1.81. The overall grading is shown in the figure on the right.



### 3. 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”).

Prof. Dr. Wieandt obtained a 1.3 for his lecture “European Banking and the Financial Crisis” in the MSc Program in Spring Term 2018. His lecture “Introduction into Bank Management” was graded 1.7.

Prof. Dr. Rudolf and Ass.-Prof. Dr. Kapraun's course also obtained a very good grade: their lecture “Capital Market Theory” in the MSc Program was graded 1.9 in Fall Term 2017.

Furthermore, the compulsory lecture “Foundations of Finance,” which was jointly taught by Prof. Dr. Rudolf and Dr. Katrin Baedorf in the BSc Program, received an average grading of 1.8 in Spring Term 2018.

Moreover, Prof. Dr. Leser obtained a 1.5 for his lecture “Asset Management” in the MSc Program in Spring Term 2018.

Course (Lecturer)	DOBES
Asset Management (Dr. Hartmut Leser)	1.5
Capital Market Theory (Prof. Dr. Markus Rudolf & Jun.-Prof. Dr. Julia Kapraun)	1.9
European Banking and the Financial Crises (Prof. Dr. Axel Wieandt)	1.3
Introduction to Bank Management (Prof. Dr. Axel Wieandt)	1.7
Foundations of Finance (Prof. Dr. Markus Rudolf & Dr. Katrin Baedorf)	1.8
Seminar Trading and Real Time Data Interpretation (Dr. Katrin Baedorf)	2.3

## 4. COURSE OFFERINGS FINANCE GROUP

### 4.1. BSc PROGRAM

#### Fall Term 2017

- Asset Management (Dr. Gaston Michel, 2 SWS)
- Business Taxation (Prof. Dr. Martin Jacob, 2.0 SWS)
- Cases in Business Taxation (Sven Westphälinger, 2.0 SWS)
- Cases in International Accounting (Prof. Dr. Edgar Löw, 2.0 SWS)
- Financial Statements (Jun.-Prof. Kathleen Andries 2.0 SWS)
- International Accounting (Prof. Dr. Martin Glaum, 2.0 SWS)
- International Markets and Derivatives (Prof. Dr. Mei Wang, 2.0 SWS)
- Introduction to Financial Accounting (Jun.-Prof. Dr. Anna Alexander Vincenzo, 2.0 SWS)

#### Spring Term 2018

- Asset Management, (Dr. Gaston Michel, 2 SWS)
- Business Taxation (Prof. Dr. Martin Jacob, 2.0 SWS)
- Cases in Business Taxation (Sven Westphälinger, 2.0 SWS)
- Cases in International Accounting (Prof. Dr. Edgar Löw, 2.0 SWS)
- Corporate Finance (Prof. Dr. Nihat Aktas, 2.0 SWS)
- Financial Statement Analysis (Prof. Dr. Maximilian Müller, 2.0 SWS)
- Foundations of Finance (Prof. Dr. Markus Rudolf and Dr. Katrin Baedorf, 2.0 SWS)
- International Accounting (Prof. Dr. Martin Glaum, 2.0 SWS)
- International Markets and Derivatives (Prof. Dr. Mei Wang, 2.0 SWS)
- Introduction to Bank Management (Prof. Dr. Axel Wieandt, 2.0 SWS)
- Seminar in Finance and Innovation (Jun.-Prof. Dr. Magdalena Pisa, 2.0 SWS)
- Seminar in Trading and Real Time Data Interpretation (Dr. Katrin Baedorf, 2.0 SWS)

### 4.2. MSc PROGRAM

#### Fall Term 2017

- Accounting and Financial Analysis (Prof. Dr. Maximilian Müller, 2.5 SWS)
- Advanced Corporate Finance (Prof. Dr. Burcin Yurtoglu, 2.5 SWS)
- Capital Market Theory (Prof. Dr. Markus Rudolf and Jun.-Prof. Dr. Julia Kapraun, 2.5 SWS)
- Corporate Governance (Prof. Dr. Christian Andres, 2.5 SWS)
- Financial Valuation (Prof. Dr. Nihat Aktas, 2.5 SWS)
- International Financial Reporting (Prof. Dr. Martin Glaum, 2.5 SWS)

#### Spring Term 2018

- Accounting for Financial Instruments and M&A Transactions (Prof. Dr. Edgar Löw and Prof. Dr. Martin Glaum, 2.5 SWS)
- Asset Management (Prof. Dr. Hartmut Leser, 2.5 SWS)
- Behavioral Finance and Emotional Finance (Prof. Dr. Lutz Johanning, 2.5 SWS)
- European Banking and the Financial Crisis (Dr. Axel Wieandt, 2.5 SWS)
- Financial Modeling with Excel (Jun.-Prof. Dr. Magdalena Pisa, 2.5 SWS)
- Financial Reporting and Capital Markets: Current Challenges (Prof. Dr. Martin Glaum, 2.5 SWS)
- Financial Risk Management (Dr. Thomas Ridder, 2.5 SWS)
- Financial Statement Analysis and Valuation (Prof. Dr. Garen Markarian, 2.5 SWS)
- Financial Technologies (Prof. Dr. Burcin Yurtoglu, 2.5 SWS)
- Mergers and Acquisitions (Prof. Dr. Nihat Aktas, 2.5 SWS)

### 4.3. FULL-TIME MBA PROGRAM

#### Fall Term 2017

- Corporate Finance (Prof. Dr. Christian Andres, 2.5 SWS)
- Financial Accounting (Prof. Dr. Garen Markarian, 2.5 SWS)
- Managerial Finance (Prof. Dr. Burcin Yurtoglu, 2.5 SWS)

#### Spring Term 2018

- Business Tax Strategy (Prof. Dr. Martin Jacob, 2.0 SWS)
- Financial Accounting (Prof. Dr. Garen Markarian, 2.5 SWS)
- Managerial Finance (Prof. Dr. Burcin Yurtoglu, 2.5 SWS)
- Mergers & Acquisitions (Prof. Dr. Nihat Aktas, 2.0 SWS)
- Private Equity (Prof. Dr. Garen Markarian, 2.0 SWS)
- Risk Management (Prof. Dr. Lutz Johanning, 2.0 SWS)

### 4.4. PART-TIME MBA PROGRAM

#### Fall Term 2017

- Corporate Finance (Prof. Dr. Christian Andres, 2.5 SWS)
- Financial Accounting (Prof. Dr. Garen Markarian, 2.5 SWS)
- Managerial Finance (Prof. Dr. Burcin Yurtoglu, 2.5 SWS)

#### Spring Term 2018

- Business Tax Strategy (Prof. Dr. Martin Jacob, 2.0 SWS)
- Mergers & Acquisitions (Prof. Dr. Nihat Aktas, 2.0 SWS)
- Risk Management (Prof. Dr. Lutz Johanning, 2.0 SWS)

## 5. THESES

This year, the Allianz Endowed Chair of Finance supervised the theses of 9 BSc students and 3 MSc students at WHU. Research topics are proposed by members or company sponsors and partners of the Chair and the Center of Asset and Wealth Management, or by students themselves.

### 5.1. BSC PROGRAM



#### Luka Denic

Topic: *Commitment for the Common Good: Trends in the Investment Behavior of Foundations in Germany*

Tutor: Sebastian Seidens

German foundations make generous contributions to social projects throughout the country. To amplify the effectiveness of their work, it is of value for scholars and practitioners alike to understand trends, opportunities, and challenges of the sector. The development of such an understanding is the aim of my thesis. I review financial data and engage in personal conversation with representatives of leading German foundations. My investigation reveals that low central bank interest rates following the financial crisis posed a significant challenge. At the same time, foundations successfully explore new ways to interlace their investment strategy with their social mission.



### Maximilian Gekle and Lukas Ryll

Topic: *Active and Passive Investment Strategies in Light of Artificial Intelligence*

Tutor: Sebastian Seidens

This thesis demonstrates the progress of investment strategies and investment vehicles in asset management. We analyze the value proposition and performance of active and passive portfolio management and emphasize technological progress and innovation as core determinants of asset flows. By building and testing a simplistic machine learning algorithm based on artificial neural networks, we offer different solutions to outperform the S&P 500 index in terms of absolute return and risk. We conclude that investment strategies based on machine learning algorithms will eventually replace existing active equity management solutions due to their degree of automatism and lower fees.



### Fabian Mertes

Topic: *Foundations in the UK – Recent Developments in Investment Strategies and Asset Allocations*

Tutor: Sebastian Seidens

This bachelor thesis examines the asset allocation and investment strategies of British charities between 2006 and 2016 using a sample of 21 organizations, which are among the largest foundations in the UK. The thesis is motivated by the rising relevance of the charitable sector given the increasing wealth and expenditure of charities. The study reveals that investment portfolios have a major relevance for charities and are dominated by equity investments. Furthermore, alternative investments are a crucial part of many portfolios. The study also underlines that charities are becoming more sophisticated and more international in their approach to managing investments.



### Fabian Peters

*Topic: Mutual Funds in Germany – Historical Performance and Prediction of Fund Performance with  $R^2$*

Tutor: Quynh Pham

This study analyses mutual fund performance in Germany from 1990 to 2018. It focuses on the hypothesis that a fund's tracking error  $R^2$  predicts fund performance, inspired by Amihud and Goyenko (2013). The results suggest an insignificantly ( $p > 0.10$ ) positive *alpha*. However, the dataset suffers from survivorship bias. Further, the findings indicate persistence in performance but provide weak evidence for performance predictability with  $R^2$ . Although the coefficients demonstrate the hypothesised sign, they are repeatedly insignificantly different from zero ( $p > 0.10$ ). The analyses are based on the Capital Asset Pricing Model (Lintner, 1965; Sharpe, 1964), the Fama-French model (Fama & French, 1993), and the Fama-French-Carhart model (Carhart, 1997).



### Fabian Reckels

*Topic: The Psychology of Investment Behavior: How to Debias Financial Decision-Making of Private Investors*

Tutor: Marc Wierzbitzki

One essential aim of behavioral finance is to support private investors in mitigating behavioral biases during investment decision-making by providing decision-support-systems. Therefore, the purpose of this thesis is to contribute to this goal by reviewing the existing literature on debiasing behavioral biases and by suggesting two concrete behavioral experiments. The experiments are designed to test the efficacy of newly designed debiasing strategies for two important biases: the disposition effect and the framing bias.





### Marco Schöffel

Topic: *Investing in Cryptocurrencies: Interferences with Conventional Assets and Google Trending*

Tutor: Alex Kusen

Cryptocurrencies have surfaced as a fascinating curiosity in financial markets. This thesis elaborates interferences of cryptocurrencies with Google Trends and conventional assets. Our analysis reveals a strong, positive, joint correlation of cryptocurrencies. Additionally, Bitcoin indicates a positive correlation, with the S&P 500 index and Google Trends index at the 1% level. A time lag analysis demonstrates that Google Trends, in  $t_{(-9)}$ , best predicts the price of Bitcoin, in  $t$ . The relationship between Google Trends and Bitcoin is reciprocal.



### Marius Streb

Topic: *Leveraging Support Vector Machines in The Improvement of Passive Investment Portfolios Through Volatility-Based Market Timing*

Tutor: Nabil Alkafri

Financial markets experience an increasing shift away from active asset management. Exchange-traded funds (ETFs) and new forms of wealth management (robo advisory) benefit from this trend, seemingly stimulated by the recent underperformance of market timing. We propose the integration of Support Vector Machines (SVMs), classifying price movements before the rebalancing within a robo advisory context. With respect to former research, we train a weekly trading system on four ETFs and their implied volatility, the relative strength index (RSI) as well as Google search query data. Depending on the selected optimization approach, the results prove the potential practicality for robo advisors.



### Hagen Wittig

Topic: *Return-Based Factor and Smart Beta Timing Strategies Applied to the German Stock Market*

Tutor: Nabil Alkafri

This paper evaluates the potential performance of return-based factor and smart beta timing applied to the German stock market. The empirical findings demonstrate that investors that allocate their wealth towards the factor or smart beta strategies with the highest prior returns significantly decrease their performance compared to a portfolio invested in the strategies with the lowest prior returns. This difference in performance is especially prevalent if the individual factor or smart beta strategies are less correlated. This observation indicates that timing can be optimized in subsequent research by diversifying the strategies to be timed.

## 4.2. MSc PROGRAM



### Tobias Burggraf

Topic: *The Black-Litterman Model: A Quantitative Approach to Strategic Asset Allocation in Active Asset Management*

Tutors: Tutors: Professor Dr. Hartmut Leser (Aberdeen), Quynh Pham

The Black and Litterman model provides an elegant and intuitive way to alleviate many of the problems encountered in mean-variance optimization by combining market equilibrium returns with investor's subjective views to form a new set of expected returns. This thesis provides a detailed investigation of the model including full derivations using Theil's mixed estimation approach and Bayesian statistics. The parameters  $\mu$ ,  $\Omega$  and  $\Sigma$  are considered, along with information on their computation and calibration. Particular attention is given to the various extensions of the Black-Litterman model. We develop a simple cross-sectional momentum strategy for the German small-cap stock market and show how the strategy can be incorporated into Black-Litterman terms. The out-of-sample performance is promising, therefore offering a viable momentum investment strategy.



### Anton Haberler-König

Topic: *Strategies as triggers: Feedback trading and return autocorrelation: Evidence from the Bitcoin market*

Tutor: Alex Kusen

In recent years the academic literature on feedback trading and return autocorrelation has grown rapidly. I extend the intertemporal capital asset pricing model (ICAPM) to integrate three different investor groups (rational investors, positive feedback traders and safe haven investors) in the Bitcoin market. For the first two groups I follow previous research, while for the third group I assume investors to directly compare the gold and the Bitcoin price to base their buying decisions on. There is significant evidence for both rational and strong positive feedback traders, consistent with previous literature. However, there is no evidence for the safe haven investors using my approximation. The findings suggest that positive feedback traders heavily influence Bitcoin prices.



### Niklas Windmann

Topic: *Robo-Advisory: Assessment of Automatic Rebalancing Strategies in the Context of the US and German Market*

Tutor: Ralf Conen

The thesis provides a comprehensive overview of the concept of Robo-Advisory and the status quo of the market. A special focus lies on the comparison of the US and the German market, outlining the differences and providing explanations for the analyzed lower traction of Robo-Advisors in Germany.

Moreover, various rebalancing strategies, as employed by Robo-Advisors, are simulated on Robo-Advisory portfolios using backtesting based on original historical and bootstrapped data from 2010 to 2018. With the limitation of avoiding too frequent rebalancing, the results suggest no meaningful differences between the assessed rebalancing strategies on both portfolio risk and returns

### 4.3. DOCTORAL PROGRAM



#### Nabil Alkafri

Topic: *Advances and improvements in portfolio optimization: Equal risk budgeting, robust portfolio allocation, and factor shrinkage of parameteric portfolio weights*

Referee: Prof. Dr. Markus Rudolf  
Second referee: NN



#### Tobias Burggraf

Topic: *Active Risk-Based Factor and Smart Beta Timing*

Referee: Prof. Dr. Markus Rudolf  
Second Referee: NN



### Ralf Conen

Topic: *State of the art visual investment decision tools in an automated, risk controlled portfolio optimization process for private investors*

Referee: Prof. Dr. Markus Rudolf  
Second referee: NN



### Alexander Deneke

Topic: *Social trading – curse or cure?*

First Referee: Prof. Dr. Markus Rudolf  
Second Referee: Prof. Dr. Mei Wang

Today, social trading is one of the most innovative ways to participate in financial markets. During the last decade, the market for social trading platforms and networks has increased rapidly. More than 30 different platforms worldwide with several millions of registered users and billions of USD of invested capital now exist, as of January 2016. Social trading platforms allow investors to exchange their market views and trading ideas or to simply copy investment strategies of other (more experienced) traders, which act as signal providers. The three papers of this thesis make use of a large financial data set exclusively provided by one of the leading social trading platforms. This data set, with over 16 million observations on trader and follower activities, allows a precise analysis of social traders' behavior and a thorough evaluation and comparison of their performance to the performance of mutual fund managers and other benchmarks. Moreover, success determinants for the trader selection and the role of market efficiency are of particular interest.



### 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 2007-2009. 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.



### Dr. Jan Eiben

Topic: *The Financing of Family Enterprises in Germany*

Referee: Prof. Dr. Peter Witt  
Second referee: Prof. Dr. Markus Rudolf

He graduated from the doctoral program in January 2018.



### Dipl.-Kfm. 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.



### Sascha Hahn

Topic: *European Banking Sector: Impact of Bail-In Regulation on the value of Implicit Government Guarantees – An Economic Analysis*

Referee: Prof. Dr. Markus Rudolf  
Second referee: Prof. Dr. Lutz Johanning  
Third referee: Prof. Dr. Axel Wieandt

The global financial crisis of 2007 sharpened awareness of the economic issue of implicit government guarantees for bank debt. In the EU, despite a number of bank failures, almost no unsecured creditor or depositor incurred losses. Financial institutions, especially too-big-to-fail (TBTF) institutions, benefit from an implicit government subsidy – at the expense of taxpayers, bank competition, allocation of resources, and the entire economy. In response, the European Commission formed various resolutions to make bank debt bail-in able and to prevent public support bailouts. However, these measures lack uniform implementation and do not completely remove the prospect of bailouts. This project examines implicit government guarantees and analyzes their development with a focus on the impact of European bail-in regulation, sovereign intervention, and bail-in and bailout measures.



### Dr. Benedikt Himbert

Topic: *Parameter estimation risk in portfolio optimization - an application to smart Beta investment strategies*

Referee: Prof. Dr. Markus Rudolf  
Second referee: Prof. Dr. Mei Wang

He graduated from the doctoral program in August 2018.



### Markus Hüren

Topic: *The Role of Corporate Reputation in the Financial Services Industry*

Referee: Prof. Dr. Markus Rudolf  
Second referee: Prof. Dr. Dr. h.c. Jürgen Weber

Corporate reputation has long been recognized as a valuable intangible asset by academics as well as practitioners. The resource-based view of the firm proposes that corporate reputation is a resource that positively impacts firms in numerous ways, ultimately leading to superior performance. While multiple studies have investigated this relationship, little attention has been paid specifically to the role of corporate reputation in the financial services industry. Given the special nature of financial services and the threat of reputational risks to financial intermediaries, the concept of corporate reputation is of high importance in this industry, and may arguably be of greater relevance for firms in the financial services industry than for firms in traditional industries. In light of the recent financial crisis, the topic of corporate reputation in the financial services industry is highly relevant, as the crisis - alongside numerous scandals - has had a tremendous effect on the industry's reputation, which is now suffering from a lack of trust and esteem among the general public. This project investigates the hypotheses that corporate reputation affects stock-price performance, and that corporate reputation is of high relevance in the financial services industry in comparison to other industries.





### 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 the introduction of derivatives in Egypt, and explores the requirements for 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 for 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.



### Gerhard Kosinowski

Topic: *The Member Value of Cooperative Banks*

Referee: Prof. Dr. Markus Rudolf  
Second referee: Prof. Dr. Jane Le

Being a „pracademic“, the author combines his academic experience with insights from his employment at a cooperative bank. In this context, the research work focuses on the shareholder value of cooperatives, the so-called member value. The concern for the well-being of both the members and the local community has been a part of the cooperative DNA since inception. Taking the banking sector as example, the dissertation aims at showing how this mission is reflected in the governance structure of modern cooperatives. Against this background, the studies target the following research topics which have to some extent already been examined through case illustrations for academic conferences and papers:

- member value and the cooperative social responsibility
- the redefinition of the cooperative value creation model
- the effects of the digitalisation and the consolidation process on the governance structure of cooperative banks

From 2018 Prof. Dr. Jane Le will be the first supervisor of this thesis.



### Alex Kusen

Topic: *Trading strategies and dynamic interactions under long-term volatility*

Referee: Prof. Dr. Markus Rudolf  
Second referee: Prof. Dr. Mei Wang

Stock market anomalies have long been recognized to be inconsistent with standard asset pricing models due to market inefficiencies. Certainly, interest in the predictability of stock returns is substantial and has been growing over recent years. Multiple studies focus on anomalies in order to identify stock return patterns because trading strategies account as triggers while market conditions change over time. So far, little attention has been paid to reasons of investors' behavior and interactions of trading decisions despite a fast-growing literature. Hence, an integration of capital market theory with behavioral finance should offer meaningful conclusions and provide explanations for irrational financial decisions.

My research project aims to investigate trading strategies by taking interdependencies into consideration. In order to achieve an accurate understanding, autocorrelation patterns have to be explored first because considered trading decisions are based on market conditions. On this basis, feedback and currency carry trading as widespread anomalies are part of the further investigation. In contrast to previous work, the project introduces dynamic interactions between countries, assets, and trading strategies under long-term volatility by using state of the art econometric models. The link to behavioral finance theory is of high interest and sets out to find advantageous investment opportunities as well as to understand mutual effects arising from beneficial trading decisions within the scope of this dissertation.



### Red Laviste

Topic: *Portfolio risk management*

Referee: Prof. Dr. Markus Rudolf  
Second referee: NN



### Rene Maler

Topic: *Research Productivity in Business, Finance and Economics*

Referee: Prof. Dr. Markus Rudolf  
Second referee: NN



### Dr. Sebastian Mönninghoff

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

This 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. He graduated from the Doctoral Program in October 2017.



### Quynh Pham

Topic: *Essays in asset pricing*

Referee: Prof. Dr. Markus Rudolf  
Second referee: NN



### Sebastian Seidens

Topic: *Essays on the Relationship between Idiosyncratic Volatility and Expected Returns*

Referee: Prof. Dr. Markus Rudolf  
Second referee: Prof. Dr. Mei Wang

In traditional financial literature, risk and return are positively linked to each other. If theory holds, greater risk results in higher expected returns. Furthermore, the CAPM states that only systematic risk matters, while idiosyncratic risk does not affect returns. Previous empirical evidence on the relation between idiosyncratic risk and expected returns is diverse. While many authors find a significant positive relation, others do not find any or even a significant negative relation. This dissertation does not only aim to investigate the effect of idiosyncratic risk on expected returns but also to reconcile the conflicting empirical evidence. For the purpose of my research, I focus on two of the most widely studied methods for computing idiosyncratic risk, namely the unconditional volatility proposed by Ang et al. (2006) and the conditional volatility proposed by Fu (2009). I replicate the study by Ang et al. (2006), extend their dataset and consider improvements regarding the testing methodology. While Ang et al. (2006) find a negative relation, Fu (2009) finds a positive relation. Therefore, I compare both studies and the different measures of idiosyncratic risk. I investigate the conflicting evidence from the perspective of non-perfect parameter knowledge. Overall, I aim to provide an independent assessment and some novel empirical results in order to offer a deeper understanding of the theory underlying the idiosyncratic risk and help to explain the conflicting empirical evidence.



### Marc Wierzbitzki

Topic: *Understanding and Debiasing Investor Behaviour – The Disposition Effect*

Referee: Prof. Dr. Markus Rudolf  
Second referee: Prof. Dr. Mei Wang

This dissertation focuses on three gaps in the academic literature of the disposition effect: First, it exploits the unique characteristics of a social trading platform to investigate the proposition made by Chang et al. (2016) that the disposition effect is founded in cognitive dissonance (Festinger (1957)). Second, I argue that goal theory (Locke (1968)) can provide an unobtrusive and practical framework with which the disposition effect can be debiased in an experimental setting. Third, previous experiments find that there is substantial heterogeneity respect to the magnitude of subjects' disposition effects. Consequently, I set out to investigate how the disposition effect is related to subjects' financial behaviour and attitudes (Fünfgeld and Wang (2009)) by building on the experimental setup from Frydman et al. (2014). In summary, this dissertation particularly contributes to our understanding of the roots of the disposition effect, examines why some investors are more prone to it than others, and identifies potential ways to mitigate it.



### Dr. Kai Winselmann

Topic: *Essays on The Kelly Criterion and Growth Optimal Strategies*

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.

He graduated from the Doctoral Program in October 2017.

## 6. RESEARCH AND PUBLICATIONS

### 6.1. PUBLICATIONS

Baendorf Katrin and Rudolf Markus [2018]: Der Zusammenhang zwischen kommunalem Wohlstand und kommunalen Kulturausgaben in 44 deutschen Oberzentren, Studie in Zusammenarbeit mit der Sparkasse Koblenz.

Kümmerle Ruth and Conen Ralf [2018]: Developing an automated digital suitability assessment against the backdrop of MiFID II, in: Journal of Digital Banking, Volume 3, Issue 2, p. 142-154.

Rudolf Markus [2018]: Arbeit und Glück, in: Martin W. Ramb und Holger Zaborowski (Hrsg.): Arbeit 5.0: Warum ohne Muße alles nichts ist, p. 215-225.

Rudolf Markus [2018]: Zimmerleute Festschrift zum 60. Geburtstag von Prof. Dr. Heinz Zimmermann, in: Wolfgang Drobetz, Jacqueline Henn Overbeck, Peter Oertmann, Markus Rudolf (Hrsg.): Festschrift.

### 6.2. WORKING PAPERS

Alkafri Nabil and Schläpfer Yves [2018]: The value chain of risk parity: Where does alpha come from?

Deneke Alexander and Seidens Sebastian [2018]: In the land of the blind, the one-eyed social trader is king.

Kapraun Julia, Conen Ralf and Rudolf Markus [2018]: The impact of financial advice on investor portfolio performance and behavior in social networks.

Kusen Alex [2018]: Forward premium puzzle: A dynamic interaction.

Kusen Alex [2017]: Trading decisions: Autocorrelation under distress.

Kusen Alex and Rudolf Markus [2017]: Feedback Trading: Strategies during day and night with global interconnectedness.

Kümmerle Ruth and Wierzbitzki Marc [2018]: Creating customer-centric digital investment performance reports.

Pham Quynh [2018]: Market beta decomposition and holdings-based mutual fund timing measures.

Seidens Sebastian [2018]: A Review of 'The Cross-Section of Volatility and Expected Returns'.

Seidens Sebastian and Rudolf Markus [2018]: Implications of the Estimation Error on the Relation between Idiosyncratic Volatility and Expected Returns.

Wierzbitzki Marc and Seidens Sebastian [2018]: The causal influence of investment goals on the disposition effect.

## 6.3. CONFERENCE PRESENTATIONS

2017 Paris Financial Management Conference, Paris [2017]: Himbert Benedikt: On the trade-off between optimality and estimation risk in alternatively weighted equity index strategies.

2017 Paris Financial Management Conference, Paris [2017]: Kusen Alex and Rudolf Markus: Feedback Trading: Strategies during day and night with global interconnectedness.

## 7. EXECUTIVE EDUCATION & CORPORATE CONNECTIONS

### 7.1. WHU ON FINANCE

The Center of Asset and Wealth Management focuses on three aspects: research, education and dialogue. To establish its priority of excellence in management education, the Center of Asset and Wealth Management launched the “WHU on Finance” program in 2015 as a new form of after-work executive education in the banking hub of Frankfurt. In 2018, the program entered into the fourth round.

Particularly suited for members of the public with a serious interest in finance, the program has offered tailor-made executive education, presented in twelve evening lectures of 90 minutes each. Participants could either book all twelve lectures or hand-pick their topics of interest and book selected lectures only. The Center of Asset and Wealth Management additionally offered the opportunity to take an exam and/or write a thesis on a topic covered in the lectures to obtain a certificate and up to 3 ECTS credits. To qualify for taking the assessments, participants were required to attend at least eight lectures.

The “WHU on Finance” program was carefully structured to give participants a deeper understanding of financial theory and to cover “hot topics” in the current market environment. The topics covered in classical financial education ranged from portfolio theory, corporate finance, and derivative instruments to alternative investments, behavioral finance, and trading. Prof. Dr. Markus Rudolf shared a current view on finance and economics, covering topics such as Brexit and cryptocurrencies. Besides Prof. Dr. Markus Rudolf, other lecturers in the program included Prof. Dr. Burcin Yurtoglu, Prof. Dr. Maximilian Müller, Dr. Jan Peter Schmütsch, and Dr. Katrin Baedorf. All lecturers were professors at WHU or current and past research assistants at the Allianz Endowed Chair of Finance.

A total number of 94 participants registered for the 2018 “WHU on Finance” program; 14 participants booked the entire series and 80 attended individually selected events. All lectures were held in Frankfurt in conference rooms at the Deutsche Bank headquarters which was convenient to reach for all participants.



WHU Executive Education



## 8. SERVICE PROVIDED TO THE UNIVERSITY

### 8.1. CONTRIBUTIONS TO WHU



Opening speech Euromasters by Professor Markus Rudolf

include Professor Gunter Dufey, ayondo, Berenberg, Böker & Paul, Commerzbank, d-fine, DZ PRIVATBANK, moneymeets, Sparkasse Koblenz, and FIS. First-five, Verlag Fuchsbriefe, and IQF make highly appreciated contributions to the CAWM. All of our sponsors' generous contributions and support ensure the ongoing promotion, research, and education in finance as well as asset and wealth management.

Since January 2015, Professor Dr. Markus Rudolf has served as the dean of WHU – Otto Beisheim School of Management. In March 2017, he was reelected to serve as dean for the term from 2018 until 2021. In his role as dean, Professor Dr. Markus Rudolf represents our business school on a variety of occasions, delivers speeches and keynotes, and is a sought-after interview partner. Professor Dr. Markus Rudolf has also held the Allianz Endowed Chair of Finance since 1998 and heads the Center of Asset and Wealth Management. As holder of the Allianz Endowed Chair of Finance, Professor Dr. Markus Rudolf and his team offer students advice, guidance, and hands-on support in many areas.

Additionally, Professor Dr. Markus Rudolf chairs or is a member of numerous committees, including those that were active in the past year to recruit new professors:

- Professor of Digital Sustainable Urban Transport
- Assistant Professor of Finance in Asset & Wealth Management
- Assistant Professor in Finance (FinTech)

Professor Dr. Markus Rudolf is also the Academic Director of the Campus for Finance – WHU New Year's Conference. The 18th Campus for Finance – WHU New Year's Conference took place on January 17-18, 2018. It was a large success, offering leading corporate representatives and academics the chance to meet engaged international students, debate important questions, and exchange innovative ideas related to this year's topic: "Omnipresent Uncertainty – Chasing the Narrow Path Between Risk and Opportunity." Allianz SE is the key sponsor of the Allianz Endowed Chair of Finance. Sponsors of CAWM

## 8.2. 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 its management. 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. Currently one focus is research in the FinTech area: two dissertations in this field are part of the project „VikoDiA“ funded by the European Union and the state North Rhine Westfalia. Since the former Center of Private Banking was founded in 2006, 18 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. An important development was the opening in 2015 of a new FIS trading room (B-201) with a FIS trade, order, and billing system that will be made available to all students at WHU. After an in-depth analysis of the tools and data sources available in the trading room, the CAWM decided in the beginning of 2018 to change the setting towards Thomson Reuters EIKON supported by the trading software ByteWorx. The newly designed trading room enables a new level of financial education at WHU and is planned to go live in autumn 2018.

The executive education seminar titled „WHU on Finance“ was held this year for the third time in Frankfurt am Main. In 12 after-work sessions offered between April and June 2018, 94 participants from different institutions discussed fundamental and currently relevant topics of financial markets. The next WHU on Finance seminar will start in spring 2019.

### 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.

### 8.3. TRADING ROOM



Student opening with Professor Markus Rudolf

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

In spring 2018, WHU and the CAWM evaluated the current situation regarding the tools and data sources available. As a consequence, the trading room was equipped by 12 Thomson Reuters EIKON terminals and the trading software ByteWorx 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 EIKON as well as ByteWorx software. 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 applications. The Thomson Reuters EIKON database provides an extensive universe of real-time market data for a variety of financial instruments. Furthermore, it is a very powerful tool for chart, technical, and fundamental analysis. In addition, users are able to obtain news on the respective underlyings and instruments. ByteWorx 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 newly designed trading room is a significant contribution to WHU. It enables the implementation of innovative teaching concepts in lectures and seminars. In the last year, the tools were applied in several Bachelor and Master classes: 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), and Capital Market Theory (MSc/MiF, 1st Semester, Professor Dr. Markus Rudolf).

Beyond teaching activities, interested students and visitors can obtain an individual login for the applications. For this purpose, introductions and demonstrations of the applications are offered on a regular basis by the Allianz Endowed Chair of Finance, CAWM, and Thomson Reuters. Further, the trading room is ideally suited for presentations and other events related to the topic of financial markets.

## 9. COMMUNITY OUTREACH

### 9.1. CAMPUS FOR FINANCE

#### NEW YEAR'S CONFERENCE FINANCING EUROPEAN BUSINESS



Opening Speech by Prof. Markus Rudolf

This January, we once again rang in the financial year with the Campus for Finance – WHU New Year's Conference in Koblenz and Vallendar, where the academic, political, industrial, and financial spheres met, with 400 participants from more than 30 countries discussing current issues in finance and the broader economy.

The overarching conference topic was "Omnipresent Uncertainty – Chasing the Narrow Path Between Risk and Opportunity." As Europe's fundamentals are shaking, the US is taking the role of the wrangler and Asia is at a historical turning point. These risks and uncertainties have impacts across borders that are hard to measure and nearly impossible to predict. China's faineance could be a major driver of another global financial crisis, and investing in other emerging countries in an effort to counterbalance China's lagging will not satisfy the world's thirst for higher, faster, and infinite economic growth.

Speakers at this year's conference included, among others, Timotheus Höttges (CEO, Deutsche Telekom), Johan van Overtveldt (Minister of Finance, Belgium), Viswas Raghavan (CEO

EMEA, J.P. Morgan), and Matthias Schellenberg (CEO, Merck Finck Privatbankiers). Academic participants and researchers from all over the world enjoyed the chance to meet renowned professors such as Prof. Clemens Sialm from the University of Texas at Austin, who focuses his research on investments, asset pricing, and taxation; or Prof. Stephen Schaefer from the London Business School, who has previously taught at Stanford University and advised the Norwegian government on their pension fund. They provided valuable insights into their latest research during exclusive academic workshops.



WHU building in the evening



Welcoming of the participants

Next year, the WHU New Year's Conference 2019 will take place in Vallendar's new Town Hall on January 16-17. Several renowned speakers, including Jan Kempers (CFO, ProSieben) and Johannes Teysen (CEO, E.ON), have already agreed to join us in discussing the 2019 conference topic: "Next Generation Finance: The Landscape is Changing – Are You?".

## 9.2. DOCTORAL SEMINAR BURGENLAND

### 9.2.1. DOCTORAL SEMINAR 2018

Continuing the tradition, several members of the Allianz Endowed Chair of Finance at the WHU – Otto Beisheim School of Management, the Chair of Banking and Financial Control at the University of Bamberg, and other members of the Finanznetzwerk für Deutschland e.V. happily followed the Finanznetzwerk für Deutschland e.V.'s invitation to the doctoral seminar at Hotel Nationalpark in Illmitz in Austria. The seminar took place from July 10-12, 2018.



Group photo of seminar participants

Seminar participants included Professor Dr. Markus Rudolf, Professor Dr. Matthias Muck, Professor Dr. Hartmut Leser, Professor Dr. Dr. Otto Loistl, three doctoral students from the University of Bamberg as well as nine doctoral students from WHU – Otto Beisheim School of Management. Seminar objectives were the presentation of the doctoral students' research projects, the provision of constructive feedback to those projects, and the exchange of research ideas among participants.

The seminar started with arrival at Hotel Nationalpark and dinner at the hotel. On the second day, some seminar participants (listed below) presented their research and enjoyed answering the questions of the audience. Lively debate often ensued. The second day ended with a dinner at Das Fritz. Prior to the return journey on the third day, some seminar participants engaged in a team activity, which was sailing at Neusiedler See.



Dinner at restaurant "das Fritz"

- Nabil Alkafri  
Robust Portfolio Optimization Techniques: A Discussion
- Andreas Kanz  
Do Opinion Polls Move Stock Markets?  
Evidence from the US Presidential Election in 2016
- Gerhard Kosinowski  
Cooperative Member Value
- Rene Maler  
Analysis of Long-term Research Productivity  
for Researchers in Finance
- Tobias Meyer  
Fiscal Action and Green Investments
- Marc Wierzbitzki  
Experimental Finance - Setup and Results

### 9.3. SUSTAINABILITY

The Allianz Endowed Chair of Finance strongly embraces principles of sustainability. We are committed to our paperless office principle to reduce the use of natural resources in every day operational matters. We strive to reduce the carbon footprint in our daily work and promote these principles to the student body. The chair believes that sustainability is not only a “green sticker” but also a driver of financial performance. Our research, teaching, and business engagement, is orientated towards stable and sustainable solutions concerning various dimensions of finance. Sustainability and topics in corporate governance are discussed in lectures, assignments as well as research seminars. We encourage students to select respective topics for bachelor and master theses. We strongly support research projects in this area of research and stick to our goal of further expanding our research in the field of sustainable investments.



WHU - Otto Beisheim  
School of Management

Burgplatz 2  
56179 Vallendar  
Germany

Fon +49 261 65 09-391  
[kirsten.schmitz@whu.edu](mailto:kirsten.schmitz@whu.edu)

[www.whu.edu/cawm](http://www.whu.edu/cawm)