

Activity Report 2016/2017

Allianz Endowed Chair of Finance
Center of Asset and Wealth Management
www.whu.edu/cf

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



This 18th 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 2016/2017. In addition to the activities at 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 our long-standing claim of offering "Excellence in Management Education" – and driving that excellence to new heights with the Excellence Strategy. The Excellence Strategy shapes all areas of WHU, but focuses especially on seeing WHU's excellence 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 2015 to #32 in the 2016 ranking. 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 application numbers have increased in most programs for the academic year 2016/2017: we welcomed 44 new part-time MBA students, 54 new MBA students, and 41 new EMBA students. We accepted 231 new Bachelor students, 100 new Master in Management, 36 new Master in Finance students, and – for the first time – 17 new Master in Entrepreneurship students. The application numbers in the Master's programs reached an all-time high with 450 applications in

total (after 395 in the previous year).

Our Executive Education programs at WHU have been a strong success story 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 €1.8 million. By the end of the fiscal year 2016/2017, the WHU's Executive Education was for the first time able to break even. As one example of our success in this area, Katrin Baedorf, Director of the Center of Asset and Wealth Management, offered an open enrollment program together with Deutsche Bank called "WHU on Finance" that enjoyed 427 bookings, including an impressive 84 participants in Frankfurt.

At the Allianz Endowed Chair of Finance we welcome Ralf Conen, Marc Wierzbitzki, and Quynh Pham as new research assistants. During the academic year 2016/2017 three doctoral dissertations were successfully completed: Dany Stutz earned his doctoral degree with a dissertation titled "Kognitive Verzerrungen in professionellen Finanzberatungsdienstleistungen," Sabine Winkler finished her dissertation, "The housing market and the wider economy: dynamics, interplay, and policy suggestions," and Johannes Frankenfeld finalized his dissertation, "Bildungsfonds als Anlageklasse." 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 was on maternity leave for a year and will leave WHU for a position at Goethe University in Frankfurt. We congratulate her on her new offer and hope that she might return to WHU one day in the future.

The Center of Asset and Wealth Management – which is led by Dr. Katrin Baedorf, the director of the center – continued 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. To date, 63 publications and 43 dissertations have been produced at the center and the chair. In addition to the above-mentioned Executive Education Program, WHU on Finance, the center offers courses in WHU's Bachelor and Master's programs.

Moreover, we have new advisory board members and sponsors. Johannes Cremer from moneymeets was welcomed at the advisory board meeting for the first time in May 2017. Robert Lempka, the CEO of ayondo, also joined the advisory board.

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. 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.

Sincerely,



Prof. Dr. Markus Rudolf



1. TEAM

1.1. MEMBERS OF THE CHAIR AND THE CAWM



Prof. 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.



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

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



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.



Benedikt Himbert, M.Sc.

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.



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.



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 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.



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.



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.



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 Endowed Chair of Finance and the Center of Private Banking.



Sebastian Seidens, M.Sc.

Sebastian Seidens started as a research assistant and doctoral candidate at the Allianz Endowed Chair of Finance in April 2016. While earning his Master's degree in Finance (International Money, Finance and Investment) from Durham University in England, UK, he was 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. Asset and derivatives pricing, financial modeling and factor models will be the focus of his research.



Dr. Danny Stutz

Danny Stutz joined the Chair as a research assistant and PhD candidate in November 2013. During his studies of Business Administration with majors in Banking & Finance at the University of Trier, he also worked as a 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 focuses on Behavioral Finance and Wealth Management. He left the chair in January 2016.



Prof. Dr. Axel Wieandt

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".

His book „Unfinished Business - Putting European Banking (and Europe) Back on Track“ was published in the summer of 2017 with Vandenhoeck & Rupprecht Academic.

Since the middle of 2017 Axel Wieandt serves as chairman of the advisory board of Hannover Leasing GmbH & Co KG and as chairman of the supervisory board of Hannover Leasing Investment GmbH. He is member of the advisory boards of auxmoney GmbH in Düsseldorf, the leading European consumer lending market place, and of Liimex GmbH, a start-up insure tech based in Hamburg; he is also member of the advisory board of Debitos GmbH, the online market-place for non-performing loans in Frankfurt, and chairman of the advisory board of Mehrwerk GmbH in Bielefeld, a leading provider of value-added services in Germany.

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 joined the Center of Asset and Wealth Management as a research assistant and doctoral candidate at the beginning of 2017. He has been at WHU since 2012, where he finished his bachelor's degree in Business Administration in 2015 and his Master in Finance in 2017. At the Center, he is currently working together with Ralf Conen on a cooperative research project with moneymeets.



Dr. Sabine Winkler

Sabine Winkler joined the Allianz Endowed Chair of Finance as a research assistant and Ph.D. candidate in October 2014. Prior to joining WHU – Otto Beisheim School of Management, she was a director in the Credit Suisse Global Fixed Income and Economics Research team, based in London. Her role at Credit Suisse involved analyzing refinancing instruments of lenders, as well as supranational institutions and agencies. Prior to joining Credit Suisse, she was a fixed income analyst with Bank of America Merrill Lynch and ABN AMRO Bank. Sabine holds an advanced graduate degree in Business Administration from the Ludwig Maximilian University of Munich. She left the chair in February 2017.



Kai Philipp Winselmann, M.Sc.

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. 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
FIS Systeme 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



Dr. Holger Schmiedling
Berenberg
Chief Economist



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
moneymeets GmbH
Head of Research and Development



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
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

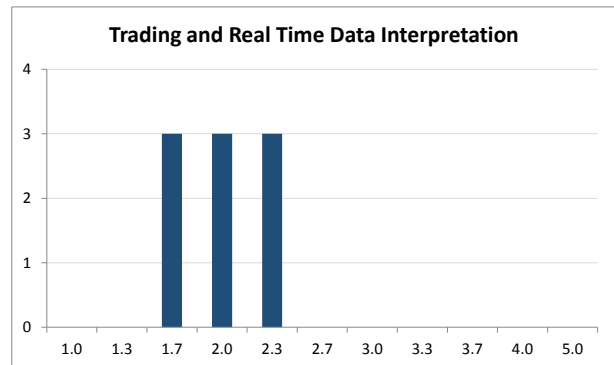
2.1. BACHELOR OF SCIENCE PROGRAM

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.

9 students passed the exam in Spring Term 2017 with an average grade of 2.0. The overall grading is shown in the figure above.

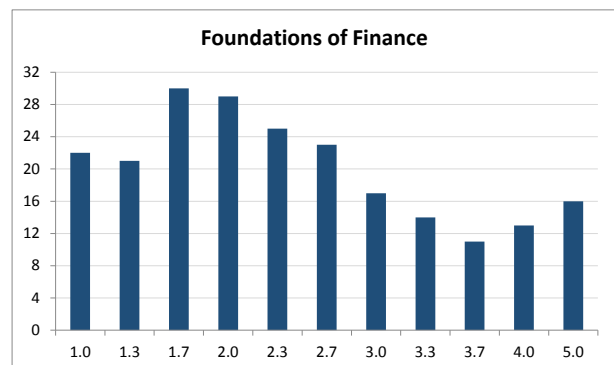


2.1.2. FOUNDATIONS OF FINANCE

(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.

205 students passed the exam in Spring Term 2017 with an average grade of 2.28. The overall grading is shown in the figure on the right (Grades are module grades of the "Finance" module).

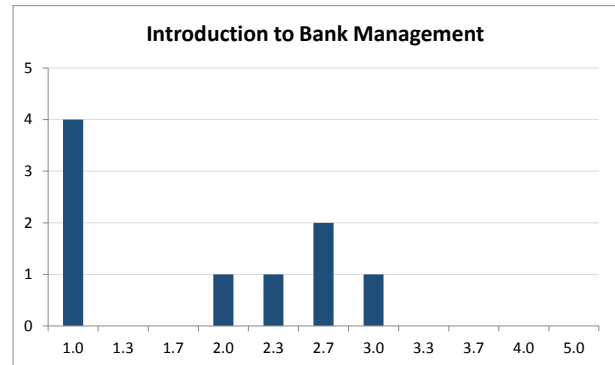


2.1.3. INTRODUCTION TO BANK MANAGEMENT

(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.

9 students passed the exam in Spring Term 2017 with an average grade of 1.86. The overall grading is shown in the figure above.

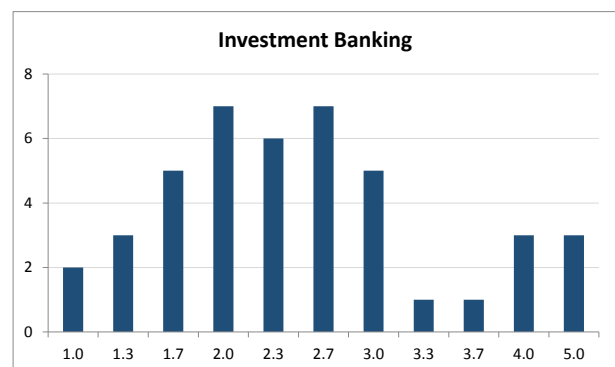


2.1.4. INVESTMENT BANKING

(PROF. DR. PAUL ACHLEITNER, 2 SWS, BSc PROGRAM)

This class is the foundation of the Finance elective in the WHU M.Sc. program. It provides the theoretical background for 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 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.

40 students passed the exam in Spring Term 2017 with an average grade of 2.37. The overall grading is shown in the figure above.



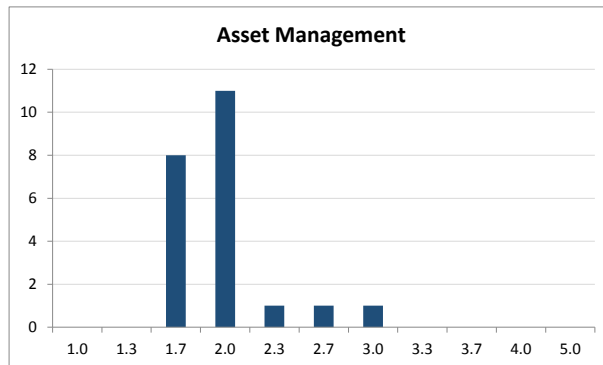
2.2. MASTER OF SCIENCE PROGRAM

2.2.1. ASSET MANAGEMENT

(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.

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

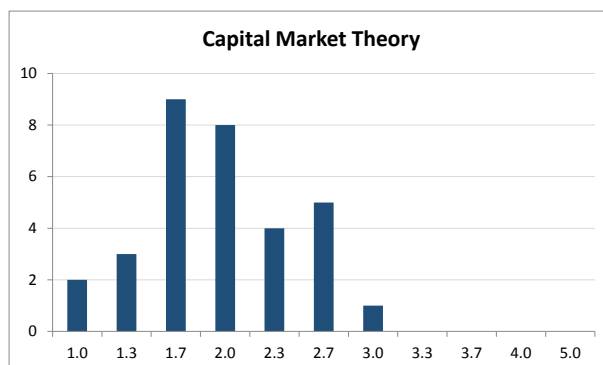


2.2.2. CAPITAL MARKET THEORY

(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 the 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 guest speaker for CMT this year was Dr. Holger Schmieding, chief economist at Berenberg Bank. The case study on derivatives was delivered in the SunGard Trading Room by Mr. Jörg Walter, senior manager at d-fine GmbH.

32 students passed the exam in Fall Term 2016 with an average grade of 1.96. The overall grading is shown in the figure above.

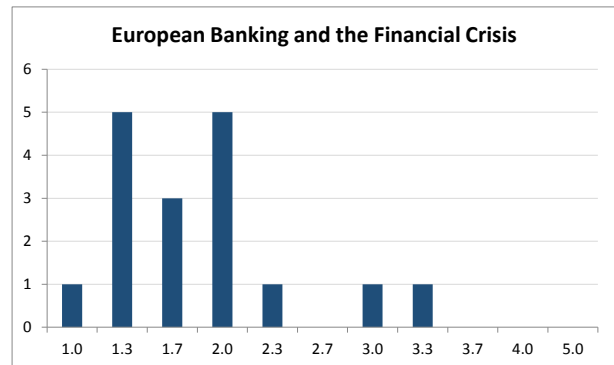


2.2.3. EUROPEAN BANKING AND THE FINANCIAL CRISIS

(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.

17 students passed the exam in Spring Term 2017 with an average grade of 1.8. The overall grading is shown in the figure below.



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 using the DOBES system (DOzentenBEwertungsSystem).

The course evaluations are based on a questionnaire that measures the quality of different course criteria (lecturer, course structure, student input, reasonable requirements). Generally, only courses with 15 or more attendees are evaluated. Grading is from 1 ("strongly agree") to 5 ("strongly disagree").

Prof. Dr. Wieandt obtained a 1.9 for his lecture "European Banking and the Financial Crisis" in the MSc Program in Spring Term 2017.

The lecture "Investment Banking" for the BSc Program held by Prof. Dr. Achleitner was graded 1.5 in Spring Term 2017.

Prof. Dr. Rudolf and Ass.-Prof. Dr. Kapraun's course also obtained a good grade: their lecture "Capital Market Theory" in the MSc Program was graded 2.2 in Fall Term 2016.

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 1.9 in Spring Term 2017. Dr. Katrin Baedorf additionally offered the seminar "Trading and Real Time Data Interpretation" for the BSc Program in Spring Term 2016. For the course Dr. Katrin Baedorf received a grade of 1.3.

Course (Lecturer)	DOBES
Capital Market Theory (Prof. Dr. Markus Rudolf & Jun.-Prof. Dr. Julia Kapraun)	2.2
European Banking and the Financial Crises (Prof. Dr. Axel Wieandt)	1.9
Foundations of Finance (Prof. Dr. Markus Rudolf & Dr. Katrin Baedorf)	1.9
Investment Banking (Prof. Dr. Paul Achleitner)	1.5
Trading and Real Time Data Interpretation (Dr. Katrin Baedorf)	1.3

4. COURSE OFFERINGS FINANCE GROUP

4.1. BSc PROGRAM

Fall Term 2016

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

Spring Term 2017

- Corporate Finance (Prof. Dr. Mei Wang and 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 Markets and Derivatives (Prof. Dr. Mei Wang, 2.0 SWS)
- Introduction to Bank Management (Prof. Dr. Axel Wieandt, 2.0 SWS)
- Investment Banking (Prof. Dr. Paul Achleitner, 2.0 SWS)
- Seminar in Banking (Jun.- Prof. Dr. Magdalena Pisa, 2.0 SWS)
- Seminar in Trading and Real Time Data (Dr. Katrin Baedorf, 2.0 SWS)

4.2. MSc PROGRAM

Fall Term 2016

- Accounting for Financial Instruments and M&A Transactions (Prof. Dr. Edgar Löw and Prof. Dr. Martin Glaum, 2.5 SWS)
- Advanced Corporate Finance (Prof. Dr. Burcin Yurtoglu, 2.5 SWS)
- Capital Market Theory (Prof. Dr. Markus Rudolf, 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. George E. Iatridis, 2.5 SWS)
- International Tax Strategy (Prof. Dr. Martin Jacob, 2.5 SWS)

Spring Term 2017

- Accounting for Financial Instruments and M&A Transactions (Prof. Dr. Edgar Löw and Prof. Dr. Martin Glaum, 2.5 SWS)
- Asset Management (Dr. Hartmut Leser, 2.5 SWS)
- Behavioral Finance and Emotional Finance (Prof. Dr. Mei Wang and 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)
- Mergers and Acquisitions (Prof. Dr. Nihat Aktas, 2.5 SWS)

4.3. FULL-TIME MBA PROGRAM

Fall Term 2016

- Business Tax Strategy (Prof. Dr. Martin Jacob, 2.0 SWS)
- Corporate Finance (Prof. Dr. Christian Andres, 2.0 SWS)
- Financial Accounting (Prof. Dr. Garen Markarian, 2.5 SWS)
- Mergers & Acquisitions (Prof. Dr. Nihat Aktas, 2.0 SWS)
- Managerial Finance (Prof. Dr. Burcin Yurtoglu, 2.5 SWS)

Spring Term 2017

- Business Tax Strategy (Prof. Dr. Martin Jacob, 2.0 SWS)
- Corporate Finance (Prof. Dr. Christian Andres, 2.5 SWS)
- Financial Accounting (Prof. Dr. Garen Markarian, 2.5 SWS)
- Financial Statement Analysis & Equity Valuation (Prof. Dr. Garen Markarian, 2.0 SWS)
- Managerial Finance (Prof. Dr. Burcin Yurtoglu, 2.5 SWS)
- Private Equity (Prof. Dr. Garen Markarian, 2.0 SWS)
- Risk Management (Prof. Dr. Lutz Johanning, 2.0 SWS)

4.4. FULL-TIME MBA PROGRAM

Fall Term 2016

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

Spring Term 2017

- Business Tax Strategy (Prof. Dr. Martin Jacob, 2.0 SWS)
- Financial Statement Analysis & Equity Valuation (Prof. Dr. Garen Markarian, 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 4 BSc students, 6 MSc students and 1 EMBA student 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



Andre Löhden

Topic: *Behavioral biases in asset allocation: Safeguarding of individual investors against behavioral biases in a robo-advisory context*

Tutor: Sabine Winkler

This thesis aims to grasp the impact of having female supervisory board members on the volatility of stock returns of FTSE 100 and Stoxx Europe 600 firms. Volatility is measured as standard deviation of daily logarithmic stock returns. The study uses control variables including the market capitalization of a company and existence of a board diversity policy. The findings of the study are mixed and the authors refrain from drawing final conclusions. The main research question is whether decreasing the percentage of women on the supervisory board increases stock return volatility. This question remains open.



Tobias Noth

Topic: *Testing the existence of the low volatility and low beta anomaly on the European market*

Tutor: Sebastian Seidens

This paper investigates the relationship of volatility or beta to return for European mid and large caps (STOXX Europe 600) over the course of the last 27 years. After a literature review, the paper tests for anomalies by building portfolios by ranking stocks' beta and volatility. Excess returns for low volatility stocks are identified, also controlling for size. The relationship is not as clear for all sub-periods. In down-markets, low volatility stocks substantially outperform; the effect is similar for different industries. The paper finds excess risk-adjusted returns, even when controlling for influences for low beta stocks. Different approaches for explaining these results are presented.



Caroline Schmidt

Topic: *Categorizing Bitcoin in asset classes: Does it promise safe haven properties?*

Tutor: Alex Kusen

This paper sets out to find an appropriate asset class into which one can categorize the new financial phenomenon bitcoin. Its behavior in crisis situations is thereby taken as a measure of fit. The undertaking of an event study suits best to investigate this aim. The results suggest that bitcoin can be used as a hedge against movements in asset classes such as currency or stocks, which reveal safe haven characteristics similar to gold.



Isabelle Span

Topic: Alternative weighting methodologies or smart beta approach

Tutor: Benedikt Himbert

This thesis aims to test two specific smart beta strategies, namely the Stable ROE Portfolio (SRP) and the Minimum Variance ROE Portfolio (MVRP) strategy in the U.S. and UK markets. With increasing the exposure to the fundamental variable ROE, a comparably high profitability premium is expected. While the five-factor regression analysis from Fama and French can validate this for the SRP strategy, no significant profitability premium is observed for the MVRP strategy in the UK market. Based on these findings, the thesis concludes that the effectiveness of smart beta is highly dependent on the country selection and strategy implementation.

4.2. MSc PROGRAM



Ivan Gomes-Najan

Topic: Calendar anomalies and arbitrage

Tutor: Sebastian Seidens

This thesis investigates the existence and/or persistence of several anomalies in the DAX, CDAX, HDAX, MDAX, SDAX, and TECDAX. The analysis focuses on a comparison of the pre- and post-crisis periods. Results indicate that the crisis had a profound impact on the calendar anomalies. Post-crisis, the weekend effect has disappeared from the MDAX and SDAX; the January effect reversed its direction on the SDAX and the TECDAX; the January barometer suddenly became more effective for the SDAX; the turn-of-the-month effect only persisted on the SDAX; and the sell-in-May-and-go-away effect lost its reliability.



Ye 'Eve' Qian

Topic: *The ways of measuring and managing investment risk in social trading: A thesis in cooperation with Ayondo*

Tutors: Sarah Brylewski (Ayondo), Red Laviste

Social Trading, a prominent theme in fintech, is becoming more and more popular among retail investors with its comprehensive concept and user-friendly setup. As a new method of investment, the different nature of Social Trading compared to traditional asset management raises questions regarding risk management. The thesis focuses on analyzing the risk characteristics of Ayondo Social Traders from several angles. Common risk metrics are compared with chosen benchmarks; correlation analysis is conducted to test the diversification effect in choosing multiple traders; motivation for the Followers to follow Traders is investigated; market neutrality is examined to understand Ayondo Traders' investment strategy.



Damjan Savic

Topic: *The usage and usefulness of implied volatilities in risk controlling*

Tutors: Dr. Susanne Bröck-Hunecke (Union Investment), Markus Hüren

This thesis examines the usage and usefulness of implied volatilities in risk controlling in the example of major currency pairs. We examine the relationship between implied and subsequent realized volatility to determine whether implied volatility contains some information in predicting the future realized volatility. Furthermore, we construct an equally weighted FX portfolio to determine whether the usage of implied volatilities can result in a more reliable estimation of Value at Risk. We cannot confirm a more reliable Value at Risk estimation, as the results obtained are not uniformly superior to the variance-covariance measure based on historical volatilities.



Tomas Smetana

Topic: *The benefits of social trading to private investors (followers)*

Tutors: Sarah Brylewski (Ayondo), Alex Kusen

This thesis covers the topic of social trading and its benefits for followers. The intention is to provide evidence for the existence of such benefits and determine whether social trading portfolios can outperform their traditional investment alternatives such as funds. The analysis will be split in to a qualitative and quantitative section. The qualitative analysis will compare social trading platforms and funds based on cost, transparency, risk and regulation. The quantitative analysis will assess the financial performance of five social trading portfolios and compare these to two active funds and three indices over a period of three years.



Philipp Ströhle

Topic: *Robo Advisors and their influence on the financial advisory business*

Tutors: Ulrike Berg (Commerzbank), Sabine Winkler, Red Laviste

This thesis examines current developments in the asset management industry to compare the recently emerged Robo Advisors with traditional advisors and to develop a systematic overview of Robo Advisors. The influence of this class of advisor on the financial advisory business is analyzed based on 13 guided expert interviews, where representatives of both classes of advisors are considered. Thereby, three types of traditional advisors are represented. The study identifies key characteristics that Robo Advisors will need in the future. The results also show that the number of strategic choices to encounter Robo Advisors depends on the type of traditional advisor.



Marc Wierzbitzki

Topic: *The economic value of public broadcasting*

Tutors: Rudi Matter (Schweizer Radio und Fernsehen (SRF)), Sabine Winkler, Markus Hüren

In light of the current public debate in Switzerland about the value of the license fee-funded Service public, this thesis will examine the ongoing debate from another angle by providing an estimate of the economic – as opposed to the public – value of the Swiss national Public Service Broadcaster, the SRG. Following a similar report on the economic value of the British Broadcasting Corporation, this thesis aims to apply economic multiplier analysis based on Leontief input-output models in order to calculate a value added multiplier that can be applied to the SRG's direct Gross Value Added. Multipliers provide an aggregate measure of the effect of a change in demand or spending in an economy by summarizing the direct, indirect, and induced impacts that result when expenditures flow through said economy.

4.3. EMBA PROGRAM



Mathias Metzger

Topic: *Development of a private equity offering for private banking*

Tutor: Sabine Winkler

The thesis aims to develop a private equity offering for private banking clients of Berenberg Bank (Schweiz) AG. One objective of the thesis is to assess the feasibility of different private equity offerings that are targeted at high net worth individuals (HNWIs). Other objectives are to provide an overview of the private equity industry as well as private equity providers, and to develop a scoring model that allows the ranking of individual private equity offerings. The author finds that private equity is a complex asset class that offers value to and is sought after by HNWIs. The author argues that being a reliable partner to HNWIs is multifaceted: for one, it requires private equity and capital markets expertise. It also necessitates knowledge about the clients' needs, existing exposures and investments, as well as a careful private equity due diligence process and a prudent private equity investment approach.

4.4. DOCTORAL PROGRAM



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.



Jan Eiben

Topic: *The Financing of Family Enterprises in Germany*

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



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.



Dr. 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 perspective, it is fair for the one who benefits to cover 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. He graduated from the doctoral program in December 2016.



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.



Benedikt Himbert

Topic: *Essays on estimation error and portfolio selection in alternatively weighted equity index strategies*

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



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: *NN*

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



Alex Kusen

Topic: *Trading strategies and arbitrage opportunities 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 in 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. Unfortunately, little attention has been paid to the reasons for 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.



Red Laviste

Topic: *Portfolio risk management*

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



Rene Maler

Topic: *NN*

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



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.



Quynh Pham

Topic: *NN*

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



Sebastian Seidens

Topic: *Essays on Idiosyncratic Risk –
Reproduction, Extension, Robustification*

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

Research on the relation between risk and return has been the topic of studies since the implementation of the CAPM. Standard asset pricing models such as the CAPM suggest that only systematic risk matters, while expected returns are unaffected by idiosyncratic (unsystematic) risk. Idiosyncratic risk is the risk that is endemic to a single asset and can be diversified away by holding a proportion of the market portfolio.

However, there is a fast-growing and controversial literature dealing with the impact of idiosyncratic risk on returns. Therefore, this dissertation aims to investigate the relation between idiosyncratic risk and returns and to review previous empirical evidence. I focus on the two most popular studies by Ang et al. (2006), who find a significant negative relationship and Fu (2009), who finds a significant positive relationship. I replicate their studies, extend their data sets and consider improvements regarding the testing methodology as well as investigate their conflicting findings. I aim to provide some novel empirical results to offer a deeper understanding of the theory underlying the idiosyncratic risk factor and allow for an independent assessment of previously reported findings on the relation between idiosyncratic risk and returns.



Dr. 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 advisors. This research project strives to describe whether 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 us with a better understanding of behavioral obstacles and their implications on the decision making process of the financial advisor. The results will be of interest for theoreticians and practitioners who deal with behavioral biases in an advisory context. He was graduated from the doctoral program in December 2016..



Marc Wierzbitzki

Topic: *Investor-centric performance reporting and learning in a digital context*

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



Dr. Sabine Winkler

Topic: *The housing market and the wider economy: dynamics, interplay, and policy suggestions*

Referee: Prof. Dr. Markus Rudolf
Second referee: Prof. Dr. Jürgen Weigand

The main objective of this research project is to shed light on the complex dynamics between housing, finance, policy and the wider economy. Understanding the housing wealth effect on consumption as well as the nature of new housing supply are critical for macroeconomic forecasting and policy setting. Both measures are useful tools in the debate surrounding whether policy reform aimed at the housing market has macroeconomic implications. By expanding the academic literature on policy effects, the wealth effect as well as housing supply, the thesis shows that superior knowledge about those topics can add to an informed debate regarding whether housing market outcomes have implications for societal progress and wellbeing; it furthermore provides new insights into the discussion of how to best optimize the housing-related policy toolbox. She was graduated from the doctoral program in April 2017.



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.

6. RESEARCH AND PUBLICATIONS

6.1. PUBLICATIONS

Alexander Carol, Korovilas Dimitris, Kapraun Julia [2016]: Home-grown Diversification with Volatility Products, in: Journal of International Money and Finance, Volume 65, p. 213-235.

Kümmerle Ruth and Rudolf Markus [2016]: The Illiquidity Discount of Life Insurance Investments, in: Zeitschrift für die gesamte Versicherungswissenschaft, Volume 105, Issue 3, p. 255-287.

Rudolf Markus [2016]: Ökonomische Krisenjahre – Europas Finanzen, Wirtschaft und Währung 2007 bis 2015. WHU Publishing - WHU on Finance, tradition GmbH, Hamburg.

Rudolf Markus, Back Janis, Arismendi Juan, Prokopczuk Marcel, Paschke Raphael [2016]: Seasonal Stochastic Volatility: Implications for the Pricing of Commodity Options, in: Journal of Banking & Finance, Volume 66, p. 53-65.

Winkler Sabine [2017]: Housing, finance, policy and the wider economy, in: Journal of Management and Sustainability, Volume 9, Issue 2, p. 45-64.

6.2. WORKING PAPERS

Feldhues Matthias [2017]: Financial literacy as a determinant of equity home and foreign bias.

Held Matthias, Omachel Marcel, Kapraun Julia [2016]: Up- and Downside Variance Risk Premia in Global Equity Markets.

Held Matthias, Omachel Marcel, Pippart Sören, Rudolf Markus [2016]: Risk Premia in the USD/EUR Exchange Rate: The Prices of Eurozone Sovereign and Banking Credit Risk.

Himbert Benedikt and Kapraun Julia [2017]: The sensitivity of estimation risk to portfolio size: why having more choice is not always better.

Himbert Benedikt and Kapraun Julia [2017]: On the trade-off between optimality and estimation risk in alternatively weighted equity index strategies.

Kapraun Julia and Pelster Matthias [2017]: I'll have what s/he's having: A Case Study of a Social Trading Network.

Kümmerle Ruth and Rudolf Markus [2016]: Portfolio Optimization with Illiquid Life Insurance Investments.

Kümmerle Ruth and Rudolf Markus [2016]: Investment Strategies with Illiquid Life Insurance Investment and Intergenerational Return Smoothing.

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

Laviste Red [2017]: Optimal portfolio selection and long-memory volatility forecasting with exponential and hyperbolic decay.

Pippart Sören, Rudolf Markus [2016]: Eurozone Sovereign Credit Risk and its Impact on the EUR/USD Exchange Rate.

Pippart Sören, Rudolf Markus [2016]: Media Hysteria and Euro Endangerment: Evidence from the Eurozone Sovereign Debt Crisis.

Winkler Sabine [2016]: Divergence in the nature of new housing supply.

Winkler Sabine [2016]: Empirical evidence of the housing wealth effect.

6.3. CONFERENCE PRESENTATIONS

Winselmann Kai P. [2016]: Using the Kelly criterion to protect wealth growth in myopic multi-period mean-variance portfolio selection.

Winselmann Kai P. [2017]: Growth optimal strategies and the Kelly criterion: a review of theory and applications.

Winselmann Kai P. [2017]: A performance comparison of growth optimal strategies and myopic mean-variance optimization for 80 years of stock market investing.

2016 Internationale Jahrestagung Deutscher Verein für Versicherungswissenschaft, Wien [2016]: Kümmerle Ruth and Rudolf Markus [2016]: The Illiquidity Discount of Life Insurance Investments.

2016 Midwest Finance Association Annual Meeting, Atlanta, Georgia [2016]: Held Matthias, Omachel Marcel, Pippart Sören, Rudolf Markus [2016]: Risk Premia in the USD/EUR Exchange Rate: The Prices of Eurozone Sovereign and Banking Credit Risk.

23rd Annual MFS Conference, Stockholm [2016]: Winkler Sabine [2016]: Empirical Evidence of Housing Wealth Effect on Consumer Spending.

34th IARIW General Conference, Dresden [2016]: Winkler Sabine [2016]: Empirical Evidence of Wealth Effects on Consumption.

34th International Conference of the French Finance Association, Valence [2017]: Himbert Benedikt and Kapraun Julia [2017]: The sensitivity of estimation risk to portfolio size: why having more choice is not always better.

52nd Eastern Finance Association Meeting, Baltimore, Maryland [2016]: Feldhues Matthias [2016]: Education in finance as a determinant of home and foreign bias in international equity investment - An international comparative perspective.

52nd Eastern Finance Association Meeting, Baltimore, Maryland [2016]: Pippart Sören, Rudolf Markus [2016]: Eurozone Sovereign Credit Risk and its Impact on the EUR/USD Exchange Rate.

Nordic Accounting Conference, Copenhagen [2016]: Feldhues Matthias [2016]: Do the financially literate invest systematically better? On the role of financial literacy as an enabler in the use of accounting and publicly disclosed information.

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 education for executives in the banking hub of Frankfurt. In 2017, the program entered into its third round.

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

The WHU on Finance program was carefully structured to give participants a better understanding of financial theory and hot topics in the current market environment.

The topics ranged from portfolio theory, corporate finance, and derivative instruments to alternative investments, behavioral finance, and trading.

Prof. Dr. Markus Rudolf focused on a macroeconomic perspective, as he covered topics such as the European financial system, the Euro crisis and the European banking union. Besides Prof. Dr. Markus Rudolf, other lecturers in the program included Prof. Dr. Burcin Yurtoglu, Prof. Dr. Christian Andres, Dr. Jan Peter Schmütsch, Ass.-Prof. Dr. Julia Kapraun, and Dr. Katrin Baedorf. All lecturers were professors at WHU or current and past research assistants at the Allianz Endowed Chair of Finance.

This year, a total number of 84 participants registered for the “WHU on Finance” program. Of these, 24 participants booked the entire series. All lectures were held at the Deutsche Bank headquarters in Frankfurt, which was convenient to reach for participants. Following the last lecture, the Center of Asset and Wealth Management invited all participants to a closing reception, which offered a networking opportunity as well as a forum for further dialogue with professors and other participants.



WHU Executive Education

8. SERVICE PROVIDED TO THE UNIVERSITY

8.1. CONTRIBUTIONS TO WHU

Since January 2015, Professor Dr. Markus Rudolf has been serving as the dean of WHU - Otto Beisheim School of Management. In March 2017, he was re-elected to serve as the dean for the term from 2018 until 2021. In his role as dean, Professor Dr. Markus Rudolf represents the business school on a variety of occasions, delivers speeches and keynotes, and is a sought-after interview partner. Furthermore, Professor Dr. Markus Rudolf has served as the academic director of WHU Executive Education since the beginning of 2015.

Professor Dr. Markus Rudolf also holds the Allianz Endowed Chair of Finance since 1998 and heads the Center of Asset and Wealth Management. In his capacity as chair 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 member of committees, including those that were active in the past year to recruit new professors:

- Professor of Strategic Management
- Professor of Management Accounting and Control
- Assistant Professor of Digitalization

Professor Dr. Markus Rudolf is the academic director of the Campus for Finance – WHU New Year’s Conference. The 17th Campus for Finance – WHU New Year’s Conference took place on January 18-19, 2017. It was a large success and offered leading corporate representatives and academics to meet engaged international students to debate important questions and exchange innovative ideas surrounding the topic of the conference, “Financing European Business.”

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

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 the 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. The FinTech area is one current focus of research; we now have two dissertations in progress within the context of the "VikoDiA" project funded by the European Union and the state of North Rhine Westfalia. Since the former Center of Private Banking was founded in 2006, xxx publications and 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 of a new FIS trading room (B-201) in 2015 with a FIS trade, order, and billing system that is available to all students at WHU. The FIS trading room enables a new level of financial education at WHU. 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 July 2017, 84 participants from different institutions discussed fundamental and currently relevant topics of financial markets. The next WHU on Finance seminar will start in spring 2018.

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

Since January 2015 WHU students and other visitors have 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.

The FIS 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 FIS 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 FIS applications.

The FIS 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.

FIS 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.



Trading Room

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 welcomed the new financial year by hosting the Campus for Finance – WHU New Year's Conference in Koblenz and Vallendar. Members of the academic, political, industrial, and financial spheres met with 400 participants from more than 30 countries to discuss current issues in finance and the broader economy.

The conference theme this year was "Innovation in Finance – Shaping Tomorrow's Business Models" and it aimed to shed light on recent trends and challenges in the financial industry. Speakers were specifically invited to discuss how changes are affecting the business models of established financial players, as well as to discuss the innovative development of FinTechs.

The keynote speeches and panel discussions debated the meaning of the term "Financial Innovation" and discussed the challenges of the low-interest environment and financing in a risky world. For the first time, a Technology Talk gave startups from the FinTech branch the possibility to provide insight into their ideas for the future.

Academic participants and researchers from all over the world enjoyed the chance to discuss their dissertation or current research project with Prof. Richard Brealey (Emeritus Professor, London Business School) and Prof. Stewart Myers (Professor of Financial Economics, MIT Sloan School of Management) in an intimate, one-on-one atmosphere and gain valuable feedback. Furthermore, they, along with Prof. Thorsten Hens (Swiss Finance Institute Professor of Financial Economics, University of Zurich), also hosted academic workshops where they introduced participants to their current research and theories.



Keynote of Prof. Finn E. Kydland

Nobel Laureate Prof. Finn E. Kydland to this year's conference, after Nobel Laureate Prof. Eric S. Maskin was in attendance in 2016. He was joined by Dr. Berthold Fürst (Managing Director and Co-Head Corporate Finance, Germany, Austria, and Switzerland, Deutsche Bank), Prof. Michael Hüther (President, IW Köln), Danièle Nouy (Chair of the Supervisory Board, SSM at the ECB), and Helene von Roeder (CEO Germany, Credit Suisse), among many other notable figures.

The 2018 WHU New Year's Conference will take place on January 17-18 on the topic of "Omnipresent Uncertainty – Chasing the Narrow Path Between Risk and Opportunity." Renowned speakers will include Timotheus Höttges (CEO, Deutsche Telekom), Johan van Overtveldt (Minister of Finance, Belgium), Dr. Julian Deutz (CFO, Axel Springer) and Viswas Raghavan (Deputy CEO EMEA, J.P. Morgan Chase), among many others.



Keynote of Daniele Nouy



Panel Discussion

9.2. DOCTORAL SEMINAR BURGENLAND

9.2.1. DOCTORAL SEMINAR 2017

Continuing a fruitful tradition, doctoral students and professors from several institutions attended a three-day doctoral seminar in Illmitz, Austria in July 2017. Participants included several members of the Allianz Endowed Chair of Finance at the WHU – Otto Beisheim School of Management, together with members of the Chair of Banking and Financial Control at the University of Bamberg and members of the Finanznetzwerk für Deutschland e.V., who organized the seminar.



Dinner at "Johannes Zeche"

The seminar participants included Prof. Dr. Markus Rudolf, Prof. Dr. Matthias Muck, Dr. Katrin Baedorf, Dr. Hartmut Leser, Dr. Michael Herold, ten doctoral students from WHU – Otto Beisheim School of Management, and five doctoral students from the University of Bamberg. The objective of the seminar was for each student to present his or her research project and obtain constructive feedback, and for all seminar participants to exchange research ideas.

The seminar took place at the Hotel Nationalpark. The doctoral students participating presented their research projects (listed below) and answered questions posed by the other participants, with lively debates ensuing. Dinner together in the evenings on both days provided time for camaraderie and more exchange of ideas. On the final day of the seminar, some of the participants went sailing together on the Neusiedler See.



Group photo of seminar participants

- Red Laviste
Mean-Value-at-Risk portfolio selection with modified conditional Value-at-Risk
- Alexander Deneke
The benefits of social trading to private investors
- Benedikt Himbert
On the trade-off between optimality and estimation risk in alternatively weighted equity index strategies
- Andreas Kanz
Elections and Stock Market Volatility
- Alex Kusen
Feedback Trading: Strategies during day and night with global interconnectedness
- Red Laviste
Optimal portfolio selection and long-memory volatility forecasting with exponential and hyperbolic decay
- Tobias Meyer
Fiscal Action and Green Assets
- Dominik Staniewski
Affine term structure models and the cross-country co-movement of term structures
- Marc Wierzbitzki
Investor-centric performance reporting and learning in a digital context

9.4. SUSTAINABILITY

The Allianz Endowed Chair of Finance lives up to the principles of sustainability in many ways. For example, we adopted a paperless office to minimize our use of natural resources in operational matters. In addition to our commitment to reducing our own carbon footprint, we also encourage students to follow our lead. We strongly believe in promoting ethical and sustainable behavior, and our conviction is that social responsibility and corporate governance are important determinants of financial performance. But far more than that, with our research, teaching, and business engagement, we strive to work towards stable and sustainable solutions concerning all aspects of finance. We acknowledge the enduring and increasing importance of green finance and green investments. A growing body of research is addressing questions of how sustainability influences financial performance. We are strongly supportive of research projects in this area and are pursuing a goal of increasing research in the field of sustainable investments.



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