

SCIENTIFIC ADVISOR'S REFERENCE

Program:	MIB
Student:	Irina Portnova
Title of thesis:	Fama & French Model for Value Premium in the Modern Emerging Markets

Justification of the topic choice. Accuracy in defining the aim and objectives of the thesis. Justification of the topic choice; accuracy in defining the aim and tasks of the thesis; originality of the topic and the extent to which it was covered; alignment of the thesis' topic, aim and objectives.

Topic choice is very actual, since there is a lack of such kind of research based on Emerging markets in the modern world. The aim and the objectives stated according to the thesis topic.

Structure and logic of the text flow. Logic of research; full scope of the thesis; alignment of thesis' structural parts, i.e. theoretical and empirical parts.

The research is quite logic, theoretical and empirical parts are balanced. The thesis consists of introduction, two chapters and conclusion. The paper begins with a brief introduction, which states the relevance of the topic under discussion, indicates the object, aim and objectives as well as methods of the research, gives a general discussion of references and reveals the structure of the work. The first chapter contains deeper look into value investing as an investment approach and an overview of the evidence for a value premium in developed and emerging markets. The second chapter contains the empirical research. The results section highlights descriptive statistics of the emerging markets returns, the value premiums found, and the risk measures of standard deviation, beta and downmarket correlation. Value premiums are explained with traditional and behavioural finance approaches. The conclusion part contains main results and findings of the whole work.

Quality of analytical approach and quality of offered solution to the research objectives. Adequacy of objectives coverage; ability to formulate and convey the research problem; ability to offer options for its solution; application of the latest trends in relevant research are for the set objectives.

The objectives of the thesis are covered. The student showed the ability to convey the research problem.

Quality of data gathering and description. Quality of selecting research tools and methods; data validity adequacy; adequacy of used data for chosen research tools and methods; completeness and relevance of the list of references.

Author has used relevant literature in appropriate way. In addition, the author has done great work in gathering and cleaning data necessary to her empirical study. The list of reference is consistent and covers relevant papers including the most recent ones.

Scientific aspect of the thesis. Independent scientific thinking in solving the set problem/objectives; the extent to which the student contributed to selecting and justifying the research model (conceptual and/or quantitative), developing methodology/approach to set objectives.

Student possessed good ability to work as independent researcher developing existing methodology, analysing data sets putting correct limitations and ideas for further research.
The theoretical contribution is new results, obtained for companies in the modern emerging markets.

Practical/applied nature of research. Extent to which the theoretical background is related to the international or Russian managerial practice; development of applied recommendations; justification and interpretation of the empirical/applied results.

The theoretical background is directly related to the international practices.
The findings of this research as well as previous studies give an idea how to utilize these value investing methods as a part of portfolio selection at least in a supporting way.

Quality of thesis layout. Layout fulfils the requirements of the Regulations for master thesis preparation and defence, correct layout of tables, figures, references.

In general layout fulfils the requirements of the Regulations for master thesis. Some minor mistakes and misprints may occur in the text.

The Master thesis of Irina A. Portnova meets the requirements for master thesis of MIB program thus the author of the thesis can be awarded the required degree.

Date: June 16, 2012

Scientific Advisor:

Associate Professor
Anna E. Loukianova

A handwritten signature in black ink, appearing to read 'A. Loukianova', written in a cursive style.