

REFEREE'S REVIEW

Program:	Master of Corporate Finance
Student:	Reznichenko Grigory
Title of thesis:	Discrete time portfolio optimization with regular periodic investments

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.	5			
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.		4		
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.	5			
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.	5			
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.		4		
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.	5			
Quality of thesis layout. Layout fulfils the requirements of the Regulations for master thesis preparation and defense, correct layout of tables, figures, references.	5			

Each item above is evaluated on the following scale, as applicable: 5 = excellent, 4 = good, 3 = satisfactory, 2 = poor.

Additional comments:

Structure and logic of the text flow. Analytical review is very brief. Many ways to manage an investment portfolio are proposed and discussed in the professional literature, but the author does not consider them. For example, the author does not mention the well-known strategies such as CPPI (Constant Proportion Portfolio Insurance - Black F., Jones R., "Simplifying portfolio insurance for corporate pension plans").

Quality of data gathering and description. The author has made the calculations for a simple model situation. Real markets are not considered.

Scientific aspect of the thesis.

1. The scientific objective of the work is not entirely clear. A deep analysis of the reasons why similar strategies lead to different results is missing.
2. The effects described by the author are expected in a growing market. The results would be quite the opposite if the market is falling or stagnant.
3. Strictly speaking, the investment results are random, the author obtains the estimates of the Sharpe ratio (it is a random value), and it would be wise to give the confidence intervals for these estimates (the author has all the details for this).

Practical/applied nature of research.

The strategy proposed by the author, is of practical value mainly for pension funds

Master thesis of Reznichenko Grigory meets the requirements of MCF program, and deserves an "excellent" grade, thus the author can be given the desired degree.

Referee:

Associate Professor  /Okulov V.L./

15.06.2013