

REFEREE'S REVIEW

Program:	MCF
Student:	Anton Kazakov
Title of thesis:	Relationships between investment strategies of private equity firms and performance of Indian public companies

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.	5			
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.		4		

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

Additional comments:

- Shareholders activism and private equity funds portfolio strategies are very interesting and important areas of research and practice in corporate finance, although not well investigated on emerging markets. Since recently emerging markets firms are becoming attractive targets for portfolio investors. The student chose Indian market for analysis of investment strategies and their relationship with companies' financial performance. This choice is not random. India is among developing markets with the highest share of foreign investors ownership. Private equity finds accumulating capital from international investors play a major role.
- This research bears both theoretical contribution and important managerial implications.
- The goal of the research is clearly defined by the author: "to analyze relationships between different investment strategies implemented by activists and performance of portfolio public companies in Indian market". This thesis analyzes shareholder activism by private equity firms making portfolio investments.
- A number of objectives stated are consistent with the goal. The topic is fully covered by the thesis content

The author aimed to establish relationships between strategies of activism and performance of Indian public companies. The student analyzed investment strategies of private equity firms in Indian market, determinants of the choice of activism strategy, and investigated, if these strategies improve performance of

portfolio companies. Kazakov A. found that on the period under investigation (2001-2014) active strategy did not result in improvement of financial performance.

The structure of the thesis in general is logical. Introduction contains all necessary elements. The topic is justified, goal, objectives, methodology, research object and subject are clarified in this part. In the first chapter the author gives the shareholders activism background – concepts, investment strategies, literature review on private equity funds strategies in their portfolio investments, analyzes sources of value creation for both activists and portfolio companies. Kazakov A. states and substantiates research hypotheses in this part of the paper. Chapter 2 is devoted to international trends in shareholders activism. A major part of the chapter covers the Indian context of international institutional investments and their strategies, legislation and current trends. The choice of India as a country for analysis is well grounded. Part 3 contains methodology description. Part 4 provides the data description, model, estimation results, conclusions and discussion.

The sample of deals for empirical research is justified, criteria for choosing particular transactions for analysis are indicated clearly. Data collected and processed seems to be valid. Data are described and analyzed thoroughly. The author classified companies in the sample by different criteria.

The methodology used is relevant for this type of research.

The thesis has a research nature and contains practical implications. The results could be used by investors in their decisions about investment strategies towards portfolio investments in emerging markets.

Estimation results are described well and analyzed. The student provided thorough conclusions and practical implications.

The quality of analytical approach could be evaluated as high. The quality of the thesis content could be evaluated as high. It is evident that the student made a big job working on the data collection, processing, and estimation.

Critical comments and questions:

- - The thesis in general is not very well structured. There exist imbalances between chapters and sections. There are too many sections – chapters and sections inside, that are not balanced in terms of the volume and substance of contents.
- Chapter 2 starts with the “nature of activists”. It seems that this part should had been included in the chapter 1 and preceded the hypotheses statement.
- - Chapter 3 is named “Methodology”, but no model is included here, only the general description and variables choice substantiation (methodology is detailed in the following chapter)
- - Part 4 is called “Results”, but contains not only results of the study, but the data description, model and other parts.
- The author does not indicate numbers of chapters.
- - The layout in general could be criticized: tables and graphs are not presented in a proper way.

General conclusion:

Master thesis of Anton Kazakov meets the requirements of MCF program, and deserves an “excellent” (B) grade, thus the author can be given the desired degree.

Date

12/06/2015

Referee:

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