

## SCIENTIFIC ADVISOR'S REFERENCE

<b>Program:</b>	<b>Master in Corporate Finance</b>
<b>Student:</b>	<b>Anton Kazakov</b>
<b>Title of thesis:</b>	<b>Relationships between investment strategies of private equity firms and performance of Indian public companies</b>

**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.

Strategies of shareholders activism, actively used by American hedge funds, became later an instrument for European private equity firms to improve performance of portfolio companies. For minority shareholders this strategy was one of few available ways to resist controlling or dominant shareholder. Due to differences in legislation between the United States and Europe, frameworks for implementing active strategies in European portfolio companies were adjusted. There are several successful well-known cases of shareholder activism in Europe, "Children's Investment Fund", for example. Results of researches of "European" activism in general are consistent with results, obtained for "American" activism. Therefore, the natural question arises: how effective strategies of shareholder activism of private equity firms in developing markets? That is exactly the main question of the research by Anton Kazakov, which he has done for developing market of India. The key goal of the research the author formulated in the following way: establish relationships between different strategies of activism and performance of Indian public companies. In the research he successfully obtained answers to the following questions: did private equity firms that operated in Indian market implement strategies of activism? In case of positive answer to the first question, what were determinants of the choice of particular strategy of activism? Did activists manage to improve performance of portfolio companies, using active strategies? After the affirmative answer to the first question Kazakov A. switched to the analysis of effectiveness of implementation active and passive investment strategies by private equity firms. It was established, that during the examined period of 2001-2014 implementation of active strategy did not result in improvements of performance indicators. The author concluded the research with detailed description of obtained results and practical applications.

**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 thesis is logical and has clear structure, there are no logical distortions, the quality of introduction and conclusion is good.

The structure of the thesis is the following. In the first chapter, he analyzed academic literature on the activism related issues and gave definition of what activism is; identified different investment strategies; determined possible patterns in activists' targets; and clarified sources of value creation for both activists and portfolio companies. The second chapter he devoted to the analysis of periodical literature and reports, prepared by banks and consulting companies, on the issues of private equity financing, activism, and markets for private equity financing and activism at the global level and at the level of Indian market. In this chapter, he illustrated general situation with activism and explained, why India was chosen as targeted market for the research. The third chapter is the description of methodology of the research. In this chapter, Kazakov A. provided methodological base for further analysis. In the forth chapter he tested stated hypotheses, solved all the research questions, and approved the achievement of the aim of this research. The author described in details the data sample that was used in empirical research, provided justification of the model and factors, and granted results of tested hypotheses. Based on the obtained results, Kazakov A. made a conclusion regarding acceptance of hypotheses

<p>Theoretical issues that are investigated in the thesis are relevant to the practical part of the thesis. The thesis shows how results of empirical research can be used in practice.</p>
<p><b>Quality of analytical approach and quality of offered solution to the research objectives.</b> 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.</p>
<p>The research is based on the sample of 91 investment deals between 34 private equity firms and 74 Indian public companies. To track the relationships between activism and performance of portfolio companies the time aspect was included, expanding the sample to 895 observations. Empirical part of the research and its results are provided in the forth chapter. The thesis has research nature; the author also provided some conclusions and their practical applications.</p>
<p><b>Quality of data gathering and description.</b> 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.</p>
<p>The empirical research was conducted on sample of 91 deals during 2001-2014. The author made a significant work on data collection. The empirical research was based on econometric modeling. The choice of the model and factors was justified.</p>
<p><b>Scientific aspect of the thesis.</b> 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.</p>
<p>The research was performed independently. The author applied existing methodology that had been used in previous studies to test the deals that had taken place in the developing market of India. The author contributed to existing studies, demonstrating how the existing methodology can be adjusted for use at developing markets; trying to fill the gap in the activism related issues in developing market of India.</p>
<p><b>Practical/applied nature of research.</b> 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.</p>
<p>The author made reasonable and justified conclusions from empirical research and provided their interpretation. Kazakov A. also made conclusions that have applied nature.</p>
<p><b>Quality of thesis layout.</b> Layout fulfils the requirements of the Regulations for master thesis preparation and defence, correct layout of tables, figures, references.</p>
<p>The layout of the thesis meets the requirements for master thesis preparation.</p>

The Master thesis by Kazakov A. meets the requirements for master thesis of MCF program. Thus the author of the thesis can be awarded the required degree.

Date  
10.06.2015

Scientific Advisor:  
Asc. Prof. Irina Berezinets

