

SCIENTIFIC ADVISOR'S REFERENCE

Program:	Master in Corporate Finance
Student:	Shestakov Sergey Maratovich
Title of thesis:	Performance analysis of crowdfunding 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.

Master's thesis of Sergey Shestakov sheds light on one of the modern financial developments, equity crowdfunding. It revolves around analysis of the investment performance, of contributions made during an equity crowdfunding campaign. Increase in popularity worldwide, emerging practicality for all sorts of firms, small to large, as well as, potential returns generated through equity crowdfunding by investors etc. do support the relevancy of this topic. Recent developments in legal definitions and recognition of crowdfunding in Russia, further assure the appropriateness of crowdfunding research in modern world.

However, almost no information was given with regards to potency of such investments. Scarcity of information, developing nature of crowdfunding legislation and research present no indication of factors that could affect the equity crowdfunding investment value, thus, the aim of the research undertaken by Sergey, was to conduct the performance analysis of crowdfunding investments, which is relevant and up to date.

In order to reach the set aim, the student has achieved several objectives: represented the review of crowdfunding investment practice, identified equity crowdfunded firms' characteristics that signal of the investment opportunity, justified the selection of a financial performance indicator in informationally asymmetric environment, conducted an empirical study for identification of relationship of company characteristics and share price changes within a year from equity crowdfunding campaign, furthermore, conclusions and recommendations were formulated based on the results of the conducted research.

The econometric analysis was conducted to identify the relationship and extent to which revealed factors affect the probability of share price increase within a year from equity crowdfunding campaign.

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 structure of the thesis corresponds to the following: introduction, three chapters, conclusion and reference list. In the first chapter Sergey portrayed the crowdfunding, represented common types of crowdfunding, indicated designated focus of his research, as well as compared equity crowdfunding to other investment opportunities. It is followed by the second chapter, where he has sought to identify the criteria related to equity crowdfunding investment performance, in addition to methods used by private professional and justification of selected financial performance indicator. Third chapter was dedicated to empirical analysis.

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.

In his thesis, Sergey Shestakov covered all the objectives set and, hence, achieved the research goal of the paper. The methodology applied by the student is in line with theoretical concepts of contemporary academic literature. The conducted analysis and interpretation of findings demonstrate high level of analytical skills of the student.

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.

The applied methodology – econometric analysis is relevant for conducted research and achievement of the research goal. The data sample used by the author adequate and relevant for the stated research

problem. The list of references and literature review are complete and coherent, along with review of classical concepts, the student provides a comprehensive analysis of contemporary literature.
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.
The thesis is completed independently. Based on the corresponding methodology, the author researched the factors that affect the performance of equity crowdfunding investments. Insights of the student are adequate for grasping the potential represented by crowdfunding from both, academic and practical perspectives, due to lack of indication of characteristics attributable to crowdfunded companies in previous literature and focus of the prior studies on acquirer side of the crowdfunding transaction.
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 econometric analysis was conducted on the sample of 292 campaigns of the equity crowdfunding platform from 2011 till 2019. The student concluded that there are identifiable factors affecting the probability of the equity crowdfunding investment being profitable in a year from crowdfunding campaign, such as: CEOs' motivation in a form of stake in the company, number of patents, size of the board and size of the average contribution. Therefore, using the results presented, it could be more evident as to how to identify presumably more potent investment, when comparing companies on equity crowdfunding platform. Additionally, the regulatory aspect covered portrayed the potential example for reference of valid investor protection policies as well as governance mechanisms possible to be implemented in Russian Federation. The informational asymmetry was seen, by the student, as a partial explanation for lack of modern research attempts, indicating it as an issue to be solved for the equity crowdfunding to be further researched.
Quality of thesis layout. Layout fulfils the requirements of the Regulations for master thesis preparation and defense, correct layout of tables, figures, references.
The layout of the thesis fulfils all the official requirements of Regulation for master thesis preparation and defence.
Originality of the text. All sources of match identified by the Safe Assign system follow the allowed cases, the paper does not contain any elements of plagiarism.
The thesis text is original and does not contain elements of plagiarism.

In general I would like to note very responsible and systematic work of the student on his thesis.

The Master thesis of Shestakov Sergey meets the requirements for master thesis of MCF program thus the author of the thesis can be awarded the required degree.

Date

09.06.2020

Scientific Advisor:

Asc. Prof. Irina Berezinets