



University of Economics, Prague

Faculty of Finance and Accounting
Study programme "Finance and Accounting"

Master Thesis Evaluation

Supervisor form

Student name: *Merve Birlik*

Title of the thesis: *Risk Management of Internationally Diversified Portfolio*

Year of the defence: *2018*

Supervisor name and affiliation: *František Poborský, KFOP*

Reviewer name and affiliation: *Tamara Ajrapetova, KFOP*

THESIS CONTENT SUMMARY:

The master thesis focuses on risk management on diversified portfolio. The author first introduces theoretical concepts regarding the portfolio construction and risk / portfolio management.

In the practical part, portfolio constructed from four geographical areas: Eurozone, United States, Brazil and South-Africa has been built. The portfolio covers period of five years between 2013-2017.

The goal of building various portfolios in the master thesis is to measure performance of internationally diversified portfolio with strategies with or without hedging foreign currency exposure with forward contracts by eurozone investor point of view.

OBJECTIONS AND REMARKS:

During preparation of the master thesis, it was evident that Mrs. Birlik is trying to get into the topic of the portfolio management problems and that she desires to understand it. This is a point which I have to stress and appreciate in the discussed master thesis. Also, the topic is not simple, which is a positive point in the master thesis. However, the scope of the topic is quite demanding on knowledge and experience, so from the practical part, it is visible, that Mrs. Birlik has tried, but not mastered the topic of (international) portfolio management. I am afraid that her computations are based on simplified (and probably incorrect computations).

Even though, I think that it is necessary to stress that Mr. Birlik has chosen interesting topic, that she has tried her best, that she has proven her potential to prepare heuristic analyses.

QUESTIONS FOR THE DEFENCE:

1. Show, how risk of portfolio could be calculated and compare it with your approach in the master thesis!
2. Explain your approach to hedging – how have you integrated the currency hedging problem into building of the portfolio.

ASSESSMENT:

Criterion	Excellent	Very good	Good	Insufficient
Aim formulation and fulfilment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Work with literature	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Methods and data used	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Results and their discussion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Formal aspects	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Proposed overall grading: 2 - <i>Very good</i>				

Prague, June 8, 2018

Signature