

Report on Bachelor Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Eduard Tisoň
Advisor:	Doc. PhDr. Petr Teplý, Ph.D.
Title of the thesis:	Alternative Investment in Fine Wine

OVERALL ASSESSMENT *(provided in English):*

The recent low interest-rate environment has resulted in “search for yield” strategies for many investors. Eduard Tisoň investigates the topic when analysing invest performance of fine wine in 2002-2017 and three time windows regarding the 2007-2009 global financial crisis (“GFC”).

Contribution

The main contribution of the thesis are findings relevant the fine wine as part of a portfolio: i) during the GFC, fine wine reported characteristics of a pro-cyclical asset and reported strong correlation with European stocks; ii) fine wine had a positive diversification benefits in the portfolio with gold and with American stocks.

Methods

The author presents three hypotheses. When testing them, Eduard applies standard methods such as the Modern Portfolio Theory developed by Markowitz (1952) and Sharpe (2005), and the OLS regression model for alpha and beta analyses.

Literature

The 5-page literature survey on relevant works seems comprehensive. Eduard compares his results with Krasker (1979); Burton and Jacobsen (2001); Fogarty (2010); Dimson et al. (2015); Masset and Henderson (2010) and Kun (2014), what makes his research valuable.

Manuscript form

The manuscript form fulfils standard requirements. I appreciate that Table 4.13 includes the comparison of authors’ findings with other researchers and hence it highlights the author’s contribution.

Summary and suggested questions for the discussion during the defense

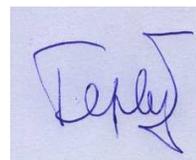
Eduard has developed a solid academic approach, reviewed the existing literature, identified and investigated open questions and drew relevant conclusions from that.

Questions to the defense:

- 1) Table 4.11 on p. 49 indicates that in the optimal risky portfolio, one should include only Livex 1000 and completely omit gold in the 2010-2017 period. What are relevant investment recommendations for an investor? Does it hold also for investments during the GFC?
- 2) The author’s results contradict to Kun (2014) who found that Fine wine did not have positive diversification benefits. What are key differences of both works?

SUMMARY OF POINTS AWARDED *(for details, see below):*

CATEGORY		POINTS
<i>Contribution</i>	<i>(max. 30 points)</i>	28
<i>Methods</i>	<i>(max. 30 points)</i>	27
<i>Literature</i>	<i>(max. 20 points)</i>	18
<i>Manuscript Form</i>	<i>(max. 20 points)</i>	19
TOTAL POINTS	<i>(max. 100 points)</i>	92
GRADE	(A – B – C – D – E – F)	A



NAME OF THE REFEREE: *Doc. PhDr. Petr Teplý, Ph.D.*

DATE OF EVALUATION: *May 18, 2018*

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

Strong	Average	Weak
30	15	0

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

Strong	Average	Weak
30	15	0

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

Strong	Average	Weak
20	10	0

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Strong	Average	Weak
20	10	0

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F