

Report on Bachelor / Master Thesis

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

Student:	Martin Panáček
Advisor:	Mgr. Petr Polák, MSc., Ph.D.
Title of the thesis:	Analysis of Exchange-Traded Funds Pricing Deviations and Tracking Errors: Evidence from U.S. Market

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

Please provide your assessment of each of the following four categories, summary and suggested questions for the discussion. The minimum length of the report is 300 words.

Contribution

In his thesis, Martin Panáček focuses on Exchange-Traded Fund (ETFs), which gain on its popularity especially among young and small-amount investors. ETFs are being researched and this thesis investigates pricing deviations and tracking errors of different types of ETFs. For the analysis large US based ETFs are used. The main conclusion of the thesis is that the dividend and sector-specific ETFs tend to have higher pricing deviations and tracking errors, the reason for that is mainly the fact, that such ETFs often also have higher expense ratios associated with them.

Methods

For the analysis, panel data methods are used. Given the researched hypothesis and nature of the data, it was a logical choice for the student, since more advanced methods are far beyond the curriculum of the bachelor level.

Literature

The was the literature is used in the thesis follows academic standards. I would appreciate more detailed literature review of existing studies along with their conclusions.

Manuscript form

The thesis is well formatted and Martin made some changes to the stucture following my advice, so I am happy about it.

Summary and suggested questions for the discussion during the defense

Martin worked on his thesis independently and the final work is a very solid piece. I am happy, that Martin chose the topic in the area of his interest, but it has some impact on the final work. He is very focused on the technical analysis and some concepts of ETFs necessary to understand the motivation for the research are described only shortly. I raised such comment earilier, but I accept Martin choice to use his time on the empirical part. To make a great thesis, more time would be needed.

The points awarded reflect the potential the thesis has, but was not fully used.

I do not have a specific question for the defense, since most of my questions were discussed with the author directly. I would suggest that Martin will talk about his results and if he is going to use them in building his investment portfolio.

The results of the Urkund analysis do not indicate significant text similarity with other available sources.

In my view, the thesis fulfills the requirements for a bachelor thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade B.

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	25
<i>Methods</i> (max. 30 points)	30
<i>Literature</i> (max. 20 points)	15
<i>Manuscript Form</i> (max. 20 points)	16
TOTAL POINTS (max. 100 points)	86
GRADE (A – B – C – D – E – F)	B

NAME OF THE REFEREE: Petr Polák

DATE OF EVALUATION: 15. 1. 2022

Digitally signed (15. 1. 2022)
Petr Polák

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.*

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.*

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

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.*

Overall grading:

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