

ischen Kommission als Standard für die einheitliche Klassifizierung von Green Investments genutzt werden. Es ist aber noch mehr theoretische Arbeit nötig, um eine einheitliche Taxonomie zu finden. Mit Blick auf die anderen Arbeiten der Studenten stellt sich aber gerade diese Notwendigkeit einer einheitlichen Bestimmung von ethischen oder grünen Investments heraus. Ohne diese ist eine sinnvolle Analyse und ein Vergleich von finanzwirtschaftlichen Erträgen unterschiedlicher Anlagentypen (grün vs. konventionell) nur schwer möglich.



*Die Teilnehmer des Seminars während des Zoom-Meetings*

Am zweiten Tag des Seminars folgten dann in einer wahren Tour de Force von 8:00 bis 19:30 Uhr die Masterstudenten. Diese hatten neben der Literaturarbeit noch zusätzlich eigene kleinere ökonomische Analysen zu verschiedenen Datensätzen aus dem Bereich Green Finance durchgeführt.

Die Studenten konnten dabei die bisherigen Ergebnisse der Literatur bestätigen. Teils zeigen die Ergebnisse Überrenditen für grüne Investments, teils schlechtere Performance als der Markt, und teils keine Unterschiede zu konventionellen Aktien oder Anleihen. Das Thema bleibt also weiterhin spannend für die finanzwirtschaftliche Forschung. Einen klaren Vorteil der Verankerung von Nachhaltigkeitskriterien in Investitionsentscheidungen kann man bisher jedoch nicht erkennen. Mit Blick auf die Kapitalkosten ergibt sich kein direkter Vorteil durch grüne Investments, was dies aus streng ökonomischer Sicht eher unvorteilhaft macht. Rein aus der Sicht der Kapitalmarkttheorie setzen sich grüne Investoren sogar eher einer schlechteren Diversifikation und Portfolioallokation aus. Trotzdem ist eine Orientierung an nachhaltigen Kriteri-

en und entsprechendes wirtschaftliches oder gesellschaftliches Handeln zu empfehlen, nur eben nicht zwangsweise über den Kapitalmarkt.

Abschließend gilt unser Dank Jan Swiatkowski, Joachim Müller und Ronny Oelsner, die uns bei der Organisation des Seminars unterstützt haben und durch ihre Beiträge den Studenten trotz Corona einen spannenden Einblick in die LBBW ermöglicht haben.

*Marcel Gehrung, M.Sc.*

## The Course Portfolio Management

**Today, many people are in dire need of some basic portfolio management knowledge. Counting on state-pension for the time of retirement is not as safe as it used to be. That is why many people turn to stock and bond markets and try to take investing in their own hands. Meanwhile, investment companies bring in more profitable returns for their investors each year by optimizing their portfolios.**

The course Portfolio Management by the Chair of Banking and Financial Services taught in the master's program at the University of Hohenheim tries to give students this basic knowledge for investing and managing their own selection of financial assets. Every winter term the students have the chance to learn about fundamental principles of financial and asset management such as portfolio theory, the Capital Asset Pricing Model, market models and arbitrage pricing theory. Although the theoretical aspects and learning the basics of the course is important, this course also pays great attention to the practical implementation of investing. Review and scrutiny of basic and practical articles in this course helps to increase the students' knowledge.

To put these practical aspects of asset management really into practice and to give the students a chance to test their abilities to analyze stocks, the Chair of Banking and Financial Services established a real-money portfolio funded by the LBBW

20 years ago. To implement their knowledge, students have to prepare a buy or sell proposal for the investments of the portfolio. Additionally, they have to convince the other students of their proposals by means of scientific reasoning and argumentation.

The real-money portfolio started with an amount of 100 000 DM (51,129 Euro) firstly donated in the 1990s. From the beginning, the portfolio's target is a diversified combination of securities from various asset classes, industries and regions. The current portfolio is allocated among stocks, bonds and alternative investments in various sectors in the markets of Germany, Europe and North America, as well as from emerging markets such as China, Singapore and Hong Kong. In 2019 the portfolio had to move to a virtual portfolio due to administrative reasons of the University. For that, we used an online platform to help the students to gain further access to our portfolio. Over the last 52 weeks, our portfolio performed in a very fluctuating form similar to the performance of the NASDAQ, DAX, and Euro Stoxx50.

With the outbreak of COVID-19 came also extreme uncertainty about the spread of the disease, fatality rates and a search for a vaccine or medicine. The reaction of stock market investors to these uncertainties was also mixed with unprecedented volatility. The US stock market observed one of the worst weeks during March 9th to 16th. Also during this period, one of the top surges on the market took place.

As it can be seen our portfolio and other benchmarks behaved similarly to the US stock market. Overall, our portfolio outperforms the DAX Index and Euro Stoxx50 as our benchmarks. Our third target with the NASDAQ benchmark was not met. Overall, the return of our portfolio reached 5.6% with a maximum loss of 32.7% and a Sharpe ratio of 0.2 on 24th of July 2020.

### **The Trading System Competition**

In the form of a friendly competition, another task of the Portfolio Management course for the students is to design an Excel based trading algorithm. The relevance of this part is due to the

increasing share of the worldwide automated trading systems. The notional starting capital is USD 100,000. The students' task is to program a trading algorithm that is exclusive to the Templeton Emerging Market Fund. There are two possibilities: students either invest in the fund or get a risk-free interest rate for their capital. To program the algorithm, students have the historical prices of the fund, as well as two sentiment indicators available to US investors. Teams must not only take into account the highest possible return, but also keep volatility as low as possible. The competition lasts for 10 months. The team that performs best in the end will be the winner and rewarded. At this point, we want to thank Smart-Invest GmbH, which helps us to organize the competition, provides the prize money and enables the students to gain important practical experience. The competition of in the winter term 2019/20 includes five groups of students: Portfolio Rookies, Max Profit, Super-Trader, Portfolio-Managers and The Maximizers.

After submission, their trading system were run with a virtual amount of USD 100,000 in the trading period from 15th of December 2019 to 15th of October 2020. For the last years there was no student group that could outperform other groups and a buy-and-hold strategy was on top. Smart-Invest decided to give the prize to the second ranked strategy which was JMS Trading GBR group.

Over the past few years the guest lectures in portfolio management were one of the most informative and constructive ones. Smart-Invest GmbH, led by Dr. Max Schott, has always been and continues to be a great supporter of the course Portfolio Management, its students and the Chair for Banking and Financial Services. With great sadness and grief, we learned of Dr. Schott's passing at the beginning of the year. In him we lost a great member of the Stiftung Kreditwirtschaft and we will miss his valuable guidance and support. Our thoughts are with his family.

*Saeed Jamshidi, M.Sc.*

