

Portfolio Management Program

Introduction and Overview

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1. Introduction

What is the PMP all about?

The portfolio management program is a two year program, where a group of students receive the opportunity to manage a real-money portfolio in accordance to a predetermined strategy.

- *Per year, up to 27 students will be selected (PMP is not a typical elective & this number will be reduced)*
- *Students align in three groups, each with a different investment strategy*
- *PMP participants start their research and take over the portfolio in May 2020*

What is our role in the PMP?



Florian Mair

- *Portfolio Manager (ESMT EMP), Research Associate & PhD Student*
- *Member of the ESMT IFEE*
- *Holds a Master's degree in Quantitative Finance and a Bachelor's degree in Economics*



Sascha P. Czerwenka

- *Portfolio Manager (ESMT EMP), Research Associate*
- *Member of the ESMT IFEE*
- *Holds a Master's degree in Money & Banking and a Bachelor's degree in Economics*



1.2 Group Structure

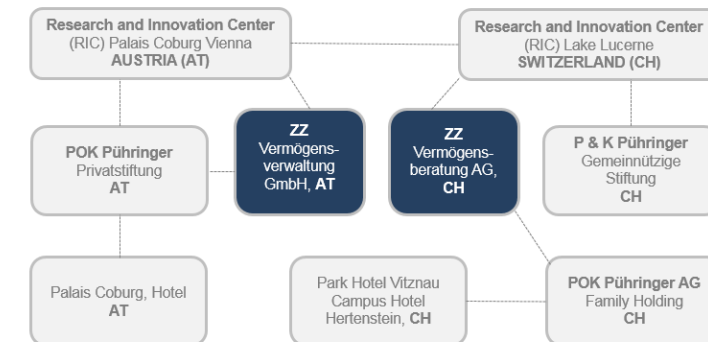


Introduction to Pühringer Group

- Mr. **P. Pühringer** built the basis for his companies by investing in real estate in **Berlin** some decades ago
- In 1995, a **private foundation** was set up in Austria to sponsor charitable projects and universities (PMP, endowments)
- One year later, **ZZ Vermögensverwaltung** was founded
 - Currently both ZZs manage EUR 2.7 Bn AuM (fixed income and cross asset risk premia funds)
- In 2007, a charitable foundation and **ZZ Vermögensberatung (Switzerland)** was founded
 - Investment manager of ZZ Strategy Ltd. and ZZ PE Ltd.
- The group owns three **hotels**, which host the different companies as well as a centre for neurological research
 - Park Hotel Vitznau (Vitznau, CH)
 - Campus Hotel Hertenstein (Hertenstein, CH)
 - Palais Coburg (Vienna, Austria)



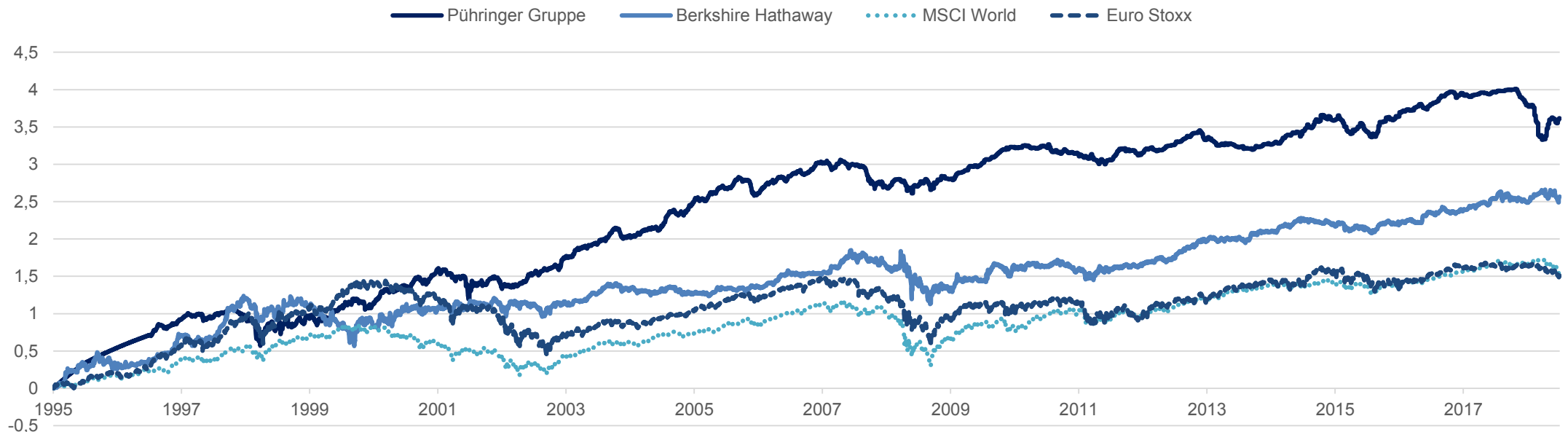
Since 1996, the group achieved average **annual returns of 17.72% per annum** (outperforming the benchmark of the MSCI World and Warren Buffett with 6.93% and 11.5% p.a. respectively).



1.3 ZZ Investment Philosophy

Which investment strategy let the Pühringer Group achieve an average return of 17.72% p.a.?

- Generally speaking, the ZZ investment style can be categorized as “**Global Macro**”, which refers to a hedge fund strategy that allocates funds based on global growth expectations, **interest rate** and **currency movements**. Its focus is on misalignments or mispricings, which should revert over time.
- Since inception, ZZ was and still is heavily invested in local currency fixed income securities in **Emerging and Frontier Markets**.
- Fixed Income securities offer fixed payments (**cash flows**), which ensure liquidity. Those free funds can be used for discretionary investments during **market crashes**.
- Overall, the asset managers of the ZZ aim **to maximize the carry yield** of the portfolio. Hence, if the market does not move at all, it is still possible to harvest risk premia across various sources.



2.1 History of PMP



Success Story PMP

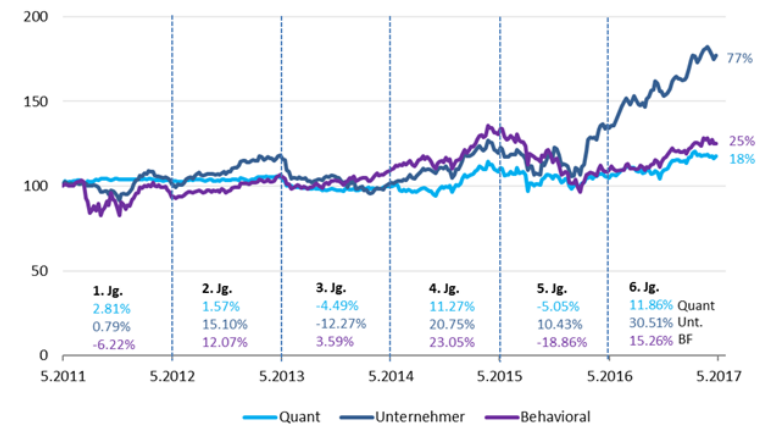
- Since starting the program in **Vienna** in 2004, the PMP was improved continuously and expanded geographically
- As in **Berlin** and **Zurich**, students decide which investment strategy they want to follow by choosing a **PMP group**:
 - Vienna: Academic – Quant - ZZ
 - Zurich: Behavioural – Quant – ZZ
 - Berlin: Academic – Quant – ZZ
- Most importantly, **PMP students** were able to **outperform** markets (e.g. MSCI Equity) over this given period and **without** professional portfolio management **experience!**

*PMP students do not just receive hands-on experience in **portfolio management**, they develop a **unique skill set**, which is extremely valued by future employees and not limited to the financial sector at all!*

Performance aller Jahrgänge
05/2004-05/2018



Performance PMP UZH 2011 - 2017



2.2 PMP ESMT Berlin & HU: Structure

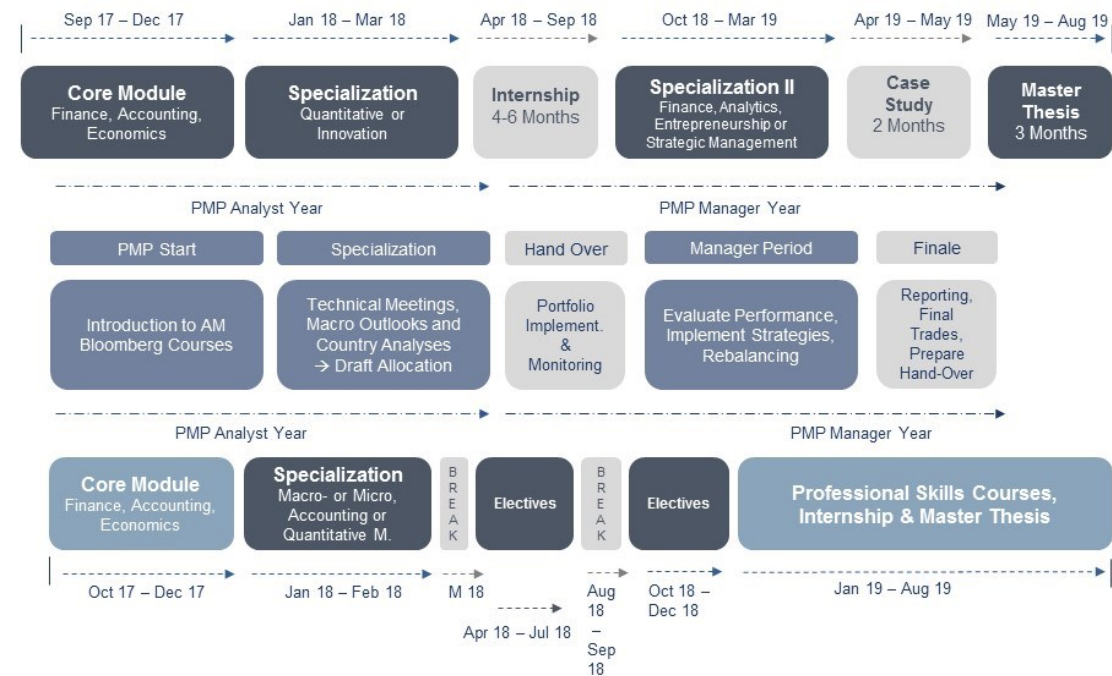


Portfolio Management Program and your university curriculum

- PMP is an **elective** for ESMT MiM students, more details for HU students will follow
- PMP is **not a regular** class with lectures, but we meet every other week at a **dedicated PMP location**
 - PMP starts mid **October 2019** and ends in **May 2021**
 - 2 Periods: **Analyst Year** and **Manager Year** (Portfolio handover in May 2020)
 - Overlapping periods of analysts and managers



PMP Structure vs. ESMT MiM and HU MEMS

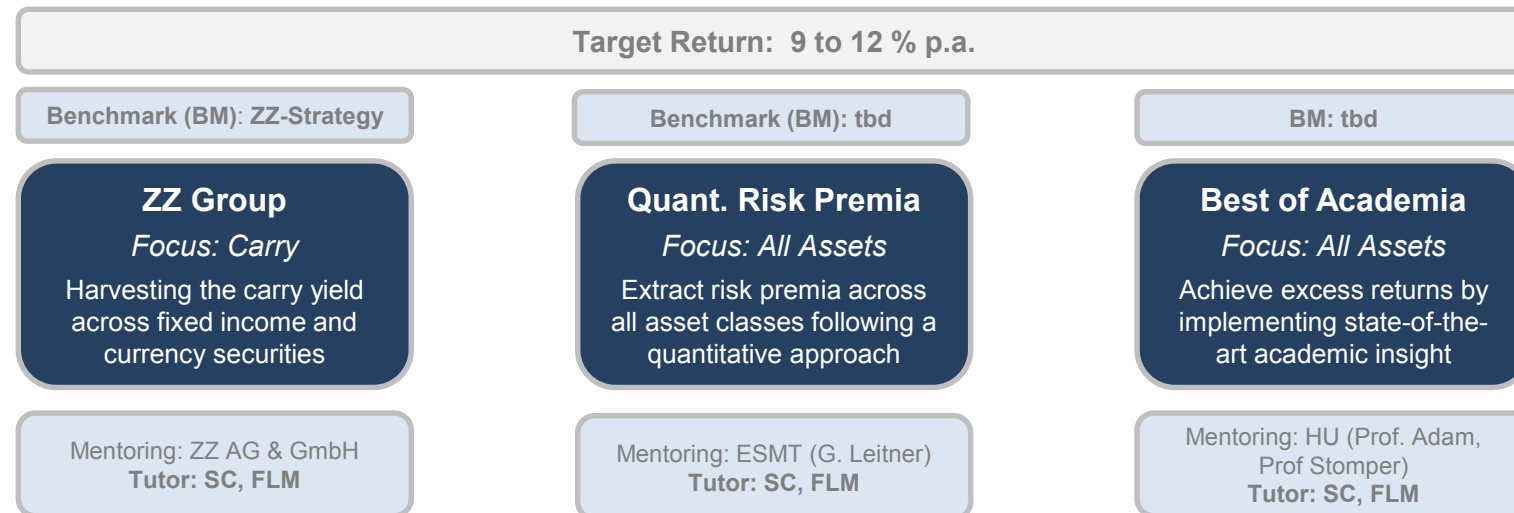


2.3 PMP ESMT & HU: Portfolios

PMP Berlin students have the opportunity to join one out of three different groups

- Generally, 6-9 students are allocated to a group (6-9 analysts, 6 managers)
- Students engage in financial research, develop trading strategies and an asset allocation in accordance to their group philosophy
 - Each group lays the focus on a specific investment strategy and is guided by experts & tutors
 - In Berlin, we will develop a ZZ group, a quantitative and more academic focused group
 - As strategies and trading strategies might overlap, students are expected to learn from all philosophies

Simple target: Learn as much as possible and outperform the benchmark!



2.4 Impressions of our Schöneberg Office



2.5 Application Process

Next steps

- If you want to be part of the PMP, please apply until **October 3rd 2019** by sending your CV and a brief letter of motivation stating your interests in the PMP to PMP@esmt.org
- Please be advised, that the PMP will take place on Fridays at **Akazienstrasse 3a** in Berlin Schöneberg, where we have a dedicated space including Bloomberg terminals and a terrace

Important points

- **Enthusiasm** for Finance and Investing, specific finance knowledge or economics degree is helpful, but not essential
- PMP is not a regular elective with an exam, it is a two-year **commitment** with no exam, but you will conduct **analyses** and **presentations**



Take the chance to be part of a great program where you not only get it touch with a very successful investing strategy, but also with a team of professionals and PMP alumni for networking!



Thank you for your Attention!



We stick around for an informal Q&A session...

Moreover, a handout with more information and our contact details are available!

