

THE MSc IN FINANCE PROJECTS

Would your business benefit from a piece of in-depth finance-related research and analysis? Why not let one of our specialist postgraduate finance students look into it for you?

WHAT IS THE MSc IN FINANCE PROJECT?

An opportunity to engage with individual postgraduate students, specialising in finance, investment and accounting, on a piece of research and analysis carried out between May and August.

Every MSc student undertakes an authoritative piece of work over the summer, and many are keen to work with an organisation on a project that will add value to its business. We invite organisations to put forward proposals, which will be matched to the top-performing students in our MSc Finance & Investment, Accounting & Finance, and Financial Management programmes.

The main output is a substantial report taking a rigorous approach to the topic, along with an executive summary or presentation of findings for the client.

WHAT KIND OF TOPIC IS SUITABLE?

We can consider almost any topic that has a finance, accounting and/or investment focus. Successful projects tend to have an empirical element, which has practical relevance. Most students are keen to work with practitioners on projects which will be of real value to them, helping them find solutions to strategic financial issues such as: validity forecasting, forecast asset market returns, risk modelling, dynamic lifecycle strategies etc.

Previous client projects have included:

- investigating the dynamic life cycle strategies for defined contribution pension plans;
- researching global financial features of the steel industry;
- researching if cross-sectional dispersion of stock market returns is an alternative to the time series approach to estimating global correlation level of equity markets.

WHAT IS THE PROFILE OF A TYPICAL MSc IN FINANCE STUDENT?

Most MSc in Finance students have a first degree in a finance related discipline and some have prior experience of working in financial services. Through the programme all will have a sound understanding of financial principles together with a strong set of quantitative research and analysis skills. Across the MSc portfolio there are around 60 nationalities represented, bringing a real sense of international diversity.

RECENT CASE STUDIES

Alliance Trust PLC is a self-managed investment company with investment trust status. It is one of the largest generalist Investment Trusts in the UK, based in Dundee and has been investing since 1888. Alliance Trust tasked the student to research which types of investment vehicles have delivered the best net returns over the short, medium and long term. In particular they were keen to investigate the key differences between the open ended (OIEC) structures and the closed-ended investment trust sector.

The project involved detailed analysis into the relative performance of Investment Trust's and OEIC's. One of the major challenges of the project was to ensure that the correct data sets were compared like for like.

continued overleaf

“Many previous studies in the area have failed to capture the differences between regional and fund types as well as the impact of fees. This was not an easy task and the student encountered many difficulties in isolating the correct data. However, after considerable effort and persistence the student delivered an accurate and comprehensive project. This is the fourth year we have undertaken such a project with the University of Edinburgh Business School and every year we have been encouraged by the enthusiasm and competence of the students involved as well as finding the output challenging and worthwhile.”

George Renouf,
Director, Public Affairs,
Alliance Trust PLC.

The research division of **State Street Investment Analytics (SSIA)** spends a lot of time working on topics that give our clients a better sense of the quality of returns delivered by their investment managers. One such topic is the dispersion of returns and how the general investment environment over a particular period enhances or limits the opportunities for active management. State Street issued a research paper on this in April concentrating on the UK equity market.

“We wanted a student on the MSc Finance course to help us expand our research to global equity markets, in particular to look at the time varying nature of global equity market dispersion and its relationship to the returns achieved by our clients’ global equity portfolios. The student matched with our research proposal, Hang Zhou, was ideal – very bright and engaged and he contributed substantially to developing our thoughts on the research during a series of highly productive meetings. We have worked with students from the course for a number of years and it has proved both enjoyable and worthwhile in terms of tangible results for our research programme.”

Alastair MacDougall, Vice President,
State Street Global Services.

Scottish Widows Investment Partnership

(SWIP) is one of Europe’s largest asset management companies and part of Lloyds Banking Group.

“This is the third year I have been involved in setting a dissertation. Previously we have asked students to look at using currency market turbulence as a signal to exit risky currency trades, or appraise and back test various early warning signals to cut-out of Emerging Market foreign exchange “carry” strategies. This time we asked the student to consider how the exploration and extraction of natural gas might affect the exchange rates of gas producers, including sterling. Karin Mashler took up the challenge and after a couple of brief meetings, produced a good dissertation on the subject. According to her model, increases in the UK’s recoverable gas resources may lead to a rise in exchange rate volatility while increased net exports may decrease volatility.

I have always found the School very easy to work with and the students require surprisingly little input. At a time when resource is tight for most companies, it is no doubt mutually beneficial for industry and the School to work together in this way. I would encourage more companies to do so.”

Roddy Macpherson,
Investment Director,
Currencies,
Scottish Widows Investment Partnership.

TIMESCALES

Companies submit project proposals	Deadline: End of January
Final list of project clients is confirmed	Mid February
Project matched to a student	Late February
Initial Meeting is arranged	March
The student carries out the research	Between March and August
Report is delivered	End of August