MASTER'S THESIS REPORT
International Economic and Political Studies (IEPS)
Faculty of Social Sciences, Charles University

Thesis title:	Effects of Investor Confidence on the Returns of Actively Managed ETFs
Student's name:	Michał Maciej Abresz
Supervisor's name:	Anna Kúdeľová

Criteria	Maximum	Points
Contribution and argument (originality, justifiable research question and hypotheses, argumentation)	25	23
Theoretical framework (situating research into the existing knowledge)	25	23
Methodology (methods and data relevant to the research question and appropriately used)	20	17
Referencing to sources	15	14
Formal aspects (structure, logical coherence, layout, tables, figures)	10	9
Presentation (language, style, cohesion)	5	5
Total	**100**	**91**

Plagiarism-check (URKUND) match score (if the plagiarism-check (URKUND) match score is above 15%, the reviewer has to include his/her assessment of the originality of the reviewed thesis in his/her review):

I consider this thesis to be original. The majority of similarities with other works are attributed to the standardized thesis template used by the entire faculty, references, or commonly used expressions. The thesis appropriately cites all its sources.

Reviewer's commentary according to the above criteria (min. 1,800 characters including spaces when recommending a passing grade, min. 2,500 characters including spaces when recommending a failing grade):

This thesis seeks to contribute to the existing literature on behavioural finance by examining the potential impact of investor confidence on the performance of actively managed ETFs. Specifically, it analyzes the ten largest actively managed ETFs in the U.S., each with distinct characteristics, using two different confidence indicators as proxies to ensure robustness. ARIMAX-GARCH models are employed, with the investor confidence proxies included as exogenous variables. A preliminary analysis is conducted to assess stationarity and other relevant characteristics of the data.

While there is room for further refinement in methodology, as well as the inclusion of additional specifications and robustness checks, the author has conducted supplementary analyses to improve the results, though these were ultimately not included in the final thesis. Despite the methodology not being flawless, I have observed significant improvements since the initial drafts. Given that Michal had limited knowledge of time series analysis before starting this thesis and no prior experience with R (or similar tools), I highly commend his dedication and progress. His recognition of the limitations within the analysis demonstrates a critical understanding that is equally important.

The thesis is well-written, with only occasional typographical errors, and follows a clear and standard structure. Figures are properly labelled and formatted, and the existing literature is cited appropriately. Michal provides a thorough background to motivate his research question. He chose a particularly challenging topic and had to repeatedly adjust the scope of his work, resulting in a final thesis that differed significantly from the original proposal. Nevertheless, he managed to navigate these challenges independently and effectively.

Proposed grade: A

Suggested questions for the defence:
1.) Would you suspect the effect of positive and negative changes in the sentiment to be different? How could you test for that? If they are different, what theory could this be attributed to? Would you personally suspect negative changes in the confidence to have a lower or greater effect (in absolute values) on returns?
2.) What are the biggest limitations of the thesis, and what could help you to overcome them (data availability, …)?
3.) What are the implications of your results? Should investors consider investor sentiment and its effect when deciding where to allocate their money? Does this hold also for actively managed ETFs?
4.) How can your findings be used in portfolio diversification with respect to the effect of investor sentiment?

I recommend the thesis for the final defence.

_____*Kúdeľová_ (20. 08. 2024)*_____
Signature

Overall grading scheme at the Faculty of Social Sciences, Charles University:

Total Points	Grade	Quality standard
91–100	A	= outstanding (high honour)
81–90	B	= superior (honour)
71–80	C	= good
61–70	D	= satisfactory
51–60	E	= low pass at a margin of failure
0–50	F	= failing, the thesis is not recommended for defence