

Statement of Academic Reference

Dear Admissions Committee,

Having achieved grade A studying Alternative Investments at the London School of Economics and Political Science (LSE) Summer School Programme, it has been my ambition to return for the MSc Finance programme. My inspirational experience at the summer school confirmed that the MSc Finance will equip me with the necessary skills to enhance my career potential in the dynamic professional world. The fast-paced evolution of financial services through fintech driving technological change, fierce competition and the increased sophistication of investment strategies highlight the importance to continuously adapt to the market. The MSc Finance captures the fundamental and quantitative capabilities that are core for finance professionals, supplemented by state-of-the-art modules suitable for my aspirations in a portfolio management role.

My enthusiasm for finance started at age 14 when I work shadowed at Santander retail bank. I soon discovered the interconnected nature of the industry and the realisation; we are all participants in financial services. Above all else, the uncertainty of performance truly fascinated me. As wide-ranging factors such as interest rates, consumer confidence, default risk and political developments can impact the nature of banking services. The intellectual challenge ignited a desire for the industry, since then, I tailored my A-Levels towards financial services, achieved scholarships to study finance at Lancaster University, expanded my professional experience across leading financial institutions and most significantly attended the LSE.

From my experience at LSE's summer school programme in 2019, it is clear the people make LSE exceptional. Starting with the best-in-class lecturers, both Dr. Zhong and Dr. Peng were able to articulate complex financial theories in a precise and effective manner. The lecture that stands out was when Dr Peng explained the intricacies of hedge fund strategies. Ranging from convertible bond arbitrage to distressed securities, displayed the exceptional capabilities of the faculty of the LSE. In addition to the teaching, LSE's competitive advantage is its ability to develop students into leading professionals. During the Summer School programme, I attended the lecture delivered by Professor Tenreiro, Professor of Economics and Member of the Monetary Policy Committee of the Bank of England. The lecture "Monetary Policy and the Link Between Inflation and Unemployment" explained how the Phillips Curve is a key building block of the framework used by central banks around the world. The LSE provides invaluable opportunities to hear from global figures, conveying both their academic and career experiences.

An academic area of interest is the seismic shift towards environmental, social, and governance (ESG) investing. ESG investing is considered "ethical" investing with investors preferring to invest in companies that care for their employees, communities, and eco-systems. In the US, professionally managed ESG assets have increased by 100% between 2016 and 2020 to \$17.1 trillion. Consequently, my undergraduate thesis "Does adding an additional Environmental, Social and Governance (ESG) factor enrich the Fama-French Three Factor Model?", looks to improve the Nobel Prize winning Fama French Three factor model by adding an ESG parameter to understand whether it improves the explanatory power of the model. The thesis combines the theoretical foundations developed by finance practitioners using a multi-factor model with an ESG parameter, which is a disruptive trend for Asset Managers.

As a result of my academic record and industry experience, I completed a 13-month placement at UBS Asset Management. I was quickly immersed in the detail-oriented Portfolio Implementation team, which is the link between the Portfolio Managers and Traders. I was responsible for using technical trading sheets to generate trades across multiple asset classes to rebalance portfolio drift, implement new strategies, and overall portfolio maintenance. The daily monitoring of ~30 globally domiciled portfolios ensured I understand both asset allocation and trade execution which are key components in portfolio management. The greatest challenge is implementing strategy changes in time sensitive scenarios across multiple asset classes, whilst matching settlement dates to ensure we had sufficient cash. The high-pressure role has sharpened my analytical and communication skills to ensure I am a well-rounded candidate. Whilst working at UBS Asset Management, I passed the Investment Management Certificate (IMC), which delivers regulatory and investment knowledge for

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buy side professionals in front office roles. Finally, my line manager, Jia Lin, is an alumnus of the LSE having completed the MSc Accounting and Finance who believes I would be an ideal candidate for the MSc Finance programme.

My placement at UBS Asset Management solidified the importance of having exceptional theoretical foundations for portfolio management and is one of the key reasons I aim to elect Topics in Portfolio Management (FM06) in my second term. The area I am eager to investigate is the Black-Litterman model as it is one of the key milestones for efficient portfolio management, allowing flagship asset managers to optimally serve their investors. The breakthrough allowed portfolio managers to incorporate their views on the performance of stocks, asset classes, sectors, or countries with a degree of confidence. This is a major advantage when comparing to the previous alternative, the Capital Asset Pricing Model (CAPM), which only incorporates the systematic risk to calculate excess returns. Additionally, Risk Management in Financial Markets (FM409) will introduce the Value at Risk (VaR) model which measures the volatility of a portfolio to avoid excessive risk taking. My interest in risk management was enhanced during the coronavirus pandemic since VaR models can use historical data within the model. The March 2020 sell-off, where the S&P 500 experienced one of the most volatile months in history caused major complications for portfolio managers. The heightened volatility distorted VaR models and when investors wished to increase their exposure to risk assets in the subsequent bullish environment after the sell off.

My long-term career aspirations lie within active portfolio management, using the complex models and analytical skills developed at the MSc Finance, to extract alpha from financial markets. Before breaking into portfolio management, I intend to join one of the tier 1 asset managers in London, to complete the rigorous graduate programme, performing rotations across asset classes to ensure I have sufficient sophisticated investment knowledge sought after by hedge funds. The location of the LSE provides unique networking opportunities as LSE's location in Aldwych, which turns into Fleet Street was called the 'Gate to the City' in old times. This gives me the best opportunity to build my connections and leverage exclusive access to LSE's 155,000 alumni network.

Finally, I am excited to become an active member of LSE's social clubs and extracurricular activities. At Lancaster University I was privileged to join the Lancaster University Investment and Finance Society (LUIFS) investment fund, joining as an analyst in my first year, then a Vice-Fund Manager in my second year. During my two years in the fund, I have been responsible for analysing many industries and sectors, predicting future cash flows, analysing financial statements, and understanding the macroeconomic backdrop. The collaborative nature of the fund is what makes it unique, with students from a diverse range of backgrounds working together with one common goal, I feel this is an identical principle to the LSE. Consequently, I am a strong candidate to join LSE's investment fund, MBP Capital. I could share my experiences from chairing a senior role at the LUIFS investment fund and my portfolio implementation knowledge developed at UBS Asset Management.

Overall, I feel my track record of industry experience tailored towards asset management, self-motivated personality, and willingness to collaborate with others, make me a well-rounded candidate for the MSc Finance programme at LSE. The advanced modules and my previous experience at the LSE summer school ensure no doubt that the course will equip me technically and interpersonally, to achieve my career aspirations.

Yours faithfully,

William Myers