

Valid from 2025.HS

Module description: Illiquid Investments	
<b>Module Code</b>	w.MA.XX.ILIN.19HS
<b>ECTS Credits</b>	3
<b>Language of Instruction/Examination</b>	English
<b>Module Description</b>	The module conveys key knowledge about illiquid investments. It starts with important theoretical foundations. It explains the difference between return on investment with different liquidity and the value of liquidity. Real estate investments and private equity are treated as specific asset classes. In this context, due diligence, important value drivers, and steps of comparable company analyses will be explained and discussed.
<b>Organizational Unit</b>	Institut für Wealth & Asset Management
<b>Module Coordinator</b>	Dominik Boos
<b>Deputy Module Coordinator</b>	Holger Hohgardt
<b>Program and Specialization</b>	<ul style="list-style-type: none"> <li>• Banking and Finance</li> </ul>
<b>Legal Framework</b>	Academic Regulations MSc in Banking and Finance dated 29.09.2011, Appendix to the Academic Regulations for the degree program in Banking and Finance, first adopted on 28.08.2012
<b>Module Category</b>	<b>Module Type</b> Compulsory
<b>Prerequisite Knowledge</b>	<ul style="list-style-type: none"> <li>• Financial Mathematics (good working knowledge)</li> <li>• Financial Instruments: bonds, options (good working knowledge)</li> <li>• Portfolio Theory (good working knowledge)</li> </ul>
<b>Contribution to Program Learning Objectives (by the concerned Module)</b>	<ul style="list-style-type: none"> <li>• Professional Competence</li> <li>• Methodological Competence</li> <li>• Social Competence</li> <li>• Self-Competence</li> </ul>
<b>Contribution to Program Learning Objectives</b>	<p><b>Professional Competence</b></p> <ul style="list-style-type: none"> <li>• Knowing and Understanding Content of Theoretical and Practical Relevance</li> <li>• Apply, Analyze, and Synthesize Content of Theoretical and Practical Relevance</li> <li>• Evaluate Content of Theoretical and Practical Relevance</li> </ul> <p><b>Methodological Competence</b></p> <ul style="list-style-type: none"> <li>• Problem-Solving &amp; Critical Thinking</li> <li>• Scientific Methodology</li> <li>• Work Methods, Techniques, and Procedures</li> <li>• Information Literacy</li> <li>• Creativity &amp; Innovation</li> </ul> <p><b>Social Competence</b></p> <ul style="list-style-type: none"> <li>• Written Communication</li> <li>• Oral Communication</li> <li>• Teamwork &amp; Conflict Management</li> <li>• Intercultural Insight &amp; Ability to Change Perspective</li> </ul> <p><b>Self-Competence</b></p> <ul style="list-style-type: none"> <li>• Self-Management &amp; Self-Reflection</li> <li>• Ethical &amp; Social Responsibility</li> <li>• Learning &amp; Change</li> </ul>

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Module Learning Objectives	Students... <ul style="list-style-type: none"><li>• Understand reasons for the illiquidity of investments.</li><li>• Understand the reason for the illiquidity premium.</li><li>• Gain some insight into property valuation and discuss case studies as examples of illiquidity.</li><li>• Know the different financing stages of private equity.</li><li>• Know the common fund structure in private equity.</li><li>• Understand the key elements of a company due diligence.</li><li>• Know the key diversification considerations in private equity.</li><li>• Know the different opportunities for accessing private equity.</li><li>• Learn to calculate the performance of private equity.</li><li>• Learn to calculate a leveraged buyout (LBO).</li></ul>																																	
Module Content	<ul style="list-style-type: none"><li>• The module conveys key knowledge about illiquid investments. It starts with important theoretical foundations. It explains the difference between return on investment with different liquidity and the value of liquidity. Real estate investments and private equity are treated as specific asset classes. In this context, due diligence, important value drivers, and steps of comparable company analyses will be explained and discussed.</li></ul>																																	
Links to other modules	This module is linked to the following modules: <ul style="list-style-type: none"><li>• w.MA.XX.RM.19HS</li><li>• w.MA.XX.IN.19HS</li><li>• w.MA.XX.QIS.19HS</li></ul>																																	
Digital Learning Resources	<ul style="list-style-type: none"><li>• Teaching Materials</li><li>• Case Studies (with Key)</li></ul>																																	
Methods of Instruction	<ul style="list-style-type: none"><li>• Case Studies</li><li>• Interactive Instruction</li><li>• Lecture</li><li>• Problem-Oriented Teaching</li><li>• Application Tasks</li><li>• Literature Review</li><li>• Exercises</li></ul>		Social Settings Used: <ul style="list-style-type: none"><li>• Group Work</li><li>• Individual Work</li></ul>																															
Type of Instruction	<table><tr><td></td><td>Classroom Instruction</td><td>Guided Self-Study</td><td colspan="2">Autonomous Self-Study</td></tr><tr><td>Lecture</td><td>28 h</td><td>42 h</td><td colspan="2"></td></tr><tr><td>Exercise</td><td>-</td><td>-</td><td colspan="2"></td></tr><tr><td>Project Work</td><td>-</td><td>-</td><td colspan="2"></td></tr><tr><td>Seminar</td><td>-</td><td>-</td><td colspan="2"></td></tr><tr><td>Total</td><td>28 h</td><td>42 h</td><td colspan="2">20 h</td></tr></table>					Classroom Instruction	Guided Self-Study	Autonomous Self-Study		Lecture	28 h	42 h			Exercise	-	-			Project Work	-	-			Seminar	-	-			Total	28 h	42 h	20 h	
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Classroom Attendance Requirement	None																																	
Compulsory Reading																																		

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### Recommended Reading

- Camp, J. Venture Capital Due Diligence: A Guide to Making Smart Investment Choices and Increasing Your Portfolio Returns. ISBN B003T0SHBW.
- Fierz, K. Immobilienökonomie und Bewertung von Liegenschaften. ISBN 978-3725562886.
- Lerner, J. & Leamon, A. Venture Capital, Private Equity, and the Financing of Entrepreneurship. ISBN 978-0470591437.
- Rosenbaum, J. & Pearl, J. Investment Banking: Valuation, Leveraged Buyouts, and Mergers & Acquisitions. ISBN 978-1118656211.

### Comments