



Socially Responsible Investing

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Welcome

Presentation Agenda

Brief description

Presentation Agenda

1. **Setting the Stage (i.e., 10 mns)**
2. **Traditional Investing (i.e., 20 mns)**
3. **Socially Responsible Investing (i.e., 20 mns)**
4. **Practice Scenarios (i.e., 15 mns)**
5. **Course Evaluation (i.e., 20 mns)**
6. **Questions? (i.e., 05 mns)**

(90 mns)

1 - Setting the Stage

- Objectives
- Constraints
- Unique needs

1.1 - Objectives

- Mutual funds and equivalent
- Pension funds
- Endowment funds
- Life insurance
- Etc...

1.2 - Constraints

- Liquidity
- Investment horizon
- Tax consequences
- Prudent person
- Etc...

1.3 - Unique Needs

- Corporate Social Responsibility (CSR)
- Socially Responsible Investing (SRI)
- Environmental, Social and Governance factors (ESG)
- Etc...

Just Checking In



Review & Calculations with Demonstrations

- 3 conceptual questions

2 – Traditional Investing

- Market Efficiency
- Risk and Return
- Optimal Portfolio

2.1 - Market Efficiency

- Efficient Markets
- Passive Portfolio Management
- Active Portfolio Management
- Technical Analysis
- Fundamental Analysis
- Portfolio Management in an Efficient Market
- Resource Allocation in Capital Markets
- Etc...

Calculations with Demonstrations

Just Checking In

?

Review & Calculations with Demonstrations

- 3 conceptual and computational questions

2.2 - Risk and Return

- Holding-Period Returns
- Expected Returns and Standard Deviations
- Excess Returns and Risk Premiums
- Sharpe Ratios
- Etc...

Calculations with Demonstrations

Just Checking In



Review & Calculations with Demonstrations

- 3 conceptual and computational questions

2.3 – Optimal Risk Portfolio

- **Minimum Variance Frontier**
- **Efficient Frontier**
- **Security Selection**
- **Diversification**
- **Insurance Principle**

Calculations with Demonstrations

Just Checking In

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Review & Calculations with Demonstrations

- 3 conceptual and computational questions

3 – *Socially Responsible Investing*

- SRI and ESG Factors
- Risks and Returns of SRI and ESG Factors

3.1 – Socially Responsible Investing (SRI) and Environmental, Social and Governance (ESG) Factors

- Definition
- Brief History
- Growth of the Sector
- Characteristics of Socially Responsible Investing (SRI)
- Characteristics of Environmental, Social and Governance (ESG)
- Etc...

Just Checking In

?

Review

- 3 conceptual questions

3.2 – Risks and Returns of SRI and ESG Factors

- Risk
 - Risk for the Financial Advisor
 - Fiduciary Duties
 - Risk for the Investor
 - Systematic Risks and Betas
 - Capital Asset Pricing Model (CAPM) and Arbitrage Pricing Theory (APT)

Calculations with Demonstrations

3.2 – Risks and Returns of SRI and ESG Factors

- Returns
 - SRI and ESG Financial Performance
 - Heterogeneity of SRI and ESG Financial Performance

Calculations with Demonstrations

Just Checking In

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Review & Calculations with Demonstrations

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4 – Practice Scenarios

- Morningstar
- Sustainalytics
- Morgan Stanley Capital International
- Bloomberg
- Principles of Responsible Investments
- Etc...

4 – Practice Scenarios

- **Morningstar**
- **Sustainalytics**
- **Morgan Stanley Capital International**
- **Bloomberg**
- **Principles of Responsible Investments**
- **Etc...**

Demonstrations

Just Checking In

?

Applied Scenarios to be Completed

- 4 applied scenarios

5 – Course Evaluation

Course Evaluation

?

Review & Calculations with Demonstrations

- 20 conceptual and computational questions



6 – Questions ?