

Perspectives on ESG Investing

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WEBINAR - 24 January, 2019 (Noon–1 pm)



DARDEN SCHOOL of BUSINESS

CHARLOTTESVILLE, VA

WASHINGTON, DC

SAN FRANCISCO, CA

SHANGHAI, CHINA

Perspectives on ESG Investing – Webinar Outline:

I.

INTRO:
WHAT IS ESG?



II.

RESEARCH:
ESG AND INSTITUTIONAL INVESTORS AROUND THE GLOBE?



III.

CASE STUDY:
JUST CAPITAL

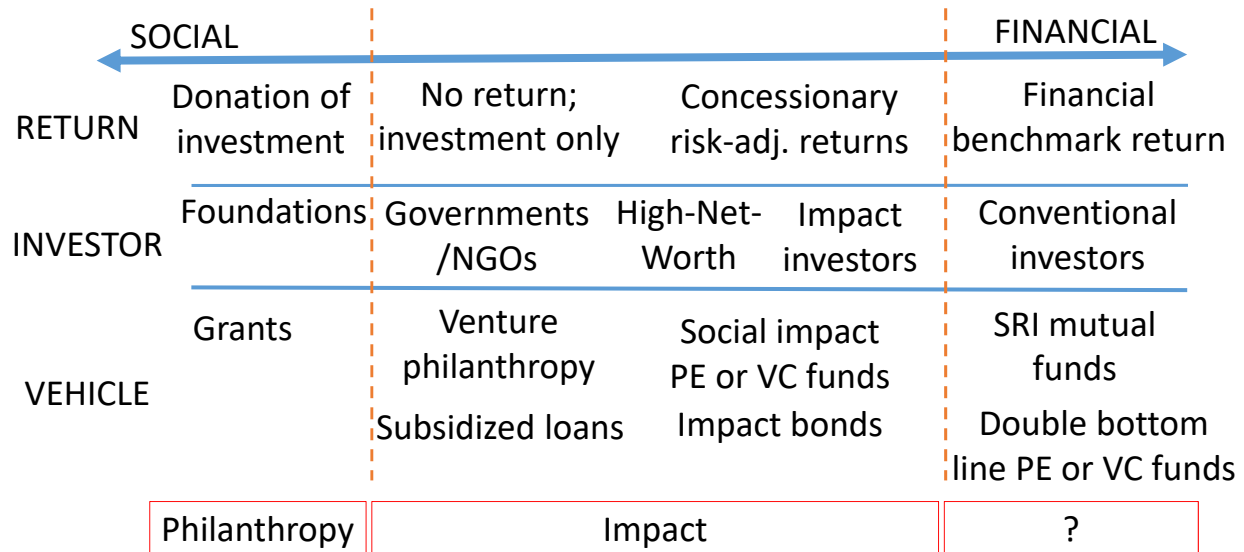


The “Wild West” of Finance

blended finance • community investing • water investment funds
 development finance • ethical investing • ESG
 gender-diversity investing • green finance • impact investing
 mission-related investing • purpose-drive capital
 renewable energy investing • responsible investing
 socially responsible investing • sustainable investing
 triple bottom line • values-based investing

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Sustainable Finance



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Global Sustainable, Responsible, Impact Investing

Region	2014	2016	
Europe	58.8%	52.6%	\$12 trillion
United States	17.9%	21.6%	\$8.7 trillion
Canada	31.3%	37.8%	\$1 Trillion
Australia/New Zealand	16.6%	50.6%	\$516 billion
Asia	0.8%	0.8%	\$52 billion
Japan		3.4%	\$474 billion
Global	30.2%	26.3%	

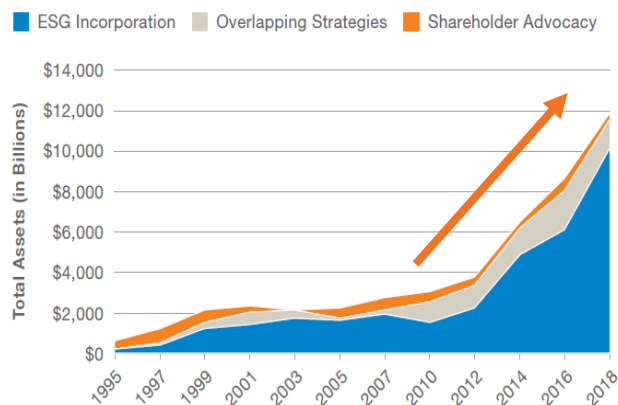
Note: Asia figure includes Japan in 2014, but excludes Japan in 2016. Eurosif used a narrower definition of SRI in 2016 than in 2014. See Appendix I: Methodology and Data, for details.

Source: GSI Alliance http://www.gsi-alliance.org/wp-content/uploads/2017/03/GSIR_Review2016.F.pdf

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US Sustainable Responsible Impact Investing

- \$12 trillion US-domiciled assets under management in 2018
- 26% of the \$46.6 trillion total US assets under professional management
- 38% increase from 2016



Source: SIF Foundation - Report on US Sustainable, Responsible and Impact Investing Trends 2018

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ESG Activity in the US

Sustainable and Responsible Investing Assets 2018

ESG Incorporation

- By Money Managers on Behalf of Individual/Retail Investors **\$3,032 Billion**
- By Money Managers on Behalf of Institutional Investors **\$8,601 Billion**

▨ Overlapping Strategies (\$1,401 Billion)

Filing Shareholder Resolutions

- Institutional Investors **\$1,561 Billion**
- Money Managers **\$202 Billion**



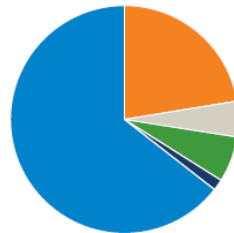
SOURCE: US SIF Foundation.

Source: SIF Foundation - Report on US Sustainable, Responsible and Impact Investing Trends 2018

Allocation of ESG Incorporation across Types of US Investors

Money Manager Assets, by Type, Incorporating ESG Criteria 2018

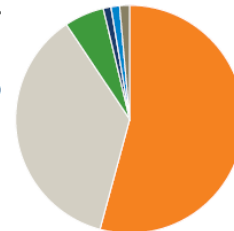
- Total Net Assets (in Billions)**
- Registered Investment Companies **\$2,608**
 - Alternative Funds **\$588**
 - Other Commingled Funds **\$753**
 - Community Investment Institutions **\$185**
 - Uncategorized Money Manager Assets **\$7,499**



SOURCE: US SIF Foundation.

Institutional Investor ESG Assets, by Investor Type, 2018

- Public **54%**
- Insurance Companies **37%**
- Education **6%**
- Labor **1%**
- Foundations **1%**
- Other **1%**



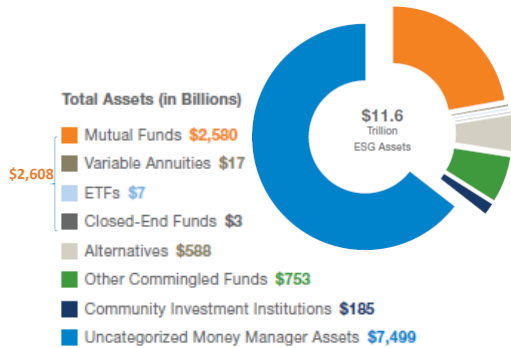
SOURCE: US SIF Foundation.

NOTE: Other consists of family offices, healthcare institutions, faith-based institutions and other nonprofits that collectively represent about 1 percent of ESG assets in 2018.

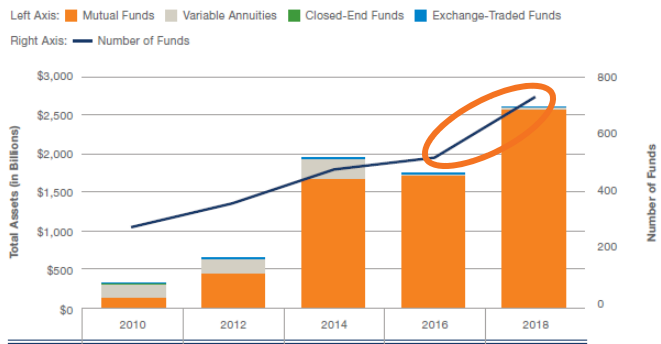
Source: SIF Foundation - Report on US Sustainable, Responsible and Impact Investing Trends 2018

Allocation of ESG Incorporation across Types of Investment Vehicles

Money Manager Assets, by Type, Incorporating ESG Criteria 2018



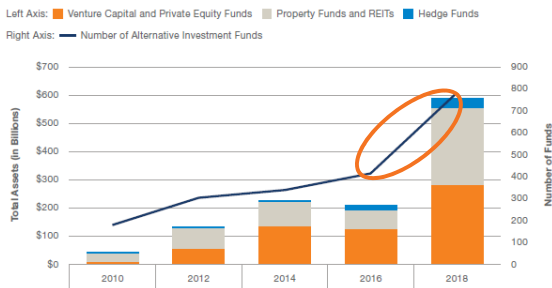
ESG Incorporation by Registered Investment Companies 2010-2018



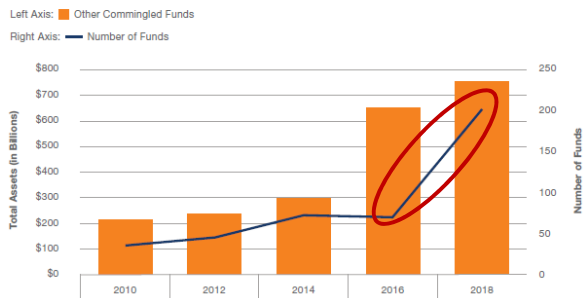
Source: SIF Foundation - Report on US Sustainable, Responsible and Impact Investing Trends 2018

Allocation of ESG Incorporation across Types of Investment Vehicles

ESG Incorporation by Alternative Investment Vehicles 2010-2018



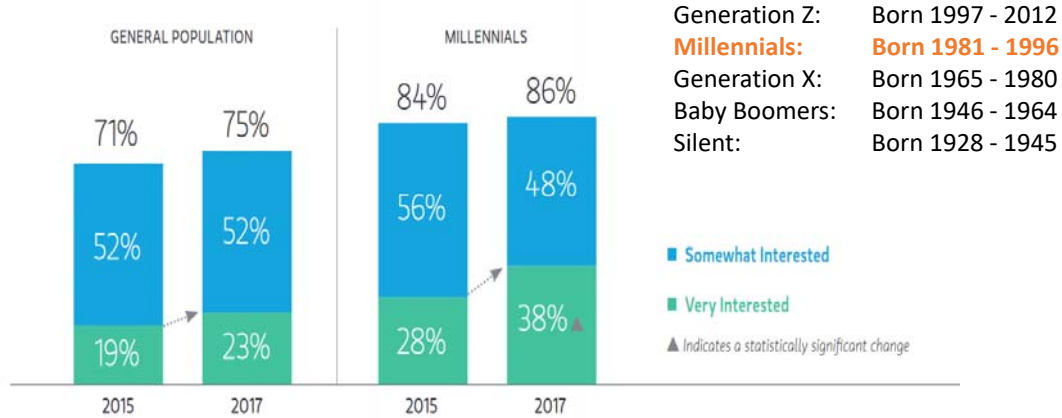
ESG Incorporation by Other Commingled Funds 2010-2018



Source: SIF Foundation - Report on US Sustainable, Responsible and Impact Investing Trends 2018

Millennials (23-38 years old)

How interested are you in sustainable investing, which is the practice of making investments in companies or funds which aim to achieve market-rate financial returns while pursuing positive social and/or environmental impact?



Generation Z: Born 1997 - 2012
Millennials: Born 1981 - 1996
 Generation X: Born 1965 - 1980
 Baby Boomers: Born 1946 - 1964
 Silent: Born 1928 - 1945

Source: http://www.morganstanley.com/pub/content/dam/msdotcom/ideas/sustainable-signals/pdf/Sustainable_Signals_Whitepaper.pdf

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ESG - Mutual Funds

Exhibit 1 What is Sustainable Investing?

Sustainable Investing—any approach that considers environmental, social, and governance, or ESG, criteria and their impact throughout the investment process.

Environmental	Social	Governance
Carbon emissions	Diversity and workplace policies	Board structure
Energy efficiency	Labor standards	Board composition
Water scarcity	Supply chain management	Executive compensation
Waste management	Product safety and wellness	Political contributions & lobbying
Pollution mitigation	Customer privacy	Bribery and corruption policies & oversight
	Community impact	Strategic sustainability oversight

Exhibit 3 Sustainable Funds Have Consistently High Morningstar Sustainability Ratings

Name	Sustainability Rating	Count	Percentage
5 Globes (all 12 months)	★★★★★	44	48%
5 Globes (every month rated < 12)	★★★★★	16	26%
4.5 to 4.99 Globes (ave 12 month)	★★★★	26	29%
4 to 4.49 Globes (ave 12 month)	★★★★	33	17%
3.5 to 3.99 Globes (ave 12 month)	★★★	17	14%
2.5 to 3.49 Globes (ave 12 month)	★★★	24	4%
1.5 to 2.49 Globes (ave 12 month)	★★	7	6%
1 to 1.49 Globes (ave 12 month)	★	11	

Source: Morningstar Direct. Data as of 12/31/2017.

Exhibit 2 More than 40% of Sustainable Fund Launches Have Come in the Past Three Years

Cumulative: **235 mutual funds**
AUM = \$100 bln

Year Range	Exchange Traded	Open End
1971-1989	15	15
1990-1999	28	28
2000-2009	58	42
2010-2014	32	28
2015-2017	102	67

Source: Morningstar Direct. Data as of 12/31/2017.

Exhibit 5 Sustainable Funds' Morningstar Ratings Skew Positive

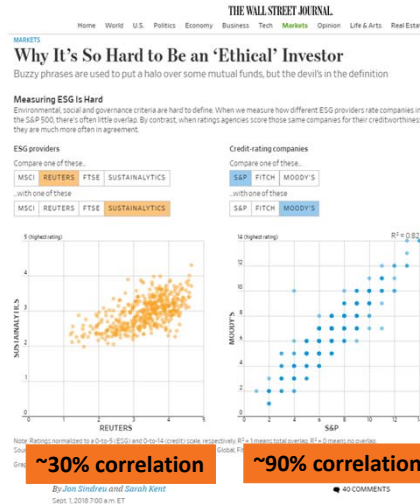
Star Rating	#	Sustainable %	Universe %
★★★★★	10	8.5	10
★★★★	37	31.4	22.5
★★★	42	35.6	35
★★	24	21.2	22.5
★	4	3.3	10.0

Source: Morningstar Direct. Data as of 12/31/2017.

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ESG - Ratings

- MSCI (ESG)
- THOMSON REUTERS (ASSET 4)
- FTSE
- SUSTAINALYTICS
- DOW JONES (DJSI)
- BLOOMBERG (ESG)
- CORPORATE KNIGHTS
- ISS
- REPRISK
- ...



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ESG - Data

Provider	Overview	Scale	Methodology	Usage
MSCI ESG	Rates 6,000 companies and 350,000 securities	AAA to CCC	37 ESG indicators	iShares ETFs, institutional investors
Thomson Reuters	Data on 6,000 companies	A+ to D and percentile ranks	400 ESG metrics	Thomson Reuters Eikon platform
Sustainalytics	Reviews 6,500 companies	100-point scale	70 ESG indicators	Morningstar, institutional investors
DJSI	Global index	100-point scale	Industry questionnaires with 80-120 questions	Top 10 companies in DJSI
Bloomberg	ESG data for 9,000 companies	100-point scale	120 ESG indicators	12,200 ESG customers
Corporate Knights	Annual index of Global 100	100-point scale	14 key performance indicators	press release by 40% of "Global 100" firms
ISS	ESG and SRI research	10-point Overall Quality scale and 5-point Climetrics score	Various SRI topics	leading proxy advisor
RepRisk	ESG reports for 84,000 companies	AAA to D	28 ESG indicators	partner with UN-PRI

Source: Darden case study "JUST Capital" based on Bloomberg, Corporate Knights, DowJones, ISS, MSCI, RepRisk, Sustainalytics and Thomson Reuters

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ESG ETFs - Top Holdings

ETF #1: DSI iShares MSCI KLD 400 Social ETF	ETF #2: JUST Goldman Sachs JUST U. S. Large Cap Equity ETF	Benchmark: Russell 1000 <small>IWB</small> <small>(Shares Russell 1000 ETF iShares iBoxx \$ Corp. Bond ETF)</small>																																																																		
Top 10 Holdings <table border="1"> <tr><td>Microsoft Corporation</td><td>7.14%</td></tr> <tr><td>Alphabet Inc. Class A</td><td>5.96%</td></tr> <tr><td>Facebook, Inc. Class A</td><td>2.97%</td></tr> <tr><td>Verizon Communications Inc.</td><td>2.10%</td></tr> <tr><td>Procter & Gamble Company</td><td>2.03%</td></tr> <tr><td>Intel Corporation</td><td>2.02%</td></tr> <tr><td>Cisco Systems, Inc.</td><td>2.00%</td></tr> <tr><td>Merck & Co., Inc.</td><td>1.84%</td></tr> <tr><td>Coca-Cola Company</td><td>1.75%</td></tr> <tr><td>Walt Disney Company</td><td>1.50%</td></tr> <tr><td>Total Top 10 Weighting</td><td>29.32%</td></tr> </table>	Microsoft Corporation	7.14%	Alphabet Inc. Class A	5.96%	Facebook, Inc. Class A	2.97%	Verizon Communications Inc.	2.10%	Procter & Gamble Company	2.03%	Intel Corporation	2.02%	Cisco Systems, Inc.	2.00%	Merck & Co., Inc.	1.84%	Coca-Cola Company	1.75%	Walt Disney Company	1.50%	Total Top 10 Weighting	29.32%	Top 10 Holdings <table border="1"> <tr><td>Amazon.com, Inc.</td><td>4.35%</td></tr> <tr><td>Apple Inc.</td><td>4.03%</td></tr> <tr><td>Microsoft Corporation</td><td>3.83%</td></tr> <tr><td>Alphabet Inc. Class A</td><td>3.02%</td></tr> <tr><td>JPMorgan Chase & Co.</td><td>2.19%</td></tr> <tr><td>Johnson & Johnson</td><td>1.97%</td></tr> <tr><td>Exxon Mobil Corporation</td><td>1.72%</td></tr> <tr><td>Bank of America Corp</td><td>1.55%</td></tr> <tr><td>Facebook, Inc. Class A</td><td>1.51%</td></tr> <tr><td>Visa Inc. Class A</td><td>1.51%</td></tr> <tr><td>Total Top 10 Weighting</td><td>25.68%</td></tr> </table>	Amazon.com, Inc.	4.35%	Apple Inc.	4.03%	Microsoft Corporation	3.83%	Alphabet Inc. Class A	3.02%	JPMorgan Chase & Co.	2.19%	Johnson & Johnson	1.97%	Exxon Mobil Corporation	1.72%	Bank of America Corp	1.55%	Facebook, Inc. Class A	1.51%	Visa Inc. Class A	1.51%	Total Top 10 Weighting	25.68%	Top 10 Holdings <table border="1"> <tr><td>Apple Inc.</td><td>3.47%</td></tr> <tr><td>Microsoft Corporation</td><td>3.30%</td></tr> <tr><td>Amazon.com, Inc.</td><td>2.80%</td></tr> <tr><td>Alphabet Inc. Class A</td><td>2.60%</td></tr> <tr><td>Berkshire Hathaway Inc. Class B</td><td>1.66%</td></tr> <tr><td>Johnson & Johnson</td><td>1.52%</td></tr> <tr><td>JPMorgan Chase & Co.</td><td>1.46%</td></tr> <tr><td>Exxon Mobil Corporation</td><td>1.34%</td></tr> <tr><td>Facebook, Inc. Class A</td><td>1.30%</td></tr> <tr><td>UnitedHealth Group Incorporated</td><td>1.06%</td></tr> <tr><td>Total Top 10 Weighting</td><td>20.51%</td></tr> </table>	Apple Inc.	3.47%	Microsoft Corporation	3.30%	Amazon.com, Inc.	2.80%	Alphabet Inc. Class A	2.60%	Berkshire Hathaway Inc. Class B	1.66%	Johnson & Johnson	1.52%	JPMorgan Chase & Co.	1.46%	Exxon Mobil Corporation	1.34%	Facebook, Inc. Class A	1.30%	UnitedHealth Group Incorporated	1.06%	Total Top 10 Weighting	20.51%
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Source: FactSet (1/23/2019)

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ESG ETFs - Performance



Benchmark #1: Russell 1,000

Benchmark #2: S&P 500

ETF #1: JUST (Goldman Sachs JUST U. S. Large Cap Equity ETF)

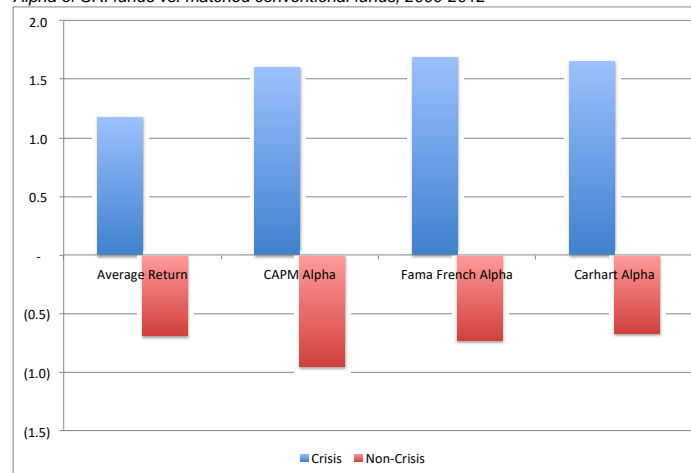
ETF #2: DSI (iShares MSCI KLD 400 Social ETF)

Source: Yahoo Finance! (1/23/2019)

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ESG Funds - Risk

Alpha of SRI funds vs. matched conventional funds, 2000-2012



Source: Table 4 (B) in Nofsinger and Varma (2014)

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ESG Disclosure



Mandated by SEC

- Requires companies to report “material” information annually and updated quarterly.
- If a reasonable investor knew about it, would it make a difference? If so, it's material.
- Disclosures is vague boilerplate language

Voluntary???

- 75% of the topics in SASB standards are already acknowledged in mandatory filings.
- Provides framework to determine materiality and metrics to disclose

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Exchanges Requiring ESG Data Disclosure

- BOLSA MEXICANA DE VALORES
- BORSA ISTANBUL
- BURSA MALAYSIA
- DEUTSCHE BÖRSE AG
- THE JOHANNESBURG STOCK EXCHANGE
- THE LONDON STOCK EXCHANGE
- THE SÃO PAULO STOCK EXCHANGE
- THE SHANGHAI STOCK EXCHANGE
- THE SINGAPORE EXCHANGE
- STOCK EXCHANGE OF HONG KONG
- STOCK EXCHANGE OF THAILAND
- TORONTO STOCK EXCHANGE

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Take-a-ways

1. It's inclusive of many different assets, investment vehicles and investors
2. Percentage of US assets has grown but still lags regions except Asia
3. It's a movement with momentum but is it sustainable?
4. After-fee performance over time is still a question
5. The link between outcomes and metrics is not always clear especially in public equities.

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INTRO:
WHAT IS ESG?



RESEARCH:
ESG AND
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INVESTORS AROUND
THE GLOBE?



CASE STUDY:
JUST CAPITAL



EUROPEAN UNION – SUSTAINABLE FINANCE



English EN

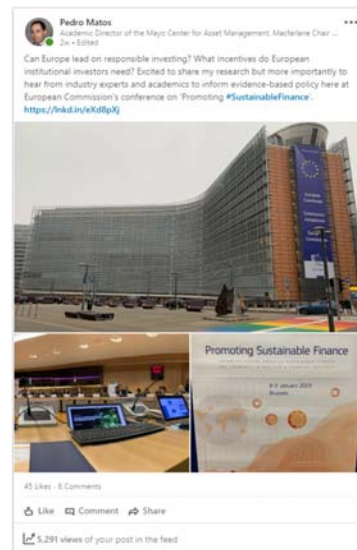
Home > Publications > Technical Expert Group on Sustainable Finance (TEG)

Technical Expert Group on Sustainable Finance (TEG)

The Commission set up a Technical expert group on sustainable finance (TEG) to assist it in developing, in line with the [Commission's legislative proposals of May 2018](#)

- an EU classification system – the so-called **taxonomy** – to determine whether an economic activity is environmentally sustainable;
- an **EU Green Bond Standard**;
- **benchmarks** for low-carbon investment strategies; and
- **guidance** to improve **corporate disclosure** of climate-related information.

https://ec.europa.eu/info/publications/sustainable-finance-technical-expert-group_en



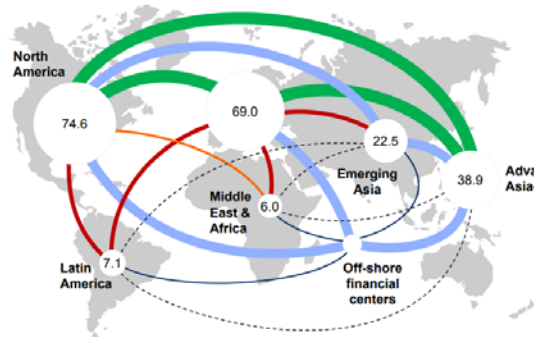
WHY GLOBAL RESEARCH?



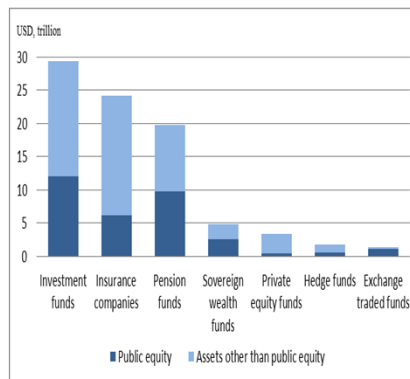
INSTITUTIONAL INVESTORS = THE FORCE BEHIND GLOBALIZATION

McKinsey Global Institute
Mapping global capital markets 2011

By 2011, the web of cross-border investment assets had grown significantly in breadth and depth
Width of lines shows total value of cross-border investments between regions as percent of global GDP¹

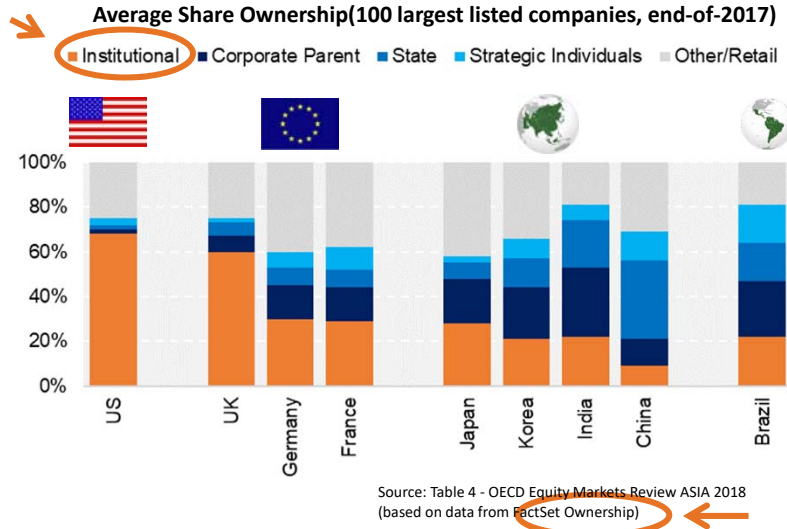


Institutional Investor Holdings = \$28 Trillion in Public Equities [2011]

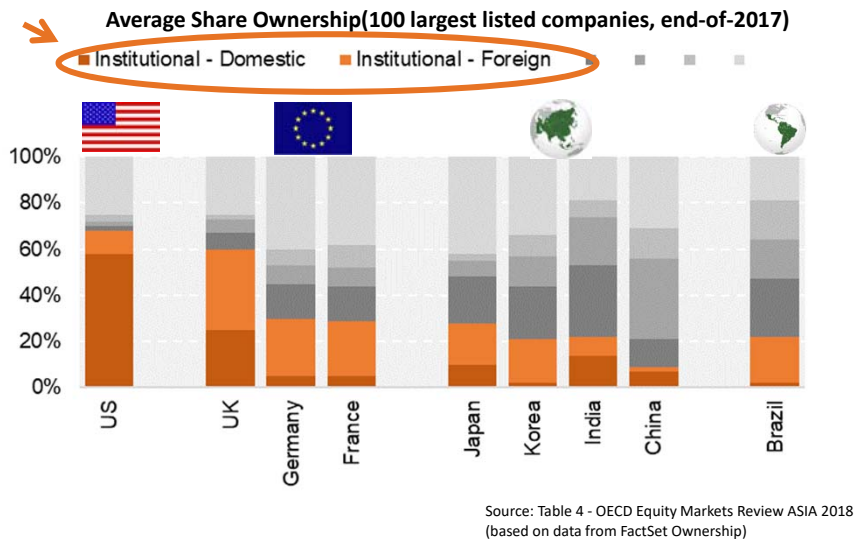


Source: OECD Institutional Investors Database, SWF Institute, IMF, Prequin, BlackRock, McKinsey Global Institute

WHY LOOK AT INSTITUTIONAL INVESTORS? DIFFERENCES IN OWNERSHIP STRUCTURE



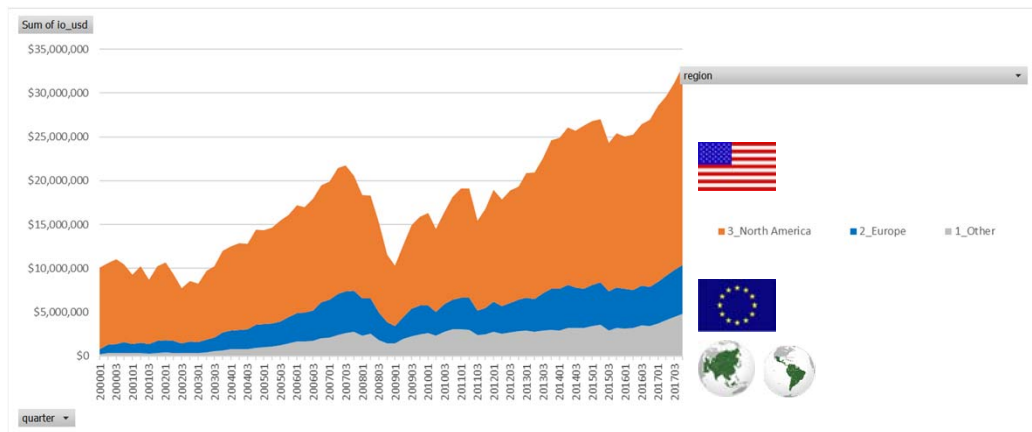
SPECIAL ROLE OF FOREIGN INSTITUTIONAL INVESTORS (OUTSIDE THE U.S.)?



MEASURING THE MULTI-POLAR WORLD: INSTITUTIONAL EQUITY OWNERSHIP (FACTSET)

The image shows the Wharton Research Data Services (WRDS) Factset interface. On the left, a monitor displays a dashboard with various charts and data tables. On the right, the web interface for the 'Factset - Stock Ownership Summary' tool is shown, including search options, current subscriptions, and a data table with columns for date, region, and ownership percentage.

MEASURING THE MULTI-POLAR WORLD: INSTITUTIONAL EQUITY OWNERSHIP (FACTSET)



GLOBAL RESEARCH ON "G"?



[* MY WORK WITH CO-AUTHORS*]

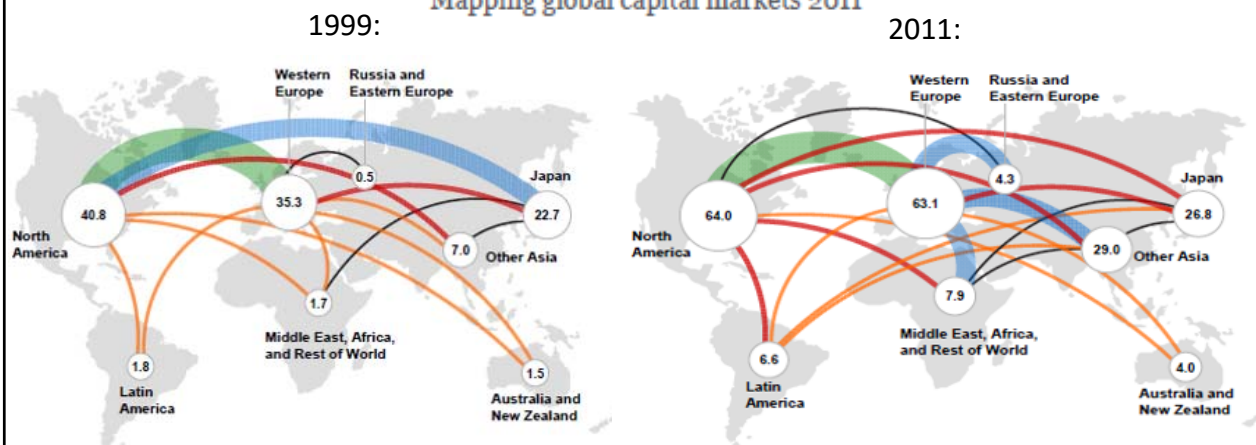
Globalization of a firm's shareholder base can be a positive force on Governance (G)!

Rise of Foreign Institutional Ownership (Foreign IO) on average leads to:

- > **Performance:** Increased shareholder pressure to perform (JFE, 2008)
- > **M&As:** Increased likelihood of cross-border takeovers (RFS, 2010)
- > **Governance:** Adoption of more shareholder-centric (US-style) practices (JFE, 2011)
- > **CEO Pay:** Convergence to international/US executive compensation practices (RFS, 2013)
- > **LT Investing:** Can sustain long-term investing (JFE, 2017)

THE WORLD IS MORE MULTI-POLAR ! ... WILL EUROPE MATTER FOR E & S (INSTEAD OF U.S. FOR G) ?

McKinsey Global Institute
Mapping global capital markets 2011



GLOBAL RESEARCH ON “E” & “S”?



[* OTHER RESEARCHERS & WORK IN PROGRESS *]

Can changes in firms’ shareholder base have impact on Environmental (E) & Social (S) performance!

-> P1: Dyck, Lins, Roth & Wagner “Do Institutional Investors Drive Corporate Social Responsibility? International Evidence” (JFE, FORTH.)

-> P2: Krüger, Sautner & Starks “The Importance of Climate Risk for Institutional Investors” (RFS, COND. ACCEPT)

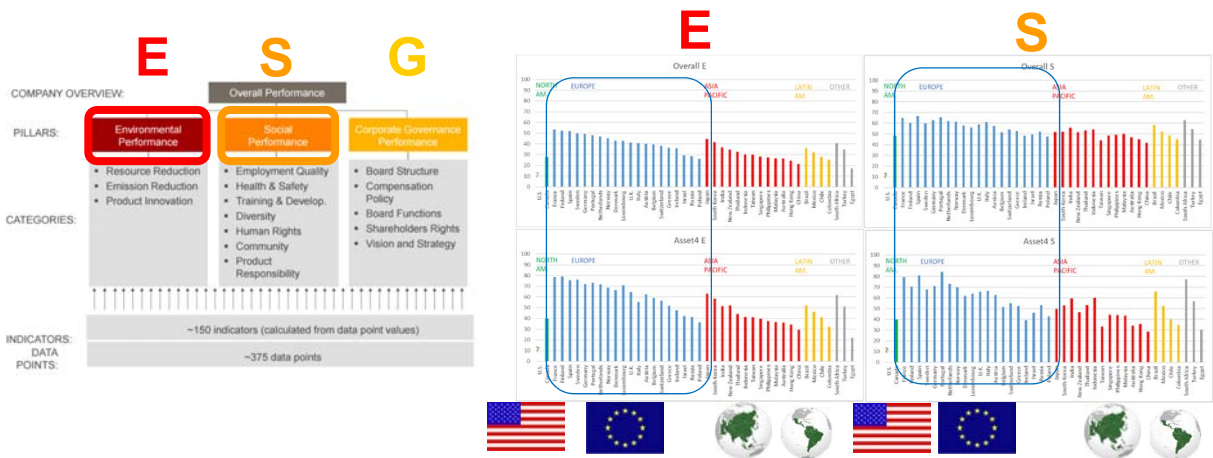
-> P3: Dimson, Karakaş & Li “Coordinated Engagements”(2018, PRI AWARD)

-> work in progress

- P1: [Dyck, Lins, Roth & Wagner “Do Institutional Investors Drive Corporate Social Responsibility? International Evidence”](#) (JFE, forth.)

3,277 non-US publicly-listed firms, 41 countries, 2004-2013

E&S scores: Thompson Reuters equally-weighted vs. ASSET 4 scores (also Sustainalytics, Bloomberg)

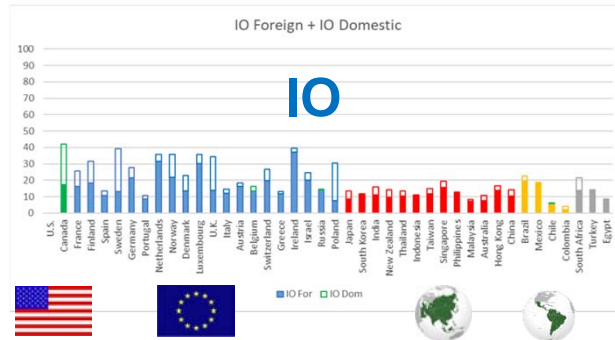


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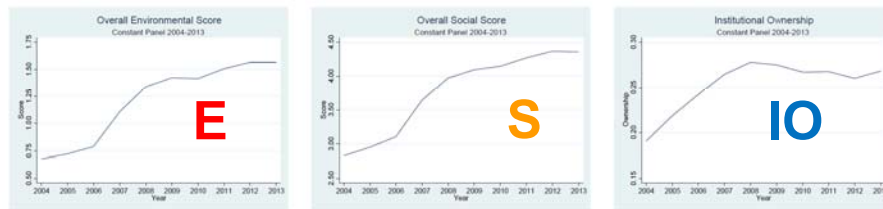
Institutional ownership (FactSet Ownership/Lionshares)




- P1: [Dyck, Lins, Roth & Wagner “Do Institutional Investors Drive Corporate Social Responsibility? International Evidence”](#) (JFE, forth.)

putting it all together ... issue: could it spurious relation between these upward trends? ... clears the academic bar of CAUSALITY! (changes on changes, IV, quasi-natural experiments)

Panel A: Constant Panel of 805 Firms, 2004-2013



- Origin of foreign investors matters!  -> basically, Europeans!

- UN-PRI signatory institutions 

- US Investors: no impact on E performance  -> fiduciary duty?

- P2: [Krüger, Sautner & Starks: “The Importance of Climate Risk for Institutional Investors”](#) (RFS, conditionally accepted.)

Survey of a 439 institutional investors (global, 1/3 executive-level, 48 with >\$100bn AUM)

Elicit these investors’ views and actions related to climate risks

Position (N=428)	Percentage
Fund/Portfolio manager	21%
Executive/Managing director	18%
Investment analyst/strategist	16%
CIO	11%
CEO	10%
CFO/COO/Chairman/Other executive	10%
ESG/RI specialist	10%
Other	2%
Institutional investor type (N=439)	Percentage
Asset manager	23%
Bank	22%
Pension fund	17%
Insurance company	15%
Mutual fund	8%
Other institution	15%

Assets under management (N=430)	Percentage
Less than \$1bn	19%
Between \$1bn and \$20bn	32%
Between \$20bn and \$50bn	23%
Between \$50bn and \$100bn	16%
More than \$100bn	11%
Investor horizon (N=432)	Percentage
Short (less than 6 months)	5%
Medium (6 months to 2 years)	38%
Long (2 years to 5 years)	38%
Very long (more than 5 years)	18%

- 36% Continental Europe + 17% UK
- 32% US
- 25% Rest of World

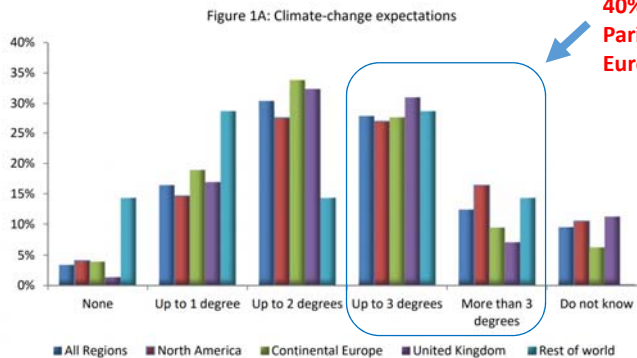


- P2: [Krüger, Sautner & Starks: “The Importance of Climate Risk for Institutional Investors”](#) (RFS, conditionally accepted.)

Q1: Role of climate risks in investment decisions?

Figure 1: Institutional Investor Climate-Change Expectations

Figure 1A provides respondents’ expectations for the global temperature rise by the end of this century. We report results for the full sample and by region. Regions include North America (United States and Canada), Continental Europe, United Kingdom and Ireland), and Rest of World. We anchored expectations by referring in our question to the two degrees Celsius target of the 2016 Paris Climate Accord. Respondents were asked to state their own climate expectations, and to provide us with a confidence level for their assessment. Figure 1B provides responses on the confidence level, again reported for the full sample and by region.

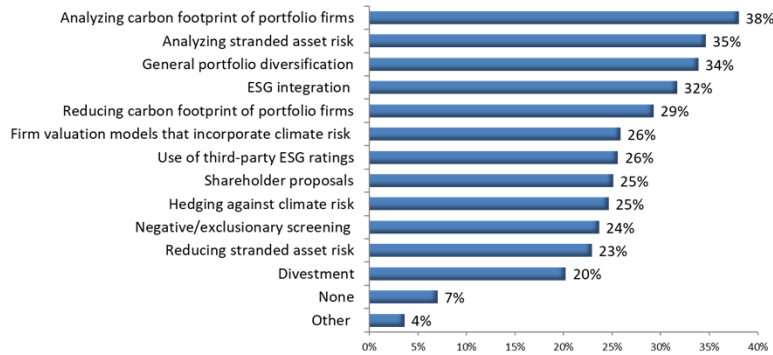


40% expect a rise that exceeds the Paris target ! ... interesting: both European and North American!



- P2: [Krüger, Sautner & Starks: “The Importance of Climate Risk for Institutional Investors”](#) (RFS, conditionally accepted.)

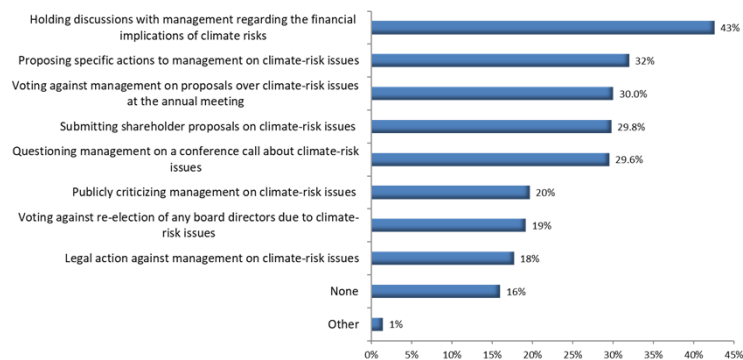
Q2: Climate-risk management?




- Industry has taken first steps towards managing climate risks but: two most basic approaches taken by <40%
- Divestment least frequently used approach

- P2: [Krüger, Sautner & Starks: “The Importance of Climate Risk for Institutional Investors”](#) (RFS, conditionally accepted.)

Q3: Shareholder engagement related to climate risks?




- Some engagement

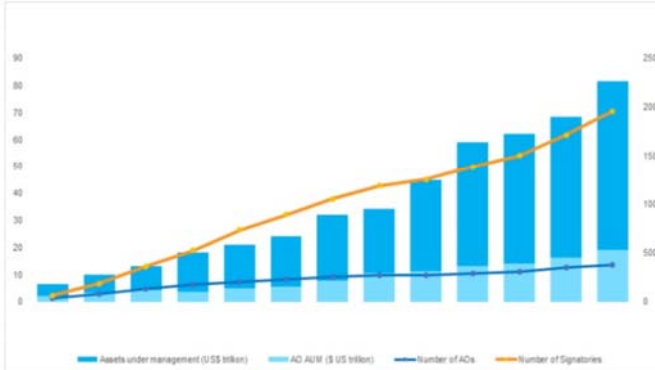


Principles for Responsible Investment

2
UN PARTNERS:
UNEP FINANCE INITIATIVE
UN GLOBAL COMPACT



Assets under management (US\$ trillion)



Number of Signatories


CONSISTENT GROWTH

- Number of signatories has increased by 57% from April 2014 to April 2018


SIGNATORY TYPES


- Asset Owners: 19%
- Investment Managers: 68%
- Service Providers: 13%

2000+
SIGNATORIES:
ASSET OWNERS
INVESTMENT MANAGERS
SERVICE PROVIDERS




80+
US\$ trn
ASSETS UNDER MANAGEMENT



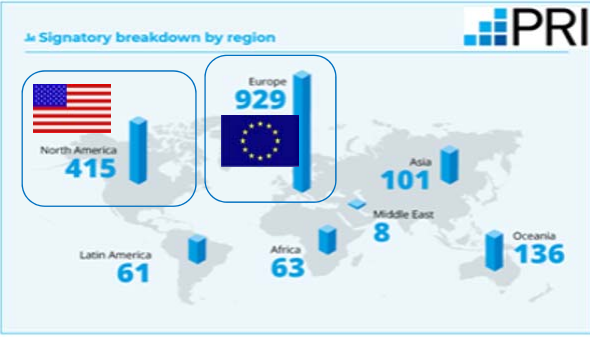


Principles for Responsible Investment


2
UN PARTNERS:
UNEP FINANCE INITIATIVE
UN GLOBAL COMPACT




Signatory breakdown by region



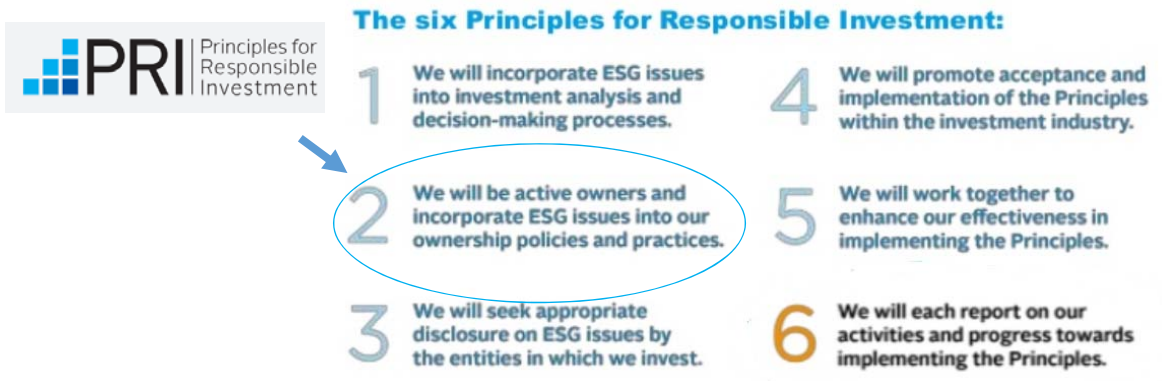
2000+
SIGNATORIES:
ASSET OWNERS
INVESTMENT MANAGERS
SERVICE PROVIDERS



80+
US\$ trn
ASSETS UNDER MANAGEMENT



- P3: [Dimson, Karakas & Li: "Coordinated Engagements"](#) (Working paper, PRI Award)



- Global E & S engagements: 31 PRI-coordinated projects (2007-2017, 964 listed firms, 224 investors)
 - Benefits: pooling of resources, risk sharing
 - Costs: "concert party"
- **Main Findings:**
 - Success? Local lead & foreign supporting, influential (large AUM, holdings)
 - Impact? Higher returns, lower vol, ...

work in progress with Rajna Gibson, Philipp Krüger and Tom Steffen (University of Geneva)



Principles for Responsible Investment

1. Organisational overview

[* work in progress *]

OO 01.1	INDICATOR																				
OO 01.1	Select the type that best describes your organisation or the services you provide																				
<table border="1" style="width: 100%; border-collapse: collapse; font-size: 7px;"> <thead> <tr> <th style="width: 50%;">Asset owners</th> <th style="width: 50%;">Select the type that best represents your primary role</th> </tr> </thead> <tbody> <tr><td><input type="checkbox"/> Non-corporate pension or superannuation or retirement or provident fund or plan</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Corporate pension or superannuation or retirement or provident fund or plan</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Insurance company</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Foundation</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Endowment</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Development finance institution</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Reserve - sovereign or government-controlled fund</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Family office</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Other, specify</td><td><input type="checkbox"/></td></tr> </tbody> </table>		Asset owners	Select the type that best represents your primary role	<input type="checkbox"/> Non-corporate pension or superannuation or retirement or provident fund or plan	<input type="checkbox"/>	<input type="checkbox"/> Corporate pension or superannuation or retirement or provident fund or plan	<input type="checkbox"/>	<input type="checkbox"/> Insurance company	<input type="checkbox"/>	<input type="checkbox"/> Foundation	<input type="checkbox"/>	<input type="checkbox"/> Endowment	<input type="checkbox"/>	<input type="checkbox"/> Development finance institution	<input type="checkbox"/>	<input type="checkbox"/> Reserve - sovereign or government-controlled fund	<input type="checkbox"/>	<input type="checkbox"/> Family office	<input type="checkbox"/>	<input type="checkbox"/> Other, specify	<input type="checkbox"/>
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Total		100%																			
Further options for investment managers (may be selected in addition to the above)																					
<input type="checkbox"/> Execution and advisory services	<input type="checkbox"/>																				
<input type="checkbox"/> Hedge funds	<input type="checkbox"/>																				
<input type="checkbox"/> Fund of hedge funds	<input type="checkbox"/>																				

PRI REPORTING FRAMEWORK 2018
(OO 01.1_A/B) Organisational Overview - Organization Type
(Nr of Respondents)

Organization Type	Europe	North America	Other
Asset Owner	190	25	59
Investment Manager	572	262	200

-> More European signatories reporting
 -> European relatively more “asset owners” (pension funds, insurance, etc.) while North American: more “investment managers” ... pattern even more true if consider \$ AUM.

Principles for Responsible Investment

1. Organisational overview

[* work in progress *]

OO 05.1	INDICATOR																														
OO 05.1	Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes																														
<table border="1" style="width: 100%; border-collapse: collapse; font-size: 7px;"> <thead> <tr> <th style="width: 50%;">Internally managed</th> <th style="width: 50%;">Externally managed</th> </tr> </thead> <tbody> <tr><td><input type="checkbox"/> Listed equity</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Fixed income</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Private equity</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Property</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Infrastructure</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Commodities</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Hedge funds</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Forestry</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Farmland</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Inclusive finance</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Cash</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Other (1), specify</td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/> Other (2), specify</td><td><input type="checkbox"/></td></tr> <tr><td colspan="2">Total (needs to add up to 100%)</td></tr> </tbody> </table>		Internally managed	Externally managed	<input type="checkbox"/> Listed equity	<input type="checkbox"/>	<input type="checkbox"/> Fixed income	<input type="checkbox"/>	<input type="checkbox"/> Private equity	<input type="checkbox"/>	<input type="checkbox"/> Property	<input type="checkbox"/>	<input type="checkbox"/> Infrastructure	<input type="checkbox"/>	<input type="checkbox"/> Commodities	<input type="checkbox"/>	<input type="checkbox"/> Hedge funds	<input type="checkbox"/>	<input type="checkbox"/> Forestry	<input type="checkbox"/>	<input type="checkbox"/> Farmland	<input type="checkbox"/>	<input type="checkbox"/> Inclusive finance	<input type="checkbox"/>	<input type="checkbox"/> Cash	<input type="checkbox"/>	<input type="checkbox"/> Other (1), specify	<input type="checkbox"/>	<input type="checkbox"/> Other (2), specify	<input type="checkbox"/>	Total (needs to add up to 100%)	
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PRI REPORTING FRAMEWORK 2018
(OO - 05.1) Organisational Overview - Breakdown AUM by Asset Class

Asset Class	Europe	North America
Listed Equity	33%	44%
Fixed Income	28%	23%
Private Equity	16%	14%
Other	23%	19%

-> again, research focus on listed equities (“streetlight effect”)!

ESG/RI strategies in the lifetime of an investment:



Pre-Investment

- Negative screening
- Positive screening

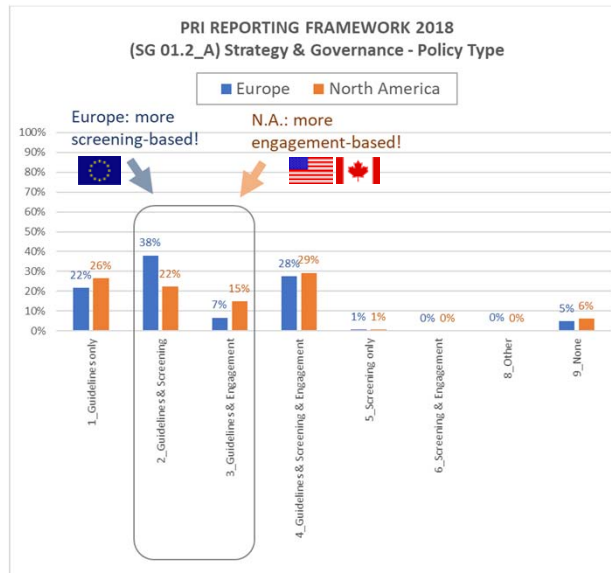
Post-Investment

- Engagement

Divestment

2. Strategy and governance

SG 01	INDICATOR																								
SG 01.1	Indicate if you have an investment policy that covers your responsible investment approach. <input type="checkbox"/> Yes <input type="checkbox"/> No																								
SG 01.2	Indicate the components/types and coverage of your policy																								
	<table border="1"> <thead> <tr> <th>Policy components/types</th> <th>Coverage by AUM</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/> Policy writing out your overall approach</td> <td><input type="checkbox"/> Applicable policies cover all AUM</td> </tr> <tr> <td><input type="checkbox"/> Formalised guidelines on environmental factors</td> <td><input type="checkbox"/> Applicable policies cover a majority of AUM</td> </tr> <tr> <td><input type="checkbox"/> Formalised guidelines on social factors</td> <td><input type="checkbox"/> Applicable policies cover a minority of AUM</td> </tr> <tr> <td><input type="checkbox"/> Formalised guidelines on corporate governance factors</td> <td><input type="checkbox"/> Applicable policies cover a minority of AUM</td> </tr> <tr> <td><input type="checkbox"/> Asset class specific RI guidelines</td> <td><input type="checkbox"/> Applicable policies cover a minority of AUM</td> </tr> <tr> <td><input type="checkbox"/> Sector specific RI guidelines</td> <td><input type="checkbox"/> Applicable policies cover a minority of AUM</td> </tr> <tr> <td><input type="checkbox"/> Screening/exclusionary policy</td> <td><input type="checkbox"/> Applicable policies cover a minority of AUM</td> </tr> <tr> <td><input type="checkbox"/> Engagement policy</td> <td></td> </tr> <tr> <td><input type="checkbox"/> (Proxy) voting policy</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Other, please specify (1): _____</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Other, please specify (2): _____</td> <td></td> </tr> </tbody> </table>	Policy components/types	Coverage by AUM	<input type="checkbox"/> Policy writing out your overall approach	<input type="checkbox"/> Applicable policies cover all AUM	<input type="checkbox"/> Formalised guidelines on environmental factors	<input type="checkbox"/> Applicable policies cover a majority of AUM	<input type="checkbox"/> Formalised guidelines on social factors	<input type="checkbox"/> Applicable policies cover a minority of AUM	<input type="checkbox"/> Formalised guidelines on corporate governance factors	<input type="checkbox"/> Applicable policies cover a minority of AUM	<input type="checkbox"/> Asset class specific RI guidelines	<input type="checkbox"/> Applicable policies cover a minority of AUM	<input type="checkbox"/> Sector specific RI guidelines	<input type="checkbox"/> Applicable policies cover a minority of AUM	<input type="checkbox"/> Screening/exclusionary policy	<input type="checkbox"/> Applicable policies cover a minority of AUM	<input type="checkbox"/> Engagement policy		<input type="checkbox"/> (Proxy) voting policy		<input type="checkbox"/> Other, please specify (1): _____		<input type="checkbox"/> Other, please specify (2): _____	
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ESG incorporation strategy

Integration

- Qualitative
- Quantitative
- Engagement

Thematic

Negative screening

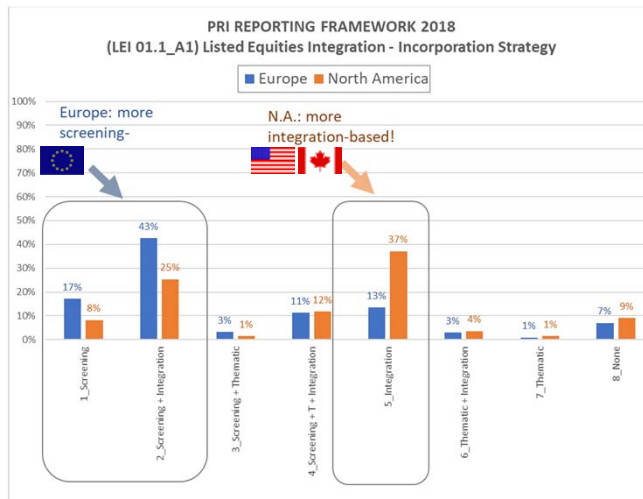
- Ethical investing
- Low-carbon strategies
- Country exclusions
- ...

Positive screening

- Green bonds
- Social bonds
- Impact Investing
- ...

LEI 01	INDICATOR	Percentage of active listed equity to which the strategy is applied (by asset owner) (%)
LEI 01.1	Indicate: <ul style="list-style-type: none"> • which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities, and • the breakdown of your actively managed listed equities by strategy or combination of strategies. 	
	ESG incorporation strategy (sum of four rows)	
	☐ Screening alone (i.e., not combined with any other strategies)	17%
	☐ Thematic alone (i.e., not combined with any other strategies)	8%
	☐ Integration alone (i.e., not combined with any other strategies)	43%
	☐ Screening and integration strategies	25%
	☐ Thematic and integration strategies	3%
	☐ Screening and thematic strategies	1%
	☐ All three strategies combined	11%
	☐ We do not apply incorporation strategies	12%
	Total actively managed listed equities	100%

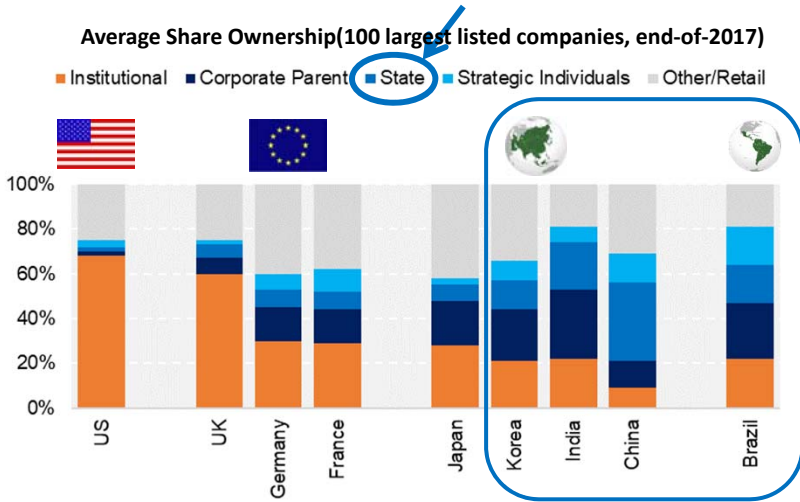
Respondents:
~ 80% of AUM



- European/North American differences are true for: i) both for asset owners and investment managers; ii) across signatory years and iii) across \$ AUM bins.
- European also deploy more number of strategies



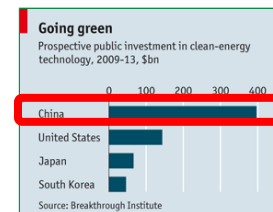
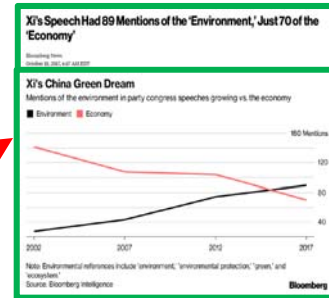
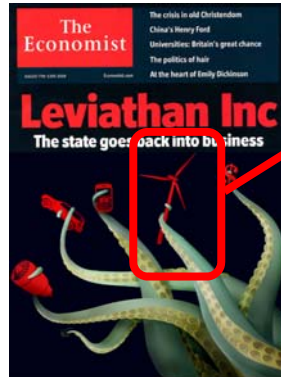
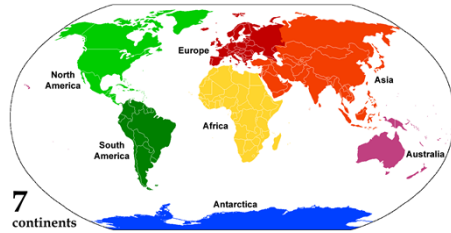
ANY OTHER (NON-INSTITUTIONAL) PLAYERS?



Source: Table 4 - OECD Equity Markets Review ASIA 2018 (based on data from FactSet Ownership)

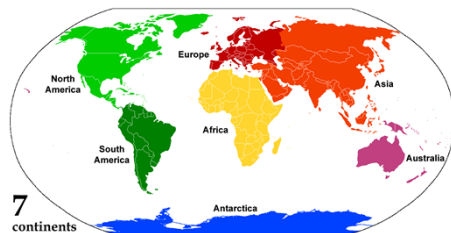
OTHER PLAYERS?

“Leviathan Inc. and Corporate Environmental Engagement”
By Hsu, Liang and Matos (2018)



OTHER PLAYERS?

“Leviathan Inc. and Corporate Environmental Engagement”
By Hsu, Liang and Matos (2018)



► This study:

- International data on state control and ownership (BvD ORBIS - manual corrections!) & Environmental Engagement ASSET4 (also MSCI, Sustainalytics)
- Sample period: 2004-2014
- 45 countries

► Main Findings:

- SOEs tend to have **higher engagement in environmental issues** (particularly after shocks: Copenhagen, Fukushima, temperatures and government changes to left)
 - We do not find such a pattern for other blockholding types
 - The role of SOEs on environmental engagement is more pronounced in
 - **Countries lacking long-term capital & energy stability**
 - **Firms in polluting sectors & with local operations**
- Policy implications: there is a role of “Leviathan Inc.” in dealing with externalities in the economy!

CONCLUSIONS

- Policy-making should be evidence-based! Support academic research .



“It is a capital mistake to theorize before one has data. Insensibly one begins to twist facts to suit theories, instead of theories to suit facts.”

The Adventures of Sherlock Holmes
 “A Scandal in Bohemia”

Perspectives on ESG Investing – Webinar Outline:



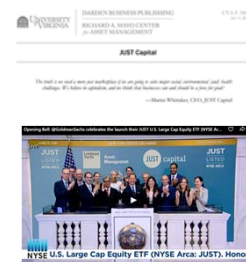
INTRO:
 WHAT IS ESG?



RESEARCH:
 ESG AND
 INSTITUTIONAL
 INVESTORS AROUND
 THE GLOBE?



CASE STUDY:
 JUST CAPITAL



<http://store.darden.virginia.edu/>

Institute for Business in Society



Richard A. Mayo Center for Asset Management



DARDEN BUSINESS PUBLISHING
RICHARD A. MAYO CENTER
for ASSET MANAGEMENT

UVA-F-1844
Jan. 18, 2019

JUST Capital

The truth is we need a more just marketplace if we are going to solve major social, environmental (and) health challenges. We believe in capitalism, and we think that businesses can and should be a force for good.

—Martin Whittaker, CEO, JUST Capital

In December 2017, the cover of *Forbes* magazine announced a list of “America’s Top Corporate Citizens” (Exhibit 1). This list of companies, referred to as “the JUST 100”, was created by JUST Capital, a tax-exempt organization founded with the mission of building a more just marketplace. The JUST 100 was a list of public companies said to reflect the corporate attributes that Americans considered most just.

JUST Capital was founded in 2013 on a premise: if Americans know what companies best reflect their values, they will buy from, invest in, work for, and otherwise support the companies that best align with those values. JUST Capital wanted to use the forces of free markets to reward the “just” behavior of good corporate actors and incentivize bad actors to reform. JUST Capital assessed the attributes that the American public valued in a company by conducting an annual survey of about 10,000 Americans. The respondents represented a cross-section of the American people, capturing voices across generational divides, income disparities, gender, and more. In so doing, it created a composite view of what Americans valued: companies that believed in fair pay and equal treatment for all workers, created good jobs, understood the value of strong communities, and committed to a healthy planet. The JUST 100, first released by *Forbes* in 2016, was the list of top 100 companies that most adhered to those values.

<https://justcapital.com/>

Ranking companies on the issues Americans care about.

JUST capital | Rankings | Issues | ROI | News & Reports | About | [Donate](#)

Find out which company is best for [EXPLORE THE RANKINGS >](#)

AMERICA'S MOST JUST COMPANIES

Ranking companies on the issues Americans care about most – giving you the power to build a more just marketplace.



Building a More Just Marketplace: The 2018 Rankings of America's Most JUST Companies



2018: The Year in Review

The Creation of JUST Capital

Our Mission

At JUST Capital, our mission is to build a more just marketplace that better reflects the true priorities of the American people. We believe that business, and capitalism, can and must be a positive force for change. We believe that if they have the right information, people will buy from, invest in, work for, and otherwise support companies that align with their values. And we believe that business leaders are searching to win back the trust of the public in ways that go beyond money. By shifting the immense resources and ingenuity of the \$15 trillion private sector onto a more balanced – and more just – course, we can help build a better future for everyone.

Our Origins

JUST Capital was co-founded in 2013 by a group of concerned people from the world of business, finance, and civil society – including Paul Tudor Jones II, Deepak Chopra, Rinaldo Brutoco, Arianna Huffington, Paul Scialla, and others. By establishing the organization as a not-for-profit 501(c)(3) registered charity, the founders ensured that JUST Capital would be exclusively geared towards achieving its mission.



Source: <https://justcapital.com/about/>

The JUST 100: “America’s Most JUST Companies”

How Polling Drives the Rankings

Each year, we ask Americans what matters most to them when it comes to business behavior. The results drive how we track, analyze, and rank companies. [Learn more about polling.](#)



POLL AMERICANS



EVALUATE COMPANIES

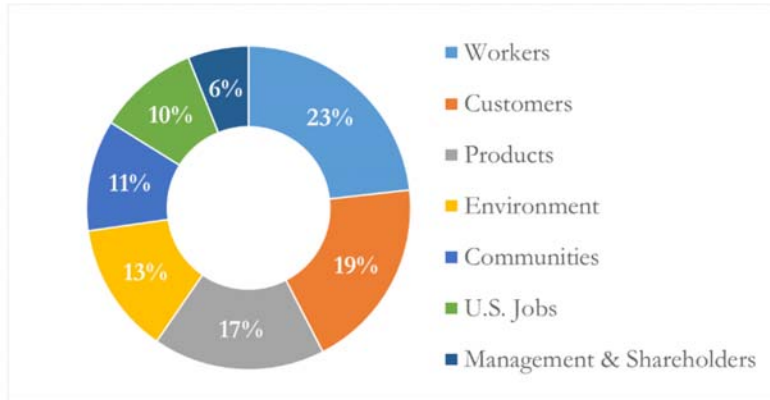


PUBLISH RANKINGS



The JUST 100: "America's Most JUST Companies"

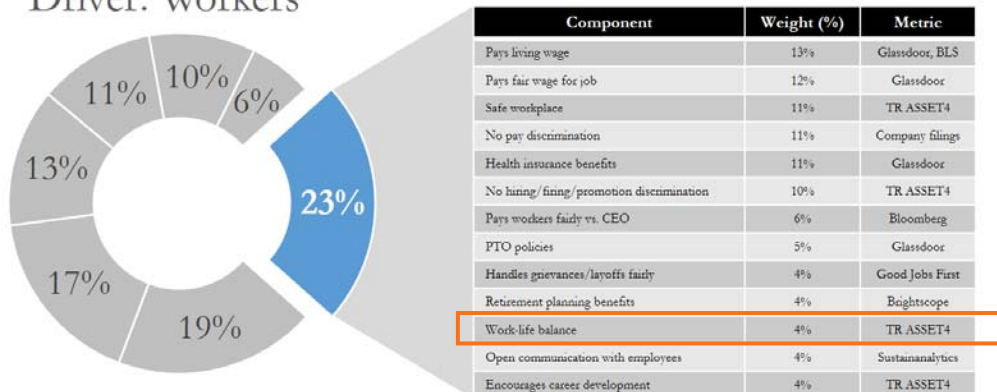
2017 Survey Results: The Drivers of "Justness"



Source: JUST Capital, "Roadmap for Corporate America - JUST Capital's 2017 Survey Results" (November 2017).

The JUST 100: "America's Most JUST Companies"

Driver: Workers



Example of Driver: Workers

Just Capital wants Companies to care about Workers

Desired Outcomes

- Good benefits (3 metrics, 4 data)
- Living wage (1 metric, 1 data)
- Safe workplace (4 metrics, 7 data)
- No pay discrimination (1 metric, 1 data)
- Fair wage for industry and level (3 data, 3 metrics)
- Equal opportunity policies (3 metrics, 5 data)
- Promote work-life balance (2 metrics, 3 data)
- Provide career training and development opportunities (2 metrics, 3 data)
- Responsive and transparent workplace (1 metric, 2 data)

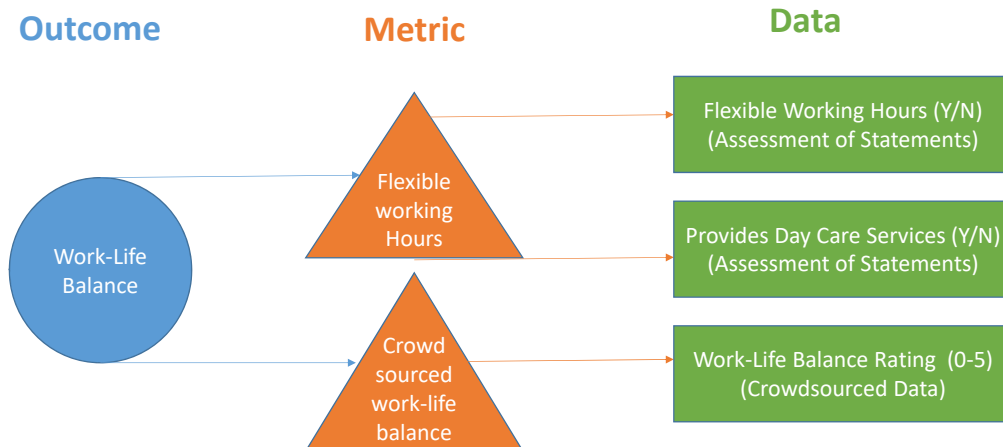
Data

- Government data
- Company filings
- Public documents
- Crowdsourcing
- Private data providers

Source: https://s3.amazonaws.com/com-justcapital-web-v2/pdf/JUSTCapital_2018Methodology.pdf p. 58-65

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Example of Component:

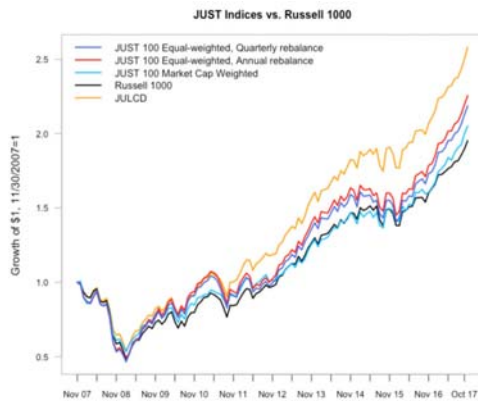


Source: https://s3.amazonaws.com/com-justcapital-web-v2/pdf/JUSTCapital_2018Methodology.pdf p. 58-65

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The Investment Case for the JUST 100

Backtesting (Nov 2007-2017):



Live-testing (Nov 2016+):

Performance (total return)



Note: Russell 1000 normalized to value of 1000 as November 30th 2016

The Investment Case for the JUST 100

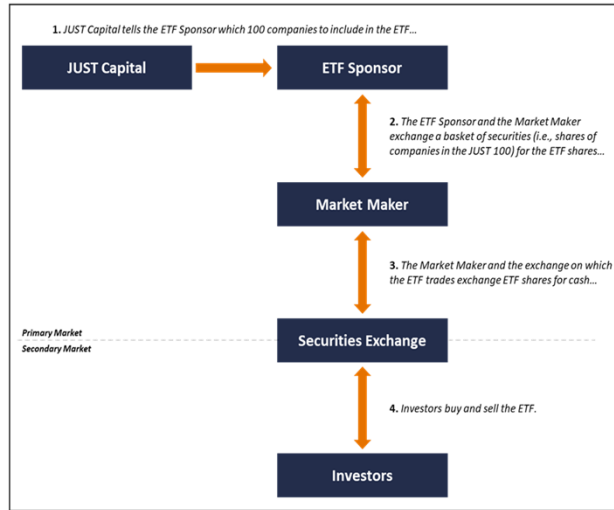
Bloomberg: JULCD <INDEX> **Thomson Reuters:** (RIC: .TFTJULCDU)

Index Description: The JUST U.S. Large Cap Diversified Index (JULCD) is designed to track the performance of U.S. large-capitalization companies that most closely align with the American public's definition of just business behavior. It is based on the annual rankings of just business behavior produced by JUST Capital. The JULCD index includes the top 50% of Russell 1000 companies ranked by JUST Capital by industry and is constructed to match the Russell 1000's industry weights. The index generally tracks the Russell 1000's broad market exposure -making it suitable for a core US equity allocation- while including only the companies that rank well on the issues that matter most to the American public.

Why Invest in the JUST US Large Cap Diversified Index (JULCD)? The index reflects the values of the American public without sacrificing investment return. For example, compared with Russell 1000 companies excluded from the index, 2017-18 JULCD constituents on average:

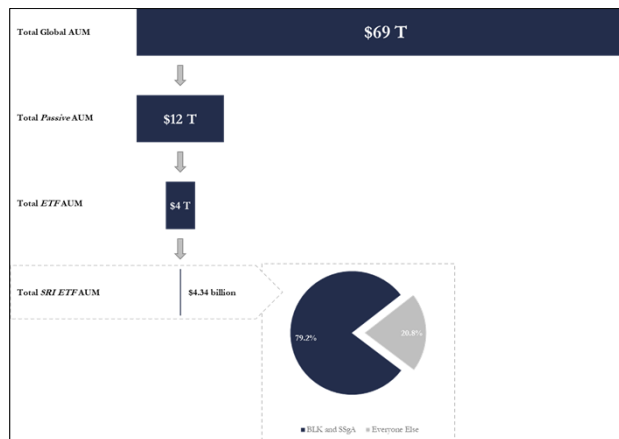
- Include twice as many companies that pay nearly every worker a living wage
- Create U.S. jobs at a 20% greater rate
- Employ twice as many workers in the U.S.
- Produce 45% lower greenhouse gas emissions per dollar of revenue
- Paid 71% less in fines for consumer sales-terms violations
- Give 2.3x more to charity
- Paid 94% less in Equal Employment Opportunity Commission Fines
- Have a 7% higher Return on Equity (ROE)

The Next Phase = ETF?



The Next Phase = ETF?

The ETF Market - A Breakdown of Total Global AUM



The Next Phase = ETF?

The 10 Largest Socially Responsible ETFs (by AUM) as of January 19, 2018

Sponsor	Symbol	ETF Name	Total Assets (\$ million)	SRI ETF Market Share (%)	Expense Ratio (%)
Blackrock	DSI	iShares MSCI KLD 400 Social ETF	\$1,058	27.2%	0.25%
Blackrock	SUSA	iShares MSCI USA ESG Select ETF	\$679	17.4%	0.25%
Blackrock	CRBN	iShares MSCI ACWI Low Carbon Target ETF	\$521	13.4%	0.20%
State Street	SHE	SPDR SSGA Gender Diversity Index ETF	\$379	9.7%	0.20%
State Street	SPYX	SPDR S&P 500 Fossil Fuel Reserves Free ETF	\$247	6.3%	0.20%
Blackrock	ESGE	iShares MSCI EM ESG Optimized ETF	\$202	5.2%	0.25%
Blackrock	ESGD	iShares MSCI EAFE ESG Optimized ETF	\$142	3.6%	0.20%
Global X	CATH	Global X S&P 500 Catholic Values ETF	\$141	36%	0.29%
FlexShares	ESGG	FlexShares STOXX Global ESG Impact Index Fund	\$55	14%	0.42%
State Street	EFAX	SPDR MSCI EAFE Fossil Fuel Reserves Free ETF	\$53	14%	0.20%

JUST Capital - Epilogue

June 13, 2018:

**Goldman Sachs
JUST U.S. Large
Cap Equity ETF
(NYSE: JUST)**



**\$251M in AUM
(most successful
ESG ETF, top 10
equity ETF
launch)**

BARRON'S
A Better Approach to ESG?
[READ THE ARTICLE](#)

SLATE
Invest Good
[READ THE ARTICLE](#)

The New York Times
New Goldman Sachs Fund Will Track Good Companies
[READ THE ARTICLE](#)

Forbes
Feel Good, Get Rich With New Goldman Sachs ETF
[READ THE ARTICLE](#)

CNBC WORLD
Capitalism May Need Modernizing
[READ THE ARTICLE](#)

YAHOO!
Lloyd Blankfein interviews Paul Tudor Jones
[READ THE ARTICLE](#)

Poll: What is the AUM of the JUST ETF as of today (1/24/2019)?

- A. < \$100 million
- B. \$100 million - \$250 million
- C. \$250 million - \$500 million
- D. \$500 million - \$1 billion
- E. > \$1 billion

JUST Capital - Epilogue

**Jan 24,
2019:**

<https://www.gsam.com/content/gsam/us/en/advisors/fund-center/etf-fund-finder/goldman-sachs-just-u-s--large-cap-equity-etf.html>

<https://justcapital.com/reports/2018-the-year-in-review/>

Goldman Sachs Asset Management

MARKET INSIGHTS PRODUCTS RESOURCES LITERATURE ABOUT GSAM

Goldman Sachs JUST U.S. Large Cap Equity ETF

Symbol: JUST Exchange: NYSE Arca

AT A GLANCE

Asset Class	Fund Inception Date	Basis Adjustment MFR Performance	Benchmark Index
Equity	06.07.18	-0.25	JUST U.S. Large Cap Diversified Index
AUM	Market Price	NAV (\$)	
192.75 MM USD	37.67 USD	37.79 USD	

Fund performance does not guarantee future results, which may vary.

REASONS TO CONSIDER INVESTING

- A Focus on Just Business Behavior
- A Data-Driven Approach
- Broad Market Exposure

BENCHMARK INDEX

JUST U.S. Large Cap Diversified Index

OBJECTIVE

Seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the JUST U.S. Large Cap Diversified Index.

LITERATURE See All

- Monthly Fact Card
- Prospectus
- Summary Prospectus
- Annual Report

DOWNLOAD EMAIL



JUST Capital - Epilogue



Benchmark #1: Russell 1,000

Benchmark #2: S&P 500

ETF #1: JUST (Goldman Sachs JUST U. S. Large Cap Equity ETF)

ETF #2: DSI (iShares MSCI KLD 400 Social ETF)

Source: Yahoo Finance! (1/23/2019)

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JUST Capital - Epilogue

**Jan 24,
2019:**

JUST Goldman Sachs JUST U.S. Large Cap Equity ETF
FactSet Segment: Equity: U.S. - Large Cap

FACTSET

Summary Data

Issuer	Goldman Sachs
Inception Date	06/07/18
Assets Under Management	\$189.01 M
Average Daily \$ Volume	\$699.47 K
TTM Distribution Yield	--
Next Ex-Dividend Date	12/24/18

Portfolio Data

Price / Earnings Ratio	22.84
Price / Book Ratio	3.38

Related ETFs

Top Competing ETFs	SHE, CATH, ACSI, MAGA, BIBL
--------------------	-----------------------------

Expense Ratio

0.20%

Index Data

Index Tracked	JUST U.S. Large Cap Diversified Index
Index Weighting Methodology	Market Cap
Index Selection Methodology	Principles-based
Segment Benchmark	MSCI USA Large Cap Index

JUST Capital - Epilogue

**Jan 24,
2019:**

Ownership Statistics



SHARES OS
5,475,000
--% TOTAL OWNERSHIP

- 86.66% Inst. Ownership
- 85.67% Top 10 Inst. Holders
- 0% Insider Ownership
- 13.34% Unknown

FACTSET

Top 15 Institutions / Top 5 Insiders/Stakeholders

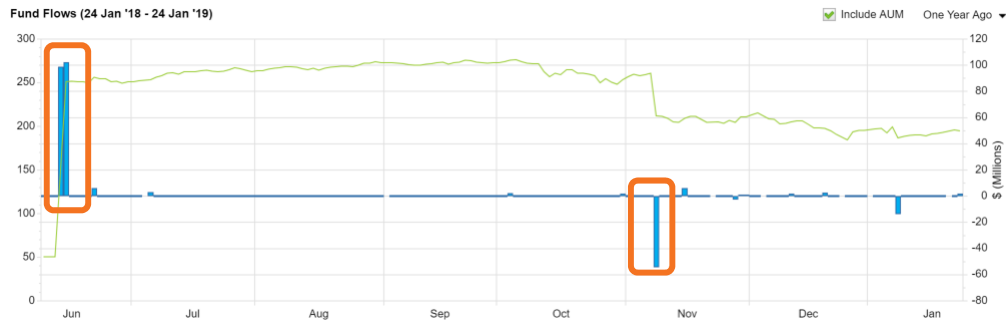
Rank	Type	%OS
-	Total	86.56
-	Institutions	86.56
1	Goldman Sachs & Co. LLC (Private Banking)	73.24
2	Citigroup Global Markets, Inc. (Investment Management)	6.85
3	Leavell Investment Management, Inc.	1.58
4	Susquehanna Financial Group LLLP	0.81
5	LPL Financial LLC	0.72
6	Morgan Stanley Smith Barney LLC (Private Banking)	0.66
7	Geller Advisors LLC	0.46
8	Frontier Wealth Management LLC	0.46
9	US Bancorp Asset Management, Inc.	0.46
10	Citadel Advisors LLC	0.45
11	Raymond James & Associates, Inc. (Invst Mgmt)	0.24
12	Jane Street Capital LLC	0.23
13	Mercer Capital Advisers, Inc.	0.17
14	Athena Capital Advisers LLC	0.13
15	Commonwealth Equity Services, Inc.	0.11

JUST Capital - Epilogue

**Jan 24,
2019:**

Fund Flows (24 Jan '18 - 24 Jan '19)

FACTSET



In the classroom ...

Course Section Detail

Title Impact Investing
Area FIN
Section -
Course Number 8497
Credits 1.5
Capacity 65
Abstract Abstract
Room Room-CLA 190 (72)
Time Early Week 11:45 AM-1:10 PM
Career Related SY Course
Electives

GBUS 8497: IMPACT INVESTING

This course will cover the rapidly-expanding world of impact investing, focusing on the fundamentals underlying investment strategies for funds (and, to a lesser extent, companies) seeking to both create profit and generate social or environmental impact. Through a combination of in-class and project learning, students will explore what qualifies as an "impact investment," gain exposure to the fundamentals of the impact investment process, and evaluate various financial structures that unify rather than balance impact and investing. The class will cover a wide set of investment vehicles: public equity, private debt, and private equity/venture capital, public-private partnerships, microfinance institutions.

Academic course objectives:

- Examine the growing spectrum of impact investing, across every investment and asset class, from venture capital to public equities to fixed income and REITs (below market to alpha generating).
- Examine the changes taking place as the field evolves from niche to mainstream.
- Evaluate if capital markets and investment instruments deliver both impact and generate market returns.
- Understand how institutional investors respond and/or catalyze these strategies.
- Create own impact investing instruments or financial structures in final projects.

**ELENA
LOUTSKINA**

Bank of America Associate Professor
of Business Administration



**MARY
MARGARET
FRANK**

Samuel A. Lewis Sr. Faculty Fellow
and Associate Professor of Business
Administration
Institute for Business in Society
Academic Director



Student Case Competitions ...

<http://sustainableinvestingchallenge.org/about/>

Darden Team Places Second Out of 100+ Competitors at Kellogg-Morgan Stanley Sustainable Investing Challenge

By Laura Hennessey Martens - 6 June 2018



At IBiS ...

<https://www.darden.virginia.edu/ibis/>
<https://blogs.darden.virginia.edu/ibis/>



EVENTS & ACTIVITIES, GUEST POSTS

Professor Mary Margaret Frank Leads Discussions at 2017 Pay for Success and Social Impact Finance Conference

By Tori Schucheng Yang How can Pay for Success models be used to improve project outcomes? And how can these public-private financing models help foster innovation and positively impact communities? These were some of the questions discussed by state government officials, service providers, philanthropists, impact investors and business leaders...

By Laura Hennessey Martens - 24 February 2017

At the Mayo Center ...

<https://www.darden.virginia.edu/faculty-research/seminars-conferences/academic-practitioner-symposium/>

ACADEMIC AND PRACTITIONER SYMPOSIUM ON MUTUAL FUNDS AND ETFs



KEYNOTE SPEAKER: CFA INSTITUTE SPONSORED LUNCHEON



**BILL MCNABB,
CHAIRMAN AND CEO,
VANGUARD**

PAPERS TO BE DISCUSSED

- *Coordinated Engagements*, by Elroy Dimson, Oğuzhan Karakaş and Xi Li
- *Do Investors Value Sustainability? A Natural Experiment Examining Rankings and Fund Flows*, by Samuel M. Hartzmark and Abigail B. Sussman
- *Picking Friends Before Picking (Proxy) Fights: How Mutual Fund Voting Shapes Proxy Contests*, by Alon Brav, Wei Jiang and Tao Li
- *The Life Cycle of Dual-Class Firms*, by Martijn Cremers, Beni Lauterbach and Anete Pajuste

SYMPOSIUM DATE AND LOCATION

21-22 February 2019
 UVA Darden
 Sands Family Grounds
 Arlington, VA

At the Mayo Center ...

2017 Academic and Practitioner Symposium
on Mutual Funds and ETFs

UNIVERSITY OF VIRGINIA
DARDEN SCHOOL of BUSINESS
Richard A. Mayo Center for Asset Management

ICI INVESTMENT COMPANY INSTITUTE



DARDEN.WORLDWIDE.
Darden in the DC Area

<http://www.darden.virginia.edu/mayo-center/content/videos/>

