Master of Science in Sustainability Management

Sustainable investing and Economic Growth - PS5320
3 Credits

Instructor:

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Course Schedule/Course Calendar

Introduction

The Financial Ecosystem and the Circular Flow of Savings and Investment


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Corporate Governance and the Joint Stock Corporation

Corporate Governance and Fiduciary Duty


History of the Corporation


Modern Portfolio Theory

Markowitz portfolio choice and diversification & Alternative measures of risk.


Example: Two-stock data for portfolio optimization

The Capital Asset Pricing Model

CAPM, APT and basic performance attribution.

**ESG Integration through Fundamental and Quantitative Due Diligence**

How is ESG integrated into investment management?

- Active vs Passive
- Fundamental vs Quantitative
- Alpha vs Beta
- Stakeholder relations


Four Stock Optimization.

**Extending Responsible Investment Across Asset Classes and Addressing Correlation**

Readings

David Wood and Belinda Hoff. Handbook on Responsible Investment Across Asset Classes. Boston College Center for Corporate Citizenship. 2008. (Links to an external site.)


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**Sustainability and Financial Return I**

A polemic articulating the linkage between corporate strategy and new versions of corporate social responsibility:


A meta-analysis of the links between corporate social performance and corporate financial performance, from a perspective sympathetic to CSR.


Two competing narratives on the link between social responsibility in investing and portfolio return:


**Sustainability and Return II**

Are socially responsible funds less volatile during market crises?


Can ESG ratings generate persistent alpha?


Are SRI mutual funds significantly different from broader index funds?


**Break NO CLASS**

Sample Midterm and Solutions from last year for review.

**In Class Midterm**

**A Primer on Valuation Analysis, The Principal-Agent Problem**

**Valuation Analysis**

Review of comparable valuation analysis:

GD.Comp.xlsx
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PRI. (2013). "The Value Driver Model: A Tool for Communicating the Business Value of Sustainability (Links to an external site.)."


The Agency Problem and Corporate Fraud:


Chaitman, H. D. & L. Gotthoffer. "Hallelujah: Jamie Dimon's Been Born Again — or Has He? " Chapter 7 in JPMadoff: The Unholy Alliance between America's Biggest Bank and America's Biggest Crook.

Optional Reading:


Inequality and Sovereign Risk

Income Inequality and Sovereign Risk, cross-country credit risk differentials


The Impact Potential of Municipal Finance

Guest Speaker: James Dearborn, Columbia Threadneedle Investments


Video about Social Impact Bond FundPlay media comment.

Link to the Municipal Impact Coalition (Links to an external site.)

Energy and Limits to Growth:

Tentative Solutions

Readings

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Energy and the Limits to Growth


Student Presentations

Group Presentations of investment cases: