

Development Outcomes:

In January of 2022, I was approved for **Faculty Professional Development Leave** during the Fall 2022 term. This provided an opportunity to participate in a wide array of new research and scholarly endeavors including: (1) creating a new research stream in sustainable investing; (2) improving my knowledge base on research in environmental, social, and governance (ESG) investing; and (3) creating a plan for a sustainable investment fund for UTC using best ESG practices. As a result, I have two working papers that are targeted for submission to academic journals this summer. I also completed the certification process for the CFA Institute Certificate in ESG Investing. This certification process has not only directly aided me in developing my working papers, but I also incorporated knowledge gained from this process into the designs for a new sustainable investment fund for UTC.

Goal 1: Develop a new research stream.

WORKING PAPERS:

1) Title: Build a Better Fund: The Best Practices and Impact of Sustainable Investment Funds”

Description: Sustainable investing is part of an ongoing evolution of investing. Several tangent and/or niche ideas in this same space include impact investing, green investing, community investing, socially responsible investing, etc. Sustainable investing is currently a catchall umbrella that includes all of these terms plus ongoing work to incorporate environmental, social, and governance (ESG) criteria into investing. Suis currently the This paper explores the current impact of sustainable investing by combining and consolidating the best practices of sustainable investors with leading academic research. In particular, the paper aims to clear up some of the ambiguity in the sustainable investment field. I have completed a very encompassing and comprehensive literature review for this paper. The final stage is adding the best practices and impact piece. Due to the ambiguity and subjective nature of sustainable investing, this final part of the paper has taken a bit longer than anticipated. However, I plan to complete this part of the paper this month. I am also hopeful that more than one paper will come out of this analysis. I am currently also working on meta-analysis and bibliometric analysis to statistically analyze author research output and impact. Depending on the results, I could have a nice research pipeline for the foreseeable future. The results should have implications for practitioners, researchers, and educators in the field of investing.

Target Journal: *Social Responsibility Journal* (ABDC: B; Cabells: 28%)

Status: Literature review complete; Completing analysis; Submission this summer.

2) Title: Do Student Managed Investment Funds (SMIFs) Really Incorporate Environmental, Social, and Governance Criteria (ESG) Into Their Investment Process?”

Description: The goal of this paper is to explore how SMIF’s are currently incorporating sustainable investing. This research is intended to become part of a larger effort to develop a comprehensive database on SMIFs. For example, I am currently working on another paper on the return on investment (ROI) of experiential learning through SMIF’s. Due to the comprehensive nature of this survey, I have yet to finalize this survey. However, I am close. The goal is to send a comprehensive questionnaire to faculty advisors of SMIFs in the United States. I have so far identified several schools that have SMIF’s focused on sustainability. One example is the Fuqua Sustainable Impact Student Investment Fund at Duke University. I have created an initial literature review for this paper. My plan is to send out the survey this summer and have this paper under submission by the end of this summer or early fall. I am very optimistic that this research will lead to opportunities to publish future research in this growing research stream. The results of this research should have implications for both researchers and faculty advisors involved with SMIFs.

Target Journal: *Social Responsibility Journal* (ABDC: B; Cabells: 28%)

Status: Finalizing survey; Literature Review completed; Submission later this summer or early fall.

Goal 2: Improving my knowledge base on research in environmental, social, and governance (ESG) investing.

Development Outcome: I completed the certification process for the “CFA Institute Certificate in ESG Investing.” This course helped me understand the wide array of different approaches to sustainable investing. I also increased my ability to analyze how ESG factors impact the economy, markets, industries, and companies. In addition, the course increased my understanding of ESG analysis, valuation, and integration for equity valuation and portfolio management. This information has already helped me with my research and will be applied in my research, teaching, and service for UTC going forward. As for the specific curriculum for the certification process, it was broken down across the following topics:

1. Overview to ESG Investing and the ESG Market (Weight = 8- 15%)
2. Environmental Factors (Weight = 8-15%)
3. Social Factors (Weight = 8-15%)
4. Governance Factors (Weight = 8-15%)
5. Engagement and Stewardship (5-10%)
6. ESG Analysis, Valuation, and Integration (20-30%)
7. ESG Integrated Portfolio Construction and Management (10-20%)
8. Investment Mandates, Portfolio Analytics, and Client Reporting (5-10%)

Goal 3: Creating a plan for a sustainable investment fund for UTC using best ESG practices.

Development Outcome: I have used my recent research and certification in ESG investing to consider the most strategic and impactful ways that sustainable investment can be incorporated into my teaching efforts. In particular, I have focused on creating and increasing sustainability in the UTC student managed funds in the following five ways.

1. I have added a module on sustainable investing to FIN 4880 “Portfolio Management.” This fund manages the following two investment funds for UTC: the “UTC Investment Challenge Fund” and the “Clarence E. Harris Investment Trust Fund.” Finance students in the Investment Track are required to take this course. They now are also required to use the Bloomberg Lab as a resource for implementing ESG into their stock reports. I am also working on an assignment to have them review ESG at a portfolio level.
2. I have added a module on sustainable investing to FIN 3700 “Introduction to Financial Analysis,” which is a training course for the Student Managed Investment Learning Experience (SMILE) Fund. Similar to FIN 4880, the students in this class are now required to use the Bloomberg Lab as a resource for implementing ESG into their stock reports.
3. I have also used my knowledge to help our SMILE Fund students and our CFA Research Challenge team better incorporate ESG criteria into their templates and analysis for their equity valuation reports. It is important that students know the data sources and information that are available and how to interpret that data and information in a meaningful way.
4. I have also added Fred Newton to the SMILE Fund Advisory Board. Fred is the AVP of Corporate Investments & ESG for Unum. My goal is to have Fred help me incorporate more real world ESG investment practices into the SMILE Fund.
5. I have spoken with members of the UC Foundation about giving the SMILE Fund additional money to manage. I have made a draft investment policy statement for these assets to be managed in a sustainable way (similar to several other universities). I plan to present this proposal within the next 12 months. The goal would be to use both the S&P 500 and the S&P 500 ESG Index as benchmarks. From its launch date (January 28, 2019) until the end of 2022, the S&P 500 ESG Index has outperformed the S&P 500 by a cumulative 9.16%. The main point is that a student managed sustainable investment fund could seek both strong financial and social returns.