MN5311 – RESPONSIBLE INVESTMENT

MODULE TYPE/SEMESTER:  Option (20 credits), Semester 2

MODULE CO-ORDINATOR:  Dr Kais Bouslah

MODULE LECTURERS:  Dr Kais Bouslah and Professor Bert Scholtens

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OFFICE HOURS:  Thursdays 3-4 pm

AIM: Responsible Investment (RI) forms a substantial portion of assets under professional management. RI has been generally associated with the integration of Environmental, Social and Governance (ESG) issues into investment-decision making as well as into ownership policies and practices. The aim of this module is to introduce students to the theory and practice of Responsible Investment (RI). Students will explore investments in a variety of RI strategies such as portfolio screening, shareholder advocacy/activism/engagement, and impact investing. The module also explores the carbon market and climate change investment. Furthermore, the module seeks to develop students’ understanding and ability of how to evaluate the performance of RI strategies using appropriate techniques.

METHOD OF TEACHING AND LEARNING:

a) Lectures: Thursdays, 11 am - 1 pm
b) Tutorials: Thursdays, 2-3 pm, 4-5 pm

Note that tutorials will commence in Week 3 of the second semester.

COURSE OUTLINE:

Topic 1: Screening and portfolio selection
Topic 2: Shareholder Advocacy/Activism/Engagement
Topic 3: Direct (Impact) Investing
Topic 4: ESG Data: definition, identification and measurement
Topic 5: Performance analysis of Responsible Investment
Topic 6: Risk Management of ESG issues
Topic 7: Carbon Market and Climate change investment
Topic 8: Advanced Topics in Responsible investment
LEARNING OUTCOMES:

On completion of this module, students should be able to:

- Describe the responsible investment market and define the different responsible investment strategies.
- Understand portfolio screening and define its different strategies.
- Understand Shareholder Advocacy/Activism/Engagement and define its different strategies.
- Understand Direct (Impact/Community) Investing and critically evaluate its role in the economy.
- Appreciate the risk and return profile of responsible investment strategies.
- Understand and critically evaluate ESG Data.
- Evaluate the performance of responsible investment strategies.
- Define and critically evaluate risk management of ESG issues.
- Describe the carbon market and define carbon investment products.
- Critically evaluate the role of responsible investment in a more sustainable economy.

ASSESSMENT:

Coursework 1: One and a half hours Class test in Week 6 (25%)
Date and time: Friday 3rd March 2017

Coursework 2: Written essay assignment (2500 words) to be submitted in Week 10 (25%)
Submission deadline: Monday 10th April 2017, 12pm

Coursework 3: Two-hour exam (50%)

Written essay is to be submitted in accordance with guidance in the Student Handbook.

READING LIST:

Reading will be based on journal articles. The list below is indicative.


**Screening and portfolio selection**


Shareholder Advocacy/Activism/Engagement


**Direct (Impact) Investing**


**ESG Data: definition, identification and measurement**


**Performance analysis of Responsible Investment**


**Risk Management of ESG issues**


**Carbon Market and Climate change investment**


**Advanced Topics in Responsible investment**


*Please note that supplementary readings will be provided in the class.*