

Student essay competition - The future of RI and modern portfolio theory

[The UN-supported Principles for Responsible Investment](#) works to understand the investment implications of environmental, social and governance (ESG) factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. Its annual global conference, PRI in Person, will be held in San Francisco, 12-14 September 2018. This is the largest RI conference in the world and over 1,000 investment professionals are confirmed to attend. The keynote speakers are Former Vice President Al Gore and Paul Polman, CEO, Unilever.

PRI invites essay submissions with a focus on future developments in RI and two students will be selected to present at the conference with a discussion panel being composed of practitioners and academics. One student will be selected by the panellists and audience to have her/his essay published in RI Quarterly. A stipend of up to £1,000 is available for each of the shortlisted candidates to support travel and accommodation to attend the conference.

The topic and context

Modern portfolio theory (MPT) sets a framework for thinking about risk, return, correlation and diversification. The theory is so influential that it has shaped the language, notions of value, strategies employed, remuneration structures, reporting methods, performance benchmarking - the culture, the very boundaries of the universe of investment and the perceived purpose of investment. MPT focuses on security selection, portfolio construction, and other financial issues rather than the intersection of the real economy and investing. ESG factors are considered to be “externalities.”

The missing link between RI and financial education?

We seek to examine this gap – the practical implementation of the theory - and ask what can be done to address it in education.

Millennials are transforming the nature and workings of finance, corporations, the investment and pensions industry, and investment itself. Is there a gap between what is studied within finance and what an ESG analyst actually does? How might the curriculum for sustainable finance change by impetus from millennials, and what can the industry do to be prepared for the future of RI with how and where millennials will invest?

We are looking for

An essay (1,500–2,000 words max.) that covers the following areas and uses these headings:

1. When and where is MPT most useful in practice?
2. What are the limitations of MPT?
3. How can these limitations be addressed in traditional financial education in relation to responsible investment and the active role of finance, i.e. how can the curriculum for finance be improved?
4. Given the changes proposed in question 3, how do you believe current investment practices will be impacted by the changes in the knowledge and capabilities of the talent pipeline?
5. Please provide three main actions the investment industry could take to be prepared for this change.

Eligibility

- 35 years old or under
- A Masters or PhD student from an RI-related discipline
- The essay needs to be written in English
- The essay will be considered in terms of likelihood, innovation and strength of impact
- Available on Wednesday 12 September 2018

The prize

- A stipend of up to £1,000 is available for each of the shortlisted candidates to support travel and accommodation to attend the conference
- Free admission to and presenting at PRI in Person to a distinguished panel and an influential investor audience www.unpri.org/sanfran2018
- Free admission to the PRI Academic Network Conference, 11 September 2018 <http://www.unpri.org/prian2018>
- One student will be selected by the panellists and audience and have her/his essay featured on the PRI website. It will be published in [RI Quarterly](#), which highlights research to an investment professional audience and is sent to all 2,000+ PRI signatories and the Academic Network

The event and panelists

Wednesday 12 September 2018

The Marriott Marquis Hotel, San Francisco

Katherine Ng, Head of Academic Research, PRI (moderator)

Brad Barber, Associate Dean and Professor of Finance, Graduate School of Management, University of California, Davis

Mikael Homanen, PhD Candidate, Cass Business School

Roger Otten, Senior Policy Advisor Investments, ABP

Michael Viehs, Associate Director, Hermes Investment Management

How to apply and deadline

Please send your essay to academic@unpri.org **no later than Friday 3 August 2018**

What happened last year?

Listen to an [audio recording](#) and read an [article](#) from the debate in 2017

[Read the winning article](#)