

# Divest or Engage?

## Strategies for Responsible Investing

Downing College | University of Cambridge | 28 October 2019

### About the event:

Pension fund beneficiaries increasingly expect that the savings entrusted to them are invested responsibly. Students, faculty and alumni expect the same for university endowments. Retail funds marketed as sustainable enjoy large inflows, especially in Europe. Most institutional and retail investment managers have made a public commitment to sustainable and responsible investing (SRI).

How should asset owners and investment managers incorporate environmental, social and governance (ESG) criteria into their strategy? Is active management superior because fund managers can select companies with best practices and avoid companies with poor ESG records? Do index funds engage sufficiently and what impact do they have? Should funds divest from businesses or sectors whose products or conduct are deemed unacceptable?

This conference, co-hosted by the **Centre for Endowment Asset Management (CEAM)** and the **European Corporate Governance Institute (ECGI)**, will bring together the latest academic thinking and research to address questions of how best to incorporate ESG concerns into investment portfolios.

### Organisers:

Marco Becht, Solvay Brussels School, ECGI and CEPR  
Elroy Dimson, University of Cambridge and ECGI  
Andrew Ellul, Kelley School of Business, Indiana University and ECGI and CEPR  
Oğuzhan Karakaş, University of Cambridge and ECGI

### Registration:

To register for this event, please click on the following link:

<https://cambridgejudgebusinessschool.formstack.com/forms/divstorengage>

Preliminary Programme | 28 October 2019

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08:50 – 09:15	Registration
09:15 – 09:20	<b>Welcome</b>  <b>Marco Becht</b> , Solvay Brussels School for Economics and Management and ECGI
09:20 – 11:00	<b>Session 1: Setting the scene (chaired by Marco Becht)</b>
09:20 – 10:10	<b>Introduction</b>  <b>David Chambers</b> , University of Cambridge, Judge Business School  <b>Elroy Dimson</b> , University of Cambridge, Judge Business School and ECGI
10:10 – 11:00	<b>ESG Rating Disagreement and Stock Returns</b>  Speaker: <b>Rajna Gibson</b> , University of Geneva and ECGI  Discussant: <b>Oğuzhan Karakaş</b> , University of Cambridge and ECGI  Reading: <i>ESG Rating Disagreement and Stock Returns</i> . Peter Schmidt, Rajna Gibson, Philipp Krueger, and Nadine Riand (2019). Available at <a href="https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3433728">https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3433728</a>
11:00 – 11:20	Break
11:20 – 13:00	<b>Session 2: Thought leadership in responsible investing (chaired by David Chambers)</b>
11:20 – 12:10	<b>The Firms' Reaction to Changes in the Governance Preferences of Active Institutional Owners</b>  Speaker: <b>Vicente Cuñat</b> , London School of Economics and ECGI  Discussant: TBC  Reading: Aguilera, Ruth, Vicente Bermejo, Javier Capapé, and Vicente Cuñat (2019). <i>Firms' Reaction to Changes in the Governance Preferences of Active Institutional Owners</i> . Available at <a href="https://ecgi.global/working-paper/firms%E2%80%99-reaction-changes-governance-preferences-active-institutional-owners">https://ecgi.global/working-paper/firms%E2%80%99-reaction-changes-governance-preferences-active-institutional-owners</a>
12:10 – 13:00	<b>Survey on Sector Exclusions</b>  Speaker: <b>Vaska Atta-Darkua</b> , University of Cambridge, Judge Business School  Discussant: <b>Marco Becht</b> , Solvay Brussels School for Economics and Management and ECGI
13:00 – 14:00	Lunch
14:00 – 15:40	<b>Session 3: Voice and exit</b>



european corporate governance institute

Centre for  
**Endowment Asset  
Management**



UNIVERSITY OF  
**CAMBRIDGE**  
Judge Business School

13:15 – 14:30

### Governance through Voice and Exit

Speaker: **Julian Franks**, London Business School and ECGI

Discussant: TBC

Reading: Becht, Marco, Julian Franks, and Hannes Wagner (2019). Governance Through Voice and Exit.

14:50 – 15:40

### Coordinated Engagements

Speaker: **Elroy Dimson**, University of Cambridge, Judge Business School

Discussant: TBC

Reading: Elroy Dimson, Oğuzhan Karakaş, and Xi Li (2019). Coordinated Engagements. Available at: [www.ssrn.com/id=3209072](http://www.ssrn.com/id=3209072)

15:40 – 16:00

Break

16:00

### Session 4: panel discussion

16:00 – 17:00

#### Panel Discussion:

Panellists:

**Catherine Lopez**, Invesco

**Aled Jones**, FTSE Russell

**George Dallas**, International Corporate Governance Network

**Jane Firth**, Border to Coast Pensions Partnership Ltd

17:00

Concluding remarks (David Chambers) and networking reception