Professor Si Zhou

Topic: Mutual fund performance evaluation and Sustainable investing

Course Overview:

This course provides a systematic introduction to the principles, frameworks, and empirical methodologies used to evaluate mutual fund performance, with particular emphasis on sustainable and responsible investing. It is designed to equip students with rigorous analytical tools to assess mutual funds' risk-adjusted financial performance, investment styles, and managerial skills, while explicitly incorporating Environmental, Social, and Governance (ESG) criteria into portfolio evaluation and investment decision-making. Through a combination of theoretical foundations and applied empirical analysis, the course enables students to critically examine how sustainability considerations interact with traditional performance metrics, and to understand the implications of ESG integration for asset allocation, fund selection, and long-term investment outcomes.

Learning objectives:

1. Understand Mutual Fund Mechanics: Explore types of mutual funds, their structure, and operation.
2. Performance Metrics: Learn key metrics such as factor adjusted alphas, beta/smart beta, information ratio etc.
3. Sustainable Investing: Understand ESG principles and their integration into portfolio management.
4. Data Analysis: Use econometric software for real-world fund analysis.
5. Regulatory and Ethical Considerations: Study global regulations and ethical challenges in sustainable investing.

Target Audience:

Postgraduate student from Finance/Business/Economics (CdLM in Finance and Economics MEF).

Structure:

Duration: 20 hours

Topics:

Introduction to Mutual Funds

Evaluating Fund Performance

Fundamentals of Sustainable Investing
ESG Metrics in Mutual Fund Analysis
Empirical analysis with Stata and application to mutual fund performance

Outcomes:

Upon successful completion of this course, students will be able to critically evaluate mutual fund performance using both traditional risk-adjusted measures and sustainability-related indicators; apply quantitative and qualitative techniques to analyze fund investment strategies, managerial skill, and ESG integration practices; and design and justify sustainable investment portfolios that balance financial performance with environmental, social, and governance considerations. Students will also be able to identify and address key challenges in sustainable investing, including data limitations, greenwashing risks, trade-offs between financial and non-financial objectives, and the dynamic alignment of ESG principles with long-term investment goals.