JOURNAL OF FINANCIAL ECONOMICS

Year	Article Name	Abstract	Cited
2021	Responsible investing: The ESG-efficient frontier	We propose a theory in which each stock's environmental, social, and governance (ESG) score plays two roles: (1) providing information about firm fundamentals and (2) affecting investor preferences. The solution to the investor's portfolio problem is characterized by an ESG-efficient frontier, showing the highest attainable Sharpe ratio for each ESG level. The corresponding portfolios satisfy four-fund separation. Equilibrium asset prices are determined by an ESG-adjusted capital asset pricing model, showing when ESG raises or lowers the required return. Combining several large data sets, we compute the empirical ESGefficient frontier and show the costs and benefits of responsible investing. Finally, we test our theory's predictions using proxies for E (carbon emissions), S, G, and overall ESG. (c) 2020 The Authors. Published by Elsevier B.V. This is an open access article under the CC BY-NC-ND license (http://creativecommons.org/licenses/by-nc-nd/4.0/)	7
2021	Sustainable investing in equilibrium	We model investing that considers environmental, social, and governance (ESG) criteria. In equilibrium, green assets have low expected returns because investors enjoy holding them and because green assets hedge climate risk. Green assets nevertheless outperform when positive shocks	7

		hit the ESG factor, which captures shifts in customers' tastes for green products and investors' tastes for green holdings. The ESG factor and the market portfolio price assets in a two-factor model. The ESG investment industry is largest when investors' ESG preferences differ most. Sustainable investing produces positive social impact by making firms greener and by shifting real investment toward green firms. (c) 2021 Elsevier B.V. All rights reserved.	