

Hello everyone. I'm Linda-Eling Lee, founding director and head of the MSCI Sustainability Institute here at the Institute. We believe that unleashing the power of capital to do its best demands research that's not only underpinned by analytical rigor, but that also translates in practice. We recently asked CIOs, portfolio managers and sustainability chiefs at some of the largest institutional investors what questions they'd like academic researchers to address in their current and future research.

And here is some of what they told us.

Paula Luff, Director of Sustainability Research and Engagement, DSC Meridian Capital

I would like to see more research writ large on this particular cohort of the fixed income universe. But I'm especially interested on the impact of corporate engagement on things like improved disclosure and transparency, better climate performance, operationalizing sustainability, and using sustainability as a value driver that may translate into lower cost of capital and better security prices.

Aniket Shah, Managing Director and Global Head of Sustainability and Transition Strategy, Jefferies

Hi, my name is Aniket Shah and I lead the Sustainability and Transition Strategy team at Jefferies. I think the academic community should focus on the topic of what are the impacts over the medium term and the long term of heavy state subsidization of the private sector.

And I think that the business community would benefit tremendously to know what are the long-term implications of having such heavy state support in a period of economic transformation?

Jason Mitchell, Head of Responsible Investment Research at Man Group and Chair of the UK Sustainable Investment Forum

So in terms of academic research that I'd like to see. One area is certainly stewardship. Now there has been literature that is sort of recognized that stewardship is a channel of influence for investors, but I think there's an opportunity for academics to go much further to really sort of understand and examine the impact, particularly around the cost of capital for companies across regions, across sectors, as well as sort of this macro stewardship element in a sovereign context.

Anne Simpson, Global Head of Sustainability, Franklin Templeton

Investors are looking for research that they can use that's going to help them with their decisions, their appraisal of risk, their appraisal of return is really important. Also sustainability because so many of the topics are new,

So what is the just transition?

From an investor point of view, how do we define it?

Once we understand what it is, then what matters? That's the next question. What matters to risk in return in the just transition, so that investors can play their proper role as fiduciaries, because we know that unless we can fulfill the ambition for a just transition, there'll be no transition.

Linda-Eling Lee

We look forward to covering many of these topics in theory. Meet practice. Our video series is about academic research into sustainable finance and the insights investors can take from it. Do you have a sustainability question you'd like academics to examine? Let us know@msci-institute.com and we'll be in touch. You can also sign up if you want to know. Every time an episode of Theory Meet Practice drops.

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