MSFA 728: Ethics and Finance I
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Learning Objective 3-3 Ethics – Duties to Investors

**Program Goal 3 - Describe the standards of ethical behavior in financial markets and financial regulations and evaluate how these standards apply in specific situations.**

* LO 3-3) Ethics - Duties to Investors
Specify and quantify investor objectives, constraints, and preferences and develop an appropriate investment policy statement. Develop strategies for managing portfolios of domestic and foreign debt and equity securities including the use of derivative securities to adjust risk exposure to meet the investor policy goals.

The chart below is a summary of student performance in meeting *Learning Objective 3-3 Ethics – Duties to Investors* in the MSFA 728 *Ethics and Finance* courses taught by William Ktsanes.

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| **Learning Objective 3-3 Ethics – Duties to Investors** |
| TermCourse Number | Total Number of Students in the Class | Students with **Unsatisfactory** Performance Meeting Learning Objective  | Students with **Satisfactory** Performance Meeting Learning Objective | Students with **Outstanding**Performance Meeting Learning Objective |
| Summer 2018MSFA 728.40 | 40 | 0 | 85%(34 students)  | 15%(6 students)  |
| Summer 2017MSFA 728.42 | 66 | 0 | 88%(58 students) | 12%(8 students)  |
| Fall 2016MSFA 728.42 | 19 | 0 | 79%(15 students) | 21%(4 students)  |
| Summer 2016MSFA 728.32 | 46 | 0 | 91%(42 students) | 9%(4 students) |

In the final assignment for the course (described of the following page from the course syllabus), students examined the ethical as well as financial implications of a specific investment policy. In a hypothetical exercise, students provided investment advice to the University of San Francisco as they grappled with whether to divest or not from fossil fuels.

Successful students demonstrated an understanding of and adherence to the CFA Institutes’ *Code of Ethics and Standard of Professional Conduct* as they applied the financial and analytical tools acquired throughout their studies in the MSFA program. The assignment required evaluating the objectives, constraints and preferences that impacted their investment recommendation. Successful students demonstrated a clear understanding of the varoius perspectives and potential conflicting interests of different stakeholders as well as the impact of their investment advice upon University policy, portfolio diversification and financial returns.

