

## **Abstract**

Socially responsible investing (SRI) had in recent decades gained in importance. Despite that there is no consensus amongst researchers regarding SRI effect on short-term or long-term fund's performance in the United States. This paper seeks to utilize standard economic models (CAPM, 3-factor Fama-French) on latest (January 2018 to December 2021) data. In addition, author seeks to look for performance trend by splitting observed period to one before Covid crisis and during the crisis. Then he will look for any significant impact on funds' performance and its characteristics. Final part consists of observing effect of published articles by news outlet and whether there is any impact. News divided into positive and negative with regards to SRI thematic. Results implies that performance is negatively correlated with higher ranking of social consciousness of fund (ESG value was used) and that manager of funds with lower ESG standards are better at stock-picking. Study did not find any significant long-term effect of Covid crisis while short-term effect suggested greater need for funds to employ stock-picking skill. News effects were generally insignificant with effect of bad news being stronger than effect of positive news.

## **Keywords**

**Financial markets, Socially responsible investing, ESG, market news impact, investment fund**

## **Title**

**Effect of Green New Deal on investment funds**