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HEIDI RIDLEY, CFA & KATHRYN MCDONALD

Co-Founder and CEO

Co-Founder and Head of Investments & Sustainability

A RADIANT APPROACH

INVESTING FOR THE FUTURE

Photographed by Vincent Gotti



HEIDI RIDLEY AND KATHRYN MCDONALD

Investing can serve as a tool for promoting positive change in the world. It is often perceived that the investment industry operates differently from other aspects of the economy, yet they are closely intertwined. By investing in companies that prioritize both strong financial performance and environmental, social, and governance (ESG) initiatives, investors can drive positive change without sacrificing returns.

Creative Director: **CLAUDIA CASTILLO ROSS** @claudiacastilloross

Writer: **GERALDINE ZIALCITA** @geraldineauthor

HMUA: **ARTEMIO IBARRA** @art_ibarra

Copy Editor: **KIEDO VILLANUEVA** @kej_villanueva

Art Director: **NIGEL JOHN DEL MUNDO** @nigeldelmundo

Photographer: **VINCENT GOTTI** @vinniegotti



HEIDI RIDLEY, CFA
Co-Founder and CEO
RadiantESG Global Investors LLC

KATHRYN MCDONALD
Co-Founder and Head of Investments & Sustainability
RadiantESG Global Investors LLC

Navigating the Investment Landscape: Driving Positive Change

by *Geraldine Zialcita*

With a combined more than 50 years of experience in the asset management industry, **Heidi Ridley** and **Kathryn McDonald** left their respective CEO and head of sustainability roles to co-found RadiantESG Global Investors. The women-led, diverse-owned investment firm is focused on next-generation ESG solutions for institutional and wealth management clients around the world. The driving force behind their entrepreneurship was their desire to be innovators and leaders in the industry and address the evolving needs of the next generation, who seek to make a positive impact through their work. Both co-founders have extensive backgrounds in asset management, including two decades at Rosenberg Equities, a leader in quantitative investing. Their team at RadiantESG is made up of seasoned investment, data, and technology professionals with diverse backgrounds and expertise.

RadiantESG is a cutting-edge investment firm that integrates ESG (environmental, social, and governance) factors into their decision-making process. As a leader in ESG investment philosophy and practices, RadiantESG aims to be a trailblazing asset management company that incorporates ESG considerations in creating sustainable portfolios and promoting diversity in the industry. They invest in companies that meet both financial and ESG criteria, looking to identify firms that will be ahead of the changes in consumer preferences, resource scarcity, social and environmental challenges, taxation, and regulation. Their use of ESG, impact, and alternative information sources provides a more complete view of a company's risks and opportunities.

The empowered women behind RadiantESG share their inspiring stories with Business Concept Magazine. With their balanced approach to investing, RadiantESG has successfully navigated the business landscape and is poised for success in the years to come.

BC: What was your childhood dream?

HR: I had two goals in life. First, I wanted to become a doctor, driven by a desire to make a difference. My

second goal was to achieve financial stability. My family lost everything when we immigrated to the US from Iran during the Revolution. As a teenager, I learned that I had to fend for myself and earn my own way. I studied pre-med at Berkeley, worked part-time, and took on student loans to pay for my education. After completing my undergraduate degree, I was eager to join the workforce and decided not to pursue a post-graduate degree. My aim has always been to find purpose and make an impact in my work.

KM: From a young age, I was always drawn to travel and the exploration of new cultures and languages. Growing up, my family traveled frequently, and I was fortunate to experience different parts of the world. During my teenage years, we lived in Canada, followed by my studies in Spain after high school. I also spent substantial time in Central America during graduate school. Later in my career, I was named the Head of Investments for Australia and New Zealand, which led to my time based in Sydney. Throughout my life, my passion for languages and travel has remained a constant.

BC: What inspires you? Where do you find inspiration?

HR: I believe that inspiration is all around us. It comes in various forms for me—from the way light changes throughout the day, to song lyrics, and motivational quotes that emerge at the right time. However, I find that personal stories, particularly of individuals who have triumphed over adversity, persevered, and shown bravery, are what move me the most. I am fortunate that in my work, I am surrounded by incredibly intelligent, gifted, and perceptive colleagues who always astound me with their ability to discern and understand the world around them.

KM: Art allows me to escape my reality for a while—I think that's when I best get in touch with true creativity and inspiration. I also find inspiration from my colleagues. We have stimulating blue-sky conversations that often lead to innovative ideas and further exploration. That's the benefit of working in a creative team!



"AMBITION WILL TEMPT YOU TO TRY
AND ACHIEVE EVERYTHING RIGHT
NOW, BUT TRUE SUCCESS TAKES
TIME AND BUILDS UPON MANY SMALL
VICTORIES OVER THE YEARS."





BC: What compelled you to be in the asset management field?

HR: I stumbled into investment management by chance. After graduation, I sought a meaningful career and came across an ad in the newspaper classified section for “Movers and Shakers.” That led me to a position with Montgomery Securities, an investment banking firm. It was the leadership and character of the founder of Montgomery Asset Management that drew me into the field. I wanted to work for and be mentored by him, and the idea of helping others achieve financial security became highly motivating to me.

KM: My grandmother was the one who sparked my interest in investing. She was proud of her financial independence, which she attributed to her investments, and she wanted the same for me. At first, investing seemed like a fun and challenging task that I could turn into a fulfilling career, not just a job. However, as time went on, I became increasingly interested in how capital markets influence the world, for better or worse. Although I was initially attracted to asset management for personal reasons, I have remained in this field because of the promise that it can be a force for good.

BC: What are your roles and responsibilities?

HR: After 30 years of climbing the rungs of the investment industry and ultimately becoming the CEO of a successful firm, I had a vision for a different, more engaging way to bring ideas to the market and help our clients, working with talented people who have a shared sense of purpose. As the CEO of a startup, I am responsible for various tasks such as formulating the vision and strategy, inspiring and uniting the team, establishing the company culture and identity, and serving as the representative and spokesperson of the firm.

KM: I am the Head of Investments and Sustainability at the company. My role involves overseeing every aspect of our investment approach, which includes model creation, data analysis, portfolio management, risk management, and research. I have the benefit of working with a highly talented investment team at Radiant, who are experts in their respective fields.

BC: What is the inspiration behind the RadiantESG name?

HR: The word Radiant has so many positive associations—it’s bright, illuminating, evokes optimism, energy, and inspiration. Our logo is a golden, shining star which is a symbol for the “bright future” we strive for in every action we make; our North Star which reminds us of our purpose and keeps us forward thinking and innovative.

KM: Radiant’ reflects our positive outlook and our focus on a promising future. We are firm in our conviction about the type of investing that will benefit our clients. Even in the face of challenges, our mission is a joyous one. The combination of the word “Radiant” and our golden star logo effectively conveys this feeling.

BC: What makes RadiantESG different from other asset management companies out there?

HR: A lot of experience and a clean sheet of paper to do it the right way. I think what we have built is truly innovative and superior to what’s out there. First, we started with a team of who are all from different underrepresented groups so being diverse is in our DNA. We wanted to build an inclusive culture where diversity of perspectives can thrive, leading to better decision-making and ability to attract and retain the best talent. Second, everyone is very senior and an equity partner in the firm. We have been at this for such a long time;

we had the benefit of starting with a high level of readiness. And third, our mission from Day 1 has always been about doing well by doing good. What I mean by that is that we are confident we can outperform markets with an investment portfolio that is populated by companies our clients would be proud to own.

KM: We aim to provide exceptional long-term gains to our clients by investing in firms that have the present abilities or potential to tackle the world’s most significant challenges. We look for companies that are taking steps to ensure they are adaptable to change, as well as making sure their firm’s impact on society and the environment is positive. These are attributes that we believe will accrue to firms as economic advantages as time passes. These advantages are specifically sought in RadiantESG’s investment strategy.

What sets Radiant apart and increases the likelihood of achieving superior investment returns can be summarized into three key aspects: 1) a seasoned team with a track record of running award-winning equity strategies, 2) a unique, next-generation approach to evaluating a company’s ESG and fundamental factors, and 3) utilization of new technologies and data sources to gain a more comprehensive understanding of the firms we invest in. And to top it off, being led by women and minorities makes us truly exceptional in the industry.

BC: What compelled you to join forces with each other?

HR: I have been fortunate to work alongside Kathryn for over two decades, and she remains one of the most remarkable individuals I have encountered. Her intellect and insightful nature are unparalleled. She holds strong ethical values and is a kind and empathetic person. Despite having different skills and backgrounds, we



have always collaborated effectively, and our shared experience and commitment to the investment industry have driven us to want to leave a meaningful legacy.

KM: For over two decades, I have been honored to collaborate with Heidi. Our shared focus has always been our clients. We both believe that the asset management industry needs to move beyond its conventional transaction-based model and deliver long-term investment solutions that truly serve clients’ best interests. I hold great admiration for Heidi’s leadership, extensive industry expertise, and passion for making a positive impact in the field. Additionally, I am inspired by her dedication to promoting financial literacy and empowerment among women.

BC: How do you complement one another in terms of your roles and responsibilities?

HR: It’s a match made in heaven. Both of us are equally dedicated to establishing a strong culture, developing an attractive brand, and delivering impact. Kathryn primarily guides our investment choices and I have great admiration for her extensive knowledge and experience in that field. My responsibilities include client engagement, marketing, and business operations. Our entire team’s skills and backgrounds are intentionally diverse, allowing us to benefit from their expertise across various functional areas and providing us with a complete range of capabilities desired in an investment firm.

KM: We complement each other very well. Heidi takes primary responsibility for operational aspects and client relations, while I lead investment decisions. However, in small firms everyone does a bit of everything, so not only do our complementary skills bring strength to our relationship, our easy collaboration serves us well, too.



“A TRUE LEADER WILL FIRMLY STAND UP FOR THEIR BELIEFS, EVEN WHEN THEY MAY NOT BE WELL RECEIVED. THIS DOES NOT MEAN BEING IMPOLITE, RATHER BEING AWARE OF OPPORTUNITIES TO VOICE ONE’S OPINIONS AND USING THEM EFFECTIVELY.”





BC: What do you love most about what you do?

HR: Above all else, I love problem solving and creating solutions, even in seemingly chaotic situations. I find it extremely fulfilling to take an idea, like Radiant, and turn it into a tangible reality.

KM: I relish the competitiveness in the asset management industry, but our ultimate goal is to invest our clients' assets effectively. Working alongside our exceptional team to develop a strategy that truly meets our clients' needs brings me great satisfaction.

BC: What have you discovered about the industry through your experience over the years?

HR: What I have learned in my over thirty years of experience in asset management is that the best results for clients come from firms that prioritize delivering their strongest ideas and capabilities, rather than trying to appeal to their clients' perceived preferences. The key is to showcase your strengths to the world and let clients decide if you are the right fit for them.

Our belief in the importance of ESG in investing stems from the historical evidence that companies with strong ethics and responsible use of resources produce better outcomes in the long term. Our integration of ESG is driven by true convictions. Instead of following trends, we believe that firms would benefit more by focusing on their core strengths and having the conviction to remain true to them.

KM: The financial services industry is bogged down by outdated practices and legacy systems. Fresh and innovative ideas, though unsettling at first, are crucial to address the significant changes upon us. I've learned that starting anew entails risks, but to allow for new perspectives, agility, and adaptability in our approach, we must look ahead and anticipate what will be rewarded in the future, which may be vastly different from the past.



BC: What are the habits and rituals that you follow when working?

HR: It’s probably my nature, but also a by-product of having begun my career on the client side of the business, the first thing that’s going to grab my attention is something a client wants over something operational. So, it’s less about structure and more about addressing what is timely. I’ve always had the mindset that you should do the things you have to do before the things you want to do. So, I’m a fan of checklists of to-do’s that keep me focused and feeling a sense of accomplishment.

In general, I’m not so much into habits and rituals as I am about mindsets. My office, for example, is very “homey” and uplifting with inspirational quotes, notes from clients and employees, and things that keep me motivated and purpose-driven.

KM: My work requires a significant amount of reading and writing. One effective habit that I’ve developed is dedicating at least one hour every afternoon to “quiet time”—turning off email and news notifications. During this time, I can read and write without distractions, which I find to be extremely valuable.

BC: What obstacles have you encountered in your career and how have you remained motivated despite these challenges?

HR: I was born in Iran and spent my childhood traveling between Iran and the United States, spending alternating years in each country. Growing up, I saw my father go through the difficult experience of losing everything after the Revolution. But, he didn’t give up and started from scratch, building a successful life despite growing up in poverty. These experiences shaped me,

and at the age of 13, I started working hard too. Also, I clearly remember when the American hostages were taken. Kids at school ostracized me because of my last name, which was confusing given my solidly “American” identity! In many ways, that was the foundational experience that made me more determined to be inclusive and an advocate for underrepresented groups. The world of asset management can be daunting, with constant competition and factors beyond one’s control, which requires a dose of humility. However, holding a stewardship role where one is entrusted with managing others’ life savings is a responsibility that keeps you grounded and focused in the face of challenges while seeing threats as opportunities to grow and improve. The difficulties you face and overcome can shape you in a positive and character-building way, and looking back, I would not have changed anything about past struggles as they have led to my proudest personality traits.

KM: Like many, I’ve encountered numerous difficulties—both personal and professional. I stay motivated by considering my work as something that will be with me and shape me for my entire life. Although we face tough times, it doesn’t mean we should give up on our lifelong passions. I also remind myself that challenges can often lead to deeper understanding—be it a technical idea or even self-discovery. It’s important to genuinely welcome challenges and not be intimidated by them.

BC: Define what women empowerment means to you and why it’s important.

HR: Empowerment, to me, means having control over one’s life and equal opportunities to participate in society, free from discrimination based on gender, race, or other factors. The notion

that advocating for one group in society takes away from another is misguided. Rather, empowering all individuals only expands the pie and strengthens the economy. It’s not just about equality, but about maximizing everyone’s potential, leading to a more robust and prosperous society.

KM: Empowerment for women means the ability to control their own finances and make choices about their own bodies and lives. It goes beyond just fundamental human rights. Supporting women’s empowerment benefits not just the individuals, but society as a whole, leading to stability and prosperity.

BC: As a successful woman in this industry, how do you use your platform to empower other women?

HR: I promote the significance of diversity and inclusion, as well as the impact investors and capital markets can have in driving positive change in environmental, social, and governance issues, through speaking engagements and thought pieces. I am energized about developing others and taking part in mentoring programs that support women and other marginalized communities. My goal in making Radiant a success is to demonstrate that diverse-led companies can be successful and serve as a model that offers opportunities for others.

KM: From an economic research perspective, I have concentrated my efforts on presenting evidence-based work on the power of diversity and inclusion. More generally, both Heidi and I have participated in mentoring programs that focus on women and underrepresented groups.







BC: What does it take to be a true leader in this day and age, and how have you applied your leadership skills in this industry?

HR: To lead effectively, you have to earn the trust and respect of those you lead. I honed my leadership skills by studying successful leaders I've worked with and for, especially those I was inspired to emulate. I observed their key traits, including authenticity, genuine care for people, decisiveness combined with openness to different perspectives, confidence with humility, high expectations, supportive encouragement, and the ability to articulate a compelling vision.

I've learned that when you can be true to yourself, connect with others and build a foundation of trust, anything is possible. I don't have all the answers, but I continuously surround myself with smart, curious, problem-solvers who never settle for the status quo. By leveraging the collective wisdom of my team, we can co-create the future together. Empowering others by showing trust and valuing their perspectives, even if they differ from your own, leads to a more motivated and successful team. That is where the magic happens.

KM: A true leader will firmly stand up for their beliefs, even when they may not be well received. This does not mean being impolite, rather being aware of opportunities to voice one's opinions and using them effectively. With RadiantESG, Heidi and I have pledged to not compromise our mission statement in exchange for mass appeal. Instead, we strive to be genuine in our words and actions, acknowledging that our message will resonate with a specific group of investors who want to use their resources to generate wealth as well as improve society and the environment. It's okay if we don't please everyone.



BC: What do you do for fun?

HR: What brings me the most joy is spending time with my family, especially our four boys. They are at different stages in life, and being around them all at once is pure happiness. We have had the privilege to take our children on many exciting trips, allowing them to experience the beauty of the world and its diverse cultures, traditions, and lifestyles. One of the most memorable was a safari in Africa that made a lasting impression on all of us and reinforced the significance of the environment and our connection to animals and people across the globe.

KM: Horseback riding. I switched from jumpers to dressage a few years ago and I love it, but it can be very time consuming!

BC: How do you keep a work/life balance?

HR: Starting a business from scratch is a challenging task, and often stresses the line between work and leisure. To keep my mind sharp, I prioritize taking breaks to recharge, which has become easier now that our youngest has gone off to college and we're empty nesters. During my downtime, I enjoy spending time with my husband, socializing with friends and family, or going on hikes with our dog.

KM: Balancing work and personal life can be a challenge for me, especially with the blurring of lines brought about by the COVID-19 pandemic. As a small asset management company, being fully engaged in our work is a near constant requirement, but it's also important to take time to

recharge. I admit that finding the right balance is still a work in progress for me!

BC: What do you advise people who wish to be like you?

HR: My first piece of advice is to bring your "A" game and consistently give your best effort, regardless of the task at hand. A strong work ethic and pride in what you do can lead to numerous opportunities. Early in your career, find a mentor who inspires you and give them a reason to care deeply about your personal success. Pay it forward by becoming a mentor for someone else. Realize that there will probably be a time in your career when you need to say to yourself "Failure is not an option" and find that gear that allows you to tap into something much deeper when you need to. If your resilience and determination knows no bounds, you can accomplish more than you realize.

KM: My advice to those at the beginning of their careers is to focus on the long-term. Ambition will tempt you to try and achieve everything right now, but true success takes time and builds upon many small victories over the years. When you're young, you tend to focus on big milestones as markers of success, but this is not how a lifetime of achievement works. Try to think about building a cumulative body of work that you can be proud of.

BC: What are your goals for the future?

HR: Currently, we are taking things one-step at a time. Radiant right now is everything we know so far, but change is inevitable and that's a

good thing. Our goal is to stay ahead of the curve and drive positive change in any way we can. While we have a bright outlook for the future, we want to ensure that we have successfully achieved Radiant 1.0 before moving on to Radiant 2.0.

KM: Our excitement for Radiant's growth is palpable and our immediate focus is on ensuring the success of our business. As of now, Radiant only invests in publicly traded stocks, but our plans may involve expanding our portfolio to include private equity investments in the future. On a personal level, I will continue to support environmentally and socially impactful projects, as I believe in their transformative potential in the long term.

Heidi Ridley and Kathryn McDonald want to establish a legacy and leave a lasting impact on the asset management industry. By promoting diversity and ensuring accessibility and transparency, they aim to pave the way for future generations. Building strong relationships with their clients and prioritizing longevity plays a significant role for RadiantESG. Their core values center around being purpose-driven, client-focused, solving problems, and delivering tailored solutions. RadiantESG's investments reflect their belief in the positive impact of Environmental, Social, and Governance (ESG) initiatives and their influence on the evolution of companies in the long-term. Their mission is to demonstrate that a diverse and entrepreneurial group of people could exceed their clients' financial goals by investing in the companies that make a positive difference in the world.

