

June 2023 Global Network Week Impact Investing: financing social change and climate solutions

COURSE INFORMATION

Division: Finance

Instructor: James Tansey

Course duration: 12-16 June, 2023

Pre-requisites: None

COURSE DESCRIPTION

Impact investing has emerged over the last decade as a new sector at the interface between philanthropy and investment. The sector currently represents \$700bn+ of investment capital. This course provides an introduction to the impact investment sector and the related responsible investing sector, describes the evolution of impact investment, the growth of new asset classes, and the opportunities and challenges faced by investors seeking meaningful impact investment vehicles.

According to the Global Impact Investing Network (GIIN), impact investing is defined as “investments made into companies, organizations and funds with the intention to generate measurable social and environmental impact alongside a financial return”. Impact investing, has emerged over the past decade as one of the most talked about strategies for tackling social and environmental problems. With the goal of creating measurable impact in addition to financial returns, impact investing selects ventures working towards positive social or environmental outcomes. The concepts of impact investing and social enterprise emerged out of a recognition that the private sector could also contribute to the development of social agendas, while gaining a financial return. Rather than focusing solely on a risk-return nexus, impact investing broadens to the “triple bottom line” to include financial, social, and environmental gains.

Related but distinct from impact investing, is the field of responsible investing (RI). According to the Responsible Investment Association of Canada (RIA), RI refers to the incorporation of environmental, social and governance factors (ESG) into the selection and management of investments. RI focuses on public market investing, in both retail and institutional contexts, and encompasses a variety of portfolio construction and stewardship strategies, including proxy voting, filing shareholder resolutions and shareholder engagement.

Through a combination of readings, discussions, guest lectures, research, a pitch competition and a portfolio allocation project, students will gain deep insight into the different perspectives brought by the impact investor who is concerned with stimulating social and environmental impact while generating financial return.

Business students will complete the course having obtained a strong understanding of the positive impacts financial tools can have economically, socially, and environmentally. Students will also acquire practical knowledge of the tools and methodologies brought to impact investment decisions and assessments.
