Description

This course presents the fundamental concepts of Impact Investing, which is a ubiquitous term used to broadly define the landscape of social investing – or investing with a purpose that is beyond traditional modern portfolio theory terminology. It spans the concepts of negative screening, positive screening, ESG integration, thematic investing and various other strategies and vehicles.

Course Objectives

This course will examine the history of impact investing, the numerous types of impact investing strategies, their vehicles and the market participants as well as take a cutting edge approach to data collection, aggregation and interpretation.

The major topics covered are:
• History, size and characteristics of the Impact Investing marketplace
• Incorporating ESG integration into investment return
• Distinctive business and financial characteristics of Impact Investments; social impact metrics
• Updating conventional investment analysis to the Impact Investing paradigm
• Impact evaluation frameworks and their integration into traditional risk/return models
• Corporate Social Responsibility, its nature and effects, and analysis of shareholder activism to promote it

The primary emphases of this special topics course are a broad-based understanding of Impact Investing and how it has taken shape in real-world settings. Students will organize into groups to discover, research, analyze and present team research projects, some or all of which may be published.

Prerequisites

Junior Standing or permission of instructor. Further, given its wide-ranging subject matter, students will benefit from completion of any of the following: corporate finance, basic accounting, investment management, micro and macro-economics, decision analysis and game theory, statistics and probability.
In addition, you should have some familiarity with Excel and or other Microsoft office programs such as PowerPoint.

**SOBE LEARNING GOALS**

This class addresses four Learning Goals established by the School of Business:

- *Communication skills.* Students will organize into groups to discover, research, analyze and present team research projects, some or all of which may be published.
- *Global and civic responsibility.* Students undertake consideration of Corporate Social Responsibility (CSR), its nature and effects, and analysis of shareholder activism to promote it.
- *Intellectual innovation and creativity.* The major class project is designed to encourage analysis of Impact Investing and its innovations in financial circles *Synthesis.* The project requires bringing together a comprehensive understanding of the ESG model into investment return.

**Materials**

**Text**

There is no primary text as such for the course. Course work and readings will consist of articles and case studies which will be made available on-line or through a course pack.

**Course Pack**

In addition to class notes, the course will make use of articles from academic periodicals and practitioner-published content.

**Handouts**

I will hand out material as required for each class and will typically make electronic versions available in advance of class where possible. Should you be absent when I distribute something, you will be responsible for obtaining a copy of what I gave to the class.

**Evaluation and Administrative Details**

You will be evaluated in this class through your participation and contribution (25%) as well as your final team project (75%). Other assignments may be added throughout the semester as needed.

I will not take attendance each class. However, I will gauge class participation using the inexact science of recollection and connection. Therefore, if you are not in class or do not make a visible (memorable) contribution, I am unable to arrive at a participation grade which will serve as 25% of your final grade.
Final Project
I expect to have one (per group) team-based final project.

The final project should be completed by students in groups of no more than six and no fewer than two. Each group should submit only one final project. Not all group members will receive the same grade. The team will receive a final grade from me regarding the quality of the project overall and will also “self-evaluate” each member of the team. The names of every team member must be written clearly on materials submitted. You are responsible for forming groups, and constituents may change throughout the semester. In addition, please note that I am averse to mediating disputes among group members, so please choose your groups wisely.

The team project will be undertaken by each group, which is responsible for identifying, researching, analyzing and presenting an investment thesis and business case for a specific Impact Investing initiative. More will be announced in the first weeks of class about the specifics of the final projects. The top projects will have the opportunity to present to other Impact Investing Leaders and at conferences and may potentially be published.

COURSE POLICIES

Honor Code
Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each incident will be examined to determine the degree of deception involved. Incidents where the instructor determines the student’s actions are related more to a misunderstanding will handled by the instructor. A written intervention designed to help prevent the student from repeating the error will be given to the student. The intervention, submitted by form and signed both by the instructor and the student, will be forwarded to the Dean of Students and placed in the student’s file.

Cases of suspected academic dishonesty will be reported directly by the instructor and/or others having knowledge of the incident to the Dean of Students. A student found responsible by the Honor Board for academic dishonesty will receive a XF in the course, indicating failure of the course due to academic dishonesty. This grade will appear on the student’s transcript for two years after which the student may petition for the X to be expunged. The F is permanent. The student may also be placed on disciplinary probation, suspended (temporary removal) or expelled (permanent removal) from the College by the Honor Board.

Research conducted and/or papers written for other classes cannot be used in whole or in part for any assignment in this class without obtaining prior permission from the instructor.

Students can find the complete Honor Code and all related processes in the Student Handbook at http://studentaffairs.cofc.edu/honor-system/studenthandbook/index.php.

Students with Disabilities
The College will provide reasonable accommodations for persons with documented disabilities. Students should apply at the Center for Disability Services/SNAP, located on the first floor of the Lightsey Center, Suite 104. Students approved for accommodations are responsible for notifying me as soon as possible and for contacting me one week before accommodation is needed.

**Inclement Weather Contingency**

If the College of Charleston closes and members of the community are evacuated due to inclement weather, students are responsible for taking course materials with them in order to continue with course assignments consistent with instructions provided. In cases of extended periods of institution-wide closure where students have relocated, a plan will be articulated that allows for supplemental academic engagement despite these circumstances.

Letter grades are assigned as follows:
- A = 90% - 100%
- B = 80% - 89%
- C = 70% - 79%
- D = 60% - 69%
- F = below 60%

**Course Schedule**

**Week 1**

Introduction and Overview: Definitions, Classical Finance and the Case for Impact Investing

**Week 2**

Socially Responsible Investing: negative screening, positive screening, the fiduciary standard revisited

**Week 3**

Shareholder Activism: positive and negative investment

**Week 4**

Corporate Social Responsibility (CSR)

**Week 5-6**

Microfinance, targeted investments, specialty themes

**Week 7-8**

Environmental Finance, Greentech, Infrastructure. Scale and PE

**Week 9**
Philanthropy and Its Models – thinking about Philanthropy as both a goal, mechanism and asset class.

**Week 10**
UN SDG’s – framework, analysis and incorporation

**Week 11**
New Products, New Approaches

**Week 12**
Selected Team Presentations