



BUSINESS SCHOOL
Te Kura Pakihi

COURSE OUTLINE

FINC320 ***Sustainable Investing***

Semester One, 2024

Paper Description and Aims

Welcome to FINC320 Sustainable Investing!

In this course we introduce you to sustainability issues and perspectives in the context of Finance and provides hands on skills for sustainable investing.

The sustainable investments course is designed to give you the skills, understanding and credentials in this emerging field of finance. Global funds under management are quickly moving to an ESG, responsible, impact or sustainable investing approach. Due to this shift the market for investment analysts and managers with the skills taught in this course is expanding rapidly.

This paper may also help prepare you for postgraduate study in Sustainable Finance and/or Business.

Learning Outcomes

Upon successful completion of this paper, you should be able to:

- Discuss, from an investment perspective, the risks and opportunities presented by Environmental, Social and Governance (ESG) issues and concepts such as climate change, biodiversity, and broader planetary boundaries.
- Develop a critical understanding of the fiduciary duty of investment managers in the context of sustainable investing.
- Design and assess various sustainable investment approaches and products considering their strengths and limitations.
- Develop and evaluate Impact Investments
- Discuss Investing with a Te Ao Māori worldview

Teaching Staff

Paper Coordinator/Lecturer

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Tutor

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You should contact Margaret Grundy [margaret.grundy@otago.ac.nz] with any administrative enquiries about the paper, e.g. tutorial changes.

Course Delivery

This course is delivered through a combination of Lectures, Guest Lectures and hands on Labs in the Bloomberg Trading room, to first build conceptual understanding and then working more practical exercises.

Lecture Day/Time: Wednesday 10am-12pm, Thursday 3pm-4pm

Students must attend three 50 minute lectures per week.

Lectures present the key conceptual material through discussion and interaction between teaching staff and students. Lectures are supported by readings.

Guest Lectures will be given by prominent invited speakers, with practical expertise. These lectures will give you exposure to the current real-world issues these speakers are facing and/or solving and allow you to start connecting with the industry.

Labs are interactive, collaborative sessions in which students attempt to cement concepts presented during lectures with their peers in a supportive hands on environment as well as learning new hands-on skills.

- Labs begin in the **second** week of semester. You will be allocated to a lab.
- Labs will be located in the new **BNZ Bloomberg Trading room**.
- Labs offer you the opportunity to work in groups on a series of tasks designed to apply the concepts that you have been exposed to in class and from your reading, and to stimulate your interest in the course as it applies to “everyday” issues.

Course Calendar. The course calendar details scheduling information. Note that this calendar may change as the course proceeds. Any changes will be announced during lectures and be detailed on Blackboard.

For you to gain full benefit from the course you are expected to prepare for and attend all classes.

These activities should be prepared for by reviewing information detailed on Blackboard and completing any assigned readings. Students unable to attend a lecture are expected to catch up on missed material.

Unless stated otherwise, all aspects of the course are examinable.

Expectations and Workload

The following note is copied from the University of Otago website:

<http://www.otago.ac.nz/study/planning/workload.html>

“As an approximate guide, you can expect to spend about two hours per week per 3 points for single-semester papers. These hours are made up of a combination of lectures, tutorials, laboratories, assignments and reading.”

Thus, for an 18-point paper (like FINC320), you can **budget 12 hours per week on average**. That is eight hours of study outside the classroom per week (the less you do, the less likely it is that you pass). Some topics may require more study; some may require less.

So, come to class and take handwritten notes. If you miss a lecture, you can get the lecture notes on Blackboard.

Course Learning Resources

Additional readings/references will be provided via blackboard for each topic.

Blackboard

<https://blackboard.otago.ac.nz/> provides you with access to course materials, class notices, and resources. Blackboard is used to email the whole class so it is important that you check your student email and *Blackboard regularly*.

Student Webmail

We will use your student email account to email you information relevant to your programme. To forward your University email address to an email address that you use regularly:

1. Log into your StudentMail account (<http://www.otago.ac.nz/smlanding/>) using your student username and password.
2. Click the **Cog** button (top right corner).
3. Click on **Mail** under **Your App Settings**.
4. Under **Accounts** on left hand side, select **Forwarding**.
5. Under the Forwarding heading, type in the email address you want your email to be forwarded to. You can also choose to have a copy of these emails kept on your StudentMail account, so please check the box if you would like this.
6. Click the **Save** button.

Assessment

All material presented is examinable (unless stated otherwise) by assignments, the midterm and the final examination. All important assessment information such as due dates and times, content, guidelines and so on will be discussed in lectures and, where appropriate, detailed on Blackboard. ***Students are responsible for ensuring that they are aware of this information, keeping track of their own progress, and catching up on any missed classes.***

Assessment	% of final grade	Week Assessed
Assignment 1 (group report): Creating a SIPO Developing your own Investment Fund concept	15%	5
Assignment 2 (individual report) Evaluating ESG and Financial performance Practices the quantitative analysis techniques	20%	9
Professionalism	10%	ongoing
Assignment 3 (group presentation) Impact Investment Pitch Developing your own impact investment	15%	12, 13
Final Exam Open book in computer lab (no internet)	40%	

Course Requirements

Final grade

Assuming you sit the final exam, we have to assess whether you pass the course or not. **To pass FINC 320 you must score 50% or higher when we calculate your overall weighted score in accordance with the Assessment table.**

Note:

Two University final examination rules students often claim to not know about

(<https://www.otago.ac.nz/administration/policies/otago070388.html>):

- If you are impaired (mentally, physically, emotionally) for your final exam, then a claim for special consideration must be made within five calendar days of the last final examination for which special consideration is being sought and must be supported by a Health Declaration or other appropriate evidence.
- No candidate shall communicate with an examiner in regard to an examination either in the examination script or otherwise before the official release of confirmed final results, except through the Manager, Student Administration. (So, you must not write “finalist” (or any other message) on your exam script, or send an email to your instructor before your results are released.)

Quality Assurance

At the Otago Business School we monitor the quality of student learning and your learning experience. Your assessed work may be used for assurance of learning processes, such as evaluating the level of achievement of learning outcomes, with the aim of improving the quality of our programmes. All material used for quality assurance purposes will be treated as confidential and the outcome will not affect your grades.

Course Calendar

Week	Topic	Assessment	Labs
1 26 th Feb	Topic 1: Sustainability issues and investments		
2 4 th Marc	Topic 2: Sustainable investment spectrum and products 7th March: Jorge Wymann, Manager ESG Research, Harbour Asset Management <i>Sustainable Investments in Practice</i>		Lab 1
3 11 th Mar	Topic 3: Fiduciary duty and Statements of Investment Policy and Objectives (SIPOs)	Assignment 1 released	Lab 2
4 18 th Mar	Topic 4: Responsible investing methods 21st March: Mark Tume, Chairman for Te Atiawa Iwi Holdings and Ngai Tahu Capital and many other Board roles		Lab 3
5 25 th Mar	Topic 5: Environmental, Social and Governance data	Assignment 1 due 25th March	Lab 4
Mid-term Break			
6 8 th April	Topic 5: Continued 11th April: TBC	Assignment 2 released	Lab 5
7 15 th April	Topic 6: Assessing Portfolio level ESG performance and Greenwashing.		Lab 6
8 22 nd April	Topic 7: Assessing Portfolio level financial performance		Lab 7
9 29 th April	Topic 8: Sustainable Finance Regulations 31st April: TBC	Assignment 2 due 1st May Assignment 3 released	Lab 8
10 6 th May	Topic 9: Impact and Direct Investing 8th May: Greg Sise, Managing Director, Energy Link Valuing Generation Projects		Lab 9
11 13 th May	Topic 10: Valuation and Climate Change 16th May: Rohan MacMahon, Partner, Climate VC Fund Investing for Measurable Impact on Climate Change		Lab 10
12 20 th May	Assignment 3 presentations		Lab 11
13 27 th May	Assignment 3 presentations	Assignment 3 presentations	

Class Representatives

Class representatives are an important means of communication between students and staff. Contact details for your student class representatives can be found on the Blackboard page for this paper.

Disclaimer

While every effort is made to ensure that the information contained in this document is accurate, it is subject to change. Changes will be notified in class and via Blackboard. Students are encouraged to check Blackboard regularly. It is the student's responsibility to be informed.

Lectures end Friday 18th October 2023