



BUSINESS SCHOOL
Te Kura Pakihi

COURSE OUTLINE

FINC399 ***Sustainable Investing***

Semester Two, 2021

Paper Description and Aims

Introduces 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 Otago Finance graduates 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.

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 as articulated in the UN SDGs and concepts such as planetary boundaries.
- Develop a critical understanding of the fiduciary duty of investment managers in the context of sustainable investing.
- Develop an understanding of sustainable investment (including ESG) products and their strengths and limitations.
- Design, implement and assess various sustainable investment strategies.
- Assess feasibility of a sustainable investment project.
- Discuss Direct, Iwi and Impact Investing.

Teaching Staff

Paper Coordinator/Lecturer

Name: Dr Sebastian Gehricke
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Office: OBS 3.28
Office Hours: Wednesday 4-5pm and Friday 12-2pm

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

Course Delivery

Lecture Day/Time: Wednesday 11am-1pm, Thursday 12pm-1pm

Students must attend three 50 minute lectures and one 50 minute tutorial each week.

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

Labs are interactive, collaborative sessions in which students attempt to cement concepts presented at lectures with their peers in a supportive hands on environment.

- Labs begin in the **second** week of semester. You will be allocated to a lab, and this will be available in eVision.
- 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 at lectures and be detailed on Blackboard.

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

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>

"A full-time first year course is generally between 54-72 points in any one semester or 114-144 points in any one year. 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 FINC399), 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.

We estimate that each lecture you fail to attend reduces your maximum possible score on the final exam by maybe 4%, and each lecture you fail to attend in the first five weeks reduces your maximum possible score on the midterm exam by maybe 6%. 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	Week assessed	% of final grade	Requirement to pass this course
Mid-term test	7	20%*	
Group Assignment 1 (Report): Creating a SIPO	8	10%	
Group Assignment 2 (Presentation and report): Analysing investment strategy	11	30%	
Final Exam		40%	Must get 50%.

* See plussage notes later in this course outline

Course Requirements

Midterm (Date TBC)

The **midterm exam** is a closed book two-hour exam held outside regular class time. If your final score is higher than your midterm results, then you will be granted **plussage**. This means that the numerical grade on your final exam will replace the numerical grade on your midterm exam.

If you are ill for the final exam, you need to apply to the Examinations Office for special consideration.

Note:

- Your midterm grade will be released on Blackboard ideally no later than 15 business days after the date of the midterm exam.
- If you were impaired (mentally, physically or emotionally) for the midterm test, then before your grades get released you must present a medical certificate properly dated to cover the day of the exam. In line with university policy on special consideration, no student will be granted special

consideration (e.g., a terms waiver) if they submit a medical certificate after the release of their mid semester grades.

Final grade

Assuming you sit the final exam, we have to assess whether you pass the course or not. **To pass FINC 399 you must score 50% or higher when we calculate your overall weighted score including your quizzes 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
1 12 th Jul	Introduction to sustainability issues and sustainable investing	
2 19 th Jul	Sustainable investment spectrum and products	
3 26 th Jul	Environmental, Social and Governance rankings -greenwashing	
4 2 nd Aug	Fiduciary duty and Statements of Investment Policy and Objectives (SIPOs) Guest Lecture: Ross Pennington, Partner Chapman Tripp	
5 9 th Aug	Responsible investing methods 1: Negative Screens Guest Lecture: John Berry, CEO Pathfinder/CareSaver	
6 16 th Aug	Responsible investing methods 2: ESG integration and Engagement	Assignment 1 due
7 23 rd Aug	Responsible investing methods 3: Sustainability themed	
<i>Break</i>		
8 6 th Sep	Direct and Iwi investing Guest Lecture: Mark Tume, Chair of Infratil and Ngai Tahu Holdings	Mid-term test
9 13 th Sep	Assessing portfolio risk and performance 1	
10 20 th Sep	Assessing portfolio risk and performance 2	
11 27 th Sep	Project valuation with ESG consideration	Assignment 2 report due
12 4 th Oct	Impact Investing Guest Lecture: Louise Aitkin, CEO Akina Capital	Assignment 2 presentations
13 11 th Oct	Revision sessions	Assignment 2 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 15th October 2021

University Exam Period Wednesday 20th October – Saturday 13th November 2021