York University

**Faculty of Liberal Arts and Professional Studies**

**School of Administrative Studies**

**Winter 2021**

**AP/ADMS 4537 3.00 Sustainable Investing**

**As of June 2020 York University cannot predict whether classes in Winter 2021 will continue as a remote offering or can return to in person instruction in the classroom. ADMS 4537 can be offered under either form of instruction. The course director is currently teaching ADMS 4502 as a remote course and will be able to teach ADMS 4547 remotely as well if necessary. This is the first offering of ADMS 4537.**

**DATE and TIME:** Thursday, 7:00 to 10:00 p.m.,

**LOCATION:** ACE 003

**COURSE DIRECTOR:** Walter Viguiliouk walterv@yorku.ca

**PREREQUISITES:** AP/ADMS 3531

**TEXTBOOKS**

To be determined.

OPTIONAL READING:

Students will be expected to read the news on a regular basis in order to discuss current events as they pertain to sustainable investing.

**COURSE DESCRIPTION**

This course is for students who are interested in pursuing careers in the investment profession, and specifically within the rapidly evolving area of sustainable and responsible investing. The course is based on new strategies and techniques that institutional investors are adopting with respect to integrating Environmental, Social and Governance (“ESG”) and Climate Change factors into their investment decision making. It goes further to discuss the fundamental principles and prevailing ESG frameworks that institutional investors are adopting to help them enhance their capital allocation decisions. The course requires students to think critically about how ESG factors can be used to identify investment risks and opportunities and enhance expected returns.

Students will work on complex integrated company case studies.

**LEARNING OUTCOMES**

1. To understand the link between material sustainability information and a company’s financial performance
2. To understand the difference between Corporate Social Responsibility (CSR) information and decision-useful material sustainability information for investors
3. To understand, interpret and apply Sustainable Accounting Standards Board (SASB) Standards and the Task Force on Climate Related Financial Disclosures (TCFD) framework in full.
4. To assess and analyze company ESG disclosures and performance
5. To know the differences between the various approaches to sustainable investing (ESG integration, Impact investing, Positive/Negative screening, Thematic ESG investing, Shareholder engagement, etc.)
6. To understand Climate Change related investment risks
7. To know the fundamental drivers behind the growth and demand behind sustainable investing
8. To develop communication and presentation skills needed to express your position and opinions as a professional
9. Scrutinize corporate financial statements and other disclosures based on ESG disclosures and performance
10. To write an informed report on the ESG performance of a company and present the results orally as an engagement with the company

**GRADING SCHEME**

* Class Participation ….....10%
* Midterm Exam …………..25%
* Assignments ………………25%
* Final Exam …………………40%
* Total …………………………100%

**ASSIGNMENTS/ CASE STUDIES**

Students will work in groups consisting of not fewer than 3 students and not more than 4 students. Each group will select or be assigned a target company. The group will be required to prepare for a mock engagement with the company. Specific instructions will be provided at the time when companies will be assigned. You will be given plenty of time to research your company, prepare your gap analysis, and develop your engagement plan. Groups will be selected to present their mock engagements in each class. The group that prepared the engagement plan will also run the class discussion. All engagements presented in class will be subject to the final examination.

When completing assignments please observe the following guidelines:

* Text must be typed and double-spaced on one side of 8 x 11 papers
* Do not use report covers.
* Staple the assignments in upper left-hand corner
* Covering page must have your names, student numbers, Course identification, Assignment number and the due date clearly marked
* Grammar and spelling will be taken into consideration
* Digital or “soft copy” version of assignment must be in MS WORD format

**EXAMINATIONS**

The date of the final exam will be scheduled by the registrar's office.

The midterm exam will cover all the material presented and discussed in class and the reading assignments to the date of the midterm

**CLASS PARTICIPATION**

This is an interactive class. Class discussion and participation are key. Each class will begin with news items from the week that deal with ethical issues in business with special emphasis on the investment industry.

**COURSE OUTLINE: Please note the order of the topics and the assignment dates may be changed during the term, depending on the progress made in class. All changes will be announced in class. Students need to follow the directions given at the end of each class and posted on the course website. Other case studies, readings and assignments may be given in addition to the ones indicated below.**

**4537 Course Outline**

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| **Lecture number** | **Main Topic** | **Contents** | **Readings and assignments**  |
| Lecture #1 | Introduction to Sustainable Investing (& Introduction to course assignment: Mock Company Engagement) |  |  |
| Lecture #2 | Sustainability Accounting Standards Board (SASB) |  |  |
| Lecture #3 | Climate Change & the Task Force on Climate Related Financial Disclosures (TCFD) (+guest presentation) |  |  |
| Lecture #4 | Environmental Factors (+ guest presentation) |  |  |
| Lecture #5 | Social Factors (+ guest presentation)  |  |  |
| Lecture #6 | Corporate Governance (+ guest presentation) |  |  |
| Week #7 | Midterm Exam |  |  |
| Lecture #8 | ESG Integration into Stock Selection and Portfolio Management |  |  |
| Lecture #9 | Active Ownership & Engagement |  |  |
| Lecture #10 | Mock Engagements |  |  |
| Lecture #11 | Impact Investing & Social Development Goals (SDGs) (+Mock Engagements Continued) |  |  |
| Lecture #12 | Course Review and Exam Prep  |  |  |

**Finance Area policy on DSA (Deferred Standing Agreement)**

It is the policy of the Admin Studies finance area that instructors will NOT
sign a DSA form if you miss both the midterm and final exams. Students in this
situation will need to petition for deferred exam, late withdrawal, or a remedy appropriate to their circumstances.If the midterm is missed due to illness, appropriate documentation must be provided to the course director within two weeks of the missed work.  Do NOT hand it into the office.

**RELEVANT UNIVERSITY/LA&PS/SCHOOL REGULATIONS**

The regulations on many aspects of coursework that apply to you are on:

<http://sas.laps.yorku.ca/students/>

You are responsible for understanding and following these regulations.

**ABOUT THE INSTRUCTOR**

First and foremost, I am a proud graduate of the LAPS School of Administrative Studies Bachelor of Commerce Program. Back in my time it was known as the Bachelor of Administrative Studies Specialized Honours in Finance Program.

I am currently a Principal on the Responsible Investing Team at the Ontario Teachers’ Pension Plan (OTPP), where I lead engagements with boards and management teams of publicly traded companies. I also help develop the organization’s ESG integration and responsible investing strategies. Previously, I worked as an Associate Portfolio Manager at Jarislowsky, Fraser Global Investment Management, one of Canada’s largest investment management firms, where I focused on fundamental equity research, institutional portfolio management, and helped develop the U.S. and international institutional client strategy. I also helped found the firms Sustainable Investing Committee. Prior to that, I was an Investment Analyst at the office of the Ombudsman for Banking Services and Investments (OBSI), where I worked on developing proprietary models for assessing investor risk profiles and portfolio suitability.

I maintain an active role in the community having served on multiple not-for-profit boards and committees over the past ten years. I am currently a member of the Investment Stewardship Committee at the Pension Investment Association of Canada (PIAC), a member of the Global Forum for Sustainability at the Association of Chartered Certified Accountants (ACCA), and a member of the Investor Advisory Group (IAG) of the Sustainability Accounting Standards Board (SASB).