



## INTRODUCTION TO ASSET MANAGEMENT, ESG, AND IMPACT INVESTING

### COURSE INFORMATION

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Course Number: PPHA 36150  
Term: Winter 2022  
Class Day & Time: Mondays, 6:00-8:50pm  
Room #: Keller 0021

Lecturers: John Oxtoby, [joxtoby@arielinvestments.com](mailto:joxtoby@arielinvestments.com)  
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### COURSE SUMMARY

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This course provides an introduction to asset management and the ESG/Impact Investing spectrum. Impact investing is a strategy to generate positive, measurable social or environmental impact alongside a financial return. According to one estimate, investors now consider environmental, social and governance (ESG) factors across \$12 trillion of professionally managed assets, a 38 percent increase since 2016.

Exploring ESG and Impact Investing requires a basic understanding of asset management. Investment management requires investors, whether acting as principals (investing their own funds) or as agents (investing on behalf of others) to maximize the return on their investments. The first class will lay out the investment management landscape, principally from a US perspective. Students will learn the difference between publicly held and privately held investments and various asset classes, such as equities (stocks), fixed income (debt) bonds, and alternative investments. Second, discussion of the various types of investment vehicles available: mutual funds, exchange trade funds, private funds (limited partnerships), and the regulation of these funds and their managers.

The remainder of the course will focus on the principles and techniques that underpin various models of impact and sustainable investing. Students will come away with a broad understanding of the impact investing landscape across different asset classes such as public market investing, private equity, venture capital, and fixed income. Each week we will cover a different topic such as the history of socially responsible investing, whether tradeoffs exist between returns and impact, climate change and opportunities related to sustainable investments, active shareholder engagement, data-driven approaches to impact measurement, and careers in impact investing.

The focus for the course will be practical, building on the instructors' experience in the public policy, impact and ESG investing fields. Classes will include guest speakers and case studies to illuminate key topics and highlight career paths.

#### Required Readings:

“Background Note: Examining the Case for Investing for Impact.” Shawn Cole, Vikram Gandhi and Caitlin Reimers Brumme.

“Note on the Asset Management Industry.” Clayton Rose and Scott Waggoner.

Cases and articles as assigned in the class outline.

## COURSE REQUIREMENTS

There are five deliverables due over the course of the Winter Quarter. Detailed assignment descriptions will be made available on Canvas.

In-Class Writing Assignment #1	January 10, 2022	5%
Written Assignment #1	January 24, 2022	15%
Written Assignment #2	February 7, 2022	15%
Group Project	February 21, 2022	30%
In-Class Writing Assignment #2	February 28, 2022	5%
Attendance & Participation	Ongoing	30%

**In-Class Writing Assignment #1 & #2:** In-class assignment based on previously assigned reading.

**Written Assignment #1:** Short response paper selecting a stock and discussing its ESG strengths and weaknesses.

**Written Assignment #2:** Short response paper selecting a venture capital or private equity impact fund and discussing alignment with impact investing objectives.

**Group Project:** Presentation and write-up of ESG proxy proposal with both “for” and “against” sides represented.

## CLASS OUTLINE

Date	Topic	Key Concepts	Required Readings	Objectives/Questions
Jan. 3	Asset Management, Public and Private Markets, Portfolio Management	<ul style="list-style-type: none"> <li>• Introduction to major asset classes: public equities, fixed income, private equity, venture capital, hedge funds; Risk and return characteristics</li> <li>• Legal and regulatory landscape</li> <li>• Public markets: individual securities, mutual funds, index funds, ETFs; active vs passive management</li> <li>• Private markets: leveraged buyout funds, growth equity, venture capital, stages of funding</li> <li>• Other: Bonds, real estate, other real assets</li> <li>• Role of institutional investors: sovereign wealth funds, public and corporate pensions,</li> </ul>	Yale University Investment Office: 2015 (HBS)	<ol style="list-style-type: none"> <li>1. What is asset management?</li> <li>2. What are the primary asset classes and their relationships?</li> <li>3. What are public equity investment vehicles and strategies?</li> <li>4. What are the different private equity investing strategies?</li> <li>5. What are the strengths and weaknesses of public equities and private equity?</li> <li>6. What are institutional investors?</li> <li>7. Who manages investment portfolios and why?</li> </ol>

		endowments, foundations, family offices		8. How is portfolio performance measured and managed?
		<b>Guest Speaker: TBD</b>		
Jan. 10	Origins, definitions, and the case for ESG and impact investing	<ul style="list-style-type: none"> <li>History of impact investing</li> <li>Market return vs. concessionary returns across the asset class continuum</li> </ul>	Goldman Sachs: Making an Imprint in Impact Investing (HBS)	<ol style="list-style-type: none"> <li>When and why did impact investing start?</li> <li>What is the continuum of returns in impact investing?</li> <li>What is the role of impact investing or ESG in a portfolio?</li> </ol>
		<b>Guest Speakers: TBD</b>		
Jan. 24	Public market strategies	<ul style="list-style-type: none"> <li>ESG toolkit; Shareholder activism</li> </ul>	Generation Investment Management (HBS)	<ol style="list-style-type: none"> <li>Why integrate ESG into public equity strategies?</li> <li>How is ESG integrated into public equity strategies?</li> <li>What ESG tools are available to public equity investors?</li> </ol>
		<b>Guest Speakers: TBD</b>		
Jan. 31	Private market strategies	<ul style="list-style-type: none"> <li>ESG in private equity funds</li> <li>ESG in venture capital</li> </ul>	TowerBrook: ESG in Action (A) (B) (HBS)	<ol style="list-style-type: none"> <li>Why integrate ESG into private equity strategies?</li> <li>How is ESG integrated into private equity strategies?</li> <li>What ESG tools are available to private equity investors?</li> </ol>
		<b>Guest Speakers: TBD</b>		
Feb. 7	Impact Investing and Measurement	<ul style="list-style-type: none"> <li>Impact funds</li> <li>Opportunity zones; Place-based investment</li> <li>Impact measurement</li> </ul>	Pi Investments (HBS)	<ol style="list-style-type: none"> <li>How do investors measure and report their impact?</li> <li>Who are impact investors?</li> <li>What is the role of financial returns in impact investing?</li> </ol>
		<b>Guest Speakers: TBD</b>		

Feb. 14	Emerging ESG applications	<ul style="list-style-type: none"> <li>• Thematic investing: climate change, gender lens, SDGs</li> <li>• ESG data</li> <li>• Other financial instruments: green/social impact bonds, sustainability-linked loans</li> </ul> <p><b>Guest Speakers: TBD</b></p>	Mission Related Investments at the Ford Foundation (A) (B) (HBS)	<ol style="list-style-type: none"> <li>1. How are investors using innovative financial tools to address environmental and social issues?</li> <li>4. How are institutional investors using impact investing to achieve their mission?</li> </ol>
Feb. 21	The Role of Public Policy, NGOs, and Investor Coalitions	<ul style="list-style-type: none"> <li>• Public policy and regulators</li> <li>• Role of NGOs and investor coalitions</li> </ul> <p><b>Guest Speakers: TBD</b></p>	Reading to be determined at the start of Winter Quarter.	<ol style="list-style-type: none"> <li>1. Where is the intersection of impact investing and public policy?</li> <li>2. How do investor coalitions pursue ESG goals?</li> </ol>
Feb. 28	Careers in ESG	<p>Careers in impact investing and ESG</p> <p><b>Guest Speakers: TBD</b></p>	Harlem Capital: Changing the Face of Entrepreneurship (A) (B) (HBS)	<ol style="list-style-type: none"> <li>1. What skills are needed to enter the impact investing and ESG industry?</li> <li>2. What strategies are helpful for securing internships or full-time jobs?</li> </ol>