

## ACTIVATING THE INVESTMENT PORTFOLIO

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**In May of last year I wrote** about the Ivey Foundation's efforts to activate its investment portfolio by using all of its assets as a tool for making progress toward its mission and goals.

One year later, having studied, researched, questioned and discussed widely with experts, peers and fellow investors, we are better informed with a deeper understanding of the complexities of this still rapidly-evolving landscape.

The past year has seen advancement in the pace of two significant activities: large public pensions and endowments seeking out and incorporating ESG mandates or applying ESG filters for growing portions of their portfolios, and money managers "mainstreaming" ESG efforts in their offerings. While both of these advancements bode well for our world, it remains a muddy pond. The rush by managers to market ESG expertise invites brand "puffery," when skillful marketing might be prioritised over investment-process skill. Additionally, with growing pension capital being directed to ESG filtering, there is the risk of diminished capital investment being directed to sectors and companies that actually contribute to meaningful sustainability solutions.

Having said that, to the extent that the best intentions are backed up by the required expertise, resource allocation and effort, the long-term impact on our civil society and environmental health will be felt.

**With that optimism** the Ivey Foundation's sustainable investing portfolio continues to evolve. We began "activating" the assets more than ten years ago, taking into consideration our resources of time and expertise to improve the alignment of investments with mission and impact. Since 2015, the portfolio's sustainable assets have grown from 7.4% of total assets to 17% by mid 2018. The portfolio includes provincial green bonds, a themed global cleantech fund, a US-based cleantech private equity fund, a direct equity position in a Canadian-based global renewable energy company, a credit facility in support of an investment platform in the clean energy distribution market and a project lending investment in a Toronto-based clean energy improvement organization.

The Ivey Foundation will continue the necessary due diligence to efficiently and effectively shift its assets along the sustainable investing continuum, and it remains engaged, optimistic and results-oriented. I look forward to sharing the steps taken as we continue the journey.