

## ACTIVATING THE INVESTMENT PORTFOLIO

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**THIS IS THE THIRD INSTALMENT OF THE ONGOING ACCOUNT** of the Ivey Foundation's efforts to "activate" its investment portfolio by using the endowment assets as a tool for making progress towards its mission and goals. Having spent another year studying, questioning, researching and discussing with experts, peers and fellow investors the still-burgeoning landscape of sustainable investing, our thinking has evolved and led us along a narrower path of deliberate action.

In May 2017 I wrote about the multi-layered continuum of sustainable investing, highlighting the lack of consensus around language to describe it – from impact investing to being socially responsible. To underscore just how important language is, the OECD just announced a major research project, for release in 2020, to map sustainable taxonomies across the entire EU, China, Canada and beyond. The work is expected to help address concerns that the lack of a common language globally actually hampers sustainable investing in general, and across borders.

I also wrote about the ESG investing "movement" – applying Environmental/Social/Governance factors in portfolio decision-making – and its place in the sustainable investing continuum. ESG investment mandates are decidedly more mainstream than ever these days: the growth rate of assets either deployed or redeployed under an impact investing label in Canada in 2016-2017 topped more than 80%, according to the Responsible Investment Association.

The Ivey Foundation has now adopted the "E" of ESG as its primary filter in the suitability-decision for any new investment. The degree of impact that an investment product or opportunity might have in advancing sustainability solutions is an integral part of that decision, while taking into account the Foundation's resources of time and expertise. Specifically, the Foundation is choosing environmentally-themed mandates which prioritize the allocation of capital to businesses engaged in advancing environmental solutions, including renewables, transformative clean technologies and the integration of environmental sustainability with economic prosperity.

While it is our wish to "activate" the entire portfolio, we are taking incremental steps, rather than a wholesale overturning of a long-term investment discipline, with measured evaluation along the way.