



**The Lee Kong Chian School of Business**  
**Global Master of Finance (GMF)**  
**Academic Year 2024/2025**

**Course Code: FNCE6055**

**Course Title: Sustainable Finance and Alternative Investments**

Instructors

Dr Victor ONG, DBA  
Adjunct Faculty, Finance  
[victorong@smu.edu.sg](mailto:victorong@smu.edu.sg)  
+65 98157774

**PRE-REQUISITE/CO-REQUISITE/MUTUALLY EXCLUSIVE COURSE(S)**

Students should have a good knowledge of traditional financial assets as well as the fundamentals of asset pricing and portfolio management.

**COURSE AREA**

FINANCE

**GRADING BASIS**

Graded

**COURSE UNIT**

1 CU

**COURSE DESCRIPTION**

This course takes a close look at sustainable investing, with a special focus on alternative asset classes like venture capital, private equity, real estate and hedge funds.

**LEARNING OBJECTIVES**

At the end of the course, participants will be able to:

- Describe how sustainable investing is defined and implemented by companies and investors across regions and asset classes, including key frameworks and strategies
- Identify and describe traditional and “new” alternative investments, including size, growth, performance and profitability of asset classes, as well as common investment strategies
- Understand issues of due diligence, including key characteristics such as liquidity, scale, transparency, performance, fees and risk
- Assess the suitability of sustainable investing and alternatives to different classes of investors, and how products fit within an institutional investment framework
- Understand how to create sustainability-aware portfolios reflecting the tradeoffs between financial returns and sustainability
- Make informed decisions about allocation to sustainable investment strategies and alternative investments, including alternative investments with a sustainability tilt



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**ASSESSMENT METHODS**

|                          |     |
|--------------------------|-----|
| Class Participation:     | 10% |
| Final Exam:              | 50% |
| Case study (group work): | 10% |
| Group Project:           | 30% |

**INSTRUCTIONAL METHODS AND EXPECTATIONS**

This course has the dual objectives of introducing students to both sustainable investing and alternative investments. Since sustainable investing and many “new” alternatives are relatively new and/or still in early stages of development and standardization, materials for these sessions are primarily drawn from current publications. Wherever possible, however, we will draw on the CFA material for these topics.

Readings will be posted on eLearn and noted as “required” or “recommended”. As the term suggests, required readings will be important to understanding the class material and should be read in advance. Recommended readings provide interesting background material or information on current events related to the session’s material – motivated students will be well served by at least skimming these articles. Students are also expected to follow current developments in the world by reading leading business dailies/weeklies and major financial websites.

Class participation is a central part of the learning process for you and your classmates. When you contribute, you help others learn. Your participation mark reflects your contribution to your classmates’ learning, including attendance, active participation in discussions in the classroom and the online discussion forum, and providing feedback after class. The instructor will cold-call students from time to time, so effective preparation is important.



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**ACADEMIC INTEGRITY**

All acts of academic dishonesty (including, but not limited to, plagiarism, cheating, fabrication, facilitation of acts of academic dishonesty by others, unauthorized possession of exam questions, or tampering with the academic work of other students) are serious offences.

All work presented in class must be the student's own work. Any student caught violating this policy may result in the student receiving zero marks for the component assessment or a fail grade for the course. This policy applies to all work (whether oral or written) submitted for purposes of assessment.

When in doubt, students are encouraged to consult the instructors of the course. Details on the SMU Code of Academic Integrity may be accessed at <http://www.smuscd.org/resources.html>.

**ACCESSIBILITY**

SMU strives to make learning experiences accessible for all. If you anticipate or experience physical or academic barriers due to disability, please let me know immediately. You are also welcome to contact the university's disability services team if you have questions or concerns about academic provisions: [included@smu.edu.sg](mailto:included@smu.edu.sg).

Please be aware that the accessible tables in our seminar room should remain available for students who require them.

**Digital Readiness for Teaching and Learning (DRTL)**

As part of emergency preparedness, instructors may conduct lessons online via the Zoom platform during the term, to prepare students for online learning. During an actual emergency, students will be notified to access the Zoom platform for their online lessons. The class schedule will mirror the current face-to-face class timetable unless otherwise stated.

**RECOMMENDED TEXT**

Allman, Ximena, Escobar and De Nogales

Impact Investment: A Practical Guide to Investment Process and Social Impact Analysis

Brill, Kell and Rasche: Sustainable Investing: A path to a New Horizon

Lecture notes and journal articles will be provided via eLearn and available from the library.

**DRAFT COURSE SCHEDULE**

| SESSION           | TOPICS   | MATERIALS  |
|-------------------|--|--|
| <b>Session 1</b>  | Introduction<br>The Case for Sustainable and Responsible Investing   | Brill, Kell and Rasche<br>Chapters 1, 2 and 17                 |
| <b>Session 2</b>  | Discussion on Group Projects<br>Socially Responsible Investing (SRI) styles and Strategies<br>Discussion on Financial Inclusion  | Lecture notes and<br>articles on ELEARN                        |
| <b>Session 3</b>  | Green and Climate Finance<br>Sustainable Investing Strategies  | Lecture notes and<br>articles on ELEARN                        |
| <b>Session 4</b>  | Private Markets Strategies and Sustainability <ul style="list-style-type: none"> <li>- Venture Capital (VC)</li> <li>- Private Equity (PE)</li> <li>- Real Estate and Infrastructure</li> </ul>  | Lecture notes and<br>articles on ELEARN                        |
| <b>Session 5</b>  | Impact investments <ul style="list-style-type: none"> <li>- Overview of impact investing in Private Equity (PE)</li> <li>- Investment objectives, deal sourcing and screening</li> <li>- Due Diligence and investment structuring</li> </ul> | Allman, Ximena,<br>Escobar & De Nogales<br>Chapters 1, 2 and 4 |
| <b>Session 6</b>  | Public Markets and Sustainability – Green, social and<br>sustainability (GSS) debts<br>ESG Infrastructure fund Performance: Research Findings<br>Case Study 1: Making Impact Investing Markets: IFC (A)                                      | Journal articles and<br>lecture notes on<br>ELEARN             |
| <b>Session 7</b>  | Greenwashing in impact funds and other issues<br>Industry guest session on green washing in Impact PE funds  | Lecture notes and<br>reading articles on<br>ELEARN             |
| <b>Session 8</b>  | Industry article discussion on PE and VC Impact Investments.<br>Case study 2: Openspace Ventures   | Lecture notes and<br>reading articles on<br>ELEARN             |
| <b>Session 9</b>  | Final Project Presentations  |  |
| <b>Session 10</b> | Revision and Course Wrap-up  |  |

*Note: There is a recess week between Session 7 and Session 8*