

Investing in social innovation

COMM 485 – October 17, 2022

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What we'll cover today

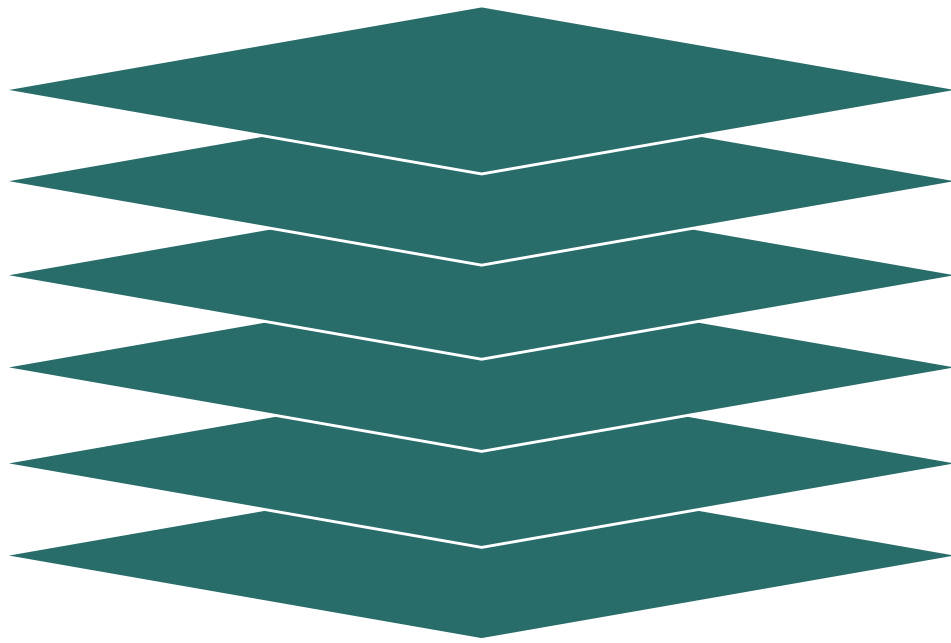
- Defining impact investing
- Case studies of impact investing:
 - TELUS Pollinator Fund
 - CoPower
 - Heart & Stroke

Definition of finance

The investor provides money to a project in exchange for something.

What kind of projects?

The investor provides money to a project in exchange for something.



Type of projects

Start-ups

Housing

Forests, water

Energy, bridges

Corporations / govts



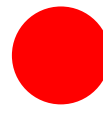
Riskier


Less risky


What kind of projects?


The investor provides money to a project in exchange for something.

Circle represents projects that are...

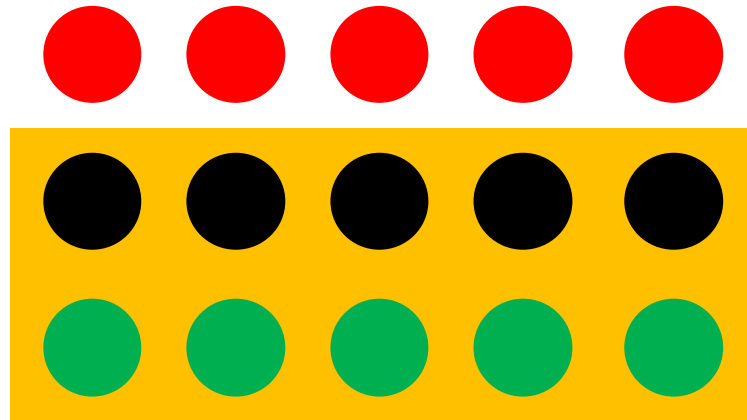
 Net-negative: Harmful to society/ environment

 Neutral: "Isn't actively doing bad things"

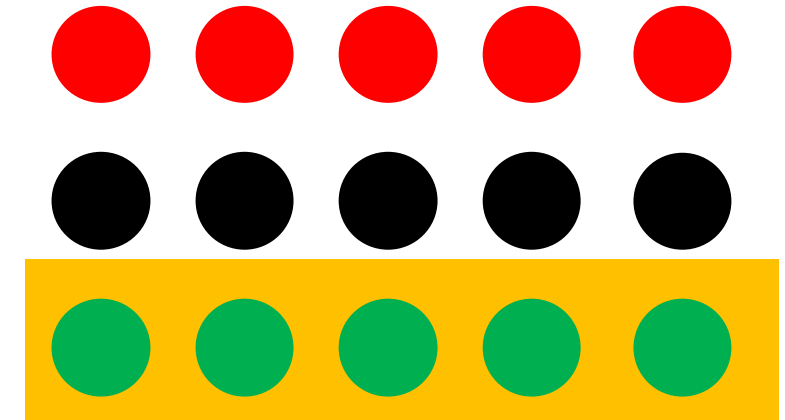
 Net-positive: Intentionally create positive impact

 What investors would include in their portfolio

"Do no harm"

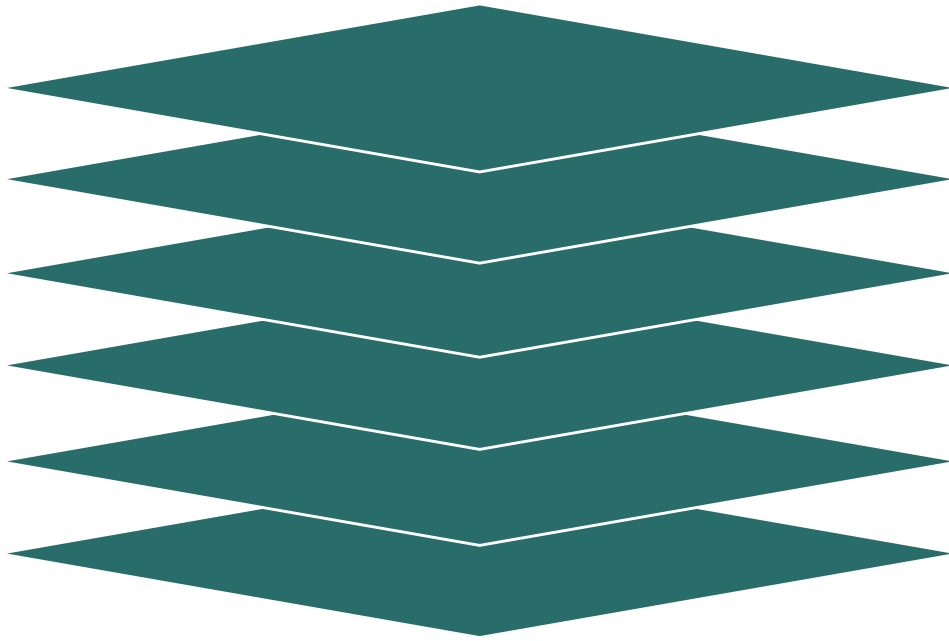


"Do good"



What type of money?

The investor provides money to a project in exchange for something.



Type of projects

Start-ups

Housing

Forests, water

Energy, bridges

Corporations

Type of money – “Asset Class”

Venture capital / private equity

Real estate

Natural assets / project finance

Fixed income / Bonds / project finance

Public equity / Stock

In exchange for what?

The investor provides money to a project in exchange for something.

Equity

The investor provides money to a company in exchange for...

a piece of the company.

%

“Ownership”

Debt

The investor provides money to a company in exchange for...

a promise to repay the amount (“principal”) and a little more (“interest”)

\$

“Loan”

Something else

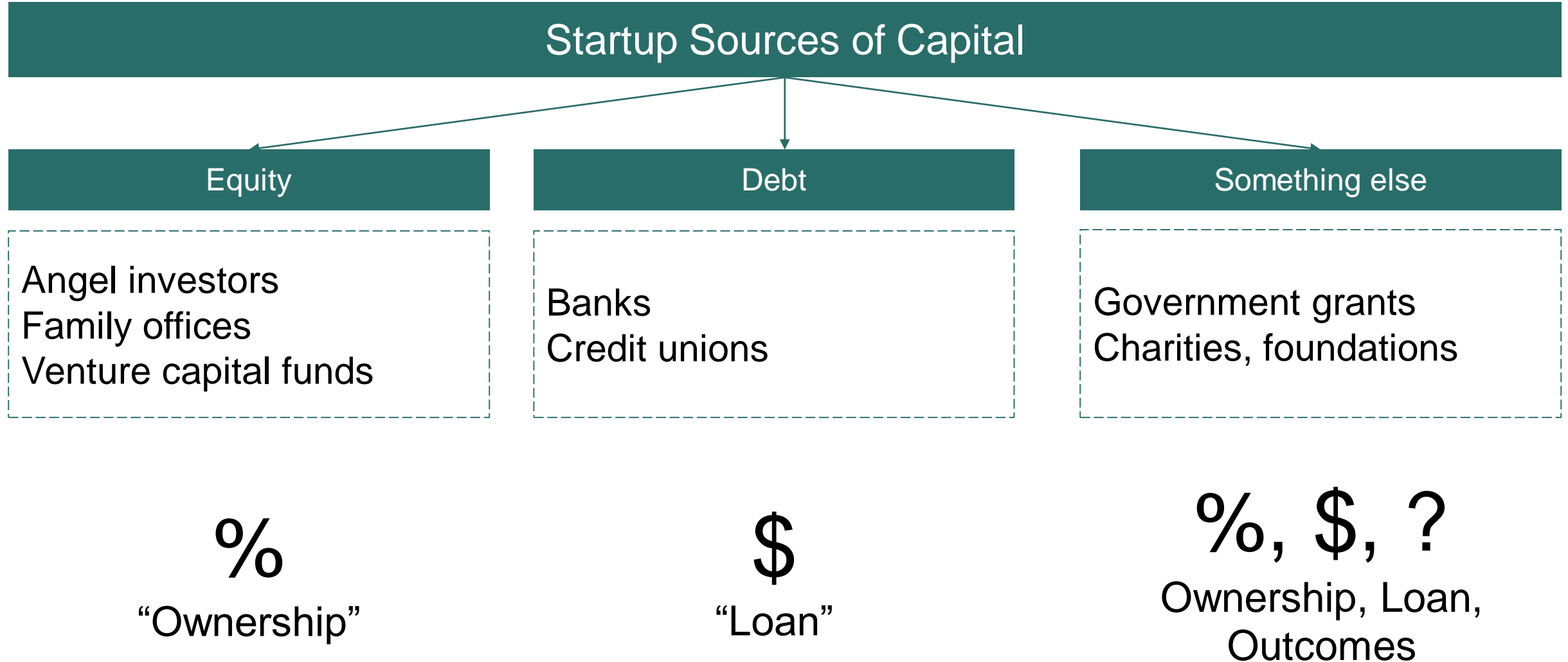
The investor provides money to a company in exchange for...

Combination of equity and debt, positive environmental impact

%, \$, ?

Ownership, Loan,
Outcomes

In exchange for what?



In exchange for what?

The investor provides money to a project in exchange for something.

Equity



%

“Ownership”

Debt



\$

“Loan”

Something else



Health
Canada



%, \$, ?

Ownership, Loan,
Outcomes



TELUS Pollinator Fund for Good



Impact Pillars



Enabling inclusive communities

Removing barriers to education and entrepreneurship



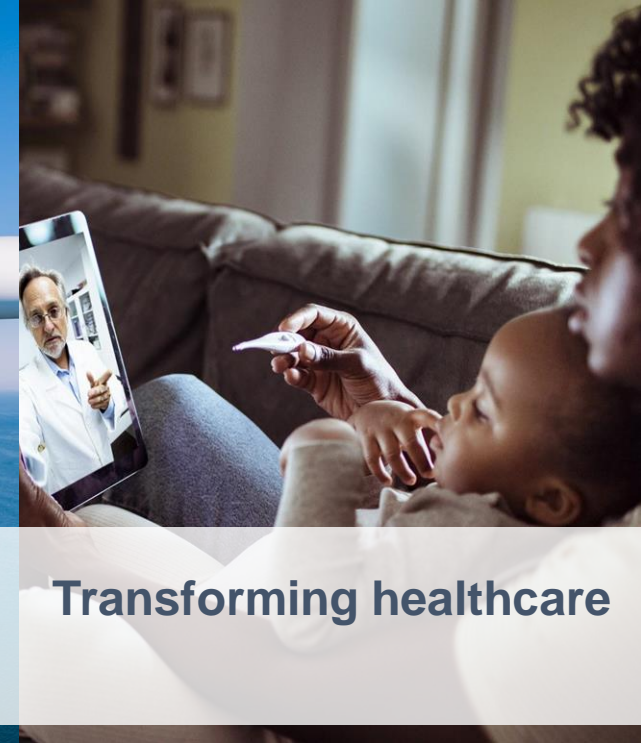
Supporting responsible agriculture

Empowering greener and more sustainable food production



Caring for our planet

Bettering our planet and reducing our environmental footprint



Transforming healthcare

Ensuring safe and quality healthcare is accessible for all

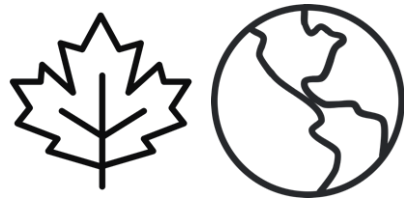
Investment Criteria

Stage



Seed & Series A
Early traction/revenue,
scaling quickly

Geographies



Canada first
Opportunistic globally

Impact



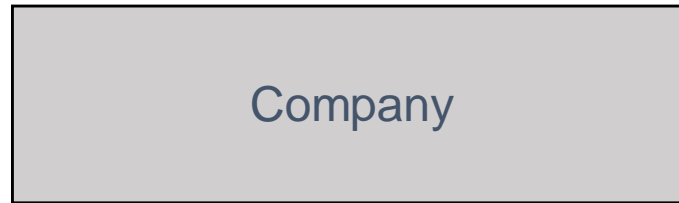
Impact core to business
model

Additionality



TELUS value-add
alignment

Pollinator Fund



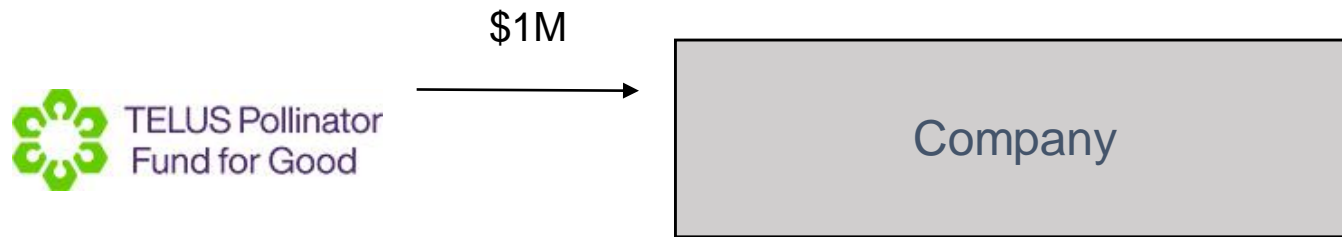
Pollinator Fund

What's your
impact and
business model?

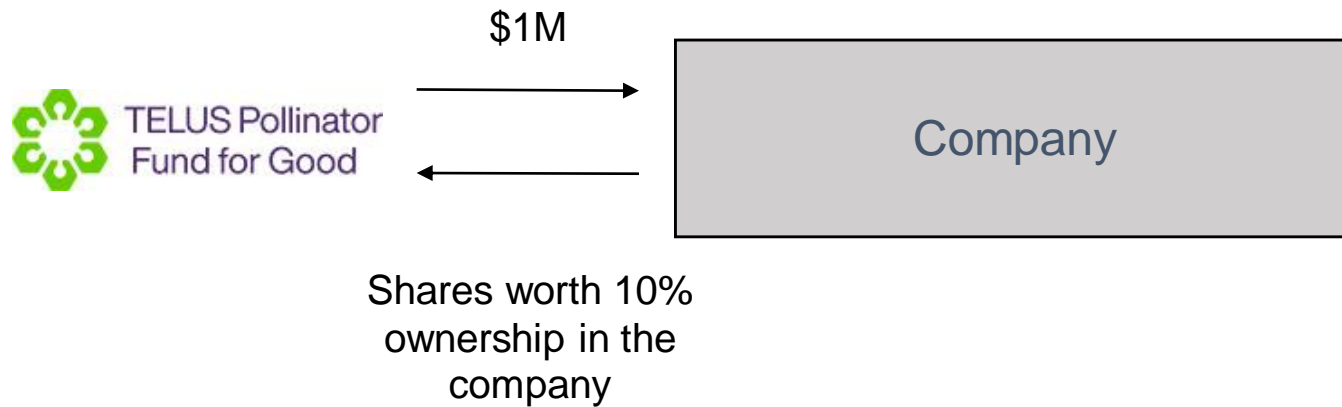


Company

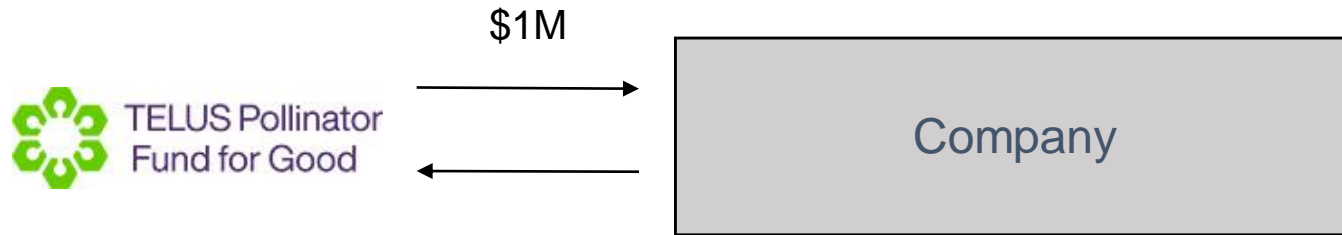
Pollinator Fund



Pollinator Fund



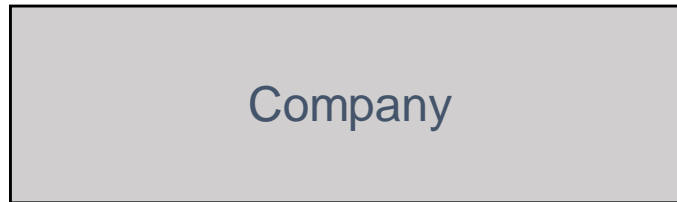
Pollinator Fund



Shares worth 10%
ownership in the
company

...which implies the
company is worth \$10M

Pollinator Fund



Important considerations

- Impact rating
- Product impact
- Operations impact
- TELUS value-add

Impact rating

- During investment analysis, we look at how their business model and impact metrics are intertwined. We develop a quantitative rating that projects their “expected impact”.
- Upon investment, we set the baseline and collect data on a regular basis.
- This keeps us accountable to both the financial and impact returns.

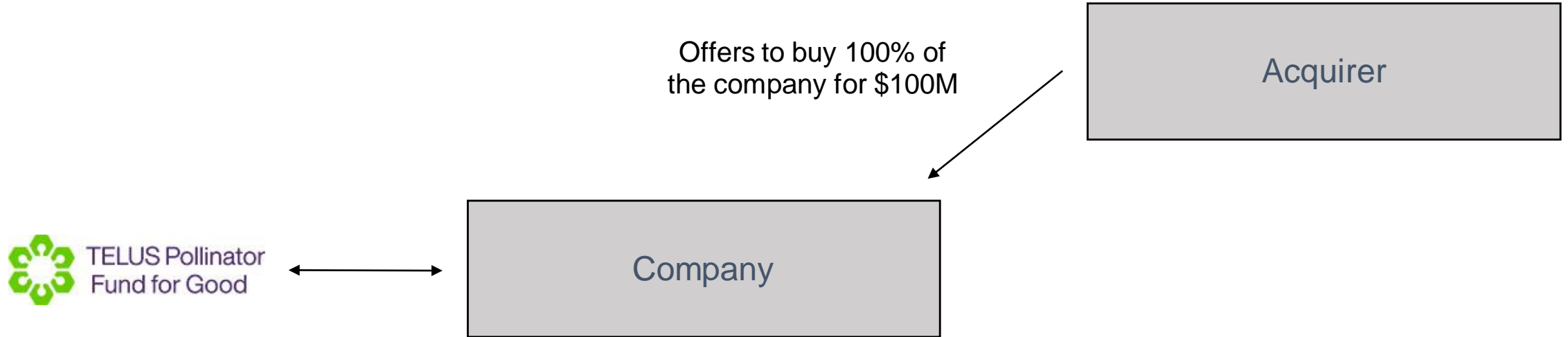
Pollinator Fund

~Time passes~
~Talented people get hired~
~Products get sold~
~Impact & outcomes are achieved~
~Company grows~

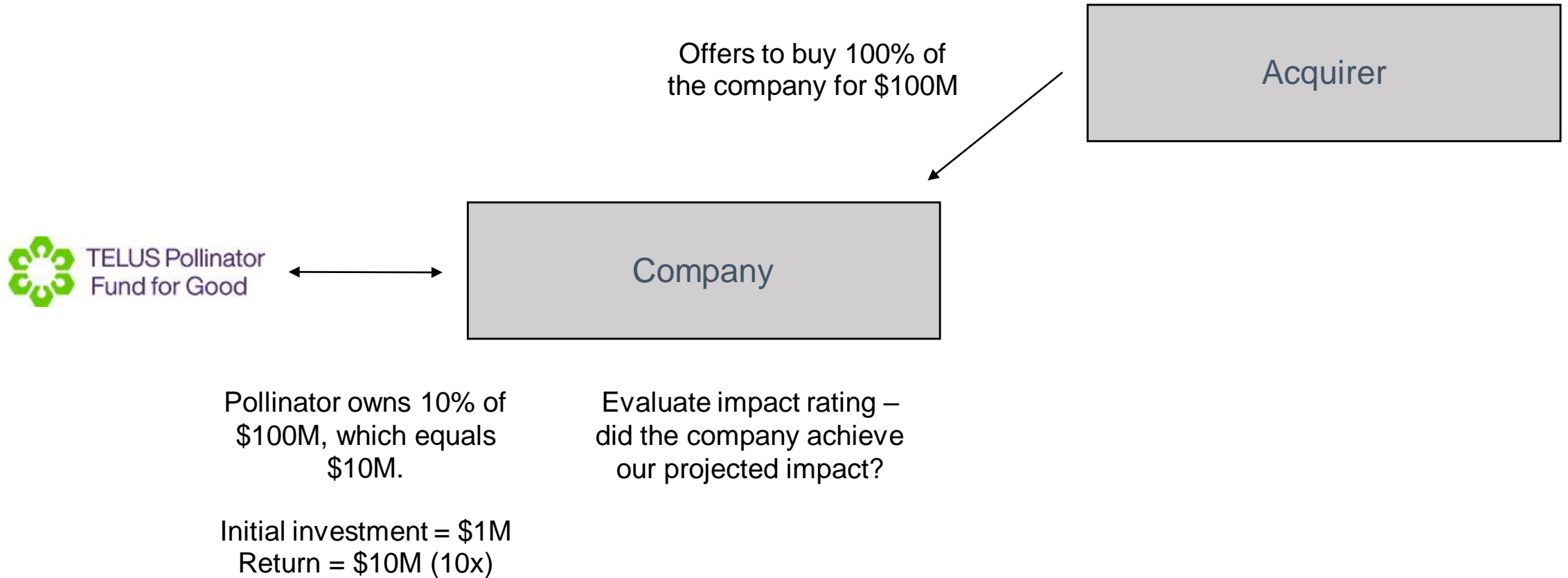
Pollinator Fund



Pollinator Fund



Pollinator Fund



In exchange for what?

The investor provides money to a project in exchange for something.

Equity



%

“Ownership”

Debt



\$

“Loan”

Something else



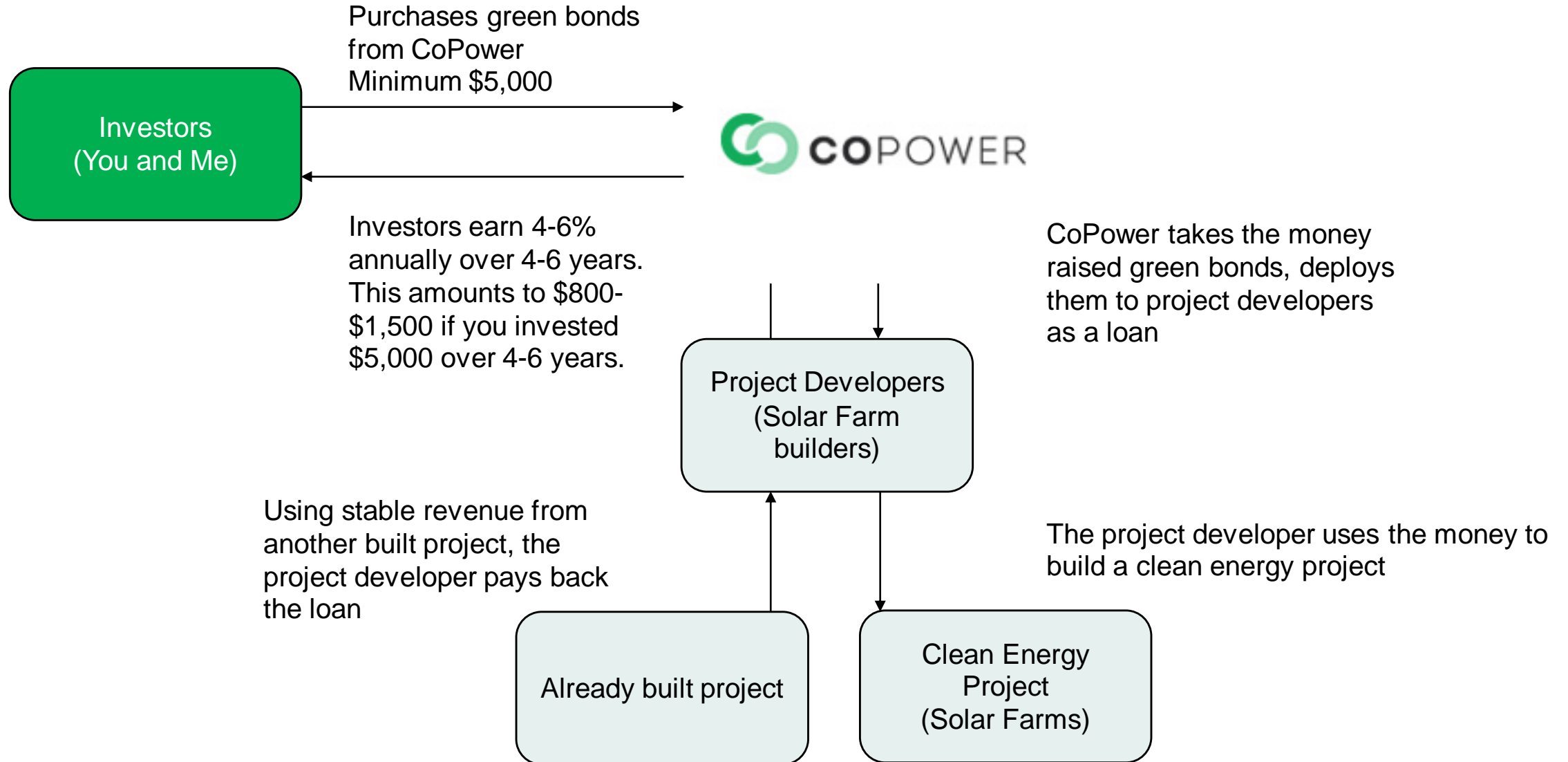
Health
Canada



%, \$, ?

Ownership, Loan,
Outcomes

CoPower Green bonds



In exchange for what?

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Equity



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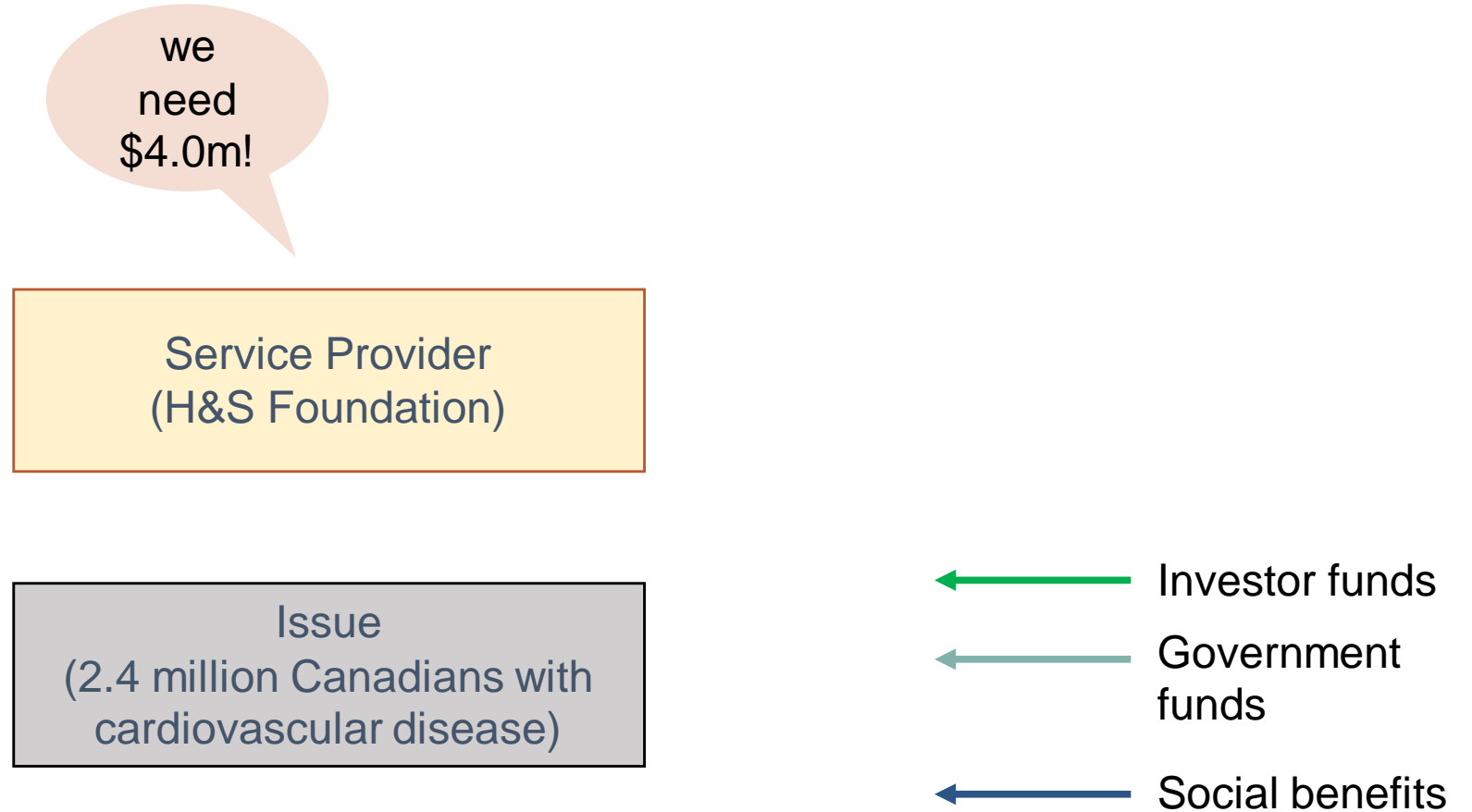
Health
Canada



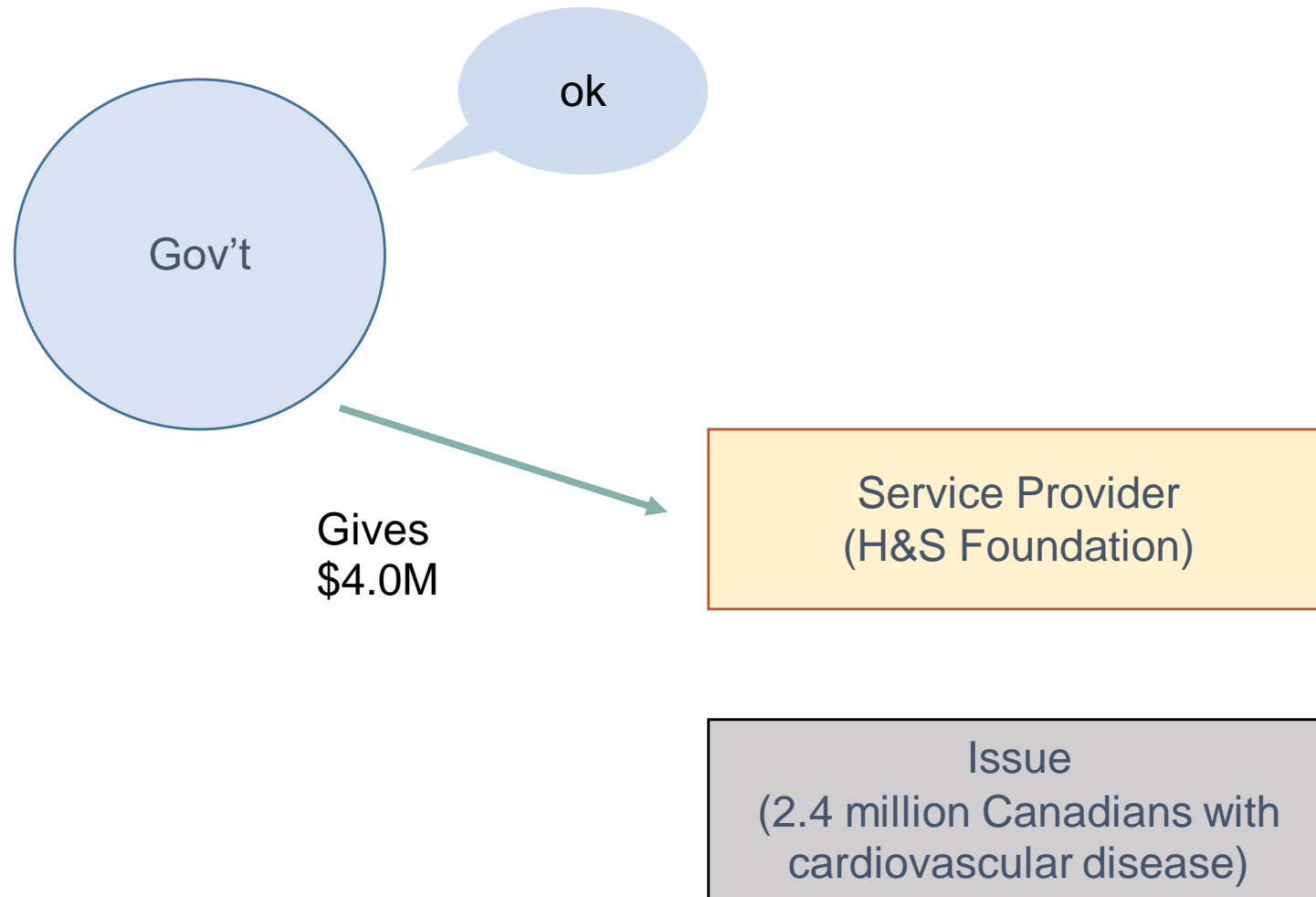
%, \$, ?

Ownership, Loan,
Outcomes

Grants



Grants



Health Canada provides "free money" to Service Provider.

- Supply is low
- Accountability
- Funding poor services = waste of taxpayer money
- Reputation/Political risk

Social Impact Bond

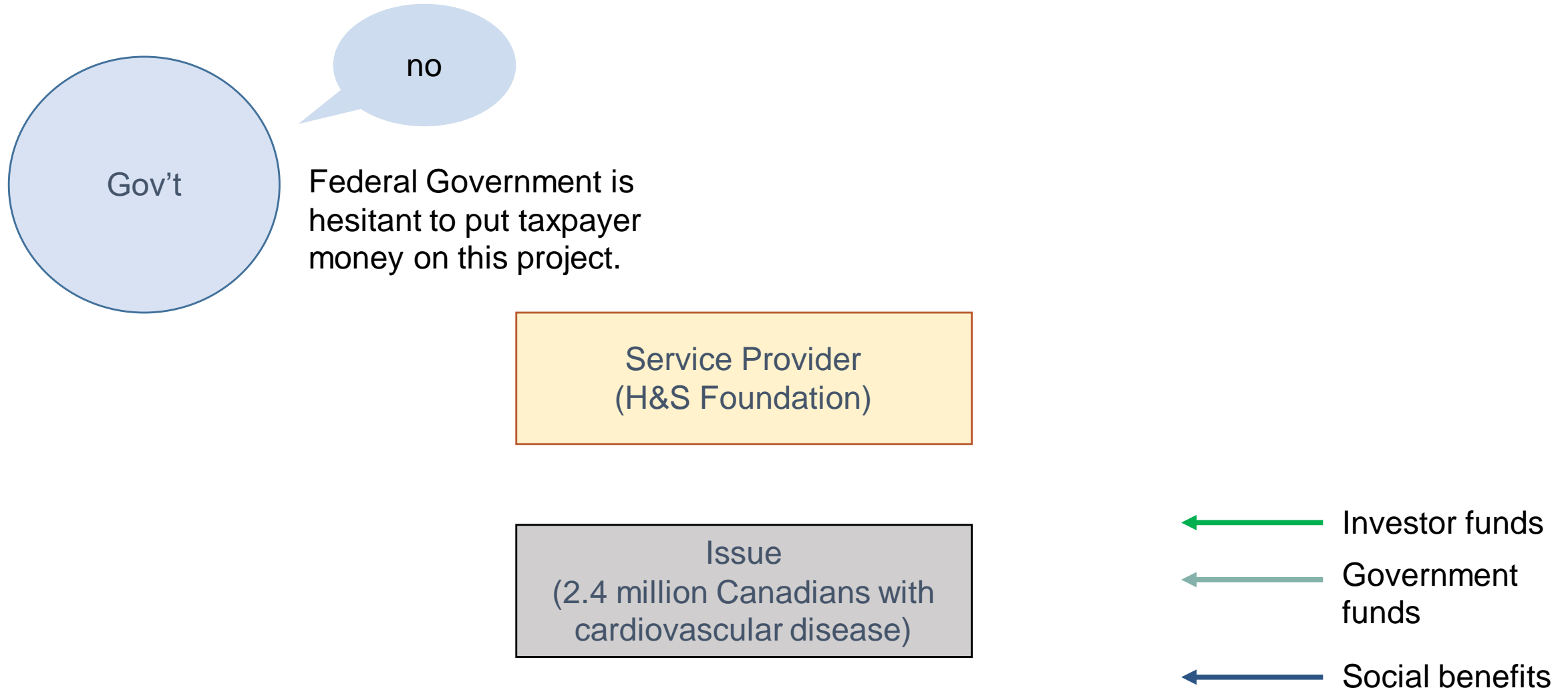
we
need
\$4.0m!

Service Provider
(H&S Foundation)

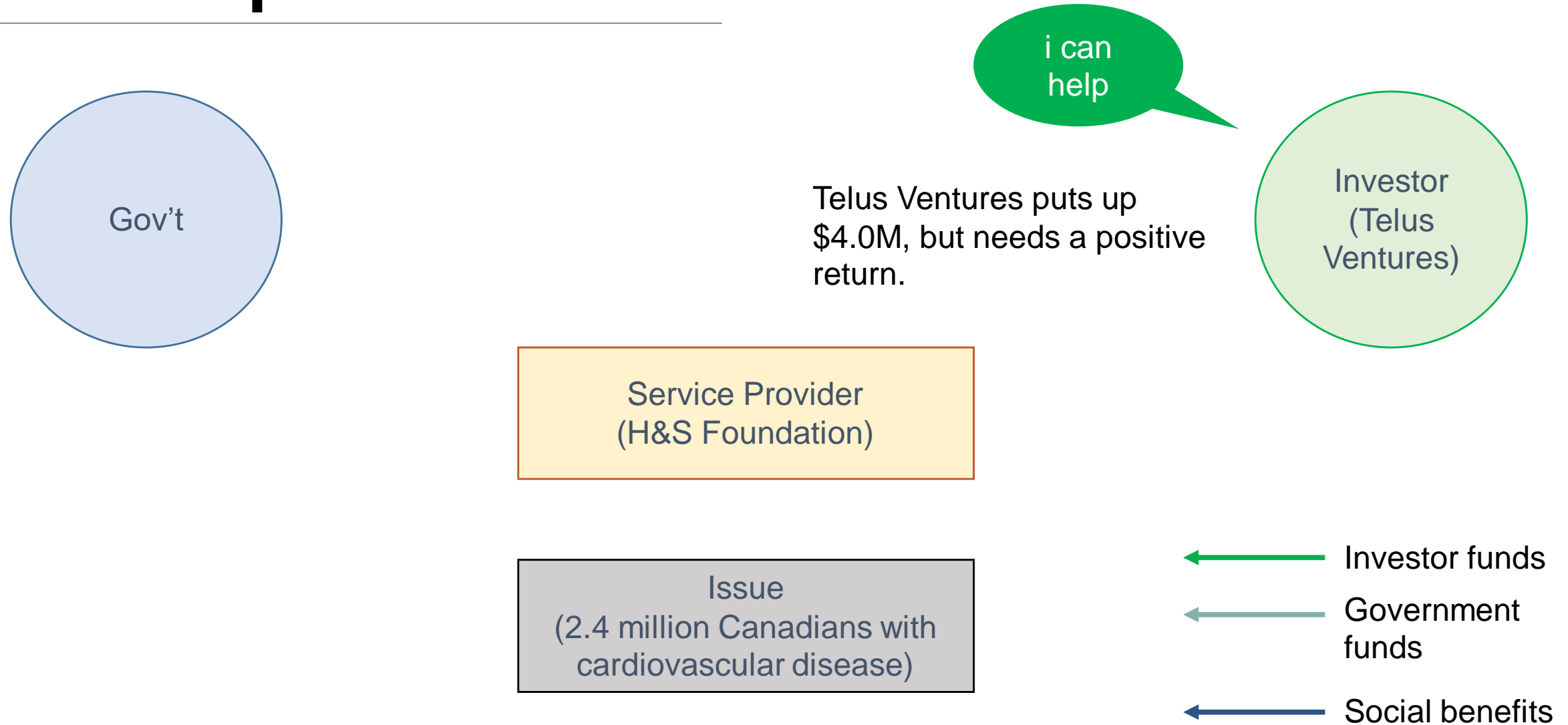
Issue
(2.4 million Canadians with
cardiovascular disease)

- ← Investor funds
- ← Government funds
- ← Social benefits

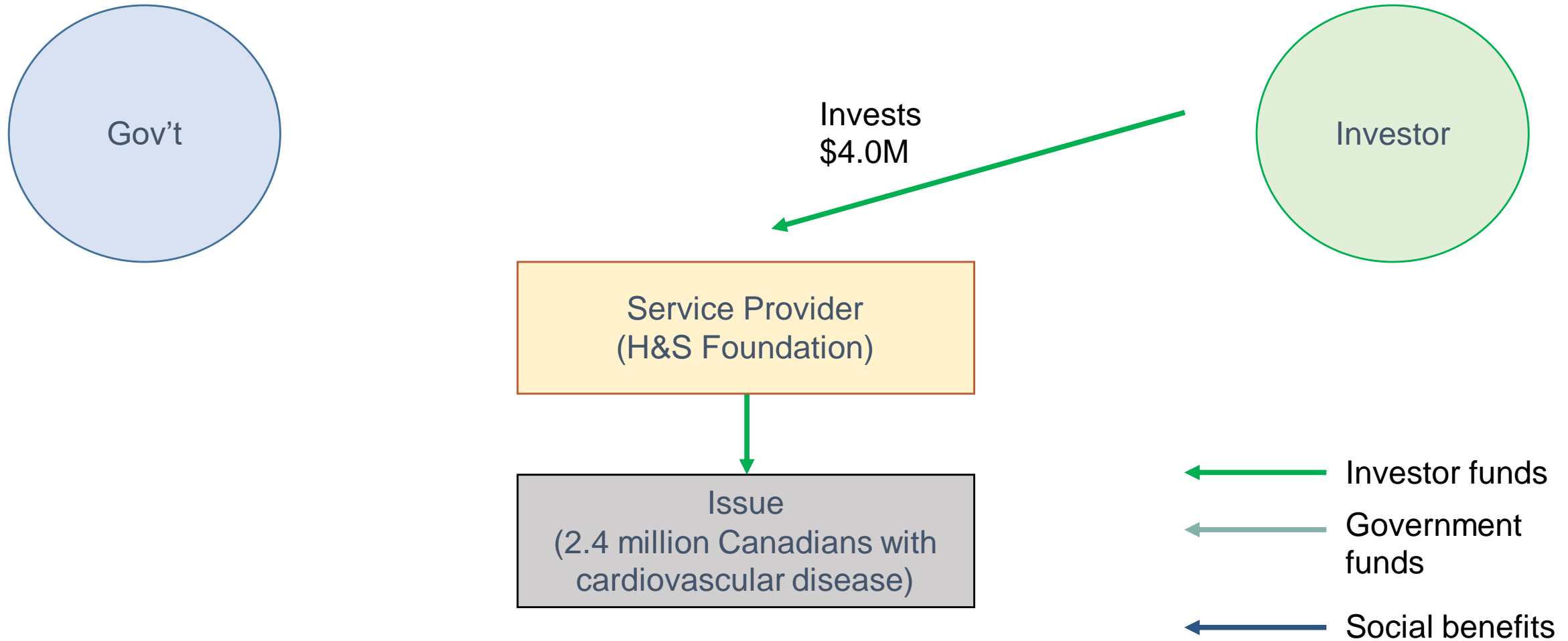
Social Impact Bond



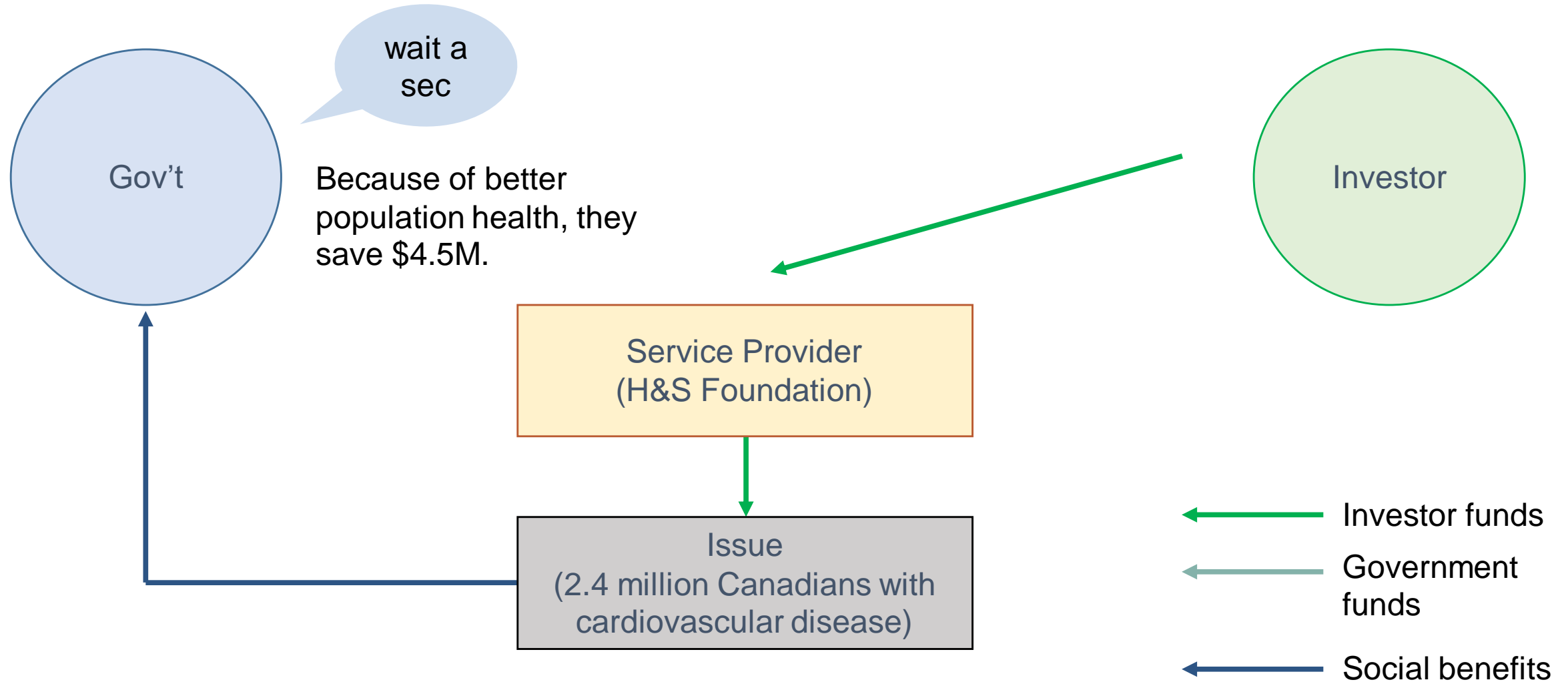
Social Impact Bond



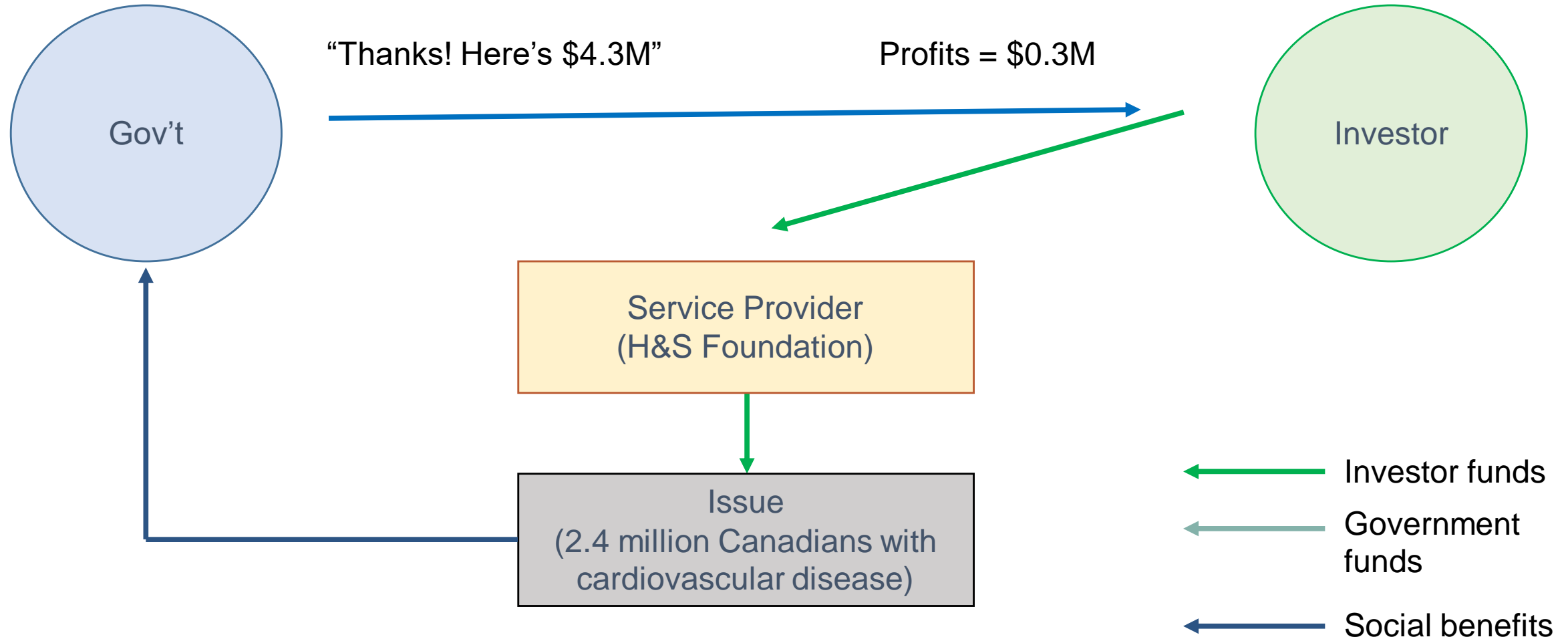
Social Impact Bond



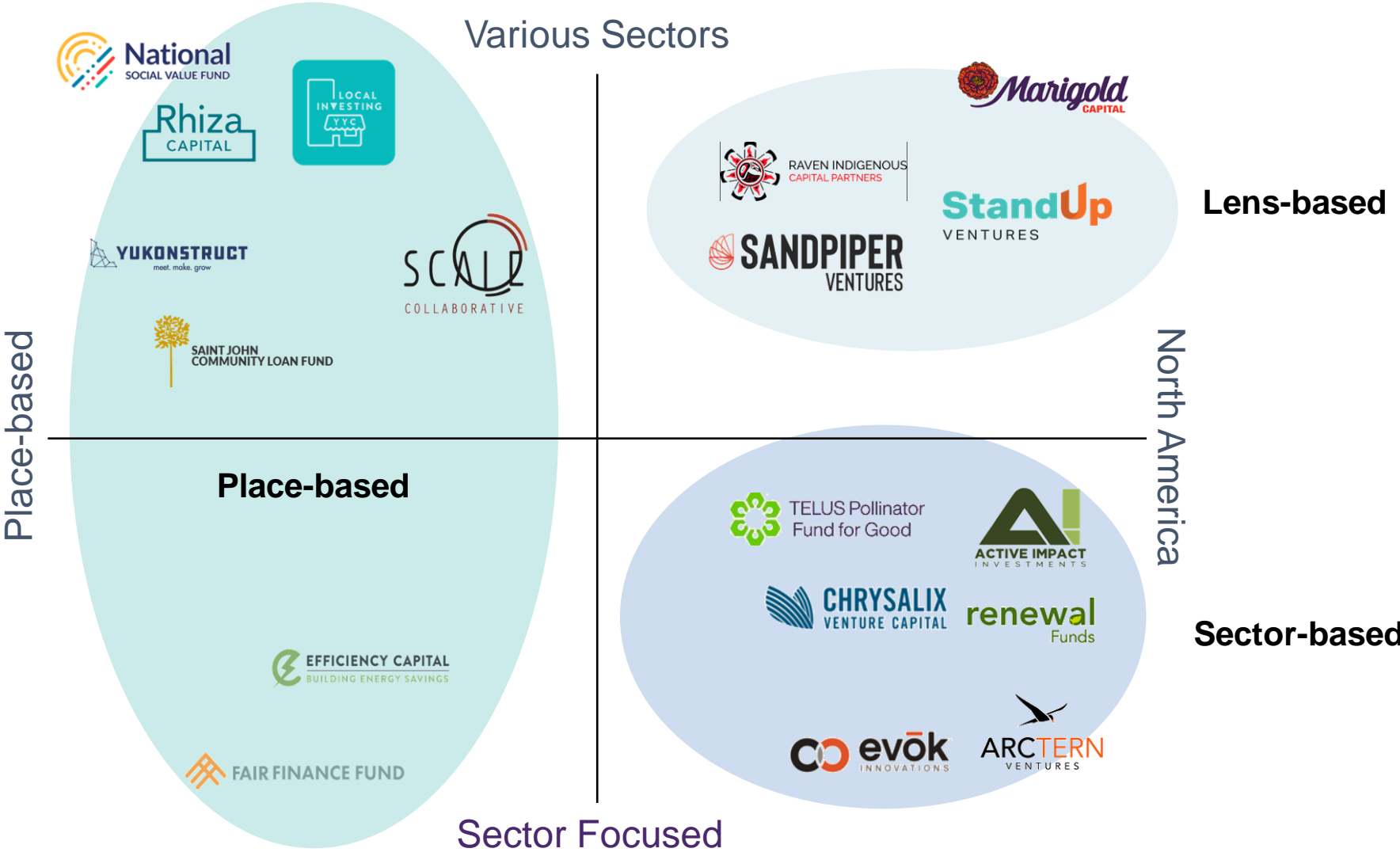
Social Impact Bond


















Social Impact Bond



Canadian VC impact investing



Overview

Impact Investing				
Venture Capital	Real Estate	Pay-for-Performance	Infrastructure	Public Securities
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My journey

B.Com. at UBC Sauder

Finance & Sustainability

Study how finance and social impact can be aligned

SauderS3i

Research and advisory work

Convince funds, banks, gov't impact investing is feasible
Convince my parents I have a real job (jokes, they were very supportive)

TELUS Pollinator Fund

Early-stage impact VC

Prove financial and social impact returns can go hand-in-hand

On the side... experience how bring products to market

- Brighter Investment – income share agreements in Ghana
- Mugshare – reusable cup program in Vancouver
- SolShare – retail investment product to finance solar projects in BC

Propel Impact (www.propelimpact.com)



The future is
impact-first.
Are you ready?

Tomorrow's economy will put social and environmental impact first.
Prepare to meet tomorrow's challenges.

Learning Programs
for Individuals



Investment & Support
for Organizations



Thank you!