



University of
Zurich^{UZH}

Department of Banking and Finance
Center for Sustainable Finance and Private Wealth (CSP)



ACTIVITY REPORT 2017



WE ARE LIVE!



Dr. Falko Paetzold
Initiator and Managing Director

Thanks to the former Center for Microfinance, our donors, and our partners, we have managed to make reality what started as an idea in the halls of Harvard in 2014: the launch of the Center for Sustainable Finance and Private Wealth (CSP)—the first university unit to focus on mobilizing the wealth of the <1% of the world's population, who control >50% of global capital, toward sustainable development. Our approach combines multidisciplinary research of the highest level of academic rigor and top-notch teaching and executive education. From the start, our work has been ambitious and takes place on the global level, with partners ranging from those at Harvard University and MIT to the World Economic Forum and networks such as Toniic and The ImPact.

Since our launch in February 2017, we have made substantial progress:

We **hired a high-caliber team** (13 staff and 10 Fellows), postdoc and PhD researchers joining from MIT, St. Gallen University, and the South Pole Group, and a strategy and outreach team with talents from McKinsey & Company, UBS and BCG.

We **developed a consolidated research pipeline** with around 18 academic submission projects at different stages covering topics related to impact measurement, investor motivation, ESG data accuracy, and microfinance.

We **established research collaborations** with key actors including Toniic, The ImPact, Swiss Sustainable Finance, Oxford University/Hermes/UBS, SPTF/PRI/GIIN, FIEC, and OCDS, and engaged with around 250 scholars.

We **provided university education** to more than 100 students in our university classes and engaged students in research projects. We also laid the ground for a dedicated Master's program in Sustainable Finance at the University of Zurich, which would be the first of its kind.

We **ramped up training for investment professionals and private wealth owners**. We engaged with more than 250 wealth owners and 500 finance professionals through our CAS in Sustainable Finance university degree program, our program for young members of ultra-wealthy families (taught jointly with the Initiative for Responsible Investment at Harvard Kennedy School), and several local workshops.

We **launched new training programs**, including a 3-day program for Development Agencies and Foundations, a 5-day program for private banking client advisors, and a 12-month NextGen Impact Leadership Accelerator (NILA) providing hands-on work experience, personal mentoring, and learning trips for wealth owners who want to become sustainable finance experts themselves.

All in all, 2017 has been an exciting year and has opened up numerous avenues for an adventurous 2018. I am extremely excited about the work that lies ahead of us. If we achieve our vision, we have a real shot at making sustainable development a reality, globally. On the journey, we have the opportunity to work with incredibly inspiring people from all walks of life. Join us, and be part of a future-shaping movement focused on the creation of positive social and environmental impact. **We are just getting started.** Toward impact!

A handwritten signature in blue ink that reads "F Paetzold". The signature is fluid and cursive, with the first letter 'F' being particularly large and stylized.

Dr. Falko Paetzold, Initiator and Managing Director of the CSP

OUR TEAM

CORE TEAM



Prof. Marc Chesney
Director, Department
of Banking and Finance



Dr. Falko Paetzold
Managing Director



Dr. Annette Krauss
Director of Teaching



Britta Gruenig Castelli
Head of Wealth
Owner Programs &
Communication



Alexander Langguth
Head of Strategy &
Partnerships



Taeun Kwon
Head of Private
Banking Programs



Andrea Frederick
Project Manager



Jonathan Fu
Doctoral Researcher



Florian Heeb
Doctoral Researcher



David Gugler
Student Assistant



Dr. Julian Kölbel
Postdoctoral
Researcher



Dr. Julia Meyer
Postdoctoral
Researcher



Dr. David Risi
Postdoctoral Fellow

EXTENDED TEAM



**Dr. Julia Balandina
Jaquier**
Senior Fellow



**Silvia Bastante de
Unverhau**
Senior Fellow



Prof. Timo Busch
Senior Fellow



Tiffany Chen
Fellow



Temple Fennell
Senior Fellow



Dr. James Gifford
Senior Fellow



Francis Mathieu
Senior Fellow



Dr. Emilio Marti
Senior Fellow



Björn Strüwer
Senior Fellow



Britta Rendlen
Senior Fellow

OUR MISSION

The Center for Sustainable Finance and Private Wealth (CSP):

- 1) Drives multidisciplinary research into fundamental issues in sustainable finance.**
- 2) Mobilizes its research insights to create a better understanding of sustainable finance within the private wealth ecosystem.**

In order to fulfill its mission, the Center engages in three key areas of activity:

RESEARCH

We advance knowledge on how sustainability and impact relate to the financial performance of firms, how they can be implemented through investment strategies across entire portfolios, and how to enable stakeholders to act upon that knowledge.

TEACHING AND EXECUTIVE EDUCATION

We enable students, current and future private wealth owners, and investment and banking professionals to engage in sustainable finance.

COMMUNITY BUILDING

We publish key findings in public media, engage with and support other universities and wealth owner groups, and mentor a community of wealth owners.



“With the creation of the Center for Sustainable Finance and Private Wealth, the University of Zurich has secured a leading role in both research and education in sustainable finance. In its first year, the Center has enjoyed a dynamic start. Now we must maintain that same ambition at a high level and continue the success story.”

Prof. Marc Chesney, Director of the Department of Banking and Finance, University of Zurich, CSP Management Board



“Sustainable development and achieving impact has been a passion of all those who joined together to co-found the CSP in 2017. Merging the Center for Microfinance and the CAS in Sustainable Finance into a larger and broader team of researchers and professionals was a natural choice. Making sustainable finance accessible to private wealth owners is a key to achieving greater impact. I am happy to see the CSP growing and am confident that you will find this account of the CSP’s activities in our first year inspiring.”

Dr. Annette Krauss, Director of Teaching, CSP Management Board



“The CSP has had a fantastic first year of operations, among other things continuing its very successful training for young wealth owners and launching an ambitious series of sustainable finance reports. I am looking forward to the years and impact ahead.”

Antonis Schwarz, Co-Initiator and Anchor Donor of the CSP

HIGHLIGHTS 2017

THE IRI/CSP NEXT GEN IMPACT INVESTING PROGRAM GAINS TRACTION

Many members of wealthy families are interested in sustainable finance and impact investing yet lack the information to engage accordingly. For that reason, the Impact Investing for the Next Generation program was piloted in 2015 at the Initiative for Responsible Investment (IRI) at the Harvard Kennedy School of Government.

By 2017, the CSP had been established—effectively as a spin-off from the program in terms of its core idea and most of its funders. The year 2017 also saw the successful launch of the third program cohort, as well as the establishment of a collaboration between the IRI and the CSP to jointly run the program together.



“The Next Gen program addresses the important constituency of families and family offices in sustainable finance. We are delighted to work with the CSP on better understanding, and building a curriculum for this set of investors.”

Dr. David Wood, Director, Initiative for Responsible Investment at the Harvard Kennedy School



“We are proud to congratulate our first 15 graduates of the CAS in Sustainable Finance, who qualified in 2017. The CAS program fully equips them with the knowledge and skills needed to introduce sustainability considerations systematically into their work in banks and financial markets.”

Dr. Julia Meyer,
Postdoctoral Researcher at the CSP

FIRST COHORT GRADUATES FROM OUR CAS IN SUSTAINABLE FINANCE

In 2017, the Certificate of Advanced Studies (CAS) in Sustainable Finance (UZH) celebrated the graduation of the program’s first cohort. The CAS in Sustainable Finance is unique—the first university program in Switzerland to offer postgraduate executive education in sustainable finance for finance professionals. It has started strongly, with a mix of highly qualified teachers from academia and practice and growing numbers of participants. Moreover, many of our alumni, including graduates from the sustainability courses we have been delivering since 2010, are today among the key players pushing the sustainability topic in Swiss financial and policy institutions and markets.

RESEARCH PARTNERSHIPS WITH TONIIC & THE IMPACT

As a main driver for capital allocation toward social and environmental impact, the CSP’s academic research on investor behavior kicked into high gear in 2017. The CSP joined forces with the world’s two major networks of private wealth owners engaged in the impact investing field: the Toniic Institute, a global action community of more than 200 impact investors, and The Impact, a global network of wealthy families that are committed to fostering the growth of the impact investing market.



“We are thrilled that this research will benefit not only the academic community, but also practitioners.”

Dr. Charly Kleissner, Toniic co-founder and chief strategist of Toniic’s 100% Impact Network.



“Whether or not humanity achieves sustainable development critically depends on whether we succeed to marry sustainability and financial markets. I am extremely positive that the CSP will provide a substantial contribution towards that goal: By educating current and future wealth owners and finance professionals, and by proving that investors can drive positive change.”

Monique Bär, Donor of the CSP



“Being passionate about the key role of business for social and environmental sustainability, I believe the highly strategic focus of the CSP is truly catalytic. The integration of good science and teaching is the right way to address the needs of current and future wealth owners and investment professionals. I am glad to support this approach.”

André Hoffmann, Donor of the CSP

OUR TEAM IS READY TO GO!

In 2017 we hired a high-caliber team (13 staff and 10 Fellows), postdoc and PhD researchers coming in from MIT and St. Gallen University and an executive education and strategy team made up of top talents from McKinsey & Company, UBS, BCG, and many more. Now we’re raring to go and looking forward to an exciting 2018.



RESEARCH & COMMUNICATION

At the CSP, we study the phenomenon of sustainable finance from various angles. Specifically, we explore individual motivations behind sustainable investing, measure the financial performance and the real-world outcomes of sustainable investments, and study the practice of microfinance and impact investing. In our research, we leverage our unique access to the wealth owner community and strive to produce outcomes that combine academic rigor with practical relevance.

15

Academic publications

51

Citations

13

Practitioner publications

SITTING AT THE TABLE WHEN SHAREHOLDERS ENGAGE WITH COMPANIES

The mechanisms of how shareholders can influence companies to advance toward social and environmental sustainability are unexplored because they operate behind closed doors. In January 2018, the CSP started a new research project that explores shareholder engagement as a driver of sustainability. The project is co-led by Emilio Marti (Assistant Professor at the Rotterdam School of Management and Senior Fellow at the CSP) and Tanja Ohlson (doctoral student at the University of Oxford and Fellow at the CSP). The project explores how investment firms interact with companies and how such interactions can make companies' strategies and operations more sustainable. To explore these issues, the two researchers are conducting a team ethnography at a London-based investment firm that specializes in shareholder engagement. Specifically, over the next three years the two researchers will spend around 250 days in the offices of the investment company and also be present when the investment firm engages with companies. By observing the shareholder engagement process closeup, the research project aims to produce novel insights into how and when shareholders can make companies more sustainable.



“With our ethnography at a leading shareholder engagement firm, we are able to observe closeup what most previous research could only speculate about: what happens when shareholders meet with companies to discuss sustainability.”

Dr. Emilio Marti, Senior Fellow at the CSP

RESEARCH COLLABORATIONS WITH THE PRI AND GIIN

Following the CSP's co-hosting of a global meeting of the Social Performance Task Force (SPTF) at UZH in March, CSP took on two collaborations with the SPTF and its partners, the Principles for Responsible Investment (UNPRI) and the Global Impact Investing Network (GIIN). Both initiatives focus on making impact investment markets more accessible to investors by providing key information, metrics, and global standards for the different impact investment fields. The UN PRI Impact Investing Maps provide baseline information for impact investing fields, helping investors identify investment opportunities. And the CSP was part of the expert group that developed a simple yet useful draft “map” on investing in financial inclusion.

The SPTF–GIIN Project “Navigating Impact” goes into even more depth with respect to streamlining impact investing metrics that indicate performance against non-financial investment goals. The CSP contributed to the group's first output—the refinement and prioritization of the different impact strategies in financial inclusion. Both projects are invaluable: not only do they contribute to standardizing and mainstreaming financial inclusion impact metrics in the broader impact investing community, they also push for better impact performance metrics, with the aim of enabling investors to assess whether their investments are on track with regard to achieving sustainability impacts.

SUSTAINABLE FINANCE CAPABILITIES OF PRIVATE BANKS

Private wealth owners and private banks alike have little to no transparency as to the capabilities that banks should have, and do have, to support wealth owners in moving their capital toward sustainable development and positive impact.

Therefore, our industry-wide study looks into the sustainable finance capabilities of around 20 of the top private banks in western Europe from a private wealth owner’s perspective. We aim to push the industry further by bringing in more transparency; clients will get a better understanding of the different offerings and banks can learn from industry best practices.

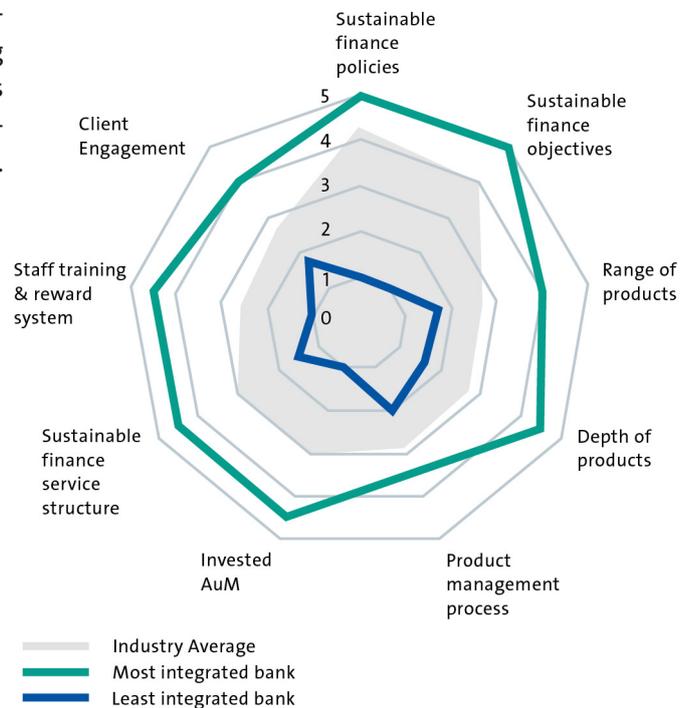
While most studies on sustainable finance in banking have focused on products and asset management at a relatively general, high level, this study takes a holistic approach—from high-level strategy to operations. Initial findings have already revealed a dynamic landscape with diverse practices and varying capabilities across banks, with distinct implications for wealth owning clients.

Given the early stage at which the industry finds itself, this report will help both clients and banks to understand their current positioning, to navigate the industry, and to shape it going forward. Our work also suggests how good practices could be adopted and how sustainability could be effectively integrated into the entire private banking offering.



“The concept of sustainable investing can be really confusing; all 18 private banks I’ve looked at use different terms and have different definitions. This project will bring more transparency to what investing sustainably actually means in practice and will help clients and banks navigate through the private banking industry.”

Taeun Kwon, Head of Private Banking Programs at the CSP





“Increasingly, we see investors who want to use their wealth to effectively drive positive change. Yet currently, the sustainable investing landscape is not equipped to meet this demand at scale. In this project, we develop frameworks and tools to measure investment impact across entire portfolios.”

Dr. Julian Kölbel,
Postdoctoral Researcher at the CSP

THE IMPACT OF SUSTAINABLE INVESTING

As sustainable investing becomes mainstream, a key question is to what extent sustainable investing as a whole drives positive change. Is it helping us to achieve the Sustainable Development Goals? Under what conditions, and in which markets, is sustainable investing most effective? These questions have been almost completely ignored by the research community thus far. In this project, we explore the mechanisms via which sustainable investing has tangible impacts. The findings allow investors who want to make a difference to maximize their investment impact.

UNIQUE RESEARCH COLLABORATIONS WITH TONIIC AND THE IMPACT

Toniic is a global action community for impact investors, namely individuals, family offices, foundations and funds. CSP works closely with the 100%IMPACT (T100) group of >70 private investors that commit to invest 100% of a portfolio in impact investing. In the summer of 2017, Toniic and the CSP, together with Prof. Timo Busch and Sarah Carroux from the University of Hamburg, launched Toniic’s second Annual Impact Investor Survey. The survey addresses a wide range of important topics related to impact investing. In collaboration with Toniic, the CSP will focus its efforts on three pillars: (1) the publication of academic research, (2) the establishment of a research consortium of leading global scholars, and (3) the creation of a data sharing process. The Annual Impact Investor Survey is a fundamental element of all three pillars and hence a crucial and necessary first step in this research endeavor.



In autumn 2017, the CSP also joined forces with The Impact to investigate the impact investing interests and activities of ultra high-net-worth individuals (UHNWIs). To advance this objective, the CSP, together with The Impact, designed a survey specifically tailored to families engaged in impact investing. This research partnership serves a dual purpose: (1) identifying financial products and services that families desire, but cannot find in the impact investing marketplace, and (2) detecting opportunities for financial intermediaries to better serve families’ needs.



THE IMPACT

Both research partnerships are the first of their kind and represent unique opportunities for both academics and practitioners. Academics finally get access to the invaluable qualitative and quantitative data needed to effectively conduct academically rigorous research on topics related to impact investing. This, in turn, provides practitioners—from investors to banks and fund managers—with the insights they need to expand capital deployment for impact.

OUR PUBLICATIONS

PEER-REVIEWED PUBLICATIONS

- Busch, T., Lewandowski, S. (2017): Corporate carbon and financial performance – a meta-analysis. *Journal of Industrial Ecology* (in press), DOI: 10.1111/jiec.12591.
- Chesney, M., Lasserre, P., Troja, B. (2017): Mitigating Global Warming: A Real Options Approach. *Annals of Operations Research*, 255 (1-2): 465-506
- Chesney, M., Gheysens, J., Troja, B. (2017): Market uncertainty and risk transfer in REDD projects. *Journal of Sustainable Forestry* 36 (5): 535-553
- Fu, J., Romano, M., Queralt, J. (2017): Financial inclusion and the 2030 Agenda for Sustainable Development: a missed opportunity. *Enterprise Development and Microfinance* 28.3: 200-211.
- Goldhammer, B., Busse, C., Busch, T. (2017): Estimating corporate carbon footprints with externally available data. *Journal of Industrial Ecology* (in press).
- Kölbl, J.F., Jentges, E. (2017): The six sentence argument: Training Critical Thinking Skills Using Peer Review. *Management Teaching Review* (in press).
- Kölbl, J.F., Jentges, E. (2017): The six sentence argument: Training Critical Thinking Skills Using Peer Review. *Management Teaching Review* (in press).
- Marti, E., Gond, J.-P. (2017): When do theories become self-fulfilling? Exploring the boundary conditions of performativity. *Academy of Management Review*: forthcoming.
- Schneider, A., Wickert, C., & Marti, E. (2017): Reducing complexity by creating complexity: A systems theory perspective on how organizations respond to their environments. *Journal of Management Studies*, 54(2): 182–208.
- Seele, P., Chesney, M. (2017). Toxic sustainable companies? A critique on the shortcomings of current corporate sustainability ratings and a definition of 'financial toxicity'. *Journal of Sustainable Finance* 7 (2): 139-146
- Slawinski, N., Pinkse, J., Busch, T., Banerjee, S.B. (2017): The role of short-termism and uncertainty avoidance in organizational inaction on climate change: a multi-level framework. *Business & Society* 56 (2), 253-282.

BOOK CHAPTERS

- Fenell, T. (2017): The Millennials and Direct Investing: A Look at Impact Investing. In Rosplock, K. (eds.), *The Complete Direct Investing Handbook: A Guide for Family Offices, Qualified Purchasers, and Accredited Investors*, Bloomberg Financial.
- Krauss, A., Landolt, S., (2017): Investieren in Mikrofinanz. Erträge und Risiken aus einer Perspektive der Verantwortung. In Stüttgen, M. (ed.), *Ethik von Banken und Finanzen*, TVZ-Verlag, Zürich, 141-164.
- Paetzold, F., (2017): Mit Vermögen gestalten. Vermögende Privatinvestoren und junge Erben legen Wert auf Nachhaltigkeit. In Stüttgen, M. (ed.), *Ethik von Banken und Finanzen*, TVZ-Verlag, Zurich.
- Presse, A., Paetzold, F. (2017): Towards a Global Climate Strategy: Reconciling ecological, entrepreneurial and social elements of Sustainability. In *Natural Resource Management*, Singapore Management University, Singapore.

WORKING PAPERS

- Chmelikova, G., Krauss, A., Dvoulety, O. (2017): Performance of microfinance institutions in Europe—Does social capital matter?

TEACHING CASES

- Battilana, Kimsey, Paetzold, Zogbi (2017): Vox Capital: Pioneering Impact Investing in Brazil. Harvard Business School - Teaching Case #9-417-051.

PRACTITIONER PUBLICATIONS

- Fennell, T., Goldman, D., Miller, D., Davis, C., White, L. (2017): Clean Tech 3.0: Venture Capital Investing in Early Stage Clean Energy A Changing Investment Climate (CERES).
- Kölbl, J., Busch, T. (2017): The link between ESG and the cost of capital: Implications for investors and CFOs. *Corporate Finance* 03-04/2017, 85-88.
- Krauss, A. (2017): Befragung von Anlegern und Interessenten von Oikocredit International in der Deutschschweiz: Übersicht über einige erste Daten. UZH CSP Report to Oikocredit Deutsche Schweiz, September.
- Krauss, A., Gegenbaoleer, G. (2017): Equity valuation of microfinance institutions: an update on methods and trends, UZH CSP Working paper for FIEC (Financial Inclusion Equity Council), November.
- Meyer, J. (2017): Expertinnenmeinung für die UZH-Eingabe zur Online-Konsultation zu den Nachhaltigen Entwicklungszielen (Agenda 2030).
- Paetzold, F. (2017): Impact Investing. In *Handbook on Sustainable Investments*, Swiss Sustainable Finance and CFA Institute, Zurich, 97-102.
- Paetzold, F. (2017): Sustainable investing: A unique opportunity for Swiss Private Wealth Management - Ten arguments and practical tools for client advisors. Swiss Sustainable Finance Report, March 2017.
- Paetzold, F., (2017): Impact Investing I: Invest like it means something: Author's Introduction, <http://horizons.org/invest-like-it-means-something-authors-introduction/>.
- Paetzold, F., (2017): Impact Investing II: Inside the "Integrated Next Gen Mindset", <http://horizons.org/impact-investing-ii-inside-the-integrated-next-gen-mindset/>.
- Paetzold, F., (2017): Impact Investing III: Impact Investing as the "Swiss Army Knife" to build Family Value, <http://horizons.org/impact-investing-iii-impact-investing-as-the-swiss-army-knife-to-build-family-value/>.
- Paetzold, F., (2017): Impact Investing IV: "Tight markets and narrow minds", Barriers and how they are overcome, <http://horizons.org/impact-investing-iv-tight-markets-and-narrow-minds-barriers-and-how-they-are-overcome/>.
- Paetzold, F., (2017): Impact Investing V: Leading the Way, <http://horizons.org/impact-investing-v-leading-the-way/>.
- Paetzold, F., Chen, T. Kwon, T. (2017): Sustainable Finance Capabilities of Private Banks – Report #1: Introducing the Framework, CSP Report.

CSP IN THE MEDIA

- Ammann, D., Brunner, S. (03.2017): «Ich will einen fairen, Sozialen Kapitalismus», *Credit Suisse Bulletin*.
- Auch Investoren haben die Mikrofinanzierung entdeckt (15.03.2017), *SRF Echo der Zeit*.
- Binswanger, D. (16.12.2017): Die guten Milliardäre, *Das Magazin*.
- Hofmann, M. (16.06.2017): Der Druck steigt, *Die Zeit*.

TEACHING & EDUCATION

The CSP offers a broad range of both academic and executive education. Our aim is to disseminate our research insights to students, current and future private wealth owners, and investment and banking professionals and enable them to engage in sustainable finance.

136

Students engaged

31

Next Gens trained

220

Finance professionals trained

IRI/CSP IMPACT INVESTING FOR THE NEXT GENERATION PROGRAM

The program was launched in 2015 at the Initiative for Responsible Investment (IRI) at the Harvard Kennedy School of Government with the support of the World Economic Forum (WEF) Family Business Community (FBC). The program trains members of ultra high-net-worth families in soft and hard skills needed to move their family assets toward supporting the UN Sustainable Development Goals (SDGs). Key successes in 2017 included:

Joint Program: The CSP and IRI now jointly run the Impact Investing for the Next Generation program.

3rd Cohort: Fully booked at 30 participants, the 2017–18 cohort brings together families from around the globe. While the cohorts 2015–16 and 2016–17 mainly included participants from Europe, the USA, and Brazil, the 2017–18 cohort broadens that scope, taking in participants from Asia, in particular from Hong Kong, Thailand, Indonesia, and Taiwan.

Asia: While the cohorts 2015–16 and 2016–17 mainly included participants from Europe, the USA, and Brazil, the 2017–18 cohort broadens that scope, taking in participants from Asia, in particular from Hong Kong, Thailand, Indonesia, and Taiwan.

Impact Estimation: Across the two cohorts 2015–16 and 2016–17, 48 participants from 13 countries and 4 continents were encouraged and enabled to support one another in furthering their investment intentions and projects. With an estimated average of USD 3 bn in assets for individual participants and their families, the program influenced an estimated USD 144 bn in total wealth. We estimate that 0.5 to 2 percent of this wealth was reallocated to sustainable investments, suggesting a capital reallocation of between USD 720 M and USD 2.88 bn. Further, eight participants decided to reorient their careers toward impact investing. These estimates do not yet include the 2017–18 cohort.



“The concept of impact investing has sparked an interest in my family and is motivating people who were not part of the investment decision process to join the conversation. The practical applications of the program enabled me to start a conflict-free discussion about the family fund, and to start a process to review the impact of our assets and steer them towards investments that are more aligned with our values.”

Fernando Scodro, Alumni IRI/CSP Impact Investing for the Next Generation Program



“It was a great learning experience meeting likeminded next gens from all over the globe, curated and brought together by the program. Furthermore, the program helped me get a better understanding of the due diligence process. As a result, I now have a better overview of what it takes to succeed and the growing amount of opportunities for impact.”

Ditte Lysgaard Vind, The Circular Way, Denmark, Alumni IRI/CSP Impact Investing for the Next Generation Program



“After completing the next gen program I have the confidence to shift my own personal assets toward 100% responsible management within the next year, and am influencing my family office to move toward 100% as well. I have already convinced my family of the need to incorporate values into our investing and they are now staunch advocates of the strategy.”

Frohman Anderson, EverHope Capital, Alumni Impact Investing for the Next Generation Program



“Having worked with many multigenerational families, I see NILA as key element of empowering Millennials to steer their own and their families’ wealth for impact. NILA provides the perfect mix of bespoke training and mentoring, as well as an experiential education in small groups of like-minded peers.”

Dr. Julia Balandina Jaquier, NILA Co-Founder and Executive Director; Founder, JBJ Consult



“From my perspective of a university unit working closely with wealth owners, NILA is a critical next step in the training landscape for wealth owners that want to fully attain the hands-on expertise to becoming successful impact investors. Alumni can be key light-house examples in their families and communities.”

Dr. Falko Paetzold,
Managing Director of CSP, NILA Co-Founder

NEXTGEN IMPACT LEADERSHIP ACCELERATOR (NILA)

The NILA program is designed to unlock the potential of highly motivated HNW Millennials, enabling them to catalyze their families’ involvement in impact investment and sustainable finance.

NILA is structured as five core modules over 12 months, hosted at University of Zurich, University of Cape Town, Harvard University and MIT. Between the modules, the NILA Fellows work individually and in small groups to advance their projects. Participants also benefit from individual implementation support and mentoring, learning journeys on the ground in developing markets, deep dives into specific topics, events run in conjunction with the key organizations in the impact ecosystem, and support in the optional attainment of a hands-on six-month work placement.

Due to the high level of individual support, the cohort size is capped at 10 participants. Tailoring the program allows participants to immerse themselves in the topic, while also accommodating those currently in full-time employment.

NILA is rooted in science and practice. It is jointly run by the CSP and JBJ Consult, led by Dr. Julia Balandina Jaquier, an internationally recognized expert on impact investing and author of “Catalyzing Wealth for Change: Guide to Impact Investing.”

IMPACT INVESTING & BLENDED FINANCE FOR DEVELOPMENT AGENCIES & FOUNDATIONS

To use public funds more effectively and mobilize private investment to achieve the Sustainable Development Goals (SDGs) has become a key concern of many development agencies and donor organizations.

One specific approach holds particular promise: empowering high-impact enterprises with market-based solutions to scale and deliver positive impact in a sustainable way – a bottom-up approach.

Based on the exceptional feedback from multiple workshops for the Swiss Agency for Development and Cooperation (SDC), this program was initiated by the CSP together with Convergence and the Social Finance Academy (by Roots of Impact), with support from the SDC.

The three-day program August 29 to 31, 2018, provides valuable insights on strategies and instruments to «leverage» own resources by blending it with private investment for small and growing businesses in developing and emerging countries. It also sheds light on the whole spectrum of finance for impact and international development. A specific focus is on catalytic financing tools that are able to attract additional capital for high-impact enterprises.



„What makes this program unique is its focus on professionals in development agencies and foundations who are looking to maximize the impact of their grants or investments“

Bjoern Struwer,
Founder & CEO, Roots of Impact GmbH



“The CAS empowers me to advise my HNWI clients on sustainable investments in a highly sophisticated way. The combination of academic training and business practices taught by lecturers of different universities as well as experienced practitioners resulted in interesting and beneficial lessons and broadened my horizon in the field of sustainable finance. The wide range of participants coming from different backgrounds made possible a fruitful exchange and network opportunity.”

Rita Amrein, CREDIT SUISSE (Schweiz) AG,
Private Banking & Wealth Management Clients



“The CAS in Sustainable Finance has opened my eyes to a fast-growing sub-sector in finance that can help me differentiate myself from my peers and deliver high added value to my clients, all while helping me find purpose. The lecturers and course organization were very good. I leave the course with clear next steps for how to implement—in my job—what I learned, and the intention to draw upon the great professional network of like-minded individuals that I was able to develop.”

Pablo Rodríguez, CFA, Director UBS AG Wealth
Management

FIRST GRADUATES OF THE CAS IN SUSTAINABLE FINANCE

In 2017, the first cohort graduated from our Certificate of Advanced Studies (CAS) in Sustainable Finance. The program covers the key areas of “Sustainable Investing” and “Sustainability in Banking and Insurance” and combines a set of compulsory and elective courses. By choosing between the elective modules, participants define an area of specialization in impact investing themes such as microfinance and microinsurance or in sustainable investing in emerging markets.

The courses combine academic education and research with insights into current industry practices, while promoting technical, methodological, and social skills. The curriculum consists of in-class learning units, case studies, self-study, and final written coursework.

The CAS UZH in Sustainable Finance adopts a modular structure that facilitates graduation alongside the workload of busy professionals. The program targets finance professionals from all areas, including wealth and asset managers, staff of family offices, representatives of institutional investors, and all other professionals interested in acquiring sound theoretical and practical knowledge in sustainable finance.

UNIVERSITY TEACHING: TOWARD A MASTER'S IN SUSTAINABLE FINANCE

The creation of the CSP has confirmed the Department of Banking and Finance's intention to strengthen its teaching offer in sustainable finance. In 2017, the Department and the CSP developed a strategy and draft curriculum in order to introduce sustainable finance more systematically into the academic teaching of Master's students. First, we will introduce a crosscutting "Minor Area" (Sustainable Finance) with the next reform of the Master's studies regulations of UZH, and—in the longer term—a specialized Master's in Sustainable Finance. We will complement the existing course offering by adding new in-depth courses, such as sustainable investing and portfolios, give more space to the topic in existing Master's classes, and develop additional specialized classes. Once fully in place, the curriculum will be truly unique in its comprehensive format and sustainability focus applied to all pillars of research and teaching in banking and finance, while at the same time offering a multidisciplinary approach by including classes taught through partnering departments.



COMMUNITY BUILDING

In order to promote sustainability in finance, we actively build an engaged community. In 2017 we organized numerous events including our Impact Investing Learning Trip to Rwanda with 10 private investors, a CSP Private Investor Roundtable with 20 private investors and experts, and multiple workshops for family offices and private banks.

32

Events organized

630

Event participants

2855

Stakeholders interacted with

IMPACT INVESTING EXCURSION RWANDA

A key strength of sustainable finance and impact investing is the opportunity to experience the positive impact that investors can have in the real world. As such, within days of its inception, CSP ran a week-long excursion to Rwanda with 10 private investors. These excursions are designed specifically to enable current and future private impact investors to meet potentially interesting investment recipients, bond and exchange views with one another, and get a truly immersive, hands-on, and fun insight into impact investing on the ground.

- We met >15 social enterprises on the ground for a hands-on deep-dive insight into impact investing.
- We met and talked to local residents in their homes, workplaces, and university halls.
- We attended get-togethers with local entrepreneurs, investors, and experts.
- We experienced some of the highlights of Rwanda, such as visiting the mountain gorillas in their wild and natural habitat.

During the excursions the groups also discuss the role of sustainable finance broadly, far beyond impact investing in frontier markets, and how to strategically integrate sustainability across all asset classes in large portfolios. As such, the excursions build upon the core learnings of the Next Gen Impact Investing program that the CSP runs annually with the Initiative for Responsible Investment at the Harvard Kennedy School, and often welcome program participants.

“The excursion was a true eye-opener for me, enabling me to understand impact investing on the ground in a frontier market.”

Felix Schmidheiny, Participant of the 2017 Rwanda excursion, alumni Impact Investing for the Next Generation Program, donor to CSP



CSP LAUNCH EVENT

On July 4, 2017, we officially celebrated the launch of the CSP. By invitation, 70 scholars, wealth owners, and experts gathered at the uniTurm venue at the top of the University of Zurich tower, overlooking the beautiful scenery of downtown Zurich for a gorgeous and inspiring summer evening.

Brief comments were provided by Prof. Michael Hengartner, President of the University of Zurich, Prof. Marc Chesney, Director of the Department of Banking and Finance, Antonis Schwarz, the anchor donor of the CSP, Markus Hipp, the CEO of BMW Foundation Herbert Quandt, Dr. Annette Krauss, and Dr. Falko Paetzold.



WEALTH OWNER ROUND TABLE

Trusted peer-to-peer exchange is rare and highly valuable for wealth owners, many of whom pursue non-finance careers, do not engage with their wealth on a daily basis, and often fear discussing their wealth with others. This is why the CSP hosts Private Investor Round Tables that provide a trusted environment in which to discuss in detail specific aspects related to sustainable finance and private wealth, to pose questions, and to highlight successes and failures among peers. During the roundtable on November 6, 20 participants discussed their impact journeys, how to collaborate on investments, and the role of private banks, and shared their work on systems change activism.



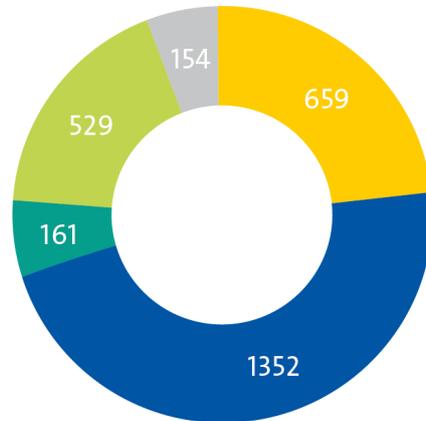
“We create our world, together, every day. I’m thrilled to engage our alumni, co-create with them, and help them leverage our network. Toward impact!”

Britta Gruenig Castelli, Head of Wealth Owner Programs & Communication at the CSP

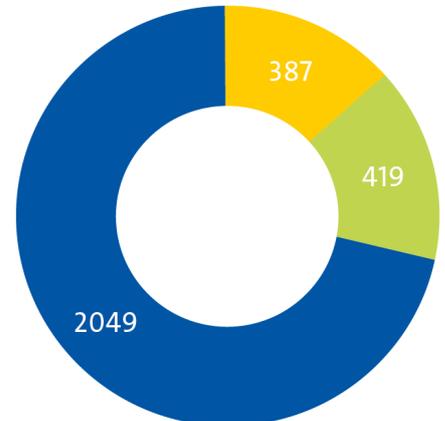


OUR COMMUNITY IN NUMBERS

In 2017 we interacted with more than 600 wealth owners and 100 finance professionals on the practitioner side and over 500 academics and over 150 students. With over 800 of them we were able to interact personally. We reached over 2,000 further stakeholders with our extended outreach activities (newsletters and publications).



- Wealth Owners
- Finance Professionals
- Students
- Academics
- Other



- Education
- Events
- Outreach

OUR COLLABORATIONS AND PARTNERS

In order to fulfil our mission, we build partnerships with other university units, as well as with think tanks, investor communities, platforms, foundations, financial intermediaries, and public policy bodies supporting impact investment and sustainable finance. The CSP is a founding member of Global Research Alliance for Sustainable Finance and Investment. We are also part of the UNSIF Research Council.

KEY PARTNERS

- Initiative for Responsible Investment, a research project at the Hauser Institute for Civil Society at the Harvard Kennedy School
- Swiss Sustainable Finance
- The ImPact
- Toniic
- University of Hamburg
- UN SDG Impact Finance
- World Economic Forum – Family Business Community

COLLABORATIONS

The Center regularly engages with key overarching initiatives and platforms, including:

- European Microfinance Platform
- FIEC - Financial Inclusion Equity Council
- Global Impact Investing Network (GIIN)
- Global Research Alliance for Sustainable Finance and Investment
- Helvetas Swiss Intercooperation
- Horizons
- ILO
- Microinsurance Center
- Oikocredit Deutsche Schweiz
- Principles for Responsible Investment (PRI)
- SDC - Swiss Agency for Development and Cooperation
- Social Performance Task Force SPTF
- SPTF-GIIN Navigating Impact
- StoneStep
- Swiss Microfinance Platform
- Women's World Banking
- WWF Switzerland

OUR FUNDING

The Center for Sustainable Finance and Private Wealth (CSP) is seed-funded through CHF 4 M in donations made to the University of Zurich Foundation by private wealth owners interested in sustainable-finance.

This embeds the Center within the private wealth owner community and ensures a trusted environment for wealth owners who want to engage with sustainable finance.

Seed-funders of the CSP include Monique Bär, André Hoffmann, Antonis Schwarz, Benjamin Firmenich, Björn Wettergren, Christian Oldendorff, Felix Schmidheiny, Fernando Scodro, Nachson and Arie Mimran, Paolo Fresia, Patrick Häslar, and the Reilly family.

Additional research grants are provided by the BMW Foundation Herbert Quandt and Cape Capital.

The Center for Microfinance, which is a founding partner of the CSP, has received significant research grants from Ecoscientia Stiftung, Swiss Finance Institute (SFI), the Swiss National Science Foundation (SNF), and the Foundation for Research in Science and the Humanities at the University of Zurich.

In order to scale up the activities of the Center, further funds are acquired through private donations; academic research grants; work with foundations, family offices, and intermediaries; and executive education programs.

UZH FOUNDATION – THE FOUNDATION OF THE UNIVERSITY OF ZURICH

The UZH Foundation seeks donations and bequests from private individuals, foundations, and companies to achieve its fundamental goal of promoting excellence at the University of Zurich. Donations to the UZH Foundation accelerate the progress made in research and education, bringing benefits to society at large.



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