



**TA12.10**

# **Impact Investing @TAF**

September 29, 2016



Tim Stoate, Toronto Atmospheric Fund

# OBJECTIVE

## Triple ROI

- Financial
- Mandate (GHG)
- Demonstrate & de-risk low-carbon investment opportunities

# PROGRAM OVERVIEW

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- Investment policy (SIOP)
- Marketable Securities
- Direct Investments
- Private Equities
- Finance Innovation
- Outreach & Engagement



# MARKETABLE SECURITIES



**At least 20% Fixed Income**

= \$6.3M at TDAM

**Up to 55% Global Equities**

= \$14.9M at Generation

= \$ 2.8M at Green Chip Capital

**Search underway**

for additional Equities Manager(s)

# DIRECT INVESTMENTS

Up to  
60%

=

\$17M

Of this:

- 70% = \$12M for energy efficiency
- 30% = \$5M for other transaction types
- \$8.6M currently deployed

# DIRECT INVESTMENTS



Investment Type	Approx. Investment	Purpose & Impact
Green Condo Loans (4)	\$2.5M	Bridge first/second cost challenge, allowing developers to build better-than-Code efficiency
ESPAs (6)	\$4.4M	Address market barriers with non-debt financing, backstopped by insurance. Also, warehousing for ECC.
Efficiency Capital Corp.	Up to \$2M	Retrofit transaction financing to achieve scale.
Various other loans <small>Toronto Atmospheric Fund</small>	\$2M	Advance solar technologies, geothermal, etc.

# DIRECT INVESTMENTS

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Diversification strategy

for non-retrofit transactions in  
development focused on deployment of  
proven technologies & services.

# FINANCE INNOVATION

## Address investment barriers

- **MARKET-OPENING TOOLS:** eg. Green Condo Loan, ESPA, P.O. financing
- **POLICY DRIVERS:** eg. credit enhancement, financing vs. grants
- **HELPING SCALE:** eg. sell TAF transactions, incubate ECC



# **PARTNERS & COLLEAGUES**

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- City of Toronto, Better Building Partnership
- TowerLabs
- Efficiency Capital Corp.
- Engineering firms
- Retrofit clients
- Responsible and innovative investors
- Ontario government
- Foundations

# COMMUNICATIONS

## Our Key Messages

“TAF’s investment portfolio is prudent, aligned with our mandate, and achieving excellent returns.”

“TAF is demonstrating viable opportunities for investment of private capital in the low-carbon economy.”

# TAF CAPACITY

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- Tim Stoate, VP-Impact Investing
- Investment Committee
- Advisors and partners
- Proteus Performance Management
- Richard Rysak, Finance Director
- Account Manager (new 2017)
- Gardiner Roberts LLP
- Consultants



# IMPACT INVESTING LEADERSHIP



## 25 years of innovation

- First loan: \$15M City streetlight retrofit
- Green Condo Loan leads to new building code
- Pure Energies revolving loan yields 150%
- ESPA retrofit financing and ECC

## International Recognition

- Financial Times & International Finance Corporation Special Commendation in Transformational Finance
- Clean 50: Outstanding Contribution to Clean Capital
- Scotiabank Innovation Award finalist (2013)

## Collaborations & Memberships

- Clean Tech North
- ACOMO
- Federation of Canadian Municipalities
- SVX
- And many others!

# EXPANDING CAPACITY!

**\$17M**

**provincial  
asset**

- Same investment policy and process
- Additional managers
- Separate and/or joint Direct Investments in GTHA
- Different finance innovation needs & focus
- New internal capacity

STAY CONNECTED!



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