Haas Socially Responsible Investment Fund

Annual Report

May 2015

BerkeleyHaas
Haas School of Business
University of California Berkeley

CENTER FOR RESPONSIBLE BUSINESS
Haas School of Business at UC Berkeley

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INTRODUCTION

For the 2014 – 2015 academic year, the Haas Socially Responsible Investment Fund ("HSRIF") continued an evolutionary cycle where the Principals sought multiple avenues of heightened engagement. New areas of achievement include visiting a firm in the field of responsible investing, meeting with a portfolio company, and attending a number of topical conferences. The Principals are grateful for the continued support from the Center for Responsible Business ("CRB") and the generous donations received through their efforts. The Principals have also been fortunate to have Nadja Guenster's leadership and Sumner Field's contributions, both of which have been critical to the HSRIF's success. After months of working together, the Class of 2015 Principals have prepared the next class to continue to tackle the challenges of HSRIF's dual mission to invest for both financial performance and environmental, social, and governance performance.

INVESTMENT APPROACH

The HSRIF investment approach has evolved with each new class of Principals. Although the core fundamental investment philosophy is largely unchanged, each class has been able to leverage its unique skills and experiences to help enhance the investment process. The Principals evaluate each investment opportunity from both a fundamental value perspective and an ESG perspective. Consistent with prior years, the Principals' goal is to outperform the benchmark. The Principals use the Russell 3000 as a gauge of relative performance and risk exposure. Below are outlined some of the Fund's key investment process initiatives:

Portfolio Diversification and Position Sizing

The Fund re-evaluated portfolio diversification and position sizing to ensure adequate risk management through proper diversification. The Fund ultimately decided to target a portfolio of approximately 15-20 positions to balance the tradeoff of having too many positions spread across too few Principals against the diversification benefits of having a larger portfolio. Based on a review of academic research and discussions with practitioners, the Principals believe the vast majority of diversification benefit is realized at 15-20 positions.

Pitch Feedback and Voting for Investment Decisions

The Principals have continued with a blind voting process where votes are submitted online to mitigate potential group-based biases. Each stock pitch is voted on ESG criteria and financial performance, and must have a simply majority vote in each category to be added to the portfolio.

Engagement with Advisory Board

The Principals have continued to encourage involvement of the Advisory Board to better leverage the knowledge and experience of each board member. Board members are invited to attend either telephonically or in-person each full investment pitch meeting. These sessions proved to be highly productive as board members provided value-added insights that helped guide the discussion. The Principals plan to continue to further integrate board members in the investment pitch process. They also held an in-person board meeting on February 6th, 2015. The in-depth discussion covered the Fund's performance and investment process as well as the broader strategy for the Fund and current fundraising efforts. The Principals look forward to deepening their engagement with the board on multiple fronts.

Idea Generation and Investment Pitches

The Principals further refined the idea generation process to better identify the most compelling investment opportunities to further research. The idea generation process typically starts with a high level discussion of potential new ideas generated from a diverse set of sources from which a subset are selected for a "quick pitch" consisting of a short investment memo that is presented to the group. Ideas that successfully make it through the "quick pitch" process become full investment pitches. The Principals introduced greater discussion on the front-end of the idea generation process to more efficiently screen the numerous potential investment opportunities for further diligence. On the ESG front, the Principals have made a concerted effort to incorporate additional proprietary research to the process in addition to leveraging the available ESG research platforms.

PORTFOLIO SUMMARY

As of April 24, 2015, the Fund's portfolio was made up of a diverse set of eighteen (18) companies and cash:

Portfolio Including Cash	
Holding	**Weight**
American Water Works (AWK)	5.35 %
AMN Healthcare (AHS)	5.37 %
Compass Minerals(CMP)	5.35 %
Eaton Corp (ETN)	5.34 %
Google Class A (GOOGL)	5.33 %
Keycorp (KEY)	5.36 %
Mastercard Class A (MA)	5.37 %
Microsoft (MSFT)	5.34 %
Nucor (NUE)	5.38 %
Qualcomm (QCOM)	5.38 %
SolarCity (SCTY)	5.34 %
Starbucks (SBUX)	5.39 %
Stericycle (SRCL)	5.35%
TE Connectivity (TEL)	5.33 %
Toronto-Dominion Bank (TD)	5.33 %
United Natural Food (UNFI)	5.33 %
Vodafone (VOD)	5.35 %
Walt Disney (DIS)	5.35 %
Cash	3.67%

Compared to the April 30, 2014 annual report, this composition reflects the following changes in terms of holdings:

Divestitures: The Principals voted to divest from DaVita HealthCare Partners (DVA), Google- C (GOOG), PepsiCo (PEP), Salesforce.com (CRM), Mylan (MYL), Dollar Tree (DLTR), WhiteWave Foods (WWAV), Deere & Co (DE) and Ecolab (ECL). These divestures resulted from conversations regarding ESG factors as well as the financial condition of each company.

Additions: The Principals initiated positions in American Water Works (AWS), AMN Healthcare (AHS), Disney (DIS), Keycorp (KEY), Nucor (NUE), Qualcomm (QCOM), SolarCity (SCTY), Strericycle (SRCL), Toronto-Dominion Bank (TD), TE Connectivity (TEL), United Natural Foods (UNFI) and Vodafone (VOD). The Fund is aiming to keep a cash position of 3.67% as needed for the distribution to the CRB in June of 2015 of $102,567.06.

Details regarding these divestitures and additions are provided later in the annual report.

Composition of the Portfolio: In general, the Principals strive to maintain a portfolio of twelve to twenty four positions. The Principals feel that a minimum of twelve is necessary to achieve diversification while twenty four is the maximum that will allow each principal to remain sufficiently in tune with the daily changes of the stock. After discussing rebalancing procedures with professional portfolios managers we have adopted a (1/n) strategy for weighting individual securities. After the recommendation from practitioners and support for our academic advisor, the Principals felt that they add more value by allocating their time to conducting in depth research on individual securities to identify mis-valued opportunities.

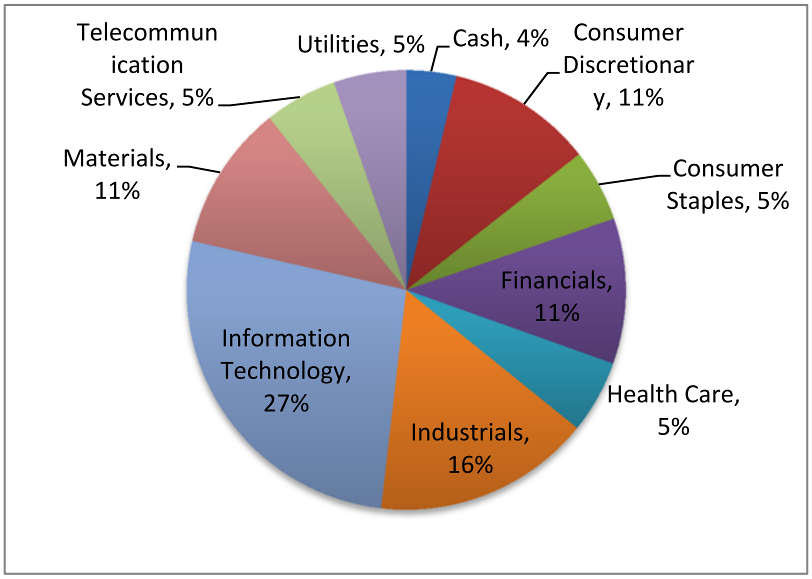
Comparison vs. Benchmark: The current benchmark for the Fund's performance is the iShares Russell 3000 Index (IWV). The iShares Russell 3000 ETF seeks to track the investment results of a broad-based index composed of U.S. equities. However, it is important to note that the Principals do not constrain themselves to the iShares Russell 3000 to identify new holdings.

The benchmark was changed to the iShares Russell 3000 Index (IWV) as the Principals believe it accurately captures the performance of the wider US market. Furthermore, by using MSCI USA ESG Select ETF (KLD) as a benchmark we lose our advantage in picking companies with solid ESG factors; comparison to the KLD does not test the thesis that companies with positive ESG will outperform the general market over time. We also include the performance of the previous benchmark, the MSCI USA ESG Select ETF (KLD) for continuity purposes.

The following table shows a comparison between the Fund, its benchmark and the iShares ESG Select ETF in terms of weighted average market capitalization, average price-to-earnings ratio (P/E) and average dividend yield:

Holding	Market Cap (BN)	P/E	Dividend Yield
Russell 3000 (IWV)	**$111.29**	**19.00**	**1.65%**
iShares ESG ETF (KLD)	**$7.76**	**19.57**	**1.24%**
American Water Works (AWK)	$9.83	23.22	2.30%
AMN Healthcare (AHS)	$1.14	35.06	n/a
Compass Minerals(CMP)	$3.00	13.85	2.80%
Eaton Corp (ETN)	$32.33	18.38	2.90%
Google Class A (GOOGL)	$379.42	26.55	n/a
Keycorp (KEY)	$12.27	14.40	1.80%
Mastercard Class A (MA)	$104.37	29.32	0.60%
Microsoft (MSFT)	$355.55	17.48	2.89%
Nucor (NUE)	$15.45	21.81	3.20%
Qualcomm (QCOM)	$112.73	14.44	2.40%
SolarCity (SCTY)	$5.81	n/a	n/a
Starbucks (SBUX)	$74.13	29.98	0.58%
Stericycle (SRCL)	$11.93	37.07	n/a
TE Connectivity (TEL)	$27.93	15.06	1.20%
Toronto-Dominion Bank (TD)	$85.17	13.96	3.70
United Natural Food (UNFI)	$3.54	21.10	n/a
Vodafone (VOD)	$91.80	1.34	5.30%
Walt Disney (DIS)	$185.25	24.23	1.15%

Sector Distribution



Sector Exposures: The above chart illustrates the Fund's sector exposures.

Sector Weighting: 4/24/2015

Tickers	AHS	AWK	CMP	DIS	ETN	GOOGL	KEY	MA	MSFT	NUE	QCOM	SBUX	SCTY	SRCL	TEL	TD	UNFI	VOD	IWV	KLD
AHS	1.00	0.10	0.08	0.22	0.26	0.29	0.27	0.29	0.20	0.14	0.20	0.21	0.26	0.19	0.28	0.16	0.31	0.16	0.38	0.37
AWK	0.10	1.00	0.05	0.25	0.25	0.18	0.18	0.25	0.22	0.17	0.18	0.28	0.15	0.34	0.20	0.13	0.18	0.24	0.40	0.40
CMP	0.08	0.05	1.00	0.21	0.33	0.25	0.32	0.22	0.20	0.34	0.25	0.15	0.22	0.27	0.29	0.26	0.22	0.21	0.44	0.42
DIS	0.22	0.25	0.21	1.00	0.40	0.37	0.47	0.50	0.33	0.34	0.26	0.40	0.29	0.41	0.40	0.33	0.33	0.38	0.64	0.60
ETN	0.26	0.25	0.33	0.40	1.00	0.36	0.50	0.46	0.39	0.45	0.35	0.23	0.34	0.41	0.51	0.49	0.32	0.39	0.71	0.74
GOOGL	0.29	0.18	0.25	0.37	0.36	1.00	0.43	0.49	0.40	0.35	0.27	0.41	0.30	0.29	0.34	0.23	0.34	0.25	0.59	0.54
KEY	0.27	0.18	0.32	0.47	0.50	0.43	1.00	0.40	0.32	0.43	0.23	0.39	0.30	0.39	0.40	0.42	0.31	0.33	0.68	0.63
MA	0.29	0.25	0.22	0.50	0.46	0.49	0.40	1.00	0.31	0.38	0.33	0.37	0.30	0.44	0.52	0.35	0.43	0.37	0.67	0.62
MSFT	0.20	0.22	0.20	0.33	0.39	0.40	0.32	0.31	1.00	0.27	0.22	0.35	0.19	0.27	0.24	0.28	0.26	0.31	0.54	0.56
NUE	0.14	0.17	0.34	0.34	0.45	0.35	0.43	0.38	0.27	1.00	0.28	0.22	0.31	0.29	0.42	0.43	0.30	0.31	0.59	0.57
QCOM	0.20	0.18	0.25	0.26	0.35	0.27	0.23	0.33	0.22	0.28	1.00	0.15	0.25	0.32	0.37	0.32	0.18	0.23	0.45	0.42
SBUX	0.21	0.28	0.15	0.40	0.23	0.41	0.39	0.37	0.35	0.22	0.15	1.00	0.25	0.29	0.27	0.20	0.36	0.26	0.51	0.48
SCTY	0.26	0.15	0.22	0.29	0.34	0.30	0.30	0.30	0.19	0.31	0.25	0.25	1.00	0.22	0.33	0.32	0.23	0.25	0.43	0.37
SRCL	0.19	0.34	0.27	0.41	0.41	0.29	0.39	0.44	0.27	0.29	0.32	0.29	0.22	1.00	0.39	0.27	0.29	0.29	0.60	0.60
TEL	0.28	0.20	0.29	0.40	0.51	0.34	0.40	0.52	0.24	0.42	0.37	0.27	0.33	0.39	1.00	0.35	0.32	0.38	0.64	0.63
TD	0.16	0.13	0.26	0.33	0.49	0.23	0.42	0.35	0.28	0.43	0.32	0.20	0.32	0.27	0.35	1.00	0.17	0.36	0.52	0.52
UNFI	0.31	0.18	0.22	0.33	0.32	0.34	0.31	0.43	0.26	0.30	0.18	0.36	0.23	0.29	0.32	0.17	1.00	0.30	0.52	0.47
VOD	0.16	0.24	0.21	0.38	0.39	0.25	0.33	0.37	0.31	0.31	0.23	0.26	0.25	0.29	0.38	0.36	0.30	1.00	0.53	0.50
IWV	0.38	0.40	0.44	0.64	0.71	0.59	0.68	0.67	0.54	0.59	0.45	0.51	0.43	0.60	0.64	0.52	0.52	0.53	1.00	0.96
KLD	0.37	0.40	0.42	0.60	0.74	0.54	0.63	0.62	0.56	0.57	0.42	0.48	0.37	0.60	0.63	0.52	0.47	0.50	0.96	1.00

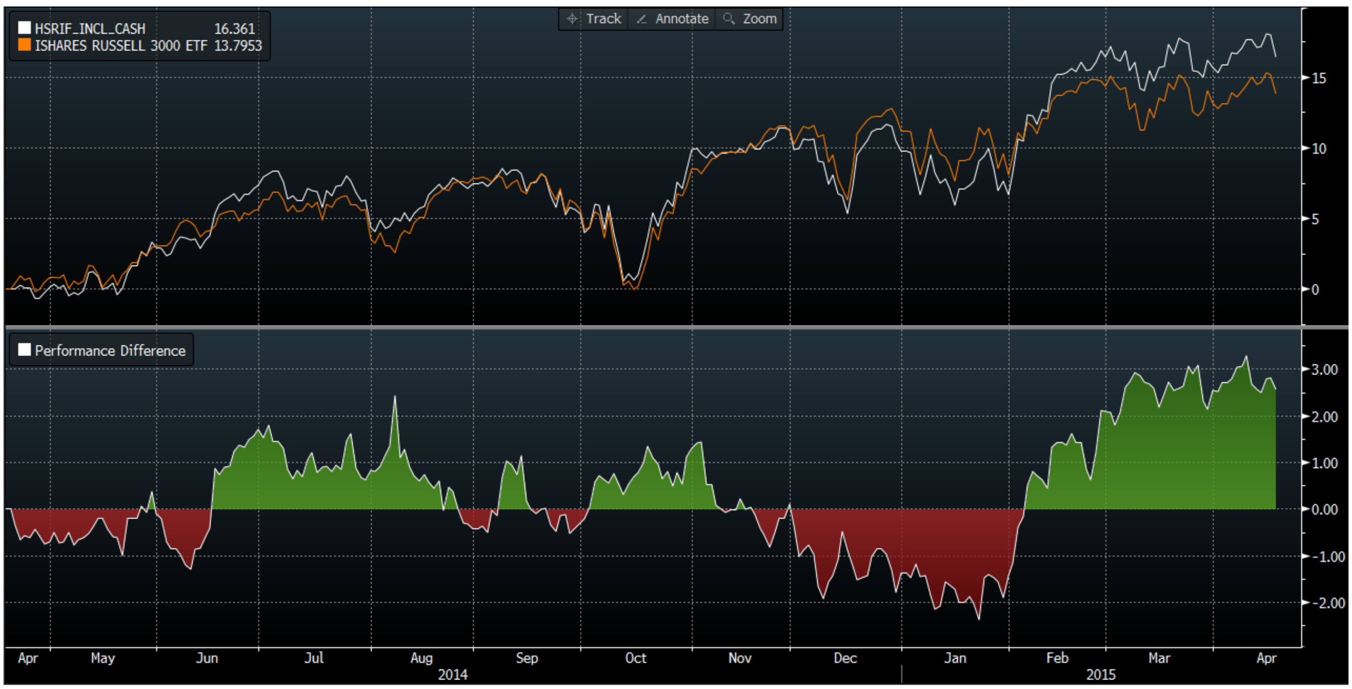
Sector Exposures: The above chart illustrates each position's correlation with other positions and benchmarks over the past 365 days as of 04/24/2015

FINANCIAL PERFORMANCE ANALYSIS[1]

Year Ended April 21, 2015

The Fund realized a total return of 16.36% between April 21, 2014 and April 21, 2015, outperforming the iShares Russell 3000 ETF's total return of 13.80% by 256 basis points. The Fund balance as of April 21, 2014 was $2,274,667.22. The Fund received the following cash deposits: $40,000 on January 23, 2014, $68,583.54 on 04/23/14, $131,209 on 5/14/14, $20,264.02 on 08/20/14 and $1,945.13 on 9/18/14. The fund's only withdrawal for the year for the annual withdrawal to fund the CRB. This amount was $71,285 and occurred on 11/26/14. Because the Fund's return is calculated on a holdings-basis, cash withdrawals and deposits have no impact on returns calculations.

HSRIF performance relative to IWV (including cash), 04/21/2014-04/21/2015

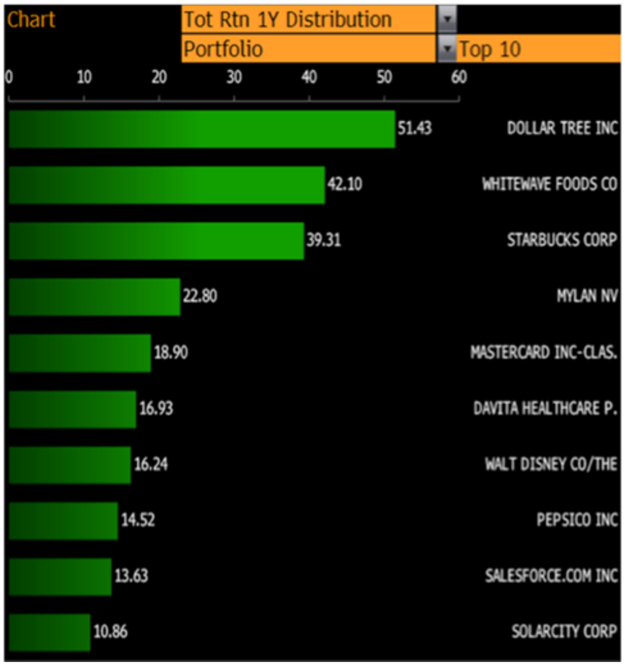


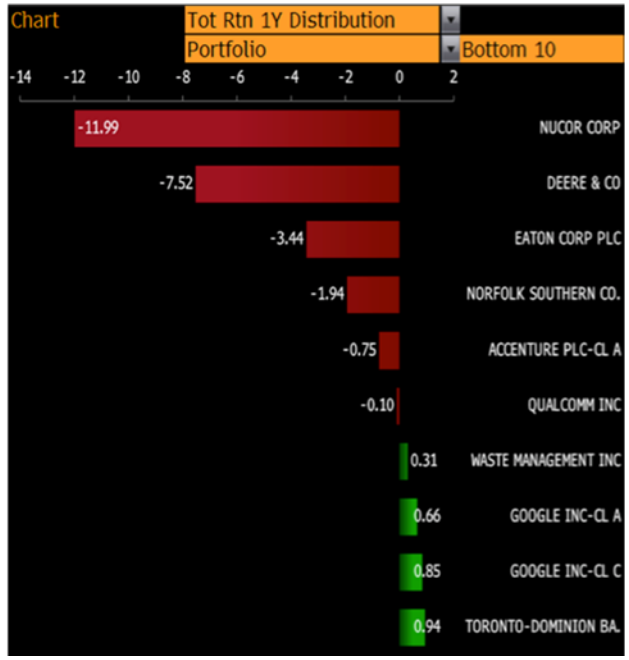
The Fund's performance over the past 12 months may be explained by:

- We have reduced cash drag by attempting to remained fully invested in individual equities or when necessary invested in KLD to reap the returns of the overall ESG market
- Our winners outperformed our losers by a solid margin; DLTR (51.43), WWAV (42.10) and SBUX (39.31) vs. NUE (-11.99), DE (-7.52) and ETN (-3.44)
- Finally, the work completed last semester had on-boarding of the next class run much more smoothly which contributed to our concentration being focused on investing rather than process

[1] Bloomberg computes performance on a holding basis. Performance reflects total returns for the benchmark, i.e. dividends are reinvested. However, dividends generated by HSRIF holdings flow to cash.

Top 10 and Bottom 10 Contributors to Return, 04/21/2014-04/21/2015

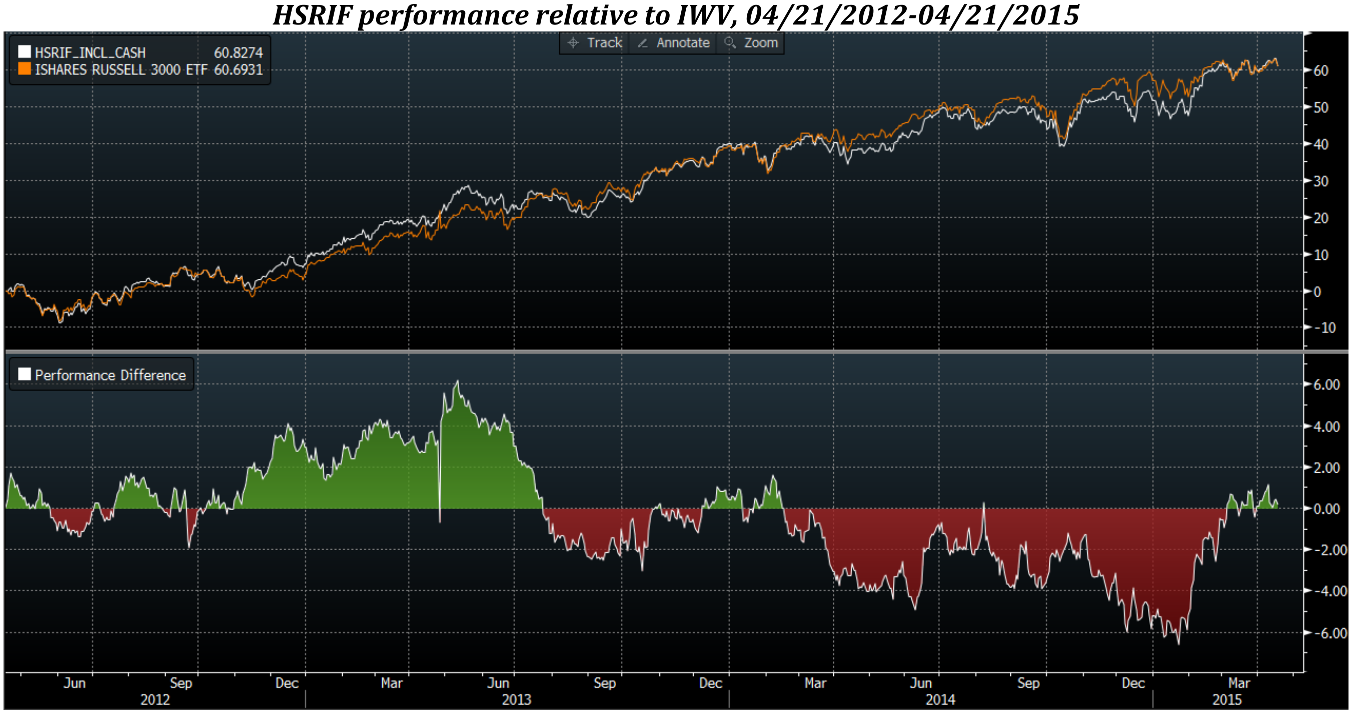




Cumulative Performance Charts

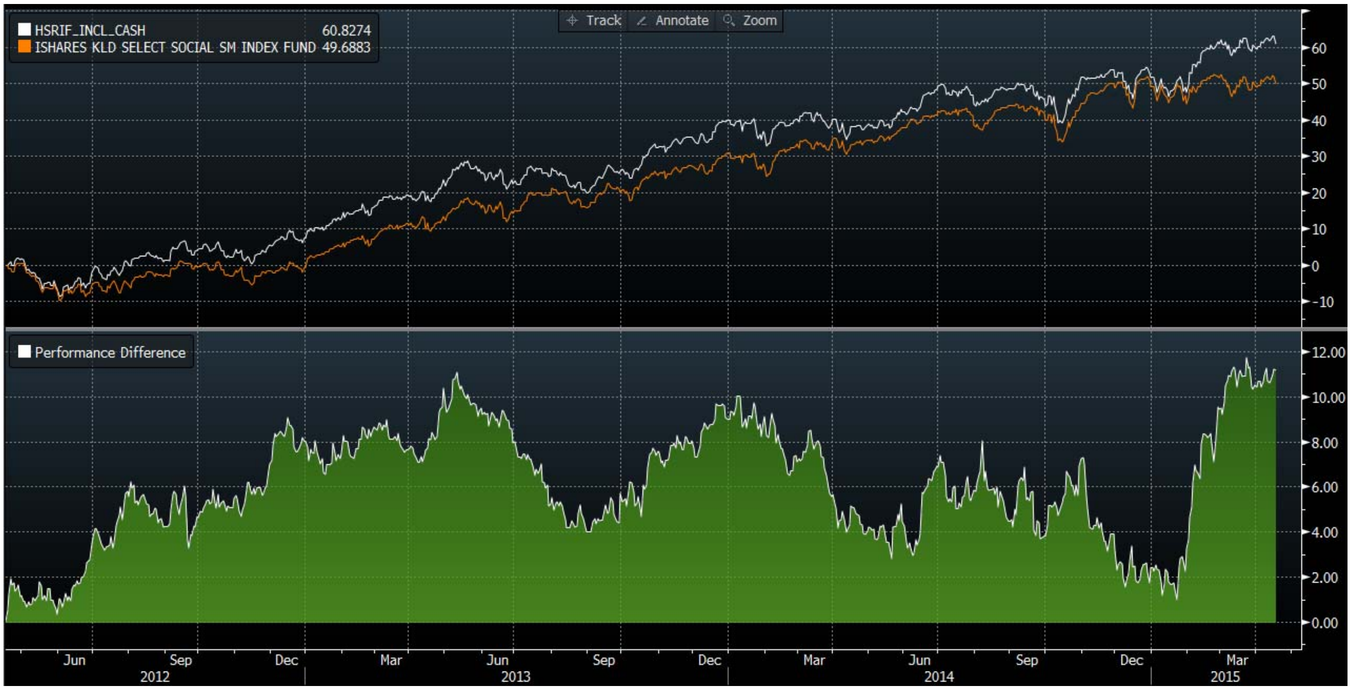
The following chart shows the Fund's historical performance versus the benchmark, IWV. For the last 3 years, the Fund outperformed IWV by 14 basis points.

HSRIF performance relative to IWV, 04/21/2012-04/21/2015



The following chart shows the fund's historical performance versus the legacy benchmark, KLD over the past three years, the Fund outperformed the MSCI USA ESG Select ETF (KLD) by 11.14%.

HSRIF performance relative to KLD, 04/21/2012-04/21/2015



Measure of Risk

We also collected risk statistics for our portfolio and compared them to both the current benchmark (IWV – iShare Russell 3000 ETF) and our previous benchmark (KLD – iShares MSCI USA ESG Select ETF). We wanted to see if our excess returns were simply due to any added risk we were taking in our portfolio or due to superior stock selecting.

	Sharpe Ratio	Standard Deviation (Annualized)
HSRIF Portfolio	1.50	12.19
iShares Russell 3000 ETF (IWV)	1.28	11.69
iShares MSCI USA ESG Select (KLD)	1.19	11.63

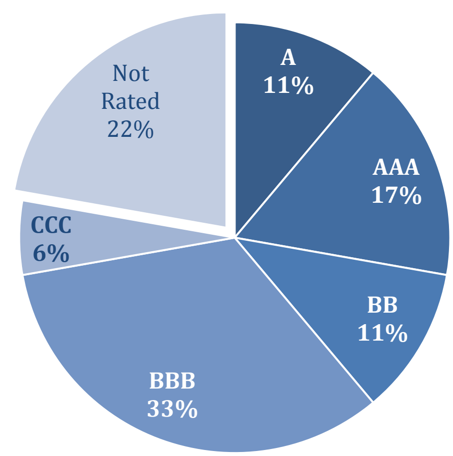
ESG PERFORMANCE ANALYSIS

The Fund Principals conduct holistic ESG analysis both using MSCI and our recently updated, proprietary ESG Matrix. Fund Principals actively monitor the environmental, social and governance performance of all of its portfolio companies. This is formally done during initial pitches and bi-annual position updates. Informally, however, Principals receive alerts and discuss news that have a material impact on the performance of portfolio companies on a regular basis.

MSCI Research

The Fund uses MSCI's ESG Research as a source for information on companies, providing valuable insight into the ESG dynamics within our portfolio as well as relevant controversies. Given that 22% of our portfolio is currently unrated by MSCI, we are unable to accurately assess our current portfolio performance against the MSCI US and MSCI US ESG Benchmark Indices.

HSRIF MSCI Rating Distribution



Despite this limitation, the Fund Principals find it useful to observe the weighting of our MSCI ESG ratings compared to MSCI's indices. Currently the Fund has 14 positions that are rated by MSCI. The Fund continues to be overweight in AAA holdings, with 3 companies representing 16.7% of the portfolio versus MSCI's USA ESG 4.2% weighting. The portfolio is also overweight BBB companies (33.3% vs. 23.2%) and underweight B companies (0.0% vs. 16.7%). With the recent investment of Stericycle, the Fund's first exposure to a CCC company, the portfolio is now slightly overweight CCC compared to the MSCI USA ESG weighting of 4.27%.

A
Disney
TE Connectivity
AAA
Microsoft
Toronto Dominion Bank
Vodafone
BB
Keycorp
Qualcomm

BBB
American Water Works
Eaton
Google
MasterCard
Nucor
Starbucks
CCC
Stericycle

Not Rated by MSCI
AMN Healthcare Services
Compass Minerals
Solar City
United Natural Food

Although the Principals do not directly seek to compare themselves to the MSCI indices, data reveals that the Fund is investing in companies with greater environmental, social and governance scores compared to both the MSCI US and MSCI US ESG indices.

While the Fund Principals do reference the MSCI index, the Principals do not seek to directly compare the portfolio to MSCI indices. It is our belief that outperforming our benchmark is dependent on our ability to conduct independent research and develop unique points of view on each portfolio company's ESG story. As such we complete holistic ESG assessments that do not fully rely on MSCI rankings in order to make investment decisions.

HSRIF Proprietary ESG Matrix

While MSCI allows Principals to monitor and track the ESG factors of most of its portfolio companies, Principals have updated the Fund's proprietary framework to allow for a more holistic analysis. The updated framework seeks to accomplish four primary goals:

1. Align different Principals' ESG priorities to guide our investment decisions.
2. Clarify a previously ambiguous process for ESG analysis.
3. Facilitate research and analysis of potential alpha-generating ESG criteria beyond what's included in MSCI.
4. Quantify metrics in order to make less subjective ESG investment decisions.

The resulting framework has seven ESG criteria that the Principals deemed most important: Diversity, Community Engagement, Energy and Environment, Board Governance, Supply Chain, Working Conditions, and Social Impact. Each criteria has a range of considerations that drives a score from 1-5, as outlined below:

HSRIF ESG Criteria	Considers:
1) Diversity	• Positively target/hire/supply from under-served groups • Women/diversity in leadership (board, c-suite)
2) Community Engagement	• Political activism on key issues (climate change, LGTB rights, etc) • Political donations: do they disclose, to whom? • Clear efforts to positively impact communities (local + overseas supply chain)
3) Energy and Environment	• Efforts to reduce energy consumption, emissions, toxic waste, general environmental impact (within operations and/or community) • Strong/clear sustainability goals/policies
4) Board Governance	• Balanced (skillset, experience) • Directors independent/elected • Executive pay disclosed
5) Supply Chain	• Sourcing policies positively consider labor, impact on environment, shared value initiatives • Transparent monitoring and issues management
6) Working Conditions	• Promotes positive working environment • Treats employees well, good benefits
7) Social Impact	• Core mission: enhances quality of life/access, promotes healthy lifestyles, revolves around solving a social problem • Philanthropy

We measure every company's success within each criterion with a five-stage assessment, which is associated with a score from 1-5:

Stage 1: No reporting on key issues
Stage 2: Transparent reporting of key of issues but need for action
Stage 3: Development of an effective strategy and metrics to address key issues
Stage 4: Significant progress toward goals and transparent reporting on all metrics
Stage 5: Successful track record; industry leader on key issues

The scores for each of the seven criteria are then summed, creating an aggregate "ESG Score" for each company. While companies are not chosen simply on how high they score, the Principals use this score (along with the MSCI score, if available) to compare companies and guide discussions. The new framework has pushed Principals to perform more thorough ESG research and analysis, with the belief that data that is not already captured within MSCI could potentially generate larger alpha for the Fund.

Compass Minerals International (NYSE: CMP)

Sector: Materials
Industry: Metals & Mining

Company Description:
Compass Minerals International (CMP) is a major producer of salt, magnesium chloride, and sulfate of potash (SOP) specialty fertilizer in North America. It is also a large producer of salt in the U.K. CMP provides salt for use in highway, consumer and industrial deicing, water care, and animal nutrition in North America and the U.K. (~81% of revenues) and specialty fertilizer for use with high value crops worldwide (~19% of revenues). The company also has a small records management business (DeepStore) in the U.K. that utilizes excavated portions of a salt mine for secure underground document storage.

Investment Pitch:
The salt industry enjoys stable demand through economic cycles and has experienced long-term volume growth of 1-2% annually and pricing growth of 3-4%. As one of three major salt producers in North America, Compass is a market leader in an oligopoly. Compass enjoys access to the world's largest rock salt mine and the only naturally occurring source of SOP in North America, both of which give Compass a sustainable cost advantage. Further, its mines and depots are located near strategic waterways that minimize transportation costs and allow it to be the low-cost producer in its service areas, an important advantage since salt consists largely of localized markets. These advantages allow Compass to enjoy 20%+ operating margins for a commodity product.

From an ESG perspective, Compass provides the necessary, life-saving service of deicing the nation's highways. The company's solar evaporation facilities are a great example of a core business strategy that is also good for the environment as it is both green and low-cost. Compass also has an excellent safety record and even includes safety metrics in determining management compensation.

Outcome:
CMP has been a portfolio holding since May 2012. Shares have risen 6% over the past year, as winter weather has been slightly more severe than expectations, causing relatively modest increases in salt prices. In its most recent earnings release, CMP reported 2014 sales up 14% year-over-year to $1.28 billion. Earnings per share in 2014 increased 67% to $6.44. Adjusted EBITDA was up 20% YOY, showing strong operating results across the board. Going into 2015, Compass Minerals announced a 10% increase in quarterly dividend.

Eaton Corporation (NYSE: ETN)

Sector: Industrials
Industry: Electrical Equipment

Company Description:
Eaton Corporation is a diversified power management company and a global technology leader in electrical components and systems for power quality, distribution and control; hydraulics components, systems and services for industrial and mobile equipment; aerospace fuel, hydraulic and pneumatic systems for commercial and military use; and truck and automotive drivetrain and powertrain systems for performance, fuel economy, and safety. Put simply, Eaton provides the infrastructure to deliver and control energy. The company has over 100,000 employees and sells products in 175 countries. Eaton sells into a wide range of markets, including agriculture, aviation, communications, IT, electronics, government and military, healthcare, manufacturing, residential, and vehicles.

Investment Pitch:
Eaton's core mission is "thinking powerfully" to deliver innovative power management solutions that not only improve customer businesses, but also help improve the world. With the cost of energy extraction, distribution, and utilization increasing, along with more stringent government regulation to control energy consumption, companies increasingly need power management technologies to ensure energy is used safely and economically. Eaton has been gaining market share and outperforming its end markets, and the Principals expect this to accelerate in the coming years.

Eaton has been actively expanding its business by making acquisitions. Most notable was the Nov. 30, 2012 acquisition of Cooper Industries, a manufacturer of electrical components and tools with sales of $5.4B in 2011. The strategic rationale behind the deal is to expand Eaton's addressable market through Cooper's portfolio of complementary products, specifically targeting the utility power distribution network (upstream) and lighting/lighting controls (downstream). Previously, Eaton's electrical product portfolio primarily targeted facility-level power distribution. Cost cutting divestments and strategic acquisitions are helping Eaton create differentiated products and technology that position it well for future growth. Synergies and revenue growth from acquisitions are already being realized at a rate higher than anticipated.

From an ESG perspective, Eaton's diverse portfolio of energy-efficient products, strong supply chain management policies, and internal commitment to sustainability add value by driving revenue growth, controlling costs at the company-level and across the supply chain, and mitigating supply-chain risk. MSCI rated Eaton AAA on 1/3/13, primarily for its environmental stewardship. Eaton is focused on reducing GHG emissions, water consumption, and waste generation, and their strong ESG has been recognized by numerous parties: listed on the Carbon Disclosure Project's Index of S&P 500 companies that practice exemplary environmental reporting; named as one of the "100 Best Corporate Citizens" in *Corporate Responsibility* magazine for the fifth straight year; and listed on the Ethisphere Institute's list of "World's Most Ethical Companies" for the seventh straight year.

Outcome:
ETN has been a portfolio holding since November 2010, with shares up nearly 50% in that time frame and more than 25% in the past year.

The Fund voted to continue to hold the stock in April 2014.

Google Inc. (NASDAQ: GOOG, GOOGL)

Sector: Information Technology
Industry: Internet Software & Services

Company Description:
Google Inc. is one of the leading internet technology and advertising companies in the world and is the largest internet search engine. The Company maintains an index of web sites and other content and makes them freely available on the Internet through its automated search technology. Advertising revenues make up 90% of its revenues. The company's additional revenues are derived from the Android operating system platform, its enterprise products (Google Apps), as well as display advertising management services to advertisers, ad agencies, and publishers.

Investment Pitch:
When the stock was first pitched, the thesis centered on rising cost-per-click, increasing market share and improving operating margins. None of these still hold true. Even as market share is threatened by Facebook and other competitors, on an absolute basis, Google will likely maintain its dominant share and advertising revenue should continue to grow as online advertising spend becomes an increasingly larger portion of total advertising dollars. The company does not typically disclose differences in cost-per-click and aggregate paid clicks between mobile and desktop search, but the increased use of mobile search will put pressure on margins. However, Google recently announced the introduction of app install ads to the Play store. App install ads have been critical to Facebook's mobile revenue growth, and will be an important revenue source for Google in the future. Google has increased its R&D spend in recent years. This is likely to be beneficial in some areas, particularly with content generation at YouTube. However, we continue to be mindful of the revenue potential of "10" projects in in the 70/20/10 model.

Google has only recently appeared as a high performer in various sustainability metrics, suggesting that the market has not yet fully realized the scope or potential impact of its sustainability program. In turn, this suggests that the value to be gained from these initiatives is not yet incorporated into its stock price. On certain issues (sustainability, social impact/philanthropy) Google is a clear market leader. On others, particularly privacy and corporate governance, Google raises serious concerns.

Outcome:
Google's share price on April 24, 2015 was $573.66, compared to the Fund's initial purchase price of $277.12 in October of 2009 (increase of 107%, or an annualized return of 14%). Google made a number of key announcements in the spring of 2015. Google recently announced that it would launch a wireless service – Project Fi. The service will be small-scale, intending to demonstrate technological innovations and not compete with existing carriers. The service would identify the best signal among cellular networks and Wi-Fi. In February, Google announced that it will allow app developers to purchase ads that will be displayed in the Google Play store on Android devices. Google also recently announced that AT&T, Verizon and T-Mobile will pre-install Google Wallet on Android phones sold in the U.S. beginning later this year. Google stated that it would acquire technology and intellectual property from a payments service started by the carriers. The Wallet app will include "tap and pay" technology. In April, the European Commission filed antitrust charges against Google related to shopping search results and launched an investigation into whether Google engaged in anticompetitive behavior to block rivals to the Android mobile operating system.

In March 2015, Fund Principals voted to hold and monitor Google, mindful of the mix of ESG positives and negatives.

MasterCard Incorporated (NYSE: MA)

Sector: Services
Industry: Business Services

Company Description:
MasterCard ("MA") is a technology company in the global payments industry. It connects consumers, financial institutions, merchants, governments, and businesses worldwide to use electronic payments rather than cash and checks. It offers payment solutions that allow for the development and implementation of credit, debit, prepaid, commercial, and related payment programs and solutions for consumers and merchants. MasterCard's brands include MasterCard, Maestro, and Cirrus. MasterCard processes payments over the MasterCard worldwide network and provides related support services to its customers.

Investment Pitch:
MasterCard is an attractive investment given the secular trend toward non-cash payments in the global payments space. MasterCard also has a highly scalable business model. Personal consumption expenditure growth will support MasterCard's top-line growth via its vast network and robust market share. MasterCard's wide geographic exposure provides great global diversification and growth upside. MasterCard also has several upside catalysts. It benefits from an increased cross border volume multiple with higher transaction payment fees. Its partnership with China UnionPay also positions MasterCard well for future long-term opportunity for growing credit card payments in China. MasterCard also has excellent, shareholder-friendly financial performance and has sustained double-digit revenue growth. Net revenue for the fourth quarter of 2014 was $2.4 billion, a 14% increase versus the same period in 2013 as-reported and 17% increase adjusted for currency.

From an ESG perspective, MasterCard's efforts to promote financial inclusion around the world are directly tied to its strategic goals and its bottom line. The company has launched many win-win corporate citizenship programs, which truly embody the goal of "doing well by doing good." In March 2015 alone, MasterCard launched remittance services in Nigeria and Zimbabwe and announced a partnership with the Egyptian government that will enable 54 million Egyptian citizens to link their national ID to the national mobile ecosystem, thus facilitating their participation in the formal electronic economy.

Outcome:
The Fund Principals voted to enter with approximately 5% of our total portfolio allocation in May 2013 at an average price of $538.89/share. Subsequently, MasterCard exceeded its three-year targets in less than a year. A 10x stock split in March 2014 resulted in a stock price of about $78/share at that time. Now one year later, MasterCard's stock price has risen to roughly $90/share.

In March 2015, Fund Principals voted to hold and monitor MasterCard given its strong financial performance driven by international growth coupled with a powerful and unchanged ESG story around financial inclusion.

Microsoft (NYSE: MSFT)

Sector: Technology
Industry: Software & Services

Company Description:
Microsoft is the world's largest software company. Over 80% of its revenue and nearly all of its profits continue to be derived from the Windows OS, Windows Service, and Office. The company's products include operating systems for computing devices, servers, phones, and other intelligent devices; server applications for distributed computing environments; productivity applications; business solution applications; desktop and server management tools; software development tools; video games; and online advertising. It also designs and sells hardware devices including surface rt and surface pro, the xbox 360 gaming and entertainment console, kinect for xbox 360, xbox 360 accessories, and microsoft pc accessories. The company operates its business through following segments: Devices and Consumer (D&C) Licensing, Computing and Gaming Hardware, D&C Other, Commercial Licensing, and Commercial Other.

Investment Pitch:
The original pitch centered on these three catalysts for improving upside:

- **Stable Revenue Generation:** Microsoft is becoming a leaner business focused on its primary differentiators and customer value propositions. Over 80% of its revenue and nearly all of its profits continue to be derived from the Windows OS, Windows Service, and Office. These are the consumer staples of big business. The Enterprise Licensing Division remains the jewel in the crown and continues to drive Microsoft's revenue growth.
- **Evolved Growth Strategy:** CEO Nadella continues to deliver on his strategy to embrace the winds of change in the world of big tech and we believe the firm's well established product suite is positioned to thrive in the new world. Launches of Office 365 for the Apple iPad and Enterprise Mobility Suite display an increased willingness to invest in non-Windows platforms in pursuit of opportunities in mobile and cloud services.
- **ESG Leader:** Microsoft's ESG qualities were upgraded from AA to AAA by MSCI – a reward for the firm's exemplary performance in all areas of ESG and its significant improvements in human capital management.

For the portfolio update, it was found that these main criteria still hold despite recent downward movements in the company's share price. Microsoft have been confronted with headwinds in international sales which have been dampened by the strong USD relative to other currencies. The Principals agreed that the long-term strategy and core capabilities of the company is strong and that the recent negative moves in stock price are a reflection of the unimpressed short-term traders.

Outcome:
In March 2015, the Fund Principals voted to hold Microsoft with approximately 5% of our total portfolio allocation. Since the original pitch in April 2014, the stock value has appreciated 6% with a further 22% increase targeted over the next three years.

SolarCity (NYSE: SCTY)

Sector: Energy
Industry: Renewables

Company Description:

In late April 2014, the Fund Principals voted to invest in SolarCity, a company offering installation, monitoring and repair services of solar energy systems in the U.S. Through innovative financing structures, SolarCity makes clean energy available to homeowners, businesses, schools, non-profits, and government organizations at a lower cost than they pay for energy generated by burning fossil fuels like coal, oil, and natural gas. We found this company compelling due to its transformative impact on solar energy through financial innovation coupled with its strong growth potential in a burgeoning $63 billion electricity market. At its core, SolarCity is helping people and organizations reduce their carbon footprint and their utility bills.

Investment Pitch:

Our 2014 valuation model assumed explosive growth in the retail segment (75%+) and continued cost declines, which at that time pointed to a financial valuation of 40% over the prevalent market price. During 2015, we maintained a HOLD recommendation on the stock, as Solar City performed extremely well operationally. The company was able to grow its market share of US residential installations from 27% in 4Q13 to 39% in 4Q14- this is equivalent to the next 70 installers combined. It managed to drive down its unit costs (-20% last year) and outperformed the nearest competition, which is expected to reach SCTY's $2.87/W cost level only in 2017. On the customer side, SCTY doubled its customer base to 190,000 customers.

Outcome:

SolarCity has had a volatile year, with a significant rise to over $70/share and then subsequent drop to our entry level in the low 50s, in part driven by a drop in oil prices and the markets bearish view on the solar industry overall. The stock is currently testing the $60 level again, on the positive tailwinds of a proposed collaboration with Tesla's battery technologies to store the power that its panels collect, as well as a $1bn fund raised with Credit Suisse to fund further expansion in commercial solar projects, including schools, businesses and government. Wall Street remains bullish on the stock with Merrill Lynch recently giving it a 75% upside target price of $95. The continued strong ESG angle in solar, as well as the potentially strong upside that we believe will be realized by the stock have led us to continue holding SolarCity as part of our portfolio as of April 2015.

Starbucks Corporation (NASDAQ: SBUX)

Sector: Consumer Discretionary
Industry: Restaurants

Company Description:
Starbucks Corporation operates as a roaster, marketer, and retailer of specialty coffee worldwide. Its stores offer coffee and tea beverages, packaged roasted whole bean and ground coffees, single serve products, and juices and bottled water. The company's stores also provide fresh food offerings; ready-to-drink beverages; and various food products, including pastries, and breakfast sandwiches and lunch items, as well as beverage-making equipment and accessories. In addition, it licenses the rights to produce and distribute Starbucks branded products to The North American Coffee Partnership with the Pepsi-Cola Company, as well as licenses its trademarks through licensed stores, grocery, and national foodservice accounts. The company offers its products under the Starbucks, Teavana, Tazo, Seattle's Best Coffee, Starbucks VIA, Starbucks Refreshers, Evolution Fresh, La Boulange, and Verismo brand names. As of September 29, 2013, it operated approximately 10,194 company-operated stores and approximately 9,573 licensed stores. Starbucks Corporation was founded in 1985 and is based in Seattle, Washington.

Investment Pitch:
Starbucks is a best in class example of a company who has consistently and strategically integrated sustainability within its core business model. The Principals feel that the sustainability initiatives they have undertaken over the past 8 years will produce not only realizable cost savings but also risk management in the tough economic climate; particularly in their ethical sourcing initiatives. Similarly, discretionary goods have taken significant hit over the past year, Starbuck included, but the Principals feel that the Company's focus on sustainability as well as continued expansion into new geographic areas will offer a competitive advantage over competitors as the market continues to rebound.

Outcome:
The Fund Principals initially voted to invest in SBUX at the end of 2013. Despite strong performance in 2013 (12% increase to $14.9 billion) and record fiscal second quarter 2014 sales of $3.9 billion, SBUX has been one of the lowest performing positions in the Fund's portfolio. YTD return as of May 1, 2014 is -9.6%. However, given the company's best in class sustainability strategy and Wall Street analysts' belief in share value upside the Fund Principals are confident in the value of the SBUX position in the Fund's portfolio over the 3-Year investment horizon.

DaVita HealthCare Partners, Inc. (DVA)

Sector: Healthcare
Industry: Specialized Health

Company Description:
DaVita HealthCare Partners Inc. operates in two major business segments. The company's largest line of business is providing kidney dialysis services to patients suffering from chronic kidney failure and end stage renal disease. As of December 31, 2013, DaVita operated or provided administrative services at 2,074 outpatient dialysis centers in the United States serving approximately 163,000 patients. DaVita also operates 73 outpatient dialysis centers in 10 countries.

HealthCare Partners manages and operates medical groups and affiliated physician networks in California, Nevada, Florida, Arizona, and New Mexico in its pursuit to deliver excellent-quality health care in a dignified and compassionate manner. As of December 31, 2013, HealthCare Partners provided integrated care management for approximately 765,000 managed care patients.

Initial Investment Pitch:
DaVita is a market leader with a 33% share of the dialysis market in the U.S. The market also remains strong with patient demand growing at 4-5% per year. DVA's kidney dialysis business remains stable and the acquisition of HealthCare Partners last year provides great growth opportunity given trends in the U.S. healthcare market. Integrated healthcare service providers should experience greater demand given concerns over rising healthcare costs; HCP is well-positioned to take advantage of this consumer shift in the industry.

DaVita's core business shows a commitment to social responsibility as they continuously promote early chronic kidney disease detection, sustainable practices, support local communities, and deliver quality care. DaVita's company-wide green policies are particularly strong. Additionally, the level of corporate giving to local communities, partnerships with non-profits to provide dialysis care to underserved areas, and donations and volunteer efforts at the corporate and individual level remains high.

Divestment Rationale:
DaVita's financials continue to be stable and it continues to be one of the top and largest dialysis providers in the US. DaVita also presents a stable ESG story. However, a number of factors on the policy side represented strong headwinds for DVA. First, Medicare reimbursement rates are continuing to face downward pressure; DaVita has been concerned that lower reimbursement rates would have a negative impact on its operating income. In addition, uncertainty around Medicare and Medicaid under healthcare reform signaled further ambiguity around DaVita's service lines. Lastly, the performance of HealthCare Partners has yet to realize its potential. Following our analysis of the model, we determined growth opportunities at DaVita to be appropriately priced into the stock price.

Deere & Company (NYSE: DE)

Sector: Industrial Goods
Industry: Farm and Construction Machinery

Company Description:

Deere operates in three segments: Agriculture and Turf, Construction and Forestry and Financial Services. The John Deere Agriculture and Turf segment manufactures and distributes a line of agricultural and turf equipment and related service parts. John Deere construction, earthmoving, material handling and forestry equipment includes a broad range of backhoe loaders, crawler dozers and loaders, four-wheel-drive loaders, excavators, motor graders, articulated dump trucks, landscape loaders, skid-steer loaders, log skidders, log loaders, log forwarders, log harvesters and a range of attachments. The John Deere Financial Services segment primarily finances sales and leases by John Deere dealers of new and used agriculture and turf equipment and construction and forestry equipment.

Initial Investment Pitch:

Deere was set to capitalize upon the long-term, global megatrends of population growth, income growth and rural-to-urban migration. By 2050, the world's population is expected to reach 9 billion, which is an additional 2 billion mouths to feed. Global consumers in emerging markets will also demand more meats as their incomes rise over time, which in turn requires higher grain production. To meet this greater expected demand for food, agricultural production needs to increase by 70%, the vast majority of which will come from yield and productivity gains as opposed to expansion of new farmland.

The world is also expected to witness continued rural-to-urban migration. In 2010, more than 50% of the planet's population lived in cities for the first time in human history, and that number is expected to hit 70% by 2050. A reduced rural workforce will lead to an increase in mechanized farming and the use of Deere's products. Deere's construction business is also poised to benefit from a boom in urban infrastructure spending as cities build new buildings, roads and bridges.

Because of these megatrends, Deere was projecting revenue of $50 billion in 2018, up from $36 billion in 2012 (+38%). The greatest opportunity for Deere exists outside of the United States. Deere earned approximately 1/3 of its revenue from outside of North America in 2010, and the company is estimating that number to increase to 1/2 of its revenue by 2018. Deere is focused on expanding in Brazil, Russia, China and India in particular.

From an ESG perspective, not only does Deere provide equipment and services that help feed the world, but it is also committed to safety, environment and philanthropy. The company is rated AA by MSCI.

Divestiture Rationale:

The sector has dropped as a whole in response to declining growth in key international markets (primarily China), poor crop production and high production costs, and unfavorable effects of foreign currency exchange. While peers were also down from previous quarters, Deere's sales in 4WD Tractor and Combines have declined greater than the industry average. To manage the downturn in demand, Deere underwent significant layoffs globally. While analyst consensus estimates still forecasted year end results up from Q3, our analysis of the macro conditions outweighed this recommendation and we took motion to sell in terms of valuation and ESG.

Dollar Tree, Inc. (NASDAQ: DLTR)

Sector: Services
Industry: Discount, Variety Stores

Company Description:
Dollar Tree is the leading operator of discount variety stores offering products at the $1.00 price point ($1.25 in Canada). The company operates stores under a number of brands including Dollar Tree, Deal$, Dollar Tree Deal$, Dollar Tree Canada, Dollar Giant and Dollar Bills. Note the Deal$ branded stores also sell items for above the $1.00 price point.

As of November 1, 2014, Dollar Tree operated 5,282 stores in 48 states and the District of Columbia and five Canadian provinces representing a total of 45.8 million square feet. The company's stores are located in a broad range of diverse geographies including metropolitan areas, mid-sized cities and small towns.

Initial Investment Pitch:
Dollar Tree has a significant organic growth opportunity with potential for up to 7,000 stores in the U.S. and 1,000 stores in Canada. Unit economics are highly compelling at >30% cash-on-cash. The company also has a strong history of positive same-store-sales both during and after the downturn as the company's unique positioning allows it to capture consumers trading down as well as increasing size of basket. Furthermore, Dollar Tree's highly flexible order-by-order merchandising model allows it to buy to its target margins and facilitate a "treasure hunt" shopping experience. There are also meaningful growth opportunities through the Deal$ format, online channel, add-on acquisitions and existing store remodels/expansions.

Although Dollar Tree's CSR efforts are not meaningfully differentiated from its mass channel competitors, the company has a unique positioning as a value-oriented retailer and has helped grow and sustain a new segment of retail focused on creating value for the lower end of the market.

Divestment Rationale:
In February of 2015 the Principals reviewed our investment in Dollar Tree. The financials continue to look strong, particularly after the acquisition of Family Dollar. Synergies resulting from distribution efficiency, improved buying power, and improved SG&A indicated strong financial growth opportunities. However, the Principals raised concerns over the bleak ESG picture, especially when combined with B-rated Family Dollar. While the original ESG thesis of providing affordable goods to lower income segments still holds, Dollar Tree was found to lag comparables in environmental, social, and governance aspects, with only minimal efforts and very little transparency. The company has no reportable efforts to reduce its carbon emissions, is vulnerable to supply chain labor management issues, and has been found to be in violation of workplace safety regulations in 3 states. In light of the weak ESG story, the Principals decided to divest from Dollar Tree in February 2015 at a price of $76.78.

Ecolab (NYSE: ECL)

Sector: Producer Durables
Industry: Chemicals

Company Description:
Ecolab Inc. provides water, hygiene, and energy technologies and services for customers worldwide. The company operates in four segments: Global Industrial, Global Institutional, Global Energy, and Other. The Global Industrial segment provides water treatment and process applications, and cleaning and sanitizing solutions primarily to large industrial customers within the manufacturing, food and beverage processing, chemical, mining and primary metals, power generation, pulp and paper, and commercial laundry industries. The Global Institutional segment offers specialized cleaning and sanitizing products to the foodservice, hospitality, lodging, healthcare, government and education, and retail industries. The Global Energy segment provides the process chemicals and water treatment needs of the petroleum and petrochemical industries in both upstream and downstream applications. The Other segment offers pest elimination, and kitchen repair and maintenance services. The company sells its products through company-employed field sales personnel, healthcare distributors, and dealers. Ecolab Inc. was founded in 1923 and is headquartered in St. Paul, Minnesota. Ecolab Inc. operates as a subsidiary of Athlon Solutions, LLC.

Initial Investment Pitch:

- **Global Market Leader** in water, hygiene, energy technologies and services that provide and protect clean water, safe food, abundant energy and healthy environments;
- **Favorable Secular Trends:** Global population growth, resource scarcity and industrialization across the world;
- **Growth Strategy:** Organic (innovation and customer base expansion) and acquisition (Nalco, Champion);
- **Diversification:** Business lines include cleaning and sanitizing; pest elimination; equipment care; water treatment; paper; and energy;
- **Reasonable Valuation:** Forward P/E of 22.3x (at time of initial pitch; currently – 24.0x) is slightly above historical average but upside is still attractive;
- **ESG Leader:** As a global leader in cleaning, food safety, health protection, and the industrial water and energy sectors, ECL has incredibly strong ESG activities that are core to its business and operations. ECL's corporate responsibility work focuses on economic progress, environmental stewardship, social responsibility, and safety across a number of business segments.

Divesture Rationale:
While ECL continues to lead its industry – both financially and in terms of ESG – it faces severe macroeconomic headwinds, including lower oil and gas (O&G) prices and exploration activity and revenue weighted in depreciating currencies, that are core to ECL's growth strategies (O&G exploration and emerging markets). Further, ECL is already priced generously. The updated HSRIF valuation of ECL – which relies on (somewhat optimistic) assumptions at the midpoint of management guidance – has declined to less than a 5% premium on ECL's current share price – in line with the price targets of most industry analysts. HSRIF certainly enjoyed its ECL ride, but this spring was an opportune time to exit.

Mylan (NYSE: MYL)

Sector: Healthcare
Industry: Drugs – Generic

Company Description:

Mylan Inc., a Pennsylvania-based global pharmaceutical company, develops, manufactures, markets, and distributes generics, branded generics, and specialty pharmaceuticals. The company currently has 42 first-to-file Abbreviated New Drug Applications pending, which, according to IMS Health, represents an estimated $25.4 billion in annual brand sales. While the company has a large and diverse portfolio of over 1,200 pharmaceuticals some of its target disease areas include HIV/AIDS, diabetes, cancer, hepatitis, allergies, chronic obstructive pulmonary disorder, and other infectious disease. Mylan's mission centers on providing affordable access to pharmaceuticals and targets those disease areas that have large patient populations in high- and low-income countries, helping to contain costs and improve health worldwide.

Initial Investment Pitch:

Mylan is currently at an inflection point as it has acquired Agila, the injectables unit of Strides Acrolab, Famy Care, and the generics unit of Abott, and has forged strong partnerships with Biocon, India's top biotechnology firm. These moves position the company to develop biosimilars, an emerging area of generics targeting chronic disease and requiring capabilities in biotechnology. Biosimilars promise significant demand from patients struggling with the high cost of insulin, heart treatments, and other large protein therapies. As a stable player in generics with a proven record in navigating regulatory hurdles, winning patent litigations, and supporting large-scale global health initiatives, Mylan is a strong financial and social investment for the Fund.

Divesture Rationale:

The principals voted to divest from Mylan based on an ESG risk that its products may be used in drug cocktails for lethal injections and its share price rising to fair value. Mylan continues to offer a robust portfolio of generic pharmaceutical products while pursuing new filings and biosimilar opportunities, but its price met our target and our updated model suggests that the stock is trading at fair value. In addition Mylan has met significant negative press after the State of Alabama announced that it might use the company's rocuronium bromide compound in its lethal injection cocktails. Recuronium bromide is a muscle relaxant that is normally used as a part of anesthesia during surgical procedures, but it can be used during executions. While there is no evidence that the State of Alabama has procured the drug for this purpose, Mylan has refused to explicitly adopt measures to prevent procurement of its products for execution. This is a step that many other pharmaceutical companies have already taken.

PepsiCo, Inc. (NYSE: PEP)

Sector: Consumer Staples
Industry: Food, Beverage, and Tobacco

Company Description:
PepsiCo, Inc. is a global food, snack, and beverage company with a diverse product portfolio including 22 brands that generates more than $1 billion in annual retail sales. The company's products can be found in more than 200 countries around the globe and include leading brands such as Pepsi-Cola, Mountain Dew, Lays, Gatorade, and Tropicana. The company operates four business units including PepsiCo Americas Foods, PepsiCo Americas Beverages, PepsiCo Europe, and PepsiCo Asia, Middle East, and Africa. The company originally incorporated in 1919.

PepsiCo competes primarily on the basis of price, quality, product variety, and distribution. The company focuses its efforts on manufacturing, marketing, and distributing its products in three separate categories: "fun-for-you," "better-for-you," and "good-for-you."

Initial Investment Pitch:
Pepsico is a strong investment opportunity with growth potential. As the global middle class grows, demand for the company's products will significantly increase, along with global appetite for its newer line of "healthy" offerings. The company has an attractive valuation, returns significant cash to investors, and faces relatively inelastic demand. From on ESG perspective senior leadership has pursued a number of "shared value" initiatives, and the company has a sizable charitable giving program.

Divestiture Rationale:
In September of 2014 the Principals reviewed our investment in PepsiCo. The company has been pursuing growth in emerging markets and has posted stable revenue growth over the last few years. However, the stock had far exceeded its original price target of $78. Also at the review, Principals raised concerns about the company's ESG strategy in terms of a business model primarily focused on unhealthy foods, water management, and recent controversies surrounding its palm oil and sugar sourcing policies. There are also some reports that the company's shared value initiatives have proven unprofitable and may be scaled back.

In light of the controversial ESG story and reaching fair valuation, the Principals decided that Pepsi has run its course for the fund and divested from the stock in November 2014 at a price of 96.63/share. It was purchased in 2011 at $63.10/share.

Salesforce.com, Inc. (NYSE: CRM)

Sector: Information Technology
Industry: Internet Software and Services

Company Description:
Salesforce.com, Inc. is a provider of enterprise cloud computing services. The Company is dedicated to helping customers of all sizes and industries worldwide transform themselves into "customer companies" by empowering them to connect with their customers, partners, employees and products in entirely new ways. The Company provides customers with the solutions they need to build a next generation social front office with social and mobile cloud technologies.

Initial Investment Pitch:
Salesforce, which sells Customer Relationship Management (CRM) software, operates within a fast-growing segment of the software industry. Expected annual growth of the CRM software market is 15% through 2017 when it reaches $36 billion in annual sales. Salesforce has exhibited strong growth with revenues growing the previous three years greater than 30% year-over-year YoY. Salesforce's acquisition of ExactTarget provides strong synergies and solid partner in digital marketing and analytics.

From an ESG perspective Salesforce runs the Salesforce Foundation that touts the 1/1/1 Pledge. The goal of this program is to donate 1% of Salesforce's equity, 1% of employees' time and 1% of Salesforce's products to improving communities around the world. Since inception the program has given over $53 million in grants, 580,000 hours of community service, and provided product donations for over 20,000 nonprofits. Salesforce also encourages other companies to take the 1/1/1 pledge. MSCI has maintained their rating of A for Salesforce with no controversies within any categories.

Divestiture Rationale:
The stock has been beating expectations the last two quarters but still remains in EPS negative territory. Our initial investment thesis projected strong revenue growth and that CRM would become the market leader; CRM has been able to reach these targets but now faces an extremely saturated market where the only way to grow is to develop new products which will put a strain on margins going forward. CRM has had a great run but after reaching all the milestones we had set in our investment pitch in 2013 we believe this is an excellent moment to exit the position since there is only limited potential appreciation for HSRIF.

WhiteWave Foods (NYSE: WWAV)

Sector: Consumer Staples
Industry: Food-Dairy Products

Company Description:
The WhiteWave Foods is a leading consumer packaged food and beverage company focused on high-growth product categories that are aligned with emerging consumer trends. They manufacture, market, distribute, and sell branded plant-based foods and beverages, coffee creamers and beverages, premium dairy and organic greens and produce products throughout North America and Europe. Their products include Silk, International Delight, Horizon Organic, Earthbound Farm, and Land-O-Lakes in North America and Alpro in Europe.

Initial Investment Pitch:
WhiteWave was originally pitched as a stock with excellent growth opportunities arising from high domestic penetration in a rapidly growing market. Plant-based beverages and more broadly, organic products, are seeing demand rise in nearly all markets. WhiteWave already runs a house of brands that cater to these markets and sales will increase with demand. In addition to organic growth in North America and Europe, WhiteWave recently made inroads into China with a joint venture with a milk producer. This foothold in one of the fastest growing economies will provide WhiteWave with excellent sales opportunities now and well into the future.

WhiteWave's mission is to "change the way the world eats for the better by providing consumers with innovative, great-tasting food and beverage choices that meet their increasing desires for nutritious, flavorful, convenient and responsibly produced products." From an environmental perspective WhiteWave tracks and attempts to reduce greenhouse-gasses, waste and water usage. Socially they encourage their employees to participate in their volunteering program with 98% of employees participating.

Divestment Rationale:
Our investment in WhiteWave went extremely well for the fund. We entered the position on May 9th, 2014 at an average price of $29.13. The stock performed extremely well over the holding period and we exited on March 16th, 2015 at a price of $41.85. This represents a holding period return of 43.6% and an annualized return of 51.1%. This was a tough position to exit; WhiteWave had performed extremely well for the fund and we thoroughly agreed with their ESG story. When we ran the model though, we found the growth opportunities to be appropriately priced into the price of the stock and we exited because the margin of safety we normally look for no longer existed.

NEW POSITIONS

American Water Works Company, Inc. (NYSE: AWK)

Sector: Utilities
Industry: Water Utilities

American Water Works is the largest publicly traded water and wastewater utility company, as measured by operating revenue and population served. It provides 14 million people with drinking water, wastewater, and other water-related services in over 40 states and two Canadian provinces. This investment provides portfolio diversification, both by adding a new industry to the portfolio and by adding a stock with a very low Beta (0.33 as of March 2015), providing stability for some of the more volatile portfolio positions. The company offers attractive risk-adjusted return with limited downside. AWK's regulated business segment (which makes up 89% of AWK's operating revenue) has high barriers to entry, a large and geographically diverse customer base, and a predictable market due to economic regulation. The company seems focused on thoughtfully considering and preparing for risks to the sustainability of their business, including efforts to reduce greenhouse gas emissions and develop infrastructure to improve conservation of water in transit to homes and businesses. AWK also has a more diverse leadership team than many other companies of its size, with separate CEO and Chairman roles, a female CEO and CFO, and a 44% female Board of Directors. The company's mission to provide access to clean drinking water for both low- and high-income people aligns well with the Fund's social impact goals.

AMN Healthcare Services (NYSE: AHS)

Sector: Healthcare
Industry: Specialized Health Services

AMN Healthcare provides workforce solutions and staffing services to public and private hospitals, clinics, community health centers, and other healthcare workplaces around the country. AMN primarily recruits nurses and physicians, although it also provides placement services for other allied health professionals such as physical therapists, home health aides, etc. Beyond basic recruiting and placement, AMN offers healthcare facilities holistic workforce management support through its consulting practices. It helps healthcare networks identify their optimal staffing mix that allows for the least complexity and highest level of efficiency, coordinates all workforce vendor management, implements professional development and upskilling programs, and develops/implements electronic health records systems.

By offering a suite of services AMN Healthcare attracts a number of clients to its Managed Service Program (MSP) in which it manages and purchases 100% of staffing services for its clients. This model is particularly lucrative for the company as it receives fees for contracting and managing vendors and for providing direct hires from its own network. The company already has 100 of these comprehensive MSP relationships, which is more than any other firm in the industry. According to Staffing Industry Analysts, AMN Healthcare has over 10% of the market share for healthcare staffing, which is greater than any of its competitors.

The Fund bought into AMN based on secular growth trends, the company's differentiated model and its ESG strengths. Demand for healthcare staffing services is expected to increase greatly with increased spending on healthcare and the projected shortfall of nurses and physicians. AMN prides itself as an innovator in healthcare workforce solutions and differentiates itself from competitors through its MSP, vendor management systems, and recruitment process outsourcing offerings. AMN also has a strong ESG story, playing a pivotal role in helping to manage and reduce costs at public and private healthcare facilities. In addition, it has a female CEO, female representation on the board, strong workplace policies, and solid reporting procedures in place.

Disney (NYSE: DIS)

Sector: Communications
Industry: Media

The Walt Disney Company, together with its subsidiaries and affiliates, is a leading diversified international family entertainment and media enterprise with five business segments: media networks, parks and resorts, studio entertainment, consumer products and interactive media:

- Disney's **media networks** portfolio comprises a variety of high margin household names covering family, children's, and sports entertainment. ABC, ESPN, and the Disney Channel are the standout names.
- The **parks and resorts** business is perhaps the most famous, including five world-class vacation destinations with 11 theme parks and 44 resorts in North America, Europe and Asia, with a sixth destination currently under construction in Shanghai. WDP&R also includes the Disney Cruise Line with its four ships - the Disney Magic, Disney Wonder, Disney Dream and Disney Fantasy; Disney Vacation Club, with 12 properties and approaching a total of 200,000 member families; and Adventures by Disney, which provides guided family vacation experiences to destinations around the globe.
- **Studio entertainment** refers predominantly to Disney's behemoth film business. The division's significant scale allows it to bring the creative, distribution, and finance functions in-house. Major studios owned by Disney include Walt Disney Animation Studios, Pixar, Marvel, Lucasfilm (Star Wars), and Touchstone Pictures (Dreamworks).
- The **consumer products** portfolio comprises a vast range of retail products, from toys to fine art. The division is split into three parts – licensing, publishing, and Disney Store.
- Products and content released and operated by **Disney Interactive** include blockbuster mobile and console games, online virtual worlds, and No. 1-ranked web destinations Disney.com and the Moms and Family network of websites.

DIS is a powerful growth stock with considerable market share in a growing industry. The company has consistent revenue and margin growth along with a proven ability to generate free cash flow. Management has stated clearly its intent to return at least 20% of this cash flow to investors through dividends and buybacks.

Major catalysts to share price appreciation for DIS include the scheduled opening of Shanghai Disneyland in December 2015, a blockbuster film pipeline featuring two new Star Wars episodes, and key contract wins for its ESPN business.

DIS is a market leader in diversity, not only through workplace policies but in a dedication to diversity within its creative content. Further, the company is very active in the community through what it calls 'strategic philanthropy'. DIS has had some controversies in the past regarding the supply chain of its licensed products. The firm's progress in this area has been rewarded with inclusion in the Calvert Social Index.

KeyCorp (NYSE: KEY)

Sector: Financial
Industry: Regional – Midwest Banks

KeyCorp, headquartered in Cleveland, Ohio, is the nation's 15th largest bank-based financial services company, with consolidated total assets of approximately $92.9 billion at December 31, 2013. KeyCorp is the parent holding company for KeyBank National Association ("KeyBank"), employing over 14,000 across its two major business segments: Key Community Bank serving over 2 million individuals and SMEs through its 12 state branch network; and Key Corporate Bank, a full-service corporate and investment bank serving primarily middle market clients. The Fund found this company compelling due to its forecasted financial growth and diversification to our portfolio. Under the leadership of one of the most powerful females in finance, Beth Mooney, the firm has successfully achieved results in reducing costs, improving customer services through the introduction of mobile banking solutions, diversifying revenue through its expansion of noninterest revenue organically and through the acquisition of Pacific Crest Securities. With a portfolio sensitive to interest rates, the macro conditions are ripening for revenue to spike, countered by ESG results in good stride although under-rated by MSCI as a result of several lawsuits the firm is settling.

Nucor (NYSE: NUE)

Sector: Basic Materials
Industry: Steel & Iron

Nucor Corporation is the largest steel producer in the United States and the largest recycler of scrap steel in the country. It is the 14th largest steel company in the world by production volume (4th by market cap). It recycles about one ton of steel every two seconds and has recycled over 12 million tons so far this year. Nucor uses a distinctive electric arc furnace (EAF) process to use scrap steel as a primary input for its production process. Nucor was the first company to use EAF in small decentralized "mini-mills" and proved that decentralization steel production could work at scale. When Nucor first made a transition to using EAF production in mini-mills in the 1960s, it was able to quickly respond to changing local demand in dozens of different local markets. As Nucor has grown, it has leveraged this same flexibility for large and international markets. Nucor currently operates about 23 scrap-based production mills, and has traditionally had the highest margins in the industry.

In addition Nucor has displayed an ESG turnaround. In 2002 Nucor ranked Nucor as the 14th largest corporate contributor to U.S. air pollution in 2002. Since then it has embraced a strong environmental program, training for staff, and further enhanced its scrap recycling capabilities. By 2010 the company had moved to the 69th position after having reduced its release of air toxins by over 65% while still maintaining and/or increasing production volumes. Nucor presents a strong long-term opportunity for the fund based on its upward ESG trajectory, diversified product mix, flexible production and labor management practices, and vertical integration.

Qualcomm (NYSE: QCOM)

Sector: Technology
Industry: Communication Equipment

Qualcomm is the innovator of CDMA technology, the backbone of all 3G wireless network. The company designs, manufactures and markets digital communications products and services including integrated circuits and system software used in mobile devices and in wireless networks. The Company operates in three segments, including Qualcomm CDMA Technologies (QCT), Qualcomm Technology Licensing (QTL) and Qualcomm Strategic Initiatives (QSI). QTL provides rights to use portions of its property portfolio. QCT develops and supplies integrated circuits and system software wireless technologies. Finally, the QSI segment is focused on opening new opportunities for its technologies. The fund believes that Qualcomm will be a strong addition to the HSRIF portfolio, as the company is not only an eminent force in the communications technology space, but has a strong ESG corporate culture with a company-wide focus on sustainability. Its strategy drives long-term growth and profitability through the inclusion of environmental, social and corporate governance issues in its business model; specifically as they relate to key spheres of influence: its workplace (with focus on inclusion, and diversity), supply chain and local communities (including accessibility to technology and educational impact on minorities and women in STEM fields), as well as the marketplace and public policy realm.

Stericycle (NASDAQ: SRCL)

Sector: Industrial Goods
Industry: Waste Management

Stericycle, Inc., together with its subsidiaries, provides compliance solutions to the healthcare and commercial businesses. The company's main business activity comprises the collection and disposal of medical waste.

Stericycle serves a diverse customer base of nearly 599,000 customers throughout the US, Argentina, Brazil, Canada, Chile, Ireland, Japan, Mexico, Portugal, Romania, South Korea, Spain, and the UK. The company splits its customer base into two categories: Small Quantity (SQ) and Large Quantity (LQ) accounts. LQs are defined as producing 200+ pounds/month of medical waste. LQs tend to be hospitals, nursing homes, large clinics and labs among others. SQs tend to be dentists, private doctors practices, and veterinarians among others. In addition to the core regulated medical waste management services, Stericycle offers a host of services that complement its main business. Such services include recall support, live and automated customer service, sharps management, and specialist compliance training.

The Fund bought into Stericycle given its market leadership in the United States, diversified and sticky client base, well founded plans for international expansion, underappreciated cross-selling opportunities, and the powerful secular tailwinds that it faces. Stericycle also provides the Fund with fresh exposure to the healthcare industry without the risks associated with patent battles and drug discovery. The company's business activities offer immediate, inherent benefit to the environment via minimization and diversion of waste as well as energy efficiency, and furthermore, Stericycle is an industry leader in supply chain management.

TE Connectivity Ltd. (NYSE: TEL)

Sector: Technology
Industry: Diversified Electronics

TE Connectivity, headquartered in Switzerland, is the largest player in the connector industry, and a large player in the sensor industry. At a high level, their products consist of connectors, sensors, fiber optics, circuit protection, sealing and protection, antennas, relays, precision wire and cables, and wireless. We chose this investment due to macro trends offering upside to the company in the future, the company's leading position in a highly fragmented market, strategic moves to improve margins, expected future strategic acquisitions that will increase market share and bring synergies, and a strong ESG story. The company is focused on product lines whose addressable market we expect will grow dramatically in the next few years. Though a technology company at first glance, TEL also provides portfolio diversification, as its main market segment is transportation. TEL's products enable its customers to meet the demands for safer, greener, smarter, and more connected products. This has allowed for more fuel-efficient automobiles, energy-efficient data communications, and safer industrial vehicles. The company has reduced its own greenhouse gas emissions, water usage, and hazardous waste production significantly since 2010, and received Cisco's Excellence in Sustainability award in 2014. The Ethisphere Institute named TEL one of the most ethical companies in 2015.

Toronto Dominion Bank Group (NYSE: TD)

Sector: Financial Services
Industry: Money Center Bank

Toronto Dominion Bank (TD Bank) is Canada's second largest bank by market capitalization and largest bank by assets. TD Bank has three key business lines: Canadian retail banking, U.S. retail banking, and wholesale banking with the bulk of its revenues generated in Canadian retail banking. TD Bank and its subsidiaries serve approximately 22 million customers in Canada and the United States. TD Bank provides personal banking, credit card, auto financing, small business and commercial banking, corporate and specialty banking, insurance, research, investment banking, and capital market services.

Over the past several years, TD Bank has developed and executed a retail-focused strategy. TD Bank exited its structured products business, non-franchise credit products business, and its non-franchise proprietary trading business between 2005 and 2010. The retail-focused strategy has resulted in a lower risk business model, and has increased the company's focus on customer service. In addition to customer service, TD has made providing financial literacy, access, and education to the underserved populations, such as indigenous populations, one of its social missions.

United Natural Foods (NYSE: UNFI)

Sector: Services
Industry: Food Wholesale

United Natural Foods, Inc. is a distributor of natural, organic, and specialty foods and related products including nutritional supplements, personal care items and organic produce. UNFI has over 40,000 customers across buying clubs, conventional supermarkets, mass market chains, and other foodservice companies, primarily in the U.S. and Canada. The company operates 33 distribution centers, representing about 7.2 million square feet of warehouse space, which represents the largest capacity of any North American-based distributor in the natural, organic, and specialty products industry. HSRIF believes that UNFI is a strong addition from both a financial and ESG perspective. The company has a strong track record as the market leader in a rapidly growing industry, with sales growth averaging 15% over the past 10 years. With strong customer relationships, a robust distribution network, and a history of successful acquisitions they are poised to continue growing with their market. UNFI plays in an industry with rapid growth and thin margins; as the biggest player, more than twice the size of their nearest competitor, the company stands to benefit significantly from increasing economies of scale with growth. From an ESG perspective, UNFI's core business success is aligned with promotion of healthy lifestyles, creating social good for their customers. Beyond the core business, UNFI is highly conscious of corporate social responsibility, with a particular focus on environmental sustainability.

Vodafone Group Plc (NASDAQ: VOD)

Sector: Telecom
Industry: Wireless Telecom

Vodafone Group (VOD) is a wireless telecommunications company headquartered in the UK with operations in 30 countries and partnerships with networks in an additional 48 countries. It is the UK's most valuable brand, currently worth USD $30 billion according to Brand Finance Global 500. The world's second largest telecom, VOD serves 434 million mobile customers around the world and is typically the first or second largest operator (out of 3-4) within each of the markets in which it operates. 90% of mobile customers are individuals, with the rest being enterprise customers ranging from small businesses to large multinationals. The majority of – and a growing share of – Vodafone's mobile customers are in emerging markets.

The company recently expanded into fixed broadband and now provides services to 9.3 million customers in 17 different markets. Its primary market for fixed services is Europe where it is the fourth largest provider in Western Europe and will become the third pending its acquisition of Ono in Spain.

Vodafone reaches customers through 14,500 exclusive branded stores, which include franchises, a network of distribution partners as well as third party retailers. Online is becoming an increasingly important channel for sales and after sales services for the company.

ACCOMPLISHMENTS

Every year presents new opportunities to grow the Fund in a diverse number of ways. The 2014-2015 academic year has continued this practice. The Fund's key accomplishments during the period include the following:

I. **Formalized CRB Funding Formula.** The principals, Nadja Guenster and representatives from the Center for Responsible Business (CRB) agreed that a formalized procedure for the annual withdrawal from the fund would in both the fund's and CRB's best interest. We considered the needs of the CRB as well as the best way to minimize a negative impact on the fund. The agreement was that the withdrawal would take place each year on June 30th or the next closest business day. The amount of the withdrawal would be four percent (4%) of the fund's 20-quarter average total account value calculated as of March 30th of each year. This would give both parties ample time to plan around the amount of money leaving the fund and entering the CRB's budget. It is the responsibility of the fund principals to ensure that money is earmarked for this withdrawal each year.

II. **Recruiting**. The principals redesigned and formalized the Fund's recruiting process this year to ensure that that Fund continues to attract and accept high caliber students with a diverse set of experiences. Principals agreed that principals of the Fund should exemplify the following traits:

   - An expressed passion for finance and socially-responsible investing
   - An ability to be proven wrong and accept criticism
   - An ability to operate well in a large decision-making group
   - Entrepreneurial attitude—an agent of change
   - Self-motivation
   - Interest in advancing the Fund

   Based on these traits and a select set of critical skills, the principals created an application and interview process to assess interested candidates. The principals reviewed over 30 written applications, interviewed 20+ candidates in person based on an initial screen, and welcomed 8 new principals into the Fund. Every candidate who received an invitation to join the group accepted the offer, which the Fund views as a marker of success and signal of its standing in the Haas community. The Principals are very excited about the success of our latest recruiting efforts and look forward to continuing to build on the Fund's success in the upcoming years.

III. **Onboarding.** The Class of 2015 Principals implemented a more structured onboarding process for the incoming Principals this year. In the past, 2nd year Principals taught 1st year Principals how to use the eVal model in preparation for position updates and long pitches. However, this year we asked Professor Richard Sloan, instructor of Financial Information Analysis, to teach his proprietary model to us. Additionally, we implemented weekly Macro Updates and weekly ESG Updates to allow Principals to have a better understanding of the market, its impact on our portfolio, and to allow Principals to explore ESG topics of interest. We also outlined the entire semester's worth of meetings/class times in advance of the semester to provide ample time in planning for preparing position updates and long pitches.

IV. **Visits to Parnassus and MSCI.** On Friday November 21st, the fund principals travelled to San Francisco to visit Parnassus Investments and MSCI. This was an opportunity not only to discuss investment strategies with industry professionals, but also to introduce the newly-appointed first year principals to the fund and the world of SRI.

Our first appointment was with Ben Allen of Parnassus. Ben is the Portfolio Manager of the Parnassus Core Equity Fund and a Haas alum. The discussion was centered predominantly on Ben's investment style and how he finds value using financial and ESG analysis. We discussed a number of specific holdings, some of which are common to Ben's fund and our own SRI fund. We also discussed wider portfolio management theory and careers in the industry.

PARNASSUS INVESTMENTS®

We then moved on to meet with Sebastian Brinkmann at MSCI. Seb and his team took us through an in-depth ESG analysis of our portfolio and the sensitivities our holdings have to key levers. This allowed the principals to not only get a better appreciation of our portfolio's ESG performance, but also to better understand MSCI's rating methodology.

MSCI

V. Visit to Solar City. In April 2015, the HSRIF Principals visited SolarCity's headquarters in San Mateo, CA. We arranged for a meeting with Chief Financial Officer, Brad Buss. Only 7 months into his tenure as SolarCity's CFO, Buss gave a spirited description of his reasons for joining CFO, despite turning down an offer to become CFO of Google in 2005). During this one hour meeting, the Principals asked candid questions about the future of SolarCity, macro trends impacting the company, and Buss' vision for the future. Buss also shared his bullish view on SolarCity's stock, his relationship with Elon Musk, and a description of demanding, but rewarding, work environment at SolarCity.

SolarCity

VI. Rebalancing Procedures. Following a lengthy discussion between Ben Allen of Parnassus and the principals, we elected to employ a 1/n rebalancing methodology to the fund. The primary reason is that, as long-term investors, we do not consider ourselves traders or market timers. Further, our renewed focus on sector diversification means that we are now well-diversified without needing to adjust our individual holdings to balance sector exposure. Rebalancing takes place at the end of each semester and at the end of each stock update or new pitch period. CRB withdrawals are subtracted prior to rebalancing and held in cash.

VII. Conferences Attended.

A. On March 12, 2015, five of the fund principals attended the Investing for Impact conference in San Francisco hosted by the First Affirmative Financial Network. The conference included a presentation by Lloyd Kurtz on the performance of SRI portfolios, an overview of fossil fuel free portfolios, and a discussion of the emergence of green bonds as an asset class. The principals also had the opportunity to network with other SRI professionals and get a preview of the agenda for the next SRI Conference to be hosted in November 2015.

B. HSRIF sent one principal (Chad Reed) to participate in the 25th Annual Conference on Sustainable, Responsible, Impact Investing. This year's conference demonstrated both the breadth and depth of this flourishing and pioneering space as fixed income (e.g., bonds and other debt investments), innovative financial structures, and diversity in leadership all took center stage.

Growth in "Green" Fixed Income

A common theme was accelerating the financing of sustainable and responsible fixed income investments. In a lively discussion on "What Makes a Green Bond 'Green'", representatives from

Praxis Mutual Funds, Moody's, the World Bank, and First Affirmative Financial Network explored the drivers of green bond growth.

The World Bank spearheaded the development of **green bonds** (debt instruments that fund low-carbon and resource efficient infrastructure) in the mid-2000s after forward-thinking Scandinavian pension funds expressed their desire for a sustainable, tradable, and liquid fixed income investment that aligned with their goals of preventing and mitigating global climate change. Since its inception in 2007-2008, the green bond market has taken off – with nearly $40b in green bonds investments from over 60 issuers expected by the end of 2014.

Green bonds are just not environmentally responsible, they're also smart financial investments. The vast majority are considered investment grade with yields ranging from 25 to 600 basis points (0.25-6.00 percent).

One potential challenge facing the green bond movement is the degree to which the definition as what classifies as "green" can be expanded to attract a larger pool of capital – without diluting investor goals or desired environmental impact. Panelists seemed to agree that transparency is key to addressing this challenge. As long as expected environmental impact is clear and actual outcomes are measured and verified by credible third parties, many suggest that investors themselves should be able to decide what constitutes a "green" fixed income investment.

In a separate but related discussion, SolarCity's (SCTY) Tim Newell touted his company's recent launch of **Solar Bonds**. Secured by SCTY cash flows, these green fixed income investments – with maturities of 1 to 7 years and returns ranging from 2 to 4 percent – are now available to everyday (retail) investors who are seeking a secure fixed income vehicle that aligns with their environmental values and supports the rapidly growing solar industry.

Innovative Financial Structures

In a particularly fascinating discussion, Bruce DeBoskey from The DeBoskey Group and Stephanie Gripne from the Impact Finance Center at the University of Denver's Daniels School of Business, discussed how a thoughtful strategy coupled with financial innovation can allow philanthropic foundations to amplify the social and environmental impact of their investments.

The discussion focused on reconceptualizing **program-related investments** (PRIs) – which are drawn from the 5 percent of a foundation's capital base that is designed to support charitable (non-profit) activities but involve a potential (below market) return on capital within an established time frame. Many foundations, which are traditionally unclear on relevant IRS guidance and uncomfortable with this vehicle itself, have been wary of making significant numbers of PRIs. Instead, they have been choosing grants (which require the loss of all principal and no financial return) as their primary means of supporting the social and environmental causes to which they are committed.

Interestingly, some foundations appear to be **rethinking this traditional approach**. By converting some of their grants to PRIs, they can leverage private sector capital into the structure of such investments to increase their size and desired social and environmental impact. Further, moving some investments from the grant to PRI space facilitates the recycling of grant funding and can even grow a foundation's capital base (given the tax benefits of PRI returns).

There seems to be an enormous opportunity for foundations to have an even greater positive impact with existing funds; it will be exciting to see how this opportunity evolves.

Diversity in Leadership

Another encouraging development in the SRI space has been a renewed focus on tearing down barriers faced by female business leaders. Recently, Pax World Management – through a number of extensive studies – found that companies that featured higher levels of gender balance (i.e., greater than the traditionally low average level of female representation) at the executive and board levels actually witnessed superior financial performance relative to those with lower levels of gender balance.

Both to support the rise of female business leaders and to allow investors to take advantage of this underappreciated investment opportunity, Pax launched the **Ellevate Global Women's Index Fund** – the first broadly diversified mutual fund that invests in the highest-rated companies in the world in advancing women's leadership.

It was inspiring to hear Pax World Management President Joe Keefe and Senior Vice President Julie Gorte lead a spirited discussion on how gender balance can lead to stronger, better governed, and more innovative and profitable enterprises.
Haas Leadership in the SRI Space

No discussion of the SRI Conference would be complete without discussing the awarding of the **Moskowitz Prize** – the only global award that recognizes outstanding quantitative research in socially responsible investment. Haas's own **Lloyd Kurtz** – a heavyweight in the SRI space – is the chief driving force behind the prize.

This year's winners – Allen Farrell (Harvard Law School) and Hao Liang and Luc Renneboog (Tilburg University) – provide **powerful evidence** that higher corporate social responsibility performance increases shareholder value – in part through superior corporate governance which drives higher levels of retained cash holdings and pay-for-performance returns.

Going forward, HSRIF will apply the lessons learned at SRI conference to continue to unlock hidden value based on ESG practices.

VIII. **Fossil Fuel Free Berkeley.** In the Fall of 2014, HSRIF Principals engaged representatives from the Fossil Free UC, a local arm of the global Fossil Free Movement which advocates for the UC system to divest commingled and direct holdings in the top 200 fossil fuel companies with the largest reserves of carbon. As of September 2014, 181 institutions (including universities, faith-based organizations, philanthropies, health-care providers, and others) and local governments and 656 individuals representing over $50 billion in assets have pledged to divest from fossil fuels in the near term.

The movement's chief proponents rely on two separate arguments – one moral and political, the other economic. First, proponents argue that divestment is a "moral and political strategy to expose the reckless business model of the fossil fuel industry that puts our world at risk […] Divestment calls on citizens to build a powerful climate movement and pressure elected representatives to enact meaningful legislation."[2] Second, relying on research from Carbon Tracker, proponents argue that there exists a carbon bubble. Because fossil fuel companies own five times the amount of carbon reserves that (if burned over the next 40 years) would result in an environmentally disastrous two degree plus (Celsius) rise in global average temperatures, such firms are subject to enormous regulatory and litigation risks and, as a result, many of their highly valued carbon reserves are more properly valued as stranded assets.[3] If true, such firms are worth far less than their current market values would suggest.

[2] Fossil Free UC n.d.
[3] Carbon Tracker Initative 2012

While HSRIF does not currently hold or plan to take a position in even one of the top 200 fossil fuel companies, a majority of principals assessed that at the current time, HSRIF prefers to exercise voice over preemptive exit in dealing with the morally and economically problematic practices of fossil fuel companies.

FUND PRINCIPALS – CLASS OF 2015

Megan Bradfield
Megan comes to the Haas MBA program following a career in international development and philanthropy. Prior to Haas, she managed international grant and impact investments for the Evangelical Lutheran Church in America, focused in healthcare, education and microfinance in Africa, Latin America and Southeast Asia. Megan came to Haas with a specific goal of increasing her understanding of other financial models with multiple bottom lines. At Haas, she is an Investment Banking Fellow, Forte Fellow, Berkeley Board Fellow and has an active leadership role in the Women in Leadership Club, Global Social Venture Competition and the Haas Impact Investing Network. She holds a B.A. in Philosophy and Religion from Drake University in Des Moines, Iowa.

Tom Garland
Prior to joining Haas, Tom worked for Barclays Wealth & Investment Management in London and Hong Kong. During his tenure at Barclays, Tom spent time as an options sales-trader in both the London and Hong Kong offices before moving to become a private wealth manager in Barclays' London office. This role saw him co-manage a large book of high net worth client portfolios, advising on investments, asset allocation, and structuring whilst engaging in business development. Tom attended Durham University in the UK for undergrad, where he received a 1st class honours degree in Politics and played for the university's rugby team. Tom is a keen rugby player, having played professionally in Hong Kong and the US, and is now coaching the Haas rugby team whilst playing for the Olympic Club in San Francisco. Tom passed all 3 levels of the CFA at the first attempt.

Nikita Mitchell
Nikita started her career at Deloitte Consulting where she worked with federal agencies to achieve their missions through strategic planning, financial management and business model analysis. In pursuit of an opportunity to use her skills for greater social impact, she switched into the nonprofit sector and has worked for a diverse set of both national and community-based nonprofits. Nikita's passion for socially responsible business started after helping found a club as an undergrad that explored the intersection of business and social change. She is a Startingbloc Social Innovation Fellow, and at Haas she is focused on marketing, design thinking and innovation. Nikita is also the President of the MBA Association, a Student Liaison for the Consortium Graduate School of Management Fellowship program and a Forte Fellow.

Naoko Miyamoto
Prior to Haas, Naoko spent five years working in public finance and government in San Francisco. She has experience working as an economic researcher at the Japanese Consulate covering science and technology, energy and environment, and the local economy in Northern California and Nevada. Naoko spent three years working at Public Financial Management, a consulting firm providing financial advisory services to state, local, and regional government clients. Though she covered many sectors, Naoko focused primarily on advising airports with the sale of municipal bonds for large capital projects totaling over $3 billion. Later, Naoko joined San Francisco International Airport to manage its $300 million short-term debt program. At Haas, Naoko hopes to broaden her experience into the private sector and explore social impact opportunities. She plays an active leadership role in the Global Social Venture Competition and MBA Association as the VP of Social. Naoko received her B.S. in Foreign Service from Georgetown University.

Aarthi Rao
Before joining Haas, Aarthi worked in global health and education policy at the Results for Development Institute based in Washington, DC and New Delhi. She assessed pro-poor programs and policies and developed options to strengthen them on behalf of clients including major foundations, multi-lateral organizations, and developing country governments. Most recently, Aarthi co-led an initiative to jumpstart global health R&D in India and led an assessment of a private school chain serving slum communities in Hyderabad. She came to Haas to build on her foundation in program management and policy analysis to explore corporate responsibility and high impact philanthropy. She holds a BA in Public Health with honors from the Johns Hopkins University.

Chad Reed
Prior to Haas, Chad served for five years as a Middle East specialist in the US intelligence community before transiting to a career in energy and sustainability consulting. During his time with the Rockefeller-funded ARISE initiative, Reed convened stakeholders from private sector financial institutions and public sector enabling entities to develop solutions to match and accelerate the flow of capital to sustainable and resilient urban infrastructure projects, and spoke at the 2013 Resilient Cities conference in Bonn, Germany. Before that, he identified, scoped, and prioritized $640,000 in energy efficiency and sustainability investments with a net present value of over $800,000, and annual carbon emissions reductions equivalent to taking over 240 cars off the road for Ingersoll Rand's Center for Energy Efficiency and Sustainability. At Haas, Chad is a Center for Responsible Business Alumni Scholar, a VP in Net Impact, and is taking an active leadership role in organizing the 15th annual Global Social Venture Competition. Chad holds a B.A. from The George Washington University and an M.A. from The Johns Hopkins University.

Ryan Stanley
Ryan began his career on the fixed-income trading desk at M&T Bank in Baltimore, Maryland. Ryan joined M&T as a sales associate but was quickly promoted into a trading role. He has experience trading a wide variety of fixed-income products including treasuries, corporate bonds, municipal bonds, agency debt, and money market securities. Ryan also worked as a research analyst at Biegel & Waller in Columbia, Maryland. Biegel & Waller is an investment advisory firm managing nearly $500 million in separately managed accounts. Ryan's interest in socially responsible investing is exploring what makes a company socially responsible and does that lead to outsized returns? Ryan is the Co-President of the Finance Club, the Vice President of Communications for the Investment Management Club, and a CFA Charterholder. He holds a BA in Economics with a minor in Statistics from the University of Maryland, College Park.

Bari Wien
Prior to coming to Haas, Bari worked as a Research Associate at Yingli Solar, the largest solar panel manufacturer in the world. She did market research and sales analytics to expand Yingli's presence in the Americas. Before entering the solar industry, she cofounded a $1 million Revolving Green Loan Fund at Dartmouth College, where she also received her B.A. in Environmental Studies & Economics. Bari came to Haas to focus on finance and explore how market-based tools can make clean energy access universal. She is a member of the Energy & Environment team in the Haas Impact Investing Network and VP Partnerships for the Berkeley Energy & Resources Collaboration.

FUND PRINCIPALS – CLASS OF 2016

Morgana Davids
Prior to Haas, Morgana worked as an Analyst at Primary Care Development Corporation, a community development financial institution with a mission of expanding and transforming primary care in underserved communities to improve health outcomes, lower health costs, and reduce disparities in treatment. At PCDC, Morgana assisted the Capital Investment team in making investments in safety-net health centers' expansion and operational improvement projects. Before joining PCDC, Morgana learned firsthand about the healthcare system by working as a Research Assistant at the Hospital for Special Surgery. At Haas, Morgana is a C.J. White Finance Fellow, a Forte Fellow, Co-President of the Investment Club, and Co-Chair of the Women in Leadership Annual Conference. She holds a B.A. from Barnard College of Columbia University.

Rajeev Chanderraj
Prior to Haas, Raj was an investment analyst at the Andrew W. Mellon Foundation. He was responsible for manager selection and portfolio management for the Foundation's credit investments. Raj began his career as an analyst in Morgan Stanley's Public Finance group, structuring municipal bond transactions for infrastructure clients. Raj came to Haas to learn more about the various forms of socially responsible investing. At Haas, Raj is the Co-President of the Investment Club, an Investment Management Fellow and active in the Haas Venture Fellows and the Haas Impact Investing Network. Raj is a CFA Charterholder and holds a BS in Economics and a BA in International Studies from the University of Pennsylvania.

Zeina Fayyaz
Before coming to Haas, Zeina managed accelerator programs at the nonprofit research and consulting firm Root Cause in Boston. Initially, she oversaw Root Cause's flagship accelerator, connecting New England's most promising nonprofits to donors and other resources valued in the millions of dollars. Zeina was then tapped to design and launch a national accelerator in partnership with George Soros's Open Society Foundations, which supports nonprofits working to improve the status of black men and boys in the United States. Zeina's other experience in the social sector includes work with SheGives, a foundation composed of all-female members; Let's Get Ready, a college access organization; and the Bill, Hillary & Chelsea Clinton Foundation. At Haas, Zeina is pursuing her interests in finance and impact investing through the Haas Impact Investing Network and as an officer in the Investment Club. She is also a Consortium for Graduate Study in Management Fellow, a Forté Foundation Fellow, and a Haas Entrepreneurial Finance Fellow. Zeina holds an AB in History, with minors in Psychology and Spanish, from Harvard College.

Daria Filippova
Prior to Haas, Daria spent eight years in Sales and Trading at Deutsche Bank in New York, London and Dubai. As a Vice President, she covered Middle Eastern and other Emerging Market institutional clients for credit and structured finance transactions. This role involved arranging and syndicating aviation and asset backed loans, structuring investment products, providing liability solutions and growing the cross-border deal flow between the East and West. At Haas, she focuses on strengthening her investment analysis skills and she is an Investment Management Fellow. Daria graduated Magna Cum Laude from the Wharton School of Business with a B.S. in Economics, concentration in Finance. She is an avid sailor, having competed in races in the Caribbean, the Mediterranean and the Solent.

Jennifer Fischer
Jen joined the Haas community after five years in corporate banking and international trade finance, and following the completion of an academic dissertation in environmental finance. As an undergrad at the University of Puget Sound, she completed her B.A. in Business Leadership early to move back to New Zealand and further her studies in finance. At the University of Canterbury, she received a First Class Honours for her first-hand research on Australian market reactions to environmental data. At Haas, Jen is President of Net Impact, a Berkeley Board Fellow, and VP of Investment Management. With these extra-curricular activities combined with her involved in HSRIF, Jen aspires to forge a career in socially responsible investing.

Pablo García
Prior to coming to Haas, Pablo was a Manager at Endeavor, a global non-profit that transforms emerging markets by supporting High-Impact Entrepreneurs. He advised tech-entrepreneurs on strategic and financing projects. Before joining Endeavor, Pablo worked in Equity and Fixed Income Research covering various industries including Retail, Oil and Gas, Banks and Alternative Energy. Pablo Co-Founded Zero Fronteras, an NGO in Buenos Aires that provides after-school homework support for kids between the ages of 5 and 10, currently the NGO helps over 50 kids per week. At Haas, he is an Investment Banking Fellow and has an active leadership role in the Finance, Investment, Latin and Improv Clubs. He holds a degree in Industrial Engineering from the University of Buenos Aires in Argentina.

Colin Schoppert
Prior to Haas, Colin worked as a management consultant, first with Deloitte Consulting in Los Angeles and then with Seabury Group in New York. During his three-year tenure with Deloitte, Colin focused on due diligence and market assessment work for domestic clients. Colin transitioned to Seabury to pursue international consulting work, working on-site with clients on five continents in the airline and aerospace industries. At Haas, Colin hopes to focus on growth strategy and investment and expand his knowledge of social impact opportunities. Colin received his BA in Economics from Pomona College.

My-Thuan Tran
Prior to Haas, My-Thuan was a global health consultant specializing in advocacy and communications. She worked with clients including the Bill & Melinda Gates Foundation, the ExxonMobil Foundation, the United Nations, and pharmaceutical and biotech companies, devising strategies to elevate their global health initiatives. She spent half a year in Beijing establishing the third international office of her firm. Previously, My-Thuan was a journalist at the *Los Angeles Times*. At Haas, My-Thuan is pursuing a joint MBA/MPH and is exploring the role of innovative technologies in transforming access to healthcare worldwide. She is taking an active role in organizing the Global Social Venture Competition and is a member of the Haas Healthcare Association and Net Impact clubs. My-Thuan is a graduate of UC Berkeley with degrees in economics and political science.

ADVISORY COMMITTEE

George Dallas is an independent advisor in the fields of corporate governance, business ethics and responsible investment. He is currently Chairman of the International Corporate Governance Network's Business Ethics Committee, a member of the Fixed Income Steering Committee of the Principles for Responsible Investment and is a member of the Private Sector Advisory Group of the Global Corporate Governance Forum, which is linked to the World Bank.

Until January 2014 Mr. Dallas served six years as Director of Corporate Governance at F&C Investments in London, where led F&C's global policies relating to corporate governance, including proxy voting, remuneration and engagement matters. He has been active engaging companies in the area of business ethics, and has a sectoral focus in financial institutions. From 2008 to 2014 he was also a member of the Investment Committee of the Association of British Insurers.

Prior to joining F&C in January 2008, Mr. Dallas was a Managing Director at Standard & Poor's, where he served in a range of managerial and analytical roles, including head of Governance Services, head of Global Emerging Markets, and regional head for S&P's credit rating services in Europe. Mr. Dallas began his career as a corporate lending officer at Wells Fargo Bank in 1981, before joining S&P in 1983. Mr. Dallas has written extensively on corporate governance and international finance and edited the book *Governance and Risk* (McGraw-Hill, 2004). Mr. Dallas holds a BA degree, with distinction, from Stanford University and an MBA from the Haas School of the University of California at Berkeley.

David C. Distad, Ph.D., CFA. Effective November, 2008, he is the investments manager of Sunbelt Enterprises where his primary role is managing the portfolio of the CEO. He is also an investments advisor to the Kavli Foundation. Previously he was the managing director of the Roulac Group in San Rafael, CA where he was involved in the management of a global equity fund and supervised a team of security analysts in India. Dr. Distad was affiliated with the Roulac Group in various roles since 1983. Previously, Dr. Distad was a portfolio manager with Leylegian Investment Management Co., Inc. from 1996-2001 and vice president and CFO of the publicly traded hotel chain from 1992-1996. Dr. Distad has been affiliated with the Haas School of Business in a part time or full time status as a continuing lecturer in finance since 1981.

Lawrence R. Johnson retired in 2007 from Milliman, a worldwide employee benefits consulting and actuarial firm based in Seattle, WA. Mr. Johnson was the Founder and CEO of Lawrence Johnson & Associates, a national retirement plan recordkeeping firm and InvestorLogic, LLC, a Registered Investment Advisory firm. Both of these firms were merged with Milliman in 2006 and 2007 respectively. Mr. Johnson had overall responsibility for ensuring that the firm's retirement plan clients had access to the full recordkeeping and investment advisory resources of both organizations. He has over 35 years of tax and investment experience, of which the last 30 have concentrated on qualified retirement plans. Mr. Johnson is a nationally recognized expert in retirement plan design and administration. He has extensive experience in IRS and DOL compliance and audit issues and lectures frequently on fiduciary responsibilities affecting qualified retirement plans. Mr. Johnson served on several administrative and investment committees on behalf of the firm's clients. Mr. Johnson currently serves on the U.C. Berkeley Foundation Board of Trustees; and the Investment Committee– U.C. Berkeley Foundation. Mr. Johnson received his B.S. degree in Business Administration from the University of California, Berkeley.

Lloyd Kurtz is Chief Investment Officer at Nelson Capital Management. He has been affiliated with the Haas Center for Responsible Business since 2005, where he oversees the Center's annual Moskowitz Prize for the best quantitative study of social investing, acts as faculty advisor to the Haas Socially Responsible Investment Fund, and serves on the editorial board of FSinsight (fsinsight.org). His recent research includes a Fall 2011 article on social investment universe performance in the Journal of Investing and a chapter on stakeholder management for the textbook Socially Responsible Finance and Investing (Wiley). He also wrote the chapter on social investment for the 2008 Oxford Handbook of Corporate Social Responsibility. He holds Bachelors degrees in English and Psychology from Vassar College and an MBA from Babson College, and is a Chartered Financial Analyst.

Paul Maa previously worked as an Associate at New Island Capital focused on private equity investments in the areas of alternative energy and the environment. Prior to joining New Island, he worked at Room to Read, a social venture with infrastructure and education operations in Sub-Saharan Africa, South Asia, and Southeast Asia. Previously, Paul was a private equity professional at Gryphon Investors, where he was responsible for investments in consumer and industrial sectors, and an investment banker at Lehman Brothers, where he focused on M&A, debt, and equity offerings for industrial companies. Paul has also served as Co-Chair of the Global Social Venture Competition and currently sits on the Advisory Board of the Haas Socially Responsible Investment Fund. Paul holds a BA in Mathematical Methods from Northwestern University and an MBA from the Haas School of Business at UC Berkeley.

Kellie A. McElhaney is the Whitehead Faculty Fellow and the founding Faculty Director of the Center for Responsible Business at the Haas School of Business at the University of California, Berkeley. She launched this center in 2003, which placed corporate responsibility squarely as one of the core competencies and competitive advantages of the Haas School. The Center has received global critical acclaim with *The Financial Times* rating Haas #1 in the world in 2008. Part of the Center's differentiation is its $1.3M student-run socially responsible investment fund, which Kellie helped to launch and still advises.

Her Corporate Responsibility work focuses in three areas: (1) Analyzing and developing companies' CSR strategy and its alignment with corporate strategy, business objectives, core competencies, and value creation; (2) Exploring the linkage between women, business leadership, and corporate sustainability (3) The business value and opportunities in branding, communication and CSR. She has written a book entitled ***Just Good Business The Strategic Guide to Aligning Corporate Responsibility and Brand (2010)*** on these focus areas, as well as given a **TED talk** on the topic.

Kellie also focuses on Women and Business Leadership, as well as connections between women as corporate leaders and the firm's financial, environmental and social performance. She has developed new courses in this arena called *Women in Business* in which she looks at the business cases for investing globally in the development of women. She has written various case studies of companies who are doing this, including the GSMA, Wal-Mart and Coca-Cola. You can see her latest study on Women on Boards and Environment Social and Governance (ESG) performance improvements **here.**

Kellie keynotes for companies and organizations all over the world, and consults to Global 1000 companies in developing integrated CSR strategy and women's investment strategy, bridging her academic focus with the practitioner world. Her client list includes HP, Gap, eBay, McDonalds, Levi, Wal-Mart, Target, Clorox, Ernst & Young, NVIDIA, Blue Cross Blue Shield, Nokia (Finland), Navigant, Volunteer Match, Ford Motor Company, PG&E, Driscolls Berries, Triage Consulting Group, Ulster Bank (Ireland), Kimberly-Clark, Frontline, Accenture, StatoilHydro (Norway), Yum! Brands, Chevron, ING, Energizer Holdings, Inc., Pandora Internet Radio, Aboitiz (Philippines).

Kellie serves on the Board of Directors for both Globescan and Sierra Europe Offshore, LTD, the Sustainability & Environmental Advisory Committee (SEAC) for the Dow Chemical Company, and the Advisory Boards for Sedgwick's Women's Forum, SustainAbility and Atalanta Capital. She lives in the Oakland Hills in California and has two teen-aged daughters. She enjoys photography, yoga, good wine, running and has even tried surfing. She earned her BA from the University of North Carolina, her MA from Ohio University, and her Ph.D. from the University of Michigan. Prior to moving in to academia, Kellie worked in retail banking.

Charles F. Michaels, CFA is the Founder, Managing Partner, and Portfolio Manager Sierra Global Management. Mr. Michaels was born in Europe and has spent much of his personal and professional life there, including six years with Goldman Sachs & Co. in London and Zurich. Mr. Michaels served as a vice president during his nine years with Goldman, as well as a founding member of Goldman's European equities business. Prior to Goldman, Mr. Michaels was an assistant vice president at Wells Fargo Bank in San Francisco and New York City. Mr. Michaels graduated from the University of California at Berkeley and received his MBA from the Columbia Business School.

Jon D. Neuhaus is a Senior VP in Morgan Stanley's Private Wealth Management Group. Jon has worked for 9+ years in private wealth management: Morgan Stanley Private Wealth Management; Citi Smith Barney in the Family Office; and Merrill Lynch's Private Banking & Investment Group. Before graduating from business school, Jon worked at Deloitte Consulting Group and, after two years, co-founded a management consulting firm which advised Fortune 15 companies.

Jon graduated with a MBA from the Kellogg School of Management at Northwestern University. He received his B.A. with high honors in Political Science and History and high distinction in general scholarship from U.C. Berkeley. He is a graduate of Phillips Exeter Academy and an active member in the Alumni Association. Jon also is an active member of City Year, a youth service/leadership development organization, in which Jon served full-time in Boston (prior to matriculating at Berkeley) and later in Chicago. He coaches Little League in Palos Verdes, CA, and also serves on the Board of Trustees of Rumsey Hall School in his hometown of Washington, CT. Jon resides in Berkeley and Hermosa Beach, CA.

Michael Pearce is an Investment Consultant with Cambridge Associates in Menlo Park, CA. Michael advises a number of universities, foundations, other nonprofit institutions and private clients on investment issues such as asset allocation strategy, manager selection, and investment program evaluation. In addition, Michael is part of Cambridge's Mission Related Investing group. Before joining Cambridge, Michael was a summer associate at Pacific Community Ventures, a non-profit/venture capital hybrid organization. At PCV, Michael identified, performed due diligence and valued potential investments for the $60+ million venture capital portfolio. Prior to graduate school, Michael worked at UBS Investment Bank in New York and London as an Associate Director in the Alternative Capital Group, raising over $1.5 billion for more than thirty clients, primarily from private equity, venture capital and hedge funds. Michael is a graduate of the Haas School of Business at UC Berkeley and was an inaugural member of the portfolio management team for the Haas SRI Fund. Michael received a BS in Finance with a minor in Mathematics from Georgetown University.

Nick Shea is an Investment Director at Cambridge Associates. Prior to joining Cambridge Associates in 2014, he was a Summer Associate at J.P. Morgan Private Bank, where he contributed to the bank's business development efforts, while honing on his understanding of multi-asset class portfolio construction. Prior to business school, Nick was a Senior Analyst at Compass Lexecon, an economic consultancy, where he focused on securities litigation matters and developed an interest for investment finance. While completing his MBA, Nick served as Co-President of the Haas Investment Club and Principal on the Haas Socially Responsible Investment Fund. Nick holds a B.A. in Economics and Chinese from Georgetown University, where he graduated magna cum laude, and a M.B.A. from U.C. Berkeley Haas School of Business, where he also was an Investment Management Fellow. He is a candidate in the CFA Program.

Wendy Walker is an Investment Consultant with Cambridge Associates, working with not-for-profit institutional investors on asset allocation strategy, manager selection, and investment program evaluation. Prior to joining C|A, Wendy was an MBA intern on the investments team at Imprint Capital Advisors, focusing on socially responsible and environmental-themed investment managers, and at Parnassus Investments, conducting industry and company-specific research. She had 12 years of pre-MBA professional experience including securities analysis at Argus Research, where she co-managed four model portfolios and published equity research on media and business service companies, and fiduciary and tax accounting at McLaughlin & Stern. Wendy is a former vice chair of the Sustainable Investing Committee of the New York Society of Security Analysts.

H. Michael Williams is currently Vice Chair of the UC Berkeley Foundation and the Immediate Past Chair of the Foundation's Campaign Steering Committee. Mike retired in 2009 as Vice Chair, Capital Markets for Barclays Global Investors, the world's largest institutional asset manager at the time. Other roles at BGI included Head of the Global Index and Markets Group, where he was directly responsible for over $1.1 trillion in assets, Head of Global Securities Lending and CEO, President and Trustee of BGI's mutual funds. Before joining BGI in 1993, Mike was a debt trader and corporate finance officer for Bank of America. He began his career at Data Resources, Inc. In addition to his service on the UC Berkeley Foundation Board of Trustees, Mike is on the Advisory Boards of the UC Berkeley Division of Equity and Inclusion and Bronze Investments and several nonprofit boards, including the California Heritage Fund. Mike has a BA in Economics from UC Berkeley and an MBA in Finance from the UCLA Anderson School of Management. He and his wife Jeanne have three children and reside in Lafayette, California.