Haas Socially Responsible Investment Fund

Annual Report

May 2009

University of California
Berkeley
Haas School of Business

Center for
RESPONSIBLE
BUSINESS
Redefining good business.

UNIVERSITY OF CALIFORNIA, BERKELEY
FOUNDATION

Table of Contents

Introduction

When we joined the Haas Socially Responsible Investment Fund last spring, none of us could have imagined what awaited us. Managing over $1 million in real assets through some of the most extraordinary market conditions since the crash of 1929 has been a singular experience. It was challenging, sometimes intimidating, and always interesting. As we reflect now on our time with the fund, we realize how truly formative this experience has been for us as investors, business professionals, students, and just everyday citizens.

We believe socially responsible investing has been an advantage in the current environment. Social metrics act as a counterbalance to the myopic focus on quarterly earnings, forcing us to adopt a more long-term perspective when evaluating companies. We dive deeper, considering not just what companies are in the business of doing but how they are going about doing it. As a result, we have more confidence in the business fundamentals by the time we choose to invest.

While others have panicked from the recent losses in their portfolios, we have maintained some semblance of equanimity. We have spent our time on the fund exploring the connections between social responsibility and financial returns, and we believe our investments will deliver better-than-market returns when conditions normalize because of the strength of our portfolio companies' business practices, not just their balance sheets.

There has been no shortage of finger pointing in the wake of the financial crisis, blaming greed for another asset bubble's dramatic burst. People wonder how we didn't see this coming. Maybe we could have. Perhaps if more people had questioned the social propriety of lending standards by mortgage brokers or the irresponsible accounting for exotic derivatives, the current crises could have all been avoided.

Asset bubbles are not a new phenomenon, and this housing bubble is unlikely to be the last. Still, we are capable of learning from our mistakes. It is our hope that the work being done at the Haas Socially Responsible Investment Fund will help contribute to that learning, leading the way to a stronger economy and more just society.

Investment Approach

This year, after welcoming the class of 2010 to the fund, we revisited the question of how we approach investing. Our criteria for investments, both social and financial, have always been hard to agree upon because they are informed by personal values and investing philosophies. While it seemed important to come to some sort of consensus, we did not want to stifle the spirit of experimentation and learning within the Fund by imposing too stringent a set of guidelines.

"At some point I stopped seeing SRI as feel-good-investing and instead came to see it as a way to gain insight into a company's business model. Just doing good isn't enough. It has to be consistent with and reinforce a company's competencies and business strategy."

Ben Biddle, MBA 2009

We first turned our attention to the social metrics of each investment. We struggled whether to give equal weighting to environmental, social and governance issues with every investment. To be sure, not all industries would have the same exposures, and we have concluded that while every pitch should address each of the major areas of social responsibility, we would adapt our focus areas on a case-by-case basis.

Instead of enumerating a list of ESG hurdles for each company to clear, we decided to rely on a practice of hypothesis testing. With each investment, we strive to identify a particular connection between social responsibility and financial performance, an area where best practices will drive better than expected revenues or lower than expected costs. While it is unlikely that we will build a statistically significant sample set to prove causality, our intention is to develop enough anecdotal evidence to stimulate further investigation into SRI. We believe this approach is true to our mission of learning and contributing to the field of SRI.

For financial metrics, we have invited perspectives from investment professionals both within SRI and traditional investing. We turn to tried-and-true ratio such as sales growth, price to equity, return on assets and debt to equity for some insight into a company's financial health and future prospects. We regularly generate discounted cash flow estimates as a sort of stress test. In the end, what has been most effective is eliciting constructive criticism from one another, looking for risks and mitigating factors.

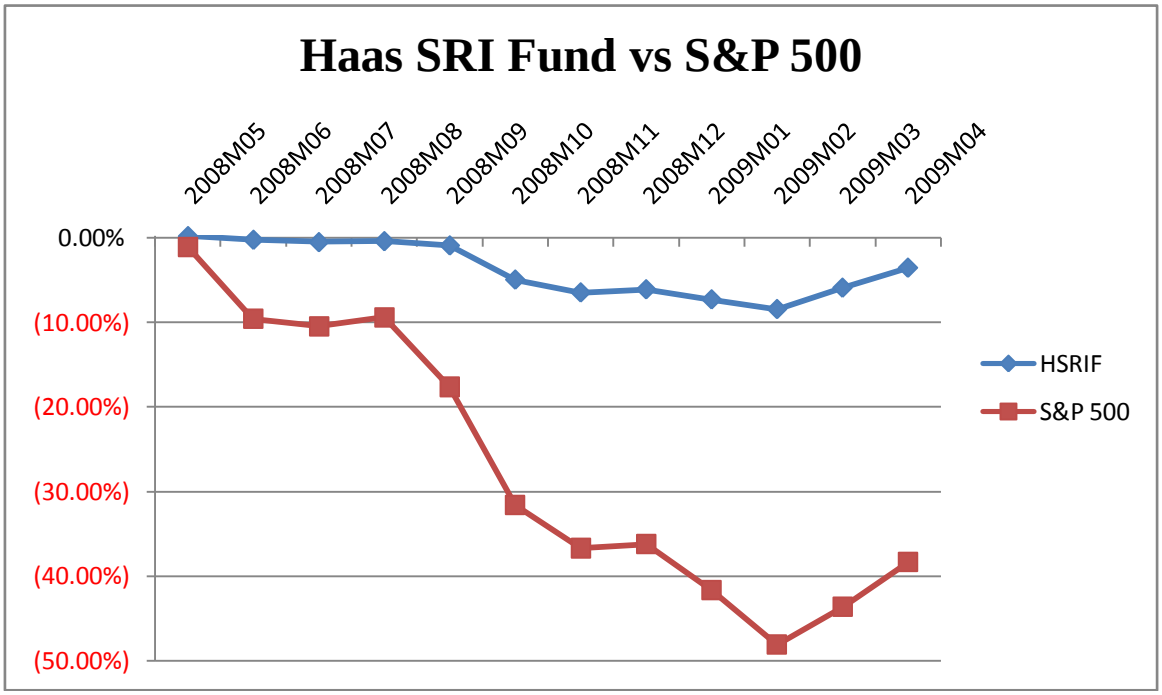
Our investment approach will continue to evolve as the collective experience of the Fund grows and successive classes bring fresh eyes to it. Through it all, our objectives will be constant. Pursue the best social and financial returns without compromising either; deepen our own understanding of socially responsible investing; and help to further the field of SRI.

Performance Summary

The invested portion of the Haas SRI Fund was -11.42% over the last fiscal year (5/1/08 – 4/30/09). The total Fund (including cash) was -3.50%. As of 4/30/09, the Fund was composed of 31% equities and 69% cash.

The past twelve months have been one of the worst periods in the U.S. equity markets. Frozen credit markets, increasing unemployment, and numerous bank failures have all contributed to the economic decline.

As the next chart shows, the Haas SRI Fund performed especially well against the market. Admittedly, much of this was due to our large cash position throughout the year, but the invested portion of our Fund outperformed the market as well.



Individual Holdings

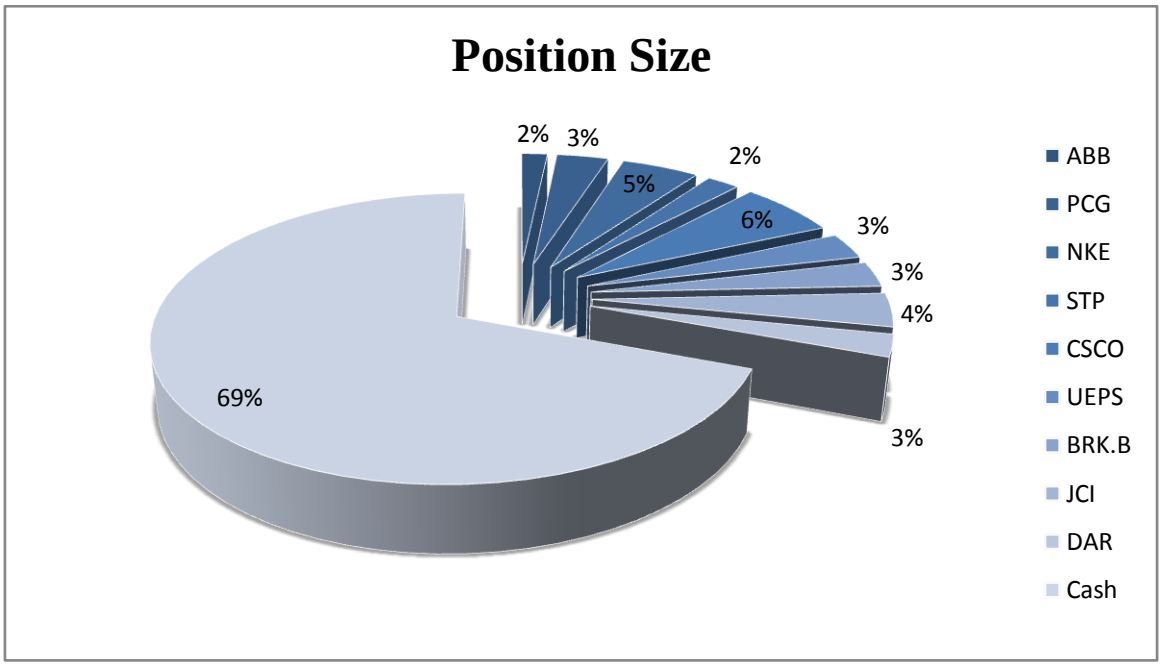
The following chart lists our holdings as of 4/30/09 along with their inception-to-date returns. However, there are a few transactions that we executed in May that are not reflected in the table:

- Completely sold out of Suntech <STP> on May 7, which translates to a -57.19% total return on this investment.
- Bought into Novo Nordisk <NVO> on May 8, 2009.

Ticker	Name	Inception Date	ITD Return
	Haas SRI Fund Portfolio		
ABB	ABB Ltd (ADR)	5/5/08	-52.72%
PCG	PG&E Corporation	5/5/08	-5.69%
NKE	NIKE, Inc.	9/11/08	-10.90%
STP	Suntech Power Hldgs	9/11/08	-60.83%
CSCO	Cisco Systems, Inc.	12/9/08	19.26%
UEPS	Net1 UEPS Technologies Inc	2/12/09	10.14%
BRK.B	Berkshire Hathaway Inc.	2/19/09	20.86%
JCI	Johnson Controls	4/21/09	7.89%
DAR	Darling International	4/28/09	-4.83%
Total	**Total Performance***		**-11.42%**
	Indexes		
.INX	S&P 500	5/5/08	-38.33%
IWM	Russell 2000	5/5/08	-32.01%
.DJI	DJ Industrial	5/5/08	-37.44%
.IXIC	Nasdaq	5/5/08	-30.62%

Position Size

This next chart shows the percentage size of each of our positions. In general, we are working toward a final portfolio of 20 equal weight positions. However, when we decide to invest in a particular company, we often will only take one-third or one-half of our full position at first, and then monitor developments at the company before filling our position completely.



Time-Weighted Returns Versus Dollar-Weighted Returns

The Haas SRIF Fund's invested portion ITD return shown above of -11.42% is a dollar-weighted return. We believe using a dollar-weighted here is appropriate given how slowly we invested our capital. Four months after our first investment, we were still only 6% invested, while now we are 31% invested.

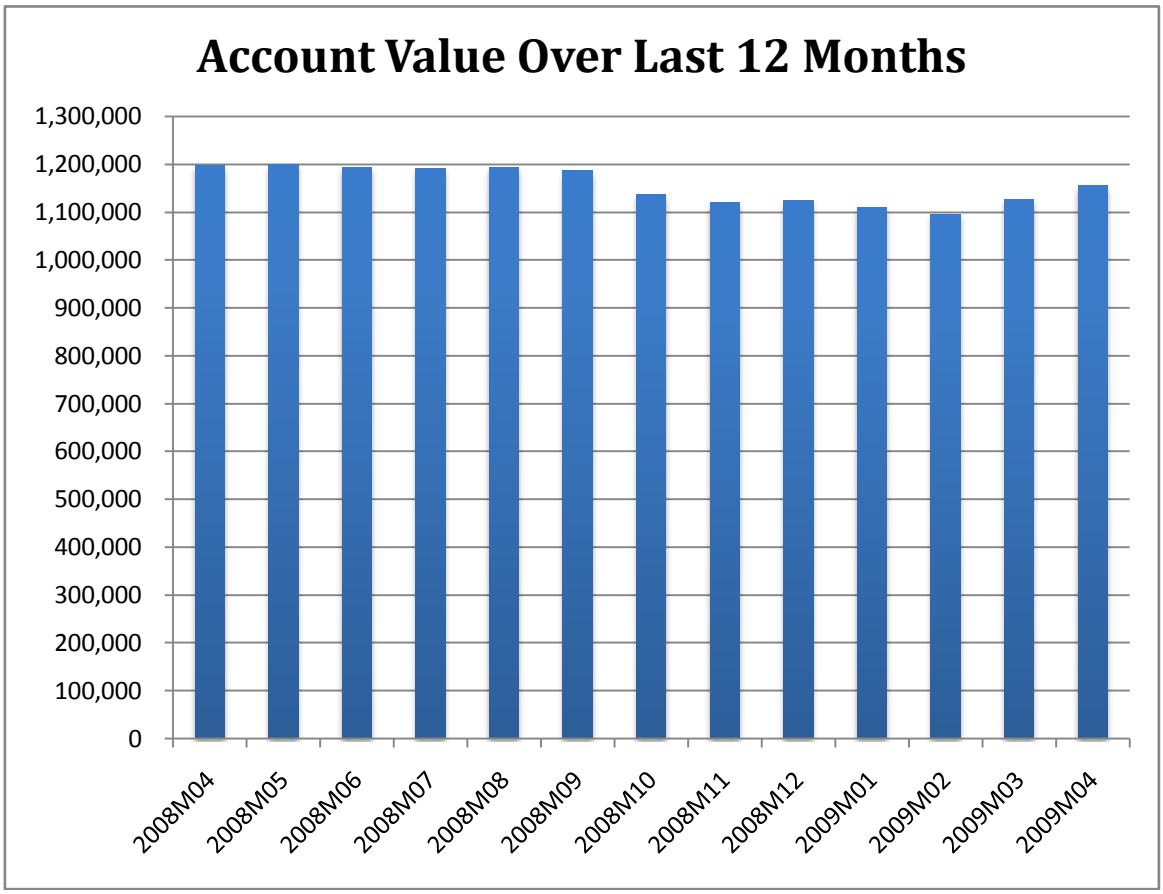
However, index returns by nature are time-weighted. Thus, we converted the S&P time-weighted returns to dollar-weighted returns assuming that any trades during the month happened at the beginning of the month. The result was that the S&P returned -15.09%, which is much better than the time-weighted return of -38.33%, but still not as good as the Haas SRI Fund return of -11.42%.

"While it's never fun to be down, I think we've done a good job managing the Fund in these turbulent times, as the invested portion of our account is easily beating the S&P 500. All of our stock ideas are long-term in nature, so it will take a few years to get a handle on how the Fund is performing."

Matthew Blair, MBA 2009

Capital Preservation

While we would never be satisfied about recording negative performance during our fiscal year, we are pleased that we were able to manage the Fund with an eye toward capital preservation and ensure that future students at Haas will be provided the same opportunities that we had.



Portfolio Management

As the number of positions in the Haas SRI Fund has increased, we have begun to put more time and effort into issues concerning portfolio management. However, this area is still a work in progress for us, and so in addition to providing an update on our efforts, the purpose of this section will be to also sketch an outline of what future classes will need to do.

Benchmark

The Fund Principals have settled on using the S&P 500 as an informal benchmark. Both the S&P and Dow Jones Industrial Average are widely quoted in the popular press and frequently considered to be representative of the "market", but we prefer the S&P because it is market weighted, not price weighted. In our monthly performance reports, we include the S&P 500, the DJIA, the Nasdaq, and the Russell 2000. We do not currently include any social indexes, such as the Domini 400, but that could change in the future. An opportunity exists for future classes to more clearly define the benchmark for the Fund.

Cash

Given the large size of our cash holdings, we have spent many hours trying to figure out a way to put it to a socially responsible use. Currently, the cash is sitting in the brokerage account earning a marginal rate.

During the year, we identified RSF Social Finance, ShoreBank, and New Resources Bank as potentially attractive areas to place some of our cash. However, due to logistical issues, we have not been able to invest with these institutions. We are hopeful that future classes can solve these issues.

Optimization

One area that we have recently begun to explore is portfolio optimization. Currently each of our positions has an intended equal weight in our portfolio. However, with a good optimization tool and a well-defined benchmark, we could adjust these weightings to increase our return and reduce our risk.

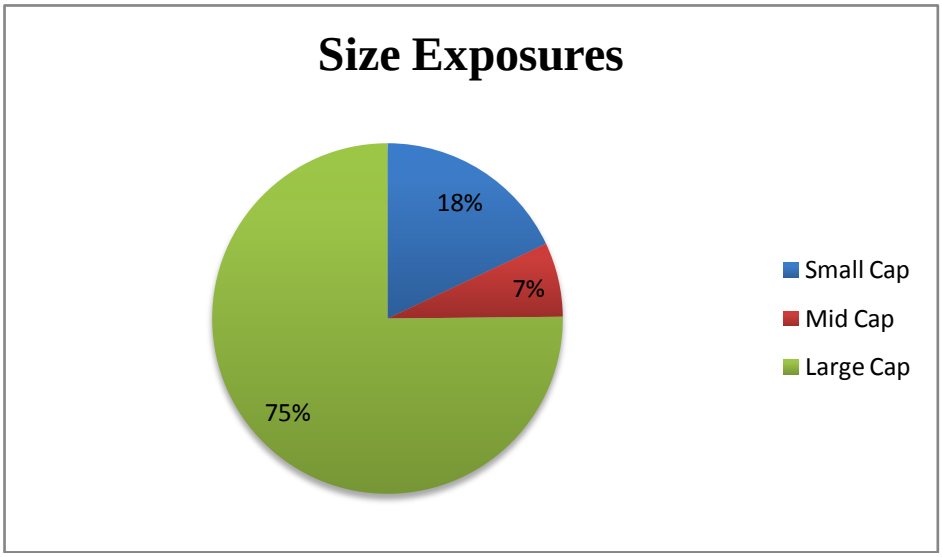
One such optimization tool is the Barra Aegis Portfolio Manager. We have inputted our positions into this tool and run various types of optimization. However, a critical issue with this tool is that the price data set is only updated on a two-month lag, thus dramatically reducing the value of the optimization results. Going forward, we are optimistic that our MFE's on the Fund will find an implement an effective optimization tool for the Fund.

"SRI can provide great value by focusing on risk and opportunity. It can help avoid risk with factors like good governance and accounting transparency and capitalize on opportunities such as the move into alternative energy."
Adam Valainis, MBA 2010

Size Exposures

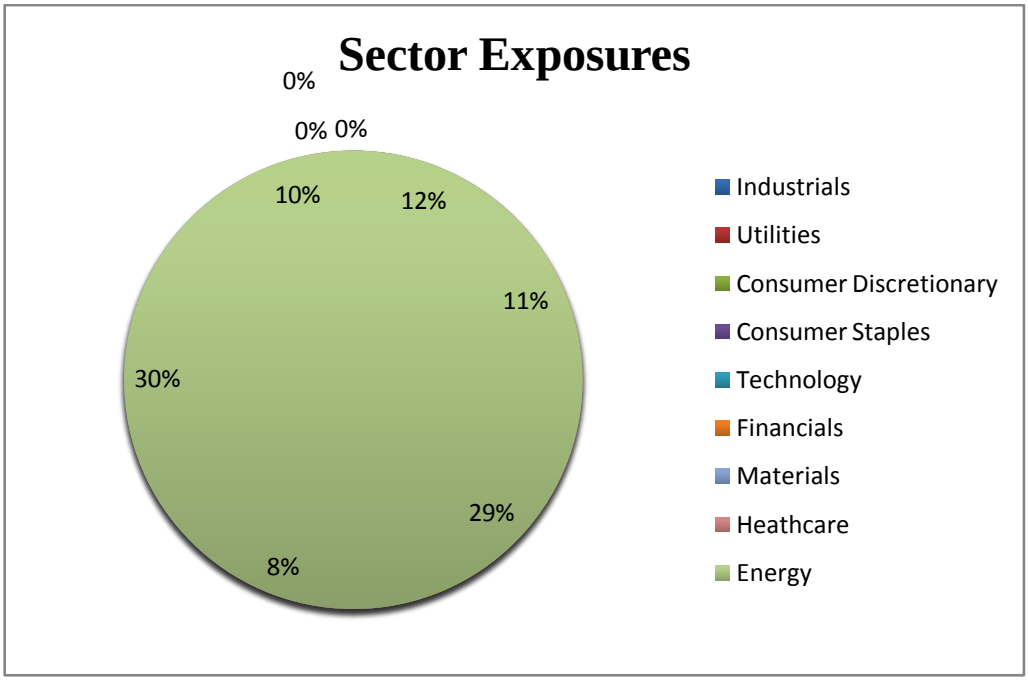
As the chart below indicates, we are heavily weighted toward large cap stocks. We defined less than $2bn as small cap, $2-10bn as mid cap, and greater than $10bn as large cap.

We feel this weighting was appropriate for the past year, as large cap stocks tend to be more stable. Since we had less than 10 positions in the Fund, it was difficult to achieve stability through diversity, and instead we strove to achieve stability through large cap stocks.



Sector Exposures

The following chart indicates our sector exposures of the invested portion of the Fund. We are heavily weighted toward technology and consumer discretionary. As of 4/30/09, we had no weightings in materials, energy, and health care (although we did add Novo Nordisk in May.)



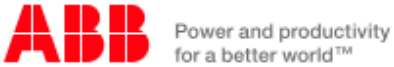
Risk Management

Risk management is critical area of importance for the Fund. In our weekly meetings, we discuss the performance of the market and our positions. If a position is performing poorly, we reexamine the holding with a subsequent report, as we did with ABB. And as we enter positions, we only take one-third to one-half of the position initially, which gives us the opportunity to reduce our average cost if the stock temporarily goes against us.

Still, there is much more to do in this area, and we are looking forward to the contributions from our MFE students to help us better understand risk.

Investment Pitches – Portfolio Companies

ABB Ltd. (NYSE:ABB)



Sector: Industrials
Industry: Heavy Electrical Equipment

Company Description: Based in Switzerland, ABB is a $70 billion industrials company that is focused on creating energy-efficient products and systems for its clients. In the Power segments, ABB helps utilities and industrial firms with power generation, transmission, and distribution issues. In the Automation segments, ABB produces products and systems for manufacturing firms seeking to improve product quality, operational efficiency, and consistency in factories, buildings, and continuous production functions.

Investment Pitch: The Fund invested in ABB as part of our environmental leadership and energy efficiency investment theme. With the assumption that continuing high energy prices will make energy efficiency a necessity, our main investment thesis was that all parts of ABB's business benefit from global investments in energy efficiency. Furthermore, the Power segment is poised to do well in both emerging markets, which have a demand to build out power grids to fuel industrial development and support industrialization, as well as mature markets like Europe and North America, which will need to upgrade infrastructure for power and industrial systems and incorporate alternative energy sources of production into traditional power systems.

ABB was analyzed using the "Growth at a Reasonable Price" model. The company will help diversify the Fund's portfolio with its international exposure.

Outcome: Fund principals voted in favor of purchasing ABB. The intended holding period is either 3 years or a P/E ratio of 25, whichever comes first.

Autodesk, Inc. (Nasdaq:ADSK)

Sector: Information Technology
Industry: Application Software

Company Description: Autodesk is a design software and services company that offers products and solutions for the architectural, engineering and construction, manufacturing, geospatial mapping, and digital media and entertainment markets. Autodesk's most well-known products are AutoCAD and AutoCAD LT, which are 2D horizontal design solutions and several 2D and 3D industry-specific design and documentation tools. Autodesk has employed a growth strategy through acquisition which has expanded its product portfolio. Autodesk has more than 8 million users and 4 global strategic partners—Microsoft, Intel, HP, and IBM—and 2,500 third-party developers.

Investment Pitch: ADSK has one of the most sophisticated and strategic CSR and sustainability platforms among software companies. Its financial performance is solid, and its plans to expand its footprint in emerging markets by facilitating sustainable infrastructure and design makes it a strong fit for the Haas SRI Fund.

Autodesk is the industry leader for sustainability software for designers, architects and engineers to incorporate sustainability in the design, building and construction processes. Autodesk's software helps reduce material waste, increase energy efficiency, more accurately evaluates project lifecycles – ultimately reducing the time, resources, and costs necessary for building design, construction, and operations. Well-known ADSK products like Autodesk Inventor and Green Revit are examples of how the company has integrated sustainability into the core functionality of design software. The company also has a strong foothold in emerging markets like India and China, where government economic stimulus packages allocate almost $600 billion for infrastructure spending. This will drive demand for Autodesk's software, especially as governments look to design sustainable buildings that reduce energy use and utilize environmentally-friendly materials.

Autodesk also has a strong brand that creates high barriers to entry. Autodesk's products are considered top-notch among the design, engineering, animation, and gaming industries. Autodesk's most popular product, AutoCAD, is now synonymous with CAD (computer aided design) and has been expanded to a variety of industry-specific offerings. Autodesk, not surprisingly, controls 85% of the CAD market. The company also has one of the highest R&D/revenue ratios in the industry (25%), which has led to the consistent development of new and innovative products.

From a financial perspective, Autodesk's P/B, EV/EBITDA ROA, ROE, ROIC, margins, and cash conversion cycle are among the highest in the software industry. The company also has a high level of cash relative to its share price (cash represented 33% of Autodesk's share price of $19; current assets represented 50% of the share price).

Outcome: Fund principals voted in favor of purchasing ADSK for the Fund contingent upon its price falling to about $18.50. A position of 1613 shares (approximately $30,000) was purchased on May 14, 2009.

Berkshire Hathaway Inc. (NYSE:BRK.B)

BERKSHIRE HATHAWAY INC.

Sector: Financials
Industry: Property and Casualty Insurance

Company Description: Berkshire Hathaway Inc. is a holding company that owns subsidiaries engaging in a number of diverse business activities including property and casualty insurance and reinsurance, utilities and energy, finance, manufacturing, services and retailing. BRK's insurance segment accounts for 39% of its revenue.

Investment Pitch: For over 40 years, Berkshire Hathaway's governance style has enabled it to outperform the market and outlast a number of bubbles, cyclical downturns and economic crises. Though not measured on the financial statements, the Company's policy of only conducting business with strong management teams focused solely on creating long-term shareholder value has shielded it from scandals and catastrophic failures that have become more common and visible in public companies in recent years. Further, the Company self-imposes accounting policies and disclosure requirements that allow investors to have greater understanding of BRK's operations and investment decisions. This unwavering, no-frills investing style and high level of transparency have not only generated returns that outperform the S&P year after year, but have commanded a higher multiple for investors willing to pay more for an additional dollar of earnings that they believe is produced through honest, consistent and long-term focused business practices. BRK is well positioned to continue to benefit from these practices and prove that sustainable governance practices establish the necessary infrastructure for a company to outperform the market.

Due to its continued success and good standing in the public markets, Berkshire consistently receives praise from analysts and the general media. For example, in 2007 Barron's Magazine named BRK the most respected company in the world.

Berkshire is particularly well positioned to take advantage of discounted asset prices that are a consequence of the current market volatility. Its large cash reserves and history of purchasing businesses while valuations are discounted indicate this likelihood. Berkshire can expect to sustain short term losses during the current depression and continue to use its cash to purchase cheap assets. It can also expect to see outsized returns once the market corrects. At 1.1x P/BV, Berkshire is trading at a relatively low valuation as well. Though its stock price has seen a considerable decrease in price over the last year, the financial data show that BRK's price decrease reflects market conditions rather than its underlying value. Sales growth remains strong, although a portion of the increase in volume can be attributed to the purchase of new businesses. Operating margins are healthy and have not declined significantly over the last year. As of the end of Q308, the Company maintained approximately $28 billion in cash on its balance sheet, which far exceeds the amount necessary to cover its operating capital needs while it weathers the downturn, and provides plenty of additional capital to allocate toward the purchase of new businesses and equity investments.

Outcome: Fund principals voted to accept BRK into the Fund.

Cisco Systems, Inc. (Nasdaq:CSCO)

Sector: Information Technology
Industry: Communications Equipment

Company Description: Cisco Systems, Inc. designs, manufactures and sells Internet protocol (IP)-based networking and other products related to the communications and information technology (IT) industry, and provides services associated with these products and their use.

Investment Pitch: Cisco (AA Innovest IVA rating) has long been recognized for its CSR leadership, receiving multiple awards including #6 on Fortune's 100 Best Companies to Work For, #9 on Barron's Most Respected Companies, and a mention by EthiSphere magazine in the 2008 World's Most Ethical Companies.

In November 2008, the company's stock was trading around $16 after sales dropped more than expected in Q2. The strength of Cisco's management (high ROE and ROA), its large cash position (over $26 billion at the time), and its organizational experience navigating the 2001 recession instill confidence that Cisco would emerge from these turbulent times strong and poised for growth. Moreover, as part of its CSR initiatives, Cisco has invested heavily in education and emerging markets, both growing its addressable market size and using brand recognition to capture a larger share of that market. Cisco products and services now play an essential role as the infrastructure of the digital age, and the company continues to diversify revenue streams and expand.

Outcome: Fund principals voted in favor of purchasing CSCO. We invested about $61,000 in CSCO in two tranches. The blended transaction price was approximately $16.20. We believe the stock will appreciate because sales will not decline as far or for as long as feared and will recover more quickly than expected once macro conditions have normalized. Since investing, our position in CSCO has gained over 20%.

Darling International Inc. (NYSE:DAR)

Sector: Consumer Staples
Industry: Agricultural Products

Company Description: Darling International has a dominant position in one of the most disgusting industries imaginable: the rendering and recycling of animal waste products and grease. The company is divided into two segments: 1) Rendering (animal by-products) and 2) Restaurant Services (grease and cooking oil).

Investment Pitch: Darling's social and environmental record is top-notch. Darling is not your typical recycling company. Whereas most recyclers reproduce the same good they are recycling (e.g., an aluminum recycler produces aluminum), Darling transforms truly toxic materials into proteins and fuels that benefit its business partners and society. Further, from a carbon emission standpoint, Darling truly stands out from typical recyclers: for each metric ton of carbon dioxide (CO2) produced by one of Darling's operations, approximately seven metric tons of CO2 equivalents are recycled rather than being released into the environment.

In terms of financials, Darling generates strong free cash flows ($61mm in FCFE last year), has a safe balance sheet (Debt/Equity ratio of 0.159x and $51mm in cash), and has produce impressive ROE figures (25% last year, 17% 5y average). As for the valuation, Darling trades at lower multiples than its comp set, despite having better EBITDA margins, higher sales growth rates, and less debt than nearly all of its comparable companies.

Outcome: Fund principals voted to accept Darling into the Fund.

Johnson Controls Inc. (NYSE:JCI)

Sector: Services
Industry: Business Services

Company Description: Johnson Controls, Inc. (JCI) provides automotive interiors, products and services that optimize energy usage in buildings and batteries for automobiles and hybrid electric vehicles, along with related systems engineering, marketing and service expertise. The Company operates in three businesses: building efficiency, automotive experience and power solutions.

Investment Pitch: Through much of the financial crisis, JCI's stock price performed like that of a pure automotive supplier, tracking closely with automotive competitor Magna International. With US automakers in distress and global car demand down, the automotive sector shed a great deal of value. We believed that the market was not giving enough consideration to the company's other, higher margin, faster growing business lines. Moreover, we saw JCI as well positioned to benefit directly from environmental trends and forthcoming regulations, such as cap-and-trade. JCI stands to benefit in particular from the American Reinvestment and Recovery Act (ARRA), which includes upwards of $19 billion for building efficiency projects. With strong, established relationships to major government entities such as the Department of Energy, JCI was already identified a sales pipeline of $535 million from ARRA projects. Although the company has a high debt to equity ratio, 2008 free cash flows of $1.256 billion assuaged our concerns.

In June 2008, Innovest awarded JCI an AA Intangible Value Rating and an AAA Carbon Beta Rating. CRO Magazine named JCI #22 in the 100 Best Corporate Citizens in the US for 2008. In the CRO ranking, JCI came in first for climate change and human rights and second for the environment.

Outcome: Originally hoping to take a position at around $15 per share, JCI's stock enjoyed a run up in the days immediately after we approved it for investment. After the latest earnings announcement, we executed 1,150 shares at $17.35 and an additional 1,200 shares at $17.88. While still hoping to invest a third and final tranche of about $20,000, the stock has remained in the $18-$20 range since our last execution.

Net 1 Ueps Technologies Inc. (Nasdaq:UEPS)

Sector: Information Technology
Industry: Application Software

Company Description: Net1 offers an electronic payment system (similar to debit cards) for people in developing nations who have limited access to traditional financial institutions and services. This system is especially effective in communities where 1) the use of cash is unsafe, 2) traditional banking services are unaffordable, or 3) the existing communications infrastructure cannot support traditional debit cards from providers like Visa or national banks.

Investment Pitch: The core mission of the company addresses an important social issue—the dangers and costs of using cash in developing countries. As compared to cash, debit cards offer much more security for individual users. One prime example of this is with Net1's schools project. The use of cash on school grounds to purchase meals, books, and sports equipment introduces the possibility of theft or the chance that the cash will be used to buy drugs. Additionally, Net1 is looking at a similar program for 360 prisons that look after more than 5 million people.

The financial picture looks strong as well. The company is currently sitting on $125 million in cash ($2.20 per share), even after its recent acquisition of BGS. Furthermore, Net1 has no debt. LTM ROE is an impressive 32.8%. In terms of the relative valuation, Net1 is trading at low multiples. The trailing PE is 6.5x, the forward PE is 6.2x, and the EV/EBITDA is only 4.5x. In the context of Net1's LTM sales growth of 13% and LTM EPS growth of 42%, these multiples are quite cheap.

Outcome: Fund principals voted to accept Net1 into the Fund.

Nike Inc. (NYSE:NKE)

Sector: Consumer Discretionary
Industry: Footwear

Company Description: Nike is the world's largest sports footwear, apparel, and equipment and has one of the most well-known brands in the industry. Nike designs, develops, and markets sports footwear (52% of FY 2008 revenues), apparel (28%), equipment (6%), and accessory products in the US (34% of FY 2008 revenues), Europe, the Middle East and Africa (30%), Asia Pacific (15%), and the Americas (6%). Virtually all of the company's products are manufactured in contractor factories outside the U.S. (primarily Asia) and distributed at independent retailers, licensees, and more than 550 Nike-owned retail locations in 180 countries. Nike owns Cole Haan, Hurley, Converse, and Umbro (acquired March 2008).

Investment Pitch: Nike has integrated sustainability into upstream manufacturing and raw materials activities that lie far upstream from its core business activities. Nike's sustainability efforts focus on sourcing environmentally preferred materials, efficient manufacturing, building thriving communities in and around contractor factories, and eliminating waste and toxics from footwear and apparel manufacturing. This broad focus on sustainability throughout the supply chain, from materials procurement to manufacturing and logistics, goes far beyond the traditional focus of the textile and apparel industry on labor rights compliance at contractor factories. Nike's innovative eco-efficiency initiatives and sustainable materials development enables provides a distinct competitive advantage and opportunities to capitalize on growing consumer interest in life-cycle product sustainability. Furthermore, Efficient management of this supply chain has and should continue to deliver substantial financial upside from reputational risk management as well as cost control from long-term resource efficiency. Lean manufacturing and supply chain management are among Nike's top five priorities.

Nike's operating performance reflects disciplined financial management, steady growth, and broad brand appeal. When the stock was pitched in October 2007, Nike had outperformed both its sector and the S&P (by about 15%) since August 2007. Nike's success relative to other struggling U.S. retailers was arguably because of its substantial international exposure. In FY 2008, Nike generated 57% of sales outside the U.S. and saw sales growth of 20% outside the U.S. vs. just 9% within the U.S. Asia, and especially China, represents a huge market for Nike and the sports industry as a whole. With a 5-year sales growth rate of 11.5% and double-digit growth in Asia, Europe, and Latin America, and consistently improving efficiency and turnover ratios, Nike was an attractive synergy of genuine sustainability and financial outperformance.

Outcome: In September 2008, Fund principals voted in favor of investing in Nike, which was purchased at $59.45. Since inception, the stock is down 9.1%, while the S&P is down 24.6% and competitor Adidas <ADDYY> is down 37.8% over the same holding period.

Novo Nordisk A/S (NYSE:NVO)

Sector: Healthcare
Industry: Pharmaceuticals

Company Description: Novo Nordisk is a Denmark-based healthcare company with production facilities in six countries and affiliates and offices in 81 countries (major sales regions: Europe, North America, and Asia). The company's core business is focusing on innovative medications to tackle diabetes and related conditions.

Investment Pitch: Novo Nordisk has consistently appeared on Fortune's 100 best Companies to Work For and in Corporate Knight's Top 100 Sustainable Companies. Novo is ranked # 2 on the ATM (Access to Medicine) Index and the company currently provides Insulin in 36 of the 50 least developing countries at significantly lower prices it charges in the western world. In terms of corporate responsibility, the company spends significantly smaller amounts of money on lobbying compared to other pharmaceutical and biotech companies. The company does not have any malpractice lawsuits pending against it. Novo Nordisk has committed to cutting its CO2 emissions by 10% by 2014 and aims to use wind energy to provide all the energy it needs to support its business in Denmark. We believe that the sustainability initiatives the company has undertaken will result in significant gains for the company in future specifically in terms of access to developing markets, receiving government support for the energy initiatives and potentially decreasing their operating costs. From a financial point, the stock price is around $43, which we believe is fair value of the stock assuming no new product launches. The price is depressed currently because of FDA asking Novo Nordisk to show more data on its upcoming launch product. The product has been receiving approvals in Europe and we believe there is a strong rationale why it will get approved in the US. With the approval, we expect the fair value of the stock to be around $59. Other positive points about the company include almost no debt on the balance sheet, the company's focus to expand into new markets like China and Russia and its strong emphasis on training healthcare professionals on diabetes management.

Outcome: Fund principals voted in favor of purchasing Novo.

PG&E Corp. (NYSE:PCG)

Sector: Utilities
Industry: Multi-Utilities

Company Description: PG&E is a $14 billion holding company and utility engaged in the generation, procurement, and transmission of energy in California, and one of the largest utility holding companies in the U.S.

Investment Pitch: The Fund initiated a position in PG&E as part of our corporate governance and environmental leadership investment themes. PG&E was recommended on the basis of their high-quality and democratic corporate governance practices; their good reputation in governance metrics; their early and promising attempts to promote energy efficiency and environmental responsibility in an industry where this has been ignored until very recently; and their willingness to innovate within the role of a regulated electric & gas power utility. Given recent environmental legislation and public opinion, PG&E's relatively low carbon footprint, cooperative and responsive corporate governance, and its willingness to follow the environmental leadership of California's public sector should afford it greater protection in the upcoming challenges for U.S. energy producers and distributors.

PG&E is currently significantly invested in expanding the natural gas supply to the Western U.S. as well as alternative sources of energy, particularly solar, in California. PG&E's senior management team, put in place after California's 2001 energy crisis and PG&E's resulting governance breakdown and the bankruptcy, has been tested through the trying years of bankruptcy and public litigation and has turned the company around to profitability and increasing responsiveness to the public sector.

Given a strictly regulated return on equity and a challenging industry, PG&E is a conservative investment amid a challenging market. We view the stock as having limited upside, but it offers valuable insulation from any further deterioration in the macroeconomic environment. Exit considerations include a major resurgence in the U.S. economy, failure of the U.S. to implement any meaningful energy or cap-and-trade policy, or a degradation of its corporate governance practices and status.

Outcome: Fund principals voted in favor or purchasing PG&E.

Suntech Power Holdings Co. Ltd. (NYSE:STP)

Sector: Industrials
Industry: Electrical Components and Equipment

Company Description: Suntech is the largest manufacturer of solar electric products in China, and one of the three largest worldwide. It makes both monocrystalline and polycrystalline silicon PV cells and modules, as well as building-integrated PV products. Additionally, the company offers PV system integrations services.

Investment Pitch: As a solar PV manufacturer, the socially responsible case for Suntech rested largely on the environmental benefits. From a financial perspective, we liked the company's low cost position and strong growth. And from a strategic view, we thought the company had strong buying power over suppliers, solid technology, and extensive distribution channels.

Outcome: Suntech was accepted into the Fund on September 11, 2008, and completely sold on May 7, 2009. Our main reasoning for exiting the position was that 1) STP has benefited immensely from the huge low-quality rally we've had over the past two months, and weren't sure how much longer that could continue, 2) there was too much enthusiasm over China's solar subsidy, which may turn out to be less significant than expected, and 3) STP had turned into an extremely volatile holding, and it's harder to keep tabs on the portfolio during the summer months. Overall, the position returned -57.19%, which is unfortunate, but better than Sunpower and LDK Solar and much worse than First Solar over the same time period.

Investment Pitches – Non-portfolio Companies

Agilent Technologies Inc. (NYSE:A)

Sector: Information Technology
Industry: Electronic Equipment and Instruments

Company Description: Agilent Technologies, Inc. is a measurement company providing bio-analytical and electronic measurement solutions to the communications, electronics, life sciences and chemical analysis industries. The Company operates in two business segments: electronic measurement business and the bio-analytical measurement business.

Investment PitchL In April 2008, the trading ratios for Agilent were at historical lows and low by comparison to competitors and comparable companies. Agilent is also well positioned to benefit from a number of emerging trends. The company provides analytical tools that enable improved environmental standards, enhanced food safety, national security and antiterrorism, and advanced medical services such as genomics and biotechnology.

Agilent (AAA Innovest IVA rating) was ranked #7 on CRO Magazine's 100 Best Corporate Citizens. The company's ESG initiatives include GHG reduction goals, a Supplier Code of Conduct backed by audits, and annual Social Responsibility Report with quantifiable metrics, and an almost fully independent board.

Outcome: Ultimately an investment in Agilent was not approved because of its large debt load. Although Agilent has over $1.3 billion in cash, it has an outstanding master repurchase agreement of $1.5 billion. With such inhospitable credit markets presently, Agilent would be significantly negatively impacted if the global recession were to be longer or more deep than expected.

Chesapeake Energy Corporation (NYSE:CHK)

Sector: Energy
Industry: Oil and Gas Exploration and Production

Company Description: Chesapeake Energy acquires, explores, and develops properties for the production of crude oil and natural gas from underground reservoirs as well as the marketing of natural gas and oil for other working interest owners in properties it operates. As of February 26, 2008, the Company had proved reserves of 12.1 trillion cubic feet of gas equivalent (of which 93% were natural gas).

Investment Pitch: Chesapeake has a smaller impact on the environment than the majority of its competitors in the industry, making them a leader with respect to environmental practices. The company owns interests in 38,500 producing wells and adds more than 3,600 wells every year. This represents a significant physical footprint on the environment, however Chesapeake's mitigates its impact by using mainly new technologies of production in areas where drilling has already occurred, which avoids the controversy of trying to open up environmentally sensitive areas. Chesapeake has benefited from advances in horizontal drilling, which has greatly reduced its potential environmental footprint. Chesapeake promotes these technologies and also states that it uses one surface pad-site for up to 16 wells. Chesapeake does not appear at risk of having a significant negative impact on ecosystems and biodiversity. Further, since the company's growth is primarily tied up in its shale plays, which heavily leverage horizontal drilling techniques, the company should have an even lesser relative impact on the environment.

Chesapeake, like many other natural gas companies, is trading at a substantial discount to the value of its assets. While the entire natural gas industry is an attractive investment, Chesapeake's growth potential separates it from its peers. Chesapeake has large unproven reserves in two of the most promising shales in the U.S. – the Marcellus and the Haynesville. Estimated reserves for the Marcellus Shale amount to 1.9 trillion cubic feet (according to a 2002 US geological survey) and 245 trillion for the Haynesville shale (according to CEO Aubrey McClendon). For some context, the US consumed roughly 23 trillion cubic feet of natural gas in 2007. Chesapeake has estimated its unproven reserves in the Marcellus Shale alone to be worth $13.5 billion, which is approximately 153% of Chesapeake's current market capitalization. However, the Haynesville Shale is the true potential goldmine - even if Aubrey McClendon estimate for Haynesville's reserves is off by 50%, the shale would represent more than 5 years of current U.S. consumption.

Outcome: While the Fund principals agreed with the thesis that the company was substantially undervalued, they felt that the social story was not strong enough to warrant inclusion in the Fund. While Chesapeake is a relatively clean fossil fuel company (93% of its reserves are natural gas), the Fund's principals did not believe that Chesapeake was an industry leader with respect to environmental practices.

Energy Recovery, Inc. (Nasdaq:ERII)

Sector: Industrials
Industry: Industrial Machinery

Company Description: Energy Recovery (ERI)is a small, rapidly growing company that makes a unique product for the desalination industry. Historically, desalination has been expensive and energy intensive. However, ERI has developed a product that helps recycle the energy used in the desalination process, cutting the overall energy use by 60%.

Investment Pitch: ERI's promotion of fresh water to all parts of the world while reducing energy use helped make a solid social case and environmental case. However, there were concerns about the overall effect of desalination plants and whether the net environmental impact is positive.

As a relatively new company, most of ERI's appeal rested in the future growth assumptions, not the current results. Although the balance sheet was strong, ROE was only 6.0%, and ROA only 5.4%. Furthermore, while the 3-year annualized revenue growth rate of 67% was appealing, we weren't sure that it justified the 45x PE and 23x EV/EBITDA multiples.

Outcome: ERII was brought up for a vote but did not receive approval to be accepted into the Fund.

Groupe DANONE (ENXTPA:BN)

Sector: Consumer Staples
Industry: Packaged Foods and Meats

Company Description: Groupe Danone is one of the world's leading food and beverage companies. It is focused on three businesses: fresh dairy products, beverages, and cereal products.

Investment Pitch: Danone has a clear advantage in the development of nutritional and functional foods. Further, the company's commitment to food safety, nutrition, and research continues to give it a competitive advantage in a market where consumers are steadily becoming more health conscious. Embracing sustainable development as a business model allows Danone to build consumer trust in brands backed by investment in product safety, respect for environmental standards and concern for society at large, attract talented people looking for a business with a strong culture, values and personal development, and create mutually beneficial ties between customers and suppliers with a shared vision who will support the Company's brands and ultimately continue to contribute to its sustained profitability. These factors make Danone's brand more attractive, and consumers gravitate towards its products. This puts upward pressure on revenue and makes it more likely that Danone will continue to garner market share from competitors that do not offer the same consideration for ESG factors. Dannon is the top-selling brand of yogurt products worldwide, the second largest producer of biscuits and cereal products and the second largest producer of packaged water.

Danone displays best-in-class initiatives in its ESG policies, and has successfully married its commitment to innovative sustainability with its core business operations, including production of healthy products, its carbon-neutral emission goals for its 5 main brands, the formulation of CSR objectives for managers, the sharing of best practices, the development of 'social enterprises' in developing countries, its Corporate Responsibility self-assessment program, and many others. CEO Franck Riboud seems genuinely interested in the Company's ESG initiatives as he considers them a defining characteristic of Danone's brand. Focus on R&D and product innovation, and its relation to a focus on brand equity implies a long-term focus and a move away from earnings management.

Financially, the stock seemed compelling. Conservative valuation analyses suggested strong upside price potential, and the Company is currently trading at a P/BV of only 1.5x, and its P/E is currently at a three-year historic low. Analyst consensus is outperform/buy and the latest earnings (FY 08) are strong: 8.4% organic sales growth (6% in Q4 shows a strong current position), operating margins improved by 53 bps (14 consecutive years of improvement), underlying fully-diluted EPS increased 15.1%. Management projected a 10% organic sales growth in FY09. However, there was concern that the Company was overvalued in its industry, as industry and company comparables suggest that the company may be overvalued because it is at the high end of the range for most metrics. While the company has one of the highest debt loads in its peer group, given its stable and predictable cash flows, as well as its interest and cash flow coverage ratios, it was not a concern.

Outcome: Due to the current state of the consumer products sector, and the hesitancy around the company's bottled water practices, the Haas SRI team voted to postpone voting until the Fall to allow for additional, less volatile market data and additional research on the Company's bottled water lines.

Hewlett-Packard Company (NYSE:HPQ)

Sector: Industrials
Industry: Computer Hardware

Company Description: HP provides IT products, technologies, software, solutions and services to individual consumers, small- and medium-sized businesses and large enterprises, including the public and education sectors. HP's offerings include personal desktop and notebook PCs; imaging and printing-related products and services; enterprise IT infrastructure and software to optimize business technology investments, and multi-vendor customer services, including technology support and maintenance, consulting and integration and outsourcing services. HP generates 95% of revenues from four primary segments: personal systems (34.4% of FY 2007 revenues), imaging and printing (26.9%), enterprise storage and servers (17.8%), and IT services and technology outsourcing (15.7%).

Investment Pitch: HPQ has been an industry-leader on ESG issues for at least a decade. With a diverse and innovative product portfolio, leadership in multiple market segments, and a broad consumer base, HP's diversification makes for a defensive technology investment poised to outperform the economic downturn. HP is also driving significant earnings growth through product innovation, acquisitions, cost cutting efforts, and share buy backs. HP holds the #1 or #2 market position in most of its business segments, including image printing systems, PC manufacturing, servers, printer, data storage, thin client software, distributed performance & availability management software, and IT services.

On social responsibility issues, HP has long been a leader among technology companies. Of particular relevance is HP's focus on bridging the digital divide by developing affordable and easy-to-use technology products for emerging markets (primarily Brazil, India, Russia, and China), which aligns HP's revenue goals with its commitment to increase education, communication, and business opportunities for the "next billion." For Q4 2008, HP's notebook PC revenue grew 29% in BRIC countries vs. 21% growth overall. PC companies that are able to quickly respond to growing demands for low-cost, easy-to-use PCs will gain access to rapidly growing emerging markets.

In addition, HP leads the industry for its initiatives around energy efficient servers and data centers and responsible end-of-life practices for PCs. The company's sustainability efforts include design for environment (HP began incorporating DfE principles into product design in 1993), a sophisticated recycling program, energy efficient products, green facilities and manufacturing, and clean energy. HP's has also led the industry in creating and signing on to environmental standards such as the Focused Improvement Supplier Initiative (FISI) in China and the Electronic Industry Code of Conduct (EICC).

Outcome: Despite a history of leadership in social responsibility issues, Fund principals were unsure of HP's ability and commitment to effectively invest in digital divide and technology access issues in emerging markets under the leadership and cost-cutting efforts of CEO Mark Hurd. In addition, the stock appeared fairly valued given the uncertainty of HP's then-recent acquisition of Electronic Data Systems. Fund principals voted against investing in the company and decided instead to monitor the company's ESG performance over the next 6-12 months before re-evaluating the stock.

Humana Inc. (NYSE:HUM)

Sector: Healthcare
Industry: Managed Healthcare

Company Description: Humana Inc**.** provides various health and supplemental benefit plans for employer groups, government benefit programs, and individuals in the United States. The company operates in two segments, Government and Commercial. The Government segment comprises beneficiaries of government benefit programs. This segment operates in three lines of business: Medicare, Military, and Medicaid. The Medicare program is a federal program that offers hospital and medical insurance benefits to persons of age 65 and over and some disabled persons under the age of 65.

Investment Pitch: The investment thesis for Humana was based on executive compensation and executive efficiency. Michael B. McCallister has been the CEO of Humana for almost 9 years, and has served the company for 35 years. In 2008, he was paid a total of $4.75 million, making him the seventh highest paid CEO of a health care company that year (only $1 million was in actual salary). Over the previous five years, his total compensation amounted to $60.64 million. This amount is indeed substantial, yet in terms of CEO efficiency, he is the number one in health care and number 34 overall. CEO efficiency, as defined by Forbes magazine, is a function of CEO performance divided by total CEO compensation, where performance is the stock's annualized six year total return. CEO compensation is comprised of salary and bonuses; other compensation, such as vested restricted stock grants, LTIP payouts and perks; and stock gains, the value realized by exercising stock options.

Humana's relatively low P/E ratio coupled with the industry's resilience to economic downturns made it a financially suitable choice for the Fund. However, the Fund ultimately decided not to invest in the company due to legislative risk. As a Medicare Advantage provider, the government currently partially subsidizes Humana through reimbursement. However, The Obama administration recently announced its plans to cut this reimbursement by 4% to 5% by 2010, a move which could have a significantly deleterious effect on Humana's bottom line. In response, the company will either have to raise its premiums or cut benefits in its existing health plans.

Outcome: The uncertainty inherent in the industry led the principals to determine that investment in Humana would not be prudent.

Intel Corporation (NASDAQ:INTC)

Sector: Technology
Industry: Semiconductors

Company Description: Intel Corporation is the world's largest supplier of semiconductor chips. The majority of their revenues come from the sale of microprocessors used in desktop PCs, laptops and servers, as well as chipsets, motherboards, NAND flash memory as well as other products.

Investment Pitch: Intel has an outstanding CSR program that includes over $1 billion invested in educating teachers in underprivileged schools worldwide, best-in-class diversity policies for their workforce and suppliers and strong efforts to increase energy efficiency and reduce harmful ingredients of their products. Moreover, the company is actively expanding their presence in emerging markets through their Classmate PC products and Atom chips. This is a strategic initiative for the company, though it also improves productivity and provides access to information and education in developing countries. In addition, Intel has been awarded a "AAA" rating from Innovest and has been recognized as one of the "Global 100 Most Sustainable Corporations in the World" and "CRO Magazine's 100 Best Corporate Citizens".

However, there were concerns about Intel's business model being dependent on the constant upgrade of computers, which leads to e-waste that fills up landfills and releases toxic chemicals into the environment. Additional concerns surfaced regarding the possible abuse of market power, which is currently being investigated by the EU.

On the financial side, Intel's valuation multiples are at historic lows since 2001 and are lower compared to selected comparable companies, which indicates there may be value to be gained. However, a detailed DCF analysis yielded a price target of $13 to $16, which is close to their current price.

Outcome: Due to the lack of a compelling bargain from a valuation standpoint, Intel was not brought up for a vote.

Marks and Spencer (LON:MKS)

Sector: Distribution
Industry: Retail

Company Description: Marks and Spencer is a retailer of clothing, food, and home products. As of March 2008, MKS had 622 UK stores, including 205 franchised Simply Food stores, which operate in railway stations, Heathrow Airport, and motor service areas. MKS sells clothing, consumer electronics, wine, food, household items, and furniture. The company's international segment includes owned stores in Europe, East Asia, and India. MKS is unique in that it is almost 100% private label and has developed a strong brand among middle- to upper-income consumers who do not want to sacrifice quality, stylish clothing and convenient, healthy meal options for affordable prices.

Investment Pitch: Marks and Spencer has best-in-class and innovative sustainability initiatives that are supported throughout the company and have been recognized by third-party organizations, such as Greenpeace. In January 2007, MKS launched a new sustainability initiative called Plan A. Initiatives include several innovative ideas: clothing take-back/recycling program with Oxfam, supplier exchange database for best practices, extended growing seasons for local produce, strategic partnerships with government, NGOs to build infrastructure for product take-back, recycling, 6 model "ethical factories" and 3 "eco factories", "Semi-unannounced" audits (3-week window) and 590 Plan A champions to monitor and implement initiatives at retail locations.

On the financial side, MKS had a strong relative valuation compared to UK retail comps and a conservative DCF analysis yielded a price target of £2.96, which was above the current price at the time. However, risks include the company's dependence on the struggling UK retail market, which is especially salient considering MKS' core customer, middle-class and middle-age consumers, will be hardest hit in a recession. Further concerns include a high level of debt and store expansions and that the brand may be viewed as "old-fashioned" within the UK market.

Outcome: Due to the difficulty of determining a fair valuation of the company given the uncertainty surrounding the UK retail market and the high levels of personal debt among U.K. consumers, MKS was not brought up for a vote.

Ormat Technologies, Inc. (NYSE:ORA)

Sector: Generation / Geothermal
Industry: Utilities

Company Description: Ormat Technologies, Inc. develops, builds, owns and operates geothermal and recovered energy generation (REG) power plants utilizing in-house designed and manufactured equipment. Ormat started its operations as an equipment supplier to geothermal power plants and since then has secured 70 internally developed patents. The company has over 40 years of experience developing state-of-the-art, environmentally sound power solutions, primary in geothermal and recovered energy generation. Ormat designs and manufactures geothermal and recovered energy power generating equipment (e.g., turbines), complete power plants incorporating its equipment on a turnkey basis, and small size power units for remote continuous unattended operation. Ormat Technologies, Inc. is a subsidiary of Ormat Industries Limited, and is based in Israel. The company has eight total corporate family members with operations in the United States, Israel, Guatemala, Kenya and Nicaragua.

Investment Pitch: As an increasing number of state governments implement Renewable Portfolio Standards (RPS), the demand for electricity from renewable sources will continue to measurably increase. This growth in demand will be maintained as federal governments move in the same direction. Regulatory demand drivers such as RPS and Investment and Production Tax Credits for alternative energy, along with market forces including energy prices and increasing demands for energy as a whole are causing an increasing number of energy producers to consider opportunities to derive electricity from renewable sources. Therefore, investments in companies which are focused on capturing this market opportunity with proven technologies stand to both earn strong financial returns and have a meaningful environmental impact.

Ormat Technologies met the criteria of this investment thesis due to the following:

- Ormat generates electricity from technology leveraging the steam energy captured from geothermal sources. The company's operations are relatively emission-free and require a small footprint;
- Ormat is able to produce electricity at market competitive prices, with minimal inputs to operation beyond construction and base load capability;
- Ormat is the only vertically-integrated geothermal company allowing for better performance in recession environments relative to its peers.

Outcome: While the SRI position of Ormat is a strong in terms of delivering clean energy with proven renewable generation technology, the stock was deemed too expensive to buy in April at the time of the pitch.

Saft Groupe S.A. (ENXTPA:SAFT)

Sector: Industrials
Industry: Electrical Components and Equipment

Company Description: Saft is a French battery design and manufacturer with three main segments. The Industrial Battery Group manufactures rechargeable nickel and lithium-based battery solutions for such applications as high-speed trains, urban transit networks, subways and trams, and storage for renewable energy. The Specialty Battery Group specializes in the design and manufacture of high performance primary lithium and rechargeable batteries for the electronics, defense and space industries. The Rechargeable Battery Group is focused on professional market segments using nickel-based technologies.

On the social side, we were attracted to the company's potential to significantly help reduce carbon emissions through hybrid and electric vehicles. Also, the electricity storage potential could help a variety of fields become more energy efficient. However, we weren't sure the lithium ion was going to be the winning battry technology, and we were also concerned by Saft's exposure to the defensive industry.

On the strategic side, the majority of Saft's batteries on highly customized, giving the company a comparative advantage. Also, the company is a market leader in a number of areas. However, the financial situation worried us, as Saft carries a large amount of debt and did not have an especially high historical growth rate. Furthermore, the valuation wasn't especially compelling.

Outcome: Fund principals decided to table this idea. It was not brought up for a vote.

United Technologies Corp. (NYSE:UTX)

Sector: Industrials
Industry: Aerospace and Defense

Company Description: United Technologies Corporation is a conglomerate that provides technology products and services to aerospace and defense industries, and well as the building industry. Segments include Otis (elevators), Carrier (refrigeration), UTC Fire & Security (fire fighting equipment), Pratt & Whitney (aircraft engines), Hamilton Sundstrand (aerospace products), and Sikorsky (helicopters).

Investment Pitch: On the social front, UTX has a number of appealing characteristics. The Sikorsky unit builds geothermal power systems, while the Otis elevators and Pratt & Whitney jet engines are easily more efficient than industry averages. UTX has also taken the lead in green building design and promoting a progressive workplace. As such, UTX is the only company in its comp set to earn a "AAA" rating from Innovest.

However, there were a few social concerns. Most notably, 16% of the company's revenue comes from weapon sales. Furthermore, recent labor issues and allegations of anticompetitive practices have somewhat sullied UTX's reputation.

On the financial side, the strong economics of each business segment are reflected in the company's 10-year annual growth rate of 10%. Furthermore, UTX has a 10-year annualized ROE of 22% and a 10-year annualized ROA of 8%. Finally, as a large cap stock with a low beta, we felt that UTX would help diversify the Haas SRI portfolio by adding exposure to aerospace and defense. There were some concerns on the financial side, as debt has been steadily increasing, and the relative valuation ratios were roughly in-line with the comp set.

Outcome: Due to concern about the exposure to weapons systems, as well as the lack of a compelling bargain from a valuation standpoint, UTX was not brought up for a vote.

Fund Principals

The Fund's second portfolio management team was selected from a pool of applicants from both the full-time MBA and the Masters in Financial Engineering (MFE) programs at Haas. Initially, six first-year MBAs and three MFE students were chosen, yet only four of the MBAs continued management in the second year. The seven student principals brought a mix of capital markets experience, a passion for social change, and a commitment to learning about social investing.

This year's management team includes:

Ben Biddle, MBA 2009

Ben brings a combination of finance and social sector work experience to the Fund. He started out as a full-time Americorps volunteer working in microfinance for ACCION New York. Ben went on to spend three years at Citigroup's Corporate & Investment Bank where he held a variety of positions in areas ranging from risk management to technology product management. Ben received a BA in Spanish and Economics from Boston College. Ben is active in the Entrepreneurs Association and the Berkeley Energy & Resources Collaborative and will be working for Infosys Consulting after graduation.

Matthew Blair, CFA, MBA 2009

Prior to Haas, Matthew worked for five years at Quellos Capital Management, a fund of hedge funds. He is an avid fan of the stock market and has been managing his personal equity portfolio since college. Matthew received a BA in International Political Economy from the University of Puget Sound, where he studied international trade, development, and lending institutions like the IMF and World Bank. He spent the past summer as a high yield credit analyst at Franklin Templeton Investments.

Megha Doshi, MBA 2009

Megha has a background in public health and sustainability research. Prior to Haas, she worked at KLD Research & Analytics, a socially responsible investment research firm. She also worked at the California Department of Health Services researching public and private sector solutions to address environmental and public health triggers of obesity and physical inactivity. Megha received a BA in Bioethics and Policy from Harvard University. At Haas, she is focusing her studies on strategic corporate responsibility, social venture finance, and marketing. Megha interned at Nike's CSR department over the summer.

Brandon Purcell, MBA 2009

Brandon managed the equities division of AGS Specialists, LLC at the American Stock Exchange prior to pursuing his MBA at Haas. Brandon oversaw trading in 95 listed equities and communicated directly with the companies' CEOs and CFOs to explain price and volume fluctuations. Brandon came to New York from Chicago, where he traded options on various indices and ETFs such as the S&P 500 and the NASDAQ for Ronin Capital, LLC. Before his stint at Ronin, Brandon served as a Peace Corps volunteer in Benin where he taught English, computer skills, and HIV prevention and also worked with a Girls' Club to battle gender disparity in Benin's schools.

Eugene Pauksta, MFE 2009

Eugene Pauksta, currently a CFA Level 1 candidate, graduated with honors from Riga Technical University in Latvia, where he earned a BS in Computer Sciences and MS in Control Systems. During his graduate studies, Eugene conducted research on intelligent simulation tools. Prior to joining the MFE, Eugene developed a wide range of statistical, royalty management, and accounting systems. Most recently, Eugene interned with The Environmental Defense Organization where he analyzed the influence of risk mitigation on the financial decision process in ocean carbon sequestration. He joined the MFE program to pursue his interest in quantitative finance and would like a career in investment banking, in the fixed income or derivatives markets.

Mike Simmons, MFE 2009

Prior to starting the MFE Program at Haas, Mike worked as a research associate in the International Group of the Economic Research Department at the Federal Reserve Bank of San Francisco. In the areas of international finance and economics, he has contributed to several research projects involving topics such as foreign exchange reserve sterilization, currency crises, international trade, and global price dispersion. Mike graduated magna cum laude from the University of California, San Diego in Bioengineering and Economics.

Aiphi Wang, MFE 2009

Prior to entering the Haas MFE program, Aiphi was a Research Assistant Professor at the University at Buffalo where she discovered an unexpectedly complex pharmacology of neurotransmitters in the brain and mathematically modeled inhibition and its role in cellular communication. She also taught math and neuroscience courses. Her awareness of corporate social responsibility originated when she worked at Novartis after medical school. She has been interested and invested in capital markets since the tech boom.

Management Team Transition

The Class of 2009 principals began marketing the Fund to first years in Fall 2008. The four principals gave a presentation about the Fund and our work-to-date to interested students. The level of enthusiasm among the first years was very encouraging. In fact, some even admitted to choosing Haas because of the SRI Fund.

In the winter of 2008, the student management team solicited applications from first-year MBA students to join the Fund. Seven first-year students were chosen. These seven students possess a wide array of experiences in the financial world and the social sector. The first year students were asked to join the team at the beginning of the spring semester in order to give them as much exposure to the Fund prior to the official transition. They began executing stock pitches and shared administrative tasks immediately. The Fund will be in excellent hands under their stewardship.

"I've learned a lot not only from the finance brains in the room, but also from the more socially minded folks. Many of us considered ourselves knowledgeable on the social issues but still learned more than we expected because we have such a talented group of students on the Fund."

Amanda Murname, MBA 2010

The third class of Haas SRI Fund principals includes:

Anup Anajpure, MBA 2010

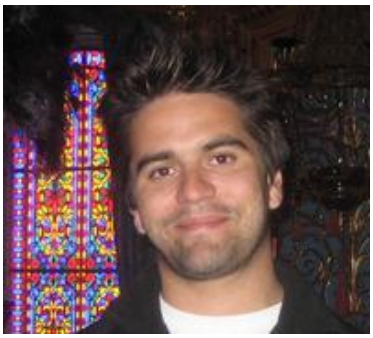
Prior to Haas, Anup worked in Healthcare consulting at a large consulting company and also in a startup environment. He worked with clients across the globe developing commercial strategy for pharmaceutical and biotech companies. Anup has an academic background in Materials Science from IIT Bombay and a Masters in Operations Research from Penn State University. Anup is interested in pursuing a career in investment management and wants to learn about SRI and investment strategies.

Jenny Hsieh, MBA 2010

Jenny brings experience from both the corporate world and the non-profit sector. She began her career in New York at JPMorgan as an Associate in the Equity Derivatives Group. After three years of structuring financial solutions for corporate clients, Jenny's desire to have more direct social impact led her to transition to a career in the non-profit sector at Rockefeller Philanthropy Advisors (RPA) as a financial analyst. Jenny came to Haas to explore how financial market-based solutions can address large-scale social problems and hopes to pursue a career in SRI or social venture capital. Jenny received a BA from Northwestern University with a dual degree in Mathematical Methods in the Social Sciences (Applied Math) and Economics.

Amanda Murnane, MBA 2010

Prior to Haas, Amanda worked for 6 years as a management consultant at Accenture where she worked with a wide variety of hi-tech companies and government agencies. She spent the last 1.5 years at Accenture working for Accenture Development Partnerships, Accenture's not-for-profit consulting arm. There, she managed and sold projects with organizations working in the international development sector. Amanda studied International Relations and Development in Buenos Aires in 2005 and graduated from Emory University with a BA in Spanish and Anthropology. At Haas, Amanda is focusing on learning more about corporate social responsibility, SRI, and alternative energy.



Brendan Nemeth-Brown, MBA 2010

Brendan brings a background in financial analysis and a passion for investment management to the Fund. Prior to Haas, Brendan worked as a senior consultant for BearingPoint and focused on real estate finance. While working with real estate developers Brendan realized he had a strong interest in valuation and sought to further educate himself by studying equity valuation techniques. Brendan currently works part-time at Alchemy Ventures, a structured finance fund that focuses on alternative investment strategies.

Jeffrey Olson, MBA 2010

Jeff brings his background in strategic sustainability consulting and nonprofit board service to the Fund. Most recently, Jeff spent the past 1.5 years building Accenture's Sustainability Practice. Over the past 2 years, Jeff has served on the Harvard and Children's Hospital Boston Center on Media and Child Health Advisory Board. He has worked with leaders in academia, medicine, and media to research and disseminate the positive and negative impacts of media on children's health. Jeff received his BA in Economics from St. Olaf College and is focusing his time at Haas on early-stage cleantech development and finance.

Adam Valainis, MBA 2010

Adam worked as an analyst for GESD Capital, a middle market private equity firm, before pursuing his MBA at Haas. Adam began his career in public accounting as an auditor in Ernst & Young's Assurance and Advisory Business Services practice, which he left to develop and implement an internal compliance infrastructure for a large-cap pharma company in the Bay Area. Adam received a BA in Economics and Spanish from the College of the Holy Cross and an MS in Accounting from the University of Virginia. Adam is a member of the Bear Fund, a PE fund created by a Haas student.

Harvey Villarica

Before Haas, Harvey spent four years at The Salter Group, a boutique financial advisory firm that provides valuations and transaction support services to the media and entertainment industry. He came to Haas to make a career switch into the technology and digital media industry. At Haas, he is Co-Chair of the >play conference, an annual student-led conference on digital media and entertainment. He also helped organize the 2009 Global Social Venture Competition as the Co-Chair of Technology. This summer, he will be working in the Mobile Sales and Monetization group at Yahoo. Harvey ha a BA in business administration from the University of Southern California.

Russell Elliott, MFE 2010

Russell working for Northrop Grumman as an aerodynamic analyst and developed and implemented performance algorithms to aid in the flight performance predictions of the Global Hawk reconnaissance aircraft. He also used his knowledge of computational fluid dynamics to design aerodynamic structures and laminar flow research projects. Russell hopes to combine his skills in modeling complex systems with his interest in financial markets and pursue portfolio or risk management. He has a BS in Math from Morehouse College and a BS degree in Aerospace Engineering from Georgia Institute of Technology.

Phillip Gillespie, MFE 2010

Phillip worked as a management consultant in the financial service industry at Deloitte & Touche in Tokyo. He then joined the Electronic Sales Trading team at Lehman Brothers Japan, where he provided DMA access and algorithmic trading to leading buy-side clients around the world. Through his interaction with statistical arbitrage and quant based funds, he became interested in pursuing a MFE at Haas. Phillip graduated from Georgia Institute of Technology with a BS in Industrial and System Engineering.

This new class of managers took primary control of the Fund on May 1, 2009. During the summer academic break, the team is responsible for monitoring the Fund's current positions, but no new investments will be made until the start of the next academic year in August. The Fund's Advisory Board liaison, Lloyd Kurtz, will assist the team in monitoring the portfolio over the summer.

Outreach

As part of our commitment to engaging in the broader SRI community, the Haas SRI Fund participated in several SRI-related conferences, met with practitioners in the industry, and publicized our efforts.

Conferences
The Haas SRI Fund was represented at two well-known SRI conference this year. In October, Principal Megha Doshi participated as a panelist at the inaugural Social Capital Markets Conference (SoCap 08) in San Francisco. Held from October 13-15, 2008, the conference convened over 600 professionals, students, and leaders in the social finance, corporate sustainability, and social enterprise. Megha delivered opening remarks on the introductory Social Capital 101 session, which was attended by over 150 participants and moderated by Eric Nee, Managing Editor of the *Stanford Social Innovation Review.*

"Participating at prominent conferences like SRI in the Rockies and SoCap 2008 was a great opportunity to not only polish my public speaking skills and network with SRI leaders but also to communicate the accomplishments, mission, and challenges of the Haas SRI Fund."
Megha Doshi, MBA 2009

The Haas SRI Fund was also invited to the 19th annual SRI in the Rockies Conference in Whistler, British Columbia, Canada from October 26-20, 2008. This year's conference theme was Beyond Borders: Investing & Partnering for a Sustainable World and attracted over 700 SRI professionals, fund managers, financial advisors, shareholder activists, and institutional investors. Fund Principal Megha Doshi participated on a panel titled "The Young and Restless: SRI on Campus – Next Generation Leaders and Initiatives" with two student activists involved in divestment. Megha described the Fund's mission and its innovative approach to SRI by testing investment hypotheses that link sustainability to shareholder value instead of merely identifying best-in-class sustainability performance or applying negative screens. The panel was attended by approximately 50 participants and moderated by Michael Kramer, Managing Partner & Director of Social Research at Natural Investments.

Prospective students and MBA community
The Haas SRI Fund has garnered significant interest from prospective MBA candidates. Drawn to Haas for its leadership in corporate responsibility and sustainability, prospective students have learned about the Fund via the Center for Responsible Business and current Fund principals. In addition, press coverage about the Fund has drawn interest from other MBA students eager to launch a similar SRI fund at their schools, including The Johnson School of Management at Cornell University, The UCLA Anderson School of Management, The Ross School of Business at the University of Michigan, and the Yale School of Management.

Fund principals have devoted significant time and energy to schedule phone conversations or in-person meetings with prospective students throughout the year and during Days at Haas events. The Fund has also gained exposure to current and prospective students by participating in academic and club fairs held each fall and spring.

Press coverage
The Haas SRI Fund has attracted national-level press coverage from the *Wall Street Journal, Business Week,* and several sustainability and investing blogs. The Fund has been featured in the following articles.

- "Student funds get responsible: A new breed of student-run investment funds looks for social returns along with dividends." Alison Damast. *Business Week Online.* November 20, 2007.

- "Haas takes new tack on investing: MBA students to run fund focusing on socially responsible firms." Ron Alsop. *Wall Street Journal Online*. September 18, 2007.

- "A student-run, socially responsible fund." Zac Bissonnette. *Bloggingstocks.com.* September 18, 2007. www.bloggingstocks.com/2007/09/18/a-student-run-socially-responsible-fund/

Accomplishments

The HSRIF team made significant progress in putting our cash to work during the 2008-2009 academic year. Efforts to set up the basic foundation and administrative functions for the Fund during the 2007-2008 school year enabled this year's team to hit the ground running with investment pitches, performance reporting, a dedicated effort to define and formalize our overall investment philosophy and approach. Our key accomplishments our outlined below.

Working on the Fund has been a tremendous learning opportunity. I've had the chance to develop and present several stock ideas and talk through some of these ideas with our Board of Directors. Also, since our decisions are made collectively, working on the Fund has helped me improve my teamwork and leadership skills."

Matthew Blair, MBA 2009

- Completed a Social Investing class taught by Haas SRI Fund advisor Lloyd Kurtz. Principal defined and completed and independent SRI research study as part of the class.
- Developed relationships with several traditional and ESG investment research providers, including Asset4 and Capital IQ.
- Had several discussions to discuss and develop our investment approach and overarching philosophy and goals, ultimately deciding on an investment hypothesis approach that seeks to link sustainability criteria with a explicit financial impact. This was a challenging but extremely valuable process.
- Selected the 2009-2010 class of student principals and integrated them into the Fund's management and investment activities.
- Piloted a team approach to pitching investments to enable Fund principals to partner when developing, valuing, and pitching an investment idea.
- Met with numerous industry experts – including Bennett Freeman from Calvert, Barry Neal from Wells Fargo Environmental Finance, and Michael Tannenbaum from Llenroc Captial – for guidance and investment advice.

Acknowledgements

Nurturing and growing the Haas SRI Fund in its second year has been a tremendous experience. Thanks to the diligent efforts of the MBA principals from the class of 2008, we were able to hit the ground running in the fall of 2008 with the research, funding, organizational structure, administrative and faculty support, and board of advisors necessary to seed ideas, pitch investments, and execute trades. We are proud to have vetted so many investments to test our hypothesis regarding the synergies between sustainability and returns. We are also extremely confident in the incoming Fund principals from the MBA and MFE classes of 2010 – all of whom have contributed significant time, sincere interest, insightful analysis, and, above all, a willingness to be resourceful, responsible, and engaged.

We would like to thank several individuals for their support throughout the year.

Lloyd Kurtz, who has added tremendous value to our learning experience. His ability to lend deep insights and knowledge without being at all prescriptive about how to approach SRI helped us develop and test our own hypotheses, critique each other, and be truly innovative about our approach to investing rather than rely on the existing practices in the industry. Lloyd has been the most influential and committed advisor to the Fund, demonstrating a constant willingness to engage with students about investing and SRI and connect us to his amazing network of leaders in the industry.

Kellie McElhaney, Katharine Brewer, Cecilia Pracher, and Jo Mackness for their continuous guidance and support throughout the year. Kellie's boundless enthusiasm for the Fund, faith in our approach, and commitment to ensuring the Fund is, above all, a meaningful learning experience provided the momentum and leadership for the Fund's success. Katharine, Cecilia, and Jo's support on every logistical, funding, and scheduling detail enabled us to focus our time on investing and learning instead of administrative issues.

Charlie and Doris Michaels and Al and Marguerite Johnson, whose generous donation and faith in the competencies of MBA students to manage a Fund made this unique learning opportunity possible.

The Haas SRI Fund Board of Advisors, whose members donated their time and networks to provide us feedback on our investment pitches, portfolio balance, and trading strategies. Their continued involvement with the Fund in subsequent years will be integral to its success.

We hope that those with whom we interacted while working on the Fund enjoyed the experience as much as we did. We wish the next class of student investment principals the best of luck with the Fund.

Sincerely,
Ben, Matthew, Megha, and Brandon

Advisory Committee

Our Advisory Committee has played an invaluable role with the Fund, and we cannot thank them enough.

Margo Alexander is currently the Chair of the Acumen Fund, a non-profit global venture fund that uses entrepreneurial approaches to solve the problems of global poverty.

Margo was formerly a senior executive of PaineWebber, where she spent the greater part of her thirty-three year career in the financial services industry. Beginning as a research analyst, she later became Director of Research, then Director of Institutional Equity and, in 1995, CEO of Mitchell Hutchins Asset Management. She was a member of the PaineWebber executive committee until the firm's acquisition by UBS in November 2000.

Ms. Alexander is a graduate of the University of California at Berkeley and the Harvard Graduate School of Business Administration, where she met her husband, Robert Alexander. She has lived in New York since 1970 and has two sons.

Ms. Alexander is a member of the advisory boards of the Haas School at Berkeley and The New School, serves on the board of the Eleanor Roosevelt Legacy Committee and is a member of The Council on Foreign Relations.

George S. Dallas is Director, Corporate Governance at F&C Investments in London, which manages over £100 billion in assets on behalf of more than 3 million people. He is a member of F&C's Governance and Sustainable Investment team, where he leads all aspects of F&C's global policies relating to corporate governance, including proxy voting, remuneration and engagement matters. He joined F&C in January 2008, prior to which he was a Managing Director at Standard & Poor's in the area of analytical policy and research. Mr. Dallas began his career as a corporate lending officer at Wells Fargo Bank before joining S&P in 1983, initially as an analyst. At S&P he served in a range of analytical and managerial roles, including global head of both Governance Services and Emerging Markets, regional head for S&P's Ratings Services in Europe and head of the firm's London office. As global practice leader for corporate governance at S&P, Mr. Dallas led the development of S&P's governance analysis and built a global team of governance analysts. He has conducted governance evaluations on companies across the globe and contributed to the formal linking of these to the overall credit rating process. He has also served on a working group to develop an S&P emerging markets index focused on corporate governance and sustainability. 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. He has dual US/UK nationality and speaks German and French.

Stephen Etter is a Partner at Greyrock Capital Group. Prior to joining the Greyrock Principals in 1996, Stephen held positions at GE Capital, Barclay's Bank and Citicorp for the preceding 9 years where he focused on senior and mezzanine debt. From 1983 to 1987 he worked for Price Waterhouse where he obtained his CPA.

Stephen received his undergraduate degree and MBA from the Haas School of Business, University of California at Berkeley, where he has been a Finance Lecturer for the past 10 years.

Stephen is a member of Board of Directors for the San Francisco Giants Community Fund and currently serves as a Trustee on the University of California Berkeley Foundation.

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 a senior portfolio manager at Nelson Capital and lead PM for socially responsible investing (SRI). Before joining Nelson Capital in 2004, Lloyd was a Senior Vice President at Harris Bretall Sullivan & Smith in San Francisco where he served as Director of Quantitative Research and provided research coverage for the healthcare, basic industry and energy sectors. Before joining Harris Bretall in 1995, he spent four years as Senior Research Analyst at KLD, a Boston research firm specializing in social investment research. At KLD, he did much of the initial quantitative work in the development of the Domini Social Index.

Lloyd is a Research Fellow at the U.C. Berkeley Haas Business School's Center for Corporate Responsibility, and serves as Program Administrator for the Moskowitz Prize. He has published numerous articles on SRI in academic journals, and authored a chapter on SRI for the Oxford Handbook of Corporate Social Responsibility, which will be published in 2007.

He holds a B.A. from Vassar College, an M.B.A. from Babson College, and is a Chartered Financial analyst. In 1999, he received the SRI Service Award for his contributions to social investing.

Lisa Leff is a Vice President and Portfolio Manager with Trillium Asset Management, the oldest and largest independent investment management firm devoted exclusively to socially responsible investing. Before joining the firm in 1999, Lisa served as Director and Portfolio Manager with the Social Awareness Investment program at Smith Barney Asset Management in Manhattan. While in New York, Lisa founded the Social Investment Security Analysts group and served on the Board of Directors of the Social Investment Forum. More recently, Lisa has served on the boards of the Idaho Conservation League; the Fund for Idaho, and Ten Thousand Villages, Boise, and currently serves on the board of the EcoLogic Development Fund. Lisa was named Idaho's Progressive Businessperson of the Year for 2004. She is currently an active member of the Idaho Women's Charitable Foundation. Lisa holds a B.S. in Business Administration from California State Polytechnic University and an M.B.A. from the Wharton School. Lisa is a member of the Association for Investment Management and Research and the New York Society of Security Analysts, and is a Chartered Financial Analyst.

Kellie A. McElhaney is the John C. Whitehead Faculty Fellow of Corporate Responsibility and the Executive Director of the Center for Responsible Business at the Haas School of Business, University of California, Berkeley. She developed and launched this new center in January 2003, which has helped place corporate responsibility squarely as one of the core competencies and competitive advantages of the Haas School. Kellie teaches multiple courses on Strategic Corporate Social Responsibility in all of the Haas School's degree programs, which include in-depth student consulting engagements with companies on high-visibility strategic CSR challenges. Her research focus is in the area of analyzing companies' CSR strategy, and its fit with their core business objectives and core competencies. She consults to several Fortune 500 companies in developing an integrated CSR strategy, bridging her academic focus with the practitioner world.

She is a member of the UN Global Compact Faculty and serves on the Association for Corporate Growth Strategic Philanthropy Advisory Committee. Kellie was recently named a 2005 Faculty Pioneer for Institutional Impact by the biennial report, Beyond Grey Pinstripes. Prior to joining Haas, she spent nine years at the University of Michigan Business School, where she was adjunct professor of corporate strategy and managing director of the Corporate Environmental Management Program (CEMP). Before joining academia, she was in the mergers and acquisitions area of commercial banking. Kellie holds a Ph.D. from the University of Michigan, a M.A. from Ohio University, and a B.A. from the University of North Carolina, Chapel Hill.

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.

John O'Brien is an Adjunct Professor and Executive Director for the Masters in Financial Engineering program at the Haas School of Business, UC Berkeley. Previously John was a Managing Director at Credit Suisse Asset Management, responsible for developing CSAM's first Risk Management department. Prior to CSAM, John was the Co-founder, Chairman and CEO of Leland, O'Brien Rubenstein Associates (LOR), a financial services firm that developed innovative funds, including precursors of the first exchange traded funds. Before LOR, John worked on pension investment management for A.G. Becker Funds Evaluation Group (now SEI Investment, Inc.). John joined A.G. Becker after the sale of O'Brien Associates, where he was co-Founder, Chairman and CEO. O'Brien Associates introduced modern portfolio theory and analytical risk management into the purely "Graham and Dodd" investment industry of the time. He created the first "beta" book of individual stock systematic risk, the first risk-adjusted investment performance measurement service, and the first Monte Carlo simulation of multi-asset-class return distributions for pension policy analysis and was the co-creator of the O'Brien 5000 Stock Index –re-named the Wilshire 5000. John received an MS, Engineering (Operation Research) from University of California, Los Angeles, CA and an SB, Economics and Engineering (Electrical) from MIT, Cambridge, MA.

Dr. Marc Orlitzky joined Nottingham University Business School's International Centre for Corporate Social Responsibility as a Research Fellow in October 2007. He serves on the editorial review boards of the Academy of Management Journal and the Sage Encyclopedia of Business Ethics and Society and has published papers in two Oxford University Handbooks, Organization Studies (award-winning, highly influential meta-analysis of corporate social/financial performance), International Journal of Human Resource Management, Business & Society (in 2001 an award-winning article on corporate social performance and business risk and another study in 2006), Small Group Research, Personnel Psychology, Journal of Management Education, Journal of Business Ethics, Journal of Investing, Academy of Management Review, Academy of Management Learning & Education, and several other publication outlets. Previously, he served on the faculty of the Australian Graduate School of Management (AGSM) and the University of Auckland. Marc's research interests revolve around corporate social, environmental, and financial performance, corporate/business strategy, human resource management, and quantitative methods (especially measurement and meta-analysis). Dr. Orlitzky received his PhD from the University of Iowa.

Scott Pinkus retired from Goldman, Sachs and Co. in 2000, after having been a partner there since 1990. At Goldman, Scott established and headed the Credit Derivatives Group, which was responsible for the trading, structuring, and distribution of over-the-counter credit derivative contracts, credit-linked notes, and credit-intensive securitized instruments. From 1988 to 1998, he headed the Fixed Income Research Department, which developed decision support tools using the latest computer technology, building quantitative models to assist in security valuation, and creating investment and trading strategies.

Prior to joining Goldman Sachs, Mr. Pinkus founded and headed the Mortgage Securities Research Department at Morgan Stanley & Co. and before that held the same position at Merrill Lynch & Co.

Mr. Pinkus is on the Advisory Board of Home Equity Securities, LLC, a new venture that developing a standardized structure and liquid market for securitized fractional shares of home equity. He is a Special Advisor to Azimuth Asset Management, a hedge fund-of-funds. Mr. Pinkus is the Chairman of the Steering Committee for the MFE program at Haas.

Mr. Pinkus received both an MBA (1981) and a B.S. in Economics (1980) from the Wharton School at the University of Pennsylvania.

John C. Whitehead is Chairman of The Goldman Sachs Foundation. Mr. Whitehead began his professional career in 1947 at Goldman, Sachs & Co., where he worked for 38 years. He rose quickly within the company and was named Partner in 1956 and Co-Chairman and Senior Partner in 1976. He has served on the boards of numerous companies and as a Director of the New York Stock Exchange and Chairman of the Securities Industry Association.

From 1985 to 1989, Mr. Whitehead was asked to become Deputy Secretary of State. Mr. Whitehead was awarded the Presidential Citizens Medal by President Reagan.

He is a former Chairman of the Board of the Federal Reserve Bank of NY, the UN Association, the International Rescue Committee, the Greater New York Councils of the Boy Scouts, International House, The Andrew W. Mellon Foundation, the Harvard Board of Overseers, Haverford College, and the Asia Society. He is a Director of the Nature Conservancy, Lincoln Center Theater, the East-West Institute, and the Eisenhower Exchange Fellowships, and a former Director of Rockefeller University, the J. Paul Getty Trust, Outward Bound, and the National Humanities Center. Mr. Whitehead is Chairman Emeritus of the Brookings Institution and the Trustees Council, National Gallery of Art.

Michael Pearce is a 2008 graduate of the Haas School of Business and part of the inaugural portfolio management team for the Haas SRI Fund. Prior to attending Haas, Michael spent six years at UBS Investment Bank, raising over $1.5 billion in 30 transactions in the telecom, technology, biotech, medical device and business services sectors. Last summer, he worked for Pacific Community Ventures, analyzing, structuring and closing new portfolio investments; including financial modeling, valuation analysis, industry research, and company diligence. Michael received a BS in Finance with a minor in Mathematics from Georgetown University. He currently works for Cambridge Associates, serving as an investment consultant for universities, foundations, non-profit organizations, and institutional investors.

Research Partners

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We look forward to continuing our relationships with these organizations in the future.