

STOCKS AND BONDS IN ENDOWMENTS

STOCKS

- FOR GROWTH
- DIVIDEND INCOME IS SECONDARY
- BIG GAIN POTENTIAL, FAIRLY HIGH RISK



BONDS

- FOR INTEREST INCOME
- NOT BUILT FOR GROWTH
- MODEST RETURNS, LOWER RISK PROFILE



GREEN BONDS

- ISSUED TO BUILD “GREEN” PROJECTS—LABEL FROM THIRD PARTY CERTIFICATION**
- WIND OR SOLAR ENERGY, MASS TRANSIT, CLEAN WATER, CLIMATE RESILIENCE**
- ISSUANCE GREW \$0 TO \$20BB 2009-2014**
- MOSTLY FOREIGN; US MARKET GROWING**
- WORLD BANK DOMINANT ISSUER, EUROPEAN GOVERNMENTS, CORPORATIONS**

GREEN BONDS

- **US CORPORATE ISSUERS INCLUDE TOYOTA CREDIT, SOLAR CITY, BANK OF AMERICA, NRG**
- **GREEN REAL ESTATE IS FINANCED THROUGH FNMA BACKED MORTGAGES**
- **MASSACHUSETTS FIRST STATE TO ISSUE “GREEN” MUNICIPAL BONDS, CALIFORNIA AND IOWA; MANY MUNIS ARE GREEN WITHOUT THE LABEL**
- **MIT, U OF CINCINNATI AND U OF MASS**