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