

INVESTMENTS/ENDOWMENTS:

An Overview of Evergreen's Investment Practices

Evergreen community members and sustainability practitioners are interested in Evergreen's investment practices. Interested parties want to know if Evergreen's investments are transparent and whether or not Evergreen invests in a socially and environmentally conscious manner. This summary will provide insight into those questions.

Evergreen's Official Investment Policy: *"It is the policy of The Evergreen State College to participate as investor or as shareholder only in companies or financial institutions which do not conduct business in/with, or maintain direct involvement with nations which, by their laws, violate human rights. By asserting this principle, the board of trustees affirms that human rights shall be a factor in determining the acceptability of an investment."*

Evergreen's investment portfolio consists of two main sources:

1) College Investments (Approximately \$33 Million):

The bulk of Evergreen's investments are in College Pooled and Endowment Investment Funds. As of June 2008, Evergreen had about \$33.4 million invested in these funds. The state of Washington mandates that this money be invested in secure sources (i.e. treasury bonds, commercial CD's, etc.). College investments can be broken down into four broad areas:

1. **Local Government Investment Pool (LGIP).** The majority of College Investments (approximately \$19.4 million) is invested through the State of Washington's LGIP whose core mission is to return the highest rate on investment.
2. **Time Certificate of Deposit.** Approximately, \$12.5 million is invested in CD's through Heritage Bank, Venture Bank, and Washington Mutual. These are mostly local investments that are used for home loans and other investments in our community.
3. **Municipal Investment Account.** This investment is the smallest of College Investments at approximately \$54,000.
4. **Equities.** About \$1.5 million of College Investments is invested through Merrill Lynch in six different funds, three bond funds and three stock funds. This is one source of investment where Evergreen has flexibility and can specify where the money is invested. Specific funds and investment strategies can be obtained from the director of business services upon request.

2) Foundation Investments (Approximately \$7 Million):

The Evergreen Foundation lacks the human and financial resources to aggressively manage its investments and the University of Washington graciously offered to add our relatively small endowment to their overall portfolio. This has been a great service to Evergreen because the multi-billion dollar fund managed by UW provides a higher rate of return than what Evergreen could expect to earn if we were investing alone. Evergreen takes advantage of this higher rate of return by supporting graduate fellows, guest speakers, and endowments (such as the Hearst Endowment which supports future Native American teachers).

According to the Sustainable Endowments Institute's 2008 College Sustainability Report Card, UW received an "A" in Investment Priorities which recognized UW for its practice of investing in renewable energy sources and for community development loan funds. UW also received "B's" in both Endowment Transparency and Stakeholder Engagement categories. Because The Evergreen Foundation invests their funds in the UW's Consolidated Endowment Fund, we can be assured that our investments are meeting quality social and environmental standards.