Dickinson

Sustainable Investments Task Force

July 2013

Dickinson Sustainable Investments Task Force

Study of Divestment – Summary

- Dickinson's Endowment is invested primarily in commingled investment vehicles with multiple investors. Commingled investment structures provide benefits of scale for both investors and investment managers, including broader access to investment talent and opportunities and increased operational efficiency.

- To divest from and prohibit future investments in fossil fuels, Dickinson would need to restrict its investment options to separate accounts or commingled investment vehicles that would contractually agree to not invest in fossil fuels. We believe that a very large number of the top performing managers, particularly in the alternatives space, would not agree to these limitations.

- There is a potential opportunity cost to divesting, although it is extremely difficult to determine an exact figure. Two studies are included that attempt to quantify potential costs.

- Investure and Dickinson's Investment Committee and Administration have focused on increasing sustainability awareness and investments within the Endowment. Dickinson's Investment Committee approved Proxy Voting Principles, which are shared with Investure's third-party managers. Dickinson is invested in the Sustainability Series of the Investure Global Equity Fund, LP ("Sustainable Investments Initiative" or "SII") and has a total exposure of approximately 6.1% to sustainable investments throughout the portfolio.

Dickinson Sustainable Investments Task Force

Study of Divestment - Overview

- Dickinson's Endowment Portfolio Structure

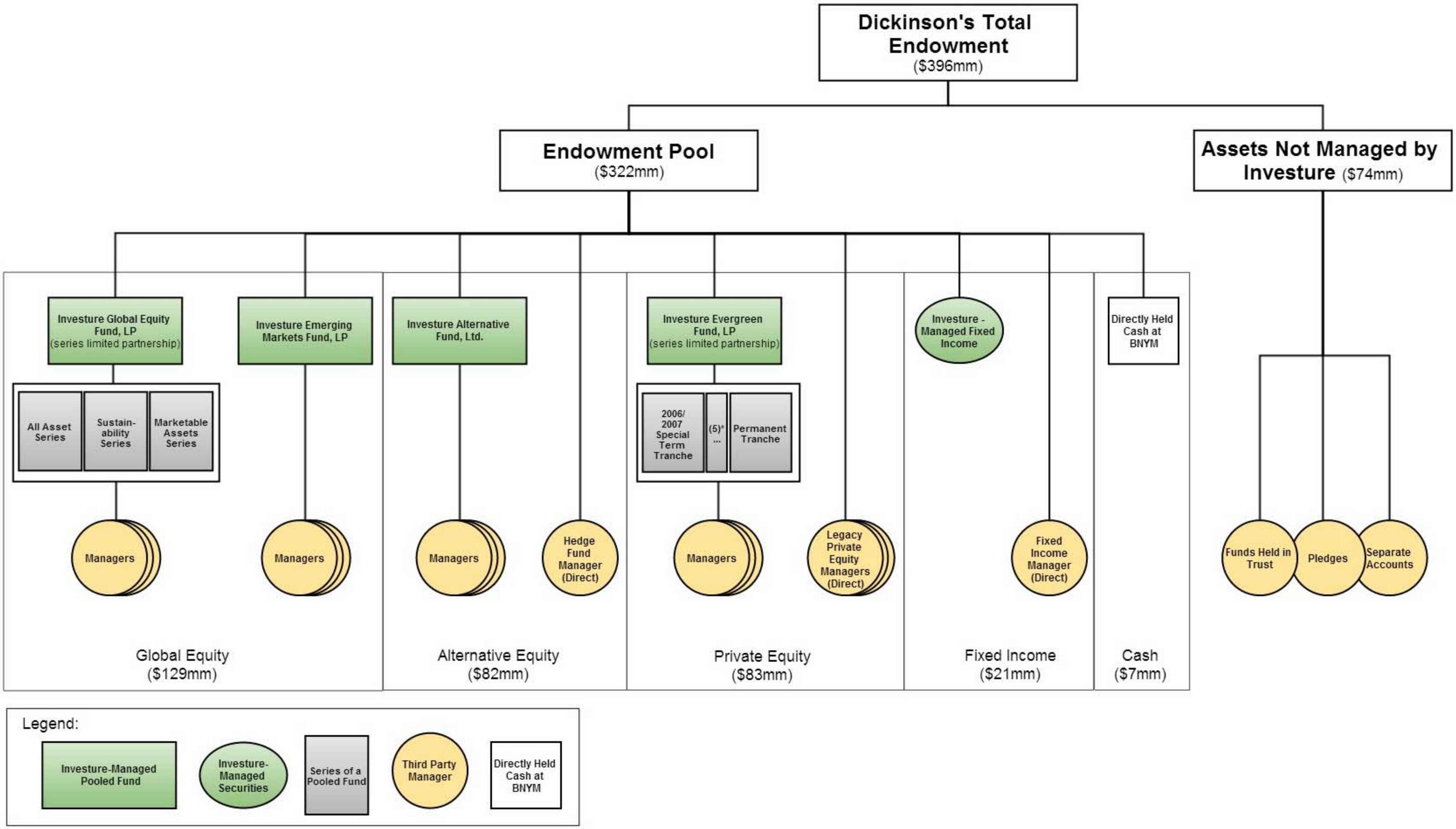
- Hypothetical Cost of Underperformance of Dickinson's Endowment

- Focus on Sustainability
    - Recommended Proxy Voting Principles
    - Investure Global Equity Fund, LP – Sustainability Series

Endowment Portfolio

UPDATED

Dickinson's Total Endowment Structure



*This box represents the five Series of Investure Evergreen Fund, LP in which Dickinson is invested although not individually shown. These include: 2008 Term Tranche, 2010 Special Term Tranche, 2011 Special Term Tranche, 2012 Term Tranche, and 2013 Special Term Tranche. All amounts are approximate and unaudited, may not sum due to rounding, and are as of 5/31/2013.

Cost of Divestment

Cost of Underperformance

- What is the cost of any potential underperformance?
  - The power of compounding small differences over longer periods of time can be significant.
  - Assuming only a 0.05% cost per annum with a portfolio return of 7.50% annually (i.e. 7.45% vs. 7.50% return), the compounded cost for a 10-year period is approximately $2.9 million. For a 20-year period, the cost could be approximately $11.8 million.

Hypothetical Cost of Foregoing Returns for 10 Years and 20 Years

Based on Starting Portfolio Size of **$300 million**

Portfolio Return	Hyphothetical Cost Over 10 Years For the Following Per Annum Cost			Hypothetical Cost Over 20 Years For the Following Per Annum Cost		
	0.05%	0.10%	0.15%	0.05%	0.10%	0.15%
5.00%	$2,322,012	$4,634,090	$6,936,270	$7,546,654	$15,025,305	$22,436,532
7.50%	$2,869,846	$5,727,699	$8,573,602	$11,802,234	$23,500,580	$35,095,906
10.00%	$3,529,696	$7,044,975	$10,545,889	$18,268,714	$36,380,261	$54,335,922

* Cost is defined as the difference in compounded value between Portfolio Return and Portfolio Return minus the Per Annum Cost over 10 and 20 Years based on Portfolio Size

Proxy Voting Principles

History

- Proxy voting refers to the ballot mechanism by which public companies solicit shareholder votes since most shareholders cannot or do not want to attend meetings at which voting occurs. Through the proxy shareholders receive, they give someone else (or the board of the company) the right to vote their shares in accordance with their instructions. In most cases, Investure relies on the underlying manager to vote proxies. Issues commonly decided by proxy vote include electing directors to the board, approving a merger or acquisition, and approving a stock compensation plan. Some shareholders also use their voting rights to try to change corporate governance and behavior, which is why proxy voting policies have become increasingly important to some investors.

- Clients engaged Investure to develop Recommended Proxy Voting Principles in 2011 for distribution to managers in the Investure Funds.

- The Principles recognize that Investment Committees have a fiduciary responsibility to maximize returns while managing risk. Likewise, they recognize that environmental, social, and governance responsibility are important drivers of long-term value creation.

- Dickinson approved the Recommended Proxy Voting Principles. These non-binding principles are excerpted on the following page.

Proxy Voting Policy Principles

Recommended Proxy Voting Principles (Excerpted)

- Protecting the rights of all shareholders;
- Ensuring the integrity and clear disclosure of the corporation's risk management, accounting, and financial reporting systems, including the independent audit, and implementing appropriate systems of control; in particular, systems for monitoring risk, financial control, and compliance with the law;
- Maintaining independent, diverse, committed, and focused boards and committees which represent the shareholders;
- Adopting comprehensive code of conduct and conflict of interest policies;
- Prioritizing transparency of corporate practices;
- Creating clear lines of responsibility and accountability within the board and management structure; and
- Establishing fair and transparent compensation schemes that incorporate financial and non-financial performance metrics of a company;
- Siding with transparency on environmental practices;
- Adopting policies that take into account the importance of protecting stakeholders and the natural environment;
- Eliminating workplace discrimination based on age, race, sex, sexual orientation, religion, and ethnicity;
- Supporting human rights standards, including protecting indigenous people's rights and respecting cultural sensitivities;
- Eliminating exploitative labor practices;
- Providing safe workplaces; and
- Siding with transparency on political contribution and activities.

Investure created the Sustainability Series of the Investure Global Equity Fund, LP ("Sustainable Investments Initiative" or "SII") to jump-start and enhance interested clients' exposure to sustainable investments. We expect that if the SII demonstrates excellent performance results, it will validate the thesis that other investors can achieve attractive returns by investing in sustainability.

RETURN OBJECTIVE

- Investments in the SII must meet the same return standards required for all other Investure-managed investments.

PORTFOLIO CONSTRUCTION

- To better demonstrate the goals of the SII, there will be a focus on pre-specified "Impact Investments". Impact Investments are defined as those with a more direct link between the capital invested by the SII and positive sustainability goals and results. Impact Investments are preferred over broad market indices or public investment managers governed by a broad ESG mandate. To this end, public managers and public market indexes guided by a general ESG policy will be limited to no more than 50% of the portfolio at cost and will generally serve as a source of funds for Impact Investments.

LIQUIDITY

- As long as the SII remains a relatively small part of the broader client portfolio, and the broader portfolio liquidity restrictions are being met, there will be no liquidity restrictions on SII investments.

STRATEGIES

- The long-term horizon of our clients' portfolios enables a large allocation to equity-oriented strategies where the potential for long-term capital appreciation exists. Other assets, including but not limited to preferred equity, debt, and hedging strategies may also be used.
- The SII was designed to focus on environmental, social, and corporate governance as the central factors in measuring the sustainability impact of an investment. There is a general preference for environmental factors.
- The scope of investments considered for the SII includes:
  - Sustainable energy, including wind, solar, run-of-river hydro, biomass, and transmission for these assets
  - Sustainable forestry
  - Water conservation and energy efficient desalinization
  - Waste reduction by diverting landfill waste or reducing waste
  - Public and private fund managers with a written ESG policy or mandate
  - ESG-focused public indices
  - LEED buildings that are rated silver or better
- The scope of investments does not include:
  - Strategies solely dependent on tax credits
  - Hydroelectric power that is not environmentally sensitive
  - Investments involving fossil fuel production
  - Biofuel investments where the feedstock could be used for food

Important Notes and Disclosures

- **Past performance is not necessarily indicative of future results, and any investment described herein involves the risk of loss. Data includes estimates and unaudited information.** Numbers are approximate and may not always sum due to rounding. Investure is not obligated to update the estimated information included herein.

- The information provided in this report should not be considered a recommendation to purchase or sell any particular security or as an endorsement of any manager. Moreover, there is no assurance that any of the holdings or funds of managers discussed herein will remain in an Investure Fund's portfolio or a client's portfolio at the time this report is received. The holdings and funds of managers discussed may not represent a client's entire portfolio or an Investure Fund's entire portfolio and in the aggregate may represent only a small percentage of such client's or Investure fund's holdings. It should not be assumed that any of the investments or strategies discussed herein were or will prove to be profitable, or that the investment recommendations or decisions Investure makes in the future will be profitable.

- Unless otherwise disclosed, all return information contained herein includes reinvestments of interest, dividends, and other earnings and is net of underlying manager fees and expenses. In addition, unless otherwise specified, Endowment Pool returns are net of Investure management fees and expenses but gross of Investure incentive fees, if any, for the current year. For Prior Annualized Returns, incentive fees owed to Investure have not been deducted for the latest 1-year period. Where Investure incentive fees have not been deducted, your return will be reduced by any incentive fees owed to Investure.

- Any index or benchmark returns mentioned herein are for discussion purposes only. Investure Fund holdings and your portfolio's holdings do not resemble the composition, volatility, or risk of any such index or benchmark. There is no guarantee that any Investure Fund or your portfolio as a whole will meet or exceed the index or benchmark or that any such index or benchmark is available for investment.

- Investure began managing the Endowment portfolio on May 6, 2006. Returns through 4/30/2006 are provided by Dickinson College and are not confirmed by Investure.

- The **MSCI ACWI Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 45 countries. The **BofA Merrill Lynch 7-10 Year US Treasury Index** is a subset of The BofA Merrill Lynch US Treasury Index including all securities with a remaining term to final maturity greater than or equal to 7 years and less than 10 years.