

WP5 1st Workshop: Berkeley Haas Impact Fund



Co-funded by the
Erasmus+ Programme
of the European Union



Main Questions + Answers

- ❖ Is the academic institution where the fund is running a private or a public one
 - ✓ **Public**
- ❖ Is the fund affiliated to one department or to the whole institute?
 - ✓ **It is affiliated with the business school - The MBA program**
- ❖ When was the fund established?
 - ✓ **2008**
- ❖ By whom? (the university, external donor, philanthropic foundation, the government). Is there a non-academic external partner to the fund?
 - ✓ **It is established by the Business School, the advisory board includes nonacademic entrepreneurs, philanthropists etc..**

Main Questions + Answers

- ❖ Source of the fund Funding – Private, academic institution, university endowment, governmental, private fund, philanthropy?
 - ✓ Alumni and crowdfunding
- ❖ Does it acquire a professional investment committee?
 - ✓ Yes the judges of the investment pitches are professional
- ❖ Do the students active in the fund have to go through a mandatory economic/financial/social course (such as introduction to investment, impact investment, social entrepreneurship, and alike)?
 - ✓ Yes, they must choose between “New Venture Finance” and “Impact Investing Landscape” and the different courses that compose each of these 2. Also, as part of the courses, the MBA students are paired with impact investing firms for an 8-week project

Main Questions + Answers

- ❖ Is the academic institution where the fund is running a private or a public one
 - ✓ **Public**
- ❖ Is the fund affiliated to one department or to the whole institute?
 - ✓ **It is affiliated with the business school - The MBA program**
- ❖ When was the fund established?
 - ✓ **2008**
- ❖ By whom? (the university, external donor, philanthropic foundation, the government). Is there a non-academic external partner to the fund?
 - ✓ **It is established by the Business School, the advisory board includes nonacademic entrepreneurs, philanthropists etc..**

Main Questions + Answers

- ❖ What is the fund's investment policy? Interest – is it clear what is the interest rate and/or loan conditions? Failure – who covers losses?
- ✓ “The Fund is structured as a separate account managed through the University of California Berkeley Foundation (UCBF), a 501(c)(3) non-profit foundation whose primary responsibility is the management of the longterm endowment funds in support of the university. As part of a philanthropic institution, the Fund manages its assets for maximum public benefit and in compliance with fiduciary duties of care and loyalty. The purpose of this Investment Policy Statement (IPS) is to create a framework within which the student Principals will invest and manage the Fund for the benefit of current and future students at the University of California Berkeley, Haas School of Business.”
- ✓ “**Purpose:** The Fund’s purpose is threefold: 1) Provide an applied learning opportunity for Student Principals 2) Provide an annual distribution to the Institute for Business and Social Impact (IBSI) at the Haas School of Business, University of California, Berkeley 3) Serve as a research platform for SRI, ESG, and sustainable investing”
- ✓ **Values Statement:** The Fund believes that investing to protect the environment and elevate human wellbeing can be done without sacrificing risk-adjusted financial returns and is critical to creating a sustainable and equitable future for all.

Main Questions + Answers

- ❖ What is the fund's investment policy? Interest – is it clear what is the interest rate and/or loan conditions? Failure – who covers losses?
 - ✓ The Fund focuses its equity investments on companies that are early in their transition to sustainable practices to capture the financial benefits resulting from more efficient operation. The Fund focuses active management on small and mid-cap companies where readily available ESG information is limited to capture upside from sustainable practices that are not already priced into the market. The fund seeks to engage with management to push for more responsible practices and disclosure, which will drive improvement of the bottom line. The Fund believes activism will have the most impact with smaller companies who, at a minimum, recognize ESG risks and opportunities as integral to their core business.

Main Questions + Answers

- ❖ Deal flow: In what ventures the fund is focusing on? Students' ventures? General impact ventures? Environmental impact venture?...
 - ✓ **Early-stage impact startups from 10 areas; health, financial access and inclusivity, renewable energy, food & water, sustainable products....**
- ❖ In the case of profit, what is the profit distribution policy?
 - ✓ **Distribution only on net profits**
- ❖ Is it clear what the initial amount of the fund is?
 - ✓ **50.000\$ for the team that wins the pitch contest**
- ❖ Is there an investment amount limit? Is there an investment type limit?
 - ✓ **50.000\$**
- ❖ What is your general impression of this fund? What is your critic if any? What can we take to our Israeli academic and investment culture?
 - ✓ **Real - life practice, you can gain practical skills, good networking opportunities, connections with renowned professionals, transparent procedures, highly fitted for academia-business partnerships, good platform for research and practical tool development**

The impact approach used by the 2019-2020 Principles followed a three-tiered framework

