

**THE HIP INVESTOR:
Make Bigger Profits
By Building a Better World**

**POLAND: Warszawa, Krakow, Zakopane
27 May – 6 June, 2011**

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THANK YOU

- **Thank You to:**
 - The U.S. Embassy for sponsoring HIP's visit to Poland
 - The Ashoka Poland team (Dr. Ryszard Praskier, Ewa Konczal, Anna Obem; www.Ashoka.pl) for organizing
 - Sebastian Straube of Young & Rubicam Brands (Poland) for co-organizing
 - All the meeting and conference hosts in Warszawa, Krakow and Zakopane

Inc. | 800ceoread

**Business Book
Bestseller List**

6 University Curricula

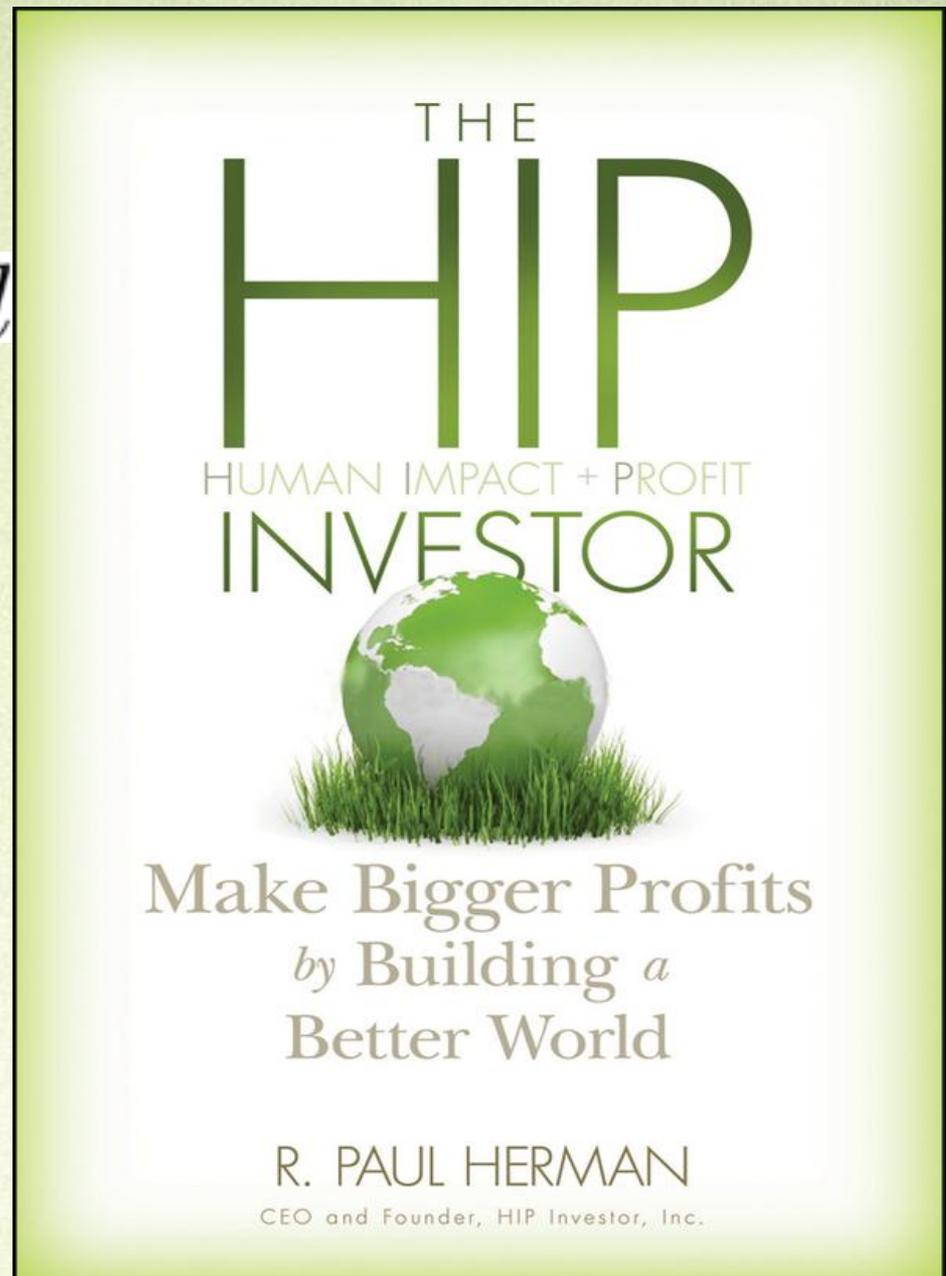
**50 Global Libraries
in 7 Countries**

***Published 2010
(John Wiley & Sons)***

****Amazon.com***

****BetterWorldBooks***

****Wiley.com***



Disclosure and Assumptions

The HIP Portfolio results represent the results of actual trading since inception by means of the application of a model, assuming a \$100,000 beginning portfolio. Client results may differ depending on the size of account, timing of trading and reinvestment of dividends. There are inherent limitations of showing composite portfolio performance based on model results. Unlike actual client-performance records (which can vary by client), model results cannot accurately reflect the effect of material economic or market factors on the price of the securities, and therefore, results may be over or under-stated due to the impact of these factors. Since model results do not represent actual client-specific trading and may not accurately reflect the impact of material economic and market factors, it is unknown what effect these factors might have had on HIP's decision making if HIP Investor were actually reporting client portfolios. During the period for which model results are shown, securities of U.S. companies have generally been rising, and the model returns are partly a function of this market environment. If this environment were to change materially, the model results portrayed by HIP would, in all likelihood, reflect results different from those portrayed.

The HIP 100 Portfolio and the S&P 100 indexed portfolio are actual net-of-fees results since inception of the model on 7/30/2009, including reinvested dividends and stock splits, and each deducts fees and trading costs quarterly based on a \$100,000 beginning balance at the inception date, as a client would have paid to HIP on a quarterly basis in advance for advisory fees and brokerage costs. During the period for which model results are shown, HIP has maintained the same investment strategies and advisory services as those that HIP offers to clients. There is potential for loss as well as for profits. It should not be assumed that the recommendations made in the future will be profitable or will equal the performance of the securities in the portfolio. The S&P index is shown as a general market indicator and is not available for direct investment. Tax consequences have not been considered. Investments are managed by HIP Investor Inc as the investment adviser via separately managed accounts at FOLIO or at Charles Schwab Institutional.

This is not an offer of securities. * Past results are not indicative of future performance.

HIP Investor Inc.: Advisor to Investors Seeking Human Impact + Profit thru HIP Portfolios & Indexes

HIP is a registered investment advisor, based in San Francisco, Calif.

1. Advise investors and companies on how to realize higher HIP Score: Human Impact + Profit



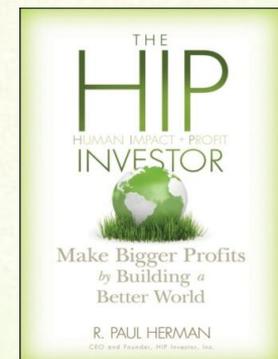
2. Operate investment indexes and investable portfolios

- HIP 100 Portfolio
- Global Sustainability 100 (QCRD)



3. Manage money for investors in HIP way

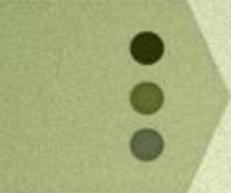
- Apply HIP across all asset classes: equities, bonds, commodities, venture capital, real estate and art





Pop Quiz:

What is
your company's
most important
ASSET?



Most important asset?

- A. Brand
- B. Ideas, patents
- C. People
- D. All of the above



If People Are Important:

Where are People on
the financial
statements?

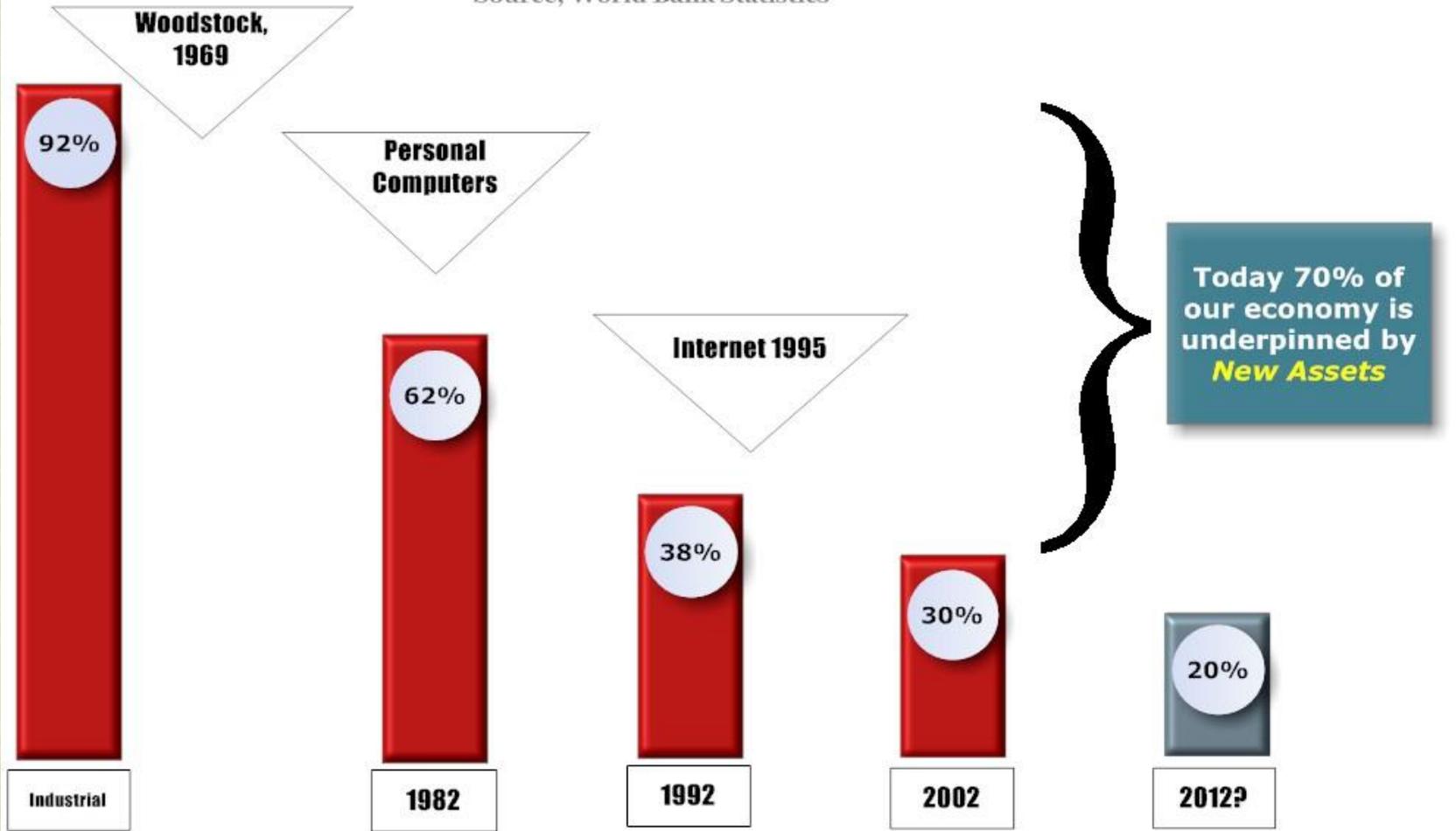
• *...where on financial statements?*

- A. Expense (on inc.stmt)
- B. Liability (on bal.sheet)
- C. Asset (as “goodwill”)
- D. All of the above

Value of “Tangible” Assets (Physical Plant) Is the Minority Share of Market Value

Tangible Assets: as a Proportion of *Total Market Capitalization*

Source, World Bank Statistics



Human resources valuation

A fundamental dichotomy in accounting practices is between human and non-human capital. As a standard practice, non-human capital is considered as assets and reported in the financial statements, whereas human capital is mostly ignored by accountants. The definition of wealth as a source of income inevitably leads to the recognition of human capital as one of the several forms of wealth such as money, securities and physical capital.

We have used the Lev & Schwartz model to compute the value of human resources. The evaluation is based on the present value of future earnings of employees and on the following assumptions :

- a) Employee compensation includes all direct and indirect benefits earned both in India and overseas
- b) The incremental earnings based on group / age have been considered
- c) The future earnings have been discounted at the cost of capital of 12.18% (previous year – 13.32%).

in Rs. crore, unless stated otherwise

	2009	2008
Employees (no.)		
Software professionals	97,349	85,013
Support	7,501	6,174
Total	1,04,850	91,187
Value of human resources		
Software professionals	95,600	92,331
Support	6,533	6,490
Total	102,133	98,821
Total income	21,693	16,692
Total employee cost	11,405	8,878
Value-added	19,073	14,820
Net profits excluding exceptional items	5,988	4,659
Ratios		
Value of human resources per employee	0.97	1.08
Total income / human resources value (ratio)	0.21	0.17
Employee cost / human resources value (%)	11.2	9.0
Value-added / human resources value (ratio)	0.19	0.15
Return on human resources value (%)	5.9	4.7

FORTUNE

**THE 100 BEST
COMPANIES
TO WORK
FOR!**
:]

PERKS. FLEXTIME.
OPPORTUNITIES.
GREAT BENEFITS.
HEALTH CARE.
WHO HAS THE BEST
OF EVERYTHING?

||||||| PLUS
**96,270
JOBS**
WAITING TO
BE FILLED
RIGHT NOW



FEBRUARY 8, 2011
FORTUNE.COM

http://money.cnn.com/magazines/fortune/bestcompanies/2011/full_list/

Wharton Professor Alex Edmans' Published Academic Analysis

“Does the Stock Market Fully Value Intangibles?”

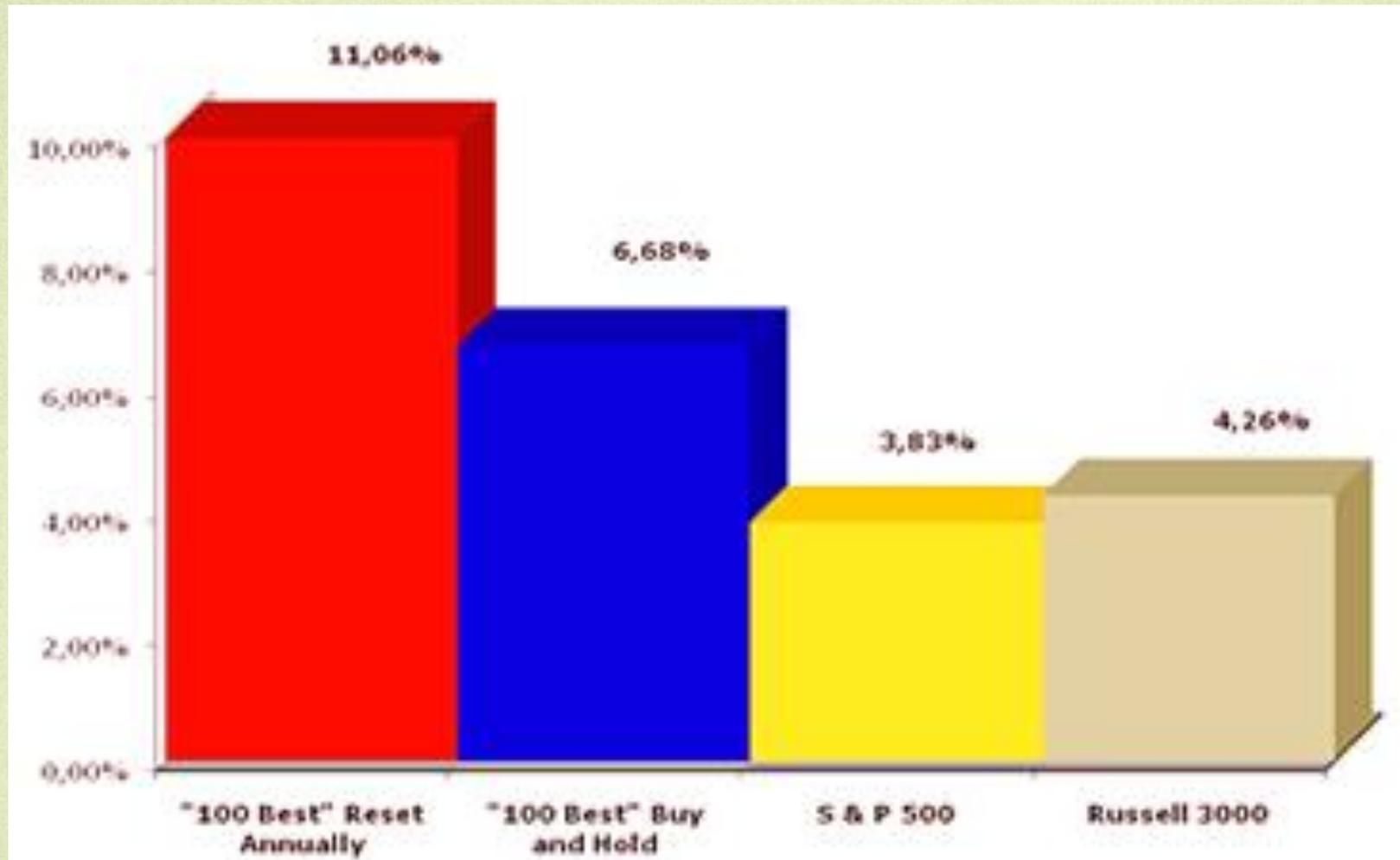
**** * ****

Employee Satisfaction and Equity Prices”



<http://fic.wharton.upenn.edu/fic/papers/09/0917.pdf>

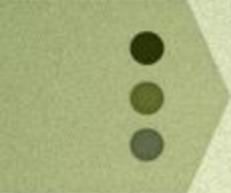
Investing in “100 Best” Companies to Work For Can Be Financially Attractive (1998-2010)



Source: [Russell](#) Investment Group, via
© Great Places To Work® Institute
1998-2010, **ANNUALIZED RETURNS**

Conclusions of Wharton Prof. Edmans on Intangible Value and Employee Capital

- “A value-weighted portfolio of the “100 Best Companies to Work For in America” earned an annual four-factor alpha of 3.5% from 1984-2009, and 2.1% above industry benchmarks.
- The Best Companies also exhibited **significantly more positive earnings surprises and announcement returns**:
 - **1. Employee satisfaction is positively correlated with shareholder returns.**
 - **2. The stock market does not fully value intangibles.**
 - **3. Certain socially responsible investing (“SRI”) screens may improve investment returns.**



Safety Metrics in Petroleum Industry

- **“Willful and Egregious Safety Violations”**
tracked by OSHA (USA) ...

Safety Metrics in Petroleum Industry

- **“Willful and Egregious Safety Violations”** tracked by OSHA (USA) ...
- ...but NOT reported by companies (3 years)
 - Exxon Mobil 1

Safety Metrics in Petroleum Industry

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- ...but NOT reported by companies (3 years)
 - Exxon Mobil 1
 - Conoco Philips 8

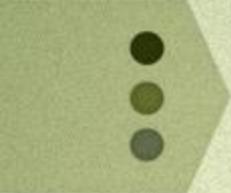
Safety Metrics in Petroleum Industry

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 - Exxon Mobil 1
 - Conoco Philips 8
 - BP 760

Safety Metrics in Petroleum Industry

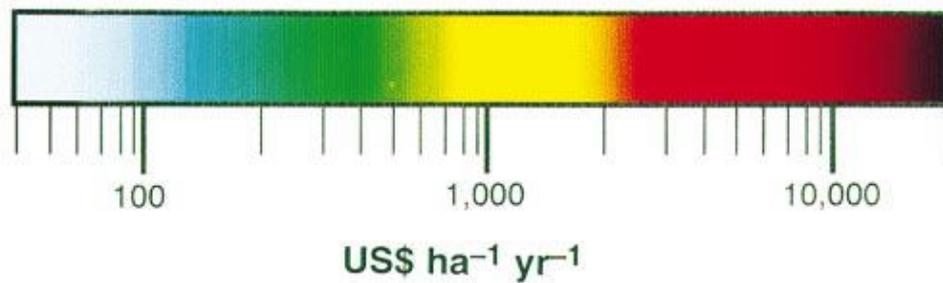
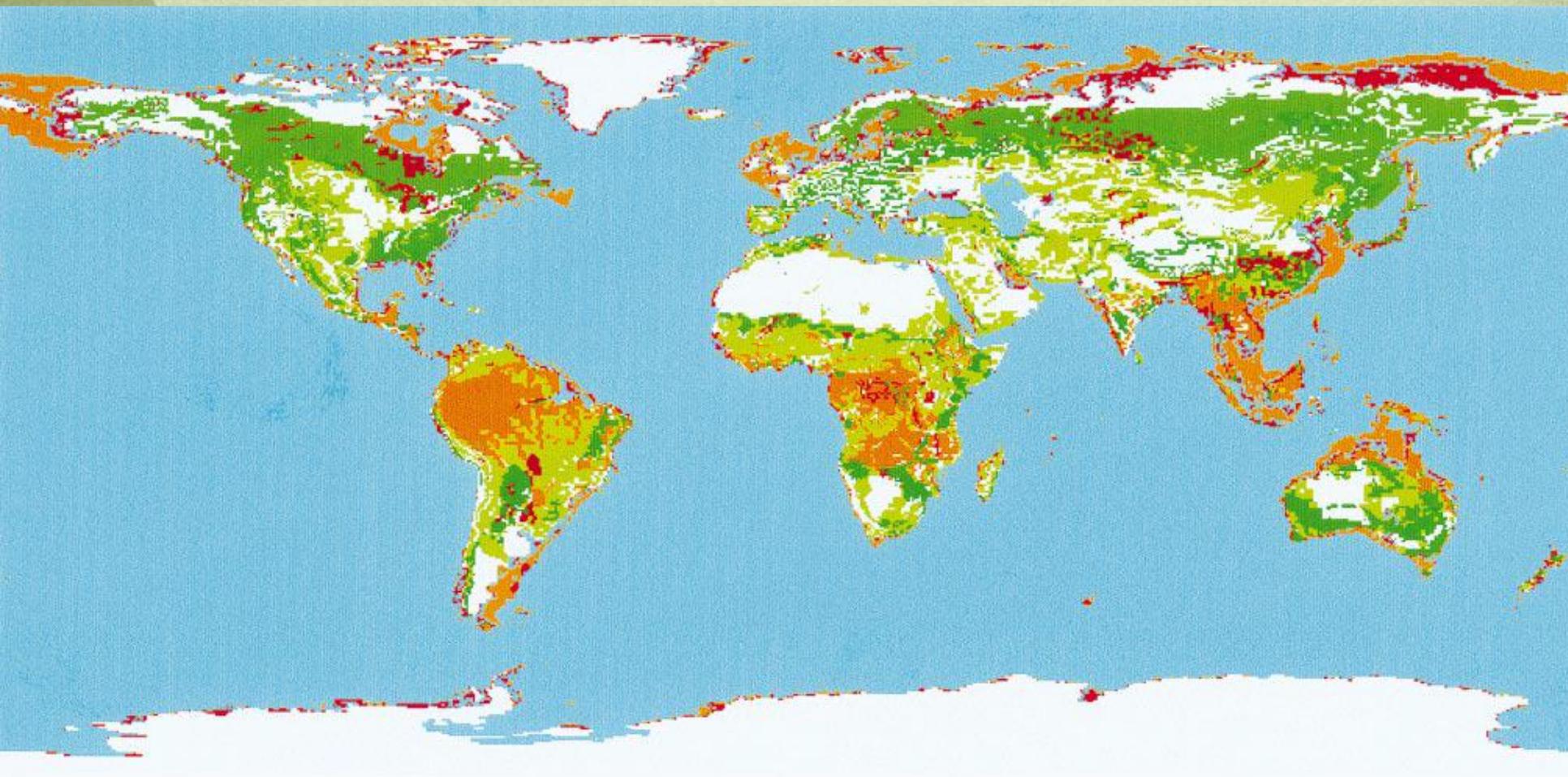
- **“Willful and Egregious Safety Violations”** tracked by OSHA (USA) ...
- ...but NOT reported by companies (3 years)
 - Exxon Mobil 1
 - Conoco Philips 8
 - BP 760
- After Gulf explosion and gusher, lost 40% of market value; and canceled dividend

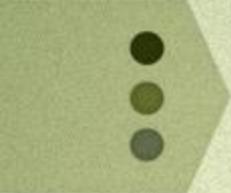
<http://abcnews.go.com/WN/bps-dismal-safety-record/story?id=10763042>



Examples of EcoServices Provided by Nature

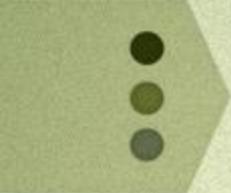
1. Gas regulation
2. Climate regulation
3. Disturbance regulation
4. Water regulation
5. Water supply
6. Erosion control
7. Soil formation
8. Nutrient cycling
9. Waste treatment
10. Pollination
11. Biological control
12. Refugia
13. Food production
14. Raw materials
15. Genetic resources
16. Recreation
17. Cultural





In 1997, the Value of Eco-Services Was Estimated at \$33 Trillion Per Year

- For the entire biosphere of **17 ecosystem services for 16 biomes**, the value (most of which is outside the market) is estimated to be in the range of US\$16–54 trillion/year:
 - An average value of **US\$33 trillion per year**.
 - Global gross domestic product (GDP) total was around **US\$18 trillion per year**.
- **Almost 2 USD of “free” eco-services for every 1 USD of GDP**



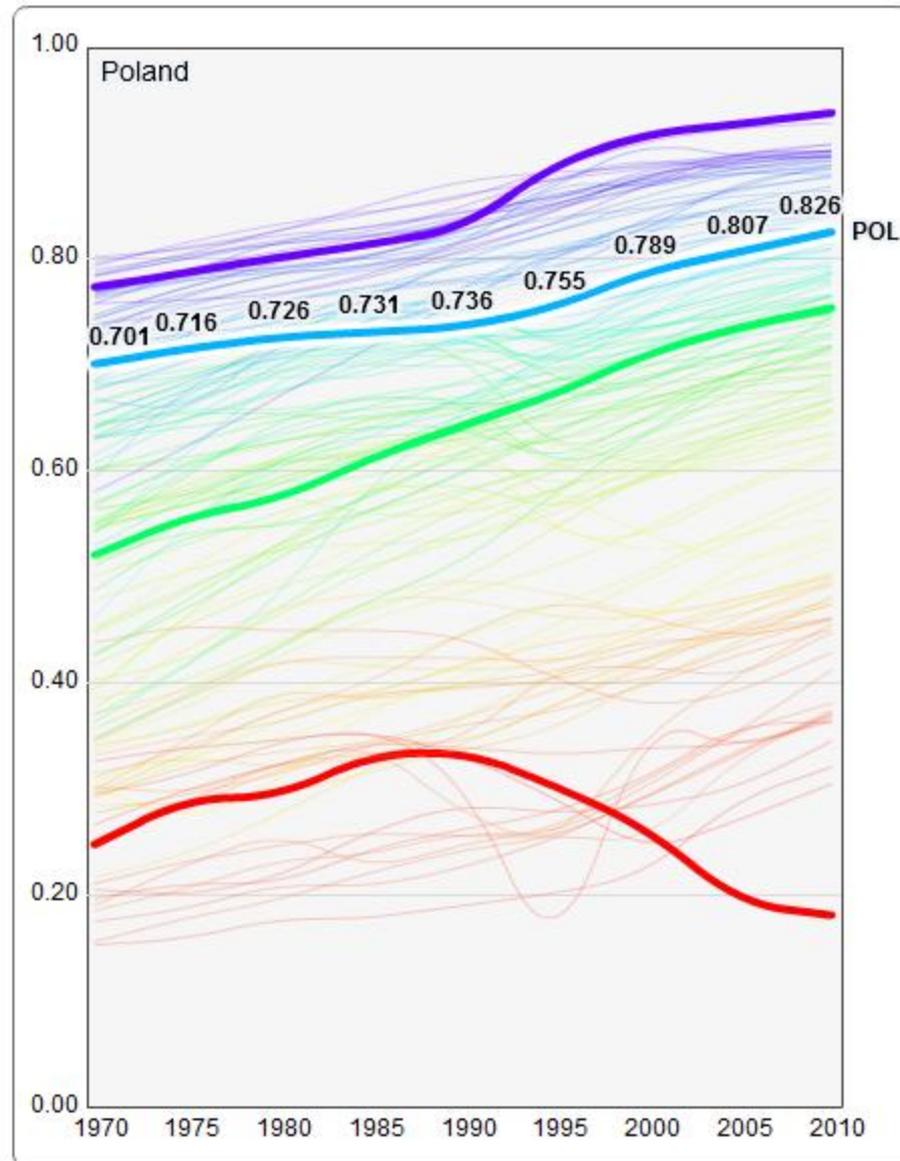
United Nations Human Development Index: A Scorecard for Countries

- Measures 3 categories of metrics
 - Economic
 - Social
 - Environmental
- Rates nearly all countries in the world
 - Top rated: Norway, Australia, New Zealand, US, Ireland
 - Bottom: Zimbabwe, Congo, Niger

Select: Hybrid: HDI value On

Show: All countries 👁

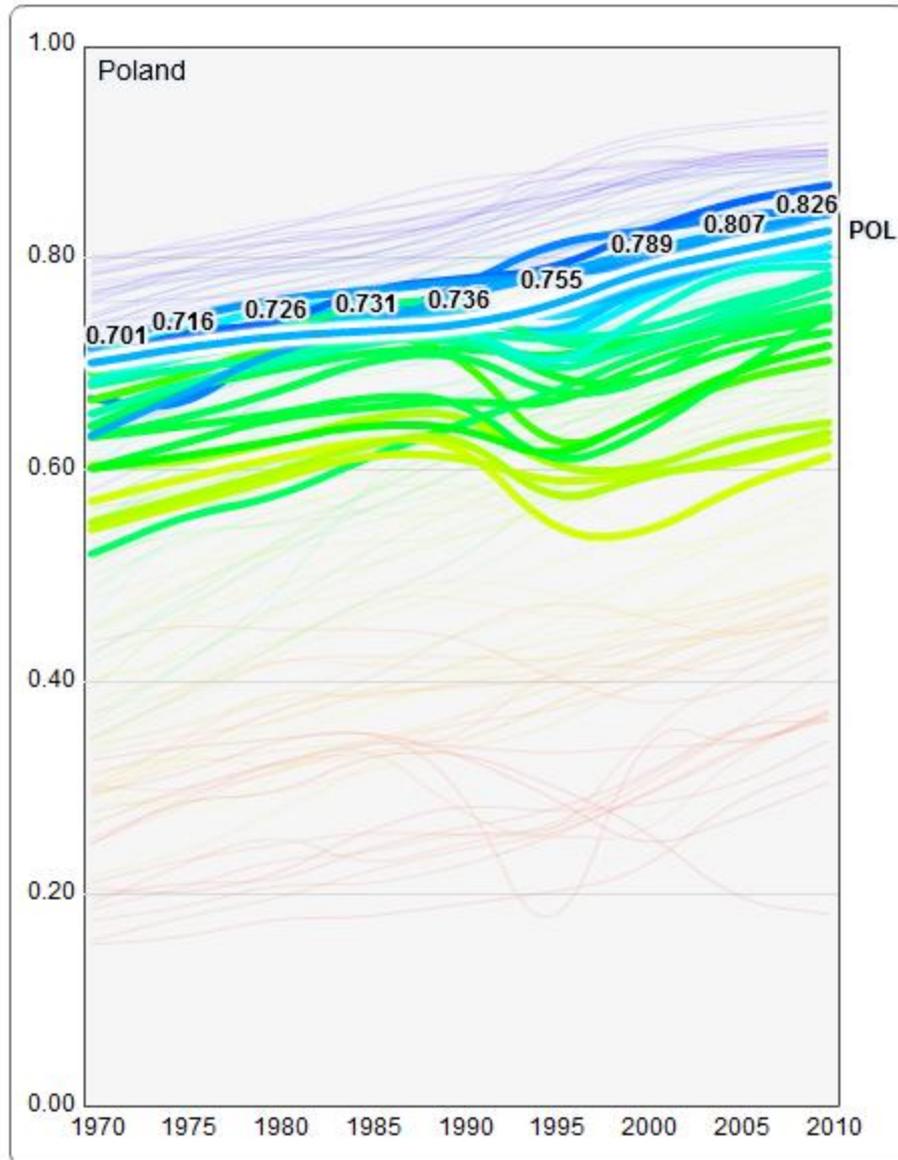
<input type="checkbox"/>	Country	Rank	Index
<input checked="" type="checkbox"/>	Poland	35	0.826
<input type="checkbox"/>	Portugal	28	0.855
<input type="checkbox"/>	Qatar	31	0.842
<input type="checkbox"/>	Romania	51	0.785
<input type="checkbox"/>	Russian Federation	58	0.766
<input type="checkbox"/>	Rwanda	120	0.456
<input type="checkbox"/>	Samoa	82	0.691
<input type="checkbox"/>	Saudi Arabia	45	0.797
<input type="checkbox"/>	Senegal	121	0.450
<input type="checkbox"/>	Slovakia	36	0.822
<input type="checkbox"/>	Slovenia	25	0.869
<input type="checkbox"/>	Spain	15	0.897
<input type="checkbox"/>	Sudan	114	0.475
<input type="checkbox"/>	Swaziland	104	0.536
<input type="checkbox"/>	Sweden	14	0.897
<input type="checkbox"/>	Switzerland	10	0.900
<input type="checkbox"/>	Tajikistan	99	0.613
<input type="checkbox"/>	The former Yugoslav Republic of	65	0.749



Select: Hybrid: HDI value On

Show: Europe and Central Asia (RB) 👁

<input checked="" type="checkbox"/>	Country	Rank (Regional / Global)	Index
<input checked="" type="checkbox"/>	Slovenia	1 / 25	0.869
<input checked="" type="checkbox"/>	Cyprus	2 / 29	0.847
<input checked="" type="checkbox"/>	Czech Republic	3 / 32	0.841
<input checked="" type="checkbox"/>	Malta	4 / 34	0.831
<input checked="" type="checkbox"/>	Poland	5 / 35	0.826
<input checked="" type="checkbox"/>	Slovakia	6 / 36	0.822
<input checked="" type="checkbox"/>	Hungary	7 / 37	0.820
<input checked="" type="checkbox"/>	Estonia	8 / 38	0.818
<input checked="" type="checkbox"/>	Croatia	9 / 42	0.810
<input checked="" type="checkbox"/>	Lithuania	10 / 44	0.802
<input checked="" type="checkbox"/>	Latvia	11 / 47	0.792
<input checked="" type="checkbox"/>	Romania	12 / 51	0.785
<input checked="" type="checkbox"/>	Bulgaria	13 / 53	0.780
<input checked="" type="checkbox"/>	Belarus	14 / 54	0.777
<input checked="" type="checkbox"/>	Russian Federation	15 / 58	0.766
<input checked="" type="checkbox"/>	Turkey	16 / 62	0.754
<input checked="" type="checkbox"/>	Kazakhstan	17 / 64	0.750
<input checked="" type="checkbox"/>	The former Yugoslav Republic of	18 / 65	0.749



Customers and Investors Want to Buy and Invest for Good

CUSTOMERS

65% want to “do good”
by BUYING

49% DON'T buy if
not good

38% tell a friend

INVESTORS

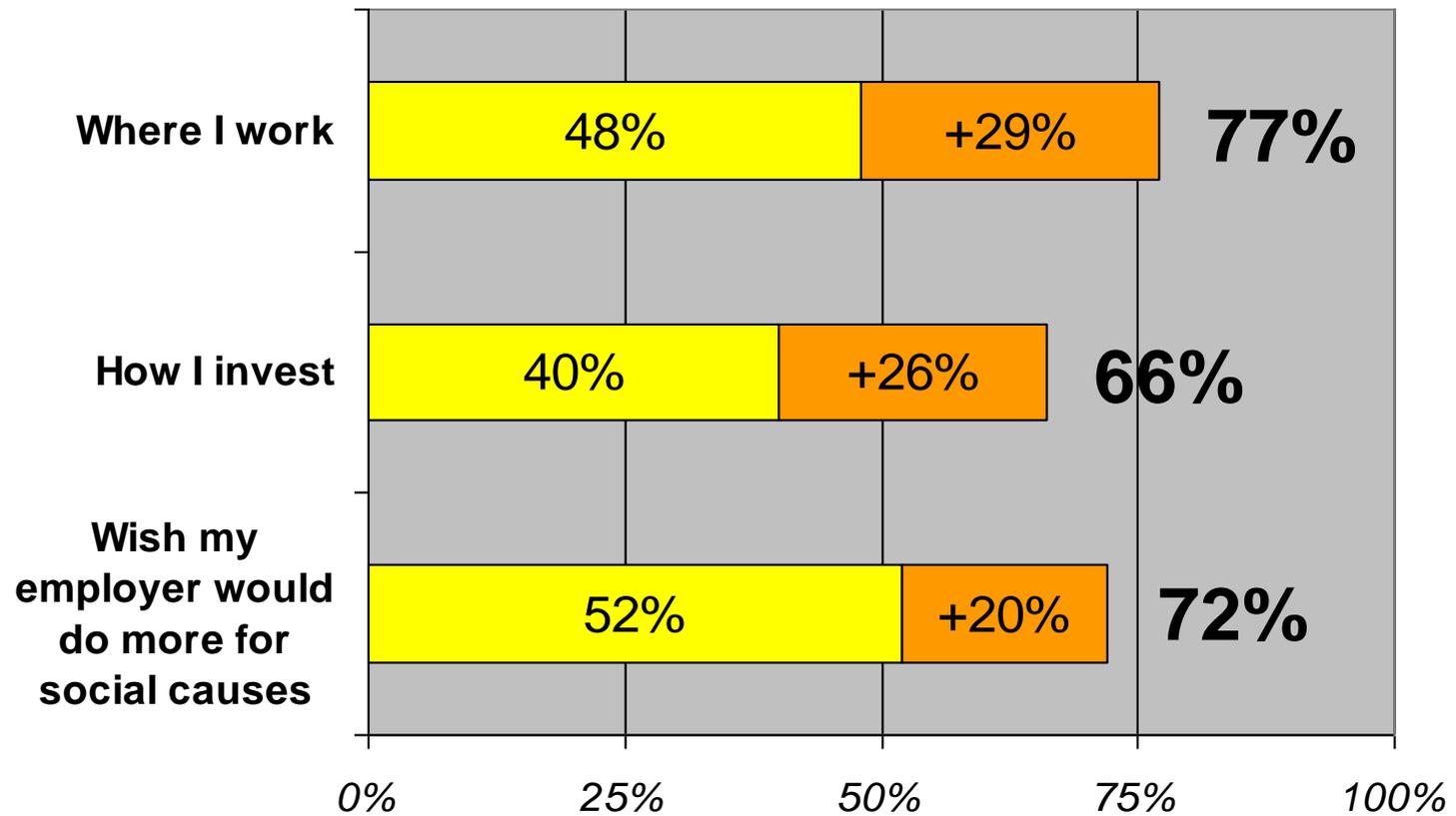
66% see “doing good”
as positive indicator

19% REFUSE to invest
if firms not “doing good”

Source: Cone survey of 4000+ consumers, 2007-2008

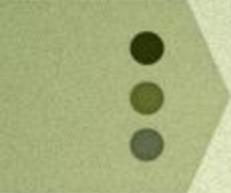
3 in 4 Employees Want to “Do Good” and Looking to Employers for Purpose

“Commitment to social issues” is a major factor for Americans deciding...



Source: ConeCause survey of 1096 consumers in 2001, 2004 and 2007

■ 2001/04 survey ■ 2007 survey



RESPECT Index in Poland

- **Responsibility**
- **Ecology**
- **Sustainability**
- **Participation**
- **Environment**
- **Community**
- **Transparency**

I. Liquidity

II. Governance + Transparency

III. Responsibility

http://www.odpowiedzialni.gpw.pl/pub/ankietaRESPECT_2011_IIIEdycja.pdf

- **Strategy and organization management:**
 - policy, reporting and management of CSR area
 - organization management // ethical culture
 - requirements vis-à-vis suppliers and contractors // dialogue with stakeholders
- **Environmental factors:**
 - environmental management
 - reduction of raw material and material consumption
 - reduction of energy and water consumption
 - waste management // environmental fines
- **HR policy and relations with workers:**
 - personnel policy, employee evaluations, surveying of employee sentiment
 - industrial accidents and sick absenteeism
 - activities targeted at employees // related fines
- **Market and customers:**
 - customer complaints and requests // personal data protection
 - product design vs. safety of users / natural environment
 - advertising ethics // related fines

RESPECT Index – Companies in Poland

- KGHM
- PKNORLEN
- TPSA
- PGNIG
- BRE
- BOGDANKA
- HANDLOWY
- LOTOS
- INGBSK
- MILLENIUM
- SWIECE
- BUDIMEX
- ELBUDOWA
- AZOTYTARNOW
- BARLINEK



WARSAW STOCK EXCHANGE

About us Quotations

6.62 0.46% TPS 18.20

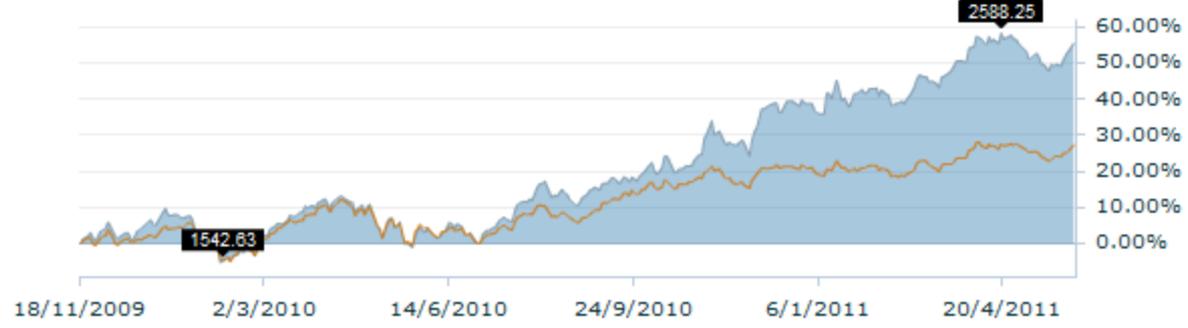
You are here: Home Page - GPW

- Market Data
 - Market data services
 - Value added data and indicators
 - Analysis and Statistics
- Market Indices
 - Quotations
 - Index composition
 - Communiques
 - Index Committee
 - Licences
 - Benchmarks

RESPECT

RESPECT vs WIG
Date: ---,---,---

Open: ---,---,--- Low: ---,---,---
Close: ---,---,--- High: ---,---,---



From: 18.11.09 to: 30.05.11



Chart form: line candlestick bars Interval: 1M

Scale: linear log

Compare with: WIG

advanced
My WSE

1.87% GTN 13.85 -1.07

Cumulated Value (thous PLN)	
	146 558.10
	160 072.03
	10 036.83
	53.06
	421 613.44
	73 422.18
	0.49
	998 262.21
	170 667.81
	8 974.80
	8 340.84

RESPECT Index Outperforms in 2009 and 2010

Historyczne wartości RESPECT Index/RESPECT Index historical values

Data/Date	Wartość zamknięcia/Closing value	
	RESPECT Index	WIG
12/31/2008	1,000.00	27,228.64
12/31/2009	1,709.36	39,985.99
12/31/2010	2,588.25	47,489.91
6/3/2011	2,499.64	49,638.88
2009	71%	47%
2010	51%	19%
2011	-3%	5%

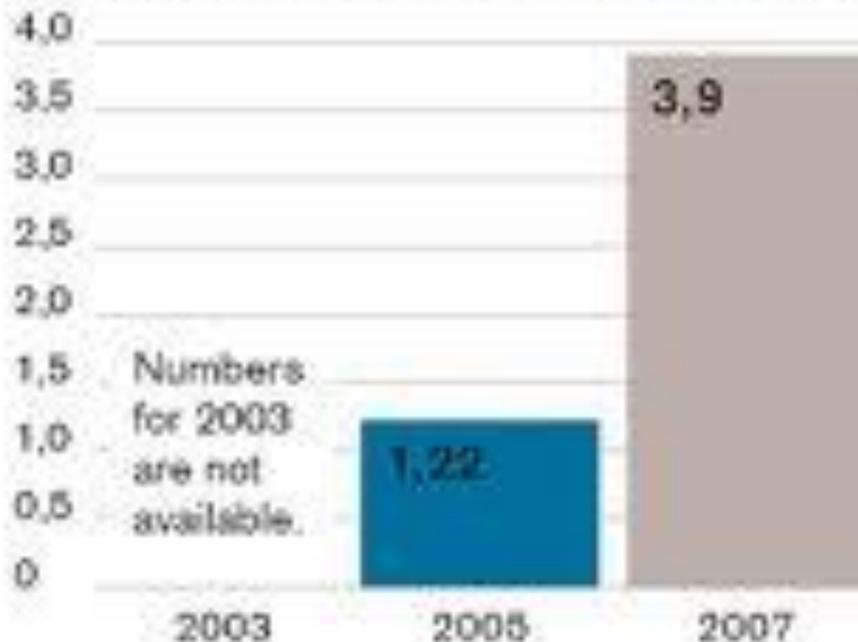
Companies in Europe (2002-2009) Are Increasingly Reporting Sustainability Information

OMX Helsinki Exchange 25	Europe	Finland	25	72%	72%	84%	108%	112%	112%	112%	120%
Swiss Market Index	Europe	Switzerland	20	125%	125%	125%	130%	130%	130%	125%	115%
FTSE Milan Italia Borsa	Europe	Italy	40	60%	68%	88%	105%	105%	113%	118%	108%
FTSE 100	Europe	UK	100	60%	61%	91%	110%	110%	113%	112%	107%
Iberian Index 35	Europe	Spain	35	66%	66%	103%	117%	120%	126%	120%	103%
Københavns Fondsbørs Index	Europe	Denmark	20	55%	60%	75%	90%	90%	105%	105%	100%
Deutscher Aktien Index	Europe	Germany	30	90%	93%	97%	103%	103%	100%	100%	97%
Brussels Stock Exchange BEL20	Europe	Belgium	20	65%	65%	75%	90%	90%	85%	90%	95%
Cotation Assistée en Continu 40	Europe	France	40	80%	80%	85%	98%	98%	100%	95%	95%
Oslo Børs Index 25	Europe	Norway	25	52%	52%	80%	92%	96%	96%	92%	92%
FTSE Athens Stock Exchange 20	Europe	Greece	20	65%	65%	80%	95%	95%	95%	100%	90%
Austrian Traded Index	Europe	Austria	20	40%	40%	55%	75%	75%	90%	90%	85%
FTSE 350	Europe	UK	350	27%	28%	70%	82%	82%	83%	82%	83%
FTSE MidCap 250	Europe	UK	250	16%	16%	62%	72%	72%	73%	72%	78%
Oslo Market Nordic 40	Europe	Scandinavia	40	55%	55%	63%	75%	75%	78%	78%	78%
Irish Stock Exchange 20	Europe	Ireland	20	45%	45%	50%	85%	85%	80%	85%	75%
Société des Bourses Françaises 120	Europe	France	120	40%	40%	53%	64%	66%	72%	73%	71%
Portuguese Stock Index 20	Europe	Portugal	20	30%	30%	30%	55%	60%	60%	60%	55%
H- Deutscher Aktien Index	Europe	Germany	110	34%	34%	45%	50%	50%	51%	54%	48%
FTSE Actuaries All-Share Index	Europe	UK	600	16%	16%	41%	48%	48%	46%	45%	47%
Luxembourg Index	Europe	Luxembourg	11	18%	18%	27%	36%	36%	27%	36%	36%
Société des Bourses Françaises 250	Europe	France	250	19%	19%	26%	31%	32%	36%	36%	36%
Warsaw Stock Exchange 20	Europe	Poland	20	0%	0%	0%	0%	0%	5%	35%	30%
Amsterdam Eurolist Index	Europe	Netherlands	123	17%	17%	20%	24%	24%	21%	20%	20%
Cyprus Stock Exchange FTSE/CYSE20	Europe	Cyprus	20	0%	0%	0%	0%	0%	0%	0%	5%

Investing for Impact (\$Tril) Is Growing in Europe and USA

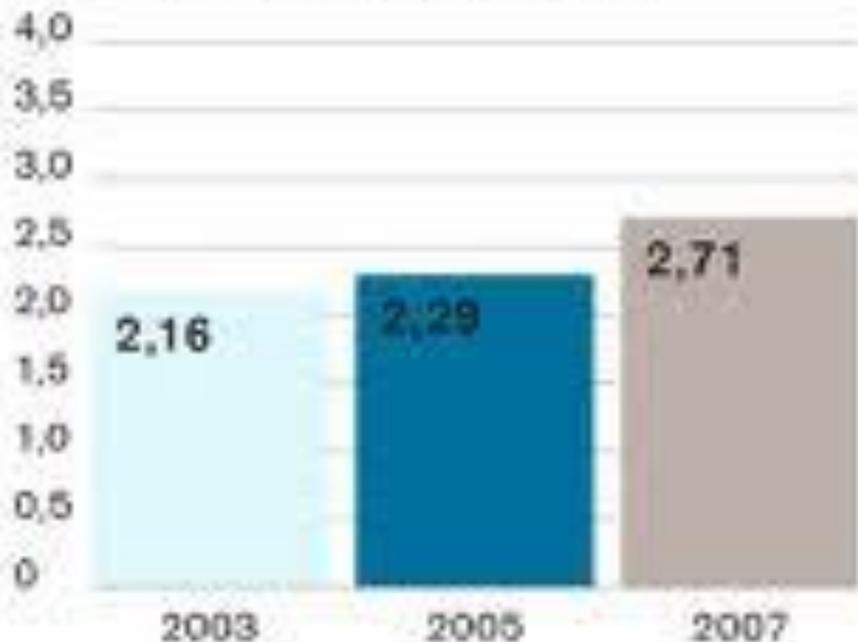
Europe

(Source: Eurosif European SRI Survey, 2008)



USA

(Source: Social Investment Forum)



Innovators Using “Positive” Criteria Targeting Human Impact and Seeking Link to Profit

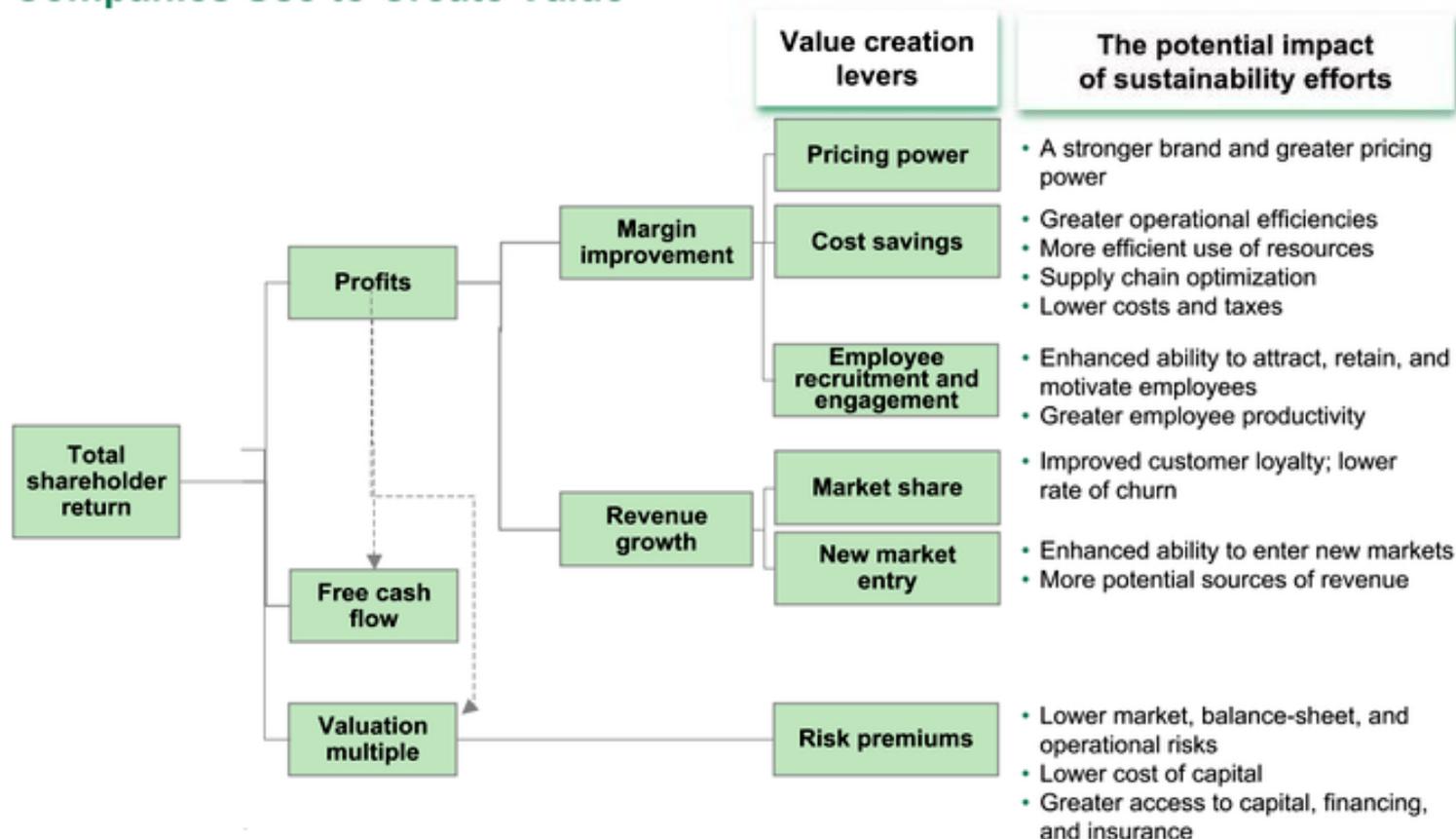
- 2000 **Innovest** - Carbon “beta” (now MSCI)
- 2001 **Portfolio 21** – mutual fund ([PORTX](#))
- 2005 **Generation Inv. Mgt.** - [Sustainable investing](#)
- 2005 **Carbon Disclosure Project** ([CDP](#)) - reporting
- 2006 **Goldman Sachs** - “[GS SUSTAIN](#)” portfolios
- 2006 **HIP Investor** – Multi-asset portfolios; [HIP100](#)

Sustainable Performance Impacts

Drivers of Shareholder Value

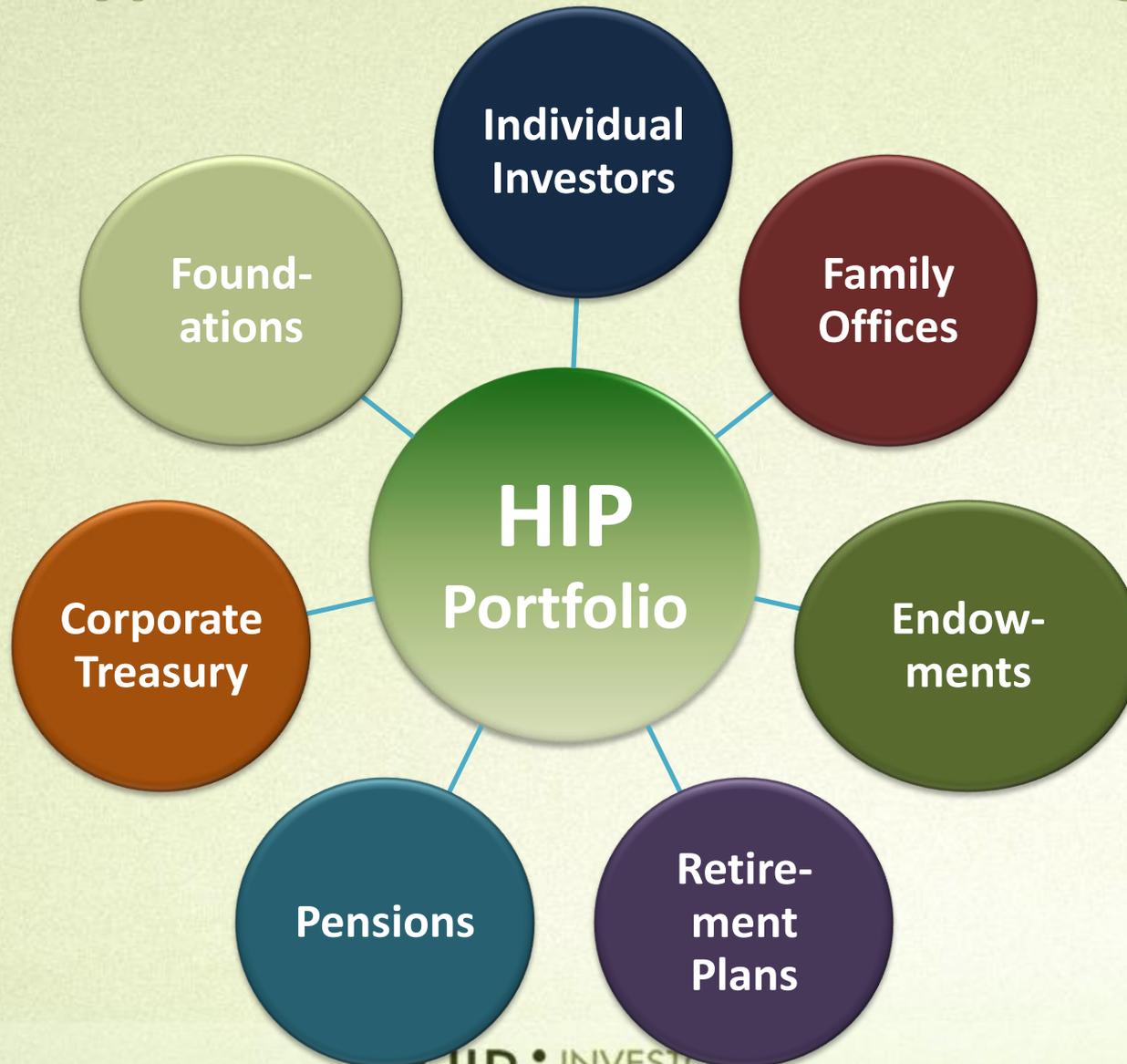
A recent study by Boston Consulting Group and MIT Sloan Management Review discusses how sustainability is changing the competitive landscape and reshaping the opportunities and threats that companies face.

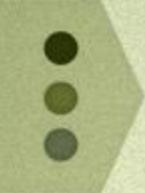
Exhibit 5. Sustainability Efforts Could Influence All the Levers That Companies Use to Create Value



Sources: The Sustainability Initiative 2009 Survey, BCG and MIT Sloan Management Review; interviews with thought leaders.

All Types of Investors Are Seeking Impact





Impact-Focused Investors Are Large and Increasing



\$26.5 Trillion of AUM will be ESG Screened (by 2015)



11-15% of Global Assets use ESG metrics



PRI Signatories tops 800 = \$20 Trillion AUM (9.15.10)

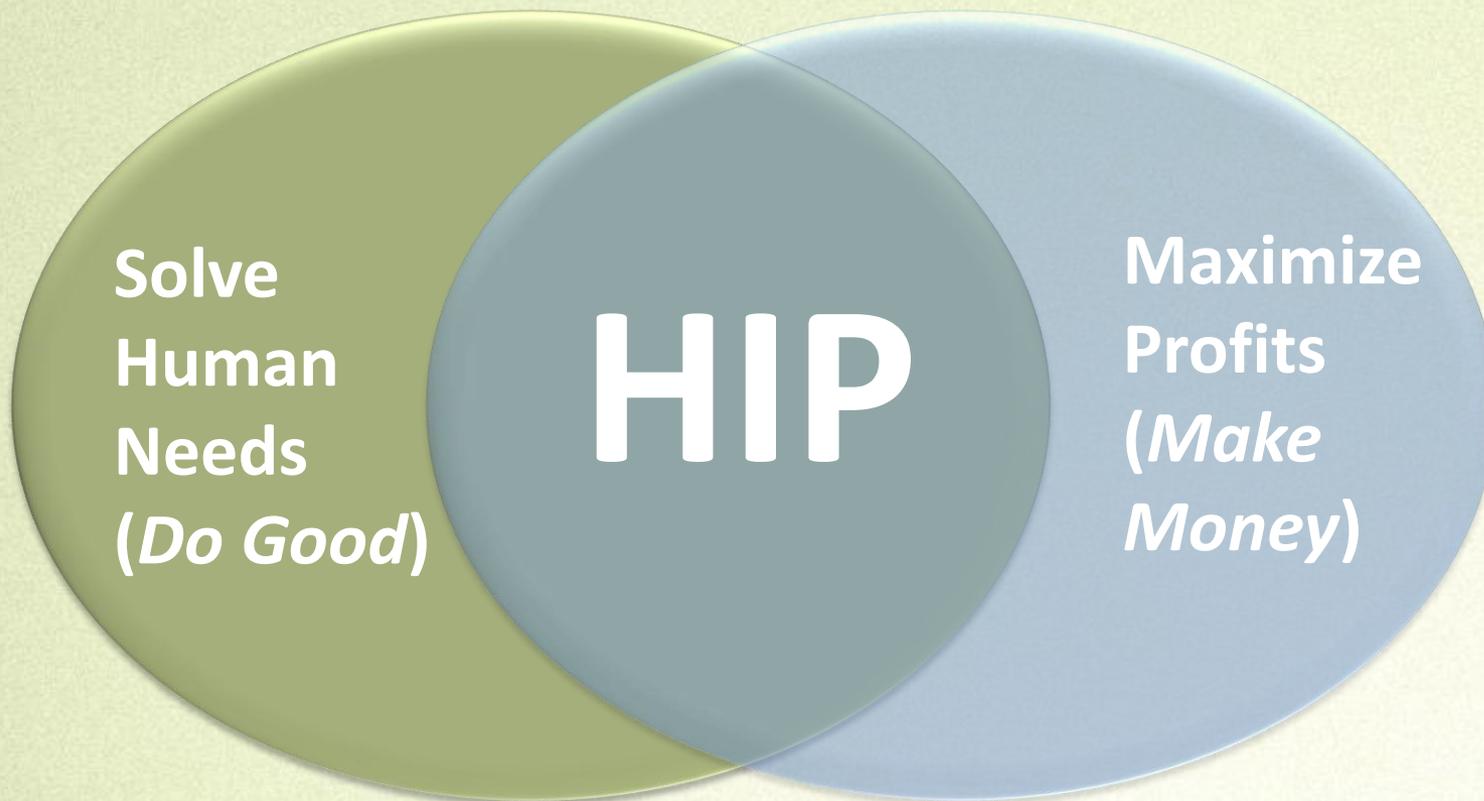


Carbon Disclosure Project – 534 Investors = \$64 Trillion in AUM

Source: Robeco/Booz



HIP = Human Impact + Profit



HIP's 5 Dimensions of Measurable Impact Can Lead to Sustainable, Profitable Growth

HIP companies innovate to answer five human needs:

Which can result in sustainable, profitable growth for all stakeholders:





Always Ask: “HOW HIP IS IT?”

- What **human need** does this solve?

- How do you design for both **Human Impact + Profit?**

- What **management practices** are in place to be HIP?

First, We Evaluate How Value is Created

1 Research The Products

Company	Categories	HIP Revenue share
GE	EcoMagination http://www.ecomagination.com/	80 products, \$17 Billion Equals about 10% global revenue in 2008
Pepsi Co	Good for You Better for You Fun for You	30% Good and Better for You <i>e.g. Tropicana Orange Juice, Quaker Oats</i>
Campbell's Soup	Lower sodium (less than 460mg) Lessened sodium High sodium per serving (780mg)	Goal for FY 2010 is: 20% ...30% ...50%

1) Health: Clean Doesn't Smell

Clorox GreenWorks + Sierra Club

Solves Human Problem:

- * Non-allergenic (health)
- * Affordable, small premium (wealth)
- * Eco-stable cleaner (earth)

Delivers Environmental Benefit:

- * Meets EPA “design for environment” (DfE) standards
- * Biodegradable = 100% renewable

Profitable for Investors:

- + **42%** category market share
- + **\$200 million** annual sales
- + Doubled the category size since Dec. 2007 launch



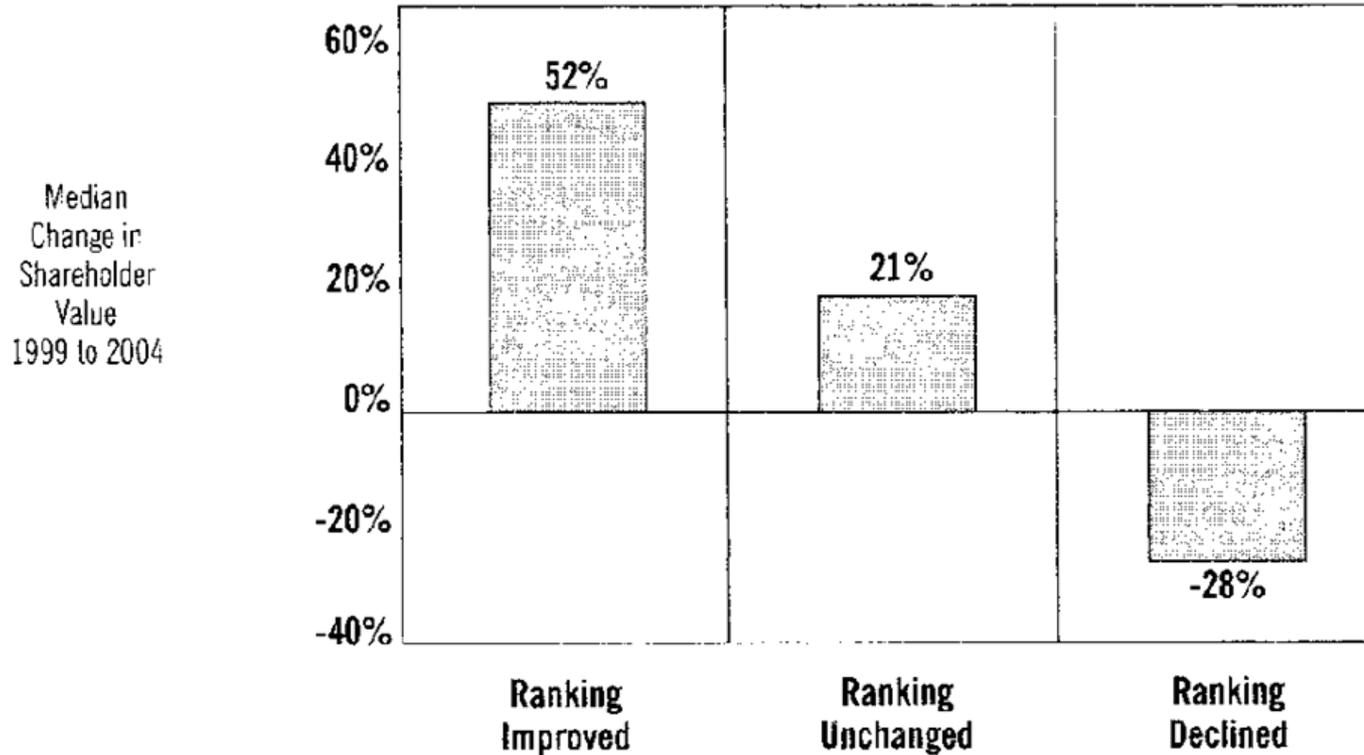
Next, We Run the Numbers on Human Impact

2 Quantification Of the Metrics

HIP Dimension	Sample HIP metrics	How It Drives Profit
Health	Customer and Employee Satisfaction Access to health care and wellness	Higher revenue, more referrals Increased retention, and focus
Wealth	Total compensation matching CEO pay to worker pay	Boosted loyalty, longer-term staff More to invest in the business
Earth	Greenhouse Gas Emissions (GHG) Waste reduction and re-use	Reduced fuel intensity, value of credits Lower costs, lessened risk
Equality	Board diversity Supplier diversity	More risk-conscious decisions Stable supply base ensures deliveries
Trust	Legal exposure Certifications	Reduced liabilities today & future Systematic process keeps costs lower

Customer Satisfaction Drives Shareholder Value

RELATIONSHIP BETWEEN CUSTOMER SATISFACTION AND SHAREHOLDER VALUE



Change in Customer Satisfaction Ranking (1999 to 2004)

Rankings that did not improve or decline by at least 10 percentile points were considered unchanged.

Customer Satisfaction Can Drive Sales Higher – or Lower

RELATIONSHIP BETWEEN VEHICLE OWNER SATISFACTION AND SALES

Low Satisfaction

Daewoo
Dodge
Ford
Hyundai
Isuzu
Jeep
Kia
Land Rover
Mitsubishi
Plymouth
Pontiac
Suzuki
Volkswagen

Mid Satisfaction

Chevrolet
Chrysler
GMC
Jaguar
Mazda
Mercedes
Mercury
Nissan
Oldsmobile
Saab
Saturn
Volvo

High Satisfaction

Acura
Audi
BMW
Buick
Cadillac
Honda
Infiniti
Lexus
Lincoln
Porsche
Subaru
Toyota

-4%

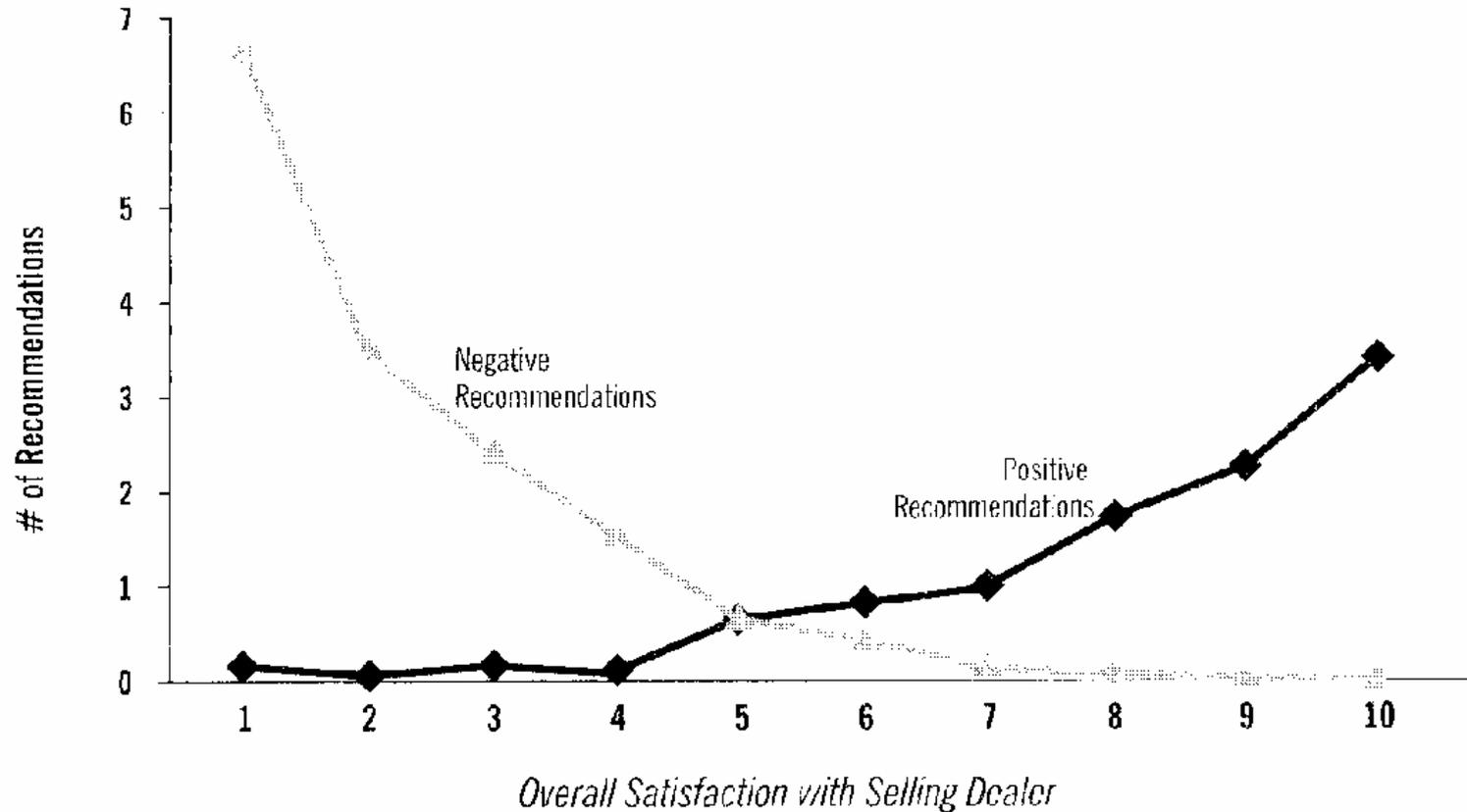
+24%

+44%

Change in Sales, 1998 to 2003

Satisfaction Drives Positive Recommendations and Potential Higher Revenue

AVERAGE NUMBER OF DEALER RECOMMENDATIONS BY SATISFACTION WITH DEALER



Source: J.D. Power and Associates' 2004 Sales Satisfaction Index Study.™

Green Real Estate Can Deliver High Financial ROI

Financial Benefits of Green Buildings Summary of Findings (per square feet)

Category	20-year Net Present Value
Energy Savings	\$5.80
Emissions Savings	\$1.20
Water Savings	\$0.50
Operations and Maintenance Savings	\$8.50
Productivity and Health Value	\$36.90 to \$55.30
Subtotal	\$52.90 to \$71.20
Average Extra Cost of Building Green	(-\$3.00 to -\$5.00)
Total 20-year Net Benefit	\$49.90 to \$66.30

Lower Carbon = \$\$\$

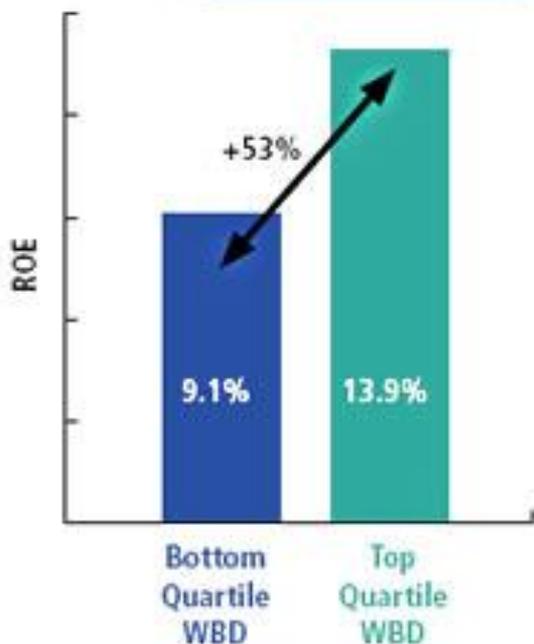
Human Impact = \$\$\$

Source: Capital E Analysis
www.cap-e.com

More Women on Board Can Deliver Outperformance (ROE, ROS, ROIC)

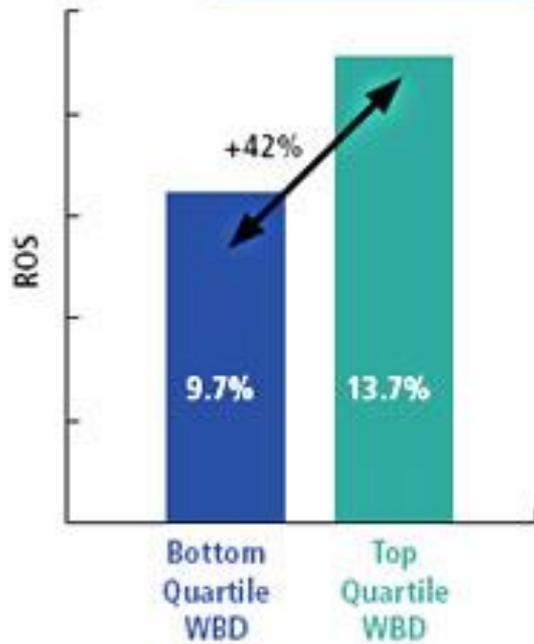
Return on Equity³ by Women's Representation on the Board

Companies with more WBD outperform those with the least by 53%



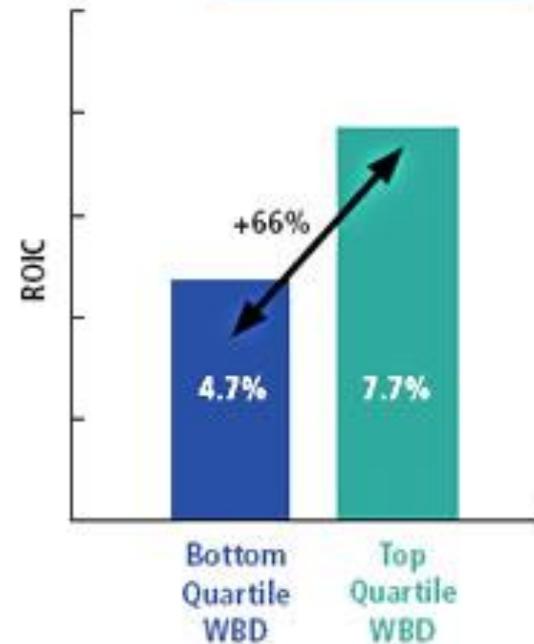
Return on Sales⁴ by Women's Representation on the Board

Companies with more WBD outperform those with the least by 42%



Return on Invested Capital⁵ by Women's Representation on the Board

Companies with more WBD outperform those with the least by 66%



<http://www.catalyst.org/publication/200/the-bottom-line-corporate-performance-and-womens-representation-on-boards>

Strong Decision Systems Embed Sustainability

3 Interview for Management Practices

Mgmt Systems	Leading HIP examples	Leading Firms
Vision	50% by 2015 Zero by 2020	AMD Interface
Measures	10-point balanced scorecard	PG&E, H-P, McDonald's, SBUX, Alcoa
Financials	10% or more of revenue \$400mm cost savings +2% more; 40% less energy Solar tax credits	GE, Pepsi, Campbell's Interface Liberty Property Trust Walgreens
Accountability	Board committees; Performance targets for VPs, managers, staff	GE, Chevron, Intel Corp., Herman Miller
Decision Making	Approval / integration of new product design	United Technologies Alcoa

All Three Categories Are Integrated Together
To Calculate a Weighted HIP Score

4 Scoring The Company

HIP Category	Portfolio Weights (total 100%)	Hypothetical HIP Results	Overall HIP Score
<i>Product</i>	15% x (multiplied by)	10% =	1.5%
<i>Human Impact</i>	60% x	50% =	30%
<i>Management Practices</i>	25% x	(20 of 25, or) 80% =	20%
		Overall HIP score =	51.5%

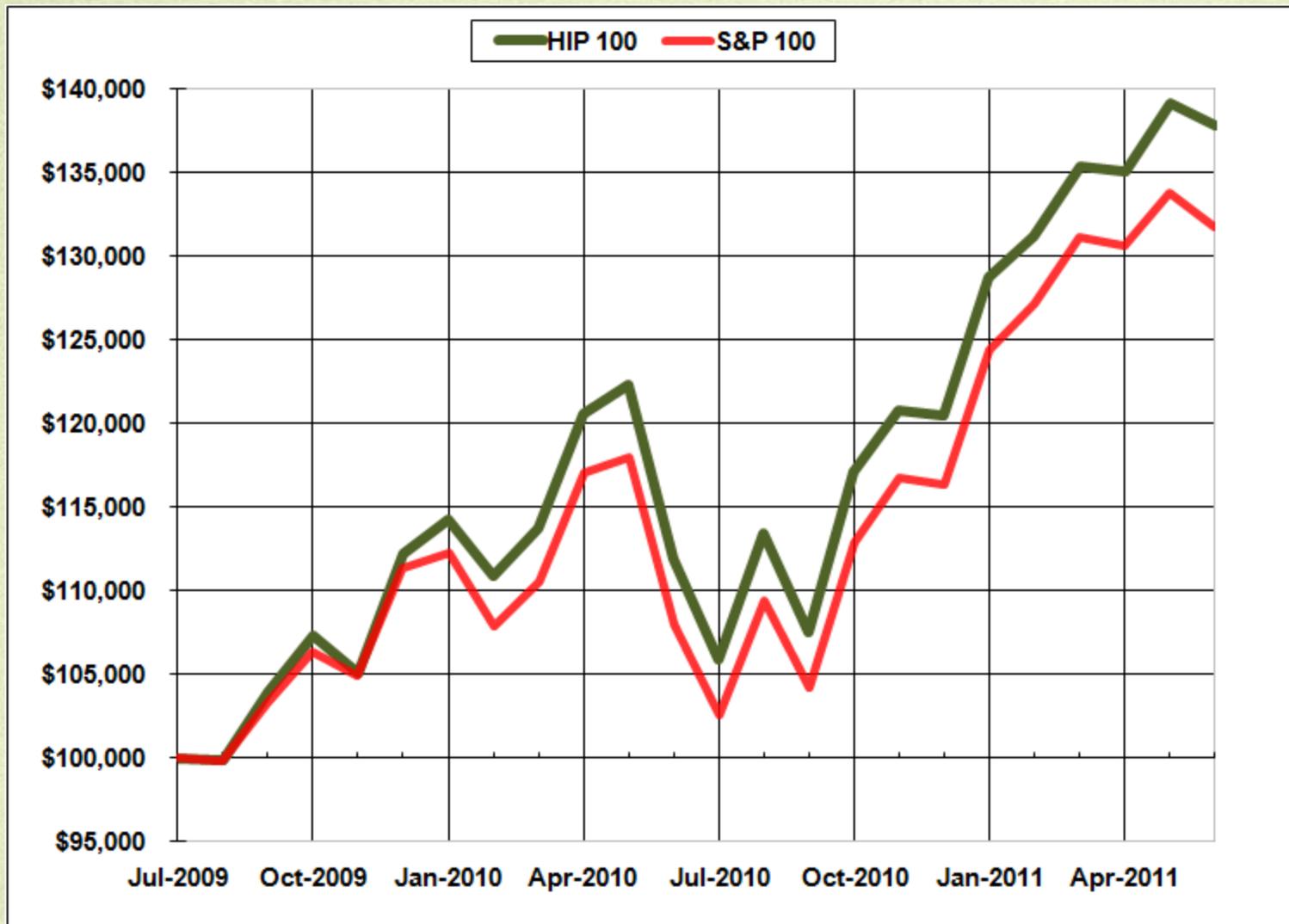
HIP Weights Are Based on Impact,
Not Market Values Which Ignore HIP Factors

5 Weighting The HIP Index

S&P Rank	S&P 100	Market Value	S&P Weight
1	Exxon Mobil	\$323B	5.14%
2	Microsoft	\$235B	3.74%
3	Apple	\$189B	3.01%
5	Procter & Gamble	\$177B	2.81%
9	GE	\$161B	2.56%
19	Intel	\$116B	1.80%
23	Philip Morris	\$95B	1.40%
100	Lockheed Martin	\$24B	0.38%

HIP Rank	HIP 100	HIP Score	HIP Weight
1	Procter & Gamble	71.0	1.47%
2	GE	70.8	1.46%
3	Intel	70.0	1.45%
24	Microsoft	57.2	1.18%
41	Lockheed Martin	53.2	1.10%
56	Exxon Mobil	48.4	1.00%
68	Apple	42.8	0.88%
100	Philip Morris	15.0	0.31%

HIP 100 Performance After Fees Compared to S&P 100 (July 30, 2009-May 31, 2011)



In its 1st Year, HIP 100 Outperformed the S&P 100 (July 30, 2009-July 31, 2010)

\$125,000

HIP 100: +13.41%

S&P 100: +9.37%

Delta: +4.04%

Net of fees

\$120,000

\$115,000

\$110,000

\$105,000

\$100,000

\$95,000

July

August

September

October

November

December

January

February

March

April

May

June

July

◆ HIP 100

■ S&P 100

HIP 100 Portfolio Performance

As Of 5/31/2011

Timeframe

Since
Inception*

First Year**

Y/E 2010***

2011 Y-T-D

HIP 100

+ 37.88%

+ 13.41%

+ 12.69%

+ 7.11%

S&P 100

+ 31.73%

+ 9.37%

+10.88%

+5.86%

HIP Over By:

+ 6.15%

+ 4.04%

+ 1.81%

+1.25%

*•Cumulative since HIP 100's inception date of 7/30/2009 until 5/31/2010. ** First year performance is 7/30/2009 to 7/31/2010. *** Year ending 2010, as of Dec. 31, 2010.*

Actual net-of-fees results since inception of the model HIP 100 Portfolio and the S&P 100 indexed portfolio. Percentages include reinvested dividends and stock splits, and each deducts fees and trading costs quarterly based on a \$100,000 beginning balance at the inception date. **Past results are not indicative of future performance.**

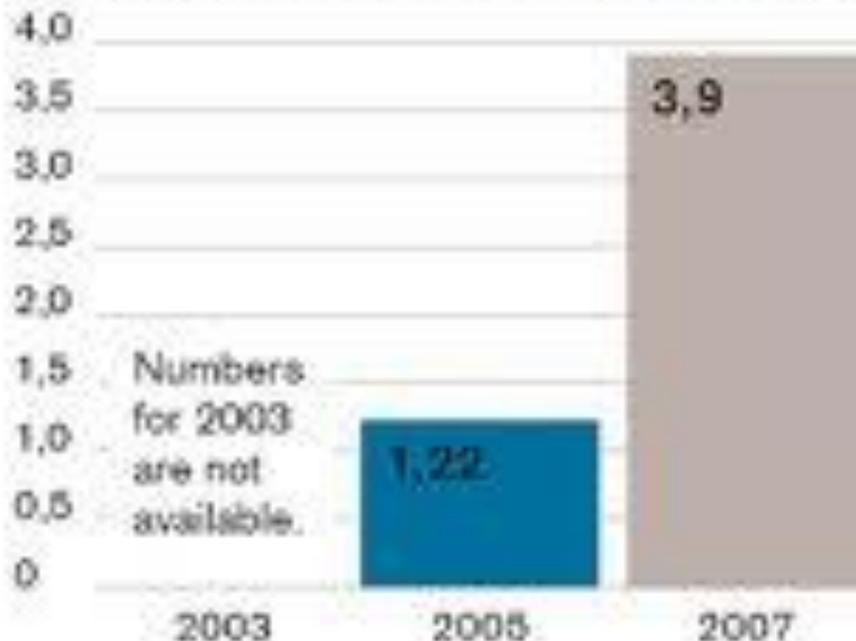
A HIP Approach Also Drives M&A for Big Brands Seeking Innovation

<u>HIP Brands</u>	<u>Bought</u>	<u>By Big Brands</u>
The Body Shop	\$ 1.4 Billion	L'Oreal
Burt's Bees	\$ 913 MM	Clorox
Ben & Jerry's	\$ 326 MM	Unilever
Odwalla	\$ 181 MM	Coca-Cola
Tom's of Maine	\$ 100 MM	Colgate-Palmolive
Republic of Tea	\$ 43 MM	Coca-Cola (43%)

Socially Responsible Investing (\$Tril) Is Growing in Europe and USA

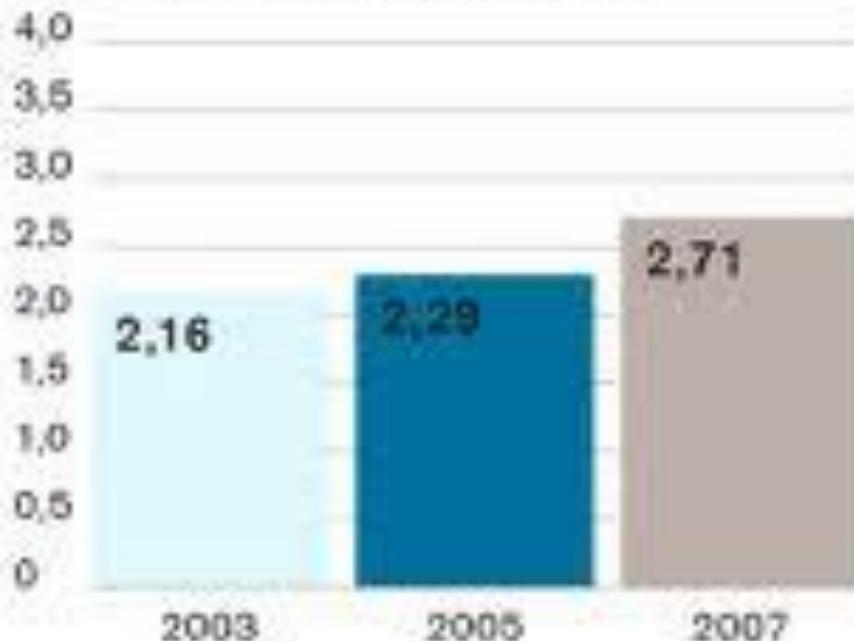
Europe

(Source: Eurosif European SRI Survey, 2006)



USA

(Source: Social Investment Forum)



All Types of Investors Can Benefit from a HIP Portfolio



Impact Investor Needs

Measure

What's My
Portfolio's
Impact
Score?

Evaluate

Which
Impact
Investments
Fit Me?

Allocate

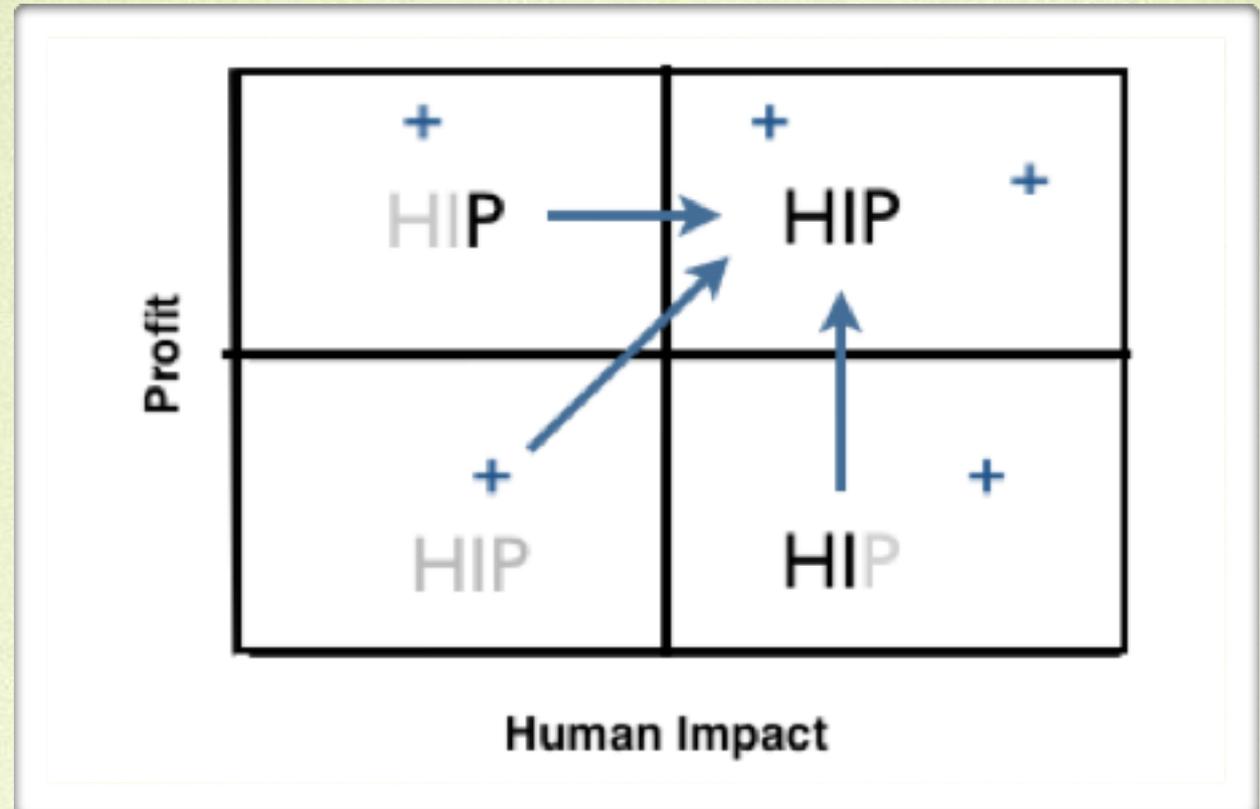
How Can I
Invest My
Portfolio for
Max.Impact?

Mapping and Improving Performance Using the HIP Scorecard

1. Benchmark Portfolio

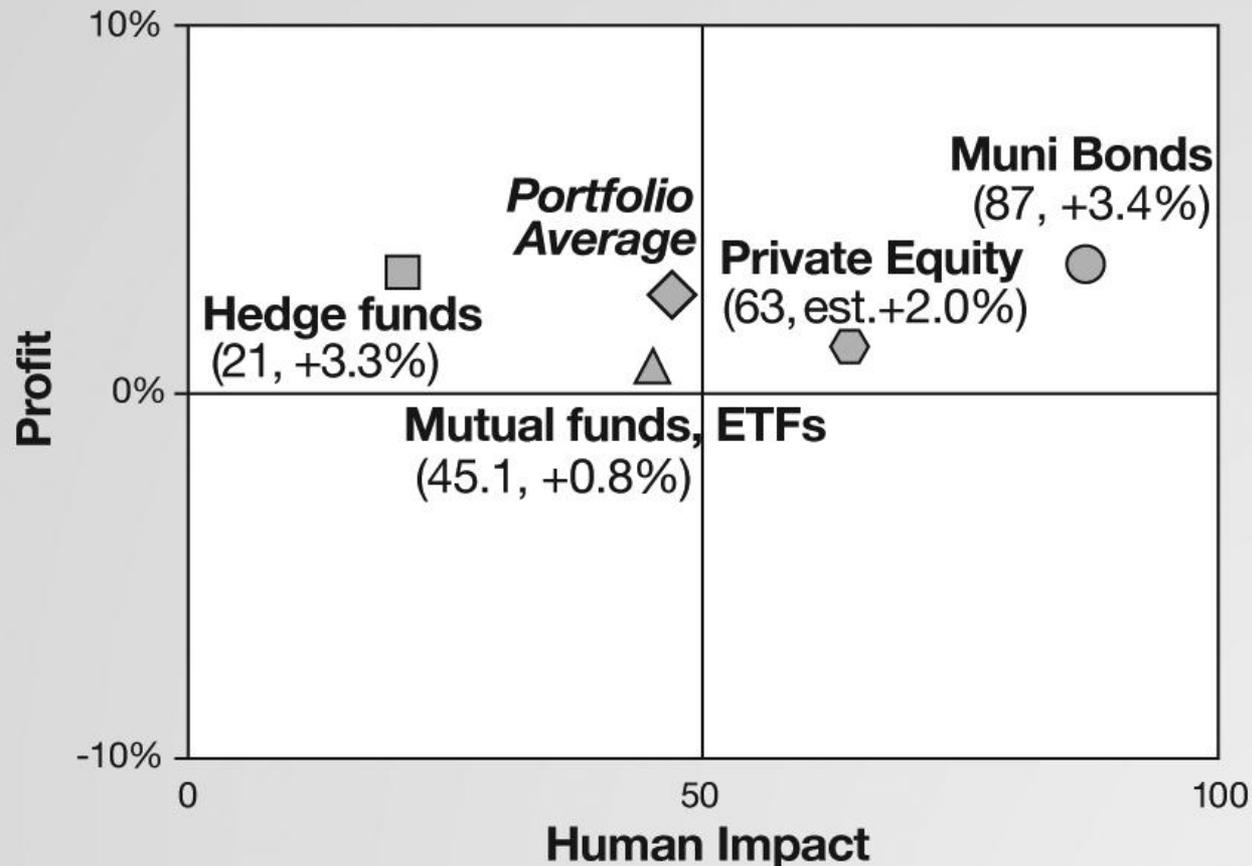
2. Identify Areas of Weakness

3. Manage to Move to the HIP Quadrant



Each Asset Class Can be Scored by Human Impact + Profit Performance

HIP (Human Impact + Profit) Score: Sample Portfolio Performance



HIP Global: Singapore

(scheduled for launch in 2011)

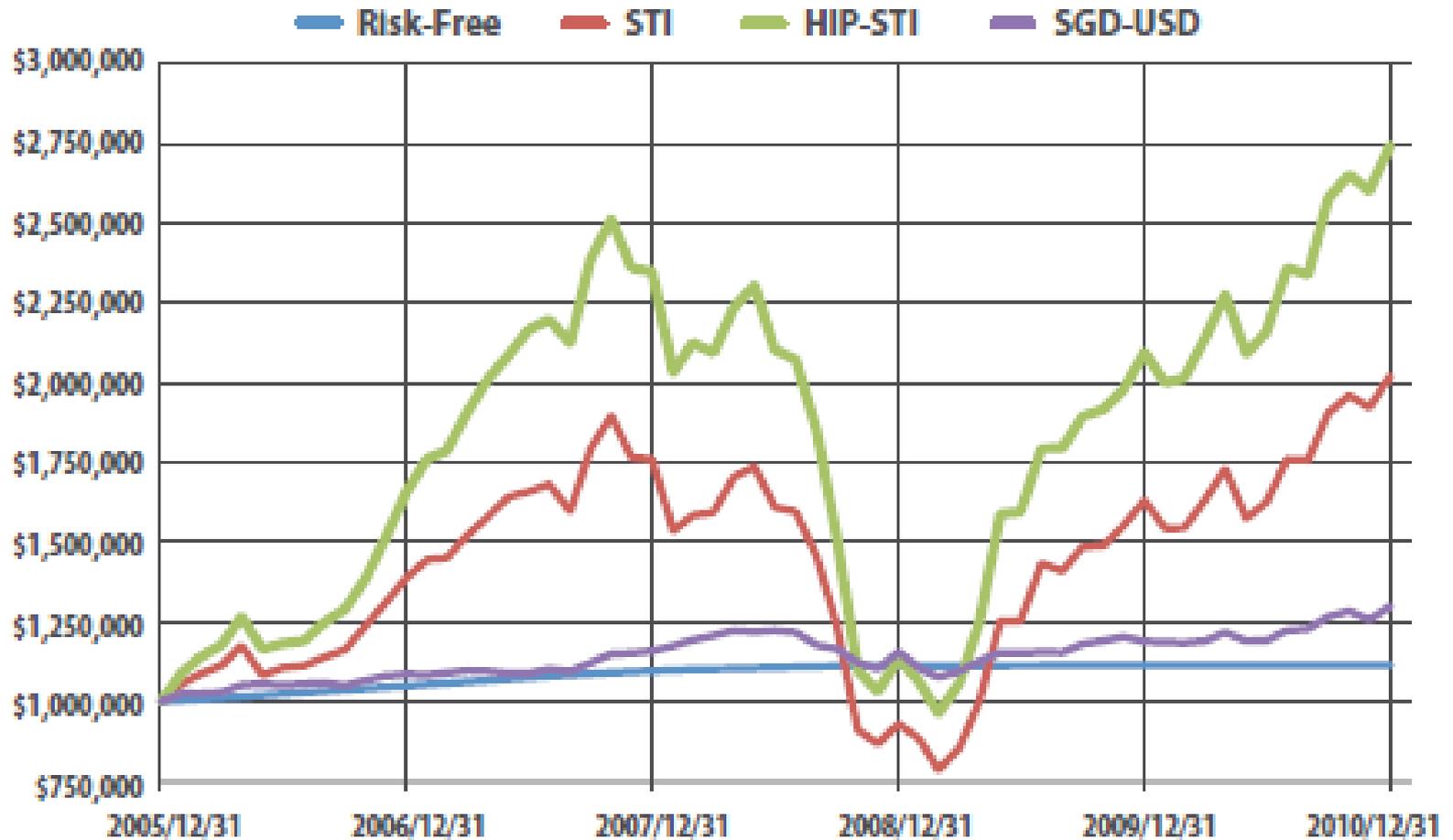
PORTFOLIO TOP TEN By HIP Score (out of 100) and Portfolio Weight

FIRM (TICKER: SINGAPORE / BLOOMBERG)	HIP	Weight
City Developments Ltd. (C09 / CIT)	42.2	7.11%
Singapore Airlines Ltd. (C6L / SIA)	40.8	6.88%
SMRT Corporation Ltd. (S53 / MRT)	30.9	5.22%
CapitaLand Ltd. (C31 / CAPL)	30.6	5.15%
Singapore Telecom. Ltd. (Z74 / ST)	28.7	4.85%
SembCorp Industries Ltd. (U96 / SCI)	28.7	4.84%
Singapore Exchange (S68 / SGX)	25.3	4.26%
ComfortDelGro Corp. Ltd. (C52 / CD)	22.1	3.73%
Wilmar International Ltd. (F34 / WIL)	21.3	3.60%
SembCorp Marine Ltd. (S51 / SMM)	21.1	3.56%

Holdings are subject to change and do not constitute a recommendation or solicitation to buy or sell a particular security. Do not assume an investment in any of the securities was or will be profitable.

HIP GLOBAL INDEXES - ASIA

SINGAPORE: Straits Times Index vs. HIP-weighted



HIP's partnership with NASDAQ
Is 1st Investable Portfolio of QCRD Index



Examples of Impact Investing Choices

		ASSET CLASSES								
		CASH	SENIOR DEBT	MEZZANINE /QUASI EQUITY	PUBLIC EQUITY	ALTERNATIVE INSTRUMENTS				
						VENTURE CAPITAL	PRIVATE/ GROWTH EQUITY	REAL ESTATE	OTHER REAL ASSETS	ABSOLUTE RETURN (HEDGE FUNDS)
FINANCIAL FIRST		ShoreBank \$2.1B Now Urban Partnership Bank	Blue Orchard Dexia Micro-Credit Fund \$2.1B	Triodos Bank	Generation Investment Management \$3.5B	Bridges Ventures CDV Funds £115MM	ProCredit Holding	JPMorgan Urban Renaissance Prop. Fund \$175MM	Lyme Northern Forest Fund \$190MM	Harcourt BelAir SA Fund \$345MM
		Charity Bank	Root Capital \$48MM	Bridges Ventures Social Entrepreneurs Fund £8MM		Aavishkaar	Acumen Fund \$34.1MM	Ignia \$60MM	Bosques Pico Bonito \$5MM	

Source: [Bridges Ventures and Parthenon Group](#)

HIP Serves Investors Seeking Impact + Profit

Impact Investor Needs

*What's My
Portfolio's
Impact Score?*

HIP SCORECARD

- * Ratings
- * Rankings

"HIP CHECK"

*Which Impact
Investments Fit Me?*

**HIP 100 Portfolio
Global Sustainability
100 (QCRD)**

**HIP Global Index:
* Singapore**

*How Can I Seek
Max. Impact for My
Portfolio ?*

**MANAGE
PORTFOLIOS and
INVESTOR WEALTH
FOR IMPACT**

**ADVISOR TO
ADVISORS**

Sustainability Can Be A Criteria Across Asset Classes

A More HIP Portfolio

Cash

Fixed income

Income
Generating
Appreciation

Equities

International
and
Emerging

Venture
Capital and
Private
Equity

Alternatives

Banks and
credit unions
that focus on
Human
Impact +
Profit

Bonds from
corporates
and Muni's
rated by
HIP Score

Real Estate
Investment
Trusts rated
by HIP Score

Individual
firms in US -
and mutual
funds and
ETFs – rated
by HIP Score

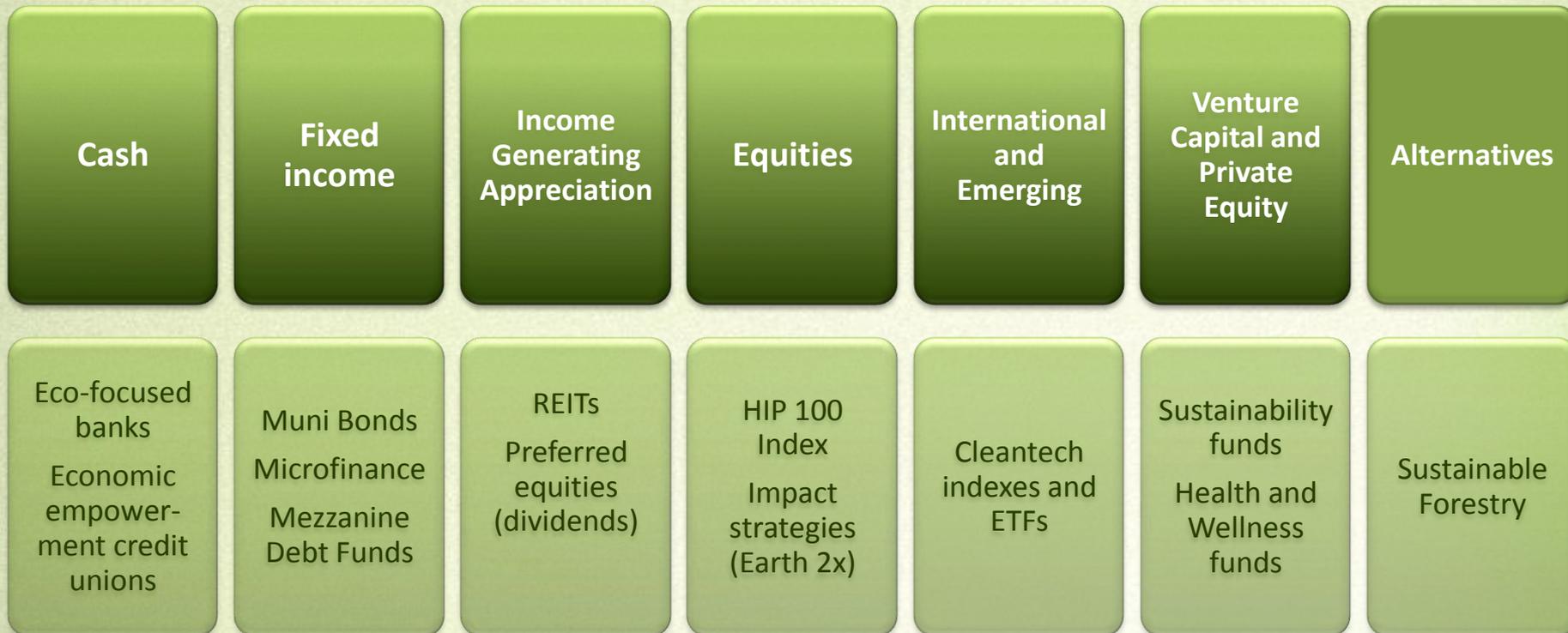
Individual
firms in
Europe, Asia,
Africa, Latin
America- and
funds and
ETFs – rated
by HIP Score

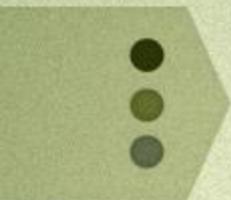
Ventures at
PE, VC and
angel stage –
and funds -
that seek
HIP results

Commodity
funds that
may include
HIP criteria

Increasing Choices Across Asset Classes (Sample choices, NOT recommendations)

A More HIP Portfolio





A Fundamentally New World for Investors, Business and Citizens

- **Investing:** Transform how capital markets – from mutual funds and ETFs to venture capital – serve society
- **Business:** Solving human needs for profit is the path to industry leadership
- **Citizens:** Open sourcing of investing enables “wisdom of the crowd” and global impact

How HIP Can Team in Poland

- **Financial firm partnership**
 - Mutual fund (e.g. HIP Poland)
 - Investment portfolio consulting
 - Education and collaboration
- **Corporate consulting partnership**
 - Investor relations and Board/CEO/CFO on financial value
 - Balanced scorecard / performance measures / reporting
 - Supplier scorecard (e.g. Walmart)
 - Sustainability strategy

Contact Us to Become More HIP

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Skype: RPauH

Twitter: @HIPinvestor

- HIP is a registered investment advisor in the USA:

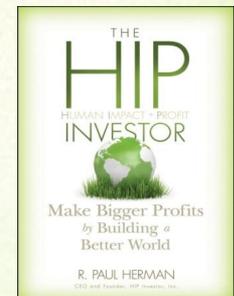
1. Advise investors + companies
on how to be more HIP



2. Operate HIP investment indexes
and investable portfolios



3. Manage money for investors seeking
to be more HIP



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