



# Oil Investment Could Put A Smile On The Faces Of Harvard Students

Students at Boston's [Harvard University](#) have a double reason to celebrate today, not only has the endowment fund which supports activities at their institution reportedly found a safe, albeit unusual way to invest in oil, but one of the products from that oil could cure their acne.

The oil preferred by the Harvard fund is that extracted from sandalwood, a relatively rare tree normally found only in countries with an extremely dry climate. The trees are the source of an aromatic wood favored as a fragrance by several eastern religions.

The distinctive smell of burning sandalwood is familiar to anyone who has visited a Buddhist or Hindu temple. It is also used in Japanese and Chinese religious ceremonies.

## **Rare And Endangered**

There is, however, a problem with sandalwood. The trees which yield its wood, which can also be processed to yield a fragrant oil, are so rare that strict quotas are enforced on gathering material growing in the wild, whereas plantations are slow-growing and require patient capital.

A plant found in several countries, sandalwood has been over-harvested in regions where it finds its greatest use, including India, Pakistan, Bangladesh and Sri Lanka.

Demand from countries in south [Asia](#) and the Middle east is so strong that harvesting wild sandalwood has created a viable industry for a handful of government-licensed timber gatherers working in the outback of Australia and more recently for the establishment of sandalwood plantations in the remote Kimberley region of Western Australia.

## **Sustainable And Fragrant**

It is one of those plantations which is said to have attracted an investment of more than \$30 million from the Harvard [Management](#) Company which controls the university's \$36.4 billion endowment fund and prides itself on picking successful and sustainable investments.

The opening page of the Harvard Management Company website features three photographs, two from the university and one of a forest.

According to reports in Australian media today the Harvard investment has been made by taking up two of three options in a 985 acre planting of Indian Sandalwood trees, the species which grows best in Australia, in the country's Northern Territory which is adjacent to the Kimberley region.

TFS Corporation, a company listed on the Australian stock exchange, did not name Harvard when it first reported the investment on January 1, saying only that "a respected U.S. institutional investor" had exercised its options on the plantations which are in the process of being established.

The Harvard Endowment Fund was named as the investor in media reports earlier today.

### **Nestle Also Likes Sandalwood**

Yesterday, TFS was in the news again with an announcement that a new sandalwood acne treatment is being released in the U.S. by the a subsidiary of the Swiss food giant, Nestle.

Benzac is said to be an over-the-counter acne solution which contains pharmaceutical grade sandalwood oil as the key product “differentiator”.

The treatment is being sold by Gladerma, a Nestle company, with TFS chief executive, Frank Wilson, saying in a statement to the stock exchange that there are an estimated 50 million acne sufferers in the U.S.

### **A Clear Winner On Several Levels**

In theory, the Harvard investment in sandalwood will produce a number of wins, including ethical approval because it involves planting trees, health approval because of the beneficial properties of sandalwood oil, financially because the oil is in strong demand, and perhaps even in improving the complexions of the university’s younger students.

Source: <http://www.forbes.com/sites/timtreadgold/2015/01/09/oil-investment-could-put-a-smile-on-the-faces-of-harvard-students/>

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