

Foundation Investment Management & Cleantech Investing

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Overview of Presentation

- I. Background on Rockefeller Brothers Fund
- II. RBF investment program
- III. Cleantech investing / environmental opportunity investing



RBF Background

- Private grantmaking foundation
- Established in 1940
- Family / non-family governing board
- Two core businesses
- \$760 million in assets / \$24 million in grants
- 40 staff, all in New York City



RBF Background: Philanthropy

- Thematic interests
 - Democratic Practice
 - Peace & Security
 - Sustainable Development
 - Human Advancement
- Special Geographic Interests
 - New York City
 - Serbia & Montenegro
 - South Africa
 - Southern China



RBF Background: Philanthropy

- Average size grant = \$75,000
- 300+ grants per year
- Majority of grants are multi-year
- 70% of grant dollars for themes / 30% for place-based work
- 80% of grant dollars to U.S. organizations / 20% to non-U.S. organizations



RBF Background: Investments

- Long-term objective = maintain real asset value
- Return goal (annualized) = 6% + inflation
- Internal structure
 - investment committee of the board of trustees
 - two full-time dedicated staff
- External management exclusively



Investment Program

- Asset allocation: 80% equity / 20% fixed income
- Major portfolio components
 - Marketable equity – U.S. 30% 6
 - Marketable equity – non-U.S. 21% 6
 - Marketable equity alternatives 14% 7
 - Real assets 8% 7
 - Alternative investments 9% 16
 - Fixed income 17% 4



Investment Program

- Component return objectives
 - U.S. equity Wilshire 5000
 - Non-U.S. equity MSCI EAFE
 - Mkt. equity alt's 6% + inflation
 - Real assets Wilshire 5000
 - Alt. investments Wilshire 5000
 - Fixed income LB Gov't/Corp.



Cleantech Investing

- Why look in this direction?
- Mission related investing
- Cleantech vs. environmental opportunities
- Scope of interest
 - venture
 - project finance
 - real estate
 - private equity
 - trading strategies
- Strong commitment to fiduciary responsibility

Cleantech Venture / Private Equity

- bottom up analysis – GP due diligence
- top down analysis – portfolio construction



GP Due Diligence

- Primary considerations:
 - investment strategy
 - team
 - investing track record / experience
- Secondary considerations:
 - economic terms
 - legal structure
 - other LP investors



Portfolio Construction

- How much cleantech to dial into portfolio?
- How many relationships?
- How many different cleantech bets?
 - strategy
 - geography
- What degree of overlap among GPs?
- What time period diversification?



Current Status

- No dollar or percentage commitment
- No investments to date
- Actively reviewing several opportunities ... with a healthy amount of skepticism
- Key issue: how far will we be willing to stretch for mission related investing?