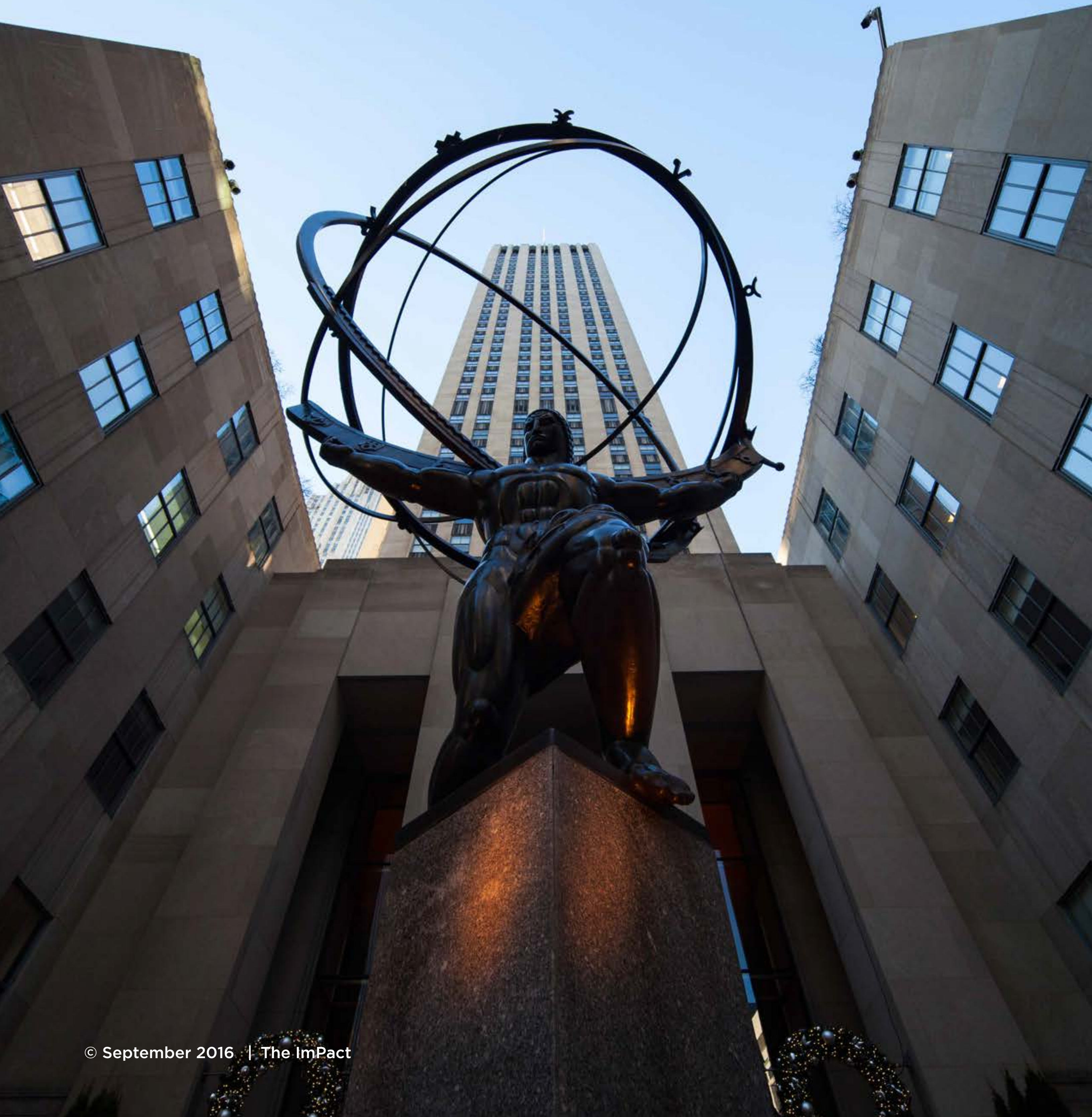
ROCKEFELLER BROTHERS FUND:

A CASE STUDY IN IMPACT INVESTING

THE IMPACT

The ImPact is a membership network of family enterprises (family offices, foundations, and businesses) that are committed to making investments with measurable social impact. The ImPact provides families with the knowledge and network they need to make more impact investments more effectively, and uses sophisticated technology for data aggregation, analysis, and reporting to shift the narrative of impact investing from one of inputs (dollars committed) to outcomes (impact created). Our purpose is to improve the probability and pace of solving social problems by increasing the flow of capital to investments generating measurable social impact.



ROCKEFELLER BROTHERS FUND:
A CASE STUDY IN IMPACT INVESTING

The case study below explores the Rockefeller Brothers Fund's mission-aligned and impact investing strategies. This is the first in a series of case studies on pioneer impact investors produced by The ImPact. The purpose of these case studies is to offer actionable insights that families can use as they work to align their investments and their values. While every family is unique, ImPact members have experiences that provide for shared learning. Through understanding the decision points and outcomes of the Rockefeller Brothers Fund case, other families can make more informed decisions as they develop and implement their own mission-aligned and impact investing programs.

Motivations for Mission-Aligned Investing

On December 23, 1940, the five sons of John D. Rockefeller Jr. founded the Rockefeller Brothers Fund ("the RBF") as an organization through which they could conduct coordinated philanthropic activities. The source of their wealth was Standard Oil, the oil company founded by their grandfather, John D. Rockefeller Sr., that grew to become the largest company in the world in its day. John D. Rockefeller Sr. and his son, John D. Rockefeller Jr., began an extraordinary family tradition of putting family wealth to work in service of improving the world. This work included the creation of the Rockefeller Foundation, the Rockefeller University, the University of Chicago, and a wide range of other institutions.

Following family tradition, John D. 3rd, Nelson, Winthrop, Laurence, and David Rockefeller were each already involved in charitable giving, but they came together in order to maximize the impact of their efforts; they understood they could do more together than they could do alone. The RBF has maintained its close ties to the Rockefeller family; today, nine of the foundation's seventeen trustees are Rockefeller family members.[1]

Though the origins of its endowment are in the oil industry, the RBF has, at its core, a commitment to preserving the natural world. Since the very first decade of its work, the RBF has helped found national parks, support scientific research, and fund zoological centers, among other related programs. The Fund began grantmaking to combat climate change in 1984 through its Sustainable Development Program. Over the past 30 years, the grantmaking activities of the Sustainable Development Program have supported various efforts from public policy research to making the economic case for climate action. Between 2005 and 2015 alone, the RBF's Sustainable Development program's grantmaking totaled approximately $75 million.[2]

The IRS requires that a USA-based foundation spend approximately 5 percent of its invested assets for grantmaking activities and operational costs. In most cases, 95 percent of a foundations' endowment then remain invested to earn the financial return necessary to provide the foundation with the ability to make grants in perpetuity. The grantmaking activities conducted by the RBF to combat climate change described above were allocated from that 5 percent

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of RBFs assets set aside for philanthropic activities. The remaining 95 percent of the RBF's assets have, historically, been invested according to a diversified investment strategy intended to preserve and grow the foundation's endowment.

Members of the Rockefeller family have long been involved in environmental and conservation efforts. In 2004, several family members tried to use their proxy voting privileges as shareholders in ExxonMobil, the largest company descended from Standard Oil, to encourage it to confront and acknowledge the dangers of climate change. The proxy voting efforts succeeded in drawing public attention to the issue, but failed to persuade ExxonMobil to change.

In the wake of the proxy voting campaign of the individual family members, the RBF's leadership grew more interested in moving beyond reducing the harm of its investments towards proactively creating social and environmental value with its investments in direct alignment with the foundation's mission. The foundation also has a history "active ownership," participating in proxy voting to improve the social and environmental policies of publicly-traded companies. To this end, the RBF developed and used its own Proxy Voting Guidelines from 2005 and until 2007.

At the same time, the foundation also considered the structure of its investment management. Historically, the foundation had internally managed its investments with support from external advisors. In 2007, the RBF decided, as many institutions with large endowments do, to partner with an outsourced chief investment office (OCIO). One immediate consequence of moving to this particular OCIO was that the RBF lost its ability to participate in corporate votes.

With the loss of its proxy voting rights, the RBF's leadership sought new ways to align its investments with the foundation's mission. In early 2010, the President of RBF, Stephen Heintz, encouraged the RBF's Board to commit to investing 10 percent of the endowment into "sustainable investments" that were aligned with the RBF's mission. These investments would create "long-term social, environmental, and financial value" and would need to meet the same risk and return standards of its other portfolio investments.

The board approved the 10 percent sustainable investment commitment and the investment committee was tasked with working with the RBF's OCIO to implement this new mandate. RBF's first OCIO was a firm dedicated to managing foundation and university endowments. Two other clients of the OCIO shared the RBF's interest in sustainable investments. The OCIO committed to working with the three institutions to identify sustainable investment opportunities that could be integrated into the OCIO's existing investment strategies.

To streamline investment operations and gain more advantageous investment terms for its clients, this OCIO used a commingled fund model. In this model, an OCIO invests each of its clients' assets in large funds-of-funds created and managed by the OCIO. Each fund-of-funds has a dedicated strategy, targeting a specific asset class (e.g. public equity), geography (e.g. "emerging markets"), return benchmark, and liquidity profile. The OCIO, as "general partner" of the pooled funds, selects each of the individual funds into which the pooled fund-of-funds invests; each pooled fund may contain dozens of individual funds developed by third-party investment managers. Each of these managers is responsible for selecting the individual stocks, bonds, or other assets that make up an underlying fund's portfolio. The efficiency of the commingled funds model comes from the fact that all of an OCIO's

clients are allocated to the same pooled funds; the OCIO would not ordinarily need to research, diligence, and select individual investments for each of its clients.

Commingled funds can be a highly effective method for an OCIO to manage the assets of many clients who share common investment objectives. But the uniformity of action that the commingled model encourages hampered this OCIO's ability to implement the RBF's sustainable investment strategy. Absent uniform demand from all of its clients, the firm had little incentive to break from the operational norms consistent with its business model.

Rather than intentionally sourcing distinct sustainable investments that would meet the RBF's objectives, the OCIO sought opportunities that would fit seamlessly into its existing strategies. Instead of seeking out new sustainability-oriented investment managers, the OCIO looked to its existing stable of managers for sustainable offerings. None of these managers had specific sustainable investment theses, severely limiting investment opportunities. Between 2010 and 2013, the RBF was able to make only two sustainable investments: an investment in Generation Investment Management's Global Equity Fund and an investment in a Brazilian renewable energy developer. These investments constituted 3% of the RBF's endowment, far short of the foundation's stated goal of a 10% allocation to sustainable investments. The lack of progress in implementing the foundation's mission-aligned investment commitment was a deep disappointment to the RBF's leadership.

The commingled funds structure posed two additional, related challenges to the RBF's pursuit of a mission-aligned investment strategy: indirect ownership of underlying investments and lack of clear visibility into the securities contained within underlying funds. Within the commingled fund structure, the RBF's direct asset ownership ended at the fund-of-fund level. The RBF was, in practice, two degrees of ownership removed from the assets that constituted its wealth. Because the RBF was not itself

Pioneering families can play a critical ecosystem-building role by founding or seeding new impact funds.

a direct shareholder of the companies to which it was exposed, the foundation could no longer participate in the proxy voting process.

As the RBF's interest in mission-aligned investing deepened, family board members, along with the leadership and staff of the foundation, pushed to understand the RBF's exposure to fossil fuel-related investments. RBF leaders raised hard questions about the contradiction of the foundation giving grants to organizations that were fighting coal power while still remaining invested in coal companies through the endowment. In response to these questions, the RBF's Investment Committee worked to assess the endowment's exposure to fossil fuels. This proved a difficult task: the reporting and analysis that the RBF received from the OCIO focused on the performance of the funds-of-funds; analyses of the holdings of those funds-of-funds covered the underlying managers and funds, not the individual securities contained within those funds. Many of the funds in which the funds-of-funds were invested did not openly disclose their underlying investments, making it nearly impossible for the RBF to precisely estimate its exposure to fossil fuel-related investments.

Despite the clarity of the RBF's intention and the strength of their commitment, the nature of their OCIO's investment management structure limited the foundation's ability to pursue its mission-aligned investment objectives. By July 2013, both the RBF and its OCIO agreed that the firm was not the right partner to implement the RBF's evolving investment strategy. In order to make progress on their mission-aligned investment goals, the RBF needed a customizable investment strategy that included: direct participation in funds, direct ownership of underlying securities, where possible, and maximal visibility into their investments.

In October, 2013 The RBF issued a request for proposal (RFP) to find a new OCIO to manage its endowment and implement the RBF's mission-aligned investment strategy. The RBF sought an OCIO that could manage the RBF endowment through separately managed accounts, and not within a commingled fund structure. The separate account management structure would give the RBF customizability in its investment strategy and manager selection, the ability to participate directly in funds and, in certain cases, own underlying assets directly, and provide greater visibility into the fund's underlying assets.

The RBF interviewed 14 different firms, ultimately selecting Perella Weinberg Partners' (PWP) OCIO team—Agility. PWP demonstrated a strong commitment to implementing the RBF's mission-aligned investment strategy and agreed to treat the foundation as a separate account. The RBF officially hired PWP in February of 2014. PWP and the RBF began by co-developing a new investment policy statement (IPS) for the endowment. This new IPS officially enshrined the foundation's mission-aligned investment efforts as part of its overall investment strategy.

Putting Strategy into Action

The RBFs mission-alignment and impact investment strategy has deepened and evolved since 2014 and today contains four components:

1. Divest from fossil fuels
2. Invest with an Environmental, Social, and Governance (ESG) lens
3. Engage in active ownership
4. Invest for significant, measurable impact

The first element of the RBFs investments strategy is to **divest from fossil fuels.** On September 22, 2014, the RBF announced that it would undertake a two-step process to divest from fossil fuels. the RBF began with an immediate focus on divesting from

Spotlight: Unique Tools on Each Family's Toolbelt

Every family has several tools on its toolbelt for creating social impact including, time, influence, financial resources, geographic location, and professional expertise. One unique tool in the hands of the RBF was the Rockefeller name itself and the origins of the family's wealth in the fossil fuel industry. The RBF made strategic use of that tool by crafting a public relations campaign around the announcement of its divestment strategy. The public relations strategy aimed to magnify the influence they could have on other families, foundations, and the financial marketplace in general. The RBF planned the announcement of its divestment strategy to coincide with the People's Climate March in New York City on September 22, 2014. The march took place just two days before Ban Ki Moon, Secretary General of the United Nations gathered, gathered with 120 heads of state to continue negotiations on a global climate agreement. The nature and timing of the RBF's announcement made it front page news across the globe. The overwhelming media attention it generated succeeded in magnifying the impact of the RBFs divestment decision and helped build momentum in the divest-invest movement.[6]

coal and tar sands oil—two of the most intensive sources of carbon emissions—with a longer strategy to eventually eliminate all fossil fuels from its holdings.

The RBF and PWP monitor all of the foundation's existing investments for their fossil fuel exposure and all new investment opportunities are assessed for their present and potential exposure to fossil fuels. Since April 2014, the RBF has reduced its exposure to coal and tar sands from 1.6 percent to 0.1 percent of the total portfolio. Since that same time, the RBF has reduced its total fossil fuel exposure from 6.6 percent to 3.3 percent. The RBF remains committed to work toward 100 percent fossil fuel divestment over the next few years.

The RBF measures the return of their portfolio both against its primary benchmark (i.e., 70 percent MSCI All Country World and 30 percent Barclays Global Aggregate Bond) but has added a secondary fossil-fuel free benchmark of 70 percent MSCI All Country World ex Fossil Fuels and 30 percent Barclays Global Aggregate Bond to better analyze manager performance.

The second component of the RBFs strategy is to **invest with an Environment Social Governance (ESG) lens**. The RBF assesses its potential investments according to ESG factors, primarily in the context of its public equity investments. The PWP Agility team recommends funds to the RBF that adhere to ESG best practices. So far, the RBF has committed more than $190 million in three ESG public equity funds.

In keeping with the Fund's Democratic Practice grants program, the RBF **engages in active ownership** in its public equities portfolio. The RBF developed its own Proxy Voting Guidelines that were adopted by the Fund in 2005 and used until 2007, when the RBF transferred the management of its endowment to its first OCIO. The move to a separate account structure at PWP revived the RBF's ability to engage in active ownerships. Several of the investment funds that PWP has selected for the RBF are themselves separate accounts—enabling the RBF to own the underlying securities directly. As the direct owner of the stocks contained within these portfolios, the RBF can vote its own shares.

The RBF plans to develop a new, tailored set of guidelines for proxy voting and shareholder activism to be implemented in

Spotlight: The Agility Global Equity Impact Fund

The RBF's endowment— worth approximately $860 million in 2016—is large enough that it can be invested through separately managed accounts. This allows the RBF greater opportunity to invest in a diverse set of mission-aligned and impact investments tailored specifically for its endowment. Separately managed accounts can incur higher fees than commingled funds, making them inefficient for organizations with smaller endowments. Yet, smaller foundations still wish to invest in ways that align with their missions. When the PWP Agility team developed the Global Equity Impact Fund, a public equity fund-of-funds focused on conviction-based strategies aligned with long-term sustainability trends—it was seeded by a large investment from the RBF's endowment. The Global Equity Impact Fund was subsequently opened up for other, smaller, institutions to invest alongside the RBF. The RBF's seed funding provided the capability for other similarly-minded investors to join them in making mission-aligned public equity investments.

2017. Until that time, the RBF has directed PWP Agility to vote its proxies, where possible, according to the ISS Sustainable Proxy Voting Guidelines.

The RBF is committed to **investing for impact**, the fourth and final component of its mission-aligned and impact investing strategy. To qualify as an impact investment, the RBF requires that the investment generate *meaningful and measurable impact*. In 2010; the RBF set an initial target of 10 percent of the endowment invested in sustainable investments—changed in 2014 to impact investment. As of August, 2016, the RBF has surpassed that 10 percent goal and has committed 12 percent of its endowment to specific impact investments. The RBF set a new goal in 2016 to increase the impact investment allocation to 20 percent.

The RBF is committed to making impact investments that deliver similar returns to other private market investment opportunities and that directly align with one or more of its programmatic initiatives. The PWP Agility team conducts the due diligence process that includes, but is not limited to: assessment of expected return, expected risk, asset class, investment structure, and liquidity.

Thus far, the RBF has committed a total of $100 million to six impact investment funds that align with the foundation's

TABLE 1: THE ROCKEFELLER BROTHERS FUND ESG INVESTMENTS

RBF ESG INVESTMENTS (PUBLIC EQUITIES)				
Fund Name	Description	RBF Programmatic Relevance	Commitment Date	Investment
Generation IM Global Equity Fund	A public equity fund that utilizes a rigorous sustainability thesis in selecting companies for long-term outperformance.	Sustainable Development	March 2014	$70,069,913
DFA International Sustainability Core	A public equity fund that integrates sustainability considerations into its strategy for financial outperformance.	Sustainable Development	March 2014	$21,534,957
Agility Global Equity Impact Fund	A public equity fund invested in companies that adhere to best practices in ESG and show long-term, sustainable financial growth.	Broad mission	January 2016	$100,000,000
Total: $191,604,870				

TABLE 2: THE ROCKEFELLER BROTHERS FUND IMPACT INVESTMENTS

IMPACT INVESTMENTS				
Fund Name	**Description**	**RBF Programmatic Relevance**	**Initial Commitment Date**	**Commitment**
Generation Climate Solutions Fund II	A private equity fund invested in companies that enhance resource productivity and reduce pollution, waste, and greenhouse gas emissions.	Sustainable Development	October 2014	$15M
Turner Multifamily Impact Fund	A real assets investment that funds the development of affordable housing and accompanying services for its inhabitants.	Broad mission & economic development in NYC	April 2015	$20M
Elevar Equity	A growth equity fund that invests in companies providing services to disconnected communities in India and Latin America.	Broad mission	June 2015	$12.5M
Sustainable Asset Fund (Vision Ridge)	A real asset investment that supports resource optimization of water, agricultural goods, renewable energy, energy efficiency, and transportation.	Sustainable Development	August 2015	$20M
New Energy Capital Infrastructure	A project finance fund that invests in renewable energy projects in North America.	Sustainable Development	February 2016	$20M
Mainstream Renewable Power	A direct investment in a wind and solar energy project developer in Africa.	Sustainable Development	July 2016	$12.5M
Total: 100,000,000				

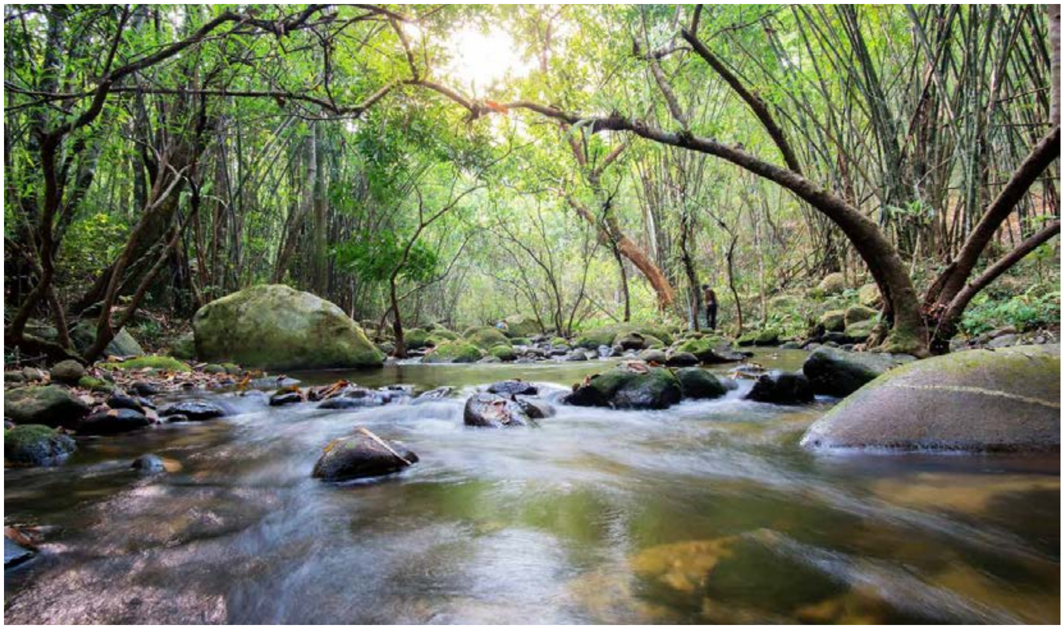
programmatic initiatives. To maintain a balanced portfolio, the board prohibits any single investment from exceeding 50 percent of the total percentage designated for impact investments. The RBF's impact investments include:

Reflecting on, and Improving, the Mission-Alignment and Impact Investing Strategy

According to members of the RBF Board, the foundation has both a burden and an opportunity to prove the case for impact investing. One member of the Board leadership described this opportunity to help prove the case as one of the most exciting elements of the RBF's investment work—if the RBF can successfully align their investments with their mission without compromising return, the influence of that success will help build the field. A second Board member noted the responsibility that comes with that degree of influence—if the RBF were not to succeed, that too could have significant effects on the still nascent field of mission-aligned investing.

The initial evidence is promising: Perella Weinberg Partners has delivered on its initial commitment to deliver the RBF a customizable investment strategy that provides direct ownership and visibility to underlying securities; and the portfolio has so far demonstrated promising financial returns.

The positive effects of the RBF's mission-aligned investment strategy go beyond the financial portfolio into the everyday operations of the foundation itself. According to members of the RBF leadership, one of the most rewarding elements of the new investment strategy has been the opportunity for collaboration between program officers and Investment Committee members. The program officers and the Investment Committee members had no



interaction previously; they operated in separate silos. Their collaborations have provided important learning, growth, and improvement in the day-to-day work of each group. Understanding the nature of the work of the program officers has helped inform some aspects of the investment committee decisions, such as manager selection. And for the program officers, learning how PWP Agility makes investment decisions for the endowment helps broaden their understanding of the tools the RBF uses to achieve its mission.

Key Takeaways

The RBF case study offers several lessons for families and foundations working to align their investments and their values. Four key takeaways are:

1. It can be done

Families and foundations can develop and implement mission-aligned investment strategies without fundamentally changing the return objectives, risk profile, liquidity, or asset allocation of their portfolios. The RBF has committed nearly $300 million to ESG and impact funds without compromising the financial expectations of their investments. Most of these investments have been made in the last two years. It is too soon to know how each investment will perform in the long term, but each investment is tracking to expectations so far.

2. The culture and operating structure of your investment advisor matter

Implementing a mission-aligned strategy requires investment advisors who value an organization or family's commitment to impact and whose operating model accommodates tailored investment strategies and targeted investments.

The RBF's initial OCIO had limited capability and incentive to carry out the RBF's impact investment strategy due to its commingled fund model. As a result, the RBF was able to move only 3% its assets towards mission-alignment in three years, far short of their initial 10% commitment. This early failure stands in stark contrast to the speed with which the RBF has been able to meet and exceed its mission alignment targets since hiring PWP. Using separately managed accounts provides the RBF with the structural flexibility to accomplish its specific divestment and impact investment objectives. Perhaps more importantly, PWP shares the RBF's commitment to deepening the mission-aligned and impact investment strategy and has proved willing to dedicate the time, creative energy, and hard work to carry it out.

3. The nature of investments' impact varies across a diversified portfolio

Integrating social and environmental impact throughout a diversified portfolio may require families and foundations to accept varying degrees of "intensity" of impact or mission-alignment from different investments. The RBF's ultimate goal is to achieve 100 percent mission alignment from its investments; this does not mean that 100 percent of the endowment will be in investments intentionally targeting specific, measurable social or environmental impact.

Given the RBF's special focus on climate change, the foundation considers fossil-fuel free public equity funds to be "mission aligned." These funds will, in almost every way, resemble conventional public equity fund investments except for the absence of certain fossil fuel-related stocks from their holdings. Rather than proactively creating targeted impact, the foundation's fossil-fuel free public equity funds reduce the risk of direct contradiction between the foundation's mission and its investments. The RBF has different expectations for its dedicated impact investments, all of which are made from the RBF's allocation to private equity, private debt, and real assets. These impact investments intend to create specific, measurable impact that directly advances the foundation's mission.

4. Transparency, accountability, and collaboration amplify impact

Committing to transparency and collaborating with partners can help families and foundations build the impact investing ecosystem and lower the barrier to entry for future impact investors.

The RBF's early intention-setting, commitment to tracking their progress, and dedication to sharing their results with others has impacted the way other foundations think, and in some cases act, when it comes to their endowment. By sharing its story with others, the RBF can inspire and support other families and foundations who might encounter similar challenges in implementing their own impact investing strategies. Through its partnership with PWP and the creation of the Agility Global Equity Impact Fund, the RBF has helped make a values-aligned investment available to other asset owners.

Over a decade ago, the RBF set an intention to invest its endowment in a way that could further its mission. As a true pioneer, the RBF leadership took a courageous step by publicly committing to align the foundation's investment strategy and its philanthropic mission, despite business norms and asset management convention. With perseverance, the RBF worked year by year to build consensus within the organization and without, ultimately changing its OCIO in order to carry out its vision. The RBF is now proving the case: a mission-aligned investment portfolio does not have to compromise the fundamentals of a portfolio strategy. The RBF's pioneering actions, perseverance, and commitment to prove the case for impact investing continues the Rockefeller family's generations-long family leadership in both philanthropy and capitalism. By sharing their process with others, the impact of the RBF's endowment investments compounds with each new impact investment that they inspire.

Implementing a mission-aligned strategy requires investment advisors who value an organization or family's commitment to impact.

APPENDIX A

Mission-Aligned and Impact Investments

GENERATION IM GLOBAL EQUITY FUND

ASSET CLASS	SECTOR	GEOGRAPHY	IMPACT STRATEGY	RETURN PROFILE
Public Equity	Education	Sub-Saharan Africa	Product-Based	**Market-Rate**
Fixed Income	Environmental Conservation	Middle East & North Africa	People-Based	Concessionary
Private Equity	**Sustainable Consumer Products**	Central & South America	Place-Based	Off-Market
Venture Capital	Housing & Community Development	Asia & Oceania	Process-Based	
Real Assets	**Agriculture & Food**	Eastern Europe & Russia	Behavior-Based	
Hedge Funds	**Energy & Resource Efficiency**	Western Europe	Model-Based	
Social Impact Bonds	Safety & Security	USA & Canada	**ESG-Screened**	
Cash	**Healthcare & Wellness**	Emerging Markets	SRI-Screened	
	Access to Finance	Developed Markets		
	Employment & Empowerment	**Global**		
	Base of Pyramid Services			
	Sustainable Infrastructure			
	Sustainable Banking			

Generation is an investment manager dedicated to “sustainable capitalism.” They have a long-term investment focus, based on the principle that companies with exceptional environmental and social sustainability programs will outperform in the long-term. The Generation IM Global Equity Fund invests in public equities, across sectors. A rigorous sustainability analysis informs stock selection. The fund intends to generate risk-adjusted financial return superior to its conventional competitors, so its return profile is “market-rate.”

DIMENSIONAL FUND ADVISORS (DFA) INTERNATIONAL SUSTAINABILITY CORE

ASSET CLASS	SECTOR	GEOGRAPHY	IMPACT STRATEGY	RETURN PROFILE
Public Equity	**Diversified**	Sub-Saharan Africa	Product-Based	**Market-Rate**
Fixed Income	Environmental Conservation	Middle East & North Africa	People-Based	Concessionary
Private Equity	Sustainable Consumer Products	Central & South America	Place-Based	Off-Market
Venture Capital	Housing & Community Development	Asia & Oceania	Process-Based	
Real Assets	Agriculture & Food	Eastern Europe & Russia	Behavior-Based	
Hedge Funds	Energy & Resource Efficiency	Western Europe	Model-Based	
Social Impact Bonds	Safety & Security	USA & Canada	**ESG-Screened**	
Cash	Healthcare & Wellness	Emerging Markets	SRI-Screened	
	Access to Finance	**Developed Markets**		
	Employment & Empowerment	Global		
	Base of Pyramid Services			
	Sustainable Infrastructure			
	Sustainable Banking			

Dimensional Fund Advisors is an investment manager that invests across asset classes. This particular fund, the International Sustainability Core, is a public equity fund that integrates sustainability considerations into its strategy to invest for financial outperformance.

AGILITY GLOBAL EQUITY IMPACT FUND

ASSET CLASS	SECTOR	GEOGRAPHY	IMPACT STRATEGY	RETURN PROFILE
Public Equity	**Diversified**	Sub-Saharan Africa	Product-Based	**Market-Rate**
Fixed Income	Environmental Conservation	Middle East & North Africa	People-Based	Concessionary
Private Equity	Sustainable Consumer Products	Central & South America	Place-Based	Off-Market
Venture Capital	Housing & Community Development	Asia & Oceania	Process-Based	
Real Assets	Agriculture & Food	Eastern Europe & Russia	Behavior-Based	
Hedge Funds	Energy & Resource Efficiency	Western Europe	Model-Based	
Social Impact Bonds	Safety & Security	USA & Canada	**ESG-Screened**	
Cash	Healthcare & Wellness	Emerging Markets	SRI-Screened	
	Access to Finance	Developed Markets		
	Employment & Empowerment	**Global**		
	Base of Pyramid Services			
	Sustainable Infrastructure			
	Sustainable Banking			

Agility Global Equity Impact Fund is a public equity fund-of-funds focused on conviction-based strategies aligned with environmental sustainability, social responsibility, good governance, and long-term, sustainable financial growth. The RBF provided the seed investment for this fund that was created, and is managed by, the Agility team at Perella Weinberg Partners.

GENERATION CLIMATE SOLUTIONS FUND II

ASSET CLASS	SECTOR	GEOGRAPHY	IMPACT STRATEGY	RETURN PROFILE
Public Equity	Education	Sub-Saharan Africa	**Product-Based**	**Market-Rate**
Fixed Income	Environmental Conservation	Middle East & North Africa	People-Based	Concessionary
Private Equity	Sustainable Consumer Products	Central & South America	Place-Based	Off-Market
Venture Capital	Housing & Community Development	Asia & Oceania	**Process-Based**	
Real Assets	Agriculture & Food	Eastern Europe & Russia	Behavior-Based	
Hedge Funds	**Energy & Resource Efficiency**	Western Europe	Model-Based	
Social Impact Bonds	Safety & Security	USA & Canada	ESG-Screened	
Cash	Healthcare & Wellness	Emerging Markets	SRI-Screened	
	Access to Finance	**Developed Markets**		
	Employment & Empowerment	Global		
	Base of Pyramid Services			
	Sustainable Infrastructure			
	Sustainable Banking			

Generation Climate Solutions Fund II is a private equity fund managed by Generation that is invested in businesses that enhance resource productivity and reduce pollution, waste, and greenhouse gas emissions.

TURNER MULTIFAMILY IMPACT FUND

ASSET CLASS	SECTOR	GEOGRAPHY	IMPACT STRATEGY	RETURN PROFILE
Public Equity	Education	Sub-Saharan Africa	Product-Based	**Market-Rate**
Fixed Income	Environmental Conservation	Middle East & North Africa	**People-Based**	Concessionary
Private Equity	Sustainable Consumer Products	Central & South America	**Place-Based**	Off-Market
Venture Capital	**Housing & Community Development**	Asia & Oceania	Process-Based	
Real Assets	Agriculture & Food	Eastern Europe & Russia	Behavior-Based	
Hedge Funds	Energy & Resource Efficiency	Western Europe	Model-Based	
Social Impact Bonds	Safety & Security	**USA & Canada**	ESG-Screened	
Cash	Healthcare & Wellness	Emerging Markets	SRI-Screened	
	Access to Finance	Developed Markets		
	Employment & Empowerment	Global		
	Base of Pyramid Services			
	Sustainable Infrastructure			
	Sustainable Banking			

Turner Multifamily Impact Fund is a real asset investment fund that finances the development of affordable housing units and accompanying services for its inhabitants, such as health care centers, schools, and playgrounds.

ELEVAR EQUITY

ASSET CLASS	SECTOR	GEOGRAPHY	IMPACT STRATEGY	RETURN PROFILE
Public Equity	**Education**	Sub-Saharan Africa	Product-Based	**Market-Rate**
Fixed Income	Environmental Conservation	Middle East & North Africa	**People-Based**	Concessionary
Private Equity	Sustainable Consumer Products	Central & South America	Place-Based	Off-Market
Venture Capital	**Housing & Community Development**	Asia & Oceania	Process-Based	
Real Assets	Agriculture & Food	Eastern Europe & Russia	Behavior-Based	
Hedge Funds	Energy & Resource Efficiency	Western Europe	Model-Based	
Social Impact Bonds	Safety & Security	USA & Canada	ESG-Screened	
Cash	**Healthcare & Wellness**	**Emerging Markets**	SRI-Screened	
	Access to Finance	Developed Markets		
	Employment & Empowerment	Global		
	Base of Pyramid Services			
	Sustainable Infrastructure			
	Sustainable Banking			

Elevar is a private equity fund manager investing growth equity in businesses that provide goods and services to disconnected, low-income communities. Elevar provides equity capital to entrepreneurs who deliver market-based solutions for financial services, housing, education, and healthcare in emerging market contexts.

SUSTAINABLE ASSET FUND (VISION RIDGE AND CAPRICORN INVESTMENT GROUP)

ASSET CLASS	SECTOR	GEOGRAPHY	IMPACT STRATEGY	RETURN PROFILE
Public Equity	Education	Sub-Saharan Africa	**Product-Based**	**Market-Rate**
Fixed Income	**Environmental Conservation**	Middle East & North Africa	People-Based	Concessionary
Private Equity	Sustainable Consumer Products	Central & South America	**Place-Based**	Off-Market
Venture Capital	Housing & Community Development	Asia & Oceania	**Process-Based**	
Real Assets	Agriculture & Food	Eastern Europe & Russia	Behavior-Based	
Hedge Funds	**Energy & Resource Efficiency**	Western Europe	Model-Based	
Social Impact Bonds	Safety & Security	**USA & Canada**	ESG-Screened	
Cash	Healthcare & Wellness	Emerging Markets	SRI-Screened	
	Access to Finance	Developed Markets		
	Employment & Empowerment	Global		
	Base of Pyramid Services			
	Sustainable Infrastructure			
	Sustainable Banking			

Vision Ridge Partners and Capricorn Investment Group recently launched the Sustainable Asset Fund, a fund that will invest over $430 million in sustainable companies and projects in sectors including resource optimization of water, agricultural goods, renewable energy, and transportation.

NEW ENERGY CAPITAL INFRASTRUCTURE

ASSET CLASS	SECTOR	GEOGRAPHY	IMPACT STRATEGY	RETURN PROFILE
Public Equity	Education	Sub-Saharan Africa	**Product-Based**	**Market-Rate**
Fixed Income	Environmental Conservation	Middle East & North Africa	People-Based	Concessionary
Private Equity	Sustainable Consumer Products	Central & South America	**Place-Based**	Off-Market
Venture Capital	Housing & Community Development	Asia & Oceania	**Process-Based**	
Real Assets	Agriculture & Food	Eastern Europe & Russia	Behavior-Based	
Hedge Funds	**Energy & Resource Efficiency**	Western Europe	Model-Based	
Social Impact Bonds	Safety & Security	**USA & Canada**	ESG-Screened	
Cash	Healthcare & Wellness	Emerging Markets	SRI-Screened	
	Access to Finance	Developed Markets		
	Employment & Empowerment	Global		
	Base of Pyramid Services			
	Sustainable Infrastructure			
	Sustainable Banking			

New Energy Capital invests in diversified portfolios of clean infrastructure, power generation, and energy assets. New Energy Capital has a focus on small to mid-size companies and projects across North America.

Appendix B

Leading USA-foundations and their mission-aligned investments

The RBF's dedication and commitment to changing its investment practices has put it first among USA-based foundations for absolute dollars committed to mission-aligned investments made from the corpus of its endowment (as opposed to program-related investments, which are made out of the mandatory 5 percent distribution) and second only to the F.B. Heron Foundation in terms of the percentage of its endowment committed to mission-aligned and impact investments.

Foundation	Most Recent Fiscal Year's Outstanding Balance of Program-Related Investments	Most Recent Reported Size of allocated PRI Portfolio	Most Recent Reported Size of Mission-Related Investment Portfolio	Endowment Size	Percentage of Endowment Dedicated to Mission-Driven Investments (PRI whole portfolio and MRIs)
The Annie E. Casey Foundation	$40,500,000	Could not be found	$125,000,000	$2.5 billion	7%
The Bill & Melinda Gates Foundation	$149,639,000	$1.5 billion	$0	$39.6 billion	3.8%
The David & Lucile Packard Foundation	$109,000,000	$180,000,000	$0	$7.0 billion	2.5%
The Ford Foundation	$202,000,000	$280,000,000	$0	$12.1 billion	2.3%
The F.B. Heron Foundation	$15,965,702	$16,500,000	$192,500,000	$283 million	74%
The Kresge Foundation	$36,826,568	$73,300,000	$0	$3.7 billion	2%
The McKnight Foundation	$19,800,000	$25,000,000	$367,500,000	$2.3 billion	17%
The Rockefeller Brothers Fund	$0	$0	$280,000,000	$859 million	32%
The Rockefeller Foundation	$3,151,146	$50,000,000	$0	$4.2 billion	1.2%
W.K. Kellogg Foundation	$9,319,654	$18,500,000	$100,000,000	$9 billion	1.3%

Endnotes:

[1] In honor of its 75th anniversary, the RBF created an in-depth, interactive history of its activities. To learn more about its history, click HERE.

[2] To understand more about the RBFs Sustainable Development Program, please see: http://www.rbf.org/sites/default/files/sustainabledevelopmentprogramreview.pdf. This figure was provided by the RBF on September 14, 2016.

[3] See section 7.27.16.1.1 of the IRS tax code: https://www.irs.gov/irm/part7/irm_07-027-016.html.

[4] According to the RBF's press release http://www.rbf.org/news/rbf-joins-more-mission.

[5] In 2014, the RBF amended its Investment Policy Statement to explicitly prioritize preserving the real value of the portfolio in perpetuity over maximizing annual growth. To see the full Investment Policy Statement, click here: http://www.rbf.org/about/investment-policy-statement. Note the section titled "Mission-Aligned Investments."

[6] To learn more about the divest-invest initiative, see: http://divestinvest.org/.

[7] This list of RBF's ESG investments is also located on their website here: http://www.rbf.org/about/mission-aligned-investment-efforts.

[8] In 2010, Stephen Heintz designated the goal for "sustainable investments," which he described as investments that create "long-term social, environmental, and financial value" and that meet the same risk and return standards of its other portfolio investments. The terminology in the field has evolved since 2010 and that definition can also be used to describe impact investments.

[9] This list of RBF's impact investments is also located on their website here: http://www.rbf.org/about/mission-aligned-investment-efforts.

[10] Program-Related Investments (PRIs) are distributed from the 5% required spending for USA-based foundations. PRIs must satisfy specific parameters set by the IRS. PRIs are sources of inexpensive capital that can seed social enterprises or other impact-oriented businesses.

[11] This is inclusive of funds set aside for future PRI commitments, current commitments, as well as distributions. This is typically over the course of several years.

[12] Mission-Related Investments (MRIs) are investments made from the 95% of the foundation's invested endowment and are invested in such a way that they align in some way with the mission of the organization. MRIs do not have particular requirements by law, and typically earn market-rate, risk-adjusted returns.

[13] This figure changes from year to year based on the outstanding balance of program-related investments and adjustments made to mission-related investments. Endowment size may also fluctuate from year to year.

[14] This figure is according to the Annie E. Casey Foundation audited financial statement for the year 2013-2014 and includes distributions only, not commitments: http://www.aecf.org/m/resourcedoc/financials-statementsDec312014and2015audit.pdf.

[15] Information regarding the Annie E. Casey Foundation's mission-related investments was taken from its website on August 24, 2016 http://www.aecf.org/blog/casey-advances-social-investments-in-philanthropy/; information was also found on the GIIN https://thegiin.org/investors-council#wk-kellogg-foundation.

[16] This figure was taken from the website of the Annie Casey Foundation: http://www.aecf.org/about/financials/.

[17] This figure was taken from the Bill and Melinda Gates Foundation's most recent audited financial statement and includes only distributions, not commitments, of program-related investments for the fiscal year of 2014. http://www.gatesfoundation.org/~/media/GFO/Who-We-Are/Financials/Program-Foundation-Financials-2014_Final.pdf?la=en.

[18] Bill and Melinda Gates Foundation announced their $1.5 billion allocated PRI portfolio. As of the summer of 2016, $1 billion had been committed out of that $1.5 billion.

[19] This figure was taken from the Bill & Melinda Gates Foundation Website: http://www.gatesfoundation.org/Who-We-Are/General-Information/Foundation-Factsheet.

[20] This figure was generated by dividing the size of the PRI portfolio by the size of the endowment.

[21] The information listed here for the Packard Foundation is publicly available and was also confirmed by Packard Foundation staff.

[22] This figure is cited from the David & Lucile Packard Foundation's 2015 audited financial statement and does not include commitments, only distributions, of program-related investments. https://www.packard.org/wp-content/uploads/2016/08/The-David-and-Lucile-Packard-Foundation-12.31.15-AFS-final.pdf.

[23] This figure is cited from the David & Lucile Packard Foundation's 2015 audited financial statement represents their total assets. https://www.packard.org/wp-content/uploads/2016/08/The-David-and-Lucile-Packard-Foundation-12.31.15-AFS-final.pdf.

[24] This figure according to Ford Foundation on August 31, 2016.

[25] This figure is according to the Ford Foundation on August 29, 2016.

[26] The Ford Foundation is currently exploring the possibility of making MRIs, however has yet to commit a portfolio.

[27] This figure was taken from the Ford Foundation's 2015 audited financial statement and represents the total assets. . https://fordfoundcontent.blob.core.windows.net/media/2960/2015-audited-financial-statements-copy.pdf.

[28] This figure was generated by dividing the total PRI portfolio amount by the total endowment.

[29] This figure is according to the F.B. Heron Foundation's 2015 audited financial statement and does not include commitments, only distributions of program-related investments.: http://heron.org/sites/default/files/F.B.%20Heron%20Foundation.pdf.

[30] This figure is according to the F.B. Heron Foundation on September 7, 2016. It is approximately the same figure onthe R.B. Heron website: http://heron.org/enterprise/platform/outcomes

[31] This figure is according to the F.B. Heron Foundation on September 7, 2016. It is approximately the same figure as is according to the line item titled "Investments Allocated for Mission" on the F.B. Heron Foundation's 2015 audited financial report. http://heron.org/sites/default/files/F.B.%20Heron%20Foundation.pdf.

[32] This figure is according to correspondence with staff at the F.B. Heron Foundation on September 7, 2016.

[33] This figure is according the audited financial statement for the Kresge Foundation in 2015 and only includes distributions, not commitments, of program-related investments. . http://kresge.org/sites/default/files/library/kresge-foundation-2015-financial-statements.pdf.

[34] This is the dollar amount made in PRIs throughout 2014, according to the Kresge Foundation website: http://kresge.org/how-we-fund/social-investing. x

[35] This figure is according the audited financial statement for the Kresge Foundation in 2015 represents their total assets. http://kresge.org/sites/default/files/library/kresge-foundation-2015-financial-statements.pdf.

[36] Information regarding the McKnight Foundation's mission-related investing strategy came from its website accessed on August 24, 2016. https://www.mcknight.org/impact-investing.

[37] This figure is according to the McKnight Foundation on September 12, 2016.

[38] This figure is according to the McKnight Foundation on September 12, 2016.

[39] This figure is according to the McKnight Foundation on September 12, 2016.

[40] This figure is according to the McKnight Foundation's total assets as reported in the 2014 audited financial statement. https://www.mcknight.org/system/asset/document/992/original/The%20McKnight%20Foundation.Final%20Financial%20Statements%209.2.15.pdf.

[41] This is according to the RBF on September 13, 2016.

[42] This figure is the total assets according to the Rockefeller Brothers Fund audited financial statement for 2014. http://www.rbf.org/sites/default/files/2015-rbf-financial-statement_audited.pdf.

43 The figure of $50 million was found on the website for the Rockefeller Foundation on August 24, 2016. https://www.rockefellerfoundation.org/our-work/initiatives/innovative-finance/.

44 This figure was taken from the Rockefeller Foundation's 2014 audited financial statement and represents only a small portion of their $50 million PRI portfolio. https://assets.rockefellerfoundation.org/app/uploads/20151113125541/2014-990-PF.pdf. Also, 2014 was an atypical year for the PRI portfolio at the Rockefeller Foundation. Typically, the Rockefeller Foundation makes between $10 and $15 million in PRIs, according to the Foundation.

45 This figure came from the Rockefeller Foundation on September 8, 2016.

46 This figure was taken from the Rockefeller Foundation's 2014 audited financial statement and represents the total assets of the foundation. https://assets.rockefellerfoundation.org/app/uploads/20151113125541/2014-990-PF.pdf

47 This figure was taken from the W.K. Kellogg Foundation's 2015 audited financial report and includes distributions, not commitments, of program-related investments. . https://www.google.com/

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