

Generation Investment Management

Trends in Green Funds

What is a real green investment?

Zurich, 2008

1. Generation

- Founded in 2004 by Al Gore and David Blood
- Private owner-managed boutique asset manager
- Exclusively focused on long term investing and sustainability
- 30 people based in London, NYC and Sydney. 15 Investment professionals.
- USD6bn assets under management from institutional clients
- Investing in public and private equity globally via 2 funds:
 - Global Equity Fund (USD5.3bn)
 - Climate Solutions Fund (USD683mn)
- Strategic alliance with Kleiner, Perkins, Caufield & Byers

2. Investing innovations

.Global Equity Fund

- .Long term investment and research horizons***
- .Client alignment - 3 year rolling performance fees***
- .Deep fundamental research with full integration of sustainability***

.Climate Solutions Fund

- .Cross over structure***
- .True climate solutions***

3. What is a sustainable investment?

- Scalable material solutions to removing massive amounts of GHGs from our economic system
- Raise our ambitions to match scale of the problem
- Broaden our definitions of climate solutions to include mass consciousness raising and social innovations beyond classic cleantech
- AG Repowering America call to action – 100% electricity from renewable and carbon constrained sources within 10 years
- **Generation`s focus in climate solutions**
- Material increases in supply of green energy
- Major decreases in demand for resources – how to create more value by selling less
- Valuing forests more when alive than dead
- Ensuring a shift from fossil fuels based economy to a bio-based economy
- Establishing a functioning carbon market and carbon price
- Mass consciousness raising