



Robeco Sustainable Private Equity

a fund investing in the leading sectors of the future

Andrew Musters
Robeco Private Equity



The investment opportunity

- Robeco Sustainable Private Equity invests in the new sustainability stars
- Robeco Sustainable Private Equity integrates the strengths of Rabobank and Robeco:
 - Rabobank is a world leader in corporate sustainability performance
 - Robeco is one of the most experienced private equity fund investors in Europe with a strong long-term track record
 - Rabobank and Robeco have been looking at the sustainable private equity space since 2002 and decided to launch the Fund in 2004
 - Rabobank and Robeco are strong sponsors in Robeco Sustainable Private Equity by each committing up to USD 40 million to the Fund

Rabobank

- Founded as farmers co-operative bank in 1898
- Balance sheet total of EUR 450 billion
- Only privately held bank in the world with Triple A credit rating
- Second of all banks worldwide in terms of sustainability performance (SAM)
- Winner of Royal Award for Responsible Investment (United Nations)



Robeco

- Founded in 1929, in The Netherlands
- One of Europe's first international asset managers
- Headquartered in Rotterdam, The Netherlands, with offices in Germany, France, Belgium, Switzerland, Spain and the U.S.
- EUR 115 billion in assets under management
- Fully owned by Rabobank and independent with regard to its company strategy and investment policy
- Private equity team has 15 year top quartile track record:
 -  41% return from 1990 until 2000 on EUR 4 billion portfolio for PGGM
 - 10% return from 2000 until 2004 on EUR 0.5 billion portfolio for Robeco





Robeco Sustainable Private Equity: investment rationale



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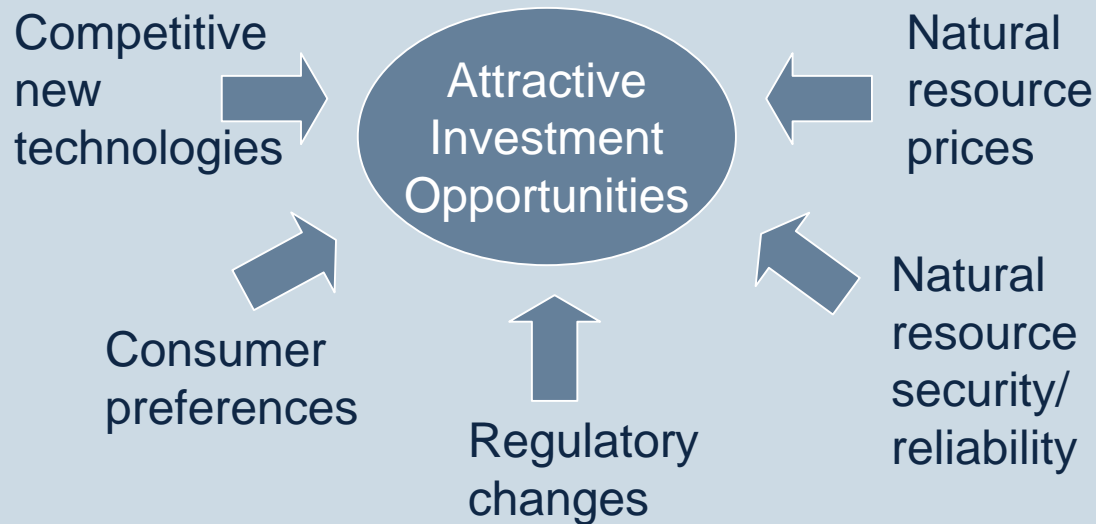
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Robeco Sustainable Private Equity: investments rationale

- The momentum for investing in sustainable technologies is building up:



Green technologies are on the verge of becoming one of the next waves in the knowledge economy revolution Tony Blair Prime Minister Great Britain



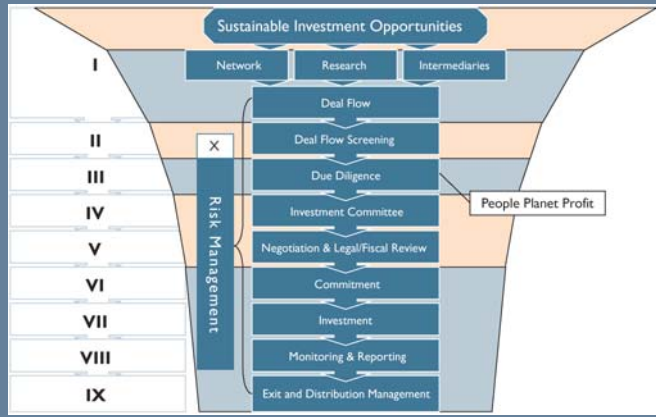
Robeco Sustainable Private Equity: investment strategy

Type of investment	Target Allocation
Sustainable private equity funds	60% - 100%
Sustainable direct (co-)investments	0% - 20%
Sustainable project financing transactions	0% - 20%

Top-down allocation:

Capital allocation decisions are very important. Robeco develops explicit views on attractiveness of the various sub-segments

Robeco Sustainable Private Equity



Bottom-up selection:

Given the dispersion in returns, investment selection is equally important. Robeco works with a systematic, disciplined approach



Robeco Sustainable Private Equity: top-down allocation

- Robeco Sustainable Private Equity will be diversified across:

- Type of investment:

Type of investment	Target Allocation
Sustainable private equity funds	60% - 100%
Sustainable direct (co-)investments	0% - 20%
Sustainable project financing transactions	0% - 20%

- Stage of investment: venture capital, development capital, buyouts
- Geography: U.S., Europe, Emerging Markets
- Industry sector

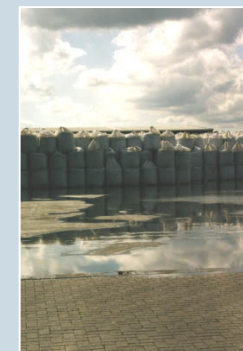
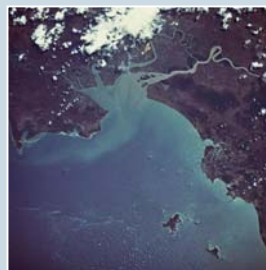
Robeco Sustainable Private Equity: top-down allocation

- Robeco Sustainable Private Equity invests in the following industry sectors:



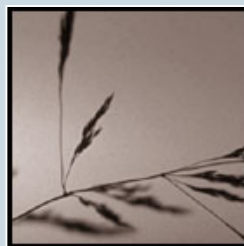
Energy

Water

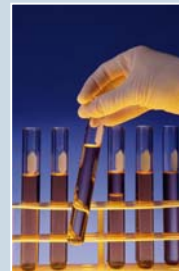


Waste

Food



Health



Robeco Sustainable Private Equity: bottom-up selection

- Deal flow:
 - Over 100 sustainable funds in our database
 - Approximately 25% of the funds are of institutional quality
 - Overweighting U.S. versus Europe and Emerging Markets
 - Overweighting venture capital versus development capital and buyouts
 - Overweighting energy versus water, waste, food and health

- Lessons learned so far:
 - Average quality sustainable funds lower than mainstream venture capital funds
 - Market potential is enormous
 - Valuations are relatively low
 - Target return 20-25%

- Due diligence process of sustainable funds very in-depth:
 - Extensive sector/technology knowledge required
 - Extensive research into track record required (unrealized investments)



Robeco Sustainable Private Equity: bottom-up selection

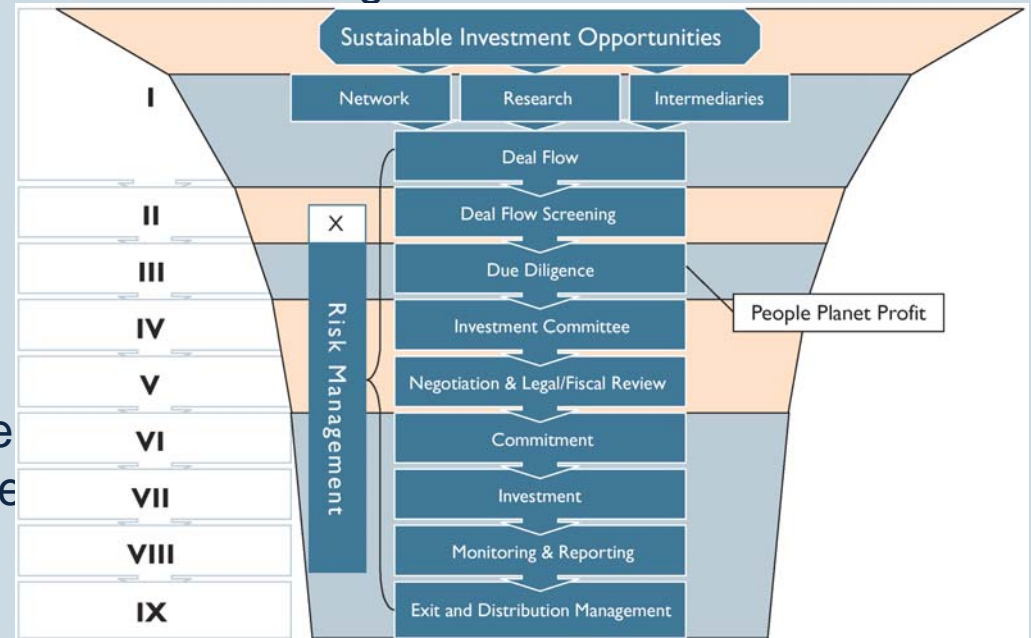
- Due diligence process Robeco Sustainable Private Equity: concrete example:

Chrysalix Energy Limited Partnership I



- Due diligence process consists of the following elements:

- Market
- Strategy
- Team
- Track record
- Terms and conditions
- Legal/fiscal due diligence
- Sustainable due diligence



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