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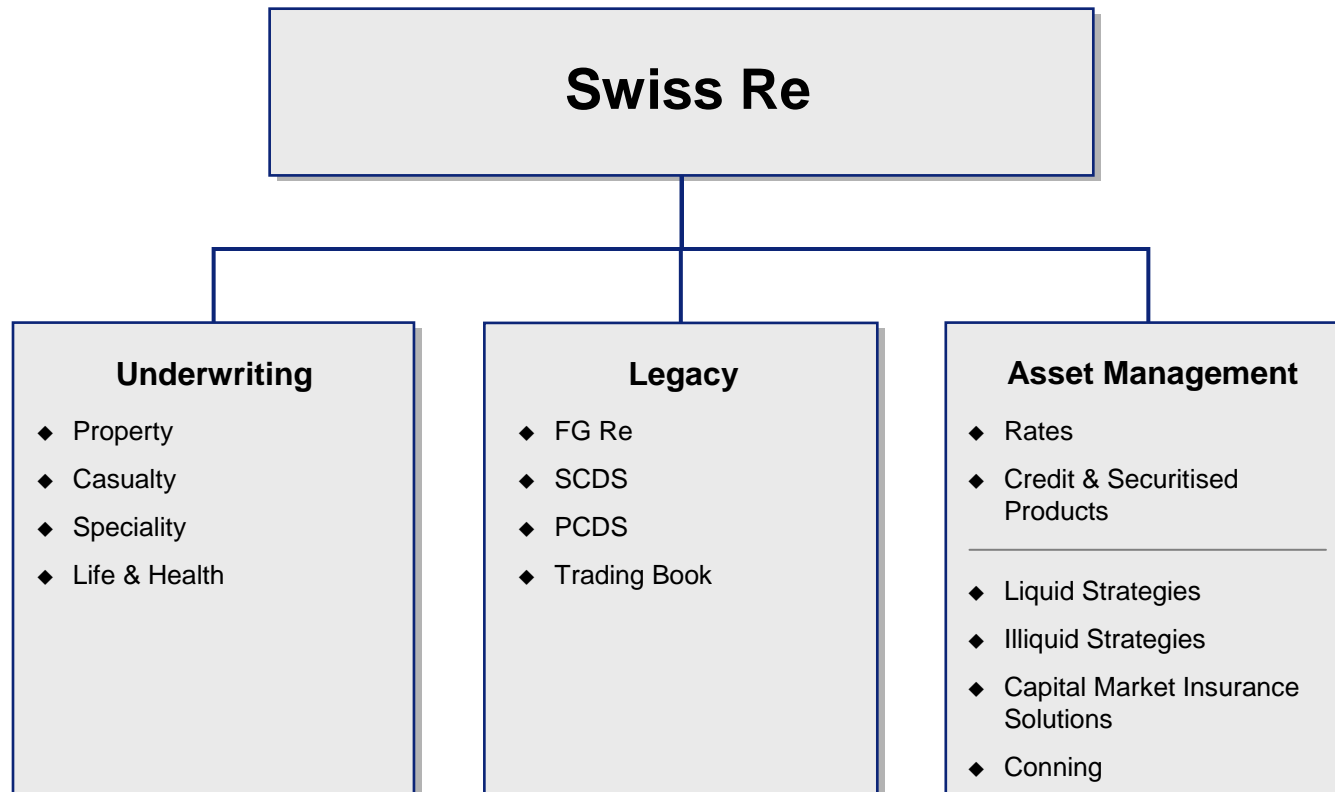
**INVESTMENT FUND DESIGNER**  
**UN ECE SED**  
**Financing Energy Efficiency Investments**  
**for Climate Change Mitigation**



**RFPS-117**

Conning Asset Management Limited  
Authorised and regulated by the Financial Services Authority

- ◆ **Overview of Swiss Re and Conning**
- ◆ Investment Fund Designer - Tender Extracts
- ◆ Investment Fund Designer - Initial Design Proposal



- ◆ Swiss Re is the world's largest and most diversified global reinsurer.
- ◆ A primary objective of Asset Management is to provide enhanced value for Swiss Re's core client base.
- ◆ Swiss Re is rated \*AA- by Standard & Poor's and \*\*Aa2 by Moody's (Confirmed on 06.11.08)

\*A+ as of 18 February 2009

\*\* Aa3 as of 6 February 2009



## Communication, Reporting and Service Overview

- ◆ Global interaction between the portfolio management, credit research, trading and risk management functions as portfolio managers in Hartford and Dublin attend weekly, monthly and ongoing market review meetings to exchange research and opinion.
- ◆ Investment reports can be produced per asset class, aggregated by entity or group of entities as required. Reports are available to cover compliance, regulatory returns and risk management.
- ◆ Conning's global investment accounting system enables local GAAP and US GAAP to be provided on the portfolios that Conning manages.
- ◆ Ad hoc reports for insurance regulations, tax and statutory reporting are prepared as required by our reporting team.

## History

- ◆ Founded in 1912 in Hartford, CT.
- ◆ Acquired by Swiss Re in July, 2001.
- ◆ Assumed global responsibility for non-proprietary client investments in 2003.

## Highlights

- ◆ Ranked among top three U.S. insurance asset managers in terms of assets under management\*.
- ◆ Leading U.S. insurance research and publications group.
- ◆ More than 120 institutional clients globally.
- ◆ Team of 231 employees dedicated to the insurance and investment industry.

as of 30/9/2008  
\*\*IFI Insurance Asset Manager Annual Survey 2007"

Conning offers global investment products and select alternative investments through external partners.

### Fixed Income:

- ◆ Governments / Agencies
- ◆ Corporates
- ◆ MBS / CMBS / ABS
- ◆ Tax-Exempts
- ◆ Specialty Fixed Income:
  - ❖ High Yield
  - ❖ Private Placements
  - ❖ Convertibles

### Equities:

- ◆ Index and Enhanced Index
- ◆ Yield Enhanced
- ◆ Actively Managed◆

### Alternative Investments:◆

- ◆ Private Equity◆
- ◆ Real Estate◆
- ◆ Derivatives◆
- ◆ Structured Products◆
- ◆ Insurance Linked Securities◆
- ◆ Hedge Funds◆

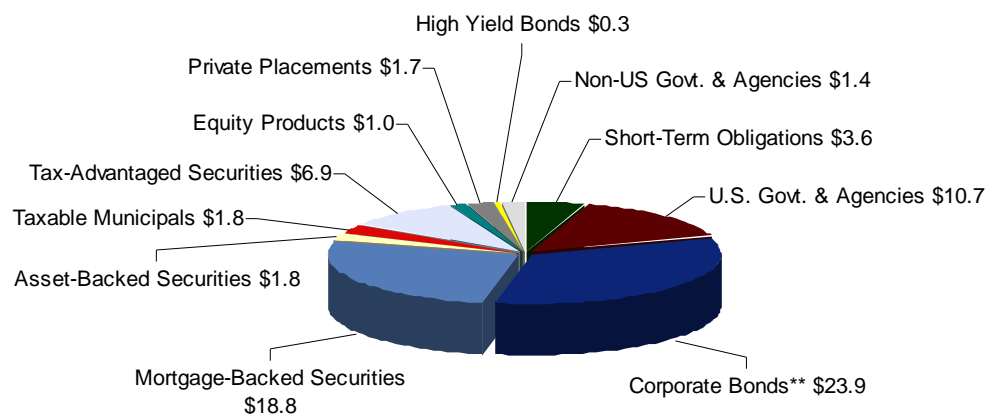
◆ Offered via placement/distribution relationship or via a sub-advisory relationship

As of 30/9/08

\* Includes Conning's U.S. and Dublin Investment Centers

\*\* Includes Convertible Securities

## Assets Under Management



<b>Assets Under Management</b>	<b>\$ 72.1 billion*</b>
<b>Assets Under Advisory</b>	<b>\$ 11.5 billion</b>
<b>Accounting and Reporting Assets</b>	<b>\$ 17.4 billion</b>
<b>Total Assets Under Contract</b>	<b>\$101.0 billion</b>

- ◆ Overview of Swiss Re and Conning
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- ◆ To promote market formation so that self-sustaining energy efficiency and renewable energy projects can be identified, developed, financed and implemented locally in twelve nominated countries.

1. To promote market formation so that self-sustaining energy efficiency and renewable energy projects can be identified, developed, financed and implemented locally in twelve nominated countries.
2. Designing a Euro denominated public-private partnership fund with contributions from both the public and private sector in the region of EUR250m, which invests exclusively in projects which have a quantifiable impact on the reduction of greenhouse gas emissions.
3. The countries are Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Kazakhstan, Republic of Moldova, Romania, Russian Federation, Serbia, The former Yugoslav Republic of Macedonia and the Ukraine.

1. Develop PPP\* fund structure
2. Define fund procedures, rules, governance
3. Draft legal document for investors
4. Draft PPM\*\* and fund business plan
5. Identify lead investors
6. Solicit public/private investors
7. Determine the role and TOR\*\*\* of the fund manager

\*Public Private Partnership \*\* Private Placement Memorandum \*\*\* Terms of Reference

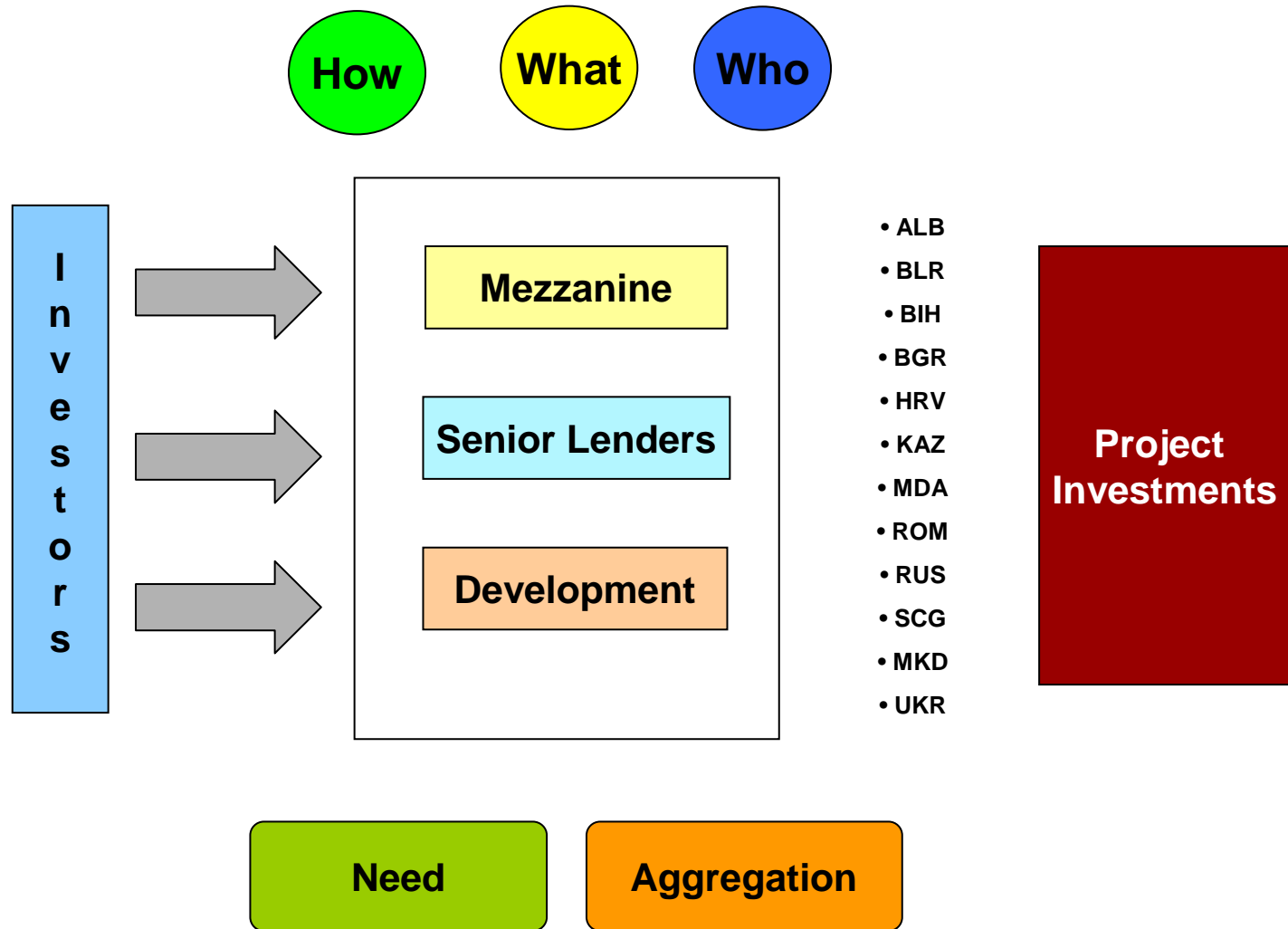
1. Proven expertise in private equity/project finance
2. Proven expertise in public/private partnerships
3. Capacity to establish relationships with financial/industrial groups
4. Experience in the development of investment funds for energy efficiency, including relations with development banks, commercial banks, public and private investors
5. Detailed knowledge of the investors perspective in financing environmental investments
6. Experience in equity and mezzanine financing and investment project development

<b>Target Projects</b>	Clean energy projects in EU 27 including wind energy, solar energy, hydro-electric, biomass, cogeneration, combined-cycle, fuel switching, geothermal, clean coal, waste-to-energy, district heating and electric, waste fuel, combined heat & power (CHP), efficiency retrofit and related projects and companies
<b>Fund Size</b>	EUR354 million
<b>Investment Period</b>	Four years from Final Closing (Dec 2006)
<b>Term</b>	Ten years, with two one-year renewal options
<b>Investment Manager</b>	Trust Company of the West
<b>Investors</b>	Swiss Re EUR20 million; TCW EUR5 million; public pension schemes, commercial fund investors, foundations and international financial institutions
<b>Management Fee</b>	2% of committed capital during investment period and afterwards 2% on par value of investments
<b>Preferred Return</b>	7%
<b>Performance Fee</b>	20% to the Investment Manager and 80% to the Investors after the Preferred Return

<b>Target Projects</b>	Projects generating a recognised carbon credit stream Post-2012
<b>Fund Size</b>	EUR125 million
<b>Investment Period</b>	Two years from First Closing (Feb 2008)
<b>Term</b>	December 2012
<b>Investment Manager</b>	First Climate
<b>Investors</b>	European Investment Bank with Caisse des dépôts et consignations, Instituto de Crédito Oficial, KfW and Nordic Investment Bank
<b>Management Fee</b>	2% of committed capital during investment period and 2% on par value of outstanding investments during some and following the investment period
<b>Preferred Return</b>	7% (with a catch-up in certain circumstances)
<b>Performance Fee</b>	20% to the Investment Manager and 80% to the Investors after the Preferred Return

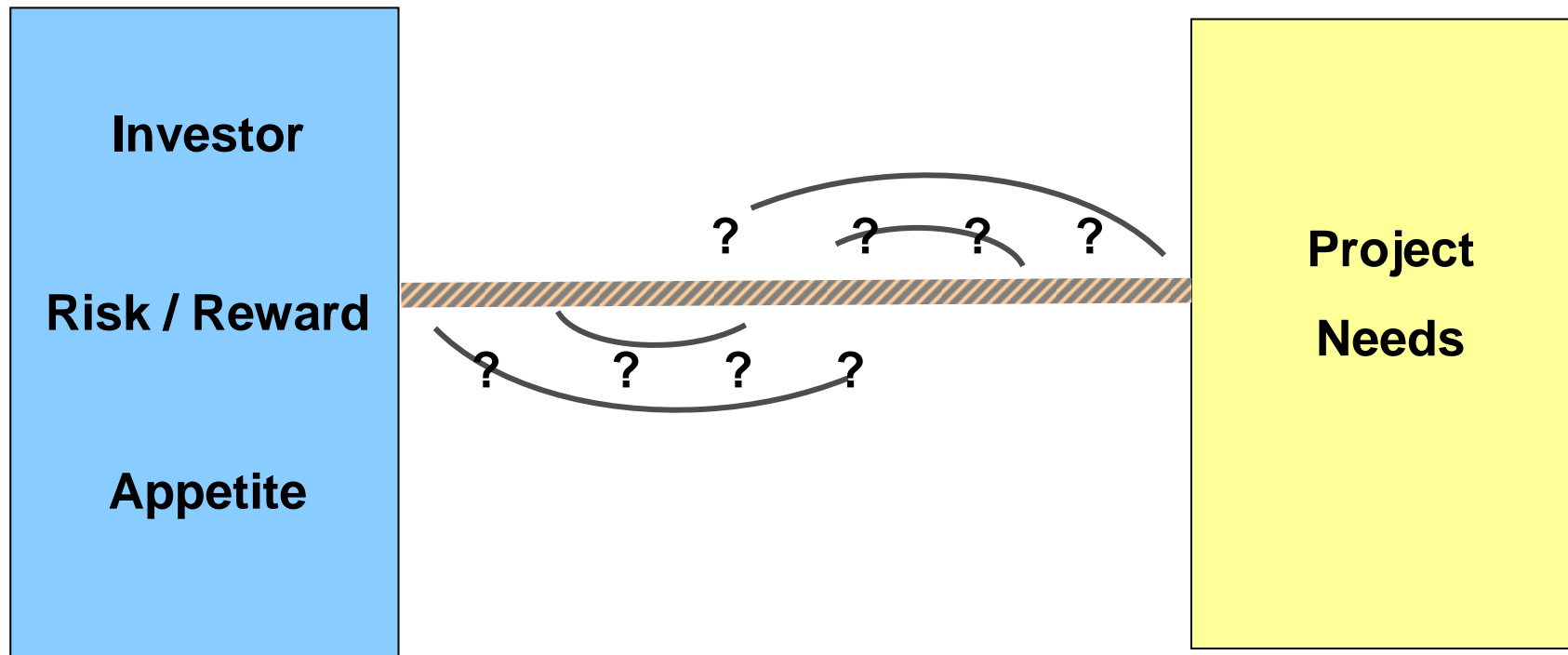
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# Who decides?

- ◆ Which funds are feasible?



The key decision makers are the investors and project developers

# Key Fund Requirements

Stage 1

**Sponsor**

**Idea**

**Market  
Information**

Stage 2

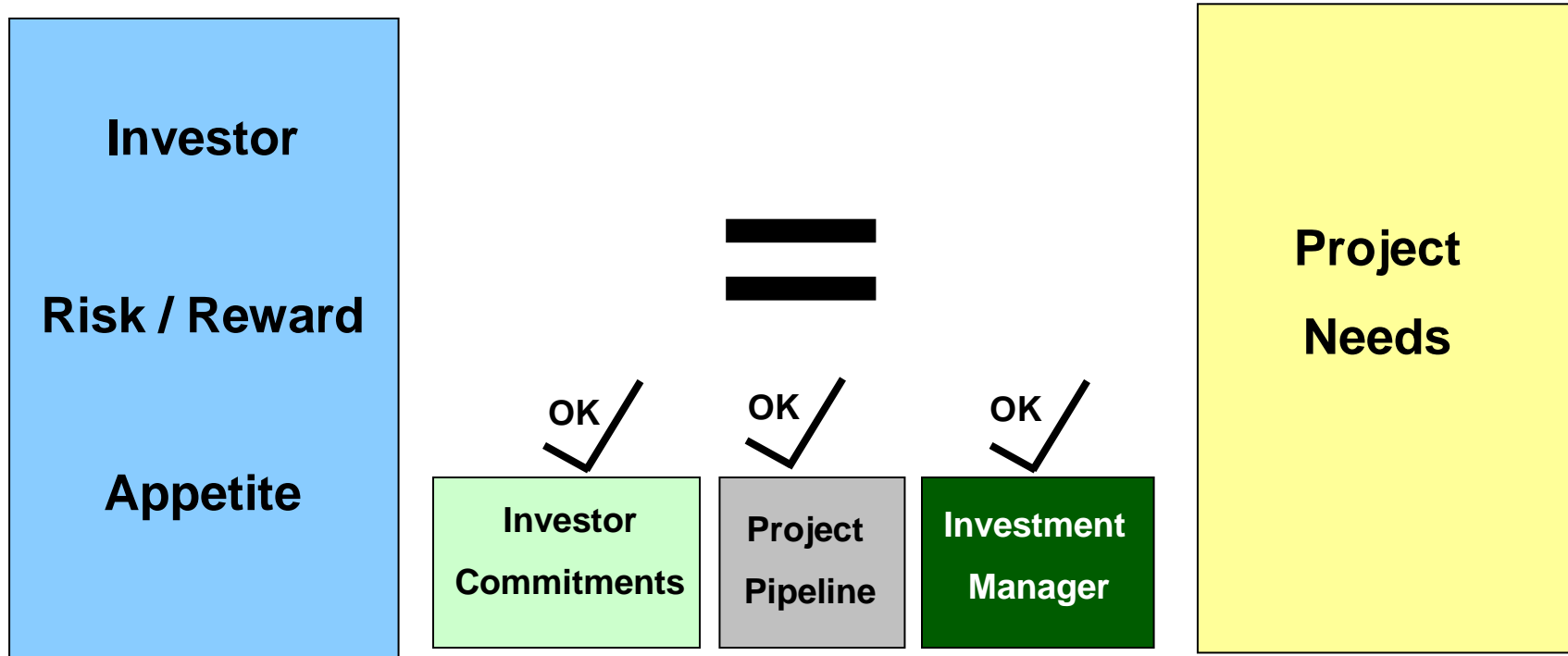
**Investor  
Commitments**

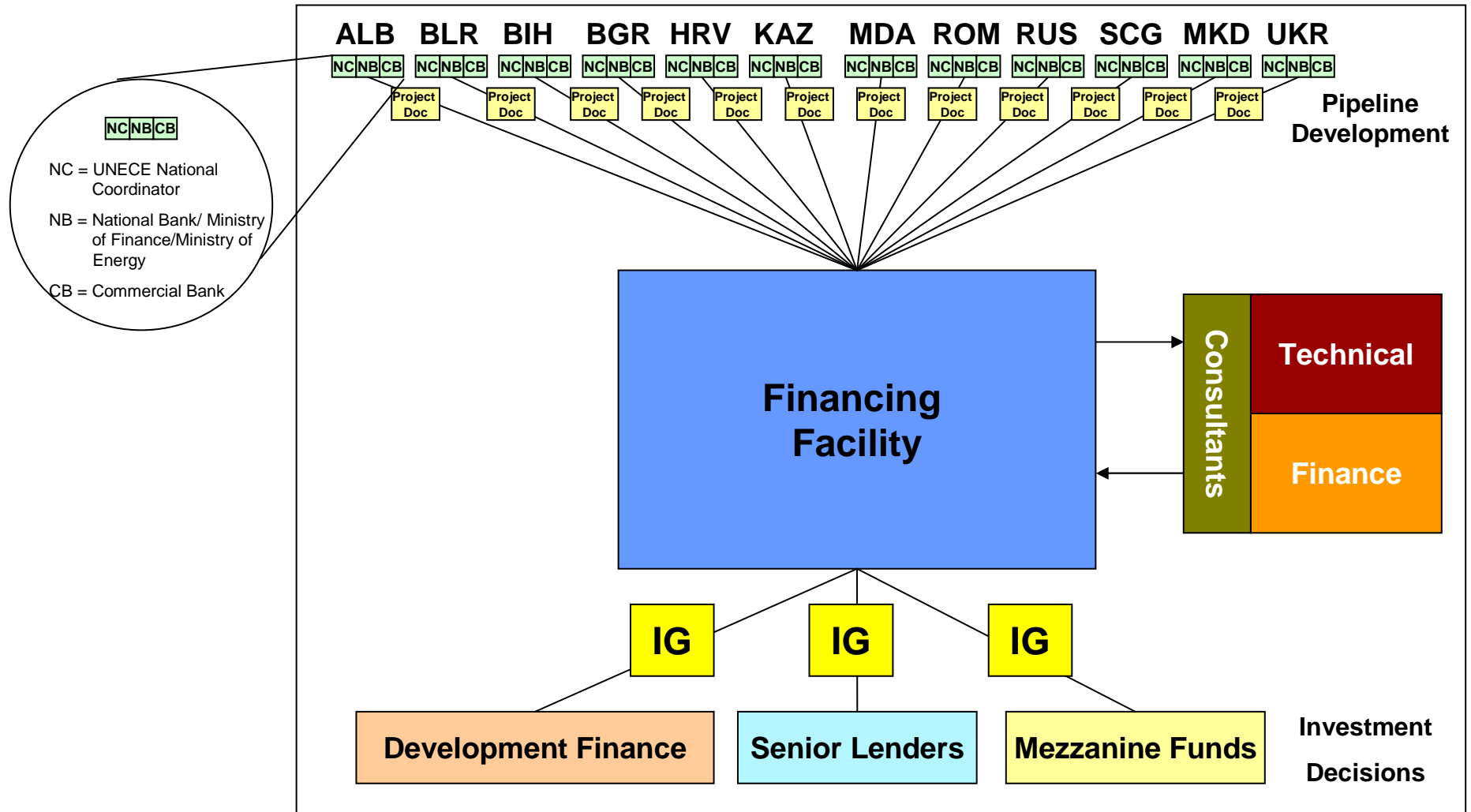
**Project  
Pipeline**

Stage 3

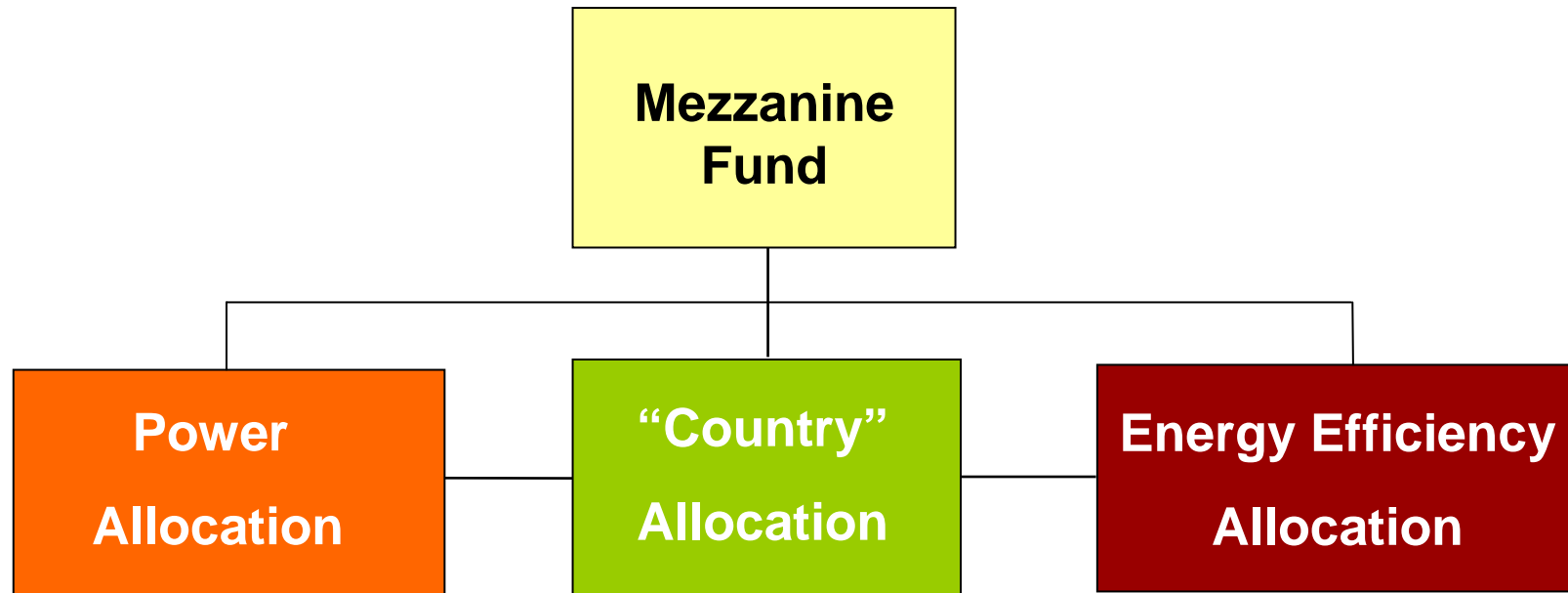
**Investment  
Manager**

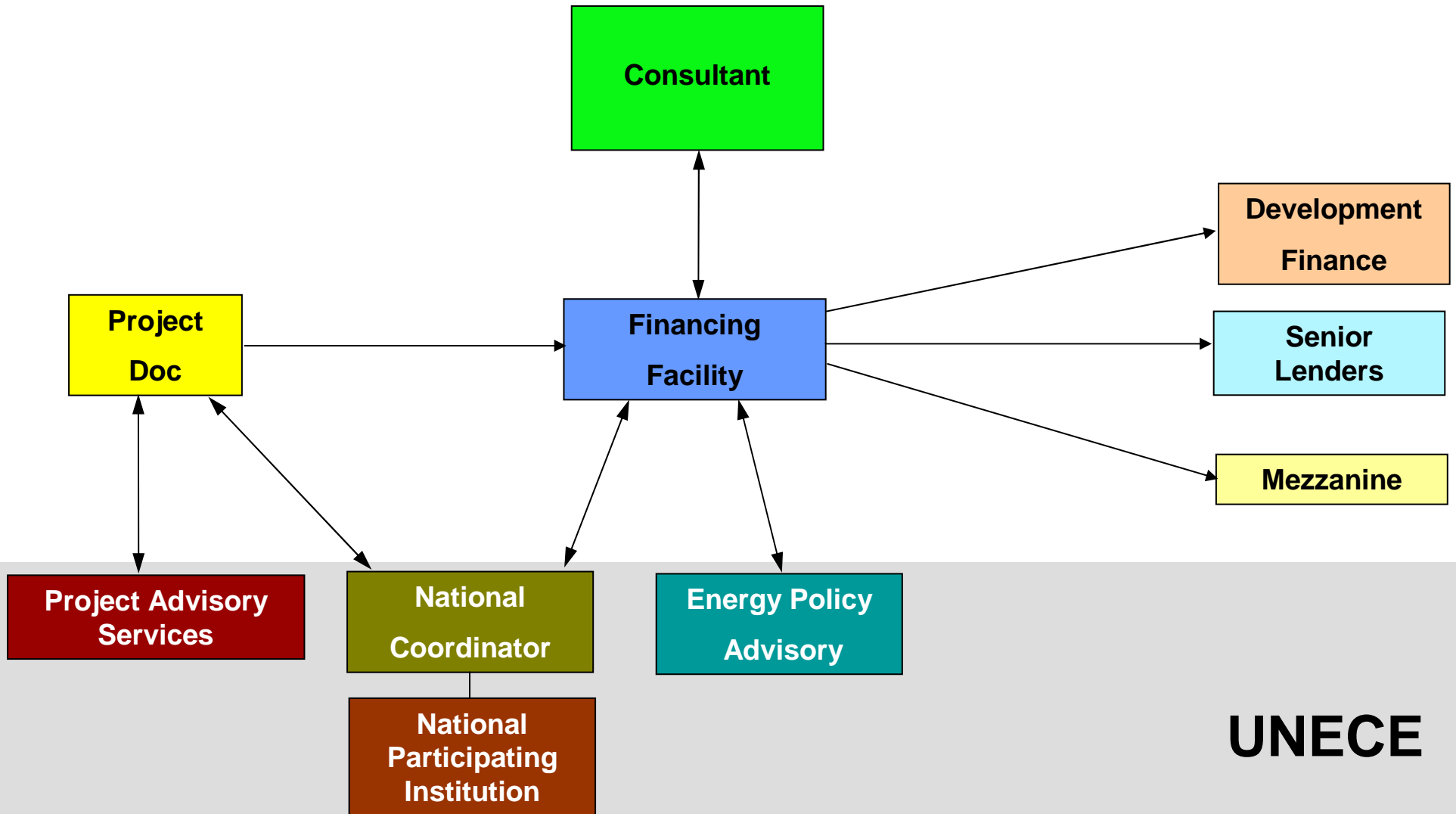
# ◀ When will the fund be launched?

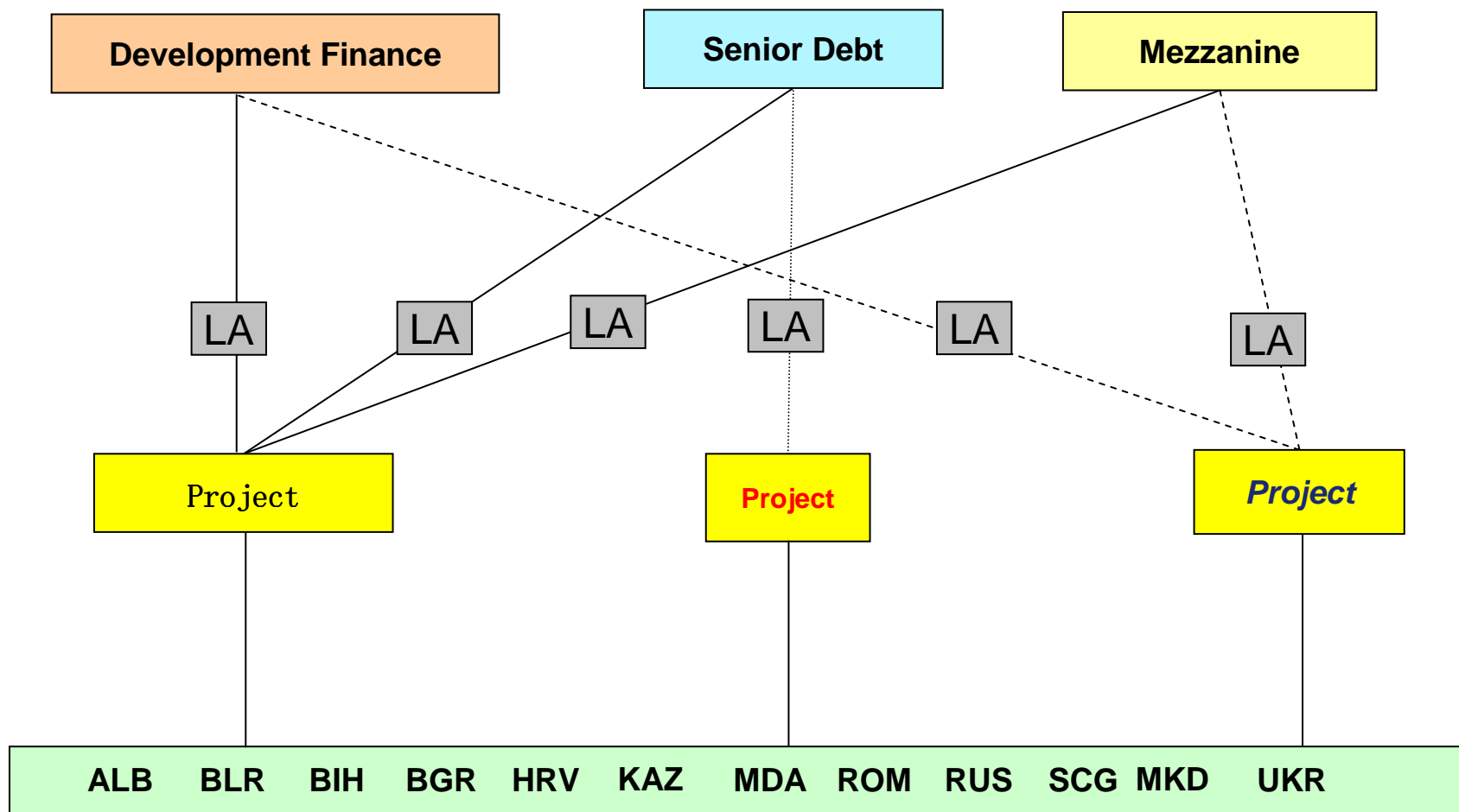


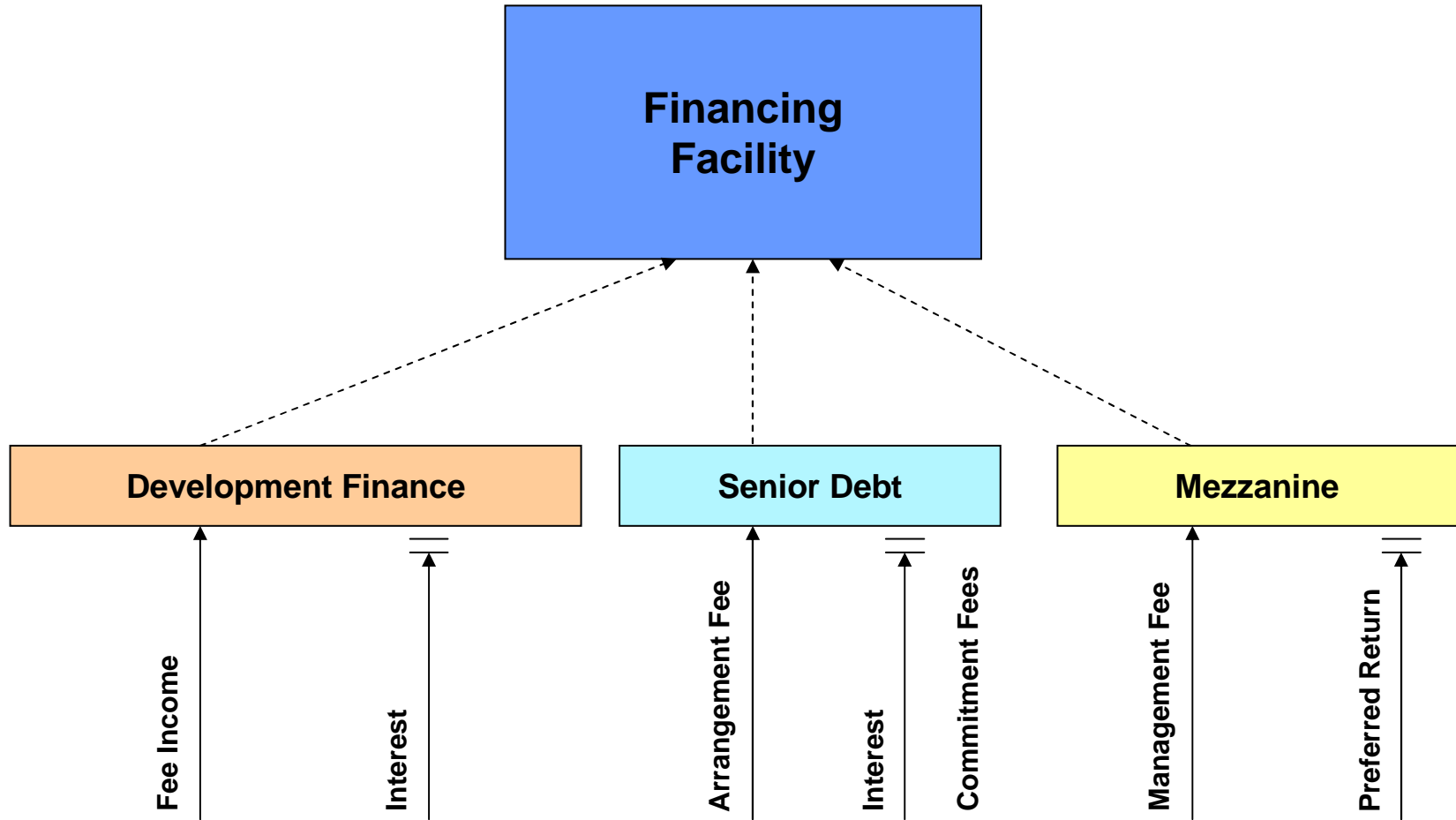


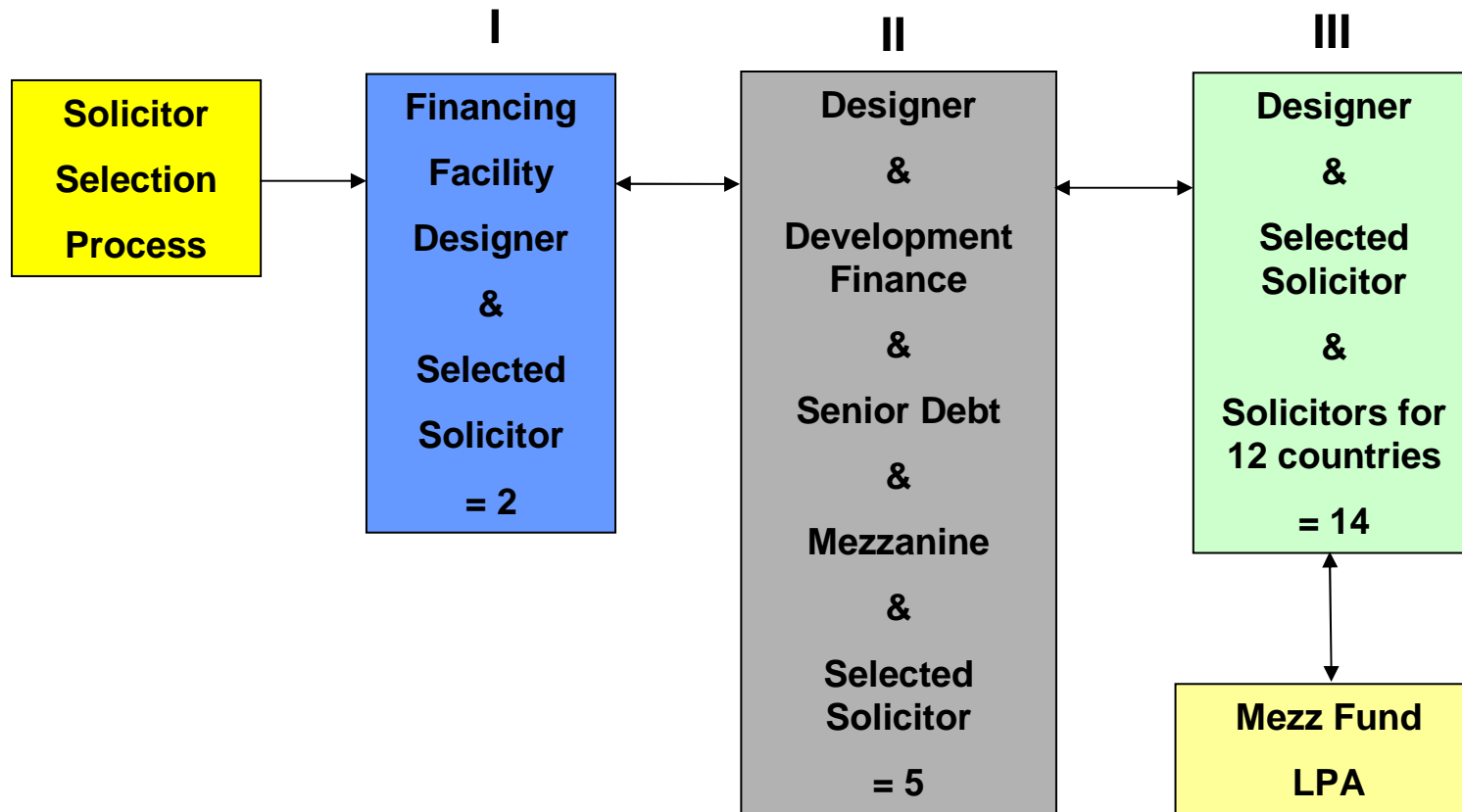
# ◀ An Umbrella of possible Mezzanine Sub-Allocations ▶



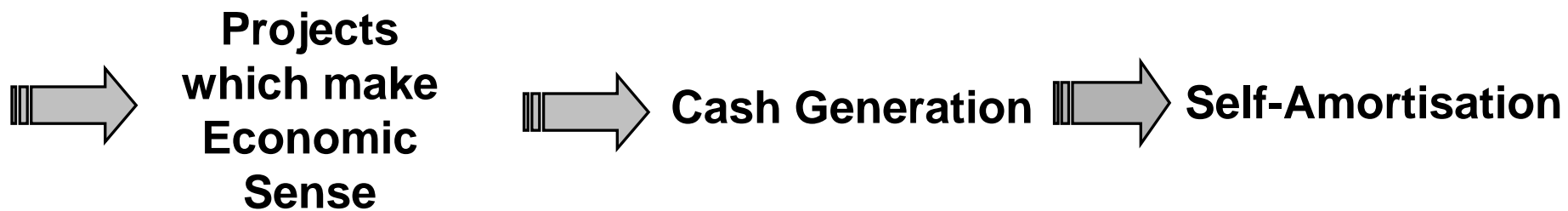


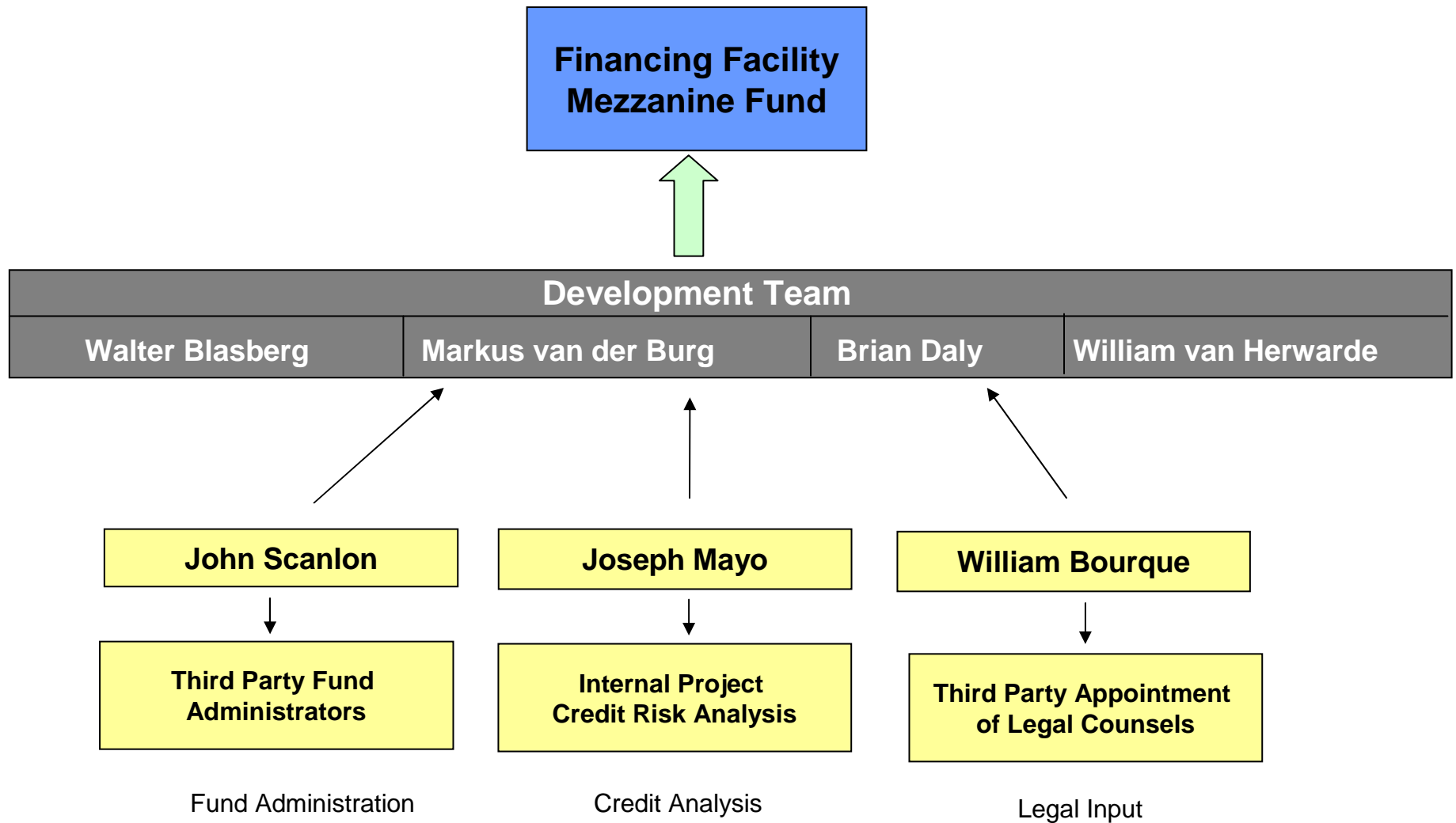


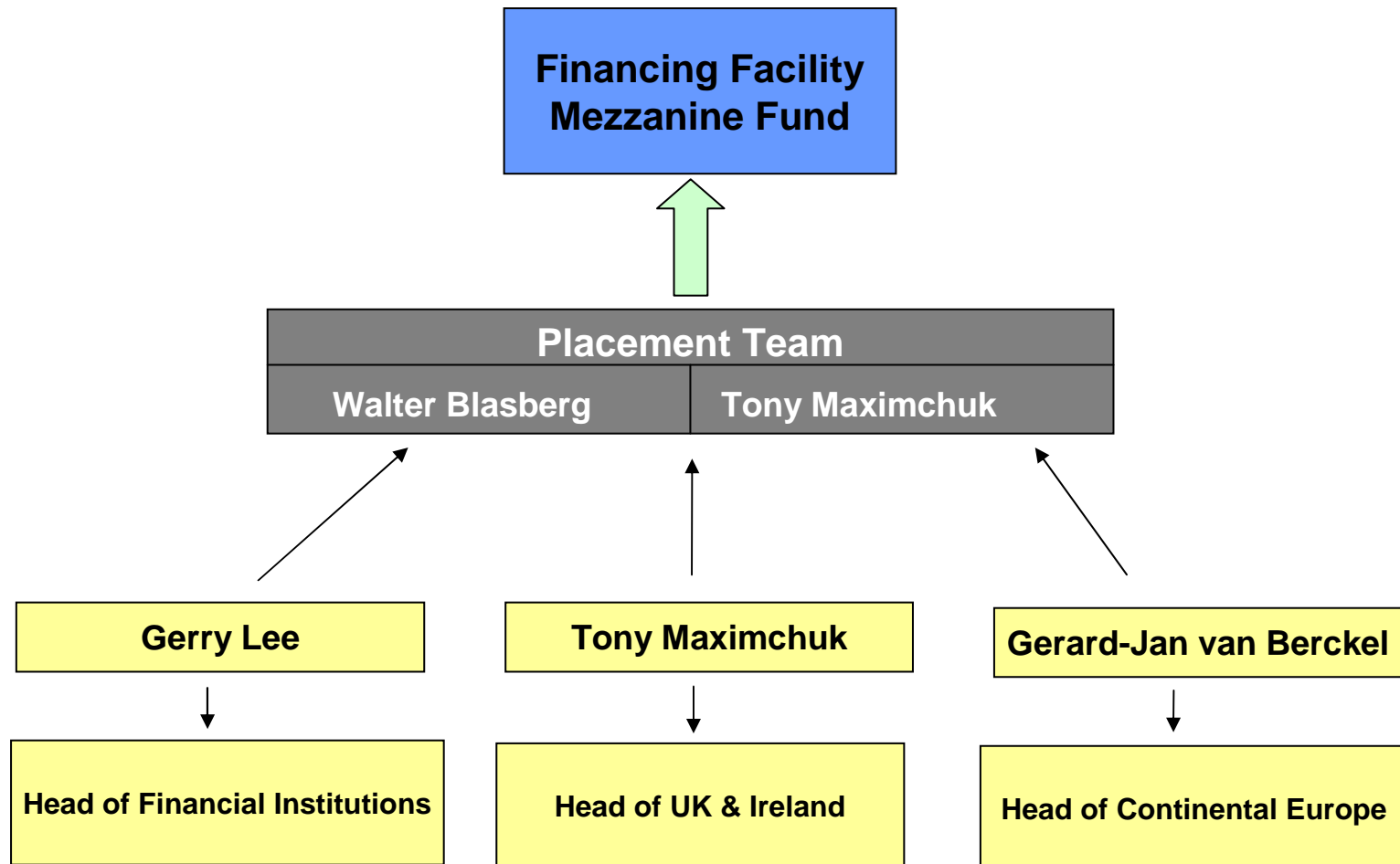




# ◀ In a tea spoon?







**Cogeneration Fund Performance  
as of December 31, 2007**

<u>Period Ending 12/31/07</u>	<u>Gross</u>	<u>Net</u>
One Year	18.619	17.450
Three Years	21.456	20.075
Five Years	17.610	16.284
Ten Years	15.834	14.470
Fifteen Years	15.110	13.760
Since Inception (11/30/87)	15.406	13.675

**Performance Footnotes**

1. This information is presented by Mr. Daly with the permission of The TCW Group, Inc. ("TCW"). However, TCW makes no representation as to the contents or format thereof, nor does TCW provide any endorsement thereof. The information is as of the dates presented and TCW has no obligation or intention to update.
2. The Fund commenced investing in November 1987. Mr. Daly joined TCW in April 1992 and was part of the portfolio management team for the Fund from April 1992 to August 1996 and originated the Fund's investments during this period. From August 1996 to December 2007, Mr. Daly led the portfolio management team for the Fund.
3. The performance numbers include realized and unrealized investments. The return is based on the actual amount realized for realized investments and a valuation of the Fund's unrealized investments as determined by a third party valuation firm as of November 30, 2007 pursuant to the Fund's governing documents. Had the Fund valued its unrealized investments at cost, the internal rate of return would have been materially lower.
4. Past performance does not guaranty future results.

# Markus van der Burg

- ◆ Markus van der Burg is a Director at Conning Asset Management Limited based in London engaged in the development, placement and management of a range of alternative investment fund products for institutional investors in the European Union and the United Kingdom

Mr van der Burg has been with Conning since 2004 and was heavily involved in the tendering, negotiation and successful closing of the EUR125m Post 2012 Carbon Credit Fund, Conning's EUR354m European Clean Energy Fund and the restructuring and repositioning of the UCITS fund platform Conning manages out of Dublin. Prior to this Mr van der Burg focussed on the marketing of asset management services in Europe and moving later moving to the alternative investment programme

Mr van der Burg work previously in investment banking, starting in London in 1990 with the London branch of Erste Bank. From 1998 to 2000, he was Senior Manager of Syndicated Finance in mezzanine tranches of asset backed bonds. Prior to 1990 Mr van der Burg had been a commodity trader in Central and Southern Africa for five years, and spent seven years in the hotel industry both in Europe and Africa

Mr van der Burg was awarded an MBA from the London Business School with distinction in 2000.

## Brian Daly

- ◆ Brian J. Daly, is a Director at Conning & Company and is responsible for the firm's alternative investment program which is currently strongly focused on clean energy and the carbon credit market.

Prior to Conning, Mr. Daly was Managing Director and Head of Power for the Energy and Infrastructure Group at Trust Company of the West which during his tenure had grow from \$0.5 billion to more \$7.0 billion AUM . He was also the Senior Portfolio Manager for the \$500 million Boilermaker cogeneration and Infrastructure Fund from 1996. While at TCW, Mr. Daly was responsible for more 74 investments representing over \$2 billion of capital in the power, bio-fuels, and shipping areas.

In addition to investments, Mr. Daly was instrumental in creating the Global Project Fund series of energy focused CLO's (\$2.5 billion AUM) and creating and raising, with joint venture partners Swiss Re and Conning, the European Clean Energy Fund (EURO 364 million) which was the largest dedicated power fund in Europe at its closing.

Prior to joining TCW in 1992, Mr. Daly was with Axel Johnson Energy Development and Long Island Lighting Co. Mr. Daly is a graduate of Rensselaer Polytechnic Institute with a BS in Mechanical Engineering and earned an MBA in Finance from Baruch College of CUNY.

- ◆ Walter J. Blasberg -, CFA, is the Head of Alternative Investments and managing director of Conning & Company and is responsible for the firm's alternative investment program currently strongly focussed on clean energy and the carbon credit market.

Previously, he was Head of Client Business Development at Conning Asset Management and President of Conning's broker-dealer, Conning Research and Consulting. During the last six years Mr Blasberg has overseen the growth of Conning's institutional asset management business from USD23 billion to over USD70 billion.

Prior to joining Conning in 1999, Mr Blasberg was a Managing Director of TCW, President of TCW Insurance Advisors and Head of TCW Investment Grade Fixed Income. Conning acquired TCW Insurance Advisors in 1999. Mr Blasberg was with Continental Asset Management for 21 years prior to the firm being acquired by TCW in 1995. He was named President of Continental Asset Management in 1989 and became its Chief Executive Officer in 1994. Also in 1994, he was appointed Chief Investment Officer of Continental Corporation.

Mr Blasberg has also been involved in the placement and structuring of seven other funds in the period from 2004 - 2007 at Conning, ranging from commodity funds to fund of hedge fund products.

Mr Blasberg is a graduate of the University of Vermont with a BA in Political Science and obtained his CFA in 1979.

## Contact Details

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Director

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Senior Portfolio Manager

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E-Mail:Brian\_Daly@conning.com

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