

Office of Investments

June 2025

Image Credit: Andrew Kornylak

001 Mission & Vision



Mission Statement

"To support the funding of TNC's global conservation priorities by increasing the organization's purchasing power through prudent and sustainable investment management."

Vision Statement

"To be a partner-of-choice to the most outstanding global investors, and a partner-in-arms with all constituents fighting for conservation."

Endowment Impact

\$1.2B+

Investment gains added to the endowment in the last 5 years

\$650M+

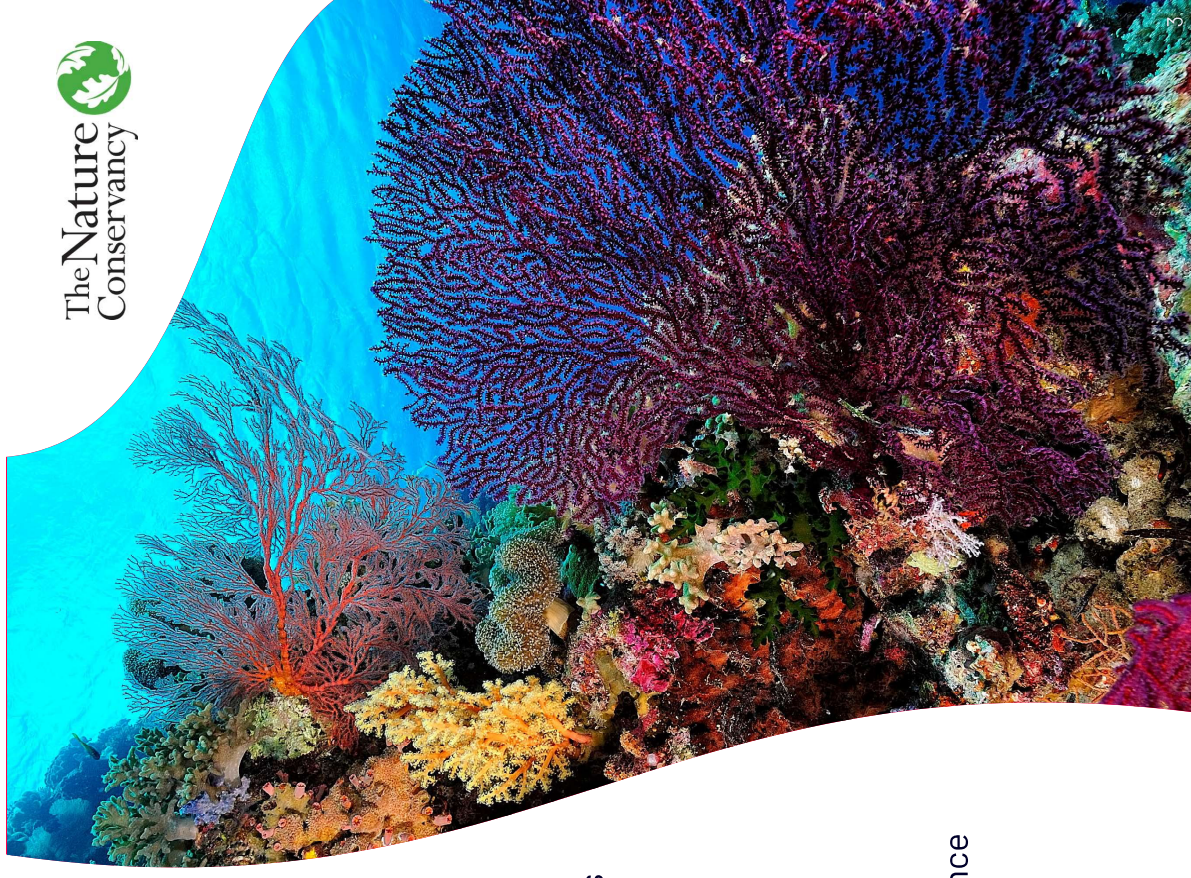
Distributions from endowment to support TNC operations and 2030 goals in the last 3 fiscal years

15.9%

Annual support of TNC's operating budget from endowment income

\$250M+

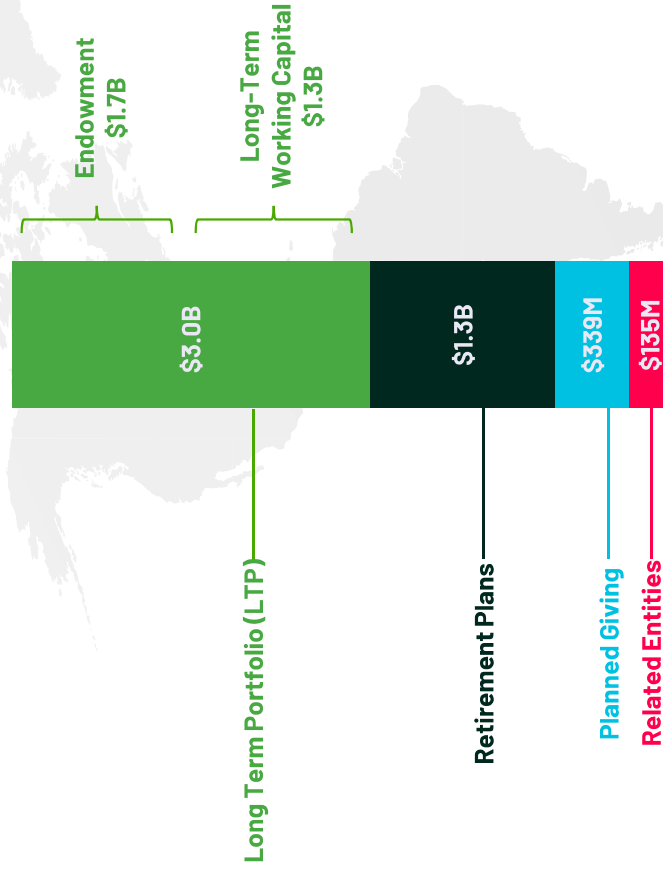
Allocated to climate tech funds and companies since 2020



TNC Investment Assets (excludes \$5B Land)



\$4.8B Assets Under Management¹



Long Term Portfolio

Managed as a single pool, the LTP supports TNC's global conservation priorities and operating budget. Includes various endowments and long-term working capital. Primary focus of Office of Investments (OOI) and Investment Committee (IC)

Retirement Plans

US and International Defined Contribution (DC) retirement plans. At over \$1B, the US represents most of these assets. International plans include Europe (17 countries), South America, Mexico, Africa, China and Indonesia

Planned Giving

Various forms of life income gifts that offer lifetime payouts and tax benefits to donors and investment proceeds to TNC. Includes Charitable Remainder Trusts (CRTs), Charitable Gifts Annuity (CGAs) and Pooled Income Funds (PIFs)

Related Entities

Investment assets of TNC related entities where TNC acts as trustee with investment oversight. These include the Australia endowment, the Ecological Trust of Panama, and various Blue Bond endowments (Belize, Barbados, and Gabon)

¹ All figures in USD. Endowment Assets and Related Entities as of March 31, 2025. TNC Donor Advised Funds included in Endowment assets. US Retirement plan as of March 31, 2025. Australia assets as of December 31, 2024. International Retirement plan assets as most recent bi-annual review. The Investment Committee does not have operational oversight responsibilities for the assets in the Retirement Plans and the Related Entities.

Maximizing Risk-Adjusted Returns

Return Objective = Spending Rate + Inflation Rate

1. Asset Allocation

2. Strategy and
Manager Selection

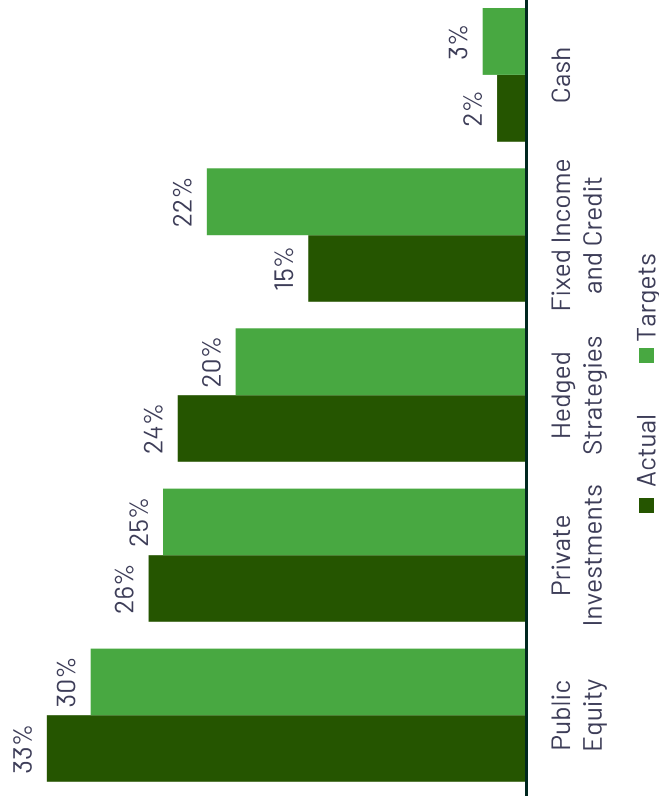
Asset Class & Strategy	% Allocation
Public Equity	--%
<i>Investment Managers</i>	--%
Hedged Strategies	--%
<i>Investment Managers</i>	--%
Private Investments	--%
<i>Investment Managers</i>	--%
Fixed Income & Cash	--%
<i>Investment Managers</i>	--%

The OOI achieves its return objective through **three primary approaches**

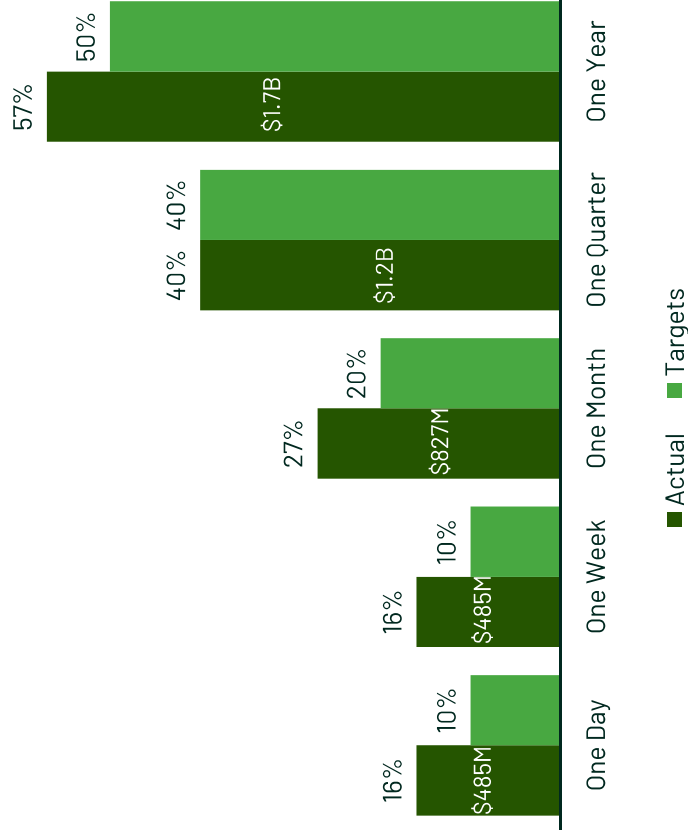
3. Manager Position
Sizing

Asset Allocation + Liquidity

LTP Allocation as of April 30, 2025¹

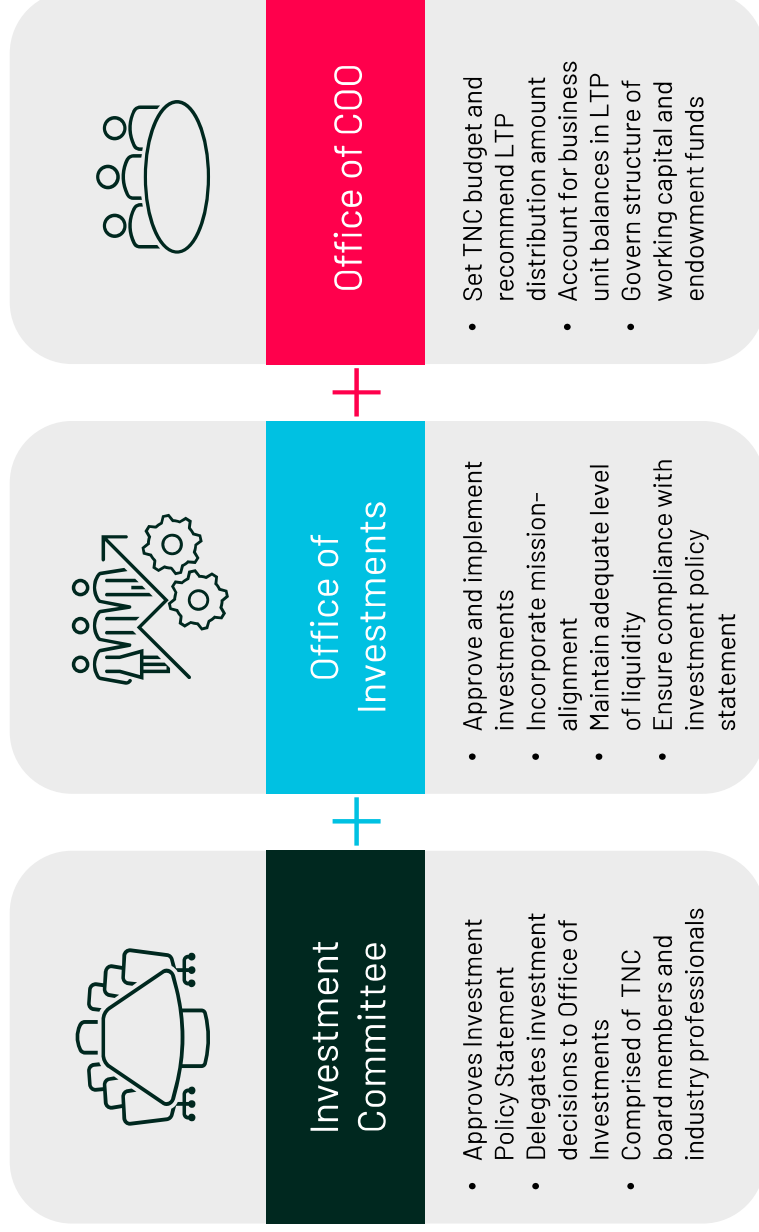


Liquidity as of April 30, 2025



¹ Pro forma including all pending transactions. LTP MV as of April 30, 2025: \$3.035M.

Office of Investments Governance



Duty of Care • Duty of Loyalty • Duty of Good Faith

Office of Investments Team

Investments



Jessica Eastling
Director, Mission-Aligned Investing



David Ruffer, CFA
Director, Privates and Hedged Strategies



Ian Smith, CFA
Director, Fixed Income and Public Equities



Jennifer Kilpela
Interim
Chief Investment Officer



Nico Choksi
Associate Director



Sam Towne, CFA
Associate Director



Molly O'Connor
Manager



Zain Ijaz
Senior Analyst



Nikki Sokol
Senior Analyst



Tekola Cornetet
Analyst

Operations



Seth Brotman, CFA
COO/Director



Varun Agarwal, CFA
Associate Director



Brendan Johnson
Senior Analyst



Gisela Cepeda
Executive Coordinator

Strategic Support

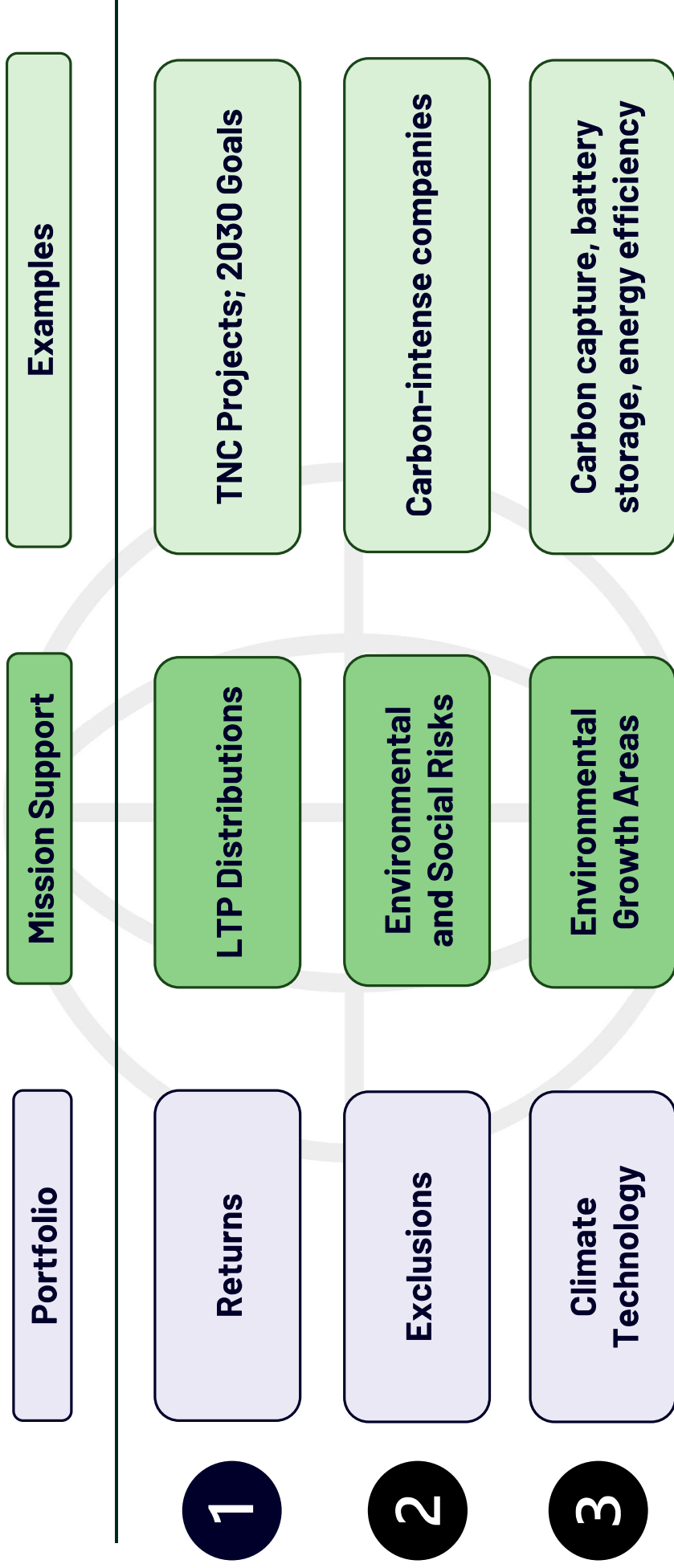


Joe Fargione, PhD
Science Director, NA



Ben Allen
Senior Attorney

Mission-Aligned Investing





Appendix

History of the 001

1986 – 2002

John “Woody” Bolton, TNC’s first Director of Investments, managed the endowment and other long-term assets for 16 years as the sole investment staff with no external consultants or advisors.

Investment assets exceed \$1B for the first time in the late 90s.

2006 – 2012

Kevin Schuyler leaves TNC to join Cornerstone. He and Woody continue to help manage TNC’s long-term investment portfolio.

Craig Neyman becomes Director of Investments.

2002 – 2006

Woody Bolton leaves TNC to join Cornerstone Partners. Finance Committee hires Cornerstone as an “OCIO Without Discretion.” Kevin Schuyler becomes Director of Investments.

TNC’s first foray into hedge funds and private investments via fund of funds and a few direct managers.

2019 – 2020

TNC ends the 17-year relationship with Cornerstone, hiring Cambridge Associates for a “Staff Extension Mandate.”

Addison Dana leaves TNC and Jeff Schutes is hired as a consultant.

2012 – 2019

Craig Neyman leaves TNC, and Addison Dana becomes Director of Investments. Woody Bolton passes away in 2015.

Goldman Imprint hired for impact investing carve-out in 2017.

Kevin Schuyler becomes lead of the Cornerstone relationship.

2020 – 2025

TNC’s first Chief Investment Officer, Bola Olusanya, joins in March 2020.

TNC builds its first-ever in-house investment team of 14 investment and operations professionals.

2025 – Present

Bola Olusanya departs TNC. Jennifer Kilpela named Interim CIO.

Total long-term investment assets exceed \$3B (excluding retirement and land conservation assets).

001 Policy Asset Allocation Targets

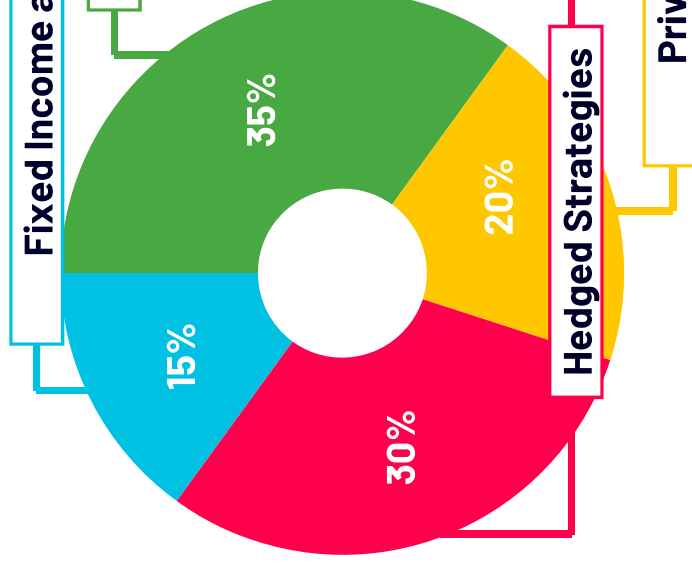
In 2024, the Investment Committee approved updated policy targets to meet TNC's needs.

Key Asset Allocation Changes

- Increased fixed income and cash (+10%): increased portfolio liquidity to support higher spending rates.
- Increased private investments (+5%): less liquid but higher returning assets, allowing TNC to maintain the value of the LTP in the long-term despite the increased spending rate.

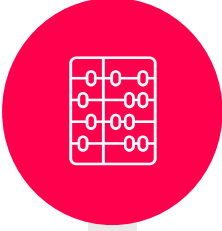
FY 2024

FY 2025



Strategic Asset Allocation Methodology

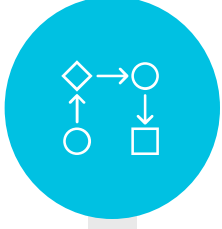
Input



We use views from respected institutions to forecast expected returns, volatility, and covariance of various asset classes.

We use organization-specific constraints around portfolio inflows and payout liabilities. We also impose constraints on allowable ranges for various asset classes to ensure diversification.

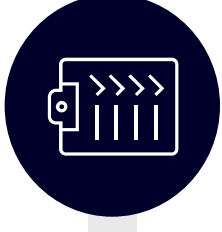
Model and Iterate



We leverage third-party relationships for advanced quantitative modeling including Mean-Variance Optimization and more sophisticated Monte Carlo simulation to arrive at an optimized portfolio.

We run iterations with adjusted assumptions and constraints, as needed.

Assess



We use an analytics tool to independently test the differences between asset classes and risk factors, stress test the outputs from portfolio modeling, and layer in returns from our holdings.

We qualitatively assess the risk and benefits of the proposed portfolio to arrive at a recommendation.

Manager Selection Process



The 8Ps: Manager Evaluation Framework



People

Talent and experience of an investment firm's key personnel is arguably the strongest clue about its prospects for sustainable success.



Philosophy

Managers that best exploit market inefficiencies focus on what we call the 4Ds: deep research, driving outcomes, dislocated markets and discount to intrinsic value



Process

Does the manager have a well-defined and repeatable investment decision-making process?



Portfolio

Understand the manager's portfolio construction and risk management process. Full transparency is desired to map holdings to risk factors.



Performance

Understand the manager's performance cyclicality. Evaluate the link between investment process and performance.



Partnership

Our goal is to build long-term relationships with our investment managers who are also aligned with TNC's mission and values.



Price

Fees should be reasonable and align with our risk-adjusted return expectations.



Planet

Evaluate broader environmental effects, impacts and outcomes.

TNC's Journey to Portfolio Decarbonization



TNC de-emphasized companies that generate 5% or more of their revenues from coal or oil sands, the most carbon-intensive fossil fuels.



Approved a new mission investment policy and, for the first time, measured the carbon intensity of the investment portfolio.



Currently 87% decarbonized in public equity portfolio as compared to the universe of public investable companies. Continue to align portfolio with mission and 2030 goals. Leverage decarbonization tailwinds to optimize portfolio and generate outsized risk-adjusted returns.

2014

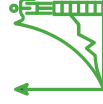
2017



TNC initiated a private equity impact "carve-out," committing \$75M from the endowment to market-rate impact investments.

2019

2020-22



Onboarded Trucost, an ESG analytical tool. Implemented portfolio decarbonization, with the goal to reduce total portfolio GHG emissions of public equity portfolio by **90% relative to the global equity benchmark without using carbon offsets**. Increased investments in climate solutions via funds and co-investments.

2024+

Gain better understanding of the impact of our investments on nature by measuring biodiversity, physical and transition risks.

Portfolio Exclusions

Environmental-Based



Extractive Activities



GHG Emissions



Biodiversity Loss



Future Emissions

Values-Based



Tobacco



Firearms, weapons
manufacturers, military
contractors



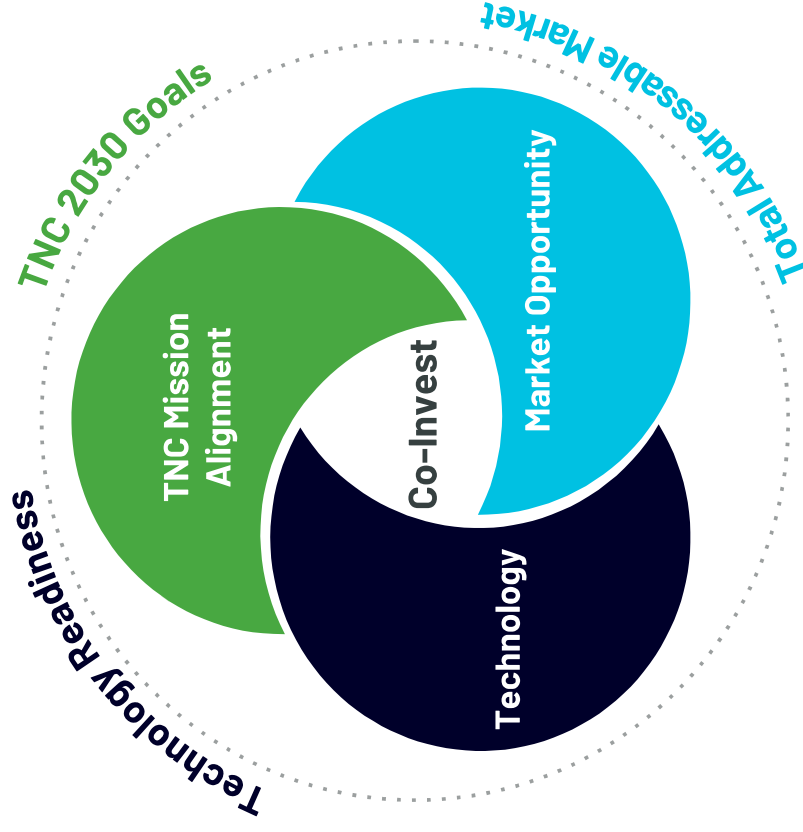
For-profit prisons and
immigration detention centers

The OOI excludes companies which meet certain parameters to ensure investments are aligned with TNC's broader mission.

Climate Technology Focus Areas

Built Environment	Carbon	Climate Management	Energy	Food, Water & Land Use	Industrial	Transportation
Air Quality	Carbon Capture	Climate Risk & Intelligence	Clean Power Generation	AgTech	Circular Economy	Batteries
Energy Efficiency	Carbon Removal	Emissions Accounting & Reporting	Distributed Energy Resources	Alternative Protein/Food	Efficient Manufacturing	Electric Autos & Charging
Heating & Cooling			Scaling Clean Energy	Food Waste	Mining	Low-Carbon Fuels
				Livestock & Aquaculture	Recycling Infrastructure	
				Sustainable Fertilizers and Pesticides	Steel, Cement & Chemicals	
				Water Management	Sustainable Materials	

Co-Investment Framework



Focus on companies addressing the dual threat of **climate change** and **biodiversity loss**

Invest **predominantly** in **Series B** companies with strong product-market fit, accelerating growth trajectory and backed by our highest conviction General Partners

\$0.5M – \$2.0M check per co-investment; Between 5 – 15 investments per year; **\$10M total investment per year**