INVESTMENT FUND DESIGNER

Financing Energy Efficiency Investments for Climate Change Mitigation

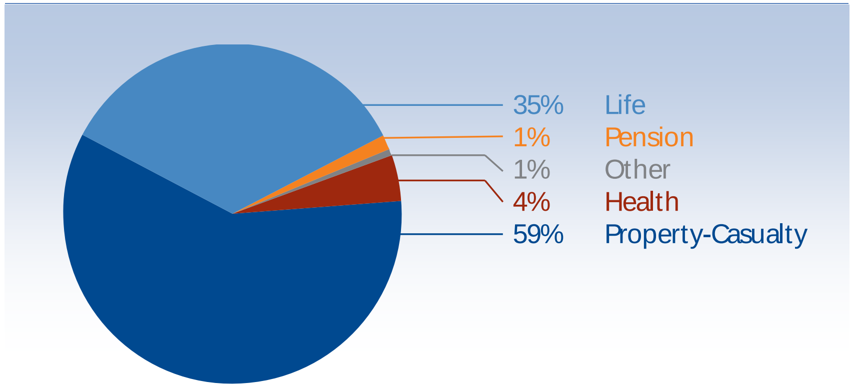
Presented by

Markus van der Burg

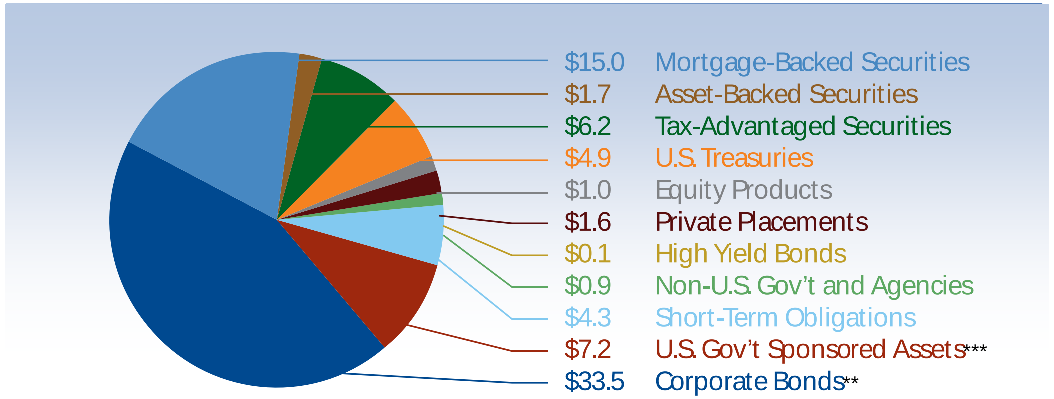
Who we are…

- **Founded in 1912; insurance specialists for more than 50 years; investing insurance assets for nearly 3 decades**
- **Managing $76.4 billion for 114 clients***
- **262 employees with locations in Hartford, New York, London, Dublin, and Cologne**
- **Independently owned by Aquiline Capital Partners, Conning employees, and Cathay Financial Holdings**

Assets by Client Type*



Assets by Security Class*



****As of 30 September 2011. Includes Conning's U.S. and Dublin Investment Centres***

***** Includes Convertible Securities***

****** Includes Agencies, Taxable Municipals and Government related assets***

Platform Overview

Industry Positioning

Insurance Asset Manager League Table (USD Billions)			
Rank	**Firm**	**2009**	**2008**
1	BlackRock	$191.3	$120.4
2	Deutsche IAM	172.8	150.2
3	GR-NEAM	79.5	62.7
4	**Conning**	**77.0**	**74.8**
5	Wellington	72.8	47.5
6	SSGA	70.0	50.4
7	GSAM	54.1	37.2
8	PIMCO	45.3	30.2
9	Pinebridge	32.1	0.0
10	Western Asset	27.6	29.7

Notes

Source: IAM Annual Survey 2010 Edition; Data as of 31/12/2009

Non-Affiliated General Account Insurance Assets shown

Subadvised and Affiliated assets excluded

Investment Capabilities

Publicly traded, investment grade securities

- U.S. Treasury/U.S. Agency Bonds
- Treasury Inflation-Protected Securities (TIPS)
- U.S. Corporate Bonds
- Mortgage Backed Securities
- Commercial Mortgage Backed Securities
- Asset Backed Securities
- Municipal Securities (Taxable and Tax-Exempt)
- Foreign Government/Provincial/Corporate Bonds

Speciality Asset Classes

- High Yield
- Private Placements
- Convertibles

Alternative Investments

- Mezzanine Power
- Structured Products
- Private Equity
- Public / Private Financing

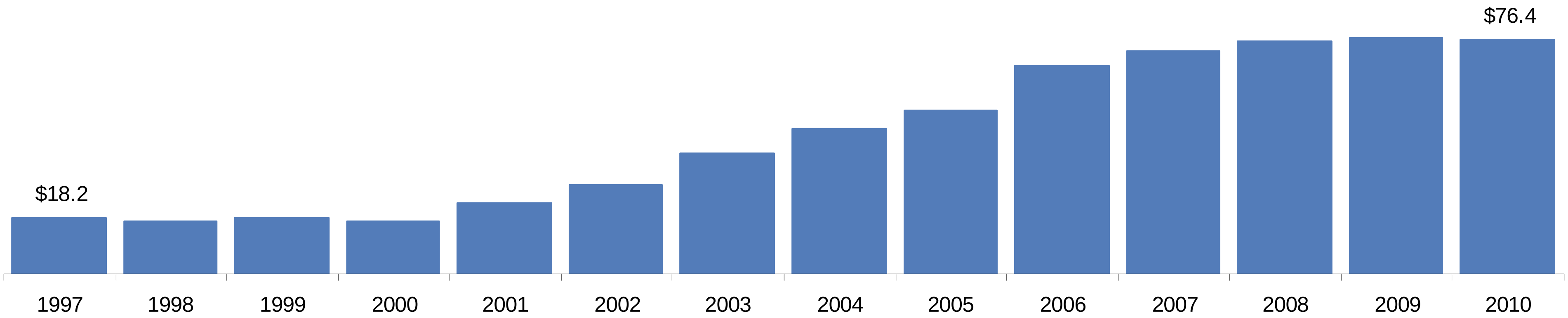
Non-USD investment grade securities

- Government Bonds
- Agency Bonds
- Covered Bonds
- Inflation-linked Bonds
- Investment grade Corporate Bonds

Equity

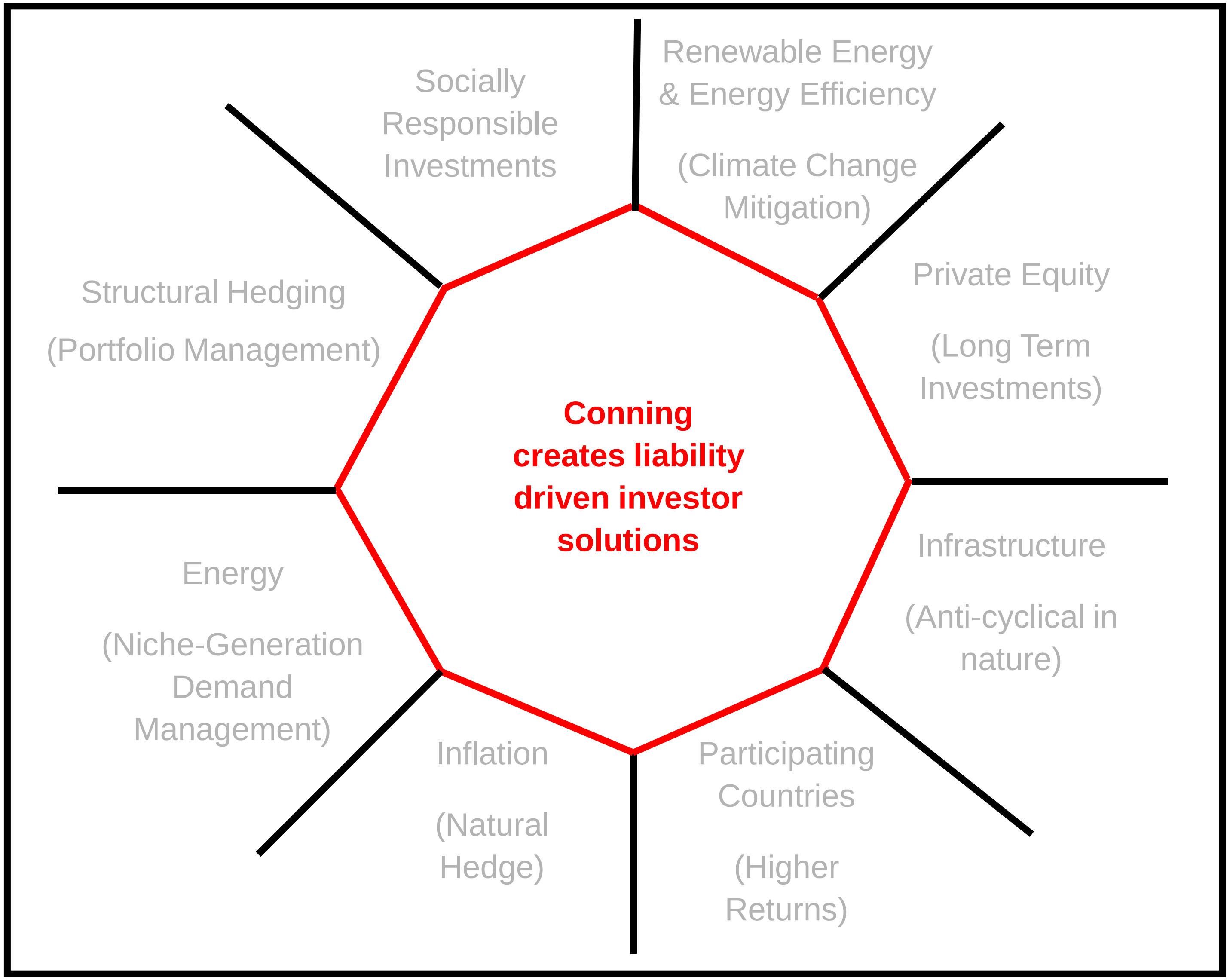
- High Dividend Income Equity
- Replication approach
- Exchange-Traded Funds (ETF) approach

AUM Growth (USD Billions) as of 31 December 2010



Source: Conning

Leading Edge Investor Opportunities



Conning Track Record

European Clean Energy Fund (ECEF)

Target Projects	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
Fund Size	EUR354 million
Investment Period	Closed - Four years from Final Closing (May 2006)
Term	Ten years, with two one-year renewal options
Investment Manager	Trust Company of the West, now Global Energy Partners
Investors	Swiss Re EUR40 million; TCW EUR5 million; public pension schemes, commercial fund investors, foundations and international financial institutions
Management Fee	2% of committed capital during investment period and afterwards 2% on par value of investments
Preferred Return	7%
Performance Fee	20% to the Investment Manager and 80% to the Investors after the Preferred Return

Conning Track Record

Post 2012 Carbon Credit Fund

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

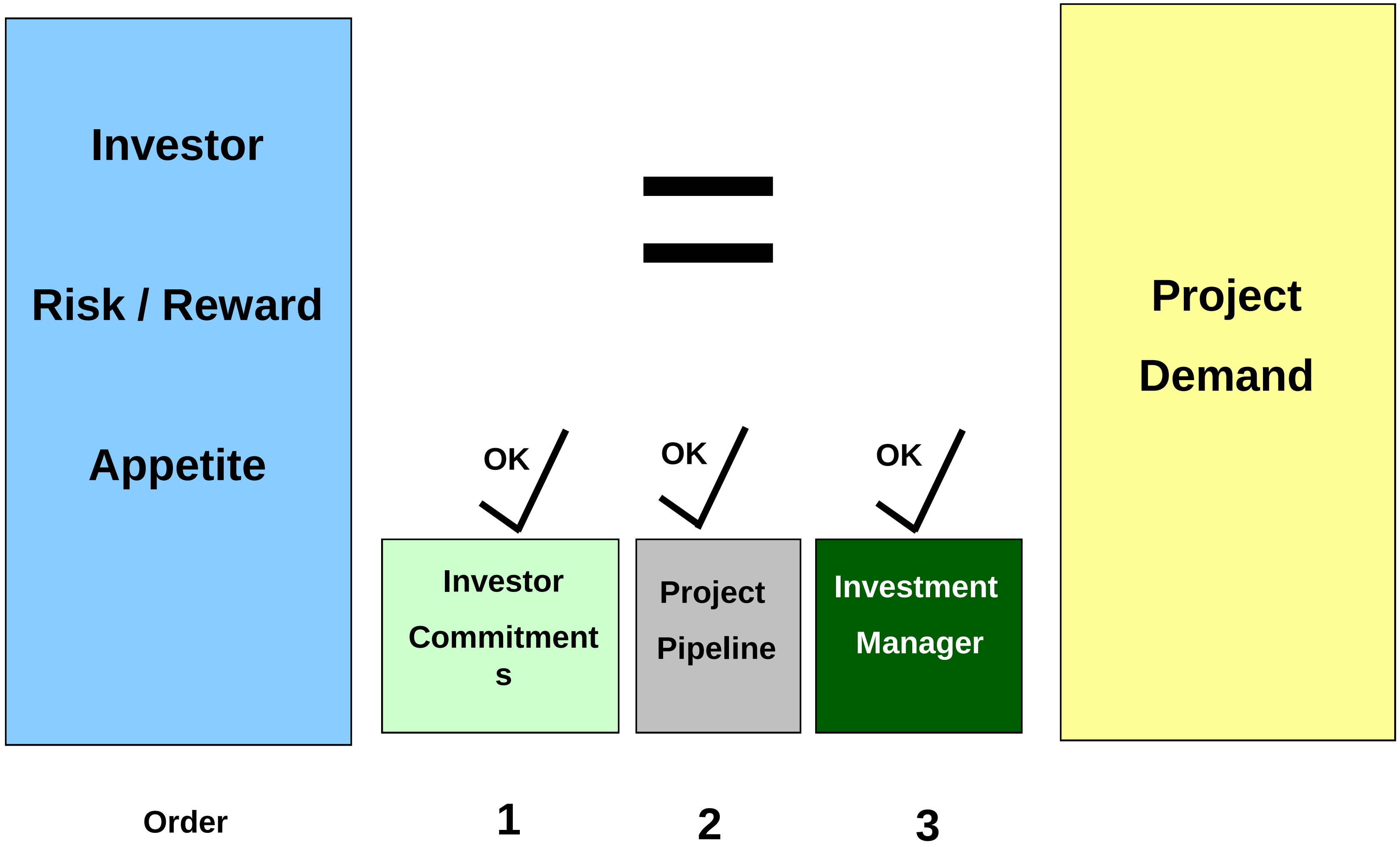
UNECE - Objectives

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.

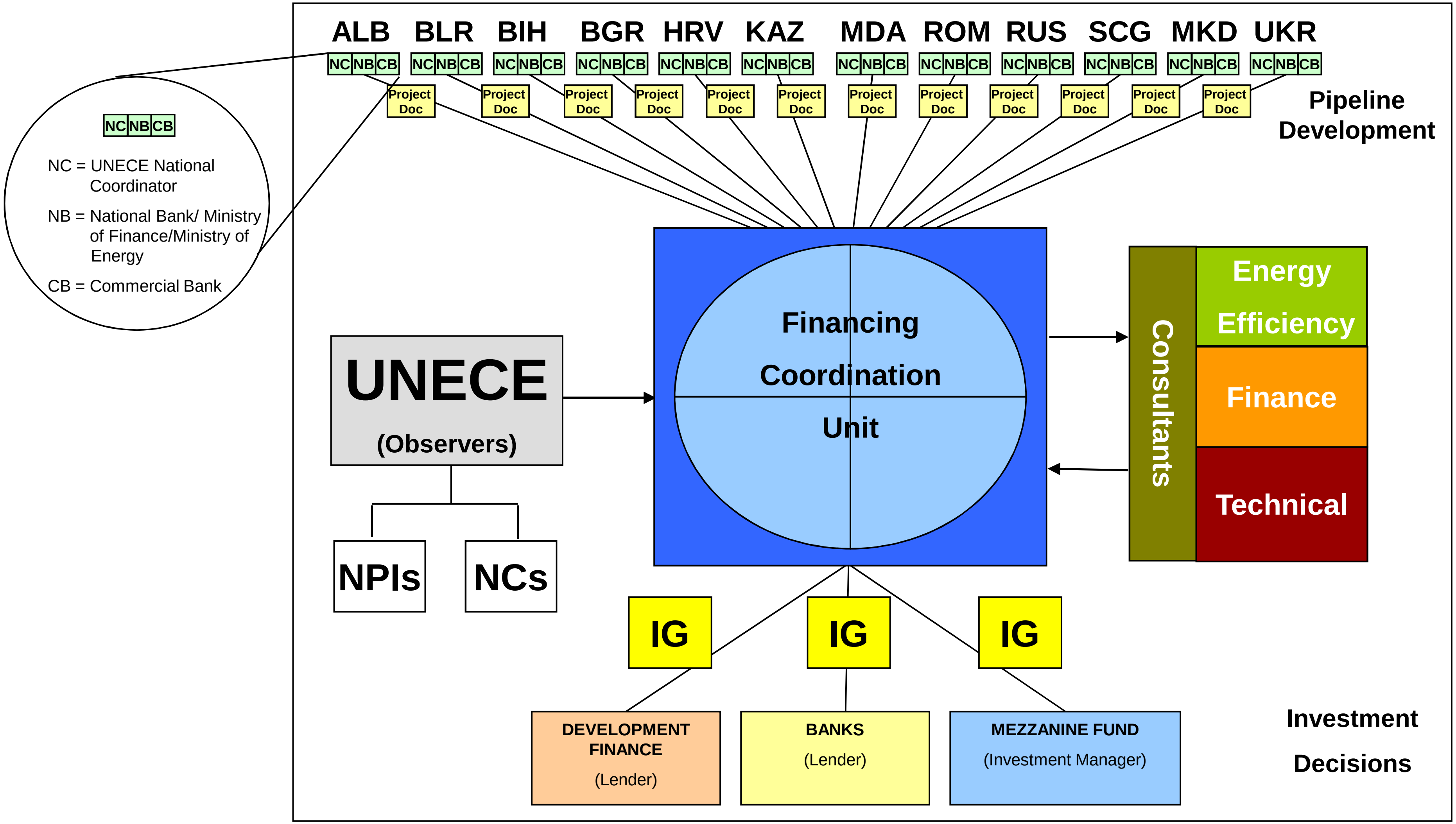
2. Designing a Euro denominated public-private partnership fund with contributions from both the public and private sector in the region of EUR250m, which invests exclusively in projects which have a quantifiable impact on the reduction of greenhouse gas emissions.

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.

UNECE – Conditions to launch a fund



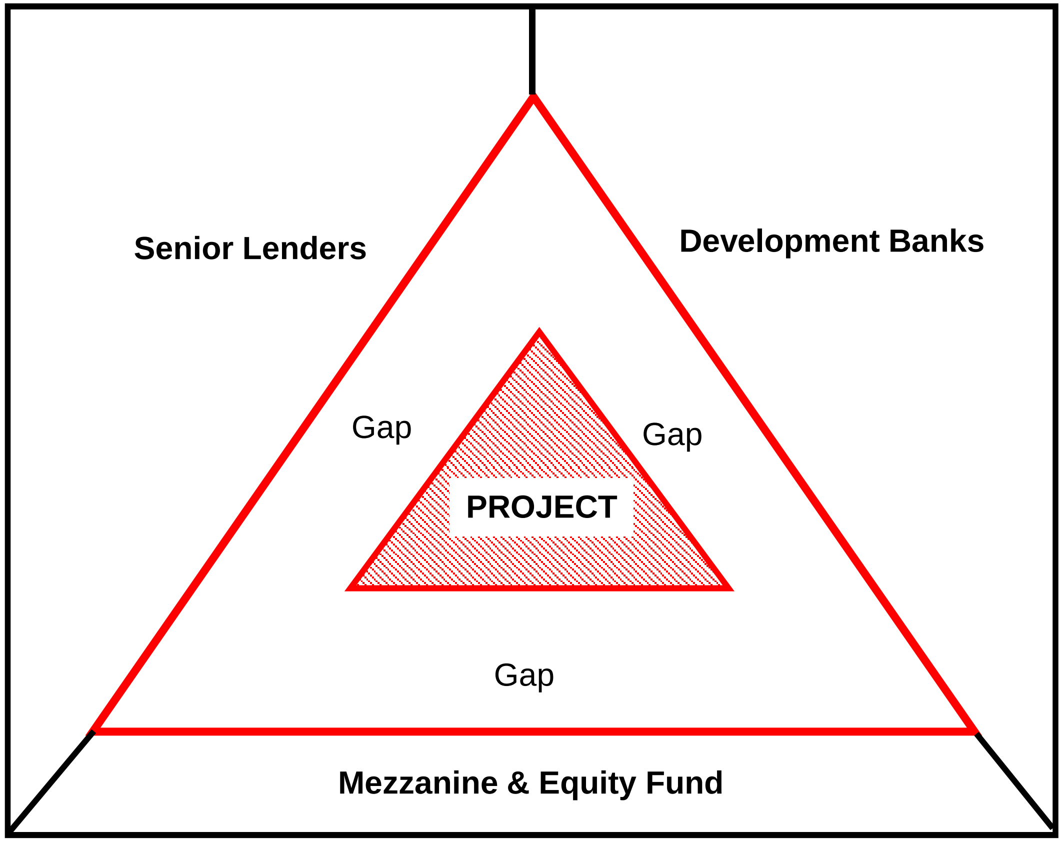
UNECE – Support Structure



- **Project Doc = Project Document**
- **IG = Investment Guidelines**

Stakeholder Interests

- Project Developers : Preparation of bankable projects to market standard conditions to know sources of finance i.e. business as usual
- Banks: Receipt of predicable and complete financing requests by a third party, resolving significant conflicts of interest and drain on resources
- Development Banks: Opportunity to progress and transition projects which require financing from the private sector
- Fund Investors: Have the ability to access long term, infrastructure, investments which also develop climate change mitigation etc
- Regional Commissions (e.g. ECLAC, UNECE, ESCAP): Have a credible link to the private sector to discuss barriers to financing with National Coordinators and National Participating Institutions

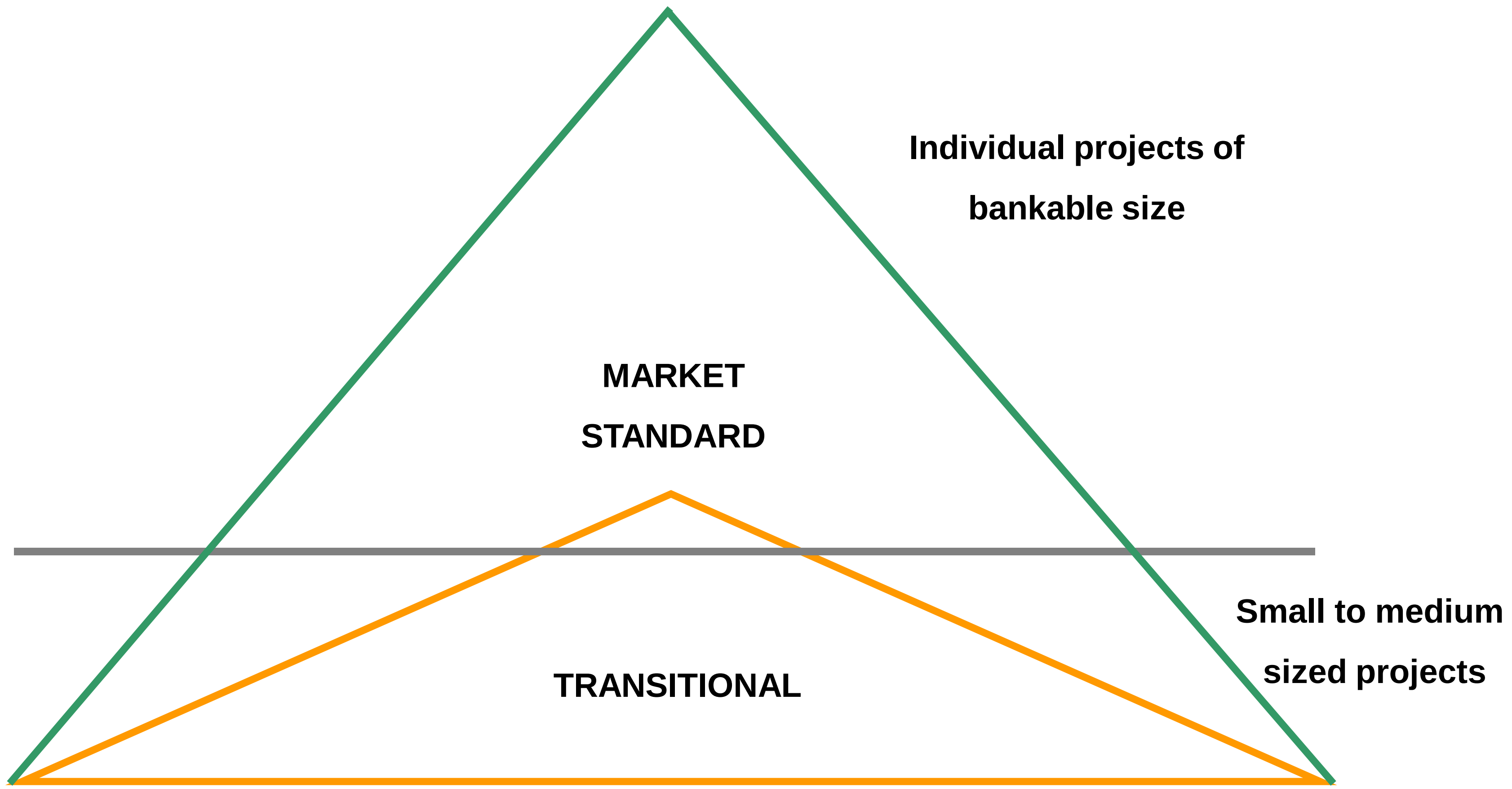


- Project document development support is key to promote bankable projects

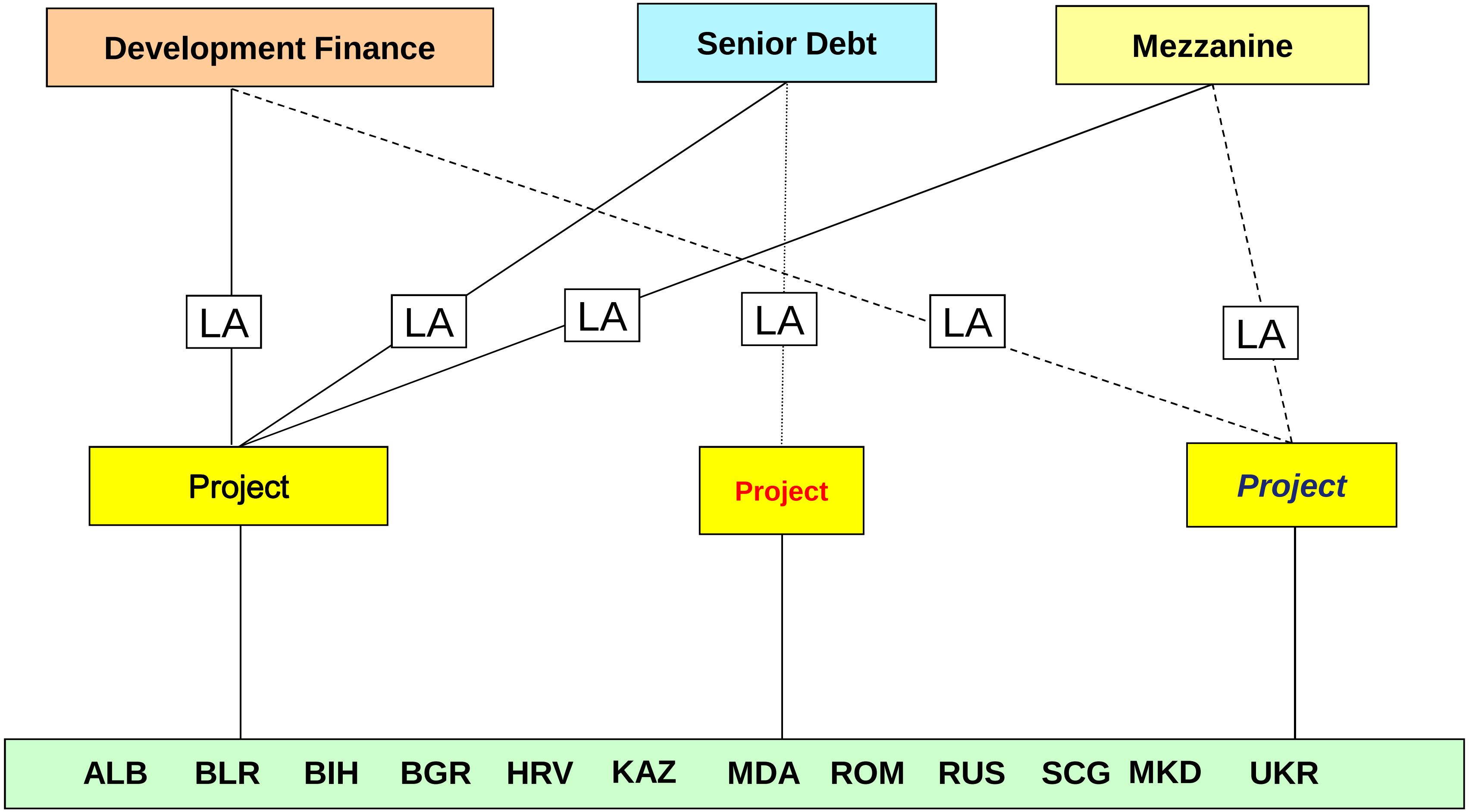
UNECE – Challenge : Sector Development

- Financing some sectors (e.g. renewable energy) is now main stream, others like energy efficiency still need intervention to reduce market failures.
- Energy efficiency is compelling as far the most abundant energy source, is energy not used, the technology exists today and the forecasted impact e.g. on climate change mitigation is expected to be the largest by far
- Successful projects have relied on supplier guarantees, direct government subsidies and 100% owner or equity finance
- Financing energy efficiency projects is – for now - highly dependant on regulation and public financing
- Where is the private sector forum to discuss and create commercial energy efficiency solutions on the basis of performance contracts with verifiable savings?

UNECE – Challenges: Universe of Projects



- Solving the issue of smaller projects e.g. by synchronising the due diligence, bundling at a common nexus for many such projects needs a shift change as friction costs remain far too high.


Development Finance
Senior Debt
Mezzanine
LA
LA
LA
LA
LA
LA
Project
Project
Project
ALB BLR BIH BGR HRV KAZ MDA ROM RUS SCG MKD UKR

UNECE – Update

- The basis of the UNECE support to the FCU is on the way to being finalised
- An FCU description is being finalised in English and in Russian
- The marketing and placement process of the fund to investors will commence to gauge their interest on the basis of a known structure
- Commercial banks are being contacted to convert their verbal expressions of interest into FCU commitments
- The project pipeline continues to be expanded and developed

Contact Details

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United Kingdom

Aquiline Capital Partners

- Private equity firm specialised in the global financial services sector:
  - Knowledge of industry cycles, risks and regulation;
  - Capitalising change – short-term market dislocation, medium-term cyclical change, long-term secular change;
  - Specialised network of industry executives and service providers.
- Seasoned team of industry veterans with operating and investing experience; led by Jeff Greenberg:
  - Multi-generational, multi-disciplined;
  - Proven ability to support management teams to build successful franchises;
  - Access to diversified funding sources.
- Results-driven owners who support management:
  - Diligence and value add from an owner-operator perspective;
  - Operational support;
  - Strategic guidance;
  - Financial innovation.
- Closed Fund I ($1.1bn) in 2007; 14 investments as of 30 September 2010:
  - Raised and manage over $3.0bn of additional co-investment equity as lead sponsor;
  - Portfolio of highly differentiated companies performing well throughout the business cycle.

Conning is supported strategically by its majority shareholder, Aquiline Capital Partners. Together, Conning and Aquiline have the necessary resources and expertise to accomplish our strategic objectives

Markus van der Burg
Managing Director

Markus van der Burg is a Managing Director at Conning Asset Management Limited based in London engaged in finance, through the development, placement and management of a range of alternative investment products, including private equity funds and private placement for institutional investors worldwide, with a focus on the European Union and United Kingdom and mainly in sustainable energy.

Mr van der Burg tendered won a mandate for Conning from the United Nations Economic Commission for Europe to create an innovative design to promote the financing of bankable projects, primarily in energy efficiency and renewable energy in twelve countries in Eastern and South Eastern Europe and Central Asia. Synchronicity of finance, the development of a viable bankable project pipeline and a multi-stakeholder problem solving forum are key areas.

Mr van der Burg joined Conning in 2004 and was and is heavily involved in the tendering, negotiation and management of the EUR125m Post 2012 Carbon Credit Fund, Conning's EUR354m European Clean Energy Fund and restructuring and repositioning of Conning's Dublin based UCITS fund platform. Prior to this Mr van der Burg marketed asset management services to insurers and pension companies in Europe.

Mr van der Burg worked 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.

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