

# Conservation Trust Fund



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# Investment Survey

for financial year 2009



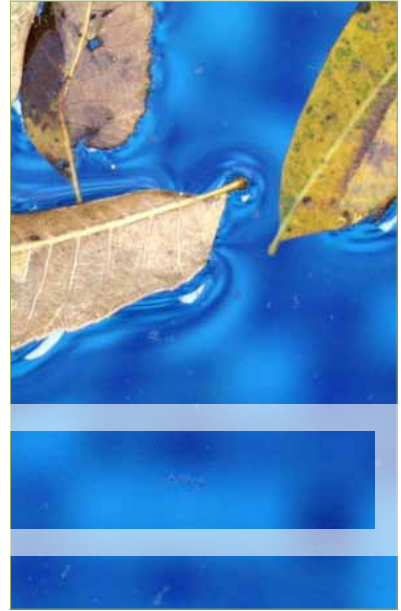


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# Investment Survey

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Prepared in collaboration with the Conservation Finance Alliance and the Latin American and Caribbean Network of Environmental Funds

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Women's Association Training, Photo Contributed by Tany Meva, Madagascar

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This report is based on the responses of participating Conservation Trust Funds (CTFs) and we would like to thank all those who took the time from their many responsibilities to complete the survey, provide comments and suggestions, and contribute photos for this project.



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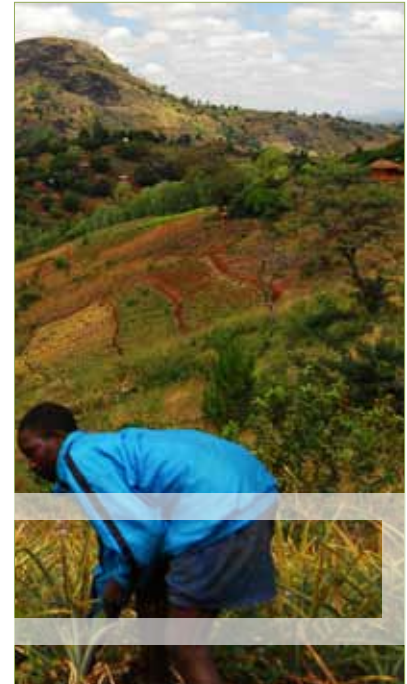


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Dear Fund Manager,

As irreplaceable parts of nature are increasingly threatened, it gives great hope to see conservation trusts flourishing around the world. Your work in Africa, Asia, and the Americas on behalf of plants, animals, and habitats is critical to protecting our natural world.

Judging by meetings of the Funds in Dakar, Belize City, Paris, Cartagena, and Geneva, the CTIS is serving as intended: to help the Funds think about investing in a thoughtful, systematic way, to promote sharing of information and learning from the experience of other Funds, and hopefully, by shining a light on investment returns of their peers, those Funds that hope to improve their returns can make needed changes.

As the 2007 survey showed, the trusts entered 2008 with conservatively positioned portfolios. Whether this was due to skill, clairvoyance, or happenstance, it was fortunate. On average, the trusts survived the financial crisis with small losses and enjoyed satisfactory returns during the market recovery in 2009. As this year's survey shows, the CTFs have significantly outperformed the S&P 500 over the last three and five calendar years.

Yet, the underlying data suggest there are reasons for concern. Fixed income returns have been outstanding over the last few years as interest rates in many countries have declined. It is not likely that bond returns will be as generous over the next five years. Furthermore, governments around the world are running their printing presses with inflation and rising interest rates a likely outcome. So great is the required issuance of government bonds to finance budget deficits that interest rates might increase *even in the absence of inflation*.

The average CTF has about 49% of its assets in fixed income and almost 16% in cash. Both of these assets are vulnerable to inflation. Twelve funds have more than 60% of their assets in fixed income. When bonds generate yields higher than the ongoing rate of inflation, they generate "real" returns, and such income can be used to fund conservation projects and provide a safe harbor during financial crises. However, investors need to be aware of the risks associated with bonds.

At the time of this writing, the US 10-year treasury yields 2.5%. If interest rates rose to 4.0%, the price of a 10-year treasury would drop by approximately 11%, more than four years worth of interest coupons. Skeptics might counter such a large increase in interest rates is unlikely. Yet rates on the 10-year treasury were 4.0% back in April of...2010! A proportionate rise in 30-year treasury rates would cause a drop in price of nearly 18%. If 30-year rates were to return to their 7.3% average over the past three decades, today's 30-year treasury could drop in value by 50%.

This does not mean a significant allocation to bonds is inappropriate. It does mean bonds, especially medium to long dated bonds and bonds, owned through mutual funds which have no maturity date, hold significant risk if inflation and/or interest rates increase. It also suggests that the 30% average equity allocation of the CTFs may be too low if assets are to grow in real terms over long time periods.

As we suggested last year, the return on stocks over the next ten years, particularly after periods of stock market decline, are almost inevitably going to be higher than on bonds or cash. Over the long term, equities, *bought at reasonable valuations*, have earned returns above inflation and enabled owners to grow their assets at more than satisfactory rates. Given that the critical work of the conservation trusts will take place over decades, can CTFs generate the needed returns to preserve the habitats entrusted to them, while still protecting against inflation, by holding 65% in bonds and cash?

Investors are always conditioned by the immediate past and all the more so after harrowing markets like we experienced in 2008 and early 2009. However, those that can think long term invariably achieve better results. As the years go by, we have taken to thinking, "Everyone should just think long term—it seems to come around soon enough anyway!"

Investing is difficult and quality money managers are hard to find. We urge CTFs to not accept mediocre performance or slipshod advice. At the same time, they should avoid going for the appearance of good past returns alone—there are qualitative issues in choosing money managers as well. The future of CTFs' endeavors is important. Search for excellent money managers and keep your investments appropriately conservative until you find them.

We are pleased to support the Conservation Trust Fund Investment Survey and its contribution to your important efforts. We thank all of our partners, as there is much good work to do in conservation, and far too little funding.

With our best regards,

Greg Alexander  
Alexander Foundation  
Acacia Partners



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This report represents the third in a series of studies covering the financial performance of Conservation Trust Funds from 2006 through 2009. Conservation Trust Funds are innovative financing mechanisms developed to provide long term financing for conservation and sustainable development. Over 50 Conservation Trust Funds (CTFs) have been established in Africa, Latin America and the Caribbean, Asia and Eastern Europe. The 39 trust funds participating in this study manage over \$519 million dollars and operate under a variety of financing structures, including endowments, sinking funds and revolving funds.

The investment returns reported by participating CTFs for the 2009 financial year, (January 1st through December 31st), reflect both the recovery of the market and the ability of the Funds to carefully and effectively manage their investments. All of the Funds reporting investment data show positive returns for 2009, some with substantial improvements over the last two years. Investment returns range from 1.0% to 27.1% for the financial year ending December 31, 2009, with the average at 14.4%. The returns reported in this study reflect a variety of investment strategies, from investments held in local banks or fixed deposit receipts, to more complex investment portfolios managed by international investment firms.

The investment return data for 2009 demonstrates a significant rebound from the 2008 investment performance when participating trust funds suffered losses averaging 7%. At the end of 2008, the Funds indicated a commitment to more closely monitor their investments and allocation strategies, and to work with their investment advisors to strengthen investment policies and position themselves for long-term growth. That strategy coupled with the strong rebound in the equities markets appears to have worked as participating funds averaged returns of more than 14% in 2009. In addition, Conservation



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Trust Funds have enjoyed healthy average three- and five-year returns of 7% and 8% respectively, demonstrating CTF investments strategies are prudent, minimizing risk while focusing on achieving capital growth.

**Summary of Endowment and Sinking Fund Average Returns, 2009 Financial Year**

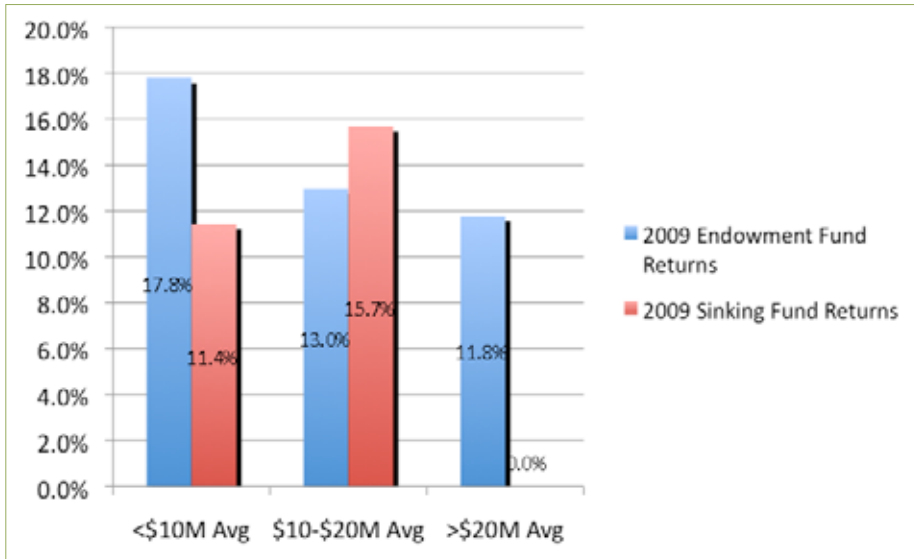


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The following table provides a quick snapshot of the investment performance and the changes in performance and asset allocation over time as reported by the participating funds since the inception of this survey. The investment information for 2006 is based on a total of 17 reporting funds. Since that time the survey has been able to include data from more than 30 Conservation Trust Funds.

Return and Asset Allocation Average				
	2009	2008	2007	2006
<b>Average Investment Return</b>	14.4%	-6.9%	8.6%	12%
<b>Asset Allocation</b>				
<b>Equities</b>	30%	25%	31%	23%
<b>Fixed Income</b>	49%	43%	39%	58%
<b>Cash</b>	16%	30%	27%	14%
<b>Alternatives</b>	5%	2%	3%	5%

This year, in addition to financial information, Conservation Trust Funds also reported on development of new programs that diversify their leadership roles and create new funding sources. Examples include programs to create cash flow from the sale of carbon credits (e.g. REDD), and investment in clean energy and other climate change mitigation efforts. These new opportunities may offer Funds even greater latitude to contribute to meeting long-term conservation financing needs around the world.





# Introduction



National Park of Banc d'Arguin, Mauritania.  
Photo Contributed by Cécile Lamour, FIBA.

## Background

This project was conceived as a mechanism to provide information on fund management and to compare endowment investment strategies and performance over time. Our hope is that this study will promote information sharing and networking regarding best practices for investment management, especially for those funds that are just beginning to establish their structures and policies. This report will also provide the investment, donor, and conservation communities with an assessment of the continuing efficacy and reliability of Conservation Trust Funds (CTFs) as a mechanism to achieve long term sustainable financing of biodiversity.

Conservation Trust Funds are innovative financing mechanisms developed to provide long term financing for conservation and environmentally sustainable development. We estimate over 50 Conservation Trust Funds have been established in Africa, Latin America and the Caribbean, Asia and Eastern Europe, and new funds continue to be launched in these regions.

The CTFs participating in this report are structured as endowments or sinking funds, with some CTFs managing both types of investment funds. The CTFs that manage endowments generally spend only the income from their investments, maintaining the capital as a permanent asset. This allows for longer term funding for projects such as the management of protected areas. Other CTFs manage sinking funds, spending the income from investment as well as a portion of their capital each year until the fund is expired. This type of structure allows sinking funds to finance larger, medium-term projects or a series of small grants. Some of the CTFs participating in this study indicate that they are transitioning from sinking funds to endowments, moving the investment income of the sinking fund into an endowment to create longer term financing opportunities.



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Conservation Trust Funds are capitalized by bilateral debt swaps and multilateral agency donations, as well as by grants from governments, foundations, non-profit organizations, individuals and revenue-generating activities. Most operate as foundations and are managed by a diverse board, independent of Government, with representation from the public and private sectors.

This report provides information regarding how the invested funds of CTFs are managed; how assets are allocated; and the changes CTFs have made to their investment strategies in the face of global economic challenges. In addition, this report addresses the role of Conservation Trust Funds as leaders of change in their respective countries, exploring the types of services CTFs provide beyond grant programs and financing of protected areas.

This study has been a collaborative effort between the Wildlife Conservation Society and RedLAC, the Latin American and Caribbean Network of Environmental Funds whose representative, the Mexican Fund for Nature Conservation (FMCN), and its Secretariat hosted by the Brazilian Biodiversity Fund (Funbio), participated in creation of the survey and coordinated the survey of its members funds.

## Objectives

The objectives of this study are to assess the financial performance of Conservation Trust Funds and to show the various investment strategies they employ.

This report will focus on the following financial information gathered through surveys of each participating Fund:

- Fund size and structure
- Investment returns
- Asset and currency allocation
- Types and fees of investment advisors
- Investment policies and response to current market changes

In addition, this report will explore the role of Conservation Trust Funds in shaping national conservation strategies, touching on the advantages of the funds as financing mechanisms, the role of CTFs in creating and sustaining national policies, and the difficulties experienced by the Funds, as well as the opportunities open to them in the future.

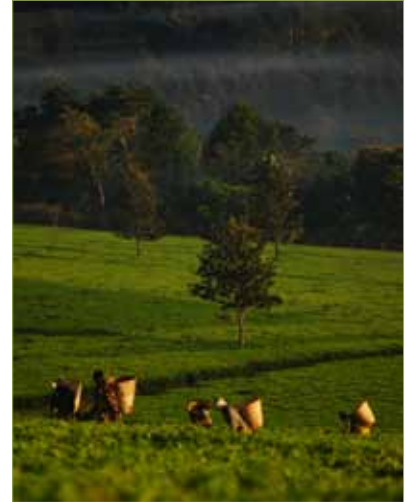
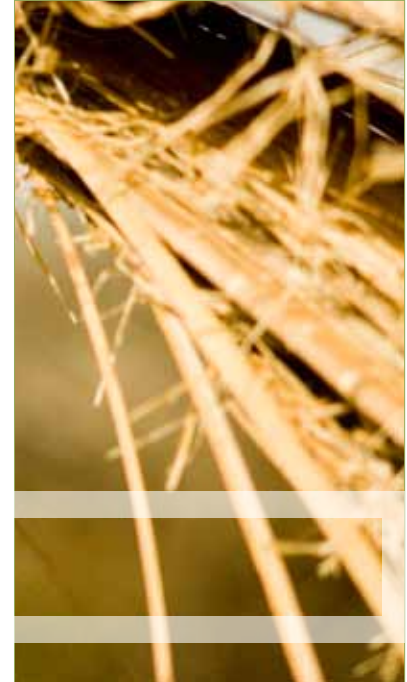


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Photo Contributed by Lorenzo Rosenzweig, FMCN Mexico





Archipel des Bijagos, Guinée-Bissau. Photo Contributed by Cécile Lamour, FIBA.

## Survey format, origination

This report is designed to gather financial information from privately directed Conservation Trust Funds that manage endowments, sinking funds or revolving funds with the mandate to provide long-term financing for conservation and sustainable development. Development of the CTIS survey drew on the experience of the National Association of College and University Business Officers (NACUBO), which publishes an annual survey of the performance of US College and University endowments.

## Data collection

The survey for the financial year ending December 31, 2009 was administered in a Word-based format and was emailed to all participating Funds. The survey was available in English, Spanish and French to ensure ease of accessibility and to garner greater participation. An initial introductory cover letter and a hard copy of the survey, as well as a copy of the 2007-2008 CTIS report were mailed to all potential participants in April 2010. The RedLAC Executive Committee distributed the survey to its member Funds and provided follow-up to ensure full participation of its membership. RedLAC was instrumental in collecting survey information from all of its members. During the process repeat emails reminders were sent to Funds and in some cases phone calls were made to elicit responses to the survey questions.

## Confidentiality

The CTIS project is committed to maintaining the confidentiality of each of the Fund's individual data submissions. Contact information for each of the participating Funds is provided in the report; however, all financial data is reported anonymously to ensure that the Funds are not placed at an unfair advantage by disclosure of information. The objective of the report is to share



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information and support the development of effective investment strategies. Each Fund is therefore able to compare its performance to the average returns of Funds within similar size categories and with the average returns of all Funds. Where individual returns are listed, each Fund is assigned a random identification number.

## Fiscal Year

All data and reporting are based on the financial year 2009 ending December 31st unless noted. All performance data are reported net of investment management fees and expenses.

## Statistical Variants

Survey participants were encouraged to answer as many of the questions as possible; however some of the CTFs were unable to fill in data for all of the categories. Therefore, the data tables in this report do not necessarily reflect all participants. Each data table indicates the number of funds represented in the analysis either within the table itself or in a footnote below the table.

## Average Returns

Following procedures used in the NACUBO study, average values provided in this report are calculated as equal-weighted averages, meaning that each reporting Fund has an equal influence on the outcome of the average calculation regardless of the size of the endowment. This allows each individual Fund to compare its returns to other Funds participating in this study. For informational purposes dollar-weighted averages (e.g. weighted in terms of the size of the endowment) may also be calculated and are reported in some of the tables as noted for 2009 returns.

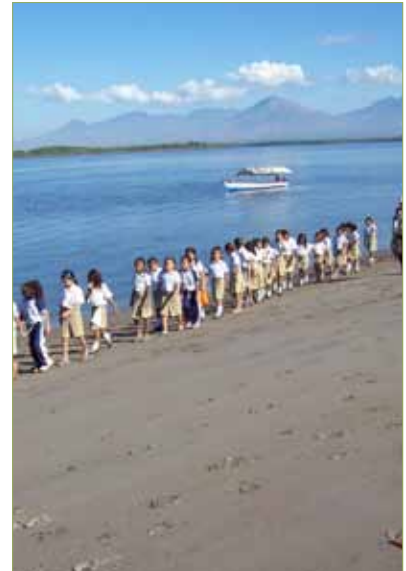


Photo Contributed by FIAES, El Salvador



Heliconia, Protected Natural Area Normandia, Photo Contributed by FIAES, El Salvador



PN Sajama Protected Area, Photo Contributed by FUNDESNA, Bolivia



## Results and Analysis



Mutwa herding goats, Photo Contributed by BMCT, Uganda

### Description of Participating Funds

Conservation Trust Funds participating in this study manage both endowments and sinking funds. Most all of the Funds are established as private foundations or trusts, though a number are Non-governmental Organizations (NGO) or have been incorporated as not-for-profit Limited Liability Corporations (LLC) governed by charity and trust law. The funds are generally established in the country where they operate and are managed by a board of directors with members from both the private and public sectors. In some cases, funds have been established in third-party countries due to legal constraints or administrative necessity.

### Endowment and Sinking Funds

A number of comments were received from both Funds and CFA members last year requesting that the study analyze the investment strategies for endowment and sinking funds separately since the two types of funds often have different time horizons and investing requirements. Endowment funds are long-term funds spending the investment income to fund long-term conservation projects, such as management of protected areas. Sinking funds are short to medium-term funds spending both principal and investment income to fund shorter-term projects.



Photo Contributed by MMCT, Malawi

**Endowment Fund:** A fund spending investment income or a fixed percent of its asset value each year, with the goal of preserving and growing the capital as a permanent asset.

**Sinking Fund:** A fund that disburses its entire principal and investment income over a fixed period of time.

**Revolving Fund:** A fund that receives new income on a regular basis, such as tourist taxes, user fees, etc., to replenish or augment the original capital.



## Area and Age of Participating Funds

### *Latin America and Caribbean*

Conservation Trust Funds are well established in the Latin American and Caribbean region, with an active network, RedLAC, providing opportunities for communication and training amongst its member Funds. The majority of the Funds responding to this survey are in that region, with 20 Funds participating in the study this year. Sixteen of the Latin American and Caribbean Funds reported investment information, and two new Funds submitted surveys but do not have information on investment returns at this time. Two additional publicly managed Funds submitted information on their governance structure and activities. The average length of operation for the Funds in this region is 11 years, with a range from one to 17 years.

### *Africa*

A total of 11 Funds in Africa filled out surveys this year, an increase of two over the previous year. Nine of these Funds reported investment return information for the 2009 financial year. Two Funds have just established their endowments and have begun investing in 2009. African Funds range in length of operation from Funds established in 2009, to Funds that have been in operation for 20 years.

The formation of new Conservation Trust Funds in Africa is continuing, especially in francophone Africa, so the number of Funds reporting from Africa is likely to increase over time. In addition to the 11 Funds filling out surveys, two new African Funds responded by email with updates on their Fund establishment process.



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**Figure 1. Number of Participating Funds by Region**

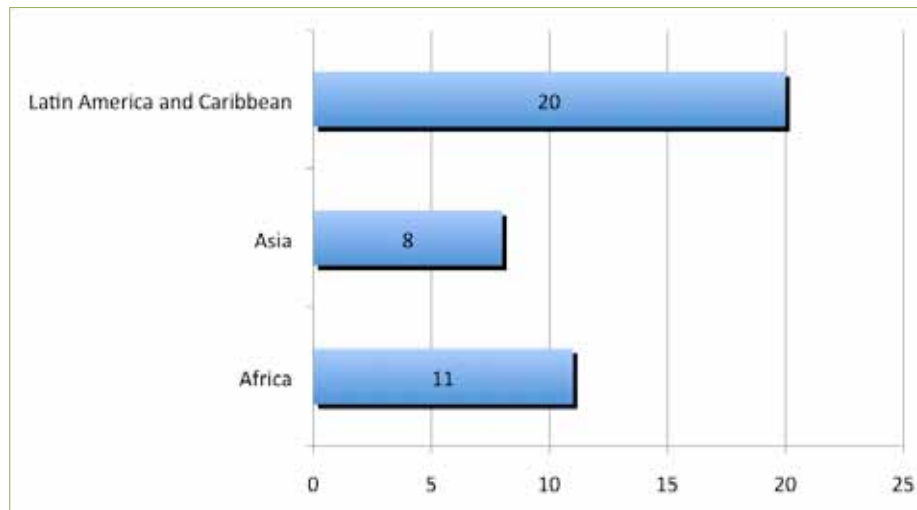


Photo Contributed by Darwin Rivera, FAN, Ecuador

## Asia

A number of long established Funds in Asia also reported this year. Eight Funds in Asia responded to our inquiries. Seven Funds submitted investment information, while one Fund filled out the survey but does not yet have investment return information to report. One additional Fund responded with an update on the Fund status. The most established Fund in the region has been in existence for more than 18 years.

## Overall Rates of Return

Many of the CTFs made changes to their investment strategies after experiencing losses in 2007 and 2008, and were able to take advantage of the recovery in 2009 to show gains. Conservation Trust Funds reporting endowment and sinking fund investment return information for fiscal year 2009 enjoyed average returns of 14.4%, an impressive turn from the 7 percent averages losses in 2008.

The CTFs' one-, three- and five-year average rates of return for the period between 2005-2009 are shown in Tables 1 and 2 below. Five-year returns for endowments and sinking funds are very similar. The average endowment return over five years was 7.9 percent, while the average for sinking fund return is 8.0 percent over the same five-year period.

The S&P 500 recorded a five-year average return of approximately three percent (3%) for that same period. The CTFs all reported returns that outperformed the S&P 500 over the 5-year period ending in 2009.

## Endowment Investment Performance

The group of smaller CTFs (assets less than \$10 million in US dollar equivalent) experienced the highest returns in 2009, at an average of 17.8 percent. The group of mid-size CTFs (between 10 and 20 million US dollar equivalent) experienced gains of 13.0 percent. The larger endowments had more conservative returns in 2009, averaging 11.8 percent.



Photo Contributed by WWF, South Africa



Photo Contributed by Lorenzo Rosenzweig, FMCN Mexico

**Table 1. Average Endowment Returns by Fund Size, 2009**

Percent Average Annual Endowment Fund Returns by Fund Size				
Size Category	Total Assets (USD)	2009	3-Year Average	5-Year Average
<\$10M	47,945,513	17.8	8.3	9.6
\$10-20M	111,703,562	13.0	6.6	6.9
>\$20M	284,107,958	11.8	4.4	6.1
<b>Equal-Weighted Average All Funds</b>		14.8	6.8	7.9
<b>Dollar-Weighted Average All Funds</b>		14.8		

\*26 endowment funds reported investment returns

## Sinking Fund Investment Performance

Sinking funds report investment returns in a range similar to that of the endowment funds. Sinking funds managing less than \$10 million US dollars experienced returns averaging 11.4 percent, while the larger funds, managing \$10-20 million reported higher returns, on average 15.7 percent.

**Table 2. Average Sinking Fund Returns by Fund Size, 2009**

Percent Average Annual Sinking Fund Returns by Fund Size				
Size Category	Total Assets (USD)	2009	3-Year Average	5-Year Average
<\$10M	23,370,759	11.4	7.8	7.9
\$10-20M	51,913,734	15.7	8.1	8.2
<b>Equal-Weighted Average All Funds</b>		13.3	8.0	8.0
<b>Dollar-Weighted Average All Funds</b>		14.9		

\*9 sinking funds reported investment returns

## Endowment Returns by Region

Figure 2 below shows the average investment returns for 2009 for the endowment funds in each of the three regions studied. In 2009, the African Funds posted the highest endowment returns of the three regions, at 17.1 percent, up from -10.7% in 2008. African Funds also posted positive longer-term returns, with 3-year average of 5.8%, and 7.8% for the five-year period.

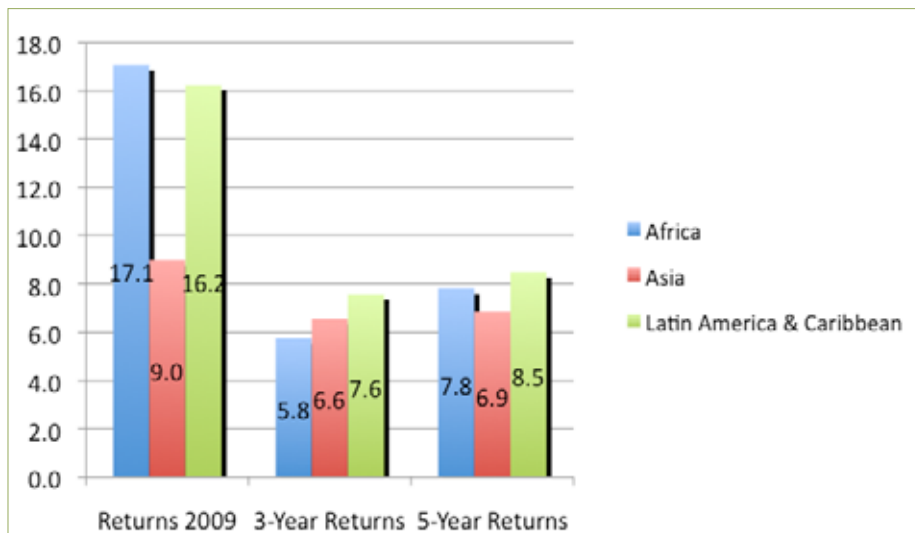
The average rate of return for Asian funds in 2009 was 9.0%, up from -0.5% in 2008. The 3-Year average return for these funds is 6.6% and the 5-Year average is 6.9%. In general Asian funds continue to demonstrate less volatility across the study years compared to the funds in other regions.

The Latin American and Caribbean (LAC) Funds had an average return of 16.2% for 2009, a large increase over the average return of -7.1% for 2008. These Funds posted three-year average gains of 7.6% and over a five-year time period the Funds reported average annual returns of 8.5%.



Photo Contributed by Lorenzo Rosenzweig, FMCN Mexico

**Figure 2. Endowment Returns by Region**



## Africa

All nine African Funds participating in this study manage endowments. A sinking fund in Africa that previously participated in the survey did not return the survey due to management and institutional changes. African Funds reported a combined investment of approximately 95.6 million dollars<sup>1</sup>, with an average endowment size of \$10.6 million. The largest fund in Africa manages approximately \$21.4 million and the smallest manages \$2.5 million.

## Asia

Six funds in Asia provided investment return information for the survey this year, reporting a combined value of \$86.8 million in endowments and an average size of \$14.5 million. The largest fund manages approximately \$37 million and the smallest fund has an endowment of \$182,000.

## Latin America and the Caribbean

The 11 Funds managing endowments in the Americas manage investments totaling approximately \$276 million, with an average endowment size of \$25.1 million. The largest CTF in the Americas manages approximately \$106 million in endowment assets and the smallest reporting Fund manages a \$2 million endowment.



Photo Contributed by MMCT, Malawi

**Table 3. Total Endowment Size and Average 2009 Returns**

Percent Average Annual Endowment Fund Returns by Region				
Region	Total Assets (USD)	2009	3-Year Average	5-Year Average
Africa	80,824,784	17.1	5.8	7.8
Asia	86,778,160	9.0	6.6	6.9
Latin America & Caribbean	276,154,089	16.2	7.6	8.5
<b>Equal-Weighted Average All Funds</b>		14.8	6.8	7.9
<b>Dollar-Weighted Average All Funds</b>		14.8		

\*26 endowment funds reported investment returns

## Sinking Fund Returns by Region

Two CTFs in Asia and seven CTFs in the Americas manage sinking funds that reported investment returns this year. Five CTFs manage sinking funds separately from and in addition to endowment funds.

The two sinking funds in Asia total \$6.4 million. The smallest is \$45,000 and the largest is \$6.4 million. These sinking funds report average investment returns of 8.3% for 2009. Three- and five-year returns for the Asian Funds managing sinking funds are 10.7% and 8.9%, respectively.

The seven Latin American and Caribbean CTFs that manage sinking funds have approximately \$69 million in dollar equivalent assets, with the smallest sinking fund at \$2.8 million and the largest at \$16.7 million. These sinking fund investments returned an average of 14.7% in 2009. The three- and five-year returns for these funds were 7.6 and 7.9%.



Photo Contributed by BMCT, Uganda

<sup>1</sup> All fund sizes are reported in equivalent US dollar amounts.



**Figure 3. Sinking Fund Returns by Region**



Photo Contributed by MMCT, Malawi

**Table 4. Total Sinking Fund Size and Average 2009 Returns**

Percent Average Sinking Fund Returns by Region				
Region	Total Assets (USD)	2009	3-Year Average	5-Year Average
Asia	6,426,652	8.3	10.7	8.9
Latin America & Caribbean	68,857,841	14.7	7.6	7.9
<b>Equal-Weighted Average All Funds</b>		13.3	8.0	8.0
<b>Dollar-Weighted Average All Funds</b>		14.9		

\*9 sinking funds reported investment returns

## Comparison of Endowment & Sinking Fund Returns

The Conservation Trust Funds managing endowments and those managing sinking funds had similar returns in 2009. The smaller endowments showed higher returns than the similar sinking funds; however, the mid-size sinking funds reported higher returns than endowments in the same size category.

**Figure 4. Endowment and Sinking Fund Returns**

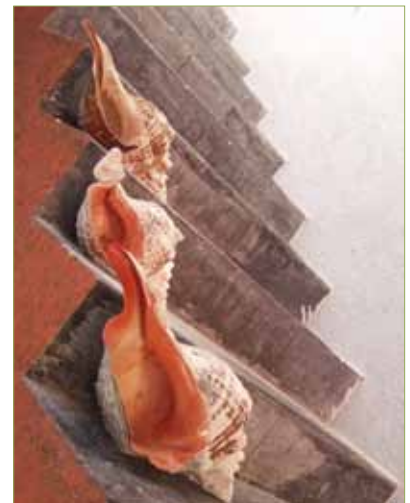


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## Types of Benchmarks Used

A variety of benchmarks are used by the Funds to measure performance. The S&P 500 is the most commonly listed index across all of the Funds, though the Morgan Stanley Capital International (MSCI) World Index, the Barclays Capital US Aggregate Bond Index and the JP Morgan Stanley Bond Index are also listed as common benchmarks against which some of the Funds measure their portfolio performance. National indices are also used by many of the funds invested in domestic markets.

The following table shows how the average returns for the endowment funds and the sinking funds surveyed for this report compared to the three most commonly referenced indices. The lower returns for the CTFs reflect their more conservative investment approach as well as lower equity weights in their asset allocations.

**Table 5. CTF Returns Compared to Common Benchmark Indices**

2009 Average Returns Compared to Common Indices	
CTF Endowment Funds	14.8%
CTF Sinking Funds	13.3%
Barclays Capital Aggregate Bond Index	5.9%
S&P 500	26.5%
MSCI EAFE	32.0%
*Source: UBS Market Research	

\*25 endowment funds and 9 sinking funds reported investment return information

## Currency and Inflation Adjusted Returns

A number of CTF portfolios include investments in US and international equities and other instruments, while some focus almost entirely on domestic investments. Investing in global markets can potentially improve the risk-adjusted performance of a portfolio, however exposure to foreign currency carries a certain risk as exchange rates fluctuate. Returns are also affected by the domestic rate of inflation, which if positive and significant, can decrease the purchasing power of money available for project financing. Fund managers need to be aware of the effects of exchange rates and domestic inflation on the ability of their Funds to deliver the desired conservation outcomes.

The table below shows reported investment returns for Funds with global portfolios adjusted for changes in exchange and inflation rates. Returns in dollar, euro, and local currency equivalents, along with the 2009 domestic rate of inflation are provided, along with the currency used in reporting. For example, where the table indicates the reporting currency as domestic, the local currency return represents the reported nominal return, and euro and dollar equivalent returns are calculated based on that currency's appreciation or depreciation against those currencies. If reported in dollars, the dollar return forms the basis for calculating the equivalencies in euros and local currency. For purposes of illustration, the last column presents the real rate of return in domestic currency. In the US and Eurozone, inflation rates were -0.3% and 0.7% respectively and thus there is relatively little difference between the reported dollar and euro nominal and real rates of return.



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Photo Contributed by Lorenzo Rosenzweig, FMCN Mexico

**Table 6. Currency and Inflation Adjusted Returns**

Fund ID No	Reporting Currency	Dollar Return	Euro Return	Local Currency Return	Domestic Inflation Rate	Real Return Local Currency
<b>Endowment Funds</b>						
15	Domestic	33.33%	30.82%	11.00%	7.10%	3.90%
5	Domestic	35.46%	32.95%	13.13%	7.10%	6.03%
3	US\$	9.75%	7.24%	9.75%	0.30%	9.45%
11	US\$	24.50%	21.99%	26.17%	12.10%	14.07%
2	Domestic	12.40%	9.89%	7.73%	10.90%	-3.17%
6	US\$	15.00%	12.49%	5.89%	4.20%	1.69%
8	US\$	24.96%	22.45%	28.80%	8.40%	20.40%
9	US\$	26.45%	23.94%	24.14%	13.10%	11.04%
14	US\$	27.11%	24.60%	28.54%	3.30%	25.24%
7	US\$	16.90%	14.39%	28.82%	9.60%	19.22%
31	US\$	19.13%	16.62%	19.13%	2.72%	16.41%
24	US\$	11.90%	9.39%	17.25%	9.00%	8.25%
22	Domestic	39.18%	36.67%	16.85%	7.10%	9.75%
23	US\$	6.35%	3.84%	-9.08%	4.80%	-13.88%
25	US\$	8.66%	6.15%	5.80%	3.30%	2.50%
20	US\$	17.72%	15.21%	17.77%	1.10%	16.67%
10	Domestic	13.88%	11.37%	10.90%	2.20%	8.70%
26	US\$	18.50%	15.99%	10.64%	2.90%	7.74%
18	US\$	9.85%	7.34%	-14.78%	4.20%	-18.98%
29	US\$	10.40%	7.89%	5.73%	8.00%	-2.27%
28	US\$	16.85%	14.34%	7.74%	4.20%	3.54%
21	US\$	7.75%	5.24%	13.10%	9.00%	4.10%
27	US\$	16.71%	14.20%	16.71%	2.40%	14.31%
17	US\$	8.04%	5.53%	8.04%	4.31%	3.73%
30	US\$	22.19%	19.68%	17.93%	3.60%	14.33%
<b>Sinking Funds</b>						
13	Domestic	4.50%	1.99%	16.42%	9.60%	6.82%
12	US\$	11.26%	8.75%	11.77%	5.40%	6.37%
16	US\$	21.12%	18.61%	22.55%	3.30%	19.25%
2	Domestic	10.01%	7.50%	5.34%	10.90%	-5.56%
4	Domestic	7.35%	4.84%	3.00%	1.90%	1.10%
19	US\$	21.50%	18.99%	13.64%	2.90%	10.74%
26	US\$	24.80%	22.29%	16.94%	2.90%	14.04%
1	US\$	6.68%	4.17%	6.63%	0.60%	6.03%
28	Domestic	18.82%	16.31%	9.71%	4.20%	5.51%

\*25 endowment funds and 9 sinking funds reported investment return information

Note: The US inflation rate in 2009 was -0.3% while inflation in the Eurozone was 0.7%



Photo Contributed by MMCT, Malawi

## Asset Allocation

Asset allocation information was submitted for 18 endowment funds and for 12 sinking funds. Allocations were recorded among the four categories: equities, fixed income, cash and alternative strategies, and are shown below, averaged by Fund size in Tables 7 and 8.

### 2009 Endowment Asset Allocation

Table 7, below, shows the average asset allocation for the endowment funds in 2009.

**Table 7. Endowment Funds Asset Allocation**

Endowment Asset Allocation 2009				
Size Category	Equity	Fixed Income	Cash	Other
>20 Million	25.0%	58.7%	11.2%	5.1%
10-20 Million	30.7%	47.3%	21.3%	0.7%
<10 Million	42.7%	34.5%	16.7%	6.1%

\*Asset allocation information is reported for 18 endowment funds

### 2009 Sinking Fund Asset Allocation

The asset allocations for the sinking funds participating in this study are shown below in Table 8. The larger sinking funds had similar portfolios to the endowments in the same size range for 2009, with the majority of assets in fixed income instruments and equities. The smaller sinking funds were also heavily weighted toward fixed income. However, the smaller sinking funds had greater allocations to cash instruments than to equities.



Photo Contributed by Lorenzo Rosenzweig, FMCN Mexico

**Table 8. Sinking Funds Asset Allocation**

Sinking Fund Asset Allocation 2009				
Size Category	Equity	Fixed Income	Cash	Other
Sinking funds 10-20 Million	37.6%	55.3%	5.9%	1.3%
Sinking funds <10 Million	19.9%	41.3%	26.4%	12.3%

\*Asset allocation information is reported for 12 sinking funds using a dollar-weighted average



Photo Contributed by IAES, El Salvador

## Asset Allocation Comparison from 2008 to 2009

Table 9, below, shows the rebalancing of the funds (both endowment and sinking funds combined) from 2008 to 2009. The larger Funds, both in the over \$20 Million category and the \$10-20 Million category show increased allocations in both equities and fixed income, with less cash investments than in 2008. The smaller funds, managing less than \$10 million show reduced fixed income allocations, with increased allocations in equities, cash and alternative instruments. These Funds showed the highest overall returns of the fund categories.

**Table 9. Endowment and Sinking Fund Asset Allocation Comparison 2008 to 2009**

Asset Allocation Comparison 2008 to 2009									
Size Category	2009 Returns	2008 Equity	2009 Equity	2008 Fixed	2009 Fixed	2008 Cash	2009 Cash	2008 Alt.	2009 Alt.
Funds >20 Million	10.3%	19.5%	25.0%	45.8%	58.7%	43.3%	11.2%	0.5%	5.1%
Funds 10-20 Million	14.0%	27.7%	33.8%	26.0%	50.9%	45.0%	14.4%	1.3%	0.9%
Funds <10 Million	15.8%	28.9%	31.3%	56.4%	37.9%	12.0%	21.6%	2.7%	9.2%

\*18 endowment funds and 12 sinking funds reported asset allocation information

## Asset Allocation in Domestic, US and International Markets

Asset allocation was also reported more specifically with regard to investments in domestic, US and international markets. The following table shows the investments in these markets, based on the percentage each Fund portfolio allocates to equities, fixed income, cash and alternative instruments. The asset allocations are reported for the end of each fiscal year (December 31).



Photo Contributed by Lorenzo Rosenzweig, FMCN, Mexico

**Table 10. Asset Allocations for Fiscal Years 2005 through 2009 by Fund Size**

Asset Class	20+ Million					10-20 Million					0-10 Million				
	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009
Domestic Fixed Income	30%	40%	36%	29%	16%	11%	11%	3%	10%	28%	37%	34%	41%	38%	24%
US Fixed Income	9%	18%	15%	19%	24%	10%	12%	11%	9%	4%	4%	7%	5%	6%	9%
Intl. Fixed Income	16%	18%	3%	1%	4%	17%	33%	0%	7%	10%	13%	10%	6%	12%	5%
<b>Total</b>	<b>55%</b>	<b>76%</b>	<b>54%</b>	<b>49%</b>	<b>59%</b>	<b>38%</b>	<b>56%</b>	<b>14%</b>	<b>26%</b>	<b>51%</b>	<b>54%</b>	<b>51%</b>	<b>52%</b>	<b>56%</b>	<b>38%</b>
Domestic Equities	5%	4%	8%	5%	1%	1%	1%	0%	13%	18%	9%	8%	19%	17%	16%
US Equities	8%	7%	4%	2%	12%	15%	9%	31%	14%	2%	6%	10%	7%	5%	10%
Intl. Equities	8%	2%	14%	9%	10%	13%	10%	1%	1%	1%	7%	9%	6%	7%	5%
<b>Total</b>	<b>21%</b>	<b>13%</b>	<b>26%</b>	<b>16%</b>	<b>25%</b>	<b>29%</b>	<b>20%</b>	<b>32%</b>	<b>28%</b>	<b>34%</b>	<b>22%</b>	<b>27%</b>	<b>32%</b>	<b>29%</b>	<b>31%</b>
Domestic Cash	12%	2%	3%	5%	2%	19%	16%	23%	19%	11%	13%	13%	9%	9%	12%
US Cash	4%	2%	16%	29%	7%	5%	4%	26%	17%	2%	5%	4%	3%	3%	9%
Intl. Cash	3%	0%	0%	0%	0%	6%	1%	0%	9%	0%	2%	0%	1%	0%	0%
<b>Total</b>	<b>19%</b>	<b>4%</b>	<b>19%</b>	<b>34%</b>	<b>11%</b>	<b>30%</b>	<b>21%</b>	<b>49%</b>	<b>45%</b>	<b>14%</b>	<b>20%</b>	<b>17%</b>	<b>13%</b>	<b>12%</b>	<b>22%</b>
<b>Alternative Strategies</b>	<b>5%</b>	<b>7%</b>	<b>1%</b>	<b>1%</b>	<b>5%</b>	<b>3%</b>	<b>3%</b>	<b>5%</b>	<b>1%</b>	<b>1%</b>	<b>4%</b>	<b>5%</b>	<b>3%</b>	<b>3%</b>	<b>9%</b>

\*Asset allocations are reported for 18 endowment funds and 12 sinking funds





Photo Contributed by MMCT, Malawi

## Organizational responsibility for Investment Decisions

One of the reasons that most Conservation Trust Funds are unique is that they are private funds, managed by a Board of Directors that is independent of government. The majority of CTFs responding to this survey are set up as foundations, trusts or Non-Government Organizations. Two are public funds. All of the Funds are managed by a Board of Directors, which is generally comprised of representatives from government ministries, universities, local NGOs and the private sector. The participation of board members from a variety of backgrounds allows the Funds to draw on expertise from different sectors while also maintaining critical relationships with government agencies and local organizations working toward conservation. Any government membership on CTF Boards is limited a minority position and provides a government voice into CTF operations while ensuring that governments cannot dominate decisions regarding programming and the use of funds.

The survey responses show that board members are generally involved in making decisions regarding the investment strategies, hiring asset managers or investment consultants, and setting the spending policy of the fund. These decisions are made either by a Finance Committee of the board or by the entire board itself.

## Investment Policy

The majority of the Funds surveyed have clearly stated investment policies. Only six Funds indicated that they do not have an investment policy. These Funds are either public Funds investing in fixed income instruments, or they are relatively new Funds, yet to establish written investment strategies.



Photo Contributed by Darwin Rivera, FAN, Ecuador

Funds indicate that their investment policy covers:

- Investment objectives of the trust;
- Degree of acceptable investment risk;
- Asset allocation strategies;
- How the portfolio should be rebalanced;
- How returns relate to spending policy; and
- Benchmarks against which the returns should be measured.

## Donor Restrictions

Many CTFs receive funding from multilateral and bilateral agencies. Funding agreements often include donor restrictions on the type of investment allowed and the asset allocation of the investment portfolio. Thirteen of the Funds indicate that their donors have placed restrictions on their investment strategies and eight of the Funds report that they have no donor restrictions.

One Fund is required to hire a professional to manage its investments. Three of the Funds listing donor restrictions are restricted to US-based investments. Several of the Funds have specific asset allocations outlined by the donor agency. Other donor requirements listed by the Funds include the following: may not speculate with commodities; investments must follow some environmental criteria; ensure minimum risk standards requirements (e.g., minimum BBB rated); avoid speculative instruments; may not invest in alternative instrument; and no investment in funds that are not socially and environmentally responsible.

## Investment Objectives

The survey asked participants to rank the order of importance of the following investment objectives:

- Maintaining nominal value of endowment
- Maintaining real value of endowment
- Interest and dividend income
- Capital gains
- Market factors
- Social investing criteria
- Environmental screens

Most CTFs ranked the maintenance of the nominal or real value of the fund as the top priority in their investment objectives. Capital gains ranked next in order of importance with market factors also listed as a consideration. Environmental and social screens are a priority for most of the Funds, with three Funds listing these criteria as a top priority in considering investments.

## Management, Consultants, etc.

Almost all of the Funds surveyed use the services of an asset manager, an investment consultant or both. The Funds that do not use an asset manager or a consultant invest in fixed deposits, have funds managed by a donor or a bank, or manage their investments with an in-house finance manager. Of the Funds using an asset manager or investment consultant, all indicate satisfaction with the performance of the manager.



Photo Contributed by Lorenzo Rosenzweig, FMCN Mexico



Photo Contributed by Caucasus Protected Area Fund



Howler Monkey, Community Baboon Sanctuary, Photo Contributed by PACT, Belize

## Consultant Fees and Services Provided

Twenty-two Funds reported information on fees paid to investment advisors or asset managers, as well as mutual fund fees. Funds also provided information on the services of the advisors or consultants. Fees paid by the Funds range from 0.08% to 2% of total portfolios, as shown in Table 11.

Most Funds receive quarterly statements from their asset managers or investment advisors, as well as detailed statistical analyses of their portfolio, investment education materials and briefings for the board. Some Funds have web access to their accounts and a few have a choice of investment consultants. Most Funds meet quarterly or monthly with their financial advisors, though some report only yearly meetings or meetings on an as-needed basis. All Funds indicate that they received good service from their advisors or managers and felt that performance was satisfactory in 2009.



Photo Contributed by MMCT, Malawi

**Table 11. Breakdown of Asset Manager or Investment Advisor Fees**

Fund ID No.	Fund Type	Expense Type	Expenses as % of Total Assets	Total Return
			2009	2009
1	Sinking Fund	Asset Manager w/discretionary authority	0.96%	6.68%
3	Endowment & Sinking Fund	None-Director of Finance and Administration manages assets as term deposits at local bank.	0.00%	9.75%
6	Endowment & Sinking Fund	Asset Manager and Investment Consultant w/discretionary capacity	1.20%	15.00%
8	Endowment	Investment consultant and asset manager w/discretionary authority	0.81%	24.96%
9	Endowment	Investment Consultant and asset manager with discretionary authority	0.74%	26.45%
10	Endowment	Investment consultant and asset manager with discretionary authority	0.52%	10.90%
11	Endowment	Investment consultant and asset manager w/discretionary authority	0.68%	24.50%
13	Sinking Fund	Asset Manager w/discretionary authority	0.85%	16.42%
14	Endowment & Sinking Fund	Asset Manager- no discretionary authority	0.5%*	27.11%
16	Sinking Fund	Investment advisor with no discretionary authority	0.50%	21.12%
17	Endowment	Investment Advisor and asset manager with discretionary authority	0.22%	7.61%
18	Endowment & Sinking Fund	Asset Manager w/discretionary authority	0.35%	9.85%
19	Sinking Fund	Investment Advisor and Asset Manager w/discretionary authority	0.42%	21.50%
20	Endowment	Investment Consultant w/discretionary authority	0.61%	17.72%
21	Endowment	Asset Manager w/discretionary authority	0.28%	1.71%
24	Endowment	Asset Manager w/discretionary authority	0.31%	10.52%
26	Endowment & Sinking Fund	Asset Manager w/discretionary authority	0.63%	18.50%
27	Endowment	Investment advisor & Mutual Fund Fees	0.65%	16.71%
28	Endowment & Sinking Fund	Investment Advisor and Asset Manager w/discretionary authority	0.08%	16.85%
23	Endowment	Asset Manager & Mutual Fund Fees	2.00%	6.35%
30	Endowment & Sinking Fund	Investment Advisor and Asset Manager with no discretionary authority	0.2%**	22.19%
31	Endowment	Investment consultant w/discretionary authority	1.19%	19.13%
<b>Average Fee, All Funds</b>			<b>0.65%</b>	





## Contribution of CTFs to Conservation



Photo Contributed by MMCT, Malawi

### Conservation Achievements of CTFs

A report published by the Global Environmental Facility in 1999, *Experience with Conservation Trust Funds*, suggested that the success of Conservation Trust Funds depends on their ability to support and participate in national conservation programs and policies, to work with other public and private agencies to develop effective management approaches to conservation and to support community organizations involved in biodiversity conservation and sustainable development<sup>2</sup>.

The 2009 CTIS survey asked participating Funds to describe the conservation achievements in which the Funds played a leadership role. In response the trust funds indicated a broad spectrum of contributions, including 1) leveraging public and private funding and support for protected areas management and other conservation and biodiversity efforts, 2) establishment of effective management mechanisms for protected areas, 3) support and provision of continuity for government environmental policies, 4) support for development of and strengthening local Non-Governmental Organizations, 5) advancing conservation efforts through long-lasting public-private partnerships.

In addition, CTFs are able to leverage their funding and management capacity to encourage innovation in conservation projects. One such example is the establishment of partnerships with private corporations or enterprises. Seventeen Funds partner with the private sector to increase their capacity in support of conservation. An example is the Brazilian Biodiversity Fund, FUNBIO, which worked with a private company in 2009 to finance social economic development projects in order to mitigate impacts from the company's mining activities. Another example of innovations supported by



Photo Contributed by Lorenzo Rosenzweig, FMCN, Mexico

<sup>2</sup> Global Environment Facility (1998). *Experience with Conservation Trust Funds*. Available at <http://www.cbd.int/doc/external/gef/gef-environment-fund-1998-en.pdf>

CTFs is the establishment of microfinance mechanisms to provide funds for alternative income generating opportunities, as described by the funds in Madagascar and Bangladesh.

Arannayk in Bangladesh has created a revolving fund for communities allowing access for participants to small, interest-free loans to undertake alternative income generation opportunities, such as vegetable cultivation, livestock rearing, fish and crab cultivation, handicrafts production and small trading. This activity contributes to conservation by requiring each borrower to plant at least five endangered native trees on their land as a condition of the loan.

One way in which Funds can ensure their long-term effectiveness and broaden their influence is to secure political support for conservation. The Funds participating in this survey work closely with federal and state governments to develop finance and management strategies for biodiversity conservation and sustainable development. The Mexican Fund for the Conservation of Nature, for example, has partnered with the Commission for Protected Areas for over 12 years and leverages its funding to support 23 protected areas. At least thirteen Funds indicated in the survey that they participate in cooperative funding of projects with government agencies, especially creation and long-term management of protected areas.

## Advantages of Endowment Funds

The Funds participating in this study manage either endowment funds or sinking funds. Sinking funds provide funding for a fixed period of time, for short-term projects or projects that are eventually supported by other entities. Endowments invest capital and use interest to fund longer term and ongoing conservation activities. One of the questions explored in this survey was whether the advantages of establishing an endowment fund outweigh the disadvantages of tying up capital for long periods of time.

Many Funds expressed concern regarding the legal difficulties and the length of time necessary to establish a substantial endowment, as well as concern regarding the reliance on financial markets to provide favorable returns to fund their programs. However, Funds indicate that the long-term availability of financing offers the possibility to ensure sustainability of the Fund by providing a relatively predictable stream of income over a longer time period. This income stream allows long-term planning for conservation projects and management of protected areas and allows Funds to implement programs that require annual payments or contracts aimed at ensuring effective conservation management. Stable income provided by investment revenue also reduces the dependency on traditional conservation funding sources and attracts international donors and other funds independent of government control.



Photo Contributed by Lorenzo Rosenzweig, FMCN, Mexico



PN ANMI Cotapata Protected Area, Photo Contributed by FUNDESNA, Bolivia

## Difficulties Encountered in Managing Fund Resources

The survey asked the Funds to describe difficulties encountered in managing their financial resources. Most described concerns regarding management of funding during difficult economic times, and difficulty balancing investment in projects with operating expenses when investment returns are low. A number of the Funds expressed concern at the lack of access to good financial advice and lack of experience managing assets. Funds also describe challenges working with large boards and establishing internal management capacity.

The newer funds also expressed frustration regarding the lack of good project proposals. A new Fund in Micronesia described a lagging absorptive capacity of local organization and communities. This Fund is focusing on building capacity so that communities can design and propose sound and comprehensive projects to take advantage of available funding.

## New Opportunities for Involvement of CTFs

Conservation Trust Funds collaborate with government programs, local NGOs and community groups to create new opportunities for sustainable development and conservation. We asked the funds this year to describe new programs that are under development. A number of Funds are working with local governments and donors to co-finance conservation projects, leveraging their experience in administering grants and funding programs to strengthen these projects. The Fund in Belize, PACT, is participating in a legislative review and total economic valuation of the system of protected areas. Other Funds are promoting community-based conservation programs and launching education and awareness campaigns.

CTFs are exploring innovative financing opportunities for conservation of biodiversity, especially Payment for Ecosystem Services (PES) programs. CTFs are developing programs to address climate change, including administration of the revenues from the sale of carbon credits, especially from REDD (Reducing Emissions from Deforestation and Degradation), but also from reforestation and agro forestry. The Funds are also leading programs that promote reduction in emissions from improved energy efficiency and investments in renewable energy.

CTFs are well positioned to administer carbon programs and to broker sales of carbon credits for local communities and indigenous groups. The Funds have experience in capacity building and have existing strategies for measuring, verification and reporting. They can provide long-term, stable legal and program frameworks to advance the implementation of these types of programs. Some funds are exploring the use of incentive payments and contracts to achieve specific land use management goals, taking advantage of the long-term availability of funds to ensure annual payments. CTFs are well placed within their countries and regions of influence to manage new financing opportunities, such as those arising from development compensation schemes and conservation banking, and to incorporate them into their conservation programs.



Photo Contributed by Lorenzo Rosenzweig, FMCN Mexico



Photo Contributed by MMCT, Malawi



## Advice for New Trust Funds

As we reach out to Conservation Trust Funds around the world to discuss participation in this survey project, we have found that each year there are more CTFs in formation. Just this year, seven new CTFs have responded to our inquiries, indicating that their funds are either just formally established or that they are still under formation. Each of these CTFs can benefit from the knowledge and experience of established trusts, many of which have been investing and managing funds for more than 10 years.

The survey asked the participating trust funds to list the advice they would provide a new fund managing investment assets. Almost all of the funds mentioned the following as being of most importance to establishing a stable fund:

- Establish an investment policy with well-defined objectives of investment
- Create a solid investment committee
- Select a qualified investment consultant or asset manager to manage the investments with limited discretionary ability
- Invest in low to moderate risk, secure investments
- Create a spending policy

In addition, Funds recommend speaking with other, established Conservation Trust Funds with similar structures and programs to learn from their experience. A network, such as RedLAC, is invaluable in creating opportunities for the Funds to collaborate and share information on their programs and experience. Similar networks are currently being developed in Africa and Asia.



Photo Contributed by FIAES, El Salvador



Afforestation Project Nursery, Photo Contributed by Tany Meva, Madagascar



## Conclusions



Photo Contributed by WWF, South Africa

The ability of Conservation Trust Funds to provide stable funding for long-term conservation of biodiversity requires capital to be prudently managed and invested. This project was conceived to explore the effectiveness of the investment management strategies of Conservation Trust Funds and to provide the Funds, as well as the conservation community, with insight into a critical aspect of their role as a sustainable financing mechanism based on their ability to generate a reliable stream of income.

Conservation Trust Funds had a very successful financial year in 2009. Returns rebounded from losses of 7% in 2008 to gains of more than 14% in 2009, reflecting successful investment strategies that balance risk with the need for capital growth.

Funds participating in this study, despite losses in 2008, have positive three and five-year average returns. Over the past five years the funds have averaged nearly an 8% return from their investments, which for many of the funds achieves or exceeds their goals specified by their spending rules. These returns surpass those of the S&P 500 over the same five-year period. In 2008 funds indicated that they planned to focus more time on their investments and investment policy and work more closely with their advisors to ensure management of risk while ensuring the growth needed to meet conservation objectives. The positive returns in 2009, demonstrate that this attention to performance, asset allocation, and sustained growth worked effectively as the world move out of the great recession.

Conservation Trust Funds are permanent financing mechanisms with long-term capability of funding biodiversity conservation and sustainable development projects. In addition CTFs have the ability to be more than just financing bodies. With involvement of board members from different sectors, structured operational procedures and long-term capital, CTFs have



Photo Contributed by Cécile Lamour/FIBA  
- Archipel des Bijagos (Guinée-Bissau)



the potential to contribute to national conservation strategies, work with both public agencies and private companies to develop innovative partnerships and to build capacity with local community groups and NGOs.

The overall success of CTFs over time has allowed the Funds to begin exploring new opportunities for involvement in conservation activities. Many Funds are developing new programs that focus on climate change, such as administering the sale of carbon credits through programs such as REDD as well as investment in renewable energy projects under programs such as the Clean Development Mechanism. Others have developed credit facilities to support income opportunities in communities to stimulate more conservation friendly businesses and land use. Conservation Trust Funds have proven to be successful in funding long term biodiversity conservation, providing stable financing for protected areas and important conservation sites, leading capacity building activities, contributing to continuity of national environmental and sustainable development strategies, and fostering support for environmental policies.

The difficulties encountered in the recent economic downturn have emphasized the necessity of careful investment management. Conservation Trust Funds have managed to sustain their capital through the turbulent markets of the last several years, with overall positive investment returns over the last five years. This confirms that CTFs are successfully structured to provide long term, sustainable financing not only through traditional grant making programs supporting conservation activities, but also for new and innovative projects that support biodiversity conservation and address climate change. Funds will continue to face market uncertainty and challenges as they try to manage risk and grow their capital. This report indicates that the Funds are developing successful investment strategies and are able to share information and advice through their networks and through the information available in this CTIS report.



Photo Contributed by MMCT, Malawi



Photo Contributed by MMCT, Malawi

## Funds Participating in 2009 Survey

Country	Organization Name	Contact Name	Email	Website
<b>African Funds</b>				
Madagascar	Fondation pour les Aires Protégées et la Biodiversité de Madagascar (FPAP)	Eric Rakoto-Andriantsilavo, Directeur Exécutif	<a href="mailto:eric.ra@fondation-biodiversite.mg">eric.ra@fondation-biodiversite.mg</a>	<a href="http://www.fondation-biodiversite.mg">www.fondation-biodiversite.mg</a>
Madagascar	Fondation Environnementale Tany Meva	Fenosoa Andriamahenina, Executive Director	<a href="mailto:f.andriamahenina@tanymeva.org.mg">f.andriamahenina@tanymeva.org.mg</a>	<a href="http://www.tanymeva.org.mg">www.tanymeva.org.mg</a>
Malawi	Mulanje Mountain Conservation Trust (MMCT)	Mr. Carl Bruessow, Executive Director	<a href="mailto:carl@mountmulanje.org.mw">carl@mountmulanje.org.mw</a>	<a href="http://www.mountmulanje.org.mw">www.mountmulanje.org.mw</a>
South Africa	Table Mountain Fund	Ian Goodwin, WWF Chief Financial Officer	<a href="mailto:igoodwin@wwf.org.za">igoodwin@wwf.org.za</a>	<a href="http://www.panda.org.za/tmf.htm">www.panda.org.za/tmf.htm</a>
South Africa	The Green Trust	Ian Goodwin, WWF Chief Financial Officer	<a href="mailto:igoodwin@wwf.org.za">igoodwin@wwf.org.za</a>	<a href="http://www.panda.org.za/gt.htm">www.panda.org.za/gt.htm</a>
South Africa	Leslie Hill Succulent Karoo Trust	Ian Goodwin, WWF Chief Financial Officer	<a href="mailto:igoodwin@wwf.org.za">igoodwin@wwf.org.za</a>	<a href="http://www.wwf.org.za/?section=Trusts_LHSKTF">www.wwf.org.za/?section=Trusts_LHSKTF</a>
Tanzania	Eastern Arc Mountains Conservation Endowment Fund (EAMCEF)	Francis B.N. Sabuni, Executive Director	<a href="mailto:eamcef@morogoro.net">eamcef@morogoro.net</a>	<a href="http://www.easternarc.or.tz">www.easternarc.or.tz</a>
Uganda	Bwindi Mgahinga Conservation Trust (BMCT)	Geo Z. Dutki, Trust Administrator	<a href="mailto:dutki@bwinditrust.ug">dutki@bwinditrust.ug</a>	<a href="http://www.bwinditrust.ug">www.bwinditrust.ug</a>
<b>Eastern European and Asian Funds</b>				
Armenia, Azerbaijan, Georgia	Caucasus Protected Areas Foundation	David Morrison, Executive Director	<a href="mailto:dmorrison@caucasus-naturefund.org">dmorrison@caucasus-naturefund.org</a>	<a href="http://www.caucasus-naturefund.org">www.caucasus-naturefund.org</a>
Bangladesh	Arannayk Foundation	Farid Uddin Ahmed, Executive Director	<a href="mailto:farid@arannayk.org">farid@arannayk.org</a>	<a href="http://www.arannayk.org">www.arannayk.org</a>
Bhutan	Bhutan Trust Fund for Environmental Conservation (BTFEC)	Tobgay S. Namgyal, Director	<a href="mailto:namgyal@druknet.bt">namgyal@druknet.bt</a>	<a href="http://www.bhutantrustfund.bt">www.bhutantrustfund.bt</a>
India	A-TREE	Anand S, Administration and Grants Manager	<a href="mailto:anands@atree.org">anands@atree.org</a>	<a href="http://www.atree.org">www.atree.org</a>
Indonesia	Indonesian Biodiversity Foundation (KEHATI)	Mr. Sani Syafril Burhanuddin, Investment Specialist	<a href="mailto:sani.burhanuddin@gmail.com">sani.burhanuddin@gmail.com</a>	<a href="http://www.kehati.or.id">www.kehati.or.id</a>
Philippines	Foundation for the Philippine Environment (FPE)	Christine F. Reyes, Executive Director	<a href="mailto:creyes@fpe.ph">creyes@fpe.ph</a>	<a href="http://www.fpe.ph">www.fpe.ph</a>
Federated States of Micronesia	Micronesia Conservation Trust (MCT)	Willy Kostka, Executive Director	<a href="mailto:mctdirector@mail.fm">mctdirector@mail.fm</a>	<a href="http://www.ourmicronesia.org">www.ourmicronesia.org</a>



## Participating Funds (Continued)

Latin American and Caribbean Funds				
Belize	Protected Areas Conservation Trust (PACT)	Sharon Ramclam, Executive Director	<a href="mailto:sharon@pactbelize.org">sharon@pactbelize.org</a>	<a href="http://www.pactbelize.org">www.pactbelize.org</a>
Bolivia	Fundación para el Desarrollo del Sistema Nacional de Áreas Protegidas (FUNDESNAF)	Sergio Martín Eguino Bustillos, Director Ejecutivo	<a href="mailto:seguino@fundesnap.org">seguino@fundesnap.org</a>	<a href="http://www.fundesnap.org">www.fundesnap.org</a>
Bolivia	Fundación Protección y Uso Sostenible del Medio Ambiente (Fundación PUMA)	Juan Carlos Chávez Corrales, Gerente General	<a href="mailto:jchavez@fundacionpuma.org">jchavez@fundacionpuma.org</a>	<a href="http://www.fundacionpuma.org">www.fundacionpuma.org</a>
Brasil	Fundo Brasileiro para a Biodiversidade (FUNBIO)	Rosa Lemos de Sá, Executive Director	<a href="mailto:funbio@funbio.org.br">funbio@funbio.org.br</a>	<a href="http://www.funbio.org.br">www.funbio.org.br</a>
Colombia	Fondo para la Biodiversidad y Áreas Protegidas (Patrimonio Natural)	María Elfi Chaves/Nadia, Subdirectora Técnica	<a href="mailto:mchaves@patrimonionatural.org.co">mchaves@patrimonionatural.org.co</a>	<a href="http://www.patrimonionatural.org.co">www.patrimonionatural.org.co</a>
Colombia	Fondo para la Acción Ambiental y la Niñez (FPAA)	José Luis Gómez Rodríguez, Executive Director	<a href="mailto:joselgomez@accionambiental.org">joselgomez@accionambiental.org</a>	<a href="http://www.accionambiental.org">www.accionambiental.org</a>
Colombia	Fondo Biocomercio Colombia	Nils Eduardo Míguez Otálora	<a href="mailto:nmiguez@fondobiocomercio.com">nmiguez@fondobiocomercio.com</a>	<a href="http://www.fondobiocomercio.com">www.fondobiocomercio.com</a>
Ecuador	Fondo Ambiental Nacional (FAN)	Samuel Sangüeza-Pardo, Director Ejecutivo	<a href="mailto:ssangueza@fan.org.ec">ssangueza@fan.org.ec</a>	<a href="http://www.fan.org.ec">www.fan.org.ec</a>
El Salvador	Fondo de la Iniciativa para las Américas - El Salvador (FIAES)	Jorge Alberto Oviedo Machuca, Gerente General	<a href="mailto:gerencia_general@fiaes.org.sv">gerencia_general@fiaes.org.sv</a>	
Jamaica	Environmental Foundation of Jamaica (EFJ)	Karen McDonald Gayle, Chief Executive Officer	<a href="mailto:kmcdonaldgayle@efj.org.jm">kmcdonaldgayle@efj.org.jm</a>	<a href="http://www.efj.org.jm">www.efj.org.jm</a>
Jamaica	Jamaica Protected Areas Trust/Forest Conservation Fund (JPAT)	Allison Rangolan McFarlane, Acting Executive Director	<a href="mailto:a.mcfarlane@infochan.com">a.mcfarlane@infochan.com</a>	<a href="http://www.jpat-im.net">www.jpat-im.net</a>
Mexico	Fondo Mexicano para la Conservación de la Naturaleza, A.C. (FMCN)	Lorenzo Rosenzweig, Director Ejecutivo	<a href="mailto:lorenzo@fmcn.org">lorenzo@fmcn.org</a>	<a href="http://www.fmcn.org">www.fmcn.org</a>
Panama	The Nature Conservancy, Panama Program	Mayte Gonzalez S., Program Director	<a href="mailto:mayte_gonzalez@tnc.org">mayte_gonzalez@tnc.org</a>	<a href="http://www.nature.org">www.nature.org</a>
Paraguay	Fondo de Conservación de Bosques Tropicales	Félix S. Kasamatsu, Ph.D., President	<a href="mailto:fkasamatsu@hotmail.com">fkasamatsu@hotmail.com</a>	
Peru	Fondo de las Américas del Perú (FONDAM)	Juan Gil Ruiz, Secretario Ejecutivo	<a href="mailto:fondam@fondoamericas.org.pe">fondam@fondoamericas.org.pe</a>	<a href="http://www.fondoamericas.org.pe">www.fondoamericas.org.pe</a>
Peru	PROFONANPE	Alberto Paniagua, Director Ejecutivo	<a href="mailto:apaniagua@profonanpe.org.pe">apaniagua@profonanpe.org.pe</a>	<a href="http://www.profonanpe.org.pe">www.profonanpe.org.pe</a>
Suriname	Suriname Conservation Foundation	Leonard C. Johanns, Executive Director	<a href="mailto:johanns@sr.net">johanns@sr.net</a>	<a href="http://www.scf.sr.org">www.scf.sr.org</a>

## Newly Established Funds and Public Funds

Country	Organization Name	Contact Name	E-mail	Website
<b>New Funds, Beginning Investment in 2009</b>				
Botswana	Forest Conservation Botswana (FCB)	Gagoitsiwe Moremedi, Chief Executive Officer	<a href="mailto:gmoremedi@forestconservation.co.bw">gmoremedi@forestconservation.co.bw</a>	<a href="http://www.forestconservation.co.bw">www.forestconservation.co.bw</a>
Mauritania	Banc d'Arguin, and Coastal and Marine Biodiversity Trust Fund Limited	Silvie Goyet, President, Board of the Trust Fund	<a href="mailto:goyet@lafiba.org">goyet@lafiba.org</a>	
Peru	Fondo Nacional Del Ambiente (FONAM)	Julia Victoria Justo Soto, Directora Ejecutiva	<a href="mailto:jjusto@fonamperu.org">jjusto@fonamperu.org</a>	<a href="http://www.fonamperu.org">www.fonamperu.org</a>
Vietnam	Vietnam Conservation Fund	Chris Rua Tung/Do Quang Tung, Operation Manager	<a href="mailto:crua@fpt.vn">crua@fpt.vn</a> <a href="mailto:fpdvn@hn.vnn.vn">fpdvn@hn.vnn.vn</a>	
Cameroon, CAR, Republic of Congo	Fondation Tri-National de la Sangha (TNS)	Tim Fomete	<a href="mailto:fondationtns@yahoo.com">fondationtns@yahoo.com</a>	
<b>Public Funds, Not Investing</b>				
Mexico	Mesoamerican Reef Fund (MAR Fund)	María José González, Directora Ejecutiva	<a href="mailto:mjgonzalez@marfund.org">mjgonzalez@marfund.org</a>	<a href="http://www.marfund.org">www.marfund.org</a> <a href="http://www.fondosam.org">www.fondosam.org</a>
Brazil	Fondo Nacional do Meio Ambiente	Miriam Jean Miller, Gerente Administrativa e Financeira	<a href="mailto:Miriam.miller@mma.gov.br">Miriam.miller@mma.gov.br</a>	<a href="http://www.mma.gov.br/fnma">www.mma.gov.br/fnma</a>
<b>Funds Responding, But Not Yet Investing</b>				
Mozambique	BIOFUND Mozambique	Sean Nazerali	<a href="mailto:snazerali@wwf.org.mz">snazerali@wwf.org.mz</a>	
Cote D'Ivoire	Fondation pour les Parcs et Réserves de Côte D'Ivoire	Fanny N'golo, Director	<a href="mailto:fondationparc@africaonline.co.ci">fondationparc@africaonline.co.ci</a>	
Laos	Lao Environmental Protection Fund	Soukata Vichit	<a href="mailto:soukatav@laoepf.org.la">soukatav@laoepf.org.la</a>	

