Conservation Trust
INVESTMENT SURVEY
FOR CALENDAR YEAR 2012

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CONSERVATION TRUST

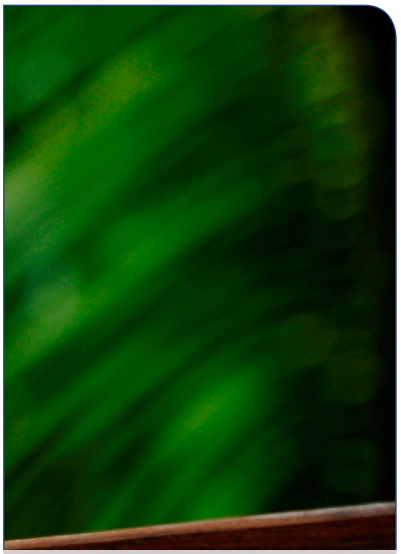

Photo contributed by Lorenzo Rosenzweig Pasquel, Fondo Mexicano para la Conservación de la Naturaleza

INVESTMENT SURVEY

Katy Mathias and Ray Victurine
Wildlife Conservation Society

Prepared in collaboration with the Conservation Finance Alliance, the Latin American and Caribbean Network of Environmental Funds (RedLAC) and the Consortium of African Funds for the Environment (CAFÉ).

October, 2013

Linden Trust for Conservation

Acacia Partners

GORDON AND BETTY MOORE FOUNDATION

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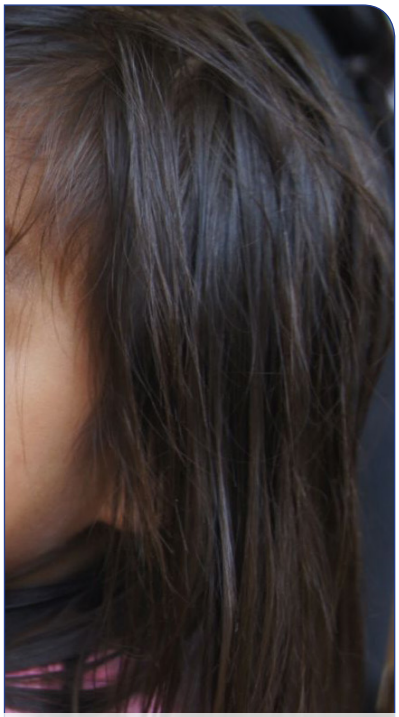


Photo contributed by Fondo de Las Americas (Fondam), Peru

The Conservation Trust Investment Survey (CTIS) project is coordinated under the Conservation Finance Alliance (CFA), a collaborative network of governments, multilateral agencies, NGOs, private companies, academic institutions and independent experts, connecting to address sustainable finance for conservation. The Latin American and Caribbean Network of Environmental Funds (RedLAC) and the Consortium of African Funds for the Environment (CAFÉ) are also critical project partners.

Funding for the project has been provided by The Gordon and Betty Moore Foundation, Acacia Partners, and the Linden Trust for Conservation. This report is made possible due to the voluntary participation of 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.

We are especially grateful for the assistance of the CTIS Advisory Team for their input into the survey instrument and the report: John Adams, Fernanda Barbosa, Karine Barcelos, Carl Bruessow, Sylvie Goyet, Scott Lampman, Kathy Mikitin, Ravaka Ranaivoson, Lorenzo Rosenzweig, Ann Marie Steffa, and Juan Pablo Vallejo. In addition, Scott O'Connell of Acacia Partners, Patrick Drum of the UBS Arbor Group, Nancy Bard of Commonfund, Jorge Marmolejo of Franklin Templeton Servicios de Asesoria Mexico and Marja Preston provided critical assistance in preparing the report.

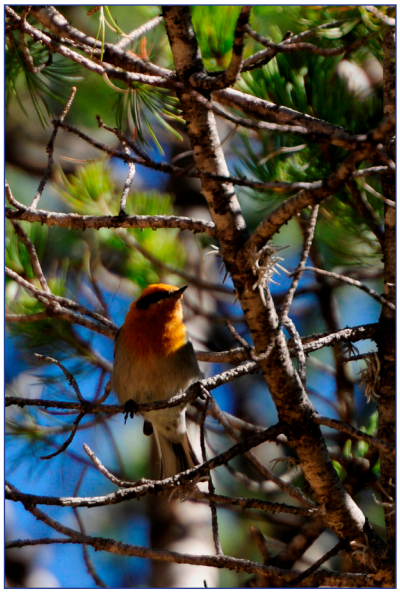


Photo contributed by Lorenzo Rosenzweig Pasquel, Fondo Mexicano para la Conservación de la Naturaleza

FOREWORD

Photo contributed by Fernanda Barbosa, Brazil

Dear Fund Manager,

Once again we are proud to play a part in the annual Conservation Trust Investment Survey. Our hope is this sixth edition helps improve your investment returns resulting in greater conservation of the earth's natural treasures.

There is only one conclusion to reach after studying this year's survey: at 24% the average trust fund has been woefully underinvested in equities. The wealth needed to fund the critical work of long term trusts is unlikely to materialize from the current asset allocation. For endowments with generations of work to accomplish the evidence is overwhelming and incontrovertible: the largest portion of assets should be invested in stocks.

Whether stocks will be higher or lower in three years, no one knows, although one might guess that if returns in a particular geography have been high during the past three years, that they will be lower in the next three years, and vice-versa. However, given sufficient time, a portfolio of stocks will typically end up as much more valuable than a portfolio of bonds, time deposits, or money-market funds. Your trust's obligations are measured in decades; its portfolio must be invested accordingly.

A standard allocation of 60% in stocks and 40% in bonds would have produced a total return of 11.6% in 2012 based on global indexes. Yet the average return for the funds in the survey was 8.9%. The difference between the two, 2.7%, doesn't sound significant. However, over 10 years, $10 million invested at 8.9% annually produces $23,450,000 while an 11.6% return results in $29,967,000. An additional $6,517,000 for conservation!

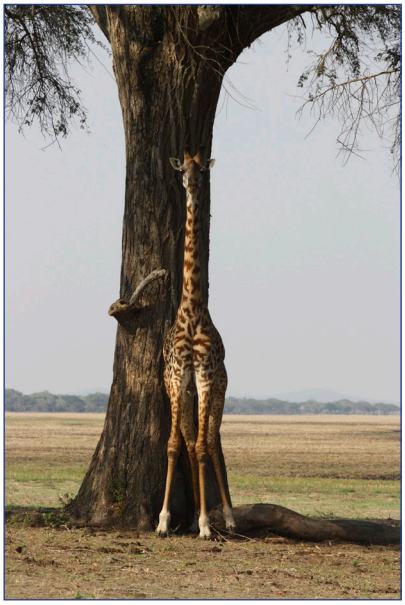


Photo contributed by Juraj Ujhazy, Wildlife Conservation Society

Stocks offer better returns over the long term as shown by numerous academic studies. Here are the numbers according to Ibbotson, a leading provider of financial data:

ASSET	ANNUALIZED RETURN 1926-2010
Treasury Bills	3.6%
Government Bonds	5.5%
Large stocks	9.9%
Small stocks	12.1%

What about the future? Last year we cited Grantham, Mayo & Van Otterloo (GMO), a large and much respected institutional money manager. GMO regularly calculates the expected returns from various asset classes over the next seven years and is generally pretty accurate. It provides a check on relative value between asset classes over the long-term. GMO's expected annual real returns (after inflation) for US Bonds is 0.2% per year for the next seven years, inflation linked bonds 0.2% per year, and emerging market bonds 2.5% per year. Not nearly enough to fund the increasing conservation work which needs to get done.

Bill Gross of PIMCO, the largest bond manager in the world, recently commented on investors pouring money into bonds, "Never have investors stooped so low for so much risk." Even a modest increase in interest rates can cause a meaningful decline in bonds. This summer we experienced a taste of what higher interest rates can do to bond holdings. In a mere six weeks over the summer, U.S. Treasury bonds lost 3.1% of their value, investment grade corporate bonds declined by 5.7%, and high yield bonds were down 7.7%.

Since a bond's payments are fixed, the value of existing bonds decline when interest rates increase. When interest rates decline, bond values increase. Over the last 30 years interest rates have fallen dramatically across most of the globe with bond owners enjoying both interest income and gains from increasing bond values. With interest rates in the developed world approaching zero, it is now mathematically impossible for this once-in-a-generation benefit of falling interest rates to continue occurring.

According to GMO, expected annual returns from equities over the next seven years aren't terrific either:

US large stocks	-2.1%
Small cap equities	-3.5%
US High Quality stocks	+3.1%
International large cap stocks	+2.4%
International small stocks	+2.1%
Emerging market stocks	+6.8%

Even at these relatively low projected returns, certain categories of stocks still offer much higher expected returns than bonds. Of course stocks can decline unexpectedly and stay down for extended periods of time. For this reason, you should only invest assets in equities you do not need for at least five years. And there are pitfalls and complications to investing in stocks, so it is important to do it with people who have shown themselves to be skilled and careful stock-pickers over long periods of time.

It is also important to keep four or five years of endowment spending in cash to provide comfort when stocks prices fall.

Being responsible for a perpetual endowment requires you to focus on *what equities will be worth in five years and beyond, not what they are worth next month or next year.*

Increasing your allocation to stocks given today's news headlines might seem risky. Yet rarely do investors have the luxury of investing in tranquil times. Since the early 1970s, the US has experienced a disastrous war in Vietnam, the

resignation of a President, runaway inflation, soaring interest rates, a devastating terrorist attack, three wars, the Tech Stock crash, the bursting of a real estate bubble, a severe financial crisis, and now a massive debt burden.
And how did investors do during these difficult times? Since 1974 the S&P 500 has increased by more than 2,100% and the NASDAQ by more than 5,500%.

Long term wealth is created through the ownership of stocks. If your endowment is going to grow substantially it should have at least 50% or 60% in equities. A strong case can be made for an even greater allocation.

One of the biggest risks to the sustainability of an endowment is getting scared out of stocks after a market decline. A recent Associated Press study of households in the world's ten largest economies reveals over the last five years families have sold stocks after a huge drop in prices and invested in bonds with yields often too low to keep up with inflation.

According to the story, investors did just the opposite of what was in their own best interests: "A desire for safety drove people to dump stocks, even as prices rocketed from crisis lows in early 2009. Investors in the top 10 countries pulled $1.1 trillion from stock mutual funds in the five years after the crisis…They put more even money into bond mutual funds—$1.3 trillion—even as interest payments on bonds plunged to record lows." These investors reacted emotionally out of fear, selling when stock prices represented good value.

The key to making money in stocks is not to get shaken out of them when they are down. Since the financial crisis most major stock markets have recouped all losses and gone on to generate positive returns for investors who did not sell.

Develop a plan to increase your exposure to equities. If the markets decline by 10%, increase your allocation to stocks. If they decline another 10%, switch additional assets from bonds to stocks. Alternatively, add to equities on a fixed schedule, for example every six months or at the beginning of each year until reaching your goal. Take the emotion out of investment decisions by having a plan and sticking to it.

Don't invest based on headlines, the latest political news, or what some "expert" says about the stock market. Peter Lynch, the legendary US mutual fund manager, once said, "If you spend 13 minutes a year analyzing economic and market forecasts, you've wasted 10 minutes." While perhaps exaggerating to make a point, Lynch never tried to discern the future course of the stock market, remained invested in stocks at all times and, despite many periods of harrowing declines in stock prices, earned a compounded 29% per year through superior stock picking.

By investing so heavily in bonds and cash the average conservation trust is vulnerable to rising inflation and interest rates which have the potential to permanently impair the viability of an endowment. By underweighting equities so dramatically, they also are forgoing the opportunity to substantially grow the assets over time.

We quoted Warren Buffett on bonds in last year's survey and it's worth repeating. "Over the past century these instruments have destroyed the purchasing power of investors in many countries, even as the holders continue to receive timely payments of interest and principal….Even in the US, where the wish for a stable currency is strong, the dollar has fallen a staggering 86% in value since 1965….Current rates do not come close to offsetting the purchasing-power risk that investors assume. Right now bonds should come with a warning label."

Buffett, widely recognized as one of the greatest investors of all time, much prefers investing in equities: "I believe over any extended period of time this category of investing will prove to be the runaway winner…. More important it will be by far the safest."

Sincerely,
Gregory Alexander
Acacia Partners

EXECUTIVE SUMMARY

Photo contributed by Juraj Ujhazy, Wildlife Conservation Society

Conservation Trust Funds (CTFs) are private, legally independent grant-making institutions that provide stable, sustainable, long-term sources of funding for the protection and sustainable management of natural resources in areas of high biodiversity. Most commonly taking the shape of endowments or sinking funds, CTFs are able to use income from investments to provide a reliable source of support for management of protected areas, long-term investment in conservation programs and projects and financing for indigenous communities. With a stable source of operational funding from investment returns, these trusts are also effective in managing and disbursing funds from a variety of sources to support conservation and sustainable livelihood projects.

Since 2006, the Conservation Trust Investment Survey (CTIS) has been tracking the financial performance and investment strategies of CTFs through Africa, Asia, Eastern Europe, Oceania, Latin America and the Caribbean. The Conservation Trust Funds described in this study manage endowment funds, sinking funds, or both. The information reported in this study is based on a variety of investments denominated both in the local currency of the CTFs' home countries, and in international currencies, including US dollars and Euros. The investments range from those held in local banks or fixed deposit receipts, to more complex investment portfolios managed by international investment firms.

While investor uncertainty continued to be pronounced in 2012, nominal investment returns were markedly improved over the prior year. The S&P 500 returned 16%, compared to 2.05% in 2011. The MSCI World Index, which returned a negative 8.01% in 2011, rebounded with a 16.54% nominal return in 2012. Bond returns, by contrast, were approximately 50% lower in 2012 than in 2011 (4.21% vs. 8.39%), as measured by the Barclays Capital Aggregate Bond Index.

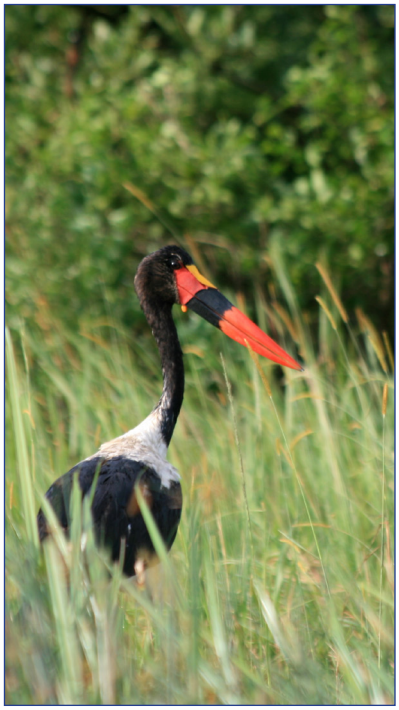
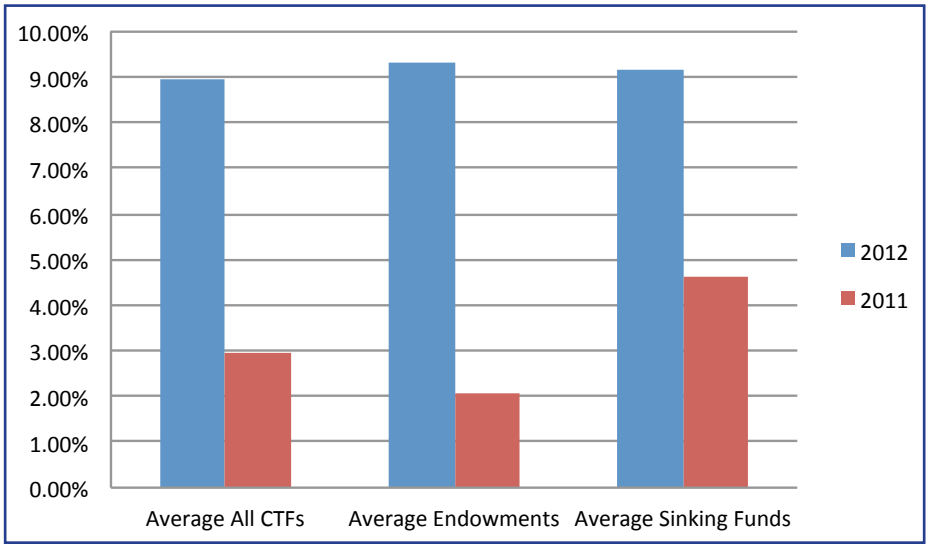


Photo contributed by Juraj Ujhazy, Wildlife Conservation Society

Graph 1. Average Nominal Returns, 2012 vs 2011



Overall returns for the Conservation Trust Funds participating in this study are consistent with the general improvement in the investment climate. On average, the CTFs reported nominal organizational returns of 8.94%, up from an average of 2.94% in 2011. Endowment funds returned, on average, 9.35% in 2012, versus 2.07% in 2011. And sinking funds returned 8.49%, on average, in 2012 versus 4.61% in 2011. When inflation is considered, the average endowment real return is 5.90% and the average sinking fund real return is 4.92%.

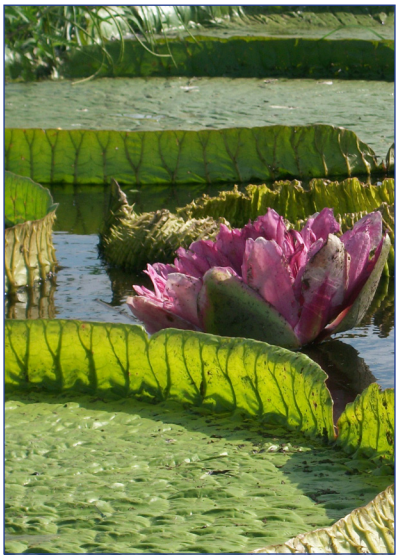


Photo contributed by Valeria Dorado, Nacional de Áreas Protegidas (FUNDESNAP), Bolivia

On a historical basis, three-year average nominal returns for the period ending in 2012 were 6.38%, and the five-year average returns were 5.20%, fairly strong given the market volatility of the last several years, though falling slightly short of the 7% nominal target that many CTFs designate as a measure of investment performance.

Thirty-six CTFs participated in the study this year, including six CTFs participating for the first time. The participating CTFs represent conservation efforts in 35 countries, on five continents, and range from small endowments protecting a single species, to large institutions funding conservation efforts, supporting protected areas and cultivating biodiversity throughout an entire country.

The 2012 CTIS study adds, at the request of readers, a comparative analysis by region. Such analysis is possible due to the strong participation rates in each of the three regions of study – Latin America and the Caribbean, Africa, and Eastern Europe/Asia/Oceania – which enabled an adequate sample size for comparison.

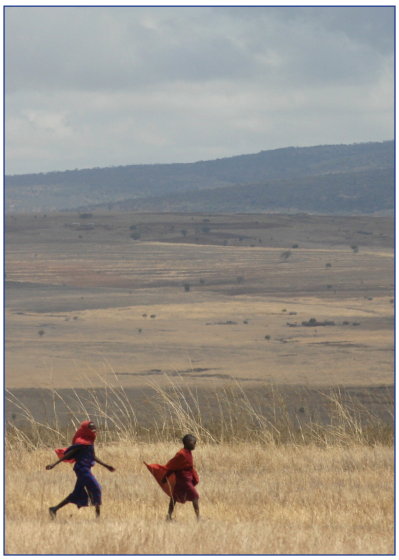


Photo contributed by Valeria Dorado, Nacional de Áreas Protegidas (FUNDESNAP), Bolivia

With funding from the Gordon and Betty Moore Foundation, the Linden Trust for Conservation and Acacia Partners, the CTIS will expand in coming years to provide additional analysis and educational support to the CTFs and other CTIS audience members. Using the Conservation Finance Alliance website as an online hub and this annual report as a foundation, we will offer supplemental analyses and articles of interest, along with webinars and other investment management resources. The updated website is expected to be available by the end of 2013.

INTRODUCTION

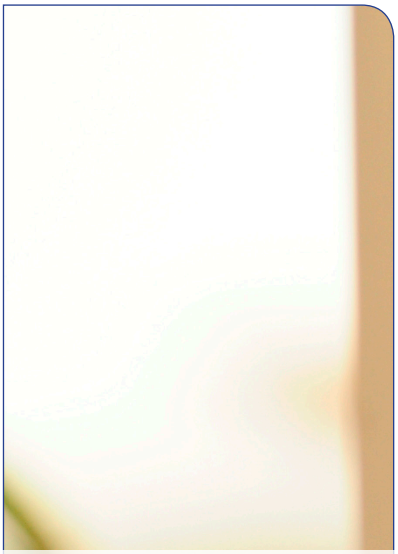


Photo contributed by Lorenzo Rosenzweig Pasquel, Fondo Mexicano para la Conservación de la Naturaleza

BACKGROUND

Conservation Trust Funds provide long term financing for management of protected areas, conservation projects and sustainable development. The significant majority of the CTFs participating in this study are managed as private organizations, independent of government. They are generally capitalized by grants from donor agencies, governments, foundations, nonprofit organizations and corporations.

Photo contributed by Mark Ziembicki via the Tree Kangaroo Conservation Program, Papua New Guinea

Since the establishment of the first CTF in the early 1990s, Conservation Trust Funds have proven to be highly successful in providing stable funding sources by effectively managing income from investments and leveraging those monies to secure grants and other funds for conservation projects. As of this writing over 70 Conservation Trust Funds have been established or are in active development, in Africa, Latin America and the Caribbean, Asia, Eastern Europe and Oceania, building on the structure and functional example of the early CTFs. Many of these CTFs have surpassed or are nearing two decades of continuous and successful operations and readily demonstrate the effectiveness of the CTF model. Recent years have seen growth in the number of regional Trust Funds, established to support protected areas or conservation goals that cross national boundaries.

Conservation Trust Funds have been able to use the income from endowment and sinking fund investments to fund their administrative and operational needs, and provide project financing aimed at meeting their mission and objectives. Moreover, the CTFs have been able to leverage their finance and administrative capability to raise additional funding for projects. While most CTFs were originally established to provide a source of funding for managing protected areas, many have become effective mechanisms to

- Manage and disburse funds to support a variety of conservation activities;
- Provide stable management of protected areas through periods of

economic or political volatility;

- Provide funding for indigenous communities and sustainable income development projects;
- Initiate partnerships with the private sector to support sustainable business practices and to create innovative funding sources for conservation projects;
- Manage funds from Payments for Ecosystem Service (PES) schemes and other similar sources; and
- Initiate long-term programs that provide sustainable payments for improved land management in support of biodiversity conservation.

This CTIS study is designed to provide information that can assist established CTFs in analyzing their investment strategies and to create a foundation upon which new or nascent CTFs can learn from the experience of others. With this year's survey we have added the option for CTFs to elect to share their raw data with one another. Those CTFs that elect to do so – and 31 have – will have access to the raw data of those that have made a similar election. Through this mechanism, CTFs will have the ability to construct custom peer groups, draw more detailed conclusions, and identify specific peers to contact for more information.

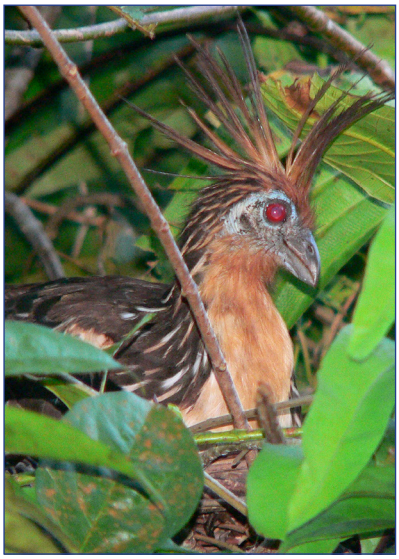


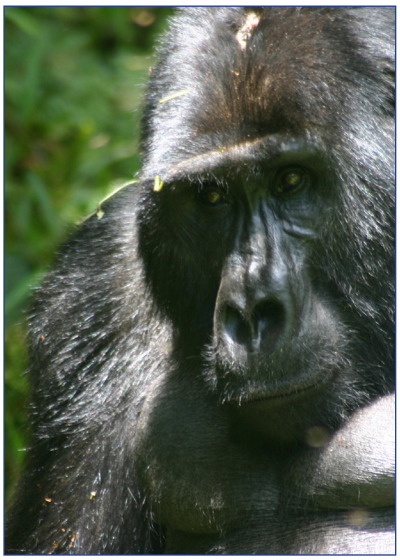
Photo contributed by Ray Victurine, Wildlife Conservation Society

OBJECTIVES

The main objective of this study is to report on the performance and present the investment strategies and structures implemented by participating Conservation Trust Funds. A secondary objective is to discuss best practices for investment management of the trust funds.

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

- Demographics of the participating CTFs
- Investment returns
- Asset and currency allocation
- Investment policies and management



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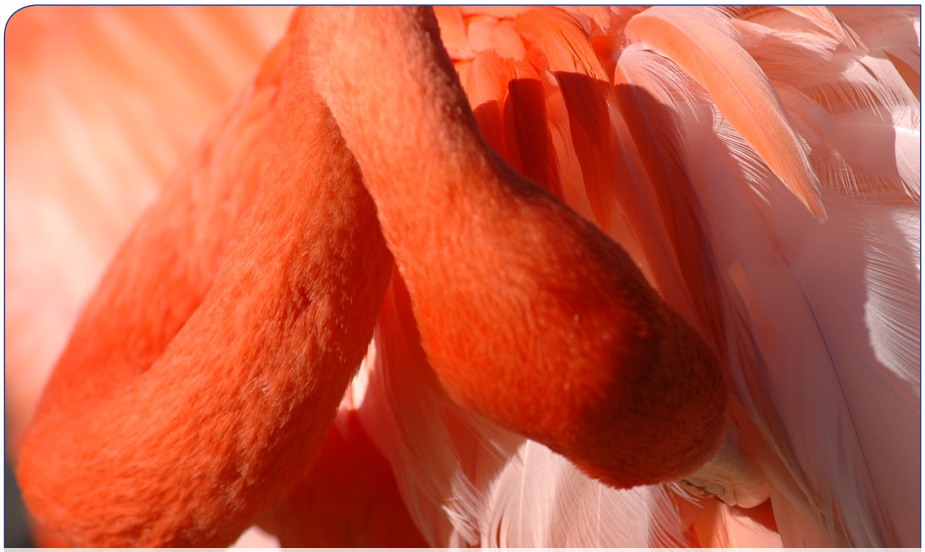
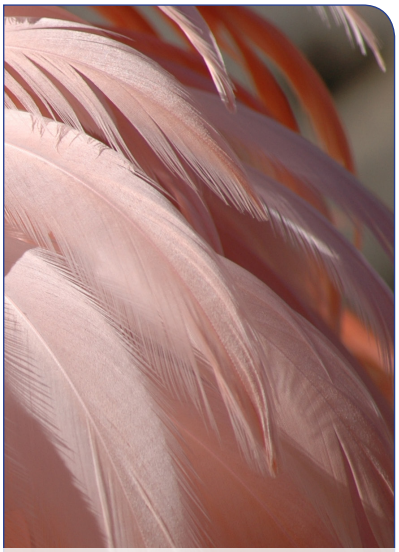


METHODOLOGY



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SURVEY FORMAT, ORIGINATION

This report is designed to gather and present financial information from privately directed Conservation Trust Funds (CTFs) that manage endowments, sinking funds or revolving funds with the mandate to provide long-term financing for conservation and sustainable development. Creation of the CTIS drew on the experience of the Common Fund-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 calendar year ending December 31, 2012 was administered in two parts and emailed to all participating CTFs. Part 1, covering investment strategy and policy, was made available in MS Word as well as in an online (web-based) format. Part 2, covering investment returns, portfolio allocation and fees, was made available in MS Excel. The questionnaires were available in English, Spanish and French, with the exception of the online format for Part 1, which was available only in English. The CTFs were encouraged, where practicable, to ask their investment management consultants or financial advisors to complete Part 2 of the survey. Surveys were distributed by the CTIS Project Manager, the Latin American and Caribbean Network of Environmental Funds (RedLAC) Secretariat and the Consortium of African Funds for the Environment (CAFÉ) Secretariat. The Conservation Finance Alliance (CFA) hosted two webinars to fully explain the survey format and to answer any questions of respondents; the slides from the webinar were made available on the CFA website for future reference. During the response period, email reminders were sent to CTFs to encourage participation. Requests for participation were sent to 68 Conservation Trust Funds.

Photo contributed by Fondo de Las Americas (Fondam), Peru

CONFIDENTIALITY

The CTIS project is committed to maintaining the confidentiality of each participating CTF's data submissions in the published report. Contact information for each of the participating CTFs is provided; however, all financial data is reported anonymously and we have taken steps to ensure that data cannot be tied to specific funds in the published study. This year, in response to numerous requests, the CTIS project provided the option for respondents to opt-in to a voluntary sharing of data with peers. Those respondents who elected to do so will have access to the data of the other CTFs that have given similar permission. The data will be available in a password-protected file. Those CTFs that declined to participate in this data sharing opportunity are included in this study; their data will not be made available for peer comparison. Thirty-one of 36 respondents have elected to participate in the data sharing; five declined to participate or did not respond to the question.

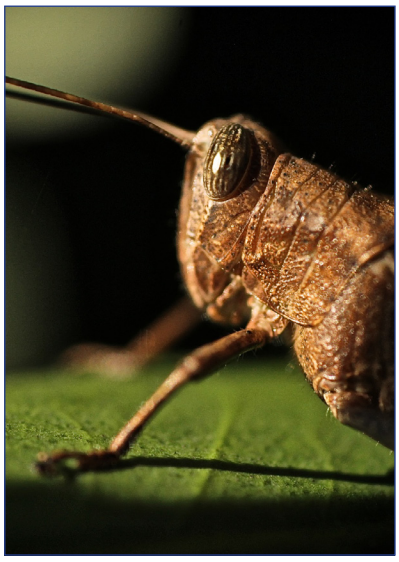


Photo contributed by Fondo de Conservación de Bosques Tropicales de Paraguay

FISCAL YEAR

All data and reporting are based on the calendar year 2012 ending December 31st unless noted. All performance data (returns) are reported net of management fees and expenses. All returns are reported in the currency in which the CTF measures the fund's performance.

STATISTICAL VARIANTS

Survey participants were encouraged to answer as many of the questions as possible; however, not all respondents completed all questions. Therefore, the data tables in this report do not necessarily reflect all participants.

Photo contributed by Fernanda Barbosa, Brazil

ACCURACY

The data and conclusions in this report rely on information that is self-reported by the staff of Conservation Trust Funds and, where applicable, by the investment management consultants or other investment advisors hired by the CTFs and duly authorized to report financial data to the CTIS project on behalf of the participating CTFs. The authors have not independently verified the accuracy of the data submitted by the participants.

AVERAGE RETURNS

Following procedures used in the NACUBO and Common Fund studies, average return values provided in this report are calculated as equal-weighted averages, meaning that each reporting CTF has an equal influence on the outcome of the average calculation, regardless of the size of the investments. This allows each individual CTF to compare its returns to those of other CTFs participating in this study. Organizational returns are based on the weighted average of returns for all funds reported by an institution. Fund returns reflect the returns reported by the CTF for a specific fund. Three- and five-year averages are calculated as compound returns.

PARTICIPATING FUNDS

Photo contributed by Fernanda Barbosa, Brazil

Conservation Trust Funds participating in this study manage both endowments and sinking funds. Most of the CTFs are established as private foundations or trusts; many are established as Non-Governmental Organizations (NGOs) or have been incorporated as not-for-profit Limited Liability Corporations (LLCs) governed by charity or trust law. The CTFs are generally established in the country where they operate and are managed by a board of directors with members from both the public and private sectors. In some cases, the CTFs have been incorporated in third-party countries due to legal or financial constraints or administrative necessity; this is frequently also the case for regional CTFs supporting conservation work in multiple countries. The CTFs range from highly focused organizations that manage a single fund to support one protected area, to sizeable nonprofit organizations that manage and invest numerous trust funds on behalf of varied conservation objectives.

Thirty-six CTFs participated in the CTIS study this year. Of these, 35 participated in Part 1 (organizational & strategic data) and 31 provided financial returns and portfolio allocations.

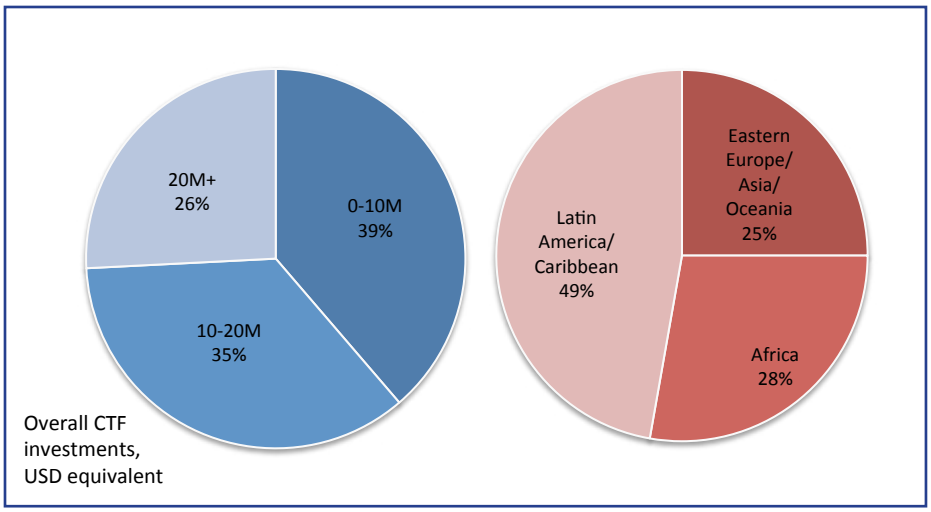
In aggregate, the participating CTFs manage over $672 million in US equivalent dollars. The CTFs manage endowments and sinking funds ranging from $1.3M (US equivalent) to over $120M.

Among the respondents, eight have aggregate investments in excess of $20M (US Dollar equivalent), 11 have investments between $10M and $20M, and 12 have investments totaling less than $10M, as of December 31st, 2012.

Latin American and Caribbean CTFs constituted 49% of the respondents, while 28% were African CTFs and 25% came from Eastern European, Asian or Oceanian CTFs (see Graph 2).

Photo contributed by Ray Victurine, Wildlife Conservation Society

Graph 2. Participant Demographics



ENDOWMENT AND SINKING FUNDS

The CTFs analyzed in this report manage endowment funds, sinking funds, or both.

*For purposes of this study, a **fund** is defined as a separate grouping of investments that share a common investment strategy. One CTF might be responsible for one or multiple funds.*

***Endowment funds** are defined as a pool of monies that intends to exist in perpetuity or preserve its capital over a long-term timeframe; the endowment invests its capital over the long term (perpetuity) and normally only spends the resulting investment income to finance grants and activities.*

***Sinking funds** are defined as a pool of monies that will spend its capital down with a designated period of time (e.g. 10, 20, 30 years). The entire principal and investment income is disbursed over a fairly long period (typically ten to 20 years) until it is completely spent and thus sinks to zero.*

Both types of funds result in stable funding sources with long-term benefits, though endowments, as a more permanent funding source, can create additional benefits, including the ability to support ongoing projects over a longer period of time, to enhance community buy-in, to create payment systems that provide longer-term incentives for conservation results, and to form government and private partnerships. In some cases, a CTF can set up a sinking fund in tandem with a new endowment in order to provide the CTF with a source of funding for several years, while allowing the endowment to reinvest its returns to build a larger capital base.

Twenty-one of the participating CTFs manage a single fund, and ten manage two or more funds. In total, the 36 participating CTFs are managing 47 funds; 31 of these are endowments, 14 are sinking funds, and two are combined or "other."

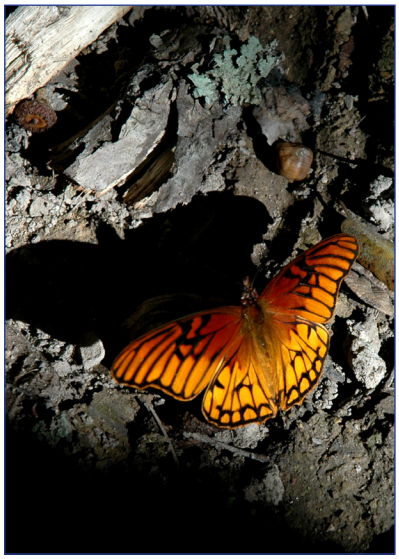


Photo contributed by Lorenzo Rosenzweig Pasquel, Fondo Mexicano para la Conservación de la Naturaleza

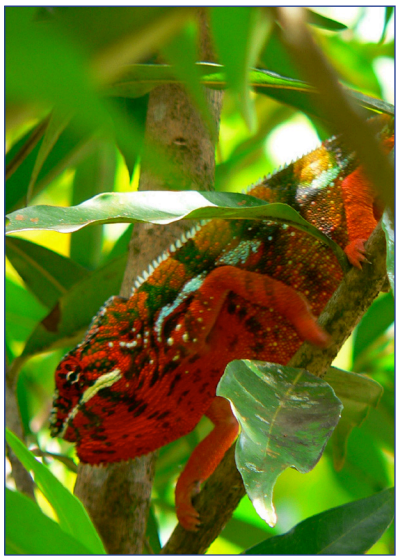


Photo contributed by Ray Victurine, Wildlife Conservation Society

AREA AND AGE OF PARTICIPATING FUNDS

This report has compiled data from 36 responding CTFs, along with three CTFs that are in the process of forming, becoming operational and implementing an investment strategy. Sixteen of these respondents have participated in the study in every year since 2006, providing the opportunity to analyze investment data over multiple years. Each year, new CTFs join the study (six this year), many of them newly established CTFs that have just begun investing. The responding CTFs range from 1 to 22 years in operations, with an average age of 13 years.

Africa

Eleven African Conservation Trust Funds completed the survey this year. In addition, three other CTFs, still in the formative stages, are engaged in the CTIS process but do not yet have data to submit. The Consortium of African Environmental Funds (CAFÉ) has identified 28 CTFs and Environmental Funds that are either operational or in development in Africa. Of these, 17 are members of CAFÉ. On average, the African CTFs participating in the survey have investments of $10.7M (USD equivalent) and are 10 years old.

Latin America and Caribbean

Seventeen CTFs from the Latin America and Caribbean region completed the survey this year; 16 of these CTFs are members of the RedLAC network. In addition, one CTF, not yet investing, engaged in the survey process and will participate when data is available. On average, the Latin American/Caribbean CTFs participating in the study have investments of $24.3M (USD equivalent) and are 15 years old.

Asia, Eastern Europe and Oceania

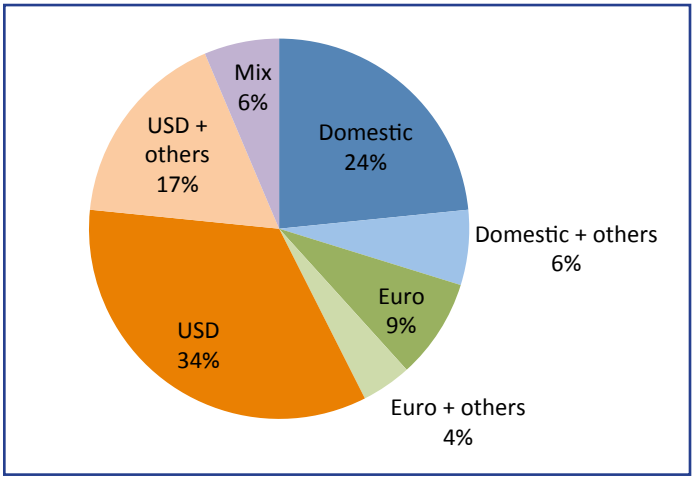
Eight CTFs in Asia, Eastern Europe and Oceania participated in the CTIS this year. On average, the Asia/Eastern/Oceania European CTFs participating in the study have investments of $17M (USD equivalent) and are 11 years old.

Photo contributed by Shanti Persaud via the Environmental Foundation of Jamaica

CURRENCY

The CTFs participating in the study invest in a variety of currencies, although for the most part they measure financial performance in US, Euro or domestic currencies. Fifty-one (51) percent of the funds managed by CTFs are in US or primarily US portfolios, though it is important to note that even funds measuring performance in US dollars are frequently invested in other currencies and markets. Thirteen (13) percent of the funds are in Euro or primarily Euro portfolios and 30% are in exclusively or primarily domestic portfolios. Six (6) percent of the funds are a mix of currencies, with no one currency dominating.

Graph 3. Primary Currencies of Funds



RESULTS AND ANALYSIS

Photo contributed by Lorenzo Rosenzweig Pasquel, Fondo Mexicano para la Conservación de la Naturaleza

OVERALL ORGANIZATIONAL RATES OF RETURN (NOMINAL)

The Conservation Trust Funds providing investment returns for the calendar year 2012 reported nominal organizational returns ranging from 2.65% to 21.46%, with an average of 8.94% and median of 9.22%. Organizational returns of 15 CTFs fall in the interquartile range between the 25th percentile of 6.15% and the 75% percentile of 10.88%.

The maximum return, of 21.46%, represents a significant outlier and reflects economic conditions in the country where the CTF is established and invested.

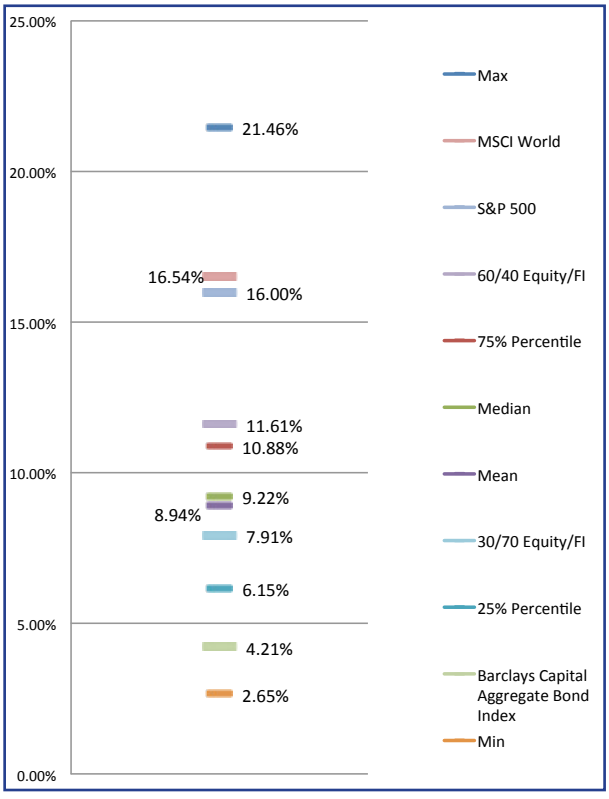
Overall, size of the organization did not tend to have a significant effect on returns, as shown in Table 1.

Notably, the 0-10M range includes the CTF with the high outlier return, which may tend to skew the average returns of that group. Removing that single data point from the $0-10M grouping to smooth the data produces an average organizational return of 9.54%.

Table 1. Average Organizational Returns by Size

Size (USD Equivalent) (n=31)	Avg. Org. Returns
0-10M	10.54%
10-20M	7.50%
20M+	8.52%
Overall	8.94%

Graph 4. Nominal Organizational Returns



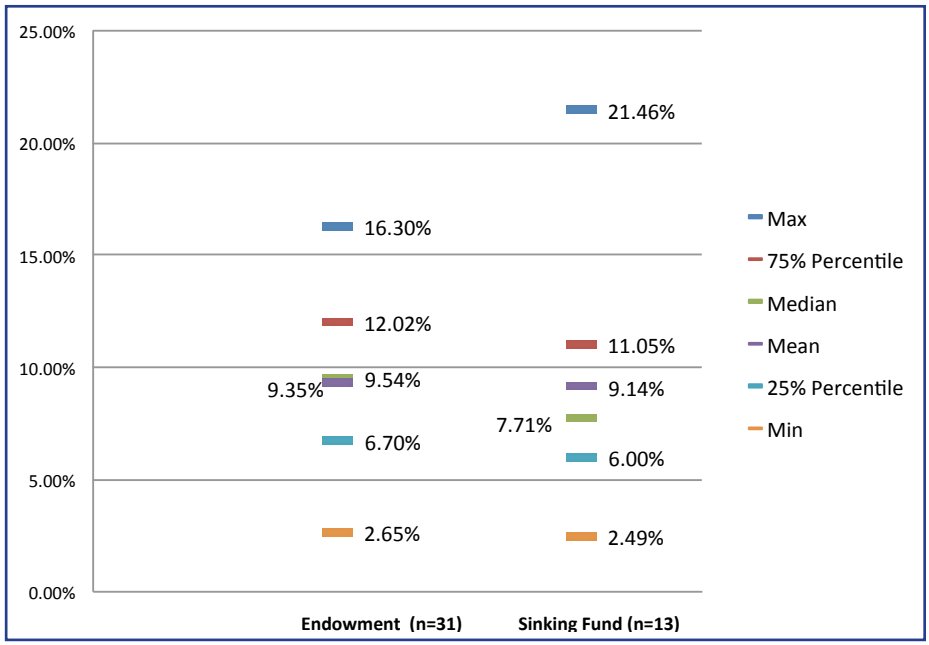
A regression analysis of size and returns showed no correlation, suggesting that larger organizations do not necessarily enjoy higher returns *per se.*

FUND INVESTMENT PERFORMANCE

A comparison of endowment funds to sinking funds show that sinking funds had lower average nominal returns in 2012, with a wider range of reported returns. Nominal returns for endowment funds ranged from 2.65% to 16.3%, with a median of 9.54% and an average of 9.35%. Reported nominal returns for sinking funds ranged from 2.49% to 21.46%, with a median of 7.71% and average of 9.14%.

Photo contributed by Ray Victurine, Wildlife Conservation Society

Graph 5. Average Nominal Fund Returns, by Type



BENCHMARKS & TARGETS

The responding CTFs manage a total of 47 funds: 31 endowments, 14 sinking funds, and two "other" (combined data or type unspecified). Just over half (26) of these funds measure performance based on a target rate of return. The average target nominal return across those funds using a target to measure performance is 7%. Of the 21 funds that provided target return data, 81% met or exceeded their 2012 targets, and 19% underperformed their target return.

As investment conditions or spending expectations change, CTFs may adjust their target returns up or down from one year to the next. Table 2 shows reported changes in the target returns.

Photo contributed by Lorenzo Rosenzweig Pasquel, Fondo Mexicano para la Conservación de la Naturaleza

Table 2. Changes to Target Returns

	2011 to 2012 (n=23)	2012 to 2013 (expected) (n=24)
% of CTFs that INCREASED the target returns	26.1%	12.5%
% of CTFs that DECREASED the target returns	30.4%	16.7%
% of CTFs reporting NO CHANGE in target returns	43.5%	70.8%

Approximately 62% of the funds measure performance using external benchmarks, typically a publicly reported index. The benchmarks are generally selected to align with a particular segment of the portfolio; for example, the S&P 500 may be used to measure performance of US stocks, whereas the Barclays Capital Aggregate Bond Index may be used to measure the performance of the fixed income portion of the portfolio. For portfolios invested in domestic equity markets, an index of that country's stock market is typically used.

The most commonly used benchmarks are (2012 returns in parentheses, where available):

- S&P 500 (16%)
- Morgan Stanley Capital International (MSCI) World Index (16.54%)
- Barclays Capital US Aggregate Bond Index (4.21%)
- CITI World Global Bond Index (1.65%)
- JPMorgan Global Bond Index
- US Treasuries (3 month) or Federal Funds rate (0.11%)
- Russell 1000 Growth Index (15.26%)
- Russell 1000 Value Index (17.51%)
- DB Commodity Index (4.08%)
- National Association of Real Estate Investment Trusts (NAREIT) Index (17.98%)

In calendar year 2012, only one of the participating CTFs reported nominal returns that exceeded the S&P 500 (16%) and MSCI World (16.54%) returns in 2012. Twenty-seven CTFs reported nominal returns that exceeded the Barclays Capital Aggregate Bond Index (BCABI) (4.21%). Refer to Graph 4 on page 14 for comparison.

Six CTFs reported nominal returns that exceeded a hypothetical portfolio consisting of 60% equity (measured by the MSCI World Index) and 40% fixed income (measured by the BCABI). The returns of this hypothetical "indexed" portfolio would be 11.61%.

Thirty-five (35) percent of the CTFs are using both a target return and one or more benchmarks to measure fund performance.

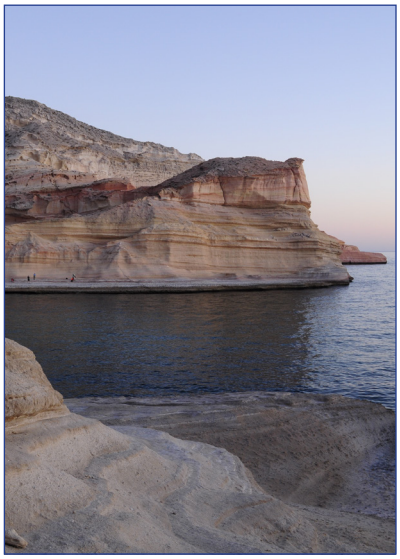


Photo contributed by Lorenzo Rosenzweig Pasquel, Fondo Mexicano para la Conservación de la Naturaleza

Photo contributed by Lorenzo Rosenzweig Pasquel, Fondo Mexicano para la Conservación de la Naturaleza

RETURNS BY REGION

On average, nominal organizational returns are fairly consistent across the three geographical regions. While Eastern Europe/Asia/Oceania average organizational returns were 10.69%, this included one significant outlier. Removing that data point to smooth the data produces a revised average return of 9.35%, which is more closely in line with the average returns for the other regions. Average returns for African CTFs were 8.09% and for Latin American/Caribbean CTFs were 8.3%.

When funds are considered separately, endowment returns are fairly consistent across the regions, with Eastern Europe/Asia/Oceania and Latin America/Caribbean endowment funds averaging 9.7% and 9.8%, respectively, and African endowments averaging 8.2%. Sinking fund nominal returns averaged 12.8% in Eastern Europe/Asia/Oceania and 8.0% among Latin American/Caribbean funds.

Table 3. Average Nominal Fun Returns by Type and Region

Region	Endowment (Average Return)	Sample Size	Sinking Fund (Average Return)	Sample Size
Africa	8.2%	8		
Eastern Europe/Asia/Oceania	9.7%	6	12.8%	3
Latin America/Caribbean	9.8%	17	8.0%	10
Overall	9.3%	31	9.1%	13

IMPACT OF INFLATION/REAL RETURNS

Inflation Analysis

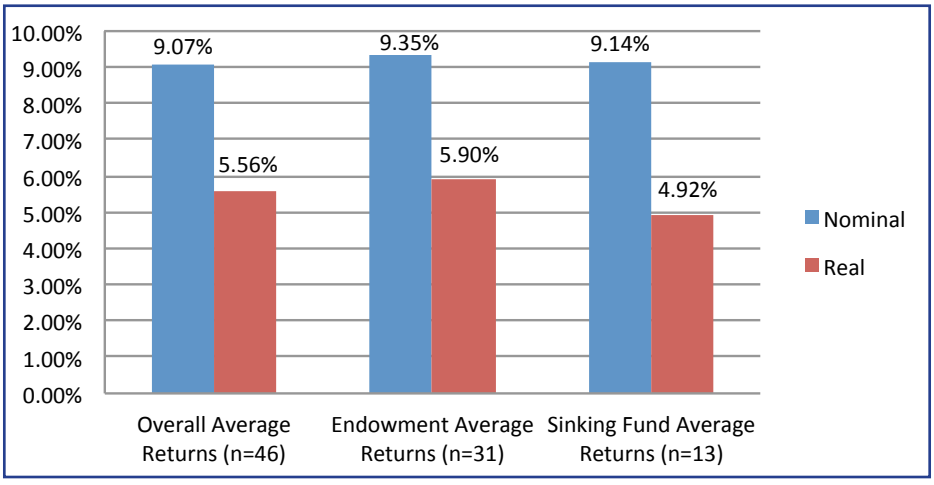
All CTFs, and especially those managing endowments, must factor inflation and currency risk into their investment decision-making. Inflation, referring to the increase in the prices of goods and services being purchased, can significantly affect the CTF's purchasing power in the country in which it operates. For those CTFs that invest domestically, investment returns must exceed inflation for the returns to produce real income to the CTF. Those CTFs that choose to invest off-shore may find more investment opportunities and a less inflationary environment; however these CTFs must then monitor currency exchange rates to ensure their investment returns are preserved when converted to the domestic currency for spending.

Photo contributed by Maria Jose Gonzalez, MAR Fund

For purposes of this analysis, in an attempt to simplify a complex topic, we will consider the relevant inflation rate for each fund to be the prevailing inflation rate in the country where the fund's performance is measured. Therefore, domestic fund returns will be compared to domestic inflation, and funds invested in US or European markets will be compared to US or European inflation. This approach deliberately excludes the impact of currency exchange for off-shore investments; to incorporate currency into the analysis would require too many assumptions about the timing of currency exchanges, liquidity decisions and the ability of each CTF to hedge currency risk.

Inflation rates for the reporting funds ranged from 0.62% to 34.58%, with an average of 3.46% and median of 1.85%. The nominal rate of return, adjusted for inflation provides the real rate of return (see glossary for formula). Four of the 47 funds earned negative real returns; all four were funds that were entirely or predominantly invested in domestic markets, with a significant exposure to fixed

Graph 6. Comparison of Nominal and Real Fund Returns



income and/or cash. On average, incorporating inflation lowered the average returns for all reporting funds by approximately 3.5%.

Location of Investments

A comparison of funds based on the primary location of the investment portfolios indicates that while nominal returns for domestic investments tend to be higher, on average, than European or US-based investment portfolios, these investments are also heavily subject to domestic inflation. Based on these averages, the strongest returns came from primarily domestic portfolios with a mix of other currencies (in the case of the three funds in this category, the "other" currency was US Dollars), and from US Dollar denominated portfolios.

Table 4. Average Nominal vs Real Returns by Currency

	Average Nominal Returns	Average Real Returns
Domestic (n=11)	10.70%	3.04%
Domestic, with others (n=3)	11.74%	8.42 %
Euro (n=3)	6.49%	3.90%
Euro, with others (n=2)	4.84%	2.29%
Mix (n=3)	7.84%	5.61%
US (n=16)	9.02%	7.04%
US, with others (n=8)	8.40%	6.44%

MULTI-YEAR RETURNS

Three and five year average nominal returns for the participating CTFs are fairly stable. Multi-year data is available for 22 funds (16 endowments, 6 sinking funds) representing 20 CTFs.

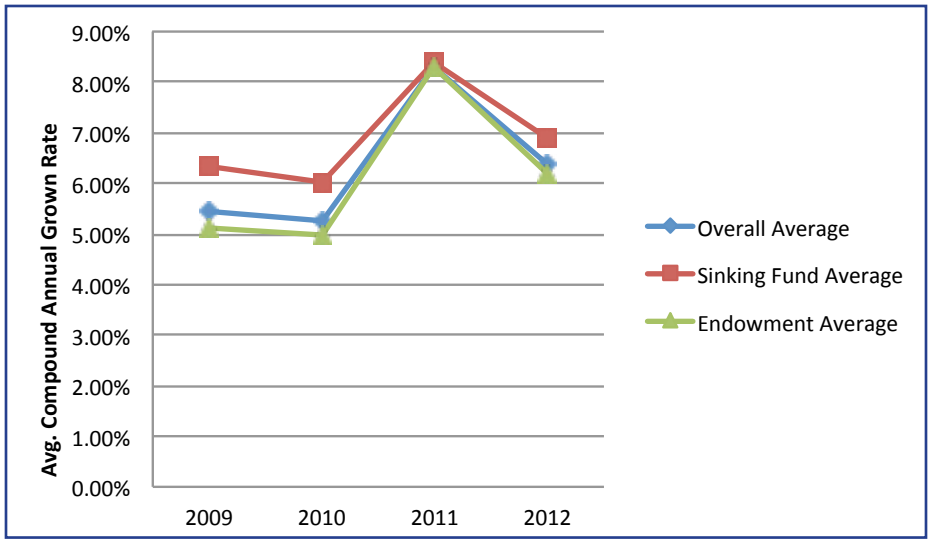
Through the year 2012, the three-year average nominal return for all funds is 6.38%, and the five-year average nominal return is 5.2%. The three- and five-year averages are calculated as a compound annual growth rate. This is, effectively, the return that smoothes out interim fluctuations and shows the effective return from the beginning of 2010 to the end of 2012 (for the three-year) and from the beginning of 2008 to the end of 2012 (for the five-year).

Table 5. Three and Five Year Average Nominal Fund Returns, Through 2012

	Three-Year Average Return	Five-Year Average Return
Overall Average (n=22)	6.38%	5.20%
Sinking Fund Average (n=6)	6.89%	6.07%
Endowment Average (n=16)	6.18%	4.87%

With the benefit of returns data stretching back to, in many cases, 2007, we are able to see a picture of how returns have changed over time. Graph 7 illustrates the changes in the three-year average returns, for four three-year periods ending 2009, 2010, 2011 and 2012.

Graph 7. Changes in the Average Three Year Returns Over Time



For the three year period ending in 2009, average nominal returns included a high number of losses in 2008, followed by generally strong returns in 2009, to produce a three-year average (overall) return of 5.46%. 2010 returns were comparable to 2007, so the three-year period ending in 2010 is, not surprisingly, comparable to the prior three-year period, in that it also includes the losses of 2008 with the strong returns of 2009. The overall three-year average nominal return for the period ending in 2010 is 5.25%. For the three-year period ending in 2011, the losses of 2008 are no longer included, and even though average nominal returns in 2011 were quite modest, the three-year average is strong, at 8.31%. By 2012, the volatility of 2008 and 2009 is no longer part of the three-year average, and the three year return is 6.38%. During those time periods, the sinking funds tended to exceed the overall averages while the endowments came in slightly below. In general the data seem to indicate that returns, over time, are approaching the nominal 7% level that many funds target.

Photo contributed by Bruce Beehler via the Tree Kangaroo Conservation Program, Papua New Guinea

Table 6. Three Year Average Nominal Fund Returns, Over Time

Three-Year Average Returns for the Period ending in	2009	2010	2011	2012
Overall Average	5.46%	5.25%	8.31%	6.38%
Sinking Fund Average	6.35%	6.02%	8.37%	6.89%
Endowment Average	5.13%	4.96%	8.29%	6.18%

(Note: Of the 22 funds with multi-year data, 18 have data beginning in 2007, 2 have data beginning in 2008 and 2 have data beginning in 2009)

INVESTMENT MANAGEMENT

Photo contributed by Ray Victurine, Wildlife Conservation Society

INVESTMENT STRATEGIES

In determining, and then implementing, their investment strategies, the vast majority (94%) of the survey respondents indicated that they have an investment policy document to guide investments.

Conservation Trust Funds must balance a variety of factors in making decisions about their investment strategy. Typically, the investment policy must take into consideration a variety of factors, including

- Annual operating expenses and project funding needs (i.e. cash flow requirements)
- Long-term capital appreciation goals
- Various donor requirements and restrictions
- Economic conditions or potential for investment in domestic markets
- Size of the fund(s) and ability to access investment consultants
- Access to international investment opportunities, and/or legal constraints on off-shore investing
- Relevant inflation and the ability to maintain the real value of endowment funds over time

Photo contributed by Juraj Ujhazy, Wildlife Conservation Society

Most of the responding CTFs (76%) listed “maintaining real value of endowment” as the first or second investment priority, when asked to rank investment goals. Other investment priorities included maintaining the nominal value of the endowment, interest and dividend income, and capital gains.

In addition, 80% of the responding CTFs indicated that they have a dedicated investment or finance committee focused on investment policy and oversight.

ASSET ALLOCATION

Overall, the responding CTFs tended to invest heavily in fixed income. Endowment funds relied on a more balanced portfolio, while sinking funds tended to concentrate in fixed income. The endowment funds also tended to have higher cash balances than might have been expected, given the expected low rates of return for cash relative to other asset classes. It is unclear whether this results from a temporary re-balancing of the portfolio, reflects the need for liquidity, represents a reaction to market uncertainty, or serves some other investment purpose.

Table 7. Average Asset Allocation of Funds

Asset Class	Overall Average (n=44)	Endowment Average (n=31)	Sinking Fund Average (n=12)
Equities	24.05%	31.2%	7.6%
Alternatives	6.43%	4.7%	3.2%
Cash	15.45%	19.4%	6.5%
Fixed Income	51.88%	41.7%	82.6%
Other	2.3%	3.3%	0%

Over time, the asset allocations for the funds have ranged from 40 to 71% in Fixed Income and 18 to 30% in Equities, with as much as 30% of the portfolio in cash. Graph 8 shows the average fund asset allocation from 2007-2012; average nominal investment returns for the funds in each year are noted in parentheses after the year.

Graph 8. Average Fund Asset Allocation Over Time

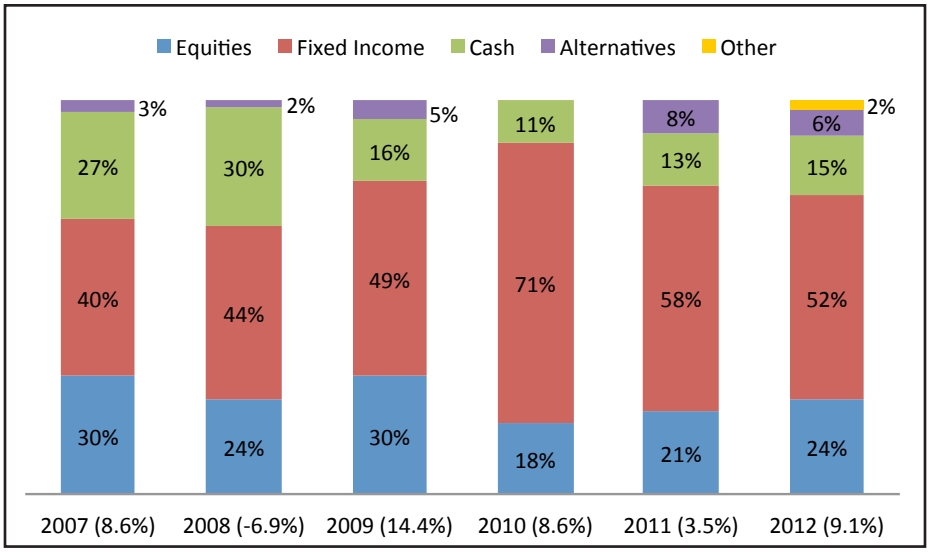


Photo contributed by Juraj Ujhazy, Wildlife Conservation Society

INVESTMENT SERVICES

Types of Providers

CTFs vary widely in their use of professional investment services.

Typically, outside service providers can include an investment management consultant, a financial advisor, and/or an asset manager. Investment

management consultants (or financial consultants) offer an array of consulting services focused on portfolio theory, investment strategy and performance measurement; these consultants can also support the investment committee or executive director by selecting and dismissing asset managers. Financial advisors are typically licensed brokers working on behalf of an investment firm. Asset or investment managers are specialists in managing a portfolio of investments, usually with respect to a specific asset class.

One-third of the responding CTFs reported that they did not use an outside advisor; these CTFs relied on their investment committees or trustees to make investment decisions and manage investments.

Of those that used professional advisors, most used asset managers, sometimes (but not always) in conjunction with other service providers.

Table 8. Use of Investment Service Providers

Type of Service Provider	Number of CTFs Using
Investment Management Consultant (IMC) only	4
Financial Advisor only	3
Asset Manager only	11
IMC and Financial Advisor	1
IMC and Asset Manager	3
Financial Advisor and Asset Manager	1
IMC, Financial Advisor and Asset Manager	1

Typical Fees

For those CTFs using professional advisors, the typical fees average 0.2% for domestically-invested funds, 0.49% for European-based advisors and 0.74% for US-based advisors. Notably, the US and European-based advisors were more likely to be investment management consultants or financial advisors, where a higher fee might be expected. It is also worth noting that CTFs invested domestically tended to be invested primarily in domestic fixed income and tended to be less likely to report any fees related to the portfolio.

Photo contributed by Ray Victurine, Wildlife Conservation Society

Communication Expectations

Among those CTFs using outside professional advisors, most CTFs received regular communications in the form of emails, telephone conferences and in-person meetings. Half the CTFs reported receiving emails, one-third reported telephone conferences and 60% reported in-person meetings, in addition to regular statements and, in many cases, access to account information online.

The majority of CTFs reported receiving monthly or quarterly reports on the performance of the portfolios. They also indicated that their professional advisors provided market analysis on a periodic basis (typically monthly or quarterly, though in some cases semi-annually) and sent articles on investment topics on a monthly, quarterly or annual basis.

SPENDING RATES

As part of a comprehensive investment strategy and to enable the organization to plan for expenditures and project budgets, most CTFs develop a spending policy or spending rule to define a predictable income stream over a multi-year period. Rather than adjusting the annual budget to market fluctuations, many CTFs determine an expected rate of expenditure from the investment returns of the funds.

In developing a spending rule or spending policy, the CTF must consider its annual demand for expenditures (i.e. the operating budget) as well as its expectations for growing or maintaining the capital base of the fund relative to inflation. While some CTFs consider the spending rule on an annual basis, many look at a three- or five-year average to smooth any variability in investment returns.

Photo contributed by Fernanda Barbosa, Brazil

Examples of actual spending rules reported by the responding CTFs include:

- 0%
- 100% of returns after inflation
- 5% on a three year moving average
- 5-6%
- All capital gains added to capital reserve; up to 1/3 of annual interest can be added to capital reserve; remaining interest income must be spent no later than the year following the year earned
- Income from fixed income investments

Among those reporting a time horizon for spending, five CTFs use a five-year time horizon, seven use a three-year time horizon and eight reported using a one-year horizon.

Photo contributed by Ray Victurine, Wildlife Conservation Society

RESOURCE MOBILIZATION

Anecdotally, a number of the CTFs report that their funds are undercapitalized. The causes of this undercapitalization could have several sources: original capital base fell short of expected needs or was intended as a first infusion with the intention that additional funds would flow to the CTF; demand for conservation support exceeded initial estimates; endowment returns failed to keep pace with inflation; or the CTFs suffered a decline in asset base due to negative returns. While investment returns are one means to increase the capital base, many CTFs look to additional fundraising as a means to supplement investment returns or to grow the capital base of the funds. Indeed, successful public-private partnerships and demonstrated financial management capability have enabled many CTFs to expand as institutions, thereby supporting a broad range of conservation needs in the countries in which they operate and attracting additional contributions.

Seventy-four (74) percent of the responding CTFs reported income in addition to investment income or returns in 2012. The most common reported sources of additional income are national governments, international NGOs, multilateral organizations and the private sector. At this point, there is insufficient data to know whether these monies are being used to increase

the capital base or to support programs and projects on an annual basis; future CTIS questionnaires will attempt to parse these data in greater detail.

DONOR RESTRICTIONS & OTHER CONSTRAINTS

It is not uncommon for donors or the Board or investment committee to establish investment restrictions or prohibitions as part of the investment policy. Typically these constraints reflect concerns about investment risk, and are intended to prevent the CTFs from engaging in unduly risky investments. In other cases, CTFs may choose to exclude certain types of investments or industries because they do not meet social or environmental screening criteria.

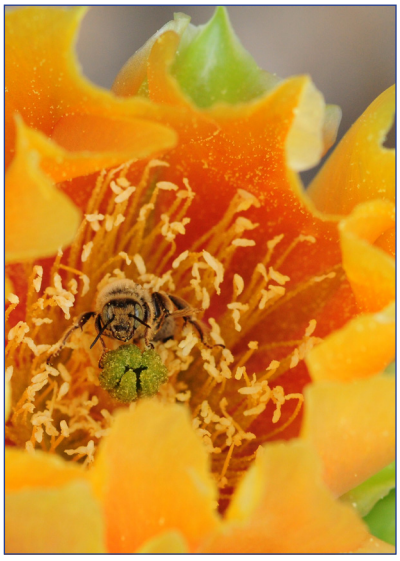


Photo contributed by Lorenzo Rosenzweig Pasquel, Fondo Mexicano para la Conservación de la Naturaleza

Roughly half of the CTFs report no donor-imposed constraints. Of those that indicate the donors have provided restrictions, the following are representative examples:

- No offshore investment
- Specific asset allocation, outlined in the investment policy
- Investments only in pooled arrangements that benefit from economies of scale
- Maximum exposure limits for geography & currency
- Must be invested in US assets
- Must not invest in industries/markets that threaten the environment; other ethical investing criteria
- Risk restrictions that stipulate that only low risk investments are acceptable and list approved financial institutions
- Requirement to use hired investment professionals

Some donor constraints are in effect during the initial formation of the fund, but lapse as the CTF graduates beyond the initial supervisory period by the donors.

In addition to donor-imposed restrictions, over half the responding CTFs indicated that their investment policies specifically prohibited certain types of investments. The following examples are representative of some excluded investments:

- Weapons, tobacco, alcohol, gambling and nuclear energy
- Industries or investments that damage the environment
- Individual (non-managed) commodities and futures contracts
- Private placements
- Options
- Private Non registered Limited partnerships
- Venture capital investments
- Hedge funds or fund of funds
- Derivatives
- Leveraged investments or short-selling
- Private investments
- Illiquid investments
- Securities where the issuer has filed for bankruptcy

Photo contributed by Fondo de Conservación de Bosques Tropicales de Paraguay

- Use of derivatives for speculative purposes
- Precious metals
- Equipment leasing
- Mutual funds with an investment philosophy of market timing or chart reading
- Emerging markets

Additionally, some investment policies specify

- Minimum bond ratings and allowable maturities
- Allowable currencies and/or number of currencies

Photo contributed by Juraj Ujhazy, Wildlife Conservation Society

CONCLUSIONS

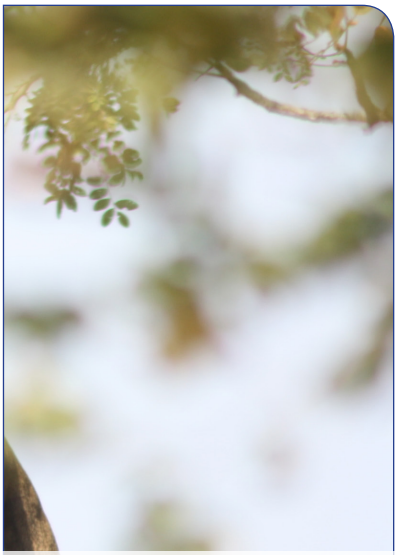


Photo contributed by Juraj Ujhazy, Wildlife Conservation Society

The Conservation Trust Funds, both individually and in aggregate, have been demonstrating fairly strong investment performance. Average nominal returns of 8.94% in 2012, and long-term averages of 6.38% (three-year) and 5.2% (five-year) through 2012, indicate that the CTFs are successfully generating investment returns to fund furtherance of their biodiversity protection and conservation goals.

In recent years, and in fact over the history of the CTIS, we have seen portfolios that tend to be strongly weighted in fixed income. While there have been periods of time when such an allocation made sense, many investment professionals caution that bond performance is likely to decline in the next few years as interest rates are predicted to rise. Indeed, in last year's Foreword to the CTIS report, Gregory Alexander of Acacia Partners cautioned that "large holdings of bonds are a major risk for the trusts" as bonds are unlikely to achieve investment targets. This prediction has initially played out – 2012 bond returns as measured by the Barclays Capital Aggregate Bond Index are down approximately 50% from 2011. Trends in 2013 point to continued weakening of the bond market.

Since 2011, we have seen only a very slight reallocation of assets, on average. Fixed income and cash combined moved from 70% to 67% of the average asset allocation, with Equities increasing only slightly from 21% to 24%.

Because risk (a measure of volatility in the portfolio) and return are linked in investment theory, we would assume that CTFs that choose to maintain the less risky portfolios heavy in cash and fixed income would be making commensurate adjustments in their expected investment returns. Indeed, we did see that roughly 30% of the CTFs that use target returns to measure performance, decreased their target returns from 2011 to 2012, although 70% of the CTFs increased or made no change in their expected returns. As 2011 returns were comparatively low, these numbers may reflect overall investment optimism for 2012, rather than concern

Photo contributed by Lorenzo Rosenzweig Pasquel, Fondo Mexicano para la Conservación de la Naturaleza

about the risk/return ratio for a fixed income and cash dominated portfolio.
As we look ahead to 2013, we note that over 83% of the CTFs either increased or made no change to their target returns, relative to 2012. We look forward to see both the returns and the asset allocations of the portfolios for 2013 given the anticipated changes in bond returns which in the past have fueled the positive returns of the CTFs, but in the future may push CTF returns lower.

As always, the strength of the CTIS data and analysis depends on strong participation of the Conservation Trust Funds. Regional analysis, for example, has been requested for many years but is only possible this year given a robust sample size. As stated in previous editions of the CTIS, the objective is to increase participation and include the data of as many CTFs as possible. The most common reason cited for non-participation is insufficient time on behalf of the CTF staff; we will continue to explore modes of simplifying or facilitating the survey completion process to enable maximum participation.

Beginning in 2014, the Conservation Trust Investment Survey will begin offering expanded educational content through the Conservation Finance Alliance website. Going forward, the CFA website will house a resource hub for investment management content and analysis, in the form of original articles, webinars and links to outside resources. Articles will focus on a more in-depth analysis of special topics related to the CTIS data, as well as an exploration of topics of interest to CTIS audience members. It is hoped that this information will be useful in helping CTS engage with their asset manager and other professionals to improve their returns and generate the funds needed to deliver conservation outcomes.

Photo contributed by Ryan Hawk via the Tree Kangaroo Conservation Program, Papua New Guinea

GLOSSARY OF TERMS

Asset or Investment Manager – Specialists in managing a portfolio or investment in a certain type of asset, with a specific mandate (e.g. medium quality corporate bonds; large-cap value equities). Mutual fund managers, portfolio managers and hedge fund managers are types of investment managers.

Conservation Trust Fund (CTF) – CTFs are private, legally independent grant-making institutions that provide sustainable financing for biodiversity conservation. They often finance part of the long-term management costs of a country's protected area (PA) system as well as conservation and sustainable development initiatives outside PAs. CTFs raise and invest funds to make grants to non-governmental organizations (NGOs), community based-organizations (CBOs) and governmental agencies (such as national parks agencies). CTFs are financing mechanisms rather than implementing agencies. Within one CTF may be one or more than one fund.

Financial Advisor -- A Financial Advisor is a licensed sales agent or broker with a securities firm.

Fund – A separate grouping of investments that share a common investment strategy; a fund may have a governance body separate from, but in concert with, the governance body of the CTF. One CTF might be responsible for one or multiple funds.

Photo contributed by Lorenzo Rosenzweig Pasquel, Fondo Mexicano para la Conservación de la Naturaleza

Endowment fund – a pool of monies that intends to exist in perpetuity or preserve its capital over a long-term timeframe; the endowment invests its capital over the long term (perpetuity) and normally only spends the resulting investment income to finance grants and activities.

Sinking fund – a pool of monies that will spend its capital down with a designated period of time (e.g. 10, 20, 30 years). The entire principal and investment income is disbursed over a fairly long period (typically ten to 20 years) until it is completely spent and thus sinks to zero.

Photo contributed by Lorenzo Rosenzweig Pasquel, Fondo Mexicano para la Conservación de la Naturaleza

Investment Management or Financial Consultant – A fee-based advisor on portfolio theory, asset allocation, manager search and selection, investment policy and performance measurement. Investment Management Consultants provide expertise and guidance on overall investment decision-making, have undergone specialized education in this field, and frequently hold the Certified Investment Management Analyst (CIMA) designation, a professional certification.

Nominal Returns – The face value or reported return; this is typically the percentage change in the value of a portfolio or asset over a specific time period. For purposes of the CTIS, reported nominal returns are net of fees.

Real Returns – Nominal returns, adjusted for the effects of inflation. Real returns are calculated with the formula (1+% nominal return) / (1+% inflation), minus 1.

Photo Contributed by Octavio Aburto via Fondo Mexicano para la Conservación de la Naturaleza

LIST OF PARTICIPATING CTFS

Africa

Country	Name	Contact Name	Email	Website
Botswana	Forest Conservation Botswana	Gagoitsewe Moremedi		www.forestconservation.co.bw
Côte d'Ivoire	Fondation pour les Parcs et Réserves de Côte d'Ivoire	Fanny N'golo	fannyngolo@yahoo.fr	www.fondationparc.ci
Cameroon, Central African Republic, Congo	Tri-National Sangha Foundation	Timothee Fomete	fondationtns@yahoo.com	
Madagascar	Fondation pour les Aires Protégées et la Biodiversité de Madagascar (FAPBM)	Ralava Beboarimisa	mail@fondation-biodiversite.mg	www.madagascarbiodiversityfund.org
Madagascar	Fondation Tany Meva	Fenosoa Andriamahenina	contact@tanymeva.org.mg	www.tanymeva.org.mg
Malawi	Malawi Environmental Endowment Trust (MEET)	Karen Price	meet@naturetrust.mw	www.meet.org.mw
Malawi	Mulanje Mountain Conservation Trust (MMCT)	Carl Bruessow	carl@mountmulanje.org.mw	www.mountmulanje.org.mw
Mauritania	Banc d'Arguin, and Coastal and Marine Biodiversity Trust Fund (BaCoMaB)	M. Dheby	dheby@hotmail.com	www.bacomab.org
Tanzania	Eastern Arc Mountains Conservation Endowment Fund (EAMCEF)	Francis B.N. Sabuni	eamcef@easternarc.or.tz	www.easternarc.or.tz
Tanzania	Tanzania Forest Fund	Tuli Salum Msuya	info@forestfund.go.tz	www.forestfund.go.tz
Uganda	Bwindi Mgahinga Conservation Trust (BMCT)	Mwine Mark David	mmd@bwinditrust.ug	www.bwinditrust.ug

LIST OF PARTICIPATING CTFS

Eastern Europe/Asia/Oceania

Country	Name	Contact Name	Email	Website
Armenia, Azerbaijan, Georgia	Caucasus Nature Fund	David Morrison	dmorrison@caucasus-naturefund.org	www.caucasus-naturefund.org
Bangladesh	Arannayk	Farid Uddin Ahmed		www.arannayk.org
Bhutan	Bhutan Trust Fund for Environmental Conservation	Pema Choephyel	pema.choephyel@bhutantrustfund.bt	www.bhutantrustfund.bt
Federated States of Micronesia	Micronesia Conservation Trust	William N. Kostka		www.ourmicronesia.org
India	Ashoka Trust for Research in Ecology and the Environment (A TREE)	Ganesan Balachander		atree.org
Indonesia	Yayasan Keanekaragaman Hayati Indonesia (Indonesian Biodiversity Foundation)	M.S. Sembiring	sembiring@kehati.or.id	www.kehati.or.id
Papua New Guinea	Tree Kangaroo Conservation Program	Lisa Dabek	Lisa.Dabek@zoo.org	http://www.zoo.org/treekangaroo
Philippines	Philippines Tropical Forest Conservation Trust	Jose Andres Canivel	admin@ptfcf.org	www.ptfcf.org

LIST OF PARTICIPATING CTFS

Latin America/Caribbean

Country	Name	Contact Name	Email	Website
Belize	Protected Areas Conservation Trust, Belize (PACT)	Natalie Rosado		www.pactbelize.org
Bolivia	Fundación para el Desarrollo del Sistema Nacional de Áreas Protegidas (FUNDESNAP)	Sergio Martín Eguino Bustillos	seguino@fundesnap.org	www.fundesnap.org
Bolivia	Fundación para la Conservación del Bosque Chiquitano	Hermes Justiniano	hrjustin@fcbc.org.bo	www.fcbc.org.bo
Brazil	Fundo Brasileiro par a Biodiversidade (Funbio)	Rosa Maria Lemos de Sá	funbio@funbio.org.br	www.funbio.org.br
Colombia	Fondo Acción	José Luis Gómez	joselgomez@fondoaccion.org	www.fondoaccion.org
Costa Rica	Costa Rica Por Siempre	Zdenka Piskulich	zpiskulich@costaricaporsiempre.org	www.costaricaporsiempre.org
Ecuador	Fondo Ambiental Nacional (FAN)	Diego Fernando Burneo Aguirre	wcaceres@fan.org.ec	www.fan.org.ec
El Salvador	Fondo de la Iniciativa para las Américas El Salvador (FIAES)	Jorge Alberto Oviedo Machuca	jorge.oviedo@fiaes.org.sv	www.fiaes.org.sv
Jamaica	Environmental Foundation of Jamaica (EFJ/JPAT)	Karen McDonald Gayle	efj.ja@cwjamaica.com	www.efj.org.jm
Jamaica	Jamaica Protected Areas Trust Ltd./Forest Conservation Fund (EFJ/JPAT)	Allison Rangolan McFarlane	allison.mcfarlane@efj.org.jim	www.jpat-jm.net
Mexico	Fondo Mexicano para la Conservación de la Naturaleza (FMCN)	Lorenzo José de Rosenzweig Pasquel	lorenzo@fmcn.org	www.fmcn.org
Mexico, Belize, Guatemala, Honduras and El Salvador	Mesoamerican Reef Fund (MAR Fund)	María José González	mjgonzalez@marfund.org	www.marfund.org
Panamá	Fundación para la Conservación de los Recursos Naturales	Rosa Montañez	info@naturapanama.org	www.naturapanama.org
Paraguay	Fondo de Conservación de Bosques Tropicales	Edmilce Ugarte	info@fondodeconservacionde bosques.org.py	www.fondodeconservaciondebosques.org.py
Peru	Fondo de Las Américas (Fondam)	Juan Armando Gil Ruiz	fondam@fondoamericas.org.pe	www.fondoamericas.org.pe
Peru	Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE)	Alberto Paniagua Villagra	apaniagua@profonanpe.org.pe	http://www.profonanpe.org.pe
Suriname	Suriname Conservation Foundation (SCF)	Leonard C. Johanns	surcons@scf.sr.org	www.scf.sr.org