

Caring Capital Corporation PhilanthroCapital Fund

About Caring Capital

We believe that success is measured not just in terms of dollars and cents, but rather by the positive impact that we can have on the world around us. To that extent, our company is strongly focused on taking on projects that have both a viable business model as well as the ability to make a lasting difference.

People - Our Greatest Resource

At Caring Capital Inc., we build relationships with people, not companies. When companies work with us, they have access to the entire team and its resources, not just one partner. This collaborative approach ensures that all companies that we are involved with receive the personal and financial support that they need to succeed.

Our Investing Strategy

We say no to a lot of projects. This helps to ensure that our energies are focused on ensuring the success of the companies that we are involved with. We look for early stage companies that have global growth potential and the ability to make a lasting difference in the world.

Additionally, we look for people that we can work with over the long term. Honesty, integrity and trust are the guiding principles behind the relationships we forge. We fund companies that have a triple bottom line philosophy on Return on Investment . . . Social, Environmental and Financial ROI.

Our investments range in size from \$500,000 to \$10 million.

For more information, visit:

www.caringcapital.com



Caring Capital - PhilanthroCapital Fund

What is PhilanthroCapital?

Investing in **for profit** businesses that couple social and environmental returns with a demand for return on investment over the long term. Originally called "venture philanthropy" by Rockefeller, demands careful monitoring and supporting of the programs to ensure long term sustainability and ongoing benefits.

"We are creating a world where getting a strong financial return on investment is no longer enough to receive the attention of savvy investors. A world where investors are demanding social and environmental return on investment on top of significant financial returns."

Casey Verbeck - Founding Partner

Our Mission:

To positively impact the planet through funding and developing innovative technologies and businesses designed to achieve social, environmental and financial returns.

"We invest in companies that have 3x the Return on investment of other compaines. Social, Environmental and Financial Returns."

- David Strebinger, Partner

The Fund

Bridging the Gap

Traditionally, businesses created to positively impact society or the environment have often been classed as non-profit or government funded organizations. These organizations often have amazing groups of committed and passionate people at the helm that are dedicated to positively impacting the planet through their cause.

That passion and commitment to maintaining the integrity of their cause has had "Profitability" and "Capitalist Business Practices" take a back seat to their social and environmental returns.

Today, thousands of new technologies are being created to solve many of the worlds pressing issues. New Power generation systems are being created to have less impact on environment, new technologies and systems

Power, Profits and Positive Change

are being designed to be ongoing revenue generation systems for charities and philanthropic ventures, new green technologies are emerging daily. Many of these businesses and technologies are seizing opportunities in the **for profit** marketplace but are overlooked as true "Venture Opportunities" due to the nature of their business.

At Caring Capital, we seek out these companies and ensure that they are supported with the financial, operational, and technical resources required for their ultimate success.

The World is Ready

The world is becoming aware of the need to find new solutions, systems and innovative technologies to positively impact the planet. Mainstream media and social pressure is shifting and the financial markets will follow.



Traditional
Venture Capital

Philantrho**Capital**

Financial Returns



Positive Social Impact



Positive Environmental
Impact



Key Fund Information

The fund size for 2008 is set at a max of \$100 Million dollars. Maximum investment per client or group of \$10,000,000 and Minimum investment \$250,000 per investor.

Astute, long term investors understand that markets include more than financial statements when valuing an investment. Intangibles such as management quality, patents, brand recognition, market size, and market penetration are important factors that many investors consider when making investment decisions. By quantifying and evaluating these intangibles, investors have a better understanding of the risks and opportunities associated with potential investments.

Sustainable and responsible investing begins with corporate governance and integrates environmental, social, and economic factors in the investment process. This approach provides investors with additional tools in comprehensive evaluation and management of intangibles. Good corporate governance practices are based on disclosure, board independence, and management accountability to shareowners. With this foundation, sustainable and responsible investment strategies consider three more intangibles: the environmental, social, and economic performance of companies. Sustainable and responsible investing is a market driven methodology that offers competitive financial returns while simultaneously delivering social and environmental benefits.

What is a Private Equity Fund

Private equity funds are pools of privately-managed capital, formed for the purposes of making investments in private companies. Private equity funds are typically managed by the promoter of a fund (or an affiliated party) and this manager earns a fee for performing the investment management function typically consisting of (or including) a share of the profits generated by the fund. Generally, investors in a private equity fund commit to invest a certain amount of capital when the fund is established and as the manager identifies suitable investments for the fund, these investors are required to advance the capital they have committed to invest. A private equity fund invests its capital in companies identi-

fied by the manager, which are often referred to as "portfolio companies" or "portfolio investments".

Our Structure

Caring Capitals PhilanthroCapital Fund is structured as limited partnerships. The general partner of the fund is Caring Capital.

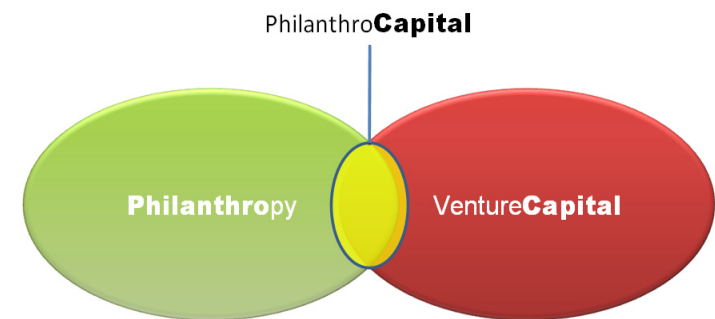
The general partner is the party that, at law, is responsible for the management of the business of a limited partnership and assumes all of its liabilities. Often the general partner delegates management responsibilities to another entity, referred to as the manager, that is a related party of the fund promoter and general partner and that earns the management fee to manage the investments made by the fund.

The investors in a private equity fund are the limited partners of the limited partnership. Generally, limited partners are not responsible for the obligations of the limited partnership and their liability is limited to the capital contributions that they

have committed to make to the limited partnership. Limited partners cannot take part in the control of the business of the limited partnership and normally cannot withdraw from their obligation to meet their capital commitment. The life cycle of of our fund fund varies, but a fund is a term of 10 years, with the general partner having an option to extend the life of the fund for up to two years if necessary to allow for an orderly wind down.

Commitments and Draw Downs Capital contributions to pay management fees and operating expenses are advanced by (or "drawn down" from) limited partners periodically over the course of a fund's life. Capital contributions to make portfolio investments are typically drawn down over an initial three to five year period known as the "commitment period". Once the commitment period is concluded, the fund's manager will monitor and manage investments to maximize value and realize returns over the life of the fund.

Follow-on investments may require further draw downs of capital during this



phase, but investments in new portfolio companies are usually prohibited. Average hold periods for private equity investments are less than five years, although the range of hold periods can be as much as 10 years.

Fees and Distributions

When portfolio investments are sold (or “realized”), a private equity fund will distribute investment proceeds to the fund’s limited partners. Generally, all capital realized is distributed to the limited partners until the value of the limited partners’ capital contributions has been returned to them, in addition to an amount representing a return on the limited partners’ investment (referred to as the “preferred return”). The limited partners’ preferred return is generally calculated as 8% of the fund’s invested capital per year. Once the limited partners receive their capital contributions and the preferred return, the next distributions made by the private equity fund (effectively representing the profits made by the fund) are typically allocated between the general partner and the limited partners. The general partner is entitled to 20% of the overall profits (an amount referred to as the “carried interest”). The order of priority in which a private equity fund makes distributions (as described above) is often referred to as the “distribution waterfall”. The manager of the fund earns a management fee of 1.5% per year, throughout the life of the fund. The management fee paid during the commitment period, when the manager is sourcing new investments, is based on aggregate committed capital to the fund, and thereafter the fee is based on the amount of capital that is actually invested by the fund in portfolio investments.

The management fee represents an expense of the fund, and is recouped by the limited partners before the manager is paid the carried interest. In a successful fund, the full cost to the limited partners of the services of the general partner and manager is therefore typically 20% of the total profit achieved by the fund. As a fund approaches its termination date, its remaining portfolio positions are liquidated or, in limited circumstances, are distributed to the limited partners. Other Commercial Terms A private equity fund is typically governed by its limited partnership agreement, which is entered into between the general partner and the limited partner investors. Among the important terms and conditions generally found in a limited partnership agreement, in addition to those already referred to, are target investments and investment restrictions which set forth what the fund is expected and permitted to invest in, a successor fund provision which provides that the promoter and manager will not launch or manage another private equity fund until the first fund is substantially invested, the terms on which the limited partners may replace the general partner and the fund’s governance structure.