



CONFERENCE CALL

Tuesday, November 24th, 2009
9:00 - 10:00 AM PDT / 12:00 - 1:00 PM EDT
Dial-In: 1-866-223-7781 (toll-free)

renewal2
INVESTMENT FUND

Renewal2 Investment Fund

- Long track record of successful impact investing
 - Previous fund had IRR of 12.2% over 17 year history
 - Made early and key investments in some of North America's most important triple bottom line businesses
- Attractive sectors that are critical to a sustainable future
 - Focus sectors of organic/natural food, green consumer products and green building products
 - These are underserved by the traditional venture community and have exceptional growth profiles
- Strong deal flow
 - Trusted and known by entrepreneurs and other investors in this space
 - See 3 to 5 quality deals per week

Fund Details

| | |
|----------------------------|--|
| Focus | Early stage (\$500,000 to \$20M in revenue) |
| Term | 10 years |
| Portfolio Investments | \$250,000 to \$1.5 million (initial) with potential for follow on |
| Target Return | Minimum 3X |
| Limited Partner Investment | Minimum \$250,000 |
| Renewal & Mgmt Investment | \$3,750,000 |
| Fund Target Size | \$30-\$50 million |
| Management Fees | 2% per annum, plus management participation after return of capital and a Limited Partner 8% gross priority return |

Sector Profiles



Organic & Natural Food

- North American organic food market has grown at approximately 20% per year for the past eight years compared to 3% for conventional food
- Organic food sales in U.S. grew 16% to \$23 billion in 2008, projected to reach \$38 billion by 2013
- Organic foods are still less than 4% of total U.S. food sales, providing tremendous upside growth potential

Source: Datamonitor United States Organic Food report-Dec 2008, OTA 2009 Survey



Green Consumer Products

- U.S. sales of natural household products have grown between 18-25% per year for the last five years
- Global retail sales of organic cotton apparel and home textile products climbed 63% in 2008 to over \$3 billion

Source: Datamonitor Product Launch Analytics, AdAge.com April 20, 2009, Organic Cotton Market Report 2008

Sector Profiles

Green Building

- U.S. green building market worth \$149 billion in 2008 and expected to double by 2013
- Exponential growth in Greenbuild Expo attendees from 3,000 in 2002 to nearly 28,000 in 2008 demonstrates the vast potential of this industry re-tooling

Source: McGraw-Hill Construction Report 2008, 2009 IceStone Summary



Other Sectors

- Social Media
- Social Finance
- Environmental innovation

These three sectors will collectively account for 25% or less of portfolio investments





Blue Horizon Organic

Leading supplier of seafood products sourced exclusively from environmentally responsible sources

- Quadrupled revenues from approximately \$2 million in 2007 to \$9 million in 2009.
- One of the few branded seafood companies to source only from sustainable and organic sources and only provider of certified clean-farmed frozen seafood entrées and appetizers.
- Wild species are Marine Stewardship Council (MSC) certified or approved by Monterey Bay Aquarium's Seafood Watch Program.
- Farmed shrimp products are certified by Naturland, a leading European certifier that certifies both environmental impacts and fair wages for farmers.
- Renewal2 invested alongside the founder, key employees and another fund focused on the organic and natural food sectors at a pre money valuation of \$1 million.





Seventh Generation

Leading consumer brand of recycled, non-toxic and eco-friendly household goods and cleaning supplies

- 1996 Renewal Partners became an early stage investor.
- Revenues last year of over \$100 million.
- The *Better World Shopping Guide* named Seventh Generation the #1 best company on the planet.
- 2008 Renewal Partners sold a portion of its holdings at 30X initial purchase price.

Renewal Partners' investment of \$3 million in Renewal2 was made up of \$2 million of shares of Horizon Distributors and \$1 million of shares of Seventh Generation. These shares were committed as of the first close at a discount to an outside valuation and to the last round of financing.





Horizon Distributors

Western Canada's largest distributor of natural and organic groceries

- Renewal Partners provided a loan in 1995 to Horizon's predecessor, at the time the largest worker-owned co-op in Canada.
- In 2007, Renewal Partners sold a portion of its holding at a price over 15X its average cost.
- Horizon doubled its warehouse facilities in British Columbia in 2008 to accommodate its 20% annual growth rate.
- Horizon team has grown its sales to \$100 million in 2009.



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Renewal2 Investment Process

MISSION SCREEN

We select potential investments with essential screens:

1. Will the business have a triple bottom line impact?
2. Does the entrepreneur have what it takes to be successful?
3. How will financial value be recognized for our investors?

Our extensive due diligence process includes mission critical questions, research and guidance from industry leaders with consultation and involvement by our Advisors as needed.

INVESTMENT DECISIONS

Final decisions on investments are made by Paul Richardson and Joel Solomon.

Paul and Joel have delivered superior financial returns by investing in some of North America's leading sustainability brands. The Renewal Partners portfolio of relevant investments has more than doubled in value.

DEAL FLOW

We have broad access to the best emerging triple bottom line entrepreneurs and business opportunities.

Our deal flow:

- is over 80% concentrated in Green Building, Green Consumer Products and Organic and Natural Foods
- comes from sources across North America
- is unique from 17 years of investing and networking in these sectors
- is collaborative, we have partnerships with leading Social and Sustainability venture funds throughout North America

Renewal Partners Track Record

| | |
|--|---------------|
| Capital Invested: | C\$7,062,475 |
| Exits: | C\$5,045,741 |
| Valuation of Active Portfolio Companies: | C\$11,800,191 |

IRR: 12.2%[†]

Relevant Companies: 40

Full Exits: 6

Partial Exits: 2

Write-Offs: 8

Active Portfolio Companies: 24

Renewal Partners Portfolio Criteria

- Figures on left represent all equity and convertible debt investments of at least C\$50,000 by Renewal Partners in Renewal2 sectors
- 1993 first investment
- 5.5 years average investment period

Broader Mission Implementation

Renewal Partners has also invested over \$20 million in:

- Land use and protection models
- Social purpose real estate
- Limited partnerships in colleague social venture funds
- Leadership and capacity building
- Foundation based program related investments
- Social enterprise loans

Data as of July 2008

[†] Not including dividends, interest or associated costs

A full list of Renewal Partners Portfolio companies is available upon request.

Renewal2 Investment Team



Paul Richardson | *President*

Paul has co-managed the Renewal Partners' venture portfolio since 2003. In that time, Renewal has been active in over 20 significant transactions with companies in its portfolio. From 2004 to 2006, Paul also led an international consortium of philanthropic foundations and private investors in successful negotiations with the Federal and Provincial governments and the Coastal First Nations to structure a financing deal that supported the conservation of the Great Bear Rainforest, the largest intact, coastal temperate rainforest left in the world.

Paul brings both legal and business experience to Renewal2. He practiced law at Fasken Martineau in Toronto for four years before leaving to co-found Strathy & Richardson, a leading Canadian litigation firm in Toronto, where he continued his legal practice as a senior partner for eight years. Paul is a graduate of Queen's University (Biology) and the University of Toronto (Law) and is active on a variety of Renewal Partners investee companies' boards, including Horizon Distributors and Communicopia as well as the boards of The Coast Opportunities Funds (Secretary and Chair of Governance Committee) and Ecojustice Canada (Vice Chair).



Joel Solomon | *Chairman*

Joel is Chairman for Renewal2 and President and CEO of Renewal; he brings a vast network and wealth of deal experience to Renewal2. Joel was instrumental in the development of Renewal Partners and the Endswell Foundation and has led them since their inception in 1994. Renewal Partners has invested in over 75 companies that share its commitment to socially responsible growth.

Prior to founding Renewal, Joel spent ten years building businesses in Nashville's decayed urban core where he co-founded Village Real Estate, CORE development, the Bongo Java chain of coffee houses and roasters and 32 West Corp. (a chain of three independent restaurants). Joel is a founding member of Social Venture Network (SVN), Business for Social Responsibility (BSR), and Tides Canada Foundation. He is Board Chair of Tides Foundation (US) and Hollyhock Foundation, and sits on numerous other Renewal Partners' investee boards throughout North America such as Happy Planet Foods, SPUD, and Strategic Communications.

Renewal2 Investment Team



Nicole Bradbury CFA | *Vice President*

Nicole joined Renewal2 in 2008 as a member of the investment team from Phillips, Hager & North Investment Management Ltd. (PH&N), where she managed private client portfolios and was responsible for building their external distribution channel. To Renewal2, Nicole brings over 15 years experience as a portfolio manager for institutional and private clients with Merrill Lynch in London and Geneva, AllianceBernstein in New York, and Phillips Hager & North in Vancouver. Nicole is a CFA charterholder, holds an MBA from Columbia Business School (Finance focus on Value Investing), and a Bachelor of Commerce (Honours, Co-op) from Memorial University.



Mike Cormack | *Venture Partner*

Mike is a key member of the investment team and brings with him significant U.S. deal experience. Prior to joining Renewal2 in 2008, Mike oversaw planning and acquisitions for the New York Stock Exchange (NYSE) and was a key player in the Matchpoint Trading and Marco Polo Network transactions. He was the President of Archipelago Holdings, an electronic trading company, which in 2006 executed a historic merger enabling the NYSE to become a public company. At Archipelago, Mike was responsible for sales and operations, successfully executed several mergers, and took the firm into the public markets in 2004. He graduated from the Johns Hopkins University in 1991 with a Bachelor of Arts degree in Economics and currently sits on the boards of Recovery Point Systems and Ecojustice Canada.

Jacqueline Zhu CA | *Financial Controller*

Carla Culos | *Associate*

Jennifer Merryman | *Executive Assistant*

Our Advisors

David Berge: President & Founder Underdog Ventures – Island Pond, VT

David Boyd: Environmental lawyer, professor and writer – Victoria, BC

Melissa Bradley-Burns: Entrepreneur & social venture capitalist – Washington, DC

Anthony Griffiths: Business consultant & corporate director – Toronto, ON

Gary Hirshberg: Co-founder & President of Stonyfield Farm – Londonderry, NH

Lisa Lorimer: Former President of Vermont Bread Company - Brattleboro, VT

Jim Morrisey: Treasurer of Tides Canada Foundation – Ottawa, ON

Gordon Russell: General Partner of Sequoia Capital (retired) – San Francisco, CA

Marjorie Torres: Social Venture Real Estate Entrepreneur – New York, NY

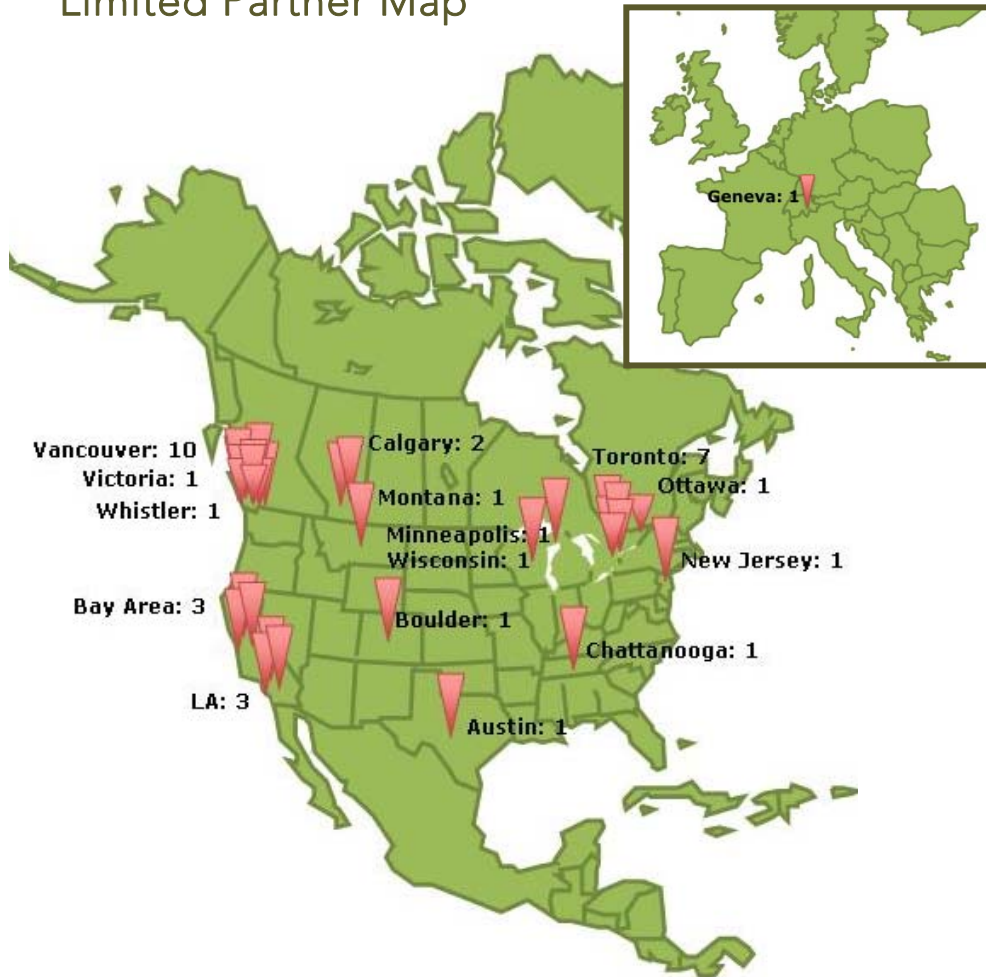
Tamara Vrooman: CEO of Vancity – Vancouver, BC

Bill Young: President & Founder of Social Capital Partners – Toronto, ON

Brad Zumwalt: President of Zinc Ventures – Calgary, AB

Renewal2 Fund Status

Limited Partner Map



Fund Status

- Raised almost C\$20M in committed capital
- First close took place at the end of May 2009, final close May 2010
- One of a very select group of funds to close in the first half of 2009

Limited Partners

- 36 LPs*
- 22 in Canada, 13 in the U.S. and 1 in Europe
- 5 charitable foundations

*As of October 2009

Join Us

Renewal2 offers investors*:

- Early stage investment opportunities across North America
- Access to growing and underserved investment sectors
- Experienced management with a 15 year social investment track record
- Realistic valuations and healthy exits for LPs and our portfolio companies due to our 10 year time horizon
- Diversification with a mix of Canadian and U.S. investments



Renewal2 Investment Fund is a Limited Partnership Fund and all investors must qualify as accredited investors

Contact Us

For more information please contact:

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