

Hon. Gavin Newsom  
California Lieutenant Governor  
Bob Congel, CEO  
Pyramid Companies

ACEEE  
Australia  
Bank of America Securities  
BOMA Foundation  
BOMA International  
Cadwalader, Wickersham & Taft, LLP  
Canada Green Building Council  
Canada Mortgage & Housing Corp.  
Citi  
City of Chicago  
City of Dallas  
City of Denver  
City of New York  
City of Oakland  
City of Santa Monica  
City of San Francisco  
City of Seattle  
Smith Barney  
Citizens Bank of Canada  
Corenet Global  
CRF USA  
Delaware Valley Green Bldg. Council  
Dewey & LeBoeuf  
Durst Development  
EPA ENERGY STAR  
Ecos Corporation  
Environmental Bankers Association  
Evolution Partners  
Fannie Mae  
Fireman's Fund / Allianz  
First Affirmative Financial  
Forest Stewardship Council  
Forbo Flooring  
Gerding Edlin Development  
Goldman Sachs  
Global Green  
Investor's Circle  
JPMorgan Chase  
Knoll  
Lafarge  
Milliken  
Mortgage Green  
National Association of Realtors  
National Wildlife Federation  
New Jersey Green Building Council  
New York Green Building Council  
NYSERDA  
Philips  
Prohoff & Associates  
Sempra Energy  
Social Investment Forum  
State of California  
State of New Jersey  
Swinerton Builders  
Turner Construction  
UBS Securities  
United Kingdom  
US Green Building Council  
US Treasury Department  
Vancity Bank  
Wells Fargo Wachovia  
Wendel Rosen Black & Dean  
West Coast Green  
Wilson Renewable Energy  
Woodbridge Township, New Jersey  
World Green Building Council

## FACT SHEET SUSTAINABLE INVESTMENT INITIATIVE

The Capital Markets Partnership (CMP) is a nonprofit, nonpartisan coalition of investment banks, investors, governments, countries and NGOs created by Market Transformation to Sustainability (MTS), an IRC §501(c)(3) nonprofit.

CMP's launch in 2005 was led by California Treasurer Bill Lockyer and the investment banking group within Bank of America, and the Initiative's Launch August 18, 2009 was at the New York Stock Exchange. A primary CMP purpose is to provide a sustainable investment framework for the capital markets.

**Sustainable Investment Due Diligence.** To date, CMP's due diligence documenting increased sustainable investment value and reduced risk includes:

**Green Building Finance Summit.** In 2005, with the support of leading investment banks and after briefing the Rating Agencies, CMP conducted the Green Building Finance Summit in NYC. Financial institutions with over \$100B in real estate assets participated and concluded that green buildings are more valuable based on debt and equity sessions and case studies.

**Green Building Industry Value Rating System®.** With the participation of leading investment banks and at the suggestion of the Rating Agencies, CMP in 2006 published the *Rating System (v1.0 in 2006 / v2.0 in 2008)* as the foundation of its due diligence with investment banks and rating agencies, showing that green buildings are more valuable than conventional.

**Citi / CMP Recommendation to Standard & Poors (S&P) for Green Building Securities.** The *Rating System* was transmitted by CMP and key Partner Citi to S&P and leading capital market participants, documenting less risk and added value associated with green buildings.

**Investor Survey.** CMP met with S&P, reviewed the Rating System, and jointly decided to conduct an Investor Survey of sustainable investment products including for green buildings.

**Economic Stimulus & Climate Change Report.** In 2007, CMP published its peer reviewed report *Creating an Economic Stimulus and Stopping Climate Credit Risk / Irreversibility®.* Initiating and assisting with this report were the California Attorney General, California Energy Commission, and Steve Schneider, Ph.D, Stanford University and a leading member of the Intergovernmental Panel on Climate Change, winners of the 2007 Nobel Peace Prize. This Report calls for 2.8 million green buildings and 1.2 million certified sustainable manufactured products by 2015 to stimulate the economy and stop imminent irreversible dangerous climate change.

**US Conference of Mayors (USCM) Support.** On June 24, 2008, USCM adopted a Resolution of Support for CMP's Sustainable Investment Initiative, recognizing the urgent need for the capital markets to generate sustainable investment products stimulating the economy and stopping imminent irreversible

*Acting Now for a Safe and Prosperous Tomorrow*

dangerous climate change. The Resolution was Sponsored by San Francisco Mayor Gavin Newsom, Chicago Mayor Richard Daley, San Jose Mayor Chuck Reed, and Miami Mayor and USCM President Manny Diaz.

**National Consensus Green Building Underwriting Standards® 2.1.** In June and July 2008, JPMorgan Chase launched CMP's national consensus *Green Building Underwriting Standards®*. The Standards were unanimously approved on September 2, 2008 through a consensus Ballot Vote, amended on September 4, 2009 and May 5, 2010, and are being distributed by the American National Standards Institute (ANSI), *Green Real Estate News*, and *Building Energy Performance News*.

The Standards were market tested by JPMorgan, CBRE, Jones Lang LaSalle, Comerica Bank, and Transwestern. Standards Education was launched in 2009 at Wells Fargo Wachovia in NYC and is being conducted at the Federal Reserve Regional Offices with Home Depot, Federal Home Loan Banks, State Banking Associations, and with Urban Land Institute and US Green Building Council Chapters.

The Underwriting Standards provide a *CMP Green Value Score®* for all properties and portfolios that better enables investors to fulfill fiduciary responsibilities, improve real estate industry underwriting, and make appropriate risk-adjusted decisions. The Standards measure increased cash flow and reduced expenses for commercial properties and increased value and reduced expenses for homes.

**Capital Markets Briefing Paper: Business Case for Commercializing Sustainable Investment®.** Through grants by the Energy Foundation, Bank of America Foundation, JPMorgan, other leading foundations for green affordable housing, and Federal Home Loan Bank, CMP released the peer-reviewed Briefing Paper for top management at its New York Stock Exchange Press Conference, August 18, 2009. The Paper contains the supporting due diligence documentation referenced in this fact sheet and concludes that green buildings and certified sustainable manufactured products are more profitable, less risky, and preferred by investors, and contains national statistically valid data for over 13,000 properties showing green buildings have top of the market rents, highest occupancy and valuation.

The Paper includes the Investor Survey initiated with S&P covering over \$3.3 trillion in assets with investors stating, without exception, that they would purchase sustainable investment products, and was released at the NYSE with support by leading investment banks, governments, and environmental groups including the Sierra Club and National Wildlife Federation (NWF).

**Green Building Financing & Sustainable Investment Products.** With a number of investors, CMP announced at its NYSE Press Conference, new green building investment products including cheaper cost of capital, new market tax credits, asset backed securities, and equity funds, new certified organic product investment, and investment in publicly traded energy efficiency products.

The Congressional Joint Economic Committee announced at CMP's NYSE Press Conference its support for this due diligence and Green Building Securities.

**Green Building Securities (GBS).** With CMP leading financial institution Partners, CMP is developing Green Building Security Pilots as announced at its NYSE Press Conference. GBS are bonds backed by 100% green building mortgages with transparent Underwriting *Green Value Scores* uniquely complying with green building financing requirements of the Federal Housing Finance Agency, Office of the Comptroller of the Currency, Federal Trade Commission and Attorneys General. The rating agencies have been briefed and agree on a pathway for higher ratings by aligning *Green Value Scores* with their 13 economic factors for real estate securities. At the direction of Assistant Treasury Secretary Mary Miller and Fed Chairman Ben Bernanke, CMP's due diligence was reviewed by Treasury and the Fed and Treasury concurred with the findings.

**Sustainable Manufacturing Underwriting Standard.** CMP approved on February 4, 2011 its National Consensus Standard / *Green Value Scores* for cheaper cost of capital, better financial treatment, and Green Convertible Securities for manufacturers and retailers showing increased profits and share value. Leading this activity are Fireman's Fund Allianz, UBS, National Wildlife Federation, McGraw-Hill, Greenhouse Gas Roundtable, Manomet Natural Capital Center, Ecovert, Hoboken Brownstone & Knoll.

MTS / CMP is an American National Standards Institute Accredited and Audited Consensus Standards Developer. Consensus standards are required by the capital markets to reduce risk and uncertainty. *CMP welcomes the engagement of interested parties.*