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EKO and Wolfensohn join forces to launch Encourage Capital

New alternative asset manager will partner with family offices, foundations, and others to mobilize capital for solutions to critical social and environmental problems

New York, NY, March 20, 2015 – In a move that highlights the growing interest in values-aligned investments, EKO Asset Management Partners (“EKO”) and Wolfensohn Fund Management, L.P. (“WFM”) announced today their merger to form Encourage Capital.

Encourage Capital is an asset management firm focused on profitable and strategic investments to solve critical social and environmental problems. The firm said today that it will build communities of family offices, foundations and other key stakeholders to address some of the world’s most challenging issues while seeking to generate compelling investment returns and social and environmental impacts for its investors.

The combined firm has raised more than \$250M for its current funds and holding company from investors including the blue moon fund, BP, Ben Goldsmith, KL Felicitas Foundation, David and Lucile Packard Foundation, Sant Foundation and the Wolfensohn family.

Already, Encourage is working with major family offices, foundations and non-profits on a number of investment strategies to address global challenges, including: restoring critical freshwater and ocean ecosystems; financing solutions to climate change; and extending critical financial services to more of the world’s poor.

Specifically, the firm’s current strategic initiatives include:

- Restoring global fisheries - in partnership with non-profits Oceana and Rare with funding from Bloomberg Philanthropies and the Rockefeller Foundation;
- Providing critical financial services to the poor in emerging markets - building on the successful private equity investment strategy of Wolfensohn Fund Management’s first fund;
- Building new and rebuilding old infrastructure in ways that are more green and less gray - in partnership with global engineering firm CH2M HILL and not-for-profits including The Nature Conservancy and its NatureVest group;
- Mitigating climate change - through EKO’s Green Carbon Fund and the renewable energy investments of Wolfensohn Fund Management; and
- Reviving key freshwater river systems - in partnership with law firm Squire Patton Boggs with funding from a large family foundation.

Encourage Capital intends to announce additional solutions investment strategies in the coming months, including a collaborative around sustainable agriculture and food systems.

Adam Wolfensohn, the Chairman and Co-Managing Partner of Encourage Capital, said, “Every day, we see new evidence that asset owners are seeking to more deeply align their investment portfolios with their values. Boundaries are crumbling between the profit-seeking and programmatic as foundations and family offices seek to utilize ever greater proportions of their capital to generate both financial returns and social and environmental impact.”

“With Encourage Capital we are designing an asset management firm for the next century,” says Ricardo Bayon, a co-founder of Encourage and the new firm’s Chief Impact and Innovation Officer. “If there is one thing we’ve learned, it is that you can not solve systemic problems without systemic solutions, and it is only through the effective and deliberate coordination of investment capital, philanthropic capital and policy analysis that we will address the really big issues our planet faces. Financial markets are one of the most powerful tools ever invented by humans. We believe they can be harnessed to invest in our planet’s future.”

Jason Scott, the Co-Managing Partner of the firm said, “Investing in market-leading companies and projects within a solutions framework can provide compelling financial returns while making meaningful progress against the world’s social and environmental challenges. Governments and philanthropy alone will not solve these issues. Mobilizing significant private capital by developing investment strategies that offer the opportunity for appropriate risk-adjusted returns will be at the core of what we do.”

“The development of a firm like this is long overdue,” said sustainability investor Ben Goldsmith, a founding investor of EKO and long-time collaborator with Wolfensohn Fund Management. “Encourage Capital represents a unique partnership of disciplined investors and creative problem-solvers building a firm that is about using the power of capital markets to find solutions to seemingly intractable problems. I share with Encourage the belief that it is critical to mobilize significant private capital to address the ecological and social challenges of the 21st Century, and that such solutions represent a unique and compelling investment opportunity.”

Recent market research from a variety of sources demonstrates the size and growth potential of markets related to Encourage Capital’s mission. Most recently, EKO released a report with The Nature Conservancy’s NatureVest and JPMorgan Chase, funded by the David and Lucile Packard Foundation and the Gordon and Betty Moore Foundation which showed that \$23.4 billion was invested into environmental conservation from 2009-2013, with private investment growing at 26% annually. In 2013, the World Economic Forum estimated the impact investing market at almost \$40 billion. Broader multi-hundred billion dollar markets related to Encourage’s mission include renewable energy, sustainable seafood and sustainable agriculture and food systems.

Encourage Capital’s leadership also said today that it would retain all current employees of both WFM and EKO, with plans to add additional staff and aggressively pursue new investment and thought leadership opportunities.

About EKO

EKO is an investment management and advisory firm that develops and implements innovative approaches to financing conservation and environmental sustainability. The firm was founded by professionals with extensive experience in finance, banking, asset management, and environmental conservation. The firm manages investment vehicles to deploy capital into environmental assets to provide financial returns.

About WFM

Wolfensohn Fund Management, L.P. (“WFM”) is an emerging markets focused and impact oriented private equity firm. WFM’s flagship fund is focused on financial services and sustainable investments. Since its inception in 2008, the firm has invested in a range of businesses including banking institutions, stock exchanges, asset managers, microfinance and other businesses providing inclusive financial services in India, Brazil and Eastern Europe. Individual investments have ranged from \$5 million to over \$30 million. Founded by James D. Wolfensohn, WFM’s senior investment team includes former top executives of the World Bank, IFC and commercial Private Equity platforms with a long track record of success in emerging markets.

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