



NEW YORK CITY INVESTMENT FUND

A Partnership for New York City Organization

OBJECTIVES

The New York City Investment Fund is a private fund with a civic mission.

The Fund’s objectives are to invest in ventures that:

- Benefit New York City and its communities in all five boroughs
- Generate jobs and promote entrepreneurial activity
- Engage New York City business leaders across all sectors of the city’s economy
- Benefit from the strategic assistance of the Fund’s network

OVERVIEW

A Network of Top Experts

The Fund is the vision of its Founding Chairman, Henry R. Kravis, founding partner of Kohlberg Kravis Roberts & Co. He established the Fund in 1996 to mobilize the city’s financial and business leaders to help build a stronger and more diversified local economy. To that end, the Fund has built a network of top experts from the investment and corporate communities who help identify investment opportunities and support New York City’s most promising entrepreneurs in both the for-profit and not-for-profit sectors.

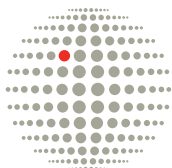
An “Evergreen” Fund

To date, the Fund has raised in excess of \$110 million and made more than 110 investments. It was initially capitalized by contributions of \$1 million each from 67 individual and corporate investors, who invested for the good of the city, without the expectation of financial returns. The Fund is an “evergreen” fund — realized gains are reinvested in other worthwhile projects. Maria Gotsch serves as President and CEO of the Fund.

The Fund is under the auspices of the non-profit Partnership for New York City, a business leadership organization. Kathryn Wylde serves as President and CEO of the Partnership for New York City.

ABOUT THE PARTNERSHIP FOR NEW YORK CITY

The Partnership for New York City (www.pfnyc.org) is the leading voice for New York City business. Its members include CEOs of the city’s top corporate, investment and entrepreneurial firms. Working with the public sector, the Partnership mobilizes the resources of business to address issues that are central to the city’s economy.



New York City Investment Fund

STRUCTURE

Fund investments are funded by three different capital sources:

- New York City Investment Fund, L.L.C., a limited liability company comprised of over 30 investors. Returns are reinvested in other worthwhile projects.
- New York Small Business Venture Funds I, II and III, certified capital companies that were organized to participate in a New York State program that provides tax credits to insurance companies that invest in small businesses, via certified capital companies (CAPCOs). These funds are targeted primarily at technology firms, businesses located outside of Manhattan and businesses located in Empire Zones (which include Lower Manhattan, and designated areas of Harlem, Washington Heights, Inwood and the South Bronx). Businesses that qualify for CAPCO funds must be headquartered in New York State (80% of employees located in New York State) and have fewer than 100 employees.
- New York City Partnership Foundation, Inc., a 501(c)(3) public charity that makes investments reflective of the Fund's mission with respect to social and community investments. Investments are restricted to eligible charitable activities, including educational, health care and economic development projects in blighted areas, or those sponsored by not-for-profit organizations. The Foundation also supports policy and research initiatives of the Partnership, as well as the David Rockefeller Fellows Program.

INVESTMENT CRITERIA

The key criterion for investment is that a venture is a viable business and will generate tangible benefits for New York City and its communities. The Fund is flexible in terms of how it structures its investments, which typically range in size from \$1 million to \$5 million in the form of debt, equity or a combination thereof. The Fund does not make grants; instead, it may provide below-market financing for projects that advance its mission, particularly those that contribute to the economic renewal of blighted areas and alleviation of poverty.

The Fund will invest in most industry sectors and at any stage of business development. It has a typical investment horizon of three to five years. Investments in early-stage technology companies will only be made alongside an experienced lead venture capital investor. When investing in a venture capital deal, returns are expected to equal those of other investors.

SECTOR GROUPS

The Fund engages senior business executives in the Fund's mission through industry focused sector groups. More than 200 top industry experts, drawn from the Fund's extensive investor network, volunteer their time and institutional resources to develop the Fund's investment strategies, conduct due diligence and monitor portfolio projects. Sector groups include: Cleantech; Health Care; Information Technology; Media & Communications; and Retail & Tourism.

NEW YORK CITY INVESTMENT FUND STAFF

Maria Gotsch
President & CEO

Jahan Ali
Senior Vice President

Lili Lynton
Senior Vice President

Anthony Giugliano
Chief Financial Officer

Peter Cohen
General Counsel

Mark Chou
Associate

Ryan Mattison
Associate

Alberta Torres
Portfolio Manager

NEW YORK BIOSCIENCE INITIATIVE

One of the goals of the Investment Fund is to focus on projects that may not translate immediately into jobs or other private sector activity, but may result in longer-term benefits to the city's economy. The Investment Fund has partnered with a consortium of the city's top research institutions, business leaders and senior government officials to develop a major bioscience industry cluster in the metropolitan region (www.nycbiotech.com). The first phase of the Alexandria Center for Life Science®-NYC (formerly known as the East River Science Park) opened in Fall 2010 with ImClone Systems as its anchor tenant. The office park, which is located on 29th Street and First Avenue in Manhattan, will provide approximately 1 million square feet of lab and office space when completed.

As part of a \$25 million commitment to build a commercial bioscience industry, the Fund has launched a Lab Space Loan Fund that will provide up to \$15 million of low cost loans to companies that move into ERSP. The Lab Space Loan Fund is targeted at early and mid-stage bioscience companies that need assistance with the cost of building out their lab space.

SPECIAL PURPOSE PROGRAMS

In response to other targeted needs that have arisen in the city, the Fund has created special purpose programs to address those needs. For example:

- Arts Entrepreneurial Loan Fund — in partnership with the New York State Council on the Arts, a State agency, \$2 million in low interest loans were provided in 2007 to eight nonprofit arts/ cultural groups in support of entrepreneurial and infrastructure projects.
- Financial Recovery Fund — \$11 million was raised to provide 88 recoverable grants to small businesses in Lower Manhattan that suffered damage following the events of September 11, 2001.

CONTACT INFORMATION

The New York City Investment Fund welcomes investment proposals. Submissions may be full business plans or executive summaries that provide adequate information for an initial review. The Fund prefers that proposals be submitted by email. Submissions should be sent to proposals@nycif.org or to the attention of Maria Gotsch at the following address:

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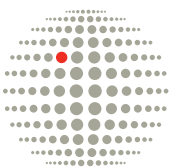
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PORTFOLIO COMPANIES
New York City Investment Fund

PORTFOLIO COMPANY	BUSINESS	FUND RELATIONSHIP
3rd Ward	A 30,000 SF co-working space located in East Williamsburg, Brooklyn that provides shared fabrication facilities, offices, exhibition/event space and classes for artists, small businesses and individuals.	Pauline Brown (NEO Capital), Lowell Robinson, Brian Tolman (Studios Architecture)
7thOnline	Web-based merchandise solutions for the apparel, footwear, and accessories industries	
American Bank Note Building	Redevelopment of a 405,000 SF facility located in the South Bronx that is targeting the not-for-profit and for-profit creative, education and health care sectors	Taconic Investment Partners, Denham Wolf
BioAccelerate NYC Prize	Funding for proof-of-concept research at NYC-based non-profit research institutions and universities that is near commercialization and is related to therapeutics, devices, and diagnostics that can direct clinical care	Howard Fillit (Alzheimer's Drug Discovery Foundation), Geoffrey Smith (Ascent Biomedical Ventures)
C3i	Provides Customer Relationship Management services primarily for the pharmaceutical industry	Palisade Capital, Enhanced Capital
East River Science Park (ERSP) Lab Space Loan Fund	NYCIF is providing up to \$15 million of low-cost loans to assist early and mid-stage bioscience companies with building out lab space at ERSP	Alexandria Real Estate Equities, Inc.
EnergyHub	Brooklyn-based developer of home energy management solutions (software and hardware) for consumers and utilities	.406 Ventures and Physic Ventures
Freelancers Union	Brooklyn-based provider of affordable health insurance and other benefits for freelance workers	Ford Foundation, NYS Health Foundation, Prudential
Grameen America	A non-profit microfinance organization that provides business loans, savings programs and other financial services to entrepreneurs living below the poverty line.	Mark Aaron (Tiffany & Co.), Marianne Brown (Omgeo), Terri Ludwig (Enterprise Community Partners), Jim Wohn (Capital One Bank)
Harlem Lanes	Harlem-based bowling and entertainment complex founded by two African-American women. In addition to bowling lanes, the facility offers a mini arcade, cafe, sports bar, and party room	Jeffrey Gural (Newmark Knight Frank)
Hot Bread Kitchen	A non-profit commercial bakery that trains low-income immigrant women for jobs in the culinary industry. The Company also operates the food incubator at La Marqueta in Harlem.	Pauline Brown, Brett Traussi (Dinex Corporation), Dan Leader (Bread Alone)
ImageSpan	Provides a Web-based service that automates licensing, tracking and royalty payments for all types of digital content including photos and videos	Bertelsmann Digital Media and Greycroft Partners

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PORTFOLIO COMPANY	BUSINESS	FUND RELATIONSHIP
Independence Care System	Non-profit managed care organization that provides home health care for homebound Medicaid/Medicare recipients with severe disabilities	Jeffrey Krauss (Psilos Group)
Intra-Cellular Therapies	Biopharmaceutical company focused on the development of drugs for schizophrenia, Parkinson's and Alzheimer's diseases, depression, and sleep disorders	Alafi Capital
NYCSeed	Seed investing initiative focused on early stage IT and digital media entrepreneurs based in NYC. Partnership with Polytechnic Institute of NYU and NY State	Josh Grotstein, Sunil Hirani
NYC Tech Connect	Series of programs targeted at creating more entrepreneurial activity in the "hard sciences"—biomed, materials, physical sciences.	NYC Council
Oasis Children's Services	Provides affordable summer programs for children within the New York Metro area, including low income neighborhoods such as Brownsville and East New York	Mahmoud Mamdani (Morgan Stanley)
OwnEnergy	Brooklyn-headquartered developer of mid-sized, locally owned wind farms	Contour Venture Partners
PIN Pharma	Biopharmaceutical company focused on developing cancer therapeutics	NGN Capital
QualityHealth	Web-based marketing services company targeting pharmaceutical and consumer packaged goods companies	Hudson Ventures
Scratch Music Group	A music and technology company which has built the leading national network of DJs for weddings, corporate events, retail and resort/hotel relationships.	Contour Venture Partners
Seaview Senior Living Corporation	Development of a 132-unit assisted living facility in central Staten Island by non-profit Metropolitan Council on Jewish poverty	Richard Donohue (Jones Lang LaSalle), Guy Metcalfe (Morgan Stanley), Lauren Silverman (Morgan Stanley)
Solar Energy Systems	Brooklyn-based renewable energy company that designs and installs solar electric or photovoltaic systems	Daniel Gross (Hudson Clean Energy), Andrew de Pass (Greentech Capital), Michael Molinar (Greentech Capital)
Trey Whitfield School	Non-profit private school (from nursery through 8th grade) located in East New York, Brooklyn, that created a new community facility to house an expanded school and after-school YMCA programs	Guy Metcalfe (Morgan Stanley)
TxVia	Manhattan-based technology company offering a payment processing solution for prepaid cards that is more flexible and scalable than current solutions and gives clients greater control over their card programs	Bain Capital Ventures
US Energy Group	Provides an affordable and comprehensive energy management solution for managers/owners of multi-family residential and commercial buildings	David Hartman (Siemens Corporation)
Vivaldi Biosciences	Biopharmaceutical company developing vaccines for the prevention of seasonal influenza and pandemic flu	Bay City Capital, NGN Capital