



**WHATIF-HBCUS SOCIAL IMPACT INNOVATION FUND**

**Brian T. Moynihan  
Chairman, President and CEO  
Bank of America Corporation  
Bank of America Corporate Center  
100 North Tryon Street  
Charlotte, NC 28255**

**March 27, 2018**

**Dear Mr. Moynihan,**

**The Wharton Alumni True Impact Fund (WHATIF) in collaboration with the Tougaloo College Research and Development Foundation (TCRDF) is leading the effort to raise a WHATIF-HBCUs Impact Innovation Fund. WHATIF is an organization led by Wharton alumni and formed to support ventures in the following impact sectors: Agriculture/Water, Renewable Energy, Urban Revitalization, Rural Infrastructure and Financial Inclusion.**

**WHATIF projects are backed by innovative technologies and differentiated business models. Additionally, WHATIF employs a "state-of-the-art" analytics platform to both support the efforts of our partners and measure the multi-dimensional "impact" of the WHATIF projects.**

**TCRDF supports the research and development mission of Tougaloo College and that of other Historically Black Colleges and Universities (HBCUs). The Research Foundation has formed and manages a consortium of HBCUs that is a brain trust for bolstering this important group of institutions in the USA.**

**Specifically, the innovation fund will support:**

- 1. The commercialization of partner HBCUs' current patents and IP Portfolio**
- 2. Enhance and leverage the HBCUs' ability to attract Department of Defense (DOD) and other federal contracts and grants**

**Key elements of the proposed fund include the following:**

- \$500 million Private Equity Fund with a 10-Year Life**
- Target IRR of 15%+ and 3X Cash Multiple**
- Sectors of Interest: Military; Aerospace; Transportation; Health Sciences; Homeland Security and Technology**
- The fund aims to source deals within the local community around participating HBCUs – this will lead to significant job creation**
- Lead investors are invited to serve on the investment advisory committee**
- \$5 Million to \$25 Million investment size per portfolio company**



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**Key elements of the proposed fund (cont'd):**

- **2% management fees and 20% carried interest above hurdle rate of 8% with clawback provision**
- **A minimum of 20% of carried interest fees will be invested back into the innovation ecosystem of partner HBCUs – this will enable the institutions to bolster their research capabilities on campus and attract leading innovators and scientists at the graduate schools**
- **A matching fund, contributed by donors and foundations, raising one dollar for every dollar of the 20% carried interest earmarked to support research at HBCUs**

**Attached is an insert that outlines the history, challenges and opportunities of the HBCUs in more detail.**

**We would appreciate the opportunity to meet with you, share our vision in person and hear your thoughts. In that regard, please expect a phone call to arrange a meeting. In the meantime, should you have questions or need additional information, please contact Steve Marks at [steve.marks@whatifcorp.com](mailto:steve.marks@whatifcorp.com) or 609-865-4764 or John Rosenthal at [researchdev@tougaloo.edu](mailto:researchdev@tougaloo.edu) or 703-624-2257.**

**Sincerely,**

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**Steve Marks  
Principal and Co-Manager, WHATIF Holdings  
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**John Rosenthal  
President, TCRDF  
500 West Country Line Road  
Tougaloo, Mississippi 39174**