The Rubicon Report Overview

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We are a self-funded, bipartisan, all-volunteer initiative comprised of members of last three administrations, investors, former top nat'l security officials/lawyers, and cross-aisle Hill staffers – all of whom are participating in personal capacities. Our aim is to galvanize the private sector and forward-thinking leaders to combat a new wave of emerging technology and security threats facing the U.S. and allies. The capital markets and business influence are the chief resources democracy possesses in the ideological battle with nation-state actors.

High-level Takeaways

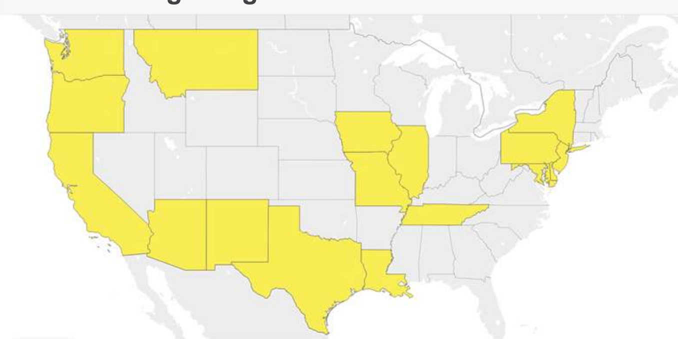
Primary areas of possible interest for external audiences:

- Public pension funds, the U.S. equivalent of sovereign wealth funds by other countries, have China-related investments. that are continuing to be made – and tied to 10-year cycles.
- U.S. university endowments invested in China-related funds, reaping benefits from startups with human rights violations.
- The complete report identifies both the investors and deals involving: (a) US-investors in China, often involving sensitive technologies, (b) US funds with Chinese limited partners.
- Highlighting two overlooked sectors with significant venture capital-China ties: the videogaming and fund-of-fund sectors.

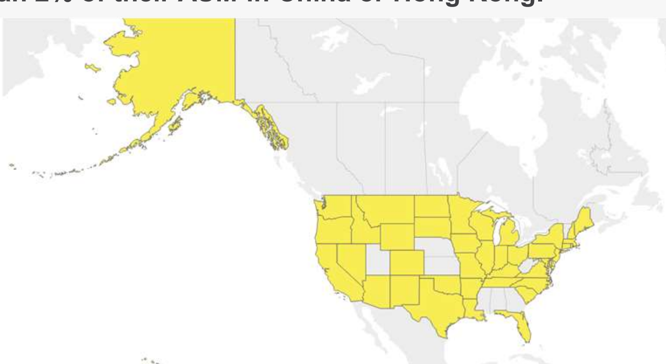
U.S. Public Pension Funds

FACT: Majority of largest U.S. Public Pensions invested in China-related funds, with 29 of the 74 largest making investments in the past 12-months (39%), and 56 making follow-up investments in the past 36-month, a staggering 75% renewal rate by pension portfolio managers entrusted to responsibly manage the wealth of U.S. pension-retirees. In the past 36-months alone $68 billion has been invested in China.

Map 2. States with at least one Public Pension investing in China or Hong Kong.



Map 3. States with at least one Pension investing more than 2% of their AUM in China or Hong Kong.



U.S. University Endowments

FACT: U.S. University Endowments, both private and public, trail only Pensions as the most significant capital allocators in alternative assets (private equity and venture capital).The most well-known universities endowments continue to invest in funds based in China and/or U.S. funds investing in China:

- The **University of Michigan**: $1.6 billion invested & 83 investments. Latest in last recent months.
- The **University of Texas**: $1.6 billion invested & 29 investments, with $419 million allocated in last 36-months.
- The **University of California**: $1.5 billion invested & 22 investments, with 54% allocated in latest 36-month period.

Map 1. States with at least one University Endowment investing in China or Hong Kong.

U.S. Nonprofits & Foundations

FACT: The U.S. tax code gives special privileges to encourage wealthy individuals and entities to maintain generous giving preferences and risk taking. Yet, these entities betray the public interest when they invest in a foe's innovation ecosystem, especially when those startups compete against our own. More than 620 commitments have been made to China-related venture capital and private equity funds. Select investors with Chinese private fund investments:

- **The Robert Wood Johnson Foundation** (11th largest), namesake and founder of Johnson & Johnson healthcare, made 55 total investments, though postponing new ones
- **MacArthur Foundation** (20th) and 41
- **Rockefeller Foundation** (30th) with 38
- **Carnegie Foundation** (42nd) with 30
- **Andrew W. Mellon Foundation** (21st) with 26
- **J. Getty Trust** (23rd) with 24

Venture Capital & Private Equity Funds

The recipients of the Institutional Investors' capital, the private equity and venture capital fund that invest directly in Chinese startups or technology companies, have a history of sacrificing the long-term U.S. tech superiority in favor of their own returns. It is not just capital that is transferred, each fund is fiduciarily obligated to assist the management team of every investment in all possible legal manners to maximize the probability of the most lucrative outcome for every investment. Fund connections:

- U.S. Funds with Chinese connections: Accel, BlueRun, DFJ, Sequoia, Kleiner Perkins, Lightspeed, Matrix, & Redpoint.
- Cross-border Funds: 3E Bio, ATV, BITKRAFT, Breyer, DCM, Galaxy, GGV, GL, GSR, Lilly Asia, Makers, OrbiMed, Qiming, Sinovation, TCV, Vertex, Vivo, & Walden Int'l.
- China-related Funds with U.S. limited partners: Hillhouse, Hony Capital, China Everbright, IDG Capital, & Zhen Fund.