



**CHARTER FUND PARTNERS WITH EDUCATION PHILANTHROPIST AND NETFLIX CEO REED HASTINGS
IN THE ACQUISITION OF DREAMBOX LEARNING**

***\$10 Million Investment in Adaptive Learning Technology Fuels Fund's "Hybrid" Strategy and
Gives Thousands of K-12 Students Access to Effective, Individualized Instruction***

BROOMFIELD, CO, April 20, 2010 -- The Charter Fund, Inc. (the "Fund") (www.chartergrowthfund.org), today announced it will acquire DreamBox Learning ("DreamBox") (www.dreambox.com) in partnership with Reed Hastings, renowned education philanthropist and Chief Executive Officer, President and Chairman of the Board of Netflix, Inc. Specific financial terms of the acquisition were not disclosed.

The Charter Fund invests philanthropic capital in the nation's highest-performing school operators to expand their impact on K-12 students. Over the past several years, the Fund has invested in over 20 organizations that operate many of the nation's highest performing schools. Moving forward, the Fund believes that more successful school models will emerge that incorporate adaptive learning technology to identify and address individual students' learning needs and to reduce the overall operating expense associated with a school. The Fund identifies and supports entrepreneurs who are advancing this type of "hybrid" school model as part of its overall investment strategy. The acquisition of DreamBox and a planned \$10 million add-on investment in the company will enable the Fund to advance its interest in leveraging innovative learning technology as a means to deliver effective, efficient instruction for K-12 students.

"As we scan the country for the highest-quality instructional models, we see great promise in a set of new school operators leveraging online, computer-based platforms in combination with talented teachers to deliver effective individualized instruction at a lower cost," said Kevin Hall, CEO of Charter Fund, Inc. "Our investment in DreamBox – one of the best such platforms we've seen – enables us to build expertise in this area, introduce adaptive learning technology to other entrepreneurs and extend best practice instruction beyond charter management organizations to thousands of kids around the country."

The Fund has invested in the development and growth of San Jose, CA-based Rocketship Education. Rocketship leverages an adaptive learning technology platform to deliver individualized instruction to each of its students, while significantly reducing overall classroom spending relative to traditional bricks-and-mortar models. Rocketship's first school has delivered tremendous results for its students, who are about 90% low-income and 70% English Language Learner students. In 2009, Rocketship's academic performance included a 926 on California's Academic Performance Index, which placed it among the top 10% of elementary schools in the entire state, regardless of income level. Rocketship uses DreamBox as an integral part of their learning model.

In partnership with Mr. Hastings, the Fund will work to expedite DreamBox's aggressive growth strategy to significantly increase its footprint in schools around the world with the development of new e-Learning content across a variety of core disciplines as well as ongoing technology advancements to the DreamBox Learning Platform.



"I have evaluated many companies in the K-12 e-Learning marketplace and DreamBox Learning clearly stood out. They have already shown strong results in a short period of time, and the DreamBox Learning Platform has the best underlying adaptive technology, giving every student the opportunity to thrive through innovative online learning," said Mr. Hastings. "My end goal of bringing DreamBox Learning and the Charter Fund together is to fuel the movement of e-Learning and help millions of students."

Since the Bellevue, Washington-based company's launch in April 2008, DreamBox Learning has released a series of effective online math products for the school and home environments, targeting young students in kindergarten through third grade. The products' patent pending "engine" constantly assesses each student's mathematical understanding, provides the most suitable hints and encouragement at the right pace for that child, and offers the next personally appropriate activities as subsequent choices. Teachers and parents are able to integrate DreamBox Learning products into the classroom and home to help reinforce foundational math concepts through effective, individualized instruction while kids embrace the experience as a fun and engaging adventure-style game.

The company's first product, DreamBox Learning K-2 Math, debuted in January 2009 and has since won more than 20 education and technology industry awards. In April 2009, at the prompting of teachers, DreamBox Learning released DreamBox Learning K-2 Math Classroom, a version designed exclusively for the school environment. Earlier this month, the company released the latest version, DreamBox Learning K-3 Math, which expanded the original K-2 content to include 3rd grade, delivering a total of more than 500 core lessons and unlimited variations based on the Focal Points set by the National Council of Teachers of Mathematics (NCTM).

Moving forward, Mr. Hastings will serve as DreamBox Learning Chairman of the Board. His executive role at Netflix will remain unchanged. Kevin Hall, CEO and President of Charter Fund, Inc. and John Danner, Co-Founder and CEO of Rocketship Education will also join the Board.

About Charter Fund, Inc. ("Charter School Growth Fund")

The Charter School Growth Fund is a social venture investment fund founded in 2005 to significantly increase the capacity of proven education entrepreneurs to serve more children. By providing financial resources and strategic expertise, the Charter School Growth Fund enables some of the nation's most innovative entrepreneurs to build scalable, self-sufficient schooling organizations that provide quality educational options to thousands of underserved families in diverse communities. More information can be found at www.chartergrowthfund.org.

About DreamBox Learning

DreamBox Learning was founded in 2006 in Bellevue, Washington and acquired in April 2010 by the Charter Fund. The company launched a Web-based platform and its first adventure-themed online learning product called DreamBox Learning K-2 Math in January 2009, followed by the DreamBox Math Classroom in April 2009 and DreamBox Learning K-3 Math in April 2010. The products target young students in kindergarten through third grade and are designed to reinforce and teach real math through effective, individualized instruction in an engaging and fun manner. DreamBox Learning K-3 Math is based on NCTM Focal Points, reflecting lessons taught in the classroom. More information can be found at www.dreambox.com.

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