



PORTLAND GLOBAL SUSTAINABLE EVERGREEN FUND



PORTLAND
INVESTMENT COUNSEL

OWNERS. OPERATORS. AND INVESTORS.

(as at January 31, 2019)

Performance (as at January 31, 2019)	1 Month	3 Months	6 Months	1 Year	3 year*	Since Inception*
Portland Global Sustainable Evergreen Fund - Series A	0.1%	0.2%	0.4%	-	-	0.5%
Portland Global Sustainable Evergreen Fund - Series F	0.2%	0.5%	1.0%	-	-	1.5%

INVESTMENT OBJECTIVE

- The investment objective of Portland Global Sustainable Evergreen Fund (the "Fund") is to preserve capital and provide above average long-term returns.
- The strategy intends to be focused on investments initially in the following:
 - Private equities believed to be in sustainable systems including farmland.
 - Private equities in renewable energy and energy efficiency.
 - Other equity or debt securities, a portion of which may have provisions resulting in equity ownership of the issuer of the debt or the underlying asset if certain events occur.

HOW THE FUND IS MANAGED

- The Fund initially intends to invest in:
 - B units of Global Energy Efficiency and Renewable Energy Fund NeXt ("GEEREF NeXt"), advised by the European Investment Fund ("EIF") and sub-advised by the European Investment Bank ("EIB").
 - Bonnefield Canadian Farmland Evergreen LP, advised by Bonnefield Financial Inc. ("Bonnefield").
 - Complementary public securities, preferred shares and debt securities and investment funds, exchange traded funds and mutual funds which may or may not be managed by the Manager.
- The Fund may borrow up to 20% of the total assets after giving effect to the borrowing.

KEY REASONS TO INVEST

- Doing well and doing good - this element forms part of the investment decisions that the Manager makes and will make in the Fund.
- Selecting Specialty Investment Managers with track records and a focus on:
 - Attractive risk adjusted returns and sustainable processes, in particular.
 - Targeting ~10% returns per annum.
 - Sustainable Development Goals recognized by domestic and international groups like the United Nations.
- Sustainable investing comprises investment strategies that integrate environmental, social, and governance ("ESG") practices into investment decisions when assessing risk and opportunities within a portfolio.

FUND FACTS

Initial Valuation Date	February 28, 2018
Fund Type	Private Equity
Risk Rating	Medium
Legal Type	Unit Trust
Eligible for Registered Plans	Yes
Eligible for PAC Plans	Yes
Purchases	Monthly Available for Canadian residents only
Notice Period For Redemptions	60 days (subject to Redemption Lock-Up period)
Redemption Fee	0 - 24 months - 5.0% 25 - 60 months - 2.5%
Manager	Portland Investment Counsel Inc.
Specialty Investment Managers	European Investment Bank Bonnefield Financial Inc.
Administrator	CIBC Mellon Global Securities Services Company
Prime Broker	RBC Dominion Securities Inc.
Custodian	CIBC Mellon Trust Company

CLASS	A	F**
Net asset value per unit (CAD\$)	\$25.0605	\$25.2958
Min. initial investment, accredited investor ¹	\$5,000	\$5,000
Min. Initial Investment, non-accredited investor	\$150,000	\$150,000
Min. subsequent investment ²	\$500	\$500
Management fee	1.75%	0.75%

Please see the Offering Memorandum for fees and specific details on the offering.

FUNDSERV CODES	A	F**
Portland Global Sustainable Evergreen Fund Subscription Code	PTL506	PTL515
Portland Global Sustainable Evergreen Fund	PTL508	PTL518



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GEEREF NeXt

- A private equity and infrastructure fund of funds, investing in regional funds, providing equity or quasi equity primarily for energy efficiency and renewable energy projects in developing countries and economies in transition.
 - CO-INVEST with the EU with downside protected by public sector capital with a 10% per annum preferred return mechanism for B unitholders.
 - Provides ACCESS to specialized infrastructure funds/geographies exposed to high growth.
 - Provide access to renewable and affordable energy to underserved communities in emerging nations.
 - Institutional quality oversight and governance by the EIB and EIF.

BONNEFIELD CANADIAN FARMLAND EVERGREEN LP

- Investments in high-quality “core” farmland primarily through non-leveraged sale-leasebacks with progressive farmers primarily in Saskatchewan and Manitoba.
 - ACCESS to a diversified portfolio of high-quality crop-growing farmland across Canada’s farming regions with differing agricultural characteristics and crops via multiple tenants.
 - Bonnefield received an “A” rating from the United Nations-supported Principles for Responsible Investment whose goal is to incorporating ESG issues and support those who incorporate these issues into their investment decision making and ownership practices.
 - Targeting ~ 8% – 12% return per annum.
 - Oversight through the Standards of Care program, a leading set of industry best practices in the Canadian agricultural sector.
 - Similar attributes to a real return bond, by way of providing a hedge against inflation and global water shortage given Canada’s abundance of water

Potential Risks

While the Manager, EIF and EIB and Bonnefield exercise due diligence throughout the investing process, no guarantees can be given to offset a risk of loss and investors should consult with their Financial Advisor prior to investing in the Fund. The Manager believes that given the character of the private investments that are making up the majority of the Fund’s holdings, the Fund has less exposure to the market risk than a similar fund invested in publicly listed securities. The Manager believes the following risks are key to the Fund’s performance: failure to meet commitments, risks related to the private portfolio investments, agriculture industry risk, equity risk, general economic and market conditions, liquidity risk and marketability and transferability of units risk. Please read the “Risk Factors” section in the Offering Memorandum for a more detailed description of all the relevant risks.

FUND COMMENTARY (as at December 31, 2018)

For the period February 28, 2018 to December 31, 2018, the Fund’s Series F Units had a return of 1.3%.

Once the Fund has achieved mutual fund trust status the intention is to invest all, or substantially all of its net assets in Portland Global Sustainable Evergreen LP (the “Partnership”), pending which the Fund’s and a portion of the Partnership assets are being invested in short term investments offered by large banks.

The Partnership has initiated its investment strategy by investing in Portland Global Energy Efficiency and Renewable Energy Fund LP (“Portland GEEREF LP”). Looking ahead, the Partnership intends to increase its investment in Portland GEEREF LP, and/or initiate investing in GEEREF NeXt and then Bonnefield Canadian Farmland Evergreen LP during 2019.

RECENT DEVELOPMENTS

During the period equity investors faced the volatile realities of a shift from quantitative easing (i.e. bond purchasing) and very low interest rates coupled with the backdrop of global trade tensions, political unrest and further uncertainties as a result of the Brexit saga. In fact, as the majority of developed economies are yet to adopt meaningful pro-growth measures; rising U.S. interest rates, the Federal Reserve shrinking its balance sheet and the European Central Bank ending its bond buying program have stirred worries over a new era of ‘quantitative tightening’ that is also rattling markets.

Signs of a late-cycle economy and unresolved Chinese-U.S. trade tension does not mean a recession lurks around the corner. However, the U.S. Treasury Yield curve, reflecting the difference between 2-year and 10-year Treasury yields has flattened to levels not seen in a decade. A negative yield is ordinarily an indicator of a recession. Global activity appears to be still expanding alongside company earnings whereas the recent lower/repricing in equities reflects an anticipated slower pace of growth and margin compression for companies from higher interest rates and wages.

Bond markets face rising rates for the first time in some four decades, which is already creating significant asset reallocations and liquidity issues leading to increased periods of volatility. While increased volatility may be unsettling, it is to be expected as rates rise and Central Banks wean their countries off support mechanisms and towards more normal rates and markets. Also as the U.S. proceeds towards trade ‘wars’ rather than an infrastructure agenda and the U.K.’s ‘Brexit’ negotiations with the E.U. remain protracted there is plenty of scope for turmoil. And markets remind us from time to time that they can veer from complacency to panic over a week-end.

A distinguishing feature of the Fund is sustainable investing, and holding a few private investments. Portland Investment Counsel Inc. has long held that the key to wealth creation is owning a few high quality businesses. We increasingly believe a pivot towards ‘value’ rather than ‘growth’ criteria is likely to predominate as investors seek businesses that are priced reasonably, particularly in a reflationary environment. Overall, we believe that the Fund is currently well positioned to meet its investment objective for the medium to long-term.

Once we have received sufficient investor subscriptions, we are excited at the prospects for the Fund to then be able to invest



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in the Partnership to achieve attractive returns, which by the nature of the underlying investments are expected to hold little correlation to the publicly traded markets. Overall, we believe that the Trust and Partnership will be well positioned to meet their investment objectives for the medium to long-term.

 **Portland Investment Counsel Inc.**

 **portlandinvestmentcounsel**

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* Annualized. Series A inception date is March 29, 2018. Series F inception date is February 28, 2018.

**Generally only available through dealers who have entered into a Portland Series F Dealer Agreement

1. Accredited Investors as defined under National Instrument 45-106.

2. For investors who are not Accredited Investors, the additional investment must be in an amount that is not less than \$500 if the investor initially acquired Units for an acquisition cost of not less than \$150,000 and, at the time of the additional investment, the Units then held by the investor have an acquisition cost or a net asset value equal to at least \$150,000, or another exemption is available.

Commission, trailing commissions, management fee and expenses may be associated with investments. Products are not guaranteed, their values change frequently and past performance may not be repeated. The Portland Global Sustainable Evergreen Fund (the "Fund") being discussed is not publicly offered. The Fund is only available under prospectus exemptions and other exemptions available to investors who meet certain eligibility or minimum purchase requirements. Currently these exemptions include the accredited investor exemption and the \$150,000 minimum purchase exemption for non-individual investors. The offering of Units of the Fund is made pursuant to an Offering Memorandum and the information contained herein is a summary only and is qualified by the more detailed information in the Offering Memorandum. Please read the offering documents before investing. Any reference to a company is for illustrative purposes only; it is not a recommendation to buy or sell nor is it necessarily an indication of how the Fund is invested.

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Portland Investment Counsel Inc., 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7 • Tel: 1-888-710-4242 • Fax: 1-866-722-4242 • www.portlandic.com • info@portlandic.com