



Portland Investment Counsel®

Buy. Hold. And Prosper.®

Financial Statements  
(Expressed in Canadian dollars)

# **PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP**

And Notice to Reader Communication thereon

Year ended December 31, 2020  
(Unaudited)

PORTFOLIO  
MANAGEMENT TEAM

Christopher Wain-Lowe, BA, MBA  
Chief Investment Officer, Executive Vice President and Portfolio Manager

## OVERVIEW

The investment objectives of Portland Global Energy Efficiency and Renewable Energy Fund LP (the “Partnership” or “Portland GEEREF LP”) are to provide income and above average long-term returns by investing primarily in the B units of Global Energy Efficiency and Renewable Energy Fund (“GEEREF”), advised by the European Investment Fund (“EIF”) and sub-advised by the European Investment Bank (“EIB”).

### To achieve the investment objectives:

The Partnership intends primarily to invest in the B units of GEEREF, a private equity and infrastructure fund of funds, investing in Regional Funds (as defined in the offering memorandum), providing equity or quasi equity primarily for energy efficiency and renewable energy projects in developing countries and economies in transition. The B units feature a preferred return mechanism and faster return of capital over the A shares currently held by public sponsors: Germany, Norway, and the EIF (on behalf of the European Commission representing the European Union).

When the Partnership subscribed for the B units of GEEREF, it was required to commit to investing a fixed amount of capital to GEEREF over time. The Partnership committed to invest €14,250,000. Pending the full investment of the Partnership’s commitments, and at any time deemed appropriate by Christopher Wain-Lowe as lead portfolio manager of the Partnership, the Partnership may invest in a variety of other investments, including income producing private and public debt and equity securities, either directly or indirectly through other funds. Portland Investment Counsel Inc. (the “Manager”) may hedge part or all of the Partnership’s non-Canadian dollar exposure back to the Canadian dollar from time to time.



*The above picture is of the Dam Nai wind project financed by Armstrong Asset Management in Vietnam which was Vietnam's first foreign-owned wind project*

### Triple P Strategy

GEEREF’s investments aim to bring equal benefits for a triple bottom line:



#### Planet

GEEREF seeks to fight climate change and contribute to a sustainable environment



#### People

GEEREF seeks to provide access to sustainable energy and increase energy efficiency in developing countries and economies in transition



#### Profit

GEEREF seeks to achieve robust financial returns.

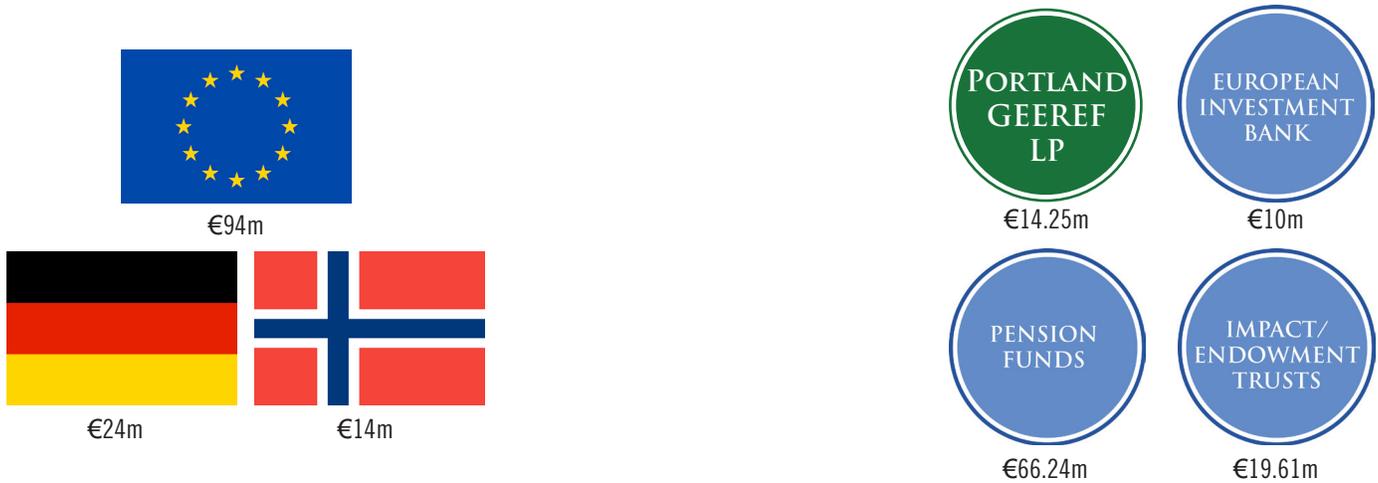
GEEREF invests exclusively in Regional Funds targeting projects in emerging markets that qualify as recipients for Official Development Assistance. There are currently 142 countries recognized as such by the Organisation for Economic Co-operation and Development and GEEREF’s Regional Funds can target all of these other than candidates for accession to the European Union. Hence, priority is given to investment in countries with appropriate policies and regulatory frameworks on energy efficiency and renewable energy.

GEEREF invests in specialist funds developing small to medium-sized projects in the following sectors:

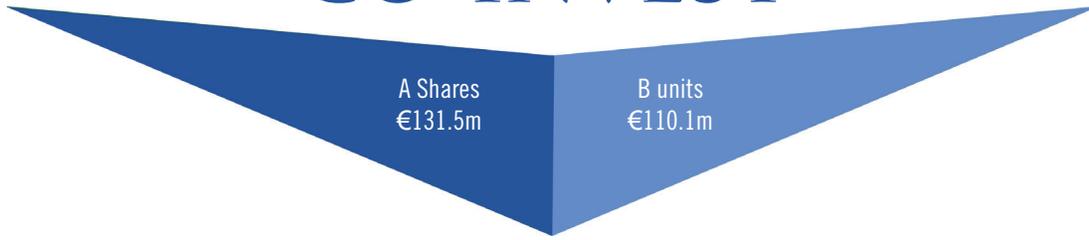
- Renewable Energy – including small hydro, solar, wind, biomass and geothermal; and
- Energy Efficiency – including waste heat recovery, energy management in buildings, co-generation of heat and power, energy storage and smart grids.

GEEREF Regional Funds typically work with experienced local developers with a pipeline of projects seeking investment pre-construction. GEEREF engages with funds early in their development and seeks to enhance strategy, team capability and structure, being often the first cornerstone investor in a fund. Underpinning GEEREF’s investment strategy is a fundamental commitment to financial, environmental and social sustainability, principles which are mutually reinforcing. GEEREF Regional Funds typically have: strong technical and private equity transaction skills; a regional focus, an established local presence and networks to generate deal-flow; and an overall size of between €50 million and €200 million.

PORTLAND GEEREF LP: CO-INVESTING WITH SOVEREIGN STATES AND PENSION FUNDS



CO-INVEST



OPIC

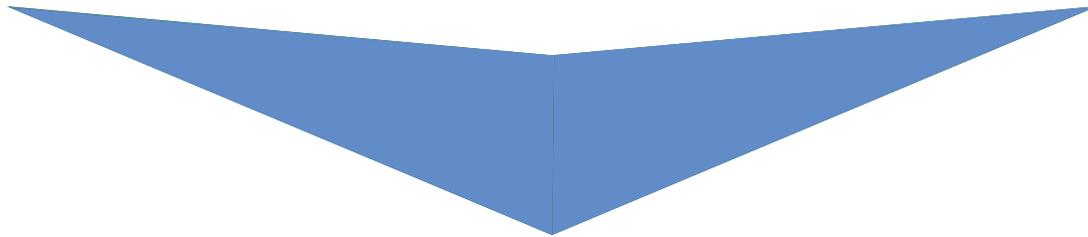
Norfund

GEEREF  
Global Energy Efficiency and Renewable Energy Fund

IFC  
International Finance Corporation  
World Bank Group

OTHER DEVELOPMENT AGENCIES

CO-INVEST



INSPIRED EVOLUTION  
Investment Management

BERKELEY ENERGY

FRONTIER  
Investment Management

MSEF  
MGM SUSTAINABLE ENERGY FUND

MSEF II  
MGM SUSTAINABLE ENERGY FUND II

SolarArise

SGI

AREF  
AFRICA RENEWABLE ENERGY FUND

ARMSTRONG  
ASSET MANAGEMENT

CATALYST  
Private Equity

REAF  
RENEWABLE ENERGY ASIA FUND

REAF II  
RENEWABLE ENERGY ASIA FUND II

ARCH  
EMERGING MARKETS PARTNERS LTD.

cerberus

EMERGING ENERGY & ENVIRONMENT

## FINANCIAL HIGHLIGHTS (as at December 31, 2020)

The Partnership's one-year return as of December 31, 2020 was 9.0% for Series A and 10.7% for Series F units. The Partnership has delivered annualized and cumulative returns since inception on October 31, 2014 of 5.7% and 49.2% for Series A and 6.6% and 58.4% for Series F units, respectively. The Partnership's net asset value per unit as of December 31, 2020 was \$65.23 for Series A and \$68.38 for Series F units.

During the period from December 17, 2013 to May 17, 2015, the Partnership made five commitments to invest a total of €14,250,000 in B Units of GEEREF. The Partnership fulfilled a requirement to meet its capital calls and so currently has contributed €13,654,966 representing 96% of its commitment.

GEEREF closed its offer of B units on May 31, 2015 having originally intended to close by November 5, 2013. A consequence of this delay was the extension to accept more subscriptions into this Partnership until November 30, 2017 and the deferral to pay distributions until the month ended December 2017.

The Partnership had received seven distributions from GEEREF by December 2020 and GEEREF has already returned 28% of committed capital and has yet to draw down the residual 4% of the capital the Partnership committed to it.



The Partnership's quarterly distribution payments of \$0.600 per unit for Series A and \$0.675 per unit for Series F continued throughout 2020. Our intention is to continue to pay, but we will review the Partnership's distribution payments quarterly recognizing that changes may occur due to the performance, return of capital, and distributions received from its underlying investment in GEEREF. As at December 31, 2020, the distribution payments on Series O units have been waived until further notice.

The distributions received to date from GEEREF are effectively a return of the capital we initially invested in GEEREF. In return, these receipts from GEEREF represent most of the cash the Partnership is paying as quarterly distributions to investors. The Partnership, via its quarterly distributions, has to date returned \$8.80 to Series A unitholders and \$9.90 to Series F unitholders.

The Partnership comprises about 85.4% GEEREF; 9.7% Newlook; 1.9% ITM AG Investment Trust and the remaining 3.0% in Portland Private Income Fund Preferred Units, cash and working capital.

## RECENT DEVELOPMENTS AND OUTLOOK (as at December 31, 2020)

As the Manager, we have been closely monitoring developments related to COVID-19. As an investor in the Partnership, we want take this opportunity to assure we have taken measures to protect the health and safety of our employees, and to update on how we, the EIB's GEEREF team and the underlying fund managers and portfolio companies are minimizing the impact on the Partnership's businesses.

We understand from among the Partnership's portfolio of companies that they are prepared with essential materials, including business continuity/action plans that address potential coronavirus situations.

Across our operating renewable power portfolio, the impact of the virus to date has been limited, as renewable power is typically dispatched in priority and, with power demand largely driven by industrial activity, the bulk of our renewable assets are relatively more defensive. Solar installations have experienced delays due to supply chain issues, as most of the modules are being sourced from China. However, this disruption appears to be largely resolved.

The GEEREF team do advise seeing some implications mostly around the pace of divesting fully operating units, which is likely to slow in order to preserve attractive exit pricing. This may impact our ability to maintain the current rate of distribution should such delays extend further into 2021 and beyond.

While some underlying fund managers believe COVID-19 will bring some interesting investment opportunities others are more cautiously pointing out that should the economic lock-down continue, more severe impacts are to be expected. To prepare for this, underlying fund managers have been seeking ways to conserve cash. We believe the area most impacted have been the energy efficiency component as a number of its projects (e.g. air conditioners) have been installed at hotels and shopping malls across Latin America and the Caribbean. Due to the extensive impact of COVID-19 on tourism and lockdown measures on retail shops it is foreseeable that some of their hotels and retail shops will struggle to pay, resulting in extensions of contract durations or temporary payment moratoria. The Partnership's exposure to energy efficiency is relatively modest – below 2.6%.

Obviously, the longer the lockdowns, the larger the impacts will be but we believe the GEEREF team and underlying fund managers are responding appropriately to manage the funds through this challenging time and to safeguard the value created.

## GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND

GEEREF's objective is to invest in Regional Funds that invest their assets in projects and companies involved in energy efficiency and renewable energy, which enhance access to clean energy in developing countries and economies in transition.

As of December 31, 2020, GEEREF had committed approximately €177 million in 14 Regional Funds, while having liquidated and realized about €5.8 million from one Regional Fund, Emerging Energy Latin America Fund II LP. The portfolios of the 14 Regional Funds comprise 180 investments. 10 of these Regional Funds have begun the process of divesting.

GEEREF has now confirmed via its amended prospectus that the duration of GEEREF will be 15 years from the initial closing date plus one 2-year extension plus an additional three 1-year extensions. In summary, this could cause the duration of GEEREF to be at its maximum 20 years from the initial closing date of November 6, 2008. The intent of the extension is towards ultimately optimizing returns albeit as Manager, we do recognize a consequence of the extension is an inevitable slowing of GEEREF's divestments.

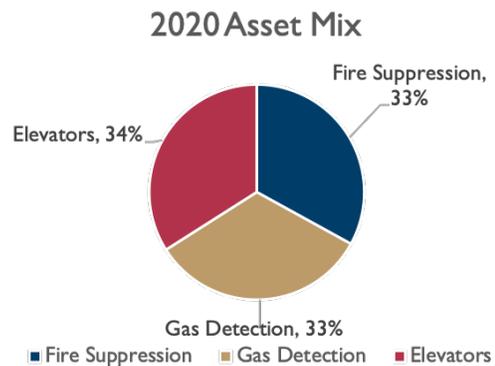
Given that a significant part of the Partnership's assets are expected to have been returned to its investors/limited partners within the original investing period, the Manager believes the extension is frustrating but inevitable and in the best interests of B unitholders towards ultimately optimizing returns on investments, especially those funds that were most recently committed.

Nevertheless, the Manager will continue to assess the impact of the extension on returns in future years, particularly should an extension beyond November 2025 be contemplated.

## NEWLOOK CAPITAL INDUSTRIAL SERVICES FUND

In September 2016, the Partnership initiated a commitment to invest in Newlook Capital Industrial Services Fund ("Newlook"). Headquartered in Burlington, Ontario, Newlook has been created to provide an opportunity for investors to invest in a portfolio of Canadian industrial services companies. Newlook's investment strategy consists of sourcing and acquiring interests in companies that have a component of their revenue arising from recurring service provisions, which assure code compliance, a sustainable competitive position, high relative market share and a history of generating positive cash flow, and where Newlook's management see an opportunity to enhance value by driving operational improvements. In November 2018, we were delighted to learn that Newlook Capital Industrial Services Fund won a 2018 PCMA Private Capital Markets Award under the 'Investment Fund' category, so supporting our decision to be one of Newlook's earliest investors.

Please see below chart for asset mix of Newlook as at December 31, 2020.



Newlook had initially established majority ownership of three industrial companies: MultiGas Detection and Instrumentation Services Ltd. ("MultiGas"), Direct Elevator Service Ltd. ("Direct Elevator") and True Canadian Elevator Maintenance Company Ltd. ("True Canadian"). MultiGas is the leading gas detection system sales and service provider in Western Canada. Founded in 1985, MultiGas operates in Western Canada with offices in Edmonton and Calgary, installs, and regularly inspects gas detection systems as mandated by the Alberta Fire code and serves over 1,600 customers. Direct Elevator is a leading elevator maintenance and modernization provider in the Greater Toronto Area. Founded in 1988, Direct Elevator is based in Scarborough, Ontario. Similarly, True Canadian, managed by a technician with 30 years of experience is in the elevator maintenance and modernization business, based in Etobicoke, Ontario.



*Specializing in Elevator Maintenance & Modernization.*



In August 2017, Multigas, a division of Multiservice Group Inc., acquired all the assets of Fire Shield Technologies Ltd. ("Fire Shield"), a fire alarm systems and sales provider based in Regina and providing service across Saskatchewan. Fire Shield also provides sprinkler system and fire suppression services and is a member of the Canadian Fire Alarm Association.



In October 2017, Newlook also announced it had acquired all the assets and business operations of Valley Technologies Ltd., a gas and fire detection sales and service business headquartered in Winnipeg with service across Manitoba since 2002.



In January 2018, Newlook initiated an 85% stake in Nutech Fire Prevention (“Nutech”). Nutech performs maintenance and service on fire alarms, fire extinguishers, generators and provides electrical contracting, equipment sales and installation. The company operates out of Hamilton, Ontario and services mostly the Greater Toronto Area and surrounding Halton region. That said, Nutech will subcontract services outside of the core service areas. Nutech provides 24 hour service and provides cross-training for fire alarm and sprinklers. The company inspects approximately 8,800 fire suppression units per year.



In November 2018, Newlook purchased 70% of the shares of ACME Fire & Safety (“ACME”). ACME performs maintenance and service on kitchen suppression systems, fire alarms, and fire extinguishers. The company operates out of Burnaby, British Columbia and services a variety of customers in the Greater Vancouver Area. ACME has been in business since 1972, and has been growing from a four person operation to over 50 full-time employees, four of which have over 29 years with the company and many of which have over 5-10 years.

The management of Newlook will seek to divest its investments at higher values than those paid on acquisition after growing them into larger businesses that are strategically relevant for corporate buyers or larger private equity groups. Newlook is expected to be terminated between the end of September 2021 and 2024. The Partnership is also a modest shareholder of the General Partner of Newlook.

## ITM AG INVESTMENT TRUST



In October 2018, the Partnership initiated a small indirect stake in a late stage venture capital company, ITM Isotopen Technologien München AG (“ITM”). ITM is a privately held medical radioisotopes supplier and oncology drug developer positioned at the core of a novel development in the treatment of cancer, targeted radionuclide therapy. ITM aims to develop a leading third generation radioisotope platform in the field of precision oncology with several blockbuster theranostics (a medical solution which combines specific targeted therapy based on specific targeted diagnostic tests). In September 2018, the Manager established the ITM

AG Investment Trust, which was successfully, closed on November 30, 2018, in order to secure, as part of a consortium of investors affiliated with it, the ownership of a minority stake of approximately 5% of the outstanding shares of ITM at that time.

Important operational updates that occurred throughout 2019 include ITM and a subsidiary of the China Isotope & Radiation Corporation (a nuclear technology application products manufacturer and supplier) announcing on November 18, 2019 that they have signed a technology license agreement for the production and distribution of ITM Germanium-68/Gallium-68 generators and no-carrier-added Lutetium-177 in China. In addition to this, ITM and Bruce Power (a Canadian-based nuclear generator and isotope supplier) announced on September 30, 2019 that they successfully completed a joint feasibility study at Bruce Power’s nuclear facilities for the irradiation of Ytterbium-176. Ytterbium-176 is the source material of no-carrier-added Lutetium-177.

In early 2020, ITM received €40 million in funding from the European Investment Bank, a loan backed by the European Fund for Strategic Investments. We believe this is a recognition of the company’s leading role in the European radiopharmaceutical research and development and a validation of the company’s premise of focusing on developing treatments with life-changing potential. Subsequently, ITM announced an extension and expansion of its radioisotope supply agreement for no-carrier-added Lutetium-177 with Endocyte, Inc., a Novartis company. The agreement is a pivotal development for ITM as, in our opinion, it significantly de-risks ITM’s radioisotope business and provides the company with improved financing and optionality in regards to its lineup of promising clinical development projects.

Given the ongoing consolidation trend within the biotechnology space, we believe ITM is well positioned as a global drug developer at the forefront of the scientific and medical clinical research.

Given the Partnership has now commenced distributions, its stake in ITM AG Investment Trust is just under 2% of the Partnership, which preserves its capacity to continue to pay distributions. Nonetheless, we were pleased to be able to source this opportunity for the Partnership recognizing that it may well be the last private equity investment we commit into the Partnership.

## THE CASE FOR RENEWABLE ENERGY

The case for the need for renewable energy in society is more present today than at any time in the history of humankind. The consumption of fossil fuels continues to be a contributor to the climate change that we are all experiencing around the globe. Up until the 1950s, the largest contributor in annual global emissions was land-use change. After the 1950s, this changed sharply to the consumption of fossil fuels. Figure 1 illustrates the proportionate contribution that gas, oil and coal has contributed to annual global emissions.



**FIGURE 1. CONTRIBUTORS TO ANNUAL GLOBAL EMISSIONS FROM 1850 TO 2018<sup>1</sup>**

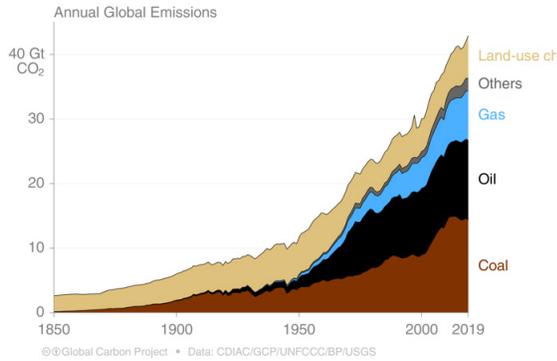
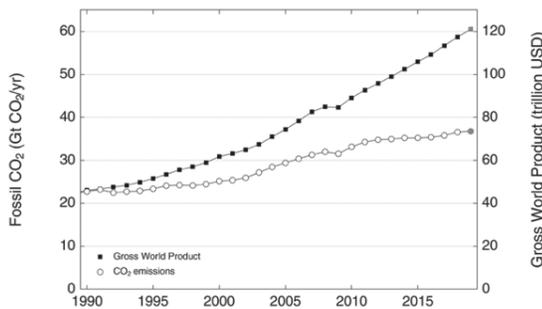


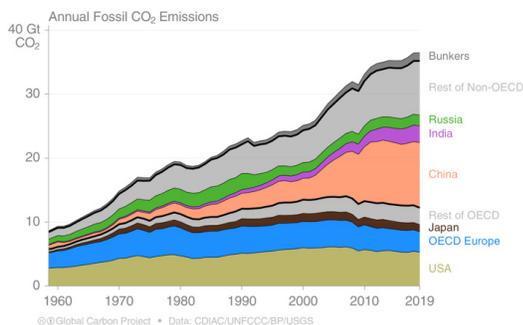
Figure one shows that there is plenty of opportunity to eliminate the use of coal, substitute it for renewable sources of energy including solar, and wind power. As the global economy continues to grow as it has steadily done over the last century, it is important that we secure energy supplies that can continue to power this growth. Figure 2 illustrates that the rate at which carbon dioxide emissions has increased is slower than the rate at which gross world product has increased. This is a good sign as this suggests that the world economy is becoming less dependent on fossil fuels and we are able to support our growth either with less energy or with more renewable energy sources.

**FIGURE 2. GLOBAL FOSSIL FUEL EMISSIONS AND GROSS WORLD PRODUCT<sup>1</sup>**



Energy is a necessary input to power global economic activity. It is a logical conclusion that those countries that have experienced the largest increase in economic growth have likely contributed the most to annual fossil fuel emissions. Figure 3 illustrates how the proportion of annual fossil fuel emissions by various countries has changed from 1960 to 2020. The largest single contributor to annual fossil fuel emissions is China.

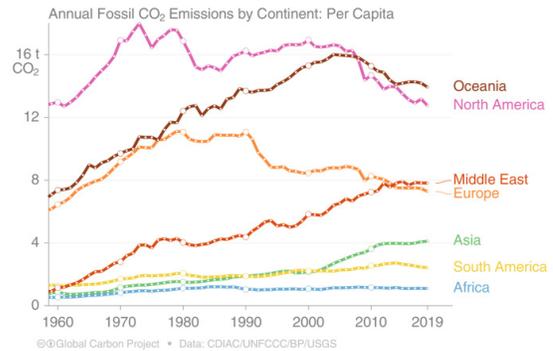
**FIGURE 3. ANNUAL FOSSIL FUEL EMISSIONS BY COUNTRY<sup>1</sup>**



Although China is the largest single contributor to annual fossil fuel emissions, Figure 4 below illustrates that Oceania and North America are the largest contributors to annual fossil fuel emissions

on a per capita basis. Therefore, it is necessary for Oceania and North America to become more efficient in their energy consumption by reducing fossil fuel consumption while sustaining normalized economic growth. It is imperative for China and Asia to continue to substitute the use of fossil fuel for more renewable sources of energy as they continue to sustain a higher than average global economic growth rate.

**FIGURE 4. ANNUAL FOSSIL FUEL EMISSIONS BY CONTINENT PER CAPITA<sup>1</sup>**



The economics of renewable energy generation are evolving differently in developed countries and developing ones. While the subsidies in the United States of America, European Union and other developed countries are being reassessed due to their high cost, the overall market in the renewable energy and energy efficiency sectors in developing countries is in fact benefitting from an increasingly cheaper supply of renewable energy technologies and strong competition between technology providers.

Renewables are now the first choice option for expanding, upgrading and modernizing power systems around the world. Wind and solar power are now competitive with conventional sources of electricity, as their costs have plunged in recent years. These developments are reflected in the levelised cost of electricity with some renewable technologies having reached grid parity.

Currently on-shore wind, biomass geothermal and hydropower are all competitive or cheaper than coal, oil and gas-fired power stations even without financial support and despite relatively low oil prices. Countries in the Middle East have included solar as part of their investment into a wider energy portfolio, a possible option in their “post-oil” future.

The drop in crude oil prices has caused many nations to reconsider the allocation of their current subsidies (both towards renewables and towards fossil fuels), which has presented an opportunity for renewable energy to transition from an energy alternative and into an energy staple. At least 27 countries have elected to decrease or end subsidies that currently regulate fuel costs for electricity generation (including coal and natural gas). Fossil fuel subsidies have previously been criticized for distorting the energy markets in favour of sources that, without their support, would not be economically viable.

It remains our view that GEEREF is playing its part in meeting the challenge of climate change. Its investors are contributing capital to a first generation of renewable energy projects. These projects are giving greater and cleaner access to electricity to select populations while generating attractive financial returns.

## ACHIEVING SUSTAINABLE DEVELOPMENT GOALS

The Triple P Strategy mentioned in the Overview is to bring equal benefits for a triple bottom line: People. Planet. Profit. The Partnership overview and financial highlights together with the financial statements primarily address our focus on Profit. The purpose of the remaining commentary is to provide tangible details of the Partnership’s impact on both People and the Planet.

Sustainable Development Goals (“SDGs”) are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. It consists of a set of 17 global goals spearheaded by the United Nations to tackle the root causes of poverty and unite its members together to make a positive change for both people and planet.

### SUSTAINABLE DEVELOPMENT GOALS<sup>2</sup>



### GEEREF IMPACT OVERVIEW<sup>3</sup>

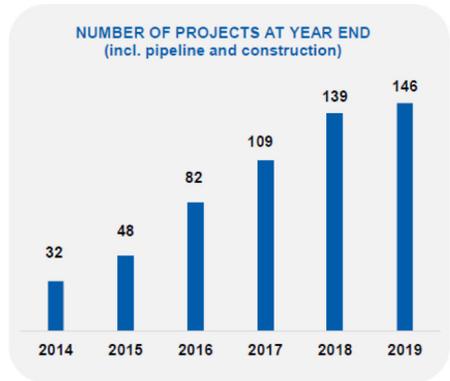
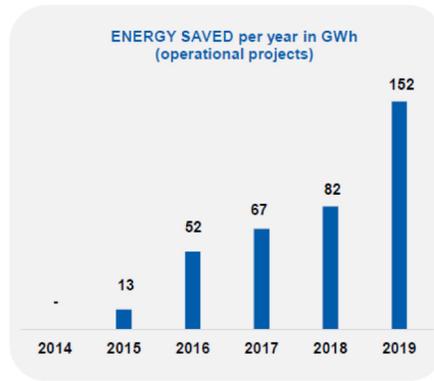
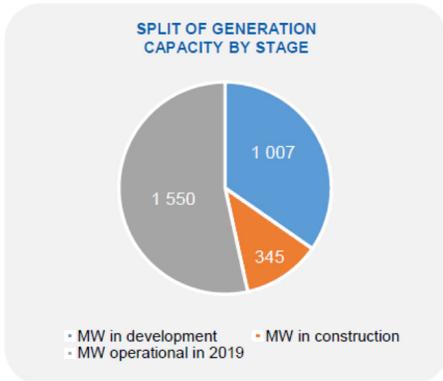
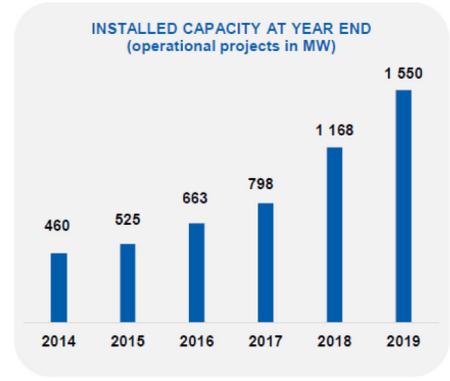
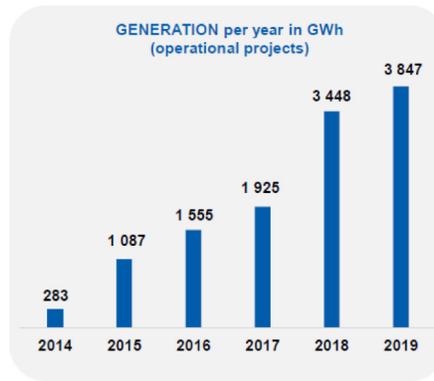
GEEREF has mapped its portfolio investments against SDGs. It showed that GEEREF’s investment focus on building-up new clean energy capacity in developing countries and its two-fold impact approach – the combination of enforcement of EIB standards on the project-level and measurement of impact – contribute to the achievement of four of the 17 goals.<sup>3</sup> The overview below shows GEEREF’s Impact as at December 31, 2019.

GEEREF’S DIRECT SDG CONTRIBUTION	GEEREF’S METRICS	GEEREF’S EXPECTED IMPACT
<p>GEEREF BUILDS UP NEW CLEAN ENERGY CAPACITY</p> 	<p>Capacity Installed (MW) Electricity Generated and Saved (MWh)</p>	<p>1 GW in development, 0.3 GW in construction, 1.6 GW in operation 3.8m MWh of electricity generated and 152 325 MWh of electricity saved</p>
<p>GEEREF CONTRIBUTES TO DECREASING GHG EMISSIONS IN ENERGY AND OTHER INDUSTRIES</p> 	<p>Emissions reduced (tonnes of CO<sub>2</sub>eq)</p>	<p>2.5m tonnes of CO<sub>2</sub> equiv. avoided by operational projects per year</p>
<p>GEEREF CREATES EMPLOYMENT OPPORTUNITIES AND SKILLS TRAINING</p> 	<p>Number of People Employed: temporary, permanent, male, female Training delivered (hours)</p>	<p>2,401 permanent male jobs 907 permanent female jobs 4,928 temporary male jobs 523 temporary female jobs 62,062 training hours</p>
<p>GEEREF IS A PUBLIC-PRIVATE PARTNERSHIP</p> 		

On the following pages, we will show GEEREF’s portfolio metrics and how its impact has supported four key pillars including Energy, Environment, Sustainable Development and Financial Leverage.

### Pillar 1: Clean Energy

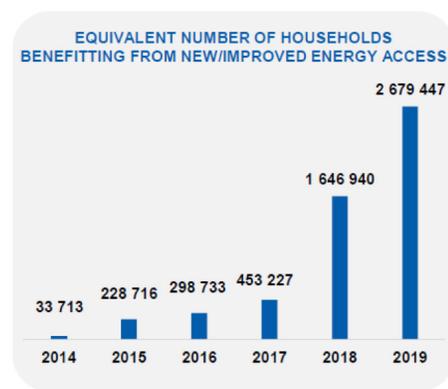
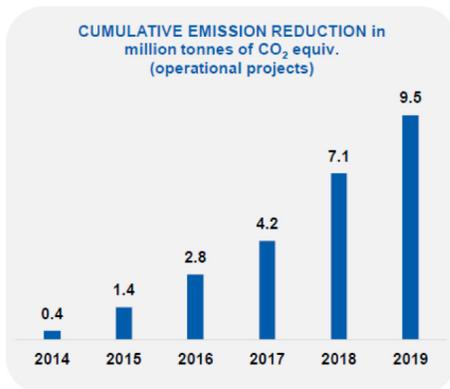
In 2019, GEEREF's underlying funds had about 3 GW of capacity of new clean energy capacity in developing countries in different stages. Given the early stage focus of GEEREF's funds, about one-third of this capacity (1 GW) was still in development. Still, 1.6 GW was already operational. The operational projects generated 3,847 GWh of electricity in 2019.



### Pillar 2: Climate Mitigation / Environment

As of end 2019, GEEREF's operational projects (including projects exited by the funds) had a climate mitigation effect of about 9.5m tonnes CO<sub>2</sub> equivalent (cumulatively since 2014). This is equivalent to 1.8 million passenger vehicles driven for one year. This is also equivalent to the greenhouse gas emissions avoided by 366 million trash bags of waste recycled instead of landfilled and the carbon sequestered by 11 million acres of U.S. forests in one year.<sup>3</sup>

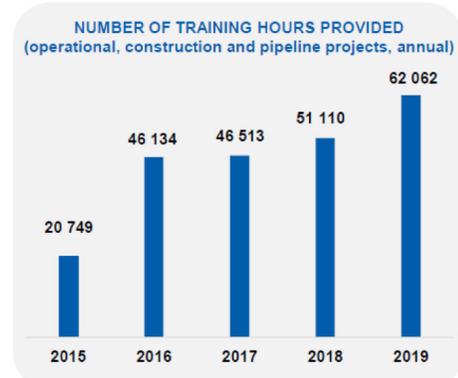
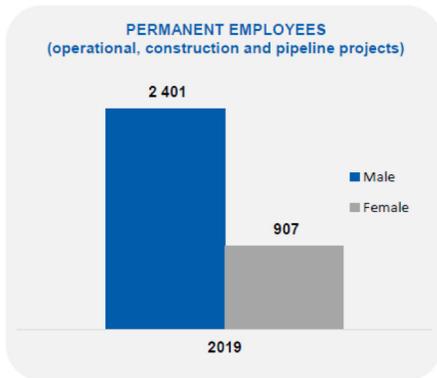
The 3,847 GWh of electricity generated and 152 GWh saved by GEEREF's operational projects in 2019 are equivalent to the energy consumption of more than 2.7 million households.



### Pillar 3: Sustainable Development

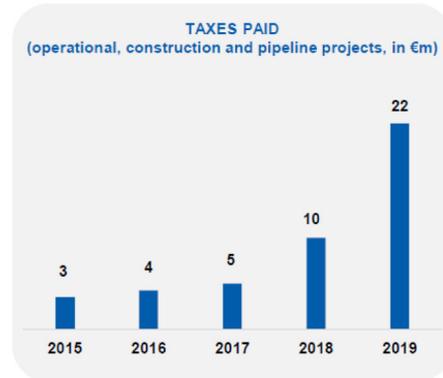
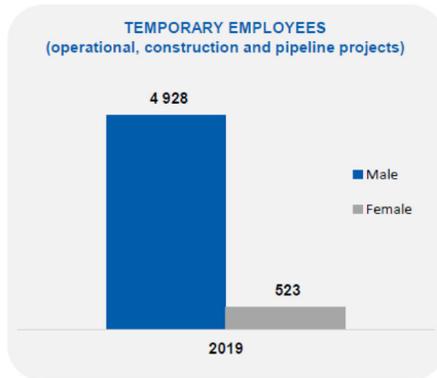
As at December 31, 2019, there were a total of 3,308 permanent jobs created compared to 5,451 temporary jobs created across all GEEREF projects (all employment and training figures are reported annualised as when projects are fully operational).

The amount of training hours provided by the funds and their projects increased in 2019 to more than 60,000 hours (annualised).



In 2019, the share of permanent positions held by female employees (27%) is higher than the share of temporary positions held by female employees (10%).

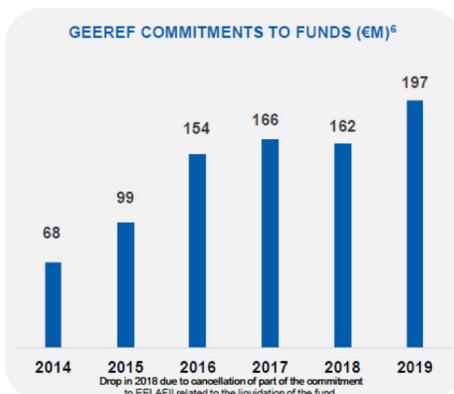
The underlying projects paid an equivalent amount of €22 million in taxes locally, hence supporting the local government institutions and their revenue generation potential.



### Pillar 4: Financial Leverage

#### GEEREF Level

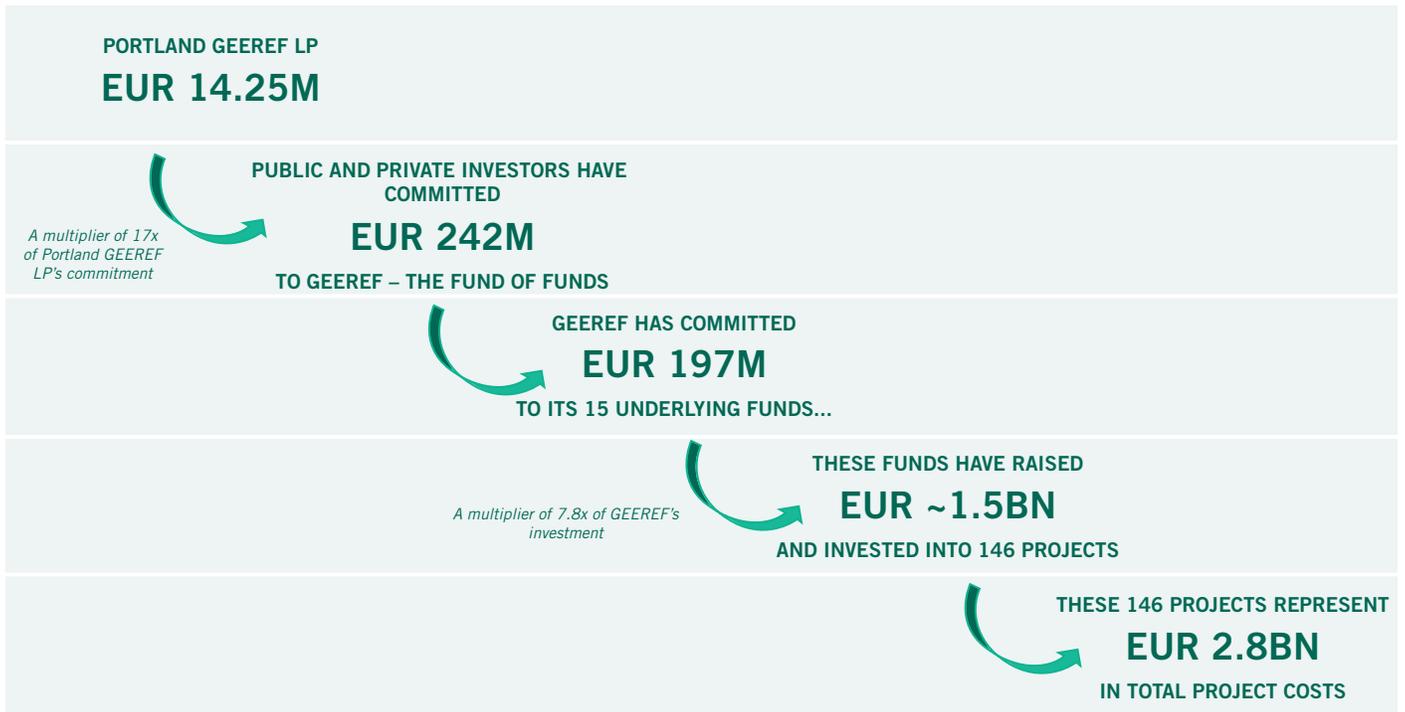
Public investors committed €132 million to GEEREF, which mobilised a further €110 million of private investor commitments. At the end of 2019, GEEREF's portfolio consisted of €197 million of commitments to 15 funds. Although by December 31, 2020, GEEREF had committed approximately €183 million in 14 Regional Funds, while having liquidated and realized about €6.1 million from one Regional Fund, Emerging Energy Latin America Fund II, LP. Also, by December 31, 2020, the portfolios of the 14 Regional Funds comprised a total of 180 investments.



Fund Level

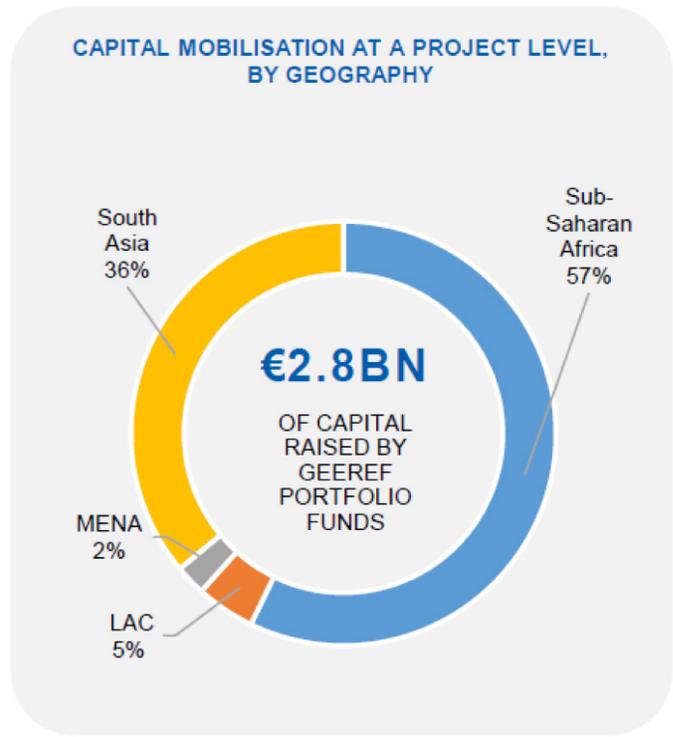
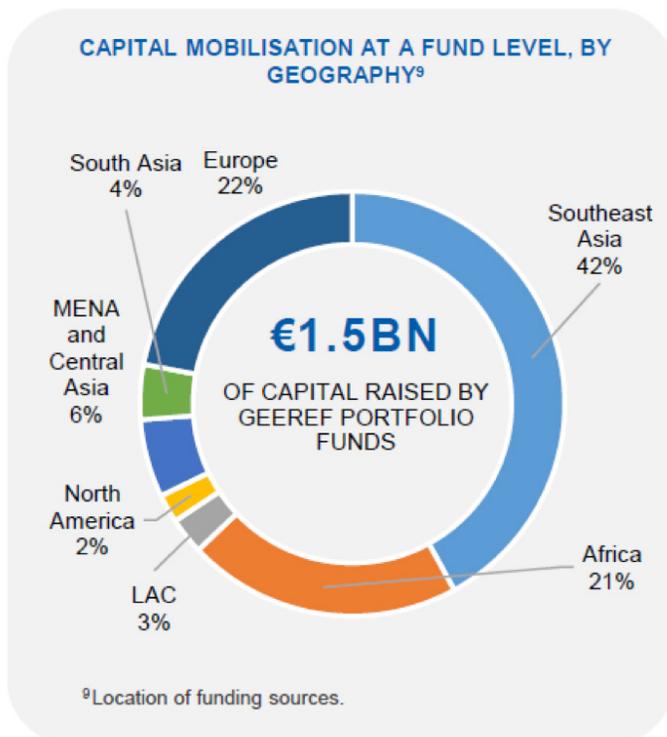
Based on GEEREF's commitment of €197 million, fund managers have raised a total of approximately €1.5 billion. This translates into a fund-level multiplier of 7.8x, an increase compared to the 2018 multiplier of 7.6x.

GEEREF's Commitments 2019



Project Level

By year-end 2019, the final cost of projects developed by GEEREF fund managers reached €2.8 billion. The total capital mobilised increased by €0.4 billion compared to 2018.



## REGIONAL FUNDS – into which GEEREF has conditionally committed or invested



### AFRICA RENEWABLE ENERGY FUND

**GEEREF has Committed US\$19.6 Million to the Africa Renewable Energy Fund,  
Managed by Berkeley Energy**

AREF is a private equity fund focusing on renewable energy infrastructure investments across Sub-Saharan Africa, excluding South Africa.

AREF's primary investment focus is on renewable energy projects deploying operationally and economically mature technologies with proven and successful track records, namely small and medium-sized hydro, wind, solar photo voltaic, geothermal and biomass, thereby seeking to avoid technology risk.

AREF makes equity investments into development stage renewable energy projects and project developers, brings these projects all the way through financial close and construction into operation, and expects to generate returns through exits either on an individual basis or via consolidated portfolios of assets, regionally or by technology.

Please see below some of the project investments that this fund has made.

#### Azimuth – Solar – Ghana

Azimuth develops, constructs and operates 100kW to 2.5MW solar installations with power sold to commercial and industrial customers in Sub-Saharan Africa. An initial six projects have been secured in Ghana and more than 1MW is operational. In addition, Azimuth is one of the leading installers of solar systems in Kenya, having installed approximately 2MW in Kenya.



#### Achwa 1 – Hydro – Uganda

Achwa 1 is a 42MW run-of-the-river hydropower plant located on the Achwa River, about 22 km north-west of the bridge on the Gulu-Kitgum road in Northern Uganda. It is less than 200 m upstream of the Achwa 2 project. The project will be evacuated along the Lira-Gulu-Agago 132kV transmission line being built by UETCL. The Power Purchase Agreement, Implementation Agreement and all permits for the project are in place.



The project employs 800 people currently in a severely impoverished part of rural Ghana, has significant environmental and social benefits in an area which has in the past been decimated by slash and burn farming practices.



All of this information was sourced from the manager's website [www.berkeley-energy.com](http://www.berkeley-energy.com). You can read more about Africa Renewable Energy Fund by visiting this website as well.



### ARCH AFRICA RENEWABLE POWER FUND

#### GEEREF HAS COMMITTED US\$19.6 MILLION TO THE ARCH AFRICA RENEWABLE POWER FUND, MANAGED BY ARCH EMERGING PARTNERS

ARPF is a pan-African renewable energy fund. Its investment focus is on early-stage renewable energy projects to help combat climate change. The fund will develop, operate and exit de-risked, sustainable operating assets, while improving the lives of Africans by increasing their access to electricity and providing attractive employment opportunities. ARPF will invest equity across renewable energy sectors with a preference for projects in solar PV, onshore wind, small hydro, biomass and geothermal projects.

The fund is managed by a team of highly experienced professionals that has originated and managed private sector power investments in Africa, from early-stage development through to operations. Their expertise is applied to the origination, development, financing and construction of African renewable power projects – all while ensuring affordability and strict adherence to the highest ethical and environmental standards.

You can read more about ARCH Africa Renewable Power Fund by visiting its website: [www.archempartners.com/africa-renewable-power](http://www.archempartners.com/africa-renewable-power)



### ARMSTRONG SOUTH EAST ASIA CLEAN ENERGY FUND

#### GEEREF has Committed € 10.0 Million to the Armstrong S.E. Asia Clean Energy Fund, Managed by Armstrong Asset Management

Armstrong is a private equity fund that invests in small-scale renewable energy and resource efficiency projects in Southeast Asia, focusing particularly on Thailand, Philippines, Indonesia and Vietnam. This strategy is driven by the high energy demand and strong market fundamentals in the region.

The investment strategy is based on a market demand supported by strong economic fundamentals; a commitment to positive social and environmental impact; risk minimisation through a portfolio of small-scale projects; no technology risk; the ability to generate early cash flows; positive entry valuations due to lack of investor competition; competitive advantage as a result of the team's local operating experience; and a clear exit strategy.

You can read more about Armstrong South East Asia Clean Energy Fund by visiting its website: [www.armstrongam.com](http://www.armstrongam.com)



### CATALYST MENA (MIDDLE EAST & NORTH AFRICA) CLEAN ENERGY FUND

#### GEEREF has Committed US\$16.6 Million to the Catalyst Mena Clean Energy Fund, Managed by Catalyst Investment Management

Catalyst MENA (Middle East and North Africa) Clean Energy Fund is a private equity fund that invests in renewable energy infrastructure for electricity generation and small scale renewable energy and energy efficiency projects across the Middle East and Northern Africa region.

Catalyst's primary strategic focus is to concentrate on solar energy related infrastructure, mostly solar photo voltaic. As for small scale renewable energy and energy efficiency projects, the fund's strategy is to invest in solar thermal projects, such as for heating, cooling or chilling; as well as in small and medium-sized enterprises offering services to the renewable energy or energy efficiency industry. With a focus on Jordan, the fund may also target investments in Egypt, Morocco and Tunisia.

The investment strategy is underpinned by strong market fundamentals in the MENA region such as its large solar power potential, an enabling regulatory and policy framework, the region's electricity demand growth as well as its transmission infrastructure prospects amongst others.

Please see below some of the project investments that this manager has made.

#### Shamsuna – Aqaba Economic Zone

Shamsuna signed a 20-year-long Power Purchase Agreement with the National Electric Power Company in March of 2014. The 10MW Project with the Commercial Operations Date (COD) early 2016 is on a 180,000 m<sup>2</sup> land located within the Aqaba Special Economic Zone Authority. Lying within the sun-intensive Solar Belt, and with a yearly Global Horizontal Irradiance sum of up to 2400 kWh/m<sup>2</sup>, Shamsuna's Aqaba Project has ideal conditions for solar energy production. The project will avoid over 10,000 tonnes of CO<sub>2</sub> emissions per year and supply energy to cover the demand of more than 9,000 households.

#### Zara Holding Project

Zara Holding is an established name of Jordan's tourism industry with its network of 5-star hotels and resorts that perfectly complement Jordan's sites and attractions. Solar power plants that will provide their electricity needs is a great accomplishment in driving sustainable and environmental applications for the hotel industry. Site 1 has been operational since July 2019, and Site 2 became operational in Q1 2020.



Site 1 – Karak, Jordan



Site 2 – Taibeh, Jordan



All of this information was sourced from the manager's website: [www.catalystpe.com](http://www.catalystpe.com). You can read more about Catalyst MENA Clean Energy Fund by visiting this website as well: [www.catalystpe.com](http://www.catalystpe.com)



### CAUCASUS CLEAN ENERGY FUND

**GEEREF has Conditionally Committed US\$13.0 Million to the Caucasus Clean Energy Fund, Managed by Schulze Global Investments**

Caucasus Clean Energy Fund is a private equity fund that invests in small and medium scale hydropower plants in the Republic of Georgia. It targets projects in the range of 10-20 MW, focusing on introducing international best practices in respect of the construction and operation of hydropower plants, as well as their environmental and social management. The fund participates actively in the development of projects from a very early stage, although it may also be open to investments in more mature projects, and has a preference for majority ownership.

The investment strategy is underpinned by strong market fundamentals in the Caucasus region such as Georgia's large hydropower potential, an enabling regulatory and policy framework, the region's electricity demand growth and seasonality patterns, as well as the region's transmission infrastructure prospects amongst others.

You can read more about Caucasus Clean Energy Fund by visiting its website: [www.cerberus.com/investment-platforms/cerberus-frontier/](http://www.cerberus.com/investment-platforms/cerberus-frontier/)



Investment Management

### DI FRONTIER MARKET ENERGY & CARBON FUND

**GEEREF has Committed € 10.0 Million to the DI Frontier Market Energy & Carbon Fund, Managed by Frontier Investment Management**

DI Frontier is a private equity fund providing equity financing to small-scale renewable energy (wind, solar and solar heating, hydro, biomass, waste to energy, geothermal), fuel switch and energy efficiency projects in Sub-Saharan Africa with a focus on East Africa, particularly Kenya and Uganda.

DI Frontier may participate actively in the development of projects from a very early stage but it is also open to investments in mature projects. Projects may be standalone such as wind farms or captive such as bagasse based power generation at sugar factories.

You can read more about DI Frontier by visiting its website: [www.frontier.dk](http://www.frontier.dk)



### EMERGING ENERGY LATIN AMERICA FUND II

**GEEREF HAS COMMITTED € 12.5 MILLION TO THE EMERGING ENERGY LATIN AMERICA FUND II, MANAGED BY EMERGING ENERGY AND ENVIRONMENT**

EELAF II is a private equity fund providing equity financing to renewable energy infrastructure in Latin America, principally in the high growth economies of Brazil, Mexico, Peru, Chile, and Colombia. The fund mainly invests in companies within the energy related sectors of hydroelectricity, wind power generation, and solar energy.

EELAF II may also invest in regional mid-market companies that provide support and energy services to the renewable and energy efficient sectors using market proven technologies.

You can read more about Emerging Energy Latin America Fund II by visiting its website: [www.emergingenergy.com](http://www.emergingenergy.com)

# FRONTIER

Investment Management

## FRONTIER ENERGY II ALPHA K/S

**GEEREF has Committed US\$20.9 Million to the Frontier Energy II ALPHA K/S, Managed by Frontier Investment Management**

Frontier II is a private equity fund providing equity financing to early stage renewable energy projects (wind, solar, hydro, geothermal, biomass) in Sub-Saharan Africa with a focus on East Africa, particularly Kenya, Uganda, Rwanda and Tanzania.

Frontier II is the successor fund of DI Frontier Market Energy & Carbon Fund, to which GEEREF committed €10.0 million.

DI Frontier may participate actively in the development of projects from a very early stage but it is also open to investments in mature projects. The Frontier Investment Management team has a very hands-on and integrated approach to project development.

You can read more about Frontier II by visiting its website: [www.frontier.dk](http://www.frontier.dk)



## EVOLUTION ONE FUND

**GEEREF has Committed € 10.0 Million to the Evolution One Fund, Managed by Inspired Evolution**

Evolution One is a private equity fund providing equity financing to projects on the clean energy and clean technologies sectors in the Southern African Development Community.

It focuses on the following sectors and sub-sectors: cleaner energy generation and energy efficiency; cleaner production technologies and processes; air quality and emissions control; water quality and management; waste management; agribusiness and forestry; natural products, organics and natural health; sustainable buildings and environmental real estate.

Evolution One makes early stage and later stage development, expansion or mature equity and equity-related investments, primarily for control or significant minority positions in market-leading growth businesses.

Evolution One has currently reached the end of its investment period.

You can read more about Evolution One by visiting its website: [www.inspiredevolution.co.za](http://www.inspiredevolution.co.za)



## EVOLUTION II FUND

**GEEREF has Committed US\$21.0 Million to the Evolution II Fund, Managed by Inspired Evolution**

Evolution II is a private equity fund providing equity financing to projects on the clean energy and clean technologies sectors across Sub-Saharan Africa, including South Africa. Launched late 2016/early 2017, Evolution II is the successor fund of Evolution One, to which GEEREF committed € 10.0 million.

It focuses on the following two principal investment themes: clean energy infrastructure-type development and project finance investments; and energy and resource efficiency growth investments – and the value chains that support them. The key investment sectors and sub-sectors include renewable and sustainable energy power and electricity generation, energy efficiency, water efficiency, agribusiness efficiency, waste efficiency and environmental services.

Evolution II makes greenfield and early stage infrastructure development, project finance, growth equity and equity-related investments, primarily for control or significant minority positions, in clean energy infrastructure or market-leading growth businesses in its target sectors.

You can read more about EVOLUTION II by visiting its website: [www.inspiredevolution.co.za](http://www.inspiredevolution.co.za)



## MGM SUSTAINABLE ENERGY FUND

**GEEREF has Committed € 10.0 Million to the MGM Sustainable Energy Fund, Managed by MGM Innova Capital LLC**

MSEF is a private equity fund providing equity and mezzanine financing to projects in the demand-side energy efficiency and renewable energy sectors in Colombia, Mexico, Central America and the Caribbean region.

The fund will seek to invest 60% of its committed capital in energy efficiency projects (residential sector: consumer financing for green appliances; commercial sector: hotels, hospitals, other large buildings; municipal sector: street lighting); and 40% in renewable energy projects (proven technologies including hydro expansion/rehabilitation, solar and wind).

MSEF has currently reached the end of its investment period. The fund manager has raised a successor fund, MSEF II, to which GEEREF has committed US\$16.9 million.

Please see below some of the project investments that this manager has made.

**Hotels and Language Institute, Costa Rica**

This project involved the replacement of chillers and air conditioners, the installation of temperature control systems, and the installation of solar photovoltaic systems for self-consumption. These changes led to energy savings of approximately US\$0.30/kWh.



**Steam Generation Using Biogas Generated in Wastewater Treatment Plant in Medellin, Colombia**

The installation of steam generation systems were made which included a boiler and auxiliary equipment, biogas treatment, compression and transportation systems, control and monitoring systems and a connection with the current steam line for production processes.



**Energy Efficiency and Climate Change Mitigation Project for the Sunset Hotels in Cancun, Mexico**

Many different energy efficiency measures were installed in the 5-star resorts including the replacement of chillers and air conditioners, the installation of a heat recovery chiller, the installation of high efficiency lighting, the installation of temperature control systems, the replacement of air handlers, solar water heaters, and the development of greenhouse gas inventory and climate neutrality strategy. This led to the resorts using 38.4% less electricity.



All of this information was sourced from the manager’s website [www.mgminnovacap.com](http://www.mgminnovacap.com). You can read more about MGM Sustainable Energy Fund by visiting this website as well.

**MSEF II** ■ **MGM SUSTAINABLE ENERGY FUND II**  
 ■ **GEEREF HAS COMMITTED US\$16.9 MILLION TO THE MGM SUSTAINABLE ENERGY FUND II, MANAGED BY MGM INNOVA CAPITAL MANAGEMENT LLC**

MSEF II is a private equity fund providing equity and mezzanine financing to projects in the demand-side energy efficiency and renewable energy sectors in Latin America and the Caribbean region. MSEF II is the successor fund of MSEF, to which GEEREF committed €10.0 million.

The fund will seek to scale up what has been achieved with MSEF by seeking to invest 65% of its committed capital in energy efficiency projects (residential sector: consumer financing for green appliances; commercial sector: hotels, hospitals, other large buildings; municipal sector: street lighting); and 35% in renewable energy projects (proven technologies including hydro expansion/rehabilitation, solar and wind).

You can read more about MGM Sustainable Energy Fund II by visiting its website: [www.mgminnovacap.com](http://www.mgminnovacap.com)



RENEWABLE ENERGY ASIA FUND

## RENEWABLE ENERGY ASIA FUND

**GEEREF has Committed € 12.5 Million to the Renewable Energy Asia Fund, Managed by Berkeley Energy**

REAF is a private equity fund focusing on renewable energy infrastructure investments across South and South East Asia.

REAF targets markets and assets where value is supported by maturing and expanding local renewable energy legislation, deregulation of the electricity sector and demographic and commercial drivers under-pinning future demand growth for power. REAF's investment activity has focused on the substantial opportunity available in the Philippines and the Indian markets.

REAF's primary investment focus is on renewable energy projects deploying operationally and economically mature technologies with proven and successful track records, namely small and medium-sized hydro, wind, solar photo voltaic, geothermal and biomass, thereby seeking to avoid technology risk.

REAF makes equity investments into development stage renewable energy projects and project developers, brings these projects all the way through financial close and construction into operation, and expects to generate returns through exits either on an individual basis or via consolidated portfolios of assets, regionally or by technology.

REAF has currently reached the end of its investment period.

Please see below some of the project investments that this fund has made.

### PHESI – Wind – Philippines

Philippines Hybrid Energy Systems Inc. (PHESI) is a wind power project located in the Philippines, Mt. Paitan, Barangay Tabinay, Puerto Galera Province of Oriental Mindoro, Mindoro Island. The location of wind tower generators is within the Mangyan ancestral domain, being approximately 3.5 km away from the nearest receptor, high on a ridge line. PHESI will construct and operate 8 units of Gamesa G90 wind turbines, consisting of a three-bladed structure and wind-facing rotor type with a nominal power of 2.0MW per unit of wind turbine. The project includes an access road, a substation and a 69kV transmission line of approximately 7.5 km.

The project is a meaningful addition to the island grid of Mindoro which is almost entirely diesel based. The project is capable of being expanded under its current permits. PHESI employs local indigenous people on a significant local hard wood tree planting programme which has so far planted in excess of 40,000 new trees.



### MMPC – Landfill – Philippines

Montalban Methane Power Corporation (MMPC) is an 8MW landfill gas generation project situated on the outskirts of Manila, Philippines. The project extracts landfill gas from the Montalban landfill site to generate electricity supplied to the local grid. The project was the first of its kind in the Philippines and supplies clean and green energy to approximately 20,000 homes.



### Lake Mainit – Hydro – Philippines

Lake Mainit is a 25MW hydroelectric project located in the Philippines, Jabonga Municipality, Agusan del Norte Province in Mindanao Island. Berkeley Energy, through its portfolio company Agusan Power Corporation developed the project since 2011 and it is in the final stages of construction. The project, which has no weir, dam or other construction has significant environmental and social benefits. It composes the intake structure, tunnel, power house, penstock, surge tank, tailrace structure, turbines and generator. Among other initiatives the project is responsible for flood mitigations schemes, the planting of a coral garden in the sea adjacent to the project, an

indigenous hardwood Nara planting programme which has so far planted over 100,000 trees employing people from the Mamanwa tribe and more than 70% of its employees are from the host community.



All of this information was sourced from the manager's website [www.berkeley-energy.com](http://www.berkeley-energy.com). You can read more about Renewable Energy Asia Fund by visiting this website as well.

**REAF II**  
RENEWABLE ENERGY ASIA FUND II

## RENEWABLE ENERGY ASIA FUND II

**GEEREF has Committed US\$15.9 Million to the Renewable Energy Asia Fund II, Managed by Berkeley Energy**

REAF II is a private equity fund focusing on renewable energy infrastructure investments across South and South East Asia. REAF II is the successor fund of REAF, to which GEEREF committed € 12.5 million.

REAF II targets markets and assets where value is supported by maturing and expanding local renewable energy legislation, deregulation of the electricity sector and demographic and commercial drivers under-pinning future demand growth for power, most notably India, the Philippines and Indonesia.

REAF II's primary investment focus is on renewable energy projects deploying operationally and economically mature technologies with proven and successful track records, namely small and medium-sized hydro, wind, solar photo voltaic, geothermal and biomass, thereby seeking to avoid technology risk.

REAF II makes equity investments into development stage renewable energy projects and project developers, brings these projects all the way through financial close and construction into operation, and expects to generate returns through exits either on an individual basis or via consolidated portfolios of assets, regionally or by technology.

Please see below some of the project investments that this fund has made.

### Panama Mirkala – Solar – India

Berkeley Energy, through its portfolio company Panama Renewable Energy, has developed and constructed a solar at Rajpimpri Taluka Georai of District Beed in the State of Maharashtra, India. The project components include solar PV modules and associated structural and civil works, a 2 km 33kv transmission line, a 33kv feeder bay including all associated high voltage equipment and civil and structural works at the already built Rajpimpri Substation.

The project sells electricity to consumer and industrial customers with power wheeled on over the grid. The project is located adjacent to a wind project that has also been developed by Berkeley Energy through the Panama Renewable Energy Group in REAF. The solar project is currently being expanded by a further 10MW.



**Tasma – Biomass – Indonesia**

Tasma is an early mover in the Indonesian market for sustainable energy supply for multinational corporations. Tasma has a portfolio of biomass-fired boiler projects under a Build-Own-Operate model using agricultural and wood waste. Tasma has constructed and is operating a biomass boiler for Heineken, supporting them to reduce reliance on fossil fuels and thereby reducing their CO2 emissions.



**SKE – Hydro – Indonesia**

Selo Kencana Energi (SKE) is a portfolio company of REAF II owning the ‘Luduk Gadang’ 8MW run-of-the-river hydro power project located in South Solok Regency, West Sumatra, about 170 km southeast of the city of Padang, Indonesia. The project has been in operation since 2014.

The project was acquired in Q4 2016, and Berkeley Energy is currently making several improvements, which includes optimisation of the civil structure, health and safety measures and an upgrade of the electromechanical equipment. A fish passage is to be implemented to mitigate any impacts to migratory fish.



All of this information was sourced from the manager’s website [www.berkeley-energy.com](http://www.berkeley-energy.com). You can read more about Renewable Energy Asia Fund II by visiting this website as well.



**SOLARARISE INDIA PROJECTS PRIVATE LIMITED**

**GEEREF has Committed € 12 Million to SolarArise India Projects**

**Private Limited, an India Focused Solar Asset Vehicle**

SolarArise is an India focused solar asset vehicle that invests in grid-connected solar PV projects in India, to provide steady annuity-like cash returns to investors. This strategy provides attractive returns at low risk and is geared to provide capital for sustainable clean renewable power.

The investment strategy is based on the rising market demand for power in India; the commitment to provide clean renewable energy with a positive environmental impact; the use of proven and established technology to minimise performance risk; minimal execution and operation risk through a diversified portfolio; a quick investment cycle to generate revenue; and a strong and experienced management team capable of building and managing a large solar portfolio.

**Telangana I**

The solar power plant Telangana I at Palwai village near Gadwal in the Mahabubnagar district of Telangana is a 12 megawatt photovoltaic power station, commissioned in June 2016. It was constructed using 38,430 solar modules. It covers an area of 40 acres and supplies about 18,000 people with energy.



**Maharashtra I**

The solar power plant Maharashtra I at Chatgaon Village, Beed District, State of Maharashtra, India is a 67.2 megawatt photovoltaic power station, commissioned in August 2017. It was constructed using 102,241 solar modules. It covers an area of 306 acres and supplies about 126,000 people with energy.



All of this information was sourced from the manager's website [www.solararise.com](http://www.solararise.com). You can read more about SolarArise by visiting this website as well.



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## **NOTICE TO READER**

On the basis of information provided by Portland Investment Counsel Inc., we have compiled the statement of financial position of Portland Global Energy Efficiency and Renewable Energy Fund LP as at December 31, 2020 and the statements of comprehensive income (loss), changes in partners' equity and cash flows for the year then ended. We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon. Readers are cautioned that these financial statements may not be appropriate for their purposes.

### **KPMG LLP**

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

May 4, 2021

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Statement of Financial Position  
(Expressed in Canadian dollars)

December 31, 2020, with comparative information for 2019  
(Unaudited - see Notice to Reader)

	2020	2019
<b>Assets</b>		
Cash and cash equivalents	\$ 284,501	\$ 1,517,801
Investments, at fair value through profit or loss (cost - \$16,871,538)	18,841,534	17,344,300
Interest receivable	–	5
Other receivables	6,196,554	4,801,934
Prepaid expenses	61,871	100,220
	<b>\$ 25,384,460</b>	<b>\$ 23,764,260</b>

## Liabilities and Partners' Equity

Liabilities:		
Accrued fees and expenses	\$ 595,886	\$ 502,674
Partners' equity (note 2):		
General Partner's capital	50	50
Class A	2,042,715	1,957,091
Class F	17,109,698	16,062,835
Class O	4,512,870	5,241,610
Class O2	1,123,241	–
	<b>24,788,574</b>	<b>23,261,586</b>
	<b>\$ 25,384,460</b>	<b>\$ 23,764,260</b>

See accompanying notes to financial statements.

Approved on behalf of Portland General Partner (Ontario) Inc.:

*"Michael Lee-Chin"*

Director

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Statement of Comprehensive Income (Loss)  
(Expressed in Canadian dollars)

Year ended December 31, 2020, with comparative information for 2019  
(Unaudited - see Notice to Reader)

	2020	2019
<b>Revenue:</b>		
Interest income for distribution purposes	\$ 5,683	\$ 28,569
Investment income	1,126,713	988,754
Foreign currency gain (loss) on cash and other net assets	349,002	(269,113)
Realized loss on investments	(24,490)	(55,132)
Change in unrealized appreciation (depreciation) of investments	1,410,102	(665,786)
Change in unrealized depreciation of foreign currency forward contracts	(3,092)	(2,000)
	<u>2,863,918</u>	<u>25,292</u>
<b>Expenses:</b>		
Management fees	177,924	169,562
Fund accounting and transfer agent fees	36,283	37,270
Fund expenses	30,162	22,001
Professional fees	2,155	14,057
Legal fees	1,845	270
Agent's commission, promoter fee and organizational expenses	124,160	124,160
Operating expenses from underlying funds	2,799	19,026
Bank charges	1,622	291
	<u>376,950</u>	<u>386,637</u>
<b>Net comprehensive income (loss)</b>	<b>\$ 2,486,968</b>	<b>\$ (361,345)</b>

See accompanying notes to financial statements.

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Statement of Changes in Partners' Equity  
(Expressed in Canadian dollars)

Year ended December 31, 2020, with comparative information for 2019  
(Unaudited - see Notice to Reader)

2020	General Partner	Class A	Class F	Class O	Class O2
Balance, December 31, 2019	\$ 50	\$ 1,957,091	\$ 16,062,835	\$ 5,241,610	\$ –
Net contributions	–	(14,991)	14,991	(1,114,543)	1,114,543
Distributions credited to partners	–	(75,294)	(675,414)	(209,272)	–
Net comprehensive income	–	175,909	1,707,286	595,075	8,698
Balance, December 31, 2020	\$ 50	\$ 2,042,715	\$ 17,109,698	\$ 4,512,870	\$ 1,123,241

2019	General Partner	Class A	Class F	Class O	Class O2
Balance, December 31, 2018	\$ 50	\$ 2,127,106	\$ 16,957,054	\$ 5,551,041	\$ –
Net contributions	–	(15,722)	23,701	(7,979)	–
Distributions credited to partners	–	(75,901)	(674,673)	(261,746)	–
Net comprehensive loss	–	(78,392)	(243,247)	(39,706)	–
Balance, December 31, 2019	\$ 50	\$ 1,957,091	\$ 16,062,835	\$ 5,241,610	\$ –

See accompanying notes to financial statements.

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Statement of Cash Flows  
(Expressed in Canadian dollars)

Year ended December 31, 2020, with comparative information for 2019  
(Unaudited - see Notice to Reader)

	2020	2019
Cash flows from (used in) operating activities:		
Net comprehensive income (loss)	\$ 2,486,968	\$ (361,345)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Realized loss on investments	24,490	55,132
Change in unrealized appreciation (depreciation) on investments	(1,407,010)	667,786
Decrease in interest receivable	5	86
Increase in other receivables	(1,394,620)	(928,722)
Decrease in prepaid expenses	38,349	33,948
Increase (decrease) in accrued fees and expenses	(93,212)	316,380
Sale of investments	1,030,829	1,980,467
Purchase of investments	(959,118)	(2,095,275)
	(273,319)	(331,543)
Cash flows used in investing activities:		
Distributions paid to partners	(959,981)	(1,012,320)
Decrease in cash and cash equivalents	(1,233,300)	(1,343,863)
Cash and cash equivalents, beginning of year	1,517,801	2,861,664
Cash and cash equivalents, end of year	\$ 284,501	\$ 1,517,801
Interest received	\$ 143	\$ 812
Distributions paid	959,981	1,102,320

See accompanying notes to financial statements.

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Notes to Financial Statements  
(Expressed in Canadian dollars)

Year ended December 31, 2020  
(Unaudited - see Notice to Reader)

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Portland Global Energy Efficiency and Renewable Energy Fund LP (the "Partnership") is a limited partnership established under the laws of the Province of Ontario on September 13, 2013. Pursuant to the partnership agreement, Portland General Partner (Ontario) Inc. (the "General Partner") is responsible for the management of the Partnership. The General Partner has engaged Portland Investment Counsel Inc. (the "Manager") to direct the day-to-day business, operations and affairs of the Partnership, including management of the Partnership's portfolio on a discretionary basis and distribution of the units of the Partnership. The head office of the Partnership is located at 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7.

The Partnership has the ability to issue an unlimited number of Class A, Class F, Class O and Class O2 units. Each class of units has different fees and expenses, as outlined in its latest offering memorandum dated December 23, 2013, and as amended thereafter and as may be amended from time to time ("Offering Memorandum").

The Partnership was formed for the purpose of investing primarily in B units of the Global Energy Efficiency and Renewable Energy Fund ("GEEREF"), advised by the European Investment Fund and sub-advised by the European Investment Bank. GEEREF is a private equity and infrastructure fund of funds, investing in equity or quasi-equity for primarily energy efficiency and renewable energy projects in developing countries.

## 1. Significant accounting policies:

### (a) Basis of presentation:

The financial statements of the Partnership have been prepared in accordance with the following accounting policies:

These financial statements are solely for the information and use of the partners of the Partnership. The financial statements are not intended to be used by anyone other than the specified users or for any other purpose.

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Notes to Financial Statements (continued)  
(Expressed in Canadian dollars)

Year ended December 31, 2020  
(Unaudited - see Notice to Reader)

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## 1. Significant accounting policies (continued):

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from those estimates and the difference could be material.

### (b) Functional and presentation currency:

Items included in the Partnership's financial statements are measured using the currency of the primary economic environment in which the Partnership operates (the "functional currency"). The financial statements are presented in Canadian dollars, which is the Partnership's functional and presentation currency.

Transactions in currencies other than the Canadian dollar are translated at the rate of exchange prevailing at the transaction date. Assets and liabilities denominated in currencies other than the Canadian dollar are translated at the applicable exchange rates prevailing at the reporting date. Resulting exchange differences are recognized in the statement of comprehensive income (loss).

### (c) Cash and cash equivalents:

Cash and cash equivalents are classified as loans and receivables and are recorded at amortized cost, which approximates fair value. The Partnership considers highly liquid investments with an original maturity date of three months or less that are readily convertible to known amounts to cash and which are subject to an insignificant risk of changes in value to be cash and cash equivalents.

### (d) Financial instruments:

Financial instruments measured at fair value are classified in one of three fair value hierarchy levels, based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Notes to Financial Statements (continued)  
(Expressed in Canadian dollars)

Year ended December 31, 2020  
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## 1. Significant accounting policies (continued):

### (e) Valuation of investments:

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices. The Partnership uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstance where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

Investments in other investment funds are measured using the most recently published net asset value per unit, unless the Manager believes the net asset value per unit is not indicative of fair value or is not available. In such circumstances, the Manager will determine the carrying value based on its judgment under the circumstances to ensure the investments are included at fair value.

B units of GEEREF are initially measured at the amount paid plus transaction costs. Actualization interest is considered a transaction cost and is included in the cost to acquire B units. Subsequent to acquisition, B units are measured at the amount paid, plus an accrual for amounts owing on the B units in accordance with the GEEREF prospectus, referred to as waterfall distributions. Such amounts are included as other receivables on the statement of financial position. As GEEREF liquidates its investments and cash becomes available to distribute, waterfall distributions will be declared and paid in the following sequence:

- (i) holders of B units have their commitments repaid;
- (ii) holders of B units receive a distribution of 4% per annum;

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Notes to Financial Statements (continued)  
(Expressed in Canadian dollars)

Year ended December 31, 2020  
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## 1. Significant accounting policies (continued):

- (iii) shareholders have their commitments repaid;
- (iv) holders of B units receive a distribution of 6% per annum;
- (v) 95% of the remaining distributions are allocated pro rata based on the percentage of capital commitment made by each investor in A shares and B units (and within each class of shares and B units, on the basis of each respective class of share and B unit capital contribution); and
- (vi) 5% of the remaining distributions are allocated as carried interest to C units, which are held by the European Investment Fund as fund advisor to GEEREF.

Since the Partnership is contractually entitled to these amounts, the Partnership will include them as a receivable unless collectability is no longer assured. The net asset value of GEEREF is approximately €176,196,187 as at December 31, 2020 and, therefore, the Manager is of the view that collectability is assured.

Open forward contracts are revalued to fair value in the statement of comprehensive income (loss) based on the difference between the contract rate and the applicable forward rate to close out the contract. Gains and losses associated with the valuation of open forward contracts are recorded in the statement of comprehensive income (loss) as change in unrealized depreciation of foreign currency forward contracts. The cumulative change in value upon settlement is included in the statement of comprehensive income (loss) as realized loss on foreign currency forward contracts.

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Notes to Financial Statements (continued)  
(Expressed in Canadian dollars)

Year ended December 31, 2020  
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## 1. Significant accounting policies (continued):

### (f) Financial assets and financial liabilities:

#### (i) Initial measurement and classification:

Financial assets and financial liabilities at fair value through profit or loss ("FVTPL") are initially recognized on the trade date, at fair value, with transaction costs recognized in the statement of comprehensive income (loss). Other financial assets and financial liabilities are recognized on the date on which they are originated at fair value.

The Partnership classifies financial assets and financial liabilities into the following categories:

- Financial assets at FVTPL: debt securities, equity investments and derivative financial instruments.
- Financial assets at amortized cost: all other financial assets.
- Financial liabilities at FVTPL: derivative financial instruments and securities sold short, if any.
- Financial liabilities at amortized cost: all other financial liabilities.

#### (ii) Recognition:

Financial assets and liabilities at FVTPL are recognized when the Partnership becomes party to the contractual provisions of the instrument. Recognition takes place on the trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the instrument within the timeframe established by the market concerned.

The Partnership's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. The Partnership's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its net asset value for transactions with unitholders.

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Notes to Financial Statements (continued)  
(Expressed in Canadian dollars)

Year ended December 31, 2020  
(Unaudited - see Notice to Reader)

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## 1. Significant accounting policies (continued):

### (g) Cost of investments:

The cost of investments represents the amount paid for each security and is determined on an average cost basis, including commissions and other portfolio transaction costs.

### (h) Investment transactions and income:

Investment transactions are accounted for on the trade date. Interest income is accrued daily and dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

The interest income for distribution purposes shown on the statement of comprehensive income (loss) represents the coupon interest received by the Partnership accounted for on an accrual basis. The Partnership does not amortize premiums paid or discounts received on the purchase of fixed income securities, except for zero coupon bonds, which are amortized on a straight-line basis.

Realized loss on investments and unrealized appreciation (depreciation) of investments are determined on an average cost basis.

## 2. Partners' equity:

The Partnership is permitted to have an unlimited number of classes of units, having such terms and conditions as the Manager may determine. Additional classes may be offered in future on different terms, including different fee and dealer compensation terms and different minimum subscription levels. Each unit of a class represents an undivided ownership interest in the net assets of the Partnership attributable to that class of units.

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Notes to Financial Statements (continued)  
(Expressed in Canadian dollars)

Year ended December 31, 2020  
(Unaudited - see Notice to Reader)

## 2. Partners' equity (continued):

The General Partner has designated four classes of units:

- Class A units - available to all investors who meet the minimum investment criteria;
- Class F units - generally available to investors who meet the minimum investment criteria and who purchase their units through a fee-based account with their registered dealer;
- Class O units - may be issued to certain institutions or other investors; and
- Class O2 units - may be issued to certain institutions and other investors and are non-voting units.

The Partnership endeavors to invest its capital in appropriate investments in conjunction with its investment objectives, as outlined in its Offering Memorandum.

In accordance with the limited partnership agreement, the General Partner contributed \$50 to the Partnership. No units were issued to the General Partner in exchange for this contribution. Net profit or loss of the Partnership is allocated to the General Partner in accordance with its proportionate allocation, which is 0.001%.

Below is a summary of the unit transactions:

2020	General Partner	Class A	Class F	Class O	Class O2
Balance, December 31, 2019	–	31,543	249,989	77,508	–
Net contributions (distributions)	–	(227)	219	(15,447)	15,447
Balance, December 31, 2020	–	31,316	250,208	62,061	15,447

2019	General Partner	Class A	Class F	Class O	Class O2
Balance, December 31, 2018	–	31,789	249,628	77,625	–
Net contributions (distributions)	–	(246)	361	(117)	–
Balance, December 31, 2019	–	31,543	249,989	77,508	–

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Notes to Financial Statements (continued)  
(Expressed in Canadian dollars)

Year ended December 31, 2020  
(Unaudited - see Notice to Reader)

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### 3. Financial risk management:

This note presents information about the Partnership's exposure to each of the risks below and the Partnership's objectives, policies and processes for measuring and managing risk.

The following summary is not intended to be a comprehensive outline of all risks and investors should refer to the Partnership's current Offering Memorandum for a more detailed discussion of the risks inherent in investing in the Partnership:

#### (a) Market risk:

The success of the Partnership's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the value of GEEREF and may have an impact on the timing and/or ability to effect a liquidity event.

The Partnership is exposed to a number of risks through its financial instruments, comprising cash, interest receivable and other receivables. Risk management relates to the active management of risks associated with all areas of the Partnership and its operating environment. The financial instruments are exposed to liquidity risk, credit risk, currency risk and concentration risk.

#### (b) Liquidity risk:

Liquidity risk is the risk that the Partnership will encounter difficulty in meeting obligations associated with its financial liabilities. Since units are not redeemable until there is a liquidity event, the Partnership's main source of liquidity risk lies in its ability to pay its ongoing operating expenses and its investment administration fees. The Partnership maintains a cash reserve in order to fund these obligations and receives interest income from its investments. Should the need arise, the Partnership may also borrow to meet its obligations.

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Notes to Financial Statements (continued)  
(Expressed in Canadian dollars)

Year ended December 31, 2020  
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### 3. Financial risk management (continued):

(c) Credit risk:

Credit risk is the possibility that a loss may occur from the insolvency or default of a counterparty who fails to perform according to the terms of a contract. The Partnership's cash and cash equivalents are maintained at a large financial institution that is a joint venture of two banks with an Standard & Poor's short-term debt credit rating of A-1 and A-1+. There are no accounts receivable overdue as at December 31, 2020.

(d) Currency risk:

Foreign currency risk is the possibility that revenue or expenses will change in value due to future fluctuations in exchange rates. The Partnership's revenue is in Canadian dollars and Euros and its expenses are in Canadian dollars. As at December 31, 2020, the Partnership had not entered into any foreign currency forward contracts, thereby increasing its exposure to fluctuations in exchange rates on its holdings that are denominated in Euro.

(e) Concentration risk:

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Partnership has concentration risk because it primarily invests in GEEREF, which has exposure to the infrastructure and development sector in select developing countries. Accordingly, regulatory, economic or political changes associated with that industry and region are likely to have an impact on the value of the Partnership's investments.

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Notes to Financial Statements (continued)  
(Expressed in Canadian dollars)

Year ended December 31, 2020  
(Unaudited - see Notice to Reader)

### 3. Financial risk management (continued):

(f) COVID-19:

The full extent of the impact that COVID-19, including government and/or regulatory responses to the outbreak, will have on the Partnership remains uncertain and difficult to predict at this time. By their very nature, the judgments and estimates the Partnership makes for the purposes of preparing its financial statements relate to matters that are inherently uncertain. However, the Partnership has detailed policies that are intended to ensure that these judgments and estimates are well controlled and independently reviewed, and that its policies are consistently applied from year to year. The Partnership believes that its estimates of the value of its assets and liabilities are appropriate as at December 31, 2020.

### 4. Fair value of financial instruments:

Financial assets at fair value through profit or loss were as follows:

2020:

Investment	Number of shares	Price per share	Fair value	Cost	Unrealized gain
Newlook Capital Industrial Services LP, Class D	250	\$ 1,115	\$ 278,958	\$ 143,626	\$ 135,332
Newlook Capital Industrial Services LP, Class C	1,750	1,124	1,966,930	1,270,211	696,719
Newlook Capital Industrial Services General Partner	53	2,945	156,092	1	156,091
GEEREF B Units	967	15,708	15,196,583	14,499,432	697,151
ITM AG INVESTMENT TRUST - NO LOAD PTL185	3,780	125	473,878	189,175	284,703
Portland Private Income Preferred Shares	769,909	10	769,093	769,093	-
<b>Total</b>			<b>\$ 18,841,534</b>	<b>\$ 16,871,538</b>	<b>\$ 1,969,996</b>

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Notes to Financial Statements (continued)  
(Expressed in Canadian dollars)

Year ended December 31, 2020  
(Unaudited - see Notice to Reader)

## 4. Fair value of financial instruments (continued):

2019:

Investment	Number of shares	Price per share	Fair value	Cost	Unrealized gain (loss)
Newlook Capital Industrial Services LP, Class D	250	\$ 1,121	\$ 280,305	\$ 168,925	\$ 111,380
Newlook Capital Industrial Services LP, Class C	1,750	1,129	1,976,362	1,412,711	563,651
Newlook Capital Industrial Services General Partner	53	2,682	142,149	1	142,148
GEEREF B Units	995	14,701	14,630,233	14,915,114	(284,881)
ITM AG INVESTMENT TRUST - NO LOAD PTL185	3,780	60	228,301	189,150	39,151
Brookfield Renewable Partners L.P., Pref. 5.00% Series 13	1,250	23	29,137	30,351	(1,214)
Brookfield Office Properties Inc., Pref. 4.85% Series II	2,000	21	41,020	50,000	(8,980)
Brookfield Infrastructure Partners L.P.	750	22	16,793	18,154	(1,361)
<b>Total</b>			<b>\$ 17,344,300</b>	<b>\$ 16,784,406</b>	<b>\$ 559,894</b>

The cost of GEEREF B units includes \$102,437 (2019 - \$102,437) in actualization interest paid upon acquisition of GEEREF B units.

### (a) Fair value hierarchy:

Fair value measurements are classified into a fair value hierarchy by reference to the observability and significance of the inputs used in measuring fair value. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value based on their observable or unobservable nature.

The three levels are as follows:

- Level 1 - inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Partnership has the ability to access at the measurement date;
- Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active; and

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Notes to Financial Statements (continued)  
(Expressed in Canadian dollars)

Year ended December 31, 2020  
(Unaudited - see Notice to Reader)

## 4. Fair value of financial instruments (continued):

- Level 3 - inputs for the asset or liability that are not based on observable market data.

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgment by the Partnership. The Partnership considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables analyze the Partnership's financial assets and liabilities measured at fair value within the fair value hierarchy:

2020	Level 1	Level 2	Level 3	Total
Equities - long	\$ -	\$ -	\$ 156,092	\$ 156,092
Investment funds	-	769,093	17,916,349	18,685,442
	\$ -	\$ 769,093	\$ 18,072,441	\$ 18,841,534

2019	Level 1	Level 2	Level 3	Total
Equities - long	\$ 86,950	\$ -	\$ 142,149	\$ 229,099
Investment funds	-	-	17,115,201	17,115,201
	\$ 86,950	\$ -	\$ 17,257,350	\$ 17,344,300

During the year ended December 31, 2020, there were no transfers between levels.

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Notes to Financial Statements (continued)  
(Expressed in Canadian dollars)

Year ended December 31, 2020  
(Unaudited - see Notice to Reader)

## 4. Fair value of financial instruments (continued):

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include investments in other partnerships that can be liquidated in line with the Partnership's actual redemption terms to meet investor liquidity requirements. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The Fund's Level 3 investments are based on the net asset value of the underlying Fund as reported by the underlying Fund's Manager.

The following tables reconcile the Partnership's Level 3 fair value measurement of financial instruments for the years ended December 31, 2020 and 2019:

	2020	2019
Balance at the beginning of the year	\$ 17,257,350	\$ 17,812,162
Investments purchased during the year	–	(2,095,274)
Proceeds from sales during the year	583,457	1,916,204
Unrealized appreciation (depreciation) of investments	231,634	(375,742)
<b>Balance at the end of the year</b>	<b>\$ 18,072,441</b>	<b>\$ 17,257,350</b>

### (b) Financial instruments not measured at fair value:

Financial instruments not measured at fair value through profit or loss are short-term financial assets and financial liabilities which carrying amounts approximate fair values.

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Notes to Financial Statements (continued)  
(Expressed in Canadian dollars)

Year ended December 31, 2020  
(Unaudited - see Notice to Reader)

## 5. Classification of financial assets and financial liabilities:

The tables below set out the classifications of the carrying amounts of the Partnership's financial assets and financial liabilities into categories of financial instruments:

2020	FVTPL	Financial assets at amortized cost	Financial liabilities at amortized cost	Total carrying amount
Cash and cash equivalents	\$ –	\$ 284,501	\$ –	\$ 284,501
Investments	18,841,534	–	–	18,841,534
Interest receivable	–	–	–	–
Other receivables	–	6,196,554	–	6,196,554
Prepaid expenses	–	61,871	–	61,871
Accrued fees and expenses	–	–	(595,886)	(595,886)
	\$ 18,841,534	\$ 6,542,926	\$ (595,886)	\$ 24,788,574

2019	FVTPL	Financial assets at amortized cost	Financial liabilities at amortized cost	Total carrying amount
Cash and cash equivalents	\$ –	\$ 1,517,801	\$ –	\$ 1,517,801
Investments	17,344,300	–	–	17,344,300
Interest receivable	–	5	–	5
Other receivables	–	4,801,934	–	4,801,934
Prepaid expenses	–	100,220	–	100,220
Accrued fees and expenses	–	–	(502,674)	(502,674)
	\$ 17,344,300	\$ 6,419,960	\$ (502,674)	\$ 23,261,586

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Notes to Financial Statements (continued)  
(Expressed in Canadian dollars)

Year ended December 31, 2020  
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## 6. Agreement and fees:

### (a) Investment management agreement:

The Manager is a corporation formed under the laws of the Province of Ontario and has been engaged as the Manager to assist the General Partner with certain aspects of the business and operations of the Partnership, pursuant to a management agreement dated September 20, 2013, which may be amended from time to time. The Manager may delegate certain of these duties from time to time.

### (b) Investment administration fee:

The Manager will receive a fee from the Partnership for providing portfolio advisory services and for management of the day-to-day business and operations of the Partnership. Each of the following management fees is calculated and accrued on each Valuation Date during the selling period commencing the period beginning one month from the initial Subscription Date, and on the last business day of each calendar quarter following the selling period and payable quarterly (plus applicable taxes, such as goods and services tax ("GST") or harmonized sales tax ("HST")):

- (i) Class A - 1.0% per annum until December 31, 2017, then increased to 1.35% per annum from January 1, 2018 to December 31, 2020; then increased to 1.75% from January 1, 2021, based on the net asset value of Class A of the Partnership.
- (ii) Class F - 0.6% per annum until December 31, 2017, then increased to 0.75% per annum from January 1, 2018, based on the net asset value of Class F of the Partnership.
- (iii) Class O - negotiated with each investor.
- (iv) Class O2 - negotiated with each investor.

Management fees on Class O and Class O2 units are paid by investors and are not recorded as an expense of the class in the determination of the net asset value of Class O and Class O2 units.

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Notes to Financial Statements (continued)  
(Expressed in Canadian dollars)

Year ended December 31, 2020  
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## 6. Agreement and fees (continued):

### (c) Partnership organizational expenses:

Organizational expenses include legal and registration costs associated with the formation of the Partnership and its related offering documents that were incurred by the Manager. The total amount of organizational expenses will be deducted from the net asset value of the Partnership over a 60-month period commencing the first valuation date following the final subscription date, which was November 30, 2017 (the "Final Subscription Date"). The expenses incurred to date in respect of the organization of the Partnership and the offering of the units amounted to \$85,843, including HST. As at December 31, 2020, the Partnership reimbursed the Manager \$17,134 (2019 - \$17,379) for organizational expenses and the net asset value of the Partnership was reduced by \$17,134. The balance of \$29,121 (2019 - \$43,544) was included as a prepaid expense in the statement of financial position.

### (d) Agent's commission:

Registered dealers with advisors who have clients who purchase Class A units will receive an agent's commission equal to 3%, inclusive of applicable GST, HST or other applicable taxes, of the gross subscriptions into Class A units made by said clients. The total amount of agent's commission will be deducted from the net asset value of the Partnership over a 60-month period commencing the first valuation date following the Final Subscription Date. As at December 31, 2020, \$19,269 (2019 - \$19,432) was paid by the Manager in respect of the agent's commission on behalf of the Partnership. As at December 31, 2020, the Partnership reimbursed the Manager \$19,269 (2019 - \$19,432) for agent's commission and the net asset value of the Partnership was reduced by nil. The balance of \$32,750 (2019 - \$56,676) was included as a prepaid expense in the statement of financial position.

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Notes to Financial Statements (continued)  
(Expressed in Canadian dollars)

Year ended December 31, 2020  
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## 6. Agreement and fees (continued):

### (e) Promoter fee:

The Manager is also the promoter of the Partnership and is entitled to receive a promoter fee equal to 2%, inclusive of applicable GST, HST or other applicable taxes based on the total amount of gross subscriptions received by the Partnership as a result of this offering. The total amount of promoter fee incurred by the Partnership and owed to the Manager as at December 31, 2020 was \$101,386 (2019 - \$102,242).

The total amount of promoter fee will be deducted from the net asset value of the Partnership over a 60-month period commencing the first valuation date following the Final Subscription Date. For the year ended December 31, 2020, the net assets of the Partnership were reduced by \$101,386 (2019 - \$102,242).

### (f) Partnership operating expenses:

The Partnership is responsible for, and the General Partner and the Manager are entitled to reimbursement from the Partnership for, all costs and operating expenses actually incurred by them, including a reasonable allocation of time spent by their personnel, in connection with the formation and organization of the Partnership and the ongoing activities of the Partnership, including but not limited to:

- third-party fees and administrative expenses of the Partnership, which may include accounting, audit and legal costs, insurance premiums, Fundserv fees, custodial fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, limited partner reporting and communication expenses, the cost of maintaining the Partnership's existence, dissolution and liquidation costs, regulatory fees and expenses, all reasonable extraordinary or non-recurring expenses and applicable GST and/or HST; and
- fees and expenses relating to the Partnership's investment in the shares, interest on borrowings and commitment fees and related expenses payable to lenders and counterparties, and banking fees.

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Notes to Financial Statements (continued)  
(Expressed in Canadian dollars)

Year ended December 31, 2020  
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## 7. Related party transactions:

During the year ended December 31, 2020, the Partnership paid \$157,739 (2019 - \$150,325) and \$62,502 (2019 - \$65,229) to the Manager for management fees and reimbursement of fund operating expenses, respectively. As at December 31, 2020, \$165,103 (2019 - \$158,492) is still payable to related parties. All amounts exclude applicable GST and/or HST. GST and/or HST is not recoverable by the Partnership. Amounts paid for reimbursement of fund operating expenses include \$1,621 (2019 - \$1,098) to affiliates of the Manager for services provided in respect of the Partnership.

The Manager, its officers and directors and other investment funds managed by the Manager ("Related Parties") may invest in units of the Partnership from time to time in the normal course of business. The following table presents the number of units of the Partnership held by the Manager and Related Parties on each reporting date:

	Related Parties
December 31, 2020	11,835
December 31, 2019	12,035

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## 8. Commitments:

The Partnership has made commitments to purchase B units of GEEREF over the life of this investment. Commitments of €3,200,000, €2,500,000, €2,300,000, €2,000,000 and €4,250,000 were made on February 20, 2014, September 30, 2014, December 17, 2014, April 23, 2015 and May 29, 2015, respectively. As at December 31, 2020, the total remaining unfunded commitments for B units was €595,034 (2019 - €595,034), which becomes payable when GEEREF issues subscription requests to the Partnership.



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Sources:

1. Global Carbon Budget 2019
2. United Nations, January 2019, <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>
3. GEEREF Impact Report 2017, Global Energy Efficiency Renewable Energy Fund, October 2018, <https://geeref.com/about/investment-strategy.html>

Unless noted, information has been compiled from various sources including corporate documents, annual reports, offering documents and public news articles from GEEREF, European Investment Bank and Newlook Capital Inc.

Certain statements included in this Commentary constitute forward-looking statements, including those identified by the expressions “anticipate,” “believe,” “plan,” “estimate,” “expect,” “intend” and similar expressions to the extent they relate to the Partnership. These forward-looking statements are not historical facts, but reflect the current expectations of the portfolio management team regarding future results or events of the Partnership. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. The portfolio management team has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, except as required by securities legislation.

Certain research and information about specific holdings in the Partnership, including any opinion, is based upon various sources believed to be reliable, but it cannot be guaranteed to be current, accurate or complete. It is for information only, and is subject to change without notice.

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