



Portland Global Energy Efficiency and Renewable Energy Fund LP – March 31, 2020 Valuation Update

April 7, 2020

This bulletin is available for advisors and investors.

We have today published the Portland Global Energy Efficiency and Renewable Energy Fund LP (the “Partnership”) NAV per unit as at March 31, 2020.

Series A \$65.9054 - Quarter to date performance rose 7.2%
Series F \$68.4559 - Quarter to date performance rose 7.6%

The appreciation in performance can be attributed to:

- I. The investment in Global Energy Efficiency and Renewable Energy Fund (GEEREF), a private equity and infrastructure fund of funds sub-advised by the European Investment Bank (EIB), which as at December 31, 2019 comprised of 160 projects across 15 regional funds, nine of which have commenced divesting.
- II. GEEREF is domiciled in Euros and that currency has over the period strengthened compared to the Canadian dollar by about 6%.
- III. A small investment (initially about 0.8%) in ITM AG Investment Trust (“ITM”), which recently appreciated in value about 106% during the quarter.

The Partnership intends to continue to pay a quarterly distribution of \$0.60 per unit for Series A and \$0.675 per unit for Series F.

Portland Investment Counsel Inc., as manager, has been closely monitoring developments related to the coronavirus (COVID-19). As an investor in the Partnership, we want to take this opportunity to assure you that we have taken measures to protect the health and safety of our employees, and to update you on how we, the EIB’s GEEREF team and the underlying regional fund managers and their portfolio companies are trying to minimize the impact on the businesses held within the Partnership.

We understand from among the GEEREF’s portfolio of regional funds that they are prepared with essential materials, including business continuity/action plans that address potential COVID-19

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situations. Across the GEEREF team and underlying fund managers there have been no reported cases of COVID-19.

Across the Partnership's energy efficiency and **renewable energy portfolio**, the impact of the virus to date has been limited. Nonetheless, power demand throughout February was naturally lower – not least given reduced business activity following the Chinese New Year holiday and untypical disruptions to travel. However, as renewable power is typically dispatched in priority, and with power demand largely driven by industrial activity, the bulk of the renewable energy portfolio is 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 well into the second half of 2020.

Some regional fund managers of GEEREF believe COVID-19 will bring some interesting investment opportunities. However, all regional fund managers cautiously point out that should the economic lock-down continue, more severe impacts are to be expected. To prepare for this, regional fund managers are seeking ways to conserve cash. Broadly, in the nearer term, we believe the area impacted earliest would be 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 3.5%.

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

For more information, please contact:

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The Partnership is closed to new investments. The Partnership was not publicly offered. It was only available under prospectus exemptions and other exemptions available to investors who met certain eligibility or minimum or

maximum purchase requirements. These exemptions included the accredited investor exemption and the \$150,000 minimum purchase exemption. Information herein pertaining to the Partnership is solely for the purpose of providing information and is not to be construed as a public offering in any jurisdiction of Canada. The offering of Units of the Partnership was made pursuant to an Offering Memorandum and the information contained herein is a summary only and is qualified by the more detailed information in the Offering Memorandum

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