

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP



(as at September 30, 2024)

Performance (as at September 30, 2024)	3 Months	6 Months	Year to Date	1 Year	3 year <sup>1</sup>	5 year <sup>1</sup>	10 year <sup>1</sup>	Since Inception <sup>1</sup>
Portland Global Energy Efficiency and Renewable Energy Fund LP Series A	3.94%	6.23%	7.46%	9.16%	3.61%	3.41%	4.14%	4.39%
Portland Global Energy Efficiency and Renewable Energy Fund LP Series F	4.25%	6.85%	8.39%	10.41%	5.16%	5.05%	5.39%	5.54%

## HOW THE PARTNERSHIP IS MANAGED

The investment objectives of Portland Global Energy Efficiency and Renewable Energy Fund LP (“Partnership”) 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, 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 subscribes for the B units of GEEREF, it is required to commit to investing a fixed amount of capital to GEEREF over time. Pending the full investment of the Partnership’s commitments, which may take several months or years, 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.
- 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 Partnership may borrow up to 7.5% of its total assets from a bank, prime broker, the Manager or its affiliates.

## KEY REASONS TO INVEST

- Opportunity to invest, through the Partnership, alongside Supranational Institutions and Sovereign States (EIB on behalf of the European Union, Germany and Norway)
- Preferred return mechanism of GEEREF’s B units:
  - Faster return of capital than A shareholders
  - Enhanced returns
  - Targets above average long-term returns
- GEEREF has access to specialized infrastructure funds/ geographies exposed to high growth
- GEEREF investments increase access to renewable and affordable energy for underserved communities in emerging nations
- GEEREF’s institutional quality oversight and governance
- Targeting 8% distribution per annum

## PORTFOLIO MANAGER

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

## FUND DETAILS

Fund Assets	\$17.1 million
Inception Date	October 31, 2013
Fund Type	Alternative Strategies
Offer Document	Offering Memorandum
Legal Type	Limited Partnership
Eligible for Registered Plans	No
Purchases	Closed to new purchases
Expected Term	November 2024 plus up to 4 years of extensions
GEEREF Advisor	European Investment Fund
GEEREF Sub-Advisor	European Investment Bank
Promoter Fee	2%
Agents Commission - Class A	3%
Fund Manager	Portland Investment Counsel Inc.
Administrator	CIBC Mellon Global Securities Services Company
Custodian	CIBC Mellon Trust Company

FUNDSERV CODES	Class A	Class F*
Portland Global Energy Efficiency and Renewable Energy Fund LP- Subscription Code - CDN\$	PTL605	PTL615
Portland Global Energy Efficiency and Renewable Energy Fund LP - CDN\$	PTL610	PTL620

CLASS	A	F*
Net asset value per unit (CAD\$)	\$40.8694	\$45.2010
Min. initial investment, accredited investors <sup>1</sup>	\$2,500	\$2,500
Min. initial investment, non-individuals	\$150,000	\$150,000
Min. subsequent investment <sup>2</sup>	\$500	\$500
Management fee until Dec. 31, 2017	1.00%	0.60%
Management fee Jan. 1, 2018 - Dec. 31, 2020	1.35%	0.75%
Management fee Jan. 1, 2020 onward	1.75%	0.75%
Trailer fee until Dec. 31, 2017	0.40%	–
Trailer fee Jan. 1, 2018 - Dec. 31, 2020	0.60%	–
Trailer fee Jan. 1, 2020 onward	1.00%	–

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## ATTRACTIVE RISK/RETURN PROFILE OF GEEREF

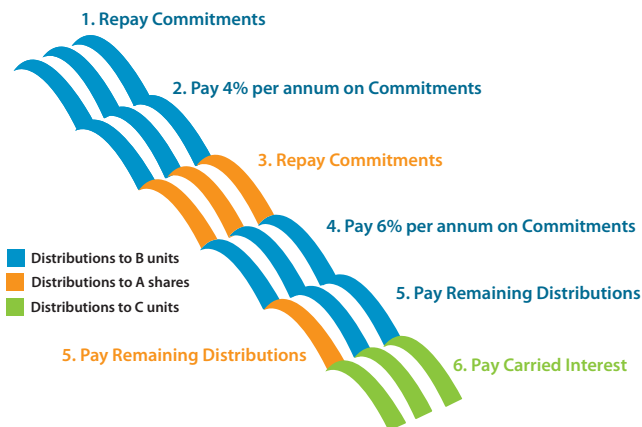
Opportunity to invest, through the Partnership, alongside Supranational Institutions and Sovereign States.

GEEREF was launched in 2008, capitalized with approximately €112 million in A shares from the European Union, Germany and Norway.

An additional €110 million has been raised from new private investors in B units of GEEREF, as well as an additional €20 million in February 2019, bringing the total commitments to €242 million.

The new private investors in B units are a select number of investors and limited partnerships including the Partnership.

A waterfall distribution provides holders of B units of GEEREF (i.e. the Partnership) over 50% downside protection, a preferred return and accelerated liquidity compared to GEEREF A shareholders and seeks to provide enhanced returns as illustrated below.



## RISKS

While the Manager and GEEREF's Front Office investment team (GFO), through the advisory services of the EIF and the EIB, exercise due diligence throughout the investing process of the Partnership, no guarantees can be given regarding returns on your investment or the risk of loss.

The Manager believes the following risks are key to the Partnership's performance: no assurance of return, dependence on the Manager, dependence on GFO, illiquidity of the Partnership investments, including those in Regional Funds, equity risk, currency risk, legal jurisdiction, risks related to the Regional Funds and other investments in specific sectors, risk of not meeting capital calls and valuation of the Partnership's investments.

Investors should consult with their financial advisor about the risks prior to investing in the Partnership. Please read the "Risk Factors" section in the Offering Memorandum for a more detailed description of all the relevant risks.

## FUND COMMENTARY (As at September 30, 2024)

The Partnership was closed to new purchases on November 30, 2017 with commitments totaling total €14,250,000 in B Units of GEEREF. As at September 30, 2024, the Partnership has invested €13,654,966 representing 95.82% of its commitment. GEEREF has executed an extension to extend its life to at least November 2025 with possibly three more one-year extensions to latest November 2028.

The Partnership has been receiving distributions from GEEREF and by September 2024 has returned 69.25% of committed capital. 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 the cash the Partnership is paying as quarterly (regular and special) distributions to clients. The Partnership's regular quarterly distribution payments of \$0.750 per unit for Series A and \$0.844 per unit for Series F continued to September 30, 2024. To date, cumulative distributions for Series A and F are \$35.4841 and \$39.4361, respectively.

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 September 30, 2024, the Partnership comprises of 92.55% GEEREF; 3.46% ITM AG Investment Trust; 0.90% ITM AG Investment LP; and 1.59% Newlook Capital Industrial Services LP ("Newlook").

GEEREF's objective is to invest in Regional Funds (as defined in the Offering Memorandum) 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 March 31, 2024, GEEREF had committed approximately €202 million in 15 Regional Funds and with two liquidated and realized the portfolios of the 13 remaining Regional Funds comprise 207 investments. 12 of the 13 remaining Regional Funds have begun the process of divesting.

GEEREF's performance remained broadly unchanged, the gross internal rate of return (IRR) fell to -0.85% in Q1 2024 from -0.74% in Q4 2023, and net IRR and Total Value to Paid In Capital increased slightly (-1.41% vs -1.49% and 0.88x vs 0.87x).

Newlook's strategy consisted of acquiring interest in companies that have a component of their revenues arising from recurring service provisions, which assures regulatory code compliance and where it believed there was opportunity to enhance value by driving operational improvements. Newlook has been divesting its portfolio and is expecting an exit of its remaining fire protection business in the fourth quarter of 2024. Since inception, unitholders in Newlook have received approximately 121% of its original investment back in distributions.

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In October 2018, the Partnership initiated a small indirect stake in a late stage venture capital company, ITM Isotope Technologies Munich SE (“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. 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. In the third quarter of 2021, the Partnership invested in a subsequent offering of ITM within the ITM AG Investment LP.

In June 2024, ITM completed a €188 million equity investment round lead by Temasek, with participation from BlackRock Alternatives, Qatar Investment Authority, and a few other third-party institutional investors. ITM appointed Dr. Andrew Cavey as its new CEO, effective September 1, 2024, succeeding Steffen Schuster who will join the company’s Supervisory Board. Dr. Andrew Cavey brings extensive leadership experience from Bristol Myers Squibb and Novartis, where he played pivotal roles in the development and commercialization of radiopharmaceuticals. Most recently, he held the position of SVP, Head of Global Program Leaders, Hematology, Oncology, Cell Therapy at BMS, where he helped the company enter into radiopharmaceuticals. His appointment as CEO of ITM Isotope Technologies Munich SE will help accelerate the company’s pipeline and business growth in the radiopharmaceutical industry, leveraging his global expertise in clinical practice, strategy, and commercial management. As such, we believe ITM is well positioned as an attractive oncology supplier and drug developer at the forefront of scientific and medical clinical research in the oncology space.

## Market Overview

Renewables are now the first choice option for expanding, upgrading and modernizing power systems around the world. Data released by the International Renewable Energy Agency (IRENA) in March 2024 shows that 2023 set a new record in renewables deployment in the power sector by reaching a total capacity of 3,870 Gigawatts globally. Renewables accounted for 86% of capacity additions; however, this growth is unevenly distributed across the world, indicating a trend far from the tripling renewable power target by 2030. The actions needed to triple renewable capacity by 2030 as agreed at COP28 in Dubai vary significantly by country, region, and technology. 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.

## Recent Developments and Outlook

The operating environment for renewable energy projects across the regions in which GEEREF projects are located was struck by the COVID-19 pandemic and the cyclical headwinds that followed from rising interest rates by Central Banks. 2024 started off with continued pressure by African government utilities for lower tariffs for electricity supplied by IPPs. As African countries look for new ways to grow their economies, additional power supply has become a front-and-centre part of their strategies. These needs are driving the growth in the development of more captive power and large commercial and industrial projects. The Latin American and Caribbean region continues to show resilience and signs of stabilization. Monetary policy adjustments during 2024 are expected to be slow paced and growth to remain sluggish, while subdued global demand will likely keep commodity prices in check. Private sector dealmaking, investment exits and fundraising, are expected to remain logjammed for a while longer as interest rates decline but not fast enough.

Whilst we have recognized the value of deferring divesting to await better prices, the delays require ongoing maintenance of projects and observance of local health and safety standards. However, while some projects are struggling, the aggregate status of the portfolio of projects continues to hold up, with the sovereign A shareholders likely to bear the brunt of disappointing returns on their investment, rather than our B ‘preferred’ units. We are conscious of the lengthened investment period, and that over the last decade since when we first engaged with the European Investment Bank, the stewardship of the Regional Funds and of the GEEREF team has experienced changes of personnel which also impact outcomes. After agitating for changes, distributions improved in 2023 but have again slowed. Separately, we are working on the final divesting of Newlook in 2024 and thereafter news of ITM’s liquidity event.

# PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP



(as at September 30, 2024)



<sup>†</sup> Annualized, Inception Date of October 31, 2013.

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

1. Accredited Investors as defined under National Instrument 45-106.
2. For investors who are not Accredited Investors, the additional investment must be in an amount that is not less than \$500 if the investor initially acquired Units for an acquisition cost of not less than \$150,000 and, at the time of the additional investment, the Units then held by the investor have an acquisition cost or a net asset value equal to at least \$150,000, or another exemption is available.

Other source: <http://geeref.com>, European Investment Bank, GEEREF Investors Quarterly Report, GEEREF Information Memorandums, June 2013 and June 2014.

Commissions, trailing commissions, management fees and expenses all may be associated with investment funds. The indicated rates of return are the historical annual compounded total returns including changes in units [share] value and reinvestment of all distributions [dividends] and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. The Partnership does not allow reinvestment of distributions. The rates of return are used only to illustrate the effects of the compound growth rate and are not intended to reflect future values of the investment fund or returns on investment in the fund. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

The Portland Global Energy Efficiency and Renewable Energy Fund LP (the "Partnership") is not publicly offered. It is only available under prospectus exemptions and other exemptions available to investors who meet certain eligibility or minimum or maximum purchase requirements. Currently these exemptions include the accredited investor exemption and the \$150,000 minimum purchase exemption for institutional investors. 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 is made pursuant to the Confidential Offering Memorandum and the information contained herein is a summary only and is qualified by the more detailed information in the Confidential Offering Memorandum. Commissions, trailing commissions, management fee and expenses may be associated with investments. Products are not guaranteed, their values change frequently and past performance may not be reported.

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