Financial Statements
(Expressed in Canadian dollars)

PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Year ended December 31, 2017
(Unaudited - see Notice to Reader)

PORTFOLIO MANAGEMENT TEAM

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

THANK YOU

On November 30, 2017, we received final subscriptions into the Portland Global Energy Efficiency and Renewable Energy Fund LP (the “Partnership” or “Portland GEEREF LP”). This report is intended to show you the progress made since the launch of the Partnership. However, first we wanted to thank you for your trust and for sharing our commitment towards achieving tangible positive impacts on the lives of hundreds of thousands of people and assist in the fight for climate change while generating a financial return that should convince more investors to allocate resources to protect our planet. We are at the forefront of making investment in renewable energy in developing countries a profitable thing to do. Doing well by doing good – our sincere thanks.

OVERVIEW

The investment objectives of the 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 (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.

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 144 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. Details of the impact GEEREF is already having on both Planet and People are provided on pages 10-15.

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

* As at Dec. 31, 2016, comprising €906 million raised by GEEREF Regional Funds (including GEEREF, commitment of €154.0 million at the time) plus €2.4 billion project financing commitments.

FUND COMMENTARY (as at December 31, 2017)

The Partnership's one-year return as of December 31, 2017 was 5.4% for Series A and 6.0% for Series F units. The Partnership has delivered annualized and cumulative returns since inception on October 31, 2014 of 7.4% and 34.7% for Series A and 7.8% and 36.7% for Series F units, respectively. The Partnership's net asset value per unit as of December 31, 2017 was $66.97 for Series A and $67.92 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. In March 2017, the Partnership fulfilled a requirement to increase its subscriptions and so currently has contributed €12,267,056 representing 86.1% of its commitment. A significant portion of the €12.3 million investment has been hedged to the Canadian dollar throughout the year but the amount hedged at year end was modest.

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, 2017, GEEREF had committed to invest approximately €151 million in 12 Regional Funds, liquidated and so expects to realize about €15.1 million from one Regional Fund and positively received submissions from one successor Regional Fund. The two new Regional Funds which received commitments in 2017 were both successor funds, namely Evolution II (Inspired Evolution Investment Management) and Frontier Energy II (Frontier Investment Management) and the liquidated fund was Emerging Energy Latin America Fund II.

The portfolios of each of the 12 Regional Funds comprise a total of 111 investments. Three of these Regional Funds have finalized their investment periods and begun the process of divesting. On March 31, 2017 and August 18, 2017, the Partnership received its second and third distributions of €347,045 and €1,070,339 respectively, in lieu of partial divestments from Regional Funds.

Mr. Wain-Lowe has visited and met senior members of the GEEREF team and partners of the Regional Funds and expects that by end 2018, GEEREF will be fully committed, having invested in 13 Regional Funds, managed by the ten teams of investment professionals (as depicted on the bottom of the prior page and described on pages 5-7). Also, as more Regional Funds finalize their investing periods, Mr. Wain-Lowe expects they will begin the process of divesting. It is also understood that GEEREF is working on co-investment/direct investment projects, which are expected to materialize in 2018 but which will in all likelihood then require similar investing periods to those afforded to the earlier-invested Regional Funds. In anticipation of this need, GEEREF is seeking a 2-5 year extension to the life of its fund in order to enable these investments to be realized at optimal pricing. The remaining term of the Partnership is based on the remaining term of GEEREF. As such the expected term of the Partnership remains to November 2023 but may be further extended four times as follows: (i) once by two years (as originally contemplated) and, thereafter, (ii) three times by one year. Given 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 committed just last year or this year. 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.

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 declared its first distribution of $0.40 per Unit for Series A and $0.45 per Unit for Series F effective December 29, 2017 and was paid in January, 2018. The distribution rate represented an initial annualized return of approximately 7% and 7.8% for Series A and Series F, respectively, based on the November 30, 2017 net asset value per unit. Thereafter, distributions will be paid quarterly commencing quarter end March 2018. All distributions will be paid in cash.

The Manager will review the distribution payments at least annually and changes may occur due to the performance, return of capital and distributions received from its underlying investment in GEEREF.

Over the last year, as the Partnership welcomed an increasing number of investors and existing investors who increased their investment, the Partnership's net assets have risen. Also, given the GEEREF offer is now closed, the Partnership's commitment is now capped. Therefore, the Manager has looked to complete the investment objectives of the Partnership by investing primarily in the B units of GEEREF plus a portfolio of income producing private and public debt and equity securities.

In September 2016, the Partnership initiated a commitment to invest in Newlook Capital Industrial Services LP (Newlook). Headquartered in Burlington, Ontario, Newlook has been created to provide an opportunity for investors, by way of a tiered investment structure, 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 provision, which assures 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.

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. Similarly, True Canadian, managed by a technician with 30 years of experience is in the elevator maintenance and modernization business, based in Etobicoke.

In August 2017, Multigas 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.

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 in 5 years, effectively by end September 2021, subject to three potential one year extensions at the discretion of the general partner of Newlook. The Partnership is also a modest shareholder of the general partner of Newlook. As at December 31, 2017, the investment in Newlook represented about 9.1% of the Partnership. In keeping with its investment strategies, the Partnership intends primarily to invest in the B units of GEEREF and so whilst pleased at this modest opportunity, currently anticipates that its investment in Newlook will be up to about 10% of the Partnership and the Partnership's stake to be about 5% of Newlook.

MARKET OVERVIEW

Renewable energy is a fundamental and growing part of the world's ongoing energy transformation. Governments all over the world are joining that consensus with the notable recent exception of the U.S.A. The use of renewables is their prime choice for enhancing access to an affordable reliable and cleaner source of modern energy services.

The Paris Agreement, now embracing 169 countries, has established renewable energy targets and nearly 150 countries have enacted policies to catalyze investments in renewable energy technologies. GEEREF's experience concludes that poor regulatory framework remains the most important bottleneck.

Currently, about one out of every five units of energy delivered to consumers comes from renewable sources. This is remarkably evident in the power sector where renewables are growing at unprecedented rates far outpacing growth in conventional technologies. Since 2012, new generating capacity fueled by renewables has exceeded that fueled by non-renewables by a widening margin. At 154 gigawatts capacity, renewables represented 61% of all new power generating capacity added worldwide in 2015.

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. The cost of wind turbines has fallen by nearly a third since GEEREF was created in November 2008 and solar photovoltaic modules have fallen by 80% over the same timeframe. 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. With crude oil prices cut by more than half, 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 favor 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. Industrial services in Canada are regulated by codes of compliance which by their nature require technical services and generate recurring revenues in areas which benefit and protect the societies they serve. Market drivers for both electricity generation and industrial services like elevator maintenance and gas detection include increasing urbanization and technological development. We believe the Partnership's investments are fulfilling its investment objectives, including the commenced distributions.

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.

You can read more about Africa Renewable Energy Fund by visiting its website: www.berkeley-energy.com/

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

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.

Catalysts'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.

You can read more about Catalyst MENA Clean Energy Fund by visiting its website: 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.schulzeglobal.com

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

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

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

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

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 70% 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 30% in renewable energy projects (proven technologies including hydro expansion/rehabilitation, solar and wind).

You can read more about MGM Sustainable Energy Fund by visiting its website: www.mgminnovacap.com

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.

You can read more about Renewable Energy Asia Fund by visiting its website: www.berkeley-energy.com

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.

You can read more about Renewable Energy Asia Fund II by visiting its website: www.berkeley-energy.com/

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.

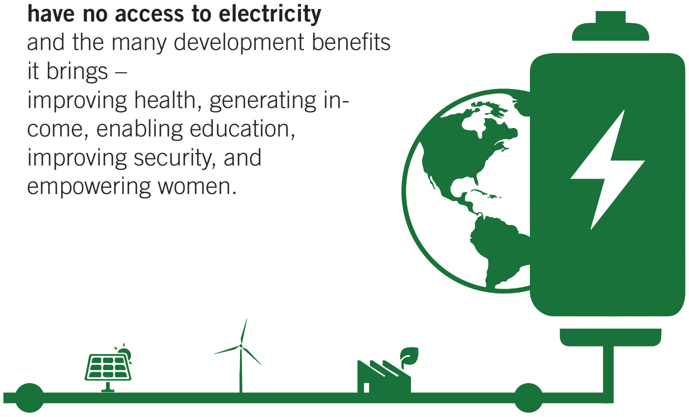
The investment strategy is based on the rising market demand for power in India; the commitment to provide clean renewable energy with a positive environmental impact; the use of proven and established technology to minimise performance risk; minimal execution and operation risk through a diversified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

You can read more about SolarArise by visiting its website: www.solararise.com

THE ENERGY ACCESS GAP

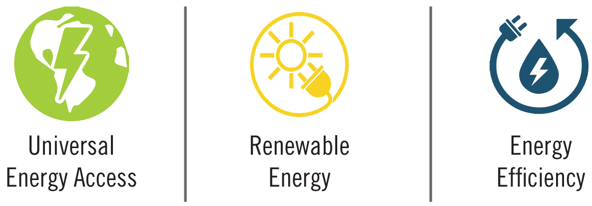
THE PROBLEM

Over 1.2 billion people around the world have no access to electricity and the many development benefits it brings – improving health, generating income, enabling education, improving security, and empowering women.



THE FRAMEWORK

The UN-Led Sustainable Energy for All initiative seeks to achieve universal energy access by 2030 as one of its three goals, the others being doubling the rate of improvement in energy efficiency and doubling the share of renewables in the global energy mix.

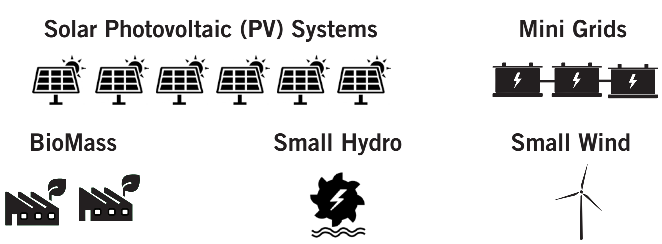


THE NEED

The International Energy Agency estimates that **60% of new electricity** needs will have to be met by distributed (mini- & off-grid) solutions.

THE SOLUTIONS

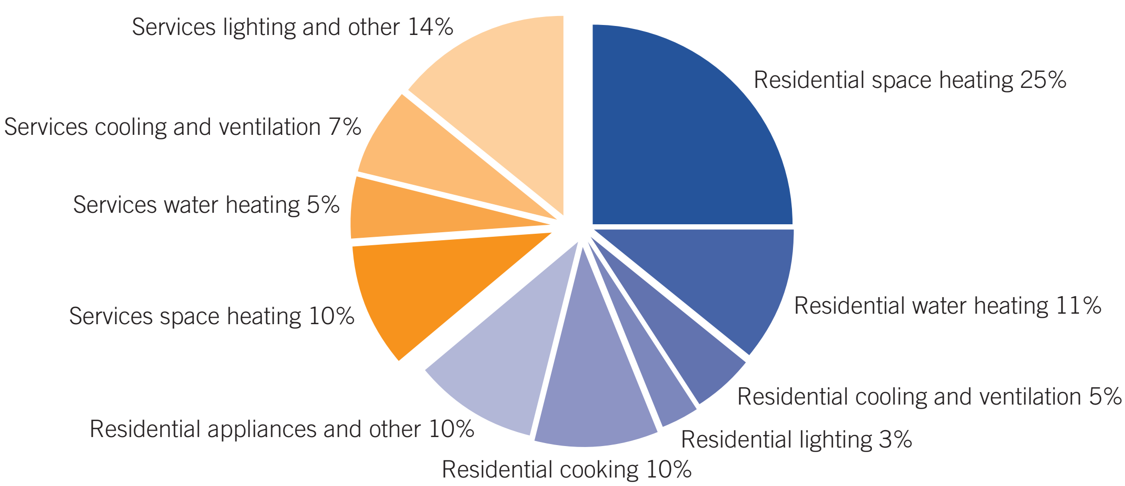
A range of options exist and are ready for scale for off-grid rural electrification, including:



Portland GEEREF LP addresses all these solutions

THE CASE FOR ENERGY EFFICIENCY

- Energy efficiency provides the most cost-effective solution in the short to medium term for reducing energy demand/supply gap, enhancing energy security, and reducing local and global environmental impacts.
- The following pie chart shows the breakdown of the scope for future energy savings in the residential and commercial buildings sector by 2050, two thirds of the buildings sector energy savings came from the residential sector, with heating, ventilation and air conditioning (HVAC) technologies showing most potential with 63%.



Buildings Sector Potential Energy Savings*

Total energy savings 1,509 Mtoe (million tones oil equivalent)

* International Energy Agency (IEA), "Technology Roadmap – Energy-efficient Buildings: Heating and Cooling Equipment", 2011. IEA Energy Technology Perspectives 2010 BLUE Map scenario describes the role of energy technologies in transforming the buildings sector by 2050 in line with an overall goal of reducing global annual energy-related CO2 emissions to half that of 2007 levels

THE CASE FOR RENEWABLE ENERGY

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.

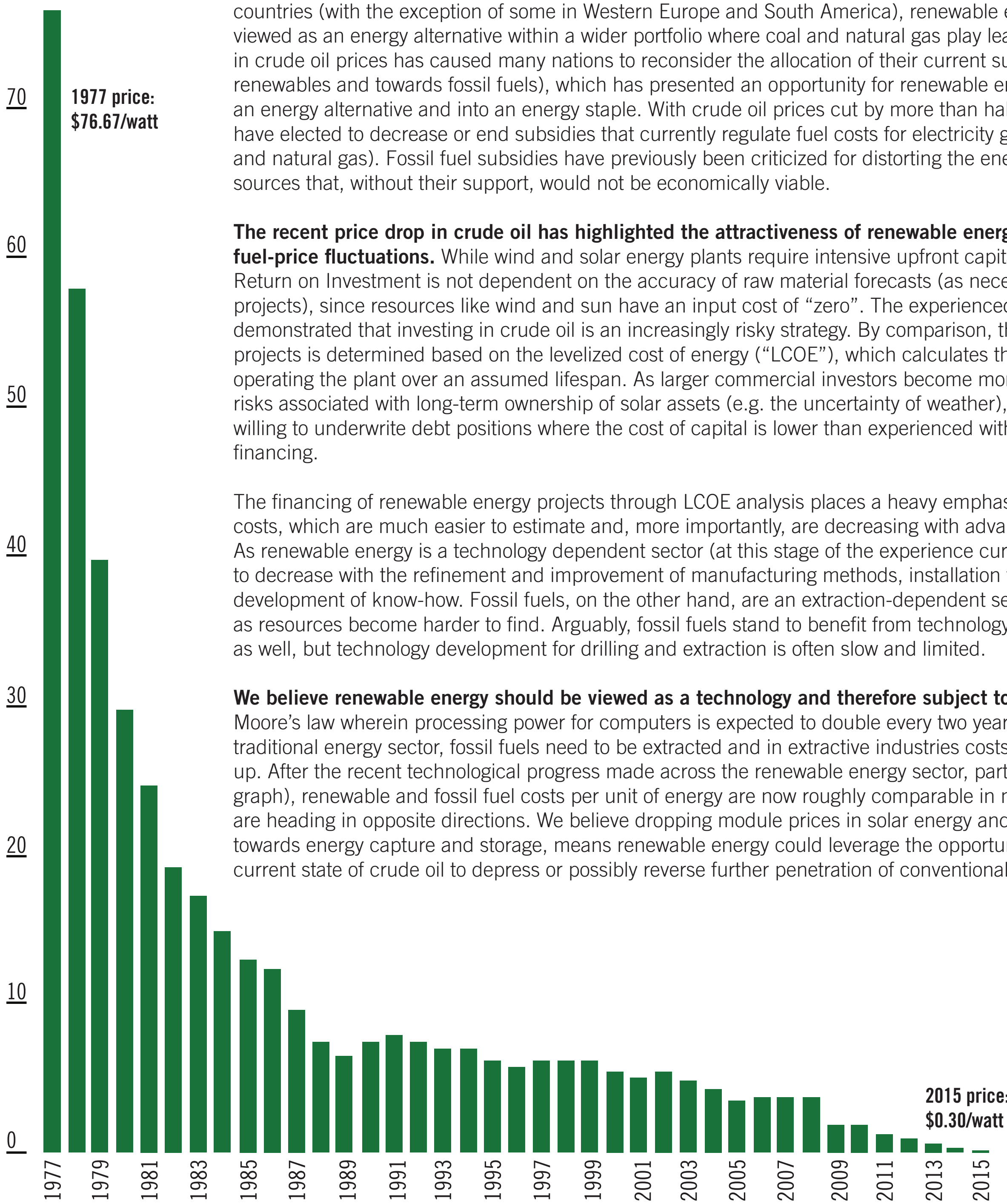
Traditionally, renewable energy has been largely driven by sustainability targets and concerted regional efforts to diversify existing energy portfolios. Photovoltaic ("PV") global installations has continued to rise since 2006, largely driven by the continued drop in capital costs – the price of PV modules has fallen by over 30% year on year since 2008. This reduction in capital investment has allowed solar power to be viewed as a viable energy alternative to traditional power generation from coal, natural gas, and/or nuclear. 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. For most countries (with the exception of some in Western Europe and South America), renewable energy continues to be viewed as an energy alternative within a wider portfolio where coal and natural gas play leading roles. 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. With crude oil prices cut by more than half, 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 favor of sources that, without their support, would not be economically viable.

The recent price drop in crude oil has highlighted the attractiveness of renewable energy's relative isolation from fuel-price fluctuations. While wind and solar energy plants require intensive upfront capital, their forecasted project Return on Investment is not dependent on the accuracy of raw material forecasts (as necessary with petrochemical projects), since resources like wind and sun have an input cost of "zero". The experienced volatility in prices has demonstrated that investing in crude oil is an increasingly risky strategy. By comparison, the payback of solar projects is determined based on the levelized cost of energy ("LCOE"), which calculates the cost of building and operating the plant over an assumed lifespan. As larger commercial investors become more comfortable with the risks associated with long-term ownership of solar assets (e.g. the uncertainty of weather), they will be increasingly willing to underwrite debt positions where the cost of capital is lower than experienced with traditional power project financing.

The financing of renewable energy projects through LCOE analysis places a heavy emphasis on the upfront capital costs, which are much easier to estimate and, more importantly, are decreasing with advancements in technology. As renewable energy is a technology dependent sector (at this stage of the experience curve), costs will continue to decrease with the refinement and improvement of manufacturing methods, installation techniques, and development of know-how. Fossil fuels, on the other hand, are an extraction-dependent sector, where costs increase as resources become harder to find. Arguably, fossil fuels stand to benefit from technology gains and cost deflation as well, but technology development for drilling and extraction is often slow and limited.

We believe renewable energy should be viewed as a technology and therefore subject to cost deflation (e.g. Moore's law wherein processing power for computers is expected to double every two years). In contrast, in the traditional energy sector, fossil fuels need to be extracted and in extractive industries costs (almost) always go up. After the recent technological progress made across the renewable energy sector, particularly solar (see price graph), renewable and fossil fuel costs per unit of energy are now roughly comparable in many countries – but are heading in opposite directions. We believe dropping module prices in solar energy and progressing research towards energy capture and storage, means renewable energy could leverage the opportunity spurred on by the current state of crude oil to depress or possibly reverse further penetration of conventional power sources.

Price of crystalline silicon photovoltaic cells, $/watt



Source: Bloomberg, New Energy Finance

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[1]

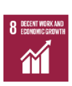
GEEREF IMPACT OVERVIEW

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 five of the 17 goals.


GEEREF BUILDS UP NEW CLEAN ENERGY CAPACITY


GEEREF CONTRIBUTES TO DECREASING GHG EMISSIONS IN ENERGY AND OTHER INDUSTRIES


GEEREF CREATES EMPLOYMENT OPPORTUNITIES AND SKILLS TRAINING


GEEREF APPLIES ILO STANDARDS IN ALL ITS PROJECTS


GEEREF IS A PUBLIC-PRIVATE PARTNERSHIP

On the following pages, we highlight how GEEREF is addressing and delivering on each of the United Nations five SDGs.

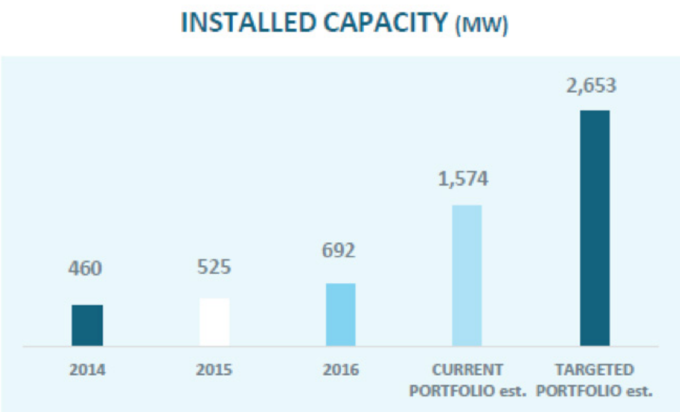
AFFORDABLE AND CLEAN ENERGY (SUSTAINABLE DEVELOPMENT GOAL #7)

Ensure access to affordable, reliable, sustainable and modern energy for all.

Facts:

- One in five people still lacks access to modern electricity
- 3 billion people rely on wood, coal, charcoal or animal waste for cooking and heating
- Energy is the dominant contributor to climate change, accounting for around 60% of total global greenhouse gas emissions

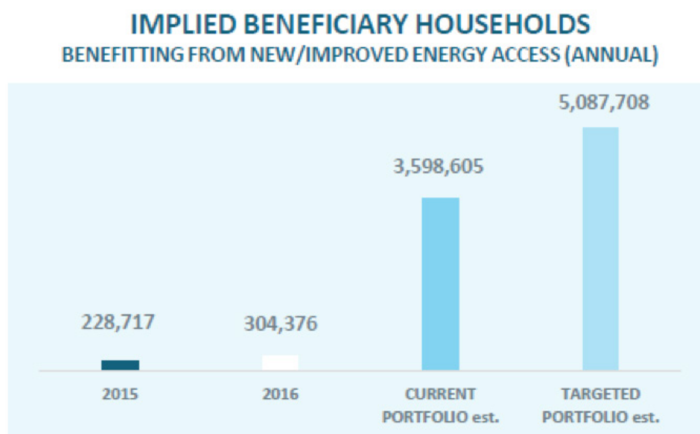
Ensuring universal access to affordable electricity by 2030 means investing in clean energy sources such as solar, wind and thermal. Expanding infrastructure and upgrading technology to provide clean energy in all developing countries is a crucial goal that can both stimulate economic growth and help the environment. GEEREF is investing in new clean energy capacity to replace fossil fuel, highlighted as follows.



In 2016, GEEREF's Regional Fund's registered a 32% increase in installed capacity, reaching a total of 700 megawatts ("MW"). 170 MW were connected to the grid throughout the year, mostly in Asia. The majority of the installed projects were concentrated in three countries: South Africa (46%), India (22%) and the Philippines (10%) – and implemented by the three most advanced and 'oldest' Regional Funds in GEEREF's portfolio: Evolution One Fund, Renewable Energy Asia Fund I and Armstrong South East Asia Clean Energy Fund.

With one gigawatt ("GW") already under development and construction and an additional one GW in the pipeline, a total of 2.7 GW of capacity is the current notional capacity of GEEREF's investments. This figure is expected to keep increasing with each new GEEREF commitment until it is fully invested and its portfolio funds have all reached final close.

In 2016, GEEREF's Regional Funds reached an equivalent of over 300,000 beneficiary households in 12 countries. This is up 26%, or 80,000 households, and nine countries from 2015. Once the funds' projects are fully built up (including pipeline), GEEREF should provide access to or improved access to 5.1 million households annually in 28 countries, with the largest portion of households located in Africa, with two countries representing half of the beneficiary households - Uganda (29%) and Kenya (19%). This significant impact in Uganda and Kenya stems from the low household consumption in these countries, where every new MWh generated impacts a high number of households' beneficiaries.



JORDAN (CATALYST): SOLAR PV PROJECT

GEEREF is creating renewable energy to replace the need for fossil fuel sourced energy with examples as follows.

<u>*5MW solar power plant in the Guanacaste region, Costa Rica*</u>

- MGM Sustainable Energy Fund 100% funded the development and construction and operation of a five MW solar power plant.
- The project will contribute to reaching Costa Rica's national goal of becoming a Carbon Neutral Economy by 2021.

<u>*34MW Solar in Jordan*</u>

- Catalyst MENA Clean Energy Fund invested in the development, construction and operation of a 34 MW solar power plant in three locations in Jordan
- The project will substitute electricity generation from fossil fuel sources by renewable energy.

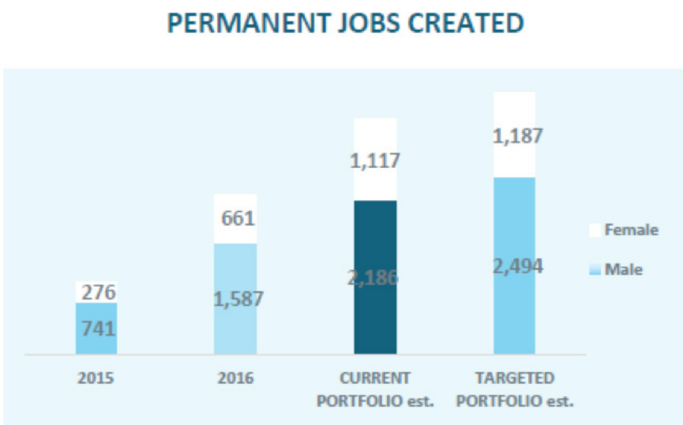
DECENT WORK AND ECONOMIC GROWTH (SUSTAINABLE DEVELOPMENT GOAL # 8)

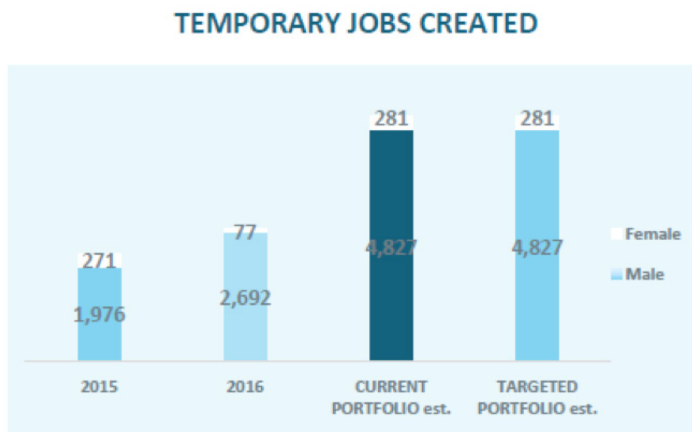
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Facts:

- Global unemployment increased from 170 million in 2007 to nearly 202 million in 2012, of which about 75 million are young women and men
- Nearly 2.2 billion people live below the US$2 poverty line and that poverty eradication is only possible through stable and well-paid jobs
- 470 million jobs are needed globally for new entrants to the labour market between 2016 and 2030

The SDGs promote sustained economic growth, higher levels of productivity and technological innovation. Encouraging entrepreneurship and job creation are key to this, as are effective measures to eradicate forced labour, slavery and human trafficking. With these targets in mind, the goal is to achieve full and productive employment, and decent work, for all women and men by 2030. GEEREF is assisting in creating employment opportunities and skills training highlighted as follows.



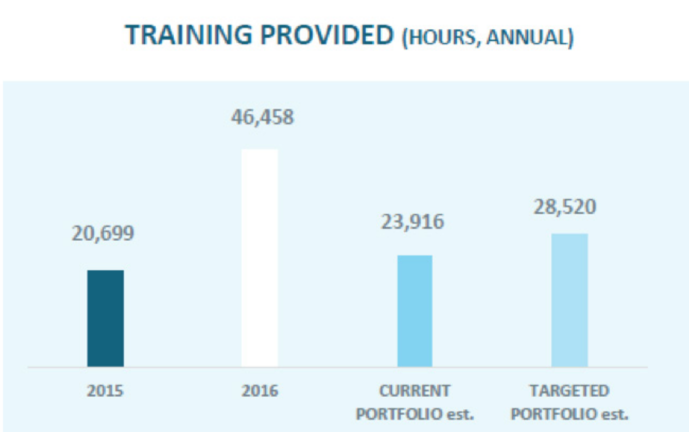


In 2016, GEEREF-supported projects generated about 5,000 jobs, almost equally divided between permanent and temporary jobs. The majority of the employees were located in India (46%), the Philippines (28%) and Uganda (14%).

The largest portion of labour (44%) was employed during construction, followed by operation (28%) and development (16%). 75% of temporary labour was hired during construction and 22% for the operation phase. Permanent positions were created in the development (34%) and operation (35%) stages.

The vast majority of all employees were male (85%). The majority of female employees were in permanent positions and engaged in the development (51%) and operation stage (22%) of projects. Only 9% of women were engaged in this stage of project development which includes construction.

Importantly, a large number of the Regional Funds' projects are located in often over-looked rural areas, where employment has a significant catalytic effect that trickles into and benefits the wider rural economy.



Between 2015 and 2016, the number of hours of training provided at project-level has more than doubled, reaching 46,500 hours. Most of the training provided included health & safety training, technical training, environmental and social compliance training.

It is expected that, once all the projects that are currently under development and construction reach their operational phase, 28,500 hours of training will have been provided annually. The run-rate figure is lower than the actual 2016 figure as less training is required during operation of projects than during construction.

Panama Wind Plants, India (Renewable Energy Asia Fund I)

- Training provided by the project includes: first-aid; Environmental and Social Management Systems; turbine and electrical safety, wildlife awareness, waste management, construction safety, fire and safety training, emergency mock drilling.
- The active partnerships developed at the Panama sites between employees, contractors and subcontractors around health and safety ease the communication and trust within the workplace.

SITI Hydro Site, Uganda (DI Frontier Market Energy & Carbon Fund I)

- Training courses for traditional birth attendants were organized.
- 35 women completed the course. The trainees had a chance to get firsthand experience in relation to maternal and child health activities as handled in a large hospital.
- Whilst one mid-wife was previously covering the entire project area, the district health services are now able to call on these trained traditional birth attendants to support them with child deliveries in less accessible locations in the district.

SITI Hydro Site, Uganda (DI Frontier Market Energy & Carbon Fund I)

- As part of the community action plan, motorcycle repair training is organized at the sites of the Siti hydro plants.
- The aim of the training was to impart sustainable skills (practical and theoretical) to local youths. A total of 35 youths completed the training.
- 8 out of the 35 trainees have now set up small shared workshops in main trading centres of Kamet, Tulel, Nyalit and Bukwo, and these are now self-sustaining businesses requiring minimal support from the project.

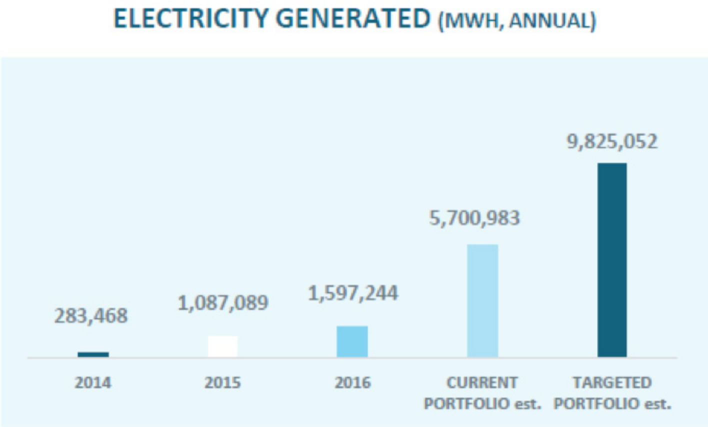
INDUSTRY, INNOVATION AND INFRASTRUCTURE (SUSTAINABLE DEVELOPMENT GOAL #9)

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Facts:

- 2.5 billion people worldwide lack access to basic sanitation and almost 800 million people lack access to water, many hundreds of millions of them in Sub Saharan Africa and South Asia
- About 2.6 billion people in the developing world are facing difficulties in accessing electricity full time
- Basic infrastructure like roads, information and communication technologies, sanitation, electrical power and water remains scarce in many developing countries

With over half the world population living in cities, sustainable development in infrastructure and renewable energy are becoming ever more important. GEEREF generates electricity via renewable energy, highlighted as follows.



In 2016, GEEREF's 19 grid-connected projects generated 1,600 gigawatt hours ("GWhs") of clean energy, up 32%, or 500 GWhs, from 2015. Most of the electricity generated was in South Africa (50%), Vietnam (16%) and India (19%). While the Philippines has more installed capacity than Vietnam, the capacity factor of these projects (solar) is relatively lower than of the ones in Vietnam (hydro), leading to higher electricity generation by Vietnamese projects.

Once all projects, currently under development and construction, are operational, 5,700 GWhs of clean energy will be generated annually, with the major country beneficiaries being South Africa (22%), Uganda (14%), the Philippines (13%), India (13%) and Kenya (10%). When pipeline projects are included, the generation goes up to 9,800 GWhs annually. Assuming a renewable energy asset life of 20 years, the total electricity generated over the life of all projects in the future portfolio will be 197,000 GWhs.

Colanta Biogas, Colombia (MGM Sustainable Energy Fund)

- The project provided a full technical and financial solution to Colanta to generate electricity from its industrial production waste.
- The technology installed captures the biogas produced in the industrial process to generate steam and, in turn, energy that is used to internal consumption at the plant.
- The electricity generated from the resource has led to a 30% decrease in costs.

APSD 60 MW Biomass, Ghana (Africa Renewable Energy Fund)

- The project developed a programme to improve access to water for local communities for implementation from 2016.
- As part of the programme, water from Lake Hawassa, located up to 5km away and contaminated with fluoride, will be cleaned and pumped closer to local communities, resulting in improved sanitation.
- As local women have been the ones responsible for carrying water from the Lake Hamwasa, this pumping will save them time, which enables them time to dedicate to attending school and income generating activities.

CLIMATE ACTION (SUSTAINABLE DEVELOPMENT GOAL #13)

Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy.

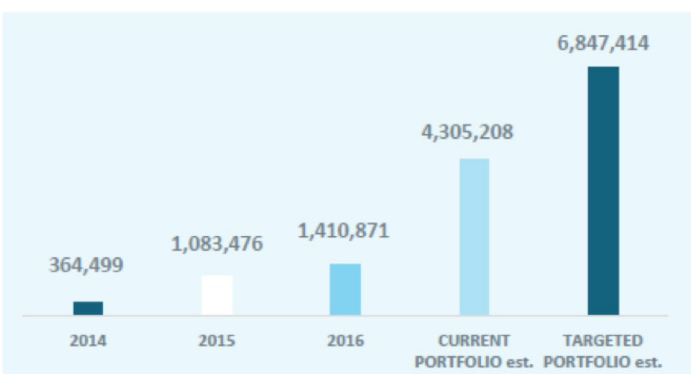
Facts:

- From 1880 to 2012, average global temperature increased by 0.85°C.
- For each 1 degree of temperature increase, grain yields decline by about 5%. Maize, wheat and other major crops have experienced significant yield reductions at the global level of 40 mega tonnes per year between 1981 and 2002 due to a warmer climate.
- From 1901 to 2010, the global average sea level rose by 19cm as oceans expanded due to warming the ice melted.

There is no country in the world that is not experiencing first-hand the drastic effects of climate change. Greenhouse gas emissions continue to rise, and are now more than 50% higher than their 1990 levels. It is still possible, with the political will and a wide array of climate friendly initiatives, to keep the increase in global mean temperature to two degrees Celsius above the pre-industrial levels. This requires urgent collective action.

GEEREF contributes to reducing greenhouse gas emissions in energy and other industries, highlighted as follows.
In 2016, the electricity production and savings have contributed to the savings of an equivalent of 1.4 million tonnes of CO2 annually.

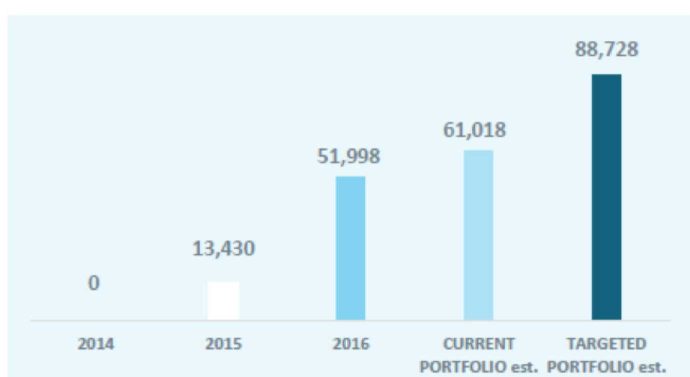
NET EMISSIONS REDUCED (TONNES OF CO2, ANNUAL)



Once all projects that are currently under development or construction are installed, the figures increases to 4.3 million tonnes of CO2 annually. This is an equivalent to taking 1.3 million cars off the road, or half of the passenger cars of Norway. Once all pipeline projects are operational, 6.8 million tonnes of CO2 annually will be avoided. Over the full life of the assets this translates into 136 million tonnes of CO2 being avoided.

GEEREF has two active funds – MGM Sustainable Energy Fund and Evolution One – plus one fund now in liquidation (Emerging Energy Latin America Fund II) that target energy efficiency, with a total of 11 operational projects, in its portfolio. Combined, these projects generated savings of 52 GWhs in 2016, with majority of the savings located in Mexico (74%) and South Africa (25%). When additional projects, currently under development or being installed, are commissioned, GEEREF's funds will save the equivalent of 61 GWhs. When pipeline projects are included, the figure reaches 89 GWhs. The main beneficiary countries will be Mexico (46%), Colombia (34%) and South Africa (15%). Assuming an energy efficiency asset life of 10 years, the total electricity saved over the life of all projects in the future portfolio will be 900 GWhs.

ELECTRICITY SAVED (MWH, ANNUAL)



NV VOGT & TALETTUTAYI, INDIA: BICYCLES READY FOR DISTRIBUTION TO GIRLS IN VILLAGES NEIGHBOURING THE PROJECT.

Talettutayi Four 50MW Solar, India (Solar Arise India Projects)

- The project contributes to India's transition to a low-carbon resilient economy
- The project will start its corporate social responsibility activities, with the local population, once it is operational. The type of activities provided will be chosen after consultation with local communities.

Celsol Energy Efficiency Street Lighting Project, Mexico (Emerging Energy Latin America Fund II)

- The project replaces old street-lighting lamps with newer, more efficient equipment.
- The project reduces energy consumption by at least 50% per year and green house gas emissions by over 4,000 tons.
- The project has raised awareness for energy efficiency in the municipality and received a very positive response from local residents.
- In addition to energy savings, the project contributes to better lighting of streets and is expected to have positive side-benefits such as reduced crime.

PARTNERSHIPS FOR THE GOALS (SUSTAINABLE DEVELOPMENT GOAL #17)

Strengthen the means of implementation and revitalize the global partnership for sustainable development.

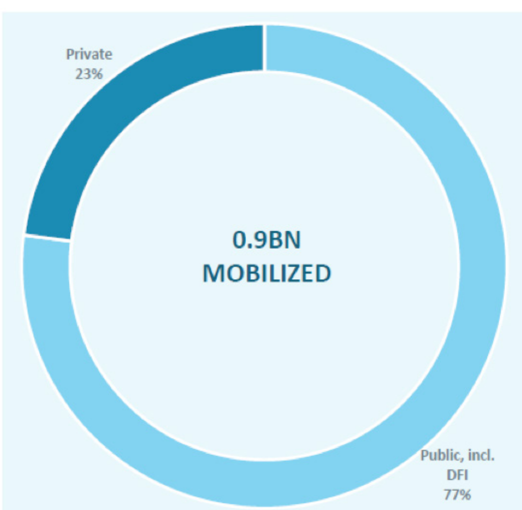
Facts:

- More than 4 billion people do not use the Internet, with 90% from developing nations.
- Official development assistance from developed countries increased by 66% between 2000 and 2014, but humanitarian crises brought on by conflict or natural disasters continue to demand more financial resources and aid.

The SDGs can only be realized with a strong commitment to global partnership and cooperation. Developing countries require official development assistance to encourage growth and trade.

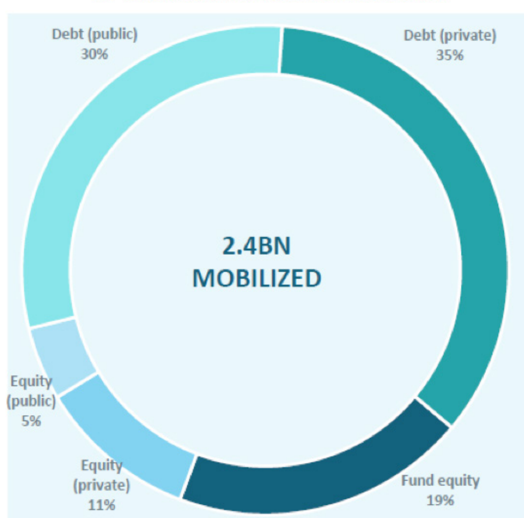
As a public-private partnership, GEEREF's investment focus is on building-up new clean energy capacity in developing countries, highlighted as follows.

CAPITAL MOBILIZATION AT FUND-LEVEL, BY FUNDING SOURCE



Based on GEEREF's commitment of €154 million, as at December 31, 2016. Regional Fund managers have raised a total of €906 million. This translates into a fund-level multiplier of 6.2x. A vast majority of the capital – 77% – comes from Development Finance Institutions (DFIs), and 23% from a diversified pool of private investors (asset managers, including Portland GEEREF LP, impact investors, and others). Given GEEREF's target multiplier of 7.7x, the implied target capital mobilization amount at fund level is estimated to be €1.709 billion.

CAPITAL MOBILIZATION AT PROJECT-LEVEL, BY FINANCIAL INSTRUMENT & SOURCE



By year-end 2016, the final cost of projects developed by GEEREF fund managers reached €2.4 billion, 19% of which represents their equity contribution and 16% represents equity contribution of other, mostly private investors. The remaining 70% of project financing comes from lenders, almost evenly split between DFIs, national development banks or equivalent and private local banks.

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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, 2017 and the statements of comprehensive income, 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

April 25, 2018
Toronto, Canada

PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Statement of Financial Position
(Expressed in Canadian dollars)

December 31, 2017, with comparative information for 2016
(Unaudited - see Notice to Reader)

	2017	2016
Assets		
Cash and cash equivalents	$ 3,860,697	$ 1,600,610
Investments, at fair value through profit or loss (cost - $17,228,682)	17,721,708	14,280,132
Interest receivable	118	226
Other receivables	2,758,963	683,869
Prepaid expenses	168,423	–
Foreign currency forward contracts	–	421,677
Subscriptions receivable	–	252,500
	$ 24,509,909	$ 17,239,014
Liabilities and Partners' Equity		
Liabilities:		
Accrued fees and expenses	$ 29,774	$ 15,804
Foreign currency forward contracts	4,093	–
	33,867	15,804
Partners' equity (note 2):		
General Partner's capital	50	50
Class A	2,224,180	1,511,374
Class F	16,950,448	12,012,859
Class O	5,301,364	3,698,927
	24,476,042	17,223,210
	$ 24,509,909	$ 17,239,014

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
(Expressed in Canadian dollars)

Year ended December 31, 2017, with comparative information for 2016
(Unaudited - see Notice to Reader)

	2017	2016
Revenue:		
Interest income for distribution purposes	$ 23,700	$ 9,055
Investment income	908,834	864,646
Foreign currency gain on cash and other net assets	596,247	143,635
Realized (loss) gain on foreign currency forward contracts	(638,753)	212,850
Realized loss on investments	(89,677)	(5,015)
Change in unrealized appreciation (depreciation) of investments	1,167,789	(875,856)
Change in unrealized appreciation (depreciation) of foreign currency forward contracts	(425,770)	569,678
	1,542,370	918,993
Expenses:		
Management fees	120,128	76,584
Fund accounting and transfer agent fees	48,984	44,668
Fund expenses	63,512	20,005
Professional fees	2,966	4,153
Legal fees	6,492	6,859
Agent's commission, promoter fee and organizational expenses	10,346	–
Operating expenses from underlying funds	12,550	–
Bank charges	11,060	–
	276,038	152,269
Net comprehensive income	$ 1,266,332	$ 766,724

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, 2017, with comparative information for 2016
(Unaudited - see Notice to Reader)

2017	General Partner	Class A	Class F	Class O
Balance, December 31, 2016	$ 50	$ 1,511,374	$ 12,012,859	$ 3,698,927
Net contributions	–	632,873	4,213,610	1,300,000
Distributions credited to partners	–	(13,284)	(112,302)	(34,396)
Net comprehensive income	–	93,217	836,281	336,833
Balance, December 31, 2017	$ 50	$ 2,224,180	$ 16,950,448	$ 5,301,364

2016	General Partner	Class A	Class F	Class O
Balance, December 31, 2015	$ 50	$ 1,555,695	$ 5,663,294	$ 518,370
Net contributions	–	(127,965)	5,864,242	2,982,800
Net comprehensive income	–	83,644	485,323	197,757
Balance, December 31, 2016	$ 50	$ 1,511,374	$ 12,012,859	$ 3,698,927

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, 2017, with comparative information for 2016
(Unaudited - see Notice to Reader)

	2017	2016
Cash flows from (used in) operating activities:		
Net comprehensive income	$ 1,266,332	$ 766,724
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Realized loss on investments	89,677	5,015
Change in unrealized depreciation (appreciation) on investments and foreign currency forward contracts	(742,019)	306,178
Decrease (increase) in interest receivable	108	374
Decrease (increase) in other receivables	(2,075,094)	245,166
Increase (decrease) in prepaid expenses	(168,423)	–
Increase in accrued fees and expenses	13,970	7,825
Sale of investments	4,145,654	9,258,996
Purchase of investments	(6,509,119)	(19,092,395)
	(3,978,914)	(8,502,117)
Cash flows from investing activities:		
Partner contributions	6,398,983	8,682,863
Distributions paid to partners	(159,982)	–
	6,239,001	8,682,863
Increase in cash and cash equivalents	2,260,087	180,746
Cash and cash equivalents, beginning of year	1,600,610	1,419,864
Cash and cash equivalents, end of year	$ 3,860,697	$ 1,600,610

See accompanying notes to financial statements.

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 and Class O 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 International Financial Reporting Standards ("IFRS").

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.

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 dollar, 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.

(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.

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;

(iii) shareholders have their commitments repaid;

(iv) holders of B units receive a distribution of 6% per annum;

1. **Significant accounting policies (continued):**

(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 €178,608,902 as at December 31, 2017 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 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 as change in unrealized appreciation of foreign currency forward contracts. The cumulative change in value upon settlement is included in the statement of comprehensive income as realized gain on foreign currency forward contracts.

(f) Classification:

The Partnership classifies its investments in equity securities and derivatives as financial assets and liabilities at fair value through profit or loss.

This category has two sub-categories: financial assets or financial liabilities held-for-trading; and those designated at fair value through profit or loss at inception.

1. Significant accounting policies (continued):

(i) Financial assets and financial liabilities held-for-trading:

A financial asset or financial liability is classified as held-for-trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together, and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorized as held-for-trading. The Partnership does not classify any derivatives as hedges in a hedging relationship.

(ii) Financial assets and financial liabilities designated at fair value through profit or loss at inception:

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held-for-trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Partnership's documented investment strategy.

The Partnership recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular purchases and sales of financial assets are recognized at their trade date. The Partnership's non-derivative investments have been designated at fair value through profit or loss. All other financial assets and financial liabilities are measured at amortized cost. Under this method, financial assets and financial liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. When determining the Partnership's net asset value for transactions with unit holders, the accounting policies are the same as those described above for financial reporting purposes, with the exception of the recognition and measurement of an investment in B units of GEEREF. In determining net asset value for unitholder transactions, an investment in B units of GEEREF will not be recognized until the later of (a) the date of payment for the B units; and (b) the value date within a subscription request to pay for the B units.

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 for distribution purposes shown on the statement of comprehensive income 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 gain (loss) on sale of investments and unrealized appreciation (depreciation) of investments are determined on an average cost basis.

(i) Future significant accounting policies:

New standards, amendments and interpretations effective after January 1, 2017 and that have not been early adopted

IFRS 9 'Financial Instruments' addresses the classification, measurement and derecognition of financial assets and liabilities. It replaces the multiple classification and measurement models in IAS 39 and is effective for reporting periods beginning on or after January 1, 2018. Classification and measurement of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (SPPI).

1. Significant accounting policies (continued):

A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognized at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. IFRS 9 also introduces a new expected credit loss (ECL) impairment model. On adoption of IFRS 9 the Partnership's investment portfolio will continue to be classified as fair value through profit or loss. Other financial assets which are held for collection will continue to be measured at amortized cost with no material impact expected from application of the new impairment model. As a result, the adoption of IFRS 9 is not expected to have a material impact on the Partnership's financial statements.

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.

The General Partner has designated three 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; and
- Class O units - may be issued to certain institutions or other investors.

(Expressed in Canadian dollars)

2. Partners' equity (continued):

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:

2017	General Partner	Class A	Class F	Class O
Balance, December 31, 2016	–	23,655	186,243	56,543
Net contributions	–	9,556	63,317	19,892
Balance, December 31, 2017	–	33,211	249,560	76,435

2016	General Partner	Class A	Class F	Class O
Balance, December 31, 2015	–	25,684	93,045	8,453
Net contributions (redemptions)	–	(2,029)	93,198	48,090
Balance, December 31, 2016	–	23,655	186,243	56,543

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.

3. Financial risk management (continued):

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.

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, 2017.

(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. During the year, the Partnership entered into foreign currency forward contracts to manage its exposure to the Euro; therefore, the impact of currency risk to the Partnership was considered to be minimal. As at December 31, 2017, the Partnership reduced its 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.

(Expressed in Canadian dollars)

4. Fair value of financial instruments:

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

2017:

Investment	Number of shares	Price per share	Fair value	Cost	Unrealized gain (loss)
Newlook Capital Industrial Services LP, Class D	250	$ 1,080	$ 270,000	$ 221,294	$ 48,706
Newlook Capital Industrial Services LP, Class C	1,750	1,080	1,890,000	1,714,196	175,804
Newlook Capital Industrial Services General Partner	53	1,332	70,599	1	70,598
GEEREF B Units	1,006	15,172	15,264,609	15,068,191	196,418
Enbridge Inc., Pref. 4.90% Series 19	2,000	24.950	49,900	50,000	(100)
Pembina Pipeline Corporation, Pref. 4.90%	1,000	25.130	25,130	25,000	130
Brookfield Asset Management Inc., Pref. 4.75% Series 48	2,000	25.705	51,410	50,000	1,410
Brookfield Office Properties Inc., Pref. 4.85% Series II	2,000	24.280	48,560	50,000	(1,440)
Kinder Morgan Canada Ltd., Pref. 5.25% Series 1	2,000	25.750	51,500	50,000	1,500
Total			$ 17,721,708	$ 17,228,682	$ 493,026

2016:

Investment	Number of shares	Price per share	Fair value	Cost	Unrealized gain (loss)
Newlook Capital Industrial Services LP, Class D	250	$ 1,000	$ 250,000	$ 250,000	$ –
Newlook Capital Industrial Services LP, Class C	525	1,000	525,000	525,000	–
GEEREF B units	908	14,133	12,839,284	13,514,587	(675,303)
Royal Bank of Canada bankers' acceptance, 6/2/2017	600,000	0.996	597,808	597,462	346
Manulife Financial Corporation, Preference Series 23	2,700	25.200	68,040	67,500	540
Total			$ 14,280,132	$ 14,954,549	$ (674,417)

4. Fair value of financial instruments (continued):

The cost of GEEREF B units includes $102,437 (2016 - $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

- 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.

(Expressed in Canadian dollars)

4. Fair value of financial instruments (continued):

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:

2017	Level 1	Level 2	Level 3	Total
Equities - long	$ 226,500	$ 70,599	$ –	$ 226,500
Investment funds	–	17,424,609	–	17,495,208
Foreign currency forward contracts	–	(4,093)	–	(4,093)
	$ 226,500	$ 17,491,115	$ –	$ 17,717,615

2016	Level 1	Level 2	Level 3	Total
Equities - long	$ 68,040	$ –	$ –	$ 68,040
Commercial paper	–	597,808	–	597,808
Investment funds	–	13,614,284	–	13,614,284
Foreign currency forward contracts	–	421,677	–	421,677
	$ 68,040	$ 14,633,769	$ –	$ 14,701,809

(Expressed in Canadian dollars)

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.

(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 value.

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:

2017	Designated at fair value through profit or loss	Held-for-trading	Loans and receivables	Other financial liabilities
Cash and cash equivalents	$ –	$ –	$ 3,860,697	$ –
Investments	17,721,708	–	–	–
Foreign currency forward contracts	–	(4,093)	–	–
Interest receivable	–	–	118	–
Other receivable	–	–	2,758,963	
Prepaid expenses	–	–	168,423	–
Accrued fees and expenses				(29,774)
	$ 17,721,708	$ (4,093)	$ 6,788,201	$ (29,774)

(Expressed in Canadian dollars)

5. Classification of financial assets and financial liabilities (continued):

2016	Designated at fair value through profit or loss	Held-for-trading	Loans and receivables	Other financial liabilities
Cash and cash equivalents	$ –	$ –	$ 1,600,610	$ –
Investments	14,280,132	–	–	–
Foreign currency forward contracts	–	421,677	–	–
Interest receivable	–	–	226	–
Other receivable	–	–	683,869	–
Subscriptions receivable	–	–	252,500	–
Accrued fees and expenses	–	–	–	(15,804)
	$ 14,280,132	$ 421,677	$ 2,537,205	$ (15,804)

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.

6. Agreement and fees (continued):

(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.

Management fees on Class O 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 units.

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 in respect of the organization of the Partnership and the offering of the units amounted to $85,843, including HST. As at December 31, 2017, the Partnership reimbursed the Manager $85,843 for organizational expenses and the net asset value of the Partnership was reduced by $1,432. The balance of $84,413 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, 2017, $85,434 (2016 - $64,104) was paid by the Manager in respect of the agent's commission on behalf of the Partnership. As at December 31, 2017, the Partnership reimbursed the Manager $85,434 for agent's commission and the net asset value of the Partnership was reduced by $1,424. The balance of $84,010 was included as a prepaid expense in the statement of financial position.

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, 2017 was $449,522 (2016 - $318,171).

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, 2017, the net assets of the Partnership were reduced by $7,492.

(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.

7. Related party transactions:

During the year ended December 31, 2017, the Partnership paid $106,308 (2016 - $67,773) and $107,924 (2016 - $66,978) to the Manager for management fees and reimbursement of fund operating expenses, respectively. As at December 31, 2017, $27,210 (2016 - $13,985) 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 $2,916 (2016 - $3,963) 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. All such transactions are measured at net asset value per unit. As at December 31 2017, eight Related Parties owned 25.0% of the net asset value of the Partnership (2016 - eight Related Parties owned 25.8%).

During the year ended December 31, 2017, the Partnership entered into a loan facility agreement with a Bermuda based bank that is a related party to the Manager (see note 9). As at December 31, 2017, no amounts were owed by the Partnership under the facility.

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, 2017, the total remaining unfunded commitments for B units was €1,982,944 (2016 - €5,165,675), which becomes payable when GEEREF issues subscription requests to the Partnership.

9. Borrowing:

During the period ended December 31, 2017, the Partnership entered into a revolving loan facility (the "Facility") with a Bermuda-based bank (the "Bank"). Under the Facility, the Partnership may borrow at any time. Under the Facility's terms, the Partnership has agreed to pay on demand to the Bank the principal sum of up to U.S. $1,500,000 and to pay interest on unpaid principal, calculated from and including the date of first drawdown at a rate of 4.35% above the U.S.$ 3 month LIBOR, net of any applicable withholding tax, which is to be paid by the Partnerhip. The term of the Facility is 364 days from the first drawdown. In the event that the Facility becomes 90 days overdue, the Bank may increase the rate of interest to 2% over the interest rate being charged at that time. The amount borrowed cannot exceed 7.5% of the total assets of the Partnership on the date drawn.

As at December 31, 2017 and for the period then ending, the Partnership had not made any drawdowns or paid any interest under the Facility. Negotiation fees in the amount of U.S. $5,000 were paid to the Bank.

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Sources:

1. United Nations, January 2018, http://www.un.org/sustainabledevelopment/sustainable-development-goals/

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