Financial Statements
(Expressed in Canadian dollars)

PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Year ended December 31, 2018
(Unaudited - see Notice to Reader)

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

OVERVIEW

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

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

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

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 9-14.

PORTLAND GEEREF LP

EUR 14.25M

A multiplier of 15.6x of Portland GEEREF LP's commitment

PUBLIC AND PRIVATE INVESTORS HAVE COMMITTED

EUR 222M

TO GEEREF – THE FUND OF FUNDS

GEEREF HAS COMMITTED

EUR 166M

TO ITS 13 UNDERLYING FUNDS...

A multiplier of 6.3x of GEEREF's investment

THESE FUNDS HAVE RAISED

EUR ~1BN

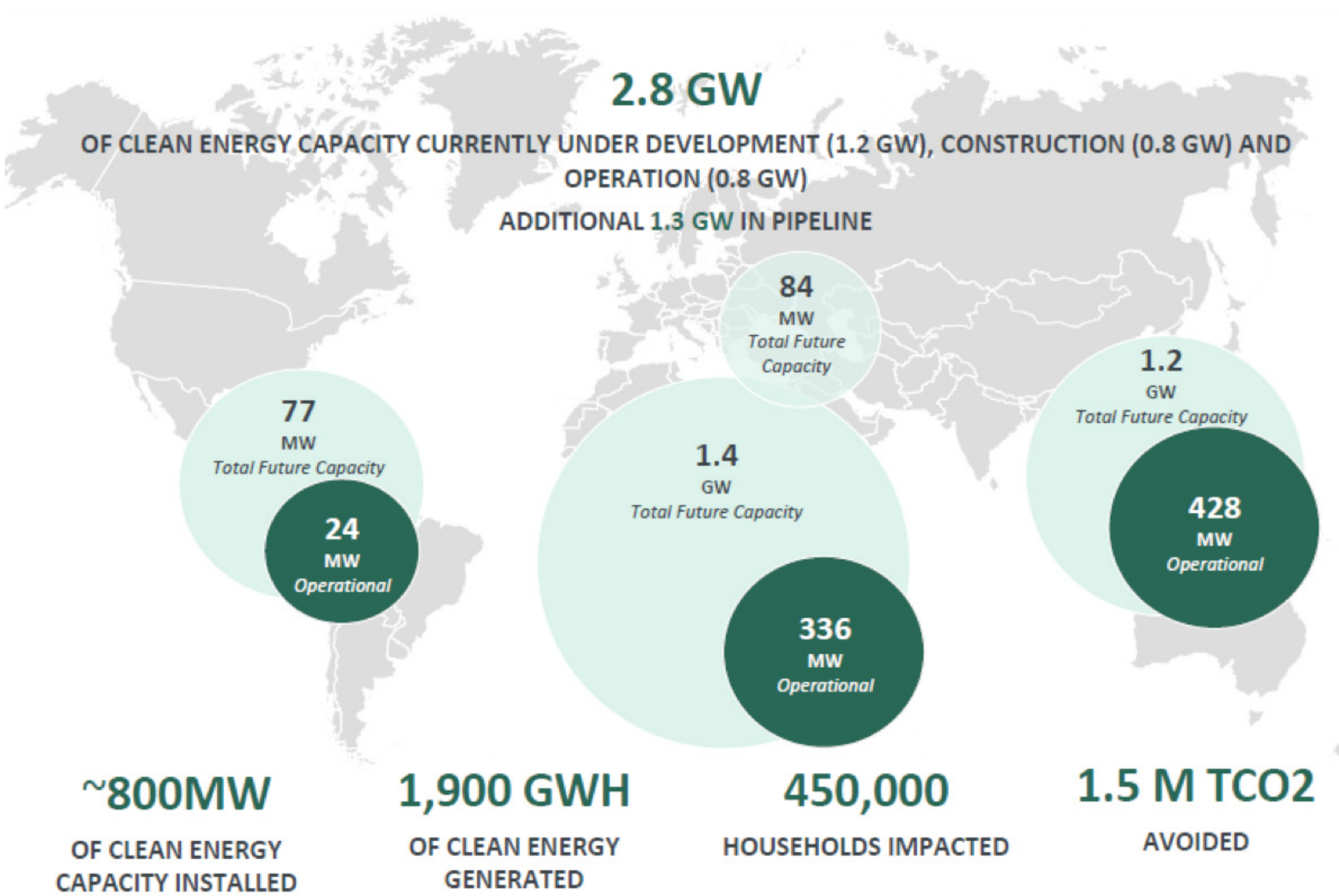
AND INVESTED 0.6 BN SO FAR INTO 105 PROJECTS

A multiplier of 5x of funds' investments

THESE 105 PROJECTS REPRESENT

EUR 3 BN

IN TOTAL PROJECT COSTS



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

FINANCIAL HIGHLIGHTS (as at December 31, 2018)

The Partnership's one-year return as of December 31, 2018 was 4.7% for Series A and 6.2% for Series F units. The Partnership has delivered annualized and cumulative returns since inception on October 31, 2014 of 6.9% and 41.0% for Series A and 7.5% and 45.2% for Series F units, respectively. The Partnership's net asset value per unit as of December 31, 2018 was $66.43 for Series A and $67.99 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.

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 received its fourth distribution from GEEREF in early July which helped pay its third distribution of $1.20 per Unit for Series A and $1.35 per Unit for Series F effective June 29, 2018. GEEREF has therefore already returned 17% of committed capital and has yet to draw down the residual 14% of the capital the Partnership committed to it.

Nevertheless, in light of the extended life of GEEREF (see comments below) and the resultant inevitable slower pace of divesting, we decided to lower the Partnership's quarterly distribution payments to $0.60 per Unit for Series A and $0.675 per Unit for Series F effective September 28, 2018. We will review the Partnership's distribution payments again in 2019 recognizing that changes may occur due to the performance, return of capital and distributions received from its underlying investment in GEEREF.

The Partnership comprises about 90.6% GEEREF (i.e. 78.2% already committed plus 12.3% in cash to meet future commitments); 9% Newlook Capital Industrial Services Fund; 0.8% ITM AG Investment Trust and 0.6% in liquid public securities.

RECENT DEVELOPMENTS AND OUTLOOK (as at December 31, 2018)

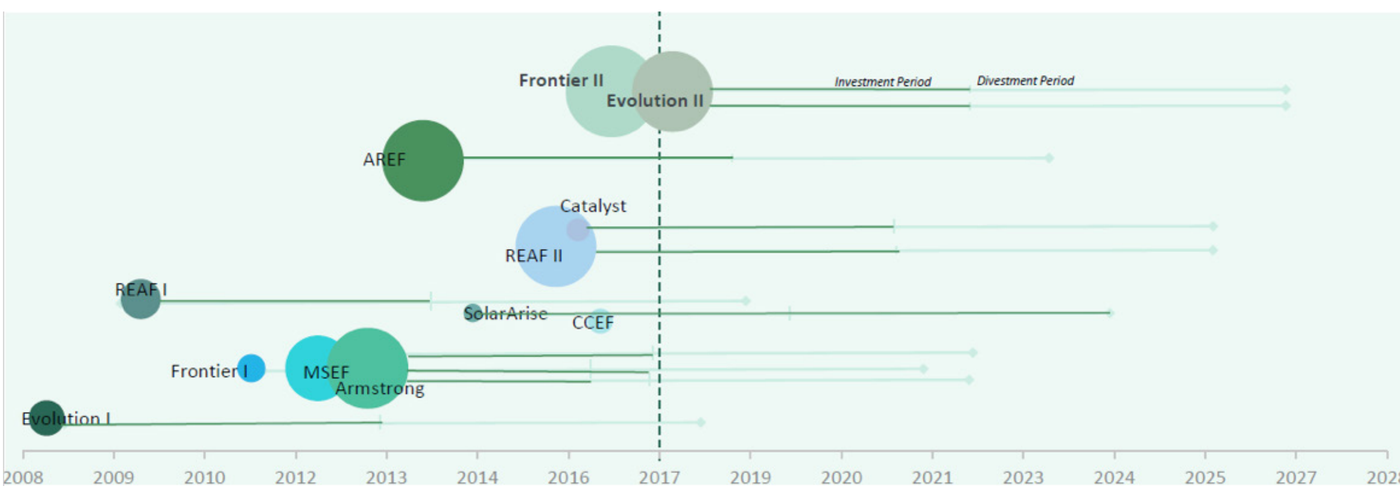
GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND (GEEREF)

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, 2018, GEEREF had committed to invest approximately €156 million in 12 Regional Funds, liquidated and realized about €6.2 million from one Regional Fund, Emerging Energy Latin America Fund II L.P., positively received submissions from another successor Regional Fund, MGM Sustainable Energy Fund L.P. II, and is considering a new investment on an African focused renewable fund.

The portfolios of each of the 12 Regional Funds comprise a total of 140 investments. Seven of these Regional Funds have finalized their investment periods and three have begun the process of divesting. As more Regional Funds finalize their investing periods, we expect they will begin the process of divesting.

GEEREF has now confirmed via its amended prospectus its intent to extend its life from November 2023 to November 2025. GEEREF also may seek up to three, one-year extensions subject to unanimous approval of all investors, including the Partnership. The intent of the extension is towards ultimately optimizing returns albeit as Manager, we do recognize a consequence of the extension is an inevitable slowing of GEEREF's divestments (as shown by the GEEREF chart below).



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

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.

When Chris Wain-Lowe first met the senior members of the GEEREF team in 2013, he was told that the team was focused on the three pillars: People, Planet and Profit. Chris believes nothing has changed, or rather, GEEREF's "Triple P" conviction is even stronger highlighted by Cyrille Arnould, head of GEEREF, who recently stated:

"People. It is not only the right thing to do, but also the intelligent thing to do. Everyone should be free to move around the world if s/he so desires; but it should not be because life has become unbearable and unsafe in the land s/he lives on.

Planet. Month after month, hurricane after hurricane, drought after drought, melting cap after melting cap, we see our environment confused and jolting.

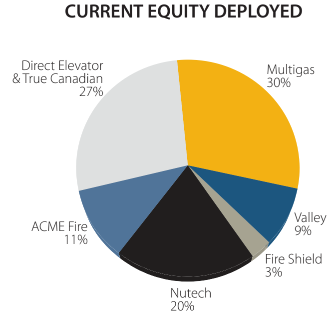
Profit, I must confess that I can imagine puzzled historians of the future, if we get there, pondering whether their ancestors really hesitated to consider how financially profitable rescue of the mothership would be and wondering if they had any wit or sense… Should not we all be crying like King Richard: "A horse, a horse, my kingdom for a horse?" Since profitability is the engine of greater funding and can be done without diminishing the impact our projects have on the Planet and its People, and we also have our fiduciary obligation at heart, Profit remains part of the foundation of our action."

NEWLOOK CAPITAL INDUSTRIAL SERVICES FUND (NEWLOOK)

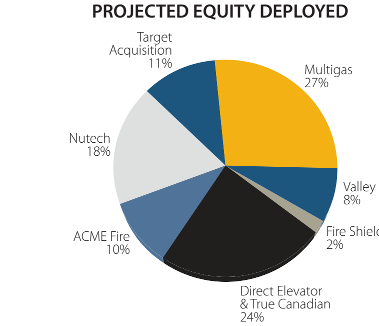
In September 2016, the Partnership initiated a commitment to invest in Newlook. Headquartered in Burlington, Ontario, Newlook has been created to provide an opportunity for investors, by way of a tiered investment structure, to invest in a portfolio of Canadian industrial services companies. Newlook's 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. In November 2018, we were delighted to learn that Newlook Capital Industrial Services Fund won a 2018 PCMA Private Capital Markets Award under the 'Investment Fund'category, so supporting our decision to be one of Newlook's earliest investors.

The following pie charts depict the current and targeted portfolio in terms of companies and subsectors.

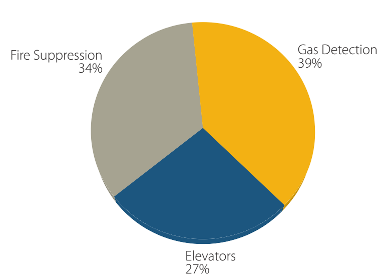
CURRENT EQUITY DEPLOYED



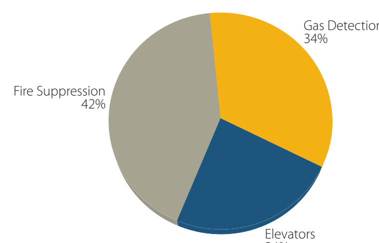
PROJECTED EQUITY DEPLOYED



CURRENT EQUITY DEPLOYED



PROJECTED EQUITY DEPLOYED



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

In August 2017, Multigas (a division of Multiservice Group Inc. acquired all the assets of Fire Shield Technologies Ltd. ("Fire Shield"), a fire alarm systems and sales provider based in Regina and providing service across Saskatchewan. Fire Shield also provides sprinkler system and fire suppression services and is a member of the Canadian Fire Alarm Association. In October 2017, Newlook also announced it had acquired all the assets and business operations of Valley Technologies Ltd., a gas and fire detection sales and service business headquartered in Winnipeg with service across Manitoba since 2002.

In January 2018, Newlook initiated an 85% stake in Nutech Fire Prevention ("Nutech"). Nutech performs maintenance and service on fire alarms, fire extinguishers, generators and provides electrical contracting, equipment sales and installation. The company operates out of Hamilton, Ontario and services mostly the Greater Toronto Area and surrounding Halton region. That said, Nutech will subcontract services outside of the core service areas. Nutech provides 24 hour service and provides cross-training for fire alarm and sprinklers. The company inspects approximately 8800 fire suppression units per year.

In November 2018, Newlook purchased 70% of the shares of ACME Fire & Safety ("ACME"). ACME performs maintenance and service on kitchen suppression systems, fire alarms, and fire extinguishers. The company operates out of Burnaby, British Columbia and services a variety of customers in the Greater Vancouver Area. ACME Fire & Safety has been in business since 1972, and has been growing from a 4 person operation to over 50 full-time employees, four of which have over 29 years with the company and many of which have over 5 - 10 years.

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

ITM AG INVESTMENT TRUST

In October 2018, the Partnership initiated a small indirect stake in a late stage venture capital company, ITM Isotopen Technologien München AG ("ITM"). ITM is a privately held medical radioisotopes supplier and oncology drug developer positioned at the core of a novel development in the treatment of cancer, targeted radionuclide therapy. ITM aims to develop a leading third generation radioisotope platform in the field of precision oncology with several blockbuster theranostics (a medical solution which combines specific targeted therapy based on specific targeted diagnostic tests). In September, the Manager established the ITM AG Investment Trust, which was successfully closed on November 30, 2018, in order to secure, as part of a consortium of investors affiliated with it, the ownership of a minority stake of approximately 4.5% of the outstanding shares of ITM at that time.

The beginning of 2019 is marked as the busiest start in global dealmaking after the announcements of Bristol-Myers Squibb's $74 billion takeover of drug developer Celgene and Eli Lilly's $8 billion purchase of Loxo Oncology. Both deals have set out to be the largest transaction ever conducted by the acquirers. We believe the two multi-billion dollar biotech deals have set the stage for another year of dealmaking for the sector, as large biotechnology firms strive to pave the way for the race to find the next blockbuster cancer drug. Given the ongoing consolidation trend within the biotechnology space, we believe ITM is well-positioned as a global drug developer at the forefront of the scientific and medical clinical research.

Given the Partnership has now commenced distributions, its stake in ITM AG Investment Trust was less than 1% of the Partnership in order to preserve capacity to continue to pay distributions. Nonetheless, we were pleased to be able to source this opportunity for the Partnership recognizing that it may well be the last private equity investment we commit into the Partnership.

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[2]

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'S DIRECT SDG CONTRIBUTION	GEEREF'S METRICS	GEEREF'S REALISED IMPACT IN 2017	GEEREF'S CUMMULATIVE REALISED IMPACT SINCE 2014
GEEREF BUILDS UP NEW CLEAN ENERGY CAPACITY (7 AFFORDABLE AND CLEAN ENERGY)	Capacity Installed (MW) Electricity Generated and Saved (MWh)	120 MW (new capacity) 1.8 million MWh	788 MW 4.9 million MWh
GEEREF CONTRIBUTES TO DECREASING GHG EMISSIONS IN ENERGY AND OTHER INDUSTRIES (13 CLIMATE ACTION)	Emissions reduced (tones of CO2eq)	1.5 million tones of CO2eq	4.3 million tones of CO2eq
GEEREF CREATES EMPLOYMENT OPPORTUNITIES AND SKILLS TRAINING (8 DECENT WORK AND ECONOMIC GROWTH)	Number of People Employed: temporary, permanent, male, female Training delivered (hours)	1800 permanent male jobs 630 permanent female jobs 4,500 temporary male jobs 360 temporary female jobs 46,500 training hours	
GEEREF IS A PUBLIC-PRIVATE PARTNERSHIP (17 PARTNERSHIPS FOR THE GOALS)			

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)

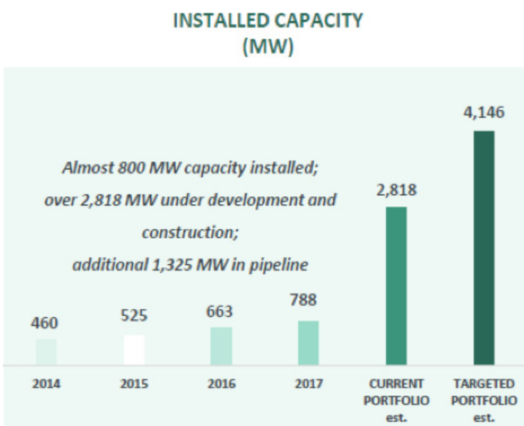
Ensure access to affordable, reliable, sustainable and modern energy for all.

Facts:

- 13% of global population 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.

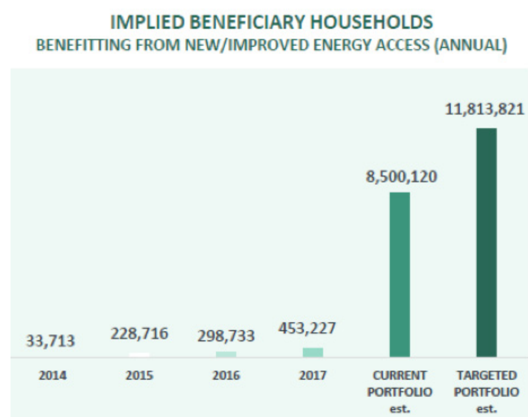


In 2017, GEEREF's Regional Funds registered a 20% increase in installed capacity, reaching a total of 800 megawatts ("MW"). 125 MW were connected to the grid throughout the year, primarily in South and Southeast Asia. The majority of the installed projects were concentrated in three countries: South Africa (40%), India (30%) and Vietnam (11%) – 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 2 gigawatt ("GW") currently under development and construction and an additional 1.3 GW in the pipeline, a total of 4.15 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 2017, GEEREF's Regional Funds reached an equivalent of 450,000 beneficiary households in 15 countries. This is up 34%, or 150,000 households, and up by 12 countries from 2016.

Once the funds' projects are fully built up (including pipeline), GEEREF should provide new or improved access to 11.8 million households annually in 24 countries, with the largest portion of households located in Africa, with two countries representing half of the beneficiary households - Uganda (15%) and Kenya (32%). 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.



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

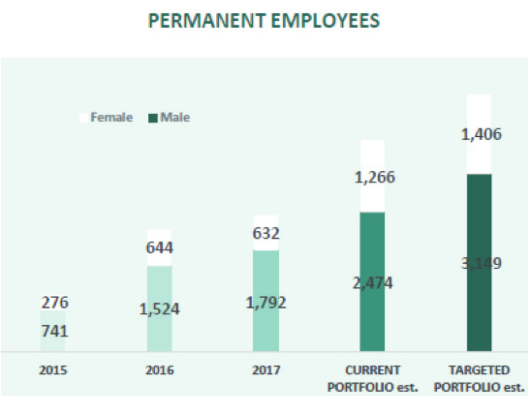
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

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.

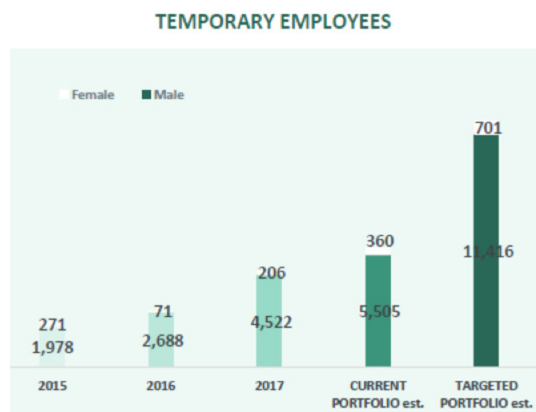
GEEREF is assisting in creating employment opportunities and skills training highlighted as follows.



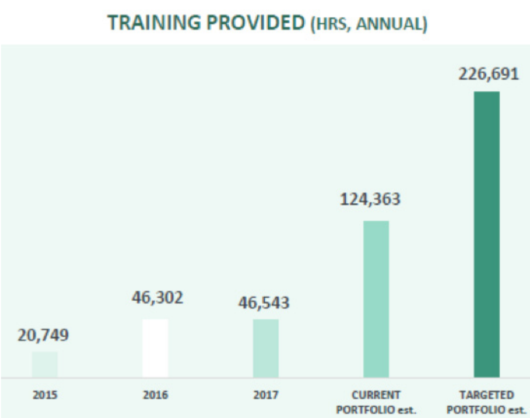
In 2017, GEEREF-supported projects generated about 7,200 jobs, with the majority of jobs on temporary contracts (65%). The majority of the employees were located in Uganda (27%), India (20%), and the Philippines (16%).

The largest portion of labour was employed during construction (47%), followed by operation (19%) and development (22%). 66% of temporary labour was hired during construction and 28% for the operation phase. Permanent positions were created in the development (54%) and operation (37%) stages.

The vast majority of all employees were male (88%). The majority of female employees were in permanent positions (75%) and engaged in the development (58%) and operation stage (21%) of projects. 21% of women were engaged in 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 2017, 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 2017 figure as less training is required during operation of projects than during construction.

CLIMATE ACTION (SUSTAINABLE DEVELOPMENT GOAL #13)

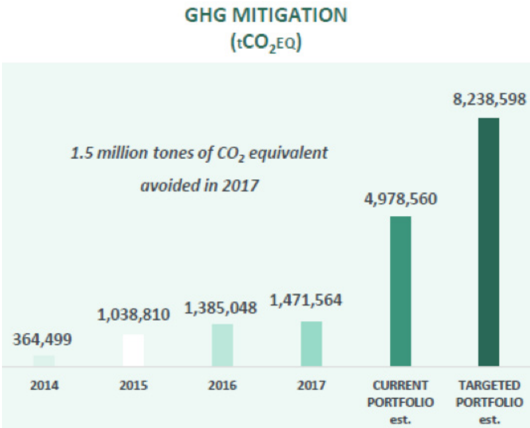
Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy.

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 and ice melting.

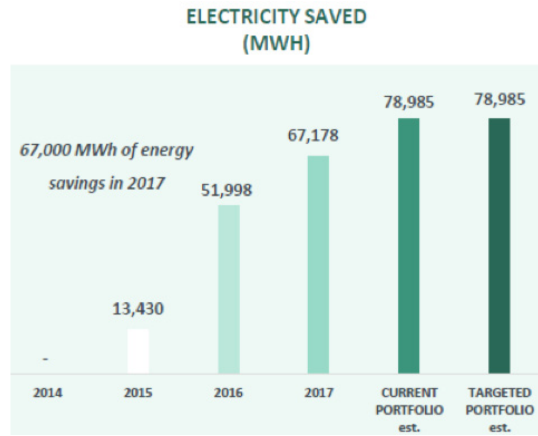
There is no country in the world that is not experiencing first-hand the drastic effects of climate change. Greenhouse gas emissions continue to rise, and are now more than 50% higher than their 1990 levels. It is still possible, with the political will and a wide array of climate friendly initiatives, 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 2017, the electricity production and savings have contributed to the savings of an equivalent of 1.5 million tonnes of CO_2 annually.

Once all projects that are currently under development or construction are installed, the figure increases to 5 million tonnes of CO_2 annually. **This is equivalent to emissions generated by a coal plant in a year, or 700,000 OECD households' electricity use in a year, or emissions of almost 1 billion passenger vehicles. Once all pipeline projects are operational, 8.2 million tonnes of CO_2 annually will be avoided.** Over the full life of the assets this translates into 164 million tonnes of CO_2 being avoided.



GEEREF has two active funds – MGM Sustainable Energy Fund and Evolution One – plus one liquidated fund (Emerging Energy Latin America Fund II) that target energy efficiency, with a total of 18 operational projects, in its portfolio. Combined, these projects generated savings of 52 GWh in 2017, with majority of the savings located in Mexico (60%), South Africa (25%) and Colombia (13%).

When additional projects, currently under development or being installed, are commissioned, GEEREF's funds will save the equivalent of 79 GWh. 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 790 GWh.

PARTNERSHIPS FOR THE GOALS (SUSTAINABLE DEVELOPMENT GOAL #17)

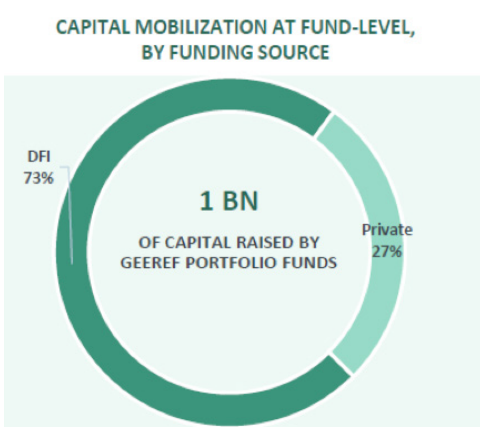
Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Facts:

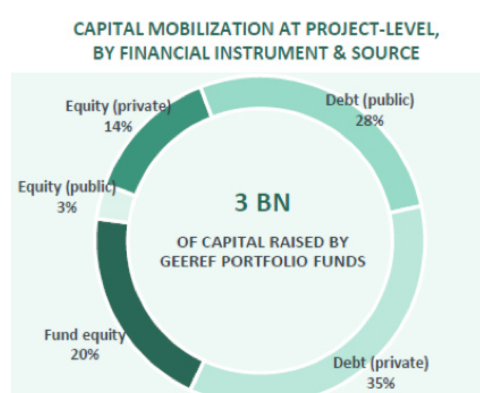
- More than 4 billion people do not use the Internet, with 90% from developing nations.
- Official development assistance from developed countries increased by 66% between 2000 and 2014, but humanitarian crises brought on by conflict or natural disasters continue to demand more financial resources and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



Based on GEEREF's commitment of €166 million, as at December 31, 2017. Regional Fund managers have raised a total of approximately €1 billion. This translates into a fund-level multiplier of 6.3x. A vast majority of the capital – 73% – comes from Development Finance Institutions (DFIs), and 27% from a diversified pool of private investors (asset managers, including Portland GEEREF LP, impact investors, and others). Given GEEREF's expected multiplier of 7.2x once all Regional Funds reach final closings, the implied expected capital mobilization amount at fund level is estimated to be €1.598 billion.



By year-end 2017, the final cost of projects developed by GEEREF fund managers reached €3 billion, 20% of which represents their equity contribution and 17% represents equity contribution of other, mostly private investors. The remaining 63% of project financing comes from lenders, almost evenly split between DFIs, national development banks or equivalent and private local banks.

GEEREF IMPACT THEME CASE STUDY: LAND ACQUISITION

Almost all of GEEREF's funds need to secure land locally to develop projects, either through lease or acquisition, with the latter being the most common. Land acquisition often represents one of the major operational challenges for fund managers and project developers. It may also be a life-altering event for local communities as land represents a key element for self-identity and socioeconomic status. How do GEEREF fund managers address this sensitive issue on the ground to create a win-win situation?

COMMON CHALLENGES

AREF
AFRICA RENEWABLE ENERGY FUND

Sub-Saharan Africa

LOCAL REGULATION ON LAND TENURE RIGHTS

- Unclear land ownership and tenure rights
- Ownership of the land restricted to the household head, including some in patriarchal tribes
- Lengthy public approval processes to secure tenure rights
- Weak enforceability of land sale contracts

"We have encountered instances where the land is not titled or where land is titled, you encounter two individuals/entities claiming ownership to the same piece of land. Some even have separate valid certificates to prove ownership to the same land."

LAND VALUATION

- Difficulty in reaching agreement on land compensation

"During the compensation process, it is common to receive exaggerated claims greater than the actual land and this requires detailed surveys to determine the actual and current farm sizes."

POLITICAL INTERFERENCE

"As part of the engagement process, political interests try to capitalize on the land acquisition process as well as the project activities especially the community development programmes and the ability to create local employment opportunities, as an opportunity to seek political mileage."

Africa

LIVELIHOOD RESTORATION PROGRAMS

"Building consensus between competing ideas within the community is a significant challenge when identifying livelihood restoration programmes. Where livelihood support projects have been set up with a community management structure, they tend to not perform well due to the lack of commitment within the members selected."

FRONTIER
Investment Management

East Africa

ENVIRONMENTAL MATTERS

- Project development might lead to potential negative impacts on land
- Compensate land owners for damage to land, structures and crops

"The steep terrain in which projects are located means that protecting land from degradation through erosion, rock falls and spoil material tipping is hard to manage. This has led to a number of grievances…"

INSPIRED EVOLUTION
Investment Management

South Africa

GRIEVANCE MECHANISMS FROM LOCAL COMMUNITIES

- Offer displaced communities and persons compensation for loss of assets

"Different types of land can be compensated at different rates, and allocations may lead to objections, disputes and/or grievances. It is therefore of utmost importance that Evolution I follows international best practice guidelines and ensure that Portfolio Companies implement transparent and consistent compensation procedures, as well as robust stakeholder engagement processes, where applicable."

REAF II
RENEWABLE ENERGY ASIA FUND II

South East Asia

INTERACTION WITH LOCAL AUTHORITIES

"Many times local authorities aren't aware of the international standards that are followed, therefore when local authorities are leading the land acquisition process it can be difficult to steer them in the direction consistent with European Investment Bank standard 6 or International Financial Corporation Performance Standards 5."

ARMSTRONG ASSET MANAGEMENT

South East Asia

POLITICAL INTERFERENCE

"In Vietnam, the government is responsible for land acquisition and compensation process of approved projects of 'national importance', including energy projects. Armstrong and our developers must collaborate with them to try to improve the process. We aim to increase transparency, speed, consultation with the affected people, and also we usually provide additional compensation in many cases. The extent of collaboration permitted depends on the particular provincial government agency in charge. We aim to achieve compliance with International Financial Corporation Performance Standard 5 but must also work within the government mandated process."

SolarArise

India

CHANGE OF LAND USE

"By law we have to convert the acquired land into Non-Agricultural land to use the land for setting up solar plant. In some States, the process of conversion is time consuming."

LESSONS LEARNED FROM FRONTIER ENERGY'S APPROACH TO LAND ACQUISITION

FRONTIER
Investment Management

1. Active ongoing community and public engagement during the land acquisition process

- Engaging the whole household
  - While land might be owned in specific patriarchal tribes by the male household head (such as the Sabiny tribe in Eastern Uganda where Siti 1 and 2 are located), partners, wives and children might not be involved in the process of land sale.
  - Frontier implements international best practices always ensures that all processes, not limited to disclosure, include spouses.
  - The Frontier team approaches these gender imbalance with great care, so as to neither alienate the female project affected people from their families and communities nor undermine gender relations and balance.
  - The Frontier team rather tries to engage women so that their opinions provide input in the decision making together with, or on behalf of, their spouses and families.
- Proper disclosure
  - The Frontier team systematically ensures that community liaison officers dealing with disclosures to project affected people are sensitive to the local beliefs
  - They also ensure everyone is informed on project's rational and implementation processes including land acquisition.
- Getting local support
  - Frontier continuously engages local leaders in support of project to sensitize and ensure the people in their communities are aware of the applied legal processes available to protect their rights.
  - As a private developer, engaging with public authorities might also be challenging. Hence it is critical to engage them at early stages and fully inform them on the project and its impacts.
- Proactive supervision and monitoring
  - Proactive supervision and monitoring of the land acquisition process is key to ensuring that the commitments and limits set during the engagement process are maintained.
  - Engagement is an on-going two-way communication that serves to foster a relationship of confidence and mutual trust between the project managers and the concerned communities.

2. Ensuring the fairness of the compensation mechanism
   - Preference in replacement of houses instead of payment in cash
     - Frontier favors the replacement of houses instead of the payment in cash.
     - In the case of replacement, the project affected people identify their own land, with the support from the project's community liaison officer, and the portfolio company then buys the land for the project affected people as replacement.
     - The Frontier team also assures that the project affected people have security of tenure for the purchased land, either in the form of a letter from the local authority or a land title.
   - Frontier also integrate the lost income from crops (coffee/vanilla) in the valuation.
     - Rates guiding the compensation mechanism are set by a public valuer and do not always reflect the market price.
     - The team has made its best to ensure that the lost income is valued at the actual market price, as crops valuation might in some countries not been reviewed on a regular basis.
   - Frontier also tried to include cultural compensation in the replacement cost, for instance, when relocation of graves are concerned.
   - Frontier team has also worked to bring water networks to local communities to which they participated through minor voluntary land donations.
   - For Frontier, the most challenging issues have been faced when acquiring additional lands at an advanced stage of the project development when there are only limited options for the fund manager and hence prices are often over-valued.
   - Key enabler to agree on the valuation throughout the land acquisition process include a proper public disclosure, an ongoing stakeholder engagement as well as an on time payment.

Ensuring the fairness of the compensation mechanism – Replacement of houses

3. Anticipating the process and its inherent costs as much as possible
   - While Frontier's resettlement action plans provide a rough idea of numbers of project affected people and land to be acquired, the actual numbers of project affected people and land take will be different by the time the project construction commences and could change during construction as well.
   - Budgeting for the previously unforeseen costs and delays must be foreseen into account during project feasibility studies as a contingency cost.
   - Frontier's resettlement action plans have to be updated on a regular basis to reflect the accurate number of project affected people.

4. Support of local communities
   - Actively engage local communities through training (skills development, health and safety), waste management and water schemes for communities as well as livelihoods restoration plans.
   - Frontier aims at replicating, while taking into account the local traditions, some of the lessons learned in the new sites that the team is developing.

Key lessons learned through land acquisition process from the fund managers in GEEREF portfolio:

- Engaging with local community and local authorities
- Land mapping at the earliest stage of due diligence
- Engaging with local legal advisers
- Favouring land replacement to payment in cash when possible
- Trying to avoid involuntary resettlement wherever possible
- Fair compensation for improvements to living conditions and restoration
- Supporting security of land tenure for local communities
- Supporting social activities for local communities
- Enabling the transfer of skills and competencies
- Providing jobs locally
- Proactively supervising and monitoring the land acquisition process

Trainees learning how to use sewing machines

A community standpipe supplied by the scheme

REGIONAL FUNDS – into which GEEREF has conditionally committed or invested

AREF
AFRICA RENEWABLE ENERGY FUND

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 ASSET MANAGEMENT

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

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

SCHULZE GLOBAL INVESTMENTS

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

FRONTIER
Investment Management

DI FRONTIER MARKET ENERGY & CARBON FUND

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

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

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

You can read more about DI Frontier by visiting its website: www.frontier.dk

FRONTIER
Investment Management

FRONTIER ENERGY II ALPHA K/S

GEEREF has Committed € 20.0 Million to the Frontier Energy II ALPHA K/S, Managed by Frontier Investment Management

Frontier Energy II, the successor fund to DI Frontier Market Energy & Carbon Fund, targeting renewable energy projects in East Africa. Frontier Energy II reached a second close in March 2017 at USD 145m and a final close in December 2018 at USD 227m, i.e. above its targeted fund size of USD 200m.

Current list of investors include 45% of private capital, 20% of mixed private/government capital and 35% of government capital. Frontier Energy II benefits from the transfer of 12 pipeline projects from DI Frontier Market Energy & Carbon Fund.

INSPIRED
EVOLUTION
Investment Management

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

INSPIRED
EVOLUTION
Investment Management

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

MSEF
MGM SUSTAINABLE ENERGY FUND

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

REAF
RENEWABLE ENERGY ASIA FUND

RENEWABLE ENERGY ASIA FUND

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

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

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

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

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

REAF has currently reached the end of its investment period.

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

REAF II
RENEWABLE ENERGY ASIA FUND II

RENEWABLE ENERGY ASIA FUND II

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

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

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

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

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

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

SolarArise

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

KPMG LLP
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto ON M5H 2S5
Canada
Tel 416-777-8500
Fax 416-777-8818

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, 2018 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

Toronto, Canada

May 03, 2019

PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Statement of Financial Position
(Expressed in Canadian dollars)

December 31, 2018, with comparative information for 2017
(Unaudited - see Notice to Reader)

	2018	2017
Assets		
Cash and cash equivalents	$ 2,861,664	$ 3,860,697
Investments, at fair value through profit or loss (cost - $16,726,730)	17,952,410	17,721,708
Interest receivable	91	118
Other receivables	3,873,212	2,758,963
Prepaid expenses	134,168	168,423
	$ 24,821,545	$ 24,509,909
Liabilities and Partners' Equity		
Liabilities:		
Accrued fees and expenses	$ 186,294	$ 29,773
Foreign currency forward contracts	–	4,093
	186,294	33,866
Partners' equity (note 2):		
General Partner's capital	50	50
Class A	2,127,106	2,224,180
Class F	16,957,054	16,950,449
Class O	5,551,041	5,301,364
	24,635,251	24,476,043
	$ 24,821,545	$ 24,509,909

See accompanying notes to financial statements.

PORTLAND GLOBAL ENERGY EFFICIENCY AND RENEWABLE ENERGY FUND LP

Statement of Comprehensive Income
(Expressed in Canadian dollars)

Year ended December 31, 2018, with comparative information for 2017
(Unaudited - see Notice to Reader)

	2018	2017
Revenue:		
Interest income for distribution purposes	$ 79,329	$ 23,700
Investment income	1,012,725	908,834
Foreign currency gain on cash and other net assets	155,529	596,247
Realized loss on foreign currency forward contracts	(5,912)	(638,753)
Realized loss on investments	(26,409)	(89,677)
Change in unrealized appreciation of investments	732,654	1,167,789
Change in unrealized appreciation (depreciation) of foreign currency forward contracts	4,093	(425,770)
	1,952,009	1,542,370
Expenses:		
Management fees	180,306	120,128
Fund accounting and transfer agent fees	34,924	48,984
Fund expenses	80,075	63,512
Professional fees	3,559	2,966
Legal fees	1,471	6,492
Agent's commission, promoter fee and organizational expenses	124,160	10,346
Operating expenses from underlying funds	9,112	12,550
Bank charges	17,132	11,060
	450,739	276,038
Net comprehensive income	$ 1,501,270	$ 1,266,332

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 Changes in Partners' Equity
(Expressed in Canadian dollars)

Year ended December 31, 2018, with comparative information for 2017
(Unaudited - see Notice to Reader)

2018	General Partner	Class A	Class F	Class O
Balance, December 31, 2017	$ 50	$ 2,224,180	$ 16,950,449	$ 5,301,364
Net contributions	–	(94,948)	7,398	81,456
Distributions credited to partners	–	(117,582)	(1,012,012)	(206,374)
Net comprehensive income	–	115,456	1,011,219	374,595
Balance, December 31, 2018	$ 50	$ 2,127,106	$ 16,957,054	$ 5,551,041

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	836,282	336,833
Balance, December 31, 2017	$ 50	$ 2,224,180	$ 16,950,449	$ 5,301,364

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, 2018, with comparative information for 2017
(Unaudited - see Notice to Reader)

	2018	2017
Cash flows from (used in) operating activities:		
Net comprehensive income	$ 1,501,270	$ 1,266,332
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Realized loss on investments	26,409	89,677
Change in unrealized appreciation on investments and foreign currency forward contracts	(736,747)	(742,019)
Decrease in interest receivable	27	108
Increase in other receivables	(1,114,249)	(2,075,094)
Decrease (increase) in prepaid expenses	34,256	(168,423)
Increase in accrued fees and expenses	156,521	13,970
Sale of investments	779,592	4,145,654
Purchase of investments	(304,051)	(6,509,119)
	343,028	(3,978,914)
Cash flows from (used in) investing activities:		
Partner contributions	(6,094)	6,398,983
Distributions paid to partners	(1,335,967)	(159,982)
	(1,342,061)	6,239,001
Increase (decrease) in cash and cash equivalents	(999,033)	2,260,087
Cash and cash equivalents, beginning of year	3,860,697	1,600,610
Cash and cash equivalents, end of year	$ 2,861,664	$ 3,860,697

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 €175 million as at December 31, 2018 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.

1. Significant accounting policies (continued):

(f) Financial assets and financial liabilities:

(i) Initial measurement and classification:

Effective January 1, 2018, the Partnership adopted IFRS 9, Financial Instruments ("IFRS 9"), which has replaced International Accounting Standard ("IAS") 39, Financial Instruments - Recognition and Measurement ("IAS 39"). The new standard introduces a model for classification and measurement of financial assets and liabilities including those carried at amortized cost fair value, with changes in fair value recognized in fair value through profit or loss ("FVTPL"); or fair value through other comprehensive income ("FVOCI") based on the entity's business model for managing financial assets and the contractual cash flow characteristics of these financial assets. It eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. IFRS 9 requires classification of debt instruments, if any, based solely on payments of principal and interest, and business model tests.

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively. The Partnership's financial assets and financial liabilities are managed and its performance is evaluated on a fair value basis. The contractual cash flows of the Partnership's debt securities, if any, consist solely of principal and interest, however, these securities are neither held in held-to-collect, nor held-to-collect-and-sale business models in IFRS 9. Therefore, there were no changes to the measurement basis of the Partnership's financial instruments as a result of adopting IFRS 9, and consequently, there was no impact to net assets.

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

1. Significant accounting policies (continued):

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

- Financial assets at FVTPL: debt securities, equity investments and derivative financial instruments (previously under IAS 39 designated at FVTPL or held for trading).

- Financial assets at amortized cost: All other financial assets (previously under IAS 39 as loans and receivables).

- Financial liabilities at FVTPL: derivative financial instruments and securities sold short, if any (previously under IAS 39 designated at FVTPL or held for trading).

- Financial liabilities at amortized cost: all other financial liabilities.

Based on the Manager's assessment of IFRS 9, the classification of the Partnership's financial assets and financial liabilities are consistent with the classification category prior to IFRS 9. The Manager has determined that there were no changes to the measurement basis of the Partnership's financial instruments as a result of adopting IFRS 9, and consequently, no impact to net assets.

(ii) Recognition:

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

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

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.

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.

(Expressed in Canadian dollars)

2. Partners' equity (continued):

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.

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:

2018	General Partner	Class A	Class F	Class O
Balance, December 31, 2017	–	33,211	249,560	76,435
Net contributions (distributions)	–	(1,422)	68	1,190
Balance, December 31, 2018	–	31,789	249,628	77,625

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

3. Financial risk management:

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

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

(a) Market risk:

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

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

(b) Liquidity risk:

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

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, 2018.

(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, 2018, the Partnership had not entered into any foreign currency forward contracts, thereby increasing its exposure to fluctuations in exchange rates on its holdings that are denominated in Euro.

(e) Concentration risk:

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

(Expressed in Canadian dollars)

4. Fair value of financial instruments:

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

2018:

Investment	Number of shares	Price per share	Fair value	Cost	Unrealized gain (loss)
Newlook Capital Industrial Services LP, Class D	250	$ 1,067	$ 266,733	$ 195,280	$ 71,453
Newlook Capital Industrial Services LP, Class C	1,750	1,075	1,881,355	1,569,632	311,723
Newlook Capital Industrial Services General Partner	53	1,459	77,351	1	77,350
GEEREF B Units	976	15,777	15,394,749	14,614,016	780,733
ITM AG Investment Trust - No Load PTL185	3,700	52	191,975	185,000	6,975
Northland Power Inc.	2,000	22	43,400	44,051	(651)
Brookfield Asset Management Inc., Pref. 4.75% Series 48	2,000	21	42,560	50,000	(7,440)
Brookfield Office Properties Inc., Pref. 4.85% Series II	2,000	19	37,300	50,000	(12,700)
Brookfield Infrastructure Partners L.P.	750	23	16,987	18,750	(1,763)
Total			$ 17,952,410	$ 16,726,730	$ 1,225,680

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

4. Fair value of financial instruments (continued):

The cost of GEEREF B units includes $102,437 (2017 - $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:

2018	Level 1	Level 2	Level 3	Total
Equities - long	$ 140,248	$ 77,351	$ –	$ 217,599
Investment funds	–	17,734,811	–	17,734,811
	$ 140,248	$ 17,812,162	$ –	$ 17,952,410

2017	Level 1	Level 2	Level 3	Total
Equities - long	$ 226,500	$ 70,599	$ –	$ 297,099
Investment funds	–	17,424,609	–	17,424,609
Foreign currency forward contracts	–	(4,093)	–	(4,093)
	$ 226,500	$ 17,491,115	$ –	$ 17,717,615

(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 whose 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:

2018	FVTPL	Financial assets at amortized cost	Financial liabilities at amortized cost	Total carrying amount
Cash and cash equivalents	$ –	$ 2,861,664	$ –	$ 2,861,664
Investments	17,952,410	–	–	17,952,410
Interest receivable	–	91	–	91
Other receivables	–	3,873,212	–	3,873,212
Prepaid expenses	–	134,168	–	134,168
Accrued fees and expenses	–	–	(186,294)	(186,294)
	$ 17,952,410	$ 6,869,135	$ (186,294)	$ 24,635,251

(Expressed in Canadian dollars)

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

2017	FVTPL	Financial assets at amortized cost	Financial liabilities at amortized cost	Total carrying amount
Cash and cash equivalents	$ –	$ 3,860,697	$ –	$ 3,860,697
Investments	17,721,708	–	–	17,721,708
Interest receivable	–	118	–	118
Other receivables	–	2,758,963	–	2,758,963
Prepaid expenses	–	168,423	–	168,423
Accrued fees and expenses	–	–	(29,774)	(29,774)
Foreign currency forward contracts	–	–	(4,093)	(4,093)
	$ 17,721,708	$ 6,788,201	$ (33,867)	$ 24,476,042

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, 2018, the Partnership reimbursed the Manager $15,194 for organizational expenses and the net asset value of the Partnership was reduced by $0. The balance of $ 59,508 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, 2018, $17,087 (2017 - $85,434) was paid by the Manager in respect of the agent's commission on behalf of the Partnership. As at December 31, 2018, the Partnership reimbursed the Manager $0 for agent's commission and the net asset value of the Partnership was reduced by $0. The balance of $66,924 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, 2018 was $89,904 (2017 - $449,522).

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, 2018, the net assets of the Partnership were reduced by $47,874.

(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.

(Expressed in Canadian dollars)

7. Related party transactions:

During the year ended December 31, 2018, the Partnership paid $159,563 (2017 - $106,308) and $106,220 (2017 - $107,924) to the Manager for management fees and reimbursement of fund operating expenses, respectively. As at December 31, 2018, $170,368 (2017 - $27,210) 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 $2,017 (2017 - $2,916) to affiliates of the Manager for services provided in respect of the Partnership.

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

	Manager	Related Parties
December 31, 2018	-	12,035
December 31, 2017	-	11,835

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, 2018, 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, 2018, the total remaining unfunded commitments for B units was €1,982,944 (2017 - €1,982,944), which becomes payable when GEEREF issues subscription requests to the Partnership.

9. Borrowing:

During the year 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 Partnership. 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, 2018 and for the year then ending, the Partnership had not made any drawdowns or paid any interest under the Facility. During 2017, 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/
2. GEEREF Impact Report 2017, Global Energy Efficiency Renewable Energy Fund, October 2018, https://geeref.com/assets/documents/2017-GEEREF-Impact-Report-Public-version-20181024.pdf

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

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

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

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