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Portland Global Sustainable Evergreen Fund
Portland Global Sustainable Evergreen LP

Annual Financial Report

December 31, 2021

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PORTFOLIO MANAGEMENT TEAM

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

Portland Global Sustainable Evergreen Fund
Portland Global Sustainable Evergreen LP

OVERVIEW

The investment objectives of Portland Global Sustainable Evergreen Fund (the Trust) and Portland Global Sustainable Evergreen LP (the Partnership) (collectively the Funds) are to preserve capital and provide above average long-term returns.

The Trust ultimately intends to achieve its investment objective by investing all, or substantially all, of its net assets in the Partnership, although Portland Investment Counsel Inc. (the Manager) may from time to time determine that the investment objective of the Trust can be best achieved through direct investment in underlying securities and/or investment in other pooled investment vehicles. To the extent, the Trust makes direct investments; it will apply the investment strategies of the Partnership.

The Partnership may invest in a portfolio of private securities, either directly or indirectly through other funds consisting of: private equities believed to be in sustainable systems including farmland; private equities in renewable energy and energy efficiency; other equity or debt securities, a portion of which may have provisions resulting in equity ownership of the issuer of the debt or the underlying asset if certain events occur; and complementary public securities. The Partnership may borrow up to 20% of the total assets after giving effect to the borrowing.

The Manager intends to invest some of the Partnership's assets in investment products directly or indirectly managed by specialty investment managers which it believes have disciplined investment philosophies that are similar to its own (a Specialty Investment Manager). The Manager decides whether the Partnership invests in a fund managed by a Specialty Investment Manager and the extent of the commitment to that fund; but does not decide on the individual investments, which will comprise that Specialty Investment Manager's fund.

Current Specialty Investment Managers are the European Investment Fund (EIF) and its sister institution the European Investment Bank (EIB) which provide institutional support for the Global Energy Efficiency and Renewable Energy Fund (GEEREF) and Bonnefield Financial Inc. (Bonnefield), which manages the Bonnefield Canadian Farmland LP V (Bonnefield LP V).

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 (Regional Funds). As of September 30, 2021, GEEREF had committed approximately €186 million in 14 Regional Funds, while having liquidated and realized about €5.6 million from one Regional Fund, Emerging Energy Latin America Fund II, LP. The portfolios of the 14 Regional Funds comprise a total of 191 investments. 11 of these Regional Funds have finalized their investment periods and 10 of these have begun the process of divesting. Portland Global Energy Efficiency and Renewable Energy Fund LP (Portland GEEREF LP), held by the Partnership, has committed a total of €14,250,000 in B Units of GEEREF. To date, Portland GEEREF LP has invested €13,654,966 representing 95.8% of its commitment.

For more information, please visit Portland GEEREF LP's website at https://portlandic.com/geeref.

On November 12, 2019, Bonnefield announced the first close of Bonnefield LP V with $137 million of commitments. A second closing of Bonnefield LP V occurred in the fourth quarter of 2020. Bonnefield LP V is an open-ended fund targeted at institutional and accredited investors. Bonnefield believes that many of the investors are interested in gaining exposure to the attractive attributes of Canadian farmland, such as its ability to hedge against inflation and its low correlation with stocks, bonds and traditional real estate. The Partnership had committed $1,025,000 as part of the first closing, $300,000 as part of the second closing, and $165,000 as part of subsequent closings. As at December 31, 2021, the Partnership has received 11 capital calls amounting to 100% of its commitment. These capital calls have helped to purchase at least 41 farms across four provinces.

FINANCIAL HIGHLIGHTS

The Trust's return from January 1, 2021 to December 31, 2021 was 2.7% for Series A and 3.9% for Series F units. The Trust has delivered annualized and cumulative returns since inception on March 29, 2018 for Series A units of 3.4% and 13.2% and since inception on February 28, 2018 for Series F units of 4.4% and 18.1%, respectively.

The Partnership's return from January 1, 2021 to December 31, 2021 was 2.8% for Series A and 4.0% for Series F units. The Partnership has delivered annualized and cumulative returns since inception on July 31, 2018 for Series A units of 4.6% and 16.6% and since inception on April 30, 2018 for Series F units of 5.5% and 21.6%, respectively.

As at December 31, 2021, the Trust's current asset allocation is 98.5% in the Partnership and 1.5% in cash and other net assets (liabilities). As at December 31, 2021, the asset allocation of the Partnership was 66.2% in Bonnefield LP V, 22.9% in Portland GEEREF LP and 10.9% in cash and other net assets (liabilities).

RECENT DEVELOPMENTS AND OUTLOOK

In December 2021, the Partnership committed another $300,000 to Bonnefield LP V. This capital commitment was called and paid in early January 2022.

In 2022, the Partnership will look to increase its investment in the Portland GEEREF LP and/or increase its commitment to Bonnefield LP V. Pending these investments, the assets of the Partnership would be invested in short-term investments offered by large banks.

A distinguishing feature of the Funds is sustainable investing and holding private investments. The Manager has long held that the key to wealth creation is owning a few high quality businesses. Overall, we believe that the Partnership is currently well positioned to meet its investment objectives for the medium to long term, which by the nature of the underlying investments are expected to hold little correlation to the publicly traded markets. The following pages highlight our belief in the attractiveness of investing in renewable energy and Canadian farmland.

THE CASE FOR RENEWABLE ENERGY

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

Figure 1. Contributors to Annual Global Emissions from 1850 to 2020[1]

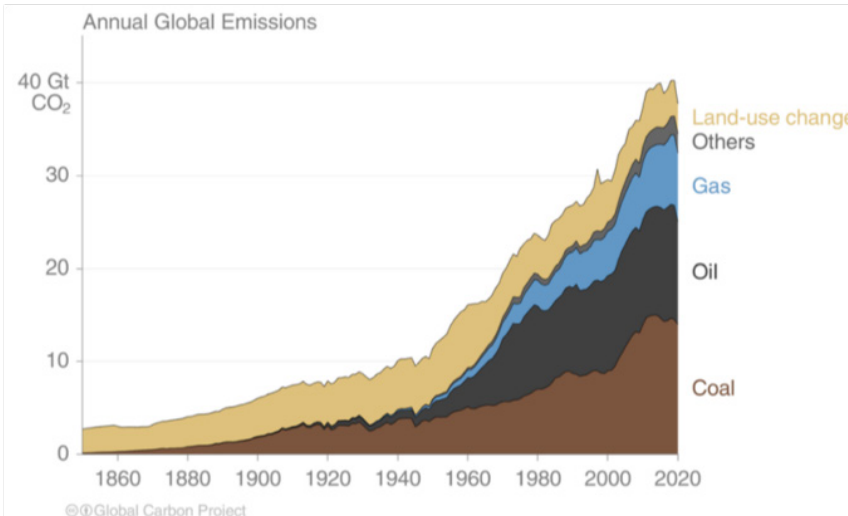
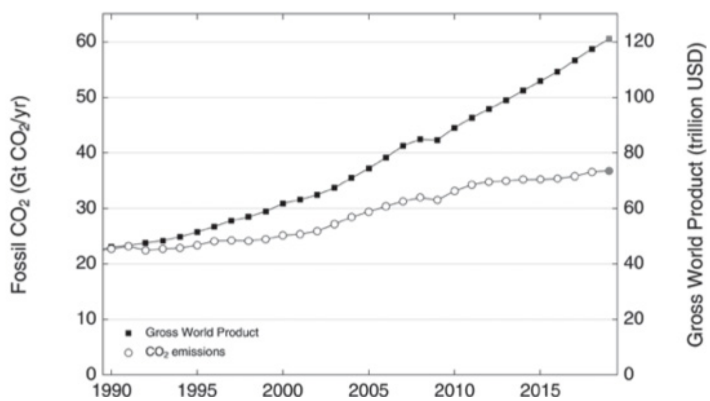


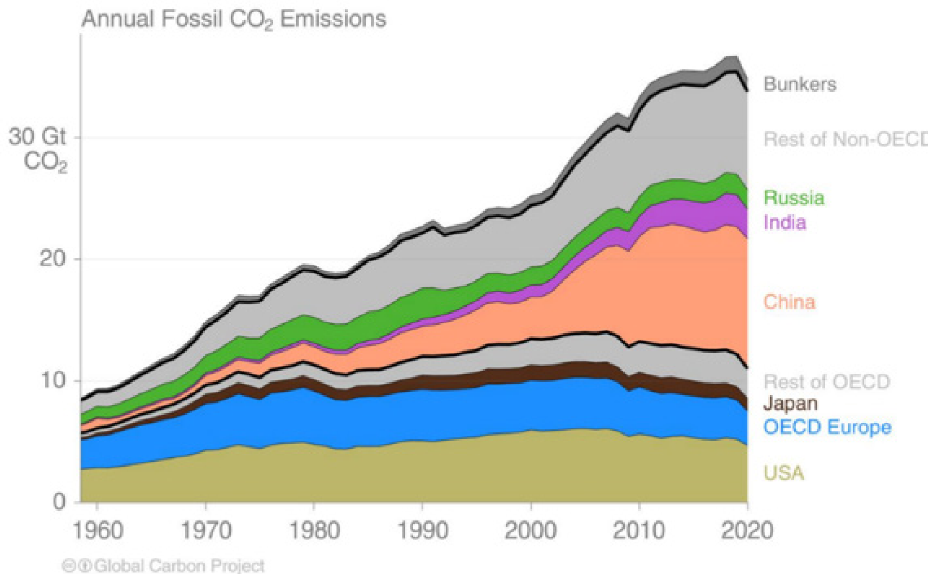
Figure 1 shows that there is plenty of opportunity to eliminate the use of coal and substitute it for renewable sources of energy including solar and wind power. As the global economy continues to grow as it has steadily done over the last century, it is important that we secure energy supplies that can continue to power this growth. Figure 2 illustrates that the rate at which carbon dioxide emissions has increased is slower than the rate at which gross world product has increased. This is a good sign as this suggests that the world economy is becoming less dependent on fossil fuels and we are able to support our growth either with less energy or with more renewable energy sources.

Figure 2. Global Fossil Fuel Emissions and Gross World Product[1]



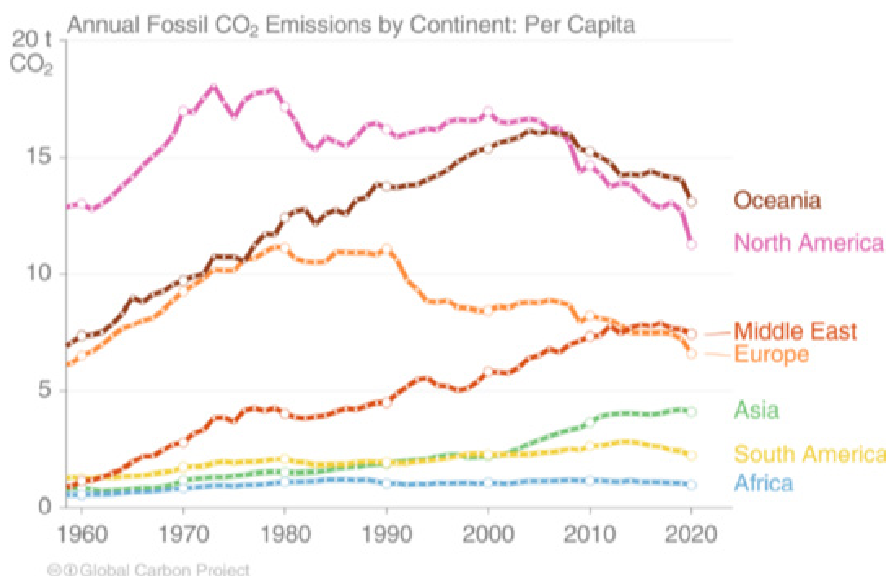
Energy is a necessary input to power global economic activity. It is a logical conclusion that those countries that have experienced the largest increase in economic growth have likely contributed the most to the annual fossil fuel emissions. Figure 3 illustrates how the proportion of the annual fossil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

Figure 3. Annual Fossil Fuel Emissions by Country[1]



Although China is the largest single contributor to annual fossil fuel emissions, Figure 4 illustrates that Oceania and North America are the largest contributors to annual fossil fuel emissions on a per capita basis. Therefore, it is necessary for Oceania and North America to become more efficient in their energy consumption by reducing fossil fuel consumption while sustaining normalized economic growth. It is imperative for China and Asia to continue to substitute the use of fossil fuel for more renewable sources of energy as they continue to sustain a higher than the average global economic growth rate.

Figure 4. Annual Fossil Fuel Emissions by Continent Per Capita[1]



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

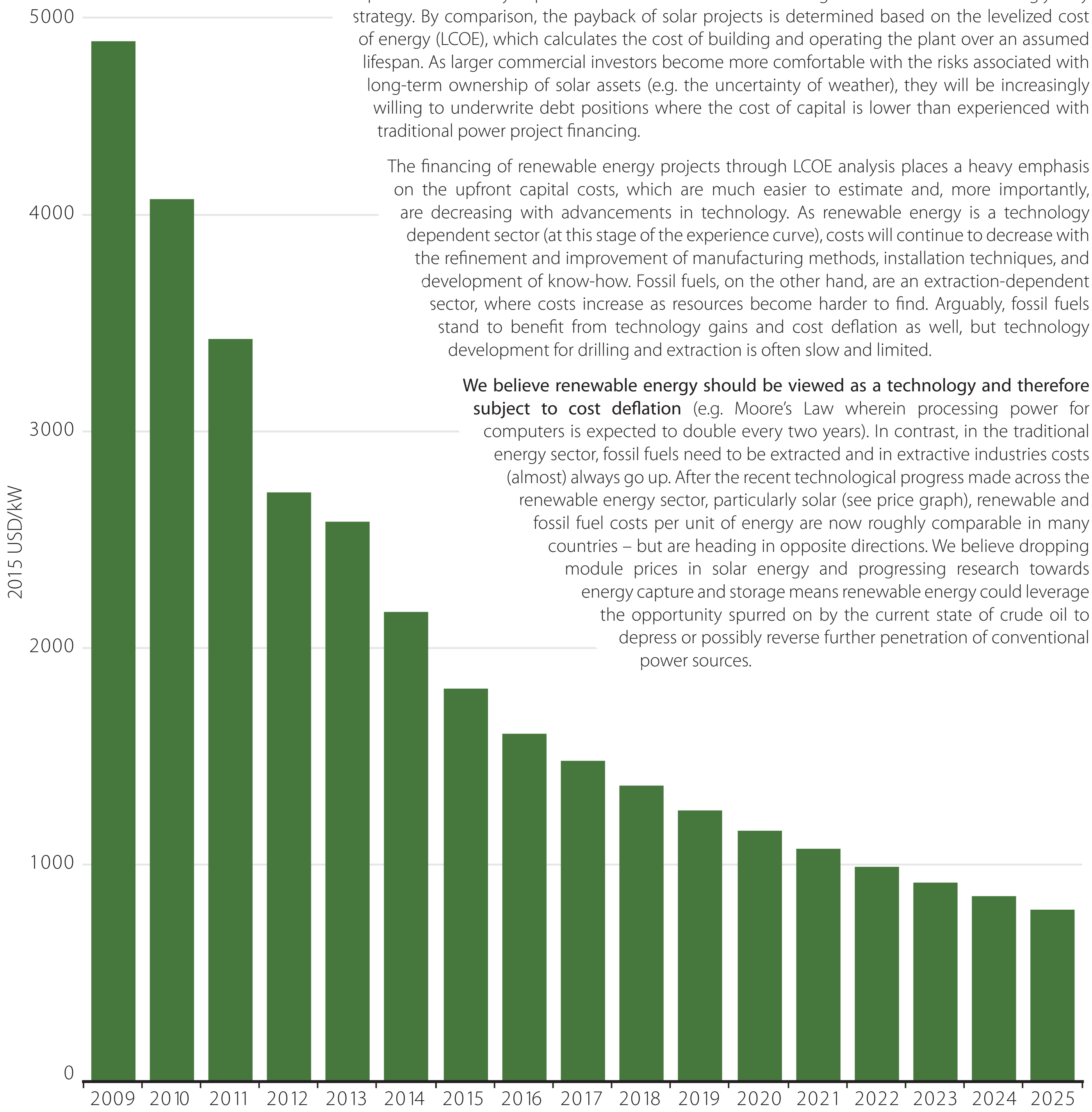
Traditionally, renewable energy has been largely driven by sustainability targets and concerted regional efforts to diversify existing energy portfolios. Photovoltaic (PV) global installations have continued to rise since 2006, largely driven by the continued drop in capital costs. This reduction in capital investment has allowed solar power to be viewed as a viable energy alternative to traditional power generation from coal, natural gas, and/or nuclear. Countries in the Middle East have included solar as part of their investment into a wider energy portfolio, a possible option in their "post-oil" future. For most countries (with the exception of some in Western Europe and South America), renewable energy continues to be viewed as an energy alternative within a wider portfolio where coal and natural gas play leading roles. The drop in crude oil prices has caused many nations to reconsider the allocation of their current subsidies (both towards renewables and towards fossil fuels), which has presented an opportunity for renewable energy to transition from an energy alternative and into an energy staple. At least 27 countries have elected to decrease or end subsidies that currently regulate fuel costs for electricity generation (including coal and natural gas). Fossil fuel subsidies have previously been criticized for distorting the energy markets in favour of sources that, without their support, would not be economically viable.

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

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

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

Global weighted average utility-scale solar PV total installed costs,



Source: International Renewable Energy Agency (IRENA)

SUSTAINABLE DEVELOPMENT GOALS

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 (highlighted below) 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.[2]

GEEREF IMPACT OVERVIEW

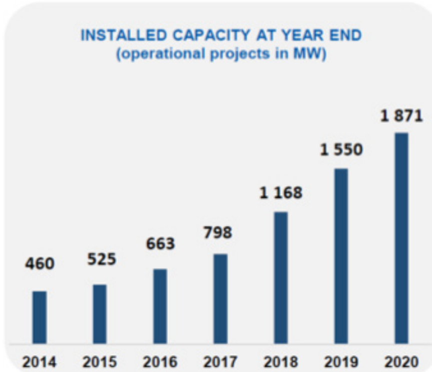
GEEREF has mapped its portfolio investments against SDGs. It showed that GEEREF's investment focus on building-up new clean energy capacity in developing countries and its two-fold impact approach – the combination of enforcement of EIB standards on the project-level and measurement of impact – contribute to the achievement of four of the 17 goals.[3]

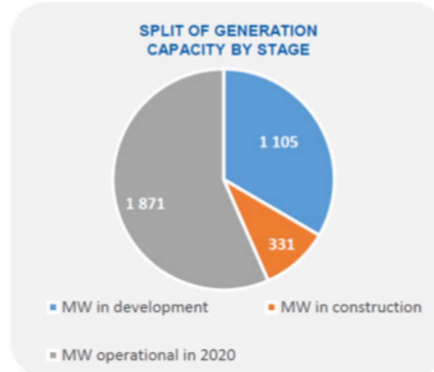
GEEREF'S DIRECT SDG CONTRIBUTION	*GEEREF'S METRICS*	*GEEREF'S EXPECTED IMPACT (as at December 31, 2020)*
GEEREF BUILDS UP NEW CLEAN ENERGY CAPACITY (7 AFFORDABLE AND CLEAN ENERGY)	Capacity Installed (MW) Electricity Generated and Saved (MWh)	1.1 GW in development, 0.3 GW in construction, 1.9 GW in operation 4.3 GWh of electricity generated and 136 GWh of electricity saved
GEEREF CONTRIBUTES TO DECREASING GHG EMISSIONS IN ENERGY AND OTHER INDUSTRIES (13 CLIMATE ACTION)	Emissions reduced (tonnes of CO_2eq)	2.6m tonnes of CO_2 equiv. avoided by operational projects per year
GEEREF CREATES EMPLOYMENT OPPORTUNITIES AND SKILLS TRAINING (8 DECENT WORK AND ECONOMIC GROWTH)	Number of People Employed: temporary, permanent, male, female Training delivered (hours)	3,358 permanent male jobs 1,384 permanent female jobs 9,585 temporary male jobs 3,755 temporary female jobs 173,366 training hours
GEEREF IS A PUBLIC-PRIVATE PARTNERSHIP (17 PARTNERSHIPS FOR THE GOALS)		

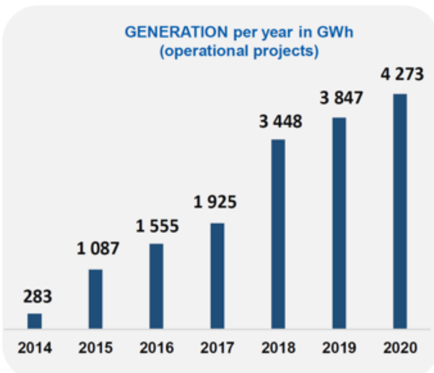
On the following pages, we will show GEEREF's portfolio metrics and how its impact has supported four key pillars including Energy, Environment, Sustainable Development and Financial Leverage.

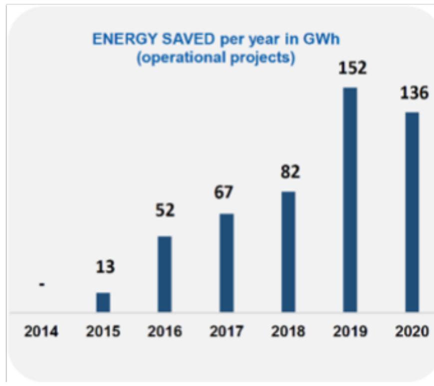
Pillar 1: Clean Energy

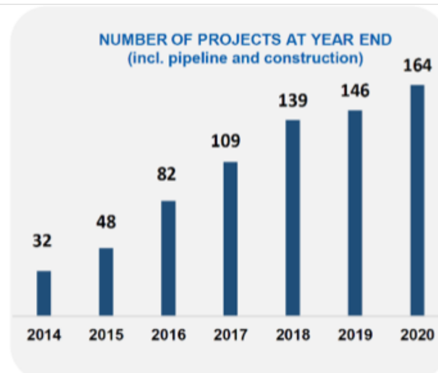
In 2020, GEEREF's underlying funds had about 3.3GW of capacity of new clean energy capacity in developing countries in different stages. Given the early stage focus of GEEREF's funds, about one third of this capacity (about 1.4GW) was still in development or under construction. Still, about 1.9GW was already operational.









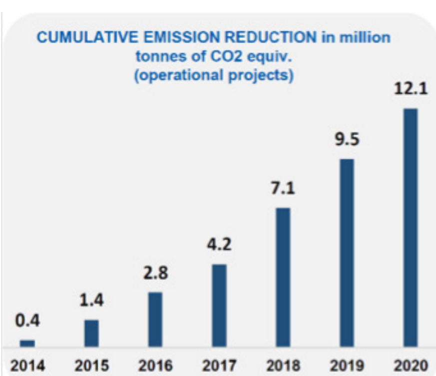


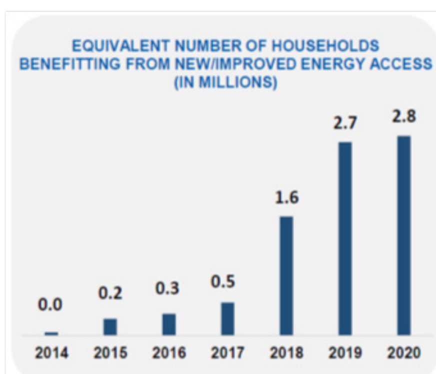
Pillar 2: Climate Mitigation / Environment

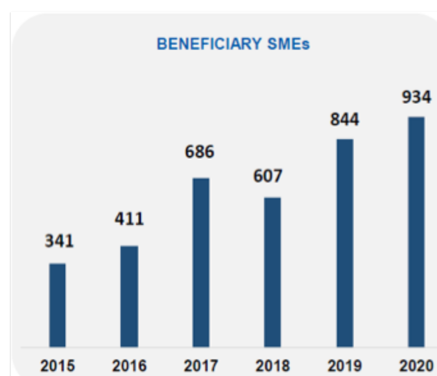
As of end 2020, GEEREF's operational projects (including projects exited by the funds) had a climate mitigation effect of about 12.1 million tonnes CO2 equivalent (cumulatively since 2014). This is equivalent to 2.6 million passenger vehicles driven for one year. This is also equivalent to the greenhouse gas emissions avoided by 515 million trash bags of waste recycled instead of landfilled and the carbon sequestered by 14.8 million acres of U.S. forests in one year.3

The 4.3 GWh of electricity generated and 136 GWh saved by GEEREF's operational projects in 2020 are equivalent to the energy consumption of more than 2.8 million households.

GEEREF's operational projects, projects under construction and pipeline projects benefited 934 beneficiary SMEs in 2020.

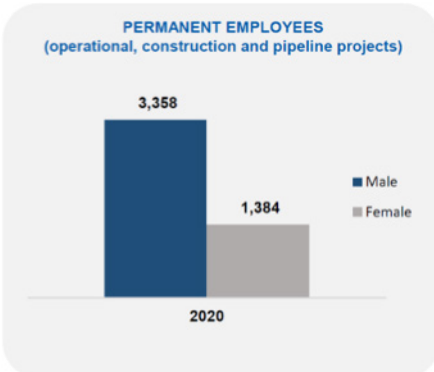




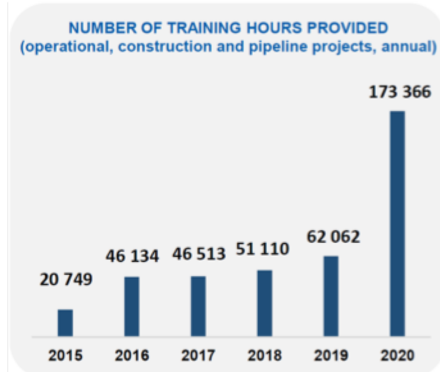


Pillar 3: Sustainable Development

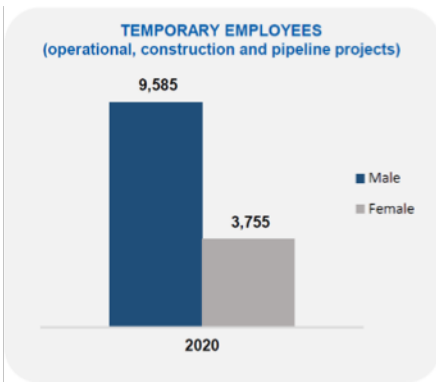
As at December 31, 2020, there were a total of 4,742 permanent jobs created compared to 13,340 temporary jobs created across all GEEREF projects (all employment and training figures are reported annualized as when projects are fully operational).



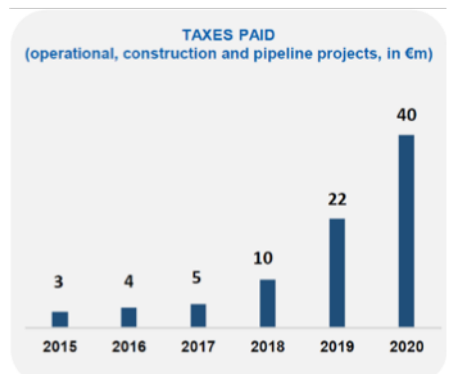
The amount of training hours provided by the funds and their projects increased in 2020 to more than 173,000 hours (annualized). The intensified training for projects of one African fund led to a strong increase of training hours in 2020.



In 2020, the share of permanent positions held by female employees (at 29%) was slightly higher than the share of temporary positions held by female employees (at 28%).



The underlying projects paid an equivalent amount of €40 million in taxes locally, hence supporting the local government institutions and their revenue generation potential.

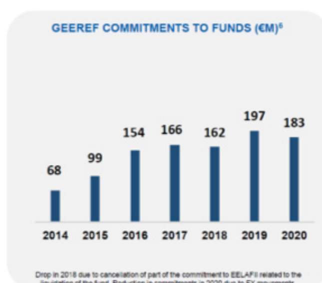


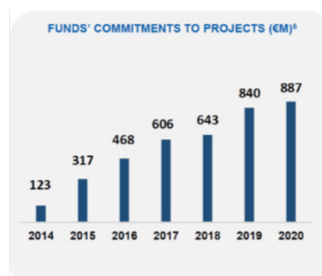
Pillar 4: Financial Leverage

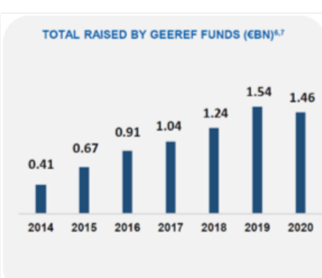
GEEREF Level

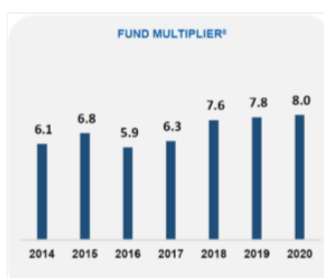
Public investors committed €132 million to GEEREF, which mobilized a further €110 million of private investor commitments. At the end of 2020, GEEREF's portfolio consisted of €197 million of commitments to 15 funds.

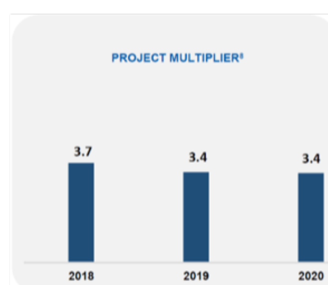
As of September 30, 2021, GEEREF had committed approximately €186 million in 14 Regional Funds, while having liquidated and realized about €5.6 million from one Regional Fund, Emerging Energy Latin America Fund II, LP. Also by September 30, 2021, the portfolios of the 14 Regional Funds comprise a total of 191 investments.









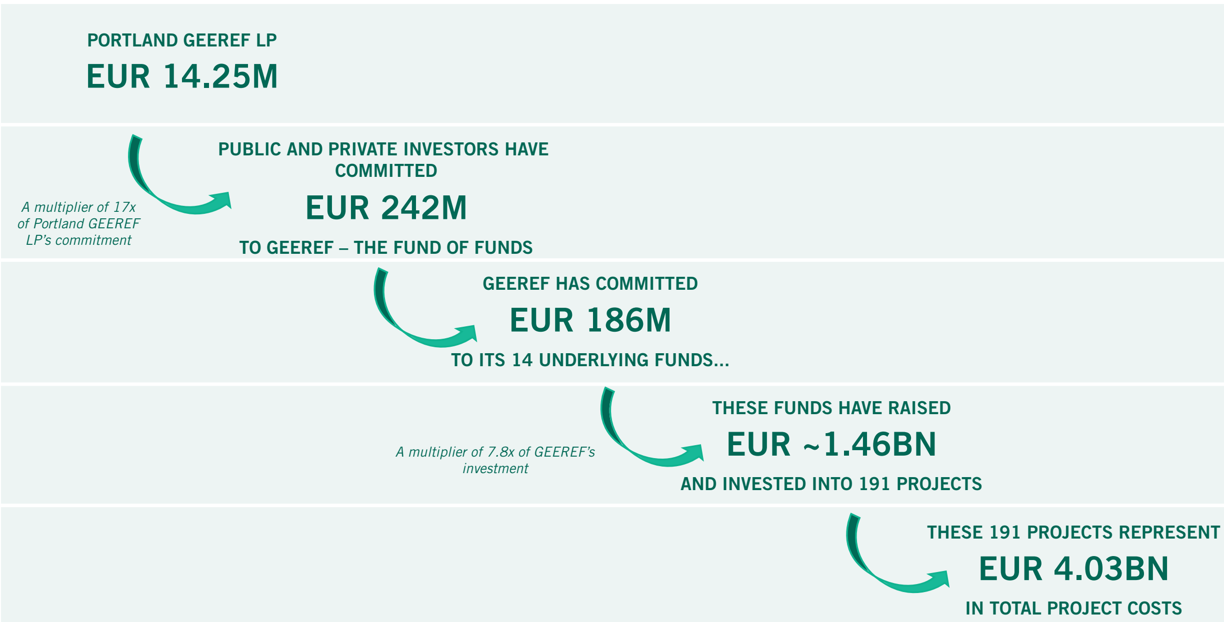


Fund Level

Based on GEEREF's commitment of €197 million, fund managers have raised a total of approximately €1.5 billion. This translates into a fund-level multiplier of 8.0x, an increase compared to the 2019 multiplier of 7.8x.

A vast majority of the capital raised as of the end of 2020 (70%) comes from Development Finance Institutions (DFIs). The other 30% comes from a diversified pool of private investors (asset managers, impact investors, and others). Asian funds attracted the biggest portion of private capital (approximately 45% of the capital raised) whereas the private capital share raised by funds focusing on Africa and Latin America was significantly less.

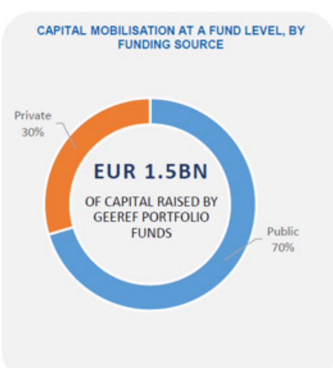
GEEREF's Commitments as at September 30, 2021

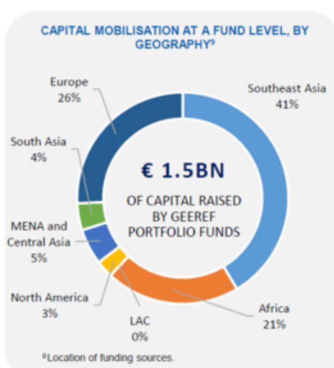


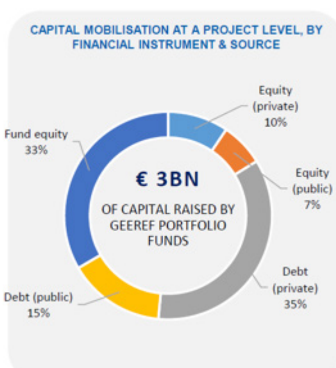
Project Level

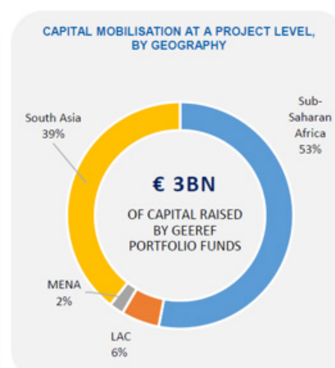
By year-end 2020, the final cost of projects developed by GEEREF fund managers reached €3 billion, 33% of which represents their equity contribution, 10% represents private investors' equity contribution, 7% the public investors' equity support. Lenders supplied the remaining 50% of project financing: 15% stemmed from DFIs, national development banks and equivalent and, 35% from private local banks.

The total capital mobilized increased by €0.1 billion compared to 2019 and the project multiplier stabilized at 3.4x. The following charts display GEEREF's capital mobilization as at December 31, 2020 in further detail.









THE CASE FOR CANADIAN AGRICULTURE

We believe Canadian agriculture has experienced a resurgence over the past dozen years or so, particularly in the grains and oilseed sector and that several macroeconomic and environmental trends have led to major shortages in the world's agricultural commodities. Increasing supply through farming additional land across the world appears to have limited potential because most productive land has already been brought into production. Existing land also faces major threats from overproduction, soil degradation, urbanization, climate change, and water insecurity, exacerbating the already strained supply situation.

Canada's resource wealth in water, arable land, petroleum and potash, in addition to relatively favourable climate trends, have allowed Canadian farmland to fair relatively well. Canada's access to both Pacific and Atlantic trade and proximity to the U.S., position it as a world leader in agricultural trade. Also, Canada's well-established trade infrastructure allows easy access to world markets, further improving Canada's advantage in terms of market access. The Manager believes that, as incomes and population continue to rise in emerging economies, Canada's surplus of sustainable productive agricultural land will prove a valuable economic resource.

The increasingly capital-intensive nature of today's farm operations requires significant economies of scale to maximize profitability. A new generation of family farmers and progressive, growth-oriented farmers are acquiring and operating larger tracts of farmland and need access to new sources of financing to help them grow and maximize their efficiency. This trend, along with significant succession challenges experienced by the large number of older farmers facing retirement across Canada, has led to a growing demand for alternative sources of capital among Canadian farmers.

We believe these trends appear likely to persist in the coming decades and will continue to add pressure to an already precarious global supply and demand scenario.

Responsible Investing at Bonnefield Today

When founding Bonnefield, the company's principals established a set of corporate and social responsibility principles to guide its investing activities. These responsible investing (RI) principles are rooted in a set of core operating guidelines that put farmers and farming first.

Bonnefield's ultimate goal is to promote sound farmland management practices, help improve operator efficiencies and protect the integrity of Canadian farmland, which we believe are core to protecting and enhancing long-term returns for our investors.

The core RI principles that govern Bonnefield's businesses are:

- They preserve Canadian farmland for farming use.
- They do not buy land for non-agricultural redevelopment.
- Their agronomic standards must balance exemplary farmland stewardship, sustainable farming practices and affordable farming operations.
- They aspire to become a long-term partner with our Canadian farm operator clients.
- Their programs must assist Canadian farm operators to build or maintain scale, become more profitable, improve cash flow and/or reduce debt.
- They will not dictate to our farm operator clients how to operate their farms.
- The farmland lease programs must create an "as if owned" relationship with the leased land for the farm operator.

In accordance with the best practices of responsible investing guidelines, Bonnefield has adopted robust governance structures for its farmland funds. Bonnefield's funds have investor advisory committees that, among other tasks, confirm net asset values based on independent third-party property appraisals. The advisory committees are also mandated to respond to any matter that may result in a conflict of interest, deviations from stated investment policies and/or distribution policies.

Bonnefield Metrics: Sustainably Managed Land

Bonnefield has established a set of farming best practices aimed at promoting sustainable farming operations and environmental responsibility. These best practices, referred to as the Bonnefield Standards of Care, are included in every Bonnefield lease and cover a range of sustainable management practices including: (i) soil testing; (ii) tillage system; (iii) regular crop rotation; (iv) water course maintenance; (v) recordkeeping; (vi) professional crop planning; (vii) pesticide management; (viii) weed control; (ix) soil erosion control measures; and (x) maintenance and repairs.

In 2020, 99% of Bonnefield farmland was sustainably managed, as measured by passing a third-party agrology audit per Bonnefield's Standards of Care.

Water Usage and Water Quality

Canada contains 7% of the world's renewable freshwater. Among developed countries, it has the second-most renewable freshwater per capita behind Iceland, approximately twice as much as Russia and Brazil, and over eight times as much as the U.S.

While Canada has abundant renewable freshwater resources, many of the country's crop regions are rain-fed and do not rely solely on irrigation. In fact, only approximately 2% of Canadian cropland is irrigated, largely for crops of higher value in regions with less consistent rainfall such as Southern Alberta. By comparison, the percentage of cultivated land that is irrigated in Australia, Brazil, and the U.S. is 7%, 8%, and 15%, respectively.

Despite Canada's enviable access to freshwater, it is critical to ensure appropriate management of water resources as well as ensuring appropriate water drainage is maintained on farmland in order to prevent soil erosion and degradation of overall soil quality.

Each year, third-party agrologists evaluate whether any parcels of Bonnefield's farmland are experiencing drainage issues. Those without are deemed to have passed Bonnefield's water quality test. 95% of Bonnefield farmland passed this water quality test in 2020.

Total Land Cultivated

Bonnefield strives to preserve Canadian farmland for farming use. Bonnefield does not buy land for non-agricultural redevelopment and all farmland is leased to farmers for the purpose of farming. In 2020, 100% of Bonnefield's farmland was productive, as defined by being non-fallow.

Rural Clients

Central to Bonnefield's approach is establishing long-term relationships with leading growth-oriented Canadian farmers and providing these farmers with capital to help: i) reduce debt, improve cash flow and improve return on assets; ii) finance expansion, growth, productivity and profitability; iii) facilitate sucession and transition fo farming operations from retiring farmers to a younger generation and/or; iv) secure long-term access to farmland on an ad-hoc basis; all while protecting farmland for farming.

Bonnefield has increased the number of farmers with whom they operate from 104 in 2019 to 114 in 2020. Bonnefield also supports the communities in which they operate through various donations and engagement opportunities. They have long been a proud supporter of Food and Water First, a citizen coalition dedicated to protecting Ontario's Class 1 farmland and source water region.

Promoting Environmental and Climate Sustainability

Selected Ongoing Monitoring Metrics	2018	2019	2020
Percentage of acreage owned longer than one year with annual property inspection completed by Bonnefield	100%	100%	100%
Percentage of acreage used to grow a permanent crop, vegetable or berries certified under a third-party that verifies the farm is maintaining good management of fertilizer/pesticides	99%	99%[5]	99%

Signatory of:

PRI Principles for Responsible Investment

Bonnefield became the first farmland investment manager and property manager in Canada to qualify and be accepted as a signatory to the United Nations-supported Principles for Responsible Investment (PRI) Initiative, an international network of investors working to put responsible investment into practice and to promote sustainability.

THANK YOU

Thank you for investing in the Trust and the Partnership. We recognize that in recent years there is an ever increasing number of 'green' or 'ESG' or 'impact' investing opportunities. We believe we have made an allocation of capital to two sustainable industries, renewable energy and farmland, that will continue to grow in value over the medium to long term and benefit our planet and its people. Necessity is the mother of invention and we look forward to the operational innovations that will be created consequent to the COVID-19 crisis…and of course to the continued fair distribution of vaccines throughout 2022 and beyond.

Sources:

1. Global Carbon Project, November 4, 2021 Global Carbon Budget 2021

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

3. https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

4. World Energy Outlook 2020 – Analysis - IEA, www/iea.org/reports/work-energy-outlook-2020

Notes

Unless otherwise mentioned, sourced from GEEREF Impact Reports and GEEREF Investor and Quarterly Reports, Bonnefield 2021 Sustainability Report and Investor and Quarterly Reports.

Management's Responsibility for Financial Reporting

The accompanying financial statements of Portland Global Sustainable Evergreen Fund (the Trust) and Portland Global Sustainable Evergreen LP (the Partnership) (collectively the Funds) have been prepared by Portland Investment Counsel Inc. (the Manager) in its capacity as manager of the Funds. The Manager of the Funds is responsible for the information and representations contained in these financial statements. The Board of Directors of the Manager, in its capacity as trustee of the Trust, and Board of Directors of the general partner of the Partnership, Portland General Partner (Ontario) Inc. have approved these financial statements.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Trust are described in note 3 to these financial statements.

KPMG LLP is the external auditor of the Funds. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the financial statements. Their report is attached.

"Michael Lee-Chin"

Michael Lee-Chin
Director
March 31, 2022

"Robert Almeida"

Robert Almeida
Director
March 31, 2022

Independent Auditors' Report

To the Unitholders of Portland Global Sustainable Evergreen Fund

Opinion

We have audited the financial statements of Portland Global Sustainable Evergreen Fund (the Entity), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of comprehensive income for the year then ended
- the statement of changes in net assets attributable to holders of redeemable units for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the Fund commentary document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the Fund commentary document as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licenced Public Accountants

March 31, 2022
Toronto, Canada

Statements of Financial Position

As at December 31,		2021		2020
Assets				
Cash and cash equivalents	$	40,317	$	3,190
Subscriptions receivable		313,900		2,630
Investments (note 5)		2,044,316		1,634,606
		2,398,533		1,640,426
Liabilities				
Management fees payable (note 8)		44		31
Redemptions payable		17,706		1,746
Payable for investments purchased		280,000		-
Distributions payable		5,481		-
Organization expenses payable (note 8)		19,720		18,465
		322,951		20,242
Net Assets Attributable to Holders of Redeemable Units	$	2,075,582	$	1,620,184
Net Assets Attributable to Holders of Redeemable Units Per Series				
Series A		1,150		1,089
Series F		1,940,309		1,498,533
Series O		134,123		120,562
	$	2,075,582	$	1,620,184
Number of Redeemable Units Outstanding (note 6)				
Series A		41		40
Series F		66,174		53,751
Series O		4,575		4,330
Net Assets Attributable to Holders of Redeemable Units Per Unit				
Series A	$	28.05	$	27.23
Series F	$	29.32	$	27.88
Series O	$	29.32	$	27.84

Approved by the Board of Directors of Portland Investment Counsel Inc.

"Michael Lee-Chin" *"Robert Almeida"*

Director Director

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31,	2021	2020
Income		
Net gain (loss) on investments		
Interest for distribution purposes	$ 679	$ 781
Net realized gain (loss) on investments	-	(1)
Change in unrealized appreciation (depreciation) on investments	118,710	129,965
	119,389	130,745
Other income		
Foreign exchange gain (loss) on cash and other net assets	-	(4)
Total income (net)	119,389	130,741
Expenses		
Securityholder reporting costs	54,142	37,257
Audit fees	13,256	12,852
Management fees (note 8)	13,100	10,937
Independent review committee fees	3,164	3,215
Organization expenses (note 8)	1,255	810
Legal fees	138	394
Custodial fees	133	88
Total operating expenses	85,188	65,553
Less: management fees waived by Manager (note 8)	(13,087)	(10,925)
Less: expenses absorbed by Manager (note 8)	(70,833)	(53,804)
Net operating expenses	1,268	824
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ 118,121	$ 129,917
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	$ 61	$ 94
Series F	$ 108,962	$ 117,601
Series O	$ 9,098	$ 12,222
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	$ 1.53	$ 2.34
Series F	$ 2.01	$ 2.52
Series O	$ 1.95	$ 2.73

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31,	2021	2020
Net Assets Attributable to Holders of Redeemable Units at Beginning of Year		
Series A	$ 1,089	$ 995
Series F	1,498,533	1,109,121
Series O	120,562	116,372
	1,620,184	1,226,488
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	61	94
Series F	108,962	117,601
Series O	9,098	12,222
	118,121	129,917
Distributions to Holders of Redeemable Units		
From net investment income		
Series A	(16)	-
Series F	(23,206)	-
Series O	(2,170)	-
	(25,392)	-
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	-	-
Series F	363,122	275,454
Series O	22,170	5,000
	385,292	280,454
Reinvestments of distributions		
Series A	16	-
Series F	17,725	-
Series O	2,170	-
	19,911	-
Redemptions of redeemable units		
Series A	-	-
Series F	(24,827)	(3,643)
Series O	(17,707)	(13,032)
	(42,534)	(16,675)
Net Increase (Decrease) from Redeemable Unit Transactions	362,669	263,779
Net Assets Attributable to Holders of Redeemable Units at End of Year		
Series A	1,150	1,089
Series F	1,940,309	1,498,533
Series O	134,123	120,562
	$ 2,075,582	$ 1,620,184

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31,		2021		2020
Cash Flows from Operating Activities				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	118,121	$	129,917
Adjustments for:				
Net realized (gain) loss on investments		-		1
Change in unrealized (appreciation) depreciation on investments		(118,710)		(129,965)
Increase (decrease) in management fees and expenses payable		13		12
Increase (decrease) in organization expenses payable		1,255		810
Purchase of investments		(11,000)		(261,001)
Net Cash Generated (Used) by Operating Activities		(10,321)		(260,226)
Cash Flows from Financing Activities				
Distributions to holders of redeemable units, net of reinvested distributions		-		(549)
Proceeds from redeemable units issued (note 3)		74,022		274,600
Amount paid on redemption of redeemable units (note 3)		(26,574)		(17,100)
Net Cash Generated (Used) by Financing Activities		47,448		256,951
Net increase (decrease) in cash and cash equivalents		37,127		(3,275)
Cash and cash equivalents - beginning of year		3,190		6,465
Cash and cash equivalents - end of year		40,317		3,190
Cash and cash equivalents comprise:				
Cash at bank	$	40,317	$	3,190
From operating activities:				
Interest received, net of withholding tax	$	679	$	781

The accompanying notes are an integral part of these financial statements.

Schedule of Investment Portfolio

As at December 31, 2021

No. of Shares	Security Name		Average Cost		Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
UNDERLYING FUNDS						
Canada						
65,460	Portland Global Sustainable Evergreen LP Class O	$	1,779,000	$	2,044,316	98.5%
	Total investment portfolio	$	1,779,000	$	2,044,316	98.5%
	Liabilities less other assets				31,266	1.5%
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			$	2,075,582	100.0%

1. GENERAL INFORMATION

Portland Global Sustainable Evergreen Fund (the Trust) is an open-end investment fund established under the laws of the Province of Ontario as a trust pursuant to an amended and restated master declaration of trust dated as of December 13, 2013, as amended thereafter and as may be amended and restated from time to time. The formation date of the Trust was February 9, 2018 and inception date was March 29, 2018 for Series A and February 28, 2018 for Series F and O. Portland Investment Counsel Inc. (the Manager) is the Investment Fund Manager, Portfolio Manager and Trustee of the Trust. The head office of the Trust is 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7. These financial statements were authorized for issue by the Board of Directors of the Manager on March 31, 2022. The financial statements of Portland Global Sustainable Evergreen LP (the Partnership) are included and are to be read in conjunction with these financial statements.

The Trust offers units to the public on a private placement basis under an offering memorandum. The investment objective of the Trust is to preserve capital and provide above average long-term returns. Although the Trust intends to achieve its investment objective by investing all, or substantially all, of its net assets in the Partnership, the Manager may from time to time determine that the investment objective of the Trust can be best achieved through direct investment in underlying securities and/or investment in other pooled investment vehicles. To the extent, the Trust makes direct investments, it will apply the investment strategies of the Partnership. The investment objective of the Partnership is to preserve capital and provide above average long-term returns by investing in a portfolio of private securities, either directly or indirectly through other funds, initially in private equities believed to be in sustainable systems including farmland and renewable energy and energy efficiency.

The statements of financial position of the Trust are as at December 31, 2021 and 2020. The statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows are for the years ended December 31, 2021 and 2020.

2. BASIS OF PRESENTATION

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss (FVTPL).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(a) Classification

The Trust classifies financial assets based on the business model used for managing such financial assets and the contractual cash flow characteristics of those financial assets. The Trust may be divided into sub-portfolios that have different business models. Where contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI test), the financial asset will be classified as a financial asset at amortized cost.

The Trust recognizes financial instruments at FVTPL upon initial recognition, inclusive of transaction costs in the case of financial instruments not measured at fair value. Purchases and sales of financial assets are recognized as at their trade date. The Trust classifies its investments in equities and fixed income securities as financial assets or financial liabilities at FVTPL. Other investment funds (the Partnership) held by the Trust do not meet the SPPI test and therefore have been classified as financial assets at FVTPL.

All other financial assets and liabilities are recognized at amortized cost and are reflected at the amount required to be paid, discounted to reflect the time value of money when appropriate.

The Trust's obligation for net assets attributable to holders of redeemable units does not meet the criteria for equity treatment and therefore are presented as a liability on the statement of financial position. The Trust classifies its obligations for net assets attributable to holders of redeemable units as financial liabilities at FVTPL.

The Trust's accounting policies for measuring the fair value of its investments are similar to those used in measuring net asset value (NAV) for unitholder transactions; therefore, the NAV will be similar to the net assets attributable to holders of redeemable units for financial reporting purposes except for the treatment of organizational expenses. Organization expenses are deductible from the NAV over a five-year period commencing at such time as the Manager shall determine and such expenses were fully deductible in the first year of operations under IFRS. There is a comparison of NAV per unit and net assets attributable to holders of redeemable units per unit within note 11.

Financial assets and liabilities may be offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

In the normal course of business, the Trust may enter into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy, certain events of default or termination of the contracts.

(b) Recognition, de-recognition and measurement

Purchases and sales of financial assets are recognized on their trade date - the date on which the Trust commits to purchase or sell the investment. Financial assets and liabilities are initially recognized at fair value. Subsequent to initial recognition, all financial assets and liabilities at FVTPL are measured at fair value. Unrealized gains and losses arising from changes in fair value of the FVTPL category are presented in the statements of comprehensive income within 'Change in unrealized appreciation (depreciation) on investments' in the period in which they arise. Financial assets at amortized cost are subsequently measured at amortized cost, less any impairment losses. Transaction costs incurred on financial assets or liabilities at amortized cost are amortized over the life of the asset or liability.

Financial assets are de-recognized when the rights to receive cash flows have expired or the Trust has transferred substantially all the risks and rewards of ownership. Upon disposal, the difference between the amount received and the average cost to acquire the financial asset (for financial assets at FVTPL) or amortized cost (for financial assets at amortized cost) is included within 'Net realized gain (loss) on investments' in the statements of comprehensive income.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Trust uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's closing bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread and the difference is material, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. If there has been no trade, the mid-price (average bid and asking price) as of the close of the business on the reporting date is used to approximate fair value. The Trust's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The Manager has procedures to determine the fair value of securities at FVTPL for which market prices are not readily available or which may not be reliably priced. The Partnership does not trade on an active market hence its fair value is determined using valuation techniques. The fair value is primarily determined based on the latest available price of the Partnership as reported by the administrator of the Partnership.

Revenue recognition

'Interest for distribution purposes' shown on the statements of comprehensive income represents the stated rate of interest earned by the Trust on fixed income securities accounted for on an accrual basis, as applicable. The Trust does not amortize premiums paid or discounts received on the purchase of fixed income securities. Dividends on equity investments are recognized as income on the ex-dividend date.

Foreign currency translation

The Trust's subscriptions and redemptions are denominated in Canadian dollars, which is also its functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates that transactions occur. Assets and liabilities denominated in a foreign currency are translated into the functional currency using the exchange rate prevailing at the reporting date. Foreign exchange gains and losses related to assets and liabilities at amortized cost are recognized in profit and loss and are presented as 'Foreign exchange gain (loss) on cash and other net assets' on the statements of comprehensive income. Realized foreign exchange gains and losses related to investments are recognized when incurred and are presented in the statements of comprehensive income within 'Net realized gain (loss) on investments'.

Unrealized exchange gains or losses on investments are included in 'Change in unrealized appreciation (depreciation) of investments' in the statements of comprehensive income.

'Foreign exchange gain (loss) on cash and other net assets' may arise from sale of foreign currencies, currency gains or losses realized between trade and settlement dates on securities transactions, and the difference between the recorded amounts of dividend, interest and foreign withholding taxes and the Canadian dollar equivalent of the amounts actually received or paid.

Cash and cash equivalents

The Trust considers highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value to be cash equivalents. Cash is comprised of deposits with financial institutions.

Cost of investments

The cost of investments represents the cost for each security excluding transaction costs for investments at FVTPL. On the schedule of investment portfolio, transaction costs have been deducted in aggregate from the total cost of individual investments which includes transaction costs.

Redeemable units

The Trust has issued multiple series of redeemable units, which are redeemable at the holder's option and do not have identical rights. Redeemable units can be put back to the Trust at any redemption date for cash equal to a proportionate share of the Trust's NAV attributable to the unit series. Units are redeemable quarterly upon 60 days' notice.

The redeemable units are carried at the redemption amount that is payable at the statements of financial position date if the holder exercises the right to put the units back to the Trust.

Redeemable units are issued and redeemed at the holder's option at prices based on the Trust's NAV per unit at the time of issue or redemption. The Trust's NAV per unit is calculated by dividing the net assets attributable to the holders of each series of redeemable units by the total number of outstanding redeemable units of each respective series. Refer to note 6 for additional details on redeemable units.

Expenses

Expenses of the Trust including management fees and other operating expenses are recorded on an accrual basis.

Transaction costs associated with investment transactions for financial assets and liabilities at FVTPL, including brokerage commissions, have been expensed on the statements of comprehensive income.

Interest charged on margin borrowing is recorded on an accrual basis.

Organization expenses

Organization expenses including legal fees, time spent by the Manager to create the Trust, and registration fees associated with the formation of the Trust are recoverable from the Trust by the Manager. The Trust is required to re-pay the Manager in equal installments over 60 months commencing on the next valuation date after the NAV reaches $2.5 million, or at such other time or amount as the Manager in its absolute discretion shall determine. Organization expenses are included as 'Organization expenses' on the statements of comprehensive income as they occur.

Increase (Decrease) in net assets attributable to holders of redeemable units per unit

'Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit' in the statements of comprehensive income represents the Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series, divided by the weighted average units outstanding of that series during the reporting period.

Distributions to unitholders

Distributions will be made to unitholders only at such times and in such amounts as may be determined at the discretion of the Manager. The Trust will distribute sufficient net income and net realized gains to unitholders annually to ensure that the Trust is not liable for ordinary income taxes. All distributions by the Trust will be automatically reinvested in additional units of the Trust held by the investor at the NAV per unit thereof, unless the investor notifies the Manager in writing that cash distributions are preferred.

Allocation of income and expense, and realized and unrealized gains and losses

Management fees and other costs directly attributable to a series are charged to that series. The Trust's operating expenses, income, and realized and unrealized gains and losses are generally allocated proportionately to each series based upon the relative NAV of each series.

Allocation of non-cash items on the statement of cash flows

The Trust includes only the net cash flow impact and do not include non-cash switches between series of the Trust that occurred during the year in 'Amount paid on redemption of redeemable units'. For the year ended December 31, 2021, $nil of non-cash switches have been excluded from the Fund's operation and financing activities on the statements of cash flows (December 31, 2020: $4,424).

Future accounting changes

There are no new accounting standards effective after January 1, 2021, which affect the accounting policies of the Trust.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates the Trust has made in preparing these financial statements.

Fair value of securities not quoted in an active market

The fair value of such securities not quoted in an active market may be determined by the Trust using reputable pricing sources (such as pricing agencies) or indicative prices. Such values may be indicative and not executable or binding. The Trust would exercise judgment and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Trust may value positions using their own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The inputs into these models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The determination of what constitutes 'observable' requires significant judgment by the Trust. The Trust considers observable data to be market data that is readily available, regularly distributed or updated, reliable and relevant.

Classification of financial assets and liabilities

Financial assets may be classified as financial assets at amortized cost, financial assets at FVTPL or financial assets at fair value through other comprehensive income. Financial liabilities may be classified as financial liabilities at amortized cost or financial liabilities at FVTPL. In order to classify its financial assets and liabilities in accordance with IFRS 9, the Manager uses judgment to assess the business model of the Trust and the cash flows of their financial assets and liabilities. The classification of financial assets and liabilities of the Trust are outlined in note 3.

5. FINANCIAL INSTRUMENTS

(a) Risk management

The Trust's investment activities may be exposed to various financial risks, including market risk (which includes price risk, interest rate risk and currency risk), liquidity risk and credit risk. The Trust invests in the Partnership, which may invest in other funds (the Underlying Funds) and is therefore susceptible to the market risk arising from uncertainties about future values of those Underlying Funds. The Manager makes investment decisions after an extensive assessment of the Underlying Funds, their strategies and the overall quality of the Underlying Funds' manager. All of the Underlying Funds and their underlying investments are subject to risks inherent in their industries. In the case of the Underlying Funds, established markets do not exist for these holdings, and are therefore considered illiquid. The Trust is therefore indirectly exposed to each financial risk of the respective Underlying Fund in proportion to its investments in such Underlying Fund. The Trust's risk management goals are to ensure that the outcome of activities involving risk is consistent with the Trust's investment objectives and risk tolerance per the offering memorandum. All investments result in a risk of loss of capital.

Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk). Financial instruments held by the Trust are susceptible to market price risk arising from uncertainties about future prices of the instruments.

If the price of the investments held by the Trust on December 31, 2021 had been higher or lower by 10%, net assets attributable to holders of redeemable units of the Trust would have been higher or lower by $204,432 (December 31, 2020: $163,461). Actual results may differ from this sensitivity analysis and the difference could be material. The Trust has indirect exposure to price risk through its investment in the Partnership.

Interest rate risk

Interest rate risk arises on interest-bearing financial instruments having fixed interest rates held by the Trust, such as bonds and borrowings. The fair value and future cash flows of such instruments will fluctuate due to changes in market interest rates. As at December 31, 2021 and 2020, the Trust did not have exposure to interest rate risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Securities included in the Trust may be valued in or have exposure to currencies other than the Canadian dollar and when measured in Canadian dollars, be affected by fluctuations in the value of such currencies relative to the Canadian dollar. As at December 31, 2021 and 2020, the Trust did not have exposure to currency risk.

Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting their obligations associated with financial liabilities. The Trust's exposure to liquidity risk is concentrated in the cash redemption of its units. The Trust provides investors with the right to redeem units quarterly upon 60 days' notice in advance of the redemption date. Such redemptions are to be paid within 30 days following the redemption date. The Trust has the option to pay redemptions through the issuance of promissory notes as detailed in the offering memorandum under Redemption Notes. The Trust makes investments in the Partnership and Underlying Funds through the Partnership, which are not traded in an active market and may not be redeemable. As a result, the Trust may not be able to quickly liquidate its investments in these instruments at amounts, which approximate their fair values. It is the intention of the Trust to be held by unitholders on a medium or long-term basis. The Manager monitors liquidity within the portfolio on an ongoing basis. As at December 31, 2021, 2.7% of the portfolio is held in cash and cash equivalents (December 31, 2020: 4.7%).

The Trust invests directly in the Partnership and the Partnership has the ability to borrow up to 20% of its total assets for the purposes of making investments, providing cover for the writing of options, paying redemptions, working capital purposes and to maintain liquidity in accordance with its investment objective and investment strategies. The Partnership has a borrowing facility available but has not been utilized.

The majority of the obligations of the Trust including management fees payable, expenses payable, redemptions payable, payable for investments purchased, and distributions payable, as applicable, were due within 3 months from the financial reporting date. Issued redeemable units are payable on demand.

Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Trust. All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. As at December 31, 2021 and 2020, the Trust did not have significant exposure to credit risk. The Trust has indirect exposure to credit risk through its investment in the Partnership.

(b) Fair value of financial instruments

Financial instruments measured at fair value are classified according to a fair value hierarchy that reflects the importance of the inputs used to perform each valuation. The fair value hierarchy is made up of the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - inputs are unobservable for the asset or liability.

The fair value hierarchy requires the use of observable market data each time such data exists. A financial instrument is classified at the lowest level of the hierarchy for which significant input has been considered in measuring fair value. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The following tables illustrate the classification of the Trust's financial instruments within the fair value hierarchy as at December 31, 2021 and 2020.

December 31, 2021	Assets			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Partnership	-	2,044,316	-	2,044,316
Total	-	2,044,316	-	2,044,316

December 31, 2020	Assets			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Partnership	-	1,634,606	-	1,634,606
Total	-	1,634,606	-	1,634,606

(c) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes:

i) restricted activities;

ii) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors;

iii) insufficient equity to permit the structured entity to finance its activities without subordinate financial support; and

iv) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Trust considers its investment in the Partnership to be an investment in an unconsolidated structured entity. The Partnership is valued as per the above section on Fair Value Measurement. The change in fair value of the Partnership is included in the statements of comprehensive income in 'Change in unrealized appreciation (depreciation) on investments'.

The exposure to the investment in the Partnership at fair value as at December 31, 2021 and 2020 are presented in the following tables. This investment is included at fair value in financial assets at FVTPL in the statements of financial position. The Manager's best estimate of the maximum exposure to loss from the Trust's investment in the Partnership is the fair value below.

December 31, 2021	Investment at Fair Value ($)	Net Asset Value ($)	% of Net Asset Value
Portland Global Sustainable Evergreen LP	2,044,316	2,643,250	77.3%

December 31, 2020	Investment at Fair Value ($)	Net Asset Value ($)	% of Net Asset Value
Portland Global Sustainable Evergreen LP	1,634,606	2,112,838	77.4%

6. REDEEMABLE UNITS

The Trust is permitted to issue an unlimited number of redeemable units issuable in Series A, Series F and Series O, having such terms and conditions as the Manager may determine. Additional series may be offered in the future on different terms, including different fee and dealer compensation terms and different minimum subscription levels. Each unit of a series represents an undivided ownership interest in the net assets of the Trust attributable to that series of units.

The Trust's NAV per unit is determined on the last business day of each quarter at the close of regular trading on the Toronto Stock Exchange, (each, a Valuation Date) or on such other date as determined by the Manager (an Additional Pricing Date). Unitholders may redeem their units quarterly with 60 days' notice. If a holder redeems his or her units within the first 24 months from initial purchase, the Manager may, in its discretion, charge a redemption penalty equal to 5% of the NAV of such units redeemed which will be deducted from the redemption proceeds and retained by the Trust. If a holder redeems his or her units between 24 months and 60 months from initial purchase, the Manager may, in its discretion, charge a redemption penalty equal to 2.5% of the NAV of such units redeemed which will be deducted from the redemption proceeds and retained by the Trust.

The Trust endeavors to invest capital in appropriate investments in conjunction with its investment objectives.

The principal difference between the series of units relates to the management fee payable to the Manager, minimum investment requirements and the compensation paid to dealers. Units of the Trust are entitled to participate in the liquidation of assets on a series basis. Units are issued as fully paid and non-assessable and are redeemable at the NAV per unit of the applicable series of units of the Trust being redeemed, determined at the close of business on the redemption date, as outlined in the offering memorandum.

Series A Units are available to investors who meet eligibility requirements and who invest a minimum of $5,000.

Series F Units are available to investors who meet eligibility requirements and who invest a minimum of $5,000, who participate in fee-based programs through their dealer and whose dealer has signed a Series F Agreement with the Manager, investors for whom the Trust does not incur distribution costs, or individual investors approved by the Manager.

Series O Units are available to certain institutional investors making a minimum investment of $500,000.

The number of units issued and outstanding for the years ended December 31, 2021 and 2020 was as follows:

December 31, 2021	Beginning Balance	Units Issued Including Switches from Other Series	Units Reinvested	Units Redeemed Including Switches to Other Series	Ending Balance	Weighted Average Number of Units
Series A Units	40	-	1	-	41	40
Series F Units	53,751	12,690	615	882	66,174	54,185
Series O Units	4,330	784	75	614	4,575	4,670

December 31, 2020	Beginning Balance	Units Issued Including Switches from Other Series	Units Reinvested	Units Redeemed Including Switches to Other Series	Ending Balance	Weighted Average Number of Units
Series A Units	40	-	-	-	40	40
Series F Units	44,040	9,845	-	134	53,751	46,647
Series O Units	4,624	180	-	474	4,330	4,478

7. TAXATION

The Trust qualifies as a mutual fund trust within the meaning of the Income Tax Act (Canada) (the Tax Act).

The Trust calculates taxable and net capital gains/ (losses) in accordance with the Tax Act and intends to distribute sufficient net income and net realized capital gains, if any, to ensure it does not pay ordinary income tax. As a result, the Trust does not record income taxes. Since the Trust does not record income taxes, the tax benefit of capital and non-capital losses, if any, has not been reflected in the statements of financial position as a deferred income tax asset.

The taxation year-end for the Trust is December 31.

As at December 31, 2021, the Trust has $1,404 in capital loss carry forwards and $nil in non-capital loss carry forwards (December 31, 2020: $653 capital loss carry forwards and $12,060 non-capital loss carry forwards that expire in 2040).

8. FEES AND EXPENSES

Pursuant to the offering memorandum, the Trust agreed to pay management fees to the Manager, calculated and accrued on each Valuation Date and paid quarterly. The Manager may waive management fees at its discretion but is under no obligation to do so.

The annual management fees rate of Series A is 1.75% and for Series F is 0.75%. Management fees on Series O Units are negotiated with the Manager. Such fees are paid directly to the Manager and are not deducted from the NAV of Series O.

In addition, the Trust is responsible for, and the Manager is entitled to reimbursement for any operating expenses it incurs on behalf of the Trust, including regulatory filing fees, custodian fees, legal and audit fees, costs associated with the independent review committee, bank charges, the cost of financial reporting, expenses related to conducting unitholder meetings, costs associated with providing Fundserv access for registered dealers and all related sales taxes. The Manager also provides key management personnel to the Trust. The Manager may charge the Trust for actual time spent by its personnel (or those of its affiliates) in overseeing the day-to-day business affairs of the Trust. The amount charged for time spent by personnel is determined based on fully allocated costs and does not include a mark-up or administration fee. The Manager may absorb fund operating expenses at its discretion but is under no obligation to do so.

The Trust is also responsible for all costs associated with its creation and organization of the Trust. The Manager has paid the costs associated with the formation and creation of the Trust and the offering of units and is entitled to reimbursement from the Trust for such costs. The Trust is required to re-pay the Manager in equal installments over 60 months commencing on the next Valuation Date after the NAV reaches $2.5 million, or at such other time or amount, as the Manager in its absolute discretion shall determine.

All management fees, operating expenses and organization expenses payable by the Trust to the Manager are subject to GST and/or HST as applicable and will be deducted as an expense of the applicable series of units in the calculation of the NAV of such series of units.

9. SOFT DOLLARS

Allocation of business to brokers of the Trust is made on the basis of coverage, trading ability and fundamental research expertise. The Manager may choose to execute portfolio transactions with dealers who provide research, statistical and other similar services to the Trust or to the Manager at prices, which reflect such services (termed proprietary research). The dealers do not provide the Manager with an estimate of the cost of the research, statistical and other similar services (referred to as soft dollars).

The Manager may use third party proprietary research, which is generally also available on a subscription basis, the value of which will be used to approximate the value of research and other similar services received from third parties through commission sharing arrangements with executing brokers. The Trust did not participate in any third party soft dollar arrangements in 2021 or 2020.

10. RELATED PARTY TRANSACTIONS

The following table outlines the management fees and operating expense reimbursements that were paid to the Manager by the Trust during the years ended December 31, 2021 and 2020. The table includes the amount of operating expense reimbursement that was paid to affiliates of the Manager. All of the dollar amounts in the tables below exclude applicable GST and/or HST.

	Management Fees ($)	Waived Management Fees ($)	Operating Expense Reimbursement ($)	Absorbed Operating Expenses ($)	Operating Expenses Reimbursed to Affiliates of the Manager ($)
December 31, 2021	11,592	11,581	-	62,680	1,127
December 31, 2020	9,672	9,661	-	47,582	1,615

The Trust owed the following amounts to the Manager excluding the applicable GST and/or HST.

As at	Management Fees ($)	Operating Expense Reimbursement ($)	Organization Expenses ($)
December 31, 2021	39	-	17,451
December 31, 2020	27	-	16,341

The Manager, and/or its affiliates and key management personnel of the Manager and their family (collectively referred to as Related Parties) may invest in units of the Trust from time to time in the normal course of business. As at December 31, 2021, Related Parties held 1,986 units of the Fund (December 31, 2020: 1,902).

11. RECONCILIATION OF NAV PER UNIT AND NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT

The following tables provide a comparison of NAV per unit and net assets attributable to holders of redeemable units of the Trust as at December 31, 2021 and 2020.

December 31, 2021	NAV per Unit ($)	Net assets attributable to holders of redeemable units per unit ($)
Series A Units	28.31	28.05
Series F Units	29.60	29.32
Series O Units	29.60	29.32

December 31, 2020	NAV per Unit ($)	Net assets attributable to holders of redeemable units per unit ($)
Series A Units	27.30	27.23
Series F Units	28.16	27.88
Series O Units	28.16	27.84

12. EXEMPTION FROM FILING

The Trust is relying on the exemption contained within National Instrument 81-106, Part 2.11 to not file its financial statements with the applicable securities regulatory authorities.

Independent Auditors' Report

To the Unitholders of Portland Global Sustainable Evergreen LP

Opinion

We have audited the financial statements of Portland Global Sustainable Evergreen LP (the Entity), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of comprehensive income for the year then ended
- the statement of changes in net assets attributable to holders of redeemable units for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the Fund commentary document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the Fund commentary document as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licenced Public Accountants

March 31, 2022
Toronto, Canada

Statements of Financial Position

As at December 31,		2021		2020
Assets				
Cash and cash equivalents	$	28,668	$	414
Subscriptions receivable		280,000		118,936
Investments (note 5)		2,355,448		2,013,637
		2,664,116		2,132,987
Liabilities				
Management fees payable (note 8)		916		1,140
Organization expenses payable (note 8)		19,850		18,909
		20,766		20,049
Net Assets Attributable to Holders of Redeemable Units	$	2,643,350	$	2,112,938
Equity				
General Partner's Equity		100		100
Net Assets Attributable to Holders of Redeemable Units Per Series				
Series A		329,389		311,555
Series F		278,393		175,378
Series O		2,035,468		1,625,905
	$	2,643,250	$	2,112,838
Number of Redeemable Units Outstanding (note 6)				
Series A		11,084		11,084
Series F		8,980		6,049
Series O		65,659		56,081
Net Assets Attributable to Holders of Redeemable Units Per Unit				
Series A	$	29.72	$	28.11
Series F	$	31.00	$	28.99
Series O	$	31.00	$	28.99

Approved by the Board of Directors of Portland General Partner (Ontario) Inc.

"Michael Lee-Chin"

Director

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31,		2021		2020
Income				
Net gain (loss) on investments				
Dividends	$	10,336	$	-
Interest for distribution purposes		119		2,543
Net realized gain (loss) on investments		-		(1)
Net realized gain (loss) on forward currency contracts		-		944
Change in unrealized appreciation (depreciation) on investments		148,475		152,583
		158,930		156,069
Other income				
Foreign exchange gain (loss) on cash and other net assets		-		57
Total income (net)		158,930		156,126
Expenses				
Securityholder reporting costs		56,290		35,065
Audit fees		13,255		12,844
Management fees (note 8)		8,032		3,862
Independent review committee fees		3,164		3,213
Legal fees		2,339		393
Organization expenses (note 8)		942		613
Custodial fees		234		845
Total operating expenses		84,256		56,835
Less: management fees waived by Manager (note 8)		(4,459)		(2,410)
Less: expenses absorbed by Manager (note 8)		(73,779)		(52,360)
Net operating expenses		6,018		2,065
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	152,912	$	154,061
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series				
Series A	$	17,834	$	9,174
Series F	$	16,515	$	15,042
Series O	$	118,563	$	129,845
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit				
Series A	$	1.61	$	1.99
Series F	$	2.33	$	2.76
Series O	$	2.11	$	2.73

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31,	2021	2020
Net Assets Attributable to Holders of Redeemable Units at Beginning of Year		
Series A	$ 311,555	$ 102,381
Series F	175,378	135,298
Series O	1,625,905	1,234,162
	2,112,838	1,471,841
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	17,834	9,174
Series F	16,515	15,042
Series O	118,563	129,845
	152,912	154,061
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	-	200,000
Series F	86,500	25,038
Series O	291,000	261,898
Net Increase (Decrease) from Redeemable Unit Transactions	377,500	486,936
Net Assets Attributable to Holders of Redeemable Units at End of Year		
Series A	329,389	311,555
Series F	278,393	175,378
Series O	2,035,468	1,625,905
	$ 2,643,250	$ 2,112,838

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31,		2021		2020
Cash Flows from Operating Activities				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	152,912	$	154,061
Adjustments for:				
Net realized (gain) loss on investments		-		1
Change in unrealized (appreciation) depreciation on investments		(148,475)		(152,583)
Increase (decrease) in management fees and expenses payable		(224)		845
Increase (decrease) in organization expenses payable		941		592
Purchase of investments		(193,336)		(954,853)
Proceeds from sale of investments		-		18,298
Net Cash Generated (Used) by Operating Activities		(188,182)		(933,639)
Cash Flows from Financing Activities				
Proceeds from redeemable units issued (note 3)		216,436		380,000
Net Cash Generated (Used) by Financing Activities		216,436		380,000
Net increase (decrease) in cash and cash equivalents		28,254		(553,639)
Cash and cash equivalents - beginning of year		414		554,053
Cash and cash equivalents - end of year		28,668		414
Cash and cash equivalents comprise:				
Cash at bank	$	28,668	$	414
From operating activities:				
Interest received, net of withholding tax	$	119	$	2,543
Dividends received, net of withholding tax	$	10,336	$	-

The accompanying notes are an integral part of these financial statements.

Schedule of Investment Portfolio

as at December 31, 2021

No. of Shares	Security Name		Average Cost		Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
UNDERLYING FUNDS						
Canada						
1,453	Bonnefield Canadian Farmland LP V Class A	$	1,500,336	$	1,749,404	
8,356	Portland Global Energy Efficiency and Renewable Energy Fund LP Class O		546,430		606,044	
	Total investment portfolio		2,046,766		2,355,448	89.1%
	Other assets less liabilities				287,802	10.9%
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			$	2,643,250	100.0%

1. GENERAL INFORMATION

Portland Global Sustainable Evergreen LP (the Partnership) is a limited partnership established under the laws of the Province of Ontario pursuant to a limited partnership agreement dated as of February 9, 2018, as may be amended and restated from time to time. The inception date of the Partnership was July 31, 2018 for Series A and April 30, 2018 for Series F and O. Pursuant to the partnership agreement, Portland General Partner (Ontario) Inc. (the General Partner) is responsible for the management of the Partnership. The Director of the General Partner is Michael Lee-Chin. The General Partner has engaged the 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 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7. These financial statements were authorized for issue by the General Partner on March 31, 2022.

The investment objective of the Partnership is to preserve capital and provide above average long-term returns. To achieve the investment objective, the Manager may invest in a portfolio of private securities, either directly or indirectly through other funds, initially consisting of:

- private equities believed to be in sustainable systems including farmland;
- private equities in renewable energy and energy efficiency;
- other equity or debt securities, a portfolio of which may have provisions resulting in equity ownership of the issuer of the debt or the underlying asset if certain events occur; and
- invest in complementary public securities, including equity securities, real estate income trusts, royalty income trusts, preferred shares, and debt securities including convertibles, corporate and sovereign debt.

To a lesser extent, derivatives may also be used on an opportunistic basis in order to meet the Partnership's investment objective. Derivatives may limit or hedge potential losses associated with currencies, specific securities, stock markets and interest rates or are used to generate income. Derivatives may include forward currency agreements and options.

In addition, the Partnership may borrow up to 20% of the total assets of the Partnership after giving effect to the borrowing.

The Partnership may invest in investment funds, mutual funds (collectively, Underlying Funds) and exchange-traded funds which may or may not be managed by the Manager or one of its affiliates or associates. The Partnership may hold cash in short-term debt instruments, money market funds or similar temporary instruments, pending full investment of the Partnership's capital and at any time deemed appropriate by the Manager.

The Partnership has no geographic, industry sector, asset class or market capitalization restrictions. There is no restriction on the percentage of the net asset value of the Partnership, which may be invested in the securities of a single issuer.

The statements of financial position of the Partnership are as December 31, 2021 and 2020. The statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows are for the years ended December 31, 2021 and 2020.

2. BASIS OF PRESENTATION

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss (FVTPL).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(a) Classification

The Partnership classifies financial assets based on the business model used for managing such financial assets and the contractual cash flow characteristics of those financial assets. The Partnership may be divided into sub-portfolios that have different business models. Where contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI test), the financial asset will be classified as a financial asset at amortized cost.

The Partnership recognizes financial instruments at FVTPL upon initial recognition, inclusive of transaction costs in the case of financial instruments not measured at fair value. Purchases and sales of financial assets are recognized as at their trade date. The Partnership classifies its investments in equities and fixed income securities as financial assets or financial liabilities at FVTPL. Other Underlying Funds held by the Partnership do not meet the SPPI test and therefore have been classified as financial assets at FVTPL.

All other financial assets and liabilities are recognized at amortized cost and are reflected at the amount required to be paid, discounted to reflect the time value of money when appropriate.

The Partnership's obligation for net assets attributable to holders of redeemable units does not meet the criteria for equity treatment and therefore are presented as a liability on the statement of financial position. The Partnership classifies its obligations for net assets attributable to holders of redeemable units as financial liabilities at FVTPL.

The Partnership's accounting policies for measuring the fair value of its investments are similar to those used in measuring net asset value (NAV) for unitholder transactions; therefore, the NAV will be similar to the net assets attributable to holders of redeemable units for financial reporting purposes except for the treatment of organizational expenses. Organization expenses are deductible from the NAV over a five-year period commencing at such time as the Manager shall determine and such expenses were fully deductible in the first year of operations under IFRS. There is a comparison of NAV per unit and net assets attributable to holders of redeemable units per unit within note 11.

Financial assets and liabilities may be offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

In the normal course of business, the Partnership may enter into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy, certain events of default or termination of the contracts.

(b) Recognition, de-recognition and measurement

Purchases and sales of financial assets are recognized on their trade date - the date on which the Partnership commits to purchase or sell the investment. Financial assets and liabilities are initially recognized at fair value. Subsequent to initial recognition, all financial assets and liabilities at FVTPL are measured at fair value. Unrealized gains and losses arising from changes in fair value of the FVTPL category are presented in the statements of comprehensive income within 'Change in unrealized appreciation (depreciation) on investments' in the period in which they arise. Financial assets at amortized cost are subsequently measured at amortized cost, less any impairment losses. Transaction costs incurred on financial assets or liabilities at amortized cost are amortized over the life of the asset or liability.

Financial assets are de-recognized when the rights to receive cash flows have expired or the Partnership has transferred substantially all the risks and rewards of ownership. Upon disposal, the difference between the amount received and the average cost to acquire the financial asset (for financial assets at FVTPL) or amortized cost (for financial assets at amortized cost) is included within 'Net realized gain (loss) on investments' in the statements of comprehensive income.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded marketable securities) are based on quoted market prices at the close of trading on the reporting date. 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 closing bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread and the difference is material, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. If there has been no trade, the mid-price (average bid and asking price) as of the close of the business on the reporting date is used to approximate fair value. The Partnership's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The Manager has procedures to determine the fair value of securities at FVTPL for which market prices are not readily available or which may not be reliably priced. The Underlying Funds do not trade on an active market hence its fair value is determined using valuation techniques. The fair value is primarily determined based on the latest available price of the Underlying Fund as reported by the administrator of the Underlying Fund.

Forward contracts are agreements to purchase or sell financial instruments at a specified future date. As forward contracts are not traded on an exchange, the agreements between counterparties are not standardized. Changes in value of forward contracts are settled only on termination of the contract. Open forward contracts are revalued to fair value in the statements of comprehensive income based on the difference between the contract rate and the applicable forward rate. Gains and losses associated with the valuation of open forward contracts are recorded in the statements of comprehensive income as 'Change in unrealized appreciation (depreciation) of investments'. The cumulative change in value upon settlement is included in the statements of comprehensive income as 'Net realized gain (loss) on forward currency contracts'.

Revenue recognition

'Interest for distribution purposes' shown on the statements of comprehensive income represents the stated rate of interest earned by the Partnership on fixed income securities accounted for on an accrual basis, as applicable. The Partnership does not amortize premiums paid or discounts received on the purchase of fixed income securities. Interest receivable is shown separately in the statements of financial position based on the debt instruments' stated rates of interest. Dividends on equity investments are recognized as income on the ex-dividend date.

Foreign currency translation

The Partnership's subscriptions and redemptions are denominated in Canadian dollars, which is also its functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates that transactions occur. Assets and liabilities denominated in a foreign currency are translated into the functional currency using the exchange rate prevailing at the reporting date. Foreign exchange gains and losses related to assets and liabilities at amortized cost are recognized in profit and loss and are presented as 'Foreign exchange gain (loss) on cash and other net assets' on the statements of comprehensive income. Realized foreign exchange gains and losses related to investments are recognized when incurred and are presented in the statements of comprehensive income within 'Net realized gain (loss) on investments'. Realized gains and losses on forward currency contracts are recognized when incurred and are presented in the statements of comprehensive income within 'Net realized gain (loss) on forward currency contracts'.

Unrealized exchange gains or losses on investments and forward currency contracts are included in 'Change in unrealized appreciation (depreciation) of investments' in the statements of comprehensive income.

'Foreign exchange gain (loss) on cash and other net assets' may arise from sale of foreign currencies, change in foreign currency denominated loans, currency gains or losses realized between trade and settlement dates on securities transactions, and the difference between the recorded amounts of dividend, interest and foreign withholding taxes and the Canadian dollar equivalent of the amounts actually received or paid.

Cash and cash equivalents

The Partnership considers highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value to be cash equivalents. Cash is comprised of deposits with financial institutions.

Cost of investments

The cost of investments represents the cost for each security excluding transaction costs for investments at FVTPL. On the schedule of investment portfolio, transaction costs have been deducted in aggregate from the total cost of individual investments which includes transaction costs.

Redeemable units

The Partnership has issued multiple series of redeemable units, which are redeemable at the holder's option and do not have identical rights. Redeemable units can be put back to the Partnership at any redemption date for cash equal to a proportionate share of the Partnership NAV attributable to the unit series. Units are redeemable quarterly upon 60 days' notice subject to the redemption lock-up period which ends 180 days after the period beginning on the date that units of the Partnership were first issued to the first investor.

The redeemable units are carried at the redemption amount that is payable at the statements of financial position date if the holder exercises the right to put the units back to the Partnership.

Redeemable units are issued and redeemed at the holder's option at prices based on each Partnership's NAV per unit at the time of issue or redemption. The Partnership's NAV per unit is calculated by dividing the net assets attributable to the holders of each series of redeemable units by the total number of outstanding redeemable units of each respective series. Refer to note 6 for additional details on redeemable units.

Expenses

Expenses of the Partnership including management fees and other operating expenses are recorded on an accrual basis.

Transaction costs associated with investment transactions for financial assets and liabilities at FVTPL, including brokerage commissions, have been expensed on the statements of comprehensive income.

Interest charged on margin borrowing is recorded on an accrual basis.

Organization expenses

Organization expenses including legal fees, time spent by the Manager to create the Partnership, and registration fees associated with the formation of the Partnership are recoverable from the Partnership by the Manager. The Partnership is required to re-pay the Manager in equal installments over 60 months commencing on the next valuation date after the NAV reaches $2.5 million, or at such other time or amount as the Manager in its absolute discretion shall determine. Organization expenses are included as 'Organization expenses' on the statements of comprehensive income as they occur.

Increase (decrease) in net assets attributable to holders of redeemable units per unit

'Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit' in the statements of comprehensive income represents the Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series, divided by the weighted average units outstanding of that series during the reporting period.

Distributions to unitholders

Distributions will be made to unitholders only at such times and in such amounts as may be determined at the discretion of the Manager. All distributions by the Partnership will be paid in cash.

Allocation of income and expense, and realized and unrealized gains and losses

Management fees and other costs directly attributable to a series are charged to that series. The Partnership's operating expenses, income, and realized and unrealized gains and losses are generally allocated proportionately to each series based upon the relative NAV of each series.

Allocation of non-cash items on the statement of cash flows

The Partnership includes only the net cash flow impact and do not include non-cash switches between series of the Partnership that occurred during the year in 'Amount paid on redemption of redeemable units'. There have been no non-cash switches that have been excluded from the Partnership's operation and financing activities on the statements of cash flows for the years ended December 31, 2021 and 2020.

Future accounting changes

There are no new accounting standards effective after January 1, 2021 which affect the accounting policies of the Partnership.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates the Partnership has made in preparing these financial statements.

Fair value of securities not quoted in an active market

The fair value of such securities not quoted in an active market may be determined by the Partnership using reputable pricing sources (such as pricing agencies) or indicative prices. Such values may be indicative and not executable or binding. The Partnership would exercise judgment and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Partnership may value positions using their own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The inputs into these models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. 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 relevant.

Fair value of Underlying Funds

The fair value of Underlying Funds that are not quoted in an active market is determined primarily in reference to the latest available price of such units for each Underlying Fund, as determined by the administrator of such Underlying Fund. The Partnership may make adjustments to the reported net asset value of various Underlying Funds based on considerations such as the value date of the price provided, cash flows (calls/distributions) since the latest value date, the estimated total return reported by the manager of the Underlying Fund if a price is unavailable, restrictions on redemptions and the basis of accounting, if not at fair value. The carrying values of Underlying Funds may be materially different to the values that could be realized as of the financial reporting date or ultimately realized on redemption.

Classification of financial assets and liabilities

Financial assets may be classified as financial assets at amortized cost, financial assets at FVTPL or financial assets at fair value through other comprehensive income. Financial liabilities may be classified as financial liabilities at amortized cost or financial liabilities at FVTPL. In order to classify its financial assets and liabilities in accordance with IFRS 9, the Manager uses judgment to assess the business model of the Partnership and the cash flows of their financial assets and liabilities. The classification of financial assets and liabilities of the Partnership are outlined in note 3.

5. FINANCIAL INSTRUMENTS

(a) Offsetting of Financial Assets and Financial Liabilities

The Partnership has a master netting or similar arrangements in place with the counterparty for the execution of forward currency contracts. This means that in the event of default or bankruptcy, the Partnership may set off the assets held with the counterparty against the liabilities it owes to the same counterparty. There were no similar arrangements as at December 31, 2021 and 2020.

(b) Risk management

The Partnership's investment activities may be exposed to various financial risks, including market risk (which includes price risk, interest rate risk and currency risk), concentration risk, liquidity risk and credit risk. The Partnership invests in other funds and is therefore susceptible to the market risk arising from uncertainties about future values of those Underlying Funds. The Manager makes investment decisions after an extensive assessment of the Underlying Funds, their strategies and the overall quality of the Underlying Funds' manager. All of the Underlying Funds and their underlying investments are subject to risks inherent in their industries. In the case of the Underlying Funds, established markets do not exist for these holdings, and are therefore considered illiquid. The Partnership is therefore indirectly exposed to each financial risk of the respective Underlying Fund in proportion to its investments in such Underlying Fund. The Partnership's risk management goals are to ensure that the outcome of activities involving risk is consistent with the Partnership's investment objectives and risk tolerance as per the offering memorandum. All investments result in a risk of loss of capital.

Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk). Financial instruments held by the Partnership are susceptible to market price risk arising from uncertainties about future prices of the instruments.

If the price of these investments held by the Partnership on December 31, 2021 had been higher or lower by 10%, net assets attributable to holders of redeemable units of the Partnership would have been higher or lower by $235,545 (December 31, 2020: $201,364). Actual results may differ from this sensitivity analysis and the difference could be material. The Partnership may have indirect exposure to price risk through its investments in Underlying Funds.

Interest rate risk

Interest rate risk arises on interest-bearing financial instruments having fixed interest rates held by the Partnership, such as bonds and borrowings. The fair value and future cash flows of such instruments will fluctuate due to changes in market interest rates. As at December 31, 2021 and 2020, the Partnership did not have significant exposure to interest rate risk. The Partnership may have indirect exposure to interest rate risk through its investments in Underlying Funds.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Securities included in the Partnership may be valued in or have exposure to currencies other than the Canadian dollar and when measured in Canadian dollars, be affected by fluctuations in the value of such currencies relative to the Canadian dollar. There was no foreign currency exposure as at December 31, 2021 and 2020.

Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type or industry sector. The following table presents the Partnership's exposure as a percentage of its net assets attributable to holders of redeemable units by investment as at December 31, 2021 and 2020.

	December 31, 2021	December 31, 2020
Bonnefield Canadian Farmland LP V	66.2%	67.4%
Portland Global Energy Efficiency and Renewable Energy Fund LP	22.9%	27.9%
Cash and Other Net Assets	10.9%	4.7%
Total	**100.0%**	**100.0%**

The Partnership has indirect exposure to concentration risk through its investments in Underlying Funds.

Liquidity risk

Liquidity risk is the risk that the Partnership, or the Underlying Funds, will encounter difficulty in meeting their obligations associated with financial liabilities. The Partnership is exposed to quarterly cash redemptions and may borrow on margin to make investments. The Partnership provides investors with the right to redeem units quarterly. Such redemptions are to be paid within 30 days following the redemption date. It is the intention of the Trust to be held by unitholders on a medium or long-term basis. The Partnership has the option to pay redemptions through the issuance of promissory notes as detailed in the offering memorandum under Redemption Notes. The Manager monitors liquidity within the portfolio on an ongoing basis. As at December 31, 2021, 2.7% of the portfolio is held in cash and cash equivalents (December 31, 2020: 4.7%).

The Partnership's has investments in the Underlying Funds that are not traded in an active market and may not be redeemable. As a result, the Partnership may not be able to quickly liquidate its investments in these instruments at amounts, which approximate their fair values. In order to maintain liquidity, the Partnership may invest in complementary, more liquid, income producing public securities, including real estate income trusts, royalty income trusts, preferred shares, dividend paying equity securities and debt securities including convertibles, corporate and sovereign debt.

The Partnership is invested in a closed-end investment fund, Portland GEEREF LP, and committed and invested in an unlisted investment fund, Bonnefield LP V. As a result, the Partnership may not be able to quickly liquidate its investment in Portland GEEREF LP and Bonnefield LP V at amounts, which approximate fair value, or be able to respond to specific events such as deterioration of creditworthiness of the issuer. The Partnership's capital commitment to Bonnefield LP V can be called within a notice period as outlined in the subscription agreement between the Partnership and Bonnefield LP V. The Manager manages the capital calls through cash flow management. As at December 31, 2021, the Partnership's total committment to Bonnefield was $1,790,000 and $1,490,000 has been called. The Partnership has indirect exposure to liquidity risk through its investment in the Underlying Funds as they may invest in portfolios that may be subject to lock-up and redemption policies, and may not be able to sell investments quickly or at fair value.

The Partnership has the ability to borrow up to 20% of the total assets of the Partnership for the purposes of making investments, providing cover for the writing of options, paying redemptions, working capital purposes and to maintain liquidity in accordance with its investment objective and investment strategies. The Partnership has a borrowing facility available, which has not been utilized.

The majority of the obligations of the Partnership including management fees payable, expenses payable, redemptions payable, payable for investments purchased, and distributions payable, as applicable, were due within 3 months from the financial reporting date. Issued redeemable units are payable on demand.

Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Partnership.

The Partnership has indirect exposure to credit risk through its investments in Underlying Funds through their direct investments with counterparties or those investments through a portfolio with other counterparties that may not be able to fulfill contractual obligations.

The Partnership's cash and margin accounts are maintained at financial institutions with a Standard & Poor's credit rating of AA- and A+; and therefore credit risk is deemed minimal.

(c) Fair value of financial instruments

Financial instruments measured at fair value are classified according to a fair value hierarchy that reflects the importance of the inputs used to perform each valuation. The fair value hierarchy is made up of the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - inputs are unobservable for the asset or liability.

The fair value hierarchy requires the use of observable market data each time such data exists. A financial instrument is classified at the lowest level of the hierarchy for which significant input has been considered in measuring fair value. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The following tables illustrate the classification of the Partnership's financial instruments within the fair value hierarchy as at December 31, 2021 and 2020.

December 31, 2021	Assets Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Portland Global Energy Efficiency and Renewable Energy Fund LP	-	-	606,044	606,044
Bonnefield Canadian Farmland LP V	-	1,749,404	-	1,749,404
Total	-	1,749,404	606,044	2,355,448

December 31, 2020	Assets Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Portland Global Energy Efficiency and Renewable Energy Fund LP	-	-	588,920	588,920
Bonnefield Canadian Farmland LP V	-	-	1,424,717	1,424,717
Total	-	-	2,013,637	2,013,637

Portland GEEREF LP is a closed-end investment fund, which intends primarily to invest in the B units of Global Energy Efficiency and Renewable Energy Fund (GEEREF), a private equity infrastructure fund of funds, investing in regional funds, providing equity or quasi equity primarily for energy efficiency and reviewable energy project in developing countries and economies in transition. Portland GEEREF LP has the same Manager and administrator as the Partnership. This investment is considered Level 3 in the fair value hierarchy because it does not allow redemptions or transfers of units prior to dissolution except in very limited circumstances. The Partnership measures Portland GEEREF LP units at the most recently published NAV per unit as reported by its administrator, considering restrictions on the Partnership's ability to redeem units of Portland GEEREF LP. If the NAV per unit of Portland GEEREF LP had been higher or lower by 10% as at December 31, 2021, the net assets attributable to holders of redeemable units of the Partnership would have been higher or lower by $60,604 (December 31, 2020: $58,892).

During the year ended December 31, 2021, Bonnefield LP V transfered from a Level 3 to a Level 2 investment. Bonnefield LP V is an investment fund whose objective is to achieve stable, long-term growth of capital and annual income by investing in a portfolio of farmland properties. This investment was considered Level 3 in the fair value hierarchy because of its level of unobservable inputs but effective December 31, 2021, the Partnership measures Bonnefield LP V units at the most recently published NAV per unit as reported by its administrator. If the NAV per unit of Bonnefield LP V had been higher or lower by 10% as at December 31, 2021, the net assets attributable to holders of redeemable units of the Partnership would have been higher or lower by $174,940 (December 31, 2020: $142,472).

Reconciliation of Level 3 Fair Value Measurement of Financial Instruments

The following table reconciles the Partnership's Level 3 fair value measurement of financial instruments for the years ended December 31, 2021 and 2020:

	December 31, 2021 ($)	December 31, 2020 ($)
Balance at beginning of period	2,013,637	923,675
Investment purchases during the period	18,000	944,853
Proceeds from sales during the period	-	(18,298)
Net transfers in (out) during the period	(1,424,717)	-
Change in unrealized appreciation (depreciation) of investments	(876)	163,407
Balance at end of period	606,044	2,013,637

(d) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes:

i) restricted activities;

ii) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors;

iii) insufficient equity to permit the structured entity to finance its activities without subordinate financial support; and

iv) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Partnership considers its investment in Underlying Funds to be investments in unconsolidated structured entities. The change in fair value of the Partnership is included in the statements of comprehensive income in 'Change in unrealized appreciation (depreciation) of the investments'.

The Partnership's investments in Underlying Funds are subject to the terms and conditions of their respective offering documents and are susceptible to market price risk arising from uncertainties about future values. The Manager makes investment decisions after extensive due diligence on the strategy and overall quality of the Underlying Fund's manager.

These investments are included at their fair value in financial assets at FVTPL in the statements of financial position. The Manager's best estimate of the maximum exposure to loss from the Partnership's investment in Underlying Funds of the fair value as at December 31, 2021 and 2020 as follows:

December 31, 2021	Investment at Fair Value ($)	Net Asset Value ($)	% of Net Asset Value
Portland Global Energy Efficiency and Renewable Energy Fund LP	606,044	23,751,821	2.6%
Bonnefield Canadian Farmland LP V	1,749,404	160,493,731	1.1%

December 31, 2020	Investment at Fair Value ($)	Net Asset Value ($)	% of Net Asset Value
Portland Global Energy Efficiency and Renewable Energy Fund LP	588,920	24,788,524	2.4%
Bonnefield Canadian Farmland LP V	1,424,717	136,705,209	1.0%

6. REDEEMABLE UNITS

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

The Partnership's NAV per unit is determined on the last business day of each quarter at the close of regular trading on the Toronto Stock Exchange, or on such other date as determined by the Manager (each, a Valuation Date). Unitholders may redeem their units quarterly with 60 days' notice. If a holder redeems his or her units within the first 24 months from initial purchase, the Manager may, in its discretion, charge a redemption penalty equal to 5% of the NAV of such units redeemed which will be deducted from the redemption proceeds and retained by the Partnership. If a holder redeems his or her units between 24 months and 60 months from initial purchase, the Manager may, in its discretion, charge a redemption penalty equal to 2.5% of the NAV of such units redeemed which will be deducted from the redemption proceeds and retained by the Partnership.

The Partnership endeavors to invest capital in appropriate investments in conjunction with their investment objectives. The Partnership may borrow or dispose of investments, where necessary, to fund redemptions.

The principal difference between the series of units relates to the management fee payable to the Manager, minimum investment requirements and the compensation paid to dealers. Units of the Partnership are entitled to participate in the liquidation of assets on a series basis. Units are issued as fully paid and non-assessable and are redeemable at the NAV per unit of the applicable series of units of the Partnership being redeemed, determined at the close of business on the redemption date, as outlined in the offering memorandum.

Series A Units are available to investors who meet eligibility requirements and who invest a minimum of $10,000.

Series F Units are available to investors who meet eligibility requirements and who invest a minimum of $10,000, who participate in fee-based programs through their dealer and whose dealer has signed a Series F Agreement with the Manager, investors for whom the Partnership does not incur distribution costs, or individual investors approved by the Manager.

Series O Units are available to certain institutional investors making a minimum investment of $500,000.

The number of units issued and outstanding for the years ended December 31, 2021 and 2020 was as follows:

December 31, 2021	Beginning Balance	Units Issued Including Switches from Other Series	Units Reinvested	Units Redeemed Including Switches to Other Series	Ending Balance	Weighted Average Number of Units
Series A	11,084	-	-	-	11,084	11,084
Series F	6,049	2,931	-	-	8,980	7,090
Series O	56,081	9,578	-	-	65,659	56,174

December 31, 2020	Beginning Balance	Units Issued Including Switches from Other Series	Units Reinvested	Units Redeemed Including Switches to Other Series	Ending Balance	Weighted Average Number of Units
Series A	4,000	7,084	-	-	11,084	4,600
Series F	5,176	873	-	-	6,049	5,455
Series O	47,119	8,962	-	-	56,081	47,494

7. TAXATION

The Partnership calculates its taxable income and net capital gains (losses) in accordance with the Income Tax Act (Canada) (the Tax Act). The Partnership is not a taxable entity and is required to allocate its taxable income and net capital gains (losses) to its limited partners in accordance with the limited partnership agreement. Accordingly, the Partnership has not included a provision for taxes in the financial statements.

The Partnership may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statements of comprehensive income. Withholding taxes are shown as a separate item in the statements of comprehensive income.

The taxation year-end for the Partnership is December 31.

8. FEES AND EXPENSES

Pursuant to the offering memorandum, the Partnership agrees to pay management fees to the Manager, calculated and accrued on each Valuation Date and paid monthly. The Manager may waive management fees at its discretion but is under no obligation to do so.

The annual management fees rate of Series A is 1.75% and for Series F is 0.75%. Management fees on Series O Units are negotiated with the Manager. Such fees are paid directly to the Manager and are not deducted from the NAV of Series O.

In addition, the Partnership is responsible for, and the Manager is entitled to reimbursement for any operating expenses it incurs on behalf of the Partnership, including regulatory filing fees, custodian fees, legal and audit fees, costs associated with the independent review committee, bank charges, the cost of financial reporting, expenses related to conducting unitholder meetings, costs associated with providing Fundserv access for registered dealers and all related sales taxes. The Manager also provides key management personnel to the Partnership. The Manager may charge the Partnership for actual time spent by its personnel (or those of its affiliates) in overseeing the day-to-day business affairs of the Partnership. The amount charged for time spent by personnel is determined based on fully allocated costs and does not include a mark-up or administration fee. The Manager may absorb fund operating expenses at its discretion but is under no obligation to do so.

The Partnership is also responsible for all costs associated with its creation and organization of the Partnership. The Manager has paid the costs associated with the formation and creation of the Partnership and the offering of units and is entitled to reimbursement from the Partnership for such costs. The Partnership is required to re-pay the Manager in equal installments over 60 months commencing on the next valuation date after the NAV reaches $2.5 million, or at such other time or amount as the Manager in its absolute discretion shall determine.

All management fees, operating expenses and organization expenses payable by the Partnership to the Manager are subject to GST and/or HST as applicable and will be deducted as an expense of the applicable series of units in the calculation of the NAV of such series of units.

9. SOFT DOLLARS

Allocation of business to brokers of the Partnership is made on the basis of coverage, trading ability, and fundamental research expertise. The Manager may choose to execute portfolio transactions with dealers who provide research, statistical and other similar services to the Partnership or to the Manager at prices, which reflect such services (termed proprietary research). The dealers do not provide the Manager with an estimate of the cost of the research, statistical and other similar services (referred to as soft dollars).

The Manager may use third party proprietary research, which is generally also available on a subscription basis, the value of which will be used to approximate the value of research and other similar services received from third parties through commission sharing arrangements with executing brokers. The Partnership has not participated in any third party soft dollar arrangements for the years ended December 31, 2021 and 2020.

10. RELATED PARTY TRANSACTIONS

The following table outlines the management fees and operating expense reimbursements that were paid to the Manager by the Partnership during the years ended December 31, 2021 and 2020. The table includes the amount of operating expense reimbursement that was paid to affiliates of the Manager. All of the dollar amounts in the tables below exclude applicable GST and/or HST.

	Management Fees ($)	Waived Management Fees ($)	Operating Expense Reimbursement ($)	Absorbed Operating Expenses ($)	Operating Expenses Reimbursed to Affiliates of the Manager ($)
December 31, 2021	7,108	3,946	1,330	65,291	1,127
December 31, 2020	3,417	2,133	-	46,336	1,615

The Partnership owed the following amounts to the Manager excluding the applicable GST and/or HST.

As at	Management Fees ($)	Operating Expense Reimbursement ($)	Organization Expenses ($)
December 31, 2021	810	-	17,556
December 31, 2020	1,009	-	16,734

The Manager, and/or its affiliates and key management personnel of the Manager and their family (collectively referred to as Related Parties) may invest in units of the Partnership from time to time in the normal course of business. As at December 31, 2021 and 2020, Related Parties held 1 unit of the Partnership.

The Partnership invests in Portland GEEREF LP. Portland GEEREF LP has the same manager and general partner as the Partnership.

11. RECONCILIATION OF NAV PER UNIT AND NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT

The following tables provide a comparison of NAV per unit and net assets attributable to holders of redeemable units of the Partnership as at December 31, 2021 and 2020.

December 31, 2021	NAV per Unit ($)	Net assets attributable to holders of redeemable units per unit ($)
Series A Units	29.94	29.72
Series F Units	31.23	31.00
Series O Units	31.23	31.00

December 31, 2020	NAV per Unit ($)	Net assets attributable to holders of redeemable units per unit ($)
Series A Units	28.36	28.11
Series F Units	29.25	28.99
Series O Units	29.25	28.99

12. COMMITMENTS

On November 6, 2019, the Partnership committed to invest $1,025,000 in Bonnefield LP V. Additional commitments were made on October 16, 2020 for $200,000, December 4, 2020 for $100,000, September 20, 2021 for $165,000 and December 15, 2021 for $300,000 for a grand total of $1,790,000. As at December 31, 2021, $1,490,000 has been called and $300,000 remains outstanding.

Unfunded capital commitments to an Underlying Fund are not presented in the statement of financial position as a liability, as the unfunded capital represents a loan commitment that is not within the scope of IFRS 9.

13. EXEMPTION FROM FILING

The Partnership is relying on the exemption contained within National Instrument 81-106, Part 2.11 to not file its financial statements with the applicable securities regulatory authorities.

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