



Global Climate Partnership Fund

Quarterly Report

Q3 2016

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Contact Information

Fund	Initiator and Lead Investor	Investment Manager
GCPF	KfW	responsAbility Investments AG
Global Climate Partnership Fund SA	Claudia Arce	Antoine Prédour
SICAV-SIF	Palmengartenstr. 5-9	Josefstrasse 59
14 Boulevard Royal	D-60325 Frankfurt a.M.	CH-8005 Zürich
L-2449 Luxembourg	claudia.arce@kfw.de	antoine.predour@responsAbility.com
	+49 69 7431 4069	+41 44 254 32 93

Fund Activity

During the quarter, GCPF disbursed a total of USD 28.5m, all of which was follow-on investments to existing counterparties. USD 10m was disbursed to BanPro, Nicaragua, primarily to finance a biomass plant. A further USD 15m was disbursed to the City Bank, Bangladesh, which has financed measures such as rice husk biomass boilers and energy efficiency projects in ready-made garment sector. Promerica Dominican Republic also drew down a further USD 3.5m to continue expanding its lending to energy efficient appliances. The Investment Committee also approved three further new investments in two countries new to the fund.

During the reporting period, the Technical Assistance Committee has approved five project proposals that aim to facilitate the onlending of GCPF funds with new GCPF partner institutions.

The TA funds provided by the Development Bank of Austria (OeEB) for the GCPF TA Facility were fully utilized as of Q3 2016. At the same time, fundraising efforts for additional TA contributions continued and the TA Manager closely exchanged with a potential new contributor.

From 6-9 September, GCPF hosted the inaugural GCPF Academy at the responsAbility offices in Zürich, Switzerland. The GCPF Academy was funded by the Technical Assistance Facility. Representatives from 19 existing and potential partner institutions from 13 countries joined for an interactive learning event focused on green lending, climate finance and environmental and social risk management. The feedback from participants was very positive. Members of the Board of Directors and Investment Committee, as well as some shareholders, also joined for part of the event. At that occasion, the findings of the reviews on the carbon impact reported by the fund as well as the carbon calculation methodology were presented by the consultants to the shareholders.

On the investor side, ASN bank, a fully-owned subsidiary of Dutch retail bank SNS Bank, invested USD 25m in notes. Activities to secure more private investment are underway.

The Board of Directors meeting was held on 30 September in Frankfurt. The discussions mainly focused on the fundraising strategy and the strong pipeline developed by the Investment Manager. The Board also approved the extension of the maximum maturity of direct investment loans from 10 to 15 years, under certain circumstances.

Definitions

DI: Direct Investment

FI: Financial Institution

PI: Partner Institution

Liabilities: Fees and other payables of the fund (including Notes)

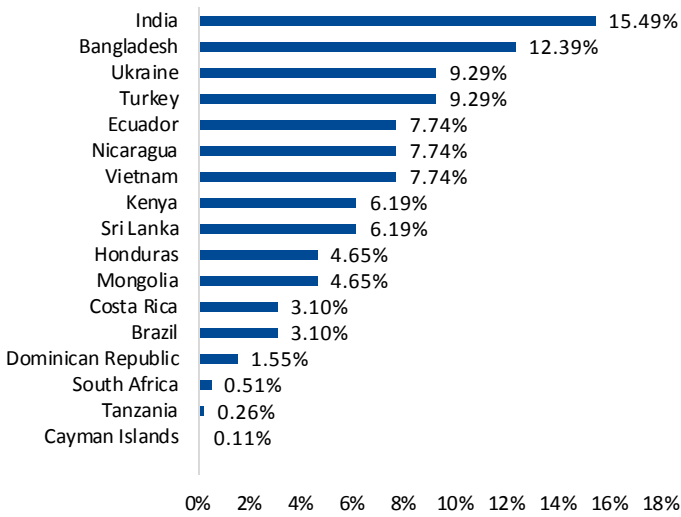
NAV of the Fund: Sum of the Net Asset Value of all A-Shares, B-Shares and C-Shares issued by the Fund

Total Assets: Net invested volume (gross loans and advances to PIs minus provisions) plus unrealized gains on derivative financial instruments plus interest receivables plus other receivables and prepayments plus cash and cash equivalents

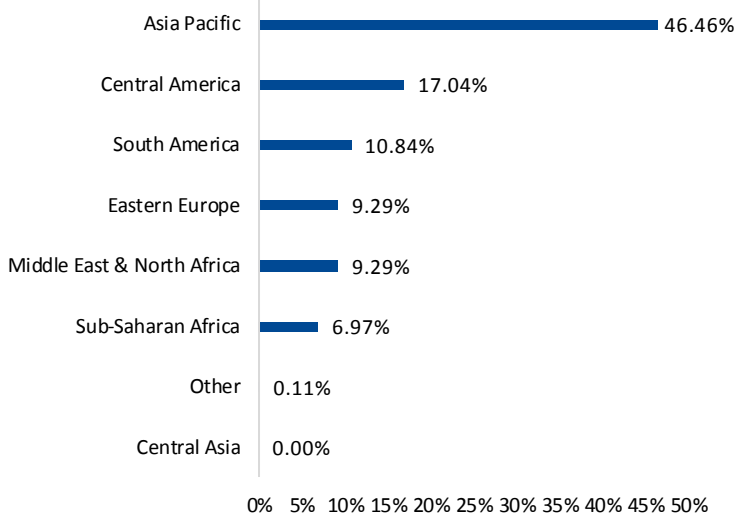
Assets under Management: Include NAV of A-Shares, B-Shares, C-Shares, Notes at notional and accrued dividends; NAV calculated as per Issue Document

Key Investment Figures as of Q3 2016

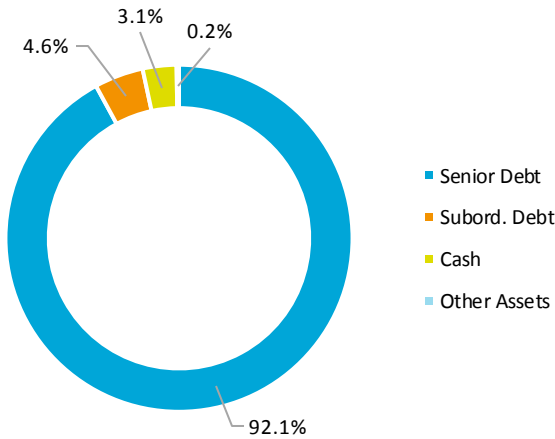
Largest country exposures by outstanding amount^{1,2}



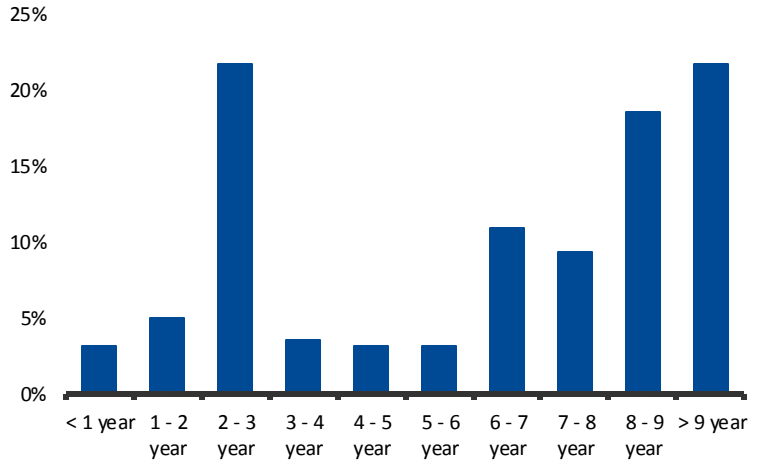
Geographical allocation by outstanding amount



Asset allocation



Maturity of invested volume breakdown outstanding amount as of Q3 2016



Currency	In % Total Assets
USD	100.0%

Average time to maturity	5.5 years
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¹Due to rounding, breakdown does not add up to 100%

²The fund has an exposure to the parent company of OGE Tanzania, which is located in Cayman Islands

Partner Institution	Country	Type of PI	Investment Instrument	Currency	Commitment (USD) ¹	Outstanding amount (USD)	Outstanding amount (%)
Banco Atlantida	Honduras	FI	Senior Debt	USD	15,000,000	15,000,000	4.65%
Banco Pichincha	Ecuador	FI	Subord. Debt	USD	15,000,000	15,000,000	4.65%
Banco Pine	Brazil	FI	Senior Debt	USD	10,000,000	10,000,000	3.10%
Banco ProCredit	Ecuador	FI	Senior Debt	USD	10,000,000	10,000,000	3.10%
Banco Promerica CR	Costa Rica	FI	Senior Debt	USD	20,000,000	10,000,000	3.10%
Banco Promerica DR	Dominican Republic	FI	Senior Debt	USD	9,000,000	5,000,000	1.55%
BanPro	Nicaragua	FI	Senior Debt	USD	25,000,000	25,000,000	7.74%
Chase Bank ²	Kenya	FI	Senior Debt	USD	30,000,000	20,000,000	6.19%
Pan Asia Bank	Sri Lanka	FI	Senior Debt	USD	20,000,000	20,000,000	6.19%
Prasac	Cambodia	FI	Senior Debt	USD	20,000,000	-	0.00%
Ratnakar Bank	India	FI	Senior Debt	USD	20,000,000	20,000,000	6.19%
Sekerbank	Turkey	FI	Senior Debt	USD	30,000,000	30,000,000	9.29%
SouthEast Bank	Bangladesh	FI	Senior Debt	USD	20,000,000	10,000,000	3.10%
SREI Infrastructure Finance	India	FI	Senior Debt	USD	30,000,000	30,000,000	9.29%
The City Bank	Bangladesh	FI	Senior Debt	USD	30,000,000	30,000,000	9.29%
Turan Bank ³	Azerbaijan	FI	Senior Debt	USD	10,000,000	-	0.00%
Ukreximbank	Ukraine	FI	Senior Debt	USD	30,000,000	30,000,000	9.29%
Vietinbank	Vietnam	FI	Senior Debt	USD	25,000,000	25,000,000	7.74%
XacBank	Mongolia	FI	Senior Debt	USD	15,000,000	15,000,000	4.65%
Subtotal		19			384,000,000	320,000,000	99.12%
Cronimet	South Africa	Direct	Senior Debt	USD	1,378,857	1,378,857	0.43%
Hidoplex	South Africa	Direct	Subord. Debt	USD	1,000,000	260,000	0.08%
OGE ⁴		Direct	Senior Debt	USD	3,000,000	-	0.00%
OGE Tanzania	Tanzania	Direct	Senior Debt	USD	-	852,571	0.26%
OGE Cayman	Cayman	Direct	Senior Debt	USD	-	365,388	0.11%
Subtotal		3			5,378,857	2,856,816	0.88%
Grand Total		22			389,378,857	322,856,816	100.00%

¹Total Commitments as of present quarter. Commitments to PIs are lowered in line with repayments by the PI. The difference between Commitments and Outstanding Amount are undrawn Commitments to the PI.

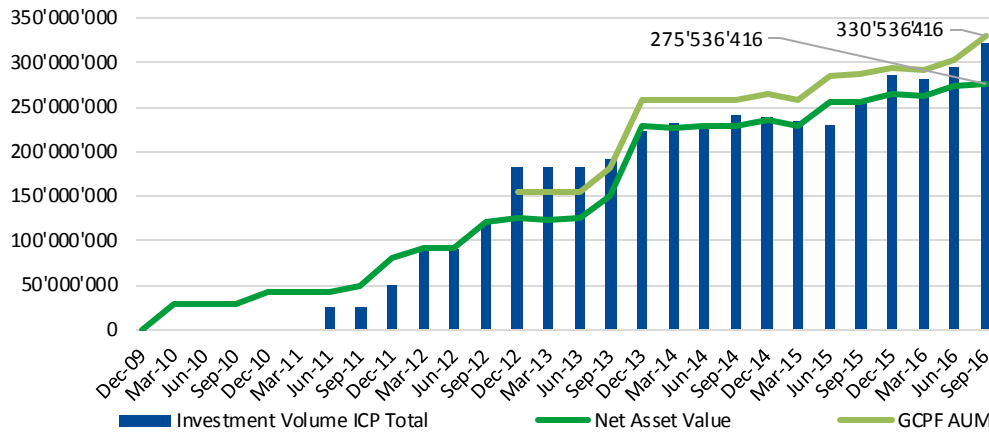
²A further USD 15m is included in the facility agreement but is uncommitted.

³No disbursements so far under this facility.

⁴Legal exposure to OGE Mauritius but risk is between Tanzania (operating company) and Cayman Islands (parent company).

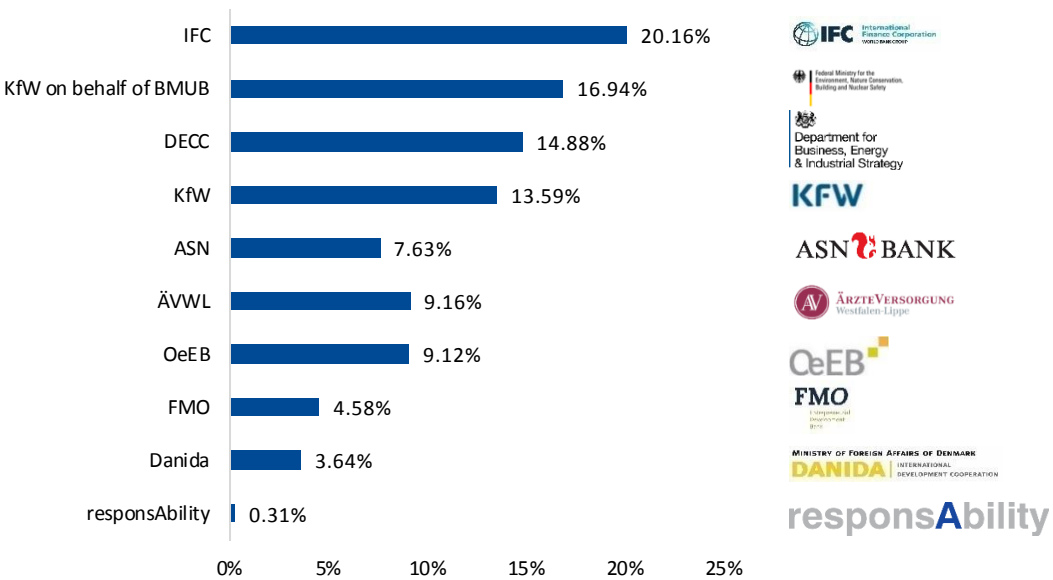
Funding Structure & Financial Performance

Assets under Management of the Fund (USD) ¹



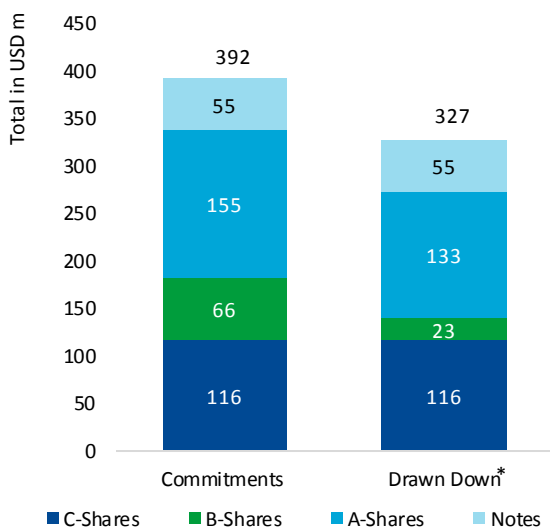
¹ AUM includes NAV of A-Shares, B-Shares, C-Shares, Notes at notional and accrued dividends; NAV calculated as per Issue Document.

Subscribed capital by investor (%)*



*In percentage of total drawn amount plus Notes at nominal.

Funding split (USDm)



*Draw-Down: NAV excluding dividends; C-Shares: excluding Target Return current year.

Impact

CO₂ reductions and energy savings

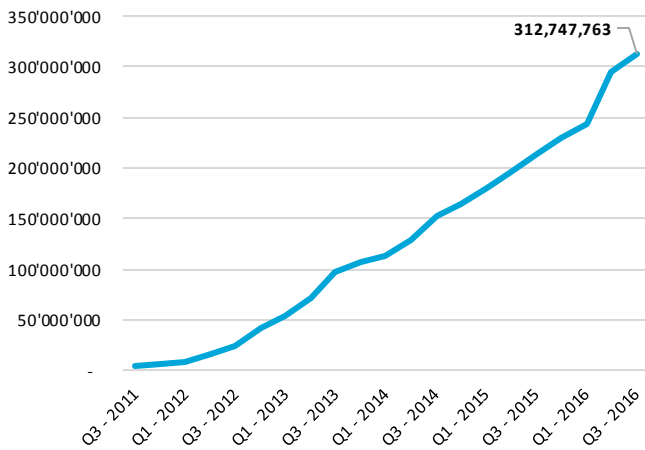
	CO ₂ reductions (tCO ₂ /year)	CO ₂ reductions (%) ³	Energy savings (MWh/year)	Energy savings (%) ¹	Renewal energy production (MWh/year)
Annual savings of loans disbursed in Q3 – 2016 ²	63,902	32%	4,159	32%	193,035
Annual savings of loans disbursed since inception ³	393,476	51%	551,281	51%	485,951

¹ Including RE production projects.

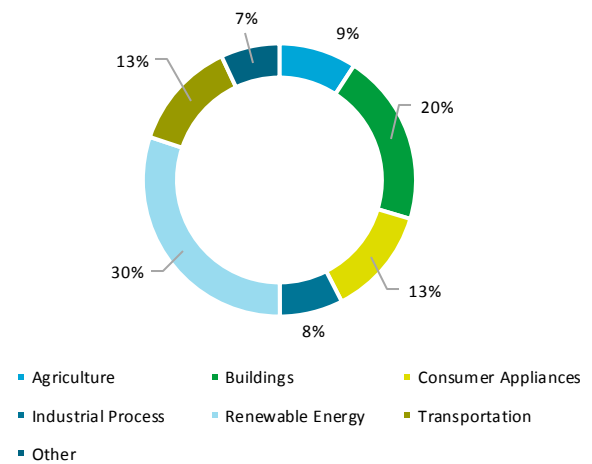
² The low saving % for this quarter is due to a large number of appliances reported from Pichincha, in combination with a new methodology applied (from production year of old appliance to country market baseline), reducing the % saving per appliance from 60% to 27%.

³ Living assets.

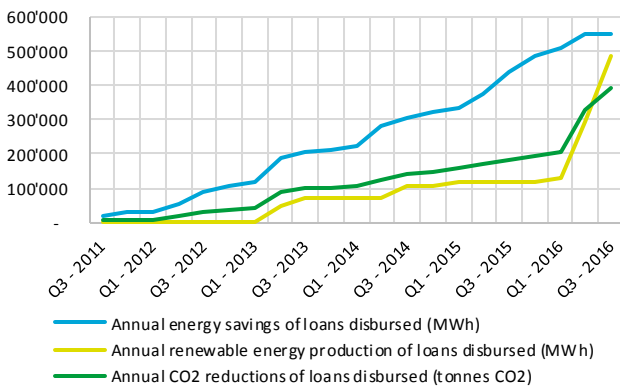
Disbursed sub-loans, since inception of fund (USD)



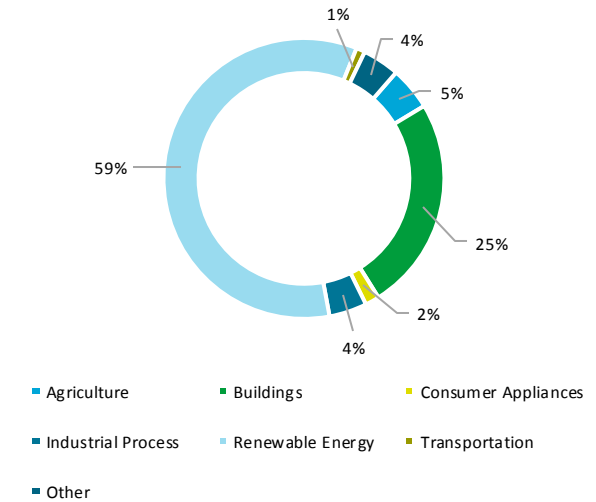
Disbursements by technology since inception



Annual energy and CO₂ emission savings of living assets in portfolio



Annual CO₂ reductions by technology since inception, living assets



Annual energy savings, RE production and CO₂ reductions achieved by financed assets in the portfolio, as per quarter reported⁴. Only includes assets that have not reached their projected lifetime (still generating savings)

Key impact figures

CO₂ reductions and energy savings as reported

	2011	2012	2013	2014	2015	Q3 2016
Expected lifetime CO ₂ reductions (tonnes)	186,439	850,720	2,185,653	3,120,025	4,386,000	8,434,634 ⁵
Cumulative realized CO ₂ reductions (tonnes)	2,499	20,719	100,110	224,937	396,434	646,144
Cumulative number of sub-loans since Inception ⁶	200	9,102	13,794	25,442	33,819	43,565

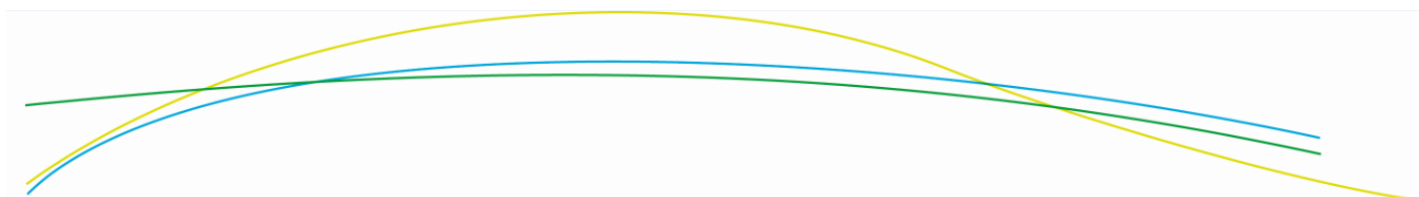
⁵ Large increase of emission reductions in Q2 and Q3 2016 due to SREI's Wind Power project, BanPro's Montelimar and City Bank's rice husk boiler projects. See Portfolio overview for more information.

⁶ Including DIs.

⁴ Previously this graph was prepared according to the quarter of the loan disbursement, which would result in fluctuations if a delay existed between the quarter of the loan disbursement and the quarter when the loan was actually accepted in the fund.

Fund Facts

Fund name	GCPF (Global Climate Partnership Fund SA)			
Fund domicile and type	Luxembourg, SICAV-SIF, closed-end investment company			
Regulation	As the Fund is managed in the public interest, it is exempt from the scope of the AIFM law pursuant to article 2(2) thereof			
Investment Manager	responsAbility Investments AG, Zurich			
Administrative and Domiciliary Agent	Banque de Luxembourg, Luxembourg			
Custodian bank	Banque de Luxembourg, Luxembourg			
Inception date	22 December 2009			
Operation start	October 2010			
Initiators	Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) KfW Entwicklungsbank			
Fund currency	USD			
Distribution	Annually			
Valuation (NAV calculation)	Quarterly (last calendar day of March, June, September and December)			
Minimum subscription	USD equivalent of EUR 200,000 (for individual investors participating in a note tranche) USD 5m (note tranches, A & B-share tranches)			
Subscription/Commitment	At each closing (at the discretion of the Board of Directors), investors commit to subscribe or directly subscribe to a specific share class and/or the notes			
Redemption of units	At maturity (all shareclasses have a defined maturity)			
Term	Closed-ended fund with unlimited duration			
Fees and Expenses p.a.	Direct operating expenses (approx. 0.5% of NAV) Investment manager fees and expenses (1.2% of invested assets, 1.0% for invested assets above USD 300m) Performance fees (up to 30% of the investment manager fees, decision by the Fund,s Board of Directors) Technical Assistance facility contribution (up to 0.2% of NAV, decision by the Fund,s Board of Directors)			
Classes	Notes	Class A Shares (senior)	Class B Shares (mezzanine)	Class C Shares (first loss)
Features	Floating rate interest rate of USD 6 months Libor plus a spread or fixed rate Duration: 5 - 7 years for each tranche	Target dividend plus a complementary dividend (if target dividend exceeded) Target dividend is USD 6 months Libor plus a spread agreed with the Board of Directors Duration: 5 – 15 years for each tranche	Target dividend plus a complementary dividend (if target dividend exceeded) Target dividend is USD 6 months Libor plus a spread agreed with the Board of Directors Duration: 5 – 15 years for each tranche	Target return: a fixed rate target return or floating rate target return p.a. set in the relevant commitment agreement and/or subscription form Duration: unlimited



Complaints

Any complaints to the Fund can be submitted either in written form to responsAbility Investments AG, Josefstrasse 59, 8005 Zurich, or electronically through complaints@gcpf.lu.

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