Global Climate Partnership Fund

Quarterly Report

Q4 2018

Contact Information

Fund	Initiator and Lead Investor	Investment Manager
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Fund Activity

Q4 showed the highest investment activity in 2018. GCPF disbursed a total of USD 52.8m and made a cash-less conversion of a USD 25m facility from senior debt into subordinated debt with TBC bank in Georgia. The subordinated debt volume increased by USD 35m bringing the total exposure in GCPF close to the limit of 15% of Net Asset Value. Besides the increased portfolio yield deriving from those conversions, this will enable the Fund to increase its outreach by sourcing transactions in countries with a lower interest rate environment and have a higher impact.

Four new Financial Institutions and two new Direct Investments were added to the GCPF portfolio in Q4. The new Financial Institutions include Acceso Crediticio in Peru that received a local currency (Peruvian Soles) facility, Nam A Bank in Vietnam, LOLC in Cambodia and Basisbank in Georgia. On the Direct Investment side, the two new companies include Solar Now in Uganda, a solar home systems company that has received a syndicated loan from GCPF and two other investors, as well as Redavia, a company in Ghana that provides containerized solar photovoltaic systems to commercial and industrial clients.

Disbursements to existing Partner Institutions were made to Banco Pichincha in Ecuador - a renewal of a USD 15m subordinated loan, Prasac in Cambodia for an increase of USD 2.5m, Ameriabank in Armenia for a USD 10m conversion from senior debt to subordinated debt and Hodson Renewable, a commercial and industrial solar rooftop provider in India, for USD 1m.

A USD 25m loan to Vietinbank in Vietnam matured in December. Given that the institution has had historic challenges to on-lend to eligible projects, the Fund decided not to renew its partnership with the bank.

On the funding side, BEIS, the UK's Department for Business, Energy & Industrial Strategy, increased its C-Shares investment by GBP 18.5m, equivalent to USD 23.4m. Extra junior cushion helps the Fund grow to fund more projects, and also attract private investors.

Additionally, OeEB signed a USD 20m commitment with USD 14m in A-Shares and USD 6m in B-Shares with maturities of up to 10 years.

Q4 impairments under IFRS9 have slightly increased to 4.25% of the amortized cost portfolio excluding Chase Bank, an increase of roughly 25bps since the last quarter.

A Board of Directors meeting was held in Frankfurt on 11 December. Among the topics discussed were the Environmental and Social Management System Report as well as the draft business plan for 2019-2021. Further, the Board of Directors appointed Ms Ulrike Lassmann as a new Board member to replace Ms. Constanze Kreiss. Ms. Lassmann has also taken up the role as chairwoman of the GCPF TA Facility committee.

The TA committee approved 23 new projects in Q4 for about USD 2.1m, leading to a total of more than 50 projects and more than USD 4.3m of advisory support to be provided of the coming years. Several tenders were initiated, including interventions to prepare investments with African Financial Institutions. One of the highlights of the TA activities during the last quarter was the representation of GCPF at the "unlocking solar capital" conference in Kigali to discuss the potential of the solar for the commercial & industrial sector in Sub-Saharan Africa, gathering many market players from the region

On the impact side, USD 56.7 m of sub-loans were disbursed and reported by the GCPF Partner Institutions in Q4 2018, which is the largest amount for any single quarter since inception of the Fund. Over 3,300 projects were financed and 72MW renewable energy capacity reported.

A new direct investment to a distributed PV project developer in Ghana (Redavia) has been added in the portfolio and new PV projects of Hodson, a distributed PV project developer in India, have been reported given that they started operation. Q4 2018 marked the first reporting of a new partner, Acceso Credicitio, focused in the retail transportation sector. Several loans in the buildings, industrial process, agriculture, consumer appliances have also been reported. The sub-loans reported this quarter save 86,247 tCO2 per year, bringing the total lifetime reduction of CO2 emissions of projects reported since inception to over 12.8 m tonnes, out of which GCPF funding saves 7.1 m tonnes.

Definitions

AuM (Assets under Management): Include NAV of A Shares, B Shares, C Shares, Notes at notional and accrued dividends

Bps: Basis points

DI: Direct Investment

EE: Energy Efficiency

E&S: Environmental and Social

FI: Financial Institution

IC: Investment Committee

IM: Investment Manager

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

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

PI: Partner Institution

PV: Photovoltaic

rA Leaders Fund: responsAbility SICAV (Lux) Micro and SME Finance Leaders

rA Mikro and KMU Fund: responsAbility SICAV (Lux) Mikro- und KMU- Finanz-Fonds
rA MSME Fund: responsAbility Micro and SME Finance Fund

RE: Renewable Energy

RMG: Ready-made garments

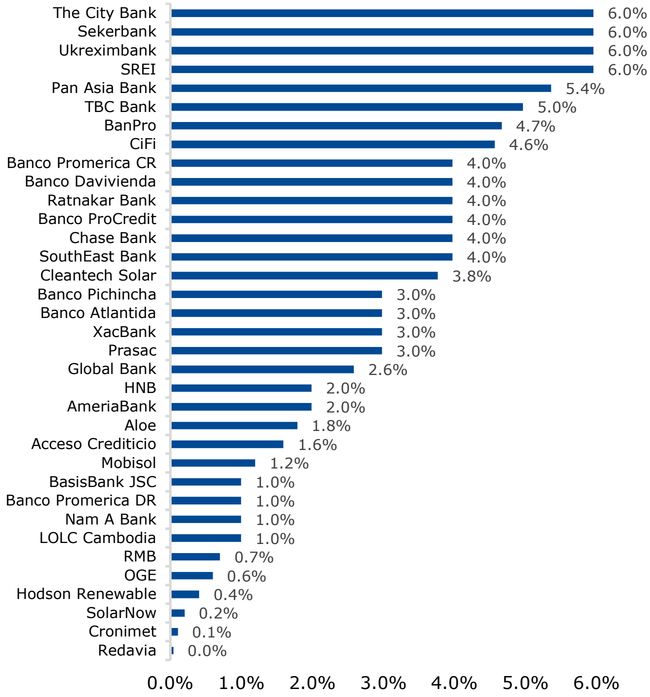
TA: Technical Assistance

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

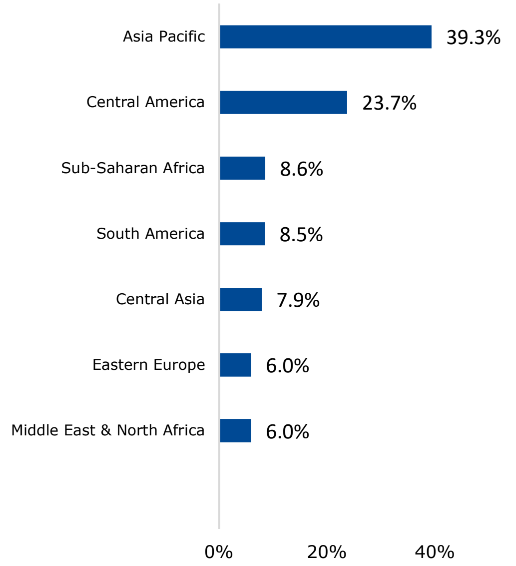
Key Portfolio Figures as of Q4 2018

(in % of total invested portfolio)

Partner institutions allocation by outstanding amount[1]

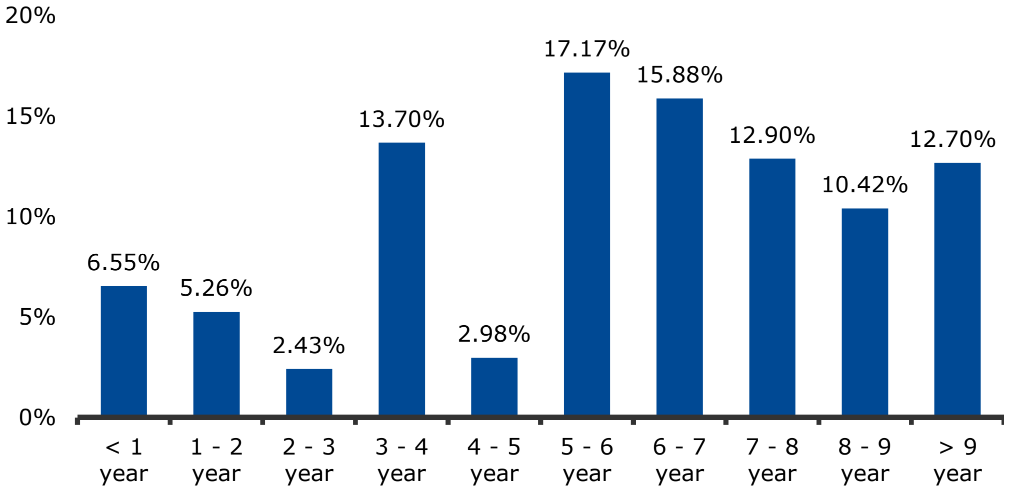


Geographical allocation by outstanding amount



[1] Due to rounding, breakdown does not add up to 100%.

Maturity of invested volume breakdown outstanding amount as of Q4 2018

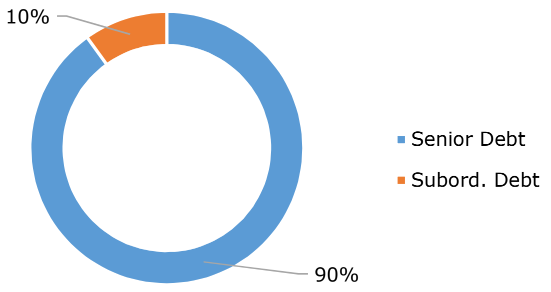


Average time to maturity	5,3 years

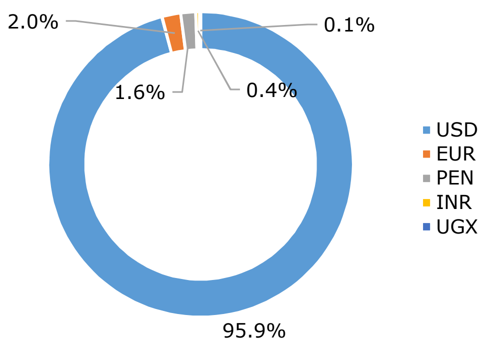
Asset Allocation	(in USD)	(in%)
Senior Debt[1]	416 307 222	74.6%
Subord. Debt[1]	49 508 702	8.9%
Cash[2]	90 747 605	16.3%
Other Assets[3]	1 329 477	0.2%

[1] Amounts net of provisions/impairments.
[2] Encompasses cash at banks and time deposits.
[3] Including interest receivables.
[4] Invested volume (net of provisions/impairments), cash, interest and other receivables.
[5] Including accrued dividends.

Investment instrument allocation [1]



Currency in % of total invested portfolio



[1] Excluding provisions/impairments.

According to the SPPI test conducted by the IM the following PIs are classified under amortized cost

Financial Institutions	Internal Fund default rating[1]	Country	Country rating[2]	Currency	Outstanding amount (USD)	Outstanding amount (%)
Acceso Crediticio	B+	Peru	A-	USD	8 000 000	1.59%
AmeriaBank	B+	Armenia	B+	USD	9 998 685	1.99%
Banco Atlantida	BB	Honduras	B+	USD	15 000 000	2.98%
Banco Davivienda	B	El Salvador	B-	USD	20 000 000	3.97%
Banco Pichincha	B+	Ecuador	B-	USD	15 000 000	2.98%
Banco ProCredit	B	Ecuador	B-	USD	20 000 000	3.97%
Banco Promerica CR	BB-	Costa Rica	B+	USD	20 000 000	3.97%
Banco Promerica DR	BB-	Dominican Republic	BB-	USD	5 000 000	0.99%
BanPro	B	Nicaragua	B	USD	23 500 000	4.67%
BasisBank JSC	BB	Georgia	BB	USD	5 000 000	0.99%
Chase Bank[3]	C	Kenya	B	USD	20 000 000	3.97%
CiFi	BB-	Panama	BBB	USD	23 000 000	4.57%
Global Bank	BB+	Panama	BBB	USD	13 000 000	2.58%
HNB	B	Sri Lanka	B	USD	10 000 000	1.99%
LOLC Cambodia	B	Cambodia	B	USD	5 000 000	0.99%
Nam A Bank	BB-	Vietnam	BB-	USD	5 000 000	0.99%
Pan Asia Bank	B	Sri Lanka	B	USD	27 000 000	5.36%
Prasac	B+	Cambodia	B	USD	15 000 000	2.98%
Ratnakar Bank	BB+	India	BBB	USD	20 000 000	3.97%
Sekerbank[4]	CCC+	Turkey	BB-	USD	30 000 000	5.96%
SouthEast Bank	B	Bangladesh	BB-	USD	20 000 000	3.97%
SREI	B+	India	BBB	USD	30 000 000	5.96%
TBC Bank	BB+	Georgia	BB	USD	25 000 000	4.96%
The City Bank	BB-	Bangladesh	BB-	USD	30 000 000	5.96%
Ukreximbank	B-	Ukraine	CCC+	USD	30 000 000	5.96%
XacBank	B-	Mongolia	B-	USD	15 000 000	2.98%
Total					**459 498 685**	**91.22%**

[1] The Default Rating reflects the likelihood of default of an institution. It indicates the likelihood that a company may default with respect to all its financial obligations. Ratings based on Q3

[2] Country rating source: Moodys.

[3] Chase Bank is under Stage 3 of the IFRS 9 staging methodology, meaning a default event has occurred. Treatment of interest: under Stage 3 interest is not accruing.

[4] Sekerbank is under Stage 2 of the IFRS 9 staging methodology, meaning that a significant deterioration in creditworthiness took place (rating fell two notches below the initial rating).

Direct Investments	Internal Fund default rating[1]	Country	Country rating[2]	Currency	Outstanding amount (USD)	Outstanding amount (%)
Cleantech Solar	BB-	Regional South-East Asia[3]	B	USD	18 950 000	3.76%
Cronimet	BB	South Africa	BBB-	USD	517 071	0.10%
Hodson Renewable	BB-	India	BBB	USD	2 030 506	0.40%
Mobisol	B-	Tanzania	B+	USD	6 000 000	1.19%
OGE[4]	B+	Tanzania	B+	USD	3 000 000	0.60%
Redavia	B-	Ghana	B-	USD	206 000	0.04%
Roserve	BB-	India	BBB	USD	-	0.00%
SolarNow	B	Uganda	B	USD	1 000 000	0.20%
Total					**31 703 577**	**6.29%**

[1] The Default Rating reflects the likelihood of default of an institution. It indicates the likelihood that a company may default with respect to all its financial obligations. Ratings base

[2] Country rating source: Moodys.

[3] Corporate loan to a Singapore holding company. Most of the underlying projects are in Cambodia, the Philippines, Malaysia, and Thailand. As most of the funds are used for projec with the impairment model under IFRS 9, Cambodian country risk is shown

[4] Legal exposure to OGE Mauritius but risk is in Tanzania (operating company).

According to the SPPI test conducted by the IM the following PIs are classified under fair value

Partner Institutions	Internal Fund default rating[1]	Country	Country rating[2]	Currency	Outstanding amount (USD)	Outstanding amount (%)
RMB[3]	n/a	South Africa	BB+	USD	-	0.00%
Aloe	BB-	Namibia	BB+	USD	8 995 000	1.79%
RMB	n/a	South Africa	BB+	USD	3 505 000	0.70%
Total					**12 500 000**	**2.48%**

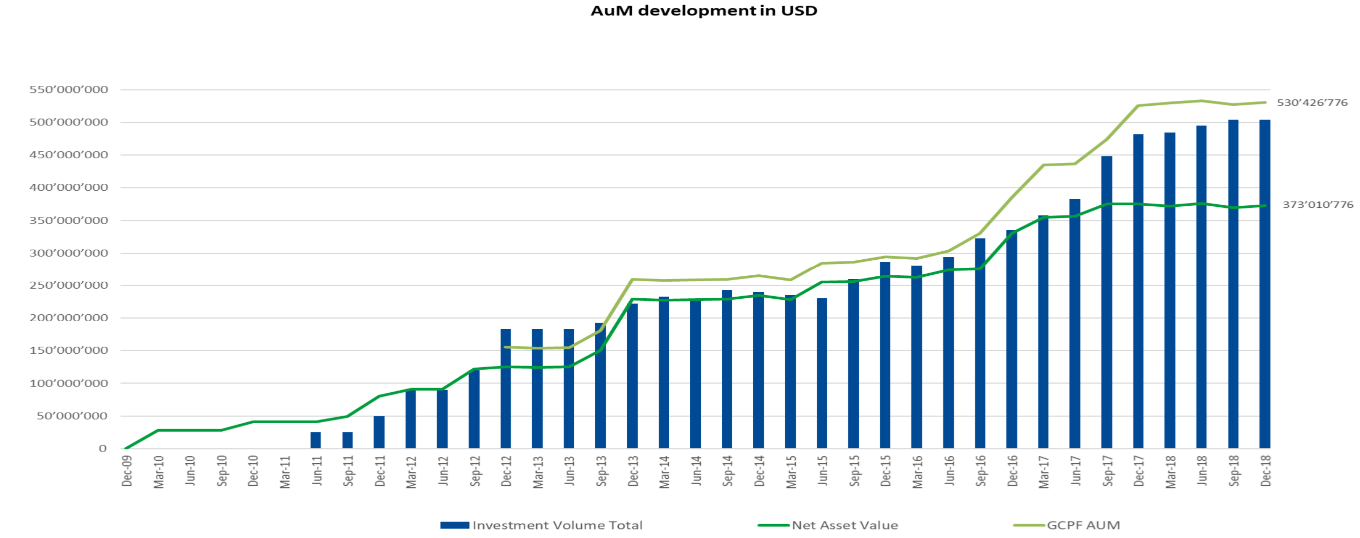
[1] The Default Rating reflects the likelihood of default of an institution. It indicates the likelihood that a company may default with respect to all its financial obligations. Ratings base

[2] Country rating source: Moodys.

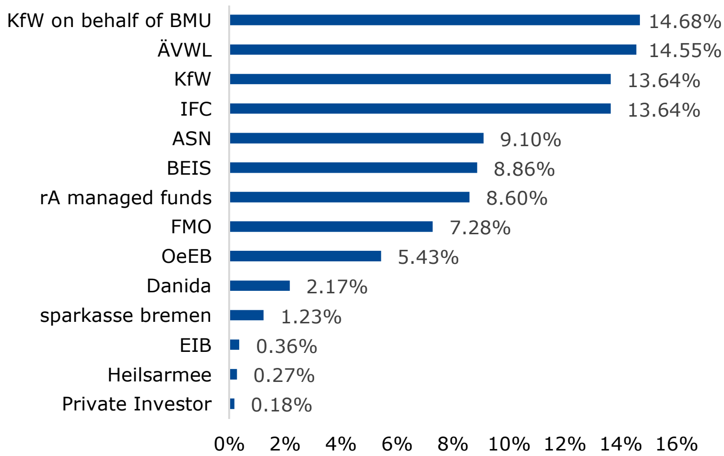
[3] Legal exposure to RMB in South Africa but risk allocation is between Aloe Invest in Namibia and RMB in South Africa.

Funding Structure & Financial Performance

Assets under Management (AUM) of the Fund (USD)



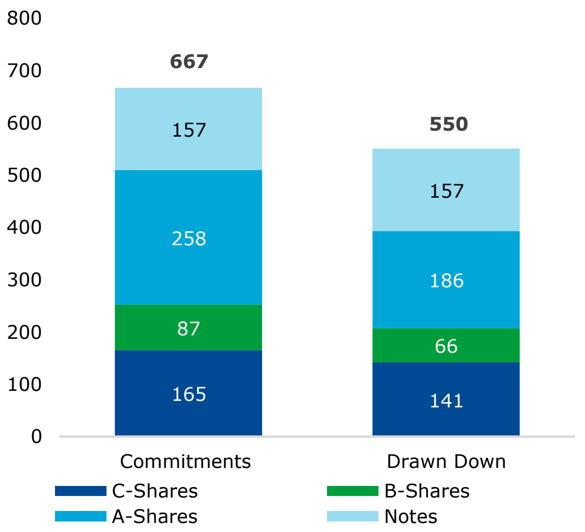
Subscribed capital by investor (%)



Note: In percentage of total drawn amount plus Notes at nominal.

* rA-managed Funds' subscribed capital: rA MSME Fund: 4.86%; rA Mikro and KMU Fund: 2.45%; rA Leaders Fund: 1.09%.

Funding split (USDm)



Note: Drawn Down: NAV excluding dividends;

C-Shares: excluding Target Return current year, provisions not accounted for.

Impact

1. Key impact figures - Summary

1.1. CO_2 emissions reduction and energy savings

	2011	2012	2013	2014	2015	2016	2017	Q4 - 2018
Expected lifetime CO_2 emissions reductions from projects funded by GCPF, since inception (million tonnes)	0.16	1.28	2.20	3.04	4.21	8.39	10.17	12.81
Cumulative realized CO_2 emissions reduction (million t CO_2)[1]	0.002	0.034	0.121	0.245	0.413	0.772	1.221	1.717
Annual CO2 emissions reductions achieved (t CO_2/year)	6 685	59 920	103 776	144 539	189 993	393 356	455 058	578 130
Cumulative number of subloans since inception	200	9 102	13 794	25 443	33 814	48 106	53 404	74 251

[1]Figures updated upwards to include emissions reductions taking place when the equipment was already in place but the loan was not yet reported

1.2. CO_2 emissions reduction and energy savings proportional to GCPF funding

	2011	2012	2013	2014	2015	2016	2017	Q4 - 2018
Expected lifetime CO_2 emissions reductions from projects funded by GCPF since inception (million tonnes)	0.16	1.15	1.59	2.19	3.18	5.38	6.22	7.13
Annual CO_2 emissions reductions achieved (t CO_2/year)	6 685	51 198	71 593	99 683	139 192	246 290	276 586	317 149

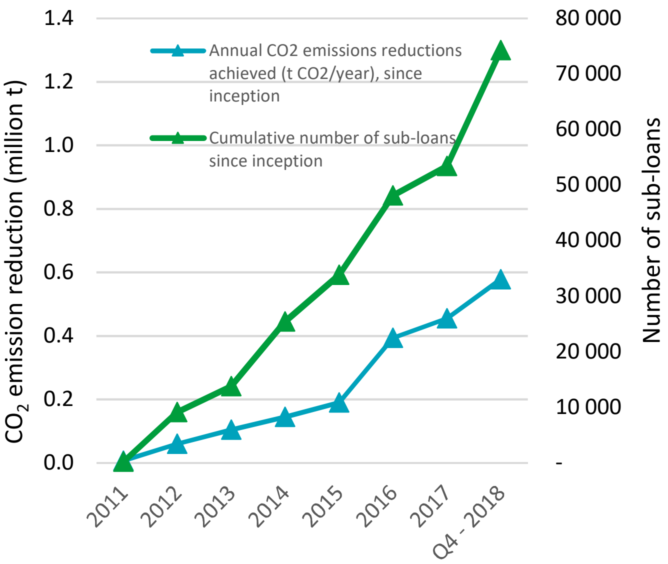
1.3. CO_2 emissions reductions and energy savings

	CO_2 emissions reductions (t CO2/year)	CO_2 emissions reductions[2] (%)	Energy Savings (MWh/year)	Energy Savings[3] (%)	Renewable Energy production (MWhyear)	Renewable energy capacity (MW)
Loans disbursed in Q4 - 2018	86 247	49%	9 824	16%	242 349	72
Loans disbursed since inception, living assets	578 130	46%	593 939	43%	1 024 690	339

[2]including RE production projects
[3]excluding RE production projects

2. Key impact figures - CO_2

2.1. Realized CO_2 emissions reductions and subloans

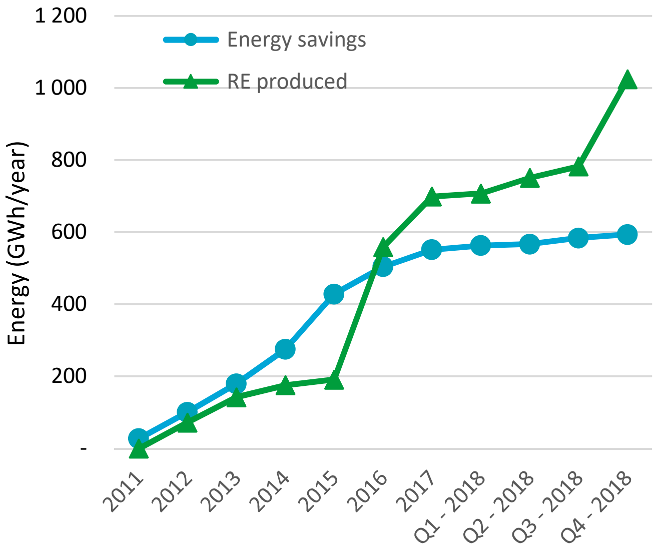


Q4 - 2018 Highlights

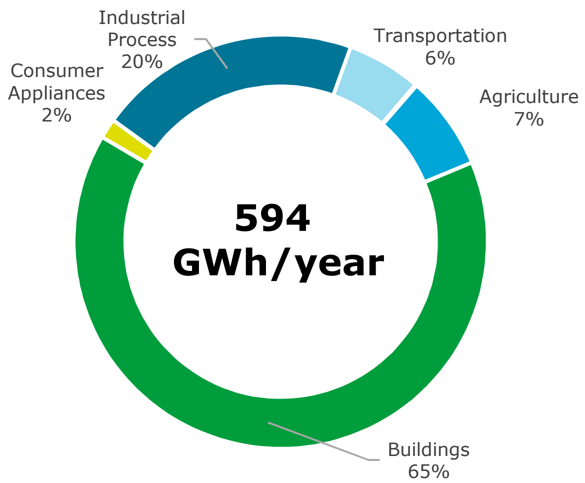
- 86,247 additional tonnes of CO_2 emissions reduced per year
- 93,587 t of additional realized CO_2 emissions reductions
- 3,365 new subloans
- 49% average CO_2 emissions reduction projects reported during the quarter

3. Key impact figures - Energy

3.1. Annual energy savings and RE produced (GWh/year)



3.2. Annual energy savings by technology sector



Q4 - 2018 Highlights

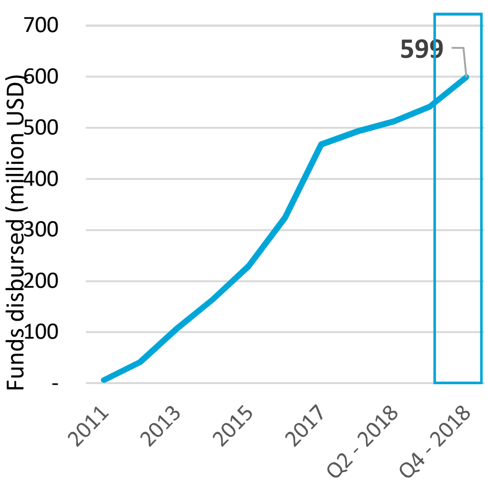
9,824 MWh/year of energy will be saved by the projects reported during the quarter

242,349 MWh/year of renewable energy will be produced by the new projects reported, mostly by the biomass and biogas power plants financed by CIFI and Banco Davivienda

+72 MW of new installed renewable energy capacity

4. Key impact figures - Financial

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



Q4 - 2018 Highlights

USD 56.7 million in new sub-loans

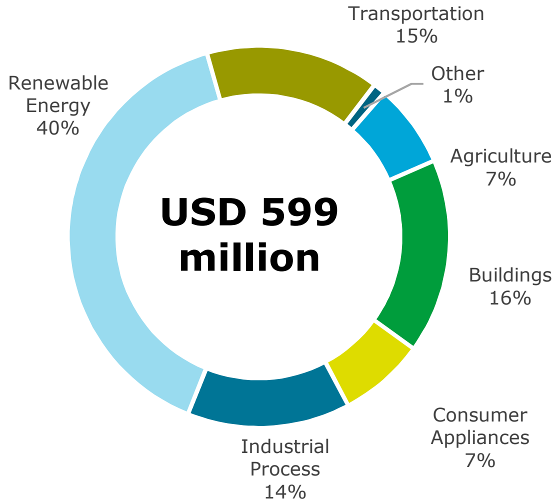
3,365 new sub-loans

Largest projects were reported by CIFI (USD 8 million) and Banco Davivienda (USD 5 million)

93 USD/t CO2 average investment efficiency of projects reported

Note: A decrease in the investment efficiency indicates a positive change.

4.2. On lent volumes % by technology, since inception



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 (BMU) 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 valued at the day of the subscription			
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 share classes 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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