Global Climate Partnership Fund

Quarterly Report

Q3 2019

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Fund Activity

In Q3 2019, GCPF disbursed three loans totalling USD 19.3m to three existing Partner Institutions. The outstanding portfolio increased to USD 586m by end of Q3 and the cumulative disbursements year-to-date amount to USD 117m.

The follow-on investments to TP Bank and Nam A Bank brought the Vietnam country exposure up to USD 30m. After having disbursed USD 10m to TP Bank end of June, the Partner Institution was able to report enough sub-loans (to solar PV power plants) to qualify only one month later for the next USD 10m disbursement. Nam A Bank is also on-lending to a solar PV project but has the majority of the sub-loans in energy efficient appliances (washing machines, fridges etc.). On the Direct Investment side, GCPF disbursed a second tranche of USD 4.3m to Greenlight Planet bringing the total exposure with this Partner Institution up to USD 10m.

After three quarters of record on-lending figures, Q3 2019 has seen a lower volume of sub-loans reported, amounting to USD 31.8 m. Approximately 420 sub-loans were reported, mainly for energy efficiency projects. An important highlight this quarter has been the reporting of a USD 12m sub-loan for purchasing energy efficient knitting machines by Southeast Bank in Bangladesh. After having been under reporting targets for more than a year, the sub-loan marks the full utilization of the GCPF loan by the institution. The project has been under review for some months, pending the completion of the E&S on-site due diligence and the subsequent approval to implement the action plan by the bank and the client.
The total CO_2 lifetime emissions reduction achieved by the Fund has been adjusted downwards in Q3 2019 to reflect the cease in operation of Mestiachala Hydro Power Plant in Georgia due to a flooding event in July 2019. The CO_2 savings achieved by the sub-loan will be again accounted for once the operation recommences.

The number of reported sub-loans is expected to pick up again in Q4 2019 as several partner institutions will see an increase in on-lending targets.

The Investment Committee has met four times during the quarter, approving five concept notes (support to go ahead with a due diligence) and one investment proposal. The notes and investment proposal cover three Financial Institutions as well as three Direct Investments in Kenya, Vietnam, India, Indonesia, Ukraine and Thailand.

During the quarter, the TA Committee approved 12 new projects amounting to approximately USD 0.3m. The key highlights under the TA Facility during the reporting period include:
- The second regional GCPF Green Lending workshop took place in September in Lima, Peru. The event gathered over 30 representatives of GCPF prospects and Partner Institutions from 12 countries who had the opportunity to deepen their knowledge on innovative approaches for Energy Efficiency / Renewable Energy lending.
- In July, GCPF Partner Institution TBC Bank, Georgia, piloted an upcoming series of project finance training sessions for Financial Institutions with a focus on assessing renewable energy projects.
- An educational video on why and how to report energy efficient loans was produced. The video was made available to all GCPF Financial Institutions for training purposes. This online video aims at clearing misconceptions around Green Lending, providing the right level of information on GCPF's motivation to calculate and monitor energy savings, the basic concept of energy efficient loans, and the process for establishing baselines and reporting projects.

On the funding side, GCPF successfully raised two additional Notes with existing investors. Sparkasse Bremen increased their investment in Notes to EUR 15m by purchasing an additional EUR 5m Note while the Ärzteversorgung Westfalen-Lippe purchased another USD 10m Note increasing their investment to USD 90m. For both Notes, GCPF entered into swap contracts to not incur any FX or interest rate risks. Additionally, GCPF has drawn USD 10m of A-Shares from the EIB committed funds.

Overall provisions in relative terms changed marginally during the third quarter and now stand at 5.02% of the amortized cost portfolio (excluding Chase Bank), up from 4.89% in the previous quarter.

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

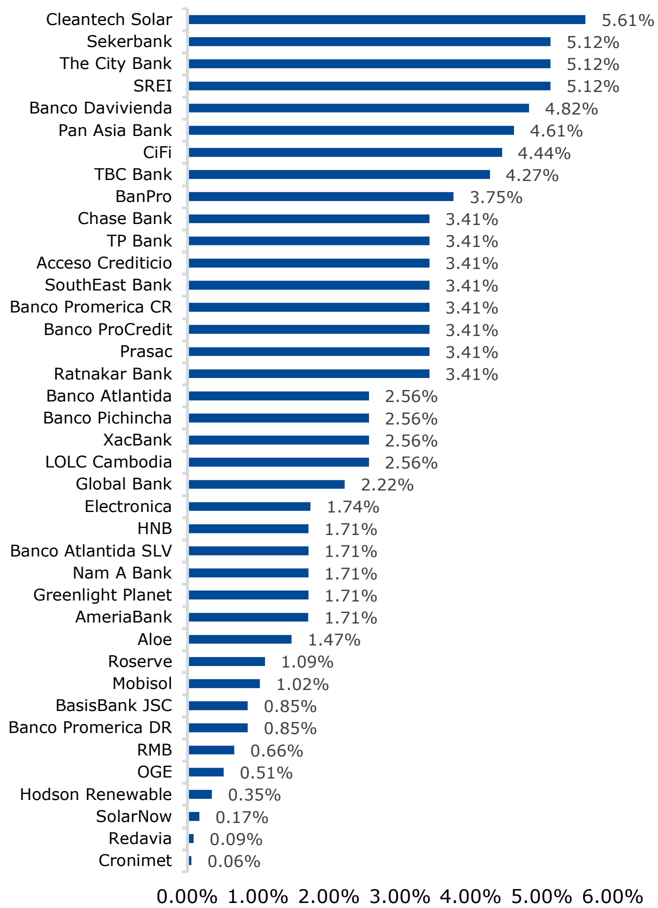
RMG: Ready-made garments

TA: Technical Assistance

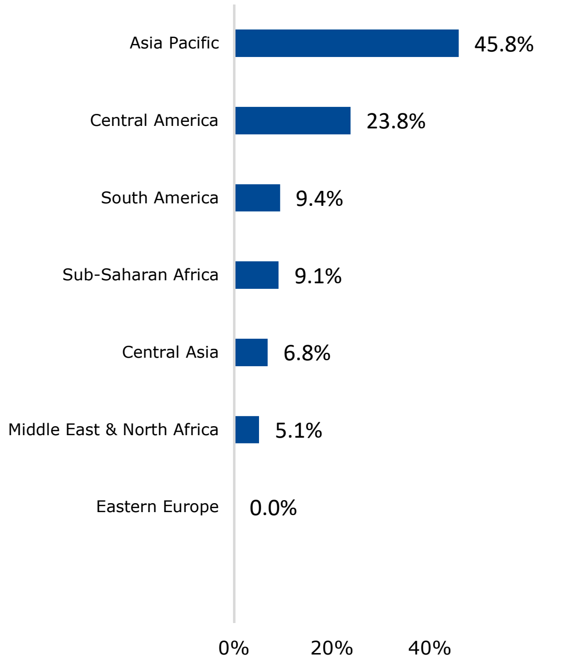
Total Assets: Net invested volume (gross loans and advances to PIs minus provisions) plus unrealized gains on derivative financial instruments plus interest receivables plus other receivables and prepayments plus cash and cash equivalents

Key Portfolio Figures as of Q3 2019
(in % of total invested portfolio)

Partner institutions allocation by outstanding amount[1]

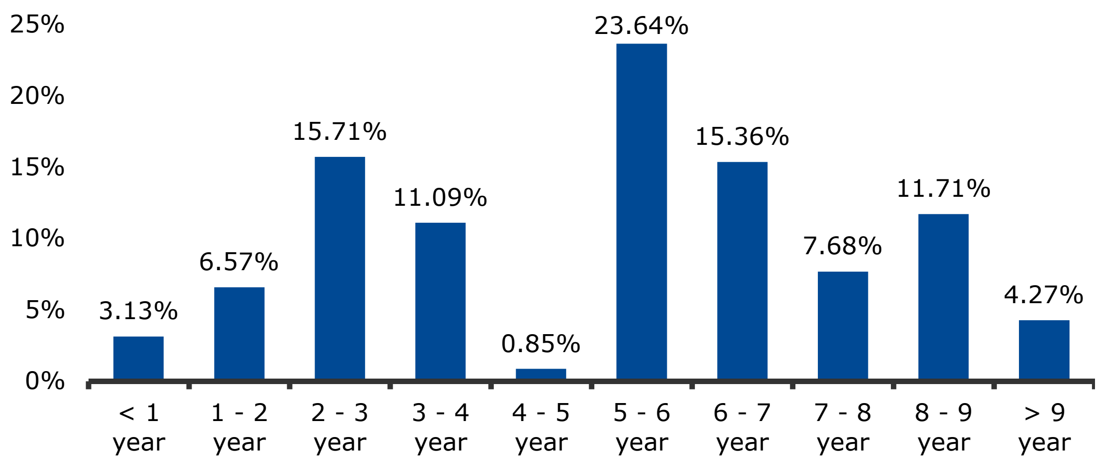


Geographical allocation by outstanding amount



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

Maturity of invested volume breakdown outstanding amount as of Q3 2019

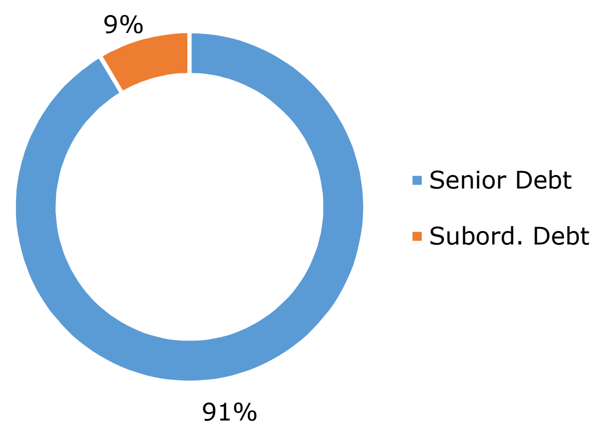


Average time to maturity	4.7 years

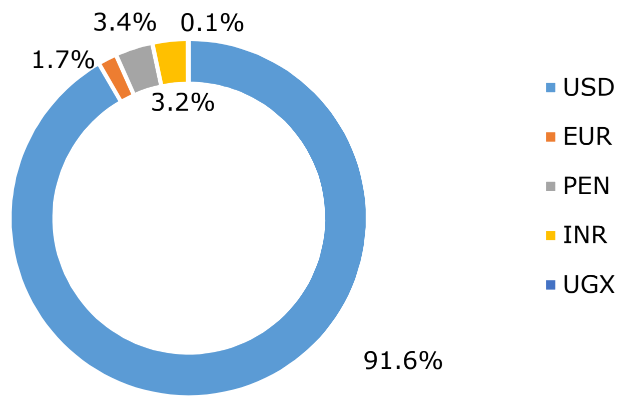
Asset Allocation	(in USD)	(in%)
Senior Debt[1]	491,115,358	84.5%
Subord. Debt[1]	49,354,836	8.5%
Cash[2]	31,682,417	5.5%
Other Assets[3]	8,974,706	1.5%
Total Assets[4]	**581,127,316**	**100.0%**

[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.

Investment instrument allocation [1]



Currency in % of total invested portfolio



2 Current Subordinated Debt exposure composed of AmeriaBank, TBC Bank and Banco Pichincha.

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	BB	Peru	A-	USD	20,000,000	3.41%
AmeriaBank	B+	Armenia	BB-	USD	9,998,685	1.71%
Banco Atlantida	BB-	Honduras	B+	USD	15,000,000	2.56%
Banco Atlantida SLV	BB-	El Salvador	B-	USD	10,000,000	1.71%
Banco Davivienda	B	El Salvador	B-	USD	28,235,294	4.82%
Banco Pichincha	B+	Ecuador	B-	USD	15,000,000	2.56%
Banco ProCredit	B	Ecuador	B-	USD	20,000,000	3.41%
Banco Promerica CR	B+	Costa Rica	B+	USD	20,000,000	3.41%
Banco Promerica DR	BB-	Dominican Republic	BB-	USD	5,000,000	0.85%
BanPro	B	Nicaragua	B	USD	22,000,000	3.75%
BasisBank JSC	BB	Georgia	BB	USD	5,000,000	0.85%
Chase Bank[3]	C	Kenya	B	USD	20,000,000	3.41%
CiFi	BB-	Panama	BBB+	USD	26,000,000	4.44%
Electronica	BB	India	BBB	USD	10,177,599	1.74%
Global Bank	BB	Panama	BBB+	USD	13,000,000	2.22%
HNB	B	Sri Lanka	B	USD	10,000,000	1.71%
LOLC Cambodia	B	Cambodia	B	USD	15,000,000	2.56%
Nam A Bank	B+	Vietnam	BB-	USD	10,000,000	1.71%
Pan Asia Bank	B	Sri Lanka	B	USD	27,000,000	4.61%
Prasac	B+	Cambodia	B	USD	20,000,000	3.41%
Ratnakar Bank	BB+	India	BBB	USD	20,000,000	3.41%
Sekerbank[4]	CCC	Turkey	B+	USD	30,000,000	5.12%
SouthEast Bank	B	Bangladesh	BB-	USD	20,000,000	3.41%
SREI	B	India	BBB	USD	30,000,000	5.12%
TBC Bank	BB+	Georgia	BB	USD	25,000,000	4.27%
The City Bank	B+	Bangladesh	BB-	USD	30,000,000	5.12%
TP Bank	B	Vietnam	BB-	USD	20,000,000	3.41%
XacBank	B-	Mongolia	B-	USD	15,000,000	2.56%
Total					**511,411,578**	**87.25%**

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 Q2 2019 data.

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	32,900,000	5.61%
Cronimet	BB	South Africa	BBB-	USD	344,714	0.06%
Greenlight Planet	B	Regional Pan-Africa[6]	B	USD	10,000,000	1.71%
Hodson Renewable	BB-	India	BBB	USD	2,030,506	0.35%
Mobisol[5]	C	Tanzania	B+	USD	6,000,000	1.02%
OGE[4]	B	Tanzania	B+	USD	3,000,000	0.51%
Redavia	B-	Ghana	B-	USD	520,000	0.09%
Roserve	B+	India	BBB	USD	6,407,466	1.09%
SolarNow	B-	Uganda	B	USD	1,000,000	0.17%
Total					**62,202,687**	**10.61%**

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 Q2 2019 data.

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 projects in Cambodia, and to align the country risk methodology 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).

5 Mobisol 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.

6 Regional Pan-African exposure: The fund has an exposure to Greenlight Planet for investments in Africa (79%) and India (21%)

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	8,621,250	1.47%
RMB	n/a	South Africa	BB+	USD	3,878,750	0.66%
Total					**12,500,000**	**2.13%**

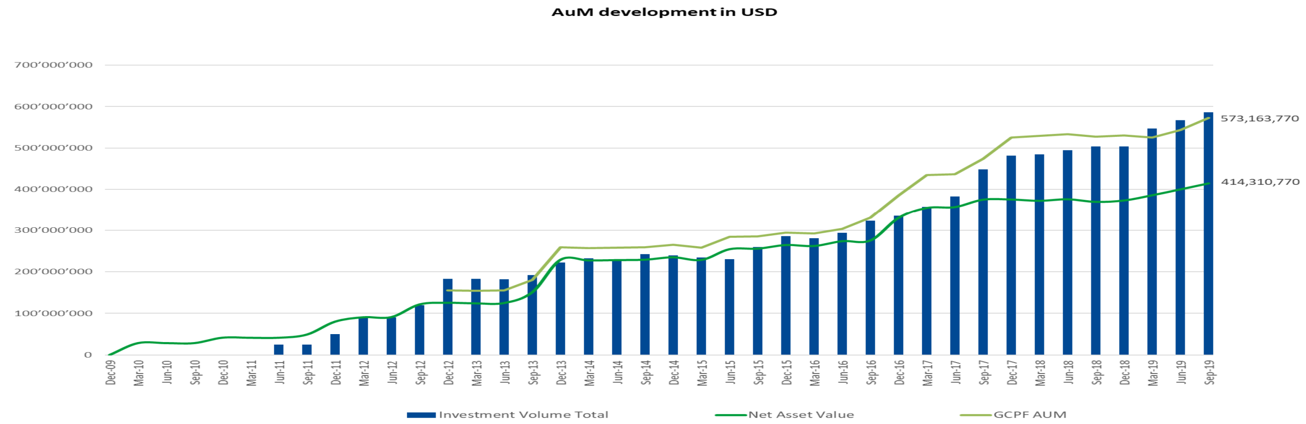
1 The Default Rating reflects the likelihood of default of an institution. It indicates the likelihood that a company may default with respect to all its financial obligations. Ratings based on Q2 2019 data.

2 Country rating source: Moodys.

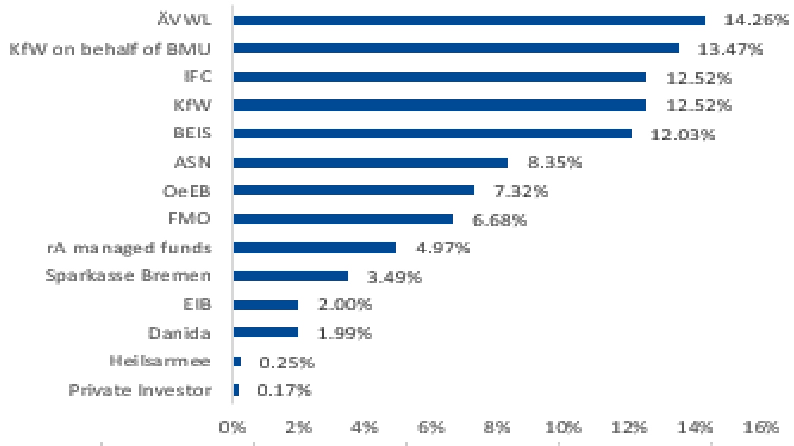
3 Legal exposure to RMB in South Africa but risk allocation is between Aloe Invest in Namibia and RMB in South Africa.

Funding Structure & Financial Performance

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



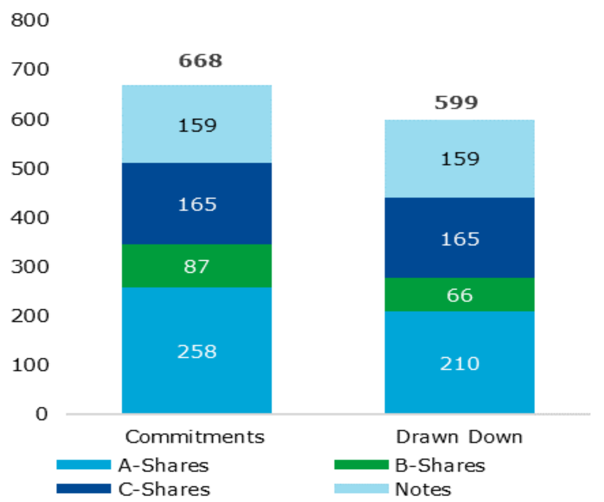
Subscribed capital by investor (%)



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

	2015	2016	2017	2018	Q3 - 2019[2]
Expected lifetime CO_2 emissions reductions from projects funded by GCPF, since inception (million tonnes)	4.21	8.39	10.17	12.82	16.76
Cumulative realized CO_2 emissions reduction (million t CO_2)[1]	0.413	0.772	1.221	1.718	2.087
Annual CO2 emissions reductions achieved (t CO_2/year)	189,912	393,195	454,897	579,242	737,895
Cumulative number of subloans since inception	33,814	48,106	53,403	62,471	73,953

[1]Figures updated upwards to include emissions reductions taking place when the equipment was already in place but the loan was not yet reported
[2]CO_2 figures updated downwards to reflect the cease in operation of Mestiachala Hydro Power Plant in Georgia due to the flooding event in July 2019

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

	2015	2016	2017	2018	Q3 - 2019[1]
Expected lifetime CO_2 emissions reductions from projects funded by GCPF since inception (million tonnes)	3.18	5.38	6.22	7.12	9.25
Annual CO_2 emissions reductions achieved (t CO_2/year)	139,154	246,215	276,511	317,597	406,155

[1] CO_2 figures updated downwards to reflect the cease in operation of Mestiachala Hydro Power Plant in Georgia due to the flooding event in July 2019

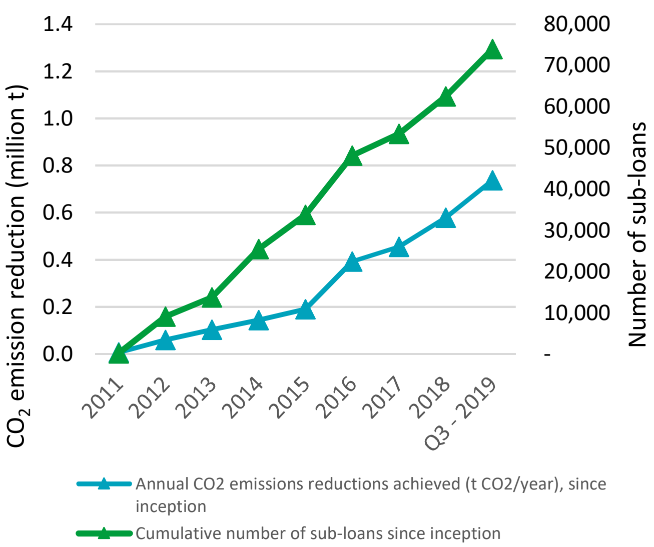
1.3. CO_2 emissions reductions and energy savings

	CO_2 emissions reductions (t CO2/year)	CO_2 emissions reductions[1] (%)	Energy Savings (MWh/year)	Energy Savings[2] (%)	Renewable Energy production (MWhyear)	Renewable energy capacity (MW)[3]
Loans disbursed in Q3 - 2019	1,895	47%	5,517	46%	309	3
Loans disbursed since inception, living assets	737,895	47%	633,281	41%	1,485,083	475

[1]including RE production projects
[2]excluding RE production projects
[3]capacity adjusted downwards to reflect the cease in operation of Mestiachala Hydro Power Plant in Georgia due to the flooding event in July 2019

2. Key impact figures - CO_2

2.1. Realized CO_2 emissions reductions and sub-loans

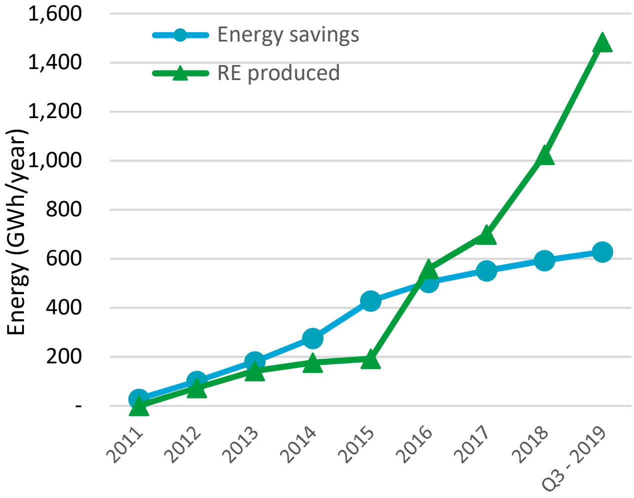


Q3 - 2019 Highlights

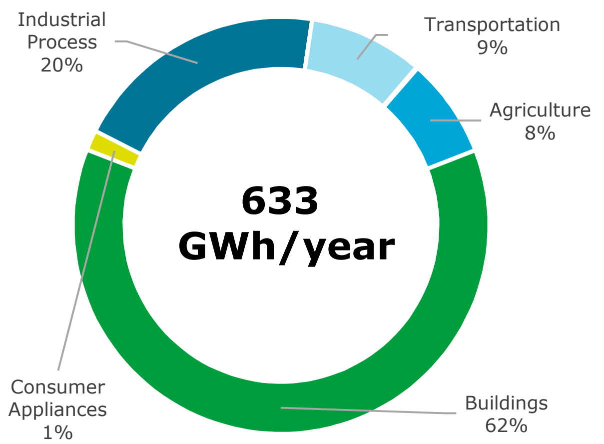
- 1,895 additional tonnes of CO_2 emissions reduced per year
- 124,270 additional tonnes of realized CO_2 emissions reductions
- 47% average CO_2 emissions reduction from projects reported during the quarter

3. Key impact figures - Energy

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



3.2. Annual energy savings by technology sector

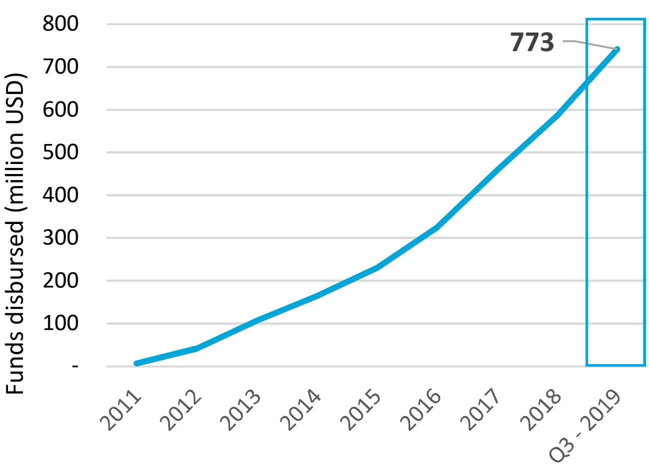


Q3 - 2019 Highlights

- 5,517 MWh/year of energy will be saved by the projects reported during the quarter
- 309 MWh/year of renewable energy will be produced by the new projects reported
- +3 MW of new installed renewable energy capacity

4. Key impact figures - Financial

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

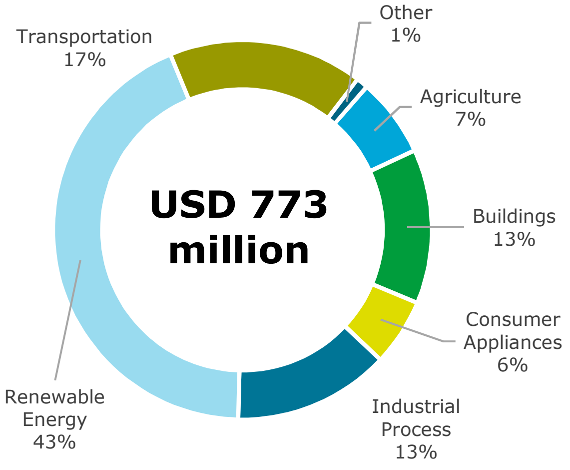


- USD 31.8 million in new sub-loans
- 421 new sub-loans

  Largest projects were reported by SEBL (USD 12 million) and HNB (USD 3.2 million)
- 1,134 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 performing portfolio, 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: 3 - 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: 6 – 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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