ThomasLloyd SICAV

Société d'Investissement à Capital Variable
In the form of a Société Anonyme
RCS Luxembourg: B 190.155
Registered office: 6A, Rue Gabriel Lippmann, L-5365 Munsbach
Share Capital: EUR 84 662 119

Financial Statements
As at and for the year ended December 31, 2018
and Report of the Réviseur d'Entreprises Agréé

No subscription can be received on the basis of these financial statements. Subscriptions are only valid if made on the basis of the Offering Memorandum supplemented by the latest annual report.

Contents

Management and administration

Registered office
6A, rue Gabriel Lippmann
L-5365 Munsbach
Grand Duchy of Luxembourg
(Current registered office)

5, Allé Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg
(Former registered office)

Directors of the Fund
Mr Luc Caytan, Chairman (appointed 23.05.2019)
Mr Michael Sieg
Mr Anthony Coveney
Mr Paul de Quant (resigned 31.12.2018)
Mr Matthias Klein
Mrs. Elisabeth Backes (appointed 25.02.2019)

Alternative Investment Fund Manager ("AIFM")
MDO Management Company S.A.
19, Rue de Bitbourg
L-1273 Luxembourg
Grand Duchy of Luxembourg

Directors of the AIFM
Mr Géry Daeninck
Mr John Li
Mr Carlo Montagna
Mr Yves Wagner
Mr Martin Vogel

Investment Advisor
ThomasLloyd Global Asset Management (Schweiz) AG
80, Talstrasse
CH-8001 Zürich
Switzerland

Depositary, paying agent
KBL European Private Bankers S.A.
43, boulevard Royal
L-2955 Luxembourg
Grand Duchy of Luxembourg
(Current depositary paying agent)

Caceis Bank, Luxembourg Branch
5, Allée Scheffer
L-2520 Luxembourg
Grand-Duchy of Luxembourg
(Former depositary and paying agent)

Central administration, and domiciliary agent
Adepa Asset Management, S.A.
6A, rue Gabriel Lippmann
L-5365 Munsbach
Grand Duchy of Luxembourg
(Current central administration and domiciliary agent)

Caceis Bank, Luxembourg Branch
5, Allé Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg
(Former central administration and domiciliary agent)

Réviseur d'Entreprise Agréé
Deloitte Audit S.à r.l.
20, Boulevard de Kockelscheuer
L -1821 Luxembourg
Grand Duchy of Luxembourg

Legal advisors
Elvinger Hoss Prussen
2, Place Winston Churchill
L-1340 Luxembourg
Grand Duchy of Luxembourg

External Valuer
Duff & Phelps Ltd
32, London Bridge Street
The Shard
London SE1 9SG
United Kingdom

Global distributor
ThomasLloyd Global Asset Management GmbH
291b, Hanauer Landstraße
60314 Frankfurt am Main
Germany

Registrar and transfer agent
European Fund Administration, S.A.
2, rue d'Alsace
1122 Luxembourg
Grand Duchy of Luxembourg
(Current registrar and transfer agent)

Caceis Bank, Luxembourg Branch
5, Allée Scheffer
L-2520 Luxembourg
Grand-Duchy of Luxembourg
(Former registrar and transfer agent)

Management report

The Fund

ThomasLloyd SICAV ("the Fund") has been incorporated in the Grand Duchy of Luxembourg as a public company limited by shares (société anonyme) and qualifies as an open-ended investment company with variable capital (société d'investissement à capital variable) governed by Part II of the Law of December 17, 2010 and qualifying as an AIF under the Law of July 12, 2013.

The Fund was first formed on September 3, 2014 as a common limited partnership (société en commandité simple) qualifying as a specialised investment fund under the Law of February 13, 2007 on specialised investment funds (as amended) and was converted into its current form on June 30, 2017 (the "Conversion").

As a result of the Conversion the previous EUR and USD Limited Partner Interests in issue were converted into Euro and USD Shares respectively and the Fund will henceforth issue Shares of various classes as opposed to Limited Partner Interests of various classes. The Fund's reference currency remains EUR.

Alternative Investment Fund Manager

According to the Law of August 10, 1915, the Fund shall be managed by its Board of Directors. The Fund has appointed MDO Management Company S.A. as the Alternative Investment Fund Manager ("AIFM") to perform the portfolio management and risk management of the Fund in accordance with the Law of July 12, 2013.

The management company has adopted a remuneration policy pursuant to applicable laws and regulations with the objective to ensure that its remuneration structure is in line with its interests and those of the collective investment schemes it manages and to prevent risk-taking which is inconsistent with the risk profiles, rules or articles of incorporation or management regulations of the collective investment schemes it manages.

Details of the remuneration policy of the management company, including the persons in charge of determining the fixed and variable remunerations of staffs, a description of the key remuneration elements and an overview of how remuneration is determined, is available at http://www.mdo-manco.com/about-us/legal-documents.

With respect to the financial year ended 31 December 2018 (as of that date, the management company had a headcount of 62 employees), the total fixed and variable remuneration paid by the management company to its employees amounted to EUR 4,299,568.98 and to EUR 977,673.25 respectively. The total remuneration paid by the management company to senior management and members of its staff whose actions have a material impact on the risk profile of the collective investment schemes managed amounted to EUR 2,857,356.02. The remuneration committee of the management company has reviewed the implementation of the remuneration policy and has not identified any deficiency in that respect. Moreover, the current version of the remuneration policy was not updated in the course of the financial year ended 31 December 2018.

Fund objective and review

The objective of the Fund is to achieve an attractive return from capital invested with a socially and environmentally responsible investment approach, which is geared towards sustainable business values, reducing investment risks through diversification across countries, sectors, technologies and investment styles. In seeking to achieve its investment objective, the Sub-Fund invests in a broad portfolio of infrastructure assets in the areas of renewable energy, utilities, transport, social infrastructure and communication across Asia and Australasia. The Sub-Fund reference currency is EUR and has been established for an unlimited duration. The Sub-Fund calculates the Net Asset Value (NAV) and the NAV per Share of each Class in the relevant Class currency as at the last business day of each month.

On December 31, 2017 the Board of Directors agreed to sell the Sub-Fund's 100% equity interest in ThomasLloyd CTI Asia Holdings Pte Ltd ("CTI Asia"), a company incorporated in Singapore, to ThomasLloyd Cleantech Infrastructure Fund GmbH (the "TL CTIF"), a company incorporated in Germany. Under the terms of the sales and purchase agreement TL CTIF advanced $69,867,128.30 of debt in CTI Asia in consideration for the share capital. The Fund in turn agreed to subscribe to debt issued by CTI Asia for the equivalent amount.

Management report *(continued)*

At the end of 2018 CTI Asia still held a biomass portfolio of three renewable energy projects in the Philippines. This consisted of:

San Carlos Biopower Inc. ("SCB") which is located at San Carlos City, Negros Occidental, Philippines. This project is in the final stage of construction and anticipates grid connecting in the second half of 2019;

South Negros Biopower Inc. ("SNB") which is located at La Carlota City, Negros Occidental, Philippines. SNB started construction in the second quarter 2016, with ground being broken on 6th April 2016. During the year the general contractor was changed to Poyry Energy Inc owing to persistent delays and a dereliction of duty by the previous contractor, Wuxi Huaguang Electric Power Engineering Co. Ltd. Construction will continue throughout 2019;

North Negros Biopower Inc. ("NNB"), which is located at Manapla, Negros Occidental, Philippines. NNB has been under construction since the second quarter of 2018.

An overview of some of the project specifics are as follows:

	SCB	**SNB**	**NNB**
Output (MWp)	19.99	24.99	24.99
Project site (m²)	210,000	300,000	252,900
Feedstock type	Primarily cane trash with some grassy and woody energy crop plants.		
Feedstock utilisation (tonnes p.a.)	170,000	244,000	244,000
Feedstock availability (tonnes p.a.)	1,100,000	1,400,000	2,100,000
Reach of electricity supply (population)	212,000	265,000	265,000
New permanent jobs	2,600	3,175	3,175
Supplier/Manufacturer			
Boiler	Wuxi Huaguang (China)	Jinan Boiler Company (China)	Jinan Boiler Company (China)
Turbine	Harbin (China)	Siemens (India)	Siemens (India)
Generator	Shandong Jinan Power Equipment Factory (China)	Siemens (India)	Siemens (India)
Transmitters	ABB (Switz)	Yokogawa	Yokogawa
Valve Actuator	Nihon Koso (Japan)	Yokogawa	Yokogawa
Boiler feed pumps	Sulzer (Switz)	GEP Ecotech	GEP Ecotech
Mobile fuel shredder	Roto Grind (Germany)	GEP Ecotech	GEP Ecotech
Rotary rakes	Pottinger (Austria)	Pottinger (Austria)	Pottinger (Austria)
Baler	Nantong (China)	Nantong (China)	Nantong (China)
General contractor (EPC)	Wuxi Huaguang Electric Power Engineering Co., Ltd	Pöyry Energy Inc.	Pöyry Energy Inc.
Operations & Maintenance	San Carlos Biopower Inc	South Negros Biopower Inc	North Negros Biopower Inc.
Electricity offtake	Victorias Rural Electric Service Cooperative (VRESCO)	Negros Occidental Electric Cooperative (NOCECO)	Northern Negros Electric Cooperative (NONECO)
Interconnection agreement			
Renewable energy payment agreement	National Transmission Corporation		
Credit rating EOC (Standard & Poor)	BBB	BBB	BBB
Power purchase agreement PHP/KWh	Statutorily guaranteed feed-in-tariff rate of 6.63 plus an annual escalation to account for inflation and FX. The rate has been set and approved for 20 years by the Government's ERC.		
CTI Asia investment value (USDm)	96.6	58.3	63.2

Management report *(continued)*

Results and dividends

The statement of comprehensive income is set out on page 9.

The Board of Directors does not recommend the payment of a dividend. The profit for the financial year was EUR 4,922,935 (2017: 9,220,009 loss) and mainly driven by interest income.

On behalf of the Board of Directors,

Anthony Michael Coveney
Director
2019

Deloitte Audit
Société à responsabilité limitée
20, Boulevard de Kockelscheuer
L-1821 Luxembourg

Tel: +352 451 451
www.deloitte.lu

To the Board of Directors of

ThomasLloyd SICAV S.A.

6A, Rue Gabriel Lippmann

L-5365 Munsbach

Grand Duchy of Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of ThomasLloyd SICAV S.A. (the « Fund »), which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year ended December 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of ThomasLloyd SICAV S.A. as at December 31, 2018, and its financial performance and its cash flows for the year ended December 31, 2018 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (Law of July 23, 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier* (CSSF). Our responsibilities under those Law and standards are further described in the "Responsibilities of *Réviseur d'Entreprises Agréé* for the Audit of the Financial Statements" section of our report. We are also independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Société à responsabilité limitée au capital de 35.000 €
RCS Luxembourg B67.895
Autorisation d'établissement 10022179

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information included in the management report but does not include the financial statements and our report of *Réviseur d'Entreprises Agréé* thereon.

Our opinion on the financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regards.

Responsibilities of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Directors of the Fund 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, the Board of Directors of the Funds is responsible for assessing the Fund'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 the Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the *Réviseur d'Entreprises Agréé* 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 a report of *Réviseur d'Entreprises Agréé* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 these financial statements.

Deloitte.

As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of the Board of Directors of the Fund'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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the Réviseur d'Entreprises Agréé 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 report of the Réviseur d'Entreprises Agréé. However, future events or conditions may cause the Fund 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.

We communicate with the Board of Directors 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.

For Deloitte Audit, *Cabinet de Révision Agréé*

David Osville, *Réviseur d'Entreprises Agréé*
Partner

June 26, 2019

Statement of comprehensive income

For the year ended December 31, 2018

(EUR)

	Note	For the year ended December 31, 2018	For the year ended December 31, 2017
Fees and expenses			
Professional fees		(296,691)	(368,376)
Administration and custody fees		(278,935)	(780,037)
General partner fees	11.3	-	(22,499)
Management fees	11.2	(1,054,176)	(1,064,340)
Total fees and expenses		**(1,629,802)**	**(2,235,252)**
Finance income			
Net foreign exchange loss		(115)	(7,850)
Other financial income	9	5,266,511	9,817
Total finance income		**5,266,396**	**1,967**
Provision for credit loss on financial assets	7	(423,614)	-
Unrealised foreign exchange gain on financial assets	7	2,911,700	-
Realised loss on disposal of financial assets	6	-	(928,145)
Realised foreign exchange loss on financial asset	6	-	(6,053,020)
Profit / (Loss) before tax		**6,124,680**	**(9,214,450)**
Subscription tax	2	(6,876)	(5,559)
Total comprehensive gain / (loss) attributable to the shareholders/partners		**6,117,804**	**(9,220,009)**
Attributable to EUR R shares		6,099,792	(9,182,650)
Attributable to USD R shares		18,012	(37,359)

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

Statement of financial position
As at December 31, 2018
(EUR)

	Note	As at December 31, 2018	As at December 31, 2017
Assets			
Current assets			
Loans and receivables	7	64,758,073	58,198,358
Cash and cash equivalents	5	33,747	87,082
Other receivables		-	30,197
Total assets		**64,791,820**	**58,315,637**
Liabilities			
Current liabilities			
Amounts payable to related parties	11	5,599,193	4,302,542
Other payables and accrued expenses	8	303,981	552,145
Total liabilities		**5,903,174**	**4,854,687**
Net assets attributable to the shareholders at the end of the year		**58,888,646**	**53,460,950**

Represented by	**As at December 31, 2018**	**As at December 31, 2017**
Class EUR R Shares (formerly A Shares)		
Number of shares	84,661.87	83,890.89
Net asset value per share	EUR 692.78	EUR 634.69
Class USD R Shares (formerly A Shares)		
Number of shares	250.00	250.00
Net asset value per share	USD 1,081.37	USD 1,040.23

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

Statement of changes in net assets

For the year ended December 31, 2018

(EUR)

	Total	Net asset value per EUR R Share (formerly A Shares)	Net asset value per USD R Share (formerly A Shares)
Net assets attributable to the Partners as at December 31, 2016	61,736,167	745.69	1,070.97
Capital contribution	944,792		
Decrease in assets attributable to shareholde	(9,220,009)		
Net assets attributable to the Shareholders as at December 31, 2017	53,460,950	634.69	1,040.23
IFRS 9 transition impact	(1,194,869)		
Capital contributions from shareholders	504,761		
Increase in assets attributable to shareholder	6,117,804		
Net assets attributable to the Shareholders as at December 31, 2018	58,888,646	692.78	1,081.37

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

Statement of cash flows

For year ended December 31, 2018

(EUR)

	Note	For the year ended December 31, 2018	For the year ended December 31, 2017
Cash flows from operating activities			
Increase/(decrease) in net assets attributable to shareholders		6,117,804	(9,220,009)
Adjustment for:			
Decrease in financial assets at fair value	6	-	6,981,165
Increase in expected credit loss on financial assets	7	423,614	-
Interest income accrued	7	(5,266,498)	-
Unrealised foreign exchange gain on financial assets	7	(2,911,700)	-
Net changes in operating assets and liabilities		**(1,636,780)**	**(2,238,844)**
Increase in trade and other payables	8	1,048,487	1,239,996
(Decrease)/increase in trade and other receivables		30,197	(30,197)
Net cash flow used in operating activities		**(558,096)**	**(1,029,045)**
Net cash flow generated by investing activities		-	-
Cash flows from financing activities			
Proceeds from issuance of shares/interests	10	504,761	944,046
Net cash flow generated by financing activities		**504,761**	**944,046**
Net decrease in cash and cash equivalents	5	(53,335)	(84,999)
Cash and cash equivalents at beginning of the year	5	87,082	172,081
Cash and cash equivalents at end of year		**33,747**	**87,082**

The accompanying notes form an integral part of these financial statement.

Notes to the financial statements for the year ended December 31, 2018

(forming part of the financial statements)

1 General information

The Fund has been incorporated in the Grand Duchy of Luxembourg as a public company limited by shares (société anonyme) and qualifies as an open-ended investment company with variable capital (société d'investissement à capital variable) governed by Part II of the Law of December 17, 2010 and qualifying as an AIF under the Law of July 12, 2013. The Fund was first formed on September 3, 2014 as a common limited partnership (société en commandité simple) qualifying as a specialised investment fund under the Law of February 13, 2007 on specialised investment funds (as amended) and was converted into its current form on June 30, 2017 (the "Conversion").

The Fund is governed by an Offering Memorandum (the "Prospectus") dated August 9, 2018.

The Fund will issue Shares in the following Classes which shall have the following reference currency and shall be available either as Accumulation Shares or Distribution Shares, as follows:

Class R Shares (formerly Class A) are offered to all investors. Class I Shares are reserved for institutional investors.

Class R (EUR)	Class R (GBP)	Class R (CZK)	Class R (USD)	Class R (CHF)
Class R (AUD)	Class R (JPY)	Class I (GBP)	Class R (RMB)	Class R (SGD)
Class R (NZD)	Class I (EUR)	Class I (USD)	Class I (CHF)	

The Fund was incorporated as an open-ended Fund for an unlimited duration.

The Fund's financial year starts on January 1 and ends on December 31 of each calendar year. The first financial period started on September 3, 2014 (date of incorporation), and ended on December 31, 2014.

The Fund's currency is the Euro ("EUR"). These financial statements were authorised for issue by the Board of Directors on , 2019.

The Fund's registered office is located at 6A, rue Gabriel Lippmann, L-5365 Munsbach, Grand-Duchy of Luxembourg.

The Fund is registered in the Luxembourg Register of Commerce under number B 190 155. The articles of incorporation have been registered with the Registre de Commerce et des Sociétés de Luxembourg on September 9, 2014 and have been published in the Mémorial, Recueil des Sociétés et Associations (the "Memorial") on September 15, 2014.

The Fund has appointed MDO Management Company S.A. ("the AIFM") under the terms and conditions of an AIFM Agreement entered into on June 30, 2017, and in accordance with the AIFM Law, to perform the portfolio management and risk management of the Fund.

The AIFM manages the Fund in accordance with the Offering Memorandum (the "Prospectus") and Luxembourg laws and regulations in the exclusive interest of the Partners. It is empowered, subject to the rules as further set out hereafter, to exercise all the rights attached directly or indirectly to the assets of the Sub-Funds. In accordance with the terms of the AIFM Agreement, the AIFM takes the investment and divestment decisions for the Sub-Funds, in accordance with the terms of the Offering Memorandum and subject to a prior favourable recommendation by the Investment Committee.

The Fund has an umbrella structure and may consist of several Sub-Funds, which may have a limited lifetime. In accordance with Article 181 of the Law of December 17, 2010, a separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the Investment Objective, Investment Policy and Investment Restrictions applicable to that Sub-Fund. Each Sub-Fund is solely liable vis-à-vis creditors for the debts, commitments and liabilities relating to that Sub-Fund. Between Shareholders, each Sub-Fund is regarded as being separate from the other Sub-Funds.

Notes to the financial statements *(continued)*

1 General information (continued)

To this date, the Fund has created only one Sub-Fund: ThomasLloyd SICAV – Sustainable Infrastructure Income Fund (the "Sub-Fund", formerly ThomasLloyd SICAV– Cleantech Infrastructure Fund).

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below:

Basis of preparation

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union ("IFRS").

The financial statements have been prepared on a going concern basis, applying the historical cost convention, except for the measurement of financial assets that have been measured at fair value through profit or loss.

The Board of Directors of the Fund is of the opinion that the Fund will continue in operation as a going concern and that the Fund's liquidity is sufficient for it to be able to meet its obligations as and when they fall due, in the normal course of business, for at least twelve months from the date of approval of the financial statements.

Critical accounting judgements and estimation uncertainty

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. The areas, involving a higher degree of judgment or complexity and where assumptions and estimates are significant to the financial statements, are described in note 3.

Adoption of new and revised standards

During the year the Fund has applied IFRS 9 "Financial Instruments" (as revised in July 2014) and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment for financial assets and 3) general hedge accounting. In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. As at January 1, 2018, the directors of the Fund reviewed and assessed the Group's existing loans and receivables for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of IFRS 9 to determine the credit risk of the respective items at the date they were initially recognised. The effect of applying this standard included an initial credit loss provision of EUR 1,194,869 at the date of the assessment.

IFRS 15 "Revenue from Contracts with Customers" and the amendments to IFRS 2 "Share-based Payment", IFRS 4 "Insurance Contracts", and IFRIC 22 "Foreign Currency Transactions and Advance Consideration", effective as of January 1, 2018, did not have a material effect on the Fund's interim financial information as at December 31, 2018.

New and revised IFRSs in issue but not effective:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2018, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Fund.

Notes to the financial statements *(continued)*

2 Summary of significant accounting policies (continued)

Functional and presentation currency

The Fund's investors are mainly from the European Economic Area, with the capital contributions denominated in the applicable currency of each Ordinary Share Class R (formerly Class A), as disclosed above. The performance of the Fund is measured and reported to the investors in EUR and USD.

The Board of Directors considers the Euro ("EUR") as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in EUR, which is the Fund's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of any individual transaction. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing on the relevant reporting date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income. Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within "net foreign exchange gains or losses on cash and cash equivalents". Foreign exchange gains and losses relating to loans and receivables are presented in the statement of comprehensive income within "unrealised foreign exchange gain on financial assets".

As at December 31, 2018, the following exchange rate has been used: 1 EUR = 1.1433 USD.

Cash and cash equivalents

Cash and cash equivalents include cash held in demand deposits. As at December 31, 2018, the carrying amount of cash and cash equivalents approximate their fair value.

Financial instruments

Financial assets and financial liabilities are recognised on the Fund's statement of financial position when the Fund becomes a party to the contractual provisions of the instrument.

(i) Financial assets

Financial assets including loans and other receivables, are initially recognised at transaction price and are subsequently carried at amortised cost using the effective interest rate method.

At the end of each reporting date these assets are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value. The impairment loss is recognised in the profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit or loss.

Other financial assets including investments are initially recognised at fair value which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the profit or loss.

Notes to the financial statements *(continued)*

2 Summary of significant accounting policies (continued)

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(ii) Financial liabilities

Basic financial liabilities, including other payables, and amounts due to group companies, are initially recognised at fair value, net of transaction costs. These are subsequently carried at amortised cost, using the effective interest rate method and the impact recognised in the profit or loss.

Other payables and accrued expenses

Other payables and accrued expenses are not interest bearing and are stated at their nominal value. This approximates their fair value, because of their short term to cash payment.

Taxation

The Fund is not liable to any Luxembourg income tax, nor are dividends (if any) paid by the Fund liable to any Luxembourg withholding tax. The Fund is liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.01% per annum of its assets. Such tax is payable quarterly and calculated on the Net Asset Value at the end of the relevant quarter. No stamp duty or other tax is payable in Luxembourg on the issue of Interests in the Fund.

Net assets attributable to the shareholders

The net asset value per share of each share class is determined in the reference currency of the relevant share class as at each valuation day by dividing the net assets properly allocated to each share class by the total number of shares of such share class then outstanding. The net assets of a share class consist of the value of the total assets properly allocated to such share class less the total liabilities properly allocated to such share class, calculated as of each valuation day.

Distributions

Distributions of net assets attributable to the shareholders and repayment of funded committed capital, if any, are shown in the statement of changes in net assets attributable to the shareholders.

Income and expenses

Income and expenses are accounted on an accrual basis and are recognised in the statement of comprehensive income.

3 Significant accounting judgements and estimates

Critical accounting estimates and judgements

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes to the financial statements *(continued)*

3 Significant accounting judgements and estimates *(continued)*

The Fund has provided short term loans at rates comparable to the average commercial rate of interest. See notes 6 and 7 for details. These redeemable short-term loans are held by the Fund with the objective to collect their contractual cash flows of principal and interest on the principal amount outstanding. Hence all of these financial assets are classified as at amortised cost.

For the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to twelve month expected credit loss (ECL). ECL has been provided for them upon initial application of IFRS 9 until these financial assets are derecognised. It was determined on initial application of IFRS 9 that it would require undue cost and effort to determine whether their credit risk had increased significantly since initial recognition to the date of initial application of IFRS 9.

In determining the ECL for these assets, the directors of the Fund have taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of the redeemable notes operate. In addition the directors have obtained economic reports and considered various external sources of actual and forecast economic information in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizons, as well as the loss upon default.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets since this is the first year of application of IFRS 9.

4 Financial risk management

The objective of the Fund is to achieve an attractive return from capital invested, while reducing investment risks through diversification across countries, sectors and investment styles. The Fund's activities expose it to a variety of financial risks:

- market risk (including currency risk, interest rate risk and price risk);
- credit risk;
- liquidity risk.

The Fund's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance.

The management of these risks is carried out by the Investment Advisor under the Risk Management Policy approved by the AIFM.

All risks relevant to the portfolio of the AIF (and its sub-funds as the case may be) derived from assets and financial instruments held or invested into are appropriately identified according to market standard practices, in accordance to the risk management process and risk management policy of the AIFM. The AIFM has put in place different risk managements systems to, in an appropriate manner, depending on the asset classes identified by the AIFM, measure and monitor the different risks to which the AIF and its sub-funds may be exposed to, and as part of the risk management practices, regular reporting is prepared illustrating key risk metrics, in line with methodologies which are appropriate for the type of investments the AIF and its sub-funds may be exposed to. Furthermore, stress tests are performed and regular investment compliance checks are conducted with regards to the legal investment restrictions as well as any relevant restrictions of the offering documents. All key risk and potential issues are reported to the board of the AIF.

In accordance with the AIFM Regulation leverage is any method which increases the Fund's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a percentage of a Fund's exposure to its net asset value and is calculated on both a gross and commitment method.

Notes to the financial statements *(continued)*

4 Financial risk management *(continued)*

Under the gross method, exposure represents the sum of a Fund's positions (including all holdings) after deduction of cash balances and cash equivalents, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and cash equivalents and after certain hedging and netting positions are offset against each other if applicable.

As at 31 December 2018, the total amount of leverage calculated according to the gross method and according to the commitment method amounts to 109.95% and 110.01% respectively.

The risks described below are those that are considered to be possible but are not necessarily the only risks that can materialise. The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

4.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Fund's income or the value of its holdings of financial instruments. Market risk embodies the potential for both gains and losses and includes currency risk, price risk and interest rate risk.

(a) Foreign exchange risk

The Fund operates internationally and may hold assets denominated in currencies other than the EUR, the functional currency. Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognized monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk.

As at December 31, 2018 *(EUR)*

	EUR	USD	Total
Loans and receivables	-	64,758,073	64,758,073
Cash and cash equivalents	33,692	55	33,747
Other assets and liabilities	(5,903,174)	-	(5,903,174)
Total net assets/(liabilities)	(5,869,482)	64,758,128	58,888,646
% of NAV	(9.97)%	109.97%	100.0%

As at December 31, 2017, the Fund is exposed to foreign exchange risk through its financial assets as summarized in the following table:

As at December 31, 2017 *(EUR)*

	EUR	USD	Total
Loans and receivables	-	58,198,358	58,198,358
Cash and cash equivalents	70,240	16,842	87,082
Other assets and liabilities	(4,824,490)	-	(4,824,490)
Total net assets/(liabilities)	(4,754,250)	58,215,200	53,460,950
% of NAV	(8.9)%	108.9%	100.0%

Notes to the financial statements *(continued)*

4 Financial risk management *(continued)*

Currency Sensitivity Analysis

As at December 31, 2018, the following exchange rate has been used: 1 EUR = 1.1433 USD.

As at December 31, 2018, had the USD strengthened by 5% in relation to EUR, with all other variables held constant, net assets and profit would have increased by EUR 3,408,323 (2017: 3,063,958). A 5% weakening of the USD against EUR would have decreased net assets and profit by EUR 3,083,720 (2017: 2,772,152).

(b) Interest rate risk

This arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund's exposure to interest rate risk as at December 31, 2018, is limited to its cash at bank which has a maturity of less than one year, and to the assessed impairment calculation of its receivables.

(c) Price risk

This is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

Portfolio investments will be subject to the risks inherent in all private equity investments. The portfolio investments may not be profitable at the time of investment and may experience substantial fluctuations in their operating results.

As at December 31, 2017 and December 31, 2018, the Fund did not hold any financial instrument significantly exposed to market price risk.

4.2 Credit Risk

This is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation.

The Fund's policy is to minimize credit risk by entering into transactions only with leading financial institutions and reputable industrial companies. Any idle funds pending investment or distribution may temporarily be invested in money market instruments and other liquid assets at the discretion of the AIFM. Any such temporary investments must be placed with reputable prime rated institutions such as KBL European Private Bankers, Luxembourg.

As at December 31, 2018, the Fund is exposed to credit risk through its cash and cash equivalents and loans and receivables. Credit risk as measured by the probability of default is a factor in the calculation of the Fund's expected credit loss provision. A higher probability would increase the provision and the expenses of the Fund. Similarly a lower probability would decrease the provision and expenses of the Fund.

4.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Fund's exposure to liquidity risk is detailed in the table below.

Notes to the financial statements *(continued)*

4 Financial risk management *(continued)*

As at December 31, 2018 *(EUR)*

	Less than one year	Total
Loans and receivables	64,758,073	64,758,073
Cash and cash equivalents	33,747	33,747
Other assets and liabilities	(5,903,174)	(5,903,174)
Total net assets/(liabilities)	58,888,646	58,888,646
% of NAV	100.00%	100.0%

Please note that none of the AIF's assets were subject to special arrangement due to their illiquid nature as at 31 December 2018.

As at December 31, 2017 *(EUR)*

	Less than one year	Total
Loans and receivables	58,198,358	58,198,358
Cash and cash equivalents	87,082	87,082
Other assets and liabilities	(4,824,490)	(4,824,490)
Total net assets/(liabilities)	53,460,950	53,460,950
% of NAV	100.00%	100.0%

5 Cash and cash equivalents

As at December 31, 2018, the caption "cash and cash equivalents" amounts to EUR 33,747 (2017: EUR 87,082) and comprises cash accounts at KBL European Private Bankers S.A.

6 Financial assets at fair value through profit or loss

On December 31, 2017, the Board of Directors agreed to sell the Sub-Fund's 100% equity interest in ThomasLloyd CTI Asia Holdings Pte Ltd ("CTI Asia"), a company incorporated in Singapore, to ThomasLloyd Cleantech Infrastructure Fund GmbH (the "TL CTIF"), a company incorporated in Germany. Under the terms of the sales and purchase agreement TL CTIF advanced $69,867,128.30 of debt in CTI Asia in consideration for the share capital. The Fund in turn agreed to subscribe to debt issued by CTI Asia for the equivalent amount. At December 31, 2017 the Euro value of this advance was EUR 58,198,358.

Notes to the financial statements *(continued)*

7 Loans and receivables

As at December 31, 2018 this item consists of a USD loan note to CTI Asia, $69,867,128 (EUR 61,110,057).

The loan has a maturity of twelve months and an interest rate of 8.5% p.a. and the Fund has no plans to redeem the loan or interest before this time. Accrued interest is included in the receivable balances as detailed below.

	As at December 31, 2018 EUR	As at December 31, 2017 EUR
Loan principle	58,198,358	58,198,358
Loan revaluation	2,911,700	-
Accrued interest	5,266,498	-
IFRS 9 transition impact	(1,194,869)	-
Additional provision for ECL	(423,614)	-
Total	**64,758,073**	**58,198,358**

Assumptions and estimates used in the calculation of the expected credit loss provision are described in note 3, Significant accounting judgements and estimates.

8 Other payables and accrued expenses

As at December 31, 2018 and 2017, this caption comprises:

	As at December 31, 2018 EUR	As at December 31, 2017 EUR
Administrative, domiciliation and transfer agent fees	141,433	333,262
Legal and professional fees	100,818	93,500
VAT payable	32,953	83,727
Custody fees	24,502	36,148
Subscription tax	4,275	5,508
Total	**326,481**	**552,145**

9 Other financial income

As at December 31, 2018 and 2017, this caption comprises:

	As at December 31, 2018 EUR	As at December 31, 2017 EUR
Interest on loans and borrowings	5,266,499	-
Interest on cash balances	12	60
Adjustment to taxes and duties	-	9,757
Total	**5,266,511**	**9,817**

Notes to the financial statements *(continued)*

10 Net assets attributable to shareholders/partners

The capital activity since the incorporation is depicted as follows for the Sub-Fund:

	Initial Ltd Partner	EUR A Ltd Partners	USD A Ltd Partners	EUR R Shares (formerly A Shares)	USD R Shares (formerly A Shares)	Total
As at 31 December 2015	**753**	**61,590,468**	**-**	**-**	**-**	**61,591,221**
Capital Contribution	-	499,999	235,649	-	-	735,648
Decrease in net assets	(8)	(609,555)	18,860	-	-	(590,703)
As at 31 December 2016	**745**	**61,480,912**	**254,509**	**-**	**-**	**61,736,166**
Capital Contribution	-	250,000	-	-	-	250,000
Capital Conversion	(745)	(61,730,912)	(254,509)	53,265,156	219,587	(8,501,423)
As at 30 June 2017	**-**	**-**	**-**	**53,265,156**	**219,587**	**53,484,742**
Capital Contribution	-	-	-	694,792	-	694,792
Decrease in net assets	-	-	-	(715,622)	(2,963)	(718,585)
As at 31 December 2017	**-**	**-**	**-**	**53,244,326**	**216,623**	**53,460,950**
IFRS 9 transition impact	-	-	-	(1,190,027)	(4,842)	(1,194,869)
Capital Contribution	-	-	-	504,761	-	504,761
Increase in net assets	-	-	-	6,093,128	24,675	6,117,804
As at 31 December 2018	**-**	**-**	**-**	**58,652,188**	**236,457**	**58,888,646**

A summary of the shares/interests in issue is as follows:

	As at 31 December 2018		As at 31 December 2017	
EUR	Number of Shares	NAV Share	Number of Shares	NAV Share
Class EUR R Shares (formerly Class A)	84,661.87	692.78	83,890.89	634.69
Class USD R Shares (formerly Class A)	250.00	945.83	250.00	866.49

11 Amounts payable to related parties

As at December 31, 2018 the related parties are as follows:

- MDO Management Company S.A., as the AIFM (Note 11.1 and 11.2),
- ThomasLloyd Capital Partners S.à r.l., as the former General Partner (Note 11.3),
- ThomasLloyd Global Asset Management GmbH, as the Global Distributor,
- ThomasLloyd Cleantech Infrastructure Holding GmbH, as a shareholder,
- ThomasLloyd Global Asset Management (Schweiz) AG, as the Investment Advisor.
- The Board of Directors of the Fund.

Notes to the financial statements *(continued)*

11 Amounts payable to related parties *(continued)*

As at December 31, 2018 and 2017, the balances payable to these parties were:

	As at December 31, 2018 EUR	As at December 31, 2017 EUR
Management fees (Note 11.2)	4,569,658	3,556,083
Other amounts payable to group companies	1,029,535	678,959
General Partner's fees (Note 11.3)	-	67,500
Total	**5,599,193**	**4,302,542**

Other amounts payable to group companies consists of expenses paid on behalf of the Fund by ThomasLloyd entities listed as related parties above.

11.1 - Performance fees

The AIFM is entitled to a monthly Performance Fee paid from the net assets of the Sub-Fund and calculated on each Valuation Day. The Investment Advisor is entitled to a Performance Fee which will be paid by the AIFM out of its own Performance Fee. This amounted to EUR nil as of December 31, 2018 (2017: nil)

The return is calculated on the basis of the Sub-Fund's Net Asset Value of the current month less the Sub-Fund's Net Asset Value of the previous month before deduction of the current month's Performance Fee (the "Return"). The annual Performance Fee will be fifteen per cent (15%) of the corresponding Return. As at December 31, 2018 the Performance Fee is nil (2017: nil).

11.2 Management fees

The AIFM is entitled to a monthly management fee, and the AIFM will remunerate the Investment Advisor out of the Management Fee in accordance with the terms and provisions of the AIFM Agreement and the Investment Advisory Agreement respectively. During the year these fees totalled EUR 1,054,176 (2017: EUR 1,064,340). The management fee is to be paid monthly in arrears and equal to a twelfth part of 1.8% (2% prior to August 2018) of the Sub-Fund's total monthly NAV in respect of Class R Shares (formerly Class A) and 1.2% of the monthly NAV of Class I Shares.

11.3 General Partners fees

For risk monitoring and management for the Sub-Fund, the General Partner charged EUR 3,750 per month up until the conversion date, June 30, 2017. As at December 31, 2018, no accrual for this fee remained (2017: EUR 67,500).

12 Fees & expenses

During 2018 and 2017, Fees and expenses included the following Deloitte fees:

	2018 EUR	2017 EUR
Audit Fees	128,676	93,079
Tax Advisory Fees	3,378	4,483
Total	**132,054**	**97,561**

Notes to the financial statements *(continued)*

13 Distributions

No distributions have been made during year ended December 31, 2018 (2017: nil).

14 Off balance sheet items

As at December 31, 2018 there are no off balance sheet commitments.

15 Post balance sheet events

It is envisaged that during the course of 2019 the Fund's AIFM will change from MDO Management Company S.A. to Adepa Asset Management S.A.