



GREG PAYNE, PHD, CFA

# **MANAGER'S COMMENTARY**

Financial market activity in June was dominated by the drama of the British referendum vote to leave the European Union. Although much of the initial losses were recouped by month end, the vote points to increased political and economic uncertainty for years to come, and not just in Europe (as Americans contemplate the very real possibility of a Trump administration).

Brexit news overshadowed some pretty dramatic moves in the environmental sectors. As is so often the case, Elon Musk found a way to dominate the headlines, this time by announcing intentions to use his car company, Tesla, to buy his cousins' rooftop solar installer SolarCity (Elon Musk is chair of the board). Beyond potential conflicts of interest and self-dealing, it is hard to see the rationale of buying another cash-draining company when Tesla requires enormous amounts of new capital and focus to deliver on its production and cost targets for the Model 3 launch.

Another interesting development was the announcement by Canada's Brookfield Asset Management of its purchase of 12% of SunEdison yieldco Terraform Power and the possibility of acquiring significantly more. SunEdison's Terraform companies (Greenchip fund holds Terraform Global) have been under a cloud of uncertainty since the bankruptcy announcement of their parent. While financial reports are delayed due to the ongoing disentangling of operations, it is our view that the generation assets held by the Terraforms are not eligible to satisfy SunEdison creditor claims, and that fears to the contrary have led these assets to be significantly undervalued by the market. It now seems that Brookfield, with its reputation for shrewd financial decisions, agrees with our assessment.

## FUND PRICE (AS OF JUNE 30, 2016): \$11.61 (CLASS A), \$12.25 (CLASS F), \$13.62 (CLASS I)

# **MONTHLY FUND PERFORMANCE (GROSS)**

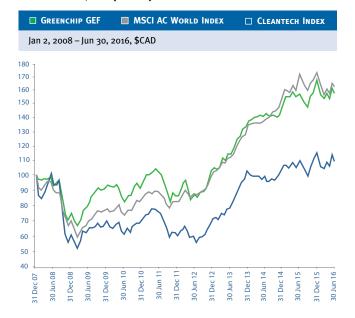
NAV RETURN % (\$CAD)										YTD
Greenchip GEF	-5.2	-1.3	1.7	-1.2	3.9	-2.4	 	 	 	-4.8%
MSCI World	-4.8	-4.5	2.0	-1.6	5.0	-1.8	 	 	 	-5.9%
Cleantech	-7.0	-0.3	26	-23	6.0	-3 7	 	 	 	-5.1%

#### **GROSS RETURNS**

	GREENCHIP GEF	MSCI World	CLEANTECH	
1 Month	-2.4%	-1.8%	-3.7%	
3 Month	0.2%	1.4%	-0.3%	
6 Month	-4.8%	-5.9%	-5.1%	
1 Year	1.3%	1.1%	2.0%	
3 Year*	13.0%	14.6%	13.2%	
5 Year*	9.4%	13.1%	7.4%	
Since Inception*	5.5%	5.9%	0.9%	
2015	18.0%	18.9%	21.8%	
2014	6.9%	14.4%	-0.3%	
2013	35.8%	35.2%	46.3%	
2012	11.7%	13.3%	4.9%	
2011	-10.1%	-3.2%	-16.2%	

<sup>\*</sup> annualized performance

### GROWTH OF \$100 (GROSS)



The investment objective of the Fund is to outperform the Morgan Stanley World Index over a full market cycle. The Fund invests in publicly listed companies located around the world that operate in our targeted environmental sectors and that we believe are trading at a discount to their future cash generation potential.

# **FUND FACTS**

**ASSET CLASS:** Global Equity (Environmental Sectors)

**BENCHMARK:** MSCI World Index

**FUND TYPE:** Open end investment trust **QUALIFIED PURCHASER:** Accredited Investor

MINIMUM INVESTMENT: \$50,000

**RRSP ELIGIBLE:** Yes

FUNDSERV CODES: Class A: eco 100

Class F: eco 200 Class I: eco 300 PURCHASE AND REDEMPTIONS: Last business day of each month

CUSTODIAN: RBC Dexia Investor Services
AUDITOR: PricewaterhouseCoopers LLP
LEGAL COUNSEL: Miller Thomson LLP

**PERFORMANCE FEE:** 10% of profits above a 6% hurdle

(payable only on redemption)

MANAGEMENT FEES: Class A: 1.5 %

Class F: 1.0 % Class I: Negotiable

### **PORTFOLIO SUMMARY**

COMPANY NAME	REGION	Size	Sector	MARKET VALUE	WEIGHT
Boralex	Canada	Small	Energy	\$1,765,617.48	5.9%
Trina Solar	Asia	Mid	Energy	\$1,708,831.17	5.7%
Jinko Solar	Asia	Mid	Energy	\$1,588,051.95	5.3%
Alstom	Europe	Large	Diversified	\$1,566,152.07	5.2%
Siemens	Europe	Large	Diversified	\$1,528,081.50	5.1%
AVX Corp	United States	Mid	Clean Tech	\$1,269,818.18	4.3%
KSB	Europe	Mid	Water	\$1,229,981.24	4.1%
Infineon Technologies	Europe	Mid	Clean Tech	\$1,123,214.54	3.8%
AGCO	United States	Mid	Food	\$1,101,740.26	3.7%
JA Solar	Asia	Small	Energy	\$1,067,532.47	3.6%
Cosan	Brazil	Mid	Energy	\$930,000.00	3.1%
Eaton Corp	United States	Large	Clean Tech	\$853,285.71	2.9%
Faiveley	Europe	Mid	Clean Tech	\$656,150.99	2.2%
Itron	United States	Mid	Clean Tech	\$643,701.30	2.2%
ABB	Europe	Large	Energy	\$605,201.30	2.0%
IXYS Corp	United States	Small	Clean Tech	\$599,025.97	2.0%
Philips Lighting	Europe	Mid	Clean Tech	\$598,759.20	2.0%
TSO <sub>3</sub>	Canada	Small	Clean Tech	\$560,000.00	1.9%
Other Equities	-	-	-	\$6,653,935.51	20.6%
Fixed Income	-	-	-	\$1,017,855.00	3.4%
Cash	-	-	-	\$2,773,547.91	9.3%
Total Value	-	_	_	\$29,840,483.75	100.0%

