

GREENBACKER RENEWABLE ENERGY COMPANY II

A HIGH IMPACT FUND



Photo courtesy of Greenbacker Capital

INVESTING IN THE TRANSITION TOWARD A RENEWABLE ENERGY FUTURE

Transitioning global electricity generation to clean, renewable sources is widely acknowledged as an essential prerequisite to meeting critical global climate goals. While the transition to clean energy is advancing, in order to meet global climate goals by 2050, the current pace needs to accelerate by 3 to 5 times relative to where renewable deployment is today.¹ Greenbacker Renewable Energy Company II ("GREC II") provides investors with a unique opportunity to invest in a clean energy transition fund with strong returns relative to the risk of the underlying portfolio.

GREC II presents investors with a straightforward opportunity to support clean energy goals by investing in a large and growing portfolio of renewable energy projects. Due to the stability and nature of the portfolio, the fund's 7-10% target returns are favorable relative to the field on a risk-adjusted basis. The fund is one of the premier owners and operators of commercial and utility-scale renewable energy power facilities in the United States. The majority of the portfolio (50-75%) consists of solar and wind projects, with the remaining invested in energy storage and other projects including energy efficiency. Projects generate highly predictable long-term cash flows, typically secured by 15 to 25-year contracts.

GREC II offers an evergreen fund structure and provides investors with quarterly liquidity after a 1-year lock-up. The fund's 7-10% target includes a 4.5% annual cash dividend, which is generated by income earned through its projects' sale of clean electricity and the value appreciation of projects that the fund builds and brings online.

ABOUT GREENBACKER CAPITAL

Greenbacker Capital was founded in 2011, with the objective of bringing sustainable energy and other infrastructure investment opportunities to market. Greenbacker invests in a portfolio of income-producing renewable energy facilities and energy-related ventures, with holdings diversified across geography, size, and power source (e.g., solar, wind, energy storage). These projects sell power under long-term contracts to high-credit-quality counterparties, including utilities, municipalities, and corporations. Greenbacker's investment portfolio has grown to over \$3.1 billion, representing more than 3.5 Gigawatts of generation capacity across 480 commercial and industrial-scale solar, wind, and battery plants.

ABOUT THE VENTURE IMPACT PROGRAM (VIP)

VIP is an innovative way for MCF donors to engage in impact investing through philanthropy. Via a partnership with ImpactAssets – a market leader in impact investing – VIP enables philanthropic dollars to be directed towards both non-profit and for-profit companies that are seeking to make positive social or environmental impact.

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7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION



ImpactAssets		RISK RETURN MATRIX		
RISK LEVEL	HIGH RISK			
	MODERATE RISK			X
	LOW RISK			
		NON-MARKET RATE	NEAR-MARKET RATE	MARKET RATE
RELATIVE RETURN				



ImpactAssets		FUND SUMMARY
ASSET CLASS	Real Assets	
TARGET FUND SIZE	\$3 Billion	
TERM	Evergreen	
TARGET RETURN	7-10%	
LIQUIDITY	Quarterly liquidity available after 1-year lockup; subject to 5% fund-level quarterly gate	
IMPACT AREAS	<ul style="list-style-type: none"> Energy transition Grid resilience 	
INVESTMENT FEES	This investment recommendation will incur an additional fee of 0.40%. The fee is calculated on current asset basis.	
INVESTMENT THESIS	<ul style="list-style-type: none"> Acquire and finance the construction and/or operation of income-generating renewable energy, energy efficiency and sustainable development projects, primarily within the United States. Build portfolio consisting of commercial and utility solar or wind projects (50-75%), and battery storage (15%), with the remaining portfolio invested in other projects including mobility and energy efficiency. 	
IMPACT THESIS	<ul style="list-style-type: none"> Scaling up existing clean energy technologies (primarily solar and wind) that can replace fossil fuel-sourced energy in the United States, helping pave the way to carbon net zero in the U.S. over the next 30 years. Investing in energy storage, an important component of grid stabilization. The ability to store energy via batteries can help overcome one of the major hurdles to the adoption of renewable energy sources: variability in output. 	
ILLUSTRATIVE INVESTMENT	<p>HOLIDAY HILL: Holiday Hill is a 5.0-megawatt wind generation facility located in Massachusetts. The facility will generate 100% renewable energy, and already has 25-year contracts in place to sell electricity to three local utilities. As part of the investment, Greenbacker will finance and oversee the construction of the wind turbines and take over ownership of the project once it is fully operational. Once the project is operational, it is expected to generate over 12k megawatt-hours of clean energy per year.</p>	
STRENGTHS	<ul style="list-style-type: none"> Portfolio designed to generate reliable returns with strong risk mitigation practices in place. Utilizes proven technologies and prioritizes high-quality, low-risk purchasers to buy the electricity generated by its portfolio. GREC II's predecessor, GREC, has achieved a 7.34% net return to investors from inception through 3/31/2022. 11-person senior leadership team has 50+ years of experience in the energy, infrastructure, and project finance sector and over 90 years of experience in the financial services sector, over which the team has made \$20B+ in infrastructure and real assets investments. 	
RISKS	<ul style="list-style-type: none"> Beginning in 2021, GREC II implemented a strategy to invest a portion of the portfolio in battery storage assets. Greenbacker has limited experience operating energy storage assets in prior funds, with \$62MM invested to-date. To mitigate the risk associated with managing these assets, GREC II has brought on a Senior Energy Storage Systems Engineer to support technical due diligence and asset management on all battery facilities. The portion of the portfolio invested in pre-construction projects amplifies potential impact and financial returns, but it also poses a greater degree of execution risk than operational, cash-flowing assets. Greenbacker has been investing in pre-construction projects since 2018 and mitigates the elevated risk around these assets by targeting "shovel-ready" projects that have secured all necessary permits and already have contracts in place. 	

There is no guarantee that any projection, forecast or opinion around any given investment will be realized with respect to impact, performance or liquidity. Past performance does not guarantee future results. LEGAL AND PROGRAM DISCLAIMER: This is not a solicitation to buy or sell securities, nor a private placement offering pursuant to any private placement memorandum that must be issued to qualified investors. It is an informational description of charitably oriented, social purpose investment options that have been approved by ImpactAssets only for use in its donor advised fund asset base. It is only for use by its donors. Any allocation to private debt and equity investment options may result in losses and illiquidity that will be borne solely by each donor advised fund account with investment in these options, as will associated program fees. Investment minimums apply. Grant making from the principal value will not be possible until distributions are returned to The ImpactAssets Donor Advised Fund. There is no guarantee of any recovery of capital. The Fund Manager has not approved the information contained in this Fund profile, including the assignment of risk ratings contained herein. The Units may be offered solely to, and subscriptions will be accepted only from "Accredited Investors," as defined in Rule 501(a) of Regulation D promulgated under the authority of the Act, who are also "Qualified Clients," as defined in Rule 205-3 of the United States Investment Advisers Act of 1940, as amended.

