The Twelve B
Green Energy Fund IV

twelveb
green energy fund

Overview

01 South Africa faces ongoing energy instability and rising electricity costs

02 Strong demand from commercial and industrial energy users

03 Businesses are actively shifting to embedded solar solutions

04 Renewable energy assets generate predictable, long-term cash flows

Investment Opportunity

Up to 200% Section 12B deduction

Qualify for 12B tax saving

Fees

No upfront fees and ongoing management fees (only performance fees above budgeted profits)

Commercial Solar Projects

Invest in income-generating solar PV infrastructure

Return

42% IRR
1.62 x Money

10-Year Investment horizon

Long-term contracted revenue from energy offtake agreements

Risk

Derisk up to 90% of capital outlay in year 1

Distribution & Returns

- Semi-annual distributions paid to investors every Feb and Aug
- Years 1–4: 7% p.a. on Capital Contribution
- Years 5–10: 8% p.a. on Capital Contribution
- Shortfall accumulates with Money Market Rate interest
- Investors paid in full before any GP distributions

Investor Protections

- Liability limited to Capital Contribution
- PPAs of 10–20 years at CPI + 1% annual escalation
- ESG-conscious investment mandate
- Independent auditors: RWFC Financial Consultants

Fund Structure and Terms

- **01** En commandite partnership structure
- **02** General Partner manages and controls the fund
- **03** Investors participate as limited partners
- **04** Capital deployed into solar infrastructure assets
- **05** Liability of investors is limited to their capital contribution
- **06** Semi-annual reporting and distributions
- **07** Gearing facility, bolstering tax allowance

Target fund size

R70m

Minimum investment

R100k

Fund term

10 years

The 12B allowance

Illustrative Example

Total Asset Value
R2,000,000

Investor Equity
R1,000,000

Debt Financing (50% LTV)
R1,000,000

Section 12B Tax Benefit

Tax Deduction
± R2,000,000

Tax Saving (45%)
± R900,000

Tax Saving

Initial Investment
R1,000,000

Less Upfront Tax Saving
R900,000

Net Capital at Risk
± R100,000

Invest R1m → Exposure to R2m of assets → c.90% capital recovered in Year 0

Cash Flow Waterfall

Revenue from energy sale

Operating costs

Debt funding obligations

Distributions to investors

No fees paid to the manager prior to the priority profit share

Financial Model

		0	1	2	3	4	5	6	7	8	9	10
Capital Contribution		(1,000,000)										
Debt Financing	50.00%	(1,000,000)										
Section 12B Allowance	45.00%	900,000										
Risk Capital		(100,000)										
Budgeted Profit Rate (%)			*7.00%*	*7.00%*	*7.00%*	*7.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*
Profit Share			70,000	70,000	70,000	70,000	80,000	80,000	80,000	80,000	80,000	80,000
Exit Proceeds												550,000
Pre-Tax Cash Flow		**(100,000)**	**70,000**	**70,000**	**70,000**	**70,000**	**80,000**	**80,000**	**80,000**	**80,000**	**80,000**	**630,000**
Tax	45.00%	0	(31,500)	(31,500)	(31,500)	(31,500)	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)	(283,500)
Post-Tax Cash Flow		**(100,000)**	**38,500**	**38,500**	**38,500**	**38,500**	**44,000**	**44,000**	**44,000**	**44,000**	**44,000**	**346,500**

Values in ZAR

Invest now

Limited capacity available

Minimum investment

R100k

Target fund size

R70m

Contact Twelve B Fund Managers for participation

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