

Key Information Document

PURPOSE

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

PRODUCT

Name: Foresight Solar Fund Limited (the Company) – ‘Ordinary’ shares

ISIN: JE00BD3QJR55

PRIIP Manufacturer: The Company is a self-managed closed-ended investment company and is therefore the PRIIP manufacturer.

Competent Authority: The Company is not regulated or authorised by the Financial Conduct Authority but is subject to the Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Rules as applicable to closed-ended investment companies. The Company is regulated in Jersey as a listed fund.

Contact Details: The Company can be contacted through its company secretary JTC (Jersey) Limited, 28 Esplanade, St Helier, Jersey JE2 3QA +44 (0)1534 700000 and its website can be found at fsfl.foresightgroup.eu/

Date: This key information document has been produced by the board of directors of the Company for publication on 22 December 2022

WHAT IS THIS PRODUCT

Type: The Company is a closed-ended investment company whose shares are listed on the London Stock Exchange and an alternative investment fund under the Alternative Investment Fund Managers directive. The Company’s shares are therefore available to the general public.

Objectives: The Company’s objective is to provide investors with a sustainable, progressive quarterly dividend and enhanced capital value, through investment in a diversified portfolio of predominantly ground-based solar assets. The Company will pursue its investment objective by acquiring ground-based, solar power and battery storage assets located predominantly in the UK but can invest up to 25 per cent of gross asset value outside the UK.

Intended retail investor: The Company is suitable for all investors seeking a fund that aims to deliver growth with a long-term horizon as a core or a component of a portfolio of investments. The investor should be prepared to bear losses and accept the risk inherent in the Company’s investment policy. The Company is compatible for mass market distribution.

Notes: The Company has incurred gearing to acquire assets in accordance with its investment policy. The board of the Company intends that long-term borrowing will not exceed 40 per cent. of the Company’s gross asset value at the time of drawdown, with a total gearing limit of 50 per cent. of the Company’s gross asset value at the time of drawdown. This will magnify any gains or losses made by the Company. Shares of Foresight Solar Fund Limited are bought and sold via markets. Typically, at any given time on any given day the price you pay for a share will be higher than the price at which you can sell it.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

Risk Indicator



The risk indicator assumes you keep the product for 5 years.

The actual risk can vary significantly if you cash in at an early stage and you may get back less.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 4 out of 7, which indicates a medium risk class. Capital may be at risk as the value of investments may go down as well as up and therefore investors may not get back the amount originally invested.

This product does not include any protection from future market performance so you could lose some or all of your investment. This product has no required minimum holding period, however five years has been used for the purposes of the calculations in this document.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

Investment Performance Information

What are the main factors likely to affect future returns?

The main factors likely to affect future returns include:

- Valuation - The Shares may trade at a discount to their Net Asset Value (“NAV”) for a variety of reasons, including market conditions or to the extent investors undervalue the management activities of the Investment Manager or discount its valuation methodology and judgments of value.
- Investments - NAV growth over the long term will be affected by the Company’s underlying investment portfolio, the ability of the Company to reinvest capital and acquire additional assets throughout the life of the Company.
- Regulation and taxation – Changes to the existing legislation, tax laws, environmental laws or policy may be burdensome for the Company to implement and may as a result have a negative impact on the returns of the Company.
- Adverse weather conditions - Hotter ambient temperatures and extreme weather could reduce the efficiency of solar energy. Natural disasters such as floods, severe weather or accidents could damage solar PV assets, which could have a material adverse effect on the Company’s business and financial position.

How does the target compare with performance volatility?

The Company intends to target returns to investors equivalent to an ungeared Internal Rates of Return (“IRR”) of 7 to 8 per cent. after having accounted for fees and expenses. The performance volatility depends on the broad range of assumptions that are used in the valuation models. These assumptions relate to inflation, solar energy yield, power price, discount rate and operating costs.

What is the most relevant benchmark?

No relevant benchmark is available as there is no single benchmark that adequately measures the performance of small, unquoted companies.

What could affect my return positively?

The ability of the Company to reinvest capital and acquire additional assets, reduced cost of solar PV equipment, growing economy, a stable political environment and increased wholesale electricity price could have a positive impact on returns.

What could affect my return negatively?

A decline in the market price of electricity, technological advancement of electricity generators, changes in general economic and market conditions including, for example, interests’ rates, rates of inflation, the market/index against which the wholesale price of electricity is sold, competition, political events, government intervention in markets and trends, national and international conflicts and other factors could substantially and adversely affect the Company’s prospects and thereby the performance of its Shares.

What can be expected if the fund is encashed under severely adverse market conditions?

Although the Company’s Shares are, and the New Shares will be, listed on the Official List and traded on the Main Market, it is possible that there may not be a liquid market in the Shares and Shareholders may have difficulty in selling them. Accordingly, Shareholders may be unable to realise their Shares at the quoted market price (or at the prevailing Net Asset Value per Share), or at all under the severely adverse market conditions.

WHAT HAPPENS IF THE COMPANY IS UNABLE TO PAY OUT?

As a shareholder of the Company which is a listed company you would not be able to make a claim to the Financial Services Compensation Scheme or the Jersey Depositors Compensation Scheme about the Company in the event that the Company is unable to pay out. A default by the Company or any of the underlying holdings could affect the value of your investments.

WHAT ARE THE COSTS?

Costs over Time

The Reduction in Yield (RIY) shows what the impact the total costs you pay may have on your investment return. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future.

Investment £10,000

Scenarios

If you cash in after 1 year

If you cash in after 3 years

If you cash in after 5 years
the end of the recommended holding period

Total costs

£164

£544

£1,001

WHAT ARE THE COSTS?

Impact of return (RIY) per year	1.64%	1.64%	1.64%
---------------------------------	-------	-------	-------

Composition of Costs

The table below shows the impact each year of different types of costs on the investment return you might get at the end of the recommended holding period.

This table shows the impact on return per year

One off costs	Entry Costs	n/a	This product does not have any entry costs
	Exit Costs	n/a	This product does not have any exit costs
Ongoing costs	Portfolio transaction costs	0.50%	The impact of the costs of us buying and selling underlying investments for the product
	Other ongoing costs	1.14%	The impact of the costs that we take each year for managing your investments, including the costs of third party borrowing and the annual management fee.
Incidental costs	Performance fees	n/a	This product does not have any performance fees
	Carried interests	n/a	This product does not have any carried interests

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

RECOMMENDED MINIMUM HOLDING PERIOD: 5 YEARS

The Company's ordinary shares are designed to be held over the long term and may not be suitable as short-term investments. There is no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investments. The value of the ordinary shares and the income derived from them (if any) may go down as well as up. The Company does not have a fixed winding up date and therefore, unless shareholders voted to wind-up the Company, Shareholders will only be able to realise their investment through the market. Although the ordinary shares are traded on the main market, it is possible that there may not be a liquid market in the shares and investors may have difficulty selling them. Accordingly, investors may be unable to realise their shares at the quoted market price (or at the prevailing net asset value per share), or at all. You may sell your investments within the recommended holding period without penalty.

HOW CAN I COMPLAIN?

As a shareholder of the Company you do not have the right to complain to the Financial Ombudsman Service (FOS) about the management of the Company. Complaints about the Company or the key information document should be sent to JTC (Jersey) Limited, 28 Esplanade, St Helier, Jersey JE2 3QAP +44 (0)1534 700000.

The Company's website contains further contact information at <https://fsfl.foresightgroup.eu/>

Emails can be sent to investorrelations@foresightgroup.eu.

OTHER RELEVANT INFORMATION?

The latest annual report and accounts of the Company can be found at <https://fsfl.foresightgroup.eu/>

The cost, performance and risk calculations included in this KID follow the methodology set out in Commission Delegated Regulation (EU) 2017/653 as adopted by the United Kingdom and amended by the FCA pursuant to the Packaged Retail and Insurance-based Investment Products (Scope Rules and Technical Standards) Instrument 2022.

Depending on how you buy these shares you may incur other costs, including broker commission platform fees and stamp duty. The distributor will provide you with additional documents where necessary.