



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, cost, potential gains and losses of this product and help you compare it with other products.

Alert

You are about to purchase a product that is not simple and may be difficult to understand.

Product

Name: US Solar Fund Plc (the “Company”) – Ordinary Shares

ISIN: GB00BJCWFX49

SEDOL: BJCWFX4 (USD) and BHZ6410 (GBP)

Website: www.ussolarfund.co.uk

Tel: +44 (0)20 7409 0181

PRIP manufacturer (for the purposes of this document only): New Energy Solar Manager Pty Limited

Competent Authority: Financial Conduct Authority

Date of production of KID: 3 August 2022

What is this product?

Type: The Company is an investment trust company incorporated in the United Kingdom. The ordinary shares are listed on the London Stock Exchange and traded in US Dollars and Sterling. The Company’s investment manager is New Energy Solar Manager Pty Limited. The Company has an unlimited life and there is no maturity date for the ordinary shares. There is no recommended holding period for the ordinary shares (although a holding period of five years has been used for the purposes of the calculations in this document). The return from an investment in the ordinary shares will be driven by the price at which the ordinary shares are sold compared to the original purchase price, and by any dividends paid by the Company to the investors in its ordinary shares during the holding period. The price at which any investor may dispose of ordinary shares will depend on the prevailing secondary market price, which may, or may not, reflect the prevailing net asset value per ordinary share.

Investment Objective: The Company’s investment objective is to provide its shareholders with attractive and sustainable dividends, with an element of capital growth, through investing in a diversified portfolio of Solar Power Assets located in North America and other OECD countries in the Americas.

The Company predominantly invests in Solar Power Assets in the United States, but it may also invest in Solar Power Assets in other OECD countries in the Americas.

The Company, directly or indirectly, will acquire, construct and operate the Solar Power Assets and will predominantly generate revenue by selling the electricity generated by, the electricity stored by, and /or the capacity delivered by such Solar Power Assets. It is the intention that the Solar Power Assets acquired will have Power Purchase Agreements (**PPAs**) or capacity contracts in place of at least 10 years’ duration from the commencement of operations (on a weighted average portfolio basis where multiple Solar Power Assets are acquired in a single transaction).

The Company will target construction-ready, in-construction, or operational Solar Power Assets that are designed and constructed to have an asset life of at least 30 years and are expected to generate stable electricity output and revenue over the lifespan of the asset.

Intended retail investor: The Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Shares is part of a diversified investment portfolio; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio. Typical investors in the Company are expected to be institutional and sophisticated investors, professional investors, high net worth investors and individual investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager, broker, solicitor, accountant or their appropriately authorised independent financial adviser regarding any investment in the Company.

Maturity Date: The Company has an unlimited life and there is no maturity date for the ordinary shares.

What are the risks and what could I get in return?

Risk indicator



The risk indicator assumes you will keep the product for 5 years. Assets have useful lives of up to 40 years. Output is fully contracted with a weighted average term of 14 years remaining. Contracts have set prices, mitigating the impact of power price fluctuations. The summary risk indicator is a guide to the level of risk of the Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the market or because we are not able to pay you. We have classified this Product as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact our capacity to pay you. This Product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay what is owed, you could lose your entire investment.

The Company is a closed-ended investment fund. Pursuant to the terms set out in the Prospectus you do not have discretion to cash out your investment early however an investor may transfer all or any of his or her shares in any manner which is permitted under the articles of association of the Product or in any other manner which is approved by the board. Other risks materially relevant to the Ordinary Shares that are not included in the summary of risk indicator include those affecting renewable energy infrastructure, the infrastructure sector generally and individual investments.

Performance Information

The main factors that will affect the performance of this Product are the energy output of solar assets and the performance of the US energy market, as well as the overall performance of the US equity markets. To examine evidence for the Fund's performance, we backfilled the performance of the Fund with a blend of renewable energy funds back to March 2013. The benchmark was dynamically reweighted based on data availability to give a full daily performance history with the Fund having all the weighting from its inception in April 2019.

Over a rolling 5-year period the backfilled performance had an annualised daily volatility of 8.8%. However, during periods of stress in the energy markets, the one-year volatility of the Fund temporarily increased to 16.8%.

The proxy's best performance over a rolling 1-year period was 31.0%.

The proxy's worst performance over a rolling 1-year period was -12.5%.

What could affect my return positively?

Specific factors that affect returns positively are good energy output of solar assets in the portfolio as well as good management of Power Purchase Agreements ("PPA") contracted by the Fund. General factors that affect positive returns are good performance of the US alternative energy markets. In addition, increased valuations of the US Midcap market and the US Technology market are likely to benefit returns. These have all been observed to be positively correlated to the Fund. In terms of quantitative evidence, the backfilled performance had a maximum 5 year rolling performance of 12.1% per year.

What could affect my return negatively?

Specific factors that affect returns negatively are poor energy output of solar assets via poor sunlight and/or systematic equipment faults, default of PPA off-takers, and a lack of new PPA contracts to replace existing PPAs upon expiry.

General factors that affect returns negatively are the poor performance of the US alternative energy market, downward pressure on US energy price forecasts, poor performance of UK equity markets where USF is listed, and poor performance of the developed equity markets and small to mid-cap companies. In terms of quantitative evidence, the backfilled proxy had a minimum 5 year rolling return of -3.9% per year.

What could happen in severely adverse market conditions?

Under severely adverse market conditions, the investor could expect to lose some or all of their investment.

The US renewable energy market is too young to have experienced severely adverse market conditions. To give a representative indication of severely adverse market conditions, we have backfilled the fund's performance with US energy equity indices. The worst investment experienced in our proxy was a loss of 42.3% which occurred between May 2008 and October 2008. The proxy recovered its value in December 2010. Under severe adverse market conditions, the Fund may experience a high default rate of PPAs, which could result in you losing some or all of your investment.

What happens if US Solar Fund Plc is unable to pay out?

The Company is not required to make any payment to you in respect of your investment. If the Company were liquidated, you would be entitled to receive a distribution equal to your share of the Company's assets, after payment of all of its creditors. There is no compensation or guarantee scheme in place that applies to the Company and, if you invest in the Company, you should be prepared to assume the risk that you could lose all of your investment.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. 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. The figures assume you invest US\$10,000. The figures are estimates and may change in the future.

Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment US\$ 10,000 Scenarios	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total costs	\$143	\$411	\$658
Impact on return (RIY) per year	1.43%	1.43%	1.43%

Presentation of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period; and
- the meaning of the different cost categories.

This table shows the impact on return per year

One-off costs	Entry costs	0.00%	No entry costs are payable when you acquire ordinary shares, although you may be required to pay stamp duty, brokerage fees or commissions.
	Exit costs	0.00%	No exit costs are payable when you dispose of ordinary shares, although you may be required to pay stamp duty, brokerage fees or commissions.
Ongoing costs	Portfolio transaction costs	0.09%	The impact of the costs of us buying and selling underlying investments for the Company, including Stamp Duty Land Tax.
	Other ongoing costs	1.34%	The impact of the costs taken each year for managing your investments, including the Company's investment manager and the fees and expenses of the Company's other service providers.
Incidental costs	Performance fees	0.00%	The Company does not pay performance fees.
	Carried interest	0.00%	The Company does not pay carried interest.

How long should I hold it and can I take money out early?

There is no required minimum holding period for the shares in the Company. It is designed for long-term investment with investors being able to sell their investment in the Company's shares on the London Stock Exchange. The recommended holding period in this document is for illustrative purposes only. The Company is not obliged to acquire any of the Company's shares. You may sell your shares in the Company on any day which is a dealing day on the London Stock Exchange. No fees or penalties are payable to the Company on the sale of your investment, but you may be required to pay fees or commissions to any person arranging the sale on your behalf. The sale of shares may be at a discount to the Product's net asset value.

How can I complain?

As a shareholder of the Product, you do not have a right to complain to the Financial Ombudsman Service about the management of the Product. Complaints about the Product or the key information document can be directed to:

Address: Company Secretary, US Solar Fund Plc, The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF

Email: USSolarFund-CompanySecretary@jtcgroup.com

Telephone: +44 (0)20 7409 0181 **Website:** www.ussolarfund.co.uk

Other relevant information

You can obtain further information about the Company, such as details of the Company's net asset value, its shares and copies of the financial reports, investor reports and other documents published by the Company, as well as information on the Directors and governance arrangements, from the Company's website: www.ussolarfund.co.uk. Hard copies of these documents are available free of charge upon request. You can also refer to this website for additional information such as announcements made by the Company to the market. This documentation is available in accordance with the Alternative Investment Fund Managers Directive (2011/61/EU). The disclosures in this KID, including the cost, performance and risk calculations follow the methodology prescribed by U.K. Financial Conduct Authority that came into force on 25 March 2022.