

12 April 2019

NEW ENERGY SOLAR (ASX: NEW)

EVANS DIXON (ASX: ED1) ESTABLISHES UK-LISTED SOLAR ENERGY INVESTMENT COMPANY (US SOLAR FUND PLC)

- **NEW's investment manager has established a US\$200 million investment company that will be listed on the London Stock Exchange.**
- **Marketed primarily to institutional investors, the new fund will invest in utility-scale solar power projects in the United States and other OECD countries in the Americas.**
- **The establishment of US Solar Fund plc offers NEW co-investment opportunities, including access to larger, high-quality projects, and operational economies of scale.**
- **Reflecting the economies of scale available from the co-investment arrangements, NEW's Base Management Fee will be reduced immediately by 7.5 basis points per annum – with a total reduction of up to 15 basis points per annum should NEW's Enterprise Value exceed A\$2.0 billion.**
- **To underpin the alignment of the interests of NEW and US Solar Fund plc, NEW will make a US\$15 million investment in US Solar Fund plc.**
- **The NEW Trust and Company Boards believe that the establishment of US Solar Fund plc will:**
 - **Offer NEW the opportunity to continue to grow and diversify.**
 - **Provide NEW securityholders with an immediate benefit through lower fees and operating costs.**

US SOLAR FUND PLC

New Energy Solar¹ has been advised that its investment manager, New Energy Solar Manager Pty Limited, a subsidiary of Evans Dixon, has successfully completed a capital raising of US\$200 million for a US\$ denominated investment vehicle principally marketed to institutional and sophisticated investors in the United Kingdom (**US Solar Fund plc** or **USF**). USF is expected to list on the London Stock Exchange (**LSE**) on 16 April 2019.

The investment focus for USF is “construction ready”, utility-scale solar power plants in the United States and other OECD countries in the Americas.

¹ New Energy Solar Limited (**Company**), and Walsh & Company Investments Limited as responsible entity of New Energy Solar Fund (**Trust**), together **New Energy Solar**, the **Business** or **NEW**.

New Energy Solar

Australia

Level 15, 100 Pacific Highway North Sydney NSW 2060

T 1300 454 801 **F** 1300 883 159

E info@newenergysolar.com.au **W** nes.com.au

United States

140 Broadway, 28th Floor, New York NY 10005

T 646 860 9900

The decision to establish USF has been driven by strong European institutional investor interest in gaining exposure to utility-scale solar infrastructure in the United States through a listed US\$ denominated investment vehicle.

The establishment of USF is a strong endorsement of the investment rationale of New Energy Solar and the capabilities of its investment manager.

It is anticipated that the creation of US Solar Fund plc will enable New Energy Solar to continue to grow and diversify through co-investment opportunities, as well as generate economies of scale for the business.

John Martin, CEO of New Energy Solar, said, “The addition of the USF mandate will assist NEW to maintain its market presence and provide it with access to a larger, more consistent, high quality investment pipeline. This is particularly relevant as average deal sizes are increasing. The capacity to co-invest will also allow NEW to maintain portfolio diversity, alongside an investor with a similar investment strategy.

“It is gratifying to see sophisticated, global institutional investors supporting the same investment strategy that NEW has been implementing for the past three years”, concluded Mr Martin.

Co-investment opportunities will be governed by an investment allocation policy under which New Energy Solar and US Solar Fund plc will jointly seek investments in the United States and be offered the opportunity to invest in equal proportions, subject to available capital.

ADJUSTMENT TO BASE MANAGEMENT FEES

In recognition of the investment management economies of scale, NEW’s investment manager will waive payment of part of its management fees for NEW. The waiver results in a lower Base Management Fee structure set out in the following table, which will be effective from the listing date of US Solar Fund plc.

The fee reduction is dependent on:

- the successful LSE listing of US Solar Fund plc;
- the continuation of existing investment management arrangements for NEW and US Solar Fund plc; and
- no change, or proposed change, in the management or governance of NEW or US Solar Fund plc.



NEW Investment Management Fees (changes highlighted)

| | Current Fees (Excluding GST) | Proposed Fees (Excluding GST) |
|---|---------------------------------|----------------------------------|
| Base Management Fee (% of Enterprise Value) | | |
| Threshold Value | | |
| < A\$1.0bn | 0.70% | 0.625% |
| A\$1.0bn to A\$1.5bn | 0.55% | 0.55% |
| A\$1.5bn to A\$2.0bn | 0.55% | 0.40% |
| > A\$2.0bn | 0.40% | 0.40% |
| <p>Threshold Value means:</p> <p>Base Management Fee - Percentage of Enterprise Value: Enterprise Value is calculated as the total of NEW's market capitalisation, external borrowing, debt or hybrid instruments issued by NEW as defined in the Investment Management Agreement.</p> <p>All fees are applied on a marginal basis to each Threshold Value band and calculated at the end of each quarter. For example, the revised Base Management Fee for a Threshold Value of A\$1,500 million would be A\$9.0 million (excluding GST) which is the sum of (A\$1,000 million multiplied by 0.625%) and (A\$500 million multiplied by 0.55%).</p> | | |

NEW INVESTMENT IN US SOLAR FUND PLC

To reinforce NEW and USF's proposed co-investment arrangements and their alignment of interests, NEW will invest US\$15 million in US Solar Fund plc as part of its LSE listing (representing less than 2% of NEW's total assets and 7.5% of US Solar Fund plc's issued capital).

NEW's investment manager will waive investment management fees otherwise payable by NEW in respect of this investment in US Solar Fund plc.

The investment in US Solar Fund plc is consistent with NEW's investment strategy. USF is targeting investments with an objective of achieving an annual dividend yield of 5.5% once its portfolio is fully operational and a net total return of at least 7.5% p.a. (net of all fees and expenses but before tax) over the life of its solar investments.

The NEW Trust and Company Boards welcome the opportunity presented by the establishment of US Solar Fund plc through the co-investment arrangements, NEW's investment in US Solar Fund plc and the reduction in management fee, all of which represent a material benefit for NEW securityholders.

For further information, contact:

Fleur Jouault

+61 405 669 632



About New Energy Solar

New Energy Solar was established in November 2015 to invest in a diversified portfolio of solar assets across the globe and help investors benefit from the global shift to renewable energy. The Business acquires large scale solar power plants with long term contracted power purchase agreements. In addition to attractive financial returns, this strategy generates significant positive environmental impacts for investors.

Since establishment, New Energy Solar has raised over A\$500 million of equity, acquired a portfolio of world-class solar power plants, and has a deep pipeline of opportunities primarily across the United States and Australia. New Energy Solar's securities trade on the Australian Securities Exchange under the ticker, NEW.

New Energy Solar is a listed stapled entity consisting of New Energy Solar Fund (ARSN 609 154 298) and New Energy Solar Limited (ACN 159 902 708). For more information, visit: www.newenergysolar.com.au

