

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.

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

Product: NextEnergy Solar Fund Limited (the “Company”) – Ordinary shares

PRIIP manufacturer: NextEnergy Capital IM Limited
ISIN: GG00BJ0JVY01
Listing: London Stock Exchange
Ticker: NESF.L
Website: nextenergysolarfund.com

Contact for more information: +44 1481 713 843
Competent Authority: Guernsey Financial Services Commission
Date of production: 31 December 2023

What is this product?

Type

Closed-ended investment company incorporated in Guernsey and whose shares are listed on the London Stock Exchange. The Company has an unlimited life and there is no maturity date for the Ordinary shares.

Objectives

The Company’s investment objective to provide ordinary shareholders with attractive risk-adjusted returns, principally in the form of regular dividends, through a diversified portfolio of solar energy infrastructure assets and complementary technologies, such as energy storage.

The Company invests in solar photovoltaic (“PV”) assets located primarily in the UK and up to 30% of gross asset value outside the UK in OECD countries. The sale of electricity and incentives for generation, from solar PV assets are the main factors on which the returns depend.

Intended retail investor

This product has been designed to form part of a broader portfolio of investments and should be purchased with advice or on an execution only basis by an informed investor. Investors must be able to bear loss of capital as they may not get back the cost of their investment on its realisation.

Gearing

The Company’s subsidiaries have borrowed to purchase assets for the Company. Gearing is limited to 50% of gross asset value at the time of acquisition.

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 the Company is not able to pay you.

The Company has classified this product as 4 out of 7 which is a medium to low risk class. This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact the capacity to pay you. The Company is in this category because it is fully invested in tangible assets in the renewable energy sector and specialises in solar assets, which have low operational risks.

The Company holds no capital protection against market risk and no capital guarantee against credit risk. The Company has foreign currency and interest rate hedges to protect its investments against currency and interest rate risk.

The risk category was calculated using historical performance data and may not be a reliable indicator of the Company’s future risk profile.

The Company’s risk category is not guaranteed to remain fixed and may change over time. This product does not include any protection from future market performance so you could lose some or all of your investment.

Performance Information

Investment (£10,000)		1 year	5 years (recommended holding period)
Scenarios			
Stress scenario	What you might get back after costs	£2,306	£3,067
	Average return each year	-76.94%	-21.05%
Unfavourable scenario	What you might get back after costs	£7,815	£7,733
	Average return each year	-21.85%	-5.01%
Moderate scenario	What you might get back after costs	£10,616	£13,644
	Average return each year	6.16%	6.41%
Favourable scenario	What you might get back after costs	£13,200	£15,939
	Average return each year	32.00%	9.77%

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest £10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where the Company is not able to pay you.

The figures shown include all the costs of the product itself, but do not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation which may also affect how much you get back. The tax legislation of the retail investor's home Member State may have an impact on actual pay out of the Company.

Performance is measured against the share price, and not the NAV per share.

Under severely adverse market conditions, an investor may lose some or all of their investment

What happens if the Company is unable to pay out?

The Company aims to pay a quarterly dividend. It does not guarantee a dividend but aims to provide a pay-out provided there are no external events which would necessitate a reduction or cessation of dividends.

There is no compensation or guarantee scheme applicable to the Company and investors should be prepared to assume the risk that they could lose all of their investment.

In particular, a shareholder in the Company would not be able to make a claim to the Financial Services Compensation Scheme about the Company in the event that the Company is unable to pay out.

What are the costs?

Cost over time

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. They include potential early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future.

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

The Company is required to use the cost calculations based on NAV not on share price.

Investment (£10,000)	If you cash in after 1 year	If you cash in after 5 years (recommended holding period)
Scenarios		
Total costs	£181	£1,289
Impact on return (RIY) per year	1.81%	1.94%

Composition of costs

The table 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	n/a	This product does not have any entry costs.
	Exit costs	n/a	This product does not have any exit costs.
Recurring costs	Portfolio transaction costs	0.80%	The impact of the upfront costs of us buying and selling underlying investments for the product.
	Ongoing costs	1.08%	The impact of the costs taken each year for managing your investments. In addition to these costs, there were fund level preference share costs.
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

This product has no required minimum holding period (although for the purposes of these calculations five years have been used).

The shares are traded on the London Stock Exchange and can be traded at any time that the market is open for business.

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:

Address: Company Secretary
NextEnergy Solar Fund Limited
1 Royal Plaza, Royal Avenue
St Peter Port,
Guernsey
GY1 2HL

Email: ir@nextenergysolarfund.com

Website: nextenergysolarfund.com

Telephone: +44 1481 713 843

Other relevant information

This documentation is available in accordance with the Alternative Investment Fund Managers Directive (2011/61/EU). The cost, performance and risk calculations included in this key information document follow the methodology prescribed by EU rules.

The costs above are not the maximum fees that you will pay as your broker, bank or financial institution may charge you fees for trading the Company's shares. The interest on the preference shares issued by the Company have not been included in the recurring costs as preference shares are classified as a liability for accounting purposes, but are legally share capital with no par value. The cost of non-recourse project finance debt within the Company's investments has not been included in the cost calculations.

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: nextenergysolarfund.com

