

New Energy Solar

Offer Document

Product Disclosure Statement
and Prospectus

Issuers:

Walsh & Company Investments Limited
(ACN 152 367 649) (AFSL 410 433)
as responsible entity for
New Energy Solar Fund
(ARSN 609 154 298)

New Energy Solar Limited
(ACN 609 396 983)

Responsible entity:

WALSH & COMPANY.

INVESTMENTS LIMITED

Contents

	Key dates, general information and Offer statistics	Page V
	ASIC benchmarks and disclosure principles	Page VII
	Letter of introduction	Page 2
	The facts	Page 4
	Key investment benefits	Page 6
	Key investment risks	Page 7
Section 1	Summary of the Offer	Page 12
Section 2	Information for Investors	Page 20
Section 3	Sector overview	Page 26
Section 4	Overview of New Energy Solar	Page 42
Section 5	Risks	Page 54
Section 6	Overview of the Responsible Entity and corporate governance	Page 62
Section 7	Fees and expenses	Page 68
Section 8	Financial information	Page 76
Section 9	Investigating accountants' report	Page 82
Section 10	Taxation	Page 86
Section 11	Material contracts	Page 94
Section 12	Additional market information	Page 102
Section 13	Additional information	Page 106
Section 14	Glossary	Page 112
	Directory	Page 118

Important notices

Offer

This prospectus and product disclosure statement (together referred to as the **(Offer Document)**) is dated 3 December 2015 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. ASIC and its respective officers take no responsibility for the contents of this Offer Document or the merits of the investment to which this Offer Document relates.

The Offer Document is an invitation to acquire units (each a **Unit**) in the New Energy Solar Fund (ARSN 609 154 298) (**Trust**) and ordinary shares (each a **Share**) in New Energy Solar Limited (ACN 609 396 983) (**Company**). Walsh & Company Investments Limited is the responsible entity (**Responsible Entity**) of the Trust. Units and Shares are stapled together and cannot be traded or dealt with separately (**Stapled Securities**).

No Stapled Securities will be allotted, issued or sold on the basis of this Offer Document later than 13 months after the date of this Offer Document.

References to the Fund and the Board

In this Offer Document, the term "the Fund" is used to refer to the Trust and the Company, being the entities whose securities are stapled and comprise the Stapled Securities. The Fund comprises both a registered managed investment scheme and a public company, each established under the Corporations Act 2001 (Cth) (**Corporations Act**).

References to the "Board" in this Offer Document are references to the board of directors of the Company and not the Responsible Entity. While at present the composition of the Board and the board of directors of the Responsible Entity are identical, there is no board of directors responsible for the financial and operating policies of the Fund as a single entity.

Note to Applicants

This document is important and requires your immediate attention. It should be read in its entirety. You may wish to consult your professional advisor about its contents.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Offer Document.

Any information or representation not so contained, or taken to be contained may not be relied on as having been authorised by the Responsible Entity or the Company or their Directors. You should rely only on information in this Offer Document.

The information contained in this Offer Document is general financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective investor. It is important to read this Offer Document carefully and in full before deciding whether to invest in the Fund. In particular, in considering the Offer Document, you should consider the risk factors that could affect the financial performance of the Fund and your investment in the Stapled Securities. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional advisor before deciding whether to invest. Some of the risk factors that should be considered by prospective investors are set out in Section 5.

No person named in this Offer Document, nor any other person, guarantees the performance of the Fund, the repayment of capital by the Trust or the Company, or the payment of a return on the Stapled Securities.

Exposure Period

The Corporations Act prohibits the processing of applications to subscribe for Stapled Securities under this Offer Document (**Applications**) in the seven-day period after the lodgement of this Offer Document (**Exposure Period**). This period may be extended by ASIC for a further seven days.

The Exposure Period is to enable this Offer Document to be examined by potential investors prior to the raising of funds. The examination may result in the identification of deficiencies in this Offer Document, in which case any Application may need to be dealt with in accordance with the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be given to Applications received during the Exposure Period.

Obtaining a copy of this Offer Document

This Offer Document is available to Australian investors in electronic form at www.newenergysolar.com.au. The Offer constituted by this Offer Document is available only to persons within Australia. It is not available to persons in other jurisdictions (including in the United States). Persons having read a copy of this Offer Document in electronic form may, before the Closing Date, obtain a paper copy of this Offer Document (free of charge) by telephoning 1300 454 801 during the Offer Period. Applications may only be made on an Application Form attached to or accompanying this Offer Document. Refer to Section 2.3 for further information.

Financial Information

Section 8.1 sets out in detail financial information referred to in this Offer Document (**Financial Information**). The basis of preparation of the financial information is set out in Section 8.2.

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles prescribed by the Australian Accounting Standards issued by the Australian Accounting Standards Board (**AASB**). These are consistent with the International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board (**IASB**).

The Financial Information is presented in an abbreviated form. It does not include all of the presentation and disclosures, statements and information required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports in accordance with the Corporations Act.

All financial amounts contained in this Offer Document are expressed in Australian currency, unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Offer Document are due to rounding.

Selling restrictions

This Offer Document does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Stapled Securities or the Offer, or to otherwise permit a public offering of Stapled Securities, in any jurisdiction outside Australia. The distribution of this Offer Document (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Offer Document outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Offer Document may not be distributed to, or relied upon by, any person in the United States. In particular, the Stapled Securities have not been, and will not be, registered under the US Securities Act of 1933, as amended, (the **US Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States unless the Stapled Securities are registered under the US Securities Act or are offered and sold in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable US securities laws.

Please see Section 2.9 for more detail on selling restrictions that apply to the offer of Stapled Securities in jurisdictions outside of Australia.

Photographs and diagrams

Photographs and diagrams used in this Offer Document that do not have descriptions are for illustration purposes only. They should not be interpreted to mean that any person shown in them endorses this Offer Document or its contents. Diagrams used in this Offer Document are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Offer Document.

Website

Any references to documents included on the Fund website (www.newenergysolar.com.au) are for convenience only and none of the documents or other information available on the Fund website are incorporated into this Offer Document by reference.

Defined terms and time

Defined terms and abbreviations used in this Offer Document have the meanings given in the glossary in Section 14 of this Offer Document. Unless otherwise stated or implied, references to times in this Offer Document are Australian Eastern Daylight Time (AEDT).

Privacy

By filling out an Application Form to apply for Stapled Securities, you are providing personal information to the Company, the Responsible Entity and the Registry. The Company, the Responsible Entity and the Registry, on their behalf, may collect, hold, use and disclose that personal information for the purpose of processing your Application. This is to service your needs as a Securityholder, provide facilities and services that you need or request to manage and maintain the Registry, the Company and the Responsible Entity's relationship with you, verify your identity and information and carry out appropriate administration.

If you do not provide the information requested in the Application Form, then the Company, the Responsible Entity and the Registry may not be able to process or accept your Application. Your personal information may be provided to the Company and the Responsible Entity's service providers. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- The Registry for ongoing administration of the register of members;
- Printers and other companies for the purpose of preparation and distribution of statements and handling mail;
- Market research companies for the purpose of analysing the Securityholder base and for product development and planning; and
- Legal and accounting firms, auditors, contractors, consultants and other advisors for the purpose of administering, and advising on, the Stapled Securities and for associated actions.

The Corporations Act requires the Trust and the Company to include information about Securityholders (including name, address and details of the Stapled Securities held) in their register of members. The information contained in these registers of members must remain there even if that person ceases to be a Securityholder.

Information contained in a register of members is also used to facilitate dividend and distribution payments and corporate communications (including the Fund's financial results, annual reports and other information that the Fund may wish to communicate to its Securityholders) and compliance by the Fund with legal and regulatory requirements.

An Applicant has a right to gain access to, and update, his or her personal information that the Fund and the Registry holds about that person, and make complaints, subject to certain exemptions under law. A fee may be charged for access. Access can be requested in writing to info@newenergysolar.com.au or call 1300 454 801.

By submitting an Application, you agree that the Company, the Responsible Entity and the Registry may communicate with you in electronic form or contact you by telephone in relation to the Offer.

Updated information

Information regarding the Offer may need to be updated from time to time. Any updated information in relation to the Offer will be made available on the Fund's website www.newenergysolar.com.au.

In accordance with its obligations under the Corporations Act, the Company and the Responsible Entity may issue a supplementary or replacement Offer Document to supplement or replace any relevant information not disclosed in this Offer Document. You should read any supplementary or replacement disclosure(s) in conjunction with this Offer Document prior to making any investment decision.

Electronic Offer Document

An electronic version of this Offer Document is available from the Fund's website at www.newenergysolar.com.au.

The Offer to which this Offer Document relates to is available to persons receiving this Offer Document (electronically or otherwise) in Australia. It is not available to persons receiving it in any other jurisdiction.

If you download the electronic Offer Document, please ensure you have received the entire Offer Document accompanied by the Application Form. The Stapled Securities offered under the Offer to which the electronic Offer Document relates will only be issued on receipt of a printed copy of the Application Form.

Application for Stapled Securities

To apply to invest in Stapled Securities of the Fund, you must complete the Application Form attached to the back of this Offer Document and return it to us at any of the addresses provided on the Application Form, together with a cheque for your investment.

Please refer to Section 2.3 for further details on how to apply for Stapled Securities in the Fund.

We will not allot Stapled Securities until the Minimum Subscription has been received. It is expected that Allotment of the Stapled Securities will take place on or around 21 January 2016.

An Application constitutes an offer by the Applicant to subscribe for Stapled Securities on the terms and subject to the conditions set out in this Offer Document. Where the number of Stapled Securities allotted is less than the number applied for, or where no Allotment is made, the surplus Application Monies will be returned by cheque as soon as practicable after the Closing Date. Interest will not be paid on the refunded Application Monies.

Taxation implications

Taxation implications applicable to Investors will vary from investor to investor. The Company, the Responsible Entity, their advisors and directors and officers, do not accept any responsibility or liability for any tax consequences. You should consult your own professional tax advisor before subscribing for Stapled Securities pursuant to the Offer.

Please refer to Section 10 for a summary of the main Australian tax implications for Australian resident Investors who subscribe for Stapled Securities pursuant to the Offer.

Application Form

Applications and Application Monies for Stapled Securities under the Offer received after 5:00pm (AEDT) on the Closing Date will not be accepted and will be returned to Investors. Interest will not be paid on Application Monies that are returned. Applications must be accompanied by payment in Australian currency. Cheques in respect of Applications should be made payable to "New Energy Solar" and crossed "Not Negotiable". No brokerage or stamp duty is payable by Applicants.

Completed Application Forms, together with Application Monies, should be forwarded to one of the following addresses:

Postal

New Energy Solar Offer
c/- Walsh & Company Investments Limited
GPO Box 575
CANBERRA ACT 2601

Hand delivered

CANBERRA
New Energy Solar Offer
c/- Walsh & Company Investments Limited
Level 1, 73 Northbourne Avenue
CANBERRA ACT 2601

SYDNEY

New Energy Solar Offer
c/- Walsh & Company Investments Limited
Level 15, 100 Pacific Highway
NORTH SYDNEY NSW 2060

MELBOURNE

New Energy Solar Offer
c/- Walsh & Company Investments Limited
Level 2, 250 Victoria Parade
EAST MELBOURNE VIC 3002

When to apply

Completed Applications under the Offer must be received by 5:00pm (AEDT) on the Closing Date.

The Fund may close the Offer at any time after the Opening Date or extend the period of the Offer without prior notice in accordance with the Corporations Act.

The Fund reserves the right to allot a number of Stapled Securities with an aggregate value that is less than the Application Monies received. Where the value of Stapled Securities allotted is less than the Application Monies received, surplus Application Monies will be refunded without interest.

Enquiries

Applicants with enquiries concerning the Application Form or relating to this Offer Document and the Offer should contact New Energy Solar on 1300 454 801, or via email at info@newenergysolar.com.au.

Key dates and general information

Date of Offer Document	3 December 2015
Opening Date	11 December 2015
Closing Date	14 January 2016
Intended Allotment Date	21 January 2016

These dates are indicative only and may change. The Responsible Entity and the Company reserve the right to amend any and all of the above dates without notice subject to the Corporations Act (including to close the Offer early, to extend the Closing Date, to accept late Applications or to withdraw the Offer before the issue of Stapled Securities under the Offer). If the Offer is withdrawn before the issue of Stapled Securities, then all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

Offer statistics

Application Price per Stapled Security¹	\$1.60
Minimum Application amount	\$2,000
Minimum Offer size²	\$75,000,000
Minimum number of Stapled Securities available under the Offer	46,875,000
Maximum Offer size (if no oversubscriptions are taken up)²	\$150,000,000
Maximum number of Stapled Securities available under the Offer	93,750,000
Maximum Offer size with oversubscriptions²	\$200,000,000
Maximum number of Stapled Securities under the Offer (if all oversubscriptions are taken up)	125,000,000
Pro Forma Net Asset Value (NAV) backing per Stapled Security³	\$1.54

1. Wholesale Applicants and Non-Consenting Applicants will pay an Application Price per Stapled Security of \$1.60. Consenting Applicants will pay an Application Price per Stapled Security of \$1.574 plus a Service Fee of 1.65% (inclusive of GST) of the Application Price (approximately \$0.026) payable by the Company and the Responsible Entity to Licensees. Refer to Section 7.2(l) for further details.
2. Assumes a \$1.60 Application Price per Stapled Security.
3. Based on the unaudited pro forma statements of financial position set out in Section 8.1 of this Offer Document.



ASIC benchmarks and disclosure principles

ASIC has released disclosure benchmarks and disclosure principles to help investors better understand the characteristics of infrastructure entities and the risks associated with them.

The Fund does not presently constitute an infrastructure entity as contemplated by the ASIC benchmarks and disclosure principles. However, in view of the broad scope of the investment mandate of the Fund and the initial focus of the Fund being on the acquisition of producing solar farms, future acquisitions may render the Fund an infrastructure entity for these purposes. The Fund provides the following disclosure regarding compliance with the disclosure benchmarks and disclosure principles as if it were an infrastructure entity.

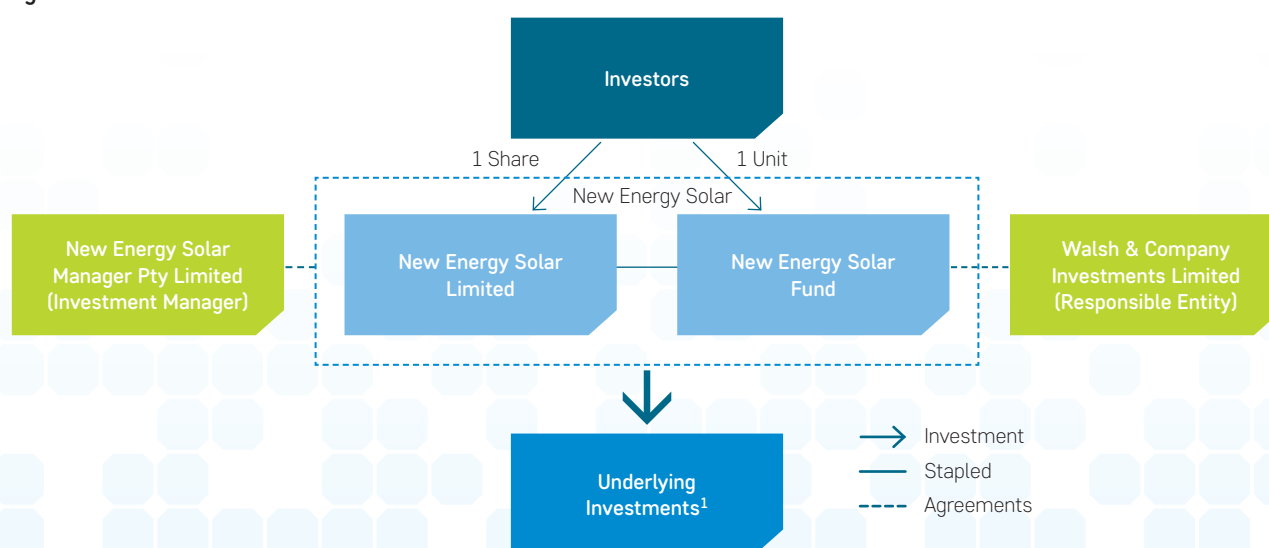
A full copy of ASIC Regulatory Guide 231 – Infrastructure Entities: Improving Disclosure for Retail Investors can be found on the ASIC website.

Corporate structure

The Fund is a stapled entity comprising New Energy Solar Fund (ARSN 609 154 298) (**Trust**) (being a registered managed investment scheme) and New Energy Solar Limited (ACN 609 396 983) (**Company**) (being a public company). Walsh & Company Investments Limited (ACN 152 367 649) (AFSL 410 433) (**Responsible Entity**) is the responsible entity for the Trust. The Fund is not listed on ASX or any other financial market. Units and Shares are stapled and must be traded and otherwise dealt with together.

The Fund is a new stapled entity that has been established to hold interests in renewable energy assets, initially focusing on solar energy assets. As at the date of this Offer Document the Fund has no assets. It is anticipated that investments will be made primarily through wholly owned subsidiaries or sub-trusts although some limited investments may be held directly. A summary Fund structure is set out below.

Figure 1. Structure of the Fund



1. Underlying Investments may be owned directly or indirectly.

The Fund provides the following disclosure against the ASIC Benchmark Disclosure Principles:

Benchmark Disclosure Principle	Statement and Explanation	Reference
<p>Benchmark 1: Corporate structure and management</p> <p>The Fund's corporate governance policies and practices conform with the principles and recommendations in Guidance Note 9A.</p>	<p>This benchmark is not met.</p> <p>The Fund is not admitted to the Official List of the ASX and, accordingly, the ASX Corporate Governance Principles set out in Guidance Note 9A have no application to the Fund.</p> <p>The Fund currently has no employees or assets. Corporate governance principles relating to employee remuneration and internal management are not applicable at this stage.</p> <p>The Board and the Responsible Entity have established policies relating to risk and conflict of interests management, a Fund code of conduct, and policies relating to trading, Securityholder communication, market disclosure, and corporate governance generally.</p> <p>The Company and the Responsible Entity will review, assess, and amend the Fund's corporate governance in accordance with the Fund's ongoing development.</p>	<p>For additional disclosure on this benchmark see Section 4.12.</p>
<p>Benchmark 2: Remuneration of management</p> <p>Incentive-based remuneration paid to management for the Fund is derived from the performance of the Fund and not the performance of other entities within its consolidated group, except where the Fund is the parent of the consolidated group.</p>	<p>The benchmark is met.</p>	<p>For additional disclosure on this benchmark, see Section 11.1.</p>
<p>Benchmark 3: Classes of units and shares</p> <p>All units or shares are fully paid and have the same rights.</p>	<p>The benchmark is met.</p>	<p>For additional disclosure on this benchmark, see Sections 11.2 and 11.3.</p>
<p>Benchmark 4: Substantial related party transactions</p> <p>The Fund complies with ASX Listing Rule 10.1 for substantial related party transactions.</p>	<p>The benchmark is not met.</p> <p>The Fund is not admitted to the Official List of the ASX and, accordingly, ASX Listing Rule 10.1 has no application to the Fund.</p>	

Benchmark Disclosure Principle	Statement and Explanation	Reference
<p>Benchmark 5: Cash flow forecast</p> <p>The Fund has, for the current financial year, prepared and had approved by its directors:</p> <ul style="list-style-type: none"> – a 12-month cash flow forecast for the Fund and has engaged an independent suitably qualified person or firm to provide, in accordance with the auditing standards: <ul style="list-style-type: none"> – negative assurance on the reasonableness of the assumptions used in the forecast; and – positive assurance that the forecast is properly prepared on the basis of the assumptions and on a basis consistent with the accounting policies adopted by the entity; and – an internal unaudited cash flow forecast for the remaining life, or the right to operate (if less) for each new significant infrastructure asset acquired by the Fund. 	<p>The benchmark is not met.</p> <p>The Fund has been recently established and currently has no investments. No decision has been made to proceed with any investment. In these circumstances the Fund cannot prepare meaningful cash flow forecasts.</p>	
<p>Benchmark 6: Base-case financial model</p> <p>Before any new material transaction, and at least once every three years, an assurance practitioner performs an agreed-upon procedures check on the Fund's base-case financial model that:</p> <ul style="list-style-type: none"> – checks the mathematical accuracy of the model, including that: <ul style="list-style-type: none"> – the calculations and functions in the model are in all material respects arithmetically correct; and – the model allows changes in assumptions, for defined sensitivities, to correctly flow through to the results; and – includes no findings that would, in the Fund's opinion, be materially relevant to the Fund's investment decision. 	<p>The benchmark is not met.</p> <p>The Fund has been recently established and currently has no investments. No decision has been made to proceed with any investment. At the date of the Offer Document the Fund cannot prepare a meaningful base-case financial model.</p>	
<p>Benchmark 7: Performance and forecast</p> <p>For any operating asset developed by the Fund, or completed immediately before the Fund's ownership, the actual outcome for the first two years of operation equals or exceeds any original publicly disclosed forecasts used to justify the acquisition or development of the asset.</p>	<p>The benchmark is not met.</p> <p>The Fund has been recently established and currently has no investments. Accordingly, it has no publicly disclosed forecasts used to justify the acquisition or development of any asset.</p>	

Benchmark Disclosure Principle	Statement and Explanation	Reference
Benchmark 8: Distributions If the Fund is a unit trust, it will not pay distributions from scheme borrowings.	The benchmark is not met. The Fund has been recently established and currently has no investments. Accordingly it has not limited its ability to utilise scheme borrowings to pay dividends or distributions.	For additional disclosure on this benchmark, see Section 4.11.
Benchmark 9: Updating the unit price If the Fund is unlisted and a unit trust, after finalising a new valuation for an infrastructure asset, the Fund reviews, and updates if appropriate, the unit price before issuing new units or redeeming units.	The benchmark is met.	For additional disclosure on this benchmark, see Sections 4.16 and 11.2.

The Fund provides the following disclosure against the ASIC Disclosure Principles:

Disclosure Principles	Statement and Explanation	Reference
Principle 1: Key relationships Disclose: <ul style="list-style-type: none"> (a) the important relationships for the entity and any other related party arrangements relevant to an investor's investment decision, including any controlling arrangements, special voting rights or director appointment rights; and (b) for any significant infrastructure asset under development: <ul style="list-style-type: none"> (i) key relationships in the development, including any concessionaire, developer, builder, sponsor, promoter, asset manager, independent expert, financier, joint venture party, issuer or manager; and (ii) key participants that bear material development related risks, including for timing and cost of delivery of the development, procurement and cost of financing for the development, and guaranteeing the performance of other entities. 	<p>(a) The structure of the Fund is outlined in Figure 1.</p> <p>The Responsible Entity is the responsible entity of the Trust. The current Directors of the Company are the same as the current Directors of the Responsible Entity.</p> <p>The Investment Manager acts as investment manager for the portfolio of assets of each of the Trust and the Company. The Investment Manager is a related body corporate of the Responsible Entity and will be appointed as an authorised representative of Walsh & Company Asset Management Pty Limited under its AFSL. The Investment Manager cannot make investment decisions without the approval of the Board of the Company and/or the Responsible Entity, depending on the ultimate intended or current ownership of an asset.</p> <p>It is not anticipated that any investor or third party will have control, special voting rights or director appointment rights for the Fund.</p> <p>(b) At the date of this Offer Document the Fund has no significant infrastructure assets under development.</p>	For additional disclosure, see Sections 4 and 6.

Disclosure Principles	Statement and Explanation	Reference
<p>Principle 2: Management and performance fees</p> <p>Disclose:</p> <p>(a) all fees and related costs associated with the management of the entity's assets paid or payable directly or indirectly out of the money invested in the entity, providing a clear justification for the fees; and</p> <p>(b) if performance fees are payable, how these fees will be paid, for example:</p> <ul style="list-style-type: none"> – <i>for mature operating infrastructure assets</i> – explain if and how the performance fees will be paid, including whether these fees are payable only from operating cash flow; and – <i>for operating infrastructure assets in a growth phase and development assets</i> – explain how the performance fees will be paid, whether these fees are funded by debt, capital, the issue of securities or otherwise, and the risks to members in paying performance fees in these ways. 	<p>(a) Under the Trust Constitution, the Responsible Entity is entitled to receive a responsible entity fee equal to 0.088% (inclusive of GST) of the gross assets of the Trust. The Responsible Entity has agreed to accept a reduced responsible entity fee from 0.55% (inclusive of GST) of the gross assets of the Trust and waived its rights to the balance of the fee until advised with three months' notice, to the Trust. This reduced responsible entity fee is consistent with market practice for such fees.</p> <p>The Investment Manager is entitled to receive:</p> <p>(i) an investment manager fee of 0.77% (inclusive of GST) per annum. For so long as the Fund is unlisted, this fee is calculated on the gross asset value of the assets of each of the Trust and the Company. If the Fund becomes listed on a prescribed financial market, this fee is calculated on the enterprise value of the Fund being the aggregate of the market capitalisation of the Fund, external borrowings of the Fund and its controlled entities and the total value of debt of hybrid instruments issued by the Fund and its controlled entities;</p> <p>(ii) an asset acquisition fee equal to 1.65% (inclusive of GST) of the purchase price (exclusive of acquisition costs) in respect of all acquisitions undertaken by the Fund and its controlled entities; and</p> <p>(iii) an asset disposal fee equal to 1.65% (inclusive of GST) of the net sale proceeds received from the disposal of an asset by the Fund or its controlled entities. The Fund intends to be a medium to long-term holder and does not currently intend to divest assets of the Fund.</p> <p>These investment manager fees are consistent with market practice for an investment manager of similar funds.</p> <p>(b) No performance fees are payable by the Fund in respect of the performance of the assets of the Fund and its controlled entities.</p>	<p>For additional disclosure, see Sections 7.2, 11.1 and 11.2.</p>

Disclosure Principles	Statement and Explanation	Reference
<p>Principle 3: Related party transactions</p> <p>Disclose details of any related party arrangements relevant to the investment decision, including:</p> <ul style="list-style-type: none"> (a) the value of the financial benefit/consideration payable; (b) the nature of the relationship; (c) whether the arrangement is on arm's length terms, the remuneration is reasonable, some other Chapter 2E exception applies or ASIC has granted relief; (d) whether member approval of the transaction has been sought and if so when; (e) the risks associated with the related party arrangement; (f) the policies and procedures in place for entering into these arrangements and how compliance with those policies and procedures is monitored; (g) for management agreements with related parties: <ul style="list-style-type: none"> (i) the term of the agreement; (ii) if the fee is payable by the Fund on termination of the agreement, the method of termination that will incur a fee and details on how that fee is calculated; (iii) any exclusivity arrangements in the management agreement; (iv) whether a copy of agreement is available to investors and, if so, how an investor can obtain a copy of the agreement; and (v) any other arrangements that have the potential or actual effect of entrenching the existing management; and (h) for transactions with related parties involving significant infrastructure assets: <ul style="list-style-type: none"> (i) what steps the Fund took to evaluate the transaction; and (ii) if not otherwise disclosed, summary of any independent expert opinion obtained for the transaction and whether, and if so how, an investor can obtain a copy of the opinion. 	<p>The only related party arrangement relevant to the investment decision of investors in the Fund is the investment management arrangements between the Investment Manager, the Responsible Entity and the Company. In respect of this relationship:</p> <ul style="list-style-type: none"> (a) the Investment Manager is entitled to receive an investment manager fee of 0.77% (inclusive of GST) of the gross assets of the Fund (while the Fund is unlisted) or the enterprise value of the Fund (while the Fund is listed on a prescribed financial market), an asset acquisition fee of 1.65% (inclusive of GST) and an asset disposal fee of 1.65% (inclusive of GST); (b) the Investment Manager manages all key investment decisions with respect to the portfolio of assets of the Fund, subject to the final approval of the Board of the Company and/or the Responsible Entity, depending on the ultimate or current ownership of an asset; (c) the terms of the Investment Management Agreement are on arms-length commercial terms and are consistent with market practice for such investment management arrangements; (d) member approval of the terms of the Investment Management Agreement has not been sought as it is on arms-length commercial terms and was put in place on establishment of the Fund; (e) the Responsible Entity and the Company may transact with related parties, including in respect of fees payable to the Responsible Entity under the Trust Constitution and to the Manager under the Investment Management Agreement. Conflicts of interest may arise in these circumstances, with the risk that the conflicted party may be tempted to act in its own interests or those of a related party rather than in the interests of the Company or the Trust; 	<p>For additional disclosure, see Sections 4.5, 6.4 and 11.1.</p>

Disclosure Principles	Statement and Explanation	Reference
<p>Principle 3: Related party transactions continued</p>	<p>(f) the Responsible Entity and the Company each have an appropriate conflict of interest and related party transaction policy to assist in managing related party transactions, including a notification and assessment procedure. The compliance officer for each entity is responsible for reviewing, and monitoring all transactions in which that entity is a participant, and in which any of its related parties has or will have a direct or indirect material interest. Each related party transaction will be approved by Securityholders, unless it falls within an exception. Further information is provided at Section 4.12;</p> <p>(g) the term of the Investment Management Agreement is 10 years and if not terminated on expiry of the term is automatically extended for additional periods of one year. The investment management arrangement is exclusive in that the Fund may not appoint any other manager to manage the assets of the Fund and its controlled entities during the term of the agreement. A copy of the agreement is not available to investors but is summarised in Section 11.1;</p> <p>(h) there are no transactions with related parties involving significant infrastructure assets.</p> <p>Other related party transactions are as follows:</p> <p>Consenting Applicants will pay a one-off service fee of 1.65% (inclusive of GST) of the Application Price, which is included in the Application Price for each Stapled Security issued to those Applicants. This fee relates to services provided by Licensees dealing in respect of the Offer, and for the avoidance of doubt, a Licensee includes, but is not limited to, Dixon Advisory & Superannuation Services Limited, a related party of the Responsible Entity, the Board and the Investment Manager.</p> <p>The Responsible Entity (in its personal capacity) will also charge a one-off structuring fee of 1.65% (inclusive of GST) of the gross proceeds of the Offer.</p> <p>Directors of the Company have the benefit of director protection deeds and are entitled to receive director's fees (though each current Director has elected to waive his entitlement to such fees).</p>	

Disclosure Principles	Statement and Explanation	Reference
<p>Principle 4: Financial ratios</p> <p>Disclose:</p> <ul style="list-style-type: none"> (a) if target financial ratios have been publicly disclosed, the respective financial ratios actually achieved for the entity and how these target and actual ratios are calculated; and (b) an explanation of what the financial ratios mean in practical terms and how investors can use the ratios to determine the entity's level of debt-related risk. 	<p>The Fund has no publicly disclosed target financial ratios.</p>	
<p>Principle 5: Capital expenditure and debt maturities</p> <p>Disclose:</p> <ul style="list-style-type: none"> (a) planned capital expenditure for the next 12 months and how this expenditure is to be funded; and (b) a breakdown of material debt maturities for the entity; in the intervals set out in the table, on a consolidated contractual basis showing the drawn amount, the undrawn amount, the total drawn and undrawn amount, the percentage of variable interest rate risk, the weighted average interest rate, the percentage of debt that is not limited recourse to a particular asset and whether the debt is fully amortising or requires principal and interest payments. 	<ul style="list-style-type: none"> (a) The Fund has been recently established and currently has no investments. While the Responsible Entity and the Company are exploring the universe of potential opportunities, no decision has been made to proceed with any investment. Accordingly, the Fund currently has no committed capital expenditure for the next 12 months. Investment of funds and capital expenditure in relation to those investments will be made progressively as and when investment opportunities arise. (b) The Fund currently has no debt obligations. 	
<p>Principle 6: Foreign exchange and interest rate hedging</p> <p>Disclose:</p> <ul style="list-style-type: none"> (a) any current foreign exchange and interest rate hedging policy for the entity; and (b) whether the entity's foreign exchange and/or variable interest rate exposure conforms with its foreign exchange and interest rate hedging policy. 	<ul style="list-style-type: none"> (a) The Fund expects to receive income streams and hold assets denominated in US dollars, Australian dollars and other currencies. The Fund does not currently intend to hedge this currency risk. The Fund may re-evaluate the hedging policy in the event of changes in prevailing relevant exchange rates and economic conditions. (b) Not applicable 	<p>For additional disclosure, see Section 4.14.</p>

Disclosure Principles	Statement and Explanation	Reference
<p>Principle 7: Base-case financial model</p> <p>Disclose:</p> <p>(a) for acquisitions of a significant infrastructure asset, the following details of the Fund's base-case financial model:</p> <p>(i) key assumptions and source of those assumptions;</p> <p>(ii) a confirmation by the directors as to whether or not they consider that the assumptions are reasonable;</p> <p>(iii) any process the directors undertook to satisfy themselves that the assumptions were reasonable, including if an expert provided an opinion on the model, and if so, provide a summary of that expert opinion;</p> <p>(iv) the agreed upon procedures check that the assurance practitioner has performed to review the base-case financial model (as per benchmark 6) and any findings which are materially relevant to the investment decision; and</p> <p>(v) any conflicts of interest that may arise in either the expert opinion or the agreed-upon procedures check.</p> <p>(b) up to five of the key assumptions in an infrastructure entity's base-case financial model that are likely to have the most material impact:</p> <p>(i) on the operating performance of the entity for at least the next 12 months; or</p> <p>(ii) in the case of a development asset, in the first year of operation, demonstrating the impact on the infrastructure and investor entity, if any (and separately if all) of the assumptions were materially less favourable than anticipated.</p> <p>(c) also disclose:</p> <p>(i) a reasonable estimate of the operating capacity of the entity's significant infrastructure assets;</p> <p>(ii) for any operating asset developed by the infrastructure entity or completed immediately before the infrastructure entity's ownership, any material discrepancies between any publicly disclosed forecasts and the actual performance for the first two years of operation; and</p> <p>(iii) any material discrepancies between the assumptions contained in the infrastructure entity's base-case financial model used to raise any debt and the model used to raise any equity, respectively, within six months of each other in the current financial year.</p>	<p>(a) The Fund has been recently established and currently has no investments. While the Responsible Entity and the Company are exploring the universe of potential opportunities, no decision has been made to proceed with any investment. As a result, the Fund has not prepared a base-case financial model.</p> <p>(b) The key assumptions in respect of any base-case financial model that the Fund might prepare following investment of a material portion of the funds raised under this Offer Document would depend on the nature of the investments made and the capital expenditure commitments (if any) associated with those investments. As the Fund has not yet made any investments and has no agreement to make investments, it is not in a position to outline the key assumptions associated with any base-case financial model.</p> <p>(c) Not applicable as the Fund has not made any investments and has reached no agreement to make any investments.</p>	

Disclosure Principles	Statement and Explanation	Reference
<p>Principle 8: Valuations Disclose:</p> <p>(a) details on the entity's valuation policy; and</p> <p>(b) whether valuations and supporting documentation are available to investors and, if so, how they are made available. If valuations and supporting documentation are not available to investors, the infrastructure entity should provide a summary of the valuations (required for significant infrastructure assets only) containing, at a minimum, the following information:</p> <ul style="list-style-type: none"> (i) whether the valuation was prepared internally or externally; (ii) the date of the valuation; (iii) the scope of the valuation and any limitations on the scope; (iv) the purpose of the valuation; (v) the value assets and key assumptions used to determine value; (vi) the key risks specific to the infrastructure assets being valued; (vii) the valuation methodology; (viii) the period of any forecast and terminal value assumptions; (ix) the discount rate used and the basis for calculating this rate; and (x) the income capital expenditure and capital growth rates over the forecast period; and <p>(c) any circumstances that may result in a conflict of interest arising in the preparation of the valuations.</p>	<p>(a) The Fund will use fair market value to determine the carrying amount of its renewable energy asset investments where it has an interest. The best method to calculate fair market value is by using a discounted cash flow of expected future cash flows of the relevant asset.</p> <p>(b) Valuations and supporting documentation will not be made available to investors.</p> <p>(c) Under the Investment Management Agreement the Investment Manager is responsible for preparing valuations and receives a base management fee calculated on the value of the assets held. This could potentially create a conflict of interests, however, valuations must be in accordance with the valuation policies dictated by the Fund from time to time.</p> <p>The Fund may engage suitably qualified independent valuers to assist in the assessment of fair market value.</p>	<p>For additional disclosure, see Section 4.16.</p>

Disclosure Principles	Statement and Explanation	Reference
<p>Principle 9: Distribution policy</p> <p>Disclose:</p> <ul style="list-style-type: none"> (a) the current distribution policy and any rights that the entity has to change the policy; (b) on payment of distributions, the portion attributable to, for example, income, capital and debt; and (c) the risks associated with distributions being paid from sources other than operating cash flow, including the sustainability of such distributions. 	<p>(a) The Fund will seek to make investments with a view to generating sufficient income to provide a stable dividend and distribution stream. All income from the Trust will be distributed while income received by the Company may be retained or paid out by way of dividends or return of capital.</p> <p>Once the Fund has declared its inaugural dividend/distribution the Fund intends to pay dividends and distributions six monthly. The Fund reserves the right to change its distribution policy as the Board and Responsible Entity considers necessary and appropriate.</p> <p>(b) On payment of dividends and distributions the portions attributable to income capital and debt will be disclosed to Securityholders.</p> <p>(c) The Fund currently intends to invest globally. To the extent that tax is paid outside of Australia the Company does not anticipate being able to frank dividends. However, where the Company pays income tax in Australia or receives franked distributions itself, the Company may allocate franking credits arising from such income tax payments and franked distributions received to frank dividends paid by it to Investors. Where the Trust receives franking credits on franked dividends or distributions, it may be able to pass such franking credits on to its Securityholders when paying distributions. In some circumstances, the Trust may have the capacity to distribute foreign income tax offsets.</p> <p>The Company and the Trust may lend, invest or utilise other structures to move capital between the Company and the Trust. The structure of these arrangements may impact distributions paid from the Trust and dividends paid by the Company. The Company and Trust currently intend to enter into lending, investing or other structures where it benefits the Fund as a whole. The Fund also has the flexibility to fund distributions from debt.</p> <p>The Fund will provide an annual tax dividend and distribution statement summary for investors to complete their income tax returns.</p>	<p>For additional disclosure, see Section 4.11.</p>

Disclosure Principles	Statement and Explanation	Reference
<p>Principle 10: Withdrawal policy</p> <p>Disclose whether there is a withdrawal policy together with the information outlined in the Principle in relation to the withdrawal arrangements</p>	<p>The Responsible Entity has a policy not to allow any redemptions and therefore will not provide withdrawal rights to holders of Stapled Securities. The Company does not provide withdrawal rights to holders of Shares. As a result, Stapled Securities are presently illiquid.</p> <p>The Responsible Entity and the Board retain the right to change this policy to provide liquidity to investors and, if they decide to do so, they will notify Stapled Securityholders and advise them of its policy for redemptions (in the case of Units) and buy-backs, return of capital or other methods of distributing capital (for Shares) which will be subject to the Trust Constitution and the Corporations Act, (respectively).</p> <p>The Responsible Entity and the Company will notify Stapled Securityholders if they change this policy and provide withdrawal rights or other means to provide liquidity to Investors.</p> <p>As a newly established entity, the Fund has not previously reduced its capital.</p>	
<p>Principle 11: Portfolio diversification</p> <p>Disclose:</p> <ul style="list-style-type: none"> (a) details on whether the infrastructure entity has a portfolio diversification policy and, if so, details of that policy; (b) the Fund's actual portfolio diversification position compared to its portfolio diversification policy; and (c) if there is a material variance between the entity's diversification policy and its actual position, an explanation of why the variance exists and the measures being taken to rectify it. 	<ul style="list-style-type: none"> (a) The Fund's investment mandate allows investment in renewable energy assets in any location. At the date of this Offer Document the Fund has not established a portfolio diversification policy, however the Fund intends to invest in a number of renewable energy assets that meet the investment criteria of the Fund. (b) The Fund has been recently established and currently has no investments. While the Responsible Entity and the Company are exploring the universe of opportunities, no decision has been made to proceed with any investment. As a result, the Fund has no current portfolio diversification position. (c) Not applicable. 	<p>For additional disclosure, see Section 4.6.</p>



Letter of introduction

Dear Investor

It is our pleasure to invite you to invest in New Energy Solar.

Positive social impact alongside financial returns

New Energy Solar is a new sustainable investment fund initially focused on investing in large-scale, cash-flow producing solar farms that generate emissions-free power.

New Energy Solar's objective is to help investors generate positive social impact alongside attractive financial returns through the combination of distributions from producing solar assets and growth through new acquisitions and developments in the solar and renewable sectors.

Generating clean power from the sun

The power of the sun is enormous, producing enough power in 14.5 seconds to power the planet for one day. In 112 hours, or less than five days, the sun provides 36 Zettajoules of energy, as much energy as is contained in all proven reserves of oil, coal, and natural gas on this planet.

Yet today solar energy's contribution to global energy consumption is insignificant, contributing less than 1%. The Company and the Responsible Entity believe this is set to change, and that the world is about to experience a significant shift in power generation preference towards solar and renewable energy.

Technology has transformed the economics of solar energy. Between 2009 and 2014, solar panel costs fell by some 75%, with further falls expected as technology and manufacturing processes continue to progress and evolve. The combination of technological change and policy support means that electricity produced from solar is now at grid parity with fossil fuels in many global markets including parts of Australia and the United States (based on the capital and operating costs over the expected life of the plant).

This dynamic is creating more opportunities to invest in the sector than ever before. Until recently, investments in solar energy have largely been limited to the upstream segment of the sector, comprised of high growth, technology oriented, early-stage companies. Investors in solar energy have mirrored that profile, restricting the investor universe to those comfortable bearing technology risk.

Today, however, with grid parity driving ever wider adoption of solar power generation, investors are able to invest across the full solar value chain including the downstream segment – being lower risk, cash-flowing solar assets producing power with zero direct carbon emissions. Rather than bearing the risks of being leap-frogged by technology in the upstream or development segment, investors in the downstream are able to monetise today's technology through long-term contracts and other arrangements while being able to take advantage of continued developments in technology through future projects.

New Energy Solar is being established to allow investors to take advantage of these dynamics and provides Australian investors with the opportunity to invest in a future producer of emissions-free energy. New Energy Solar will focus on acquiring and maintaining a diversified portfolio of solar and renewable energy assets across the globe, with an initial focus on solar assets with contracted cash flows in the United States, Australia and select Asian markets.

The Fund intends to initially target solar assets generating yields in the range of 7 to 10%, though the Fund may target assets outside this range. It is important to note that this may not necessarily reflect the distribution yields investors will receive.

Fund structure and risks

New Energy Solar is an unlisted stapled entity consisting of New Energy Solar Fund (**Trust**) and New Energy Solar Limited (**Company**) (together **New Energy Solar** or the **Fund**).

The Offer is for Stapled Securities each consisting of one Share in the Company and one Unit issued by Walsh & Company Investments Limited (**Walsh & Co** or **Responsible Entity**) in its capacity as responsible entity for the Trust. The Stapled Securities will not be quoted on the ASX or any other stock exchange, and thus Investors may only trade Stapled Securities off market. Investors have no right to withdraw from the Fund, unless a withdrawal offer is made by the Company and the Responsible Entity on behalf of the Fund. There is currently no intention and no obligation to make withdrawal offers. The intended assets of the Fund are illiquid in nature and the Fund currently intends to be a long-term investor in its assets. However the Fund will explore liquidity options for investors in the future. Investors are cautioned that opportunities to exit from an investment in the Fund will be very limited and so should only invest in the Fund if they propose to take a medium to long-term approach (at least seven years) to investment in the Fund. While the Fund will explore liquidity options for investors, the Fund may hold the assets for their useful life of approximately 25+ years.

Like all investments, an investment in the Fund carries risk. These risks are set out in Section 5 and are summarised in the “Key Investment Risks” section from page 7. Key risks include the broad investment strategy of the Fund, distribution risk and residual value of investments, the fact that following allotment the Fund will have substantial uncommitted funds, and general risk factors such as changing electricity prices, currency risk, variability of weather patterns risk and interest rate risk.

Investing in a clean future

The world’s demand for energy continues to grow. According to BP, global demand for energy grew by 57% from 1990 to 2013 and is forecast to increase by another 37% between 2014 and 2035¹. Although electricity generation has become more efficient, consumers and industry continue to use more electricity in a world now filled with new devices and a growing population.

However, this rapid growth in energy consumption has come at a significant cost. No longer is sustainable investing solely a means of averting dangerous climate change in the future; rather, it is increasingly a means to stop dangerous pollution today. Berkeley Earth, a not-for-profit scientific research house, has estimated that air pollution in China is contributing to 4,000 deaths a day, or 1.6 million people a year. For every hour a person is exposed to Beijing’s pollution, their life expectancy drops by 20 minutes. For China and many countries around the world today, there is a much greater sense of urgency around investing in renewable energy.

By investing in New Energy Solar, investors will be supporting an investment aimed at reducing the world’s reliance on fossil fuels.

We encourage you to read this Offer Document carefully because it contains detailed information about the Fund and the Offer of Stapled Securities to Investors.

We look forward to welcoming you as an Investor in the Fund.

Yours faithfully



Alex MacLachlan

Chairman of the Responsible Entity of New Energy Solar Fund
Walsh & Company Investments Limited
Chairman of New Energy Solar Limited

1. BP Energy Outlook 2035: http://www.bp.com/content/dam/bp/pdf/energy-economics/energy-outlook-2015/bp-world-energy-outlook-booklet_2035.pdf

New Energy Solar: the facts

Why now?

Solar panels costs declined by 75% between 2009 and 2014. The combination of technological change and policy support means that electricity produced from solar is now at grid parity with fossil fuels in many global markets, including parts of Australia and the United States (based on the capital and operating costs, over the expected life of the plant).

This and other dynamics are creating more opportunities to invest in the sector than ever before.

What is the Fund investing in?

The Fund intends to invest primarily in large-scale, cash-flow producing solar farms that sell power either directly to the grid or to large commercial or industrial customers.

What are the typical yields on solar assets?

The Fund intends to target assets that generate yields of around 7 to 10%, though the Fund may target assets outside this range.

It is important to note that this may not necessarily reflect the distribution yields investors will receive.

What do the cash flow profiles of solar assets look like?

The life span of solar panels is currently 25+ years, with essentially all of the investment cost incurred upfront. Once the panels are producing, the operating costs are minimal.

This is very different to fossil fuel power plants, where fuel input and operating costs are significant throughout the life of the asset. Fuel for a solar asset is free and unlimited.

Isn't this a technology investment?

The first solar investments were generally high growth, technology oriented, early-stage companies focused on solar research and technology, manufacturing, and development, that is upstream companies. The investor universe for the most part was limited to those comfortable bearing significant technology risk.

However, with the wider adoption of solar power due to grid parity, investors today are able to invest across the full value chain.

The Fund's initial focus is on the downstream – owning lower risk, producing solar farms that generate cash flows by selling zero emissions electricity into the power grid.

Hence the Fund's initial assets will be more akin to utility or infrastructure assets.

Won't technology quickly make our investments outdated/uncompetitive?

There are minimal operating costs once solar panels are producing. With low production costs and no input costs, so long as electricity does not become free, the Fund's assets will continue to generate cash flows throughout their useful life, irrespective of any changes in technology.

What about risks such as electricity prices, development, or operations and maintenance?

The Fund intends primarily to seek assets that have long term (10+ years) power purchase agreements (**PPAs**) in place with high quality off-takers. These PPAs are generally fixed price, often with escalators linked to inflation.

The Fund initially does not intend to take any development risk. The Fund intends to either only purchase producing assets or, if purchasing assets in the development stage, require guaranteed delivery of producing assets.

The Fund expects to have operations and maintenance agreements in place with local expert providers.



Key investment benefits

Positive social impact alongside financial return

- Targeting attractive financial returns – the Fund seeks to generate attractive returns through a combination of distributions from producing solar assets and growth through new acquisitions and developments
- Environmental impact – opportunity to invest in a future producer of emissions-free energy and support an investment aimed at reducing the world's reliance on fossil fuels
- Social impact – solar energy represents one of the best solutions to providing power to the world's developing and emerging markets

Initially targeting lower-risk, high quality, long-lived solar assets with contracted cash flows

- Invest in a portfolio initially targeting lower risk, cash-flowing solar assets producing power with zero carbon emissions
- Limited exposure to technology risk; assets generally de-risked through long-term PPAs with high quality off-takers, such as government, energy utilities and large corporations

Strategy of balancing attractive distributions from solar assets with future growth opportunities

- Targeting a core portfolio of cash-flowing assets, with underlying assets yielding 7 to 10% per annum (before tax)²
- Fund intends to acquire an initial platform of producing assets to underpin future growth through further acquisitions and development opportunities

Exposure to a rapidly growing global solar market opportunity

- Opportunity for Australian retail investors to gain access to the global solar market
- Significant growth potential in solar energy – the International Energy Agency expects solar power generation to increase to 16% of global generation by 2050, from 1% today

Geographically diverse; exposure to high growth markets

- Portfolio is intended to be diversified across several markets seeking, where possible, to provide exposure to several different operating and policy environments
- Initial focus on high growth markets in the United States, Australia, and select high growth Asian markets

Increasingly favourable policy and regulatory conditions

- Renewable energy targets now in place across over 160 countries, many supported by favourable local policies and incentives
- Rising global awareness of health impacts of air pollution from fossil fuels; national policies increasingly geared towards creating clean, safe, and healthy environment for citizens

2. It is important to note that this may not necessarily reflect the distribution yields Investors will receive

Key investment risks

Risk	Summary	Section
Broad investment strategy	The investment strategy proposed for the Fund is broad and does not restrict investments in renewable energy to any particular renewable energy type, geographic region, size or cash-flow profile. No decision has been made at the date of this Offer Document regarding any particular investment to be made by the Fund. Accordingly, it may be difficult for investors to assess the risks associated with the investments that may be made by the Fund.	Section 5.1(a)
Substantial uncommitted funds	<p>It is proposed that the Fund will target investments in the renewable energy market, initially focusing on investing in large-scale, cash-flow producing solar farms that generate emissions-free power. The Investment Manager has been exploring the universe of potential opportunities. No decision has been made to proceed with any investment.</p> <p>Funds raised from the Offer will be retained in cash until required for investment in renewable energy assets by the Fund. Any income generated by the Fund from cash investments may be significantly lower than what might be expected to be received following investment in renewable energy assets. Should the Fund not find any suitable investments in the period up to 18 months from Allotment under this Offer the Fund intends to return cash to Investors net of fees and expenses. There is a risk that the amount Investors receive, should cash be returned, is less than their original investment in Stapled Securities.</p>	Section 5.1(b)
Electricity prices	The ability of entities in which the Fund invests to negotiate favourable power purchase agreements (PPAs) may be negatively impacted by a drop in electricity prices in the markets in which the Fund's assets may operate. Decreases in the retail prices of electricity supplied by some utilities or other renewable energy sources may harm the ability of operators to offer competitive pricing and consequently its ability to sign new customers under PPAs on favourable terms.	Section 5.2(a)

Risk	Summary	Section
Electricity supply and demand for renewable energy	Renewable energy continues to grow as a portion of the total energy production in local and international markets, however the ability for the market to absorb increasing energy supply will be limited. The ultimate absorption of renewable electricity will depend on increased demand for electricity, consumer preference (to use renewable energy) and the ongoing (reduction or increase) of fossil fuel produced electricity.	Section 5.2(b)
Responsible Entity and Investment Manager risk	<p>The Responsible Entity acts at the responsible entity for the Australian Property Opportunities Fund I & II, US Masters Residential Property Fund, Emerging Markets Masters Fund and US Select Private Opportunities Fund I & II. The Responsible Entity has not previously acted in the renewable energy space.</p> <p>The principals and executives of the Investment Manager have extensive experience in the identification, acquisition, management and disposal of a diverse range of asset classes but have no direct experience in investing in infrastructure or renewable energy assets.</p> <p>The Investment Manager has initially engaged a renewable energy professional, Alistair Craib, to provide industry consulting services as required. The Investment Manager may engage with other industry consultants as required.</p>	Section 5.1(c)
Distribution risk and residual value of investments	The Fund may make distributions partly or wholly from unrealised revaluation gains, capital, or support facilities arranged by the Responsible Entity and the Company, rather than solely from cash from operations available for distribution. Investors should note assets intended to be acquired by the Fund have limited useful lives (25+ years) and uncertain residual value, that may be zero.	Section 5.1(e)
Tax risk	<p>Changes in taxation laws in Australia, the United States and other countries in which the Fund may invest can impact the Fund.</p> <p>The taxation treatment of the Fund may be different to what is expected, which may have adverse consequences with respect to the tax treatment of distributions from the Fund, the value of the Fund and the value of assets of the Fund.</p>	Section 5.1(f)
Counterparty risk	<p>The Fund may acquire interests in assets together with third party investment partners such as joint venture partners or trustees of external trusts. Relationships with future investment partners may not operate as intended and there is a risk that this may negatively impact the value of the investments by the Fund.</p> <p>The electricity to be generated by the Fund's investments is initially intended to be sold under PPAs where possible with utilities, commercial, industrial or government end users. Should any counterparty under these contracts become unable or unwilling to fulfil their related contractual obligations, refuse to accept the delivery of power delivered or terminate agreements prior to expiration, the financial position and performance of the Fund may be materially adversely impacted.</p>	Section 5.1(g)

Risk	Summary	Section
Counterparty risk continued	<p>Where PPAs are in force with government entities there is also a heightened risk of legislative or other political action that may negatively impact the financial position and performance of the Fund.</p> <p>The Fund may also invest in pre-operational projects to facilitate securing quality assets at attractive returns. Pre-operational projects may rely on counterparties to bear certain risks, including, but not necessarily limited to, on time and on budget construction and final asset output. Where a counterparty fails to satisfy the terms of their agreement the Fund may be required to seek remedy from the relevant counterparty. There is a risk that sufficient remedy may not be granted or available from the relevant counterparty, which may impact the value of the investments of the Fund.</p> <p>The Fund intends to reduce these risks by engaging only with reputable parties and ensuring parties are bound by legal agreements for material transactions.</p>	Section 5.1(g)
Acquisition risk	<p>The Fund intends to acquire interests in renewable energy assets which exposes the Fund to acquisition risks.</p> <p>The Fund may fail to identify assets to acquire; fail to identify material problems during due diligence; over pay for assets, and may acquire assets in new markets where the Fund and its Directors have not previously operated. While the Fund performs due diligence on prospective acquisitions, it may not be able to discover all potential operational deficiencies of such projects.</p> <p>There is no guarantee that any future acquisition will perform as expected or that the returns from such acquisitions will support the financing utilised to acquire them or maintain them. Acquisitions may have a material adverse impact on the financial position and performance of the Fund.</p>	Section 5.1(h)
Variability of weather patterns	<p>The Fund intends to invest in renewable energy assets many of which are powered by the weather. Changes in expected weather patterns may impact the value of the Fund's assets and distributions payable by the Fund.</p>	Section 5.1(o)
Technological changes	<p>Technological changes in the power industry generally and the Photovoltaic (PV) solar industry specifically may lower electricity prices which could impact cash flows for the Fund post PPAs and consequently may impact the performance of the Fund in the long term.</p>	Section 5.2(k)
Competition	<p>The renewable energy sector and PV solar sector specifically is a rapidly expanding and evolving industry. Competitors will continue to enter the market in which the Fund will be invested, which in turn may decrease profit margins by virtue of increased supply.</p>	Section 5.2(i)

Risk	Summary	Section
Regulatory risk	<p>There is no guarantee existing or future government subsidies and economic incentives, from which renewable energy production operations benefit, will remain. The reduction, elimination or expiration of such regulations may impact the performance of the Fund. Each market in which the Fund may participate is likely to be subject to this risk at varying and unknown levels.</p>	Section 5.2(k)
Interest rate risk	<p>The Fund may be a directly or indirectly geared vehicle. As such, changes in interest rates will have a direct positive or negative impact on the Fund's income. Changes in interest rates may also affect the market more broadly and positively or negatively impact the value of the Fund's underlying assets.</p> <p>Further, until invested, significant funds will be held in cash. Until the funds raised by the Offer are invested, the distribution yield will be impacted by interest rates and the yield on cash and cash managed investments. The actual impact that interest rates will have on the distribution yield will depend on applicable interest rates and the time it takes for the Investment Manager to identify attractive opportunities to invest the cash raised.</p> <p>The Fund may implement an interest rate hedging policy. It may undertake this by fixing a portion of the Fund's exposure to any floating rate interest rates to an appropriate fixed rate. To the extent hedging is in place this risk may be mitigated.</p>	Section 5.1(i)
Currency risk	<p>The Fund may hedge for currency risk depending on the prevailing exchange rates and economic conditions.</p> <p>A significant proportion of the Fund's investments may be in foreign currency denominated assets. The value of Stapled Securities will be impacted by increases and decreases in the value of the foreign currency to the extent of any unhedged portion of the Fund's assets. An increase in the value of other currencies against the Australian dollar will mean the NAV of the Fund will be worth more when converted into Australian dollars, but if the value of the other currencies fall, the NAV will be worth less in Australian dollar terms.</p> <p>Volatility in the prevailing exchange rates in the markets in which the Fund invests will cause volatility in the distributions of the Fund.</p> <p>The Australian dollar exchange rate has been subject to significant fluctuations in the past and may be subject to significant fluctuations in the future. The Fund does not currently intend to hedge FX but may do so in the future depending on the prevailing exchange rates and economic conditions.</p> <p>The capital value of assets held by the Fund may be hedged through use of derivatives such as foreign exchange forward contracts.</p>	Section 5.1(j)

Risk	Summary	Section
Size and portfolio	The size of the portfolio of the Fund will affect the risk profile of the Fund. The Fund may not be able to diversify its investments and so manage its risks as efficiently if it only achieves the Minimum Subscription under this Offer, compared to securing a greater level of acceptance. However, the risk of loss of investments in the Fund's portfolio will not necessarily be reduced if the level of acceptance under this Offer exceeds the Minimum Subscription. Effective risk management depends on a range of factors including diversification of investments and other factors.	Section 5.1(k)
No operating performance or history of the Fund	The Fund has no financial, operating or performance history and the Investment Manager and the Company are both newly established entities. The information in this Offer Document about the investment objectives of the Fund are not forecasts, projections or the result of any simulation of future performance. There is a risk that the Fund's investment objectives will not be achieved.	Section 5.1(l)
Related party transaction risk	The Responsible Entity and the Company may transact with related parties. There are a number of related party transactions described in this Offer Document, such as in respect of fees payable out of the Trust to the Responsible Entity under the Trust Constitution and to the Investment Manager under the Investment Management Agreement. See RG231 table on pages xii and xiii for further information. Conflicts of interest may arise in these circumstances with the risk that the conflicted party may be tempted to act in its own interests or those of a related party rather than in the interests of the Trust or the Company. The Company and the Trust each have a conflict of interest and related party transaction policy to assist in managing this risk.	Section 5.1(m)
Pre-operational asset risk	The Fund may invest in pre-operational projects with a view to securing perceived quality assets at attractive returns. The Fund may be subject to additional risks with pre-operational projects acquired by the Fund, including; cost and budget overruns and asset output. The Fund may seek suppliers, construction or development partners to carry some of the risks inherent in pre-operational projects.	Section 5.1(e)
Fund liquidity	<p>The Fund will be unlisted and intends to hold interests primarily in renewable energy assets that are generally illiquid in nature. The Fund intends to be a medium to long-term investor in assets and as such may hold assets until the end of their useful lives. Investors should view an investment in the Fund as medium to long-term in nature (at least seven years). The Fund may invest in assets for their useful life, typically 25+ years.</p> <p>Investors have no rights to withdraw from the Fund. As a result, Securityholders will have limited opportunity to realise their investment in the Fund as there may not be a ready market for selling Stapled Securities.</p>	Section 5.1(d)

Section 1. Summary of the Offer

New Energy Solar

New Energy Solar was established in November 2015 with the objective of helping investors generate positive social impact alongside attractive financial returns through the combination of distributions from producing solar assets and growth through new acquisitions and developments in the solar and renewable sectors.

The Investment Manager has commenced an assessment of the universe of potential opportunities and intends to develop relationships with renewable energy development companies, initially focusing on solar energy assets in the United States, Australia and select Asian markets.

The Fund will seek to provide distributions from producing solar assets and growth through new acquisitions and developments in the solar and renewable sectors.

About the Offer

Question	Summary	More info
What is the Offer?	This Offer Document is for an offer of Stapled Securities issued by the Fund. Each Stapled Security consists of one unit (Unit) in New Energy Solar Fund (ARSN 609 154 298) (Trust) stapled to one share (Share) in New Energy Solar Limited (ACN 609 396 983) (Company).	Section 2.1
What are the key terms of the Offer?	<p>The Offer comprises an offer of up to 93.75 million Stapled Securities at a price per Stapled Security of:</p> <ul style="list-style-type: none">– \$1.60 per Stapled Security for Wholesale Applicants and Non-Consenting Applicants; and– \$1.574 per Stapled Security plus a Service Fee of 1.65% (inclusive of GST) of the Application Price (approximately \$0.026) for Consenting Applicants for a total Application Price of \$1.60; <p>to raise up to \$150 million with the ability to raise an additional \$50 million through oversubscriptions.</p>	Section 2.1
What are the opening and closing dates of the Offer?	<ul style="list-style-type: none">– The Opening Date of the Offer is 11 December 2015.– The Closing Date of the Offer is 14 January 2016. <p>Dates are indicative only and may be subject to change.</p>	
Who are the Issuers?	<ul style="list-style-type: none">– Walsh & Company Investments Limited in its capacity as Responsible Entity of the New Energy Solar Fund; and– New Energy Solar Limited, <p>whose Units and Shares are stapled together and cannot be traded or dealt with separately.</p>	Section 2.1

Question	Summary	More info
What will the Fund invest in?	<p>The Fund will primarily seek to invest in renewable energy assets with an initial focus on the current market opportunity in large-scale, cash-flow producing solar farms that generate emissions-free power.</p> <p>The Fund may also invest in other renewable energy assets including wind, geothermal, hydro-electricity, hybrid solutions and associated investments such as battery and other storage, smart metering and other potential future technologies.</p> <p>The Fund may invest globally with an initial focus on the United States, Australia and select Asian markets.</p>	Section 4.8
What is the Offer?	The Offer comprises an offer of up to \$150 million with the ability to raise an additional \$50 million through oversubscriptions.	
What is the purpose of the Offer?	<p>New Energy Solar's objective is to help investors generate positive social impact alongside attractive financial returns through the combination of distributions from producing solar assets and growth through new acquisitions and developments in the solar and renewables sectors. There is no guarantee that the Fund will be successful in achieving this objective. As the Fund is newly established it has no performance record.</p> <p>The Fund will focus on investment directly or indirectly in the renewable energy sector:</p> <ul style="list-style-type: none"> – initially focusing on large-scale, cash-flow producing solar farms that generate emissions-free power – initially focusing on the United States, Australia and select Asian markets with the ability to invest globally – potentially acquiring interests in assets together with third party investment partners such as joint venture partners or trustees of external trusts. 	Section 4.6
Is there a cooling off period?	Yes.	Section 2.6
Will the Fund be listed?	The Fund will not apply for admission to the Official List of the Australian Securities Exchange Limited in conjunction with this Offer.	
Can superannuation funds invest?	Superannuation funds can invest subject to the investment mandate of the particular fund and the trustee's general powers and duties.	
Who can participate in the Offer?	<p>The Offer is made only to investors with a registered address in Australia or such other place in which, or to any person to whom, the Responsible Entity and the Company determine it would be lawful to make the Offer.</p> <p>The Offer does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.</p>	Section 2.1
What is the minimum Application amount under the Offer?	The minimum Application amount is 1,250 Stapled Securities (\$2,000).	Section 2.3

Question	Summary	More info
How do Investors obtain further information?	<p>Please contact the Fund on 1300 454 801 if you have questions relating to the Offer.</p> <p>If you are uncertain about whether an investment in the Fund is suitable for you, please contact your stockbroker, financial advisor, accountant, lawyer or other professional advisor.</p>	

About the Fund

Question	Summary	More info
What is the structure of the investment?	<p>The Fund is a stapled entity consisting of:</p> <ul style="list-style-type: none"> – New Energy Solar Fund (ARSN 609 154 298) (Trust); and – New Energy Solar Limited (ACN 609 396 983) (Company). <p>Units and Shares are stapled together and cannot be traded or dealt with separately (Stapled Securities).</p> <p>The Company and the Trust may invest directly or indirectly through different entity structures including subsidiary companies, sub-trusts and US or other offshore partnerships or companies. The Company and the Trust may utilise investment partners to optimise the value of its investments, such as the use of US third party investors that seek to benefit from the US tax benefits of a transaction that could otherwise not be utilised in the near term by the Fund in the United States.</p> <p>The Fund will be unlisted and intends to hold interests primarily in renewable energy assets that are generally illiquid in nature. The Fund intends to be a medium to long-term investor in assets and as such may hold assets until the end of their useful lives. Investors should view an investment in the Fund as medium to long-term in nature (at least seven years). The Fund may invest in assets for their useful life, typically 25+ years.</p> <p>In recognition of the fact that the Fund has no contracted investments at present, should the Fund not find any suitable investments in the period up to 18 months from Allotment under this Offer the Fund intends to return cash to Investors, net of fees and expenses. There is a risk that the amount Investors receive, should cash be returned, is less than their original investment in Stapled Securities.</p>	Section 4.2
What is the Fund's investment objective?	<p>New Energy Solar's objective is to help investors generate positive social impact alongside attractive financial returns through the combination of distributions from producing solar assets and growth through new acquisitions and developments in the solar and renewables sectors. There is no guarantee that the Fund will be successful in achieving this objective. As the Fund is newly established it has no performance record.</p>	Section 4.6

Question	Summary	More info
What are the significant tax implications of the Fund?	<p>A summary of the Australian tax implications of investing in the Fund are provided in Section 10 of this Offer Document.</p> <p>Investors should seek tax advice based on their specific circumstances before making a decision to invest in the Fund.</p>	Section 10

Management of the Fund

Question	Summary	More info
Who is the Investment Manager?	New Energy Solar Manager Pty Limited (ACN 609 166 645) (Investment Manager) is the investment manager of the Trust and the Company. The Investment Manager is a newly established company and is a related body corporate of the Responsible Entity.	Section 4.5
What are the terms of the Investment Management Agreement?	<p>The Investment Manager has entered into a management agreement with the Responsible Entity and the Company which has a term of 10 years from Allotment, expected to expire on 21 January 2026. The term will be automatically extended for successive periods of one year until terminated.</p> <p>The Investment Manager will be responsible for:</p> <ul style="list-style-type: none"> – identifying investment opportunities through in-depth analysis – undertaking due diligence to provide information necessary for the Responsible Entity and the Company to consider the acquisition. Subject to their duties at law, the Responsible Entity and/or Company may not acquire or dispose of assets unless it has received a recommendation from the Investment Manager, although ultimately the Responsible Entity and/or the Board of the Company will make the final investment decision, depending on the intended or current owner of the asset – managing the execution of the approved investment strategy – engaging operations and maintenance providers, where not in place at acquisition, and on an ongoing basis, manage and review performance – assisting in procuring third party advisors to provide support (where required) in the assessment of investment opportunities, procuring debt for acquisitions or refinancing and providing other third party services as reasonably required – advising, providing recommendations, and executing exit strategies. 	Section 11.1
Who are the key officers of the Investment Manager?	The officers of the Investment Manager with the primary responsibility for management of the Trust and the Company will be Alex MacLachlan and Tom Kline. The Investment Manager has initially engaged a renewable energy professional, Alistair Craib, to provide industry consulting services as required. The Investment Manager may engage with other industry consultants as required.	Section 6.6

Question	Summary	More info
Who are the directors of the Responsible Entity?	The Directors of the Responsible Entity with the primary responsibility of managing the Trust are Alex MacLachlan, Tristan O'Connell and Tom Kline.	Section 6.3
Who are the directors of the Company	The Directors of the Company are Alex MacLachlan, Tristan O'Connell and Tom Kline.	Section 6.5
Who constitutes the compliance committee?	<p>The compliance committee comprises a majority of members who are independent of Walsh & Co and will monitor compliance of the Trust with the compliance plan.</p> <p>The compliance committee comprises three members being currently:</p> <ul style="list-style-type: none"> – Tristan O'Connell (internal member) – Barry Sechos (independent member) – Michael Britton (independent member). 	Section 6.8

Investing in the Fund

Question	Summary	More info
Who can participate in the Offer?	Only investors with a registered address in Australia can participate in the Offer.	Section 2.9
How do Investors apply for Stapled Securities?	<p>The procedures for making an investment in the Fund are described in Section 2.3.</p> <p>The Responsible Entity and the Company may be required to obtain identification information from Applicants. The Responsible Entity and the Company reserve the right to reject an Application if that information is not provided upon request.</p>	Section 2.3
What are the assets of the Fund?	<p>Following Allotment the Fund will hold cash until such time as assets are identified to be acquired by the Fund.</p> <p>The Fund expects to invest directly or indirectly in renewable energy assets, initially focusing on investing in large-scale, cash-flow producing solar farms that generate emissions-free power.</p> <p>The Fund intends to initially target a portfolio of assets up to a capacity of approximately 50MW, however the Fund may acquire assets outside of this range.</p> <p>The underlying assets of the Fund are expected to be managed by third party contractors. Should the Fund not find any suitable investments in the period 18 months from Allotment, capital is intended to be returned to Investors net of fees and expenses. There is a risk that the amount Investors receive, should cash be returned, is less than their original investment in Stapled Securities.</p>	Section 4.1

Question	Summary	More info
What are the assets of the Fund? continued	<p>The Fund expects to have a portfolio of assets in different locations, although the actual portfolio will depend on the availability of assets under appropriate terms at the point in time of investing. The target size of assets to be considered and acquired by the Fund is likely to be impacted by the size of the Fund: the smaller the size of the Fund, the increased likelihood that assets acquired will be of a smaller size.</p>	Section 4.1
What are the ongoing fees and costs payable by the Fund?	<p>The fees payable by the Fund include:</p> <ul style="list-style-type: none"> – a Responsible Entity fee of 0.088% per annum (inclusive of GST) of the gross asset value of the Trust, payable monthly by the Trust to the Responsible Entity. The Responsible Entity has agreed to reduce this fee from 0.55% (inclusive of GST) per annum. It may terminate the waiver for future fees after giving three months' notice, to the Fund. Based on the minimum and maximum subscription including oversubscriptions under the Offer, the initial amount of the responsible entity fee would be \$62,700 and \$167,200, respectively – an investment manager fee of 0.77% per annum (inclusive of GST) based, for so long as the Fund is unlisted, on the gross asset value of the Fund and, if the Fund becomes listed on a prescribed financial market, based on the enterprise value of the Fund. This fee is payable by the Company and the Trust to the Investment Manager. Based on the minimum and maximum subscription including oversubscriptions under the Offer, the initial amount of the investment manager fee would be \$577,500 and \$1,540,000, respectively – the Fund will be responsible for the ongoing expenses in connection with the Fund such as registry services, regulatory fees, investor communications, taxes and bank fees, preparation of financial statements, and tax returns, audit and accounting services, valuation fees, insurance, compliance costs and other expenses. The Investment Manager has agreed, for a minimum period of 12 months from Allotment, to pay any ongoing expenses in excess of 0.55% per annum (inclusive of GST) of the gross asset value of the Fund – an Asset acquisition fee of 1.65% (inclusive of GST) of the purchase price (excluding acquisition costs), payable by the Fund to the Investment Manager – an Asset disposal fee calculated at the rate of 1.65% (inclusive of GST) of the net sale proceeds payable by the Fund to the Investment Manager. 	Sections 7 and 11.1
Is the offer underwritten?	<p>The Offer is not underwritten.</p>	Section 2.4

Fees and Costs

Question	Summary	More info
What are the fees and other costs of the Offer?	<p>Consenting Applicants will pay a one-off service fee of 1.65% (inclusive of GST) of the Application Price, which is included in the Application Price for each Stapled Security issued to those Applicants (Service Fee). This fee relates to services provided by Licensees dealing in respect of the Offer.</p> <p>The Responsible Entity (in its personal capacity) will also charge a one-off structuring fee of 1.65% (inclusive of GST) (Structuring Fee) of the gross proceeds of the Offer.</p> <p>Costs incurred in connection with the Offer under this Offer Document, estimated to be approximately \$555,000 (inclusive of GST) such as legal, accounting and tax advice costs and other associated costs will be paid by the Fund.</p>	Section 7.2
What is the brokerage, commission and stamp duty?	<p>No brokerage, commission or stamp duty is payable by Applicants who apply for Stapled Securities using an Application Form, except in the case of Consenting Applicants who must pay a Service Fee of 1.65% of the Application Price (inclusive of GST), being approximately \$0.026 per Stapled Security to their Licensee (noting however, that the Application Price per Stapled Security for Consenting Applicants is approximately \$1.574 rather than \$1.60).</p>	Section 7.2
How is the payment of the Service Fee authorised?	<p>By delivering a completed Application Form, Consenting Applicants authorise the payment of the Service Fee to their Licensee.</p> <p>For the avoidance of doubt, a Licensee includes, but is not limited to, Dixon Advisory & Superannuation Services Limited, a related party of the Responsible Entity and the Investment Manager.</p>	Section 2.1
When is the Service Fee paid?	<p>Consenting Applicants under the Offer will pay the full \$1.60 per Stapled Security, inclusive of the Service Fee, on submitting their Application. The Responsible Entity and the Company will collect the Service Fee on behalf of Licensees.</p> <p>The Service Fee component of the Application Price will be held in trust pending the intended Allotment Date. The Responsible Entity and the Company will release the Service Fees to Licensees after the intended Allotment Date. The Responsible Entity and the Company will retain any interest earned on the Service Fee.</p>	Section 2.1

Section 2.

Information for Investors

This is a summary only. This Offer Document should be read in full before making any decision to apply for Stapled Securities. The performance of Fund is not guaranteed by the Company, the Responsible Entity or any of their advisors.

2.1 The Offer

The Offer under this Offer Document is for Stapled Securities in the Fund. Each stapled security consists of:

- one Unit issued by Walsh & Company Investments Limited as the responsible entity of the New Energy Solar Fund (ARSN 609 154 298); and
- one Share issued by New Energy Solar Limited (ACN 609 396 983).

Each Unit is stapled to a Share, forming one Stapled Security.

The Responsible Entity and the Company will offer for subscription a minimum of 46.875 million Stapled Securities and a maximum of 93.75 million Stapled Securities, with the ability to accept oversubscriptions up to an additional 31.25 million Stapled Securities.

The Offer comprises an offer of Stapled Securities at a price per Stapled Security of:

- \$1.60 for Wholesale Applicants and Non-Consenting Applicants; and
- \$1.574 per Stapled Security plus a Service Fee of 1.65% (inclusive of GST) of the Application Price (approximately \$0.026) for Consenting Applicants.

Consenting Applicants will pay the full Application Price of \$1.60, which includes the Service Fee. The Service Fee component of the Application Price will be held by the Responsible Entity and the Company in trust until completion of allotment of Stapled Securities when it will be paid to Licensees who introduced Consenting Applicants to the Fund. The Responsible Entity and the Company will retain any interest earned on the Service Fee.

Consenting Applicants will authorise the payment of the Service Fee to their respective Licensees by completing the relevant section of the Application Form.

No Service Fee is payable by Non-Consenting Applicants to the Fund, who will pay the full Application Price of \$1.60.

To participate in the Offer, your Application Form must be received by 5:00pm (AEDT) on the Closing Date.

The Closing Date may be brought forward by the Company and the Responsible Entity, and accordingly, Investors are urged to apply for Stapled Securities early.

Under the Offer, the Responsible Entity and the Company reserve the right to accept oversubscriptions of up to a further 31.25 million Stapled Securities.

The Offer will only be made to investors who have a registered address in Australia. The Offer is not underwritten.

2.2 Minimum Subscription

The Minimum Subscription for the Offer is receipt of valid Applications for not less than 46.875 million Stapled Securities. If this Minimum Subscription is not achieved and the Application Monies are not received by the Responsible Entity and the Company prior to 5.00pm on the Closing Date, the Responsible Entity will repay all money received from Applicants (without interest) within seven days after that date or such later date as may be permitted by the Corporations Act with the consent of ASIC.

2.3 Applications

You must use the Application Form issued with, and attached to, this Offer Document and complete the Application Form in accordance with the instructions contained within the Application Form.

Applications and Application Monies for Stapled Securities under the Offer received after 5.00pm on the Closing Date will not be accepted and will be returned to Investors (without interest).

The minimum investment is 1,250 Stapled Securities equating to \$2,000.

Applications must be accompanied by payment in Australian currency.

Cheques should be made payable to “New Energy Solar” and crossed “Not Negotiable”. Payments by cheque will be deemed to have been drawn. The amount payable on Application will not vary during the period of the Offer and no further amount is payable on Allotment. No brokerage or stamp duty is payable by Applicants, except in the case of Consenting Applicants who must pay a Service Fee of 1.65% (inclusive of GST), being approximately \$0.026 per Stapled Security to their Licensee (noting however that the Application Price per Stapled Security for Consenting Applicants is approximately \$1.574 rather than \$1.60).

Completed Application Forms and accompanying cheques may be lodged with:

Postal	Hand delivered	
New Energy Solar Offer c/- Walsh & Company Investments Limited GPO Box 575 CANBERRA ACT 2601	CANBERRA New Energy Solar Offer c/- Walsh & Company Investments Limited Level 1, 73 Northbourne Avenue CANBERRA ACT 2601	MELBOURNE New Energy Solar Offer c/- Walsh & Company Investments Limited Level 2, 250 Victoria Parade EAST MELBOURNE VIC 3002
	SYDNEY New Energy Solar Offer c/- Walsh & Company Investments Limited Level 15, 100 Pacific Highway NORTH SYDNEY NSW 2060	

Application Forms will be accepted at any time after the Opening Date and prior to 5.00pm (AEDT) on the Closing Date.

The Responsible Entity and the Company may close the Offer at any time without prior notice or extend the period of the Offer in accordance with the Corporations Act.

2.4 Offer not underwritten

The Offer is not underwritten.

2.5 Allotment

No Allotment of Stapled Securities will be made until the Minimum Subscription has been received. It is expected that Allotment of the Stapled Securities under the Offer will take place around 21 January 2016. Application Monies will be held in a separate account until Allotment. This account will be established and kept by the Responsible Entity and the Company on behalf of the Applicants. The Responsible Entity and the Company may retain any interest earned on the Application Monies held on behalf of the Fund pending the issue of Stapled Securities to investors.

The Application constitutes an offer by the Applicant to subscribe for Stapled Securities on the terms and subject to the conditions set out in this Offer Document. Where the number of Stapled Securities allotted is less than the number applied for, or where no Allotment is made, the surplus Application Monies will be returned by cheque within seven days of the Closing Date. Interest will not be paid on refunded Application Monies to Applicants.

2.6 Cooling off period

As the Trust will initially be a “liquid scheme” (as defined in the Corporations Act), a 14-day period is available for investors to decide whether to proceed with an Application for Stapled Securities under this Offer Document. This 14-day period starts from the earlier of:

- the date you receive confirmation from the Responsible Entity and the Company of the acceptance of your Application; or
- the end of the fifth Business Day after Units are issued.

This is called the “cooling off” period. During this period you may notify us in writing that you wish to cancel your investment in the Fund.

The amount repaid to you if you cancel your investment will be the amount you invested less taxes or duties payable and any transaction costs. As a result, the amount returned to you may be less than your original investment.

2.7 Transfer of Stapled Securities

The Fund’s Stapling Deed and the constitutions of the Trust and the Company provide that all transfers of Stapled Securities must be executed by a proper instrument of transfer and in a manner acceptable to the Responsible Entity and the Company. The Company and the Responsible Entity may decline to register a transfer of Stapled Securities unless the instrument of transfer:

- (i) is duly stamped (if applicable)
- (ii) is accompanied by such evidence as the Responsible Entity and the Company require to prove the title of the transferor
- (iii) complies with any requirements prescribed by the Responsible Entity and the Company from time to time.

2.8 Redemptions

The Fund will not allow redemptions, and investments in the Fund should be considered illiquid. The nature of the intended underlying assets of the Fund are also considered to be illiquid in nature. The Fund currently intends to be a medium to long-term holder of assets and may hold assets for their useful lives.

The Responsible Entity and the Company retain the right to provide liquidity to Securityholders and, if they decide to do so, they will notify Securityholders and advise them of their policy for redemptions, which will be subject to the Trust Constitution, the Company Constitution and the Stapling Deed.

Investors should consider an investment in the Fund as medium to long-term in nature (at least seven years).

2.9 Overseas Securityholders

Only members of the general public who have a registered address in Australia can participate in the Offer. The Offer does not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer. It is the Fund's intention, and, to the extent within its control, the Fund shall use its commercially reasonable efforts to ensure that the Stapled Securities will not be resold to any persons, including US Persons (as defined below), other than members of the general public who have a registered address in Australia.

This document is not an offer or an invitation to acquire securities in any country. In particular, this document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States (US) or to, or for the account or benefit of, any "US person" (US Persons), as defined in Regulation S under the US Securities Act of 1933 (Securities Act).

2.10 Privacy

When you apply to invest in the Fund, you acknowledge and agree that:

- a) You are required to provide the Fund with certain personal information to:
 - i) facilitate the assessment of an Application;
 - ii) enable the Fund to assess the needs of Applicants and provide appropriate facilities and services for Applicants; and
 - iii) carry out appropriate administration.
- b) The Fund may be required to disclose this information to:
 - i) third parties who carry out functions on behalf of the Fund on a confidential basis;
 - ii) third parties if that disclosure is required by law; and
 - iii) related bodies corporate (as that term is defined in the Corporations Act) which carry out functions on behalf of the Fund.

Under the Privacy Act 1988 (as amended), Applicants may request access to their personal information held by (or on behalf of) the Fund. Applicants may request access to personal information by telephoning or writing to Walsh & Co.

2.11 Anti-Money Laundering/Counter-Terrorism Financing Act 2006

The Responsible Entity and the Company may be required under the Anti-Money Laundering/Counter-Terrorism Financing Act 2006 (Cth) or any other law to obtain identification information from Applicants. The Responsible Entity and the Company reserve the right to reject any Application from an Applicant who fails to provide the required identification information upon request.

2.12 Foreign Account Tax Compliance

The Foreign Account Tax Compliance Act (**FATCA**) is a United States (**US**) tax law aimed at financial institutions and other financial intermediaries to prevent tax evasion by US citizens and other US tax residents through use of non-US investments and accounts.

Australia has signed an intergovernmental agreement (**IGA**) with the US to implement FATCA in Australia. The FATCA provisions were introduced through Division 396 in Schedule 1 to the Taxation Administration Act 1953 (Cth), which is to be administered by the Australian Taxation Office (**ATO**). Under the IGA, Reporting Australian Financial Institutions will have identification and reporting obligations under FATCA.

The Company and the Responsible Entity are Reporting Australian Financial Institutions under the IGA. The Responsible Entity and the Company intend to fully comply with their FATCA obligations. These obligations include (but are not limited to) the Responsible Entity and the Company identifying and documenting the status of their Investors as either a US person, US controlled entity or a non-complying FATCA financial institution. The Responsible Entity and the Company are then obligated by law to report certain information on applicable Investors to the ATO which will in turn report this information to the US Internal Revenue Service.

In order to comply with their FATCA obligations, the Responsible Entity and the Company will be obligated to request certain information from their Investors. Certain information collected will be reported to the ATO, which will in turn report this information to the US Internal Revenue Service.

The Company, the Trust and the Responsible Entity are not liable for any loss an Investor may suffer as a result of their compliance with FATCA.

The Company and the Responsible Entity will also provide information about their FATCA status when required so that FATCA withholding is not applied to payments received on its investments (for example dividends paid on US securities). If the Company or the Responsible Entity suffers any amount of FATCA withholding and is unable to obtain a refund for such withholding, neither the Responsible Entity nor the Company will be required to compensate Investors for any such withholding and the effects of these amounts will be reflected in the returns of the Company or the Trust.

This information is of a general nature only. Please consult your tax advisor should you wish to understand the implications of FATCA for your particular circumstances.

2.13 W-8 Forms

The Fund initially intends to focus on solar energy assets in the United States, Australia and select Asian markets. Where the Fund invests in US entities, the Fund may be subject to withholding tax.

Completion of a W-8 form may have the benefit of exempting individual Securityholders from withholding tax in the US. Prior to the payment of the first distribution, the Fund currently intends to request W-8 forms from Investors.

Section 3. Sector overview

The world's demand for energy continues to grow. According to BP, global demand for energy grew 57% from 1990 to 2013 and is forecast to increase by another 37% between 2014 and 2035.³

Although electricity generation has become more efficient, consumers and industry continue to use more electricity in a world now filled with new devices and a growing population. Since the industrial revolution in the 18th century, fossil fuels have been used to power the global economy. Despite the years and technological advancements, in 2014 fossil fuels still made up approximately 66% of global energy production.

The burning of fossil fuels is known to emit unwanted substances into the atmosphere including carbon dioxide, mercury and sulphuric, carbonic and nitric acids. Two-thirds of global carbon emissions now come from energy production. These emissions can alter the natural balance of the atmosphere and can be harmful to human health.

The rapid growth in energy consumption powered by fossil fuels has come at a significant cost and is putting a strain on the balance of earth's ecosystem. No longer is sustainable investing solely a means of averting dangerous climate change in the future; rather, it is increasingly a means to stop dangerous pollution today. Berkley Earth, a not-for-profit scientific research house, has estimated air pollution in China is contributing to 4,000 deaths a day, or 1.6 million people a year. For every hour a person is exposed to Beijing's pollution, their life expectancy drops by 20 minutes. Understandably, in countries like China there is a greater sense of urgency around investing in renewable energy.

Despite this, renewable energy currently represents a relatively small proportion of total energy production. In 2014 renewable energy, excluding nuclear, produced approximately 24% of global energy and 13.5% of energy in Australia. Hurdles to adoption of renewable energy sources have traditionally been cost efficiency and limited policy and public support. This is rapidly changing.

The regulatory environment provided by many governments around the world is becoming more supportive, and public support is also growing. In Australia, 84% of respondents to a Climate Nation 2015 survey included solar in their top 3 preferred energy options.

Tremendous advancements in solar technology and manufacturing processes have dramatically reduced the cost of producing energy from the sun.

Between 2009 and 2014, solar panel costs fell by 75%.⁴

In many global markets, including parts of Australia and the United States, the combination of technological change and policy means that solar energy is now cost competitive with conventional fossil fuels (based on the capital and operating costs over the expected life of the plant).

3. BP Energy Outlook 2035: http://www.bp.com/content/dam/bp/pdf/energy-economics/energy-outlook-2015/bp-world-energy-outlook_booklet_2035.pdf

4. IRENA: Renewable Power Generation Costs in 2014: http://www.irena.org/documentdownloads/publications/irena_re_power_costs_2014_report.pdf

3.1 Renewable energy

Renewable energy is an energy that is naturally replenished in a human timescale and generally consists of sunlight, wind, waves, tide and geothermal heat. A heightening awareness of depleting fossil fuel resources, health concerns, climate change concerns and advancing technologies are driving a growing interest in renewable energy. The current market represents an opportunity to build environmentally sustainable assets that provide solid economic returns. Increasing demand for renewable energy production globally is being driven by factors such as:

- improving efficiency of renewable energy systems
- reductions in capital costs, particularly solar with the declining cost of silicon
- growing awareness of issues with use of fossil fuels, such as air pollution
- retirement of traditional coal-fired power station facilities
- increasing demand for energy without a matching increase in supply
- the combination of technological change and policy support means that electricity produced from solar is now at grid parity with fossil fuels in many global markets, including parts of Australia and the United States.

Renewable energy globally

Although the current penetration of renewable energy in the power generation market is relatively low, the International Renewable Energy Agency expects renewable energy to represent 44% of total generation by 2030⁵. Since 2011, renewable energy has accounted for more than half of net capacity additions globally in the power sector. Coupled with ongoing closures of fossil fuel generation capacity, particularly coal-fired power stations, the mix of fossil fuel versus renewable energy is expected to shift in favour of renewable energy. The Federal Energy Regulatory Commission (FERC) reported in their recent Energy Infrastructure Update dated September 2015 that renewable energy accounted for 60.2% of new US electricity generation capacity in the first three quarters of 2015.

Globally, countries are focusing on renewable energy for the long term; over 160 countries have renewable energy targets in place, with many small island countries having renewable energy targets of 50% or more. Table 1 provides a summary of global energy generation by source in 2014.

Table 1. Global energy generation by source 2014

Energy Source	GWh	Percentage of Total	Description
Coal	8,725,600	38.9%	Coal burnt to heat water to produce steam to turn a turbine
Gas	4,933,200	22.0%	Gas burnt to heat water to produce steam to turn a turbine
Hydroelectric	3,768,560	16.8%	Gravitational force of falling or flowing water power used to turn a turbine
Nuclear	2,417,230	10.8%	Nuclear reaction to heat water to produce steam to turn a turbine
Oil	1,068,390	4.8%	Oil burnt to heat water to produce steam to turn a turbine
Wind	699,850	3.1%	Air flow from wind turns a turbine
Biomass and Waste	445,380	2.0%	Waste products such as wood chips, rice husks, animal matter burnt to heat water to produce steam to turn a turbine
Geothermal	206,990	0.9%	Natural heat from the earth produces steam to turn a turbine
Solar, Tidal and Wave	167,390	0.7%	Sun energy converted to electricity and wave and tidal movements to turn a turbine
Total	22,432,590	100%	

Source: The Shift Project Data Portal: Breakdown of Electricity Generation by Energy Source: <http://www.tsp-data-portal.org/Breakdown-of-Electricity-Generation-by-Energy-Source#tspQvChart>

5. International Renewable Energy Agency: REmap 2030: A Renewable Energy Roadmap: <http://www.irena.org/remap/REmap%20sliddeck.pdf>

Renewable energy in Australia

Renewable energy still represents a relatively small proportion of total Australian electricity generation at 31.7 million Megawatt hours (MWh) in 2014, 13.5% of total generation in 2014, with over three-quarters of this generated from hydroelectric and wind power. See Table 2.

Despite favourable climate conditions for solar generation assets, solar energy still represents a negligible percentage of total energy production, with large-scale solar (PV) sources of electricity less than 1% of total renewable energy generation in Australia.

Table 2. Australian renewable energy contribution by type 2014

Renewable Technology	Generation (MWh)	% of Total Renewable Generation	% of Total Generation	Equivalent # of household powered per annum
Hydro	14,555,000	45.9%	6.19%	2,049,900
Wind	9,777,000	30.9%	4.16%	1,377,000
Household & Commercial Solar (<100kW)	4,834,000	15.3%	2.06%	680,900
Bioenergy	2,400,000	7.6%	1.02%	338,000
Large-scale solar (including PV & solar thermal)	118,000	0.4%	0.05%	16,700
Geothermal and Marine	540	0.002%	0.00%	76
TOTAL	31,684,540	100%	13.48%	4,462,576

Source: Clean Energy Council of Australia: Clean Energy Australia Report 2014: <https://www.cleanenergycouncil.org.au/policy-advocacy/reports.html>

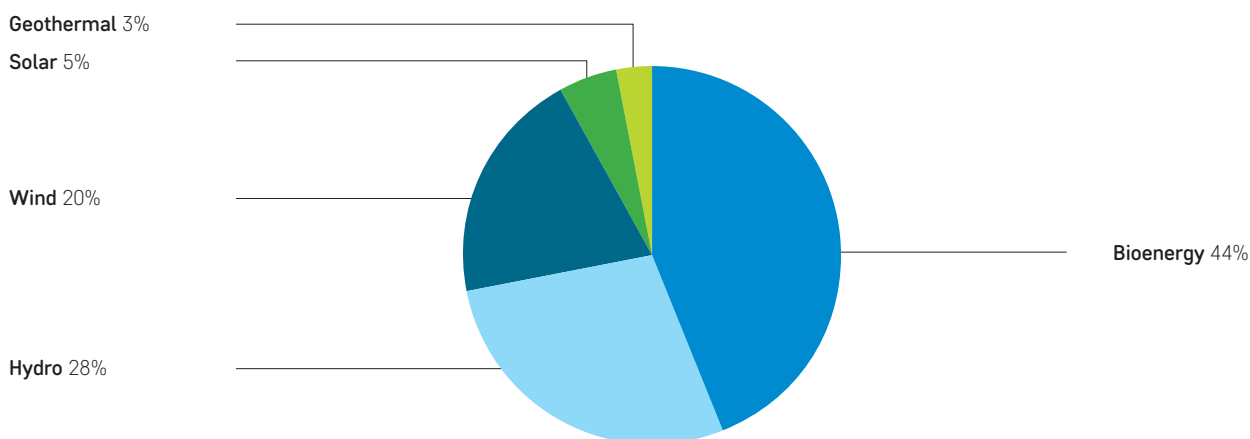


Renewable energy in the United States

Similarly in the US, renewable energy only represents a relatively small portion of the total electricity produced, approximately 11%, with solar energy representing 5% of total renewable energy contribution in the United States in 2014, or less than 1% of total power generation.

Figure 2. United States renewable energy contribution by type 2014

US Renewable Energy Supply



Source: U.S. Energy Information Administration – U.S. Renewable Energy Supply 2014

Renewable energy in Asia

Over the next 20 years the International Energy Agency expects renewable energy growth to be focused in areas where the greatest increase in overall electricity demand is anticipated including Asia, Latin America, and Africa. In their high global renewable energy scenario, the International Energy Agency forecasts China's PV capacity to grow to 634GW by 2030 from 18GW in 2013, India to grow to 142 GW from 2.3GW and Asia's, (excluding China and India), to grow to 93GWs from 1.4GW⁶. While fossil fuel energy sources are expected to pick up a majority of overall increased electricity demand, the Asian Development Bank expects renewable energy to represent approximately 7.1-15.8% of total Asian power generation by 2035⁷.

3.2 Solar energy overview

While solar energy's contribution to global energy consumption is insignificant at approximately 1%, the potential value of the solar energy market is rapidly increasing as technological advancements have and continue to transform the economics of solar energy. Further, the public debate around sustainable energy sources continues to change and financial innovation is opening the door to more and more investors, channelling increasing flows of capital into the sector.

6. International Energy Agency; Technology Roadmap: Solar Photovoltaic Energy: https://www.iea.org/publications/freepublications/TechnologyRoadmapSolarPhotovoltaicEnergy_2014edition.pdf

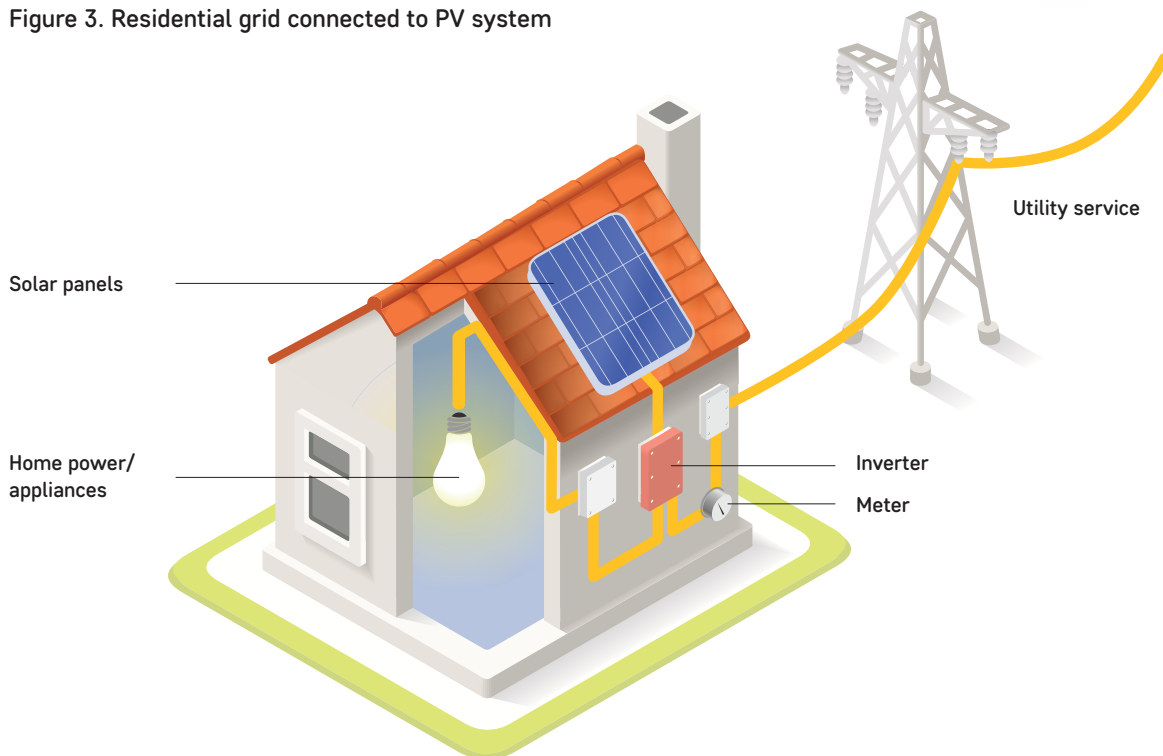
7. Asian Development Bank: Energy Outlook for Asia and the Pacific: <http://adb.org/sites/default/files/pub/2013/energy-outlook.pdf>

Solar energy can be captured to produce electricity directly through PV solar devices that convert light directly into electricity or through solar thermal technologies that concentrate sunlight to heat fluid to produce steam that drives a turbine. The Fund intends initially to invest in PV solar that converts light energy directly into electricity.

There are three primary markets for solar power:

- rooftop solar – generally small scale solar PV panels installed directly on rooftops to power electricity, with excess electricity often fed back into the grid, see Figure 3
- commercial and industrial rooftop solar – larger scale provision of solar PV modules to power commercial and industrial units, with the potential to flow excess electricity back into the grid. Units may be owned by the business operator, property owner or a third party
- utility solar – large scale solar plants used to provide electricity to the grid or to large scale end users.

Figure 3. Residential grid connected to PV system



The initial focus of the Fund is intended to be investment in commercial, industrial and utility scale, cash-flow producing solar farms that generate emissions-free power.

A typical PV plant consists of a series of PV modules each containing a number of PV cells. PV modules output direct current (DC) of between 50 and 315 watts and sit on mounting structures optimally designed for generation. The direct current output from the PV modules is passed through an inverter that converts to alternating current which is then stepped to the relevant grid voltage.

The power produced from solar energy assets is variable, dependent on weather patterns and not producing outside of sunlight hours. In connecting to the grid, the variable load of solar energy systems is considered. Excessive voltage from high solar production may cause some instability in the grid, so control systems are utilised to maintain output to support network requirements.

Figure 4. Utility PV system

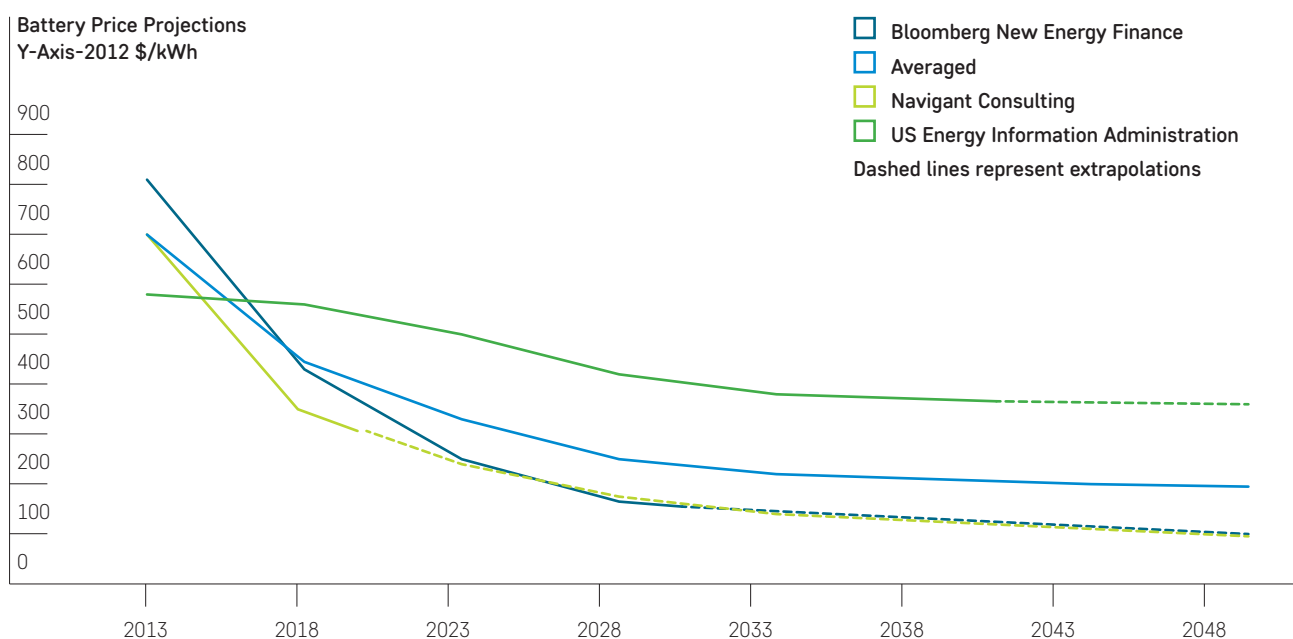


Storage

Variable energy systems, such as solar, can produce electricity in excess of network requirements and do not produce outside of sunlight hours. Electricity cannot be stored efficiently and cheaply as is and must be stored in other forms of energy such as batteries, superconducting magnets and thermal storage.

To date a significant limitation on the wider adoption of solar energy has been the cost of storage. As with advances made in the cost reduction of solar modules, the cost of storage systems has been rapidly decreasing. This represents a significant opportunity in the solar energy market. Figure 5 provides a summary of battery price projections by the Rocky Mountain Institute, highlighting the future potential for the solar energy addressable market to expand significantly.

Figure 5. Battery price projections



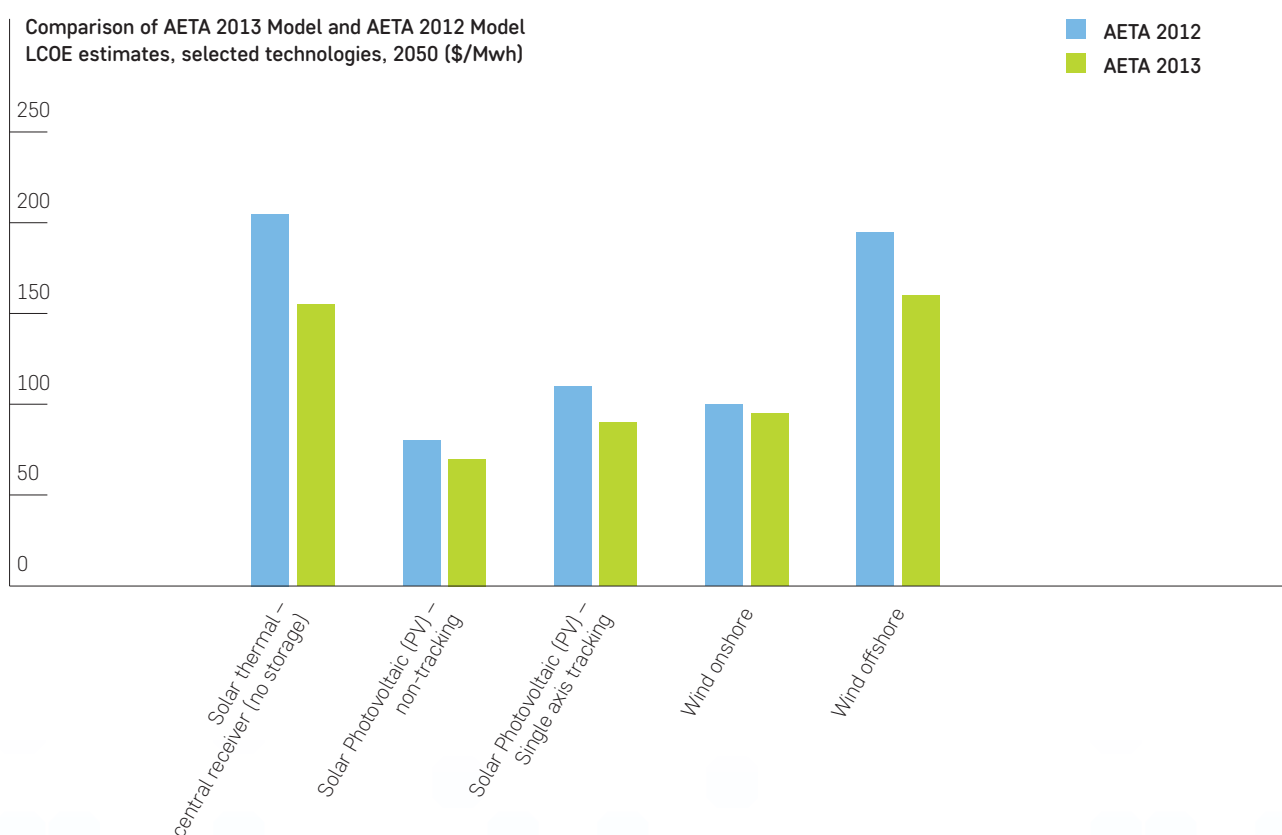
Source: Rocky Mountain Institute: The Economics of Grid Defection: http://www.rmi.org/PDF_economics_of_grid_defection_full_report

Solar energy globally

Solar energy adoption has lagged other classes of renewable energy, such as wind and hydro, with less than 1% of clean energy contribution in Australia and the United States coming from large scale solar in 2014. However, this is set to change as the cost of large-scale solar technology has typically fallen sharply. According to the Clean Energy Council, solar energy is expected to be one of the cheapest forms of renewable energy in the future, while the Australian Government Bureau of Resources and Energy Economics predicts solar energy to have the lowest levelised cost of energy production in the renewable energy sector in 2050.

Costs of electricity generation are compared based on the capital and operating costs of generation over the expected life of the plant. This is known as the levelised cost. Refer to Figure 6.

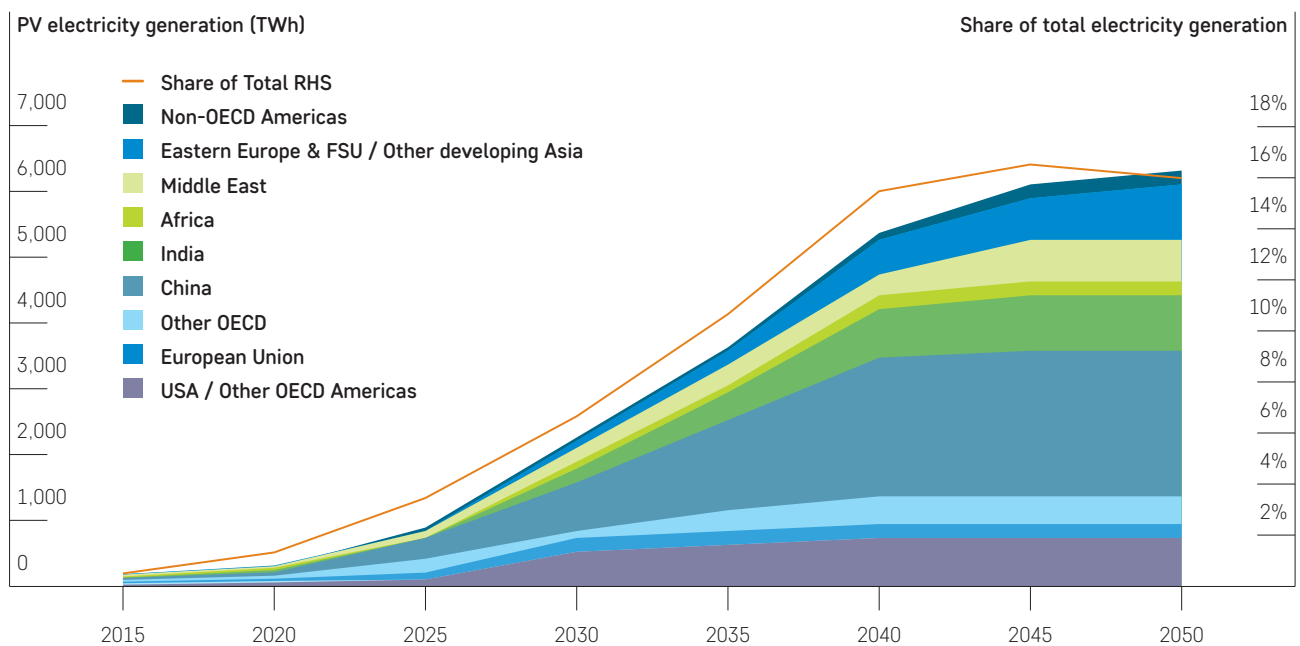
Figure 6. Levelised cost of energy ranges for renewable power generation technology



Source: Australian Government Bureau of Resources and Energy Economics: Australian Energy Technology Assessment 2013 Model Update: <http://www.industry.gov.au/Office-of-the-Chief-Economist/Publications/Documents/aeta/AETA-Update-Dec-13.pdf>

Reflecting this, in 2014, solar energy achieved another year of record growth, as approximately 32% of additional US capacity added was solar energy, and total global solar capacity increased to approximately 177,000 megawatts (MW)⁸. China, Japan and the United States accounted for the majority of new capacity and are expected to continue to lead the future growth of solar energy production. The International Energy Agency expects solar energy generation to increase to 16% of total energy generation by 2050, from today's levels of less than 1%.

Figure 7. Expected Growth in PV Electricity Generation

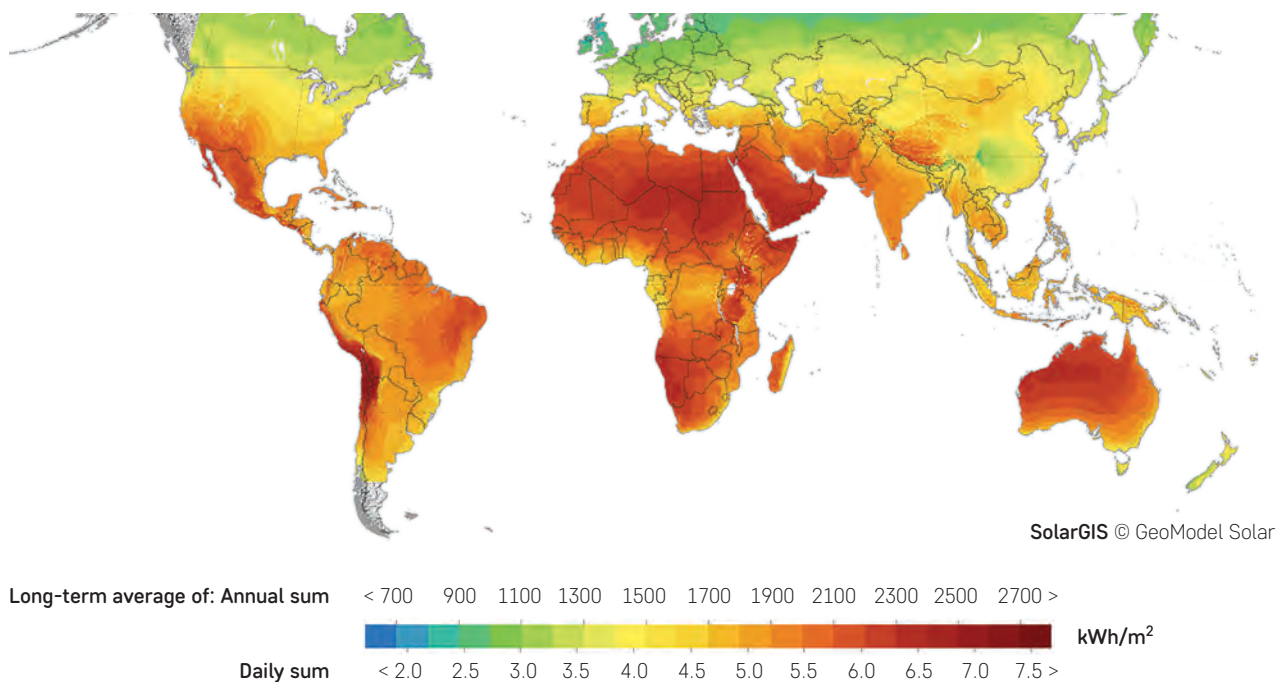


Source: International Energy Agency; Technology Roadmap; Solar Photovoltaic Energy: https://www.iea.org/publications/freepublications/publication/TechnologyRoadmapSolarPhotovoltaicEnergy_2014edition.pdf

Solar energy Australia

Australia's climate provides a supportive environment for the operation of solar. Currently, an estimated 17% of Australian homes have invested in solar installations with residential and small-scale commercial solar installation representing approximately 4,000MW of capacity designed for consumption off-grid. Although rooftop solar can eventually be economic for individual households (with subsidies), the efficiency of utility scale solar is superior and represents a greater opportunity.

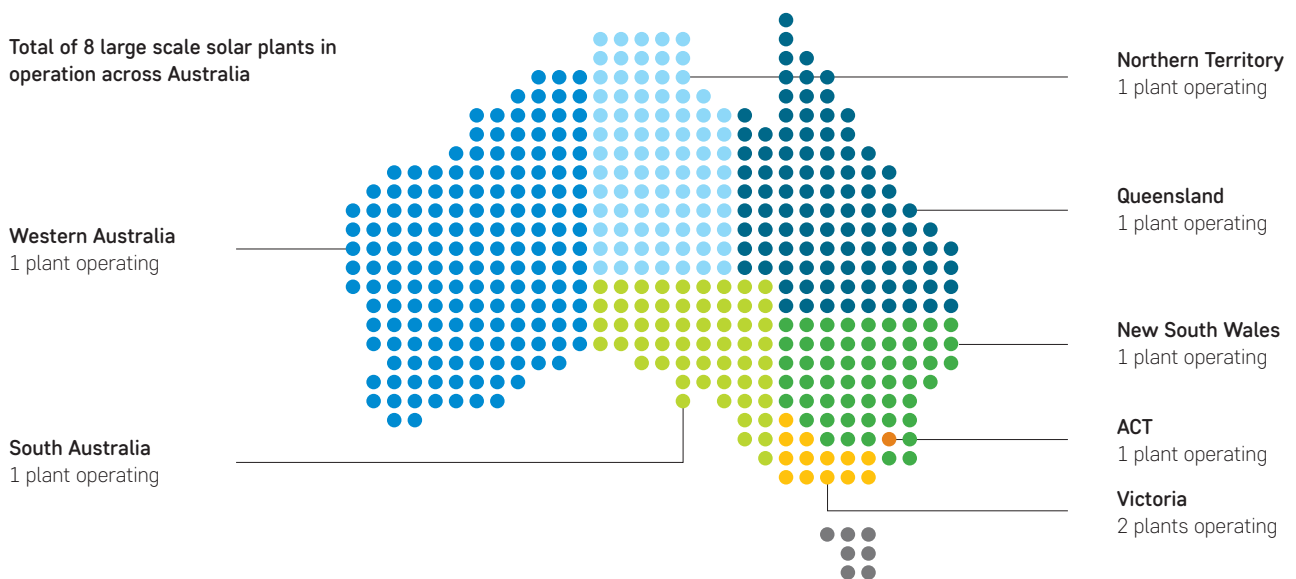
Figure 8. World Map of Global Horizontal Irradiation



Source: SolarGIS: World Map of Global Horizontal Irradiation: http://solargis.info/doc/_pics/freemaps/1000px/ghi/SolarGIS-Solar-map-World-map-en.png

The opportunity for large-scale solar in Australia is relatively untapped, with approximately 132MW of capacity at July 2015 and 109MW under construction. At the end of 2014, only eight large-scale solar plants, greater than 1MW, had been completed in Australia, with another four large-scale solar PV plants under construction. Support from the Australian Renewable Energy Agency (ARENA) initiative and changing dynamics of the market has led to increased activity with several large projects due for completion in 2015. See Section 12.2 for more information regarding the regulatory environment in Australia.

Figure 9. Australian large-scale generation units (greater than 1MW) – 2014

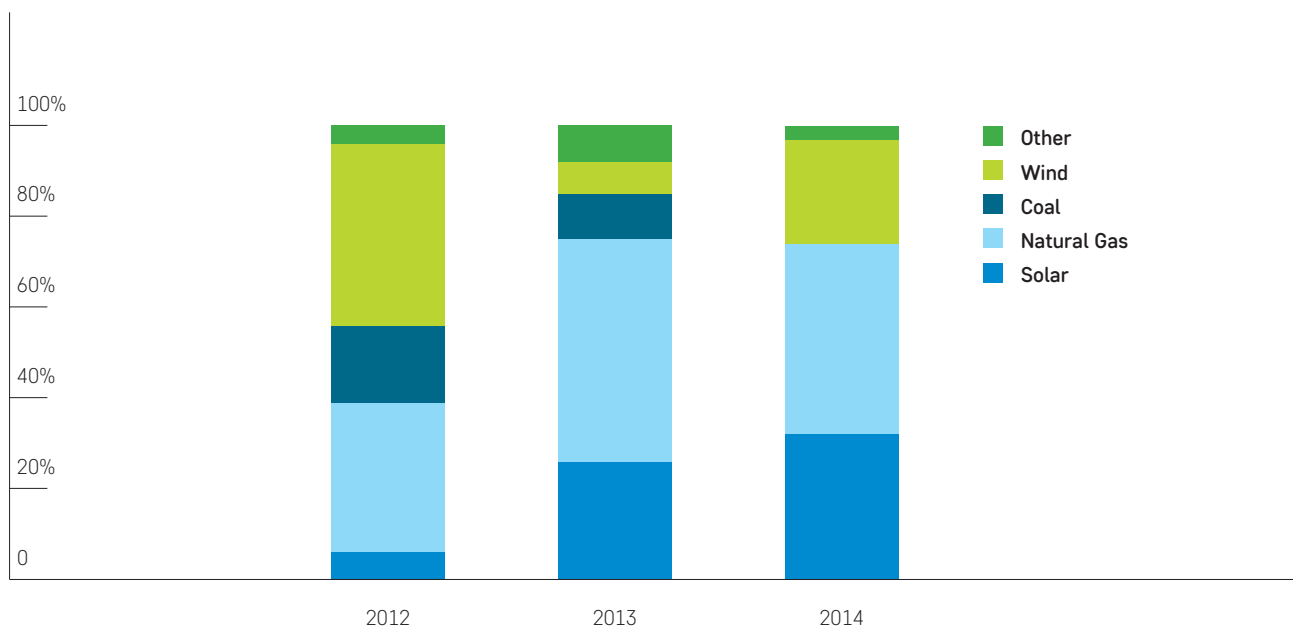


Source: Clean Energy Council of Australia: Clean Energy Australia Report 2014: <https://www.cleanenergycouncil.org.au/policy-advocacy/reports.html>

Solar energy United States

The second quarter of 2015 saw the US reach a new milestone in solar PV capacity, with aggregate installations surpassing 22,000MW of capacity, enough to power 4.6 million homes. Solar has consistently grown as a percentage of additional US capacity in terms of energy source as illustrated in Figure 10.

Figure 10. Share of new US generating capacity by energy source

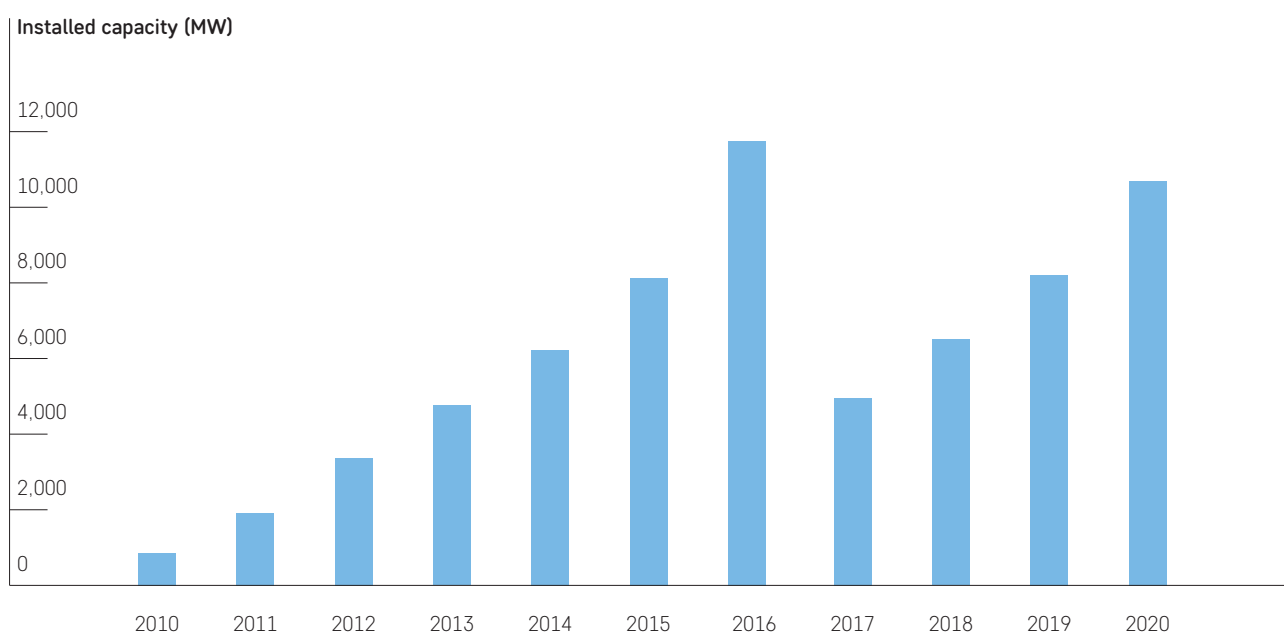


Source: GTM Research: New U.S. Electric Generating Capacity Additions, 2012-2014: <http://www.greentechmedia.com/articles/read/the-us-installed-6.2-gw-of-solar-in-2014-up-30-over-2013>

The strong growth in PV solar in the US is expected to continue in coming years, with GTM Research estimating that an unprecedented boom in PV installations will occur to the end of 2016. Between July 2015 and December 2016 GTM Research forecasts approximately 18GW of PV capacity is likely to be added in the US, almost doubling the current total capacity⁹. The main surge in installations prior to 2017 is likely to be brought about by virtue of a change in the Investment Tax Credit (ITC) regulations (See Section 12.2 for details), encouraging developers to bring forward projects. Consequently, the change in the ITC will likely lead to an expected temporary drop-off in the rate of new solar installation in 2017, as the cost of installing large-scale systems continues to decrease, installations are expected to increase from 2018 onwards.

The graph below depicts the forecast annual increases in PV capacity through to 2020:

Figure 11. US Megawatt forecast installations (2015 – 2020)



Source: GTM Research: U.S. Solar Market Insight: <http://www.seia.org/research-resources/solar-market-insight-report-2015-q2>

Solar energy Asia

Typical solar energy production profiles complement Asian energy consumption characteristics, with energy demand at its peak generally between 3pm and 7pm. Growing populations and increasing pollution concerns are likely to drive demand for renewable energy power generation in Asia. South East Asia's energy demand increased by more than 50% between 2000 and 2013, and with the implementation of more secure and sustainable energy policies, renewable energy capacity is expected to grow. The International Energy Organisation expects solar PV capacity in South East Asia to grow from 1GW in 2013 to 33GW by 2040¹⁰.

9. GTM Research: U.S. Solar Market Insight: <http://www.seia.org/research-resources/solar-market-insight-report-2015-q2>

10. International Energy Agency: South East Asia Energy Outlook 2015: https://www.iea.org/publications/freepublications/publication/WE02015_SouthEastAsia.pdf

3.3 Growing global market opportunity

Demand for energy increased 57% from 1990 to 2013 and is expected to increase by 37% between 2014 and 2035¹¹. Although electricity generation has become more efficient, consumers and industry continue to use more electricity in a world now filled with new devices supported further by population growth. The development of emerging markets is creating a new demand profile in countries where large proportions of the population have not had access to electricity.

With these increases in overall global demand for energy, as well as changing supply due to the retirement of traditional fossil fuel facilities in more advanced economies and the expectation of maintained or increasing cost of electricity, the potential for global solar investment is vast, and there is a significant opportunity for renewable energy to become a greater proportion of the energy production pool.

Reduced capital costs

Technology has transformed the economics of solar energy. Between 2009 and 2014, solar panel costs fell by some 75%, with further falls expected as technology and manufacturing processes continue to progress and evolve.

The combination of technological change and policy support means that electricity produced from solar is now at grid parity with fossil fuels in many global markets including parts of Australia and the United States.

Short development lead time and low running costs

Unlike traditional fossil fuel power generation facilities and alternative renewable energy assets, solar energy assets have a relatively short lead time to construction. Typically, the time it takes from commencement of installation is relatively short depending on capacity with the ability to bring modules online in stages and for assets to be operational before completion of construction of the entire facility. Once constructed, solar energy power assets are relatively easy and low cost to manage providing an effective solution to electricity demand requirements. Given the relatively low ongoing costs of solar energy production once constructed, as compared to traditional fossil fuel energy production, solar plants are relatively better placed to maintain operations in periods of drops in electricity prices.

Retirement of traditional sources of electricity generation

The dominance of coal-fired power stations is gradually coming to an end with approximately half of coal-fired power stations in the United States over 30 years old. The ageing of traditional sources of power generation as well as air pollution regulations, such as Mercury and Air Toxic Standards in the United States, are contributing to the retirement of facilities, with 55.4GW¹² of coal-fired power stations expected to retire in the United States by 2040 and 90 GW in the base policy case of the Clean Power Plan¹³. Further, as more solar energy is added to the system, back-up fossil fuel power plants used during the peak will no longer be economic as renewable energy fills the gap.

See Section 12 for more information regarding the electricity market and the regulatory environment for that market.

11. BP Energy Outlook 2035: http://www.bp.com/content/dam/bp/pdf/energy-economics/energy-outlook-2015/bp-world-energy-outlook_booklet_2035.pdf

12. Institute for Energy Research: Impact of EPA's Regulatory Assault on Power Plants: <http://instituteeforenergyresearch.org/wp-content/uploads/2014/10/Power-Plant-Updates-Final.pdf>

13. US Energy Information Administration, Proposed Clean Power Plan would accelerate renewable additions and coal plant retirements: <https://www.eia.gov/todayinenergy/detail/?id=21532>



Section 4. Overview of New Energy Solar

4.1 Overview of New Energy Solar

New Energy Solar will focus on acquiring and maintaining a diversified portfolio of solar and renewable energy assets across the globe. The initial focus of the Fund is intended to be investment in large-scale, cash-flow producing solar farms that generate emissions-free power. The Fund's objective is to help investors generate positive social impact alongside attractive financial returns through the combination of distributions from producing solar assets and growth through new acquisitions and developments in the solar and renewable sectors. There is no guarantee the Fund will achieve this objective. As the Fund is newly established, it has no performance record.

The Responsible Entity and the Company believe that significant potential currently exists to build a portfolio of solar assets in the United States, Australia and select Asian markets. The Investment Manager is in the process of assessing potential assets for the Fund, although no specific assets have been identified or terms agreed at the date of this Offer Document.

Investment philosophy

The Company and the Responsible Entity are committed to socially-responsible investing. The Fund's objective is to help investors generate a positive social impact alongside attractive financial returns.

Climate change, pollution, natural resource constraints and positive public sentiment towards the sustainable investment sector are creating opportunities for investors in the solar energy sector.

The Fund provides a vehicle for Australian retail investors to support an investment aimed at reducing the world's reliance on fossil fuels and contributing to solving some of the environmental challenges facing us in our lifetime and our children's lifetime. The Responsible Entity and the Company believe that investments focusing on renewable energy such as solar that support environmental sustainability are also likely to perform better financially in the long term.

Target market

The Fund expects to invest directly or indirectly in renewable energy assets, initially focusing on investing in large-scale, cash-flow producing solar farms that generate emissions-free power.

The Fund intends initially to target a portfolio of assets up to a capacity of approximately 50MW, however the Fund may acquire assets outside of this range. The underlying assets of the Fund are expected to be managed by third party contractors.

The Fund expects to have a portfolio of assets in different locations, although the actual portfolio will depend on the availability of assets under appropriate terms at the point in time of investing. The target size of assets to be considered and acquired by the Fund is likely to be impacted by the size of the Fund.

Should the Fund not find any suitable investments in the period up to 18 months from the Allotment Date, subject to receipt of Securityholder approval, the Fund will be terminated and capital returned to Investors net of fees and expenses. There is a risk that the amount Investors receive, should cash be returned, is less than their original investment in Stapled Securities.

Expected pipeline

GTM Research expects global new installations of PV to be 59GW in 2015, a 33% increase on the previous year. In the United States alone almost 12,000 MW of capacity is expected to come online in 2016, as illustrated in Figure 11. The sharp increase in solar energy assets scheduled in the United States in 2016 is partially driven by changing ITC tax treatment that remains at 30% until the end of 2016 when it decreases to 10%. See Section 12.2 for more information. A number of developers in the United States are seeking to complete projects prior to this deadline, creating a significant opportunity for the Fund in the near term in the United States. The scheduled change to ITC treatment in the United States has brought forward developers' projects in the solar sector. The Fund anticipates a number of projects to be available in the United States in 2016 as developers seek investment. Following the change to ITCs, the Responsible Entity and the Company believe opportunities will still be present in light of reducing solar input costs and technological improvements, however there may be a period of lower margins for developers and investors in the solar market of the United States.

Investment approach

The Investment Manager's approach to acquiring assets will be to develop relationships and partnerships with experienced, high quality solar developers and operators to source investments in the target market.

4.2 Fund structure

The Fund consists of two entities:

- New Energy Solar Fund is an Australian registered managed investment scheme whose Responsible Entity is Walsh & Co; and
- New Energy Solar Limited is an Australian company.

Each Stapled Security is made up of one Unit in the New Energy Solar Fund and one Share in New Energy Solar Limited. At the date of this Offer Document the Fund has not identified assets to acquire, and as such the final structure of asset acquisitions is currently unknown. The stapled structure has been adopted to provide optimal flexibility for the Fund in terms of acquisitions.

Following the Offer the Fund will allocate a gross amount before Offer costs of \$1.52 per Stapled Security to the Trust and \$0.08 per Stapled Security to the Company. The Fund Constitution and the Company Constitution provide for capital reallocation with approval at a meeting of Unitholders and Shareholders in the Trust and Company, respectively.

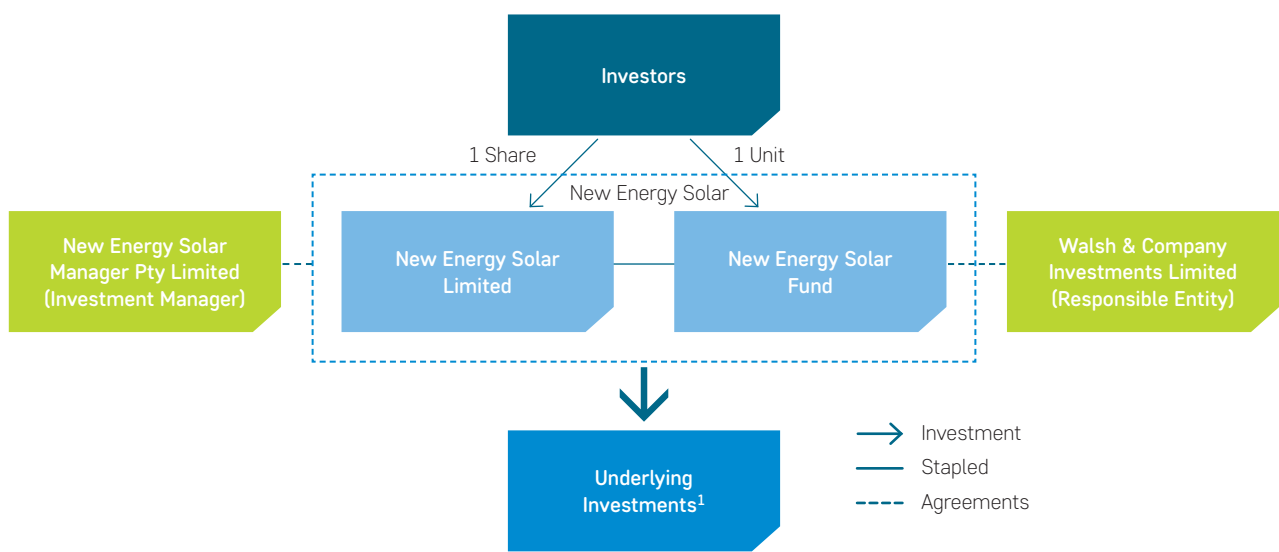
The capital reallocation provisions will allow the Fund to rebalance the allocation of capital better to reflect the value of assets held in each side of the stapled structure. A capital reallocation is currently envisaged to only be utilised where the structure of asset acquisitions has made the existing capital mix sub-optimal for the Fund.

Following approval of Unitholders and Shareholders, the capital reallocation will be obligatory for all Stapled Securityholders but would not require the payment of additional capital into the Fund.

Overview of structure

Figure 12 sets out the structure and management agreements of the Fund.

Figure 12. Structure of the Fund



1. Underlying Investments may be owned directly or indirectly.

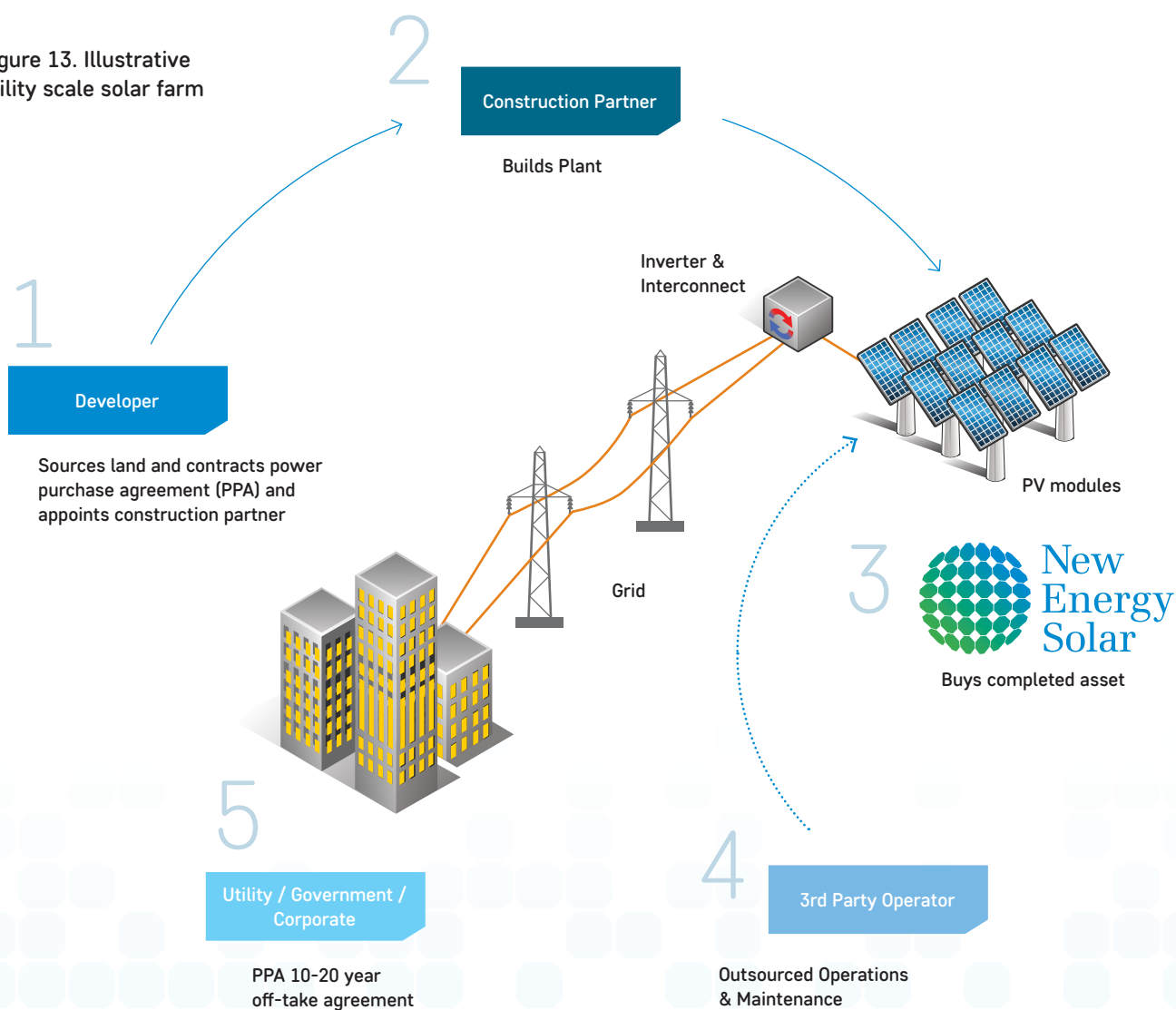
4.3 Example asset

A utility scale solar energy asset will typically include a number of key parties:

- **Developer** – commercial and utility scale solar energy assets are often developed by a separate entity to the final owner of the operating asset. Developers typically identify potential areas of need for capacity that are suitable to be met with solar energy, negotiate leases with land owners and complete operational and environmental viability studies. Developers then commission construction partners to build the asset, arrange PPAs (where applicable), and may assist in the organisation of ongoing maintenance contracts and seek investors for the asset post completion.
- **Construction Partner** – following completion of approvals and viability assessment, the developer contracts with a construction partner, who coordinates all design, procurement and construction work and ensures that the project is completed in the required time.
- **Investors** – investors are typically brought into a project shortly before a project is complete or once a project is operational. The structure of investment and type of investor varies from asset to asset and by geographical location. For example, solar energy assets in the United States may incorporate tax investors, who receive a proportion of the tax losses of the asset, as well as traditional equity investors who are typically focused on the cash flow of the asset.
- **Operations and Maintenance Providers** – at or around the commencement of operation of a solar energy asset, the operational and maintenance provider commences work that typically includes maintaining the land, cleaning equipment and performing any repairs. Some developers also provide operations and maintenance services once an asset has become operational.

- Power Purchaser – power purchasers usually consist of retail electricity providers, government, commercial and industrial customers. Typically, PPAs are in place prior to completion of the construction of an asset. Depending on geography and asset, some assets may also be structured with no PPA in place. As power is generated from the solar energy asset the power purchaser pays for the amount of electricity utilised at either market or pre-agreed rates. Such PPAs can assist in securing bank funding for a solar project as they provide contracted income streams.
- PPAs are agreements with end users for the supply and purchase of electricity. PPAs typically outline pricing mechanisms, either fixed or with reference to the prevailing market price, and vary in length but are typically in excess of 10 years. At the end of the PPA the Fund intends to either negotiate a new PPA with an end user or sell electricity into the spot market.

Figure 13. Illustrative utility scale solar farm



4.4 Recent transactions and developments

At the date of this Offer Document, the Fund and Investment Manager have not entered into agreements to acquire any investment. The following table provides examples of recent solar energy asset acquisitions and developments for illustrative purposes only. The Fund intends to initially target a portfolio of assets up to a capacity of approximately 50MW, however the Fund may acquire assets outside of this range.

Table 3 Solar energy transactions and developments

Date	Size of Asset	Location	Developer	Disclosed Yield
Oct 2015	53MW	Broken Hill, NSW, Australia ¹	AGL	Not available
Jan 2015	26MW	USA	Acquired from Integrys	10%
Jun 2015	23MW	Arizona, CA, USA	Acquired from Integrys	9%
Sep 2014	20MW	Royalla, ACT, Australia	Fotowatio Renewable Ventures	Not available
Dec 2014	17.5MW	Hertfordshire, UK	Solar Century	Not available
Oct 2015	15MW	Kern County, California, USA	Solar Frontier	Not available
May 2015	13MW	Canada	Invenergy	8%
May 2015	12MW	Canada	Invenergy	8%
Jul 2015	9.8MW	Two assets in Cornwall and Norfolk, UK	Wirsol Energy	Not available
Jun 2015	9MW	Arizona, CA, USA	Acquired from Duke Energy	Not available
Nov 2014	5.2MW	Norfolk, UK	Solar Century	Not available
Mar 2015	3.3MW	Brisbane, QLD, Australia ²	First Solar & University of Queensland	Not available

1. Supported by ARENA and NSW Government providing funding of \$166.7 million and \$64.9 million respectively

2. Supported by \$40.7 million of Federal Government Education Investment program grant

Investors should note that the assumptions underpinning announced acquisition yields are not typically publicly disclosed. Dates disclosed refer to acquisition date or completion/operation.

4.5 Investment Manager

The Investment Manager of the Fund is New Energy Solar Manager Pty Limited, a related party of the Responsible Entity. The Investment Manager is a newly formed management entity currently focused on the management of New Energy Solar. See Section 6.7 for details of its role.

4.6 Investment objectives of the Fund

The Fund's objective is to help investors generate positive social impact alongside attractive financial returns through the combination of distributions from producing solar assets and growth through new acquisitions and developments in the solar and renewable sectors.

The Fund will seek to achieve this by gaining exposure to a portfolio of assets initially focusing on the United States, Australia and select Asian markets, focusing on investing in large-scale, cash-flow producing solar farms that generate emissions-free power. Assets may be held by the Responsible Entity on behalf of the Trust and/or held by the Company directly or through a series of underlying entities as determined at the point of acquisition to optimise the assets for the Fund.

There is no guarantee that the Responsible Entity or the Board of the Company will be successful in achieving these objectives. As the Fund is newly established, it has no performance record.

4.7 Investment process

The Investment Manager will undertake the asset acquisitions for the Fund primarily from potential developers or existing owners. The Investment Manager intends to develop relationships and partnerships with experienced, high quality solar developers and operators to source investments in the target market, initially focusing on solar energy assets in the United States, Australia and select Asian markets.

The Investment Manager will organise appropriate partners in different geographies as appropriate to provide operations and maintenance support to the Fund's assets. Where an asset acquisition is supported at the time of investment by an operations and maintenance manager, the Investment Manager will assess the credentials and perform any appropriate due diligence on the proposed operations and maintenance manager.

The Responsible Entity and the Board of the Company believe that the key to achieving superior returns in renewable energy lies in identifying and acquiring assets with strong-cash flow profiles backed by PPAs, where available, with creditworthy counterparties at attractive valuations. The selection of quality assets is of critical importance.

The key steps in the asset acquisition process are identified below.

STEP 01: MARKET REVIEW

The investment process begins with a review of the target markets, involving the identification of renewable energy assets that meet the Fund's investment objectives. The Investment Manager has already commenced an assessment of the universe of potential opportunities and will continue to conduct research into and review the target market, and liaise with developers and existing owners of potential assets.

The Investment Manager will screen asset acquisitions to determine if the assets meet the Fund's investment objectives.

STEP 02: DUE DILIGENCE

Once an asset has been identified as a potentially attractive acquisition candidate, detailed due diligence commences.

During due diligence the Investment Manager will give particular attention to:

- a) investment analysis including analysis of the investment jurisdiction and any applicable regulations and/or incentives
- b) identifying key risks and mitigants
- c) modelling or reviewing the modelling of the valuation of the asset, which may include utilising independent experts to assist in the assessment of the assumptions of the valuation model
- d) a review of existing or independent engineering reports
- e) a review of the cost build-up of the asset construction
- f) legal due diligence with particular focus on material contracts including PPAs (where applicable) and Operations and Maintenance Agreements (where in place at acquisition), having regard to the creditworthiness of parties and term of each material contract
- g) a review of independent environmental and viability studies used in the initial planning applications for the asset and, where required, conducting its own environment and technical due diligence compliance on the asset
- h) determining the funding strategy and optimal acquisition structure through internal discussions and external communication with advisors and banks
- i) pricing of the asset.

STEP 03: DELIBERATION AND DECISION

Once the Investment Manager has compiled all due diligence findings, it will then finalise the asset and legal due diligence as well as the acquisition's gearing and structure. The Investment Manager will prepare an investment proposal to the Responsible Entity and/or the Company, depending on where the proposed asset is intended to be acquired. The Investment Manager will then seek final approval from the Responsible Entity or the Board (as appropriate). Subject to their duties at law, the Responsible Entity and the Board of the Company can only approve an investment or divestment proposal which has been recommended by the Investment Manager, although the Responsible Entity or Company is ultimately responsible for the decision.

Once the investment and pricing is approved, the Investment Manager will negotiate with the vendor and, when the final terms have been negotiated, will arrange for completion of the acquisition of the asset.

Although the Fund intends to hold assets for their useful lives, should conditions exist where the Investment Manager believes the sale of an asset would be in the best interest of the Fund, it may prepare a disposal plan detailing the reasons for the suggested sale, sales pricing parameters, and terms to then be approved by the Responsible Entity and/or the Board, depending on where the asset is held.

4.8 Permitted investments

The Fund will primarily seek to invest in the renewable energy assets. The Fund intends to initially focus on investing in large-scale, cash-flow producing solar farms that produce emissions-free power. The Fund may also invest in other renewable energy assets including wind, geothermal, hydro-electricity, hybrid solutions and associated investments such as battery and other storage, smart metering and other potential future technologies. The Fund may invest globally with an initial focus on the United States, Australia and select Asian markets.

The Fund will also have the ability to invest in pre-operational projects to facilitate securing quality assets at attractive returns. The Fund will have the flexibility to invest through different structures including acquiring cash flows, direct or indirect equity acquisition and direct or indirect debt investment in assets. The Fund initially intends to focus primarily on investments with PPAs and planning approvals in place. Where pre-operational assets have been acquired, the Fund will seek an appropriate return profile to reflect any additional risk to the Fund. The Fund may also seek for suppliers, development or construction partners to bear a proportion of the risks inherent with construction of assets including, but not necessarily limited to, on time and on budget construction and final asset output.

The Fund may acquire the following types of interests in assets which meet its investment criteria as set out above:

- direct interests – where the Fund owns the assets directly. The Trust and the Company will have the flexibility to split ownership of assets, to be held directly or indirectly by their respective underlying entities, as determined by the Board and the Responsible Entity;
- indirect interests – where a wholly owned entity of the Fund owns assets directly;
- co-investment interests – where a joint venture entity (such as a trust or special purpose company) established by the Fund and a joint venture partner owns assets directly;
- debt investment – where the Fund provides debt financing either directly or indirectly through underlying entities; or
- external interests – where the Fund invests in a other renewable energy investments that own assets directly or indirectly; or
- such other investment means as deemed appropriate by the Company and the Responsible Entity.

The Investment Management Agreement provides for how the Investment Manager will provide investment management services to the Company and the Responsible Entity on behalf of the Trust.

While the Investment Manager, on behalf of the Trust and the Company, is identifying suitable investments, the Responsible Entity and the Company may elect to hold cash, or invest in term deposits and cash equivalents and interests in cash management trusts.

4.9 Capital allocation policy

The initial capital allocation between the Trust and the Company is reflected in the allocation of the Application Price which, in the case of the \$1.60 Application Price payable by Wholesale Applicants and Non-Consenting Applicants has been allocated as to \$1.52 to the Trust and \$0.08 to the Company. If the Company (or its relevant Controlled Entities) have insufficient capital to undertake that acquisition and the Trust has surplus capital, the Trust will provide the necessary funds to the Company or its relevant Controlled Entity to undertake that acquisition. The funds may be provided in the form of debt, equity or other investment structure, and may or may not bear interest. As a result, while the relative net asset position of each of the Company and the Trust will not be affected by this loan, the Company and the Trust will have flexibility to ensure that assets are acquired by the appropriate entity within the Fund.

The Fund will determine at the point of acquisition the appropriate acquirer or acquirers within the Fund structure to acquire an asset or a part of an asset. The Fund will consider the relative benefits to the Fund as a whole of the intended acquisition structure and any relevant implications at the individual entity level.

The Trust Constitution and the Fund Constitution also provide flexibility for the allocation of capital between the Trust and the Company to be adjusted to better reflect the assets held by the Trust and the Company. This would involve a distribution of capital by the Trust or the Company (as appropriate) and an increase in the amount payable by Securityholders on the Units or Shares by an equivalent amount. This would result in reduction in the loan between the Company and the Trust and alignment of the value of assets of the Trust and the Company with the amount paid up by Securityholders on the Units and Shares. Such a capital reallocation would require approval by Securityholders by way of special resolution. The Trust and the Company may seek to utilise the capital reallocation provisions primarily where the existing capital allocations between the Trust and the Company do not appropriately reflect the proportion of assets owned by the different sides of the stapled structure. The Responsible Entity and the Company may, however, use their absolute discretion to utilise the capital allocation provisions as appropriate.

4.10 Borrowings policy

The Fund may undertake borrowing at the Fund level, through the New Energy Solar Fund or New Energy Solar Limited or at other levels in the overall Fund structure, including the asset level, as deemed appropriate by the Board and the Responsible Entity. Borrowings may be denominated in Australian dollars or other currency denominations.

The Fund intends to target a long-term overall gearing ratio of around 50% of total assets. Individual projects may be geared to higher levels. In assessing investments, the Fund will have regard for the underlying gearing at the project level.

The Fund may implement an interest rate hedging policy by fixing a portion of the Fund's exposure to any floating rate interest rates to an appropriate fixed rate.

4.11 Distributions policy

The Fund will seek to make investments with a view to generating sufficient income to provide a consistent distribution stream.

All income, determined in accordance with the Trust Constitution, will be distributed while income received by the Company may be retained or paid out by way of dividends. The Fund currently intends to invest globally. To the extent that tax is paid outside of Australia, the Company does not anticipate being able to frank dividends. However, where the Company pays income tax in Australia or receives franked distributions itself, the Company may allocate franking credits to dividends paid by it to Investors. Where the Trust receives franking credits on franked dividends or distributions, it may be able to pass such franking credits on to its Securityholders when paying distributions. In some circumstances, the Trust may have the capacity to distribute foreign income tax offsets.

Once the Fund has declared its inaugural dividend/distribution the Fund intends to pay dividends and distributions six monthly.

Volatility in the prevailing exchange rates in the markets in which the Fund invests will cause volatility in the distributions of the Fund.

The Company and the Trust may lend, invest or utilise other structures to move capital between the Company and the Trust. The structure of these arrangements may impact distributions paid from the Trust and dividends paid by the Company. The Company and Trust currently intend to enter into lending, investing or other structures where it benefits the Fund as a whole.

On payment of dividends and distributions, the portions attributable to income, capital and debt will be disclosed to Securityholders. The Fund will provide an annual tax dividends and distribution statement summary for Investors to complete their income tax returns. No guarantee can be given in respect of future earnings of the Fund or that dividends or distributions will be paid. The Responsible Entity and the Company has yet to form a view on whether it will utilise scheme borrowings to pay dividends or distributions.

4.12 Risk management and related party transactions

The Responsible Entity and the Company have a risk management process in place that includes the Responsible Entity maintaining a compliance plan (which is audited every year) and a compliance committee for the Trust. The compliance plan sets out how the Responsible Entity will ensure compliance with both the Corporations Act and the Trust Constitution when operating the Trust. The compliance committee, comprising a majority of members who are independent of the Responsible Entity (one representative from the Responsible Entity and two external representatives), will monitor compliance with the compliance plan.

The risk management processes of the Company and the Trust includes a comprehensive compliance framework including compliance policy, training and monitoring elements. The compliance plan of the Trust will be audited externally on an annual basis.

The Responsible Entity and the Company also maintain and comply with a written policy on related party transactions, including the assessment and approval process for such transactions and arrangements to manage conflicts of interest.

The key elements of the related party transaction policy include the following:

- a) all related party transactions must be immediately notified to the compliance officer through the completion of a conflicts of interest notice following receipt of which the compliance officer will complete the conflicts of interest register
- b) each related party transaction will be evaluated and assessed as either a minor conflict or a material conflict
- c) each related party transaction will be approved by Securityholders, unless the Responsible Entity or the Company (as relevant) determines it falls within an exception, including the following:
 - i) the transaction is on arm's length terms or on terms that are more favourable to the Fund entity than arm's length terms
 - ii) the benefit received by the related party is the payment of expenses or remuneration of an officer or employee of the Fund entity and the payment is reasonable in the circumstances
 - iii) financial benefits given under a court order.

Compliance with the policies and procedures set out in the related party transaction policy is monitored by the relevant compliance officer by, among other things, reviewing the conflicts of interest and related party records and reporting any breaches of the policies and procedures in accordance with the established reporting procedures. The reporting procedures may involve reporting the breach directly to the Responsible Entity, the Board, or to ASIC, depending on the seriousness of the breach.

4.13 Cash policy

The Fund's policy is to hold funds in cash, cash equivalents and interests in cash management trusts pending investment or capital expenditure by the Fund. There is no limitation on the amount of cash that may be retained by the Fund.

The Fund will endeavour to maximise cash returns.

4.14 Hedging policy

The Fund expects to receive income streams and hold assets denominated in US dollars, Australian dollars and other currencies. The Fund does not currently intend to hedge this currency risk. The Fund may re-evaluate the hedging policy in the event of changes in the prevailing relevant exchange rates and economic conditions. The Responsible Entity and the Board of the Company believe that a proportion of the proceeds of the Offer will be invested in solar energy assets located in the United States. It is currently intended that a proportion of the net proceeds raised from the Offer will be converted into US dollars following Allotment to prepare the Fund to invest in assets located in the United States.

As future assets of the Fund may be denominated in currencies other than the Australian dollar, particularly initially the US dollar, the value of assets expressed in Australian dollars may fluctuate with the prevailing relevant foreign exchange rates. The Fund may establish borrowing facilities in other currencies to act as a natural hedge against a degree of this foreign currency exposure.

4.15 Raising further capital

The Fund may, at a future date, decide to raise further capital. A further issue may be contemplated if there is significant demand for the investment in the Fund, there remain attractive opportunities for investment which the Responsible Entity and the Company can pursue with additional capital and it is beneficial to existing Securityholders.

4.16 Valuation policy

The Company and Responsible Entity have each established a written valuation policy, to which the Fund is subject.

The Fund will use fair market value to determine the carrying amount of the renewable energy asset investments in which it has an interest. The best method to calculate fair market value is by using a discounted cash flow of expected future cash flows of the relevant asset. Valuations will be performed a minimum of annually and otherwise as determined by the Company and the Responsible Entity. See Section 8.3.4 for more information. The Fund may engage suitably qualified independent valuers to assist in their assessment of fair market value.

Section 5. Risks

Potential investors should be aware that the market price and liquidity of the Stapled Securities, and dividend and distributions in respect of the Stapled Securities, may be influenced by a number of factors. The risks set out in this Section, and other risks not referred to, may in the future materially affect the financial and operating performance of the Fund. This may in turn have a material adverse effect on the value of an investment in the Fund.

Before making an investment decision, you should carefully consider the likely nature, probability and materiality of the risks described in this Section, as well as the other information in this Offer Document, and whether the Offer is a suitable investment for you in light of your individual objectives, financial circumstances and needs. Past performance is not an indication of future performance.

An investment in Stapled Securities of the Fund is subject to a number of risks including those that apply generally to any investment, and those that relate specifically to the Fund and its investments. There is no guarantee that forward looking statements will turn out to be accurate, that forecasts will be met and that dividends and distributions will be paid.

This Section outlines the risks considered by the Directors to be applicable to an investment in the Fund. However, is it not an exhaustive list of the risks associated with an investment in the Fund.

5.1 Risks specific to the Fund

(a) Broad investment strategy

The investment strategy proposed for the Fund is broad and does not restrict investments in renewable energy to any particular renewable energy type, geographic region, size or cash flow profile. No decision has been made at the date of this Offer Document regarding any particular investment to be made by Fund. Accordingly, it may be difficult for investors to assess the risks associated with the investments that may be made by the Fund.

(b) Substantial uncommitted funds

It is proposed that the Fund will target investments in the renewable energy market, initially focusing on solar energy assets. Funds raised from the Offer will be retained in cash until required for investment in renewable energy assets by the Fund. Any income generated by the Fund from cash investments may be significantly lower than what might be expected to be received following investment in renewable energy assets.

The Fund has been recently established and currently has no investments. While the Responsible Entity and the Company are exploring the universe of potential opportunities, no decision has been made to proceed with any investment. There can be no certainty that the Investment Manager and the Fund will be successful in identifying assets that are consistent with the investment strategy of the Fund to acquire on terms that are acceptable to the Fund or at all.

Should the Fund not find any suitable investments in the period up to 18 months from Allotment under this Offer, the Board and the Responsible Entity intend, subject to receipt of Securityholder approval, to terminate the Fund and return cash to Investors net of fees and expenses. There is a risk that the amount Investors receive, should cash be returned, is less than their original investment in Stapled Securities.

(c) Responsible Entity and Investment Manager risk

The Responsible Entity acts as the responsible entity for the Australian Property Opportunities Fund I & II, US Masters Residential Property Fund, Emerging Markets Masters Fund and US Select Private Opportunities Fund I & II. The Responsible Entity has not previously acted in the renewable energy space.

The principals and executives of the Investment Manager have extensive experience in the identification, acquisition, management and disposal of a diverse range of asset classes but have no direct experience in investing in infrastructure or renewable energy assets. The Investment Manager has initially engaged a renewable energy professional, Alistair Craib, to provide industry consulting services as required. The Investment Manager may engage with other industry consultants as required.

(d) Fund liquidity risk

The Fund will be unlisted and intends to hold interests primarily in renewable energy assets that are generally illiquid in nature. The Fund intends to be a medium to long-term investor in assets and as such may hold assets until the end of their useful lives. Investors should view an investment in the Fund as medium to long-term in nature (at least seven years). The Fund may invest in assets for their useful life, typically 25+ years.

Investors have no rights to withdraw from the Fund. As a result, Securityholders will have limited opportunity to realise their investment in the Fund as there may not be a ready market for selling Stapled Securities.

(e) Pre-operational asset risk

The Fund may invest in pre-operational projects with a view to securing perceived quality assets at attractive returns. The Fund may be subject to additional risks with pre-operational projects acquired by the Fund, including cost and budget overruns and final asset output. The Fund may seek suppliers, construction or development partners to carry some of the risks inherent in pre-operational assets.

(f) Tax risk

The anticipated taxation impact of the proposed structure of the Fund and its underlying investments is based on the prevailing taxation laws, accounting practice and standards.

Although the Fund has been established for flexibility in terms of its acquisition structure, there is the potential for changes to applicable tax legislation, the tax status of a member of the Fund or accounting standards that may impact the investment return of the Fund and any dividends and distributions ultimately paid to Investors.

(g) Counterparty risk

The Fund may acquire interests in assets together with third party investment partners such as joint venture partners or trustees of external trusts. Relationships with future investment partners may not operate as intended and there is a risk that this may negatively impact the value of the investments by the Fund.

The electricity to be generated by the Fund's investments is primarily intended to be sold under PPAs with utilities, commercial, industrial or government end users. PPAs are expected to be long-term agreements and may range in years. Currently, PPAs tend to range from 10 to 20 years. Should any counterparty under these contracts become unable or unwilling to fulfil their related contractual obligations, refuse to accept the delivery of power delivered or terminate agreements prior to expiration, the financial position and performance of the Fund may be materially adversely impacted.

Where PPAs are in force with government entities there is also a heightened risk of legislative or other political action that may negatively impact the financial position and performance of the Fund.

The Fund may also invest in pre-operational projects to facilitate securing quality assets at attractive returns. Pre-operational projects may rely on counterparties to bear certain risks, including, but not necessarily limited to, time, on time and on budget construction and final asset Nameplate Capacity. Where a counterparty fails to satisfy the terms of their agreement the Fund may be required to seek remedy from the relevant counterparty. There is a risk that sufficient remedy may not be granted or available from the relevant counterparty which may impact the value of the investments of the Fund.

The Fund intends to reduce these risks by engaging only with reputable parties and ensuring parties are bound by legal agreements for material transactions.

(h) Acquisition risk

The Fund intends to acquire interests in renewable energy assets which are subject to acquisition risks. The Fund may fail to identify material problems during due diligence, over pay for assets and may acquire assets in new markets where the Fund and its Directors have not previously operated. While the Fund performs due diligence on prospective acquisitions, it may not be able to discover all potential operational deficiencies of such projects.

There is no guarantee that any future acquisition will perform as expected or that the returns from such acquisitions will support the financing utilised to acquire them or maintain them. Acquisitions may have a material adverse impact on the financial position and performance of the Fund.

Specifically, at the end of 2016 the ITC benefits for solar farm assets in the United States will reduce from 30% to 10%. There is potential for the change in ITC benefits to impact in the number of acquisition opportunities available in the medium term.

(i) Interest rate risk

The Fund may be a directly or indirectly geared vehicle. As such, changes in interest rates will have a positive or negative impact directly on the Fund's income. Changes in interest rates may also affect the market more broadly and positively or negatively impact the value of the Fund's underlying assets.

Further, until invested, significant funds will be held in cash. Until the funds raised by the Offer are invested, the dividend/distribution yield will be impacted by interest rates and the yield on cash and cash managed investments. The actual impact that interest rates will have on the dividend/distribution yield will depend on applicable interest rates and the time it takes for the Investment Manager to identify attractive opportunities to invest the cash raised.

The Fund may implement an interest rate hedging policy. It may undertake this by fixing a portion of the Fund's exposure to any floating rate interest rates to an appropriate fixed rate. To the extent of hedging levels, this risk will be mitigated.

(j) Currency risk

The Fund may hedge for currency risk depending on the prevailing exchange rates and economic conditions.

A significant proportion of the Fund's investments may be in foreign currency denominated assets. The value of Stapled Securities will be impacted by increases and decreases in the value of the foreign currency to the extent of any unhedged portion of the Fund's assets. An increase in the value of other currencies against the Australian dollar will mean the NAV of the Fund will be worth more when converted into Australian dollars, but if the value of the other currencies fall, the NAV will be worth less in Australian dollar terms.

Volatility in the prevailing exchange rates in the markets in which the Fund invests will cause volatility in the distributions of the Fund.

The Australian dollar exchange rate has been subject to significant fluctuations in the past and may be subject to significant fluctuations in the future.

The Fund does not currently intend to hedge FX but may in the future depending on prevailing exchange rates and economic conditions..

The capital value of assets held by the Fund may be hedged through use of derivatives such as foreign exchange forward contracts.

(k) Size and portfolio

The size of the portfolio of the Fund will affect the risk profile of the Fund. The Fund may not be able to diversify its investments and so manage its risks as efficiently if it achieves the Minimum Subscription under this Offer as if it secures a greater level of acceptance. However, the risk of loss of investments included in the Fund's portfolio will not necessarily be reduced if the level of acceptance under this Offer exceeds the Minimum Subscription. Effective risk management depends on a range of factors including diversification of investments and other factors.

(l) No operating performance or history of the Fund

The Fund has no financial, operating or performance history and the Investment Manager, the Trust and the Company are all newly established entities. The information in this Offer Document about the investment objectives of the Fund are not forecasts, projections or the result of any simulation of future performance. There is a risk that the Fund's investment objectives will not be achieved.

(m) Related party transaction risk

The Responsible Entity and the Company may transact with related parties. There are a number of related party transactions described in this Offer Document, such as in respect of fees payable out of the Trust to the Responsible Entity under the Trust Constitution and by New Energy Solar Limited under the Investment Management Agreement entered into with the Responsible Entity on behalf of the Trust and the Company in relation to the Fund. Conflicts of interest may arise in these circumstances with the risk that the conflicted party may be tempted to act in its own interests or those of a related party rather than in the interests of the Company or the Trust. The Fund has a conflict of interest and related party transaction policy to assist in managing this risk.

(n) Distribution risk and residual value of investments

The Fund may make dividends and distributions partly or wholly from unrealised revaluation gains, capital, or support facilities arranged by the Responsible Entity and the Company, rather than solely from cash from operations available for distribution. Investors should note assets intended to be acquired by the Fund have limited useful lives (25+ years) and uncertain residual value, that may be zero.

(o) Variability of weather patterns

The Fund intends to invest in renewable energy assets many of which are powered by the weather. Changes in expected weather patterns may impact the value of the Fund's assets and dividends and distributions payable by the Fund.

(p) Net tangible asset risk

There is a risk the initial and ongoing NTA backing of the Fund may be adversely affected by various factors, including fees and charges paid up-front for the purchase of assets, costs associated with capital raising, or fees paid to the Responsible Entity, the Company or other parties.

5.2 Risks specific to the sector

(a) Electricity prices

The ability of entities in which the Fund invests to negotiate favourable PPAs may be negatively impacted by a drop in electricity prices in the markets in which the Fund's assets may operate. Decreases in the retail prices of electricity supplied by some utilities or other renewable energy sources may harm the ability of operators to offer competitive pricing and consequently its ability to sign new customers under PPAs on favourable terms.

The price of electricity from utilities could decrease for a number of reasons:

- The construction of a significant new power generation plant whether powered through renewable or non-renewable energy sources;
- Overall drop in electricity demand in the markets in which the Fund operates;
- A reduction in the price of natural gas or other fossil fuels; and
- Development of new, more efficient, clean energy technologies.

(b) Electricity supply and demand for renewable energy

Renewable energy continues to provide a larger portion of the total energy production in local and international markets, however the ability for the market to absorb increasing energy supply will be limited. The ultimate absorption of renewable electricity will depend increased demand of electricity, consumer preference (to use renewable energy) and the ongoing (reduction or increase) of fossil fuel produced electricity.

(c) Potential decline in asset value

The value of power generation assets is closely linked to electricity demand, electricity pricing, PPA terms, regulations, location, asset supply and demand factors and environmental risks. Changes to these elements may impact the value of an investment in the Fund.

Investors should note assets intended to be acquired by the Fund have limited useful lives (25+ years) and uncertain residual value, that may be zero. A decline in asset value may impact loan covenants of the Fund and the Fund may as a result be required to reduce borrowings through the sale of assets, additional capital raising (including discounted capital raisings) or retain distributions.

(d) Gearing risk

There is a risk that the value of the Fund's direct or indirect renewable energy assets will fall. If the value of the assets against which loans are secured decline, there is the risk that the Fund may lose the capital invested if income is insufficient to cover recurring outgoings such as fees, interests and other expenses. This would adversely affect the overall value of an investment in the Fund.

Additionally, there is the risk that the Fund may not be able to obtain borrowing on favourable terms.

(e) Costs of equipment

The cost of renewable energy components, including solar PV modules, can increase or decrease and can be influenced by a number of factors, including the price and availability of raw materials, demand for equipment and any import duties that may be imposed. This would generally be expected to increase the acquisition cost of assets of the Fund and consequently may impact the availability of suitable investments to acquire or the overall return of investments.

(f) Regulatory risk

There is no guarantee existing or future government subsidies and economic incentives from which renewable energy production operations benefit from will remain. The current renewable energy, including the solar energy sector, is supported by certain initiatives including tax incentives and renewable energy targets. A change in political attitude in some or all of the regions in which the Fund may invest may have a negative impact on the Fund. The reduction, elimination or expiration of such may impact the performance of the Fund. Each market in which the Fund will participate will be subject to this risk at varying and unknown levels.

(g) Risk of disaster/catastrophic event

Unplanned interruptions and outages outside of the control of the Fund, such as cyclones, earthquakes, fire, explosion, terrorist events or major plant breakdown can affect the production of electricity and consequently disrupt the Fund's ability to supply electricity. These events are generally covered by insurance policies that are expected to be held at the individual project or asset level. Not all losses from such events may be recoverable from the proceeds of insurance claims.

(h) Portfolio diversification risk

Generally, the more diversified a portfolio is, the lower the risk that an adverse event pertaining to one asset. There is a risk that the Fund may not be able to source sufficient renewable energy assets which satisfy the Fund's investment criteria in order to diversify the Fund by geographic location and PPA counterparty.

(i) Competition

The renewable energy sector, and PV solar sector specifically, is a rapidly expanding and evolving industry. Competitors will continue to enter the market in which the Fund will be invested which in turn may decrease profit margins by virtue of increased supply.

(j) Alternative energy sources

The development of alternative energy sources, such as new gas power projects, may discourage the deployment of renewable technologies. Lower marginal costs for gas-fired generating plants may also lead to lower overall electricity prices. Any significant move to gas power generation or other modern gas technologies, and away from renewable technologies greater than currently assumed by the market, could negatively impact the Fund's future prospects and performance.

(k) Technological changes

Technological changes in the power industry generally and the PV solar industry specifically may lower electricity prices which could impact cash flows for the Fund post PPAs and consequently may impact the performance of the Fund in the long term.

(l) Insurance risk

Various factors can influence both the cost of maintaining insurance over the assets of the Fund and the extent of cover available. Increased insurance costs, or limits on cover, may have a negative impact on the performance of the Fund, as funds that should otherwise be utilised to invest in assets may be required to pay the increased insurance costs. Limits on insurance cover may prevent the Fund from recovering the amount invested in an asset should an event insured against occur.

(m) Policy risk

Changes in income tax, indirect tax or duty legislation or policy may affect the returns of the Fund. Such changes could result in the distribution policy of the Fund having to change. As changes in revenue law or policy and other legal or regulatory changes often cannot be foreseen, the Responsible Entity and the Company will attempt to respond to any such changes prudently.

5.3 General investment risks

(a) Macroeconomic risks

The Renewable energy market and the value of the assets of the Fund can be affected by changes in various macroeconomic conditions. Changes in the Australian, US or other international economic, technological, political or regulatory environment, as well as inflation and market sentiment, can have a negative or positive impact on asset values.

The Responsible Entity and the Company will endeavour to minimise these risks by drawing on the experience of the Investment Manager and industry consultants, as well as engaging its contacts and research in the marketplace.

(b) Fund risk

This risk is relevant to all funds. It includes the risk that the Fund could terminate, the fees and expenses of the Fund could change, and the Responsible Entity or the Company and/or the various managers retained by the Responsible Entity or the Company may change.

There is also a risk that investing in the Fund may lead to a different result than investing directly in the renewable energy market due to income or capital gains or losses accrued in the Fund.

(c) Regulatory risk

Any changes to such regulations affecting renewable energy power generation assets may adversely affect the Fund's future income. The Fund has put in place strategies to appropriately manage the regulatory requirements and will only invest where the Fund is satisfied that the benefits of the investment outweigh the additional regulatory requirements.

(d) Taxation risk

There are risks that the tax consequences for an individual Investor or for the Fund with regard to income tax (including capital gains tax), duty and other taxes may differ from the tax consequences described in Section 10 of this Offer Document.

Changes to taxation laws and policies in the United States, Australia (including any changes in relation to how income of the Fund is taxed or in relation to the deductibility of expenses) might adversely impact the Fund and Securityholder returns. It is not possible to predict future changes to tax law or policy.

(e) Key personnel risk

There is a risk of departure of key staff or consultants with particular expertise in the renewable energy investment sector, whether they are the staff or directors of the Company, Responsible Entity, the Investment Manager or independent advisors.

(f) Performance of other asset classes

Good performance (or anticipated performance) in other asset classes can encourage individuals to divert money away from listed and unlisted equity investments such as the Fund. This may have a negative impact on any trading of the Stapled Securities.

(g) Operational risk

The underlying assets of the Fund may be subject to operational risks including equipment failure, health and safety risks, environmental risks and other operational risks. Insurance and guarantees at the Fund or asset level may not be sufficient to compensate for these risks.

5.4 Investor considerations

Before deciding to subscribe for Stapled Securities, Applicants should consider whether Stapled Securities are a suitable investment.

There may be tax implications arising from the Application for Stapled Securities, the receipt of dividends or distributions from the Fund and the disposal of Stapled Securities. Applicants should carefully consider these tax implications and obtain advice from an accountant or other professional tax advisor in relation to the application of tax legislation.

If you are in doubt about whether you should subscribe for Stapled Securities, you should seek advice on the matters contained in this Offer Document from a stockbroker, solicitor, accountant or other professional advisor.

Section 6.

Overview of the Responsible Entity and corporate governance

6.1 Role of the Responsible Entity

Walsh & Company Investments Limited (**Walsh & Co**) is the issuer of Units in the New Energy Solar Fund under this Offer Document and is the Responsible Entity of the Trust. The Responsible Entity is responsible for the protection of Unitholder interests and overall corporate governance of the Trust. The Responsible Entity will manage the Trust in accordance with its duties to Unitholders. The Responsible Entity is subject to numerous duties under the Corporations Act, including duties to act honestly, exercise care and diligence and act in the best interests of Unitholders. Further details of the Trust Constitution and the Responsible Entity's obligations are specified in Section 11.

Under the Corporations Act, a responsible entity is required to either have a board of directors, not less than half of which comprises external directors, or to appoint a compliance committee with a majority of external representation. Walsh & Co complies with this by having a compliance committee with a majority of external representation. Further details on the external members of the compliance committee are set out in Section 6.9.

The Responsible Entity is responsible for the overall management of the Trust, including the determination of its strategic direction with the aim of increasing Unitholder wealth through the performance of the Trust.

The role of the Responsible Entity includes:

- a) providing strategic direction and deciding upon the Trust's business strategies and objectives
- b) monitoring the operations, financial position and performance of the Trust
- c) identifying the principal risks faced by the Trust and monitoring the effectiveness of systems designed to provide reasonable assurance that these risks are being managed
- d) taking steps to ensure the Trust's financial and other reporting mechanisms result in adequate, accurate and timely information being provided to the investors
- e) taking steps to ensure Unitholders and consequently Stapled Securityholders and the market are fully informed of all material developments.

6.2 Background of the Responsible Entity

Walsh & Co holds Australian Financial Services Licence Number 410 433.

Walsh & Co is a wholly owned subsidiary of Dixon Advisory, which provides a comprehensive administration service and, where requested, financial advice to approximately 4,500 self managed super fund clients with a combined superannuation asset base of more than \$5.0 billion. Dixon Advisory also provides financial advisory services, full service investment advisory, corporate finance, estate planning, residential property, mortgage and insurance advisory, and funds management services.

Walsh & Co is currently the responsible entity for Australian Property Opportunities Fund, which closed in July 2013 raising approximately \$161 million and Australian Property Opportunities Fund II, which closed in June 2014 raising approximately \$110 million. Walsh & Co is also the responsible entity for Emerging Markets Masters Fund, an ASX-listed fund of funds that invests across the emerging markets universe, targeting global emerging market investments funds. At 18 November 2015, the Emerging Markets Masters Fund had a market capitalisation of approximately \$169 million. Walsh & Co is also currently the responsible entity for US Select Private Opportunities Fund and US Select Private Opportunities Fund II, two ASX-listed funds that invest in US small-to-medium sized private investment funds. At 18 November 2015, the US Select Private Opportunities Fund had a market capitalisation of approximately \$95 million and the US Select Private Opportunities Fund II had a market capitalisation of approximately \$137 million. Walsh & Co is currently the responsible entity of the US Masters Residential Property Fund, an ASX-listed fund that invests in US residential property focusing on the New York metropolitan area. At 18 November 2015 the US Masters Residential Property Fund had a market capitalisation of approximately \$642 million.

Walsh & Co does not presently act as responsible entity for any registered managed investment scheme that primarily invests in infrastructure or renewable energy assets.

6.3 Directors of the Responsible Entity

The directors of the Responsible Entity have considerable experience in funds management and infrastructure and energy advisory, however they have no experience in direct investing in renewable energy assets. Details of the directors of the Responsible Entity are set out below.

ALEX MACLACHLAN BA (Cornell), MBA (Wharton) | CHAIRMAN

Alex is currently Chairman of the responsible entity for US Select Private Opportunities I & II, Emerging Markets Masters Fund, Australian Property Opportunities Fund I & II and US Masters Residential Property Fund and Managing Director of Global Resources Masters Fund and Australian Masters Governance Index Fund Limited. Alex also serves as a director of the Australian Masters Yield Fund Series, the Australian Masters Corporate Bond Fund Series and Asian Masters Fund Limited.

Before joining Dixon Advisory, Alex was an investment banker specialising in the natural resources sector, most recently serving as the Head of Energy, Australasia, for UBS AG in Sydney and prior to that as an investment banker at Credit Suisse First Boston. During his career as an investment banker, Alex advised many of Australia's and the world's leading energy companies, including BHP Billiton, Woodside, Oil Search, and Shell, working on more than \$100 billion in announced mergers and acquisitions and capital markets transactions. Before specialising in natural resources investment banking, Alex worked in the Japanese Government Bond derivatives markets in London, New York and Sydney.

Alex has a Bachelor of Arts from Cornell University and a Masters of Business Administration from the Wharton School, University of Pennsylvania.

TRISTAN O'CONNELL BCom (ANU), CPA | DIRECTOR

Tristan O'Connell joined Dixon Advisory in 2005 after 10 years' experience in corporate financial and management roles within the wholesale financial markets industry. He is currently a director of the responsible entity for Australian Property Opportunities Fund I & II, US Masters Residential Property Fund, Emerging Markets Masters Fund and US Select Private Opportunities Fund I & II.

Among Tristan's previous roles were Financial Controller of Tullett Prebon in Australia, one of the world's leading inter-dealer broker firms, specialising in over-the-counter interest rate, foreign exchange, energy and credit derivatives. He subsequently held senior finance roles for the Tullett Prebon Fund in Singapore and London and returned to Australia to be responsible for the financial management and growth of Dixon Advisory.

Tristan has a Bachelor of Commerce from the Australian National University, is a member of CPA Australia and is a Fellow of the Financial Services Institute of Australasia.

TOM KLINE BCom, LLB (HONS) (ANU) | DIRECTOR

Tom Kline is the Chief Operating Officer of the funds management division of Dixon Advisory. He works closely with the Dixon Advisory Investment Committee and Corporate Finance teams to deliver investment opportunities for Dixon Advisory clients. He is a director of Fort Street Real Estate Capital, Chairman of Australian Masters Yield Fund No 4 Limited and Australian Masters Yield Fund No 5 Limited, and a director of the responsible entity of US Select Private Opportunities I & II, Emerging Markets Masters Fund, Australian Property Opportunities Fund I & II and US Masters Residential Property Fund.

Before Dixon Advisory, Tom worked at UBS AG in Sydney. During his time at UBS, he was a member of the Power, Utilities and Infrastructure team and advised on a wide range of public and private M&A and capital market transactions. Tom advised some of Australia's leading energy generators and infrastructure players including EnergyAustralia and Transurban. Tom also advised energy and utility companies on the proposed introduction of Australia's federal carbon trading scheme (Carbon Pollution Reduction Scheme) and implications for fossil fuel and renewable energy generation.

Prior to joining UBS AG, Tom served in the Corporate Finance division of Deloitte. While at Deloitte, he worked in the Transaction Services, Business Modelling and Valuations Teams.

Tom has a Bachelor of Commerce and Bachelor of Laws (with honours) from Australian National University.

6.4 Role of the Board

The Board is responsible for the management and operation of the Company including protection of Shareholder interests and overall corporate governance. The Board is subject to numerous duties under the Corporations Act, fiduciary duties and other duties under general law, including duties to act honestly, exercise care and diligence and act in the best interests of Shareholders. Further details of the Company Constitution are specified in Section 11.3.

6.5 Directors of the Company

ALEX MACLACHLAN BA (Cornell), MBA (Wharton) | CHAIRMAN

See Section 6.3 for further information.

TRISTAN O'CONNELL BCom (ANU), CPA | DIRECTOR

See Section 6.3 for further information.

TOM KLINE BCom, LLB (HONS) (ANU) | DIRECTOR

See Section 6.3 for further information.

No Director of the Company has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director of the Company or which is relevant to an investor's decision as to whether to subscribe for Securities.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer of within a 12-month period after they ceased to be an officer.

Under the Company Constitution, Directors' fees of up to \$200,000 per annum could be paid to the Directors. Additional remuneration may be paid in accordance with the Company's Constitution. The current Directors do not propose to be paid any remuneration.

6.6 Directors and advisors of the Investment Manager

ALEX MACLACHLAN BA (Cornell), MBA (Wharton) | CHAIRMAN

See Section 6.3 for further information.

TOM KLINE BCom, LLB (HONS) (ANU) | DIRECTOR

See Section 6.3 for further information.

ALISTAIR CRAIB BE (Hons) (UWA), BCom (UWA) | INDUSTRY CONSULTANT

Alistair has 15 years' of funds / asset management, principal investment, debt finance, corporate advisory and construction / operations experience in the infrastructure, utilities and renewable energy sectors.

Alistair previously worked as part of the Macquarie Infrastructure and Specialised Funds division and was involved in the establishment of the listed Macquarie Communications Infrastructure Fund and Macquarie Airports entities. Subsequently, and following several years as a corporate adviser and project financier for UBS Investment Bank, Alistair was part of the core team that established UBS Infrastructure Asset Management, a division of UBS focusing on direct global infrastructure and energy acquisitions, which successfully raised US\$1.55 billion for its flagship fund. During this time, Alistair evaluated a number of renewable and solar PV opportunities and led a number of direct energy and infrastructure asset acquisitions both within Australia and internationally.

Between 2010 – 2014, Alistair was the Chief Executive of the \$800 million UBS controlled Collgar Wind Farm, a 206MW greenfield wind farm located in Western Australia. Alistair was responsible for the initial project and resource assessment, arranging the debt financing (including export credit agency funding), asset acquisition, construction and initial operations. At the time of construction completion in early 2012, Collgar was the largest single stage renewable energy project in the southern hemisphere.

Through these roles Alistair has gained significant experience and contacts within the renewable energy sector as well as hands on construction and management of renewable energy projects.

Alistair is also currently Chairman of ALTRAC Light Rail, the entity responsible for the construction of the \$2.1 billion Sydney Light Rail project in Sydney's CBD, after playing a key role in the successful tender for the project.

6.7 Role of the Investment Manager

New Energy Solar Manager Pty Limited is the Investment Manager of the Company and the Trust. Under the Investment Management Agreement, the Investment Manager will among other things:

- identify investment opportunities through in-depth analysis
- undertake due diligence to provide information necessary for the Responsible Entity and the Company to consider the acquisition. Ultimately the Responsible Entity and/or the Board of the Company will make the final investment decision, depending on the current or intended owner of the asset
- manage the execution of the approved investment strategy utilising its negotiating expertise
- engage operations and maintenance providers, where not in place at acquisition, and on an ongoing basis, manage and review performance
- maximise the value of assets
- negotiate with power purchasers
- assist in procuring third party advisors to provide support (where required) in the assessment of investment opportunities, procure debt for acquisitions or refinancing and provide other third party services as reasonably required
- advise, provide recommendations, and execute asset exit strategies
- advise, provide recommendations, and execute on liquidity events for investors

All substantive decisions regarding both acquisition and disposal of investments will be made by the Board of the Company and/or the Responsible Entity, depending on the current or intended owner of the asset.

6.8 Compliance Committee

A compliance committee comprising a majority of members who are independent of Walsh & Co will monitor compliance of the Fund with its compliance plan. Membership of the compliance committee comprises:

TRISTAN O'CONNELL | INTERNAL MEMBER

See Section 6.3 for further information.

BARRY SECHOS | INDEPENDENT MEMBER

Barry is one of two independent members of the compliance committee. Barry is a member of the compliance committee for the Australian Properties Opportunities Fund I & II, US Select Private Opportunities Fund I & II, Emerging Markets Masters Fund and US Masters Residential Property Fund. Barry is a Director of Sherman Fund Limited, a private owned investment company, and is responsible for managing the legal, financial and operational affairs of Sherman Fund Limited. Barry has over 25 years' experience in corporate law and finance having spent seven years as a banking and finance lawyer at Allen Allen & Hemsley (Sydney, Singapore and London), and eight years as a Director of EquitLink Funds Management and Aberdeen Asset Management Australia. Barry is also a director of See Saw Films, a film production and finance Fund and winner of the 2011 Academy Award for Best Picture, DIF Capital Partners Limited, a licensed funds management company, and a director of Sherman Contemporary Art Foundation, a charitable cultural organisation.

MICHAEL BRITTON | INDEPENDENT MEMBER

Michael Britton is one of two independent members of the compliance committee. Michael is a member of the compliance committee for Australian Property Opportunities Fund I & II, US Select Private Opportunities Fund I & II and the Emerging Markets Masters Fund. Michael has over 35 years of commercial and financial services experience, initially with Boral Limited and culminating in 12 years as General Manager of the corporate businesses of the Trust Company Limited, where he established the company's reputation as a leader in the delivery of independent responsible entity services. He has represented The Trust Company as a director on the board of both the domestic and offshore operating subsidiary companies and a large number of special purpose companies, delivering the responsible entity function in both conventional and stapled, ASX-listed and unlisted managed investment schemes. He is an independent director on the board of the unlisted Knights Capital Fund Limited, a Perth-based investor and property fund manager, and a Panel Member for the Financial Ombudsman Services Limited. Michael has acted as a Responsible Manager, a member of the committees of inspection in relation to large insolvency administrations and as a independent compliance committee member for substantial investment managers with portfolios of managed investment schemes. Michael holds degrees in Jurisprudence and Law from the University of New South Wales and is a Graduate Member of the Australian Institute of Company Directors and a Fellow of the Governance Institute of Australia.

Section 7. Fees and expenses

Government regulation requires the inclusion of the standard consumer advisory warning as set out below. The information in the consumer advisory warning is standardised across all product issuers and does not provide any specific information on the fees and charges in this Fund.

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial advisor.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (moneysmart.gov.au) has a superannuation or managed investment fee calculator to help you check out different fee options.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

This section shows fees and costs you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole. Taxes are set out in Section 10 of this Offer Document.

7.1 Fees and costs

Table 3. Fees and costs

Type of fee or cost	Amount	How and when paid
FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE FUND		
ESTABLISHMENT FEE The fee on each amount contributed to your investment – either by you or your employer	Nil	Not applicable
CONTRIBUTION FEE The fee on each amount you contribute to your investment	Nil	Not applicable
WITHDRAWAL FEE The fee on each amount you take out of your investment	Nil	Not applicable
TERMINATION FEE The fee to close your investment	Nil	Not applicable

Type of fee or cost	Amount	How and when paid
MANAGEMENT COSTS – THE FEES AND COSTS FOR MANAGING YOUR INVESTMENT		
Initial costs		
STRUCTURING FEE¹ The fee for structuring of the Fund.	1.65% (inclusive of GST) of the gross proceeds raised by the Offer.	A one-off payment, payable after the close of the Offer out of the Application Monies and due on completion of Allotment.
Ongoing costs of the Fund		
RESPONSIBLE ENTITY FEE² The fee payable to the Responsible Entity by the Trust.	0.088% per annum (inclusive of GST) of the gross asset value of the Trust.	The fee is charged on the gross asset value of the Trust and is payable monthly by the Trust.
INVESTMENT MANAGER FEE³ The fee payable to the Investment Manager by the Fund associated with the management of the Fund.	0.77% per annum (inclusive of GST).	The fee is charged on the gross asset value of the Fund (for so long as the Fund is unlisted) or the enterprise value of the Fund (for so long as the Fund is listed on a prescribed financial market) see Section 11.1 for details of how this value is calculated. This fee is payable monthly (while the Fund is unlisted) or quarterly (while the Fund is listed).
ACQUISITION AND DISPOSAL FEE⁴ The fee payable to the Investment Manager by the Fund for acting as advisors on the purchase or disposal of the underlying Fund assets.	Acquisition Fee – 1.65% (inclusive of GST) of the purchase price of assets acquired by the Fund. Disposal Fee – 1.65% (inclusive of GST) of the net proceeds of the sale of any asset of the Fund.	Payable upon the settlement of the acquisition or disposal of assets by the Fund or a subsidiary of the Fund.
Other expenses		
OTHER EXPENSES The fees and costs associated with the administration of the Fund, which are to be reimbursed to the Investment Manager or the Responsible Entity by the Fund including registry fees, leasing, tax, custodian, valuation, accounting and audit fees.	Dependent on the cost and size of the Fund and each potential underlying arrangement. External administration fees and expenses are paid by the Fund. ⁶	Payable directly out of the assets of the Fund. The Investment Manager has agreed, for a minimum period of 12 months from Allotment, to pay any ongoing expenses in excess of 0.55% per annum (inclusive of GST) of the gross asset value of the Fund. ⁶

Type of fee or cost	Amount	How and when paid
MANAGEMENT COSTS – THE FEES AND COSTS FOR MANAGING YOUR INVESTMENT		
Service fees		
INVESTMENT SWITCHING FEE The fee charged for changing investment option.	Nil	Not applicable
SERVICE FEE ⁵	1.65% of the Application Price (inclusive of GST) ⁷ , approximately \$0.026 per Stapled Security.	Payable by Consenting Applicants to their Licensee on making an Application.

1. This fee is an amount payable to the Responsible Entity (in its personal capacity) out of the assets of the trust and by the Company in proportions equal to the funds raised by the Trust and the Company (see "Application Fees" under the heading "Additional Explanation of Fees and Costs"). This fee will also be charged for future offers (if any) unless the Responsible Entity decides otherwise.
2. This fee is an amount payable to the Responsible Entity (in its personal capacity) out of the assets of the Trust (see "Responsible Entity Fees" under the heading "Additional Explanation of Fees and Costs").
3. This fee is an amount payable to the Investment Manager (see "Investment Manager Fee" under the heading "Additional Explanation of Fees and Costs").
4. This fee is an amount payable to the Investment Manager (see "Acquisition & Disposal Fee" under the heading "Additional Explanation of Fees and Costs").
5. This fee is an amount, inclusive of GST, payable to Licensees by Consenting Applicants. For the avoidance of doubt, Dixon Advisory & Superannuation Services Limited, a related entity of the Responsible Entity and the Investment Manager, is a Licensee and would be entitled to the Service Fee in relation to its clients' participation in the Offer.
6. The Investment Manager has agreed to pay, for a minimum period of 12 months from Allotment, any ongoing expenses of the Fund in excess of 0.55% (inclusive of GST) per annum of gross asset value of the Fund. This does not include items of a one-off nature or in relation to any potential transaction.
7. These amounts include GST and are payable by Consenting Applicants. Neither the Company nor the Trust will be able to recover any GST in respect of the Service Fee.

All fees in the above table are disclosed without regard to any GST recovery which may be available (whether as a Reduced Input Tax Credit (**RITC**) or otherwise). The recovery of GST charged will be dependent on a number of factors, including the split of fees between the Trust and the Company. Any GST recoverable will reduce the net cash cost of fees to the Fund.

Table 4: Example of annual fees and costs for an investment in the Fund

This table gives you an example of how the annual fees and costs for this product can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products. This excludes "one-off" payments made by the Fund (including acquisition fees, disposal fees, structuring fees and any one-off additional fees) and assumes a \$50,000 investment.

Type of fee or cost	Amount	Dollar value
CONTRIBUTION FEES	Nil	Not applicable
Responsible Entity Fee	0.088%	AND, if you had an investment of \$50,000, you will be charged \$41.80 (inclusive of GST) ^{1,2} each year.
PLUS Management costs	0.77%	AND, if you had an investment of \$50,000, you will be charged \$385 (inclusive of GST) each year.
EQUALS Total ongoing costs of the Fund	0.858%	If you had an investment of \$50,000 during a year and your balance was \$50,000, then for that year, you would be charged fees of: \$426.80 (inclusive of GST). ^{1,2}

1. Additional fees may apply – a one-off Structuring Fee of 1.65% (inclusive of GST) of the gross proceeds raised by the Offer will be payable after the close of the Offer. Excludes acquisition and disposal fees – see Section 7.2 for further details of additional fees that may apply.
2. Based on a capital split, on the gross Application Price of \$1.60, of \$1.52 to the Trust and \$0.08 to the Company. This amount includes GST.

All fees in the above table are disclosed without regard to any GST recovery which may be available (whether as an RITC or otherwise). The recovery of GST charged will be dependent on a number of factors, including the split of fees between the Trust and the Company. Any GST recoverable will reduce the net cash cost of fees to the Fund.

7.2 Additional explanation of fees and costs

(a) Application fees

The Trust Constitution provides that the Responsible Entity (in its personal capacity) may charge application fees (referred to as a Structuring Fee) of up to 5.5% (inclusive of GST) of the price at which Units in the Trust are issued, and, accordingly, the Responsible Entity can increase the application fees it charges, up to that amount without seeking Unitholder approval.

In respect of this Offer, the Responsible Entity will only charge 1.65% (inclusive of GST) Structuring Fee of the gross proceeds of the Offer. The component of the Structuring Fee payable by the Trust will fall under the Trust Constitution. The component of the Structuring Fee payable by the Company will fall under an agreement between the Responsible Entity and the Company. This will be a one-off payment, payable after the Closing Date and due on Allotment of Stapled Securities.

The Responsible Entity will charge these fees for future offers (if any) unless it exercises its discretion to charge lower or higher fees (up to the maximum provided in the constitution of 5.5% (inclusive of GST)).

(b) Acquisition and disposal fee

The Investment Manager can receive an acquisition fee of 1.65% (inclusive of GST) of the purchase price of assets acquired by the Fund. Accordingly, if the Fund acquires an asset for \$25,000,000, the Investment Manager will be entitled to a fee of \$412,500 (inclusive of GST) from the Fund on that transaction.

The Fund intends to be a long-term owner of assets, however should an asset be divested, the Investment Manager can receive a disposal fee of 1.65% (inclusive of GST) of the net proceeds of the sale of any assets of the Fund, the sale of any units or shares in any controlled entity, the redemption of any units or shares in any controlled entity by the transfer of other assets other than cash, or the distribution in specie of the capital of controlled entities. For example, if the Fund sells an asset from its portfolio for \$25,000,000, the Investment Manager will be entitled to a fee of \$412,500 (inclusive of GST) from the Fund on that transaction.

A summary of the agreement relating to this fee and further details regarding this fee are included in Section 11.1.

(c) Responsible Entity fee

The Trust Constitution provides that the Responsible Entity will charge a management fee (referred to as the responsible entity fee) of up to 0.55% per annum (inclusive of GST) of the gross asset value of the Trust and, accordingly, the Responsible Entity can increase the management fee it charges the Trust up to that amount without seeking Securityholder approval.

The current fees to be payable by the Trust will be a responsible entity fee of 0.088% (inclusive of GST) per annum charged on the gross asset value of the Trust payable monthly.

There is no comparable fee payable by the Company.

(d) Investment Manager fee

The Investment Manager will charge an investment manager fee of 0.77% per annum (inclusive of GST) of the gross asset value of the Fund (for so long as the Fund is unlisted) and the enterprise value of the Fund (for so long as the Fund is listed on a prescribed financial market). See Section 11.1 for details of how this value is determined. The fee is payable monthly (while the Fund is unlisted) or quarterly (while the Fund is listed).

(e) Expenses relating to the management of the Fund

The Responsible Entity is entitled to be reimbursed out of the assets of the Trust, and the Investment Manager is entitled to be reimbursed out of the assets of the Trust and the Company, for all out-of-pocket expenses it properly incurs in operating and administering the Fund. This includes expenses such as PPA management fees, valuation fees, stamp duties, taxes and bank fees, preparation of financial statements, audit and accounting fees, all listing fees (if any), tax returns, committee fees and compliance costs. The amounts of these fees will be dependent on the costs and size of the Fund. All external administration fees and costs are paid out of the assets of the Fund.

(f) Waiver or deferral of fees

Walsh & Co, in its capacity as Responsible Entity, or New Energy Solar Manager Pty Limited, as Investment Manager, may waive or defer the payment of any fees or accept payment of lower fees in any amount and for any period it determines. The Responsible Entity may also reinstate the payment of fees up to the levels prescribed in the Trust Constitution at any time on a prospective basis.

(g) Expenses of the Offer

The Fund will incur the costs and expenses associated with the Offer, estimated to be approximately \$555,000 (inclusive of GST). This includes legal, tax, accounting and other advisory costs, printing and other expenses.

(h) Securityholder administration

If the Responsible Entity or the Investment Manager is requested to perform a role outside its normal administration function, there may be a fee. The fees vary depending on the request by a Securityholder.

(i) Benefits of the Responsible Entity

Except for the interest, fees (including but not limited to the Structuring Fee) and remuneration disclosed in this Offer Document, the Responsible Entity and its Directors and employees have not received, and are not entitled to, any benefit in relation to this Offer. The Fund may engage Australian Fund Accounting Services Pty Limited, a related entity of the Responsible Entity and Investment Manager, to provide financial reporting and accounting services on an arm's length basis.

Subject to law, Directors may receive a salary as employees of the Responsible Entity, consulting fees, directors fees, dividends and may from time to time hold interests (directly or indirectly) in the Stapled Securities in the Fund or shares in Walsh & Co.

(j) Benefits of the Board of the Company

Except for the interest and remuneration disclosed in this Offer Document, the Board of the Company and its Directors and employees have not received, and are not entitled to, any benefit in relation to this Offer.

Subject to law, Directors may receive directors fees for serving on the Board of the Company, consulting fees, dividends and may from time to time hold interests (directly or indirectly) in the Stapled Securities in the Fund.

(k) GST

The Company and the Trust are expected to suffer some level of restriction on their ability to recover the GST component of their costs. The Trust may benefit from at least 55% GST recovery on a broad range of costs under the RITC provisions of the GST Act, whilst the Company may benefit from 75% GST recovery on a more limited range of acquisitions under those same provisions.

All of the fees in this Offer Document are disclosed without regard to any GST recovery entitlement which may be available (whether as an RITC or otherwise). The recovery of GST charged will be dependent on a number of factors, including the split of the fees between the Trust and the Company. Any GST recoverable will reduce the net cash cost of fees to the Fund.

(l) Payment to Licensees

No brokerage, commission or stamp duty is payable by Applicants who apply for Stapled Securities using an Application Form, except in the case of Consenting Applicants who must pay a Service Fee of 1.65% of the Application Price (inclusive of GST), or approximately \$0.026 per Stapled Security to their Licensee (noting, however, that the Price per Stapled Security for Consenting Applicants is approximately \$1.574 rather than \$1.60).



Section 8. Financial information

8.1 Pro forma unaudited statements of Financial Position

The pro forma Statements of Financial Position set out below have been prepared to illustrate the financial position of the stapled group comprising New Energy Solar Limited and its controlled entities and New Energy Solar Fund and its controlled entities (collectively, the **Fund**) following completion of the Offer and expenditure of funds associated with the Offer. These pro forma Statements of Financial Position are intended to be illustrative only and will not reflect the actual position and balances as at the date of this Offer Document or at the completion of the Offer.

The pro forma Statements of Financial Position have been prepared in accordance with the significant accounting policies set out in Section 8.3.

The pro forma Statements of Financial Position are presented in summary form only and do not comply with the presentation and disclosure requirements of Australian Accounting Standards.

	Minimum Subscription \$75 million raised A\$'000	Maximum Subscription \$150 million raised A\$'000	Oversubscription \$200 million raised A\$'000
Cash	71,990	144,535	192,899
Investments	–	–	–
Liabilities	–	–	–
Net assets / Equity	71,990	144,535	192,899
Stapled Securities on issue	46,875,000	93,750,000	125,000,000
NAV per Stapled Security (\$)	1.54	1.54	1.54

Reconciliation of the Pro Forma cash balances

	Minimum Subscription \$75 million raised A\$'000	Maximum Subscription \$150 million raised A\$'000	Oversubscription \$200 million raised A\$'000
Pro forma adjustment – Proceeds of the Offer (refer 8.2(b) – (d) below)	73,763	147,525	196,700
Pro forma adjustment – Expenses of the Offer (refer 8.2(e) below)	1,773	2,990	3,801
Pro forma net cash position	71,990	144,535	192,899

8.2 Assumptions

The pro forma Statements of Financial Position have been prepared on the basis of the following assumptions:

- a) application of the significant accounting policies set out in Section 8.3;
- b) the column headed “Minimum Subscription \$75 million raised” has been prepared on the basis of subscriptions of 46.875 million Stapled Securities by Consenting Applicants under this Offer Document at an issue price of \$1.60 (being the Application Price for Applications lodged under the Offer) less the Service Fee of 1.65% (inclusive of GST) of the Application Price (approximately \$0.026) which applies to Consenting Applicants;
- c) the column headed “Maximum subscription \$150 million raised” has been prepared on the basis of subscriptions of 93.750 million Stapled Securities by Consenting Applicants under this Offer Document at an issue price of \$1.60 (being the Application Price for Applications lodged under the Offer) less the Service Fee of 1.65% (inclusive of GST) of the Application Price (approximately \$0.026) which applies to Consenting Applicants;
- d) the column headed “Oversubscription \$200 million raised” has been prepared on the basis of subscriptions of 125 million Stapled Securities by Consenting Applicants under this Offer Document at an issue price of \$1.60 (being the Application Price for Applications lodged under the Offer) less the Service Fee of 1.65% (inclusive of GST) of the Application Price (approximately \$0.026) which applies to Consenting Applicants;
- e) expenses related to the Offer to be paid by the Fund include direct costs related to the Offer of approximately \$555,000 (inclusive of GST) and a one-off Structuring Fee of 1.65% (inclusive of GST) of the funds raised under the Offer;
- f) all fees in Section 8 are disclosed without regard to any GST recovery entitlement which may be available. The recovery of GST charged will be dependent on a number of factors, including the split of the fees between the Trust and the Company. Any GST recoverable will reduce the net cash cost of fees to the Fund; and
- g) no interest is earned by the Fund during the offer period.

8.3 Significant accounting policies

The accounting policies set out below represent the significant accounting policies which have been adopted in the preparation of the pro forma Statements of Financial Position and which are expected to be adopted prospectively for the Fund. The policies described are based on the structure and activities of the Fund presently envisaged by the Responsible Entity and the Board, but may change if the structure and activities that eventuate differ from what is presently expected.

8.3.1 Basis for non-consolidation

The stapled group (the **Fund**) comprises the Company and its controlled entities, and the Trust and its controlled entities. The equity securities of the Company and the Trust are stapled and cannot be traded separately.

The Fund is expected to hold investments, directly or indirectly, through subsidiaries or other underlying entities. Subsidiaries are entities over which the Fund has control. The Fund controls an entity when the Fund is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In preparation of the Fund’s financial statements one of either the Company or the Trust is required to be nominated as the parent entity of the Fund. It is currently anticipated that the parent will be determined to be the Company, and on this basis the Company’s subsidiaries for financial reporting purposes will include its own direct and indirect subsidiaries as well as the other member of the stapled group, being the Trust and its controlled entities. If the parent entity is instead the Trust, then the Trust’s subsidiaries for financial reporting purposes will include its own direct and indirect subsidiaries as well as the other member of the stapled group, being the Company and its controlled entities.

The selected parent entity of the Fund is expected, based on the current envisaged structure and activities of the Fund, to meet the definition of an ‘investment entity’ as described in AASB 10 – ‘Consolidated Financial Statements’. Under AASB10 an investment entity is required to account for its subsidiaries at fair value reflected through the statement of profit or loss, rather than consolidate them.

Under the definition of an investment entity, as set out in AASB 10, the parent entity will be required to satisfy all of the following three tests:

- obtains funds from one or more investors for the purpose of providing those investors with investment management services; and
- commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate the performance of substantially all of its investments on a fair value basis.

In assessing whether the parent entity will meet the definition of an investment entity under AASB 10, the Board and the Responsible Entity note that based on the current envisaged structure and activities:

- following Allotment the parent entity will have multiple investors, obtaining funds from a diverse group of security holders that would not otherwise have access individually to invest in renewable energy assets;
- the business purpose of the Fund is to invest funds for investment income and potential capital growth. The intended underlying assets, including those held directly or indirectly by the Company and the Trust, will have limited operational lives and therefore minimal residual value and so while they are expected to be held on a long-term basis (25+ years), they are not currently expected to be held indefinitely; and
- the Fund intends to measure and evaluate performance of its underlying investments on a fair value basis which is most relevant for its Securityholders.

The Board and the Responsible Entity consider that based on the current envisaged structure and activities of the Fund, it will display all or most typical characteristics of an investment entity as described in AASB 10, being the intention to hold more than one investment and have more than one investor that is not a related party invested in equity instruments. However, if the ultimate structure or activities are such that the ‘investment entity’ tests and characteristics are not met, then the parent would be required to consolidate its subsidiaries and would therefore reflect the underlying assets and operations in its reported consolidated financial statements.

8.3.2 Functional and presentation currency

The pro forma financial information is presented in Australian dollars, which is the Fund’s functional and presentation currency. All amounts are rounded to the nearest thousand dollars unless otherwise noted.

Transactions in foreign currencies are initially recorded in Australian dollars by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies that are outstanding at the reporting date are retranslated at the rate of exchange ruling at the Statement of Financial Position date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

8.3.3 Financial instruments

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Fund becomes a party to the contractual provisions of the instrument.

The Fund intends to elect to early adopt “AASB 9 – Financial Instruments”. AASB 9 includes requirements for the classification and measurement of financial assets and financial liabilities.

8.3.3.1 Financial assets

When financial assets are recognised initially, they are measured at fair value plus, in the case of financial assets not measured at fair value through profit and loss, directly attributable transaction costs.

Financial assets are subsequently measured at amortised cost using the effective interest rate method only if the following conditions are met, otherwise they are measured at fair value:

- where a financial asset is held within a business model for the objective to collect contractual cash flows; and
- contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

Gains and losses on all other financial assets at fair value are recognised in profit or loss.

8.3.3.2 Financial liabilities

Financial liabilities are classified as derivative and non-derivative instruments as appropriate. The Fund determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value.

Non-derivative instruments are subsequently measured at amortised cost using the effective interest rate method.

8.3.3.3 Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged or cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

8.3.4 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants under current market conditions at the measurement date. The Responsible Entity and the Board base the fair value of investments and underlying assets on information received from the Investment Manager. The Investment Manager's assessment of fair value of investments is determined in accordance with "AASB 13 – Fair Value Measurement", using discounted cash flow principles unless a more appropriate methodology is applied. The Investment Manager may at its discretion source independent valuers to undertake these valuations.

8.3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8.3.6 Investments in associates and jointly controlled entities

As an investment entity, the Fund expects to elect to measure investments in associates and jointly controlled entities at fair value through profit or loss in accordance with "AASB 128 – Investments in Associates and Joint Ventures".

8.3.7 Taxes

8.3.7.1 Income tax

Trust

Under current Australian income tax laws, the Responsible Entity (as trustee of the Trust) is not liable to pay income tax on the net (taxable) income of the Trust, provided the Trust is not a corporate unit trust or a public trading trust and its distributable income for each income year is fully distributed to Securityholders, by way of cash or reinvestment.

Company

Under current Australian income tax laws, the Company is liable to pay income tax at the prevailing corporate tax rate, currently 30%.

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

8.3.7.2 Goods and services tax (GST)

All fees in Section 8 are disclosed without regard to any GST recovery entitlement which may be available. The recovery of GST charged will be dependent on a number of factors, including the split of the fees between the Trust and the Company. Any GST recoverable will reduce the net cash cost of fees to the Fund.

8.3.8 Impairment of assets

The directors of the Responsible Entity and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, an estimate is made of the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount through profit or loss.

8.3.9 Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. All revenue is stated net of the amount of good and services tax (GST).

8.3.9.1 Interest income

Interest income is recognised in profit or loss using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

8.3.9.2 Dividend/distribution income

Dividend/distribution income is recognised on the date that the Fund's right to receive the dividend/distribution is established.

8.3.10 Critical accounting estimates and judgements

In the application of the Fund's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. Estimates and judgements are continually evaluated and based on historic experience and other factors believed to be reasonable under the circumstances.

The Fund is expected, based on its envisaged structure and activities, to meet the definition of an 'investment entity' under AASB 10 which will require the Fund to account for its subsidiaries at fair value through profit or loss rather than to consolidate them. The Fund will be required to satisfy the relevant tests required under AASB 10 to support this classification conclusion as described in 8.3.1.

The Fund's investments are therefore currently expected to be measured at fair value for financial reporting purposes. The Board and the Responsible Entity will appoint the Investment Manager to produce investment valuations based upon projected future cash flows. As the assets are expected to be illiquid in nature, these valuations will include unobservable inputs and will therefore be categorised as Level 3 investments. The Investment Manager may at its discretion source independent valuers to undertake these valuations.

Section 9. Investigating accountants' report



Deloitte Corporate Finance Pty Limited
ACN 003 833 127
AFSL 241457

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

Tel: +61 2 9322 7000
Fax: +61 2 9322 7001
www.deloitte.com.au

The Directors
Walsh & Company Investments Limited as Responsible Entity for New Energy Solar
Fund
The Directors
New Energy Solar Limited
Level 15, 100 Pacific Highway
North Sydney NSW 2060

3 December 2015

Dear Sirs

INVESTIGATING ACCOUNTANT'S REPORT ON PRO FORMA FINANCIAL INFORMATION

Introduction

This report has been prepared at the request of the Directors of Walsh & Company Investments Limited (the Responsible Entity) as responsible entity for the New Energy Solar Fund, and the Directors of New Energy Solar Limited (the Company) (collectively, the Fund) for inclusion in a combined product disclosure statement and prospectus (**Offer Document**) to be issued by the Directors of the Responsible Entity and the Company on or about 3 December 2015 in connection with the offer of fully paid ordinary stapled securities in the Fund to raise up to \$150 million (the Offer).

Deloitte Corporate Finance Pty Limited is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services licence under the Corporations Act 2001 for the issue of this report.

References to New Energy Solar Fund, New Energy Solar Limited and Walsh & Company Investments Limited and other terminology used in this report have the same meaning as defined in the Glossary of the Offer Document.

Pro Forma Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of the Responsible Entity and of the Company to review:

- The pro forma Statements of Financial Position of the Fund on completion of the Offer as set out in Section 8.1 of the Offer Document;
- The pro forma assumptions on which the pro forma Statements of Financial Position are based as described in Section 8.2 of the Offer Document; and
- The significant accounting policies of the Fund as set out in Section 8.3 of Offer Document (collectively the Pro Forma Financial Information).

The Pro Forma Financial Information has been derived from the records of the Fund after reflecting the pro forma assumptions as described in Section 8.2 of the Offer Document.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Member of Deloitte Touche Tohmatsu Limited

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the events or transactions to which the Pro Forma Financial Information relate, as described in Section 8 of the Offer Document, as if those events or transactions had occurred as at the date of the Offer Document. Due to its nature, the Pro Forma Financial Information does not represent the Fund's actual or prospective financial position.

Directors' Responsibility

The Directors of the Responsible Entity and of the Company are responsible for:

- the preparation and presentation of the Pro forma Financial Information, including the selection and determination of pro forma adjustments made to the Pro Forma Financial Information; and
- the information contained within the Offer Document.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Pro Forma Financial Information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Pro Forma Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Standard on Assurance Engagement (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly we will not express an audit opinion.

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances:

- consideration of work papers, accounting records and other documents;
- consideration of the appropriateness of pro forma assumptions described in Section 8.2 of the Offer Document;
- enquiry of Directors, management, personnel and advisors;
- the performance of analytical procedures applied to the Pro Forma Financial Information;
- a review of the accounting policies adopted by the Fund described in Section 8.3 for consistency of application.

Conclusions

Pro Forma Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Financial Information is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 8.1 of the Offer Document.

Restrictions on Use

Without modifying our conclusions, we draw attention to Section 8 of the Offer Document, which describes the purpose of the Pro Forma Financial Information, being for inclusion in the Offer Document. As a result, the Investigating Accountant's Report may not be suitable for use for another purpose.

Consent

Deloitte Corporate Finance Pty Limited has consented to the inclusion of this limited assurance report in the Offer Document in the form and context in which it is included.

Disclosure of Interest

Deloitte Corporate Finance Pty Limited does not have any interest in the outcome of this Offer other than the preparation of this report for which normal professional fees will be received.

Deloitte Tax Services Pty Limited has provided a Tax Opinion in Section 10 of the Offer Document for which normal professional fees will be received.

Deloitte Touche Tohmatsu is the auditor of the Fund.

Yours faithfully



Michael Kaplan
Authorised Representative
Deloitte Corporate Finance Pty Limited.

Section 10. Taxation



Deloitte Tax Services Pty Ltd
ACN 092 223 240

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

Tel: +61 2 9322 7000
Fax: +61 2 9322 7026
www.deloitte.com.au

The Directors
Walsh & Company Investments Limited
As Responsible Entity for
New Energy Solar Fund
Level 15
100 Pacific Highway
NORTH SYDNEY NSW 2060

The Directors
New Energy Solar Limited
Level 15
100 Pacific Highway
NORTH SYDNEY NSW 2060

3 December 2015

Our Ref: MH/MGS/NK

Dear Directors

Australian taxation consequences of subscribing for Stapled Securities in New Energy Solar

This letter has been prepared for inclusion in the Offer Document dated on or about 3 December 2015 in relation to the issue of Stapled Securities in the Fund.

This letter provides a general summary of the key Australian income tax, capital gains tax (CGT), goods and services tax (GST) and stamp duty consequences for Investors who are Australian tax resident individuals, companies and complying superannuation entities that subscribe for Stapled Securities pursuant to the Offer and hold the Stapled Securities on capital account for Australian income tax purposes.

This general summary does not take into account the Australian tax consequences for Investors who are non-residents of Australia, acquire the Stapled Securities otherwise than pursuant to the Offer, acquire the Stapled Securities in the course of trading or dealing in securities, hold the Stapled Securities on revenue account or as trading stock or who are subject to tax under a special regime (e.g. life insurance companies).

This is a general summary only and is not intended to be, and should not be, taken as definitive Australian tax advice to an Investor, and does not consider all possible circumstances that may affect the position of each Investor.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Liability limited by a scheme approved under Professional Standards Legislation.

Investors should be aware that the actual Australian tax implications of investing in the Fund may differ from those summarised in this letter, depending on their individual circumstances. Applicants should seek advice from their own professional taxation adviser regarding the Australian tax (including GST and stamp duty) consequences of acquiring, holding and selling Stapled Securities in the Fund, having regard to their particular circumstances.

This letter is based on the Australian tax laws, regulations and administrative practices in effect as at the date of this letter. Investors should be aware that any changes (with either prospective or retrospective effect) to the Australian tax laws may affect the taxation treatment of the Fund and the Investors as described in this letter.

This summary is based on the facts as set out in the Offer Document that have not been independently reviewed or verified by Deloitte Tax Services Pty Ltd. The inclusion of this letter in the Offer Document is subject to the terms of our consent for its inclusion and to be named in the Offer Document as set out in Section 13.9 of the Offer Document.

The representatives of Deloitte Tax Services Pty Ltd involved in preparing this letter are not licensed to provide financial product advice as defined by the *Corporations Act 2001*. Investors should consider seeking advice from an Australian financial services licence holder before making any decision in relation to a financial product. Investors should also note that taxation is only one of the matters that need to be considered when making a decision on a financial product.

Unless otherwise stated, all legislative references in this letter are to the *Income Tax Assessment Act 1936* and *Income Tax Assessment Act 1997* (together, the **Tax Act**). It is noted that any of the tax laws referred to are subject to change periodically, as are their interpretation by the Courts and administrators (e.g. the Australian Taxation Office (**ATO**)). We have no obligation to provide an updated tax letter to reflect such changes.

1 Stapled Securities

Each Stapled Security comprises the following:

- One unit (**Unit**) in the New Energy Solar Fund (ARSN 609 154 298), an Australian resident unit trust (**Trust**); and
- One share (**Share**) in New Energy Solar Limited (ACN 609 396 983), an Australian resident company (**Company**).

Whilst each component of the Stapled Security cannot be traded separately, each component will be treated separately for Australian tax purposes. This effectively means that the tax consequences arising in respect of each component of the Stapled Security must be considered separately.

2 Taxation treatment of the Fund

2.1 The Trust

Generally speaking, unit trusts such as the Trust are treated as 'flow through' entities. That is, they are not liable to pay income tax on their net (i.e. taxable) income for an income year, provided that the unit holders are presently entitled to the distributable income of the trust for the income year.

For income tax purposes, a trust may be taxed as a company if it is either a “corporate unit trust” or a “public trading trust” as defined in the Tax Act. Based on the facts as presented to us, we consider that the Trust should not be a corporate unit trust.

Provided that the Trust and the entities that the Trust controls (or has the ability to control either directly or indirectly) do not carry on a “trading business”, the Trust should not be treated as a public trading trust. We have been instructed that the Responsible Entity, in its capacity as the responsible entity (**RE**) of the Trust, will not undertake any investment activities that would cause the Trust to be considered to carry on, control or have the ability to control (either directly or indirectly) a “trading business” for the purpose of the public trading trust rules. On this basis, it is expected that the Trust should qualify as a “flow through” trust for Australian income tax purposes.

Accordingly, provided that the Investors are made presently entitled to all of the distributable income of the Trust for an income year, the RE should not be subject to Australian income tax in respect of the net income of the Trust.

The Trust may satisfy the requirements to be a “managed investment trust” (**MIT**) for tax purposes. Whether the Trust qualifies as a MIT is dependent upon the Trust satisfying certain licensing requirements, ‘widely held’ ownership requirements, ‘closely held’ restrictions and other conditions.

Being classified as a MIT would allow the Trust to make an irrevocable election to apply the CGT rules as the primary code for the taxation of gains and losses on the disposal of certain assets (being, primarily, shares, units and real property). In order to avail itself of capital account treatment, broadly, the RE of the Trust must make the capital election before the Trust is required to lodge its income tax return for the first income year in which it qualifies as a MIT.

We understand that if the Trust qualifies as a MIT, it is the intention of the RE to make the capital account election so that certain investments of the Trust are deemed to be held on capital account. In this regard, capital gains made by the Trust from the realisation of investments covered by the MIT rules that have been held for 12 months or more should qualify for discount capital gains treatment.

2.2 The Company

The taxable income of the Company, i.e. its assessable income (including capital gains) less allowable deductions, should be subject to income tax in the hands of the Company at the corporate tax rate (currently 30%).

3 Taxation treatment of Investors

3.1 Acquisition of Stapled Securities

Each Unit in the Trust, and each Share in the Company, will be a separate CGT asset. For CGT purposes, the cost base (and reduced cost base) of each Unit and each Share is determined by allocating the amount each Investor paid (or is required to pay) to acquire the Stapled Security, plus any incidental costs of acquisition (including the Service Fee paid by Consenting Applicants) to each Unit and each Share, on a reasonable basis.

In our view, a reasonable basis on which Investors may allocate the acquisition price (i.e. amount paid to acquire the Stapled Security plus any incidental costs on acquisition) of the Stapled Security to each Unit and each Share is by reference to the relative net asset values of the Trust and Company.

3.2 Distributions from the Trust

Investors who are presently entitled to a share of the distributable income of the Trust will be required to include in their assessable income their proportionate share of the Trust's net income for each relevant income year. An Investor's proportionate share of the Trust's net income will be determined by their proportional entitlement to the distributable income of the Trust. There may be circumstances where the calculation of the Trust's net income for tax purposes and the distributable income are different.

Generally speaking, the Investors will be assessed in the same income year in which the Trust derived the income. This will include Trust distributions that an Investor becomes presently entitled to but may not receive until after the end of that income year.

Each component of the Trust's net income should generally retain its tax character in the hands of the Investors for income tax purposes.

The Trust may also make cash distributions to Investors in excess of the net income of the Trust. Such distributions may arise as a result of:

- "Tax deferred" distributions (e.g. returns of capital, income sheltered by tax losses or differences between tax and accounting depreciation rates); and
- "CGT concession" amounts (i.e. the discount component of net capital gains derived by the Trust).

Tax deferred distributions are not assessable to the Investor but, for CGT purposes, will reduce the cost base (and reduced cost base) of the Investor's Units in the Trust (but not below nil). If the cost base of the Units is reduced to nil, the Investor should make a capital gain on any further tax deferred distributions received. Such capital gains may be eligible for discount capital gains treatment, depending on whether the Investor has held the relevant Units in the Trust for at least 12 months and the type of Investor (refer Section 3.4 below). Certain integrity provisions may also apply (refer below).

Distributions of CGT concessions are not assessable to the Investor and should not affect the cost base (or reduced cost base) of the Investor's Units in the Trust for CGT purposes.

The Responsible Entity will provide an annual tax statement to Investors setting out the details of each Trust distribution.

3.3 Distributions from the Company

Investors who receive dividends paid by the Company should be required to include the dividend and any attached franking credits in their assessable income. Generally, a tax offset should be available for franking credits. However, Investors will not be entitled to obtain a tax offset for franking credits (and will not be required to include this amount in assessable income) unless the Investor satisfies the 'holding period' rule in respect of their Shares. Generally, the holding period rule requires Investors to hold Shares in the Company 'at risk' for at least 45 days (excluding the date of acquisition and disposal).

Investors may wish to seek professional tax advice regarding the application of the 'qualified person' provisions to their particular circumstances.

Provided that Investors satisfy the holding period rule and to the extent that the Investor's entitlement to franking credits exceeds their tax liability for the income year:

- Investors who are Australian resident individuals and complying superannuation funds should be entitled to receive a cash refund of the excess franking credits; and
- Investors that are Australian resident companies may be able to convert excess franking credits into tax losses.

3.4 Sale or redemption of Stapled Securities

A sale or redemption of Stapled Securities will constitute a CGT event and may result in a capital gain or capital loss for an Investor. As noted above, the CGT rules will apply separately to each component of the Stapled Security (i.e. in respect of each Unit and Share).

A capital gain will arise to the Investor where the capital proceeds received from the sale of Units or Shares are greater than the cost base of the Units or Shares (respectively) for CGT purposes. A capital loss will arise if the capital proceeds from the sale of Units or Shares are less than the reduced cost base of the Units or Shares (respectively) for CGT purposes.

When calculating the capital proceeds in respect of each component of the Stapled Security (i.e. a Unit in the Trust and a Share in the Company), Investors will need to apportion the amount of consideration received on a reasonable basis. We consider that a reasonable method of apportionment would be by reference to the relative net asset values of the Trust and Company.

Any capital gain or capital loss realised in respect of the Units or Shares should be aggregated with any other capital gains or capital losses that the Investor may have in that income year to determine the Investor's net capital gain or net capital loss for that income year. A net capital gain is included in the Investor's assessable income (reduced by the applicable CGT discount, discussed below). Net capital losses may be carried forward and offset against future taxable capital gains (subject to satisfying any applicable loss recoupment rules).

Investors may be able to obtain discount capital gains treatment to reduce net capital gains in respect of Units or Shares if those Units or Shares have been held for at least 12 months. The CGT discount is one half in the case of an individual or trust, or one third in the case of a complying superannuation entity. Companies are not entitled to discount capital gains treatment.

Investors who dispose of their Units and Shares within 12 months of acquiring them, or dispose of them under an agreement entered into within 12 months of acquiring the Units and Shares, will not be eligible for discount capital gains treatment.

Integrity rules exist which can prevent the CGT discount being applied to capital gains arising from the disposal of Units or Shares where a majority of the underlying CGT assets of the Trust or the Company (respectively), by value, have not been held for at least 12 months. These integrity rules will not apply if:

- ***In relation to the Shares:*** An Investor (together with associates) beneficially owns less than 10% by value of the Shares in the Company; or
- ***In relation to the Units:*** An Investor (together with associates) beneficially owns less than 10% of the voting interests, issued units or other fixed interests in the Trust just prior to the disposal; or

- ***In relation to either the Units or the Shares:*** The Trust or Company has at least 300 Investors and the ownership of the Trust or Company is not concentrated (ownership will be concentrated if 20 or fewer individuals own, directly or indirectly, at least 75% of the income, capital or voting interests in the Trust or Company respectively).

4 Taxation reforms

On 9 April 2015, the Government released, for public consultation, exposure draft legislation to put in place a new tax regime for trusts that qualify as “attribution MITs” (**AMIT Regime**). The key features of the proposed new tax regime as outlined in the draft legislation include:

- An expansion of the existing widely held test and start up concession;
- An attribution model for determining member tax liabilities, which allows amounts to retain their tax character as they flow through an AMIT to its members;
- The ability to carry forward understatements and overstatements of taxable income, instead of re-issuing investor statements;
- Deemed fixed trust treatment under the income tax law;
- Upwards cost base adjustments to address double taxation; and
- Legislative certainty about the treatment of tax deferred distributions.

As part of the Federal Budget in May 2015, the Government announced a deferral of the proposed start date of the AMIT regime to 1 July 2016 (with an option to early adopt the rules from 1 July 2015).

The former Government also announced reforms to the trust taxation rules that are currently contained in Division 6 of Part III of the Tax Act. It is possible that certain trusts (such as trusts that are MITs) may be excluded from these rules. The current Government has indicated that the appropriate taxation of trusts will be considered in the context of the tax white paper.

It is recommended that the development of the proposed changes to the MIT and trust taxation rules be closely monitored to determine the impact (if any) on the Trust and Investors.

5 Withholding of tax from distributions

The Company and the RE of the Fund are required to deduct Pay-As-You-Go withholding tax from distributions paid to Investors at the highest marginal tax rate plus applicable levies (currently 49%) if the Investor has not quoted either their Tax File Number or Australian Business Number, none of the relevant exemptions apply and, in the case of the Company, to the extent that the dividend is not franked. Investors should generally be entitled to an income tax credit for any such tax withheld.

6 GST

The acquisition or disposal of Stapled Securities by Investors should not be subject to GST. Similarly, cash distributions to Investors from the Trust or dividends from the Company should not be subject to GST. Investors that are carrying on an enterprise and that are GST registered are unlikely to be able to recover GST in full on any transaction costs and other costs relating to the acquisition or disposal the Stapled Securities.

7 Stamp Duty

7.1 Acquisition of stapled securities

The initial acquisition of stapled securities under the offer document will not be liable to any stamp duty as the Fund will have no Australian assets at the time of issue.

7.2 Future transactions

For any future acquisition or disposal of the stapled securities, a stamp duty liability may arise depending on a number of factors, such as the location of the assets held directly or indirectly by the Fund and whether or not the Trust is regarded as a public unit trust scheme as defined in the various State and Territory stamp duty acts. Investors should seek advice from their own professional taxation adviser regarding stamp duty.

* * * * *

Yours faithfully



Mark Hadassin
Director
Deloitte Tax Services Pty Ltd

Section 11. Material contracts

11.1 Investment Management Agreement

The Responsible Entity, the Company and the Investment Manager have entered into an agreement dated 3 December 2015 (the **Investment Management Agreement**) under which the Investment Manager provides investment management services to the Trust and Company in return for payment of a management fee, which incorporates a base management fee, an acquisition fee and a disposal fee.

The terms of the Investment Management Agreement are on arms-length commercial terms and are consistent with market practice for such investment management arrangements. Member approval of the terms of the Investment Management Agreement has not been sought as it was considered to be on arms-length commercial terms and was put in place on establishment of the Fund.

The Investment Management Agreement has an initial term of 10 years, which runs from the date it was signed, with a rolling one-year extension thereafter at the option of the parties. Under this agreement, the Investment Manager is generally responsible for sourcing, assessing and recommending asset acquisitions and disposals to the board of the Responsible Entity and the Board of the Company, which includes:

- (a) undertaking due diligence investigations and providing information necessary for the Responsible Entity on behalf of the Trust and/or the Company, depending on the current or intended acquirer of the asset, to make an informed investment decision relating to asset acquisitions and disposals;
- (b) managing the execution of approved asset investment strategies;
- (c) providing recommendations to the Responsible Entity and the Company on procuring debt for asset acquisitions and managing the day-to-day execution of the Fund's debt strategy; and
- (d) making recommendations to the Responsible Entity and the Company on asset exit strategies and liquidity options for investors.

The agreement also contemplates that the Fund may hold any assets relating in any way to the generation or distribution of electricity derived in any way from renewable energy, including:

- (a) infrastructure used to generate electricity from renewable energy and related assets;
- (b) a participation right or other contractual right which entitles the holder to receive the benefit of any licences, permits, consents, concessions, credits or other authorisations or entitlements issued by any governmental agency relating in any way to the production of electricity from renewable energy;
- (c) a participation right or other contractual right which entitles the holder to derive any economic benefit from the conduct of any business or exercise of any rights that are produced in any way from any of the above; or
- (d) an interest in any entity that holds the benefit of or otherwise conducts any business involving any of the above.

The following fees are payable by the Fund to the Investment Manager out of the assets of the Fund in return for the investment management services:

- (a) a base management fee calculated and payable in arrears calculated as follows:
 - (i) for so long as the Fund is not listed, an amount equal to 0.06416% per month (equivalent to an annualised management fee of 0.77% (inclusive of GST) per annum) of the gross asset value of the Trust and the Company and their controlled entities calculated on the last business day of each month. This fee is payable monthly in arrears; and
 - (ii) for so long as the Fund is listed on a prescribed financial market, an amount equal to 0.1925% per quarter (equivalent to an annualised management fee of 0.77% (inclusive of GST) per annum) of the Enterprise Value of the Fund calculated on the last business day of each quarter. This fee is payable quarterly in arrears. For these purposes Enterprise Value is the amount, expressed as EV, determined in accordance with the following formula:

$$EV = (N \times VWP) + EB + OI$$

Where:

N is the average number of Stapled Securities on issue during the last 20 trading days in the relevant quarter;

VWP is the volume weighted average trading price of all Stapled Securities traded over the last 20 Trading Days in that quarter on which Stapled Securities traded provided that if Stapled Securities have not traded in that quarter, the closing price for the last trade undertaken on that prescribed market;

EB is the aggregate outstanding amount of any external borrowing of the Trust and the Company and their controlled entities; and

OI is the total value of any equity, debt or hybrid instruments issued by the Trust and the Company and their controlled entities.

Unless otherwise agreed by the Fund, the base management fee is payable by the Responsible Entity and the Company in the proportion the value of the gross assets of the those parties and their controlled entities bears to the gross asset value used to determine that fee;

- (b) an acquisition fee in respect of the acquisition of each asset calculated at the rate of 1.65% (inclusive of GST) of the purchase price of each asset (as applicable), exclusive of acquisition costs, payable within 10 business days of the completion of the acquisition, or within 10 business days of the payment of an instalment or part payment with respect to the purchase price, if applicable. The entity acquiring the asset must pay the acquisition fee, or if the asset is to be acquired by both the Trust and the Company, those parties must pay the acquisition fee in proportion to the purchase price paid by each of them.
- (c) a disposal fee following the sale of each asset calculated at the rate of 1.65% (inclusive of GST) of the net proceeds of that asset, the redemption of any units or shares in any entity by the transfer of assets other than cash, or the distribution in specie of the capital of controlled entities. The disposal fee is payable within 10 business days of the completion of the asset's disposal. The disposal fee paid by each of the Trust and the Company is calculated on the purchase price paid by those parties and follows the proportions according to which entity acquired the asset.

The Responsible Entity or the Company (as relevant) may establish reasonable expenditure limits for costs associated with a proposed acquisition or disposal, and are not obliged to reimburse the Investment Manager for out-of-pocket expenses that are inconsistent with those limits.

Subject to their duties at law, the Company or the Responsible Entity may not acquire or dispose of an asset unless it has received a recommendation from the Investment Manager to proceed, although ultimately, the responsibility for the investment decision lies with the Company or Responsible Entity (as relevant).

The liability of the Responsible Entity under the agreement is limited to the extent that the Responsible Entity is able to be indemnified for that liability out of the assets of the Trust under the Trust Constitution.

The Fund may terminate the agreement after the initial 10-year term on three months' written notice to the Investment Manager, without cause.

The Fund may terminate the agreement with immediate effect if:

- (a) an insolvency event occurs with respect to the Investment Manager;
- (b) the Investment Manager commits a material unrectifiable breach of the agreement, or, if the breach is rectifiable, the Investment Manager fails to do so within 30 days of being notified of the breach; or
- (c) the Fund has not acquired an asset relating in any way to the generation or distribution of electricity derived in any way from renewable energy by the date 18 months after the commencement date of the agreement (**Final Date**), the Responsible Entity has determined to terminate the Trust and shareholders of the Company have passed a special resolution in general meeting to wind up the Company within 60 days of the Final Date.

The Investment Manager may terminate the agreement with immediate effect if:

- (c) an insolvency event occurs with respect to the Responsible Entity or the Company;
- (d) Shares and Units cease to be stapled and may be freely traded separately; or
- (e) the Responsible Entity or the Company commits a material unrectifiable breach of the agreement, or, if the breach is rectifiable, the Investment Manager fails to do so within 30 days of being notified of the breach.

11.2 Trust Constitution

The Trust has been registered by ASIC as a managed investment scheme under Chapter 5C of the Corporations Act. The provisions of the Corporations Act can affect the terms of the Trust's constitution (**Trust Constitution**) and the obligations of the Responsible Entity. The Trust is governed by the Trust Constitution, which has been lodged with ASIC.

Walsh & Co is the responsible entity of the Trust. The respective rights and obligations of the Responsible Entity and the Securityholders are determined by the Trust Constitution and the Corporations Act, together with any exemptions and declarations issued by ASIC and the general law relating to trusts. Neither the provision of these laws and rules, nor their effect on the Trust Constitution have been summarised below.

The Trust Constitution is a lengthy and complex document. The following is a summary of the Trust Constitution. Because the summary is brief, investors should confirm all information by reference to the Trust Constitution itself. If you are unsure about anything, you should seek advice from a financial advisor and examine a copy of the Trust Constitution.

The Trust Constitution deals with a wide range of matters, including:

- Applications for Units and the nature of a Unitholder's interest in the Trust
- the term of the Trust and Unitholders' entitlements on winding up
- distributions
- further issues of Units
- transferability of Units
- powers of the Responsible Entity
- Unitholders' meetings
- Unitholders' liability
- stapling
- capital reallocations from and to the Trust; and
- the Responsible Entity's fees (see Section 7).

(a) Units

The beneficial interest in the Trust is divided into Units. A Unit confers an interest in the Trust's assets as a whole – it does not confer an interest in any particular asset. Each Unit confers on its holder the right to vote at a general meeting and the right to receive copies of the Trust's financial statements, notices and documents required to be sent to them under the Trust Constitution and the Corporations Act. The Responsible Entity can issue Units in accordance with the Trust Constitution. The Trust Constitution contains provisions regarding the Responsible Entity's ability to issue different classes of units.

The Trust Constitution contains provision for calculating the Application Price of Units, for this and any future issues. The Trust Constitution also provides for the Responsible Entity to determine a different Application Price in relation to some Units, a class of Units or all Units to the extent it is permitted to do so by applicable ASIC relief.

(b) Stapling

The Responsible Entity may, subject to the Corporations Act, cause the stapling of any security to the Units, that is, by linking the Units and the other security together so that one may not be dealt with without the other or others. The Responsible Entity may cause the stapling of further securities to the Units, whether those securities are a different class from those stapled at the time. In every case, the corresponding number of attached securities of every kind is stapled to each Unit.

For the time the Units are stapled, the Responsible Entity must not issue Units unless satisfied that they will be stapled to the corresponding number of each attached security to form a stapled security, and must only deal with Units together with the corresponding attached securities. While the Units are stapled, the consent of each other stapled entity must be obtained for any variation of the stapling provisions in the Trust Constitution. Any determination by the Responsible Entity to unstaple the Units must be approved by special resolution of Unitholders and special resolution of attached securityholders, respectively. Meetings of Unitholders may be held in conjunction with the meetings of the holders of attached securities.

(c) Income

While the Trust is not a public trading or corporate unit trust (i.e. taxed akin to a company), it is expected to be administered so that at the end of each tax year its Unitholders are presently entitled to the distributable income of the Trust. The Responsible Entity will generally determine the distributable income of the Trust for each tax year based on the net income of the Trust. However, the Responsible Entity may in its sole and absolute discretion determine that the distributable income for the tax year will be some other amount, whether income or capital, which the Responsible Entity considers appropriate for the distribution for that tax year.

The Responsible Entity may also distribute capital of the Trust from time to time. Unitholders on the register on the record date for a distribution are entitled to a share in the Trust's income based on the number of Units held.

A distribution may be paid in cash, assets or by way of Units. The Responsible Entity may deduct from distributions any tax that is required by law to be deducted.

If additional tax is withheld from any dividend or distributions paid to the Trust as a consequence of the characteristics of any particular Unitholder or Unitholders, including the number or percentage of Units on issue held by any such Unitholders, then that additional tax will be allocated to that Unitholder and will be deducted from the distributable income payable to that Unitholder. Where the income of the Trust is reduced by taxes attributable to the ownership of Units by certain Unitholders, the entitlement to distributable income of such Unitholders may be adjusted by the Responsible Entity so that the entitlement to distributable income of all the other Unitholders is equivalent to the amount they would receive in the absence of such taxes.

(d) Refund of surplus capital: capital reallocation from Trust to stapled entity

As set out above, the Responsible Entity may decide to pay amounts to Unitholders representing part of the capital of the Trust.

In the event that the Trust remains stapled to another entity and Unitholders and attached securityholders have passed all necessary approvals to reallocate capital from the Trust to the stapled entity, the Responsible Entity may designate that amount as a Trust Capital Reallocation Amount.

If stapled entity securityholders have approved a variation of their class rights to increase the liability attached to those securities and all other approvals have been received, the Responsible Entity will pay the Trust Capital Reallocation Amount to the stapled entity on behalf of all those who were Unitholders on the proposed payment record date to extinguish that increased liability in full.

(e) Liability of Unitholders: capital reallocation from stapled entity to Trust

While the Units are fully paid, a Unitholder's liability is limited to its investment in the Trust.

In the event that a stapled entity (such as the Company) declares a return of surplus capital to its securityholders (**Stapled Entity Capital Reallocation Amount**) Unitholders may approve an increase in the liability attached to Units by an amount (**Trust Contribution Amount**) which, in aggregate, is equivalent to the Stapled Entity Reallocation Amount.

On the implementation date for the capital reallocation from Company to Trust, each Unit held by Unitholders on the capital reallocation record date is deemed to be subject to a call for the Trust Contribution Amount, and the Responsible Entity must accept the Stapled Entity Capital Reallocation Amount from the stapled entity in full satisfaction of that call. On the Responsible Entity's receipt of the Stapled Entity Capital Reallocation Amount, each Unitholder will have no further liability under that Trust Contribution Amount to contribute to the capital of the Trust.

Approval of any Trust Contribution Amount is a variation of Unitholder class rights and must be approved by special resolution of Unitholders.

(f) Responsible Entity's powers and duties

The Responsible Entity holds the Trust's assets on trust and may manage these assets as if it were the absolute and beneficial owner of them, subject only to its duties and obligations to Unitholders.

Examples of the Responsible Entity's powers include acquiring or disposing of any real or personal property, borrowing or raising money, encumbering any asset, incurring any liability, giving any indemnity, providing any guarantee, applying for listing of the Trust, entering into derivative and currency swap arrangements and entering into underwriting arrangements.

The Responsible Entity may appoint delegates or agents to perform any act or to exercise any of its powers as well as to assist with its duties and functions.

11.3 Company Constitution

The following information is a summary of the Company Constitution. Shareholders have the right to acquire a copy of the Company Constitution, free of charge, from the Company until the expiry of this Offer Document.

(a) Rights attaching to the Shares

Each Share confers on its holder:

- the right to vote at a general meeting of Shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (1 vote per shareholder) and on a poll (1 vote per Share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on Shares (at present there are none);
- the right to receive dividends, according to the amount paid up on the Share;
- the right to receive, in kind, the whole or any part of the Company's assets in a winding up, subject to priority given to holders of Shares that have not been classified as "restricted securities" and the rights of a liquidator to distribute surplus assets of the Company with the consent of members by special resolution; and
- subject to the Corporations Act and the stapling provisions, Shares are fully transferable.

The rights attaching to Shares may be varied with the approval of Shareholders in general meeting by special resolution.

(b) Stapling

The Company may, subject to the Corporations Act, cause the stapling of any security to the Shares, that is, by linking the Shares and the other security together so that one may not be dealt with without the other or others. The Company may cause the stapling of further securities to the Shares, whether those securities are a different class from those stapled at the time. In every case, the corresponding number of attached securities of every kind is stapled to each Share.

For the time the Shares are stapled, the Company must not issue Shares unless satisfied that they will be stapled to the corresponding number of each attached security to form a stapled security, and must only deal with Shares together with the corresponding attached securities. While the Shares are stapled, the consent of each other stapled entity must be obtained for any variation of the stapling provisions in the Company Constitution. Any determination by the Company to unstaple the Shares must be approved by special resolution of Shareholders and special resolution of attached security holders, respectively. Meetings of Shareholders may be held in conjunction with the meetings of the holders of attached securities.

(c) Refund of surplus capital: capital reallocation from Company to stapled entity

Subject to the Corporations Act, the Company may decide to pay amounts to Shareholders representing part of the capital of the Company.

In the event that the Company remains stapled to another entity, and Shareholders and attached securityholders have passed all necessary approvals to reallocate capital from the Company to the stapled entity, the Company may designate that amount as a Company Capital Reallocation Amount.

If stapled entity securityholders have approved a variation of their class rights to increase the liability attached to those securities and all other approvals have been received, the Company will pay the Company Capital Reallocation Amount to the stapled entity on behalf of all those who were Shareholders on the capital reallocation payment record date, to extinguish that increased liability in full.

(d) Liability of Shareholders: capital reallocation from stapled entity to Company

While the Shares are fully paid, a Shareholder's liability is limited to its investment in the Company.

In the event that a stapled entity (such as the Trust) declares a return of surplus capital to its securityholders (**Stapled Entity Capital Reallocation Amount**), Shareholders may approve an increase in the liability attached to Shares by an amount (**Company Contribution Amount**) which, in aggregate, is equivalent to the Stapled Entity Reallocation Amount.

On the implementation date for the capital reallocation from stapled entity to Company, each Share held by Shareholders on the capital reallocation record date is deemed to be subject to a call for the Company Contribution Amount, and the Company must accept the Stapled Entity Capital Reallocation Amount from the stapled entity in full satisfaction of that call. On the Company's receipt of the Stapled Entity Capital Reallocation Amount, each Shareholder will have no further liability under that Company Contribution Amount to contribute to the capital of the Company.

Approval of any Company Contribution Amount is a variation of Shareholder class rights and must be approved by special resolution of Shareholders.

11.4 Stapling Deed

Walsh & Co, as the Responsible Entity of the Trust, and the Company have entered into a stapling deed (**Stapling Deed**). The Stapling Deed sets out the terms and conditions governing the relationship between Walsh & Co and the Company in respect of the Stapled Securities. The Stapling Deed deals with a variety of general matters, including;

- the requirement for Walsh & Co and the Company to co-operate and consult with each other with respect to all matters relating to the Stapled Securities;
- dealings in Stapled Securities;
- the allocation of the price payable for issue, redemption or buy-back of a Stapled Security among Units, or Shares;
- provisions for unstapling;
- the duties and obligations of the parties, including duties in relation to stapling and the parties' respective duties under the Trust Constitution and the Company Constitution;
- retirement of the Responsible Entity; and
- the limited liability of the Responsible Entity.



Section 12. Additional market information

12.1 Electricity market

The electricity markets in the Fund's core focus areas of the United States, Australia and select Asian markets are experiencing significant change with large scale closures of traditional coal-fired power stations as such alternative energy options are becoming of increasing importance.

Electricity market Australia

Electricity prices

The majority of retail electricity prices in Australia consist of network or transmission costs, wholesale costs of power generators and retail costs representing 55%, 24% and 15% on average, respectively. As an intended owner of renewable energy assets the Fund intends to focus on the wholesale of electricity.

Wholesale electricity pricing is predominantly set through the National Electricity Market (NEM) covering New South Wales, ACT, Victoria, Queensland, South Australia and Tasmania. The NEM operates as a gross pool of electricity to "smooth" the costs of electricity across these regions by monitoring demand for electricity against supply across the network. Electricity generators provide their price of supplying the necessary electricity to meet demand in five-minute intervals throughout the period. Final pricing is then set as the average spot price over 30-minute intervals.

Electricity prices in Australia increased significantly in the period from 2007 to 2013, primarily driven by increasing network costs following electricity infrastructure investment. A reduction in network infrastructure expenditure along with the repeal of the carbon pricing mechanism in 2014 led to a reduction in electricity pricing in Australia.

Under the existing supply and demand metrics of the Australian electricity market (refer below), it is expected electricity prices will remain relative stable over the medium term.

Electricity supply

In Australia, the Australian Energy Market Operator (AEMO) assesses the adequacy of existing and committed electricity supplies to meet projected consumption across the NEM, particularly in peak periods when solar plants generate their greatest output.

In 2015 AEMO reported that under the high consumption scenarios by 2021-22, the majority of regions in the NEM would not have sufficient capacity to meet electricity reliability standards.¹³ As a result, an increased supply of electricity will be required in coming years in order to meet the requirements of the Australian electricity market. This forecast shortage in capacity is the result of announced withdrawals of large coal-fired power stations and upward revisions of maximum demand projections across the network.

Electricity demand

On the demand side of the equation, electricity consumption is forecast to increase by approximately 2.1% per annum over the three years to 2018 driven by lower residential electricity prices and population growth¹⁴.

14. Australian Energy Market Operator: National Electricity Forecasting Report Overview For the National Electricity Market: <http://www.aemo.com.au/Electricity/Planning/Forecasting/National-Electricity-Forecasting-Report>

Electricity market United States

Electricity prices

The United States is split into three major grid systems; the Western Interconnection, the Eastern Interconnection and the Texas Interconnection. Each of the grid operators match available supply with demand. The transmission is estimated to represent approximately 11% of electricity prices. Renewable energy producers favour the certainty of income provided by PPAs. PPAs are contracts regulated by the Federal Energy Regulatory Commission where an energy purchaser contracts to purchase energy from an energy generator for a period of time.

The wholesale price of electricity in the US is determined through a similar process as in Australia in that a single clearing price is determined based on the prices power generators are willing to sell electricity to meet demand. Prices in wholesale markets vary by location reflecting the marginal cost of electricity production and a transmission premium. A number of US states no longer have regulated electricity prices, which causes significant variations between states e.g. Hawaii 33.5 cents per KWh compared to New York 16.25 per KWh.

Electricity supply

Following Environmental Protection Agency regulations, addressing primarily mercury and CO² emissions, an increasing number of coal-fired power plants are expected to shut down in the United States. Approximately 55.4GW of electricity from coal-fired power plants is expected to retire by 2040, which powers approximately 35 million homes. States expecting the largest net loss of capacity are Texas, Ohio, Pennsylvania, Indiana, Kentucky and West Virginia.¹⁵

Electricity demand

The US Energy Information Administration expects US energy consumption to grow at an average rate of 0.3% per year from 2013 through to 2040, with the strongest growth expected in the industrial sector, offsetting a reduction in the transportation and residential sectors.

Asia

Strong population growth, expected increasing per-capita electricity demand and supply constraints are major factors set to influence the Asian energy market over the coming decades. Asia is currently home to 60% of the world's population, 4.4 billion people, and according to the United Nations will add an extra 530 million to the world's population by 2030. Economic growth, higher living standards and reduced reliance on traditional biomass energy (wood and organic materials) are likely to contribute to mounting per-capita electricity demand.

The Asian Development Bank expects electricity demand in Asia and the Pacific region to more than double by 2035 from 2010 levels¹⁶, whilst the International Energy Agency predicts Southeast Asia's energy demand alone to grow by 80% from 2013 to 2035.

12.2 Regulatory environment

Regulatory environment Australia

Australia's regulatory framework in relation to renewable energy spans a number of government initiatives administered by the Clean Energy Regulator. The current Australian renewable energy target (RET) is to ensure approximately 23.5% of Australia's electricity supply will come from renewable sources by 2020¹⁷. The RET consists of financial incentives to establish or expand large scale renewable energy systems and financial incentives for small businesses, households and the community to install eligible small-scale renewable energy systems.

As part of an Australian government initiative, the Australian Renewable Energy Agency (ARENA) was established on 1 July 2012 with two objectives:

- improvement of the competitiveness of renewable energy technologies
- increasing the supply of renewable energy in Australia

ARENA has been provided with funding from 2013 to 2022 representing a total of approximately \$2.5 billion. ARENA funds activities that are expected to advance renewable energy technologies towards commercial readiness,

15. Institute for Energy Research: Impact of EPA's Regulatory Assault on Power Plants: <http://instituteforenergyresearch.org/wp-content/uploads/2014/10/Power-plant-updates-final.pdf>

16. Asian Development Bank: Energy Outlook for Asia and the Pacific: <http://adb.org/sites/default/files/pub/2013/energy-outlook.pdf>

17. Australian Government Department of the Environment: The Renewable Energy Target (RET) scheme: <https://www.environment.gov.au/climate-change/renewable-energy-target-scheme>

improve business models and reduce overall industry costs. In July 2015 ARENA announced five priorities for new investment:

- large-scale solar photovoltaics
- integrating renewables and grids
- renewables for industrial processes
- fringe-of-grid and network-constrained areas
- off-grid areas

Expressions of interest for \$100 million of funding for large-scale solar projects, aimed to support further cost reduction in large-scale solar PV, closed in November 2015. Projects were required to be of 5MW or larger with the ability to demonstrate levelised cost of electricity of \$135/MWh or less.

The Clean Energy Finance Corporation (CEFC) in Australia also provides significant support to the solar industry. The CEFC has a \$250 million large-scale solar financing program providing debt finance to solar PV projects of 10MW or more, providing fixed-rate longer-dated senior debt.

State and Territory support

State and Territory Governments support a range of research, development and demonstration projects within the renewable energy sector including NSW's Regional Clean Energy program and Growing Community Energy program.

Regulatory environment United States

In August 2015 President Obama and the Environmental Protection Agency (EPA) in the United States announced the Clean Power Plan. The Clean Power Plan seeks to reduce carbon pollution from power plants, outlining strong standards for power plants and customised goals for states to cut carbon pollution.

The EPA Mercury and Air Toxic Standards, to be implemented in 2016, have also caused a number of coal-fired power stations to retire or schedule to retire where they fail to meet CO₂ and mercury emissions standards, leaving a gap that may be partly filled with renewable energy power production assets.

A key contributor to the significant growth in PV capacity within the US in recent years has been the Business Energy Investment Tax Credit (ITC). The ITC is currently 30%, however is planned to reduce after 2016 to 10% for commercial, utility and third-party-owned residential systems and to zero for host-owned residential systems.

State Regulation

Currently, 29 US states and the District of Columbia have state level policies mandating the amount of an individual producer's electricity output that must be sourced from renewable resources, otherwise known as renewable portfolio standards. States also operate public benefit funds, output-based environmental regulations, interconnection standards, feed-in tariffs and financial incentives.

Some states also offer feed-in tariffs that typically guarantee eligible renewable electricity generation facilities a set price from their utility for all the electricity generated and provided to the grid. Residential and commercial consumers can also feed excess electricity into the grid, that is then credited against future use of the grid, when their renewable energy production does not meet their individual demand.

Impact of regulation on the Fund

The regulatory environments in the United States and Australia currently provide support to the solar energy sector. Changes to regulatory policy can have a material impact on the economics of specific assets. When considering a project the risk of changes to regulations is intended to be assessed to establish the impact on the yield of the asset. Although the Fund does not intend to invest in assets with returns primarily driven by regulatory conditions, regulatory policy can support the investment case for assets and as such is a risk of investment. Refer to Section 5 for risks.

Global regulatory environment

The United Nations conference on climate change is scheduled to be held in Le Bourget, France from 30 November to 11 December 2015. The overarching goal of the conference is to reduce greenhouse gas emissions to limit the global temperature increase to 2°C above pre-industrial levels. The 2015 conference objective is to achieve a legally binding and universal agreement on climate from all of the nations of the world. The Responsible Entity and the Company believe the conference may present impetus for future opportunities for the Fund, as the nations seek to put in place legally binding legislation for the first time.

Section 13. Additional information

13.1 Stapled Securities

The beneficial interest in the Fund is divided into Stapled Securities. A Stapled Security comprises one Unit and one Share, which are stapled together and cannot be traded or dealt with separately. See Sections 11.2 and 11.3 for information on Units and Shares under the Trust Constitution, the Company Constitution, and Section 11.4 for information on the Stapling Deed.

(a) Complaints

The Responsible Entity and the Company seek to resolve any potential and actual complaints over the management of the Trust and the Company to the satisfaction of Securityholders.

You may lodge any complaints by writing to us at the address shown in the directory at the front of this Offer Document. The Trust Constitution provides that complaints in writing will be acknowledged immediately or as soon as practicable and responded to not more than 45 days after receipt by the Responsible Entity.

If you remain unhappy, you can contact the Credit Ombudsman Service Limited – which is independent from us, on 1800 138 422.

(b) Instructions

Subject to the requirements outlined, or as stipulated by us, you, or persons authorised by you, can provide instructions (quoting your investor number) in writing, by facsimile, or by any other method allowed by us from time to time. By investing in the Fund, you authorise us to accept instructions provided by these methods.

13.2 Registration

The Company was registered in Victoria, Australia on 19 November 2015. The Trust was registered as a registered managed investment scheme on 19 November 2015.

13.3 Balance date and Australian tax date

The accounts of the Company and the Trust will be made up to 31 December and the Company and the Trust will have an Australian tax year end of 30 June annually.

Please refer to Section 10, which sets out Australian taxation comments on the status of the Company and the Trust as well as general information regarding Australian taxation treatment for certain types of Investors.

13.4 Interested dealings

Subject to the Corporations Act, the Responsible Entity or any officer, employee or associate of the Responsible Entity may:

- a) hold Stapled Securities in the Fund;
- b) act in any fiduciary, vicarious or professional capacity;
- c) have an interest in, or enter into any contract or transaction with the Responsible Entity (or its associates), the Company, a Securityholder of the Fund or any other person (including a person whose units, shares or other securities form an asset of the Fund); and
- d) hold or deal in or have any other interest in an asset of the Fund, and may retain any benefit derived by doing so.

13.5 Interests of Directors of the Company

Other than as set out below or elsewhere in this Offer Document, no Director of the Company or proposed director:

- has or had at any time during the two years preceding the date of this Offer Document an interest in the formation or promotion of the Company, or in any asset acquired or proposed to be acquired by the Company or in the Offer; and
- has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce him or her to become, or to qualify him or her as, a Director of the Company or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

Remuneration of Directors of the Company

The Directors of the Company will be entitled to receive remuneration as set out in Section 6.5.

Interests of Directors

Under the Constitution, each Director of the Company (other than a managing director or an executive director) may be paid remuneration for ordinary services performed as a Director of the Company.

Directors of the Company may also be reimbursed for reasonable travel and other expenses incurred in attending to the Company's affairs.

Directors' interests in Stapled Securities

At the date of this Offer Document Tom Kline holds one Share in the Company required for its incorporation. No other Directors of the Company or their associates have any interests in the Shares or Units. Each of the Directors has indicated an intention to subscribe for Stapled Securities under the Offer, however, the final amount of their investment has not been confirmed.

Indemnification of Directors and Officers

The Company has entered into director protection deeds with each Director of the Company. Under these deeds, the Company has agreed to indemnify, to the extent permitted by the Corporations Act, each Director in respect of certain liabilities which the Director may incur as a result of, or by reason of (whether solely or in part), being or acting as an officer of the Company. These liabilities include losses or liabilities incurred by the Director of the Company to any other person as an officer of the Company, including legal expenses.

Related party interests

Other than as set out below or elsewhere in this Offer Document, there are no existing agreements or arrangements and there are no currently proposed transactions in which the Company was, or is to be, a participant, and in which any related party had or will have a direct or indirect material interest:

- a) the compensation arrangements with Directors of the Company, which are described in Section 6.4;
- b) the indemnification arrangements with the Directors of the Company which are described above; and
- c) the Investment Management Agreement between the Company, the Responsible Entity on behalf of the Trust and the Investment Manager which is described in Section 11.1. Two of the Directors of the Investment Manager are also Directors of the Responsible Entity and Directors of the Company, and entities associated with them hold shares in the ultimate holding company of the Investment Manager and so may indirectly benefit from the payment of management fees by the Company or the Trust.

The Investment Management Agreement has been entered into on arm's length terms between the Company, the Responsible Entity on behalf of the Trust, and the Investment Manager.

13.6 Interests of Advisors

Other than as set out below, no person named in this Offer Document as providing professional or advisory services in connection with the preparation of this Offer Document or any firm in which any such person is a partner:

- has or had at any time during the two years preceding the date of the Offer Document, any interest in the formation or promotion of the Company, or in any asset acquired or proposed to be acquired by the Company or the Offer; or
- has been paid or agreed to be paid any amount or given or agreed to be given any other benefit for services rendered by them in connection with the formation or promotion of the Company or the Offer.

The Company has engaged the following professional advisors:

Watson Mangioni Lawyers Pty Limited has acted as Australian legal advisor to the Fund in relation to the Offer. The Fund has paid, or agreed to pay, \$130,000 (excluding disbursements and GST) for these services up until the date of this Offer Document. Further amounts may be paid to Watson Mangioni Lawyers Pty Limited in accordance with its normal time-based charges.

Deloitte Corporate Finance Pty Limited has acted as Investigating Accountant and has prepared the Investigating Accountant's Report. The Fund has paid, or agreed to pay, approximately \$40,000 (excluding disbursements and GST) for the above services up until the date of this Offer Document.

Deloitte Tax Services Pty Limited has acted as Australian tax advisor. The Fund has paid, or agreed to pay, approximately \$247,000 (excluding disbursements and GST) for the above services up until the date of this Offer Document.

These amounts, and other expenses of the Offer, will be paid by the Fund out of funds raised under the Offer.

13.7 ASIC

The Company and the Responsible Entity (as applicable) have applied for relief from, and modification to, certain provisions of the Corporations Act, including:

- customary stapling relief to allow the Fund to be treated as a single stapled economic entity;
- modifications for the Company and the Responsible Entity to enable a dividend and distribution reinvestment plan; and
- relief under section 325D(5) to allow the first financial half-year to end on 30 June 2016.

13.8 Private information

We collect personal information from you in order to administer your investment. If you think that our records are wrong or out of date – particularly your address and email address – please contact us and we will correct this information immediately. You can always access the personal information that we hold about you.

13.9 Consents to be Named and disclaimers of responsibility

Each of the parties referred to below (each a **Consenting Party**) has given and has not, before the lodgement of the Offer Document with ASIC, withdrawn its written consent to be named in this Offer Document in the form and context in which it is named. None of the Consenting Parties referred to below has made any statement that is included in this Offer Document or any statement on which a statement is made in this Offer Document is based, other than as specified below.

Each of the Consenting Parties, to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Offer Document, other than the reference to its name in the form and context in which it is named and a statement or report included in this Offer Document with its consent as specified below:

- Watson Mangioni Lawyers Pty Limited;
- Deloitte Corporate Finance Pty Limited;
- Deloitte Touche Tohmatsu;
- Deloitte Tax Services Pty Limited;
- Link Market Services Limited.

Deloitte Corporate Finance Pty Limited has given, and not withdrawn prior to the lodgement of this Offer Document with ASIC, its written consent to be named in the Offer Document as Investigating Accountant to the Fund in relation to the Financial Information in the form and content in which it is named and to the inclusion in this Offer Document of its Investigating Accountant's Report in Section 9 and the statements specifically attributed to it in the text of, or by a footnote in, this Offer Document, in the form and context in which they appear in this Offer Document.

Deloitte Tax Services Pty Limited has given, and not withdrawn prior to the lodgement of this Offer Document with ASIC, its written consent to be named in the Offer Document in the form and context in which it is named and to the inclusion in this Offer Document of its Tax Opinion in Section 10. Deloitte Tax Services Pty Limited takes no responsibility for any part of this Offer Document (except to the extent required by the Corporations Act) other than their Australian Taxation opinion in Section 10 of this Offer Document.

13.10 Governing law

This Offer Document and the contracts that arise from the acceptance of the Applications under this Offer Document are governed by the law applicable in New South Wales and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales.

13.11 Statement of Directors

The issue of this Offer Document has been authorised by each Director and the Responsible Entity. Each Director and the Responsible Entity has consented to lodgement of this Offer Document and issue of this Offer Document and has not withdrawn that consent.



Section 14. Glossary

A\$ OR \$	Australian dollars
AC	Alternating current which is the electric charge which is the primary form of electricity used in domestic and commercial applications
AEDT	Australian Eastern Daylight Time
AFSL	Australian Financial Services Licence
ALLOTMENT	The allocation and allotment of Stapled Securities to Investors following acceptance of an Application
ALLOTMENT DATE	The intended date of Allotment of Stapled Securities to Investors, being 21 January 2016
APPLICANT	An applicant for Stapled Securities under this Offer Document
APPLICATION	An application for Stapled Securities under this Offer Document
APPLICATION FORM	An application form in the form attached to this Offer Document
APPLICATION MONIES	The Application Price multiplied by the number of Stapled Securities applied for
APPLICATION PRICE	Application price per Stapled Security: <ul style="list-style-type: none"> – \$1.60 for Wholesale Applicants and Non-Consenting Applicants; and – \$1.574 per Stapled Security plus a Service Fee of 1.65% (inclusive of GST) of the Application Price (approximately \$0.026), for a total of \$1.60 for Consenting Applicants
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange Limited
AUSTRALIAN TAXATION OFFICE	The Australian Taxation Office, the principal revenue collection agency for the Australian Government, in charge of administering the Australian taxation system
BOARD	The Directors of the Company
BUSINESS DAY	A day, other than a Saturday or Sunday, on which banks are open for general banking business in Sydney
CGT	Capital gains tax

CLOSING DATE	The date by which valid acceptances must be received by the Responsible Entity and the Company being 14 January 2016 or such other date as may be determined in their absolute discretion
COMPANY	New Energy Solar Limited (ACN 609 396 983)
COMPANY CONSTITUTION	The constitution of the Company
CONSENT	The consent of a Retail Applicant to the payment of the Service Fee as indicated in its Application Form
CONSENTING APPLICANT	A Retail Applicant introduced by a Licensee who gives Consent to the payment of the Service Fee to their Licensee
CORPORATIONS ACT	Corporations Act 2001
DC	Direct current, which is the unidirectional electric charge produced before being converted to AC via an inverter for use in most domestic and commercial applications
DIRECTORS	The board of directors of the Company
DIRECTORS OF THE RESPONSIBLE ENTITY	The board of directors of the Responsible Entity
DIXON ADVISORY GROUP OR DIXON ADVISORY	Dixon Advisory Group Limited (ACN 080 207 076) and its subsidiaries
FUND or NEW ENERGY SOLAR	The Trust and the Company and their controlled entities
GST	The value added tax, if any, on goods, services and other things payable in accordance with the GST Act or another relevant and applicable legislation or law whether in Australia, the US or another jurisdiction
GST ACT	A New Tax System (Goods and Services Tax) Act 1999
GW	Gigawatt – a unit of electric power 1GW = 1,000 MW
IFRS	International Financial Reporting Standards
INVESTMENT MANAGER	New Energy Solar Manager Pty Limited (ACN 609 166 645)
INVESTMENT MANAGEMENT AGREEMENT	An agreement between New Energy Solar Manager Pty Limited, the Responsible Entity and the Company to provide investment management services to the Fund as described in Section 11.1
ITC	Investment tax credits
INVESTOR	A successful Applicant or an investor in Stapled Securities
IRR	Internal rate of return, measured by the annualised compound rate of return

KILOWATT (kW)	Kilowatt – a unit of electric power 1kW = 1,000W
KWh	Kilowatt hours
LICENSEE	A holder of an Australian Financial Services Licence pursuant to section 911A(2)(b) of the Corporations Act who has introduced an Applicant to the Offer. It includes, but is not limited to Dixon Advisory Superannuation Services Limited, a related party of the Responsible Entity and the Investment Manager
MEGAWATT (MW)	Megawatt – a unit of electric power 1MW = 1000kW
MINIMUM SUBSCRIPTION	A minimum subscription of 46,875,000 Stapled Securities
MWh	Megawatt hours
NAMEPLATE CAPACITY	The number registered as the power output of a power station
NAV	Net assets of the Fund
NON-CONSENTING APPLICANT	A Retail Applicant who is not a Consenting Applicant
NTA	Net tangible assets of the Fund
OFFER	The offer of Stapled Securities under this Offer Document to raise gross proceeds of up to \$150 million with the ability to accept oversubscriptions for a further \$50 million
OFFER DOCUMENT	This prospectus and product disclosure statement dated 3 December 2015 and lodged with ASIC on that date
OPENING DATE	The first date Applications can be accepted under this Offer Document, expected to be 11 December 2015
PPA	A power purchase agreement being a contract between parties to buy and sell electricity
PV	Photovoltaic being a method of converting solar energy into direct current (DC) electricity
REGISTRY	Link Market Services Limited (ACN 083 214 537)
RESPONSIBLE ENTITY	Walsh & Company Investments Limited (ACN 152 367 649) (AFSL 410 433)
RITC	Reduced input tax credit
SECURITIES ACT	US Securities Act of 1993
SECURITYHOLDER	A holder of a Stapled Security

SERVICE FEE	A one-off service fee equal to 1.65% of the Application Price (inclusive of GST) included in the Application Price for each Stapled Security issued to Consenting Applicants
SHARE	An ordinary share in the Company
SHAREHOLDER	A holder of a Share
STAPLED SECURITY	One Unit in the Trust and one Share in the Company stapled to each other as described in Section 11
STRUCTURING FEE	A one-off structuring fee equal to 1.65 % (inclusive of GST) of the gross proceeds of the Offer under this Offer Document
TAX EQUITY INVESTOR	Investors that seek to benefit from the US tax benefits of a transaction that could otherwise not be utilised in the near term by the Fund
TRUST	New Energy Solar Fund (ARSN 609 154 298)
TRUST CONSTITUTION	The constitution of the Trust
UNIT	An ordinary unit in the Trust, being an undivided share in the beneficial interest in the Trust
UNITHOLDER	A holder of a Unit
US	The United States of America
US PERSON	Any "US Person" as defined in Regulation S under the US Securities Act of 1933
WALSH & CO	Walsh & Company Investments Limited (ACN 152 367 649) (AFSL 410 433)
WHOLESALE APPLICANT	An Applicant to whom offers or invitations in respect of securities can be made without the need for a lodged prospectus or product disclosure statement (or other formality, other than a formality which the Fund is willing to comply with)
ZETTAJoule	10 ²¹ joules of energy



Directory

Fund

New Energy Solar Fund
(ARSN 609 154 298)

New Energy Solar Limited
(ACN 609 396 983)

Level 15, 100 Pacific Highway
North Sydney NSW 2060
Telephone: 1300 454 801
Fax: 1300 883 159
Email: info@newenergysolar.com.au
www.newenergysolar.com.au

Responsible Entity of New Energy Solar Fund

**Walsh & Company
Investments Limited**
(ACN 152 367 649)
(AFSL 410 433)

Level 15, 100 Pacific Highway
North Sydney NSW 2060
Telephone: 1300 454 801
Fax: 1300 883 159

Investment Manager

**New Energy Solar Manager
Pty Limited**
(ACN 609 166 645)

Level 15, 100 Pacific Highway
North Sydney NSW 2060
Telephone: 1300 454 801
Fax: 1300 883 159

Solicitors

**Watson Mangioni Lawyers
Pty Limited**
Level 13, 50 Carrington Street
Sydney NSW 2000

Telephone: +61 2 9262 6666
Fax: +61 2 9262 6666
Email: mail@wmlaw.com.au

Investigating Accountant, Auditor and Tax Advisor

Investigating Accountant
**Deloitte Corporate
Finance Pty Limited**

Auditor
Deloitte Touche Tohmatsu

Tax Advisor
Deloitte Tax Services Pty Limited

Grosvenor Place, 225 George Street
Sydney NSW 2000
Telephone: +61 2 9322 7000
Fax: +61 2 9322 7001
www.deloitte.com.au

Share Registrar

Link Market Services Limited

Level 12, 680 George Street
Sydney NSW 2000



Application form

New Energy Solar

Fill out this Application Form if you want to apply for Stapled Securities each Stapled Security consisting of one Unit issued by Walsh & Company Investments Limited in its capacity as Responsible Entity of the New Energy Solar Fund and one Share issued by New Energy Solar Limited.

- Please read the Offer Document dated 3 December 2015.
- Follow the instructions to complete this Application Form (see reverse).
- Print clearly in capital letters using black or blue pen.

OFFER CLOSING DATE – 14 January 2016
(unless closed earlier or extended)

Licensee Reference – Stamp Only

Confirm consent to pay the
Service Fee to Licensee

Licensee Code

Advisor Code

IMPORTANT PLEASE NOTE – The Responsible Entity and the Company may be required under the Anti-Money Laundering/Counter-Terrorism Financing Act 2006 (Cth) or any other law to obtain identification information from Applicants. The Responsible Entity and the Company reserve the right to reject any Application from an Applicant who fails to provide identification information upon request.

A I/We apply for

B I/We lodge full Application Monies

x \$1.60 per Stapled Security

Number of Stapled Securities (minimum 1,250 Stapled Securities (A\$2,000) and thereafter in multiples of A\$500)

C Write the name/s you wish to register the Stapled Securities in (see reverse for instructions)

APPLICANT 1

APPLICANT 2 or Account Designation

APPLICANT 3 or Account Designation

D Postal Address

Number/Street Name

Suburb/Town

State

Postcode

E Enter your Tax File Number/s, ABN, or exemption category

Applicant 1

Applicant 2

Applicant 3

Exemption Category

F Foreign Account Tax Compliance Act (FATCA)

In order for the Fund to comply with its FATCA obligations the Responsible Entity and the Company are obligated to request certain information from their investors. Certain information collected will be reported to the ATO which will in turn report to the US Internal Revenue Service. Section 2.12 of this Offer Document provides further information on FATCA.

1 Are you an Australian Retirement Fund, such as a self-managed superannuation fund, retail super fund or industry super fund?

YES (Go straight to Section H)

NO (Continue to Question 2)

2 Are you a US Citizen, Resident of the US for Tax Purposes, US Person or a Financial Institution for the purposes of FATCA? (See definitions of these terms overleaf)

YES (Please provide your Taxpayer Identification Number (TIN) or Global Intermediary Identification Number (GIIN))

NO (Continue to Question 3)

GIIN/TIN

3 Are you an entity, such as a company or trust, that is controlled by a US Citizen, Resident of the US for Tax Purposes, or a US Person? (See definitions of these terms overleaf)

YES (Continue to Section H)

NO (Continue to Section H)

If you answered **YES** to question 2 or 3 we will contact you requesting further information.

G Please enter details of the cheque/s that accompany this Application Form:

Drawer	Chq No.	BSB No.	Acc No.	A\$
Drawer	Chq No.	BSB No.	Acc No.	A\$
TOTAL				A\$

H Contact telephone number (daytime/work/mobile) **I** Email Address

--	--

J Securityholder Communications

All correspondence will be sent electronically unless legally required otherwise or unless the box below is ticked.

Printed copy of Securityholder communications required ☐

By submitting this Application Form, I/We declare that this Application Form is completed and lodged according to the Offer Document and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the Constitution of New Energy Solar Fund and the Constitution of New Energy Solar Limited. I/We received the Offer Document together with the Application Form or a print out of them. I/We represent, warrant and undertake to the Fund that our subscription for the above Stapled Securities will not cause the Fund or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Stapled Securities.

DECLARATION

By submitting this Application Form with your Application Monies, I/we declare that I/we:

- apply for the number of Stapled Securities that I/we apply for (or a lower number allocated in a manner allowed under the Offer Document);
- am/are over 18 years of age;
- acknowledge that neither the Company, the Trust, the Responsible Entity nor any person or entity guarantees any particular rate of return on the securities, nor do they guarantee the repayment of capital;
- represent, warrant and agree that I/we am/are not in the United States or a US Person and am/are not acting for the account or benefit of a US Person;
- represent, warrant and agree that I/we have not received the Offer Document outside Australia and am/are not acting on behalf of a person resident outside Australia unless the Stapled Securities may be offered in my/our jurisdiction without contravention of the security laws of the jurisdiction or any need to register the Offer Document, the Stapled Securities or the Offer; and
- represent, warrant and agree that I/we have not distributed the Offer Document or any other written materials concerning the Offer to any person in the United States or to any US Person and understand that Stapled Securities have not been and will not be registered under the US Securities Act and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, any US Person, unless an exemption from such registration applies.

LODGEMENT

Deliver your completed Application Form with cheque/s attached to the following address:

New Energy Solar
c/- Walsh & Company Investments Limited

POSTAL

GPO Box 575
Canberra ACT 2601

HAND DELIVERED

Canberra – Level 1, 73 Northbourne Avenue, Canberra ACT 2601
Sydney – Level 15, 100 Pacific Highway, North Sydney NSW 2060
Melbourne – Level 2, 250 Victoria Parade, East Melbourne VIC 3002

It is not necessary to sign or otherwise execute the Application Form. If you have any questions as to how to complete the Application Form, please contact Walsh & Company Investments Limited on **1300 454 807**.

Guide to the application form

YOU SHOULD READ THE OFFER DOCUMENT CAREFULLY AND IN ITS ENTIRETY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using **BLOCK LETTERS**. These instructions are cross-referenced to each section of the Application Form.

A	If applying for Stapled Securities insert the number of Stapled Securities for which you wish to subscribe (not less than 1,250).	F cont.	US Person includes; a partnership or corporation organized in the United States or under the laws of the United States or a trust where a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States. Financial Institution for the purposes of FATCA means a Financial Institution such as a Custodial Institution, Depository Institution, Investment Entity or Specified Insurance Company under FATCA rules and regulations that is required to have a Global Intermediary Identification Number (GIIN) issued by the US Internal Revenue Service.
B	Insert the value of Stapled Securities for which you wish to subscribe (not less than A\$2,000).	G	Complete cheque details as requested. Make your cheque payable to "New Energy Solar" and crossed "Not Negotiable" . Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
C	Write your full name . Initials are not acceptable for first names.	H	Enter your telephone number so we may contact you regarding your Application Form or Application.
D	Enter your postal address for all correspondence. All communications to you from the Fund will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.	I	Enter your email address so we may contact you regarding your Application Form or Application or other correspondence.
E	Enter your Australian tax file number ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.	J	The Fund encourages you to receive Securityholder correspondence electronically. The benefits to the environment are substantial.
F	FATCA definitions US Citizen means a citizen of the United States of America. Resident of the US for Tax Purposes includes (but is not limited to) someone who has a lawful permanent resident status in the United States (e.g. a "green card" holder) or someone who is considered a US taxpayer under the applicable US tax laws.		

CORRECT FORMS OF REGISTRABLE TITLE

Note that **ONLY** legal entities can hold the Stapled Securities. The Application must be in the name of a natural person/s, companies or other legal entities acceptable to the Fund. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

TYPE OF INVESTOR	CORRECT FORM OF REGISTRABLE TITLE	INCORRECT FORM OF REGISTRABLE TITLE
INDIVIDUAL	Mr John David Smith	J D Smith
COMPANY	ABC Pty Ltd	ABC P/L or ABC Co
JOINT HOLDINGS	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
TRUSTS	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
DECEASED ESTATES	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
PARTNERSHIPS	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
CLUBS/ UNINCORPORATED BODIES	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
SUPERANNUATION FUNDS	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

