US Solar Fund

US Solar Fund Plc
(Company Registration Number 11761009)

HALF-YEAR FINANCIAL REPORT AND INITIAL ACCOUNTS

for the period from 10 January 2019 (incorporation date) to 30 June 2019

Renewable energy.
Sustainable investments.

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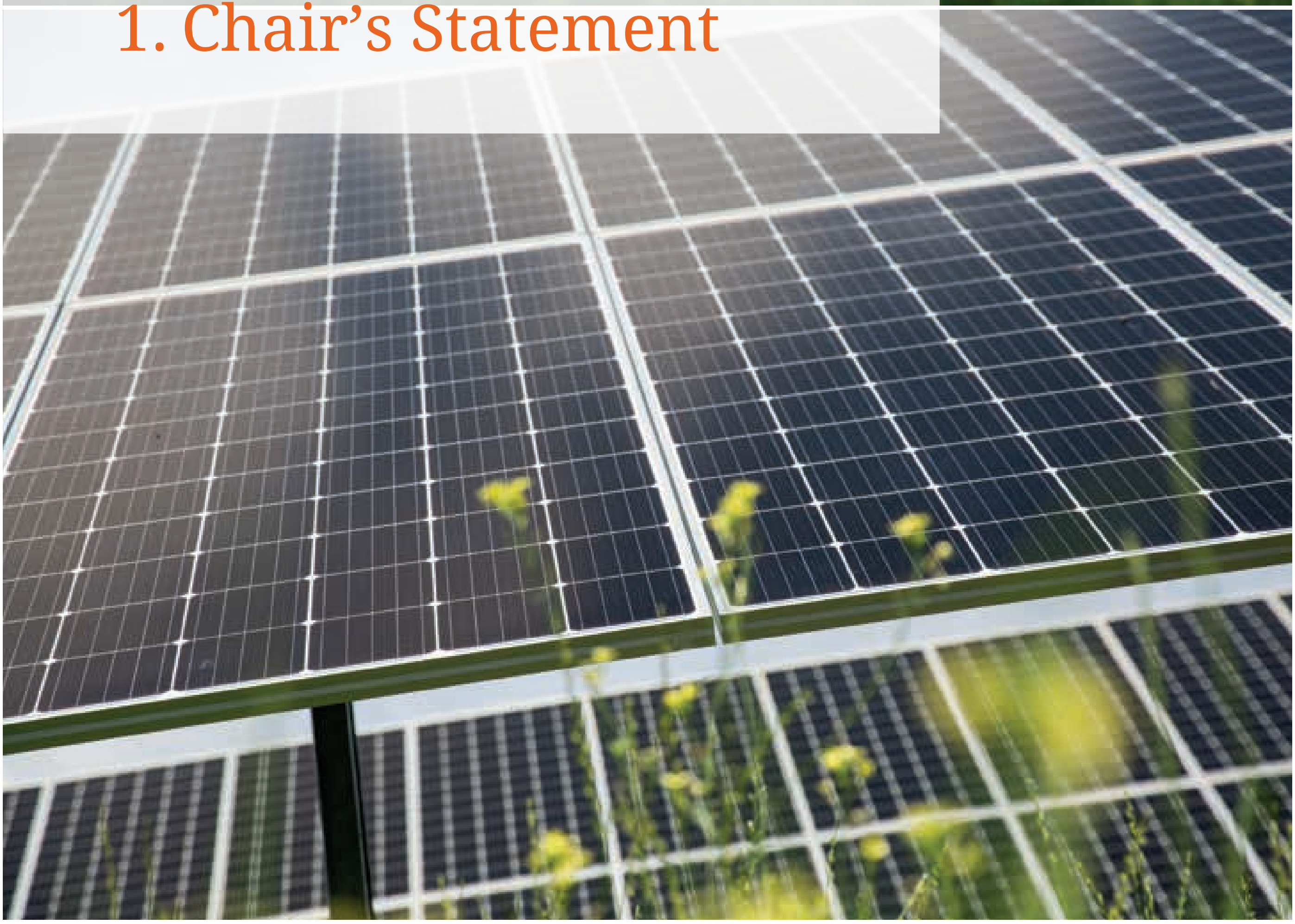


1. Chair's Statement

On behalf of the Board, I am pleased to present our first report, the Unaudited Interim Financial Statements for US Solar Fund (**USF** or the **Company**) for the period ended 30 June 2019.

In April 2019, USF listed on the premium segment of the London Stock Exchange, raising gross proceeds of $200m with support predominantly from leading UK institutional investors. This was an excellent outcome given that this was the first UK fundraising by the Investment Manager, made even more challenging by the market uncertainty created by the initial March Brexit deadline. USF's fundraising success is an indication that US solar assets are a compelling investment opportunity.

Since listing in April, the main focus of the Board and New Energy Solar Manager (the **Investment Manager** or **NESM**) has been working to commit the proceeds of the fundraising within the first six to nine months from the Initial Public Offering (**IPO**), as indicated in the Prospectus. Additionally, the Investment Manager has been identifying and reviewing new investment opportunities to add to their already very substantial pipeline. The Investment Manager has also been meeting existing investors and engaging with the broader investor community to provide insight into the US solar market. The Board and the Investment Manager have all been working hard to ensure that the Company has a strong start, focusing on delivering maximum value for shareholders and communicating effectively with both shareholders and the market at large.

INVESTMENT PROGRESS

Within nine weeks of listing, USF had made two announcements of exclusivity for solar projects or portfolios in the US. Both projects are well aligned with USF's investment strategy and target returns. After the end of the quarter, within just over three months of listing, USF announced that one of these two projects had progressed to binding acquisition agreement, and at the start of September, it was announced that this first acquisition had reached final close.

The Board has closely followed the development of the Investment Manager's pipeline of opportunities since the IPO. The pipeline remains robust and we can confirm that the investment environment continues to support the Company's strategy. The Investment Manager is identifying, reviewing and engaging with a substantial number of opportunities with excellent potential.

PERFORMANCE

From listing to 30 June, the share price traded consistently between $1.025 and $1.035. At 30 June, NAV was $196 million, 0.98 per share, and shares were trading at $1.025, a slight (4.6%) premium to NAV. From period end to 18 September, shares have traded between 1.005 and 1.025.

Our broker at the time of the IPO was Fidante Capital. However, the parent of Fidante Capital decided to close the brokerage business in June. Hence in early July, USF announced that Macquarie Capital (Europe) Ltd and Cenkos Securities plc had been appointed as joint brokers.

DIVIDEND

The Company will be paying a dividend of 0.41 cents per share for the period ending 30 June. This represents an annualized dividend yield of 2% when measured against the initial issue price of $1 per share. The dividend will be paid on 8 November 2019.

OUTLOOK

At IPO, USF indicated that the first dividend would be paid in November 2019 and the initial target annual dividend yield would be 2-3%. Once fully operational, the target yield is 5.5%[1]. As mentioned above, the Company stated that it is aiming to commit the net initial proceeds within six to nine months of listing. The Investment Manager intends that substantially all of the assets are generating cashflow (are operational), within a further 12 months from full commitment. If this target is met, we would expect the portfolio to be substantially or fully operational in late 2020 or early 2021.

Though it is early days, the Board believes that the Investment Manager is making good progress towards meeting these targets. However, the upcoming step down of the Investment Tax Credit (**ITC**) and the ongoing downward trend in interest rates are driving increased competition for assets in the US market. We are confident that the Investment Manager is taking a conservative approach with pricing in order to remain consistent with the strategy and return targets of the Company. As a result, the time taken to commit substantially all of the proceeds may slightly exceed the IPO target of six to nine months.

1 Target yield is 5.5% once fully operational and on a fully invested and geared basis. An initial target annual dividend of 2-3% on the IPO issue price in respect of the period from listing until 31 March 2020 or, if later, when all the Solar Power Assets are fully operational.

The US solar market remains a very attractive investment opportunity as evidenced by its continued and rapid growth. During April, the aggregate capacity of renewable energy sources – hydro, wind, solar, biomass, and geothermal – exceeded coal for the first time and renewable energy generated more energy than coal. During the first quarter of this year, 1.6 gigawatts (**GW_{DC}**) of utility-scale solar was installed, representing a 22% increase compared to Q1 2018 and an 86% increase compared to five years prior. The US utility-scale solar market (5 MW_{DC} and above) now has an installed capacity of 39 GW_{DC}, approximately seven times the size of the UK utility-scale solar market[2].

This growth has been driven by a combination of factors including the economic competitiveness of solar which has consistently strengthened due to the continued cost declines of solar equipment; the steady progress of state legislative changes across the US encouraging the use of renewables; and a growing number of corporations pledging to use 100% renewable power. All of these strong drivers make US solar an exciting investment opportunity.

Despite the continued Brexit uncertainty, we believe that USF is well-positioned given the prolonged low interest rate environment and the resulting investor "search for yield". The steady and attractive yields from UK solar assets have been recognized by UK investors for some time. However the Board believes that US solar assets are also attractive given the large areas of the country that are climatically well suited to solar power and availability of space to build larger plants giving rise to economies of scale. For example, USF's initial acquisition, Milford Solar Project (**Milford**), is in Utah and is 787 acres in size with a capacity of 128 MW_{DC} while the largest utility scale solar plant in the UK, Shotwick Solar Farm, is 250 acres and has a capacity of 72 MW_{DC}. Further, in the US, the length of the offtake contracts with the utility companies, generally over 10 and up to 25 years, provide a more secure long-term cash flow for investors. If the solar assets are well designed, installed and maintained with a good contract backing, then the investment risk profile is relatively low.

GILL NOTT
Chair

18 September 2019

2 UK utility scale solar includes all installed solar PV with capacity of 5MWDC and above.

2. Investment Manager's Report

2. Investment Manager's Report

SUMMARY OF THE PERIOD

Following USF's listing on the London Stock Exchange, the Investment Manager has focused on deploying the IPO proceeds into suitable assets for the Company. At the time of listing, the Investment Manager disclosed a pipeline with a total value of $4.8 billion or cash equity value of $2.9 billion and a target of committing the proceeds within six to nine months.

INVESTMENT PROGRESS

Within nine weeks of listing, USF announced that it had progressed from exclusivity to binding agreements to acquire its first project, and by early September it had announced that the acquisition had reached final close. The 128 MW_{DC} Milford Solar Project in Utah has a 25-year power purchase agreement (**PPA**) with an investment-grade utility (S&P rating A) beginning in the second half of 2020. The agreement sets a fixed price for 100% of the electricity produced by the project over the PPA term. More details on Milford are in the following section.

Shortly after announcing the Milford project, a second transaction with leading US solar developer Cypress Creek Renewables (**CCR**) was announced. The Investment Manager has transacted with CCR previously, purchasing a 56 MW_{DC} construction-ready portfolio on behalf of the Australian fund New Energy Solar. USF's exclusivity relates to a portfolio of utility-scale solar power projects located in North Carolina and Oregon with a total capacity of approximately 90 MW_{DC}. All have long-term PPAs with investment-grade offtakers with energy delivery expected to commence in 2020. USF expects to acquire the portfolio progressively, as each project reaches a construction-ready stage, with the first four projects expected to commence construction early in the second half of 2019. The Investment Manager is working towards executing binding acquisition agreements for these projects and will announce further details in due course.

The Investment Manager continues to work diligently to identify and review new investment opportunities and looks forward to communicating more information as these deals and others progress.

PIPELINE UPDATE

At the time of listing, the Investment Manager disclosed a pipeline of 3,020 MW_{DC} with a total value of $4.8 billion, or $2.9 billion cash equity value, and an average PPA term of 15.2 years. As of 30 June 2019, the Investment Manager's pipeline included 3,613 MW_{DC} of assets with a total value of $4.8 billion, or $2.8 billion cash equity value, and an average PPA term of 16 years.

Since IPO there has been a shift in pipeline mix towards the construction-ready assets that are USF's focus. The IPO pipeline included several large operating assets and portfolios with higher-priced PPAs which consequently demanded higher prices. These projects either transacted at returns that were below USF's targets or were withdrawn from sale because the buyer could not achieve their target price. This shift in pipeline mix has seen value remain fairly steady but pipeline MW_{DC} increase.

The higher number of operating assets in the pipeline at IPO can be attributed to the upcoming change in the ITC, which reduces from 30% to 26% after the end of 2019. The IRS has, however, set out "Safe Harbor" provisions that provide a mechanism to "lock in" the ITC at 30% by completing an appropriate amount of procurement or construction in 2019 even though the project will not be placed in service until 2020 or beyond. To fund this procurement and construction, which would normally start later for these projects, some developers and asset owners brought operating portfolios to market.

We are seeing an increase in competition in the market. This is largely driven by the upcoming step down of the ITC and the ongoing downward trend in interest rates. With this dynamic, we are taking a conservative approach with pricing and remaining consistent with the strategy and return targets of the Company. As a result, the time taken to commit substantially all of the proceeds may slightly exceed the IPO target of six to nine months. However, the Investment Manager is pleased that the pipeline continues to provide numerous high-quality construction-ready investment opportunities. The pipeline quality and size supports our confidence in the US market and our ability to continue the momentum of this period.

EVENTS AFTER THE PERIOD

MILFORD

After the end of the period, in July, USF executed binding acquisition agreements for its first acquisition, Milford (the **Project**). Subsequently, in early September, USF announced it had closed the acquisition and financing of 100% of the cash equity interests in the Project.

Milford is in Beaver County, approximately six miles north of Milford, Utah. Construction is expected to begin immediately and Milford is expected to be operational in late 2020. The Project will sell 100% of the power and renewable energy credits generated at a fixed price for 25 years to PacifiCorp (S&P rating: A), a wholly owned subsidiary of Berkshire Hathaway Energy. PacifiCorp has contracted to sell all the renewable attributes associated with the Project to a retail customer. PacifiCorp is a US electric power company that primarily operates regulated utilities with a service territory across the US states of Oregon, Washington, California, Utah, Idaho and Wyoming.

USF acquired Milford from Longroad Energy Partners, LLC (**Longroad**). The Longroad team has a track record of developing and financing more than 5 GW of utility-scale renewable energy projects since 2004, including more than 1 GW in the state of Utah. The Investment Manager has reviewed and diligenced more than 500 MW_{DC} with Longroad over the last 12 months. This will be the first transaction that the Investment Manager has completed with Longroad.

The Project will be constructed on a fixed-time and fixed-cost basis by McCarthy Building Companies, one of the largest construction companies in the US with over 2.8GW of solar and energy storage projects designed, constructed or completed since 2013. The Project will use First Solar Inc.'s (**First Solar, NASDAQ: FSLR**) high-performance Series 6 solar panels and First Solar Energy Services is expected to provide operations and maintenance services under a separate long-term contract.

Once operational, the Project will generate over 277,500 megawatt hours of electricity annually. This volume of electricity is equivalent to displacing approximately 235,000 tonnes of CO2 emissions, powering 31,000 homes, or removing 51,000 cars from the road, every year.[3]

The Company will fund the acquisition and construction of Milford with initial equity of approximately $30m alongside non-recourse construction debt provided by Zions Bancorporation N.A. and KeyBank N.A. as Joint Lead Arrangers. Once complete, approximately $50m of the construction debt will convert to non-recourse senior debt provided by the same lender group.

Wells Fargo, an established and consistent leader in renewable energy and cleantech financing since 2006, has committed to provide tax equity funding for Milford upon achievement of construction milestones. The expected returns from the Project are in line with those anticipated in the Company's investment objective, as set out in its Prospectus dated 26 February 2019.

The Investment Manager tests all acquisitions against the Acquisition and Asset Management Principles disclosed in the Prospectus and as set out below for Milford.

USF Acquisition Principles	Milford
1. Seek Solar Power Assets[4] with long-term contracted offtake agreements with creditworthy counterparties.	✓ 25-year PPA with an investment-grade utility (S&P rating A) beginning in the second half of 2020 ✓ Fixed price for 100% of the energy and renewable energy credits generated by the Project for the next 25 years
2. Acquire Solar Power Assets at a time which minimizes exposure to development risks but maximises the Company's competitive advantage compared to mature asset acquisitions.	✓ Construction-ready acquisition with simultaneous financial close of debt financing and tax equity ✓ Fully-wrapped turnkey EPC contractor with a credible construction partner reduces time and cost risks
3. Form strong relationships with credible and capable project developers, construction partners and vendors who can offer a pipeline of investment opportunities.	Developer – Longroad ✓ Industry-leading developer with over 5GW of utility-scale wind and solar build Construction partner – McCarthy Building Companies ✓ One of the US' largest construction companies with over 2.8GW of solar and energy storage projects designed, constructed or completed since 2013 Panel manufacturer and expected O&M provider – First Solar ✓ One of the largest and most well-regarded panel manufacturers in the world ✓ Leading O&M provider in the US with 6.3GW of operating projects across 110 locations in 17 states ✓ The Investment Manager has a strong relationship with First Solar through previous project acquisitions, panel purchases, and O&M contracts
4. Prioritise bilateral acquisition negotiations over competitive auction processes	✓ Although USF secured Milford through a competitive process it will now look to leverage the relationship with the developer/vendor to identify opportunities for bilateral acquisitions
5. Participate in mid-market segments where team capability and track record offer a competitive advantage	✓ 128 MW_{DC} asset size allows USF to deploy a significant amount of capital at attractive returns without competing with larger passive investors for larger projects/portfolio or operating assets ✓ The Investment Manager's track record has reduced perceived execution and counterparty risk for the vendor, lenders and tax equity

See section 2.2 Acquisition and Asset Management Principles in the Prospectus for additional information.

3 CO2 Emission Reduction is calculated using the United States Environmental Protection Agency's "Avoided Emissions and Generation Tool", which estimates the regional displacement of fossil fuels for a new solar PV installation.

4 The stated strategy of the Company is to deliver stable returns to shareholders through investing in a diversified portfolio of utility scale solar power plants and associated infrastructure, which may include transmission and storage (e.g. batteries) assets which will typically be co-located with the solar power plant (together, **Solar Power Assets**).

US SOLAR MARKET UPDATE

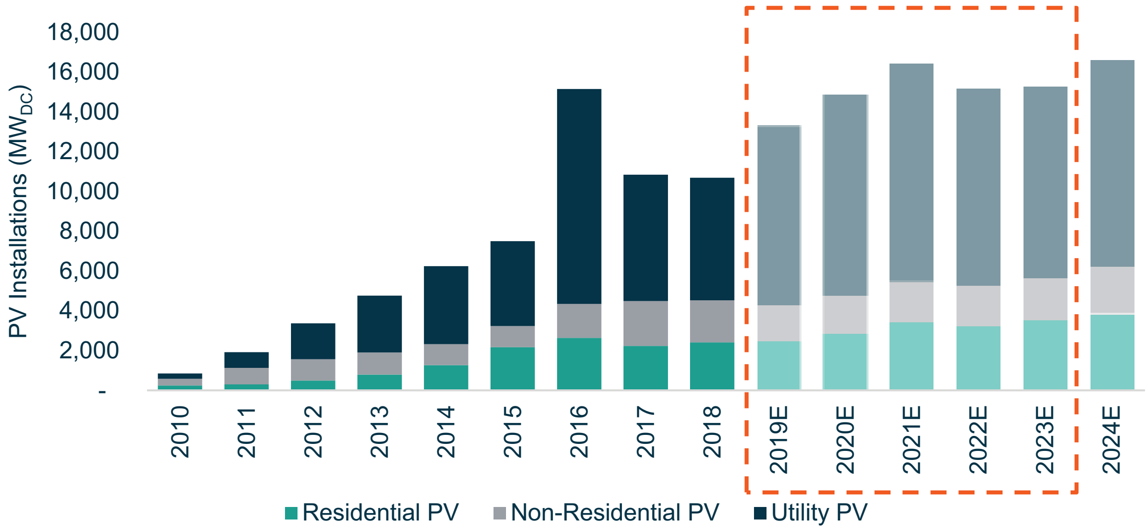
The US solar sector and broader renewables market achieved considerable growth and milestones in the first half of 2019. During April, the aggregate capacity of renewable energy sources – hydro, wind, solar, biomass, and geothermal – exceeded coal for the first time and renewable energy generated more energy than coal.

During Q1 2019, 1.6 GW_{DC} of utility-scale solar was installed, representing:

- a 22% increase compared to Q1 2018;
- an 86% increase compared to five years prior, and;
- the strongest Q1 in the history of US utility-scale solar Photovoltaic (**PV**).

The US utility-scale solar market now has an installed capacity of 39 GW_{DC}, approximately seven times the size of the UK utility-scale solar market[5]. Figure 1 below shows the recent and projected growth in the US solar market from 2010 through 2024. As depicted, utility-scale solar PV has and will continue to account for the largest share of annual installations in the US solar market, with 49 GW_{DC} of utility-scale solar installations forecast between 2019 and 2023.

Figure 1: Projected growth in the US solar market

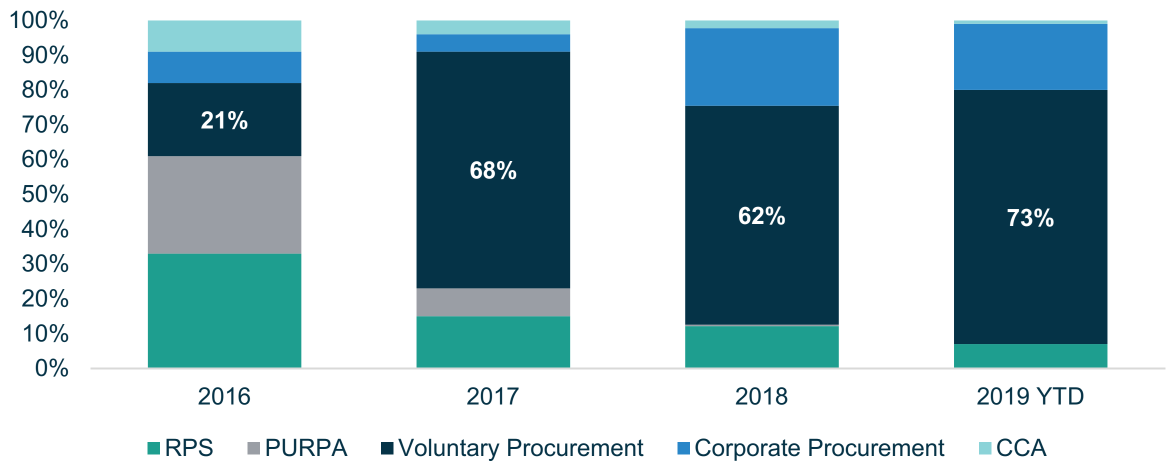


Source: Wood Mackenzie, Q2 2019 US Solar Market Insight, June 2019.

The economic competitiveness of solar has consistently strengthened due to the continued cost declines of solar equipment. This is evidenced by the fact that most utility-scale solar PV projects are being procured as the lowest cost form of energy generation or as a hedge against the rising price of natural gas rather than being driven by any state mandates. As shown in Figure 2, voluntary (non-mandated) procurement of utility-scale solar PV has continued to be the primary driver of solar development; accounting for 73% of utility-scale solar capacity additions in 2019.

5 UK utility scale solar includes all installed solar PV with DC capacity of 5MW_{DC} and above

Figure 2: Procurement driver of utility PV PPAs by contract execution year

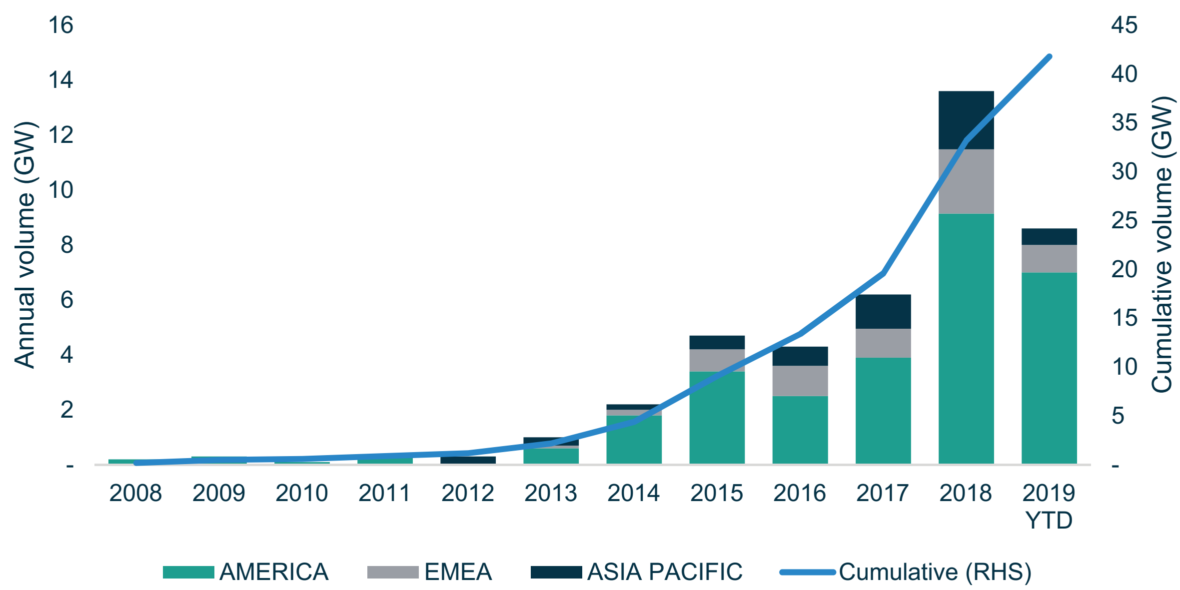


Source: Wood Mackenzie, US Utility PV Market: Quarterly Update Q2 2019, July 2019.

Legislative changes towards favourable state renewable policies continue to expand across the US. Of the 50 states, 35 have implemented either a renewable portfolio standard or a voluntary renewable target, including six states – California, Hawaii, New Mexico, Washington, Nevada, and Maine – which have committed to 100% renewable or clean energy targets. Many states are expected to continue to improve their existing policies as their renewable portfolios approach near term benchmarks. Since January 2018, eight states have increased their existing targets.

Globally, corporations signed 8.6GW of clean energy PPAs in 2019 through July (2019 YTD), up from 7.2GW for the same period last year (see Figure 3). This has been driven largely by the US with US corporations accounting for 69% of global PPA volume in 2019 YTD.

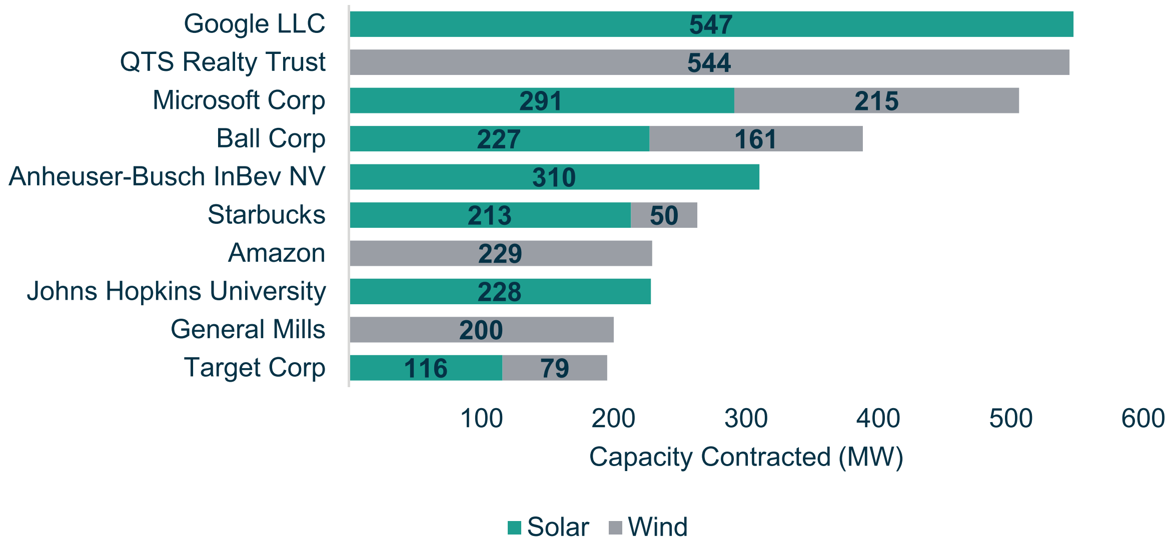
Figure 3: Global corporate PPA volumes, by region



Source: Bloomberg New Energy Finance, 2H 2019 Corporate Energy Market Outlook, August 2019

The increase in corporate PPAs is due to an increasing number of corporations pledging to use 100% renewable power by signing to the RE100 leadership initiative. The RE100 is a global corporate leadership initiative bringing together businesses committed to 100% renewable electricity. During 2019, the RE100 increased by 31 signatories to 191 signatories, who have a combined aggregate annual electricity demand of 202 Terawatt hours (**TWh**). The increase in corporate PPAs is also driven by economics. Utility-scale solar PPA prices now consistently come in below new build combined cycle (**CC**) natural gas prices. As shown in Figure 4, Google, Microsoft, Starbucks, and Amazon are among the global market leaders that have committed to power an increasing portion of their operations from renewable sources.

Figure 4: Top corporate offtakers, 2019 YTD



Source: Bloomberg New Energy Finance, 2H 2019 Corporate Energy Market Outlook, August 2019

The growth of solar has also been supported by US federal policy. The ITC, which has been in place at 30% since 2006, will step-down to 26%[6] at the end of 2019. In July, the Solar Energy Industries Association (**SEIA**) delivered a letter to the US Congress which was signed by nearly 1,000 solar companies across the US, calling for the extension of the ITC. In the following week, the Renewable Energy Extension Act was introduced in both the House and the Senate and proposes a five-year extension to the 30% ITC. Further progress is pending voting decisions within the US Government.

Importantly, solar is competitive even without the ITC in many parts of the US. Regardless of whether the ITC is extended or not, USF believes US solar remains a compelling investment opportunity. The industry has grown at an average rate of 52% per year since the ITC was implemented in 2006 and the combination of declining costs and expansion and maturation of the industry indicate that the US solar market is likely to remain an attractive industry in the years to come.

INVESTMENT PERFORMANCE

At 30 June 2019, the Company's shares were trading at $1.025. This represents a 4.6% premium to the NAV of $196 million ($0.98 per share).

The Company generated a small net gain of $8,203 (0.004c per share) during the period. Interest income of $697,161 and a small net gain from investments of $45,878 was offset by operating expenses of $582,799 and a foreign exchange mark-to-market loss of $152,037 on funds that were retained in GBP.

VALUATION

NET ASSET VALUE

An unaudited Net Asset Value (**NAV**) and Net Asset Value per Ordinary Share is calculated in US Dollars on a quarterly basis as at 31 March, 30 June, 30 September and 31 December each year, pursuant to the valuation methodology described below, by the Administrator in conjunction with the Investment Manager. Once acquired, the value of the Solar Power Assets, which form part of the Net Asset Value calculation, will be produced by an independent appraiser on a semi-annual basis as at 30 June and 31 December.

VALUATION METHODOLOGY

Upon acquisition of the Solar Power Assets, every six months as at 30 June and 31 December, the Company will engage an independent third-party appraiser to value the Solar Power Assets acquired by the Company and its Project SPVs. The Investment Manager will value the Solar Power Assets acquired by the Company and its Project SPVs for the quarterly periods ending 31 March and 30 September. At each quarter end, the Investment Manager will provide the relevant third-party or internal valuations of the Solar Power Assets together with the valuations of the other assets of the Company and its Project SPVs to the Administrator.

6 For projects placed in service before the end of 2023, the ITC is 30%, 26%, or 22% if the projects begin construction in 2019, 2020, or 2021 respectively. For projects placed in service after the end of 2023, the ITC is 10%.

The Administrator, in conjunction with the Investment Manager, will calculate the Net Asset Value and the Net Asset Value per Ordinary Share as at the end of each quarter of the Company's financial year and submit the same to the Board for its approval.

The valuation will be calculated in accordance with Uniform Standards of Professional Appraisal Practice (**USPAP**) as applied to photovoltaic electricity generation systems in the United States.

Fair value for operational Solar Power Assets will be derived from a discounted cash flow (**DCF**) methodology. For Solar Power Assets that are not yet operational or where the completion of the acquisition by the Company has not occurred at the time of valuation, acquisition cost will be used as an appropriate estimate of fair value.

In a DCF analysis, the fair value of the Solar Power Asset is the present value of the asset's expected future cash flows, based on a range of operating assumptions for revenues and costs and an appropriate discount rate range.

The Investment Manager will review a range of sources in determining its fair market valuation of the Solar Power Assets, including but not limited to:

- discount rates publicly disclosed by the Company's global peers;
- discount rates applicable to comparable infrastructure asset classes; and
- capital asset price model outputs and implied risk premium over relevant risk-free rates.

A broad range of assumptions are used in valuation models. Given the long-term nature of the assets, valuations are assessed using long-term historical data to reflect the asset life.

Where possible, assumptions are based on observable market and technical data. The Investment Manager also engages technical experts such as long-term electricity price forecasters to provide long-term data for use in its valuations.

The Investment Manager will use its judgement in arriving at the appropriate discount rate. This will be based on its knowledge of the market, taking into account intelligence gained from its bidding activities, discussions with financial advisers in the appropriate market and publicly available information on relevant transactions.

INFORMATION ON THE INVESTMENT MANAGER

The US Solar Fund is managed by New Energy Solar Manager which also manages New Energy Solar (www.newenergysolar.com.au), which has committed over $800m to 16 solar power projects (14 of which are in the US) since late 2015.

The Investment Manager has been given responsibility, subject to the overall supervision of the Board, for active discretionary investment management of the Portfolio in accordance with the Company's investment objective and policy. The Investment Manager offers in-house deal origination, execution and asset management capabilities with experience in equity, tax equity, debt structuring and arranging, and active asset management. The current Investment Manager team currently consists of more than 20 investment and asset management professionals located in Sydney and New York.

SENIOR MANAGEMENT TEAM

The senior members of the Investment Manager who are responsible for the management of US Solar Fund are set out below. Further information on the Investment Manager team is provided at www.ussolarfund.co.uk.

JOHN MARTIN BEcon (USYD)
CHIEF EXECUTIVE OFFICER

John joined the Investment Manager as Managing Director and CEO in May 2017. John brings a wealth of experience and capability to the role after more than two decades of experience in corporate advisory and investment banking with a focus on the infrastructure, energy and utility sectors. John previously led the Infrastructure and Utilities business at corporate advisory firm Aquasia where he advised on more than A$10 billion of infrastructure and utility M&A and financing transactions. Prior to this John held various investment bank management positions including the Head of National Australia Bank Advisory and the Joint Head of Credit Markets and Head of Structured Finance at RBS / ABN AMRO. During his time at ABN AMRO, John managed the Infrastructure Capital business which was viewed as a market leader in the development and financing of infrastructure and utility projects in Australia. John started his career as an economist with the Reserve Bank of Australia and then worked in various treasury and risk management positions, before moving to PwC as the partner responsible for financial risk management.

LIAM THOMAS BAgribus (Curtin), MSc (Curtin), MBA (MELB)
CHIEF INVESTMENT OFFICER

Liam joined the Investment Manager as Director – Investments in March 2016, to lead transaction origination and execution activities. Liam has over 15 years' experience in mergers and acquisitions, corporate and business development, projects, and commercial management in the energy, infrastructure, mining and agribusiness sectors. Prior to joining the Investment Manager, Liam was a senior member of the International Development team at Origin Energy focused on the investment and development strategy for utility-scale solar, hydro, and geothermal projects in Latin America and South-East Asia. Liam's previous roles have included General Manager of Commercial Development at Aurizon, Commercial Manager for the Northwest Infrastructure iron ore port joint venture, and Project Manager at Orica, focusing on large scale mining-related infrastructure and manufacturing projects.

MICHAEL VAN DER VLIES BAcc (UTS), CA
CHIEF FINANCIAL OFFICER

Michael is responsible for the finance activities of the Investment Manager, including business planning, budgeting, forecasting, financial reporting, taxation, treasury, balance sheet management and risk management. Michael has over 16 years' experience working in finance, infrastructure and investment management. Michael previously led a team responsible for the financial reporting, fund administration, regulatory and compliance reporting globally across AMP Capital's A$15 billion Infrastructure Equity funds. Prior to this, Michael held various finance roles including General Manager of Finance and Group Financial Controller at BAI Communications, a communications infrastructure business owned by CPPIB and Senior Manager at Macquarie.

DIRECTORS

The Directors are responsible for the determination of the Company's investment objective and policy and its investment strategy and have overall responsibility for the Company's activities, including the review of investment activity and performance and the supervision and control of the Investment Manager. The Directors have delegated responsibility for managing the assets comprising the Portfolio to the Investment Manager. Further information on the Board is provided at www.ussolarfund.co.uk.

GILLIAN NOTT

NON-EXECUTIVE CHAIR

Mrs Nott spent the majority of her career working in the energy sector, including positions with BP. In 1994 she became CEO of ProShare, a not for profit organisation promoting financial education, savings and investment, and employee share ownership. She was a non-executive director of the Financial Services Authority from 1998 until 2004. Subsequently she has held numerous board roles, including being a non-executive director of Liverpool Victoria Friendly Society, a leading insurer, and deputy chair of the Association of Investment Companies. Mrs Nott has served as both a non-executive director and chair of a number of venture capital trusts and investment trusts. She is currently chair of JPMorgan Russian Securities plc, Premier Global Infrastructure Trust plc and Hazel Renewable Energy VCT1 plc.

JAMIE RICHARDS

NON-EXECUTIVE DIRECTOR

Mr Richards is a chartered accountant and has 25 years' experience in fund management, banking and corporate recovery with a focus on the infrastructure and solar sector. Mr Richards previously was a partner, executive committee member and head of infrastructure at Foresight Group having joined in 2000. Between 2007 and 2018 he had overall responsibility from inception for the group's infrastructure and solar business in the UK, Australia, Italy and the US. He oversaw, as a member of the investment committee, more than 100 solar projects representing the group's approximately £1.5 billion solar portfolio and led the IPO of Foresight Solar Fund Limited. Prior to 2007, he led a number of venture capital and private equity transactions in the technology and cleantech sectors representing Foresight Group's funds and was a non-executive director of several companies. Previously, Mr Richards worked at PwC, Citibank and Macquarie, both in London and Sydney. Mr Richards also currently acts as alternative chair of the investment committee of Community Owned Renewable Energy LLP, an investment programme targeting UK solar farms for community ownership.

RACHAEL NUTTER

NON-EXECUTIVE DIRECTOR

Ms Nutter has spent over 20 years in the energy sector and the last 12 years in the renewable and clean energy sector. Ms Nutter is currently general manager of business development for Shell International in the nature based solutions business. Prior to this, she led a global solar business development team in Shell that originated and delivered investments in solar projects and development platforms, having previously led the development of the solar entry strategy for Shell. Ms Nutter also had a role within Shell Ventures, and led the portfolio management of technology demonstration projects and assessment of clean energy commercial opportunities such as biogas for Shell. Prior to re-joining Shell in 2012, she worked at CT Investment Partners, Carbon Trust and PA Consulting Group, having started her career as a petroleum engineer with Shell. Ms Nutter is a board member of the Energy Technologies Institute, a UK public-private partnership to accelerate the commercialisation of low carbon technologies.

JOSEPHINE TAN

NON-EXECUTIVE DIRECTOR

Ms Tan is an experienced corporate finance adviser to junior mining companies and mining focused private equity funds. She is a founding member and chief financial officer of Sandown Bay Resource Capital, a London-based mining private equity firm focused on investments in the junior mining sector. Prior to this, Ms Tan was a senior investment banker at UBS AG in London and Melbourne. During her 10 years at UBS, she worked across various teams and industry sectors, including as part of the European Energy Group, the Global Industrials Group and the Australian Natural Resources Group. She commenced her career at the Boston Consulting Group in Melbourne. Ms Tan was a non-executive director of the Australian Governance Masters Index Fund from 2015 to 2018 and she currently sits on the advisory board of the Australian Governance and Ethical Index Fund, both managed by a subsidiary of Walsh and Company. Ms Tan is not considered independent from the Investment Manager.

3. Principal Risk and Uncertainties

3. Principal Risk and Uncertainties

The Board works closely with the Investment Manager in assessing the risks facing the Company. The Investment Manager and Administrator have established internal controls to mitigate these risks. The Board continually reviews the performance of the Investment Manager and Administrator to ensure that adequate procedures are in place. When required, experts will be employed to gather information, including tax advisers, legal advisers, and environmental advisers.

The potential risks that the Directors consider material to the Company and their associated mitigants are included within the Company's Prospectus dated 26 February 2019. These risks include:

- Sourcing suitable Solar Power Assets
- Valuation of Assets
- Changes to market conditions for the energy industry
- Access to capital from tax equity partners
- Default of developer or Engineering, Procurement, Construction (**EPC**) contractor
- Changes in income tax, the ITC, indirect tax or duty legislation or policy
- Construction or operation issues with Solar Power Assets
- Political risks including Brexit

The current assessment of risks remains unchanged to those outlined in the Company's prospectus.

4. Environmental, Social and Governance

4. Environmental, Social and Governance

USF's investment objective is to provide investors with attractive risk-adjusted and sustainable dividends, with an element of capital growth, by investing in a diversified portfolio of Solar Power Assets. Investing in Solar Power Assets increases renewable energy infrastructure and renewable power generation. The provision of renewable power directly benefits the environment through the reduction in emitted CO2 and also through the obviation of the pollutive effects of fossil-fuel generated power. The simplicity and low-impact nature of solar power contributes to the improvement of the environment for rural communities and cities.

Solar generated electricity replacing fossil-fuel generated electricity has a measurable and positive impact on the environment. We believe that USF, by its very character, is a compelling impact investment.

Core to the Company's investment and environmental objectives is the intention to build a long-term, sustainable business. Accordingly, the Directors and the Investment Manager are committed to managing USF by the core principles of Environmental, Social and Governance (**ESG**) practices, as well as running the business with a focus on overall Sustainability Practices.

ESG PRINCIPLES AT WORK IN USF

Adherence to ESG principles requires US Solar Fund to consider the broader impact of its activities and to incorporate practices to further the aim of these principles.

Firstly, environmental considerations incorporate the impact on both the local environment, as well as global issues like climate change. USF's primary activity is investing in Solar Power Assets which support renewable energy development and provide a clean energy source to communities in rural and metro areas. Further, USF's strategy of owning and operating solar power portfolios directly contributes to the displacement of CO2 emissions and assists states in their transition to a low carbon economy, helping to achieve their respective renewable energy targets.

A specific example of USF's positive environmental impact can be seen in USF's first investment, the Milford Solar project in Utah. Once operational, this project will generate over 277,500 megawatt hours of electricity annually. This volume of electricity is equivalent to displacing approximately 235,000 tonnes of CO2 emissions, powering 31,000 homes, or removing 51,000 cars from the road, every year. [7]

Secondly, social considerations take into account the Company's impact on the local community, job creation, and employee relations. USF is committed to open and strong relationships with the landowners on which its assets are located, as well as those in close proximity to its assets. The company takes a preventative and proactive approach when dealing with health and safety hazards, rigorously implementing safety practices and reporting and improving them. The Company is also committed to making tangible contributions to the prosperity and economic development of the regions in which it operates.

For example, the Company seeks to create quality jobs in the communities in which it operates. It also seeks to partner with educational and research institutions to share insights and data to further advance the solar industry. These partnerships also help USF to continue to improve its practices around land preservation, a key consideration for the Company during the construction phase of solar asset ownership as well as throughout an asset's operational life.

Finally, governance considerations require a company to examine its structure, leadership, shareholder rights and internal controls. USF's Board of Directors is independent of the Investment Manager and seeks to implement a system of rules and practices that preserves the integrity and efficiency of its operations. It is also committed to providing disclosure measures sufficient to meet the interests of stakeholders including security holders, customers, financiers, government, and the community. The Company also considers acquisition and asset management principles and practices as they relate to dealing with anti-corruption, labour standards and other ethical factors.

USF recognizes that these governance considerations are critical to building a successful, long term business.

7 CO2 Emission Reduction is calculated using the United States Environmental Protection Agency's "Avoided Emissions and Generation Tool", which estimates the regional displacement of fossil fuels for a new solar PV installation.

SUSTAINABILITY

The Company invests in Solar Power Assets that typically have an asset life of at least 30 years. As a result, USF is focused on building a business that can make a material and positive impact to, at least, match that time horizon. Accordingly, sustainability is essential to USF's business.

The United Nations says that "sustainable development has been defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs" and that "sustainable development calls for concerted efforts towards building an inclusive, sustainable and resilient future for people and planet.[8] In 2015, the United Nations created a blueprint to address global challenges including poverty, inequality, and climate change, incorporating 17 Sustainable Development Goals (**SDG**). Each goal has specific targets to be achieved within a 15-year timeframe (by 2030).

US Solar Fund is well-aligned with these goals, particularly those concerning the environment (e.g. #13 Climate Action and #7 Affordable and Clean Energy), those concerning social issues (e.g. #8 Decent Work and Economic Growth and #9 Industry Innovation and Infrastructure) and those concerning governance (e.g. #16 Peace, Justice and Strong Institutions). These are just a few of the goals that the US Solar Fund is well-positioned to support. The Company will consider its contribution to the achievement of the United Nations SDG and will report regularly to shareholders on its progress in this regard.

US Solar Fund is committed to reporting regularly on the implementation of these ESG and Sustainability principles in its business and, specifically, in its investment processes and asset management operations. USF believes that it is important to demonstrate to its internal and external stakeholders and, particularly, to its shareholders both what its goals are and how it is meeting them.

8 United Nations Sustainable Development Goals: The Sustainable Development Agenda (https://www.un.org/sustainabledevelopment/development-agenda/)

5. Directors' Report

5. Directors' Report

The Directors present their report together with the audited financial statements for the period from 10 January 2019 (incorporation date) to 30 June 2019 in accordance with section 839 (4) of the Companies Act 2006. This is also the first set of financial information prepared by US Solar Fund Plc and therefore no comparatives are provided.

PRINCIPAL ACTIVITY AND STATUS

US Solar Fund Plc was incorporated as a Public Company, limited by shares, in England and Wales on 10 January 2019 with registered number 11761009. The registered office of the Company is 7th Floor, 9 Berkeley Street, London, W1J 8DW. Its share capital is denominated in US Dollars (**USD** or **$**) and currently consists of ordinary shares. The Company's principal activity is to invest in a diversified portfolio of Solar Power Assets located in North America and other countries forming part of the Organisation for Economic Co-operation and Development (**OECD**) in the Americas.

BUSINESS REVIEW

On 16 April 2019, the Company was admitted to the premium listing segment of the Official List of the FCA and to trading on the main market of the London Stock Exchange.

On 14 June 2019, the Company entered exclusivity with a US-based solar developer, Longroad Energy, to acquire the Milford Solar Project, a 128 MW_{DC} utility-scale solar power project located in the western United States. On 23 July 2019, the Company executed an acquisition agreement for this project.

On 18 June 2019, the Company entered exclusivity with US-based solar developer Cypress Creek Renewables to acquire a portfolio of utility-scale solar power projects located in North Carolina and Oregon.

During the period the Company established a wholly owned subsidiary, USF Holding Corp and invested $50 million into the entity. The Chair's statement and Investment Manager's report expands on the business activity and acquisitions in the period.

RESULTS AND DIVIDENDS

The Company generated a small net gain of $8,203 (0.004c per share) during the period. Interest income of $697,161 and a small net gain from investments of $45,878 was offset by operating expenses of $582,799 and a foreign exchange mark-to-market loss of $152,037 on funds that were retained in GBP. The financial statements of the Company are presented on pages 29-46.

On 18 September 2019, the Board approved an interim dividend of 0.41 cents per share for the period ending 30 June 2019. This represents an annualized dividend yield of 2% when measured against the initial issue price of $1 per share. The dividend will be paid on 8 November 2019.

SHARE CAPITAL

As at 30 June 2019, 200 million ordinary shares were on issue and no other classes of shares were in issue at that date.

Following a successful application to the High Court and lodgement of the Company's statement of capital with the Registrar of Companies, the Company was permitted to cancel its share premium account. This was effected on 21 June 2019 by a transfer of the balance of $194 million from the share premium account to the capital reduction reserve (refer to note 17). The capital reduction reserve is classed as a distributable reserve and dividends to be paid by the Company are to be offset against this reserve.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for financial reporting and controls, including the approval of the Annual Report and Accounts, the dividend policy, any significant changes in accounting policies or practices, and treasury policies including the use of derivative financial instruments. During the period the Board has carried out a robust assessment of the principal risks and uncertainties facing the Company and how they are being mitigated, as described in note 15.

In light of the Company's current position and principal risks and uncertainties, the Board has assessed the prospects of the Company for a period of 12 months from the date of this report, reviewing the Company's liquidity position, together with forecasts of the Company's future performance under various scenarios. The Board has concluded there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities over that period. The Board has also assessed the prospects of the Company over a longer period than the going concern review and has a reasonable expectation that the Company will be able to continue in business over the five year period examined in that assessment. Whilst the Board has no reason to believe the Company will not be viable over a longer period, given the inherent uncertainty involved, the Board considers five years as the appropriate period over which it is possible for form a reasonable expectation as to the Company's longer term viability.

DIRECTORS

All Directors are non-executive Directors.

The Company maintains £20 million of Directors' and Officers' Liability Insurance cover for the benefit of the Directors, which was in place throughout the period and which continues in effect at the date of this report.

Details of the fees paid to Directors in the period are set out below:

DIRECTOR	ANNUAL FEE (£)	RECEIVED IN PERIOD ENDED 30 JUNE 2019 (£)
Gillian Nott*	60,000	22,308
Jamie Richards**	50,000	18,590
Rachael Nutter	40,000	14,872
Josephine Tan	40,000	14,872

*This includes £20,000 per annum in respect of serving as Chair of the Board.

*This includes £10,000 per annum in respect of serving as Chair of the Audit committee.

In accordance with FCA Listing Rules 9.8.6(R)(1), Directors' interest in the shares of the Company (in respect of which transactions are notifiable to the Company under FCA Disclosure and Transparency Rule 3.1.2(R)) as at 30 June 2019 are shown below:

DIRECTOR	NUMBER OF ORDINARY SHARES	PERCENTAGE OF ISSUED SHARE CAPITAL
Gillian Nott	66,000	0.03%
Jamie Richards	65,495	0.03%
Rachael Nutter	26,196	0.01%
Josephine Tan	26,196	0.01%

SIGNIFICANT SHAREHOLDINGS

As at 30 June 2019 the Directors have been notified that the following shareholders have a disclosable interest of 3% or more in the ordinary shares of the Company:

SHAREHOLDER	NUMBER OF ORDINARY SHARES	PERCENTAGE OF ISSUED SHARE CAPITAL
Bank of New York (OCS) Nominees Limited	31,003,862	15.50%
The Bank Of New York (Nominees) Limited	18,250,371	9.13%
New Energy Solar Fund	15,000,000	7.50%
The Bank Of New York (Nominees) Limited	13,398,332	6.70%
Walsh & Company Investments Limited	10,000,000	5.00%
HSBC Global Custody Nominee (UK) Limited	8,954,865	4.48%
Nortrust Nominees Limited	8,859,375	4.43%
Harewood Nominees Limited	8,800,000	4.40%
Bbhisl Nominees Limited HSBC Institutional Fund Services	6,240,000	3.12%
Nortrust Nominees Limited	6,192,375	3.10%

GOING CONCERN

The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the financial statements and related notes. In addition, note 15 to the financial statements includes the policies and processes for managing its capital, its financial risk management, details of its financial instruments and its exposure to credit risk and liquidity risk. The Company has sufficient financial resources and expectation of growth in the medium-term to meet its financial obligations. As such the Directors believe that the Company will continue into the foreseeable future and have adopted the going concern basis of preparation in preparing these financial statements.

POLITICAL CONTRIBUTIONS

The Company made no political contributions during the period.

EMPLOYEES

The Company has no employees and therefore no employees share scheme or policies for the employment of disabled persons or employee engagement.

OTHER DISCLOSURES

Disclosures of financial risk management objectives and policies and exposure to financial risks are included in note 15 to the financial statements.

Disclosures in relation to the Company's business model and strategy as well as disclosures in relation to the main industry trends and factors that are likely to affect the future performance and position of the business have been included within the Investment Manager's report on page 5. Disclosures in relation to environmental matters, employees, social and human rights issues and employee diversity have not been included, as the Directors do not consider these to be relevant to the Company at this point in time.

PUBLICATION OF NON STATUTORY ACCOUNTS

The financial information contained in this half-yearly report relating to the period ended 30 June 2019 do not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The financial information is however being used as initial accounts in line with section 839 of the Companies Act 2006.

DISCLOSURE OF INFORMATION TO AUDITORS

All of the Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

Signed by order of the Board,

GILL NOTT
Chair

Date: 18 September 2019

6. Directors' Responsibility Statement

6. Directors' Responsibility Statement

The Directors are responsible for preparing the half yearly report and financial statements in accordance with applicable law and regulations.

As a company listed on the London Stock Exchange, US Solar Fund Plc is subject to the FCA's Listing Rules and Disclosure and Transparency Rules, as well as to all applicable laws and regulations in England and Wales where it is registered.

The half yearly report and financial statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) as adopted by the European Union. Under company law, the Directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the Company and of the profit or loss for the period. In preparing these financial statements, the Directors should:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable;
- specify which generally accepted accounting principles have been adopted in their preparation; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which are sufficient to show and explain the Company's transactions and are to disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing the half yearly report and financial statements and the Directors confirm that they consider that, taken as a whole, the half yearly report and financial statements is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy. In accordance with the FCA's Disclosure and Transparency Rules, the Directors confirm to the best of their knowledge that:

a) the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company taken as a whole;

b) The half year report and accounts include a fair view of important events that have occurred during the first period of the financial period, and their impact on the set of financial statements, and description of the principal risks and uncertainties for the remaining six months of the financial year; and

c) The half year report and accounts include the related parties' transactions that have taken place in the first period of the financial period and that have materially affected the financial position or the performance of the enterprise during that period.

The Directors have acknowledged their responsibilities in relation to the financial statements for the period to 30 June 2019.

Signed by order of the Board,

GILL NOTT
Chair

Date: 18 September 2019

7. Report of the Independent Auditor

7. Report of the Independent Auditor to the members of US Solar Fund plc under Section 839(5) of the Companies Act 2006

We have examined the initial accounts of US Solar Fund plc for the period from 10 January 2019 to 30 June 2019 which comprises the Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes 1 to 22. The initial accounts have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As described in the Directors' responsibilities statement, the Directors are responsible for the preparation of the initial accounts in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Our responsibility is to report to you our opinion as to whether the initial accounts have been properly prepared within the meaning of section 839(4) of the Companies Act 2006.

OPINION

In our opinion the initial accounts for the period from 10 January 2019 to 30 June 2019 have been properly prepared in accordance with section 839(4) of the Companies Act 2006.

USE OF OUR REPORT

This report is made solely to the company in accordance with section 839(5) of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters that we are required to state to it in an auditor's report on initial accounts and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our audit work, for this report, or for the opinions that we have formed.

Deloitte LLP.

ANTHONY MATTHEWS FCA
(Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London

Date: 19 September 2019

8. Independent Review Report

8. Independent Review Report to US Solar Fund plc

We have been engaged by the company to review the financial statements in the half-yearly financial report for the period ended 30 June 2019 which comprises the Statement of Profit and Loss and other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and related notes 1 to 22. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

DIRECTORS' RESPONSIBILITIES

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the company are prepared in accordance with International Financial Reportings Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report have been prepared in accordance with IFRSs as adopted by the European Union.

OUR RESPONSIBILITY

Our responsibility is to express to the Company a conclusion on the set of financial statements in the half-yearly financial report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, 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 International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the financial statements in the half-yearly financial report for the period ended 30 June 2019 is not prepared, in all material respects, in accordance with IFRS as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

USE OF OUR REPORT

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP

DELOITTE LLP
Statutory Auditor
London, UK

Date: 19 September 2019

Financial Statements

9. Statement of Profit and Loss and Other Comprehensive Income

	Notes	10 January 2019 to 30 June 2019
		USD
Net gain on investments at fair value through profit and loss	10	45,878
Interest income	6	697,161
		743,039
Expenditure		
Administrative and other expenses	7	(582,799)
Operating profit for the period		**160,240**
Loss on foreign exchange		(152,037)
Profit before taxation		**8,203**
Taxation	8	–
Profit and Total Comprehensive Income for the period		8,203
Earnings per share (basic and diluted)	9	(0.000)

All items dealt with in arriving at the result for the period relate to continuing operations.

The notes on pages 34 to 46 form an integral part of these financial statements

10. Statement of Financial Position

	Notes	30 June 2019
		USD
Non-current assets		
Investment held at fair value	10	65,045,878
		65,045,878
Current assets		
Trade and other receivables	11	490,377
Cash and bank balances	12	131,023,974
		131,514,351
Total assets		**196,560,229**
Current liabilities		
Trade and other payables	13	552,026
Net current assets		**130,962,325**
Total net assets		**196,008,203**
Shareholders equity		
Share capital	17	2,000,000
Capital reduction reserve	17	194,000,000
Retained earnings	18	8,203
Total shareholders equity		**196,008,203**
Net asset value per share	19	0.98

The financial statements of US Solar Fund Plc (registered number 11761009) were approved by the Board of Directors and authorised for issue on 18 September 2019. They were signed on its behalf by:

GILL NOTT
Director

Date: 18 September 2019

The notes on pages 34 to 46 form an integral part of these financial statements.

11. Statement of Changes in Equity

	Notes	Share capital	Share premium	Capital reduction reserve	Retained earnings	Total equity
		USD	**USD**	**USD**	**USD**	**USD**
Balance at 10 January 2019		**–**	**–**	**–**	**–**	**–**
Issue of share capital	17	2,000,000	198,000,000			200,000,000
Equity issue costs	17	–	(4,000,000)	–	–	(4,000,000)
Transfer to capital reduction reserve	17	–	(194,000,000)	194,000,000	–	–
Total comprehensive income for the period		–	–	–	8,203	8,203
Balance at 30 June 2019		**2,000,000**	**–**	**194,000,000**	**8,203**	**196,008,203**

The notes on pages 34 to 46 form an integral part of these financial statements.

12. Statement of Cash Flows

	10 January 2019 to 30 June 2019
	USD
Cash flows from operating activities	
Profit for the period	8,203
Adjustments for:	
Net gain on investments at fair value through profit and loss	(45,878)
Losses on foreign exchange	152,037
Operating cash flows before movements in working capital	**114,362**
Increase in trade and other receivables	(381,490)
Increase in trade and other payables	552,026
Increase in interest receivable	(108,887)
Net cash generated in operating activities	**176,011**
Cash flows used in investing activities	
Investment in equity of subsidiary	(50,000,000)
Loan advanced to subsidiary	(15,000,000)
Net cash outflow from investing activities	**(65,000,000)**
Cash flows used in financing activities	
Proceeds from issue of ordinary shares at a premium	200,000,000
Share issue costs	(4,000,000)
Net cash inflow from financing activities	**196,000,000**
Net increase in cash and cash equivalents for the period	**131,176,011**
Effect of foreign exchange rate movements	(152,037)
Cash and cash equivalents at the beginning of the period	–
Cash and cash equivalents at the end of the period	**131,023,974**

The notes on pages 34 to 46 form an integral part of these financial statements.

Notes to the Financial Statements

13. Notes to the Financial Statements

FOR THE PERIOD FROM 10 JANUARY 2019 (INCORPORATION DATE) TO 30 JUNE 2019

1. GENERAL INFORMATION

US Solar Fund Plc was incorporated as a Public Company, limited by shares, in England and Wales on 10 January 2019 with registered number 11761009. The registered office of the Company is 7th Floor, 9 Berkeley Street, London, W1J 8DW. Its share capital is denominated in US Dollars and currently consists of ordinary shares. The Company's principal activity is to invest in a diversified portfolio of Solar Power Assets located in North America and other countries forming part of the Organisation for Economic Co-operation and Development in the Americas.

2. BASIS OF PREPARATION

The initial financial statements have been prepared in accordance with International Financial Reporting Standards and interpretations adopted by the European Union. The financial statements have been prepared on a historical cost basis. The principal accounting policies are set out in Note 5.

FUNCTIONAL AND PRESENTATION CURRENCY

The currency of the primary economic environment in which the Company operates (the functional currency) is US Dollar which is also the presentation currency.

GOING CONCERN

In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. In addition, note 15 to the financial statements includes the policies and processes for managing its capital, its financial risk management, details of its financial instruments and its exposure to credit risk and liquidity risk. After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider the Company to have adequate resources to continue in operational existence for the foreseeable future. As such, they have adopted the going concern basis in preparing the half yearly report and financial statements.

ASSESSMENT AS AN INVESTMENT ENTITY

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them unless they provided investment related services to the Company. To determine that the Company continues to meet the definition of an investment entity, the Company is required to satisfy the following three criteria:

a) the Company obtains funds from one or more investors for the purpose of providing those investors with investment management services;

b) the Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

c) the Company measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company meets the criteria as follows:

- the stated strategy of the Company is to deliver stable returns to shareholders through investing in a diversified portfolio of utility scale solar power plants and associated infrastructure, which may include transmission and storage (e.g. batteries) assets which will typically be co-located with the solar power plant (together, **Solar Power Assets**) located in North America and other OECD countries in the Americas;

- the Company provides investment management services and has several investors who pool their funds to gain access to infrastructure related investment opportunities that they might not have had access to individually; and

- the Company has elected to measure and evaluate the performance of all of its investments on a fair value basis. The fair value method is used to represent the Company's performance in its communication to the market, including investor presentations. In addition, the Company reports fair value information internally to Directors, who use fair value as the primary measurement attribute to evaluate performance.

The Directors are of the opinion that the Company has all the typical characteristics of an investment entity and continues to meet the definition in the standard. This conclusion will be reassessed on an annual basis.

In respect of the second criterion the Company's purpose is to invest funds for returns from capital appreciation and investment income. In respect of the requirement that investments should not be held indefinitely but should have an exit strategy for their realisation the Company has started investing in solar projects. The Company may hold these assets until the end of their expected useful lives, unless there is an opportunity in the market to dispose of the investments at a price that is considered appropriate. There continues to be an active secondary market for renewables projects in the countries in which we operate.

As at 30 June 2019, the Company only had one subsidiary, USF Holding Corp. Being an investment entity, it is measured at fair value as opposed to being consolidated on a line-by-line basis, meaning its cash, debt and working capital balances are included in the fair value of investments rather than the Group's current assets.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. During the current period, no critical judgements were made in the application of the accounting policies as per note 5.

During the period the Directors considered the following significant judgements, estimates and assumptions:

KEY SOURCE OF ESTIMATION UNCERTAINTY

The valuation of the investment in subsidiary is based on the net asset value of the subsidiary as at 30 June 2019 and as such, no significant judgement/estimates has been applied in determining the fair value of the instruments.

4. NEW AND REVISED STANDARDS AND INTERPRETATIONS

NEW AND REVISED IFRSS IN ISSUE BUT NOT YET EFFECTIVE

There are no standards, amendments or interpretations in issue at the reporting date which have been issued but are not yet effective and that are deemed to be material to the Company.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the financial statements have been consistently applied during the period ended 30 June 2019.

The principal accounting policies applied in the preparation of the financial statements are set out below:

INCOME

Income comprises interest income (bank interest and loan interest). Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Loan interest income is accrued, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

No income is earned from contracts with customers and as such IFRS 15 has not been applied.

EXPENSES

Operating expenses are the Company's costs incurred in connection with the on-going management of the Company's investments and administrative costs. Operating expenses are accounted for on an accruals basis.

The Company's management and administration fees, finance costs and all other expenses are charged through the Statement of Profit and Loss and Other Comprehensive Income.

Directly attributable acquisition costs of assets are capitalised on purchase of assets. Costs directly relating to the issue of Ordinary Shares are charged to share premium.

NET GAIN OR LOSS ON INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

The Company recognises movements in the fair value of investments in subsidiaries through profit and loss.

TAXATION

The Company is approved as an Investment Trust Company under sections 1158 and 1159 of the Corporation Taxes Act 2010 and Part 2 Chapter 1 Statutory Instrument 2011/29999 for accounting periods commencing on or after 25 May 2018. The approval is subject to the Company continuing to meet the eligibility conditions of the Corporations Tax Act 2010 and the Statutory Instrument 2011/29999. The

Company intends to ensure that it complies with the Investment Trust Company regulations on an ongoing basis and regularly monitors the conditions required to maintain Investment Trust Company status.

From 1 April 2015 there is a single corporation tax rate of 19%. Tax is recognised in the Statement of Profit and Loss and Other Comprehensive Income except to the extent that it relates to the items recognised as direct movements in equity, in which case it is similarly recognised as a direct movement in equity. Current tax is the expected tax payable on any taxable income for the period, using tax rates enacted or substantively enacted at the end of the relevant period.

INVESTMENT IN SUBSIDIARIES

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the subsidiary entity and has the ability to affect those returns through its power over the subsidiary entity. In accordance with the exception under IFRS 10 Consolidated financial statements, the Company is an investment entity.

The Company does not have any subsidiaries that provide investment management services and are not themselves investment entities. As a result the Company does not consolidate any of its subsidiaries.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and deposits held with the bank.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised initially at fair value and subsequently stated at amortised cost less loss allowance which is calculated using the provision matrix of the expected credit loss model.

TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at fair value and subsequently stated at amortised cost.

EQUITY

Equity instruments issued by the Company are recorded at the amount of the proceeds received, net of directly attributable issue costs. Costs not directly attributable to the issue are immediately expensed in the Statement of Profit and Loss and Other Comprehensive Income. The Company's capital is represented by the Ordinary Shares, Share Premium (until cancellation), Accumulated losses and Capital Reduction Reserve.

FINANCIAL INSTRUMENTS

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of amortised cost or fair value through profit or loss.

FINANCIAL ASSETS

The Company classifies its financial assets at amortised cost or fair value through profit or loss on the basis of both:

- the entity's business model for managing the financial assets
- the contractual cash flow characteristics of the financial asset

FINANCIAL ASSETS MEASURED AT AMORTISED COST

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category short-term non-financing receivables including cash, trade and other receivables.

FINANCIAL ASSET MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (**FVPL**)

A financial asset is measured at fair value through profit or loss if:

a) its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (**SPPI**) on the principal amount outstanding; or

b) it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or

c) it is classified as held for trading (derivative contracts in an asset position).

The Company's investment in subsidiaries (which comprises both debt and equity) is held at fair value through profit or loss under IFRS 9 as the equity portion of the investment does not meet the SPPI test nor will the Company elect to designate the investments at fair value through other comprehensive income. The debt investment forms part of a group of assets that are managed and the performance evaluated on a fair value basis.

The Company includes in this category equity instruments including investments in subsidiaries (which comprises both debt and equity). There are no consolidated subsidiaries.

FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

This category includes all financial liabilities, other than those measured at fair value through profit or loss, including short-term payables.

RECOGNITION AND DERECOGNITION

Financial assets are recognised on trade date, the date on which the Company commits to purchase or sell an asset. A financial asset is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

IMPAIRMENT OF FINANCIAL ASSETS

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, there has been no impairment loss identified. Investments held at fair value through profit or loss is not subject to IFRS 9 impairment requirements.

For interest receivables on cash balances, the Company expected credit loss (**ECL**) uses a 12 month expected loss allowance for all interest receivables. The Company has completed some high-level analysis and forward looking qualitative and quantitative information, to determine if the interest receivable is low credit risk. Based on this analysis the ECL on interest receivable is not material and therefore no impairment adjustments were accounted for.

FAIR VALUE MEASUREMENT AND HIERARCHY

Fair value is the price that would be received on the sale of an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market. It is based on the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. A fair value measurement of a non-financial asset takes into account the best and highest value use for that asset.

The fair value hierarchy to be applied under IFRS 13 is as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are carried at fair value and which will be recorded in the financial information on a recurring basis, the Company will determine whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

6. INCOME

	30 June 2019 USD
Bank interest	687,401
Loan interest	9,760
Other income	–
	697,161

7. ADMINISTRATIVE AND OTHER EXPENSES

	30 June 2019 USD
Administrative fees	28,253
Director & officer insurance	9,764
Directors fees	67,446
Fees payable to the Company's auditor for the review of the Company's financial statements	25,435
Investment Management expenses	13,295
Investment Management fees	408,978
Sundry expenses	29,628
	582,799

The Company has no employees and therefore no employee related costs have been incurred.

8. TAXATION

The Company is recognised as an Investment Trust Company for accounting periods beginning on or after 10 January 2019 and is taxed at the main rate of 19%. An ITC may claim a tax deduction for the distribution of income that arises from interest receipts on the loan notes. Therefore, no corporation tax charge has been recognised for the Company for the period to 30 June 2019.

		30 June 2019 USD
a) Tax charge in profit or loss		
UK corporation tax		–
b) Reconciliation of the tax charge for the period		
Profit before tax		8,203
Tax at UK main rate of 19%	19%	1,559
Tax effect of:		
Tax relief/designated as interest distributions	(19%)	(1,559)
Tax charge for the period	**–%**	**–**

9. EARNINGS PER SHARE

Earnings per share amounts are calculated by dividing the profit or loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	30 June 2019 USD
Net profit attributable to ordinary shareholders	8,203
Weighted average number of ordinary shares for the period	200,000,000
Earnings per share – Basic and diluted	**(0.000)**

10. INVESTMENT IN SUBSIDIARY

	Place of business	Percentage ownership
USF Holding Corp. Delaware, US	Delaware	100%

	Equity acquisitions during the period USD	Loans: principal advanced USD	Opening equity and loans USD	Fair value movement USD	Closing balance: equity and loans USD
USF Holding Corp. Delaware, US	50,000,000	15,000,000	65,000,000	45,878	**65,045,878**

On 20 May 2019, the Company issued a loan of $15 million to its subsidiary USF Holding Corp. The capital portion of the loan is repayable in 7 years from 20 May 2019. The loan bears interest at a rate of 5%, payable semi-annually in arrears.

On 28 June 2019, the Company entered into a Management Services Agreement (**MSA**) with its subsidiary USF Holding Corp. The fair value movement in the period to 30 June 2019 includes an MSA fee of $643,197.

The Company meets the definition of an investment entity. Therefore, it does not consolidate its subsidiaries but, rather, recognises them as investments at fair value through profit or loss. The Company is not contractually obligated to provide financial support to the subsidiary and there are no restrictions in place in passing monies up the structure.

11. TRADE AND OTHER RECEIVABLES

	30 June 2019 USD
Deposit interest receivable	99,127
Intercompany loan interest receivable	9,760
Other receivables	155,053
Prepayments	36,863
VAT receivable	189,574
	490,377

12. CASH AND CASH EQUIVALENTS

	30 June 2019 USD
Cash at bank	55,608,102
Deposits held at bank	75,415,872
	131,023,974

13. TRADE AND OTHER PAYABLES

	30 June 2019 USD
Creditors and Operating Accruals	143,048
Management Fee Accrual	408,978
	552,026

14. CATEGORIES OF FINANCIAL INSTRUMENTS

	30 June 2019 USD
Financial assets	
Financial assets at fair value through profit and loss:	
Investment in subsidiary	65,045,878
Financial assets at amortised cost:	
Trade and other receivables	453,514
Cash at bank	131,023,974
Total financial assets	**196,523,366**
Financial liabilities	
Financial liabilities at amortised cost:	
Trade and other payables	552,026
Total financial liabilities	**552,026**

At the balance sheet date, all financial assets and liabilities were measured at amortised cost except for the investment in subsidiary which is measured at fair value as further explained in note 16.

15. FINANCIAL RISK MANAGEMENT

The Company is exposed to certain risk through the ordinary course of business and the Company's financial risk management objective is to minimise the effect of these risks. The management of risks is performed by the Directors of the Company and the exposure to each financial risk considered potentially material to the Company, how it arises and the policy for managing it is summarised below:

CREDIT RISK

The Company is exposed to third party credit risk in several instances and the possibility that counterparties with which the Company and its subsidiaries, together the Group, contracts may default or fail to perform their obligations in the manner anticipated by the Group.

Counterparty Credit Risk exposure limits are determined based on the credit rating of the counterparty. Counterparties are assessed and monitored on the basis of their ratings from Standard & Poor's and/or Moody's. No financial transactions are permitted with counterparties with a credit rating of less than BBB- from Standard & Poor's or Baa3 from Moody's unless specifically approved by the Board.

Cash and other assets that are required to be held in custody will be held at bank. Cash and other assets may not be treated as segregated assets and will therefore not be segregated from the banks own assets in the event of the insolvency of a custodian. Cash held with the bank will not be treated as client money subject to the rules of the FCA and may be used by the bank in the ordinary course of its own business. The Company will therefore be subject to the creditworthiness of the bank. In the event of the insolvency of the bank, the Company will rank as a general creditor in relation thereto and may not be able to recover such cash in full, or at all.

Credit risk is managed by diversifying exposures among a portfolio of counterparties and through applying credit limits to those counterparties with lower credit standing.

Credit exposures may also be managed using credit derivatives.

Cash and bank deposits are held with major international financial institutions who each hold a Moody's credit rating of A2 or higher.

LIQUIDITY RISK

The objective of liquidity management is to ensure that all commitments which are required to be funded can be met out of readily available and secure sources of funding. The Company's only financial liabilities are trade and other payables. The Company intends to hold sufficient cash across operating accounts to meet the working capital needs over a horizon of at least the next 6 months. Cash flow forecasts are prepared on a six-monthly basis to assist in the ongoing analysis of daily cash flow.

The following table reflects the maturity analysis of financial assets and liabilities.

As at 30 June 2019	**< 1 year USD**	**1 to 2 years USD**	**2 to 5 years USD**	**> 5 years USD**	**Total USD**
Financial assets					
Financial assets at fair value through profit and loss:					
Investment in subsidiary*	–	–	–	15,000,000	15,000,000
Financial assets at amortised cost:					
Trade and other receivables	453,514	–	–	–	453,514
Cash at bank	131,023,974	–	–	–	131,023,974
Total financial assets	**131,477,488**	**–**	**–**	**15,000,000**	**146,477,488**
Financial liabilities					
Financial liabilities at amortised cost:					
Trade and other payables	552,026	–	–	–	552,026
Total financial liabilities	**552,026**	**–**	**–**	**–**	**552,026**

*excludes the equity portion of the investment in subsidiary

MARKET RISK

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk and other price risks. The objective is to minimise market risk through managing and controlling these risks to acceptable parameters, while optimising returns. The Company uses financial instruments in the ordinary course of business, and also incurs financial liabilities, in order to manage market risks.

PRICE RISK

Price risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. At 30 June 2019, the Company had no investments and the effect of price risk on the Company was considered immaterial.

Electricity price risk refers to the potential for variations in electricity prices, both on a spot and contract (forward) basis, to produce variations in electricity revenues.

All assets to be acquired will be subject to PPAs with a minimum term of 10 years. Wherever possible, the Company is to seek to extend existing PPAs, or sign new PPAs on a forward basis. Where an asset is not subject to a PPA for a period, The Company may hedge the electricity price risk with electricity price / weather-linked derivative instruments up to 100% of expected revenues for a tenor of up to five years.

The Company intends to hold insurance policies which provide protection from business disruption or implied shortfalls on generation obligations in specific circumstances.

INTEREST RATE RISK

Interest Rate Risk is the risk of changes in the interest expense for debt, or interest received on deposits, as measured in the currency of that debt, due to movements in market interest rates.

The Company does not have any borrowings as at 30 June 2019. The Company may manage the cost of borrowing by borrowing using fixed rate instruments, and/or by overlaying interest rate derivatives against The Company's debt portfolio. Policy limits for the maximum and minimum levels of hedging relative to the expected net debt profile for rolling multi-year periods.

In considering whether to execute hedging transactions, the costs and benefits of hedging will be balanced against the effects of movements in interest rates on the debt portfolio.

The Company may be exposed to changes in variable market rates of interest as this could impact the discount rate and therefore the valuation of the projects as well as the fair value of the loan to subsidiary.

CURRENCY RISK

The Net Asset Value of the Company is calculated in US Dollars whereas the financial instruments at period end may be in other currencies. The value in terms of USD of the financial instruments of the Company, which may be designated in any currency, may rise and fall due to exchange rate fluctuations of individual currencies. Adverse movements in currency exchange rates can result in a decrease and loss of capital.

As at 30 June 2019 the Company's net currency exposure was as follows:

As at 30 June 2019	**USD**	**%**
British Pound	54,008	0.03%

CAPITAL RISK MANAGEMENT

The capital structure of the Company at year end consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and accumulated loss. The Company has no return on capital benchmark, but the Board continues to monitor the balance of the overall capital structure so as to maintain investor and market confidence. The Company is not subject to any external capital requirements.

16. FAIR VALUE MEASUREMENT

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose significance of the inputs is assessed against the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs or any other significant unobservable inputs, that measurement is a Level 3 measurement.

The following table analyses within the fair value hierarchy the Company's assets measured at fair value at 30 June 2019:

	Level 1 USD	**Level 2 USD**	**Level 3 USD**
Investment in subsidiary	–	–	65,045,878

The investment at fair value through profit or loss is a Level 3 in the fair value hierarchy and the reconciliation in the movement of this Level 3 investment is presented below. No transfers between levels took place during the period.

	30 June 2019 USD
Opening balance	–
Add: purchases during the year	50,000,000
Add: loans advanced	15,000,000
Total fair value movement through the profit or loss	45,878
Closing balance	**65,045,878**

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Per the valuation policy, given the long-term nature of the assets, the valuation inputs are assessed using long-term historical data to reflect the asset life. Where possible, assumptions are based on observable market and technical data.

The valuation at 30 June 2019 reflecting the status of the investments to date was determined using the Net Assets methodology, whereby the fair value is based on the Net Asset Value of the investment.

This methodology involves deriving the value of an investment by reference to the value of its net assets. This methodology is likely to be appropriate for an investment whose value is derived mainly from the underlying value of its assets rather than its earnings, such as holding companies and investment businesses. In using the Net Assets methodology to estimate the Fair Value of the Investment, the Valuer should:

- Derive the Gross Enterprise Value for the entity using appropriate measures to value its assets and liabilities (including, if appropriate, contingent assets and liabilities);
- Deduct from the Gross Enterprise Value all amounts relating to financial instruments ranking ahead of the highest ranking instrument of the investor in a liquidation in order to derive the Net Attributable Enterprise Value;
- Apportion the Net Attributable Enterprise Value appropriately between the relevant financial instruments.

There has been no change in the valuation methodology during the period.

17. SHARE CAPITAL

	Ordinary shares Number	Share capital USD	Share premium USD	Capital reduction reserve USD	Total shareholders equity USD
As at 10 January 2019	–	–	–	–	–
Issue of fully paid ordinary shares at USD0.01	200,000,000	2,000,000	198,000,000	–	200,000,000
Equity issue costs	–	–	(4,000,000)	–	(4,000,000)
Transfer to capital reduction reserve	–	–	(194,000,000)	194,000,000	–
As at 30 June 2019	**200,000,000**	**2,000,000**	**–**	**194,000,000**	**196,000,000**

Share capital and share premium account and capital reduction reserve

On incorporation the Company issued 1 ordinary share of $0.01 which was fully paid up.

On 10 April 2019, the Board approved the proposed placing and offer for subscription (together the **Placing**) of up to 200 million ordinary shares of $0.01 each in the capital of the Company at a price of $1 per ordinary share, raising gross proceeds from the Placing of $200 million.

Following a successful application to the High Court and lodgement of the Company's statement of capital with the Registrar of Companies, the Company was permitted to cancel its share premium account. This was effected on 21 June 2019 by a transfer of the balance of $194 million from the share premium account to the capital reduction reserve. The capital reduction reserve is classed as a distributable reserve and dividends to be paid by the Company are to be offset against this reserve.

18. RESERVES

The nature and purpose of each of the reserves included within equity at 30 June 2019 are as follows:

- Share premium reserve: represents the surplus of the gross proceeds of share issues over the nominal value of the shares, net of the direct costs of equity issues and net of conversion amount.
- Capital reduction reserve: represents a distributable reserve created following a Court approved reduction in capital.
- Retained earnings represent cumulative net gains and losses recognised in the Statement of Profit and Loss and Other Comprehensive Income.

The only movements in these reserves during the period are disclosed in the statement of changes in equity.

19. NET ASSET VALUE PER SHARE

Basic NAV per share is calculated by dividing the Company's net assets as shown in the statement of financial position that are attributable to the ordinary equity holders of the Company by the number of ordinary shares outstanding at the end of the period. As there are no dilutive instruments outstanding, basic and diluted NAV per share are identical.

	30 June 2019 USD
Net assets per Statement of Financial Position	196,008,203
Ordinary shares in issue as at 30 June 2019	200,000,000
NAV per share – Basic and diluted	**0.98**

20. TRANSACTIONS WITH RELATED PARTIES

Following admission of the ordinary shares (refer to note 17), the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company. The Company does not have an ultimate controlling party.

Details of related parties are set out below:

NON-EXECUTIVE DIRECTORS

Directors are paid fees of GBP40,000 per annum. In addition to this, Gillian Nott receives £20,000 per annum in respect of serving as Chair of the Board and Jamie Richards receives £10,000 per annum in respect of serving as Chair of the Audit committee.

Total Director's fees of $67,446 were incurred in respect of the period with none being outstanding and payable at the period.

SUBSIDIARY

On 20 May 2019, the Company issued a loan of $15 million to its subsidiary USF Holding Corp. Refer to note 10 for further detail.

INVESTMENT MANAGER

The Investment Manager is entitled to management fees under the terms of the Investment Management Agreement. The Company shall pay to the Investment Manager an annual fee (exclusive of value added tax, which shall be added where applicable) payable quarterly in arrears calculated at the rate of:

Assets under management	Fee based on NAV
< $500 million	1.0% per annum
$500 million to $1 billion	0.9% per annum
> $1 billion	0.8% per annum

Based on the Net Asset Value on the last Business Day of the relevant quarter.

The Management Fee due in respect of each quarter shall be invoiced by the Manager to the Company as at the final Business Day of the relevant quarter, and shall be due and payable in the following manner:

a) no later than 10 Business Days after the Payment Date, 90 percent of the Management Fee shall be paid to the Manager in cash to such bank account as the Manager may nominate for this purpose; and

10 percent of the Management Fee shall be paid to the Manager or an Associate (as directed by the Manager) in the form of Ordinary in accordance with the provisions stated in the Investment Management Agreement.

For the avoidance of doubt, where there are C Shares in issue, the advisory fee will be charged on the Net Asset Value attributable to the Ordinary Shares and C Shares respectively.

A management fee of $408,978 was incurred during the period and remained payable at 30 June 2019.

In addition to the management fee, the Manager shall also be entitled to payment of the following:

a) a fee for any successful arrangement of debt services payable at a rate of 0.5% of the debt face value; and

b) a fee for any oversight of asset construction services payable at market rates, negotiated on an arms' length basis and subject to the approval of the Board.

c) no debt services fees and no asset construction services fees were earned during the period.

21. CAPITAL COMMITMENTS

The Company had no contingencies and no other significant capital commitments at the reporting date.

22. POST BALANCE SHEET EVENTS

On 18 June 2019, the Company entered exclusivity with US-based solar developer Cypress Creek Renewables to acquire a portfolio of utility-scale solar power projects located in North Carolina and Oregon.

On 2 September 2019, the Company closed the acquisition and financing of 100% of the cash equity interests in the 128 MW_{DC} Milford Solar Project. Construction is expected to begin immediately with full commercial operations expected before the end of 2020. The Company will fund the acquisition and construction of Milford with initial equity of approximately $30m alongside non-recourse construction debt provided by Zions Bancorporation N.A. and KeyBank N.A. as Joint Lead Arrangers. Once complete, approximately $50m of the construction debt will convert to non-recourse senior debt provided by the same lender group. Wells Fargo, an established and consistent leader in renewable energy and cleantech financing since 2006, has committed to provide tax equity funding for Milford upon achievement of construction milestones.

On 18 September 2019, the Board approved an interim dividend of 0.41 cents per share for the period ending 30 June 2019. This represents an annualized dividend yield of 2% when measured against the initial issue price of $1 per share. The dividend will be paid on 8 November 2019.

There were no further events after reporting date which requires disclosure.

14. Directors and advisers

DIRECTORS

Appointed: 15 February 2019
Gillian Nott
Jamie Richards
Rachael Nutter
Josephine Tan

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ADMINISTRATOR AND SECRETARY

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JOINT CORPORATE BROKERS

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Macquarie Capital (Europe) Limited
(from 2 July 2019)
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