

US Solar
Fund

Attractive and sustainable returns from US solar power

Quarterly Update | 30 June 2022

Second Quarter Update

USF Quarter Highlights

- **NAV update:** US Solar Fund's (USF or the Company) unaudited NAV at 30 June 2022 was \$321.2 million or \$0.967 per share, marginally higher than the 31 March 2022 NAV of \$321.1 million or \$0.967 per ordinary share.
- **Portfolio performance:** During the period, the portfolio produced 275GWh (including reimbursed curtailment). While this was below budget of 294GWh, it is within the expected range of annual variance and did not impact USF's ability to continue to strongly cash cover the dividend.
- **Contracted cash flows:** All assets in the portfolio have power purchase agreements (PPAs) with contracted prices for 100% of electricity generated. The portfolio weighted average PPA term is 14.3 years as of 30 June 2022, and all PPA counterparties are investment-grade (S&P rated A to BBB).
- **Dividends:** The Company announced its Q1 2022 dividend of 1.27 cents per ordinary share, paid on 8 July 2022, in line with the Company's target full year dividend of 5.58 cents per ordinary share. USF expects to continue covering dividends paid in 2022 with cashflow from portfolio operations.
- **Dividend cover:** Reflecting the normal seasonality of cash flows, dividend cover for six months to 30 June was 1.19x, noting the forecast coverage for the full year is 1.24x.
- **Acquisition:** In June 2022, USF reached financial close on the option to acquire a further 25% (50MW_{DC}) interest in Mount Signal 2 (MS2), a 200MW_{DC} project in California, bringing the total portfolio to 543MW_{DC}.

NAV UPDATE

USF's audited NAV at 30 June 2022 was \$321.2 million or \$0.967 per Ordinary Share, marginally higher than the 31 March NAV of \$321.1 million or \$0.967 per Ordinary Share. A small uplift in electricity price forecasts, improved operating cost assumptions, and roll forward drove the increase in fair value of the portfolio's underlying solar investments.

Table 1: Underlying Operating Cash Flows and Dividend Cover (unaudited)

	Six months to 30 June 2022 \$'m
Project revenue	21.5
Project operating expenses	(6.8)
Payments to tax equity	(3.7)
Portfolio debt expenses	(4.0)
Project cash flows after debt service	6.9
Management fees	(2.3)
Corporate operating expenses	(1.0)
Revolver interest and fees	(0.1)
Underlying operating cash flows	3.4
Cash flow reserve carried forward	8.5
Total underlying cash flow	11.9
Dividends paid	10.0
Dividend cover	1.19x

PORTFOLIO PERFORMANCE

Figure 1: Operating Portfolio Performance Q2 2022

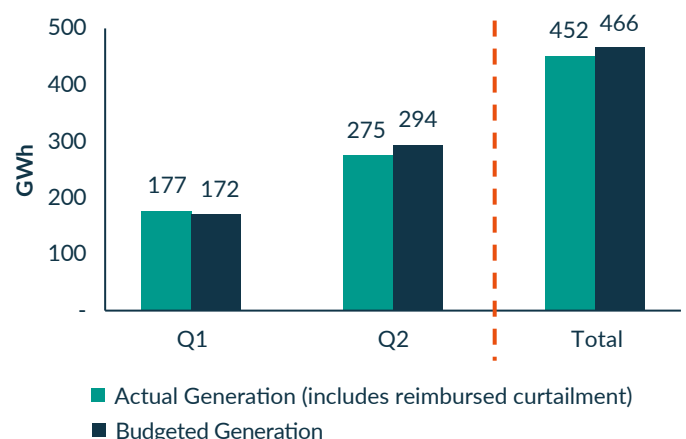


Figure 1 above shows actual and budgeted generation from the assets in the portfolio for the two quarters in the period. The increase in production from Q1 to Q2 is largely attributable to the seasonality of production as we moved into the summer months.

Second Quarter Update

During the period, actual production of 275GWh (including reimbursed curtailment) was below the budgeted or forecast production of 294GW. A 2.5% increase in generation from better-than-expected weather was more than offset by decreases from availability, unscheduled maintenance, and non-reimbursed curtailment. The period's generation is within the expected range of annual variance and did not impact USF's ability to continue to strongly cash cover the dividend.

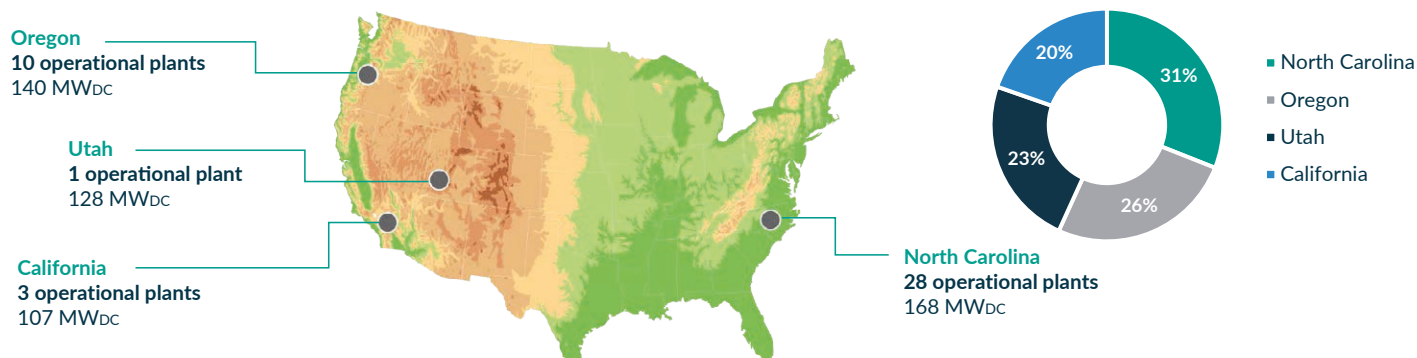
The Asset Management team actively addresses all large, ongoing identified issues to remediate losses as quickly as possible. The smaller identified losses include nuisance-type outages, grid-related outages and other non-recurring events. The Asset Management team is pursuing initiatives to address ongoing issues through improved data analytics and an increased focus on proactive identification of DC health issues including aerial and thermal scans.

KEY FINANCIAL FACTS AT 30 JUNE 2022

Ordinary Shares Issued	332,192,361	
Ticker	USF (\$)	USFP (£)
Share Price	\$0.88	£0.7190
NAV (\$)¹	\$321.2m	
NAV/share (\$)¹	\$0.967	
Premium (discount) to NAV¹	(9.0%)	
Market Cap (\$m)	\$292.3	
Ongoing Charges	1.35%	
Target Dividend Yield²,³	5.58%	
Next Dividend⁴	October 2022	
Target Net Total Return⁵	Min 7.5%	

Listing:	London Stock Exchange Premium Segment
SEDOL	BJCWFX4 (\$) BHZ6410 (£)
ISIN	GB00BJCWFX49
Registered Number:	11761009
Ticker:	LSE: USF (\$)/USFP (£)
Dividend Payments:	Quarterly
Financial Year End:	31 December
Website:	www.ussolarfund.co.uk

PORTFOLIO OVERVIEW⁶



1 Based on the unaudited NAV as at 30 June 2022.

2 Once fully operational and on a fully invested and geared basis.

3 The target annual dividend yield and target net total return are targets only and are not profit forecasts. There can be no guarantee that these targets will be met and they should not be taken as an indication of the Company's expected or actual future results.

4 Q2 2022 dividend was announced in September 2022.

5 Over the life of the solar power assets (expected to have a typical asset life of up to 40 years) net of all fees and expenses but before tax, on the basis of the IPO issue price, once the Company is fully invested

6 Portfolio breakdown by state is by MW_{DC}.

Second Quarter Update

Asset	Capacity (MW _{DC})	Location	Acquisition Date	Energy Offtaker	Offtaker Credit Rating	Remaining PPA Length (Years)	COD
Milford	127.8	Utah	Aug 19	PacifiCorp	S&P: A	23.4	Nov 20
Mount Signal 2	99.8	California	Mar 21	Southern California Edison	S&P: BBB	17.9	Jan 20
Suntex	15.3	Oregon	Jun 20	Portland General Electric	S&P: BBB+	9.1	Jul 20
West Hines	15.3	Oregon	Jun 20	Portland General Electric	S&P: BBB+	9.1	Jun 20
Alkali	15.1	Oregon	Jun 20	Portland General Electric	S&P: BBB+	9.2	Jun 20
Rock Garden	14.9	Oregon	Jun 20	Portland General Electric	S&P: BBB+	9.2	Jun 20
Chiloquin	14.0	Oregon	Mar 20	PacifiCorp	S&P: A	9.5	Jan 18
Dairy	14.0	Oregon	Mar 20	PacifiCorp	S&P: A	9.3	Mar 18
Tumbleweed	14.0	Oregon	Mar 20	PacifiCorp	S&P: A	9.5	Dec 17
Lakeview	13.7	Oregon	Mar 20	PacifiCorp	S&P: A	9.3	Dec 17
Turkey Hill	13.2	Oregon	Mar 20	PacifiCorp	S&P: A	9.3	Dec 17
Merrill	10.5	Oregon	Mar 20	PacifiCorp	S&P: A	9.3	Jan 18
Lane II	7.5	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	11.2	Jul 20
Pilot Mountain	7.5	North Carolina	Dec 19	Duke Energy Carolinas	S&P: BBB+	11.2	Sep 20
Davis Lane	7.0	North Carolina	Mar 20	Virginia Electric & Power	S&P: BBB+	10.5	Dec 17
Gauss	7.0	North Carolina	Mar 20	Virginia Electric & Power	S&P: BBB+	11.1	Oct 18
Jersey	7.0	North Carolina	Mar 20	North Carolina Electric	S&P: A-	5.5	Dec 17
Sonne Two	7.0	North Carolina	Mar 20	Duke Energy Carolinas	S&P: BBB+	9.1	Dec 16
Red Oak	6.9	North Carolina	Mar 20	Duke Energy Progress	S&P: BBB+	9.5	Dec 16
Schell	6.9	North Carolina	Mar 20	Virginia Electric & Power	S&P: BBB+	9.5	Dec 16
Siler 421	6.9	North Carolina	Mar 20	Duke Energy Progress	S&P: BBB+	9.1	Dec 16
Cotten	6.8	North Carolina	Mar 20	Duke Energy Progress	S&P: BBB+	9.4	Nov 16
Tiburon	6.7	North Carolina	Mar 20	Duke Energy Carolinas	S&P: BBB+	9.1	Dec 16
Monroe Moore	6.6	North Carolina	Mar 20	Duke Energy Carolinas	S&P: BBB+	9.1	Dec 16
Four Oaks	6.5	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	8.3	Oct 15
Princeton	6.5	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	8.3	Oct 15
Tate	6.5	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	11.2	Aug 20
Freemont	6.4	North Carolina	Mar 20	Duke Energy Carolinas	S&P: BBB+	9.1	Dec 16
Mariposa	6.4	North Carolina	Mar 20	Duke Energy Carolinas	S&P: BBB+	9.2	Sep 16
S. Robeson	6.3	North Carolina	Jan 20	Progress Energy	S&P: BBB+	5.1	Jul 12
Sarah	6.3	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	8.0	Jun 15
Nitro	6.2	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	7.4	Jul 15
Sedberry	6.2	North Carolina	Mar 20	Duke Energy Progress	S&P: BBB+	9.1	Dec 16
Willard	6.0	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	11.2	Oct 20
Benson	5.7	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	11.2	Aug 20
Eagle Solar	5.6	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	11.2	Aug 20
Granger	3.9	California	Mar 20	San Diego Gas & Electric	S&P: BBB+	14.2	Sep 16
Valley Center	3.0	California	Mar 20	San Diego Gas & Electric	S&P: BBB+	14.4	Dec 16
County Home	2.6	North Carolina	Mar 20	Duke Energy Carolinas	S&P: BBB+	9.1	Sep 16
Progress 1	2.5	North Carolina	Jan 20	Progress Energy	S&P: BBB+	9.8	Apr 12
Progress 2	2.5	North Carolina	Jan 20	Progress Energy	S&P: BBB+	5.5	Apr 13
Faison	2.3	North Carolina	Dec 19	Duke Energy Progress	S&P: BBB+	7.8	Jun 15
Grand Total	542.8					14.3	

SENIOR MANAGEMENT

LIAM THOMAS *Chief Executive Officer*



- Over 16 years experience in Energy, Infrastructure, Mining and Agribusiness.
- 5+ years experience in renewable energy and has led all NESM acquisitions.
- Previous roles with Origin Energy, Aurizon, Orica and AWB.

WARWICK KENEALLY *Chief Financial Officer*



- Over 18 years experience in funds management, corporate finance and restructuring.
- Previous roles with McGrathNicol and KPMG.

ADAM HAUGHTON *Chief Investment Officer*



- Over 12 years experience in Renewable Energy, Infrastructure and M&A.
- Previous roles with Greentech Capital, Bank of America Merrill Lynch and SunEdison.

SCOTT FRANCIS *Head of Asset Management*



- Over 15 years experience in Energy, Infrastructure and asset management.
- Previous roles with Apex Clean Energy and Dominion Energy.

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CORPORATE CALENDAR

Company Financial Half-Year	June 2022
Dividend, NAV and Trading Update	September 2022
Interim Report publication	September 2022
Dividend, NAV and Trading Update	November 2022
Company Financial Year-End	December 2022

DISCLAIMER

This Quarterly Update (**Update**) has been prepared by the Investment Manager (New Energy Solar Manager Pty Limited) of US Solar Fund. An investment in US Solar Fund is subject to various risks, many of which are beyond the control of its Investment Manager. The past performance of US Solar Fund is not a guarantee of its future performance. This Update contains statements, opinions, projections, forecasts and other material (forward-looking statements), based on various assumptions. Those assumptions may or may not prove to be correct. Neither the Investment Manager nor US Solar Fund, their respective officers, employees, agents, analysts or advisers nor any other person named in this Update makes any representation as to the accuracy or likelihood of fulfillment of the forward-looking statements or any of the assumptions upon which they are based. Unless otherwise specified, all references to currency are to US dollars. Due to rounding, numbers presented in this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.