NextEnergy Solar Fund Limited

NEXTENERGY SOLAR FUND

Interim Report and Unaudited Financial Statements
for the period ended 30th September 2016

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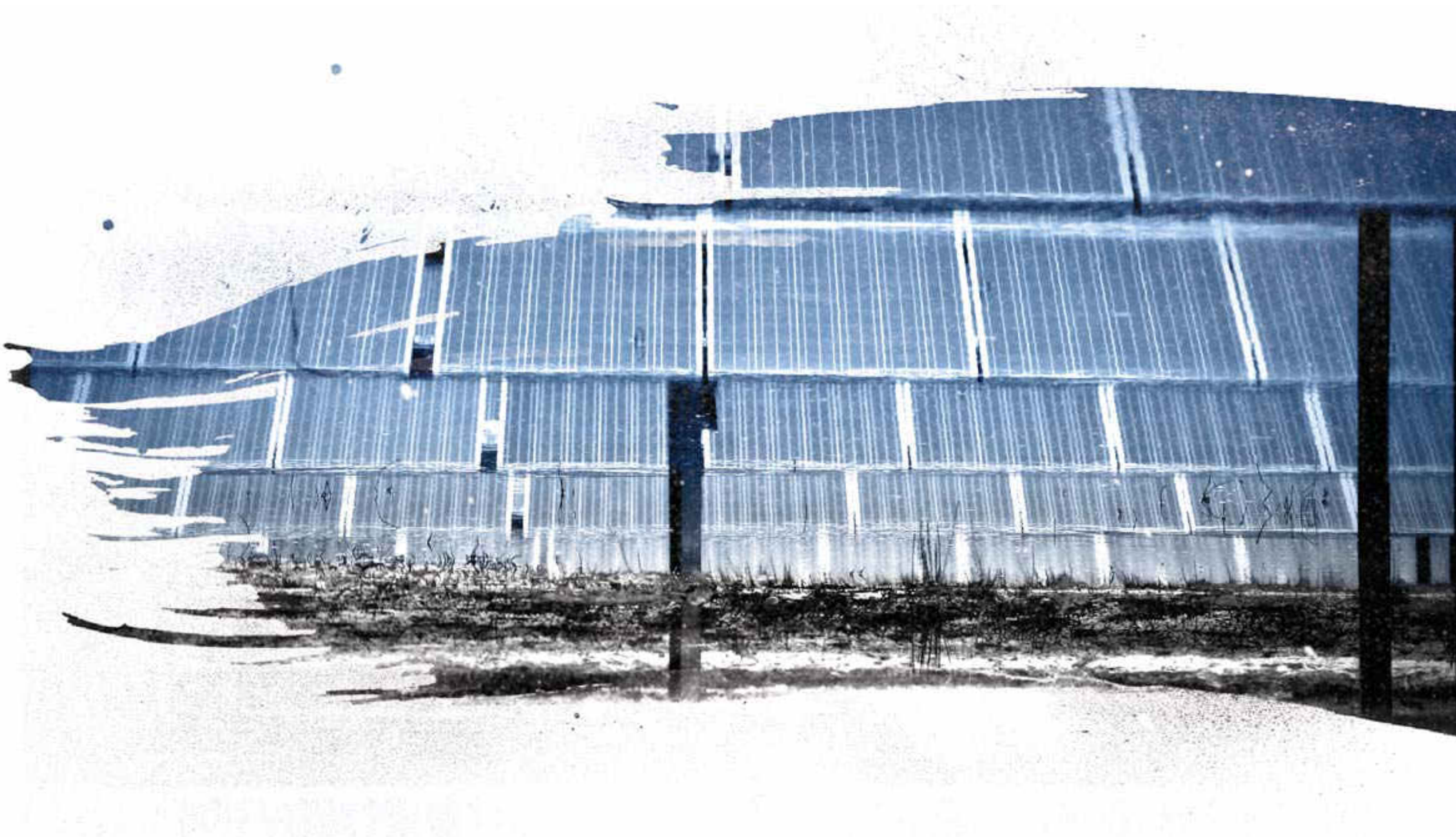
Highlights

- Investment portfolio as at 30 September 2016 of 33 solar Photovoltaic ("PV") plants for a total of **c.414MW** installed capacity in operation
- Significant operating asset outperformance – Energy generated from the portfolio amounted to **284.4GWh**, 3.2% above budget (solar irradiation was equal to the budget over the period)
- Completion of a further equity capital raisings during the period and post period end, bringing the total equity capital raised since the IPO to **£465.4m**
- Net Assets grew from £273.8m to **c.£350.1m**, over the period. NAV per share increased from 98.5p to 102.0p over the period mainly due to a mild increase in our power price and inflation forecasts
- Drawn debt facilities of c.£164.3m in total across the Holdco's and SPV's, including short-term and long-term debt financing at project level.
- With total capital invested of c.£481.4m, NESF is at 30 November 2016 (the "Date of Distribution" of this interim report) the largest listed renewable energy fund on the London Stock Exchange in terms of installed solar capacity.
- Earnings per share for the period were 8.46p, positively impacted by an increase in fair value of investments. NAV total return was 8.3% and total shareholders return was 13.1%
- On track to pay a 6.31p total dividend distribution for the year ending 31 March 2017, in quarterly instalments
- Strong pipeline of 170MW short-term acquisition targets and further 440MW of opportunities under consideration
- A first quarterly dividend for the year ended 31 March 2017 of 1.5775p per share paid in September 2016, a second quarterly dividend to be paid in December 2016 of 1.5775p per share



Corporate Summary

NextEnergy Solar Fund Limited (the "Company or NESF") is a closed-ended investment company limited by shares, registered and incorporated in Guernsey under the Companies (Guernsey) Law, 2008, as amended, on 20 December 2013, with registration number 57739. The Company is a Registered Closed-ended Collective Investment Scheme regulated by the Guernsey Financial Services Commission (the "GFSC") pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended ("POI Law"). The Company's 343,197,405 shares in issue are admitted to the premium listing segment of the Official List of the UK Listing Authority ("UKLA") and are traded on the London Stock Exchange's main market for listed securities under the ticker "NESF". The Company makes its investments through intermediate holding companies (the "UK HoldCos") and underlying Special Purpose Vehicles ("SPVs") which are ultimately wholly-owned by the Company. The UK HoldCos were registered and incorporated in England and Wales under the Companies Act, 2006, as amended:

- NextEnergy Solar Holdings Limited, incorporated on 24 March 2014, with registration number 08956168
- NextEnergy Solar Holdings II Limited, incorporated on 13 February 2015, with registration number 09438822
- NextEnergy Solar Holdings III Limited, incorporated on 20 July 2015, with registration number 09693016
- NextEnergy Solar Holdings IV Limited, incorporated on 16 March 2016, with registration number 10066420

The Company controls the investment policy of each of the UK HoldCos and its wholly-owned SPVs to ensure that each will act in a manner consistent with the investment policy of the Company.

The Investment Manager is NextEnergy Capital IM Limited (the "Investment Manager"), a company incorporated in Guernsey with registered number 57740 licensed under the POI Law and regulated by the GFSC. The Investment Manager has appointed NextEnergy Capital Limited (the "Investment Adviser/NEC"), a company incorporated in England and Wales on 23 October 2006 with registered number 05975223, to provide investment advice, pursuant to an Investment Advisory Agreement.

Chairman's Statement

Patrick Firth Kevin Lyon Vic Holmes

Introduction

I am pleased to present, on behalf of the Board, the Interim Report for NextEnergy Solar Fund Limited (the "Company" or "NESF") for the period ended 30 September 2016.

The Company acquires and owns operating solar power projects exclusively in the UK. Our investment strategy is driven by our belief that solar power projects have significantly less operating and financial risk than other renewable energy technologies, while regulatory risk in the UK continues to be lower relative to other geographical markets. We target equity returns of between seven and nine percent, an attractive yield for this low risk profile.

As at 30 September 2016, the Company's portfolio comprised 33 assets amounting to c.414MW installed solar capacity and an invested capital of c.£481.4m. At the Date of Distribution of this Interim Report, the Company was the largest listed renewable energy fund on the London Stock Exchange in terms of installed solar capacity.

Financial Results and Performance

Over the period to date the Company has continued to deliver a strong set of results despite the challenging power price trading environment.

Financial Results

The Company has prepared its accounts for the period to 30 September 2016 in accordance with International Financial Reporting Standards ("IFRS"). In accordance with these accounting policies, the Company prepares its financial statements considering the fair value of its investments. Reported profit is £25.3m (2015: £8.6m) with earnings per share of 8.46p (2015: 3.56p). NAV total return was 8.3% and total shareholders return was 13.1%.

Portfolio Performance

We continue to be pleased with the operational performance of the portfolio. Overall, energy generated by our plants was 284.4GWh, approximately 3.2% above our budget. During the Company's third financial year we have continued to achieve energy generation outperformance relative to budget. The energy generation from our portfolio is equivalent to a saving of 118,000 tonnes of carbon emissions and sufficient to power some 58,000 households during the same period.

During the period, solar irradiation across the portfolio was in line with our expectations. The principal driver for our continued outperformance continues to rest with the structure and quality of our operating asset manager organisation, WiseEnergy.

Net Asset Value

At the period end, the Company's NAV was c.£350.1m, equivalent to 102.0p per share (March 2016: NAV of £273.8m, 98.5p per share).

During the previous financial year the Company was affected by the continuing decline of the market price for electricity which began in 2015, however in the current financial period prices started increasing, signaling a potential improvement in the power price market in the future.

We have revised our power price forecasts to take current market conditions into account, increasing our forecasts by an average 4.5% over the forecasting term. The weighted average discount rate remains unchanged at 30 September 2016 being 7.7%. Further details on the Company's NAV and discount rate are included in the Financial Review section on pages 29 to 37.

Portfolio Growth

The Company's Investment Adviser carefully reviews acquisition targets that are identified in the market. There has been significant activity in the UK solar sector in terms of assets being offered for sale. The Investment Adviser pursues only a small proportion of opportunities it identifies. In the current financial year the Company is pursuing new capital in the form of a 350m share issuance program and long-term structured debt which together are expected to provide a balance of new financing to support the ambitious pipeline of new acquisitions targeted to grow the NAV per share.

Capital Raising and Financing

In the current period the Company continued to secure support from its shareholders to pursue its growth strategy. During July, August and September 2016 the Company issued 65.2m shares increasing the number of voting shares to 343.2m. Subsequent to the period end, the Company issued 110.3 new shares pursuant to a new 350m share issuance program, bringing the total number of voting shares to 453.5m.

During the previous financial year, the Company took advantage of the strong interest of institutional debt providers and banks to lend to the UK solar sector to put in place a mix of short and long-term debt. At the year-end, the Company had total financial debt outstanding of £216.6m on a pro-forma look-through basis including project level debt which decreased to £164.3m as at 30 September 2016 (as seen in the table on page 37 of the Investment Manager’s Report). Of the total financial debt, £99.5m was long-term fully amortising debt, while the remainder of £64.7m was drawn by the Company’s subsidiaries using short-term credit facilities. The subsidiaries sourced their financial debt from a number of different providers, carefully selected to ensure competitive terms and conditions. During the period £64.7m of new equity raised was used to repay the short-term credit facility. The Company as at the Date of Distribution of this Interim Report has significantly progressed the refinancing of the short-term credit facility with a long-term fully amortising debt (debt which repays both capital and interest on a periodic basis over the life of the facility) for £155.0m which will provide the Company, through its subsidiaries, with financing to meet existing and future capital expenditure and target acquisitions.

Dividend and Dividend Growth

The Company continues to achieve all of its dividend and dividend growth objectives for the period under consideration. In July 2016 the Company paid its second interim dividend of 3.125 pence per share for the year ended 31 March 2016. After moving to a quarterly dividend schedule the Company paid out a total interim dividend of 1.5775 pence per share in a first quarterly dividend for the period ended 30 June 2016 paid on the 30 September 2016. The Company will pay the following quarterly dividend of 1.5775 pence per share for the period ended 30 September 2016 at the end of December 2016 and currently intends to continue paying quarterly dividends thereafter.

Outlook

The decision by the UK to leave the European Union in the referendum held on 23 June 2016 has not negatively impacted the Company so far. We believe any future impact upon UK climate change policies will be limited because the policy so far has been determined in the United Kingdom, and was not derived from a wider European climate change policy. We will continue to monitor the impact of Brexit on power prices, sector regulation and growth opportunities closely.

The risk-return characteristics of acquisition opportunities we are reviewing continue to be attractive and in line with our investment objectives. We expect to increase the portfolio of assets during the remainder of the financial year.

During the second half of the financial year, we expect to deploy the recently raised capital in the attractive pipeline of identified opportunities. In parallel, we will continue to focus on maximising the operating performance of the assets currently owned and exploring further value-enhancing opportunities around the existing portfolio.

Kevin Lyon
Chairman of the Board of Directors
29 November 2016

Investment Manager's Report

Aldo Beolchini Michael Bonte-Friedheim Abid Kazim
Investment Committee of the Investment Adviser

About NextEnergy Capital

The Investment Manager and Investment Adviser are both members of the NextEnergy Capital Group. The NextEnergy Capital Group is a specialist investment and operating asset manager focused on the solar energy sector, with a 67-strong team of which 27 are focused on the UK solar market. Through its operating asset management division, WiseEnergy, the NextEnergy Capital Group manages and monitors over 1,250 utility-scale solar plants and approximately 3,000 solar rooftop installations (comprising an installed capacity of approximately 1.7GW and an estimated £3.5 billion asset value) for a client base which includes leading European banks and equity investors (including private equity funds, listed funds and institutional investors). The NextEnergy Capital Group also manages NextPower II LP, a €150m private equity fund dedicated to solar PV investments in Italy.

Investment Objective

The Company seeks to provide investors with a sustainable and attractive dividend that increases in line with RPI over the long term. In addition, the Company seeks to provide investors with an element of capital growth through the reinvestment of net cash generated in excess of the target dividend in accordance with the Company's investment policy.

Investment Policy

The Company intends to achieve its investment objective by investing exclusively in solar PV plants located in the UK.

The Company intends to continue to acquire solar PV plants that are primarily ground-based and utility-scale and which are on sites that may be agricultural, industrial or commercial. The Company may also acquire portfolios of residential or commercial building-integrated installations. The solar PV plants that will be targeted are anticipated to generate stable cash flows over their asset lifespan.

The Company will typically seek to acquire sole ownership of individual solar PV plants through SPVs, but may enter into joint ventures or acquire majority interests, subject, in each case, to the Company maintaining a controlling interest. Where an interest of less than 100% in a particular solar PV plant is acquired, the Company intends to secure controlling shareholder rights through shareholders' agreements or other legal arrangements.

The Company has built up a diversified portfolio of solar PV plants and its investment policy contains restrictions to ensure risk diversification. No single investment (or, if an additional stake in an existing investment is acquired, the combined value of both the existing and the additional stake) by the Company in any one solar PV plant will constitute, at the time of investment, more than 30% of the Gross Asset Value. In addition, the four largest solar PV plants will constitute, at the time of investment, not more than 75% of the Gross Asset Value.

The Company will, primarily, continue to acquire operating solar PV plants, but may also invest in solar PV plants under development (that is, at the stage of origination, project planning or construction) when acquired. Such assets will constitute (at the time of investment) not more than 10% of the Gross Asset Value in aggregate. As at period end, the Company has not invested directly in solar PV plants under development.

The Company may also agree to forward-fund by way of secured loans the construction costs of solar PV plants where it retains the right (but not the obligation) to acquire the relevant solar plant once operational. Such forward-funding will not fall within the 10% restriction above but will be restricted to no more than 25% of the Gross Asset Value (at the time such arrangement is entered into) in aggregate and will only be undertaken where supported by appropriate security (which may include financial instruments as well as asset-backed guarantees).

A significant proportion of the Company's income is expected to result from the sale of the entirety of the electricity generated by the solar PV plants within the terms of power purchase agreements ("PPA") to be executed from time to time. These are expected to include the sale of ROC's, other regulated benefits and the sale of electricity generated by the plants. Within this context, the Investment Manager expects to conclude PPAs with creditworthy counterparties at the appropriate time.

The Company will continue to diversify its third party suppliers, service providers and other commercial counterparties, such as developers, engineering and procurement contractors, technical component manufacturers, PPA providers and landlords.

In pursuit of the Company's investment objective, the Company may employ leverage, which will not exceed (at the time the relevant arrangement is entered into) 50% of the Gross Asset Value in aggregate. Such leverage will be deployed for the acquisition of further solar PV plants in accordance with the Company's investment policy. The Company may seek to raise leverage at any of the SPV, UK Holdco or Company levels. The Company has a preference for medium to long-term amortising debt financing.

The Company intends to invest with a view to holding its solar PV plants until the end of their useful life. However, assets may be disposed of or otherwise realised where the Investment Manager determines, in its discretion, that such realisation is in the best interest of the Company. Such circumstances may include (without limitation) disposals for the purposes of realising or preserving value, or of realising cash resources for reinvestment or otherwise. The Company will seek to optimise and extend the lifespan of its assets and may invest in their repowering and/or integration of ancillary technologies (e.g. energy storage) on its solar PV plants to fully utilise grid connections and balance the electricity grid with a view to generating greater revenues. The Company expects to re-invest any cash surplus (in excess of that required to meet the Company's dividend target and on-going operating expenses) in further investments, thereby supporting its long-term net asset value ("NAV").

The Company may invest cash held for working capital purposes and pending investment or distribution in cash or near-cash equivalents, including money market funds. The Company may (but is not obliged to) enter into hedging arrangements in relation to interest rates and/or power prices.

Portfolio Highlights and Performance

Since inception the Company had announced the acquisition of 33 separate solar PV plants for a total investment cost of up to c.£481.4m, representing 138% of the equity proceeds raised to date. The 33 solar PV plants amount to an installed capacity of c.414MW in operation. In the current period the Company has focused on completing acquisitions of assets that had been previously announced at the previous year end.

The NextEnergy Capital Group has actively led the completion process of all the acquisitions made by the Company. The completion process is subject to the satisfaction of several conditions set in the interests of the Company, including the plant satisfactorily passing strictly-defined technical and performance tests. The details of these tests, and whether they refer to the delivery of preliminary, intermediate or final acceptance certificates (or PAC, IAC, FAC as they are known) vary across the portfolio but in general terms these are required by the Investment Manager to ensure that the Company settles the majority of the acquisition consideration only as and when the target solar PV plants demonstrate the desired level of quality and ability to obtain and exceed the expected technical performances in the long run.

The operational performance of the portfolio during the period was satisfactory. The Investment Manager is providing in this report details of the actual performance compared to expectation for 31 of the total 33 solar PV plants, specifically only those plants that have been managed and monitored by the NextEnergy Capital Group for at least three months at the period end (at the period end Green Farm was yet to complete acquisition and Ellough Phase 2 had been held by the Company for less than three months). As a result of the Company's operating asset management strategy, this sub-portfolio of 31 solar PV plants generated an outperformance of 3.2% above the budgeted generation values, for a total generation of 284.4GWh. Solar irradiation across the sub-portfolio was in line with budget.

Typically, energy generation of a solar PV asset is directly correlated with the level of solar irradiation received by the PV plant itself, such that a higher level of solar irradiation by any percentage should normally result in a higher energy generation by the same percentage. Active asset management practices and technical improvements can positively affect the technical performance of PV plants and thus impact this direct correlation (as well as unplanned outages or technical issues can negatively impact it). NESF defines Asset Management Alpha as the difference between the delta of energy generation vs. budget and the delta of solar irradiation vs. budget. The table below summarises this analysis for the relevant periods since IPO:

The Asset Management Alpha allows the Company to identify a "real" outperformance of the solar portfolio due to active management having neutralised the effects of variation in solar irradiation. The nominal outperformance is calculated as GWh generated by the portfolio vs. the GWh expected in the assumptions used at the time of acquisition. In this light, the "nominal" outperformance of the Company's portfolio during the period ended 30 September 2016 was 3.2% and the Asset Management Alpha was also 3.2% during the period representing the "real" outperformance due to active asset management. As a way of comparison, during the first half of period ended 31 March 2016 the Asset Management Alpha was 2.8%.

The budgeted electricity generation and solar irradiation are derived from the financial models prepared at acquisition of each solar power plant and used to value and acquire such plant. An on-going operating outperformance versus the acquisition budget is expected to result in higher asset returns, other things being equal.

Period	Assets monitored	Solar Irradiation (delta vs budget)	Power Generation (delta vs. budget)	Asset Management Alpha
Full Year 2014/15	6	(0.4%)	+4.8%	**+5.2%**
First Half 2015/16	17	+2.9%	+5.7%	**+2.8%**
Full Year 2015/16	23	+0.4%	+4.1%	**+3.7%**
First Half 2016/17	31	+0.0%	+3.2%	**+3.2%**
Cumulative from IPO to September 2016	**31**	**+1.0%**	**+4.1%**	**+3.1%**

Investment Portfolio

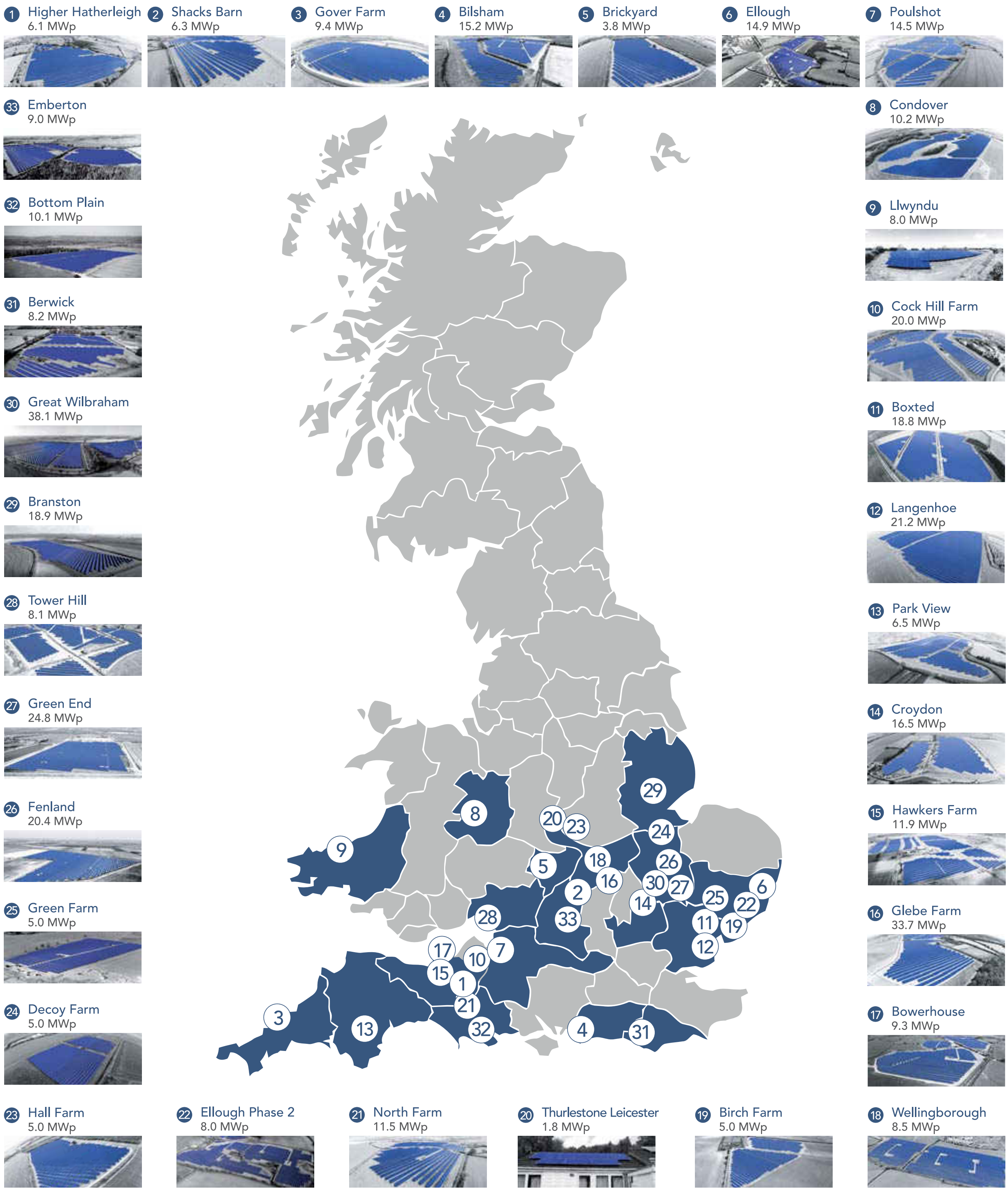
The Investment Manager achieved a high level of diversification in the Company's portfolio: the 33 solar PV plants are located across 17 different counties of England and Wales, the largest one represents 9% of the total installed capacity and the four largest solar PV plants represent together 28% of the total installed capacity. In addition, the portfolio is diversified across 16 non-connected contractors, 12 different Tier 1 solar panel manufacturers and eight Tier 1 inverter manufacturers. This spread of counterparties effectively diversifies the Company's key counterparty risks.

Below is a summary of the overall investment portfolio with various relevant breakdown analysis:

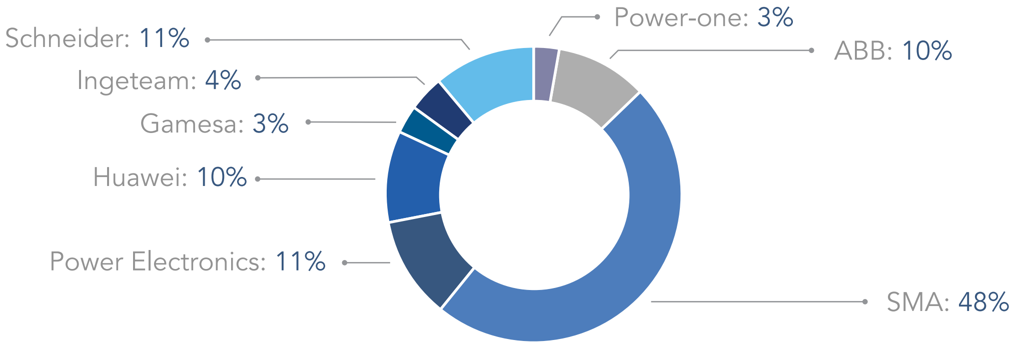
Power plant	Location	Announcement Date	Regulatory Regime(1)	Status(2)	Plant Capacity (MWp)	Investment (£M)	% of Equity Proceeds
Higher Hatherleigh	Somerset	01/05/2014	1.6	Completed	6.1	7.3	2.1%
Shacks Barn	Northants	09/05/2014	2.0	Completed	6.3	8.2	2.3%
Gover Farm	Cornwall	23/06/2014	1.4	Completed	9.4	11.1	3.2%
Bilsham	Sussex	03/07/2014	1.4	Completed	15.2	18.9	5.4%
Brickyard	Warwickshire	14/07/2014	1.4	Completed	3.8	4.1	1.2%
Ellough	Suffolk	28/07/2014	1.6	Completed	14.9	20.0	5.8%
Poulshot	Wiltshire	09/09/2014	1.4	Completed	14.5	15.7	4.4%
Condover	Shropshire	29/10/2014	1.4	Completed	10.2	11.7	3.3%
Llywndu	Ceredigion	22/12/2014	1.4	Completed	8.0	9.4	2.7%
Cock Hill Farm	Wiltshire	22/12/2014	1.4	Completed	20.0	23.3	6.7%
Boxted Airfield	Essex	31/12/2014	1.4	Completed	18.8	20.6	5.9%
Langenhoe	Essex	12/03/2015	1.4	Completed	21.2	22.9	6.5%
Park View	Devon	19/03/2015	1.4	Completed	6.5	7.7	2.2%
Croydon	Cambridgeshire	27/03/2015	1.4	Completed	16.5	17.8	5.1%
Hawkers Farm	Somerset	13/04/2015	1.4	Completed	11.9	14.5	4.1%
Glebe Farm	Bedfordshire	13/04/2015	1.4	Completed	33.7	40.5	11.5%
Bowerhouse	Somerset	18/06/2015	1.4	Completed	9.3	11.1	3.2%
Wellingborough	Northants	18/06/2015	1.6	Completed	8.5	10.8	3.1%
Birch Farm	Essex	21/10/2015	FiT	Completed	5.0	5.3	1.5%
Thurlestone Leicester	Leicestershire	21/10/2015	FiT	Completed	1.8	2.3	0.7%
North Farm	Dorset	21/10/2015	1.4	Completed	11.5	14.5	4.1%
Ellough Phase 2	Suffolk	03/11/2015	1.3	Completed	8.0	8.0	2.3%
Hall Farm	Leicestershire	03/11/2015	FiT	Completed	5.0	5.0	1.4%
Decoy Farm	Lincolnshire	03/11/2015	FiT	Completed	5.0	5.2	1.5%
Green Farm(3)	Essex	26/11/2015	FiT	Operational(6)	5.0	5.8	1.7%
Fenland(3)(4)	Cambridgeshire	11/01/2016	1.4	Completed	20.4	23.9	6.8%
Green End(3)(4)	Cambridgeshire	11/01/2016	1.4	Completed	24.8	29.0	8.3%
Tower Hill(3)(4)	Gloucestershire	11/01/2016	1.4	Completed	8.1	8.8	2.5%
Branston(3)(5)	Lincolnshire	05/04/2016	1.4	Completed	18.9		
Great Wilbraham(3)(5)	Cambridgeshire	05/04/2016	1.4	Completed	38.1		
Berwick(3)(5)	Sussex	05/04/2016	1.4	Completed	8.2	97.9	28.0%
Bottom Plain(3)(5)	Dorset	05/04/2016	1.4	Completed	10.1		
Emberton(3)(5)	Buckinghamshire	05/04/2016	1.4	Completed	9.0		
Total					413.7	481.4	137.5%

(1) An explanation of FiT/ROC Regime is available at www.ofgem.gov.uk/environmental-programmes.
(2) As at the Date of Distribution of this interim report.
(3) Investment excludes debt drawn down included in cost.
(4) Part of the Three Kings portfolio.
(5) Part of the Radius Portfolio.
(6) Green Farm is operational but the transaction has not yet completed as at 30 September 16.

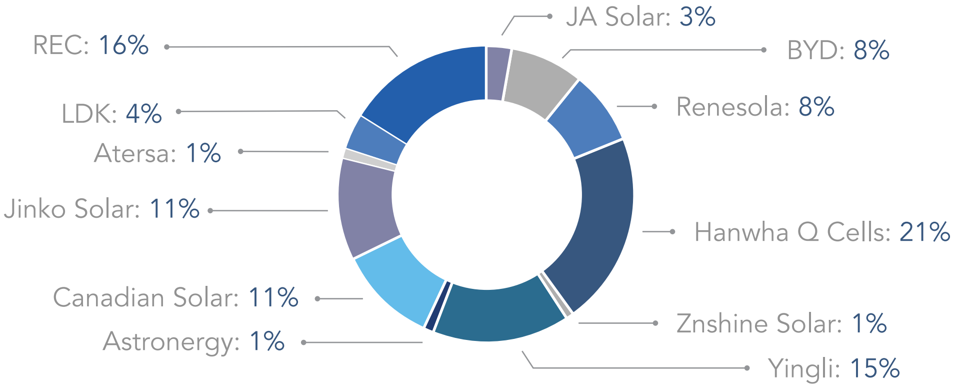
Investment Portfolio: Geographical Locations



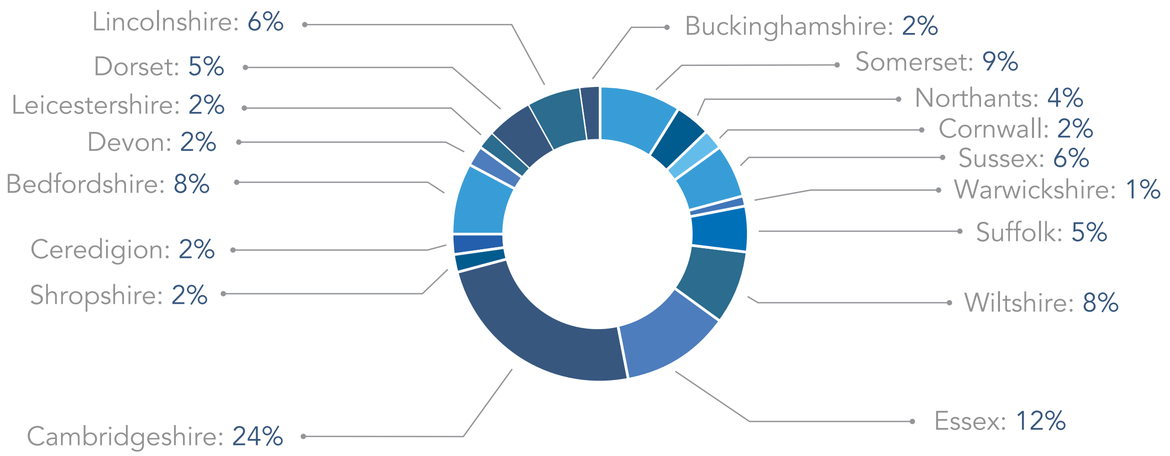
Inverters



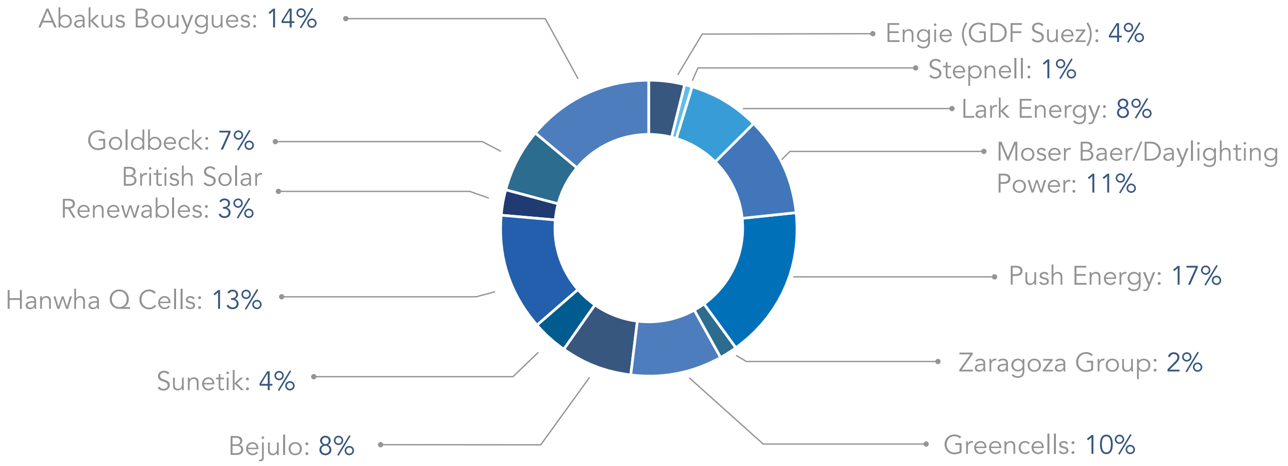
Panels

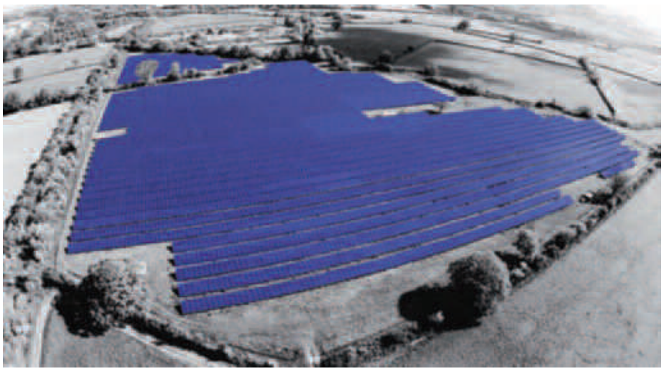


County



EPC Contractor





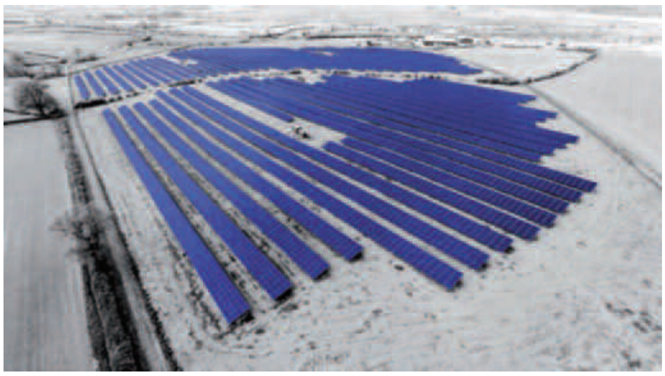
Higher Hatherleigh	
Location	Somerset
Capacity	6.1MW
Regulatory Regime	1.6 ROCs
EPC	Moser Baer/Daylighting Power
Panels	JA Solar
Inverter	Power-One
Operational Since	Apr-13

Higher Hatherleigh

Higher Hatherleigh was NESF's first acquisition, which took place in May 2014. The site is located near Wincanton in Somerset and has a capacity of 6.1MW. The site has performed well since it became operational in April 2013 and during the period from acquisition to 30 September 2016 the plant produced 16.0 GWh (+4.5% vs budget). The acquisition cost was £7.3m and the investment value at period end was £7.2m, which is 1.8% of the portfolio value.

	PE September 2016	Since Acquisition
MWh Generated	4,172	16,026
Solar Irradiation vs expectations	(5.9%)	(0.8%)
Energy Generation vs Budget	(3.1%)	+4.5%

Shacks Barn	
Location	Northants
Capacity	6.3MW
Regulatory Regime	2.0 ROCs
EPC	Moser Baer/Daylighting Power
Panels	JA Solar
Inverter	Power-One
Operational Since	Mar-13



Shacks Barn

Announced shortly after the Higher Hatherleigh acquisition, Shacks Barn, located near Silverstone in Northamptonshire, was also acquired by the Company in May 2014. This 6.3MW plant has been operational since March 2013. Since acquisition to 30 September 2016, the site has produced 16.4 GWh (+ 9.8 % vs budget). The acquisition cost was £8.2m and the investment value at period end was £8.1m, which is 2.1% of the portfolio value.

	PE September 2016	Since Acquisition
MWh Generated	4,397	16,400
Solar Irradiation vs expectations	(3.4%)	+1.4%
Energy Generation vs Budget	+4.5%	+9.8%

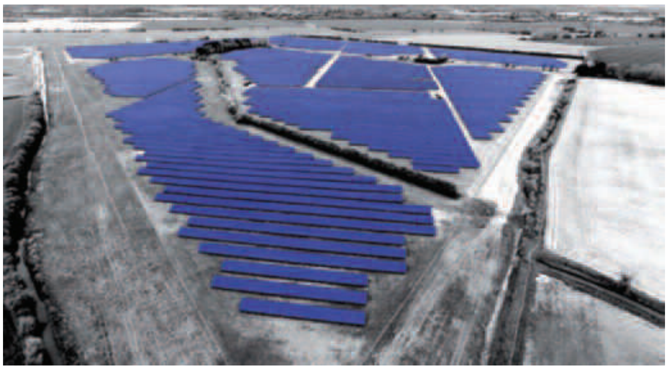
Gover Farm	
Location	Cornwall
Capacity	9.4MW
Regulatory Regime	1.4 ROCs
EPC	Moser Baer
Panels	BYD
Inverter	ABB
Operational Since	Oct-14

Gover Farm

Gover Farm is the Company's most south-westerly asset, located near to Truro in Cornwall. The acquisition was announced at 9.4MW in June 2014. From acquisition to 30 September 2016, the plant produced 18.1 GWh (+4.0% vs budget). The acquisition cost was £11.1m and the investment value at period end was £11.4m, which is 2.9% of the portfolio value. As part of the Company's commitment to biodiversity, the site is in the NextEnergy grazing programme ensuring that the land is dual-purpose and remains employed in food production.

	PE September 2016	Since Acquisition
MWh Generated	6,348	18,074
Solar Irradiation vs expectations	(1.0%)	+0.9%
Energy Generation vs Budget	(5.3%)	+4.0%

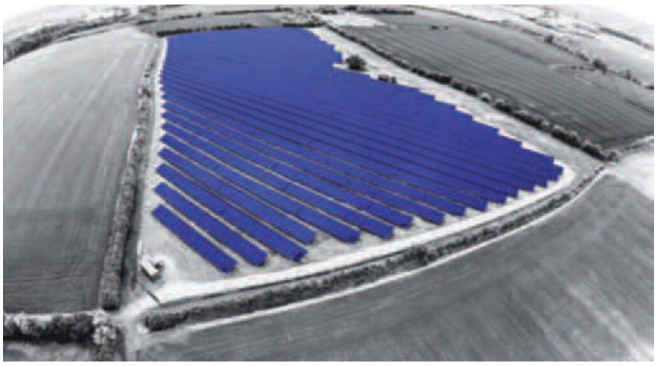
Bilsham	
Location	Sussex
Capacity	15.2MW
Regulatory Regime	1.4 ROCs
EPC	GDF Suez
Panels	Renesola
Inverter	ABB
Operational Since	Nov-14



Bilsham

Bilsham is located near Bognor Regis in Sussex, close to the southern coast of the UK. The plant was delivered to the Company in two phases with an initial phase of 12.7MW followed by an extension of 2.5MW in March 2015. The site produced 29.8 GWh (+3.5% vs budget) since acquisition to 30 September 2016. The acquisition cost was £18.9m and the investment value at period end was £18.3m, which is 4.6% of the portfolio value.

	PE September 2016	Since Acquisition
MWh Generated	11,587	29,814
Solar Irradiation vs expectations	(1.5%)	(0.4%)
Energy Generation vs Budget	+2.2%	+3.5%



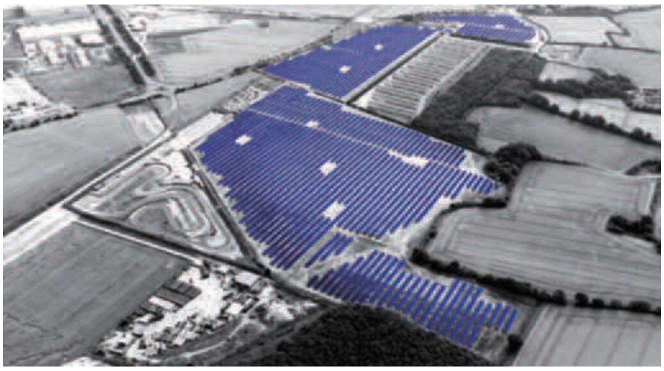
Brickyard	
Location	Warwickshire
Capacity	3.8MW
Regulatory Regime	1.4 ROCs
EPC	Moser Baer
Panels	BYD
Inverter	ABB
Operational Since	Nov-14

Brickyard

Brickyard is a site located near Leamington Spa in Warwickshire and has a capacity of 3.8MW. Since acquisition to 30 September 2016, Brickyard produced 6.9 GWh (+5.8% vs budget). The acquisition cost was £4.1m and the investment value at period end was £4.0m, which is 1.0% of the portfolio value.

	PE September 2016	Since Acquisition
MWh Generated	2,673	6,853
Solar Irradiation vs expectations	+0.0%	+1.4%
Energy Generation vs Budget	+3.6%	+5.8%

Ellough	
Location	Suffolk
Capacity	14.9MW
Regulatory Regime	1.6 ROCs
EPC	Lark Energy
Panels	Hanwha
Inverter	Free Sun
Operational Since	Mar-14



Ellough

Ellough is a solar plant located on a disused airfield near Ellough in Suffolk and has been operational since March 2014. The 14.9MW site has produced 33.7 GWh (+5.1% vs budget) since acquisition to 30 September 2016. The acquisition cost was £20.0m and the investment value at period end was £19.3m, which is 4.9% of the portfolio value. The Company has committed to acquire a second phase to this project which has already been constructed and commissioned.

	PE September 2016	Since Acquisition
MWh Generated	11,116	33,737
Solar Irradiation vs expectations	(1.7%)	(1.8%)
Energy Generation vs Budget	+3.9%	+5.1%

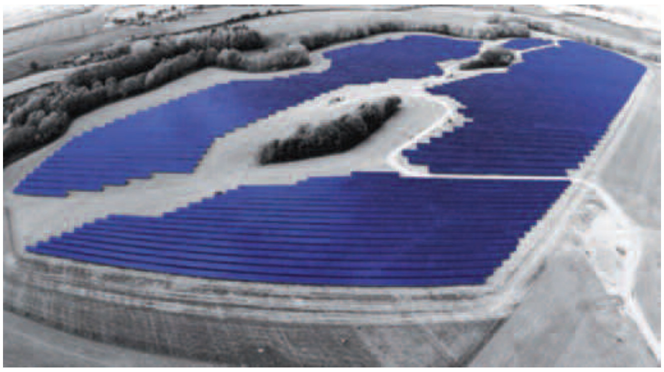
Poulshot	
Location	Wiltshire
Capacity	14.5MW
Regulatory Regime	1.4 ROCs
EPC	Moser Baer/Daylighting Power
Panels	BYD
Inverter	ABB
Operational Since	Mar-15

Poulshot

The Poulshot plant is located near Trowbridge in Wiltshire and has a capacity of 14.5MW. The plant was acquired in September 2014 and has been operational since March 2015. The site has produced 18.5 GWh (+1.6% vs budget) since acquisition to 30 September 2016. The acquisition cost was £15.7m and the investment value at period end was £16.4m, which is 4.1% of the portfolio value.

	PE September 2016	Since Acquisition
MWh Generated	10,202	18,491
Solar Irradiation vs expectations	(2.3%)	(3.5%)
Energy Generation vs Budget	+3.0%	+1.6%

Condover	
Location	Shropshire
Capacity	10.2MW
Regulatory Regime	1.4 ROCs
EPC	Zaragoza Group
Panels	Canadian Solar
Inverter	Free Sun
Operational Since	Mar-15



Condover

Condover is located near Shrewsbury in Shropshire and has a capacity of 10.2MW. The plant was acquired in October 2014 has been operational since March 2015. The site has produced 14.2GWh (+0.7% vs budget) since acquisition to 30 September 2016. The acquisition cost was £11.7m and the investment value at period end was £11.0m, which is 2.8% of the portfolio value. The Plant has been installed around two existing rocky outcrops on the site. These add an interesting dimension to the layout and provide sheltered habitat for local wildlife.

	PE September 2016	Since Acquisition
MWh Generated	6,741	14,197
Solar Irradiation vs expectations	(1.5%)	(2.4%)
Energy Generation vs Budget	(3.0%)	+0.7%

Llwyndu	
Location	Ceredigion
Capacity	8.0MW
Regulatory Regime	1.4 ROCs
EPC	Greencells
Panels	BYD
Inverter	Hauwei
Operational Since	Feb-15

Llwyndu

Currently Llwyndu is the only asset owned by the Company that is not in England. This site is located in Mid-Wales and has a capacity of 8.0MW. The plant was acquired in December 2014 and has been operational since February 2015. This site has produced 9.5GWh (-1.6% vs budget) since acquisition to 30 September 2016. The acquisition cost was £9.4m and the investment value at period end was £9.1m, which is 2.3% of the portfolio value. It is the most westerly plant that the Company has acquired in the mid-country sector, close to the Ceredigion coast.

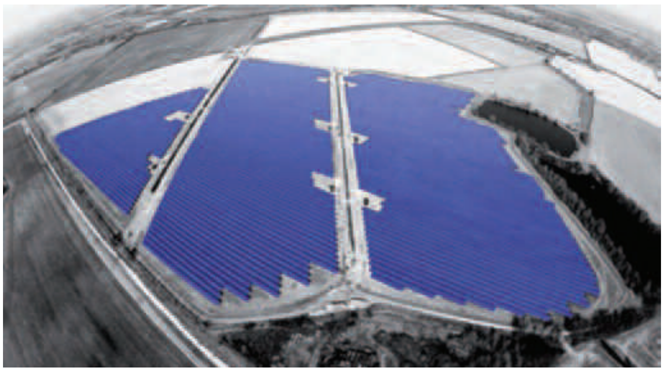
	PE September 2016	Since Acquisition
MWh Generated	5,409	9,524
Solar Irradiation vs expectations	(7.0%)	(7.1%)
Energy Generation vs Budget	(3.2%)	(1.6%)

Cock Hill Farm	
Location	Wiltshire
Capacity	20.0MW
Regulatory Regime	1.4 ROCs
EPC	Greencells
Panels	Jinko
Inverter	Huawei
Operational Since	Mar-15

Cock Hill Farm

Cock Hill Farm is located near Trowbridge in Wiltshire and has a capacity of 20.0MW. The plant was acquired in December 2014 and has been operational since March 2015. The site has produced 24.8GWh (+0.7% vs budget) since acquisition to 30 September 2016. The acquisition cost was £23.6m and the investment value at period end was £22.3m, which is 5.6% of the portfolio value.

	PE September 2016	Since Acquisition
MWh Generated	14,231	24,833
Solar Irradiation vs expectations	(2.1%)	(4.2%)
Energy Generation vs Budget	+1.2%	+0.7%



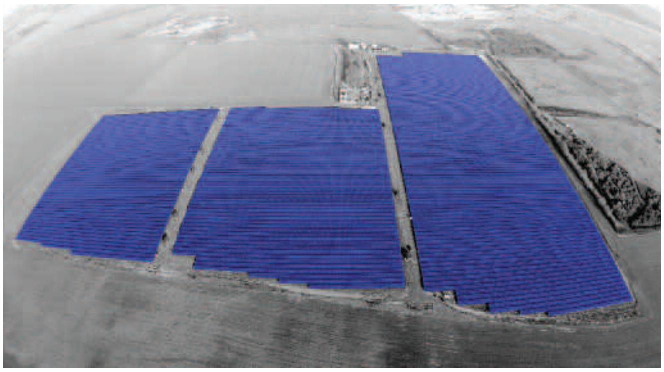
Boxted Airfield	
Location	Essex
Capacity	18.8MW
Regulatory Regime	1.4 ROCs
EPC	Push Energy
Panels	Yingli
Inverter	SMA
Operational Since	Mar-15

Boxted Airfield

Boxted site is located north of Colchester in Essex on the now disused Boxted Airfield. Boxted has a capacity of 18.8MW and was acquired in March 2015, after it became operational. The site has produced 32.9GWh (+4.1% vs. budget) since acquisition to 30 September 2016. The acquisition cost was £20.6m and the investment value at period end was £21.1m, which is 5.3% of the portfolio value. The site has been sympathetically installed and benefits from wildflower seeding which has been specifically designed to enhance the local wildlife population.

	PE September 2016	Since Acquisition
MWh Generated	14,255	32,887
Solar Irradiation vs expectations	+1.8%	+0.4%
Energy Generation vs Budget	+5.6%	+4.1%

Langenhoe	
Location	Essex
Capacity	21.2MW
Regulatory Regime	1.4 ROCs
EPC	Push Energy
Panels	Yingli
Inverter	SMA
Operational Since	Mar-15

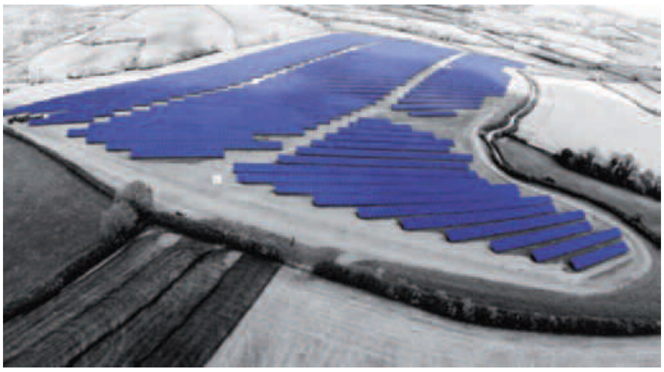


Langenhoe

Langenhoe is located near Colchester in Essex and has a capacity of 21.2MW. The plant has been operational since March 2015. The site has produced 38.5GWh (+7.7% vs budget) since acquisition to 30 September 2016. The acquisition cost was £22.9m and the investment value at period end was £22.8m, which is 5.7% of the portfolio value. The site overlooks the Mersey estuary and has innovative wildlife enhancement measures incorporated in to its design and operation with specific support for both local bird and bumblebee populations. The construction works also energised three previously off-grid properties.

	PE September 2016	Since Acquisition
MWh Generated	16,645	38,544
Solar Irradiation vs expectations	+3.9%	+3.2%
Energy Generation vs Budget	+8.9%	+7.7%

NEXTENERGY SOLAR FUND



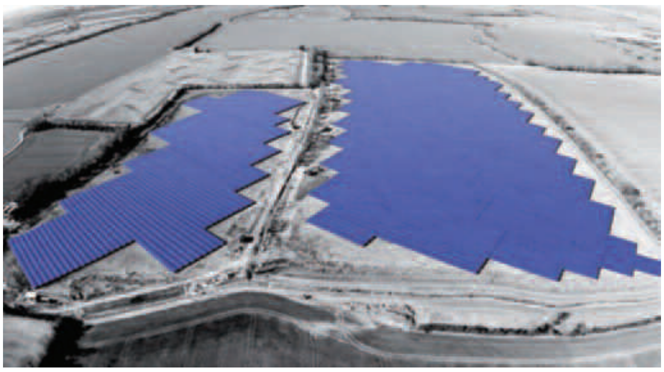
Park View	
Location	Devon
Capacity	6.5MW
Regulatory Regime	1.4 ROCs
EPC	Ethical
Panels	Astronergy
Inverter	SMA
Operational Since	Mar-15

Park View

Park View is located near Ashburton in Devon, situated at the top edge of a valley with a capacity of 6.5MW. The site has produced 8.1GWh (–4.3% vs budget) since acquisition to 30 September 2016. The acquisition of Park View was first announced in March 2015. The acquisition cost was £7.7m and the investment value at period end was £7.7m, which is 1.9% of the portfolio value.

	PE September 2016	Since Acquisition
MWh Generated	4,510	8,091
Solar Irradiation vs expectations	(8.0%)	(7.9%)
Energy Generation vs Budget	(6.5%)	(4.3%)

Croydon	
Location	Cambridgeshire
Capacity	16.5MW
Regulatory Regime	1.4 ROCs
EPC	Push Energy
Panels	Yingli
Inverter	SMA
Operational Since	Mar-15



Croydon

Croydon is a plant located in South Cambridgeshire and has a capacity of 16.5MW. The plant was acquired and has been operational since March 2015. The site has produced 27.5GWh (+5.6% vs budget) since acquisition to 30 September 2016. The acquisition cost was £17.8m and the investment value at period end was £17.7m, which is 4.5% of the portfolio value. The site also forms part of the Company's biodiversity drive after being sown with wildflower seed mix. The site will provide lengthy foraging seasons for bumblebees, a vital and declining species.

	PE September 2016	Since Acquisition
MWh Generated	11,990	27,535
Solar Irradiation vs expectations	+4.0%	+3.1%
Energy Generation vs Budget	+9.7%	+5.6%

Hawkers Farm	
Location	Somerset
Capacity	11.9MW
Regulatory Regime	1.4 ROCs
EPC	Greencells
Panels	Jinko
Inverter	Huawei
Operational Since	Mar-15

Hawkers Farm

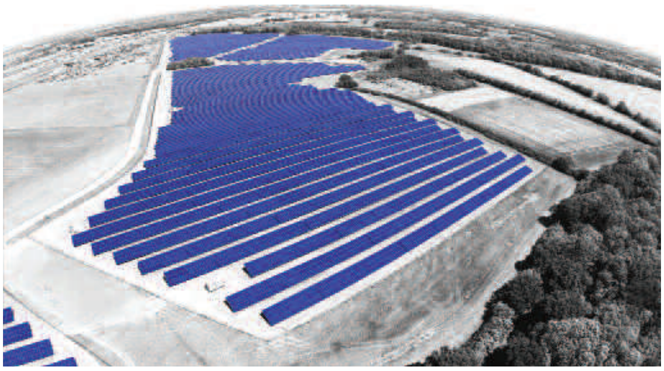
Hawkers Farm is a site located near Theale in Somerset with a capacity of 11.9MW. The plant was acquired in April 2015 and has been operational since March 2015. The site has produced 15.7GWh (-1.3% vs budget) since acquisition to 30 September 2016. The asset is located on a dairy farm and the site itself is being grazed by sheep ensuring that the land stays in food production. The acquisition cost was £14.5m and the investment value at period end was £14.6m, which is 3.7% of the portfolio value.

	PE September 2016	Since Acquisition
MWh Generated	8,211	15,684
Solar Irradiation vs expectations	(4.2%)	(4.3%)
Energy Generation vs Budget	(4.3%)	(1.3%)

Glebe Farm	
Location	Bedfordshire
Capacity	33.7MW
Regulatory Regime	1.4 ROCs
EPC	Bejulo
Panels	Canadian Solar
Inverter	SMA
Operational Since	Mar-15

Glebe Farm

Located not far from Wellingborough and partially on the old airfield land that is now taken up by the Santa Pod Raceway, Glebe Farm is one of the largest solar plants acquired by the Company with a capacity of 33.7MW. The acquisition was completed in May 2015. The plant has been operational since March 2015. The site has produced 50.6GWh (+9.3% vs budget) since acquisition to 30 September 2016. The acquisition cost was £40.5m and the investment value at period end was £40.5m, which is 10.2% of the portfolio value.



	PE September 2016	Since Acquisition
MWh Generated	24,522	50,555
Solar Irradiation vs expectations	+3.7%	+2.8%
Energy Generation vs Budget	+8.5%	+9.3%

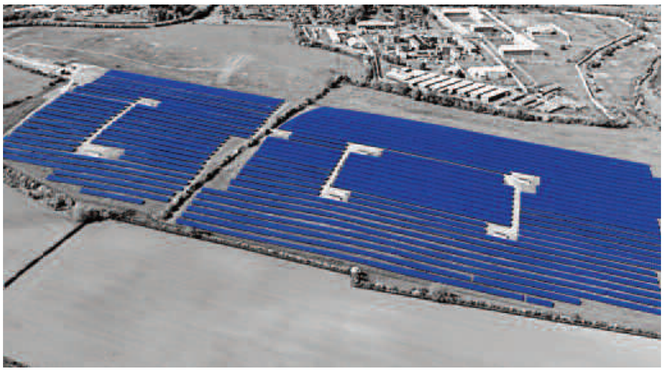
Bowerhouse	
Location	Somerset
Capacity	9.3MW
Regulatory Regime	1.4 ROCs
EPC	Ethical
Panels	LDK
Inverter	SMA
Operational Since	Mar-15

Bowerhouse

Bowerhouse is located near Banwell in Somerset and has a capacity of 9.3MW. The plant was acquired in June 2015 and has been operational since March 2015. The site has produced 11.5GWh (–1.2% vs budget) since acquisition to 30 September 2016. The acquisition cost was £11.1m and the investment value at period end £11.0m, which is 2.8% of the portfolio value.

	PE September 2016	Since Acquisition
MWh Generated	6,569	11,505
Solar Irradiation vs expectations	(1.4%)	(3.0%)
Energy Generation vs Budget	(0.9%)	(1.2%)

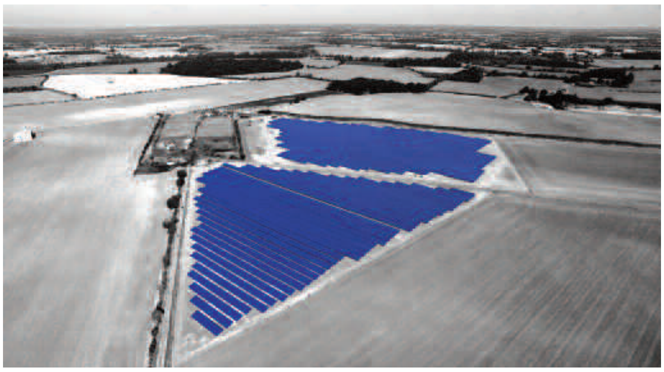
Wellingborough	
Location	Northants
Capacity	8.5MW
Regulatory Regime	1.6 ROCs
EPC	Lark Energy
Panels	LDK
Inverter	Free Sun
Operational Since	Mar-15



Wellingborough

Wellingborough is located near the town of Wellingborough in Northamptonshire and has a capacity of 8.5MW. The plant was acquired in June 2015 and has been operational since March 2015. The site has produced 11.6GWh (+3.7% vs budget) since acquisition to 30 September 2016. The acquisition cost was £10.8m and the investment value at period end was £10.0m, which is 2.5% of the portfolio value.

	PE September 2016	Since Acquisition
MWh Generated	5,980	11,558
Solar Irradiation vs expectations	(0.6%)	(1.8%)
Energy Generation vs Budget	+3.8%	+3.7%



Birch Farm	
Location	Essex
Capacity	5.0MW
Regulatory Regime	FiT
EPC	Push Energy
Panels	Yingli
Inverter	Ingeteam
Operational Since	Jun-15

Birch Farm

Birch Farm is a 5.0MW site located near Colchester in Essex. The plant was acquired in September 2015 and has been operational since June 2015. The site has produced 5.3GWh (+3.0% vs budget) since acquisition to 30 September 2016. The acquisition cost was £5.3m and the investment value at period end was £5.5m, which is 1.4% of the portfolio value. The site also enabled an energy supply to be created at an adjoining recycling facility.

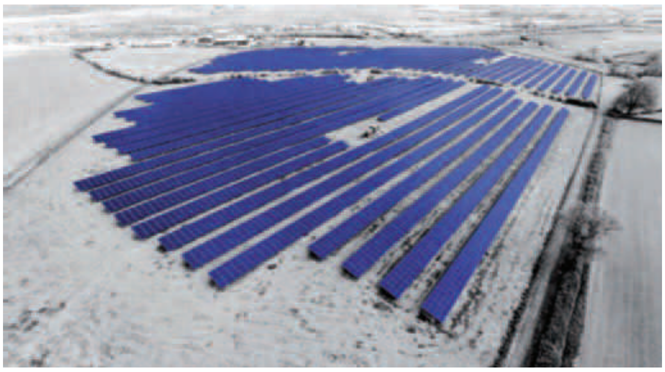
	PE September 2016	Since Acquisition
MWh Generated	3,747	5,337
Solar Irradiation vs expectations	+2.1%	+0.9%
Energy Generation vs Budget	+4.6%	+3.0%

Thurlestone Leicester	
Location	Leicestershire
Capacity	1.8MW
Regulatory Regime	FiT
EPC	Stepnell
Panels	Znshine Solar
Inverter	Power-One
Operational Since	Apr-13

Thurlestone Leicester

Thurlestone Leicester is located in Leicestershire and has a capacity of 1.8MW. The plant was acquired in October 2015 and has been operational since April 2013. The site has produced 0.3GWh (–3.0% vs budget) since acquisition to 30 September 2016. The acquisition cost was £2.3m and the investment value at period end was £2.5m, which is 0.6% of the portfolio value. This asset is the only rooftop component of the Company's portfolio providing green energy to tenants of Social housing.

	PE September 2016	Since Acquisition
MWh Generated	1,028	1,343
Solar Irradiation vs expectations	N/A	N/A
Energy Generation vs Budget	(1.7%)	(2.3%)



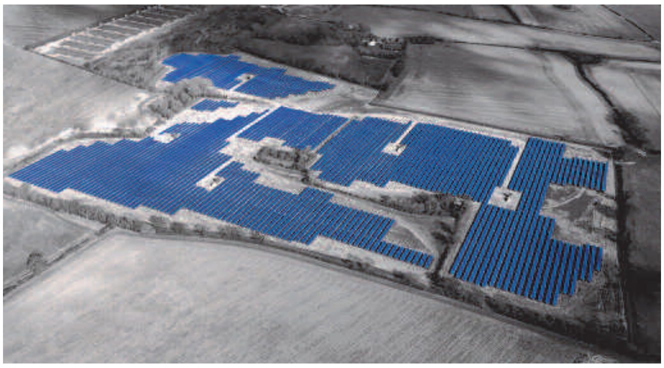
North Farm	
Location	Dorset
Capacity	11.5MW
Regulatory Regime	1.4 ROCs
EPC	British Solar Renewables
Panels	Jinko
Inverter	Gamesa
Operational Since	Mar-15

North Farm

North Farm is a 11.5MW site located in Dorset. The plant was acquired in October 2015 and has been operational since March 2015. The site has produced 11.5GWh (–6.8% vs budget) since acquisition to 30 September 2016. The acquisition cost was £14.5m and the investment value at period end was £14.3m, which is 3.6% of the portfolio value.

	PE September 2016	Since Acquisition
MWh Generated	8,434	11,531
Solar Irradiation vs expectations	(8.5%)	(10.2%)
Energy Generation vs Budget	(5.7%)	(6.8%)

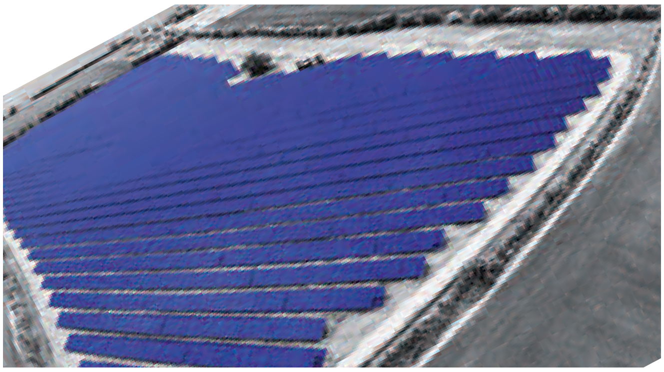
Ellough Phase 2	
Location	Suffolk
Capacity	8.0MW
Regulatory Regime	1.3 ROCs
EPC	Lark Energy
Panels	Hanwha
Inverter	Free Sun
Operational Since	Mar-16



Ellough Phase 2

Ellough Phase 2 is located in Suffolk and has a capacity of 8.0MW. The transaction was completed in August 2016 and has been operational since March 2016. The site has produced 1.8GWh (+9.8% vs budget) since acquisition to 30 September 2016. The acquisition cost was £8.0m and the investment value at period end was £9.1m, which is 2.3% of the portfolio value.

	PE September 2016	Since Acquisition
MWh Generated	1,768	1,768
Solar Irradiation vs expectations	+12.7%	+12.7%
Energy Generation vs Budget	+9.8%	+9.8%



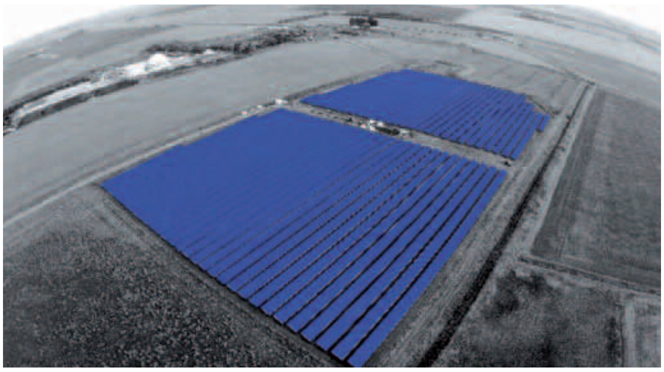
Hall Farm	
Location	Leicestershire
Capacity	5.0MW
Regulatory Regime	FiT
EPC	Push Energy
Panels	Hanwha
Inverter	Ingeteam
Operational Since	May-16

Hall Farm

Hall Farm is located in Leicestershire and has a capacity of 5.0MW. The plant was acquired in November 2015 and has been operational since May 2016. The site has produced 0.4GWh (-1.2% vs budget) since acquisition to 30 September 2016.The acquisition cost was £5.0m and the investment value at period end was £5.6m, which is 1.4% of the portfolio value.

	PE September 2016	Since Acquisition
MWh Generated	395	395
Solar Irradiation vs expectations	(5.9%)	(5.9%)
Energy Generation vs Budget	(1.2%)	(1.2%)

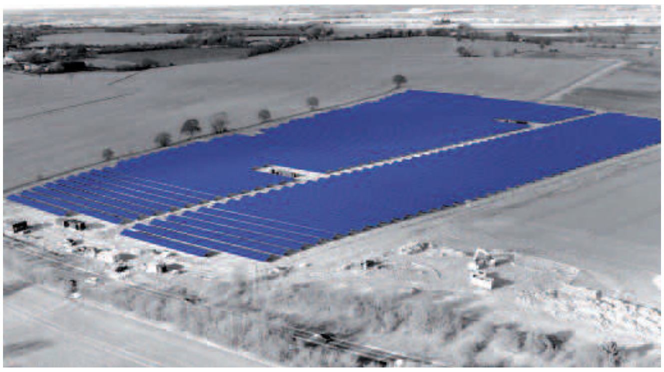
Decoy Farm	
Location	Lincolnshire
Capacity	5.0MW
Regulatory Regime	FiT
EPC	Push Energy
Panels	Hanwha Q Cells
Inverter	Ingeteam
Operational Since	Jan-16



Decoy Farm

Decoy Farm is a 5.0MW site located near Colchester in Essex. The plant was acquired in November 2015 and has been operational since January 2016. The site has produced 0.4GWh (-9.9% vs budget) since acquisition to 30 September 2016.The acquisition cost was £5.2m and the investment value at period end was £5.6m, which is 1.4% of the portfolio value.

	PE September 2016	Since Acquisition
MWh Generated	372	372
Solar Irradiation vs expectations	(8.5%)	(8.5%)
Energy Generation vs Budget	(9.9%)	(9.9%)



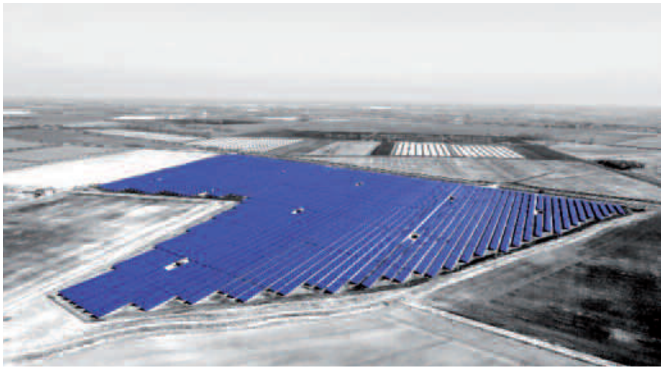
Green Farm	
Location	Essex
Capacity	5.0MW
Regulatory Regime	FiT
EPC	Moser Baer/Daylighting Power
Panels	Atersa
Inverter	Power Electronics
Operational Since	Dec-15

Green Farm

Green Farm is located in Essex and has a capacity of 5.0MW. The plant was acquired in November 2015 and has been operational since December 2015. The acquisition cost was £5.8m and the investment value at period end £5.8m, which is 1.5% of the portfolio value.

	PE September 2016	Since Acquisition
MWh Generated	N/A	N/A
Solar Irradiation vs expectations	N/A	N/A
Energy Generation vs Budget	N/A	N/A

Fenland	
Location	Cambridgeshire
Capacity	20.4MW
Regulatory Regime	1.4 ROCs
EPC	Hanwha Q Cells
Panels	Hanwha Q Cells
Inverter	SMA
Operational Since	Mar-15



Fenland

Fenland is located in Cambridgeshire and has a capacity of 20.4MW. The plant was acquired in January 2016 and has been operational since March 2015. The site has produced 18.4GWh (+7.8% vs budget) since acquisition to 30 September 2016. Fenland is part of the Three Kings portfolio which has project level debt, the equity acquisition cost was £7.6m and the investment value at period end was £8.4m, which is 2.1% of the portfolio value.

	PE September 2016	Since Acquisition
MWh Generated	15,220	18,397
Solar Irradiation vs expectations	+1.5%	+2.6%
Energy Generation vs Budget	+7.1%	+7.8%

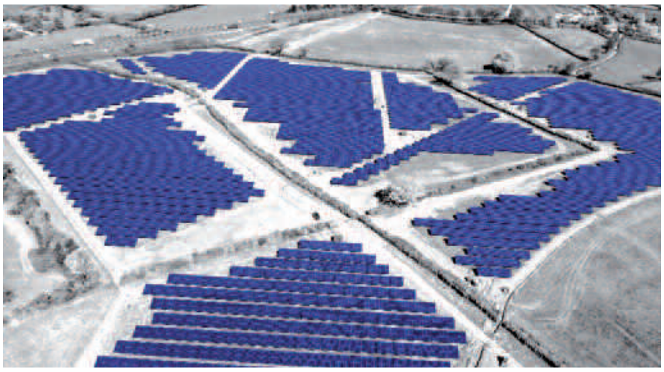
Green End	
Location	Cambridgeshire
Capacity	24.8MW
Regulatory Regime	1.4 ROCs
EPC	Hanwha Q Cells
Panels	Hanwha Q Cells
Inverter	SMA
Operational Since	Mar-15

Green End

Green End is a 24.8MW site located in Cambridgeshire. The plant was acquired in January 2016 and has been operational since March 2015. The site has produced 21.7GWh (+4.8% vs budget) since acquisition to 30 September 2016. Green End is part of the Three Kings portfolio which has project level debt, the equity acquisition cost was £9.2m and the investment value at period end was £10.1m, which is 2.6% of the portfolio value.

	PE September 2016	Since Acquisition
MWh Generated	17,805	21,713
Solar Irradiation vs expectations	+0.9%	+1.8%
Energy Generation vs Budget	+3.2%	+4.8%

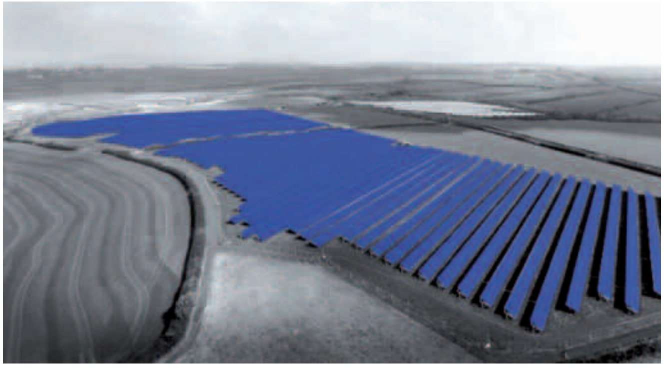
Tower Hill	
Location	Gloucestershire
Capacity	8.1MW
Regulatory Regime	1.4 ROCs
EPC	Hanwha Q Cells
Panels	Hanwha Q Cells
Inverter	SMA
Operational Since	Mar-15



Tower Hill

Tower Hill is located in Gloucestershire and has a capacity of 8.1MW. The plant was acquired in January 2016 and has been operational since March 2015. The site has produced 7.1GWh (+4.7% vs budget) since acquisition to 30 September 2016. Tower Hill is part of the Three Kings portfolio which has project level debt, the equity acquisition cost was £3.0m and the investment value at period end was £3.5m, which is 0.9% of the portfolio value.

	PE September 2016	Since Acquisition
MWh Generated	5,875	7,114
Solar Irradiation vs expectations	(1.9%)	(0.9%)
Energy Generation vs Budget	+3.3%	+4.7%



Branston	
Location	Lincolnshire
Capacity	18.9MW
Regulatory Regime	1.4 ROCs
EPC	Goldbeck
Panels	REC
Inverter	SMA
Operational Since	Mar-15

Branston

Branston is located in Lincolnshire and has a capacity of 18.9MW. The plant was acquired in March 2016 and has been operational since March 2015. The site has produced 13.6GWh (+7.0% vs budget) since acquisition to 30 September 2016. This solar PV plant is part of the Radius portfolio whose acquisition of £47.5m was financed with project level debt and whose equity investment value at period end was £54.1m, which is 13.6% of the portfolio value.

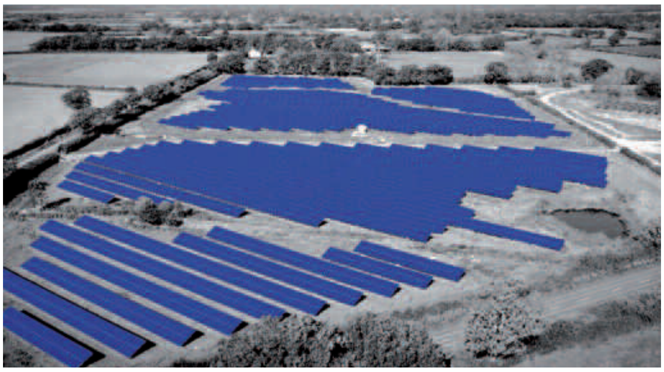
	PE September 2016	Since Acquisition
MWh Generated	13,648	13,648
Solar Irradiation vs expectations	+3.7%	+3.7%
Energy Generation vs Budget	+7.0%	+7.0%

Great Wilbraham	
Location	Cambridgeshire
Capacity	38.1MW
Regulatory Regime	1.4 ROCs
EPC	Abakus Bouygues
Panels	REC
Inverter	Schneider
Operational Since	Mar-15

Great Wilbraham

Great Wilbraham is a 38.1MW site located in Cambridgeshire. The plant was acquired in March 2016 and has been operational since March 2015. The site has produced 27.1GWh (+2.8% vs budget) since acquisition to 30 September 2016. This solar PV plant is part of the Radius portfolio whose acquisition of £47.5m was financed with project level debt and whose equity investment value at period end was £54.1m, which is 13.6% of the portfolio value. This site is the largest in the Company's portfolio.

	PE September 2016	Since Acquisition
MWh Generated	27,145	27,145
Solar Irradiation vs expectations	+1.7%	+1.7%
Energy Generation vs Budget	+2.8%	+2.8%



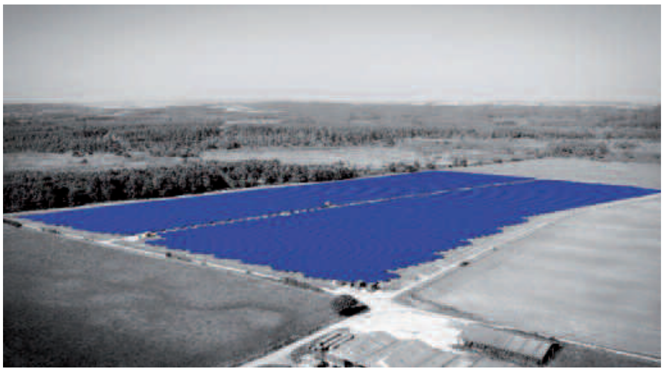
Berwick	
Location	Sussex
Capacity	8.2MW
Regulatory Regime	1.4 ROCs
EPC	Abakus Bouygues
Panels	Renesola
Inverter	SMA
Operational Since	Mar-15

	PE September 2016	Since Acquisition
MWh Generated	6,587	6,587
Solar Irradiation vs expectations	+2.9%	+2.9%
Energy Generation vs Budget	+5.4%	+5.4%

Berwick

Berwick is located in Sussex and has a capacity of 8.2MW. The plant was acquired in March 2016 and has been operational since March 2015. The site has produced 6.6GWh (+5.4% vs budget) since acquisition to 30 September 2016. This solar PV plant is part of the Radius portfolio whose acquisition of £47.5m was financed with project level debt and whose equity investment value at period end was £54.1m, which is 13.6% of the portfolio value. The site has an adjoining community flower meadow and boards displaying information about the site for use by local residents and school.

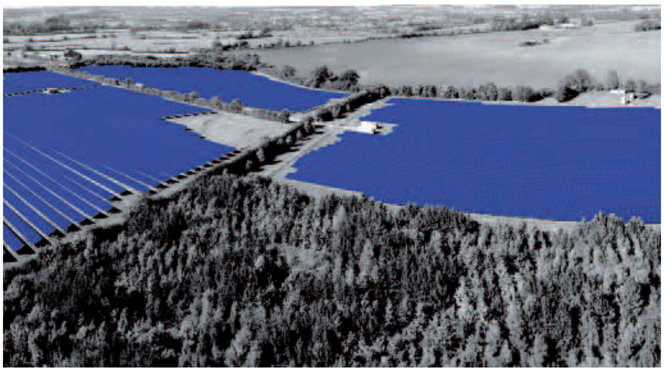
Bottom Plain	
Location	Dorset
Capacity	10.1MW
Regulatory Regime	1.4 ROCs
EPC	Abakus Bouygues
Panels	Renseola
Inverter	SMA
Operational Since	Dec-14



Bottom Plain

Bottom Plain is a 10.1MW site located in Dorset. The plant was acquired in March 2016 and has been operational since December 2014. The site has produced 7.8GWh (+0.4% vs budget) since acquisition to 30 September 2016. This solar PV plant is part of the Radius portfolio whose acquisition of £47.5m was financed with project level debt and whose equity investment value at period end was £54.1m, which is 13.6% of the portfolio value.

	PE September 2016	Since Acquisition
MWh Generated	7,843	7,843
Solar Irradiation vs expectations	(1.8%)	(1.8%)
Energy Generation vs Budget	+0.4%	+0.4%



Emberton	
Location	Buckinghamshire
Capacity	9.0MW
Regulatory Regime	1.4 ROCs
EPC	Goldbeck
Panels	REC
Inverter	Schneider
Operational Since	Mar-15

	PE September 2016	Since Acquisition
MWh Generated	6,358	6,358
Solar Irradiation vs expectations	+1.6%	+1.6%
Energy Generation vs Budget	+2.0%	+2.0%

Emberton

Emberton is located in Buckinghamshire and has a capacity of 9.0MW. The plant was acquired in March 2016 and has been operational since March 2015. The site has produced 6.4GWh (+2.0% vs budget) since acquisition to 30 September 2016. This solar PV plant is part of the Radius portfolio whose acquisition of £47.5m was financed with project level debt and whose equity investment value at period end was £54.1m, which is 13.6%.

Current and Long Term Power Prices

During the Company's interim period, the wholesale power market in the UK experienced an upward movement which has increased revenues from the sale of electricity generated by the portfolio. Electricity spot prices rose from c.£34/MWh in March 2016 to c.£40/MWh (Source: Inenco Group) in September 2016 (UK baseload – day ahead). At the Date of Distribution, electricity prices for Winter 2016 have further increased (to over £70/MWh for December 2016 and January 2017), but the indications derived from forward prices are that these prices are expected to come down significantly for Summer and Winter 2017 (to c.£45/MWh and c.£50/MWh respectively). The Investment Manager continuously reviews multiple inputs from market contributors and the Company's appointed independent market consultants and adjusts the Company's power price forecasts periodically to reflect the latest market developments.

The Company's current long-term power price forecast implies an average growth rate of approximately 2.1 % in real terms over the 20-year period starting October 2016. This power price curve is higher by 4.5% compared to the one assumed for the March 2016 NAV.

Dividends

During the period the Company paid the second interim dividend for the financial period ended 31 March 2016 of 3.1250 per Ordinary Share and the first interim quarterly dividend for the period ended 30 June 2016 of 1.5775 per Ordinary Share. For the quarter ended 30 September 2016 a second interim quarterly dividend of 1.5775p per Ordinary Share totaling £5,413,939 will be paid to shareholders in December 2016. As a result, the Company is on track to pay a total dividend of 6.31p for the full year ending 31 March 2017. The summary of all dividends paid by the Company until the Date of Distribution of this interim report is set out in the table below.

During the period the Company generated investment income of £17.0m and had net operating costs of £2.0m. As a result, the net dividend cover for the period was 1.2x. The table below provides additional details and metrics.

Dividend	Month of Payment	Amount per Ordinary Share (p)	Total Amount (£m)
First interim for year 14/15	December 2014	2.625	4,635,750
Second interim for year 14/15	July 2015	2.625	6,309,188
First interim for year 15/16	December 2015	3.125	8,686,160
Second interim for year 15/16	July 2016	3.125	8,686,160
First quarterly dividend for year 16/17	September 2016	1.5775	4,058,499[1]
Total (Cash Dividends paid to date)			32,375,757
Second quarterly dividend for year 16/17	Dec 2016	1.5775	5,413,939
Total (Dividends to be paid)			16,241,817

Investment Income	Total (£)		
Investment Income for 6 months to 30 September 16	17,038,776		
Net operating costs for 6 months to 30 September 16	(2,020,827)		
Net Investment Income	15,017,949	Gross Dividend Cover	Net Dividend Cover
Dividends paid during period	12,744,658[2]	1.3 x	1.2 x
Dividends in relation to the period	9,472,438[3]	1.8 x	1.6 x

1 A scrip dividend payment was elected by some shareholders for 1,139,374 shares resulting in lower total cash dividend payout. The total amount to be paid out before the scrip dividend was £5,387,414.
2 This amount is post scrip dividend take out. If the shares from the scrip dividend were included the total amount paid during the year would be £14,073,574. The Gross dividend cover would have been 1.2x and the net would have been 1.1x. Dividends paid during period include the second and final semiannual dividend for year 15/16 and the first quarterly interim for year 16/17 (as such they relate to a 9-month period)
3 This amount is post scrip dividend take out. If the shares from the scrip dividend were included, the total amount paid during the period would be £10,801,353. The Gross dividend cover would be 1.6x and the net dividend cover would be 1.4x.

As stated in the Chairman's Statement on page 4 the Company is targeting a dividend of 6.31p per share for the financial year ending 31 March 2017.

Following the Board's decision to move to a quarterly dividend, as announced in April 2016, the quarterly forward looking dividend calendar is set out in the table below:

Dividend for year 16/17	Date of Expected Payment	Amount per Ordinary Share (p)
Second interim	December 2016	1.5775
Third interim	March 2017	1.5775
Fourth interim	July 2017	1.5775
Total		4.7325

Operating Costs and Profits for the Year

The operating costs of the Company amounted to £2.0m, in line with expectations. The profit before tax for the year ended 30 September 2016 was £25.3m and the earnings per share were 8.46p, positively impacted by an increase in the fair value of investments.

Valuation of the Investment Portfolio

The Investment Manager is responsible for carrying out the fair market valuation of the Company's underlying investment portfolio, as described in Note 12. The resulting fair market value of the Company's investment portfolio is presented to the Company's Board of Directors for their review and approval. The valuation is carried out at least quarterly or more often if capital increases or other relevant events arise. The valuation principles used are based on a discounted cash flow methodology, and take into account Invest Europe (formerly European Private Equity and Venture Capital Association) guidelines.

The Investment Manager reviews multiple sources and inputs in determining the fair market value of the underlying investments, including analysing recently announced solar transactions in the UK as well as undertaking a discounted cash flow analysis of each investment made by the Company. The Investment Manager exercises its judgement based on its expertise in the UK solar PV market and in assessing the expected future cash flows from each investment. In the discounted cash flow analysis, the fair value for each operating asset is derived from the present value of the investment's expected future cash flows, using reasonable assumptions and forecasts for revenues and operating costs, and an appropriate discount rate.

For solar PV plants not yet operational or where the completion of the acquisition is not imminent at the time of valuation, the acquisition cost is used as an approximate estimate of fair value.

The Board reviews the operating and financial assumptions, including the discount rates, used in the valuation of the Company's underlying portfolio and approves them based on the recommendation of the Investment Manager. The 'valuation' process comprises the analysis of multiple factors, all relevant to ascertain the fair value of the portfolio, including:

- Discount rates applicable for other comparable infrastructure assets classes or regulated energy sectors
- CAPM ("Capital Asset Pricing Model") analysis and risk premium over relevant risk free rates
- Discount rates publicly disclosed by the Company's peers in the UK solar sector
- Discount rates implied in the price at which comparable transactions have been announced or completed in the UK solar sector

Based on all of the above, the Company continues to adopt a 7.5% discount rate for unlevered operating solar assets and started to adopt a discount rate up to 8.5% for solar assets with project level debt at the previous year end which remains unchanged as at 30 September 2016. At each year-end, PricewaterhouseCoopers CI LLP ("PwC CI") reviews investment valuations as part of its overall audit of the Company.

For those operating solar assets with fully-amortising long-term project level debt (the Radius portfolio comprising Branston, Berwick, Bottom Plain, Emberton and Great Wilbraham, and the Three Kings portfolio comprising Fenland, Green End and Tower Hill) the Company adopted a higher discount rate to capture the greater level of risk associated with the cash flows available to equity investors after debt service. The appropriate level of risk premium due to project level debt was evaluated taking into account various factors for each specific asset including level of financial gearing, maturity profile and cost of debt. As a result, the discount rates applied to these projects range up to 8.5%.

The resulting weighted average discount rate for the Company's portfolio is 7.7%.

As a way of comparison, the Company's pre-tax WACC ("Weighted Average Cost of Capital") as of 30 September 2016 was 6.1%.

The DCF methodology implemented in the Portfolio Valuation assumes a valuation time-horizon capped to the current terms of the lease on the properties where each individual solar PV asset is located. As of 30 September 2016, the remaining weighted average lease duration of the Company's portfolio was 25.2 years.

The Company's NAV is calculated on a quarterly basis based on the valuation of the investment portfolio determined by the Investment Manager and the overlay of other net assets provided by Ipes (Guernsey) Limited (the"Administrator"). It is then reviewed and approved by the Board of Directors. All variables relating to the performance of the underlying assets are reviewed and incorporated in the process of identifying relevant drivers for the discounted cash flow valuation.

The Company experienced NAV growth during the period driven mainly by the issuance of new capital in July, August and September 2016 totaling £64.7m. As a result, NAV grew over the year from £273.8m to c.£350.1m as at 30 September 2016.

The increase in NAV per share in the period from 98.5p to 102.0p was mainly driven by the following factors:

- There was a 4.5% increase in the forecasts for long-term power prices adopted by the Investment Manager compared to 31 March 2016;
- An increase in long-term RPI inflation rate estimates from 2.5% to 2.75%
- The operating results achieved by the Company's solar PV plants; and
- The dividends paid in July 2016 and September 2016 and the Company's operating costs.

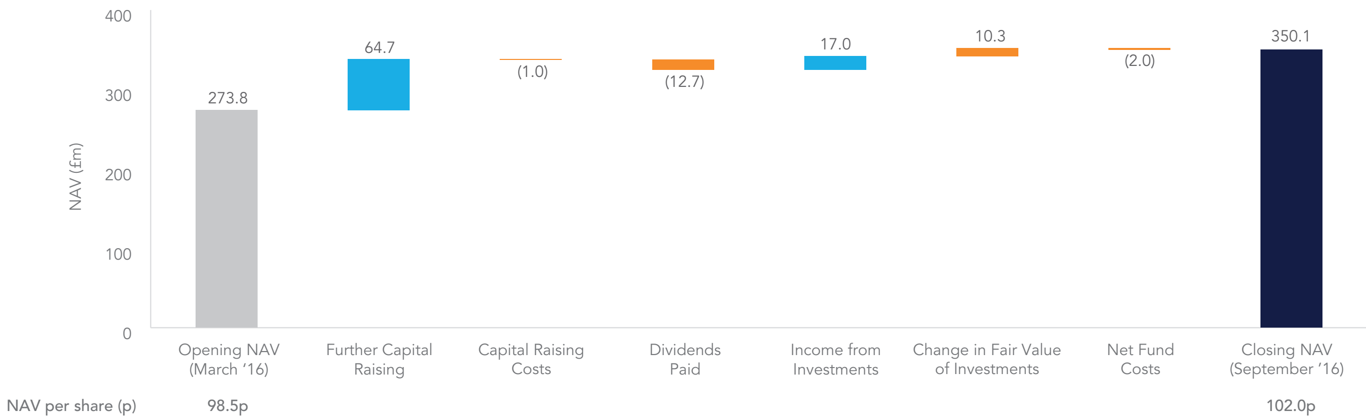
These factors can be viewed alongside the other drivers in the NAV bridge chart on page 32.

NAV Bridge (Movement)	(GBPm)
Opening NAV (March 2016)	**273.8**
Further Capital Raising	64.7
Capital Raising Costs	(1.0)
Dividends Paid to Investors	(12.7)
Income from Investments	17.0
Change in Fair Value of Investments	10.3
Net Fund Costs	(2.0)
Closing NAV (September 2016)	**350.1**

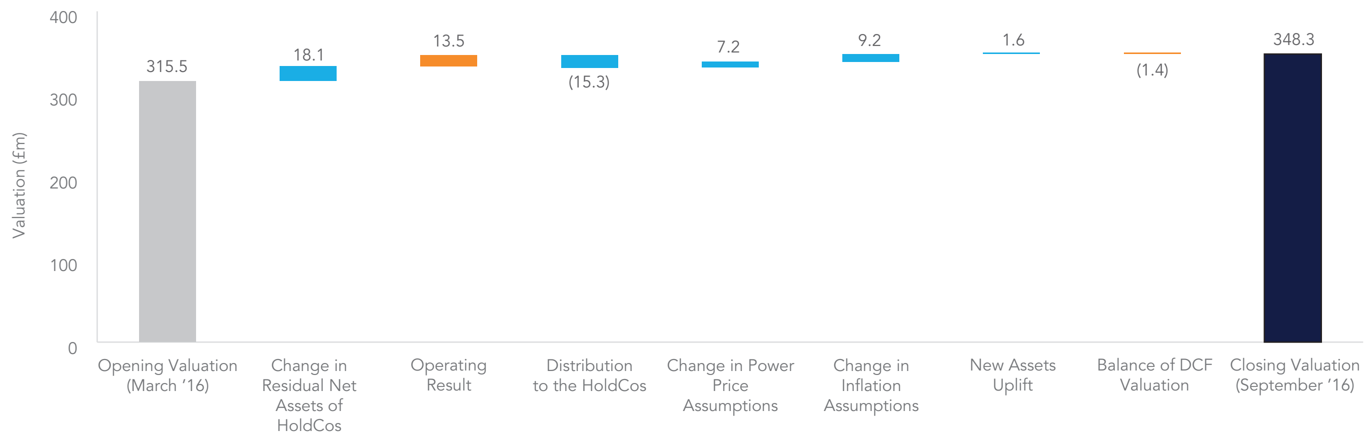
Another important driver for the growth in NAV was revaluation of the Investments which accounted for £10.3m. The portfolio revaluation bridge chart below highlights the main factors driving the portfolio revaluation and reconciles the total revaluation for the period. The revaluation is summarised in the net changes in financial assets at fair value in the Condensed Statement of Comprehensive Income on page 42.

The Company's investment portfolio through its directly held subsidiaries is valued at £397.1m, comprising 28 investments valued through discounted cash flow methodology and 1 investment valued at acquisition cost. Among the 29 investments, Radius is considered as one portfolio consisting of five solar PV plants. The valuation of the investment portfolio is net of the project level debt: £44.9m outstanding advanced by Bayerische Landesbank for the 53MW Three Kings portfolio comprising Fenland, Green End and Tower Hill, acquired by the Company in January 2016; and £54.9m outstanding arranged by Macquarie Infrastructure Debt Investment Solutions ("MIDIS") in conjunction with the acquisition of the 84MW Radius portfolio signed by the Company in March 2016.

NESF NAV Bridge – 31st March 2016 to 30th September 2016



Portfolio Valuation Bridge – 30th September 2016



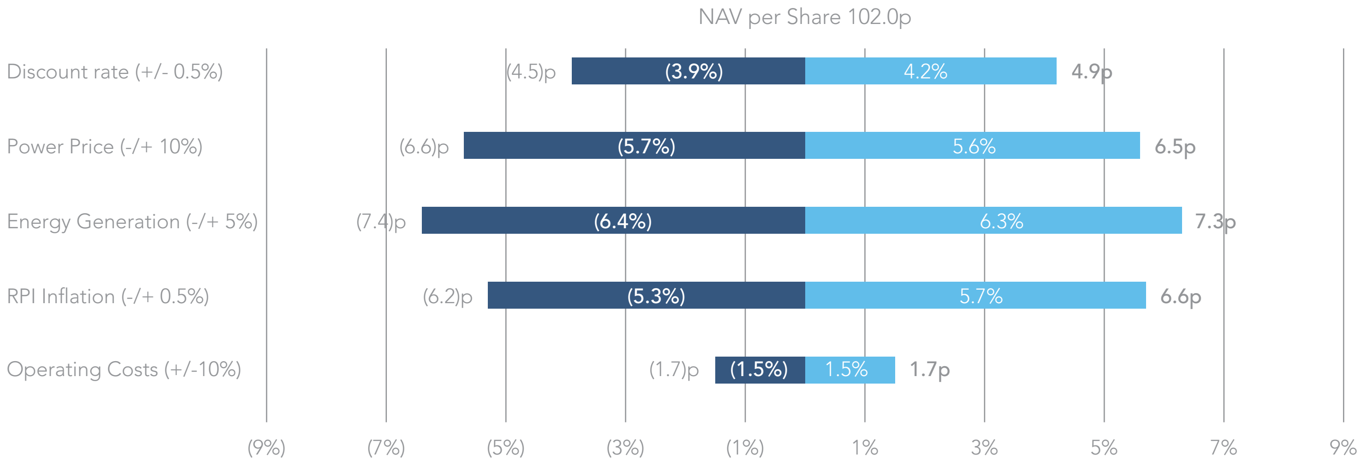
Investments which are valued at acquisition cost are those solar PV plants for which the relevant milestones and technical tests had not yet been finalised at period end, and as such their completion was not deemed imminent. As at 30 September 2016, only Green Farm was held at acquisition cost.

Investment (£)	Directors' Valuation 31 March 2016 (GBP)	Directors' Valuation 30 September 2016 (GBP)
Higher Hatherleigh	6,907,206	7,165,736
Shacks Barn	7,993,437	8,145,869
Ellough	18,780,284	19,288,849
Condover	10,451,176	11,003,050
Langenhoe	21,517,834	22,750,345
Boxted	20,059,008	21,109,909
Llwyndu	9,010,754	9,132,051
Hawkers Farm	13,841,456	14,573,954
Cock Hill Farm	22,214,893	22,277,395
Bilsham	17,573,137	18,326,651
Poulshot	15,347,350	16,441,358
Gover Farm	11,390,789	11,449,637
Brickyard	3,729,258	3,989,927
Croydon	16,958,191	17,742,291
Park View	7,341,299	7,655,350
Glebe Farm	38,832,745	40,450,309
Wellingborough	9,911,957	9,977,427
Bowerhouse	10,519,042	10,975,787
Birch	5,508,836	5,514,607
North Farm	13,884,261	14,300,945
Thurlestone – Evo	2,713,983	2,514,590
Fenland(3)	8,437,289	8,439,694
Green End(3)	10,091,867	10,148,418
Tower Hill(3)	3,507,200	3,544,093
Decoy Farm	5,557,217	5,615,492
Ellough Phase 2	8,047,967	9,071,938
Green Farm(1)	5,775,461	5,775,461
Hall Farm	4,980,825	5,603,646
Project Radius(3)	51,448,533	54,147,237
Total Investment Portfolio	382,333,255	397,132,016
Residual Net Assets of NESH	(43,788,593)	(29,185,246)
Residual Net Assets of NESH II	(23,147,238)	(21,927,579)
Residual Net Assets of NESH III	69,255	26,692
Residual Net Assets of NESH IV	–	2,302,947
Total Investment in Holding Companies(2)	315,466,679	348,348,830

(1) These investments were not yet completed as at 30 September 2016.
(2) A summary of the total investment in Holding Companies is provided in note 5 (Investments) of the Financial Statements.
(3) These investments have financial leverage at project level.

Sensitivity Analysis

Sensitivities on the Company's NAV and detailed disclosure on the asset valuation methodologies are provided below and in note 12 (Financial instruments) of the Financial Statements. The sensitivity chart below highlights a) the percentage change in the total investment portfolio valuation of £397.1m resulting from a change in the underlying variables affecting the whole portfolio for the entire asset life; and b) the consequential impact of such change in the total investment portfolio valuation on the NAV per share as at 30 September 2016, which helps to highlight the increased sensitivity due to the employment of financial leverage.



Sensitivity on energy yield is usually a P10/P90 probability analysis on solar irradiation over 10 years since it is a technical standard employed across the broader renewable energy asset class and is particularly relevant for Wind assets given the significant volatility of Wind energy sources year on year. The Investment Manager, based on its experience, considers that for solar PV assets more appropriate and meaningful information is provided by the sensitivity analysis of the aggregated effect of solar irradiation and technical performance (in a reasonable range of -/+ 5% over the life of the DCF valuation horizon). For reference purposes, the sensitivity based on P10/P90 would have resulted in a -/+9.6% impact on portfolio valuation.

In addition to the above sensitivities on NAV, the Investment Manager has performed further sensitivities on actual cash generation. This analysis takes into account the impact of selected changes in valuation assumptions over the twelve months to September 2017. In this analysis, should energy prices fall by 10% from current forecasts, NESF would experience a reduction of 4.5% in its net operating cashflows, such impact being mitigated by the fixed price PPAs in place over the period. Also, should the portfolio achieve an over performance of 5% throughout the twelve months to September 2017 (whether due to higher solar irradiation or asset management), total operating cashflows would increase by 14.3%. Conversely, these sensitivities on cash generation would have similar but opposite results in their respective inverted scenario.

Since the Company's IPO in April 2014 the long-term power price forecast used by the Company was revised nine times (August 2014 to October 2016) with a cumulative reduction of c.27%. For sake of illustration, had the power price forecasts remained in line with those at the time of the IPO, the Company's NAV would be 127.5p per share.

Summary of Capital Raising and Capital Deployment

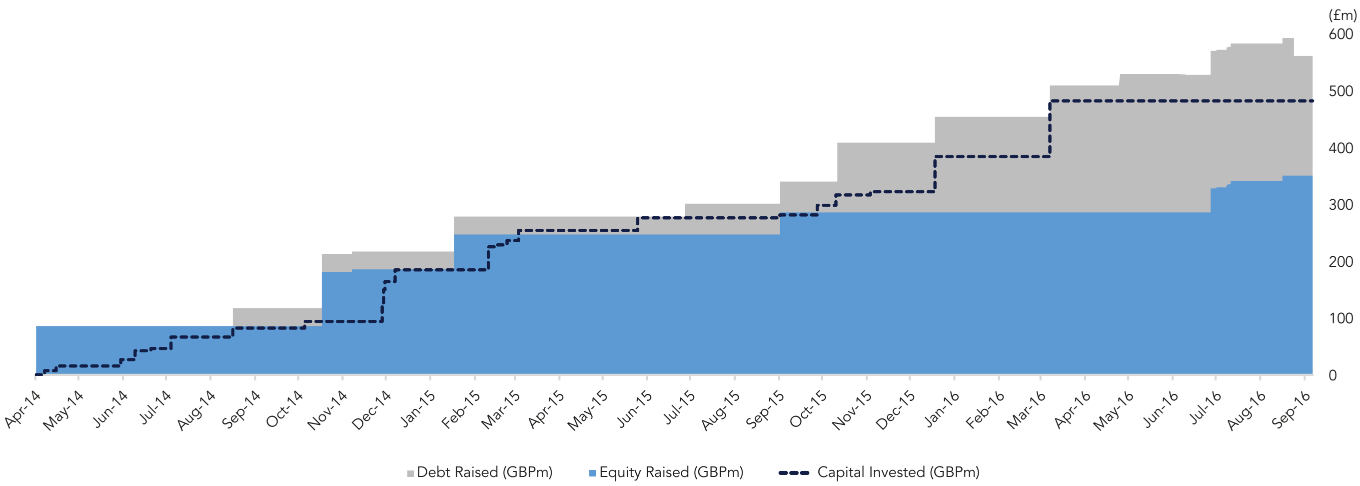
At the period end, the Company had completed seven capital raisings since inception: its IPO of 85.6m New Ordinary Shares in April 2014, a second issue of 91.0m New Ordinary Shares in November 2014, a placing of 4.0m New Ordinary Shares in December 2014, 59.8m New Ordinary Shares in February 2015, a placing of 37.6m New Ordinary Shares in September 2015, 54.9m New Ordinary Shares in July and August 2016, and a further 9.2m New Ordinary Shares in September 2016.

On 30 September 2016, the Company made a scrip dividend issue of 1,139,374 New Ordinary Shares at a price of 104.6p per Share.

Following the scrip issue outlined above, the Company's issued share capital comprised 343,197,405 Ordinary shares. The figure of 343,197,405 may be used by Shareholders and other investors as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure and Transparency Rules. During the current period the Company announced a 350m share issuance program and post period end successfully issued 110.3m new shares. The proceeds of this initial issue will allow the Company to pursue acquisitions targeted in the current financial year.

Below is a capital deployment chart that outlines the timing of the equity raising and speed of the capital deployment which, in conjunction with the debt financing raised, allowed the Company to rapidly grow its investment portfolio since inception.

NextEnergy Solar Fund Capital Deployment Timeline as at 30 September 2016

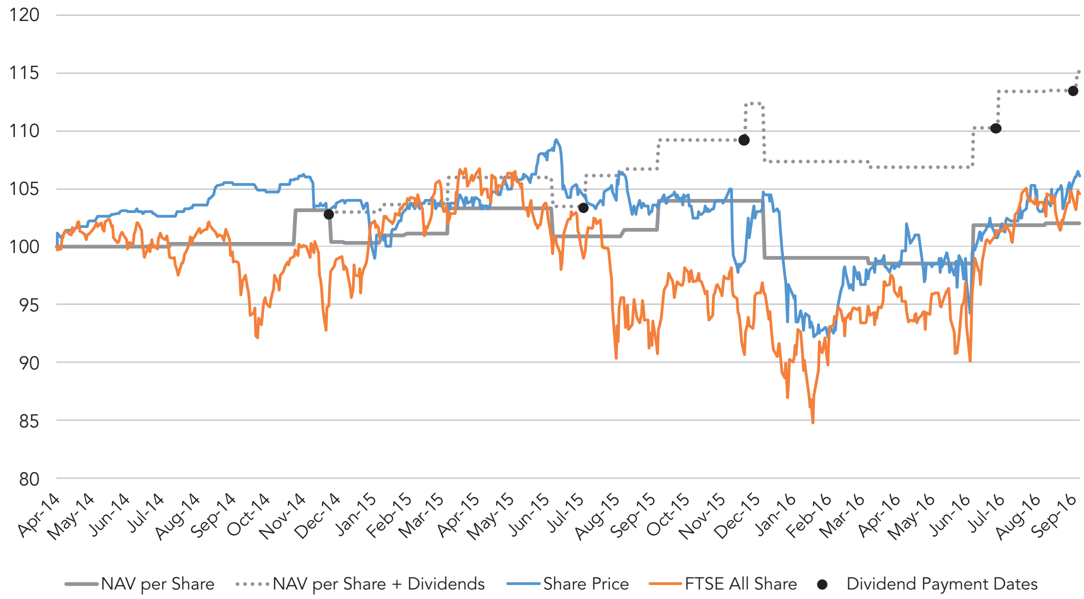


Date	Equity Raised (£m)	Equity Invested	Time to Deployment
April 2014	85.6	c.95% by September 2014	c.4 months
November/December 2014	99.6	c.95% by January 2015	c.6 weeks
February 2015	61.4	c.100% by April 2015	c.6 weeks
September 2015	38.8	c.100% by November 2015	c.6 weeks
July/August 2016	55.2	Capital used to pay down debt facility	Immediate
September 2016	9.5	Capital used to pay down debt facility	Immediate

Date	Debt Raised (£m)	Lender	Amount Deployed
July 2015	22.7	NIBC	c.100%
November 2015	100.0	Macquarie	c.74.5%
January 2016	45.4	Bayern Landesbank	c.100%
March 2016	55.0	Arranged by MIDIS	c.100%
May 2016	20.0	Macquarie	c.0%

Share Price Development

During the period the share price increased from 97.75p to 106.13p. The NAV and share price chart below highlights the share price performance and shows how it traded at a premium over NAV for majority of the period to 30 September 2016.



NESF shares are included in the FTSE All-Shares Index as well as the FTSE Small Cap Index. Without taking into accounts dividends paid, NESF shares outperformed its FTSE All-Shares benchmark on 83.3% of days during the period and on 83.7% of days since IPO. During the period, NAV total return was 8.3% and total shareholders return was 13.1% (respectively 6.2% and 7.9% since IPO).

Financing and Cash Management

As of 30 September 2016 and the Date of Distribution of this interim report, the Company had a total of £64.7m in short-term financial debt outstanding at Holdco level, resulting from the following:

- £43.0m drawn under the two-year revolving credit facility ("RCF") advanced by Macquarie Bank Limited on 17 September 2014 (and subsequently syndicated for 40% to Santander). The current value of the total facility is £88.5m of which £45.5m is available to draw down.
- £21.7m drawn under the debt facility advanced by NIBC Bank B.V ("NIBC") to finance the acquisition of two assets (Cock Hill and Llwyndu).

As at 30 September 2016 the Company had executed the extension of the NIBC facility for a further 3 years to 4 July 2019. NIBC previously financed the construction of the two projects for the vendor. The upfront costs to the Company favorably reflected NIBC's previous involvement in and knowledge of the two projects and the remaining terms of the facility are in line with current market conditions. During the period the Company began executing the refinancing of the short-term debt provided by Macquarie with fully amortising long-term debt which will provide the Company with additional capital to meet current obligations and targeted acquisitions for the future. The refinancing is expected to complete before the Company's year end.

As a result, the total pro-forma debt position of the Company on a look-through basis as of 30 September 2016 is £164.3m. This represents a gearing of 33% in terms of total debt vs. Gross Asset Value (which is equal to NAV plus total financial debt outstanding). The corresponding average cost of debt is 3.1%. The table below provides detailed information on the total debt outstanding as of 30 September 2016:

Facility	Type	Borrowing Platform	Tranches	Current Facility Size (£m)	Amount Outstanding (£m)	Termination	Applicable Rate
Macquarie & Santander	Revolving Credit Facility	NextEnergy Solar Holdings I	RCF – Tranche A	–	–	17/09/2016	N/A
			RCF – Tranche B	68.5	43.0	17/06/2017	1m Libor + (1.95-2.50)%
			RCF – Tranche C	20.0	–	19/11/2017	1m Libor + (1.95-2.50)%
NIBC	Acquisition Facility	NextEnergy Solar Holdings II		21.7	21.7	04/07/2019	3m Libor + 2.20%
Bayern LB	Fully-amortising long-term debt and short term debt facility	NextEnergy Solar Holdings III (Three kings portfolio)		44.9	44.9	From 30/06/2020 to 30/06/2033	3.73% (Average Rate)
MIDIS	Fully-amortising long-term debt	NextEnergy Solar Holdings IV (Radius portfolio)	Inflation Linked Tranche	27.2	27.2	30/09/2034	RPI index + 1.44%
			Fixed Tranche	27.5	27.5	30/09/2034	4.11%
Total				209.8	164.3		

The Investment Manager has not charged any fees to the Company in conjunction with the structuring, execution and monitoring of any of these financial debt facilities.

As at 30 September 2016 the Company's total assets includes cash totaling £1.8m split between Barclays Bank PLC and Lloyds Bank PLC.

Outlook

The Company believes that there remains a material pipeline of opportunities for growth which is supported by the continued equity raising achieved during the period and current refinancing opportunities presented in the market. The NEC Group continues to leverage its long-standing experience as an investor and leading asset manager in the solar sector to focus on reducing solar investment and operating costs to meet a decreasing support and no-support market in the future.

The Company will benefit from the pipeline of opportunities identified by the Developer, ranging from large industrial scale plants in operation and benefiting from the previous ROCs and FiT regimes, or under construction and benefiting from the 1.2 ROCs regime as well as portfolios of residential and commercial rooftops. At the Date of Distribution of this interim report the Investment Manager, together with the Developer, have identified a pipeline of over c.170MW of short-term acquisition targets and are actively developing c.430MW of further opportunities.

In addition to these further growth opportunities, in the mid to long-term period the Investment Manager intends to add value to the Company's portfolio by optimising the technical and financial performances of its assets and by extending the useful lifespan of its plants. Furthermore, the Investment Manager remains fully engaged in monitoring technological change in the energy sector and is already exploring the feasibility of the application of energy storage facilities to the Company's portfolio of solar PV plants. Consequently, the Company is well-positioned to incorporate the continuing innovation in energy technology and benefit from the associated incremental returns and/or cost reductions in solar energy generation and storage.

Description of the Principal Risks and Uncertainties

The Company has in place risk management procedures and internal controls to monitor and mitigate the main risks faced as well as a process to review the effectiveness of those controls. The Investment Manager assists the Company in regularly identifying, assessing and mitigating those risk factors likely to impact the financial or strategic position of the Company. The Company's Risk Matrix is regularly reviewed on at least a semi-annual basis, and includes:

- External and Market Risks
- Investment Strategy
- Investment Process and Management of Assets
- Monitoring Process
- Valuation Process
- Financial and Accounting Process
- Governance, Tax and Regulatory Compliance

Based on the Board's assessment, the main risks faced by the Company are likely to be related to the following areas, the other ones being less likely or less significant:

- Uncertainty for the future regulatory framework for solar PV in the UK and risk that as a consequence further planned acquisitions do not take place, affecting the Company's growth potential, or that regulatory changes may affect the profitability and valuation of the current portfolio

- Risk that the heightened competition for solar assets will make it more difficult for the Company to continue acquiring assets at attractive values. This increased competition may be fueled by investors with aggressive financial structures seeking lower returns than the Company for the same solar PV assets

- Exposure to the wholesale energy market impacts the prices received for energy generated and revenues forecasted by the operating assets of the company. This also exposes the company to a risk of further reduction in forward price curves

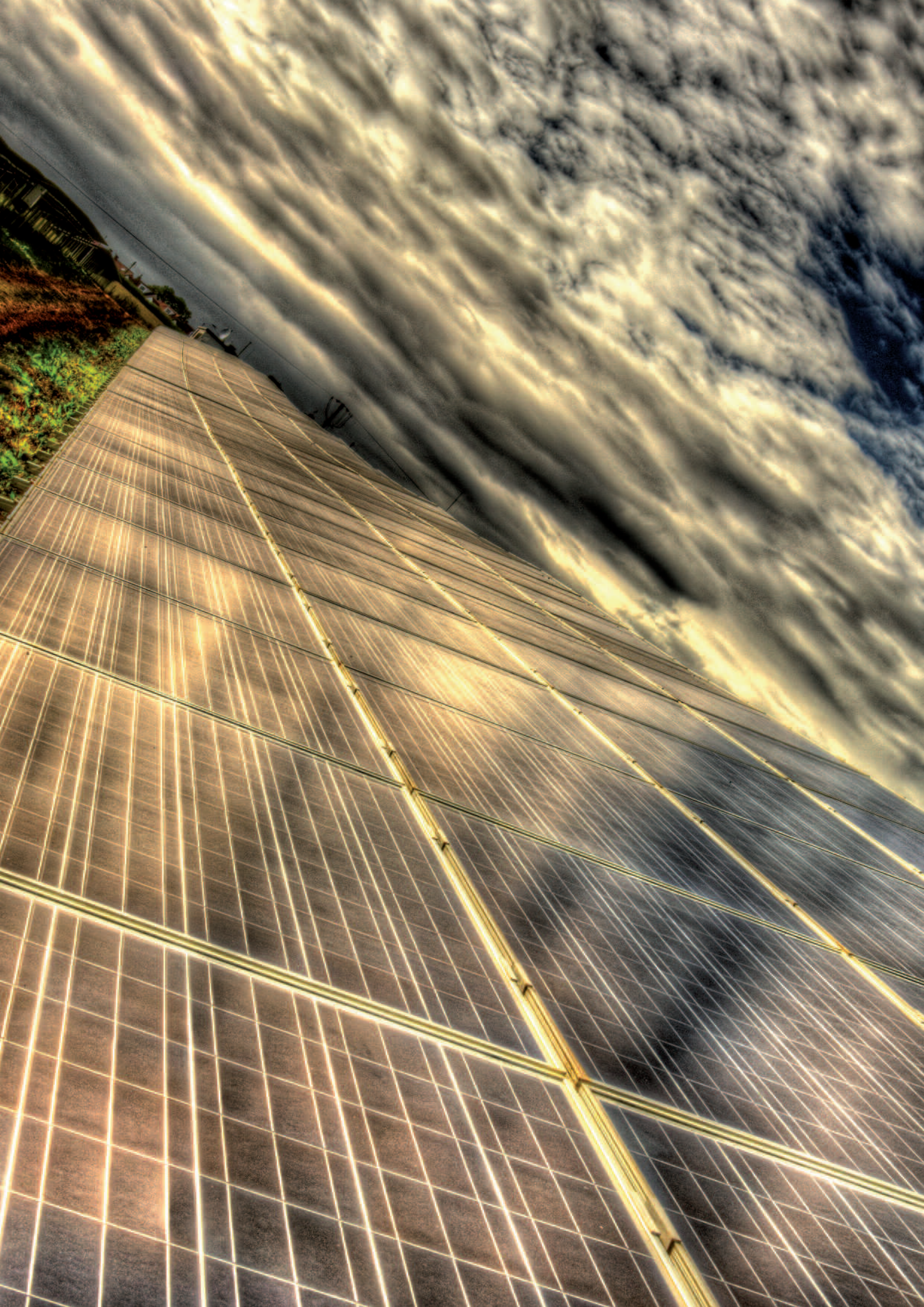
- The UK government held a referendum on 23 June 2016 for the UK to vote either to remain in or leave the European Union. As a result of the referendum, the majority of those voting elected to leave the European Union ("Brexit"). The Investment Manager believes Brexit is likely to have a very limited negative effect, if any at all, on the Company's financial and operating prospects. The UK's 2008 Climate Change Act enshrines the Government's commitment to reduce the country's greenhouse gas emissions by 80 per cent compared to 1990 levels, and we do not think government will introduce primary legislation to reverse this commitment as a result of Brexit. Given the pending decision on triggering Article 50 there is uncertainty in the market around future impact of Brexit, however the Investment Manager currently has no reason to expect the availability of debt financing in the UK solar sector to be affected significantly following Brexit. In addition, the Company's exclusive focus on the solar sector in the UK protects it from any adverse foreign currency fluctuations emerging as a result of Brexit. At the other end, the Company is positively exposed towards potential increases in power prices and RPI inflation that may indirectly come from a Brexit scenario (also due to weakening of sterling versus other currencies and its impact on UK power prices).

Post Period-End Update

Since 30 September 2016, the following relevant events occurred:

- On 10 November 2016, the Company announced an interim dividend of 1.5775 pence per Ordinary Share for the quarter ending 30 September 2016, to be paid on 30 December 2016 to shareholders on the register as at close of business on 18 November 2016.
- On 15 September 2016 the Company announced a 350m share issuance program and post period end successfully issued 110.3 new shares. The proceeds of this issue will allow the Company to pursue acquisitions targeted in the current financial year.
- On 22 November 2016, the Company announced the signing of a share purchase agreement to acquire the 5MWp Kentishes solar plant.

NextEnergy Capital IM Limited
29 November 2016



Statement of Directors' Responsibilities

To the best of their knowledge, the directors of NextEnergy Solar Fund Limited confirm that:

(a) The Interim Report and Condensed Half-Yearly Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting;

(b) The Interim Report, comprising the Chairman's Statement and the Investment Manager's Report, meets the requirements of an interim management report and includes a fair review of information required by:

(i) DTR 4.2.7R of the UK Disclosure and Transparency Rules, being an indication of important events that have occurred during the period from 01 April 2016 to 30 September 2016 and their impact on the Condensed Half-Yearly Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and

(ii) DTR 4.2.8R of the UK Disclosure and Transparency Rules, being related party transactions that have taken place in the period from 01 April 2016 to 30 September 2016 and that have materially affected the financial position or performance of the Company during that period, and any material changes in the related party transactions disclosed in the last Annual Report; and

(c) The Condensed Half Yearly Financial Statements give a true and fair view of the assets, liabilities, financial position and profit of the Company as required by DTR 4.2.4R of the UK Disclosure and Transparency Rules.

The Company's Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future. Note 12 to the Annual Report and financial statements for the year ended 31 March 2016 includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit risk and liquidity risk. The Directors have undertaken a rigorous review of the Company's ability to continue as a going concern including reviewing the level of the Company's assets and significant areas of financial risk including the timing of future investment transactions, expenditure commitments and forecast income and cashflows. As a result, the Directors have, at the time of approving these condensed financial statements, a reasonable expectation that the Company has adequate resources to meet its liabilities and continue in operational existence for the foreseeable future. The Directors have therefore concluded that it is appropriate to adopt the going concern basis of accounting in preparing these interim financial statements.

By order of the Board

For NextEnergy Solar Fund Limited

Patrick Firth
Director
29 November 2016

Condensed Financial Statements

Condensed Statement of Comprehensive Income

For the period ended 30 September 2016

	Notes	Unaudited 1 April 2016 to 30 September 2016 (GBP)	1 April 2015 to 31 March 2016 (GBP)	Unaudited 1 April 2015 to 30 September 2015 (GBP)
Income				
Investment income		17,038,776	24,046,160	6,400,000
Net changes in fair value of financial assets at fair value through profit or loss	5	10,267,502	(18,503,991)	3,895,737
Total net income		27,306,278	5,542,169	10,295,737
Expenditure				
Legal and professional fees		230,777	490,324	287,242
Administration fees		129,108	201,152	120,752
Audit fees		109,828	75,000	42,637
Directors' fees	17	61,500	123,000	61,500
Insurance		27,125	31,194	31,194
Regulatory fees		21,505	72,652	42,074
Sundry expenses		2,278	6,595	2,736
Management fees	14	1,438,706	2,615,662	1,242,304
Total expenses		2,020,827	3,615,579	1,830,439
Operating profit		25,285,451	1,926,590	8,465,298
Finance income		4,518	108,111	93,888
Profit and comprehensive income for the period/year		25,289,969	2,034,701	8,559,186
Earnings per share	9	8.46p	0.78p	3.56p

There were no potentially dilutive instruments in issue at 30 September 2016.

All activities are derived from ongoing operations.

There is no other comprehensive income or expense apart from expenditure that is disclosed above and consequently a Statement of Other Comprehensive Income has not been prepared.

The accompanying notes are an integral part of these financial statements.

Condensed Statement of Financial Position
As at 30 September 2016

Non-current assets	Notes	Unaudited 30 September 2016 (GBP)	31 March 2016 (GBP)	Unaudited 30 September 2015 (GBP)
Investments	5, 12	348,348,830	315,466,679	248,490,669
Total non-current assets		**348,348,830**	**315,466,679**	**248,490,669**
Current assets				
Cash and cash equivalents		1,846,373	5,937,663	29,503,244
Trade and other receivables		10,561	13,000	11,264,214
Total current assets		**1,856,934**	**5,950,663**	**40,767,458**
Total assets		**350,205,764**	**321,417,342**	**289,258,127**
Current liabilities				
Trade and other payables		151,462	137,825	236,605
Investment payable	6	–	47,468,639	–
Total current liabilities		**151,462**	**47,606,464**	**236,605**
Net assets		**350,054,302**	**273,810,878**	**289,021,522**
Equity				
Share Capital and Premium	8	347,762,824	314,956,625	282,872,625
Treasury shares	8	–	(32,084,000)	–
Reserves		2,291,478	(9,061,747)	6,148,897
Total equity attributable to shareholders		**350,054,302**	**273,810,878**	**289,021,522**
Net assets per share – (pence)	11	102.0p	98.5p	104.0p

The accompanying notes are an integral part of these financial statements.

The interim financial statements were approved and authorised for issue by the Board of Directors on 29 November 2016, and signed on its behalf by:

Patrick Firth
Director

Condensed Statement of Changes in Equity
For the period ended 30 September 2016

	Share Capital and Premium (GBP)	Treasury shares (GBP)	Retained earnings (GBP)	Total Equity (GBP)
For the period 1 April 2016 to 30 September 2016 (Unaudited)				
Shareholders' equity at 1 April 2016	314,956,625	(32,084,000)	(9,061,747)	273,810,878
Profit and comprehensive income for the period	–	–	25,289,969	25,289,969
Shares issued	32,806,199	–	–	32,806,199
Shares issued from treasury	–	32,084,000	–	32,084,000
Dividends paid	–	–	(13,936,744)	(13,936,744)
Shareholders' equity at 30 September 2016	347,762,824	–	2,291,478	350,054,302
For the period 1 April 2015 to 31 March 2016				
Shareholders' equity at 1 April 2015	244,459,639	–	3,898,899	248,358,538
Profit and comprehensive income for the year	–	–	2,034,701	2,034,701
Shares issued	70,496,986	(32,084,000)	–	38,412,986
Dividends paid	–	–	(14,995,347)	(14,995,347)
Shareholders' equity at 31 March 2016	314,956,625	(32,084,000)	(9,061,747)	273,810,878
For the period 1 April 2015 to 30 September 2015 (unaudited)				
Shareholders' equity at 1 April 2015	244,459,639	–	3,898,899	248,358,538
Profit and comprehensive income for the period	–	–	8,559,186	8,559,186
Shares issued	38,412,986	–	–	38,412,986
Dividends paid	–	–	(6,309,188)	(6,309,188)
Shareholders' equity at 30 September 2015	282,872,625	–	6,148,897	289,021,522

The accompanying notes are an integral part of these financial statements.

Condensed Statement of Cash Flows
For the period ended 30 September 2016

Cash flows from operating activities	Notes	1 April 2016 to 30 September 2016 (GBP)	1 April 2015 to 31 March 2016 (GBP)	1 April 2015 to 30 September 2015 (GBP)
Profit and comprehensive income for the period/year		25,289,969	2,034,701	8,559,186
Adjustments for:				
Movement in investment cost		(22,614,649)	(128,341,159)	(86,434,060)
Movement in investment payable		(47,468,639)	–	–
Change in fair value on investments	5	(10,267,502)	18,503,991	(3,895,737)
Finance income		(4,518)	(108,111)	(93,888)
Operating cash flows before movements in working capital		(55,065,339)	(107,910,578)	(81,864,499)
Changes in working capital				
Movement in trade receivables		2,439	56,482	(11,194,732)
Movement in trade payables		13,637	48,883	147,663
Net cash used in operating activities		(55,049,263)	(107,805,213)	(92,911,568)
Cash flows from investing activities				
Finance income		4,518	108,111	93,888
Net cash generated from investing activities		4,518	108,111	93,888
Cash flows from financing activities				
Proceeds from issue of shares	8	31,614,114	38,412,986	38,412,986
Proceeds from treasury shares	8	32,084,000	–	–
Dividends paid	10	(12,744,659)	(14,995,347)	(6,309,188)
Net cash generated from financing activities		50,953,455	23,417,639	32,103,798
Net movement in cash and cash equivalents during period/year		(4,091,290)	(84,279,463)	(60,713,882)
Cash and cash equivalents at the beginning of the period/year		5,937,663	90,217,126	90,217,126
Cash and cash equivalents at the end of the period/year		1,846,373	5,937,663	29,503,244

The accompanying notes are an integral part of these financial statements.

Notes to the Unaudited Financial Statements
For the period ended 30 September 2016

1. General Information

NextEnergy Solar Fund Limited ("the Company") was incorporated with limited liability in Guernsey under the Companies (Guernsey) Law, 2008, as amended, on 20 December 2013 with registered number 57739, and is regulated by the GFSC as a registered closed-ended investment company. The registered office and principal place of business of the Company is 1, Royal Plaza, Royal Avenue, St Peter Port, Guernsey, Channel Islands, GY1 2HL.

On 16 April 2014, the Company announced the results of its initial public offering, which raised net proceeds of £85.6 million. The Company's ordinary shares were admitted to the premium segment of the UK Listing Authority's Official List and to trading on the Main Market of the London Stock Exchange as part of its initial public offering which completed on 25 April 2014. Subsequent fundraisings also took place, details of which can be found in note 8.

The Company seeks to provide investors with a sustainable and attractive dividend that increases in line with the retail price index over the long-term by investing in a diversified portfolio of solar Photovoltaic ("PV") assets that are located in the UK. In addition, the Company seeks to provide investors with an element of capital growth through the reinvestment of net cash generated in excess of the target dividend in accordance with the Company's investment policy.

The Company currently makes its investments through holding companies (the "HoldCo's") and Special Purpose Vehicles ("SPVs"), which are wholly-owned by the Company. The Company controls the investment policy of each of the holding companies and its wholly-owned SPV's in order to ensure that each will act in a manner consistent with the investment policy of the Company.

The Company has appointed NextEnergy Capital IM Limited as its Investment Manager ("the Investment Manager") pursuant to the Management Agreement dated 18 March 2014. The Investment Manager is a Guernsey registered company, incorporated under the Companies (Guernsey) Law, 2008, with registered number 57740 and is licensed and regulated by the GFSC and is a member of the NextEnergy Capital Group. The Investment Manager is licensed and regulated by the GFSC and will act as the Alternative Investment Fund Manager of the Company.

The Investment Manager has appointed NextEnergy Capital Limited as its Investment Adviser ("the Investment Adviser") pursuant to the Investment Advisory Agreement. The Investment Adviser is a company incorporated in England with registered number 05975223 and is authorised and regulated by the FCA.

The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

2. Significant accounting policies

Basis of preparation

The condensed interim financial statements have been prepared on a going concern basis in accordance with IAS 34 Interim Financial Reporting. The interim financial information should be read in conjunction with the annual report and audited financial statements for the year ended 31 March 2016, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Seasonal and cyclical variations

The Company's results vary during reporting periods as a result of the spread of irradiation during the year.

Segmental reporting

The Board, as a whole, has been determined as constituting the chief operating decision maker of the Company. The key measure of performance used by the Board to assess the Company's performance and to allocate resources is the Company's profit and NAV, calculated under IFRS.

For management purposes, the Company is engaged in a single segment of business, being investment in UK solar energy infrastructure assets via SPVs, and in one geographical area, the UK.

Going concern

The Directors have reviewed the current and projected financial position of the Company making reasonable assumptions about future performance. The key areas reviewed were:

- Timing of future investment transactions
- Expenditure commitments
- Forecast income and cashflows

The Company has cash and short-term deposits as well as projected positive income streams and an available credit facility (see note 18) and as a consequence the Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they have adopted the going concern basis of preparation in preparing the financial statements.

3. New and revised standards

The following accounting standards and interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 7 (amendments)	Financial Instrument: Disclosure
IFRS 9	Financial Instruments (revised, early adoption permitted)
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IAS 7	Additional disclosure of changes in liabilities arising from financial activities

The Directors do not expect that the adoption of the accounting standards, amendments and interpretations listed above will have a material impact on the financial statements of the Company in future periods.

3. New and revised standards (continued)

The following accounting standards and interpretations where adopted during the period:

IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
IFRS 12	Disclosure of Interests in Other Entities
IAS 1	Disclosure Initiative
IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
IAS 27	Equity Method in Separate Financial Statements

The adoption of the above standards has not had a material impact on the financial statements.

4. Critical accounting judgements and key sources of estimation uncertainty

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and based on historic experience and other factors believed to be reasonable under the circumstances.

a) Investments at fair value through profit or loss

The Company's investments are measured at fair value for financial reporting purposes. The Board of Directors has appointed the Investment Manager to produce investment valuations based upon projected future cashflows. These valuations are reviewed and approved by the Board. The investments are held indirectly through UK Holdco's. A list of subsidiaries is included in note 7.

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Board bases the fair value of the investments on the information received from the Investment Manager.

The investments at fair value through profit or loss, whose fair values include the use of Level 3 inputs, are valued by discounting future cash flows from investments to the Company at a discount rate when the assets are operational. The weighted average discount rate applied in the 30 September 2016 valuation was 7.7% (31 March 2016: 7.5%). The discount rate is a significant level 3 input and a change in the discount applied could have a material effect on the value of the investments. Investments in solar PV plants that are not yet operational are held at fair value, where the cost of the investment is used as an appropriate approximation of fair value.

Level 3 investments amount to £348,348,830 (31 March 2016: £315,466,679) and consist of 33 investments in solar PV plants (held indirectly through the HoldCo's) (31 March 2016: 33), all of which have been valued on a look through basis based on the discounted cash flows of the solar PV plants and the residual value of net assets at the HoldCo level, apart from Green Farm which is valued at acquisition cost at period end. Level 3 valuations are reviewed regularly by the Investment Manager who reports to the Board of Directors on a periodic basis. The Board considers the appropriateness of the valuation model and inputs, as well as the valuation result.

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

b) Significant judgement: consolidation of entities

The Company, under the Investment Entity Exemption rule, holds its investments at fair value.

The table below sets out information about significant unobservable inputs used at 30 September 2016 in measuring financial instruments categorised as Level 3 in the fair value hierarchy. Unlisted investments reconcile to the Closing Investment Portfolio Value as per the Investments table in note 5.

Description	Fair value at 30 September 2016 (GBP)	Valuation technique	Unobservable input	Input value	Sensitivity to change in significant unobservable inputs
Unlisted investments	391,356,555	Discounted cash flows based on underlying valuation of residual assets at the four hold cos.	Discount rate	7.70%	The estimated fair value would increase if the discount rate was lower and vice versa.
Investments held at cost	5,775,461	Cost	n/a	n/a	n/a
Residual value of net assets at HoldCo's	(48,783,186)	Adjusted net asset value attributable to the Company at fair value	n/a	n/a	n/a
Total	348,348,830		n/a	n/a	n/a

The only investment held at cost is Green Farm, this is due to the transaction not being completed at period end.

5. Investments

The Company owns the Investment Portfolio through its investments in NextEnergy Solar Holdings Limited, NextEnergy Solar Holdings II Limited, NextEnergy Solar Holdings III Limited and NextEnergy Solar Holdings IV Limited. This is comprised of the Investment Portfolio and the Residual Net Assets of the Holding Companies. The Total Investments at fair value are recorded under Non-Current Assets in the Statement of Financial Position.

	Period ended 30 September 2016 (GBP)	Year ended 31 March 2016 (GBP)
Total Investments		
Brought forward cost of investments	323,400,117	147,590,319
Total investment acquired in the period/year	22,614,649	175,809,798
Carried forward cost of investments	**346,014,766**	**323,400,117**
Brought forward unrealised (losses)/gains on valuation	(7,933,438)	10,570,553
Movement in unrealised gains on valuation	10,267,502	(18,503,991)
Carried forward unrealised gains/ (losses) on valuation	**2,334,064**	**(7,933,438)**
Total Investments at Fair Value	**348,348,830**	**315,466,679**

The total change in the value of the investments in the Holding Companies are recorded through profit and loss in the Statement of Comprehensive Income.

6. Investment payable

	As at 30 September 2016 (GBP)	As at 31 March 2016 (GBP)
Radius investment payable	–	(47,468,639)
Total investment payable	**–**	**(47,468,639)**

On 31 March 2016 the Company agreed the purchase of Project Radius. The acquisition is part funded by a debt facility between NextEnergy Solar Holding IV Limited and Macquarie Bank Limited for £55.0m. On 11 April 2016 the above amount was settled by a combination of equity and loan payments.

7. Subsidiaries

The Company holds investments through subsidiary companies which have not been consolidated as a result of the adoption of IFRS 10: Investment entities exemption to consolidation.

Below are the legal entity names for the Holding Companies and the legal entity names of those companies owned indirectly through the Holding Companies. All are incorporated in the UK which is also their principal place of business.

Name	Country of Incorporation	Direct or Indirect Holding	Principal Activity	Ownership at September 2016	Ownership at March 2016
Berwick Solar Park Ltd	UK	Indirect	SPV	100%	100%
BL Solar 2 Limited	UK	Indirect	SPV	100%	100%
Bottom Plain Solar Park	UK	Indirect	SPV	100%	100%
Bowerhouse Solar Limited	UK	Indirect	SPV	100%	100%
Branston Solar Park Ltd	UK	Indirect	SPV	100%	100%
Ellough Solar 2 Ltd	UK	Indirect	SPV	100%	0%
Emberton Solar Park Ltd	UK	Indirect	SPV	100%	100%
Empyreal Energy Ltd	UK	Indirect	SPV	0%	0%
ESF Llwyndu Ltd	UK	Indirect	SPV	100%	100%
Fenland Renewables Ltd	UK	Indirect	SPV	100%	100%
Glebe Farm SPV Limited	UK	Indirect	SPV	100%	100%
Glorious Energy Limited	UK	Indirect	SPV	100%	100%
Great Wilbraham Solar Park Ltd	UK	Indirect	SPV	100%	100%
Green End Renewables Ltd	UK	Indirect	SPV	100%	100%
Greenfields (A) Limited	UK	Indirect	SPV	100%	100%
Hanwha UK Solar 1 Ltd	UK	Indirect	SPV	100%	100%
NESF - Ellough LTD	UK	Indirect	SPV	100%	100%
NextEnergy Solar Holding II Limited	UK	Direct	HoldCo	100%	100%
NextEnergy Solar Holding III Limited	UK	Direct	HoldCo	100%	100%
NextEnergy Solar Holding IV Limited	UK	Direct	HoldCo	100%	100%
NextEnergy Solar Holding Limited	UK	Direct	HoldCo	100%	100%
NextPower Ellough LLP	UK	Indirect	SPV	100%	100%
NextPower Gover Farm Ltd	UK	Indirect	SPV	100%	100%
NextPower Higher Hatherleigh Ltd	UK	Indirect	SPV	100%	100%
NextPower Radius Ltd	UK	Indirect	SPV	100%	100%

7. Subsidiaries (continued)

Name	Country of Incorporation	Direct or Indirect Holding	Principal Activity	Ownership at September 2016	Ownership at March 2016
NextPower Shacks Barn Ltd	UK	Indirect	SPV	100%	100%
North Farm Solar Park Limited	UK	Indirect	SPV	100%	100%
Push Energy (Birch) Ltd	UK	Indirect	SPV	100%	100%
Push Energy (Boxted Airfield) Ltd	UK	Indirect	SPV	100%	100%
Push Energy (Croydon) Ltd	UK	Indirect	SPV	100%	100%
Push Energy (Decoy) Ltd	UK	Indirect	SPV	100%	100%
Push Energy (Hall) Ltd	UK	Indirect	SPV	100%	0%
Push Energy (Langenhoe) Ltd	UK	Indirect	SPV	100%	100%
SSB Condover Ltd	UK	Indirect	SPV	100%	100%
ST Solarinvest Devon 1 Limited	UK	Indirect	SPV	100%	100%
Sunglow Power Limited	UK	Indirect	SPV	100%	100%
Thurlestone-Leicester Solar Ltd	UK	Indirect	SPV	100%	100%
Tower Hill Farm Renewables Ltd	UK	Indirect	SPV	100%	100%
Trowbridge PV Ltd	UK	Indirect	SPV	100%	100%
Wellingborough Solar Limited	UK	Indirect	SPV	100%	100%

8. Share capital and reserves

Share Issuance	Number of shares	Gross amount raised (GBP)	Issue costs (GBP)	Share capital and premium (GBP)
Issued on 20 December 2013	1	1	–	1
Issued on 25 April 2014	85,600,000	85,600,000	–	85,600,000
Cancellation of founder's share on 24 October 2014	(1)	(1)	–	(1)
Issued on 19 November 2014	91,000,000	95,459,000	(1,399,246)	94,059,754
Issued on 19 December 2014	4,000,000	4,120,000	(43,565)	4,076,435
Issued on 27 February 2015	59,750,000	61,405,075	(681,625)	60,723,450
Issued on 30 September 2015	37,607,105	38,848,139	(435,153)	38,412,986
Issued on 6 November 2015	30,850,000	32,084,000	–	32,084,000
Total issued at 31 March 2016	**308,807,105**	**317,516,214**	**(2,559,589)**	**314,956,625**
Sale of treasury shares (see below)	(30,850,000)	(32,084,000)	–	(32,084,000)
Issued on 27 July 2016	41,991,242	42,159,207	(649,635)	41,509,572
Issued on 27 July 2016	1,822,656	1,829,947	(28,202)	1,801,745
Issued on 4 August 2016	4,254,855	4,297,404	(64,461)	4,232,942
Issued on 4 August 2016	1,040,690	1,051,097	(15,766)	1,035,330
Issued on 9 August 2016	5,775,557	5,833,313	(87,500)	5,745,813
Issued on 9 September 2016	9,215,926	9,515,444	(142,732)	9,372,712
Scrip Dividend – 30 September 2016	1,139,374	1,192,085	–	1,192,085
Total issued at 30 September 2016	**343,197,405**	**351,310,710**	**(3,547,885)**	**347,762,824**

The Company currently has one class of ordinary share in issue. All the holders of the ordinary shares, which total 343,197,405 are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Treasury shares

On 6 November 2015 the Company issued 30,850,000 new ordinary shares which the Company then purchased at a price of 104.0p per share. The shares purchased were placed in treasury. The Treasury shares were not entitled to receive dividends and did not hold any voting rights. On 22 July 2016 the Treasury shares were sold, as part of the capital issuance programme at a price of 100.4 pence per share.

Retained reserves

Retained reserves comprise the retained earnings as detailed in the Statement of Changes in Equity.

9. Earnings per share

	Period ended 30 September 2016	Year ended 31 March 2016
Profit and comprehensive income for the period/year (GBP)	25,289,969	2,034,701
Weighted average number of ordinary shares	298,764,797	259,256,304
Earnings per ordinary share – pence	8.46p	0.78p

10. Dividends

	Period ended 30 September 2016 (GBP)	Year ended 31 March 2016 (GBP)
Amounts recognised as distributions to equity holders:		
Interim dividend for the period ended 31 March 2015 of 2.625p per share, paid on 30 July 2015	–	6,309,188
Interim dividend for the period ended 30 September 2015 of 3.125p per share, paid on 18 December 2015	–	8,686,159
Interim dividend for the period ended 31 March 2016 of 3.125p per share, paid on 22 July 2016	8,686,160	–
Interim dividend for the period ended 30 June 2016 of 1.5775p per share, paid on 30 September 2016	5,250,584	–
Total	13,936,744	14,995,347

11. Net assets per ordinary share

	As at 30 September 2016	As at 31 March 2016
Shareholders' equity (GBP)	350,054,302	273,810,878
Number of ordinary shares (excluding Treasury shares)	343,197,405	277,957,105
Net assets per ordinary share - pence	102.0p	98.5p

12. Financial instruments

Valuation methodology

The Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuation. All completed investments are at fair value through profit or loss and are valued using a discounted cash flow methodology. Investments which are not yet completed are held at fair value, where the cost of the investment is used as an appropriate approximation of fair value.

Discount rates

The discount rates used for valuing each renewable infrastructure investment are based on both the industry discount rate and on the specific circumstances of each project. The risk premium takes into account risks and opportunities associated with the investment earnings.

The discount rates used for valuing the investments in the Portfolio are as follows:

	30 September 2016	31 March 2016
Weighted Average discount rate	7.70%	7.70%

A change to the weighted average discount rate by plus or minus 0.5% has the following effect on the valuation.

Discount rate	+0.5% change	Total Portfolio value	-0.5% change
Directors' valuation at 30 September 2016 (GBP)	(15.6m)	397.1m	16.7m
Directors' valuation – percentage movement	(3.9%)		4.2%
Directors' valuation at 31 March 2016 (GBP)	(14.6m)	382.3m	15.7m
Directors' valuation – percentage movement	(3.8%)		4.1%

Power price

NEC Group continuously reviews multiple inputs from market contributors and leading consultants and adjusts the inputs to the power price forecast when a conservative approach is deemed most appropriate. Current estimates imply an average rate of growth of electricity prices of approximately 2.1% in real terms and a long term inflation rate of 2.75%.

A change in the forecast electricity price assumptions by plus or minus 10% has the following effect on the valuation.

Power price	-10% change	Total Portfolio value	+10% change
Directors' valuation at 30 September 2016 (GBP)	(22.6m)	397.1m	22.4m
Directors' valuation – percentage movement	(5.7%)		5.6%
Directors' valuation at 31 March 2016 (GBP)	(19.7m)	382.3m	19.6m
Directors' valuation – percentage movement	(5.2%)		5.1%

12. Financial instruments (continued)

Energy generation

The Portfolio's aggregate energy generation yield depends on the combination of solar irradiation and technical performance of the solar PV plants.

A change in energy generation by plus or minus 5% has the following effect on the valuation:

Energy generation	5% Under performance	Total Portfolio value	5% Out performance
Directors' valuation at 30 September 2016 (GBP)	(25.4m)	397.1m	25.1m
Directors' valuation – percentage movement	(6.4%)		6.3%
Directors' valuation at 31 March 2016 (GBP)	(24.6m)	382.3m	24.3m
Directors' valuation – percentage movement	(6.4%)		6.4%

Inflation rates

The Portfolio valuation assumes long-term inflation of 2.75% per annum for investments (based on UK RPI). A change in the inflation rate by plus or minus 0.5% has the following effect on the valuation:

Inflation rate	-0.5% change	Total Portfolio value	+0.5% change
Directors' valuation at 30 September 2016 (GBP)	(21.2m)	397.1m	22.5m
Directors' valuation – percentage movement	(5.3%)		5.7%
Directors' valuation at 31 March 2016 (GBP)	(16.7m)	382.3m	17.6m
Directors' valuation – percentage movement	(4.4%)		4.6%

Operating costs

The table below shows the sensitivity of the Portfolio to changes in operating costs by plus or minus 10% at project company level:

Operating costs	+10% change	Total Portfolio value	-10% change
Directors' valuation at 30 September 2016 (GBP)	(5.9m)	397.1m	5.9m
Directors' valuation – percentage movement	(1.5%)		1.5%
Directors' valuation at 31 March 2016 (GBP)	(6.3m)	382.3m	6.3m
Directors' valuation – percentage movement	(1.6%)		1.6%

Tax rates

The UK corporation tax assumption for the Portfolio valuation was 20% until 31 March 2017, 19% until 31 March 2020 and 17% thereafter in accordance with the UK Government announced reductions.

13. Financial assets and liabilities not measured at fair value

Cash and cash equivalents are level 1 items on the fair value hierarchy. Current assets and current liabilities are Level 2 items on the fair value hierarchy. The carrying value of current assets and current liabilities approximates fair value as these are short-term items.

14. Management fee

The Investment Manager is entitled to receive an annual fee, accruing daily and calculated on a sliding scale, as follows below:

- for the tranche of NAV up to and including £200m, 1% of the Net Asset Value ("NAV") of the Company.
- for the tranche of NAV above £200m and up to and including £300m, 0.9% of NAV.
- for the tranche of NAV above £300m, 0.8% of NAV.

For the period ending 30 September 2016 the Company has incurred £1,438,706 in management fees of which £nil was outstanding at 30 September 2016. For the year ending 31 March 2016 the Company incurred £2,615,662 in management fees of which £nil was outstanding at 31 March 2016. For the period ending 30 September 2015 the Company incurred £1,242,304 in management fees of which £17,401 was outstanding at 30 September 2015.

15. Related parties

The Investment Manager, NextEnergy Capital IM Limited, is a related party due to having common key management personnel with the subsidiaries of the Company. All management fee transactions with the Investment Manager are disclosed in note 14.

The Investment Adviser, NextEnergy Capital Limited, is a related party due to sharing common key management personnel with the subsidiaries of the Company. There are no advisory fee transactions between the Company and the Investment Adviser.

The Operating Asset Manager, WiseEnergy (GB) Limited, is a related party due to sharing common key management personnel with the subsidiaries of the Company. Each of the operating subsidiaries of the Company entered into an asset management agreement with WiseEnergy (GB) Limited. The total value of recurring and one-off services paid to the Operating Asset Manager during the reporting period amounted to £1,172,737 (31 March 2016: £1,374,373).

NextPower Development Limited is a related party due to sharing common key management personnel with the subsidiaries of the Company. There are no advisory fee transactions between the Company, its subsidiaries and NextPower Development Limited.

16. Controlling party

In the opinion of the Directors, on the basis of shareholdings advised to them, the Company has no immediate or ultimate controlling party.

17. Remuneration of the Directors

The remuneration of the Directors was £61,500 for the period (for the year to 31 March 2016: £123,000, for the period to 30 September 2015: £61,500) which consisted solely of short-term employment benefits. With effect from 1 October 2016 total fees were increased to £137,500 per annum.

18. Revolving credit and debt facilities

In September 2014, NextEnergy Solar Holding Limited entered into a revolving credit facility with Macquarie Bank Limited (subsequently 40% of which was syndicated to Santander) for up to £31.5m and extended to £100.0m and then to £120.0m. In September 2016, the £31.5m tranche was cancelled and as at 30 September 2016 £43.0m of the facility was drawn (31 March 2016: £51.5m). As part of the revolving credit facility agreement Macquarie Bank Limited and Santander hold a charge over the assets of NextEnergy Solar Holding Limited.

In July 2015, NextEnergy Solar Holdings II Limited, a subsidiary of the Company, agreed a loan with NIBC Bank N.V. ("NIBC") for £22.7m ("NIBC Facility"). In July 2016, £1.0m was repaid and the remaining outstanding amount as at 30 September 2016 was £21.7m.

In January 2016, NextEnergy Solar Holdings III Limited, a subsidiary of the Company, acquired a portfolio of three operating plants totalling 53MWp for £61.7m which had a long term fully-amortising project financing of £45.4m in place. As at 30 September 2016 the outstanding amount was £44.9m.

On 31 March 2016 NextEnergy Solar Holdings IV Limited, a subsidiary of the Company agreed the purchase of Project Radius. The portfolio of five operating plants totalling 84.3MWp was acquired for £47.5m with long term fully-amortising project financing of £55.0m in place. As at 30 September 2016 the outstanding amount was £54.7m.

19. Taxation

Under the current system of taxation in Guernsey, the Company is exempt from paying taxes on income, profit or capital gains. Therefore, income from investments in UK solar PV plants is not subject to any further tax in Guernsey, although these investments are subject to corporate tax in the UK.

20. Events after the reporting period

Since 30 September 2016 the following relevant events occurred:

On 10 November 2016, the Company announced an interim dividend of 1.5775 pence per Ordinary Share for the quarter ending 30 September 2016, to be paid on 30 December 2016 to shareholders on the register as at close of business on 18 November 2016.

On 15 September 2016, the Company announced a 350m share issuance program and on 21 November 2016 issued 110.3m new shares, raising total gross proceeds of £115.3m.

On 22 November 2016, the Company announced the signing of a share purchase agreement to acquire the 5MWp Kentishes solar plant.

Independent review report to NextEnergy Solar Fund Limited

Introduction

We have been engaged by NextEnergy Solar Fund Limited ("the Company") to review the condensed unaudited set of financial statements in the half-yearly financial report for the six months ended 30 September 2016, which comprises the Condensed Statement of Comprehensive Income, the Condensed Statement of Financial Position as at 30 September 2016, the Condensed Statement of Changes in Equity, the Condensed Statement of Cash Flows and related notes. 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 and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards. The condensed unaudited set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Conduct Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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 condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2016 are not prepared, in all material respects, in accordance with International Accounting Standard 34 and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands
29 November 2016

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