

Fund Summary

Foresight Renewable Energy Income Fund (“FREIF”) is a renewable energy infrastructure debt fund, available to wholesale investors seeking an attractive and sustainable income.

The Fund offers investors exposure to debt in Australian renewable energy projects and targets a yield of 4.0%-4.5% margin over the RBA Cash Rate per annum (net of all fees and expenses).

Target yield figures are based on the projected investments to be made upon the first closing. The final yield for each individual investor may vary depending on when the investor invests in the Fund.

Fund Name	Foresight Renewable Energy Income Fund.
Structure	Unregistered closed-end managed investment scheme in the form of an Australian unit trust.
Manager	Foresight Group Australia Pty Ltd.
APIR Code	OMF0104AU
Trustee	One Funds Management Limited.
Target Fund Size	\$150 million.
Currency of the Fund	Australian dollar (AUD).
Fund Term	5-years from the First Closing Date, which may be extended by up to 2 years at the Trustee's discretion and with the Manager's consent.
First Closing Date	The date on which the Fund will close for investment of Units in relation to the first tranche of subscriptions. The exact date will be notified to prospective investors.
Target Yield	4.0-4.5% margin over the RBA Cash Rate per annum over the Fund Term (net of all fees and expenses).
Net Income	Net income of the Fund will be distributed to investors on a quarterly basis, subject to available liquidity and short-term cash requirements of the Fund.
Investment Instruments	Amortising, senior ranking secured debt.
Investment Sector	Renewable energy generation and associated infrastructure projects that are sustainable infrastructure assets physically located in Australia. These projects will demonstrate a net reduction in carbon dioxide (CO ₂) emissions, including solar, wind, hydro, bioenergy, energy efficiency and energy storage. These projects may be in construction or operational stage.
Fees	<p>Management Fee During the Investment Period: 0.85% p.a., calculated on the amount of Deployed Capital. Thereafter, 0.85% p.a., calculated on the Fund's NAV.</p> <p>Performance Fee At the end of the Fund Term, 17.5% of returns in excess of the hurdle rate of 6.0% IRR (net of all fees and expenses but before performance fee) (calculated based on the Invested Capital). <i>Please see the "Fees and Costs" section of the Information Memorandum for additional detail.</i></p>
Total Expense Ratio	0.97% (estimated). The estimated Total Expense Ratio includes other expenses of 0.19%. <i>Please see the "Fees and Costs" section of the Information Memorandum for additional detail.</i>
Investor Type	Australian "wholesale clients" as defined in section 761G of the Corporations Act.
Minimum Initial Investment	\$100,000 (or such other amount as determined by the Trustee in its absolute discretion).

Prospective investors should seek independent financial, tax and other professional advices before applying to subscribe for Units.

About Foresight

Foresight Group is a global infrastructure and renewable energy investment manager with \$7.1bn Assets Under Management.

We manage funds for some of the toughest institutional investors, family offices, and 28,000 private and high net-worth individuals. We have expanded rapidly in recent years with staff numbers now exceeding 230.

Our investment strategies are underpinned by a strong Environmental, Social & Governance (“ESG”) focus, which increasingly meets the demands of today's investors.

As the migration from carbon intensive, centralised energy networks to low carbon, decentralised, smart systems continues, we have become a leading investor in renewable energy infrastructure including Solar, Wind, Bioenergy, Battery Storage, Reserve Power, and Smart Meters.

We aim to continue to offer investors attractive and sustainable risk-adjusted returns while having a positive impact on society's environmental footprint.

That to us is a smarter future.



\$7.1bn
assets under
management



dedicated
asset management
team



offset 916k
tons of CO₂
emissions in 2018

35 year
investment
track record

40
engineers &
accountants

2.0GW
portfolio capacity
of clean energy

28
institutional
and retail funds

72
investment
professionals

**providing
clean energy**
to power Melbourne's
tram network from our
Bannerton Solar Farm

Foresight
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**FORESIGHT
RENEWABLE
ENERGY
INCOME FUND**

INVESTOR GUIDE

This Investor Guide is a Financial Promotion and should only be read in conjunction with the Foresight Renewable Energy Income Fund Information Memorandum dated August 2019. Your attention is drawn to the important risk warnings contained therein. Words and expressions defined in the Information Memorandum shall have the same meaning in this Investor Guide. This Investor Guide has not been approved or reviewed by ONE investment Group as Trustee of the Fund. All investments involve risk.

AUGUST 2019

Reasons to Invest

Attractive risk adjusted income:

FREIF targets a materially higher income than cash, government bonds and corporate bonds, with lower volatility than equities, real estate and high yield debt instruments.

Access to illiquidity premiums:

FREIF provides wholesale investors with a rare access point to capture illiquidity premiums from the debts of small-scale renewable energy projects.

Secured against real assets:

The debt portfolio of FREIF will have senior ranking security over the underlying renewable energy projects, which offers protections to reduce the risk and impact of underperformance.

A true diversifier:

FREIF targets a diversified portfolio in the small-scale renewable energy infrastructure asset class, which has a low correlation with more traditional sources of income, such as equities, real estate and high yield debt instruments.

Climate Bonds Initiative certified:

FREIF will be governed by a sustainability framework certified by Climate Bonds Initiative, aligning with investors' sustainable and responsible investment objectives.

Investment Objective and Strategy

Investment Objective

FREIF will aim to deliver a yield of 4.0%-4.5% margin above the RBA Cash Rate per annum (net of all fees and expenses). It is intended that investors will receive quarterly distributions of current income (from interest income and commitment and arrangement fees received from the underlying projects).

Investment Strategy

Through FREIF, we are looking to exploit inefficiencies in the renewable energy debt market by focusing on small-scale projects which have not historically been able to secure sufficient debt financing from the Australian commercial banks.

We will invest in senior secured debt of small to medium scale renewable energy and associated sustainable infrastructure projects in Australia. Each of these projects is anticipated to be below approximately 50MW in generation capacity. The portfolio will be focused on small utility scale solar and wind projects but will also consider rooftop solar, hydropower, bioenergy, energy storage and energy efficiency. All investments will be reviewed by the Investment Committee to ensure that they offer an appropriate risk return balance and suitable downside protections for this Fund. The Fund will invest in both operating and construction-ready projects, however; the Fund will not fund development costs or projects that are at the development stage.



Foresight Renewable Energy Income Fund has been certified by Responsible Investment Association Australasia ("RIAA") according to the strict operational and disclosure practices required under the Responsible Investment Certification Program¹. See www.responsibleinvestment.org for details.

Note 1) The Responsible Investment Certification Program does not constitute financial product advice. Neither the certification symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

Investors may also receive a special "exit distribution" in the final quarter of the Fund Term from gains the Manager achieved on the final disposal of the Fund's investments.

In addition to the cash yield, quarterly repayments of principal will be paid by operational projects.

Please note: The returns stated above are target returns, and investors should note that the Fund may achieve higher or lower returns throughout the Fund Term.

We aim to make 8 to 15 investments with the following characteristics:

- ✓ The underlying projects utilise proven technology;
- ✓ Senior ranking debt with security over the assets of the borrower (including the projects);
- ✓ Non-discretionary and non-deferrable interest payments;
- ✓ Amortising repayment profile over the life of the underlying project;
- ✓ Long tenor facility;
- ✓ Underlying projects should satisfy Foresight's Sustainability Framework.

Key Risk Summary

It is important that potential investors understand the possible risks that can affect their investment. All investments are subject to risk and therefore may impact contributed capital or targeted returns.

The Fund might not be suitable for all investors and we recommend that anyone considering making an investment into the Fund seeks independent tax and financial advice.

1 Performance

The value of an investment or the underlying assets within the Fund may fall as well as rise and you may lose some or all of your investment. Past performance is not a guide to future performance and there is no guarantee that a return will be achieved.

2 Liquidity

The investment should be considered a long-term investment. No full or partial redemption may be made until the end of the Fund Term, which is five years and may be extended by up to two years. The Manager's ability to realise the portfolio at the end of the Fund Term will depend on prevailing market conditions. The Manager will act in the best interests of all investors collectively and may consider a delay to be beneficial to realising better value on exit.

3 Diversification

Your investment in the Fund, at times, may only have exposure to a limited number of loans whose activity is focused on limited sectors and, accordingly, the diversification of your portfolio may be restricted.

4 Debt

The Fund provides investors with debt exposure to Australian renewable energy generation assets. The Fund is subject to various risks including, without limitation, the borrower's default in payment and breach of covenants. The Fund is also subject to interest rate risk and the general market conditions, which may adversely affect the Fund's performance and its ability to realise its investments.

5 Renewable Energy Industry

Exposure to renewable energy infrastructures or assets involves various risks, including, without limitation, higher than anticipated operating and maintenance costs, loss of sale and supply contracts, decrease in demand for renewable energy, increase in loss factors, inflation of power prices, change in regulations and government policies and increase in competition from other sources of energy. These risks may be exacerbated for small-scale renewable energy asset projects.

6 Security Interests

The value of the security provided by underlying projects to secure their loans may be less than the outstanding amount of the debt held by the Fund for various reasons. It may be difficult for the Fund to realise, sell or dispose of such security at an attractive price or at the appropriate time.

