

NEW ENERGY SOLAR (ASX: NEW) **REVISION TO MANAGEMENT FEES**

New Energy Solar¹ (**ASX: NEW**) advises that it has received notification from New Energy Solar Manager Pty Limited (the **Investment Manager** or **NESM**) of a proposal to introduce a sliding scale to the Management Fees paid to the Investment Manager.

Commencing from 1 July 2018, the Investment Manager is prepared to waive part of its fees in order to create the revised sliding scale fee structure as set out in the following table:

Management Fee Structure		Base Management Fee (% of Enterprise Value (EV ²))	Acquisition and Disposal Fee (% of Purchase Price or Net Sale Proceeds)
Current Fees (excluding GST) – up to 30 June 2018		0.70%	1.50%
	Enterprise Value band		
Revised Fees for EV within each band³ (excluding GST) – from 1 July 2018	Less than or equal to A\$1.0 billion	0.70%	1.50%
	Greater than A\$1.0 billion to A\$2.0 billion	0.55%	0.90%
	Greater than A\$2.0 billion	0.40%	0.40%

¹ Walsh & Company Investments Limited (**Walsh & Company**), as the Responsible Entity for the New Energy Solar Fund (**Trust**), and New Energy Solar Limited (**Company**), together **New Energy Solar** or **NEW**.

² Enterprise Value calculated as the total of NEW's market capitalisation, external borrowing, debt or hybrid instruments issued by NEW.

³ These Proposed Fees are applied on a marginal basis to each EV band. For example, the revised Base Management Fee for an EV of A\$1,500 million would be A\$9.75m (excluding GST) which is the sum of (A\$1,000 million multiplied by 0.70%) plus (A\$500 million multiplied by 0.55%).

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The Investment Manager has proposed this revised fee structure as it reflects the economies of scale available as the NEW business grows and which it is able to pass onto NEW securityholders in the form of lower management fees.

At an Enterprise Value of A\$2.0 billion⁴, the revised investment management fee structure will result in significant management fee savings for NEW securityholders:

- Approximately A\$1.5 million per annum in Base Management Fees; and
- Approximately A\$6.0 million in total Acquisition Fees.

The Trust and Company Boards welcome the fee reduction as it represents a significant benefit to NEW securityholders as the business continues to grow.

The Investment Management Agreement will not be affected by this announcement – it will remain in place. The reduction in investment management fees will occur as a voluntary waiver of fees by the Investment Manager. The waiver is dependent on the continuation of existing investment management arrangements and no change, or proposed change, in the management or governance of NEW.

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Important Information

This information may contain general advice. Any general advice provided has been prepared without taking into account your objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice with regard to your objectives, financial situation and needs.

About New Energy Solar

New Energy Solar was established in November 2015 to invest in a diversified portfolio of solar assets across the globe and help investors benefit from the global shift to renewable energy. The Business acquires large scale solar power plants with long term contracted power purchase agreements. In addition to attractive financial returns, this strategy generates significant positive environmental impacts for investors.

Since establishment, New Energy Solar has raised over A\$500 million of equity, acquired a portfolio of world-class solar power plants, and has a deep pipeline of opportunities primarily across the United States and Australia. New Energy Solar's initial public offering was led by Morgan Stanley and its securities trade on the Australian Securities Exchange under the ticker, NEW.

New Energy Solar is a listed stapled entity consisting of New Energy Solar Fund (ARSN 609 154 298) and New Energy Solar Limited (ACN 159 902 708). For more information, visit: www.newenergysolar.com.au

⁴ This compares to the current Enterprise Value of approximately A\$1.0 billion.

