

# **SOLAR WORLD INVEST FUND-SIF**

*Société d'investissement à Capital Variable — Fonds d'Investissement Spécialisé*

**Audited Annual Report and Report of the Réviseur d'entreprises agréé  
as of 31 December 2017**

2, Boulevard de la Foire  
L-1528 Luxembourg  
Grand Duchy of Luxembourg  
R.C.S. Luxembourg B 181.280

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No subscription can be received on the basis of the audited report and financial statements.  
Subscriptions are only valid if made on the basis of the current prospectus accompanied by the latest audited  
annual accounts.

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# SOLAR WORLD INVEST FUND-SIF

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# SOLAR WORLD INVEST FUND-SIF

## MANAGEMENT AND ADMINISTRATION

**Registered Office :**

2, Boulevard de la Foire  
L-1528 Luxembourg  
Grand Duchy of Luxembourg

**General Partner:**

**Energy Ventures Investments S.A.**  
10, rue des Carrières  
L-1316 Luxembourg  
Grand Duchy of Luxembourg

**Board of Directors of the General Partner:**

**Members:**

**Mrs. Françoise MINGUET**  
4, rue du Vieux Curé  
B-6940 Durbuy  
Belgium

**Mr. Laurent MINGUET**  
57, Voie de Liège  
B-4122 Plaineveaux  
Belgium

**Mr. Bastiaan SCHREUDERS**  
9, Meescheck  
L-6834 Biwer  
Grand Duchy of Luxembourg

**Depositary and Paying Agent:**

**NATIXIS Bank S.A.**  
51, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**SOLAR WORLD INVEST FUND-SIF  
MANAGEMENT AND ADMINISTRATION (CONTINUED)**

**Administrative, Domiciliary, Registrar  
and Transfer Agent:**

**Apex Fund Services (Malta) Limited,  
Luxembourg Branch**  
2, Boulevard de la Foire  
L-1528 Luxembourg  
Grand Duchy of Luxembourg

**Auditor:**

**Mazars Luxembourg, S.A.**  
10A, rue Henri M. Schnadt  
L-2530 Luxembourg  
Grand Duchy of Luxembourg

**Legal Advisor:**

**DELAGARDELLE Law Firm**  
10, rue des Carrières  
L-1316 Luxembourg  
Grand Duchy of Luxembourg

# SOLAR WORLD INVEST FUND-SIF

## GENERAL INFORMATION

SOLAR WORLD INVEST FUND-SIF (hereafter the “Fund”) is an investment company organised as a corporate partnership limited by shares (“société en commandite par actions” or “SCA”) qualifying as an investment company with variable capital - specialised investment fund (“société d’investissement à capital variable – fonds d’investissement spécialisé”).

The Fund is registered with the Registre de Commerce et des Sociétés de Luxembourg under the number B 181.280. The registered office of the Fund is located at 2, Boulevard de la Foire, L-1528 Luxembourg.

The minimum subscribed capital of the Fund, including the share premiums, may not be less than EUR 1,250,000 and must be reached within a period of twelve (12) months after the date on which the Fund has been authorised as a specialised investment fund. The amount of the share capital of the Fund will be at any time equal to its Net Asset Value.

The reference currency of the Fund is the EUR (hereafter the “Reference Currency”).

The Fund has an umbrella structure and may have one or more sub-fund (s) within the meaning of the article 71 of the law of 13 February 2007 on specialised investment funds as amended (hereafter the “SIF Law”).

Although the Fund constitutes one sole legal entity, for the purpose of the relations between shareholders, each sub-fund will be deemed to be a separate entity. The rights of investors and creditors regarding a sub-fund or raised by the constitution, operation or liquidation of a sub-fund are limited to the assets of this sub-fund, and the assets of a sub-fund will be limited exclusively for the benefits of the Shareholders relating to this sub-fund and for those of the creditors whose claim arise in relation to the constitution, operation or liquidation of this sub-fund.

Each sub-fund shall be designated by a generic name. The specific features, investment objectives, policies and restrictions of each sub-fund are defined in the Issuing Document.

The General Partner may, at any time and of its own discretion, decide to create additional sub-funds with different investment objectives and in such cases, the Issuing Document will be updated accordingly.

The Fund may issue different classes of shares within a sub-fund. Each class of shares may have different features associated to it.

At the date of the present report, the sole active sub-fund is SOLAR WORLD INVEST FUND-SIF-1 (hereafter the “Sub-Fund” or “SWIF 1”). As the presentation currency of the Fund and SWIF 1 are both the EUR and only 1 sub-fund is active, the Net Asset Value of the Fund and the sole active Sub-Fund will not be presented separately.

The investment objective of the Sub-Fund is to offer to investors an environmentally sound investment in renewable energy projects, especially in the photovoltaic sector, with the prospect of an attractive financial return combined with the opportunity for the investors to make a pro-active, measurable and lasting contribution to the development of sustainable energy sources.

The Sub-Fund aims to seek capital appreciation on a medium, long term. It aims to realize an average net annual return of 8 % (calculated over 10 years). This is an objective that the Sub-Fund aims to achieve. It cannot, however, guarantee that it will achieve its goal, given market fluctuations and other risks to which the investments are exposed.

## **SOLAR WORLD INVEST FUND-SIF GENERAL INFORMATION (CONTINUED)**

The General Partner has identified market opportunities for the Sub-Fund due to the increasing attention and need for renewable energy production and the urgency to diminish the negative impact of conventional energy production on our global environment.

Within SWIF 1, shares may be issued in 4 different classes, i.e. as a Management Share, Class A share, Class B share and Class C share.

The Valuation Day of SWIF 1 shall be the last business day of each semester.

# SOLAR WORLD INVEST FUND-SIF

## MANAGEMENT REPORT

### Investor's subscriptions

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Solar World Invest Fund SIF1 ("SWIF") organized two subscriptions: one on 30 June 2017 and one on 31 December but this final one has not been converted in shares at the date of 31/12/2017.

EUR 1.825.000 was raised on 30 June 2017 allocated in Class B :

Class B	EUR 1,825,000
<b>Total (30/06/17)</b>	<b>EUR 1,825,000</b>

EUR 3.850.000 was raised on 31 December 2017 allocated as follow :

Class A	EUR 125,000
Class B	EUR 1,925,000
Class C	EUR 1,800,000
<b>Total (31/12/17)</b>	<b>EUR 3,850,000</b>

In aggregate, the total amount of new subscriptions for the year 2017 is 5.675.000 €. However, the amount of 3.850.000 € has not been converted in shares yet (at the date of 31 December 2017). This amount has been recorded as amount payable to the investors.

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<b>Total contributed to the fund (31/12/2016):</b>	<b>EUR 11,131,923.43</b>
<b>Subscriptions in 2017 :</b> (converted into shares in 2017)	<b>EUR 1,825,000.00</b>
<b>Subscriptions not yet converted in shares as at 31/12/2017 :</b>	<b>EUR 3,850,000.00</b>
<b>Total contributed to the fund (31/12/2017):</b>	<b>EUR 16,806,923.43</b>

# SOLAR WORLD INVEST FUND-SIF

## MANAGEMENT REPORT (CONTINUED)

### NAV evolution

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	Class A	Performance	Class B	Performance
31/12/2016	EUR 1,217.91	+10.32 %	EUR 1,163.92	+7.89%
30/06/2017	EUR 1,326.06	+8.88 %	EUR 1,246.40	+7.09 %
31/12/2017	EUR 1,580.99	+19.22 %	EUR 1,430.87	+14.80 %

### New Investment / Asset

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#### Italia: Energia Sette srl

On 3 February 2017, Solar World Aquiris S.à.r.l (“SWA”, SWIF’s subsidiary) won the Auction by order of the Civil Court of Bari (Italy) for the acquisition of Energia Sette srl, owner of a ground-mounted photovoltaic power plant of 4.653 kWp located in the municipality of Eboli (SA).

The acquisition price was fixed to EUR 6,441,227.

This investment opportunity was presented to SWIF/ SWA by Green-Invest SA “GI” (affiliated to Invest Minguet Gestion SA holding) and it was decided to co-invest with GI up to the following percentages:

- SWA/ SWIF : 65.5%
- Green-Invest : 34.5 %

From March until November, SWA and Green-Invest have worked together to improve the performance of the power plant.

And on 7 December 2017, SWA redeemed the 34.5% shares from Green-Invest becoming thereafter the sole owner of Energia Sette srl.

#### Assets valuation

Our methodology consists in discounting the future distributed amounts to the shareholder at a specific rate determined according to each project.

Future distributed amounts are determined by updating the business plan established at the time of the investment. The business plan is therefore updated and corrected based on a provisional balance sheet at the calculation date considering the available cash.

Distributed amounts are defined as the amounts that can be annually distributed after paying for costs, financial expenses, principal repayments of debts according to the repayment schedule, taxes while providing sufficient cash-flow.



# SOLAR WORLD INVEST FUND-SIF

## MANAGEMENT REPORT (CONTINUED)

The Net Present Value of each project is the discounted sum of the amounts that can be distributed at the date of calculation.

### Valuation of our assets at fair value

#### On 30/06/2017 :

- Systèmes Photovoltaïques SA/ Aquiris (B) : EUR 2,168,333
- MG Solar Systems Eood (BG) : EUR 3,274,439
- Nove Eco Energy Eood (BG) : EUR 3,562,067
- Energia Sette Srl (IT) – 65.5%: EUR 4,361,300 (based on acquisition price)

#### On 31/12/2017 :

- *Systèmes Photovoltaïques SA/ Aquiris (B)* : EUR 2,273,720
- *MG Solar Systems Eood (BG)* : EUR 3,682,181
- *Nove Eco Energy Eood (BG)* : EUR 4,050,898
- *Energia Sette Srl (IT) – 100%* : EUR 12,223,721 (at fair value)

### **Significant events in 2017**

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#### *Systèmes Photovoltaïques SA/ Aquiris (B) :*

**Production** : is slightly lower to 2016 (-1%) and reaches 2.768 MWh. The solar yield was lower of 3% compared to our forecasts due to dry weather condition during the spring season. At the end of the year, November and December were also lower than previous years and did not make up for the lost production.

**Costs** : are in line with our forecasts even if we had to pay for an unexpected cleaning of the modules due to the dryness and dust in spring.

**Revenues** : we have obtained an extra 0.5€ per Green Certificate which partially compensate the decrease of production. Total turnover amounts to EUR 1,059,309 (average price per GC = EUR 84.3).

An annual dividend of EUR 130,000 was distributed on May 2018.

# SOLAR WORLD INVEST FUND-SIF

## MANAGEMENT REPORT (CONTINUED)

### MG Solar Systems Eood (BG) :

**Production** : is 1.6% higher than 2016 reaching 5.945 MWh.

**Costs** : are much lower than estimated ones due to no use of the corrective maintenance budget and no increase of the balancing costs and grid access fees.

**Financing** : is in place (interest rate at 3.5%) and we reimbursed EUR 492,000 in 2017.

**Revenues** : total turnover amounts to EUR 1,397,362 (based on a FiT of EUR 248 per MWh up to a feed-in-limit of 1.188 kWh and the sale of the extra produced electricity at a very marginal price).

An annual dividend of EUR 450,000 was distributed on January 2018.

### Nove Eco Energy Eood (BG) :

**Production** : is 1.6% higher than 2016 reaching 6.603 MWh.

**Costs** : are much lower than estimated ones due to no use of the corrective maintenance budget and no increase of the balancing costs and grid access fees.

**Financing** : is in place (interest rate at 3.5%) and we reimbursed EUR 529,000 in 2017.

**Revenues** : total turnover amounts to EUR 1,497,548 (based on a FiT of EUR 248 per MWh up to a feed-in-limit of 1.188 kWh and the sale of the extra produced electricity at a very marginal price)

An annual dividend of EUR 510,000 was distributed on January 2018.

### Energia Sette Srl (IT):

**Production** : is 8% higher than expected reaching 6.639 MWh.

**Costs** : were correctly estimated and are tending to be reduced regarding maintenance, insurance, security.

**Financing** : we obtained a loan of EUR 4,300,000 over 10 years (interest rate at 2.5 %) starting from 9 March 2018.

**Revenues** : total turnover amounts to EUR 1,771,737 in 2017 (based on a FiT of EUR 215 per MWh and the sale of electricity at EUR 46,8 per MWh).

# SOLAR WORLD INVEST FUND-SIF

## MANAGEMENT REPORT (CONTINUED)

### **Risk Management & Conflict of interest**

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The Directors have noted that there are no areas of concern in the risk management of the Fund for the period under review.

A conflict of interest arose for the redemption of the shares held by Green-Invest SA in Energia Sette srl. Therefore, Mr Laurent Minguet, at the same time Director of SWIF and Green-Invest SA, did not take part in the vote.

Also, the Directors did not receive any complaint, nor have they been made aware of any pending action against the Fund and the Directors.

### **AIFM Remuneration policy**

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There was no performance-based bonus paid to the employees of the AIFM.

### **No Subsequent events**

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To the Shareholders of  
**SOLAR WORLD INVESTMENT  
FUND-SIF**

R.C.S. Luxembourg B 181.280

2, boulevard de la Foire  
L-1528 LUXEMBOURG

## **REPORT OF THE REVISEUR D'ENTREPRISES AGRÉÉ**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

Following the appointment by the General Meeting of the Shareholders dated 10 July 2017, we have audited the accompanying financial statements of **SOLAR WORLD INVEST FUND SIF** (hereafter the "Fund") and of its sole Sub-Fund, which comprise the statement of net assets, the statement of investments as at 31 December 2017 and the statement of operations and other changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of **SOLAR WORLD INVEST FUND SIF** as of 31 December 2017, and of the results of the operations and changes in its net assets for the year then ended in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

#### **Basis for Opinion**

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under those Law and standards are further described in the « Responsibilities of "Réviseur d'Entreprises Agréé" for the Audit of the Financial Statements » section of our report. We are also independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other information**

The Board of Directors of the General Partner of the Fund is responsible for the other information. The other information comprises the information stated in the management report but does not include the financial statements and our report of “Réviseur d'Entreprises Agréé” thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report this fact. We have nothing to report in this regard.

### **Responsibility of the Board of Directors of the General Partner of the Fund for the financial statements**

The Board of Directors of the General Partner of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the General Partner of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the General Partner of the Fund is responsible for assessing the Fund’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the General Partner of the Fund either intends to liquidate the General Partner of the Fund or to cease operations, or has no realistic alternative but to do so.

### **Responsibility of the “Réviseur d’Entreprises Agréé” for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of “Réviseur d’Entreprises Agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the General Partner of the Fund.
- Conclude on the appropriateness of Board of Directors of the General Partner of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of réviseur d'Entreprises Agréé to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of réviseur d'Entreprises Agréé. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

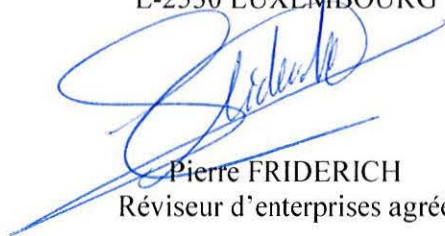
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on other legal and regulatory requirements**

The management report is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.

Luxembourg, 29 June 2018

For MAZARS LUXEMBOURG, Cabinet de révision agréé  
10A, Rue Henri M. Schnadt  
L-2530 LUXEMBOURG



Pierre FRIDERICH  
Réviseur d'entreprises agréé

**SOLAR WORLD INVEST FUND-SIF  
STATEMENT OF NET ASSETS  
AS AT 31 DECEMBER 2017**

	Notes	SOLAR WORLD INVEST FUND-SIF - 1 EUR
<b><u>ASSETS</u></b>		
Investments at market value		12,496,271.50
Cash at bank		4,005,810.06
Loan	7	5,959,606.56
Interest receivable on loan		120,842.99
Formation expenses net of amortization	8	10,884.73
Prepaid expenses		2,772.14
<b>TOTAL ASSETS</b>		<b>22,596,187.98</b>
<b><u>LIABILITIES</u></b>		
Management fee payable	3	146,883.88
Performance fee payable	3	484,369.30
Administration fee payable	4	6,250.00
Audit fee payable		16,789.50
Financial statement preparation fee payable		6,253.42
Subscriptions pending	9	3,850,000.00
<b>TOTAL LIABILITIES</b>		<b>4,510,546.10</b>
<b><u>NET ASSETS AT THE END OF THE YEAR</u></b>		<b>18,085,641.88</b>

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



**SOLAR WORLD INVEST FUND-SIF**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	SOLAR WORLD INVEST FUND-SIF - 1
		EUR
<b><u>INCOME</u></b>		
Interest income on loan	1.f	120,842.99
<b>TOTAL INCOME</b>		<b><u>120,842.99</u></b>
<b><u>EXPENSES</u></b>		
Management fee	3	250,612.46
Performance fee	3	484,369.30
Administration fee	4	16,500.00
Custodian fee	6	17,388.00
Audit fee		21,679.00
License fee		6,000.01
Directors fee		14,212.80
Domiciliation fee	4	6,180.74
Registered Office		29,280.00
Amortization of formation expenses	8	14,513.00
Bank charges		522.50
Transaction charges		3,150.00
Financial statement preparation fee		2,500.00
Subscription tax ("taxe d'abonnement")	5	327.81
Others expenses		9,995.39
<b>TOTAL EXPENSES</b>		<b><u>877,231.01</u></b>
<b><u>NET INVESTMENT GAIN/(LOSS)</u></b>		<b><u>(756,388.02)</u></b>
<b>NET VARIATION OF :</b>		
- unrealised gains on financial assets		4,247,442.00
- unrealised losses on financial assets		0.00
<b>NET RESULT OF OPERATIONS FOR THE YEAR</b>		<b><u>3,491,053.98</u></b>
<b>CAPITAL MOVEMENTS</b>		
- Subscriptions during the year		2,700,000.00
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>		<b>11,894,587.90</b>
<b><u>NET ASSETS AT THE END OF THE YEAR</u></b>		<b><u>18,085,641.88</u></b>

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

**SOLAR WORLD INVEST FUND-SIF**  
**STATEMENT OF CHANGES IN THE NUMBER OF SHARES**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

SOLAR WORLD INVEST FUND-SIF - 1

Class of shares	Class A	Class B	Management
<b>Shares outstanding at the beginning of the year</b>	3,488.28	6,568.26	1.00
Subscription of shares	-	2,215.98	-
Redemptions of shares	-	-	-
<b>Shares outstanding at the end of the year</b>	3,488.28	8,784.24	1.00

## SOLAR WORLD INVEST FUND-SIF

### STATISTICAL INFORMATION

SOLAR WORLD INVEST FUND-SIF-1		<u>31 December 2017</u>	<u>31 December 2016</u>	<u>31 December 2015</u>
Net Asset Value	EUR	18,085,641.88	11,894,587.90	6,441,943.50
Number of shares				
- Class A shares		3,488.28	3,488.28	2,806.16
- Class B shares		8,784.24	6,568.26	3,505.24
- Management shares		1.00	1.00	1.00
Net Asset Value per share				
- Class A shares	EUR	1,580.99	1,217.91	1,023.97
- Class B shares	EUR	1,430.87	1,163.92	1,017.76
- Management shares	EUR	1,600.91	1,227.11	1,025.96

**SOLAR WORLD INVEST FUND-SIF**  
**STATEMENT OF INVESTMENTS AND OTHER NET ASSETS**  
**AS AT 31 DECEMBER 2017**

Description	Number/Nominal Value	Cost (EUR)	Market value (EUR)	Unrealised result (EUR)	Market Value as a % of total net assets
<b>Shares in affiliated undertakings</b>					
Solar World Aquiris - Class A	60,000	600,000.00	1,249,627.15	649,627.15	6.91%
Solar World Aquiris - Class B	60,000	600,000.00	1,249,627.15	649,627.15	6.91%
Solar World Aquiris - Class C	60,000	600,000.00	1,249,627.15	649,627.15	6.91%
Solar World Aquiris - Class D	60,000	600,000.00	1,249,627.15	649,627.15	6.91%
Solar World Aquiris - Class E	60,000	600,000.00	1,249,627.15	649,627.15	6.91%
Solar World Aquiris - Class F	60,000	600,000.00	1,249,627.15	649,627.15	6.91%
Solar World Aquiris - Class G	60,000	600,000.00	1,249,627.15	649,627.15	6.91%
Solar World Aquiris - Class H	60,000	600,000.00	1,249,627.15	649,627.15	6.91%
Solar World Aquiris - Class I	60,000	600,000.00	1,249,627.15	649,627.15	6.91%
Solar World Aquiris - Ordinary Class	60,000	600,000.00	1,249,627.15	649,627.15	6.91%
<b>Total Shares in affiliated undertakings</b>	<b>600,000.00</b>	<b>6,000,000.00</b>	<b>12,496,271.50</b>	<b>6,496,271.50</b>	<b>69.10%</b>
<b>TOTAL INVESTMENTS</b>			<b>12,496,271.50</b>		<b>69.10%</b>
Cash at bank			4,005,810.06		22.14%
Other net assets / (liabilities)			1,583,560.32		8.76%
<b>TOTAL NET ASSETS</b>			<b>18,085,641.88</b>		<b>100.00%</b>

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

**SOLAR WORLD INVEST FUND-SIF**  
**STATEMENT OF INVESTMENTS AND OTHER NET ASSETS**  
**AS AT 31 DECEMBER 2017 (CONTINUED)**

Breakdown of investments at market value

As at 31 December 2017, SWA owns the following targets (photovoltaic power plants):

<b>Company Name</b>	<b>Legal Address</b>	<b>Operating Location</b>	<b>% Ownership</b>	<b>Market Value (EUR)</b>
<i>Systèmes Photovoltaïques SA/Aquiris</i>	<i>2, rue Natalis B-4020 Liège (Belgium)</i>	<i>Brussels (Belgium)</i>	<i>99.99%</i>	<i>2,273,720</i>
<i>MG Solar Systems Eood</i>	<i>45, Maria Luiza Boulevard, BG-1202 Sofia (Bulgaria)</i>	<i>Sliven (Bulgaria)</i>	<i>100%</i>	<i>3,682,181</i>
<i>Nove Eco Energy Eood</i>	<i>45, Maria Luiza Boulevard, BG-1202 Sofia (Bulgaria)</i>	<i>Sliven (Bulgaria)</i>	<i>100%</i>	<i>4,050,898</i>
<i>Energia Sette Srl</i>	<i>9, Via del Vecchio Politecnico 20121 Milan (Italy)</i>	<i>Eboli (Italy)</i>	<i>100%</i>	<i>12,223,071</i>

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

# **SOLAR WORLD INVEST FUND-SIF**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **NOTE 1 - Summary of Most Significant Accounting Policies**

a. Basis of preparation

The financial statements of the Fund have been prepared in accordance with the SIF Law applicable in Luxembourg. The accounts of the Fund are expressed in EUR and the accounts of the active Sub-Fund are kept in EUR.

b. Determination of the Net Asset Value of shares

The Net Asset Value of each sub-fund and the Net Asset Value of each class of shares in each sub-fund is determined in the Reference Currency of the relevant sub-fund on each Valuation Date.

The Net Asset Value per class of shares of each sub-fund is determined by dividing the value of the assets comprising the sub-fund less the liabilities (including the fees, costs, taxes, charges & expenses and any other provisions considered by the General Partner to be necessary or prudent but excluding the management fee and performance fee) of the sub-fund by the total number of shares of the sub-fund at the time of the determination of the Net Asset Value reduced by the management fee and the performance fee allocable to such class of shares.

Net Asset Value will be calculated up to two (2) decimals. The Net Asset Value per Share may be rounded up or down to the nearest unit of the relevant Reference Currency as the General Partner shall determine. The Net Asset Value per class of shares as of the relevant valuation day is calculated by the Administrative Agent under the ultimate responsibility of the General Partner with respect to each Valuation Day in accordance with the Laws of the Grand Duchy of Luxembourg and will be rounded to four (4) decimal places.

The assets comprising the Fund will be valued as follows:

- The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;
- Values expressed in a currency other than the reference currency of a sub-fund shall be converted on the basis of the prevailing rate of exchange utilized by the Administrator on the relevant Valuation Day.
- The investments, whether directly held by the Fund or held through intermediary vehicles, will be valued by the General Partner on criteria which comply with the valuation guidelines provided for in the international Private Equity and Venture Capital Valuation Guidelines (IPEV) as amended and updated from time to time.

# **SOLAR WORLD INVEST FUND-SIF**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE 1 - Summary of Most Significant Accounting Policies (continued)**

c. Formation expenses

The formation expenses of the Fund are amortized on a straight line basis over a period of 5 years. These expenses will be paid pro-rata on the Net Assets of the sub-funds in existence at the time of incorporation of the Fund. In case where further sub-funds are created in the future, these sub-funds will bear their own formation expenses.

d. Debts

Debts are recorded under subordinated debts when their status is subordinated to unsecured debt.

e. Debtors

Debtors are valued at their nominal value. They are subject to value adjustments when their recovery is compromised. These value adjustments are not continued if the reason for which they are made have ceased to apply.

f. Interest income

Interest income is calculated on a prorata temporary basis, net of any withholding tax.

### **NOTE 2 – Capital**

a. Share capital

The existing Class shares are the following:

- the Management Share reserved for subscription and holding by the General Partner. The Fund has issued one (1) single Management Share.
- the Class A share reserved for subscription and holding by the promoter of the Fund. The promoter will subscribe in the Share Class A mainly through contributions in kind. This class of shares is subject to an annual management fee of 0.50% but no performance fee will be applicable in this share class.
- the Class B share reserved for subscription and holding by well informed Investors having entered into the Subscription Agreements. This class of shares is subject to an annual management fee of 2% and a performance fee of 25% charged above a hurdle rate of 7% net of fees, calculated on a yearly basis at the end of each calendar year and prorata temporis for the first year.
- the Class C share reserved for subscription and holding by well informed Investors having entered into the Subscription Agreements. This class of shares is subject to an annual management fee of 1.5% and a performance fee of 25% charged above a hurdle rate of 7% net of fees, calculated on a yearly basis at the end of each calendar year and prorata temporis for the first year.

The capital of the Fund is represented by fully paid up shares of no par value and is at any time equals to the total Net Asset of the Fund. The minimum capital is required by law and is amounting to EUR 1,250,000.

The initial capital is thirty one thousand Euros (EUR 31,000) divided into thirty one shares (31) of no par value.

# **SOLAR WORLD INVEST FUND-SIF**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE 2 – Capital (continued)**

#### b. Subscription and redemption of shares

The Fund is organized in accordance with the SIF Law. Consequently, the sale of Shares of the Fund is restricted to any investor who qualifies as a well-informed investor within the meaning of the article 2 of the SIF Law and the Fund will not issue or give effect to any transfer of Shares of the Fund to any investor who may not be considered a Well-informed investor.

The minimum initial subscription amount in the Sub-Fund is EUR 125,000 in respect of Class A share and Class B share. In addition to the respective reference currencies, subscriptions and redemptions for all Sub-Funds will be accepted by the Transfer Agent in US dollar (USD), provided that on the first subscription, the equivalent of EUR 125,000 is invested. The minimum initial subscription amount in the Sub-Fund is EUR 1,000,000 in respect of Class C share. In addition to the respective reference currencies, subscriptions and redemptions for all Sub-Funds will be accepted by the Transfer Agent in US dollar (USD), provided that on the first subscription, the equivalent of EUR 1,000,000 is invested.

The Issue Price and the Redemption Price of the different Classes may differ as a result of the differing fee structure and/or distribution policy applicable to each Class.

In circumstances where the value of the assets comprising a Sub-Fund may be reduced as a result of costs incurred in dealing in a Sub-Fund's investments, including taxes, stamp duties and transaction charges or as a result of dealings in such investments at prices other than the prices used to calculate the Net Asset Value of the Sub-Fund in accordance with the provisions of the Issuing Document of the Fund, the General Partner may, in its discretion but subject to applicable law, impose on a Shareholder or applicant for Shares a dilution levy in respect of any subscription or redemption of Shares where it reasonably considers such levy will avoid or mitigate any potential adverse effects on Shareholders and will be fair to all Shareholders and potential Shareholders. The dilution levy will not exceed 1 % of the Net Asset Value per Share.

Shares are issued and redeemed at NAV. The minimum subscription is EUR 125,000 in respect of Class A share and Class B share and EUR 1,000,000 in respect of Class C share. No redemption fees will be charged on the redemption of shares, except for the dilution levy referred to above.

Redemption payments will be made in the Reference Currency of the relevant sub-fund at the latest 15 calendar days after the redemption date as of which shares have been redeemed.

#### c. Lock-in period and redemptions

Well-informed investors have to be aware that their investments will be locked in for a period of five years starting from their subscriptions. The purpose of the lock-in period is to allow the General Partner to maximise the value of the PV projects. After the 5-years lock-in period, investors can apply for redemptions of their shares. It is to be mentioned that the expected payback period is about 8 years, hence the investment time horizon applicable should extend over eight years.



# **SOLAR WORLD INVEST FUND-SIF**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE 2 – Capital (continued)**

The payback period is to be understood as the time frame at the end of which the cumulated cash flows generated by the installations less all operational expenses are equal to the sum of the initial investment made by well-informed investors and the annual expected returns over the period under consideration.

The General Partner may, at its sole discretion, remove or lower the lock-in period.

### **NOTE 3 – Related parties transactions**

#### **a. Management fee**

The General Partner is entitled to receive a management fee payable quarterly in arrears, out of the average assets computed on a quarterly basis of each Sub-Fund. The fee is due prorata temporis at the end of each quarter, taking into account the average assets of the Sub-Funds at the quarter's end period.

The total fixed annual management fees represent 2% of the assets under management, computed and charged at the beginning of the next quarter, following the one on which the management fees have been calculated. Different fees may apply in respect to different share classes, when applicable for each sub-fund (see note 2.a). A sales commission may be charged to investors to compensate for marketing expenses but will not exceed 5%. The sales commission may be waived at the full discretion of the General Partner.

#### **b. Performance fee**

In addition the General Partner is entitled to receive a performance fee calculated as followed and only on Class B Shares, which may differ among the different sub-funds:

The performance fee, chargeable to the Sub-Fund, is equal to 25% of the appreciation in the Net Asset Value per share during the relevant calculation period, payable on a yearly basis where the appreciation in the Net Asset Value per share exceeds a Hurdle Rate of 7 % (annual rate) with no high water mark. The Performance Fee in respect of each relevant Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fee.

The Performance Fee is calculated and accrued on each valuation date, based on the average of the outstanding shares during the relevant calculation period. Whenever the performance fee is due, it will be payable on a yearly basis during the month of January immediately following the year to which the performance relates to.

#### **c. Transaction between related parties**

The Sub-Fund (through its subsidiary) has acquired from Green-Invest S.A. (GI) (a company affiliated to Invest Minguet Gestion S.A., which holds a 27,24% interest in the fund) 34,5% of Energia Sette srl (E7) on 7 December 2017, bringing its overall ownership as of 31 December 2017 to 100%, as described below.

The opportunity for the acquisition of E7 was presented to SWIF/ SWA by GI.

E7, owner of a 4,7 MWp solar plant located in the municipality of Eboli (Italy) was for sale for a couple of years because of the bankruptcy of its mother company.

## **SOLAR WORLD INVEST FUND-SIF**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

SWA submitted alone to the auction organised by the civil court of Bari on 3rd February 2017 and won the tender at the minimal acquisition price of 6.441.227 € for the 100% shares of E7; concretely, 1€ for the shares and 6.441.226 € for the shareholders debt.

On 2nd March 2017, before a notary in Bari, SWA together with GI, officialised and performed the following transactions:

- a) Payment of 1 € for share capital (paid by SWA)
- b) Payment of 2.220.613 €, paid by GI, for the recovery of E7's shareholder debt
- c) Payment of 4.220.613 € paid by SWA for taking over the shareholder debt

Through these transactions, SWA and GI are taking over the shareholders debt of 6.441.226 € to their account.

Following a sale agreement dated 26 April 2017, it was decided that SWA sells 34,5% of its shares in E7 to GI as equivalence of the percentage paid by GI (34,5%) for the shareholder debt.

On 2 May 2017, SWA and GI signed a shareholder agreement through which GI was given an option to acquire an additional 15,5% shareholding in E7 for a price of 1.000.000 € plus a yield not exceeding 10%.

From April 2017 until November 2017, SWA and GI have worked together to improve the performance of the power plant and to get some financing from a local bank (which was obtained in March 2018).

On 7 December 2017, after calculation of the call option of GI, SWA bought from GI 34,5% of E7 at the price of 5.722.590 € (5.500.000 € for the acquisition of the 34,5% shares less 1.083.333 € related to the option plus 1.305.923 € corresponding to 50% of the net current assets of E7) and becoming thereafter the sole owner of E7.

The NAV calculation of E7 at "fair value" at 31/12/2017 is estimated at 12.223.071 €. The Fund's unrealised gain on this transaction is therefore estimated at 2.279.857 €.

#### **NOTE 4 – Administration and Domiciliation Fees**

Under the Administration Agency Agreement, the Fund, duly represented by its General Partner, has appointed Apex Fund Services (Malta) Limited, Luxembourg Branch, as the central administrator of the Fund (hereafter the "Central Administrator").

The Central Administrator shall be entitled to receive, out of the assets of the Fund, an administration fee:

Aggregate Fund Value	Basis points
Up to EUR 50m	0.04%
Between EUR 50m to EUR 100m	0.025%
Greater than EUR 100m	0.01%

With a minimum fixed fee of EUR 15,000 per annum accrued in each valuation.

# SOLAR WORLD INVEST FUND-SIF

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### NOTE 5 – Taxation

Pursuant to the legislation and regulation in force in the Grand Duchy of Luxembourg, the Fund is subject to an annual subscription duty (named "*Taxe d'abonnement*") of 0.01% which is payable quarterly and calculated on the basis of the net assets of each sub-fund on the last day of each quarter.

According to the article 68 (2a) of the SIF Law, the NAV invested in undertakings for collective investments already subject to the *taxe d'abonnement* are exempt from this tax.

The Fund is not subject to any other taxes.

### NOTE 6 – Depository charges

Under the Depositary Agreement, the Fund appointed Natixis Bank S.A. as depositary bank of the assets of the Fund. The depositary bank shall be entitled to charge, out of the assets of the SICAV, a depositary bank fee payable at the end of each quarter in an amount as agreed from time to time among the parties.

As per the Depositary Agreement, the custody fee is EUR 12,000 per year and per sub-fund if the Net Assets up to EUR 15 million and thereafter 0.08% on the average of assets held by sub-fund and will be paid on quarterly basis.

### NOTE 7 – Loans

The Sub-Fund (the "Lender") granted several loans to Solar World Aquiris S.à r.l. (the "Borrower"). The Lender is the direct parent company of the Borrower and holds all of one hundred percent (100%) of the shares of the Borrower. Each loan is unsecured and bears interest of 3% per year (interests may be capitalized and paid at latest the day the loan is repaid in full). The Borrower shall repay, subject to the availability of sufficient liquidity generated by assets of the Borrower and subject to the appropriate performance of the investment, the loan as follow:

Loan date	Amount	Repayment date
04/03/2016	EUR 2,400,000	EUR 1,200,000 on 15 January 2020 at the latest and EUR 1,200,000 on 15 January 2024 at the latest
14/11/2016	EUR 1,500,000	On 15 November 2021 at the latest
06/12/2017	EUR 2,000,000	On 31 December 2022 at the latest

# SOLAR WORLD INVEST FUND-SIF

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### NOTE 8 – Formation Expenses

As at 31 December 2017, the formation expenses are composed as follows:

	EUR
<b>Cost at the beginning of the year</b>	<b>72,565.00</b>
Additions during the year	-
<b>Cost at the end of the year</b>	<b>72,565.00</b>
<b>Accumulated amortization at the beginning of the year</b>	<b>47,167.27</b>
Amortization of the year	14,513.00
<b>Accumulated amortization at the end of the year</b>	<b>61,680.27</b>
<b>Net book value at the end of the year</b>	<b>10,884.73</b>
<b>Net book value at the beginning of the year</b>	<b>25,397.73</b>

### NOTE 9 – Subscription pending

This amount corresponds to subscriptions paid by investors, which will be converted in shares on 2 January 2018 based on the NAV as of 31 December 2017.

### NOTE 10 – Off balance sheet commitment

There were no off balance sheet commitment for the year ended 31 December 2017.

### NOTE 11 – Significant Events

There were no significant events during the year ended 31 December 2017.

### NOTE 12 – Subsequent Events

On 2 January 2018:

- additional Class C shares of SWIF 1 were issued for an amount of EUR 1,800,000;
  - additional Class A shares of SWIF 1 were issued for an amount of EUR 125,000;
  - additional Class B shares of SWIF 1 were issued for an amount of EUR 1,925,000;
- based on the NAV of SWIF as of 31 December 2017, resulting in a capital increase of EUR 3,850,000.