

Bluefield Solar Income Fund's position in relation to Consumer Duty

In recognition of the Financial Conducts Authority's 'FCA' introduction of the Consumer Duty regulation, Bluefield Solar Income Fund 'BSIF' has embedded principle 12 'A firm must act to deliver good outcomes for retail customers', considers the three cross-cutting rules in all relevant areas of the business, and carries out ongoing assessments against the following retail customer outcomes:

Outcome 1 - Products and services are well designed to meet the needs of customers in the target market.

BSIF is a FTSE250 listed investment company advised by Bluefield Partners LLP, which is authorised and regulated by the UK FCA under the number 507508. In May 2015, Bluefield Services Limited (BSL), a company with the same ownership as the Investment Adviser, commenced providing asset management services to the investment SPVs held within BSIF's portfolio. In August 2017, Bluefield Operations Limited (BOL), a company with the same ownership as the Investment Adviser, commenced providing operation and maintenance services to BSIF and provides services to c.80% of the investment portfolio held by BSIF as at year end.

In December 2020 Bluefield Renewables Development Limited (BRD), a company with the same ownership as the Investment Adviser, commenced providing BSIF with new build development opportunities in addition to arrangements in place with BSIF's other development partners. In October 2023, Bluefield Construction Management Limited (BCM), a company with the same ownership as the Investment Adviser, commenced providing BSIF with construction management services on the new build portfolio. The investment objective of BSIF is to provide Shareholders with an attractive return, principally in the form of regular income distributions, by being invested primarily in solar energy assets located in the UK. BSIF also invests a minority of its capital into other renewables assets including wind and energy storage.

BSIF is a non-cellular company limited by shares incorporated in Guernsey under the Law on 29 May 2013. BSIF's registration number is 56708, and it is regulated by the GFSC as a registered closed-ended collective investment scheme and as a Green Fund after successful application under the Guernsey Green Fund Rules to the GFSC on 16 April 2019. BSIF's Ordinary Shares were admitted to the Premium Segment of the Official List and to trading on the Main Market of the LSE following its IPO on 12 July 2013. The issued capital during the year comprises BSIF's Ordinary Shares denominated in Sterling.

Outcome 2 - Investors receive fair value.

Bluefield Partners LLP is required by the FCA to support BSIF, a closed ended investment fund, in the completion of an assessment that informs investors of the value it provides. appraisal considered investment performance, costs and charges at the fund and unit class levels.

This appraisal of fair value complies with the seven criteria set out in FCA regulations:

1. Performance: Is the fund delivering on its investment objectives?
2. Comparable market rates: Is BSIF priced reasonably compared to its competitors?
3. Comparable services: Is BSIF priced reasonably compared to other products with similar investment strategies?
4. Authorised Fund Manager (AFM) costs: Are the management fees charged to investors reasonable and appropriate?
5. Economies of scale: Are economies of scale passed on to investors?
6. Quality of service: Does the range and quality of service represent value?
7. Classes of units: Are the charging unit classes appropriately comparable with its competitors?

Following its appraisal, Bluefield Partners LLP has determined that BSIF offers fair value within its comparable market.

As evidence of this, due to the non-complex nature of BSIF as an investment fund and the limit of services BSIF provides, we have set out below the dominant elements of the fair value assessment which are adviser fees charged by Bluefield Partners LLP and Ongoing Charges Ratio relevant to the fund and how the charges compare with its competitors.

The price of BSIF shares is determined by trading on the London Stock Exchange. As Investment Adviser to BSIF, Bluefield Partners LLP aims to deliver a high-quality investment proposition to investors, operating in a competitive industry with a focus on providing Shareholders with an attractive return, principally in the form of regular income distribution on income dividends achieved through the renewable energies marketplace.

BSIF maintains a competitive cost relative to similar products offered to investors. For the accounting period June 2022 to June 2023, BSIF's OCR was 1.00% (2021:1.02%), calculated in accordance with the Association of Investment Companies' guidance and defined as annualised ongoing charges (i.e. excluding acquisition costs and other non-recurring items) divided by the average published undiluted net asset value in the year.

BSIF's investment adviser's' fees are tiered and reduce as the portfolio grows, meaning BSIF's costs are spread over a larger capital base. These tiers were reduced in December 2023, further lowering BSIF's costs.

The investment advisory fee accrues daily and is calculated on a sliding scale as follows:

Portfolio reported Net Asset Value below and up to and including £750 million	0.80%
Portfolio reported Net Asset Value above £750 million and up to and including £900 million	0.75%
Portfolio reported Net Asset Value above £900 million	0.65%

In addition, BSIF non-executive board members, who are independent, experienced and cover a wide range of skills, receive fees commensurate with their experience and input which are approved by shareholders at each AGM. The board members do not receive performance or acquisition fees or other benefits.

Outcome 3 – Communications enable consumers to understand products and services

BSIF communications are designed to equip consumers to make effective, timely and properly informed decisions about financial products and services. Each communication is created in line with the FCA expectations of communications, and the way they are communicated, to be capable of being readily understood by the customers who are intended to receive them.

To ensure alignment with this outcome, Bluefield Partners LLP has embedded processes to review and approve communications for customers and, while doing so, Bluefield Partners LLP continues to be mindful of the FCA authorisation limitation that prevents direct advisory and or promotional interaction with retail customers.

Outcome 4 - Consumers are provided with appropriate support

Although Bluefield Partners LLP does not have direct contact with Retail investors, Bluefield Partners LLP may prepare responses for BSIF to any potential questions or complaints from investors (including retail customers).

BSIF provides the bluefieldteam@ocorian.com & GGcompliance@ocorian.com email address for consumers to contact the Investment Adviser and BSIF. We monitor communications to this address and seek to respond promptly to queries. We monitor communications to this address and seek to respond promptly to queries. We also provide updates and insights through LinkedIn <https://www.linkedin.com/company/bluefield-partners-llp/?originalSubdomain=uk>.

Information for Distributors

Solely for the purposes of the product governance requirements contained within:

- (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (Directive 2014/65/EU);
- (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing directive 2014/65/EU;
- (c) local implementing measures; and/or
- (d) (where applicable to UK investors or UK firms) the relevant provisions of the UK MiFID Laws (including the FCA's Product Intervention and Governance Sourcebook (PROD)) (together the MiFID II Product Governance Requirements), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Shares have been subject to a product approval process, which has determined that:
 - (i) such New Shares are compatible with an end target market of
 - a) retail investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom, and
 - b) investors who meet the criteria of professional clients and eligible counterparties, each as defined in Directive 2014/65/EU;
 - (ii) such New Shares are eligible for distribution through all distribution channels as are permitted by the MiFID II Product Governance Requirements; and
 - (iii) the investors to whom such New Shares will be suitable include, but are not exclusively, those that satisfy the criteria in (i) and (ii) and who are seeking a financial product that promotes environmental and / or social characteristics, as defined under Article 8 of Regulation (EU) 2019/2088 (the Target Market Assessment).

Disclaimer

This Fair Value Assessment (“FVA”) in relation to the Bluefield Solar Income Fund (‘BSIF’) has been prepared and issued by Bluefield Partners LLP (‘Bluefield’), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority.

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