

Key Information Document

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product: **AQUILA EUROPEAN RENEWABLES INCOME FUND PLC - Ordinary Shares ("PRIIP" or "the Company")**

ISIN: **GB00BK6RLF66**

PRIIP Manufacturer: **Aquila European Renewables Income Fund PLC**

Website: www.aquila-european-renewables-income-fund.com Call: **+44 203 705 1555** for more information.

This document was produced: **08/05/2019**

What is this product?

Type: The Company is a public company limited by shares incorporated and registered in England and Wales. Application will be made to the Financial Conduct Authority (the "FCA") for the Ordinary Shares to be admitted to the Official List with a premium listing and to the London Stock Exchange for trading on the Main Market (the "Main Market") of the London Stock Exchange pursuant to the Issue.

Objectives: The Company will seek to generate stable returns, principally in the form of income distributions by investing in a diversified portfolio of Renewable Energy Infrastructure Investments. The Company will invest predominantly in operating renewable energy assets across continental Europe and the Republic of Ireland although it may invest in a limited number of assets in construction/development. Assets which are expected to generate renewable energy output for at least 25 years [from the point of acquisition] will be targeted. The capital value of the investment portfolio will be supplemented and supported through reinvestment of excess cash flow, asset management initiatives and the prudent use of portfolio leverage.

The Company will seek to achieve its investment objective set out above, through investment in Renewable Energy Infrastructure Investments in continental Europe and the Republic of Ireland comprising wind, photovoltaic and hydropower plants that are involved in renewable energy generation and/or portfolios thereof, in each case either already operating or in construction/development. The portfolio will be diversified by a mix of geography, technology and revenue source.

Intended retail investor: Typical investors in the Company are expected to be asset and wealth managers regulated or authorised by the FCA, other institutional and sophisticated investors and professionally advised private individuals (some of whom may invest through brokers).

What are the risks and what could I get in return?

Risk Indicator



The summary risk indicator assumes you keep the Product for 5 years.

The summary risk indicator is a guide to the level of risk of this Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions could impact the value of the ordinary shares.

This Product does not include any protection from future market performance, so you could lose some or all of your investment.

Currency Risk: Movements between the currency of underlying assets and the currency in which the product prices may impact the final return you will get. This risk is not considered in the indicator shown above.

Regulatory Risk: The Company intends to invest in Renewable Energy Infrastructure Investments that are remunerated by both government support schemes and private PPAs. There is a risk that the terms of these may be impacted by government changes or policy.

Leverage and Counterparty Risk: The Company may make use of long term limited recourse debt and short term debt, to provide leverage and assist with the acquisition of suitable

opportunities as and when they become available. If refinancing facilities are not available at economic rates, or at all, the product may be required to sell assets at disadvantageous prices, impacting the product's value.

Market Risk: Should market conditions change, if there is deterioration in the intended investment pipeline and liquidity is unable to be deployed into suitable opportunities, investors may experience "cash drag", which may impact the products ongoing dividend target and investment objective.

Commodity Price Risk: Changes in electricity and fuel prices will affect the operation and cash flows of the underlying investments. Prices can fluctuate depending on various factors, including weather conditions and overall economic conditions.

Demand Risk: Investments into assets with demand, usage and throughput risk, can affect the performance of the investments. Assumptions regarding the demand, usage and throughput of investments could be incorrect and as a result, profitability may be impaired leading to reduced returns or even loss of investment for Shareholders.

Liquidity Risk: As shares trade via the secondary market, trading volumes may reduce, or shares may trade at a discount to their respective Net Asset Value, due to a variety of factors, such as market conditions, liquidity concerns or company performance. As a result Shareholders may be unable to realise their investment at quoted market prices.

Development Risk: Up to 30 per cent. of the Company's portfolio may be held in development assets. Development activities may involve a higher degree of risk than is associated with operational assets.

Performance Scenarios				
Investment £10,000				
		1 year	3 years	5 years (Recommended holding period)
Stress scenario	What you might get back after costs	£4,106	£4,543	£3,493
	Average return each year	-58.94%	-23.12%	-18.97%
Unfavourable scenario	What you might get back after costs	£8,929	£9,630	£10,965
	Average return each year	-10.71%	-1.25%	1.86%
Moderate scenario	What you might get back after costs	£11,339	£14,557	£18,688
	Average return each year	13.39%	13.33%	13.32%
Favourable scenario	What you might get back after costs	£14,363	£21,948	£31,766
	Average return each year	43.63%	29.96%	26.01%

The table shows the money you could get back over the next 5 years under different scenarios, assuming that you invest £10,000. The scenarios shown illustrate how your investment could perform. You can compare them with scenarios of other products.

The scenarios presented are an estimate of future performance based on an estimated benchmark from the past, and are not an exact indicator. What you may get will vary depending on how the market performs and how long you keep the investment.

The stress scenario shows what you might get back in extreme market circumstances and it does not take into account the situation where the Company is not able to pay you.

This information is compiled according to prescribed formulae which take into account, amongst other things, past performance. In the opinion of the PRIIP Manufacturer, and based on the current portfolio construction, the Product is unlikely and not designed to achieve consistent performance in line with the favourable scenario presented.

The figures shown include all the costs of the Product itself and do not include any costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect the amount you get back.

What happens if Aquila European Renewables Income Plc is unable to pay out?

The value of the Product is directly impacted by the solvency status of Aquila European Renewables Income Fund Plc. The PRIIP Manufacturer, as manufacturer of the Product, has no obligation to pay out since the product design does not contemplate any such payment being made. There are no investor compensation or guarantee schemes available to investors should Aquila European Renewables Income Fund Plc be unable to pay out.

What are the costs?

Costs over time

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs (where applicable). The amounts shown here are the cumulative costs of the Product itself, for three different holding periods. The figures assume that you invest GBP 10,000. The figures are estimates and may change in the future. The person selling to you or advising you about the Product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment overtime.

Investment £10,000	If you cash in after 1 year	If you cash in after 3 years	If you cash in at the recommended holding period of 5 years
Total Costs	£132	£487	£934
Impact on return (RIY) per year	1.32%	1.32%	1.32%

Composition of Costs

The table below shows:

- The impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period.
- What the different cost categories mean.

One Off Costs	Entry costs	N/A	As a closed ended investment trust, no entry charges apply.
	Exit costs	N/A	As a closed ended investment trust, no exit charges apply.

Ongoing Costs	Portfolio transaction costs	N/A	Costs pertaining to the buying and selling of the underlying investments for the Product.
	Insurance costs	N/A	No insurance protection charges apply to investors of the Product.
	Other ongoing costs	1.32%	All additional ongoing charges applicable to the product.
Incidental Costs	Performance fees	N/A	None payable at this time. Please see "other relevant information" below, for details on the accrual / payable basis.
	Carried Interests	N/A	No carried interests apply to the Product.

How long should I hold it and can I take money out early?

The recommended minimum holding period is 5 years. Listed or quoted funds are designed to be long term investments and returns through them can be volatile during their life. The shares of the PRIIP trade continuously on the London Stock Exchange and is not bound by any prescribed redemption or sale restrictions.

How can I complain?

As a shareholder of Aquila European Renewables Income Fund Plc you do not have the right to complain to the Financial Ombudsman Service (FOS) about the management of Aquila European Renewables Income Plc. Any complaints concerning this Product or the key information document should be sent to London@praxisifm.com or Aquila European Renewables Income Fund Plc, Mermaid House, 2 Puddle Dock, London, EC4V 3DB - Attention: Company Secretary.

Other relevant information

The prospectus and any other information can be obtained from the Company's website www.aquila-european-renewables-income-fund.com.

Information on the investment objective, investment restrictions, borrowing and gearing can be found on pages 23 and 59-67 of the prospectus.

Depending on how you buy the PRIIP you may incur other costs, including broker commission, platform fees and Stamp Duty. The distributor will provide you with additional documents where necessary.

The methodology of the performance scenarios are devised by EU Regulations 1286/2014 and not the Company or the PRIIP Manufacturer.