

**Prime Alternative Finance**  
Alternative Fixed Income Opportunities



## Mission

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# Providing investors with a genuine alternative inflation hedge in an increasingly uncertain and volatile world.

## Contents

Overview	3
Why investors are turning to alternatives	3
Why Direct Lending?	4
Direct Lending Opportunity / Benefits	5
What is Direct Lending?	6
How big is the industry?	6
The structure of a Direct Lending Fund explained	7
What potential returns can investors expect?	7
The backdrop for Britain's small businesses	8
More than just lending	9
Helping to bridge the productivity gap	9
What are the risks to these sectors?	9
UK farming in numbers	10
The macro environment	11-12

### INVESTMENT PROCESS

Investment Process	14
Two main ways we lend	14
Profile of a typical loan customer	15
Financing productivity in; Financing costs out	15
Sourcing deal flow	16
Funding areas	17
The lending process	18
Governance & risk oversight	19
Asset allocation	20
Managing liquidity	21
Managing risk	22

### TRACK RECORD

A successful track record in fund-based lending	24
Risk / Volatility Analysis	26
Correlation to Asset Classes	26
Prestige Alternative Finance / Prime Alternative Finance	27

### PORTFOLIO

Fund Investment Portfolio	30
Our Projects	31
Case Studies	32

### ABOUT PRESTIGE

About Prestige	34
The key strengths of Prestige are People, Processes and Systems	34
Company Information	35
Prestige Capital Services	36
Prestige Capital Management	36
Prestige Fund Management	36
Key People	37
Summary	39
Summary of terms	40
International Fund Reference Codes	41
Sources	42
Risk warning / Disclaimer	43

## Overview

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Prime Alternative Finance (PRALTF) is an experienced investor fund and offers exposure to asset based lending with a particular focus on agricultural related activity.

The Fund's underlying investment portfolio is a mix of rural, commercial and industrial loans, leases and finance agreements in the United Kingdom. Loans are typically secured on real assets such as specialist machinery, equipment, vehicles, renewable energy and waste to energy, increasingly with additional elements such as personal guarantees from the board of directors, debentures over bank accounts and, where possible, credit insurance.

This is a niche, alternative investment strategy with low correlation to traditional equities, bonds and commodities and low volatility.

It aims to offer secure and consistent absolute returns, regardless of market conditions whilst adding real long term value to diversified investment portfolios.

Prestige is about much more than just providing investment. We manage projects from inception to completion and our specialists can advise businesses during every stage of a project. As we are a specialist boutique with years of experience in our sector, we know our customers' businesses and we understand the challenges they face. This is in some ways similar to how a private bank manages a relationship with a family. It often means we can help customers cut costs, become more productive, improve energy efficiency and boost profitability. This is good news for both our customers and our investors.

## Why investors are turning to alternatives

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# 62%

of investors plan to increase their allocation to private debt in the long term.

SOURCE: Morningstar

Investors are sailing their ships through uncharted waters. Political events such as the Trump presidency and the UK's vote to leave the EU are causing sharp moves in markets and currencies. Government and corporate bond yields are low, interest rates have turned negative in some developed markets while other markets are raising rates, and many assets look overvalued, especially those considered 'safe harbours'. We live in a world of volatility and low returns in which yield is becoming harder to find, while inflation risk is returning.

### "MAY YOU LIVE IN INTERESTING TIMES"

- ancient Chinese curse

It is perhaps no surprise then that non-traditional sources of return have captured investors' imagination. The global private credit market, for example, is expected to break the USD 1 trillion market by 2020, according to the Alternative Investment Management Association (AIMA) Alternative Credit Council and 91% of institutional investors surveyed in June 2018 said private lending as an asset class had met or exceeded their expectations, according to research group Prequin.

SOURCE: See page 42

Direct lending to real companies is an easy to understand investment strategy which often delivers absolute returns uncorrelated to the major asset classes, while also offering a hedge against inflation. As it becomes less esoteric, even conservative investors such as pension funds and university endowment funds are taking an interest.

## Why Direct Lending?

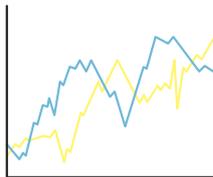
Within alternative credit, one sub-sector in particular is making its mark among forward-looking investors. This is Direct Lending which is moving from the fringe to the mainstream as investors catch on to its diversification benefits as part of a wider portfolio.

Direct Lending Strategies globally raised USD 47 billion in 2018, according to data from Preqin, a year in which Private Debt funds as a whole raised a combined USD 767 billion. Preqin predicts Assets under Management for Private Debt will rise further to USD 1.4 trillion by 2023.

The hedge fund universe as a whole delivered a five-year annualised return of 7.16% as of June 2018 while credit hedge funds recorded 5.38% annualised return and the hedge funds universe in total recorded 5.93% annualised return, both over three years, according to Preqin. The Preqin All-Strategies Hedge Fund index was down 3.42% in 2018.

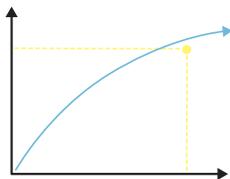
SOURCE: See page 42

**DIRECT LENDING IS AN INCREASINGLY POPULAR CREDIT BASED INVESTMENT STRATEGY BECAUSE IT CAN DELIVER ABSOLUTE RETURNS WHICH ARE UNCORRELATED TO THE MAJOR ASSET CLASSES AND CAN OFFER A HEDGE AGAINST INFLATION.**



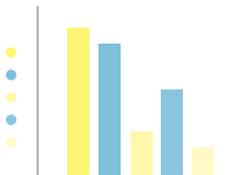
### DIVERSIFICATION

Prestige Funds via specialist companies operate several regulated / listed credit funds which have diversified investment portfolios consisting of hundreds of loans with a high level of diversification by loan type, duration and risk.



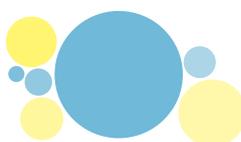
### CONSISTENT RETURNS

Alternative lending and private debt have historically produced consistent returns.



### LOW VOLATILITY

Alternative lending and private debt create constant cashflow payments and are typically characterised by low volatility.



### UNCORRELATED

The performance of alternative lending and private debt have typically been uncorrelated to the traditional capital markets providing a unique diversifying asset class to modern investment portfolios.

## Direct Lending Opportunity / Benefits

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### LONG-TERM CAPITAL PRESERVATION

- Senior secured loans → lower credit loss rates
- Fixed rate coupons → lower duration risk

**DIRECT LENDING STRATEGIES ARE NOT 'STOCK PICKING' STRATEGIES; THEY DO NOT USE 'BLACKBOX' ALGORITHMS; THEY ARE NOT COMMODITY OR EQUITY BASED AND ARE NOT RELIANT ON RISING MARKETS.**

### MARKET OBSERVATION

#### LARGE OPPORTUNITY SET

- 3/5 of employment in the UK is in SMEs
- 99.3% of businesses in the UK private sector are SMEs
- There are 5.7 million private sector businesses in the UK

SOURCE: See page 42

#### DISRUPTION OF TRADITIONAL LENDING

- Financial regulation continues to lead to retrenchment of banks, creating an opportunity for non-bank lenders
- Increased need for alternative capital providers

#### POWER TO NEGOTIATE

- Direct dialogue with the borrower provides the opportunity to structure deals with tailored covenant packages

#### SIGNIFICANT YIELD PREMIUM

- Significant yield premium relative to broadly syndicated loans, often with lower leverage levels

## What is Direct Lending?

Against a backdrop of many UK bank branch closures and traditional lenders' withdrawal from direct commercial lending post-credit crunch, small businesses are finding it harder to access the finance they need (in an environment where many fixed costs are rising). Alternative lenders have stepped in to fill this gap.

Direct Lending is when a lender other than a bank finances corporate debt, often without the involvement of an intermediary such as a broker. The borrowers are usually small to medium-sized businesses and the lenders are often asset managers who lend their investors' capital through a dedicated loan fund. The security for the provision of access to this loan fund is often in the form of collateral such as invoices receivable, land, buildings, debentures over bank accounts, machinery, equipment and vehicles. Increasingly the use of personal guarantees is also used, which bring in additional personal assets of the owners of the business. This collateral gives investors in the loan fund additional security and peace of mind.

Direct Lending can also involve lending in order to fund the growth and expansion of a small business, enabling it to improve its productivity and efficiency. This is often called Invoice Finance and Cash Flow Finance. Sometimes the invoices receivable of a small business is the largest and most liquid single asset of the enterprise. As many SMEs face rising fixed costs they are increasingly looking to borrow to invest in productivity and efficiency.

## How big is the industry?

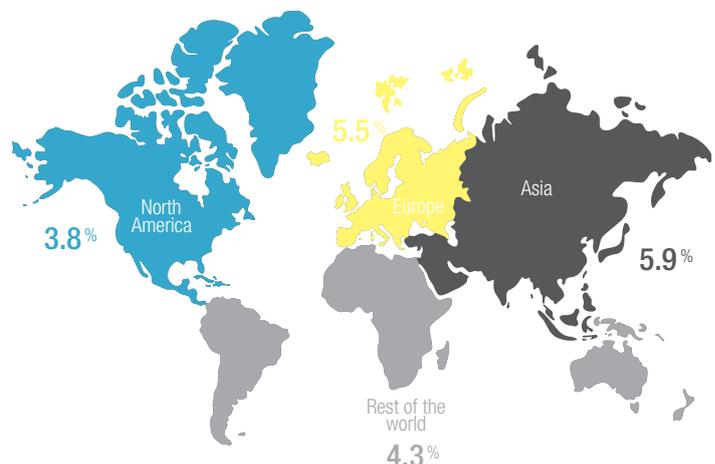
The US has been the main hub of loan based investment funds in recent years but now Europe and the UK are catching up. UK Finance noted that the total amount of asset based lending and invoice finance secured by UK businesses reached a new record high of GBP 22.7 billion by the end of 2018. The amount of available lending against machinery and related property reached a record high of GBP 4.3 billion in 2018.

According to Preqin, approximately USD 100 billion was raised by private debt funds in 2015 and again in 2016, matching the high watermark previously seen in 2008. Interest continued apace in 2017, as investors put almost USD 120 billion into private debt funds. Assets under Management skyrocketed from USD 245 billion in 2008 to almost USD 667 billion a decade later.

**GBP**  
**22.7 billion**

The total amount of asset based lending and invoice finance secured by UK businesses reached a new record high of GBP 22.7 billion by the end of 2018.

SOURCE: UK Finance



SOURCE: See page 42

## The structure of a Direct Lending Fund explained

Direct Lending funds can follow a wide range of different strategies focusing on niche areas of finance, certain types of customers or geographical regions. They may specialise in supplying project finance, asset finance, invoice finance or commercial secured loans, for example. The loans themselves also come in many forms such as hire purchase agreements, lease purchase, operating leases, finance leases and contract hire, depending on what the borrowing business needs. However, most lending will be based on a fixed term and fixed rate of interest.

A typical structure will see a fund own (or contract with) one or several private finance companies which carry out the day-to-day business of lending and risk management. The finance companies will typically manage a substantial loan book, spreading the fund's risk across hundreds of clients. Loans can vary in size from GBP 10,000 to several million GBP.

## What potential returns can investors expect?

The return profile for a loan fund will generally be fairly predictable. Because no investments are being made into public markets, investors escape the usual equity and bond market turbulence. Investments tend to be uncorrelated to the major asset classes, leverage is low, and both risks and cash flow are relatively visible, adding to the appeal of loan funds in today's investment environment. Over the last 10 years, the Prestige Alternative Finance Fund which operates a similar strategy to Prime Alternative Finance delivered an average annualised return (GBP) of 5% - 7% (for more information on performance see page 23).

# 55%

of European alternative credit investors said they plan to invest most in direct lending in the next two years.

SOURCE: www.altfi.com

AltFi provides market-leading news, insights and data on the rapidly growing alternative finance and fintech world.

**“I THINK DIRECT LENDING HAS TREMENDOUS POTENTIAL. YIELDS ARE SO DEPRESSED NOW THAT DIRECT LENDING FIXED INCOME IS WORTH EXPLORING.”**

- Attendee of Fund Selector Asia Alternatives Forum Singapore, 08/2016

### ANNUALISED RETURN AND VOLATILITY

PALTF USD Vs. US S&P Treasury Bond Yield Index USD Vs. US Bank Rate USD as at 12/2018

USD	Prestige Alternative Finance		US S&P Treasury Bond Yield Index		US Bank Rate	
	Return	Annualised Volatility	Return	Annualised Volatility	Return	Annualised Volatility
<b>Total</b>	0.00%	0.00%	21.57%	0.53%	5.61%	0.08%
<b>5 Year</b>	0.00%	0.00%	1.65%	0.58%	1.64%	0.07%
<b>3 Year</b>	0.00%	0.00%	0.05%	0.52%	1.07%	0.08%
<b>1 Year</b>	5.44%	0.31%	0.13%	0.46%	0.33%	0.09%

NOTE: As at 12/2018. Past performance is no guide to future results. These figures are based on the Prestige Alternative Finance Fund Participating I-Share USD and are for comparison purposes only. Results prior to 05/2014 are a composite proforma based upon actual results of Participating Shares USD with certain fees rebated. Prime Alternative Finance launched 12/2018.

SOURCE: Prestige / Bloomberg

### IS THIS PEER TO PEER LENDING?

In a word, no. Peer to Peer (P2P) lending and crowdfunding are fast-growing types of direct lending strategy but there are some very important differences between P2P and Direct Lending. P2P platforms tend to grant much smaller loans and focus on the volume of deals, often online, which can make them quite risky. We vet and build relationships with our borrowers and we have a team of specialists with decades of experience in corporate finance monitoring every loan and customer transaction we make to reduce credit risk. We also typically take significant and diverse levels of security and operate significant ongoing passive and active borrower monitoring programmes which sets us apart from the mass market P2P lenders.

## The backdrop for Britain’s small businesses

Small businesses are the backbone of the UK economy. They account for three-fifths of employment and around half of turnover in the UK private sector, according to government figures.

Small and medium-sized enterprises are often conservatively run, asset rich but cash poor. They have also suffered from chronic under-investment since the financial crisis, and Brexit uncertainty has further put the brakes on business spending. Confidence among SMEs today is the weakest it has been since the EU referendum, according to The Federation of Small Businesses, despite the UK having the lowest unemployment in over 40 years (as at 12/2017).

Their inability to modernise and automate, combined with inflation and rising costs, means many of Britain’s small companies are not as productive and profitable as they should be.

A major reason for this is that they cannot access the funding they need to grow. The British Business Bank reports that 56% of small businesses struggle to secure finance. Banks are closing branches and withdrawing from SME lending (see graph), with lending rates today lower than they were a decade ago. The financial crisis saw banks cut lending to SMEs by approximately 20%.

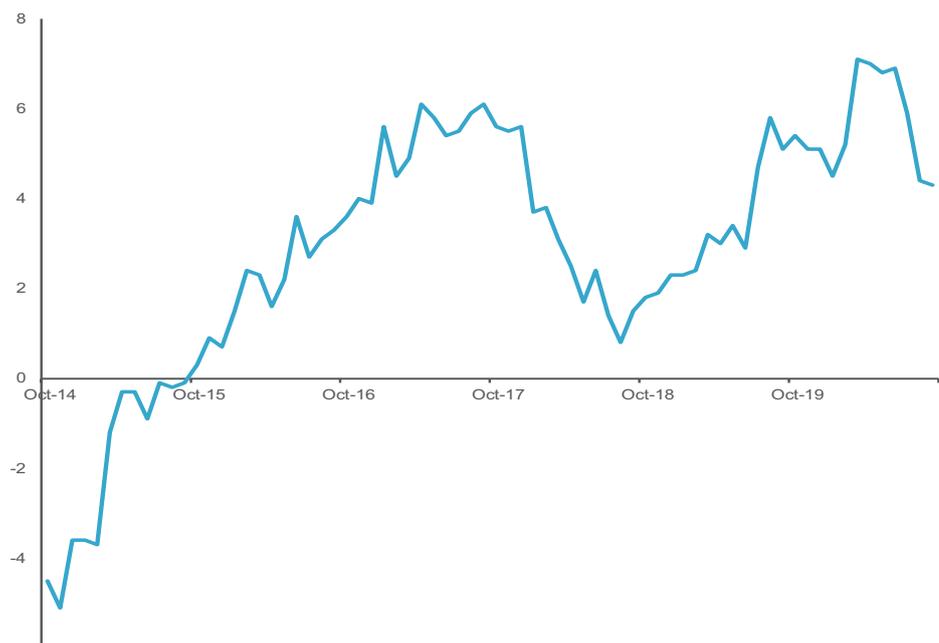
The Alternative Credit Council says research it conducted in 2016 suggests the shift taking place from traditional bank lending towards private credit is a permanent one.

SMEs are having to explore other avenues to find the capital they need to grow. This is where the Prime Alternative Finance could make a difference.

**“BANKS CLOSED MORE THAN 600 BRANCHES OVER THE PAST YEAR.”**

- Rebecca Wearn, BBC, 05/2016

**M4 NET LENDING TO PRIVATE NON FINANCIAL COMPANIES (PNFCs) UK 10/2014 - 10/2020** (seasonally adjusted 12 months % change)



SOURCE: <https://www.bankofengland.co.uk>

## More than just lending

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Our focus goes far beyond simple lending. We understand the specific challenges facing small businesses and we can advise on ways to boost their productivity and bring down their fixed costs. Our experts look at each individual business's strengths and weaknesses and how they can be managed better at each point in the business cycle. We call this Consultative Lending.

Because we only focus on those sectors and industries we know and understand, such as agricultural, rural and food production related industries, our advice is based on our long experience with those businesses.

## Helping to bridge the productivity gap

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In the post-war decades British farms were among the world's best but that appears to have changed. Though it is hard to compare agricultural productivity across countries, research by the United States Department of Agriculture (USDA) and the Organisation for Economic Co-operation and Development (OECD) suggest that England is now less efficient than some of its developed world competitors. The World Bank calculates that the country produces less cereal per hectare of harvested land than Belgium, France, Germany or the Netherlands. Indeed, the UK now only produces approximately 50% of its food requirement while the population continues to grow.

One observation is simply that rising business costs such as energy, feed, fertiliser, waste and wages have often outpaced any productivity gains as a result of a general lack of investment in modernisation and automation. Although top British farms are among the most productive in the world, many others just trundle along. In parts of America drones herd cattle and spray crops; in the Netherlands robots tend livestock, weed fields and operate sophisticated irrigation systems.

**“THE UK GOVERNMENT PLANS TO INVEST MORE THAN GBP 100 BILLION IN INFRASTRUCTURE BY 2020/21.”**

- Prestige

## What are the risks to these sectors?

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No commercial or industrial sector is immune to recession or economic downturn. Indeed, there are often downturns every year across different sectors and the UK has suffered various economic challenges such as fluctuating prices, high oil prices, flooding, drought, reduced access to credit following the global financial crisis and changes in taxes. Additionally, small businesses are often family run or operate with relatively flat management with decisions being made by relatively few key personnel.

During tough times businesses tend to borrow rather than use cash, paying down their debt during the next upswing, so these recessionary periods can actually be positive for lenders such as Prestige Funds. Meanwhile, assets such as land and buildings have often held their value which supports balance sheets and credit scores.

Much has changed over the past 25 years and the UK operates with a much more flexible work force today. Clearly some companies have adapted to their new environment and ultimately survived and prospered.

Government policies and assistance may change over time.

## UK farming in numbers

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**212,000**

Approximate number of active farms in the UK



**GDP 0.7%**

UK farming industry



**474,000**

employed in farming



**72% UK Land Mass**

Owned, Controlled, Managed by Farming Community



**GBP 3-3.5 billion**

Typically borrowed in total by UK farmers every year



**GBP 950 million**

The estimated market value of all agricultural machinery



**GBP 2.5 billion**

UK farmers typically receive up to this amount in government assistance every year



**GBP 9.9 billion**

The worth of the UK farming industry

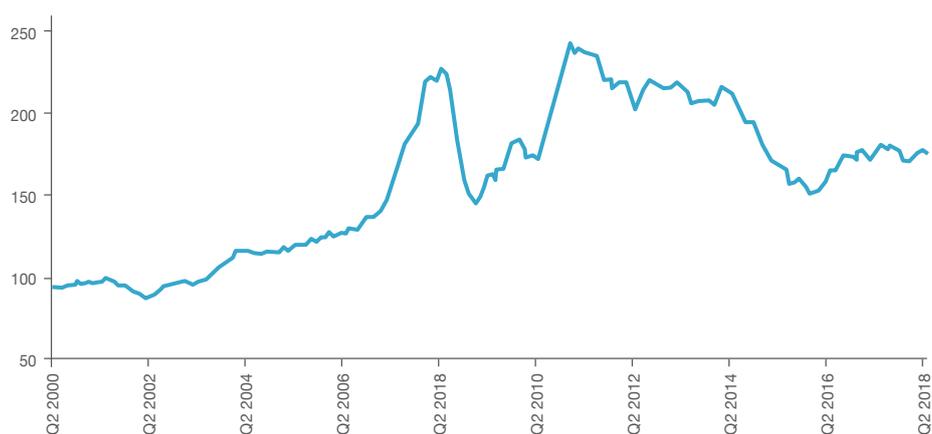


**17.5 million Hectares**

UK agricultural area

## The macro environment

Demand for agricultural commodities from grains to meat has boomed since the beginning of the century - a period roughly coinciding with China's full entry into global markets. That, together with supply disruptions, helped send a gauge of food prices to a record in 2011. As people in China and other emerging economies grew richer and moved to cities, they stepped up spending on pork, chicken and fish, leading to an explosion in sales of soybeans, corn and other grains used as animal feed. Prices of foodstuff staples have risen in the past 20 years.



NOTE: As at 12/2018. All figures are approximate and subject to change without notice.

SOURCE: See page 42



## The macro environment



Britain wastes more food than any other EU country

### 7 million

British households throw away over 7 million tonnes of food each year, most of which is still edible

### GBP 12.5 billion

This costs GBP 12.5 billion each year



### 180kg

The average EU citizen generates 180kg of food waste per year

### 120 million

Around 120 million tonnes of food waste will be wasted per year in the EU by 2020, according to forecasts

### GBP 700 billion

Bloomberg New Energy Finance estimate GBP 700 billion of investment required between 2015 and 2030 in renewable electricity generation alone.

In January 2019 the UK government announced plans to organise dedicated food waste distribution nationwide for the first time. Much of this will be used to power local anaerobic digestion plants.

There has been a dramatic growth in the number of AD plants operating in the UK over the past six years; according to the Anaerobic Digestion and Biogas Association (ADBA), 1.2 million homes in the UK now benefit from power generated by AD plants, with an estimated increase of AD-sourced generating capacity of 20% over that of 2017.

There are now over 300 AD plants operational in the UK and further reforms are expected to unlock between GBP 150 million and GBP 300 million of delayed investment into AD plants in the UK over the next year. This should help to bring another 50 plants online.

The UK only produces approximately 50% of its food requirement but also wastes more food than any other country in Europe according to research published by the Daily Telegraph newspaper, while research from the United Nations suggests that food production may need to double within the next 30 years if is to keep up with population growth and increasing adoption of higher calorie western style diets.

The UK Government ratified the Paris Climate Change Agreement in 2017 as a sign of its continued commitment to taking a key role in the new low carbon economy.

In October 2014 the European Union set new objectives for 2030; at least 40% cut in greenhouse gas emissions (from 1990 levels), a 27% improvement in energy efficiency and a 27% target of EU energy consumption being met by renewable energy sources.

# INVESTMENT PROCESS



## Investment Process

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### INVESTMENT OBJECTIVES

To achieve steady long-term capital growth and an absolute return through investments (directly or indirectly) in finance lease or hire purchase contracts and loans which are secured against assets.

### TARGET RETURN

5% - 7% annualised GBP Base Currency

### TARGET VOLATILITY

1% annualised GBP Base Currency

### TARGET CORRELATION TO THE MSCI WORLD INDEX

0% - 30%

The Fund focuses on lending for specialist equipment, machinery and vehicles, as well as funding renewable energy and waste projects in the agricultural, rural and food production related industries.

Loans are typically secured on real assets such as land, buildings, machinery, power generation equipment, specialist vehicles or livestock. Loans are granted for terms of between one and seven years based upon fixed rates of interest.

## Two main ways we lend

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Prime Alternative Finance, via a dedicated Finance Arranger, conducts small and simple transactions such as Asset Finance as well as large and complex transactions such as Project Finance; but what are these and how do they differ?

### ASSET FINANCE

Asset Finance is lending money to buy, rent or lease specialist machinery, equipment or vehicles. This will assist the underlying borrower to make productivity gains and save money. The loan will operate on a fixed rate of interest and typically be secured against these assets, and / or others owned by the borrower such as land or property. The duration of a typical transaction will be 4-5 years.

### PROJECT FINANCE

Project Finance is lending to build or develop assets, for example, a plant which can generate waste to heat or waste to energy. This will assist the underlying borrower to reduce some of their fixed costs, diversify their income and make productivity gains. The loan will operate on a fixed rate of interest and security may be assets such as land, buildings, debentures over company bank accounts and personal guarantees. The duration of a typical transaction will be 3-4 years.

Both types of lending enable borrowers to make money by:

- Generating surplus energy and selling it back to central supply
- Generating heat - reducing their fuel costs
- Using energy generated rather than purchasing it
- Using more efficient machinery to increase yield, save time and save truck miles
- Reducing or removing the need for landfill, saving landfill tax and reducing or repurposing waste

NOTE: All figures are approximate and subject to change without notice. Prime Alternative Finance launched 12/2018.

## Profile of a typical loan customer

- Sources of new customer deal flow originate from an increasingly wide range including land owners:
  - with an average of 500 acres
  - owning a house worth in excess of GBP 500,000 / USD 650,000
  - a typical Net Asset Value in the order of GBP 2 million / USD 2.5 million
- Approximately two thirds of the customers are land / property owners running family businesses and small limited companies. The balance of the customer base is often specialist contractors to the UK agricultural, farming and food industry sectors
- May have a relatively conservative balance sheet
- May have an operating overdraft facility with a bank
- May own a number of agricultural machines
- May have a low debt approach to financing
- May operate several businesses and be looking for ways to diversify their income and make productivity gains

### SOCIALLY RESPONSIBLE INVESTING

Direct Lending can contribute to a green, ethical or socially responsible investment (SRI) strategy. For example, loan funds often follow clearly defined strategies which support critical parts of the economy, such as renewable energy generation or farming. Anaerobic Digestion plants turn food, animal and crop waste into energy, reducing landfill and greenhouse gas emissions as well as producing natural fertiliser from digestate residues. The projects and assets Prestige funds help small rural businesses to expand, creating jobs and strengthening local communities.

## Financing productivity in; Financing costs out

### TYPICAL LENDING CRITERIA

	Lending Finance Area 1	Lending Finance Area 2	Lending Finance Area 3
Purpose of Loan:	To buy a main machine integral to the success of the business e.g. tractor, excavator, combine harvester, Land Rover 4 x 4	To fund all agricultural machinery, some vehicles and fixed assets such as farm buildings and produce stores	To fund longer term (e.g. land purchases or renewable energy projects) to provide new income to an established business
Security of Loan:	Security over acquired asset - additional security may also be taken on a case-by-case basis	Security over acquired asset - additional security may also be taken on a case-by-case basis	Energy projects secured over land on which they are situated and assignable feed-in tariff income streams
Duration of Loan:	1 - 3 years	2 - 7 years	4 - 7 years

NOTE: All figures are approximate and subject to change without notice.

SOURCE: Prestige

## Sourcing deal flow

Over the last 11 years since the launch of Prestige Alternative Finance, the Fund's Investment Manager and dedicated Finance Arranger have expanded their lending activities considerably in terms of the number, size and complexity of transactions. They have also taken on more specialist staff and consultants to source and administer these deals, ensuring credit checking and monitoring remains robust. It is intended that Prime Alternative Finance will operate a similar strategy. Sources of new customer deal flow include:

Direct	Third Party	Third Party	Other
Existing Customers New Customers Sales Teams Internet Marketing	Mortgage Brokers Finance Arrangers Financial Advisors Lawyers Accountants	Manufacturers Dealers Suppliers Installers Contractors	Prestige - Companies Prestige - Clients Other / Miscellaneous



## Funding areas

Our lending model means we focus on our core loan customers rather than relentlessly pursuing large numbers of new ones. We call this 'relationship lending' versus 'conveyor belt' lending. It allows us to build closer and stronger long-term relationships, and gain greater security and intelligence about the underlying borrower's business.

The Fund, the Investment Manager and the Finance Arranger continually monitor both our individual loan customers and the risk and opportunities in the sectors in which they operate.

### TYPICAL FINANCE / LENDING AREAS

Power Generation	Machinery	Equipment	Plant	Land & Buildings
Wind turbines Solar Anaerobic digesters Biomass Biogas	Tractors Combine Harvesters Ploughs Cultivators Drills Sprayers Balers	Trailers Grading machines Filtering machines Planting machines Irrigation machines Security systems	Loading shovels Earth movers Telescopic handlers Four wheel drive vehicles	Agricultural - land Equestrian - land Horticultural - land Kit buildings: Barns Sheds, Cabins, Secure storage facilities, Key worker residences

### TYPICAL ASSETS FINANCED AND APPROXIMATE VALUES

	GBP		GBP
Baler	40-60,000	Pasteurisation / Sterilisation machinery	400,000
Biogas - AD Plant / Installation	2-20 million	Potato Harvester	100-200,000
Biomass Boiler	100,000	Seed Driller	10,000
Combine Harvester	200-300,000	Small Solar Panel / Installation	40-60,000
Crop Sprayer	10,000	Small Wind Turbine / Installation	50-60,000
Excavators and Bulldozers	80-100,000	Telehandler / Lifters	50,000
Large Wind Turbine	250,000	Tractor	50-100,000
Large Solar Panel / Installation	1-2 million	Trailer	20,000
Livestock Processing Machinery	250-500,000	Wind Turbine / installation	0.5-1 million
Loading Shovels	100,000	4 Wheel Drive	30-70,000
Mower	30-40,000		

NOTE: As at 12/2018. All figures are approximate and subject to change without notice and are for illustrative purposes only.

SOURCE: Prestige

## The lending process



### 1. SOURCING / ORIGINATING

- An asset finance sale begins when a customer gets in touch with a supplier
- The manufacturer, supplier and customer agree on what the asset will be and when it will be delivered
- The supplier or the customer contacts the Fund's Finance Arranger to find out their funding options
- The Fund's Finance Arranger visits the customer to confirm financial options, find out more about the overall business and collect supporting documents

### 2. CREDIT EVALUATION

- The Fund's Finance Arranger conducts credit searches, financial analysis and due diligence, gains credit acceptance and signature of full financial agreements, direct debits, guarantees etc. with customer

### 3. CREDIT COMMITTEE - FINANCE ARRANGER

- The Fund's Finance Arranger reviews all background surveys, credit checks and collateral and approves or rejects individual loan applications

### 4. INVESTMENT COMMITTEE - INVESTMENT MANAGER

- The Fund's Investment Manager reviews all approved loan applications based upon its defined lending criteria and approves or rejects individual loan applications

### 5. FINANCING - PURCHASE / DELIVERY. PROJECT FINANCE BEGINS

- The Fund's Finance Arranger asks the supplier or manufacturer to raise sales invoice direct to Finance Arranger or the supply and title transfer of the goods in exchange for full payment
- Specific approved projects begin milestone - staged drawdown funding



## Governance & risk oversight

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### FUND

- Board includes Directors who are individually approved by various international regulatory and professional trade bodies including:
  - Financial Conduct Authority (FCA) - United Kingdom
  - Malta Financial Services Authority (MFSA) - Republic of Malta
  - Swiss Financial Market Supervisory Authority (FINMA) - Switzerland
  - Cayman Islands Monetary Authority (CIMA) - Cayman
  - Commission de Surveillance du Secteur Financier (CSSF) - Luxembourg
- Board (and its special purpose vehicles) includes experienced / professional independent Directors
- Independently audited (on site) - annually by one of the world's largest audit firms
- Independently administered by Mitsubishi UFG (one of the world's largest banking groups)
- Operates with no loans to directors, shareholders of Prestige and / or affiliated companies (except to SPVs operated by the dedicated Finance Arranger)

### INVESTMENT MANAGER

- Team includes 2 x FCA (UK) / MFSA (Malta) / CSSF (Luxembourg) approved Directors
- Team includes a former Barclays Bank Commercial Lending Officer
- Team includes a former Chemical Bank (JP Morgan) banker
- Team includes a former Credit Suisse banker / PwC auditor
- Operates a monthly 'Investment Committee'
- Operates various regular internal administration, risk, operational teams / meetings and processes
- Publishes significant / detailed portfolio analysis report (typically monthly) of Fund's investment loan portfolio
- Retains a seat on the board of the Finance Arranger and operates / attends board meetings (typically quarterly)
- Members of the Investment Manager personally visits larger loan clients in addition to the Finance Arranger

## Asset allocation

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### INVESTMENT PORTFOLIO

- Ongoing quantitative and qualitative asset risk screening process
- Limit exposure to any single loan
- Limit exposure to any single loan customer
- Limit exposure to import and export type customers
- Limit exposure to any single loan sector
- Low or no exposure to start up businesses
- Low or no exposure to financial based businesses
- Low or no exposure to technology based businesses
- Low or no exposure to commodity based businesses
- Analysis of level and variability of historic defaults / impairments
- Loan to Value (LTV) limits and limits on non-secured lending
- Maintain strong client / sector diversification



## Managing liquidity

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- The Fund runs a near cash buffer of up to 20% of net asset value
- The Fund's Private Placement Memorandum allows for borrowing up to 50% of NAV
- The Fund applies redemption penalties of up to 5% to advisory share class investors acting as a disincentive for shorter term withdrawals
- The Fund limits redemptions by time and size for institutional investors
- The Fund often has net inflows
- The Fund's Investment Manager operates several other Funds and may be able to sell loans
- The Fund's counterparty (Finance Arranger) operates with several institutions and has previously been able to sell loans / leases
- Investment portfolio typically receives cash interest
- Investment portfolio typically receives return of loan capital (amortisation)
- Investment portfolio sees up to 20% of loans terminate early annually
- Investment portfolio loans can be sold to third party institutions

NOTE: As at 12/2018. All figures are approximate and subject to change without notice.

SOURCE: Prestige



## Managing risk

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We operate a robust credit origination process. This includes several levels of screening and then submission to our dedicated Finance Arranger's Credit Committee and subsequently the Fund's Investment Committee. Both our Credit Committee and Investment Committee have extensive experience in commercial lending and credit based investment management.

We limit exposure to any single loan, ensuring we are well diversified across sectors and types of loan customers. The Fund also has loan to value limits, as well as restrictions on non-secured lending. We continually screen assets for risk using both quantitative and qualitative analysis.

### DUE DILIGENCE AND MONITORING

We operate both passive and active ongoing loan / customer monitoring. This includes various credit and internet searches on our existing loan customers annually. Regular site visits are an important part of our due diligence process, especially for customers with more than GBP 1 million in outstanding loan exposures.

### MONITORING

Passive Monitoring
Finance Arranger - Desktop Analysis - All loan customers
Investment Manager - Top 50 loan customers
Active Monitoring
Finance Arranger - Site / Field Visits - multiple times a year - Top 25 loan customers
Investment Manager - Top 10 loan customers
Real Time Monitoring
Finance Arranger - Desktop Analysis - Top 25 loan waste to energy / on-farm energy
Investment Manager - Desktop Analysis - Review of dashboard hub

# TRACK RECORD

## A successful track record in fund-based lending

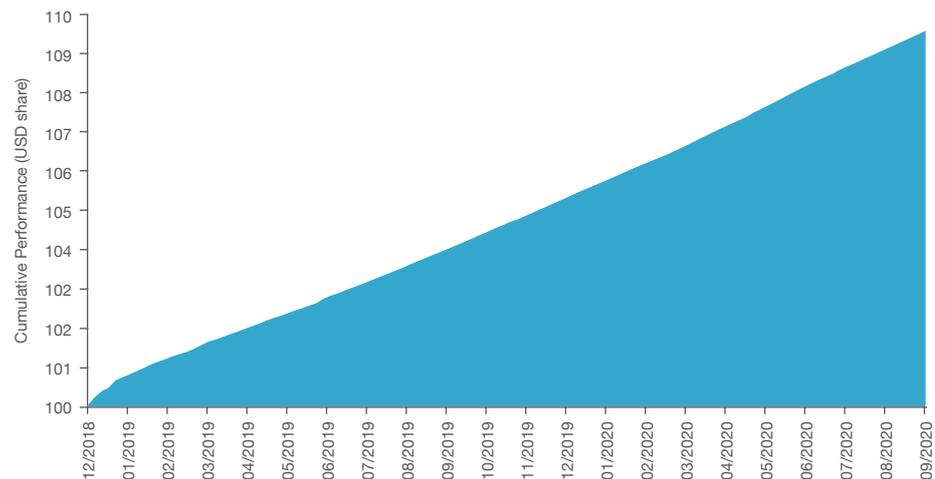
Established in 2007, Prestige consists of several companies under common ownership and control with operations in the UK, Malta, Luxembourg and Cayman and has raised over USD 1.9 billion with a focus on private debt / credit related fund based, alternative investment strategies.

Since 2009, Prestige Alternative Finance Fund has grown to over GBP 500 million / USD 675 million, with approximately +4,000 registered investors, advised by almost 300 financial advisory groups. Prime Alternative Finance Fund launched 12/2018.

Both Funds operate diversified investment portfolios consisting of asset based loans and leases in both project finance and asset finance sectors with a strong focus on agricultural, food and farming related or small business customers. The investment portfolio includes lending and finance opportunities on specific transactions and / or assets held in dedicated ring fenced special purpose vehicles (SPVs). The lending origination and ongoing servicing is conducted by an established, specialist, independent Finance Arranger (owned by Prestige).

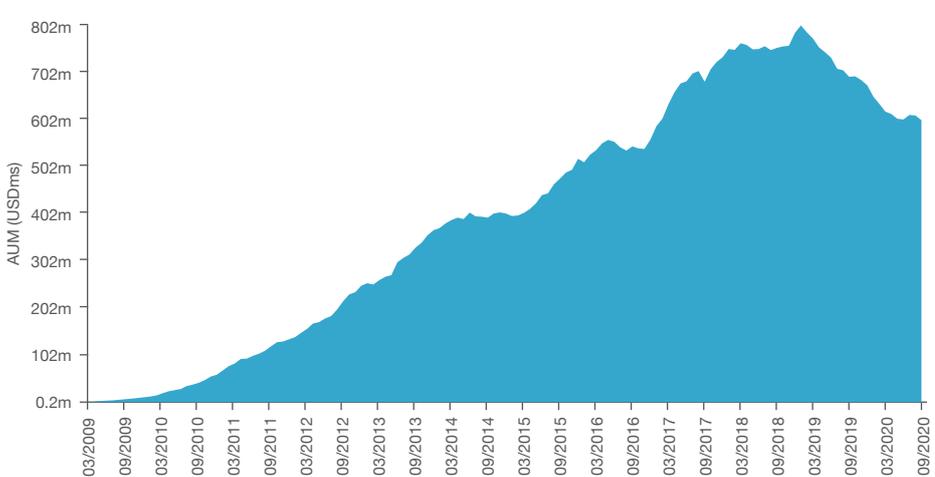
### PRESTIGE ALTERNATIVE FINANCE

Cumulative Fund Price / Growth USD 12/2019 - 09/2020



### PRESTIGE ALTERNATIVE FINANCE

Cumulative Assets Under Management / Growth USD 03/2009 - 09/2020



NOTE: As at 12/2018. Past performance is no guide to future performance and investments can go down as well as up. Participating I-Share USD results prior to 05/2014 are a composite proforma based upon actual results of Participating Shares USD with certain fees rebated. Prime Alternative Finance launched 12/2018 and any reference to Prestige Alternative Finance is for comparison purposes only as it operates a similar strategy.

SOURCE: Prestige

## ADDING VALUE TO PORTFOLIOS. RECENT MARKET BASED VOLATILITY VS. CONSISTENCY & STABILITY

### GLOBAL EQUITIES / DIRECT LENDING

MSCI World Index USD / Prestige Alternative Finance USD -  
Negative Months 03/2011 - 12/2018

#### 2011

Mar	May	Jun	Jul	Aug	Sep	Nov	Dec
-1.24%	-2.45%	-1.73%	-1.83%	-7.32%	-8.85%	-2.69%	-1.40%
0.47%	0.47%	0.41%	0.48%	0.50%	0.41%	0.42%	0.44%

#### 2012

Apr	May	Oct
-1.37%	-8.99%	-0.76%
0.47	0.47%	0.49

#### 2013

Jan	May	Jun	Aug
-0.02	-0.28	-2.61	-2.33
0.50	0.50	0.48	0.50

\*2014 - PALTF I-Shares launched 05/2014. All results after 05/2014 are PALTF I-Shares USD.

Jan	Mar	Jul	Sep	Dec
-3.77	-0.09	-1.67	-2.88	-1.71
0.47	0.39	0.56	0.61	0.58

#### 2015

Jan	Mar	Jun	Aug	Sep	Nov	Dec
-1.88	-1.81	-2.46	-6.81	-3.86	-0.67	-1.87
0.56	0.53	0.58	0.55	0.51	0.50	0.50

#### 2016

Jan	Feb	Jun	Aug	Oct
-6.05	-0.96	-1.28	-0.13	-2.01
0.52	0.53	0.51	0.53	0.52

#### 2017

Aug
-0.69
0.58

#### 2018

Feb	Mar	Jun	Oct	Dec
-4.30	-2.42	0.64	-8.75	-7.42
0.51	0.62	0.60	0.56	0.62

■ MSCI World Index USD    ■ Prestige Alternative Finance USD

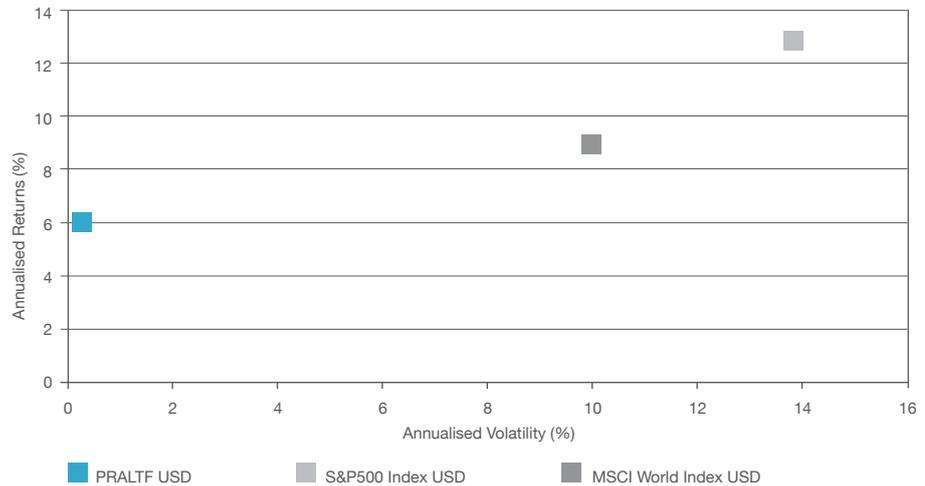
NOTE: As at 12/2018. Past performance is no guide to future performance and investments can go down as well as up. \*Participating I-Share USD results prior to 05/2014 are a composite proforma based upon actual results of Participating Shares USD with certain fees rebated. Prime Alternative Finance launched 12/2018 and any reference to Prestige Alternative Finance is for comparison purposes only as it operates a similar strategy.

SOURCE: Prestige / Bloomberg

## Risk / Volatility Analysis

### PRESTIGE ALTERNATIVE FINANCE

Annualised % Returns Vs Annualised % Volatility: 04/2009 - 12/2018



## Correlation to Asset Classes

### PRESTIGE ALTERNATIVE FINANCE

CORRELATION 01/2009 - 12/2018	MSCI World Index USD	US S&P Treasury Bond Yield Index USD	Prestige Alternative Finance USD
MSCI World Index USD		-0.31	0.16
US S&P Treasury Bond Yield Index USD	-0.31		-0.17
Prestige Alternative Finance USD	0.16	-0.17	

NOTE: As at 12/2018. Past performance is no guide to future performance and investments can go down as well as up. Participating I-Share USD results prior to 05/2014 are a composite proforma based upon actual results of Participating Shares USD with certain fees rebated. Prime Alternative Finance launched 12/2018 and any reference to Prestige Alternative Finance is for comparison purposes only as it operates a similar strategy.

SOURCE: Prestige / Bloomberg

**“CONSISTENCY, STABILITY AND LOW CORRELATION CAN ADD VALUE TO PORTFOLIOS”**

- Prestige

## Prestige Alternative Finance / Prime Alternative Finance

### TIMELINE HISTORY 2008 - 2018

#### 2008

■ Establishes - Prestige Alternative Finance - credit fund	
■ Fund Assets Under Management	USD 0.00
■ Company Assets Raised	USD 56.6 million
<b>Performance</b>	
■ Prestige Alternative Finance USD	0.00%
■ MSCI World Index USD	-42.08%

#### 2009

■ Launches - Prestige Alternative Finance - credit fund	
■ Fund Assets Under Management	USD 12.0 million
■ Company Assets Raised	USD 116.2 million
<b>Performance</b>	
■ Prestige Alternative Finance USD	+ 8.26%
■ MSCI World Index USD	+26.98%

#### 2010

■ Fund Assets Under Management	USD 57.4 million
■ Company Assets Raised	USD 193.3 million
<b>Performance</b>	
■ Prestige Alternative Finance USD	+6.56%
■ MSCI World Index USD	+9.55%

#### 2011

■ Launches - Swedish Kroner Share (Hedged) Share Class	
■ Launches - Swiss Franc Share (Hedged) Share Class	
■ Fund Assets Under Management	USD 129 million
■ Company Assets Raised	USD 290 million
<b>Performance</b>	
■ Prestige Alternative Finance USD	+5.81%
■ MSCI World Index USD	-8.76%

#### 2012

■ Fund Assets Under Management	USD 237 million
■ Company Assets Raised	USD 474 million
<b>Performance</b>	
■ Prestige Alternative Finance USD	+6.07%
■ MSCI World Index USD	+14.60%

## 2013

▪ Fund Assets Under Management	USD 349 million
▪ Company Assets Raised	USD 669 million
<b>Performance</b>	
▪ Prestige Alternative Finance USD	+6.11%
▪ MSCI World Index USD	+24.10%

## 2014

▪ Launches - 'Institutional' Share Classes	
▪ Fund Assets Under Management	USD 383 million
▪ Company Assets Raised	USD 877 million
<b>Performance</b>	
▪ Prestige Alternative Finance USD	+5.89%
▪ MSCI World Index USD	+2.93%

## 2015

▪ Fund Assets Under Management	USD 493 million
▪ Company Assets Raised	USD 1,081 million
<b>Performance</b>	
▪ Prestige Alternative Finance I-Shares USD	+6.59%
▪ MSCI World Index USD	-2.74%

## 2016

▪ Launches - Institutional 'Coupon' Share Class USD	
▪ Fund Assets Under Management	USD 532 million
▪ Company Assets Raised	USD 1,354 million
<b>Performance</b>	
▪ Prestige Alternative Finance I-Shares USD	+6.88%
▪ MSCI World Index USD	+5.32%

## 2017

▪ Launches - second Institutional 'Coupon' Share Class USD	
▪ Fund Assets Under Management	USD 666 million
▪ Company Assets Raised	USD 1,519 million
<b>Performance</b>	
▪ Prestige Alternative Finance I-Shares USD	+6.84%
▪ MSCI World Index USD	+20.11%

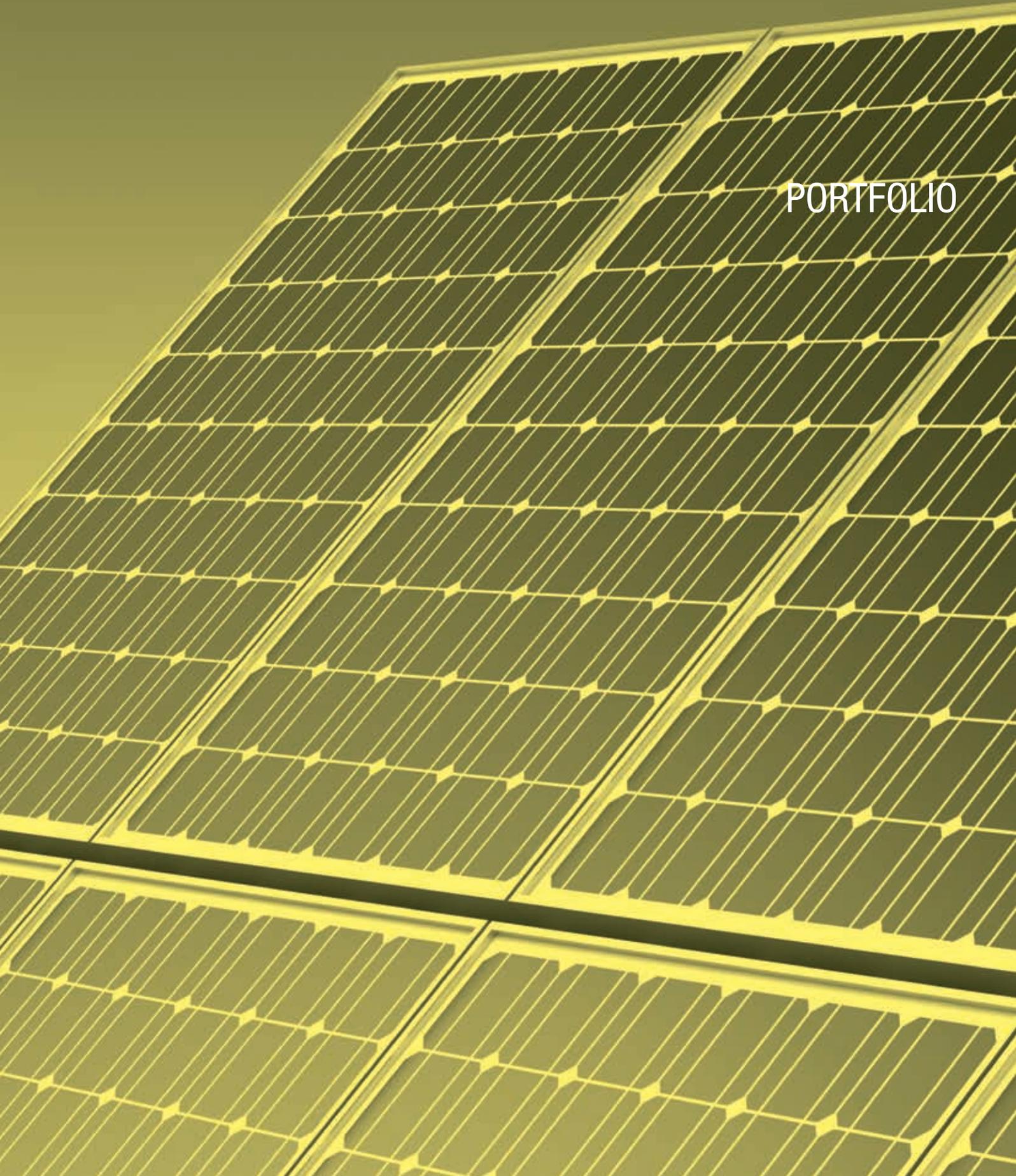
## 2018

▪ <b>Launches - Prime Alternative Finance - credit fund</b>	
▪ Fund Assets Under Management	USD 747 million
▪ Company Assets Raised	USD 1,945 million
<b>Performance</b>	
▪ Prestige Alternative Finance I-Shares USD	+7.01%
▪ MSCI World Index USD	-10.44%

NOTE: As at 12/2018. All figures are approximate and subject to change without notice. Past performance is no guide to future results and should not be relied upon to make investment decisions. These figures are based on the Prestige Alternative Finance Fund Participating I-Share USD results prior to 05/2014 and are a composite proforma based upon actual results of Participating Shares USD with certain fees rebated. Any reference to Prestige Alternative Finance Fund is for comparison purposes only as it operates a similar strategy. Prime Alternative Finance launched 12/2018.

SOURCE: Prestige / Bloomberg

# PORTFOLIO

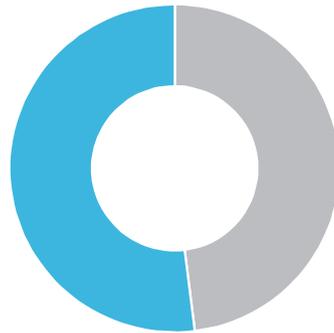


## Fund Investment Portfolio

### PRIME ALTERNATIVE FINANCE

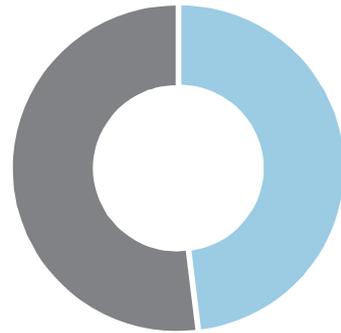
Minimum lending period	24 months
Maximum lending period	60 months
Total number of loans	8
Total number of debt finance facilities	2
Portfolio 1:	Finance / Lease 1
Portfolio 2:	Finance / Lease 2
Average value of finance provided	GBP 4.0 million - Portfolio 1 GBP 4.4 million - Portfolio 2
Average loan maturity term	60 months - Portfolio 1 60 months - Portfolio 2

### ASSET ALLOCATIONS % OF FUND



Portfolio 1	48.06%
Portfolio 2	51.94%

### TOTAL LOANS # / %

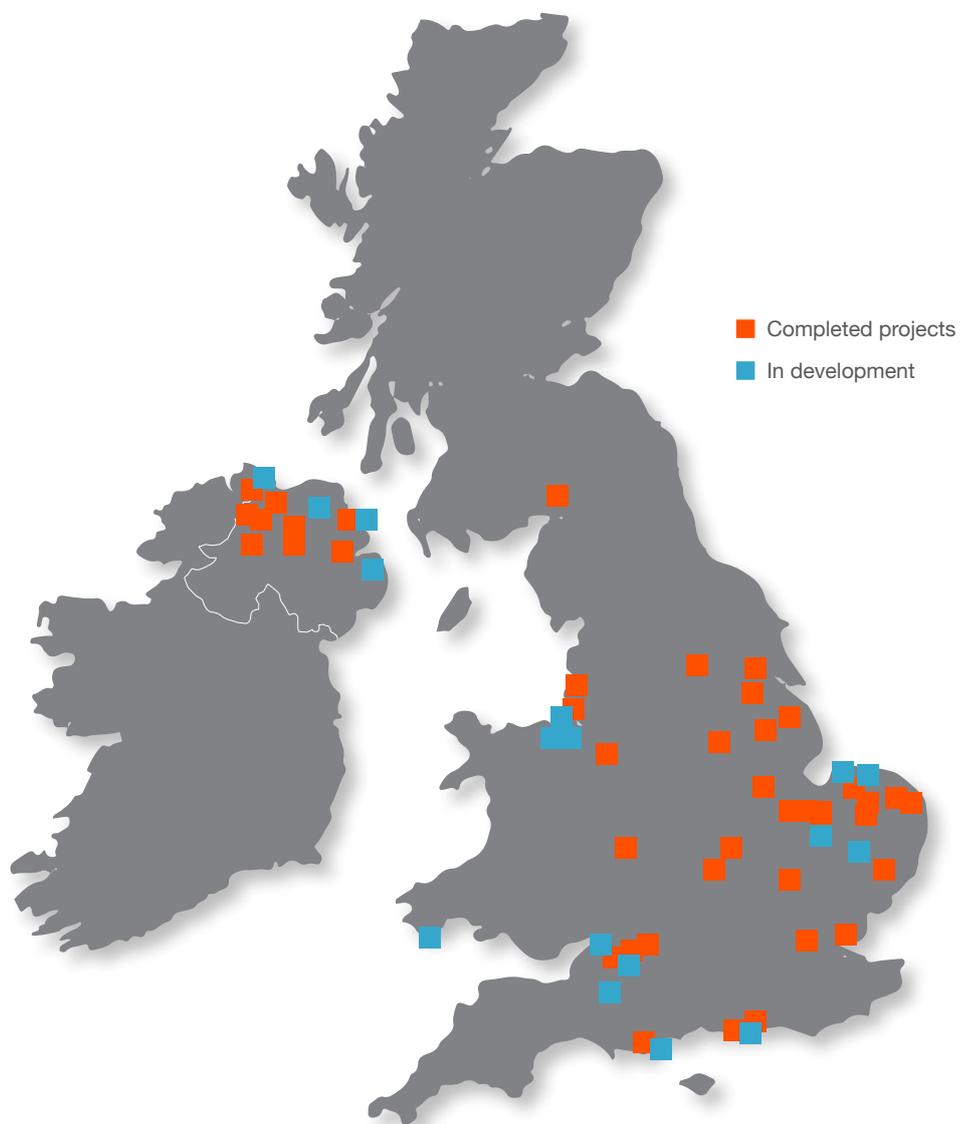


Portfolio 1	1	48.06%
Portfolio 2	1	51.94%

NOTE: All figures are approximate, rounded up, do not include any cash or near cash holdings or third party investments, and are subject to change without notice. These figures should not be relied upon to make any investment decision. Additional / updated information can be found at [www.prestigefunds.com](http://www.prestigefunds.com) As at: 01/2019

SOURCE: Prestige

## Our projects



Input	Output	Megawatt
Maize, rye, sugar beet	Electricity; G2G	13.00
Maize, silage	G2G	5.00
Energy crop	G2G	5.00
Slurry, maize, silage	G2G	4.50
Maize, silage, rye, wheat, manure	Electricity; G2G	2.00
Energy crop	E2G, heat	1.50
Slurry, silage	E2G, heat	1.00
Silage, slurry	E2G, heat	0.49
Silage, slurry, rapeseed	E2G	0.49
Manure, energy crop	E2G	0.49
Silage, slurry, maize	E2G, heat	0.25
<b>TOTAL</b>		<b>33.72</b>

G2G = Gas to Grid E2G = Electricity to Grid

NOTE: As at 12/2018. All figures are approximate and subject to change without notice. All projects before 01/2019 were funded by Prestige Alternative Finance Fund and no representation is being made that these or similar case study loan customers will be funded partially or entirely through Prime Alternative Finance. Past performance is no guide to future results.

SOURCE: Prestige

## Funding Case Studies



### PRESTIGE ALTERNATIVE FINANCE - CASE STUDY 1

One loan customer is an East Anglian based family business that runs a wholesale plant nursery. It supplies a range of goods to other nurseries and major supermarket brands throughout the UK. Through an established network of commercial glasshouses covering 5,000m that use solar panels for heat, plants are grown and sold using 60 years of family expertise.

Prestige has lent the company GBP 7.8 million in Project Finance over three years to finance the build of a Biomass boiler, that will provide heat and power for the commercial glasshouses on an efficient and cost effective basis. Any surplus power goes in to the National Grid. The monies lent are secured by debentures over the company's assets, a first charge over the lease and directors' guarantees. With the client's excellent balance sheet and a long, established track record, this gives the Fund's investors additional security.

**“WE DECIDED TO INVEST IN A BIOMASS BOILER THAT COULD BOTH EFFICIENTLY GENERATE HEAT FOR OUR GLASSHOUSES AND ALSO PROVIDE AN ADDITIONAL INCOME STREAM THROUGH THE SALE OF SURPLUS ENERGY TO THE NATIONAL GRID.”**

Director, Wholesale plant nursery



### PRESTIGE ALTERNATIVE FINANCE - CASE STUDY 2

Prestige financed a GBP 30 million 'green gas' anaerobic digestion (AD) plant in Suffolk. Each year it converts up to 80,000 tonnes of crops such as maize, rye, and sugar beet into biogas. The plant generates up to 1,000 cubic metres of sustainable energy bio methane every hour, which is supplied to the UK National Grid Gas Distribution and used to heat local homes. This helps reduce reliance on the fossil fuels which contribute to climate change. It also produces digestate, a nutrient-rich fertiliser which farmers can return to their land at a fraction of the cost of artificial fertilisers that are often produced overseas. About 40 farms in the local area supply the plant, offering a great way for them to diversify their income streams.

**“THIS OPPORTUNITY ALLOWS US TO GROW CROPS AT A KNOWN MARKET VALUE. WE'RE NOT AS SUSCEPTIBLE TO WORLD TRENDS AND MARKET FLUCTUATIONS, AS WE KNOW WHAT WE'LL GET 'PER TONNE' FROM THE PLANT.”**

Farmer and feedstock supplier to 'green gas' anaerobic digestion (AD) plant in Suffolk

### IN A NUTSHELL

The UK produces over 100 million tonnes of organic material that is suitable for treatment by anaerobic digestion. Combined with food waste, it is enough to power over two million homes [nearly 10%]. The anaerobic digestion sector alone has the potential to create 35,000 jobs and reduce the UK's greenhouse gases by 2%.

SOURCE: ADBA and Agri-Food Strategy Board

NOTE: As at 12/2018. All figures are approximate and subject to change without notice. Past performance is no guide to future results. All projects before 01/2019 were funded by Prestige Alternative Finance Fund which operates a similar strategy and no representation is being made that these or similar case study loan customers will be funded partially or entirely through Prime Alternative Finance.

# ABOUT PRESTIGE



## About Prestige

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Founded in 2007, Prestige consists of several companies under common ownership and control. The objective of this enterprise is to provide professional, innovative financial products and services to a diverse international client base and to deliver consistent, positive investment returns.

Prestige is also committed to continuously improving all areas of its business while empowering and developing its diverse team of professionals - many of whom come from senior positions within banking, finance and investment management.

## The key strengths of Prestige are People, Processes and Systems

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Prestige was established just months before the largest ever global financial crisis which continues to significantly shape many aspects of our world today in economic, political and social terms.

Since then, and against many odds, Prestige has successfully launched several businesses and innovative financial products and services that now employ over 100 professionals in the UK, Malta, Luxembourg and Cayman as well as raising over USD 1.6 billion. The investor base continues to grow and evolve both geographically as well as by type and Prestige now manages significant assets for institutional investors such as pension funds, family offices and sovereign wealth funds. This is testament to the experience and dedication of our various teams and the systems and processes developed - enabling innovative products and services to continue to evolve and assets to grow.

## Company Information

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As specialists in our field, Prestige runs three core investment strategies: asset finance, invoice finance and fund of finance. These are available as funds or managed accounts, and each operates in a specific area of the agricultural, commercial or industrial sectors.

### KEY INFORMATION

#### Prestige & Affiliated Companies:

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Prestige Established:	2007
Team size:	125
Operating Locations:	United Kingdom, Malta, Luxembourg, Cayman
Investor Groups:	300
Assets Raised:	USD 1.6 billion
Amounts Lent -	
Invoice / Cash Flow Finance:	GBP 1 billion / USD 1.3 billion
Asset / Project Finance:	GBP 1 billion / USD 1.3 billion
Historic Loan Customers -	
Invoice / Cash Flow Finance:	4,000
Asset / Project Finance:	6,000
Historic Loan Transactions -	
Invoice / Cash Flow Finance:	20,000
Asset / Project Finance:	15,000

#### Prestige Funds - Investors include:

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Governments - Sovereign Wealth Funds / State Pension Funds
Private Banks
Independent Asset Managers and Financial Advisors
Discretionary Fund Managers
Charities
Family Offices
Private Pension Funds
Insurance Companies

NOTE: As at 12/2018. All figures are approximate and subject to change without notice. Past performance is no guide to future results.  
SOURCE: Prestige

## Prestige Capital Services

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Prestige Capital Services Limited is a UK-based administration and marketing company regulated by the Financial Conduct Authority (FCA) and is entirely privately owned by its senior management. The company specialises in providing investment administration, marketing support and distribution services to international fund managers, wealth managers, asset managers, financial advisors and financial intermediaries.

[www.prestigecapitalservices.uk](http://www.prestigecapitalservices.uk)  
[www.fca.org.uk](http://www.fca.org.uk)

Prestige Capital Services Limited is authorised and regulated by the Financial Conduct Authority (FCA) (No: 486239) and is a member of the Alternative Investment Management Association (AIMA) and the Chartered Institute for Securities and Investment (CIS).

## Prestige Capital Management

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Prestige Capital Management Limited is a Malta-based investment management company regulated by the Malta Financial Services Authority (MFSA) and is entirely privately owned by its senior management. The company specialises in international alternative investments with a focus on absolute return, actively managed strategies and is responsible for the management and operation of several European-domiciled investment funds.

[www.prestigecapitalmanagement.com.mt](http://www.prestigecapitalmanagement.com.mt)  
[www.mfsa.com.mt](http://www.mfsa.com.mt)

Prestige Capital Management Limited is authorised and regulated by the Malta Financial Services Authority (MFSA) and is a member of the Malta Funds Industry Association (MFIA). Prestige Capital Limited operates with full scope Alternative Investment Fund Managers Directive (AIFMD) and Markets in Financial Instruments Directive (MIFID) capabilities.

## Prestige Fund Management

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Prestige Fund Management Limited is a Cayman based Fund Management company registered with the Cayman Islands Monetary Authority (CIMA) and is entirely privately owned by its senior management. The company specialises in international alternative investments with a focus on absolute return, actively managed strategies and is responsible for the management and operation of several investment funds.

[www.prestigefundmanagement.ky](http://www.prestigefundmanagement.ky)  
[www.cimoney.com.ky](http://www.cimoney.com.ky)

## Key People

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### UK

**CRAIG REEVES**, Director

Board Director and founder of:

- Prestige Capital Management Limited
- Prestige Fund Management Limited
- Prestige Asset Distribution Limited
- Prestige International Marketing Services Limited

Board Director of various Prestige Funds

Board Director of Prime Holdings Limited and Nucleus Holdings Limited

Founder of Prestige Capital Services Limited

Co-founder and non-executive director of OpenFunds Investment Services AG

25 years of experience in financial services

Approved in Malta by the Malta Financial Services Authority (MFSA), approved in Switzerland by the Swiss Financial Market Supervisory Authority (FINMA), approved in Luxembourg by the Commission de Surveillance du Secteur Financier (CSSF), a certified individual for UK Financial Conduct Authority (FCA) purposes and registered with the Cayman Island Monetary Authority (CIMA).

### UK

**ROBERT MCGREGOR**, Director

Board Director of:

- Prestige Capital Management Limited
- Prestige Fund Management Limited
- Prime Holdings Limited

Board Director of various Prestige Funds

Long-held experience in international banking as a financial markets trader, working at Bankers Trust, Chemical Bank and Royal Trust Bank

In 1994 he became a founder member and director of City Fund Management Limited  
Established Prestige's Cayman and Malta offices

Approved in Malta by the Malta Financial Services Authority (MFSA), approved in Luxembourg by the Commission de Surveillance du Secteur Financier (CSSF), a certified individual for UK Financial Conduct Authority (FCA) purposes and registered with the Cayman Island Monetary Authority (CIMA).

### LUXEMBOURG

**LUC SUNNEN**, Director

Manager of Prestige Special Purpose Vehicles (SPVs), Luxembourg

Acts as a Board Advisor to Prestige

Managing partner of DMS & Associés Sàrl, a Luxembourg accounting, tax and consulting firm

Extensive experience setting up and managing Luxembourg Soparfis and international structures

Approved by the Commission de Surveillance du Secteur Financier in Luxembourg.

### LUXEMBOURG

**CHRISTOPHE FENDER**, Board Advisor to Prestige

Partner of DMS & Associés Sàrl, a Luxembourg accounting, tax and consulting firm.

Extensive experience setting up and managing Luxembourg Soparfis and international structures.

He is approved by the Commission de Surveillance du Secteur Financier in Luxembourg.

### MALTA

**MARK VELLA**, Chief Operating Officer of Prestige Capital Management, Malta

Several years of experience working in fixed income and leveraged finance with a focus on high yield, leveraged loans and Collateralised Loan Obligations (CLOs). Prior to joining Prestige he worked with a global investment group which focused on fixed income strategies for institutional clients; with a hedge fund group which focused on global high yield credit strategies including management of a 5-star Morningstar-rated credit fund; and with a European credit specialist bank where he was part of a team managing a EUR 2 billion portfolio of leveraged loans and high yield bonds, including an award-winning Collateralised Loan Obligation (CLO). He has also held finance and audit roles across several years with leading institutions including American Insurance Group (AIG) and PricewaterhouseCoopers.

Approved by the Malta Financial Services Authority in Malta.

### UK

**DEBORAH HARDY**, Chief Operating Officer of Prestige Capital Services, UK

A career in financial services spanning over 20 years, with Aviva and Platinum Capital Management.

Approved in the UK by the Financial Conduct Authority (FCA) to perform a Senior Management Function.

### UK

**ANDREW VERNAU**, Finance Director of Privilege Finance, UK

A career in financial services spanning nearly 20 years, spent with the Cambridge Building Society and with Privilege Finance.

He is a member of the Association of Chartered Management Accountants (CMA) and a member of the Association of Accounting Technicians (AAT).

Approved in the UK by the Financial Conduct Authority (FCA) to perform a Senior Management Function.

### UK

**CHRIS WINWARD**, Chief Technology Officer of Privilege Finance, UK

A career in I.T. Services with VMware and Symantec UK Limited as Global Technical Account Director, Technical Account Manager for EMC Computer Systems and Technical Consultant for Aviva (formerly known as Norwich Union).

### UK

**PHILIP GERRARD**, Chief Executive Officer of Privilege Finance, UK

A career in financial and leasing services spanning over 30 years, with Grant Thornton, the Royal Bank of Scotland, NatWest, Lombard, H J Heinz and Nabisco Brands

He graduated with a BA (Hons) in Economics and Economic History

Approved in the UK by the Financial Conduct Authority (FCA) to perform a Senior Management Function.

## Summary

What if you could get a reliable and secure absolute return from an asset which doesn't move in sync with the equity and bond markets, while also supporting a vital part of the UK economy and improving the prospects for small businesses? What if you could have all of this while also contributing towards the development of pragmatic and ready support for the UK's SME industries, enabling businesses to secure their futures? Direct Lending within the UK's industries potentially ticks all of these boxes and Prestige is proud to be at the forefront of socially responsible investing in this sector.

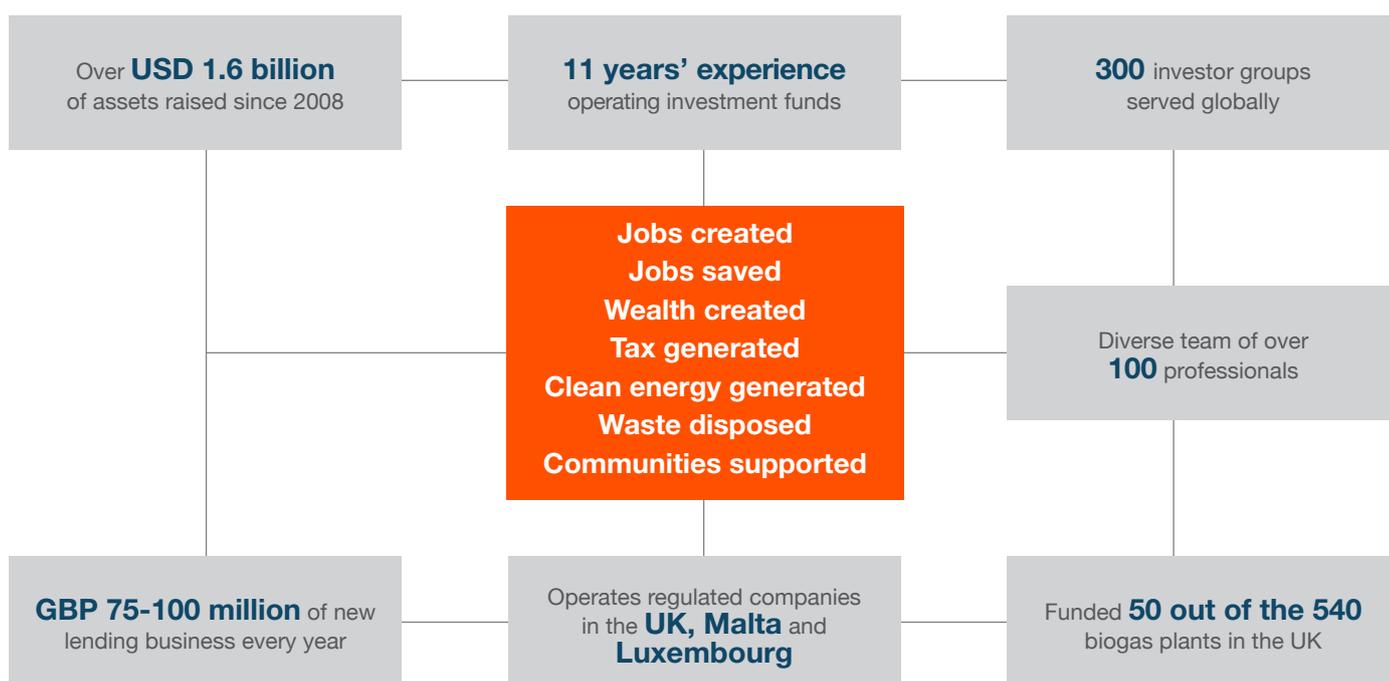
Once an alternative asset class, Direct Lending is edging in to the mainstream as more and more investors recognise its many benefits. Direct Lending and alternative fixed income strategies are increasingly seen as a key part of the modern diversified absolute return portfolio. Over the medium term, they have almost consistently maintained low volatility and low correlation to traditional fixed income and equity-based strategies.

### “THE SEARCH FOR NON-MARKET BASED ALTERNATIVE INVESTMENTS IS BECOMING INCREASINGLY URGENT.”

- Prestige

We have certainly seen this growing interest reflected in our own business. As true specialists, our long track record and deep industry knowledge are being called upon by an ever-expanding investor base. In the last 11 years, we have grown considerably and we now serve 300 investor groups around the world. Over that time, we have raised more than USD 1.6 billion which we have used to finance several thousand small business customers.

Currently investors are living in interesting times, faced with political uncertainty, negative bond yields and overvalued equity markets. This is why the search for non-market based alternative investments is becoming increasingly urgent. We believe Direct Lending could offer the next big uncorrelated opportunity for those investors who are willing to take one step ahead of the pack.



NOTE: As at 12/2018. All figures are approximate and subject to change without notice.

SOURCE: Prestige

## Summary of terms

Scheme Name:	European Finance Opportunities S.C.A. SICAV-SIF
<b>Fund Name:</b>	<b>Prime Alternative Finance</b>
Target return:	5%-7% annually
Target volatility:	1% annualised
Investment Manager:	Prestige Capital Management Limited
Investment Administration and Market Support:	Prestige Capital Services Limited
Investment Distribution:	Prestige Capital Services Limited Prestige Asset Distribution Limited
Investment Strategy:	Direct Lending - asset / project finance
Strategy Region:	United Kingdom
Scheme Domicile:	Luxembourg (EU)
Scheme Structure:	EU SICAV-SIF (Open Ended) (AIFMD Compliant)
Scheme Investor Type:	Experienced Investor
Scheme Regulator:	Commission de Surveillance du Secteur Financier (CSSF)
Administrator:	Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A.
Auditor:	KPMG (Luxembourg)
Custodian:	Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A.
Available Currencies:	USD / EUR / GBP / CHF / SEK
Base Currency:	EUR
Share Classes:	Accumulation Shares, Accumulation I-Shares Distribution D-Shares, Distribution ID-Shares
Minimum Investment:	Accumulation Shares, Distribution D-Shares EUR 125,000 (or currency equivalent)  Accumulation I-Shares, Distribution ID-Shares EUR 1,000,000 (or currency equivalent)
Liquidity:	Accumulation Shares Monthly, on 30 days' notice Accumulation I-Shares Monthly, on 60 days' notice Distribution D-Shares Quarter end, on 30 days' notice Distribution ID-Shares Quarter end, on 90 days' notice
Fees:	Accumulation Shares, Distribution D-Shares Initial 0% Management 1.50% p.a. Performance 0% Redemption 5% in first year, reducing by 1% p.a.  Accumulation I-Shares, Distribution ID-Shares Initial 0% Management 1.50% p.a. Performance 0% Redemption 1% in first year only

NOTE: Please see the Fund's Private Placement Memorandum / Offering Supplement for full terms and conditions.

## International Fund Reference Codes

### ADVISORY - ACCUMULATION SHARES

	ISIN	SEDOL	BLOOMBERG	VALOR	MORNINGSTAR	CUSIP
<b>USD</b>	LU1781276248	BG0GN11	EFOPAFB LX	41859791	F000010KWS	L3236P 119
<b>EUR</b>	LU1781276164	BG0GN00	EFOPAFB LX	41859782	F000010KWT	L3236P 101
<b>GBP</b>	LU1781276321	BG0GN22	EFOPAFB LX	41859797	F000010KWU	L3236P 127
<b>CHF</b>	LU1781276594	BG0GN33	EFOPAFD LX	41859803	F000010KVV	L3236P 135
<b>SEK</b>	LU1781276677	BG0GN44	EFOPAFE LX	41859806	F000010KWW	L3236P 143

### INSTITUTIONAL - ACCUMULATION I-SHARES

	ISIN	SEDOL	BLOOMBERG	VALOR	MORNINGSTAR	CUSIP
<b>USD</b>	LU1781277303	BG0GNC2	EFOPAKI LX	41999140	F000010KWI	L3236P 218
<b>EUR</b>	LU1781277212	BG0GNB1	EFOPALI LX	41999143	F000010KWK	L3236P 200
<b>GBP</b>	LU1781277485	BG0GND3	EFOPAMI LX	41859808	F000010KWK	L3236P 226
<b>CHF</b>	LU1781277568	BG0GNF5	EFOPANI LX	41859814	F000010KWL	L3236P 234
<b>SEK</b>	LU1781277642	BG0GNG6	EFOPAOI LX	41859821	F000010KWM	L3236P 242

### ADVISORY - DISTRIBUTION D-SHARES

	ISIN	SEDOL	BLOOMBERG	VALOR	MORNINGSTAR	CUSIP
<b>USD</b>	LU1781276834	BG0GN66	EFOPFFD LX	41999089	F000010KWD	L3236P 168
<b>EUR</b>	LU1781276750	BG0GN55	EFOPAGD LX	41999092	F000010KWE	L3236P 150
<b>GBP</b>	LU1781276917	BG0GN77	EFOPAHD LX	41999133	F000010KWF	L3236P 176
<b>CHF</b>	LU1781277055	BG0GN88	EFOPAID LX	41999135	F000010KWG	L3236P 184
<b>SEK</b>	LU1781277139	BG0GN99	EFOPAJD LX	41999136	F000010KWH	L3236P 192

### INSTITUTIONAL - DISTRIBUTION ID-SHARES

	ISIN	SEDOL	BLOOMBERG	VALOR	MORNINGSTAR	CUSIP
<b>USD</b>	LU1781277998	BG0GNJ9	EFOPPID LX	41999155	F000010KWN	L3236P 267
<b>EUR</b>	LU1781277725	BG0GNH7	EFOPQID LX	41999160	F000010KWO	L3236P 259
<b>GBP</b>	LU1781278020	BG0GNK0	EFOPRID LX	41859823	F000010KWP	L3236P 275
<b>CHF</b>	LU1781278293	BG0GNL1	EFOPSID LX	41859842	F000010KWQ	L3236P 283
<b>SEK</b>	LU1781278376	BG0GNM2	EFOPTID LX	41859845	F000010KWR	L3236P 291

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**Prestige Capital Services Limited**

1 Charterhouse Mews, London, EC1M 6BB,  
United Kingdom

T: +44 (0) 203 750 0008

E: [info@prestigefunds.com](mailto:info@prestigefunds.com)

W: [www.prestigefunds.com](http://www.prestigefunds.com)

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