



Alternative Fixed Income Opportunities
PRIME ALTERNATIVE FINANCE

IMPACT INVESTING
in a post-COVID Environment

Asset Based - Direct Lending
Agriculture / Renewables - Small Medium Business

Professional Investor Webinar

03/2021

2021 Macro Considerations

GLOBAL

- Pandemic - multiple vaccines approved
with many millions of people in USA / UK / EU already vaccinated and will accelerate in H1/2021
- Massive new fiscal and monetary stimulus programmes in USA / UK / EU
- Shipping container prices increased by 100% over past year / almost at all time highs (SOURCE: Baltic Dry Index)

U K

- Brexit - trade deal completed
- +5-7% GDP growth 2021 (SOURCE: Goldman Sachs)
- Manufacturing PMI hits +3 year high in December (SOURCE: Goldman Sachs)
- Household excess savings grew by approximately GBP 100 billion in 2020 (SOURCE: Bank of England)
- Interest rates expected to remain lower for longer
- Hosts G7 Summit in 2021
- Hosts United Nations Climate Change Conference in 2021 (COP26)

U S A

- Election - new president - greener policies
- +3-4% GDP growth 2021 (SOURCE: Goldman Sachs)
- Manufacturing PMI +19.54% from one year ago and hits a +6 year high in December (SOURCE: YCharts / Reuters)
- Households saved approximately USD 1 trillion more in 2020 (SOURCE: Business Insider)

2021 Macro Considerations - Climate

GLOBAL

- 197 countries have signed the Paris Climate Change Accord since 2015
- Population growth expected to increase by 3 billion taking it to approximately 10 billion by 2050
- China will become the largest economy before 2030
- EU Sustainable Finance Disclosure Regulation (SFDR) 2021
- BlackRock changed its asset allocation models 01/2020 > ExxonMobil exits Dow Jones Index 08/2020

UK

- UK operated for almost 68 days coal-free in 2020 for the first time since the Industrial Revolution
The first time in 138 years!
- UK population stands at approximately 67m in 2020. By 2050 it may reach more than 77m
- UK signed into law it will be carbon neutral by 2050
- Petrol and Diesel cars will be banned from sale from 2030
- UK already operates worlds largest offshore windfarm

PRESTIGE GROUP

- Established in 2007
- Raised over USD 2 billion
- Team of over 100 professionals
- Funded approximately 50 renewable infrastructure projects that have powered over 1 million homes

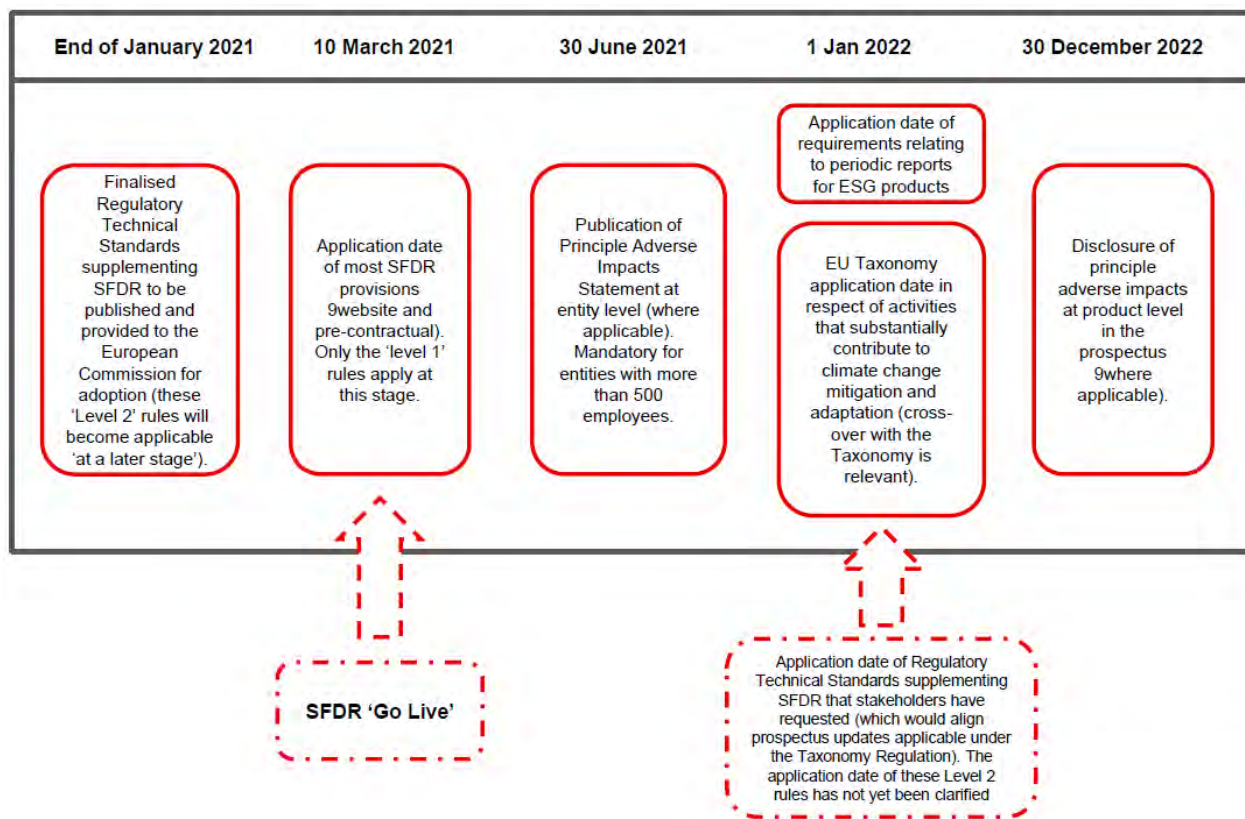
2021 Macro Considerations

INVESTMENT
ADVISERS
PROVIDERS

CONSUMERS
INVESTORS
GOVERNMENTS
REGULATORS

POLICIES
PLANS
COOPERATION

- Sustainable Finance Disclosure Regulation (SFDR)
- 10 March 2021



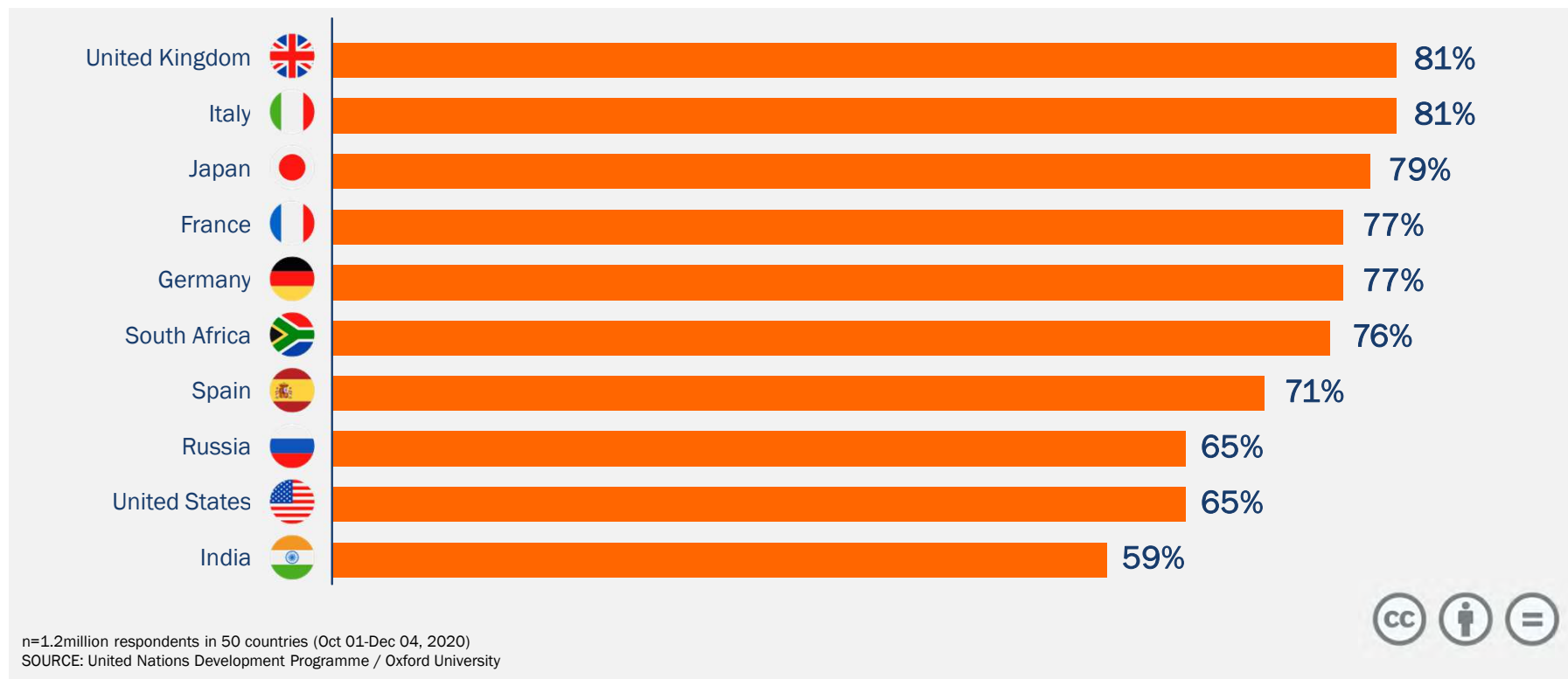
2021 Macro Considerations



2021 Macro Considerations

Where Belief in the 'Climate Emergency' is Strongest

Share of the public who believe in the Climate Emergency in selected countries



2021 Macro Considerations

TRENDS

The alternative investment industry has undergone considerable growth in recent years, and this trend is expected to continue, with industrywide assets under management (AUM) forecast to grow to around USD 14 trillion by 2023.

The Alternative Investment Management Association (AIMA) is among the industry's most influential organisations, with around 2000 corporate members from more than 60 countries worldwide.

TRENDS

Negative yielding bonds in Developed Markets hit an all-time high in November 2020



SOURCE: Bloomberg

Europe agrees biggest green stimulus the world has ever seen

EU lawmakers [this morning agreed](#) a €672 billion recovery fund for the bloc's economy, 37% of which must be invested in projects that support climate objectives. Transport & Environment (T&E) welcomed the green stimulus for the Covid-hit continent but criticised the blanket support for 'alternative fuels' such as biofuels and gas which can be counted as climate spending. The green spending plan is completely silent on electric cars, even though the EU's own green finance law [says](#) only zero-emissions vehicles are sustainable.

 [Eoin Bannon](#) © December 18, 2020 - 17:30



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William Todts, T&E's executive director, said: *"This is the biggest green stimulus plan ever. Thanks to relentless campaigning by NGOs, hundreds of billions are now available to be spent on renewable power, efficient housing, electric buses and cycle paths. But it's absurd that this deal greenlights governments the squandering of EU money on things like fossil gas and high-emitting biofuels while not having a word to say about electric cars and trucks."*

T&E said the European Commission can still stop fake green investments if it takes seriously the Do No Harm principle, which is enshrined in the plan. Campaign groups will continue their fight to stop stimulus going to polluting industries. Earlier this year an [appeal](#) by 130 NGOs for a 'Green and just Recovery' attracted the support of more than 1.3 million people.



ALL MODES, CLIMATE CHANGE AND ENERGY, INVESTMENT, STANDARDS

UK Budget

UK plans one of Europe's biggest green bond issuance programmes

Government to sell £15bn of green gilts this year and proposes heavier borrowing than projected



The money raised will help to fund some of the UK's £12bn in green projects, such as investments in wind and hydrogen power
© Christopher Furlong/Getty Images

Joshua Oliver in London MARCH 3 2021

The UK government has announced plans for one of Europe's biggest green bond issuance programmes, while also expanding public borrowing beyond investor expectations, as it seeks to boost its credentials as a centre for sustainable finance and fund its response to the Covid-19 pandemic.

The agency responsible for issuing UK sovereign debt said it would sell at least £15bn of green bonds this calendar year. The Debt Management Office said it would issue two inaugural "green gilts" in 2021, with the first in the summer.

But green bonds will generate only a small fraction of government borrowing. The DMO said after the conclusion of the government's Budget announcement that it planned to tap the market for £296bn of gilts in the coming financial year — the second highest on record after last year, when the government issued £485bn.

The planned gilt supply was higher than expected by the banks that act as primary dealers in the wholesale gilt market. A survey by Reuters put the banks' expectation at about £250bn.

Climate Capital



Where climate change meets business, markets and politics. [Explore the FT's coverage here](#)

The yield on the benchmark 10-year gilt rose as high as 0.79 per cent on Wednesday afternoon, reflecting a sell-off in UK government debt. “Gilts have come under additional pressure in the wake of the Budget,” said Richard McGuire, head of rates strategy at Rabobank, noting that UK bonds performed worse than other haven debt.

In his Budget speech in the House of Commons, Chancellor Rishi Sunak acknowledged the march higher in yields on government debt over recent weeks. “As we have seen in the markets over the last few weeks, sovereign bond yields can rise sharply,” Sunak said. “While our borrowing costs are affordable right now, interest rates and inflation may not stay low forever.”

The chancellor first set out plans for the green gilt in November alongside an ambition to make London a hub for green finance, ahead of the COP26 climate conference this year. The money raised will help to fund some of the £12bn in green projects, such as investments in wind and hydrogen power, which UK prime minister Boris Johnson set out in his [10-point climate plan](#) last year. Climate advocates have said that Johnson’s plan is not ambitious enough, noting that France and Germany have committed more funding.

The size of the UK’s planned green bond offering in the inaugural year of its programme is larger than the €11.5bn Germany issued in its first year in 2020. The UK is a relative latecomer to the green bond market compared with other European governments. Poland issued [the first](#) such bond in 2016, while France made its debut in 2017. UniCredit estimates European governments will offer €40bn to €45bn in new green bonds this year.

The global market in green bonds grew to \$270bn in 2020, according to Moody’s Investors Service. Mitch Reznick, head of sustainable fixed income at Federated Hermes, said green gilts were likely to meet strong demand. He added that the UK’s timeline to launch the bond was “ambitious but do-able” given that the government had yet to produce its green bond framework — the set of guidelines that governs how the funds are used and how the environmental impact is reported.

The Treasury on Sunday announced that it would also launch its [first sovereign green savings bonds](#), offering retail investors the chance to buy green debt through National Savings & Investments, the government-backed savings scheme.

Majority of ESG funds outperform wider market over 10 years

Study of sustainable funds counters claims that ESG investment comes at the expense of performance



Activists in Cornwall. Environmental emergencies have pushed people to invest according to their values © Gav Goulder/In Pictures/Getty

Siobhan Riding JUNE 13 2020

Close to six out of 10 sustainable funds delivered higher returns than equivalent conventional funds over the past decade, according to a study that undermines claims that investing based on environmental, social and governance principles hampers performance.

ESG funds have [exploded in popularity](#) in recent years as emergencies such as climate change have pushed individuals to invest according to their values. Despite this, debates have persisted over whether a [link](#) exists between investing responsibly and achieving outperformance.

But research from data provider Morningstar examining the long-term performance of a sample of 745 Europe-based sustainable funds shows that the majority of strategies have done better than non-ESG funds over one, three, five and 10 years.

The analysis carries weight as up until now there has been limited data on sustainable funds' long-term performance due to the relatively short track records of many strategies and huge variety in ESG approaches.

“The findings debunk the myth that there is a performance penalty associated with ESG investing,” said Hortense Bioy, director of passive strategies and sustainability research at Morningstar.

“ESG factors are not just ‘nice to have’ but drivers of outperformance,” said Jan Erik Saugestad, chief executive of Storebrand Asset Management. “It is both right and smart to exclude certain business practices in violation with well recognised conventions or with inherent high risk and negative impact.”

Sustainable funds’ rates of success varied depending on the asset class. Of the seven asset classes examined by Morningstar, US large-cap blend equity funds that invest sustainably were the best performers, with more than 80 per cent of funds in this category beating their traditional peers over 10 years.

However, only three in 10 euro corporate bond funds achieved better returns than their non-ESG funds over the same period.

The study showed that sustainable funds also outpaced traditional funds during the [market sell-off](#) sparked by coronavirus in the first quarter, notching up average excess returns of up to 1.83 per cent.

ESG funds’ low exposure to oil and gas [gave them an edge](#) at a time when energy stocks suffered steep losses, said Ms Bioy. However, she noted that even excluding the unusual market conditions unleashed by the pandemic, the majority of sustainable funds in the study still beat traditional funds over the long term.

Morningstar found that sustainable funds have greater survivorship rates than non-ESG vehicles. On average, 77 per cent of ESG funds that were available 10 years ago still exist, compared with 46 per cent for traditional funds.

But Ms Bioy warned that as asset managers launched more funds to meet growing investor demand, survivorship rates were likely to go down. Up until now, ESG funds have been less vulnerable to the commercial pressures that lead managers to close funds, due to their niche status and loyal, institutional client base, but this will change as the strategies move into the mainstream.

Markets

JPMorgan Asset Says 60/40 Rethink Needs Alternative Investments

By [Andreea Papuc](#)

November 24, 2020, 5:54 AM GMT+1

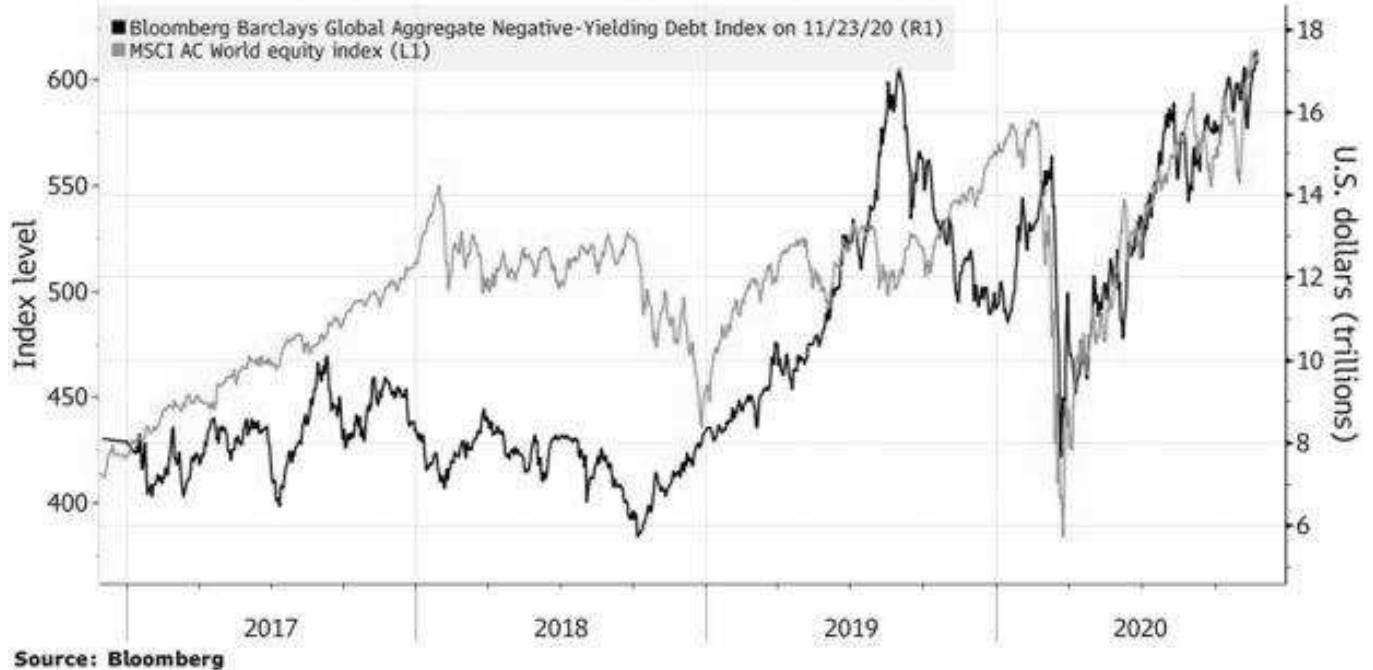
-
- ▶ Firm says nontraditional assets, strategies will be essential
 - ▶ Recommendation comes amid ongoing debate over 60/40 strategy
-

Alternative investments such as hedge funds will become essential parts of post-pandemic portfolios due to low interest rates and fewer opportunities for diversification, according to [JPMorgan Asset Management](#).

The fund giant said nontraditional investing can span private equity, alternative credit, real estate and infrastructure, as well as adopting strategies like short selling and leverage. Such approaches will evolve from optional to indispensable over the next 10 to 15 years, the firm said in its annual Long-Term Capital Market Assumptions report.

“The returns from traditional asset classes have just become more and more challenged over time,” Kerry Craig, a global market strategist at JPMorgan Asset in Melbourne who contributed to the report, said Tuesday. A “new portfolio for a new decade” requires more focus on incorporating alternatives, he said in a webinar.

Positive and Negative Gauges of global stocks, value of negative-yielding debt at records



Loose monetary policy and huge stimulus injections to cope with the pandemic have flooded markets with cash this year, pushing up equity valuations and leaving more than \$17 trillion of bonds with negative yields. As a result, some investors are questioning the validity of traditional long-term approaches like a balanced portfolio of 60% stocks and 40% bonds.

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Wells Fargo Investment Institute recently recommended allocations of as much as 28% to private capital and 12% to hedge funds to help cope with the low-yield environment.

In its own report, JPMorgan Asset said that after suggesting last year that investors look beyond traditional 60/40 strategies, “this year, the impetus is stronger still.”

At the same time, 60/40 portfolios have defied critics in 2020 by posting solid, resilient performances. A model portfolio composed of 60% U.S. stocks and 40% bonds has climbed about 13% year-to-date, according to a Bloomberg index. That's in line with the rally in the S&P 500 Total Return Index and far superior to the gain in a global hedge fund gauge.

[Read More: The 60/40 Portfolio Is Muzzling Critics With Another Big Year](#)

Craig said hedge funds can offer diversification and boost returns, while infrastructure can deliver income in portfolios.

Liquidity Issues

So far, the alternative space has been the domain of more sophisticated investors such as high-net-worth individuals. Challenges remain for smaller investors because of liquidity and transparency issues and high minimum investment levels, Craig said.

Alternatives won't replace traditional investments, but they "definitely will play a greater role," he said

In this article

JPM

JPMORGAN CHASE

123.32 USD ▲ +5.45 +4.62%

SPX

S&P 500

3,635.41 USD ▲ +57.82 +1.62%

WFC

WELLS FARGO & CO

28.61 USD ▲ +2.31 +8.78%

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Fund management**Asset managers in \$300bn drive to build private lending funds**

Investors switch focus to credit funds as alternative to public markets flooded with stimulus money



© FT montage; Reuters

Michael Mackenzie and **Eric Platt** in New York OCTOBER 22 2020

Asset managers are seeking to raise almost \$300bn to plough into private lending deals with groups such as Goldman Sachs and Oaktree hoping to lure investors away from frothy public markets.

Publicly traded debt and equity securities have surged in price this year after central banks and governments across the world unleashed trillions of dollars worth of stimulus to dull the economic blow from the [pandemic](#).

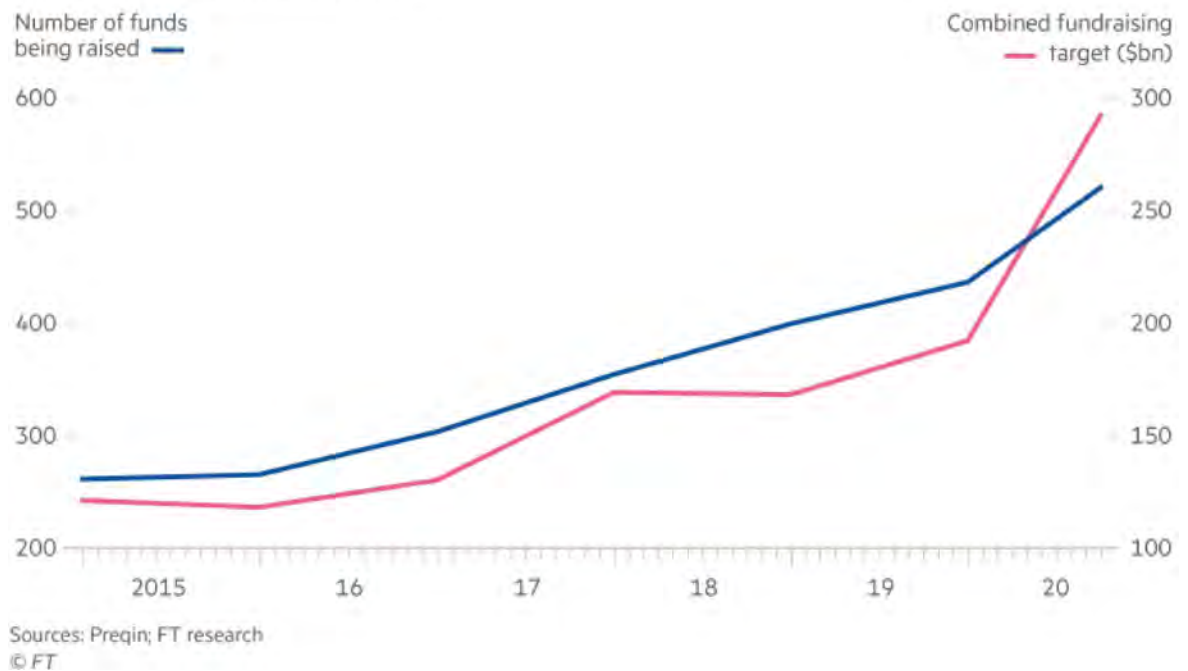
Managers argue that private credit — including funds set up to lend directly to companies — is one area that has not yet become saturated. It has also benefited from post-financial crisis regulations that pushed banks to tamp down lending to riskier clients.

The rush into the sector has been swift. Asset managers were pitching 520 private credit funds to investors in October, up from 436 at the year's start and just under 400 in January 2019, according to data compiled by Prequin and the Financial Times.

And managers are targeting ever larger amounts. Average fund sizes have swelled, with the combined fundraising target sitting at \$292bn. That is up from \$192bn in January.

Asset managers are looking to raise record sums to plough into private credit

Private debt funds in market, by year



“At this stage of the credit cycle, there will be private market assets that are interesting and can deliver strong returns for investors,” said Mark Dowding, chief investment officer at BlueBay Asset Management. The firm is focused on distressed debt opportunities in emerging markets and among companies.

Goldman Sachs is looking to raise \$14bn for its West Street Strategic Solutions Fund I, above the \$5bn to \$10bn target it had first set out. Oaktree, the investment group founded by Howard Marks, is raising a \$15bn fund to invest in distressed corporate credit. And other big funds, including the [\\$9bn private credit fund](#) recently secured by the investment group HPS, are at work to write big cheques to medium and large-sized companies.

Fund managers are racing to raise money for private lending

\$14bn

what Goldman Sachs is looking to raise for its West Street Strategic Solutions Fund I, above its original \$5bn-\$10bn target

\$9bn

the amount recently secured by HPS in closing out one of the biggest-ever private credit funds

\$12bn

Apollo's new direct lending partnership with the Abu Dhabi sovereign wealth fund Mubadala

Asset managers are already sitting on more than \$2.6tn of so-called dry powder, money they have raised to invest in leveraged buyouts, private debt, real estate, infrastructure and natural resources, the Prequin data show. That figure is double the level that had been raised just six years previously.

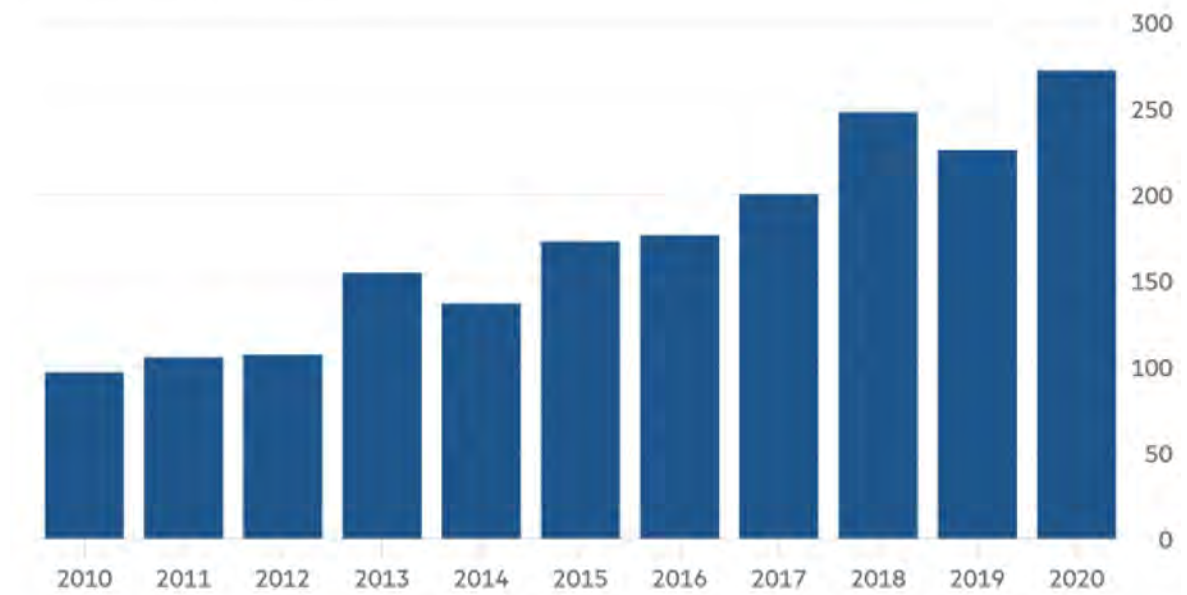
Many investors have been pushed out of haven investments including Treasuries, as yields have collapsed to record lows this year, following the Federal Reserve's move in March to cut US interest rates to near-zero. Some have pumped their cash into higher yielding "junk" bonds instead.

But even in that riskier corner of the market, the potential returns have dropped. Yields on junk bonds — which move inversely to prices — have slid from more than 11 per cent at the nadir of the market dive in March back towards 5 per cent, according to Ice Data Services, even as investors weigh up the viability of some lowly rated borrowers.

"We've been in a prolonged zero or low rate environment with 80 per cent of fixed-income assets today yielding less than 2 per cent," said John Zito, Apollo's co-head of global corporate credit. "So I think it's natural that institutions, especially those managing long-term liabilities, are committing more capital to private credit to seek longer-dated excess yield."

Funds are sitting on \$272bn to invest in private credit

Private credit dry powder, by year (\$bn)



Source: Preqin
© FT

Still, many companies have already sold equity or borrowed through bond markets to shore up their financial reserves, providing one challenge to the new wave of private credit funds: where to put their new money.

Hanneke Smits, chief executive of BNY Mellon Investment Management, told a conference last week that there were limits to “the amount of capital that private equity and private debt markets can absorb”. Ms Smits said that would “limit returns in the future”.

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Pensions industry**Top US pension plans eye private credit**

Move to capitalise on dislocations across market stemming from coronavirus pandemic



Anastasia Titarchuk, chief investment officer of the New York State Common Retirement Fund, is looking at opportunities in private credit © REUTERS

Billy Nauman in New York MAY 4 2020

Some of America's largest pension funds are looking to pour money into private credit to capitalise on dislocations across the market stemming from the coronavirus pandemic.

Both the \$227bn California State Teachers Retirement System (Calstrs) and the \$215bn New York State Common Retirement Fund have identified private credit as an opportunity for investors that have enough liquidity to lend to struggling companies.

Meanwhile, data from FT Specialist publication MandateWire shows that numerous other public funds in the US are also looking to make similar investments. For example, the \$32bn Connecticut Retirement Plans and Trust Funds approved a \$1.5bn allocation to private credit last month.

With US equity markets bouncing back from their mid-March lows, the best place to invest right now is in credit, which remains oversold, Anastasia Titarchuk, chief investment officer of the New York State Common Retirement Fund, said.

"Right now there are opportunities everywhere," she added. "There are very few sectors of the credit market, aside from maybe investment grade, that have truly come back."

Ms Titarchuk is especially interested in structured products like commercial mortgage-backed securities, where the uncertainty around regulations and whether or not tenants will be paying rent is creating a lot of dislocation in the market. However, the New York fund is planning on waiting on the sidelines until it has a better idea of how things will shake out, she added, noting that the fund puts a premium on being senior in the capital structure.

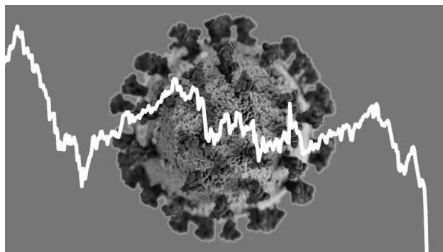
“We don’t gamble on outcomes where we don’t have any clarity,” Ms Titarchuk said.

After surviving the 2001 recession and the 2008-09 financial crisis, Chris Ailman, chief investment officer of Calstrs, said it had employed similar tactics when markets started tanking this time.

The first step for the fund was to hoard liquidity. “As an investment, cash might be trash. But in a crisis, cash is king,” Mr Ailman said.

Now that volatility is levelling off, the fund can start getting more aggressive — and boosting Calstrs investments in private credit is high on the agenda.

Coronavirus business update



How is coronavirus taking its toll on markets, business, and our everyday lives and workplaces? Stay briefed with our coronavirus newsletter.

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“We are going to look more into private markets for opportunities,” Mr Ailman said. Because this crisis is a “health crisis” instead of a “financial crisis”, he does not expect to see big gains coming from equity markets. “[It’s] unusual that the governments have basically stopped the economy,” he said. “We’re seeing more debt opportunities, senior debt, secured debt, to help bridge the time period the economy is shut down.”

Assets invested in private debt — largely made up of non-bank loans to unlisted companies — reached a record \$812bn in 2019, boosted by investors hunting for higher yield. In recent years there has been

a surge in direct-lending strategies, where investment funds take on the role of so-called shadow banks, stepping in as traditional lenders have retreated because of tighter capital rules and making loans directly to companies.

But while direct-lending funds make up nearly half of the market, investors said that right now the most attractive investments are coming from different types of complex, risky investment strategies.

Distressed debt funds, which specialise in buying up discounted loans that need to be restructured, should be well suited to capitalise on the current environment, said David Lebovitz, global market strategist at JPMorgan Asset Management.

“We are dealing with a cash flow problem. Consumers have no income and businesses have no revenue,” he said. “We think distressed managers can come in and buy things at good prices and turn a nice profit.”

However, investors should not be in any hurry to “back up the truck”, said Tim Atkinson, a research consultant at Meketa Investment Group, which advises pension funds on asset allocation.

The success of any private credit investments made now will be dependent on predicting how quickly things get back to normal and how companies will come out on the other side of the lockdown, he added: “Right now, in certain industries, it’s very difficult to pinpoint where that is, so there may be a big margin for error.”

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PRESS RELEASE FOR IMMEDIATE RELEASE

03 / 2021

One million UK homes now using green energy from biogas plants financed by Prestige Funds

- **One million homes in UK powered by Prestige-backed AD projects**
- **Plants now collectively save more than 1.48 million metric tonnes of CO2 each year**
- **Over 500,000 metric tonnes of waste diverted from landfill each year**

CAMBRIDGE, 23 March 2021: One million homes in the UK (as at 12/2020) are now being powered by green energy, as a result of anaerobic digestion (AD) projects funded by dedicated, specialist Finance Arranger - Privilege Finance, the lending partner of Prestige Funds.

Based near Cambridge, UK, Privilege Finance manages the private debt and infrastructure lending portfolios of several Prestige Funds. Since 2012 it has invested over GBP 600m in both new builds and acquisition projects in renewable energy. Privilege already backs one of the largest portfolios of clean energy projects in the UK supporting, farm, food and agri related business in what is a very specialist financing market. It is recognised as an expert in the field of bringing biogas projects online and is an active member of the UK Anaerobic Digestion and Bioresources Association (ADBA).

The projects generate a total of approximately 1.3 TerraWatts of energy per year, meaning each day they generate approximately 3.5 GW, which translates to approximately 1 million homes powered, based on average household energy usage. The projects are also reducing greenhouse gas emissions into the atmosphere, and so contributing to climate change reduction efforts.

Chris Winward, Chief Commercial Officer at Privilege Finance, said:

“When we look at this in terms of carbon emissions reduction, the plants are collectively saving the equivalent of 1.48 million metric tonnes of CO2 each year. This is achieved by diverting 503,345 metric tonnes of waste, the equivalent of over 70,000 lorry loads, away from landfill each year. By processing waste to generate biogas, we are avoiding this, while also replacing demand for non-renewable sources of energy, such as fossil fuels.”

www.Prestige-ClimateInvest.com



The trend of the climate becoming hotter is yet to be stopped, which is why Prestige Funds and Privilege Finance remain committed to investing in green infrastructure projects.

Enabling projects that will reduce climate change is at the centre of what Privilege Finance does. This year we are delighted to be actively financing projects which will have a positive impact by reducing carbon in the atmosphere.”

Craig Reeves, Founder of Prestige group, said:

“This marks profound progress on the part of our dedicated UK renewables infrastructure finance team - their technical expertise is starting to pay off with some excellent and measurable results, supporting the UK’s transition to a greener economy. Investors seeking fundamental, definable strategies that are making a positive contribution to the battle against climate change can see that at work here.”

Prestige operates two dedicated impact investing credit funds in this space with its oldest vehicle operating for over 12 years. In April 2021, Prestige will launch a third dedicated fund in this space and is targeting an exceptionally important part of the UK economy at a critical time in its ongoing development.

“Our portfolios often finance landowners who are taking food, farm and animal waste and turning it into bio-gas and electricity, projects in turn supported by the UK government.” commented Reeves.

Prestige Funds has now raised over USD 2 billion internationally (as at 12/2020) for its range of alternative finance credit funds. In 2020, the wider Prestige group of companies raised approximately USD 300m of non-fund debt from several large financial institutions who provide wholesale funding to established alternative lenders. Prestige and its dedicated, specialist Finance Arrangers are active in the SME market in the UK and the US and have built up a huge amount of in-house expertise in terms of sourcing, analysing, and managing financing for smaller companies. With over 5.7 million small companies in the UK, the SME sector accounts for approximately 99% of the jobs in the UK economy. All of these will almost certainly be affected by government policies and consumer demand associated with climate change.

SOURCE: Prestige Asset Management / Privilege Finance / HM Government

ENDS

The Macro Environment

With rising costs across almost all industrial and commercial sectors, farming, food and agriculture often remain deeply inefficient while at the same time the UK wastes more food than any other country in Europe and has a rising population. There is an increasing demand to finance in productivity.

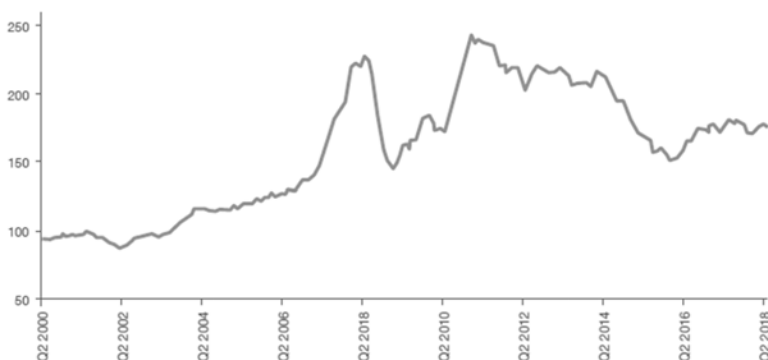
Over the last century, the global population has quadrupled. In 1915, there were 1.8 billion people in the world. Today, according to the most recent estimate by the UN, there are 7.3 billion people - and we may reach 9.7 billion by 2050. This growth, along with rising incomes in developing countries (which encourage dietary changes such as eating more protein and meat) are driving up global food demand.

The UK imports approximately 50% of its food requirement while global food demand is expected to increase anywhere between 59-98% by 2050 according to the United Nations. Additionally, the UK wastes more food than any other country in Europe according to research published by the Daily Telegraph newspaper, while research from Bloomberg suggests that food staple prices have doubled since 2000.

This will almost certainly shape agricultural markets in ways we have not seen before. Farmers worldwide will need to increase crop production, either by increasing the amount of agricultural land to grow crops or by enhancing productivity on existing agricultural lands through fertilisers and irrigation and adopting new methods like precision farming. With approximately 66 million people in the UK (of which approximately 8m were born overseas), and 5.7 million SMEs this represents a significant opportunity for investors.

SOURCE: UK Office of National Statistics (ONS)

Foodstuff Staples (Index): Q2/2000 - Q2/2018



SOURCE: Bloomberg

Environmental concerns

The UK is a full signatory to the Paris Climate Change Accord and has signed into law that it will be carbon neutral by 2050. The UK also announced the ban on sale of new petrol and diesel cars from 2030 and will potentially source up to 20% of its gas supplies from domestic renewable sources within ten years and entirely stop burning coal to generate electricity within 15 years. Additionally, the use of landfill waste disposal is also expected to stop within 15 years.

Rising electricity prices in the UK and higher taxes on landfill are causing these agricultural businesses to turn to green energy projects as a source of on-farm energy, utilising existing waste. However, farming and food production is also the second largest producer of CO₂ after energy production.

Investment and spending on renewable energy and electricity generation and charging infrastructure will increase significantly over the next 10 years. Taxes on polluters in the old economy will rise especially in areas such as waste which will encourage businesses to invest strategically in the 'greenification' of individual industries.

SOURCE: Prestige Asset Management



FOR FURTHER INFORMATION

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ABOUT PRESTIGE

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

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 includes a team of over 100 professionals in the UK and several international financial centres as well as raising over USD 2 billion. It is testament to the hard work of its various teams, the systems and processes used, and the products and services created that the Prestige business continues to grow and evolve.

We work at the centre, not the edge, of every transaction we do. Diligent, tenacious and resourceful.

Established in 2007, Prestige Asset Management Limited (PAML) is a UK-based administration and marketing company 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 (CISI). PAML is entirely privately owned by its senior management. The company specialises in providing investment administration and marketing support services to international fund managers, wealth managers, asset managers, financial advisors and financial intermediaries.

Established in 2009, 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. Prestige Fund Management Limited is registered with the Cayman Islands Monetary Authority (CIMA).

Established in 2011, 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. 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 Management Limited is a full scope AIFM and is authorised as such in accordance with the Alternative Investment Fund Managers Directive (AIFMD).

<https://www.prestigefunds.marketing/wp-content/uploads/About-Prestige-International-Introduction.pdf>



INTERNATIONAL MARKETING & ADMINISTRATION SERVICES

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E: admin@prestigeassetmanagement.co.uk (Operations)
www.PrestigeClimate-Invest.com
www.PrestigeAssetManagement.co.uk
www.PrestigeFunds.com



INVESTMENT MANAGEMENT & ADMINISTRATION SERVICES

Prestige Fund Management Limited

Registered Office: DMS Corporate Services Limited, P O Box 1344, Suite 5B201, 2nd Floor, One Nexus Way, Camana Bay, Grand Cayman KY1-1108, Cayman Islands

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NOTE: This Press Release is issued by Prestige Asset Management Limited (PAML) which is authorised and regulated in the UK by the Financial Conduct Authority (FCA), and a member of both the Alternative Investment Management Association (AIMA) and the Chartered Institute for Securities and Investment (CISI). It is for information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy shares in any Prestige Fund/s and is only intended for distribution to persons permitted to receive it by Section 238 of the Financial Services and Markets Act 2000 (FSMA). Prestige Funds are for experienced investors. In the UK such funds are Unregulated Collective Investment Scheme (UCIS) / Non-Mainstream Pooled Investments (NMPI) and are higher risk and not suitable for all types of investor (Retail). Past performance is not a reliable indicator of future performance. Unless advised otherwise, all sources of data are those of Prestige. © 2021



About Prestige

Investor Presentation

Q1/2021

Executive Summary

COMPANY OVERVIEW

- Founded in 2007, the Prestige group manages approximately USD 1 billion in assets
- Prestige consists of four related business groups:
 - Fund Management - Prestige Fund Management / Prestige Capital Management
 - Finance Arranger - Agriculture / Renewables: Privilege Finance
 - Finance Arranger - SMEs: Nucleus Finance
 - Finance Arranger - Commercial / Industrial: Capstone Capital Group
- Offices in London (UK), Cambridge (UK), Norfolk (UK), Malta, Luxembourg, Cayman Islands and India
- Globally we have over 120 team members

INVESTMENT PHILOSOPHY

- Prestige is committed to providing innovative investment solutions that are sustainable and have a positive social impact
- Our reputation has been built upon our expertise across the credit spectrum and particularly in private debt, real assets and alternative lending strategies
- We are squarely focused on producing consistent and positive risk-adjusted investment returns with limited volatility
- All Prestige Funds have low correlation to traditional asset classes - i.e. equities and bonds

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Private Debt and Alternative Lending - Strategy Opportunity

Since 2007, Prestige has provided flexible financing solutions to corporations, landowners and SMEs in the UK

Developing Private Debt Market



- Private debt is provided by non-bank entities to fund small and middle-market companies, with bilateral negotiation of terms
- Capital is often provided by private debt funds, operating as direct lenders to companies and as sources of credit
- Continued regulatory reform of the banking sector remains favourable to the further growth of private debt, with the impact of:
 - Restrictions on bank lending due to stricter capital requirements (Basel III, Basel IV etc.)
 - The US Federal Reserve Leverage Guidelines offering a further boost

Bank Retreat From SME Lending



- Banks often prefer to deal with larger borrowers because it is onerous for them to maintain internal compliance for a large numbers of SME borrowers
- It is no longer cost effective for collateral management to have many small business borrowers
- High cost lending is less attractive for banks
- Inefficient market: Each loan approval typically involves a personal site visit to the client
- So there is a high barrier to entry for participants in the space

These developments, combined with investors' search for yield and the growth in private equity, created a financing gap that private credit providers have been filling

Why Private Debt and Alternative Lending Investments?

1. Consistent Returns



- Private debt and alternative lending strategies have historically produced compelling and consistent returns
- These strategies continue to perform despite the current challenging, global economic environment

2. Diversification



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

3. Low Volatility



- Private debt and alternative lending investments create constant cashflow payments and are typically characterised by low volatility

4. Uncorrelated



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

Prestige: Overview

Founded in 2007, Prestige consists of several companies under common ownership and control

PRESTIGE CAPITAL MANAGEMENT

Malta based - Investment Manager
Established in 2011

PRESTIGE ASSET MANAGEMENT

UK based - Administration / Marketing
Established in 2007

Team of approx. 40 across Prestige entities

PRESTIGE FUND MANAGEMENT

Cayman Islands - Investment Manager
Established in 2009

PRESTIGE ASSET DISTRIBUTION

Cayman Islands - Asset Distribution
Established in 2007

Specialist Lending Companies / Finance Arrangers

PRIVILEGE FINANCE

SME
Agriculture / Renewables
UK

NUCLEUS FINANCE

SME
Commercial / Industrial
UK

CAPSTONE CAPITAL GROUP

SME
Commercial / Industrial
USA

NOTE: 'PRIVILEGE FINANCE' refers collectively to Privilege Holdings Limited, Privilege Asset Finance Limited and Privilege Project Finance Limited and is registered in the United Kingdom.
'NUCLEUS FINANCE' refers collectively to Nucleus Commercial Holdings Limited and Nucleus Commercial Finance Limited and is registered in the United Kingdom.
CAPSTONE CAPITAL GROUP is an affiliated Service Provider and is registered in the United States of America.

Prestige - Overview

Prestige is an international asset manager providing access to the specialised investment expertise of outstanding alternative finance providers, backed by the scale and resources of a global franchise



PRIVILEGE FINANCE

Finance Arranger - Agriculture / Renewables

- Established in 2001
- Based in Cambridge, UK
- Team of approx. 40
- Focuses on providing specialist funding to rural-based small business enterprises
- Provides integrated financial solutions to farmers and associated agricultural sector companies looking to grow their businesses
- Has lent approximately GBP 1 billion to over 6,000 customers representing approximately 15,000 loan transactions



NUCLEUS FINANCE

Finance Arranger - SMEs

- Established in 2011
- Based in London, UK
- Team of approx. 50
- Operates two strands of financing:
 - 1) Loans
 - 2) Asset-based lending
- Focuses on providing small business funding / credit facilities like the major banks but with the flexibility of a peer-to-peer provider
- Has lent approximately GBP 1.4 billion to several thousand small business enterprises representing several thousand loan transactions



CAPSTONE CAPITAL GROUP

Finance Arranger - Commercial / Industrial

- Established in 1990
- Based in New York, USA
- Team of approx. 20
- Focuses on asset-based direct lending, investing in a diversified portfolio consisting of short and medium term commercial and industrial loans and working capital credit facilities principally in the USA
- A holding in various Prestige investment vehicles since 2011
- Has originated approximately USD 6 billion of loan transactions

Prestige - Values



Integrity



Diligence



Commitment



Clients

Prestige's success is the result of its core strengths and values:

- Entrepreneurial culture: original thinking, distinct research process, highly commercial
- Prestige is focused on producing consistent and positive risk-adjusted returns
- Prestige's own success is the result of putting investors' interests first
- Prestige is committed to providing innovative investment solutions
- Continuous research, development and market knowledge
- Delivery of quality products, services and results
- The Prestige environment values diversity, inclusiveness and integrity

Prestige - Funds

INVESTMENT FOCUS and ALTERNATIVE FIXED INCOME STRATEGIES

Total Assets Under Management and Administration - Approximately USD 1 billion

PRESTIGE ALTERNATIVE FINANCE

Cayman Islands
Open-Ended Investment Company (OEIC)
Inception: 01/2009
USD 574 million

FUND OVERVIEW

- Asset-based lending and direct lending
- Asset and project finance
- Invests in a diversified portfolio of secured asset and project-based finance in renewables and the agriculture sectors in the UK
- Many of the projects are UK Government-backed
- Low correlation to traditional equity, bond or commodity markets
- Consistent absolute returns in most market conditions

PERFORMANCE OBJECTIVE

- Target capital appreciation: 6% - 7% p.a. (net)
- Target annualised volatility: 1%

PRIME ALTERNATIVE FINANCE

Luxembourg
EU SICAV / AIFM / Euronext Listed
Inception: 12/2018
USD 120 million

FUND OVERVIEW

- Asset-based lending and direct lending
- Asset and project finance
- Invests in a diversified portfolio of asset-based, finance lending and leasing agreements
- Focuses on secured agricultural, commercial and industrial agreements in the UK
- Low correlation to traditional equity, bond or commodity markets

PERFORMANCE OBJECTIVE

- Target capital appreciation: 6% - 7% p.a. (net)
- Target annualised volatility: 1%

Prestige - Funds (continued)

INVESTMENT FOCUS and ALTERNATIVE FIXED INCOME STRATEGIES

Total Assets Under Management and Administration - Approximately USD 1 billion

COMMERCIAL FINANCE OPPORTUNITIES

Luxembourg EU SICAV / AIFM
Euronext Listed / Open-Ended
Inception: 2011
USD 178 million

FUND OVERVIEW

- Secured commercial and industrial lending to the SME sector in the UK
- Invoice and cashflow finance
- Diverse portfolio of secured commercial and industrial loans, and finance arrangements in the UK
- Aims to achieve consistent absolute returns in most market environments
- Very low correlation to traditional equity and fixed income markets

PERFORMANCE OBJECTIVE

- Target returns of 6% - 7% p.a. (net)
- Target annualised volatility: 1% p.a.

BUSINESS FINANCE OPPORTUNITIES

Cayman Islands
Open-Ended Investment Company (OEIC)
Inception: 2009
USD 61 million

FUND OVERVIEW

- Asset-based lending and direct lending
- Trade finance & invoice finance
- Invests in a diversified portfolio of short and medium-term loans and working capital facilities
- Focuses on secured commercial and industrial agreements principally in the United States
- Consistent absolute returns in most market conditions
- Low correlation to traditional equity, bond or commodity markets

PERFORMANCE OBJECTIVE

- Target returns of 6% - 7% p.a. (net)
- Target annualised volatility: 1% p.a.

MULTI FINANCE OPPORTUNITIES

Luxembourg EU SICAV / AIFM
Multi Strategy
Inception: 2018
USD 48 million

FUND OVERVIEW

- Asset-based lending and direct lending
- Trade finance & invoice finance
- Diverse portfolio of a range of high yield credit, private debt and alternative finance - lending based strategies
- Strong portfolio, sector and geographic diversification
- Low systemic / market risk with a focus on preservation of capital
- Low correlation to traditional fixed income and equity-based strategies

PERFORMANCE OBJECTIVE

- Target capital appreciation: 6% - 7% p.a. (net)
- Target annualised volatility: 1%

Prestige - Clients

- The investor base continues to grow and evolve both geographically as well as by type
- Prestige now manages significant assets for institutional investors such as pension funds and sovereign wealth funds
- Prestige offers clients dedicated fund portfolios or customised client accounts / bespoke portfolios

Prestige has been particularly successful in raising assets from:

- European institutional investors
- Middle Eastern Sovereign investors
- European family offices
- Global intermediaries including significant traction in Switzerland

More broadly, our global and diversified client base of approximately 300 investors includes:

INSTITUTIONAL INVESTORS

- Banks
- Corporations
- Insurance companies
- Public entities and authorities
- Registered charities

PROFESSIONAL ADVISORS

- Asset managers
- Private banks and wealth managers
- Family offices
- Discretionary professional advisors
- Discretionary investment trusts
- Hedge fund managers

Senior Team Members: Prestige

- Our directors and managers have a deep reservoir of credit and industry expertise across a range of market cycles
- Our senior investment personnel have an average of 20+ years of industry experience

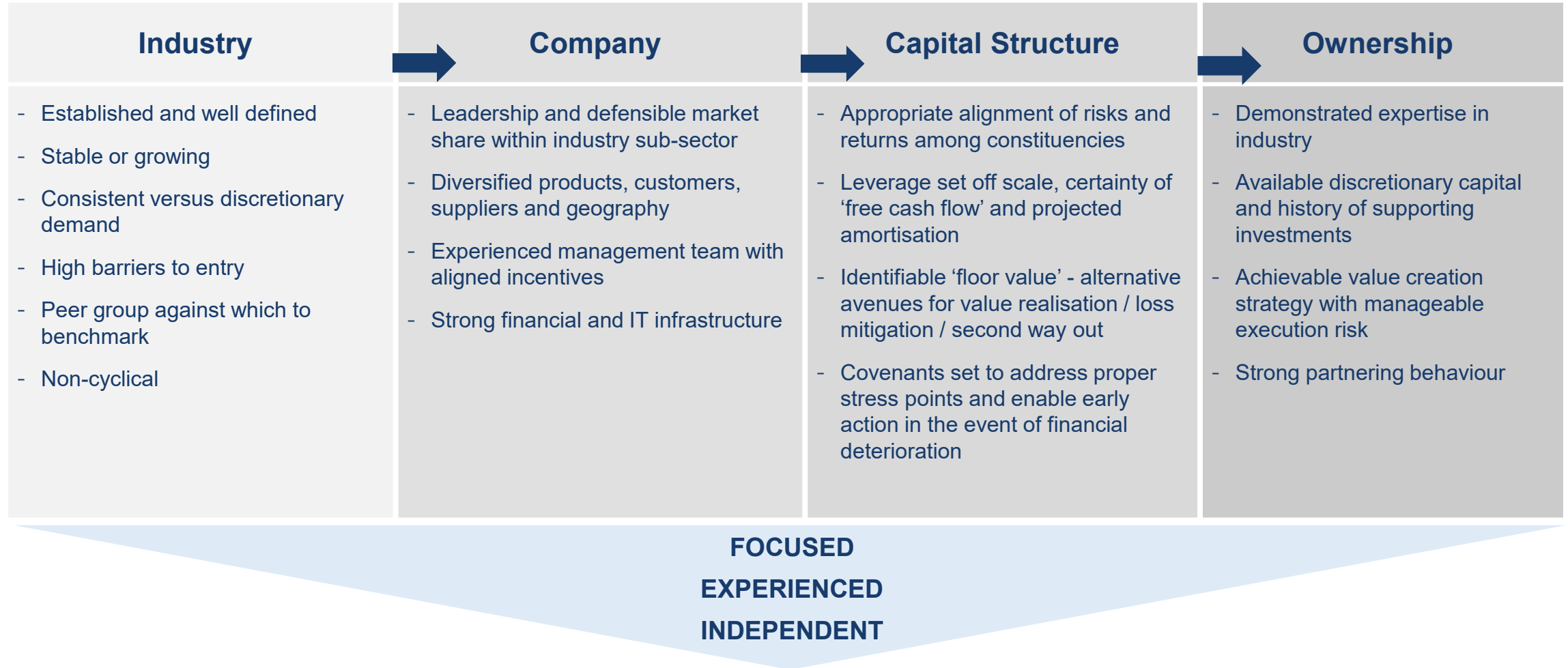
Name	Craig Reeves	Deborah Hardy	Robert McGregor	Marina Lisova	Jonathan Scott	Michel Said
Title	Founder / Investment Management Committee	Chief Operating Officer (PAM) Director (PCM)	Director / Investment Management Committee	Chief Financial Officer (PCM)	Chief Risk Officer (PFM) Specialist Project Manager	Head of Investment Operations (PCM)
Since	2007	2007	2008	2017	2016	2020

Senior Team Members: Finance Arrangers

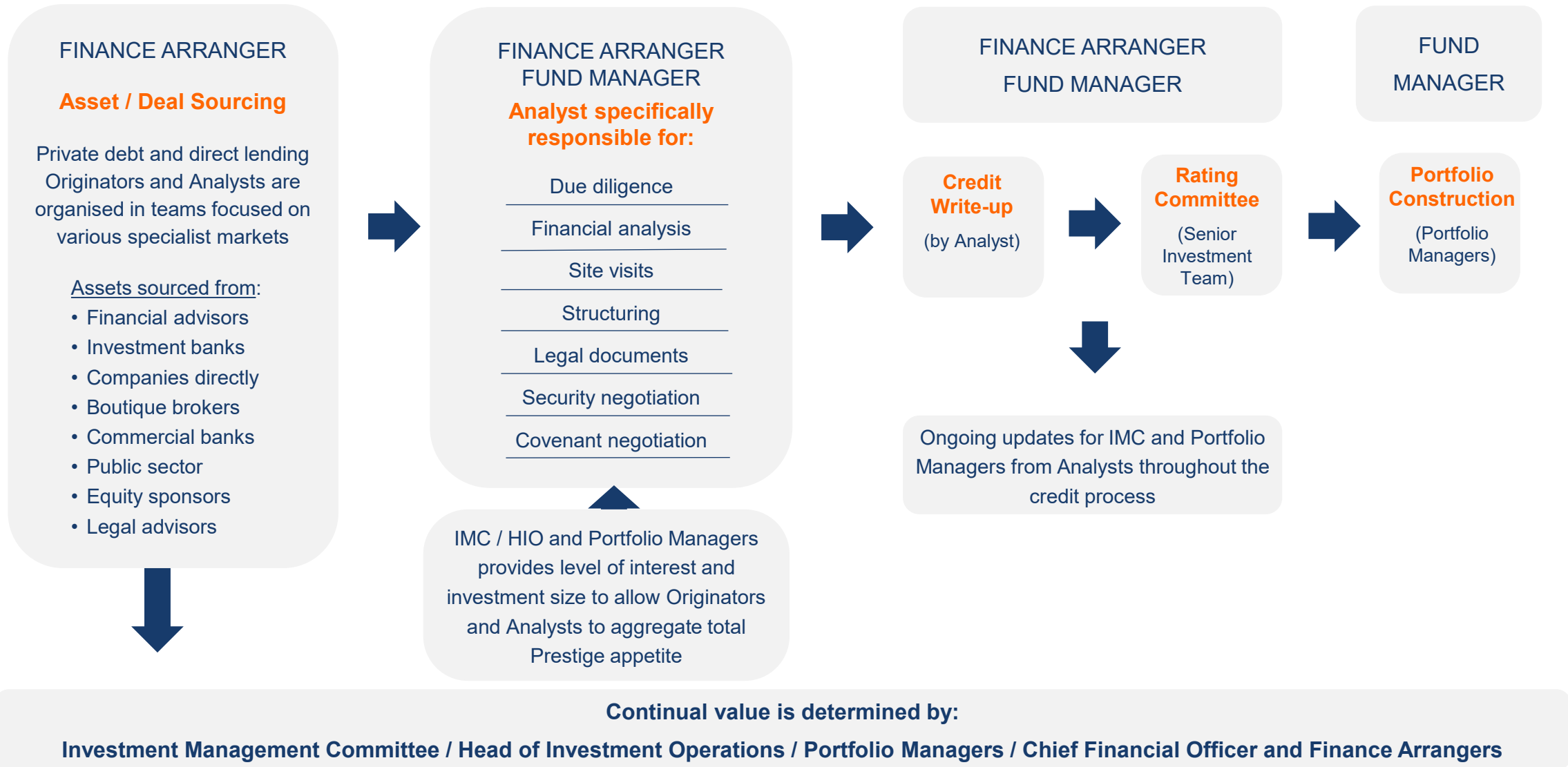
- Our directors and managers have a deep reservoir of credit and industry expertise across a range of market cycles
- Our senior finance and lending personnel have an average of 20+ years of industry experience

Company	Privilege Finance	Privilege Finance	Privilege Finance	Privilege Finance	Privilege Finance	Nucleus Finance	Nucleus Finance	Nucleus Finance	Nucleus Commercial Holdings
Name	Chris Winward	Andrew Dillnutt	Andrew Vernau	Tracy Giles	Philip Gerrard	Chirag Shah	Mark Goldman	Simon Willmetts	David Head
Title	Director	Head Of Credit	Director	Operations Director	Director	Founder and CEO	Managing Director	Finance Director	Director
Since	2019	2020	2016	2013	2015	2011	2012	2015	2015

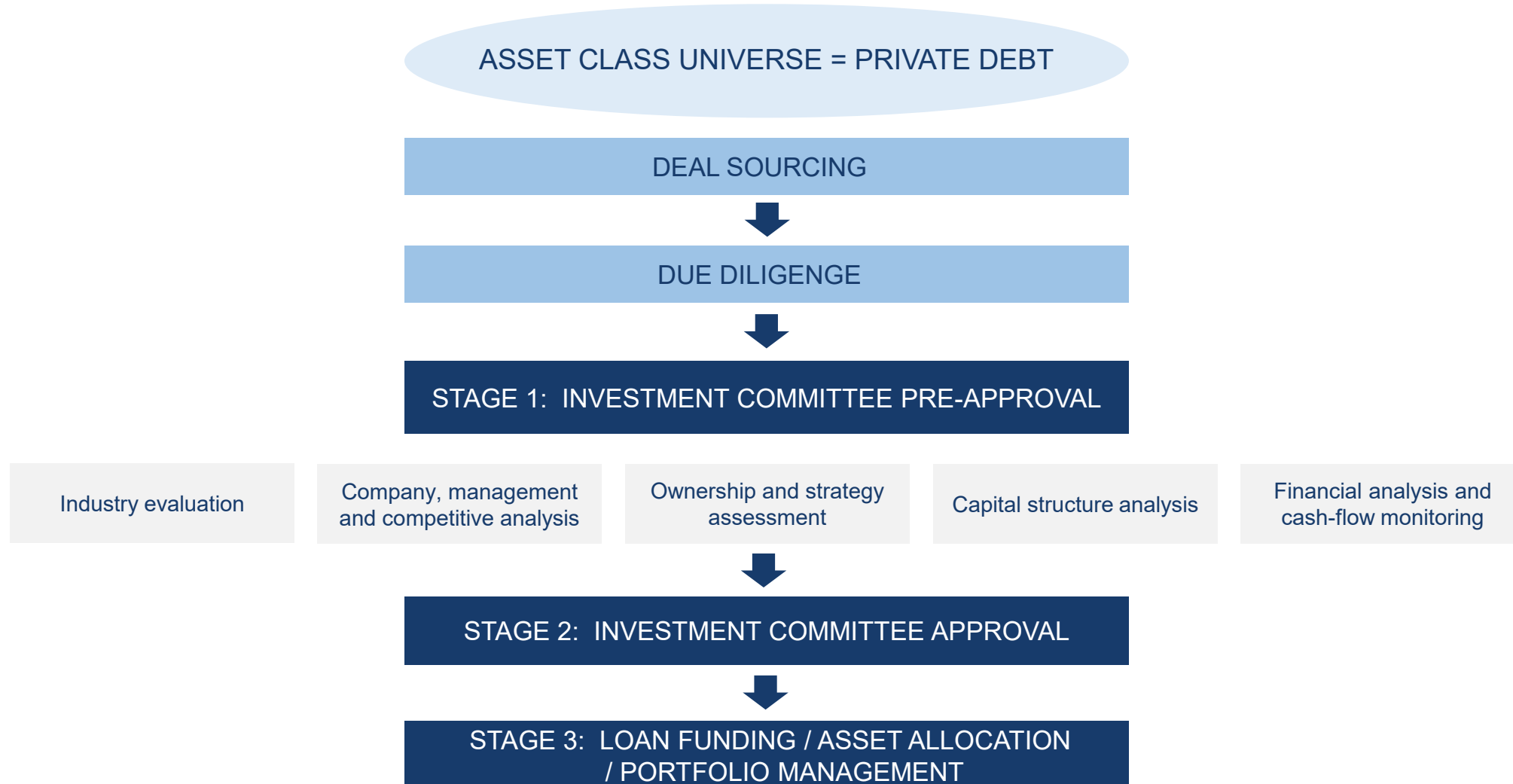
Investment Philosophy: Key Investment Characteristics



Investment Process Overview: Private Lending



Investment Process: Disciplined, Repeatable, Scalable



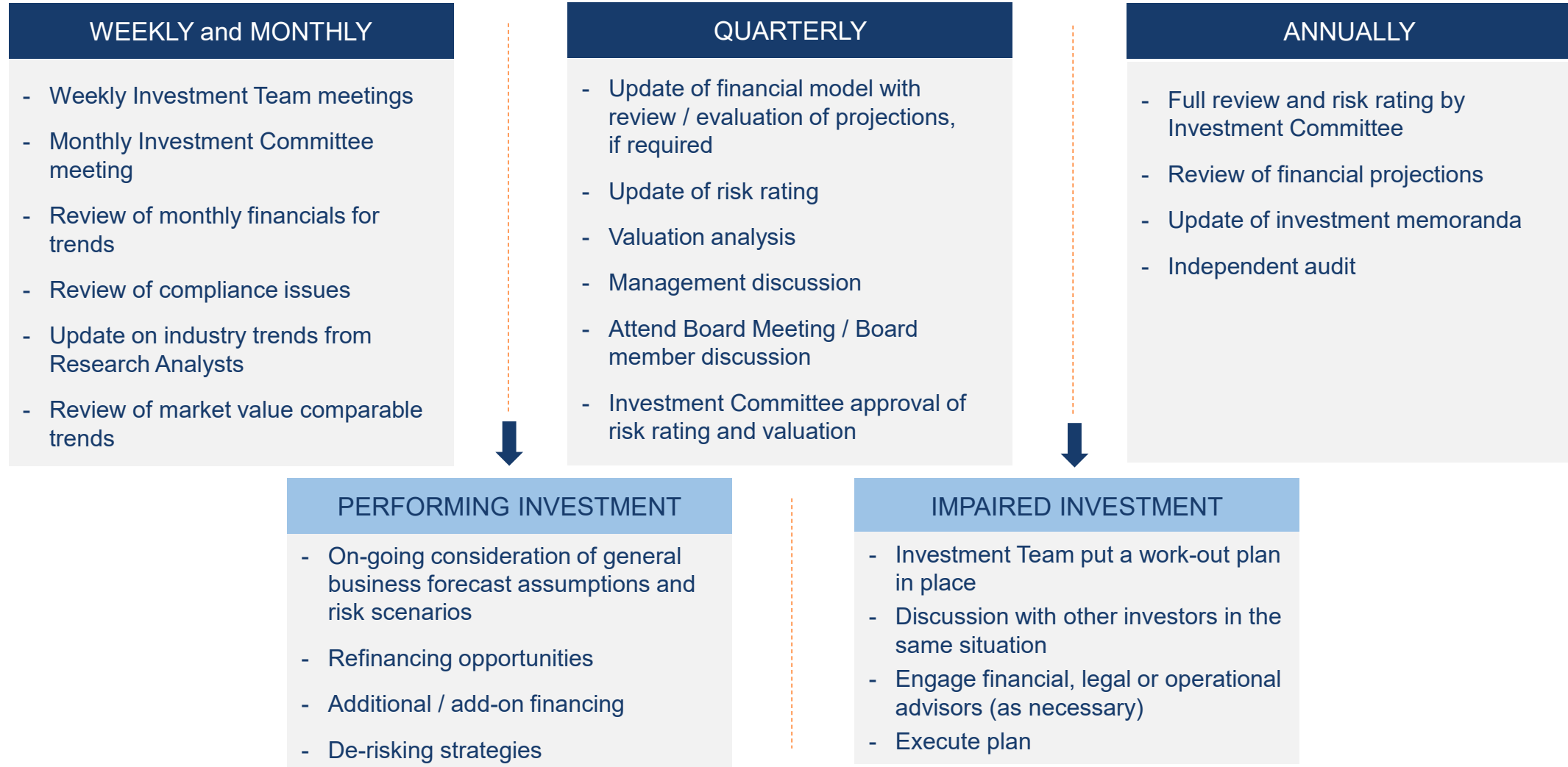
Investment Process: Origination and Deal Sourcing

Our Investment Team source transactions from various channels

Source	Direct	Intermediaries	Banks and / or Accounting Firms	Private Equity
Description	<ul style="list-style-type: none"> - Direct contact with companies and landowners through our experience and company reputation - Participation in industry conferences, regional business conferences, etc. 	<ul style="list-style-type: none"> - Intermediaries, including advisory, legal and accounting firms 	<ul style="list-style-type: none"> - Global and regional banks leading 'syndicated' transactions where we are a trusted partner - Big 5 accounting firms passing along deal flow 	<ul style="list-style-type: none"> - Private equity firms focused on acquisition or growth financing

Diversified origination provides higher quality deal flow

Investment Process: Portfolio Management



Focus on Socially Responsible Investments

- In recent years, there has been a global emphasis on the output of less waste and an overall movement towards sustainability
- The UK has committed to the Paris Agreement on clean energy objectives, putting considerable economic weight behind these goals
- Private debt is making a direct impact on the ways farms and their surrounding communities generate and consume energy
- The Prestige group welcomes these developments and places significant emphasis on the sustainability of our investments and the impact they have on stakeholders, the community, and the environment... both now and in the future
- Our dedicated, specialist Finance Arrangers (Privilege and Nucleus) provide vital funding to agri-businesses, renewables and SMEs across various industries providing an alternative source of power for a cleaner way forward
- As a result, Prestige is well positioned to meet industry and investor expectations on socially responsible and sustainable investments

STAKEHOLDERS	COMMUNITY	ENVIRONMENT	GOVERNANCE
We recognise the importance of all those who have a stake in what we do, whether they are our customers, our suppliers, staff, third parties, shareholders, local or national government, or the community	A significant amount of what we do has a direct impact on the local communities that we support by creating jobs, diversifying income streams and helping groups to work together for a common good	Our focus on clean and renewable energy, much of it from waste and residue, means that while we are doing our bit for the world we live in, we are also trying to make things even better for future generations	A fundamental part of our business is our insistence on strong and responsible governance and risk management with complete transparency and accountability

Focus on Sustainable Investment Offerings

SUSTAINABILITY

- Our portfolios lend to landowners who are taking waste and turning it into bio-gas and electricity - projects supported by the UK Government
- Privilege Finance works with a number of landowners and operators operating Anaerobic Digesters (“AD”) and Biomass boilers across the UK providing alternative energy solutions
- The company has lent over GBP 1 billion to over 6,000 clients representing approximately 15,000 loan transactions
- More information on these activities can be found at: www.Privilege.Finance

www.PrestigeClimateInvest.com



Anaerobic
Digestion and
Bioresources
Association

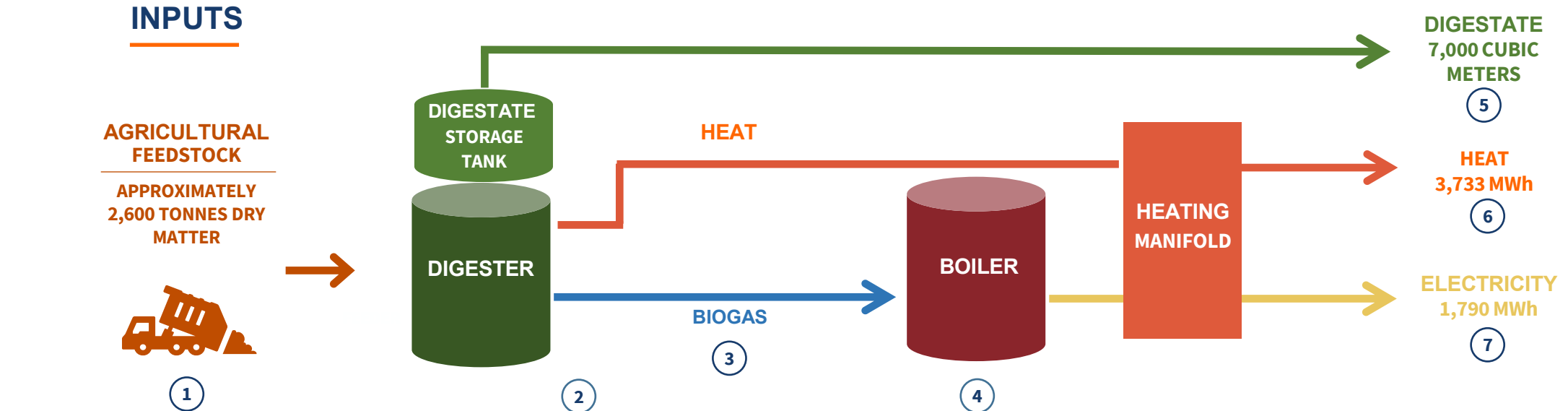


SME LENDING

- We believe strongly in the power of markets to create shared prosperity and social stability where business owners can prosper and say ‘yes’ to opportunities to grow their businesses
- By offering financing and lending solutions which more small businesses can access in their communities, we support the development of financial independence, jobs and wealth creation in the long-term
- More information on these activities can be found at: www.NucleusCommercialFinance.com

SME FINANCING

Finance Example: Summary of Anaerobic Digestion (“AD”) Process



AGRICULTURAL FEEDSTOCK	ANAEROBIC DIGESTION (“AD”)	ELECTRICAL + HEAT PRODUCTION EQUIPMENT	PROCESS OUTPUTS / RESULTS
<p>1. AGRICULTURAL FEEDSTOCK is fed into the DIGESTER</p>	<p>2. Inside the DIGESTER, the FEEDSTOCK undergoes a fermentation process of approximately 80 days</p> <p>3. Output from the DIGESTER process includes DIGESTATE, HEAT and BIOGAS</p>	<p>4. The BIOGAS produced is transferred through the BOILER ultimately producing electricity</p>	<p>5. The DIGESTATE is sold to nearby farmers and used as a fertiliser and is spread on farm land by local farmers as a replacement for fossil derived fertiliser</p> <p>6. The exported HEAT is sold to various companies</p> <p>7. Revenues are primarily received from Government tariffs as well as from selling ELECTRICITY to the National Grid and sold on the wholesale market</p>

Summary: Competitive Advantages of Prestige

13+

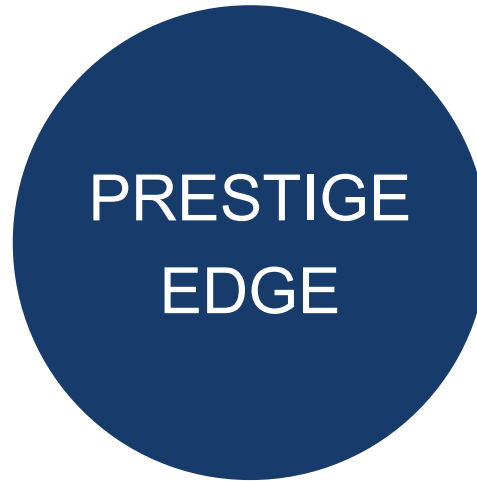
Years of Experience

Consistent and substantial long-term track record



Protection of Capital

Demonstrated ability to protect capital in difficult market environments - avoiding permanent loss of capital



Security Selection

Distinct and repeatable security selection process focused on identifying credit securities of quality businesses



The Right Investor Base

Stable and patient investor capital enabling our portfolios to be managed with a longer investment horizon



Tactical Allocation Skills

Proprietary process to lower risk and make appropriate market decisions to enhance the risk/reward profile of the portfolio

Fund Details and Terms

FUND NAME	PRESTIGE ALTERNATIVE FINANCE	PRIME ALTERNATIVE FINANCE	MULTI FINANCE OPPORTUNITIES	COMMERCIAL FINANCE OPPORTUNITIES	BUSINESS FINANCE OPPORTUNITIES
Domicile	Cayman Islands	Luxembourg (EU)	Luxembourg EU SICAV - Full AIFM status	Luxembourg EU SICAV - Full AIFM status	Cayman Islands
Target Return (per annum)	6%-7% across market cycles	6%-7% across market cycles	6%-7% across market cycles	6%-7% across market cycles	6%-7% across market cycles
Target Volatility	1% per annum	1% per annum	1% per annum	1% per annum	1% per annum
Management Fee	1.25% p.a.	1.5% p.a.	1.5% p.a.	1.5% p.a.	1.5% p.a.
Performance Fee	None	None	None	None	None
Subscriptions	Monthly	Monthly	Monthly	Monthly	Monthly
Redemptions	I-Shares: Monthly (with 60 days notice) ID-Shares: Quarterly (with 90 days notice)	I-Shares: Monthly (with 60 days notice) ID-Shares: Quarterly (with 90 days notice)	I-Class: Monthly (with 60 days notice)	I-Class: Monthly (with 60 days notice) ID-Class: Quarterly (with 90 days notice)	I-Shares: Monthly (with 90 days notice) ID-Class: Quarterly (with 90 days notice)
Lock-up Period	None	None	None	None	None
Firm / Fund AUM	USD 1 billion / USD 574 million	USD 1 billion / USD 100 million	USD 1 billion / USD 48 million	USD 1 billion / USD 178 million	USD 1 billion / USD 61 million
Leverage	None	None	Low	None	None
Inception Date	01/2009	12/2018	12/2018	11/2011	01/2009
Available Currencies	USD / EUR / GBP / CHF / SEK				USD / EUR / GBP
Minimum Investment	USD 1 million (or currency equivalent)	USD 1 million (or currency equivalent)	USD 1 million (or currency equivalent)	USD 1 million (or currency equivalent)	USD 1 million (or currency equivalent)

Fund Details and Terms (continued)

FUND NAME	PRESTIGE ALTERNATIVE FINANCE	PRIME ALTERNATIVE FINANCE	MULTI FINANCE OPPORTUNITIES	COMMERCIAL FINANCE OPPORTUNITIES	BUSINESS FINANCE OPPORTUNITIES
Investment Manager	Prestige Fund Management Limited	Prestige Capital Management Limited	Prestige Capital Management Limited	Prestige Capital Management Limited	Prestige Fund Management Limited
Administrator	MUFG Fund Services (Ireland) Limited	Mitsubishi UFJ Investor Services and Banking (Luxembourg) S.A.	Mitsubishi UFJ Investor Services and Banking (Luxembourg) S.A.	Mitsubishi UFJ Investor Services and Banking (Luxembourg) S.A.	MUFG Alternative Fund Services (Cayman) Limited
Auditor	Deloitte (Cayman)	KPMG (Luxembourg)	KPMG (Luxembourg)	KPMG (Luxembourg)	Marcum (Cayman / USA)
Custodian / Depositary Bank	The Bank of N.T. Butterfield and Son Limited	Mitsubishi UFJ Investor Services and Banking (Luxembourg) S.A.	Mitsubishi UFJ Investor Services and Banking (Luxembourg) S.A.	Mitsubishi UFJ Investor Services and Banking (Luxembourg) S.A.	MUFG Fund Services (Ireland) Limited
Board Members	<ul style="list-style-type: none"> All Prestige Funds typically operate with at least 3 experienced international Board Directors with at least 1 being Independent All Board Directors are independently approved persons at regulated companies in the UK or other jurisdictions 				

Prestige: Regulated Entities

**NOTE: INFORMATION CONTAINED WITHIN THIS DOCUMENT IS INTENDED FOR INVESTMENT PROFESSIONALS
FOR INFORMATION PURPOSES ONLY
NOT AVAILABLE TO RETAIL INVESTORS OR USA INVESTORS**

Prestige Asset Management Limited:

- Authorised and Regulated by the Financial Conduct Authority (FCA) (No: 486239)
- Member of the Alternative Investment Management Association (AIMA)
- Member of the Chartered Institute for Securities And Investment (CISI)

Prestige Capital Management Limited:

- Authorised and Regulated by the Malta Financial Services Authority (MFSA)
- Operates within the full scope of the Alternative Investment Fund Managers Directive (AIFMD)

Prestige Fund Management Limited:

- Registered with the Cayman Islands Monetary Authority (CIMA)

Selected Funds are registered with the:

- Commission de Surveillance du Secteur Financier (CSSF)
- Cayman Islands Monetary Authority (CIMA)
- Monetary Authority of Singapore (MAS)

Contact Us

Prestige Asset Management Limited

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www.prestigeassetmanagement.co.uk

Authorised and Regulated by the Financial Conduct Authority (FCA)
Member of the Alternative Investment Management Association (AIMA)
Member of the Chartered Institute for Securities and Investment (CISI)

Company Registration Number: 6277530

VAT Registration Number: 928786268

FCA Registration Number: 486239



Appendix 1: Prestige Market Update - Q4/2020

Continuation of Active Private Debt and Alternative Lending Markets

- The COVID-19 global pandemic continues to dominate headlines and affect personal and work lives for many people
- The pandemic is also having a significant effect on financial markets and Q2/2020 witnessed significant market volatility, particularly in equities
- In addition, a significant number of firms are no longer paying dividends to their shareholders
- Prestige remains focused on long-term performance, but it has been comforting and encouraging that our products have shown resilience in the current climate and continue to produce positive returns
- Going forward, we are likely to see increased debt and lending opportunities for Prestige as we help business bridge the period that the economy is not operating at full capacity

NOTE: Past performance is no guide to future results.

Private Debt and Alternative Lending - Industry Statistics

- Private credit and alternative lending strategies are set to capitalise on current dislocations across financial markets with significant increases in the number of companies and individuals needing to borrow money
- Assets invested in private debt - largely made up of non-bank loans to unlisted companies - reached a record USD 812 billion in 2019, boosted by investors hunting for higher yield
- In recent years, there has been a surge in direct-lending strategies, where investment funds take on the role of so-called shadow banks, stepping in as traditional lenders have retreated because of tighter capital rules etc.
- Private debt fundraising has exceeded USD 100 billion for each of the past 4 years
- Private markets AUM now totals USD 5.8 trillion

SOURCE: McKinsey Global Private Markets Review, 2019

Appendix 2: Prestige - Senior Team biographies

Craig Reeves (United Kingdom)

Founder / Investment Management Committee

Craig has been associated with Prestige since 2007 and is the Founder of Prestige Capital Management Limited, Prestige Fund Management Limited, Prestige Asset Distribution Limited and Prestige International Marketing Services Limited, Prime Holdings Limited and is a Board Director of all Prestige Funds. He is also a Director of Nucleus Holdings Limited and is a Co-Founder and Non-Executive Director of OpenFunds Investment Services AG. Craig was formerly the Managing Director and Co-Founder of Platinum Capital Management Limited, an international asset management group. Formerly, he was Head of Portfolio Management and Asset Allocation at Titan Capital Management Limited, an international asset management group. Prior experience includes serving as a Proprietary Trader at Gaiacorp Trading Limited (an international asset management group) and Proprietary Trader at London Currency Exchange Limited (a private client / proprietary trading house). Craig has over 25 years' experience in financial services as a professional investment manager, trader and investor in alternative investments, hedge funds, capital markets, and real estate and has written several articles for various financial publications including the AIMA Journal. He has served as a Board Director on over 20 international funds. Craig graduated with a BA (Hons) in Business Administration from Huddersfield University and has a Higher National Diploma in Business and Finance from the University of Greenwich (London). He also attended the New York Institute of Finance (NYIF) where he studied financial markets and derivative trading and is also a member of the Chartered Institute for Securities and Investment (CISI). Craig is authorised 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), is a certified individual for UK Financial Conduct Authority (FCA) purposes and is registered with the Cayman Islands Monetary Authority (CIMA).

Deborah Hardy

Chief Operating Officer (PAM) / Director (PCM)

Deborah has been associated with Prestige since 2007. She is an Executive Director and Chief Operating Officer of Prestige Asset Management Limited and Board Director of Prestige Capital Management Limited. She has over 25 years' experience in business administration, process management and development, delivering a wide range of both client and supplier focused solutions. She was formerly Director of Client Services at an international asset management group with approximately USD 1 billion under management. She has also held several operational and management roles within supply chain and contract management at Gardline Marine Sciences (the world's largest independently owned marine survey company), Aviva plc, the largest UK insurance company and the Rotch Property Group. Deborah is approved in the UK by the Financial Conduct Authority (FCA) to perform a Senior Management Function and approved in Malta by the Malta Financial Services Authority (MFSA).

Appendix 2: Prestige - Senior Team biographies



Robert McGregor (United Kingdom)

Director

Robert has been associated with Prestige since 2008 and is a Director of Prestige Asset Management Limited. His early background was in financial services as a financial markets trader in London running large proprietary trading books at Bankers Trust (an investment bank), Chemical Bank (an investment bank), and Royal Trust Bank (an investment bank). In 1994, he became a founding member and Director of London-based City Fund Management Limited (an investment manager), where his primary responsibilities covered operations and risk management. In 2005, he relocated to the Grand Cayman and set up City Fund Management (Cayman) Limited (a risk management consultancy) that supported investment management companies in London and the Cayman Islands. Robert is approved in the UK by the Financial Conduct Authority to perform a Senior Management Function.

Iain Fulton (United Kingdom)

Director / Investment Management Committee

Iain has been associated with Prestige since 2014 and is a Board Director of Prestige Fund Management Limited and Prestige Fund Management General Partners. He is a Fund Director of the Cayman Islands-domiciled Prestige Funds and sits on the Investment Management Committee for those Funds. He previously worked for Investcorp Bank in Bahrain, before moving to Merrill Lynch and then to Wellington Management International, both in London. He then moved to London based Otkritie Securities Limited, a Russian-owned firm of stockbrokers, before joining London based Sberbank CIB (UK), Russia's largest bank which was formerly known as Troika Dialog. His background includes asset management; sales and trading; operations, finance and management within asset management and fund structures; and extensive corporate governance, risk planning and management of capital adequacy. He has a BA in Business from the University of Strathclyde and is a UK qualified accountant (FCCA). Iain is registered with the Cayman Islands Monetary Authority (CIMA).

Jonathan Scott (United States of America)

Chief Risk Officer (PFM) and Specialist Project Manager

Jonathan has been associated with Prestige since 2016. He is the Chief Risk Officer for Prestige Fund Management and Specialist Project Manager for the firm. He is also a director of the Luxembourg-based Prestige Funds. He has a career in financial services spanning over 20 years, split between the United Kingdom and the United States of America with international banking groups including Credit Suisse Asset Management (CSAM), Barclays Capital, BNP Paribas and JP Morgan Chase. He was previously a Vice President at CSAM where he worked for over ten years. He previously worked as an Analyst at Barclays, an Analyst at BNP Paribas, and he began his career at JP Morgan Chase. Jonathan studied at Texas A&M University, a senior military college, where he was awarded a Bachelor of Business Administration in Finance with a Certificate in International Business and he spent four years with the US Air Force Reserve Officer Training Corps. Jonathan is approved in Luxembourg by the Commission de Surveillance du Secteur Financier (CSSF).

Appendix 2: Prestige - Senior Team Biographies



Michel Said (Malta)

Head of Investment Operations (PCM)

Michel has been associated with Prestige since 2020 and has more than 20 years of experience specialising in capital markets, funds, advisory and M&A with transaction experience spanning across Europe, North America, London, Italy and the GCC. He was a former Investment Banking and Operations Director in a leading GCC banking group, responsible for the Group's proprietary investments. He also served as a member of the Bank's Executive Management team focused on strengthening the control, operational and financial reporting environment and served as an Advisor to the Board of Directors for a number of investee companies in the Middle East. He began his career as a Fund Manager for a number of equity and fixed income funds responsible for controlling the fund model, maintaining performance statistics, trading desks, managing and executing SICAV Board resolutions as well as a speaker during the SICAV AGM on Funds' individual performance and macro and micro overview of capital markets. He joined PricewaterhouseCoopers in their Milan and Malta offices serving as Senior Manager where he led, managed and coordinated cross border buy-side and sell-side transaction advisory engagements, providing financial due diligence, vendor due diligence, vendor assistance and post deal assistance to both private equity and corporate clients across multiple industries. He has lectured and consulted on capital markets. He holds an MSc in International Securities and Investment Banking from the University of Reading, an International Certificate in Wealth & Investment Management at the Chartered Institute for Securities & Investment, London and is a visiting lecturer in Forex, Islamic Finance, Corporate Finance at the University of Malta. He is an Accredited Representative of the Malta Stock Exchange.

David Galea Souchet (Malta)

Board Director (International)

David has been associated with Prestige since 2011 and is a Director of Prestige Capital Management Limited. He currently acts as Non-Executive Director, Money Laundering Reporting Officer and Compliance Officer on a variety of international Funds and Fund managers including UCITS Management Companies. Prior to establishing his company Cordium, he was group financial controller of a diversified group of companies and between 2004 and 2008, he was Chief Officer for Corporate Services at Malta Enterprise Corporation, the agency responsible for foreign direct investment and support to industry in Malta. He started his career in 1992 at PricewaterhouseCoopers (PwC) where he spent 12 years in business assurance where, as a manager, he was responsible for a significant portfolio of clients in various industries. At PwC he was also involved in several special assignments including high profile financial investigations. He has been a member of the Association of Chartered Certified Accountants since 1998 and has attended significant training in corporate governance, regulatory compliance and financial services. David is approved in Malta by the Malta Financial Services Authority (MFSA).

Appendix 2: Privilege - Senior Team biographies

Chris Winward (United Kingdom)

Director / Chief Commercial Officer

Chris has been associated with Privilege Finance since 2019 and is the Chief Commercial Officer of the company. He heads up the client, business development, and information technology areas of the firm. Privilege refers collectively to Privilege Holdings Limited, Privilege Asset Finance Limited and Privilege Project Finance Limited. He is an expert in providing tailored project finance for the renewable energy sector. He previously held senior technical roles with WMWare, Symantec UK Limited, EMC Computer Systems, and Aviva (formerly known as Norwich Union). He sits on the Advisory Board of the UK's Anaerobic Digestion and Bioresources Association (ADBA). Chris is approved in the UK by the Financial Conduct Authority (FCA) to perform a Senior Management Function for Privilege Project Finance.

Andrew Vernau (United Kingdom)

Director / Chief Financial Officer

Andrew has been associated with Privilege Finance since 2016 and heads up the finance function at Privilege which refers collectively to Privilege Holdings Limited, Privilege Asset Finance Limited and Privilege Project Finance Limited. Andrew is an experienced Finance Director with a demonstrated history of working in the banking industry. He is skilled in financial services, financial risk, risk management, management, treasury, and director roles. He previously spent 12 years working for the Cambridge Building Society, latterly as Financial Controller and then as Finance Manager, Change. He is a member of the Association of Chartered Management Accountants (CIMA) and a member of the Association of Accounting Technicians (AAT). Andrew is approved in the UK by the Financial Conduct Authority (FCA) to perform a Senior Management Function for Privilege Project Finance.

Andrew Dillnutt (United Kingdom)

Head of Credit

Andrew has been associated with Privilege since 2020 and is the Head of Credit for both Privilege Project Finance Limited and Privilege Asset Finance Limited. He previously worked for Santander UK Corporate and Commercial, and Barclays Bank plc where his particular focus was on the agricultural sector. He has worked directly with clients and relationship directors delivering credit-approved senior debt solutions within the corporate banking market. He was awarded a BA (Hons) in Economics by the University of Leeds.

Appendix 2: Privilege Senior Team Biographies

Tracy Giles

Director / Operations

Tracy has been associated with Privilege Finance since 2013 and is the Operations Director for both Privilege Project Finance Limited and Privilege Asset Finance Limited, overseeing the project management, human resources, and marketing and administration functions of the finance arranger. She began her career with Privilege six years ago in a Sales Co-ordination role and rose to Operations Manager within four years. Tracy has a wealth of knowledge, with over 20 years of management experience and has held a variety of positions in both the automotive and finance industries.

Philip Gerrard

Director

Philip has been associated with Privilege Finance since 2015 and is a Director of various entities. He has had a long-established career in financial services in senior roles across various firms. He was previously the Head of Grant Thornton European Financial Leasing Advisory Services. Formerly Interim C.E.O. at European Leasing Financial Services. Formerly Managing Director at Elmfield U.K. Limited, a private Healthcare business. Formerly Operations Director at Royal Bank of Scotland Financial Automotive Division Services. Formerly Interim Director at NatWest and Lombard Financial Services. Formerly Retail Managing Director, Retail Leisure Director, Commercial Director at Yates' Wine Lodges plc. Formerly General Manager, Regional Sales Director, Regional Sales Manager, National Purchasing and Pricing Manager at Lex Vehicle Leasing Financial Services. Formerly Production Manager at H.J. Heinz Co. Formerly Production Manager at Nabisco Brands Inc. He attended Manchester University and was awarded a B.A. (Hons) in Economics and Economic History.

Appendix 2: Nucleus - Senior Team Biographies



Chirag Shah

CEO and Director

Chirag is a Founding Partner of Nucleus Holdings Limited and its various operating subsidiaries including Nucleus Commercial Finance. Prior to establishing Nucleus, he was Portfolio Manager at Acheron Capital Limited, a London-based asset manager focusing on acquisitions in the life insurance space. He was responsible for sourcing, due diligence, monitoring and liquidation of distressed investments in ABL deals, ABL hedge funds and life settlements. Previously, he was a member of the Investment Committee and a Portfolio Manager at a London-based investment management group with USD 1.8 billion AUM. In this role, he structured and managed USD 600 million of assets invested in ABL transactions. He has also worked as a trader and structurer at Wachovia Securities in London where he was involved in structuring and risk managing synthetic CDOs, CPPIs and CPDOs. He interned at Merrill Lynch in New York on the credit proprietary trading desk. He holds a Masters in Computational Finance from Carnegie Mellon University, Pittsburgh and a Bachelor of Engineering in Information Technology from the University of Mumbai.

Mark Goldman

Managing Director

Mark joined Nucleus as a Director in 2012 after a career spanning over 30 years in global fixed income markets. In 2005, he joined Mitsubishi UFJ Securities International in London as Managing Director and Head of Fixed Income. He created the Strategic Trading Group, which focused on short and long-term proprietary trading as well as the Quantitative Analysis Group and introduced a new risk and settlement system for the Fixed Income Group. Previously Mark served as a Managing Director for BNP Paribas and was a member of the European Executive Committee and, prior to BNP, he spent six years at Nomura International, where he was again a member of the European Executive Committee responsible for European Fixed Income Sales. He was instrumental in capital-raising for Nomura's direct European investments through structured vehicles. His career commenced in New York in 1981 in Merrill Lynch's International Fixed Income Department. After five years in New York, he transferred to Europe to run the German Fixed Income Sales business in Frankfurt, where he was responsible for building Merrill's sales, trading and origination effort. In 1992, he moved to London as the Head of European Fixed Income Sales and became a member of Merrill's European Executive Committee. He has a Bachelor of Arts degree in History and German from Harpur College, SUNY Binghamton, a Master's in Comparative Literature from SUNY Binghamton and a Master's in International Business Management from Thunderbird, the American Graduate School of International Business in Glendale, Arizona.

Appendix 2: Nucleus - Senior Team Biographies



Simon Willmetts

Finance Director

Simon joined Nucleus as the company's Finance Director in 2015 after a career spanning approximately 15 years in financial markets and accounting. In addition to sitting on the Board and overseeing the Company's finance function, he is a member of the Credit Committee and undertakes due diligence on larger complex deals, especially where there is an element of distress or a restructuring angle. Prior to joining Nucleus, he worked in corporate restructuring for 13 years, ten of which were spent at Deloitte in London. He previously specialised in formal business reviews, accelerated M&A processes, capital raising, debt advisory as well as working on a number of high-profile corporate restructuring and insolvency appointments such as Woolworths and the Chez Gerard restaurant group. In addition to sitting on the Board and overseeing the Company's finance function, he is a member of the Credit Committee and undertakes due diligence on larger complex deals, especially where there is an element of distress or a restructuring angle.

David Head

Director

David has been associated with Prestige since 2013 and is a Director of Privilege Holdings Limited and Nucleus Commercial Holdings Limited and serves as a Board Advisor to Prestige Fund Management Limited - focusing on asset-based lending, leasing and finance solutions. He also advises on the company's proprietary investments, as well as researching new investment opportunities. He brings a wealth of experience in commercial asset-based lending and finance activity, having worked for Barclays Bank from 1974 - 2001, where his last role involved acting as a Corporate Manager responsible for a mixed portfolio of 150 small and medium-sized enterprise clients with a bias towards property development/investment and franchised motor dealers. From 2001 - 2010, he was employed by Allied Irish Bank where he built from scratch over a 5-year period a GBP 160mn loan book which had minimum defaults and focused on charitable, healthcare and education sectors, unlike most other British teams which were heavily exposed to the property sector. From 2010-2013, he was persuaded to rejoin Barclays where he acted as a Relationship Director with a portfolio of over 40 corporate clients (sales turnover GBP 5 – 50 million) biased towards professional service sectors. He brings a particular set of professional skills including credit analysis, credit negotiation, business risk analysis, market risk analysis, operational risk analysis, as well as previous experience at British Insurance Association, London.

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A different world, a greener world?

Can private debt funds play a role in building a greener economy after COVID-19?



Craig Reeves
Founder
Prestige Funds

In July 2020, UK Chancellor Rishi Sunak unveiled a GBP 3 billion stimulus package as part of his Summer Economic Update to Parliament. This was targeted specifically at the UK's 'green' economy and was composed of a combination of grants, subsidies and loans. This included GBP 1 billion for a Public Energy Fund that is intended to decarbonise public sector buildings.

The UK, like other countries, is very focused on the reduction of greenhouse gas emissions, and sees this process as being one of key strategic importance. Chancellor Sunak's measures alone are hoped to slice UK greenhouse gas emissions by half a megaton while at the same time creating more than 140,000 new jobs in the sector.

The package demonstrates that the UK government recognises the important of re-greening the economy as part of the post COVID-19 recovery in the country. While government funding is going to play a critical part in this, private finance also has a role to play.

A different world, but will it be a greener world?

We will be emerging from the current pandemic into a very different world, but the climate challenge is one priority that will not have gone

away. The fund management sector should have an important role to play at a time when there is more emphasis on ESG criteria in the way money is being managed by the industry. Indeed, next year will see an upgrade to MIFID2 rules where product providers and financial advisers will be required to demonstrate the 'sustainability' of an investment.

Investment into the private lending sector was one theme that had been expanding rapidly last year.¹ Within that, we are seeing more lending capital being allocated to important small scale clean energy projects. The UK is considered a leader in this area.² Beyond the advice to householders on how they can make their homes more energy efficient, there is going to be a bigger story around the ongoing development of critical green energy infrastructure, be it wind farms, solar farms, or biogas plants.

That use of the word 'farm' is apt, as it is the farming industry in the UK which has been taking the lead for many years now in the development of on-farm clean energy. This trend has occurred as farmers have been faced with rising electricity prices at a time when governments have also imposed higher taxes on landfill. Farmers have the advantage of space and, in many cases, ready sources of organic waste. While the presence

1 Financing SMEs and Entrepreneurs 2019, OECD Policy Highlights.

2 'UK renewables prove a shining success during pandemic', Financial Times, 17 May 2020



of marquee wind farm projects has generated considerable media interest, many farms have been diligently developing their own on-farm clean energy resources.

Biogas and anaerobic digestion

Biogas has come to the fore as a key component of on-farm energy. Biogas has the double utility of delivering sustainable energy while consuming organic farming waste and turning this into fertiliser. Biogas is not a new technology, but it is becoming more sophisticated and is in much wider use in the UK than historically.

Also called anaerobic digestion, the technology can be deployed as small, localised plants that can also generate sufficient surplus electricity to earn additional income when sold back into national grids.

Anaerobic Digestion (AD) is a proven technology which could deliver a staggering 30% of the UK's carbon budget in 2030, while also providing green heat to 6.4m homes.³ During the pandemic lockdown in the UK, AD plants proved themselves to be extremely resilient, and all the operational plants funded by Prestige Funds remained fully functional. Prestige via its dedicated, specialist Finance Arranger has operated in this space for almost a decade.

If the UK is going to reach its government's 2050 target of net zero emissions, this technology has

an important role to play. The potential carbon savings are massive. According to ADBA (the Anaerobic Digestion & Bioresources Association), at its full potential, AD provides emissions savings equivalent to the emissions of all the HGVs currently operating on British roads.

Financing of biogas on a national level requires considerable expertise, especially when focusing private capital in the important ESG role of funding green energy infrastructure. In effect, private lending in this space mirrors the important higher level financing the UK government is carrying out, but at a more localised level.

Specialist private lending funds have the advantage of the local networks and expertise required to manage large loan books within the agricultural and clean energy brackets within the UK. This is not something achieved overnight.

UK agricultural sector has remained robust during lockdown

SMEs within the agricultural sector also have the advantage of having continued to function at close to or at maximum capacity as food demands within the UK have not lessened during lockdown. Many agricultural businesses face challenges as a consequence of COVID-19, but these are rarely down to a lack of demand.

Making these businesses more productive and more energy efficient, essentially more robust, is

3 *Biomethane: The Pathway To 2030* (ADBA research report, 2020)

part of the role of commercial lenders like private debt funds. There is an important social role to be played here, as these SMEs have faced a dearth of borrowing options as big banks have pulled out of the sector post-Great Financial Crisis.

Now we have another crisis on our hands, and it remains important for private debt funds to remain fully engaged with smaller businesses and advise them on how they can capitalise on the shift to a greener energy infrastructure and the benefits that can accrue from this.

This means playing a far more consultative role than simply assessing credit risks and carrying out initial on site visits. Technical expertise is required to help farmers and other rural SMEs to implement biogas or other clean energy generating facilities. Ongoing support and advice may be needed to ensure such plants are both meeting the needs of the farms they serve, while potentially also generating further wattage for local communities.

Conclusion

Local energy projects are going to be essential if the UK and other countries shift post COVID-19 towards a greener economy. Financing such infrastructure is not the role of governments alone, many of which have been stretched with the need to support economies through the coronavirus crisis. But what we do have here is an opportunity to create new jobs within the energy industry, many of them within local communities. Small scale projects are already proving that they can replace electricity being generated with fossil fuels.

Over the next two decades we anticipate that private lending funds will play a very important role in financing the expansion of clean energy infrastructure in the UK and further afield. More importantly, they have a role to play in the effective deployment of capital to SMEs in the immediate aftermath of the pandemic. There is an opportunity here to accelerate the transition to a greener economy through the effective use of private investment within the lending sector.





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