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PRESS RELEASE FOR IMMEDIATE RELEASE

06 / 2019

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## **PRESTIGE FUNDS**

### **- LAUNCHES DISTRIBUTION SHARE CLASSES FOR RECENTLY LAUNCHED AGRICULTURAL LENDING FUND**

**Growing interest in commercial lending opportunities within the UK's agriculture and green energy sectors has led to the launch of additional share classes.**

LONDON 10 June 2019: Prestige Funds, is launching two new distribution share classes for its recently launched Prime Alternative Finance - Luxembourg SICAV.

The Fund is an open-ended direct lending operating in both asset finance and project finance focusing on the UK agriculture sector, particularly SMEs.

The new share classes are:

- Distribution ID share classes are aimed at institutional investors with a minimum investment of EUR 1,000,000 (or currency equivalent) and quarterly liquidity (on 90 days' notice)
- Distribution D share classes are aimed at advisory investors with a minimum investment of EUR 125,000 (or currency equivalent) and quarterly liquidity (on 30 days' notice)

All of the above share classes will ultimately be available in hedged EUR / USD / CHF / SEK and GBP currencies.

The launch of these new share classes was prompted by increased investor interest in the Fund's strategy from both institutional and advisory clients. The new classes will help to generate more liquidity for investors' portfolios that will be similar to a bond coupon or an equity dividend.

Although Prime Alternative Finance only launched in December 2018, it is expected to surpass USD50m AUM sometime in Q4/2019 and operates in a similar way to the long established 'Prestige Alternative Finance' which has over USD700m AUM and has been successfully lending for over ten years.

Prime Alternative Finance produces returns which are not correlated to bond or equity markets by lending to businesses and infrastructure projects across the UK's rural economy. It also provides a vital source of commercial funding for these businesses and supports critical job creation at a time when commercial banks are withdrawing from the sector.

Craig Reeves, founder of Prestige Funds, commented: "Some investors are looking for a cash yield rather than an accumulation yield. We are seeing more and more interest in this strategy from investors globally as the private debt asset class matures and occupies a more important part of investor portfolios."

Prestige has hosted a record number of more than 50 site visits this year to its Cambridge and London commercial lending operations, as well as the projects that it has backed around the country. These include several clean energy projects in the UK which generate power from on-farm waste.

“We are in an investment climate where most Eurozone government bonds are providing zero or even negative yield,” Reeves added. “It is not surprising that a wider range of investors are now actively involved in or seriously contemplating private debt as an asset class.”

Prime Alternative Finance has no performance fee and an annual management fee of 1.5%. It is a Luxembourg-domiciled SICAV CIF / AIFM.

## The Macro Environment

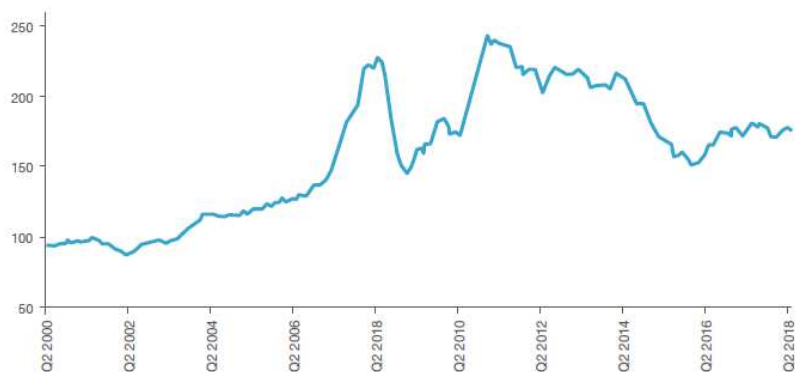
With rising costs across almost all industrial and commercial sectors farming, food and agriculture often remains deeply inefficient while at the same time the UK wastes more food than any other country in Europe and has a rising population. There is an increasing demand to finance in productivity.

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 cause 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 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 64 million people in the UK (of which approximately 8m were born overseas), and 5.7 million SMEs operating with the lowest unemployment in almost 45 years this represents a significant opportunity for investors.

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



SOURCE: Bloomberg

## **Environmental concerns**

Rising electricity prices in the UK and higher taxes on landfill are causing these businesses to turn to green energy projects as a source of on-farm energy, utilising existing waste. The UK will potentially have to source up to 20% of its gas supplies from renewable sources within ten years and entirely stop burning coal to generate electricity within 15 years. Additionally, the use of landfill is also expected to stop within 15 years. However, farming and food production is also the second largest producer of CO2 after energy production.

## **The Macro Environment - Our investors**

Negative Interest Rates / Low Bond Yields have created many “richly priced” equity markets.  
CONSIDER: Private Debt

Although these remain interesting times for both financial markets and financial advisors, Prestige operates several interesting non-market based, alternative investment opportunities that continue to produce positive results with a low correlation to traditional fixed income and equity based markets.

The nature of our direct lending businesses is specialist; Prestige Funds are niche, experienced investor strategies that can sit at the periphery of any portfolio. However, since there remains a significant number of sovereign and corporate bond yields and interest rates operating with near zero throughout Europe and elsewhere while at the same time many equity markets look “richly priced”, there is perhaps now more than at any time in recent history a requirement to provide investors with a genuine alternative inflation hedge in an increasingly uncertain and volatile world.

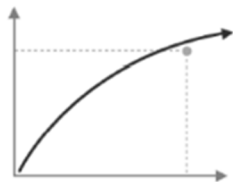
## **Alternative Lending & Private Debt has become a genuine asset class**

As interest rates have risen in the USA and elsewhere there is increasing pressure on bond prices as well as rising volatility in many equity markets. Investor interest in the direct lending / private debt space continues to increase especially since access to credit from traditional lenders for many small businesses has yet to recover to pre-2008 financial crisis levels. We are seeing an increasing number of Independent Asset Managers, Family Offices and Pension Funds allocating to this area.



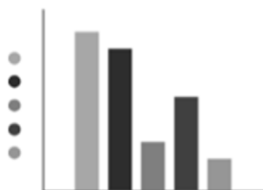
### **Diversification**

Prestige Funds 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. Typical returns in Europe and United States range from 5% to upward of 10% depending on risk, currency and duration.



### **Low Volatility**

Alternative lending and private debt create constant cashflow payments and are typically characterized 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.

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ALTERNATIVE FIXED INCOME OPPORTUNITIES

## Prime Alternative Finance

### Summary of Terms

FUND:	European Finance Opportunities S.C.A <b>Sub Fund: Prime Alternative Finance Fund</b>
DOMICILE:	Luxembourg
STRUCTURE:	SICAV-SIF
SCHEME REGULATORY TYPE:	Alternative Investment Fund Manager (AIFM)
INVESTMENT STRATEGY:	UK / Asset Based - Direct Lending
INVESTMENT MANAGER:	Prestige Capital Management Limited
INVESTMENT ADMINISTRATION & MARKETING SUPPORT:	Prestige Asset Management Limited
FUND DISTRIBUTOR:	OpenFunds Investment Services AG
FUND ADMINISTRATOR:	Mitsubishi UFJ Investor Services & Banking (Luxembourg)
FUND CUSTODIAN & BANK:	Mitsubishi UFJ Investor Services & Banking (Luxembourg)
FUND AUDITOR:	KPMG Luxembourg
SHARE CLASSES:	Participating Shares (Accumulation & Distribution) Institutional Shares (Accumulation & Distribution)
CURRENCIES:	GBP / USD / EUR / CHF / SEK
MINIMUM SUBSCRIPTION:	EUR 125,000 (or currency equivalent) - Advisory Accumulation & Distribution EUR 1 million (or currency equivalent) - Institutional Accumulation & Distribution
SUBSCRIPTIONS:	Monthly  Advisory Accumulation & Distribution: Monthly, on 30 days' notice up to 2 million EUR (or currency equivalent) subject to conditions of the Private Placement Memorandum / Offering Supplement  Institutional Accumulation & Distribution: Monthly, on 60 days' notice up to 2 million EUR (or currency equivalent) subject to conditions of the Private Placement Memorandum / Offering Supplement
FEES:	Management: 1.5% p.a. Performance: 0% Initial: 0%
REDEMPTIONS:	Advisory Accumulation & Distribution: 5% in year 1, declining by 1% p.a. Institutional Accumulation & Distribution: 1% in year 1

NOTE: Currency share class subscriptions should observe the equivalent USD base currency regulatory minimum in order to be accepted. Please see the Private Placement Memorandum/Offering Supplement for full terms and conditions.

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 1.9 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.

<http://www.prestigefunds.com/wp-content/uploads/ABOUT-PRESTIGE.pdf>

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).

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This Press Release contains information covering a Fund registered in Luxembourg, therefore not subject to UK FCA authorisation and regulation or UK investor protection and compensation schemes. European Finance Opportunities S.C.A. is a Luxembourg (SICAV-SIF), also known as Prime Alternative Finance Fund (PRALTF) which is an Alternative Investment Fund under the Alternative Investment Fund Management Directive (AIFMD). PRALTF is managed by Prestige Capital Management Limited (PCM) which is a full scope AIFM authorised and regulated by the Malta Financial Services Authority (MFSA) and is subject to the full requirements of the AIFMD. PRALTF is an experienced investor fund, and potential investors should seek professional independent financial advice prior to making any decision to invest. It is also a collective investment scheme as defined by the Commission de Surveillance du Secteur Financier (CSSF) and is licensed to carry out the activities of a collective investment scheme in the form of a Professional Investor Fund targeting respective eligible 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).

Trading of European Finance Opportunities (SICAV-SIF) - Prime Alternative Finance (Fund) began in 12/2018. Any results shown prior to this are actual audited results of Prestige Alternative Finance Fund Limited and should not be relied upon for any investment decisions. Past, future and simulated performance is no guide to future results - investments can go down as well as up and you may get back less than your original investment. Any track record/s and performance data shown is based on the actual lending results published by underlying Investment Advisor/s within the Fund, which were in existence at the time of creation but should not be relied upon when making a decision to invest. Please note that the fund described within this factsheet is not for sale in the United States of America, its territories and possessions, or available for distribution to or investment by US investors. It is your responsibility to be informed and to observe all applicable laws and regulations of any relevant jurisdiction and to satisfy yourself that your use of this information and any subsequent investment in the fund is permissible under the applicable laws, rules and regulations of any applicable government, governmental agency or regulatory organisation where you reside. Investment allocation scenarios shown are for example only and are subject to change and may vary. Further information on facts, figures and literature contained within the document is available upon request. Subscription for shares in any Prestige Fund or investment portfolio can only be made by completing the relevant application form that accompanies the Fund's Private Placement Memorandum / Offering Supplement. Any comparisons between different funds have been made on a Net Asset Value (NAV) basis, whereas any comparisons with an index have been made on an offer-to-offer basis which the Prestige Fund directors believe is fair and not misleading. Comparative data has been obtained from reliable sources. Any comments, views and opinions expressed in any Investment Advisors Summary within this document reflect those of the underlying Investment Advisor/s and may not be the current views, comments and opinions of PAML and/or its affiliates.

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