EUROPEAN UNION SUSTAINABLE FINANCE DISCLOSURES REGULATION

AIFM DISCLOSURE

Prestige Capital Management

EUROPEAN UNION SUSTAINABLE FINANCE DISCLOSURES REGULATION

(REGULATION (EU) NO.2019/2088) ("SFDR")

The disclosures contained herein relate to Prestige Capital Management Limited ("the AIFM" or "PCML") and the AIF managed by the AIFM: European Finance Opportunities S.C.A. (SICAV-SIF) – Prime Alternative Finance Sub-Fund ("the AIF", "the Fund" or "the financial product").

SUMMARY

Prestige Capital Management Limited ("PCML") maintains a Sustainable Investment proposition across both our asset management organisation and also within our associated lending businesses. We feel this works to the benefit of our employees, investors, strategic partners and borrowers.

Disclosures have been made in consideration of Articles 4(1), 6(1) and 7(2) of the SFDR. The Fund is a financial product within the meaning of Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector ("the SFDR") Any reference to "We" in this disclosure shall refer to PCML in its capacity as AIFM of the Fund.

Environmental characteristics

The financial product managed by the AIFM pursue multiple lending strategies with environmental characteristics, working closely with lending partners who maintain their own ESG policies. Our lending project finance strategy contributes strongly to the development of clean energy from bio-waste, reducing carbon emissions from landfill and providing the UK grid with clean energy from non-fossil fuel sources.

Governance

Prestige Capital Management Limited already maintains governance and risk management processes within our fund management and lending risk activities. This includes an additional layer of independent risk oversight covering the lending activity of our finance partners.

We ensure all of our finance partners follow stringent risk management and due diligence requirements, including Know Your Client (KYC), Know Your Asset (KYA), and Anti Money Laundering (AML) policies.

We adhere to fund management industry best practice when it comes to oversight and the appointment of our independent directors.

Our committees and boards include both male and female members with a strong, well-informed management attitude that is both alert and responsive to the challenges and opportunities of doing business responsibly. PCML continues to work with law-abiding businesses that demonstrate responsible business practice, meeting all legal and regulatory requirements.

Our governance and ESG policies are reviewed on a regular basis. We also liaise closely with our lending partners on their own governance and ESG policies.

In addition to the Summary themes above, we note the following sections detailed hereunder: (i) No sustainable investment objective (ii) Environmental or social characteristics of the financial product (iii) Investment strategy (iv) Proportion of investments; (v) Monitoring of environmental or social characteristics (vi) Methodologies (vii) Data sources and processing; (viii) Limitations to methodologies and data; (ix) Due diligence; (x) Engagement policies; (xi) Designated reference benchmark indices.

NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product ("The Fund" or "PRALTF") promotes environmental characteristics but does not have as its objective sustainable investment.

The Fund undertakes an assessment of the Principal Adverse Impacts ("PAIs") of our decisions on ESG Factors. PAIs are those impacts arising from a particular decision taken that will eventually have a negative effect on ESG Factors.

Where the PAI cannot possibly be determined due to insufficient disclosure or lack of tangible data, we will actively engage with the target company in question and should no commitment be made by the latter to mitigate the PAI, this matter will be factored into the decision-making process.

We will not knowingly invest in companies involved in the following activities:

- arms manufacturing;
- manufacture of tobacco;
- hard spirits;
- gambling;
- genetically modified organisms;
- oil production;
- coal/mining;
- pornography;
- sanctioned companies and individuals (UK/US/EU)

We assess these types of investments on a case-by-case basis and any potential for indirect exposure is carefully considered and factored into investment selection.

The "does no significant harm" principle applies to the investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities and has been aligned with the "does no significant harm" principles as set out in the Commission Delegated Regulation (EU) dated 04 June 2021, supplementing Regulation (EU) 2020/852 as it pertains to the anaerobic digestion of bio-waste.

We do not make any investments in any organisation which would contravene OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, or the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. Respect for Human Rights is embedded in our core values. We are a signatory to the UN PRI (Principles for Responsible Investment) standards since May 2021, and in full adherence to local law in every jurisdiction in which we have a footprint. In any rare occasion where there is a divergence between local law and international human rights law, we will always apply the higher standard.

ENVIRONMENTAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

Direct Lending strategies such as ours contribute to an environmentally sound investment strategy. For example, this financial product will follow clearly defined strategies which support critical parts of the economy, such as renewable energy generation or farming. This financial product finances the construction and development of Anaerobic Digestion (AD) plants which turn food, animal and crop waste into energy, reducing landfill and greenhouse gas emissions as well as producing natural fertiliser from digestate residues. The projects and assets that this financial product funds help small rural businesses to expand, creating jobs and strengthening local communities.

Our investment team strives to promote, where applicable and appropriate, the awareness and understanding of sustainability considerations and integrate these into our investment decision making process and engagement efforts. As a result, and where appropriate, information on sustainability factors and the related sustainability risks are incorporated into our processes at an investment stage when undertaking due diligence on target investments of a particular asset class. Furthermore, and whenever possible, an assessment is also carried out in terms of the potential financial impact in the long-term.

When undertaking sustainability analysis, we obtain information from a variety of sources, including, but not limited to:

i. the target company itself;

ii. third party specialist data providers;

iii. brokers; and

iv. academics.

INVESTMENT STRATEGY

Investment Objective

European Finance Opportunities S.C.A. SICAV SIF – Prime Alternative Finance (PRALTF) operates an absolute return based, alternative investment strategy that will target renewable energy projects which by nature provide a ready source of clean energy to the United Kingdom energy infrastructure benefitting amongst others, farming and rural communities and the economy more generally. The employment of this objective has an aim to provide its shareholders with a favourable rate of return while controlling risk and to achieve significant long term capital growth through the diversified investments made by the Sub-Fund in furtherance of the development of the UK renewable energy sector.

Integration

Where PRALTF is concerned and based on the Fund's investment objective as defined above, the Fund considers principal adverse impacts of investment decisions, as per above, in respect of sustainability factors and integrates qualitative sustainability risks into its' asset allocation. The AIFM also considers that PAIs are mitigated by the very nature of the investment strategy of PRALTF which is targeting only renewable energy projects.

SFDR defines 'sustainability risk' as an "environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment".

We conduct proprietary, detailed research to understand the long-term sustainability of earnings and the risk profile of an asset class. We also adopt a pragmatic approach whereby information on sustainability factors are integrated into established investment assessment processes. We do not have separate sustainability focused processes and do not automatically exclude investments in a particular asset class purely on sustainability grounds, if it is felt that such sustainability risks do not necessarily pose a financial risk in the long term and that the environmental characteristic is not significantly harmed.

Good governance, Negative and Positive Screening & Exclusions

We ensure all our finance partners follow stringent risk management and due diligence requirements, including Know Your Client (KYC), Know Your Asset (KYA), and Anti Money Laundering (AML) policies.

We also adhere to fund management industry best practice when it comes to oversight and the appointment of independent directors. PCML committees and boards include both male and female members with a strong, well-informed management attitude that is both alert and responsive to the challenges and opportunities of doing business responsibly. PCML continues to work with law-abiding businesses that demonstrate responsible business practice, meeting all legal and regulatory requirements.

Our governance and ESG policies are reviewed on a regular basis. We also liaise closely with our lending partners on their own governance and ESG policies.

We will actively engage with our counterparties to understand whether they have concerns about specific activities and / or industries in order to maintain such exclusions on an on-going basis.

We also screen target companies / products that promote and provide solutions that are consistent with sustainability factors and aim to include such products in the portfolios that we manage and positively recommend such products on an on-going basis.

Remuneration Policy

In line with our Remuneration Policy, no variable remuneration is paid to our staff unless it is determined to be justified following a performance assessment based on quantitative (financial) as well as qualitative (non-financial) criteria.

Due to this very limited impact on the risk-profile of our clients, as well as the nature of our business, we deem that there is no risk of misalignment with the integration of the sustainability risks in our investment decision making process with respect to our clients. As such, we believe that our existing structures are sufficient to prevent excessive risk taking in respect of sustainability risks.

Our lending policies incorporate sustainability criteria within the decision-making process that also focuses on the creditworthiness of the end borrower.

In addition, the financial product managed by the AIFM pursues specific lending programs that are more proactive, helping to create jobs, support minority owned businesses, and stimulate sources of green energy, along the themes as outlined here-in.

Tax Compliance

We remain in full tax compliance in every jurisdiction in which we operate. Payment of taxes is a corporate governance responsibility, and we expect any target investment entity to pay the appropriate level of tax in the jurisdictions where they have operations and are subject to such liabilities.

Further details may be found at the following link to the AIFMs Sustainability Related Disclosures: <insert link to pdf policy>

PROPORTION OF INVESTMENTS

The financial product does not have an environmental objective but has an environmental characteristic. It, however, notes the 100% allocation to project finance loans with environmental characteristics in promoting UK renewable energy.

The asset allocation for this financial product is 100% Category 1A Sustainable with sustainable investments aligned with EU Taxonomy representing 62.80% of the assets deployed by the Fund and the remaining 37.20% of assets deployed being considered other environmentally sustainable investments that are aligned with the SFDR. More precisely, Taxonomy aligned CapEx stands at 62.80% of Loan balances to crop waste feedstock inputs and Other environmental CapEx stands at 37.20% of Loan balances. This alignment has been assessed as set out in the Commission Delegated Regulation (EU) dated 04 June 2021, supplementing Regulation (EU) 2020/852 as it pertains to the anaerobic digestion of bio-waste.

MONITORING OF ENVIRONMENTAL CHARACTERISTICS

As elaborated in our Sustainability Related Disclosures, we assess and monitor on both a positive impact and negative impact basis. We consider and, where possible mitigate adverse impacts of portfolio investments on environment and society metrics primarily through decisions taken by Portfolio Managers, Fund Directors, and criteria assessment at the level of the Finance Arranger.

In addition to ongoing monitoring and dialogue with target portfolio lendees, we rely on various sources of information to analyse and monitor potential investments, including financial press news screening, analysis from other financial institutions where made available to us and sustainability research providers such as service providers and UN PRI research.

While we monitor sustainability characteristics, we also consider that sustainability risks are mitigated by the very nature of the positive sustainability impact resulting from the successful, and sole, employment of the investment objective as defined above.

METHODOLOGIES FOR ENVIRONMENTAL CHARACTERISTICS

The methodologies used by us in our investment decision making process ensure that loan agreements entered into in the employment of its investment objective are only made to UK renewable energy borrowers that comply with the criteria as defined in the SFDR/Taxonomy regulation.

Given the singular nature of the investment objective and its employment via one Finance Arranger in the UK any deployment of the AIFs capital will only be in furtherance of these goals in supporting UK renewable energy. The Finance Arranger specialises solely in the construction and project management of Anaerobic Digestion (AD) bio-waste plants. The Finance Arranger, in its review and approval of financing criteria ensures, as a UK regulated legal entity subject to UK environmental planning that there is no harmful impact to Climate change adaptation, Transition to a circular economy, Pollution prevention and control, and the Protection and restoration of biodiversity and ecosystems.

DATA SOURCES AND PROCESSING

At present, no external data sources are used to obtain the environmental characteristics promoted by this financial product. Sustainability risks and/or opportunities vary by country, industry, markets, as well as by characteristics specific to any target company such as size and geographical footprint. These matters are taken into consideration when undertaking the assessment of the Sustainability Factors and Sustainability Risks associated with any target investment. We rely on an array of internally sourced data in making investment decisions which is in the form of monthly qualitative and quantitative Management Information, along with stringent assessment of credit applications for lending drawdowns into target investments. It should be noted that the geographical footprint of the investment objectives is limited only to the United Kingdom.

We do not make use of any investment advisors in the employment of our investment objective.

LIMITATIONS TO METHODOLOGIES AND DATA

The only limitation to methodologies and data are in reference to third party specialist data providers, these at present are not used. Due to the sole employment of the Investment Objective via one Finance Arranger, we note that external data sources in this very niche space of the UK renewable energy sector are largely not available and are qualitative only. These limitations do not affect how the environmental characteristics promoted by this financial product are met. This is on the basis that we are able to place reliance on the fact that its Finance arranger operates in the renewables market space only and considers any limitations in this regard to be sufficiently mitigated. Nonetheless data quality is assessed for accuracy, completeness, consistency, timeliness, and validity.

DUE DILIGENCE

Information on Sustainability Factors and related Sustainability Risks are incorporated into our investment decision-making processes at the asset selection stage when undertaking due diligence on new asset classes and where possible, assessed in terms of the potential financial impact in the long term. Specific to sustainability factors, we screen target companies/products that promote and provide solutions that are consistent with sustainability factors that have a certain set of attributes which the fund manager believes to contribute to outperformance and aims at including such products in the portfolios managed by PCML. In particular, financial products who feature sustainability factors that would mitigate Sustainability Risks (e.g. Environmental Risk, Social Risk, or Governance Risk) are positively recommended, on an on-going basis.

In addition to Sustainability Factors, the following key areas will be assessed during a target investment's due diligence exercise:

Commercial: Commercial due diligence involves a comprehensive review of the Target Investment's business model and business plan in the context of projected market conditions and industry/competition.

Financial: Finance due diligence is critical for verifying the general integrity of the Target Investment's financials and for generating the most accurate price before executing the transaction.

Tax: Tax due diligence aims to identify tax-related issues and ensuring tax transparency. This generally includes historic tax compliance, change in tax laws and regulations, and any pending tax audits or litigation.

Operations: Operations due diligence goes beyond the typical commercial and financial examinations to investigate a business's operational infrastructure. This includes functional areas such as: Human Capital, Supply Chain, Procurement and Operational Cost reduction effectiveness.

Legal, Regulatory and Compliance: Legal, Regulatory and Compliance due diligence tests the effectiveness of any target investment from a 2nd and 3rd Line of Defence perspective. This includes assessment or verification of: Corporate Structure, Share Capital, Compliance framework, or any outstanding litigation.

ENGAGEMENT POLICIES

We do not consider engagement as part of our investment strategy.

We monitor emerging issues, regulatory developments, concerns of key stakeholders, as well as best practices relating to environmental risk management. However, we clarify that no investment by this financial product has delegated any responsibility on proxy voting to the AIFM or any of its representatives.

Given that the scope of this financial product is limited to private debt loan facility drawdowns via one Finance Arranger, there are at present no additional target investment entities as a part of our deployment strategy.

DESIGNATED REFERENCE BENCHMARKS

There are no designated reference benchmarks, or indices, employed in the investment objective to meet the environmental characteristics promoted by the financial product.

Further information, including specifics to the financial product to which these disclosures relate, may be found in the Private Placement Memorandum, available upon request to:

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