

Prestige Capital Management

European Union Sustainable Finance Disclosure Regulation
(Regulation (EU) NO.2019/2088) (“SFDR”)



EUROPEAN UNION SUSTAINABLE FINANCE DISCLOSURE REGULATION (REGULATION (EU) NO.2019/2088) (“SFDR”)

The Disclosure contained herein relates to the Investment Funds (“the AIF(s)”), managed by Prestige Capital Management Limited (“the AIFM”).

- Premium Alternative S.A. (SICAV-SIF), in respect of sub-funds Commercial Finance Opportunities (“CFO”) and Multi Finance Opportunities (“MFO”)
- European Finance Opportunities S.C.A. (SICAV-SIF) in respect of sub-fund Prime Alternative Finance Fund

The Disclosure has been made in consideration of Articles 6(1) and 7(2) of the SFDR:

Responsible and Sustainable Investing

Our investment team strives to promote, where applicable and appropriate, the awareness and understanding of ESG considerations and integrate these into our investment decision making process and engagement efforts. As a result, and where appropriate, information on ESG factors and the related ESG 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 the ESG analysis, we will seek to 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.

We have adopted various approaches to integrate the consideration of environmental, social and governance (ESG) factors into our investment decision-making process:

Investment Objectives

Premium Alternative S.A. (SICAV-SIF), in respect of sub-funds Commercial Finance Opportunities (“CFO”) and Multi Finance Opportunities (“MFO”):

The investment objective of the Premium Alternative S.A. (SICAV-SIF) - Commercial Finance Opportunities Fund is to generate stable returns and achieve competitive investment performance while preserving capital by means of active management of private debt markets investments. The Sub-Fund's aim is to achieve this objective by taking direct or indirect exposure to loan/debt investments in small and medium sized enterprises (SMEs) in the United States, the United Kingdom and Europe. Based on the Fund's investment objective, the AIFM has decided that sustainability risks are not relevant for the purpose of the assessment required under Article 6(1) of the SFDR considering that the Fund's investment objectives do not pursue ESG goals.

The investment objective of the Premium Alternative S.A. (SICAV-SIF) - Multi Finance Opportunities Fund is to achieve long-term capital growth by investing in investment finance, factoring, lending and leasing globally. The investment policy is primarily focused on investments in other fund vehicles (whether or not structured through special purpose vehicles (the SPVs)). The Sub-Fund may invest through different corporate structures. Accordingly, an investment may be routed through SPVs rather than made directly by the Sub-Fund. Based on the Fund's investment objective, the AIFM has decided that sustainability risks are not relevant for the purpose of the assessment required under Article 6(1) of the SFDR considering that the Fund's investment objectives do not pursue ESG goals.

The investment objective of the European Finance Opportunities S.C.A. (SICAV-SIF) ("EFO") is to achieve steady long term capital growth through diversified investments (directly or indirectly) in finance lease or hire purchase contracts and loans ("Finance Contracts") which are secured against assets. As to the sub-fund specifically - Prime Alternative Finance Fund - the AIFM considers that sustainability risks are mitigated by the very nature of the positive ESG impact resulting from the successful employment of the investment objective.

Integration

Where EFO is concerned, and based on the Fund's investment objective which notably targets many 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 AIFM has decided to consider principal adverse impacts of investment decisions in respect of the Fund on sustainability factors and to integrate qualitative sustainability risks into the AIFM's investment decisions

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 ESG factors is integrated into established investment assessment processes. We do not have separate ESG focused processes and do not automatically exclude investments in a particular asset class purely on ESG grounds if we feel that such ESG risks do not necessarily pose a financial risk in the long term.

Negative and positive screening

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 ESG factors and aims at including such products in the portfolios that we manage and positively recommend such products on an on-going basis.

Exclusions

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

- arms manufacturing;
- manufacture of tobacco;
- hard spirits;
- gambling; and
- genetically modified organisms.

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.

Principal Adverse Impacts

We undertake 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.

Alignment of Remuneration Policy with sustainability investments

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.

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INTERNATIONAL FUND MANAGEMENT SERVICES

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