



VICTORY HILL

VH Global Sustainable Energy Opportunities plc

# VH GLOBAL SUSTAINABLE ENERGY OPPORTUNITIES PLC

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March 2022

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Section I

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# OVERVIEW & HIGHLIGHTS

# VH GLOBAL SUSTAINABLE ENERGY OPPORTUNITIES PLC (“GSEO”) OVERVIEW

Building a global portfolio of energy infrastructure assets that support the UN Sustainable Development Goals

- Investing in EU and OECD jurisdictions\* whilst being technologically diverse
- Growth and income portfolio with growth driven by genuine asset management
- Invest beyond renewables and help in achieving Net Zero globally
- Minimal exposure to power prices
- Long-term, inflation-linked fixed price contracts with investment grade counterparties around the world
- Strong outlook for the sector with opportunities identified in energy markets throughout each major continent in the world

10%\*\*

Target total return  
net of fees

5p

Dividend yield  
reaffirmed for 2022

104.0p

Net Asset Value as at  
31 December 2021

£323.9m

Portfolio valuation as  
at 31 December 2021

26,328t

Predicted portfolio annual  
CO<sub>2</sub> avoidance

244,570 MWh

Portfolio estimated  
power generation

Note: \* Can include OECD accession and Key Partner countries. Should risk and reward be acceptable, the portfolio could include up to 10% of GAV tolerance for investments in non-OECD member jurisdictions. \*\*This is a target and is based on current market conditions as at the date of this presentation only and not a profit forecast. There can be no assurance that this target will be met or that VH Global Sustainable Energy Opportunities plc (VH GSEO or the Fund) will make any distributions at all. This target return should not be taken as an indication of the Fund's expected or actual current or future return. Note: Please refer to 31 December 2021 Annual Report for reference and further details



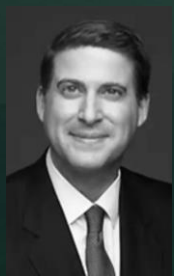
# INVESTMENT ADVISOR – VICTORY HILL CAPITAL ADVISORS LLP

Highly experienced and multi-disciplinary team having worked together for over 7 years

Experienced investment principals with an average of over 22 years energy experience completing over 94 energy deals across 33 jurisdictions

Established team track record across M&A and capital markets in the energy sector

14 members of staff based in London



**ANTHONY CATACHANAS**  
CHIEF EXECUTIVE OFFICER

**Skills and experience**

17 years in private equity and investment banking. Worked for Mizuho Financial Group, Goldman Sachs, Credit Suisse Securities, ABN Amro Bank, the European Central Bank and the European Parliament.



**EDUARDO MONTEIRO**  
CO-CHIEF INVESTMENT OFFICER

**Skills and experience**

21 years in M&A and corporate finance advisory. Worked for Mizuho Financial Group, Société Générale, ABN Amro Bank and JP Morgan CIB.



**RICHARD LUM**  
CO-CHIEF INVESTMENT OFFICER

**Skills and experience**

27 years in natural resource structured finance and banking. Worked at Mizuho Financial Group, Standard Chartered Bank, West LB Markets and Bayern LB.



**MICHAEL EGAN, CA, CFA**  
CHIEF FINANCIAL OFFICER

**Skills and experience**

21 years of principal M&A, investment banking, restructuring and structured finance. Worked for Steinhoff International, Lehman Brothers and KPMG.



**ELEANOR FRASER-SMITH**  
HEAD OF SUSTAINABILITY

**Skills and experience**

Over 15 years working in Corporate Responsibility and Sustainability in the Energy and Defence sectors. Worked at Cobham Plc, Global Collaborations Inc., Marathon Oil Company and IEPECA.



**NAVIN CHAUHAN**  
HEAD OF BUSINESS DEVELOPMENT

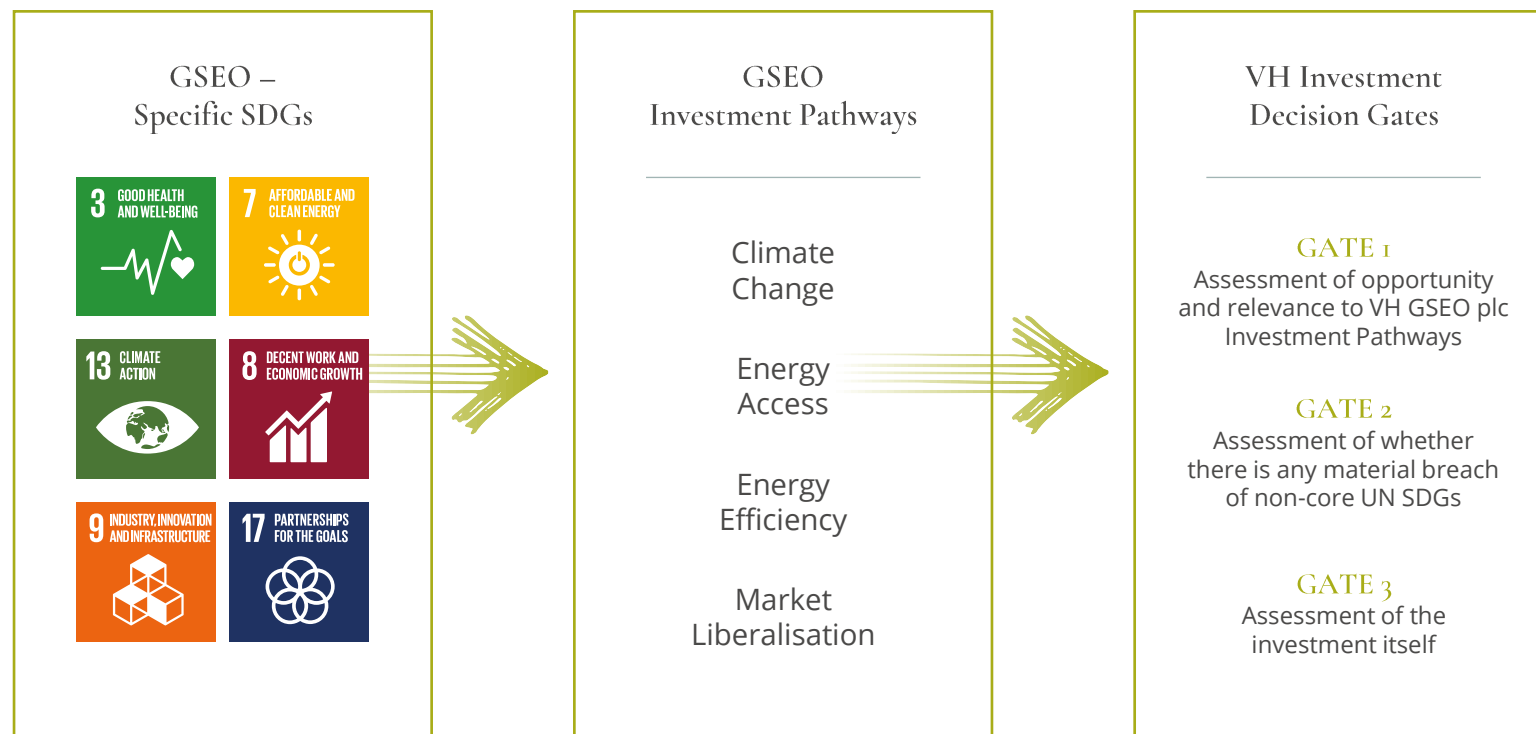
**Skills and experience**

Over 15 years in the fund management industry working across both the buy and sell-side. Previously at Cantor Fitzgerald, Quilter Cheviot, Bank of America Merrill Lynch and Russell Investments. He had been identified as a Top 100 Funds Analyst from 2013-2017

# VH GLOBAL SUSTAINABLE ENERGY OPPORTUNITIES PLC (“GSEO”) OVERVIEW

We don't aim to tie investments to sustainability rather we start with sustainability and look for investments

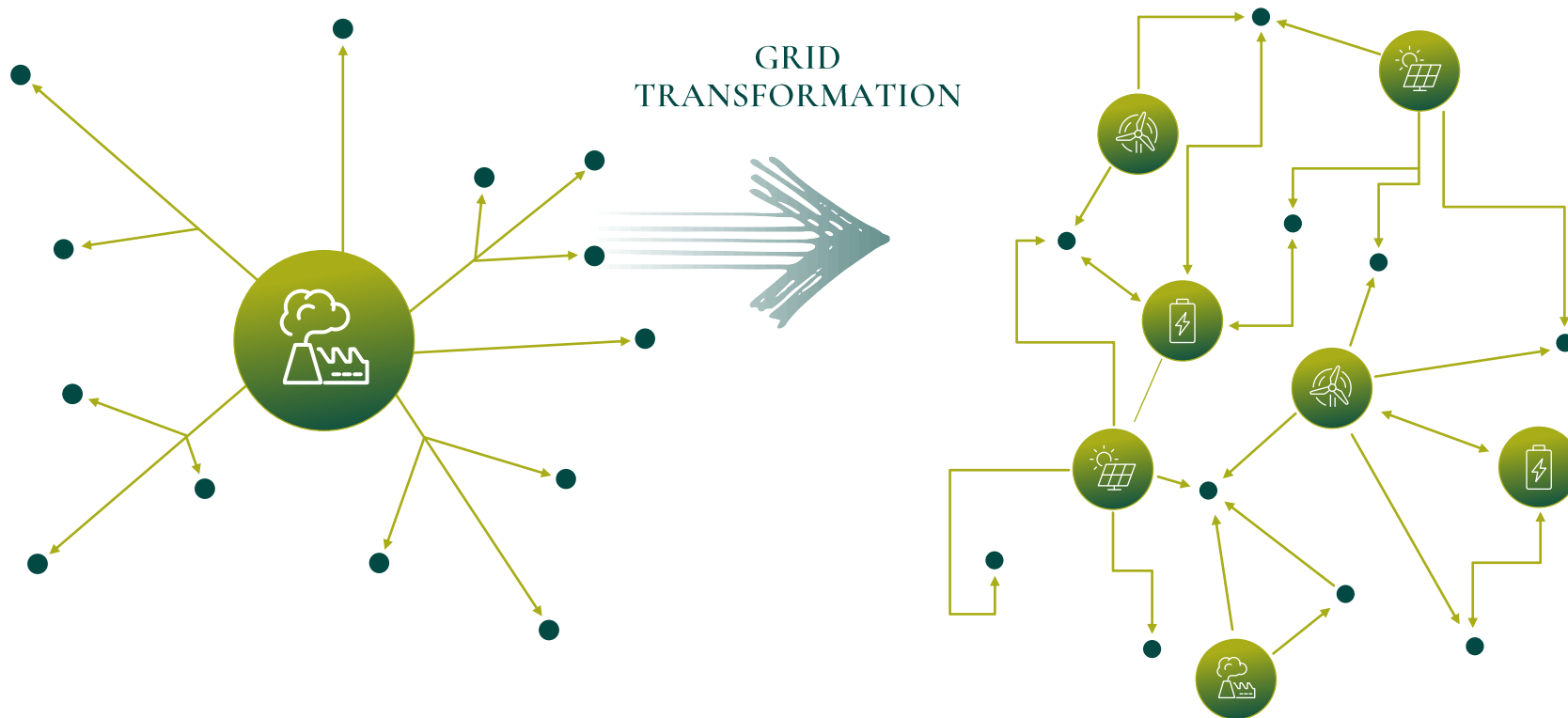
## INVESTMENT DECISION PROCESS



# THE PARADIGM CHANGE IN POWER MARKETS

Yesterday's Electricity Grid

Today's Power Generation Choices



Note: Victory Hill's view of the paradigm change in power markets.



## Section 2

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# FINANCIAL HIGHLIGHTS



# HIGHLIGHTS FOR YEAR ENDED 31 DECEMBER 2021

## Performance

- 8.3% total shareholder return
- 104.0p net asset value
- 1.25p dividend declared and paid on 10 December 2021 and 5p dividend reaffirmed for 2022
- £323.9m gross asset valuation

## Capital Raising

- £242.6m raised at IPO on 2 February 2021
- £70m raised on 01 December 2021

## Investment Activity

- 24 assets across 4 countries: 2 operating terminals in the US, 18 solar PV sites in Brazil, 2 solar PV sites in Australia, 2 net zero flexible power generation assets in the UK
- No leverage at the company level
- 16% debt over total capitalisation of US project (less than 5% at portfolio level)

## ESG

- 224,570 MWh total forecast renewable energy generated
- 26,328t total avoided carbon emissions
- 55.5 tCO<sub>2</sub> / \$m weighted average carbon intensity

## Outlook

- Sustainable energy investments will continue to be supported by favourable market conditions and through both the existing portfolio and significant pipeline of new investment opportunities

Source: 31 December 2021 Annual Report

# FINANCIAL HIGHLIGHTS

## FOR YEAR ENDED 31 DECEMBER 2021

8.3%

total shareholder return

104.0p

net asset Value:  
+6.1% since IPO

1.25p

dividend declared and paid  
on 10 December 2021  
vs. target of at least 1p

£323.9m

gross asset valuation

5p

dividend for 2022 reaffirmed

£20.37m

profit

1.0x

dividend  
cash cover

10.52p

earnings  
per share

Source: 31 December 2021 Annual Report

# FINANCIAL HIGHLIGHTS

## FOR YEAR ENDED 31 DECEMBER 2021



Source: 31 December 2021 Annual Report

# FINANCIAL HIGHLIGHTS

## FOR YEAR ENDED 31 DECEMBER 2021

	Base case	Change in input	Change in fair value of investments (£'000)	Change in NAV per share (%)
Discount rate	6.8%	-0.50%	3,841	0.01
		0.50%	(3,526)	(0.01)
Inflation	2.0%	-0.50%	(5,540)	(0.02)
		0.50%	5,979	0.02
Asset life	30 years	-1 year	(1,127)	(0.00)
		+1 year	1,034	0.00
Operating expenses		-5%	2,518	0.01
		5%	(2,493)	(0.01)
FX (GBP:USD)	1.3532	-10%	7,096	0.02
		10%	(5,805)	(0.02)
FX (GBP:BRL)	7.5388	-10%	4,108	0.01
		10%	(3,361)	(0.01)
FX (GBP:AUD)	1.8603	-10%	1,753	0.01
		10%	(1,434)	(0.00)

The sensitivities above are assumed to be independent of each other. Combined sensitivities are not presented.

Source: 31 December 2021 Annual Report



# FINANCIAL HIGHLIGHTS

## FOR YEAR ENDED 31 DECEMBER 2021

Income Statement	Period ended 31 December 2021 £'000
Gains on investments	22,046
Investment income	1,674
Total income	23,720
Fund expenses	(3,354)
<b>Profit before tax</b>	<b>20,366</b>
Earnings per share (pence)	10.52
<b>Ongoing charges</b>	<b>1.42%</b>
Balance Sheet	Period ended 31 December 2021 £'000
Investments at fair value	159,618
Cash	163,810
Debt	0
Working capital	470
<b>Net Assets</b>	<b>323,898</b>
<b>NAV per share (pence)</b>	<b>103.95</b>
Cash Flow Statement	Period ended 31 December 2021 £'000
Cash from operations	(3,699)
Equity issuance (net of costs)	306,565
New investments	(136,023)
Movement in borrowings	0
Dividends paid	(3,033)
<b>Cash at end of the period</b>	<b>163,810</b>

Source: 31 December 2021 Annual Report

Section 3

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# PORTFOLIO UPDATE

# PORTFOLIO

## Investment updates:

- Uplift in US assets drives portfolio NAV gains
- Brazil and UK assets valued at cost for the construction period but will be revalued at fair value once operational
- Australian asset measured at fair value whilst battery storage solution is implemented which is main value driver
- Further revenue drivers for US asset and originate more contracts
- Expansion of US assets
- Regulatory framework favourable in Brazil

24 | Assets globally

30 | years Weighted average project life\*

90% | contracted revenue

\* Useful life is applied as an assumption in determining investment valuation of the US terminal storage project.  
Source: 31 December 2021 Annual Report

# PORTFOLIO



Geographic Split as % of Total Committed Capital



- United States 29%
- United Kingdom 32%
- Australia 20%
- Brazil 19%

Technology split as % of Total Committed Capital



- Liquidity Storage 29%
- Flexible Power + CCR 32%
- Solar PV & Battery Storage 20%
- Solar PV 19%

Operational vs Construction as % of Total Committed Capital



- Operational 49%
- Construction 51%

Revenue Mix as % of Total Committed Capital



- Fixed-price PPA 61%
- Availability 29%
- Merchant 10%



## Section 4

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ESG

# ESG DATA HIGHLIGHTS

- Avoided emissions whilst improving Mexico’s air quality

PM10	941t
Carbon Monoxide	192t
Sulfur Oxides	18,492t

- Forecast renewable energy generated in first year 224,570 MWh equivalent of 61HA of UK reforestation
- Predicted Portfolio avoided emissions through renewable energy generation and carbon capture & reuse
  - 26,328 Tonnes CO<sub>2</sub>e equivalent to 6,000 UK cars off the road
- Predicted pay back on embodied carbon emissions for the portfolio to reach Net Zero is estimated at 10 years

- 2022 is the baseline year for the fund and the investment advisor has identified several key performance indicators for future reporting to demonstrate commitment and contribution to the Net Zero target

Capital invested into energy transition focused assets (as per strategy)

Return on embodied carbon

MHW of renewable energy produced

Tonnes of CO avoided

Tonnes of carbon avoided

Tonnes of PM10 avoided

Tonnes of SOX avoided

Tonnes of carbon sequestered

Note: Please refer to 31 December 2021 Annual Report for reference and further details.

# FUND SUSTAINABILITY HIGHLIGHTS

## The Sustainable Development Goals (SDG) are a blueprint for driving the investment strategy

- EIA energy sector relevant Sustainable Development Goals (SDGs) and those that relate to capital investment in infrastructure are distilled into four investment pathways
- Addressing Climate Change
- Energy Access
- Energy Efficiency
- Market Liberalisation



## Article 9 fund with a sustainable investment objective (EU sustainable finance disclosure regulation (SFDR))

- The fund objective is sustainable investment focused on a diversified portfolio of global sustainable energy infrastructure assets to support the attainment of the sustainable development goals and accelerating the energy transition to net zero
- This sustainable investment objectives aligns the fund with article 9 of the EU sustainable finance disclosure regulation (SFDR)
- 71% of the portfolio is EU taxonomy aligned on climate change mitigation
- 29% of the portfolio is focussed on a different objective of pollution prevention and control

## The investments work to improve environmental and social outcomes

- In Brazil investment in a portfolio of solar PV project will accelerate the growth of a sustainable energy system by improving and securing localised access to clean energy and helping to lower Brazilian energy prices
- The flexible power project in the UK will use a less pollutive fuel in natural gas as well as remove emissions through efficient carbon capture and reuse technologies. The carbon dioxide is then sold as a product into other markets contributing to a circular economy
- Battery storage in Australia will optimise renewable energy flows into the grid displacing carbon intensive fossil fuel generation
- Terminal storage in Texas enables the displacement of high sulfur fuel oil in the Mexican markets contributing to cleaner air and reducing ill health caused by air pollution

## Embedding ESG factors into all

- The Investment Adviser identifies and integrates material ESG risks, impacts and opportunities into investment decision-making and asset management processes to deliver sustainability aligned outcomes and performance improvements
- The fund is in a unique position to address climate related risks and opportunities under the TCFD because of its strategic alignment with the energy transition to net zero

Note: Please refer to 31 December 2021 Annual Report for reference and further details.



## Section 5

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# VH GSEO PLC SUMMARY



# SUMMARY

## Company Strengths

- Delivering on capital deployment since IPO into 'Enhanced Pipeline' assets defined in the Company's prospectus
- Competitive acquisition valuations
- Offering a high-impact investment proposition
- Focus on investments across jurisdiction and technologies creating a truly diversified portfolio
- Continue to originate a pipeline of impactful projects addressing localised sustainability requirements
- Sector leading target returns

## Management Team Strengths

- Average of 22 years dedicated to energy finance and the energy industry
- Diverse – multi-national and multilingual – transactional team
- Investment team with established experience in financing and acquiring a broad range of energy technologies across multiple jurisdictions
- Strong relationships with mid-market developers globally

VH GSEO targets direct investments that align with the Sustainable Development Goals, and adhere with:



United Nations  
Global Compact



## Section 6

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# APPENDIX



# HIGHLY EXPERIENCED BOARD



**Bernard Bulkin, PhD, OBE**

Chairman of the Board

Over 35 years in the energy industry. Experienced board member and chairman. Currently Board Director of ATN International, NASDAQ-listed company, Member of the Board of energy group ARQ Ltd. Business and commercial roles including Chief Scientist of BP, former member of the UK Sustainable Development Commission and Chair of The Office of Renewable Energy of UK Government.



**Louise Kingham, CBE**

Board Member

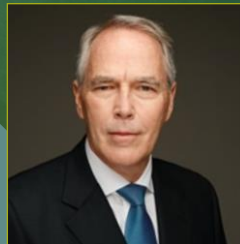
Over 28 years in the energy industry. She is currently BP's UK head of country and senior vice president for Europe. Prior to this, Louise was CEO of the Energy Institute. She is current non-executive board member of the Energy Saving Trust and Chair of its charitable Foundation. She is also an Ambassador for the POWERful Women initiative and chair of BITC's Climate Action leadership team.



**Margaret Stephens**

Chair of the Audit & Risk Committee

28 year career with KPMG, 16 years as a Partner focused on Infrastructure and International M&A. Currently Chair of Audit of the Nuclear Liabilities Fund, Member of Advisory Committee for The Infrastructure Forum and NED of AVI Japan Opportunity Trust plc. Previously a Non-Executive Board Member and Chair of the Audit & Risk Committee at the Department for Exiting the EU.



**Richard Horlick**

Chair of the Management Engagement Committee

Over 35 years in the investment management industry. Currently Chair of CCLA Investment Management, and Chair of BH Macro plc. Former roles at Newton IM, Fidelity International, including CEO of Fidelity Management Trust Company & board member and Global Head of Investments at Schroders, and Co-Founder of Spencer House Capital Management.

# BOARD BIOGRAPHIES

## Bernard Bulkin, PhD, OBE

Chairman of the Board

**Bernie** spent the first 18 years of his career as an academic scientist, teacher and leader at various New York universities. For his research he received the Coblenz Award, the Society of Applied Spectroscopy Gold Medal, the Sigma Xi Distinguished Research Citation, and the Oscar Foster Award in Chemical Education. In his second career, he spent another 18 years in a variety of industrial management and research positions with BP, including Head of the Products Division, Vice President for Refining, Chief Technology Officer for BP Oil, Vice President Environmental Affairs, and eventually as its Chief Scientist. After leaving BP in March 2004, Bernie has been a venture capitalist with California firm Vantage Point and London firm Ludgate Investments Ltd, he has been on the board of over 11 companies, chairing two UK public companies and currently serves as a non-executive director of ATN International and ARQ, Ltd. He has also held several posts with the UK Government including Chair of The Office of Renewable Energy and Commissioner for Energy and Transport of the UK Sustainable Development Commission.

In addition to his career in the energy and financial industries, Bernie has held numerous positions with top educational and charitable organizations. He is Emeritus Professorial Fellow of Murray Edwards College, University of Cambridge and is a Vice President of the Energy Institute. Bernie holds a degree in Chemistry from the Polytechnic Institute of Brooklyn, a Ph.D. in Physical Chemistry from Purdue University, NSF Postdoctoral Fellow, Eidg. Techn. Hochschule in Zurich. He was also a Professor at the City University of New York, Professor and Dean of Arts and Sciences at the Polytechnic Institute of New York and an Honorary Professor at the University of York in the United Kingdom.

His radio programs, Environment on the Edge, were heard on Voice America, he has contributed regularly to Huffington Post, and he is the author of the 2015 book on leadership, Crash Course and of Solving Chemistry, published in 2019. He was made an Officer of the Order of the British Empire by the Queen in the New Year Honours list 2017.

## Louise Kingham, CBE

Board Member

**Louise** is a non-executive board member of VH Global Sustainable Energy Opportunities plc. In this capacity, she will be responsible for advising and assisting the Board on matters relating to the sustainability and energy market trends. Louise has spent almost three decades working with energy professionals around the world. She is currently BP's UK Head of Country & Senior Vice President for Europe working as part of the group leadership team to transform BP into an integrated energy company and to help the world get to Net Zero. Prior to this, she was the Chief Executive of the Energy Institute for 18 years promoting industry good practice, evidence-based policy debate and individual professional development, working with energy companies and their people across more than 100 countries. Prior to this Louise was a Director General of the Institute of Petroleum and Chief Executive of the Institute of Energy. Before working in these charitable organisations in the public interest, Louise worked in the commercial sector for a brief time involved in business development, change management and general management positions. Louise is a non-executive director on the board of the Energy Saving Trust and chair of its charitable foundation. She also volunteers her time as Chair of Business in the Community's Climate Action Leadership Board, is an Ambassador for the POWERful Women Initiative and one of 16 CEOs in the Energy Leaders' Coalition working to accelerate diversity and inclusion across the sector. She has previously been President of the Energy Industries Club and was an advisory member of the Energy Policy Board at the University of Birmingham (UK). She has also been a judge for HM Queen's Prize for Higher and Further Education as well as a council member of the All-Party Parliamentary Group for Energy Studies as well as a board member of both the Science Council and Engineering Technology Board.

She was made an Officer of the Order of the British Empire (OBE) by the Queen in the Queen's Birthday List 2011 and in 2017 she was awarded an Honorary Science Doctorate from the University of Bath.



# BOARD BIOGRAPHIES

## Margaret Stephens

Chair of the Audit & Risk Committee

**Margaret** is a non-executive board member and chair of the Audit and Risk Committee of VH Global Sustainable Energy Opportunities plc. Margaret is currently a trustee, director and chair of the Audit Committee of the Nuclear Liabilities Fund Limited, as well as a non-executive board member of AVI Japan Opportunity Trust plc, and member of the Advisory Committee and the Procurement and Taxation Working Groups for The Infrastructure Forum. Margaret brings with her a significant amount of executive experience from over 28 years of professional service with KPMG, 16 years as a partner. She held senior UK and global roles, including UK Head of Tax for Infrastructure, Government and Health, EMEA tax head for infrastructure, Global Head of Infrastructure Tax and she had a leading role in the creation of KPMG's Global Infrastructure Practice. Margaret was also the founder and chair of KPMG's Global Sovereign Wealth, Pensions and Infrastructure Funds Group. In this capacity, she led KPMG's relationships with major global government investment and pension funds, and facilitated consultation with OECD and National Governments on international tax reform. Margaret was a board trustee of the London School of Architecture until April 2020 and a non-executive board member and chair of the Audit and Risk Committee at the Department for Exiting the European Union until its closure in March 2020. Margaret holds an MA (Hons) in History from the University of Edinburgh, a Diploma in Accounting from Heriot Watt University and is a qualified Member of the Institute of Chartered Accountants of Scotland.

## Richard Horlick

Chair of the Management Engagement Committee

**Richard** is a non-executive board member and chair of the Management Engagement Committee of VH Global Sustainable Energy Opportunities plc. Richard is also currently Chair of CCLA Investment Management which manages over £10bn of assets for over 38,000 UK charities, religious organisations and local authority funds. Richard is also Chair of BH Macro plc, a Guernsey-based closed-end fund investing in the Brevan Howard Master Fund. He has served on a number of closed-end fund boards, most recently Pacific Assets Trusts Plc from December 2005 until June 2014 and Tau Capital Plc from May 2007 to March 2014. He was a Partner and Non-Executive Chairman of Pensato Capital LLP until its successful sale to RWC Partners in 2017. Richard has had a long and distinguished career in the investment management industry, having started in the corporate finance department of British Merchant Bank Samuel Montagu, he joined Newton Investment Management where he became a Director and Portfolio Manager. In 1994 he joined Fidelity International as President of their institutional business outside the US and in 2001 became President and CEO of Fidelity Management Trust Company in Boston which was the Trust Bank for the US Fidelity Mutual Fund range and responsible for their defined benefit pension business. In 2003 he joined Schroders Plc as a Main Board Director and Head of Investment globally. In March 2006, he established Spencer House Capital Management with Jacob Rothschild. In addition, he has been a business angel investor in a wide range of private companies. Richard holds an MA in Modern History from the University of Cambridge (UK).

# FINANCIAL HIGHLIGHTS

## FOR YEAR ENDED 31 DECEMBER 2021

### Valuation Assumptions

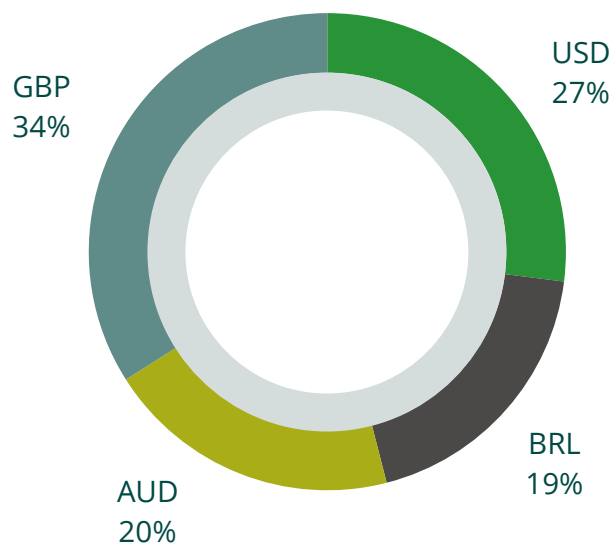
Discount rates	The discount rate used in the valuations is derived according to internationally recognised methods. Typical components of the discount rate are risk free rates, country-specific and asset-specific risk premia. The latter comprise the risks inherent to the respective asset class as well as specific premia for other risks such as development and construction.
Power price	Power prices will be based on power price forecasts from leading market consultants. During the period under review, there were no operating power generation assets.
Energy Yield	Estimated based on energy yield assessments from leading technical consultants as well as operational performance data (where applicable). During the period under review there were no operating power generation assets.
Inflation rates	Long-term inflation is based on central bank targets for the respective jurisdiction.
Asset life	In general, an operating life of 35 years for terminal storage assets and 25 years for Solar PV is assumed. In individual cases a longer operating life may be assumed where the contractual set-up supports such assumption.
Operating expenses	The operating expenses are primarily based on the respective contracts and budgets. Operating expenses are primarily fixed expenses.
Taxation rates	The underlying country-specific tax rates are derived from leading tax consulting firms.
Capital expenditure	Based on the contractual arrangements (e.g EPC agreement), where applicable.

The Company records the fair value of VH GSEO UK by calculating and aggregating the fair value of each of the individual investments in which the Company holds an indirect investment. The total change in the value of the investment in VH GSEO UK is recorded through profit and loss in the Statement of Comprehensive Income Statement.

# VH GSEO PLC HEDGING STRATEGY

Globally diversified portfolio

**Currency Split as & Total  
Committed Capital**



Hedging strategy comprises  
of a 3-pillar approach

- Cashflows < 12 months hedged with forward exchange contracts and swaps
- Target assets that provide sufficient asset-level returns to compensate for longer term exchange rate fluctuations
- Where possible project income increased with local inflation

This is a target of the currency exposure that will be achieved and is based on current market conditions as at the date of this presentation only. There can be no assurance that this target will be met.

# VH GSEO INVESTMENT POLICY

## RISK DIVERSIFICATION

The Fund aims to achieve diversification principally through investing in a range of portfolio assets across a number of distinct geographies and a mix of technologies that facilitate the achievement of the UN SDGs by way of sustainable energy infrastructure investments.

The Fund will observe the following investment restrictions (calculated at the time of investment) when making investments:

- No more than 25% of its Gross Asset Value (GAV) (including cash) shall be invested in any single asset;
- No more than 40% of GAV shall be invested in a single technology;
- No more than 35% of GAV shall be invested in assets that are in construction or “ready-to-build”;
- No more than 40% of GAV shall be invested in assets located in any one country;
- No more than 30% of its GAV shall be invested in assets owned or operated by a single developer;
- No more than 10% of its GAV shall be invested in assets located in non-OECD, Key Partner or Accession countries;
- No investments will be made in fossil fuel or mineral extraction projects

Gearing:

- Up to 60% of GAV on a long-term basis. Ability to borrow in aggregate up to 30% of GAV on a short-term basis (i.e. less than 365 days) if considered appropriate

Hedging:

- The Fund does not intend to use hedging or derivatives for investment purposes but may from time to time use risk management instruments such as forward contracts and swaps to protect the Fund from any fluctuations in the relative value of currencies against Pound Sterling

Source: The Fund's prospectus.



# VH GSEO DISCOUNT CONTROL MECHANISMS

## Discount Control Mechanism

- The Directors have the authority to purchase in the market up to 14.99% of the aggregate number of ordinary shares in issue
- If, in any 3-month rolling period, the ordinary shares have, on average, traded at a discount in excess of 5 per cent to the NAV per Ordinary Share, the Fund intends to use 50% of net cashflows to repurchase ordinary shares
- Share buybacks are subject always to the impact that such repurchase may have on the ability of the Fund to meet its target dividend or target net total return or other economic factors that the Board consider it prudent to take into account at the relevant time

## Continuation Vote

- The Directors shall propose an ordinary resolution on the continuation of the Fund at the AGM of the Fund to be held in 2026 and, if passed, at every fifth AGM thereafter

Source: The Fund's prospectus.



# DISCLAIMERS, RISK FACTORS & DEFINITIONS

# DISCLAIMERS

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Information contained herein may include information respecting prior investment performance of one or more funds or investments including gross and/or net internal rates of return ("IRRs"). Information respecting prior performance, while a useful tool in evaluating a fund's investment activities, is not necessarily indicative of actual results that may be achieved for unrealized investments. The realization of such performance is dependent upon many factors, many of which are beyond the control of Victory Hill. Further, there can be no assurance that the indicated valuations for unrealized investments accurately reflect the amounts for which the subject investments could be sold. Unless otherwise noted, all IRR amounts described herein are calculated as of the dates indicated. "Gross IRR" of the Fund represents the cumulative investment-related cash flows for all of the investors in the Fund on the basis of the actual timing of investment inflows and outflows (for unrealized investment assuming disposition of the respective "as of" dates referenced) aggregated on a gross basis quarterly, and the return is annualized and compounded before management fees, carried interest and certain other fund expenses (including interest incurred by the fund itself) and measures the returns on the Fund's investments as a whole without regard to whether all of the returns would, if distributed, be payable to the Fund's investors. Investing in a Fund is speculative and involves a substantial degree of risk. Risks

include, but are not limited to, the fact that the Fund has or may have: a limited or no operating history; volatile performance; leverage use; limited liquidity; high fees and expenses; and a dependence on Victory Hill, which will advise on the Fund's investments. Prospective investors should carefully consider all risks described in the applicable Prospectus in determining whether an investment in the Fund is suitable. There can be no assurance that the investment objectives described herein will be achieved. Nothing herein is intended to imply that the Fund's investment methodology may be considered "conservative", "safe", "risk free", or "risk averse". Economic, market and other conditions could also cause the Fund to alter its investment objectives, guidelines and restrictions. Investment losses may occur. "Case studies" have been provided for discussion purposes only and are no guarantee of future results or that such investment opportunities will become available to the Fund.

Past performance is not indicative nor a guarantee of future returns. The value on investments may fall as well as rise and investors may not get back the amount invested. Changes in rates of foreign exchange may cause the value of investments to go up or down. No representation is being made that any investment will or is likely to achieve profits or losses similar to those achieved in the past, or that significant losses will be avoided.

Certain information contained herein may be "forward-looking" in nature. Due to various risks and uncertainties, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking information. As such, undue reliance should not be placed on such information. Forward-looking statements may be identified by the use of terminology including, but not limited to, "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Yield data is shown for illustrative purposes only and has limitations when used for comparison or for other purposes due to, among other matters, volatility, credit or other factors (such as number and types of securities).

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Victory Hill Capital Advisors LLP (FRN 938594) is an Appointed Representative of G10 Capital Limited (FRN 648953), which is authorised and regulated by the Financial Conduct Authority. VHCA is the investment adviser to the Fund.

This Presentation is only directed at "professional investors" and that retail investors may not rely on the information contained within.

# RISK FACTORS

An investment in the Fund entails substantial risks, including, but not limited to, those listed below. Prospective investors should carefully consider the following summary of risk factors and carefully read the Fund's Prospectus and Key Information Document for additional information and risk factors in determining whether an investment in the Fund is suitable:

**Potential loss of investment** – No guarantee or representation is made that the Fund's investment programme will be successful. An investment in the Fund is speculative and involves a high degree of risk. Investors must have the financial ability, sophistication/experience and willingness to bear the risks of an investment in the Fund. An investment in the Fund is not suitable for all investors. Investors could lose part or all of an investment and the Fund may incur losses in markets where major indices are rising and falling. Only qualified eligible investors may invest in the Fund. Results may be volatile. Accordingly, investors should understand that past performance is not indicative nor a guarantee of future results.

**Use of leverage** – The Fund may utilise leverage and may also invest in forward contracts, options, swaps and over-the-counter derivative instruments, among others. Like other leveraged investments, trading in these securities may result in losses in excess of the amount invested.

**Valuations** – The net asset value of the Fund may be determined by its manager or adviser, as applicable, based on information reported from underlying portfolio companies. Certain portfolio assets may be illiquid and without a readily ascertainable market value. Valuations of portfolio companies may be difficult to verify.

**Fees and expenses** – The Fund is subject to substantial charges for management and other fees regardless of whether the Fund has a positive return. Please refer to the Fund's Prospectus for a more complete description of risks and a comprehensive description of expenses to be charged to the Fund.

**Lack of operating history** – The Fund has little or no operating history.

**Reliance on key persons** – The Victory Hill Board and AIFM have total trading authority over the Fund and may be subject to various conflicts of interest. The death, disability or departure of certain individuals affiliated with Victory Hill may have a material effect on the Fund.

**Concentration** – The Fund may hold only a limited number of investments, which could mean a lack of diversification and higher risk.

**Counterparty and bankruptcy risk** – Although Victory Hill will attempt to limit its transactions to counterparties which are established, well-capitalized and creditworthy, the Fund may be subject to the risk of the inability of counterparties to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes, which could subject the Fund to substantial losses.

**Limited liquidity** – Investments in the Fund may be illiquid and it may be difficult for shareholders to realise their investment as there may not be a liquid market in the Fund's shares. Only variable levels of secondary market liquidity exist for the sale of the Funds' shares, nor is a more liquid market likely or expected to develop.

**Volatile markets** – Market prices are difficult to predict and are influenced by many factors, including: changes in interest rates, weather conditions, government intervention and changes in national and international political and economic events.

**Potential IRR Information** – Potential IRR information is hypothetical in nature and is shown for illustrative, informational purposes only. This material is not intended to forecast or predict future events, but rather to demonstrate Victory Hill's investment and decision-making process. It does not reflect the actual returns of any portfolio strategy or holding and does not guarantee future results. Unless otherwise indicated, the potential IRRs are the good faith views of Victory Hill as of the date indicated based on a number of assumptions/factors, including but not limited to, current monetary policy, inflation expectations and other fundamental and technical factors that determine interest rate levels in applicable markets and likelihood of default. Victory Hill makes no representation as to the reasonableness of the assumptions or that all assumptions have been stated or fully considered. Actual returns may vary significantly from those stated herein. Changes in the assumptions may have a material impact on the potential IRRs presented. All data is shown before fees, transaction costs and taxes. References herein to "target IRR" or comparable terminology are provided as indicators as to how Victory Hill intends to manage the strategy were it to be formed, and are not intended to be viewed as indicators of likely performance returns to investors. Target IRR and other similar information is based upon estimates and assumptions that a potential investment will yield a return equal to, or greater than, the target. There can be no assurance that target returns will be met or that Victory Hill will be successful in finding investment opportunities for the strategy that meet these anticipated return parameters. The estimate of potential return from a potential investment is not a guarantee as to the quality of the investment or a representation as to the adequacy of the methodology or assumptions used in estimating returns. The magnitude of market inefficiencies experienced over the course of the investment period of the strategy may partially dictate overall returns.

Unless otherwise indicated, target IRR is presented on a gross basis and does not reflect the effect of management fees, expenses or taxes that would be imposed, all of which would reduce returns.





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