



# Enabling the energy transition

Annual results update  
March 2023



# Investment Adviser Presentation Team

Highly experienced and multi-disciplinary team having worked together for over 5 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

20 members of staff based in London



**Richard Lum**  
Co-chief Investment Officer

**Skills and experience**

Over 28 years in natural resource structured finance and banking. Worked at Mizuho Financial Group, Standard Chartered Bank, West LB Markets and Bayern LB.



**Gregory Scopelitis**  
Principal

**Skills and experience**

Over 16 years in project financing across conventional and renewable energy. Worked for International Finance Corporation (IFC), Mizuho, World Bank (Washington), European Investment Bank (EIB), Proparco (Bangkok) and EBRD.



**Michael Egan, CA, CFA**  
Chief Financial Officer

**Skills and experience**

Over 22 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 16 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 16 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.



## Section 1

# Overview & highlights



# Why invest in VH Global Sustainable Energy Opportunities?

A vehicle presenting a distinctive combination of access, return and impact.



## Access

- Access to global private markets energy investments
- A geographically and technologically diversified portfolio of actively managed, high-impact investments



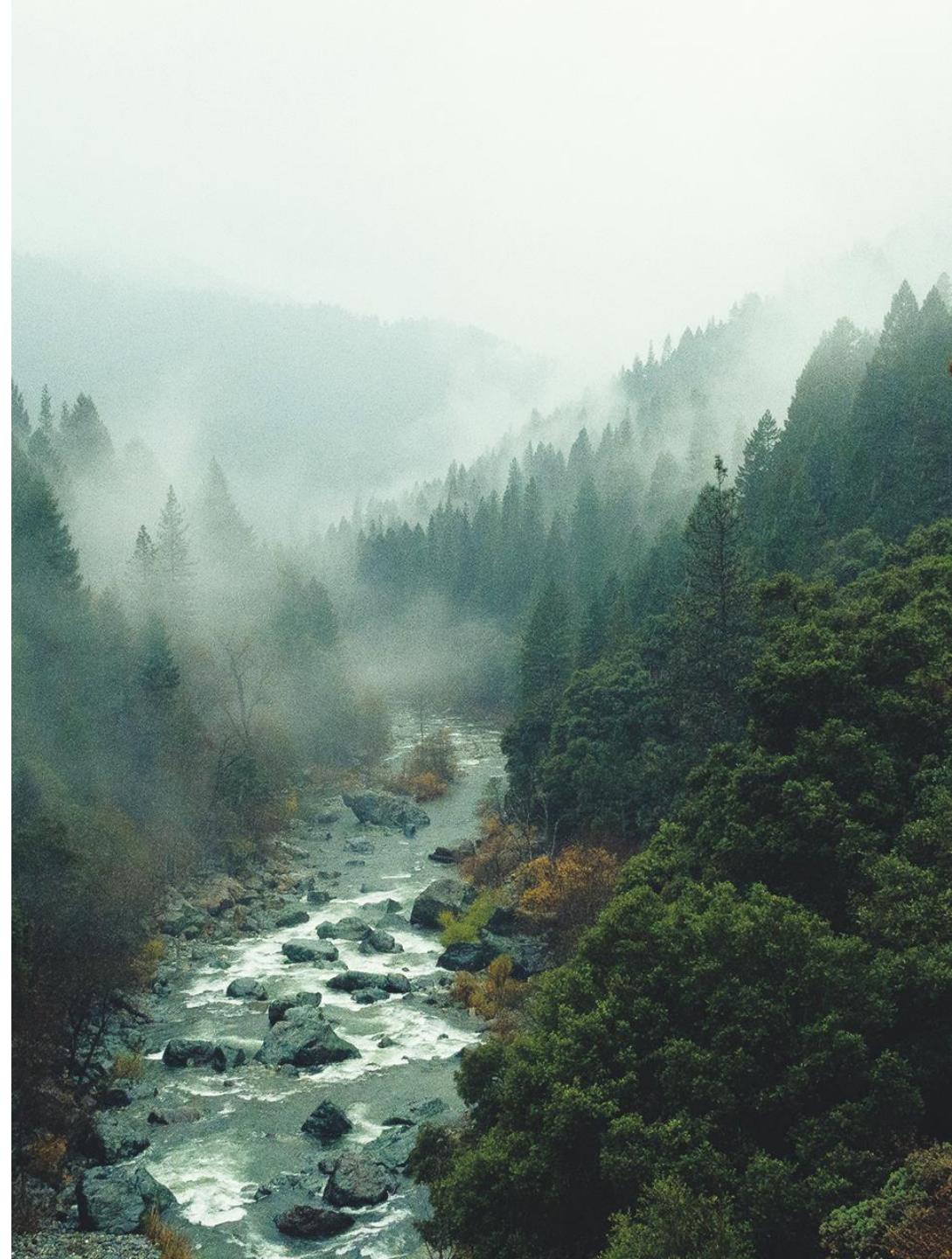
## Return

- Targeting attractive risk-adjusted returns from around the world whilst ensuring an effective and just climate transition
- A highly diversified mix of assets driving both long-term capital growth and income
- High degree of inflation linkage with over 90% of revenues that are inflation-linked



## Impact

- Creating environmental and social impact transforming lives and communities without compromising on returns
- Transparent impact reporting
- SFDR Article 9 fund



# VH Global Sustainable Energy Opportunities ("GSEO") overview

Building a portfolio of sustainable energy infrastructure assets that support the UN Sustainable Development Goals ("SDGs") and are essential for the global transition towards net zero

- Target total return of 10%\*, net of fees and unlevered
- Progressive annual dividend per share – covered by net income from deployed capital, paid quarterly
- Globally diversified, high impact, actively managed portfolio investing beyond just renewables
- Minimal exposure to power price movements
- Long-term, inflation-linked price contracts with investment grade counterparties around the world
- Creating environmental and social impact without compromising on returns
- SFDR Article 9 fund

## Note:

- 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 ("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.
- \*\* 5.13p declared for 2022 ahead of the 5p target and 1.4x covered on a normalised basis. Source: Annual Report and dividend declaration announcement.

108.2p

Net Asset Value per share  
as of 31 December 2022

£457.2m

Portfolio valuation as  
of 31 December 2022

1.4X

Dividend coverage

5.13p

Total dividend for 2022,  
exceeding target of 5p

15.5%

Total NAV return since  
IPO (February 2021)

7.6%

Total NAV return for the  
year

35,117 MWh

Clean energy generated

14,349t

Tonnes of carbon  
avoided



# Market outlook

- **Positive energy outlook creating strong investment opportunities**
  - Significant energy demand growth and shift in energy consumption towards electricity, estimated to grow to c.50%\* of the world's final energy consumption by 2050 (currently at 20%\*\*)
  - EU natural gas and oil demand is expected to reduce by 20% this decade, and coal demand by 50%
  - Annual clean energy investments expected to double to US\$2tn\*\*\* by 2030
- In the short to medium term, political and economic instability is expected to persist. However, investing in sustainable energy infrastructure will play a great part in bringing stability back to the global economy
- **GSEO** is at the forefront of the energy transition and has access to private market energy investments through its unique operating partner relationships and global connectivity
- Portfolio well-positioned in current macro environment
  - **Limited interest rate risk** – no fund-level leverage and minimal portfolio project-level debt
  - **Inflation** – majority of cash flows are inflation-linked
  - **Power prices** – minimal exposure to power price volatility

\* Source: International Energy Agency, Net Zero Emissions by 2050 Scenario.

\*\* Source: World Energy Outlook 2021 published by the International Energy Agency.

\*\*\* Source: International Energy Outlook 2022 published by the US Energy Information Administration

# Investment decision process

We do not aim to tie investments to sustainability rather we start with sustainability and look for investments





## Section 2

# Financial highlights



# Financial highlights

## For year ended 31 December 2022

### Dividend

- Total dividend for FY 2022 is 5.13p per share, exceeding the 5p target
- Dividend coverage of 1.4x for 2022
- Target for 2023 is 5.52p representing a 10.4% increase from the FY 2022 dividend target

### Net Asset Value ("NAV") & NAV return

- NAV increased from £323.9m in FY 2021 to £457.2m as at the year end
- NAV return for FY 2022 : 7.6%\*
- NAV return since IPO: 15.5%

### Fair Value of assets

- Net Increase of £16.2m:
  - Strong cash flows from underlying operational assets in Brazil, the US and Australia
  - Fair value uplift from assets moving from construction to operational, increase in inflation volatility and operational improvements resulting in enhanced performance from underlying assets
  - At the end of the year, 53.5% of the portfolio is in operation, 16.5% in construction, 23.9% is committed not deployed, and 6.1% is in cash

### Foreign exchange

- GBP weakened against the underlying basket of currencies, including USD, AUD and BRL. This resulted in an FX gain of £16.8m in during the year

### Capital raising

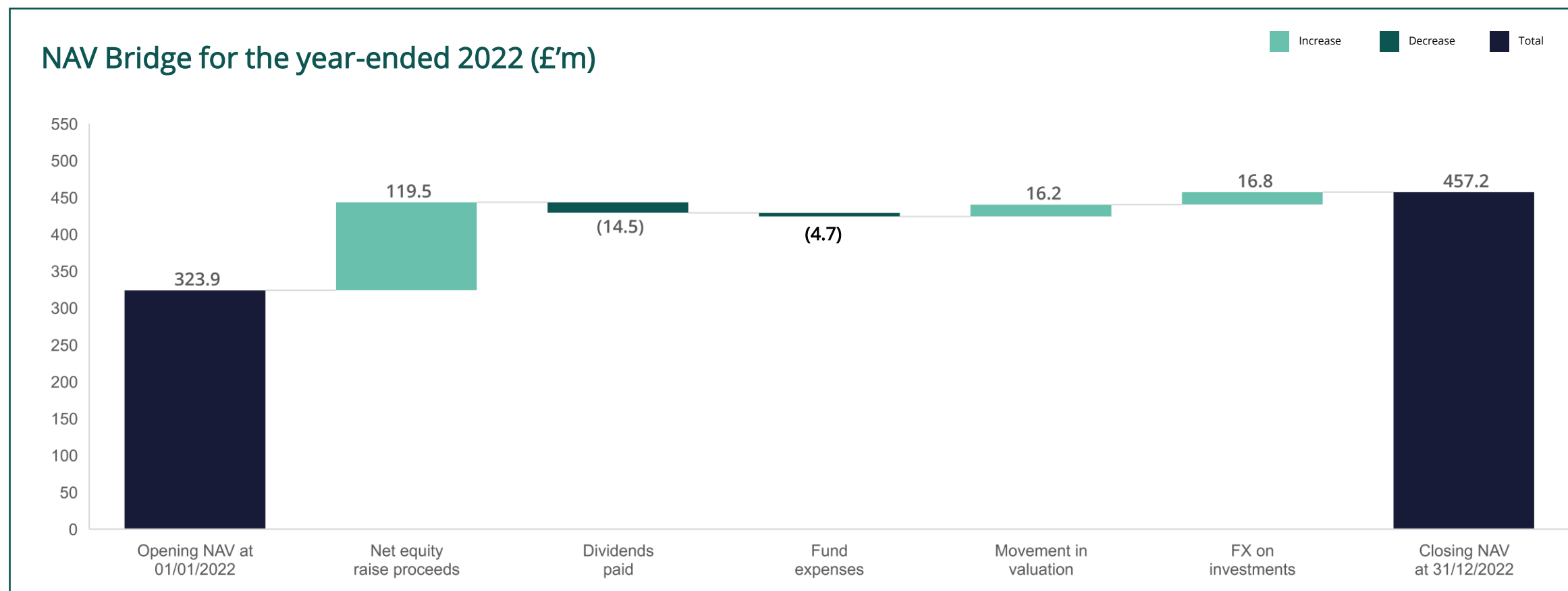
- £122m raised on 1 July 2022

### Investment activity

- Completion of nine Brazilian solar PV assets generating 24.5MWp
- Increased total commitment to the UK flexible power with CCR assets from £78m to £106m
- Completion of the acquisition of three Australian solar PV sites of 5MW each in September and October, for a total invested cost of £21.2m
- Completion of the acquisition of the 198MWH Brazilian hydro facility in December for a total consideration of £110.8m

# Financial highlights

## For year ended 31 December 2022



Source: 31 December 2022 Annual Report



# GSEO performance

## NAV vs. share price in pence



Chart source: Bloomberg and Administrator as at 30 December 2022

# 15.5%

Total NAV return as at 31 December 2022  
since IPO in Feb 2021

# 7.6%

Total NAV return for the year

# 5.13p

Dividend per share for FY 2022 increasing  
to 5.52 for FY 2023

# 1.4X

Cash dividend cover  
as at 31 December 2022

# NAV sensitivity analysis

- **Discount rates** for operational assets: 8.4% in the US, 8.6% in Australia, 10.5% for the Brazilian hydro facility and 13.1% for the Brazilian solar PV assets
- The **Inflation** base case: 2.0% for the US, 2.5% for Australia and 3.0% for Brazil
- **Foreign exchange** volatility has increased due to the investment in the Brazilian hydro facility
- **Asset life**: 30 years for the US terminal storage assets, 25 years for the Australian solar PV with battery storage assets, Brazilian solar PV assets and Brazilian hydro facility.
- Low **resource risk sensitivity**

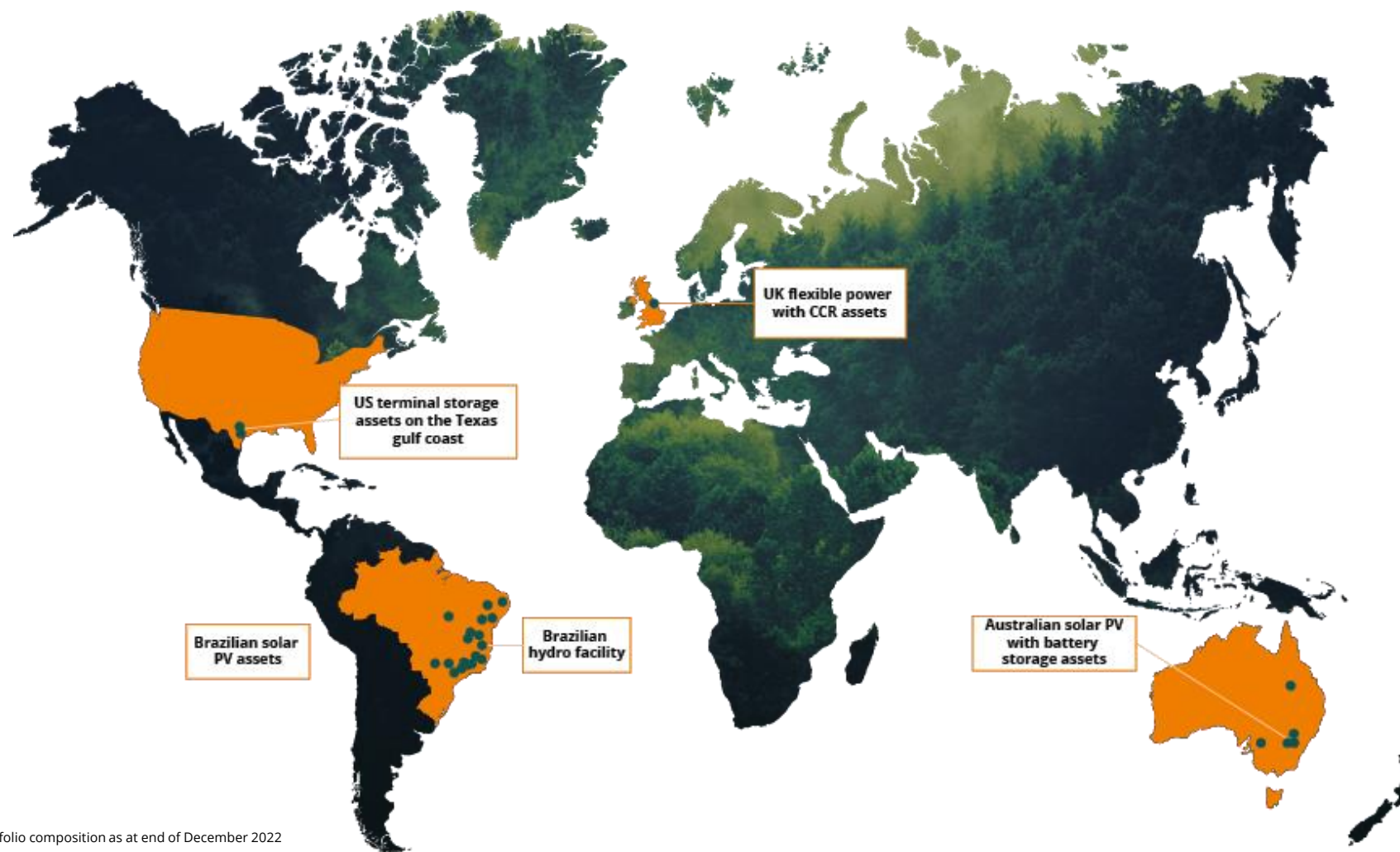
NAV sensitivity			
Discount rate (+1.0%/-1.0%)		-4.64p	5.36p
		-4.28%	4.96%
Inflation (-1.0%/+1.0%)		-4.41p	4.32p
		-4.07%	3.99%
Operating expenses (+5.0%/-5.0%)		-1.60p	1.55p
		-1.47%	1.44%
FX (+10.0%/-10.0%)		-6.06p	7.40p
		-5.60%	6.84%
Asset life (-1 yr/+1 yr)		-0.76p	0.77p
		-0.71%	0.71%



## Section 3

# Portfolio update

# Fund portfolio



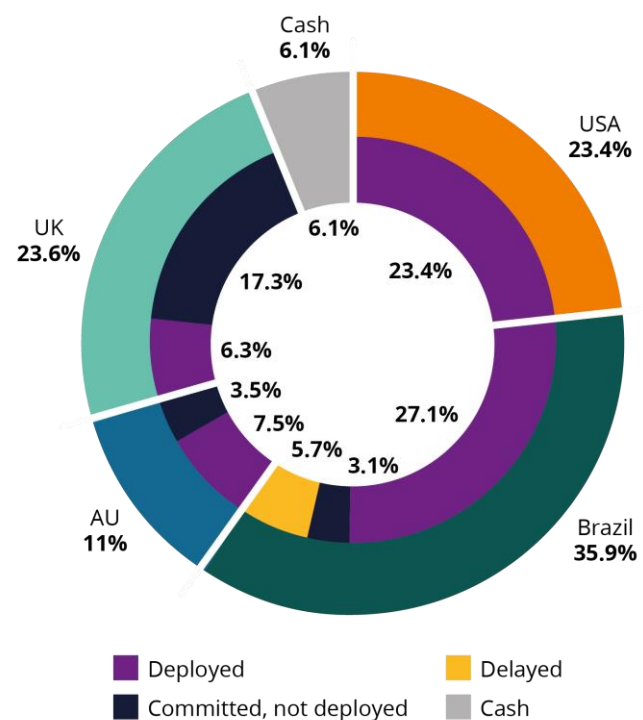
Source: GSEO Interim Report 2022. Portfolio composition as at end of December 2022



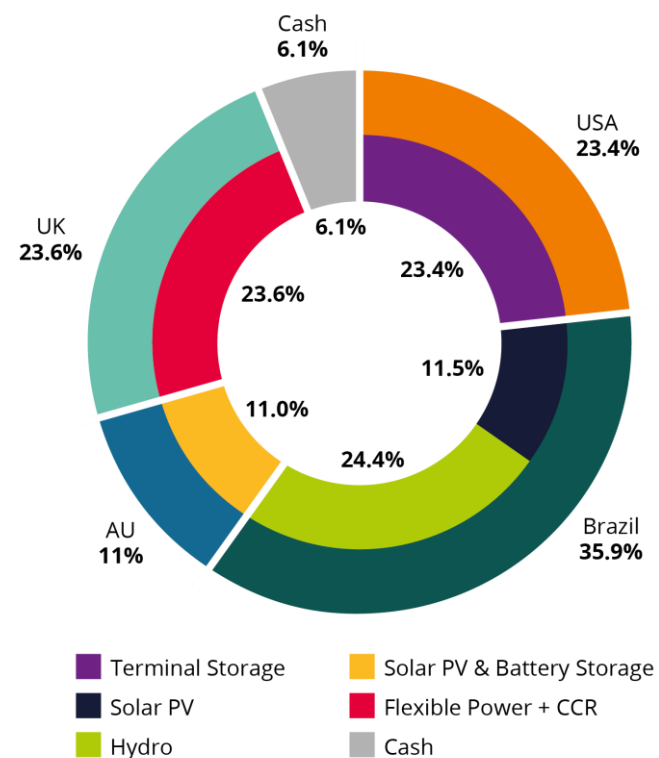
# Portfolio composition

Portfolio as at 31 December 2022

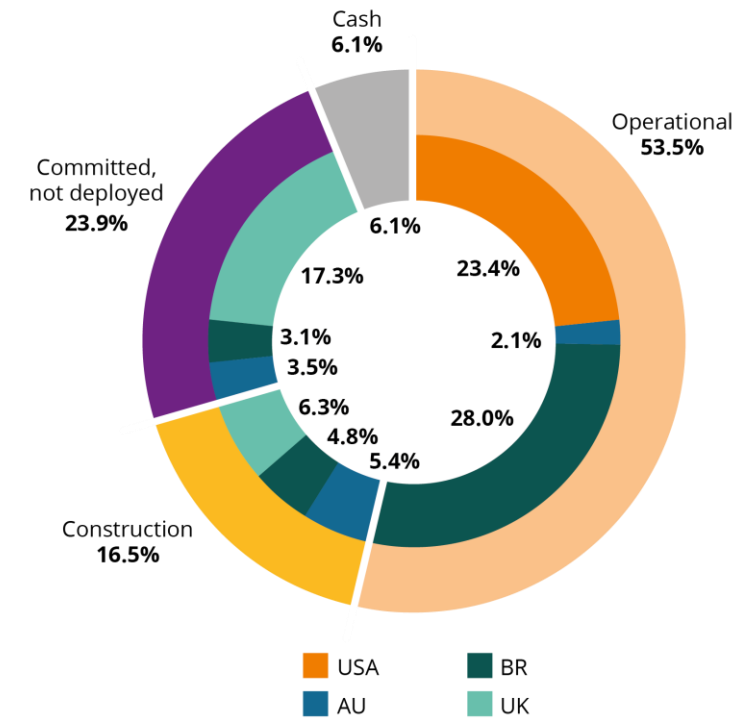
Portfolio by geography and deployment



Portfolio by geography and technology



Portfolio status by deployment and currency



US terminal storage assets and Brazilian hydro asset represented at fair value. All other assets represented at cost. Cash adjusted for last FY 2022 interim dividend and committed not deployed funds.

# Brazilian hydro facility

Sustaining renewable power generation  
in the Brazilian energy mix





# Brazilian hydro facility

Sustaining renewable power generation in the Brazilian energy mix

## Asset overview

Asset description	
Country	Brazil
Technology	Hydro power generation
Capacity	198 MW
Revenue type(s)	Fixed Price PPA / Merchant
Revenue currency	BRL

Investment summary	
Committed capital <sup>2</sup>	BRL 708mn / GBP 110mn <sup>1,2</sup>
Leverage (D/E)	0%
Expected IRR <sup>3</sup>	10%

Impact	
Renewable energy generated	944,472 MWh a year based on past performance
Avoided emissions	91,578 t CO2 per year on average <sup>5</sup>
Pay back	Lifetime embodied emissions were paid back within the first 2 years of operations.

## Project details

- Acquisition of an operating 198MW hydro power plant in Brazil which went through a major repowering in 2011
- Plant ownership is awarded under a concession framework with five years remaining from previous cycle and automatic renewal for another 20 years thereafter
- Asset has been highly ranked by the regulator in terms of quality of operations
- The hydropower sector in Brazil is underpinned by a unique regulatory framework which seeks to mitigate hydrological resource risk for individual hydropower generators
- The operating partner is Paraty Energia Ltda, which combines strong power trading skills with solid operational capabilities





## UK flexible power with CCR assets

Sustainable solution for problems in  
intermittency and stabilisation of the grid



# UK flexible power with CCR assets

Sustainable solution for problems in intermittency and stabilisation of the grid

## Asset overview

Asset description	
Country	United Kingdom
Technology	Flexible Power with carbon capture and reuse
Capacity	45 MW (Project I: 10 MW, Project II: 35 MW)
Revenue type(s)	Long term PPA and fixed-price CPI-linked CO2 offtake agreement
Revenue currency	GBP

Investment summary	
Committed capital	GBP 106mn (Phases I and Phase II)
Invested amount to date	GBP 27mn (Phase I)
Leverage (D/E)	0%
Expected net IRR <sup>2</sup>	>7%

Impact	
Renewable energy generated	80,000 MWh a year once fully operational
Avoided emissions	9,862 t CO2 per year on average once operational
Pay back	9.6 years on embodied emissions (LCA)

## Project details

- The construction of two flexible power projects that are uniquely combined with carbon capture and re-use technology (Project I) 10 MW & (Project II) 35 MW
- The programme involves global industrial groups participating in its development, such as Rolls Royce MTU, Climeon, Mitsubishi Turboden and ASCO Carbon Dioxide Ltd.
- The operating partner is Landmark Power Holdings Ltd, which is led by a group of UK energy specialists





# Australian solar PV with battery storage assets

Enhancing Australia's grid system by addressing market shortfalls



# Australian solar PV with battery storage assets

Enhancing Australia's grid system by addressing market shortfalls

## Asset overview

Asset description	
Country	Australia
Technology	Solar PV & battery
Capacity	42 MW / 60 Megawatts hour (MWh)
Revenue type(s)	Fixed Price Corporate PPA (50%) + Merchant (50%)
Revenue currency	AUD
Investment summary	
Committed capital <sup>1</sup>	GBP <sup>1</sup> 50mn
Invested amount to date	GBP <sup>1</sup> 35.8mn (Phases I + II + III)
Leverage (D/E)	0%
Expected net IRR <sup>2</sup>	10%
Impact	
Renewable energy generated	30,050 MWh a year once fully operational
Avoided emissions	12,880 t CO2 per year on average once operational
Pay back	4.2 years remaining payback on embodied emissions (LCA)

## Project details

- Commitment of GBP 50mn in Australia to implement solar PV and battery energy storage system (BESS) hybrid projects with the Company's operating partner, Birdwood Energy, a team of energy specialists with an experienced track record of power generation and battery projects globally.

## Project pipeline

- Projects I and II – acquisition of two operating solar PV generation assets totalling 17 MW
- Acquired three solar PV ready-to-build sites of 5 MW each and started construction of the solar farms. The intention is to add 5MW/10 MWh BESS on each site



# Brazilian solar PV assets

18 distributed generation solar plants offering clean and affordable electricity





# Brazilian solar PV assets

18 distributed generation solar plants offering clean and affordable electricity

## Asset overview

Asset description	
Country	Brazil
Technology	Solar PV
Capacity	75 Megawatts (MW)
Revenue type(s)	Fixed Price Corporate PPA
Revenue currency	BRL

Investment summary	
Committed capital <sup>1</sup>	GBP <sup>1</sup> 52mn
Invested amount to date	GBP <sup>1</sup> 38mn
Leverage (D/EV)	0%
Expected net IRR <sup>2</sup>	13%

Impact	
Renewable energy generated	110,000 MWh a year once fully operational
Avoided emissions	69,905 t CO2 per year on average once operational
Pay back	16 years on embodied emissions (LCA)

## Project details

- The operating partner is Energea, an experienced distributed energy developer with a strong track record in the United States and an established presence in Brazilian “Geracao Distribuida” over the last 5 years

## Project timeline

- Nine of the 18 sites are operational as of December 2022 while an additional site has reached operational phase in early 2023.
- Global supply chain disruption has resulted in delays to the construction of the remaining eight sites, which are now expected to be completed in Q3 2023. Furthermore, two of these sites are being relocated in Brazil to improve operational performance.



# US terminal storage assets

Reducing the sulfur content of Mexico's fuel supply chain





# US terminal storage assets

Reducing the sulfur content of Mexico's fuel supply chain

## Asset overview

Asset description	
Country	United States
Technology	Liquid fuel storage
Capacity	Acquisition: 525,000 Barrels (bbls); post Motus T2 Expansion: 865,000 bbls; post Motus T1 Expansion I & II: 1,195,000 bbls
Revenue type(s)	Availability – based
Revenue currency	USD

Investment summary	
Invested amount to date	USD 106mn
Leverage <sup>1</sup> (D/E)	14%
Expected net IRR <sup>2</sup>	10% >> 13% >>> 15%

Impact	
PM10	1,049 t
Nitrous Oxides	2,048 t
Sulfur Oxides	20,613 t

## Project details

- Two terminal sites with a useful life of 30 years
- The operating partner is Motus Energy LLC, which combines the team that built and operated the assets for the previous owner and an established cross-border fuel exporter

## Project implementation

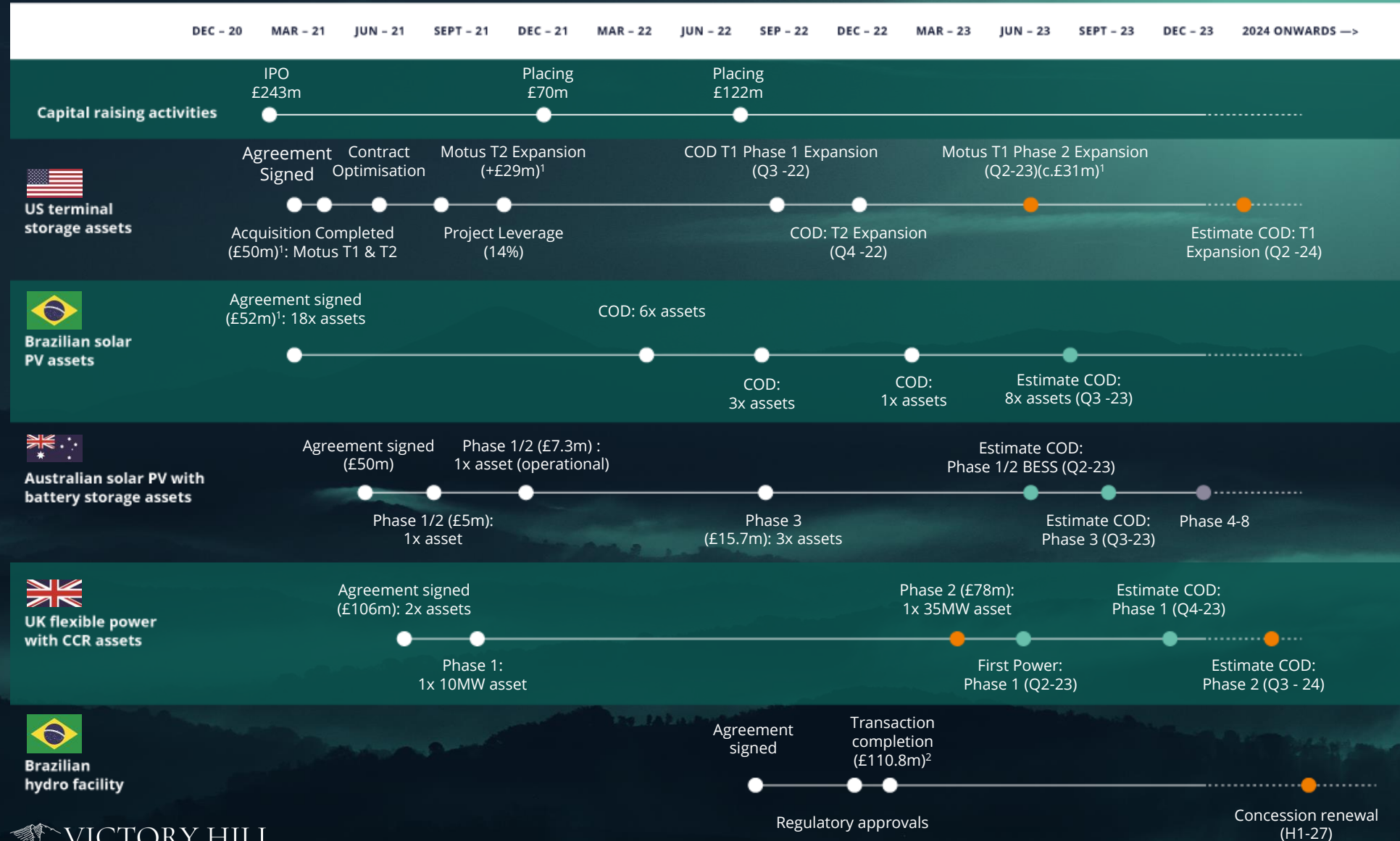
- Acquisition – Acquisition of Motus T1 and Motus T2 - completed
- T1 expansion Phase I for additional 30,000 bbls was completed Q3 2022
- T2 expansion was completed Q4 2022

## Project pipeline

- T1 expansion Phase II is under development by Motus Energy for an additional 300,000 bbls (Phase II)

# Investment timeline

● Completed
 ● In process
 ● Next steps
 ● Subject to due diligence/pipeline










## Section 4

# ESG











# Sustainability impact data

## Annual highlights

Sustainable Development Goal	Indicator	Performance
<b>7</b> AFFORDABLE AND CLEAN ENERGY 	<ul style="list-style-type: none"> <li>MWh of clean energy generated</li> <li>Tonnes of CO<sub>2</sub>e avoided</li> </ul>	<ul style="list-style-type: none"> <li><b>35,117 MWh</b> generated in 2022</li> <li>Equivalent to avoiding <b>14,349 tonnes CO<sub>2</sub></b> or powering 9000 UK homes with clean energy</li> </ul>
<b>13</b> CLIMATE ACTION 	<ul style="list-style-type: none"> <li>Carbon footprint (Scope 1 &amp; 2)</li> <li>Weighted Average Carbon Intensity (WACI)</li> <li>Embodied emissions pay back</li> </ul>	<ul style="list-style-type: none"> <li>Year-end footprint <b>4,859 tonnes CO<sub>2</sub></b></li> <li>Portfolio carbon intensity <b>68 tCO<sub>2</sub>/\$m</b></li> <li>Payback to net zero <b>4 years<sup>1</sup></b></li> </ul>
<b>3</b> GOOD HEALTH AND WELL-BEING 	<ul style="list-style-type: none"> <li>Tonnes (t) of pollutive compounds avoided</li> <li>Health &amp; safety incident rate</li> </ul>	<ul style="list-style-type: none"> <li>Tonnes of pollutants removed <b>SOX: 20,613t</b> PM10: 1,049t, NOX: 2,048t</li> <li>PM reduction is equivalent of removing <b>6 million cars</b> from Mexican roads</li> <li><b>Zero</b> injuries in operating assets</li> </ul>

# ESG reporting frameworks

 	<h2>EU Sustainable Finance Disclosure Regulation</h2> <ul style="list-style-type: none"> <li>• Article 9 Fund</li> <li>• EU Taxonomy alignment process implemented</li> <li>• Life cycle analysis and physical vulnerability assessment</li> <li>• Do no significant harm and social safeguards</li> <li>• Net zero target</li> </ul>	
 	<h2>Climate-Related Financial Disclosures</h2> <ul style="list-style-type: none"> <li>• Climate modelling to identify and prioritize risks of changes in climate patterns</li> <li>• Regulatory, technology and demand impacts on energy transition portfolio</li> </ul>	
	<h2>Active asset management</h2> <ul style="list-style-type: none"> <li>• Sustainability action plans focused on strengthening governance, management systems and reporting</li> <li>• Assets take a materiality and risk-based approach</li> <li>• 2022 ESG data assured</li> </ul>	



Section 5

# GSEO Summary

# Summary

## Company Strengths

- Sector leading target returns
- Progressive dividend policy with strong coverage
- Delivering on capital deployment since IPO
- Competitive acquisition valuations
- Focus on investments across jurisdiction and technologies creating a truly diversified portfolio
- Continue to originate a pipeline of impactful projects aimed at addressing localised sustainability requirements and demand gaps where the energy transition is underserved

## Management Team Strengths

- Average of 23 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

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



United Nations  
Global Compact





Section 6

# Appendix

# Providing experienced and focused leadership



**Louise Kingham, CBE**  
Non-executive Director

30 years' experience in the energy sector. Currently BP's UK Head of Country and Senior Vice President for Europe. Prior to this, Louise was CEO of the Energy Institute. She was previously a non-executive board member of the Energy Saving Trust and Chair of its charitable Foundation. She is also an Ambassador for the POWERful Women and 25x25 gender diversity initiatives and chair of Business in the Community's Climate Action leadership team.



**Bernard Bulkin, PHD, OBE**  
Chair of the Board and Chair of the Nomination Committee

Over 35 years in the energy industry. Experienced Board Member and Chairman. Currently a director of ATN International Inc, a NASDAQ-listed company. 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.



**Margaret Stephens**  
Chair of the Audit Committee

Qualified Chartered Accountant and a 28-year career with KPMG. 16 years as a partner focused on global infrastructure and international M&A. Currently, Trustee Director and Chair of Audit of the Nuclear Liabilities Fund, Non-Executive Director and Chair of the Remuneration Committee of AVI Japan Opportunity Trust plc. Formerly, a non-executive Board Member and Chair of the Audit and Risk Committee at the Department for Exiting the European Union.



**Richard Horlick**  
Chair of the Management Engagement Committee

Over 40 years' experience in the investment management industry. Currently the Chair of CCLA Investment Management, Chair of BH Macro Ltd and Chair of Riverstone Energy Limited. Former roles at Newton Investment Management, Fidelity International, including CEO of Fidelity Management Trust Company and main board member, Global Head of Investments at Schroders plc.



**Daniella Carneiro**  
Chair of the Remuneration Committee

Over 30 years of global experience in project development, governance, strategy, tax and M&A with major companies including KPMG and Shell. A non-executive director and Chair of the Energy & Decarbonisation Committee of the Brazilian Chamber of Commerce in Great Britain. She is also Chair of the UK Trade Wing of the global gender equality network G100 and a specialist advisor at the Department for Business and Trade.



# 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 outside of OECD, 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.

# GSEO Discount Control Mechanisms

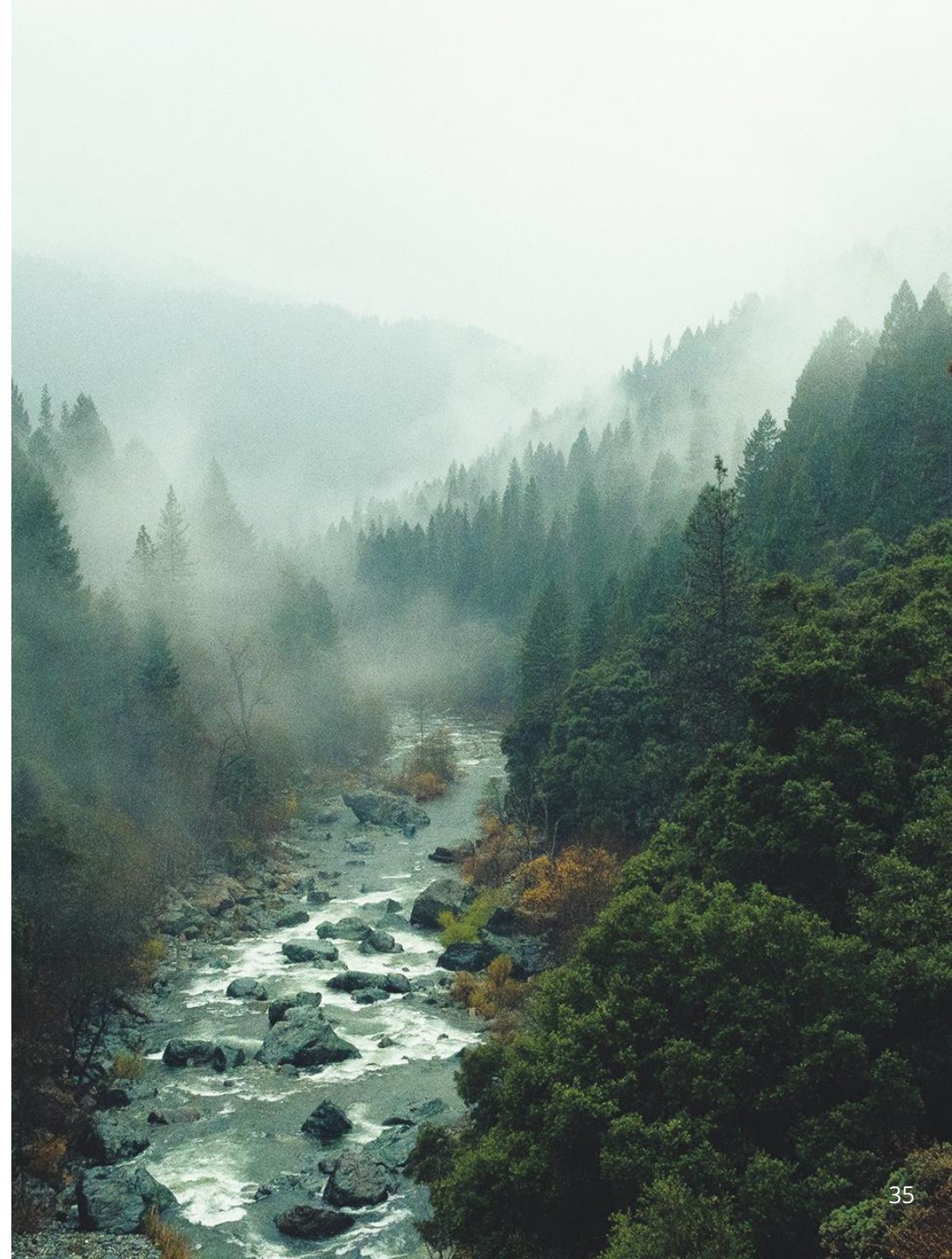
## Discount Control Mechanism

- 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.





# NAV sensitivity breakdown

	Change in input	Changes in fair value of investments (£'000)	Change in NAV per share (pence)
Discount rate - US terminal storage assets	-1.00%	11,669	2.76
	1.00%	(9,995)	-2.37
Discount rate - Australian solar PV with battery storage assets	-1.00%	365	0.09
	1.00%	(325)	-0.08
Discount rate - Brazilian solar PV assets	-1.00%	1,332	0.32
	1.00%	(1,183)	-0.28
Discount rate - Brazilian hydro facility	-1.00%	9,300	2.20
	1.00%	(8,088)	-1.91
<b>Discount rate - All</b>	<b>-1.00%</b>	<b>22,665</b>	<b>5.36</b>
	<b>1.00%</b>	<b>(19,591)</b>	<b>-4.64</b>
Inflation - US terminal storage assets	-1.00%	(9,666)	-2.29
	1.00%	11,188	2.65
Inflation - Australian solar PV with battery storage assets	-1.00%	(442)	-0.10
	1.00%	63	0.01
Inflation - Brazilian solar PV assets	-1.00%	(1,071)	-0.25
	1.00%	1,098	0.26
Inflation - Brazilian hydro facility	-1.00%	(7,447)	-1.76
	1.00%	5,891	1.39
<b>Long-term Inflation – All</b>	<b>-1.00%</b>	<b>(18,627)</b>	<b>-4.41</b>
	<b>1.00%</b>	<b>18,241</b>	<b>4.32</b>

Source: 31 December 2022 Annual Report

# NAV sensitivity breakdown

	Change in input	Changes in fair value of investments (£'000)	Change in NAV per share (pence)
Asset life - US terminal storage assets	-1 year	(1,504)	-0.36
	+1 year	1,358	0.32
Asset life - Australian solar PV with battery storage assets	-1 year	(76)	-0.02
	+1 year	310	0.07
Asset life - Brazilian solar PV assets	-1 year	(137)	-0.03
	+1 year	137	0.03
Asset life - Brazilian hydro facility	-1 year	(1,512)	-0.36
	+1 year	1,440	0.34
Asset life - All	-1 year	(3,230)	-0.76
	+1 year	3,245	0.77
Operating expenses - US terminal storage assets	-5.00%	3,555	0.84
	5.00%	(3,555)	-0.84
Operating expenses - Australian solar PV with battery storage assets	-5.00%	15	0.00
	5.00%	(15)	0.00
Operating expenses - Brazilian solar PV assets	-5.00%	429	0.10
	5.00%	(428)	-0.10
Operating expenses - Brazilian hydro facility	-5.00%	2,565	0.61
	5.00%	(2,743)	-0.65
Operating expenses - All	-5.00%	6,565	1.55
	5.00%	(6,742)	-1.60

Source: 31 December 2022 Annual Report



# NAV sensitivity breakdown

	Change in input	Changes in fair value of investments (£'000)	Change in NAV per share (pence)
FX (GBP:USD)	-10.00%	11,790	2.79
	10.00%	(9,646)	-2.28
FX (GBP:BRL)	-10.00%	15,905	3.76
	10.00%	(13,014)	-3.08
FX (GBP:AUD)	-10.00%	3,585	0.85
	10.00%	(2,933)	-0.69
FX - All	-10.00%	31,280	7.40
	10.00%	(25,593)	-6.06

Source: 31 December 2022 Annual Report

# Disclaimers, risk factors & definitions



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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 Partners LLP is authorised and regulated by the Financial Conduct Authority (FRN 961570). Victory Hill is the investment adviser to the Fund.

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# 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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