

10/2024

Dear Registered Shareholder,

This letter provides an update regarding the Prestige Alternative Finance Fund Limited (PALTF or the Fund). Capitalised terms not otherwise defined have the meanings given to them in the Information Memorandum of the Fund.

1. Audited Financial Statements 2022

Please see link to 31 December 2022 audited financial statements which have been filed with the Fund's regulator - Cayman Islands Monetary Authority (CIMA).

[PALTF-Audit-31-12-2022](#)

The Fund is working with the Fund's auditors to finalise the audited financial statements for 31 December 2023 as soon as possible.

2. Suspension of Subscriptions, Redemptions and NAV Calculations and Postponement of Redemption Payments

As previously confirmed, on 13 June 2024 the Board of the Fund resolved to suspend redemptions, subscriptions and the calculation of the monthly NAV for all share classes. Further, the Board also resolved to postpone the payment of redemptions.

3. Managed Sell Down - Redemption Processing

All investors who submitted redemption requests and received a calendar trade date before 13 June 2024 are Redeeming Creditors.

After due consideration and in consultation with the Investment Manager, the Board of the Fund has concluded that calculating 16 individual monthly NAVs for the period from February 2023 to May 2024 may not be possible or proportionate and in the best interests of the Fund.

This determination has been based on an amalgam of factors, including the finalised Audited Financial Statements for 2022, ongoing operating status of various portfolio assets and the Board's assessment and proposal to move into a managed sell down strategy. The Board of the Fund intend to strike a single NAV as at 31 May 2024 which would be applied to all Redeeming Creditors from February 2023 to May 2024.

Prestige Alternative Finance Fund Limited

Registered Office:
Waystone Corporate Services (Cayman) Limited, PO Box 1344, Suite 5B201, 2nd Floor, One Nexus Way, Camana Bay, Grand Cayman, KY1-1108, Cayman Islands

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www.prestigefundmanagement.ky
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Directors:
Ms Ebony Myles-Berry (Cayman), Mr Iain Fulton (UK) and Mr Casey McDonald (Cayman)

Cayman Islands Monetary Authority (CIMA) Registration Number:
16040

Company Registration Number:
SH-220502

The May 2024 NAV will be calculated once the Audited Financial Statements for 2023 have been finalised. Thereafter a further update regarding this will be issued. Subject to the terms of the Fund documents and Cayman Islands law when liquidity is generated all Redeeming Creditors will receive a proportional payment.

4. Fund / Portfolio Liquidity Generation

The Fund has formally restructured its arrangements with the Finance Arranger to support the Managed Sell Down Process which includes, where possible, refinancing and/or sale of the core portfolio assets (under its servicing) which represents approximately 59% of Fund's total assets.

It should be noted that the Finance Arranger's loan arrangements with their underlying customers/renewable energy projects all have legally binding loan agreements in place. Therefore, the underlying customers/renewable energy projects are not obligated to re-finance/sell until such time as their agreement comes to an end.

The Finance Arranger continues to work with multiple groups interested in purchasing the assets. However, it has moved away from securing a sale of the entire core portfolio to one purchaser which optically had been the favoured process over the last eighteen months. The core portfolio is made up of numerous structures of ownership and creates significant complexity in co-ordinating, controlling and ultimately delivery a successful outcome in a single transaction. This decision has released the Finance Arranger from the 'exclusivity' agreements which had been placed around these core assets. Conversations are continuing with some of these previous parties, where extensive cost and due diligence has been incurred to ensure no opportunity is lost.

It should be noted that some of the assets have been awaiting committed funding to allow completion of capital works, ramp up processes and final acceptance testing to enable full/steady output to be achieved. Consequently, some of the assets have not been able to demonstrate acceptable levels of performance that match the fully funded, operating 'modelled' performance and value that they should achieve. This has caused additional challenge when groups are looking to purchase the assets individually or multiple assets to enable the purchasers to meet their own investment criteria.

The Fund's remaining non-core assets not administered by the Finance Arranger, are estimated to take between 12-36 months to liquidate (approximately 41% of Fund's total assets).

5. New Board Director

To assist the Fund during the next stage of its journey, an additional independent board director has been appointed bringing specialist expertise around the managed sell down of illiquid funds. Specifically, Mr. Casey McDonald joined the Fund's board of directors on 19 August 2024. Mr. McDonald has replaced Mr. Craig Reeves who formally stepped down from the Fund's Board on 30 August 2024.

Mr. Reeves remains a director of the Investment Manager and will continue to support the efforts of the managed sell down process. Mr. Reeves has never been a director of the Finance Arranger, nor does he sit formally or informally on any executive boards or credit committees.

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6. New Independent Fund Administrator

The Fund is also pleased to confirm that as of 1 July 2024 a new independent Fund Administrator has been appointed: Trident Fund Services (Malta) Ltd.

We sincerely thank you for your patience and understanding. Please do not hesitate to contact info@prestigefunds.com if you have any questions or require further clarification.

The Fund will provide a further update by the end of H2/2024 unless there is a material development before then.

Thank you once again for your trust in us.

Yours faithfully

Board of Directors
Prestige Alternative Finance Fund Limited

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INTERNATIONAL FUND REFERENCE CODES:

Participating Shares

CURRENCY	ISIN Code	SEDOL Code	BLOOMBERG Code	VALOR Code	MORNING STAR Code	CUSIP Code	MEXID Code
USD	KYG722711028	B3KM0W8	PRAFINU KY	4921586	481945	G72271 102	OGPRAL
EUR	KYG722711101	B3KM0Z1	PRAFINE KY	4921601	481942	G72271 110	OGPRAT
GBP	KYG722711283	B3KM114	PRAFING KY	4921605	481946	G72271 128	OGSPA
CHF	KYG722711366	B66P2J3	PRAFINC KY	12937976	837018	G72271 136	OGALFI
SEK	KYG722711440	B67NW63	PRAFINS KY	12937999	837019	G72271 144	OGALTF

Participating I Shares

CURRENCY	ISIN Code	SEDOL Code	BLOOMBERG Code	VALOR Code	MORNING STAR Code	CUSIP Code	MEXID Code
USD	KYG722711853	BK0S263	PRAFISU KY	23792898	F00000T7LR	G72271 185	OGAABW
EUR	KYG722711937	BK0S252	PRAFISE KY	23793540	F00000T7LS	G72271 193	OGAABX
GBP	KYG722711770	BK00FP9	PRAFISS KY	23793583	F00000T7LT	G72271 177	OGAABY
CHF	KYG722712018	BK0S274	PRAFISF KY	23793744	F00000T7LU	G72271 201	OGAABZ
SEK	KYG722712190	BK0S285	PRAFISK KY	23793811	F00000T7LV	G72271 219	OGAACA

Participating ID Shares

CURRENCY	ISIN Code	SEDOL Code	BLOOMBERG Code	VALOR Code	MORNING STAR Code	CUSIP Code	MEXID Code
USD	KYG722712844	BDGRV79	PRAFIDU KY	CH 30169859	F00000XMUO	G72271 284	
EUR	KYG722712760					G72271 276	
GBP	KYG722712687					G72271 268	
CHF	KYG722712927					G72271 292	

Participating AD Shares

CURRENCY	ISIN Code	SEDOL Code	BLOOMBERG Code	VALOR Code	MORNING STAR Code	CUSIP Code	MEXID Code
USD	KYG722713834	BG07CQ2			F0000104C3	G72271 383	OGFFB
EUR	KYG722713750	BG07CR3			F0000104C2	G72271 375	OGFFC
GBP	KYG722713677	BG07CS4			F0000104C1	G72271 367	OGFFD

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NOTE: This document is issued and approved by Prestige Alternative Finance Fund Limited (PALTF). It is not a solicitation or invitation to invest or financial advice. Investors should only rely on the Information Memorandum of PALTF and always seek independent professional financial advice when considering an investment. PALTF is an Alternative Investment Fund as defined under the Alternative Investment Fund Management Directive (AIFMD) and is registered by the Cayman Island Monetary Authority (CIMA). PALTF is actively managed by Prestige Fund Management Limited (PFM), which is a Cayman based Fund Management company registered with the Cayman Island Monetary Authority (CIMA). This document has also been approved by PFM.

PALTF is an experienced investor fund. As of 13 June 2024, the Fund has suspended all subscriptions and redemptions and is no longer offering shares.

This collective investment scheme may only be offered in Switzerland to qualified investors in accordance with Art. 10 of the Collective Investment Schemes Act (CISA) and Art. 4 para. 3-5, Art. 5 para. 1, Federal Act on Financial Services (FinSA). The representative in Switzerland is OpenFunds Investment Services AG, Freigutstrasse 15, 8002 Zurich. The paying agent in Switzerland is Società Bancaria Ticinese SA, Piazza Collegiata, 6501 Bellinzona. The prospectus and the fund contract as well as the annual and semi-annual reports can be obtained free of charge from the representative in Switzerland. In respect of units offered in Switzerland, the place of performance is at the registered office of the representative. The place of jurisdiction is at the registered office of the representative or at the registered office or place of residence of the investor.

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