



**ELEVATE**  
CAPITAL

**Finance and Infrastructure Fund**



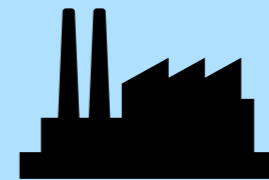
# Investment strategy

The investment strategy of the sub-fund is to generate investment returns by investing in long term cash generative projects with the opportunity for future resale, this to be accompanied by debt funding that provide secure returns to the fund over a long period.



## Financial Services

We will look for long term opportunities within the financial services sector, we are looking to build a global network of banking and payments institutions that have high growth potential within reputable jurisdictions with highly value licenses and technology to leverage.



## Infrastructure

We will provide funding either by debt or by equity for large scale infrastructure projects that provide both high level returns and have social responsibility at their core. This will allow us to guarantee long term returns for our investors.



# Investment Strategy Continued

## **Geography**

The geography of the investments will be based in the EU, UK, US, EEA and SEA. This will be unless any exceptional opportunities arise.

For the debt funding we will look on a more global basis but will not deal with companies domiciled in or have shareholders from countries listed on FATCA.

The sub-fund will not be available to retail investors, it will only be available to asset managers, central banks, Intergovernmental organisations, NGO's and large institutions.

## **Risk Profile**

### ***Market Conditions***

The sub-fund will be exposed to long term market conditions, however with our investment criteria we look to de-risk the fund as much as possible. This is why we have put one of the criteria to be a business which has been through different market cycles in the past.

### ***Regulatory***

We would be exposed to pressures from the regulators of the investments, by making sure the due diligence we carry out in the first instance is thorough enough to spot any potential risks from the outset and ensuring the management teams either currently in place or that we put in place are credible and of a standard to maintain adequate risk governance to satisfy the regulatory requirements.



# Investment Strategy Continued

## **Investment Management and Performance Fees**

The sub-fund will charge a yearly management fee of 1.5% of average NAV and a performance fee of 15% of the profit generated.

## **Term of the Sub-Fund**

The sub-fund will be an open ended fund with an unlimited duration.

## **Currency of the fund and share classes**

The base currencies of the Sub-Fund will be GBP (£), this will mean all accounts, reports and other financial statements will be drawn up in GBP (£).

The Sub-Fund is suitable for investors with an investment time horizon of at least five years with a medium to high-risk profile. It is expected that the Sub-Fund will not exhibit volatility, such is the profile of the investments being sought. Investors may invest with GBP (£), EUR (€) & USD (\$) with a minimum subscription amount of £250,000.



# Investment Criteria

## *Approach*

The Sub-Funds approach is to be a long-term investor in its chosen projects. It will not adopt short-term trading strategies. The Company has stringent investment criteria which we adhere to in selecting projects for the Company's investment portfolio. These criteria aim to ensure that the Company invests in:

- ▶ high quality businesses that can sustain a high return on operating capital employed;
- ▶ businesses whose advantages are difficult to replicate;
- ▶ businesses which do not require significant leverage to generate returns;
- ▶ businesses with a high degree of certainty of growth from reinvestment of their cash flows at high rates of return;
- ▶ businesses that are resilient to change, particularly technological innovation;
- ▶ businesses whose valuation is considered by the Company to be attractive.



# Investment Criteria continued

## Financial Services

- ▶ Must have high potential of value increase;
- ▶ Already be cash generative or close to breakeven;
- ▶ Current owners must not be from countries on FATCA list;
- ▶ Direct Fed Line access preferable;
- ▶ Tier 1 SWIFT access preferable;
- ▶ Must be based in the EEA, UK, EU;
- ▶ Tier 1 bank preferred, Tier 2 possible;
- ▶ The entity must have no regulatory issues within the last 10 years;
- ▶ E-Money institutions that have access to central bank settlement accounts;

## Infrastructure

- ▶ Debt funding with a minimum of 5% return;
- ▶ Maximum loan term of 10 years;
- ▶ Projects that have potential for recoverability of loans;
- ▶ Must only be lent to a business;
- ▶ Business must have at least 2 years trading history;
- ▶ Business must have turnover of at least 3x the loan amount needed;





# Investment Process

## Market screening

It all begins with a comprehensive market analysis, drawing on a wide range of sources including contacts to fund managers, intermediaries and other investors. This produces a market overview of all the relevant segments and regions, which is permanently updated and serves as the foundation for the fund pipeline and ranking in the next phase.

## Analysis

In the next stage we proactively approach interesting individual fund managers. Every fund is discussed by the investment team and given a provisional ranking on the basis of the first meeting and the available fund data. The aim is to identify attractive funds at an early stage and to keep refining the fund pipeline.

## Due Diligence

The preselection process is followed by a due diligence review, which consists of extensive number crunching and several meetings with the fund managers. This generally takes place over a period of several weeks or months. The team, investment strategy, track record and terms are all analysed in detail.

## Investment decision

The main results of the due diligence are summarised in an investment proposal, which is then subject to a final discussion in the investment team and with the partners to come to a decision.

## Ongoing support and engagement

The investment process continues after the investment decision itself. For the duration of the investment the quarterly and annual reports from the investments. The Elevate team also maintains close contact with each investment and the management teams in place to maintain an upward trajectory.



# Due Diligence

- ▶ **Team:** We look for a broadly balanced, sustainable team structure with complementary personalities and skills, a good reputation and outstanding professionalism.
  - ▶ **Investment Strategy:** The strategy should be consistent, differentiated and clearly articulated and must be compatible with the market situation and the team's experience.
  - ▶ **Track Record:** The fund should have a verifiable, above-average track record that covers different market cycles. Excessive dependence on individual team members and transactions is not desirable.
  - ▶ **Terms/Structure:** Should be reasonable and market standard and the investment should have a suitable legal and tax structure. Significant co-investment by the managers is desirable.
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