

**INVESTOR DISCLOSURE DOCUMENT**

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*Information disclosure for the purposes of Article 23 AIFMD and SFDR by and in respect of*

**Gresham House Energy Storage Fund PLC**

(the "**Company**")

(a Public Limited Company incorporated in England and Wales under registered number  
11535957)

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July 2021

## **DEFINITIONS AND INTERPRETATION**

*This section of the Document sets out the meaning of certain defined terms used in the Document and makes provisions regarding the interpretation of certain references in the Document.*

### **1. Definitions**

In this Document, the following capitalised terms shall have the following meanings:

- (A) “AIF” means an alternative investment fund (or AIF) for the purposes of and as defined in AIFMD.
- (B) “AIFM” means an alternative investment fund manager (or AIFM) for the purposes of and as defined in AIFMD or EU AIFMD (as the context requires).
- (C) “AIFMD” means the UK version of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers as it forms part of the law of England and Wales by virtue of the EUWA, as amended by UK legislation.
- (D) “Annual Report” means the Company’s latest annual report, which is available on the Website.
- (E) “Company” means Gresham House Energy Storage Fund PLC.
- (F) “Document” means this Investor Disclosure Document.
- (G) “EEA” means the European Economic Area.
- (H) “EU” means the European Union.
- (I) “EU AIFMD” means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers.
- (J) “EUWA” means the European Union (Withdrawal) Act 2018.
- (K) “Manager” means Gresham House Asset Management Limited, the AIFM of the Company.
- (A) “Prospectus” means the most recently published prospectus of the Company, as amended or supplemented by any Supplementary Prospectus from time to time, issued or to be issued by the Company, which may be found on the Website.
- (B) “SFDR” means the EU Regulation on Sustainability-related Disclosures in the Financial Services Sector (2019/2088).
- (C) “Supplementary Prospectus” means a supplementary prospectus submitted under section 87G of FSMA, which, if applicable, may be found on the Website.
- (D) “Website” means [www.greshamhouse.com/gresham-house-energy-storage-fund-plc](http://www.greshamhouse.com/gresham-house-energy-storage-fund-plc).

Certain other terms are defined in this Document.

### **2. Interpretation**

References to any statute or statutory provision, directive or regulation will include any subordinate legislation or regulatory technical standards made under it and will be construed as including references to such statute, statutory provision, directive, regulation and/or subordinate legislation.

Unless the context otherwise requires and except as varied or otherwise specified in this Document, words and expressions contained in this Document shall bear the same meaning as in the Prospectus provided that, if there is any conflict between words defined in this Document and the Prospectus, this Document shall prevail.

## **GENERAL**

### **1. Purpose of this Document**

This Document, when read together with the Prospectus, is intended to satisfy the requirements to make certain particular information available to investors in the Company before they invest, in accordance with the requirements of Article 23 of AIFMD and EU AIFMD and also of the SFDR in respect of the Company. It is not being issued for any other purpose and, to the fullest extent permitted under applicable law and regulation, the Company and the Manager, and their directors will not be responsible to persons other than the Shareholders for their use of this Document, nor will they be responsible to any person (including the Shareholders) for any use which they may make of this Document other than to provide information to invest in the Shares.

As such, the Manager will make this Document available to each prospective investor in the UK and in each EEA member state where the Company is marketed before that investor invests in the Company.

This Document does not purport to provide complete details of the Company and potential investors should not solely rely upon this Document when determining whether to make an investment.

Furthermore, investors should refer to the risks and disclaimers contained within the Annual Report.

Further information relating to the Company can be found on the Website.

### **2. Material Changes**

The Manager shall inform investors of any material changes to the information contained in this Document in accordance with AIFMD, EU AIFMD and SFDR, as applicable.

The latest version of this Document is available for inspection on the Website.

Existing investors in the Company who make further investments in the Company should ensure that they obtain and review the latest version of this Document prior to making such further investments.

### **3. Regulatory status of the Company and the Manager**

Gresham House Energy Storage Fund PLC is an “alternative investment fund” (“AIF”) for the purposes of AIFMD and EU AIFMD and the Company has appointed Gresham House Asset Management Limited (the “Manager”), to act as its AIFM. The Manager is authorised and regulated by the FCA as a “full scope UK AIFM” for the purposes of AIFMD.

The Shares are admitted to trading on the Specialist Fund Segment of the main market of the London Stock Exchange. The Company is subject to the Articles, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Act and FSMA.

The provisions of the Articles are binding on the Company and Shareholders. The Articles set out the respective rights and restrictions attaching to the Shares. These rights and restrictions apply equally to all Shareholders. All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the Articles. The Articles are governed by English law.

## **AIFMD AND EU AIFMD DISCLOSURES**

### **1. Investment strategy, policy and objectives of the Company, types of assets the Company may invest in, investment techniques and investment restrictions**

The Company's investment strategy, objectives and restrictions are set out in the Prospectus.

The way in which the Company's portfolio of assets is managed by the Manager is governed by its investment objective and policy and other rules set from time to time by the Board.

Material changes to the investment objective and policy can only be made with the approval of Shareholders. In considering what is a material change, the Company must have regard to the cumulative effect of any changes since Shareholders last had the opportunity to vote. In certain circumstances FCA approval may also need to be obtained, where a change is considered to be material under AIFMD.

### **2. Risks and risk management**

The principal risks currently facing the Company are set out under the heading "Principal and Emerging Risks and Uncertainties" of the Annual Report.

In accordance with AIFMD, the Manager will ensure that the current risk profile of the Company and the risk management systems employed by the Manager to manage those risks in relation to the Company's portfolio of assets is published in the Annual Report.

The Manager has established risk management systems in order to manage key risks. Further details regarding the risk management process is available from the Manager, on request.

### **3. Leverage**

The circumstances in which the AIF may use leverage as well as the types and sources of leverage permitted and the associated risks, and the restrictions on the use of leverage are set out in the Annual Report.

Although the restrictions set forth in the Annual Report will be complied with, in accordance with AIFMD, the Board has set leverage limits of 220% under the gross method (representing the aggregate of all the Company's exposures other than cash balances held in Sterling) and 220% under the commitment method (which takes into account the effect of different treatment of certain cash and cash equivalent items and of offsetting instruments between eligible assets to reflect netting and hedging arrangements in line with regulatory requirements).

The Company will ensure that any change to the maximum level of leverage which the Manager may employ on behalf of the Company as well as any right of the re-use of collateral or any guarantee granted under the leveraging arrangement and the total amount of leverage employed by the Company is published in the Annual Report. In addition, the Company will notify Shareholders of any such changes, rights or guarantees without undue delay by issuing an announcement via an RIS.

### **4. Information on the Manager, Depositary and other Service Providers**

#### **AIFM**

Gresham House Asset Management Limited.

The Manager provides alternative investment fund management services to the Company.

The Company also reimburses the Manager for reasonable expenses properly incurred by the Manager in the performance of its obligations under the AIFM Agreement.

## **Depositary**

INDOS Financial Limited is the Depositary of the Company.

The Depositary is responsible for safekeeping, cashflow monitoring and oversight services in accordance with AIFMD. It will delegate its safe-keeping function in relation to financial instruments, in the event that the Company holds any such assets.

The Depositary has not contractually discharged itself of liability in accordance with Regulation 30 of The Alternative Investment Fund Managers Regulations (SI 2013/1773).

The Depositary may not use or re-use the Company's securities or other investments without the prior consent of the Company.

## **Auditor**

BDO UK LLP.

The auditor provides audit services to the Company and is responsible for auditing the Company's annual financial statements and for providing its report to Shareholders in the Annual Report.

## **Administrator**

JTC (UK) Limited.

The Administrator provides day to day administration of the Company and acts as company-secretary and administrator to the Company including, maintaining accounts, preparing interim and annual accounts of the Company and calculating the Net Asset Value.

## **Management Services**

Gresham House New Energy Limited

GHNE provides operational, management and administrative services to each Project Company.

## **Security Trustee, Bond Administrator, Bond Registrar and Bond Receiving Agent in relation to the Bond Offering**

JTC Registrars (UK) Limited

In connection with the Bond Offering the Company's subsidiary, Gresham House Energy Storage Holdings plc, appointed JTC Registrars (UK) Limited to provide security trustee and administration services in relation to the Bond Offering.

## **Corporate broker and financial adviser**

Jefferies International Limited.

Jefferies provides corporate broking and associated financial advisory services to the Company.

## **Registrar**

Computershare Investor Services PLC.

The Registrar maintains the Company's register of members and undertakes related services.

The fees payable to the Registrar are based on the number of Shareholders on the register and the transactions in the Shares plus properly incurred expenses, subject to an annual fee.

Additional fees payable by the Company to those set out above include; legal fees, broker commissions, directors' fees and other professional services fees.

Shareholders do not bear any fees, charges and expenses directly, other than any fees, charges and expenses incurred as a consequence of acquiring, transferring, redeeming or otherwise selling Shares.

5. **Fees, charges and expenses**

For the provision of alternative investment fund management services under the AIFM Agreement, the Manager is entitled to receive an annual fee to be calculated as percentages of the Company's net assets (1 per cent. on the first £250 million of Net Asset Value, 0.9 per cent. on Net Asset Value in excess of £250 million and up to and including £500 million and 0.8 per cent. on Net Asset Value in excess of £500 million, exclusive of VAT).

The Company also incurs annual fees, charges and expenses in connection with administration, directors' fees, promotional activities, auditors' fees, lawyers' fees, depositary fees and charges, asset management services, registrar services and the services of its other service providers. The Company's ongoing charges (including the Manager's fee summarized above) for the period to 31 December 2020 was 1.26%.

Shareholders do not bear any fees, charges and expenses directly, other than any fees, charges and expenses incurred as a consequence of acquiring, transferring, redeeming or otherwise selling Shares.

6. **Purchases and sales of Shares and the contractual relationship between the Company and investors, applicable law and the enforcement of judgements**

The issue of new Shares by the Company, either by way of a fresh issue of Shares or by way of the sale of Shares from treasury, is subject to the requisite Shareholder authorities being in place and all Listing Rule requirements having been met. Shares can also be bought in the open market through a stockbroker or other financial intermediary. Further information on how Shares may be purchased is set out in the section headed "How to Invest" on the Website.

The agreement between the Shareholders and the Company for the acquisition of Shares is governed by English law and, by purchasing Shares, Shareholders agree that the courts of England have exclusive jurisdiction to settle any disputes. Investors who acquire Shares will do so subject to the Articles. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the Shares held by them. All communications in connection with the purchase of Shares will be in English.

The UK has acceded to the Hague Convention on Choice of Courts Agreements 2005 (the "Hague Convention") which applies between the EU member states, Montenegro, Denmark, Mexico, Singapore and the UK and provides for the recognition of foreign judgments in respect of contracts which contain an exclusive jurisdiction clause. The UK has also applied to re-join the Lugano Convention 2007 which would permit for the recognition of judgments based on contracts under the laws of member states regardless of whether the contract contains an exclusive or a non-exclusive choice of law clause in the states that are parties to that convention (i.e. EU member states and Iceland, Norway and Switzerland). However, each member of the Lugano Convention (EU member states, Iceland, Norway and Switzerland) has a veto on the accession of new members and UK accession may not occur.

7. **Professional liability risks**

The Manager covers potential professional liability risks resulting from its activities as AIFM by holding professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered, in accordance with the AIFM Rules.

8. **Valuation procedures**

The Company's approach to the valuation of its portfolio of assets is set out in the Notes to the Financial Statements of the Annual Report.

The Administrator and Company Secretary is responsible for calculating the NAV which is presented to the Directors for their approval and adoption.

The calculations are carried out on at least a quarterly basis as at 31 March, 30 June, 30 September and 31 December, based on valuations provided by the Manager, each year.

The calculations of the NAVs as at 30 June and 31 December each year are supported by independent valuations prepared for the purposes of the Company's interim and annual financial statements.

All NAV calculations by the Administrator and Company Secretary are made, in part, on valuation information provided by the Manager. Although the Administrator and Company Secretary evaluates all such information and data, it may not be in a position to confirm the completeness, genuineness or accuracy of such information or data.

The Board reviews the operating and financial assumptions, including the discount rates, used in the valuation of the Company's underlying portfolio and approves them based on the recommendation of the Manager.

As part of the annual audit, the Auditor reviews the valuation model used by the Manager, including the discount rate.

The Board may determine that the Company shall temporarily suspend the determination of the Net Asset Value per Share when the prices of any investments owned by the Company cannot be promptly or accurately ascertained; however, in view of the nature of the Company's proposed investments, the Board does not envisage any circumstances in which valuations will be suspended.

Any suspension in the calculation of the Net Asset Value will be notified to Shareholders through a Regulatory Information Service as soon as practicable after such suspension occurs.

## 9. **Liquidity risk management and redemption rights**

The Manager maintains a liquidity management policy to monitor the liquidity risk of the Company. Shareholders have no right to redeem their Shares from the Company but may trade their Shares on the secondary market. However, there is no guarantee that there will be a liquid market in the Shares.

Further details regarding the liquidity management is available from the Manager, on request.

In accordance with AIFMD, the Manager will ensure that the following information in relation to the Company's portfolio of assets is published in the Annual Report:

- the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature; and
- any new arrangements for managing the liquidity of the Company.

## 10. **Fair treatment of investors**

The Manager has procedures, arrangements and policies in place to ensure compliance with the principles more particularly described in AIFMD relating to the fair treatment of investors.

The Manager maintains and operates organisational, procedural and administrative arrangements and implements policies and procedures designed to manage actual and potential conflicts of interest.

As at the date of this Document, no investor has obtained preferential treatment or the right to obtain preferential treatment.

## 11. **Annual Report**

Copies of the Company's latest annual and interim reports may be accessed on the Website.



12. **Latest Net Asset Value**

The Net Asset Value per Share is published quarterly via an RIS announcement and can be found on the National Storage Mechanism at <https://www.fca.org.uk/markets/primary-markets/regulatory-disclosures/national-storage-mechanism>.

13. **Historical performance of the Company**

Details of the Company's historical financial performance are provided in the Company's annual reports and quarterly factsheets, which are available on the Website.

Investors should note that past performance of the Company is not necessarily indicative of future performance. Investors may not get back the amount invested.

## **SFDR DISCLOSURES**

1. **The manner in which sustainability risks are integrated into the investment decisions of the Manager in relation to the Company**

The manner in which sustainability risks are integrated into the investment decisions of the Manager in relation to the Company are described under the heading “Sustainability Report” in the Annual Report.

2. **The likely impacts of sustainability risks on the returns of the Company**

The Manager is required, under Article 8 of SFDR, to describe how the environmental and/or social characteristics of investments are met. The Manager has set out in the Annual Report the environmental and social characteristics that it promotes in its management of the Company, which include operating the Company’s portfolio of assets with a view to:

- reducing carbon emissions and pollution;
- managing resource management and supply chain sustainability in designing and operating ESS and performing EPC contracts;
- promoting waste management;
- ensuring the employment, health, safety and well-being of employees; and
- ensuring good governance and ethical practices.

The Annual Report also describes the Manager’s governance practices with regard to embedding ESG considerations into its investment process through its Sustainable Investment Framework and its ESG Decision Tool.

The Company provides ESG reporting to Shareholders through the “Sustainability Report” that forms part of the Annual Report, which demonstrates the Manager’s effective management of ESG matters and attendance to material ESG performance and risk across the Company’s portfolio of assets. The Manager works with the Company’s suppliers and stakeholders to monitor governance risks.

The Manager confirms that no index has been designated as a reference benchmark for the environmental and social characteristics of investments.

The Manager has determined that the sustainability risk (being the risk that the value of the Company could be materially negatively impacted by an environmental, social or governance event or condition) faced by the Company is low to medium. The core activity of the Company is the ownership and operation of grid-connected energy storage plants which make a large contribution to sustainability goals by allowing increasing amounts of intermittent renewable energy generation to come online. The Manager has put in place comprehensive processes and checks in place to minimise ESG-related risks associated with the manufacturing and sourcing of the components used in energy storage plants, as well as the construction and operation of these plants.