



# Proterra Asia Food Fund 3

Compelling investment opportunities as consumers demand higher quality food products in Asia

## About Proterra

**Proterra Investment Partners** is a specialist alternative investment manager focused on investing in the global food and agriculture sectors. Proterra, headquartered in Minneapolis, MN, US, has US\$3.6 billion of regulatory assets under management<sup>1</sup> and its leadership team has over fourteen years of experience working together.

**Proterra Asia** is the Asian arm of Proterra Investment Partners, managing US\$1.6 billion of assets under the Food Strategy. Proterra Asia focuses exclusively on investing in the Asian food sector, having made over 20 investments in the past decade. Proterra Asia focuses on making growth equity and control investments across the food value chain with high quality counterparties in the region, leveraging its experienced local team of 19 staff in Singapore, Shanghai and Mumbai, and an extensive local network in the food sector.

<sup>1</sup> As of March 31, 2021.

## The Opportunity



### HYPER GROWTH IN CERTAIN FOOD SUBSECTORS

Certain subsectors within the Asian food sector are growing rapidly as consumers increasingly demand quality foods.



### RESILIENT SECTOR WITH CONSUMER UPSIDE

Food sector is resilient through economic shocks while benefiting from high potential upside due to exposure to the Asian consumer, offering attractive risk/return profile for investors.



### ASIA EXPOSURE

Opportunity to own Asian assets, including renminbi-denominated Chinese assets, and benefit from expected currency tailwinds and above average GDP growth rates in Asia.



### SUPPLY CHAIN DISLOCATIONS

Investment opportunities created by supply chain disruptions due to Covid-19 and African Swine Fever.



### STRONG POSITIVE ESG IMPACT ON ASIA AND THE WORLD

Core investment theme involves elevating the standards in the Asian food sector and directly supports many of the UN Sustainable Development Goals.



### DEMOGRAPHIC AND INCOME EXPANSION

Investing into reliable demographic and income growth in Asia, with growing populations and wealth.

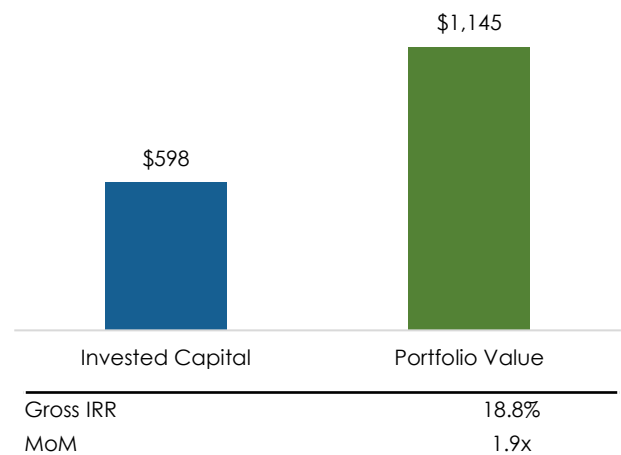


### OPERATIONAL ARBITRAGE OPPORTUNITY

Chronic under investment in Asian food sector has created attractive operational arbitrage opportunities for specialists who can leverage existing food and agriculture technology and best practices from the rest of the world.

## Food Fund 2 (2014 Vintage)<sup>1</sup>

In USD millions



*Fund 2 performance figures do not include co-investment vehicles that Proterra manages for LPs. Gross IRR figures are calculated before investment management fees and any fund expenses.*



### Food Fund 3



#### TARGET AVERAGE DURATION

3 to 7 years



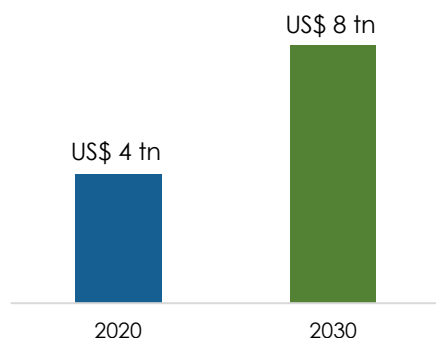
#### TARGET GEOGRAPHY

Asia, focused on China and SEA

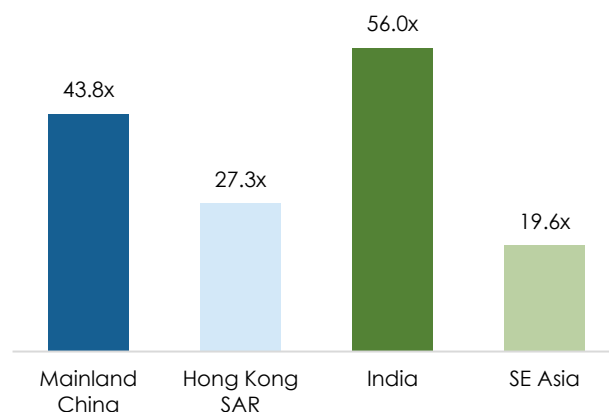
Proterra Asia's **Food Fund 3** will seek growth equity and control investments across the entire food value chain, with particular focus on the fast growing and high return-oriented branded food sector. Increased consumer preferences towards food safety, quality, reduced environmental impact, and health underpin this growth.

The food sector has proven to be very resilient to economic shocks due to its defensive nature, yet high quality food companies in Asia continue to command high exit multiples due to their exposure to Asia's reliable megatrend of consumption growth.

#### Asia's Total Spend on Food Will Double Over the Next Decade<sup>2</sup>



#### Avg Public Market Price/Earnings (LTM) Ratios for Consumer Food Companies in Asia<sup>4</sup>



#### By 2030, 65% of the Global Middle Class Will Reside in Asia<sup>3</sup>



**Food Fund 3** will leverage the team's decade-plus experience in building new food supply chains to invest in businesses with exposure to emerging consumption trends, including fast-growing categories like premium yoghurt and alternative proteins (growing at double to triple digit CAGRs).

Given this, we believe the Asian food sector offers an attractive risk/return profile. Further, chronic under-investment in the Asian food value chain has created substantial operational arbitrage opportunities. By implementing technology and best practices that already exist in developed markets or in our other portfolio companies, Proterra's Food Funds have had success creating best in class companies that elevate the standards in their respective subsectors, improving operational efficiency and profitability while positively impacting ESG measures.

Covid-19 and dislocations to food supply chains in the region are a tailwind for Food Fund 3 as governments continue to encourage private investment in the food sector to shore up food security concerns.

<sup>2</sup> Source: PwC/Rabobank/Temasek, *The Asia Food Challenge* (2019).

<sup>3</sup> Source: World Economic Forum (2020).

<sup>4</sup> As of close of Q4 2020. Based on selected publicly-listed Asian food companies with meaningful consumer exposure as tracked by Proterra. Geographies based on location of the applicable stock exchange in which the relevant company is traded.

### Competitive Edge

- **Global Platform.** Proterra is the largest agribusiness-focused private equity investor by AUM and maintains offices around the world.<sup>5</sup> This scale and global reach allows the Food team to leverage in-house expertise across geographies and provides it with unique insights into the markets and trade flows that impact the Asian food sector.
- **Food is in our DNA.** Having spun out of Cargill in 2016, Proterra's partners have been investing together for over 14 years. We are deep thematic investors covering all the key subsectors in the food value chain.
- **On the Ground Sector-Focused Team.** Experienced local investment team located across the key growth regions in Asia.
- **Extensive Pan-Asia Network.** Having invested over US\$1.4 billion across the Asian food value chain, Proterra has partnered with some of Asia's leading families, entrepreneurs, and managers. Our network is supplemented by our Executive Council, which consists of key Asian food and financial industry leaders.
- **Proprietary Deal Flow.** We are able to generate proprietary deal flow due to our long-standing reputation as a value-adding PE investor, with a stellar reputation of being supportive partners to our portfolio companies and their stakeholders.
- **True Operational Expertise.** We have developed extensive hands-on operational experience through our past greenfield and brownfield investment projects.

<sup>5</sup> Global AgInvesting Rankings & Trends Report (2019).

### Responsible Investors Making Positive ESG Impacts on the Asian Food Sector

Recognising the important responsibility we have as investors in the food and agribusiness sector, ESG considerations are a core part of Proterra's investment process. Prior to investment, we engage a third party specialist to perform rigorous pre-investment ESG due diligence. After investing, we focus on ensuring that our portfolio companies make a positive impact on the environment and the community through ongoing monitoring and reporting along specified ESG KPIs for each portfolio company. Notably, the Food Fund 3 Investment Committee is chaired by Proterra's Global Head of ESG.

#### The Challenge: High Fragmentation, Sub-Scale Operators → Chronic Underinvestment.

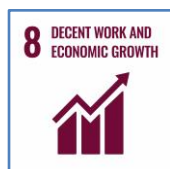
The Asian food sector has suffered from chronic underinvestment. Much of this flows from the fact that many segments of the upstream value chain are highly fragmented with numerous sub-scale operators who are unable to leverage technology to improve efficiency and reduce waste. High fragmentation in the food value chain also creates significant food safety challenges.



#### Technology + Capital → Profitable and Sustainable Solutions.

With our global food and agribusiness network, we have invested in and successfully grown companies that are responsible leaders in their respective industries, advancing the overall standards in the subsectors in which they operate. Proterra's capital and network brings technology solutions from developed markets to emerging Asia, creating operationally superior companies that are both more profitable and more sustainable than their competitors.

Proterra Asia's Food Strategy directly supports six of the UN Sustainable Development Goals





### Contact Us

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### Important Information

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The Proterra Asia Food Fund 3 (the "Fund") is a speculative and illiquid investment involving a high degree of risk. The Fund will be sponsored and managed by Proterra Investment Advisors (Singapore) Pte Ltd ("Proterra Asia"), which is a subsidiary of Proterra Investment Partners LP ("Proterra"). Any historical information or information based on past performance included herein is for informational purposes only, has inherent limitations and is not intended to be a representation, warranty or guarantee of future performance. There can be no assurance that the Fund will achieve its investment objectives, the investment strategies will be successful or the Fund will avoid substantial or total losses. The past performance of Proterra, Proterra Asia and the other funds Proterra sponsors are not indicative of future results.

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The offer and the marketing of the Fund in Switzerland will be exclusively made to, and directed at, qualified investors (the "Qualified Investors"), as defined in Article 10(3) and (3ter) of the Swiss Collective Investment Schemes Act ("CISA") and its implementing ordinance. Accordingly, the Fund has not been and will not be registered with the Swiss Financial Market Supervisory Authority ("FINMA") and no representative or paying agent have been or will be appointed in Switzerland. This document and/or any other offering or marketing materials relating to the Fund may be made available in Switzerland solely to Qualified Investors.