



# PROSPER

## SOCIAL FINANCE

### Annual Report 2024



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# 1.0

## Executive Summary

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# 1. Executive Summary

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This academic year marks a turning point in the evolution of Prosper Social Finance as we commence our next five-year phase. Prosper is in the inaugural year of our partnership with Invisible Cities, in which we have already awarded three rounds of Social Impact Grants, alongside providing volunteers from our team. We have also built a close relationship with Stewart Investors, an Investment Management firm based in Edinburgh with whom we share a similar investment philosophy, culminating in our second-semester pitches being held at their head offices in Edinburgh. Adding the new role of corporate relations has allowed us to increase our Analyst Training Programme (ATP) by 25%. In collaboration with strategic relations, it has enhanced our outreach to student societies and corporations, enriching both our network and our impact. Alongside this, we are establishing a new advisory board to increase oversight, expertise, and continuity within Prosper's governance. In January, Prosper hosted our first alumni event in London, and it was great to see old and new faces connect.

Building on the strong foundation left by previous Management Teams, this year we have continued to refine our internal operations, portfolio management, and pursue strategic goals. Amongst all of these changes, we aimed to strengthen collaboration between ourselves, our analysts, our alumni, and our local community, to ensure that Prosper continues to fulfil its mission and operate within its core values.

Since November 2017, Prosper has trained 305 analysts, and built a portfolio valued around £66,000 which comprises investments in 32 companies. Completing the transition to Interactive Brokers at the start of the year has allowed us to invest the final £5,000 instalment of the University Loan. Additionally, while our portfolio currently covers Europe, the United Kingdom, the United States and Canada, we have now diversified into additional markets including Australia and Japan. Our investment philosophy is centred on the principle that value-based investing does not require investors to sacrifice a competitive return. Over the last year, we successfully trained our largest cohort of 57 analysts and over 30 senior analysts.

Our goal in this report is to showcase Prosper's continued commitment to its mission, core values, and the strategic plan that was pitched to the University of Edinburgh SRS department, which includes:



- Influence through collaboration with organisations and universities around the world
- Contribution to and enrichment of the local community through Social Impact Grants
- Enabling students to build their own talent, skills, and employability

This report also highlights:

- The performance of our investments, rebalancing and the refinement of the portfolio through reinvestigation into underperforming stocks.
- The fulfillment of Prosper's mission to generate a positive social impact for Invisible Cities.
- Development of Prosper's long term strategic goals and the next-five year horizon.
- Our quest for additional funding.
- The expansion of our training programs and new resources.
- Our management of ongoing and potential risks.

We are extremely grateful for the support everyone has given Prosper over the last year. We are especially grateful for the £50,000 in funding we have received from the University of Edinburgh which has enabled us to achieve our goals. Ultimately, we hope the University of Edinburgh is satisfied that Prosper continues to fulfil its business plan and continues to have a positive impact for the University and its students.



Grace Gubbay  
Executive Director

# 1. Meet the Team



**Grace Gubbay**  
*Executive Director*



**Aaron Jimenez**  
*Director of  
Investment Tracking*



**Harvey Graham**  
*Director of Portfolio  
Research*



**Cormack Ross**  
*Head of Strategic  
Relations*



**Ethan Cohn**  
*Head of Investment  
Strategy*



**Callum Docherty**  
*Head of Corporate  
Relations*



**Charly Campbell**  
*Head of Operations*



**Chelcie  
Mohammed**  
*Head of Training*



**Paula Quevedo**  
*Head of Marketing*



**Luke Jenkins**  
*Head of Training*



**Ewan Cook**  
*Head of Strategy*



**Jasmine Lee-Tin**  
*Head of Social  
Impact*



# 2.0

## Investment Report

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## 2. Investment Report

### 2.1 Introduction

This investment report will look at the Prosper Social Finance portfolio performance from inception to present. This year has been incredibly exciting for Prosper's portfolio: we have transitioned to a new broker, distributed our first social impact grant and seen the market bounce back from turbulent post-Covid times. We have also made our first investments in markets outside of Europe or the Americas. As we enter our new five-year investment horizon, we have started to rebalance our portfolio - selling gains we have made in equities including Nvidia and Cadence Design Systems.

<b>Heads of Investment</b>	<b>Aaron Jimenez &amp; Harvey Graham</b>
Report Date	02/04/2024
Fund Size	£67,613.54
Initial Investment	£50,000
Total Return	35.26%

### 2.2 Portfolio Return in Context

Following three years of market turbulence following the COVID-19 pandemic, our portfolio has at times struggled to keep pace with the aggressive and volatile pace of the major indices, particularly the Nasdaq and S&P 500. Through a series of divestments and new stock purchases, we have been able to increase our return margins by 17.7% YTD (compared to 26.7% in the S&P 500 YTD). Large returns have been observed across our American technology holdings. Following a global increase in interest rates and economic uncertainty, market confidence has improved. Equity performance has been further accelerated by growth in markets such as artificial intelligence and personalised medicine.

Prosper invests on a five-year time horizon, and we believe our investments will continue to rise in the long-run. Notably, all our investments have been purchased over the past 6 years, thus many have not reached their individual five-year growth horizon.

Prosper Investment Return since brokerage transition vs Major Indices



## 2. Investment Report

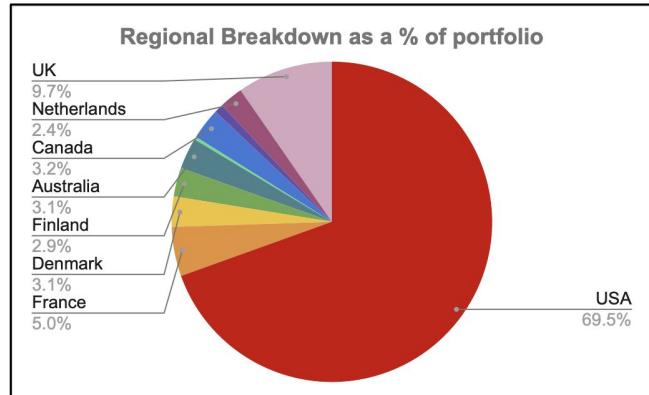
### 2.3 Portfolio Breakdown

The portfolio has undergone some key changes over the last year as Prosper transitioned to a new brokerage platform and undertook divestments and rebalancing as part of its five-year horizon.

<b>Healthcare</b>	Agilent	Biogen	Intuitive Surgical	Novozymes	Zoetis
<b>Real Estate</b>	Assura				
<b>Industrials</b>	Brambles	James Cropper	RS Group	Stora Enso	Telus
<b>Technology</b>	Cadence Design Systems	CISCO	Microsoft	Nvidia	Xylem
<b>Consumer Cyclicals</b>	Compass Group	Danone	McCormick		
<b>Consumer Non-cyclicals</b>	Etsy	Williams Sonoma			
<b>Energy</b>	First Solar	GRID	Hannon Armstrong	Schnider Electric	Vestas WS
<b>Basic Materials</b>	Lenzing AG				

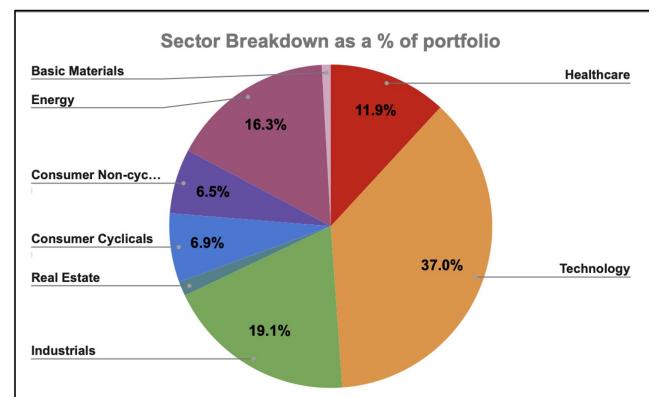
#### Regional Breakdown

The vast majority of our portfolio consists of US equities (70%), and whilst diversification risks are always taken into account in the screening and buy order size of potential investments, we do not believe having an American dominant portfolio will depress returns. Now that we have transitioned to our new brokerage, Interactive Brokers, we are able to invest in equities listed outside of Europe and North America. This year we have added Australian equity Brambles into our portfolio. We have also enjoyed having a wide range of Japanese and Latin American equities pitched this semester.



#### Sector Breakdown

Our sector breakdown by portfolio value reveals a majority holding in the Technology sector (37.8%). Prior to our rebalancing in April, we were significantly more exposed to this sector. In this rebalancing, we sold stakes in Nvidia and Cadence, both of which have grown substantially since first purchased in 2021. Looking forward, we will continue to monitor our exposure to each sector and rebalance accordingly. Therefore, Prosper's Investment Panel will continue to screen companies on an individual basis, ensuring that analysts pitch a variety of sectors.





# 3.0

## Portfolio Composition

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### 3. Portfolio Composition

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#### Agilent (NYSE: A)

1 Year Return: **+6.36%** | Beta Value: 1.12

Agilent are in healthy financial position and are well placed to take advantage of market trends. They have strong ESG credentials and, despite previous scandals, operate in a way that aligns well with Prosper's values. We believe Agilent will continue to lead in laboratory technology.

#### Assura (LON: AGR)

1 Year Return: **-18.28%** | Beta Value: 0.18

Assura appears to be a low risk and low volatility investment with an easily scalable model for building medical delivery locations. The ESG outlook seems very strong with a few issues in areas such as water. The values of the company align with those of Prosper and therefore overly we decided to invest in Assura.

#### Biogen (NASDAQ: BIIB)

1 Year Return: **-27.91%** | Beta Value: -0.0023

We believe Biogen is truly leading the pharmaceutical industry on the side of social responsibility and sustainability and has the potential to continue to develop and market life-saving and life improving drugs that will have a positive social impact. We are impressed by their innovation and drive to research drugs in new fields. The poor performance over the last year will need to be monitored.

#### Brambles (ASX:BXB)

1 Year Return: **+16.14%** | Beta Value: 0.67

Brambles stands as a strong investment choice, aligning with our philosophy across all three stages. Demonstrating strong core value alignment with special mention to innovation and positive social impact, the company excels in ESG, aiming for net-carbon neutrality by 2040 and surpassing renewable energy targets. Key business strengths include robust growth, high barriers to entry with over 360 million pallets, and a skilled management team. Overall, Brambles is geographically diverse, low in market volatility, generates positive social impact, and operates with a profitable and dependable business model, driving substantial environmental improvements.

#### Cadence (NASDAQ: CDNS)

1 Year Return: **+49.96%** | Beta Value: 1.03

Cadence provides exemplary evidence that it is both aligned with Prosper's values and a strong bet financially. It is our belief that there are significant growth opportunities that will remain resilient during higher inflation and beyond to the end of the five-year time horizon. This prediction is based upon Cadence's trusted relationships with both suppliers and customers alongside their quality of product. These factors enable Cadence to progress their business through repeat and referral business and generate greater sales numbers in the future with their existing and new customers.

#### Cisco (NASDAQ: CSCO)

1 Year Return: **-4.49%** | Beta Value: 0.85

Cisco was a surprisingly strong case for ESG integration. The company's commitment to driving equality and sustainability is impressive and industry leading. This is especially important in the technology sector. The investment proposal for Cisco was well researched and presented in both ESG and financial evaluation.

#### Compass Group (LON: CPG)

1 Year Return: **+7.86%** | Beta Value: 1.13

The company's values are aligned with those of Prosper and we believe this will be a good investment in the 'Quality of Life' section of our portfolio. There are signs of growth of the company and a good ESG score. This has led us to invest in Compass Group.

### 3. Portfolio Composition

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#### Danone (PAR:DN)

1 Year Return: **-3.48%** | Beta Value: 0.53

Danone is a pioneering organisation within the beverages, dairy and plant-based products industries, aiming to not only improve health through the products they sell, but also by supporting the community to ensure more long-term sustainable production along the supply chain. It is our belief that Danone continues to trade below its fair value.

#### Etsy (NASDAQ: ETSY)

1 Year Return: **-36.71%** | Beta Value: 2.03

The company has shown great strength in all the initial parts of the Prosper criteria including a great ESG outlook. The company is well ahead of the industry in this aspect; while the P/E is slightly above the industry, the competitive advantage among e-commerce platforms justifies the ratio. Etsy fits well with the Prosper values and the signs of growth have led us to decide to invest in Etsy.

#### First Solar (NASDAQ: FSLR)

1 Year Return: **-9.54%** | Beta Value: 1.39

First Solar is an excellent fit for the Prosper portfolio. The use of innovative solar cells sets First Solar apart from their competition. The focus on sustainability of production and recycling of their products demonstrates a strong commitment to ESG integration. The vertically integrated model should provide some stability in a growing market. The investment proposal for First Solar is well researched and detailed in both the ESG and financial analysis.

#### Gresham House Energy Storage Fund (LON: GRID)

1 Year Return: **-71.80%** | Beta Value: 0.38

Gresham House Energy Storage Fund aligns strongly with Prosper's core values and ESG standards. GRID is intrinsically ESG, given that the company plays a key role in the energy transformation. GRID tackles the issue of the renewable energy production volatility through BESS and reduces the demand for fossil fuels, creating a strong positive environmental and social impact. GRID's performance this year reflects a downturn in battery infrastructure prospects and will be closely monitored.

#### Hannon Armstrong (NYSE: HASI)

1 Year Return: **+1.95%** | Beta Value: 1.85

Hannon is a sustainable infrastructure investment firm that raises both equity (through investments) and debt (through green bonds) capital for sustainable infrastructure projects. Hannon's strong fundamentals will ensure continued growth over the coming years, though its position in the portfolio will need assessment as it reaches its horizon.

#### Intuitive Surgical (NASDAQ: ISRG)

1 Year Return: **+49.65%** | Beta Value: 1.39

Intuitive specialise in the research and manufacture of surgical systems. The Company's products and related services enable physicians and healthcare providers to access minimally invasive care. The positive benefit that Intuitive represents is highly appealing to Prosper's mission, as well as a range of other ESG benefits. Great performance over the last year reflects their market-leading position.

#### McCormick & Co (NYSE: MKC)

1 Year Return: **-12.06%** | Beta Value: 0.73

The company does extremely well in the ESG criteria, particularly in their approach to their suppliers. The company also align strongly with Prosper's Core Values, especially in positive social impact and innovation. They are a financially sound company, with strong ROE, ROA, CROCI and fluctuations in year on-year growth, justified by acquisitions to expand the business. The next year or so will be challenging in particular for their flavours segment, however demand for their consumer products should remain as people around the world will continue to shop for household essentials.

### 3. Portfolio Composition

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#### **Microsoft Corporation (NASDAQ: MFST)**

1 Year Return: +46.64% | Beta Value: 0.88

The company, more so recently, aligns strongly with Prosper's Core Values, with increasing trends in transparency and positive social impact. While the company has faced scandals in the past, the response with policy adjustments and revision of its values has justified the integrity of the company. Microsoft has impressive ESG policies and social externalities that can benefit many communities through their AI and general accessibility of their products. The company has a very strong financial position, with a steady EPS growth and manageable debt position. Although there was some concern about overexposure to certain markets given Prosper's holding in Cisco and Salesforce, after further research the Investment Panel concluded that the operations of these 3 firms differ enough that overexposure is not an issue.

#### **Nvidia**

1 Year Return: +220.34% | Beta Value: 1.75

Nvidia has rapidly become one of the planet's most valuable companies. We made the decision to invest based on its cutting-edge approach to innovation and the potential for its products to improve quality of life. The company has bolstered the growth of the portfolio in an otherwise challenging year. A review of ESG credentials may be in order as Nvidia continues to grow in scale.

#### **Novozymes (NYSE: NYZM)**

1 Year Return: +12.26% | Beta Value: 0.79

Novozymes A/S is a Denmark-based biotechnology company engaged in the production and sale of industrial enzymes, microorganisms and biopharmaceutical ingredients. The panel believes it has strong ESG credentials and the likelihood of an increasingly positive valuation.

#### **Philips (AMS: PHIA)**

1 Year Return: +17.12% | Beta Value: 0.79

Koninklijke Philips N.V. has demonstrated strong, sustainable historical performance, and their drive for Innovation will ensure consistent returns into the future. Following a performance review last year, we have decided to hold our position, a decision which is showing promising results.

#### **RS Group (LSE: RSI)**

1 Year Return: -14.99% | Beta Value: 1.19

RS Group offers the opportunity to gain a share in a very large, fragmented market, in a stock that has made vast progress in becoming more ESG and aligning with Prospects' values. Recent acquisitions and strategic operations only serve to accelerate organic growth. A strong balance sheet has become stronger in 2022, with key decisions to take on less debt inspiring confidence in the management of the company. The strong revenue and attractive returns overall make RS Group an investment for Prosper that supports the goal of making the world more inclusive and sustainable.

#### **Salesforce (NYSE: CRM)**

1 Year Return: +58.23% | Beta Value: 1.28

CRM is a growing industry and Salesforce is a market leader. Although trading at a high price, we see great potential for future growth. Salesforce is committed to ethical business practices and fits well with Prosper's values. We have decided to invest in Salesforce this semester.

#### **Stora Enso (LSE: SEOAY)**

1 Year Return: +12.06% | Beta Value: 1.01

Stora Enso demonstrates a strong alignment with Prosper's ethos and firmly passes the ESG section. While their levels of minimum wage payment may need to be watched for future ESG downgrade, current levels are acceptable for Prosper. Improving financials, with high R&D into the areas of business with the highest profit margins means the firm can shift from the structurally declining paper industry which it has historically relied upon to provide cash flow.

### 3. Portfolio Composition

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#### Trex Co Inc (NYSE: TREX)

1 Year Return: +101.19% | Beta Value: 1.59

The company's product inherently aligns with Prosper with the revolution of the decking industry into a greener industry. The company also provides a great diversification stock for Prosper's portfolio as it is not an industry we have invested in before. Trex is an industry leader in environmental policy and has relatively strong policies in the social and governance aspects too. Trex shows a strong financial position with good growth in sales and EBIT. While there were significant risks associated with Trex's operations and sales under the pandemic, the company has regained momentum and will prove a valuable investment.

#### Telus (TSX: T)

1 Year Return: -20.84% | Beta Value: 0.68

Telus is a Telecommunications company operating in Canada. Despite Canada's market being concentrated in a few firms' hands, Telus impressed us with its strong corporate governance standards. Furthermore, the panel was impressed by the innovative nature of the company, specifically their transition to 5G technology. Finally, Telus offered Prosper the opportunity to diversify its portfolio, both in terms of holding a new sector (telecommunications) and region (Canada).

#### Vestas Wind Systems (CPH: VWS)

1 Year Return: -4.73% | Beta Value: 1.57

Vestas is a well-established company which appears to be a relatively safe investment. Vestas is also diversified across locations, with operations in Europe, Africa and Asia. Production will not cease but shifts in the market may occur and affect the value of Vestas and we will continue to monitor these.

#### Williams-Sonoma (NYSE: WSM)

1 Year Return: +165.51% | Beta Value: 1.70

Williams-Sonoma is a US-based retailer in a range of markets with an impressive number of brands in their portfolio. We found the core value and ESG stages of the analysis to be compelling, especially against market competitors. Over the last year, Williams-Sonoma has performed exceptionally and we expect this to continue into next year.

#### Xylem (NYSE: XYL)

1 Year Return: +27.38% | Beta Value: 1.10

Xylem has strong profitability and large potential areas for growth in Smart Metering and the improvement of ageing water infrastructure. These are in high demand for water municipalities worldwide. Xylem's mission to tackle water scarcity is aligned with Prosper's ESG goals. Key risks to take into account are the volatility of its share price due to aquifer extraction and weather, in addition to its close margin with competitors.

#### Yara International (OSX:YAR)

1 Year Return: -21.92% | Beta Value: X

Yara International ASA is a Norway-based international company that produces, distributes, and sells nitrogen-based mineral fertilizers and related industrial products. The potential for positive impact in increasing the robustness and availability of food supply chains was a large part of the rationale. However, our position in Yara is much smaller than most of our other investments.

#### Zoetis Inc (NYSE: ZTS)

1 Year Return: -1.45% | Beta Value: 0.85

Zoetis is well established in its market, and offers the low risk and high reliability that comes with that. The firm's cost-effective innovations and its training programmes both in its current markets and in other emerging markets make its animal health solutions much more accessible to potential consumers around the globe. By sticking to the company's core values which align well with those of Prosper, Zoetis has proven itself to employ a sustainable and long-term approach to its business operations.

### 3. Portfolio Composition

#### New Investments

**Schneider Electric (PAR: SU):** Schneider Electric is a French electricals giant, active across a range of industry sectors. The analysts were able to clearly outline how Schneider leads the market in innovation and sustainability. We are also confident in the company's strong financial position, ability to power the green transition and create positive outcomes for its stakeholders. So far, this appraisal is supported by Schneiders recent performance.

**Brambles (AUX: BXB):** Brambles stands as a strong investment choice, aligning with our philosophy across all three stages. Demonstrating strong core value alignment with special mention to innovation and positive social impact, the company excels in ESG, aiming for net-carbon neutrality by 2040 and surpassing renewable energy targets. Key business strengths include robust growth, high barriers to entry with over 360 million pallets, and a skilled management team. Overall, Brambles is geographically diverse, low in market volatility, generates positive social impact, and operates with a profitable and dependable business model, driving substantial environmental improvements.

**Tokyo Electron (TYO: 2760):** Tokyo Electron (TEL) was a stand-out company in the pitches of Semester 1. In light of the boom in chip-making fuelled by AI and increasingly intensive computer processing, TEL is set to capitalise on the growing demand for their specialist products. The ESG story is impressive and TEL passed the core-value alignment. We hope that the company can continue to improve in this area and truly lead the market. Be that as it may, the addition of TEL to the portfolio has been stifled by difficulty with our brokerage and we are as yet unable to open a position.

#### Divestments

**Lemonade:** In October, the decision was made to sell Prosper's position in Lemonade. During an analyst's investigation, it was found that the company no longer aligned with the core values and was in a precarious financial position.

**JDE Peets:** Prosper had chosen JDE as a new investment in 2022. During the brokerage changeover, it became clear that that the company's response to the Russia-Ukraine war was unsatisfactory and the decision to invest was reversed.

**Olaplex:** Over the last two years, the fortunes of the young cosmetics company have gone from bad to worse. Carcinogenic chemicals were found to be in some of their product line-up, which caused the share price to cascade. The response from senior-leadership contravened Prosper's core values and our position in Olaplex was closed, resulting in a considerable loss from the initial investment.

**Lenzing & Kesko:** Both our Lenzing and Kesko positions could not be transferred to the Interactive Brokers account and have therefore been sold. This is unfortunate as both companies were struggling from what we believed to be temporary inflation-related shocks and were sold below fair market value.

#### Rebalancing

As the fund has run its course over the past five years, the allocation of the original funding has evolved. Certain companies have performed very well while others have struggled to keep pace with the market. Because of this, the SAP embarked on a project to assess the need for a rebalancing of the portfolio.

The project found significant over-exposure to the US tech industry, which has had bumper performance over the last two years. It was decided that, although Prosper still has confidence in the performance of these companies, it would be prudent to reduce our exposure and reallocate some of the funds. We have reduced our positions in **Nvidia** and **Cadence** by 33.33% and 25% respectively. This has freed up £3,820 for our forthcoming investments. The result has been a reduction in the weighting of Technology in our portfolio from 52% to 37%. While this is still a large portion of the overall value, we feel confident in the resilience of companies such as Microsoft, Salesforce and our remaining Nvidia stake over the coming years.



**4.0**

**Value Added by  
Prosper**

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## 4. Value Added by Prosper

### 4.1 Analyst Training Programme

The Analyst Training Program (ATP) emulated the previous year's overhaul with further changes to both its structure and content. In preparation for the year, a summary document was created over the summer months comprising all of the key content and concepts referred to throughout the program. This was utilised by the analysts to supplement the weekly slides and handouts. The document acted as a convenient tool to further enhance the analysts' understanding of key concepts, especially for those who may have had no prior financial knowledge, thereby further increasing the accessibility of the ATP to students from all academic disciplines.

Changes were implemented from the onset, with part of week 6's social impact session being moved to the induction day. This gave the analysts a clearer understanding of the positive social impact Prosper aims to achieve from the get-go. It also allowed for the allocation of more time for Zakia's talk on Invisible Cities in week 6. Additionally, the ATP was expanded from 24 to 30 analysts per semester, made possible by the addition of another team head. The expansion of the ATP served to increase Prosper's social impact. Further expansion of the ATP to include even more analysts is also being considered by management.



*Image of second semester analysts delivering their final pitch at Stewart Investors*

Moreover, there was the introduction of Wooclap in semester two, which is an interactive electronic platform used in the creation of polls and questionnaires. This encouraged the analysts to respond to questions during the sessions as a team and was an attempt to increase the overall interactivity of the ATP as mentioned by the previous semester's analysts. The platform was well-received by both analysts and team heads and will be further integrated into the ATP.

Previously, the ATP final pitch night was usually held at Old College, however this semester we were able to host it at Stewart Investors. This allowed for further professionalism and enhancement of the program itself as the analysts were given the opportunity to contextualise the culmination of their work in the ATP in a more real-world setting.

There have been some issues raised which are to be acted upon by the incoming management team. These include the creation of a more convivial sense of community, and that within teams, only the member compiling the financial aspects of the investment summaries really had the opportunity to develop their financial skills. These will be addressed in the following year's program.

“Prosper has exposed me to the world of ESG investing, challenged me to improve my time management skills and, exposed me to amazing, like-minded people along the way!” - Semester One Analyst



“Prosper has increased my capacity for time management and organisational skills” - Semester One Analyst



“Prosper pushed me out of my comfort zone and the pitch gave me experience of public speaking that I wouldn't otherwise have” - Semester Two Analyst



“Prosper was such an incredible experience, I am very grateful for the opportunity. I have learnt so much, grown so much, and made some great friends” - Semester Two Analyst



## 4. Value Added by Prosper

### 4.2 Social Return on Investment

This year a social return on investment (SROI) calculation was again implemented, with focus on the ATP. An SROI measures the social impact created from each £1 of investment (e.g. an SROI of £3 would mean that £3 of positive social impact is created for every £1 of investment). Calculating an SROI will serve as a quick and quantitative way to communicate the positive social impact of Prosper, as well as enhance our internal tracking.

The SROI methodology first needs an input, this being a monetary value which represents, and equals, the value of the resources invested into hosting the ATP. It was decided that the most accurate way of doing so would be to calculate the monetary value of the time invested into the ATP by the Heads of Training, and Team Heads, running the ATP sessions, with the living wage used to proxy the value of each hour invested into Prosper. The below shows the estimate from the past year:

Operation Category	No. Employees	Hours Invested	Living Wage (in £)	Investment (in £)
Heads of Training	2	64	11.44	1,464.32
Team Heads	5	64	11.44	3,660.80
<b>Total Investment = £5,125.12</b>				

Next, an output is needed, this being a monetary value which represents, and equals, the value of the social benefit created through the ATP. It was decided, upon evaluating different methodologies, that the best way to do so would be using a willingness-to-pay calculation. The final ATP survey incorporated an additional question, asking analysts to assign a monetary value to their experience with the programme. The question is shown below, along with an associated disclaimer to avoid bias responses:

'How much, in monetary terms, do you value your experience on the ATP, this should consider value added to your social life, through skill development, and career prospects, etc?'

*Note: your response to the above question will not impact the cost of the ATP to future analysts, but rather will be used to help us better understand the impact of the programme.*

Once the above question had been answered, an average (mean) value was calculated across the responses. The purpose of calculating an average is to account for the differing perceptions of monetary value by each of the analysts. Once an average willingness-to-pay had been calculated, this was multiplied by the number of analysts, and used as the output value. The result is shown below:

ATP Average Willingness-To-Pay x Analysts = £146.64 x 54 = £7,918.56 (Output)  
 Total Investment in ATP = £5,125.12 (Input). SROI for ATP = £7,918.56 / £5,125.12 = £1.55 (of positive social impact created for every £1 of investment)

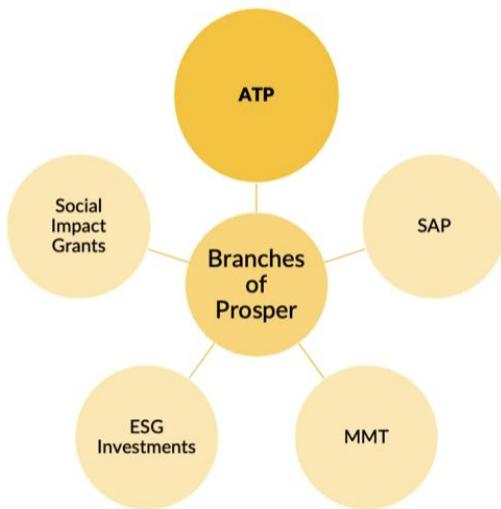
The outcome of this calculation reveals that the value which analysts perceived to have received from the ATP outweighed the value of the time invested into running the programme. This helps to confirm the positive SROI of the ATP, and can serve as a reference point for which to improve upon going forward.

## 4. Value Added by Prosper

### 4.3 Social Impact In The Edinburgh Community

#### Social Impact Grants and Fundraisers

The University of Edinburgh provided the initial £50,000 loan to Prosper Social Finance, with the expectation of the fund yielding returns in excess of CPI. The excess return (above CPI) would ultimately be donated in the form of Social Impact Grants to the Edinburgh community, thus allowing Prosper to operate along its original business model:



#### Invisible Cities

Choosing to operate on a five-year investment horizon, this year marks the first year of rolling out the Social Impact Grant. Last year, Invisible Cities was chosen to be the recipient of our Social Impact Grant. This year we have awarded them two grants worth £500, providing Prosper with the opportunity to add value to the community. The grants have gone towards providing the tour guides with more training, provide activity packs to 32 Ukrainian refugee children in Edinburgh, and organising an International Women's Day event, amongst other channels. As Prosper continues to grow and solidify its position in the Edinburgh community, there is the intention of providing Invisible Cities with a larger grant.



Not only have we been able to help Invisible Cities financially, but we have also provided them support in non-capital means. The most notable impact was through Prosper Alum, Mason Crawford. One of Invisible Cities' most distinguished tour guides is Paul James Stewart, who after reaching such success tour guiding for Invisible Cities, is now starting his own tour guiding business. Mason Crawford created a comprehensive Business Plan for his venture detailing Marketing, Market Analysis and Financial Projections.

#### Further Outreach Explained

Since Prosper's inception, we have collated a list of 91 professional contacts who work across many industries (asset managers, social enterprise founders, consultants etc.) Many of them have attended the 'Share your Ideas' session, investment panel, and spoken at events and helped us develop our investment strategy, adding further value to us.

They also provide networking opportunities, career advice, and internships for students involved with Prosper. Former analysts have gone onto work for some of our contacts. Operating under the name of the University of Edinburgh increases the presence of the university amongst these professionals, fostering valuable relationships with initiatives and social enterprises that may end up benefiting from the profits the fund will accrue.

Prosper has also continued to work closely with Edinburgh Social Enterprise, specifically, Steve Lawrence. They have continued to provide Prosper with new professional contacts in the Edinburgh community that may be able to provide funding or share similar interests to Prosper.

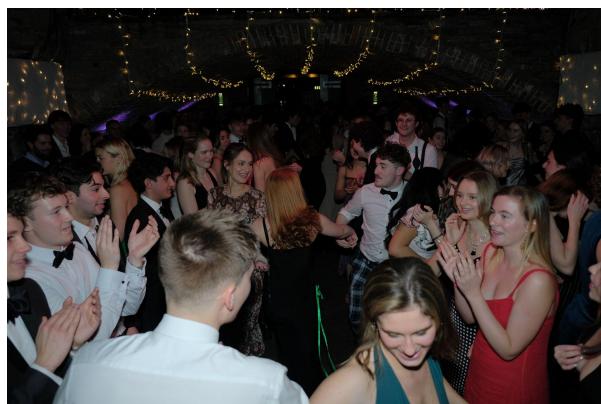
## 4. Value Added by Prosper

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### Charitable Ceilidh

We are thrilled to spotlight our role in organising the inaugural Charitable Ceilidh, an event commemorating the achievements of our autumn analyst cohorts and paying tribute to our esteemed past analysts and MMT members. Working hand in hand with esteemed partners like 180 Degrees Consulting and Freshsight, we crafted an unforgettable evening at Edinburgh's iconic Caves venue on the 29th of November.

The atmosphere was enlivened by a dynamic live Ceilidh band, complemented by delicious canapés and beverages, all culminating in a heartwarming awards ceremony. With approximately 300 attendees, our gathering not only celebrated our shared commitment to driving positive change but also provided a vibrant platform for networking, fostering future collaborations, and recognising the impact of our work and that of our partner organisations.



Beyond raising awareness of Prosper's work within the broader Edinburgh community, our event aimed to generate crucial funds in support of charitable organisations. Through this remarkable occasion, we successfully raised over £230, which was allocated to Doctors Without Borders in alignment with the consensus reached by the management teams of the organising societies.

Looking ahead, we envision the Charitable Ceilidh evolving into a cherished tradition within our community, fostering a sense of belonging and celebration among current and former analysts alike.



### Events

The table on the following page outlines all of the events which have been hosted or organised this year, spanning across both internal and external relations, each with a positive social impact.

## 4. Value Added by Prosper

### 4.3 Social Impact In The Edinburgh Community

Event Description	Number of Attendees	Ticket Price	Total Benefit
Voiz Academy Event	20	Free	Opportunity to hear from Voiz Academy founder, Diego Espinosa, as well as take part in an ESG investment workshop.
Internship Panel	30	Free	Analysts gained valuable insights into various industries, networking opportunities, and firsthand advice from MMT members who had previously been in their positions.
Early Careers Insight Panel	35	Free	Working professionals gave their advice and insights into how to navigate the early stages of analysts' careers.
Charitable Ceilidh	300	£20.00	We orchestrated a vibrant inaugural Charitable Ceilidh at Edinburgh's Caves venue, celebrating achievements, fostering collaboration, and raising funds for charitable causes.
Introduction to Asset Management event	17	Free	Two of Prosper management joined 180 degrees consulting and Corrine Lord, a guest speaker from St James's Place, to give a talk on Asset Management. We hoped to provide students with a general background of the industry and linked this to how we manage the Prosper portfolio.
Partnerships Cocktail Party	40	£20.00	In partnership with 180 Degrees Consulting, Freshsight, Accounting Society, Women in Business and Edinburgh Entrepreneurs Society, we took part in a cocktail event allowing students to celebrate and network.
Invisible Cities Practice Tours	5	Free	Intangible value for Prosper community to engage with Invisible Cities' and provide feedback to their tour guides.
Invisible Cities Talk	40	Free	Zakia Moulaoui, founder of Invisible Cities, came in once a semester to speak to the ATP cohort. This provided Intangible value for the analysts as they were able to understand more about Prosper's social impact grants as well as gain a better insight into our relationship with Invisible Cities.
Sanitary Product Drive	NA	Free	In light of International Women's Day, Prosper and Invisible Cities ran a sanitary product drive, with all the donated items packaged and distributed to homeless women across Edinburgh. An intangible impact was created as we were able to raise awareness for period poverty and homelessness amongst the Prosper, University of Edinburgh and wider Edinburgh community.
Social Enterprise Scotland	50	Free	Social Enterprise Scotland hosted a <i>Buy Social Business Event</i> at the Price Waterhouse Cooper office in Edinburgh. Intangible reputational value for Prosper in the wider Edinburgh community, whilst simultaneously offering networking opportunities.

## 4. Value Added by Prosper

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### 4.4 Diversity and Inclusion

#### ATP Cohort

We are proud to represent a diverse community of members, and strive to continue making progress in this regard. In the most recent Analyst Training Programme cohort, we saw a 48.15%/51.85% Male/Female gender split across our analysts. Moreover, the analysts reported a 76.2%, 14.3%, and 9.5% split across the sexualities of heterosexual, bisexual, and prefer not to say respectively. Regarding ethnicity, analysts disclosed a 47.6%, 28.6%, 14.3%, 4.8%, and 4.8% split across the categories of White(British), White(other), Asian/Asian British, Multi-Ethnic, and Mixed respectively. Lastly, in response to the type of secondary school that analysts attended, there was a 47.6%, 23.8%, 14.3%, 9.5%, and 4.8% split across private (fee paying), schooled overseas, state school (non-selective), state school (selective), and prefer not to say respectively.

#### SAP Cohort

In the most recent Senior Analyst Programme cohort, we saw a 41.67%/58.33% Male/Female gender split across our analysts. Moreover, regarding ethnicity, analysts disclosed a 40%, 20%, 20% and 20% split across categories of White(other), Asian/Asian British, Multi-Ethnic, and White (British) respectively.

#### MMT Team

Over the past six years, Prosper's Management Team members has seen an average of 46.2% Female representation, notably above the industry average for financial services. Prosper has now had 50% Female representation in the top role, again placing well above the financial services industry average. These figures represent Prosper's commitment to raising marginalised groups within the financial services industry.



# 5.0

## Strategic Relations

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## 5. Strategic Relations

### 5.1 Collaborative Continuity

Building upon last year's efforts to uphold collaboration as a fundamental core value, Prosper has extended its strategic framework by instituting a new position: Head of Corporate Relations. This enhancement aims to further increase our robust external network, while concurrently focussing on the internal strategic objectives we aim to achieve. The incorporation of this new post has facilitated Prosper's strategic arm to get involved in numerous projects, thereby elevating our outreach efforts to stakeholders in and around the University of Edinburgh.

#### Pitch Night at Stewart Investors

We were thrilled to host our semester two pitch night at Stewart Investors. This event provided our analysts with a remarkable opportunity to immerse themselves in a professional setting, enhancing their pitch delivery skills. The enthusiasm and appreciation displayed by all participants underscored the success of the evening. Many thanks for Stewart Investors for having us.



#### Internship Panel

To support our semester one analysts in their pursuit of internship opportunities, members of our management team, drawing upon their own experiences shared their insights and expertise. This interactive session provided a valuable

platform for analysts to seek guidance and clarity on any pressing inquiries they may have had. The session was widely well received by our analysts.



#### Industry Professionals

Continuing to expand our network of industry professionals, we have engaged relationships with esteemed Prosper Alumni while utilising the extensive contacts of our current management team. By solidifying these connections, we aim to establish a mutually beneficial exchange between Prosper and our partners, wherein both parties can access valuable insights, resources, and opportunities. At this year's 'Share your Ideas' sessions, we were fortunate enough to be joined again by one of Prosper's co-founders, Charlie Lietchi, who was able to offer his perspectives and experience to members of the ATP. Additionally, we were privileged to host esteemed professionals including Eric Hertz, a Prosper Alum and ESG analyst at Baillie Gifford, Charlie Denton, former Director of Investment Strategy at EY, and Matthew Hales, our most recent Executive Director preceding this year. The insights shared by these participants have been invaluable to analysts across both training cohorts, underscoring the immense value of these collaborative endeavours, which we are committed to fostering into the future.

## 5. Strategic Relations

### ECIP Panel Event

Seeking to engage with a broader student audience, we introduced for the first time the Early Careers Insight Panel, a significant addition to our outreach efforts. This event provided an excellent platform for members of diverse university societies with interests in finance to participate in a dynamic Q&A session, skillfully moderated and organised by our Head of Corporate Relations, Callum Docherty and Head of Strategy, Ewan Cook. The panel featured esteemed industry professionals Christopher Pauli, a Financial Services Auditor & Advisor at Deloitte, and Tyler Thomas, an investment analyst at Stewart Investors.

Throughout the session, our panellists generously shared their insights and wisdom, addressing both prepared questions and inquiries from the audience with depth and clarity. Their contributions ranged from recounting personal experiences to offering valuable guidance on navigating the complexities of the professional world. The event marked a significant milestone in Prosper's extracurricular events program, underscoring our commitment to facilitating meaningful interactions between students and industry leaders. We extend our gratitude to Christopher Pauli and Tyler Thomas for their participation.



### External Investment Panel

Concluding our program with the Investment pitch night provides an exceptional opportunity to welcome a diverse group of industry professionals to contribute to our investment panel. We would like to thank this year's

exceptional panellists: Chris Hegarty, a consultant in the ESG field who chairs Parmenion Investment Management's Ethical Oversight Committee; Jai Tyagi, a business & commercial banking analyst from Lloyds; Sarah Sheard, an investment analyst from Stewart Investors; and once again, Tyler Thomas and Christopher Pauli. The contribution and expertise offered by these individuals to the investment decisions made by our management team are integral to the success of our portfolio.

### 5.2 Financial Education

#### Adventis Partnership

Prosper has forged an alliance with Adventis, a leading provider of financial education, offering exclusive access to their Financial Modeling Certification (FMC®) program at a significantly discounted rate of £160, a remarkable £260 reduction from the original £420 price. Available to all students at the University of Edinburgh, this partnership reflects our commitment to democratizing finance education and fostering inclusivity on campus.

This alliance not only elevates Prosper's profile within the finance community but also equips our members with essential financial modeling skills crucial for various career paths, including equity research, sustainable finance, and investment banking. The comprehensive FMC® program encompasses advanced Excel training, three-statement financial model construction, valuation model development, and a recruitment course covering investment banking roles, interview skills, and networking advice. Participants benefit from online accessibility, unlimited certification attempts, and access to a supportive community for networking and mentorship.

Our partnership with Adventis aims to empower our analysts to deepen their financial analysis skills beyond our existing programs, further preparing them for internships and future career opportunities. We envision a long-term collaboration with Adventis, exploring additional benefits beyond the initial discount and facilitating ongoing educational opportunities for future cohorts. This includes the possibility of workshops and further discounts as Adventis expands its educational offerings.



# 6.0

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## Strategic Goals

## 6. Strategic Goals

## 6.1 Introduction

The 2023/24 academic year has been a pivotal year for Prosper especially with the arrival of our first Five-Year Horizon originally set in 2018. Whilst the strides which Prosper has made since 2018 are impressive, it is essential that we, as an organisation, re-evaluate our strategic goals to ensure that the next 5 years are equally impactful. In this section of the annual report, we will examine Prosper's progress over the 2023/24 academic year, focusing especially on Prosper's key strategic initiatives and the ground-work which has been set for our next Five- Year Horizon.

## 6.2 SRIC Network

## Historical SRI Network Basis

The SRI (Socially Responsible Investment) Network has been an initiative which has been floated internally within Prosper for some time. Originally planned to cater solely to ESG investment funds similar to Prosper, the SRI Network was aimed to become a medium through which like-minded organisations could share insights and strategies relating to how social impact could be amplified through each fund's operations. The feasibility of this network was examined in detail in the Strategy Report produced in Semester 2 of the 2022/23 academic year and a number of recommendations were reached. Within these recommendations, it was proposed to broaden the scope of the network to also include organisations not solely focused upon ESG Investment, but also to those focused upon different industries yet sharing similar values to Prosper.

Within the recommendations, a number of other Edinburgh based student-run organisations were identified with whom Prosper could potentially seek to partner with. Notably, these included Freshsight Consulting and 180 Degrees Consulting Edinburgh, both of which focus on socially responsible consulting and will be discussed in more detail. In this section of the Strategic Goals, we will review the steps which have been taken in the 2023/24 academic year to formalise and officially found the SRIC Network. It is important to preface the following section by first discussing Prosper's historical relations with both Freshsight Consulting and 180 Degrees Consulting.

Prosper was originally founded as a spinoff from Freshsight into the ESG Investment industry. In the following years, the organisations have remained close and informally collaborated on some events, however, there has been no formal relationship between Prosper and Freshsight. Similarly, Prosper has informally collaborated with 180 Degrees Consulting Edinburgh on a number of events, and both organisations recruit from the same general pool of the Edinburgh student body.

Therefore, building on the recommendations of the 2022/23 strategy report, this year Prosper has actively worked to found the network, and Freshsight Consulting and 180 Degrees Consulting Edinburgh were identified as ideal founding members. Throughout the year, considerable efforts were made by the management team to improve Prosper's relations with these organisations through collaborative events, invitations to Prosper-run initiatives and involvement with Freshsight and 180's events.

# Asset Management Workshop

As an example of this collaboration, Prosper took part in the 180 Degrees Consulting Edinburgh Professional Series, through leading a workshopping-event on Asset Management. 180 ran a series of introductory events seeking to provide students with a basic understanding of potential careers they could be considering after being part of Prosper, 180 or any other finance/corporate related student body. After running sessions on strategic and management consultancy, 180 reached out to Prosper to put together an *Introduction to Asset Management* event.



## 6. Strategic Goals

Two members of the MMT (Head of Strategic Relations, Cormack Ross and Director of Portfolio Research, Harvey Graham) took the lead in presenting to a group of students. We discussed Asset classes, motivations and a brief run-down of Prosper's portfolio, relative to the professional Asset Management sphere.

We hope to have afforded students an interest in Asset Management as well as broadening Prosper's exposure to the student-body. We would also like to thank our external speaker on the day, Corrine Lord of St James's Place, and we hope to continue running events like these, through the SRIC network.

### Formation of the SRIC Network

It was decided that in order to better reflect the intentions of the SRI Network and its potential members, it would be renamed the SRIC (Socially Responsible Investment & Consulting) Network. The network was then pitched to both organisations and after some discussions regarding the scope and goals of the network, a document was drafted and approved by both Freshsight and 180 which forms the basis for the SRIC Network. This document requires that each organisation nominate a representative from their management teams to take responsibility for the network which will ideally aid with the planning of new collaborations and joint ventures. On Prosper's end, the Head of Strategic Relations will assume responsibility for the network for the 2024/25 academic year and upon their appointment, they will be briefed and introduced by the current Head of Strategy. A logo has also been designed for the network which represents the three founding organisations:



The formation of the SRIC Network will be a fantastic opportunity for Prosper, Freshsight and

180 to improve our outreach and our ability to generate positive social impact in Edinburgh and further afield. Furthermore, through joint events, the network will work to enhance the experience that analysts and consultants receive through their involvement with each respective organisation.

### 6.2 Marketing Project

The Head of Marketing, in collaboration with a senior analyst, initiated a series of strategic enhancements aimed at fortifying the organisation's positioning and outreach. Despite its smaller scale, these initiatives served as a foundational step towards future marketing endeavors, focusing on three core areas: Website Enhancement, Recruitment Strategy Development, and Marketing Materials Revamp.

In Website Enhancement, recognising the pivotal role of the website in both student attraction and external credibility, comprehensive plans were enacted to refresh content, encompassing images, data, and analyst testimonials. Additionally, research into industry best practices aimed to optimise the website's impact.

Recruitment Strategy Development responded to the critical need for a robust approach to marketing recruitment. Proposals encompassed several key elements, including clarifying the management team's responsibilities specifically during recruitment periods, restructuring management roles to actively enhance community engagement through events and partnerships, and conducting thorough research into similar organisations to glean valuable insights and best practices.

The Marketing Materials Revamp aimed to invigorate Prosper's outreach and social media engagement. This entailed creating fresh marketing content, drawing on market research, and exploring innovative strategies.

Moving forward, the project outcomes and ongoing efforts are slated for continuation under the next Head of Marketing. Key tasks include updating the website with new segments, aligning it with Prosper's five-year plan, and implementing data-driven decisions for enhanced engagement.

## 6. Strategic Goals

### 6.3 Five Year Horizon Report

As previously discussed, Prosper operates both its investments and operations on a Five-Year Horizon, the first of which beginning in 2018 concluded this academic year. Since 2018, Prosper Social Finance has paved the way as the UK's first student-led ESG investment fund, setting an example for others. In doing so, Prosper has materialised, and exceeded, many founding objectives outlined in the first five-year horizon. Therefore, to ensure that Prosper retains its momentum, the decision was made with Prosper's advisors, Kyle Valentine, former Director of Operations, and Mason Crawford, former Head of Investment Strategy, to produce a 5 Year Horizon Report.



The 5 Year Horizon Report was intended to review, refine and develop Prosper's strategic objectives focusing on Prosper's five branches, the Analyst Training Program, the Senior Analyst Program, the Management Team, the ESG Investment Strategy and the Social Impact Grants. To curate the report, surveying was done of the current management team's views on each of the five branches and how they could be improved both in the short and long-term. The responses were then analysed by Prosper's advisors and synthesised into a comprehensive report with detailed recommendations, which was then passed to the management team.

Within the 5 Year Horizon Report, recommendations are categorised into 3 categories: Short-Term, which can be put in place as early as the 2024-25 academic year; Medium-Term, which are based upon a time frame of around 2025-27; Long-Term, which would require substantial organisation and analysis and therefore are based upon a time frame of 2027-29.

In discussions within the current management team, a number of recommendations have been highlighted as both easily implementable and of potentially great benefit.

One such short-term recommendation focusing on the ATP is to attempt greater interaction and collaboration with Edinburgh University Students Association (EUSA). Further collaboration with EUSA could potentially be instrumental in expanding the Prosper brand and furthering our outreach, which could result in new communities of students interested being reached. Further interaction with EUSA could also bring more attention to the social causes and enterprises which Prosper interacts with and cares deeply about, especially with regards to Prosper's partner Invisible Cities. Another such recommendation focusing on the Management Team in the short-term is to improve Prosper's management of the Alumni Network. The Alumni Network is one of Prosper's key strengths and work has been conducted to improve Prosper's interaction with alumni, for example through the Alumni Event hosted at the Princess Louise in London in January. Further events of this nature could be highly beneficial for the Prosper community.

The 5 Year Report will be instrumental for the 2024-25 academic year MMT and should be carefully reviewed over the 2024 summer to determine which recommendations can be introduced in both the short-term and long-term.



# 7.0

## Senior Analyst Projects

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# 7.1

## Semester One

In the first semester of the Senior Analyst Programme, two projects were tackled:

1. Funding Project
2. Tracking and Portfolio Analysis Project

This section will provide an overview of each based on reports created for the specific project. Prosper believes that it is a great strength of the organisation to be able to approach and work through dynamic projects each semester to help ensure constant improvement. We hope in the future to continue to undertake such work.



Funding



Tracking and  
Portfolio  
Analysis

## 7.1.1 The Funding Project

### Introduction

This year in the Funding Project, we have primarily tried to follow up on the leads that were obtained through the cold-emailing approach as well as continuing to develop the alumni network. We focussed on reaching out to Prosper alumni through LinkedIn as well as setting up meetings with recommendations that had been obtained through the previous year's Funding Project. Prosper would like to thank Jayne Chappell of Social Impact Scotland for taking the time to meet with us and point us in the direction of organisations that best align with Prosper's mission. We split the funding team in half, with some analysts focusing on reaching out to the alumni network, and others prioritising speaking with the organisations recommended in the previous Funding Project. Overall, whilst neither avenue has been outrightly successful in achieving funding, we have continued to develop Prosper's network and have fostered significant relationships for the future.

### Background

The Funding Project initially commenced in Spring 2022 with a small cohort who prepared funding proposal documents and pitch books, alongside targeting the connections Prosper possessed at the time. This SAP cohort created a strong connection with the London Stock Exchange Group, specifically Nick Rankin, who has continued to help aid Prosper over the years. Through Nick Rankin, David Sol and John Pedernales, Prosper has been able to foster worthwhile networking, in addition to gaining a deeper insight into the channels of funding that are available to Prosper. However, due to the new management team ascending, a new funding group was created in Fall 2022 who experienced great difficulty in assessing these contacts.

In Fall 2022, the needs of Prosper changed causing the SAP Funding Project to be put on hold and resumed in Spring 2023. This subsequent cohort consisted of 6 Senior Analysts. They developed a 'Funding Ideas' Excel spreadsheet, in which each Senior Analyst took responsibility for contacting around 20 companies they believed had the potential for a mutually beneficial partnership with Prosper. Each company was contacted either by email (using a personalised email template) or through a personal connection, and they were provided with Prosper's Pitch Book. Whilst this Funding Project cohort reached out to 115 different contacts, it was largely unsuccessful, with the majority of contacts pointing Prosper towards applying for charitable grants, specifically as Prosper is a C.I.C.

### Fall 2023 Project and Progress

The 115 different contacts the Spring 2023 Funding Project reached out to via "cold emailing" or filling out companies enquiry forms were for the most part unsuccessful. Prosper had responses from less than 10% (10 responses) of companies contacted, reflecting the inefficiency of this method. Taking this into consideration, the Fall 2023 Funding Project ensured to approach funding from a different pathway. At the end of Spring 2022 Funding Project there was one meeting between Prosper (represented by Mason Crawford



**Jasmine Lee-Tin**  
*Head of Social Impact*  
 4th Year, Economics and Politics



**Ewan Cook**  
*Head of Strategy*  
 4th Year, Chemical Engineering



**Aidan Brennan**  
*Head of Investment Strategy*  
 3rd year, Business with Decision Analytics



**Freya Young**  
*Senior Analyst*  
 2nd Year, International Business



**Jeremy Dsouza**  
*Senior Analyst*  
 3rd Year, Philosophy and Economics



**Ella King**  
*Senior Analyst*  
 3rd year, English Language and Literature



**Lucy Langtry**  
*Senior Analyst*  
 3rd Year, Arabic and Spanish



**Arsh Merchant**  
*Senior Analyst*  
 3rd Year, History and Economics



**Cormack Ross**  
*Senior Analyst*  
 3rd year, Philosophy and Economics

## 7.1.1 The Funding Project

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and Senior Analyst Cormack Ross, and Jayne Chappell from Social Enterprise Scotland. Through this meeting, Jayne recommended four companies who are part of Social Enterprise Scotland that were of interest to Prosper in regards to acquiring funding. Consequently, the primary focus of the Fall 2023 Funding Project was to enact meetings with these companies with the hopes of gaining funding. Cormack Ross continued on as a Senior Analyst and part of the Fall 2023 Funding Project, enabling a smooth transition.

The first meeting was with Nicola Brooks from Interface. Interface connects Scottish businesses to universities, research institutions and colleges. Due to Prosper's connection to the university, she deemed Prosper ineligible to any of Interface's funding. As a result of Interface working closely with Universities, their primary connection at the University of Edinburgh is Edinburgh Innovations, consequently, she guided us their way to apply for their grants. The grant applications awarded by Edinburgh Innovations open in Spring 2024, rendering it the responsibility of future Funding Projects tasks to apply.

The second meeting was with Kate Steadman, at PilotLight. PilotLight is an organisation that matches ex-professionals with organisations in a consultancy-style model. Unfortunately, Pilotlight requires at least one paid member of staff in order to form a partnership, deeming Prosper ineligible. However, this connection is one that should not be wasted, and may be advantageous to recruit speakers for future events.

The final meeting was with Annie Howie at Social Investment Scotland, where they informed Prosper that a grant may not be possible. However, they suggested a loan agreement instead. In order for Prosper to receive a loan from them, they required more information from

Prosper, surrounding Prosper's structure, annual accounts, strategy, projects and security. They highlighted, however, that their loans are offered at a fixed interest of 10%, which does not align with Prosper's strategic goals. Once again, rendering this option unusable to Prosper.

In light of all barricades to these funding pathways, Prosper's legal structure was highlighted as the main hurdle to acquiring funding. One of the Senior Analysts working on this project, Ella King, who has a strong background and interest in law, connected Prosper with her legal mentor who provided Prosper with greater insight into the legal structure of Prosper, consequently advising us on the best way to tackle these hurdles. In Semester 1 of the 2023/24 academic year, a new approach was attempted. The funding project aimed to utilise the alumni network to garner contacts within firms who could potentially advocate for Prosper within their own organisations. A number of meetings were held with Prosper alumni such as with former Director of Investment Strategy, Charlie Denton. Whilst the Prosper alumni were extremely helpful in offering advice and offering to advocate Prosper, this approach did not lead to any further concrete progress in terms of funding.

### Recommendations

After meetings with several companies and Prosper Alumni, it became clear that pursuing grants remains the most viable avenue for securing funding. However, Prosper's organisational structure, specifically its status as a C.I.C and the structure of the investment fund, often disqualifies it from many grant opportunities. Therefore, it is recommended that the next Funding Project delve deeper into understanding Prosper's legal framework concerning grant applications, while also exploring alternative grant sources beyond those offered by companies, such as those provided by charities or other organisations.

## 7.1.2 Tracking and Portfolio Analysis Project

### Introduction

Our Directors of Investment Tracking Portfolio Research led a team of seven interested Senior Analysts in the re-researching of some of the underperforming stocks from our portfolio. Our project was focused around understanding why these stocks were underperforming, concluding in a BUY/SELL/HOLD recommendation for our in-house investment panel.

We were committed to ensuring that our research for potential divestment followed as closely as possible to our in-house, bottom-up equity research. As a result, our underperforming equities were first screened to see if they adhere to our five core values. Next, any major ESG issues and blunders since Prosper's initial investment were researched. Only after passing these two stages would companies be screened financially, and we would check that they still have a convincing growth story. Stocks that failed to pass our screening have been recommended to be sold to our investment panel.

### Results

Due to the transition period between brokers, the previous investment panel were unable to execute some stock purchases. We reviewed all previous investment decisions prior to executing the trades, as well as assessing some underperforming stocks held in our portfolio.

Whilst the divestment recommendation reports should be read in full to understand why these decisions have been made, this section will summarise our findings:



#### **JDE Petes (AMS: JDEP) (Not purchased): SELL**

Previous BUY recommendation was withdrawn due to management actively seeking to grow presence in Russia following the invasion of Ukraine.



#### **RS Group (LSE: RS1) (Not purchased): BUY**

Despite internal challenges within the board, we remain confident in its growth trajectory and ESG alignment.



#### **Brambles (ASX: BXB) (Not purchased): BUY**

Our first purchase outside of Europe or the USA. Brambles shows strong ESG alignment and growth potential.



#### **Stora Enso (HEL: STERV) (Not purchased): BUY**

Despite reduced guidance, company continues to be an industry leader, with best in class ESG credentials.



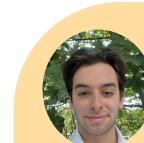
#### **Assura (LSE: ASR) (-28%): HOLD**

Recent decline attributed to rising interest rates, but company continues to demonstrate financial strength and a strong commitment to ESG



#### **McCormick & Company (NYSE: MKC) (-31%): HOLD**

Strong core value alignment.



**Aaron Jimenez**

*Director of Investment Tracking  
4th Year, Chemistry*



**Harvey Graham**

*Director of Portfolio Research  
4th Year, History*



**Gabriel Garcia Malkin**

*Senior Analyst  
3rd Year, History and Economics*



**Freddie Dumbill**

*Senior Analyst  
3rd Year, Economics*



**Grace Westrup**

*Senior Analyst  
3rd Year, Economics and Politics*



**Dom Kelly**

*Senior Analyst  
3rd Year, Economics with Finance*



**Tadhg Jones**

*Senior Analyst  
3rd Year, Economics and Maths*



**Matthew McCrea**

*Senior Analyst  
3rd Year, Economics and Maths*

# 7.2

## Semester Two

In the second semester of the Senior Analyst Programme, three projects were tackled:

1. Governance and Funding
2. Social Impact Project
3. Performance Indicators Project

This section will provide an overview of each based on reports created for the specific project. Prosper believes that it is a great strength of the organisation to be able to approach and work through dynamic projects each semester to help ensure constant improvement. We hope in the future to continue to undertake such work.



**Governance  
and Funding**



**Social  
Impact**



**Tracking and  
Portfolio  
Analysis**

## 7.2.1 Governance and Funding

### Introduction and Background Information

This Senior Analyst project in Semester Two had two primary goals: to strengthen our governance structure and pivot our focus regarding funding strategy.

Currently, Prosper has a lean governance structure, with only 12 Management Team members - each holding specific responsibilities and duties. This ensures a high level of engagement from all members of the Management Team, and we frequently see continuity in engagement with many members of our Management Team serving for more than one year where possible. There is a formalised handover process, with key aspects and responsibilities of the role highlighted in detail. Moreover, our Executive Director must have served one year on the management team prior to being appointed which further ensures continuity.

On top of the management team, in the governance structure, is the Advisory Committee comprising of four to six ex-Management Team members. Its purpose is to ensure consistency between management teams and maintain our long-term strategic vision. There are two or three recruits each year and those on the board serve a two-year term.

Our current advisory board consists of Matthew Hales (Executive Director 2022/23), Kyle Valentine (Director of Operations 2022/23), Mason Crawford (Head of Investment Strategy 2022/23), Sarah Galy (Head of Strategy 2021/22; Head of Social Impact 2020/2021) and Charlie Denton (Director of Investment Strategy 2021/22). Having each spent multiple years within Prosper, they are well placed to support our current Management Team with operations and specific projects such as a recent report suggesting goals for our next 5-year horizon.

This semester we have sought to strengthen our governance structure by establishing a formal Advisory Board which has been the primary achievement of our SAP cohort. The establishment of this Board represents a strategic initiative to enhance our governance and foster long-term sustainability in our overall performance. The board will constitute a distinct non-executive body within the Prosper governance structure which will operate independently from management and provide external oversight for Prosper. These responsibilities will help promote accountability and guidance for the Management Team. We anticipate a position on the board to last for 5 years.

### Advisory Board Role and Responsibilities

The Board will be made up of primarily industry professionals without current direct involvement with Prosper to ensure a fresh and independent perspective on our operations.

Its primary function is to provide strategic guidance and oversight to the executive team, particularly in matters pertaining to long term strategy, risk management, and financial stewardship. This role is especially important due to the high turnover rate of management in a student organisation such as Prosper. Thus, the Board will help ensure alignment to long-term goals.



**Ethan Cohn**  
*Head of Investment Strategy*  
 3rd Year, Economic History



**Aryan Chibber**  
*Senior Analyst*  
 1st Year, International Relations  
 and Affairs



**Ofrrie Haddi**  
*Senior Analyst*  
 2nd Year, Psychology



**Ella King**  
*Senior Analyst*  
 3rd Year, English Language and  
 Literature



**Alexandra Wilson**  
*Senior Analyst*  
 4th Year, Geography

## 7.2.1 Governance and Funding

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The Board will also help safeguard Prosper's ethos as a socially responsible and social impact focused organisation. If the Board believes Prosper are straying from this ethos, they should let the Management Team know and provide guidance on how to realign themselves.

Other responsibilities include:

- Attending bi-annual meetings with the Prosper Directors to discuss long-term and semesterly goals. This will help introduce the Directors to individuals with a long-term overview of Prosper, ask any questions about strategy, and allow the members of the Board to ensure Prosper's healthy operations once management changeover has taken place.
- Receive our monthly investment reports to give advice.
- Ideally Board members will attend at least one analyst pitch night a year since it is the culmination of our social impact and an opportunity to demonstrate maintenance of our high quality of teaching. Nonetheless, we understand if this is not possible, especially if some members operate outside of Edinburgh.
- Read our annual reports and provide feedback if they deem necessary at the bi-annual meetings.
- Critically evaluate Prosper's overall performance and suggest improvements if they think there is need.

### Current Status and Moving Forward

This semester our senior analysts have helped write proposals for the Advisory Board, draft application forms for alumni on the Advisory Committee who would like to apply, and write an internal report on our internal governance. They've also been key in the discussion phase and reaching out to potential members.

The team anticipates the Board to be up and running by the summer, in time for the first bi-annual meeting with the directors in the Autumn. We'd like to give special thanks to Tyler Thomas and Sarah Sheard at Stewart Investors for suggesting this project.

### Funding

Although our semester's SAP project began in the explicit pursuit for funding, we have shifted our funding strategy after the difficulties encountered in previous semesters. This semester, Prosper has focused on cultivating our existing industry relationships. Nonetheless, the SAP team has helped identify some key grants and have drafted a watchlist to apply for next year and compliment other avenues.

Analysts focussed their search on organisations seeking to give grants to student-run companies and businesses, positive impact investing and small companies/charities. Some of these included Scottish Enterprise, UKRI: Innovate UK, and Government Grants.

Overall, we are ending our year on a very positive note regarding our current funding status. Through our portfolio rebalancing and selling of high-performance stocks such as Nvidia, our semesterly investment cycle is on track. In terms of the future, we are hopeful to translate our existing relationships into long-term funding in the form of grants, thus ensuring continuity in Prosper's mission.

Finally, many thanks to Aryan, Ofrrie, Ella and Aly for their excellent work this semester. Also, once again, thanks to our friends at Stewart Investors for their insight on the project, and Chris Hegarty for his comments regarding our Advisory Board proposal.

## 7.2.2 Social Impact Project

### Introduction

Last year marked Prosper's achievement of the five-year horizon, a milestone that allowed the organisation to activate the final branch of its social impact: Social Impact Grants. This academic year, for the first time, Prosper put this branch into action.

In order to measure Prosper's social impact, the Social Impact Evaluation Framework (SIEF) was created in Autumn 2021. However, since its inception, there have been no updates or assessments conducted to gauge Prosper's social impact. With all branches of social impact now operational, it seemed appropriate to revisit and reassess the framework. The spring 2023 Social Impact Project undertook the task of restructuring and defining the SIEF report, while also updating the branches of social impact.

### Project Outline

The team was tasked to:

1. Assess the current branches of social impact.
2. Strengthen the quantifying process of social impact.
3. Rewrite the surveys to increase measurement accuracy and lower attrition rates.
4. Measure the social impact of the Senior Analyst Programme, Management Team and Social Impact grant for the first time.

**Task 1:** The team discussed Prosper growth and achievements since the original SIEF report was written. A significant development emerged, the creation of the Strategy Report written by Aaron Jimenez (Spring 2023). This report highlighted the substantial benefits provided by Prosper's Alumni Network. The network, a relatively new addition to Prosper, aims to forge strong connections between current analysts and the professional world post-university. The two most notable impacts of this network include Alumni visits each semester to provide the analysts insights into the ESG realm in the work force and networking opportunities that aid in securing funding. These factors, among others, underscored the necessity of adding another



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Lotte Langelaar  
*Senior Analyst*  
 MSc, Climate Change Finance

branch of social impact: the Alumni Network. The report for this project outlines in depth the reasons behind adding another branch of social impact, as well as identifying the tangible and intangible impacts.

### Task 2:

The old SIEF report included an assessment of five different External Evaluation Frameworks (B Impact Assessment, UNPRI, GRI, SASB, TCFD) to see if they were suitable for measuring Prosper's social impact. This team sought to identify if there were any other external evaluation frameworks that may be suitable for Prosper's social impact measurement. Consequently, the Logic Model, IRIS and 5 Dimensions of Impact Model were assessed. Whilst none of these frameworks directly aligned with Prosper, the decision was made to develop a set of Key Performance Indicators (KPIs), to help track Prosper's social impact performance in the long-run. These KPIs were added to the original SIEF framework. The team derived KPIs for the ATP and Social Impact Grant. The size of the team and scope of the project meant it was unfeasible for the team to derive KPIs for all branches of social impact. The KPIs are five year goals whose respective aims are outlined in the report. As the KPIs

## 7.2.2 Social Impact Project

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define Prosper's future social impact goals for the next five years, it seemed fitting to restructure the four pillars of social impact and their respective sub-categories. The four pillars of social impact are now: *Community, Skills and Insight, Governance, and Long-Term Impact*.

**Task 3:** The original SIEF was primarily tailored for assessing the ATP's social impact, with the aim of extending its applicability to measure impact across other branches. Since the inception of the SIEF, Prosper has undergone substantial growth and transformation, yet only the ATP's social impact has been quantified. Hence, it was deemed necessary to, for the first time, quantify the social impact of the SAP, MMT, and the Social Impact Grant. Recognising surveys as the focal means of measurement in the SIEF, the team revisited and amended them to align with the new pillars and KPIs. Previous feedback from analysts had raised concerns about survey length, prompting the team to shorten some surveys while ensuring they remained effective in gauging social impact. It is worth noting that currently, only surveys for the ATP exists; hence, the team developed surveys for the SAP, MMT, and Impact Grant, which can be utilised in future assessments.

**Task 4:**

Following the collection of survey responses for each respective branch of social impact, the team proceeded to quantify the social impact using the newly adapted framework. Key areas for enhancement in the ATP branch included bolstering the financial aspect and fostering a stronger sense of community within the cohort. For the SAP, the focus was on providing deeper insights into portfolio management. In the case of the MMT, enhancing social impact was seen through fostering stronger connections with the alumni network and increasing Prosper's presence on campus. As for the Social Impact Grant, it was noted that measurement could not be conducted in the same manner as other branches due to Prosper's lack of control over how Invisible Cities allocates the grant funds. However, it was suggested that Prosper could support Invisible Cities further through non-capital means.

### Conclusion

Overall, the Senior Analyst Social Impact team successfully measured and assessed Prosper's Social Impact. Going forward, Prosper should continue to look for innovative ways to generate social impact and ensure that attention is going towards all the branches of social impact and not solely the ATP.



## 7.2.3 Performance Indicators Project

### Introduction

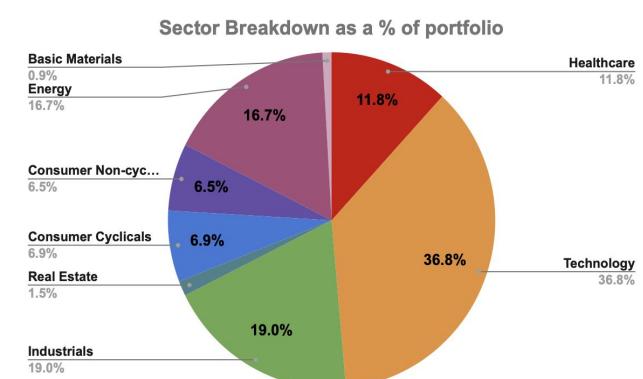
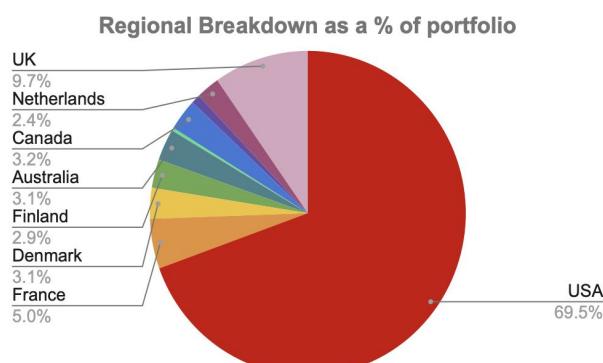
Since migrating to Interactive Brokers (IB), our historical investment data has been spread across two different brokerage portals, reducing our analytical capabilities. Whilst interactive brokers provides a robust analytical interface, the analysis provided is based upon prices from the date of transfer. Thus, our tracking tool required an update to account for new investments and a new brokerage.

Led by our Director of Investment Tracking, three senior analysts worked to collate key data from both platforms. This was used to create an improved tracking tool which collects real time data on our portfolio performance. This also allows us to track currency, geographical and sector exposure in real time. Additionally, further research was conducted into more complex investment products, sectors and geographies. The aim was to determine whether these could make suitable ESG investments or offer suitable financial stability as an investment.

### Results

We have successfully transferred key data from both HL and IB, as well as employing a GoogleFinance plugin to fetch real time prices. This has increased our tracking capabilities and enhances the investment panel's ability to make accurate and informed decisions. Some of the graphics generated can be seen below, with further graphics comparing Prosper's portfolio to key indices such as the NASDAQ Composite and S&P 500.

Senior analysts were also tasked with conducting in-depth research on various sectors or geographic regions. The aim was to produce comprehensive reports that could enhance our investment strategy by providing valuable insights to support future investment proposals. This year marked the introduction of four Japanese stock pitches; however, concerns regarding currency fluctuations and the broader Japanese macroeconomic landscape posed significant challenges for the investment panel's decision-making process. Additionally, three presentations centered around 'Big Pharma' companies prompted discussions on environmental, social, and governance (ESG) considerations within the pharmaceutical industry and their alignment with Prosper's 5 core values. Lastly, a Latin American mining company was presented in Semester 1, yet concerns surrounding political instability deterred us from pursuing investment in this particular area, marking it as our third focal point. Senior Analysts prepared detailed reports for these three considerations and these can be used by future investment panels to support stock selection.





# 8.0

## Risks and Risk Mitigation

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## 8. Risks and Risk Mitigation

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### 8.1 Recruitment Risks

The recruitment of dedicated analysts, for the Analyst Training Programme, plays a crucial role in ensuring the continuation of Prosper. The development of these analysts is one of Prosper's core channels for positive social impact. Moreover, several of these analysts will ultimately be members of the future management team, who are responsible for the longevity and success of the organisation. Therefore, to ensure the recruitment of dedicated analysts and of new management team members, the following processes have been developed:

#### **Analyst Training Programme Selection Process**

To ensure the recruitment of dedicated analysts, a rigorous two-stage recruitment process is adopted for the Analyst Training Programme. This entails an initial written application that explores each candidate's motivations and values. Then, upon anonymous assessment by the management team, suitable applicants are invited to complete a group interview, focused around a case study, as well as an individual interview. The Analyst Training Programme recruitment process is conducted via in-person interviews, having been remote in recent years. This helped to facilitate greater interaction between interviewers and candidates, and therefore, more accurate identification of dedicated analysts.

#### **Management Team Selection Process**

We are also committed to a rigorous selection process for all members of the management team, to ensure that Prosper continues to be led by a committed team. Completing our Analyst Training Programme is a prerequisite for joining the management team as we believe this ensures all members have a strong understanding of the mission, values and reporting process of the company. Similarly to the Analyst Training Programme, we adopt a two-stage selection process, consisting of a written application followed by individual interviews. Each applicant

is assessed by the current management team members and we ensure that the process is carried out fairly and transparently.

#### **Workload Balance**

We remain committed to supporting the team in balancing their academic responsibilities with their responsibilities as a management team member at Prosper. This consists of measures including weekly management team meetings, whereby each member is made aware of each other's current priorities, and tasks can be shared and collaborated on, where suitable. The creation of the new Corporate Relations role, intended to work in tandem with Strategic Relations, was partly to ease the workload balance as Prosper aims to increase its outreach with both student societies and corporations.

### 8.2 Investment Risks

Before our transition to Interactive Brokers, our investments were restricted to European and North American equities, which has left our portfolio less diversified in terms of geography. However, various processes have been implemented to help mitigate these risks:

#### **Rigorous screening process**

All stocks that are added to our portfolio continue to be subjected to our rigorous screening process. Our analysts, as part of the Analyst Training Programme, produce in-depth investment reports, and associated investment presentations, that propose new investments for Prosper to add to the portfolio. The investment panel then evaluates each investment, following our bottom-up investment strategy, to form a decision and rationale as to whether each stock should be added to the portfolio, or not.

#### **Moved Investment Brokerage**

Over the summer, we transferred our portfolio from Hargreaves Lansdown to Interactive Brokers. This move enables reduced trading fees and

## 8. Risks and Risk Mitigation

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enhanced portfolio insights. Reduced trading fees support Prosper in increasing the efficiency of our investment strategy by maximising the amount of capital ultimately held in equities. Moreover, it lowers the cost of more active management, enabling us to be more responsive to market conditions and new information regarding the financial and ESG performance of investments. This has facilitated portfolio rebalancing due to over exposure in American technology. Regarding enhanced portfolio insights, the increased analytical capabilities have allowed a greater understanding of our investment risk and exposure, while also alleviating some of the workload from investment-related roles on the management team.

### Addition of a New Management Team Position

Over the past year, the management team expanded to include a new position: Head of Corporate Relations. This strategic addition has directly led to a 25% expansion of the ATP programme, addressing the issue of high-quality candidates previously unable to secure places and thereby amplifying our social impact through education. The Head of Corporate Relations focuses on broadening outreach through activities like fireside chats and internship panels, in addition to forging stronger partnerships with businesses. This division of roles allows strategic relations to more effectively target engagement with the student community and societies, while corporate relations focus on developing robust relationships with corporate partners.

### Divestment Strategy

Last year, we began to outline a divestment process, allowing us to distribute profits as Impact Grants. It is proposed that Prosper distribute Impact Grants on two occasions throughout the academic year, once per semester. To fund these Impact Grants, Prosper will assess current financial obligations relating to the University loan and then divest a percentage of the surplus

profits (i.e. the portfolio value in excess of the financial loan obligations). This surplus will be divested from stocks which have reached the five-year investment horizon with the Investment Panel having discretion over which are most desirable to sell at the current time. Rebalancing the portfolio can also provide additional capital and mitigate overexposure risk. Once these are agreed upon, it is proposed that Prosper divest from these positions over multiple fixed dates throughout the year, to spread risk, through cost averaging. This process will allow Prosper to form a more standardised investment process, which supports in balancing portfolio growth with financial obligations.

### 8.3 Security and Proper Use of University Funds

The University needs to be confident that all funds given to Prosper will be used in the way intended, as outlined in our Memorandum of Understanding. No significant changes were made, over the last year, to the structure that was agreed upon with the University. Aspects of our current structure, ensuring the appropriate use of funds, are outlined below:

#### CIC Structure

Being a Community Interest Company (CIC), limited by guarantee, ensures that funds can only be used for our stated mission and only in the interest of the community which we aim to serve. As indicated in our articles of association, if at any point we should fail to meet our legal requirements as a CIC, all funds would be returned to the University of Edinburgh Development Trust (Charity Number: SC004307).

#### Directorship Roles

Three members of each year's management team are named directors on Companies House. This spread of responsibility ensures an even balance, along with the need for a majority vote on any important legal or accounting decisions.

# 8. Risks and Risk Mitigation

## Account Access

Only management team members who sit on the investment committee have access to the trading account which is used to manage our portfolio. The Executive Director has the legal right to place trades. Moreover, for both the trading account and operational bank account, we have best practice security protocols in place to protect access to these accounts.

## Advisory Board

The establishment of an advisory board represents a key mission for this management team-strengthen our governance structure, and preserve our ethos as a socially responsible and student led organisation. Providing oversight above the existing governance structure, their expert advice hopes to guide future management teams through unbiased external perspectives and expert industry opinion. The rationale, role and structure of the advisory board is described in more detail in section 7.2.

## Formalised MoU with the University

Succinctly, Prosper is to pay back the £50,000 loan by 2034, paying the principal+CPI. Accordingly, the university calculates the permitted divestment amount which can be distributed to Social Impact Grants.

## 8.4 Legal and Accounting Risks

As a company, we continuously ensure that we meet all legal and accounting requirements imposed by law. The related commitments include:

### Relationship with the Business School

We continue to have a good relationship with the Business School. We are grateful to the business school for continuing their support of Prosper as a supported enterprise, which we largely capitalise upon through extensive use of the School's facilities. Aside from hosting the majority of ATP, SAP, MMT and Director's meetings, this relationship allowed us to host the Early Careers Insight Panel with Christopher Pauli from Deloitte and Tyler Thomas from Stewart Investors.

### Independent Accountant

This year, we have acquired accounting services, relating to filing our Corporate Accounts and Tax Return, through leveraging the University's accounting resources. Particularly helpful was

Angela Cairns, an Accounting lecturer at the Business School, who checked our accounts. While accounts can now be filed online at Companies House, our CT600 (Corporation Tax) was filed with the accountancy firm Jay Shah & Co. Both Angela and Jay have agreed to assist Prosper's future MMTs, thus increasing the operational stability of the company in the future. Additionally, the assistance offered by Angela has allowed us to reduce our administrative costs, as independent accountants are no longer required for our annual accounts.

## 8.5 Cash Flow Risks

Prosper continues to be a financially stable company and meet its operational cash flow needs, without charging excessive administrative fees. This is achieved through:

### Effective Budgeting and Planning

We continue to ensure that our funds are spent towards the enhancement of our Analyst, and Senior Analyst, Training Programmes and operations. We have managed to, once again, remain cash flow positive and ensure that the company has enough liquidity to cover unexpected expenses that may occur within the next academic year.

### Efficient Spending of Funds

Our main source of revenue is the administrative fees charged in our Analyst, and Senior Analyst, Training Programmes. We ensure this fee covers all expenses of Prosper; however, that it is also fair and non-discriminatory. This year, we retained the use of free surveying software, Google Forms, allowing us to continue monitoring our social impact, whilst maintaining low operating expenses. Our administrative fees are calculated using a numerical tool that looks to guarantee that the amount charged to our analysts is fair and sufficient to cover the operational and marketing expenses.

### Memorandum of Understanding with Invisible Cities

As we have established relations with our first social enterprise in receipt of an impact grant, Invisible Cities, we have developed an associated Memorandum of Understanding. This document outlines the scope of the agreement for both parties, aiming to ensure that the donated funds are spent efficiently, maximising positive social impact, and that an effective relationship is kept.

## 8. Meet Next Year's Team



**Ethan Cohn**  
*Executive Director*



**Grace Westrup**  
*Head of Investment  
Tracking*



**Cormack Ross**  
*Director of Portfolio  
Research*



**Alec Johnson**  
*Head of Investment  
Strategy*



**Eve Graham**  
*Head of Social  
Impact*



**Craig Paton**  
*Director of  
Operations*



**Matthew Hill**  
*Head of Training*



**Chelcie  
Mohammed**  
*Head of Training*



**Lucy Langtry**  
*Head of Marketing*



**Aryan Chibber**  
*Head of Strategy*



**Chaitanya Gupta**  
*Head of Corporate  
Relations*



**Gabriel Garcia**  
*Head of Strategic  
Relations*

# Thank You!

Thank you for taking the time to read through this report. Please do not hesitate to get in touch if you have any questions or concerns. We may be contacted by email at: [operations@prospersocialfinance.co.uk](mailto:operations@prospersocialfinance.co.uk).

We would also like to express our gratitude to the University of Edinburgh for their continued support. The growth and development of Prosper would not be possible without their sustained belief in us and their generous financial support.

On behalf of this year's Prosper Team, thank you.

