



BRIDGING THE GAP IN REAL ESTATE FINANCE.

ASPECIALISED REAL ESTATE BRIDGE FINANCING FUND TARGETING 10% ANNUAL NET RETURNS MANAGED BY PROVEN EUROPEAN PROPERTY EXPERTS.

FUND OVERVIEW | September
2017



THE MARSHALL BRIDGING FUND IS A UNIQUE CROSS-BORDER FUND THAT FOCUSES ON THE GERMAN UK REAL ESTATE MARKETS OFFERING A RARE ACCESS TO A HIGHLY LIQUID MECHANISM FOR INVESTING IN A HIGHLY ILLIQUID AND SOUGHT AFTER MARKETPLACE.

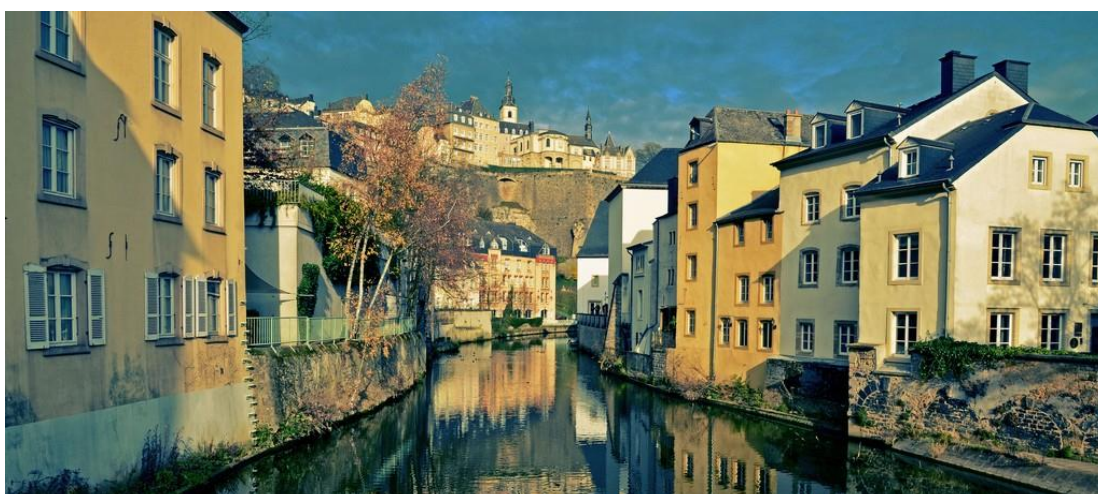
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A fund's investment objectives, risks, charges and expenses should be considered carefully before investing. This document contains information in summary form only and its accuracy or completeness cannot be guaranteed.

No liability is accepted for any loss of whatsoever nature arising from the use of this information. Application for units in this fund may only be made on the basis of the issuing document relating to the fund and this document may only be distributed to those eligible to receive that prospectus.

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The prospectus contains this and other important information about the Fund. To obtain a prospectus free of charge, call Banque de Patrimoines Privés, 30 Boulevard Royal, 2449, Luxembourg, by calling at: +35227207650. Please read the prospectus carefully before investing or sending money.



Fund	Marshall Bridge Fund
Type of Fund	Luxembourg SICAV SIF
General Partner	Emerald Management Sarl
Fund Advisor	Marshall Hutton
Administrator	Banque De Patrimoines Privés
Custodian	ING Bank Luxembourg
Legal Advisor	Baker & McKenzie
Auditor	KPMG Luxembourg
Currencies	GBP - EUR - USD
Regulator	CSSF Luxembourg
Subscription	Monthly
Redemption	Monthly with 30 working days notice
Tax Advisor	Baker & McKenzie
Management Fees	Share Class A, B, C: 1.75% per annum. Share Class D, E, F: 1.50% per annum.
Performance Fees	Share Class A, B, C: 25% above 6.0% hurdle HWM Share Class D, E, F: 20% above 8.0% hurdle HWM
ISINS	Class A GBP LU1265972312 Class B EUR LU1265972403 Class C USD LU1265972585 Class D GBP LU1265972668 Class E EUR LU1265972742 Class F USD LU1265972825
Bloomberg Tickers	Class A MBFLCLA:LX Class B MBFLCLB:LX Class C MBFLCLC:LX Class E MBFLCLE:LX Class F MBFLCLF:LX

We decided to base the Marshall Bridging Fund in Luxembourg because the advantages offered by this well-established jurisdiction enhanced the benefits we want to pass on to our investors. We have listed a few facts characterizing the upside of Luxembourg based funds.

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BRIDGE FINANCING IS A WELL-ESTABLISHED FUNDING TOOL THAT
ALLOWS PROPERTY ENTREPRENEURS TO SEIZE REAL ESTATE
OPPORTUNITIES THAT THE TRADITIONAL BANKING SECTOR IS NOT
STRUCTURED TO TRANSACT.

WHAT IS BRIDGE FINANCING?

BRIDGE LOANS ARE APPLIED TO COMMERCIAL OR RESIDENTIAL PROPERTY PURCHASES ALLOWING FOR SWIFT EXECUTION ON PROPERTY DEALS OR TO TAKE ADVANTAGE OF SHORT-TERM OPPORTUNITIES IN ORDER TO SECURE LONG-TERM FINANCING.

Bridge loans are typically paid back when the property is sold, refinanced with a traditional lender, improved or completed, or a specific change that allows for a subsequent round of mortgage financing to occur. Bridge financing's main features are:

- ⦿ They typically have a higher interest rate.
- ⦿ Lenders may require cross-collateralization and a lower LTV ratio.
- ⦿ Normally short-term, 4 to 18 months.
- ⦿ Such loans are more profitable.

Bridge loans are normally secured by a first charge and mezzanine is generally backed by a second charge. The sector's current lending position has improved, being safer due to the following factors:

- ⦿ Senior loans are currently given with smaller LTV's, giving bridge and mezzanine loans a larger portion of the remaining collateral/equity to finance.
- ⦿ Having a bigger portion of the loan to finance also brings additional guarantees, because a bigger portion of the equity will help cover the bridge or mezzanine loan.
- ⦿ Such a change in LTV's by senior loans, gives an increased added value to bridge and mezzanine financing, providing additional security to investors.
- ⦿ Real estate valuations are now lower than in 2007, providing more safety on the collateral



WHAT IS THE OPPORTUNITY?

THIS HIGHLY LUCRATIVE MARKET STEMS FROM AN INCREASE IN DEMAND FOR FINANCING IN PRIME EUROPEAN PROPERTY MARKETS WHILE BANKS ARE REDUCING THEIR EXPOSURE TO THIS SECTOR.

Since bridge financing and mezzanine debt facilities are rarely available from traditional banking sources, this property finance supply shortfall can be exploited, because the lack of loan supply creates higher yields for investors while securing a safer Loan to Value ratio, thus reducing risk. This accrued appetite for vital source of loan facilities also increases valuation transparency. The higher demand for capital will improve the risk/return profile for players evolving in this space. In addition to the above, by having an access to deals which used to be bank-based, this ensures a pipeline of real estate deals being of very high standard.

The advantage of property as collateral

The fund will lend to property development opportunities with safe LTV guidelines forming a diversified portfolio of German real estate properties in strategic and proven locations to ensure sustainability. The fund managers will target properties in key areas with sustainable valuations thus mitigating downside risk. Additionally, the Fund will provide financing to both private and corporate developers, aiming to take "first charge" where possible to ensure investors are protected, whilst still accessing high yield opportunities.


How the Marshall Bridging Fund exploits these advantages

Traditional real estate funds engage firms like Marshall Hutton for their specialist local knowledge and expertise in acquiring, developing and managing properties

By launching its own fund, Marshall Hutton offers investors a chance to eliminate a tier of management


This enables an agile response to opportunities, speedier completion of projects, tighter control and lower costs, leading to better returns

So confident is the management team in the benefits this will have on returns that it has set its performance bonus hurdle rate at the high level of 8%



The fund will be able to concentrate a larger portion of the value added chain into one single entity

Ability to capture all this added value for investors in the Fund



Such control also reduces risk and exposure, by having in-house the required know-how to accurately value the property and related risks

The Marshall Bridging Fund's launch is timed to exploit the funding gap that results in liquidity not being readily available to most investors. The consequence is a substantial increase in the costs of senior and mezzanine debt positions diminishing equity returns. This has led to an expansion of the exclusive off-market sector. Targeted financings available to the Fund show discounts on property values, ranging from 10-20% to fair value LTV, translating into excellent loan collateral.

BENEFITS TO INVESTORS

THE MARSHALL BRIDGING FUND WILL EXPLOIT SHORT TO MEDIUM-TERM BRIDGING AND MEZZANINE FUNDING OPPORTUNITIES SECURED AGAINST PRIME REAL ESTATE ASSETS.

The Fund's expert advisory team of real estate insiders will offer investors key benefits with anticipated returns in the region of 10% per annum. Furthermore, the Fund offers the following features:

- ⦿ Anticipates returns in the region of 10%
- ⦿ Low correlation to stock markets.
- ⦿ Predictable returns with low volatility.
- ⦿ Access to an asset class previously reserved for institutional investors.
- ⦿ Monthly liquidity for the investor.
- ⦿ Experienced risk management process enhanced by asset backed security and diversification.

The Marshall Bridging Fund is designed to generate returns irrespective of market condition through opportunistic financing and expert asset management of prime commercial and residential real estate.

The Fund will primarily focus in a first stage on strategic and proven German market. MBF benefits from the experience of managers possessing established on-the-ground real estate knowledge and skills frequently utilized by many large institutional property managers. This unique blend of experience, skill and vision offers investors a rare opportunity to invest in a growth market coupled with an underlying security held on the real estate assets at sub 80% loan to value. The typical investment period ranges from a minimum of three months up to a maximum of 24-month terms to maturity.

The Fund's returns are asset backed with properties in key locations, which have been chosen for their inherent low depreciation risk providing solid collateral for investors. The loans are accrued on individual properties, rather than aggregated across whole portfolio to further reduce risk and the Fund will not cross-collateralise debt. This will result in a portfolio with the ability to generate stable and predictable returns with low anticipated volatility. The Managers have a No Black Box policy, which means investors will know how much, where and to whom they lend.

Fund Structure: the Fund is an open-ended Luxembourg SICAV SIF, offered by Emerald Managements Sàrl, the Fund's General Partner, focusing on alternative and innovative value added asset classes. Key features are: Euro-denominated fund with GBP and USD share class if required, accessible to Life Insurance platforms and no inherent legacy real estate issues.



THE FUND OFFERS INVESTORS AN EXPOSURE TO LUCRATIVE EUROPEAN REAL ESTATE MARKETS WITHOUT THE RISK OF BRICKS AND MORTAR OWNERSHIP AND WITH THE BENEFIT OF THE EXPERIENCE OF INDUSTRY INSIDERS.

FUND DIVERSIFICATION STRATEGY

THE FUND WILL LEND INITIALLY INTO A DIVERSIFIED PORTFOLIO OF GERMAN REAL ESTATE PROPERTIES IN STRATEGIC AND PROVEN LOCATIONS TO ENSURE SUSTAINABLE VALUATIONS.

We have a proven know-how in our target markets and will invest initially in Germany, bringing our extensive experience of key property market niches. Commercial and residential property will be included in the portfolio as this opens up a wider scope of development financing opportunities across a diversified range of real estate market segments.

The Fund will only provide financing to professional and established real estate investors and developers with a proven track record. We will secure a legal charge over the real estate asset whilst still accessing high yield opportunities.

Our fund management expertise relies on blending in-depth structured real estate finance with real estate knowledge, which combined offer a rare combination of in house analysis, resulting in a finely tuned transaction structure with complete due diligence procedures in place.

The Advisor has experience in key market niches:

- ⊙ Residential, Comercial, Land Development
- ⊙ Change of use projects (Commercial to residential, etc.)
- ⊙ Hotels and Opportunistic

The Advisor possesses know-how in several markets, but will invest initially mainly in German market.

Second stage, we will move to other countries where opportunities will arise with our local partners.

Diversified Bridging Investment Fund

This know-how will allow the fund to:

- ⊙ **Diversify by cities and countries:** Initially Germany and UK
- ⊙ **Diversify by opportunities:** Hotel, residential, opportunistic, refurbishing,
- ⊙ **Further diversify by countries:** Second phase, we will allocate capital to countries where we have local partners with direct access to flow.

RISK MANAGEMENT

RISK MANAGEMENT OF REAL ESTATE LOAN TRANSACTIONS IS CRUCIAL. THIS IS WHY WE APPLY STRINGENT OPERATIONAL PROCEDURES AND CAREFULLY OVERSEE ALL LEGAL REQUIREMENTS.

Experience has taught us that even small details can endanger transactions and fund returns. That is why risk identification is at the very core of our investment and allocation process. The key risks we address:

- ⦿ Decline in real estate prices, which is the Fund's collateral.
- ⦿ The credit risk due to the potential default on payment by the creditor.
- ⦿ The assets financed may be hard to sell in a down market, increasing the risk to our interest payments and return of capital.

In addition to the fact that loans are accrued on individual properties, rather than aggregated across the whole portfolio – Marshall Bridging Fund will not cross-collateralise debt – the following steps are systematically embedded into our allocation process in order to reduce risk:

- ⦿ Expert third-party valuation of underlying values.
- ⦿ Access to residential schemes/opportunities on discounted terms.
- ⦿ Focus on quality property that has sustained appeal.
- ⦿ Mixed portfolio diversified by type, location, operational status or delivery time.
- ⦿ The Fund will maintain a minimum liquidity of 10% of NAV.

The fund lends to owners or developers of real estate assets, it does not undertake direct purchase of properties. This strategy allows the Fund to take advantage of the real estate market, through lending and not direct exposure, generating high double digit returns, however with a small price risk.

The Fund advisors are leveraging their extensive real estate expertise to ensure transparent risk management by adding robust diversification parameters.

Addressing important risk management issues

The Fund will focus on properties and locations, where the price downside risk is minimal. Embedding an absolute returns philosophy, the Fund is not dependent on the increase of real estate prices. Through our focus on opportunistic lending and shrewd asset management, we seek to generate yield, irrespective of the condition and direction of the market. Private client cornerstone money is invested to ensure stability during the accrual period and we will not normally use leverage. Furthermore, we will use independent and conservative valuation experts to ensure that the Fund adheres to our safe LTV guidelines and confirm our views on the validity of the opportunities to which we allocate resources.

OPERATIONAL RISK MANAGEMENT

THE MAIN RISK ON A PROPERTY DOES NOT COME FROM PRICING OR CREDIT RISK, BUT RATHER FROM A LACK OF DUE DILIGENCE ON THE LEGAL PERMITS AND REQUIREMENTS WITH WHICH THE PROPERTY AND INVESTORS NEED TO COMPLY TO EXECUTE A TRANSACTION.

At Fund level, real estate risk is reduced by having reputable parties at each level of the transaction, and independent parties in areas where conflicts of interest can arise, such as property valuation. Managing real estate risk is primarily dependent on the appropriate management of operational risks such as obtaining proper legal certificate/title of property, checking of property valuation standards and data, appropriate KYC of clients and buyers, checking of liabilities and covenants on property, as well as ensuring adequate insurance and all permits are available. Finally, we always ensure that the relevant zoning and government approvals on the targeted property have been obtained.

Managing credit risk

The Fund has clauses to manage late payments and obtain a higher interest rate, compensating and pricing risk properly, which is not uncommon and profitable. We perform credit risk analysis on creditors and future buyers, as well as usually holding a first or second claim on the property, in addition to the borrower's capital being our additional security. Due to our excellent relationships with exit partners, the Fund will enter into transactions where a predefined buyer has already showed interest in purchasing the property.





OUR LENDING POLICY AND APPROACH EMBEDS DIVERSIFICATION, THUS MITIGATING RISK BY ALLOCATING TO KEY PROVEN REAL ESTATE SEGMENTS IN ADDITION TO THE INHERENT STRENGTH OF THE TARGETED GEOGRAPHIC REGIONS.

INVESTMENT ADVISOR

MARSHALL HUTTON ARE LONDON AND GERMAN REAL ESTATE SPECIALISTS, WHOSE CLIENTS INCLUDE: THREADNEEDLE, LEGAL & GENERAL, ABERDEEN ASSET MANAGEMENT (PREVIOUSLY SCOTTISH WIDOWS), ROYAL LONDON, AXA AND HERMES.

The Marshall Hutton team has direct access to an exclusive deal flow and benefits from 23+ years of direct real estate involvement, allowing for an unparalleled access to important industry players, where the relationship allow the fund to capture the full value of the deals.

The real estate team have been working together within the framework of a stable 23+ year partnership. Their long experience with London and German planners, provides them with privileged visibility on projects that would benefit from change of use or development, and which can win planning consent. The team also has unparalleled expertise in shaping proposals in a manner leading to a high approval probability.

Marshall Hutton has access to many off-market deals across key German cities and the UK, coupled with the experience to negotiate best terms on behalf of the Fund. Such direct access allows the fund to increase returns, and have better knowledge of deals and management of future deal pipeline. The Advisor has access not only to deal providers but also to all important exit partners looking for properties to purchase.

The strategy team's direct access to deal flow will maximize the extraction of value added for our investors.

THE MARSHALL HUTTON DIRECTORS

Richard Marshall-Greaves: has over 27 years experience in advising clients in acquiring and disposing of property assets in the South East, principally central London.

Has represented clients in all aspects of the industry, including Investment acquisition and disposal, leasing of offices, retail and hotels. Development appraisal of office, residential and retail schemes and managed development delivery teams.

Daniel Hutton AIBA: has over 24 years experience of advising clients, advising and disposing of property assets in central London and extensive trading in CRE and Residential assets in Germany.

He has an extensive knowledge of property financing, the London occupational and capital markets of Germany.

INVESTMENT COMMITTEE

THE GENERAL PARTNER RELIES ON THE INVESTMENT COMMITTEE WHICH PROVIDES VALUE TO THE FUND, ON APPROVING OR NOT SUCH LOANS.

The IC reviews the proposal of the Investment Advisor, together with the Information received from the legal advisory firms on the loan, reassuring the fund, all the economic and legal information is proper for the approval of the loan.

The IC uses several local legal advisory firms, with specific know-how. Some of such firms are Pillsbury Winthrop Shaw Pittman and LindenPartners.

The Investment committee Advisor will decide with all information received from all the parties, on the appropriateness of such loan for the fund, analyzing not only the legalities of the loan through the information provided by several local legal advisory firms, with specific know-how, but also the appropriateness of the collateral as a safeguard for our investors capital protection.

The General Partner's Investment Committee provides an additional layer of value and risk management to the fund.

INVESTMENT COMMITTEE ADVISOR

Christopher Harrison is currently the President of the IC, bringing global legal expertise in structuring, financing and the capital debt markets, allowing the Investment Committee to properly assess the specific risks in each country the fund will operate, and managing the expertise of local law or advisory firms. Christopher is a solicitor and a partner in one of the global law brands, with more than 25 years of experience in complex cross border financings and investments

Mr. Paul Hunt owns an advisory company distributing funds to the wealth management market globally. Paul started his financial services career in 1987, working as an investment broker in Guernsey. He then worked as an investment manager for Lloyds bank in Guernsey for several years before moving to Europe to take up a position as regional manager of a large offshore insurance company.

The Investment Committee can add per each loan, additional individuals on a case by case basis if it is needed additional expertise.

DIRECTORS AND COUNTER-PARTIES

General Partners

Christopher Harrison is currently Director of the GP and the President of the ICA, bringing global legal expertise in structuring, financing and the capital debt markets, allowing the Investment Committee to properly assess the specific risks in each country the fund will operate, and managing the expertise of local law or advisory firms. Christopher is a solicitor and a partner in one of the global law brands, with more than 25 years of experience in complex cross border financings and investments.

Xavier Deu Pujal Partner of another Luxembourg based alternative asset management firm, has worked in the USA as wholesale distribution, futures and options trader, as well as risk management officer. In Europe, he has been involved in securitization, Private Equity and Alternative Asset Management. Xavier is an Economist from the UAB of Barcelona and holds a MA in International Finance and Economics from Brandeis University.

Paul Hunt owned an advisory company distributing funds to the wealth management market globally. Paul started his financial services career in 1987, working as an investment broker in Guernsey. He then worked as an investment manager for Lloyds bank in Guernsey for several years before moving to Europe to take up a position as regional manager of a large offshore insurance company.

Josep-Lluis Perez joined as Director of the GP, and oversees and controls all the operative of the General Partner and Fund regarding operations and risk management. Daily tasks are related to maintain the communication and good standing with the regulator, relationships with the service providers with KYC-AML and other operational requirements.



Administrator:
Banque de Patrimoines Privés

BPP is a private bank with tailored services to HNWI and Families across the globe, from Structuring, Management, Administration, Domiciliation and Custody of such assets.



Custodian: ING Bank Luxembourg

ING Luxembourg is part of a Group operating in nearly 40 countries and employs 94,500 staff, appreciated throughout the world by over 67 million customers. These customers include individuals, small companies or major multinationals, public institutions and government authorities.



Risk Manager - NOVACAP

NOVACAP is an independent management company authorized and regulated by the Commission de Surveillance du Secteur Financier in Luxembourg, and with license and capability to provide superior risk management services to independent asset managers.



Legal Advisor: Baker & McKenzie

Baker & McKenzie is a global law firm, with a presence in over 46 countries, being one of the leaders in Luxembourg and in the fund management industry.



Auditor: KPMG Luxembourg

Among the Big 4 Audit firms globally and Top 1 in Luxembourg.

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