



VALUATION POLICY

OCTOBER 2020

Emerald Fund S.C.A. SICAV-FIS Marshall Bridging Fund
30, Bld Royal
2449 Luxembourg

VALUATION POLICY

The Board resolved to approve the following principles / rules that should be considered with respect to the calculation of the Net Asset Value (hereinafter, “NAV”) of Marshall Bridging Fund.

GENERAL

- ✓ The NAV of the Fund must be calculated on a monthly basis, as of each Valuation Day as defined in the Investment Memorandum of the Fund.
- ✓ The NAV of the Fund must be calculated by Banque de Patrimoines Privés (hereinafter, “BPP”), acting as Administrative Agent of the Fund, by the 7th of the following month, using the pricing information received until the 2nd of the following month, and actively seeking for the not received ones from the 4th. until the 5th. of the following month. If any of such days falls on a non working day in Luxembourg, it will be carried out to the following day, after the 7th.
- ✓ The objective is to obtain the monthly NAV by the 7th of the following month.
- ✓ Prior to its release, BPP must submit to both members of the Board and the CFO, all monthly NAVs of the Fund for control and written approval to be communicated to BPP by the 5th of the following month but in any case prior to the next Valuation Day.

CALCULATION

- ✓ The calculation of the Fund’s NAV will use the latest official information of the underlying loans provided by the Board of Directors. Such data will contain all the expected cash inflow and outflows, which will be used to calculate the increase in NAV for that month, together with other non-loan based assets and expenses, like arrangement fees or equity kickers, when available.

- ✓ An equity quicker, which is a participation in the future Value of the collateral, will be mainly valued at the end of the life of the loan, as a one time income for the fund. Such participation can be revalued at certain times, even before the loan matures, if an independent valuation of the project can be achieved, showing a clear value for the equity quicker. Such equity quicker can be valued at different times during the live of the project, even when the loan may have been repaid, but the project not yet finished, being still carried in the books of the fund. Each revaluation will require an independent valuation of the project. Such revaluations will be dependent on the decision of the Directors of the GP, under conservative assumptions, to avoid potential mispricing of the fund.
- ✓ No default provisions will be taken at the calculation of the value of the loans, if such have not declared default, due to the following reasons:
 - a) The loans high interest rate already accounted for the intrinsic risk of default.
 - b) Loans will have a corrective valuation on their pricing once a default happens. Such corrective factor, if any, will be decided by the Default Valuation Committee.