ThomasLloyd

THOMASLLOYD SICAV-SIF

Thomas Lloyd Capital Partners, S.à.r.l.

VALUATION POLICY

July 2016

This valuation policy document (the “Valuation Policy”) provides an objective, consistent and transparent basis for estimating the fair value (“Fair Value”) of the investments (the “Investments”) held within ThomasLloyd SICAV-SIF (the “Fund” or the “AIF”). The Fund has appointed MDO Management Company S.A. (“MDO”, the “Portfolio Manager”, or the “AIFM”) as the AIFM, CACEIS Bank Luxembourg (“Caceis”) as the Depositary, Paying Agent and Administration Agent, Registrar and Transfer Agent (Central Administration) and ThomasLloyd Capital Partners S.à r.l. (“ThomasLloyd” or the “GP”) as the General Partner. ThomasLloyd Global Asset Management (Schweiz) AG will act as the Investment Advisor to the AIFM (the “Investment Advisor”). Duff & Phelps Ltd (“Duff & Phelps”) will perform the valuation in its capacity as an external valuer (“External Valuer”), independently from the AIF, the AIFM and any other persons with close links to the AIF or the AIFM and as per Articles 17 (4) a, 17 (5), 17 (6) and 17 (8) of the Grand Duchy of Luxembourg Law of 12 July 2013 on Alternative Investment Fund Managers (the “Luxembourg AIFM Law”) and Articles 67 to 74 of the European Commission Delegated Regulation (EU) No 231/2013 19 December 2012, in connection with the determination of the fair value (“Fair Value”) of the AIF’s investments (the “Investments”), from time to time as set out in more detail below.

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INTRODUCTION

1.1 General provisions under the Alternative Investment Fund Management Directive (AIFMD)

AIFMs shall establish, maintain, implement and review, for each AIF they manage, written policies and procedures that ensure a sound, transparent, comprehensive and appropriately documented valuation process. The valuation policy and procedures shall cover all material aspects of the valuation process and controls in respect of the relevant AIF.

Without prejudice to requirements under national law and the AIF's constitutional documents, the AIFM shall ensure that fair, appropriate and transparent valuation methodologies are applied for the AIFs it manages. The valuation policies shall identify and implement the valuation methodologies used for each type of asset in which the AIF may invest in accordance with applicable national law and the AIF's constitutional documents. The AIFM shall not invest in a particular type of asset for the first time unless an appropriate valuation methodology has been identified for that specific type of asset.

The policies and procedures setting out valuation methodologies shall include inputs, models and the selection criteria for the valuation, pricing and market data sources. They shall provide that quotations and valuations shall be obtained from independent sources, whenever possible and appropriate. The selection process of a particular methodology shall include an assessment of the available relevant methodologies, taking into account their sensitivity to changes in variables and how specific strategies determine the relative value of the assets in the portfolio.

1.2 Scope

MDO Management Company S.A. is an independent service provider based in Luxembourg offering fund management services to third-party AIFs and to UCITS funds. Third-party AIFs, that MDO manages or intends to manage, consist of Luxembourg-domiciled investment vehicles, including private equity (PE) funds, hedge funds (HFs), fund of funds (FoFs) and other funds.

MDO, in its role as AIFM, shall ensure that the proper and independent valuation of assets of each AIF, which it manages, is performed in accordance with Article 17 of the Luxembourg Law of July 12 2013 (the AIFM law) and the AIF's constitutional documents.

MDO does not provide central administration services to the AIFs under management. A central administration service provider is appointed for each AIF, who is responsible for administration of the AIF, including the performance of the net asset value (NAV) calculation. The NAV calculation of each AIF is performed in accordance with the constitutional documents of the AIF, the national laws and applicable accounting rules and standards. The valuation inputs used by the central administrator are either provided by the AIFM for non-liquid assets or sourced directly by the central administrator from the independent pricing vendors for liquid assets.

1.3 Organizational set-up

In accordance with the AIFM law, the AIFM may either perform the valuation function itself (Art. 17 (4) (b) of the Law of 2013) or appoint one or several external valuers (Art. 17 (4) (a) of the AIFM law). The valuation of the AIF's assets shall be performed by MDO (internal valuation function) or delegated to an appointed valuation service provider (external valuer). Where the AIFM has chosen to delegate the valuation function to the external valuer, selection is based on objective criteria relating to the external valuers, which are detailed in Section 1.5. The ongoing monitoring and supervision of the delegated valuation function is performed by the Risk Management team.

Where the invested asset is a freely traded transferable security and the market price is readily available (e.g. listed liquid security), the price is sourced from independent pricing vendors and used as an input in the NAV calculation performed by the central administrator. The independent pricing vendors are not considered to be external valuers within the meaning of the AIFMD, as they neither provide tailor-made valuations for individual assets, nor use subjective judgments when deriving the values of these assets.

The following table sets out the arrangements made in terms of the approach for valuation / pricing of each type of asset:

Type of asset	Funds typically investing in these assets	Valuation / pricing approach
Money market instruments	Hedge Funds (HFs) and other UCIs	Independent pricing sources
Transferable securities, i.e. liquid financial instruments (FIs) including listed derivatives	Hedge Funds (HFs) and other UCIs	Independent pricing sources
Non-transferable securities, i.e. non-liquid financial instruments (FIs) including OTC derivatives and thinly traded listed derivatives	Hedge Funds (HFs) and other UCIs	Appointed external valuers or MDO internal valuation function
Units/Shares of UCIs	Fund of Funds (FoHF, FoPE, FoRE)	External valuers or MDO internal valuation function (depending on the specific requirements of the AIF)
Private equity	Private Equity (PE) funds	External valuers
Real Estate	Real Estate (RE) funds	External valuers

Notwithstanding the internal performance of the valuation function or the appointment of external valuers and independent price vendors, the Board of the AIFM retains overall responsibility for the valuation of the AIF's assets. Valuation review shall include in the agenda of the Board of the AIFM at each meeting directly preceding a valuation event. The Valuation Committee (cf. Section 1.4.3), in conjunction with the Risk Management team, will be responsible for reporting the reviews performed and any issues arising with regard to the valuation of the AIF's assets to the Board of the AIFM. Where an escalation process, in line with Section 4, is triggered, the Valuation Committee, in conjunction with the Risk Management team, will prepare the respective documentation for review and approval by the Board.

1.4 MDO Internal Valuation function

1.4.1 Organizational set-up of the Internal Valuation function

The AIFM has established an Internal Valuation function that is functionally and hierarchically independent from Portfolio Management and the control functions of the AIFM as illustrated in the AIFM's organizational chart provided to this document.

The Internal Valuation function is headed by the Valuation Officer who is supported by the Valuation Associates in performance of the valuation tasks. The Valuation Officer periodically reports the valuation matters to the Board of the AIFM who has overall responsibility for the valuation function of the AIFM.

1.4.2 Roles and responsibilities of the Internal Valuation function

The Valuation Officer, with the support of the Valuation Associates, shall:

- Implement effective valuation policies and procedures in accordance with the AIFM law, other relevant laws and regulations and the AIFs' constitutional documents;
- Ensure that the valuation policies and designated methodologies are applied consistently across all AIFs managed, taking into account investment strategies and the types of assets held by the AIFs, and, if the valuation is delegated to external valuers, the existence of different external valuers;

1.4.3 Valuation Committee

In order to ensure the timely execution of the valuation tasks in particular, in instances where difficulties arise during the valuation of AIF's assets, the Board of the AIFM has decided to appoint a Valuation Committee which shall be specific to each AIF.

The Valuation Committee is composed of:

- The Valuation Officer;
- The Risk Manager in charge of the fund;
- The Team Leader.

The list of participants may be extended to include any person that is able to provide relevant information on a particular valuation item.

The Valuation Committee shall:

- In conjunction with the Internal Valuation team perform oversight and control over the valuation tasks delegated to the external valuers.
- Provide advice to the external valuer and central administrator where the issues in the valuation and pricing are noted, such as:
    - Illiquid and difficult to price securities;
    - Stale prices;
    - Use of models in valuation;
    - Valuation of target funds.
- Perform a review of individual values of assets, where a material risk of an inappropriate valuation exists;
- Perform a review of the valuation policies and procedures with the support of the Risk Management team and the Board of the AIFM at least on an annual basis and, if needed, on a more frequent basis;
- Approve alternative pricing sources to be used;
- Approve the appointment of an external valuer and communicate the appointment to the CSSF.

The Valuation Committee shall meet at the frequency consistent with its roles and responsibilities as set out above (i.e. every time the approval of internal valuation is required, every time the review of individual values of assets is required and every time a valuation issue is raised) but at least on a quarterly basis. Any such meeting may take place physically or through conference call.

The results of the valuation analysis and all decisions made by the Valuation Committee shall be documented in the minutes of the Valuation Committee. The final valuations and pricing are then communicated to the central administrator at the prescribed timeframe for the inclusion in the NAV calculation of the AIF.

1.4.4 Risk Management Team

In the context of valuation-related tasks, the Risk Management team shall:

Where the valuation function is delegated to an appointed external valuer, perform initial and periodic due diligence (DD) on the external valuer and ensure that the external valuer receives all necessary information to perform a proper valuation.

1.5 Appointment of External Valuers

1.5.1 General provisions and objective reasons

Depending on the type of assets (cf. Section 1.3), the AIFM may appoint independent external valuers to appraise the assets held by the AIFs. The AIFM opts for such a delegation based on the following considerations:

- The appointment of an external valuer introduces to the AIF the benefits of specific market knowledge of specialized service providers.

- Specific preference, of the third-party AIFs, for the appointment of an external service provider on the basis of sector and geographic knowledge and experience, the choice of which is subject to successful due diligence performed by the AIFM on the selected external service provider.
- Undue or excessive costs would be incurred by the AIFM for in-sourcing the valuation for the respective asset type (e.g. hiring qualified personnel, purchase of market data, etc.)

The AIFM shall ensure that the appointed independent external valuers are reputable, experienced, and subject to professional registration (as applicable) in their respective market, and, if not applicable, bound by professional standards and normal codes of conduct. Any valuation of the assets of the specific AIF shall be effected in compliance with the applicable valuation guidelines. Valuations shall be performed according to the envisaged valuation principles, stipulated in the constitutional documents of the AIFs.

The role of the valuer shall be to provide valuations at the agreed valuation date for the agreed valuation period. The AIFM shall ensure that the external valuer receives all necessary information to perform such valuation. The AIFM and the valuer will agree on the scope of the performed valuation, the information that the valuer will provide in its valuation, the timing of the valuations (valuation date and delivery of report) and the format of the valuation report. Valuations shall be performed according to the standards agreed in the constitutional documents of the AIF or any other document disclosed to investors, containing information with this regard, all adhering to best market practice.

MDO acknowledges that in accordance with the provisions of the AIFM law, the ultimate liability for the valuations in relation to an AIF and its investors will remain with the AIFM. The external valuer will, however, be liable to the AIFM for any losses suffered by the AIFM as a result of the external valuer's negligence or intentional failure to perform its tasks.

1.5.2 Conflict of interest (CoI)

With regard to any CoI arising in relation to an external valuer, the AIFM will perform an initial due diligence prior to signing the respective service contract.

For the external valuer, CoI will usually exist either in relation to the assets to be valued or the AIF, the AIFM, or their respective shareholders. The valuer will be expected to perform a conflict check with regard to the assets to be valued, so as to establish no CoI issues relating to the valuation of the respective assets. Similarly, the valuer will be expected to review the personnel, who will perform the valuation to mitigate any CoI. The AIFM will ensure the valuer to have a procedure in place to identify, monitor and manage any CoI.

The AIFM shall be obliged not to interfere with or obstruct the external valuer. In event of a dispute on the value assigned to an asset by the external valuer, the escalation procedure, as described under Section 7 of this policy, shall apply. In addition, as part of the annual audit procedure, the external valuations shall be reviewed by the external auditor for accuracy and appropriateness of assumptions and plausibility of the assigned value.

1.5.3 Initial Due Diligence (DD) and selection process

The external valuer will be chosen from a list of pre-selected agents available in the markets per specific type of asset in which the AIFs invests. Internal Valuation will support the Risk Management team of the AIFM in pre-selecting qualifying valuers based on the following criteria:

- Track-record in the respective markets (including the availability of sufficient personnel);
- Reputation of the valuer in the market
- Absence of any close links or material conflicts of interest between the valuer and the AIF, the AIFM, as well as the Portfolio Manager, including any of their shareholders or appropriate mitigation in the event of such CoI;
- Positive experience from past work relationships (if applicable).

The DD will be performed by the Risk Management team by means of completing the respective DD questionnaire for each external valuer, as provided in Annex II of this policy. The initial list shall be presented to the Board of the AIFM, who may approve the list or ask for an alternative proposal. The selection will be based on an assessment of the qualifications considering the above listed criteria as well as the additional information obtained via the valuer's proposals. In addition, the following aspects will be taken into account:

- Costs of the external valuation;
- Scope of the valuation;
- Professional guarantees furnished by the valuer, where applicable;
- Insurance of the valuer.

With regard to the professional guarantees, the external valuer, upon request of the AIFM, shall issue a signed letter to the AIFM, including, at least, evidence that the external valuer has:

- Sufficient personnel and technical resources;
- Adequate procedures safeguarding proper and independent valuation;
- Adequate knowledge and understanding of the investment strategy of the AIF and of the assets the external valuer is appointed to value;
- A good reputation and experience in the relevant valuation.

In addition, where the external valuer is subject to mandatory professional registration with the competent authority or another entity of the state where it is established, the professional guarantee shall contain the name of this authority or entity, including the relevant contact information. The professional guarantees shall indicate clearly the legal or regulatory provisions or rules of professional conduct, to which the external valuer is subject.

Apart from providing professional guarantees, the external valuer shall demonstrate that it has sufficient professional indemnity insurance to protect the AIFM from any liability for any losses resulting from the external valuer's negligence or intentional failure to perform its tasks.

1.5.4 Contractual arrangements

The AIFM shall ensure that any contractual agreement with the external valuer meets the following criteria:

- It is in the form of a written agreement;
- It sets out the AIFM's rights of information, inspection, admittance and access as well as its instruction and monitoring rights;
- It sets out the AIFM's rights of termination;
- It clearly defines the rights and obligations of the contracting parties and allocates responsibilities;
- It shall prohibit sub-delegation of the valuation function, in accordance with Article 17(6), the AIFM law;
- It obliges the external valuer to disclose to the AIFM any development that may have a material impact on the ability of the external valuer to carry out the delegated function effectively or in compliance with applicable laws;
- It obliges the external valuer to protect any confidential information relating to the AIFM or AIF;
- It sets out the liability of the external valuer for any losses suffered by the AIFM as a result of the external valuer's negligence or intentional failure to perform its tasks;
- It makes reference to the requirements of Article 17(4) (a) of the Law of 2013.

In order to ensure that the AIFM will be able to comply with the AIFM law, Level 2 and other regulatory and contractual requirements, the external valuer shall be contractually obliged to:

- Value the assets using a consistent methodology across the entire portfolio of the AIF;
- Use methodology approved by the Board of the AIFM;
- Act with reasonable skill and care in providing the service and complying with the AIFM's instructions where those instructions do not conflict with applicable laws or professional standards;
- Provide the valuations within the agreed timeframe;
- Establish a formal complaints procedure for the AIFM.

Where more than one external valuer is engaged to value a portfolio of an AIF, the AIFM shall, by giving appropriate instructions to the external valuers, ensure that valuation procedures and methodologies are consistently applied for the entire portfolio of AIFs managed by the AIFM.

1.5.5 Supervision of the External Valuers

SUPERVISION BY THE AIFM

The AIFM Board, in coordination with the Valuation Committee and Risk Management team, shall be responsible for the overall supervision of the valuation of assets held by the AIFs managed by the AIFM. In line with the requirements on effective supervision as set out in Article 79, Level 2, the AIFM shall ensure that, at all times, it will be able to:

- Access data relating to the external valuation performed, and to the business premises of the external valuer;
- Arrange access to these for its auditors and the CSSF, when appropriate;
- Ensure that the external valuer cooperates with the CSSF regarding its performance of tasks for the AIFM;
- Provide upon request of the CSSF all information necessary to allow the CSSF to supervise the compliance of the valuation function with the requirements of the AIFMD.

Further to the above, the AIFM will ensure that all assets are valued fairly and appropriately by means of reviewing the individual values of assets, where a material risk of an inappropriate valuation exists, in line with the requirements of Article 71, Level 2. The review of individual values of assets is performed by the Valuation Committee (cf. Section 4.3, 5.3, 6.3).

PERIODIC DUE DILIGENCE (DD)

Following the initial DD, the Risk Management team in coordination with the Board, shall ensure that a DD on the external valuer(s) is performed from time to time. This periodic DD is performed on an annual basis, and whenever circumstances indicate that a new assessment is required. The periodic DD shall address the following aspects:

- Reputation of the valuer in the market, including but not limited to complaints from other clients, lawsuits, faulty or misleading calculations;
- Failure to provide, in the respective market, qualified personnel with the relevant experience, which may include downsizing of activities and the departure of key staff;
- Potential or on-going CoIs between the valuer, the AIF and the AIFM including any of its shareholders;
- Quality of the valuations delivered by the external valuer, including but not limited to valuation errors, misrepresentations in the valuations, and complaints about the valuations by internal or external stakeholders;
- The future ability of the external valuer to provide sufficient professional guarantees and insurance.

The information to be provided by the external valuer for the AIFM’s ongoing DD shall be agreed upon prior to contract signature. The periodic DD shall be documented by means of the External Valuer DD questionnaire (cf. Annex II).

SUPERVISION BY THE COMPETENT AUTHORITY (CSSF)

Upon appointment of each external valuer, the AIFM shall immediately notify such appointment to the CSSF.

An external valuer shall only be accepted by the AIFM if it meets the requirements set out by the AIFM law, and able to demonstrate that it is subject to mandatory professional registration or professional rules of conduct, where applicable in accordance with the AIFM law and other applicable laws and regulations.

The AIFM accepts that the external valuer may have to be replaced by another external valuer if the CSSF considers the valuation requirements as set out in Article 17 (5) of the AIFM law will not be met.

2. Valuation Procedures

2.1 Executive Summary

The valuation shall be performed in accordance with International Financial Reporting Standards ("IFRS") as well as International Private Equity and Venture Capital Valuation ("IPEV") [1] Guidelines as amended from time to time, [as revised in December 2015].

IFRS 13: the Fund Administrator shall produce monthly capital accounts of net asset value ("NAV") that are compliant with International Financial Reporting Standards ("IFRS") 13 Fair Value Measurement, which states that Fair Value is:

> *"[T]he price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."*

In the case of "Hard-to-Value" Investments, the "orderly transaction" to sell an asset or transfer a liability is a hypothetical transaction at the measurement date, considered from the perspective of a market participant that holds the asset or owes the liability. Therefore, the definition of Fair Value in IFRS 13 focuses on the price that would be received to sell the asset or paid to transfer the liability (i.e., an "exit" price), not the price that would be paid to acquire the asset or received to assume the liability (i.e., an "entry" price). Moreover, the definition requires that the Fair Value is estimated as of a particular measurement date. Therefore the analysis must reflect the value that could be realised at that particular point in time. In addition, the estimation of Fair Value assumes that the time period required to consummate a transaction hypothetically began at a point in time in advance of the measurement date such that the hypothetical exchange culminates on the measurement date.

IPEV Guidelines: The IPEV Guidelines set out recommendations, intended to represent current best practice and provide investment managers with a framework for valuing Investments at Fair Value. In addition, the IPEV Guidelines seek to provide greater consistency within the alternative asset management industry with regard to valuations. The IPEV Guidelines emphasise the need for judgment in the valuation process, reinforcing that estimating the Fair Value of Investments is not a mathematical process. The AIFM's procedures are therefore intended to put in place a framework for the use of judgment and the leverage of experience where appropriate. Proper application of the IPEV Guidelines ensures compliance with IFRS 13. The AIMF's valuation policies and procedures are subject to review on a regular basis, and updated as appropriate, in line with industry best practice and subject to approval by the AIFM's Governing Body. In addition, the AIFM has currently engaged Duff & Phelps, an independent third-party valuation firm, to perform certain valuation services in its capacity as External Valuer in relation to the ongoing monthly valuation process.

The aim of this document is, therefore, to set out the obligations, roles and responsibilities of all parties involved in the valuation process and to describe the controls put in place in order to ensure that fair, appropriate and consistent valuation methodologies are applied. In addition, this document will set for the controls that MDO will employ in ensuring the ongoing fair valuation of the Investments. Lastly, this document describes valuation methodologies which the AIFM' Governing Body has approved and the methods by which the Fund will review and test fair valuations to evaluate whether its valuation procedures are in compliance with the policies and procedures set forth herein.

2.2 Guiding Principles

The following section sets forth the guiding principles that form the basis of the Valuation Policy of the AIF.

[1] The IPEV Association is set up for the purpose of (i) promoting the work of the IPEV Board and the rigorous application of the Guidelines, while the technical responsibility rests solely with the IPEV Board, (ii) providing advice to the IPEV Board regarding its annual action plan, and (iii) securing funding to finance the promotion of the IPEV Guidelines and the activities of the IPEV Board.

GOVERNANCE AND RESPONSIBILITY

- This Valuation Policy document has been approved by the General Partner of the AIF after consultation with all stakeholders.
- Conflicts of interest in the valuation process are mitigated by (a) clearly segregating responsibilities in order to ensure independence in the valuation process, and (b) by appointing an independent and competent External Valuer.
- The parties controlling the AIF's valuation process are segregated from the parties involved in the AIF's investment process.
- Policies are put in place to ensure the competence and independence of personnel who are involved in carrying out the valuation of Investments.

TRANSPARENCY

- Investors have the right to expect disclosure of any material involvement by the various parties, both within, and external to, ThomasLloyd and MDO in the production of the AIF's Net Asset Value (NAV).
- ThomasLloyd and MDO should provide investors with clarity into the level of independence and objectivity incorporated into the valuation process and procedures.

PROCEDURES, PROCESSES AND SYSTEMS

- The procedures set forth herein are intended to be clear and concise, but allow for a degree of flexibility since the valuation of certain so called "Hard-to-Value" Investments involves the use of judgment and subjectivity.
- Procedures should be capable of practical implementation and consistent application by MDO in conjunction with the External Valuer.

SOURCES, MODELS AND METHODOLOGY

- Industry standard valuation techniques have been identified for each Investment and approved by the AIF's governing body.
- Wherever possible, multiple valuation approaches may be considered to verify and corroborate the concluded estimate of Fair Value for each position held in the AIF.
- Per IPEV 3.1, where the reporting currency of the Fund is different from the currency in which the investment is denominated, translation into the reporting currency for reporting purposes should be done using the using the bid spot exchange rate prevailing at measurement date. FX price should be obtained through a third party information service, such as Bloomberg or equivalent sources.

DOCUMENTATION

- For each Investment, Duff and Phelps will establish the proper documentation and appropriate level of disclosure of the valuation of each Investment on an ongoing monthly basis. Such documentation will be detailed enough to allow MDO to perform its valuation review procedures.
- Documentation should be retained in a secure location in electronic and/or hard copy format for a period of six years.
- The documentation should seek to establish and demonstrate the consistent application of valuation policies and procedures.
- If a model is used to value the Investments, its main features, the reason for the choice of a model, the underlying data, the assumptions used in the model and the rational for using them, and the limitations of the model-based valuation, should be documented by Duff and Phelps.

2.3 Independent Third Party Support

Pursuant to Article 17 (10) of the Luxembourg AIFM Law, the AIFM is ultimately and solely responsible for determining the Fair Value of Investments on an ongoing basis in good faith. In exercising its fiduciary responsibility for valuation, MDO has currently appointed Duff & Phelps as External valuer under Articles 17

(4) a, 17 (5), 17 (6) and 17 (8) of the Grand Duchy of Luxembourg Law of 12 July 2013 on Alternative Investment Fund Managers (the "Luxembourg AIFM Law") and Articles 67 to 74 of the European Commission Delegated Regulation (EU) No 231/2013 19 December 2012.

2.4 Frequency of Valuation Process

The Custodian will report NAV to investors monthly on a Fair Value basis. For the purposes of this document, each day in which the AIFM reports NAV to investors is a valuation date ("Valuation Date").

2.5 Portfolio Construction

The Fund's objective is to provide attractive risk-adjusted returns from capital invested in eligible assets under the Law of 13 February 2007 through its Sub-Funds, for the benefit of the Partners while reducing investment risks through diversification. The AIFM shall ensure that (i) the investments of the Sub-Funds are diversified to an extent that an adequate spread of the investment risk is warranted and (ii) each Sub-Fund is managed in accordance with the applicable Investment Restrictions specified in the Special Section. The AIFM employs appropriate liquidity management methods and adopts procedures which enable it to monitor the liquidity risk of the Sub-Funds. The AIFM ensures that the investment and financing strategy, the liquidity profile, the distribution policy and the redemption policy are consistent with the Sub-Funds' liquidity needs. Specific Sub-Fund details can be found in the Annexes.

2.6 Segregation of Responsibilities

The valuations that make up our capital accounts are ultimately the responsibility of the Governing Body of the AIFM. The roles and responsibilities of those involved in preparing and reviewing the valuations are summarised below:

AIFM	The AIFM is ultimately responsible for the Fair Value determination. The AIFM is responsible for final review and approval of valuations with the support of, and in consultation with, the Finance Team and the Fund's Auditors. In exercising this responsibility, the AIFM has appointed Duff & Phelps as External Valuer.
Investment Teams	Investment professionals from ThomasLloyd responsible for preparation of financial data for use in the valuations. Review forecasts received from borrower's management. Review the initial indications of Fair Value and provide feedback.
Finance Team	Personnel from the AIFM (Valuation Officer) who are responsible for the administration of the valuation process, including the collection and organisation of information from the Investment Teams, coordination with Duff & Phelps, and ensuring the proper execution of the policies and procedures contained herein.
Valuation Committee	Senior personnel from the AIFM with responsibility for the valuation process in conjunction with Duff & Phelps. The Valuation Committee is made up of the following members: the Valuation Officer, the Conducting Officer, the Risk Manager and the Partner.
External Valuer	Duff & Phelps has been appointed as the External Valuer to the AIFM. Duff & Phelps will perform certain limited procedures in arriving at a point estimate of Fair Value for each Investment at each Valuation Date.

Fund Administrator	ThomasLloyd has contracted with CACEIS Investor Services ("the Administrator") for the provision of Fund Administrative Services. The Administrator operates independently of the External Valuer and the Investment Teams.
Fund Auditors	Deloitte Audit S.a r.l. ("Deloitte" or the "Auditor").

2.7 Fair Value Hierarchy

In determining the Fair Value of the Investments, various valuation techniques may be used which involve some level of management estimation and judgment. A hierarchy of Fair Value inputs is used which requires that the most observable inputs, such as quoted market prices, are used when available. When observable inputs are not readily available, one must consider other market information and assumptions from the perspective of how a market participant would use such information in pricing the Investment. Investments are categorized based upon the level of judgment associated with the inputs used to measure their Fair Value. Hierarchical levels, defined by IFRS 13, are directly related to the amount of observability and subjectivity associated with the inputs as follows:

Level 1	Valuation inputs are quoted prices in active markets for identical assets or liabilities at the measurement date. Such prices will be used unadjusted. Examples of Level 1 securities include shares of equity securities listed on a public stock exchange which are traded daily.
Level 2	Valuation inputs, other than Level 1 prices, that are observable either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability, such as interest rate or yield curves observable at commonly quoted intervals, implied volatilities, or credit spreads; and inputs that are derived from or are corroborated by observable market data by correlation or other means at the measurement date.
Level 3	Valuation inputs are unobservable. Valuation inputs are developed using the best information available in the circumstances, taking into account all information about market participant assumptions that is reasonably available. The valuation reflects the valuation professional's best estimate of what market participants would use to price the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and inputs.

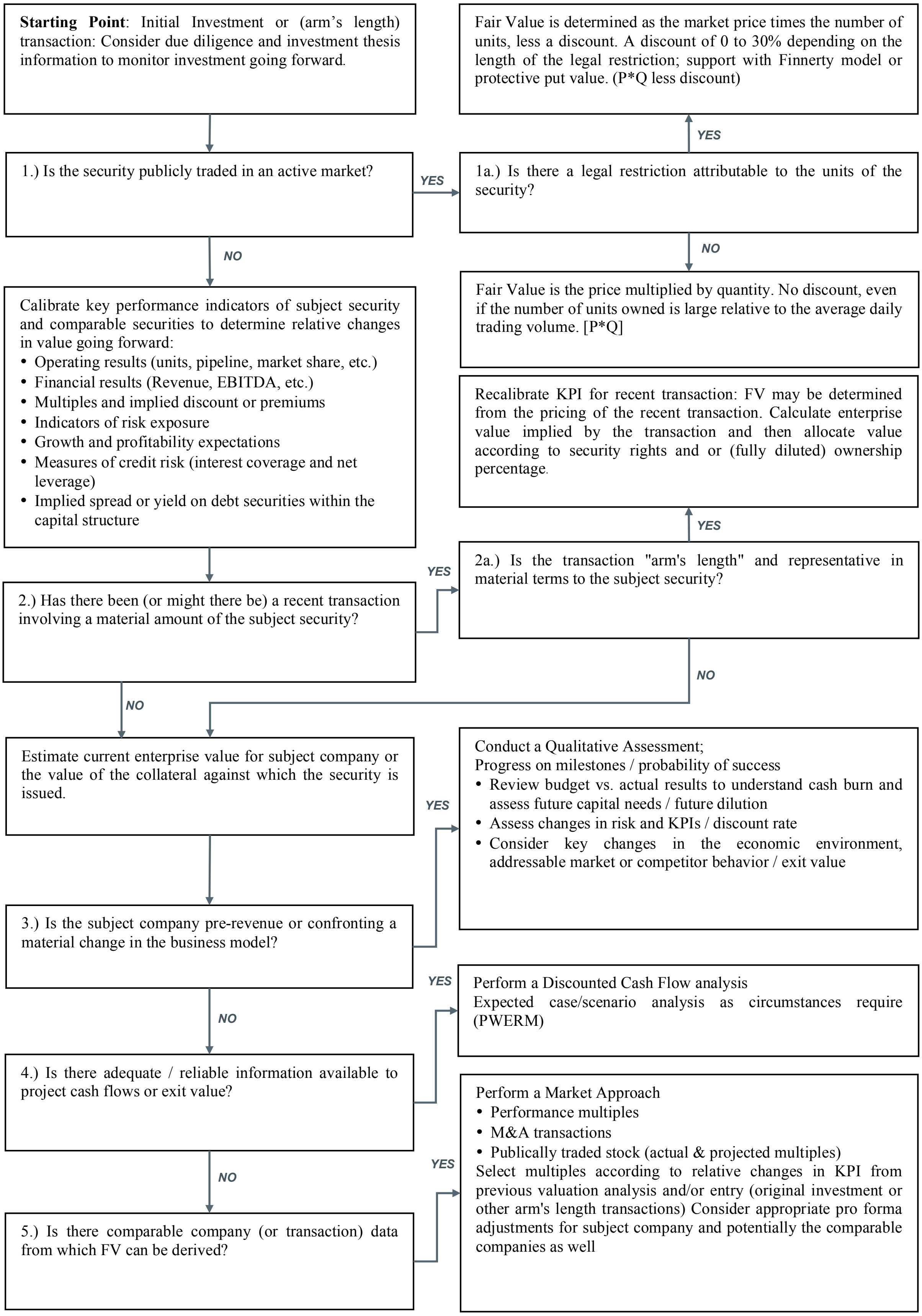
In compliance with IAS 39.9, Level 3 illiquid asset may be held at fair value through profit or loss, as these instruments meet relevant criteria, of being managed, and their performance is evaluated on a Fair Value basis. Per IAS 39, all assets, at the point of the initial transaction, should be immediately recognised at Fair Value. This is defined as the price that would be received to 'sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (IFRS 13 Fair Value Measurement)'.

For subsequent valuations following the initial recognition, the fair value should be calculated, in conjunction with the external valuation agent, at each NAV date, dependant on the phase of the asset, in line with the below methodology.

Fair value is adjusted for the Fund valuation to reflect the necessary applicable tax, as if a full exiting and repatriation of returns in the most tax efficient way.

2.8 Valuation Framework

In adhering to the Fair Value Hierarchy shown above, one typically follows a valuation framework similar to what is described below. It is important to note that the valuation of illiquid, complex or "hard-to-value" securities involves the use of judgment and relies upon assumptions, some of which may involve a high degree of subjectivity. Although we typically rely on the below framework as a general guide, the specific analyses performed for each Investment often vary materially.



Subsequent to the initial investment, at subsequent Valuation Dates the calibrated valuation techniques are used with updated inputs reflecting then current market conditions. Since these considerations are the same considerations that are used in making, monitoring and exiting an Investment, they flow directly into the periodic valuation assessment. Thus, in determining the Enterprise Value for a company, one or a combination of several of the approaches described below may be considered.

2.8.1 Enterprise Value Estimation

To estimate the Fair Value of an Investment, one will typically first estimate the subject company's enterprise value (the "Enterprise Value") to develop an understanding of the subject Investment security's relative positioning within the capital structure. This analysis is considered in our selection of a valuation approach or approaches for the subject Investment security that best reflects the characteristics of the security, as well as the financial condition of the subject company.

INCOME APPROACH

The Income Approach is a valuation technique that provides an estimation of the Fair Value of an Investment based on expectations about the cash flows that an Investment would generate over time. The Income Approach begins with an estimation of the annual cash flows expected to be generated over a discrete projection period. The estimated cash flows for each of the years in the discrete projection period are then converted to their present value equivalent using a rate of return appropriate for the risk of achieving the projected cash flows. The present value of the estimated cash flows is then added to the present value equivalent of the residual value of the Investment (if any) or the business at the end of the discrete projection period to arrive at an estimate of Fair Value. One may then adjust the Enterprise Value for surplus or non-operating assets or excess liabilities and relevant factors to derive an Adjusted Enterprise Value for the Borrower.

MARKET APPROACH

The Market Approach is a valuation technique that provides an estimation of Fair Value based on market prices in actual transactions and on asking prices for comparable businesses. The valuation process is a comparison and correlation between the subject business and other similar businesses. Considerations such as time, condition of sale and terms of agreements are analysed for comparable businesses, and may be adjusted to arrive at an estimation of the Fair Value of the subject business. There are several variations of the Market Approach including, but not limited to, the following:

Market Comparable Method – This method indicates the value of a company by comparing it to market comparables in similar lines of business. The conditions and prospects of companies in similar lines of business depend on common factors such as overall demand for products and services. An analysis of the market multiples of companies engaged in similar businesses yields insight into investor perceptions and, therefore, the value of the subject company.

Precedent Transaction Method – This method indicates value based on exchange prices in actual transactions and on asking prices for businesses or assets currently offered for sale. This process essentially involves the comparison and correlation of the subject business with other similar businesses recently sold or currently offered for sale and can include the subject company itself. Considerations such as location, time of sale, premiums, physical characteristics, and conditions of sale are analysed for comparable businesses and the observed prices are adjusted as necessary to indicate a value of the subject business.

Any application of a Market Approach methodology can include consideration of a discount or premium to the comparable company multiples to reflect a range of factors that impact the value of the subject Investment relative to the comparable companies selected.

UNDERLYING ASSETS APPROACH

The Underlying Assets Approach is a valuation technique that provides an estimation of Fair Value based on the sum of the Fair Values of the underlying assets. The approach may be appropriate in instances when the company has a heavy investment in tangible assets or when operating earnings are insignificant relative to the value of the assets. This valuation technique is likely to be appropriate for a business whose value derives mainly from the underlying Fair Value of its assets rather than its earnings, such as property holding companies and investment businesses.

2.8.2 Security Specific Valuation Considerations

Having an estimated Enterprise Value for an Enterprise, one may consider one or the following methodologies to estimate the Fair Value of the specific Investment securities held within the respective Borrowers. Often times, an adaptation of the approaches describe above is necessary to accommodate the unique nature of each subject security. The priority of all instruments in the capital structure will be considered when estimating the value of the Investment. The following sections set forth the analyses that can be used to calculate an interest in a company and also set forth certain valuation techniques that are commonly used as best practice for valuing such Investments.

FIXED INCOME SECURITIES

In estimating a range of Fair Values for illiquid fixed income securities, one typically considers an Income Approach. When an Enterprise Value Analysis and/or an asset collateral analysis indicates there is adequate coverage of a debt security, the Income Approach is generally considered the most appropriate method to estimate Fair Value. The Income Approach begins with an estimation of the annual cash flows a subject security is expected to generate over a discrete projection period. The estimated cash flows for each year in the discrete projection period are then converted to their present value equivalent using a rate of return appropriate for the risk of achieving the projected cash flows to arrive at an estimate of Fair Value. Typically, a comprehensive credit analysis of a debt security will dictate the selection of one of the above-mentioned approaches. In the course of applying the Income Approach, one typically considers one of the following approaches to estimate a discount rate.

Yield Calibration Approach - In applying the Yield Calibrate Approach, discount rate is determined by first estimating the implied yield-to-maturity, yield-to-exit, or yield-to-worst as of the latest date where the security was involved in an arm's-length transaction (the "Transaction Date"). The yield as of the Transaction Date provides an observable measurement of compensation a market participant requires to hold a security. Qualifying transactions often consist of: (1) the initial primary market transaction, (2) secondary transactions and (3) amendments where the Investment was re-priced. The implied yield is estimated using the following internal rate of return formula:

$$-P_0 + \sum_{t=0}^{n} \frac{CF_t}{(1+k)^t} \ldots + \frac{P_m + CF_m}{(1+k)^t} = 0$$

Where:

P0: Proceeds received at the Transaction Date (net of transaction costs);

Pm: Principal due at maturity;

CFt: Interest payments; and

k: Discount rate such that the sum of the present-valued cash flows equals P0.

For variable-rate securities, a LIBOR or EURIBOR-based swap rate corresponding to the time to expected maturity is then subtracted from the implied Yield to derive an implied credit spread as of the Transaction Date.

The credit spread as of the Transaction Date is used as a calibration point to derive an implied credit spread as of the Valuation Date.

Changes in credit spreads of comparable securities and indices are then measured and considered for adjustment to the security's implied credit spread as of the Transaction Date. Changes are measured by comparing benchmark credit spreads on the Transaction Date to the same benchmark credit spreads as of the Valuation Date. Adding these changes in credit spreads to the security's implied credit spread as of the Transaction Date provides an indication of risk in the form of an implied credit spread as of the Valuation Date. The implied credit spread is then used as a reference point to select a range of credit spreads that incorporate changes in the credit risk of comparable benchmarks, while also taking into consideration any changes in the company's risk profile. To assess changes in the credit quality of a company, one may consider an estimate of a synthetic rating as of the Origination Date and as of the Valuation Date. Adding back a LIBOR or EURIBOR-based swap rate, corresponding to the time to expected maturity, to the concluded range of credit spreads yields an estimated range of discount rates.

Yield Build Up Approach - In applying the Build Up Approach, a discount rate is determined by first assessing credit spreads and yields from comparable benchmarks and comparable securities as of the Valuation Date. Based on the level of comparability, size and risk of the subject security relative to the comparable benchmarks, a premium or discount may be applied. For variable rate securities, adding back a LIBOR or EURIBOR-based swap rate, corresponding to the time to expected maturity, to the concluded range of credit spreads yields an estimated range of discount rates.

Weighted Average Return Approach - A Weighted Average Return Approach is often used when the subject security's risk profile has increased substantially, leaving the subject security exposed not only to risks typical of a fixed income security, but to equity risk as well. In cases where a subject company's performance has progressively deteriorated over time, the company may no longer possess the earnings power and asset base to support the fixed income security in its current form. This approach begins with assessing the pro-forma components of the subject security assuming a refinancing as of the Valuation Date. In this instance, the subject company's current earnings power and/or asset base are used to create a "hybrid" security, consisting of senior debt, subordinated debt and equity components. Rates of return are then estimated and weighted based on each components relative size within the "hybrid" security. The resulting weighted average rate of return is then utilised to estimate a range of discount rates for the subject security. In cases where it appears the subject company can no longer support a leveraged capital structure, or where the leverage through the subject security appears to exceed what the current market can provide, one may often consider rates of return that are typical of private equity Investments.

Net Recovery Approach - One may consider a Net Recovery Approach when a preliminary analysis indicates a subject security is no longer performing, or otherwise may not be fully recovered under its legal terms of repayment. The Net Recovery Approach is a modified version of the Income Approach that can be used to estimate Fair Value. The Net Recovery Approach begins with estimating the expected cash flows to be realised under the payment terms of the subject security, as well as the timing and amount of the recovery value (based on an estimated future Enterprise Value). The projected cash flows are then discounted to present value at a rate commensurate with the risks associated with the security to arrive at an estimate of Fair Value.

Alternatively, a Waterfall Approach is a commonly accepted practice that places the value of a subject equity security as equal to a subject company's Enterprise Value less the liquidation preference of all securities senior to the subject security, plus the value of the subject company's non-operating assets. Non-operating assets typically will consist of cash and cash equivalents.

Liquidation Approach - A Liquidation Approach is often used when the issuer has entered bankruptcy, and/or is no longer considered to be a going concern. In this circumstance, the remaining assets are appraised at Fair Value, and discounted to reflect the amount of time to liquidation, and the uncertainty around the sale of assets in an orderly liquidation.

EQUITY SECURITIES

Once one has established the enterprise value of the subject entity as described above, one typically considered the Waterfall and Contingent Claims Approaches. These approaches have applications for equity securities that include, but are not limited to: common and preferred equity, and LLC units. Security characteristics as well as a company's financial condition will dictate the selection of one of the above-mentioned approaches:

Waterfall Approach - The Waterfall Approach follows the commonly accepted practice that the value of a subject equity security is equal to a subject company's Enterprise Value less the liquidation preference of all securities senior to the subject security, plus the value of the subject company's non-operating assets. Non-operating assets typically will consist of cash and cash equivalents.

Contingent Claims Approach - The Contingent Claims Approach treats a subject security as a call option on the assets of a company, where the strike price equals the liquidation preference of all securities senior to the subject equity security. The Contingent Claims Approach is based on the principles of option pricing theory. In applying the Contingent Claims Approach, each class of securities is modelled as a call option with a unique claim on the assets of the company. The characteristics of each security's class define these claims. The resulting option claims, in combination, may be represented by an option/security payoff diagram (see below for a hypothetical example of a participating preferred security) that depicts proceeds sharing between different securities upon a liquidity event. The corresponding payoffs of the various securities are presented on the Y – axis. "Breakpoints" reflect the transition points between the payoffs of different securities in the capital structure and serve as exercise prices in call option valuation, which is a component of the Contingent Claim Approach. For a participating preferred security, there is only one break point, equal to the liquidation preference of the preferred equity. Up to this breakpoint only preferred equity receives proceeds, until its full liquidation preference is paid. For equity values above the break point, common equity begins to receive proceeds sharing them with the participating preferred equity (in the example above, 80 to 20 percent proportions, or as indicated in the agreements).

For a participating preferred security, there is only one break point, equal to the liquidation preference of the preferred equity. Up to this breakpoint only preferred equity receives proceeds, until its full liquidation preference is paid. For equity values above the break point, common equity begins to receive proceeds sharing them with the participating preferred equity (in the example above, 80.0 to 20.0 percent proportions, or as indicated in the agreements).

DERIVATIVE SECURITIES

One typically relies on Option Pricing Theory. Option Pricing Theory is typically used to model options and warrants as well as call/put options embedded in the subject equity instruments (such as a convertible bond). The option pricing analysis is performed under a risk neutral framework. The implementation methodologies of this framework include closed form solutions (such as the Black-Scholes formula), Monte Carlo simulation and binomial lattice. One selects the appropriate methodology based on the terms and conditions of the subject security. For example, for American style options may require the binomial lattice approach to capture the optimal expected behaviour of the holder, while the Monte Carlo simulation approach may be more appropriate for the modelling of correlations between assets and for options with path dependent features. The assumptions of our analysis were derived based on trading information as well as available information on comparable companies or instruments.

2.9 Preparation of Financial Data

The valuation process is administered by the Finance Team who will coordinate with both Duff & Phelps as well as ThomasLloyd's Investment Teams. The Investment Teams are responsible for preparing financial data for use in the valuations. The package sent by the Investment Teams to the Finance Team may include, but will not be limited to:

- Current, year-to-date summarised income statement, balance sheet and cash flow data;
- Monthly forecasts for up to the next ten years, if available;
- Order intake and backlog information;
- Quality of earnings adjustments to assist in normalising financial performance (if required);
- Summary balance sheet data;
- IFRS adjustments (if required);
- Liquidity information, including cash flow and balances on revolver and other credit facilities;
- Covenant details including covenant restrictions and forecast covenant headroom.

ThomasLloyd ensures that the basis for the valuation remains consistent as far as possible by using consistent valuation metrics (EBITDA, EBITA or, less commonly, EBIT) quarter-on-quarter if appropriate to do so (see above for further details). However, in some instances it may be appropriate to change the basis of a valuation to more accurately reflect the impact of internal or external developments in the valuation of that Investment.

In some cases, the need to change the basis of a valuation is driven by discussions with borrower's management or Investment Teams in relation to the current or expected future performance of the business or its comparable companies. In other cases, the need to change the valuation basis may become apparent in discussion with Duff & Phelps and the Valuation Committee. The Valuation Committee's review involves discussion of each Investment's performance and developments in the industries within which those companies operate.

In order to support the valuations prepared, the Valuation Committee's comments on the valuations received are documented. Where a valuation or valuation methodology is adjusted as a result of the Valuation Committee's recommendations, the rationale for the adjustment is documented with an explanation of why the opinion of the Valuation Committee prevailed.

2.10 Assessment of Cash Flow Forecasts

The forecasted information received from each borrower's management is compared to Investment Team forecasts. For the avoidance of doubt, the forecasts prepared by the Investment Teams are based on the issuer's forecast, adjusted if appropriate to take into consideration the expected impact of internal and/or external developments on the performance of the business. Any significant discrepancies between the two sets of forecasts are identified and discussed with the Investment Teams. Based on these discussions, multiples considered appropriate are selected for use as the basis of the valuation.

While forecast data is considered in the valuation model, in order to avoid the valuation of Investments based on forecasts that may be based on potentially aggressive growth assumptions, ThomasLloyd prefers to prepare valuations based on an equal weighting of Last Twelve Months ("LTM", Actual or Estimated) and Next Twelve Months ("NTM", Estimated) financial data. If the value derived this way is not considered reflective of Fair Value, the valuation basis is adjusted and the rationale for doing so is documented and discussed with the Valuation Committee.

2.11 Sources of Information

In the course of preparing the valuations for each Investment, one may rely upon financial and other information. Information specific to an issuer or Investment will be prepared by the Valuation Team who will coordinate with the Investment Teams. In addition, one may also source publicly available information from various public sources. Information that may be required to perform the valuation may include, but will not be limited to, the following (where available):

- Investment company reviews / valuation memorandums prepared by the Investment Teams;
- Security term sheets, credit agreements and other deal documentation provided by the Investment Teams;
- Company and investor presentations prepared by the companies and/or third parties engaged by the companies, as provided by the Investment Teams;
- Cash flow projections prepared by the Management of each issuer;

- Issuer updates, performance reports, and key performance indicators;
- Subject company operating results, including historical results and projected results, where available; and
- Public sources of information, where available, which include, but are not limited to the following:
  - SEC Filings;
  - Bloomberg; and
  - Capital IQ, etc.

Valuation methodology	Description	Potential Application
Price of Recent Investment (Market Approach)	The initial cost of the Investment itself, excluding transaction costs, is used to estimate the Enterprise Value.	This methodology shall be used only if the initial investment cost deemed to represent the current Enterprise Value and only for a limited period following the date of the relevant transaction.
Multiples (Market Approach)	Application of an earnings multiple to the earnings of the business being valued in order to derive a value for the business.	This methodology is generally applied to enterprises with a significant operating history and predictable stream of cash flows. This methodology may also be applied with caution to enterprises operating at the expansion stage. This methodology rarely applies to early stage of start-up enterprises.
Net assets	Deriving the value of an enterprise by referencing to the value of its net assets.	This methodology is likely to be appropriate for a business whose value derives mainly from the underlying fair value of its assets rather than it's earning (e.g. property holding companies). This methodology may also be appropriate for a business that is not making an adequate return on assets (or loss-making business) and for which a greater value can be realized by liquidation of the business and selling of its assets.
Discounted Cash flows (DCF) or earning (of underlying business) (Income approach)	Deriving the value of a business by calculating the present value of expected future cash flows (or earnings). The cash flows and "terminal value" are those of the underlying business, not those from the investment itself.	Due to high level of subjectivity in selecting inputs for this methodology, DCF should not generally be used in isolation and is useful as a cross-check of values estimated under market-based methodologies. Given the emphasis on expected cash flows, this methodology provides the most relevant results when applied to companies with a sufficient operating history (e.g. expansion up to maturity phase).
DCF (from an investment) (Income approach)	Deriving the present value of the cash flows from the investment itself using reasonable assumptions and estimations of expected future cash flows.	This methodology is generally applied to investments with characteristics similar to debt (e.g. mezzanine finance), since the value of such investments derives mainly from instrument-specific cash flows and risks rather than from the value of the underlying business as a whole.

The valuation methodologies should be applied consistently over time. The valuation methodology for an individual asset or a category of assets shall be changed upon request of the AIFM if this either leads to a more appropriate valuation of the asset or the objective situation of the asset changes in a way that the applied approach is no longer adequate.

Recommendations for changes in the policy can be made by the Valuation Committee and the Portfolio Manager of the respective PE AIF, to the Board of the AIFM outlining the reasons for the change. Alternatively, the external valuer may make recommendations regarding a change in valuation, where it feels that a methodology applied is no longer appropriate. Based on these recommendations and in coordination with the Valuation Committee, the Board of the AIFM will then decide whether the valuation methodology shall be changed. This decision shall be documented in the minutes of the respective Board meeting or via an according resolution.

2.12 Valuation Inputs

When performing the valuation of PE assets, the valuation inputs / parameters which may be considered by the external valuer should include, but not be limited to, the following:

- Price of initial investment and the respective transaction costs;
- Commonly used multiples, such as Price/Earnings (P/E), Enterprise Value/EBITDA, Enterprise Value/Sales;
- Estimated cost to recreate a business as it stands;
- Value of the enterprise's assets and liabilities;
- Assessment of estimated future cash flows or future earnings of the enterprise and associated probabilities;
- Assessment of estimated future cash flows of the Investment itself (debt-like instruments) and associated probabilities;
- Upside and downside potential of internal (e.g. sales margins and required investments) and external (e.g. macroeconomic conditions, interest rates and exchange rates) factors affecting the business;
- Appropriate risk-adjusted rate of return that captures risks inherent to the enterprise or the investment itself;
- Assessment of impact of leverage on the Enterprise Value;
- Amount of financing available for the transaction and target returns for the providers of financing (equity, senor debt, high yield bonds, mezzanine);
- Valuations of comparable companies that are quoted on public markets and valuations implied by recent transactions involving similar entities;
- The value of financial instruments (e.g. debt) ranking ahead of the highest ranking instrument of the AIF in a sale of the Enterprise scenario;
- Assumptions in relation to the exit value and exit strategy, e.g. an expected rand of exit multiples determined on the basis of a peer group of comparable companies (Enterprise Value/EBITDA).

2.13 Frequency and Timing of Valuations

External valuations regarding the assets or portfolios held by AIFs managed by the AIFM shall be performed at least annually. The scope of the respective valuation report will depend on the type of PE asset or investment portfolio and on whether the valuation is an initial or subsequent valuation.

The timeline for the valuation process will be documented in the respective Operating Memorandum as agreed with each external valuer at the appointment of the respective external valuer. The general timeline for the generic valuation process shall be as follows, where "T" represents the valuation date for the respective asset or portfolio and days denoted as numbers refer to calendar days (subjected to particular conditions as laid out in the respective Operating Memorandum):

Timing	Description
T	ThomasLloyd provides valuation model to External Valuer
T+1	Caceis Accounting sends applicable month-end exchange rates
T+1	ThomasLloyd provides summary of month's developments to Caecis
T+4	External Valuer provides first draft of the Valuation Report to ThomasLloyd
T+7	Second draft of the Valuation Report to MDO/ThomasLloyd
T+10	Draft of the Valuation Report and Draft Transaction Assets and PTF spreadsheet to Caceis
T+11	Comments on the draft
T+14	Final Valuation Report issued by External Valuer to MDO/ThomasLloyd/Caceis
T+14	Final Transaction Assets and PTF spreadsheet updated for month-end sent by ThomasLloyd to Caceis
T+18	First draft of the NAV released by Caceis Accounting to ThomasLloyd
T+19	NAV approved by ThomasLloyd
T+19	NAV sent to MDO for approval
T+20	NAV approved by MDO
T+21	Price Files sent to market (Reporting Date)

The final valuation will have to be approved by the Conducting Officers ("CO's") of the AIFM and ratified by the Board of the AIFM, prior to using the respective stated values for the purpose of computing the NAV for the concerned AIF. In addition, the final valuation report needs to be duly signed by the external valuer in order to be presented to the Board of the AIFM.

2.14 General Conditions

In addition, upon request of the AIFM, individual valuations may be undertaken during each Financial Year to confirm the Fair Value of a particular asset, at the time of acquisition or disposal. Illiquid investments cannot be acquired or sold unless they have been valued by an External Valuation Agent(s). In the event of a sale, unless in extraordinary circumstances determined by the AIFM and Thomas Lloyd, the NAV will be most recent monthly NAV as calculated by the External Valuation Agent.

In the event that the Fund acquires any new investment, the Investment Committee will, in normal circumstances, require an independent valuation from the External Valuation Agent(s) prior to the acquisition. In extreme instances, the Investment Objective and Investment Policy may require an immediate decision from the AIFM in order to take advantage of market opportunities. In such an extraordinary circumstance, obtaining an independent valuation from the External Valuation Agent(s) prior to acquisition may be practically impossible. Therefore, an internal valuation may be used. In such an instance, an 'ex post' independent valuation will be required from the External Valuation Agent(s) within four weeks of the acquisition date. Following IPEV 2.6 guidelines, any valuation of a newly acquired asset would rely upon market inputs agreed with the External valuer to calculate Fair Value at inception, and allow calibration on future valuations.

3. Specific procedures

3.1 Stale prices

A price is considered stale, when there is no variation on the price compared to the previous valuation date. If a transferable security has a stale price for more than fifteen official daily NAVs or three official weekly NAVs, it will be valued at such last known price and monitored by the Valuation Committee. Deviations from the general rule described above may be agreed upon and included in a fund specific operating memorandum where the characteristics of the investments warrant specific thresholds for follow up.

Whenever a stale price is detected, the central administrator notifies the AIFM and the following procedure is initiated:

- The Valuation Committee reviews the price and analyzes the possibility to use an alternative pricing source;
- If an alternative pricing source is available, the price will be updated and not considered as a stale price anymore. If the central administrator has no access to the alternative pricing source, the AIFM will confirm the price to be used to the central administrator at each official NAV calculation date. Prior to the use of the alternative pricing source, the Valuation Committee must formally approve the change of the pricing source including relevant justifications and provide a formal instruction to the central administrator.
- If the stale price cannot be resolved by means of alternative pricing sources, the price review will be performed by the Valuation Committee on a monthly basis or on the basis of the valuation periodicity if longer. Provided that the potential impact of the pricing issue is reasonably believed not to be material (as defined by CSSF circular 02/77[2]) and this is in accordance with the constitutional documents of the AIF, the central administrator is instructed by the AIFM to use the aforementioned stale price as an input in the NAV calculation of the AIF.
- If the pricing issue is deemed to be material, this is escalated to the Board of the AIFM for resolution (cf. Section 7).

3.2 Side pockets

Depending on the market environment, the lack of opportunities for liquidation of the AIF's assets or redemption of illiquid target funds may lead to illiquidity of the AIF. In order not to stop accepting the redemption requests, the governing body of the AIF may determine to form a "side pocket" for parts of the portfolio, including illiquid investments. Illiquid assets and target fund's shares of the AIF are "extracted" from the portfolio with simultaneous suspension of the right of the investors for repayment of this separated (illiquid) part of the portfolio. Thus, the AIF can continue to ensure a proportionate repayment of shares of the remaining liquid part of the AIF's portfolio.

When setting up the side pocket, all investors receive pro-rata entitlements according to their current shareholding in the AIF. For units of the side pocket neither subscriptions nor redemptions are possible.

The illiquid investments that are segregated in the side pocket are hard to value assets, which typically do not even have a comparable security / assets for which the market price is available. The valuation of side pockets (including frequency of valuation of illiquid assets within the side pocket) is performed in accordance with the conditions, as determined by the governing body of the AIF. The principles of this valuation are disclosed in the notes of the periodical reports of the respective AIF.

The Valuation Committee shall periodically review the valuation of the assets in side pockets, including the underlying inputs and assumptions. Where the valuation is deemed to be inaccurate, this is escalated to the

[2] For each of type of UCIs the materiality threshold is:

• money market UCIs/cash funds	0.25% of NAV
• bond UCIs	0.50% of NAV
• shares and other financial assets' UCIs	1.00% of NAV
• mixed UCIs	0.50% of NAV

Board of the AIFM for resolution. Additionally, the Compliance Manager of the AIFM is responsible for the disclosure of any potential conflicts of interest that occur during the valuation of side pockets to the AIF's investors and the CSSF.

3.3 Review of Individual asset values

Where a material risk of inappropriate valuation exists, the AIFM has established an additional review process for the individual values of assets. This review is performed by the Valuation Committee. The following cases require additional review of the asset values in accordance with Article 71, Level 2:

- The valuation is based on prices only available from a single counterparty or broker source;
- The valuation is based on illiquid exchange prices;
- The valuation is influenced by parties related to the AIFM;
- The valuation is influenced by other entities that may have a financial interest in the AIF's performance;
- The valuation is based on prices supplied by the counterparty who originated an instrument, in particular where the originator is also financing the AIF's position in the instrument;
- The valuation is influenced by one or more individuals within the AIFM.

The above cases are provided as guidance for the review of the individual values of assets. The Valuation Committee reserves the right to review any value of the AIF's assets, should this be deemed to be required. The Risk Management team shall be involved in the review process for the proper management of valuation risks.

At each valuation date, the Valuation Committee, in conjunction with the Risk Management team, as needed, will identify the list of assets, where a material risk of an inappropriate valuation exists. For these assets, the Valuation Committee will review the valuation reports. The parameters, which are checked when reviewing a valuation and pricing report, shall be documented by means of a short memorandum or checklist. The reasonableness of individual values of assets shall be assessed in terms of existence of an appropriate degree of objectivity. Such checks and controls shall include at least:

- Verifying values by a comparison amongst counterparty-sourced pricings and over time;
- Validating values by comparison of realized prices with recent carrying values;
- Considering the reputation, consistency and quality of the valuation source;
- A comparison with values generated by a third party;
- An examination and documentation of exemptions;
- Highlighting and researching any differences that appear unusual or vary by valuation benchmark established for the type of asset;
- Testing for stale prices and implied parameters;
- A comparison with the prices of any related assets or their hedges;
- A review of the inputs used in model-based pricing, in particular of those to which the model's price exhibits significant sensitivity.

If, during the review process, the Valuation Committee identifies any discrepancies or inconsistencies in the values of the AIF's assets, the valuation issue is escalated to the Board of the AIFM for resolution in accordance with Section 7 of this policy.

4. Escalation procedure

In the event that the Valuation Committee or Risk Management team in its review detects material flaws in the valuation of the AIF's assets, the Portfolio Manager and the AIFM Board shall be notified immediately of such issues.

Subsequently, the Valuation Committee shall notify the Internal Valuation function and the external valuer, as the case may be, of the respective valuation issue detected. In case of an obvious flaw in the valuation, the Valuation Committee shall ask the external valuer to correct this flaw. In case of a material difference in values or potential flaws that cannot be identified directly, the generic resolution process would be as follows:

I. The Valuation Committee and the Risk Management team review the valuation and compare the valuation inputs that were provided to the Internal Valuation function / the external valuer to those used in the valuation;
II. The Valuation Committee and the Risk Management team review the valuation rationale;
III. After the above two steps have been undertaken, the Valuation Committee and the Risk Management team should be able to isolate the differences in the valuation and produce a report, detailing where the differences occur and present this to the Board of the AIFM;
IV. Based on the report, and as far as the valuation is still deemed inappropriate for the asset or portfolio by the Valuation Committee or the Risk Management team, the Valuation Committee shall discuss the issue with the external valuer and request them to re-assess their valuation based on the respective findings;
V. If the conclusion on the valuation cannot be reached despite all efforts, the AIFM will involve the external auditor of the concerned AIF. The external auditor shall then review the valuation and relevant information provided by the AIFM as well as provides its view on the overall appropriateness and plausibility of the valuation.

With regard to the escalation process described above, the Risk Manager and the Portfolio Manager of the AIFM shall be involved in any relevant communication. Additionally, it will be the responsibility of the Valuation Committee to keep the Board of the AIFM fully informed about the process. In case of a consultation of the external auditor on valuation issues, the Board has to approve such appointment and shall always accept the external auditor's opinion on the external valuation.

In instances where the up-to-date valuation and pricing is not available, despite all reasonable efforts, the Valuation Committee, the Internal Valuation function or the central administrator, as the case may be, shall escalate the issue to the Board of the AIFM. The Board of the AIFM is ultimately responsible for taking decisions on a case-by-case basis concerning the treatment of assets where the valuation and pricing is not available. Where the valuation issue cannot be resolved and potentially results in a material impact on the NAV of the AIF, the Board of the AIFM may choose to liquidate the position. Such decisions will be taken solely in the best interest of the AIF and its investors.

ANNEX I
External Valuer DD Questionnaire

1. CONTACT INFORMATION - EXTERNAL VALUER

Ref.	Question	Response
1.1	Company Name	
1.2	Please provide contact details of key persons within your organization in relation to the External Valuation	
1.3	Address	
1.4	Telephone number	
1.5	Email Address	
1.6	Website	

2. CORPORATE OVERVIEW - EXTERNAL VALUER

Ref.	Question	Response
2.1	Please give a brief history of your company and of its corporate legal structure (i.e. previous mergers/acquisitions, etc. as the case may be).	
2.2	Describe your company's and group ownership structure, name of its owners, the percentage ownership and their role within the company.	
2.3	Please enclose an organization chart of your company evidencing its ultimate beneficial ownership structure.	
2.4	Please provide us with a scanned version of the articles of incorporation of your company, or any equivalent legal document	
2.5	Please provide us with the scanned version of the up-to-date excerpt of the trade register of your company	
2.6	Please confirm whether your company is regulated/ accredited locally and / or at group level? Please indicate the names of the regulatory/ accreditation bodies.	
2.7	What type of regulatory/ accreditation license does your company have? Please indicate the activities permitted by that license and carried out by your company.	
2.8	Please provide the following information on your company: • Date of registration • Registration number • Scope of registered activities • Where applicable, please attach the proof of regulation.	
2.9	Please indicate the number of full-time employees within your company involved in the activities of the valuation department (and, if applicable, reference to the fact that such valuation department is functionally and operationally independent from your asset management department).	
2.10	Please indicate the locations out of which your company offers valuation services.	
2.11	Do you currently hold insurance? If yes, please provide details of your insurance policy.	☐ YES ☐ NO
2.12	Please provide us with a copy of your authorized signatories.	
2.13	Please provide us with scanned versions of the annual accounts of the last three years of your company.	

2.14	Please provide details of the appointed external auditors.	
2.15	Have the auditors ever issued qualified financial statements / or any report which determined any incompliance with applicable rules and regulations. If yes please describe the findings and confirm their status of resolution	☐ YES ☐ NO
2.13	Are there or have there in the last 10 years been any criminal, civil, regulatory or administrative proceedings against your company or any of its principals, including reparations, arbitrations and negotiated settlements? If so, could you please provide details?	
2.16	Please provide us with an overview of your current track record as external valuer of Alternative Investment Funds. In particular, please provide us with the number and asset types of external valuation mandates your company holds with respect to Luxembourg-based Alternative Investment Funds (if any).	
2.17	Please confirm whether your company is independent from the AIF, the AIFM and any other persons/entities with close links to the AIF or the AIFM (i.e. Portfolio Manager, Central Administrator, Depositary, External Auditor etc.). IF not, please define the relationship.	☐ YES ☐ NO

3. POLICIES AND PROCEDURES - EXTERNAL VALUER

Ref.	Question	Response
3.1	Are your company's policies and practices being applied by all branches and subsidiaries located in the home country and in the locations outside of that jurisdiction?	☐ YES ☐ NO
3.2	Please provide your business continuity plan &/or disaster recovery plan. Please indicate when it was last tested.	☐ YES ☐ NO
3.3	Please confirm your company has a Code of Conduct (or Rules of Conduct) in place.	☐ YES ☐ NO
3.4	Please indicate if you have a conflicts of interest policy in place	☐ YES ☐ NO
3.5	Please indicate if you have confidentiality procedures in place ensuring data secrecy and data protection.	☐ YES ☐ NO
3.6	Please confirm your company has implemented procedures enabling second level controls ("four eyes principle") concerning external valuation services provided to Alternative Investment Funds.	☐ YES ☐ NO

4. OPERATIONAL ASPECTS - EXTERNAL VALUER

Ref.	Question	Response
4.1	What kind of asset classes is your company capable of providing independent valuations for?	
4.2	Please provide us with your valuation guidelines and processes describing all the possible methodologies applied to each of the asset classes your company provides independent valuations for.	
4.3	Please provide us with a sample valuation for each of the asset classes that your company provides independent valuation for, illustrating the financial models applied.	
4.4	Please provide us with the CVs of the members of the valuation department of your company.	
4.5	Please provide us with the information sources that your company uses for the valuations.	

5. TRAINING - EXTERNAL VALUER

Ref.	Question	Response
5.1	Has your company implemented training and development measures for your staff? If yes, on which topics?	☐ YES ☐ NO
5.2	Is the training provided on a regular basis? If yes, how often?	☐ YES ☐ NO
5.3	Does your company provide AML / KYC training to relevant employees?	☐ YES ☐ NO

6. ADDITIONAL COMMENTS - EXTERNAL VALUER

ANNEX II
Valuation Methodology of the Sub-Fund ThomasLloyd SICAV-SIF – Cleantech Infrastructure Fund

The purpose of this Annex is, in addition to the Thomas Lloyd Valuation Policy main document, to set out a valuation methodology and policy for assets held by ThomasLloyd SICAV-SIF – Cleantech Sub-Fund, so as to provide transparency and consistency to the asset valuation. In the event that an asset is acquired, for which this policy is not consistent with best practice, then the methodology, as described in the main document, will apply.

1. INVESTMENT OBJECTIVE

The objective of the Sub-Fund (and, for the avoidance of doubt, all its Subsidiaries) is to achieve an attractive return from capital invested with a socially- and environmentally-responsible investment approach, that is geared towards sustainable business values, reducing investment risks through diversification across countries, sectors, technologies and investment styles.

2. INVESTMENT POLICY

In seeking to achieve its Investment Objective, the Sub-Fund will invest in a broad portfolio of infrastructure assets (the "Investments") across Asia and Australasia in the area of:

- Utilities; such as power generation, transmission, distribution and storage, water, sewage and waste.
- Transport; such as toll roads, bridges, tunnels, railroads, airports, seaports and parking.
- Communication; such as transmission, towers, cable networks, data centers and satellites.
- Social infrastructure; such as schools and other education facilities, healthcare facilities and senior homes.
- Renewable Energy Projects

The Sub-Fund makes investments today for the benefit of future generations, protecting natural resources with ethical and ecological values and providing infrastructure for a sustainable future. In order to ensure sustainability, the Sub-Fund uses the following selection criteria:

- Sovereign
  - UN table of corruption
  - Stable government
  - Independent and transparent legal system
  - Social policy including international accepted human rights
  - Environmental policy including compliance with international environmental treaties
- Corporate
  - Good corporate governance incl. compliance with international avoidance of corruption
  - Good employee policy
  - Social impact of goods and services

The Sub-Fund acts as private equity and debt, enabling investor in green-field development and construction, brownfield retro-fit and re-use, and distressed or poorly performing infrastructure assets.

The Sub-Fund primarily seeks to make its returns through capital gains and not through income generation.

The Sub-Fund may choose to divest through such strategies, as the sale of a single asset or portfolio of assets, or via a public listing. It may also choose to refinance any outstanding debt.

The intended average holding period for Investments will depend on the time to deliver the investment, the technology, the financing structure, the size of the transaction and the anticipated exit strategy. The intended average duration for an investment holding period is 2 to 5 years.

The Sub-Fund may hold its investments through one or more local or foreign Subsidiaries (project SPVs and potentially local holding companies). The Sub-Fund may provide securities of any kind to its direct and indirect Subsidiaries, for example, but not limited to, by the provision of a guarantee.

Investments of the Sub-Fund may be made through equity or debt instruments. These maybe securitised, convertible or subordinated, subject to fixed or floating interest rates, with or without maturity. If an investment will be made as equity or debt is dependent on the legal and tax structure of the relevant jurisdiction.

The Sub-Fund may furthermore hold cash or cash equivalent assets, including but not limited to money market instruments or investments in units of money market funds, for redemptions and for cash management purposes, or as an intermediary investment prior to the investment of any balance not invested pursuant to the above.

Subject to the applicable limits as further described in this Section, the General Partner, acting on behalf of a Sub-Fund, may borrow funds only indirectly through a Subsidiary.

During the Initial Period, the opening portfolio was purchased by the Sub-Fund by way of a contribution in kind.

3. INVESTMENT RESTRICTIONS

The AIFM shall ensure that the investments of the Sub-Fund are diversified to an extent that an adequate spread of the investment risk is warranted. Furthermore the AIFM shall ensure that ethically sustainable investment criteria (ESG) will be considered. Therefore to the extent that information is available, the following limitations will apply:

a) The Sub-Fund may invest up to 50% of its NAV in any single country, subject to a period of three (3) years following the date on which Investors that are not Affiliates of the General Partner are admitted as Limited Partners to the Fund;

b) Sub-Fund may invest up to 30% of its NAV in any single Investment, calculated at the time of such investment, subject to an initial build-up period of three (3) years as of the first subscription after the incorporation of the Fund;

c) The Sub-Fund may only invest in technologies, the commercial use of which has already been proven;

d) The Sub-Fund has to consider that key partners and service providers work to best practice in ethical and environmental responsibility;

e) As part of an internal sustainability analysis the Sub-Fund has to evaluate the ESG-criteria (Environmental Social and Corporate Governance) of key partners.

f) The Sub-Fund has to assess the key partners positive criteria (in the fields of ecology, transparency, service and product offer, process standards, etc.) as well as exclusion criteria (violation of human and labor rights, production and trade of armaments and weapons of war and illegal and outlawed products, activities in gambling to refer to pornography, etc.), in which a holistic approach is to be applied. The exclusion criteria can be canceled by positive criteria when the revenue contribution from this area in relation to the total turnover of the company is less than 5%.

g) The Sub-Fund may only invest in countries with a stable political system and with a transparent and enforceable legal system. Countries are assessed on specific inclusion and exclusion criteria, in which the essential factors from an ethical point of view, including a proven ongoing human rights violation and serious corruption count, are relevant for valuation.

h) The Sub-Fund may only invest in currencies which are freely transferable in the relevant country;

i) The Sub-Fund may only invest in countries which unequivocally recognize the rights of foreign investors;

The above Investment Restrictions will not be breached as a result of changes in the price or value of assets of the Sub-Fund brought about solely through movements in the market or as a result of any other events out of the control of the AIFM, but in such circumstances the AIFM shall take all necessary steps to bring the Sub-Fund back within the Investment Restrictions except where the AIFM reasonably believes that this would be prejudicial to the interests of the Fund and its Partners.

Where the Sub-Fund invests through Subsidiaries, such investments should be looked-through for the purpose of the above Investment Restrictions and the underlying investments of the Subsidiaries should be treated as if they were direct investments made by the Sub-Fund.

4. EXTERNAL VALUER SCOPE

Duff & Phelps, an independent valuation consulting firm, in its capacity as External Valuer, will perform certain limited procedures on a monthly basis, each month end (the "Month-End Valuation Date") for all of the Level 3 assets held within the Fund. The scope of Duff & Phelps' work, subject to approval, will be to determine a range of Fair Values estimate of Fair Value for each Investment at each Valuation Date.

The result of Duff & Phelps work product will be a letter report summarising Duff & Phelps' conclusions for each Investment. Duff & Phelps' letter report will be made available to investors (subject to the provisions of Duff & Phelps' hold-harmless agreement) on a secure file sharing portal hosted by Duff & Phelps.

Under Luxembourg law, assets may only be required to be valued on an annual basis. In the event that the development phase total nominal debt investment is below X% of the current fund NAV, or is written down to nil, and meets the below criteria, an 'opt out' of monthly valuations is available, at the discretion of the AIFM and Investment Advisor, allowing for an annual valuation, rather than monthly. The investment will be reviewed monthly to ensure the below conditions are met. In the instance of one or more of the below conditions no longer being met, the asset should resume monthly valuations.

- Total nominal debt investment is below X% of the current fund NAV, or the debt investment is written down to nil value.
- No equity investment is held in the underlying debt recipient entity.
- No contractual obligation or liability is attached to the debt investment that would lead to the fund being liable for any further funding.
- The underlying entity is dormant, with no significant activity occurring in it.

5. VALUATION POLICY

Projects can be considered in three phases: development, construction and operational. Each phase has its own distinct characteristics and related risks, for which the valuation methodology is tailored.

Development is the initial project phase. Projects are then deemed to have entered the construction phase once the Principal Construction Contract (such as EPC contract) has been signed, enabling construction to proceed. An asset is in the operational phase once it is generating revenue, through its initial intended objective.

The asset should be valued on the basis of discounted cash flow or earnings of the underlying business, per IPEV 3.7 (2015 Guidelines Edition). Where debt is invested by the Fund alongside equity, it is assumed both instruments would typically be exited at the same time.

As per Section 2.8 above, each financial instrument which is held in the AIF should be treated separately within the Fair Value framework. Similar to other financial instruments, according to IFRS 13, the Fair Value of debt is the price that would be received to sell the asset in an 'orderly' market. Because performing debt instruments typically are transacted on the basis of a market yield, the valuation methodology used to value a performing debt instrument will typically be a discounted cash flow analysis which uses as a discount rate a market based yield which takes into account the prevailing market conditions for debt instruments of similar credit quality. In the event that the debt becomes non-performing, given the uncertain nature of the timing and amounts of the cash flows, a hybrid valuation approach is typically considered, wherein the recoverable amount of the debt is estimated. Interest rates on the development loan will be set at an arm's length rate of the base rate plus an appropriate risk adjusted spread. Fair Value of Equity, is calculated as the remaining Attributable Enterprise Value, following the deduction of the Fund's own debt investments at the value described below. However, in the event that the fund holds an equity investment at development stage, the financial asset will be recognised, per IAS 39, at Fair Value. Per IAS 39 (46-47), investments in equity instruments with no reliable Fair Value measurement (and derivatives indexed to such equity instruments) should be measured at cost less impairment, if applicable.

DISCOUNT RATE

Each project should be discounted using an appropriate risk adjusted rate, which reflects the implied risks of the project (including, but not limited to, construction risk, duration of construction, technology risk and country risk, political risk, FX risk, interest rate risk, financial risk). Discount rates may be recommended by the Investment Advisor based on its experience, market conditions and best practise. On a monthly basis, the external valuer independently assesses the discount rate used for each NAV calculation. From time to time, this may be adjusted in response to market changes and specific one-off events. The risk of the project cash flow will vary over time, generally decreasing throughout construction and into operations, and consequently the discount rate may be decreased as various risk milestones are reached. The initial discount rate is expected to be the project IRR. The final discount rate of each individual project as it reaches commencement of operation will be the comparable market operating discount rate, based upon an applicable international market discount rate (WACC or the cost of equity) (i.e. the reference rate) and adjusted for, inter alia, the inflation differential. The latter should be based upon an internationally recognised source (such as the IMF) that reflects the underlying model inflation and FX assumptions. The difference between the initial and final discount rate is the discount differential, and is apportioned to key milestones in the projects construction, to reflect the risks these milestones represent. Throughout construction, as the project reaches these milestones, the differential reduces to reflect the risk being eliminated. Key milestone examples are (but not limited to):

- Signing of the Principle construction contract
- Securing of revenue contract
- Completion of all importations
- Grid connection

The exact list of milestones and appropriate risk apportionment will differ with project type and will be agreed with the valuer at the start of investment.

ENTERPRISE VALUE

The Enterprise Value is derived using reasonable assumptions and estimations of expected future cash flows of the project and its terminal value, discounted at the project discount rate. The project discounted cash flow model may be updated monthly, with inputs and assumption being checked and updated to reflect the latest information. A checklist of key assumptions and their associated thresholds for update will be shared with the valuer. Where projects have a finite life, terminal value will be considered scrap value less the cost to decommission.

On calculating the Enterprise Value, consideration for adjustment will be made based on surplus or non-operating assets or excess liabilities and other relevant factors, so as to derive the Adjusted Enterprise Value.

Deductions may then be made for any financial instruments ranking ahead of the Funds' highest ranking instrument, including equity positions and free carry attributable to other parties, to reach the Fund Attributable Enterprise Value. This Attributable Enterprise Value should then be apportioned between debt and equity instruments as follows:

DEBT INVESTMENT:

The Fair Value of debt may be calculated at par value plus accrued interest, in line with what would be paid by a buyer to close out the debt at this point. Impairment review should be performed in the event that the equity investment is impaired to nil.

EQUITY INVESTMENT:

The fair value of the equity instruments is calculated as the remaining Attributable Enterprise Value, following the deduction of the Fund's own debt investments at the value described above.