



Alternative Investment
Management Association

AIMA'S ILLUSTRATIVE QUESTIONNAIRE FOR DUE DILIGENCE OF EMERALD MEZZANINE FUND

IMPORTANT NOTE

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**This questionnaire is based on AIMA's Illustrative Questionnaire for the Due Diligence of
EMERALD MEZZANINE FUND (2022)**

AIMA's Illustrative Questionnaire for Due Diligence of Emerald Mezzanine Fund

This due diligence questionnaire is a tool to assist investors when considering whether or not to invest with a hedge fund manager or in a hedge fund. While hedge fund investment programs come in a variety of strategies, each with its own peculiarities, it is most important to fully understand the strategy before you invest and to know about the infrastructure of the manager and its culture.

You will also have to:

- identify the markets covered,
- understand what takes place in the portfolio,
- understand the instruments used and how they are used,
- understand how the strategy is operated,
- identify the sources of return,
- understand how ideas are generated,
- understand the regulatory environment and potential implications,
- understand the business operations of the investment manager
- appreciate the tax treatment of returns,
- establish how liquid the investment would be and the ability to redeem,
- check the risk control mechanism,
- know the people you invest with professionally [and, sometimes, personally].

Not all of the following questions are applicable to all managers but we recommend that you ask as many questions as possible before making a decision.

DISCLAIMER

Whilst AIMA has used all reasonable efforts to produce a questionnaire of general application in connection with a due diligence appraisal of hedge fund managers, in any particular case an investor is likely to have its own individual requirements and each hedge fund manager its own characteristics. As a result, prior to any individual investor sending out the questionnaire, it is strongly recommended that the questions are reviewed and, where necessary, amended to suit its own requirements and its state of knowledge of the hedge fund manager's operations.

In addition, you should review with your legal counsel and other advisors the value of the responses and to what extent, if any, you may rely upon such responses. The contractual terms of an investment in any hedge fund will normally be confined to the terms of the application or subscription documents, prospectus, private placement memorandum or other offering document and the constitutional documents of the hedge fund. In order to obtain the best possible information on any specific hedge fund manager, additional questions should be raised to clarify any point of uncertainty, and where practicable verbal examination should be undertaken. In particular, AIMA recommends that in respect of special areas of concern, such as fund performance or risk profile, independent third party data should, if possible, be obtained in order to verify these facts.

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AIMA’s Illustrative Questionnaire for Due Diligence of EMERALD MEZZANINE FUND

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NB: THE INFORMATION GIVEN HEREIN IS CORRECT AS AT MONDAY, 26 SEPTEMBER 2022

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1 INVESTMENT MANAGER INFORMATION		
1.1 CONTACT INFORMATION		
1.1.1	Company name:	Emerald Managements Luxembourg (hereafter “Emerald or AIFM” acting as AIFM of the funds) through delegation of Emerald Managements RAIF GP s.a.r.l. (referred as “GP”)
1.1.2	Address:	22 Avenue de Monterrey, L-2163, Luxembourg, Luxembourg
1.1.3	Telephone:	+352621887085
1.1.4	Fax:	
1.1.5	E-mail:	paul@emeraldaifm.com xavier@emeraldaifm.com
1.1.6	Name of contacts:	Paul Hunt and Xavier Deu
1.1.7	Title of contacts:	Directors
1.1.8	Telephone of contacts:	+352621887085
1.1.9	E-mail of contacts:	paul@emeraldaifm.com xavier@emeraldaifm.com
1.1.10	Internet/website:	https://www.Emeraldaifm.com
1.2 COMPANY		
1.2.1	Please give a brief history of the company and, if applicable, group structure:	The General Partner (“GP” hereafter) was set up in 2019, for the Management of Emerald Fund S.C.A. SICAV-RAIF. Emerald Fund S.C.A SICAV-RAIF, has 2 sub-funds dedicated to providing bridge financing: (Emerald Protected Fund) which provides bridge financing with capital protection from the partners, and (Emerald Mezzanine Fund) dedicated to provide bridge financing mainly during the period the developer is asking for the permit to build. There’s a 3 rd fund, Emerald Welz Urban Development Land Fund, dedicated to invest in land to transform it into urbanizable land. A group structure of the Sub-Funds is available can be provided as per request. The GP has 3 Directors: Paul Hunt, Xavier Deu and Josep Perez.
1.2.2	Type of company/entity:	Societe Comandite by shares (S.C.A.) under Luxembourg law.
1.2.3	Date and place of incorporation and registered number:	Register number B236110, Luxembourg on 06 August 2019
1.2.4	Domicile:	22 Avenue Monterrey, L-2163, Luxembourg, Luxembourg, Grand Duchy of Luxembourg
1.2.5	Subsidiaries, branch offices or other locations, if any:	The General Partner is shareholder of Emerald Mezzanine GmbH, where 3 member of the team work as Advisors of some of the funds by providing advisory to the Investment Committee of the AIFM, regarding the convenience of such properties as collateral for the fund as well as to keep an ongoing vigilance on the development of the properties.
1.2.6	What functions are performed at these subsidiaries, branches and locations?	N/A
1.2.7	Which regulatory authority is the company registered with?	Emerald Managements Luxembourg is regulated by the CSSF
1.2.8	Specify reliance on any regulatory exemptions:	The Manager, as stated in the offering memorandum, can be exposed to higher risk measures as stated per the circular “ 07/309 of 3 rd of August on risk spreading” for a very short time and under exceptional circumstances may be able to achieve higher risk concentrations during “acquisition period, the portfolio disposal period or under extraordinary circumstances, to concentration risks”. Such feature has the objective of being the fund able to manage risks better, i.e. a period like Brexit or COV19, when we need to reduce our exposure significantly and be even able to be in cash if required for a short time period to manage risks better.

The information given herein is correct as: October 2022 and has been completed by Xavier Deu, Director

1.2.9	Please specify the date of the most recent regulatory inspection if any:	N/A
1.2.10	List any affiliations, directorships and memberships of the company and/or its principals:	All the Directors of the AIFM, are Directors in other firms: Mr. Hunt and Deu are Directors of Emerald Managements S.à.r.l. who is the General Partner of a similar fund in bridge finance, Marshall Bridging Fund. Additionally, Mr. Perez is a Director in 5 other firms requiring 20 days of work a year of his time. No conflicts of Interest exist and all mandates have been disclosed to the CSSF complying with full transparency.
1.2.11	Specify nature of services provided by the company (discretionary investment management or advisory):	Emerald provides portfolio management and risk management. The AIFM only provides its Management services to the umbrella fund and to another umbrella fund, having as sub-fund Marshall Bridging Fund. Has no other Management services to other funds or managed accounts, but has a few potential co-investors wishing to co-invest alongside the fund in some loans.
1.2.12	Please list the total assets under management by the company across its different categories of client including the fund:	Currently Emerald manages over EUR 780 million through the 4 funds Managed.
1.3	OWNERSHIP	
1.3.1	Describe the company's and group ownership structure, name of its owners, their percentage ownership, and their role within the company:	The AIFM has 3 shareholders being the same as the directors, each one with the same proportion of equity in the firm: 33%. Mr. Perez is in charge of risk management and valuation, Mr. Hunt is the chairman of the Investment Committee, and Mr. Deu in charge of Compliance.
1.4	ORGANISATION	
1.4.1	How many employees are there?	The AIFM has 9 employees and 3 indirect employees under Emerald Mezzanine GmbH who act as Advisors to the investment committee.
1.4.2	Please provide a short background of principals (education, career background, etc.): • Please, attach information if necessary.	CV's of each one of the key people are available upon demand.
1.4.3	Who are the key principals and how are the key-man issues addressed and managed?	See 1.3.1.
1.4.4	Please give details and descriptions of other commitments or interests of the principals:	Mr. Hunt and Deu are partners in another GP, Emerald Managements S.à r.l. Mr. Deu is a shareholder in another asset Management Company but no work or responsibilities are performed there. Mr. Josep Lluís Perez has 5 additional directorships in Investment Funds as stated in 1.2.10.
1.4.5	How many investment professionals (portfolio managers, analysts, etc) are in the company and what due diligence was carried out prior to their appointment?	The Directors of the AIFM manage the fund on a daily basis. The GP also has equity control of several one real estate advisory firm (Emerald Mezzanine GmbH), where the local expertise in real estate is located and being used by the Investment Committee in order to better manage the fund, providing with deal flow and the appropriate local real estate know-how to the Investment Committee. This German local firm has 3 employees and the Finnish being created 2 as well. CV's of such employees and equity partners in such local firms can be provided. Volker Oehls Partner of Emerald Mezzanine GmbH. Norman Scherer Partner of Emerald Mezzanine GmbH. Andreas Stuttgen member of Emerald Mezzanine GmbH. Mrs. Tatiana Bonilla, is the assistant of Mr. Hunt (Chairman of the Investment Committee) at the Investment Committee assisting in underwriting, plus is in charge of the day to day follow up with the Administrator and invoicing. Mr. Alfredo Fernandez as Independent Member of the Investment Committee. Alfredo was well known by Mr. Deu, from his time Managing real estate among other assets at one of the biggest family offices in Europe.

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		Pilar Nicolas, who joined the team in May 2022, was well known by Mr. Perez in his previous position as head of fund management services at a Luxembourg Bank. Pilar makes sure the documents, guidelines to underwrite are followed, being the second set of eyes beside the members of the investments committee that makes sure all documents are available.
1.4.6	What are the average years of professional experience in the company, both years as a professional as well as years in the company?	The Directors of the AIFM have extensive experience related to the fund's needs, covering among the 3, over 50 years of combined financial experience, ranging from asset management, risk management, distribution, marketing advisory and legal structuring in Luxembourg. The Investment Advisor Emerald Mezzanine GmbH, each one of the 3 members has an extensive demonstrated experience in real estate, ranging from Valuations, sales, managing NPL's, recoveries of assets, optimization or portfolio management.
1.4.7	Please enclose an organization chart depicting the names of senior managers in charge of the following areas and headcount: <ul style="list-style-type: none"> • Trading: • Reporting, performance analysis: • Strategy, research and development: • IT/Programming: • Administration: • Risk Management: • COO/Operations: • Legal: • Compliance: • Marketing and business development: • Others (please specify): 	Read CV's included.
1.4.8	What has been the turnover rate among the company's personnel? Please list joiners/leavers of key staff over last (two) years.	No departure only hirings.
1.4.9	Where do the primary trading, research and portfolio management activities take place?	The AIFM, is based in Luxembourg (Paul Hunt, Tatiana Bonilla, Alfredo Fernandez) and the real estate team are located in Germany (Volker, Andreas and Norman). Law firms are local, using PWC in Germany and PWC in Spain and Baker in Luxembourg.
1.4.10	Where are the accounts maintained?	Luxembourg, under ING Bank as custodian.
1.4.11	Are outside representatives or consultants used for any activities? If so, give details:	Yes. As stated, the AIFM uses Advisors in different countries which provide the necessary in-depth knowledge in each country, as well as Baker & McKenzie, PwC Legal UK and PwC Legal Germany and Spain, who act on an operational Due Diligence basis. Such Consultants can have a long term relationship or short term for one transaction only.
1.4.12	Please provide details of the appointed legal counsel and auditors?	Legal counsel is Baker and McKenzie Luxembourg. German Legal counsel for Germany is PwC Legal Germany. UK Legal counsel for bridge loans is PwC Legal UK Spanish Legal counsel is PwC Legal Spain. Audit is performed by Deloitte Luxembourg.
1.4.13	Have the auditors ever issued qualified financial statements?	One Audit is available.
1.4.14	Do you have a relationship (e.g. seeding arrangement) with another investment manager?	No.
1.4.15	Do you share office space with another investment manager? If so, please give details.	No.

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1.4.16	Does this create conflicts and, if so, how are those conflicts managed?	N/A
1.5 MANAGER REFERENCES		
1.5.1	<p>Please provide at least two references for the company and for each of the principals involved in the management of the fund?</p> <p>Name:</p> <ul style="list-style-type: none"> • Profession: • Company: • Title: • Telephone: • Fax: • E-mail: • Current and past relationship with the company or its principal: 	<p>Reference for Paul Hunt:</p> <p>David Rawson McKenzie Director of Centurion Group Niche Asset Manager in ILS and reverse mortgages Email: info@groupcenturion.com +442070795853</p> <p>Reference for Xavier Deu:</p> <p>Jose Garcia CEO of Carlisle Management Company jgarcia@cmclux.com +3522684535936</p> <p>Reference for Josep Perez</p> <p>Frédéric ADAM Head of Accounting at BBPP frederic.adam@bbpp.lu +352272071</p>
1.6 MANAGER TRACK RECORD		
1.6.1	Number of portfolios/accounts/products managed by the company:	The AIFM does manage 3 funds, one at Emerald Protected Fund and the second, the fund being discussed in this document, Emerald Mezzanine Fund, but no managed accounts or independent portfolios and also Marshall Bridging Fund. The AIFM has the capacity to engage in Co-Investments with other parties with the fund. Emerald group has over 780 million AUM under management.
1.6.2	<p>Number of funds managed/advised by the company:</p> <ul style="list-style-type: none"> • Names and sizes of these funds: 	<p>The AIFM manages:</p> <p>Emerald Protected Fund 56 million Emerald mezzanine Fund 76 million Marshall Bridging fund 661 million</p>
1.6.3	Total assets managed/advised by the company:	See above.
1.6.4	Oldest continuously active account:	Marshall Bridging Fund
1.6.5	Largest current account:	N/A
1.6.6	Length of track record:	Available in the Monthly term sheet.
1.6.7	Has the track record been audited? If yes, by whom?	The fund has been audited.
1.6.8	What is the level of trading activity of the portfolio? Please provide information in terms of coverage of assets/instruments measured and whether numbers are for notional or nominal values. If relevant please indicate average holding periods for long and short positions.	The fund has no objective of trading, it is a buy/lend and hold strategy till maturity, where capital and interest are repaid at the end of the lending period. The Fund, will finance operations for periods ranging from 3 months to 5 years, and reinvest the capital once it has been repaid. The expected duration of the fund is between 18-21 months.
1.6.9	<p>Average annual commission costs as a percentage of total assets:</p> <ul style="list-style-type: none"> • Brokerage to equity ratio: • Administrator fee to equity ratio: • Custodian fee to equity ratio: 	<p>All the costs are fully described in the contracts made available to investors. The advisor and the investment Committee, have their contracts in line with the interests of the investors, and thus are not a "straight" fixed formula, since the AIFM has required their remuneration to be a function of the profits they have provided to the fund on a deal by deal basis.</p> <p>The fund has management fee of 1.5% up to 1,75% depending on share classes.</p>

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	<ul style="list-style-type: none"> Auditors' fee to equity ratio: 	<p>Performance fee is 25% above 6% applied on the whole return for non institutional investors and 20% above 8% for institutional investors. Custodian being 0,05% Administrator and TA being 0,07% Risk Management 8.000 euro year Audit 23.000 AIFM Manager being 30bps.</p>
1.7 RISK MANAGEMENT		
1.7.1	Discuss position concentration (e.g. industries, countries) and stop-loss limits and their management:	<p>A maximum of 7,5% of the AUM of the fund will be allocated to any loan. A maximum of 10% will be allocated to any borrower group. Such maximums will start operating after the fund has reached AUM of 150 million, if AUM are lower than 150 million such levels will be able to be crossed.</p> <p>The AIFM will also have limits on LTV's and duration and country. Such maximum will vary in function of Maturity and country. Please refer to the current underwriting standards. Each loan will be monitored within the strict guidelines of the fund by the Investment advisory panel throughout its tenure as well as the Investment Committee, Custodian, Administrator and Risk Manager, providing several layers of Due Diligence.</p> <p>The AIFM performs Monthly assessment of the LTV's to ensure against breaches of the terms and conditions, visiting the properties regularly through Emerald Mezzanine GmbH and its other local partners like Welz, in order to ensure the projects are moving ahead as expected.</p>
1.7.2	How often are these limits applied? When were their peaks observed?	The AIFM will check those limits on a pre-trade basis, and every month on a post trade basis.
1.7.3	How do you adjust your risk capital allocation when there is a significant increase in equity due to trading profits?	The AIFM will not change the capital allocation due to increases in the profits. The Fund is an open ended fund which as profits accumulate it will reinvest such profits in new loans.
1.7.4	Do you use an external risk monitor? If so, who and why that particular one?	Risk Management function is managed by Josep Perez who in other previous work was the head risk manager of a Bank.
1.7.5	Please describe the operational risk management policy:	Please request the risk management procedures document.
1.7.6	How do you measure minimum liquidity of positions?	The fund expects to have an average of 10%-15% of cash once fully diversified.
1.7.7	What risk system/software is used in your middle office?	Lending is not a trading based asset class, rather it is a buy and hold portfolio of non-homogeneous asset (underwritten loan with its collateral), where positions do not trade in any stock market. The AIFM can follow directly all positions since the average holding period will be 18-21 months, and the expected positions in the portfolio will be 40-60.
1.8 OPERATIONAL RISK		
1.8.1	How does the company define operational risk?	Operational risk in Emerald Mezzanine Fund, since we will be lending in several niches of the market, we define it as the risk the fund will have if their projects cannot be implemented. Some of the projects will depend on the capacity of the borrower to obtain the permit to build he will have requested to the local town. Such operational risks are hard to compute but we will have local experts who will advise of the probability of success of obtaining such permits. Some of the loans the fund will engage in will be the traditional ones in the mezzanine space, and thus, no niche mezzanine based loans. Such traditional mezzanine loans the manager will use the traditional methods to manage operational risk, like for example being in the board of the SPV's executing the projects in order to get the information from the board.
1.8.2	Does the company have an operational risk management	Yes. The AIFM has an operations memorandum, but also for each loan there's a set of documents that need to be present from the Investment Advisors, in order for that

	framework? Does the framework consider how the company identifies, assesses, monitors and controls operational risks?	loan to be considered by the AIFM. Such documents need to be provided, as well as a subjective analysis of the possibilities the property has to cover the capital of the loan and to obtain the permits to build or change of use in such property. For the majority of the loans, the Fund normally knows the borrower from his past experience in the market, and the local Advisor generally has had a long relationship with him having a deep knowledge of his track record, experience and current situation. The Investment Committee gathers and manages all such parties and collects all the information provided to the AIFM for approval.
1.8.3	Are the employees responsible for the operational risk framework adequately independent from the business and appropriately trained? (For example, does the company have a risk or internal audit function that is responsible for the framework?)	<p>The AIFM has several layers that on a deal-by-deal basis, independently, do their own due diligence, including the operational analysis. Such parties are:</p> <ul style="list-style-type: none"> • Investment Advisors and local partner firms who bring in the deal, with a dossier describing the property, valuation, exit strategy, etc. Emerald Mezzanine Gmbh, GREA, Gregory Sheppard, Marshall Hutton, LHP Loges. • Investment Committee of the AIFM, who will also analyze the deal on a complete and holistic manner, taking into consideration the documents provided by the different parties (Loan agreement, Independent valuations, Insurances available, credit checks on UBO's, articles of the SPV owning the asset and directors, Advisors reports, etc) • Finally, the Investment Committee members of the AIFM need to approve or not the loan. • Local legal firms (PWC, Baker&Mckenzie) also provide an additional layer of independence and Due Diligence on such operational analysis. • Finally, the AIFM approves or not the loan upon the recommendations and data provided by the Investment Committee. <p>Therefore, the number of independent parties analyzing the deals are several, each one with key personnel experienced in mezzanine financing, and trying to provide for a 4 eye principle as often as possible (valuations of properties, documents availability, analysis of the property among some).</p>
1.8.4	Does the board of directors approve and regularly review the operational risk management framework?	<p>Yes. Some members of the Board of Directors, have weekly meetings with the advisors, to analyze the market developments and any changes that can be made to improve efficiencies on lending or the speed in the process in lending. The operational risk management framework was approved before the launch of the Fund and then at least reviewed on an annual basis, by the AIFM.</p> <p>Additionally, the AIFM also has meetings as needed, to improve the lending process and speed of closing transactions with the custodian and administrator.</p>
1.8.5	Who is responsible for implementing the operational risk framework? Are there clear lines of responsibility across senior management?	Josep Perez, head of Risk Management function, is responsible for implementing the operational risk framework on the basis of the AIFM guidelines. The AIFM is responsible for monitoring the work performed by Emerald.
1.8.6	How does the company ensure that employees understand their responsibilities for implementing the operational risk framework?	<p>The AIFM, designed from the beginning, the use of independent third parties, which when needed would have an alignment of interests among them through the optimization of returns and minimization of risks to the fund's investors.</p> <p>The Investment Committee, through its Advisors and local partner firms, has not only the capacity to understand the DD of the other parties, but also apply their own qualitative know-how to the process thanks to the many years of experience through another bridge fund, Marshall Bridging Fund, which has close to 7 years successful track record and over 200 loans underwritten representing over 1000 million worth of loans.</p>
2 INVESTMENT RESEARCH		
2.1	What outside sources are used?	The AIMF will use local partners who can provide direct access to deals and bring deal sourcing and local know-how to the AIFM. Such local partners will have strong

		alignment of interests between the fund and the local partners. Upon request a file explaining such partners can be provided "LIST OF INVESTMENT ADVISORS OF THE AIFM"
2.2	What proportion of research is generated internally?	<p>There are several levels of research which are developed internally:</p> <p>1) The AIFM has developed together with the Investment Advisors, a set of procedures to analyze the appropriateness of deals, by looking at LTV's, collateral valuation, collateral quality, credit risk, location of property, exit strategy, behavior of lender in the past, local government opinion to the project, local regulation potential impact to approve construction permits, Macro and Micro variables of the real estate market, and other variables that will be lead indicators to analyze deals in different locations where lending can happen. Many of such variables of qualitative nature are gathered with the local advisors in order for the Investment Committee to make a decision on the appropriateness of such loan.</p> <p>2) The Investment Committee, after reviewing a proposal of a loan, may request additional information to additional parties, in special when permit acquiring loans are the focus. Such additional parties will be local professionals who can bring additional light to the possibilities to get such permit approved. Such parties can be engaged on a deal by deal basis.</p> <p>3) Access to Deal flow, is a key concern to the Investment Committee, and we will expect to capture such deal flow directly through our local partners and ourselves directly. The proportion of the deal flow is obtained by the local partners and the local companies owned by the GP (Emerald mezzanine Gmbh), directly through their own contacts, although to a small degree, depending on each country, a portion will come from notaries, lawyers as well as brokers and some directly to the AIFM as well. During the initial period of the fund we expected the majority to be through the Advisor's own contacts and also from the AIFM's current borrowers in the other fund, Marshall Bridging Fund, where some of the borrowers have already expressed the intent to use the mezzanine fund to fund the permit seeking projects. Currently we have seen a bigger proportion of borrowers coming for the first time to the Investment Committee, requesting for permit seeking loans whom were not prior borrowers of Marshall Bridging Fund. Such deal flow we would expect to continue such trend generating that a majority of the deal flow for Emerald Mezzanine Fund will come from the efforts Emerald Managements Gmbh is doing directly and from the efforts of another advisor/partner is doing. In Spain such deal flow is generated through our local partner Welz in its entirety.</p>
2.3	Describe the typical flow of an investment idea from inception to a trading position:	Please see Operations Manual for such deal flow processing and due diligence.
2.4	Describe your back testing of investment ideas:	<p>The AIFM concentrates more on understanding potential markets where it can lend, as well as the types of properties that make more sense to allocate capital to rather than back testing, which is not useful for our business. Back testing works more with the analysis of the behavior of the collateral and mid/long-term expectations the fund can have, rather than optimizing future developments. Such back testing, allows the AIFM and Advisors, to understand the potential changes in market conditions may have in the tale risk behavior of the collateral.</p> <p>Regarding the permit acquiring projects, the focus is more on the local understanding of the regulations that apply such demands from developers, and thus such back testing is not available or helpful. The knowhow comes from the local experts/companies who understand the local regulations as well as the past behavior the towns have had to the requests for projects (residential, offices, Hotels...). In certain countries, when a new local government enters, the final result of some requests may not be as predictive.</p> <p>As a summary, back testing, under the standard term used by hedge funds where data is plentiful and normally behaves under a normal distribution, is not a useful tool, although we have such simulations which are available upon demand.</p>
2.5	Have you published or commissioned any research/academic papers? Please give details.	We are currently financing a research paper which is expected to be published end of 2022. It will be published in the sire of the firm.

3 EXECUTION & TRADING		
3.1	Describe members of the trade execution group, their functions and experience:	CV's of key men are available upon request.
3.2	Who is authorized to place orders on behalf of the fund?	The AIFM members have such authority. 2 signatures are required to execute any decision by the directors.
3.3.	Is there clear separation of functions between front and back office?	Yes.
3.4	How are executed trades allocated to accounts? Please explain in detail, particularly with respect to split fills:	The funds managed by the AIFM do not operate in the same space of lending. They have different markets. One is bridge lending and the other mezzanine lending. Therefore, there are no loans which are shared among both funds, all the projects of Marshall Bridge at no time are also loans in Emerald Mezzanine for the simple reason that Marshall Bridge requires the permit to start building to be present and Emerald mezzanine mainly finances projects during the period which the permit is being requested to the local town. The only exception is Emerald Protected fund, which mainly invests by taking subparticipations of both funds.
3.5	Are any positions allocated as of the end of the trading day or immediately after execution, rather than prior to or at the time of order entry?	N/A
3.6	Does the manager undertake any cross trades or netting and if so, what procedures are utilized?	N/A
3.7	What is the company's policy with respect to trading and system errors? Please explain in detail:	No position can be placed, if all proper documents are not in place at the hands of the custodian. Such process has several layers of due diligence as explained above.
3.8	Have there been any major "trade breaks"? If so, please describe.	No.
3.9	Are trades reconciled to broker confirmations? How often?	N/A
3.10	Are cash positions reconciled? How often?	Yes, on a monthly basis.
3.11	What is the company's policy with respect to personal account dealing by: <ul style="list-style-type: none"> • Staff? • Principals? • The company itself? 	The Directors and personnel do not currently have personal accounts dealing in bridging, which trade alongside the fund.
3.12	Is there a restricted list?	N/A
3.13	Does the company make use of "soft dollars"?	No.
3.14	Does the company or advisor have any relationship, which may affect its trading flexibility, e.g. associated broker/dealer?	No.
4 COMPLIANCE		
4.1	Who is responsible for compliance in the company?	Compliance is under the control of Mr. Xavier Deu, with the assistance of Laura Blasco. Mr. Deu reports to the AIFM on a monthly basis on a conference call. Additionally, please refer to the additional documents, especially the operations manual, where the responsibilities and procedures are explained, as well as the parties responsible and the third parties used to further ensure proper operations are in place.
4.2	Does a dedicated compliance team exist? Does the company maintain a written compliance	The AIFM, is in charge of the compliance function, has their own compliance team adding to the provisions implemented by the different parties enumerated below.

	manual? If yes, please provide details:	<p>The AIFM ensure compliance is met at all times and reviews the work done by Centaur as TA and Administrator is properly performed, at least on a monthly basis. Additionally, the local advisors and the Investment Committee, bring to the AIFM the know-how of more than 200 years of combined experience in real estate deal making, applying the compliance from the real estate perspective, compliance that has been reflected not only in the procedures employed in their companies, but also in the procedures that the fund follows, described in the operations manual. Keep in mind the AML/KYC procedures are also performed at the level of the borrowers analyzing the risks of PEP, fraud, potential money laundering from transactions, and origin of funds and UBO's to reduce any risks of breaches in our AML/KYC policies. Each transaction is analyzed to discern if any dubious potential transaction is present from the Compliance function and also the Advisors referring the transaction and the Investment committee.</p> <p>All such compliance at the transactional level of loans (on investors is reviewed by the compliance function together with the TA) is reviewed by the Investment Committee members, specially by the President of the Investment Committee Paul Hunt looking for potential details to alert Mr. Deu.</p>
4.3	When was the manual last updated?	July 2022.
4.4	Please describe any current or potential conflict of interest or any relationships, which may affect its trading, trading flexibility, e.g. associated broker/dealer.	<p>The General Partners have another General Partner were Paul and Xavier are Directors and shareholders (Josep is Director), which manages a Bridge Lending Fund. The Emerald Mezzanine fund has different types of loans</p> <p>The General Partners do not have any current conflict of interest with the investments of the fund. Any such conflict of interest if it were to exist would be immediately disclosed. The parties associated with the GP, local Advisors, PwC Legal UK and Germany and other local firms used, have their interests aligned with the fund. The Advisors also have additionally to the partnership with the General Partner, additional Advisory tasks in their businesses, but do not represent a conflict of interest since in fact they add value to the fund by enhancing its capacity to gather deal flow and know-how of the markets. The fund has set up a clear description of the types of transaction it is interested in financing, and the advisors search for such and propose to the investment committee for approval. In some transactions we may also be financing together with other parties.</p>
4.5	What are the company's employees' own account dealing procedures?	<p>The employees do not provide financing alongside the fund's investments. If such financing in the future were to be provided, it would be disclosed.</p> <p>The only thing the General Partner provides is a First Loss Capital Guarantee from the General Partner for shares B, C and D in Emerald Protected Fund, which is provided by the GP shares in the fund which belong to the General Partner, but such is fully disclosed in the OM of the sub fund.</p>
4.6	Does the company have regular compliance monitoring programs? If so, please give brief details:	<p>The GP does have regular conversations with all the parties (Emerald as well as, the local advisors, PwC Legal UK, Spain and Germany and other local legal advisors) on a regular basis, where follow up on internal compliance checks and balances in place, to properly account for all procedures and adapting to new developments, legal changes and especially when new markets where the fund wants to enter, since new specific procedures will be developed for such country's transactions to be handled properly. Such procedures have been implemented specific for Emerald Mezzanine fund in each country, since each country requires a different approach to provide mezzanine type of loans.</p>
4.7	Has the company or its principals ever been the subject of any action or warnings from a regulatory body?	The Directors of the general partner, in the other General Partner managing MBF, have been fined by the Luxembourg regulator because of providing the Audit for 2017 outside of the regular time.
4.8	Has any application to a regulatory body on behalf of the company ever been withdrawn? If so, please give details:	Never.

The information given herein is correct as: October 2022 and has been completed by Xavier Deu, Director

4.9	Do any of the company's principals have other business involvement? If yes, describe and quantify how much of their professional time is dedicated to each:	Please refer to the CV of each one of the Directors as well as the employees. 2 Directors are also Directors and owners in another General partner, Emerald Managements (Paul and Xavier), which is currently the manager of the Bridge Fund Marshall Bridging Fund. Mr. Hunt dedicates 100% of his time to the management of the funds. Mr. Xavier Deu dedicates 100% of his time to the management of the funds. Mr. Josep Lluís dedicates 95% of his time to the management of the funds, being a Director in 5 other funds.
4.10	Has an employee of the company ever been refused authorization or had it withdrawn? If so, please provide details:	Never.
5 LEGAL		
5.1	Are there or have there in the last 10 years, been any criminal, civil, regulatory or administrative proceedings against (i) the Investment Manager or any of its principals or (ii) the Investment Product or any of its directors any similar such matters including reparations, arbitrations and negotiated settlements? If so, please provide details:	Never.
6 ANTI-MONEY LAUNDERING POLICY		
6.1	Confirm that the company has established Anti-money Laundering (AML) procedures:	Yes, refer to the document available upon demand.
6.2	Please advise which jurisdiction's regulations you comply with:	Luxembourg.

7 FUND INFORMATION (IF YOU MANAGE SEVERAL FUNDS, PLEASE COMPLETE ONE FORM PER FUND).		
7.1 FUND DETAILS		
7.1.1	Contact details: <ul style="list-style-type: none"> • Name: • Address: • Telephone: • Fax: 	Xavier Deu 22 Avenue Monterrey, L-2163, Luxembourg, Luxembourg +352621887085
7.1.2	Currency of participation interests:	EUR
7.1.3	List share classes and denominations of each share class	Class A EUR Class B USD Class C EUR Class D USD Class E CHF Class F EUR Class G USD Class H EUR Class I EUR
	Date of inception:	October 2021
7.1.5	Is the fund regulated? If so, please provide details (including where and by who) and explain any requirements for regulation:	The fund is not regulated being a RAIF. The AIFM Manager is regulated.
7.1.6	Describe the fund's ownership structure?	The fund is owned by Emerald Managements RAIF GP S.à r.l..
7.1.7	Is the fund listed on any exchange(s)? <ul style="list-style-type: none"> • E-mail: • Internet: • Fund structure: • Legal entity: • Domicile 	No.
7.2 FEES		
7.2.1	Management fee:	Share Class A,B, F and G,: 1.75% per annum. Share Class C, D, E and H: 1.50% per annum. Share Class I: 1% per annum.
7.2.2	Administration fee:	0.07% on the first €250 million of net assets 0.06% on the next €250 million of net assets 0.05% on assets over €500 million
7.2.3	Incentive fee (or performance allocation, preferential dividend, etc.):	Share Class A, B, F and G: 25% above 6.0% hurdle on all the yield. Share Class C, D, E, H and I: 20% above 8.0% hurdle.
7.2.4	Hurdle rate/high water mark:	Yes/No
7.2.5	Sales fee:	No
7.2.6	Redemption fee:	Class A, B 5% during the first year, decreasing linearly till 0% after year 5.
7.2.7	Any other fees:	AIMFD fee of up to 0,3% for AUM.
7.2.8	What costs, if any, are recharged to the fund?	Such costs are directly paid by the fund: Risk management. Audit, legal advice for the fund, GP expenses to support the fund, platform fees to carry the fund (Allfunds, Pershing), legal advice to execute the loans.
7.2.9	Are your fees calculated and charged in terms of equalization structure by: <ul style="list-style-type: none"> • Issuing a different series of shares every time shareholders subscribe? 	N/A. No equalization of costs.

The information given herein is correct as of October 2022 and has been completed by Xavier Deu, Director

	<ul style="list-style-type: none"> • The Equalization Share method? • The Equalization and Depreciation Deposit method? • The Equalization-Adjustment method? • Others? (Please describe): 	
7.2.10	Do you ever share fees with a third party?	The General Partner has fund introducers, who subsequently manage the relationships with the other fund investors and shares the management and performance fees received from the fund with such fund introducers.
7.2.11	Have any investors been granted rebates?	No.
7.2.12	Disclose any soft dollar/soft commission agreement(s):	None.
7.3 INVESTMENT/REDEMPTION AND LOCK UP TERMS – BY SHARE CLASS IF DIFFERENT		
7.3.1	Minimum initial investment:	Class A 125.000 euro Class B 125.000 euro Class C 750.000 euro Class D 750.000 euro Class E 750.000 euro Class F 125.000 euro Class G 125.000 euro Class H 750.000 euro Class I 20.000.000 euro
7.3.2	Minimum investment subscription?	10.000 euro minimum subsequent investment once initial has been reached.
7.3.3	Minimum subsequent investment:	10.000 € per share class
7.3.4	Subscription frequency (when):	Class A monthly Class B monthly Class C monthly Class D monthly Class E monthly Class F monthly Class G monthly Class H monthly Class I monthly
7.3.5	Redemption frequency (when):	Quarterly with 120 days notice. Quarterly is on the following quarters: March, June, September and December. First year of investment there are no redemption rights.
7.3.6	Redemption notice period:	120 days.
7.3.7	Redemption cash proceeds time period:	Up to 30 Business Days following the relevant Valuation Day
7.3.8	Does the fund have any lock-up period or any other liquidity constraints (e.g. suspension of redemptions and gates)?	If Redemption Requests on any Valuation Day exceed 10% of the Sub-fund's Shares, the Company reserves the right to redeem, on a pro-rata basis among the relevant Shareholders, no more than 10% of the value of the Shares then in issue in such Sub-fund. Additionally, under a "distressed market event" as defined in the OM in page 78, the Fund may suspend redemptions for a maximum period of 3 years.
7.3.9	Is there a "gate" and how is that computed (on an aggregate basis or investor by investor basis) and how is the amount in excess of the gate treated?	Yes 10% of AUM at any valuation day.
7.3.10	Under what conditions would these restrictive provisions be invoked?	In order to protect investors interests. Also under distressed market event as defined in the OM in page 78.

This questionnaire is based on AIMA's Illustrative Questionnaire for the Due Diligence of EMERALD MEZZANINE FUND (2022)

The information given herein is correct as: October 2022 and has been completed by Xavier Deu, Director

7.3.11	What is the maximum period that a shareholder would be prevented from having their redemption notice accepted and redeemed?	It is expected to be paid after 20 days after the NAV is calculated what takes 2 weeks, although the fund's legal capacity is 30 Business Days following the relevant Valuation Day. Under the case the fund and real estate markets were to suffer a distressed market even the maximum period would be 3 years.
7.3.12	After a shareholder has given the fund administrator the minimum required notice for redemption, please state the maximum number of days it will take to receive the redemption proceeds, including all possible restrictions (e.g. gate provisions etc).	If he places the redemption on the first day, this means 120 days. Afterwards a maximum of 30 days, being a total of 150 days.
7.3.13	Has the manager undertaken any analysis of costs attached to liquidating the fund over certain time frames; for example, 1 day, 3 days, 5 days, 1 month etc? If so, please enclose.	The fund is not a PE fund with investments being locked for 5-8 year period. The fund in case of an event which required to liquidate the investments, the majority of them would be liquidated in a short time period of 18 months, since loans would be repaid (except for the ones that would have defaulted which would require for a longer time for the manager to recover).
7.3.14	Does the fund allow for transfer of shares or limited partnership interests between nominees?	The transfers of shares from small investors is accepted but have to be approved by the custodian requiring a new AML/KYC check and approval.
7.3.15	Are there any independent fund directors, please provide details:	Emerald Managements sarl, the GP, has one independent Director, Mr. Alessandro Bottinelli. The Investment Committee of the AIFM has an independent member, Mr. Alfredo Fernandez. The Board of Managers of the AIFM has 2 independent Directors, Javier Portillo and Danillo Linosa.
7.3.16	How often does the board meet?	Conducting officers of the AIFM monthly. The Board of Managers of the AIFM quarterly. The Directors of the General partners Quarterly.
7.3.17	Please provide roles and responsibilities of the Directors.	Please see attached files of operations and description of tasks attributed to each party, Advisors and Investment Committee.
7.4 FUND DIRECTORS		
7.4.1	Please list the number of directors, their names, the degree of relationship with investment manager and service providers, directors' fees paid and the duration of the company's professional relationship with each director:	The Directors of the AIFM are: Paul Hunt Josep Perez Xavier Deu The Directors of the AIFM of the fund who are also equal equity partners, have been together since the inception of the AIFM. Prior to that, they had also been together as Directors of 2 umbrella funds, self managed by 2 General partners for over 5 years. The 3 were Directors in such Umbrella funds. No relationships exist with any of the service providers of the fund
7.4.2	Is there D&O insurance?	Yes.
7.4.3	Are there provisions in the fund documentation relating to indemnification of directors?	No. The D&O insurance of the directors of the fund is not detailed in the OM of the fund. Insurance can be made available upon request.
7.5 FUND ADMINISTRATOR – LIST OF SERVICES PERFORMED (COMPLETE THIS SECTION FOR ALL ADMINISTRATORS USED)		
7.5.1	Details: <ul style="list-style-type: none"> • Name: • Address: • Telephone: • Fax: • E-mail: • Name of contact: • Telephone of contact: 	Centaur Grand Duchy of Luxembourg Antonio Frias: Transfer Agent and Administrator (Antonio.Frias@centaurfs.com) T +352 621425005

This questionnaire is based on AIMA's Illustrative Questionnaire for the Due Diligence of EMERALD MEZZANINE FUND (2022)

The information given herein is correct as: October 2022 and has been completed by Xavier Deu, Director

	<ul style="list-style-type: none"> E-mail of contact: 	
7.5.2	Duration of the company's professional relationship with the administrator.	11 months.
7.5.3	Are there provisions in the fund documentation relating to indemnification of the administrator?	The Administration will indemnify the fund in case of breach of its fiduciary duties under the Luxembourg law.
7.5.4	Please provide contact names, telephone and email for the following functions: <ul style="list-style-type: none"> Financial Reporting Valuations / Fund Accounting 	<p>All such functions are performed at Centaur. The valuation of the collateral and loans provided, will be performed by an independent valuation expert, who will provide to Centaur the valuations performed, and the Administrator will then calculate the NAV.</p> <p>The AIFM person responsible of Valuation is Mr. Perez who approves each month the NAV of the funds.</p> <p>The Transfer agent email is: InvestorServicesLux@centaurfs.com</p> <p>The Administrator details will be provided by the AIFM upon request.</p>
7.5.5	Have ongoing due diligence visits been conducted? If so, by whom and of what frequency?	<p>There's a continuous conversation between Mr. Perez as well as thorough on-site visits, regarding their duties, data and investments of the Fund.</p> <p>Josep Perez and Xavier Deu performed the last on site visit to the Administrator and TA in June 2022 on top of standard quantitative annual DDQ. Each year we perform the due diligence of all major service providers including the TA and Administrator.</p>
7.6 FUND PRICING		
7.6.1	Where assets are valued in-house, please provide a summary of the controls in place to ensure accuracy.	No valuation in-house is performed. All valuation is done by Centaur and independent third parties. The AIFM through Mr. Perez in charge of valuation, makes sure the NAV reflects on a monthly a proper valuation.
7.6.2	Who is responsible for obtaining valuations and how are any difficult-to-price assets or instruments priced?	When a "difficult-to-price" valuation is required, the AIFM will engage a local independent valuer to provide their services to the fund. Up till now the fund's assets have been loans, and for each we receive an independent valuation from an expert, and sometimes we also engage the services of another valuer in Germany to gather a second opinion when the fund Advisor Emerald mezzanine GmbH believes is necessary to further reduce valuation risks.
7.6.3	What is the percentage of funds not held in exchange traded instruments?	The fund does not have exchange traded instruments so far.
7.6.4	Does the fund hold investments in which the underlying market has limited liquidity?	Yes, the fund holds loans that have been underwritten by the Fund itself.
7.6.5	Does the fund take positions in any non-traditional instruments such as pre-insurance, underwriting?	No.
7.6.6	Are at least three independent prices available for non-exchange traded investments?	The Administrator receives the valuation of the properties from an independent valuation expert. The Administrator can request the AIFM to provide for additional valuations if there's a need by the Administrator to do so.
7.8 CUSTODIAN		
7.8.1	Details: <ul style="list-style-type: none"> Name: Address: Telephone: Fax: E-mail: 	ING Bank Registered office at 26, place de la gare, L- 2965 Luxembourg Nicolas Bernhardt Grand Duchy of Luxembourg T +352 44 99 5164 F + 352 445860 E nicolas.bernhardt@ing.lu
7.8.2	Duration of the company's professional relationship with the custodian:	Since inception. On the other fund, Marshall bridging Fund, for over 6 years.

This questionnaire is based on AIMA's Illustrative Questionnaire for the Due Diligence of EMERALD MEZZANINE FUND (2022)

The information given herein is correct as: October 2022 and has been completed by Xavier Deu, Director

7.8.3	How are sub-custodians treated? Are you provided with notice when the custodian transfers assets to a sub-custodian? How is the risk of loss treated?	No Sub-custodians are used. The Manager has requested its current Custodian, to be able to diversify its cash holding among other Banks, but still, we will only have as custodian ING Bank. In the future once considerable cash is held at ING Bank Luxembourg, such diversification will be executed.
7.8.4	Are there provisions in the fund documentation relating to indemnification of the custodian or sub-custodian?	The Custodian will indemnify the fund in case of breach of its fiduciary duties under the Luxembourg law.
7.8.5	Have ongoing due diligence visits been conducted? If so, by whom and of what frequency?	The custodian and some of their personnel is well known to the directors, i.e. Mr. Paul Hunt, Josep Lluís, and Xavier Deu. The AIFM, through Mr. Perez meets formally and informally with some members of the Custodian team with an annual update DDQ.
7.9 AUDITOR		
7.9.1	Details: • Name: • Address: • Telephone: • Fax: • E-mail:	Deloitte Nicolas Hennebert Deloitte Luxembourg, Société coopérative Please request to be contacted and we will provide access
7.9.2	Duration of the company's professional relationship with the auditor:	Since inception of the fund.
7.9.3	Confirm that the auditor is in good standing in its domicile/jurisdiction.	The Auditor is in good standing being one of the 3 biggest fund auditors in Luxembourg.
7.9.4	Have the auditors ever issued qualified financial statements for the fund?	No.
7.9.5	Have ongoing due diligence visits been conducted? If so, by whom and of what frequency?	Mr. Josep Perez did engage on the due diligence and on an annual basis there's an update DDQ on the Auditor and its procedures.
7.10 LEGAL ADVISER(S)		
7.10.1	Details: • Name: • Address: • Telephone: • Fax: • E-mail:	Laurent Fessmann Partner Avocat au barreau de Strasbourg Admitted as European Lawyer (Luxembourg liste IV) Baker & McKenzie 10-12 Boulevard Roosevelt L-2450 Luxembourg Tel + 352 26 18 44 205 Fax +352 26 18 44 99 laurent.fessmann@bakermckenzie.com Dr. Martin J. Beckmann, LL.M.oec. PwC - Legal - Rechtsanwalt - Partner PricewaterhouseCoopers Legal AG Rechtsanwalts-gesellschaft Kapelle-Ufer 4 10117 Berlin martin.j.beckmann@pwc.com Tel. +49 30 / 2636-1566 Fax +49 69 / 9585 – 9831566

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The information given herein is correct as: October 2022 and has been completed by Xavier Deu, Director

7.10.2	Duration of the company's professional relationship with the legal advisers:	Since inception of the fund.
7.11 GENERAL		
7.11.1	Has the administrator, prime broker, custodian, lawyer or auditor been changed within the past 3 years? If so, why and please give name of previous provider?	Yes. The Transfer Agent and Administrator has been changed in October 2021 from prior Banque de Patrimoine Privée (BBPP) to Centaur (www.centaurfs.com)
7.11.2	Do either the prime broker(s) or administrator hold a credit rating and are they insured? Please provide details:	Current rating from the custodian (ING Bank) is A- by S&P. https://www.ing.com/investor-relations/ratings.htm
7.12 FUND PROMOTERS		
7.12.1	What external promoters or distributors, if any, have been appointed by the company for the fund?	The fund has as promoter the General Partner. The General Partner will be outsourcing to several companies the introduction of the fund on a global basis. Such introducers will reach different clientele as well as regions, and the relationships with such introducers by the General Partners will vary from many years of business interaction to recent agreements.
8 DATA OVERVIEW		
8.1 FUND ASSETS		
8.1.1	Please list the size of the fund's net assets:	Please refer to the monthly term sheet.
8.1.2	What percentage of assets is represented by the largest investor?	HNWI with 18 million.
8.1.3	Please list the size of assets by investment vehicle:	N/A
8.1.4	List the total assets under management and their respective changes over the last year:	Please request the file with the current positions available.
8.1.5	What is the percentage of "benefit plan investors?"	N/A
8.2 CAPACITY MANAGEMENT		
8.2.1	What is the maximum capacity of your fund?	The capacity is limited to a size for Germany, Luxembourg, Spain and UK markets. With the current strategies in each market, we believe in a 12 month period, we could develop deal flow in such 4 countries to the size of 1 billion to 1,5 billion. We are still unsure of the potential growth of each market in 2-3 years once the market has realized our niche approach and its potential response of new borrowers to our products.
8.2.4	How will front/back-office operations be affected in the event of significant increase in assets under management, and what measures will be taken?	The AIFM is already looking to increase the size of its current team by hiring someone to assist Mr. Hunt in underwriting. Another person with the relationships with the Administrator managing the subscriptions and redemptions and AML/KYC. Additionally, we expect to hire a local lawyer to assist in the execution of the deal flow and local regulations with service providers in Luxembourg and the regulator. Such hiring's are expected during Q4 2022.
8.3 WITHDRAWALS		

This questionnaire is based on AIMA's Illustrative Questionnaire for the Due Diligence of EMERALD MEZZANINE FUND (2022)

8.3.1	What were the 5 largest withdrawals in your fund since inception? <ul style="list-style-type: none"> • Date:% of NAV: • Reasons: 	N/A
8.4 MANAGEMENT TEAM'S CO-INVESTMENT		
8.4.1	What is the total amount invested by the principals/management in the fund and other investment vehicles managed pari passu with the fund?	The General Partners, as a group, have significant portion of their wealth invested in the fund. As seed investors, the General Partners have currently more than 40% of their net wealth invested in the 3 funds managed by the AIFM.
8.4.2	How is such co-investment structured and what are the key terms?	Same as other investors, no preferences or special treatments except in Emerald Mezzanine we entered the I Share class with 1% management fee instead of 1,5%.
8.4.3	Has the management reduced its personal investment? <ul style="list-style-type: none"> • Date: • Amount: • Reasons: Disclose conditions of subscription/redemptions of team and owners' assets:	Mr. Hun reduced his investment in Emerald Protected fund on September 2022 by 30%, to purchase a house. Mr. Perez cancelled his investment in Emerald Protected in February 2022 to reallocate his porfolios.
8.5 INVESTOR BASE		
8.5.1	Please provide details of investor type.	Currently the majority of the investors are HNWI, Asset Managers/Wealth Advisors and family offices. Institutional investors are expected to enter once the fund has crossed the 200-250 million mark what we expect to achive Q2-Q3 2023.
8.6 FUND PERFORMANCE		
8.6.1	Historical performance since inception: <ul style="list-style-type: none"> • Monthly NAVs since inception (in table format): • Monthly RoR since inception: 	Read monthly term sheet.
8.6.2	Please explain any major factors affecting performance and drawdowns (i.e. a manager change, a change in strategy, etc):	The main drivers affecting performance will be changes in the reliability of people/companies to whom we lend and also the downside risk of the collateral. Since the fund's returns will come from the interest from its loans, the suspension/default of such loans will affect performance. When such event happens, the fund will have clauses that will increase the net IRR to the fund (default interest), but also there's the possibility if property prices collapse in such country, that the fund may find itself in charge of selling the collateral to cover its interest and capital, and in that scenario, it could get from the sale less value than the expected to cover capital plus interest. Such double possibility: default by creditor and also drop in real estate markets, may become a scenario where the expected returns of the fund will be lower than expected. But in the standard scenario where the property does not decrease its market price, the lack of repayment (not default) from the borrower, may mean an increase in the yield of the fund. Another major factor, since the fund will be investing in niches in the market, and in some countries mainly in the projects which are seeking the permit to start building, the key driver of risk for the fund will be the capacity of the project to receive the permit to start building, what will facilitate the borrower to get a bridge loan or a construction loan from a bank to refinance out our fund's loan. Such risk will be mitigated by the AIFM, by using its own local expertise to understand if such permit has a high probability of being granted under current regulations.

8.6.3	Is the fund performance audited? If Yes, by whom?	The fund is audited by Deloitte on an annual basis. The fund already has the 2021 accounts, and expects the second audit in June 2022.
8.7 DRAWDOWNS		
8.7.1	List the 5 maximum drawdowns, in percent of equity for the fund, the recovery period and explain when and why they have happened:	N/A
8.7.2	Over the past 3 years, how many drawdowns greater than 5% have occurred? When did they occur and what was the length of recovery?	N/A
9 INVESTMENT STRATEGY		
9.1.1	<p>Characterize your investment style in terms of:</p> <ul style="list-style-type: none"> • Strategy; • Hedging; • Market exposure; • Portfolio concentration in terms of amount of instruments and exposure bias (min/max/avg. number of instruments, min/max/avg. long or short bias); • Geographical market focus; • Liquidity; • Correlation. 	<p>The investment strategy of the Fund is to create consistent returns by granting capital on short term basis to real estate property companies which are requesting the permit to the local towns to start building their real estate project. Such timing which takes 6-18 months till the local town grants such permit to start building, will be the time the fund will be financing the developer.</p> <p>The target market is Germany, followed by Spain, Luxembourg and United Kingdom and others to follow like Finland or Portugal to be expected.</p> <p>The Fund will provide capital to aid investors and developers to optimize their financing tools in the value chain of their real estate development projects. The mezzanine fund will position itself in areas of such value chain where the fund's capital will be highly appreciated since there's very little supply currently.</p> <p>Refer to the monthly term sheet for an update of assets and geography of investments.</p> <p>The fund's liquidity is limited in order to allow the manager to control the liquidity mismatch between loans average duration of 18-21 months and the fund's redemptions terms being quarterly calendar with 120 days' notice.</p> <p>The correlation of the fund's investments to the overall markets is small, since the main driver of potential downside risk on our fund is the lck of achieving the permit from the local town, and such risk is not correlated to the general markets. In cases of default of borrowers, then we have a risk the assets in case the need to be sold the collateral may be worth less, but this risk/correlation would be in a smaller portion of the portfolio, the one not paying.</p>
9.1.2	List the instrument types you use by percentage:	Refer to the term sheet.
9.1.3	Do you carry out IPO or PIPE trading on behalf of the fund?	No.
9.1.4	Describe your strategy (in as much detail as possible):	Read 9.1.1
9.1.5	What are your investment/trading philosophy?	The philosophy is based on the dislocation of the capital markets, the changing framework of banking with Basel III/IV, has created. There's a difficulty in getting capital to markets, and additionally there's a higher need for lending producing an increase of demand and lowering of supply of capital, creating an opportunity for a lending fund.
9.1.6	Do you believe that there are persistent structural inefficiencies in the area you invest in? Please explain. How do you think these market inefficiencies will change over time?	For the following years we believe there's a strong inefficiency, which will reduce with time, as the banking industry settles down the lack of credit due to the lack of capital tier 1 requirement, as well as the Basel IV requirements. Still, there has been in the past a constant need of such bridge and mezzanine companies, and also, the fact that the fund will allocate in many countries, will allow us to move from one market where we have competitive advantage to another, allowing our fund to rotate from markets of low interest to higher interest.
9.1.7	What makes your strategy unique?	Our focus is unique and have not seen it being replicated in other managers: 1) We invest in niche markets

		<ol style="list-style-type: none"> 2) Such niche lending markets allow us higher yield thanks to reduced competition. 3) We lend in niche borrower markets allowing us a higher penetration in such markets and a stronger barriers to entry of other lenders. 4) Our short term loans allow us to have the only mezzanine fund which has been structured as open ended. 5) We have a lower credit risk in a new fund, since we already have borrowers in Germany who have borrowed from us the last 6 years and will borrow again in this new fund, reducing thus the credit risk of our new fund.
9.1.8	What makes your strategy different from your peers?	Please refer to some of the points at 9.1.7. Additionally we have a full transparency policy, where investors can observe all the trades on real time as well as all contracts if requested, up to the confidential data from the borrowers which cannot be shared.
9.1.9	Describe your strategy for today's market:	Buy and hold short duration loans in the mezzanine space.
9.1.10	What are the strengths/weaknesses of your investment strategy?	<p>The main strength is the unique direct sourcing we have in the markets we lend to, allowing the fund to capture all the value added of the deals presented.</p> <p>The main weakness is liquidity, since the asset class per se is illiquid, but the manager has developed an investment strategy to provide for liquidity to an illiquid asset class, by providing an expected duration of the fund in the range of 18-21 months which allows the redemption terms to be managed and liquidity risk to be reduced.</p> <p>The Manager has already demonstrated in another open ended fund with 700 mill AUM, that he has the skill to manage liquidity risk, since such fund with monthly redemption terms with 30 working days' notice and average duration of the loans of 12-13 months, did meet all investors redemptions during Cov19 times.</p>
9.1.11	Why do you feel you will generate absolute returns?	A portion of our absolute returns, in fact about 70-80%, we believe will be provided by the asset class and the specific niches we will be lending to as well as in some instances the specific niche of borrowers. The asset class per itself is the main driver of return, but we are of the opinion that the niches we will be lending, where very few players do, will be another source of Absolute returns.
9.1.12	<p>In which markets do you believe your strategy performs best/worst? (Give examples of time periods):</p> <ul style="list-style-type: none"> • Volatility: • Trends: • Range trading 	Our strategy is lending itself, but having real estate as collateral and not as a tool to increase the NAV itself, or take advantage of price increases, thus volatility in real estate pricing should not affect us except in the value of the collateral. Volatility should not affect us much in the short term, since after the asset class is uncorrelated in the short to mid-term, by nature, to the traditional economic and financial markets. Long term has some degree of correlation to PIB and economic growth, although such correlation, is smaller. Volatility in other markets, like equity, credit or interest rate, do not affect real estate much in the mid/short term, except in minor ways through funding rates. Our fund will be unaffected by the traditional short and mid-term variables and only be affected by the main long term and macroeconomic, legal and political variables.
9.1.13	<p>What is your average holding period for:</p> <ul style="list-style-type: none"> • All investments? • Profitable investments? • Losing investments? 	<p>The investments of the fund will have an average duration in the range of 18-21 months, being split in 2 groups, one the loans financing during the period the permit is being requested, with average duration of 12 months, and the other loans (2=5-30% expected of the fund's AUM) of 36 months in average.</p> <p>Losing investments is uncertain since each case will have a specific treatment (sale of the loan, court proceedings, development of the asset...)</p>
9.1.14	<p>Does the strategy have a long or short bias?</p> <ul style="list-style-type: none"> • What is the maximum net long or short exposure the fund has had? • What is the normalised net exposure? 	<p>Short term bias.</p> <p>Read 9.1.13</p>
9.1.15	What investment criteria must new positions meet?	All investments must adhere to our strict and multi layered DD process. This means that the fund advisors, local lawyers, AIFM's investment committee and

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		locally owned advisory firm, must review each potential loan and as such, each loan must have the correct LTV, ownership and independent valuation.
9.1.16	How do you invest new capital into the market?	The advisors will present to the investment committee, an initial proposal on any loan. Additionally the locally owned advisory firms will also provide for the local know how on such loans.
9.1.17	How do you close out positions to meet capital redemptions?	The fund holds cash and also has a naturally occurring liquidity from both loans maturing and interest paid.
9.1.18	In what circumstances would you suspend redemptions and for how long?	As explained in the Offering Memorandum, only under the incapacity to not harm the investors who stay in the fund, under the scenario of big redemptions. Such suspension would be lifted once the redemptions would have been meet and no harm would be inflicted to investors staying at the fund.
9.1.19	What would be the maximum period of time when normal terms would be suspended?	Read 9.1.18
9.1.20	Have the strategy or trading processes changed over time due to capital flows?	N/A
9.1.21	Have you encountered position limit problems? If yes, please explain:	No.
9.1.22	What is the percentage of assets in non-exchange traded instruments? How long do you expect it would take to liquidate these assets under normal circumstances?	Read 9.1.13 to understand the maturity of the loans. All investments of the fund will be in non exchange traded assets, except for the allocation of cash in order to meet redemptions, in cash related investments.
9.1.23	Describe your cash management policy:	The fund will try to hold between 10-15% in cash, and will hold such cash in cash or near cash investments.
9.1.24	Do you outsource this function? If so, please give name of provider and method used.	No.
9.1.25	Is there cross collateralization in the case of multi class funds?	The fund will be able to sell portions of the loans to different parties, but will hold the position of "Security Trustee" for all the loans underwritten. The fund will also invest not only by providing directly loans but also by sub-participating on loans arranged by other parties, where alignment of interest exist.

9.2 PORTFOLIO CONSTRUCTION

9.2.1	Who is responsible for managing the portfolio and how are decisions made (unanimous, majority, individual)?	AIFM's investment Committee headed by Paul Hunt is responsible for the managing of the portfolio and for the approval of the investments. Decisions are made per the majority, although, unanimous decision will be agreed from the AIFM as well.
9.2.2	Describe how capital is allocated to a particular strategy.	We do not only apply quantitative tools of portfolio optimization and risk management, but mainly we look at qualitative variables regarding the specific value added of a property to the portfolio. Allocation is not only looked upon terms of IRR, but also quality of the collateral, knowledge of the parties involved and reputation, previous experience with them, access to a proper long term partner in such location/country, quality of the documents in the deal and reliability, duration of the loan and impact on liquidity to the fund, among some of the variables to look at.
9.2.3	To what extent is the portfolio construction dependent on computer models?	A small part. We use mainly qualitative information and Manager knowledge of the local market. Data only brings us to the understanding of the asset class and returns of the loans. The real value added of the asset class and manager are not provided by the returns or data processing models, although we have developed our model to follow up on operations on each transaction. We mainly use qualitative information on the property, borrower and local market.

10 RISK

10.1 LEVERAGE

This questionnaire is based on AIMA's Illustrative Questionnaire for the Due Diligence of EMERALD MEZZANINE FUND (2022)

10.1.1	Discuss your leverage exposure policy and its management over different market cycles: <ul style="list-style-type: none"> • What has been the maximum/ minimum leveraged used? • What has been the normalised leverage used? 	The fund is currently not leveraged. The fund does not expect to use leverage, but if used will be to meet redemptions or a mismatch between new loans having to be financed and subscriptions reaching the fund or maturities of loans being repaid back.
10.1.2	What are your portfolio financing constraints/limits?	The portfolio and investment limits are set by the offering memorandum and the RAIF Law in Luxembourg, plus the underwriting guidelines. Underwriting guidelines are available as per your request.
10.1.3	Discuss sensitivity (cost) to LIBOR levels:	We believe our fund's net returns over LIBOR and other general risk free rates of return, will not be affected much by short term movements of such rate, but yes mid to long term movements, since: <ul style="list-style-type: none"> • The fund's portfolio, which is comprised of loans, have a maturity of average 18-21 months, and therefore, such loans net return, will not be affected by the changes in LIBOR or other interest rate indexes in the short term, because as with the banking loans, such effect will only happen if the loan were to be sold in the market, and this is not expected, as it is not in the banking industry. The sensitivity will affect to the new rates on new loans, but not on the existing portfolio. Therefore, we can say that the fund will trail, to a certain degree, with 18 month delay the interest rate movements. • Long Term sensitivity is more affected by demand and supply of capital rather than by movements on LIBOR rates, since current situation is more determined by changes in supply of capital to real estate companies rather than by the LIBOR rates movements.
10.2 HEDGING		
10.2.1	How is the portfolio hedged?	Monthly forwards rolled monthly.
10.2.2	How do you determine size and limits for each position/basket?	The fund's assets and liabilities change on a monthly basis and therefore we adjust the forwards sizes to such new situation. We are an open ended fund, not closed ended, and thus such approach in hedging.
10.2.3	How often do you re-hedge?	Monthly.
10.2.4	Are short positions profit centres?	No.
10.2.5	Who bears the burden of loss in the event of a counterparty failure?	The fund.
10.3 LIQUIDITY		
10.3.1	Discuss the nature of illiquid holdings in the fund and explain how they are valued:	Since the fund holds private loans, such loans will be valued by the Administrator. In case of Default, the Default Investment Committee, will reassess the proper valuation of the loan.
10.3.2	What is the liquidity of the underlying assets and what is the appropriate time period to liquidate?	The fund will hold loans, which maturities will range from 3 to 60 months, with an expected maturity of average 18-21 month. The fund therefore, holds private loans or subparticipations which are not traded in any liquid market, but such loans have very short term maturities. Thus, the fund will have about 60%-80% of the fund's AUM to mature before 15 months, what will give the fund plenty of liquidity to manage redemptions from investors. Additionally, the fund will hold cash in order to meet redemptions. Additionally, the Fund will have to try to achieve layered maturities on its loan book, having thus expected maturities of between 6-8% of the AUM of the fund on a monthly basis.
10.4 DIVERSIFICATION		
10.4.1	Discuss the depth of diversification:	The fund expects to have between 40-60 positions at all times. See monthly term sheet.
10.4.2	How do you calculate the correlation between each investment in the portfolio?	N/A

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10.4.3	What are the main sources of marginal risk in your strategy?	The main sources of marginal risk are legal risk, political risk and price risk. Legal risk can change the environment the Manager is currently investing and change the profit profile of the fund's investments, and since some of the investments may have liquidity up to 60 months, to change such allocations will be difficult and thus we will be exposed to the country legal risk. Political risk could be a concern in the future for the countries where political changes may affect the long term interest on real estate assets, what could change the value of the collateral as well as to produce an increase in credit risk.
10.4.4	How has performance been distributed across positions and time?	Read Term sheet.
10.4.5	How do you ensure there is no style drift?	The strategy has been clearly defined by the General Partner in the offering memorandum, and changes in such strategy will have to be detailed in the offering memorandum, informing thus to the investors of such changes at least a month before the changes take effect.
10.5 EXTERNAL CONTROLS		
10.5.1	Are any third parties involved in verifying adherence to risk limits, e.g. the fund's administrator?	Under Luxembourg regulation, the Risk Manager is responsible to reconcile such limits, and the AIFM manager, does such task on a monthly basis. Additionally, the GP will also review such levels at the Board of Managers meeting held at least on a quarterly basis. Therefore, there are 2 parties involved in making sure the underwriting guidelines and limitations in the OM are met.
10.5.2	What are the procedures used to ensure a true independent pricing oppositions?	Pricing is done by the Administrator, Centaur, and it takes as input the valuation provided by an independent valuation experts regarding the value of the collateral. Additionally, for the equity kickers the fund may hold, the valuations of such equity positions will be valued by again independent firms, and not the AIFM, which will be the basis of the value of such equity kickers in the fund. Finally at the AIFM the person in charge of valuation, approving each month's NAV's is Mr. Perez.
11 INVESTOR SERVICE / REPORTING		
11.1	Can the prospectus/offering memorandum be transmitted to us electronically?	Yes.
11.2	Are all prices provided by independent service providers? Please give details:	Yes.
11.3	Does the investment manager ever provide any instrument prices/NAV calculations?	Never. The AIFM is responsible for the valuation and checks the prices used by Centaur.
11.4	Who calculates the NAV and what is the frequency of calculation?	Monthly, Centaur.
11.5	Do you make any adjustments to the NAV valuation received from your source? If yes, please explain what kind in terms of: <ul style="list-style-type: none"> • Liquidity: • Time zone: • Size: • Holding period: • Other: • Percentage of adjustments to total NAV: • What instruments are subject to adjustments: 	None.
11.6	Can fund performance (NAV, RoR) be transmitted to us electronically	Yes. Upon request.

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	on a regular basis, and at what periodicity?	
11.7	List all reports and correspondence usually sent to clients - explaining the frequency and the detail with which the manager reports performance to investors.	Performance report on a monthly basis.
11.8	Can you provide copies of historical reports? • Please provide examples.	Upon request.
11.9	Are investors informed when minor/major changes are made to the trading, money management, or risk control methods?	If changes are made that affect to the strategy of the fund such changes will be informed to investors. All significant changes have to be informed according to the offering memorandum and approved by the regulator in Luxembourg. Before such changes would come to effect, we will have to give investors 1 month time to redeem if they decide to.
11.10	What databases, publications or other available sources does the manager regularly report performance figures to? If none, explain why?	Bloomberg, Reuters, Morningstar.
11.11	What portfolio data can you provide (electronically) in terms of: • Position? • Concentration? • Exposure? • Performance attributes? • Hedge?	The traditional information of exposures is already explained in the monthly report.
11.12	Can all trades be reported on a daily basis to the client?	All trades are available to all investors in the website once the NAV is approved.

Please attach the most recent disclosure document, information memorandum, and marketing literature.

In the event of amendments to the aforementioned documents, notably the memorandum, please ensure that we will receive those directly from you within reasonable time, as well as copies of proxies and notification of the Annual General Meeting (the latter only for information purposes).

Please state the name and title of the officer at your company who has prepared and reviewed this questionnaire.

Signature:	
Name: Xavier Deu	Xavier Deu Pujal
Position:	Partner
Date:	1 st -October-2022

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