

## A specialised financing fund targeting 13%-15% annual net returns managed by proven European real estate experts.

Emerald Mezzanine Fund (EMF) offers investors access to returns from short term financing of property projects in several European countries. The fund's returns are not generally dependent on the rise in value of any property and thus will generally be unaffected by any volatility in the property values.

Share Class I - EUR



Share Class	Currency	NAV	1 Month	3 Months	YTD
A	EUR	102,347	0,58%	2,03%	1,31%
B	USD	102,043	0,58%	N/A	1,32%
C	EUR	102,941	0,82%	2,52%	1,69%
D	USD	102,487	0,82%	N/A	1,65%
H	EUR	102,517	0,82%	N/A	1,69%
I	EUR	103,094	0,82%	1,76%	1,75%

During the month of February no additional loans were transacted but this month of March is proving to be different, closing one loan today with a yield of 1,45%/monthly, as expected, and an LTV 75% located in Germany.

The fund expects to close 2 more loans the next 2 weeks in Germany before the end of the month of March, and additional ones in Spain the month of April. Still, the conservative nature of our underwriting guidelines and the educational efforts we are performing in front of developers, explaining what Emerald Mezzanine can do for them, is taking longer time than we expected.

### What is the opportunity?

As the banks have drastically reduced their lending facilities to the bridge finance sector, especially loans below 20m EUR, this has created a supply shortfall which will be exploited by the fund.

The main focus of the fund will be to finance projects during the phase when a project is requesting the permit to start building, which takes from 6-21 months depending on regions and countries. Such niche will allow the fund to obtain higher than expected yields for the investors.

### Benefit for the investor

Emerald Mezzanine Fund will allow investors to have access to an uncorrelated asset with double digit returns, together with the safety of a real asset as collateral.

### Fund key features

Emerald Mezzanine Fund (EMF) is designed to generate returns irrespective of market condition or direction, through opportunistic financing and expert understanding of the targeted markets and local permit seeking regulations.

- ⊙ Fund will provide yield to investors with the security of a real asset: real estate and land
- ⊙ The collateral possesses low depreciation risk offering solid collateral base for investors.
- ⊙ Experienced teams with established on-the-ground real estate knowledge.
- ⊙ Fully transparent fund, with no black boxes.
- ⊙ A fully regulated structure domiciled in Luxembourg.
- ⊙ Forecast 13-15% annual returns.
- ⊙ Monthly subscriptions with quarterly redemptions with 120 days notice.

We offer investors access to short term financing opportunities to the European real estate market without the risk of changing property valuations.

## The advantage of property as collateral

The fund will lend into a diversified portfolio of European real estate properties in strategic and proven locations to ensure sustainability.

- Target a number of real estate markets.
- Properties in key areas with sustainable valuations mitigating downside risk.
- Only use independent valuations and robust lending practices.
- Focus on first charge to ensure investors are fully protected, whilst still accessing high yield opportunities.

### Fund Advisors

Emerald Managements RAIF GP S.à r.l. has partnered with local Advisors, whom provide to the fund the proper alignment of interests in the countries we will be lending to, providing the deep look through knowledge to understand the assets security when we take them as collateral. Additionally, Emerald Managements RAIF GP S.à r.l. has developed local Advisory firms, to further increase the alignment of interests with such local partners by creating companies on a country level with them.

#### The fund advisors possess:

- Stable teams.
- Have internal Valuation specialists.
- Their teams have been developing such tasks in the permit approval loans for several years successfully.
- Direct access to deal-flow on mezzanine loans and permit seeking loans.
- Strong relationships within the towns where the approval of the requests to start building are to be provided.

### General Partner - Independent Investment Committee

The General Partner of the fund is formed by 3 Directors, each bringing their expertise to the fund. The General Partner has set up the Investment Committee, in order to manage the day to day operations of the Due Diligence and execution of the loans. Such Committee has the capacity to incorporate external members when specific know-how needs to be provided on certain transactions or countries.

#### Key members are:

- Paul Hunt, heading the day to day operations for the Investment Committee as Head Underwriter, liaises with the Fund Advisor together with the local law firms and borrowers, in order to properly close the transactions. Has already underwritten well over 1 billion in loans the last 6 years.
- Xavier Deu, is in charge of client relationships and heads execution of the fund's strategy.
- Josep Perez manages all the operative of the fund, managing the relationships with the service providers and reassuring KYC-AML and other operational requirements with the funds and general partner

EMF provides with European wide diversification, through a loan portfolio with collateral being real estate.

Fund	Emerald Mezzanine Fund
Type of Fund	Luxembourg SICAV RAIF
General Partner	Emerald Managements RAIF GP S.à r.l
Legal Advisors	PwC Legal UK, PwC Legal DE, PWC Spain, Baker Lux
Fund Advisors	Several
Administrator	Centaur
Custodian	ING Bank Luxembourg
Tax Advisor	Baker & McKenzie
Auditor	Deloitte Luxembourg
Currencies	EUR – USD - CHF
Regulator	CSSF Luxembourg
Subscription	Monthly
Redemption	Quarterly (+120 days notice)
Management Fees	Share Class A, B, F, G: 1.75% per annum. Share Class C, D, E, H: 1.50% per annum. Share Class I: 1% per annum.
Performance Fees	Share Class A, B, F, G: 25% above 6.0%. Share Class C, D, E, H, I: 20% above 8.0% hurdle HWM
Redemption Charge	Share Class A, B,: up to 5% of the redemption proceed in first year, declining by 1% per year. Share Class F, G,: up to 5,25% of the redemption proceed in first year, declining by 1,05% per year
ISINS	Class A EUR LU2399699094 Class B USD LU2399699177 Class C EUR LU2399699250 Class D USD LU2399699334 Class E CHF LU2399699417 Class F EUR LU2399699508 Class G USD LU2399699680 Class H EUR LU2399699763 Class I EUR LU2399699847
Bloomberg Tickers	N/A yet
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In the world of lending to real estate; people, networks, and experience are everything, providing us with a privileged source of opportunities.