



Quaestio Capital Management SGR

VALUATION AND PRICING POLICY

QCF QUAESTIO CAPITAL FUND

QUIVIS CAPITAL FUND

QUAMVIS S.C.A. – SICAV FIS

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| Approved by the Board on: | Previous version dated: |
| 05.04.2017 | 28.07.2016 |

Quaestio Capital Management SGR S.p.A. Unipersonale

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www.quaestiocapital.com | Codice Fiscale e Partita Iva 06803880969 | C.C.I.A.A. Milano n. 1916336
Capitale Sociale 4.200.000 euro interamente versato | iscritta all'albo gestori OICVM al numero 43
Aderente al Fondo Nazionale di Garanzia

A. Scope

The Policy has been designed to clarify the methodology used in valuing all of the assets that constitute the portfolio of the Fund. The value of those assets are an integral part of the Net Asset Value (“NAV”) and NAV per share calculation, on the basis of which, investors subscribe into or redeem out of the Fund on each Valuation Day.

B. Responsibility

The Board of Directors of the AIF has overall responsibility and oversight on how the Fund’s assets are priced and valued; however, the Board has appointed the Central Administrative Agent, who is responsible for ensuring that all of the asset are priced and valued for each NAV calculation, in accordance with this Policy.

The Policy explains the generic methodology used for valuing different types of assets, whilst, in the Appendices, valuation methodologies for each Security that is or may, in the future, become part of the portfolio of the Fund are explained and specific procedures that will apply to the Fund’s policy identified.

C. The Pricing Policy Committee (PPC)

The Pricing Policy Committee comprises members the Risk Management Team as well as other senior managers of the Company, who have appropriate knowledge and independence from the portfolio management functions to perform their duty.

The Pricing Policy Committee deals with all the issues related to the valuation of the securities in the Fund and, in case of difficult-to-price securities, is the final responsible for the determination of these securities’ price.

The Board of Directors has formally delegated the Pricing Policy Committee to deal with pricing issues, including dealing with stale prices and OTC pricing discrepancies.

D. Methodology

As mentioned in the Offering Memorandum of the Fund, the valuation of the assets of the Fund is based on the fair value or in some cases at cost. The Net Asset Value of the Shares of each Sub-Fund is determined in its reference currency. It shall be determined as of each Valuation Day.

The value of the shares of each sub-fund and class is obtained by dividing the net assets attributable to each Sub-Fund as of the respective Valuation Day by the number of Shares of such Sub-Fund then outstanding and is calculated on the first Luxembourg Business Day following that Valuation Day. The net assets of each Sub-Fund are made up of the value of the assets attributable to such Sub-Fund less the total liabilities attributable to

such Sub-Fund calculated at such time as the General Partner shall have set for such purpose.

For the purpose of determining the value of the assets of the Fund, the Central Administrative Agent, having due regards to the standard of care and due diligence in this respect, may, when calculating the Net Asset Value, completely and exclusively rely, unless there is manifest error or gross negligence on its part, upon the valuations provided (i) by various pricing sources available on the market such as pricing agencies (i.e. Bloomberg, Reuters etc.) or fund administrators, (ii) by brokers, or (iii) by (a) specialist duly authorized to that effect by the General Partner. Finally, (iv) in the cases no prices are found or when the valuation may not correctly be assessed, the Central Administrative Agent escalates to the AIFM.

E. Alternative methodologies

The Board of the AIFM is authorised to apply other adequate valuation principles for the assets of the Fund if the aforesaid valuation methodologies appear impossible or inappropriate due to extraordinary circumstances or events.

F. Pricing procedure

Appendix 1 describes the methodologies for valuing each and every type of the following securities:

- Equities
- Derivatives Instruments
- Target Funds
- Exchange Rates
- Bond & Fixed Income instruments
- Loans
- PE funds or PE related Instruments

In addition:

- the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued, and not yet received shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Fund may consider appropriate in such case to reflect the fair value thereof;

- money market instruments are valued at: a) market value plus any accrued interest for instruments having, at the moment of their acquisition by the Fund, an initial or remaining maturity of more than 12 (twelve) months, until the instruments have a remaining maturity of less than 12 (twelve) months at which time they will move to an amortised cost basis plus accrued interest, and b) on an amortised cost basis plus accrued interest for instruments having, at the moment of their acquisition by the Fund, an initial or remaining maturity of less than 12 (Twelve) months.
- for non-quoted securities or securities not traded or dealt in on any stock exchange or other regulated market, as well as quoted or non-quoted securities on such other market for which no valuation price is available, or securities for which the quoted prices are not representative of the fair market value, the value thereof shall be determined prudently and in good faith on the basis of foreseeable sales prices.

G. Stale Prices

A price is considered as stale when it has not changed over 5 consecutive business days, irrespective of whether the asset concerned is part of a portfolio held by a daily, weekly, monthly fund, etc. The Pricing Department of the Central Administrative Agent analyses stale prices on a daily basis and attempts to find an alternative quotation source from amongst the different providers as detailed in the Pricing agreement between the AIFM and RBC and will when necessary also contact issuers of, and brokers active in, the issues in question. In the case the Pricing Department cannot find any reliable source, the AIFM will be contacted to obtain the valid pricing source and/or specific price.

As mentioned above, if the methodologies described in Appendix I are not sufficient to determine the price of a security (in case of illiquid, hard-to-price securities or securities not traded on a regular open market), the price is provided to the Central Administrative Agent by the Risk Committee.

Whenever a stale price is detected by the Pricing Team, the Accounting Department notifies the PPC of the AIFM who will investigate. Investigation might be include requesting to the relevant Investment manager to provide alternative price contributor and transmits the information to the Accounting Department. The PPC will review the stale price report to ensure that the stale prices are accurate and fair value for the securities in question. Should the PPC wish to recommend a change of the primary source it will provide a formal instruction (i.e. Circular Resolution) to the Central Administrator including any relevant justification.

H. Illiquid assets

H.1. Purpose

This part of the policy has been designed to clarify the methodology used by the AIFM for valuing the illiquid assets of the AIFs managed. It aims at valuing the individual investments of the AIFs on a considered basis using a consistent approach across all the funds managed by the AIFM, pursuant to articles 67 to 71 of the Delegated Regulation and 17 of the AIFM Law.

This specific policy ensures that the AIFs' portfolio valuation complies with all relevant International Valuation Standards (IVS).

A specific policy and evaluation procedure have been adopted for illiquid assets, whose main contents are below highlighted.

This policy is addressed to all the participants of valuation process:

1. AIFM Board of Directors ("Board")
2. Pricing Policy Committee ("PPC")
3. Risk management function ("RM")

H.2. Definition of illiquid investments

This valuation policy covers non-quoted securities or securities not traded or dealt in on any stock exchange or other regulated market, as well as quoted or non-quoted securities on such other market for which no valuation price is available, or securities for which the quoted prices are not representative of the fair market value ("Investments"). The Investments not listed or listed with a limited volume of trading should be considered as illiquid investments. For listed investments, the classification as illiquid asset will be treated on a case by case basis by the PPC acting also as Valuation Committee ("VC") as described further in the policy taking into consideration, among others, the following elements:

1. Volume of trading
2. Bid/ Ask spread
3. Percentage of floating shares

As a general guidance, if the average volume traded on an investment over the last month does not amount to, at least, half of the position held by the Fund, the asset will be considered as illiquid.

In case a listed investment is classified as illiquid, the PPC should document its decision to classify it as illiquid. The PPC shall insure the consistency of the classification during the period.

H.3. Valuation process

H.3.1. Overview of the valuation process

The valuation process includes the following phases:

1. The Board of Directors appoints a PPC independent from the portfolio management activities. The PPC acting as a VC is responsible for reviewing and approving valuation results prepared under the responsibility of the RM.
2. The Board also appoints a RM independent from portfolio management activities to handle the valuation function. The RM is responsible for managing the day to day management of the valuation process. He will be assisted by AIFM resources independent from the investment management function. A strict segregation of duties between the valuation function and investment management function will be observed in the course of the valuation process.
3. The RM is responsible of collecting information required by the valuation process. He verifies the fairness, accuracy and completeness of information. Then he performs the valuation in accordance with the valuation policy of the sub-funds and submits the valuation in a written report (“Valuation report”) to the PPC. If required, the RM shall be assisted by third-party independent professionals acting as valuation advisor to the AIFM.
4. The Valuation report is reviewed and challenged by the PPC to ensure the valuation methodology and the valuation assumptions are reasonable. The PPC votes to approve the valuation. The findings are properly documented and will be communicated to the Board together with the recommendations for final approval from the Board. In case of disagreement on the valuation, the PPC escalates the issue to independent members of the Board. This can require the intervention of a third party to provide additional valuation.

H.3.2. Roles and responsibilities

The detail of the roles and responsibilities of the parties involved in the valuation process is given in the below table:

| <i>Task</i> | <i>Responsibilities</i> |
|--|---------------------------------------|
| <i>Performing of valuation</i> | <i>Risk Management function</i> |
| <i>Periodic approval of evaluation and oversight of RM</i> | <i>Risk/ Pricing Policy Committee</i> |

| | |
|---|---------------------------------|
| <i>Reporting to the Board and PPC</i> | <i>Risk management function</i> |
| <i>Analysis of the findings and approval of recommendations</i> | <i>Board of the AIFM</i> |
| <i>Compliance of valuation process with valuation policy</i> | <i>Compliance officer</i> |
| <i>Periodic review of valuation policy</i> | <i>PPC/ Board</i> |

H.3.2.1. The Pricing Policy Committee

Objective

The PPC also acting as VC ensures that a proper and independent valuation of the assets of the AIFs can be performed in accordance with applicable laws and regulations and this valuation policy.

Accordingly, the PPC duly reviews the valuations performed by the RM to obtain assurance that the valuation methodologies selected by the RM are in line with the valuation policy and appropriate in the circumstances and that the valuation assumptions are reasonable.

A valuation review procedure is established to describe the controls performed by the PPC over the valuation process, the documentation of such controls to ensure the valuations are adequate and who is responsible for performing such controls.

The on-going monitoring of the valuation provided by the RM should at least consist in the following checks and controls:

- a) Analysing values variation from one reporting date to the next.
- b) Validating values by comparison of realised prices with recent carrying values.
- c) A comparison with values generated by an independent third party (Valuation advisor).
- d) Highlighting and researching any differences that appear unusual or vary by valuation benchmark established for the type of asset.
- e) Reviewing the inputs used in model-based pricing, in particular of those to which the model's price exhibits significant sensitivity.
- f) Assessing the reasonableness of market and business assumptions used in the valuation work.
- g) Confirming the adequacy of comparable companies selected for multiples approach.
- h) Ensuring the adequacy, consistency and mathematical accuracy of valuation models.
- i) Performing sensitivity analysis and stress tests.

The PPC concludes if valuations prepared by the RM are acceptable, approves results and issues recommendations to the Board for final approval. Issues are escalated to independent members of the Board of Directors to take appropriate actions.

The PPC also ensures that the valuation policy and the designated valuation methodologies:

- a) Are applied consistently.
- b) Are applied to all assets within the relevant AIFs taking into account the investment strategy, the type of asset.
- c) Are applied consistently over time and valuation sources and rules shall remain consistent over time.
- d) Are applied consistently across all AIFs managed by the AIFM, taking into account the investment strategy, the type of asset.

Composition

The PPC should consist at least in two people. The AIFM shall ensure that the members have appropriate knowledge and independence from the portfolio management functions to perform their duty.

In case of identified conflict of interests of one member, the member should be replaced in its functions. A quorum of two members should always be obtained in order to vote for a valuation.

Valuation review

The PPC receives from the RM a summary valuation report concluding on a range of acceptable Fair Values for each investment.

After the controls detailed in the valuation review procedure are duly performed, the PPC has to vote to approve the valuations provided. A majority of the votes must be obtained to agree on the value. Outcome will be presented to the Board.

The physical presence of the PPC members is not necessary to the PPC meetings and the valuation review can be conducted by mail or phone. A minute of the outcome should be written recording all the resolutions taken at these meetings. All the supporting valuation material and other sources documents used in the decision process should be added in annexes. The minutes should be safely kept together with any supporting document and open for inspection by the Board of Directors and control functions.

Reporting

The PPC reports to the Independent member of the Board, as requested from time to time and in particular in case of issue escalation or conflict of interest.

In addition, the PPC also informs the Board of any valuation matter of extraordinary character that evidently falls outside the normal application of this valuation policy, and

which may have a material adverse impact on the reputation or the business of the company concerned.

H.4. Valuation requirements

Valuation requirements are stated in the Offering memorandum of the Funds managed by the AIFM. In case the prospectus of a fund requires the use of specific valuation methodologies not detailed in this policy, a mention to the fund particularities should be made in appendices of this policy.

H.5. Valuation methodology

- The RM should exercise its judgement to select the valuation technique or techniques most appropriate for a particular Investment. The key criterion in selecting a valuation technique is that it should be appropriate in light of the nature, facts and circumstances of the Investment and in the expected view of Market Participants.
- When selecting the appropriate valuation technique each Investment should be considered individually. An appropriate valuation technique will incorporate available information about all factors that are likely to materially affect the Fair Value of the Investment.
- The RM should maximise the use of techniques that draw heavily on observable market-based measures of risk and return.
- When possible, the RM should consider the use of multiple techniques to check the Fair Value derived is appropriate.
- Techniques should be applied consistently from period to period, except where a change would result in better estimates of Fair Value. The basis for any changes in valuation techniques should be clearly understood. It is expected that there would not be frequent changes in valuation techniques over the course of the life of an Investment.

H.5.1. Valuation procedure

Detailed pricing and valuation procedure will be issued in parallel to present document. It will provide the AIFM with the process to be followed in the selection of the appropriate valuation methodologies, in the performance of the fair value and in the control to be realised over the valuation work for each security type.

H.6. Frequency of valuation

The valuation frequency will vary according the specificities of the individual Funds and assets.

H.7. Documentation of valuation results and record keeping

All the documents which form the basis of valuation including inter-scheme transfers (the approval notes & supporting documents) should be maintained in electronic form or physical papers. Above records will be preserved in accordance with the norms prescribed by the laws and regulations.

H.8. Abnormal situations and unexpected events

No prescriptive guidelines are proposed to value securities/portfolios during such events since the events will impact the valuations in different ways. The AIFM, through its PPC/VC, will deal with each situation on a case-by-case basis in order to derive true and Fair Value of such securities and document the mechanism/process of identifying the occurrence and the methodology used in handling valuation in such situations. A deviation from the Valuation policy, if any, in aforementioned circumstances will be reported to respective board and communicated to the investors by a suitable disclosure.

H.9. Responsibility for this policy

Responsible for interpreting, implementing and regularly updating this policy: PPC
Responsible for periodic control and review of this policy: PPC and Board of Directors

H.10. Valuation policy approval

The valuation policy is reviewed and approved by the PPC and the Board.

H.11. Distribution of this policy

This policy is available to all the employees of the AIFM, members of the Board, and external auditors. Subject to the decision of the Board, the policy is also made available to investors, depositary banks and other third parties as the case may be.

H.12. Periodical review

The AIFM will review the AIFs' valuation procedure periodically (at least once a year) and before the relevant AIFs engages with a new investment strategy or a new type of asset that is not covered by the actual valuation procedure to ensure that it remains in line with best practice and that it allows the pricing of the Fund in adherence with market standards.

In case of the relevant AIFs' valuation procedure is not anymore in line with the investment strategy and/or the type of asset of the AIFs, the valuation procedure has to be adapted.

The risk management function will review and, if needed, provide appropriate support concerning the relevant AIFs' valuation procedure. Any recommendation of change will be documented and submitted to the Board which will review and approve any changes.