

**INVESTMENT VALUATION POLICY**

**NUOM STRESSED ASSETS OPPORTUNITIES FUND**

**(Alternative Investment Fund – CAT II)**

<b>Policy Version Details</b>	<b>Date of Implementation</b>
Investment Valuation Policy V1	15.07.2024

## NuOm Stressed Assets Opportunities Fund

### Investment Valuation Policy\*

Sr. No	Type of Instrument	Basis of Valuation
1	Any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received	The value shall be deemed to be the full amount thereof unless the Investment Manager shall have determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof in which event the value thereof shall deemed to be such value as the Investment Manager shall deem to be the reasonable value thereof
2	Quoted, listed, traded or market dealing prices	The Investment Manager or their agents shall be entitled to use and rely upon mechanised and/or electronic systems of valuation dissemination with regard to valuation of investments of the Fund and the prices provided by any such system shall be deemed to be the last traded prices, provided that notwithstanding the foregoing, the Investment Manager may, at its absolute discretion, permit some other method of valuation to be used if they consider that such valuation better reflects the fair value, provided that any such method of valuation shall be forthwith brought to the notice of the Investors and shall be applied no sooner that 15 (fifteen) days from the date on which the Investors were first notified
3	Listed securities	<ul style="list-style-type: none"> <li>• shall be valued at the last quoted/closing price on the exchange;</li> <li>• when the listed securities are traded on more than one recognised exchange, the listed securities shall be valued at the last quoted/ closing price on the exchange where the security is principally traded</li> <li>• when at a particular Valuation Point, a listed security has not been traded on the principal exchange, the value at which it is traded on another exchange may be used;</li> <li>• when a listed security (other than debt securities) is not traded on any exchange at a particular Valuation Point, the value at which it was traded on the selected exchange, as the case may be, on the earliest previous day may be used, provided such</li> </ul>

		date is not more than 30 days prior to such Valuation Point
4	Investments, other than securities, which are dealt in or traded through a clearing firm or an exchange or through a financial institution	Shall be valued by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no such price, then the average will be taken between the lowest offer price and the highest bid price at the close of business on any market on which such investments are or can be dealt in or traded, provided that where such investments are dealt in or traded on more than one market, the Investment Manager may determine at its discretion which markets shall prevail and provided also that the Investment Manager, at their absolute discretion, may permit some other method of valuation to be used if they consider that it better reflects value and is in accordance with good accounting practice
5	Investments, other than in securities, which are not dealt in or traded through a clearing firm or an exchange or through a financial institution	Shall be valued on the basis of the latest available valuation provided by the relevant counterparty. The Investment Manager and the key management personnel of Investment Manager shall ensure that the independent valuer computes and carries out valuation of the investments of the Fund in the manner as specified by the SEBI from time to time. The Investment Manager will ensure that the Valuation is conducted by following International Private Equity and Venture Capital Valuation (IPEV) Guidelines or any other guidelines endorsed by any eligible AIF industry association in terms of SEBI Master Circular No. SEBI/HO/AFD-1/AFD-1-PoD/P/CIR/2024/39dated May 7, 2024..
6	fixed income securities	<p>a. traded debt securities (other than government securities) are valued at the last quoted / closing price on the NSE on the day of valuation;</p> <p>b. non-traded / thinly traded / unlisted debt securities of up to 182 days to maturity are valued at cost or last valuation price (in case of securities having maturity period of more than 182 days at the time of purchase) plus difference between the redemption value and the cost or last valuation price spread uniformly over the</p>

		<p>remaining maturity period of the instrument;</p> <p>c. non-traded / thinly traded / unlisted debt securities of over 182 days to maturity are valued in good faith by the investment manager on the basis of the concept of using spreads over the benchmark rate (government securities) to arrive at the yields for pricing the security;</p> <p>d. money market instruments are valued at the last traded yield on the date of valuation. In case the money market instrument is not traded at the Valuation Point then it is valued on straight-line amortization over the maturity period of the instrument.</p>
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**OTHER KEY CONSIDERATIONS:**

**1. Appointment of Registered Valuer:**

- The Investment Manager (“**NuOm Services LLP**”) shall engage an Independent and reputed Valuer for the purpose of valuation of investments of the Fund;
- The fund shall adhere to the eligibility criteria laid down by SEBI for appointment of valuers. As per the SEBI Master Circular No. SEBI/HO/AFD-1/AFD-1-PoD/P/CIR/2024/39 dated May 7, 2024, SEBI had mandated the following eligibility requirements for an independent valuer:
  - i. The independent valuer shall not be an associate of manager or sponsor or trustee of the AIF;
  - ii. The independent valuer shall have at least three years of experience in valuation of unlisted securities;
  - iii. Registered as a valuer with Insolvency and Bankruptcy Board of India (‘IBBI’) and has membership with ICAI / ICSI / ICMAI / CFA; OR  
Is a holding company or subsidiary of a Credit Rating Agency registered with SEBI; OR  
Any other criteria as may be specified by SEBI from time to time.
- The fees of the independent valuer shall be determined as per the market standards and the fees paid shall be duly reported to the investors.

**2. Periodicity of Valuation:**

- The PPM of Fund states that valuation of investments shall be conducted on half-yearly basis, however, the fund has, with the approval of two-thirds of the investors in value, enhanced the period of valuation to one year;
- The valuation report shall be submitted by the Valuer within five days of end of the Financial Year to the Investment Manager. Further, the valuation shall be as on the date of Financial Year end.

**3. Format of Valuation Report:**

- The format of the valuation report shall be finalized with the Valuer before filing of the Valuation Report;
- The said format of valuation report shall ensure –
  - i. Compliance with applicable valuation standards, such as the **Indian Valuation Standards**

**(IVS) or International Valuation Standards (IVS).**

- ii. Conducted independently, and
- iii. Provides sufficient detail to investors, ensuring transparency about the methodology and results.

**4. Performance Benchmarking of AIFs:**

- The fund achieved its First Close on 15<sup>th</sup> July, 2024. As per the SEBI Master Circular No. SEBI/HO/AFD-1/AFD-1-PoD/P/CIR/2024/39 dated May 7, 2024 – ‘AIFs, for all their schemes which have completed at least one year from the date of ‘First Close’, shall report all the necessary information including scheme-wise valuation and cash flow data to the Benchmarking Agencies in a timely manner’.
- The Fund is yet to complete one year from its first close and thus, the benchmarking provisions as per the SEBI Master Circular No. SEBI/HO/AFD-1/AFD-1-PoD/P/CIR/2024/39 dated May 7, 2024 shall be applicable from FY 2025-26.
- The fund shall, in its annual review of this policy, incorporate details of benchmarking performance, as might be applicable.
- Further, the fund shall ensure that the fund shall report valuation based on audited data of investee companies as on March 31 to performance benchmarking agencies within the specified timeline of six months.

**5. Regulatory Framework for Valuation of Investments:**

- Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- SEBI Master Circular No. SEBI/HO/AFD-1/AFD-1-PoD/P/CIR/2024/39 dated May 7, 2024;
- Institute of Chartered Accountants of India (ICAI) Valuation Standards;
- Accounting Standards and Ind-AS (Indian Accounting Standards), etc

**6. Compliance of this Policy:**

- The responsibility to ensure compliance with the provisions of this policy shall rest with the **Investment Manager Entity – NuOm Services LLP.**

*\*Note – The said valuation policy has been prepared on the basis of the Private Placement Memorandum of the Scheme which has been taken on record by the SEBI. Any changes to the Private Placement Memorandum pertaining to the valuation of the securities shall entail a corresponding change in this policy document.*