VALUATION OF ILLIQUID SECURITIES
REQUIRES ANALYSIS & SUPPORT

Portfolio Valuation Advisory Services

Given the dramatic rise in the number and value of illiquid securities held by hedge funds, private equity funds, pension funds, endowments and corporations, the scrutiny and attention by investors, regulators, and auditors to fair value reporting standards has sharpened dramatically. In light of these trends, it is imperative that reported fair values are not only accurate, but are also supported by a well-defined and consistently applied valuation analysis and policy.

What is Hilco Valuation Advisory?

We are a team with significant experience in this unique space and provide clients with important valuation services of alternative investments, specifically for securities and positions for which there are no “active market” quotations available. We serve both small organizations looking for a sole provider, as well as larger companies looking to complement their provider. Hilco Valuation Advisory (HVA) is a part of Hilco Global, an international organization dedicated to asset valuation, monetization, investment and advisory services.

Our Services

Establish or confirm fair value for investments not regularly traded in public markets.

- We have the organizational strength and experience to handle any size portfolio involving any mix of financial instruments, including:
  - Secured and Unsecured Loans and all other Debt Instruments
  - Preferred Equity and Non-Public or Illiquid Equity
  - Convertible Securities, Warrants and Options
  - Real Estate, Royalty Streams and all other Assets
- We work with management to help establish best practices, independently assess and lend support on valuation methodology.

Fair value reviews monthly, quarterly, semi-annually or annually using the most appropriate valuation procedures and analyses.
Why Choose Us?

Our team members have been asset managers and consultants so we understand your perspective and what you want:

• Efficient and timely process.
• Thoughtful and pointed questions so investment professionals can spend their time doing what they do best.
• A tailored work-product that will help you through your process with your auditors and regulators.
• Consultants in the valuation process, not just a shop to review your numbers.
• Experience dealing with auditors and regulators.
• Confidence and transparency for your investors.
• Experience with valuation committee and Board of Director meetings.

Critical Issues for Investors, Auditors and Regulators

Investors (whether entering or exiting a fund), auditors, regulators and Board of Directors need to understand the following regarding illiquid investments.

› Process and procedures. Are they well-documented and consistently adhered to?
› How the fund values these type of securities/assets?
› How frequently are the assets valued?
› Does the fund use independent third-party firms to validate or determine value?
› Are the Valuations balanced?
  • Aggressive valuations may overstate performance, compensation and fees.
  • Overly conservative marks may unfairly penalize redeeming investors and distort volatility measures.

The Hilco Global Advantage

› Scalability: With 500 professionals, we can call upon large teams to help complete large projects and meet any deadline.
› Experience: We employ many industry experts and perform 2,000+ appraisals annually.
› One Stop Shop: We have groups that specialize in every valuation and disposition capacity.
› Brand Recognition: We are a global company and highly respected industry leader.