

Key Features of the Regulated Fund¹, Qualifying Fund² and Specialist Fund³

| | Regulated Fund | Qualifying Fund | Specialist Fund |
|---|--|---|---|
| GENERAL MATTERS | | | |
| Status of the fund | Regulated | Registered | Registered |
| Domicile | Isle of Man | Isle of Man | Isle of Man |
| Establishing the scheme | Pre notification of the fund to the Commission ("the FSC"), with draft documentation, agreements and information. | Notification 10 working days after launch | Notification 10 working days after launch |
| Changes to the scheme | Pre notification of material changes to the fund to the FSC, with draft documentation, agreements and information. | Notification 10 working days after change | Notification 10 working days after change |
| Minimum investment level | Set by governing body | Each fund to agree between manager and governing body | US\$100,000 |
| Entrant criteria | Set by the governing body | Qualifying Investor entrant criteria | Specialist Investor entrant criteria |
| Regulatory fees (as at 1 May 2010) | Application Fee £900 Annual Fee £1,200 | No Application Fee Annual Fee £500 | No Application Fee Annual Fee £500 |
| THE GOVERNING BODY | | | |
| Governing body vetted by the FSC (directors/ trustee/ general partner) | Yes | No | No |
| Governing body signs statement of | Yes | Yes | Yes |

¹ Established under the Collective Investment Schemes (Regulated Fund) Regulations 2010

² Established under the Collective Investment Schemes (Qualifying Fund) Regulations 2010

³ Established under the Collective Investment Schemes (Specialist Fund) Regulations 2010



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| responsibility | | | |
| At least one IOM resident individual member of the Governing Body | Yes | Yes | Yes (if “overseas” administrator appointed this person must be an IOM Fiduciary licenceholder (or provided through one) and has extra notification obligations) |
| FUNCTIONARIES | | | |
| Manager or Administrator | Manager IOM licenceholder with permission to act for the fund | Manager IOM licenceholder | Administrator IOM licenceholder or licensed in an “acceptable jurisdiction” |
| Investment advice/ Asset management | Governing body must ensure appropriate arrangements are in place. If a regulated asset manager is not appointed the specific responsibilities under the Regulations must be fulfilled by the manager. | Governing body must ensure appropriate arrangements are in place (manager agreement required to investment advisers and asset managers). | Governing body must ensure appropriate arrangements are in place. |
| Fiduciary Custodian or Trustee required? | Yes (Regulated in IOM, UK, Ireland, Luxembourg, Jersey or Guernsey or found acceptable to the FSC) | No | No |
| Custodian | If sub-custodian is appointed they must be regulated in IOM or in a suitable jurisdiction. | Regulated in IOM or in a suitable jurisdiction. | Not required – custody arrangements disclosed in Offering Document. |
| Promoter | The fund must appoint a promoter who is the manager or a person who the governing body has assessed as being suitable to act as the fund’s promoter. | A regulated promoter must be appointed if sales to “certain persons” ⁴ are allowed through non regulated financial advisers | No specific requirements |
| Regulated Financial Adviser | No specific requirements | If sales to “certain persons” ⁴ are restricted to sales through Regulated | No specific requirements |

⁴ a person whose expertise, experience and knowledge to adequately appraise the investment is required to be certified by a financial adviser



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| | | Financial Advisers there is no need for a regulated promoter. | |
| Qualifying auditor | Yes | Yes | Yes |
| RESPONSIBILITIES | | | |
| Ensure the Regulations are complied with and offering documents and constitutional documents are compliant | Governing Body | Governing Body | Governing Body |
| Ensure only up to date offering documents are issued to investors and potential investors | Governing Body | Governing Body | Governing Body |
| Ensure the manager or administrator is informed of all changes to the fund | Governing Body | Governing Body | Governing Body |
| Ensure investors are notified of material changes | Governing Body | Governing Body | Governing Body |
| Determine whether the fund is and continues to be managed and operated in accordance with its constitutional document. | Governing Body, Manager and Fiduciary Custodian / Trustee | Governing Body and Manager | Governing Body |
| Notify FSC if determines that the fund is not managed and operated in accordance with its constitutional documents | Manager and Fiduciary Custodian/Trustee | Manager | Administrator |
| Notify FSC if Regulations are not being complied with | Manager and Fiduciary Custodian/Trustee | Manager | Administrator |
| Notify FSC if a member of the governing body or the qualifying auditor is removed from such office, resigns or is not reappointed | Manager (the member and qualifying auditor must also notify with reasons) | Manager (the member and qualifying auditor must also notify with reasons) | Administrator (the member and qualifying auditor must also notify with reasons) |
| Satisfy itself about investor's status on basis of declarations | Manager | Manager | Administrator |
| Submit notifications to FSC on launch | Governing Body and Manager | Governing Body and Manager | Governing Body and |



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|--|-----------------------------------|--------------------------------------|--------------------------------|
| | | | Administrator |
| Notification to FSC on alternation of the fund | Manager | Manager | Administrator |
| Complete and submit the annual compliance declaration to FSC | Governing Body and Manager | Governing Body and Manager | Governing Body |
| Provide quarterly statistical information. | Manager | Manager | Administrator |
| Report to FSC if requirements re offering document declarations or fund accounting not complied with. | Manager | Manager | Administrator |
| Notify FSC where audit report is qualified and/or a management letter is issued by the auditors | Manager | Manager | Administrator |
| Notify FSC if audited annual financial statements are late (with reasons, timetable for distribution). | Manager | Manager | Administrator |
| Ensure adequate procedures controls are in place | Manager | No explicit requirement | No explicit requirement |
| Notify the fiduciary custodian or trustee of material lapses in procedures and controls | Manager | N/A | N/A |
| Responsible for fund promotion and the suitability and accuracy of promotional materials and advertising | Promoter | Regulated Promoter or Manager | No explicit requirement |
| Oversee the promotion of the fund | Manager | No explicit requirement | No explicit requirement |
| INVESTMENT AND BORROWING, VALUATION AND PRICING | | | |
| Disclosure of Investment Objectives required in the offering document | Yes | Yes | Yes |
| Policy required for spread of investment risk | Yes | Not specified | Not specified |
| Risk Management Policy required | Yes | Not specified | Not specified |
| Regulations address hedging, gearing, borrowing, total debt commitment and liquidity (with additional | Yes | No requirement | No requirement |



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| flexibility where disclosed in the offering document) | | | |
| Regulations address valuation and pricing | Yes | No | No |
| DOCUMENTATION REQUIREMENTS | | | |
| Constitutional Document required to include prescribed information set out in the Regulations | Yes | Yes | Yes |
| Offer Document - required to include all material information relevant to an informed judgement about participating in the fund | Yes | Yes | Yes |
| Offer Document - required to include prescribed information and risk warnings set out in the Regulations | Yes | Yes | Yes |
| Application form required to include prescribed Investor declarations set out in the Regulations | Yes | Yes | Yes |
| Promotional and marketing materials required to be accurate and not misleading | Yes | Yes | Yes |
| Specific requirements for inclusion in advertisements set out in the Regulations | Yes | No | No |
| FINANCIAL INFORMATION | | | |
| Annual audited financial statements | To be audited and distributed within 6 months of the financial year end | To be audited and distributed within 6 months of the financial year end | To be audited and distributed within 6 months of the financial year end |
| Unaudited Interim Financial statements | Required where the fund does not calculate a net asset value at least monthly | No requirement | No requirement |

Summary correct as at 1 May 2010

