

Private Investment Funds
Established in Jersey



PRIVATE INVESTMENT FUNDS ESTABLISHED IN JERSEY

KEY FEATURES

- Private investment funds for single investors or small groups of up to 15 co-investors
- These funds can take the form of private Jersey companies, private Jersey unit trusts or Jersey limited partnerships
- Flexible range of uses including direct investment into one or more portfolios of assets or a special investment situation or as a feeder fund or fund of funds
- Ability to appoint investment manager or multi-managers for the private fund
- Private funds can be established as single or multi-class structures
- Establishment of private fund on a fast-track basis
- Private funds fall outside Collective Investment Funds regulation in Jersey
- Private funds are free from direct tax in Jersey on non-Jersey source investment profits and income
- Private funds can be used for many purposes: as private investment holding vehicles, as special opportunity investment vehicles, as asset allocation vehicles for family offices or as vehicles for institutions or high net worth investors to award an investment mandate over a pool of monies or assets to a specified investment manager or as multi-manager funds

- The unitisation of the interests in the private fund and periodic NAV calculations facilitate investment performance monitoring of the portfolio of investments and also provide a basis for introducing performance fee mechanisms to incentivise and reward investment managers if required.

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INTRODUCTION TO THE PRIVATE FUND CONCEPT

Private investment funds (“PIF’s”) for use by a single institutional or sophisticated investor or by a small group (not exceeding 15) of institutional or sophisticated co-investors can be established in Jersey in the form of private Jersey companies, private Jersey unit trusts or Jersey limited partnerships. These vehicles are very flexible and can be tailored to the exact requirements of investors.

- A PIF can be established swiftly (within a matter of a few business days once the specification for the fund has been agreed and the service providers to the fund have been identified and agreed terms).
- A PIF falls outside the definition of regulated Collective Investment Funds in Jersey and can also be structured, if required, so it is exempt from financial services business regulatory controls and supervision in Jersey where it is established for sophisticated investors and the minimum investment amount per investor is set at or above £250,000 or foreign currency equivalent or the investors otherwise qualify as professional investors.
- Investors make capital contributions to the PIF and acquire shares, units or partnership interests in the PIF depending upon the legal form selected. The size of the interest in the PIF is measured by means of unitisation of the PIF which is undertaken for internal accounting, valuation and investor reporting purposes.
- The PIF can be established as an open-ended private fund so investors can make additional investments into the fund following their initial investment and subject to the terms of the fund they can withdraw and

redeem the whole or part of their investment in the fund on periodic dealing days. Alternatively, the PIF can be established as a closed-ended fund with one or more closings and with a fixed life or indefinite duration.

- The PIF is a flexible vehicle which can be used as a private fund structure for direct investment into a portfolio of securities or a particular investment situation or as a feeder fund or as a fund of funds.
- The PIF is suitable where an institutional investor such as a pension fund or insurance company wishes to award an investment management mandate over certain monies to a third party investment manager and have its investment portfolio managed within a private fund structure.
- Alternatively the PIF may be of value as an asset allocation vehicle for use by family offices or it can be used as a joint venture investment vehicle where a group of sophisticated investors numbering not more than fifteen wish to co-invest together in a particular investment scenario or acquire a portfolio of securities.
- The PIF can be customised to meet the particular requirements of its investors. There are no prescribed investment or borrowing restrictions. The investment policy and powers of the PIF can be tailored to the risk appetite and particular investment objectives and needs of its investor or investors.
- The PIF has power to appoint an investment manager or multi-managers to manage the investment of the assets of the PIF. In addition the PIF will appoint, as appropriate, a trust company in Jersey to act as fund administrator and a separate custodian if required.
- The unitisation of the PIF facilitates periodic client reporting on investment performance and also enables the investment manager if it so wishes to include the fund performance in its own performance records statistics.

- The unitisation also facilitates the calculation and charging of any performance fees that may be agreed between the investor and the investment manager.
- A PIF taking the form of a Jersey unit trust will not be subject to any taxation in Jersey save in respect of any Jersey source income (with the exception of Jersey bank deposit interest). Jersey companies used as PIFs are subject to the standard zero rate of tax in the island for corporate entities. Jersey limited partnerships are fully tax transparent. Non-Jersey resident investors will not suffer any deductions in respect of Jersey tax on any distributions made by the PIF or on the redemption of their interest in the PIF. Accordingly the PIF is tax neutral for Jersey taxation purposes.

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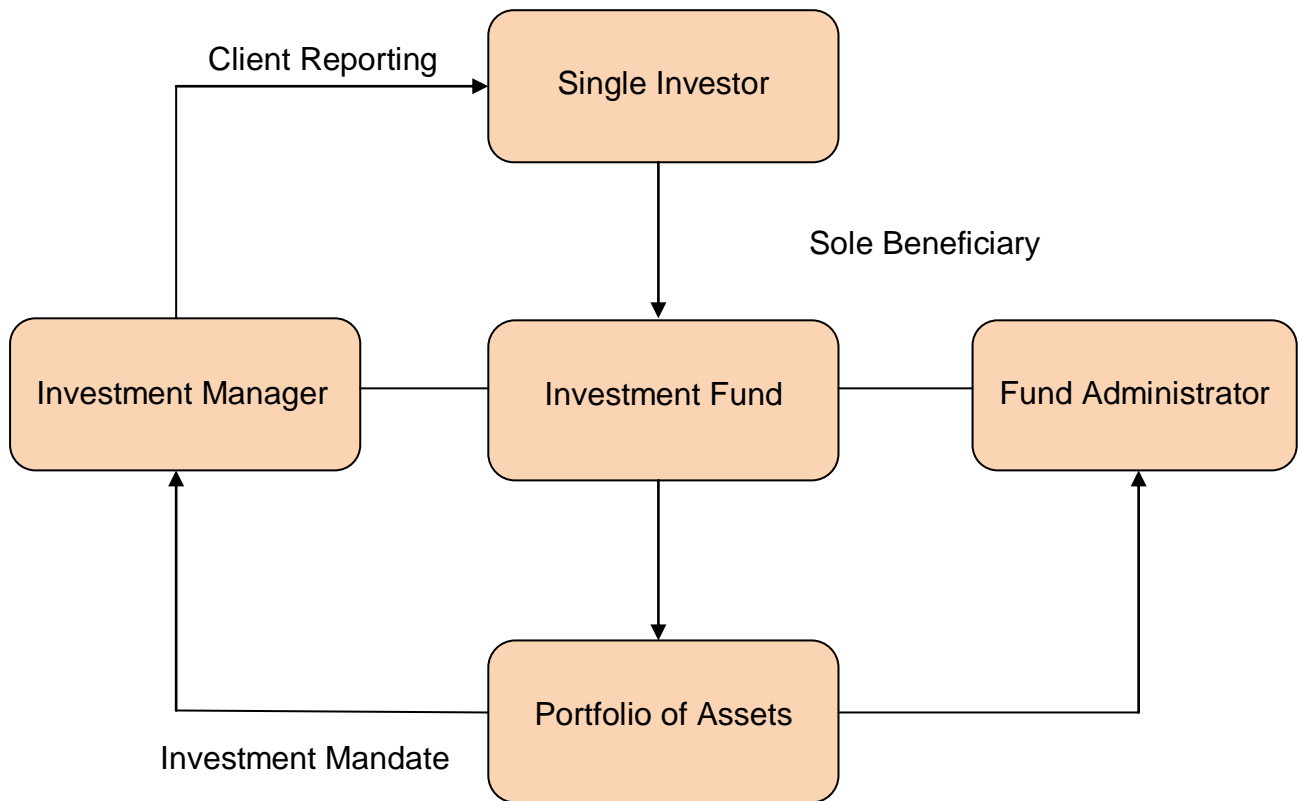
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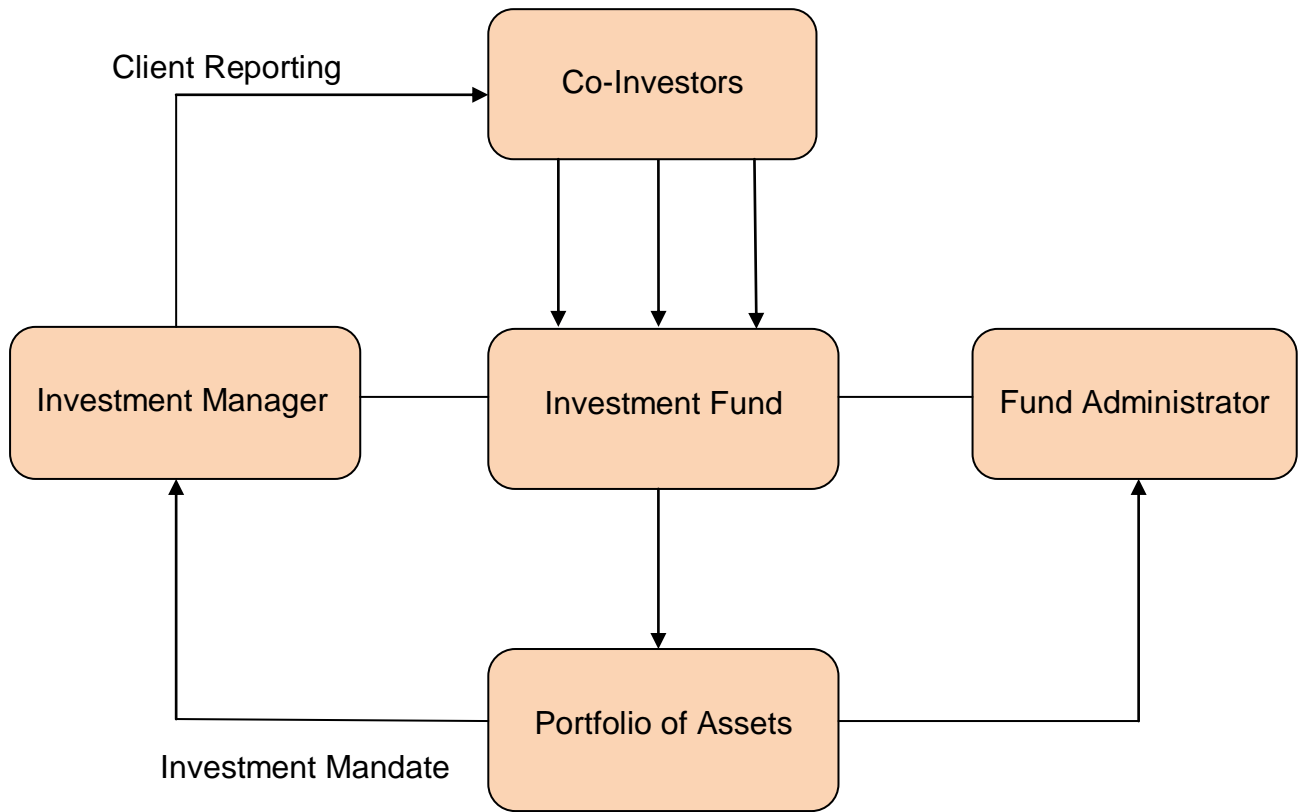
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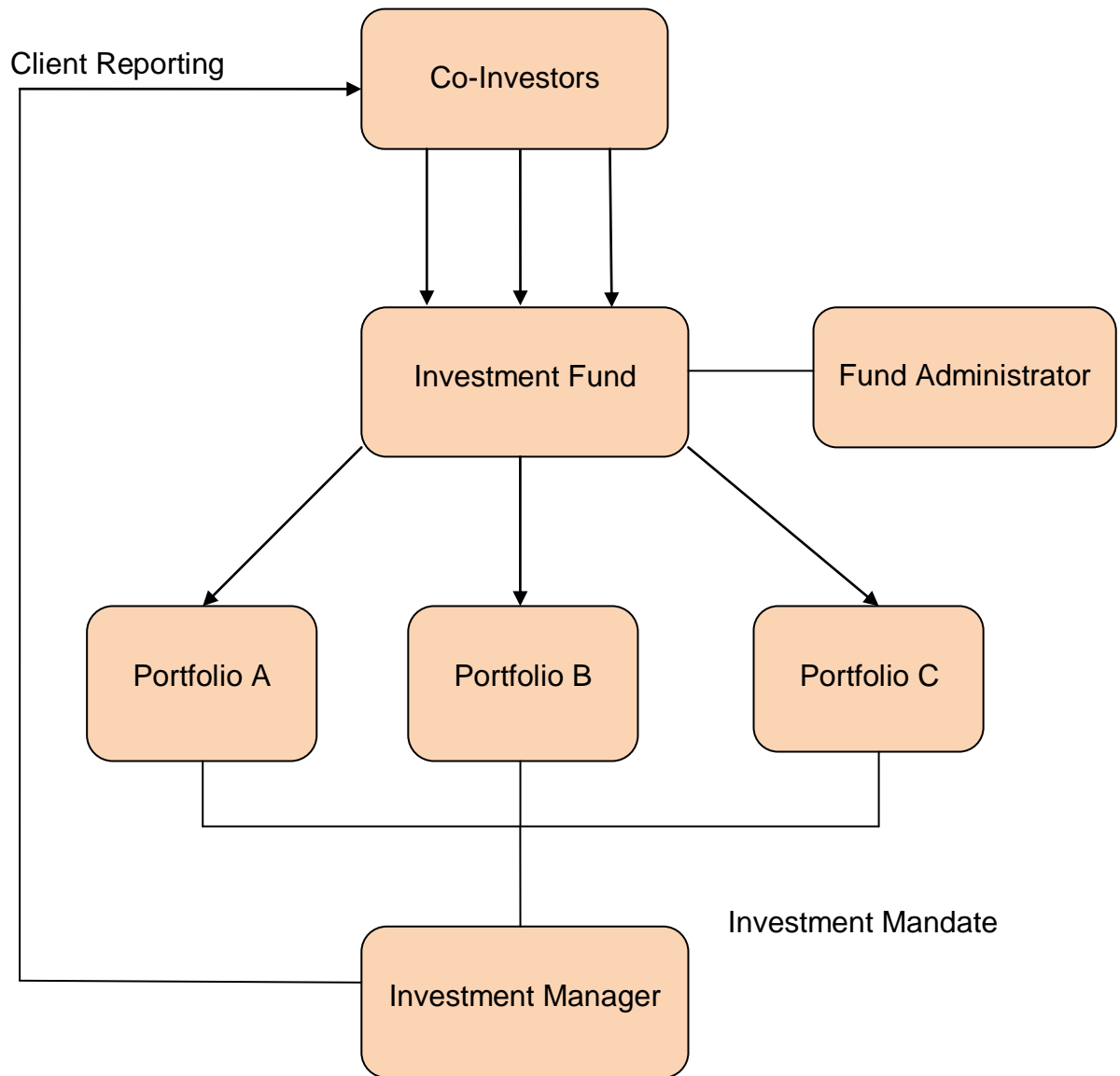
SINGLE INVESTOR STRUCTURE



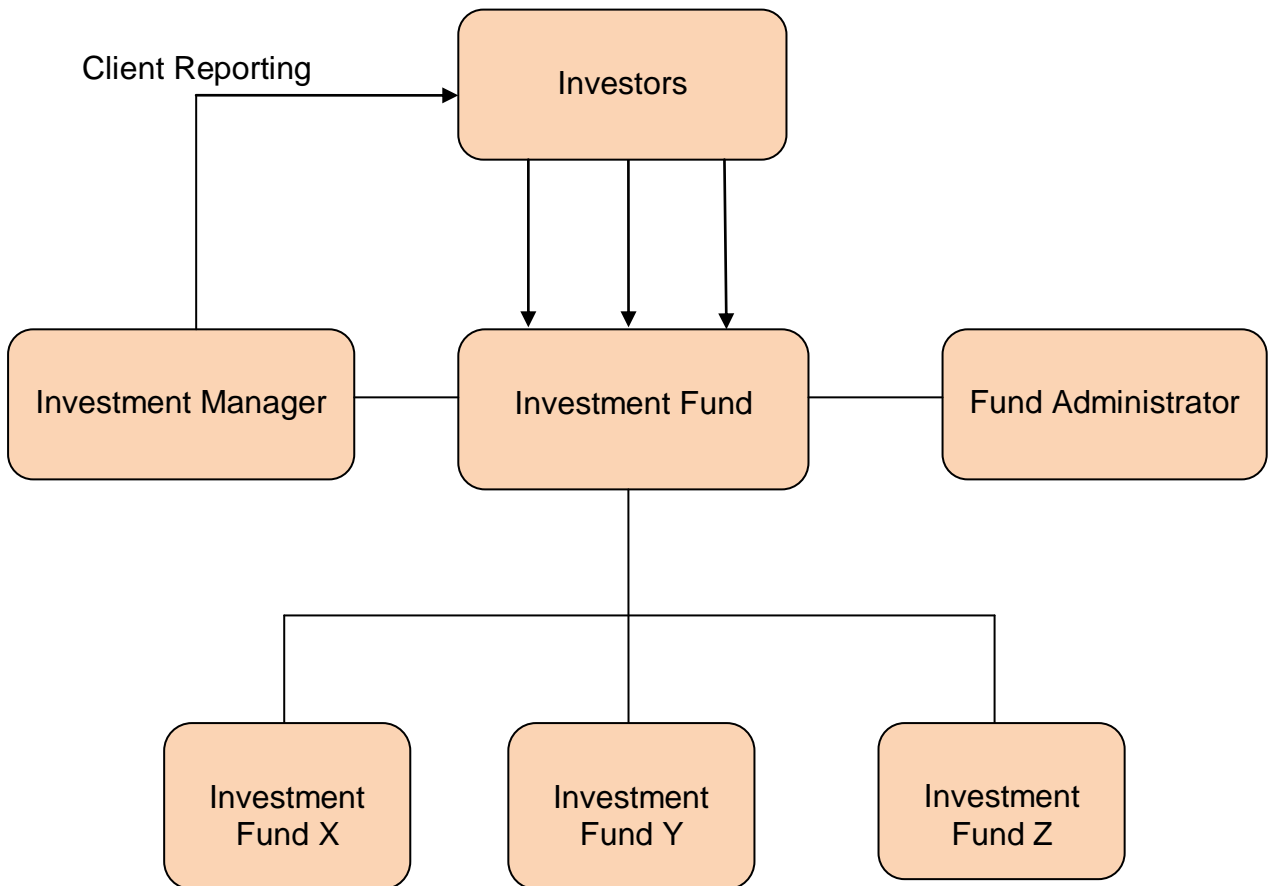
CO-INVESTMENT STRUCTURE FOR SMALL GROUP OF INVESTORS



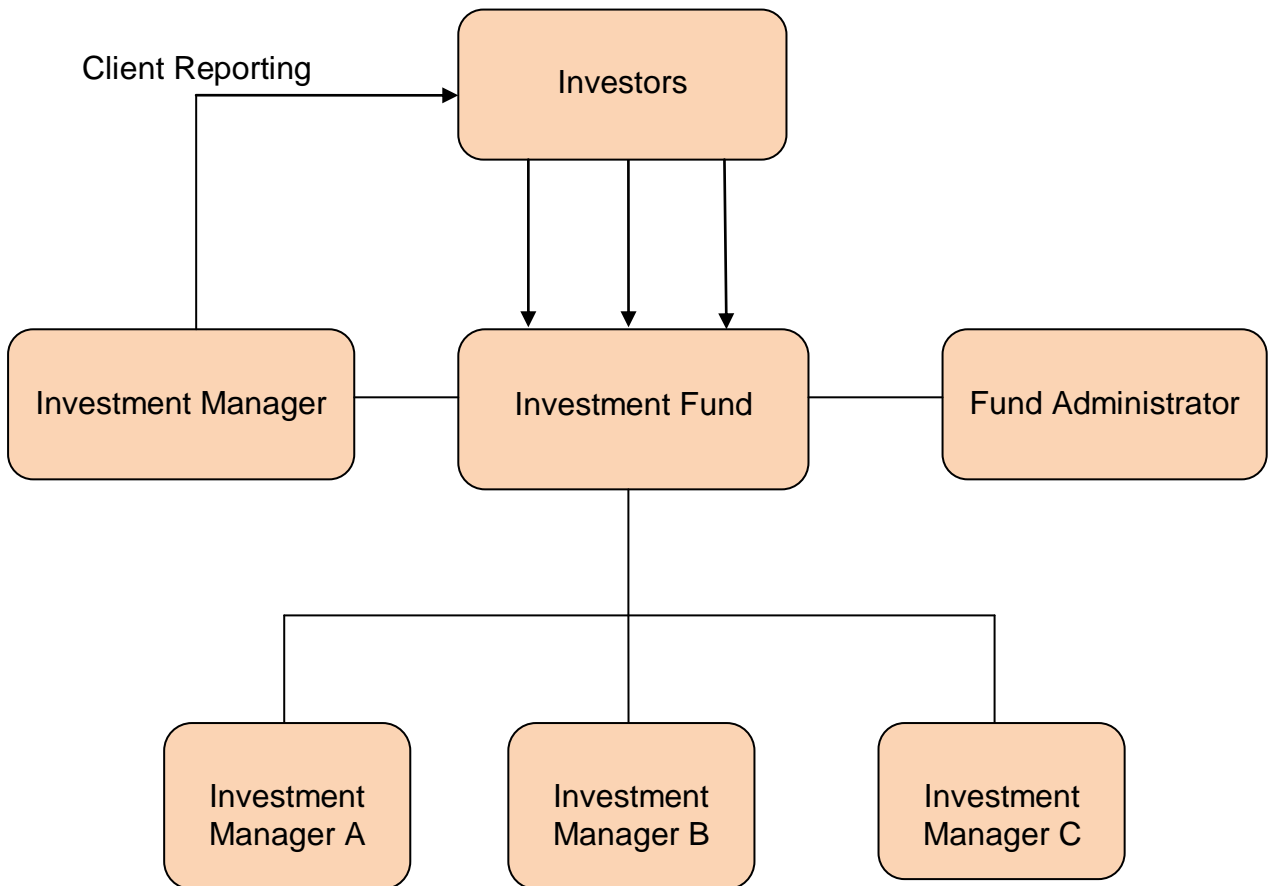
MULTI-CLASS UMBRELLA FUND STRUCTURE



FUND OF FUNDS STRUCTURE



MANAGER OF MANAGERS FUND STRUCTURE



MULTI-MANAGER FUND STRUCTURE

