

Foundations Program

KEY FEATURES

Nature of Contract: Contract for Participation in an open-ended investment company.

Nature of Product: Conservative leveraging Program applied to an existing investment. The client assigns their existing asset and it is used as security per Program rules to borrow and reinvest in incremental amounts over a 26-month period. Reinvestment surplus (after payment of borrowing costs) is paid out on exit after completion of at least 5 years. Any net losses are payable at time of exit and may be taken from the Assigned Asset.

Target Investment Return: 20 – 30% over 5 years. This is in addition to any returns from the original Assigned Asset and is payable on exit from the Program after 5 years.

Minimum Value of Assigned Asset: US\$ 65,000 realisable value (or currency equivalent).

Assignable Assets: Offshore life policies and other unithised collective investment schemes (subject to director approval), which have liquidity and are easily valued. Additional Assigned Assets (or Top ups) may be added to existing assets at the discretion of the directors. Otherwise assets will be treated as new business.

Switching within Assigned Asset: The Program does not restrict the client's ability to switch assets however the administrator must be notified.

Dealing Frequency: Monthly.

Charges: 3% on the initial Notional Value of the Assigned Asset amortised over 5 years. 1.5% p.a. AMC. Additional operational costs are not expected to exceed 0.7% p.a. There is a 15% performance fee, which is subject to a high water mark.

Exit penalties from the Program: In the first 5 years 2.5% of the initial written down value of the Assigned Asset, this will be off-set by any allocated profit at time of exit. Thereafter 0.75% of the Ascribed Value on exit. The client will be liable for their share of any past accumulated losses (if applicable) arising from their participation.

Domicile: Isle of Man.

Registered Office: St James's Chambers, 64a Athol Street, Douglas, Isle of Man, IM1 1JE.

KEY PARTIES

Administrators: Caledonian Trust (IOM) Limited, St James's Chambers, 64a Athol Street, Douglas, Isle of Man, IM1 1JE.

Initial Lenders and Bankers: Barclays Private Clients International Limited, PO Box 9, Barclays House, Victoria Street, Douglas, Isle of Man, IM99 1AJ.

Safe-Keeper of Assigned policies: Thring Townsend, Solicitors, Midland Bridge, Bath, England, BA1 2HQ.

Custodian: Close Trustees (Isle of Man) Limited, St Georges Court, Upper Church Street, Douglas, Isle of Man, IM99 1RB.

Investment Advisors: Barings Asset Management (CI) Limited, Trafalgar Court, Admiral Park, Les Banques, St Peter Port, Guernsey, GY1 3DA.

Auditors: PricewaterhouseCoopers, Chartered Accountants, Sixty Circular Road, Douglas, Isle of Man, IM1 1SA.

Legal Advisors: Dickinson Cruickshank, 33 Athol Street, Douglas, Isle of Man, IM1 1LB.

Important Note:

The Program return is not guaranteed. Investments made can go down as well as up. Your Assigned Asset is part of the security provided to the bank to support the loan and reinvestment made by the Program. As such, you may not get back the full value of your Assigned Asset on exit from the Program. This document summarises, and is not a substitute for, the Offering Document.

Neither the Company nor the Fund is subject to any form of regulation or approval in the Isle of Man and participants are not protected by any statutory compensation arrangements in the event of the Company's failure. The Isle of Man Government Financial Supervision Commission does not vouch for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to the Company or the Fund. The Fund constitutes an "experienced investor fund" and complies with the requirements of the Financial Supervision (Experienced Investor Fund) (Exemption) Order 1999 of the Isle of Man.

