



INTEGER WEALTH GLOBAL

Literature – Glossary of Investment & Related Abbreviations and Definitions

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This document provides a non-exhaustive list of abbreviations in support of, and which are primarily depicted on the document diagram 3.10 on section 3 of our website on the 'Our Downloads', section Integer Wealth Capital (IWC), document diagram '3.10 IWC - Fund establishment process (A3 Size)', as also mentioned within several legal documents and contractual agreements.

The common abbreviations are:

1. Short Abbreviations

1.1 AIFM

Alternative Investment Fund Manager

1.2 MiFID

Markets in Financial Instruments Directive

1.3 CySEC

Cyprus Securities & Exchange Commission

1.4 SM & CR

Senior Managers &. Certification Regime (often for solo regulated firms)

1.5 MLRO

Money Laundering Reporting Officer

1.6 DMLRO

Deputy Money Laundering Officer

1.7 AMLCO

Anti Money Laundering Compliance Officer

1.8 ACD

Authorised Corporate Director

1.9 FSB

Financial Stability Board (Europe)



2. Expanded Abbreviations

2.1 IM - Investment Mandate

An investment memo (also known as a deal memo or deal memorandum) is a crisp and clear way to lay out and pitch your company to potential investors. Memos are a clear and concise document to lay out strategic vision, rationale, and expectations for an investment, project, product or strategy.

2.2 IOS - Investment Offering Supplement

Supplementary Offering Document means a document issued to modify, add to, alter and amend or amend and restate or to make any other amendment to the original 'Offering Document'.

2.3 IOD - Initial Offering Date

An initial offering date is a date set during the underwriting process on which a security is first made available for public purchase. An initial public offering (IPO) is when a private corporation issues new equity shares or securities to public investors.

2.4 IOP Dates - Investment Offering Prospectus Dates

The initial offering date is when a stock or security is first made available for public purchase. The initial offering date is part of the process for an initial public offering (IPO), which is when a private company issues new shares of stock or securities to public investors.

2.5 NAV Compilation - Net Asset Value Compilation

NAV is the current net value of an investor's share of a fund or other investment entity.

Net Asset Value (NAV) is a term applied to companies, funds, partnerships, trusts or other investment entities that describes the current value of the entity, usually expressed on a per-share basis. In simple terms, the U.S. Securities and Exchange Commission defines Net Asset Value as "a company's total assets minus its total liabilities".

Funds will typically hold dozens, if not hundreds, of financial assets on behalf of their investors. A Net Asset Value calculation sums the value of all the assets, subtracts the value of any liabilities, and provides investors with a way to determine the value of their shares.

For public funds (open-end investment companies), NAVs represent the exact price an investor can buy or sell shares, subject to any applicable sales charges or transaction fees. For closed-end fund entities, the price of a share is determined in the marketplace and may be above or below the calculated NAV.

The NAV formula and calculation is: $NAV = (\text{Total Assets}) - (\text{Total Liabilities})$

2.6 IWF Relation - Integer Wealth Finance Relation (Now Integer Wealth Capital - IWC)



2.7 IOM - Investment Offering Mandate

An investment mandate is a set of rules laying out how a pool of assets should be invested. Mandates may include guidelines on priorities, goals, benchmarks, risk, and types of funds to be either chosen or avoided. Mutual funds, exchange-traded funds, and other pooled assets always have investment mandates.

2.8 SOIS – Schedule of Investment (Supplement)

Describes the investment strategy. What investments will be allocated to which part or project of an investment fund.

2.9 IP - Investment Prospectus

A document that describes the mutual fund to prospective investors. Every mutual fund provides a prospectus with information about the mutual fund's investment objectives, risks, past performance, and expenses. You can get a prospectus from the mutual fund company's website or by mail.

A mutual fund is an investment vehicle consisting of a portfolio of stocks, bonds, or other securities, overseen by a professional money manager.

2.10 Political Exposed Person (PEP)

In financial regulation, a politically exposed person (PEP) is an individual/s who are entrusted with a prominent public function. A PEP generally presents a higher risk for potential involvement in bribery and corruption by virtue of their position and the influence that they may hold. The terms 'Politically Exposed Person' and 'SFP' or, 'Senior Foreign Political' figure are often used interchangeably, particularly in international forums.

3 Descriptive Abbreviation

3.1 The ACD

The ACD is legally responsible for the day-to-day management of a fund and must ensure that it's managed within the detailed regulations applying to it.

It's usual for the day-to-day investment management of a fund to be delegated by an ACD to a regulated investment manager (often referred to as an investment adviser). The investment manager may be part of the same group as the ACD, or the ACD may appoint a firm which has no other legal relationship with them. Either way, the ACD must ensure that the investment manager invests the fund's assets in line with the objectives, strategy and investment principles of the fund and with the regulations. It's important to note that, even if the ACD delegates investment management, the Financial Conduct Authority (FCA – the UK regulator) still regards the ACD, rather than the investment manager, as being responsible for how the fund is managed. That's why it's so vital for the ACD and the investment manager to work closely together and to be able to see 'eye to eye' about how the fund should be run.



3.2 The Depositary

The Depositary must be independent from the ACD. It has an important role to play in terms of investor protection. It's responsible for the safekeeping of a fund's assets, making sure they're held separately from those of the ACD. In practice, most UK Depositaries delegate the safekeeping of assets to a custodian, which is often a specialist part of a large bank, although it is an independent entity, with its business separated from the rest of the bank.

The Depositary must oversee the custodian and ensure that it holds the assets correctly and in line with the rules. The Depositary also has an important oversight function in respect of the ACD's operations - ensuring a fund's investments are of a type permitted by the rules and by the fund's own investment objective. It must also make sure that the fund is valued correctly and that the ACD has proper procedures to correctly process the buying and selling of shares or units in a fund by investors. Finally, the Depositary also monitors the fund's cash flows.

The regulatory requirement in the UK for the Depositary to be structurally independent of the ACD, given its important oversight role, is a higher standard than applies in much of the EU.