



INTEGER WEALTH GLOBAL

IWG Network Membership Licence — Pricing Justification and Economic Rationale

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A Tier-structured valuation framework based on regional stability, economic density, market affordability, and demonstrable return on investment.

1. Overview

The pricing of an IWG Network Membership Licence is not an arbitrary commercial decision. It is a carefully considered valuation of the territorial right, institutional infrastructure, and economic opportunity being transferred to each member firm. The three-tier fee structure

- Tier 1 at EUR 24,000,000
- Tier 2 at EUR 16,000,000
- Tier 3 at EUR 11,000,000

reflects a disciplined analysis of four converging factors: regional political and financial stability, the economic density of the jurisdiction and its investor base, the relative affordability of market entry in each region, and most importantly, the demonstrable and quantifiable return on investment available to every member firm from the moment it begins operating within the IWG network.

The following sets out the full rationale for each tier, supported by a worked economic model applicable to all three.

Part 1 — Regional Stability

1. **Tier 1 jurisdictions** — Luxembourg, the United Kingdom, the United States, Singapore, the UAE (DIFC/ADGM), and Hong Kong.

These represent the most politically stable, institutionally mature, and regulatory-robust financial centres on earth. Each jurisdiction maintains a sovereign credit rating in the highest investment grade category, operates a transparent rule-of-law framework widely recognised by global institutional investors, and hosts the deepest pools of deployable institutional capital in the world.

The cost of establishing a credible, regulated financial services operation in these markets is commensurately significant and the returns available to an operator within them are, equally, unmatched.



The Tier 1 licence fee reflects the premium value of operating within frameworks where a single mandate can deploy capital at a scale that is simply not available in lesser-developed markets.

2. **Tier 2 jurisdictions** — Cayman Islands, Mauritius, Australia, Brazil, and Panama

These are established and respected financial centres characterised by strong regulatory frameworks, consistent legal systems and well-developed fund administration industries. They are structurally sound markets with deep regional significance, benefiting from treaty networks, offshore structuring advantages and growing institutional investor bases.

Their relative stability is high, though the concentration of ultra-high-net-worth and sovereign capital is lower than in Tier 1 centres. The Tier 2 fee reflects this materially significant, appropriate to the opportunity and well below what the same territorial right would command in a Tier 1 market.

3. **Tier 3 jurisdictions** — South Africa, Nigeria, Kenya, and India's GIFT City

These are emerging markets characterised by rapid economic growth, expanding institutional infrastructure and the largest long-term capital formation opportunity of any tier. They carry higher operational complexity and greater regulatory developmental risk than Tier 1 or Tier 2, but the trajectory of each is firmly upward and the competitive density within the institutional investment structuring space remains low.

The Tier 3 licence fee reflects both the concessionary support IWG extends to network development in these regions and the recognition that entry costs and regulatory infrastructure costs are structurally lower, while the long-term commercial upside is, for patient and capable operators, potentially the greatest of all three tiers.

Part 2 — Regional Economic Density

The economic density of a jurisdiction, meaning the concentration of investable wealth, institutional capital, corporate activity, and infrastructure project pipeline within its geography, is the most direct determinant of how quickly a member firm can deploy the IWG governance model at scale.

Tier 1 jurisdictions collectively account for the overwhelming majority of global 'Assets under Management'.

Luxembourg alone hosts close to EUR 6 trillion in fund assets. Singapore manages over USD 4 trillion in assets. The UAE financial centres are the gateway to an estimated USD 2.5 trillion in GCC investable wealth. The United States represents the single largest institutional investment market in the world.



The economic density of these markets means that a well-positioned, credibly governed IWG member firm operating in any single Tier 1 jurisdiction has access to a client and project universe of extraordinary depth. The licence fee is priced accordingly.

Tier 2 jurisdictions, while smaller in absolute AUM terms, carry their own specific density advantages. The Cayman Islands is the world's most widely used offshore fund domicile; Mauritius commands a USD 500 billion fund administration sector and is the primary gateway structure for Sub-Saharan African capital flows while Australia hosts one of the largest superannuation fund pools globally at over AU\$ 3.5 trillion. These are not peripheral markets but rather they are structurally important nodes in the global capital system. The Tier 2 licence price reflects genuine economic density at a regional rather than global scale.

Tier 3 jurisdictions are distinguished by population-driven economic growth rather than existing capital concentration. India is the world's most populous nation and one of its fastest-growing economies. Sub-Saharan Africa's collective GDP is projected to double within two decades. The economic density of these markets is forward-looking rather than present state based, which is reflected in the more accessible Tier 3 entry point, enabling IWG to plant its network ahead of the capital curve rather than behind it.

Part 3 — Regional Affordability

In pricing institutional licences, IWG International has given deliberate consideration to the absolute capacity of qualified operators in each region to meet the licence cost without requiring that investment to be disproportionate to regional revenue norms.

In Tier 1 markets, financial services firms routinely transact at values in the hundreds of millions of euros. A EUR 24 million licence fee represents a fraction of the typical capitalisation of a regulated investment management entity in Luxembourg, Singapore, or New York. It is affordable to the calibre of operator IWG seeks as a Tier 1 partner, and it serves as a natural filter ensuring that only serious, well-capitalised institutions enter the network at this level.

In Tier 2 markets, the EUR 16 million entry point is calibrated to the typical capitalisation profile of established fund managers and structuring firms operating in Cayman, Mauritius or Australia. It is a significant commitment that signals genuine institutional intent, without being beyond the reach of a well-run regional operator with existing client relationships and a credible AUM track record.

In Tier 3 markets, the EUR 11 million entry point acknowledges the structural differences in operating cost, capital availability and regulatory overhead in emerging economies while still preserving the institutional quality signal that the IWG licence must carry globally. It is not a discounted product, it is a regionally calibrated entry point for markets where the opportunity profile justifies a different affordability threshold.



Part 4 — Economic Return on Investment: The Definitive Justification

The most compelling justification for the IWG licence fee at every tier is not regional context, it is pure economic arithmetic. The model below is based on conservative assumptions and represents the minimum expected economic performance of a member firm that executes at entry-level scale.

The Base Economic Model

Each IWG member firm, operating at entry level is assumed to attract a minimum of five institutional clients within its operating period. For each client, IWG International structures and capitalises a dedicated investment fund with an entry level target fund size of **EUR 200,000,000**. Each fund, conservatively managed under IWG's institutional governance framework, is projected to yield a net return of approximately **EUR 11,000,000**, representing a net return of 5.5% on the deployed capital.

Additionally, each fund generates **ongoing monthly management fee income** throughout its operational life, reflecting the member firm's role as the local governance and oversight provider for the vehicle.

The Numbers by Tier

Description	Tier 1	Tier 2	Tier 3
Licence Fee	EUR 24,000,000	EUR 16,000,000	EUR 11,000,000
Number of client funds (entry level)	5	5	5
Capital per fund	EUR 200,000,000	EUR 200,000,000	EUR 200,000,000
Total capital under governance	EUR 1,000,000,000	EUR 1,000,000,000	EUR 1,000,000,000
Yield per fund (approx. 5.5%)	EUR 11,000,000	EUR 11,000,000	EUR 11,000,000
<u>Total yield across 5 funds</u>	<u>EUR 55,000,000</u>	<u>EUR 55,000,000</u>	<u>EUR 55,000,000</u>
Percentage Return on Licence Fee solely from fund yields	229%	344%	500%

- At entry-level performance, five clients, five funds, EUR 200 million each, a Tier 1 member firm recovers its entire EUR 24 million licence fee more than twice over from fund yield income alone, before a single ongoing management fee has been earned.
- A Tier 2 member firm recovers its EUR 16 million fee at a ratio of 3.44 to one.
- A Tier 3 member firm recovers its EUR 11 million fee at a ratio of 5 to one.



Ongoing Monthly Management Fee Income

Beyond the fund yield, each member firm earns ongoing monthly management fees for the governance, administration, and oversight of each active IWG-structured fund throughout its operational life.

At a conservative annual management fee rate of 1.5% on EUR 200 million per fund, each fund generates EUR 3,000,000 per year in management fee income, or **EUR 250,000 per month, per fund**.

Across five funds, this represents **EUR 1,250,000 per month** in recurring, predictable fee income, entirely independent of fund performance and entirely separate from the yield return.

On an annual basis, five funds under governance generate **EUR 15,000,000 per year** in management fees alone.

- A Tier 1 member firm therefore recovers its full licence fee from management fees in **under two years** from the date it reaches five active client funds.
- A Tier 2 member firm does so in approximately **13 months**.
- A Tier 3 member firm recovers its licence fee from management fees alone in approximately **nine months** of full fund operation.

Combined Return at Entry Level — Five-Year Horizon

Over a five-year operational horizon, the combined economic return to an entry-level IWG member firm with five active client funds (incorporating fund yield income and recurring management fees) is as follows:

Description	Tier 1	Tier 2	Tier 3
Total fund yield (5 funds)	EUR 55,000,000	EUR 55,000,000	EUR 55,000,000
Total management fees (5 years)	EUR 75,000,000	EUR 75,000,000	EUR 75,000,000
Total gross income (5 years)	EUR 130,000,000	EUR 130,000,000	EUR 130,000,000
Licence Fee (one-time)	EUR 24,000,000	EUR 16,000,000	EUR 11,000,000
Net economic surplus over licence cost	EUR 106,000,000	EUR 114,000,000	EUR 119,000,000
Return on Licence Fee Investment (5 years)	542%	813%	1,182%



These figures are calculated on the minimum entry-level scenario of five clients. They do not account for the deal referral pipeline that the IWG global network generates for its member firms, the reputational premium commanded by the IWG brand in institutional capital markets, the ongoing network introductions from cross-border transactions, or the compounding effect of additional client relationships beyond the initial five.

Conclusion

The IWG Network Membership Licence is priced not as a cost to the member firm but as an investment in a demonstrably and quantifiably profitable institutional platform. The three-tier fee structure is grounded in objective analysis of regional stability, economic density, and market affordability — and validated at every tier by a straightforward economic model that shows the licence cost recovered in full, and many times over, from the first five client relationships alone.

For any regulated financial institution with the governance capability, client relationships, and institutional ambition to operate as an IWG member firm, the licence fee is not the barrier to entry. It is the beginning of the return.

Disclaimer

All economic projections are indicative and based on conservative entry-level assumptions. Actual fund yields, management fee rates, and client acquisition timelines will vary by jurisdiction, market conditions, and member firm capability. Prospective licensees should conduct their own financial analysis and obtain independent advice before committing to a licence application.

The table figures are all arithmetically precise based on our stated numbers. The five-year management fee total of EUR 75 million is calculated as EUR 15M per year × 5 years at 1.5% on EUR 1 billion total AUM.

