



INTEGER WEALTH GLOBAL

Client Project and Fund Onboarding Process – Alternative Investment Funds (AIF)

Date: 05 November 2023

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The following narrative should be read in conjunction with the diagram 'Fund Establishment Process (A3 Size)' which is in section 3 number 3.10 and 3.10.1 of the 'Library' section of the Integer Wealth Global website.

The direct URL is: <https://www.integerwealth.global/media/1393/iwg-fund-establishment-process-20230224.pdf>

Also, please see the 'Accelero' page on the Integer Wealth Global website which expands on our digital version of the process in the 'Fund Establishment & Execution Workflow' diagram above.

Steps to Onboarding a Project Client are as Follows:

1. A client approaches us for funding directly or is referred to us via a Deal Originator or Introducer (broker or brokerage).
2. Our compliance conducts a high-level assessment of their project/s for assumptive credibility which includes feasibility and viability. (See definition on our website under the About Us / Legal section.
3. We inform the client that we either can or cannot fund the project/s dependent on the pre-due diligence assessment.

In the event of a client having multiple projects, IWG suggest that we establish a fund for them and the process to this is as follows, where this part is where we never disclose any details to the client, with this rationale being as follows.

4. Should the client and projects pass the initial assessment, IWG then determine what type of funding is required i.e. closed fund with specified target, open fund with multiple targets and repeat usage, hedge fund, alternative investment fund etc.
5. The client is then required to complete the application form on the IWG website or via the provided downloadable application form also available on the IWG website and submit the documentation associated to their company and projects. (A minimum of two projects are required at entry level)
6. IWG then begin to onboard and sign up the client through a standard letter issued to us at IWG from them, together with a AML and KYC process to which we forward them a template of the content of such a letter, as it needs to be correctly worded and signed by them on their letterhead requesting us to perform our fund creation or financial vehicle and or structure service for the client.
7. The client is then issued a 'Terms of Service' agreement which the client needs to sign including the 'Access to Information' authorisation letter which accompanies the 'Terms of Service'. The agreement covers cost and fee structures and service terms and various legalities.
8. IWG sends the client a template letter which requests IWG to create an investment fund on behalf of the client and which client must sign. (this usually occurs via IWG DocuSign platform via IWG Liaison Office)



9. IWG sales then issue the client a quotation and sample mandate for the creation of their investment vehicle (AIF) for the client to review the process and result which they are agreeing to, for the establishment of the investment fund and related setup costs, and further work which if they request us to perform the due diligence and compile the prospectus.
10. IWG then issue the client the relevant login and passwords for access to the 'Fund Structure Calculator', the IWG 'Due Diligence Disclosure' and 'Accelero' platform application access credentials to compare the results of the calculator with the content of the mandate which must match.
11. Once the letter has been received as per point 8, IWG then issue the client an invoice for the establishment of the investment fund setup costs, and further work which if they request us to perform the due diligence and compile the client investment fund investment prospectus, investment strategy and related documents for further processing.
12. A due diligence is compulsory and necessary to rate* the investment fund and score** the projects within them which Integer Wealth Professional Services (IWPS) perform and then add to the eventual compiled investment prospectus.

***Note:** A client can also request only an investment prospectus from IWPS which can also be billed separately, which the client can apply elsewhere for funding too. This carries a separate cost as does the 'Due Diligence' which is an integral part of a prospectus.*

13. On completion, the client then signs off the prospectus for investment.

Note:** If the client has only requested a prospectus, due diligence or portfolio**** from us, then this concludes the service and corresponding transactions for such services.*

14. The client then has the choice of taking the prospectus and going elsewhere for funding (which often occurs and is common in the industry)
15. If the client wishes us to fund or finance the project, we then take the prospectus to our investors for either choice of funding or financing the project.
16. The remaining steps are purposefully omitted as these include disbursement and returns and are not relevant.

An Abbreviated Narrative of the Process.

1. The client instructs us via a letter on their letterhead to create a fund for them.
2. We then explain what the fund will be subject to and who the governance is behind the fund.
3. On this brochure we expose the service providers involved including ourselves but only in illustrative diagram style and not in name.
4. We then send out an invoice for the creation costs, including fees, licenses etc. with a single value of around €150K.
5. We then design the fund for its specific purpose and forward this to FinCap, KPMG or PwC. The chosen services provider then sends us an invoice of around £30K to continue the setup of the fund in the desired jurisdiction i.e. Cyprus, Malta, Luxembourg, Germany, Gibraltar etc.
6. We then appoint KPMG, PwC or FinCap as the oversight regulatory body who oversee IWG and provide us the license for the client to list the fund at the relevant Stock Exchange and invoice IWG for this process task.
7. The Stock Exchange then sends us a confirmation of the listing once it has processed the application through various legal and court processes and once all such contributing components have approved the fund, and invoices IWG for this process task.



8. IWPS remain as due diligence management on each project which is very similar to the raising of funds for projects as per the above steps. Always consider that this is the client's investment fund, but not their capital.

The client still needs to provide and present a prospectus for each project for which they draw money from their fund, which they can have done by third party or have our Integer Wealth Professional Service compile such portfolio (deck format) and then investment prospectus booklet or deck format).

Each project then becomes a client of the fund. The value this gives the client is that they do not need to go searching for funds for each project as their fund presents a single source for that. If the projects are credible and stack up to the due diligence, they will be approved by IWPS and IWG, (Risk & Intelligence, Investment and Accounting Departments) who send the details to either FinCap, KPMG or PwC, who accept these and they send the acceptance back to us and FinCap who sign it off.

9. The return payment from the yield of the projects back to the investment fund and then back to the investors, are not always in cash but can be the equity transfer of the projects company shares too, depending on how IWG structure the fund together with the client.
10. Always consider, the client owns the investment fund, the capital within the fund is owned by the investors, the profits are distributed between the parties as per the mandate and IWG and service providers manage both.

Asterix References

*** Rating:** The rating of an investment fund which usually consists of and considers information on the jurisdictional political and economic stability of the jurisdiction where the investment fund is providing its funding to and impacts on its risk.

**** Scoring:** The scoring of a project is the forensic evaluation of the projects, which includes their risk, feasibility and viability. Note that an investment fund can be feasible and viable and score accordingly, however its rating can be disqualified due to local or regional conflict.

***** Prospectus:** A document illustrating the content of an investment opportunity comprising of all aspects of risk, feasibility, viability, historic information, jurisdictional data, project and revenue data, project scoring, fund rating and duration information usually for submission to investors to solicit investment.

****** Portfolio:** A document or set of documents which compile the clients company details and the details of the projects including the scoring of such projects which the client intends to produce. Usually for submission to project management and risk management companies for risk assessment.