



CUSTOM HOUSE GLOBAL FUND SERVICES LIMITED

THE PRIVATE PORTFOLIO FUND CONCEPT
A FAMILY OFFICE SOLUTION



THE PRIVATE PORTFOLIO FUND

The Private Portfolio Fund (the “Fund”) envisages an open-end umbrella fund platform, designed to provide an efficient and cost-effective solution for managers of Family Offices (“Managers”) wishing to establish their own customised, flexible and secure investment platform, with segregated portfolios in different asset classes, or strategies, through their own umbrella fund structure.

The Fund can be domiciled in a variety of jurisdictions. However, the most practical would be either a Cayman Fund or an EU based fund, such as a Maltese Professional Investor Fund (“PIF”). What is important is that each sub-fund can be fully and legally segregated from all the other sub-funds.

STRUCTURE

The Fund is structured so that the Family Office can establish different portfolios such as, inter alia, listed equities; fixed income; fund of funds; private equity; real estate; or managed accounts advised by independent investment managers. The umbrella fund structure enables members of the family to cherry pick between the portfolios in a tax-efficient manner.

The Fund is structured so that each sub-fund is entirely and legally segregated from each other sub-fund, so as to avoid any cross-collateral risk. Thus, if one of the sub-funds should suffer losses in the market, which exceed the capital of the sub-fund, those losses will be ring-fenced within the individual sub-fund and will not be passed on to other sub-funds of the Fund.

Typically, a Family Office may wish to invest the family’s assets in a diversified range of assets through various different portfolios and strategies, such as:

- Listed securities
- Real Estate
- Private Equity
- Fund of Funds

The Fund is designed as an umbrella fund, which enables the Family Office to set up a separate sub-fund for each of these portfolios.

The advantages of such an umbrella fund structure include, inter alia:

1. Each portfolio could be managed by the same internal investment manager, or the Family Office could appoint an external investment manager to one or more of the sub-funds.
2. It is easy to add additional portfolios/sub-funds for different strategies.
3. This structure enables family members to specify which investments they want or do not want.
4. Such a structure is simple to open up to outside “non-family” investors. The additional fees (management and incentive/profit sharing fees) paid by the non-family investors will go some way to reduce or even eliminate the cost of running the Family Office.

REGULATION OF FUND

- A Cayman Fund would be “exempt”, if it had less than 15 investors, whereas a Maltese PIF is more restrictive. For example, the Investment Manager of a PIF must be regulated in a jurisdiction approved by the MFSA.
- If the Fund is a Maltese PIF, both the Fund and each sub-fund, as well as the Investment Manager and other service providers, must comply with all relevant EU and Maltese regulations currently in place (such as, inter alia, AML regulations) and any that may be enacted during the life of the Fund.

AUTHORISATION AND REGULATION

1. Investment Management Fee

To be advised by Manager.

2. Audit Fees

The Audit fee for the Company and the sub-fund will be a matter of negotiation, subject to complexity of each sub-fund.

3. Administration Fees & Disbursements

Administration fees, which are based upon an ad valorem fee, subject to a minimum fee per month, are subject to negotiation, depending on a range of factors, including, inter alia, complexity of the relevant sub-fund, regularity of dealing and valuation and activity.

HISTORY

The Custom House Group of Companies (“Custom House”) was originally established in Ireland in 1989, offering a wide variety of financial services to its clients. After several metamorphoses, the group has now developed into a global hedge fund administration organisation, the parent company of which, CHGFS, is based in Malta with subsidiary companies offering full administration services in Chicago, Dublin, Luxembourg and Singapore. Custom House also offers specialised fund administration and custodial services in the Netherlands and has a Guernsey office for servicing Guernsey fund clients.

In September 2008, the fund services business of Equity Trust (now TMF Group, following the recent merger) was merged into Custom House and reorganised under Custom House Global Fund Services Ltd. (“CHGFS”), the Malta based holding company for the Custom House Group of companies, which is also authorised as a Custodian for Funds of Hedge Funds and recognised as a hedge fund administrator by the Malta Financial Services Authority (“MFSA”).

PROFILE

Custom House has several complementary businesses. The primary business is the provision of a full administration service to alternative investment funds (including private equity, real estate and venture capital funds), hedge funds, managed accounts and daily dealing managed account platforms. The complementary businesses include the provision of Corporate Secretarial and Director services as well as acting as a licensed Custodian of Funds of Funds in Malta and similarly in the Netherlands, where Custom House offers Bewaarder services to local Dutch clients. Custom House can also assist clients in the design, organisation and establishment of customised offshore funds if needed.

Custom House offers a 24/5 global hedge fund administration service through its fully integrated network of offices in Chicago, Dublin, Luxembourg, Malta and Singapore.

CHGFS is also the sponsor of:

- The Melita International Retirement Scheme, which has been approved by HMRC
- The Nascent Fund SICAV PLC

AUTHORISATION & REGULATION OF CUSTOM HOUSE

CHGFS, which is recognised as a Fund Administrator and holds a Category 4 License as an authorised Custodian of Fund of Funds by the Malta Financial Services Authority (MFSA), is the Parent Holding Company of the Custom House Group of companies and has active subsidiaries in Chicago, Dublin, Luxembourg, the Netherlands and Singapore.

These subsidiaries of CHGFS are fully regulated, as required, by the relevant authorities in their jurisdiction.

Custom House is fully SAS70 compliant and the Dublin office was the only hedge fund administrator in the world ever to be awarded a Moody's Management Quality Rating.

AWARDS



HFMWeek European Hedge Fund Services Awards 2011
"Best Administrator over US\$30bn: Client Services" - May 2011



HedgeWeek Awards 2011
"Best Asian Hedge Fund Administrator" - March 2011



FundDomiciles.com Awards 2010 and 2011
"Best Fund Administrator in Malta" - January 2010/2011



ICFA European Awards 2010
"Fund Administrator of the Year: Malta" - November 2010



HFMWeek US Service Provider Awards 2010
"Best Administrator for Small & Start-Up Hedge Funds" - October 2010



Corporate INTL Magazine Global Awards 2010
"Fund Services Firm of the Year/Ireland" - June 2010



HFMWeek European Hedge Fund Services Awards 2010
"Best Fund Administrator - Client Services" - March 2010



HFMWeek Service Provider Awards 2009
"Best Small Hedge Fund Administrator" - October 2009

CUSTOM HOUSE



THE SPECIALIST FUND SPECIALIST

a member of the TMF Group

Our **clients** come first

Our business depends on our **people**

Our **knowledge** is powerful

Our **reputation** is everything

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