

# DEFINITIONS OF ACCREDITED INVESTOR, QUALIFIED PURCHASER AND NON-PRIVATE CLIENT

## ACCREDITED INVESTOR

This definition refers to Rule 501 (a) promulgated under the U.S. Securities Act of 1933, as amended.

You are either:

### (A) Individuals

- Individual net worth or joint net worth with his or her spouse, in excess of \$1,000,000. As used herein, "net worth" means the excess of total assets at fair market value, including home\*, home furnishings and automobiles, over total liabilities;
- Individual income (exclusive of any income attributable to his or her spouse) of more than \$200,000 in each of the past two years, or joint income with his or her spouse of more than \$300,000 in each of those years, and reasonably expects to reach the same income level in the current year.\*\*

### (B) Corporations, Partnerships or Limited Liability Companies

- Has total assets in excess of \$5,000,000 and was not formed for the specific purpose of acquiring the Interests offered;
- Each of the Investor's equity owners is an accredited investor.

### (C) Trusts

- Has total assets in excess of \$5,000,000, was not formed for the specific purpose of acquiring the Interests offered and its purchase is directed by a sophisticated person. As used in the foregoing sentence, a "sophisticated person" is one who has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment;
- Is: (a) a bank as defined in Section 3(a)(2) of the Securities Act, a savings and loan association, or other institution as defined in Section 3(a)(5)(A) of the Securities Act; (b) acting in a fiduciary capacity; and (c) subscribing for the purchase of the interests being offered on behalf of a trust account or accounts;
- Is a revocable trust which may be amended or revoked at any time by the grantors thereof and all of the grantors are accredited investors.

### (D) Banks, Savings and Loans and Similar Institutions

- Is a bank as defined in Section 3(a)(2) of the Securities Act or a savings and loan association, or other institution as defined in Section 3(a)(5)(A) of the Securities Act acting in its individual capacity.

### (E) Insurance Companies

- Is an insurance company as defined in Section 2(13) of the Securities Act.

\* Notwithstanding anything to the contrary herein, for purposes of determining "net worth," the principal residence owned by an individual shall be valued either at (A) cost, including the cost of improvements, net of current encumbrances upon the property, or (B) the appraised value of the property as determined upon written appraisal used by an institutional lender making a loan to the individual secured by the property, including the cost of subsequent improvements, net of current encumbrances upon the property. "Institutional lender" means a bank, savings and loan company, industrial loan company, credit union or personal property broker or a company whose principal business is as a lender secured by real property and which has such loans receivable in the amount of \$2,000,000 or more.

\*\* For purposes of this registration, individual income means adjusted gross income, as reported for federal income tax purposes, less any income attributable to a spouse or to property owned by a spouse, increased by the following amounts (but not including any amounts attributable to a spouse or to property owned by a spouse): (i) the amount of any tax-exempt interest income under Section 103 of the United States Internal Revenue Code of 1986, as amended (the "Code"), received; (ii) the amount of losses claimed as a limited partner in a limited partnership as reported on Schedule E of Form 1040; (iii) any deduction claimed for depletion under Section 611 et seq. of the Code; (iv) amounts contributed to an Individual Retirement Account (as defined in the Code) or Keogh retirement plan; (v) alimony paid; and (vi) any elective contributions to a cash or deferred arrangement under Section 401(k) of the Code.

## QUALIFIED PURCHASER

This definition refers to the Investment Company Act of 1940, as amended.

(A) Individuals

- Is a qualified purchaser because he/she (alone, or together with his/her spouse, if investing jointly) owns not less than \$5,000,000 in investments.\*\*\*

(B) "Family" Corporations, Trusts or Other "Family" Entities

- was not formed for the specific purpose of investing in the products offered;
- owns not less than \$5,000,000 in investments; and
- is owned directly or indirectly by or for: (a) two or more natural persons who are related as siblings or spouse (including former spouses), or direct lineal descendants by birth or adoption; (b) spouses of such persons; (c) the estates of such persons; or (d) foundations, Section 501(c)(3) organizations or trusts established by or for the benefit of such persons.

(C) Trusts (Other Than Trusts That Qualify under Sections (B) or (D) hereof)

- was not formed for the specific purpose of investing in the products offered; and
- each trustee (or other authorized person) that is authorized and required to make decisions with respect to this investment is a person described in (A), (B) or (D), at the time the decision to purchase Interests is made, and each settlor or other person who has contributed assets to the trust is a person described in (A), (B) or (D) at any time such person contributed assets to the trust.

(D) Other Entities

- was not formed for the specific purpose of investing in the products offered; and
- is an entity, acting for its own account or the accounts of other qualified purchasers, which in the aggregate owns and invests on a discretionary basis, not less than \$25,000,000 in investments (as defined above).

For a complete definition of Qualified Purchaser, please see Title 15 U.S.C. Chapter 2D, Sub Chapter I, Section 80a-2(a)(51), which is publicly available at [www.gpoaccess.gov/uscode/browse.html](http://www.gpoaccess.gov/uscode/browse.html)

\*\*\* For these purposes, the term "investments" means any or all: (i) securities (as defined in the Securities Act), except for securities of issuers controlled by the Investor ("Control Securities"), unless (A) the issuer of the Control Securities is itself a registered or private investment company or is exempted from the definition of investment company by Rule 3a-6 or Rule 3a-7 under the Company Act, (B) the Control Securities represent securities of an issuer that files reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, (C) the issuer of the Control Securities has a class of securities listed on a designated offshore securities market under Regulation S under the Securities Act, or (D) the issuer of the Control Securities is a private company with shareholders' equity not less than \$50 million determined in accordance with generally accepted accounting principles, as reflected in the company's most recent financial statements (provided such financial statements were issued within 16 months of the date of Investor's purchase of an Interest); (ii) futures contracts or options thereon held for investment purposes; (iii) physical commodities held for investment purposes; (iv) swaps and other similar financial contracts entered into for investment purposes; (v) real estate held for investment purposes; and (vi) cash and cash equivalents held for investment purposes.

Note: In determining whether the \$5 million or \$25 million thresholds are met, investments can be valued at cost or fair market value as of a recent date. If investments have been acquired with indebtedness, the amount of the indebtedness must be deducted in determining whether the threshold has been met.

## NON-RETAIL CLIENTS

A non-retail client would be classified as either a Professional Client or Eligible Counterparty under the FSA Rules. A Professional Client or Eligible Counterparty would be one of the following:

- 1 an entity required to be authorised or regulated to operate in the financial markets. The following list includes all authorised entities carrying out the characteristic activities of the entities mentioned, whether authorised by an EEA State or a third country and whether or not authorised by reference to a directive: a credit institution; an investment firm; any other authorised or regulated financial institution; an insurance company; a collective investment scheme or the management company of such a scheme; a pension fund or the management company of a pension fund; a commodity or commodity derivatives dealer; a local; any other institutional investor;
- 2 in relation to MiFID or equivalent third country business a large undertaking meeting two of the following size requirements on a company basis: balance sheet total of EUR 20,000,000; net turnover of EUR 40,000,000; own funds of EUR 2,000,000;
- 3 in relation to business that is not MiFID or equivalent third country business a large undertaking meeting either of the following conditions: a body corporate (including a limited liability partnership) which has (or any of whose holding companies or subsidiaries has) called up share capital of at least £10 million (or its equivalent in any other currency at the relevant time); a large undertaking that

meets (or any of whose holding companies or subsidiaries meets) two of the following tests: i) a balance sheet total of EUR 12,500,000; ii) a net turnover of EUR 25,000,000; iii) an average number of employees during the year of 250;

- 4 a national or regional government, a public body that manages public debt, a central bank, an international or supranational institution (such as the World Bank, the IMF, the ECP, the EIB) or another similar international organisation;
- 5 another institutional investor whose main activity is to invest in financial instruments (in relation to the firm's MiFID or equivalent third country business) or designated investments (in relation to the firm's other business). This includes entities dedicated to the securitisation of assets or other financing transactions.