



Louvre Group

Louvre Fund Management Limited

SOME IDEAS ON INVESTMENT STRUCTURES

Louvre Fund Management Limited has expertise in a wide range of offshore investment structure. Our aim is to be flexible in response to clients' requirements and to advise on the best approach.

Private Company

In many cases a private company with one or more shareholders is an entirely adequate solution. This may be set up in such a way that it can easily be converted to a collective investment scheme at some later date. Investors typically cannot redeem their investment without agreement from other shareholders, but this is an effective, low cost vehicle.

Closed-Ended Investment Scheme

This sort of structure is ideally suited to a scheme where liquidity is not a prime consideration but where, for example, some form of regulatory clearance is needed to attract outside professional investors.

Limited Partnership

A limited partnership is principally appropriate where taxation is a prime consideration because it will usually be transparent from a tax perspective. It is best suited to long-term investment projects because liquidity is restricted. A Guernsey LP is particularly attractive, as the law on this topic has been specifically drafted with investment schemes in mind.

Collective Investment Schemes

"Funds" are the most suitable vehicles where there is a requirement for liquidity and are essential if there is to be any form of marketing, even if only to professional investors. They tend, however, to be more heavily regulated and expensive to run.

The format of Funds can vary from a "professional fund" at one extreme, with relatively light regulation, to a "recognised scheme" at the other, with complex regulations, but which has clearance for marketing in the UK (such as a Guernsey Category A Fund). There are several intermediate formats. Fees vary accordingly.

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An independent professional fiduciary group with associate offices in Guernsey, Liechtenstein, Switzerland and the UK
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SOME IDEAS ON INVESTMENT STRUCTURES - Continued

Domicile

The principle choice is between the Caribbean centres such as the Cayman Islands or the British Virgin Islands and centres such as the Channel Islands. In brief, the former are less fully regulated and likely to be inexpensive, while the better regulated centres such as Guernsey are more attractive to investors, but more costly.

Listing

Some investors require a listing for their shares and Dublin (Irish Stock Exchange) and Guernsey (Channel Islands Stock Exchange) are both attractive for this purpose. Both have international standing (for example CISX is approved by the UK Financial Services Authority as a Designated Investment Exchange).

Taxation

Although advice should be taken in each case, in general offshore vehicles as described above are not subject to tax in their country of domicile or in Guernsey. In some case, such as a Guernsey Limited Partnership, there are added advantages in terms of tax transparency.

Costs

Louvre Fund Management Limited will be pleased to give indication quotes for the various alternatives described above.

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