

## TERM SHEET

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### COLONIAL BAHAMAS FUND

*A unit trust constituted by a Declaration of Trust made on the 30<sup>th</sup> day of March, 2009 by Butterfield Trust (Bahamas) Limited (formerly Butterfield Bank (Bahamas) Limited) and registered as a Smart Fund 002 under Section 5(1) of the Investment Funds Act, 2003 of The Bahamas*

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**Amended 14 day of August, 2014**

This term sheet relates to units (“Units”) of beneficial interest in the trust known as “Colonial Bahamas Fund” (the “Fund”), constituted with effect from the 30<sup>th</sup> day of March, 2009 by a Declaration of Trust made on the 30<sup>th</sup> day of March, 2009 (as amended from time to time, the “Declaration”) by Butterfield Trust (Bahamas) Limited (formerly Butterfield Bank (Bahamas) Limited) as trustee (the “Trustee”) and governed by the laws of The Bahamas.

This term sheet is intended to highlight certain information contained in the Declaration. The information contained herein is qualified by the information appearing in the Declaration.

**THIS TERM SHEET DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT LAWFUL OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.**

**PROSPECTIVE PURCHASERS OF UNITS ARE NOT TO CONSTRUE THE CONTENTS OF THIS TERM SHEET AS LEGAL, INVESTMENT OR TAX ADVICE. PROSPECTIVE PURCHASERS SHOULD CONSULT PERSONAL COUNSEL, ACCOUNTANTS AND OTHER ADVISORS AS TO THE LEGAL REQUIREMENTS. UNITS ACQUIRED BY PERSONS NOT ENTITLED TO HOLD SUCH UNITS UNDER ANY LAW MAY BE REDEEMED BY THE TRUSTEE.**

Terms used herein and not otherwise defined shall have the meanings assigned to them in the Declaration.

## **DIRECTORY**

### **Principal Office of the Fund**

Colonial Pension Services (Bahamas) Limited  
P. O. Box SS-6246  
3<sup>rd</sup> Floor, Atlantic House  
Collins Avenue  
Nassau, New Providence,  
The Bahamas

### **Trustee and Custodian**

Butterfield Trust (Bahamas) Limited  
P. O. Box N-3242  
Montagu Sterling Centre  
East Bay Street  
Nassau, New Providence,  
The Bahamas

### **Administrator, Registrar and Transfer Agent**

Colonial Pension Services (Bahamas) Limited  
P. O. Box SS-6246  
3<sup>rd</sup> Floor, Atlantic House  
Collins Avenue  
Nassau, New Providence,  
The Bahamas

### **Banker**

CIBC First Caribbean International Bank  
(Bahamas) Ltd.  
Shirley Street Branch  
P. O. Box N-8350  
Nassau, New Providence,  
The Bahamas

### **Investment Manager**

Colonial Pension Services (Bahamas) Limited  
P. O. Box SS-6246  
3<sup>rd</sup> Floor, Atlantic House  
Collins Avenue  
Nassau, New Providence,  
The Bahamas

### **Auditors**

KPMG  
5<sup>th</sup> Floor, Montagu Sterling Centre  
P. O. Box N-123  
East Bay Street  
Nassau, New Providence,  
The Bahamas

### **Legal Counsel**

Higgs & Johnson  
Ocean Centre, Montagu Foreshore  
P. O. Box N-3247  
East Bay Street  
Nassau, New Providence,  
The Bahamas

## **STRUCTURE**

The Fund was constituted with effect from the 30<sup>th</sup> day of March, 2009 by the Declaration.

The Fund was issued an investment fund licence as a SMART Fund 002 on the 22<sup>nd</sup> day of April, 2009 pursuant to the Investment Funds Act, 2003 (the “IFA”) which permits the Fund to operate as a fund (a) which is limited to having no more than ten investors who hold equity interests in the Fund, (b) whose investors are persons to whom a professional fund may be offered and (c) where a majority of the investors in the Fund have the power to appoint and remove the Trustee.

The Trustee is offering for sale through this Term Sheet, to Eligible Investors, Class A – Conservative Growth Units (“Class A – Units”), Class B – Moderate Growth Units (“Class B Units”) Class C – Aggressive Growth Units (“Class C Units”), Class D – Conservative Growth Units (“Class D – Units”), Class E – Moderate Growth Units (“Class E Units”) Class F – Aggressive Growth Units (“Class F Units”) in return for subscriptions in the Fund.

The Units in the Fund have the following rights and restrictions:

- (i) the right to attend and vote at meetings of Unitholders;
- (ii) the right of redemption set out in the Declaration; and
- (iii) the right to receive distributions, if any, declared on the relevant Class of Units.

The principal office of the Fund is situate at Butterfield Trust (Bahamas) Limited, Montague Sterling Centre, East Bay Street, P. O. Box N-3242, Nassau, The Bahamas.

### **Eligible Investors**

The Units are only being offered to Eligible Investors.

## **INVESTMENT OBJECTIVE AND POLICY**

The Trustee has established the following investment objectives for the Class A, B, C, D, E, and F Units.

### Class A Units

The investment objective for the Class A Units is the preservation of capital whilst minimizing overall risk.

Subject as provided below, the portion of the Trust Fund attributable to Class A Units (the “Class A Participating Percentage”) shall be invested in Bahamas Government registered stock, bonds of investment grade or higher, shares traded on the Bahamas International Securities Exchange (“BISX”), preference shares, private placements, investment funds and eligible non-Bahamian securities. The allocation of such Investments will be comprised of the following:

<u>Asset Class</u>	<u>Portion of the Class A Participating Percentage</u>
Equities	0% – 20%
Bonds/Preference Shares	35% - 80%
Cash	10% - 40%
Investment Funds/Other	0% – 15%

Investment Restrictions:

In investing the Class A Participating Percentage of the Trust Fund:

- (i) The security holdings in any one company, issuer or guarantor, save for securities issued or guaranteed by the Government of The Bahamas, will not exceed ten percent (10%) of the market value, on a cost basis, of the Class A Participating Percentage,
- (ii) The equity holdings of the Trustee in any one company, issuer or guarantor, save for securities issued or guaranteed by the Government of The Bahamas, will not exceed ten percent (10%) of the market value of such company, issuer or guarantor,
- (iii) Funds on deposit with any bank will not exceed twenty five percent (25%) of the value of the Class A Participating Percentage of the Trust Fund or ten percent (10%) of the capital of such bank.

Class B Units

The investment objective for the Class B Units is to achieve moderate growth within a medium to long term time frame with moderate risk.

Subject as provided below, the portion of the Trust Fund attributable to Class B Units (the “Class B Participating Percentage”) shall be invested in Bahamas Government registered stock, bonds of investment grade or higher, shares traded on the Bahamas International Securities Exchange (“BISX”), preference shares, private placements investment funds and eligible non-Bahamian securities. The allocation of such Investments will be comprised of the following:

<u>Asset Class</u>	<u>Portion of the Class B Participating Percentage</u>
Equities	35% – 60%
Bonds/Preference Shares	25% - 50%
Cash	10% - 30%
Investment Funds/Other	0% – 15%

The investment restrictions applicable to the Class A Units will also be observed when investing the Class B Participating Percentage of the Trust Fund.

### Class C Units

The investment objective for the Class C Units is to generate long term capital by investing in higher risk assets.

Subject as provided below, the portion of the Trust Fund attributable to Class C Units (the “Class C Participating Percentage”) shall be invested in Bahamas Government registered stock, bonds of investment grade or higher, shares traded on the Bahamas International Securities Exchange (“BISX”), preference shares, private placement, investment funds and eligible non-Bahamian securities. The allocation of such Investments will be comprised of the following:

<u>Asset Class</u>	<u>Portion of the Class C Participating Percentage</u>
Equities	35% – 90%
Bonds/Preference Shares	15% - 50%
Cash	0% - 30%
Investment Funds/Other	0% – 15%

### Class D Units

The investment objective for the Class D Units is the preservation of capital whilst minimizing overall risk.

Subject as provided below, the portion of the Trust Fund attributable to Class D Units (the “Class D Participating Percentage”) shall be invested in eligible Bahamian and non-Bahamian dollar denominated: bonds of investment grade or higher, ordinary or preference shares traded on a recognized stock exchange, private placements and investment funds approved by the Investment Policy Committee of the investment manager. The allocation of such Investments will be comprised of the following:

<u>Asset Class</u>	<u>Portion of the Class D Participating Percentage</u>
Equities	0% – 20%
Bonds/Preference Shares	35% - 80%
Cash	10% - 40%
Investment Funds/Other	0% – 15%

The investment restrictions applicable to the Class D Units will also be observed when investing the Class D Participating Percentage of the Trust Fund.

### Class E Units

The investment objective for the Class E Units is to achieve moderate growth within a medium to long term time frame with moderate risk.

Subject as provided below, the portion of the Trust Fund attributable to Class E Units (the “Class E Participating Percentage”) shall be invested in eligible Bahamian and non-Bahamian dollar denominated: bonds of investment grade or higher, ordinary or preference shares traded on a

recognized stock exchange, private placements and investment funds approved by the Investment Policy Committee of the investment manager. The allocation of such Investments will be comprised of the following:

<u>Asset Class</u>	<u>Portion of the Class E Participating Percentage</u>
Equities	35% – 60%
Bonds/Preference Shares	25% - 50%
Cash	10% - 30%
Investment Funds/Other	0% – 15%

The investment restrictions applicable to the Class E Units will also be observed when investing the Class E Participating Percentage of the Trust Fund.

#### Class F Units

The investment objective for the Class F Units is to generate long term capital by investing in higher risk assets.

Subject as provided below, the portion of the Trust Fund attributable to Class F Units (the “Class F Participating Percentage”) shall be invested in eligible Bahamian and non-Bahamian dollar denominated: bonds of investment grade or higher, ordinary or preference shares traded on a recognized stock exchange, private placements and investment funds approved by the Investment Policy Committee of the investment manager. The allocation of such Investments will be comprised of the following:

<u>Asset Class</u>	<u>Portion of the Class F Participating Percentage</u>
Equities	35% – 90%
Bonds/Preference Shares	15% - 50%
Cash	0% - 30%
Investment Funds/Other	0% – 15%

The investment restrictions applicable to the Class A Units will also be observed when investing the Class Participating Percentage of every other Class of units of the Trust Fund.

Notwithstanding anything to the contrary contained herein, unusual or extreme market conditions may require the Trustee or the Investment Manager to make immediate investment decisions that may exceed or deviate from the investment guidelines and restrictions contained herein with respect to any Class, noted above, Participating Percentage. In these circumstances, the Trustee or the Investment Manager may exceed or deviate from such investment guidelines and restrictions without notice to Unitholders of the relevant Class where the Trustee or the Investment Manager considers such action to be in the best interests of Unitholders of that Class.

## **DEALING POLICY**

### **Subscriptions**

The Trustee expects to offer its Class A, B and C Units on a continuous basis. The Trustee is offering such Units during the period expiring on the 31<sup>st</sup> day of March, 2009 (the "Initial Offering Period" at an initial issue price of B\$10.00 per Unit (the "Initial Offer Price").

The Trustee expects to offer its Class D, E and F Units on a continuous basis. The Trustee is offering such Units during the period expiring on the \_\_\_ day of \_\_\_, 2014 (the "Initial Offering Period" at an initial issue price of B\$10.00 per Unit (the "Initial Offer Price").

After the Initial Offering Period, the Trustee will offer Class A, B, C, D, E and F Units on the last Business Day of each calendar month (each a "Valuation Day").

The Subscription Price for Units issued as of any Valuation Day will be equal to the Net Asset Value per Unit of the relevant Class on such Valuation Day. See "Net Asset Value".

In order to invest in the Fund, each investor must (i) execute a subscription agreement (the "Subscription Agreement") in the form attached hereto as Appendix A, provide all documentation required under the Subscription Agreement along with such other documents as the Administrator may require, (ii) deliver to the Administrator an executed copy of the Subscription Agreement by mail or by fax (with hard copy to follow) at the address shown below and (iii) remit his subscription amount in the manner set out in the Subscription Agreement by not later than 5 business days prior to the expiration of the Initial Offering Period or the relevant Valuation Day.

Upon the acceptance of a subscription, each Unitholder will be issued a confirmation outlining the number of Units held by him and the relevant Class of such Units.

### **Redemptions**

#### Voluntary Redemptions

Units may be redeemed on the last business day of each calendar month (the "Redemption Day") provided that a duly completed and signed redemption request (the "Redemption Request") in the form attached hereto as Appendix B is received by the Administrator at least two (2) Business Days prior to the relevant Redemption Day. Redemption Requests received by the Administrator after the applicable Redemption Day will be deferred until the next Redemption Day.

The Redemption Request can initially be sent to the Administrator by fax with the original Redemption Request to follow by mail so long as the original is received by the Administrator within the timeframe set out above.

A Redemption Request, once given, may only be withdrawn with the consent of the Trustee. In addition, redemptions are not permitted during any period when the determination of Net Asset Value per Unit of the relevant Class is suspended.

### Compulsory Redemptions

The Trustee in its absolute discretion with or without cause, may at any time by notice in writing to any Unitholder compulsorily redeem all or any of the Units held by such person on the next scheduled Valuation Day. Upon such day, such Units shall be redeemed in all respects as if the holder thereof had submitted a Redemption Request. All costs incurred in a compulsory redemption of Units shall be for the account of the Unitholder thereof and may be deducted from the proceeds of the redemption. The Trustee shall have no responsibility in effecting a compulsory redemption of Units other than the responsibility of acting in good faith.

The procedure for determining which Units will be compulsorily redeemed in any particular case is subject to change at the discretion of the Trustee. In exercising discretion and in making determinations as to whether to compulsorily redeem Units, and in determining which Unitholders shall be subject to compulsory redemption, the Trustee may act upon the basis of such information as may be known to it, without any obligation to make special enquiries, and may rely upon the advice of counsel. In no event shall the Trustee be liable to any Unitholder for any consequence of any determination made by the Trustee with respect to such compulsory redemption.

### Redemption Price and Payment of Redemption Proceeds

Units will be redeemed at the Net Asset Value per Unit of the relevant Class as of the relevant Redemption Day (the "Redemption Price").

Payment of the Redemption Price may be subject to the retention of a reserve for the liabilities of the Trust and for other contingencies in such amount as may be determined by the Trustee, in its discretion. If the reserve (or a portion thereof) is later determined to have been in excess of the amount required, the excess (or relevant proportion thereof) shall be returned to the redeemed Unitholder with interest thereon from the date of redemption to the date of payment at such rate as the Trustee may, in its discretion, determine.

Subject to the provisions set out below, payment of the Redemption Price shall (i) be paid in cash and/or in specie as the Trustee shall in its absolute discretion determine and (ii) generally be paid by cheque, wire transfer or as otherwise directed by the redeeming Unitholder within twenty one (21) Business Days of the relevant Valuation Day. If any Units are redeemed without provision by the Unitholder in the Redemption Request of appropriate payment instructions, the Trustee may deposit in a separate bank account the aggregate Redemption Price of all Units held by the Unitholder which are so redeemed. Upon such deposit the person whose Units have been so redeemed shall cease to have any claim, right or interest against the Trustee or in respect of the Trust Fund except the right to receive the moneys so deposited (without interest).

Notwithstanding any other provisions of this Term Sheet, the Trustee may, in its absolute discretion, refuse to make a redemption payment to a Unitholder if the Trustee suspects or is advised that the payment of any redemption proceeds to such Unitholder may result in a breach or violation of any applicable laws or regulations (including, without limitation, any anti-money laundering or anti-terrorism laws and regulations) by the Trustee or any other person in any relevant jurisdiction, or such refusal is necessary to ensure the compliance by the Trustee or the Administrator with any such applicable law or regulation in any relevant jurisdiction. In such circumstances, and until otherwise instructed by the relevant authority, the Trustee may deposit such redemption proceeds in a separate bank account. If the Trustee is given permission to pay out such redemption proceeds to the relevant



Unitholder, such Unitholder's only right against the Trustee and in respect of the Trust Fund shall be the right to receive the moneys so deposited (without interest).

Upon the date of redemption of a Unit, the holder shall cease to be entitled to any rights in respect thereof (except for the right to receive (i) the Redemption Price therefor and (ii) any distribution which had been declared in respect thereof before such redemption being effected) and accordingly his name shall be removed from the Register with respect thereto and the Unit shall be cancelled.

If one or more Redemption Requests are received in respect of any one Redemption Day that would, if satisfied, result in the redemptions of an amount equal to more than 30% of the total net asset value of the Trust, the Trustee may determine in its discretion to reduce the amount of each Redemption Request pro rata so that Redemption Requests represent in aggregate an amount equal to no more than 30% of the total net asset value of the Trust. The partial amounts of the Redemption Requests which remain unsatisfied shall be carried forward to the next Redemption Day and satisfied in priority to any Redemption Requests received in relation to such subsequent Redemption Day until the prior Redemption Requests shall have been satisfied in full. Further, if on any Redemption Day, assets of the Trust are invested in Investments which the Trustee (including any authorized agent) is unable to realise, or if realised would be at a value determined by the Trustee to be a discount to their true value or the Trustee is unable (or it is not practicable) to distribute any such Investment to the redeeming Unitholder, then, in the discretion of the Trustee, payment to the Unitholder of the portion of his requested redemption may be delayed until such time as such Investment may be realised or may be realised at a value which is not in the determination of the Trustee, a discounted value or the Trustee is able to distribute such Investment to the Unitholder and the amount otherwise due the Unitholder will be increased or decreased to reflect the performance of such Investment through the date on which such Investment is realised by the Trust or to reflect the increase or decrease in the value of the Investment through the date on which it is distributed to the Unitholder or otherwise disposed of by the Trustee on behalf of the Trust.

### **Net Asset Value**

The Net Asset Value of the Trust shall be determined as at close of business on each Valuation Day. The calculation shall be made in accordance with the provisions of the Declaration by adding the value of all the assets of the Trust and deducting therefrom the total liabilities of the Trust. The Net Asset Value of a Class will then be calculated by adding the value of all the assets attributable to the relevant Record and deducting therefrom the total liabilities attributable to such Record. The Net Asset Value per Unit will be calculated by dividing the Net Asset Value of a Class by the number of Units of the relevant Class in issue and deemed to be in issue on such Valuation Day.

The Trustee, in its absolute discretion after consultation with the Investment Manager or any other advisor to the Trustee, may declare a suspension of the determination of Net Asset Value per Unit of any Class and the issue and redemption of Units of such Class during any period when:

- (i) there is a suspension of trading of the Investments attributable to such Class; or
- (ii) circumstances exist as a result of which, in the opinion of the Trustee, after consultation with the Investment Manager, it is not reasonably practicable to realize any Investments or other assets attributable to such Class; or
- (iii) it is not reasonably practicable to determine the Net Asset Value per Unit of the relevant

Class on an accurate and timely basis as a result of events, conditions or circumstances beyond the control of the Trustee; or

- (iv) in the opinion of the Trustee, the disposal of any of the assets attributable to the relevant Class is not reasonably practicable or would be detrimental to the interests of the non-redeeming Unitholders of the relevant Class.

Any such suspension shall take effect at such time as the Trustee shall declare but not later than the close of business on the Business Day next following the declaration and thereafter there shall be no determination of Net Asset Value per Unit of the affected Class until the Trustee shall declare the suspension to be at an end. Whenever the Trustee shall declare a suspension of the determination of the Net Asset Value per Unit, then as soon as may be practicable after any such declaration the Trustee shall cause a notice (in such manner as they may determine) to be given to the holders of the Units of the affected Class stating that such declaration has been made, and at the end of any period of suspension the Trustee shall cause another notice to be given to the holders of Units stating that the period of suspension has ended.

### **DISTRIBUTION POLICY**

The Trustee does not anticipate that any distributions will be paid to Unitholders, but rather that all of the Trust assets will be invested. However, the Trustee reserves the right at any time during the Trust Period, from time to time and at such time as it thinks fit, to make such distribution to all or such one or more Class or Classes of Unitholders exclusively of others and if more than one in such proportions and amount and in such manner generally as the Trustee shall in its and absolute discretion think fit. Any such distribution shall be made out of Income and thereafter out of the capital of the Trust Fund. The whole or any part of any distribution may be made by specific assets of any kind and the Trustee may place such value on the said assets or part thereof as the Trustee in its absolute discretion thinks fit.

### **FINANCIAL STATEMENTS AND REPORTING REQUIREMENTS**

Audited accounts will be prepared annually as 31<sup>st</sup> December in each year (each “Accounting Date”) unless all of the Unitholders unanimously agree to waive the annual audit. If so waived, the Trustee shall file a performance report of the Fund with the Securities Commission of The Bahamas within six (6) months of the waiver and every six (6) months thereafter so long as the waiver exists. Unitholders will be provided with a copy of the Trust’s audited financials within four months after each Accounting Date.

Unitholders can obtain a copy of the Net Asset Value of the Trust or the relevant Class of Units from the Administrator at the address listed above.

### **FEES AND EXPENSES**

In consideration for the provision of trustee and custodian services, the Trustee shall be paid an annual fee based on the Net Asset Value of the Trust Fund, as agreed from time to time between the Administrator and the Trustee. Such fee is payable quarterly in arrears.

In consideration for the provision of administration and investment management services, the Administrator shall be paid an annual fee, which shall not exceed, the sum of seventy-five (75) basis points of the Net Asset Value of Class A, one percent (1%) of the Net Asset Value of Class

B, one percent (1%) of the Net Asset Value of Class C, and one and one-half percent (1.5%) of the Net Asset Value of Classes D, E, and F respectively, payable quarterly in arrears.

The fees payable to the Auditors shall not exceed the prevailing usual and customary fees for such services.

The Trustee will also pay costs and expenses out of the Trust Fund in connection with the ongoing administration of the Fund and the offering of Units therein in an amount which shall not exceed the prevailing usual and customary fees for such services.

## **TERMINATION OF THE FUND**

The Trust shall terminate on the happening of the first to occur of any of the following events:

- (i) if it becomes illegal or, in the opinion of the Trustee, impractical or inadvisable or contrary to the interests of the Unitholders either to continue the Trust or to remove it to another legal jurisdiction as provided in the Declaration following a decision to so remove it;
- (ii) if the Unitholders by Extraordinary Resolution of each Class shall so determine;
- (iii) upon the termination of the period that shall commence on the date of the Declaration and terminate one hundred and fifty years (150) years from the date hereof; or
- (iv) if the Trustee shall have given written notice of its intention to retire in accordance with the terms of the Declaration, or if the Trustee shall be placed in compulsory or voluntary liquidation (otherwise than a voluntary liquidation for the purposes of reorganisation approved in advance by Ordinary Resolution), and the Trustee or the Unitholders as shall be unable to appoint or procure the appointment of another company ready to accept the office of Trustee as a replacement for the Trustee within 30 days after the giving of such notice or placement in liquidation.

## **IMPORTANT**

**An investment in the Fund involves significant risks. Prospective investors should read the entire *Declaration* and consult with independent, qualified sources of investment and tax advice before determining whether to invest in the Fund.**

**SUBSCRIPTION AGREEMENT**

**A UNIT TRUST KNOWN**  
**AS “COLONIAL BAHAMAS FUND”**

**The Trustee of the Trust known as Colonial Bahamas Fund**

c/o Colonial Pension Services (Bahamas) Limited

P. O. Box SS-6246

3<sup>rd</sup> Floor, Atlantic House

Collins Avenue

Nassau, New Providence,

The Bahamas

Telephone: (242) 502-PLAN (7526)

Facsimile: (242) 502-7501

Dear Sirs:

**1. Subscription of Shares**

The undersigned or if executed by a nominee, his beneficial owner of the units (the “Subscriber”) hereby subscribes in the amount set out herein below, for Units of beneficial interest (the “Units”) in the trust known as “Colonial Bahamas Fund” (the “Fund”), constituted with effect from the 30<sup>th</sup> day of March, 2009 by a Declaration of Trust made on the 29<sup>th</sup> day of March, 2009 (as amended from time to time, the “Declaration”) by Butterfield Trust (Bahamas) Limited (formerly Butterfield Bank (Bahamas) Limited) as trustee (the “Trustee”) and governed by the laws of The Bahamas.

*Class of Units to be purchased:* \_\_\_\_\_

*Amount subscribed for:* \$\_\_\_\_\_.

The Subscriber acknowledges that his subscription is subject to being accepted or rejected (in whole or in part) in the sole discretion of the Trustee. If the application is accepted by the Trustee, the Subscriber will be provided with an acknowledgement from the Trustee.

Terms used herein and not otherwise defined shall have the meanings assigned to them in the Declaration.

Unitholders making additional investments will be deemed to have reaffirmed all of the representations, warranties and acknowledgements set forth herein as of the date of each such additional investment.

Units that are subscribed for during the Initial Offering Period will be offered at the initial offer price of Ten Dollars (B\$10.00) per Unit (the “Initial Offer Price”). Thereafter, Units will be issued at a price equal to the Net Asset Value per Unit.

## 2. Representations, Warranties and Acknowledgements

The Subscriber hereby represents and warrants to the Trustee as follows:

(a) The Subscriber, if a natural person, is at least eighteen (18) years of age and is legally competent to execute and deliver this Subscription Agreement;

(b) The Subscriber is duly authorized and qualified to subscribe for the Units, and the person(s) executing this Subscription Agreement on behalf of the Subscriber (if any) has/have been duly authorized by the Subscriber to execute and deliver this Subscription Agreement on behalf of the Subscriber;

(c) The Subscriber is an Eligible Investor, as defined in the Declaration;

(d) The Subscriber is a Professional Investor, as defined below (Please indicate by ticking the appropriate box below):

- a bank or trust company licensed under the Banks and Trust Companies Regulation Act of The Bahamas or licensed in a prescribed jurisdiction, whether acting in its individual or fiduciary capacity;
- a registered broker-dealer or firm registered as a Securities Investment Advisor under the Securities Industry Act of The Bahamas with a minimum regulatory capital of \$120,000 or a Broker Dealer or firm of Securities Investment Advisors registered in a prescribed jurisdiction;
- an insurance company licensed under the Insurance Act of The Bahamas or licensed in a prescribed jurisdiction;
- an investment fund licensed or registered under the Investment Funds Act of The Bahamas or regulated in a prescribed jurisdiction;
- a natural person whose individual net worth, or joint net worth with the person's spouse exceeds \$1,000,000;
- a natural person who has an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
- a trust with total assets in excess of \$5,000,000;
- an entity in which all of the equity owners satisfies one of the requirements above.

*For the purposes of this definition, a "prescribed jurisdiction" means a jurisdiction prescribed by the Securities Commission of The Bahamas pursuant to the provisions of the Investment Funds Act, 2003 of The Bahamas.*

(f) The Subscriber has all governmental, regulatory and administrative registrations and approvals required for the Subscriber to invest in the Fund;

(g) The Subscriber has: (i) such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Units and (ii) obtained, in the Subscriber's judgment, sufficient information from the Fund to evaluate the merits and risks of such investment;

(h) The Subscriber has carefully reviewed and understands the terms of this Subscription Agreement, the Term Sheet for the Fund, the Declaration and all material contracts relating to the Fund (which, for the purposes of this Subscription Agreement, include (i) the agreements entered into with the Administrator (the "Administration Agreement") and the Investment Manager (the "Investment Management Agreement") and the Subscriber specifically agrees to and acknowledges the terms of this Subscription Agreement, the Declaration and each material contract, including the exculpation and indemnification provisions set forth in the Declaration, the Administration Agreement and the Investment Management Agreement, and that such provisions shall survive the redemption of the Subscriber's entire investment in the Fund as well as the termination thereof. The Subscriber specifically waives any recourse against any member of the Administrator and Investment Manager in respect of the offering of the Units and the operations of the Fund, provided that the member of Administrator and Investment Manager in question complies with the standard of liability set forth in the Declaration and the relevant material contract.;

(i) The Subscriber has evaluated the risks of a purchase of Units, including but not limited to (a) an investment in the Fund is subject to the risk of a possible loss of the investor's investment and (b) the prices of the securities and the income generated by the securities held in the Fund may decline in response to certain events, such as, general economic conditions, regional or global instability and currency and interest rate fluctuations;

(j) The Subscriber has been furnished with any materials relating to the Fund, its operation, the offering of the Units, the performance of the Fund and any other matters relating to the Administrator, the Investment Manager, the Fund and this investment that the Subscriber has requested. The Subscriber acknowledges that the Trustee and/or the Investment Manager may refuse to furnish to the Subscriber any materials which they deem to be proprietary;

(k) The Subscriber has been afforded the opportunity to ask questions of, and receive answers from the Administrator, the Investment Manager and the Trustee to the extent that the Subscriber has deemed necessary or advisable in order to verify the accuracy of the information set forth in the Term Sheet;

(l) The Subscriber has determined that the Units are a suitable investment for the Subscriber and the Subscriber has the financial ability to bear the economic risk of the Subscriber's investment in the Fund (including the possible complete loss of such investment), has adequate means of providing for the Subscriber's current needs, financial contingencies and cash flow requirements and has no need for liquidity with respect to an investment in the Fund;

(m) In making its decision to purchase the Units, the Subscriber has relied solely upon independent investigations made by the Subscriber or by its professional advisers. The Subscriber is not relying on the Trustee, the Investment Manager or the Administrator with respect to any legal, tax or other economic considerations relating to the Subscriber's investment

decision, and further understands that the only disclosures for which the Trustee accepts any responsibility relating to the Subscriber's investment are those set forth in the Term Sheet;

(n) The Subscriber has determined that an investment in the Units is consistent with any obligation the Subscriber may have to its beneficiaries or beneficial owners, if any;

(o) The Subscriber understands that the Subscriber may not sell or otherwise transfer Units without the consent of the Trustee, and understands and agrees that the Subscriber may be required to bear the economic risk of the Subscriber's investment for an indefinite period of time (to the extent provided in the Term Sheet and the Declaration);

(p) The Subscriber confirms that none of the Trustee, the Administrator or the Investment Manager guarantees the success of an investment in the Units or that substantial or total losses will not be incurred on such investment.

(q) The Subscriber acknowledges that the Investment Manager will receive remuneration from the assets of the Fund.

(r) The Subscriber acknowledges that the business terms of the Fund have been established without the interests of any investors being represented.

(s) The Subscriber acknowledges that the Investment Manager, as well as its affiliates may manage other investment funds in addition to the Fund and may have financial and other incentives to favor certain of such investment funds over the Fund.

(t) The Subscriber understands that no governmental, federal or state agency, securities or commodity exchange or self-regulatory body has reviewed the Term Sheet or the offer of the Shares or made any finding or determination as to the fairness of the business terms or an investment in the Fund.

(u) The Subscriber agrees that the foregoing representations and warranties, and all other information regarding the Subscriber set forth herein, may be used as a defense in any actions relating to the Fund or the offering of the Units, and that it is only on the basis of such representations, warranties and other information that the Trustee may be willing to accept the Subscriber's subscription of Units.

(v) If there should be any material change in any of the foregoing information, representations or warranties, the Subscriber agrees to promptly inform the Trustee. The Subscriber acknowledges that the Investment Manager and the Trustee will rely on such information, representations and warranties on an ongoing basis.

**THE FUND IS A SPECULATIVE INVESTMENT THAT INVOLVES RISK, INCLUDING THE RISK OF LOSING ALL OR SUBSTANTIALLY ALL OF THE AMOUNT INVESTED. THE SUBSCRIBER SHOULD NOT REGARD THE FUND AS A COMPLETE INVESTMENT PROGRAM.**

**THE SUBSCRIBER HAS READ CAREFULLY AND UNDERSTANDS THE TERM SHEET AND THE DECLARATION AND HAS RELIED ON THE SUBSCRIBER'S OWN ADVISERS WITH RESPECT TO THE SUBSCRIBER'S INVESTMENT IN THE UNITS AND THE SUITABILITY OF SUCH INVESTMENT**

**FOR THE SUBSCRIBER. THE SUBSCRIBER HAS NOT RELIED ON THE TRUSTEE, THE ADMINISTRATOR OR THE INVESTMENT MANAGER FOR TAX OR LEGAL ADVICE, BUT ONLY ON THE SUBSCRIBER'S OWN ADVISERS.**

**3. The Subscriber further warrants and agrees as follows:**

(a) The Subscriber agrees to provide the documentation listed below. Failure to provide the documentation listed below will result in the Subscriber's Subscription Agreement being refused. Applicants will be notified by either facsimile transmission or by mail of such refusal. The documentation listed in only required on the Subscriber's first investment.

**(i) Individuals**

- (a) Full and correct name;
- (b) Copy of the relevant pages of passport, driver's license, voter's card, national identity card or such other identification document bearing a photographic likeness of the person as is reasonably capable of establishing the identity of the person;
- (c) Permanent address;
- (d) Telephone and fax number (if any); and
- (e) Date and place of birth.

**(ii) Corporation(s)**

- (a) Certified copy of the Certificate of Incorporation;
- (b) Certificate of Good Standing;
- (c) Certified copy of the Memorandum and Articles of Association;
- (d) Name and address of registered office and registered agent;
- (e) Names and addresses of all officers, directors, and beneficial owners;
- (f) Certified copy of authorized signatory list;
- (g) A copy of the relevant pages of passport, driver's license, voters card, national identity card or such other identification document bearing a photographic likeness of the person as is reasonably capable of establishing the identity of each officer, director and beneficial owner; and
- (h) Source of funds.



(iii) **Where the Subscriber is a Trustee, Financial Institution (as per the Financial Transactions Reporting Act, 2000, the “FTRA”)**

- (a) Verification of all trustees and vested beneficiaries as per the relevant requirements above relating to individuals or corporations (as applicable);
- (b) Certification of the trustee that a valid trust exists and declaring the identity of the vested beneficiaries of the trust;

(iv) **Where the Subscriber is a Partnership or other unincorporated association**

- (a) Verification of all beneficial owners as per the relevant requirements above relating to individuals or corporations (as applicable); and
- (b) Certification of the General Partner that a valid partnership exists and declaring the identity of the limited partners of the partnership.

(v) **Payment via a Qualified Financial Institution Bank**

If payment is made by a Subscriber, whether by cheque or electronically, from an account held in the Subscriber’s name at a European Union (EU) credit institution or credit institution in a qualified financial institution (“Qualified Financial Institution” or “QFI”) prescribed country, that is a country prescribed by the First Schedule of the FTRA the only additional verification needed is the Subscriber’s address.

(vi) **Where the Subscriber is a Qualified Financial Institution as per the FTRA**

(x) QFI is investing for its own account

Written confirmation on the letterhead of the Financial Institution that the investment is being made for its own account; or

(y) QFI is investing on behalf of a client

Written confirmation on the letterhead of the Financial Institution that the financial institution will verify the identity of each customer on whose behalf an investment is made, in accordance with the due diligence requirements to which the Qualified Financial Institution is subject.

(b) All evidence of identity provided by the Subscriber to the Administrator and the Fund is genuine, and all related information furnished by the Subscriber to the Administrator or the Fund is accurate. As part of the responsibility of the Trustee and the Administrator of preventing an investment in the Fund from being used as a means of money laundering, the Administrator and/or the Trustee may require, in addition to the information prescribed in 3(a) above, a detailed verification of the identity of the Subscriber (as well as the Subscriber’s direct or indirect beneficial owners, if any).

(c) The Subscriber agrees to provide any information deemed necessary from time to time by the Administrator, the Investment Manger or the Trustee to comply with applicable anti-money laundering laws and regulatory guidelines, the Administrator's, the Investment Manger's or the Trustee's anti-money laundering program and related responsibilities.

(d) Unless otherwise stated herein, the Subscriber is not acting as agent, representative, intermediary/nominee or in any similar capacity for any other person.

(e) The Subscriber acknowledges and agrees that any redemption proceeds (as well as any dividend proceeds) paid to the Subscriber will only be paid to the same account from which the Subscriber's investment in the Fund was originally remitted.

(f) The Subscriber acknowledges and agrees that the Administrator, the Investment Manager and the Trustee may release confidential information concerning the Subscriber and, if applicable, any person with a direct or indirect beneficial interest in the Subscriber's Units or in the Subscriber itself, to regulatory or law enforcement authorities, if the Administrator, the Investment Manager or the Trustee determines that it is required or advisable to do so in order to ensure compliance with applicable law.

(g) In addition to the provisions of Sections 3(a), 3(b) and 3(c) the Administrator and the Trustee each reserves the right to request such additional information as the Administrator or the Trustee, as the case may be, may deem necessary or advisable to verify the identity of the Subscriber (or the Subscriber's direct or indirect beneficial owners) or to require the Subscriber, if an entity, to provide a copy of its anti-money laundering policies to the Administrator or the Trustee, as the case may be. In the event of any delay or failure by the Subscriber to produce any information so requested, within five (5) Business Days, the Trustee may refuse to accept any new subscription from the Subscriber and/or may refuse to process a redemption request or transfer by the Subscriber until proper information has been provided to the Trustee pursuant to an executed redemption request in the form attached hereto as Appendix B.

(h) The Subscriber agrees that it shall have no claim against the Administrator or the Trustee for any form of damages as a result of the Administrator or the Trustee taking any of the actions referred to in this Section 3.

***The Subscriber agrees promptly to notify the Administrator and the Trustee if any of the foregoing representations or warranties are no longer accurate or if the Subscriber is not complying with any of the foregoing covenants, in each case in all material respects.***

#### **4. Standing Instructions**

(a) As applicable, the following person(s) acts as nominee or such person(s) are officers, trustees, general partners or others duly authorised as agents to act on behalf of the Subscriber (**each such person, an "Authorized Signatory"**). If the undersigned Subscriber appoints a nominee, the Subscriber hereby agrees that such nominee will be the sole Unitholder with respect to the Units for which he/she/it acts as nominee, with authority to exercise all rights in connection with the Units, that distributions, reports and any other communication with respect to such Units will be received by the nominee as the registered Subscriber and Unitholder and that the nominee will transfer such items to or for the account of the Subscriber in accordance with instructions given by the Subscriber.

Specimen signature(s):  individually  jointly  other

\_\_\_\_\_ Sign as: \_\_\_\_\_

\_\_\_\_\_ Sign as: \_\_\_\_\_

\_\_\_\_\_ Sign as: \_\_\_\_\_

Date:

The Administrator and/or the Trustee may without inquiries, act only upon the instructions of any person(s) purporting to be (an) Authorized Signator(y/ies) as named in the authorization last received by the Administrator. The Trustee and the Administrator shall not be liable for any claims, expenses (including legal fees) or losses resulting from any of them having acted upon any instructions reasonably believed to be genuine. This authorization and indemnity is also a continuing one and shall remain in full force and effect until revoked by the undersigned by a written notice addressed to the Trustee and delivered to the Trustee at 3<sup>rd</sup> Floor, Atlantic House, Collins Avenue, P.O. Box SS-6246, Nassau, The Bahamas but such revocation shall not affect any liability in any way resulting from transactions initiated prior to such revocation. This authorization shall inure to the benefit of the Administrator and/or the Trustee and of any successor thereto irrespective of any change or changes at any time in the personnel thereof for any cause whatsoever, and of the assigns of the Administrator and/or the Fund or any successor thereto.

**Note:** In addition to providing specimen signatures as requested above, the Subscriber is required to furnish additional written evidence acceptable to the Administrator and/or the Trustee (which may take the form of an incumbency certificate, written resolutions, a power of attorney or other similar proof) of each Authorized Signatory's authority to act on behalf of, and bind, the Subscriber.

(b) Standing Wire Instructions:

The Subscriber agrees that all or any funds payable to the Subscriber (including redemption proceeds) may be wire transferred to the Subscriber in accordance with the following instructions:

Bank Name: \_\_\_\_\_  
Bank Address: \_\_\_\_\_  
\_\_\_\_\_  
ABA, SWIFT or CHIPS No.: \_\_\_\_\_  
Account Name: \_\_\_\_\_  
Account No.: \_\_\_\_\_  
For Further Credit: \_\_\_\_\_  
Reference: \_\_\_\_\_

The wire instructions provided above may be amended by written notice, signed by an Authorized Signatory and delivered to the Trustee and the Administrator at the address provided herein.

(c) Anti-Money Laundering Confirmation:

Is the Subscriber a customer of the bank identified immediately above?

Yes  No

If the answer is “No,” please contact the Trustee and the Administrator for additional information that will be required from the Subscriber.

Is the Subscriber’s subscription payment to be made by bank-to-bank transfer from an account **other than** the account detailed above:

Yes  No

If the answer is “Yes,” please provide below details of the bank from which the Subscriber’s subscription payment will be transferred:

Bank Name:	_____
Bank Address:	_____ _____ _____
ABA, SWIFT or CHIPS No.:	_____
Account Name:	_____
Account No.:	_____
Reference:	_____

Is the Subscriber a customer of the bank identified immediately above?

Yes  No

If the answer is “No,” please contact the Trustee and the Administrator for additional information that will be required from the Subscriber.

**5. Payment Instructions**

Unless an alternative form of payment is permitted by the Trustee, subscription monies must be paid by wire transfer, bank draft or cheque and should be remitted net of bank charges in Bahamian dollars to:

RTGS Central Bank  
First Caribbean International Bank  
Butterfield Trust (Bahamas) Limited  
Contributions Account A/C 100502972  
c/o Colonial Pensions Services (Bahamas) Limited

Failure to remit the full amount due will be treated as a withdrawal of the Subscriber’s subscription.

6. **Indemnity**

The Subscriber agrees to indemnify and hold harmless the Administrator, the Trustee, the Investment Manager, their officers, directors, employees, agents and anyone acting on their behalf (the “**Indemnified Persons**”) against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation or any claim whatsoever commenced or threatened) arising out of or based upon any false, inaccurate, or incomplete representation or warranty, misinformation or breach or failure by the Subscriber herein or hereunder or under any other document furnished or delivered by the Subscriber to any of the foregoing in connection with the Subscriber’s investment in the Fund or resulting from any unsuccessful proceeding or other action brought by the Subscriber against any of the foregoing relating to the Fund or the offering of Units unless arising from the willful default of the Indemnified Persons.

7. **Miscellaneous**

The following provisions are applicable even if the Trustee does not accept this Subscription Agreement, and the Subscriber does not become a Shareholder:

(a) ***Governing Law; Consent to Jurisdiction; Waiver of Jury Trial.***

(i) THIS SUBSCRIPTION AGREEMENT IS MADE PURSUANT TO AND SHALL BE GOVERNED BY THE LAWS OF THE COMMONWEALTH OF THE BAHAMAS WITHOUT REGARD TO PRINCIPLES OR CONFLICTS OF LAW AND NOTWITHSTANDING THE PLACE WHERE THIS SUBSCRIPTION AGREEMENT IS EXECUTED OR THE LOCATION OF ANY OFFICE, VENTURE OR OPERATION OF ANY PARTY HERETO. ANY ACTION OR PROCEEDING RELATING IN ANY RESPECT TO THIS SUBSCRIPTION AGREEMENT, THE OPERATING OF THE FUND, THE DECLARATION OR THE MATERIAL CONTRACTS OR THE OFFERING OF THE UNITS MAY BE BROUGHT AND ENFORCED IN THE COURTS OF THE COMMONWEALTH OF THE BAHAMAS, AND THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE JURISDICTION OF SUCH COURTS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING. THE PARTIES HERETO IRREVOCABLY WAIVE ANY OBJECTION THAT THEY MAY NOW OR HEREAFTER HAVE TO LAYING THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN THE COURT OF THE COMMONWEALTH OF THE BAHAMAS AND ANY CLAIM THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORM.

(ii) THE SUBSCRIBER HEREBY AGREES THAT SERVICE OF PROCESS MAY BE EFFECTED ON THE SUBSCRIBER IN THE SAME MANNER AS NOTICES ARE GIVEN PURSUANT TO SECTION 8.

(b) ***Equitable Relief.*** The Subscriber agrees that the Administrator or the Trustee would be subject to potentially irreparable injury as a result of any breach by the Subscriber of any of the representations, warranties, acknowledgements, covenants or agreements set forth in this Subscription Agreement, and that monetary damages would not be sufficient to compensate or make whole the Administrator or the Trustee for any

such breach. Accordingly, the Subscriber agrees that the Administrator or the Trustee shall be entitled to equitable and injunctive relief, on an emergency, temporary, preliminary and/or permanent basis, so as to prevent any such breach or the continuation thereof.

(c) ***Survival; Legal Effect.***

(i) The Subscriber agrees that the representations, warranties, agreements and covenants set forth in this Subscription Agreement shall, in pertinent part, survive the acceptance (or rejection) of this Subscription Agreement and any subsequent redemption by the Subscriber of all of its Shares.

(ii) This Subscription Agreement shall be binding upon the parties hereto and shall inure to the benefit of such parties as well as those indemnified hereunder.

(d) ***Severability.*** In the event that any provision of this Subscription Agreement is held to be invalid or unenforceable in any jurisdiction, such provision shall be deemed modified to the minimum extent necessary so that such provision, as so modified, shall no longer be held to be invalid or unenforceable. Any such modification, invalidity or unenforceability shall be strictly limited both to such provision and to such jurisdiction, and in each case to no other. Furthermore, in the event of any such modification, invalidity or unenforceability, this Subscription Agreement shall be interpreted so as to achieve the intent expressed herein to the greatest extent possible in the jurisdiction in question and otherwise as set forth herein.

(e) ***Counterparts; Facimiles.***

(i) The Execution Pages of this Subscription Agreement may be executed in one or more counterparts, each of which shall, however, together constitute the same document.

(ii) The Subscriber agrees that the Trustee and/or the Administrator is authorized to accept and execute the Execution Pages hereto as well as any instructions given by the Subscriber in original signed form or by facsimile. If instructions are given by facsimile, the Subscriber will promptly courier the original signed form to the Administrator and will indemnify the Administrator and the Trustee for any losses and damages suffered by them as a result of acting on facsimile instructions rather than instructions in original signed form. The Subscriber further agrees that the Administrator and the Trustee are entitled to rely conclusively on, and shall incur no liability in respect of any action taken on the basis of, any notice, consent, request, instruction or other instrument believed in good faith to be genuine or to be signed by properly authorized persons.

(f) ***Entire Agreement.*** This Subscription Agreement contains the entire agreement and understanding of the parties hereto relating to the subject matter hereof, and supersedes any prior agreements and understandings of the parties relating to such subject matter.

(g) ***No Waiver.***

(i) No failure or delay on the part of the Administrator or the Trustee in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise or any such right, power or remedy preclude any other or further exercise thereof or the exercise or any other right, power or remedy. Failure on the part of the Administrator or the Trustee to challenge any act of the Subscriber or to declare the Subscriber in default with respect to the Administrator or the Trustee, irrespective of how long that failure continues, shall not constitute a waiver by the Administrator or the Trustee of their rights with respect to that default until the applicable statute-of-limitations period has run.

(ii) Any waiver granted hereunder must be in writing and shall be valid only in the specific instance in which given.

(h) **Authorization to disclose.** The Subscriber authorizes the Trustee, the Administrator and/or the Investment Manager to disclose to each other, any other service provider to the Trustee in respect of the Fund and any regulatory body in any applicable jurisdiction to which any of the Trustee, the Administrator, and/or the Investment Manager is or may be subject, copies of the Subscription Agreement duly completed by the Subscriber together with all other subscription documents and any other information concerning the Subscriber in their respective possession, whether provided by the Subscriber to the Trustee, the Administrator, and/or the Investment Manager or otherwise, including details of the Subscriber's holdings in the Fund, historical and pending transactions in the Fund's Units and the values thereof and agrees that any such disclosure shall not be treated as a breach of any restriction upon the disclosure of information imposed on any such person by law or otherwise. The Subscriber acknowledges that such disclosure may be made.

(i) **Non-Disparagement.** Neither the Subscriber nor any representative of the Subscriber shall publicly disparage the Trustee or the Administrator.

## 8. **Notices**

(a) Subject to the provisions of sub-paragraphs (b) (ii) and (c) below, all notices or other communications that the parties hereto may desire or be required to give hereunder shall be in writing and shall be deemed to have been duly given if (i) personally delivered (with receipt thereof acknowledged in writing), (ii) sent by facsimile, receipt confirmed, (iii) mailed by pre-paid certified mail, return receipt requested or (iv) sent by reputable courier (receipt confirmed).

(b) Subject to the provisions of sub-paragraph (c) below, all notices or other communications shall:

(i) Be sent to the Trustee or the Administrator at the address set forth on the cover page of this Subscription Agreement, to the Subscriber at the address notified to the Administrator by the Subscriber from time to time; and

(ii) Notwithstanding the provisions of sub-paragraph (a) above, in the absence of earlier receipt, be deemed to have been validly given on the date of receipt, if delivered personally, twenty four (24) hours after the time when it was sent, if delivered by facsimile, on the third Business Day after being posted if the sender and the recipient are both within The Bahamas, on the fifth Business Day

after being posted if the sender or the recipient are in different countries and on the second Business Day after being sent by a reputable courier service; provided that the redemption requests and this Subscription Agreement shall be deemed given only when actually received by the Administrator.

(c) Notwithstanding the foregoing provisions of this section 8, notices from the Trustee or the Administrator to Unitholders shall be given in accordance with the provisions of the Declaration.

(d) Any notice required hereunder need not be prior notice unless expressly so specified. Any notice period specified herein shall end on the close of business on the day that is the prescribed number of days following the first day of the relevant period, unless that day is not a Business Day, in which case, as of the next succeeding Business Day.

9. **Items Required from the Subscriber**

- (a) Completed and executed copy of the Execution Page.
- (b) The anti-money laundering documentation described in Section 3(a).
- (c) Arrangements for payment of the subscription price of the Subscriber's Units.
- (d) Written proof of authority (which may take the form of an incumbency certificate, written resolutions, a power of attorney or other similar proof) acceptable to the Trustee and/or Administrator to execute this Subscription Agreement and other related documents.
- (e) Any other information requested by the Trustee or the Administrator.

10. **Subscriber's Confirmation**

The Subscriber hereby confirms that the Subscriber agrees with the regulatory requirements applicable to the SMART Fund 002, pursuant to the SMART Fund Rules, 2003 and the Investment Funds Act and Regulations, 2003.



**EXECUTION PAGE**

If the Subscriber is an Individual – complete this section:

Dated: _____, ____	<b>[Individual Subscription]</b>
<u>Address of Subscriber:</u> _____ _____ _____	By: _____ (Print Name of Subscriber)
Telephone: _____	_____ (Signature of Subscriber)
Facsimile: _____	<b>Indicate how Units to be registered</b> (tick one) <input type="checkbox"/> Individual Ownership (One signature required) <input type="checkbox"/> Joint Tenants with rights of survivorship (All tenants must sign) <input type="checkbox"/> Tenants in common (All Tenants must sign) below
Email: _____	<b>If Subscriber has indicated that Units should be registered for joint tenants with rights of survivorship or for tenants in common, all tenants must sign below:</b>
	By: _____      By: _____      By: _____
	_____ (Signature)                      (Signature)                      (Signature)
	Dated: _____, ____      Dated: _____, ____      Dated: _____, ____

If the Subscriber is a corporate entity, complete this section:

Dated: _____, ____	<b>[Entity Subscription]</b>
<u>Address of Subscriber:</u> _____ _____ _____	_____ (Name of Subscriber)
Telephone: _____	By: _____ Name: Title:
Facsimile: _____	

**BUTTERFIELD TRUST (BAHAMAS) LIMITED** in its capacity as trustee of the Trust known as Colonial Bahamas Fund

Dated: \_\_\_\_\_, \_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

**COLONIAL PENSION SERVICES (BAHAMAS) LIMITED** in its capacity as **Administrator and Investment Manager** (for the limited purposes of being party to the representations, warranties, acknowledgements, covenants and indemnities of the Subscriber)

Dated: \_\_\_\_\_, \_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

[The remainder of this page has intentionally been left blank.]

**DATED:** \_\_\_\_\_

Appendix B

**REDEMPTION REQUEST FORM**

**The Trustee of the Trust known as Colonial Bahamas Fund**

c/o Colonial Pension Services (Bahamas) Limited  
P. O. Box SS-6246  
5<sup>th</sup> Floor, Atlantic House  
Collins Avenue  
Nassau, New Providence,  
The Bahamas

Telephone: (242) 502-PLAN (7526)  
Facsimile: (242) 502-7501

Dear Sirs:

The undersigned (the “Unitholder”), hereby requests redemption, of the number of Units of beneficial interest set out below (the “Units”) in the trust known as “Colonial Bahamas Fund” (the “Fund”), constituted with effect from the 30<sup>th</sup> day of March, 2009 by a Declaration of Trust made on the \_\_\_\_\_ day of \_\_\_\_\_, 2009 (as amended from time to time, the “Declaration”) by Butterfield Trust (Bahamas) Limited as trustee (the “Trustee”) subject to all of the terms and conditions of the Term Sheet dated the \_\_\_\_\_ day of \_\_\_\_\_, 2009 (the “Term Sheet”) and the Declaration, as the same may be amended or supplemented from time to time as follows:

*Specify the Class of Units to be redeemed:* \_\_\_\_\_

*Specify the number of Units to be redeemed:* \_\_\_\_\_

*OR*

*Specify the Dollar Value of the Units to be redeemed:* \_\_\_\_\_

It is understood that: (i) the Units shall be redeemed at the Net Asset Value per Unit (as defined in the Declaration) in accordance with the provisions of the Term Sheet and the Declaration and (ii) if this Request for Redemption relates to a portion of the Units held by the Unitholder and such request will have the effect as of the relevant Redemption Day (as defined in the Declaration) of reducing the value of the total number of Units held by the Unitholder to less than such amount as may be determined by the Trustee from time to time, this Request for Redemption shall be treated as a request to redeem all of the Units held by such Unitholder.

The Unitholder hereby represents and warrants that: (i) he/she/it is the true and lawful registered owner of the Units (or fractions thereof) to which this Request for Redemption relates, with full power and authority to request redemption of such Units, and (ii) the Units are not subject to any pledge or otherwise encumbered in any fashion.

The Unitholder by ticking the appropriate box below, requests payment of the redemption proceeds as follows:

- in cash/cheque to the address of the Unitholder as stated herein this Redemption Request;
- in cash in accordance with the wire transfer instructions set down herein this Redemption Request;

**SIGNATURE(S) MUST BE IDENTICAL TO NAME(S) IN WHICH THE UNITS ARE REGISTERED**

**Unitholder**

\_\_\_\_\_  
Name of Entity

By: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Name & Title of Authorized Signatory

\_\_\_\_\_  
Date

**PLEASE COMPLETE THE WIRE TRANSFER INSTRUCTIONS OR MAILING ADDRESS, AS APPLICABLE TO WHICH REDEMPTION PROCEEDS ARE TO BE SENT.**

\*Address to which redemption proceeds are to be sent:

\*Wire transfer instructions for the transfer of redemption proceeds:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Bank name: \_\_\_\_\_

Account Name: \_\_\_\_\_

Account No.: \_\_\_\_\_

Swift Address: \_\_\_\_\_

Attn: \_\_\_\_\_

Attention: \_\_\_\_\_

Phone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

E-mail: \_\_\_\_\_

TO BE COMPLETED BY THE ADMINISTRATOR:

---

Received: \_\_\_\_\_

Redemption Date: \_\_\_\_\_

Redemption monies remitted: \_\_\_\_\_