

REGULATORY SAFEGUARDS THAT DO NOT EXTEND TO ACCREDITED INVESTOR

For clients of Partners Capital Investment Group (Asia) Pte. Ltd. in Singapore

Under the conditions of the Capital Markets Services Licence (**CMSL**) granted by the Monetary Authority of Singapore (**MAS**), Partners Capital Investment Group (Asia) Pte. Ltd. (**we**) may only deal with clients that are assessed by us to be accredited investors (**Accredited Investors**) or institutional investors, each as defined under the Securities and Futures Act 2001 of Singapore (the **SFA**).

What does it mean to be an Accredited Investor?

An Accredited Investor is assumed to be better informed and better able to access resources to protect their interests, and therefore, are deemed to require less regulatory protection. As such, an Accredited Investor generally has access to a wider range of financial products and services.

Where we deal with you as an Accredited Investor, we would be exempt from complying with certain requirements under the SFA and the Financial Advisers Act (the **FAA**) and certain regulations and notices issued thereunder (the **consent provisions**), which are designed to provide regulatory safeguards to retail clients. Investors should consult a professional adviser if they do not understand any consequence of being treated as an accredited investor.

Please note that the regulatory requirements that we are exempted from when dealing with you as an accredited investor may be amended and updated from time to time due to regulatory changes or otherwise. Any amendments and updates will be set out on this website.

How do I qualify as an Accredited Investor?

To qualify as an Accredited Investor, an individual would need to satisfy one of the following criteria:

- Minimum income of S\$300,000 (or its equivalent in a foreign currency) in the last 12 months; or
- Net personal assets exceeding S\$2 million (or its equivalent in a foreign currency), of which the net value of the individual's primary place of residence can only contribute up to S\$1 million; or
- Net financial assets exceeding S\$1 million (or its equivalent in a foreign currency); or
- Holding a joint account with an Accredited Investor, in respect of dealings through that joint account.

A corporation, trust, or other entity with net assets exceeding S\$10,000,000 in value (or its equivalent in a foreign currency), corporations wholly-owned by Accredited Investors, or partnerships in which each partner is an Accredited Investor, may also qualify as an Accredited Investor.

Explanation of effect of being treated as an accredited investor under the consent provisions

Under the SFA and the regulations and notices issued thereunder:

1. **Prospectus Exemptions under Sections 275 and 305 of the SFA.** Sections 275 and 305 of the SFA exempt the offeror from registering a prospectus when the offer of securities and securities-based derivatives contracts, and units of collective investment schemes is made to relevant persons (including accredited investors). In addition, secondary sales made to institutional investors and relevant persons remain exempt from the prospectus registration requirement provided that certain requirements are met.

You can be offered certain products that cannot be offered to retail investors. The issuer and/or offeror is not subject to the statutory prospectus liability under the SFA. Subsequent sales of securities, securities-based derivative contracts and collective investment schemes first sold under inter alia Section 275 and 305

can also be made to you, as well as transfers of securities of certain corporations and interests in certain trusts.

2. **Restrictions on Advertisements under Sections 251 and 300 of the SFA.** Sections 251 and 300 of the SFA prohibit any advertisement or publication referring to an offer or intended offer of securities and securities-based derivatives contracts, and units of collective investment schemes from being made, except in certain circumstances. These restrictions do not apply to certain communications containing material on matters in a preliminary document lodged with the MAS. You may receive such communications and are therefore not protected by the requirements in Sections 251 and 300 of the SFA.
3. **Part III of the Securities and Futures (Licensing and Conduct of Business) Regulations (SFR).** Part III of the SFR stipulates the requirements imposed on us in relation to the treatment of customers' moneys and assets. We are exempt from treating you as a "retail investor" in relation to certain requirements pertaining to the treatment of a retail customer's assets, as summarised below.

Holder of CMSL	Retail customer	Accredited investor
Money received on account of customer¹	<ul style="list-style-type: none"> • Deposit into a trust account maintained in accordance with Regulation 17 of the SFR (requires the trust account to be maintained with a certain specified institution which is assessed as suitable); or • Deposit into account directed by retail customer to which retail customer has legal and beneficial title and maintained with licensed banks, merchant banks or finance companies or banks established and regulated as banks outside Singapore 	<ul style="list-style-type: none"> • Deposit into a trust account maintained in accordance with Regulation 17 of the SFR (requires the trust account to be maintained with a certain specified institution which is assessed as suitable); or • Deposit into account directed by accredited investor
Money received in foreign currency, subject to written consent of customer²	<ul style="list-style-type: none"> • Deposit moneys (other than moneys received from or on account of retail customer in respect of OTC derivatives contracts entered into between the CMSL holder and retail customer) into a trust account with custodian outside Singapore which is licensed to conduct banking business 	<ul style="list-style-type: none"> • Deposit all moneys (including moneys received in respect of OTC derivatives contracts) into a trust account with custodian outside Singapore which is licensed to conduct banking business
Disclosure requirement³	<ul style="list-style-type: none"> • CMSL holder to make certain disclosures (such as whether the moneys/assets will be commingled with other customers and the risks of commingling, consequences if 	<ul style="list-style-type: none"> • No such requirement

¹ Regulation 16(1)(ba)

² Regulation 17(2)

³ Regulations 18A and 27A

	<p>the institution which maintains the trust/custody account becomes insolvent) in writing prior to depositing moneys/assets in trust/custody account</p>	
<p>Depositing moneys with <i>inter alia</i> approved or recognised clearing house or member of organised market or clearing facility⁴</p>	<ul style="list-style-type: none"> Permitted only for moneys received for non-OTC derivatives contracts for certain purposes, e.g. facilitating the continued holding of a position on behalf of the customer, clearing or settlement of capital markets products on the clearing facility 	<ul style="list-style-type: none"> Permitted only for moneys received for certain purposes, e.g. facilitating the continued holding of a position on behalf of the customer, clearing or settlement of capital markets products on the clearing facility
<p>Prohibition on transferring title of moneys/assets received from customer to CMSL holder or any other person⁵</p>	<ul style="list-style-type: none"> Prohibited unless transferred in connection with: <ul style="list-style-type: none"> in the case of moneys, the lending of the retail customer's specified products; and in the case of assets, the borrowing or lending of the retail customer's specified products, in accordance with Regulation 45 of the SFR 	<ul style="list-style-type: none"> No such requirement
<p>Withdrawals from trust account/custody account to make payment/transfer the moneys/assets to any other person or account in accordance with the written direction of the customer⁶</p>	<ul style="list-style-type: none"> Not permitted where the withdrawal is from a retail customer's trust account for the purpose of making a payment, and not permitted to transfer retail customer's assets, to meet any obligation of the CMSL holder in relation to any transaction entered into by the CMSL holder for the benefit of the holder 	<ul style="list-style-type: none"> No such prohibition
<p>Customer Assets⁷</p>	<ul style="list-style-type: none"> Deposit into a custody account maintained in accordance with Regulation 27 of the SFR (requires the custody account to be maintained with certain specified institutions only); or Deposit into account directed by retail customer to which retail customer has legal and beneficial title and maintained with, inter alia, licensed banks, merchant banks or 	<ul style="list-style-type: none"> Deposit into a custody account maintained in accordance with Regulation 27 of the SFR (requires the custody account to be maintained with certain specified institutions only); or Deposit into account directed by accredited investor

⁴ Regulation 19

⁵ Regulations 20A and 34A

⁶ Regulations 21(2) and 35(2)

⁷ Regulation 26(1)(a)

	finance companies or banks established and regulated as banks outside Singapore	
Mortgage of customer's assets – CMSL holder may mortgage, charge, pledge or hypothecate customer's assets for a sum not exceeding the amount owed by the customer to the holder⁸	<ul style="list-style-type: none"> • Prior to doing so, CMSL holder must inform the retail customer of this right, explain the risks and obtain written consent of the retail customer 	<ul style="list-style-type: none"> • No equivalent requirement to inform, explain risks or obtain written consent of accredited investor

- 4. Regulation 47E of the SFR.** We are not under any obligation under Regulation 47E(1) and (2) of the SFR to provide for certain risk disclosure requirements for (a) trading in futures contracts, spot FX contracts for the purposes of leveraged FX trading and FX OTC derivatives (the **Products**), and (b) soliciting or entering into fund management agreements to manage Products for you.
- 5. Regulation 13B(4)(b)(ii) of the SFR.** Where you are an investor in a specified closed-end fund or arrangement, and provided we have disclosed this fact to you and arranged for an auditor to audit the assets on an annual basis and furnish a report on the audit to you, we are not under any statutory obligation to subject your assets under our management to independent custody and to segregate them from our proprietary assets and the assets of our related corporations or connected persons.
- 6. Regulation 40 of the SFR.** Provided: (a) we have made available to you (on a real-time basis) with your consent monthly and quarterly statements of account containing prescribed particulars electronically; or (b) you have requested in writing not to receive the statement of account, we are not under any statutory obligation under Regulation 40(1) and (3) of the SFR to furnish a monthly or quarterly statement of account to you.

Under the FAA and the regulations and notices issued thereunder:

- 7. Section 26(1)(c) of the FAA read with Regulations 4A(4)(c), (d), (e) and (6) of the Financial Advisers Regulations (FAR).** If we appoint a provisional representative in respect of any FAA regulated activity, we would undertake certain responsibilities with the MAS in relation to the representative, to ensure that the representative: (i) is accompanied at all times by an authorised person⁹ when meeting any client or member of the public in the course of carrying on business in any financial advisory service, (ii) sends concurrently to an authorised person all electronic mail that he sends to any client or member of the public in the course of carrying on business in any financial advisory service and (iii) does not communicate by telephone with any client or member of the public in the course of carrying on business in any financial advisory service, other than by telephone conference in the presence of an authorised person. When dealing with you as an accredited investor, we are not under any statutory obligation to restrict the interactions that may be undertaken by such representatives with you.
- 8. Regulation 32C of the FAR.** Where we have in place an arrangement with a foreign research house in respect of advising others by issuing or promulgating any research analyses or research reports concerning any investment product, we need not expressly accept legal responsibility for the contents of any research

⁸ Regulation 34(2)

⁹ An authorised person is (a) an appointed representative of the principal; (b) a director of the principal; (c) an officer of the principal whose primary function is to ensure that the provision of the financial advisory service in question complies with the laws and requirements of the MAS applicable to the financial advisory service in question; and (d) an officer of the principal appointed by the principal to supervise the representative in providing the financial advisory service in question.

analysis or research report issued or promulgated to you pursuant to such arrangement. We are also allowed to include disclaimers limiting or otherwise curtailing such legal responsibility.

9. **Section 34 of the FAA, MAS Notice on Information to Clients and Product Information Disclosure [Notice No. FAA-N03] and MAS Practice Note on the Disclosure of Remuneration by Financial Advisers [Practice Note No. FAA-PN01].** We are not under any statutory obligation in Section 34 of the FAA to provide you with all material information on any designated investment product in the prescribed form and manner, e.g. the benefits and risks of the designated investment product and the illustration of past and future performance of the designated investment product.
10. **Section 36 of the FAA and MAS Notice on Recommendations on Investment Products [Notice No. FAA-N16].** We are not under any statutory obligation in Section 36 of the FAA to ensure that we have regard to the information possessed by us concerning your investment objectives, financial situation and particular needs and have given consideration to and conducted investigation of the subject matter of any recommendation, and that the recommendation is based on such consideration and investigation. We are also not statutorily required to conduct a Customer Knowledge Assessment or Customer Account Review to determine your investment experience and knowledge, nor are we required to comply with certain procedures, including furnishing of certain risk warnings on overseas-listed investment products. Further, you will not be able to rely on Section 36 of the FAA in any claim against us for losses that may be suffered in respect of any investment that we may have recommended to you.
11. **Section 45 of the FAA.** We are not under any statutory obligation in Section 45 of the FAA to include a statement of interest in, or any interest in the acquisition or disposal of, specified products in any written recommendation or document that we may send to you.
12. **Sections 47 and 48 of the FAA, and MAS Notice on Requirements for the Remuneration Framework for Representatives and Supervisors and Independent Sales Audit Unit [Notice No. FAA-N20] and MAS Guidelines on the Remuneration Framework for Representatives and Supervisors, Reference Checks and Pre-Transaction Checks [Guideline No. FAA-G14].** We are not under any statutory obligation to (a) establish and maintain a remuneration framework for representatives and supervisors, for the purpose of (i) reviewing and assessing the performance of its representatives and its supervisors; and (ii) determining the remuneration of its representatives and supervisors; or (b) to have an independent sales audit unit to audit the quality of the financial advisory services provided by our representatives and to carry out the functions and duties prescribed by the MAS. These requirements would otherwise have been in place if you are a retail investor that is a natural person.
13. **Regulation 18B of the FAR.** We are not under any statutory obligation in Regulation 18B of the FAR to carry out a due diligence exercise to ascertain whether any new product we wish to sell or market to you is suitable for you.
14. **Regulation 3(2)(a)(ii) of the Financial Advisers (Complaints Handling and Resolution) Regulations 2021 (CHR Regulations).** The CHR Regulations apply to any complaint that is made on or after 3 January 2022 by clients who are individuals and not an accredited investors, expert investor or institutional investor. When we deal with you (if you are a natural person) as an accredited investor, the CHR Regulations will not apply to any complaints we receive from you (**your complaints**). As a result, we are not statutorily obliged to handle and resolve your complaints according to the requirements under the CHR Regulations. In particular, we are not under any statutory obligation to: (a) establish a unit for handling and resolving complaints (the **CHR Unit**), or ensure that your complaints are resolved by the CHR Unit; (b) establish or handle your complaints in according to a complaints handling and resolution process; (c) provide reasons for rejecting your complaints; or (d) keep a record of, track or manage your complaints. Further, we are not statutorily obliged to (i) appoint member(s) of our senior management to be responsible for compliance with the CHR Regulations; (ii) ensure that the prescribed information on our complaints handling and resolution

process is available to and easily accessible by members of the public; or (iii) include your complaints in any reports submitted to the MAS for the purposes of the CHR Regulations.

Can I withdraw my consent to be treated as an Accredited Investor?

If you consent to being treated as an Accredited Investor, you may withdraw this consent at any time, in writing to your designated client manager at Partners Capital Investment Group (Asia) Pte. Ltd., upon which, we must not (after 30 days upon receiving from you a written notification of no consent) treat you as an Accredited Investor for the purposes of all of the consent provisions. For the avoidance of doubt, opting out shall not affect your capital commitments to funds managed or advised by us made prior to the end of the 30-day period after the date on which you withdraw your consent (**Existing Capital Commitments**), or any existing investments which are subject to restrictions on redemption made prior to the end of the 30-day period after the date on which you withdraw your consent. Your obligation to make capital contributions in respect of such Existing Capital Commitments shall continue to be governed by the terms of the constitutive documents of the relevant fund, and your subscription agreement in relation to the same. However, we will not be able to accept any increase in capital commitments to existing funds or mandates managed or advised by us, or any new subscriptions to funds or mandates managed or advised by us.