

Capital Index (Global) Limited

Client Classification

The regulation which provides for the provision of investment services, the exercise of investment activities, the operation of regulated markets and other related matters requires a registrant to assess its clients' risk profile by taking into account each client's financial circumstances, risk tolerance, investment knowledge and investment needs and objectives. Capital Index (Global) Ltd. has proceeded with the classification of clients as retail clients, sophisticated clients or professional clients in accordance with the regulation.

The Company shall inform clients, in a durable medium, about any right that client has to request a different categorization and about any limitations to the level of client protection that it would entail.

"Retail Client" is a client who is not a professional client or an eligible counterparty.

"Sophisticated Client"

A Sophisticated client is a client who possesses the experience, knowledge and expertise to make their own investment decisions and properly assess the risks that they incur.

Under the regulations, the following are categories of clients who are considered to be sophisticated in relation to all investment services and activities and financial instruments:

- a) any director, senior officer or general partner of the issuer of the securities being offered or sold, or any director, senior officer or general partner of a general partner of that issuer;
- b) any individual whose individual net worth, or joint net worth with that person's spouse, at the time of the purchase exceeds one million dollars;
- c) any individual who had an individual income in excess of two hundred thousand dollars in each of the two most recent years or joint income with that person's spouse in excess of three hundred thousand dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;
- d) any person, other than an individual, with total assets in excess of five million dollars not formed for the specific purpose of acquiring the securities offered;
- e) any entity in which all of the equity owners are accredited investors;
- f) the government of The Bahamas or any public authority established in The Bahamas;
- g) the government of any foreign jurisdiction, or any agency of that government;
- h) any person purchasing on behalf of an account that is managed on a fully discretionary basis by that person, if that person is registered or authorised to carry on business as an adviser managing securities on a discretionary basis under the laws of the Bahamas or a foreign jurisdiction;

- i) any person residing outside of The Bahamas who qualifies as an accredited investor, however defined, or has similar status, under the securities legislation of that person's country of residence, or who meets the criteria specified in paragraph (b) or (c) and is otherwise lawfully entitled to purchase the securities under the securities laws applicable to such purchase; or
- j) any person that is recognised or designated by the Commission as an accredited investor;

Sophisticated Clients have the option of being re-classified as Retail Clients at any time, upon sending a request in writing to CIG.

“Professional Client”

Professional clients are legal entities which are required to be authorized or regulated in the financial markets. For the purpose of the guidelines, clients that fall into the following categories and which are subject to licensing or regulation in the Bahamas or another jurisdiction may be regarded as Professional Clients:

- a) any bank licensed under the Banks and Trust Companies Regulation Act (Ch. 316) or licensed and operating outside of The Bahamas, whether acting in its individual or fiduciary capacity;
- b) any registered firm or company registered to conduct securities business and operating outside of The Bahamas, acting for its own account;
- c) any insurance company registered under the Insurance Act (Ch. 347) or licensed and operating outside of The Bahamas;
- d) any investment fund licensed or registered under the Investment Funds Act (Ch. 369A) or regulated and operating outside of The Bahamas;
- e) any employee benefit plan if the investment decision is made by a plan fiduciary, which is a bank or trust company licensed under the Banks and Trust Companies Regulation Act (Ch. 316), an insurance company registered under the Insurance Act (Ch. 347), or a registered firm, or if the employee benefit plan has total assets in excess of five million dollars;
- f) Pension funds; and
- g) Other institutional investors which are subject to licensing or regulation in the Bahamas or in another jurisdiction in order to operate in the financial markets.

When seeking to classify a client as a professional client, CIG will request evidence that the client is licensed or regulated in the Bahamas or in another jurisdiction to operate in financial markets.