



Contents of Marketing Materials - Registered Private Funds

Rule

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1. Statutory Authority

- 1.1. This Rule is issued pursuant to section 34 of the Monetary Authority Law (2018 Revision) ("MAL"), which provides that the Cayman Islands Monetary Authority (the "Authority") may, after private sector consultation, issue or amend rules or statements of principle or guidance concerning the conduct of licensees and their officers and employees, and any other persons to whom and to the extent that the regulatory laws may apply.
- 1.2. This Rule should also be read in conjunction with the Authority's Rules on the Calculation of Asset Values for Registered Private Funds.

2. Objective

- 2.1. To set out the Authority's Rule on the Contents of Marketing Material of Registered Private Funds (each subparagraph of paragraph 5 below referred to as a "Rule," and collectively, the "Rules"), pursuant to the MAL.

3. Scope

- 3.1. This Rule applies to all funds registered under section 7 of the Private Funds Law, 2020 ("PFL") which intend to prepare Marketing Materials other than Alternative Investment Vehicles.

4. Definitions

- 4.1. Fund means any Private Fund registered under section 7 of the PFL that is not an Alternative Investment Vehicle.
- 4.2. 'NAV Calculation Policy' means the pricing and valuation practices, policies, and procedures to calculate a Fund's NAV that are established and



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maintained in accordance with the requirements of the PFL and the Authority's Rules on the Calculation of Asset Values for Registered Private Funds.

- 4.3. 'Service Provider' means a Fund's Administrator, Auditor, Custodian, Manager, investment advisor, Operator, prime broker, Promoter, or registrar, or any of their delegates with responsibility for the Fund's portfolio or operations.
- 4.4. All other capitalised terms used in these Rules shall have the meanings ascribed to them in the PFL.

5. Contents of Marketing Material

In addition to any requirements of any other relevant law including the PFL, a Fund's Marketing Material shall include information relating to:

5.1. the Fund, including:

- (i) the name of the Fund, and the address of its Registered Office in the Cayman Islands;
- (ii) the date of incorporation or establishment of the Fund (indicating whether or not the duration is limited);
- (iii) a statement of the place where copies of the constitution and any annual or periodic reports may be inspected and obtained;
- (iv) the date of the financial year end of the Fund;
- (v) for a Fund that is a Company, details of the authorised and issued shares including, where applicable, any existing initial, founder or management Investment Interests;
- (vi) details of the principal rights and restrictions attaching to the Fund's Investment Interests, including with respect to currency, voting rights, circumstances of winding up or dissolution, certificates, entry in registers and other similar details;



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- (vi) where applicable, an indication of stock exchanges or markets where the Investment Interests are, or are to be, listed or dealt in;
 - (vii) the procedures and conditions for the issue and sale of Investment Interests, including the minimum initial investment;
 - (viii) the procedures and conditions for the redemption, withdrawal or repurchase of Investment Interests and the circumstances in which such redemption, withdrawal or repurchase may be suspended;
 - (ix) a description of the intentions with respect to the declaration of dividends or distributions on the Investment Interests of the Fund;
 - (x) a description of the Fund's investment objectives, investment policy and any limitations on that investment policy;
 - (xi) a description of the Fund's material risks and an indication of any techniques and instruments or borrowing powers which may be used;
 - (xii) a description of the Fund's NAV Calculation Policy;
 - (xiii) an explicit description of the potential limitations and conflicts of the NAV Calculation Policy, and any material involvement by the Manager, a person who has a Control Relationship with the Manager, the investment advisor or Operator in the pricing of the Fund's portfolio, or otherwise in the calculation, determination or production of the NAV;
 - (xiv) a description of the rules applicable to the determination of issue and redemption, withdrawal or repurchase prices (including the frequency of dealings) and the places where information as to the prices may be obtained;
 - (xv) information concerning the manner, amount and/or calculation of remuneration to be paid to the Operator, the Administrator, investment advisor, Manager, Custodian and any other Service Providers receiving or likely to receive fees from the Fund;
 - (xvi) if applicable, a description of the potential conflicts of interest required to be disclosed in accordance with section 16(4)(b)(ii), section 17(4)(b)(ii) or section 18(1)(b)(ii) of the PFL;
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- (xvii) a statement confirming the existence of any side letters that bind the Fund and that contain any terms the effect of which provide an Investor with more favourable treatment than other holders of the same class of Investment Interest enhancing that Investor's ability either (i) to redeem Investment Interests of that class or (ii) to make a determination as to whether to redeem Investment Interests of that class, and which in either case might reasonably be expected to put other holders of Investment Interests of that class who are in the same position at a material disadvantage in connection with the exercise of their redemption or withdrawal rights;
- (xviii) a statement if the Fund is registered, licensed or authorised, as the case may require, (or intends to be registered, licensed or authorised) in any jurisdiction or with any supervisory or regulatory authority outside the Cayman Islands;
- (xix) details of the nature and frequency of financial reports to be distributed to investors;
- (xx) the accounting principles or reporting standards to be adopted in preparing the Fund's financial statements;
- (xxi) the following statement:

"THE REGISTRATION OF A FUND BY THE CAYMAN ISLANDS MONETARY AUTHORITY DOES NOT CONSTITUTE ANY GUARANTEE OR ASSURANCE BY THE AUTHORITY TO ANY INVESTOR AS TO THE PERFORMANCE OR CREDITWORTHINESS OF THE FUND.

FURTHERMORE, IN REGISTERING A FUND, THE AUTHORITY SHALL NOT BE LIABLE FOR ANY LOSSES OR DEFAULT OF THE FUND OR FOR THE CORRECTNESS OF ANY OPINIONS OR STATEMENTS EXPRESSED IN ANY MATERIAL USED TO SOLICIT THE PURCHASE OF INVESTMENT INTERESTS IN A FUND;

- 5.2. the names and addresses of the Fund's Operator, including details of their experience;
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- 5.3. the name and addresses of the Fund's investment advisor or Manager, including:
- (i) the names of the directors of the investment advisor or Manager, details of their experience and the addresses of their Registered Office or principal business office or both;
 - (ii) the material provisions of any contract engaging the services of the investment advisor or Manager; and
 - (iii) the material provisions of any law and regulations in the Cayman Islands governing the Investors' Interest in the Fund;
- 5.4. the name and address of the Fund's Auditors;
- 5.5. the name of the person(s) responsible for calculation and production of NAV, and responsible for registrar and transfer services, and the address of its Registered Office or principal business office or both;
- 5.6. if applicable, the name of the Fund's Custodian and any sub-custodian, and the address of its Registered Office or principal business office or both, and the main business activity of the Custodian and any sub-custodian, and the name of the regulatory authority under which it operates;
- 5.7. if applicable, the name and the Fund's principal prime broker, and the name of the regulatory authority under which it operates, if any;
- 5.8. the name and address of the Fund's legal advisors; and
- 5.9. the names, addresses, and duties of any other persons having significant involvement in the affairs of the Fund.

6. Enforcement

- 6.1. Whenever there has been a breach of the Rules, the Authority's regulatory policies and procedures as contained in its Enforcement Manual will apply, in addition to any other powers provided in the PFL and the MAL.