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**CFAL MONEY MARKET INVESTMENT FUND, LTD.****OFFERING MEMORANDUM**Date of Publication: December 31<sup>st</sup>, 2012

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This document has been prepared in accordance with the requirements of the Investment Funds Act, 2003, of the Commonwealth of The Bahamas. The CFAL Money Market, Ltd. (“the Fund”) has obtained a license to operate as a Standard Investment Fund in The Bahamas. The Securities Commission of The Bahamas, as regulators of the Investment Funds Act, 2003, takes no responsibility for the soundness of the Fund or for the correctness of any statements or opinions expressed herein. The securities described in this Offering Memorandum have not been qualified for offer or sale to the public under the securities laws of any other country or jurisdiction.

The directors of the Fund accept responsibility for the accuracy of the contents of this document at the date of publication. To the best of the knowledge and belief of the directors the information contained herein is in accordance with the facts and does not omit anything likely to affect the importance of such information.

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**CFAL MONEY MARKET INVESTMENT FUND, LTD.**  
**(Denominated into Bahamian Dollars)**

A Domestic Business Company  
Incorporated under the laws of The Commonwealth of the Bahamas.

Public Offering of Investor Shares  
Registration No. 48249

Investment Manager :	Colina Financial Advisors Limited (“CFAL”)
Administrator :	CFAL
Sub-Administrator:	Genesis Fund Services Limited
Registrar and Transfer Agent:	CFAL
Banker:	Bank of The Bahamas
Custodian :	CFAL Securities Limited
Auditors :	Ernst & Young
Lawyers :	Alexiou, Knowles & Co.

This Offering Memorandum is strictly confidential and is supplied for the personal use of the recipient only. Under no circumstances should it be reproduced or distributed to any other person. This document shall be governed by and construed in accordance with the laws of the Commonwealth of The Bahamas.

**This Offering Memorandum is dated December 31<sup>st</sup>, 2012 as amended by resolution of the Board of Directors of the Company adopted as of December 31<sup>st</sup>, 2012 and supersedes all previous Offering Memoranda and supplements thereto.**

*Prospective investors should not treat the contents of this document as advice relating to legal, or investment matters and are advised to consult their own professional advisers concerning any proposed investment in the Fund.*

***Investors must be aware that the price of the shares offered herein may go down as well as up after subscribing.***

## **NOTICE**

This Offering Memorandum has been prepared in connection with the offer and sale of Class A Shares in The CFAL Money Market Fund, Ltd.

This Offering Memorandum is intended solely for the use of the person to whom it has been delivered by the Fund for the purpose of evaluating a possible investment by the recipient in the shares described herein. No person is authorised to make any representations concerning the Fund or its shares, which are inconsistent with those contained in this Offering Memorandum.

This Offering Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Investor Shares have been registered under the Investment Funds Act, 2003.

All references herein to “dollars” or “\$” are to Bahamian dollars.

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## GLOSSARY OF TERMS

Administrator:	The Company that maintains the Register of Shareholders and records of the Fund, produces monthly NAV reports, and liaises with shareholders, namely Colina Financial Advisors Limited (“CFAL”).
Articles of Association:	The Articles of Association of the Company as amended from time to time.
Business Day:	Any normal business day except any day that is a national or bank holiday in the United States or The Bahamas.
CFAL	Colina Financial Advisors Limited
Class A Shares	The participating shares that represent equity ownership in the Fund. These are issued to the investor at their current NAV and have no voting rights.
Class B Shares	The non-participating management shares of the Fund. These are issued to the Investment Manager and have exclusive voting rights.
Commercial Paper:	Short term unsecured debt obligations issued by established companies for their short-term working capital needs.
Custodian:	CFAL Securities Limited.
Dealing Day:	Any Business Day when subscriptions or redemptions are requested, the last business day of each month and such other days as the Directors may in their sole discretion determine.
Derivatives:	Financial instruments whose value is based on another security.
Domestic	Of, in, or relating to The Bahamas.
Duration:	The price sensitivity of a security with respect to small changes in interest rates.
Equities:	The shares or instruments of a company that indicates an ownership interest in the assets of the company.
Investment Account:	An account established with CFAL to reflect the value of each shareholder’s ownership in the Fund.
Investment Advisor:	The professional money manager that provides the investment advice and management services to the Investment Manager and the Fund.

Investment Funds Act	Includes the Investment Funds Act and Regulations of 2003 of the Commonwealth of The Bahamas and any amendments and replacements thereof.
Investment Manager:	The professional money manager that provides the investment advice and management services to the Fund (CFAL).
Investor Shares:	Unless otherwise stated, the Class A Non-Voting Participating Shares of the Company, to which this Offering Memorandum relates.
Leverage:	Borrowing against the assets of the Fund. Leverage can increase the return and potential loss of the Fund.
Liquidity:	The ability of an individual or company to convert assets into cash or cash equivalents without significant price fluctuations.
Markets:	The markets on which the Company trades, which is primarily the global fixed income market.
Memorandum:	This Company's Offering Memorandum.
Memorandum of Association:	The Memorandum of Association of the Company as amended from time to time.
Net Asset Value"NAV":	The fair market value of the Fund's assets, less its liabilities calculated on the final business day of the month or at any other time deemed practical by the Company's directors.
NAV PER SHARE:	NAV of the Fund divided by the number of issued and outstanding Shares of the relevant Class. The NAV per Share will be quoted in United States Dollars.
Open end Fund	An investment fund with no specified subscription limit or closing date, and which redeems its own shares or units.
Options:	The right to buy or sell specific securities or properties at a specified price within a specified time.
Redemption:	The sale of redeemable non-voting participating class of shares by and investor.
Redemption Notice:	The form if notice required to redeem investors shares.
Redemption Price:	The price paid on redemption of Shares.

REIT:	A Real Estate Investment Trust (REIT) is a company, that usually trades publicly and that manage a portfolio of real estate assets to earn profits for its shareholders.
Redemption Stock	Long-term securities of the Government of The Bahamas issued to finance its on-going fiscal needs.
Remitting Bank/ Financial Institutions:	The Bank or financial institution from which a Subscriber's subscription monies are sent to the Company.
Securitized Mortgage:	Pooling of mortgages and issuance of a bond against the underlying mortgage.
Shareholder:	Any individual, partnership, or corporation with a beneficial interest in the Fund through the holding of Class A shares.
Share Register:	The principal register maintained by the Company at its Registered Agent in which are entered the names and addresses of the Shareholders and their respective shareholding in the Company including and sub-funds there under.
Shares:	Unless otherwise stated, the Management Shares and Class A shares of the Company.
Short Sales:	Sale of a security not owned by the seller.
Standard Fund:	The Company has applied to The Securities Commission for licensing as a Standard Fund under the Investment Funds Act, 2003 of The Bahamas. A Standard Fund is a highly regulated, modern investment vehicle designed to operate as a traditional collective investment scheme.
Sub-Administrator	Genesis Fund Services Limited.
Subscriber:	Any person who subscribes for shares pursuant to this Memorandum.
Subscription:	The Application for shares in the Fund.
Subscription Price:	The price at which shares may be purchased on any Deal Day.
Time Horizon:	The expected time from when an individual first makes an investment to the anticipated time when he/she will redeem his/her shares.
Treasury Bills	Short-term securities of the Government of The Bahamas with 91- and 182-day maturities.

Valuation Date: The last business day of the month, when the Fund's NAV is computed, and subscriptions and redemptions are deemed effective.

Valuation Day: The Net Asset Value of each Share will be calculated in the currency of the Compartment, or in any other currency as determined by the Board of Directors, using standard actuarial models at intervals ("Valuation Days") that may vary for each Compartment.

Yield: The rate of return on an investment.

## OFFERING SUMMARY

The following summary is intended to highlight certain information contained in the body of the Offering Memorandum where more detailed information is found. The information on the Fund set out below should be read in conjunction with the full text of this document, from which it is derived: -

Management Style	Active <sup>1</sup>
Asset Classes	Class A and B shares
Fund Inception	21 <sup>st</sup> , December 2000
Minimum Subscription	\$500.00
NAV Distribution Frequency	Monthly, calculated on the last business day of the month.
Management Fee	0.50% p.a.
Subscriptions and Redemptions	The Fund is opened weekly for subscriptions and redemptions
Dividends	The Fund will not distribute dividends to its shareholders but will reinvest all net income in the Fund
Performance Fee	No performance fees will be charged

THE FOREGOING IS A SUMMARY ONLY AND DOES NOT ATTEMPT TO BE COMPLETE. IT IS IN ALL RESPECTS QUALIFIED BY THE MORE DETAILED INFORMATION APPEARING ELSEWHERE HEREIN.

<sup>1</sup> **Active:** This means that the Investment Manager regularly makes decisions about buying and selling investments of the Fund



## **DIRECTORS OF THE FUND**

**ANTOINE W. BASTIAN, CPA**  
**First Floor, 308 East Bay Street,**  
**P.O. Box N-9058, Nassau, Bahamas**

Antoine W. Bastian earned his B.Sc. in Accounting from Indiana University in 1989 and qualified as a Certified Public Accountant in 1993. He began his career in 1990 with Deloitte & Touche LLP. From 1993 to 1995, he was a Mutual Fund Administrator with MeesPierson FundService (formerly FundService International, Ltd.). Subsequently, he managed St. Matthew Investment Fund Accounting Ltd., a Bahamian fund administrator that was associated with Michael J. Liccar & Co., CPAs of Chicago, Illinois. In 1999, he joined The Private Trust Corporation Limited as Manager of the Mutual Fund Department and was appointed to the Board of Directors in 2001. In September 2002, Mr. Bastian was appointed as Managing Director of Genesis Fund Services Limited, a licensed Investment Fund Administrator. Mr. Bastian is a Founding Member of the Bahamas Association of Investment Fund Administrators and works actively with development and promotion of fund administration

**PAMELA Q. MUSGROVE, CFA**  
**Third Floor, 308 East Bay Street,**  
**P.O. Box CB-12407 Nassau, Bahamas**

Pamela Q. Musgrove is V.P. of Investments at CFAL. Ms. Musgrove is responsible for overseeing the day to day management of the company's local and international investment management accounts.

Ms. Musgrove joined CFAL in July 1999, and has garnered over fourteen years of experience in securities administration and trading, portfolio accounting, securities fundamental research and portfolio management. In addition to attending a number of investment seminars around the U.S., Ms. Musgrove has also completed a one-week executive investment management workshop at Harvard Business School. Ms. Musgrove earned her BA with Honors, in Finance from Acadia University, Nova Scotia, Canada in June 1996. She is also a Chartered Financial Analysts (CFA) charter holder. Her professional affiliations include memberships in the Bahamas Society of Financial Analysts and the International Society of Financial Analysts.

**SOPHIA THURSTON, CPA**  
**Third Floor, 308 East Bay Street,**  
**P.O. Box N-CB-12407, Nassau, Bahamas**

Sophia P. Thurston joined CFAL in 2008 as Vice President of Pension Administration and Operations respectively. Mrs. Thurston brought with her bringing with her 17 years of financial services experience. Currently, Mrs. Thurston is responsible for the day to day back office operations and pension administration. Mrs. Thurston earned her MBA at University of Phoenix, Arizona and her BBA at Acadia University, Nova Scotia, Canada.

Mrs. Thurston is a member of the Bahamas Institute of Chartered Accountants and the Massachusetts Society of Certified Public Accountants. Mrs. Thurston previously worked as an Operations Manager at a major private bank and has experience in Funds Transfer, Securities/Custody and Documentation. She has also had oversight of Fund Accounting, Investor Relations and Financial Services and Corporate Services at a Fund Services Company. Mrs. Thurston is a former Audit Senior in one of the Big Four Global Accounting Firms.

## INVESTMENT OBJECTIVES AND STRATEGY

### Investment Objectives

The primary investment objective of the Fund is to preserve the principal value of the investment and provide next-day availability of funds. In addition, the Fund will seek to invest in assets that will provide income sufficient to pay returns to investors competitive with liquid unsecured bank deposit rates prevailing in The Bahamas.

### Investment Strategy

The Fund will invest in a portfolio of high quality short-term assets structured to match anticipated investor demands for liquidity. While the Investment Manager may maintain a certain percentage of the Fund's portfolio in custodian sweep accounts or in ready funds to service anticipated or customary withdrawals, it will attempt to maximize the investment of cash balances and inflows within the risk parameters of the Fund.

### Eligible Investments

The following investments shall be eligible investments for the Fund. However, at no time should the duration of the Class "A" Shares portfolio exceed 24 months:

- (a) Bahamas Government Registered Stock;
- (b) Obligations of quasi governmental entities;
- (c) Bahamas Government Treasury Bills
- (d) Collateralized Mortgage Securities;
- (e) Corporate Notes, Bonds and Debentures;
- (f) Certificates of Deposit and other bank deposits with Approved Banks
- (g) Commercial Paper;
- (h) Commercial/Private Short-Term Loans;
- (i) Guaranteed Investment Contracts
- (j) Preference Shares with fixed dividend rates;
- (k) Repurchase agreements on otherwise eligible securities;
- (l) Funds;
- (m) Swaps;
- (n) Trade Receivables;
- (o) Credit Card Receivable;
- (p) Mortgage Backed Securities;
- (q) Any other investments deemed appropriate by the Manager.

The Fund may buy or sell interest rate derivatives and over-the-counter options on Bahamian Government Treasuries for bona fide hedging purposes only, except that it may sell fully covered options to enhance the yield of the portfolio.

### Investment Restrictions

Class "A" Shares portfolio of the Fund shall not invest in any single investment holding in any security issue which shall exceed twenty five percent of the value of the portfolio on a cost basis with the exception of Government Notes or Bills, Repurchase Agreements collateralized by Government Treasury or Government Agency securities, bank deposits and cash balances.

The Class “B” Shares are the Management Shares of the Fund.

All other Classes of the Fund shall have no restriction with regard to the diversification or duration.

The Fund may sell securities short only to hedge the duration exposure of the Fund.

### **Borrowing**

The Fund may enter into reverse repurchase agreements, pledging fund assets as collateral to raise immediate cash to facilitate redemption requests pending the orderly sale and settlement of securities to liquidate the reverse repurchase transaction. The Fund may purchase assets for forward settlement when there is cash available on a trade date basis to settle the securities. The Fund shall not otherwise borrow or lever assets.

### **Related Party Transactions**

The Fund may enter into transactions with related parties from time to time provided that such transactions are conducted on commercial terms and do not violate any conditions contained herein.

## **INVESTMENT RESTRICTIONS**

### **THE FUND MAY NOT:**

**Scope:** Invest in any companies that are not registered in the Commonwealth of The Bahamas.

**Borrow:** Leverage the assets of the Fund more than 5:1, except that the portfolio may obtain financing for temporary or emergency (not leveraging) purposes, including the need to meet redemption requests that might otherwise require the untimely disposition of the securities. The amount borrowed, however, may not exceed 35% of the value of the Fund.

**Diversification:** Make any investment if more than 20% of the Fund would be in a single issuer. This limit does not apply to Government Securities. This restriction will only apply until the Fund’s NAV is greater than \$10 million.

Invest more than 55% of the value of its total assets in securities of issuers in any industry other than those securities issued or guaranteed by the Government of The Bahamas.

If these limits are exceeded due to the change in the asset value of the Fund or because of redemption, the Investment Manager shall not be obligated to effect changes in assets already owned.

**Liquidity:** Acquire more than 20% of securities at the time of purchase that are not readily marketable.

**Short Sale:** Make short sales of securities or maintain a short position unless it is for duration adjustment purposes.

**Derivatives:** Undertake any transaction in any complex financial instruments such as derivative instruments.

**Real Property:** Invest directly in real property of any kind. However, the Fund may invest in securitized mortgages or a Real Estate Investment Trust (“REIT”).

**Asset Allocation:** The cash portion of the Fund will represent not less than 10% of the portfolio. Preferred shares will be limited to a maximum of 35% and commercial paper will be limited to a maximum of 75%

of the portfolio and no more than 20% of the portfolio can be invested in any one security (provided it is a Government entity) unless the security price appreciation brings its value to greater than 10%.

**Cash Holdings:** When the Fund is not holding securities it may only hold cash deposits denominated in Bahamian dollars. The term of these deposits will range from overnight to a maximum of one year. The deposits will only be held with institutions with a strong, short-term credit rating. There is no maximum to the percentage of cash holding in the Fund.

**Lending of Portfolio Securities:** The Investment Manager may utilize the assets of the Fund, or any interest in the Fund, as collateral for borrowing purposes as aforementioned.

## **RISK FACTORS**

### **General**

A subscription for shares should be considered only by investors financially able to maintain their investment for the long-term.

### **Market Risks**

There can be no assurance that the Fund will achieve its investment objectives, as changes in economic conditions, interest rates, and the mix of securities in the Fund's portfolio will affect the return on the Fund's shares. Additionally, there are limited investment opportunities in the market at this time. The active management of the portfolio will attempt to maximise returns *vis-à-vis* such constraints.

### **Investment Risks**

The market value of the securities held in the Fund's investment portfolio may vary over time. This variation may be due to: the general movement in interest rates; the market's valuation of credit risk in general, or to the risk of default or impairment on cash flows due on specific investments of the Fund; and to the market's valuation of call or prepayment risk on mortgage or asset backed securities. Despite the high quality of the investments contemplated by the Fund, as with all fixed income securities, there is a risk that the obligor on the securities held by the fund could default on timely payment of interest or principal. In such cases, the recovery value will be uncertain, and the market value of the security could decline precipitously. In addition, the Fund will engage in repurchase agreements with major financial institutions and brokers licensed by the Securities Commission of the Bahamas. Such transactions will require delivery to the Fund's custodian otherwise eligible investment securities with a market value that exceeds the value of the investment at the time of the transaction to hold as collateral against the investment. The fund may allow primary brokers to segregate specific collateral in its custody or in a third party custodian (under a "tri-party agreement") to secure the repurchase agreement. If the market value of the collateral falls during the term of the repurchase agreement, the Fund will have the right to call the counter-party for additional collateral to secure the repurchase agreement investment. The risks in the transaction are that: (i) the counter-party cannot meet the collateral call and the collateral held as security falls in value below the principal value of the repurchase agreement, or (ii) the counter-party is unwilling or unable to perform on its obligation to repurchase the collateral at term. In either case, the Fund would be exposed to the credit of the counter-party for the difference in the principal value of the repurchase agreement and the value realized from the liquidation of the collateral, and if the counter-party were to breach the terms of the agreement, it would likely be because the counter-party was in a state of serious financial impairment. Fluctuations in the market value of the Fund's portfolio could limit the crediting rate declared by the Manager.

## **Conflicts of Interest**

The Fund, partnerships in which the Investment Manager or its affiliates may participate as a partner, or other investment management clients which the Investment Manager or its affiliates may have from time to time, may share administrative offices and utilise common services, facilities, investment research and management. The Investment Manager also may determine from time to time that some investment opportunities are appropriate for Investment Management clients and not others, including the Fund, as the Fund has an investment objective that may vary from that of other investment management clients.

For these and other reasons, such as differing time horizons, liquidity needs, and assessment of general market conditions and of individual securities (including options), Fund investment transactions may or may not vary from decisions made for others by the Investment Manager. It may also occasionally be necessary to allocate limited investment opportunities between the Fund and others on a basis deemed appropriate by the Investment Manager.

## **Reliance on the Manager**

Investors in the Fund will have no right or power to elect the members of the Fund's Board of Directors or to otherwise take part in or direct the management of the Fund. The Investment Manager will make all decisions with respect to the Fund's investments.

## **Trading**

The Investment Manager intends to effectuate the strategies described above and will generally follow these strategies for as long as such strategies are in accordance with the Fund's objectives. However, the Investment Manager reserves the right to modify the Fund's investment approaches or to formulate new approaches to carry out the objectives of the Fund. There can be no assurances that the Fund will achieve its investment objectives.

## **Expenses**

The Fund is subject to fees and expenses set forth under "**Fees & Expenses**" on page 15.

## **ADMINISTRATOR, INVESTMENT MANAGER, REGISTRAR AND TRANSFER AGENT**

CFAL was established in 1997 and it has a Restricted Investment Fund Administrator's License.

Apart from providing Investment Fund Management and Administration, CFAL will also provide Registrar Agency services. CFAL is a Bahamian financial advisory firm providing integrated financial services to local and international institutions and individuals.

## **ADMINISTRATION AGREEMENT**

The Fund has entered into an Administration and Registrar and Transfer Agency Agreement with CFAL (Administrator), to perform all general administrative tasks including the keeping of the financial records and calculation of net asset values. The Administrator may decide to sub delegate these administrative tasks or services.

The Administrator is established under the laws of the Commonwealth of The Bahamas and has been licensed by the Securities Commission of The Bahamas as a Restricted Investment Fund Administrator.

## MANAGEMENT AGREEMENT

Under the Management Agreement, the Investment Manager will invest and reinvest the assets of the Fund in accordance with the investment objectives and policies of the Fund set forth above.

Under the terms of the Management Agreement, the Investment Manager may charge a fee of up to .50% per annum of the Net Asset Value of the Fund, payable monthly in arrears by the Fund. **No direct fee will be charged to the Fund.**

The Investment Manager or The Fund may terminate the Management Agreement effective at the close of business on the last day of any month by giving the Fund not less than 90 days written notice. The Fund may at any time, without prior notice, order the Investment Manager to cease activity, subject to its obligations to complete execution of directions or instructions already initiated, with respect to the Fund. The services of the Investment Manager to the Fund hereunder are not to be deemed exclusive and the Investment Manager shall be free to render similar services to others and to retain for its own use and benefit all fees or other monies payable thereby and the Investment Manager shall not be deemed to be affected with notice of, or to be under any duty to disclose to the Fund any fact or thing, which comes to the notice of the Investment Manager, or any employee or agent of the Investment Manager, in the course of the Investment Manager rendering similar services to others, or in the course of its business in any other capacity or in any manner whatsoever otherwise than in the course of carrying out its duties hereunder. The Investment Manager may on occasion give advice or take action with respect to the Fund that differs from the advice given with respect to other accounts. Nothing in the Management Agreement shall limit or restrict the right of any directors, officers or employees of the Investment Manager to engage in any other business or to devote his time and attention in part to the management or other aspects of any other business, whether similar or dissimilar in nature. The Investment Manager may aggregate purchases or sales of securities for the Fund with purchases or sales of the same securities by other clients of the Investment Manager. The Investment Manager agrees that in the event that purchases or sales of securities for the Fund shall coincide with the purchases or sales of the same securities by other clients of the Investment Manager, the Investment Manager will make such allocation in a manner believed by the Investment Manager to be equitable to each client.

Under the Management Agreement, the Fund will indemnify the Investment Manager against all expenses, including legal fees, and against all judgements, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings, except that the Investment Manager will not be indemnified against any liability to which it would otherwise be subject by reason of wilful misfeasance, bad faith or gross negligence in the performance of its duties, or reckless disregard of its obligation and duties under the Management Agreement.

## BANKER AND CUSTODIAN

The Fund has appointed the Bank of the Bahamas Limited as general banker to the Fund, and CFAL Securities Limited, to act as Custodian to the Fund. This role does not imply an endorsement of the Fund or assume any responsibility or involvement in the Fund by the Banker or Custodian beyond these functions. The Banker and Custodian will act solely on the instructions of the Directors of the Fund in accordance with the terms of this Offering Memorandum and any Agreement entered into between The Banker, the Custodian and the Fund.

## AUDITORS

The Board of Directors of the Fund has appointed Ernst & Young, Chartered Accountants, Nassau, Bahamas, as the Fund's Auditors.

## **FEES AND EXPENSES**

The Fund will pay administration and investment management fees and all investment expenses (including brokerage commissions).

### **Other Expenses**

The Fund shall bear other reasonable expenses attributable to it including, but not limited to, the following where applicable:

- Standard bank, Custodian, and brokerage fees incurred for business transactions.
- Interest on financing and any applicable taxes.
- Any custodian and/or depository charges.
- Fees due to the auditors.
- Business license fees.
- Legal expenses of the Fund.

The cost of any irregular transaction required by a shareholder will be charged directly to the investment account of that shareholder. The Fund reserves the right to charge proportionately to each shareholder any unforeseen or unquantifiable imposition of tax, levy, or business license fees by the Government of The Bahamas which may affect this investment fund. Shareholders will be advised of any such charge.

## **FISCAL YEAR**

The fiscal year of the Fund ends on December 31 of each year.

## **FINANCIAL STATEMENTS**

Each year, shareholders will be sent audited financial statements of the Fund not later than the fourth month after the end of the financial year.

## **ANTI -MONEY LAUNDERING PROCEDURES**

Measures aimed towards the prevention of money laundering and applicable “know your customer” legislation require that an applicant verify his/her identity to CFAL, (“the Administrator”). The Administrator’s Investor Identification/Anti Money Laundering Questionnaire must be completed as part of the standard application form (attached hereto). This is in pursuance of Bahamian legislation, mainly, The Proceeds of Crime Act (“PCA”) 2000 and The Financial Transactions Reporting Act (“FTRA”) 2000. Pursuant to FTRA financial institutions are obliged to verify the identity of existing and prospective clients. This obligation is absolute unless the application is being made via a foreign financial institution, which is located in a country set out in note 2 of Investor Identification/Anti Money Laundering Questionnaire.

In addition, the Administrator may request further information and documents before processing the application. This may result in shares/units being issued on a dealing day subsequent to the dealing day on which an applicant initially wished to have shares issued to him.

Pursuant to the Financial Transactions Reporting Regulations (No.1) 2000, an individual will be required to produce a copy of the first four pages of passport (and additional pages, if relevant) or national identity card, together with evidence of his address such as a copy of a recent utility bill or bank statement. Each

partner or beneficial owner of an unincorporated business must complete as individuals, and supply the documents requested. Additionally, a copy of the partnership agreement or other agreement establishing the unincorporated business and authorized signatory listing will be required. In the case of corporate applicants, this will require submission of a certified copy of the Certificate of Incorporation (and any certificate of change of name), certified copy of Memorandum and Articles of Association, Certificate of good standing from registrar of companies, the authorized signatory listing and the names and addresses of all officers, directors and beneficial owners.

It is further acknowledged that the Administrator shall be held harmless and indemnified by the applicant against any loss arising as a result of a failure to process the application if such documentation is required by the Administrator and has not been provided by the applicant to the Administrator's satisfaction.

## **TERMS OF THE OFFERING**

### **General**

The Fund's authorized capital shall hereinafter consist of \$201,000 divided as follows:

10,000,000	non-voting Class A common shares having a par value of \$0.01 per share
100,000	voting Class B common shares having a par value of \$0.01 per share
10,000,000	non-voting Class C common shares having a par value of \$0.001 per share
10,000,000	non-voting Class D common shares having a par value of \$0.001 per share
10,000,000	non-voting Class E common shares having a par value of \$0.001 per share
10,000,000	non-voting Class F common shares having a par value of \$0.001 per share
10,000,000	non-voting Class G common shares having a par value of \$0.001 per share
10,000,000	non-voting Class H common shares having a par value of \$0.001 per share
10,000,000	non-voting Class I common shares having a par value of \$0.001 per share
10,000,000	non-voting Class J common shares having a par value of \$0.001 per share
10,000,000	non-voting Class K common shares having a par value of \$0.001 per share
10,000,000	non-voting Class L common shares having a par value of \$0.001 per share

The minimum initial subscription for Class C – L shares shall be B\$1,000. Any exceptions to the minimum initial subscription are subject to the approval of the Board of Directors. The shares are being offered subject to prior sale, to the Fund's right to reject any subscription, in whole or in part, or to withdrawal of this Offering, in whole or in part, at any time.

Class C – L Shares shall:

- a) Only be offered to select investors
- b) Shall carry no voting rights nor the right to receive notice of or to attend any general meeting of share holders



- c) The yield applied to these shares shall be determined from time to time based on market conditions and subject to reset on a quarterly basis (i.e. March, June, September and December)
- d) The stated yield shall be a net (simple interest) yield to the investor and shall be accrued and paid quarterly.
- e) Not be subject to the diversification and liquidity restrictions as outlined in the Information Memorandum relating to Class A shares
- f) Represent equity ownership in the assets segregated for that class of shares, respectively

## **The Shares**

During the initial offering period, the Class A shares will be offered for sale at \$1.00 per share. They will be continuously offered for sale at a purchase price equal to the Fund's Net Asset Value per Share, as determined on the Valuation Date. See section on Net Asset Value.

The Fund is authorized to issue Classes C-L of shares by Resolution of the Board of Directors. Such classes of shares may be tied to a specific investment or instrument. The Administrator shall keep a separate Register in respect of all classes of shares issued and outstanding. The terms of each class of shares shall be particular to that class and each class will have its net asset value determined separately. Each class of shares will be offered for sale initially at \$1.00 per share. Thereafter they will be continuously offered for sale at a purchase price equal to the Fund's Net Asset Value per Share as determined on the valuation date or at a stated net yield.

The minimum initial subscription in the Fund is \$500, although the Fund, in its sole discretion, may accept initial subscriptions for less than the minimum amount. Shares of the Fund shall be purchased at the Net Asset Value per share on the next Valuation Date, and fractional shares may be issued. All shares must be paid in full at the time of their issue. After the initial investment, each investment account must maintain a minimum investment balance of \$500 and may be increased in minimum increments of \$100.

## **The Management Shares (Class B Shares)**

Upon incorporation, the Investment Manager subscribed for, and paid in full at par, for all of the Management Shares. The holders of the Management Shares have the exclusive right to vote on all matters. The Management Shares may not be redeemed.

## **Subscriptions**

Each investor who wishes to subscribe for Shares will be required to complete, execute and deliver to the Fund's Administrator a Subscription Agreement in the form attached to the Offering Memorandum. Subscriptions will be fully payable when submitted to the Fund. Subscriptions will be payable by cheque, bank draft, or direct deposit to the Fund's account, in accordance with the instructions included on the

Subscription Agreement. The number of shares or part thereof will be allocated based on the Net Asset Value on the Valuation date.

The Fund will not issue share certificates in respect of the Shares. Upon acceptance of the subscription, the Fund Administrator will forward details of the investment account to the subscriber, including the number of shares credited thereto. Subsequently, the relevant account number must identify all references to and inquiries about any individual investment account.

## **Distributor and Subscription Office**

The Offering Memorandum may also be collected from, and subscription applications delivered to, the offices of Colina Insurance Company Limited, Village Road, Nassau, Marsh Harbour, Abaco, Freeport

Grand Bahama and at CFAL 308 East Bay Street, Nassau, Bahamas and Chancery Court, Freeport, Grand Bahama.

### **Transfer of Shares**

On acceptance of the subscription, assignment of an investment account number, and the inclusion of the name on the Register of Shareholders, will collectively be *prima facie* evidence of a shareholder's interest in the Fund. This interest is transferable, subject to notice being given to the Administrator and approval thereof by the Directors.

### **REDEMPTIONS**

Investors may redeem Shares by submitting a Redemption Form to the office of the Administrator at least two business days prior to any Valuation Date (as defined). The prices for the Shares on any redemption will be the Net Asset Value per Share as of such Valuation Date multiplied by the number of Shares being redeemed. See section on Net Asset Value.

Cheques and statements of account reflecting the value of assets at the date of redemption will be dispatched within seven business days of the Valuation Date.

### **Compulsory Redemption**

The Fund's Articles of Association empower the directors to compulsorily redeem as of any Valuation Date any Shares that, in the opinion of the directors, have been acquired in breach of the laws of any country to which the Fund is subjected, or if such compulsory redemption would in any way best serve the interests of the Fund or of its Shareholders or would eliminate or reduce the exposure of the Fund or of its Shareholders to adverse regulatory or tax consequences under the laws of any country.

### **Suspension of the Calculation of Net Asset Value Per Share and the Right of Redemption**

The Fund may suspend the calculation of the Net Asset Value per Share and the right of Shareholders to request redemption of their Shares during the whole or part of any period in which:

it is not reasonably practicable to determine the Net Asset Value of the Shares on an accurate and timely basis

as a result of events, conditions or circumstances beyond the control or responsibility of the Fund, disposal of the assets of the Fund or other transactions in the ordinary course of the Fund's business involving the sale, transfer, delivery or withdrawal of securities or Accounts is not reasonably practicable without being detrimental to the interests of Shareholders; or

in the event of the liquidation and dissolution of the Fund or upon the order of a supervisory authority of the Commonwealth of The Bahamas.

The Fund may withhold payment to any person whose Shares have been tendered for redemption until the right of Redemption has been reinstated. All Shareholders and the Securities Commission of The Bahamas will be notified immediately of the suspension of the calculation of the Net Asset Value per Share and of the right to request redemption and of the resumption of the aforementioned calculation and reinstatement of the Right of Redemption.

### **NET ASSET VALUE**

For all purposes of the Fund, including the determination of subscription and redemption prices, the Fund's Net Asset Value (i) will be calculated as the value of its portfolio securities and other assets, determined as described below, less the value of its liabilities, but including all accrued expenses and brokerage fees, and (ii) will take into account both realised capital gains and losses and unrealised

appreciation and depreciation, as well as accrual for the Administrator's and Investment Management fee compensation. The Fund's Net Asset Value per Share will be its Net Asset Value divided by the aggregate number of Class A Shares outstanding on the date of determination.

The Administrator as of the close of business will determine Net Asset Value on the final business day of each week (the "Valuation Date"), unless such a day is a holiday in the Commonwealth of The Bahamas, in which case the determination will be made on the next preceding day that is not a holiday. In valuing the Fund's assets for this purpose, each investment will be valued at the last reported price. If no sales occurred on such date, however, the value of such investment will be the last reported bid quotation thereof on such date, or if a quotation is not available for such date, at the average of the most recent bid quotations for such investment available, in either case from market makers licensed by the Securities Commission of The Bahamas.

If such quotations are not readily available, or if the Board of Directors determines that they do not fairly represent the value of an investment, an investment will be valued using methods determined in good faith by the Board of Directors, after consultation with the Investment Manager.

### **TAX CONSEQUENCES**

Under existing legislation in The Bahamas, there are no income, capital gains or withholding taxes payable by the Fund, or its Shareholders, nor are there any Bahamian estate, succession or inheritance taxes payable by Shareholders with respect to their Shares.

### **DIVIDENDS**

The Fund will not distribute dividends to its shareholders but will reinvest all net income in the Fund. The accumulation of net income will be reflected by an increase both in the Net Asset Values (NAV) per share of the Fund and in the value of each shareholder's investment account.

### **REPORTS TO SHAREHOLDERS**

Within seven days after each Valuation Date, the Fund Administrator will publish the NAV and/or performance figures for the preceding week on its website.

The fiscal year end of the Fund shall be December 31<sup>st</sup> each year. The Fund will be audited annually, and the audited financial statements will be available for inspection at the offices of the Administrator within four months of the end of the financial year. It is not the intention of the Fund to hold any Annual Meetings of shareholders.

Shareholders may contact the office of CFAL for valuations of investment accounts and copies of the audited annual reports which will be available to Shareholders within six (6) months after the end of the Fund's fiscal year or such other period permissible by law or such extension of time granted by the Securities Commission of The Bahamas. All material documents associated with the Fund may be viewed at the office of Colina Financial Advisors Ltd. during regular office hours.

## ELIGIBLE INVESTORS

### **THIS OFFERING MEMORANDUM IS MADE ONLY TO THE FOLLOWING ELIGIBLE INVESTORS:**

#### *If an Individual:*

1. The applicant is 18 years of age or older; and
2. The applicant is a citizen of The Bahamas or holds a permanent residency permit with the unrestricted right to work in The Bahamas; and
3. The applicant is not applying for the shares as nominee for any other person, corporation, trust or fund that would not be an eligible investor.

#### *If a Corporation:*

1. The applicant is incorporated under the laws of The Bahamas and is deemed resident by the Central Bank of the Bahamas for exchange control purposes; and
2. The applicant is wholly owned by individuals who are citizens of The Bahamas and/or permanent residents with the unrestricted right to work or is approved as an investor in The Company by The Central Bank of The Bahamas; and
3. All necessary corporate action has been taken to authorise the purchase of the shares.
4. The applicant is not applying for the shares as nominee for any other person, corporation, trust or fund that would not be an eligible investor.

#### *If a Trust or Pension Fund:*

1. Beneficiaries of the trust or fund are citizens or permanent residents of The Bahamas with the unrestricted right to work or Bahamian resident companies owned by them and/or any other eligible trust or pension fund which is approved as an investor in The Company by The Central Bank of The Bahamas; and
2. Trustees of the trust and managers of the fund represent that they have the necessary power and all requisite action has been taken to enable them to effect the purchase of the shares.
3. The applicant is not applying for the shares as nominee for any other person, corporation, trust or fund that would not be an eligible investor.

### **WARNING NOTICE**

**If you are in any doubt about the contents of this Offering Memorandum, you should consult your stockbroker, bank manager, counsel and attorney, accountant or other financial advisor. The price of the Shares may decrease as well as increase.**

## **CONSTITUTIVE DOCUMENTS**

The following documents may be inspected free of charge, during normal business hours, at the office of the Administrator. Copies shall be made available at a reasonable fee:

- Certificate of Incorporation of the Fund;
- Memorandum and Articles of Association of the Fund;
- Management Agreement;
- Administration Agreement;
- Registrar and Transfer Agency Agreement;
- Annual Audited Accounts; and
- Investment Fund License.

## THE DIRECTORY

### BUSINESS ADDRESS

CFAL Money Market Investment Fund, Ltd.  
308 East Bay Street  
P.O. Box CB-12407  
Nassau, Bahamas

### REGISTERED OFFICE

Alexiou, Knowles & Co.  
St. Andrew's Court  
Frederick Street Steps  
P. O. Box N-4805

### DIRECTORS

Mr. Antoine Bastian  
c/o CFAL  
308 East Bay Street  
P.O. Box N-9058  
Nassau, Bahamas

Ms. Pamela Musgrove  
c/o CFAL  
308 East Bay Street  
P.O. Box CB-12407  
Nassau, Bahamas

Mrs. Sophia Thurston  
308 East Bay Street  
P. O. Box CB-12407  
Nassau, Bahamas

### DISTRIBUTION AND SUBSCRIPTION OFFICES

Colina Financial Advisors Limited ("CFAL")  
Bay View House, 308 East Bay Street,  
P.O.Box CB -12407  
Nassau, The Bahamas

Colina Insurance Limited,  
Locations: Nassau  
Freeport  
Abaco

### ATTORNEY

Alexiou, Knowles & Co.  
St. Andrew's Court  
Frederick Street Steps  
P. O. Box N-4805

### AUDITORS

Ernst & Young  
One Montague Place  
East Bay Street  
P.O. Box N-3231  
Nassau, Bahamas

### INVESTMENT MANAGER ADMINISTRATOR, REGISTRAR & TRANSFER AGENT

Colina Financial Advisors Limited "CFAL"  
308 East Bay Street  
P.O. Box CB-12407  
Nassau, Bahamas

### BANKER & DEPOSITORY

Bank of the Bahamas Limited  
Claughton House  
P.O. Box N-7118  
Nassau, Bahamas

### CUSTODIAN

CFAL Securities Limited  
308 East Bay Street  
P.O. Box CB - 12407

### SUB-ADMINISTRATOR

Genesis Fund Services Limited  
308 East Bay Street  
P.O. Box N-9058

**THE CFAL MONEY MARKET INVESTMENT FUND, LTD.**

308 East Bay Street  
Nassau, The Bahamas  
Telephone No. (242) 502- 7010  
Facsimile No. (242) 356-3677

(CURRENT SHAREHOLDERS NEED ONLY FILL OUT SECTION \* AND \*\*ON THE FOLLOWING PAGE)

**SUBSCRIPTION FORM – CLASS A SHARES - INDIVIDUAL**

- Name(s): \_\_\_\_\_  

<i>Last</i>	<i>First</i>	<i>Middle</i>
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- Name(s): \_\_\_\_\_  

<i>Last</i>	<i>First</i>	<i>Middle</i>
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- Permanent Home Address: \_\_\_\_\_

Telephone: *Home*: \_\_\_\_\_ P.O. Box: \_\_\_\_\_

City: \_\_\_\_\_ Country: \_\_\_\_\_

- Place of Birth: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Nationality: \_\_\_\_\_ Passport: \_\_\_\_\_

- Occupation: \_\_\_\_\_

If self employed, name and Nature of Business \_\_\_\_\_

- Source of Funds

- Amount of Investment     B\$      
*Minimum initial investment \$1000.00*

- Copy of first four pages of passport ( and additional pages, if relevant) or national identity card showing:

Number and country of issuance  
Issue Date and expiry date  
Signature

- Copy of recent bank statement or utility bill showing permanent home address

- \* Investment Account Number: \_\_\_\_\_  
(To be completed by current shareholders of the Fund only)



\*\* I \_\_\_\_\_ affirm that all of the information previously submitted upon my becoming an initial shareholder is accurate and up to date. (To be completed by current shareholder of the fund only).

**DECLARATION AND SIGNATURE**

By signing this application the investor acknowledges and confirms that they:

- Are 18 years of age or older (otherwise applications must be made in the name of parent/guardian and signed by parent/guardian).
- Read CFAL Money Market Fund, Ltd. Offering Memorandum and accept the risk associated with the Fund.
- Agree to be bound by the provisions of the Fund’s Offering Document (which may be amended from time to time). The Investment Manager reserves the right to refuse applications for units at its discretion.
- Acknowledge that neither the Investment Manager nor any other person guarantees the return of capital, or the performance of the Fund.
- Are eligible to invest in the Fund according to guide set out above.
- Agree to waive the right to be sent copies of the financial statements of the Fund which shall be available at the registered office of the Fund for inspection.

Signature of Applicant(s): \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_

**THE CFAL MONEY MARKET INVESTMENT FUND, LTD.**

Third Floor  
308 East Bay Street  
Nassau, The Bahamas  
Telephone No. (242) 502 7010  
Facsimile No. (242) 356-3677

(CURRENT SHAREHOLDERS NEED ONLY FILL OUT SECTION \* AND \*\*ON THE FOLLOWING PAGE)

**SUBSCRIPTION FORM – CLASS A SHARES –CORPORATE/INSTITUTIONS**

- Name of Company / Institution: \_\_\_\_\_
- Contact Name: \_\_\_\_\_
- Address: \_\_\_\_\_  
P.O. Box: \_\_\_\_\_ City: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_
- Amount of Investment                      USD \_\_\_\_\_  
*Minimum initial investment \$5,000.00*
- Investment Account Number: \_\_\_\_\_  
*(To be completed by current shareholders only)*

This form should be accompanied by the following documents for initial subscription only:

- Certified copy of the Certificate of Incorporation (and any certificate of Change of Name)
- Certified copy of the Memorandum and Articles of Association
- Certified copy of the Certificate of Good Standing from the Registrar of Companies
- Authorized signatory listing
- Resolution of the Board of Directors authorizing the subscription

Registered Office Address

For each director and officer of the Company:

1. Name and Title: \_\_\_\_\_

Permanent Home Address: \_\_\_\_\_

2. Name and Title: \_\_\_\_\_

Permanent Home Address: \_\_\_\_\_

3. Name and Title: \_\_\_\_\_

Permanent Home Address: \_\_\_\_\_

4. Name and Title: \_\_\_\_\_

Permanent Home Address: \_\_\_\_\_

**UNLESS THE COMPANY IS A PUBLICLY TRADED COMPANY, THE FOLLOWING INFORMATION IS REQUIRED FOR EACH LEGAL AND BENEFICIAL OWNER OF THE COMPANY:**

- Name(s): \_\_\_\_\_  
*Last* *First* *Middle*
- Permanent Home Address: \_\_\_\_\_  
Telephone: *Home*: \_\_\_\_\_ P.O. Box: \_\_\_\_\_  
City: \_\_\_\_\_ Country: \_\_\_\_\_
- Place of Birth: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
Nationality: \_\_\_\_\_ Passport: \_\_\_\_\_
- Copy of first four pages of passport (and additional pages, if relevant) or national identity card showing:
  - Number and country of issuance
  - Issue and expiry dates
  - Signature
- Copy of recent bank statement or utility bill showing permanent home address

\*\* I \_\_\_\_\_ affirm that all of the information previously submitted upon my becoming an initial shareholder is accurate and up to date

**DECLARATION AND SIGNATURE**

By signing this application the investor acknowledges and confirms that they:

- Are 18 years of age or older (otherwise applications must be made in the name of parent/guardian and signed by parent/guardian).
- Agree to be bound by the provisions of the Fund's Offering Document (which may be amended from time to time). The Investment Manager reserves the right to refuse applications for units at its discretion.
- Acknowledge that neither the Investment Manager nor any other person guarantees the return of capital, or the performance of the Fund.
- Are eligible to invest in the Fund according to guide set out above.
- Agree to waive the right to be sent copies of the financial statements of the Fund which shall be available at the registered office of the Fund for inspection.

Signature of Applicant(s): \_\_\_\_\_ Date: \_\_\_\_\_

**(Please note the Company Seal MUST be affixed by all corporate entities)**

**THE CFAL MONEY MARKET INVESTMENT FUND, LTD.**

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Nassau, The Bahamas  
Telephone No. (242) 502- 7010  
Facsimile No. (242) 356-3677

**REDEMPTION FORM – CLASS A SHARES – INDIVIDUALS**

- Name of Individual: \_\_\_\_\_
- Address: P.O. Box: \_\_\_\_\_ City: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_
- Amount of Redemption B\$ \_\_\_\_\_  
*Minimum redemption amount \$1,000.00*
- Investment Account Number: \_\_\_\_\_  
*(To be completed by current shareholders)*
- Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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Nassau, The Bahamas  
Telephone No. (242) 502- 7010  
Facsimile No. (242) 356-3677

**REDEMPTION FORM – CLASS A SHARES –CORPORATE/INSTITUTIONS**

- Name of Company / Institution: \_\_\_\_\_
- Contact Name: \_\_\_\_\_
- Address: P.O. Box: \_\_\_\_\_ City: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_
- Amount of Redemption B\$  
*Minimum redemption amount \$1,000.00*
- Investment Account Number: \_\_\_\_\_  
*(To be completed by current shareholders)*
- Authorised Signatories: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_  
(Please note the Company Seal MUST be affixed by all corporate entities)