

## Hedge Funds / Funds of Hedge Funds in Guernsey

**Guernsey is a jurisdiction with a proven track record in hedge funds (HFs) and funds of hedge funds (FoHFs).**

The Island has a first class infrastructure and wealth of expertise that make it particularly attractive for such funds.

The high quality, rounded package that the Island can offer stems from its heritage in HFs/FoHFs, which is both reassuring and a strong credential for fund promoters.

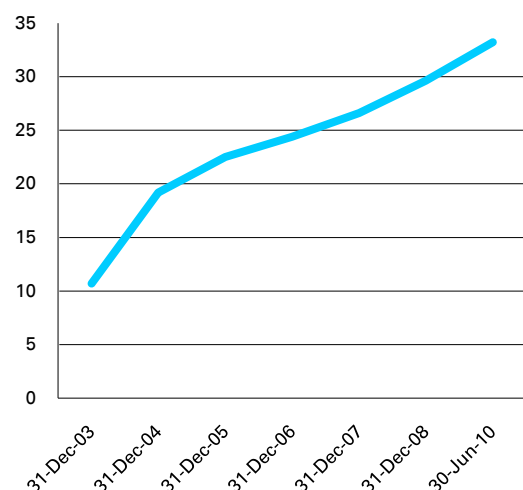
Promoters of Guernsey funds include:

- **Dexion**
- **BBBSA**
- **Man**
- **FRM**
- **Fauchier**
- **Credit Suisse**

### Growth in HFs/FoHFs

The net asset value of HFs/FoHFs in Guernsey has grown dramatically over the past 5-6 years. Adverse global conditions during 2008 and 2009 have had an impact but performance remains extremely resilient.

NAV in £ Bn



### Infrastructure

**Pragmatic regulation** – The Guernsey Financial Services Commission is a pragmatic regulator. It was instrumental in introducing specific derogations available only to hedge funds.

**Fast track capability** – Self-certification Qualifying Investor Funds (QIFs) enable very short authorisation times. A parallel streamlined consent process for registered funds has also been introduced. A number of so-called ‘permanent capital’ listed vehicles have been successfully launched as closed ended registered funds under this new regime.

**Competitive tax environment** – HFs/FoHFs are structured so that no liability to tax will arise in Guernsey. No VAT is payable in Guernsey.

**IT solutions** – Many administrators have software systems developed specifically for hedge funds, providing effective solutions for both complex and simple structures.

### Expertise

With years of experience in HFs/FoHFs, Guernsey has developed a pool of dedicated specialists.

**Experienced administrators** – As well as fund managers and custodians, Guernsey has more than 45 administrators (many of them international operations), with a significant number dedicated to the provision of HF/FoHF administration services.

**Accounting services** – the big four all have large offices on the Island, in addition to other accounting practices.

**Legal expertise** – all of the principal local law firms have specialists with HF/FoHF expertise.