

PRIVATE PLACEMENT OF INVESTMENT FUNDS IN SWITZERLAND TO HIGH NET WORTH INDIVIDUALS:**AMENDMENT OF CIRCULAR RE PUBLIC MARKETING EFFECTIVE AS OF 1 APRIL 2006 ISSUED BY SWISS FEDERAL BANKING COMMISSION ("FBC") TODAY****Key Point:**

- **NEW exemption effective as of 1 April 2006:** no public marketing (i.e. targeting of more than 20 investors permitted) in the following additional case:
 - **Offering/distribution by Banks and Securities Dealers to their existing ADVISORY customers with financial assets exceeding CHF 5 million, provided that:**
 - the advice by the Bank/Securities Dealer is given on the basis of an existing written general investment advisory agreement concluded for an unlimited period of time;
 - the customer (high net worth individual) provides evidence that he directly or indirectly holds financial assets exceeding CHF 5 million.
 - The Bank/Securities Dealer has to check compliance with high net worth requirement of such customer periodically.
 - Independent investment managers do not benefit from the new exemption.

Our view: Although the new exemption allows private placement to an interesting new category of investors it remains to be seen how the initial and periodical check of the compliance with the high net worth requirement will work in practice.

For more information feel free to contact any of our investment fund specialists (www.nastra.ch).