EQUINOXE

10 Items to consider before Changing Administrator

1 Consider investor Due Diligence and Fiduciary obligations

The Manager should carry out due diligence on the Administrator prior to its selection. Managers need to consider investor due diligence and fiduciary obligations before selecting a new Administrator. Then the key investors should be notified and consulted to see if they have any concerns about the new appointment.

2 Ensure that your new Administrator has drawn up a clear transition plan with a detailed timeline

This should include an initial call between the law firm, prime broker, auditor, new Administrator, the outgoing Administrator and Manager to ensure all parties understand their responsibilities and deadlines in the process. This should then be followed up, with at least weekly update calls, between the new Administrator and the Manager.

3 Access to the Fund's subscription/redemption bank account needs to be promptly transferred to the new Administrator

Transferring access to the Fund's subscription/redemption bank account to the new Administrator needs to be initiated early on in the process. Even though the transfer can not be completed until the new Administrator takes over the services, it should be started early on as it can take time to get the new signatories approved through the Bank's DD/KYC process. Access to the prime brokers/custodians is normally more straightforward and involves the Manager instructing the prime broker to allow access.

4 The outgoing Administrator should provide complete accounting, investor transaction and AML/KYC records to the new Administrator

In certain situations the new Administrator may need to work with the Manager and the investors to review AML/KYC records and again with the Manager to reconcile any accounting discrepancies.

5 Cooperation of the outgoing Administrator is important

The way to ensure collaboration is to set clear expectations with achievable and realistic targets, with the ultimate goal that the Fund will be moved to the new Administrator at the agreed go-live date. A clear delineation of responsibilities should be established outlining when the outgoing Administrator work ceases and when the new Administrator takes over the responsibilities.

6 Existing offering documents should be updated

The current offering documents should be updated where necessary, but likely at a time when it is cost-efficient for the Fund. At that point, the new Administrator details should be inserted into the documentation along with any other necessary revisions.

7 Right timing is important when moving a fund

Consideration should be given to the time of year a fund is moved. For example, a January 1st live date would provide a full year of own data for the next audit. When this is not the case the remaining transaction history for the full year needs to be provided to the new Administrator to upload into their accounting systems.

8 Executed administration agreement needs to be agreed

An executed administration agreement which includes fees, liabilities and termination clauses needs to be agreed prior to the start of the new Administrator's services and put on file.

9 Corporate Secretarial and Registered office changes need to be approved by the Board and the appropriate Regulatory Authority

When Corporate Secretarial responsibilities and Registered Office are transferred, it is important to ensure the change has been approved by the Board and the appropriate Regulatory Authority and Stock Exchange notified, if registered. The outgoing Secretary should submit a resignation letter to the Directors of the Company. The Director and Officers Register must be updated and the minute book transferred to the new Secretary. A new supplement to the prospectus must be approved by the Board and filed with the Regulatory Authorities, where applicable.

10 New reporting requirements need to be defined

Any new reporting requirements need to be defined and agreed between the Manager and the new Administrator.

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