



JWSPARKS.COM

a clean canvas to a lifestyle of opportunities

Breaking Down the Insurance Mechanism

The Investment Structure

The investment is a private equity fund based in Singapore, regulated by the Monetary Authority of Singapore (MAS). The MAS is one of the top five financial regulators globally, known for its stringent oversight and strong reputation. The fund, called the 6 Senses Fund, operates as a short-term debt instrument. When you invest, you're essentially lending your money to the fund, and in return, you're promised a fixed return over a short period (e.g., 10% in four months).

The Insurance Mechanism

The key to the investment's security is the Performance Issuance Surety Bond (PIS), which is also regulated by the MAS. This bond is specifically designed to insure the repayment of both your capital and the promised returns. Here's how it works:

- 1. Insurance Coverage:** The PIS insures the total amount of your investment plus the returns. For example, if you invest \$100,000 and are promised \$110,000 in four months, the PIS guarantees the full \$110,000.
- 2. Overcapitalization:** The PIS is overcapitalized, meaning it has more liquidity than the total debt it insures. The bond has \$50 million in liquidity to cover \$30 million in notes, which provides an additional layer of security. This means the insurance facility is well beyond the required amount to cover potential payouts.
- 3. Individual Insurance Deed:** Each investor receives an individual insurance deed with a unique policy number. This deed guarantees that you will be paid back on the specified date, regardless of the fund's performance. It's not a general policy covering the entire fund — it's specific to your investment.

•



JWSPARKS.COM

a clean canvas to a lifestyle of opportunities

Breaking Down the Insurance Mechanism

Proven Track Record

The PIS has been in place for eight years and has been claimed on multiple times. It's not a theoretical or untested instrument – it's been proven to work. This track record adds a significant layer of credibility to the investment.

Additional Layers of Protection

- 1. Marsh Involvement:** Marsh, a globally recognized insurance provider, is involved in the product. Marsh helped design the investment and provides an additional layer of after-the-event insurance. If the fund loses a legal case (which happens in 1 out of 10 cases, as the fund has a 91% success rate), Marsh steps in to cover the losses and ensure the fund remains solvent.
- 2. Multi-Tier Capital Protection:** The investment is structured with multiple layers of protection. The PIS covers the repayment of debts, while Marsh's insurance ensures the fund can recover from legal losses. This multi-tier approach further mitigates risks.

Addressing the "100% Insured" Concern

While the investment is structured to be as secure as possible, it's important to acknowledge that no investment is entirely risk-free. Extreme events, such as a global crisis or a catastrophic event in Singapore, could theoretically impact the insurance bond. However, the likelihood of such events is minuscule, and the structure is designed to withstand normal market conditions.



JWSPARKS.COM

a clean canvas to a lifestyle of opportunities

Breaking Down the Insurance Mechanism

Transparency and Verification

All aspects of the investment are transparent and verifiable. You'll receive:

- The ISIN numbers for both the fund and the PIS, which you can verify on the MAS registry.
- A detailed investment memorandum and a 25-page brochure called the Elite Series Presentation, which outlines the structure, risks, and benefits.
- The opportunity to speak directly with the fund managers or the team behind the product to address any concerns.

Conclusion

While the idea of 100% insurance might seem too good to be true, this product is backed by a robust, regulated, and proven structure. The combination of the PIS, Marsh's involvement, and the fund's track record provides a high level of security. However, it's always wise to review all documentation, ask questions, and seek further clarification if needed. Transparency and due diligence are key to making informed decisions.

