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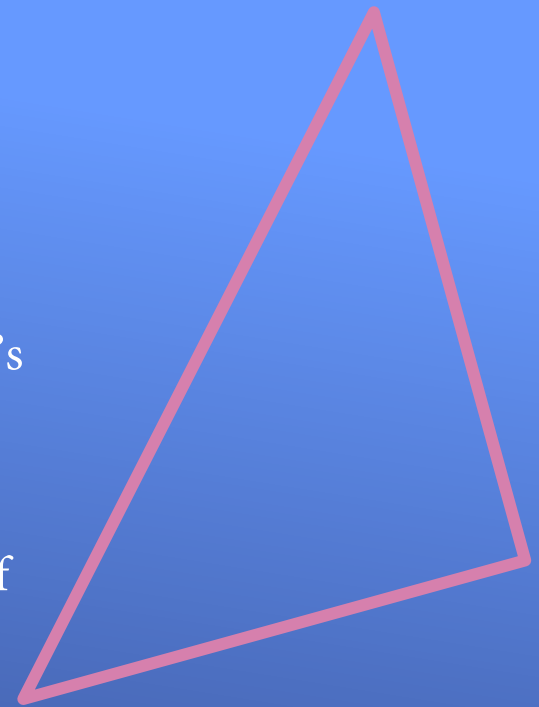
Barristers & Solicitors
Notary Public

Gibraltar Private Funds




WHAT IS A PRIVATE FUND?

- A collective investment scheme established under Gibraltar's Collective Investment Scheme Legislation.
- The promoter or sponsor of a private fund may only offer participation (up to 50 persons) to an identifiable category of persons.
- Family, friends or employees can fall into the “identifiable” category
- It is important that the “category” of investors is identified at the outset when establishing a private fund.
- Private funds may not be listed on any stock exchange and are not regulated in Gibraltar.




ARE THERE ANY RESTRICTIONS ON INVESTMENTS OR INVESTORS?

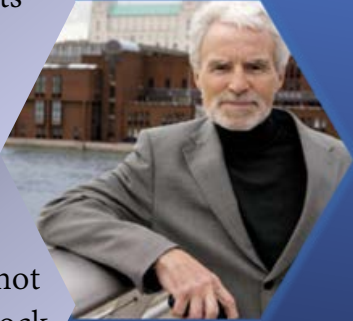


Only persons falling within the "identifiable category of persons" may invest or participate

No leverage limits



Participation in the fund may only be offered to up to 50 persons falling within the "identifiable category"

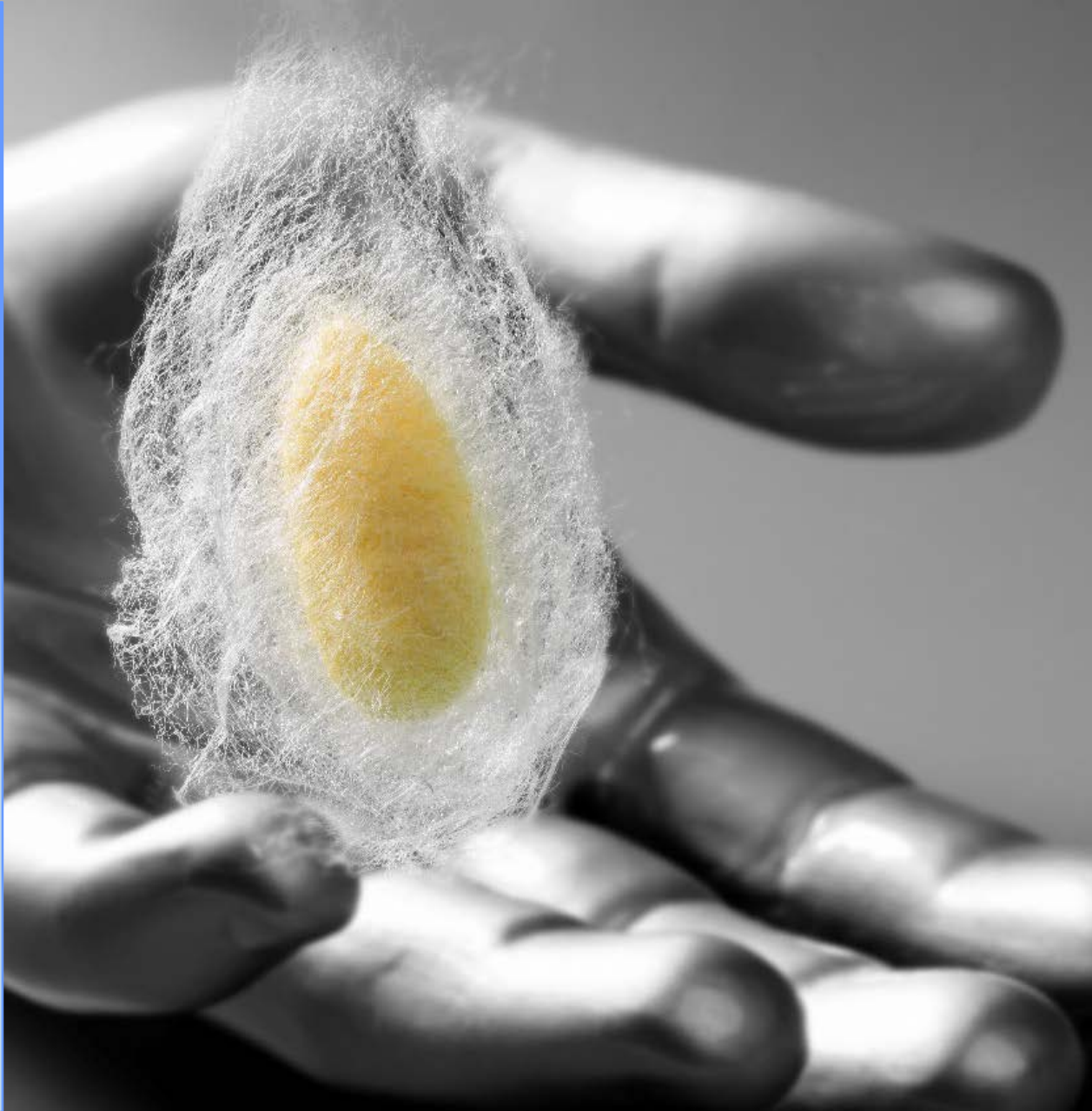


Private funds cannot be listed on any stock exchange

How do private funds assist as wealth management vehicles?

Wealth or Asset Managers often establish private funds as investment vehicles for high-net-worth individuals, families and private business owners. They can be structured for estate planning and succession purposes and tailored to suit each client's particular needs.

Protections such as ensuring payment of educational fees or the education of minors or young persons inheriting money can be built into private fund structures.




HOW ARE PRIVATE FUNDS STRUCTURED?



- Funds are set up as limited liability companies or as other types of corporate vehicles recognised by Gibraltar law.
- Two classes of shares may be issued where appropriate, one of which has voting rights and one which is redeemable and only has rights to participate dividends.
- Trusts and other protective vehicles or arrangements may be established to hold shares or to protect minor beneficiaries.
- Each private fund is required to issue an offering document or private placement memorandum and may have an external or third party Investment Manager* or Investment Advisor* or be self-managed.
- Private funds may be either open or close-ended.
- Although not a statutory requirement the services of an external Fund Administrator are usually engaged and the directors of a private fund would usually include a representative of the Fund Administrator and an independent third party professional director.
- Where an Investment or Asset Manager or Advisor has been appointed, a representative of that Manager or Advisor may also serve as a director.

*note that investment management and investment advice are separately regulated activities in Gibraltar

A TYPICAL PRIVATE FUND SET UP WOULD INCLUDE:

- a) A professionally drafted offering document, setting out how the fund is to operate, the investment and risk strategies and the roles of each of the fund's service providers.
 - b) Professionally drafted trust documentation or other protective documents and the incorporation and structuring of the fund vehicle.
 - c) The appointment of at least two directors one of which would usually be a representative of the appointed Fund Administrator and the other an appropriate independent professional director.
 - d) Professionally drafted service contracts for the Fund Administrator, the directors and any Investment or Asset Manager/Advisor (a representative of which may also serve as a director of the fund).
 - e) The incorporation of the fund vehicle and the creation of the classes of shares required.
 - f) Registration of the fund with the Gibraltar Financial Services Commission as required under AIFMD
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CORPORATE GOVERNANCE

Gibraltar encourages the highest standards of corporate governance and the appointment of service providers who are independent of each other. Directors must follow the investment objectives set out in the offering document or private placement memorandum and have regard for the interests of investors.





CONTACT

We invite you to get in touch with us with any comments or questions you may have about Private Funds in Gibraltar

For more information contact:

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