

## CLOSED END FUNDS

The law in Mauritius provides for two main categories of Global Funds:

1. Open-ended Fund, also known as a Collective Investment Scheme ('CIS'); and
2. Close-ended Fund, commonly known as the Private Equity Fund.

A Closed-end fund is an arrangement or a scheme, whose object is to invest funds, collected from subscribers during an offering made to investors or from sophisticated investors, in a portfolio of securities, or in other financial or non-financial assets, or real property.

Unlike a CIS, a Closed-end fund may not allow redemption at option of investors, need not operate on risk diversification principle and may allow investors to exercise control on day to day management.

### Type/Class of Shares

Mauritius company law allows the Fund to structure its share capital in the most flexible and investor friendly manner possible.

Most funds are multi-class and rights of the different classes may differ.

It is typical for investment managers to hold voting shares that do not participate in economics of the Fund, while investors hold participatory shares.

It is usual for investment manager to also co-invest with their investors by subscribing to another class of participatory shares.

Also, lead/core investors are often offered shares with voting rights.

### Share Capital/Shareholders

Different classes of shares can be issued and rights of the different classes may differ.

Shares can be of par value or no par value.

Shares may be redeemable, non-voting or confer preferential, special or limited rights to income, capital or voting as specified in the constitution (by-laws).

NAV Calculation of CIS (Closed End Fund)

Generally, must be signed off in Mauritius prior to circulation to investors.

### New Enhanced Substance Requirements

Licensing conditions include, inter alia, carrying out of its core income generating activities at all times in, or from, Mauritius by:

1. employing, either directly or indirectly, 1 qualified person to carry out the core activities, and
2. having a minimum level of expenditure of USD 30,000.