

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Circular addressed to the financial services industry regarding Master-Feeder structures for Professional Investor Funds targeting Qualifying or Extraordinary Investors

5th February 2010

The purpose of this circular is to inform the financial services industry that Master-Feeder Fund structures set up in Malta in the form of Professional Investor Funds targeting Qualifying or Extraordinary Investors are allowed to have a single Offering Memorandum for both the Feeder and the Master Fund on the basis that such document is drafted to clearly include an offer of units for subscription by both the Master and the Feeder Fund in satisfaction of the definition of a ‘collective investment scheme’ as set out in article 2 of the Investment Services Act, 1994. Moreover, whereas the initial offer of units by the Master Fund may be limited to the Feeder Fund, the Offering Memorandum would need to contemplate the possible offer in the future, of units by the Master Fund to additional investors which could include other Feeder Funds. The Offering Memorandum should clearly identify which of the document’s contents pertain to the Master Fund versus the Feeder Fund. Any such Offering Memorandum would need to be approved by the Board of Directors of both the Feeder Fund and the Master Fund.

**Information Office
Malta Financial Services Authority**