



INVESTMENT FUNDS

Investment Funds Report | Q1 2025

CONYERS

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This inaugural edition of the Conyers Investment Funds Report provides a variety of updates and insights relevant to the investment funds space in the Cayman Islands, British Virgin Islands, and Bermuda. The report provides access to Conyers resources, including upcoming filing deadlines, details of key industry events, and recent thought leadership

In this edition we touch on trending topics including the shifting landscape of private equity fundraising in Asia, the rise of digital assets in the Cayman Islands, and the growth of Cayman Islands private funds. We also explore tokenized funds in the BVI, share key regulatory updates for Bermuda investment funds, and examine Japanese investment by Cayman Islands funds. The team reflects on takeaways from one of the banner events of the industry – the IBA International Conference on Private Funds in London, held this past March. Conyers investment funds guides, tools, and relevant legal memoranda are also linked for easy reference.

Trending Topics in Investment Funds

Shifting Landscape of Private Equity Fundraising in Asia

A marked shift is taking place in the Asian private equity (PE) and venture capital (VC) fundraising arena. 2024 saw the lowest level of PE and VC fundraising in Asia in 12 years – and a 29% decrease from 2023. Within this context sits a remarkable bubble: deals targeting Japanese companies led to an almost 41% increase in PE and VC-backed investments in the country.

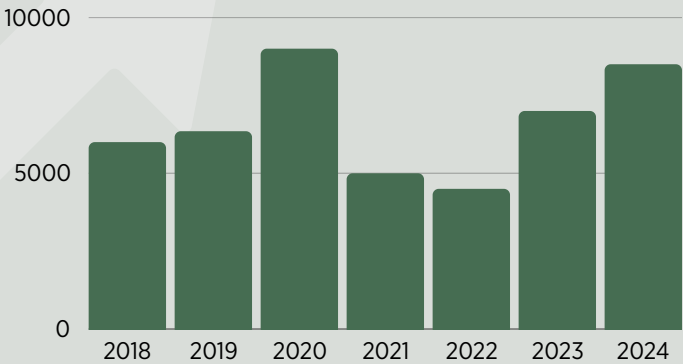
Standard & Poors cites Japan’s low interest rates as a key factor in creating investor opportunity, alongside succession challenges faced by the many family-owned businesses in the country. The Japanese business community is more open to private equity investment than it has ever been. Watch this space for further growth in 2025!

Japan stands as the most active PE market in APAC. In fact, it was the only PE market in the region to grow in 2023, as capital shifted away from China toward the attractive opportunities that Japan offers. This lead in fundraising continued throughout 2024, with Japan-focussed private equity funds raising US\$8.74 billion.

Several factors are contributing to this surge, including the sale of thousands of private family businesses and increased interest from public pension plans and university endowments, two emerging investor classes in this market. Restructurings and de-listings prompted by Tokyo Stock Exchange reforms have also created an active take-private market for PE investors.

Sources:
“Private equity investment in Japan soars”, Dylan Thomas, Neel Hiteshbhai Bharucha and Yuzo Yamaguchi, S&P Global Market Intelligence, 28 January 2025
“Asia-focused private equity fundraising hits 12-year low”, Karl Angelo Vidal and Shambhavi Gupta, S&P Market Global Intelligence, 6 February 2025
Private Equity International, “Japan”, April 2025

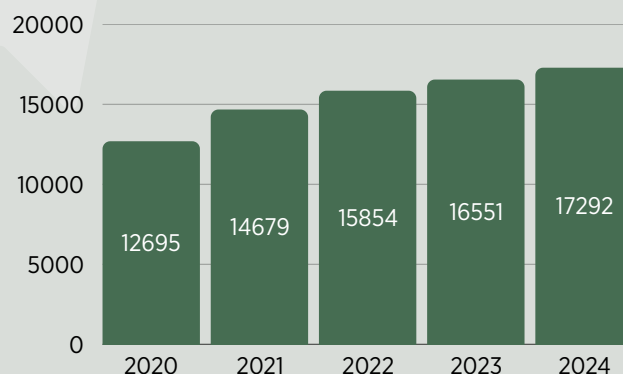
Capital by Japan Focussed Funds (\$BN)



Growth in Cayman Islands Private Funds

The number of Cayman Islands private funds has been steadily growing over the past five years, with an overall increase of 36.2% from 2020 to the end of 2024. This outpaces the growth seen in the Cayman Islands open-ended mutual funds space.

Growth of Private Cayman Islands Funds
36.2% increase 2020 – 2024



Digital Assets on the Rise in Cayman

Digital Assets are surging as an asset class of interest for hedge funds. The [Global Crypto Hedge Fund Report](#) recently published by the Alternative Investment Management Association (AIMA) and PwC shows that just under 50% of hedge funds surveyed (63% of which are Cayman funds) now have exposure to digital assets – a notable 72% increase from 2023. The report credits increased regulatory clarity and ETFs with the rise of investor confidence. Other key observations from the report include a shift to derivative trading in digital assets, a burgeoning interest in tokenization, and increased demand from institutional investors.

Tokenisation of Funds in BVI

The British Virgin Islands has emerged as a leading jurisdiction for offerings of tokens and other virtual assets. BVI tokenised investment funds offer many advantages, including a balanced regulatory framework, enhanced liquidity and accessibility, increased transparency and security, and cost-effectiveness.

The BVI Approved Manager Regime makes the jurisdiction even more attractive, offering regulatory flexibility, technological accommodation, cost-effectiveness, and global reach that enables fund managers to capitalise on the evolving landscape of digital finance.

Regulatory Updates for Bermuda Investment Funds

The Investment Business Amendment Act 2024 (the “Amendment Act”) came into operation in Bermuda on 29 July 2024, and amends the Investment Business Act 2003 (as amended, the “Act”) to strengthen the supervision and regulation of Bermuda based investment exchanges and clearing houses. In particular the Amendment Act introduces a framework for an investment exchange or clearing house to apply to the Bermuda Monetary (BMA) for designation as a “recognised investment exchange” or “recognised clearing house” as applicable, under the Act, thereby allowing it to carry on such business in Bermuda without requiring a licence or registration under the Act.

Once the BMA has issued a recognition certificate designating an investment exchange or clearing house as a recognised investment exchange or recognised clearing house under the Act, the recognised body will be subject to the BMA’s supervision and certain ongoing requirements, including:

- preparation of annual financial statements or accounts;
- appointment of an approved auditor to audit the annual financial statements or accounts;
- filing of annual financial statements or accounts, and auditor’s report, with the BMA;
- filing of half-yearly returns with the BMA;
- notifying the BMA in advance of any proposal to amend its constitution or its market or listing rules;
- notification requirements relating to persons becoming or ceasing to be “controllers” or “officers” of the Recognised Body;
- capital and liquidity requirements;
- notification requirements in the event of a breach of capital or liquidity requirements;
- reporting certain prescribed facts or matters of “material significance” to the BMA; and
- continuing to satisfy the recognition standards required for designation as a Recognised Body on an ongoing basis;
- payment of annual fee to the BMA.

The 2025 BMA filing deadline for all authorised and registered Bermuda investment funds with a financial year end of 31 December is 30 June 2025.

Key Conference Takeaways

Conyers delegates share their highlights from banner events in the industry.

Industry Panel, Bangkok – Cayman Islands: Key Insights into a Premier Fund Jurisdiction

Director and Head of Singapore office [Preetha Pillai](#) joined industry leaders in Bangkok this April to discuss the many reasons for Cayman's status as a premier global funds jurisdiction. Preetha's remarks on the jurisdiction's legal and regulatory framework formed part of broader panel discussions around fund structuring, tax considerations, corporate governance and the role of independent directors, investment management and the role of other service providers such as fund administrators, and risk considerations, particularly in the current volatile market conditions.

Co-sponsor Bolder Group has produced an excellent [video](#) showcasing highlights of the event.

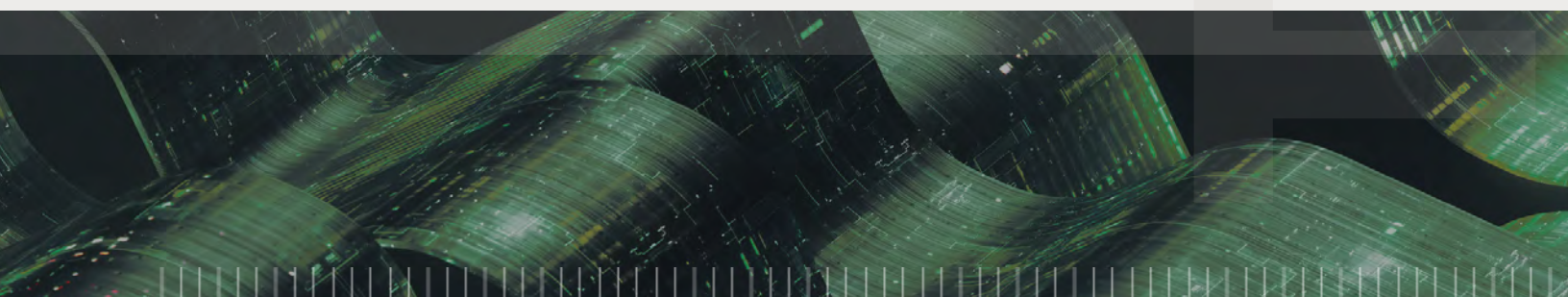
IBA International Conference on Private Funds, London

The 2025 conference provided valuable insights into the evolving landscape of private funds. With discussions ranging from macroeconomic uncertainty to emerging investor trends, industry experts dissected key challenges and opportunities shaping the sector.

Cayman Counsel [Jennifer Sangaroonthong](#) provides seven major takeaways from the event.

1. Macroeconomic Uncertainty: A Mixed Bag

Panellists discussed the positives of the Trump administration's proposed deregulation in areas such as investment funds and the relaxation of enforcement actions by the SEC for the digital assets industry. However, the administration's unpredictable economic policies — including newly proposed tariffs — have introduced market uncertainty, particularly regarding their impact on global trade. Despite this, the digital assets industry remains optimistic about a more crypto-friendly SEC and a clear regulatory framework.



2. Sponsor Trends: Consolidation and Strategy Diversification

The regulatory complexities and uncertain economic climate are driving a wave of manager consolidation. As smaller and mid-sized firms struggle to compete, larger players continue to expand. Additionally, managers are expected to diversify their strategies, with a growing focus on real estate, infrastructure, and credit in the near term.

3. Investor Trends: Selectivity and Bespoke Arrangements

Fundraising dynamics are shifting, with investors increasingly demanding flexible, customised arrangements before committing capital. The complexities of these demands are straining resources for some fund managers and are fuelling a rise in evergreen and hybrid structures.

4. New Capital Sources: A Broader Reach

In the quest for capital commitments, fund managers are increasingly targeting retail investors and private wealth/family offices as strategic avenues to expand their funding base.

5. Continuation Vehicles: The New Norm

Once viewed with skepticism, continuation vehicles are now gaining mainstream acceptance as a practical exit strategy in today's economic environment. The challenge for General Partners (GPs) is to strike the balance of giving value to exiting Limited Partners (LPs), providing an incentive to continuing LPs and attracting new LPs. In some instances, LPs are demanding a higher degree of alignment with GPs who have increased their GP commitments.

6. Credit Funds: Embracing Evergreen Structures

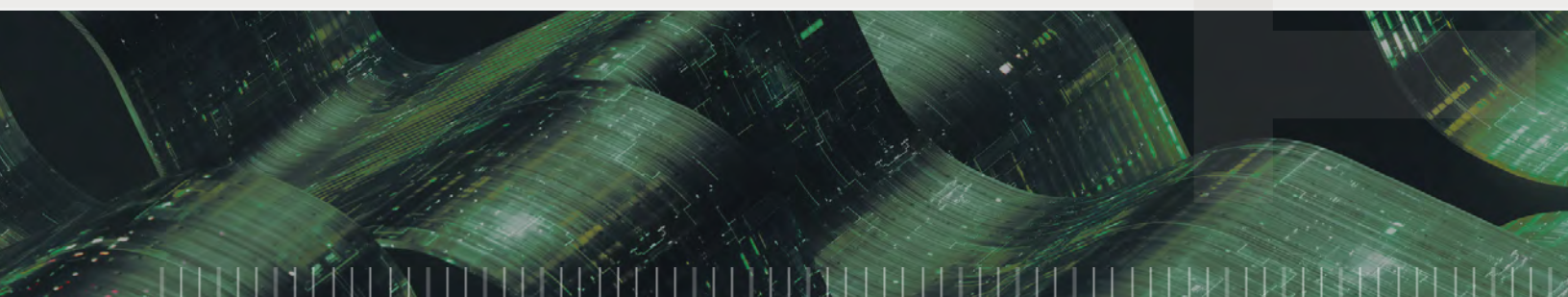
GPs and LPs are embracing evergreen-like structures to minimize fundraising cycles, save on costs, and maximise operational efficiencies. Such structures are highly complex given that GPs will need to consider (among other things) investor equalisation and portfolio composition.

7. Insurance Companies: The Role of Rated Note Feeders

Rated note feeders are proving to be popular vehicle of choice for insurance capital. Meanwhile, there has also been an increase of insurance company acquisitions by managers themselves and fund managers have also been stepping up their involvement in assisting insurance companies with the set-up of sidecar structures.

Final Thoughts

The conference underscored the shifting dynamics of private funds and the industry's resilience in adapting to market uncertainty. Whether through diversification, new capital sources, or innovative structuring, fund managers are finding creative ways to navigate challenges and seize opportunities in a rapidly evolving landscape.





Upcoming Industry Events

Consensus 2025 – “Crypto’s Most Influential Event”

Toronto, 14-16 May 2025

Consensus has been bringing together the most influential voices in blockchain, Web3, and AI since 2015. This year the experts convene in Toronto to “weave together breakthrough technologies, from digital assets to artificial intelligence, fostering the collaborations that define what’s next.

Meet the Conyers Delegation:

Theo Lefkos | Róisín Liddy-Murphy | Spencer Vickers | Clare Bradin | Sarah Howie | Jennifer Sangaroonthong | Lana Dixon

AIMA Next Generation Manager Forum

London, 28 May 2025

London Partners Eric Flaye and Nicholas Pattman will be attending this forum for senior individuals at alternative asset management businesses managing up to US\$500 million in hedge and private credit assets.

AIMA Global Investor Forum 2025 – “Leadership in Alternatives”

Toronto, 15 October 2025

AIMA serves as a gathering for institutional investors, alternative asset managers, and industry professionals shaping the hedge fund, private credit, private equity, and digital asset industries globally.

CoinAlts Annual Fund Symposium – “Discover the Future of Finance”

San Francisco, 29 October 2025

Partner Theo Lefkos, Head of Private Equity – Cayman, will be attending this gathering for the digital asset community that annually addresses investment, legal and operational issues of concern to private fund managers.



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Thought Leadership

Holt the Press! Developments in SPC Restructuring

Jonathon Milne, Jordan McErlean

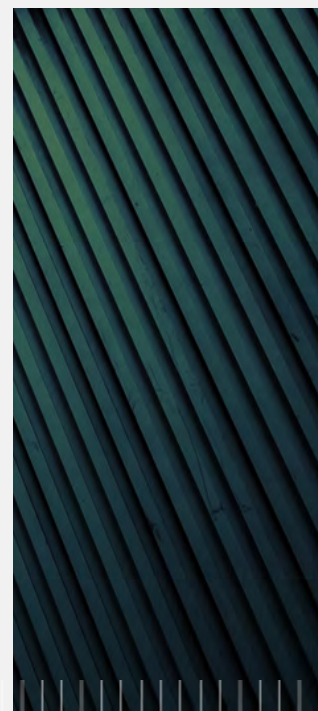
Cayman Segregated Portfolio Companies (SPCs) are popular vehicles for use by investment funds. As many readers will be aware, SPCs are different from typical Cayman Islands companies in that the assets and liabilities of each segregated portfolio (SP) are segregated from each other during the life of the SPC (and in liquidation). In late 2023, in the case of Holt Fund SPC, the Grand Court of the Cayman Islands ordered the first appointment of Restructuring Officers over particular segregated portfolios of an SPC.

Typically, where a particular SP has insufficient assets to meet claims of creditors, a receiver may be appointed for the purpose of an orderly closing down of the business of that SP. However, until the Holt judgment, it was not clear that Restructuring Officers could be appointed in relation to a specific SP, given that it is not a separate legal entity. This decision illustrates the flexibility of the restructuring regime. However, the application to appoint Restructuring Officers was unopposed, so it will be interesting to see if such appointments are subject to challenge in future.

Segregated Portfolio Companies: Cayman Courts Upholding the Segregated Principle

Piers Alexander

A Segregated Portfolio Company (SPC) provides for the protection of the assets held under one portfolio by ring-fencing them from the liabilities of other portfolios in the same company. Whilst structures similar to the Cayman Islands' SPC have been replicated in other jurisdictions, including those onshore, Cayman has the distinction of having built up a body of definitive case law examining the segregated portfolio principle. This is important in light of the significant numbers of SPCs in operation in Cayman.



Common Reporting Standard: Regulatory Enforcement and Compliance for Cayman Entities

Róisín Liddy-Murphy, Sarah Howie, Tonicia Williams, Daniella Carrazana

Cayman Islands investment funds are considered “Financial Institutions” and as such have direct obligations under the Cayman Islands Tax Information Authority’s Common Reporting Standard Regime. This article provides a detailed overview of the requirements and implications of these regulations.

Listing Investment Funds on the Cayman Islands Stock Exchange

Flora Zeng

The Cayman Islands Stock Exchange (CSX) facilitates the trading of diverse securities, including investment funds (both open-ended and closed-ended), corporate and retail debt, eurobonds, equities (domestic and international), derivative warrants, and Segregated Portfolio Companies (SPCs).

Why Set Up a Tokenised Investment Fund with an Approved Manager in the BVI?

Flora Zeng

Setting up a tokenised investment fund with an approved manager in the British Virgin Islands offers many strategic advantages by combining the innovative benefits of blockchain technology with cost-effectiveness and the operational efficiencies of the BVI’s financial services regulatory framework. In this article Hong Kong Senior Associate Flora Zeng explore the benefits of tokenised investment funds and the BVI approved manager regime.

Why the Cayman Islands?

Preetha Pillai, Rita Leung

The Cayman Islands are home to 118,443 active companies as of 31 December 2024, with 11,819 new companies registered in 2024 and a further 1,081 in the first two months of 2025. This factsheet outlines the reasons for the Cayman Islands’ popularity as a jurisdiction to structure international transactions.

Attention! Know the Regulatory Obligations of Your Cayman Closed-Ended Fund

Piers Alexander

The regulatory environment for Cayman Islands investment funds has changed significantly over the last few years as the jurisdiction has updated its funds regime to remain compliant with international standards of the European Union and the Financial Action Task Force. While there are significant benefits to operating a private fund in one of the world’s leading offshore funds jurisdictions, fund operators should take steps to ensure that they comply with their regulatory obligations when operating a Cayman private fund so as to avoid administrative fines or enforcement action by CIMA.



Conyers Cayman Islands Office Expands its Funds Practice

Conyers investment funds practice in the Cayman Islands has experienced significant growth over the past few years, and now comprises ten experienced funds specialists. The team brings top-tier expertise across the spectrum of fund related legal services. Working with Conyers fund advisers has always brought a level of service that goes beyond the initial set-up of your fund – and now we are better equipped than ever before to provide clients with the highest quality legal advice.

Partner Matthew Stocker is the head of our Cayman Islands office and of the Cayman Corporate Practice. A seasoned corporate and finance lawyer with over 30 years of legal experience, his experience includes both hedge and private equity funds in addition to his broader corporate practice.

Partner Theo Lefkos is Head of Private Equity in Cayman. His practice focusses primarily on the formation and operation of private funds (both private equity and credit) and the downstream activities undertaken by private funds. Theo has represented fund sponsors across a range of strategies including growth, venture, distressed, real estate, energy and infrastructure, fund of funds and secondaries. He routinely advises general partners on their upper tier structures and governance arrangements, setting up co-investment vehicles and separately managed accounts for investors, as well as some more innovative structures such as rated note feeders. Theo has advised some of the world's largest fund sponsors, as well as midsize and start-up managers.

Counsel Matthew Harkness provides expert guidance on both private equity and hedge funds in addition his broader corporate practice encompassing M&A, series financing, capital markets, restructurings and corporate governance.

Counsel Jennifer Sangaroonthong strengthens the Cayman Islands investment funds practice with her knowledge in delivering innovative solutions to fund sponsors. She provides cutting-edge guidance on FinTech transactions, expertly navigating the establishment and management of Cayman Islands foundation companies. Jennifer's approach fuels innovation in blockchain protocol oversight and digital asset evolution.

Counsel Nick Ward specialises in guiding hedge fund managers, private fund sponsors, and their onshore counsel through every aspect of fund formation, management, financing and regulatory compliance. His expertise extends to working with the broader investment community on seeding strategies, side-letter arrangements, and series financings. With over a decade of experience in London, including in-house roles at one of Europe's largest hedge fund managers and a leading UK-listed asset manager, Nick brings deep industry insight.

Senior Associate Kiah Estwick has a broad spectrum of fund finance experience, including subscription financing, NAV based facilities and hybrid structures. She is highly experienced in the formation, structuring, and ongoing management of private equity and hedge funds, ensuring their seamless operation and regulatory compliance. In addition, Kiah advises on all aspects of general corporate governance, compliance and regulatory matters.

Senior Associate Frank Farrell has extensive experience in private equity and hedge funds, handling fund formations, financing, restructurings, M&A, joint ventures and general corporate transactions, as well as regulatory compliance. He also specialises in corporate, regulatory and commercial matters with a strong focus on advising international insurance institutions, captive insurers and commercial (re)insurers on Cayman Islands insurance and reinsurance law.

Associate Danielle Carrazana has a particular focus on fund finance, insurance, and regulatory compliance. She provides strategic legal guidance to clients navigating complex financial and regulatory landscapes, ensuring seamless operations and compliance with evolving legal frameworks.

Associate Lucy Day specialises in the establishment, structuring, and ongoing management of hedge funds and private equity funds, providing tailored solutions for a diverse client base. She has worked alongside onshore counsel to advise large institutions, investment managers and emerging start-up firms, ensuring their funds operate efficiently and in full compliance with regulatory requirements. With particular expertise in mutual funds registrable under the Mutual Funds Act (As Revised) and private funds under the Private Funds Act (As Revised), Lucy offers guidance on fund structures, including exempted companies, exempted limited partnerships, and limited liability companies.

Associate Rebecca Peck has a strong focus on funds and investment management services. She has extensive experience in the establishment, structuring, and ongoing management of private equity and hedge funds, as well as advising on all aspects of corporate governance, compliance and regulatory frameworks. Her expertise extends to series financing, capital markets, and general corporate governance, where she provides counsel to financial institutions and corporate clients, including both start-ups and established companies on a wide variety of corporate and finance transactions.

Annual Regulatory Deadlines

Cayman Islands Investment Funds Regulatory Filing Deadlines Q2-Q4 2025

30 June	Fund Annual Return (FAR), FAR Filing fee, and 2024 audited financial statements for all funds with a year end of 31 December 2024 due.*
31 July	FATCA/CRS Annual Report due.
15 Sept	CRS Compliance form for 2024 reporting period due via the DITC Portal.
October	Annual meeting by governing body to review and approve Corporate Governance compliance matters.

* Audited annual financial statements, Fund Annual Return, and FAR filing fee must be submitted to CIMA by all CIMA-registered funds within six months of their financial year end.

BVI Investment Funds Regulatory Filing Deadlines Q2-Q4 2025

Incubator Funds

31 May	FATCA/CRS Reporting due via BVIFARS portal.
30 June	Unaudited financial statements due to FSC for funds with a 31 December year end. Economic Substance self-certification due for funds with a 31 December reporting period via Beneficial Ownership Secure Search System (BOSS) portal.
31 July	Semi-annual return due to FSC.
30 Sept	Unaudited financial statements due to FSC for funds with a 31 March year end.
31 Dec	Unaudited financial statements due to FSC for funds with a 30 June year end.

Approved Funds

31 May	FATCA/CRS Reporting due via BVIFARS portal.
30 June	Unaudited financial statements due to FSC for funds with a 31 December year end. Economic Substance self-certification due for funds with a 31 December reporting period via Beneficial Ownership Secure Search System (BOSS) portal.
30 Sept	Unaudited financial statements due to FSC for funds with a 31 March year end.
31 Dec	Unaudited financial statements due to FSC for funds with a 30 June year end.

Annual Regulatory Deadlines

Professional and Private Funds

31 May FATCA/CRS Reporting due via [BVIFARS](#) portal.

30 June Mutual Funds annual return (MFAR) re calendar year ending 31 December 2024 due via [Mutual Funds Annual Returns Application](#) portal.
Audited financial statements due to FSC for funds with a 31 December year end.
Economic Substance self-certification due for funds with a 31 December reporting period via Beneficial Ownership Secure Search System (BOSS) portal.

30 Sept Audited financial statements due to FSC for funds with a 31 March year end.

31 Dec Audited financial statements due to FSC for funds with a 30 June year end.

Private Investment Funds

31 May FATCA/CRS Reporting due via [BVIFARS](#) portal.

30 June Audited financial statements due to FSC for funds with a 31 December year end.
Economic Substance self-certification due for funds with a 31 December reporting period via Beneficial Ownership Secure Search System (BOSS) portal.

30 Sept Audited financial statements due to FSC for funds with a 31 March year end.

31 Dec Audited financial statements due to FSC for funds with a 30 June year end.

Annual Regulatory Deadlines

Bermuda

30 June 2025: annual BMA filing deadline for all authorised and registered Bermuda investment funds with a financial year end of 31 December.

Fund Type	Annual Filing Deadline	Additional Periodic Filings	Key Annual Filings None
Registered Funds	6 months after FYE	None	Audited financial statements (except private funds, which may submit management accounts), certification form, disclosure of material changes, NAV, subscriptions, and redemptions.
Authorised Funds	6 months after FYE	Standard Funds: Monthly (within 20 business days of month-end); Institutional/Administered/Specified Jurisdiction Funds: Quarterly (within 20 business days of quarter-end).	Statement of compliance, audited financial statements, disclosure of breaches, material changes, NAV, subscriptions, and redemptions.

Other Key Ongoing Filing Obligations

- Material Changes: Updated offering documents must be published or made available to participants without delay when there are material changes.
- Service Provider Changes: Certain fund types must notify or obtain approval from the BMA before changing directors, service providers, or winding up.
- Valuations: Standard Funds must perform monthly valuations; Institutional/Administered/Specified Jurisdiction Funds at least quarterly.

Filing Platform

- All filings must now be made through the BMA's Integra portal. The previous Erica system is no longer in use.

About Conyers' Investment Fund Practice

The world's top asset management groups, hedge funds, private equity and venture capital firms domicile their funds in leading offshore financial centres of Bermuda, the British Virgin Islands and the Cayman Islands. Factors attracting funds to these centres include operational efficiencies, speed to market and progressive legislation.

Conyers represents many innovative and significant hedge, venture capital and private equity funds including start-up funds. Our dedicated team of fund attorneys work with clients beyond the initial set-up/structuring phase to assist on continuing operations and long-term business objectives. We nurture long-standing relationships with our broad client base that includes leading asset management groups and financial institutions.

We provide specialist advice on the day-to-day operations of funds established in our jurisdictions, including drafting constitutional, regulatory and compliance documentation and advising on extensive due diligence projects, acquisitions, financings and listings.

Conyers' funds practice is complemented by highly regarded litigation and restructuring teams which regularly act on high-profile fund-related matters and issues arising out of fund restructuring, contentious winding down and winding up.

“**Counsel to the world's leading asset management groups and investment funds**”

Conyers advises on all aspects of investment funds in Bermuda, the British Virgin Islands and the Cayman Islands. With offices in the major international financial centres of Hong Kong, London and Singapore, we are more than able to provide you with our responsive legal services. We are also well equipped to service the Middle East North Africa market, with lawyers who have thorough expertise and understanding of the region.

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This report provides a high-level overview of the investment funds market in Bermuda, BVI, and the Cayman Islands, and is not meant to constitute legal or regulatory advice. Readers are encouraged to contact Conyers for legal advice tailored to their specific requirements.

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