

Macau Investment Funds Law Series: Fund Structures — Umbrella, Master-Feeder, and Fund-of-Funds under Law No. 11/2025

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Key Takeaways

- **Statutory recognition:** The Law expressly recognises, in addition to single-fund structures, at least three multi-fund structures — umbrella, master-feeder, and fund-of-funds — while leaving the door open for other structures.
- **Umbrella funds:** An umbrella fund comprises two or more sub-funds, each established and operated under the same constitutive documents but with independent investment policies and separate classes of fund units.
- **Master-feeder:** A master-feeder structure comprises one master fund and multiple feeder funds; capital raised by each feeder is pooled in the master fund, where investment management is conducted centrally.
- **Fund-of-funds:** A fund-of-funds invests all or a substantial portion of its capital in other funds to achieve a specific investment policy.
- **Property independence:** Each sub-fund within an umbrella structure enjoys full property independence — its assets may only be used to satisfy its own debts, not those of other sub-funds.
- **Investor ring-fencing:** Investors subscribing to a particular sub-fund have rights and bear obligations only in relation to that sub-fund.
- **Available across fund types:** These structures may be adopted by contractual funds, collective investment companies, and limited partnership funds, subject to the rules applicable to each vehicle.

Introduction

Under the previous regime (Decree-Law No. 83/99/M), fund structures were not defined or regulated with specificity, limiting the flexibility available to sponsors and managers seeking to design fund platforms or pooled investment vehicles. Law No. 11/2025 fills this gap by codifying three principal multi-fund structures alongside the traditional single-fund model, and by establishing a robust property independence framework that protects investors in each structural compartment.

Key Provisions and Analysis

1. Structural Options Under the Law

The Law provides that, in addition to the **single-fund structure**, a fund may adopt different structures, including but not limited to:[1]

(a) **Umbrella fund structure:** Comprises two or more sub-funds, each established and operated under the **same constitutive documents**. Each sub-fund issues different classes of fund units and has an **independent investment policy**.

(b) **Master-feeder structure:** Comprises one **master fund** and multiple **feeder funds**. Capital raised by each feeder fund is pooled in the master fund, and investment management is conducted **centrally at the master fund level**.

(c) **Fund-of-funds structure:** A single fund that invests **all or a substantial portion** of its capital in other funds, in order to achieve a specific investment policy.

The use of the phrase "including but not limited to" signals that the AMCM retains flexibility to permit other structural arrangements beyond these three enumerated models, as market practice evolves.

2. Property Independence

The Law establishes a rigorous **property independence** regime that is fundamental to all multi-fund structures:[2]

General principle: Fund assets are independent from, and may not be commingled with, the assets of participants, the management entity, the custodian, sales entities, or any other service providers.[5] Fund assets may not be seized or attached to satisfy the debts of any such party.

Umbrella funds — sub-fund segregation: Under the umbrella structure, each sub-fund constitutes an **independent patrimony**. The assets of each sub-fund may only be used to satisfy that sub-fund's own debts and may **not** be used to satisfy the debts of any other sub-fund within the same umbrella.[3] Each sub-fund must have clearly defined investment objectives and policies, a separate management regime, and must independently conduct asset management, accounting, and financial reporting.

Fund-of-funds: The assets of a fund-of-funds are independent and separate from the assets of the underlying funds in which it invests; each fund maintains its own property independence.[6]

Sub-fund creditor ring-fencing: The debts of a fund or sub-fund may only be satisfied from that fund's or sub-fund's own assets, without prejudice to the unlimited liability of a general partner in a limited partnership fund.[7] In the event of the custodian's insolvency, fund assets held by or registered in the custodian's name may not be included in the insolvency estate.[8]

3. Investor Rights in Multi-Fund Structures

Investors who subscribe to or hold fund units in a particular **sub-fund** have rights and bear obligations **only in relation to that sub-fund**, and do not bear responsibility for the debts of other sub-funds within the same umbrella.[3] This statutory ring-fencing provides certainty to investors — particularly institutional investors — that their exposure is limited to the sub-fund in which they have invested.

The constitutive documents may provide for different classes of fund units across sub-funds, differentiated by criteria such as:[9] pricing currency; subscription conditions and payment methods; management and custody fees; income distribution arrangements; priority or order of periodic income and liquidation proceeds; and foreign exchange hedging mechanisms.

4. Operational and Disclosure Requirements

Umbrella funds: Each sub-fund must independently conduct **asset management, accounting, and financial reporting**.^[3] Where the fund has sub-funds, each must maintain **sufficient liquid assets** to meet its own day-to-day management needs.^[11]

Naming: Sub-fund names are subject to the same rules as fund names — they must be distinguishable from those of any other fund or sub-fund established in Macau, must reflect the fund's characteristics, and must not contain content that contradicts its principal investment direction or could mislead investors.^[12]

LPF Participants' meetings: For limited partnership funds with sub-funds, partners' meetings may be convened separately for each sub-fund, limited to partners holding interests in that sub-fund.^[13]

Collective investment companies: A collective investment company may establish sub-funds, each enjoying property independence and represented by one or more classes of shares.^[14]

Implications and Next Steps

The statutory recognition of umbrella, master-feeder, and fund-of-funds structures represents a significant modernisation of Macau's fund toolkit, bringing the territory in line with international market practice.

Fund sponsors and managers gain the flexibility to design multi-strategy platforms (via umbrella structures), centralise portfolio management across investor pools (via master-feeder), or construct diversified fund allocation products (via fund-of-funds) — all within a single regulatory framework. The umbrella structure is likely to be particularly attractive to managers seeking to offer multiple investment strategies under one constitutive document, reducing administrative and regulatory duplication.

Investors benefit from clear statutory ring-fencing: the property independence regime ensures that each sub-fund's assets are shielded from the debts of other sub-funds, and that investors' exposure is limited to the compartment in which they invest.

Custodians should note the operational implications: each sub-fund requires separate accounts, independent reconciliation, and distinct asset registers — multiplying the custodian's administrative obligations in proportion to the number of sub-funds.

As the AMCM issues implementing circulars — including specific prudential and disclosure rules for multi-fund structures — market participants should monitor regulatory developments and engage proactively with the regulator.

Footnotes

- [1]: Article 5(1)
- [2]: Article 10(1)
- [3]: Article 5(2)–(4)
- [4]: Articles 4(1)–(5)
- [5]: Article 10(4)
- [6]: Article 10(2)
- [7]: Article 10(5)
- [8]: Article 10(6)
- [9]: Article 11(2)
- [10]: Article 32(3)
- [11]: Article 60(2)
- [12]: Article 9(1)–(2) and (5)
- [13]: Article 117(9)
- [14]: Article 37(5)

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