

Open-Ended Funds Report

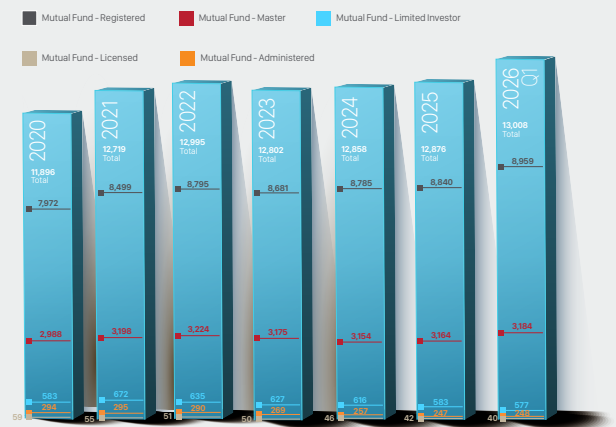
Q1 2026

Introduction

The Maples Group acts for approximately one third of all mutual funds registered with the Cayman Islands Monetary Authority. This report summarises data in respect of open-ended funds launched by the Maples Group in the period from 1 January 2026 to 31 March 2026.

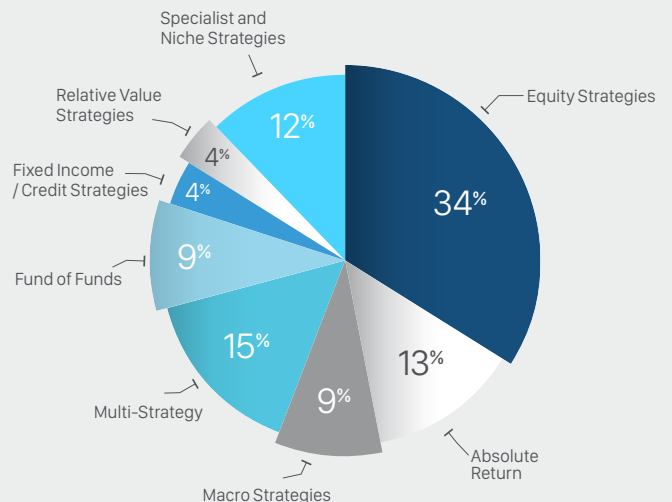
Cayman Islands Open-Ended Funds Hit All-Time High in Q1 2026

The Cayman Islands continues to consolidate its position as the domicile of choice for open-ended investment funds. The number of open-ended mutual funds regulated by the Cayman Islands Monetary Authority ("CIMA") reached an all-time high as at 31 March 2026, with total registrations surpassing 13,000 for the first time and exceeding the previous peak recorded in 2022.¹ This milestone reflects sustained and growing interest among fund managers and institutional investors for Cayman-domiciled open-ended fund structures.



Divergent Investment Strategies Shaping Q1 2026

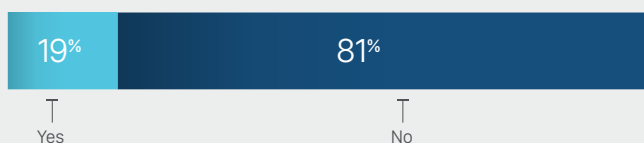
The investment strategies of Cayman Islands open-ended funds launched in Q1 2026 reveal a market characterised by strategic diversification. While equity strategies remain the most popular, a notable feature of the current landscape is the proliferation of specialist and niche strategies — including insurance-linked securities, Crypto/Digital Assets, event-driven, and asset-backed/mortgage-backed securities — which collectively represent roughly 12% of Q1 2026 open-ended fund launches, underscoring the rise of managers pursuing differentiated, thesis-driven approaches.



Digital Assets

Investment in digital assets continues to accelerate across the open-ended funds industry, reshaping both fund structuring and regulatory frameworks. Approximately 19% of the open-ended funds launched in Q1 2026 expressly permit investment in digital or crypto assets, reflecting growing manager appetite for exposure to this asset class.

Number of funds that expressly permit investment in digital or crypto assets



Tokenised Funds

Recent legislative developments in the Cayman Islands — introducing tailored registration and operational requirements for tokenised funds — signal the jurisdiction's commitment to providing regulatory certainty for this emerging category. Nine tokenised funds are now registered with CIMA², and numbers are expected to increase significantly over the coming months.

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FUNDS

REGISTERED WITH CIMA
FOLLOWING AMENDMENTS TO
THE MUTUAL FUNDS ACT AND
PRIVATE FUNDS ACT²

Artificial Intelligence

A notable trend is the growing disclosure of artificial intelligence, machine learning, and generative AI in fund offering documents. Approximately 38% of open-ended funds launched in Q1 2026 included risk factors relating to AI or machine learning technologies, whilst approximately 15% expressly referenced such technologies in their investment process or operations — indicating that the industry's awareness of AI-related risks currently outpaces its formal adoption of these tools.

Notably, the funds expressly referencing AI or machine learning were almost exclusively those pursuing traditional hedge fund strategies (such as equity, absolute return, multi-strategy, macro, and fund of funds strategies), suggesting that early adoption in operational or investment decision-making is concentrated among established strategy types rather than emerging or niche strategies.

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”

Geopolitical and Market Turbulence Drives Product Innovation

Protracted geopolitical uncertainty — arising from the Russia-Ukraine conflict, escalating US-China tensions, ongoing hostilities in the Middle East, and instability in Venezuela — has continued to disrupt global supply chains and amplify market volatility throughout early 2026, and is increasingly shaping the structural terms of new open-ended fund launches.

Approximately 53% of funds launched in Q1 2026 incorporated redemption gate provisions, while around 36% included side-pocket mechanisms enabling managers to segregate illiquid or hard-to-value assets. Lock-up periods featured in approximately 47% of fund launches, with soft lock-ups being the predominant feature — reflecting a negotiated compromise between managers seeking capital stability and investors demanding some path to liquidity, albeit at a cost.

These trends point to a period of meaningful product innovation in fund structuring, as managers and their counsel respond to an environment in which the ability to manage liquidity prudently — without compromising investment flexibility — has become a critical differentiator for new launches.

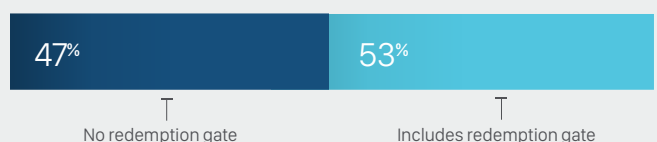
Summary & Key Findings

The Q1 2026 data confirms that the Cayman Islands open-ended funds market is undergoing evolution across multiple dimensions. Digital assets have moved firmly into the mainstream of open-ended investment strategy, tokenised fund structures are gaining early but meaningful traction underpinned by a purpose-built regulatory framework, and the integration of AI and machine learning is becoming an increasingly common feature of fund operations. Together with the structural trends observed in new fund launches, these developments point to a period of meaningful product innovation. One or more liquidity tools (being redemption gates, side-pocket powers, or lock-up periods) were present in almost 80% of new open-ended fund launches in Q1 2026, underscoring the degree to which geopolitical and market conditions are informing the structural terms upon which new funds are brought to market.

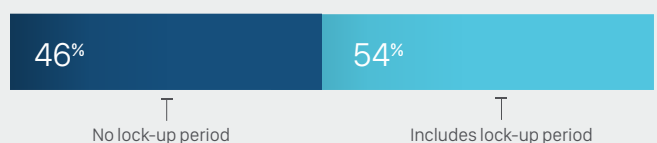
Side-Pocket Powers



Redemption Gates



Lock-Up Periods



ONE OR MORE OF THE ABOVE LIQUIDITY TOOLS WERE PRESENT IN ALMOST 80% OF NEW OPEN-ENDED FUND LAUNCHES IN Q1 2026



¹ <https://www.cima.ky/investment-statistics>

² <https://caymanfinance.ky/2026/05/05/cayman-registers-nine-tokenised-investment-funds-as-tokenisation-of-real-world-assets-increases/> "Cayman registers nine tokenised investment funds as tokenisation of real-world assets increases | Cayman Finance"