



# Private Equity Fund

## **Innovative. Impactful. Transformative.**

CFAL is proud to announce the launch of the CFAL Private Equity Fund—an initiative designed to support the country's most innovative and forward-thinking enterprises. This new fund reflects our belief that private equity has the unique power to drive meaningful change, tackle pressing challenges, and fuel sustainable growth. We believe these bold strategies will deliver long-term value for industries, communities, and future generations.

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# Private Equity Fund FAQs

## **What is the Fund?**

The CFAL Private Equity Fund Ltd. (SAC) “the Fund” is a standard Fund licensed by The Securities Commission of The Bahamas. The Fund was registered as a Segregated Accounts Company, allowing the Fund to allocate different classes of shares to independent projects, thus avoiding the commingling of assets and liabilities for various investments made. The Fund will largely provide investors with exposure to equity holdings in private companies in The Bahamas. The investment objective of the Fund will be to invest in companies with high growth prospects which can provide high dividend distributions to the Fund.

## **What is the Fund offering?**

The Fund will offer two classes of shares during the upcoming offering. The class A shares will raise \$10 million to acquire a 10% ownership stake in EA Energy Limited. The class B shares will raise \$10 million to acquire a 10% ownership stake in Island Power Producers Ltd. The minimum investment for each will be \$1,000. There is no maximum investment, however, shares will be allocated on a bottom-up basis. Individuals can invest in either class if they wish or both.

## **What is EA Energy?**

EA Energy has been selected by The Government of The Bahamas to develop microgrids on the islands of Eleuthera and Abaco. The company will build solar and natural gas power plants on both islands under a 25-year power purchase agreement with the government. EA Energy will be 65% owned by Bahamian investors and 35% by a Turkish partner. The project will be funded with \$140 million in total investment and is expected to be completed at the end of Q2 2026.

## **What is Island Power Producers?**

Island Power Producers has been selected by The Government of The Bahamas to develop shore power for the cruise ships while docked at Nassau Cruise Port. The company will build a natural gas power plant along with regasification and storage facilities to supply natural gas to other family islands. Island Power Producers will be 100% owned by Bahamians. The project will be funded with \$180 million in total investment and is expected to be completed at the end of Q2 2026.

## **When will the offering take place?**

The offerings are scheduled for July 21 - 29. The offering memorandum will be released to the public on July 18 on our website at <https://www.cfal.com/offerings>. CFAL is providing advanced notice so that interested investors can make the necessary preparations ahead of time. The application process should not take more than 10 minutes once started. Detailed subscription instructions will be uploaded to our website along with a manual showing the registration process.



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## **How will investors apply?**

All applications can be completed online via CFAL's registration portal. Individuals who have invested in The Bahamas Investment Fund (Nassau Cruise Port) should have an existing profile. Those individuals can simply log into their account, enter their purchases, and provide proof of payment via email. Individuals needing assistance with accessing their account can email [bif@cfal.com](mailto:bif@cfal.com).

New investors will complete their applications online, attach the required documents and a copy of the transfer of funds.

Accounts can have a maximum of 2 investors. Investors must be over the age of 18 and Bahamian citizens or permanent residents with an unrestricted right to work. The required documents for individuals include a copy of passport including the photo and signature pages, NIB or driver's license and proof of address (bank statement, utility bill, voter's card).

Bahamian companies are also eligible to apply. Formative documents along with due diligence on beneficial owners and directors will be required.

## **What payment methods will be accepted?**

Wire transfer to our CIBC account will be the only payment method accepted. Cash and cheques will not be accepted at our offices.

Individuals employed within the civil service can pay for their subscriptions over a 10-month period beginning August 2025. However, note that individuals will be responsible for ensuring that the funds are wired to CFAL on a monthly basis as salary deductions via the public treasury will not be facilitated. Failure to make 3 consecutive payments will result in forfeiture of the shares.

## **When will investors have confirmation of their allocation of shares?**

Confirmations will be emailed to investors by August 31, 2025.

## **What restrictions are placed on shares?**

Investors will not be able to redeem their shares for a period of 2 years from the closing date. Transfers will be restricted for a period of 6 months from the closing date. Sales will be restricted for a period of 1 year from the closing date.

## **What is the process for redemption?**

The Fund will have its Net Asset Value (NAV) updated once per year as at December 31 of each year. Redemptions will need to be submitted prior to this date for processing. However, CFAL will make best effort to ensure adequate liquidity in the Fund's shares.





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## **What are the risks of the Fund?**

The Fund will invest in the equity of private companies, which entails certain risks. These risks include, but are not limited to, liquidity risk, operational risk, and project risk. It is important to note that there is no guarantee that the investments made by the Fund will perform as expected or provide an attractive rate of return. Equity investments also have the potential for a complete loss of investment. A comprehensive section outlining the risks of the Fund and each project will be included in the offering memorandum.

## **What fees are related to the Fund?**

The Fund will attract various fees to be operational. These include management fees, audit fees, regulatory fees, and director fees. The estimated expense ratio or total costs incurred by the Fund is expected to average 1% of the Fund's value per year. The fees will be sourced from a utilization fee charged to the various companies for the use of each class of shares and dividend income received from the investments made if necessary. The residual dividend income will be distributed to shareholders.

## **What is the expected return of the Fund?**

The Fund will target investments that can provide a dividend yield of at least 10% per year as dividends will be the primary source of returns for investors in the Fund. However, as the Fund will be investing in equity, there is no guarantee that the Fund will achieve this objective each year. Both projects have a targeted first dividend payment in 2027 and thus the Fund does not anticipate receiving and distributing dividends until 2027 the earliest.

## **What should investors do next?**

Investors can make preparations ahead of time to have funding and documents readily available. All investors are encouraged to read the offering memorandum in its entirety before making an investment decision as this will contain detailed information about the projects, key personnel, directors, financial projections, expected returns and risks.

**There is no need to call the office at this time.** All additional information will be contained in the offering memorandum and frequently asked questions will be uploaded to the website. Inquiries can be emailed to [pefund@cfal.com](mailto:pefund@cfal.com).