

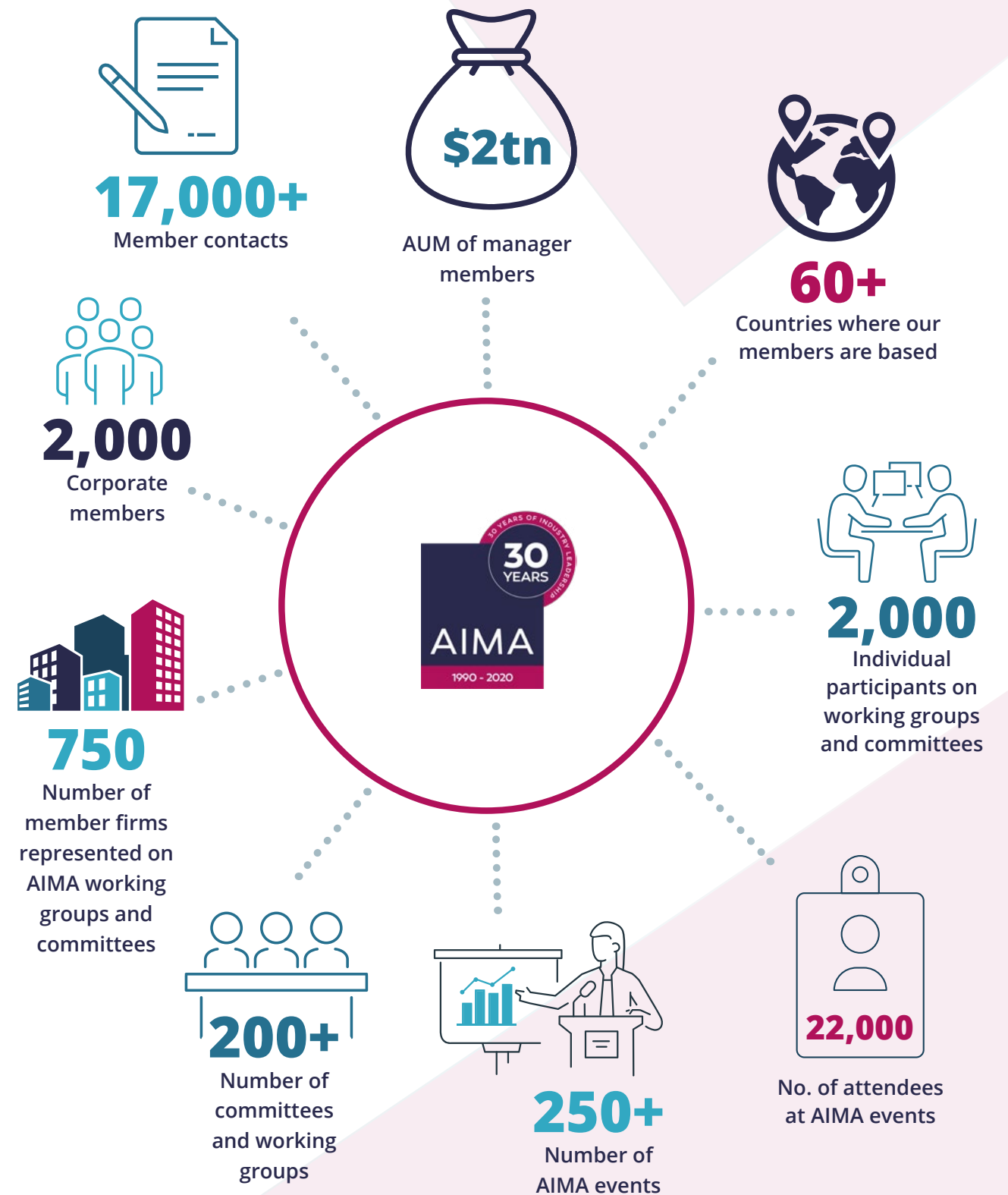


AIMA'S GLOBAL REVIEW OF

2020

AIMA IN NUMBERS

AIMA'S GLOBAL REVIEW OF 2020



AIMA'S END OF YEAR CEO LETTER

AIMA'S GLOBAL REVIEW OF 2020



I am pleased to present our Global Review of the Year for 2020.

I am proud of what AIMA has achieved in assisting our members during these challenging times and very pleased to have welcomed so many new members to our association this year. Moments like this are when a trade body needs to show its worth and I believe AIMA has shown just why our members value us so highly. 2020 is one of those years that will be hard to forget. The ravages of COVID-19 forced us all to change the way we work, and our industry proved itself resoundingly resilient under difficult circumstances.

I pay tribute to Simon Lorne, who stood down as our Chair in September after four years in the role. He and his fellow AIMA Council members have been so instrumental in guiding AIMA's continued growth and determining our priorities for the benefit of members. He is ably succeeded by Karl Wachter to take us further forward. I was especially pleased to report to him that October was a record month for new members joining AIMA.

Events

Of course, we have not been able to host events in person, which have always been a mainstay of content and connectivity. Nevertheless, we have held more than 250 virtual events globally across EMEA, the Americas and Asia-Pacific with a total of 22,000 attendees. What is remarkable is that attendance has remained consistently high throughout the year despite what is no doubt a sense of screen fatigue. What this shows is a continued thirst for knowledge which AIMA can share through carefully crafted agendas within these events.

Investor Engagement

In many ways, the virtual world enables us to reach the broadest audience of our membership in a unique and efficient manner. In this way we were able to combine our normal regional investor events into one Global Investor Forum, thereby bringing allocators and managers from around the world into a single place. We found that alternative investments are seeing reinforced interest from investors as they seek risk-adjusted returns and diversification away from low interest bonds and high valued equities.

Advocacy

Regulators around the world have been keen to understand the impact that COVID-19 has had on firms' operations. Through our well-timed member survey, we were able to demonstrate that our industry adapted incredibly well to remote working. The lessons learned were compiled in our publication Agile & Resilient which proved very popular as a benchmark resource for members.

Market turmoil in March led several countries to impose short-selling bans. AIMA strongly opposed these and we shared extensive material demonstrating such bans do not achieve their stated aims. Our efforts helped prevent these bans spreading to other countries and led to an understanding that brought existing bans to an end. That market turmoil also saw dislocation in the bond markets with the finger being pointed at leveraged hedge funds. Through our work with the FSB, IOSCO, ESRB, the Federal Reserve Bank and the Bank of England we are able to show there are many more factors at play in determining the cause of these market events.

The end of this year sees the UK finally leave the EU and we have been assisting members prepare for this new existence with the minimum disruption to their business models. We have also collected member views that can inform the future framework of the UK regulatory regime.

Guidance and Thought Leadership

As always, members appreciate seeing the collective thoughts and processes of industry firms distilled into our sound practice guides. This year we have added to our extensive library with guides to business continuity management, operational risk management and the use of platforms. As I look at the most downloaded resources from AIMA's website I see that once again our manager DDQ is the most accessed and this has been supplemented with our D&I questionnaire created this year jointly with Albourne Partners. Elsewhere our Casting the Net publication on the use of alternative data, proved very popular while our quarterly AIMA Journal continues to be widely read.

Sustainable investment

There is no doubt that the pandemic has strengthened the resolve of governments to tackle climate change and that this is impacting how savings are to be managed. AIMA has developed substantial resources and guides this year to assist members as they consider the integration of ESG risk factors into their investment processes. The specific ESG webinars we have put on this year have seen consistently high demand.

Thank you

On behalf of us all at AIMA I would like to extend our sincere thanks to our members and sponsoring partners for their support and collaboration.

We are a mutual membership organisation and the input of individuals from our member firms in all our work streams ensures that our output is the best that it can be.

We work continuously to deliver value to our members. Supporting you is our priority



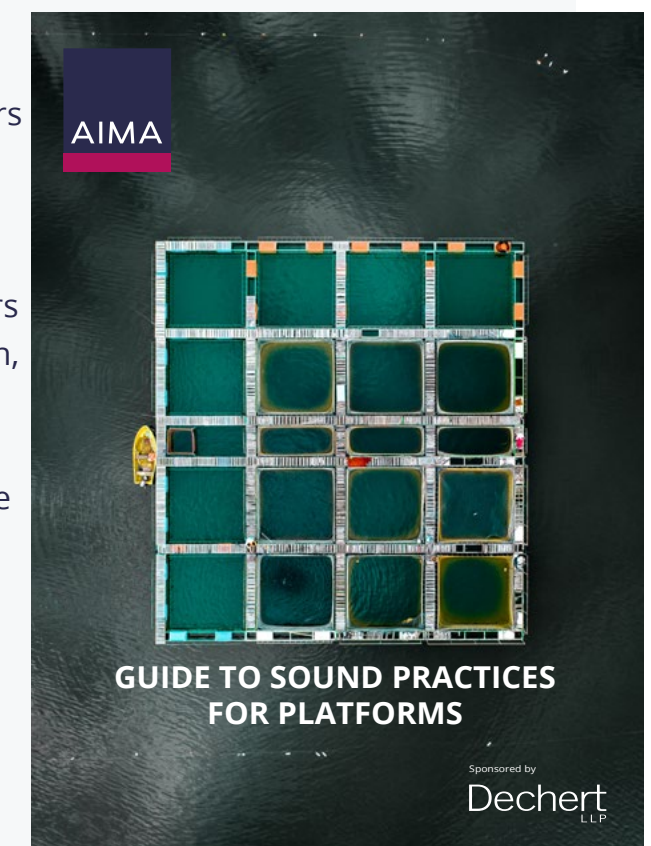
Jack Inglis
Chief Executive Officer
AIMA

SOUND PRACTICE GUIDANCE

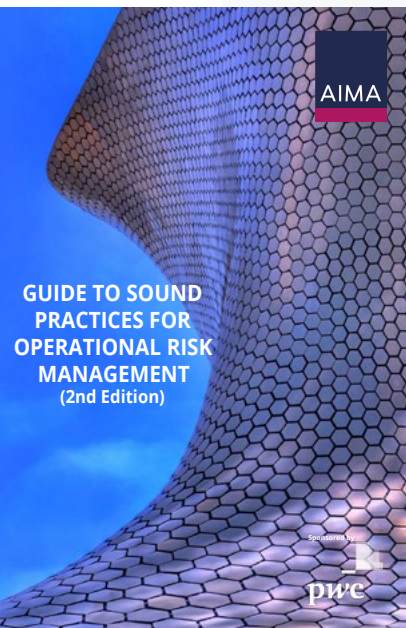
AIMA'S GLOBAL REVIEW OF 2020

Guide to Sound Practices for Platforms

AIMA published a new [Guide to Sound Practices for Platforms](#) to provide the industry a framework of common vocabulary to understand the principal features of each type of platform and the key features that investment managers should understand about them. The Guide looks at four broad categories of platforms: (i) incubator platforms for start-up managers, (ii) regulatory hosting platforms for established managers to access new markets without committing to a full authorisation, (iii) platform provider-controlled platforms for investment managers seeking new routes for distribution, and (iv) investor-controlled platforms where the investor operates a platform to manage the provisions of services by multiple investment managers.



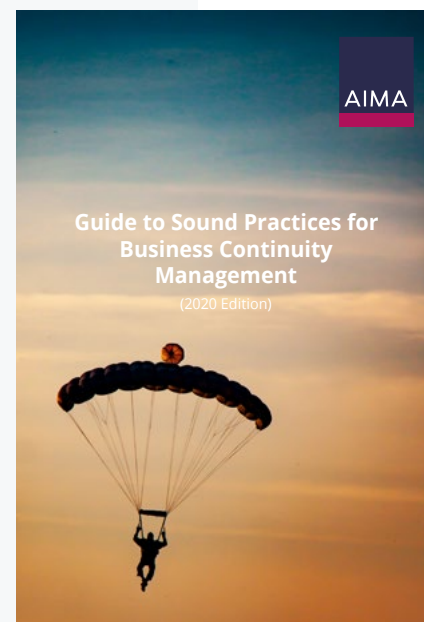
Guide to Sound Practices for Operational Risk Management



AIMA published the second edition of its [Guide to Sound Practices for Operational Risk Management \('ORM'\)](#) which was due an update since it was first published in 2016. This Guide to Sound Practices provides an overview of the key ORM elements and offers insights for investment managers looking to implement effective risk mitigation plans to keep organisational risks within acceptable limits. As an accompaniment to the Guide to Sound Practices, a series of Risk Tables offering a non-exhaustive list of potential risks that investment managers will need to address is introduced, including an overview of preventative and detective controls investment managers can put in place to mitigate these risks.

Guide to Sound Practices for Business Continuity Management

AIMA updated its [Guide to Sound Practices for Business Continuity Management \('BCM'\)](#) to focus on the development and evolution of the BCM programme more holistically, looking at the cycle of identifying disruption scenarios and conducting a business impact analysis through to development of response strategies and then testing, evaluation and refinement. New social and technological advances are likely to see further changes to BCM practices and we intend to revise the Guide further as and when material developments occur.



DDQ Supplement for Operational Resilience during COVID-19

During the COVID-19 pandemic, investment managers and other core service providers were having to respond to a variety of questionnaires from existing clients and investors about their operational resilience in light of the global lockdowns. With this in mind, AIMA produced an [illustrative Questionnaire for the Due Diligence of Operational Resilience in relation to COVID-19](#) to be used as a supplement to all of the AIMA DDQ's for service providers and vendors (including investment managers).



Diversity & Inclusion DDQ

In August, recognising the importance of diversity and inclusion (D&I) to the alternative investment management industry, AIMA and Albourne Partners Limited published a freely available [D&I questionnaire](#). The questionnaire is based on the relevant section of the ILPA Due Diligence Questionnaire published in September 2018, incorporating feedback from both Albourne and AIMA members, as well as a number of institutional investors and investment managers.

Asset Management and Sound Practice

AIMA IN EUROPE

AIMA'S GLOBAL REVIEW OF 2020

AIFMD Review

The review of the Alternative Investment Fund Managers Directive (AIFMD) has proceeded throughout 2020 with the European Commission (EC) publishing a [report](#) and a [staff working document](#) on the assessment of the functioning of the framework. The European Securities and Markets Authority (ESMA) also published its “wish-list” for the AIFMD Review in a [letter sent in August 2020 to the EC](#), which the EC took into account when it published its long-awaited [consultation](#) on the AIFMD. AIMA has been getting prepared for the review by gathering views internally on the main issues ahead of the consultation and will be working on the response to the consultation (due in late January 2021) with the support of various working groups. AIMA has also been directly engaging with policymakers at all levels, including the EC, the European Parliament, EU Member States and various national competent authorities (NCAs)

to express its initial views as the various players are starting to form their own position on the directive. AIMA has also been speaking to various local trade associations and has been putting together a group of buy-side associations to help coordinate the industry's approach to the review of this directive.

As part of the preparatory work anticipating the AIFMD Review, AIMA published a position paper on [Improving Regulatory Reporting under the AIFMD framework](#) which was shared widely with EC officials and NCAs. The recommendations we have proposed to the Annex IV reporting template, if adopted, would improve the accuracy and relevancy of the information that NCAs review about the industry and will allow them to more effectively assess systemic risk across AIFs in line with 2019 recommendations from the International Organization of Securities Commissions (IOSCO) for a framework for assessing leverage in investment funds and minimise the significant costs and time

burdens imposed on investment managers without compromising the quality and integrity of information received by NCAs in pursuit of their risk monitoring objectives.

Financial stability and macroprudential oversight

Financial stability remains a key concern for financial markets supervisors, which has been exacerbated by the March 2020 market events linked to the COVID-19 pandemic. AIMA has been engaging on the topic of financial stability with multiple policymakers and supervisors, as well as with IOSCO, various national central banks and the Financial Stability Board (FSB). AIMA has responded to and engaged on various topical consultations, such as ESMA's consultation on [liquidity stress testing](#) and ESMA's consultation on [leverage-related risks](#). Several [roundtables](#) were also organised this summer to discuss the impact of the March 2020 events on our members and their management of liquidity risks.

COVID-19 and operational resilience

In addition to publishing an [illustrative DDQ on Operational Resilience during COVID-19](#), AIMA held virtual roundtables on COVID-19 contingency planning and discussions with members on operational resilience issues - forming a new [Operational Resilience Working Group](#) to consider regulatory developments and key operational risks facing the industry. AIMA also wrote to a number of regulators to push for some regulatory reporting changes and supervisory flexibility in the early days of the pandemic. Following a members poll on returning to offices, AIMA prepared a [short guide](#) to help members in their planning around structuring their COVID-19 secure return to office plans. AIMA also organised a [webinar](#) specifically on data security considerations and a post-pandemic IT strategy for the road ahead.

Delegation and outsourcing

Developments in markets and technology have increased regulatory attention on risks related to outsourcing. AIMA

submitted [comments to IOSCO](#) on its request for feedback on its newly-proposed principles for outsourcing. AIMA also submitted [comments to ESMA's consultation on draft guidelines for outsourcing to cloud service providers](#). Cloud outsourcing is increasingly used across the alternative investment industry and AIMA called for a measured approach to proportionally balance risk and complexity, while promoting flexibility to support increased future cloud adoption. Finally, AIMA arranged a well-attended [webinar](#) on the outcome of the Central Bank of Ireland (CBI) thematic review on the implementation of its framework for governance, management and oversight in fund management companies ('CP86'). The CBI acknowledged in the review and in remarks at AIMA's Irish Members Briefing that CP86, when correctly embedded, provides a framework of robust governance and oversight arrangements.

Cyber and technology

AIMA responded to the EC's consultation on an enhanced framework for digital operational resilience of the EU financial sector,

advocating for a proportionate approach to minimise disruption and cost for investment managers. AIMA also responded to the FSB consultation on developing a toolkit for financial institutions on effective practices to respond to and recover from a cyber incident. AIMA also participated in the UK Financial Conduct Authority's (FCA) Cyber Security Industry Insights Group to ensure the latest developments around cyber risk and resilience could be shared with members. In addition, we held quarterly meetings with our EMEA Cyber Technology Group, comprised of CTOs and CISOs from manager member firms, to discuss current technology and cyber-related topics. AIMA also updated its Guide to Sound Practices for Cyber Security at the end of last year and held launch events in London and Dublin.

Brexit-related developments

AIMA responded to a UK Government consultation on a proposal for an Overseas Funds Regime, welcoming the push for a more streamlined regime for overseas funds and a more efficient regime to promote the

interconnectedness of financial markets and maintain high levels of product choice for UK investors. AIMA also submitted a letter to the FCA to request answers to a number of outstanding technical AIFMD-related questions arising as a result of Brexit. This followed the letters that we sent to a number of NCAs in the EU with respect to the status of UK AIFMs following the transition period. A list of the questions and the answers we received from the FCA and NCAs were made available to members on AIMA's website.

Anti-money laundering

With anti-money laundering remaining high on regulators' agendas, AIMA published a [White Paper on Improving Customer Due Diligence Processes: Centralisation and the Benefits of a Digital Solution](#). In this paper we discussed some of the current challenges faced by the industry and offered a range of options that will strengthen the global legal framework on anti-money laundering, counter-terrorism financing and know your customer and includes a focus on digitalisation.

The UK's HM Treasury consulted on the introduction of an Economic Crime Levy which would require investment firms to contribute to the UK's initiatives to counter the illicit flow of criminal proceeds through its financial system. In our [response](#), we urged HM Treasury that such a levy is not appropriate or justified considering the strong (financial) controls asset management firms have already put in place.

Earlier this year, the Dutch Ministry of Finance consulted on the creation of an UBO register for Dutch non-corporate entities to which we [responded](#) that the creation of a separate regime for non-corporate entities creates a discrepancy between the already existing UBO regime for corporate entities.

Prudential regime for MiFID investment firms

With the IFR/IFD prudential regime entering into application on 26 June 2021, AIMA published a [summary briefing](#) of the new EU prudential requirements for investment firms with a MiFID licence. The framework sets new requirements for prudential capital calculation

and also introduces governance, liquidity risk management, remuneration policies and reporting requirements. Following the adoption of the IFR/IFD, AIMA has also engaged on the proposed related Level 2 measures by [responding](#) to a range of consultations from the European Banking Authority. AIMA will be monitoring Member States' implementation of the prudential regime ahead of the Summer 2021 deadline.

While no longer required to implement IFR/IFD as a result of Brexit, during the Summer the FCA published a Discussion Paper on the introduction of a new UK Investment Firm Prudential Regime which seeks to onshore large parts of the IFR/IFD provisions. AIMA responded to this consultation and [encouraged the FCA to maintain flexibility](#) on a number of points and go further in some places.

Corporate governance and shareholder rights

Early in the year, AIMA has been engaging with the French Autorité des Marchés Financiers (AMF) on its report on shareholder activism. AIMA provided a [comprehensive](#)

[response](#) to the various French reports on activism and met with French policymakers, including the AMF's Chairman, to share the views of our members on this key topic for the attractiveness of European capital markets and the protection of shareholder's rights.

[AIMA's note on the revised Shareholder Rights Directive](#) has also been updated to reflect the national transpositions of the directive by the main EU Member States.

AIMA has also been engaging with Dutch MPs on the draft bill on introducing a 250-day reflection period which boards of Dutch-listed companies can invoke in case of a hostile take-over bid or if shareholders request a change in the composition of company boards. AIMA voiced its concerns during these engagements which led to the adoption of extra safeguards to prevent the reflection period from being used in tandem with the existing corporate defensive measures.

Markers, Governance and Innovation

Responsible investment

AIMA increased its work on responsible investment in 2020. In January we published two papers in partnership with Man Group. The first, [Responsible Investment Policies for Hedge Fund Firms](#), is a practical guide to the issues hedge fund firms may wish to consider when implementing responsible investment. The second, [Policy and Practice: ESG Considerations at Alternative Investment Management Firms](#), is a guide on how alternative investment managers can improve their own ESG performance—a question we are frequently asked, as investors pay ever more attention to such matters.

We published a further two papers in May. The first, [Guide to the EU Sustainable Disclosure Regulation](#) was written in partnership with Maples. It provides a detailed list

of topics alternative investment managers will need to address when contending with the EU's new Sustainable Finance Disclosure Regulation. We also refreshed our [Responsible Investment Primer](#), a paper written in partnership with Simmons & Simmons that provides an introduction to responsible investment in the alternative investment management industry.

Over the summer we published two more papers on responsible investment. The first, [ESG Primer for Asset Managers in Asia](#), written in partnership with Simmons & Simmons, offers an introduction to responsible investment for alternative investment managers in Asia Pacific. The second, [Short Selling and Responsible Investment](#), also written in partnership with Simmons & Simmons, provides a detailed description of how short selling can be integrated into responsible investment, and how

alternative investment managers may wish to report the ESG scores of their hedged products.

Finally we published a detailed [Guide on the Taxonomy Regulation](#) in partnership with Clifford Chance, providing both legal and practical guidance on the implementation of the upcoming EU rules which will apply to all fund managers operating in the EU.

AIMA has also engaged with stakeholders around the world. We have written multiple consultation responses to EU regulators, met with countless policymakers, and produced a detailed Q&A on SFDR. We are in continuous communication with the CFA, PRI, and other bodies, and provided input on the recent Canadian Investment Funds Standards Committee responsible investment fund classification framework.

GDPR/SEC Registration

AIMA has successfully facilitated a solution to the SEC registration moratorium. Since June 2018,

AIMA had been engaging with authorities in the US, UK and EU to lift a block on SEC investment adviser registrations, caused by concerns over the ability of UK and EU-based managers to transfer personal data, under the GDPR, to the SEC and respond to information requests. This year, we successfully encouraged the UK's Information Commissioner's Office to submit an Opinion to the SEC setting out the relevant legal bases that firms can rely on to share such personal data. The SEC has accepted the Opinion and is now processing UK registrations.

Short selling bans

When the COVID-19 crisis prompted multiple European jurisdictions to implement short selling bans, AIMA engaged forcefully with the relevant regulators. In meetings with national competent authorities and policymakers around the continent, we explained both the utility of short selling and the harm caused by short selling bans, while obtaining valuable clarifications

about the scope and parameters of bans. In May we published a paper, [An Introduction to Short Selling](#), providing a guide to short selling for those outside of our industry. The paper stresses the crucial role short selling plays in market efficiency, as well as in risk management for investors.

Diversity and Inclusion (D&I)

With an increasing number of investors including D&I criteria in their evaluations of alternative investment managers, AIMA has produced a freely available D&I Due Diligence Questionnaire to help firms explain their approach to D&I and promote better D&I practices. We have also launched a Women's Network for all our EMEA members, providing a forum for women across the alternative investment industry to connect, find mentors and enhance their skills and knowledge to further their careers. Through regular virtual gatherings and skills workshops, AIMA is helping the Network's Early, Middle Level, and Experienced Professionals and Mothers and Carers to leverage opportunities during lockdown and in a post-pandemic setting.

Market data

Market data costs have increased markedly in recent years, as market data providers attempt to maximise their profits. This dynamic has created serious burdens for our industry: high costs, aggressive audits, and a need to comply with opaque restrictions. High market data costs also represent a barrier to entry for emerging managers, who may not be able to afford the headline costs attached to such essential data. The FCA and ESMA have taken notice of these challenges, with both authorities issuing consultations this year. AIMA has replied to both, stressing the need to make market data available on a reasonable basis. AIMA will continue to engage with the relevant stakeholders to ensure that our members can access the data they need on a reasonable basis, and that emerging managers can break into the industry.

SFTR

Early in 2020, AIMA engaged with ESMA and the European Commission to gain explicit confirmation that the reporting obligation associated with the EU's

Securities Financing Transactions Regulation (SFTR) does not apply to non-EU funds, thereby greatly reducing the reach and impact of the new regime.

We have also maintained an active dialogue with other industry associations, hosting joint member roundtables, to support members with their implementation work.

MIFID

AIMA has been an active participant in the ongoing MiFID Review during 2020, responding to multiple ESMA and European Commission consultations, and engaging directly with authorities about a proposed MiFID 'Quick Fix' overhaul in the wake of COVID-19. A central focus has been to make the case for a reduction in the compliance burden associated with MiFID II, notably in respect of reporting (trade and transaction reporting; RTS 28 reporting), while also pushing the case for greater market transparency for bonds and derivatives and more demanding rules on the supply of market data to rein in data costs for the buy-side.

Libor transition

The past year has also seen AIMA provide a forum for members to discuss Libor transition challenges, covering both issues of product design (performance fees, hurdle rates) and portfolio exposures to instruments that reference -ibors (covering bonds, derivatives and loans). We have also engaged with the FCA and other regulators regarding members' transition questions and at the end of the year published a member guide setting out how to approach transition projects.

Tax

The AIMA and ACC Tax Committees, the Hong Kong and Singapore Tax Committees and National Groups in Cayman and Japan were all active in 2020.

COVID-19 tax relief measures introduced by governments generally did not cause concerns for the alternative investment management industry and tax authorities provided clarifications on the points we raised. We and other European industry representative bodies requested a delay to EU Directive (DAC6) which requires the disclosure by intermediaries of cross-border transactions which may produce a tax advantage or which meet certain hallmarks. The EU Council passed an amending Directive and almost all member states (Germany is a notable exception) have deferred implementation into 2021.

DAC6 is modelled on the UK's regime for disclosure of tax avoidance schemes but is broader in scope and raises significant uncertainties for financial services

businesses. AIMA's DAC6 and Mandatory Disclosure Rules Working Group participated in the HMRC industry working group and provided comments on HMRC's guidance prior to publication. We have a forum for AIMA and ACC members to share their experiences of DAC6 compliance as implemented across the EU and the UK.

The inclusion and removal of the Cayman Islands from the EU's List of Non-cooperative Jurisdictions for Tax Purposes confirmed the importance of this measure to the EU. AIMA and the Cayman National Group worked in contact with government and industry bodies to address the issues. The EU proposes to extend its required standards to include effective beneficial ownership registers. The Code of Conduct Group has been expected to extend its review to further jurisdictions, including member states, but the political appetite for this may be lacking while the EU addresses recovery.

The OECD's work under the BEPS Project (Base Erosion & Profit Shifting) some five years ago left one major issue unresolved – how to tax fairly profits realised by multinational enterprises (MNEs) in the tech and digital industries for which it was agreed that a new international tax mechanism was required. In the absence of progress on this, various countries and the EU brought forward their own digital services taxes (DST) which have not met with international acceptance, in particular from the US Government.

The OECD and G20 have continued to develop the proposal based on two "pillars". Pillar One is concerned with the recalibration of the rules under which MNE profits are allocated to market jurisdictions while Pillar Two puts forward a global anti-base erosion mechanism (GloBE). While the measures target a wider range of MNEs than would be within scope of a DST, they are proposed not to apply generally to investment managers and investment funds,

though this is subject to political agreement. AIMA, through its OECD Digitalisation of the Economy Tax Working Group, and with other industry representative bodies has worked with the OECD Secretariat and member governments to develop an approach which would protect the industry. The OECD aims to complete the project by summer 2021 but this will require the support of the incoming US Administration.

The UK Government has put forward proposals to enhance the competitive position of the UK asset management industry following the UK's departure from the EU. These incorporate measures on the UK hybrid tax rules, UK asset holding companies and UK fund vehicles which AIMA and the ACC have sought for some time. We have responded to consultations on these and expect to work with the Government further.

AIMA IN AMERICAS

AIMA'S GLOBAL REVIEW OF 2020

In a year characterised by disruption and distance, the power of AIMA's network in the Americas shone in terms of substantive regulatory outcomes, timely content and connecting peers.

In terms of content, local AIMA members took advantage of over 250 virtual programmes as well as 7 global events, with travel no longer a barrier to participation. And in addition to AIMA's existing roster of local working groups and committees, we added a new peer group for operations and finance professionals at US investment manager members.

Regulatory Update

AIMA's Legal and Finance Compliance Committee in Canada has led advocacy for MFDA Proficiency Requirements that would allow for the distribution of alternative mutual funds in that channel, alongside their seat on the CSA (Canadian Securities Administrators) Client Focused Reforms Implementation Working Group meeting monthly. AIMA also provided feedback on the Ontario Capital Markets Modernization Consultation and the CSA SRO (Self-Regulatory Organization) consultation, further to direct meetings with the CSA, IIROC, MFDA and Bank of Canada directly.

With respect to the Cayman Islands, AIMA welcomed the decision of the Council of the European Union to remove the Cayman Islands from the EU list of non-cooperative jurisdictions for tax purposes in October. AIMA Cayman members, as part of the Cayman financial services industry, worked with the Cayman Islands government to address the requirements of the EU while protecting the interests of the Cayman Islands as a leading investment fund domicile.

In the US, AIMA submitted a joint comment letter with Managed Funds Association (MFA) to the US Securities and Exchange Commission (SEC) regarding its

proposal on investment adviser advertisements. We emphasized that the overly broad definition of “advertisement” along with other aspects of the proposed rule release may lead to unworkable, confusing and costly real-world outcomes to the detriment of investment advisers, their clients and investors. AIMA staff had meetings with the SEC Commissioners and staff from the Division of Investment Management to discuss member concerns with the proposed rule as reflected in our comment letter. As a follow-up to those discussions, we submitted to the SEC a summary document of our recommendations on the proposed rule from our comment letter and proposed amendments consistent with those recommendations, as well as a further letter outlining specific concerns on the hypothetical performance provisions.

We responded to the SEC’s proposals to update the reporting thresholds for Form 13F reports, which proposed to raise the holdings threshold for reporting specified equity securities from \$100 million to \$3.5 billion. In [our response](#), we argued that the SEC had not given sufficient consideration to the widespread

use of the data stemming from Form 13F reports, nor that it provided a detailed and cost-benefit analysis that is necessary to support the proposals, and thus should reassess the proposed threshold.

AIMA also submitted a [letter to the SEC](#) in response to the Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice. In our letter, we urged the SEC to avoid making any changes that would lead to unnecessary delays, costs or legal uncertainty as these unintended consequences would make it more difficult for fund managers to obtain high quality proxy voting advice for the benefit of the clients on whose behalf AIMA members make voting determinations. The SEC adopted the final rule and the proxy voting guidance during the summer with a few amendments to the original proposed rule.

Together with the MFA, we submitted a [letter to the SEC](#) on the derivatives rule which seeks to impose limits on the use of derivative by registered investment companies (RICs) and business development companies (BDCs). In our response we recommended several modifications to the proposal.

The final rule, which now requires RICs and BDCs to provide an updated, comprehensive approach to the regulation of funds’ use of derivatives, was adopted in November and reflects many of the modifications we suggested.

In addition, AIMA provided comments in response to the SEC’s proposed rule 2a-5 (the ‘Proposed Rule’) under the US Investment Company Act of 1940, as amended, intended to address valuation practices and the role of the board of directors with respect to the fair value of the investments of a registered investment company or business development company. To align the Proposed Rule with current market practice, we recommended amendments pertaining to the definition of readily available market quotations; proportionality of valuation procedures based on asset level, reduction of reporting requirements as well as clarity on the supervision of pricing services.

AIMA also provided a [response to the CFTC’s consultation](#) on their proposed revisions to CFTC Regulation 4.27 and Form CPO-PQR. The proposals, which have recently been adopted, amend the Form CPO-PQR by altering the level of information commodity pool

operators (CPOs) have to submit. In addition, CPOs can now file NFA Form PQR in lieu of filing the CFTC’s revised form.

Together with five other trade organisations, a [response was submitted to the CFTC](#) in response to their proposal to amend Regulation 3.10(c) which would amend the conditions under which non-US CPOs qualify for exemptions from registration and would create conditional safe harbours for non-US CPOs.

AIMA also resubmitted a [Petition for Rulemaking to Harmonise Registration Exemptions for CPOs and CTAs with Registration Exemptions for Investment Advisers to the to the CFTC](#). This petition updated a previous petition submitted in 2017 after AIMA held conversations with CFTC Commissioners and staff. The updated petition no longer sought the reinstatement of CFTC Regulation 4.13(a)(4) but AIMA did reiterate its previous request that the CFTC adopt other measures to promote regulatory consistency.

Member education, content and connection

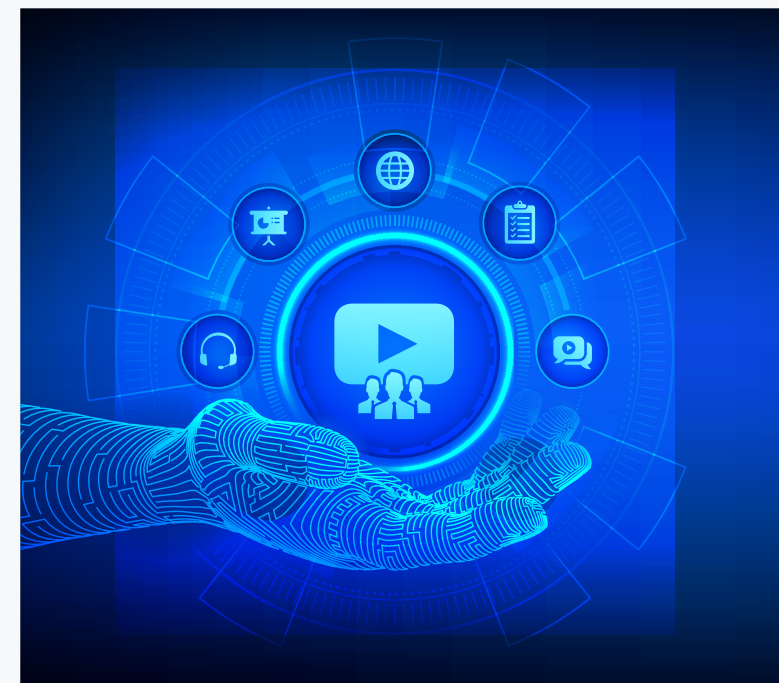
In addition to the global research, guidance and events referenced elsewhere in this report, AIMA continues to produce local resources for local members. 2020 saw the Americas team host over 70 events via an ever-growing offering of peer groups and networking opportunities: albeit virtual.

These varied on a range of topics designed to help members navigate new investment opportunities, operational challenges and channels for growing their business. Investment topics included private credit investing in Brazil, a review of quantitative strategies, the current state of the digital assets landscape and updates on liquid alternatives in Canada. On the operational front, sessions covered ESG reporting, planning for a return to the office and a wide range of regulatory and compliance topics. Talent topics included a

roundtable on race, employee mental health and burnout and making the most of body language in a virtual environment. And there was even a webinar on webinars to help members leverage this new technology and paradigm! Sessions are available for playback on demand on the [AIMA events page](#).

We also launched several new video series including [Quick Takes](#), which took members around the region to stay on top of the impact of COVID-19 in different local member hubs. In addition to the release of a new [AIMA Advisor Guide](#), Canadian members produced an [Investor Education Video Series](#), offering brief highlights on a variety of alternative fund topics relating to strategies, due diligence, common terms, and frequently asked questions, as led by the Canadian Investor Engagement Committee. And [10 Years Later](#) with Cathleen Rittereiser, interviewed five leading institutional allocators about their stories, strategies, and advice for investing in hedge funds.

If anything, member communication became more frequent in the pandemic period. Peer groups and committees moved to Zoom and allowed for members from across the region to participate more fully and AIMA Connect has created a virtual home for these groups between



meetings. We also added a new peer group for operations and finance professionals, that sits alongside existing groups for investor relations and business development professionals, legal and compliance professionals and operational due diligence professionals. Discussions in these groups covered managing a hybrid workforce, best practices for virtual due diligence, new trends in fund governance, and creative digital and social media marketing strategies.

AIMA's 30-year history is a reflection of the industry's evolution through

new challenges, opportunities, and an ever-changing regulatory landscape. Although 2020 restricted us from celebrating this milestone anniversary of 30 years in person, the connectivity of membership has been its own reward at a time when the question *"what is everyone else doing?"* was never more important.

AIMA IN ASIA-PACIFIC

AIMA'S GLOBAL REVIEW OF 2020

Regulatory Update

The new normal of working from home and its impact on the asset management industry necessitated increased levels of communication, and in 2020 the AIMA APAC team engaged in over 50 calls and/or roundtables with regulators in the Hong Kong and Singapore, a sharp increase from the 35 held in 2019. Topics of discussion included business continuity in COVID-19 times and how regulators could support the shift to working from home; cybersecurity and the various new onshore fund vehicles being launched in the region.

In Hong Kong, AIMA's long standing collaboration with the Hong Kong Productivity Council (HKPC) and Hong Kong's Securities and Futures Commission (SFC) resulted in the soft launch of the Cyber Security Watch platform. This app aims to be a one-stop platform run by HKPC for AIMA members regarding cyber security matters. Functionalities include a newsfeed on the latest cyber security news, educational materials, a forum to discuss and share best practices, a

channel to report cyber incidents directly to the government, plus an industry recognised security scorecard functionality. AIMA and HKPC are working to retool the platform as we work towards a formal launch. With the increasing levels of remote working, we expect cyber security and data protection issues to increase in prominence both in Hong Kong and the APAC region.

The APAC team has also been engaging with the SFC on the use of external electronic data storage providers ; leading the charge on developing an alternative approach that has been sanctioned by the regulator and received buy-in from other industry groups. AIMA continues to be in touch with the relevant Hong Kong regulators on other issues including LIBOR transition, anti-money laundering and the corporate rescue bill.

Over in Singapore, we have kept up the conversation with the Monetary Authority of Singapore (MAS) on the newly launched Variable

Capital Company (VCC) fund structure and are providing feedback on VCC 2.0. Consistent communication with the MAS has been key to keeping the industry and regulators on the same page to ensure our members are able to weather challenges brought about by COVID-19. In addition to topics like over-the-counter derivatives reporting and FX trading, AIMA has also engaged with the MAS on Environmental Risk Management for asset managers.



ESG in particular has been increasingly prioritised by companies, global policymakers, and institutional investors in the region beyond just Singapore. In response to its growing importance we formed an APAC ESG Working Group that produced the first ESG Primer for Asset Managers in APAC by AIMA in October. We foresee more activity in this area moving forward as priorities shift.

Recognising the growing interest in private credit across the region, we launched our first APAC focused private credit paper in August 2020, highlighting the potential for opportunistic returns and origination diversity in alternative credit in APAC.

While much of our focus has been in Hong Kong and Singapore, we have also been engaging with Japan's policymakers such as the Ministry of Finance and the Financial

Services Agency on matters pertaining to foreign direct investments, licencing and tax. Satsuki Katayama, Acting Chairperson, General Council, Liberal Democratic Party, Member of the House of Councillors / Chairperson, Special Committee on Foreign Works, shared with members Japan's plans to enhance the financial market at our AIMA Japan Annual Forum 2020.

In Australia, engagement with policy makers such as the Australia Prudential Regulatory Authority (APRA) and the Australian Securities and Investments Commission has skyrocketed. Key topics of discussion include the Your Future, Your Super reforms, pricing, fund level liquidity and APRA's MySuper Product Heatmap. We have also been in talks with the Australian Securities Exchange on the future of listed alternative products.

Finally, in China, we worked with the China Securities Regulatory Commission (CSRC) and Asset Management Association of China (AMAC) on the regulatory changes (the new QFII rule and FMC licence applications) targeted towards opening the market further. The AIMA China team is also involved in dialogues with CSRC, the State Administration of Foreign Exchange and the Shanghai Stock Exchange on cross border ETF products, tax issues over QFII investments, and other relevant regulatory frameworks.

A working group was established end 2019 and remains active, responding to CSRC's consultation paper on applications for offshore custody licences by global banks, and AMAC's consultation paper on performance fees.

Looking ahead to 2021, we expect the attention of regulators to be on navigating post-pandemic issues associated with a return to the workplace and a longer-term remote working model. Topics that we anticipate being of interest include employment considerations, IT and data protection, health and safety, and tax.

Member education, content, and connection

The world changed in 2020, and AIMA in APAC followed suit, having swiftly switched all our in-person events to webinars in February when COVID-19 first showed its severity in Asia. Having conducted webinars since 2017, the change was a seamless one, and by the end of the year AIMA APAC will have hosted an estimated 100 virtual events. To read more about AIMA's global events (page 47).

In 2021 the AIMA APAC team will continue to focus on encouraging growth for the alternatives investment industry across the region bringing members to quality educational events that responds to their needs.

RESEARCH & COMMUNICATIONS

AIMA'S GLOBAL REVIEW OF 2020

Research

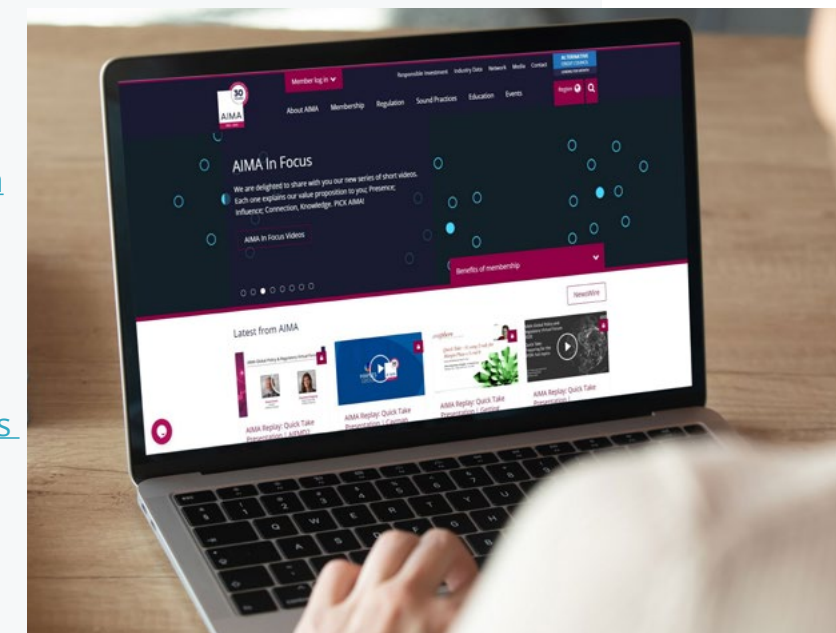
2020 was another busy year for AIMA's research function.

Our thought leadership focused on the many disruptive influences impacting the alternative investment industry. Themes covered include ESG and sustainable Investing, the industry's adoption of alternative data, how alternative investment managers operated during the COVID-19 disruption, manager/investor alignment of interests and the impact this is having on fees as well as our annual overview of trends impacting the private credit sector.

What follows below is a brief description of our output over the year.

For the full library of AIMA research, including the latest industry research produced by our members, please visit the [education](#) section of the AIMA website.

1. [Sustainable Investing: Fast Forwarding its Evolution](#)
2. [Casting the Net: How hedge funds are using alternative data](#)
3. [Agile and Resilient: Alternative Investments embrace the new reality](#)
4. [How much? The evolution, structure, use and future of fees from an allocators' viewpoint](#)
5. [Financing the Economy 2020](#) (see page 43).





Sustainable Investing: Fast Forwarding its Evolution

Published in collaboration with KPMG, the CAIA Association and CREATE Research, this paper examines in detail sustainable investing and its impact on the alternative investment industry. Focusing on hedge funds and institutional investors, together with best practice from the asset management sector, the report investigates how sustainable investing is gathering momentum across the investment universe.



Agile and Resilient: Alternative Investments embrace the new reality

Part of an ongoing series of research initiatives conducted by AIMA and KPMG. This year we elected to focus on the threshold issues facing the alternative investment industry because of COVID-19. The paper outlines the eight key themes underpinning the alternative investment industry arising from the pandemic as firms embrace a new reality.

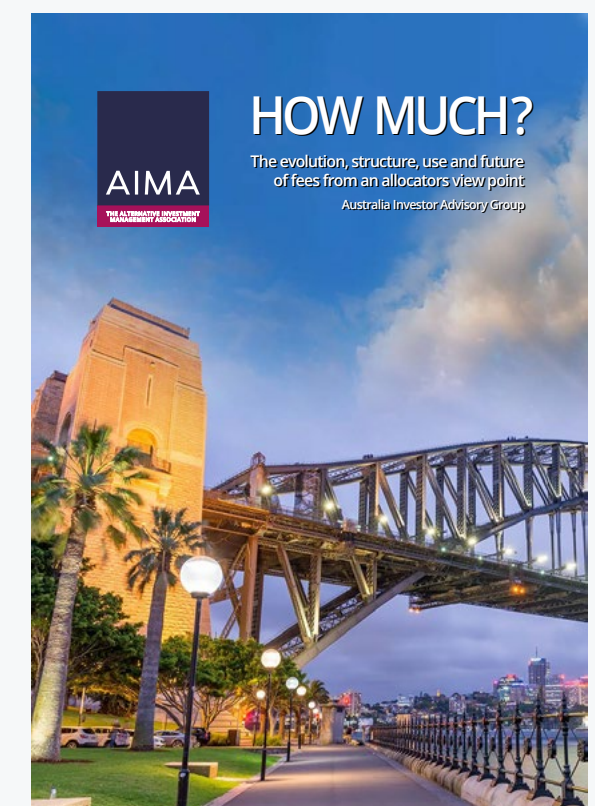
Casting the Net: How hedge funds are using alternative data

Published in collaboration with SS&C and AIMA's research committee, this paper explores hedge funds use of alternative data, including the main uses that the industry is employing alternative data for, the opportunities and challenges that these data sets present and what the future holds for alternative data within the sector.



How much? The evolution, structure, use and future of fees from an allocators' viewpoint

Published by AIMA Australia's Investor Advisory group, this paper aims to navigate the sometimes vexed issues of fees, by examining the evolution of fees, fee budgeting, fees for differing strategies, fee negotiating and conditions, where fees are headed and ultimately how this will further strengthen the alignment of interests between managers and investors.



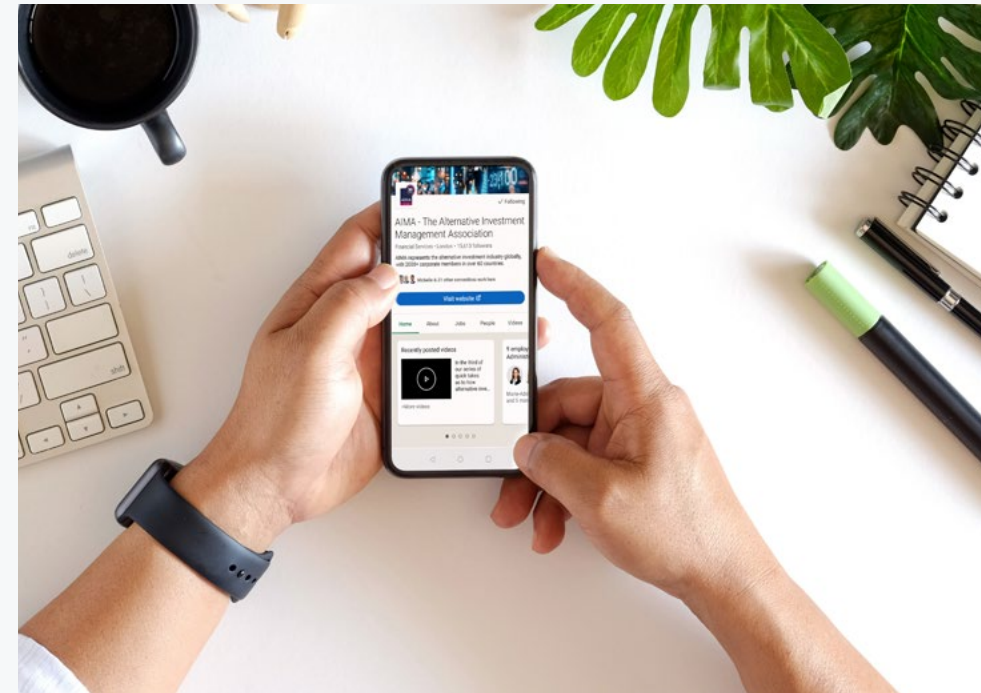
Communications

During this tumultuous year, AIMA reinforced its voice as the steward of the alternatives investment industry. Our communications work established and amplified positions on issues impacting the industry and AIMA members. Some of the key topics that resulted in AIMA receiving media coverage included short selling, COVID-19, its impact on markets and the future for alternative investments, Hong Kong security legislation and diversity and inclusion.

Reacting to the pandemic AIMA was quick to create a [COVID-19 Resource centre](#) to help firms navigate the challenges arising from it. The centre features key summaries of regulatory, policy and economic measures arising from the disruption, as well as COVID-19 related support provided by our members. Member communication became more frequent during the pandemic period. Peer groups and committee meetings moved to a virtual setting enabling members globally to meet. Our [CEO's "Dispatches" series](#) which provided updates and insights from our conversations with members and policymakers during the COVID-19 period has since become a regular diet for our members. The period also saw us launch [AIMA Connect](#) – an interactive platform for members to engage with AIMA and each other.

We reacted to the news agenda drawing on our expertise and research, where relevant to increase AIMA's share of voice in the media and protect the industry's reputation. This has led to AIMA securing widespread comment and interview opportunities, often in top tier international print and broadcast titles.

AIMA's flagship research offerings were also a key focus of this year's media activity. Our regional teams across the world continue to offer intelligence and direction to our communications work to ensure the needs of our membership are properly represented. These teams have also worked to amplify the messages and findings of AIMA content globally.



Work continues to increase the reach and impact of AIMA's content and value proposition. The past year has seen the communications output include a broader array of media, including visual and audio channels and social networks.

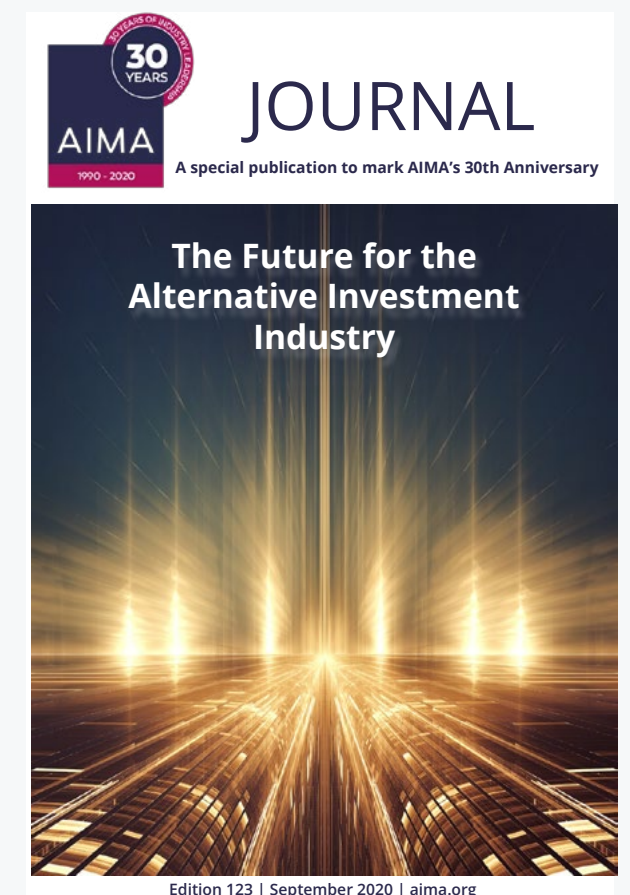
Digital communications is an integral part of this offering, enabling AIMA to utilise our social media channels to target our stakeholders and audiences to best effect, including [our company LinkedIn page](#) which saw its following grow by one third this year to count over 16,000 followers.

AIMA JOURNAL

The AIMA Journal continues to be among our most popular reads. We were delighted to have our members celebrate our 30th anniversary with a special edition AIMA Journal in Q3 which explored the future for the alternative investment industry.

Our editions of the AIMA Journal have been downloaded more than 3,500 times in 2020.

We are extremely grateful to everyone who contributes to the [AIMA Journal](#), providing key insights regarding how the industry is reacting to current and future developments.



Our communications work saw us extend our outreach to digital and broadcast media collaborating with a number of international titles to showcase the AIMA brand, including the Times and ITN Productions.

OPINION

‘Hedge funds are building products that meet investors’ needs; regulation must not stymie this’

For many of us, sustainability and climate change have become key areas of focus; and the financial sector is no different. Institutional investors, such as pension funds and insurance companies, as well as private citizens and policy-makers are all keen to direct investments towards greener activities. Our concern, though, is that well-meaning rules could at times hinder rather than support this trend. The EU is the most advanced region globally when it comes to rules on this topic. Last year it adopted several pieces of prescriptive regulation on “sustainable finance”, which apply to all financial market participants, including those not headquartered in the EU but who serve EU clients. This action plan primarily aims to protect investors from “greenwashing” and empower them to better understand the myriad environmental, social and governance factors (ESG) related to their investments. Central to this is the EU’s so-called “Taxonomy”, the first ever attempt to classify economic activities according to their sustainability. As such, when the Taxonomy enters into application (January 2022), it will be possible to measure an investment fund’s “sustainability” based on its alignment to this 70-sector classification. As an example, a company building cars emitting less than 95g of CO2/km with tires complying with noise labeling requirements will be considered as sustainable by the Taxonomy. As a necessary complement to this, investment managers will also be required to be transparent about the level of sustainability of their funds. The EU has therefore adopted a series of disclosure rules, to ensure that an investor, when being presented with a “green financial product”, knows what he/she is going to get. Asset managers will also have to either consider the potential negative effects of their investments on environmental or social aspects – the so-called “principal adverse impact” – or explain why they chose not to consider these. These “principal adverse impacts” will be publicly disclosed, on an aggregated basis, on the websites of asset managers who have made the choice to consider them. In short, the EU’s rules are set to transform industry practice when it comes to the investment process and disclosures in the area of sustainability. The hedge fund community is already working hard to deliver sustainable strategies to investors that seek them. But it is important that disclosure rules recognise that many hedge fund strategies have no material impact on E or S issues – think of investment strategies linked to currency investments, sovereign bonds or interest rates. The EU’s rules are therefore limited as they focus primarily on funds investing in corporations, but do not consider investment in other assets or strategies. For example, a hedge fund can take a short position (sell borrowed shares to benefit from their price drop) on an oil company with high CO2 emissions to diminish its exposure toward a possible environmental risk. There is nothing in the adopted EU regulations today which knows how to deal with short selling – one of the most basic risk management techniques used by hedge funds to deal with sustainability risks. The final – and perhaps most important – challenge in sustainable investing currently is the lack of reliable data. Investment managers have been requested to consider, manage and disclose their ESG exposures, but very few investee companies publish a reliable and easily accessible set of non-financial data. Policy-makers seem to have put the cart before the horse by requiring fund managers to disclose data which does not yet exist. This is why we are actively making the case for upcoming regulatory changes to improve corporate disclosure. Sustainable finance is here to stay. Hedge funds are already working hard to build products that meet investors’ needs. But regulation must ultimately be designed to support this trend, rather than stymie it. ●



Jack Inglis
Chief executive
Alternative Investment Management
Association

Our work with the Times saw AIMA feature in a series of special supplements about ESG and Sustainable Investing.



Our media partnership with ITN productions will see us co-produce a news style programme in 2021 raising awareness about the alternative investment industry. This project underpins AIMA’s continuing mission to promote the alternatives investment industry to wider audiences beyond our own stakeholders.

ALTERNATIVE
CREDIT COUNCIL

LENDING
FOR GROWTH

ALTERNATIVE CREDIT COUNCIL

AIMA'S GLOBAL REVIEW OF 2020

AIMA's private credit affiliate, the Alternative Credit Council (ACC) continued to grow its activity and membership during 2020. Here are some of the highlights of our activity during 2020.

Financing the Economy

The ACC published the sixth edition of its widely read flagship [Financing the Economy](#) research series, drawing on data from 49 investment management firms representing more than \$431bn private credit AuM.

This year's paper focused on how private credit managers have fared throughout the COVID-19 pandemic and how this is shaping perceptions of the asset class. Our data showed that private credit managers will provide borrowers with over \$100bn of capital during 2020. As well as providing new finance, private credit managers also supported COVID-19 affected businesses with flexible finance solutions and pragmatic approaches towards forbearance or recapitalisation.



Supporting non-bank lenders in Europe

This year saw non-bank lending move to the centre of the debate within Europe about the future of the Capital Markets Union and the post-COVID-19 economic recovery. Our work on ELTIF saw this become a key recommendation of the CMU Action Plan, with many of our suggested reforms already subject to consultation by the European Commission. Our paper [Financing European Business](#) built on this success and outlined further recommendations for European policymakers on how to reduce regulatory barriers for non-bank lenders and stimulate both direct lending and secondary loan markets across the continent. The ACC also continued our programme of education with MEPs, Finance Ministries and NCAs across Europe.



A boost for private credit in Asia

The ACC published its first research paper focussed solely on [Private Credit in Asia](#), commissioned as part of the ACC's effort to represent its members globally. The paper provided a guide to investors seeking to understand the current state of the Asian market and direction of travel for private credit in the region.



ACC Virtual Summit

We successfully transposed our regular ACC Summits, which usually take place in London and New York, into the ACC's first [Global Virtual Summit](#) which brought together speakers and delegates from all regions. Managers and allocators across a range of strategies shared their experiences of the disruption caused by COVID and how this had brought to the fore many resilient features of the asset class. Full replays of selected panels are available [here](#), along with a summary of our [audience survey data](#). For a quicker snapshot, we have put together video of the [event highlights](#) as well as an outline of [key takeaways](#).

Supporting members

Reformatting the way in which we communicate with our members saw the ACC host a series of deep dive webinars on a range of key topics including [ATAD 2](#), [loans and technology](#), [Libor transition](#), [fund structuring](#), [private credit in the UK](#) and [private credit in APAC](#). The ACC also provided a forum through our valuation [roundtable](#) to enable members to discuss valuation issues arising from COVID-19, and launched our 'quick take' series, providing members with 2 minute insights into everything from [fund terms and strategies](#), [tax challenges](#), [fund finance](#), [outsourcing](#) and [ESG](#).

The future of private credit in the UK

Our work in the UK during 2020 saw the ACC successfully call on the Government to introduce a liquidity finance scheme that would benefit mid-sized UK business and fill a gap in their initial response to the pandemic. The ACC's engagement with HM Treasury also culminated in a review of [Asset Holding Companies](#) and further reforms to the [Hybrids framework](#). This activity has also raised awareness of the value of private credit to the UK economy and the need to continuing [evolving the UK's asset management framework for non-bank lenders](#).

Thank you to all our members who participate in our events and support our advocacy efforts.

Events

GLOBAL EVENTS

AIMA'S GLOBAL REVIEW OF 2020

Despite the Coronavirus pandemic halting in-person events for most of this year, AIMA successfully pivoted to a virtual setting hosting more than 250 events globally in 2020. Going virtual enabled our members and others globally access our events whether by tuning in live or taking advantage of the various playback facilities on offer.

AIMA's fund manager briefing and workshop series continued across all regions including over 45 educational sessions for fund managers which was delivered by service provider member firms.

Thought leadership events through the year were held on topics such as ESG and Responsible Investment, Diversity and Inclusion, Alternative data, operational risk management, business continuity management, transaction reporting, cybersecurity, and market abuse.

We are more connected globally as an organisation than we have ever been, with attendance at our events breaking all previous records. In total we had 22,000 people attend our events throughout 2020, an increase of over 50% of our previous high set in 2019.

AIMA hosted 250+ events globally in 2020, the majority of which were open to the global membership and had a combined audience of over 22,000.

Below is just some of the key events AIMA hosted to global audiences over the past year. All of these and more can be found on our website, [here](#). Many of our events this year are available to [watch on-demand](#).

Swiss Investor Forum

One of the few events held in person this year saw AIMA partner with the Swiss Funds & Asset Management Association for our second Swiss Investor Forum where we welcomed over 100 delegates to Zurich. The speakers which included representatives from Roche Pension Fund, Lombard Odier, UBP and Unigestion discussed where the smart money is being allocated across alternative investments.



AIMA Global Investor Forum

AIMA celebrated its' 30-year anniversary with the flagship AIMA Global Investor Forum in October, which saw 460 delegates from across 22 countries convene for thought leadership and networking. Allocators and speakers from around the globe shared truly unique insights on hedge funds, private credit, emerging manager programmes, ESG and asset allocation broadly. The Forum facilitated weeklong 1-on-1 meetings for participants through the iConnections platform. We were pleased to donate \$7,300 from ticket sales to Help for Children charity which will help fund critical child abuse prevention and treatment work on behalf of vulnerable children around the world.



AIMA APAC September Series

In September, our APAC team crafted the AIMA APAC September Series, which was a virtual collaboration of the three forums that would normally take place in the region. The series comprised of educational sessions from [Australia](#), [Singapore](#), and [Japan](#). The Japan forum celebrated its 15th anniversary with keynotes including Hiroshi Nakaso (Chairman of FinCity. Tokyo, Chairman of Daiwa Institute of Research, Former Deputy Governor of the Bank of Japan) and Satsuki Katayama (Acting Chairperson, General Council, Liberal Democratic Party, Member of the House of Councillors / Chairperson, Special Committee on Foreign Works).

In all the September series was a resounding success with over 2,000 attendees collectively.



AIMA Regulatory Deep Dive Programme

During spring and autumn two programmes of country-specific regulatory review sessions took place that covered the changes in the relevant country's regulation and enforcement in the trailing six months and any pending or future country-specific developments that were anticipated in the following six months.

AIMA Global Policy & Regulatory Forum

Our leading annual regulatory event, the AIMA Global Policy & Regulatory Forum, was original due to take place in Paris but we were pleased able to proceed on a virtual platform in November and we saw 342 members from 17 countries join over the two days. Representatives from several regulatory agencies from the US, UK and EU, as well as asset managers offered their time and expertise to make this a truly global event.

Notable speakers included the Honorable Tara Rivers, Cayman Islands Government; Sarah ten Siethoff, U.S. Securities and Exchange Commission and Verena Ross, ESMA. All our speakers provided insightful comments and provoked lively debate. As usual, the event was held under Chatham House Rule, however some of the key areas of discussion included a snapshot of the US, UK and EU regulatory landscape, AIFMD review, ESG and leverage and liquidity.



Alternative Credit Council events

The Alternative Credit Council Global Summit, now in its third year, resumed in June. We were delighted to welcome more than 500 members over the course of two days, where 25 international speakers discussed how the global private credit community are weathering the new challenges, and continuing to perform among the most talked-about and anticipated turn of the credit cycle in history. They ACC also launched a private debt education programme over the summer months which included sessions focusing on private credit fund structuring, ATAD 2, loans and technology and LIBOR.



Acorns of APAC

Acorns of APAC is an outreach programme for emerging managers in the APAC region and it took place as a virtual forum in November. The forum is part of AIMA's initiative to support the growth of the fund management industry in the region and it covered important considerations new managers may have. Topics included the legal and operational toolkit required for starting up a fund and raising AUM.



Still here with you

A new addition to events calendar were the [#StillHereWithYou](#) Open Talks, aimed at connecting APAC based members in the time of isolation and we were delighted to have welcomed so many members from APAC and elsewhere at each session.

AIMA China Live 2020

December played host to the 2-day AIMA China Live event that capitalises on the opening of the China market and relaxing of rules to encourage opportunities for asset managers in China. Several industry experts from well-known global financial institutions discussed current hot topics from QFII New Rules and sound approaches to the latest regulatory matters. Attendees had the opportunity to gauge an idea of how to rebalance resources towards China especially those that demonstrate strong investment opportunities.

AIMA'S CORE OBJECTIVES

AIMA'S GLOBAL REVIEW OF 2020



1

To provide an interactive and professional forum for our membership and act as a catalyst and promoter of the industry's global development.

2

To provide leadership for the industry and to be its preeminent voice.

3

To develop sound practices, enhance industry transparency and education, and to liaise with the wider financial community, institutional investors, the media, regulators, governments and other policymakers.



ABOUT AIMA

AIMA'S GLOBAL REVIEW OF 2020

The Alternative Investment Management Association (AIMA) is the global representative of the alternative investment industry, with around 2,000 corporate members in over 60 countries. AIMA's fund manager members collectively manage more than \$2 trillion in hedge fund and private credit assets.

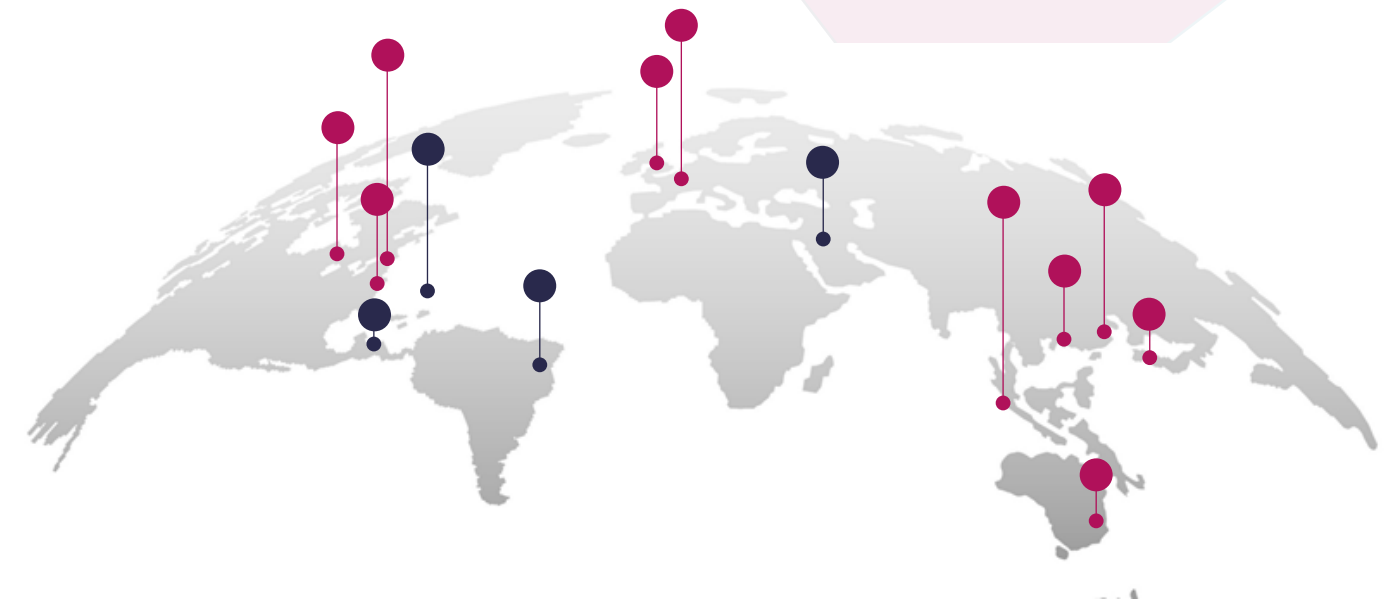
AIMA draws upon the expertise and diversity of its membership to provide leadership in industry initiatives such as advocacy, policy and regulatory engagement, educational programmes and sound practice guides. AIMA works to raise media and public awareness of the value of the industry.

AIMA set up the Alternative Credit Council (ACC) to help firms focused in the private credit and direct lending space. The ACC currently

represents over 170 members that manage \$400 billion of private credit assets globally.

AIMA is committed to developing skills and education standards and is a co-founder of the Chartered Alternative Investment Analyst designation (CAIA) – the first and only specialised educational standard for alternative investment specialists. AIMA is governed by its Council (Board of Directors).

For further information, please visit AIMA's website, www.aima.org



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