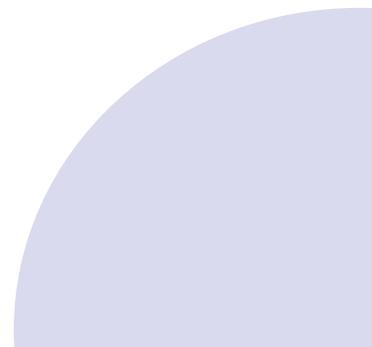


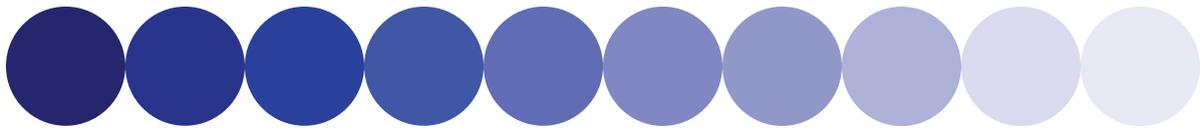
Annual Report & Accounts

for the year ended 31 December 2008



Alternative Investment Management Association





About AIMA

The Alternative Investment Management Association (AIMA) is the professional trade association for the hedge fund and related industries. Its members manage **75%+ of global hedge fund assets and 70%+ fund of funds assets**. It has over 1,100 corporate members in more than 40 countries. Members include the leading hedge fund managers, fund of hedge funds managers, prime brokers, legal and accounting services and fund administrators.

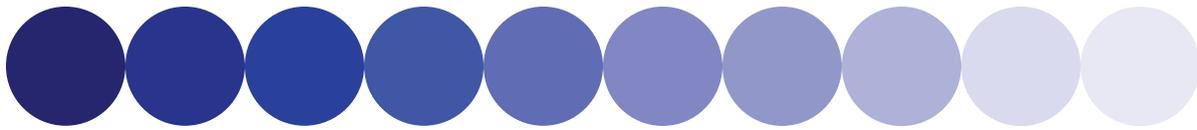
AIMA's members benefit from the association's active influence in policy development, its leadership in industry initiatives, including education and sound practice manuals and its excellent reputation with regulators worldwide.

AIMA is a dynamic organisation that reflects its membership's interests and provides it with a vibrant global network.

AIMA is committed to developing industry skills and educational standards, and is a co-founder of the Chartered Alternative Investment Analyst designation (CAIA) and the CAIA Association.

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Chairman's Statement



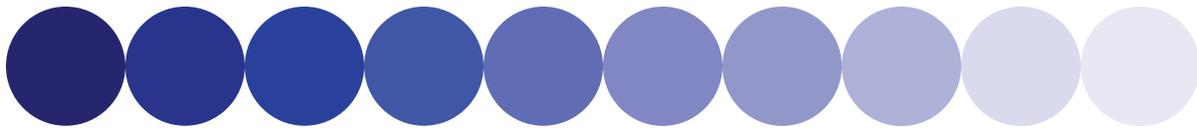
Todd Groome, Chairman

It is an understatement to say that my first eight months as AIMA's Chairman have been eventful, with a variety of significant initiatives organised and pursued in a very short period. Throughout this period, AIMA and its executive team have worked tirelessly for you, its members, and I believe they have achieved much on your behalf. Of course, much of this progress is also due to the support and contributions members provide to these projects, and for that we thank you.

A year ago, AIMA's Annual General Meeting was held in the aftermath of the Lehman and broader market collapse, and short selling bans were being imposed and a variety of policy initiatives developing across the financial world, many impacting directly or indirectly the hedge fund industry. It was a time when the very foundations of the global financial system and economy seemed to be shaking, and the future of our industry was being questioned. I remember how sombre the mood was then, but I also was struck when I met AIMA members by the determination to overcome what was being thrown at them, as well as the confidence they expressed in our industry.

A year later, that confidence has been rewarded. Of course, it has been an extremely tough year for many, and the contraction of the industry has affected us all. But now stronger returns are being reported, market and investor confidence is returning, and the trend of redemptions is reversing. Many managers and investors are beginning to experience new allocations, and I believe that trend will continue in the coming months and years, with the industry enjoying sustained growth.

Throughout this period, the association has continued to demonstrate its commitment to industry sound practices and education, and we released two Guides to Sound Practices, on Fund of Funds Managers and, most recently, Hedge Fund



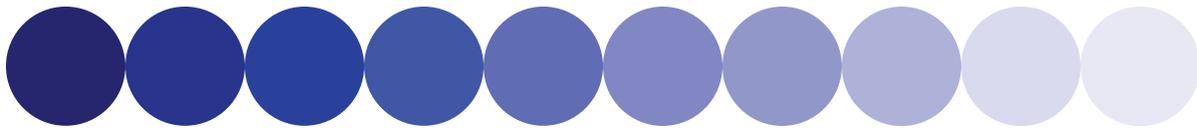
Administrators. The association also released the very well-received Roadmap to Hedge Funds for investors, and launched the Hedge Fund Matrix, an important industry resource for global standards. AIMA's new website contains a wealth of educational and informative material for all members, the industry as a whole, the media and the general public. I want to thank the AIMA staff, as well as the important efforts of our members, investor committees, and other volunteers for their work on these important projects.

In the policy area, 2009 has been a year when the world's hedge fund industry was asked a major question by policy makers - were we willing to embrace change, to embrace increased transparency and closer cooperation with public authorities? I believe we have answered that question with a resounding "yes", and the industry has participated in policy discussions globally at the highest levels. I also believe the industry will emerge in a stronger position because of these events and proposed policies. I am proud to say AIMA has played a leading role globally in the policy area.

Our policy platform in February 2009 embraced transparency and greater cooperation with policy makers and supervisors worldwide. We understood early on that a proactive engagement with international and national policy makers was required, and more likely to prove effective. This view was reinforced in April at the G20 summit in London, when policy pronouncements related to our industry mirrored very closely our own policy platform. Following the G20 summit, it was regrettable when a draft directive from the European Commission proposed unilateral and in some respects inconsistent policies, as well as a variety of protectionist measures. However, since late April, many in our industry and in the public sector (not only in Europe, but globally) have recognized that this hastily prepared draft directive is off the mark in many respects, due in large part because it lacked appropriate and useful advance consultation or a proper impact assessment. Once again, I am proud that AIMA has led the way in addressing the EC proposal. AIMA has mobilised the industry on an unprecedented scale in a campaign to revise the draft directive. I am hopeful we will be able to amend the directive and secure a desirable and more globally consistent platform for the alternative investment industry in Europe.

AIMA also has been a major contributor to the development of global industry standards in response to the G20 call for the convergence of industry best practices and standards. We are working on this project with our colleagues from the Hedge Fund Standards Board (HFSB), the Managed Funds Association (MFA) and the US President's Working Group (PWG), including both investors' and managers' committees.

Together, we have achieved consensus on high level principles for the convergence of industry standards, and we expect to continue working closely with the G20 Financial Stability Board (FSB) and national authorities on this important initiative.



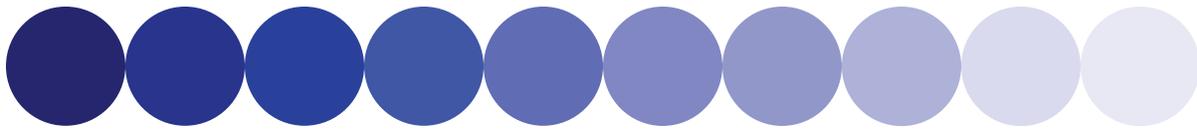
As a global association, it is natural and necessary that AIMA should work closely with other associations and organisations around the world. This is particularly true in the United States, which is home to a majority of the world's hedge fund industry and a substantial proportion of our members. I am happy to report that we are currently working closely with our colleagues in the US, the UK and Continental Europe and throughout the Asia-Pacific region on a variety of industry initiatives and projects. Our work together has achieved important progress in 2009, in areas such as the proposed US hedge fund regulatory framework, the convergence of industry standards, and we are working very closely with our US and UK/European partners on the proposed EC directive and on short selling issues, among many industry initiatives. As the most global industry association, AIMA will continue to bring together all interested parties and to work closely with other organisations, in order that the industry may whenever possible speak with a stronger and more consistent voice.

In this same regard, I want to highlight and applaud the very significant efforts over the past year of the AIMA staff and volunteers around the world, including in Australia, Canada, the Cayman Islands, Hong Kong, Japan, Singapore, South Africa and elsewhere. At a local level, their engagement with policy makers and the media is producing tangible results for members. The significant commitment and effort made every day by the AIMA staff is something for which all members can be truly thankful and rely upon.

I would also like to thank a very special person for her tireless efforts over many years, and then take a moment to look forward, and to highlight several challenges and issues that our association should give further consideration in the near term.

Everything we do as an association is intended to secure a better future for you, our members, your firms and the broader industry. No one has exemplified this better over her many years of service to AIMA and the industry than Florence Lombard. It was through her vision and efforts that AIMA became a truly global organisation, and it was under her leadership that AIMA's excellent work on industry sound practices and education supported industry growth, and advanced investor understanding and knowledge. Florence led AIMA for 16 years, and through her efforts AIMA is now able to successfully contribute to and influence international and national policy on behalf of its members. This year, as she has begun to step back, her continued contribution as Executive Director, focusing on regulatory and policy issues, has proven instrumental to the progress made thus far on several important initiatives. Florence's leadership, her experience, counsel and judgement, and her unmatched energy will be sorely missed.

I also wish to pay tribute to a few other very significant contributors to AIMA's efforts in the past year. Andrew Baker assumed the role of AIMA CEO at the beginning of 2009, a time

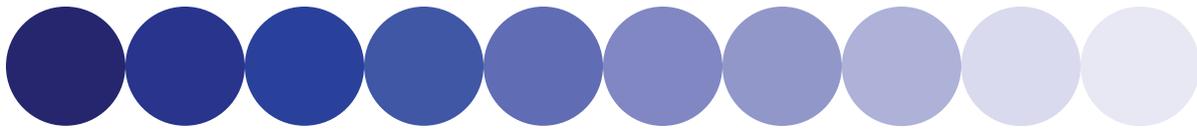


when the industry faced unprecedented regulatory and market challenges. He has steered AIMA through this extremely tricky time with a steady hand, and very sound and balanced judgement. I greatly enjoy working with Andrew, and I am confident AIMA will continue to successfully develop under his leadership. In addition, we were joined in 2008 by Christen Thomson, who heads our communications and media effort. His leadership and execution of our communications strategy has proven crucial to the positive reception and success our policy initiatives have enjoyed. Finally, I wish to thank Christopher Fawcett for his six years of service as AIMA's Chairman. We are all grateful for his efforts, and I am very pleased that he has continued as a member of our Board, providing welcome counsel to me and continuity during a time of significant change and challenges.

Even considering all of these achievements, and in part due to the industry pressures and the proposed regulatory changes discussed above, we continue to face important challenges and considerations as a global association. I would like to outline what I believe are some of the most immediate questions we should consider today.

First, as noted above, AIMA has developed an excellent global reputation in the last 20 years through its work in areas such as education and sound practices, and while we will continue our dedicated efforts in these areas, we also need to establish the right balance between that good work and our role as an advocate for the industry. AIMA's considerable international goodwill and strong reputation is due in many respects to these fundamental activities. I also believe our ability to represent and to advocate on behalf of our members is strengthened by these broader activities. Nevertheless, it is appropriate every so often to reconsider our priorities and their balance, particularly given the recent period we have been through and the policy issues we continue to address. As always, we welcome member input on these important considerations. For my part, I believe it is important that we continue to pursue our multiple missions, and seek to support and expand our global and diverse membership - geographically and professionally. A wide variety of industry professionals and investors view AIMA as their "natural home", and we should encourage this view and broad-based membership. AIMA's diversity of membership and mission should remain a source of strength, and allow us to continue to provide the representation our members desire.

Second, in order to achieve the reasonable objectives of our members, AIMA's revenue model may need material reform. This is also important if we are to continue to attract and retain the quality of staff we currently enjoy. As a member association, it is of course necessary that we have a comprehensive and open debate before any changes are recommended or pursued, in order to establish a fair framework for all of our members. I welcome this discussion, and encourage your input.



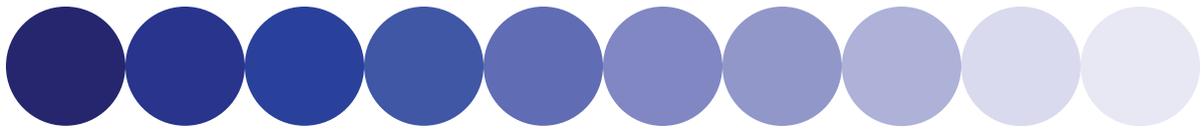
And third, as a global association representing a global industry, it is both logical and necessary that we seek to work ever more closely with other organisations active in the hedge fund industry. Of course, any such cooperation should be pursued in a manner consistent with our expressed policies and principles, and supportive of our multiple missions and our global and diverse membership. As previously noted, I strongly believe this diversity is a significant strength for AIMA, and allows us to be a strong advocate for the industry. Working more closely with other organizations should allow us to build on this strong position, and we should continue to explore ways to increase such cooperation and collaboration.

All of the changes made and initiatives launched by our association in the past year have been designed to ensure that we are better able to meet the challenges and goals of a global hedge fund industry. They have allowed us to take a more active role with policy makers and the media at a time when significant change is being proposed for our industry. I believe the results so far this year support our strategy; however, significant work remains, as you are all aware.

Possibly related to these initiatives, AIMA's membership numbers have stayed strong, and we have been steadily gaining members throughout 2009. We do not take this for granted, however, and we work hard on your behalf, and desire your feedback, so that we can be fully responsive to your needs.

I believe the hedge fund industry and AIMA have an extremely bright future, and in the coming months and year we will examine together how we can build on our existing strong global platform, in order to better serve our members and the industry.

I wish to thank all of you for your continuing support of AIMA during this challenging year for our industry, and I wish you and your families the very best for the coming year.



CEO's Statement



Andrew Baker, Chief Executive Officer

The global economic crisis that began in 2007 and reached its height in 2008 posed the greatest organisational challenges AIMA has faced in its history. In particular the industry faced significant new attention from policymakers and regulators internationally and came under intense media scrutiny globally. It was right that we as an association responded to these challenges and met them head on.

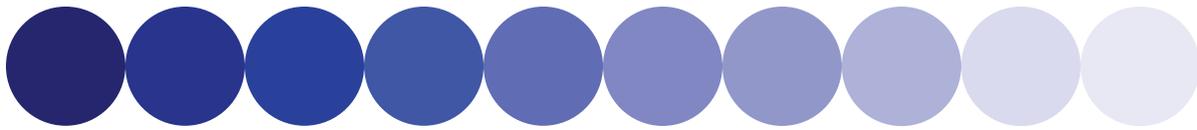
We addressed the new reality by augmenting our Policy and Communications departments in recognition of the increased demands they faced, and we sought a higher profile both among policymakers and regulators and also in the media.

We also took a major step forwards in 2008 towards creating a unified global industry voice in close co-operation with the Managed Funds Association (MFA) of Washington, DC; and we provided our colleagues in the Hedge Fund Standards Board with office space for their secretariat here in London.

Other major achievements in 2008 include the launch of our new website and our Hedge Fund Matrix which was the first ever step towards unification of best practices. We also released the critically acclaimed Roadmap to Hedge Funds.

POLICY

Throughout the banking crisis, hedge funds, and their impact and influence in the markets, remained high on the political agenda. Our activities throughout 2008 served to lay the foundations for our ongoing leadership campaign on behalf of the industry and raised our profile in political circles. Whilst building new relationships and fostering existing ones in order to influence the debate and enlist allies, we continued to emphasise the need for international co-ordination, cohesion and a considered approach to



any new supervisory framework for the industry. Highlights of our work with the various national and international bodies are set out below:

Europe

AIMA's Annual Hedge Fund Debate

In June we held our second AIMA-European Parliament Hedge Fund Debate in Brussels, which provided Members of the European Parliament with the chance to exchange views with senior industry leaders. The event was attended by representatives from the European Parliament, the European Commission, the Council of the European Union and representatives from the UK, French, German and Czech governments, amongst others.

Contribution to European Parliament Reports

We invested a lot of time contributing and responding to Poul Nyrup Rasmussen MEP's "Report on Hedge Funds and Private Equity" and Klaus-Heiner Lehne MEP's "Report on Transparency of Institutional Investors". In addition, we held numerous meetings with leading legislators on the relevant committees, including the Rapporteurs (authors) responsible for the reports.

Speaking engagement in European Parliament

The Kangaroo Group, an association which includes members of the European Parliament, the European Commission and Council, invited AIMA to participate in a breakfast meeting entitled: "Hedge funds: is regulation needed?". The panel included Florence Lombard (representing AIMA), David Wright (of the European Commission) and Klaus-Heiner Lehne MEP and Poul Nyrup Rasmussen MEP, authors of the two above-mentioned reports on hedge funds and private equity.

European Commission's Consultation Paper on Hedge Funds

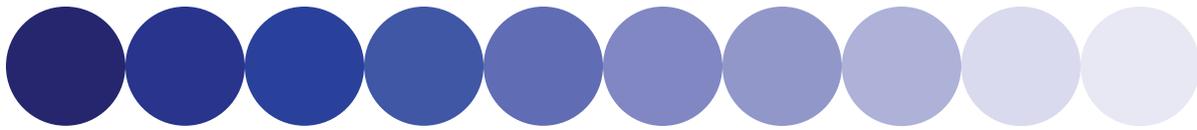
We provided input ahead of, and following, the European Commission's [Consultation Paper](#) on hedge funds, which sought views and evidence on a range of issues including systemic risks, market integrity and efficiency, risk management and transparency towards investors and investor protection.

Appointment of UK Government Affairs Agency

To assist us in our efforts to reach out to policy makers as they review the regulatory landscape, we appointed a UK government affairs agency, and increased our engagement with leading MPs and key UK authorities.

UK Treasury Select Committee's Banking Crisis Inquiry

AIMA submitted a detailed response to the UK Parliamentary Treasury Committee's inquiry into the role, and regulation, of hedge funds in the banking crisis, and whether any reforms were desirable. Following this response, AIMA was invited to provide oral evidence in early 2009 and a small group of AIMA Members and I testified in front of the Committee.



USA

Washington delegation

As part of our ongoing strategy to build and maintain relationships with US policymakers and regulators, we visited Washington DC three times during 2008 where we met with senior representatives from the Congress Committee on Financial Services, the Senate Banking Committee, the House Banking Committee and other key Senators and Congressmen.

Contribution to U.S. President's Working Group (PWG) on Financial Markets

We consulted with the PWG's Asset Managers' Committee and the Investors' Committee during the drafting process of their Reports and were pleased to be included during the analytical phase of constructing the guidance.

International

Engagement with the International Organization of Securities Commissions (IOSCO)

Following the G20 meeting in Washington DC on 15 November 2008 regarding the current financial crisis and ways to mitigate future crises, IOSCO offered its assistance in exploring common regulatory solutions. AIMA attended meetings, liaising with, and creating in-depth submissions to, the three Task Forces created by IOSCO to consider short selling; unregulated financial markets and products; and unregulated financial entities (including hedge funds).

Engagement with the Organisation for Economic Co-operation and Development (OECD)

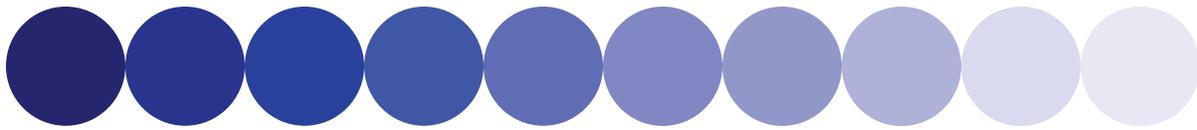
In April 2008, we facilitated a meeting between a number of AIMA's activist hedge fund managers and the OECD Steering Group to discuss the best approach to corporate governance and shareholder activism.

AIMA National Groups

Throughout 2008, AIMA's National Groups continued to represent our members' interests globally through fostering relationships, and undertaking numerous meetings, with their national governments and regulatory authorities.

REGULATION AND TAX

The work of this dedicated and central department has continued apace. Its output during 2008 included submissions in regulatory and fiscal consultations on funds of alternative investment funds (FSA & HMT, UK), offshore funds regulations (HMT, UK) short selling (IOSCO, FSA), the investment manager exemption (HMRC, UK), amendments to Form ADV (SEC, USA) and International Regulatory Standards on Fund of Hedge Funds Issues (IOSCO).



Guidance and ‘matrices’ to assist members were produced in the areas of anti-money laundering, FAIFs, Market Ethics, Contracts for Differences and EC revisions to the EU Savings Directive. AIMA’s Hedge Fund Matrix website was also developed during the year, providing a “one-stop shop” for the industry.

Increased interaction with regulators and fiscal authorities and with AIMA’s regulatory sub-committees around the world were also features of the team’s work.

Regulatory Forum

We were pleased to host our second pan-Asian forum, in Singapore in October 2008. Almost 80 people attended, including representatives from eight financial regulators. This series of events provided a private and confidential forum between the delegate constituencies of regulators, policymakers (including elected politicians) and their advisers, and senior members of the hedge fund industry. Topics discussed included global hedge fund best practice and the implications for investors and managers, regional developments and short selling disclosures.

We extend our sincere gratitude to KPMG, Grant Thornton and Simmons & Simmons, who provided us with invaluable secondee assistance to support our tax and regulatory work during 2008/09.

COMMUNICATIONS

The association received unprecedented interest from the media as a result of the crisis and we ensured that the industry’s voice was heard throughout this period. We also took steps to augment the resources available to us in communications terms because we recognised that it was vital for the future health of the industry that a more positive media image be established.

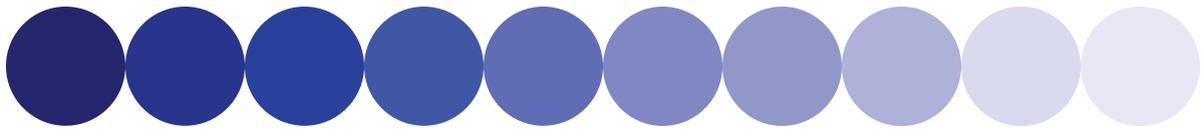
The launch of our new website was a key achievement for 2008, and it continues to underpin our communications activities.

We also launched our Roadmap to Hedge Funds, the world’s first collaborative educational guide for institutional investors; and the Offshore Alternative Fund Directors’ Guide.

And the research on short selling we commissioned from CASS Business School along with our colleagues at LIBA and ISLA was helpful in demonstrating that the short selling ban in the UK had not met its original objectives.

AIMA SPONSORING MEMBERS

I would like to thank our Sponsoring Members, who now include CME Group, Ernst & Young, Fauchier Partners, Fortis Prime Fund Solutions, Man Investments, Simmons & Simmons and Thomson



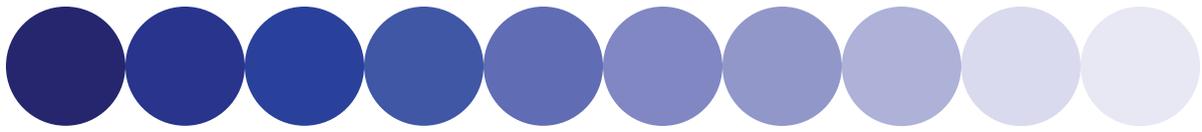
Reuters, for their continued support, which is enormously appreciated.

ADVISERS AND SERVICE PROVIDERS

I would also like to thank our many advisers and service providers. They are too numerous to all receive a mention, but special thanks must go to our accountants, MacIntyre Hudson, our legal counsel, Simmons & Simmons, and our auditors, Rees Pollock.

FLORENCE LOMBARD

A final word about my predecessor as CEO, Florence Lombard, one of the founders of the association, who after so many years of exemplary service is stepping aside. Before joining the executive team I had been involved with AIMA for many years and Florence was one of the main reasons I got involved with AIMA in the first place. It was she who through the strength of her personality and the breadth of her vision turned the association into a truly global organisation and we all owe her a debt of gratitude for that. On a personal note I will greatly miss working with her and I wish her every happiness in this next stage of her life.



AIMA Team

2009

CEO
Executive Director

Andrew Baker
Florence Lombard

Policy
Executive Director
Communications & Policy Manager

Florence Lombard
Angie Elrick

Regulatory & Tax
Director of Regulatory & Tax
Associate Director, Regulatory
Regulatory Assistant
Secretary

Mary Richardson
Matthew Jones
Sara Forgione
Jane Moran

Communications
Director of Communications
Communications Officer

Christen Thomson
Dominic Tonner

Research
Research Manager

Tom Kehoe

Membership Services
Membership Services Manager

John Stephens

Operations & Administration
Operations Manager
Executive PA
Executive PA
Team PA
Office Administrator

Kirk Taylor
Ali Coles
Loraine Michael
Lucy Coates
Stacie Milton

AIMA Canada (branch office)
General Manager

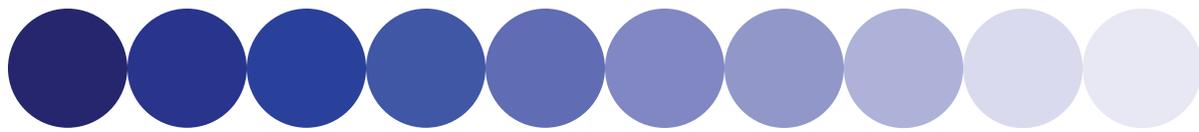
Corey Goldman

AIMA Hong Kong (branch office)
General Manager
Assistant

Jo Orgill
Odetta Ng

AIMA Singapore (branch office)
Manager

Carynn Tey



Directors and Officers

Current Directors

Andrew J. Baker	(since 6 September 2007)
Peter P. Douglas	(since 9 December 2002)
Christopher A. S. Fawcett	(since 13 May 2002)
W. Todd Groome	(since 13 May 2009)
Florence A. Lombard	(since 11 June 2002)
Paul M. Ruddock	(since 10 June 2009)
Paul R. Sater	(since 15 May 2007)
Douglas A Shaw	(since 25 September 2008)
Sean G. Simon	(since 2 April 2008)

2008 Board Changes

Dermot S. B. Butler	(13 May 2002 to 25 September 2008)
Ian D. Hamilton	(13 October 2005 to 25 September 2008)
C. H. A. (Clayton) Heijman	(12 January 2004 to 25 September 2008)
T. Kim Ivey	(13 October 2004 to 25 September 2008)
Sohail E. Jaffer	(13 May 2002 to 25 September 2008)
Klaus J. Jäntti	(13 October 2004 to 25 September 2008)
K. P. Christophe Lee	(13 October 2004 to 25 September 2008)
Massimo Maurelli	(15 December 2004 to 25 September 2008)
Pierre-Yves Moix	(23 September 2005 to 25 September 2008)
Emma L. Mugridge	(11 June 2002 to 18 December 2008)
Phil Schmitt	(11 October 2006 to 25 September 2008)
Andrew C. Stepaniuk	(28 June 2006 to 25 September 2008)
Tetsuro Uemae	(9 December 2002 to 25 September 2008)
Jean-François A. Vert	(20 May 2005 to 25 September 2008)
Mary A. Richardson	(1 December 2005 to 25 September 2008)

Company Secretary

Mary A. Richardson (since 11 June 2002)

Registered Office

167 Fleet Street, London EC4A 2EA

Auditor

Rees Pollock
35 New Bridge Street, London EC4V 6BW

Banker

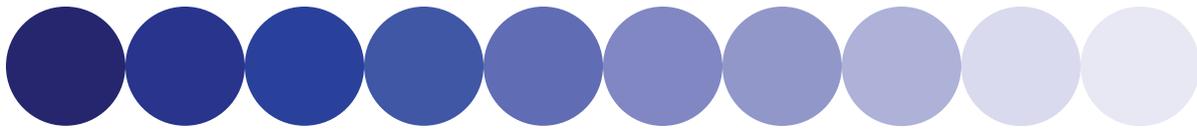
National Westminster Bank
116 Fenchurch Street, London EC3M 5AN

Solicitor

Simmons & Simmons
CityPoint, One Ropemaker Street, London EC2Y 9SS

Registered Number

04437037



Directors' Report

The directors present their report and the financial statements for the year ended 31 December 2008.

Principal activities and business review

The principal activity of the company during the year was the representation of the hedge fund management sector and related services.

The directors are pleased to report that revenue from membership fees increased to approximately £2.75 million during the year under review. Other income, inclusive of investment income received, took the total income receivable for the year to approximately £2.9 million.

The increase in contributions to the National Groups is partly attributable to the change in accounting treatment brought about by the change in legal status of the Canadian National Group, which incorporated in Canada as a company limited by guarantee on 23 June 2008. The increase in overhead costs is attributable to the continued development of the administrative, regulatory, research, media and lobby teams, which reflects the Association's increasing role as the global representative body for the hedge fund industry.

The profit for the financial year, after taxation, amounts to £149,737 which the directors recommend is added to the reserves of the Association.

During the year the company made charitable donations of £4,380 (2007: £904).

Directors

The directors who served during the year were:

A J Baker

P P Douglas

C A S Fawcett

F A Lombard

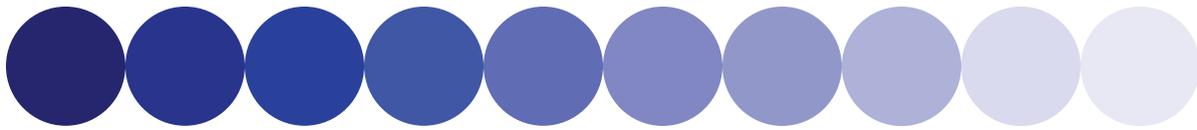
P R Sater

D A Shaw

S G Simon

(appointed 25 September 2008)

(appointed 2 April 2008)



The directors who resigned during the year were:

D S B Butler	(resigned 25 September 2008)
I D Hamilton	(resigned 25 September 2008)
C H A Heijman	(resigned 25 September 2008)
T K Ivey	(resigned 25 September 2008)
S E Jaffer	(resigned 25 September 2008)
K J Jäntti	(resigned 25 September 2008)
K P C Lee	(resigned 25 September 2008)
M Maurelli	(resigned 25 September 2008)
P-Y Moix	(resigned 25 September 2008)
E Mugridge	(resigned 18 December 2008)
M Richardson	(resigned 25 September 2008)
P Schmitt	(resigned 25 September 2008)
A C Stepaniuk	(resigned 25 September 2008)
T Uemae	(resigned 25 September 2008)
J F Vert	(resigned 25 September 2008)

WT Groome was appointed director after the end of the year, on 13 May 2009. P Ruddock was also appointed director after the end of the year on 10 June 2009.

Donations

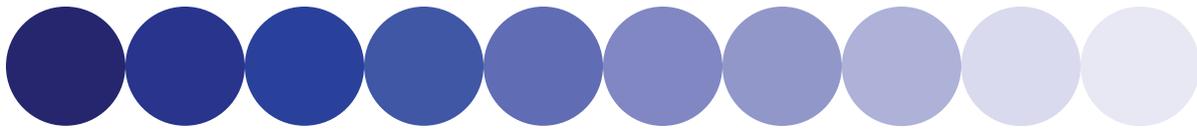
During the year the company made charitable donations of £4,380 (2007: £904).

Directors' Responsibilities

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.



The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included in the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

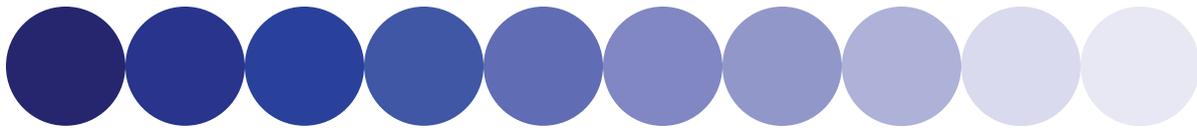
Auditor

The auditors, Rees Pollock, have expressed their willingness to continue in office.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 16 September 2009 and signed on its behalf.

M A Richardson
Company Secretary



*Independent
Auditors' Report to
the members of the
Alternative
Investment
Management
Association Limited*

We have audited the financial statements of The Alternative Investment Management Association Limited for the year ended 31 December 2008, which comprise the Profit and Loss account, Balance Sheet and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

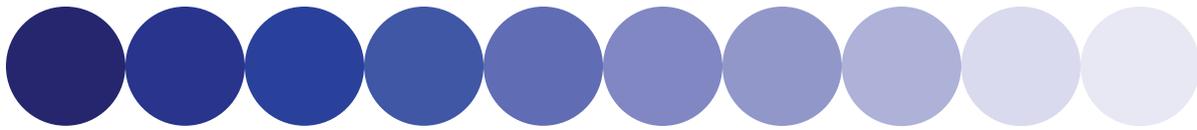
The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.



Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

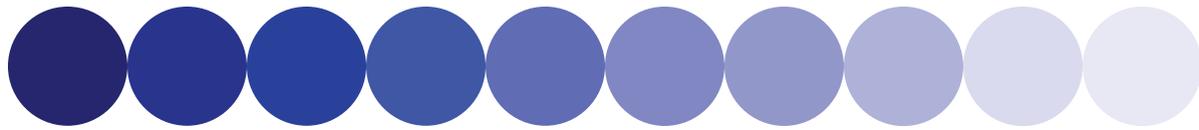
Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2008 and of its profit, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Rees Pollock, London
Chartered Accountants and Registered Auditors

17 September 2009

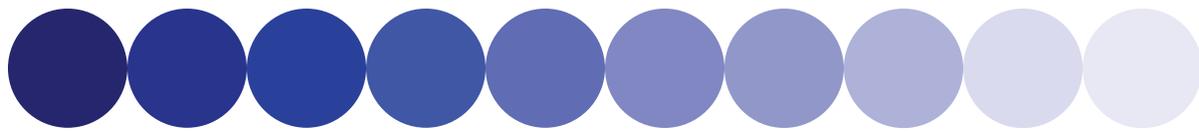


Profit and Loss Account

*for the year ended 31
December 2008*

		2008	2007
	Note	£	£
Turnover	1	2,889,601	2,316,287
Administrative expenses		<u>(2,832,378)</u>	<u>(2,220,266)</u>
Operating profit	5	57,223	96,021
Interest receivable		<u>113,955</u>	<u>116,820</u>
Profit on ordinary activities before taxation		171,178	212,841
Tax on profit on ordinary activities	6	<u>(21,441)</u>	<u>(18,956)</u>
Profit for the financial year	12	<u>149,737</u>	<u>193,885</u>

The notes on pages 22 to 27 form part of these financial statements.



Balance Sheet

as at 31 December 2008

		2008		2007	
	Note	£	£	£	£
Fixed assets					
Tangible assets	7		139,995		185,946
Current assets					
Debtors	8	171,126		132,958	
Cash at bank and in hand		<u>2,504,104</u>		<u>1,758,926</u>	
		2,675,230		1,891,884	
Creditors: amounts falling due within one year	9	<u>(1,059,801)</u>		<u>(472,143)</u>	
Net current assets			<u>1,615,429</u>		<u>1,419,741</u>
Total assets less current liabilities			<u>1,755,424</u>		<u>1,605,687</u>
Members' funds					
Capital contribution	11,12		293,014		293,014
Profit and loss account	12		<u>1,462,410</u>		<u>1,312,673</u>
	13		<u>1,755,424</u>		<u>1,605,687</u>

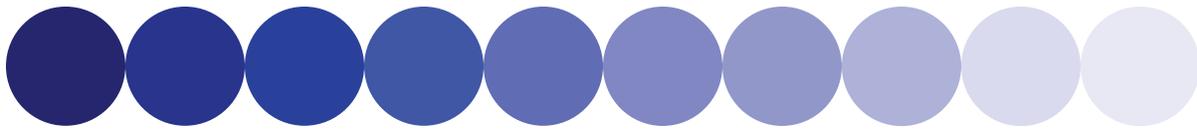
The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 September 2009.

A J Baker
Director

W T Groome
Director

The notes on pages 22 to 27 form part of these financial statements.



Notes to the financial Statements

For the year ended 31 December 2008

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

1.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they adopt the going concern basis in preparing the financial statements.

Turnover

The turnover shown in the profit and loss account represents the value of subscriptions and other income receivable by the company during the year, stated net of value added tax. Income is recognised only to the extent that it relates to the accounting period.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	over the remaining lease period
Fixtures & fittings	-	4 years straight line basis
Equipment	-	4 years straight line basis

1.5 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

1.6 Pension costs

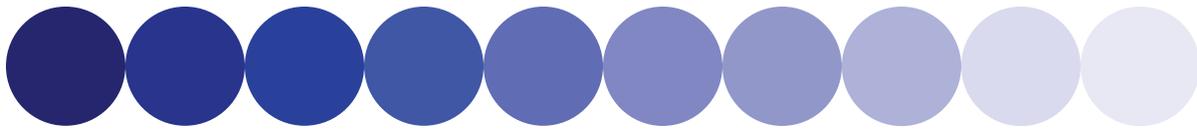
The company makes payments into defined contribution personal schemes for members of staff who have completed the required qualifying service. Contributions are charged to the profit and loss account as they become payable. Differences between contributions payable and contributions actually paid are shown either as accruals or prepayments.

1.7 Deferred taxation

Deferred taxation is provided on all timing differences, without discounting, calculated at the rate at which it is estimated that tax will be payable, except where otherwise required by accounting standards.

1.8 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating profit.



2. TURNOVER

The turnover for the year was derived from the company's principal continuing activity. The company operates principally in the U.K., but also through National Groups located in Australia, Canada, Cayman Islands, Hong Kong, Singapore and South Africa.

The Japanese National Group became a separate legal entity on 1 June 2006. The company received an administrative fee for the provision of services to its members during the year.

The Canadian National Group also became a separate legal entity on 23 June 2008. Its entitlement to a proportion of the fees for that region has been reflected in the financial statement but its assets and liabilities as at 31 December 2008 have not been included (see note 3) on the company's balance sheet at that date.

3. OPERATING COSTS

Operating costs totalling £424,081 (2007: £177,686) represent expenditure incurred by the National Groups of the Association located in Australia, Canada, Cayman Islands, Hong Kong, Singapore and South Africa.

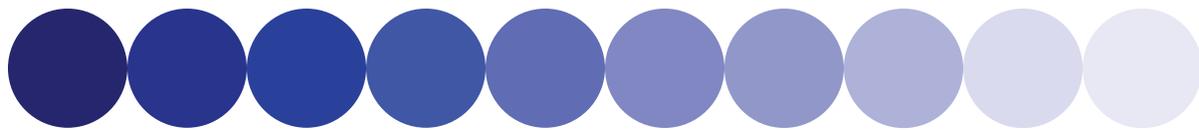
Also included is the unspent proportion of prior year membership fees attributable to the Canadian National Group, which were previously included on the company's balance sheet. The change in legal status of the Canadian National Group has necessitated a change in the accounting treatment of these contributions.

4. DIRECTORS' REMUNERATION

	2008	2007
	£	£
Aggregate emoluments (including pension contributions)	<u>767,348</u>	<u>636,886</u>

During the year retirement benefits were accruing to 4 directors (2007 - 4) in respect of money purchase pension schemes.

Directors' emoluments are those received by the four full-time directors employed by the Association. One of these resigned as a director on 25 September 2008 and another resigned as a director on 18 December 2008.

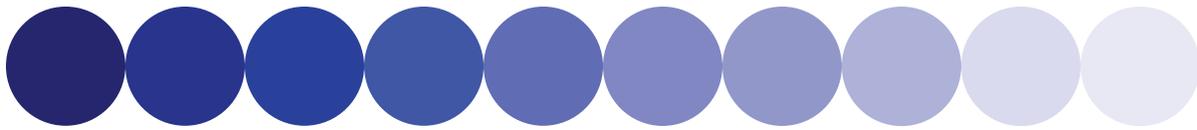


7. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures & fittings £	Equipment £	Total £
Cost				
At 1 January 2008	170,645	99,240	90,062	359,947
Additions	-	465	20,333	20,798
At 31 December 2008	<u>170,645</u>	<u>99,705</u>	<u>110,395</u>	<u>380,745</u>
Depreciation				
At 1 January 2008	59,004	56,264	58,733	174,001
Charge for the year	24,360	22,462	19,927	66,749
At 31 December 2008	<u>83,364</u>	<u>78,726</u>	<u>78,660</u>	<u>240,750</u>
Net book value				
At 31 December 2008	<u>87,281</u>	<u>20,979</u>	<u>31,735</u>	<u>139,995</u>
At 31 December 2007	<u>111,641</u>	<u>42,976</u>	<u>31,329</u>	<u>185,946</u>

8. DEBTORS

	2008 £	2007 £
Trade debtors	14,270	11,539
VAT recoverable	-	28,756
Other debtors	156,856	92,663
	<u>171,126</u>	<u>132,958</u>



9. CREDITORS:

Amounts falling due within one year

	2008	2007
	£	£
Trade creditors	84,993	102,079
Corporation tax	21,441	18,956
Social security and other taxes	279,864	189,461
Accruals and deferred income	673,503	161,647
	<u>1,059,801</u>	<u>472,143</u>

Membership fees in respect of the year ending 31 December 2009 amounting to £565,687 (2007 - £69,100) have been included under deferred income.

10. OPERATING LEASE COMMITMENTS

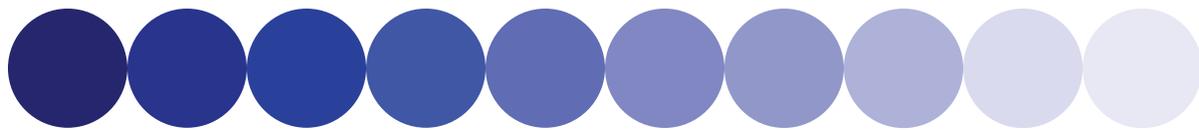
At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	2008	2007
	£	£
Expiry date:		
Between 2 and 5 years	<u>111,345</u>	<u>111,345</u>

11. COMPANY LIMITED BY GUARANTEE

The company is a private company limited by guarantee and consequently does not have share capital. In the event of a winding up, should the company be unable to meet its liabilities, the members have agreed to contribute £10 to the assets of the company.

The capital contribution is the contribution received from the Alternative Investment Management Association, when the company commenced activity.

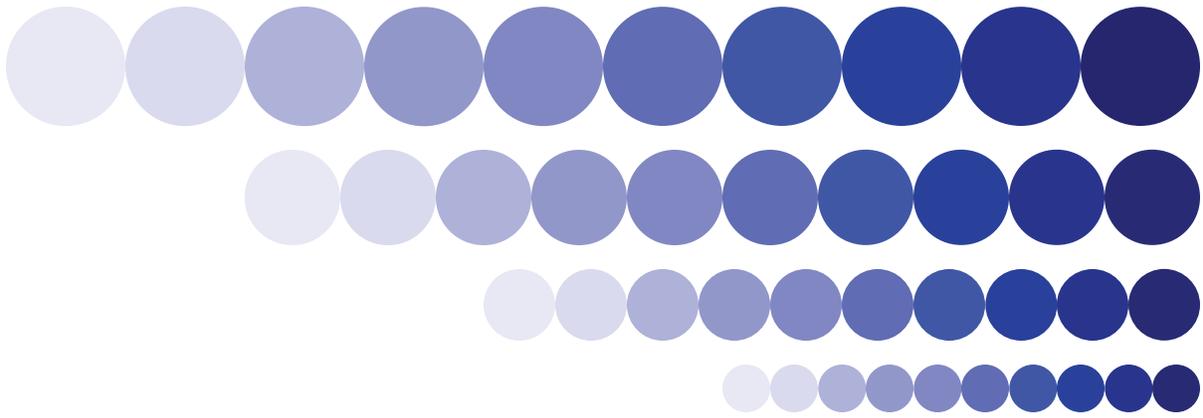


12. RESERVES

	Capital contribution £	Profit and loss account £
At 1 January 2008	293,014	1,312,673
Profit for the year	-	149,737
At 31 December 2008	<u>293,014</u>	<u>1,462,410</u>

13. RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS

	2008 £	2007 £
Opening members' funds	1,605,687	1,411,802
Profit for the year	<u>149,737</u>	<u>193,885</u>
Closing members' funds	<u>1,755,424</u>	<u>1,605,687</u>



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