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Alternative Investment Management Association

*Representing the interests of the global hedge fund industry*



Alternative Investment  
Management Association

# Annual Report to Members

for the year ended 31 December 2014



## Our core objectives

- To provide an interactive and professional forum for our membership and act as a catalyst and promoter of the industry's global development.
- To provide leadership to the industry and to be its pre-eminent voice.
- 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 policy makers.

## About AIMA

Founded in 1990, the Alternative Investment Management Association (AIMA) is the global representative of the hedge fund industry. We represent all practitioners in the alternative investment management industry - including hedge fund managers, fund of hedge funds managers, prime brokers, legal and accounting firms, investors, fund administrators and independent fund directors. AIMA members benefit from our active influence in policy development, our leadership in industry initiatives and our outstanding reputation with regulators.

We address the real issues affecting the industry's development. We represent the global hedge fund industry at national and international levels in ongoing discussions about the future regulatory framework for the industry.

Our focus on education, regulation, policy development and sound practices has resulted in a substantial body of work used around the world by members, institutional investors, policymakers and supervisors.

We are a dynamic organisation that reflects our members' interests and provides them with a vibrant global network. We are committed to developing industry skills and education standards, and we are a co-founder of the Chartered Alternative Investment Analyst designation (CAIA) - the industry's first and only specialised educational standard for alternative investment specialists.

AIMA is governed by its Council (Board of Directors).

## What we do

### Engaging with policymakers and regulators

**Comprehensive updates:** With a specialised Government and Regulatory Affairs department, we are able to provide our members with guidance notes and updates on complex initiatives, detailing how developments may affect their business and the advocacy positions that we are adopting.

**Regulatory and tax engagement:** AIMA responds to around 100 consultations globally each year, helping to shape the future regulatory and tax framework for the hedge fund industry.

**High-level access:** AIMA regularly meets with senior policymakers, legislators and regulators in all important jurisdictions globally, and with international agencies and bodies.

**Global advocacy:** We have a long track record of successful engagement. With our public affairs work on the ground in the main financial and political centres, we are able to engage in extensive advocacy in the best interests of the industry.

### Engaging with the media

**Stressing the benefits:** Through white papers, briefings, press releases and thought leadership articles, AIMA seeks to explain the value of the hedge fund industry globally to investors, markets and the real economy.

**Building relationships:** We have established and built up relationships with key media in all the major industry jurisdictions globally.

**Breaking down barriers:** We host regular media/industry engagement events, which have resulted in more accurate and informed reporting and a significant change in tone of the coverage.

**Debunking myths:** AIMA works closely with the press covering our industry, providing assistance and support and dispelling myths and misconceptions.

### Developing educational and sound practice materials

**Original research:** AIMA carries out and commissions original research, such as 2014's 'Apples and Apples', which explained performance data, and 'Capital Markets and Economic Growth', which highlighted the link between capital market depth and GDP growth.

**Industry-standard DDQs:** The first of the AIMA illustrative due diligence questionnaires (DDQ) was produced in 1997, and has gone on to become the industry-standard DDQ template. The AIMA DDQ library covers the selection of hedge fund managers, funds of hedge funds managers, prime brokers, clearing members, CTAs and managed futures funds managers, and fund administrators.

**Guides for institutional investment:** AIMA manager and investor members have access to a substantial body of work relating to institutional investment, including 2014's 'The Extra Mile', which explored the concept of partnership between managers and investors.

**Sound Practices Guides:** AIMA members benefit from being able to access our library of Sound Practices Guides. These cover a wide range of subjects, including hedge fund management, valuation, administration, governance, business continuity, due diligence, prime broker selection, OTC derivatives clearing and media relations.

**Committed to skills and standards:** AIMA is a co-founder of the Chartered Alternative Investment Analyst (CAIA) designation, the industry's only specialised educational standard for alternative investment specialists.

## Our year in numbers

- **1,545** corporate members (as of 31 Dec 2014)
- **275** new corporate members joined in 2014
- **56** countries where our members are based
- **8,500+** member contacts
- **\$1.5 trillion** AUM of manager members
- **375** member firms represented on AIMA working groups and committees
- **800+** individual participants on working groups and committees
- **70+** committees and working groups worldwide
- **92** regulatory/tax submissions, summaries and briefing notes
- **10,000+** attendees at AIMA events globally
- **180** AIMA events worldwide
- **40** speaking engagements by AIMA principals at industry (non-AIMA) conferences globally
- **160,000+** visitors to the global AIMA website
- **18,000+** recipients of the AIMA Journal (which celebrated its 100th edition in Sept 2014)
- **3,600+** followers of AIMA on Twitter (as of 31 Dec 2014)
- **2,000+** followers of AIMA on LinkedIn (as of 31 Dec 2014)

## Top 5

### Regulation/tax topics viewed on AIMA.com in 2014

1. AIFMD	37,000 visitors
2. MiFID/MiFIR	21,000
3. MAD/MAR	5,500
4. UCITS	5,200
5. FATCA	5,000

### Reports downloaded from AIMA.com in 2014\*

1. AIMA Journal	5,000 downloads
2. The Case for Hedge Funds: AIMA's Post-Crisis Thought Leadership	2,900
3. The Extra Mile: Partnerships between Hedge Funds and Investors	1,300
4. Beyond 60/40: The evolving role of hedge funds in investor portfolios <sup>1</sup>	800
5. The Value of the Industry to Investors, Markets and the Broader Economy <sup>2</sup>	600

### Updates viewed on LinkedIn

1. Publication of paper about hedge funds for pension trustees	5,700 views
2. Publication of updated guide for selecting a prime broker	5,600
3. Publication of 2014 Q4 AIMA Journal	2,900
4. CEO Blog: 'Making a difference on our members' behalf'	2,600
5. Preview of AIMA's Annual Conference	2,200

\*Excludes DDQs

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1 This was published in 2013

2 This was published in 2012

## Chair's Report by Kathleen Casey



*Kathleen Casey, Chair, AIMA, speaks at AIMA's Global Policy and Regulatory Forum in New York on 6 March 2014*

2014 was another year during which the Association grew strongly and the hedge fund industry continued to evolve. The year marked the opening up of a new front in our advocacy efforts. By highlighting hedge fund firms' contribution to the "real" economy, we were able to reinforce our message in support of the industry.

While we continued to focus as closely as ever on AIFMD, Dodd-Frank, FATCA and other key regulatory dossiers, we also began to highlight the crucial and positive role that hedge funds play in the capital markets and as providers of market finance. We recognise that, by coming to a deeper understanding of what market finance means for the economic system, policymakers have a better chance of designing an effective regulatory regime, one that protects from shock while not closing off possible paths to growth and recovery. Underpinning the case we made was research that we commissioned into the economic impact of the capital markets. This research showed a pretty clear link between GDP growth and capital market depth.

It was a message that my colleagues in AIMA and I took to our various meetings with policymakers and regulators in North America, Europe and Asia during 2014. In market-based economies such as the US, we encouraged policymakers and regulators to ensure that their capital markets continue to play a positive and constructive role. In bank-based economies, we argued that governments and regulatory authorities could support economic growth by putting in place an economic and regulatory framework that enhances the role of capital markets and reduces over-reliance on bank lending. We believe our message resonated



and positioned AIMA as a thought leader in this area - which has proven particularly valuable during subsequent discussions in Europe over the proposed “capital markets union”.

## Our policy principles

We also made clear that the approach that regulators take to market finance (sometimes disapprovingly referred to as “shadow banking”) is of enormous importance, given that regulation has the ability to affect the growth of a particular sector and the economy at large. Here it’s worth mentioning again AIMA’s own work to develop a set of policy principles [1], which were agreed in late 2013 and formed the basis of the positions we took in respect of regulatory, tax and policy engagement during 2014.

Many members will recall that these principles were expanded versions of an original set of policy positions that we drafted back in early 2009. The new principles focused on four key tenets – improving investor protection; enhancing the consistency of regulation and maintaining global markets; understanding and mitigating systemic risk; and encouraging improvements in market integrity.

One of the key principles we put forward related to the need to maintain the diversity of business models in the market. Developing capital markets as strong and significant sources for the financing of the real economy requires the existence of specialists. A critical feature of a stable financial system is the diversity of its key participants as well as the difference in their capacity to take on particular risks. Extending micro prudential regulation which does not recognise the different risk-bearing capacities of various financial actors could increase homogeneity of participants in the market. And rules which produce the same responses to economic shocks are more likely to aggravate those shocks.

Conversely, we believe these principles provide a sound basis for regulation of the hedge fund industry in a way that is compatible with deepening capital markets, fostering economic growth and achieving a more resilient financial system. It is a view that continues to influence our regulatory engagement today.

## New leadership

Moving away from our advocacy efforts, I would also like to mention some of the changes in leadership and governance that marked out 2014. In the early part of the year, we were of course delighted to welcome Jack Inglis as our new CEO. Jack’s experience in both prime brokerage and hedge fund management made him an outstanding and uniquely qualified candidate, reflecting the broad church of hedge fund managers and service providers that comprise AIMA’s global membership. Jack has gone on to drive through many important initiatives that continue to bear fruit today.

Those included a number of changes to AIMA’s governance structure. The composition of the AIMA Council, which I chair, was reformed to more closely reflect the membership structure and base of AIMA [2]. The Council now has a roughly two-thirds majority of manager representatives.

At the same time, the global structure of the Association was enhanced to enable us to deliver a more cohesive and consistent service to our members at both a regional and a global level.

As the industry has evolved, so has AIMA. In our early organizational development, national branches were established under AIMA’s brand and they largely operated as autonomous groups under the AIMA umbrella. Today, we have a globally interconnected hedge fund industry that demands more globally integrated and operated representation of the industry.

We hope you, our members, have found these changes beneficial to your business.

We also continued to promote the globalisation of the hedge fund industry. We took our positive message about the value that hedge funds bring to investors, markets and the economy to new territories. Notably, we signed a memorandum of understanding with the Asset Management Association of China (AMAC) and held our first events in the country, in Beijing and Shanghai.

Indeed we are no longer a Europe-centric body. The majority of our member firms are based outside Europe, while over 50% of the assets managed by our hedge fund manager members are managed from the US. We have rapidly growing operations across Asia-Pacific, the Middle East and North America. It is a source of pride for all the Directors and Staff of AIMA that we represent a genuinely world-wide organisation with a very international outlook.

### Member involvement

Finally, I am pleased to report that AIMA ended 2014 and entered 2015, our 25th anniversary year, in robust health. The number of firms that were members of AIMA rose to well over 1,500 by year-end, a new high. Of those, 375 firms were represented on our working groups and committees around the world.

As always, I want to particularly thank our members for volunteering their time to support the Association's activities. Ultimately it is the contribution of our members that enables us to be an effective forum for the exchange of ideas and a credible voice for the global industry.

With my very best wishes,  
Kathleen Casey

### Notes

<sup>[1]</sup> Read AIMA's Policy Principles here: [www.aima.org/en/about/aima-policy-principles.cfm](http://www.aima.org/en/about/aima-policy-principles.cfm)

<sup>[2]</sup> As of December 2014, the members of the AIMA Council were as follows:

#### Chair:

- Kathleen Casey, Patomak Global Partners / Director, HSBC Holdings

#### CEO:

- Jack Inglis, AIMA

#### Directors:

- Olwyn Alexander, PwC
- Andrew Bastow, AQR Capital Management
- Fiona Carpenter, EY
- Stuart Fiertz, Cheyne Capital Management
- Simon Lorne, Millennium Management
- Tim O'Brien, Pine River Capital Management
- Martin Pabari, CQS
- Christopher Pearce, Marshall Wace Asset Management
- Eva Sanchez, Citadel
- Henry Smith, Maples and Calder
- Philip Tye, HFL Advisors
- Karl Wachter, Magnetar Capital
- Choo San Yeoh, Albourn Partners



## CEO's Report by Jack Inglis



*Jack Inglis, CEO, AIMA*

After taking over as AIMA CEO in early 2014, I was determined to meet with as many AIMA members, policymakers, regulators and members of the media as possible. I visited every region in which we have members and was very grateful for all the constructive comments and ideas they shared about AIMA and the hedge fund industry. This helped us to shape a number of changes which we drove through in 2014.

What impressed me most was the calibre and commitment of our committee volunteers who give so much of their time and expertise to our activities. This is the real strength of our organisation and we owe it to them that their work does not go unnoticed. In 2014, I believe we made real headway in demonstrating the value of the hedge fund industry, both economically and socially.

Through a number of publications, we produced evidence based content to make the case for alternative investments, and educated a variety of stakeholders on the misinterpretations of the industry and its members. Throughout 2015, we hope to build more on these sentiments through concentrated efforts with media engagement, and projects that are designed to enhance the industry's reputation.

Our proactive engagement with policymakers and regulators across the full suite of legislation impacting our industry (e.g. AIFMD, UCITS V, MiFID, global derivatives reforms, CPO registration, dealing commissions, beneficial ownership rules and the Net Stable Funding Ratio) continued to secure significant improvements to initial regulatory proposals.

We have highlighted some of these efforts below, but you are able to peruse records of our engagement on a much more granular level through our website.

In 2014 we expanded our toolkit of regulatory guidance and DDQs and increased the number of hedge fund manager training programmes worldwide. Notably, we published the updated Hedge Fund Manager DDQ in September 2014, which could not have been completed without input and direction from a broad range of institutional investors and hedge fund managers, and I would like to take this opportunity to thank them for their work.

Each year we create new records for the number of forums we host that help our members to tackle the important issues that affect their businesses. In addition to the key financial hubs across the US and Europe, these extend from Cayman to Canada, Sydney to Singapore, Hong Kong and Tokyo. In 2014, we organised around 180 events, webinars and training sessions with more than 10,000 attendees in total.

Additionally, AIMA itself expanded during 2014. Our staff are all highly qualified and experienced in their specific areas of specialism, allowing for members who require guidance and assistance with their work to receive insight and knowledge from senior professionals.

I am pleased to report that AIMA ended 2014 and entered 2015, our 25th anniversary year, in robust

health. The number of firms that were members of AIMA rose to well over 1,500 by year end, a new high. Of those, 375 firms were represented on our working groups and committees around the world.

As always, I want to particularly thank our members for volunteering their time to support the Association's activities.

Ultimately it is the contribution of our members that enables us to be an effective forum for the exchange of ideas and a credible voice for the global industry.

## Summary of our key areas of activity in 2014

### Regulation

- We continued to work closely with regulatory bodies globally and particularly in the US on the improvement of the cross border derivatives regimes for asset managers, obtaining significant results in the decrease of overlap and extraterritorial scope of certain provisions.
- In AIFMD, we have engaged with various national regulators as well as the European Securities and Markets Authority (ESMA) and the European Commission in order to ensure that the implementation of the AIFMD is workable for the hedge fund industry.
- We have also successfully engaged with a number of key EU jurisdictions on issues related to delegation, remuneration, depositaries, and the national private placement rules and reporting, all in relation to AIFMD.
- We have been addressing certain issues relating to commodity pool operators (CPOs)

and commodity trading advisors (CTAs) with the US Congress and the US Commodity Futures Trading Commission (CFTC). Working closely with a number of associations, we have secured relief for CPOs and CTAs in various areas.

- We worked extensively with the FCA in relation to its rules on the use of dealing commission throughout 2014. We successfully argued that the FCA's proposed reversal of the evidential presumption in relation to using dealing commission to purchase research services should not be introduced.
- We responded to ESMA's discussion paper and Consultation Paper on MiFID2, engaging closely with European regulators involved in the ESMA discussion, in order to present a position that is favourable for our members. We feel many have been receptive to our arguments and hope to see an improved approach in the core areas of member interest.
- We have monitored developments and engaged with key policymakers and politicians on the issue of the use of financial indices as benchmarks throughout 2014. In particular, we continue to raise the importance of the distinction between benchmark 'administrators' and benchmark 'users', recommending that the proposed regulation apply only to administrators of benchmarks. We also stress that the equivalence of a third-country jurisdiction's rules on benchmarks should not be necessary for a third-country benchmark to be used in the EU.
- We produced a paper that specifically looked at the increasing interest in the role that market finance could play in terms of filling the lending gap and allowing firms to access the capital that they need for growth. This saw two leading academics in this field, Christoph

Kaserer and Marc Steffen Rapp, to explore how the balance between market and bank-based finance affects economic growth, resulting in the publication of the study 'Capital Markets and Economic Growth – Long-term trends and policy challenges'

## Education and sound practices

- We published an updated edition of our flagship due diligence questionnaire (DDQ) for selecting a hedge fund manager, consulting with a broad range of hedge fund managers and institutional investors during the drafting. Their input was integral to the new revisions.
- We published an updated Guide to Sound Practices for Selecting a Prime Broker, which incorporated changes to the regulatory framework that affects the relationship between managers and prime brokers, including reporting requirements and other new measures introduced under the Dodd-Frank Act in the US and Europe's AIFMD and EMIR.
- We published a new Guide to Sound Practices for OTC Derivatives Clearing. This provides guidance on the new regulatory framework in the US and European Union, which affects most OTC derivatives transactions cleared globally. The Guide to Sound Practices is supplemented by a Due Diligence Questionnaire for Clearing Members, which is intended to help asset managers during the process of evaluating different clearing members and clearing houses.
- Against the backdrop of a debate into hedge fund performance, AIMA published "Apples and Apples: How to better understand hedge fund performance". The guide said that comparing hedge fund performance to the S&P

500 was an “apples and oranges” comparison and proposed five steps to improving understanding of hedge fund performance.

- The evolving relationship between hedge funds and their investors was explored in “The Extra Mile: Partnerships between Hedge Funds and Investors”, which AIMA and Barclays published jointly. The publication of this paper came at an important time in the evolution of the hedge fund industry globally. Amid the ongoing process of institutionalisation, institutional investors were found to be actively pursuing a more direct engagement with the underlying hedge funds in which they are invested.
- Ever since the onset of the financial crisis, AIMA has worked tirelessly to demonstrate the case for hedge funds to policymakers, regulators, investors and the media. We pulled these various arguments and pieces of research together into a major compendium of our work, called “The Case for Hedge Funds: AIMA’s Post-Crisis Thought Leadership”.

## Global network

- AIMA continued to strengthen its global network. By 31 December 2014, the Association had exactly 1,509 corporate members worldwide. The global growth rate was 7% in 2014, with the strongest growth coming in Asia-Pacific (up 24%) and the US (up 22%). New members were roughly equally split between hedge fund management firms and service providers.
- A significant area of focus for us was in China. We signed a Memorandum of Understanding (MoU) with AMAC, the Asset Management Association of China, in Beijing in June 2014 and held joint events with AMAC in China. The agreement, the first of its kind signed

by AMAC with an international organisation, outlined areas of future cooperation between our two associations and highlighted a joint commitment to strengthen cooperation between the Chinese and international fund management industries.

- During 2014, AIMA Canada staged a total 38 educational, social and networking events and submitted six comment letters on regulatory matters impacting the alternative investment industry.
- Other key events across the Asia-Pacific region included the AIMA Japan Hedge Fund Forum at the Tokyo Stock Exchange and the AIMA Australia Hedge Fund Forum 2014, which drew close to 300 managers, investors and service providers.
- AIMA Canada supported a host of overseas receptions and ancillary sessions, organised by the Government of Canada’s Department of Foreign Affairs, Trade and Development (DFATD). The events in Washington, London, Dubai and Geneva featured local investors and Canadian hedge fund managers. A number of side-sessions were also arranged dealing with local government and regulatory matters.
- AIMA held events in 15 countries in 2014. In total, there were 180 conferences, networking receptions, seminars, webinars and training sessions for our members worldwide.
- Those events included AIMA’s fifth Annual Conference 2014, which drew more than 370 attendees from more than 15 countries to London’s Guildhall, and the AIMA Global Policy and Regulatory Forum 2014, which attracted over 200 people to the Time Warner Center in New York. Regulators and policymakers from around the world participated, including senior representatives from the IMF, IOSCO,



SEC, FSOC, US Treasury, New York Fed, ESMA, the European Parliament, the FCA, HM Treasury, Banque de France, Central Bank of Ireland, Hong Kong SFC and ASIC.

## Sponsoring Members, Global Partners

We continue to receive unstinting and vitally important support from our Sponsoring Members and Global Partners<sup>[1]</sup>.

- Our Sponsoring Members in 2014 were CME Group, EY, Man, Permal, PwC and Simmons & Simmons.
- Our Global Partners in 2014 were Bank of America Merrill Lynch, Citco, Clifford Chance, Deutsche Bank, KPMG, Maples and Calder, Societe Generale, State Street, UBS and Wells Fargo.

## Advisers and service providers

I would also like to thank all our advisers and service providers for their outstanding guidance and support.

- Particular thanks, as always, go to our accountants MacIntyre Hudson, our legal counsel Simmons & Simmons and our auditors Rees Pollock.

## Committees and working groups

Our members continue to be closely involved in the work of the association, contributing to very important output such as responses to regulatory consultations and industry guides.

- We have more than 70 committees and working groups globally, comprising over 800 individuals from more than firms. As always,

we are enormously grateful for their time and support.

## AIMA staff

We continued to increase the size of our team globally to respond to the regulatory challenges facing the industry and to continue to expand our activities globally. Special thanks are due to them all for their tireless efforts and professionalism.

### Notes

<sup>[1]</sup> The membership tiers were restructured at the end of 2014 and a single tier of 'Sponsoring Partner' was created. For more information, click here: [www.aima.org/en/about/sponsoring-partners.cfm](http://www.aima.org/en/about/sponsoring-partners.cfm).

## New members

*The companies listed are AIMA members which joined the Association during 2014*

### Australia

Ae Capital Pty Ltd  
Apex Fund Services (Australia) Ltd  
Aqr Pty Ltd  
Bank of America Merrill Lynch  
Citigroup Global Markets  
Imagine Software, Inc  
Lgt Capital Partners (Australia) Pty. Ltd  
Morningstar Sydney  
Northern Trust Melbourne Australia  
Omgeo Pty Ltd  
Perennial Investment Partners Limited  
Perpetual Limited  
Regal Funds Management Pty Limited  
Sidley Austin LLP  
Stoicus Funds Management Pty Ltd  
Wedgebloom International Asset Management

### Brazil

Clifford Chance, Sao Paulo  
Willis Corretores De Seguros Ltda

### British Virgin Islands

Macromoney Global Investments Ltd

### Canada

A1832 Asset Management Lp  
Allianz Global Investors (Canada)  
Ascent Relative Value Fund, Ltd  
Bank Of America Merrill Lynch  
Bull Capital Management Inc  
Celernus Investment Partners Inc  
Centurion Apartment Real Estate Investment Trust  
Chapados Couture Capital  
Clairwood Capital Management Inc

Cqi Capital Management L.P  
Delbrook Capital Advisors Inc  
Goldman Sachs Canada Inc  
Kfl Capital Management Ltd  
Lionguard Capital Management Inc  
Maples Fund Services (Canada) Inc  
Mufg Fund Services (Canada) Limited  
Next Edge Capital Corp  
Ph&N Investment Management  
Phocion Investments Inc  
Rayne Capital Management Inc  
Rbc Global Asset Management  
Rivemont Investments Inc  
Triasima Portfolio Management Inc  
Unigestion Asset Management (Canada) Inc

### Cayman Islands

Amplitude Capital International Limited  
Danesmead Partners  
Marbury Fund Services  
Mufg Fund Services (Cayman)  
Premier Fiduciary Services (Cayman) Ltd

### China

Henderson Global Investors (China)  
Matsco Solutions Beijing Limited  
Northern Trust Company Beijing  
Omgeo Limited Shanghai  
Sidley Austin LLP

### France

La Francaise Investment Solutions  
Newedge Group  
Varenne Capital Partners



## Hong Kong

Advent Software  
Allard Partners Limited  
Allianz Global Investors Hong Kong Ltd.  
Apex Fund Services (Hong Kong) Ltd  
Athos Capital Limited  
Bfam Partners (Hong Kong) Limited  
Bosvalen Asset Management Limited  
Broadridge Financial Solutions  
City Financial Investment Company (Hong Kong) Limi  
Eip Alpha Limited  
Elvinger, Hoss & Prussen  
Eurex Frankfurt Ag  
Eze Castle Integration  
Freshfields Bruckhaus Deringer  
Hong Kong Exchanges And Clearing Limited  
Honghu Capital Management Limited  
Imagine Software  
Investorbit  
Jp Morgan Securities (Asia Pacific) Ltd  
Jupiter Asset Management (Asia) Limited  
Karst Peak Capital Limited  
Kontiki Capital Management (Hk) Limited  
Liquidnet Asia Limited  
Mandarin Capital Limited  
Markit  
Messer Financial Software Limited  
Nighthawk Capital Limited  
Omgeo Limited  
Op Investment Management Limited  
Pleiad Investment Advisors Limited  
Sinopac Solutions And Services Limited  
Taconic Capital Advisors (H.K) Ltd  
Traiana Inc

## India

EY - India

## Ireland

Confluence International  
DMS Management Investment Services Ireland

## Japan

Albourne Partners Japan  
Apex Fund Services (Japan) Co., Limited  
Bluemountain Capital Partners (Tokyo) Ltd  
Capula Investment Japan Limited  
Citi Prime Finance  
Eurex Borse Group Reepresentative Office Tokyo  
Henderson Global Investors (Japan) Limited  
Merrill Lynch Japan Securities Co., Ltd  
Northern Trust Global Investments Japan  
Omgeo K. K.  
Sidley Austin Nishikawa

## Jersey

Perdurance Asset Management Limited

## Luxembourg

Alliance Bernstein (Luxembourg) Sarl  
Confluence International  
Dms Offshore Investment Services (Europe) Sarl  
Pictet Funds (Europe) Sa

## Malaysia

Willis (Malaysia) Sdn Bhd

## Malta

Culross Global Investment Limited

## Singapore

Adret Capital Ltd  
Akin Gump Strauss Hauer & Feld LLP  
Apex Fund Services (Singapore) Pte Ltd  
B & P Asset Management (Asia) Pte Ltd  
Bank Of America Merrill Lynch  
Bloomberg L.P  
Braid Capital Pte Ltd  
Btig Singapore Pte Ltd  
Citigroup Global Markets Singapore Pte Ltd  
Conyers Dill & Pearman  
Deloitte & Touche LLP  
Eurex Frankfurt Aktiengesellschaft Singapore  
First Degree Global Asset Management Pte. Ltd  
Goldman Sachs (Singapore) Pte.  
Henderson Global Investors (Singapore) Limited  
Jupiter Asset Management (Asia) Private Limited  
Laven Partners (Asia) Pte Ltd  
Maples Fund Services (Singapore) Pte Ltd  
Martin Currie Asia. Pte. Limited  
Matsco Solutions Singapore Pte Ltd  
Morgan Stanley  
Omgeo Pte Ltd  
Pangolin Investment Management Pte. Ltd.  
River Valley Asset Management Pte Ltd  
Swiss-Asia Financial Services Pte Ltd  
The Northern Trust Company Singapore  
Towers Fiduciary Pte Ltd  
Walkers (Singapore) Limited Liability Partnership  
Willis (Singapore) Pte Ltd

## South Africa

Laurium Capital (Pte) Ltd

## St Vincent & the Grenadines

Colombus Investment Management Limited

## Sweden

Ipm Informed Portfolio Management  
Prior & Nilsson Fond Och Kapital

## Switzerland

Amplitude Capital Ag  
Culross Global Investment Management Ag  
Deep Field Capital Ag  
Hugo Fund Services Sa  
Mpl Asset Management Sa  
Pictet Asset Management  
Watamar Asset Management Ag  
Zafiro Capital Sarl

## UK

Absolute Return Partners LLP  
Aerion Fund Management Ltd  
Affiliated Managers Group Limited  
Arabesque Asset Management Limited  
Argenta Asset Management LLP  
Balliol Capital LLP  
Callisto Asset Management LLP  
Cedarknight Partners LLP  
Chenavari Credit Partners LLP  
Chorus Capital Limited  
City Financial Investment Company Limited  
Collyer Bristow LLP  
Confluence International  
Cyan Oak Capital (UK) LLP  
Cz Capital LLP  
Decca Capital Limited  
Dms Offshore Investment Services  
East Lodge Capital Partners LLP  
Eikoh Research Investment Management  
F&C Management Limited  
Fair Oaks Capital Ltd  
Gemcorp Capital Limited  
Gemsstock Limited

Gerson Lehrman Group  
Goodwin Porter Advisors Ltd  
Grosvenor Investment Management Limited  
Halkin Capital Limited  
Hanover Investors Management Llp  
Hedgeguard Financial Software  
Ipaf (Uk) Ltd  
Kemp Little Llp  
Ledbury Partners  
Ltw Capital Partners Limited  
Makuria Investment Management (Uk) Llp  
Mariana Investment Partners Llp  
Mitsubishi Ufj Fund Services  
Murano Systems Inc  
Nanook Energy Advisors, Llp  
Nomura International Plc  
North Asset Management Llp  
Northill Capital  
Omni Partners Llp  
Ovington Capital Management Llp  
Pictet Asset Management Limited  
Sandbourne Asset Management  
Sanditon Asset Management  
Slater Investments Limited  
Smartimpact  
Sungard  
Sw7 Asset Management (Uk) Llp  
Thunderbird Partners Llp  
Visium Asset Uk Llp  
Wyetree Asset Management

### United Arab Emirates

Dalma Capital Management Ltd

### USA

Aberdeen Asset Management Inc  
Amg Funds, Llc  
Aqr Capital Management Llc

Boston Provident, Lp  
Citigroup Global Markets Inc  
Deloitte & Touche  
Dv Asset Management Llc  
Emso Partners Us Llc  
F-Squared Alternative Investments, Llc  
Goldman Sachs & Co.  
Hfr Hedge Fund Research, Inc.  
Independent Fund Director - Philip Lotz  
Iron Road Multi-Strategy Lp  
Kellner Capital  
Kiski Partners, Llc  
Lombard Odier Asset Management (Usa) Corp  
Maples Fs  
Martin Fund Management Llc  
Moore Capital Management, Lp  
Mufg Fund Services (Us) Inc  
Princeton University Investment Company  
Prologue Capital Inc  
Rd Legal Capital, Llc  
Rosemoor Capital Management Llc  
Saracen Capital Lp  
Wells Fargo Bank N.A.  
Welton Investment Partners Llc  
Willowmoor Management Services (Bvi) Limited

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**AIMA Japan**

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**Alternative Investment  
Management Association**

Representing the interests of the global hedge fund industry

[www.aima.org](http://www.aima.org)

**The Alternative Investment Management Association Limited**

Report and Financial Statements

*31 December 2014*



The Alternative Investment Management Association Limited  
(A company limited by guarantee)

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COMPANY INFORMATION

<b>The Board of Directors</b>	K L Casey (Chair)  O M Alexander A N Bastow F F Carpenter S C Fiertz J E Inglis (CEO) S M Lorne T W J O'Brien M R Pabari C J Pearce E Sanchez Munoz H S N Smith P A Tye K J Wachter C S Yeoh
<b>Company secretary</b>	M A Richardson
<b>Registered number</b>	04437037
<b>Registered office</b>	2nd Floor 167 Fleet Street London EC4A 2EA
<b>Auditors</b>	Rees Pollock 35 New Bridge Street London EC4V 6BW
<b>Bankers</b>	National Westminster Bank 116 Fenchurch Street London EC3M 5AL
<b>Solicitors</b>	Simmons & Simmons CityPoint One Ropemaker Street London EC2Y 9SS

**DIRECTORS' REPORT**  
for the year ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

**Principal activities and business review**

The principal activity of the company during the year continued to be the global representation of the hedge fund management sector and related services: to influence positive regulatory outcomes and further greater understanding amongst policymakers, investors, the media and the public.

The directors report a continued growth in membership, which together with a general increase in the 2014 membership fee levels, led to an 21% increase in membership fees included in turnover for the year.

Expenditure increased by 13% to £5.7 million. The general and budgeted increases in expenditure included an increase in headcount, associated travel, office related costs and advisory fees. These increases supported the broader scope of the Association's services to its members and the increased engagement with other key stakeholders including regulators, policymakers, investors, the media and the public.

The surplus for the year, after taxation, amounts to £190,558 which the directors recommend is added to the existing reserves of the Association.

The directors are pleased to report that membership revenue for the current year has exceeded budgeted expectations, through a restructure of the member fee levels and continued new membership gains. Fees for the current year are projected to be approximately £6.3 million, an increase of 9% on the preceding year.

The Association believes that it made significant progress in 2014 in demonstrating the value of the hedge fund industry, both economically and socially, and continued to deliver real value to its Members.

Through a number of publications, the Association produced evidence-based content to make the case for alternative investments, and educated a variety of stakeholders on the misinterpretations of the industry and its members.

AIMA's proactive engagement with policymakers and regulators across the full suite of legislation impacting our industry (e.g. AIFMD, UCITS V, MiFID, global derivatives reforms, CPO registration, dealing commissions, beneficial ownership rules and the Net Stable Funding Ratio) continued to secure significant improvements to initial regulatory proposals.

The Association expanded its toolkit of regulatory guidance and DDQs and increased the number of hedge fund manager training programmes worldwide. Notably, it published an updated Hedge Fund Manager DDQ in September 2014.

In 2014 the Association again broke records for the number of forums it hosted. In addition to the key financial hubs across the US and Europe, these extend from Cayman to Canada, Sydney to Singapore, Hong Kong and Tokyo. In 2014, it organised around 180 events, webinars and training sessions with more than 10,000 attendees in total.

AIMA's Membership reached a new high of 1,545 corporate members by the end of 2014, including 275 new joiners. Member involvement also reached an all-time high with 375 firms represented on AIMA's working groups and committees worldwide.

The Association itself also expanded during 2014. The Association's staff are all highly qualified and experienced in their specific areas of specialism. This enables Members who require guidance and assistance with their work to receive insight and knowledge from senior professionals.

The directors are confident, given the increase in membership fees and projected expenditure, that the company will report a surplus in the current year.

**DIRECTORS' REPORT**  
for the year ended 31 December 2014

**Directors**

The directors who served during the year were:

K L Casey (Chair)

O M Alexander

A J Baker (resigned 31 January 2014)

A N Bastow

F F Carpenter (appointed 6 November 2014)

R F De Rito (resigned 18 September 2014)

J G Dinan (resigned 18 September 2014)

S C Fiertz (appointed 8 May 2014)

J E Inglis (CEO) (appointed 1 February 2014)

S M Lorne (appointed 8 May 2014)

T W J O'Brien (appointed 8 May 2014)

M J O'Sullivan (resigned 18 September 2014)

M R Pabari (appointed 6 November 2014)

C J Pearce

E Sanchez Munoz (appointed 18 September 2014)

P E R Sater (resigned 18 September 2014)

P T Schmidt (resigned 18 September 2014)

H S N Smith

P A Tye

K J Wachter (appointed 18 September 2014)

C S Yeoh (appointed 18 September 2014)

**Directors' responsibilities statement**

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

**DIRECTORS' REPORT**  
for the year ended 31 December 2014

**Donations**

During the year the company made charitable donations of £7,922 (2013: £9,734)

**Provision of information to auditors**

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 relevant audit information and to establish that the company's auditor is aware of that information.

**Auditor**

The auditor, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 10 September 2015 and signed on its behalf.



**M A Richardson**  
Secretary

## **INDEPENDENT AUDITOR'S 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 2014, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 Auditors' 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**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.


### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report.



Peter Scott (Senior statutory auditor)  
for and on behalf of  
Rees Pollock, Statutory Auditor  
14 September 2015

The Alternative Investment Management Association Limited  
(A company limited by guarantee)

PROFIT AND LOSS ACCOUNT  
for the year ended 31 December 2014

	Note	2014 £	2013 £
<b>TURNOVER</b>	2	5,907,921	4,872,293
Administrative expenses		(5,732,554)	(5,069,155)
<b>OPERATING PROFIT/(LOSS)</b>	5	175,367	(196,862)
Interest receivable and similar income		19,949	22,946
Interest payable and similar charges		(16)	-
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		195,300	(173,916)
Tax on profit/(loss) on ordinary activities	6	(4,742)	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	13	190,558	(173,916)

The notes on pages 7 to 12 form part of these financial statements.



**BALANCE SHEET**  
as at 31 December 2014

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	7		64,773		58,430
Investments	8		-		-
			<u>64,773</u>		<u>58,430</u>
<b>CURRENT ASSETS</b>					
Debtors	9	609,419		343,527	
Cash at bank and in hand		5,436,297		3,586,071	
		<u>6,045,716</u>		<u>3,929,598</u>	
<b>CREDITORS:</b> amounts falling due within one year	10	(3,428,532)		(1,496,629)	
<b>NET CURRENT ASSETS</b>			<u>2,617,184</u>		<u>2,432,969</u>
<b>NET ASSETS</b>			<u>2,681,957</u>		<u>2,491,399</u>
<b>MEMBERS' FUNDS</b>					
Capital contribution	13		293,014		293,014
Profit and loss account	13		2,388,943		2,198,385
	14		<u>2,681,957</u>		<u>2,491,399</u>

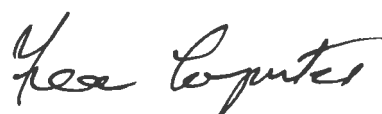
The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 September 2015.

J E Inglis (CEO)  
Director



F F Carpenter  
Director



The notes on pages 7 to 12 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2014

**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 April 2008).

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group. The group comprises the company and Alternative Investment Management Association - Canada Inc., its sole subsidiary.

**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.

**1.3 Turnover**

The turnover shown in the profit and loss account represents the value of membership fees 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.

**1.4 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 to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**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.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2014

1. ACCOUNTING POLICIES (continued)

1.8 Foreign currencies

Monetary 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 the 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, the Cayman Islands, Hong Kong and Singapore.

The company also has a subsidiary, Alternative Investment Management Association - Canada Inc. (AIMA Canada), the details of which are included in note 8. AIMA Canada is entitled to a proportion of the fees for that region, with this entitlement being included within AIMA's operating costs.

The Association also operates a foreign not-for-profit corporation's branch in the United States of America. The principal activity of the Branch, which is located in New York City, is that of a representative office primarily servicing the US membership and assisting with the promotion of the Association within the US. The membership fees derived from the US membership have been recognised in the financial statements.

The company's affiliate, AIMA Japan Non-Profit Mutual Benefit Corporation, is a Japanese Ippan Shadan Hojin operating independently in Japan under a local license agreement. The proportion of membership fee income attributable to the company, amounted to £7,255 (2013 - £9,625) during the year under review.

3. OPERATING COSTS

Operating costs totalling £963,620 (2013 - £782,221) represent expenditure incurred by the National Groups of the Association located in Australia, the Cayman Islands, Hong Kong and Singapore. It also includes £212,006 (2013 - £175,169), payable to AIMA Canada in respect of its entitlement to fees received for that region. At the year end the amount due to AIMA Canada was £22,995 (2013 - £14,383).

Operating costs totalling £208,570 (2013 - £199,403) relate to the staff and office costs of the representative branch in the United States.

£41,400 (2013 - £11,064) was paid to AIMA Japan in respect of the proportion of global membership fees attributable to that region.

The Alternative Investment Management Association Limited  
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2014

4. DIRECTORS' REMUNERATION

	2014 £	2013 £
Aggregate remuneration	515,228	361,653

Directors' emoluments are those received by the full-time directors employed by the Association.

During the year retirement benefits were accruing to 1 director (2013 - 1) in respect of defined contribution pension schemes.

In addition, payments were made to a third party in respect of certain services provided by the non executive chair of the council as set out in note 15.

5. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	38,218	29,048
Auditors' remuneration	10,000	10,000
Pension costs	149,490	153,966
Operating lease costs	90,000	90,000
Loss on foreign currency translation	35,743	9,249

6. TAXATION

	2014 £	2013 £
UK corporation tax charge on profit/loss for the year	4,742	-

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2014

7. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures & fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 January 2014	128,896	57,638	150,098	336,632
Additions	-	3,675	40,886	44,561
At 31 December 2014	128,896	61,313	190,984	381,193
<b>Depreciation</b>				
At 1 January 2014	123,405	49,091	105,706	278,202
Charge for the year	1,421	8,547	28,250	38,218
At 31 December 2014	124,826	57,638	133,956	316,420
<b>Net book value</b>				
At 31 December 2014	4,070	3,675	57,028	64,773
At 31 December 2013	5,491	8,547	44,392	58,430

8. FIXED ASSET INVESTMENTS

The company has a controlling interest in AIMA Canada. This controlling interest was gained at no cost. Details of the profit/(loss) and the capital and reserves (net assets) of this subsidiary are given below, converted at the year end foreign exchange rate.

Subsidiary	Profit/(loss) 2014 £	Net assets 2014 £	Profit/(loss) 2013 £	Net assets 2013 £
AIMA Canada	1,871	100,672	(48,952)	98,901

9. DEBTORS

	2014 £	2013 £
Trade debtors	413,797	186,942
Other debtors	195,622	156,585
	609,419	343,527

The Alternative Investment Management Association Limited  
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2014

10. CREDITORS:  
Amounts falling due within one year

	2014 £	2013 £
Trade creditors	119,007	91,873
Corporation tax	2,180	-
Social security and other taxes	959,289	567,787
Deferred income	2,042,580	633,595
Other creditors	305,476	203,374
	<u>3,428,532</u>	<u>1,496,629</u>

11. OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
<b>Expiry date:</b>		
Between 2 and 5 years	<u>100,000</u>	<u>100,000</u>

12. 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 each to the assets of the company.

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

13. RESERVES

	Capital contribution £	Profit and loss account £
At 1 January 2014	293,014	2,198,385
Profit for the financial year	-	190,558
	<u>293,014</u>	<u>2,388,943</u>
At 31 December 2014		



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NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2014

**14. RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Opening members' funds	2,491,399	2,665,315
Profit/(loss) for the financial year	190,558	(173,916)
	<hr/>	<hr/>
Closing members' funds	<u>2,681,957</u>	<u>2,491,399</u>

**15. RELATED PARTY TRANSACTIONS**

During the year KLC Consulting Group LLC, was paid £138,590 (2013 - £144,943) for the provision of consultancy services to the company by K L Casey, non-executive director.