

KB Associates
Offshore Fund Consulting

Independence - Commitment - Expertise

Established in 2003, KB Associates (“KBA”) is an independent provider of management company and consulting services. We are dedicated exclusively to meeting the needs of asset managers establishing offshore investment funds. KBA works with a diverse range of asset managers enabling them to successfully develop their offshore funds businesses. KBA supports both traditional UCITS and alternative products across all leading offshore jurisdictions.



Independence
Commitment
Expertise

Providing Solutions

The current business environment presents major challenges for asset managers operating offshore investment funds.

Challenging markets demand that scarce management resources focus on generating additional revenues and minimising costs.

Simultaneously there is a need to ensure that offshore funds operate in accordance with current best governance practices and that all compliance, operational, financial and reputational risks associated with such funds are properly managed.

Not only is it necessary to enhance profitability while prudently managing risk but this must be achieved in an environment subject to ever increasing regulatory and product complexity.

KBA offers a range of management company, compliance, risk management, operational and governance services enabling clients to focus their resources on developing new products and increasing profitability.

Enabling clients
to focus scarce
management
resources on
developing new
revenue streams
and increasing
profitability.

Product Offering

Establishment of Investment Funds

KBA has successfully advised asset managers on the establishment of funds in all major offshore fund jurisdictions, including Ireland, Luxembourg, Cayman, Bermuda, BVI and Mauritius. KBA utilises its expertise and experience to assist asset managers with this process and has advised on all fund types including UCITS, AIFs, ETFs, offshore hedge funds, fund of funds, private equity funds and property funds.

Establishing funds offshore presents managers with numerous challenges. The selection of service providers, development of operational procedures, preparation of business plans/programmes of activity, risk management process documents and development of reporting processes are all items which must be addressed. KBA offers managers wishing to establish funds offshore, a turn-key project management solution.

UCITS and AIFs: Operations, Risk and Compliance Oversight

Investment funds operate in an ever more demanding regulatory environment. Asset managers and funds require expertise in the areas of operations, risk management and compliance oversight. The KBA team of consultants provides asset managers with real expertise in these areas. KBA enables funds to address complex regulatory challenges with minimal impact on the manager's internal resources.

The regulatory regime for investment funds structured as UCITS or subject to AIFMD requires the implementation of a detailed operational, risk and governance framework. The business plan for UCITS funds and the corresponding programme of activity for Alternative Investment Funds describe how such funds must operate. KBA's team of consultants conduct the detailed operations, risk and compliance oversight that is required. KBA's appointment provides managers with access to both real expertise and significant cost savings.

Management Company

KBA's management company is authorised by the Central Bank of Ireland and supports funds structured as unit trusts, common contractual funds and Irish Collective Asset-management Vehicles (ICAVs). The KBA management company supports both UCITS and AIFMD compliant funds. An asset manager using KBA's management company avoids both the costs and the risks associated with operating a subsidiary in an overseas jurisdiction. Where appointed, KBA's management company assumes responsibility for all local regulatory and compliance requirements. Asset managers also free themselves from the requirement to set aside capital by utilising the KBA management company.

Service Provider Selection

KBA assists asset managers with an extensive range of operational and compliance issues. KBA regularly advises on service provider selection. KBA's independence and in-depth understanding of the capabilities of administrators, custodians and prime brokers ensures that expert advice is provided to managers seeking to identify the most appropriate service providers for a particular fund.

Distribution Support and Fund Registration

KBA assists asset managers with the implementation of their fund distribution strategies. KBA has in-depth expertise in this area and provides advice on distribution trends and share class design. KBA also advises on the appointment of distribution partners in many markets.

KBA provides a fund registration service to assist clients with the marketing of UCITS and AIFMD compliant funds on a cross-border basis. This service includes:

- ♦ Managing the initial registration of funds
- ♦ Maintaining the registration status on an ongoing basis
- ♦ Monitoring the registration jurisdictions for changes to local regulations

Enabling clients to focus scarce management resources on developing new revenue streams and increasing profitability.



Money Laundering Reporting Officer (MLRO)

Financial regulators continue to focus on money laundering and the possibility that investment funds may present opportunities for money launderers. KBA offers a specialist MLRO service to funds. This service operates independently of a regulated fund's administrator/transfer agent. The MLRO monitors the administrator's AML procedures, carries out on-site inspections, reviews the AML documentation on file, reports to the Board of the fund and provides AML training. The appointed MLRO is also responsible for reporting suspicious transactions to the relevant authorities. KBA uses its extensive expertise in this area to ensure that investment funds comply with all evolving AML requirements.

Risk Management

KBA provides a risk management service to AIFs enabling such funds to perform the risk management functions required to ensure compliance with AIFMD.

KBA's risk management service includes the performance of detailed on-site reviews of the risk management processes employed by AIFs' investment managers, the determination of the risk profile and appetite of each AIF, the setting of risk limits for each AIF and the implementation of procedures to ensure that all applicable risks pertaining to each AIF can be identified and monitored.

KBA also conducts periodic checks as to the validity of market risk exposure values reported by investment managers. KBA monitors compliance with all risk limits, reviews and approves all counterparties and provides risk management reports at each board meeting.

Independent Director Service

Investment funds and management companies are increasingly required to appoint independent directors. Investors require directors to meet stringent standards with regard to both integrity and competence. KBA offers managers a highly experienced panel of non-executive directors who adhere to the highest standards of corporate governance and bring current industry expertise to those boards on which they serve. KBA directors provide complete transparency in respect of appointments, a factor which is viewed as increasingly important by investors.

KB Associates UK

Investment Manager Set-Up

KBA offers this service to asset managers from our London office. KBA provides tailored assistance to start-up investment managers by addressing all operational, risk management and infrastructure issues necessary to ensure the successful establishment of the manager. KBA's independence means we offer impartial advice as to the right service providers for a particular manager and fund structure.

Due Diligence Preparation

In order to attract investor capital both funds and asset managers must have the appropriate operational and compliance infrastructure in place to pass investor due diligence reviews. The focus of investor due diligence is evolving rapidly and it is imperative that proper procedures are in place. KBA critically reviews the operational infrastructure and processes along with the materials to be provided to potential investors in order to identify and rectify likely causes of investor concern. Consideration is given to a wide range of factors including risk management, governance, compliance and operational control.

KB Associates Cayman

KBA, licensed in the Cayman Islands, provides independent director services, company registration services, registered office and company secretarial services for Cayman domiciled funds and management companies. KBA provides a dedicated professional to provide a transparent and responsive service to a restricted number of clients.

Additional Services

KBA provides a dedicated company secretary service to investment companies and management companies, both UCITS and non-UCITS in Ireland. Corporate secretarial services are also provided to funds in Cayman, Bermuda and other offshore jurisdictions.

KBA provides a UK facilities agent service to funds distributing to the public in the UK.

KB Associates

Distinguishing Features

Independence

KBA is an employee-owned independent consulting firm. KBA offers its services only to asset managers. This avoids the conflicts of interest which would arise if KBA was to offer its services to the administrator/custodian community.

Commitment

Recognising the need to commit substantial time and resources to each client, KBA limits the number of client relationships for which each consultant is responsible. This means that each consultant has the time to develop a thorough understanding of the requirements of the managers for which he or she is responsible.

Expertise

All KBA consultants are professionally qualified with an average of fifteen years' experience in the industry. All have held senior management positions with leading investment managers, custodians, fund administrators, audit firms and prime brokers. This experience is critical to the provision of services to our clients. KBA's commitment to training and professional development ensures that it attracts and retains leading industry experts.

Focus

KBA is focused exclusively on assisting asset managers by addressing the governance, operational, risk and compliance issues relevant to the establishment and operation of offshore investment funds. All directors and shareholders of KBA are directly involved in delivering these services to our clients.



KB Associates offers a modular range of services which affords financial institutions the opportunity to more efficiently manage their offshore funds thus enabling critical management resources to focus on developing profit enhancing initiatives.

*Enabling clients to
focus critical
management
resources on
developing new
revenue streams
and enhancing
profitability.*



Independence
Commitment
Expertise

KB Associates

Offshore Fund Consulting

CAYMAN ISLANDS

Centennial Towers,
West Bay, PO Box 31249
Grand Cayman, KY1 1205,
Cayman Islands

Contact: Michael Parton

Tel: +1 345 946 4224
mike.parton@kbassociates.ky

DUBLIN

5 George's Dock
IFSC
Dublin 1
Ireland

Contact: Mike Kirby

Tel: +353 1 667 1980
mike.kirby@kbassociates.ie

LONDON

42 Brook Street,
London
W1K 5DB
UK

Contact: Peter Northcott

Tel: +44 203 170 8811
peter.northcott@kbassociates.co.uk

info@kbassociates.ie
www.kbassociates.ie