

KB Associates
A Waystone Group Company

Commitment - Expertise

Established in 2003, KB Associates (“KBA”) is a 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.



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 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

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

KB Associates Luxembourg

Management Company

The KB Associates' Luxembourg management company is also authorised by the Commission de Surveillance du Secteur ("CSSF"). The management company supports both UCITS and AIFMD compliant funds. An asset manager using the management company avoids both the costs and the risks associated with operating a subsidiary in an overseas jurisdiction. Where appointed, the 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 management company.

KB Associates Malta

Distribution Support

KBA Investments Ltd provides this service in Malta. It is Authorised as a MiFID firm with the Malta Financial Services Authority ("MFSA"). Under this service, KBA Investments Ltd acts as sub-distributor to the global distributor in the European Economic Area ("EEA"). As a Maltese based firm in the EEA, this entity can access the MiFID passport for EEA distribution.

KB Associates

Distinguishing Features

*Enabling clients to
focus critical
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Commitment

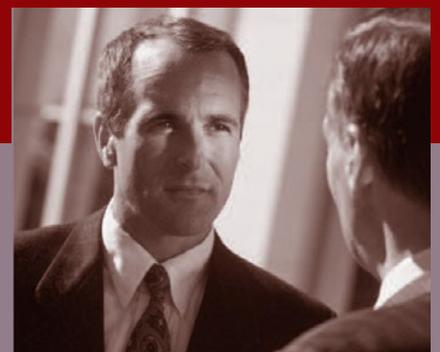
Recognising the need to commit substantial time and resources to each client, KBA limits the number of client relationships for which each consultant is responsible. This means that each consultant has the time to develop a thorough understanding of the requirements of the managers for which he or she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

Commitment
Expertise

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