

Location  
of choice  
Partner  
of choice



# Cayman Islands

“Deloitte understands the importance of a proactive, consistent and timely approach to serving clients in a globally seamless manner. The realisation of the interdependence of our investment management practices and the commitment from our leadership sets us apart from our peers. Our global team of professionals thrives on exceeding our clients’ expectations. That is the Deloitte difference.”

**Stuart Opp**

Global Investment Management Leader  
Investment Management Services Group Deloitte

The challenges of managing a hedge fund have never been greater. As the popularity of this type of alternative investment increases, so do regulatory hurdles and shareholder expectations. These factors, combined with increased participation by institutional investors, are resulting in greater scrutiny and interest in just about every aspect of hedge fund operations.

Every fund has different needs and faces different challenges, with even the smallest fund often needing a wide range of services. Regardless of where your fund is in its life cycle—startup, ongoing operation or liquidation—Deloitte can provide the services to help you succeed.

Our team is composed of industry professionals, many of whom have obtained the Chartered Financial Analyst designation. All have a wealth of hands-on hedge fund experience.

In addition to providing a suite of accounting and consulting services, we can provide independent advice and recommendations on a range of other professional services available in the Cayman Islands, including law firms, fund administrators and fund directors.

These factors, plus our unwavering attention to client service and the relationship we have with Deloitte offices around the world, are how we combine our local roots with our global reach to help clients create maximum value.

Globally, our practice consists of more than 35,000 specialists in 40 countries. We serve 7 of the 10 largest hedge funds, 7 of the 10 largest U.S. funds of funds, and upwards of 40% of the top 100 hedge funds.

Deloitte is the professional service provider of choice for the hedge fund industry.

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We offer extensive expertise covering the whole spectrum of hedge fund activities, and bring a wide range of combined capabilities to bear on every engagement.

# Audit Services

Audit services are the backbone of our Cayman Islands practice. We have more than 100 professional staff serving some of the largest and most complex hedge funds in the world. Our client base continues to expand as we are recognised in the industry for our experience, energy and commitment to superior service. Our focus on the recruitment, training and retention of our people and our involvement with global Deloitte hedge fund professionals, enables us to provide world class audit service to every engagement.

Our experienced, partner-led audit teams are committed to ensuring a seamless audit that delivers results in a timely manner. Clear and

concise audit plans, tailored to the specific needs of the engagement, are developed with a risk based approach in mind and executed in the most efficient manner possible. We focus on early identification and resolution of issues and stress two-way communication throughout the audit process to ensure we meet engagement timelines.

Our commitment to our clients differentiates us from our competition. Whether that means being responsive and anticipating our clients' needs and questions, or deploying additional resources should an unexpected challenge arise, we are driven to exceed our clients' expectations.

## SERVICES

- Financial statement audits and other attest services
- Preparation of financial statements
- Consultation on regulatory issues (including CIMA, CFTC, SEC and AIFM Directive issues)
- Insight on organisational structuring, fee structuring and compensation arrangements
- Consultation on new guidelines and issues relating to audit, accounting and financial reporting

“The Deloitte Cayman team is well versed in the hedge fund industry and has been a valuable partner to our asset management business.”

**Robert Ellsworth**

Co-Head

BlackRock Alternative Advisors



# Tax Services

Tax regulations surrounding the hedge fund industry can be daunting. Whether it is US, UK or European tax legislation, the implications for hedge funds are substantial and companies need to ensure they have tax advisors that understand the issues and can adjust to these ever changing regulations. Our locally based team of tax professionals works closely with our global connections to deliver the services and industry insight our clients expect from their tax advisors. Our involvement with the global Deloitte hedge fund tax committees ensures we are up to date and can support our clients on issues affecting their structures.

Our tax team is experienced in the full spectrum of hedge fund tax issues and we utilize our in-depth knowledge of the tax laws to address ongoing tax issues and calculations. We also work closely with our other service lines in order to provide our clients with synergies from our ability to service their entities from the same location.

We strive to build and continually maintain the respect of our clients, as we look to have long lasting relationships and become integral to our clients' business. This level of commitment has proven to set us apart from our competition.

“As the scope of hedge fund investment activities expands and becomes more complicated, the need for expert tax advice is critical. Therefore, it is extremely important to be able to rely on a firm like Deloitte to provide expert tax planning and advice, and to help us implement effective tax solutions.”

**Lorna Fitzgerald**  
Principal, Performance & Operations  
Strategic Investment Group

## SERVICES

- Assistance with international and US federal, state and local tax implications for hedge funds
- Fund establishment and manager compensation
- Advice and assistance with the implications of the Foreign Account Tax Compliance Act (“FATCA”) Provisions
- Tax return preparation, including Form 1065, schedules K-1 and PFIC statements
- Fund structuring and transaction analysis



# Financial Advisory Services

Our Financial Advisory Services team specialises in providing reorganisation, investigation and dispute resolution services to the hedge fund industry. We have been involved in numerous high-profile hedge fund engagements and have a proven track record of cost-effectively managing hedge fund investigative and insolvency assignments across multiple jurisdictions.

We act for hedge fund managers, administrators, directors, regulators

and investors, and whether you need due diligence services, are considering voluntary liquidation, suspect potential fraud, want to deal effectively with regulatory risk or are experiencing difficulties recovering an investment, our dedicated team of chartered accountants, chartered financial analysts, certified fraud examiners, computer forensic specialists, qualified insolvency practitioners and former industry professionals can help.

## SERVICES

- Voluntary and official liquidation services
- Due diligence reviews and reports
- Valuation and pricing reviews for complex and/or thinly traded investments
- Dispute resolution services
- Forensic accounting services including restatement of net asset values if required
- Litigation support
- Inspector and controllership appointments

“The appointment of Deloitte as Official Liquidator over the \$500+ million fund of hedge funds proved to be our board’s best decision of the year. Despite the complexity of unwinding a portfolio allocated to over 130 managers, within 18 months Deloitte’s experienced team had realised and paid out in cash 94% of the portfolio.”

**John Prout**  
Chief Executive Officer  
ProBar LLC



# Enterprise Risk Services

Hedge funds present technological and operational risks that cannot be ignored. As the industry has grown, so have the choices of technology used to manage and administer funds. Choosing the right technology and then managing the associated risk of implementation and operation is important. In addition, documenting business processes, risks and controls, from setup to daily operation, from front to back office operations, will assist in reducing risk exposure and improve the ability to make calculated strategic decisions.

We can help investment managers and administrators sort through the maze of technology options

to identify and implement efficient custom solutions. We have strong experience in assisting hedge fund administrators in managing operational risk and internal control. We perform assessments and assist in the design and implementation of business process and technology controls, which also include areas related to information security, data privacy and confidentiality as well as areas of residual risk such as business continuity management and disaster recovery solutions. We are experienced in conducting SAS 70 reviews, an internationally recognised auditing standard designed to help organisations identify and manage risk.

## SERVICES

- Enterprise risk management strategy development
- Operational risk identification and assessment
- Internal controls assessment, design and testing
- SAS 70 service auditor reports
- Technology strategy and architecture design and implementation
- Technology security assessment, design and implementation
- Integration of management information and accounting systems
- System selection and implementation, business continuity planning
- Managed information technology services
- Purpose built server rooms

“In today’s world of increased regulation and transparency Admiral has invested significantly in our risk management and compliance capabilities to ensure we are able to meet our stakeholders’ needs. To achieve this goal, Deloitte have been an integral and vital business partner. They have truly delivered the Deloitte client experience in terms of quality and service. Their knowledge and experience in the risk management field has been a significant competitive differentiator and one that has added immense value to our business.”

**Canover Watson**  
Managing Director  
Admiral Administration Ltd.



# What the Industry is saying about Deloitte

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## The Alpha Awards

Deloitte has been selected as the top hedge fund accounting firm amongst the Big Four, for the fifth consecutive year in Institutional Investor's 2009 Alpha Awards™. Deloitte was ranked first for client satisfaction, hedge fund expertise, and regulatory and compliance by hedge funds with \$1 billion or more in assets.

"Hedge funds want counsel that goes beyond the traditional. Counterparty risk, fraud, governance and oversight, risk management, regulatory and compliance are no longer back office concerns – they now rank alongside performance for both hedge funds and their investors as a significant differentiator in

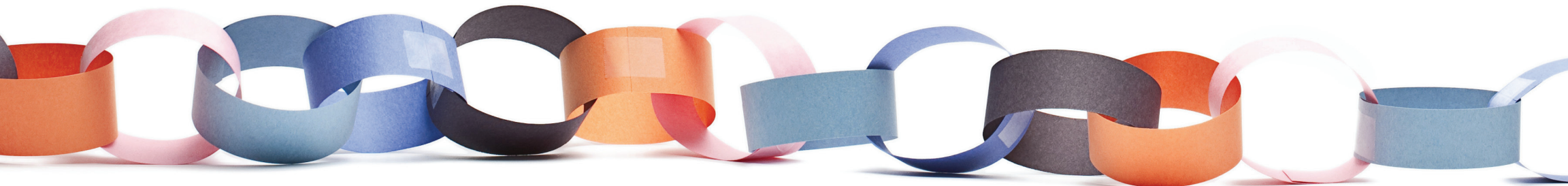
evaluating management of a fund," Cary Stier, U.S. leader of Deloitte's asset management services practice.

In a year that truly challenged the hedge fund industry, Deloitte is proud to be recognised as a leader in the marketplace by our clients. Deloitte surpassed its Big Four competitors in three out of five specific service categories, including audit, hedge fund expertise and client service.

The 2009 Alpha Awards™ surveyed more than 650 hedge fund firms, which collectively manage more than \$1.1 trillion in assets and ranked the top accounting firms, administrators, law firms and prime brokers.

"Whether it's onshore or offshore, tax or audit, the professionals at Deloitte work together to ensure that Canyon receives a seamless service that meets our needs."

**John Plaga**  
Chief Financial Officer  
Canyon Capital Advisors



# About our Cayman Islands practice

Deloitte's Cayman practice started in 1973. Since then, we have grown to be one of the largest professional services firms in the Cayman Islands, offering a full range of hedge fund expertise. We currently serve some of the world's largest hedge funds and have strong relationships with all the key service providers in the Cayman Islands, including fund administrators, law firms and the Cayman Islands Monetary Authority. We are a recognised leader in providing professional services to the hedge fund industry. Internationally, we work with other Deloitte hedge fund practitioners and together our depth of resources, be it in the Cayman Islands or across the globe, allows us to assemble a team that is perfectly suited to your needs.

About the Cayman Islands: A British Overseas Territory located in the western Caribbean, Cayman is one of the world's leading financial services centers. Cayman's strong partnership between the government and private sector has led to innovative, progressive legislation, backed by a sturdy regulatory structure. The Cayman Islands Monetary Authority has the authority to issue and withdraw licences and operates independently of the government. The territory's zero tax jurisdiction adds to its appeal to businesses.

Today, the Cayman Islands is the leading offshore jurisdiction for hedge funds with over 9,500 registered funds domiciled in the jurisdiction utilising a range of different structures and investment strategies.

## Contact us

We stand ready to help you throughout the life of your hedge fund. For more information on how we can help, please contact us.

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Deloitte's professionals are unified by a collaborative culture that fosters integrity, outstanding value to markets and clients, commitment to each other, and strength from cultural diversity. They enjoy an environment of continuous learning, challenging experiences, and enriching career opportunities. Deloitte's professionals are dedicated to strengthening corporate responsibility, building public trust, and making a positive impact in their communities.

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