

# The Emerging Manager's Guide

*Starting a New Fund? We're Here to Help.*

North Carolina | New York | California | Maryland | Cayman Islands | Singapore | Lahore

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# INTRODUCTION: LAUNCH WITH CONFIDENCE

Launching a fund is an exciting but complex endeavor. Success requires more than just a sound investment strategy — it demands a solid foundation in operations, compliance, infrastructure, and investor alignment.

At **Akram Assurance Advisory & Tax**, we specialize in supporting emerging managers. From early-stage planning to audit readiness and institutional onboarding, we help you navigate each step with clarity and confidence.

**Implication:** This upfront investment reduces risk, accelerates your launch timeline, and establishes credibility with investors.

This guide highlights the key areas essential to fund formation and long-term success, equipping you with both strategic insight and practical support.





# 1. BUSINESS PLANNING

## *Build a Strong Foundation*

We work with you to:

- Define your fund's value proposition and market positioning
- Forecast operating budgets, revenues, and capital needs
- Establish organizational roles, governance, and incentive alignment
- Identify and track key performance indicators (KPIs)

Build a roadmap for growth, scalability, and fundraising

**Outcome:** A compelling, data-driven business plan aligned with investor expectations and institutional standards.

**Implication:** A strong business plan helps attract capital, align your team, and navigate scaling challenges confidently.





## 2. FUND STRUCTURES

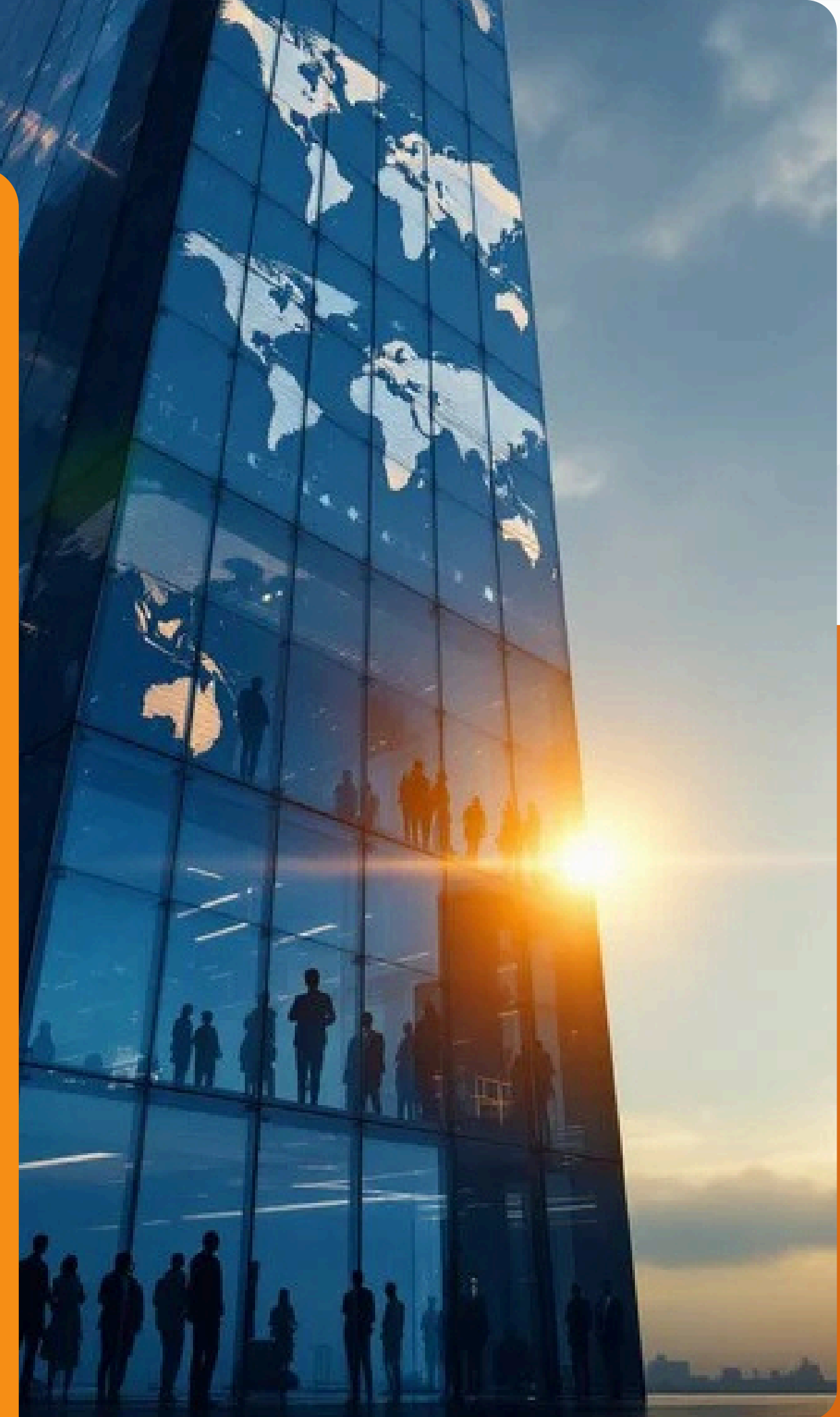
### *Align with Strategy and Investor Profiles*

Choosing the right fund structure affects every aspect of your operations — from tax treatment and compliance to investor access and exit planning.

We collaborate with legal and tax professionals to:

- Recommend optimal legal structures (LPs, LLCs, master-feeder, onshore/offshore)
- Navigate jurisdictional and regulatory considerations
- Consider investor type (institutional, retail, HNWIs, non-U.S. investors)
- Set up governance frameworks and GP/LP dynamics

**Outcome:** A well-structured fund that supports your investment strategy, meets regulatory requirements, and aligns with investor preferences.





# FIVE MAIN TYPES OF FUND STRUCTURES

## 1 STANDALONE DOMESTIC FUND

### Definition:

A single investment vehicle set up in the fund manager's home jurisdiction (e.g., U.S. or UK) to cater primarily to **domestic investors**.

### Key Features:

- Typically structured as a limited partnership (LP) or limited liability company (LLC) in the U.S.
- Subject to domestic regulatory and tax regimes (e.g., SEC regulation in the U.S.).
- Investors are usually taxable domestic entities or individuals.
- Simpler and lower-cost structure compared to offshore or hybrid models.

### Use Case:

Used when all investors are domestic and do not require offshore tax neutrality.

## 2 STANDALONE OFFSHORE FUND

### Definition:

A single investment vehicle established in an offshore jurisdiction (e.g., Cayman Islands, BVI, Luxembourg) to serve primarily **non-domestic or tax-exempt investors**.

### Key Features:

- Usually structured as a corporation or mutual fund.
- Offers tax neutrality for foreign investors.
- Not directly subject to U.S. or EU taxation unless investing in local jurisdictions.
- Often used by non-U.S. investors or U.S. tax-exempt entities (like pension funds or endowments) that want to avoid "unrelated business taxable income" (UBTI).

### Use Case:

Attractive to international investors or tax-exempt U.S. entities who need a tax-efficient investment structure.

## 3 MASTER-FEEDER FUND

### Definition:

A structure where multiple feeder funds (typically a domestic and an offshore fund) invest into a single **master fund**, which holds the actual portfolio of assets.

### Key Features:

- Common in hedge funds and mutual funds.
- Allows domestic and offshore investors to pool capital into the same portfolio.
- The master fund is usually offshore (e.g., Cayman Islands).
- Helps streamline management, reduce duplication, and improve efficiency.

### Use Case:

Best for managers raising capital from both U.S. taxable and non-U.S. investors, allowing them to share the same investment strategy.



# FIVE MAIN TYPES OF FUND STRUCTURES

## 4 MINI-MASTER FUND

**Definition:**

An alternative to the master-feeder structure, where the onshore fund acts as both a feeder and master, with only the offshore fund feeding into it.

**Key Features:**

- Simplifies the structure by eliminating the need for a separate offshore master fund.
- Reduces complexity and administrative costs compared to full master-feeder.
- Less common than traditional master-feeder.

**Use Case:**

Suitable when there is a dominant domestic investor base but some offshore interest, and the manager wants to avoid full master-feeder complexity.

## 5 SIDE-BY-SIDE STRUCTURE

**Definition:**

Multiple separate funds (e.g., one domestic and one offshore) that each manage their own portfolios **independently** but in **parallel**.

**Key Features:**

- Each fund has its own set of books, investors, and sometimes strategies.
- Portfolio management may be identical, but executed separately.
- Allows flexibility in customization for different investor groups.
- Typically, it incurs higher operational and compliance costs.

**Use Case:**

Used when legal, tax, or regulatory reasons make pooling assets impractical or undesirable.

### Summary Comparison:

Structure	Investor Types	Pooled Assets?	Complexity	Tax Efficiency
Standalone Domestic	U.S. taxable investors	No	Low	For U.S.
Standalone Offshore	Non-U.S. or U.S. tax-exempt	No	Low	For offshore
Master-Feeder	Mix of U.S. and non-U.S.	Yes	High	High
Mini-Master	Mostly U.S. with some offshore	Yes	Medium	Medium
Side-by-Side	Segregated investor types	No	High	High (flexible)

### 3. CAPITAL RAISING

#### *Develop an Institutional-Grade Fundraising Strategy*

Securing capital as an emerging manager means standing out in a competitive landscape. We help position your fund for success with:

- Refined investment narrative and fundraising strategy
- High-quality investor decks, PPMs, and pitchbooks
- Track record presentation and performance attribution support
- Investor outreach strategy and CRM implementation
- Mock due diligence sessions and onboarding readiness

**Outcome:** Enhanced investor trust and a fundraising process that reflects professionalism, transparency, and institutional readiness.





## 4. FEES

### *Design Transparent and Competitive Fee Structures*

Fee models are under growing scrutiny. Investors seek fairness, alignment, and clarity.

- We assist you in:
- Designing management and performance fee structures
- Considering tiered pricing and founder share classes
- Benchmarking against industry norms
- Evaluating fee impact on fund economics and investor appetite

**Outcome:** A fee model that balances investor interests with your long-term profitability.





## 5. OPERATIONAL INFRASTRUCTURE & SERVICE PROVIDERS

*Establish Scalable, Institutional-Grade Operations*

Institutional investors evaluate your infrastructure as much as your strategy.

We help you:

- Identify and engage with experienced service providers (admins, custodians, legal, audit)
- Implement accounting systems, NAV calculations, and financial reporting tools
- Build scalable tech stacks and investor portals
- Establish redundancy, cybersecurity, and continuity protocols

**Outcome:** Operational infrastructure that fosters investor confidence and meets regulatory scrutiny from day one.





## 6. MANAGING AUDITS

*Ensure Accuracy, Transparency, and Timeliness*

An effective audit process adds credibility and assurance for stakeholders.

We offer:

- Financial statement preparation (U.S. GAAP, IFRS, ASC 946)
- Independent fund and management company audits
- Coordination with fund administrators, custodians, and legal teams
- Internal control reviews and audit readiness assessments

**Outcome:** A smooth, transparent audit process that enhances investor confidence and compliance standing.







# BE PREPARED TO ANSWER THE FOLLOWING QUESTIONS

- Can you describe your trading strategy?
- Are you registered with the SEC, the Commodity Futures Trading Commission (CFTC), and any relevant state regulatory bodies?
- Will your investments focus on publicly traded securities, privately held companies, or both?
- What is the makeup of your current investor base, and which types of investors are you aiming to attract?
- What are your expectations regarding investment timing and liquidity?



## 7. RISK MANAGEMENT, COMPLIANCE & REGULATORY CONSIDERATIONS

*Proactively Manage a Complex Regulatory Landscape*

Compliance is not just about avoiding penalties — it's about building a resilient and trustworthy firm.

We help you:

- Register with the SEC, CFTC, NFA, or other jurisdictions
- Create comprehensive compliance programs and written supervisory procedures (WSPs)
- Develop risk assessments, testing, and reporting protocols
- Train your team on ethical and compliance standards
- Stay ahead of regulatory filings and examination cycles

**Outcome:** A culture of compliance that supports sustainable growth and investor assurance.





## 8. CYBERSECURITY

*Protect Data, Investors, and Your Reputation*

Cybersecurity is no longer optional. A single breach can damage your fund's reputation and investor trust.

We provide support in:

- Conducting cybersecurity risk assessments and gap analyses
- Designing incident response and disaster recovery plans
- Implementing multi-layered security protocols (encryption, MFA, endpoint protection)
- Selecting and monitoring third-party IT and cyber vendors
- Preparing for cybersecurity audits and LP due diligence

**Outcome:** A secure IT ecosystem that satisfies both investor and regulatory standards.





## 9. DUE DILIGENCE

*Be Fully Prepared for Institutional Scrutiny*

Before investing, LPs will rigorously evaluate every aspect of your firm. We help you:

- Organize a virtual data room and prepare investor DDQs
- Structure governance, compliance, and risk documentation
- Present clean, audited financials and policies
- Address DEI and operational diligence expectations
- Conduct mock diligence reviews and interview prep

**Outcome:** Confidence and credibility during investor evaluation — and better conversion rates.





# 10. TAX CONSIDERATIONS

*Navigate Complex Tax Landscapes Efficiently*

Tax planning is essential to preserve investor returns and ensure compliance across jurisdictions.

We guide you through:

- Fund and management entity structuring (U.S. and cross-border)
- Partnership allocations, waterfall models, and carried interest
- U.S. and non-U.S. investor tax reporting (K-1s, FATCA, CRS)
- Annual tax filings, elections, and estimated payments
- Exit planning and tax-efficient distributions

**Outcome:** A tax structure that optimizes after-tax returns and reduces risk for both managers and investors.



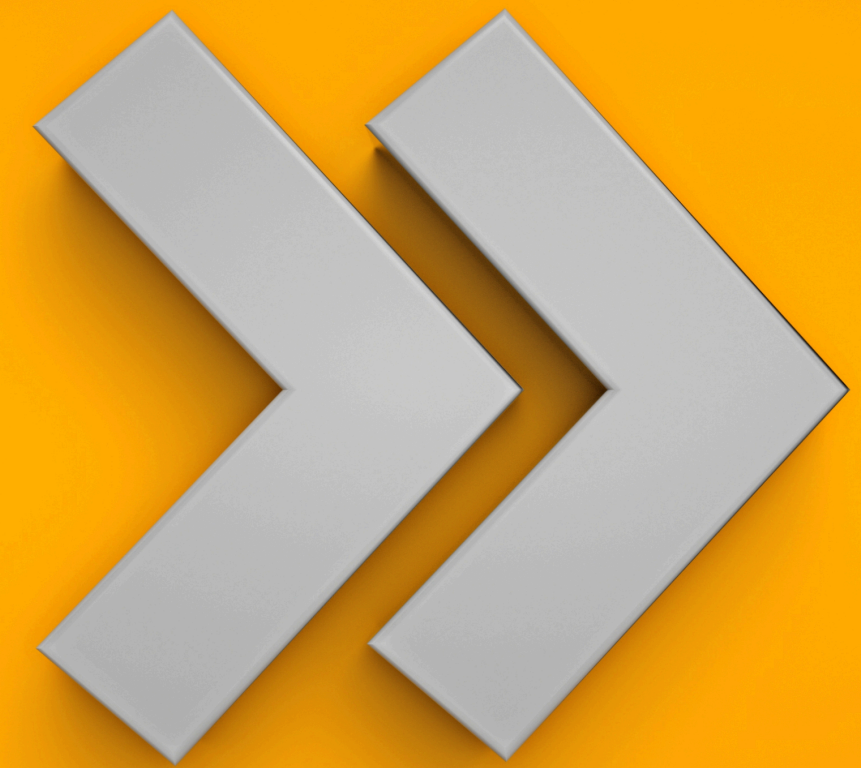


# 11. MOVING FORWARD WITH YOUR FUND

## *Long-Term Support for Long-Term Success*

Launching your fund is just the beginning. At Akram Assurance Advisory & Tax, we commit to your long-term success through:

- Ongoing advisory in fund governance, compliance, and finance
- Scalable audit and tax services as your firm grows
- Regular risk assessments and operational reviews
- Strong relationships with legal, operational, and cybersecurity partners
- Dedicated support tailored to emerging managers





## 12. OUR FINANCIAL SERVICES PRACTICE

We provide comprehensive, end-to-end services for emerging and established fund managers:

- Fund audit and assurance (GAAP, IFRS, ASC 946)
- Domestic and international tax compliance and structuring
- Compliance consulting and regulatory filings
- Operational infrastructure and fund setup
- Investor reporting and financial back-office support





Akram is an approved CIMA Auditor. At Akram you will get best industry experts and professionals, fully equipped to provide the high-level and personalized services of Audit & Assurance that your fund truly deserves. Look no further than Akram Team, we have expanded our assurance capabilities to cater to U.S.-based managers whose funds fall under the jurisdiction of the Cayman Islands Monetary Authority. Our team is committed to delivering partner-led services with a focus on meeting the unique needs of your fund.

Furthermore, it's worth mentioning that Akram is a proud member of many reputed industry organizations like HFA, PCAOB, SEAFA, CalALTs etc. This affiliation grants us unparalleled access to a vast network of trusted experts. When you choose Akram, you're not just choosing a local accounting firm – you're tapping an award-winning Boutique firm.





# OUR PARTNERS



**MUHAMMAD AKRAM**

Founder & CEO

**Muhammad Akram**, CPA, is licensed in California (#114908), New York (#122344), Florida (#AC62526), and North Carolina (#37968), and leads the Firm's overall practice. A graduate of SKANS School of Accountancy, he is a member of the AICPA and the North Carolina Society of CPAs.

Muhammad has extensive experience with Big Four and national firms, focusing on audit, tax, and consulting for onshore and offshore alternative investment funds. He has also worked with fund administrators, overseeing fund accounting, financial reporting, and advising on fund structuring, compliance, and regulatory matters.



**ALEX CUMMINGS**

Leader, Tax – Alt Investments

Alex brings over 20 years of experience in the alternative investment industry, specializing in tax consultations, fund formation, entity structuring, and tax planning. He has extensive expertise in reviewing U.S., state, and local tax returns, as well as addressing complex issues faced by principals and investors in the alternative investment space.

A graduate of the University of Baltimore with a B.S. in Accounting, Alex has presented at industry events hosted by Financial Research Associates, CPE Inc., and Arthur Bell's Annual Industry Update.



**THOM STRANGER**

Member Audit & Family Office

Thom Stranger, CPA, joins Akram as Member – Audit & Family Office. With over 25 years of experience in public and private accounting, Thom brings deep expertise across alternative investments, insurance, and real estate.

He is known for leading high-performing teams and delivering top-tier audit and assurance services, with a focus on strategic insight and quality. A trusted advisor, Thom helps clients navigate complex financial matters with clarity and confidence.

Holding a Master's in Business Finance from the University of Baltimore, Thom is committed to innovation, transparency, and building lasting client relationships. His leadership will be instrumental in driving Akram's mission forward.



**GHIAS KHAN**

Member-audit

Ghias, a Certified Public Accountant licensed in New York, leads Akram's commercial practice. He holds a B.S. in Accounting from the State University of New York and is a member of the AICPA.

With extensive experience across audits, tax, and consulting for non-public companies in industries such as manufacturing, real estate, retail, and law, Ghias brings a well-rounded perspective. He also plays a key role in enhancing client service processes and oversees the firm's quality control, reviewing all audit work subject to peer review.





# CONTACT US

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