



# Alternative investment manager valuation

Alternative asset managers are becoming more complex in nature, gaining critical mass, and facing different types of liquidity events, the need for fair value measurement of the management entities is becoming increasingly more frequent.

Estimating and supporting fair value/fair market value is even more challenging as different investment strategies, geographies, and types of cash flow streams are to be valued.

KPMG LLP's (KPMG) Alternative Investments Group has focused on assisting clients in the valuation of alternative asset managers for a variety of purposes including tax planning in support of IPOs and restructurings, internal and external pricing, and financial reporting.

We assist our clients with the valuation challenges of a single fund's cash flows to entire companies being valued at any level of granularity:

- Management entity
- Carry/incentive fee vehicles
- Valuation by strategy, by fund, by investment or by partner

## **Our services**

KPMG brings extensive industry-specific experience through years of working with some of the world's leading alternative asset managers.









## **Applications**

Tax  
Internal/External  
Pricing Financial Reporting

We have acted as valuation adviser for numerous engagements in connection with the valuation of alternative asset managers for various purposes, including:

- IPO tax structuring
- Basis for 1940 Act Test
- Negotiations of carry-for-equity exchanges
- 83(b) filing in connection to a share grant
- Valuation analyses in connection with a restructuring
- Negotiations for nonhostile M&A transactions
- Admission of new partners
- Allocation of value for internal pricing purposes
- Goodwill determination
- Reporting of fair market value for general partner interests

Our services are appropriate for entities with a requirement to estimate and report the fair value of an alternative asset manager, or particular funds, etc. Through engagements involving a number of alternative asset managers that have adopted a mixture of strategies and operating in different geographies, we have extensive experience with:

 <p><b>Private equity funds</b></p>	 <p><b>Fund of funds</b></p>	 <p><b>Corporations</b></p>
 <p><b>Hedge funds</b></p>	 <p><b>Business development companies</b></p>	 <p><b>Endowments</b></p>
 <p><b>Pension funds, public and private</b></p>	 <p><b>Fund administrators</b></p>	 <p><b>Sovereign funds</b></p>

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

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The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

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