# AIFM made easy: Meet Our Conducting Officers

*Aztec's AIFM Services are overseen by our team of alternative investment operational specialists,* ***Paul Conroy****,* ***Tomas Tobolka*** *and* ***Kasia De Oliveira Santos****. In this article, we outline their different areas of expertise across the AIFM workflow.*

In a previous article we detailed the basics on what is an AIFM, and why you might need one. But what are the specific functions performed by an external AIFM? In this article we take you behind the scenes of our AIFM Services operation, introducing you to the team, and describing what functions they perform to ensure your funds remain compliant with AIFMD, and enabled to fundraise and access European capital in the quickest, most efficient way possible.

**Paul Conroy – Group Head of AIFM Services**

https://aztec.group/wp-content/uploads/2024/05/Paul-Conroy-Benefits-of-AIFM-compressed.mp4

As Group Head of AIFM Services, Paul is responsible for leading the development and delivery of our AIFM Services. His specific remit as Conducting Officer makes him responsible for risk management and portfolio valuations too. Paul originally joined Aztec in 2014 and has more than 20 years of alternative fund experience. He is a senior leader with a wide range of investment management knowledge, having previously acted as Group Head for our Real Assets team.

More about Paul's experience here.

**Risk management:**

As risk management Conducting Officer, Paul is responsible for establishing and monitoring fund risk profiles, as well as performing ongoing risk monitoring and reporting on the investment portfolio. Part of this ongoing risk assessment is ESG monitoring and reporting on sustainability factors. This involves reviewing transactions (with Paul having the power to veto proposed transactions that don't meet the fund's risk profile or investment strategy) as well as signing off private placement memorandum (PPM) disclosures to investors. Paul is also responsible

for preparing and delivering the AIFM's annual report to investors, and regulatory reporting to the Luxembourg regulator, the CSSF.

**Valuation of assets:**

Paul oversees the implementation of the fund's valuation policy and process, as well as being responsible for the valuation methodology, and establishing a valuation committee. He is responsible for approving the fund's asset valuations and is responsible for NAV oversight, which includes validating the net asset values to meet regulatory requirements.

**Tomas Tobolka – AIFM Director**

Tomas joined the Aztec Group in 2023 as Director and Conducting Officer for Portfolio Management and Marketing. Tomas has two decades' experience in the fund industry spanning both regulatory and practical experience across all stages of the fund cycle, including fundraising and structuring, acquisitions, management, disposals, and restructuring.

More about Tomas' experience here.

https://aztec.group/wp-content/uploads/2024/05/Tomas-Tobolka-Portfolio-management-compressed.mp4

**Portfolio management:**

As part of Tomas' role as Portfolio Management Conducting Officer, he has oversight of a fund's portfolio and ensures that written policies and procedures are effectively implemented to take investment decisions in line with the fund's objectives and strategy. This can either be through the Investment Advisory Model or the Delegated Portfolio Management Model, each of which has different requirements:

Under the **Investment Advisory Model**, the AIFM retains the portfolio management function, and receives advice from the Investment Advisor. In this scenario Tomas will be part of the transactional process which also includes taking responsibility for investment and divestment decisions as well as approving material changes to the business plan. After the successful acquisition of an asset in the fund's portfolio, Tomas monitors fund performance using agreed key performance indicators.

Where the **Delegated Portfolio Management Model** is in place, the AIFM delegates portfolio management including investment and divestment decisions. So long as the manager has the necessary credentials from its home country, for example, in the case of U.S. managers, from the Securities and Exchange Commission (SEC), capability and policies in place, the AIFM can delegate portfolio management back to the manager. Tomas retains oversight of the fund by ensuring due diligence is maintained on the delegated portfolio manager through the adherence to key performance indicators.

**Marketing and distribution:**

From a marketing and distribution perspective, Tomas is responsible for the effective implementation of arrangements to ensure that pre-marketing, marketing and registration of funds is carried out in compliance with the legal and regulatory provisions. There are two main recognised models in how the AIFM can market in the EEA.

Where the Direct Distribution Model is applied, the Initiator of the fund directly benefits from the AIFM's marketing 'passport'. The AIFM and the Initiator collaborate to set up the target market, a target list of eligible investors including AML/CFT, and marketing communication. The AIFM initiates first contact with prospective investors, attends meetings with the Initiator on the fund's behalf, and collates activity reports. In this model the Initiator's Investor Relations teams provide technical support in line with the AIFM's distribution guidelines.

If the Indirect Distribution Model is in place, the AIFM appoints regulated distributors or appropriately licensed placement agents to market a fund in the EEA member states. Tomas is responsible for taking receipt of activity reports from parties based on agreed outcomes and monitors compliance with regulatory and contractual provisions.

**Kasia De Oliveira Santos – AIFM Conducting Officer**

Kasia joined the Group in 2023 and has been appointed as the Conducting Officer for the Compliance and Delegated Oversight functions and is the Money Laundering Reporting Officer (MLRO), where she advises board members on regulatory obligations and governance practices.

More about Kasia's experience here.

https://aztec.group/wp-content/uploads/2024/05/Kasia-de-Oliveira-Santos-compressed.mp4

**Compliance:**

In her role as the Compliance Conducting Officer, Kasia oversees the compliance monitoring programme and completes compliance risk assessments. These assessments identify and maintain the AIFM's policies and procedures, managing all regulatory reporting and conflicts of interest arrangements for the fund.

**AML:**

It is Kasia's responsibility as the MLRO to develop and implement a fund's AML programme, as well as conduct regular risk assessments to identify and mitigate potential exposure to money laundering and terrorism financing threats. To do this the MLRO maintains a system of internal controls that detects and reports suspicious transactions and activities.

**Delegates oversight:**

Kasia is also responsible for maintaining an effective control framework for the oversight of AIFM's delegates which includes due diligence, whether initial, periodic, ongoing or ad-hoc.

If you'd like to discuss any of the services provided by our AIFM team, please contact **Paul**, **Tomas** or **Kasia** directly.