

UAS: EisnerAmper Meeting Minutes

Call to Order

A meeting hosted by EisnerAmper was held on 2/13/18

Attendees

- Executive Board: all members present, except Diana and Michelle
- EisnerAmper: Elvin Ng, Senior Associate, elvin.ng@eisneramper.com
Laura Ross, Tax Partner, laura.ross@eisneramper.com

Hedge Fund Tax And Accounting Basics

- Investment entities
 - Private equity
 - Investments in private operating companies
 - Illiquid due to nature of assets
 - Appropriate for high net worth individuals who can lock away their money
 - Venture capital
 - Investments in start-up companies
 - Also illiquid and appropriate for high net worth individuals who can lock away their money
 - Hedge funds (partnership)
 - Appropriate for high net worth individuals, institutional investors, retirement plans
 - Liquid, varying ownership percentages (ownership is changing all the time)
 - Carried interest: if the fund goes up, the investor makes more money
 - If the investment goes down in value, the investor has to dig himself out of the loss in order to make money again
 - Investors receive a K-1 and pay taxes currently
- In order to determine the income characteristics of the profit allocation
 - $\frac{\text{Profit Allocation}}{\text{Total Income}} * \text{Income bucket} = \text{income 'pieces' go to the General Partner}$
 - The computed reallocation amounts are added to the original tax buckets

Adjournment

Rebecca Sonn makes a motion to adjourn the meeting, agreed upon at 7:35.



Internal Vice President
Undergraduate Accounting Society

2/13/18

Date of Approval