

# ESMA finds high degree of asset concentration in EU alternative fund industry

ESMA's latest [Trends, Risks, Vulnerabilities \(TRV\) Report No. 1, 2018](#), also found that the vast majority of European AIFs are managed cross-border using passporting rights.

The ESMA TRV provides first-time EU-wide evidence on the AIF market, based on end-2016 data collected under the Alternative Investment Fund Directive (AIFMD). AIFs include hedge funds, real estate funds, funds-of-funds, and private equity funds.

The AIFMD data shows that 2% of the EU AIF funds are above EUR 1bn in size, holding around 46% of the industry's total net asset value (NAV). On the other hand, around 95% of EU AIFs hold below EUR 500mio (i.e. 40% of total NAV). Two-thirds of the total assets managed by EU AIFMs are divided among the following investment strategies:

- Fixed income fund;
- Equity fund;
- Infrastructure fund;
- Commodity fund; and
- Other fund.

Fixed income AIFs hold the largest share in terms of NAV. The AIFMD data also shows that repurchase agreements serve as AIFs' primary borrowing source, while unsecured borrowing plays only a minor part. In addition, EU hedge funds mainly rely on short-term funding liquidity, with the majority of their borrowings, not committed beyond one day.

The extensive reporting obligations introduced by the AIFMD for AIFs and their managers (AIFMs) allow National Competent Authorities to oversee whether AIFMs are properly addressing micro-prudential risks, and to assess the potential systemic consequences of the individual or collective AIFM activities. By providing a first analysis of the structure and main risks stemming from the AIF market, the ESMA article helps to build an operational framework for monitoring risks in the AIFM sector.

## **Background**

The objective of the AIFMD is to provide an internal market and a harmonised regulatory and supervisory framework for the activities within the EU of all AIFMs.

ESMA's TRV contributes to promoting financial stability and enhancing consumer protection by regularly looking into cross-border and cross-sector trends, risks and vulnerabilities, both at the wholesale and retail level.

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## **News story: Plastic purge: Defra Legal Advisers**

*Updated: Change of title*

As the government announces a deposit scheme to encourage people to recycle plastic bottles and cans, GLD lawyers have been doing their bit to help stem the mounting volume of plastic waste that is posing a threat to much of the world's wildlife.

Brought into focus by the recent series Blue Planet II in which David Attenborough highlighted the toxic effect of plastic waste on the world's oceans, government lawyers from Defra Legal Advisers have joined a global effort to curb pollution.

Gilly Stratford of GLD was part of the UK delegation that joined the third United Nations Environmental Assembly which took place recently in Nairobi, otherwise known by its more snappy acronym UNEA-3.

UNEA-3's aim was to work towards ridding the planet of pollution, including the menace of marine plastic litter. At the end of long and intense negotiations, 15 anti-pollution measures were unanimously agreed by the 190+ countries which attended. Gilly's role was to advise policy colleagues and help draft amendments to the texts, while keeping an eye on the UK's negotiating position.

While these measures are not legally binding, they nonetheless send out a statement of intent. Defra achieved all its objectives at UNEA-3, especially its main aim to reduce marine pollution by plastics and microplastics.

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## **News story: London seminar – The Lammy Review: bringing to life recommendations 31 and 32**

3 May, 2018

### **The Lammy Review: Bringing to life recommendations 31 and 32**

The role of commissioning and the involvement of smaller organisations

featuring

George Barrow | Head of Lammy Response Team | Ministry of Justice

Eila Davis | Head of Equalities | HM Prison and Probation Service

Jeremy Crook, OBE | Chief Executive | Black Training and Enterprise Group (BTEG)

Jonathan Martin | Head of Community Commissioning | Ministry of Justice

Omar Ralph | Lammy Response Team Lead | Ministry of Justice

For a more detailed overview and how to book please see the attached flyer.



## [The Lammy Review: bringing to life recommendations 31 and 32 \(seminar flyer\)](#)

PDF, 278KB, 1 page

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## [News story: UK medic helps to save life during Pacific Partnership 2018](#)

Pacific Partnership is an annual exercise involving 22 partner nations around the globe in 18 host countries. It aims to assist local communities in planning for humanitarian crisis' whilst also teaching medical and engineering skills. 4 UK medics are involved, representing each of the 3 services.

On the 23 March 2018, whilst deployed in Yap in The Federated States of Micronesia, Corporal Darren Phillips worked alongside Japanese Military Medics to save the life of a local man who had severely injured himself. The

military medics were attending Yap Memorial Hospital conducting a community health engagement when the patient arrived, having had an accident while cleaning around his home. The knife the patient used to clear out overgrown branches broke and struck his wrist causing near fatal blood loss.



L-R Corporal Phillips, POMA Nicholl, Flt Lt Lowry and Lt Cdr Middleton. Crown Copyright.

Corporal Phillips provided immediate trauma care and in response said:

We are constantly trained to respond to trauma situations, we saw a patient needing immediate attention, and we acted quickly and efficiently. This is what we do. It is a great experience to be part of a multinational team working together to help people from all over Yap.

On the day in question we provided medical care to over 100 patients at the hospital, and we are looking forward to continuing with the rest of the exercise.

The defence medical services twitter account is following the exercise closely.

For more stories and photos please follow [@defence\\_medical](#).

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## **Press release: Treacle Jug Farm waste operator stuck with £2,307 fine**

The owner of Bradley Brothers Skip Hire (BBSH), a waste management business in Ferrensby near Harrogate, has been fined £2,307 and ordered to pay £4,000 costs and a £170 victim surcharge following a successful prosecution by the Environment Agency.

David Bradley (55) of Treacle Jug Farm, Ferrensby, North Yorkshire, was sentenced on 3 April at Harrogate Magistrates' Court having admitted to offences relating to the deliberate violation of an Environment Agency enforcement notice, the illegal operation of a waste management facility and failing to exercise duty of care in the transfer of controlled wastes.

The Environment Agency prosecuted after Bradley repeatedly and deliberately flouted his legal obligations over a 32 month period, beginning in February 2014 after officers discovered BBSH's Treacle Jug Farm site was in breach of its Environmental Permit conditions during a routine inspection.

The site was found to be full beyond its design capacity, leading to an inability to treat and process waste within the confines of a dedicated building as required by its Environmental Permit. Waste material had also been tipped in front of the entrance of the building and skips of waste were being stored outside and not on sealed drainage, representing an environmental risk of pollution and increasing the risk of amenity issues such as odours, pests and dust. Bradley was instructed to bring the site back into compliance, which he failed to do.

Bradley continually failed to comply with the requirements of his Environmental Permit, ignoring the requirements of an enforcement notice to remove waste from the site. He also failed to provide an accurate record of the disposal of 223 separate consignments of waste, which is a criminal offence, and was unable to maintain his continuing competency to operate a waste facility, another breach of the site's Permit. BBSH even continued to accept waste into the Treacle Jug Farm site after its Permit was suspended and finally revoked.

An Environment Agency spokesperson said:

We had sought to work with Mr Bradley to help bring the site into compliance and provided a number of opportunities for corrective action to be taken. However, Mr Bradley failed to respond to our efforts and even illegally imported waste into the site once the company's permit to operate had been withdrawn.

The conditions of an Environmental Permit are designed to protect people and the environment. Failure to comply with these legal requirements is a serious offence that can damage the environment, undermine those who adhere to the rules and cause misery for local communities.

We hope the court's sentencing decision demonstrates the importance of companies adhering to environmental permitting rules.

In mitigation, Bradley said that he had made attempts to clear the waste but was under financial pressures due to outstanding debts.

Bradley was also ordered to pay £4,000 costs and £170 victim surcharge.