

## Fund Finance Friday



### **Abraaj Fined, Detailed Reconstructed Timeline Released**

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The Dubai Financial Services Authority (DFSA) this week **announced** fines totaling \$314.6 million against two Abraaj group companies for unauthorized activities and misusing investors' money. DFSA committed to consider the implications for fund investors prior to taking any actions to enforce the fines. Media reports have zeroed in on revelations that the fund manager prioritized making distributions to more vocal investors over "legacy investors" and "passive voices."

Of more significance to *FFF* readers will be the details on the use of recallable distributions under one fund's LPA to disguise flows out the fund to service the liabilities of other funds and to pay parent-company expenses. Further details show how the investment manager changed the fund's fiscal reporting period to prop up reported cash balances and sought to isolate LPs that asked difficult questions. The timeline reconstructed by DFSA can be found [here](#).