Appendix C: Overlay Management Questionnaire

As of 07/31/2018

|  |  |
| --- | --- |
| **Name of Firm** |  |
| **Name of Strategy or Service** |  |
| **Primary Performance Benchmark** |  |
| **Inception Date of Service (Live Performance)** |  |
| **Consultant Relations Contact** |  |
| **Address** |  |
| **Telephone** |  |
| **Facsimile** |  |
| **E-Mail** |  |
| **Web-Site** |  |
| **Date of Response** |  |

**Directions**

**When completing the questionnaire, be sure to:**

1. *Adhere to style formats.* The responses must be submitted in Microsoft Word or Adobe PDF compatible format single-spaced with 1” page margins. Font should be 11 point, preferably Times New Roman.
2. *Question and answer format:*

|  |
| --- |
| 1. Questions will be listed in blue boxes
 |
| Please provide answers in the boxes directly beneath questions. |

1. *Non-applicable questions*. Should a question not apply to your strategy, please populate the appropriate field with “N/A.”
2. *Appendix.* In addition to parts A-G, please make sure to fill out the appendix.
3. *Attachments.* If you are submitting more than one attachment, please combine documents into a single .ZIP file.

**Following completion of the questionnaire, be sure to:**

1. *Save the document(s) and submit to Wilshire Associates.* Responses should be sent as attachments by e-mail to nmpera@wilshire.com.
2. *Filing.* Please maintain a copy of your response for your files. Wilshire will assume you will have these on file should we reference them.

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# Part A – Organization/People

**A1. Background and ownership of the firm.**

|  |
| --- |
| 1. Provide the date of firm establishment and the date it began managing assets.
 |
|  |
| 1. Provide firm and investment team location.
 |
|  |
| 1. Provide firm AUM and specify the as-of date. Also provide the level of peak and trough AUM and the accompanying dates.
 |
|  |
| 1. Provide the number of employees. Indicate total firm employees, investment professionals, back office staff, and others.
 |
|  |
| 1. List all service offerings at the firm.
 |
|  |
| 1. Describe the ownership structure (e.g. LLC, LP, publicly-traded, wholly-owned subsidiary). Indicate all entities that have an ownership stake in the firm (name and percentage). Please indicate if GP participation differs from management company ownership/participation. If you do not wish to disclose individual breakdowns, please provide broad ownership categories.
 |
|  |
| 1. If employees hold a direct ownership interest in the firm, please disclose the percentage amount held and how broad-based the ownership interest is (e.g. 25% of employees hold 80% of equity).
 |
|  |
| 1. Who holds the firm’s voting shares (or equivalent)?
 |
|  |
| 1. Describe the organization structure. List any affiliated companies or joint ventures and how they fit in the structure.
 |
|  |
| 1. Provide a timeline of past changes to the ownership or organizational structure. Also, describe any planned changes to the ownership or organizational structure.
 |
|  |

**A2. Corporate Governance**

|  |
| --- |
| Discuss the causes and impact of each instance of departure, hiring, and/or promotion within the executive ranks in the past five years. |
|  |
| Please fill out the table below include biographical information and complete resumes on the executive officers who oversee business strategy and/or hold day-to-day management functions in the following areas: CEO, investments, administration/finance, compliance, marketing, and client service. This information can be provided in the Appendix. |
| EXECUTIVE OFFICERS

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Name | Title | Location | Responsibilities | YearsExp | Year Joined Firm | Year Joined Service |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
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 |
| 1. Does your firm undergo an annual financial audit? If so, who is the auditor? How often are your financial statements audited by a third party? When was the last audit? Has your firm changed auditors over the last three years? Please elaborate on any findings from your auditors in the last three years. Attach a copy of audited financial statements for both the Fund and Firm in the Appendix. At a minimum, please provide a statement of financial condition for the Firm.
 |
|  |
| 1. If your firm does not exercise full operating control and is influenced by any outside entity (parent company, majority shareholder, etc.), please discuss to what extent this outside entity is involved in managing your firm’s business affairs.
 |
|  |

# A3. Investment Team / Culture

|  |
| --- |
| With respect to this service, who is responsible for investment strategy, asset allocation, portfolio construction, research, security selection, trading, etc.? Discuss their specific roles within the investment team. Is this service supported by a central team of analysts responsible for providing research to the firm’s broader research effort?  |
|  |
| Are the senior members of the investment team invested in this strategy? What percentage of strategy assets are attributable to employees, affiliates, or related entities? |
|  |
| How are the investments in the strategy by partners/employees or related parties structured? Please explain the key terms and highlight any differences between the terms of the partners, employees, any related parties and those of other investors.  |
|  |
| Have any partners, employees or related parties materially increased or decreased their investment in the strategy during the past 12 months? |
|  |
| How are key-staff risks addressed and managed? Are there “key man provisions” in the PPM, or any side letters? |
|  |
| List personnel responsibility for the operations of the strategy in the respective tables below.  |

PORTFOLIO MANAGEMENT

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Name | Title | Location | Responsibilities | YearsExp | Year Joined Firm | Year Joined Service |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

RESEARCH

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Name | Title | Location | Responsibilities | YearsExp | Year Joined Firm | Year Joined Service |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

TRADING

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Name | Title | Location | Responsibilities | YearsExp | Year Joined Firm | Year Joined Service |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

|  |
| --- |
| Personnel Turnover: Complete the tables below regarding investment professionals aligned to the strategy that have joined or left the firm within the past five years. |

##### JOINED

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Date(MM/YY) | Name | Title | Location | Responsibilities | YearsExp | Service(s) |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

##### DEPARTED

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date (MM/YY) | Name | Title/Responsibilities | Yrs @ Firm | Reason for Departure | Replaced By(name/title) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

##### SUMMARY

|  |  |  |  |
| --- | --- | --- | --- |
| Total # Professionals | # Joined | # Departed | % Turnover |
|  |  |  |  |

|  |
| --- |
| Please comment on the interactions between the investment team members and the overall team dynamic. How do you foster interactions and information exchanges between (1) peers and (2) analysts & PMs. |
|  |
| Do you have a Chief Investment Officer? What is the role of the CIO and how is that balanced between personnel/resource management and direct investment duties? |
|  |

# A4. Investment Professional Compensation

|  |
| --- |
| Describe your compensation system for investment professionals with respect to base salary, performance bonus, and equity or equity-like incentives or other long-term retention programs.  |
|  |
| Describe the differences, if any, in the compensation structures between portfolio managers, and research analysts.  |
|  |
| Do you offer direct ownership, phantom stock, profit sharing, and/or performance bonuses? Who is eligible to participate? |
|  |
| 1. If equity is offered to investment professionals, is it purchased or granted, and what is the typical vesting schedule?
 |
|  |
| 1. If equity is offered to investment professionals, please describe the mechanics of equity ownerships (e.g. disbursements, dividends, etc.).
 |
|  |
| 1. If equity is offered to investment professionals, what is the source(s) of new equity?
 |
|  |

# A5. Terms

|  |
| --- |
| 1. What are the fee terms for this service?
 |
|  |
| 1. Please provide your standard fee schedule for this product? Include specific (or proper) names for each Product as delineated by vehicle. For each, indicate minimum asset size or fee requirements and any other differentiating factors. If investment vehicle is not offered, please indicate “not offered”.
 |
|  |
| Do you have Most-Favored Nation status with your larger clients? If so, what is the fee level and asset breakpoint?  |
|  |
| 1. Are there any side letters or flexibility in regards to terms? If so, please provide a general description of each.
 |
|  |
| Please detail any additional fees in bps terms (administration, legal, audit, miscellaneous, etc.). |
|  |
| 1. Has the redemption notice period ever been waved or changed and, if so, under what circumstances?
 |
|  |
| 1. Under what circumstances can redemptions be suspended and which party or entity has the right to suspend redemptions?
 |
|  |
| What is the minimum initial subscription and subsequent subscription amount? Are subscription fees charged? |
|  |

# A6. Available Vehicles

|  |
| --- |
| List which investment vehicles are available for this service. Is this strategy available to SMA clients? If so, what are the asset minimums? |
|  |
| 1. Attach a diagram showing all funds involved in this fund structure and the relationships between each fund. For example, for master/feeder structures, please show all feeder funds and the master fund. For each fund please show:
* Fund’s full name;
* Legal form;
* Country of domicile
* Currency of denomination;
* Fund type (ex. Feeder fund);
* Regulator/listing, inception date;
* Last reconciled month-end NAV and last audited NAV
 |

# A7. Asset and Client Information

### List your clients in the Product in order of Assets under Management (AUM) with the following information as of 07/31/2018. If you are unable to provide both client Name and AUM, CLIENT would prefer you provide AUM (and Client Type).

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Name** | **Client Type** | **Date Retained** | **Total Plan AUM($mil)** | **Current Mandate size****AUM ($mil)** | **US Tax Exempt Client (Yes or No)** | **Product** |
|  | **($ millions)** | **($ millions)** | **($ millions)** |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

### How many accounts representing 10% of the assets or more were lost in each of the last five (5) years? What was the reason(s) for each account lost?

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** | **Lost** | **Assets** **($ millions)** | **Reason for Departure** |
| **2008** |  |  |  |
| **2009** |  |  |  |
| **2010** |  |  |  |
| **2011** |  |  |  |
| **2012** |  |  |  |
| **2013** |  |  |  |
| **2014** |  |  |  |
| **2015** |  |  |  |
| **2016** |  |  |  |
| **2017** |  |  |  |

### Present the growth of the firm on a calendar year basis using the below grid.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year** | **Number of clients as of Dec. 31** | **Number of clients gained/ (lost)** | **Total amount of assets under management** | **Total number of staff employed by your firm** |
|  | **($ millions)** |
| **2008** |  |  |  |  |
| **2009** |  |  |  |  |
| **2010** |  |  |  |  |
| **2011** |  |  |  |  |
| **2012** |  |  |  |  |
| **2013** |  |  |  |  |
| **2014** |  |  |  |  |
| **2015** |  |  |  |  |
| **2016** |  |  |  |  |
| **2017** |  |  |  |  |

|  |
| --- |
| 1. What are Fund & Firm compositions by investor type (FoF, HNW, institutions, etc.)? How has the composition changed over time, and what changes do you anticipate in the future?
 |
|  |
| 1. What percentage of AUM does the largest client represent? The five largest clients? The ten largest?
 |
|  |
| 1. What have been the largest capital withdrawals from the Fund since inception? Please provide the date of the withdrawal, the % of AUM at the withdrawal date, whether it was a full or partial redemption, whether any fund gate or other liquidity restriction was imposed, and the reason for the withdrawal.
 |
|  |
| 1. Does the Fund or Firm have a seed investor? Please describe the relationship including total capital contributions (working capital and/or investment capital), terms of the investment, and services provided by the seeder, if any.
 |
|  |
| 1. List all regular correspondence or reporting sent to investors, including a brief description of the correspondence or report, the frequency of distribution and, where possible, how the information is distributed. Please also attach copies of all investor communications from the organization or Fund distributed over the last 12 months.
 |
|  |
| 1. What portfolio data can the manager provide to investors and with what frequency?
 |
|  |
| 1. Describe other matters which would be communicated to investors, such as key personnel changes, regulatory changes or events, material changes in investment strategy or risk management process, changes of service provider, material changes to systems or processes, etc.
 |
|  |
| 1. To which databases, industry publications or other sources does the manager regularly report Fund performance and assets?
 |
|  |

# A8. Service Providers and Counter-parties

### Please complete the following table, adding as many rows as you need.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Service Provider**  | **Year started relationship** | **Percentage of business or attributable AUM** | **Contact person & phone number** | **Primary type of service provided** |
| **Prime Broker 1** |  |  |  |  |
| **Prime Broker …** |  |  |  |  |
| **Executing Broker 1** |  |  |  |  |
| **Custodian** |  |  |  |  |
| **Auditor** |  |  |  |  |
| **Accountant** |  |  |  |  |
| **Banking Agent** |  |  |  |  |
| **Custodian** |  |  |  |  |
| **Onshore Legal** |  |  |  |  |
| **Offshore Legal** |  |  |  |  |
| **Third Party Marketers** |  |  |  |  |
| **Managed Account Platforms** |  |  |  |  |
| **Broker Platforms** |  |  |  |  |

|  |
| --- |
| 1. Please describe your counter-party review, accreditation, and monitoring process. Attach any relevant documentation of this process.
 |
|  |
| 1. If you have changed administrators or legal in the last three years, please explain why.
 |
|  |
| 1. Does the Fund/Firm use a third party marketer? If so, who?
 |
|  |
| 1. List any other third party representatives, agents, advisers or consultants used by the investment manager including name of firm, date appointed and functions/services performed.
 |
|  |
| 1. List any third party risk reporting services to whom the organization provides data, indicating date of engagement, the funds/accounts covered, the types of data provided and the reporting frequency.
 |
|  |
| 1. Provide details of any non-audit services provided by the auditing firm to the Fund or Investment Manager.
 |
|  |
| 1. Disclose any fees or rebates paid by the Fund's service providers to the investment management organization. Does the firm receive any compensation or rebates other than the management fee on funds managed?
 |
|  |
| 1. Has the administrator engaged a third party to complete a SAS70 or similar controls review? Which third party was appointed, when were they appointed, when was the last review completed? Has a copy of the report been given to the manager and can a copy be provided to investors? If a copy of the report cannot be provided, please attach a summary of any material issues identified and describe the actions taken to resolve them.
 |
|  |
| 1. Does the Fund or manager have any other relationships with the prime broker or any entity which is part of the same group?
 |
|  |
| 1. Are the Fund's assets held in the Fund’s own name and are they segregated from the prime broker’s assets?
 |
|  |
| 1. Does the strategy require the use of special purpose vehicles (“SPVs”) and, if so, what is their purpose? Are these SPVs part of the Fund audit?
 |
|  |

# Part B – Investment Philosophy

# B1. Investment Philosophy

|  |
| --- |
| 1. Describe your firm’s investment philosophy for the service.
 |
|  |
| 1. How has this philosophy changed over time and why do you believe it will be successful in the future?
 |
|  |

# B2. Investment Strategy and Risk Controls

|  |
| --- |
| 1. Please supply the internal investment guidelines for your mandate’s strategy.
 |
|  |
|  |
| 1. Describe your investment process.
 |
|  |
|  |
| 1. Describe how your approach to this product differentiates your philosophy and process from your competitors. What are specific differentiating characteristics?
 |
|  |
| 1. Does your approach have a “base,” “neutral,” or “normal” allocation?
 |
|  |
| 1. What types of other liquid multi-asset strategies products would your product complement?
 |
|  |
| 1. Please detail the use, if any, of derivative instruments in your strategy. Are their uses intrinsic to your management style? If so, what types of derivative instruments do you use? Does the firm have model(s) to capture credit/counterparty exposure? Briefly describe.
 |
|  |
| 1. If the strategy is rules-based, please detail the specific factors used in the strategy.
 |
|  |
| 1. How much leverage does your approach include and are there limits to the amount of leverage that can be used?
 |
|  |
| 1. Provide a description of the portfolio construction process for this strategy.
 |
|  |
| 1. Provide a description of the decision-making process detailing the roles and responsibilities of each type of investment professional involved (i.e., analysts, portfolio managers, committee members, advisory staff etc.).
2. If there is an investment committee, describe the committee’s role and composition.
3. Detail efforts made on a team (or consensus) basis.
4. What latitude or degree of autonomy in decision-making is given to portfolio managers within the product team?
5. Describe who has ultimate decision making authority and accountability.
6. Where is the team located?
7. Describe how the analyst team is organized.
8. Does the analyst team support multiple products? If so, approximately how much of their time is focused on this product?
9. Are there dedicated traders for this product? If not, approximately how much of their time is focused on this product?
 |
|  |
| 1. In what market environments do you think your strategy performs the best/worst? Please give examples and describe the impact of volatility, market trends, liquidity, and correlations on the strategy.
 |
|  |
| 1. What is the most appropriate benchmark for your product? Why?

  |
|  |
| 1. What is your firm’s expected excess return to cash, Sharpe ratio, volatility? Provide expected return information and source(s) of added value over cash.

  |
|  |
| 1. What is the expected correlation with the Client’s SAA?

  |
|  |
| 1. Discuss the risks involved in your strategy, and how you plan to manage these risks. Reference any specific risk control factors. How do you ensure that risk parameters are in line with benchmark returns and within client guidelines?

  |
|  |
| 1. Describe your firm’s risk philosophy (i.e., benchmark relative or absolute loss aversion).

  |
|  |
| 1. Describe the risk models/controls used in portfolio construction. Is cash used as a method of risk control?
 |
|  |
| 1. How do you monitor the product’s adherence to its investment style and process? Specify who is responsible.

  |
|  |
| 1. Describe how you evaluate and monitor liquidity risk, specifically commenting on how you would handle an “illiquidity event.”

  |
|  |
| 1. Do you or have you imposed any restrictions on client redemptions during illiquidity events? If yes, please describe.

  |
|  |
| 1. How do you monitor portfolio parameters with respect to client guidelines? What compliance systems/tools are used?

  |
|  |

# Part C – Implementation

# C1. Trading Staff and Systems

|  |
| --- |
| 1. How many traders are there and what is their experience? Do you have a dedicated trading team handling execution and providing market feedback for this particular strategy?
 |
|  |
| 1. Provide a description of your trading platform, including systems (proprietary and off-the-shelf) for execution and processing.
 |
|  |
| 1. What is your trading process once a buy/sell decision has been made?
 |
|  |
| 1. What processes do you have in place for ensuring pre- and post-trade guideline compliance?
 |
|  |
| 1. How is the Fund's portfolio financed? Which instrument types are used to finance the portfolio, what is the current term structure of financing, under which agreements / master agreements are financing trades executed and what are the typical margin terms?
 |
|  |
| 1. List the counterparties used for financing showing the proportion of the portfolio typically financed by each.
 |
|  |
| 1. What portfolio accounting system do you use?
 |
|  |
| 1. What trading functions are automated? What process do you have in place for human verification? Who signs off on final trading?
 |
|  |
| 1. Describe the allocation objectives and implementation procedures across all accounts. What is the process by which trades are allocated across separate accounts as opposed to commingled accounts? Please describe both the tactic of allocating the initial trade as well as the strategy of building positions across accounts.
 |
|  |
| 1. Describe how you measure trading costs (commissions and market impact). How do these costs compare with those of your peers who run a similar approach? How do you attempt to minimize these trading costs?
 |
|  |
| 1. How has the execution of your investment process been impacted by growth in assets under management for this service?
 |
|  |
| 1. What is the estimated capacity of the service, and how was this figure derived? How has the execution of your investment process been impacted by growth in assets under management for this service? Would you ever hard close? What level of AUM are you currently staffed for?
 |
|  |
| 1. Please be sure to provide biographical information of your senior trading officers in the Appendix.
 |
|  |

# C2. Trade Order Compliance, Composite Disclosures, and Soft Dollars

|  |
| --- |
| 1. Who is authorized to place orders for the fund or client accounts? Please list their names and describe the process for placing a trade, types of orders placed and the process for controlling open orders.
 |
|  |
| 1. Describe the oversight procedures that would minimize the risk of traders acting outside of their given latitude in executing trades.
 |
|  |
| 1. Have there been any material trading errors in the past 2 years? If so, please describe the trading error, quantify the P&L impact or cost, indicate which entity bore the cost and outline the steps taken to ensure that the error could not re-occur.
 |
|  |
| 1. Is your firm GIPS compliant? If so, for how many years has your firm been GIPS compliant?
 |
|  |
| 1. If you have soft dollar relationships with broker-dealers, please disclose the following: the percentage of commissions tied to soft dollar relationship and a list of resources funded by soft dollars that would normally be funded with hard dollars.
 |
|  |
| 1. Please be sure to provide a copy of the organization’s trading policy, policy regarding trading errors, and Code of Ethics in the Appendix.
 |

# Part D– Attribution

# D1. Performance Attribution

|  |
| --- |
| 1. What systems do you have in place for measuring performance attribution? How often is this system utilized to run performance attribution?
 |
|  |
| 1. What feedback mechanism is used for incorporating this post-mortem analysis into your investment process?
 |
|  |
| 1. Do you have a system in place, whether formal or informal, by which you evaluate past investment decisions as a way of learning from successes and mistakes?
 |
|  |
| 1. How frequently are team members evaluated on individual performance and, if necessary, what steps are taken to improve their performance?
 |
|  |
| 1. Please provide historical performance attribution in a format relevant for your strategy or in terms of how you allocate risk in the portfolio, e.g., by sector long and short for equity strategies, by market for managed futures, etc. Ideally monthly, quarterly is fine.
 |
|  |

# D2. Service Performance (If available)

|  |
| --- |
| 1. Please provide a list of the three largest drawdowns for the service including dates, duration, recovery period, and any influencing factors.
 |
|  |
| 1. Have you adjusted processes or approach because of a large drawdown?
 |
|  |
| 1. Please explain any major factors affecting performance (i.e., manager changes, improvements to research process, different risk targets, execution changes, important additions to the team, periods of lower activity, etc.).
 |
|  |
| 1. Provide a timeline of initiatives or improvements that have enhanced your investment process and have allowed you to remain competitive in the marketplace.
 |
|  |

# Part E – Business and Operations

**E1. Firm Administration**

|  |
| --- |
| Does your firm conduct background checks on employees during the hiring process and periodic checks while employed? If so, explain the process and the sources used to conduct the background check. |
|  |
| If applicable, which management/administrative functions are handled externally (i.e. by a corporate parent or outsourced altogether)? |
|  |

**E2. Business Objectives**

|  |
| --- |
| Describe your firm’s business objectives and relate them with your structure, firm’s staffing, service development, and sales and marketing strategy.  |
|  |

# E3. Operations and Compliance

|  |
| --- |
| Briefly describe your firm’s back office divisions covering general compliance, information technology, client service/portfolio accounting, and marketing. Where do these divisions overlap across business units (investment services, retail vs. institutional, functional units) and where are there dedicated support functions for each of these units? |
|  |
| 1. Please describe the management committees used to help manage various aspects of the firm (i.e., valuation committee, management committee, etc.) Describe the participation of legal/compliance staff on these committees.
 |
|  |
| What are your internal audit review procedures and the scope of this process? |
|  |
| What is the reporting channel between back office and senior management? What is the reporting structure for firm-wide compliance?  |
|  |
| Do you have a compliance manual for your employees? How often are employees trained on firm-wide compliance? Do employees certify that they will follow the compliance manual? Are employees permitted to accept gifts from counter parties that the firm conducts business with? Please describe any gift policy your firm has in place. |
|  |
| 1. Do you have a code of ethics for employees? Do employees have to receive approval/clearance for personal transactions from your compliance department? Do you have a disaster and recovery plan in place? Describe your emergency and disaster recovery plans.
 |
|  |
| 1. Does the fund or firm have any money set aside for potential liabilities and/or possible fines?
 |
|  |
| 1. Has the firm, or any of its employees, at any time, ever been subject to arbitration of any kind? If yes, please explain.
 |
|  |
| Does your firm undergo a SAS 70 audit? If so, who conducts the audit? When was the last audit completed? Attach the SAS70 report in the Appendix. |
|  |

# E4. Regulatory, Litigation, Legal, and Disclosures

|  |
| --- |
| Please disclose any business related legal actions against your firm or any employee for the past ten years. What were the results? In this section please also disclose any pending litigation that applies to the firm or any employee. |
|  |
| By which organizations is your firm regulated (e.g. SEC, FCA, FINRA, etc.)? |
|  |
| 1. If SEC registered, attach a copy of your firm’s ADV part I and II in the Appendix.
 |
|  |
| 1. If your firm is not regulated by the SEC (i.e. the organization operates under a bank charter), to which regulatory entities do you report? With which audit processes must you comply?
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|  |
| 1. Has any application to a regulatory body on behalf of the organization or an individual staff member ever been withdrawn or refused? If so, please provide details.
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|  |
| 1. Has a member of staff ever had their authorization by a regulatory body withdrawn? If so, please provide details.
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|  |
| 1. Has the firm, or any of its employees, at any time, ever been subject to ANY disciplinary proceedings from ANY of the major exchanges (NYSE, AMEX, NASDAQ, CBOT, CBOE, MERC, and all regional stock exchanges, etc.)? If yes, please explain.
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|  |
| 1. Has the firm or any of its principals, current or past, ever been fined or disciplined by any regulatory agency (NASD, NFA, CFTC, FSA, etc.)? If yes, please explain.
 |
|  |
| When was the last time your firm underwent an audit by a regulatory body? Which regulator performed the audit and on what dates did the audit occur? What were the findings from the audit and how have you addressed them? |
|  |
| Are you affiliated with a broker/dealer, investment bank, insurance company, or other lines of business that are not asset management related, but could present conflicts? If yes, briefly describe.  |
|  |
| List the insurance carrier and amount of coverage for Errors & Omission, Directors & Officers insurance, Fiduciary Liability insurance, and any other professional insurance. |
|  |
| Are any of the organization’s staff involved in other businesses? If so, list the staff member’s name, the name of their other business interest(s), describe the nature of the business and quantify how much of their professional time is dedicated to each other business interest. |
|  |
| 1. Please describe any other potential conflicts of interest, including affiliated firms.
 |
|  |
| Are you deemed to have custody of client assets? If so, please describe the nature of the relationship.  |
|  |
| Disclose any qualified opinions of any financial audits conducted on your firm. |
|  |
| 1. Please provide a copy of your firm’s compliance policies and procedures.
 |

# APPENDIX

# I. Organizational Chart – Ownership & Affiliates

Attach a table or diagram showing the ownership of all group entities, including owner/partner’s name (indicate if seed investor), share class owned, category of partner, percentage of ownership/capital interest, summary of special rights attached to share class/owner/partner, etc.

# II. Organizational Chart – Business Lines & Key Executives

Provide an organizational chart that diagrams the different business lines, organizational/ reporting functions (portfolio management, research, service development, operations, trading, etc.). Include reference to services. Executives should be identified over their areas of responsibility.

# III. Key Executives

List key executives who have responsibility for the management of the organization.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Name | Title | Location | Responsibilities | YrsExp | Year Joined Firm |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
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Please provide biographies, no longer than ½ page, on each of the persons listed above.

# IV. Investment Professionals Involved with the Service Profiled in this Questionnaire

Provide here biographies, no longer than ½ page, on each of the persons listed as portfolio management, research, or trading personnel.

# V. Organizational Chart – Back Office Divisions

Provide an organizational chart of your firm’s back office division, including general compliance, information technology, client service/portfolio accounting, and marketing.

# VI. Investment Process Flow Chart

Illustrate the investment process in a flow chart identifying the decision making steps, decision makers and outcomes.

# VII. Trading Process Flow Chart

Provide an organizational chart of your trading functions. Provide a process flow diagram between the portfolio management group entering a trade order to final implementation in client portfolios.

# VIII. Risk Management Information

Attach a diagram showing the source and flow of information used in the risk management of the Fund. Please name the systems and IT tools used in the current risk management processes, clearly indicating whether they have been developed in-house or by a third party.

# IX. Assets Under Advisement/Management

Please provide the following information for the service:

 • third party verified month-end NAVs;

• monthly AUM;

• monthly aggregate subscriptions, redemptions and transfers from inception

**X. Compliance and Trading: Policies and Procedures**

Please provide a copy of your firm’s compliance policies and procedures, as well as a copy of the organization’s trading policy, policy regarding trading errors, and Code of Ethics.

**XI. Marketing Presentation**

 Attach the current marketing presentation or document for the service.

**XII. Audited Financial Statements (if available)**

Please attach a copy of audited financial statements for both the Fund and Firm. Also, if the Firm undergoes a SSAE 16 Audit, attach the Report.

**XIII. ADV Part I and IIA**

If SEC registered, please attach a copy of the Firm’s ADV Part I and IIA.

**XIV.** **GIPS Attachments**

* Please attach a GIPS-compliant presentation for this service if available.
* Please attach a GIPS verification report if available.