

Creating, managing and documenting a custom due diligence process

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Due diligence philosophy

- Same process for mutual funds and separate account managers.
- No proprietary formulas.
- Simple, replicable process.
- Dual (search and monitor) application Screens.

Creating the process

- Selecting factors and thresholds
- Specifying the level of importance
 - Period evaluation
 - Criterion Importance
 - Missing data treatment
- Add the process to the client IPS

Due diligence documentation

- Due diligence criteria breakdown
 - Investment summary
 - Historical detail

Watch list management

1. Does the investment pass my Investment Policy Statement monitoring criteria?
2. Is there a global manual decision saved for this investment?
 - These decisions affect ALL clients that hold the investment.
3. Is there a client-specific manual decision saved for this investment?
 - These decisions affect ONLY the specified client that holds the investment.