



**CONVERGENCE**

OPTIMAL PERFORMANCE

**Schulte Roth&Zabel**

**SEC Proposed Rule:**

(Release No. IA-6176)

**Service Provider Due Diligence & Monitoring for  
Registered Investment Advisors**

**Responses to Polling Questions**

February 15, 2023

# Follow up to the SEC Webinar

## Welcome Back Registrants & Attendees!

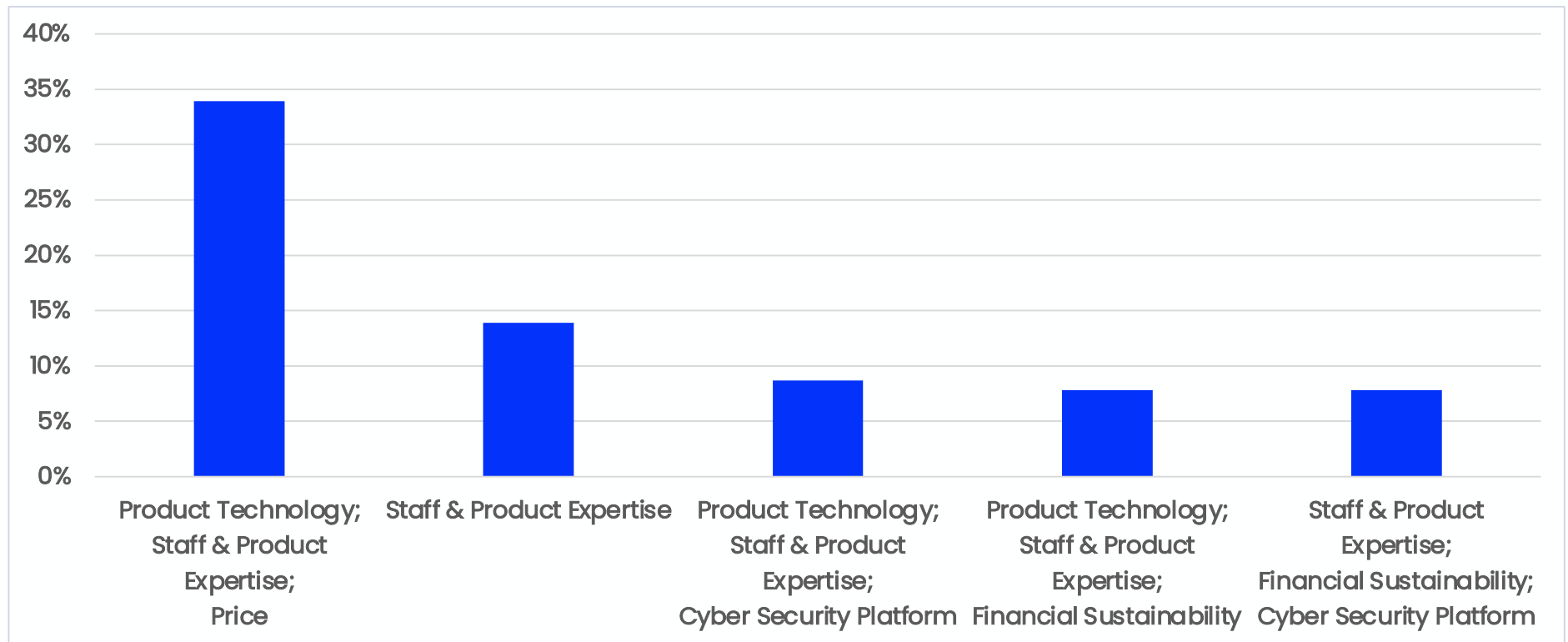
We wanted to take this time to provide you with the polling question responses. As an industry there is still much work to be done on service provider due diligence and we will continue to provide transparency and updates for this proposed rule as well as any other mission critical thought leadership for financial services.

Please let us know if you have any follow up questions or comments. We look forward to staying connected!

# Breakdown of Polling Question

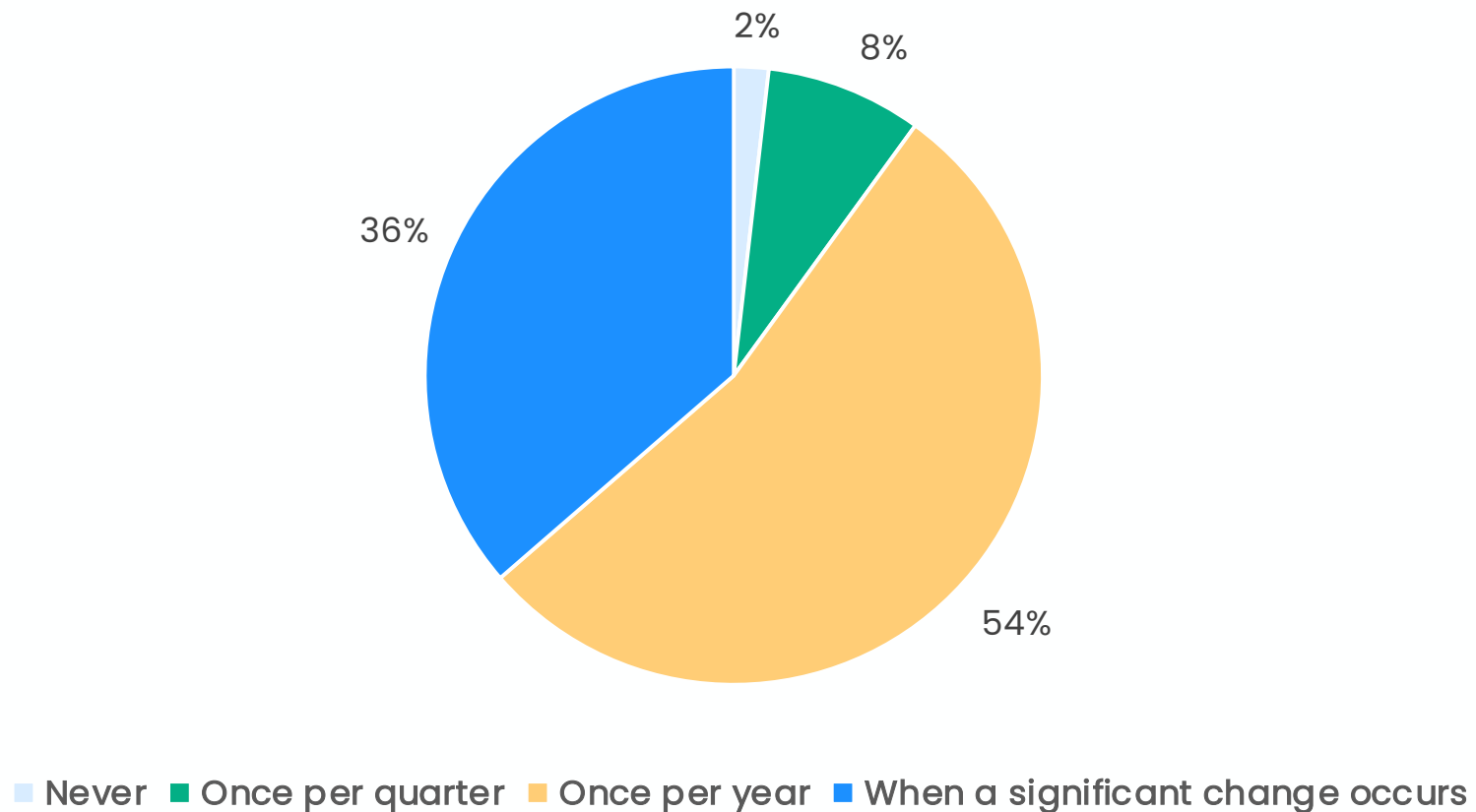
## Question # 1: Pre-Selection Due Diligence

What are the top three important aspects of your initial due diligence before selecting a service provider?



## Question # 2 – Post Selection Monitoring

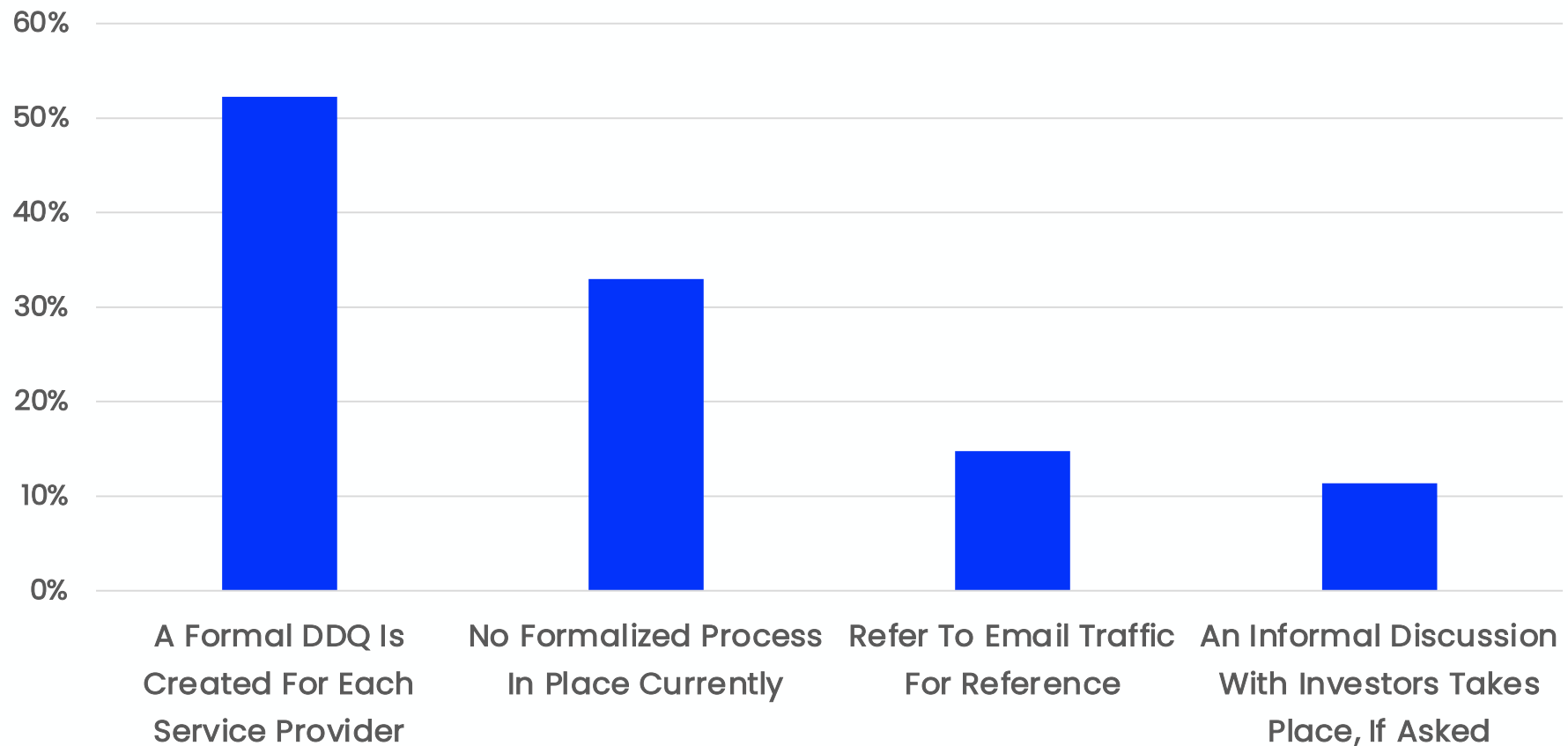
*How often do you monitor changes to the information obtained about the service provider during due diligence?*



# Breakdown of Polling Question

## Question # 3 – Recordkeeping

*How are service provider choices documented to justify selection?*



## The Database

The most comprehensive content in the industry because of our superior sourcing model, providing significantly better coverage of the asset management, private investment manager, allocator and service provider ecosystems:

### Investment Advisors

45,000+ Private and Public Fund Advisors in 67 Countries with proprietary risk analytics for each

- ✓ 20,000+ SEC registered Investment Advisors
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Over 15,000 global service providers with advanced metrics and a complete book of business for each

- ✓ Over 2,000 Administrators
- ✓ 900+ Auditors
- ✓ 300+ Prime Brokers
- ✓ 1,800+ Custodians
- ✓ 5,800+ 3<sup>rd</sup> Party Marketers
- ✓ 800+ Outsourced Compliance Firms
- ✓ 200+ Transfer Agents
- ✓ 300+ ManCos

- ✓ All data and analytics are updated daily
- ✓ 95% confidence factor for all source data
- ✓ 10-year time series content
- ✓ Data sourcing from regulatory filings, websites, and third-party sources

# Our Speakers



## John Phinney

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John spent his entire career as a C-Suite Executive at JPMorgan, Fidelity Investments, TRG Asset Management and Apollo Global Management developing and managing the infrastructure needed to increase revenues, improve efficiency and manage investment and non-investment risk. He is a proven thought leader who has designed and developed several first-ever initiatives, including being a named inventor for a patent for a Tier 1 multinational bank.



## Carl J. Versella

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Carl is a C-Suite executive with a successful track record of launching and managing advisory practices (HC Associates, Rothstein Kass, KPMG, Double N Advisors) for middle market and bulge bracket Financial Services companies. He was a key member in the development of Correspondent Clearing and Prime Brokerage businesses for Goldman Sachs, Credit Suisse, and Morgan Stanley.



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Christopher S. Avellaneda advises hedge funds, private equity funds and funds of funds on compliance with the Investment Advisers Act of 1940 and other federal, state and self-regulatory organization requirements. Chris has extensive experience providing guidance to clients on establishing compliance programs, registering with the SEC, complying with U.S. securities trading rules and handling SEC examinations.