



The banner features a dark blue background with a faint image of the Washington Monument. The text is centered and reads: "2023 Investment Adviser Compliance Conference / Effective Strategies & Best Practices" in white, with the latter part on a red bar. Below this, it says "March 12-14, 2023" and "Marriott Marquis, Washington, D.C." in white. The IAA logo is at the bottom center. The banner is framed by a circular border of white icons representing various compliance and legal concepts.

2023 Investment Adviser
Compliance Conference /
Effective Strategies & Best Practices

March 12-14, 2023
Marriott Marquis, Washington, D.C.

IAA

1



This slide features a dark blue header with the same conference information as the first slide. Below the header, the title "Considerations for Institutional Clients" is displayed in a large, bold, dark blue font. Underneath the title is a list of four speakers in white text.

2023 Investment Adviser
Compliance Conference /
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IAA
March 12-14, 2023
Marriott Marquis,
Washington, D.C.

Considerations for Institutional Clients

- **Lori Bosi**, *MFS Investment Management*
- **Michael Shoemaker**, *Kayne Anderson Rudnick*
- **Zephram Yowell**, *PIMCO*
- **Clifford Kirsch**, *Eversheds Sutherland* (MODERATOR)

2



Agenda

Institutional Clients – Initial Considerations
Request for Proposal (RFP) Process
Investment Management Agreements
Client On-Boarding
Ongoing Client Management and Reporting

3



Institutional Clients – Initial Considerations

ERISA Plans:

- DOL Regulations
- Fund's Status as Plan Asset

State and Local Plans:

- Potential Environmental, Social & Governance (ESG) Issues
- Pay to Play Rule
- Other statutory requirements

Non-US Clients:

- Regulations differ and may cover advisers and funds
- Reporting may differ

4



Institutional Clients – Initial Considerations

Investments Offered to Institutional Clients

- Funds/Collective Vehicles vs Separately-Managed Accounts
- Any new investments?

Workstreams:

- Portfolio management/compliance/client service/sales
- Dashboard

5



RFP Process

Need for Coordination Across Business (Portfolio Management, Client Services, Legal, Compliance, and Risk)

- Follow the same standards as for other contract reviews
- Review responses against disclosures, agreements, business practices
- Select one area/team responsible for “quarterbacking” the effort for seamless coordination with prospect

Issues to Address During Process

- Vendors
- Tailored reporting and data feeds
- Performance and Adviser Marketing Rule

6



RFP Process

Current Hot Topic Themes in RFP Questions

- Environmental, Social & Governance (ESG)
Integration: Must clearly capture client investment guidelines
- Diversity, Equity & Inclusion at the Adviser
- Communications with Regulators

7



Investment Management Agreements

Potential Issues

- Liability provisions
- Reporting, including timing
- Fees and MFN Clauses
 - Objective process to review and assess fees
 - Use of dashboard

8



Investment Management Agreements

Other Potential Issues

- Representations depending on strategy (e.g., QIB)
- Trading Issues (cross-trades, soft dollars, trade errors, MiFID II)
- Corporate Actions and Proxy Voting
- Class Actions

Escalation Process

9



Client On-Boarding

Review of RFP and IMA Responses

- Any updates needed to processes, policies and procedures, reporting, disclosures?

Account Opening Process

Incoming Asset Transfers & Transition Management

10



Ongoing Client Management and Reporting

Need for Continued Coordination Across Business

Ongoing Compliance Reviews

Reporting for Institutional Clients

11



Questions?

12

