

INVESTMENT ADVISER
ASSOCIATION



IAA Contact:
Laura Grossman
(202) 293-4222
laura.grossman@investmentadviser.org

ACA Contact:
Lynne Carreiro
+44 (0)20 7042 0500
lcarreiro@acacompliancegroup.com



Old Mutual Contact:
Amy Yuter
(610) 578-1387
ayuter@oldmutualus.com

2013 INVESTMENT MANAGEMENT COMPLIANCE TESTING SURVEY RESULTS

INVESTMENT ADVISER SURVEY REVEALS COMPLIANCE TESTING PRACTICES AND TRENDS

WASHINGTON, D.C./BERWYN, PA – July 11, 2013: The Investment Adviser Association, ACA Compliance Group, and Old Mutual Asset Management are pleased to announce the results of their eighth annual Investment Management Compliance Testing Survey.

The survey was conducted online from April 18 to May 17 and collected responses from 462 compliance professionals, representing a range of SEC-registered investment advisers. The aggregate survey results are now publicly available on the [Investment Adviser Association web site](#) and the [ACA Compliance Group web site](#).

This year's survey addressed compliance testing with respect to the following areas: cost of compliance, document retention and destruction policies, fees and expenses, directed brokerage, soft dollars, and conflicts of interest, as well as the impact of CFTC registration and FATCA regulations. The survey also contained trend update questions about social media, anti-money laundering, business continuity and disaster recovery planning, and hot compliance topics.

Key findings include:

- Since last year’s survey, compliance testing has increased the most in the areas of advertising and marketing, personal trading, disaster recovery planning, and political contributions/pay to play. 79% of firms indicated that they have not decreased compliance testing in any area.
- 32% of the firms reported having only one person in a full-time legal/compliance role.
- 63% of CCOs are wearing two or more hats.
- 99% of firms reported that they do not outsource the Chief Compliance Officer (CCO) role.
- 68% of firms reported that their CCO is a senior executive in the firm.
- 8% of firms reported detecting material compliance issues – and 22% reported finding no compliance issues. The most common material issues were in the areas of advertising and marketing, personal trading, client guidelines, and custody.
- Advertising and marketing is the “hottest” compliance topic cited in the survey, followed by valuation and social media.
- 83% of firms have adopted formal written policies concerning social networking, up from 64% in 2011 and nearly double the percentage of 43% in 2010. 49% of firms prohibit the use of personal social media sites for business purposes, down from 54% in 2012, and 43% report that their social media testing has increased in the past year.
- FATCA and CFTC/NFA registration requirements have increased the already heavy workloads of many compliance staffs.

“The survey confirms that investment advisory compliance professionals continue to adapt their firms’ compliance programs to address the progressively complex regulatory environment,” said Laura Grossman, Assistant General Counsel at the Investment Adviser Association. “Compliance professionals are increasing testing, using more automated compliance systems, and implementing policies and procedures to respond to new challenges. For example, the percentage of firms that have adopted formal written social media policies has risen dramatically over a short period of time, to 83% from only 43% as recently as 2010.”

“We recognize that we are in an industry held to very high standards that takes its compliance responsibilities very seriously. This is evidenced by the remarkably high response rate the survey continues to have year after year, the trends coming out of the

survey, and the thoughtful responses of the survey participants,” noted Amy Yuter, Vice President and Senior Compliance Manager of Old Mutual Asset Management.

“The survey results reflect what ACA consultants have seen in practice: continued emphasis on the creation of testing programs and new methods to detect deficiencies and continued concern regarding compliance surrounding advertising, marketing and social media,” said ACA Compliance Group Managing Director Lynne Carreiro. “We know compliance professionals have many competing demands on their time, and we thank all survey participants for their willingness to make the time to participate in this year’s survey.”

About the survey organizers:

ACA Compliance Group

ACA Compliance Group (ACA) provides expert compliance consulting and GIPS® verification services to investment advisers, private funds, investment companies, and broker-dealers. For more information, visit www.acacompliancegroup.com.

Investment Adviser Association

The Investment Adviser Association is a non-profit association based in Washington, D.C. that represents the interests of SEC-registered investment advisory firms. The IAA’s membership consists of more than 500 SEC-registered investment adviser firms that collectively manage over \$11 trillion in assets for a variety of institutional and individual clients. For more information, visit www.investmentadviser.org.

Old Mutual Asset Management

OMAM is a global multi-boutique investment organization, managing and growing a diverse portfolio of asset managers that serve institutional investors around the world. The assets under management of OMAM’s affiliated investment firms were \$222.8 billion as of March 31, 2013. OMAM is the name through which Old Mutual (US) Holdings Inc. conducts its U.S. asset management business. Its parent company is London-based Old Mutual plc. More information about OMAM, its member firms, and their investment teams and strategies, is available at www.oldmutualus.com.

Old Mutual plc

Old Mutual provides life assurance, asset management, banking and general insurance to more than 14 million customers in Africa, the Americas, Asia and Europe. Originating in South Africa in 1845, Old Mutual has been listed on the London and Johannesburg Stock Exchanges, among others, since 1999.

In the year ended 31 December 2012, the Group reported adjusted operating profit before tax of £1.6 billion (on an IFRS basis) and had £262 billion of funds under management from core operations.

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