

2011 Investment Management Compliance Benchmarking Survey





1. What is your firm's total AUM (assets under management)?

		Response Percent	Response Count
Under \$500 million		21.8%	90
\$500 million to \$1 billion		10.4%	43
\$1 billion to \$10 billion		43.7%	180
\$10 billion to \$20 billion		9.5%	39
Over \$20 billion		14.6%	60
answered question			412
skipped question			0





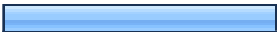

2. How many full and part time employees does your firm employ?

		Response Percent	Response Count
1 to 5		8.0%	33
6 to 10		12.6%	52
11 to 50		45.4%	187
51 to 250		21.6%	89
251 to 500		4.1%	17
501 to 1,000		2.9%	12
More than 1,000		5.3%	22
answered question			412
skipped question			0







3. How would you describe your firm?

		Response Percent	Response Count
Brand new firm (less than 1 year in business).		1.9%	8
Relatively new firm (1 to 5 years in business).		9.7%	40
Established firm (5 to 25 years in business).		61.2%	252
A long-timer (more than 25 years in business).		27.2%	112
		answered question	412
		skipped question	0



4. What are the primary services offered at your firm? (check all that apply)

		Response Percent	Response Count
Investment adviser to a registered investment company.		35.4%	146
Investment adviser to high net worth individuals (typical account size \$1mm or more).		53.4%	220
Investment adviser to retail individuals (typical account size \$1mm or less).		25.2%	104
Investment Adviser to Family Office.		10.7%	44
Investment adviser to ERISA assets/Pension Consultant.		40.5%	167
Investment adviser to a private fund (e.g., private partnership, hedge fund, private equity fund).		49.5%	204
		answered question	412
		skipped question	0




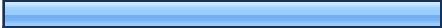



5. How many full time employees are currently employed in your firm's legal and/or compliance departments?

		Response Percent	Response Count
0		7.8%	32
1		37.1%	153
2 to 5		34.7%	143
6 to 10		8.5%	35
11 to 20		5.1%	21
Over 20		6.8%	28
answered question			412
skipped question			0

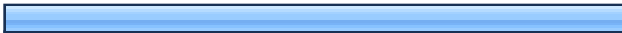







6. Does your firm's CCO perform non-CCO functions (for example, by also serving as your firm's COO or CFO)?

		Response Percent	Response Count
No, our CCO is solely a CCO.		34.5%	142
Yes, our CCO wears two or more hats and performs other non-CCO roles.		65.5%	270
answered question			412
skipped question			0




7. How does your firm demonstrate that you have developed and promote a culture of compliance: (check all that apply)

		Response Percent	Response Count
The CEO or President is immediately apprised of material compliance issues/breaches.		76.2%	314
The CCO is one of the most senior executives.		67.7%	279
The firm conducts annual (or more frequent) employee compliance training.		80.8%	333
Senior management participates in SEC inspections, such as by participating in the opening interview.		65.8%	271
The CCO or other compliance personnel attend various committee meetings (such as best execution committee meetings).		77.9%	321
The CCO reports directly to the CEO or President.		64.8%	267
The CCO meets periodically with the CEO or President to discuss compliance issues and initiatives.		73.5%	303
		answered question	412
		skipped question	0

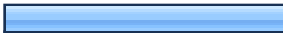




















8. What constituencies receive notification of the results or a copy of any report produced as a result of the annual review? (check all that apply)


		Response Percent	Response Count
Senior management		93.0%	383
Corporate board of directors		35.0%	144
Outside counsel		15.3%	63
Clients or investors		9.7%	40
Third-party consultants		10.9%	45
Advisers, sub-advisers, and/or wrap sponsors		8.0%	33
Third-party service providers		2.4%	10
Other (please explain):		11.9%	49
answered question			412
skipped question			0

9. Over the previous year, has your compliance testing detected any issues?



















		Response Percent	Response Count
Yes, we detected material compliance issues.		7.5%	31
Yes, we detected compliance issues, none of which we deemed to be material.		70.4%	290
No, we did not detect any compliance issues.		22.1%	91
answered question			412
skipped question			0

10. In which of the following areas have you increased the type, scope, and/or frequency of compliance testing (since January 1, 2010)? (check all that apply)

		Response Percent	Response Count
Advertising/marketing		41.7%	172
AML		16.3%	67
Best execution		30.1%	124
Books and records		25.7%	106
Client guidelines		27.2%	112
Custody		40.5%	167
Data security		41.5%	171
Disaster recovery planning		32.5%	134
Error correction		17.0%	70
Fraud prevention		8.0%	33
Gifts and entertainment		27.4%	113
Personal trading		38.8%	160
Portfolio management		20.6%	85
Proxy voting		14.3%	59
Side-by-side management		10.7%	44
Regulatory reporting (e.g. Form ADV, Form 13F)		34.5%	142
Rumors/market manipulation		8.5%	35
Short selling		3.2%	13
Soft dollars		14.8%	61
Trade allocation		23.3%	96
Valuation		20.9%	86

Other area(s) (please specify): 	10.7%	44
answered question		412
skipped question		0

11. In which of the following areas have you decreased the type, scope, and/or frequency of compliance testing (since January 1, 2010)? (check all that apply)












		Response Percent	Response Count
Advertising/marketing		4.4%	18
AML		12.4%	51
Best execution		3.6%	15
Books and records.Client guidelines		3.9%	16
Custody		6.3%	26
Data security		1.2%	5
Disaster recovery planning		5.1%	21
Error correction		3.9%	16
Fraud prevention		2.4%	10
Gifts and entertainment		6.8%	28
Personal trading		2.4%	10
Portfolio management		1.5%	6
Proxy voting		13.3%	55
Side-by-side management		8.0%	33
Regulatory reporting (e.g. Form ADV, Form 13F)		1.9%	8
Rumors/market manipulation		8.5%	35
Short selling		8.5%	35
Soft dollars		8.7%	36

Trade allocation		1.7%	7
Valuation		5.1%	21
Other area(s) (please specify):		42.0%	173
answered question			412
skipped question			0










12. Has your firm adopted a policy to address pay-to-play? (Please respond “Yes” even if your only policy is a flat prohibition on political contributions.)

		Response Percent	Response Count
Yes, we have adopted a formal stand-alone policy.		32.3%	133
Yes, we have adopted a policy as part of our other policies.		37.6%	155
No, this rule is not applicable.		19.9%	82
We are in the process of developing a policy.		9.0%	37
Other (please describe):		1.2%	5
answered question			412
skipped question			0

13. You have indicated that your firm has adopted or is developing a policy. Which of the following categories describe the persons that your policy covers? (We will refer to these persons as “Covered Persons” in this survey.) (check all that apply)

		Response Percent	Response Count
All Covered Associates as defined by SEC rule (e.g., general partner, executive officer, employees who solicit government entities, etc.)		46.3%	146
All employees		68.3%	215
Directors of adviser		5.7%	18
Directors of affiliates		2.2%	7
Senior management		14.6%	46
All marketing personnel		9.8%	31
Certain employees of affiliates		3.5%	11
Third-party solicitors		4.1%	13
Spouses and/or dependent children of Covered Associates		17.5%	55
Spouses and/or dependent children of other personnel covered by the firm's policy		16.5%	52
Other (please describe):		7.0%	22
		answered question	315
		skipped question	97

14. Which of the following policies have you adopted with regard to political contributions by Covered Persons (Covered Associates and anyone else that you cover)? (check all that apply)

		Response Percent	Response Count
We prohibit all political contributions.		9.2%	29
We prohibit all political contributions to any state or local government official.		7.9%	25
We prohibit all political contributions to certain identified state and local government officials/entities (e.g., current clients, prospective clients).		7.3%	23
We prohibit all political contributions above a de minimis amount. (Please specify the amount in the Comment Box below.)		23.5%	74
We require Covered Persons to pre-clear all political contributions.		52.7%	166
We require Covered Persons to pre-clear political contributions above a de minimis amount. (Please specify the amount in the Comment Box below.)		12.7%	40
We require periodic reporting of all political contributions by Covered Persons. (Please specify how frequently in the Comment Box below.)		43.5%	137
We require new personnel to be vetted for political contributions before they are hired as Covered Associates.		31.4%	99
We require new personnel to be vetted for political contributions before they are hired as Covered Persons.		35.6%	112








answered question

315


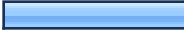




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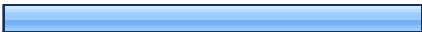






15. Which of the following policies have you adopted with regard to indirect political contributions/activities? (check all that apply)



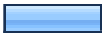

		Response Percent	Response Count
We have developed policies and procedures governing indirect contributions (e.g., via family members or other household members, or personally owned companies).		55.6%	175
We have developed policies and procedures governing indirect contributions via payments to PACs and state and local political parties.		41.6%	131
We prohibit coordinating or soliciting contributions.		32.1%	101
We require pre-clearance of coordinating or soliciting contributions.		27.9%	88
We require reporting of coordinating or soliciting contributions.		18.4%	58
We require pre-clearance of political volunteering activities.		18.4%	58
Other (please describe):		12.1%	38
		answered question	315
		skipped question	97

16. Which of the following policies have you adopted with regard to providing or receiving gifts and entertainment to government officials? (check all that apply)


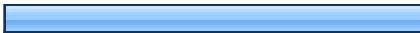
		Response Percent	Response Count
We prohibit providing gifts and entertainment to governmental officials.		18.7%	59
We require pre-clearance of gifts and entertainment to governmental officials.		27.0%	85
We restrict gifts and entertainment to governmental officials.		15.6%	49
We do not have a gifts and entertainment policy.		2.9%	9
Our gifts and entertainment policy is broad, and not specific to pay to play issues.		45.4%	143
Other (please describe):		5.4%	17
		answered question	315
		skipped question	97

17. What types of monitoring or testing does your firm conduct surrounding political contributions? (check all that apply)








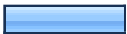

		Response Percent	Response Count
We monitor publicly available information for contributions.		20.0%	62
We hire a third party to monitor publicly available information for contributions.		2.9%	9
We review periodic reports received from Employees/Covered Persons.		47.4%	147
We require periodic (i.e., monthly, quarterly, annually) certifications from personnel regarding compliance.		62.9%	195
We request certifications from government clients that no officials received contributions from firm personnel.		0.6%	2
We request a list of any political donations received from employees by prospective investors as part of the client onboarding process.		4.8%	15
We request a list of any political contributions as part of our hiring process for new employees.		36.5%	113
We compare requested pre-clearances with employee reporting.		25.5%	79
We look for patterns regarding political contributions and entities with whom we win business.		9.4%	29
We look for patterns regarding gifts/entertainment given by employees to government entities with whom we win business.		8.4%	26
We conduct periodic training of			







relevant personnel on pay to play issues.		39.0%	121
We review expense reports of relevant personnel for pay to play red flags.		15.2%	47
Not Applicable. We do not conduct any monitoring or testing surrounding political contributions.		14.2%	44
Other (please describe):		4.8%	15
answered question			310
skipped question			102

18. Does your firm use third-party solicitors or placement agents to solicit new clients or investors?









		Response Percent	Response Count
Yes.		37.4%	116
No.		62.6%	194
answered question			310
skipped question			102








19. You indicated that your firm uses solicitors or placement agents. Which of the following policies or procedures with regard to the monitoring of contributions by solicitors or placement agents have you implemented?(check all that apply)

		Response Percent	Response Count
We require pre-clearance of all contributions by solicitors or placement agents as part of our contract.		6.2%	7
We require reporting of all political contributions by solicitors or placement agents as part of our contract.		6.2%	7
We prohibit all contributions by solicitors or placement agents as part of our contract.		5.3%	6
We require all new solicitors to be vetted for political contributions before we retain them.		4.4%	5
We look for publicly available information on solicitors' contributions.		2.7%	3
We hire a third party to monitor publicly available information for contributions.		0.9%	1
We review reporting of all contributions.		4.4%	5
We require periodic (i.e., monthly, quarterly, annually) certifications regarding compliance.		17.7%	20
We request certifications from government clients that no officials received contributions from firm solicitors or placement agents.		0.9%	1
We request a list of any political donations received from solicitors and placement agents by prospective investors as part of		0.0%	0









the client onboarding process.			
We conduct due diligence of policies and procedures adopted by the solicitors and placement agents.		6.2%	7
We compare requested pre-clearances with solicitor reporting.		3.5%	4
We look for patterns regarding activities by solicitors and placements agents and entities with whom we win business.		2.7%	3
We rely on the policies and procedures adopted by the solicitors and placement agents to ensure compliance.		31.0%	35
We do not do any monitoring of our third-party solicitors or placement agents.		36.3%	41
Other (please describe):		13.3%	15
		answered question	113
		skipped question	299

20. In light of the new requirements, have you made any of the following changes to your policies and procedures concerning the preparation of Form ADV, Part 2? (check all that apply)

		Response Percent	Response Count
We have instituted a new approval process for Form ADV, Part 2.		17.0%	64
We have instituted new policies and procedures to identify changes in lines of business and products to determine whether they fit within the Form ADV, Part 2.		5.9%	22
We have instituted new policies and procedures to identify changes in risks or new investment strategies to determine whether they fit within the Form ADV, Part 2.		5.3%	20
We have instituted new policies and procedures to identify changes in affiliated entities and persons to assess possible changes to the Form ADV, Part 2.		3.7%	14
We have instituted new policies and procedures to identify changes to the disclosures about conflicts of interest.		8.0%	30
We have instituted new policies and procedures to identify supervised persons for whom supplements must be prepared.		8.8%	33
We have instituted new policies and procedures to identify newly hired persons for whom supplements must be prepared.		6.4%	24
We have instituted new policies and procedures to identify changes in the personnel serving particular clients or working in particular functions.		2.9%	11








We have instituted new policies and procedures to identify supervisors.		2.1%	8
We have instituted new policies and procedures to identify newly hired supervisors.		1.9%	7
We have instituted new policies and procedures to identify changes in supervisory responsibilities.		2.9%	11
We have instituted new procedures to assure consistency among the new Form ADV, Part 2 and client agreements, marketing materials, and Part 1 of Form ADV.		16.2%	61
We are in the process of making changes to our policies and procedures.		34.3%	129
No, we have made no changes.		40.4%	152
Other (please describe):		5.1%	19
answered question			376
skipped question			36

21. In light of the new requirements, have you made any of the following changes to your policies and procedures concerning the delivery of Part 2 of Form ADV? (check all that apply)



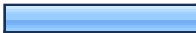





		Response Percent	Response Count
We have instituted new policies and procedures to identify changes to information in the brochure that may require other-than-annual delivery to clients.		14.1%	53
We have instituted new policies and procedures to match supervised persons to clients to whom the Form ADV, Part 2B supplement must be delivered.		9.6%	36
We have instituted new policies and procedures to identify changes to information that may require delivery of an updated supplement to clients.		11.7%	44
We have instituted new policies and procedures to identify changes in the personnel serving particular clients.		1.9%	7
We have instituted new policies and procedures to allow for electronic delivery.		12.2%	46
We have revised our client agreements to reflect acknowledgment of receipt of Form ADV, Part 2.		9.0%	34
We have instituted new policies and procedures to establish a manual log of the delivery of the brochure and supplements, including updates to these materials.		6.1%	23
We have instituted new policies and procedures to establish an electronic log of the delivery of the brochure and supplements,		9.0%	34

including updates to these materials.			
We are in the process of making changes to our policies and procedures.		37.2%	140
No, we have made no changes.		34.0%	128
Other (please describe):		6.6%	25
answered question			376
skipped question			36

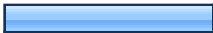








22. Will your firm deliver the brochure and/or supplement(s) electronically to clients pursuant to SEC guidance (e.g., with appropriate client consent)? What manner of delivery will you use? (check all that apply)

		Response Percent	Response Count
Yes, we will email to all clients a link to the brochure that is posted on our website.		6.7%	25
Yes, we will post to a secure third party website (e.g., an e-room) and notify clients via email that it is available.		4.8%	18
Yes, we will post to the firm's website and notify clients via email that it is available.		11.5%	43
Yes, we will post to a website and notify clients via hard copy (e.g., notification on the quarterly letter/statement).		7.0%	26
Yes, we will email a copy of the brochure and/or supplement to all clients individually.		36.6%	137
No, we will not be delivering the Form ADV Part 2 electronically.		39.6%	148
Other (please describe):		12.8%	48
		answered question	374
		skipped question	38



23. How will you document that the brochure has been delivered? (check all that apply)

		Response Percent	Response Count
We will maintain a copy of the notification email.		69.0%	156
We will maintain a report of the clients who have accessed the website.		11.5%	26
We will maintain a copy of the hard copy notification sent to all clients.		28.8%	65
We will request and maintain "read receipts" for all email deliveries.		14.6%	33
We will request notification of receipt from the clients.		8.0%	18
We have engaged a third party service provider to manage delivery.		3.1%	7
We have implemented an automated solution.		4.9%	11
Other (please describe):		10.6%	24
answered question			226
skipped question			186

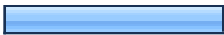





24. Which of the following participated in preparing the firm's brochure? (check all that apply)

		Response Percent	Response Count
An outside consultant		31.0%	116
An outside attorney		44.7%	167
An in-house attorney		36.6%	137
The chief compliance officer		89.8%	336
Firm management		66.6%	249
The firm's marketing professionals		30.5%	114
The firm's client relations professionals		21.9%	82
A committee comprised of individuals from various functions (please describe below)		9.4%	35
Other (please describe):		14.4%	54
		answered question	374
		skipped question	38


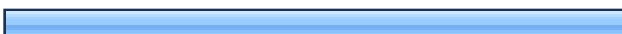
25. Is your firm filing more than one brochure (Part 2A)?

		Response Percent	Response Count
Yes.		10.2%	38
No.		89.8%	336
		answered question	374
		skipped question	38

26. You have indicated that your firm is filing more than one brochure. Why did you opt to file separate brochures? (check all that apply)

		Response Percent	Response Count
They are targeted at different types of clients (e.g., institutional, retirement, retail).		32.5%	13
They describe separate investment strategies.		27.5%	11
They describe separate fee structures.		22.5%	9
A single brochure would be too voluminous.		7.5%	3
I don't know.		5.0%	2
Other (please describe):		40.0%	16
		answered question	40
		skipped question	372



27. Will you use a different “assets under management” calculation in Part 2 than the calculation you use in Part 1?

		Response Percent	Response Count
Yes.		6.7%	25
No.		93.3%	349
		answered question	374
		skipped question	38





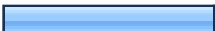
28. You have indicated that your firm will use a different “assets under management” calculation in Part 2 than the calculation you use in Part 1. How will they differ? (check all that apply)

		Response Percent	Response Count
The calculation for Part 2 purposes excludes nonpaying clients.		0.0%	0
The calculation for Part 2 purposes excludes proprietary accounts.	<input type="checkbox"/>	3.7%	1
The calculation for Part 2 purposes excludes foreign clients.	<input type="checkbox"/>	7.4%	2
The calculation for Part 2 purposes includes accounts over which we may not be deemed to exercise continuous and regular supervisory or management services as defined in Part 1.	<input checked="" type="checkbox"/>	48.1%	13
The calculation for Part 2 purposes includes accounts that are not “securities portfolios” for purposes of Part 1.	<input type="checkbox"/>	14.8%	4
Other (please describe):	<input type="checkbox"/>	33.3%	9
		answered question	27
		skipped question	385








29. Do you participate as an adviser to a Unified Managed Account (“UMA”) Program?

		Response Percent	Response Count
Yes		15.2%	57
No		84.8%	317
answered question			374
skipped question			38



30. You indicated that you are an adviser of a UMA program. Which of the following policies did your firm adopt with regard to the inclusion of the assets of the UMA program in the assets under management calculation for the purposes of Form ADV?

		Response Percent	Response Count
We include all of the assets in the calculation for both Parts 1 and 2.		54.4%	31
We include some of the assets in the calculation for both Parts 1 and 2.		1.8%	1
We include all of the assets in the calculation for Part 1 but not Part 2.		0.0%	0
We include some of the assets in the calculation for Part 1 but not Part 2.		0.0%	0
We include all of the assets in the calculation for Part 2 but not Part 1.		8.8%	5
We include some of the assets in the calculation for Part 2 but not Part 1.		3.5%	2
We do not include any of the assets in our AUM calculation.		31.6%	18
		answered question	57
		skipped question	355



31. Which of the following factors do you consider in determining whether or not to include the assets in your AUM calculation? (check all that apply)

		Response Percent	Response Count
Whether we have investment advisory contracts directly with the client.		47.4%	27
Whether we bill the UMA assets under management.		33.3%	19
Whether we bill for a flat fee for model account services.		8.8%	5
Whether we provide investment supervisory services.		43.9%	25
Whether we maintain trading authorization over the account.		42.1%	24
Whether we maintain investment discretion over the account.		54.4%	31
Whether we engage in communications directly with the clients.		5.3%	3
answered question			57
skipped question			355

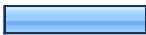




32. Is your firm preparing a Form ADV Part 2B Brochure Supplement?

		Response Percent	Response Count
Yes		83.4%	311
No		16.6%	62
answered question			373
skipped question			39








33. Do you intend to include the brochure supplement (Part 2B) as part of the brochure (Part 2A)?

		Response Percent	Response Count
Yes.		57.7%	180
No.		42.3%	132
answered question			312
skipped question			100


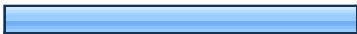
34. Is your firm preparing to deliver brochure supplements (Part 2B):

		Response Percent	Response Count
Separately for each applicable supervised person.		21.2%	66
For all of our applicable supervised persons together in one group.		58.3%	182
For different groups of supervised persons.		7.1%	22
For some individuals as well as for some groups of supervised persons.		6.4%	20
Other (please describe):		7.1%	22
answered question			312
skipped question			100





35. You have indicated that your firm is preparing supplements for one or more groups of supervised persons. Please describe your reason(s) for this approach: (check all that apply)

		Response Percent	Response Count
The firm is small, and one group is the easiest approach for us.		71.5%	176
Each group supplement relates to a different type of client (ex., institutional, retirement, retail).		4.5%	11
Each group supplement relates to a separate investment strategy.		10.2%	25
Each group supplement relates to a separate work group.		5.7%	14
Each group supplement relates to a separate office or location.		4.1%	10
I don't know.		4.9%	12
Other (please describe):		7.7%	19
answered question			246
skipped question			166












36. Do you intend to use the “team” approach in your supplement(i.e., provide supplements only for the 5 supervised persons with the most responsibility)?

		Response Percent	Response Count
Yes.		47.3%	147
No.		52.7%	164
answered question			311
skipped question			101





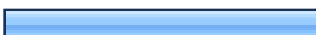




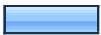


37. You have indicated that your firm is preparing the supplement based on the team approach. How will you identify the five team members that you include in the supplement? (check all that apply)





		Response Percent	Response Count
By seniority.		45.0%	67
By function.		71.1%	106
By percentage of time spent on the client (or group of clients).		8.7%	13
Other (please describe):		9.4%	14
		answered question	149
		skipped question	263

38. How will you obtain and monitor the educational background, business experience, and disciplinary information for your firm’s supervised persons? (check all that apply)










		Response Percent	Response Count
We will ask the supervised person via a questionnaire.		48.2%	149
We will require the supervised person to certify to the information that we include in the brochure.		43.4%	134
We will require the supervised person’s supervisor to review the information that we include in the brochure.		37.2%	115
We will perform a background check for each supervised person.		12.0%	37
We will contact entities in charge of listed designations for verification.		4.2%	13
We will ask the supervised person via a periodic questionnaire to update the information.		29.1%	90
We will require the supervised person to certify to the updates that we include in the brochure.		27.5%	85
We will require the supervised person’s supervisor to provide updates and review the updated information that we include in the brochure.		13.9%	43
We will perform an updated background check periodically for each supervised person.		4.5%	14
We will conduct employee training to ensure they bring updated information to our attention.		27.5%	85
Other (please describe):		10.7%	33
answered question			309



39. What types of activities does your firm participate in that could increase the risk of obtaining Material Non-Public Information (“MNPI”)? (check all that apply)

		Response Percent	Response Count
We go “over the wall” and knowingly obtain MNPI in the ordinary course of our investment activities.		14.4%	53
We enter into confidentiality agreements/nondisclosure agreements regarding private deals.		26.6%	98
We engage expert network firms.		15.7%	58
We engage other third-party industry consultants.		14.4%	53
We engage in discussions with company management.		46.9%	173
We engage in discussions with suppliers, vendors and other third-parties engaging with issuers.		19.8%	73
We engage in discussions with other investment managers.		34.4%	127
We use document management and delivery services (e.g., SynTrac, Intralinks).		11.1%	41
We permit our employees to serve on creditors' committees.		8.9%	33
We permit our employees to serve on boards of directors of publicly traded companies.		13.6%	50
Our clients are insiders of publicly traded companies.		17.6%	65
Our employees' family and/or friends are insiders of publicly		11.4%	42


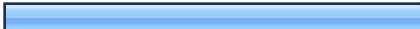





traded companies.			
We (or an affiliate of our firm) serve in an investment banking function.		5.1%	19
We gather research using sell-side analyst surveys and participate in "alpha capture" programs.		3.3%	12
We participate in other activities that may pose heightened risk of obtaining MNPI. (Please describe).		2.4%	9
None. We do not engage in activities which we believe heighten our risk of receiving material, non-public information.		34.7%	128
answered question			369
skipped question			43

40. How does your firm maintain and enforce the policies and procedures your firm has adopted to reduce insider trading risks? (check all that apply)







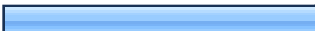

		Response Percent	Response Count
We have adopted a customized policy to seek to prevent insider trading.		60.2%	222
We periodically review our policy to ensure that it appropriately addresses our firm's current insider trading risks.		71.5%	264
We require employees to certify on a periodic basis that they have not been in receipt of/acted on MNPI.		43.1%	159
We assign contact persons for employees to report potential MNPI and abuses.		26.6%	98
We implement "fire walls" and/or restricted trading lists to prevent abusive trading.		36.9%	136
We periodically evaluate whether our firm's compensation structure may encourage portfolio management personnel to take overly aggressive actions.		7.0%	26
We favor compensation structures that reward long-term performance and compliance with firm policies and procedures.		22.0%	81
We distribute a periodic conflict questionnaire to obtain an understanding of potential MNPI sources.		13.6%	50
We maintain an inventory of the sources of potential inside information.		10.6%	39
We perform a formal insider trading			

risk assessment on a periodic basis (e.g. monthly, quarterly, semi-annually etc.).		20.3%	75
Other (please describe):		5.7%	21
answered question			369
skipped question			43





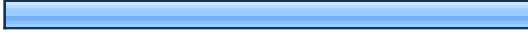
41. What kind of training do you provide to employees regarding your policies surrounding MNPI? (check all that apply)

		Response Percent	Response Count
We train all new employees on our policy to prevent insider trading.		72.4%	267
We train all employees on at least an annual basis on our policy to prevent insider trading.		62.6%	231
We train all employees more frequently than annually on our policy to prevent insider trading.		4.3%	16
We train all employees annually and conduct more frequent training of employees who are more susceptible to be in receipt of MNPI.		11.9%	44
We engage a third-party to provide periodic training to employees.		9.5%	35
We do not provide training to employees on insider trading.		9.2%	34
Other (please describe):		5.1%	19
answered question			369
skipped question			43

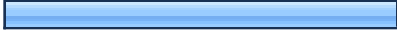

42. Which of the following policies and procedures has your firm adopted with regard to the use of third-party research providers, including expert network firms? (check all that apply)

		Response Percent	Response Count
We request documentation from third-party research providers evidencing their insider trading prevention program and the controls that are in place to prevent the release of MNPI.		15.7%	58
We require all third-party research providers to certify that they will not provide us with MNPI.		11.1%	41
We require that employees inform third-party research providers that they do not want to receive MNPI.		16.0%	59
We require employees to pre-clear calls and meetings with third-party research providers.		7.6%	28
We require employees to report calls and meetings with third-party research providers and the information obtained.		12.2%	45
We periodically monitor calls and meetings with third-party research providers to observe directly what is being provided.		8.7%	32
Not applicable. We prohibit the use of third-party research providers.		46.9%	173
Other (please describe):		20.6%	76
answered question			369
skipped question			43









43. Since January 1, 2010, has your firm changed its policies with regard to the use of expert networks?

		Response Percent	Response Count
Yes, we previously utilized expert networks, but we now prohibit their use due to recent heightened regulatory focus.		3.0%	11
Yes, we previously utilized expert networks, but now we prohibit their use for reasons other than the recent heightened regulatory focus.		0.5%	2
Yes, we previously utilized expert networks, but have recently reduced the number/frequency of use to reduce compliance risks.		16.3%	60
Yes, we previously did not utilize expert networks, but we have since begun using them.		1.1%	4
No, we did not previously engage expert network firms, and we do not plan to engage them in the near future.		79.1%	292
answered question			369
skipped question			43

44. Does your firm test to detect insider trading?




		Response Percent	Response Count
Yes.		59.1%	218
No.		40.9%	151
answered question			369
skipped question			43

45. You have indicated that your firm tests to detect insider trading. How does your firm test to detect insider trading? (check all that apply)

		Response Percent	Response Count
We test for trading patterns in client accounts around news stories.		30.9%	67
We test for trading patterns in personal accounts around news stories.		40.1%	87
We review circumstances surrounding unusually profitable trades in client accounts.		28.6%	62
We review circumstances surrounding unusually profitable trades in personal accounts.		26.7%	58
We review a certain percentage of the most profitable trades in client accounts over a certain time period (e.g., quarterly, semi-annually, or annually) and ensure that such trades are supported by the firm's standard investment due diligence processes.		22.1%	48
We review employees' emails to/from "value-added" clients and investors, such as broker-dealers, investment bankers, research analysts, third-party research providers, consultants, lobbyists, and/or senior management of public companies.		33.2%	72
We review employees' emails to/from insider trading case defendants.		11.1%	24
We review our investments in light of the personal conflicts of our employees (e.g., spouse employed as an officer at a publicly-traded company).		30.4%	66

Other (please describe):		18.4%	40
		answered question	217
		skipped question	195





46. Since January 1, 2010, has your firm's insider trading testing changed?

		Response Percent	Response Count
Yes, testing has increased significantly. (please describe)		6.9%	15
Yes, testing has increased slightly.		21.2%	46
No, testing has stayed about the same.		71.9%	156
Yes, testing has decreased slightly.		0.0%	0
Yes, testing has decreased significantly. (please describe)		0.0%	0



Please Describe: 7

		answered question	217
		skipped question	195


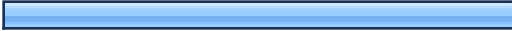






47. Does your firm have a standalone formal whistleblowing policy?

		Response Percent	Response Count
Yes.		15.3%	56
No, but whistleblowing is included in part of an existing policy (i.e., Code of Ethics, Employee Handbook).		47.3%	173
No, but we are developing one based on the Dodd-Frank Act.		6.3%	23
No, we do not have a policy and are not considering developing one.		31.1%	114
answered question			366
skipped question			46





48. Has your firm made or does it anticipate making any changes to your compliance program in light of the SEC's proposed whistleblowing rule?

		Response Percent	Response Count
Yes (Please describe below).		9.3%	34
No.		90.7%	332
If yes, please describe:			29
answered question			366
skipped question			46


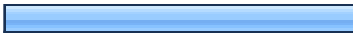


**49. What policies and procedures has your firm put into place to address whistleblowing?
(check all that apply)**

		Response Percent	Response Count
We have an independent third-party hotline for anonymous reporting by employees.		17.2%	63
We encourage employees to raise compliance issues directly to compliance staff.		76.5%	280
We have a procedure for escalating employee-reported issues.		29.5%	108
We keep those employees who raise compliance issues informed as to the status of their complaints.		15.8%	58
We train employees on a periodic basis about procedures for raising compliance issues.		35.0%	128
We train human resources and other employees on the anti-retaliation rules applicable to whistleblowers.		12.8%	47
We are in the process of making changes to our policies and procedures.		12.6%	46
Other (please describe):		9.0%	33
		answered question	366
		skipped question	46











50. Does your compliance program address bribery and corruption (e.g. Foreign Corrupt Practices Act, UK Bribery Act)?




		Response Percent	Response Count
Yes. It is part of our financial crime/fraud policy.		10.7%	39
Yes. It is part of another policy.		30.3%	111
No, but we are in the process of developing a policy to address bribery and corruption.		10.1%	37
No, we do not have a policy and are not considering developing one.		48.9%	179
		answered question	366
		skipped question	46

51. Does your firm have a standalone financial crime/fraud policy?











		Response Percent	Response Count
Yes.		8.7%	32
No, but financial crime/fraud is included in part of an existing policy (i.e., Code of Ethics, Employee Handbook).		52.5%	192
No, but we are in the process of developing one.		3.0%	11
No, we do not have a policy and are not considering developing one.		35.8%	131
		answered question	366
		skipped question	46









52. What policies and procedures has your firm adopted to address financial crime and fraud? (check all that apply)

		Response Percent	Response Count
We have implemented a customized formal fraud/forensic crime program to manage and monitor fraud or financial crime activities across our business.		5.2%	12
We have adopted general policies to address the type of fraud risks associated with our business.		66.1%	154
We perform a formal fraud/financial crime risk assessment across the business.		8.2%	19
We compile fraud/financial crime reports for escalation and monitoring for trends.		3.0%	7
We periodically review our policy to ensure that it appropriately addresses our firm's financial crime and fraud risks.		36.9%	86
We restrict the firm from making contributions to political parties, organizations or individuals engaged in politics.		27.5%	64
Our contracts with third parties require that they agree not to violate FCPA and other applicable laws.		10.7%	25
We have adopted authorization procedures prior to payments being made to a third- party.		16.7%	39
We have adopted vendor selection approval processes.		20.2%	47
We include anti-bribery and corruption provisions, termination and audit rights in contracts with		9.4%	22








third-parties.			
We fully investigate any allegations of bribery and corruption using appropriately skilled individuals.		14.2%	33
We have procedures to appropriately escalate and report allegations of bribery and corruption.		26.2%	61
Other (please describe):		6.0%	14
answered question			233
skipped question			179

53. What policies and procedures has your firm implemented with regard to the supervision of employees to prevent financial crime and fraud? (check all that apply)



		Response Percent	Response Count
We have appropriate segregation of duties across finance, treasury, portfolio management and trading functions.		61.4%	143
We require all employees to take at least a one week consecutive vacation so that the employee's functional area may be reviewed in their absence.		10.7%	25
We train all new employees on our financial crime/fraud policies.		27.0%	63
We train all employees on at least an annual basis on our financial crime/fraud policies.		36.9%	86
We engage a third-party to provide periodic training to employees.		4.3%	10
We conduct pre-employment screenings (i.e., background checks) on all new hires.		58.8%	137
We conduct ongoing employment screenings (i.e., background checks) on employees, either at the time of promotion or ad hoc.		7.3%	17
We have instituted a formal email supervisory review system to detect potential fraud/financial crime.		38.2%	89
We require employees to certify on a periodic basis that they comply with the fraud/financial crime policy.		29.2%	68
We host an independent third-party fraud hotline for anonymous reporting available to all		5.6%	13

employees.			
We restrict the acceptance and provision of gifts or corporate hospitality to comply with firm policy and relevant local regulatory requirements.		39.9%	93
We require employees to periodically report gifts/entertainment received.		57.5%	134
We require employees to periodically report gifts/entertainment provided.		49.4%	115
We prohibit the firm and its employees from giving or receiving money for business purposes (excluding approved charitable contributions).		31.8%	74
We require employees to periodically certify that no money was inappropriately provided/received.		18.5%	43
Our employment contracts include contractual obligations and penalties for bribery, corruption and other financial crimes.		5.6%	13
We have adopted disciplinary procedures to address violations of our financial crime/fraud policies.		17.2%	40
Other (please describe):		6.0%	14
answered question			233
skipped question			179









54. How does your firm test to detect fraud or financial crimes? (check all that apply)

		Response Percent	Response Count
Our formal AML program detects any suspicious persons.		48.5%	113
We use databases and payment systems to screen any suspicious activities.		14.2%	33
We review expense reports and commission reports.		42.1%	98
We test system controls (i.e., access logic, passwords) to ensure systems are limited to necessary person(s).		32.6%	76
We review employee emails to detect potential fraud/financial crime.		60.1%	140
We do not test to detect fraud or financial crimes.		11.6%	27
Other (please describe):		4.3%	10
answered question			233
skipped question			179



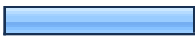



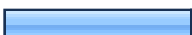

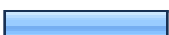



55. Has your firm adopted formal written policies and procedures governing your firm's and/or employees' use of social networking websites?

		Response Percent	Response Count
Yes.		64.0%	233
No.		36.0%	131
answered question			364
skipped question			48

56. Which of the following policies and procedures are generally practiced at your firm with respect to social networking websites (e.g., LinkedIn, Twitter, Facebook, YouTube, other blogs)? (check all that apply)

		Response Percent	Response Count
We impose no restrictions.		16.2%	59
We physically restrict social networking websites that employees may access from their business computers.		23.4%	85
We have a policy to limit employees from accessing social networking websites for business purposes.		28.6%	104
We permit employees to access social networking websites and have imposed restrictions on their use.		17.6%	64
We permit employees to have personal accounts on social networking websites and have imposed restrictions on their use as it relates to our firm.		53.8%	196
We have established a corporate account(s) on a social networking website(s).		9.6%	35
We have restricted our firm from establishing a corporate account on a social networking website.		15.9%	58
Other (please describe):		9.3%	34
		answered question	364
		skipped question	48

57. If you permit firm/employee use of only certain sites, which sites do you permit? (check all that apply)












		Response Percent	Response Count
LinkedIn for employees.		63.7%	232
LinkedIn for the firm.		15.4%	56
Twitter for employees.		28.3%	103
Twitter for the firm.		5.2%	19
Facebook for employees.		42.6%	155
Facebook for the firm.		7.1%	26
YouTube for employees.		28.0%	102
YouTube for the firm.		4.4%	16
Blogs for employees.		24.2%	88
Blogs for the firm.		6.6%	24
Other for employees (please describe).		19.2%	70
Other for the firm (please describe).		21.2%	77







Other (please describe): 118

answered question 364

skipped question 48







58. What policies and procedures are in place to monitor employees' personal use of social networking websites? (check all that apply)

		Response Percent	Response Count
We do no monitoring of employees' use at work.		44.0%	160
We do no monitoring of employees' use outside of work.		50.0%	182
We have developed posting guidelines.		17.6%	64
We train employees on a periodic basis on regulatory and other potential issues (e.g., privacy, intellectual property, potential litigation).		29.1%	106
We require employees to certify compliance with our social media policy.		35.4%	129
We require employees to add compliance personnel as a "friend" on Facebook so we can monitor all activity.		3.3%	12
Compliance personnel monitor websites on a periodic basis.		21.7%	79
We have engaged a third-party service provider(s) to assist in monitoring employees' use of social networking websites.		1.9%	7
We require employees to obtain pre-approval for personal use of social networking websites.		3.3%	12
We require employees to disclose personal accounts on social networking websites.		4.9%	18
We require employees to pre-clear information they intend to post on social networking websites.		4.1%	15






We require employees to file information they intend to post on social networking websites.		1.9%	7
We require employees to provide disclosure to our firm after posting any information on a social networking website.		1.4%	5
We prohibit employees from referencing our firm's name in any postings or communications on their personal accounts.		16.2%	59
We limit employees to only including the name of our firm as their employer on social media sites such as LinkedIn and Facebook.		23.9%	87
We restrict employees' use of "recommendations," chat rooms, and/or discussion rooms due to risk of potential prohibited testimonials, past specific recommendations, and/or false or misleading statements.		24.5%	89
Other (please describe):		6.3%	23
answered question			364
skipped question			48

59. If your firm has a corporate account(s) on a social networking website(s), what policies and procedures are in place to monitor the corporate account(s)? (check all that apply)










		Response Percent	Response Count
We treat our profile and communications from our corporate account(s) as advertising under the Advisers Act and have the same compliance policies and procedures for our corporate account(s).	<input checked="" type="checkbox"/>	12.7%	46
We monitor for potential solicitations of advisory services and/or securities, if applicable.	<input type="checkbox"/>	2.5%	9
We restrict "recommendations," chat rooms, and/or discussion rooms due to risk of potential prohibited testimonials, past specific recommendations, and/or false or misleading statements.	<input type="checkbox"/>	6.1%	22
We comply with the books and records rule under the Advisers Act with regard to our profile, all postings, and other communications from our corporate account(s).	<input checked="" type="checkbox"/>	8.0%	29
We have developed posting guidelines for certain employees to post to our corporate account(s).	<input type="checkbox"/>	3.9%	14
We have developed supervisory procedures for monitoring and reviewing our corporate account(s) with respect to corporate or employee postings.	<input type="checkbox"/>	3.9%	14
We have developed supervisory procedures for monitoring and reviewing our corporate account(s) with respect to third-party (including client and prospective client) postings.	<input type="checkbox"/>	1.9%	7
We train employees on a periodic basis.	<input type="checkbox"/>	4.4%	16

We require certifications from our employees.		3.3%	12
We have established an approval process for prospective postings by third-parties (including clients and potential clients) to our corporate account(s).		0.6%	2
We have developed guidelines for third-parties (including clients or potential clients) to post to our corporate account(s).		0.3%	1
We have engaged a third-party service provider(s) to assist with compliance for our corporate account(s).		0.3%	1
Not applicable (we do not have a corporate account on a social networking website).		82.5%	298
Other (please describe):		2.8%	10
answered question			361
skipped question			51



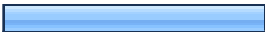
60. What records are maintained of corporate or employee social networking website postings? (check all that apply)

		Response Percent	Response Count
We have an automated system for retaining/archiving information posted on social networking websites.		6.6%	23
We manually download postings for retention.		9.4%	33
We track compliance reviews of postings.		14.2%	50
We do not retain postings.		65.2%	229
Other (please describe):		11.4%	40
		answered question	351
		skipped question	61










61. What policies and procedures are in place to monitor third-parties' use of the adviser's corporate account?

		Response Percent	Response Count
We monitor for potential solicitations of advisory services and/or securities, if applicable.		3.9%	14
We restrict "recommendations," chat rooms, and/or discussion rooms due to risk of potential prohibited testimonials, past specific recommendations, and/or false or misleading statements.		8.3%	30
We comply with the books and records rule under the Advisers Act with regard to our profile, all postings, and other communications from our corporate account(s).		8.9%	32
We have developed supervisory procedures for monitoring our corporate account(s).		4.7%	17
We control what third-parties can post to our corporate account(s).		2.5%	9
We have established an approval process for prospective postings by third parties to our corporate accounts.		0.6%	2
We have engaged a third-party service provider(s) to assist with compliance for our corporate account(s).		0.3%	1
Not applicable (we do not have a corporate account on a social networking website).		82.3%	297
Other (please describe):		2.2%	8
answered question			361



62. Does your firm invest in jurisdictions outside of the U.S.?

		Response Percent	Response Count
Yes, we invest in securities of issuers that are domiciled outside the U.S. and which are traded on either a foreign or U.S. exchange (e.g. ADRs).		44.6%	161
Yes, we invest in issuers domiciled outside of the U.S. but only those issuers which are traded on U.S. exchanges (e.g., American Depositary Receipts).		16.3%	59
No.		39.1%	141
		answered question	361
		skipped question	51


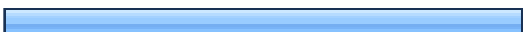




63. You have indicated that your firm invests in jurisdictions outside the U.S. What compliance activities do you conduct when investing in such jurisdictions? (check all that apply)

		Response Percent	Response Count
We research the regulatory requirements for new jurisdictions prior to investing in a new jurisdiction.		48.0%	106
We engage U.S. outside counsel to understand regulatory requirements.		29.9%	66
We engage local counsel in the region in which we are investing to understand regulatory requirements.		31.7%	70
We file shareholder disclosure reports, as required.		29.4%	65
We coordinate shareholder disclosure reporting with affiliated companies.		13.1%	29
We file FSA takeover code reports.		10.4%	23
We impose a maximum threshold for investments outside the U.S. to avoid shareholder disclosure reporting.		11.8%	26
We have implemented a Foreign Corrupt Practices Act (FPCA) compliance program.		23.1%	51
Other (please describe):		19.9%	44
		answered question	221
		skipped question	191

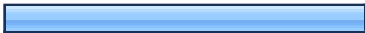

64. Does your firm provide advisory services outside of the U.S.?

		Response Percent	Response Count
Yes.		35.7%	129
No.		64.3%	232
		answered question	361
		skipped question	51



65. You have indicated that your firm provides advisory services outside of the U.S. In what region(s) do you provide advisory services? (check all that apply)

		Response Percent	Response Count
Asia		43.8%	57
Europe		77.7%	101
Japan		27.7%	36
Canada		47.7%	62
South America		16.9%	22
Other (please specify):		16.2%	21
		answered question	130
		skipped question	282









66. Do you maintain a “registration” (or similar regulatory requirement) with a foreign regulator?

		Response Percent	Response Count
Yes. (Please Specify)		53.8%	70
No.		46.2%	60
	If yes, please specify:		53
	answered question		130
	skipped question		282

67. Does your firm prospect advisory clients outside of the U.S.?

		Response Percent	Response Count
Yes.		35.2%	126
No.		64.8%	232
	answered question		358
	skipped question		54

68. You have indicated that your firm prospects advisory clients outside of the U.S. What compliance activities do you conduct with respect to foreign client prospecting? (check all that apply)

		Response Percent	Response Count
We maintain a tracking system for monitoring foreign prospecting.		30.0%	39
We spot check accounts for compliance.		13.8%	18
We have a third-party database(s) to assist with compliance.		9.2%	12
We check with our outside counsel prior to prospecting in a new region.		44.6%	58
We check with counsel located locally in the jurisdiction prior to prospecting in a new region.		29.2%	38
We have implemented a Foreign Corrupt Practices Act (FPCA) compliance program.		31.5%	41
We do not conduct testing prior to foreign prospecting.		20.8%	27
Other (please describe):		10.0%	13
answered question			130
skipped question			282

**69. Which of the following areas do you view as the “hottest” compliance topics for 2011?
(Please pick only three!)**

		Response Percent	Response Count
Advertising/marketing		29.4%	106
AML		7.8%	28
Best execution		10.8%	39
Books and records		14.1%	51
Client guidelines		6.4%	23
Custody		35.2%	127
Data security		32.7%	118
Disaster recovery planning		8.6%	31
Error correction		1.7%	6
Fraud prevention		19.9%	72
Gifts and entertainment		13.3%	48
Insider trading		42.1%	152
Personal trading		17.2%	62
Portfolio management		11.1%	40
Regulatory reporting (e.g. Form ADV, Form 13F)		44.3%	160
Soft dollars		7.8%	28
Trade allocation		7.2%	26
Valuation		27.1%	98
Other hot topic (please specify):		10.2%	37
answered question			361
skipped question			51