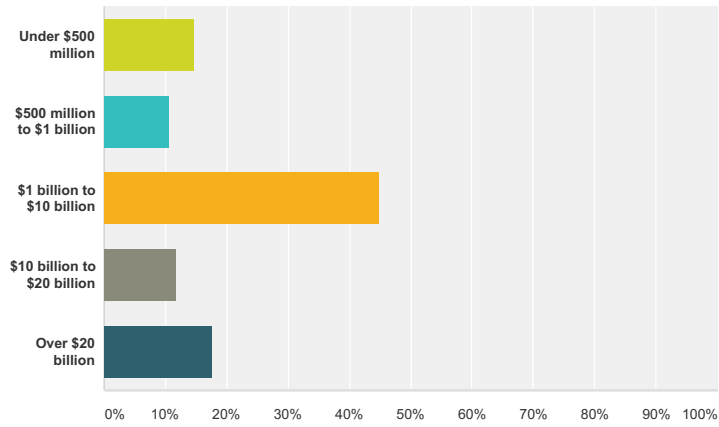


2015 Investment Management Compliance Testing Survey

Q1 What is your firm's total AUM (assets under management)?

Answered: 470 Skipped: 4

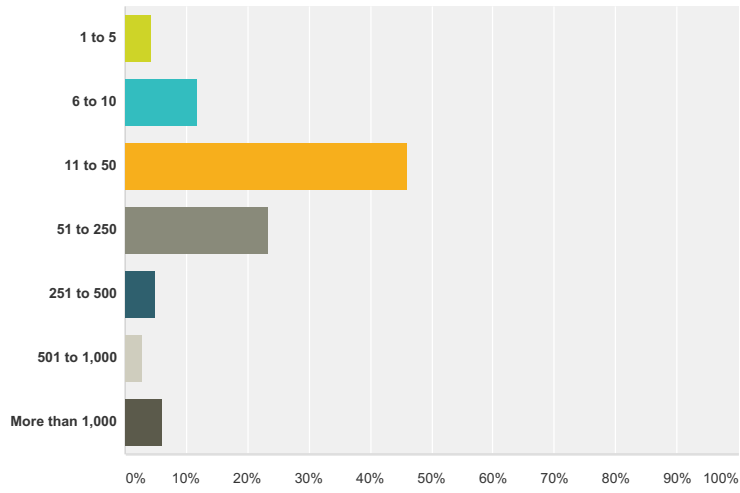


Answer Choices	Responses	Count
Under \$500 million	14.89%	70
\$500 million to \$1 billion	10.64%	50
\$1 billion to \$10 billion	44.89%	211
\$10 billion to \$20 billion	11.91%	56
Over \$20 billion	17.66%	83
Total		470

2015 Investment Management Compliance Testing Survey

Q2 How many full and part time employees does your firm employ?

Answered: 470 Skipped: 4

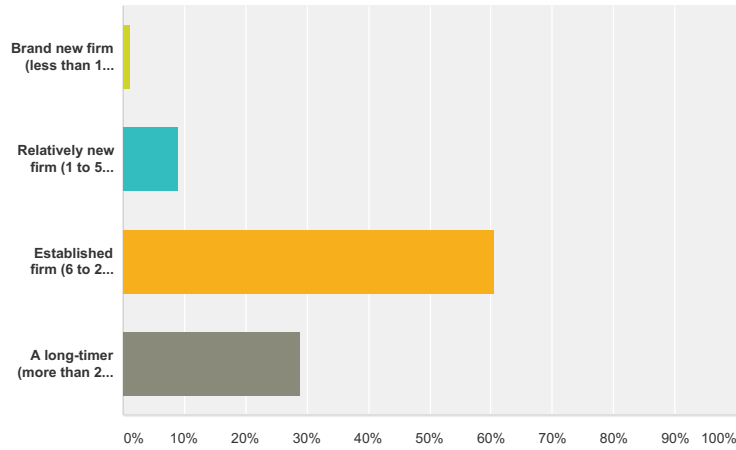


Answer Choices	Responses	
1 to 5	4.47%	21
6 to 10	11.91%	56
11 to 50	46.17%	217
51 to 250	23.40%	110
251 to 500	5.11%	24
501 to 1,000	2.98%	14
More than 1,000	5.96%	28
Total		470

2015 Investment Management Compliance Testing Survey

Q3 How would you describe your firm?

Answered: 467 Skipped: 7

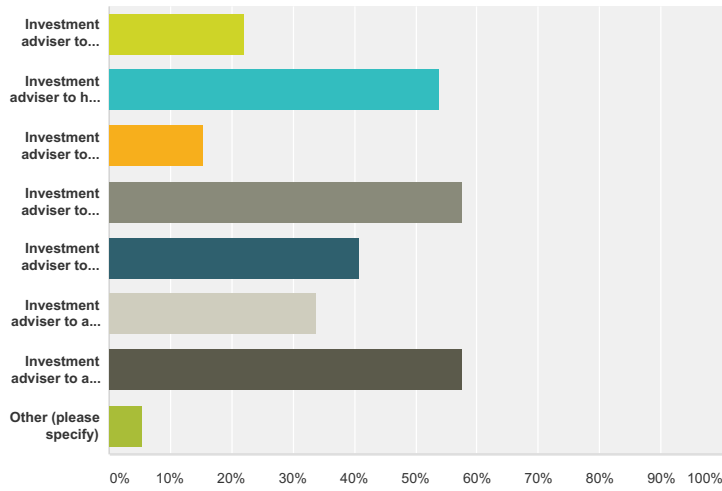


Answer Choices	Responses	
Brand new firm (less than 1 year in business)	1.28%	6
Relatively new firm (1 to 5 years in business)	8.99%	42
Established firm (6 to 25 years in business)	60.60%	283
A long-timer (more than 25 years in business)	29.12%	136
Total		467

2015 Investment Management Compliance Testing Survey

Q4 What are the primary services offered at your firm? (check all that apply)

Answered: 470 Skipped: 4

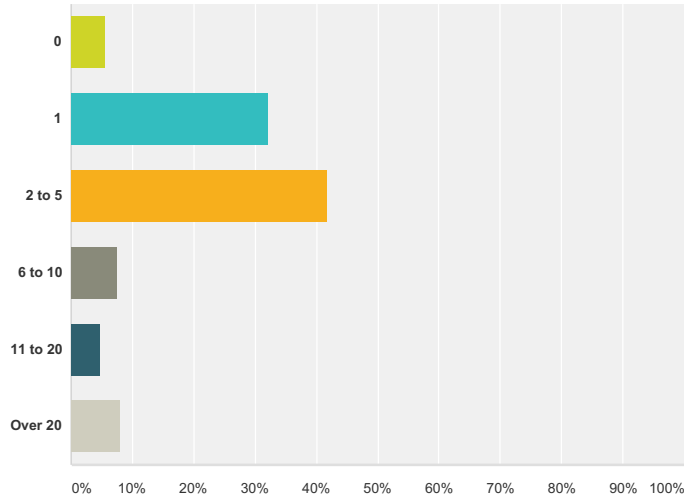


Answer Choices	Responses
Investment adviser to retail individuals (typical account size \$1mm or less)	22.13% 104
Investment adviser to high net worth individuals (typical account size \$1mm or more)	53.83% 253
Investment adviser to family office	15.53% 73
Investment adviser to institutional clients	57.66% 271
Investment adviser to ERISA assets/pension consultant	40.85% 192
Investment adviser to a registered investment company	33.83% 159
Investment adviser to a private fund (e.g., private partnership, hedge fund, private equity fund)	57.66% 271
Other (please specify)	5.53% 26
Total Respondents: 470	

2015 Investment Management Compliance Testing Survey

Q5 How many full time employees are currently employed in your firm's legal and/or compliance departments?

Answered: 466 Skipped: 8

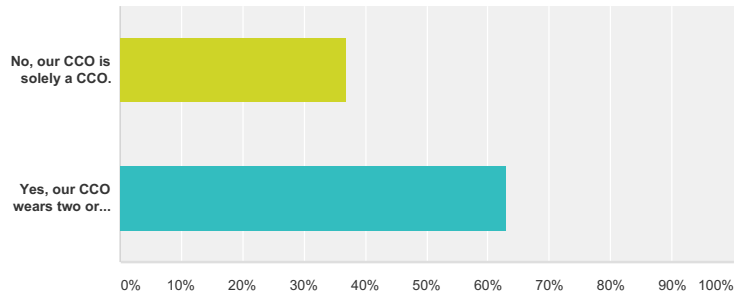


Answer Choices	Responses	Count
0	5.58%	26
1	32.19%	150
2 to 5	41.85%	195
6 to 10	7.51%	35
11 to 20	4.72%	22
Over 20	8.15%	38
Total		466

2015 Investment Management Compliance Testing Survey

Q6 Does your firm's CCO perform non-CCO functions (for example, by also serving as your firm's COO or CFO)?

Answered: 465 Skipped: 9

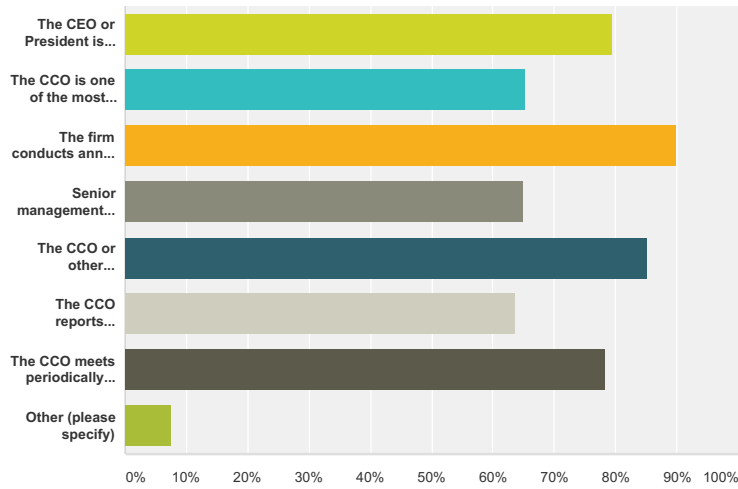


Answer Choices	Responses
No, our CCO is solely a CCO.	36.99% 172
Yes, our CCO wears two or more hats and performs other non-CCO roles.	63.01% 293
Total	465

2015 Investment Management Compliance Testing Survey

Q7 How does your firm demonstrate that you have developed and promote a culture of compliance? (check all that apply)

Answered: 465 Skipped: 9

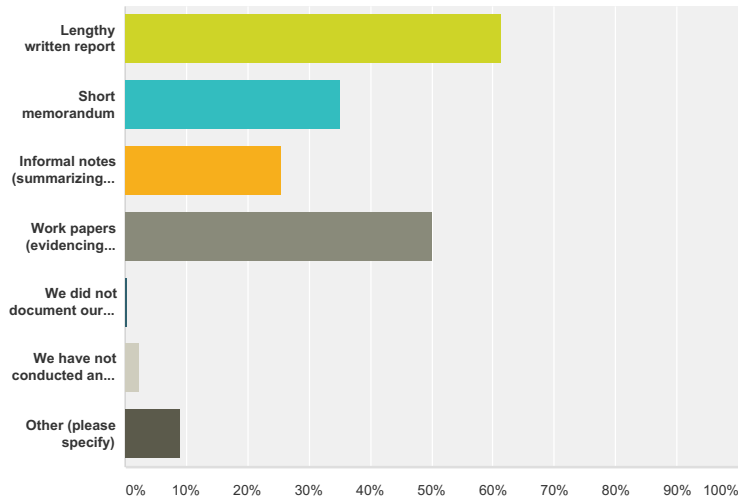


Answer Choices	Responses
The CEO or President is immediately apprised of material compliance issues/breaches.	79.57% 370
The CCO is one of the most senior executives.	65.38% 304
The firm conducts annual (or more frequent) employee compliance training.	89.89% 418
Senior management participates in SEC inspections, such as by participating in the opening interview.	64.95% 302
The CCO or other compliance personnel attend various committee meetings (such as best execution committee meetings).	85.16% 396
The CCO reports directly to the CEO or President.	63.66% 296
The CCO meets periodically with the CEO or President to discuss compliance issues and initiatives.	78.28% 364
Other (please specify)	7.53% 35
Total Respondents: 465	

2015 Investment Management Compliance Testing Survey

Q8 How did you document/evidence the annual review? (check all that apply)

Answered: 463 Skipped: 11

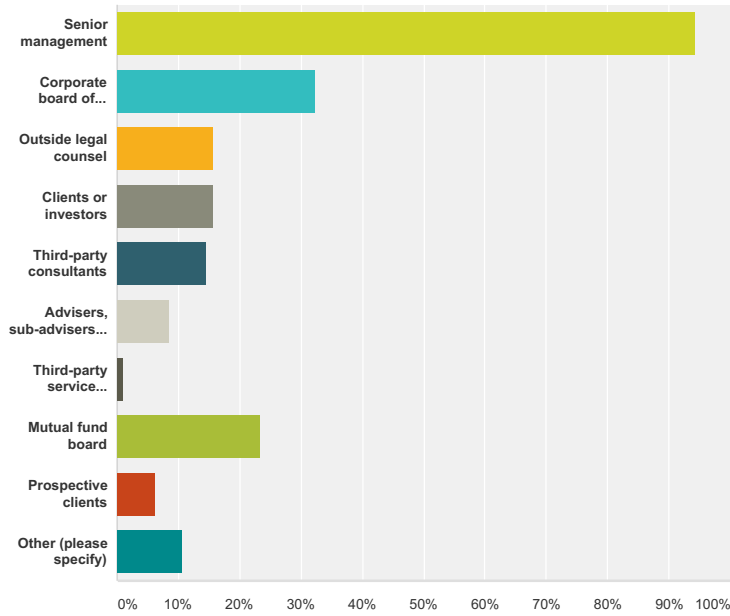


Answer Choices	Responses
Lengthy written report	61.34% 284
Short memorandum	34.99% 162
Informal notes (summarizing tests)	25.49% 118
Work papers (evidencing tests)	50.11% 232
We did not document our annual review	0.43% 2
We have not conducted an annual review	2.38% 11
Other (please specify)	9.07% 42
Total Respondents: 463	

2015 Investment Management Compliance Testing Survey

Q9 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)

Answered: 441 Skipped: 33

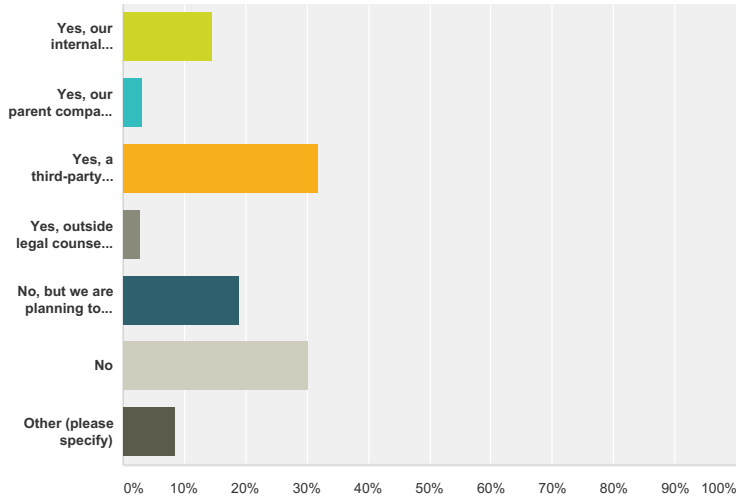


Answer Choices	Responses
Senior management	94.33% 416
Corporate board of directors	32.43% 143
Outside legal counsel	15.65% 69
Clients or investors	15.65% 69
Third-party consultants	14.51% 64
Advisers, sub-advisers, and/or wrap sponsors	8.62% 38
Third-party service providers	1.13% 5
Mutual fund board	23.36% 103
Prospective clients	6.35% 28
Other (please specify)	10.66% 47
Total Respondents: 441	

2015 Investment Management Compliance Testing Survey

Q10 Does your firm conduct a mock SEC examination? (check all that apply)

Answered: 458 Skipped: 16

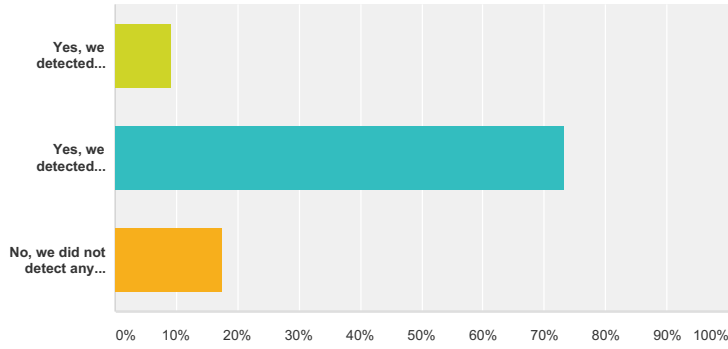


Answer Choices	Responses
Yes, our internal compliance staff conducts a mock SEC examination.	14.63% 67
Yes, our parent company conducts a mock SEC examination.	3.06% 14
Yes, a third-party compliance consulting firm conducts a mock SEC examination.	31.88% 146
Yes, outside legal counsel conducts a mock SEC examination.	2.84% 13
No, but we are planning to conduct a mock SEC examination in the future.	19.00% 87
No	30.35% 139
Other (please specify)	8.52% 39
Total Respondents: 458	

2015 Investment Management Compliance Testing Survey

Q11 Over the previous year, has your compliance testing detected any issues?

Answered: 457 Skipped: 17



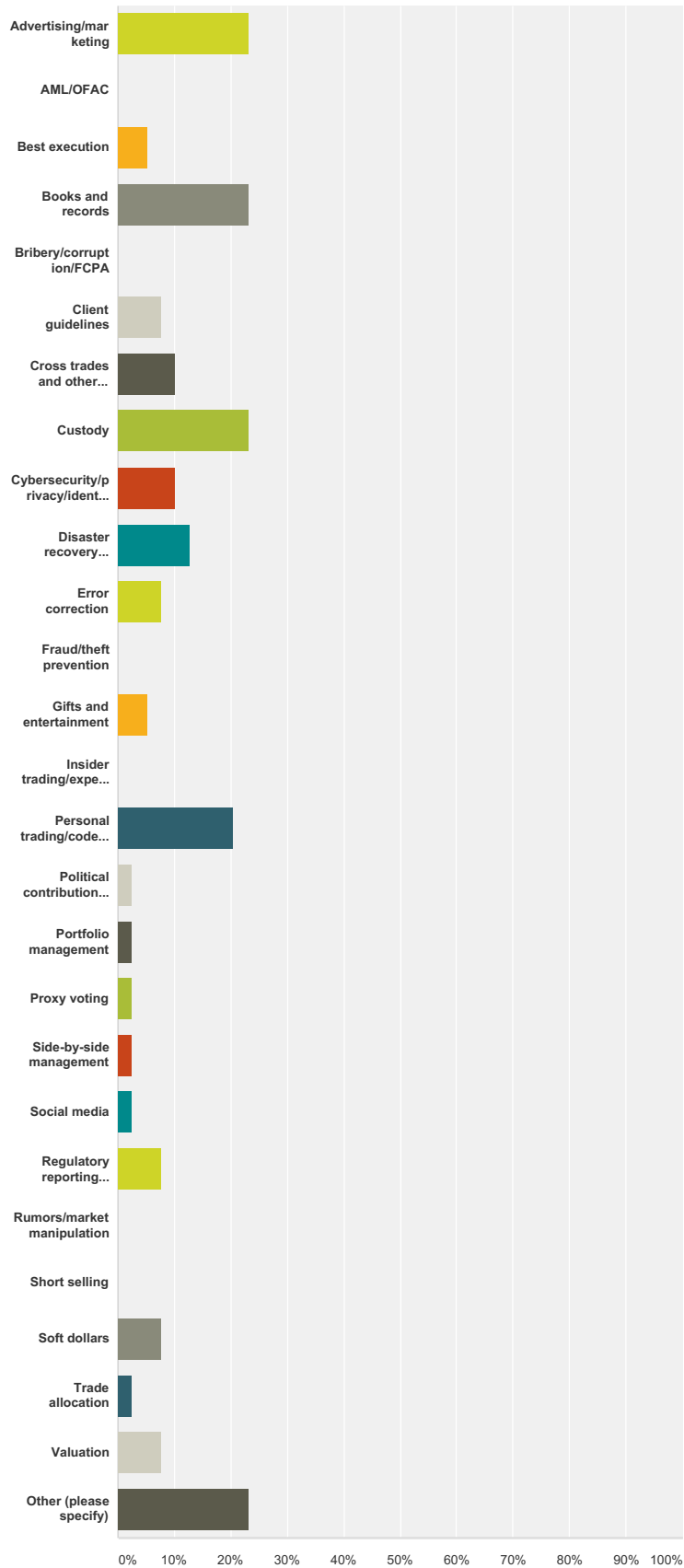
Answer Choices	Responses
Yes, we detected material compliance issues.	9.19% 42
Yes, we detected compliance issues, none of which we deemed to be material.	73.30% 335
No, we did not detect any compliance issues.	17.51% 80
Total	457

2015 Investment Management Compliance Testing Survey

Q12 You have indicated that you detected material compliance issues. In which of the following areas have you detected material compliance issues? (check all that apply)

Answered: 39 Skipped: 435

2015 Investment Management Compliance Testing Survey



Answer Choices	Responses
Advertising/marketing	23.08% 9
AML/OFAC	0.00% 0

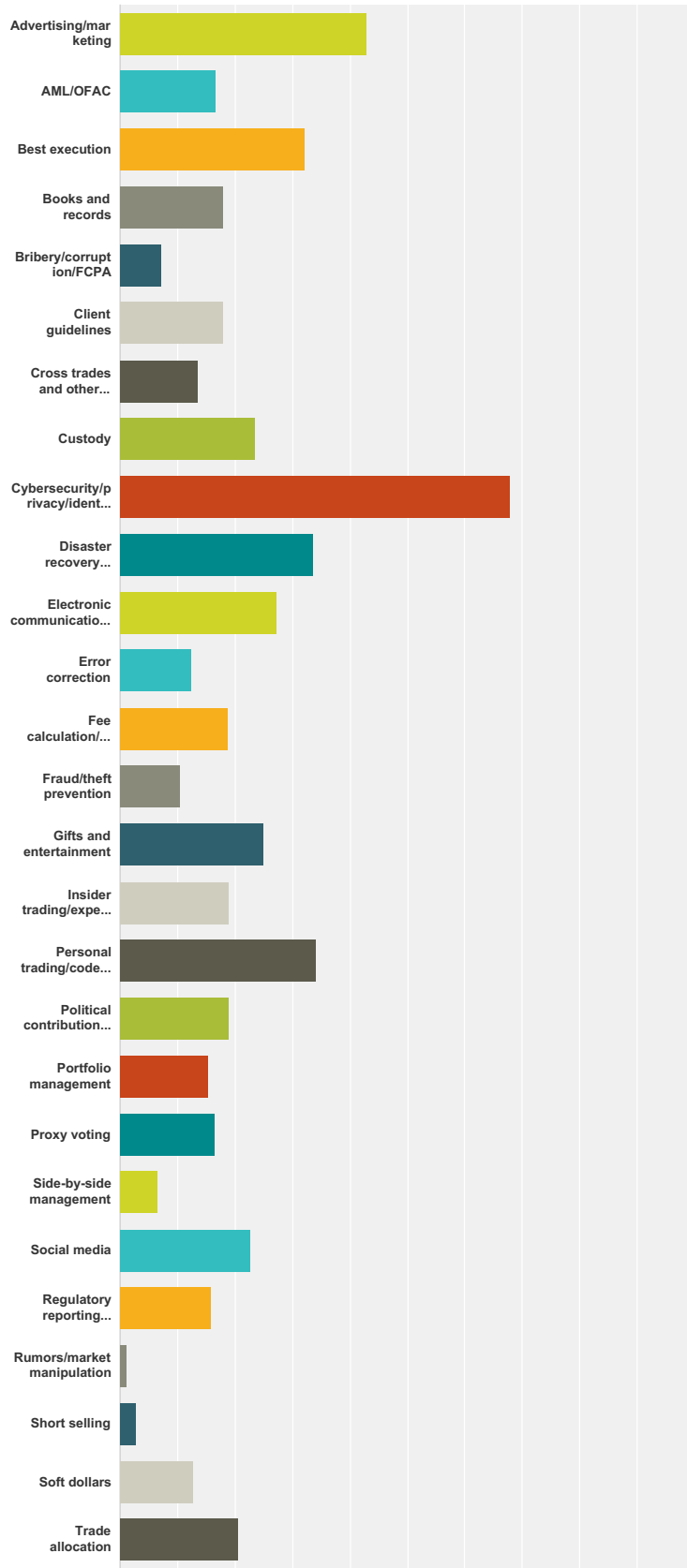
2015 Investment Management Compliance Testing Survey

Best execution	5.13%	2
Books and records	23.08%	9
Bribery/corruption/FCPA	0.00%	0
Client guidelines	7.69%	3
Cross trades and other trading issues	10.26%	4
Custody	23.08%	9
Cybersecurity/privacy/identity theft	10.26%	4
Disaster recovery planning	12.82%	5
Error correction	7.69%	3
Fraud/theft prevention	0.00%	0
Gifts and entertainment	5.13%	2
Insider trading/expert networks	0.00%	0
Personal trading/code of ethics	20.51%	8
Political contributions/pay-to-play	2.56%	1
Portfolio management	2.56%	1
Proxy voting	2.56%	1
Side-by-side management	2.56%	1
Social media	2.56%	1
Regulatory reporting (e.g., Form ADV, Form 13F)	7.69%	3
Rumors/market manipulation	0.00%	0
Short selling	0.00%	0
Soft dollars	7.69%	3
Trade allocation	2.56%	1
Valuation	7.69%	3
Other (please specify)	23.08%	9
Total Respondents: 39		

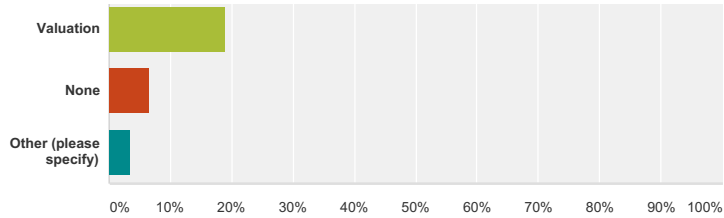
2015 Investment Management Compliance Testing Survey

Q13 In which of the following areas have you increased the type, scope, and/or frequency of compliance testing (since January 1, 2014)? (check all that apply)

Answered: 447 Skipped: 27



2015 Investment Management Compliance Testing Survey

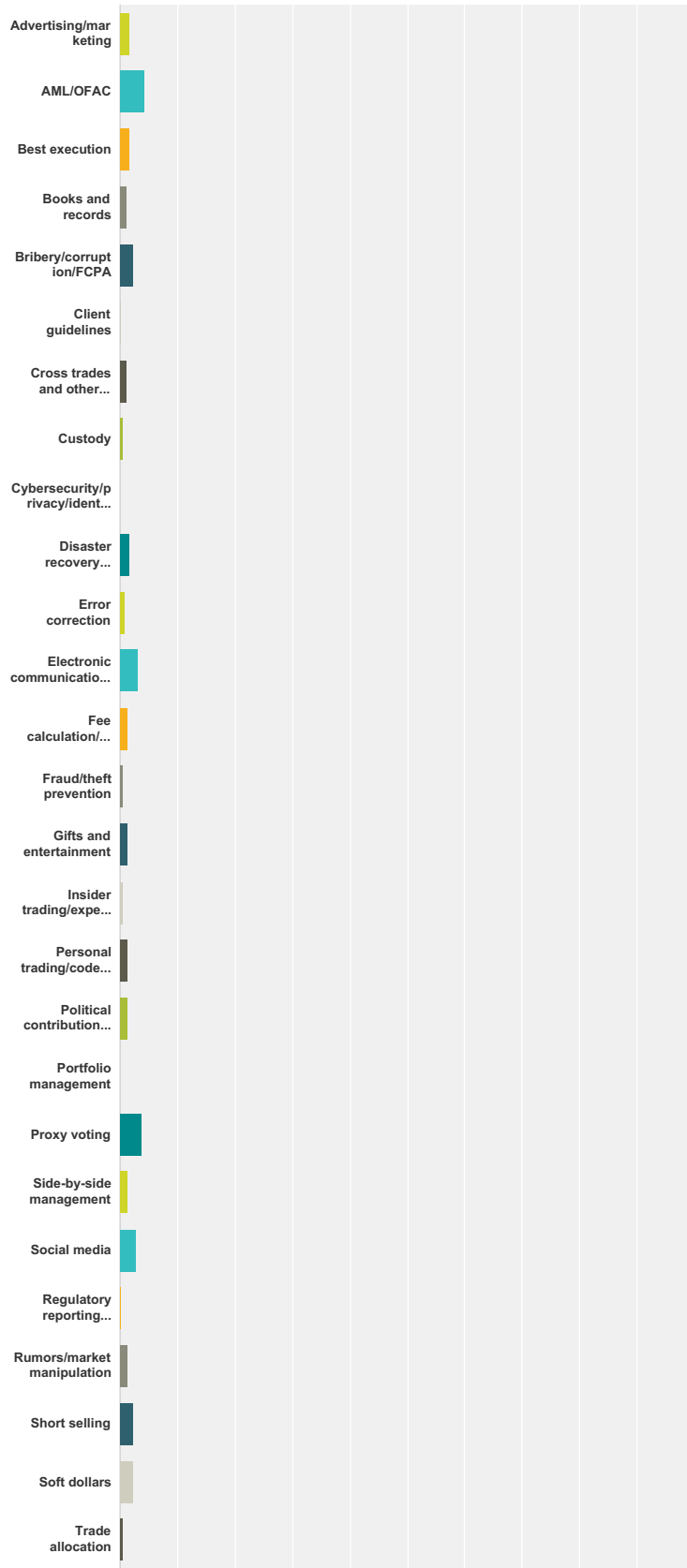


Answer Choices	Responses	
Advertising/marketing	42.95%	192
AML/OFAC	16.78%	75
Best execution	32.21%	144
Books and records	17.90%	80
Bribery/corruption/FCPA	7.38%	33
Client guidelines	17.90%	80
Cross trades and other trading issues	13.65%	61
Custody	23.49%	105
Cybersecurity/privacy/identity theft	67.79%	303
Disaster recovery planning	33.56%	150
Electronic communications surveillance	27.29%	122
Error correction	12.53%	56
Fee calculation/billing	18.79%	84
Fraud/theft prevention	10.51%	47
Gifts and entertainment	25.06%	112
Insider trading/expert networks	19.02%	85
Personal trading/code of ethics	34.23%	153
Political contributions/pay-to-play	19.02%	85
Portfolio management	15.44%	69
Proxy voting	16.55%	74
Side-by-side management	6.71%	30
Social media	22.82%	102
Regulatory reporting (e.g., Form ADV, Form 13F)	15.88%	71
Rumors/market manipulation	1.34%	6
Short selling	2.91%	13
Soft dollars	12.75%	57
Trade allocation	20.58%	92
Valuation	19.02%	85
None	6.71%	30
Other (please specify)	3.58%	16
Total Respondents: 447		

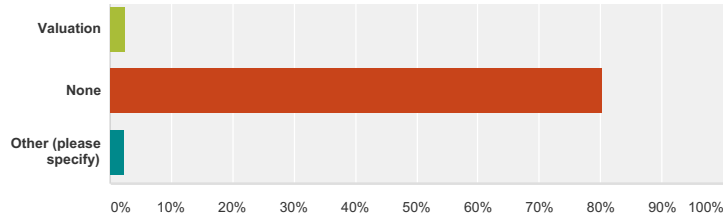
2015 Investment Management Compliance Testing Survey

Q14 In which of the following areas have you decreased the type, scope, and/or frequency of compliance testing (since January 1, 2014)? (check all that apply)

Answered: 348 Skipped: 126



2015 Investment Management Compliance Testing Survey

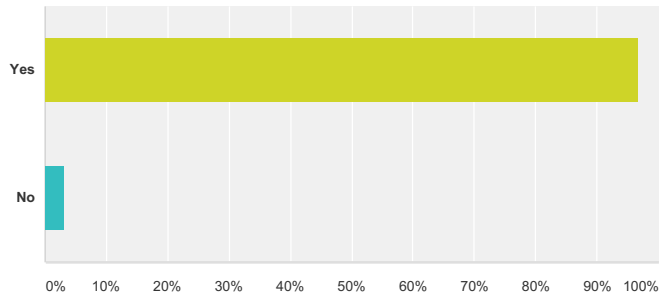


Answer Choices	Responses	
Advertising/marketing	1.72%	6
AML/OFAC	4.31%	15
Best execution	1.72%	6
Books and records	1.15%	4
Bribery/corruption/FCPA	2.30%	8
Client guidelines	0.29%	1
Cross trades and other trading issues	1.15%	4
Custody	0.57%	2
Cybersecurity/privacy/identity theft	0.00%	0
Disaster recovery planning	1.72%	6
Error correction	0.86%	3
Electronic communications surveillance	3.16%	11
Fee calculation/billing	1.44%	5
Fraud/theft prevention	0.57%	2
Gifts and entertainment	1.44%	5
Insider trading/expert networks	0.57%	2
Personal trading/code of ethics	1.44%	5
Political contributions/pay-to-play	1.44%	5
Portfolio management	0.00%	0
Proxy voting	3.74%	13
Side-by-side management	1.44%	5
Social media	2.87%	10
Regulatory reporting (e.g., Form ADV, Form 13F)	0.29%	1
Rumors/market manipulation	1.44%	5
Short selling	2.30%	8
Soft dollars	2.30%	8
Trade allocation	0.57%	2
Valuation	2.59%	9
None	80.46%	280
Other (please specify)	2.30%	8
Total Respondents: 348		

2015 Investment Management Compliance Testing Survey

Q15 Does your firm have a written business continuity plan?

Answered: 453 Skipped: 21

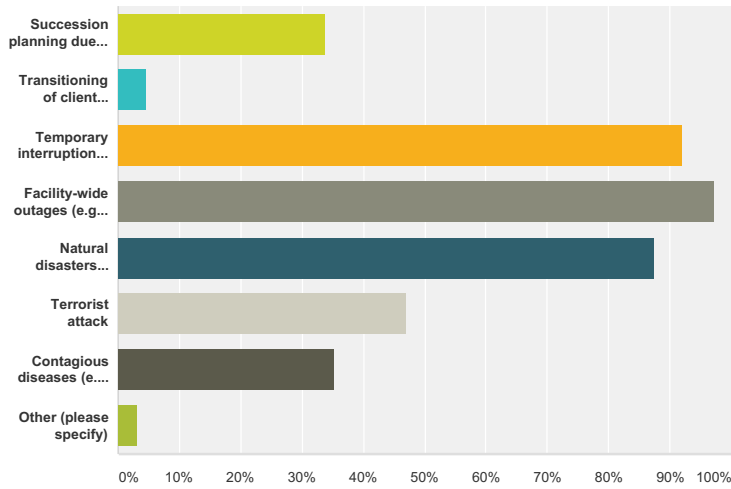


Answer Choices	Responses	
Yes	96.91%	439
No	3.09%	14
Total		453

2015 Investment Management Compliance Testing Survey

Q16 Which of the following does your business continuity plan address? (check all that apply)

Answered: 426 Skipped: 48

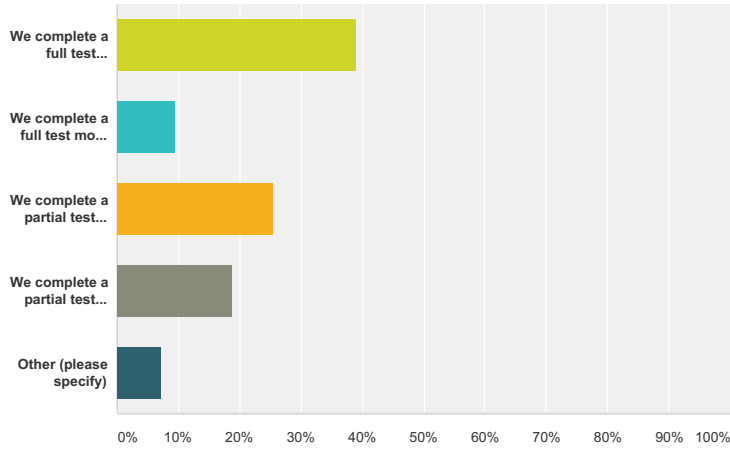


Answer Choices	Responses
Succession planning due to death, disability, or departure of key personnel	33.80% 144
Transitioning of client assets to another firm in connection with winding down operations (i.e., dissolution)	4.69% 20
Temporary interruption of discrete services (e.g., telephone or internet services, file server, real-time data feeds)	92.02% 392
Facility-wide outages (e.g., electrical outage, blackouts, fire)	97.18% 414
Natural disasters (e.g., hurricane, earthquake, flood)	87.56% 373
Terrorist attack	46.95% 200
Contagious diseases (e.g., pandemic flu)	35.21% 150
Other (please specify)	3.05% 13
Total Respondents: 426	

2015 Investment Management Compliance Testing Survey

Q17 As a general matter, how often do you test for compliance with your business continuity plan?

Answered: 428 Skipped: 46

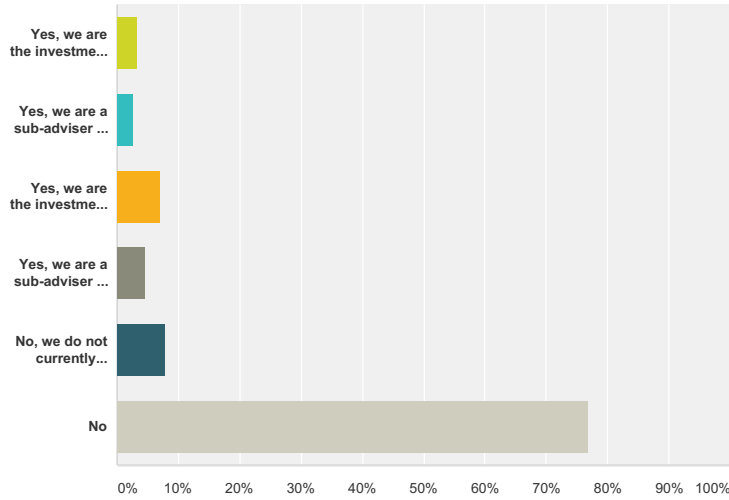


Answer Choices	Responses	
We complete a full test annually.	39.02%	167
We complete a full test more often than annually.	9.58%	41
We complete a partial test annually.	25.47%	109
We complete a partial test more often than annually.	18.69%	80
Other (please specify)	7.24%	31
Total		428

2015 Investment Management Compliance Testing Survey

Q18 Does your firm currently manage any “liquid alternatives” (i.e., ’40 Act registered funds with an alternative strategy) or are you contemplating the management of one in the near future? (check all that apply)

Answered: 443 Skipped: 31

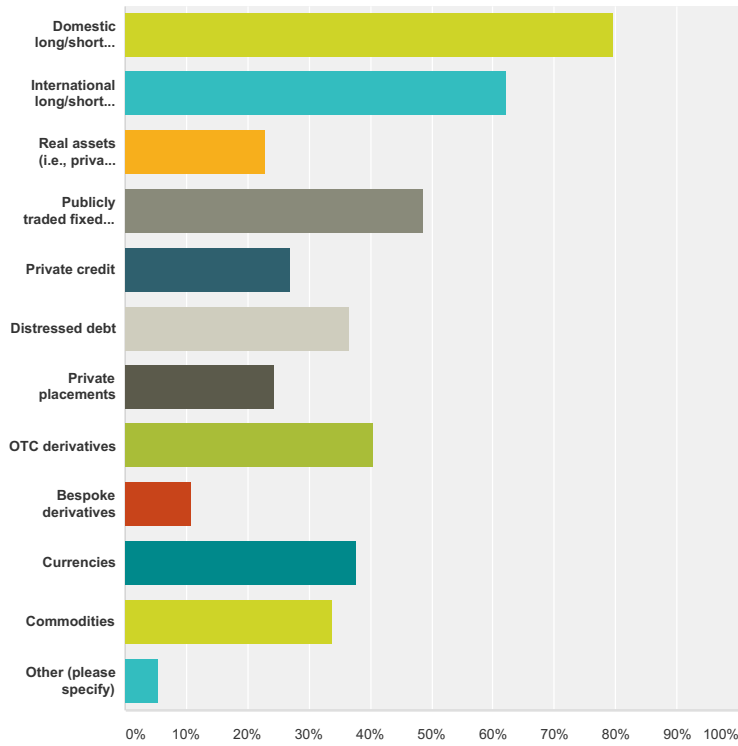


Answer Choices	Responses	
Yes, we are the investment adviser to a single liquid alternative fund.	3.39%	15
Yes, we are a sub-adviser to a single liquid alternative fund.	2.71%	12
Yes, we are the investment adviser to multiple liquid alternative funds.	7.00%	31
Yes, we are a sub-adviser to multiple liquid alternative funds.	4.51%	20
No, we do not currently manage a fund, but are considering launching one in the next 12 months.	7.90%	35
No	76.75%	340
Total Respondents: 443		

2015 Investment Management Compliance Testing Survey

Q19 Which of the following securities are traded in the fund(s)? (check all that apply)

Answered: 74 Skipped: 400

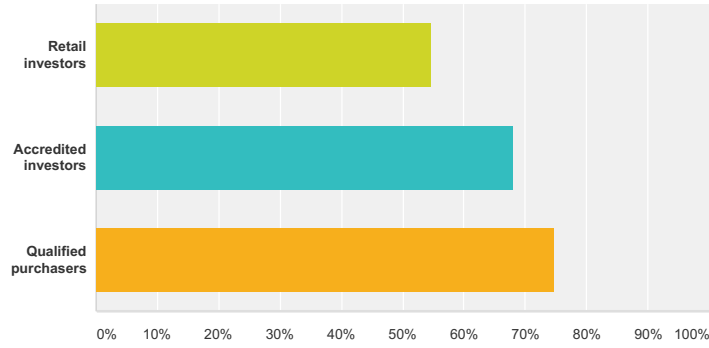


Answer Choices	Responses
Domestic long/short equity	79.73% 59
International long/short equity	62.16% 46
Real assets (i.e., private equity/real estate)	22.97% 17
Publicly traded fixed income	48.65% 36
Private credit	27.03% 20
Distressed debt	36.49% 27
Private placements	24.32% 18
OTC derivatives	40.54% 30
Bespoke derivatives	10.81% 8
Currencies	37.84% 28
Commodities	33.78% 25
Other (please specify)	5.41% 4
Total Respondents: 74	

2015 Investment Management Compliance Testing Survey

Q20 Who are the likely investors for your fund(s) based on the minimum investment levels established? (check all that apply)

Answered: 75 Skipped: 399

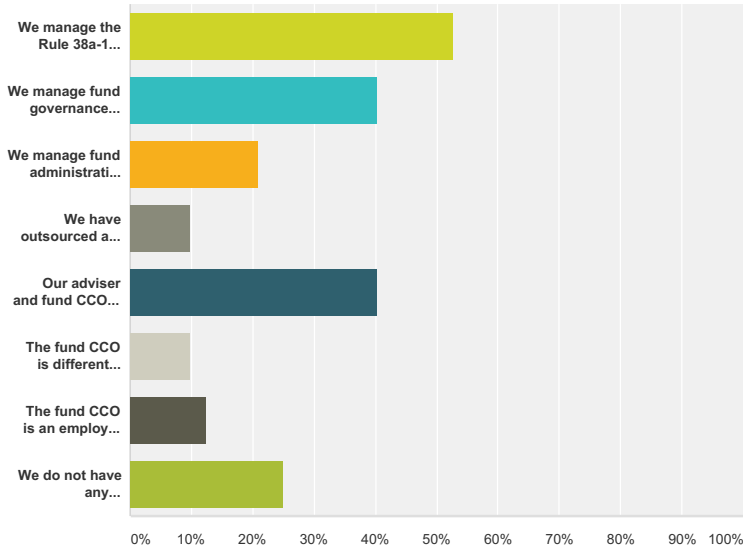


Answer Choices	Responses	
Retail investors	54.67%	41
Accredited investors	68.00%	51
Qualified purchasers	74.67%	56
Total Respondents: 75		

2015 Investment Management Compliance Testing Survey

Q21 Which of the below describes your responsibilities with regard to the fund(s)? (check all that apply)

Answered: 72 Skipped: 402

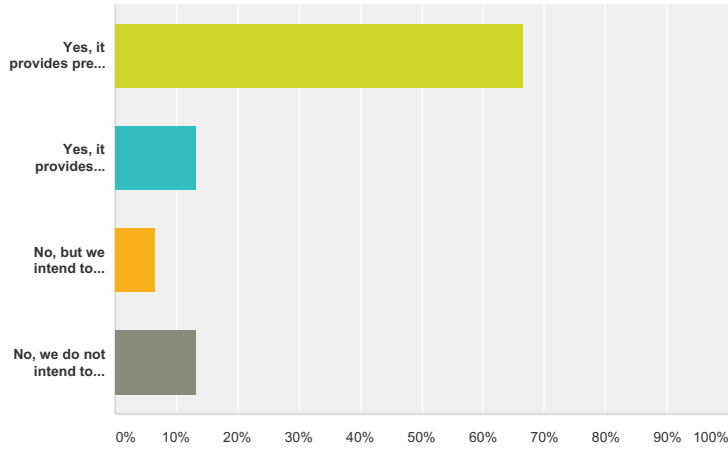


Answer Choices	Responses
We manage the Rule 38a-1 compliance program and legal in-house.	52.78% 38
We manage fund governance in-house.	40.28% 29
We manage fund administration in-house (i.e., transfer agency, accounting, reporting etc.).	20.83% 15
We have outsourced all functions of fund compliance and administration of the fund to a platform provider.	9.72% 7
Our adviser and fund CCO are one in the same.	40.28% 29
The fund CCO is different than the adviser CCO but is an employee of the adviser.	9.72% 7
The fund CCO is an employee of a service provider.	12.50% 9
We do not have any responsibilities beyond investment management for the fund.	25.00% 18
Total Respondents: 72	

2015 Investment Management Compliance Testing Survey

Q22 Does your firm have an automated trade order management system?

Answered: 75 Skipped: 399

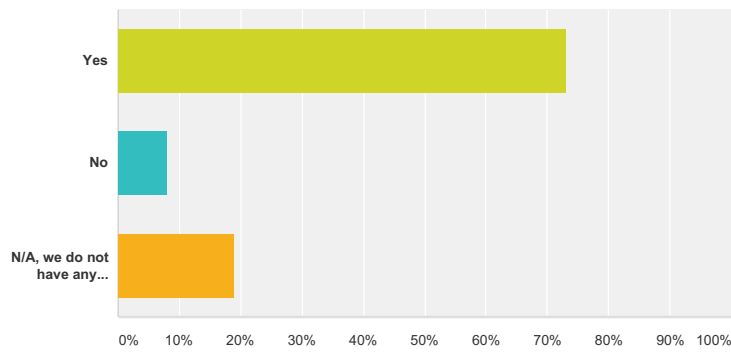


Answer Choices	Responses	
Yes, it provides pre- and post-trade compliance monitoring.	66.67%	50
Yes, it provides post-trade compliance monitoring only.	13.33%	10
No, but we intend to implement a system within the next 12 months.	6.67%	5
No, we do not intend to implement such a system.	13.33%	10
Total		75

2015 Investment Management Compliance Testing Survey

Q23 Has your firm established policies and procedures addressing the side-by-side management of mutual funds and accounts with performance fees?

Answered: 74 Skipped: 400

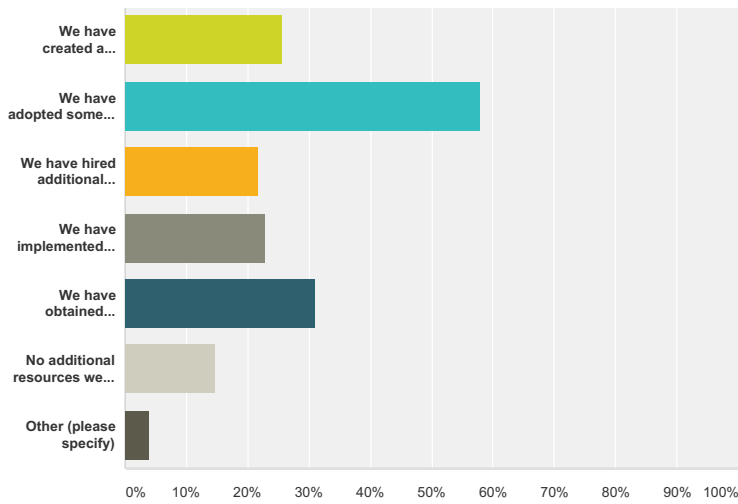


Answer Choices	Responses	
Yes	72.97%	54
No	8.11%	6
N/A, we do not have any performance fee accounts.	18.92%	14
Total		74

2015 Investment Management Compliance Testing Survey

Q24 What changes have you made to accommodate the management of the '40 Act fund in your compliance program? (check all that apply)

Answered: 74 Skipped: 400

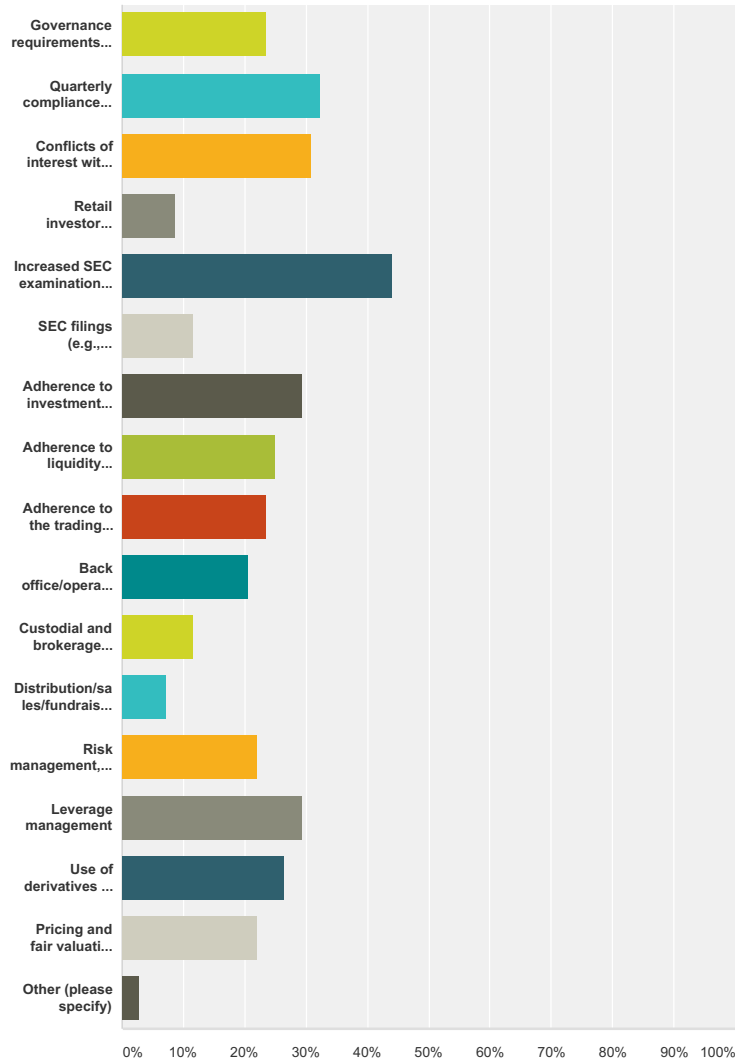


Answer Choices	Responses
We have created a stand-alone and/or supplemental compliance manual that is specific to the investment company requirements and have significantly increased the types, amount, and frequency of our compliance testing.	25.68% 19
We have adopted some additional policies and procedures which we incorporated into our existing adviser compliance manual and have increased the types, amount, and frequency of our compliance testing.	58.11% 43
We have hired additional compliance personnel.	21.62% 16
We have implemented automated compliance monitoring tools.	22.97% 17
We have obtained third-party compliance assistance (e.g., law firms, consulting firms, platform providers etc.).	31.08% 23
No additional resources were necessary.	14.86% 11
Other (please specify)	4.05% 3
Total Respondents: 74	

2015 Investment Management Compliance Testing Survey

Q25 What do you view as the biggest compliance concerns/challenges to managing a liquid alternative fund? (check all that apply)

Answered: 68 Skipped: 406



Answer Choices	Responses
Governance requirements, including the Section 15(c) contract renewal process	23.53% 16
Quarterly compliance reporting to fund board	32.35% 22
Conflicts of interest with other clients	30.88% 21
Retail investor base/suitability assessments	8.82% 6
Increased SEC examination focus	44.12% 30
SEC filings (e.g., financial reporting)	11.76% 8
Adherence to investment rules of the '40 Act	29.41% 20
Adherence to liquidity provisions of the '40 Act	25.00% 17
Adherence to the trading rules of the '40 Act	23.53% 16
Back office/operations for settlements and confirmation processes	20.59% 14
Custodial and brokerage relationships	11.76% 8
Distribution/sales/fundraising management	7.35% 5

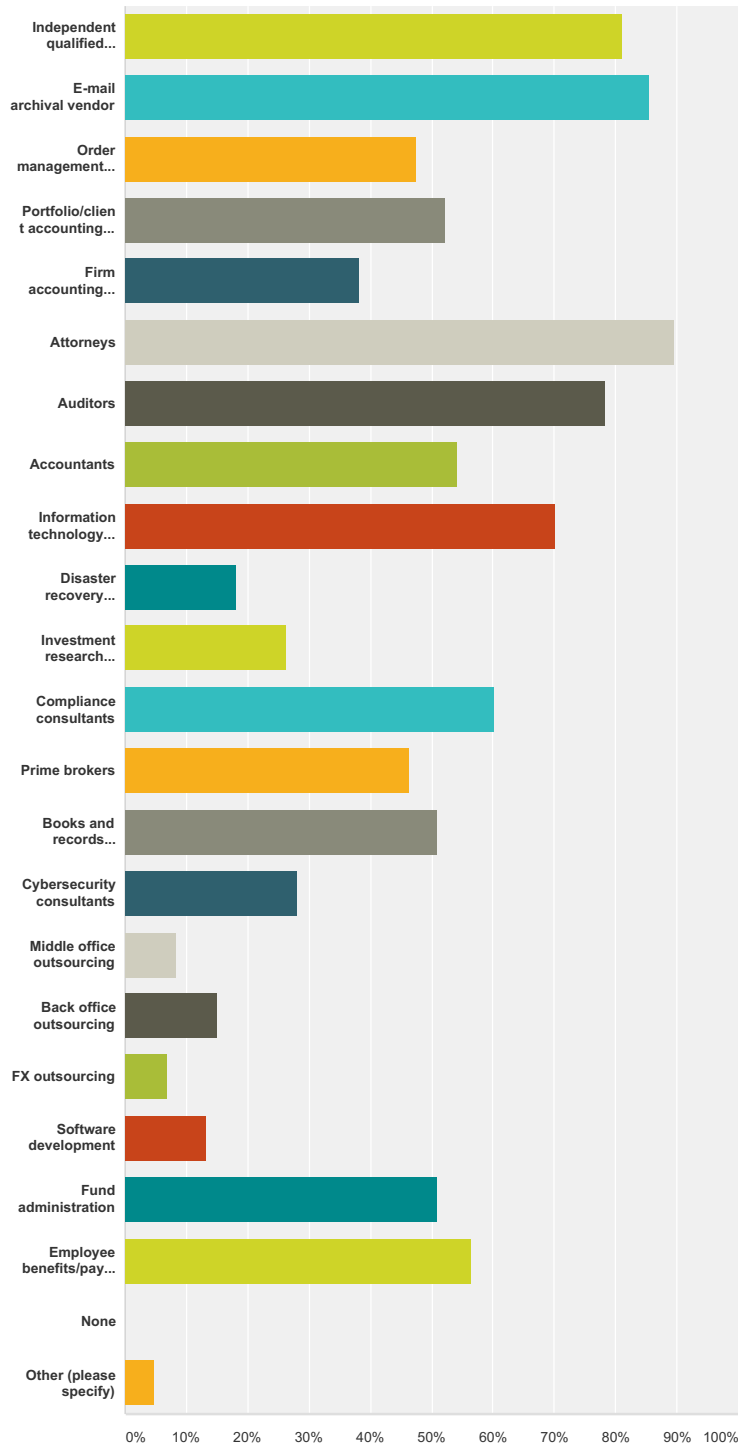
2015 Investment Management Compliance Testing Survey

Risk management, diversification and position limits	22.06%	15
Leverage management	29.41%	20
Use of derivatives and collateral management	26.47%	18
Pricing and fair valuation of investments	22.06%	15
Other (please specify)	2.94%	2
Total Respondents: 68		

2015 Investment Management Compliance Testing Survey

Q26 Which type of third-party service providers does your firm use? (check all that apply)

Answered: 442 Skipped: 32



Answer Choices	Responses
Independent qualified custodians	81.22% 359
E-mail archival vendor	85.52% 378
Order management vendor	47.51% 210
Portfolio/client accounting vendor	52.26% 231

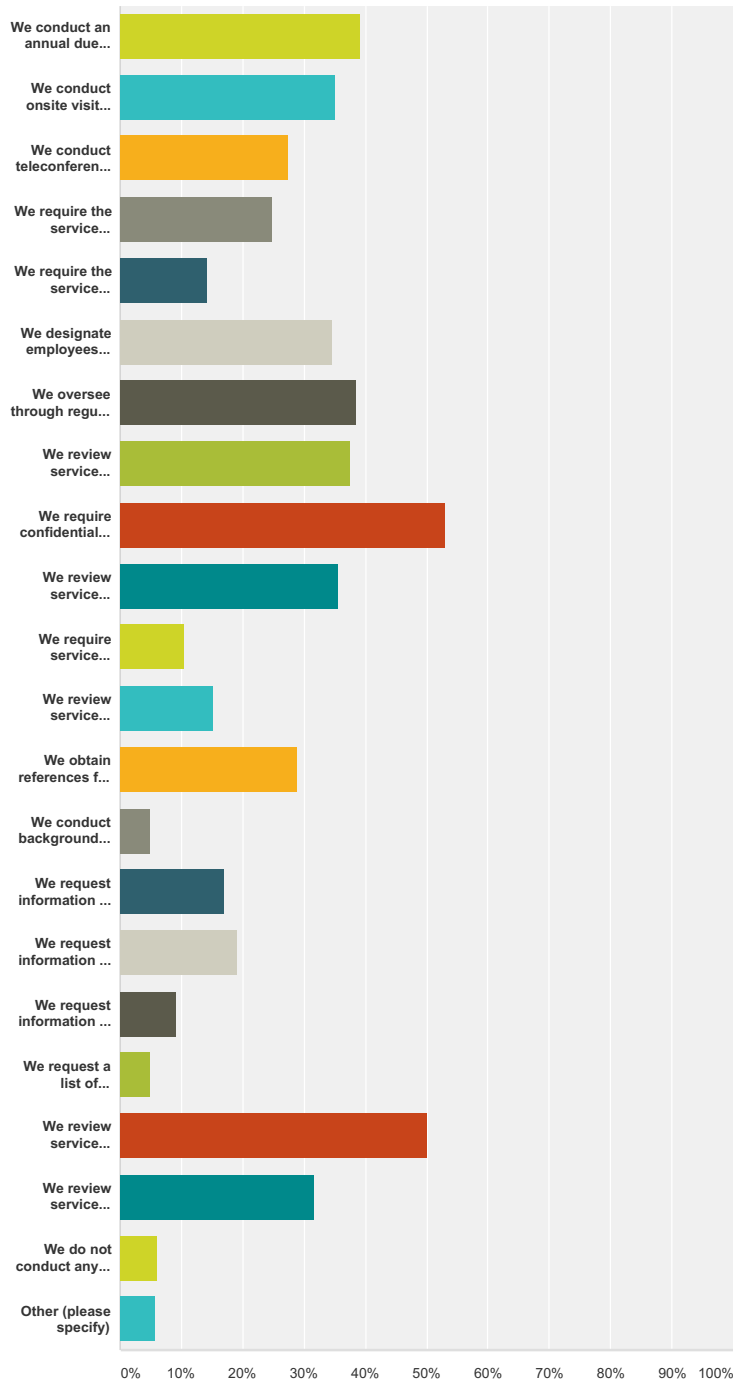
2015 Investment Management Compliance Testing Survey

Firm accounting vendor	38.24%	169
Attorneys	89.59%	396
Auditors	78.28%	346
Accountants	54.30%	240
Information technology companies (hardware and network management)	70.14%	310
Disaster recovery planning vendor	18.10%	80
Investment research consultants	26.24%	116
Compliance consultants	60.41%	267
Prime brokers	46.38%	205
Books and records storage/management vendors	50.90%	225
Cybersecurity consultants	28.28%	125
Middle office outsourcing	8.37%	37
Back office outsourcing	14.93%	66
FX outsourcing	6.79%	30
Software development	13.35%	59
Fund administration	50.90%	225
Employee benefits/payroll	56.56%	250
None	0.00%	0
Other (please specify)	4.75%	21
Total Respondents: 442		

2015 Investment Management Compliance Testing Survey

Q27 How does your firm conduct oversight of its third-party service providers? (check all that apply)

Answered: 439 Skipped: 35



Answer Choices	Responses
We conduct an annual due diligence review.	39.18% 172
We conduct onsite visits on a periodic basis.	35.08% 154
We conduct teleconferences on a periodic basis.	27.56% 121
We require the service provider to complete a periodic questionnaire.	24.83% 109
We require the service provider to complete annual attestations of compliance with the service agreement.	14.12% 62

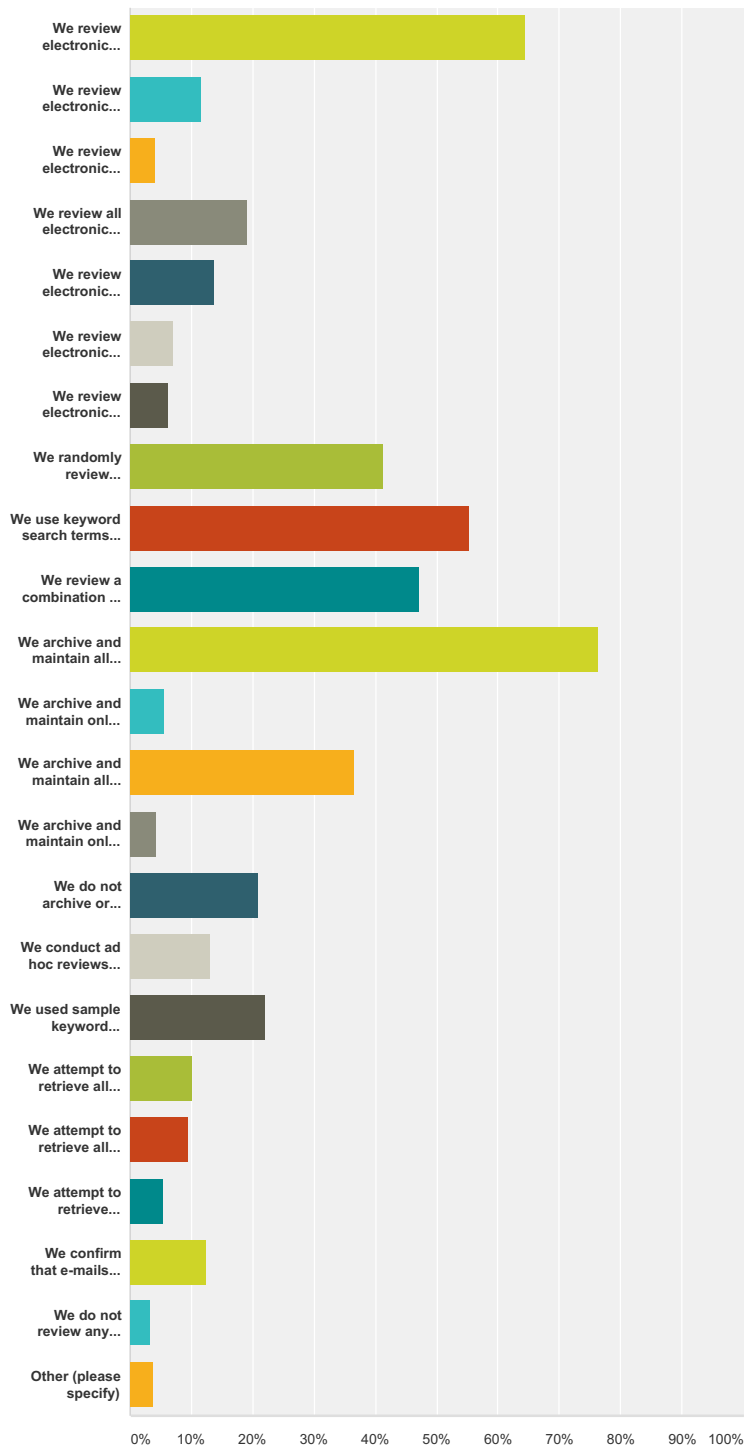
2015 Investment Management Compliance Testing Survey

We designate employees responsible for managing each relationship.	34.62%	152
We oversee through regular interaction but do not conduct a focused review.	38.72%	170
We review service providers' privacy policies.	37.59%	165
We require confidentiality agreements.	53.08%	233
We review service providers' disaster recovery plans.	35.76%	157
We require service providers to provide exception reporting.	10.48%	46
We review service providers' company financial statements.	15.26%	67
We obtain references from other customers.	28.93%	127
We conduct background checks of key employees of service providers assigned to our account.	5.01%	22
We request information on any current litigation.	17.08%	75
We request information on service providers' regulatory history.	19.13%	84
We request information on any criminal history.	9.11%	40
We request a list of complaints.	5.01%	22
We review service providers' SSAE 16s where applicable.	50.11%	220
We review service providers' cybersecurity policies.	31.66%	139
We do not conduct any oversight of service providers.	6.15%	27
Other (please specify)	5.92%	26
Total Respondents: 439		

2015 Investment Management Compliance Testing Survey

Q28 Which of the following does your firm implement with regard to electronic communications surveillance? (check all that apply)

Answered: 428 Skipped: 46



Answer Choices	Responses
We review electronic communications for all employees.	64.49% 276
We review electronic communications of certain employees.	11.68% 50
We review electronic communications of only those employees who serve as registered representatives of a broker-dealer.	4.21% 18

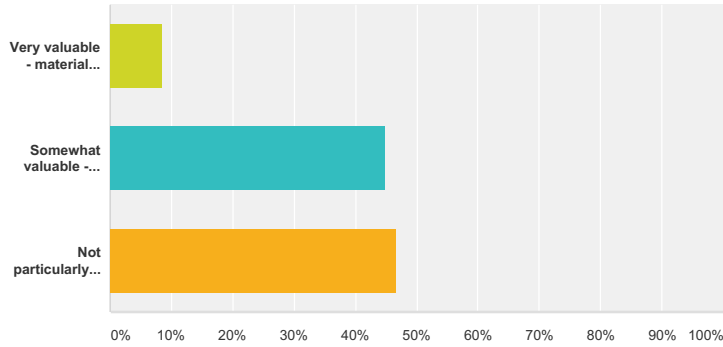
2015 Investment Management Compliance Testing Survey

We review all electronic communications for sample periods.	19.16%	82
We review electronic communications of select employees for sample periods.	13.79%	59
We review electronic communications of select employees for all periods.	7.01%	30
We review electronic communications of employees on a rotational basis.	6.31%	27
We randomly review electronic communications.	41.36%	177
We use keyword search terms to identify electronic communications to be reviewed.	55.37%	237
We review a combination of randomly selected electronic communications and keyword search terms.	47.20%	202
We archive and maintain all emails coming into and going out of the firm.	76.40%	327
We archive and maintain only those emails which are required books and records under the Advisers Act.	5.61%	24
We archive and maintain all instant messages coming into and going out of the firm.	36.45%	156
We archive and maintain only those instant messages which are required books and records under the Advisers Act.	4.44%	19
We do not archive or maintain any electronic communications. We use a third party vendor for archival and search capabilities.	20.79%	89
We conduct ad hoc reviews (e.g., as part of an internal investigation) of emails only.	13.08%	56
We used sample keyword searches to see what e-mails are retrieved.	22.20%	95
We attempt to retrieve all e-mails to and from specific individuals.	10.28%	44
We attempt to retrieve all e-mails sent within a specific time period.	9.58%	41
We attempt to retrieve e-mails from a remote location.	5.37%	23
We confirm that e-mails of geographically-dispersed employees are captured.	12.62%	54
We do not review any electronic communications.	3.27%	14
Other (please specify)	3.74%	16
Total Respondents: 428		

2015 Investment Management Compliance Testing Survey

Q29 How valuable has electronic communications surveillance been in identifying compliance matters over the past 12 months?

Answered: 413 Skipped: 61

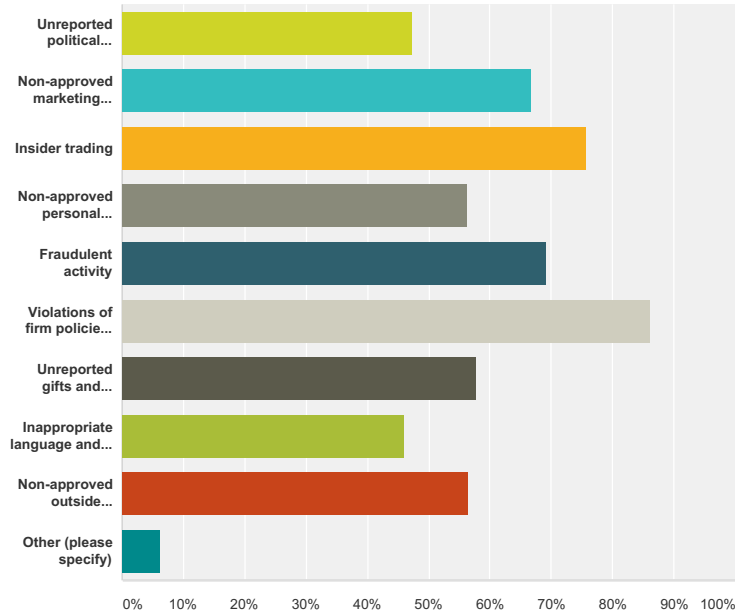


Answer Choices	Responses
Very valuable - material issues have been detected.	8.47% 35
Somewhat valuable - immaterial issues have been detected.	44.79% 185
Not particularly valuable - no issues have been detected.	46.73% 193
Total	413

2015 Investment Management Compliance Testing Survey

Q30 We test electronic communications to detect (check all that apply):

Answered: 398 Skipped: 76

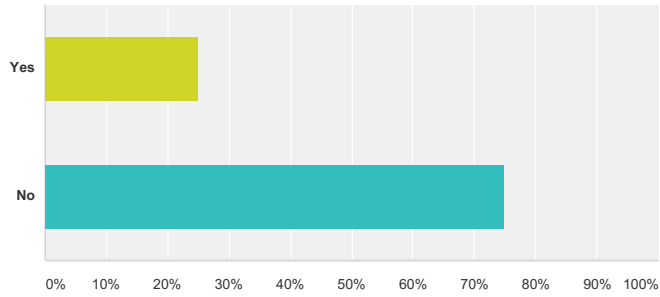


Answer Choices	Responses	
Unreported political contributions	47.49%	189
Non-approved marketing materials	66.83%	266
Insider trading	75.88%	302
Non-approved personal trading	56.28%	224
Fraudulent activity	69.35%	276
Violations of firm policies and procedures	86.18%	343
Unreported gifts and entertainment	57.79%	230
Inappropriate language and content	46.23%	184
Non-approved outside business activities	56.53%	225
Other (please specify)	6.28%	25
Total Respondents: 398		

2015 Investment Management Compliance Testing Survey

Q31 As you retain electronic communications, do you attempt to mark privileged electronic communications as such and keep them separate from other, non-privileged electronic communications?

Answered: 412 Skipped: 62

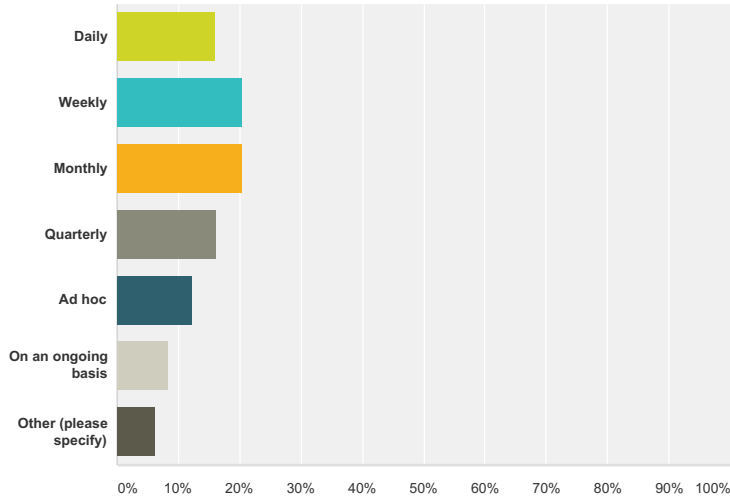


Answer Choices	Responses	
Yes	25.00%	103
No	75.00%	309
Total		412

2015 Investment Management Compliance Testing Survey

Q32 As a general matter, how often do you review electronic communications?

Answered: 412 Skipped: 62

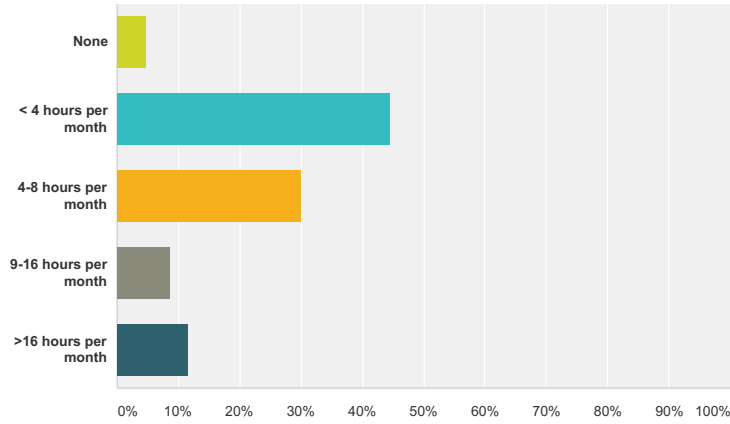


Answer Choices	Responses	Count
Daily	16.02%	66
Weekly	20.39%	84
Monthly	20.39%	84
Quarterly	16.26%	67
Ad hoc	12.38%	51
On an ongoing basis	8.25%	34
Other (please specify)	6.31%	26
Total		412

2015 Investment Management Compliance Testing Survey

Q33 On average, how much time do your firm employees devote to electronic communications review?

Answered: 412 Skipped: 62

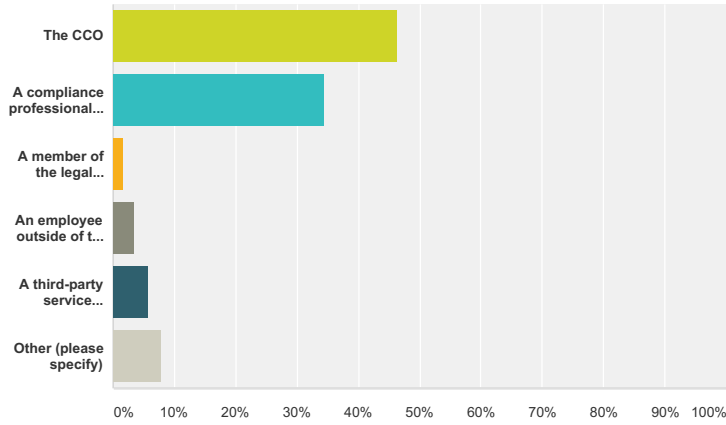


Answer Choices	Responses
None	4.85% 20
< 4 hours per month	44.66% 184
4-8 hours per month	30.10% 124
9-16 hours per month	8.74% 36
>16 hours per month	11.65% 48
Total	412

2015 Investment Management Compliance Testing Survey

Q34 Who primarily conducts electronic communications reviews?

Answered: 412 Skipped: 62

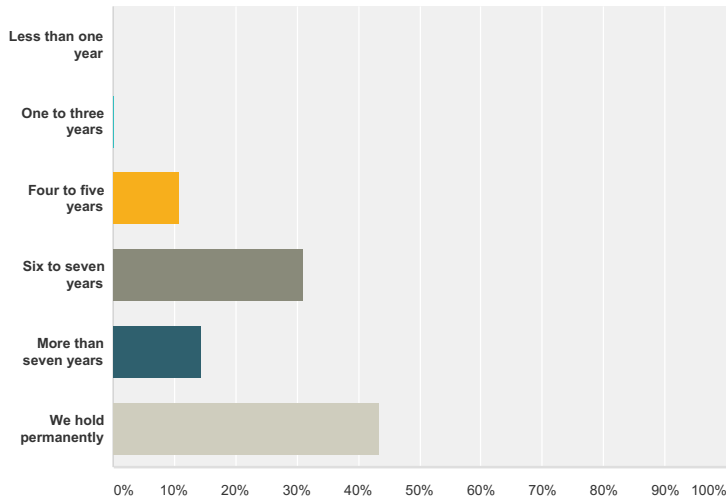


Answer Choices	Responses
The CCO	46.36% 191
A compliance professional other than the CCO	34.47% 142
A member of the legal department	1.70% 7
An employee outside of the compliance or legal departments	3.64% 15
A third-party service provider	5.83% 24
Other (please specify)	8.01% 33
Total	412

2015 Investment Management Compliance Testing Survey

Q35 How long do you retain archived electronic communications?

Answered: 416 Skipped: 58

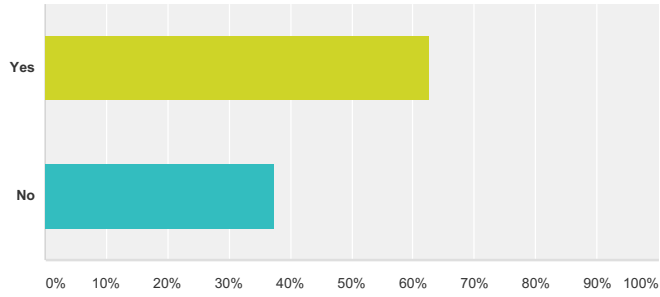


Answer Choices	Responses
Less than one year	0.00% 0
One to three years	0.24% 1
Four to five years	10.82% 45
Six to seven years	31.01% 129
More than seven years	14.42% 60
We hold permanently	43.51% 181
Total	416

2015 Investment Management Compliance Testing Survey

Q36 Do you permit use of personal e-mail accounts on company-issued computers and devices?

Answered: 413 Skipped: 61

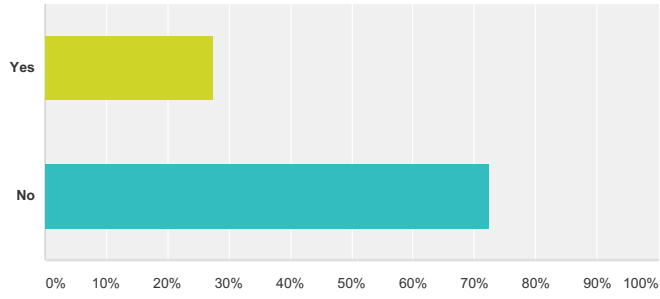


Answer Choices	Responses	
Yes	62.71%	259
No	37.29%	154
Total		413

2015 Investment Management Compliance Testing Survey

Q37 Do you permit employees to use social media hosted e-mail accounts for business use, such as LinkedIn e-mail?

Answered: 415 Skipped: 59

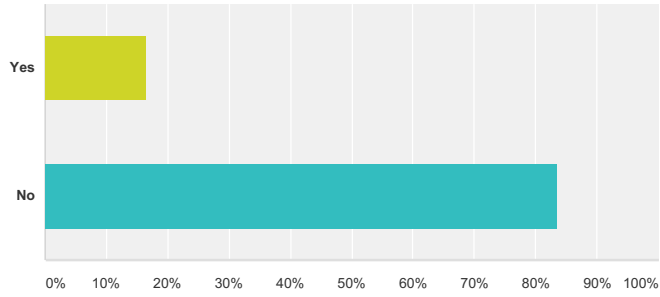


Answer Choices	Responses	
Yes	27.47%	114
No	72.53%	301
Total		415

2015 Investment Management Compliance Testing Survey

Q38 Do you review and retain employee e-mails from personal or social media hosted accounts on company issued computers?

Answered: 404 Skipped: 70

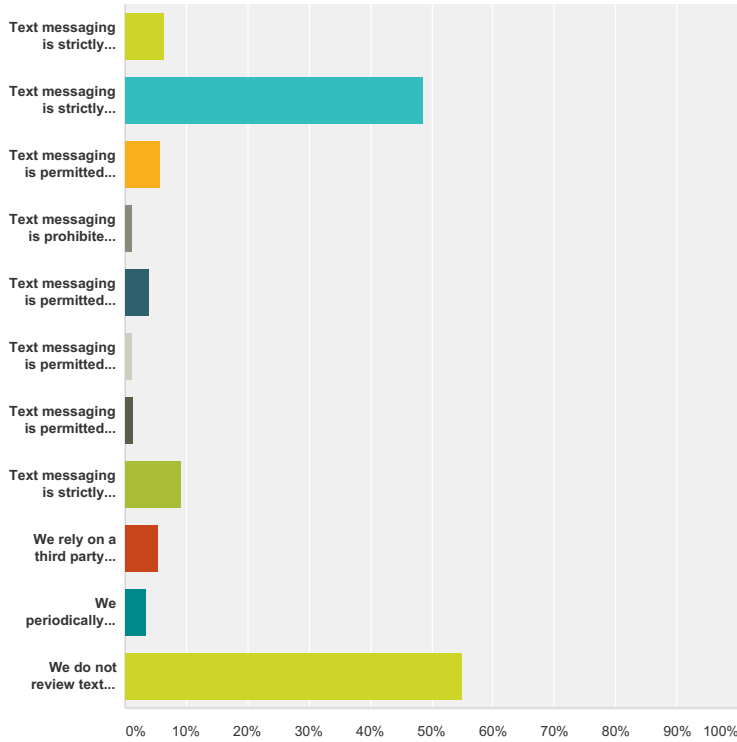


Answer Choices	Responses	
Yes	16.58%	67
No	83.42%	337
Total		404

2015 Investment Management Compliance Testing Survey

Q39 With respect to text messaging, our firm has the following policy (check all that apply):

Answered: 412 Skipped: 62

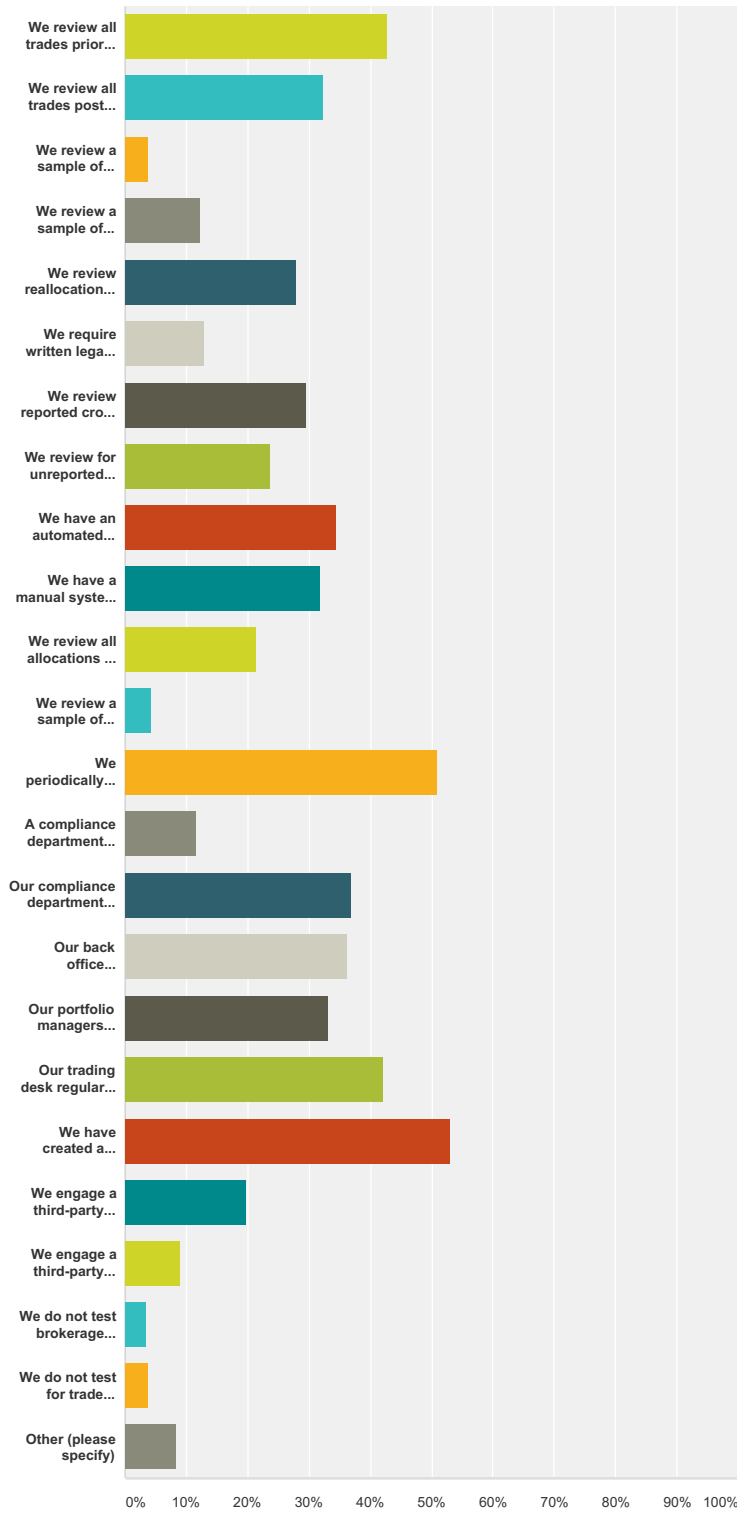


Answer Choices	Responses
Text messaging is strictly prohibited; we block the ability for employees to text message on corporate devices.	6.55% 27
Text messaging is strictly prohibited for business purposes only.	48.54% 200
Text messaging is permitted and we retain all text messages.	5.83% 24
Text messaging is prohibited for business purposes and we retain all text messages.	1.21% 5
Text messaging is permitted for certain employees only and we retain such employees' text messages.	3.88% 16
Text messaging is permitted for certain employees only and we do not retain such employees' text messages.	1.21% 5
Text messaging is permitted on employee BYOD devices and we capture text messages.	1.46% 6
Text messaging is strictly prohibited for business purposes only on employee BYOD devices.	9.22% 38
We rely on a third party (e.g., Bloomberg) to retain text messages of employees.	5.34% 22
We periodically review text messages.	3.64% 15
We do not review text messages.	55.10% 227
Total Respondents: 412	

2015 Investment Management Compliance Testing Survey

Q40 How do you test to detect trading issues? (check all that apply)

Answered: 419 Skipped: 55



Answer Choices	Responses
We review all trades prior to settlement.	42.72% 179
We review all trades post settlement.	32.46% 136
We review a sample of trades prior to settlement.	3.82% 16

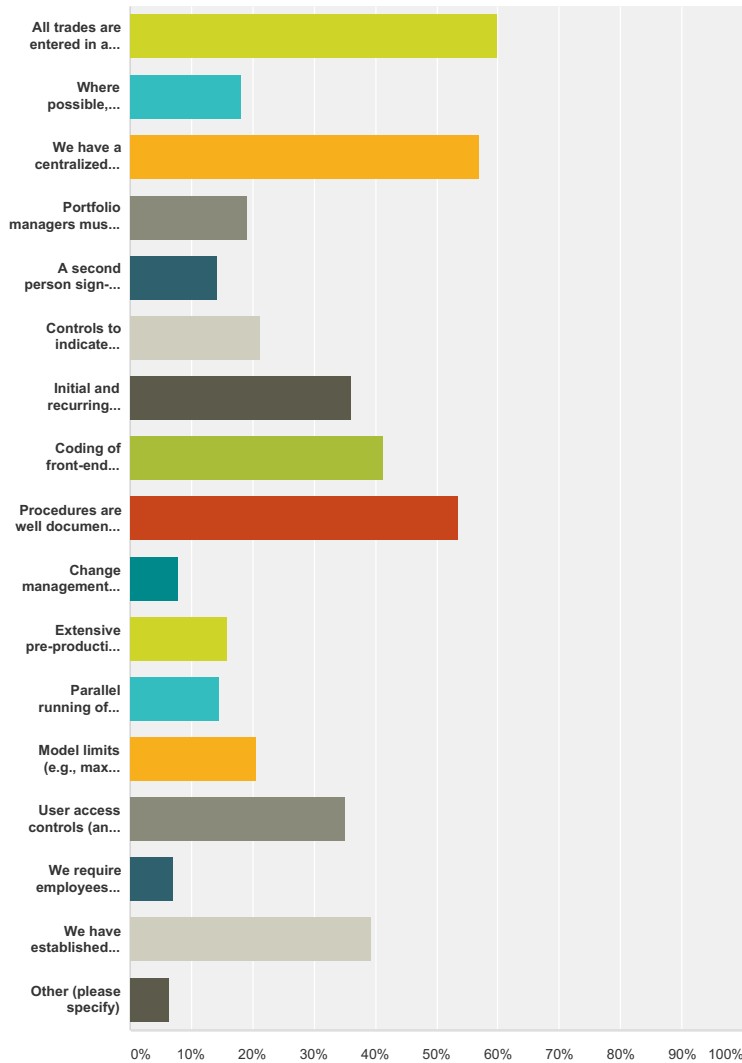
2015 Investment Management Compliance Testing Survey

We review a sample of trades post settlement.	12.41%	52
We review reallocations of bunched trades.	27.92%	117
We require written legal or compliance department approval of reallocations of bunched trades.	12.89%	54
We review reported cross transactions for regulatory compliance.	29.59%	124
We review for unreported cross transactions.	23.87%	100
We have an automated system for detecting/reporting trade issues.	34.37%	144
We have a manual system for monitoring trade issues.	31.98%	134
We review all allocations of initial public offerings.	21.48%	90
We review a sample of allocations of initial public offerings.	4.30%	18
We periodically review our policies and procedures against actual practice.	50.84%	213
A compliance department representative periodically sits on the trading desk to ensure our policy is consistent with our practice.	11.69%	49
Our compliance department regularly reviews the trade blotter.	36.99%	155
Our back office regularly reviews the trade blotter.	36.28%	152
Our portfolio managers regularly review the trade blotter.	33.17%	139
Our trading desk regularly reviews the trade blotter.	42.24%	177
We have created a committee to review trade practices (e.g., best execution committee).	52.98%	222
We engage a third-party service to evaluate our execution quality (e.g., AbleNoser).	19.81%	83
We engage a third-party firm to qualitatively review our trading function (e.g., compliance consulting firm).	9.07%	38
We do not test brokerage quality/best execution.	3.58%	15
We do not test for trade issues.	3.82%	16
Other (please specify)	8.35%	35
Total Respondents: 419		

2015 Investment Management Compliance Testing Survey

Q41 What controls are in place to prevent trading issues? (check all that apply)

Answered: 390 Skipped: 84



Answer Choices	Responses
All trades are entered in an automated trade order management system.	60.00% 234
Where possible, trades are entered in an automated trade order management system.	18.21% 71
We have a centralized trading desk.	56.92% 222
Portfolio managers must send all trades in writing when they are trading remotely.	19.23% 75
A second person sign-off (e.g., maker/checker control) is required for all manual trades.	14.10% 55
Controls to indicate "unusual transactions" based on size, type, etc. (e.g., maximum size trade limits)	21.28% 83
Initial and recurring training and education of personnel	36.15% 141
Coding of front-end compliance and trade order management systems	41.28% 161
Procedures are well documented and reviewed periodically.	53.59% 209
Change management control checklists	7.95% 31
Extensive pre-production testing of a new system	15.90% 62
Parallel running of "old" and "new" systems	14.62% 57
Model limits (e.g., max position size, etc.) by account and at the firm level	20.77% 81
User access controls (and periodic review of such controls)	35.13% 137

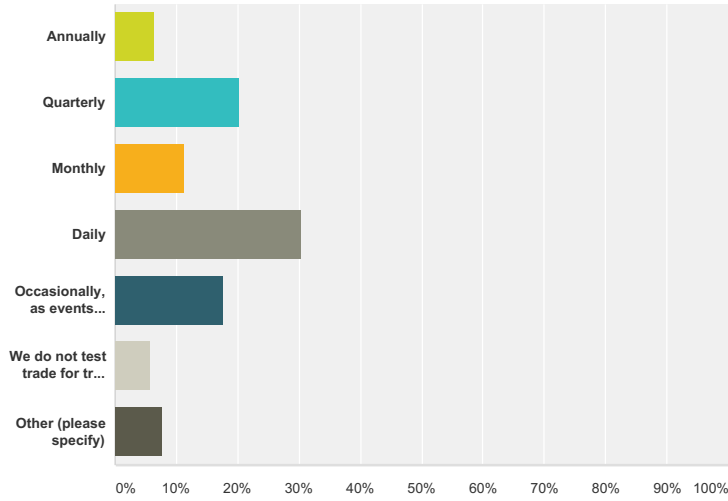
2015 Investment Management Compliance Testing Survey

We require employees (e.g., traders) to take mandatory vacations.	7.18%	28
We have established appropriate separation of duties.	39.49%	154
Other (please specify)	6.41%	25
Total Respondents: 390		

2015 Investment Management Compliance Testing Survey

Q42 As a general matter, how often do you test for trade issues?

Answered: 399 Skipped: 75

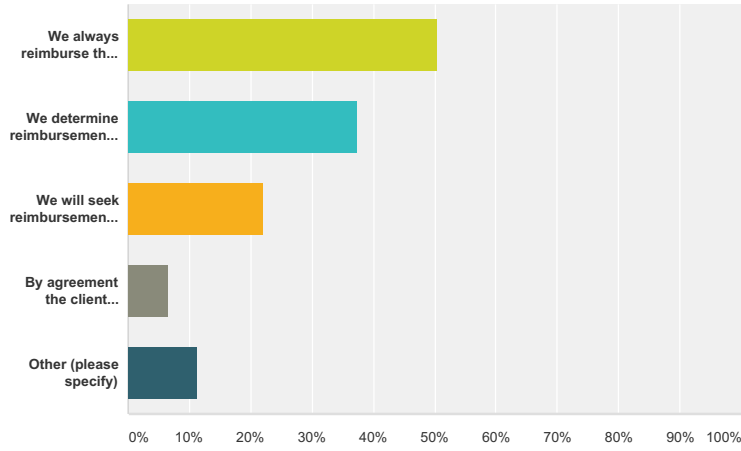


Answer Choices	Responses
Annually	6.52% 26
Quarterly	20.30% 81
Monthly	11.28% 45
Daily	30.58% 122
Occasionally, as events dictate	17.79% 71
We do not test trade for trade issues.	5.76% 23
Other (please specify)	7.77% 31
Total	399

2015 Investment Management Compliance Testing Survey

Q43 How are trade errors resolved? (check all that apply)

Answered: 388 Skipped: 86

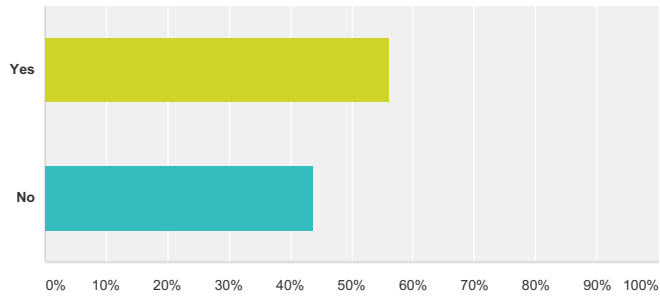


Answer Choices	Responses
We always reimburse the clients for any losses and the client keeps any gains.	50.52% 196
We determine reimbursement for losses and attribution of gains from trade errors on a case-by-case basis.	37.37% 145
We will seek reimbursement for the client for any losses and from the broker if they are responsible.	22.16% 86
By agreement the client absorbs all losses and gains resulting from trade errors.	6.70% 26
Other (please specify)	11.34% 44
Total Respondents: 388	

2015 Investment Management Compliance Testing Survey

Q44 Do you use an automated system for reporting and review of personal trading activity?

Answered: 412 Skipped: 62

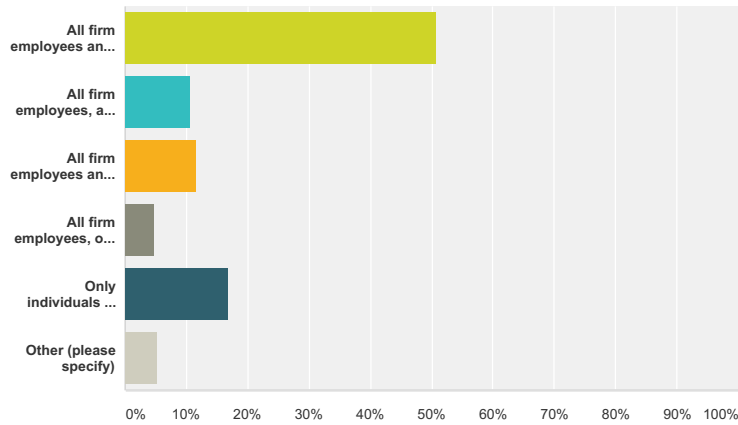


Answer Choices	Responses	
Yes	56.07%	231
No	43.93%	181
Total		412

2015 Investment Management Compliance Testing Survey

Q45 How does your firm's code of ethics define "access persons"?

Answered: 410 Skipped: 64

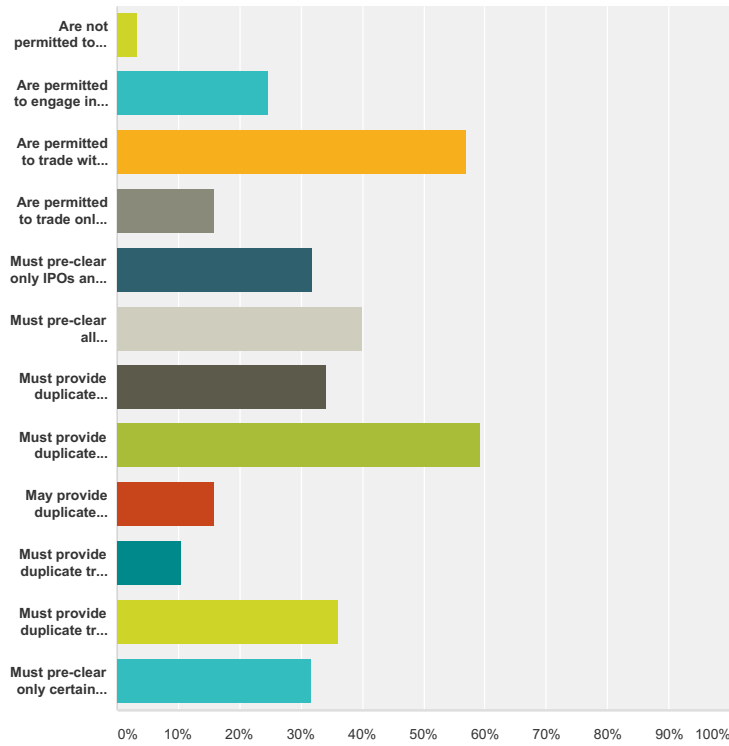


Answer Choices	Responses
All firm employees and all directors	50.73% 208
All firm employees, all directors, and outside contractors (temps, IT contractors, interns, etc.)	10.73% 44
All firm employees and only directors who have access to non-public information	11.71% 48
All firm employees, only directors who have access to non-public information, and outside contractors (temps, IT contractors, interns, etc.)	4.88% 20
Only individuals who technically fall into the SEC's definition of "access person" (i.e., only supervised persons who have access to non-public information regarding client purchases or sales of securities, etc.)	16.83% 69
Other (please specify)	5.12% 21
Total	410

2015 Investment Management Compliance Testing Survey

Q46 Under your code of ethics, access persons (check all that apply):

Answered: 410 Skipped: 64

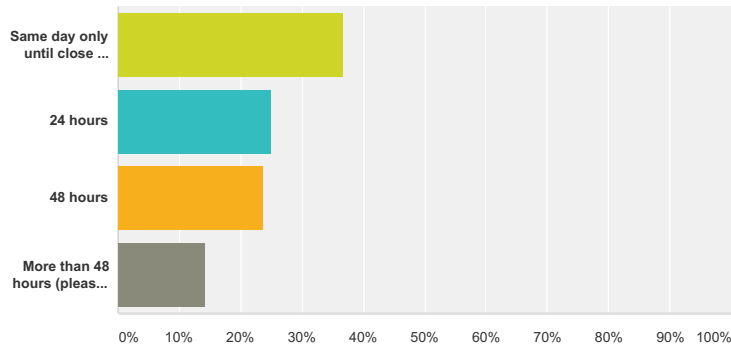


Answer Choices	Responses
Are not permitted to engage in personal trading.	3.41% 14
Are permitted to engage in personal trading in exempt securities only.	24.63% 101
Are permitted to trade with any broker.	57.07% 234
Are permitted to trade only at certain specified brokers.	15.85% 65
Must pre-clear only IPOs and private placements.	31.95% 131
Must pre-clear all transactions.	40.00% 164
Must provide duplicate account statements (employee provides).	34.15% 140
Must provide duplicate account statements sent directly from the broker.	59.27% 243
May provide duplicate account statements or report on form – employee's choice.	15.85% 65
Must provide duplicate trade confirmations (employee provides).	10.49% 43
Must provide duplicate trade confirmations sent directly from the broker.	36.10% 148
Must pre-clear only certain transactions (please explain).	31.71% 130
Total Respondents: 410	

2015 Investment Management Compliance Testing Survey

Q47 How long is pre-clearance valid upon approval for trading?

Answered: 364 Skipped: 110

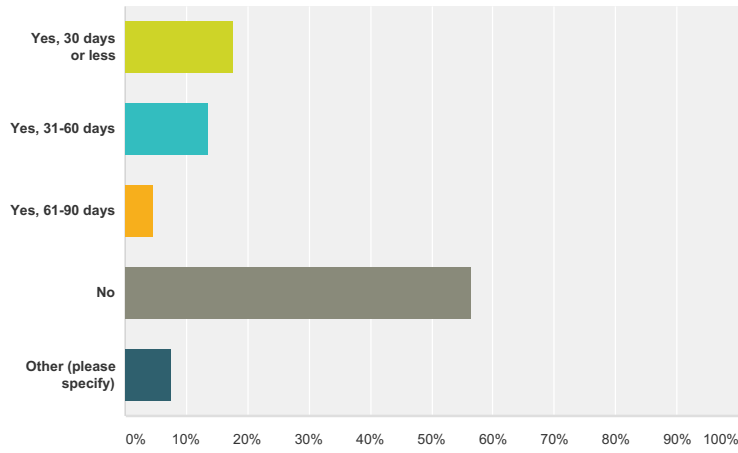


Answer Choices	Responses
Same day only until close of business	36.81% 134
24 hours	25.00% 91
48 hours	23.90% 87
More than 48 hours (please specify)	14.29% 52
Total	364

2015 Investment Management Compliance Testing Survey

Q48 Do you implement a holding period for access persons' transactions?

Answered: 385 Skipped: 89

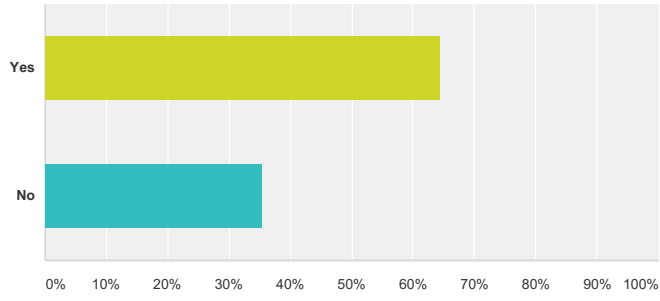


Answer Choices	Responses
Yes, 30 days or less	17.66% 68
Yes, 31-60 days	13.51% 52
Yes, 61-90 days	4.68% 18
No	56.62% 218
Other (please specify)	7.53% 29
Total	385

2015 Investment Management Compliance Testing Survey

Q49 Do you permit access persons to trade in securities held in client accounts?

Answered: 387 Skipped: 87

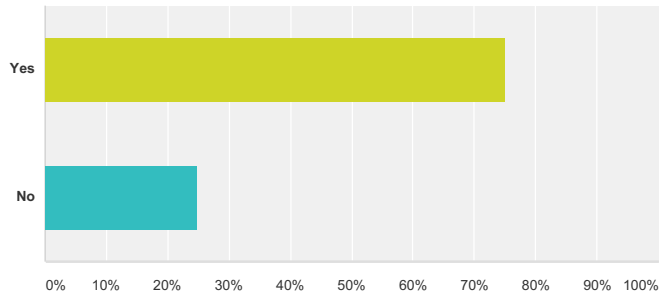


Answer Choices	Responses	
Yes	64.60%	250
No	35.40%	137
Total		387

2015 Investment Management Compliance Testing Survey

Q50 Do you maintain a “restricted list”?

Answered: 396 Skipped: 78

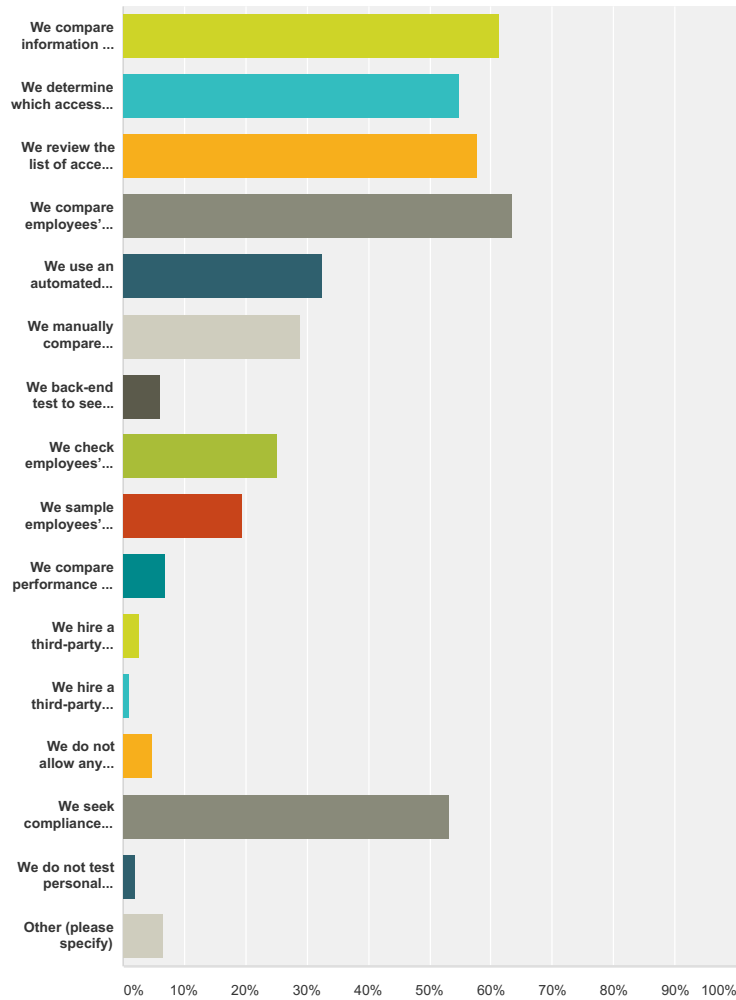


Answer Choices	Responses	
Yes	75.25%	298
No	24.75%	98
Total		396

2015 Investment Management Compliance Testing Survey

Q51 How do you test personal trading? (check all that apply)

Answered: 392 Skipped: 82



Answer Choices	Responses
We compare information on employees' confirmations and account statements with employees' filed holdings and transaction reports.	61.48% 241
We determine which access persons did not timely file their quarterly transaction reports and holdings reports.	54.85% 215
We review the list of access persons and confirm that all new employees are aware of their reporting obligations.	57.91% 227
We compare employees' pre-approval forms with their executed personal trades.	63.52% 249
We use an automated system to compare personal trades with client trades.	32.65% 128
We manually compare personal trades with client trades.	29.08% 114
We back-end test to see whether employees' trades should have been offered to clients.	6.12% 24
We check employees' trading patterns over time.	25.26% 99
We sample employees' trades and review each trade in the sample for compliance with applicable code of ethics restrictions (e.g., blackout period, pre-clearance, etc.).	19.39% 76
We compare performance of personal accounts with performance of client accounts.	6.89% 27
We hire a third-party firm to test personal trading.	2.81% 11
We hire a third-party firm to identify employees' unreported brokerage accounts.	1.02% 4

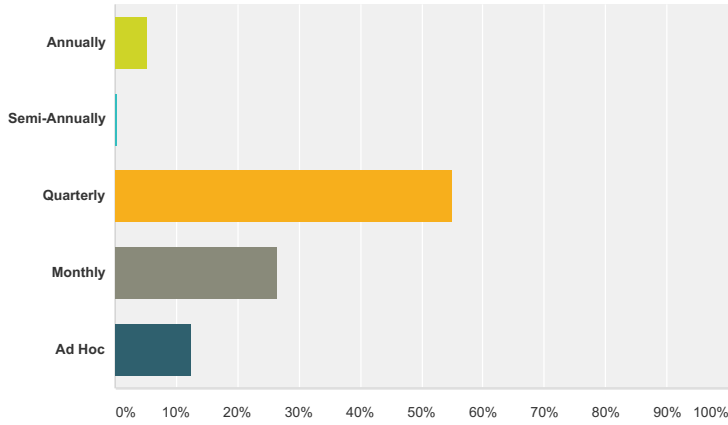
2015 Investment Management Compliance Testing Survey

We do not allow any personal trading except in low-risk securities such as unaffiliated open-end mutual funds, ETFs, government securities, etc. and therefore perform minimal testing.	4.85%	19
We seek compliance certifications.	53.32%	209
We do not test personal trading.	2.04%	8
Other (please specify)	6.63%	26
Total Respondents: 392		

2015 Investment Management Compliance Testing Survey

Q52 How frequently do you test personal trading?

Answered: 384 Skipped: 90

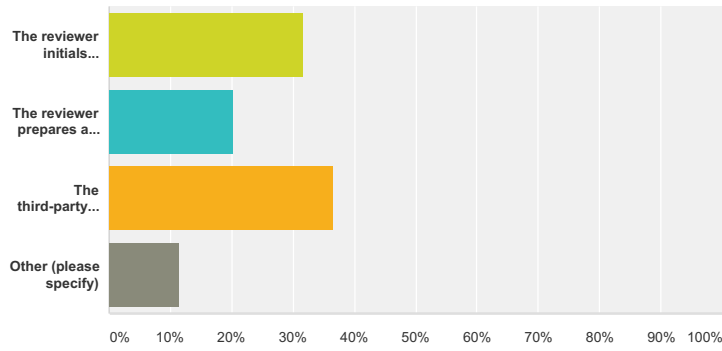


Answer Choices	Responses	Count
Annually	5.21%	20
Semi-Annually	0.52%	2
Quarterly	55.21%	212
Monthly	26.56%	102
Ad Hoc	12.50%	48
Total		384

2015 Investment Management Compliance Testing Survey

Q53 How does your firm evidence testing of personal trading activity?

Answered: 375 Skipped: 99

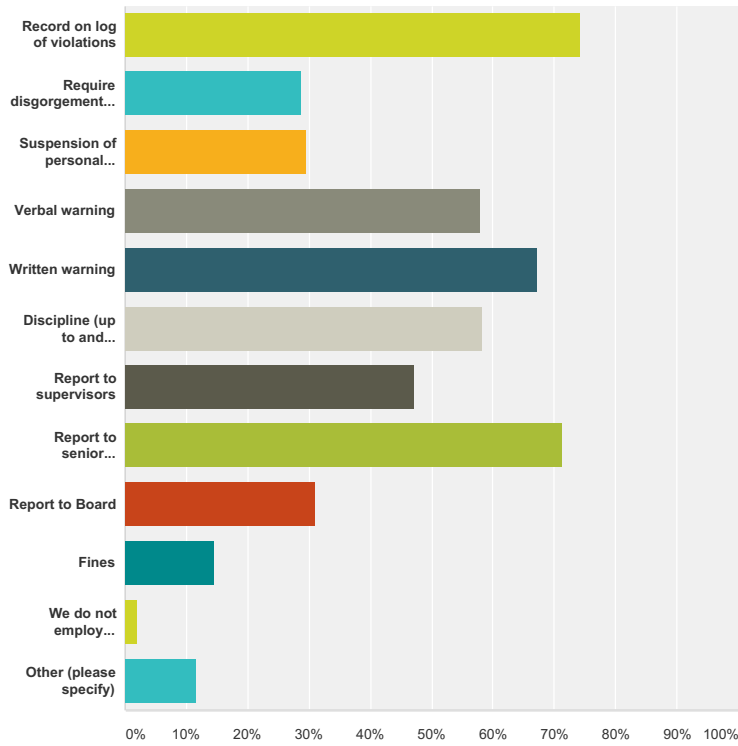


Answer Choices	Responses
The reviewer initials personal trading statements and forms submitted in hard copy.	31.73% 119
The reviewer prepares a written memo, report, or summary of the reviews conducted.	20.27% 76
The third-party software application generates documentation to evidence reviews.	36.53% 137
Other (please specify)	11.47% 43
Total	375

2015 Investment Management Compliance Testing Survey

Q54 How do you manage material violations of the code of ethics? (check all that apply)

Answered: 388 Skipped: 86

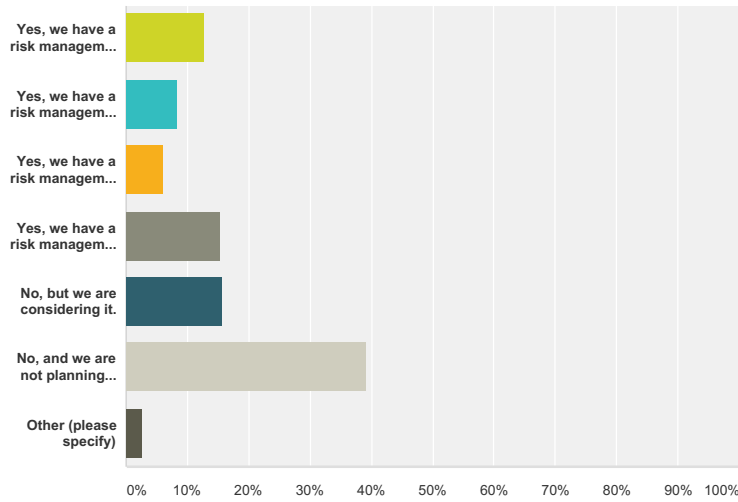


Answer Choices	Responses	Count
Record on log of violations	74.23%	288
Require disgorgement of profits to charity	28.87%	112
Suspension of personal trading permission	29.64%	115
Verbal warning	57.99%	225
Written warning	67.27%	261
Discipline (up to and including termination) in cases of multiple violations	58.25%	226
Report to supervisors	47.16%	183
Report to senior management	71.39%	277
Report to Board	31.19%	121
Fines	14.69%	57
We do not employ sanctions.	2.06%	8
Other (please specify)	11.60%	45
Total Respondents: 388		

2015 Investment Management Compliance Testing Survey

**Q55 Does your firm have a formal, firm-wide “risk management program” with a designated Chief Risk Officer (CRO) or individuals acting in a similar capacity?
Note: this would be broader than the general risk assessment conducted through your firm’s compliance program.**

Answered: 403 Skipped: 71

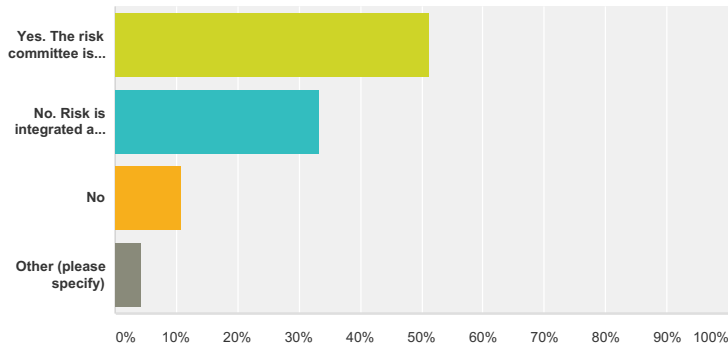


Answer Choices	Responses
Yes, we have a risk management program with a dedicated CRO.	12.66% 51
Yes, we have a risk management program and our CCO serves as CRO.	8.44% 34
Yes, we have a risk management program with a CRO who wears other hats (other than CCO).	5.96% 24
Yes, we have a risk management program but no one has been designated as the CRO.	15.38% 62
No, but we are considering it.	15.63% 63
No, and we are not planning to.	39.21% 158
Other (please specify)	2.73% 11
Total	403

2015 Investment Management Compliance Testing Survey

Q56 Does your firm have a formal risk committee?

Answered: 183 Skipped: 291

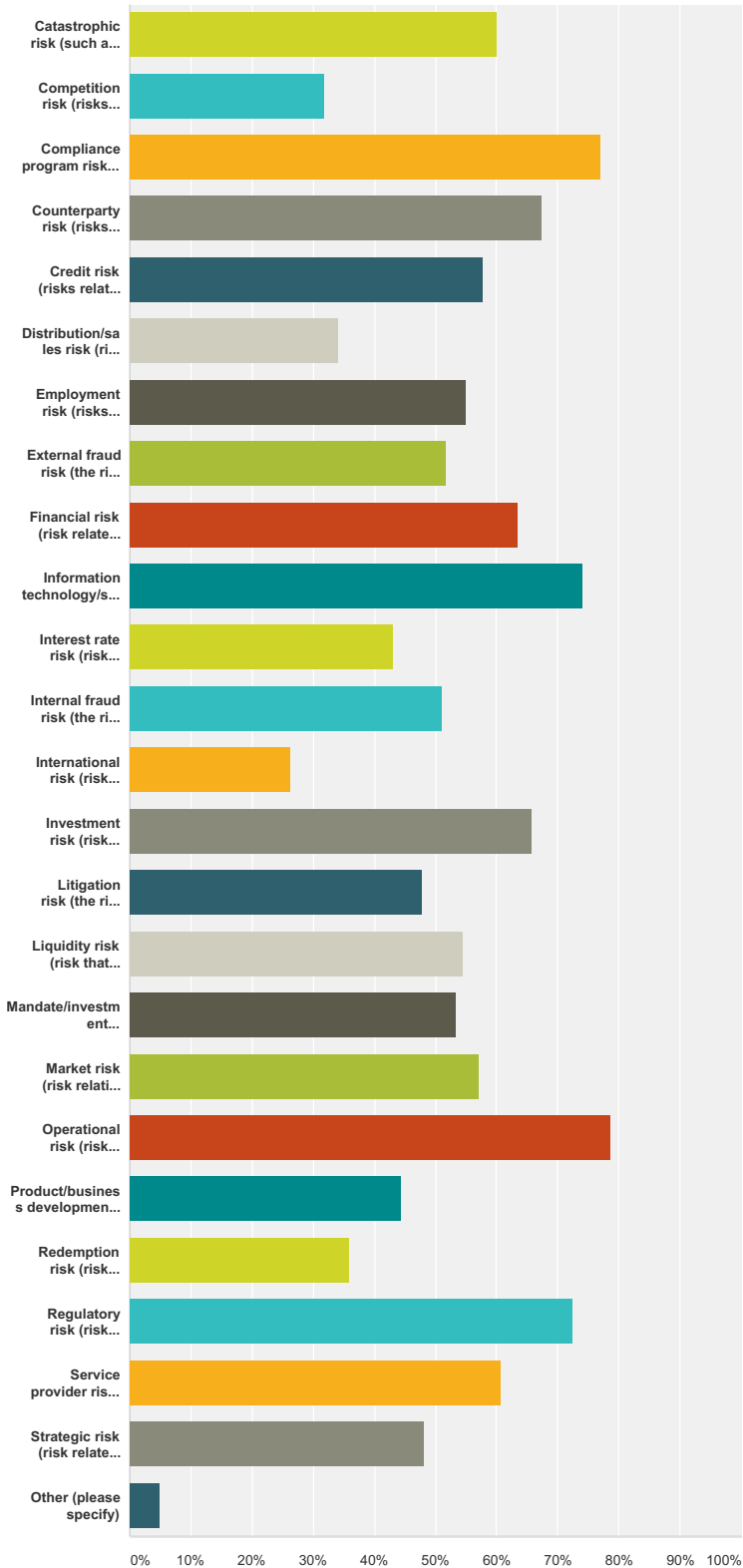


Answer Choices	Responses
Yes. The risk committee is its own functional committee.	51.37% 94
No. Risk is integrated as part of another committee (e.g., board or audit committee, compliance committee, other management committee).	33.33% 61
No	10.93% 20
Other (please specify)	4.37% 8
Total	183

2015 Investment Management Compliance Testing Survey

Q57 What types of risks are assessed?
 (check all that apply) Note: Please read through all the possible answers before selecting, as some risk categories initially may appear similar.

Answered: 178 Skipped: 296



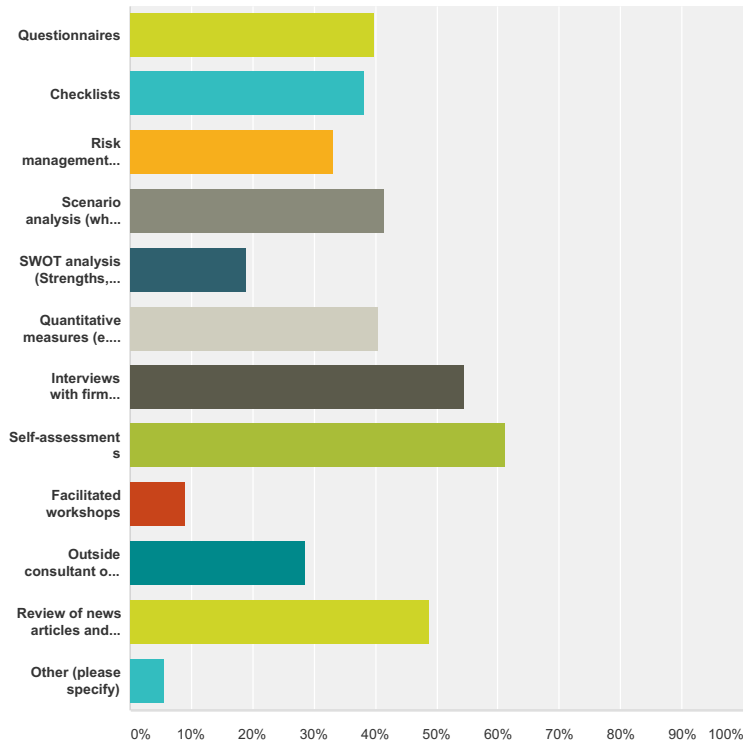
2015 Investment Management Compliance Testing Survey

Answer Choices	Responses
Catastrophic risk (such as the risks of natural disaster or terrorism)	60.11% 107
Competition risk (risks related to competition by other firms or products)	32.02% 57
Compliance program risk (risks stemming from non-compliance with internal compliance policies and procedures)	76.97% 137
Counterparty risk (risks relating to the strength, viability, and creditworthiness of market counterparties)	67.42% 120
Credit risk (risks relating to the credit status of instruments, such as the risk of downgrade or default)	57.87% 103
Distribution/sales risk (risks related to the level of future purchases of the firm's products or services)	34.27% 61
Employment risk (risks related to the attraction and retention of employees, such as key person risk and succession risk)	55.06% 98
External fraud risk (the risk that the firm will be a victim of fraud by a service provider, client, or other "outsider")	51.69% 92
Financial risk (risk related to the firm's revenues and debts, and overall financial strength)	63.48% 113
Information technology/security risk (risk related to the firm's IT system and data security)	74.16% 132
Interest rate risk (risk presented by movements in interest rates)	43.26% 77
Internal fraud risk (the risk that an employee of the firm or other "insider" has engaged in fraud)	51.12% 91
International risk (risk related to overseas developments, such as the firm's expansion overseas)	26.40% 47
Investment risk (risk relating to the investment performance of client and/or proprietary assets)	65.73% 117
Litigation risk (the risk that the firm or its employees will be the target of a lawsuit)	47.75% 85
Liquidity risk (risk that particular instruments will become illiquid)	54.49% 97
Mandate/investment guideline/restriction risk (risk that portfolio managers will violate client investment parameters)	53.37% 95
Market risk (risk relating to the functioning of the exchanges and other markets)	57.30% 102
Operational risk (risk related to the firm's day-to-day business functions)	78.65% 140
Product/business development risk (risk presented by specific products or services offered by the firm)	44.38% 79
Redemption risk (risk presented by en masse redemptions from a fund or account)	35.96% 64
Regulatory risk (risk related to compliance with securities, tax, ERISA, or other applicable laws, such as the risk of a deficiency letter or enforcement action, as well as the risk of regulatory change)	72.47% 129
Service provider risk (risk relating to the services provided by outside administrators, custodians, counsel, consultants, vendors, and other service providers)	60.67% 108
Strategic risk (risk related to the firm's overall business vision)	48.31% 86
Other (please specify)	5.06% 9
Total Respondents: 178	

2015 Investment Management Compliance Testing Survey

Q58 What methods does your firm use to identify risks? (check all that apply)

Answered: 178 Skipped: 296

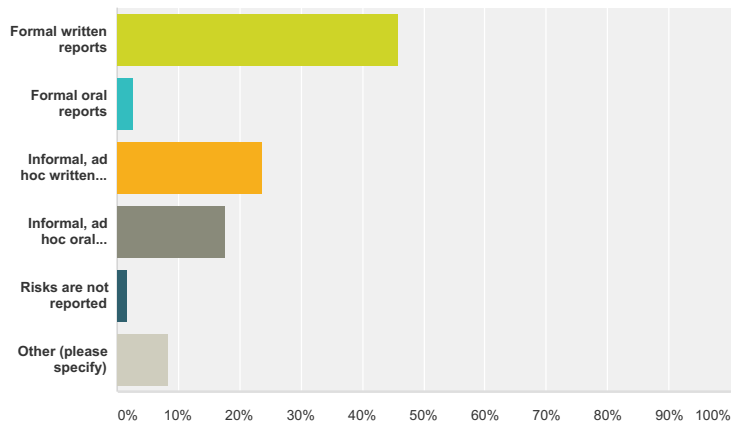


Answer Choices	Responses
Questionnaires	39.89% 71
Checklists	38.20% 68
Risk management software	33.15% 59
Scenario analysis (where the worst case scenario is assumed and its implications evaluated)	41.57% 74
SWOT analysis (Strengths, Weaknesses, Opportunities, Threats)	19.10% 34
Quantitative measures (e.g., value-at-risk)	40.45% 72
Interviews with firm personnel	54.49% 97
Self-assessments	61.24% 109
Facilitated workshops	8.99% 16
Outside consultant or third-party evaluation	28.65% 51
Review of news articles and industry publications	48.88% 87
Other (please specify)	5.62% 10
Total Respondents: 178	

2015 Investment Management Compliance Testing Survey

Q59 How are risks reported?

Answered: 181 Skipped: 293



Answer Choices	Responses
Formal written reports	45.86% 83
Formal oral reports	2.76% 5
Informal, ad hoc written reports	23.76% 43
Informal, ad hoc oral reports	17.68% 32
Risks are not reported	1.66% 3
Other (please specify)	8.29% 15
Total	181

2015 Investment Management Compliance Testing Survey

Q60 You indicated that risks are reported via formal, written reports. Please describe the audience, form, and frequency of your firm's written risk reports.

Answered: 78 Skipped: 396

2015 Investment Management Compliance Testing Survey

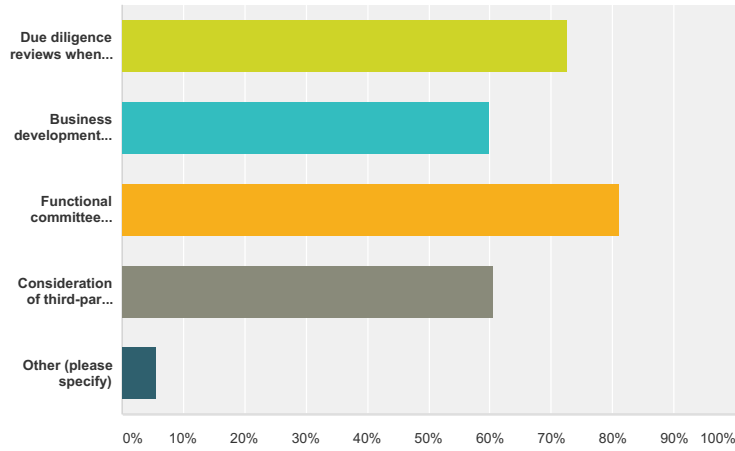
Q61 You indicated that risks are reported via formal, oral reports. Please describe the audience, form, and frequency of oral risk reports, and who provides them.

Answered: 60 Skipped: 414

2015 Investment Management Compliance Testing Survey

Q62 In what activities does the CRO (or others individuals involved in the risk management function) participate? (check all that apply)

Answered: 175 Skipped: 299

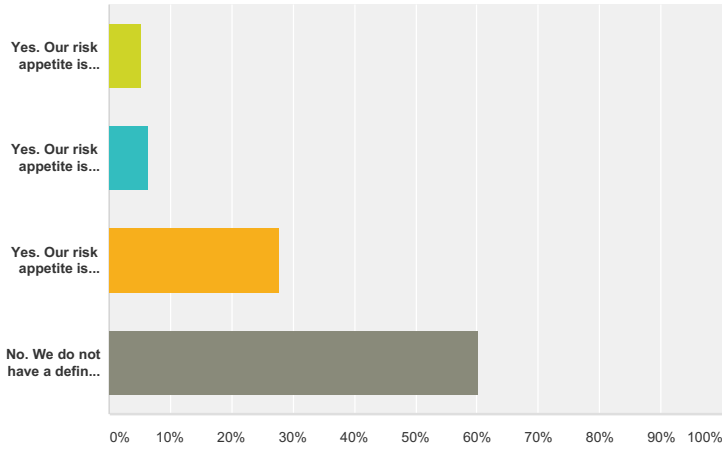


Answer Choices	Responses
Due diligence reviews when new products or services are being considered	72.57% 127
Business development efforts, when new clients or markets are being considered	60.00% 105
Functional committee meetings (e.g., investment committee)	81.14% 142
Consideration of third-party service providers	60.57% 106
Other (please specify)	5.71% 10
Total Respondents: 175	

2015 Investment Management Compliance Testing Survey

Q63 Does your firm have a defined risk appetite strategy (i.e., the amount of risk an entity is prepared to accept in seeking to achieve its business strategy or objectives)?

Answered: 399 Skipped: 75

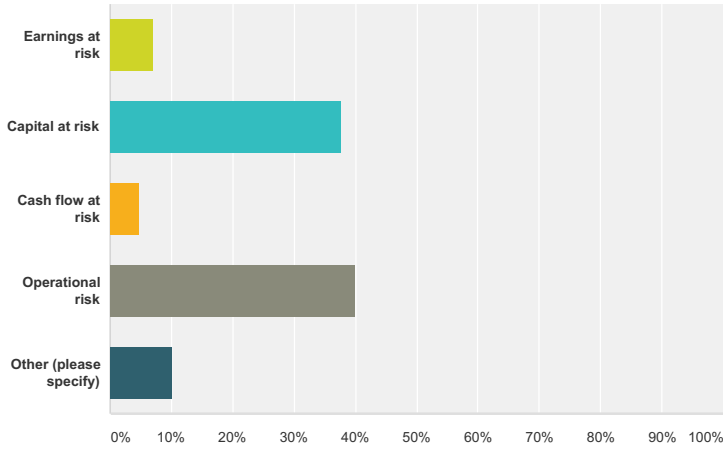


Answer Choices	Responses
Yes. Our risk appetite is based on quantitative metrics.	5.26% 21
Yes. Our risk appetite is based on qualitative metrics.	6.52% 26
Yes. Our risk appetite is based on both quantitative and qualitative metrics.	27.82% 111
No. We do not have a defined risk appetite strategy.	60.40% 241
Total	399

2015 Investment Management Compliance Testing Survey

Q64 What metrics do you include in your firms quantitative risk appetite methodology?

Answered: 127 Skipped: 347

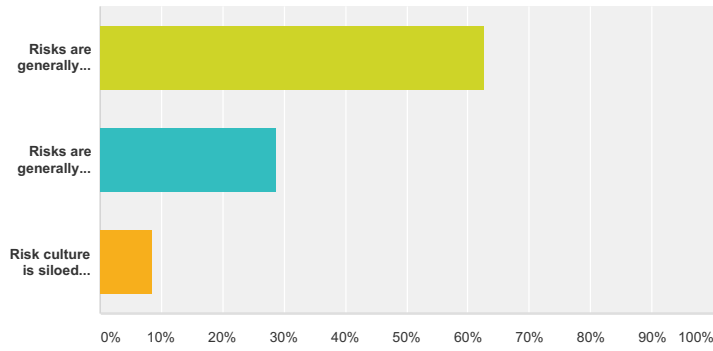


Answer Choices	Responses
Earnings at risk	7.09% 9
Capital at risk	37.80% 48
Cash flow at risk	4.72% 6
Operational risk	40.16% 51
Other (please specify)	10.24% 13
Total	127

2015 Investment Management Compliance Testing Survey

Q65 How would you describe your firm's risk culture?

Answered: 396 Skipped: 78

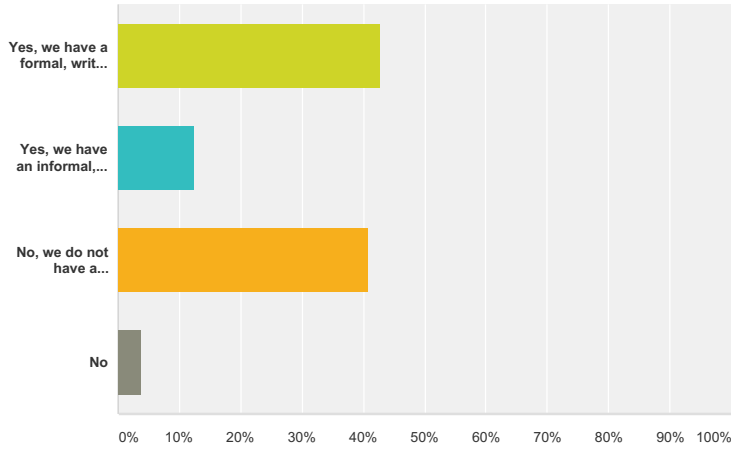


Answer Choices	Responses
Risks are generally understood by all employees across the organization.	62.63% 248
Risks are generally understood and discussed only within the risk committee or senior management level.	28.79% 114
Risk culture is siloed (i.e., only within risk and compliance functions).	8.59% 34
Total	396

2015 Investment Management Compliance Testing Survey

Q66 Does your firm have a cybersecurity program?

Answered: 400 Skipped: 74

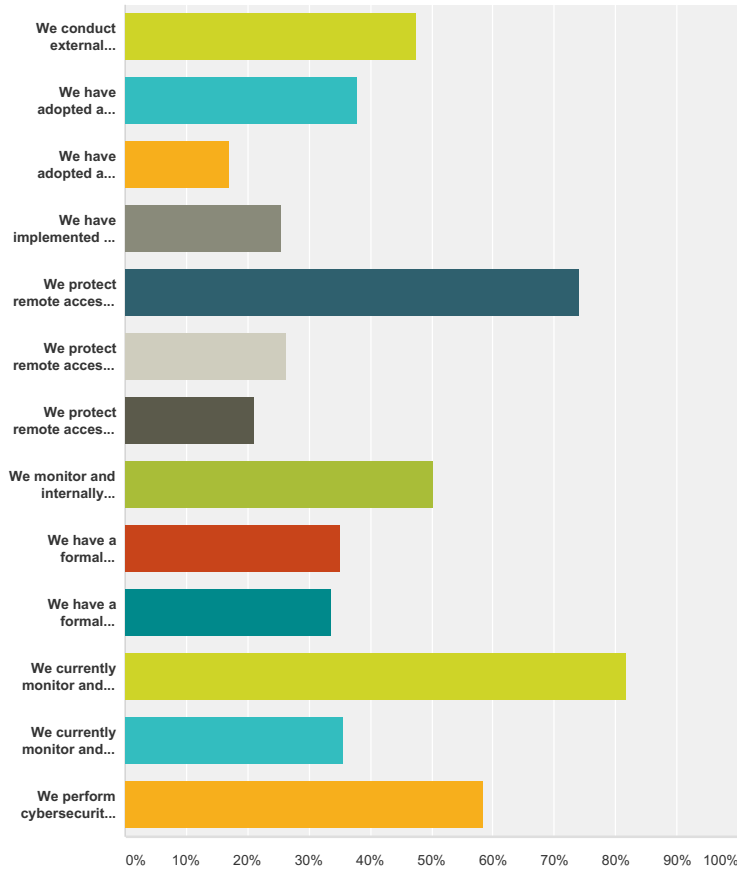


Answer Choices	Responses
Yes, we have a formal, written cybersecurity program.	42.75% 171
Yes, we have an informal, unwritten cybersecurity program.	12.50% 50
No, we do not have a standalone cybersecurity program, but cybersecurity policies and procedures are incorporated into other policies and procedures (e.g., red flags rule/identity theft prevention program; privacy policy).	41.00% 164
No	3.75% 15
Total	400

2015 Investment Management Compliance Testing Survey

Q67 You indicated that your firm has a cybersecurity program. Which of the following are parts of your program? (check all that apply)

Answered: 380 Skipped: 94



Answer Choices	Responses
We conduct external independent vulnerability reviews/penetration tests.	47.63% 181
We have adopted a formally documented incident response plan with cross functional involvement on material items (i.e., IT, compliance, and legal).	37.89% 144
We have adopted a formally documented incident response plan which is IT-centric only.	17.11% 65
We have implemented an informal incident response plan.	25.53% 97
We protect remote access to our systems with user ID and passwords.	74.21% 282
We protect remote access to our systems with user ID and passwords and a second form of authentication in some cases (i.e., token, biometric, etc.).	26.32% 100
We protect remote access to our systems with user ID and password and second form of authentication in all cases.	21.05% 80
We monitor and internally report on vulnerability attempts (i.e., hacking) made against our network to senior management.	50.26% 191
We have a formal intrusion detection/prevention program using software managed by internal IT team.	35.00% 133
We have a formal intrusion detection/prevention program using software and services monitored by external managed service provider.	33.68% 128
We currently monitor and block for malware and explicit content.	81.84% 311

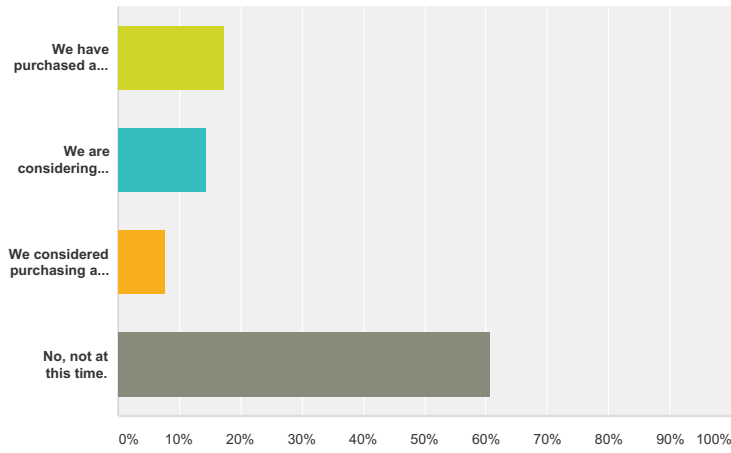
2015 Investment Management Compliance Testing Survey

We currently monitor and block restricted business content.	35.79%	136
We perform cybersecurity awareness training for employees.	58.42%	222
Total Respondents: 380		

2015 Investment Management Compliance Testing Survey

Q68 Has your firm purchased a specific cyber insurance policy?

Answered: 389 Skipped: 85

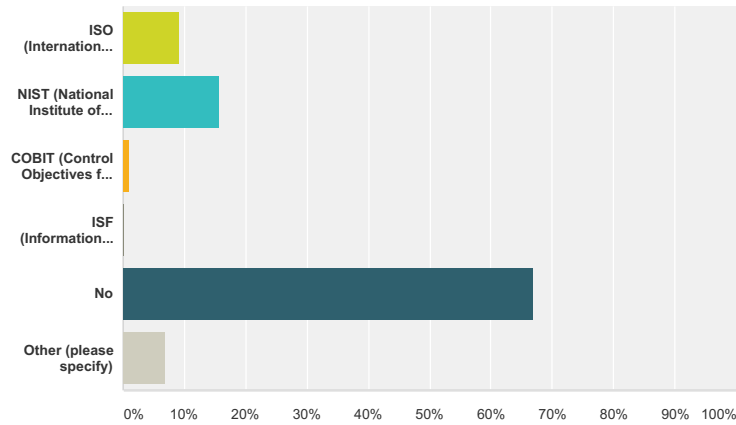


Answer Choices	Responses
We have purchased a cybersecurity insurance policy.	17.22% 67
We are considering purchasing a cybersecurity insurance policy.	14.40% 56
We considered purchasing a cybersecurity insurance policy but opted not to.	7.71% 30
No, not at this time.	60.67% 236
Total	389

2015 Investment Management Compliance Testing Survey

Q69 Does your firm benchmark to a specific industry IT security/control framework?

Answered: 381 Skipped: 93



Answer Choices	Responses
ISO (International Organization for Standardization)	9.19% 35
NIST (National Institute of Standards and Technology)	15.75% 60
COBIT (Control Objectives for Information and Related Technology)	1.05% 4
ISF (Information Security Forum)	0.26% 1
No	66.93% 255
Other (please specify)	6.82% 26
Total	381

2015 Investment Management Compliance Testing Survey

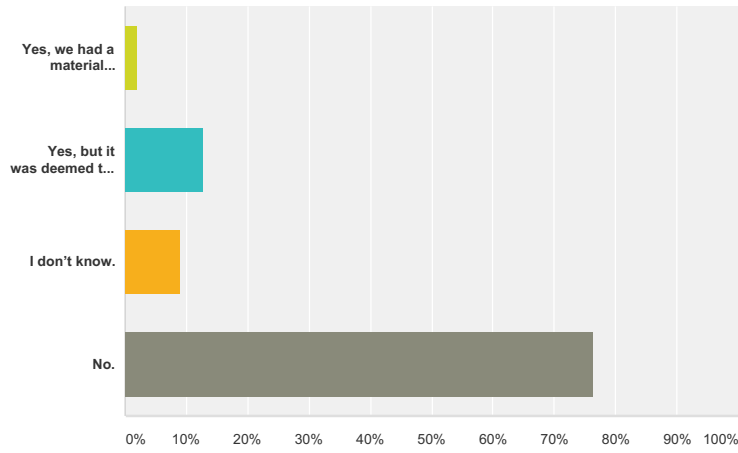
Q70 How has your firm's approach towards investing in cybersecurity programs changed since January 1, 2014? Please describe. (Note: Your candid, detailed answer to this question will benefit you and your peers. The survey organizers will be selecting the most insightful responses to this question and will share them as part of the final survey.)

Answered: 241 Skipped: 233

2015 Investment Management Compliance Testing Survey

Q71 Has your firm been a victim of a cyber-breach in the past 18 months?

Answered: 394 Skipped: 80

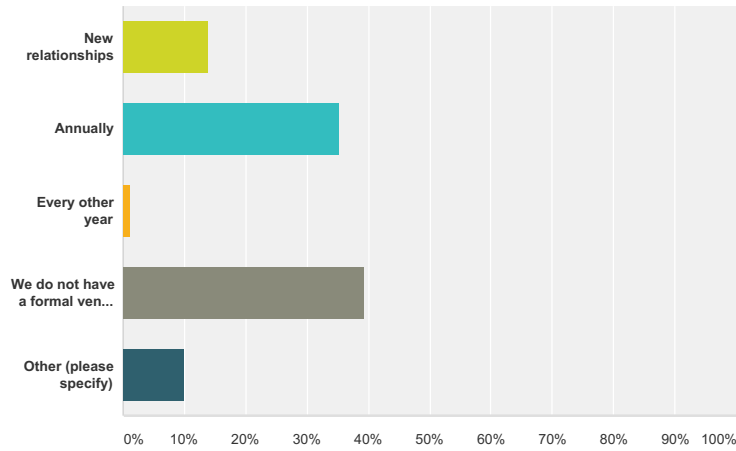


Answer Choices	Responses
Yes, we had a material breach.	2.03% 8
Yes, but it was deemed to be immaterial.	12.69% 50
I don't know.	8.88% 35
No.	76.40% 301
Total	394

2015 Investment Management Compliance Testing Survey

Q72 How often does your firm conduct due diligence on how your key vendors manage cybersecurity?

Answered: 388 Skipped: 86

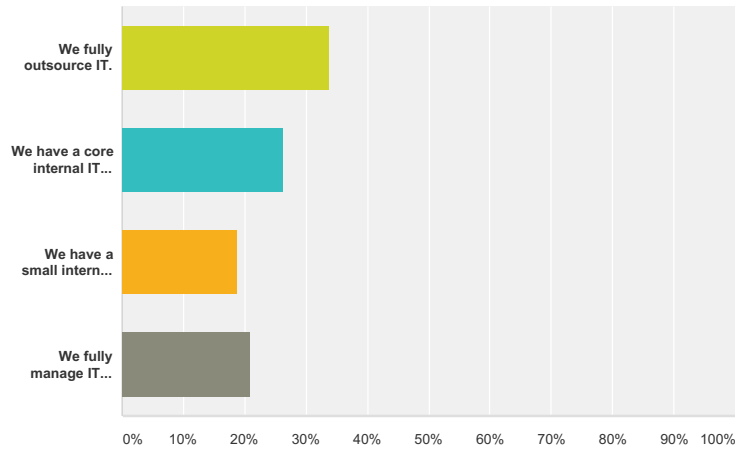


Answer Choices	Responses	
New relationships	13.92%	54
Annually	35.31%	137
Every other year	1.29%	5
We do not have a formal vendor management review policy.	39.43%	153
Other (please specify)	10.05%	39
Total		388

2015 Investment Management Compliance Testing Survey

Q73 Does your firm leverage its information technology (IT) outsourcing?

Answered: 387 Skipped: 87

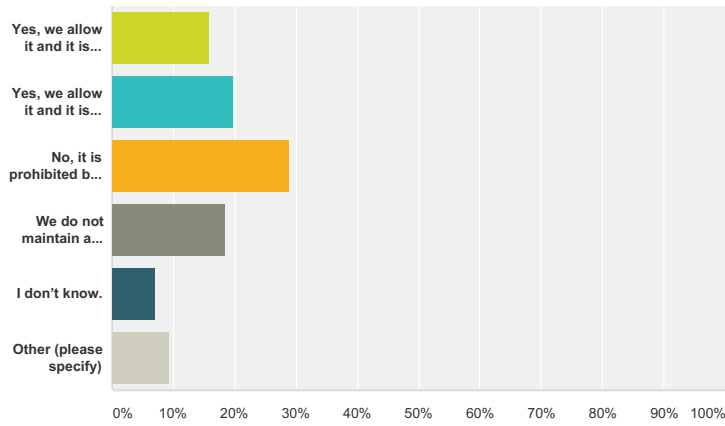


Answer Choices	Responses	
We fully outsource IT.	33.85%	131
We have a core internal IT team, but we outsource select IT functions for skill or scale benefits.	26.36%	102
We have a small internal IT team, but we rely heavily on IT outsourcing to support our business.	18.86%	73
We fully manage IT in-house and leverage little or no IT outsourcing.	20.93%	81
Total		387

2015 Investment Management Compliance Testing Survey

Q74 Does your firm allow the use of cloud-based file sharing programs (e.g., Dropbox, Box.com, Sharefile, etc.)?

Answered: 392 Skipped: 82

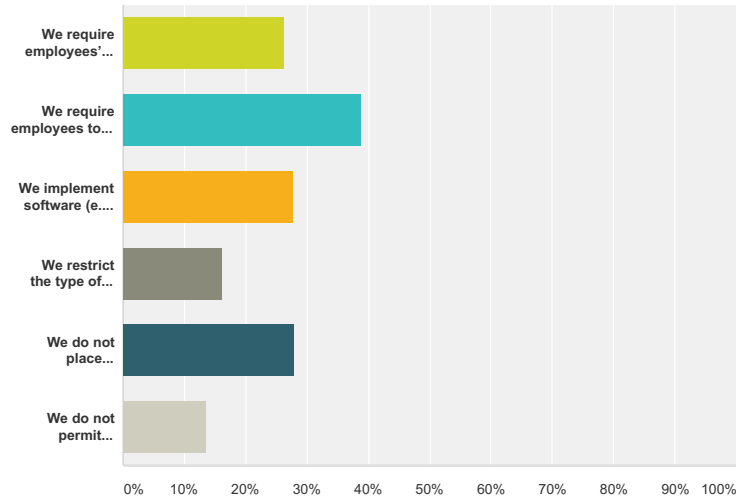


Answer Choices	Responses
Yes, we allow it and it is self-managed by employees.	15.82% 62
Yes, we allow it and it is managed by our corporate IT department.	19.90% 78
No, it is prohibited by policy.	29.08% 114
We do not maintain a policy regarding these programs.	18.62% 73
I don't know.	7.14% 28
Other (please specify)	9.44% 37
Total	392

2015 Investment Management Compliance Testing Survey

Q75 Does your firm allow BYOD (bring your own device) mobile devices? If so, what does the BYOD program include? (check all that apply)

Answered: 393 Skipped: 81

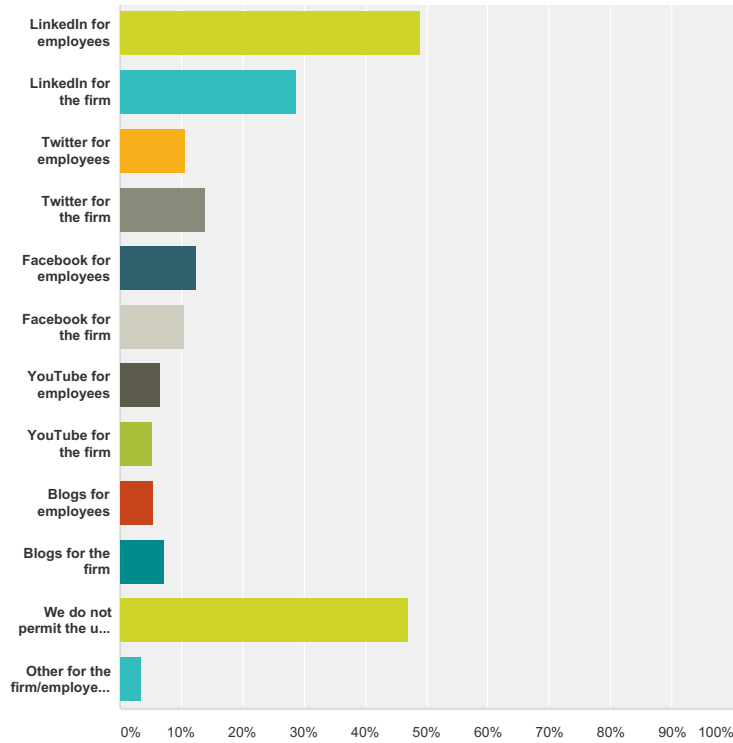


Answer Choices	Responses
We require employees' devices to be encrypted.	26.21% 103
We require employees to have complex passwords to access the device.	38.93% 153
We implement software (e.g., Good) that allows the firm to monitor/manage company content on personal devices.	27.74% 109
We restrict the type of devices that employees may use.	16.28% 64
We do not place restrictions on the use of employees' personal devices.	27.99% 110
We do not permit employees to use their own devices.	13.49% 53
Total Respondents: 393	

2015 Investment Management Compliance Testing Survey

Q76 If you permit firm/employee use of social media for business purposes, what types of activities are permitted/engaged in by your firm? (check all that apply)

Answered: 384 Skipped: 90

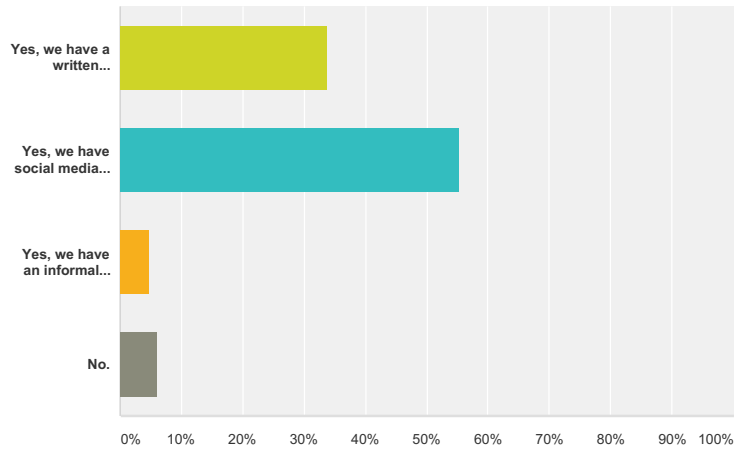


Answer Choices	Responses	Count
LinkedIn for employees	48.96%	188
LinkedIn for the firm	28.91%	111
Twitter for employees	10.68%	41
Twitter for the firm	14.06%	54
Facebook for employees	12.50%	48
Facebook for the firm	10.42%	40
YouTube for employees	6.77%	26
YouTube for the firm	5.21%	20
Blogs for employees	5.47%	21
Blogs for the firm	7.29%	28
We do not permit the use of social media for business purposes.	46.88%	180
Other for the firm/employees (please describe)	3.65%	14
Total Respondents: 384		

2015 Investment Management Compliance Testing Survey

Q77 Does your firm have a social media policy?

Answered: 399 Skipped: 75

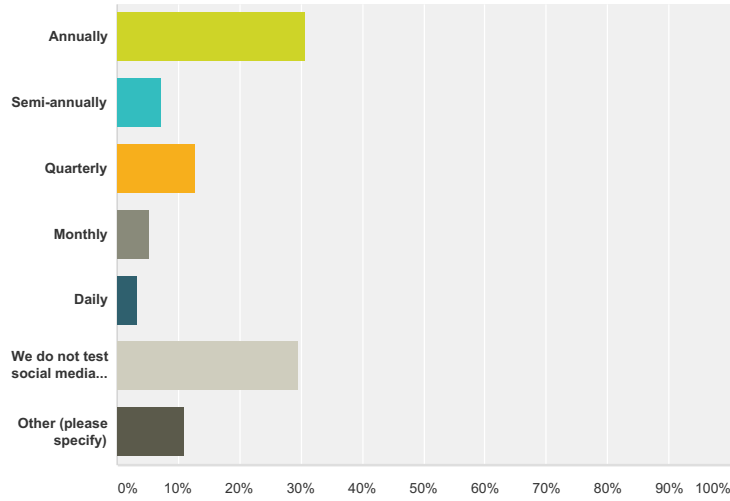


Answer Choices	Responses	
Yes, we have a written stand-alone social media policy.	33.83%	135
Yes, we have social media policies included in other written policies and procedures.	55.39%	221
Yes, we have an informal unwritten social media policy.	4.76%	19
No.	6.02%	24
Total		399

2015 Investment Management Compliance Testing Survey

Q78 As a general matter, how often do you test social media compliance?

Answered: 395 Skipped: 79



Answer Choices	Responses	Count
Annually	30.63%	121
Semi-annually	7.34%	29
Quarterly	12.66%	50
Monthly	5.32%	21
Daily	3.29%	13
We do not test social media compliance	29.62%	117
Other (please specify)	11.14%	44
Total		395

2015 Investment Management Compliance Testing Survey

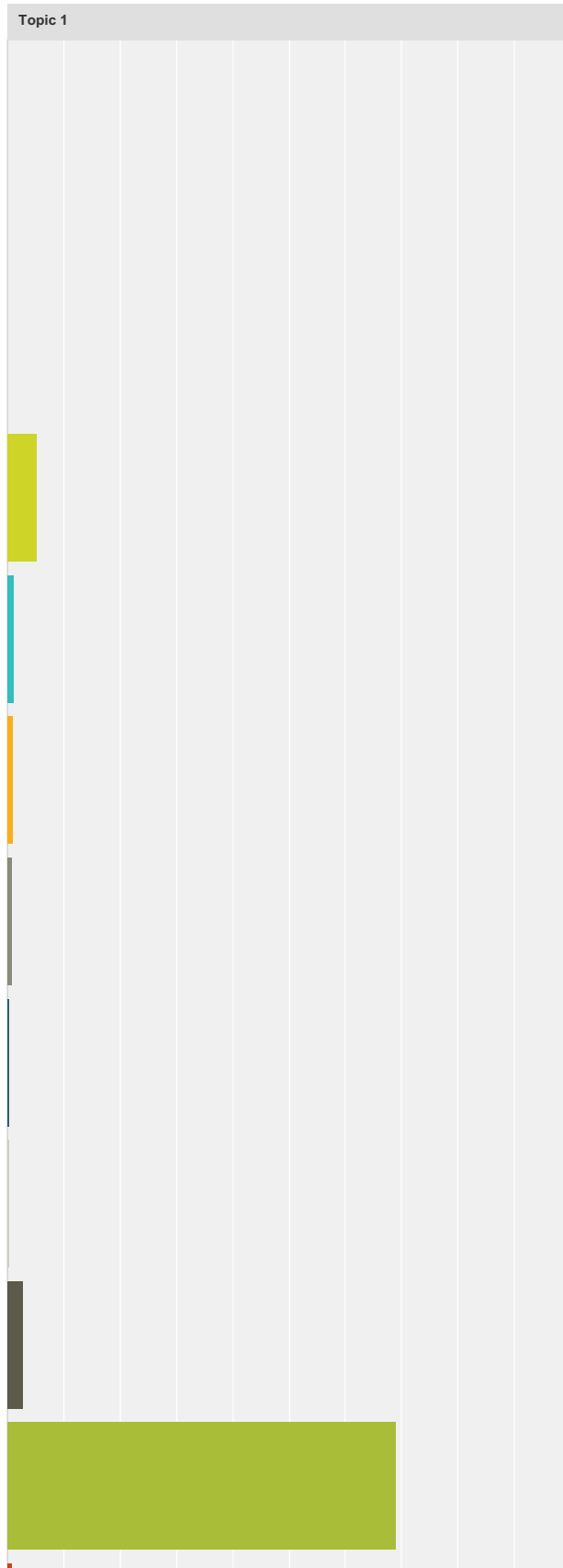
Q79 Please describe how your firm's use of social media has changed since January 1, 2013. (Note: Your candid, detailed answer to this question will benefit you and your peers. The survey organizers will be selecting the most insightful responses to this question and will share them as part of the final survey.)

Answered: 199 Skipped: 275

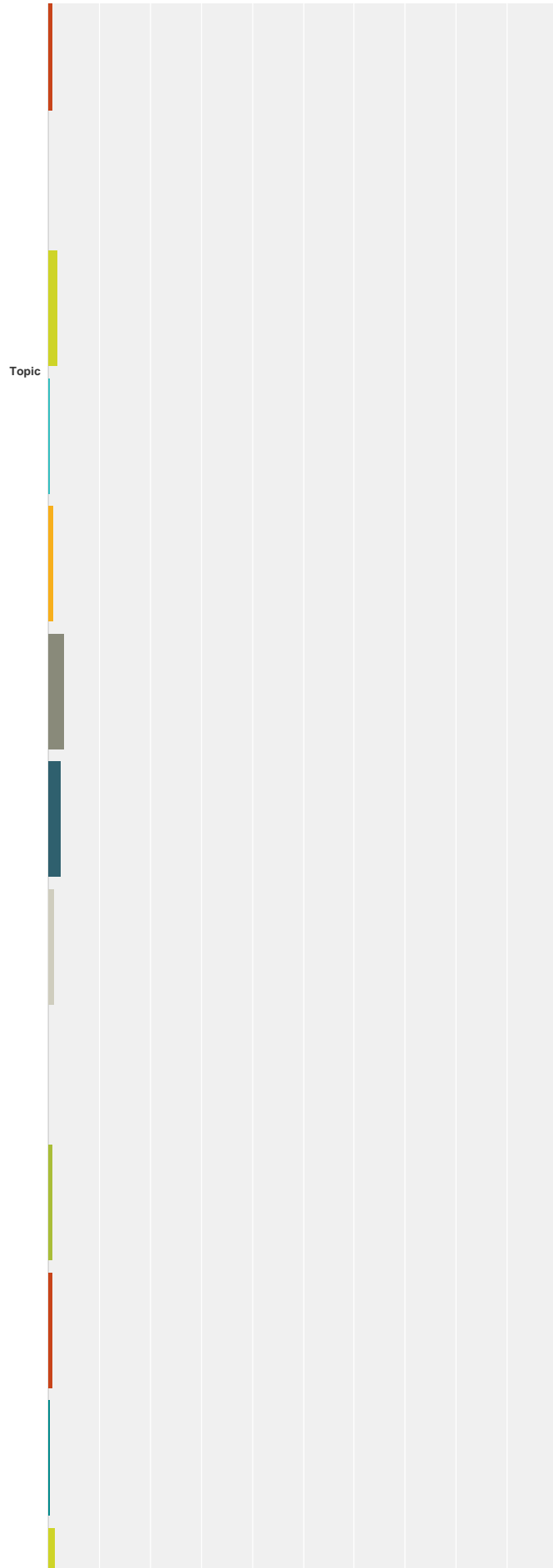
2015 Investment Management Compliance Testing Survey

Q80 Which of the following areas do you view as the “hottest” compliance topics for 2015? (Please pick only three!)

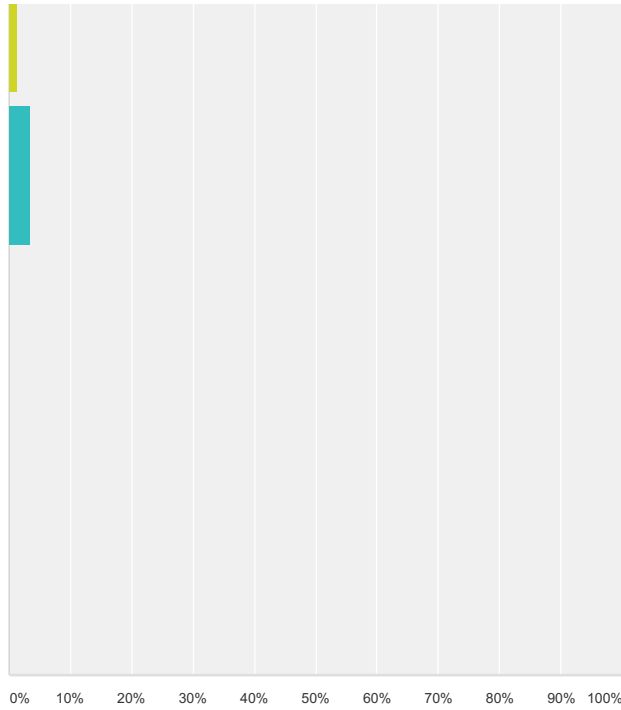
Answered: 386 Skipped: 88



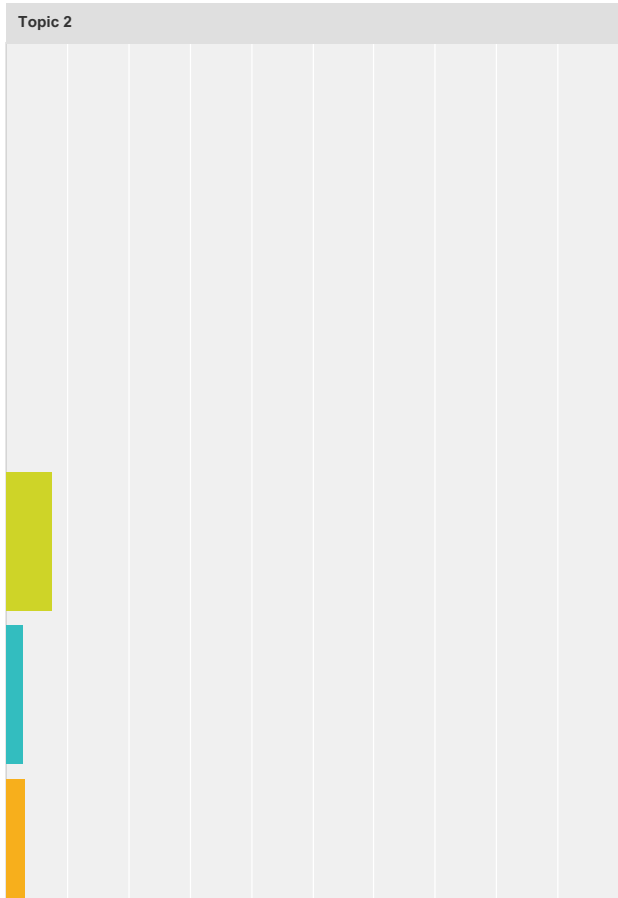
2015 Investment Management Compliance Testing Survey



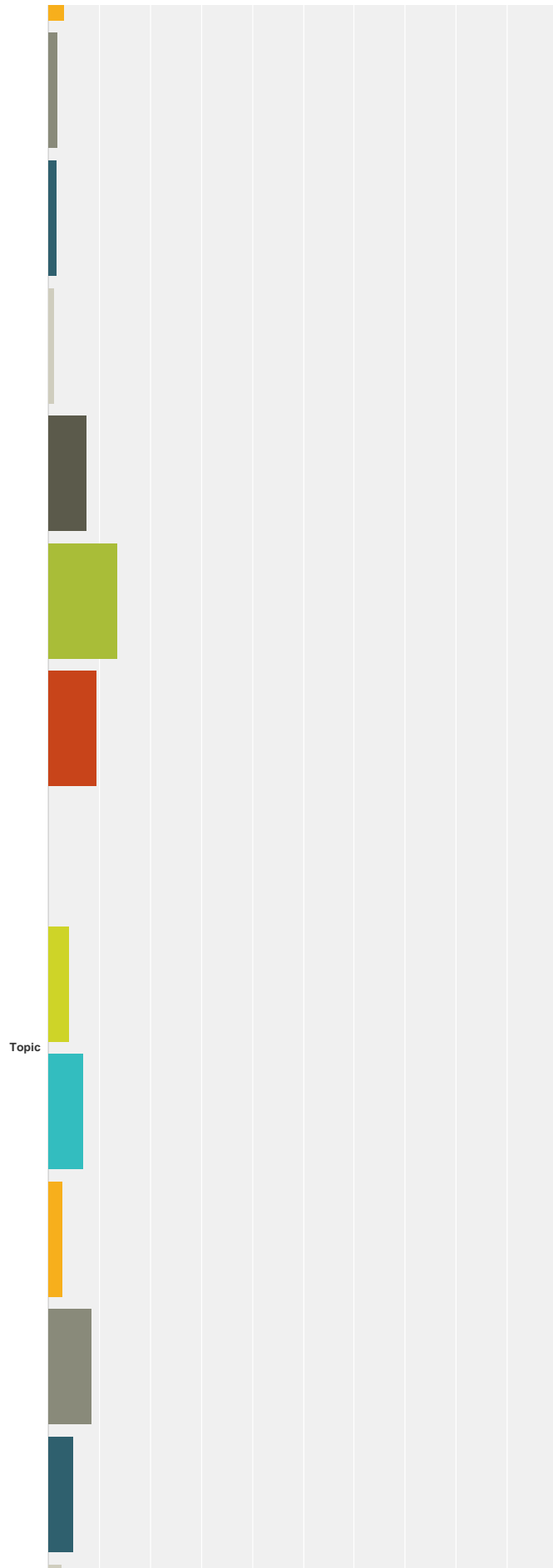
2015 Investment Management Compliance Testing Survey



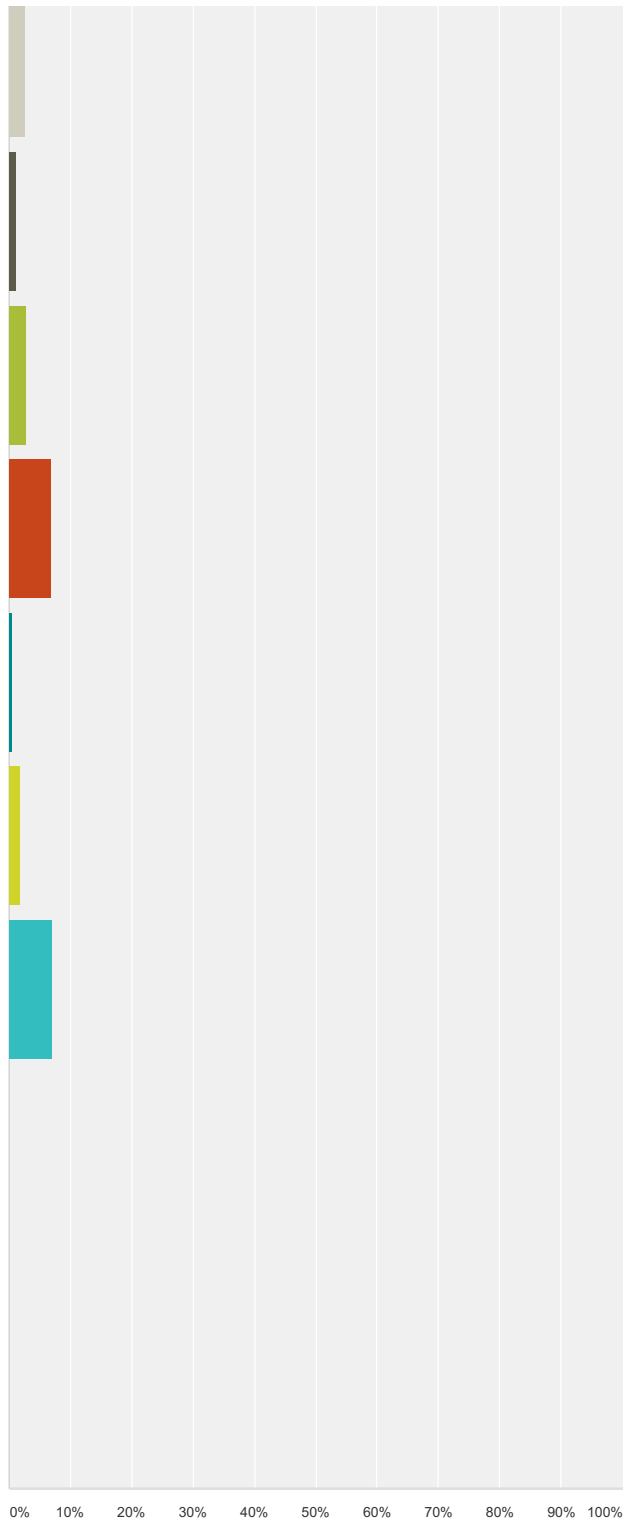
- Advertising/marketing ■ AML/FCPA ■ Best execution ■ Books and records
- CFTC ■ Client guidelines ■ Custody ■ Cybersecurity/privacy/identity theft
- Disaster recovery planning ■ Error correction ■ FATCA ■ Fraud/theft prevention
- Gifts and entertainment ■ Insider trading ■ International (e.g., AIFMD, EMIR)
- Personal trading/code of ethics ■ Political contributions/pay-to-play
- Regulatory reporting (e.g., Form ADV, Form 13F) ■ Social media ■ Soft dollars
- Trade allocation ■ Valuation



2015 Investment Management Compliance Testing Survey



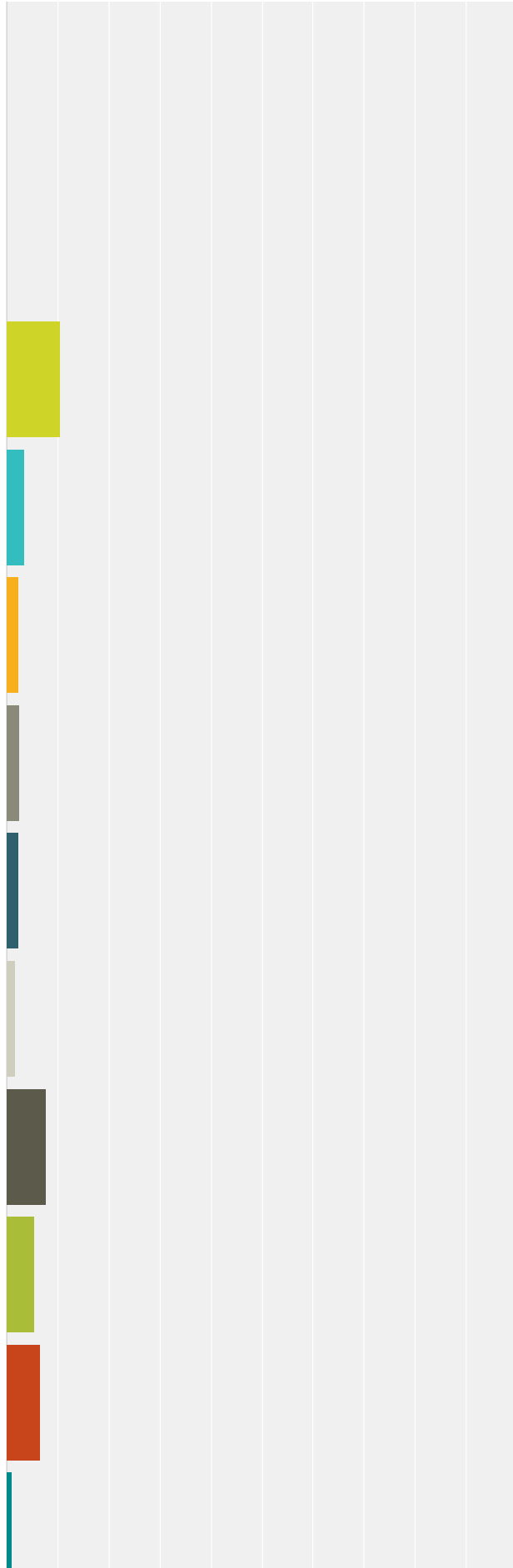
2015 Investment Management Compliance Testing Survey



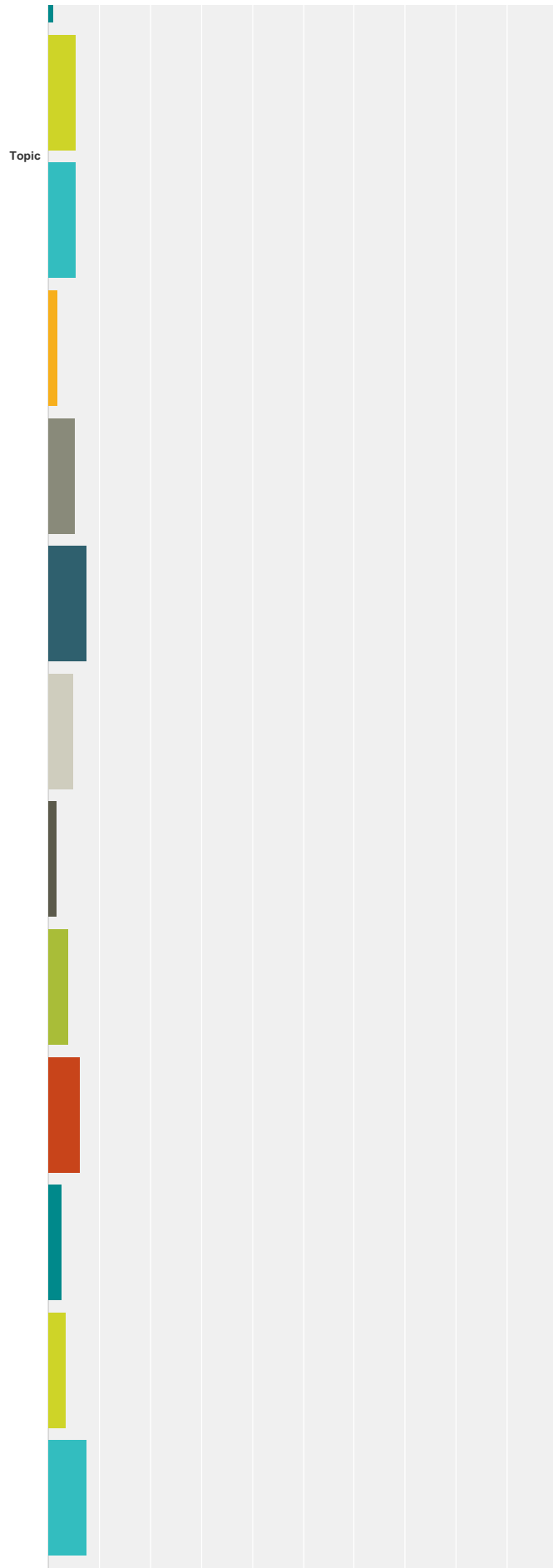
- Advertising/marketing
 ■ AML/FCPA
 ■ Best execution
 ■ Books and records
- CFTC
 ■ Client guidelines
 ■ Custody
 ■ Cybersecurity/privacy/identity theft
- Disaster recovery planning
 ■ Error correction
 ■ FATCA
 ■ Fraud/theft prevention
- Gifts and entertainment
 ■ Insider trading
 ■ International (e.g., AIFMD, EMIR)
- Personal trading/code of ethics
 ■ Political contributions/pay-to-play
- Regulatory reporting (e.g., Form ADV, Form 13F)
 ■ Social media
 ■ Soft dollars
- Trade allocation
 ■ Valuation

Topic 3

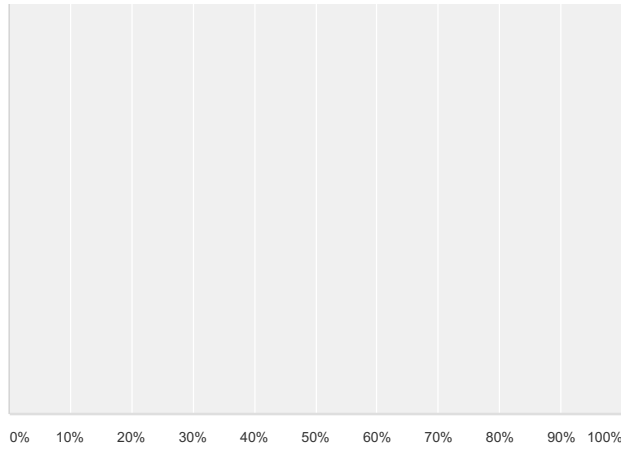
2015 Investment Management Compliance Testing Survey



2015 Investment Management Compliance Testing Survey



2015 Investment Management Compliance Testing Survey



- Advertising/marketing
- AML/FCPA
- Best execution
- Books and records
- CFTC
- Client guidelines
- Custody
- Cybersecurity/privacy/identity theft
- Disaster recovery planning
- Error correction
- FATCA
- Fraud/theft prevention
- Gifts and entertainment
- Insider trading
- International (e.g., AIFMD, EMIR)
- Personal trading/code of ethics
- Political contributions/pay-to-play
- Regulatory reporting (e.g., Form ADV, Form 13F)
- Social media
- Soft dollars
- Trade allocation
- Valuation

Topic 1													
	Advertising/marketing	AML/FCPA	Best execution	Books and records	CFTC	Client guidelines	Custody	Cybersecurity/privacy/identity theft	Disaster recovery planning	Error correction	FATCA	Fraud/theft prevention	Gifts and entertainment
Topic	5.18% 20	1.30% 5	1.04% 4	0.78% 3	0.52% 2	0.52% 2	2.85% 11	69.17% 267	0.78% 3	0.00% 0	1.81% 7	0.52% 2	1.04% 4
Topic 2													
	Advertising/marketing	AML/FCPA	Best execution	Books and records	CFTC	Client guidelines	Custody	Cybersecurity/privacy/identity theft	Disaster recovery planning	Error correction	FATCA	Fraud/theft prevention	Gifts and entertainment
Topic	7.59% 29	2.88% 11	3.14% 12	1.83% 7	1.57% 6	1.31% 5	7.59% 29	13.61% 52	9.69% 37	0.26% 1	4.19% 16	6.81% 26	2.88% 11
Topic 3													
	Advertising/marketing	AML/FCPA	Best execution	Books and records	CFTC	Client guidelines	Custody	Cybersecurity/privacy/identity theft	Disaster recovery planning	Error correction	FATCA	Fraud/theft prevention	Gifts and entertainment
Topic	10.50% 38	3.59% 13	2.21% 8	2.49% 9	2.21% 8	1.66% 6	7.73% 28	5.52% 20	6.63% 24	1.10% 4	5.52% 20	5.52% 20	1.93% 7