Managed account provider
RFP checklist

How managed account risk and governance is managed and reported is of growing importance. Use these questions in your Request for Proposal (RFP) to assess an incumbent or prospective managed account provider, before you appoint or renew.

Corporate structure and people

- [ ] What is the corporate structure of the managed account provider, including its ownership and any related-party relationships?
- [ ] Who are the key people involved in portfolio construction, and what is their experience?
- [ ] Do the provider's directors meet fit-for-purpose requirements in terms of capability, experience and governance oversight?

Investment philosophy and process

- [ ] What are the investment philosophy and guiding principles that underpin their portfolio management?
- [ ] What process or guidelines are in place to select the underlying investments?
- [ ] How are asset allocation views formed, implemented and reviewed?
- [ ] Does the provider have access to qualitative investment research that supports client recommendations and helps identify risks early?

Technology

- [ ] What technology or tools are used throughout the investment process?

Governance, conflicts of interest and legal structures

- [ ] What legal and governance structures are in place to promote effective implementation and ongoing compliance?
- [ ] Is the provider, or any affiliate or related party, currently subject to any ASIC investigation, enforcement action or non-routine regulatory review?
- [ ] Is the provider, or any of its key managed account representatives, involved in any legal disputes, actions or settlements?
- [ ] Does the provider hold equity interests in any advice practices that could influence product choice or portfolio decisions?
- [ ] Does the provider manufacture financial products that are recommended to clients, or receive a financial benefit from products it recommends?
- [ ] Does the provider or any related parties hold personal stakes in investments recommended to managed account clients?
- [ ] Does the provider maintain a formal, up-to-date conflicts-of-interest register that's available for adviser review?
- [ ] Does the provider have established, fully documented processes and procedures available for adviser review?

- [ ] Does the provider ensure appropriate segregation across investment inputs, recommendations, execution, and risk reporting and oversight?

- [ ] Can the provider demonstrate how its processes, governance and commercial arrangements support an adviser's Best Interest Duty and avoid structural conflicts?

Client reporting

- [ ] **H**ow does the provider report to clients, and what is the reporting frequency?

- [ ] Does the provider have contractual arrangements with third parties, free of its commercial influence, to support holdings-based performance analysis, attribution, sensitivity analysis, stress testing and liquidity analysis?

About Zenith

Zenith Investment Partners is one of Australia's most respected research and investment consultancies, with over 20 years of experience in delivering premium investment research, fund ratings and investment portfolio solutions for financial advisers.

Considering a new managed account proivder?

Reach out to our team for a no-obligation conversation.
e enquiries@zenithpartners.com.au
w zenithpartners.com.au

Zenith INVESTMENT PARTNERS