

NexTier Consulting: Compliance Review and Assessment Solution

Opportunity

Since the 2008 financial crisis, investment managers find themselves challenged with ever increasing regulatory scrutiny, a heightened need to identify and mitigate enterprise risk while delivering solid returns for investors. Initially, the Dodd-Frank reforms gave the SEC increased oversight over all types of investments managers, particularly hedge funds. Last year, the SEC brought its focus to private equity funds, publicly noting that over 50% of private equity funds have significant compliance issues. Consequently, institutional investors have begun to see compliance as far more than just a “check the box” item on their due diligence list and properly understood it as a central part of their investment review process. A thorough review of an investment manager’s compliance program has become an essential part of the due diligence process.

We offer numerous solutions to help you successfully meet the compliance demands of regulators and potential investors. Our review and assessment (**R&A**) solution can effectively address your needs by bringing our expertise and focus to reviewing, testing and upgrading your compliance program to meet the constantly expanding expectations of regulators and institutional investors. This solution can be customized for you based on your size, investment approach and organizational needs. The R&A solution adds another perspective to your internal compliance team and can help you highlight and solve compliance weaknesses before the SEC, or a prospective investor, identifies them first.

Benefit

We provide a best in class solution to the compliance puzzles you face as you approach regulators and institutional investors. Leveraging our resources, you can meet regulators and potential investors armed with industry-wide best practices and superior experience.

Our compliance solutions allow you to focus on the aspects of its business that you best understand – investing, while having our experienced professionals manage your compliance functions. As an investment manager, you should understandably focus your efforts on building, implementing and refining your investment strategy while empowering us to help you meet the demands of establishing a compliance program. We allow managers, like you, to focus your efforts on the things you know best, while at the same time having the compliance program you need to attract additional capital and withstand regulatory scrutiny.

Review and Assessment Tasks

Possible elements of your compliance program that we can review and assess include, but are not limited to, the following:

- testing (annually) your compliance policies and procedures as required by the SEC,
- updating your Form ADV (both annually and on an interim basis),
- performing a mock SEC audit,
- evaluating specific policies and procedures that you, investors or regulators have identified as areas of potential weakness,
- drafting policies and procedures as required by law, indicated by changes in best practices or the continuing evolution of your business,
- training employees with customized educational and informational materials as indicated by your business and compliance needs and
- providing necessary counsel and advice on an as needed basis.

The Complete Solution

Our R&A solution covers the complete array of critical compliance activities for investment advisers registered with the SEC or under state supervision. By utilizing the R&A solution, you can avail yourself of our extensive experience and concentrate your efforts on refining and improving the things you know best. In addition, we will work with your existing compliance software providers or will help you select new providers to make sure that your compliance program fits your needs.

With our R&A solution, you gain a complete answer which combines knowledge of the regulatory environment with the practical elements, real-world challenges of running a registered investment advisor. We are well-positioned to bring you the necessary solutions to solve your compliance needs.

Please contact Lawrence C. Manson, Jr. at 312-948-9178 x201 or lmanson@nextiercompanies.com with any inquiries.