Schroders Global GIPS® Compliance

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Global Compliance

- Where?
- Why?
- How?
- What?
Schroders Global GIPS® Compliance

Where – 1997

North America – AIMR
Where – 2000

Japan – JIPS 2000
Where – 2002

Hong Kong - GIPS

Singapore - GIPS
Where – 2003

Australia - AIPS
Schroders Global GIPS® Compliance

Current Status

GLOBAL COMPLIANCE!
Why Schroders Chose to Comply?

- Best practice
- Less developed markets - Competitive advantage
- More developed markets - Marketing imperative
- Confirm data integrity
- International passport
- Improve internal controls
Additional benefits Schroders derives from well run projects

- Reduced impact on business
- Senior business buy in and understanding
- Improved marketing take-up
- Central store of globally accessible presentations
- Meet consultants increasing needs
- Increased ease of maintaining compliance
How we did it?

- The Schroders approach
- The Key Ingredients
The Schroders approach

- Define universe of funds
- Agree policies
- Groups funds by investment strategy into composites
- Calculate returns of pools of funds
- Present returns in compliant format
- Verification
- Educate business
The Key Ingredients to Schroders compliance and verification

- Business buy in
- Committee structures
- Preparation
- System choice
Business Buy In

- Who?
- How?
Business Buy In

Experience has shown it is vital to get backing from:

- Marketing
- Senior Management
- Investors
- IT
- Operations / Account Management
- Compliance / Legal
- Performance
Committee Structure

- Steering Committee
  - Working Party
    - Sub Projects
      - Composite Construction
      - Performance Calculations
      - Performance Presentation
      - Other
Steering Committee

- Membership
  - Senior representation

- Charter
  - Ratify decisions
  - Approve budget

- Frequency
  - Monthly, reserve right for more frequent meetings

- Hints
  - Agree Committee TOR up-front
  - Structured meetings
  - Raise all issues
  - Tasking senior members with specific issues
  - Use some form of resource mapping
Preparation

- Set realistic timetable
- Engage auditor as early in the process as practical
- Take time to comprehensively brief working parties
- Ensure key members of staff are available
  - Working parties
  - Senior staff
- Perform internal due diligence
System Choice

Main Considerations

Common Errors
Our Main System Considerations

- Adequacy of support resources in time-zone
- Flexible
- Audit trail
- Intuitive
- Access levels
- Complex benchmark construction
- Data integrity controls
- Remote access and functionality
Main System Errors

- Paying too much for unnecessary functionality
- False economies in buying inferior system
- Incorrect level of IT involvement
- Not enough research into System limitations
- Implementing system too late
How we did it - Summary

♦ Right people
♦ Right tools
♦ Well prepared
♦ Backed by the business
What can (and has) gone wrong? And how best to avoid this happening to you

- Quality and availability of supporting data
- High staff turnover
- Lack of business support
- Inflexible/inexperienced audit teams
- Compliance is not maintained going forward
- Size of project is underestimated
- Benefits not maximised
- Invalid claims of compliance