

Schroders Global GIPS® Compliance

James Cutler

Head of Performance – Asia Pacific



Schroders

200 years of forward thinking

2004

Global Compliance

- v Where?
- v Why?
- v How?
- v What?



Where – 1997

North America – AIMR



Where – 2000



Where – 2000

Japan – JIPS 2000



Where – 2002



Where – 2003



Australia - AIPS



Schroders
200 years of forward thinking

2004

Current Status



GLOBAL COMPLIANCE!



Schroders
200 years of forward thinking

2004

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?

- v The Schroders approach
- v 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

- v Business buy in
- v Committee structures
- v Preparation
- v 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

- v Membership
 - Senior representation
- v Charter
 - Ratify decisions
 - Approve budget
- v Frequency
 - Monthly, reserve right for more frequent meetings
- v Hints
 - Agree Committee TOR up-front
 - Structured meetings
 - Raise all issues
 - Tasking senior members with specific issues
 - Use some form of resource mapping

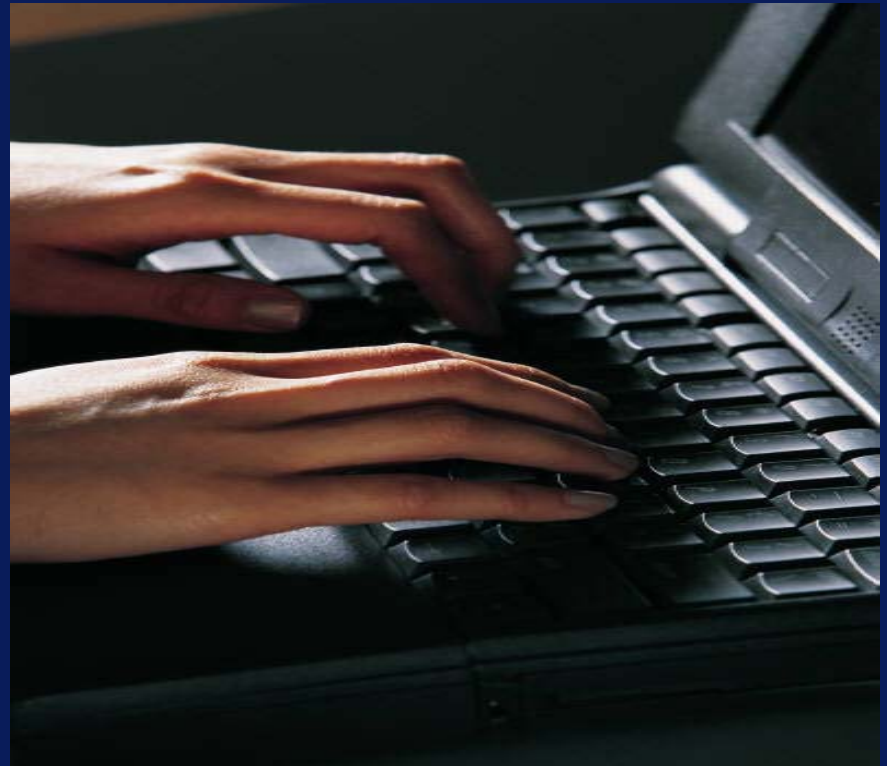


Preparation

- ✓ 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

- v Paying too much for unnecessary functionality
- v False economies in buying inferior system
- v Incorrect level of IT involvement
- v Not enough research into System limitations
- v 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

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





Schroders
200 years of forward thinking

2004

GOOD LUCK!