**Due Diligence – Complex Funds**

**DUE DILIGENCE REVIEW – COMPLEX SCHEME / FUND**

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| **Reviewer** | **Designation** | **Date of review** |

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| --- | --- |
| **1** | **Scheme / Fund Name** |
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| **2** | **Where is the scheme / Fund incorporated/registered?** |
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| **3** | **Who are the directors/controllers?** |
|  | |
| **4** | **What is the structure of the scheme / fund? Will this have any additional implications for investors? Eg: understanding?** |
|  | |
| **5** | **Have the directors/controllers set up other schemes / funds?** |
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| **6** | **Is the scheme / fund regulated in another jurisdiction?** |
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| **7** | **If so what customer protections are available to UK investors, and under what circumstances will they be effective?** |
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| **8** | **Who are the investment managers/technical advisers to the scheme and where are they based?** |
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| **9** | **Who are the legal advisers and auditors?** |
| Legal advisers:  Auditors: | |
| **10** | **Is there any connection between our firm and the scheme / fund – eg: common directors/shareholding in related company etc.? If so, how is this “conflict” disclosed and how will it be handled?** |
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| **11** | **Are there any other conflicts of interest identified in the scheme / fund documentation? If so, how will these be disclosed to clients?** |
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| **12** | **What is the underlying property of the scheme / fund?** |
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| **13** | **What is the main investment focus/objective of the scheme / fund?** |
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| **14** | **What is the main asset class?** |
|  | |
| **15** | **What is the targeted return? And how is it anticipated this return will be achieved?** |
|  | |
| **16** | **What are the scheme / fund specific risks? How will these be disclosed to clients/handled? NB: the list below is not exhaustive and firms must include the risks of the specific scheme.** |
| |  |  | | --- | --- | | **Risk** | **How handled?** | | **Volatility** |  | | **Counterparty** |  | | **Currency** |  | | **Debt** |  | | **Liquidity** |  | | **Geographical** |  | | **Economic** |  | | **Taxation** |  | | |
| **17** | **Is the client locked in to the scheme for any length of time?** |
|  | |
| **18** | **In what circumstance can the client be called upon to make further investments?** |
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| **19** | **What happens if the client needs to be released early?** |
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| **20** | **What are the redemption charges?** |
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| **21** | **What is the minimum investment?** |
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| **22** | **What are the taxation issues?** |
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| **23** | **What has been the discrete year on year performance to date?** |
|  | |
| **24** | **How have comparative scheme / funds performed?** |
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| **25** | **What are the main advantages of the scheme / fund?** |
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| **26** | **What is the main rationale for using this scheme / fund?** |
|  | |
| **27** | **In what way does this scheme / fund compare more suitably with similar/competing scheme / funds?** |
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| **28** | **What knowledge and experience should clients have to understand the key risks?** |
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| **29** | **What is the maximum percentage of a clients’ portfolio this scheme / fund should comprise?** |
|  | |
| **30** | **Based on the above, what our firm’s risk rating of this scheme / fund?** |
| No risk Low risk Medium risk High risk Catastrophic Risk | |
| **31** | **Will our firm recommend this scheme / fund?** |
| Yes / No | |
| **32** | **Date of next routine review?** |
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