



## REGULATORY CLARITY

Duff & Phelps' Regulatory Clarity tool is the first in a series of applications designed with the specific needs of investors in mind. Regulatory Clarity assists investors in meeting their fiduciary investment oversight responsibilities through SEC Form ADV monitoring and flagging. Our application delivers detailed information to investors about their managers' regulatory filings while providing workflow process tools, an ADV summary report and an easy-to-navigate Form ADV layout.

### FORM ADV MONITORING AND FLAGGING

Regulatory Clarity is designed to support investors such as endowments, foundations, public and private pensions, family offices, sovereign wealth funds, OCIOs and consultants that are currently served by off-the-shelf and unhelpful data providers. We recognize the unique needs of investors and the due diligence challenges they face when investing in traditional and alternative funds both within the U.S. and globally. Our application is designed to provide meaningful information from investment managers' regulatory filings that may require attention. Regulatory Clarity brings to the forefront critical information and updates that require action versus having the user sift through data points that aren't necessarily critical.

### ABOUT THE FORM ADV FLAGGING TOOL

Duff & Phelps provides investors with an online, technological solution for monitoring critical updates and information from the SEC's Form ADV system. Our unique system monitors your fund investments, flags the changes for update importance and provides you with a clear, easily understood explanation about why the change was flagged and any due diligence considerations.

Managers are required to update their Form ADV filings annually, and more frequently if certain important changes are made. Our proprietary flagging tool will sort the changes for you and provide you with our comments about what the changes mean and which changes you need to react to immediately.

### IDENTIFY CHANGES TO MANAGERS' REGULATORY FILINGS

Every morning, Regulatory Clarity will review all updated Form ADV filings on the SEC's website. Our system reviews the entire filing including every answer to every question in every section, all the schedules to the filing, as well as the DRPs (disclosure reporting pages) and the signature page. In our daily email, we will identify managers that make changes, flag the changes and then sort them into one of three categories:

- Green flags: Changes or updates that are consistent with typical business activity
- Yellow flags: Changes that investors should be aware of and other less common updates that may require action
- Red flags: Unusual business changes, or changes that signal significant business or investment risks that require action

## OUR PROCEDURES TO CAPTURE AND FLAG THE SEC FORM ADV CHANGES



Monitor All SEC  
Form ADV Filings



Flag All Updates  
and Changes



Notify Investors  
With Daily Emails



Inform You of Noteworthy  
Changes

### DAILY NOTIFICATIONS

You will receive a daily email alert which will include changes and updates that are typical, important or critical. Our emails allow you to click directly through to our analysis so you can work on the go and quickly identify any actionable items.

### WE EXPLAIN WHY THE CHANGES MATTER TO YOU

The Form ADV filing may be confusing and opaque to investors that do not understand every change or why the change is signaling inconsistencies in the manager's filing. Regulatory Clarity flags the changes and updates then explains why the issues may require action or consideration. Regulatory Clarity will provide investors with actionable information and not bury them with confusing data.

### WHY SHOULD INVESTORS BE CONCERNED ABOUT MONITORING FORM ADV?

Form ADV includes a wealth of information about investment managers and the funds they manage. It also offers important due diligence information that investors should consider prior to investing in a fund, during the life of the investment or when redeeming from a fund investment. The information on the form ADV is also reviewed by the regulators and considered in regulatory oversight.

Some key considerations include:

- Is the manager properly registered and filing the information in a timely manner?
- Have there been any changes in firm ownership or in the C-level officers?
- Has the manager reported any fines, censures, criminal actions or investigations?

- Have fund or firm assets materially dropped or is firm headcount changing?
- Has the fund changed prime brokers, administrators, auditor or custodians?
- Is the fund's portfolio being valued independently or is the manager pricing the assets?
- Did the fund receive a qualified or unqualified audit opinion?
- What conflicts of interest has the manager disclosed and how will the conflicts impact investors?

### WHY REGULATORY CLARITY TOOL?

Our Regulatory Clarity system helps due diligence professionals, fund analysts and portfolio managers keep track of important changes through these services:

- Daily reports: These reports are broken down by fund analyst and by flagging type. Regulatory Clarity makes it easy for investors to keep track of fund updates and follow-ups.
- Historic information: Regulatory Clarity allows users to see previous filings and to compare prior Form ADV filings.
- Easy to read and navigate Form ADV filings: The IAPD system is not user friendly and searching for important data is cumbersome. Additionally, the Form ADV printouts are hard to read and interpret. Regulatory Clarity allows for reading and printing clean, clear and precise reports.

Contact us to learn how Regulatory Clarity can efficiently and effectively help you monitor your fund manager. We will provide you with actionable information needed for investment decisions.

#### About Duff & Phelps

Duff & Phelps is the global advisor that protects, restores and maximizes value for clients in the areas of valuation, corporate finance, investigations, disputes, cyber security, compliance and regulatory matters, and other governance-related issues. We work with clients across diverse sectors, mitigating risk to assets, operations and people. With Kroll, a division of Duff & Phelps since 2018, our firm has nearly 3,500 professionals in 28 countries around the world. For more information, visit [www.duffandphelps.com](http://www.duffandphelps.com).

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