

Investment Compliance

Business Risks Oversight
Policy & Trade Compliance
Ethics Training & Advisory Services
Conflicts of Interest & MNPI
Personal Trading Program
Regulatory Reporting & Research
Delegation of Authority
Internal Controls Oversight
Investment Branch Audit Support
Enterprise Risk Management

Investment Administration

Branch Project Management
Board Agenda Material Process
Investment Procurement Management
Travel Expertise
HR, Training & Budgets Liaison
Student Internship Program
Teambuilding

Collaborative Model 2.0 Future Impacts to Investment Services

Since Investment Services provides trade and investment strategy support for every asset class, staff must understand the innerworkings and complexities of different investment strategies across the branch and how they relate to operational industry best practices. In-depth investment knowledge and partnership with the asset classes is critical to not only implementing and servicing the investment strategies, but also mitigating potential costs associated with operational and/or trading errors. With the CM Continuum, a lack of robust operational controls and skilled Investment Services professionals can lead to operational risk, reputational risk and potentially missed investment opportunities with more sophisticated managers and investment partners.

In 2020 alone, the SEC brought 715 enforcement actions¹ to federal court, costing over \$4 billion in penalties and disgorgements. The SEC investigates and recommends actions addressing conduct that spans the securities markets, including conduct involving financial fraud, insider trading, offering fraud, Foreign Corrupt Practices Act violations, misconduct by broker-dealers and investment advisers, and more. Many of these cases could have been mitigated through operational controls and monitoring.

The expansion of the CM will require enhancements and new added responsibilities to our existing essential day-to-day functions. The Investment Services team is taking on new efforts for CM strategies, while continuing to innovate and optimize current tasks to expand bandwidth and increase efficiency. Some examples of potential areas include: cryptocurrency, blockchain, internal derivative strategies, unitization structures, direct company ownership, and hybrid public/private investments. This creates complex valuations, compliance monitoring and operational structures, increased operations due diligence and oversight, and additional material non-public information (MNPI).

¹ Division of Enforcement 2020 Annual Report, U.S. Securities and Exchange Commission, <http://sec.gov/files/enforcement-annual-report-2020.pdf>, (accessed 21 September 2022)

