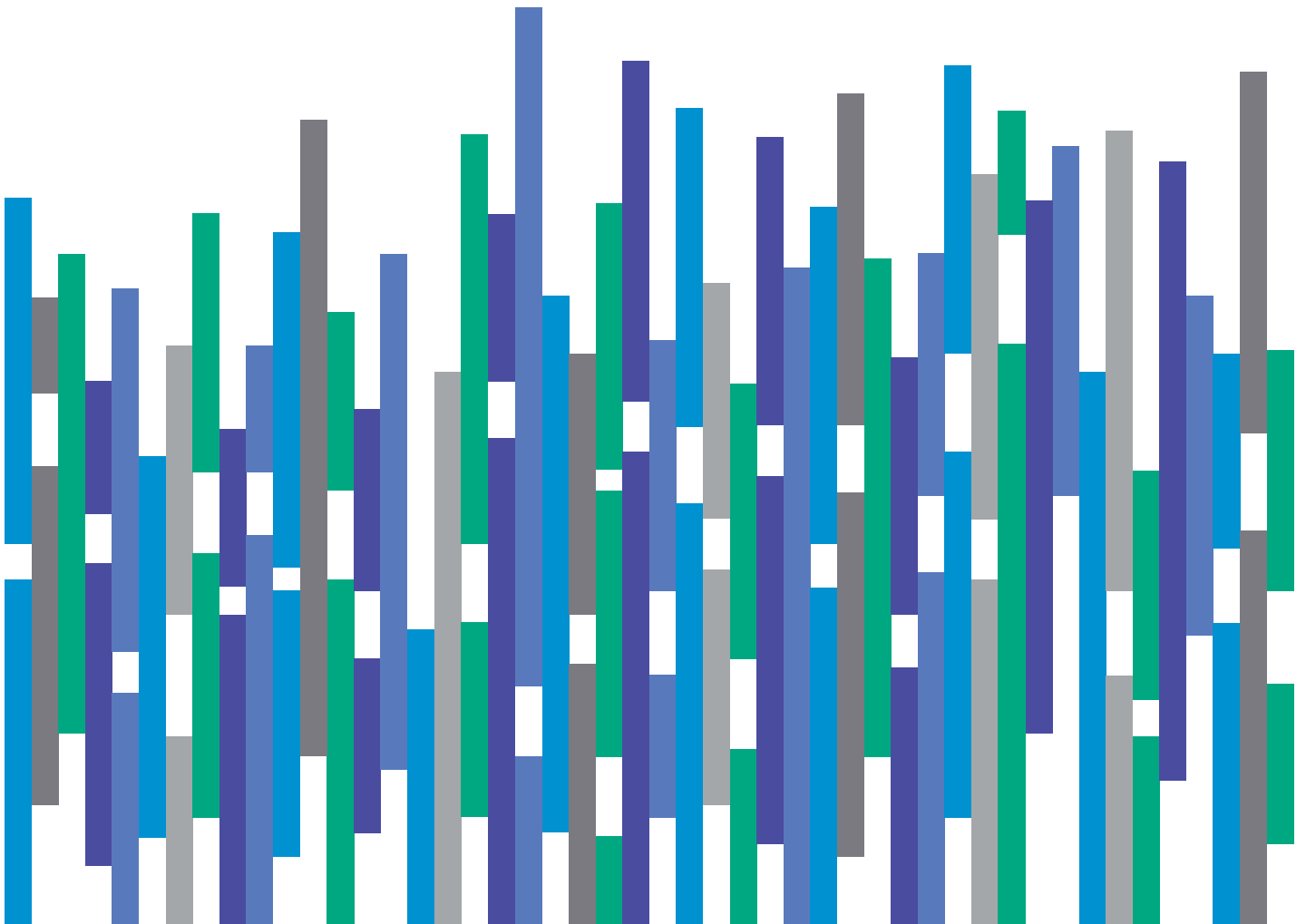


CFA Institute

ASSET MANAGER CODE™

CROSS-REFERENCE MAPPING TOOL
FOR SAMPLE POLICIES AND PROCEDURES

JUNE 2020



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CROSS-REFERENCE MAPPING TOOLS: AMC PRINCIPLES TO SAMPLE POLICIES AND PROCEDURES

This document provides a cross-reference mapping to sample policies and procedures in two formats: as a grid or as a chart. These two options can aid you in understanding how your current policies may meet the principles required in the Asset Manager Code (AMC). Both formats include the same information. The first is a grid, allowing you to easily reference which sample policies can address each principle of the AMC. The second is a chart that lists each principle and its correlating sample policy along with any pertinent notes. Your firm will likely have several policies that touch on one or more AMC principles.

A simple grid in MS Excel is available for you to map your firm's own policies and procedures. It may be located on the website at <https://www.cfainstitute.org/ethics-standards/codes/asset-manager-code> or may be requested by emailing industrystandards@cfainstitute.org.

CROSS-REFERENCE GRID

When using the grid version, please note that the sample policies and procedures are listed as column headings (I through XXIII). The AMC principles (A.1 through F.4.I) are listed as the row headings. To see relevant sample policies for a particular principle, simply move across the row and note which policy chapters are marked.

As an example, to see how the sample policies comply with AMC principle "D.4: Maintain records for an appropriate period of time in an easily accessible format," you would find the row for D.4 and note the "X" under policies in the following columns:

I – Summary of the Compliance Program

III – Client Disclosures Policy

XI – Advertising Policy

XXII – Recordkeeping Policies and Procedures; Retention of Records.

You would then use the Sample Policies and Procedures document to review the aforementioned sample policies.

SAMPLE POLICIES AND PROCEDURES

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV	XVI	XVII	XVIII	XIX	XX	XXI	XXII	XXIII
A.1			X		X	X	X	X	X			X	X		X		X		X	X	X		
A.2								X	X										X				X
A.3			X																	X			
B.1					X									X				X					
B.2								X						X					X				
B.3			X												X				X				
B.4			X		X																		
B.5.a			X		X																		
B.5.b			X		X		X																
B.6.a					X																		
B.6.b					X																		
C.1								X															
C.2																		X		X			
C.3																		X					
C.4																		X					
C.5															X								
D.1	X																						
D.2	X	X																					
D.3	X												X										
D.4	X		X								X												X
D.5				X	X							X	X										
D.6										X													
D.7		X	X		X					X			X										
E.1			X								X			X									
E.2														X									
F.1			X		X																		
F.2			X		X		X				X												
F.3			X																				
F.4.a			X														X		X		X		
F.4.b			X	X																			
F.4.c			X		X																		
F.4.d					X		X																
F.4.e																		X					
F.4.f											X		X										
F.4.g			X																				
F.4.h			X														X						
F.4.i			X												X								
F.4.j			X										X										
F.4.k			X																				
F.4.l			X		X																		

AMC PRINCIPLES

Review provided by: _____ [sign-off by internal policy reviewer]

Date of review: _____ [to trigger a new review with any relevant regulatory changes]

CROSS-REFERENCE CHART

This chart contains the same cross-references as the grid but also notes other documents and comments in addition to the relevant sample policies available in the Sample Policies and Procedures document.

CFA INSTITUTE ASSET MANAGER CODE COMPLIANCE TOOLS CROSS-REFERENCE GUIDE

AMC Provision	Policy Manual	Other Documents	Comments
A. LOYALTY TO CLIENTS			
Managers must:			
1. Place client interests before their own.	Chapter III – Client Disclosures. Chapter V – Compliance with Client Restrictions and Investment Objectives. Chapter VI – Proprietary Trading Policy. Chapter VII – Asset Management Agreement Policy. Chapter VIII – Material Nonpublic Information and Insider Trading Policy. Chapter IX – Privacy Policy. Chapter XII – Client Complaints. Chapter XIII – Custody and Safeguarding of Client Assets. Chapter XV – Trade Allocation and Aggregation Policy. Chapter XVII – Brokerage Soft Dollar and Best Execution Policy.	Client Disclosure Document	Review your jurisdiction’s laws, rules, and regulations for client-facing disclosure document requirements and include them with the Code’s requirements.

AMC Provision	Policy Manual	Other Documents	Comments
	Chapter XIX – Code of Ethics. Chapter XX – Gifts and Entertainment Policy. Chapter XXI – Cash Solicitation Policy.		
2. Preserve the confidentiality of information communicated by clients within the scope of the Manager–client relationship.	Chapter VIII – Policy on Material Nonpublic Information and Insider Trading. Chapter IX – Privacy Policy. Chapter XIX – Asset Manager Code of Ethics. Chapter XXIII – Anti-Money Laundering.	The firm’s privacy policy statement, if applicable in the jurisdiction	Insert your jurisdiction’s privacy requirements within your policies and procedures, as well as any client-facing disclosures with version references as applicable. Also consider whether your jurisdiction has cybersecurity requirements with regard to your electronic recordkeeping and Internet access by clients and vendors.
3. Refuse to participate in any business relationship or accept any gift that could reasonably be expected to affect their independence, objectivity, or loyalty to clients.	Chapter III – Client Disclosures Policy. Chapter XIX – Asset Manager Code of Ethics. Chapter XX – Gifts and Entertainment Policy.		
B. INVESTMENT PROCESS AND ACTIONS			
Managers must:			
1. Use reasonable care and prudent judgment when managing client assets.	Chapter V – Compliance with Client Investment Restrictions and Consistency with Client Investment Objectives. Chapter XIV – Valuation Policy. Chapter XVIII – Trade Error Correction and Adjustment Policy.	Client’s investment policy statement (IPS)	

AMC Provision	Policy Manual	Other Documents	Comments
2. Not engage in practices designed to distort prices or artificially inflate trading volume with the intent to mislead market participants.	Chapter VIII – Policy on Material Nonpublic Information and Insider Trading. Chapter XIV – Valuation Policy. XIX – Asset Manager Code of Ethics.		Review your jurisdiction’s rules and regulations regarding market manipulation and valuations to ensure that your compliance manual conforms.
3. Deal fairly and objectively with all clients when providing investment information, making investment recommendations, or taking investment action.	Chapter III – Client Disclosures Policy. Chapter XV – Trade Allocation and Aggregation Policy. Chapter XIX – Asset Manager Code of Ethics.		Review your jurisdiction’s rules and regulations regarding recommending investments to clients to ensure that your compliance manual conforms.
4. Have a reasonable and adequate basis for investment decisions.	Chapter III – Client Disclosures Policy. Chapter V – Compliance with Client Restrictions and Investment Objectives.		
5. When managing a portfolio or pooled fund according to a specific mandate, strategy, or style:			
a. Take only investment actions that are consistent with the stated objectives and constraints of that portfolio or fund.	Chapter III – Client Disclosures Policy. Chapter V – Compliance with Client Restrictions and Investment Objectives.	Pooled Fund Offering Memorandum or similar document	Review your firm’s information systems to capture any systems or processes that assist with meeting these requirements.
b. Provide adequate disclosures and information so investors can consider whether any proposed changes in the investment style	Chapter III – Client Disclosures Policy. Chapter V – Compliance with Client		Some jurisdictions have additional requirements before changing investment strategies or styles in pooled funds.

AMC Provision	Policy Manual	Other Documents	Comments
or strategy meet their investment needs.	Restrictions and Investment Objectives. Chapter VII – Asset Management Agreement Policy.		
6. When managing separate accounts and before providing investment advice or taking investment action on behalf of the client:			
a. Evaluate and understand the client's investment objectives, tolerance for risk, time horizon, liquidity needs, financial constraints, any unique circumstances (including tax considerations, legal or regulatory constraints, etc.) and any other relevant information that would affect investment policy.	Chapter V – Compliance with Client Restrictions and Investment Objectives.	Client's IPS	Review if your jurisdiction has recordkeeping suitability documentation requirements and add them to your written procedures.
b. Determine that an investment is suitable to a client's financial situation.	Chapter V – Compliance with Client Restrictions and Investment Objectives.	Client's IPS	
C. TRADING			
Managers must:			
1. Not act or cause others to act on material nonpublic information that could affect the value of a publicly traded investment.	Chapter VIII – Policy on Material Nonpublic Information and Insider Trading.		Different jurisdictions and regulatory regimes may define materiality differently, but in general, information is "material" if it is likely that a reasonable investor would consider it important and if it would be viewed as significantly altering the total mix of information available. Information is "nonpublic" until it has been widely disseminated to the marketplace (as opposed to a select group of investors).

AMC Provision	Policy Manual	Other Documents	Comments
2. Give priority to investments made on behalf of the client over those that benefit the Managers' own interests.	Chapter XVII – Brokerage, Soft Dollar, and Best Execution Policy. Chapter XIX – Asset Manager Code of Ethics.		Some jurisdictions have stringent Code of Ethics requirements that will need to be incorporated in the Compliance Program Manual.
3. Use commissions generated from client trades to pay for only investment-related products or services that directly assist the Manager in its investment decision making process, and not in the management of the firm.	Chapter XVII – Brokerage, Soft Dollar, and Best Execution Policy.		
4. Maximize client portfolio value by seeking best execution for all client transactions.	Chapter XVII – Brokerage, Soft Dollar, and Best Execution Policy.		
5. Establish policies to ensure fair and equitable trade allocation among client accounts.	Chapter XV – Trade Allocation and Aggregation Policy.		
D. RISK MANAGEMENT, COMPLIANCE, AND SUPPORT Managers must:			
1. Develop and maintain policies and procedures to ensure that their activities comply with the provisions of this Code and all applicable legal and regulatory requirements.	Chapter I – Summary of the Compliance Program.		The entire Policies and Procedures Manual was developed with this purpose in mind.
2. Appoint a compliance officer responsible for administering the policies and procedures and for investigating complaints regarding the conduct of the Manager or its personnel.	Chapter I – Summary of the Compliance Program. Chapter II – Compliance Officer Policy.		
3. Ensure that portfolio information provided to clients by the Manager is accurate and complete and arrange for independent third-party confirmation or review of such information.	Chapter I – Summary of the Compliance Program. Chapter XIII – Custody and Safeguarding of Client Assets.		Audit is required by the Code if pooled fund; account statements generated by the custodian bank or brokerage firm are acceptable in the case of individually managed accounts. Some jurisdictions may require an independent annual audit.

AMC Provision	Policy Manual	Other Documents	Comments
4. Maintain records for an appropriate period of time in an easily accessible format.	Chapter I – Summary of the Compliance Program. Chapter III – Client Disclosures Policy. Chapter XI – Advertising Policy. Chapter XXII – Recordkeeping Policies and Procedures; Retention of Records.		
5. Employ qualified staff and sufficient human and technological resources to thoroughly investigate, analyze, implement, and monitor investment decisions and actions.	Chapter IV – Jurisdictional Licensing and Registration Policy. Chapter V – Compliance with Client Investment Restrictions and Consistency with Investment Objectives. Chapter XII – Client Complaints. Chapter XIII – Custody and Safeguarding of Client Assets.		Licensing and registration, if required in a jurisdiction, helps provide a minimum level of qualification. Review your firm's information systems to capture any systems or processes that assist with meeting these requirements.
6. Establish a business-continuity plan to address disaster recovery or periodic disruptions of the financial markets.	Chapter X – Business Continuity Plan.		
7. Establish a firmwide risk management process that identifies, measures, and manages the risk position of the Manager and its investments, including the sources, nature, and degree of risk exposure.	Chapter II – Compliance Officer Policy. Chapter III – Client Disclosures Policy. Chapter V – Compliance with		Enterprise risk management encompasses all compliance policies and procedures in a firm. Ensure alignment with external committee mandates.

AMC Provision	Policy Manual	Other Documents	Comments
	Client Investment Restrictions and Consistency with Investment Objectives. Chapter X – Business Continuity Plan. Chapter XIII – Custody and Safeguarding of Client Assets.		
E. PERFORMANCE AND VALUATION			
Managers must:			
1. Present performance information that is fair, accurate, relevant, timely, and complete. Managers must not misrepresent the performance of individual portfolios or of their firm.	Chapter III – Client Disclosures Policy. Chapter XI – Advertising Policy. Chapter XIV – Valuation Policy.		Check your jurisdiction’s requirements with regard to performance reporting. In certain jurisdictions, inaccurately reporting performance opens the firm up to fraud claims.
2. Use fair-market prices to value client holdings and apply, in good faith, methods to determine the fair value of any securities for which no independent, third-party market quotation is readily available.	Chapter XIV – Valuation Policy.		Assessing fees on inflated asset values is considered fraudulent.
F. DISCLOSURES			
Managers must:			
1. Communicate with clients on an ongoing and timely basis.	Chapter III – Client Disclosures Policy. Chapter V – Compliance with Client Investment Restrictions and Consistency with Investment Objectives.		
2. Ensure that disclosures are truthful, accurate, complete, and understandable and are presented in a format that communicates the information effectively.	Chapter III – Client Disclosures Policy. Chapter V – Compliance with Client Investment		Where possible, avoid technical jargon and unnecessary legal terminology, and use plain language so that disclosures are clear and understandable. If technical jargon cannot be

AMC Provision	Policy Manual	Other Documents	Comments
	Restrictions and Consistency with Investment Objectives. Chapter VII – Asset Management Agreement Policy. Chapter XI – Advertising Policy.		avoided completely, include definitions in plain language.
3. Include any material facts when making disclosures or providing information to clients regarding themselves, their personnel, investments, or the investment process.	Chapter III – Client Disclosures Policy.		
4. Disclose the following:			
a. Conflicts of interest generated by any relationships with brokers or other entities, other client accounts, fee structures, or other matters.	Chapter III – Client Disclosures Policy. Chapter XVII – Brokerage, Soft Dollar, and Best Execution Policy. Chapter XIX – Asset Manager Code of Ethics. Chapter XXI – Cash Solicitation Policy.		Use of soft dollars, referral and placement fees, sales incentives, directed brokerage arrangements, and allocation of investment opportunities are a few examples.
b. Regulatory or disciplinary action taken against the Manager or its personnel related to professional conduct.	Chapter III – Client Disclosures Policy. Chapter IV – Jurisdictional Licensing and Registration Policy.		Regulatory sanctions may be public information in some jurisdictions.
c. The investment process, including information regarding lockup periods, strategies, risk factors, and use of derivatives and leverage.	Chapter III – Client Disclosures Policy. Chapter V – Compliance with Client Investment Restrictions and Consistency with Investment Objectives.		

AMC Provision	Policy Manual	Other Documents	Comments
d. Management fees and other investment costs charged to investors, including what costs are included in the fees and the methodologies for determining fees and costs.	Chapter V – Compliance with Client Investment Restrictions and Consistency with Investment Objectives. Chapter VII – Asset Management Agreement Policy.		
e. The amount of any soft or bundled commissions, the goods and/or services received in return, and how those goods and/or services benefit the client.	Chapter XVII – Brokerage, Soft Dollar, and Best Execution Policy.		
f. The performance of clients' investments on a regular and timely basis.	Chapter XI – Advertising Policy. Chapter XIII – Custody and Safeguarding of Client Assets.		Advertising Policy discusses client performance reporting.
g. Valuation methods used to make investment decisions and value client holdings.	Chapter III – Client Disclosures Policy. Chapter V – Compliance with Client Investment Restrictions and Consistency with Investment Objectives. Chapter XIV – Valuation Policy.		
h. Shareholder voting policies.	Chapter III – Client Disclosures Policy. Chapter XVI – Proxy Voting Policy.		
i. Trade allocation policies.	Chapter III – Client Disclosures Policy. Chapter XV – Trade Allocation		

AMC Provision	Policy Manual	Other Documents	Comments
	and Aggregation Policy.		
j. Results of the review or audit of the fund or account.	Chapter III – Client Disclosures Policy. Chapter XIII – Custody and Safeguarding of Client Assets.		
k. Significant personnel or organizational changes that have occurred at the Manager.	Chapter III – Client Disclosures Policy.		
l. Risk management processes.	Chapter III – Client Disclosures Policy. Chapter V – Compliance with Client Investment Restrictions and Consistency with Investment Objectives.		