



CFA INSTITUTE

ETHICS IN PRACTICE:

Just Taking Care of a Relative's Investment Account.

CASE STUDY

Elizabeth is an investment manager at a wealth management firm with high-net-worth clients. When Elizabeth was hired a few years ago, her sister opened an investment account with the firm. Elizabeth has decided to leave the firm to set up her own boutique hedge fund with her colleagues. She asks her sister to close her existing account and put that money in the new hedge fund. Elizabeth's request is

- A. acceptable since she has no obligation to keep her sister's account at the wealth management firm.
- B. unacceptable because she should not solicit her employer's client to join the new fund.
- C. unacceptable if she signed a non-compete agreement with her employer.
- D. unacceptable if her hedge fund strategy is not suitable to her sister.

