



*"Managers holding the 3D Award have demonstrated a dedication to the principles of transparency and engagement, as well as committing to an enhanced programme of due diligence"*

Graham Harrison, ARC Group Managing Director



Introducing the 3D Award from Asset Risk Consultants (ARC), the leading independent investment consultant for private clients, charities and their advisers.

## **Independence • Integrity • Innovation • Insight**

The 3D Award enables private clients, charities and wealth management professionals to identify investment managers that have demonstrated a superior standard of transparency.

We have spent at least 30 hours working to truly understand each investment manager, their investment philosophy, their process, their controls and procedures; and how that translates into the actual client experience.

### **What is ARC 3D?**

ARC's 3D Award is an independent endorsement of an investment manager's commitment to the principles of transparency, engagement and integrity.

There are no subscription charges, license or membership fees, referral commissions, re-distribution arrangements or any other incentive (financial or otherwise) a manager has to pay to hold the Award.



### **Who can hold the 3D Award?**

Any investment manager offering a genuine multi-asset class, discretionary investment solution can receive the 3D Award. The solution is typically in the form of a bespoke segregated account where the investments are held in the client's own name. However, collective vehicles or funds, managed or model portfolio services, either available directly from an investment house, or through a platform, are eligible to receive the Award.



## The Criteria

There are three broad principles that need to be maintained to hold the 3D Award

-  **Due Diligence** Completion and maintenance of the ARC Due Diligence Questionnaire
-  **Data** Share actual client investment performance with us
- Demonstration** Undertake a presentation demonstrating the quality of the people behind the investment philosophy and process

If a manager does not continue to meet the Criteria, the 3D Award will be withdrawn and all references removed until the Criteria are met.

## The Process

Any investment manager who takes the time to complete the ARC Due Diligence Questionnaire, for which there is no charge, automatically enters the 3D Award process.

On average, ARC's Manager Research Team spend over 30 hours in total collecting, analysing, questioning and feeding back to managers as part of the ARC Manager Selection Methodology.

We have constructed a framework for assessing investment managers that provide a multi-asset class investment solution for private clients and charities that provides the answer to the question: is a manager actually any good?

***Due Diligence:** do they have the tools?*

We assess the quality and detail provided in the Due Diligence Questionnaire. We are trying to ascertain if the various moving parts of an investment management firm are consistent with the stated investment philosophy, which should be the firm's investment "mission statement".

***Data:** what is the actual client experience?*

We then collect and evaluate performance data. Most firms are willing to share model or representative data; we want actual client data. Model data demonstrates the results of a pure expression of the investment philosophy and is valuable as a reference point. Back in the real world, every client is of course different, even if they all fit the same model or objective.

Understanding the true client experience and a willingness to be open is critical to the assessment process.

Once we have the due diligence and the data, we need to know if the reality corresponds to the theory.

***Demonstration:** does it all fit together?*

We will talk to the key decision makers, and those who support them to understand the drivers of the investment process and if it is sustainable.



## The Criteria: Due Diligence

The ARC Due Diligence Questionnaire (DDQ) should be completed to an acceptable level of detail, and any questions or queries satisfactorily resolved in good time.

Please contact us for the latest DDQ template.

The DDQ should be current. This means the document and associated appendices have been updated within the last twelve months.

Managers do not have to pay to submit the DDQ, nor for the document to be listed in the Suggestus.com Due Diligence library.

**Why?** To document how the investment philosophy is reflected in the investment process, if risk controls are appropriate, how operational integrity is maintained, if the business model is sustainable and if suitable resources are available

## The Criteria: Data

We need to receive actual client performance.

This means, at a minimum, the returns or performance of individual client portfolios, managed on a discretionary basis since their inception.

The performance must be updated quarterly in line with the [Private Client Indices Data Submission Guidelines](#).

Managers do not receive any analysis or insight unless they are subscribers to the ARC Private Client Indices or the ARC Charity Indices. Simply sending us the data is free; analysis attracts a cost.

**Why?** To understand the underlying client's true investment experience and compare manager's model strategies to the actual outcomes

## The Criteria: Demonstration

We need to have met the key investment decision makers within the last 12 months. This can take a number of forms including.

- A formal meeting with the individuals responsible for strategic and tactical asset allocation; and how the investment process is implemented
- Participating in ARC's Dummy Pitch programme
- A live client pitch involving ARC

**Why?** To interrogate the connection between words and actions, and substantiate the evidence provided by the due diligence review and the client experience



## How can you tell if an investment manager holds the ARC 3D Award?

Look out for the 3D badge and to be absolutely certain, each eligible manager can use a specific graphic to show they have successfully completed the programme and have committed to maintaining the Criteria.

### ARC 3D Logo



### 2021 3D Manager Award



The full list can be found on [www.suggestus.com](http://www.suggestus.com), ARC's Investment Research Platform.



Find out which managers hold the only independent mark of transparency  
that counts at

[www.suggestus.com](http://www.suggestus.com)

Get in touch

[info@suggestus.com](mailto:info@suggestus.com)

[@ARCSuggestus](https://twitter.com/ARCSuggestus)



## What is Suggestus?

At Suggestus, we don't run or manage money; we do what we say and mean what we say; we like new ideas; we like learning, analysing, informing, and data. Lots of data.

Suggestus was launched in 2011 to meet the needs of professional wealth advisers and their clients, who make use of discretionary investment managers. In partnership with the investment management community, we are striving to address the issues of transparency in our industry.

The site provides client Risk Profiling, qualitative Manager Selection based on style, a library of standardised due diligence and a comprehensive reporting step for trustees, private client advisers, Independent Financial Advisors and wealth planners.

Learn more at [www.suggestus.com](http://www.suggestus.com)

## Who is ARC?

Formed in 1995, ARC provides investment consulting, manager research and performance reporting to private clients, charities, family offices, professional trustees and their trusted advisers.

We are passionate innovators characterised by our leading ARC Private Client Indices and ARC Charity Indices initiatives that provide unrivalled insight into the investment management community.

We employ over 60 consultants, analysts, developers and support staff with offices in London, Guernsey and Jersey.

Find out more at [www.assetrisk.com](http://www.assetrisk.com)

### IMPORTANT INFORMATION

Suggestus.com is a free information resource provided by ARC Research Limited.

The ARC 3D Award is an award provided by Asset Research Limited (ARC) which indicates that a firm has committed to ARC's Investment Manager Research Programme. The firm has provided ARC with all the necessary information and fulfilled ARC's 3D Criteria to complete the due diligence programme. The Criteria are satisfactory completion and maintenance of ARC's Due Diligence Questionnaire; provision of real client performance Data allowing ARC to observe the typical client experience; and a Demonstration of the quality of the people behind the investment philosophy and process.

ARC's 3D Award is not a rating or an endorsement of the managers' suitability for a particular client, mandate, or introducer; instead it is a validation of the firm's commitment to transparency.