

Request for proposal – asset management firm essay

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Request for Proposal questionnaire – Investment Management Aim The aim of this stage of the process is to form a match of the investment managers' propositions against your specific requirements, to determine the suitability and to enable you to make a final shortlist or selection. Specific questions should be asked to the shortlist of potential managers to gain a deep understanding of how their proposition can help deliver against your business needs.

Overview The Request for Proposal (RFC) is an opportunity to gain a detailed understanding of your shortlist investment managers' propositions. This is a comprehensive review of their propositions; you are drilling down from the big picture into the fine detail. As a result, your questions should be more specific and closed; "do you have?" and "can I do this?" rather than "tell me about?" or "what is your view?" This is a thorough information gathering exercise and answers to your questions should allow you to paint a very clear picture of the investment managers' solutions. Before sending out your RFC it's worth evaluating your question set to ensure it will provide you with all the information you need. If an investment managers' response does not give you the information you require, do not hesitate in asking for more information. Due to the number of questions being asked it's easy to get lost in the detail. So it's important to weight the answer sections in your scoring template before you start reviewing your responses.

This ensures that you allocate higher marks to sections which are more important to help you achieve your vision. **Question Areas** The following section headings are a sample that you should consider as a minimum. They

cover the key areas that we believe you may want to consider when choosing an investment manager. Question Areas cons... Terms and Conditions – helps you gain a detailed understanding of the legal arrangement between your client, your business and your investment manager.

This section should include questions that take account of the current and potential future structure of your business. Charges – provides you with a detailed understanding of the investment manager’s commercial model; it’s worth looking beyond the headline charge in order to determine what charges your “ typical” client will incur. Investment Range – provides you with a detailed overview of the available investment options. Accessibility – gives you a detailed understanding of the quality and robustness of the underlying technology and whether it’s a solid foundation for the proposition. Risk Management – helps you gain a detailed understanding of how thorough the investment manager’s risk management approach is. Whilst risk management is unlikely to be a headline selling point of your proposition, it’s vital to know what precautions your investment manager has taken to protect your business and to ensure it operates on a consistent and reliable basis.

Example questions Under each of the section headings, we’ve provided some sample questions that you might want to consider asking. As each adviser’s proposition is different, you should supplement these with questions of your own that are specific to your requirements. If certain areas are of particular interest, you may consider asking the investment manager

for case studies to bring their response to life. Investment Manager Overview

What is the name of your company (including parent)? Please provide a brief plotted history of your investment management proposition. How can you demonstrate your long term commitment to remaining an active participant in the investment management market? Do you have any affiliations with particular wrap platforms or fund supermarkets? Are you independent or a division of an investment house? How financially secure is your company? Please provide relevant industry ratings e. G. AKA, Moody's, S.

Succinctly, how would your competitors describe you? How many staff do you have in your total operation and what is the breakdown per department?

Proposition Overview Please provide a high level description and overview of your proposition, drawing out your key features and unique selling points. Can you provide evidence of the quality of your proposition including past performance, awards or benchmarking? Please detail your research, analysis and fund selection process. How much of this is done in house and how much is outsourced to third parties? What factors are taken into consideration when selecting funds or stocks held within your portfolios? Please outline the key individuals involved in the stock selection process. Over what time period do you set your investment targets? What process do you employ in monitoring the performance of funds?

Terms and Conditions Please describe the level of financial protection afforded to clients that invest through your funds.

What kind of legal entity is your business? Please provide details of the company's current ownership structure. If multiple parties are involved,

please outline how key decisions are reached. Charges Please outline your charges. How are rebates passed back to the adviser and client (if applicable)? How is adviser remuneration paid? How does your charging structure account for RD?