

FX FIDUCIARY REVIEW™

Evaluate, manage, and control trade costs.

Zeno Consulting Group, LLC, offers Plan Sponsors, Mutual Funds/ Insurance Companies and other asset owners an objective way to examine the entire trading process, from stock selection through implementation, devoid of conflicts or hidden agendas. As part of that commitment, we have developed a comprehensive qualitative service, FX Fiduciary Review, which assists Funds in examining their managers' foreign exchange trading policies, processes, resources, use of counterparties and receipt of best execution. This service enables Funds to implement prudent foreign currency trading controls that are in accordance with the Plan's fiduciary oversight responsibilities and investment guidelines.



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CHALLENGE In an environment with little transparency, minimal regulatory protections, and where trades are typically executed on a principal basis (i.e. the interests of the FX dealers are inherently adverse to yours), relying on the “good faith” of those dealers in determining fair prices isn’t enough. Knowing your custodian’s and managers’ trading policies, and how they handle your Plan’s currency transactions, is critical in protecting Fund assets and maintaining an appropriate level of due diligence.

SOLUTION Zeno’s FX Fiduciary Review service was designed to assist asset owners in collecting empirical information regarding their manager’s strategic approach and dedicated resources for trading foreign exchange. In this fashion, the service provides plan fiduciaries with a comprehensive assessment of each managers’ FX operations, including their structure, process, and policies.

BENEFITS

Zeno’s FX Fiduciary Review provides critical due diligence for evaluating the adequacy of asset managers’ and custodial FX trading operations. The insights obtained through this due diligence has applicability in both on-going manager oversight as well as global manager searches. When used in conjunction with the FX Monitor, the combined services further help identify when a manager’s approach delivers best execution, and where additional focus is needed. For Fund fiduciaries concerned about internal controls and policies regarding foreign exchange transactions, the FX Fiduciary Review service provides comprehensive fiduciary due diligence, identifies systematic practices that may work against Fund interests, evaluates manager “Best Practices”, and reinforces manager compliance with trading policies.

FEATURES

Detailed Qualitative Analysis Zeno’s FX Fiduciary Review is a comprehensive questionnaire that represents a starting point for Funds looking to obtain a degree of comfort with their manager’s (and their counterparties) approach to trading FX. The service looks at all areas relevant to a manager’s ability to trade FX in an efficient and effective manner, including:

- Organizational Structure
- Types and volume of FX Trade Activity
- Trading Personnel, Technology and Resources
- FX Trade Process
- Use and Selection of Counterparties
- FX Risk Management Policies
- Transaction Cost Analysis and Reporting

Consultative Approach Zeno consultants work as an extension of your staff, helping to understand and mitigate the shortcomings and inefficiencies in the trading process. The needs of asset owners often differ, and with over 25 years of experience in trade cost analysis, fiduciary monitoring and manager evaluation, Zeno offers the in-depth experience and knowledge to meet client goals in a timely manner.

CONTACT INFORMATION

For more information on FX Fiduciary Review, please call (732) 851-4210 or email info@zenocg.com.