



DEVLIN MAMBO

Empowering success;
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CASE STUDY



Distribution Governance

Introduction

Devlin Mambo was contacted by a Global Investment Manager to assist in creating an effective oversight framework. This was to guarantee that their products were being sold appropriately by both internal and external distributors for their UK and SICAV funds. The distribution governance requirements needed to align with the Investment Manager's UK operations, to be efficient and scalable, meet distributor expectations, and adhere to industry standards. This is a requirement to improve governance and oversight of distribution and foster better relationships throughout the distribution process.

The implementation process

The approach taken to meet these requirements involved segmenting dividing the various components into four primary work streams: Due Diligence; Distributor Universe; Contracts; MI and Reporting. These work streams operated in parallel and had their own individual work stream team consisting of the Investment Manager members and Devlin Mambo partners. Bi-weekly governance meetings were held to monitor progress and updates. The timeframe was 3-9 months and was dependent on the volume of wholesale business and 3rd party distributors. These four work streams that run in parallel are known as pillars. See page 2 for more details.

The Ask

To build a distribution governance framework across multiple entities and jurisdictions. Devlin Mambo outlined four key primary objectives:

1. Implement a distribution governance policy at the Investment Manager level, covering the in-scope products, risk assessment, due diligence, and reporting
2. Develop local procedures to implement the Policy, taking into account jurisdictional differences
3. Ensuring clearly accountability, governance, and oversight
4. Providing evidence and an audit trail of challenges over the distribution network, aligned to regulatory standards



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Pillar

01

The Distributor Universe

A client directory that falls within the scope of distribution governance, whether they are distributors or intermediaries between the Investment Manager and the end consumer.

Pillar

02

Contractual Control

It is vital to consider the type of distributor or intermediary when creating a distribution contract. The aim is to safeguard the interests of the end consumer, the distributor, and the Investment Manager.

Pillar

03

Distributor Due Diligence

A risk-adjusted initial and ongoing due diligence exercise which assesses, challenges and provides reports on the suitability of distributors or intermediaries to represent the Investment Manager's products effectively.

Pillar

04

MI and Governance Reporting

Creating efficient management information (MI) and Board reports for the governance structures responsible for overseeing distribution.

By implementing and incorporating these four pillars, the Investment Manager will be compliant with regulatory requirements for entities and product sets in the U.K. and Europe. This will establish procedures to ensure that the Investment Manager avoids fines and sanctions that may occur from non-compliance with regulations in their respective jurisdictions.

In addition, a Distribution Governance policy has been created throughout the process to align the requirements and activities with the governance requirements at the Investment Manager. The Policy has been presented at the PGC for approval and considers the Scope, the Type of Distributor Relationships, Definitions, Policy Requirements, Distribution Universe, Contractual Control, Distributor Due Diligence, and MI & Reporting.



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THE RESULT

The programme was a useful exercise and the Investment Manager's team are now fully aware of their requirements both as a product manufacturer and distributor in relation to the oversights of third-party distribution. The team's engagement during the working group sessions was exceptional and showed a strong commitment to incorporating the requirements effectively and aligning them with the Investment Manager's business model. The next phase for the Investment Manager involves solidifying the process by defining the future state model (in-house versus outsourcing), establishing accountability, and outlining procedures.

GET IN TOUCH

If you need more details on how we can assist you, get in touch by **email**
enquiries@devlinmambo.com



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5 Good Reasons to choose Devlin Mambo

1 We are Tried, Tested + Trusted

Our approach is about real-world experience. This is what we do; time and time again, earning the trust of our clients with reliable and effective solutions that get the job done

2 We Keep it Simple

We believe in clear, straightforward communication that breaks down complex ideas into simple, easy-to-understand language. We want to make sure our clients can quickly and easily turn our insights into action without any unnecessary fuss.

3 We're Invested

We're more than just industry experts; we're enthusiasts. Our dedication to our clients' success means that we always go the extra mile.

4 We're on Your Side

Using our industry experience, we create processes and solutions that fit our client's specific challenges. This way, our clients get exactly what they need to meet their unique goals

5 You're in Good Hands

Collaboration is key. By actively listening and understanding our clients' unique needs and objectives, we forge long-term partnerships built on trust, shared experiences, and aligned goals for success.