



perFORM

— A JTC GROUP COMPANY —

DUE DILIGENCE MATTERS - DECEMBER 2021

Our flexible **Allocator On-Demand ODD**, Investment Manager **ODD Therapy**, and **Service Provider ODD** work continues with a recent bias towards private equity, credit and digital (crypto) assets.

We are pleased to welcome Bryan Coutts to the team as a Senior ODD Consultant. Bryan brings eleven years of ODD experience to perFORM, with previous roles at Aberdeen Asset Management, BlackRock and, most recently, AXA Investment Managers, where he was a Senior ODD Analyst.

We look forward to announcing our next senior ODD practitioner hire, based in Geneva, Switzerland, who will be joining us in January 2022 from the fund of funds ODD team of an institutional private bank.

May we take this opportunity to wish you, your colleagues, friends and families, seasons greetings and best wishes for a happy, healthy and prosperous 2022.

INSIGHTS, THOUGHTS AND OBSERVATIONS

[Are firms' security arrangements keeping up with the changing times?](#)

One of the most notable characteristics of this year has been the establishment of the 'decentralised office' brought about by the pandemic. With the emergence of new variants stymieing any wholesale return to the old normal, firms looking for their staff to return to the office in numbers and frequency may well be disappointed for the foreseeable future. Four days at the office, and one day at home has been turned on its head.

Our operational due diligence program has focused on the data security risk arising from the huge increase in working from home, with data flows over public clouds rather than between in-house data centres. Offices protected by corporate firewalls have been replaced with home networks or VPNs which are more vulnerable to hacks and loss of security credentials. We always hear alarm bells when a Head of Information Security or COO tells us that their security dynamic has not changed, and the challenge of withstanding phishing and ransomware attacks has not increased, as a result of changes in remote working practices.

A [survey](#) of 200 North American business leaders carried out by Sungard reported that only c.1 in 5 companies are fully confident that their infrastructure security can support long-term remote work, and that just 7.5% are very confident that their security protections against phishing and ransomware attacks, such as those suffered by SolarWinds, Colonial Pipelines and JBS, are adequate in a largely virtual environment. Possible responses or solutions to this paradigm shift in working practices include adopting a zero trust security model.

Of course, the time and cost involved with addressing the fundamental change brought about by the decentralised office will be unknown to many. But our reviews tell us that replacing passwords with 2FA, secure email management, and endpoint protection for devices are best practices that may continue to provide protection for firms, employees and investors in our new working world.

[A crypto New Year's resolution?](#)

PDDS has now been working in the digital asset space for a year; if we were a crypto firm what would our New Year's resolution be...? Avoid a focus on AUM growth at the expense of a correspondingly top-down, robust operational framework, meaning a strong emphasis on relevant and appropriate policies and procedures and a critical look at the performance and services of the fund's service providers. For example, the fund administrator should always be front and centre for all payment transactions including redemptions, expenses and callbacks for new vendors/bank details.

[Quentin Thom, Co-Head - perfORM Due Diligence Services Limited](#)

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