

DUE DILIGENCE MATTERS - AUGUST 2022

Our flexible Operational Due Diligence (“ODD”) work, and coverage, continues to grow rapidly.

perform’s clients are global and diverse including: Investment Managers, Family Offices / Multi-family Offices, Private Banks, Wealth Managers, Fund of Funds, Asset Managers, Pensions, Endowments, Service Providers / VASPs, and Sports Teams.

Please [contact us](#) to discuss accessing our ODD Reports and Innovative Solutions.

Missed the last bulletin? Click [here](#) for the July edition.

INSIGHTS, THOUGHTS AND OBSERVATIONS

How ODD is helping sport navigate the crypto industry

Please click [here](#) for a feature and video on SportsPro entitled: “You’re seeing who’s wearing swimming trunks and who isn’t”: How perform is helping sport navigate the crypto industry.



A day in the life of a perform Consultant

On Monday morning after, perhaps, an energising run or a meditative walk with the dog, the eight perform team members settle down to their home office desks to review and prioritise their deliverables for the week.

At 9am, the first of several introductory ODD video calls scheduled for the week begins. It’s with a sports team looking to understand the reputational risk of a partnership with an emerging virtual asset service provider (VASP). Next up is the fortnightly team discussion on developments in crypto world, from digital asset blow-ups to updates on regulatory advancements and operational weaknesses uncovered during our ODD reviews of digital asset funds, managers and VASPs during the last two weeks. This meeting keeps us all informed and up-to-date on developments in the space and engenders some lively discussion around this ever-evolving asset class.

Now it’s time to get down to the nitty-gritty of reviewing responses to our proprietary DDQs provided by the entities our clients are looking to engage with. Often these are hedge or private equity fund managers, offering funds from a wide range of asset classes, from the esoteric, like litigation finance and social impact lending, to the mainstream. An in-depth review of a firm’s policies and documents, as well as a fund’s offering documents, forms the foundation of our understanding of the level of non-investment risk embedded in the business. Our DDQs are designed to uncover operational risks at every

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level, from the top of the corporate structure, to day-to-day operations and everything in between. Since every business may be very different on many levels, we don't take anything for granted. This typically means following up with the manager and the administrator, to address gaps in our understanding based on the information provided, and to probe deeper into responses that are not commensurate with our knowledge and experience.

In the afternoon, there's a call with a US-based client to walk through a completed ODD report provided to them the previous week. Our reports aim to clearly identify the operational risks presented by the client's prospective investment, providing a hierarchy of high risks, for example the risk of loss through fraud or error, medium risks, for example reputational risk, and more general risk considerations, along with the mitigations in place to address these, if any. Since a report on a hedge or private equity fund manager is generally 40-50 pages, and more for a service provider, we ensure that noteworthy items are clearly highlighted, and not buried in the body of the report. We discuss any specific issues raised by our

client and aim to ensure that they have all the information they need to make an informed decision.

Late afternoon includes a quick check of email, which reveals exciting new projects being added to the pipeline, including a last-minute 'ODD Therapy' on a fund about to be launched. The manager that wants to engage us is targeting institutional investors and is keen to boost its institutional appeal by adopting operational best practices. Following confirmation of the engagement, and in preparation for a two to three hour call to take place within the next 24 hours, a senior ODD consultant will begin to study the case and articulate an easy-to-follow implementation plan for the client. As well as this, one of our largest clients tells us they are interested to explore the world of music, sport and entertainment. Music rights monetisation, live events financing, and football player factoring are only some of the new opportunities popping up. But would these IP rights-led platforms have what it takes to pass our robust and institutional level ODD review? We're heading back out with the dog to think about it!

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DUE DILIGENCE SERVICES

perform Due Diligence Services Limited (perform), a JTC Group company, is an independent, flexible and innovative Operational Due Diligence (ODD) provider to a diverse base of UK and international Allocators, Investment Managers, Service Providers and Sports Teams

Launched in 2019, perform was co-founded by Quentin Thom and James Newman as an ODD business providing solutions across private equity and credit, real estate, hedge, crypto, and long only. As one of

the few practitioner led businesses headquartered in London, UK, perform continues to rapidly grow its client base, underpinned by its credibility, flexibility, pricing and use of technology.

In October 2021 we announced that perform had been formed as a subsidiary company of JTC Group PLC, an award-winning provider of fund, corporate and private client services. In October 2021, perform announced it had been formed as a subsidiary company of **JTC Group PLC**, an award-winning provider of fund, corporate and private client services.