Varium Investment Partners LLC
Advisor Firm and Operational Due Diligence Questionnaire
(Part 2 of 2 due diligence questionnaires)

FIRM OPERATIONS	
Name of Firm:	
Main Office Address:	
Telephone:	
Organization chart/Employee Biographies/Resumes:	
Any significant events affecting firm (mergers, acquisitions, JVs, litigation, arbitrations) during the past 5 years?	
Names of Consultants/Advisors utilized and the services they provide: Legal: Accounting: Auditor: Compliance: Trading: Operations: Other:	
Assets Under Management (Current): AUM for the end of the past 3 years:	
Current Custodian (s) and % held by each custodian:	
How is the Custodian chosen? Please provide a custodian selection/vetting policy, if applicable	

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FIRM OPERATIONS	
Please provide copies of your current discretionary/non-discretionary investment management agreement.	
Investor information: a- Total clients b- Top 10 as a % of total c- Investor type	
Firm registrations:	
In what states does your firm and/or any of its licenced affiliates do business? Are there any states where the firm does business but is not registered?	
What insurance coverage does the firm maintain? Specifically, do you carry errors and omission insurance? In what amount? Is there tail coverage? Please provide a copy of your E & O Policy	
What is the compensation structure within the organization?	
Who maintains information technology systems? If it is a third party provider, please provide the contact name, and number.	
Who is responsible for back office operations? Please detail their experience and credentials for managing these operations.	
Are your current front/back office systems near capacity? Do you have a plan for expected/unexpected growth? Please detail:	

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INVESTMENT DATA	
List the investment team members: Who is responsible for investment decisions? Do you use an Investment Committee?	
Investment philosophy: Investment objective and strategy: Please provide copies of the Firm's Investment Objective and Strategy statement	
Has the investment process changed over time? If so, why?	
Describe the portfolio construction process:	
How do you determine Client Suitability? Do you employ a client questionnaire to determine risk/return parameters and expectations? Please provide a copy of your client questionnaire How frequently are portfolios reviewed?	
How do you manage and assess on-going risk? What quantitative and/or qualitative factors do you analyze regarding risk?	
What is the allocation process - Including maximum % allocations? Please provide copies of your current Asset Allocation Models	
How does your macro-economic outlook impact your decision-making process? How connected are they?	

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INVESTMENT DATA	
What is the process for identifying investment opportunities?	
Investment Products Used: Do you maintain an “Approved Investment Product” List Do you maintain a “Prohibited Investment Product” List? What securities are approved for use and which are prohibited?	
Does your firm utilize Alternative Investments? If yes, what is the percentage of client assets invested in Alternatives? Please list all alternative investment products/providers. Please provide a copy of the Offering Documents/investment/marketing materials for the alternative investments.	
Who is responsible for initial & ongoing due diligence for the investment products utilized?	
If outside managers/products are utilized, describe the vetting process and who is responsible for oversight of the process and final approval of managers/investments? Please provide a copy of the manager/investment vetting manual and policy statement:	
Explain the process of adding or removing a security position or investment product. Who makes these decisions?	

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INVESTMENT DATA	
What is the % breakdown of equity market caps? How is this determined?	
Do you employ leverage in the investment process? Leverage used:	
Do you use Derivatives? Derivatives used:	
How is credit quality assessed?	
What factors explain your over/under performance? Provide performance data under current management:	
What is annual portfolio turnover?	
What position limits are placed on individual holdings?	
Please address the liquidity of constructed portfolios:	
How are trades executed? Please identify your trading system:	
Who is authorized to execute/enter trades?	
How are proprietary trades handled?	
How is aggregation of trades handled?	
How are trades communicated to the operations staff?	

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INVESTMENT DATA	
How are trade errors resolved? Please provide trade error policy statement and/or manual.	
Do you employ soft-dollar arrangements? If so, with whom? Please provide copies of the soft dollar contracts.	
What is the reconciliation process for trades?	
Who prices the portfolios and what service is utilized?	
Are any investments valued by in-house resources without third party corroboration?	
Who is responsible for calculating performance and fees? What system is used to calculate performance and fees?	
What are the ranges for cash positions?	
Please describe your relationships with either third party marketing firms or investment platforms:	

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Compliance Data	
Date of last regulatory (SEC, FINRA, state examiner, etc.) audit:	
Were any material deficiencies noted? Please provide deficiency letter and firms response.	
Have there ever been, or are there now pending any complaints, administrative proceedings, disciplinary actions or arbitration actions involving investment related statutes or regulations (in any jurisdiction) against the firm or its employees? Are there any pending threats of litigation? Any settlements in the past 5 years?	
Has the firm, any affiliate, principal or employee currently or ever been convicted, plead guilty or no contest to a felony or misdemeanor?	
Has any domestic or foreign court ever: Enjoined any employee and/or principal in your organization in connection with any investment related activity Found any employee and/or principal in your organization was involved in a violation of investment related statues or regulations?	
Have you ever had disagreements with your auditors on financial accounting and reporting matters?	

COMPLIANCE DATA	
Please provide a copy of your form ADV, Form ADV Part II, including Part IIB brochure supplements:	
Are there periodic compliance reviews?	
Do you maintain a written compliance manual and a separate Code of Ethics document?	
Do principals trade for their own account? Is this monitored and who is responsible for maintaining such records?	
Do any of the investment principals have other outside business involvements?	
Do you maintain a disaster recovery site? Please provide a copy of your disaster recovery plan	

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Please state the name and title of the individual at your company who has prepared and reviewed this questionnaire. In the event of amendments to the aforementioned information and documents, please ensure that we receive those directly from you within a reasonable time frame.

Signature: ______________________________

Name:

Title:

Date:

Signature: ______________________________

Name:

Title:

Date: