



**Perspective – Top 10 Market Volatility Considerations
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Clearly, portfolio managers, analysts and traders are busy in times of high market volatility. What about Compliance and Operations? Where are the compliance risks in all this turmoil? What should you focus on? Consider the following questions as a starting point:

1. Are clients calling? How is your client services staff responding?
2. Are there any investment restrictions or limitations that were (prior to the unusually volatile market) close to being a problem? With increased market volatility, are these now an issue?
3. Are any offering memorandum, Most Favored Nation or side letter provisions triggered?
4. How has the market impacted security liquidity? Are any funds (particularly, fixed income, small-cap or micro-cap) in danger of violating liquidity limitations?
5. Are traders feeling more pressure than ever to allocate winners to performance-based fee or proprietary accounts?
6. Any new or unique valuation issues arising?
7. Is collateral impacted - will you be required to put more collateral aside?
8. Will securities lending be impacted – both collateral levels and (as importantly) your ability to recall securities?
9. For Funds, do you have sufficient cash to meet redemption requests?
10. Is there an increased risk around employee personal trading? Are employees considering executing trades without obtaining advanced clearance, believing time is of the essence?

Please contact us if we can assist with your compliance program reviews.

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