



Media Release

IMAS Launches Best Practices on Fund Management Fair Valuation in Collaboration with Stradegi

Singapore, June 15, 2017 – The Investment Management Association of Singapore (IMAS) and Stradegi Investment Management Consulting today launched the white paper “Fund Management Fair Valuation Best Practices”. The white paper aims to reduce the risk and costs of dealing with unexpected market events, by providing a standardised fair valuation guide for funds that invest in exchange traded equities and fixed income instruments.

In contrast to daily valuation processes, which are typically well-documented and standardised throughout the investment management industry, there are varied approaches to handle fair valuation during disruptive or acute events, with no common set of industry best practice.

In response to this, Stradegi conducted meetings with the heads of valuation at large global and regional investment management firms based in Asia that have assets under management (AUM) ranging from US\$20 billion to US\$500 billion.

Scenarios discussed include trading halts, market disruptions, crisis events, gaps in market close, dealing deadlines and NAV calculation, large investor flows and the absence of trading in particular securities. The white paper proposes best practices in appropriate governance, price sourcing, valuation monitoring and fair valuation methodologies.

Nicholas Hadow, Chairman of IMAS, said: “Honest and fair price discovery is one of the key purposes of all well-functioning markets. Market bubbles, technical glitches, liquidity issues and even ‘Black Monday’ type capital market disruptions are thankfully rare but they present significant challenges in quantifying the fair value of assets. What makes that more daunting is that there are currently no common set of industry best practices. In collaborating with Stradegi, we were keen to establish more clarity and transparency about fair valuation within the industry during major market events.”

Gordon Brown, Managing Partner, Stradegi, said: “Market disruptions do happen and while it may not be possible to predict when and where they will occur, asset managers are taking steps to be as prepared as possible for future events. The objective of this white paper is to gain an understanding of different practices at various asset management firms and to document best practices to help industry players reduce risk and cost while ensuring standardised fair valuation for their investors.”

The “Fund Management Fair Valuation Best Practices” white paper will be launched at the IMAS Lunchtime Talk today, where experts from Stradegi will share further insights into the research findings.



Full details can be found on the IMAS website www.imas.org.sg.

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About the Investment Management Association of Singapore

The Investment Management Association of Singapore (IMAS) was established in 1997. It is a representative body of investment managers spearheading the development of the industry in Singapore. It also serves as a forum for members in discussions as well as a collective voice where representation is needed on behalf of the investment management industry, facilitating training for its members, and contributing towards investor education.

About Stradegi

Stradegi is an Asia based management consultancy focused exclusively on investment management. The team advises asset managers, insurance companies, pension funds and sovereign wealth funds in the areas of business strategy, operations, technology and governance.

The firm was established in 2013 in Singapore by a group of individuals with significant experience in senior roles on the buy-side. Our consultants have first-hand experience of the pains and frustrations that management teams go through in resolving Front, Middle and Back Office issues, and thus offer targeted and relevant advice.

Stradegi brings an expert, practical and independent view that is based on an in-depth understanding of the buy-side in Asia.