



Account-Level Investment Review Guidance

If the financial institution has discretion over account assets, sufficient information should be provided to the reviewer to enable them to make informed and intelligent investment decisions. At a minimum, information considered necessary to perform a comprehensive account-level investment review includes:

- Investment powers authorized by the governing document and/or governing law.
- Investment objective of the account (e.g. income, growth, etc.).
- Listing of account assets, reflecting cost and market values.
- Projected yields on individual assets.
- Projected income of the overall account.
- Amount of principal and income cash on hand.

The review may include, but is not limited to, the following items:

- Investment objectives - Are they consistent with the objectives of the account? Are assets held consistent with the chosen investment objectives and/or asset allocation models?
- Diversification of discretionary investments - Is the account properly diversified and consistent with either the Prudent Investor Act or Prudent Man Rule, as applicable?
- Concentrations - Are there any undue concentrations, either within a type of security, industry, or specific obligation?
- Own-bank or affiliate obligations - Is the purchase appropriate, yield adequate, and authorization documented?
- Investments in companies related to, or loans made to, financial institution insiders - Are there any conflict of interest or self-dealing concerns?
- Promissory notes – Are notes a permissible investment? Is supporting documentation adequate? Are payments current?
- Approved hold, buy, and sell lists - Is the account in compliance?
- Maturity of assets - Are there excess funds invested in short-term (i.e. lower yielding) investments? Is there adequate liquidity?
- Asset valuations - Are assets including real estate, limited partnerships, closely held businesses, real estate syndications, and derivatives valued timely and accurately? Is insurance coverage adequate?
- Environmental risk factors - Are there any environmental risk concerns?
- Complaints - Are complaints by grantors, beneficiaries, plan administrators, etc. being reviewed and resolved?
- Criticisms - Is corrective action being taken in regard to observations noted by internal/external auditors and regulatory authorities?