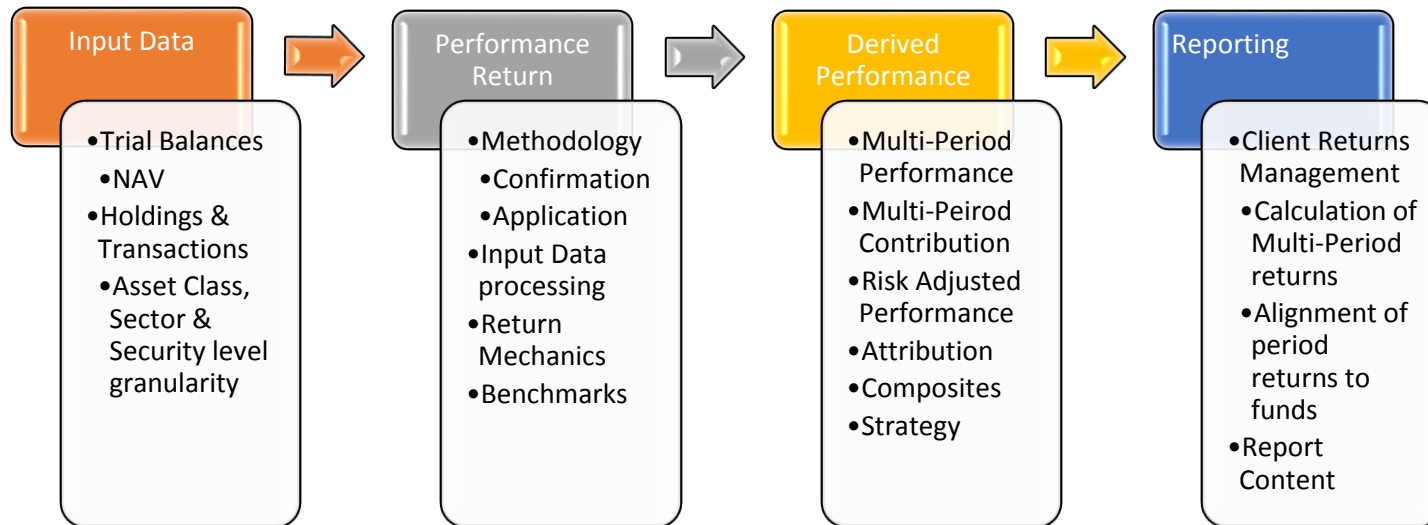


What is the Performance Audit Service?

Phocion’s Performance Audit Service is the most comprehensive performance review available in the industry today. It has been designed to provide firms and their clients the utmost confidence in managing and investing in the fund, whether it is a long only strategy to a more complicated hedged strategy. The review focuses on every aspect of the performance management process to ensure that each and every step, from the input phase to the client reporting phase, has been correctly and accurately executed. Unlike standard industry practice of auditing sample accounts for sample periods, Phocion’s review focuses on all levels of a firm, from the most granular (security level) to the Total Firm performance and ensures to cover the complete historic since inception. Furthermore, a review is also done of all derived measures such as, Multi-Period returns, Risk-Adjusted performance and Attribution to ensure they are accurately reflecting the impact of periodic returns over time, risk, and relative performance.

Figure 1: Phocion Performance Audit Overview



The Devil is in the Detail

Phocion differentiates itself because it is a firm founded on performance and has the unique expertise in this area to be able to sift through the minutia to identify issues and potential issues in performance measurement. The most common approach to performance reviews is to take at face value many of the processes involved in the performance calculation and focus on the end result. This is also the worst approach to take and Phocion's success has been due to **NOT** taking anything at face value. Every aspect is verified to ensure that all factors align to the final results.

Figure 2: Alignment of Performance at All Levels



## **Phocion Performance Audit Services**

### How does it Work?

Phocion sits down with the firm and details the complete process involved in the Performance Audit. Moreover, data requirements are sent ahead of time and discussed in the initial meeting. The firm's structure, systems, custodian/administrator and any other important aspect of the firm is discussed to obtain a clear picture of the operating structure of the firm. Once all the initial information has been assembled, Phocion then begins a detailed reconciliation of all returns based on data provided. The data, as much as is possible, independently verifies all pricing and valuation in both Local and Base currencies. During the performance audit, there is constant communication between Phocion and the firm to ensure there are no errors in the Performance Audit and for the client to be kept up to speed.

Phocion encourages annual audits to avoid cumulating performance errors that may require restatements to client and significant reputational risk. An annual fee is charged relative to the size of the firm and the complexity of the products and strategies involved.

### Contact

For pricing, questions and information requests, please contact our head of performance consulting services Ioannis Segounis at:

Ioannis Segounis MBA, CFA, CIPM  
Managing Director  
Phocion Investment Services Inc.  
1010 Sherbrooke West, Suite 1800  
Montreal, QC H3A 2R7  
T : [\(514\)564-3323](tel:(514)564-3323)  
C: [\(514\)867-2975](tel:(514)867-2975)  
[isegounis@phocioninvestments.com](mailto:isegounis@phocioninvestments.com)

**The Team**



**Ioannis Segounis**  
MBA, CFA, CIPM, Managing Director

Ioannis' knowledge and experience spans the whole spectrum of the investment performance discipline. His dedication to bringing the best of this evolving field to the investment industry led him to the founding of Phocion Investment Services in 2010.

Ioannis previously held the position of Manager – Performance Measurement and Attribution at Intact Investment Management where he was responsible for building and growing the performance functions of the firm. He was also an integral part of structuring the performance operations at CN Investment Division.

Since 2015, Ioannis has been a member of NYSSA's Performance & Risk Analytics Group Committee. His work has been published in The Journal of Performance Measurement and The Finance Professionals' Post. He is also a member of the CFA Institute's Certificate in Performance Management Measurement (CIPM®) Advisory Committee.

Ioannis has earned the CFA® and CIPM® from the CFA Institute. In addition, he has earned an MBA degree with a specialization in Investment and Portfolio Management from HEC Montreal, and a Bachelor of Engineering degree from Concordia University.

## **Phocion Performance Audit Services**



**Kosta Segounis**  
CPA, CA, CFA, Managing Director

Kosta's vast industry experience is most notable in the areas of compliance, due diligence and risk management. Prior to joining Phocion in 2015, he held the position of Senior Advisor at National Bank of Canada where he was responsible for performing compliance reviews of different lines of business and recommended areas for improvement. In addition he implemented a due diligence process for reviewing external managers – both traditional and alternative.

Prior to National Bank, Kosta held a senior management position in a consulting firm, where he performed due diligence on a variety of alternative managers, from emerging managers to large and sophisticated hedge fund managers following complex strategies. Further, he was an integral part of building the compliance department at PSP Investments.

Since 2015, Kosta has been active member of the AIMA Canada Operations and Compliance Committee. Also through AIMA, he participated in a global working group that drafted Guide to Sound Practices for Operational Risk Management for the hedge fund industry. His work has been published in The Finance Professionals' Post.

Kosta is a member of the Chartered Professional Accountants of Canada and is also a CFA® charter holder. He has earned a Bachelor in Commerce and obtained a Graduate Diploma in Accountancy from Concordia University.

## Phocion Performance Audit Services



David Rowen  
CFA, FRM, Managing Director

David's industry experience is most notable in the areas of portfolio management and equity research. Previous to joining Phocion in 2015, David was responsible for managing the wealth of high net worth investors at HSBC Holdings plc.

Prior to that, David worked at CN Investment Division where he successfully launched and managed a small-capitalization equity energy portfolio. This achievement was followed by him assuming the role of United States Portfolio Manager whose assets represented 10% of the Division's assets under management of some \$16 billion.

Further, he was a Senior Equity Analyst for two institutional securities firms that were subsequently acquired by Cantor Fitzgerald and Canaccord Genuity, respectively.

David is a CFA® charter holder and has the FRM® designation. He has earned a Bachelor in Commerce from McGill University. His work has been published in The AIMA Journal and The Huffington Post. He is co-Director for The Hedge Fund Association's Canadian chapter.