

PRACTITIONER GUIDE · 2026 EDITION

The Emerging Manager Compliance Playbook

Private Equity · Venture Capital · Private Credit · Real Assets

This framework reflects Trilogic Partners' experience advising emerging and institutional managers across SEC registration, allocator diligence, and compliance program design.

INTRODUCTION

In Trilogic Partners' experience working with emerging managers, the gap between compliance design and compliance execution is where most regulatory and allocator issues begin. Most compliance programs do not “fail” because something is missing. They “fail” because they are built at the wrong time or for the wrong stage of the business.

The SEC is not looking for perfection. They are looking for a program that fits the size and complexity of the firm and can scale with it. Institutional investors think the same way and start forming views on compliance long before registration is discussed.

By the time a manager is preparing to become a Registered Investment Adviser (“RIA”), allocators have usually already judged whether there is a real compliance culture or just documentation.

The strongest programs are built early and anchored in the fiduciary standard. As an RIA, you owe clients a duty of loyalty and care, meaning you must put client interests first and ensure advice aligns with their objectives, risk tolerance, and mandate.

AN IMPORTANT NOTE ON REGISTRATION

Registration requirements vary based on a firm's structure, client base, assets under management, jurisdiction, and available exemptions. The discussion in this guide is intended for informational purposes only and should not be construed as legal advice. Firms should consult qualified legal counsel regarding their specific registration obligations and regulatory requirements.

PART 1**Fund Lifecycle & Compliance Evolution**

This playbook is based on Trilogic Partners' advisory work with emerging managers as they transition from formation to institutional scale. Many firms get this wrong by either overbuilding a compliance program too early or waiting too long and then rushing to catch up. A better approach is to understand how the business actually operates, where the real risks are, and what is needed to manage them.

<p>FUND I</p> <p>Formation - The People</p> <p>You Are Selling Intent.</p> <p>Governance approach, basic written policies, service providers, conflicts framework, personal trading oversight.</p>	<p>FUND II</p> <p>Operational Growth - The Organization</p> <p>You Are Selling Infrastructure.</p> <p>Written compliance program, annual review, vendor oversight, marketing controls, cybersecurity.</p>	<p>FUND III</p> <p>Institutional Maturity - The Platform</p> <p>You Are Selling Evidence.</p> <p>Compliance testing results, examination history, governance that is clearly established and used.</p>
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Fund I - Formation: The People

At this stage, many emerging private fund managers rely on an exemption, such as the Private Fund Adviser Exemption or Venture Capital Fund Adviser Exemption, if available. The key foundations include:

- Governance approach
- Basic written policies that come together in a compliance manual
- Selection of service providers
- Conflicts framework built into a Code of Ethics
- Personal trading oversight

“Does this manager understand what institutional capital expects?”

Fund II - Operational Growth: The Organization

This is often when registration discussions become serious. Many firms begin building their compliance program as though they were registered, even if they are not yet legally required to do so.

- Written compliance program
- Annual review process
- Vendor oversight
- Marketing review controls

- Cybersecurity measures
- Books and records framework

At this stage, allocators are less interested in what you say you do and more interested in how consistently it actually happens. A compliance program here is not a checklist. It either works as a system, or it does not.

Fund III - Institutional Maturity: The Platform

- Compliance testing results
- Examination history
- Regulatory responsiveness
- Governance that is clearly established and used
- Operational controls that hold under scale

PART 2

Registration & Regulatory Readiness

Registration is an operational shift that forces your firm to behave differently in practice, not just on paper. Once you are registered, expectations expand dramatically:

- Governance and oversight
- Documentation and recordkeeping
- Marketing and performance claims
- Vendor and service provider supervision
- Books and records discipline
- Examination readiness

The filing itself is straightforward. The harder part is whether the firm actually runs in a way that can support it. Regulatory Readiness tends to be a scary phrase for most new managers. In practice, a well-designed program should help you prepare for any regulatory exam.

PART 3**Elements of an RIA Compliance Program**

Once you are an RIA, under Rule 206(4)-7, advisers are required to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act, to designate a Chief Compliance Officer, and to conduct at least an annual review of the adequacy and effectiveness of the program.

THE FOUR CORE PILLARS

<p>POLICIES</p> <p>Doing What You Say</p> <p>Are you doing what you say you do, and can you show it? Allocators and regulators focus on whether policies reflect actual business practices and whether employees understand and follow them.</p>	<p>DOCUMENTATION</p> <p>If It's Not Written, It Didn't Happen</p> <p>A good rule of thumb: if you don't have documentation, the action did not occur. Core RIA expectations include maintaining adequate books and records under Rule 204-2.</p>
<p>SUPERVISION & OVERSIGHT</p> <p>Active Enforcement</p> <p>A compliance program must show that policies are not passive documents but are actively enforced through monitoring and escalation. The CCO is expected to monitor trading, review communications, and oversee fee billing accuracy.</p>	<p>ANNUAL REVIEW</p> <p>Risk-Based, Not a Checklist</p> <p>Regulators expect the review to be risk-based, documented with findings retained, tailored to the actual business model, and used to drive change.</p>

Chief Compliance Officer (CCO)

Under Rule 206(4)-7, advisers are required to designate a Chief Compliance Officer responsible for administering the firm's compliance program. In practice, regulators generally expect the CCO to have:

- **Sufficient authority** within the organization to enforce policies and procedures
- **Direct access** to senior leadership and decision-makers
- **Adequate resources**, including appropriate staffing, systems, and budget support
- **Practical knowledge** of the firm's operations, business activities, and compliance risks

PAPER CCOS - A RECURRING CONCERN

Regulators increasingly focus on whether the CCO can effectively administer the compliance program in practice, not simply whether the role has been assigned on an organizational chart. A recurring concern involves individuals formally designated as CCO but lacking meaningful authority, visibility into firm activities, or the ability to influence compliance outcomes.

Books & Records - Rule 204-2

Under Rule 204-2, RIAs must maintain accurate, current records. If a regulator or potential investor cannot reconstruct what happened from your records, it may indicate that the underlying control was ineffective or not consistently followed.

Financial Records	Journals, ledgers, cash receipts and disbursements
Client & Advisory Records	Accounts, agreements, investment recommendations
Trade / Order Records	Orders placed, instructions, allocations
Written Communications	Emails and messages related to advice or transactions
Compliance Records	Policies, code of ethics, attestations, personal trading reports

PART 4**The Outsourced CCO Decision**

Most emerging managers eventually encounter the same structural constraint when it comes to compliance. Institutional allocators increasingly expect evidence of institutional-grade compliance leadership once a manager becomes registered. But many managers do not yet have the scale, budget, or organizational complexity that justifies a full-time Chief Compliance Officer.

FOUNDER-LED COMPLIANCE**Best for: Initial Launch Phase**

Works well when the firm is in its initial launch phase, the team is small and closely coordinated, investment activity is limited, and the investor base is concentrated. Typically supported by external compliance consultants for testing, policies, training, and regulatory filings.

INTERNAL COMPLIANCE

Best for: Established Platforms

Generally becomes appropriate when the organization has grown in size and structure, multiple funds or strategies are in place, operational processes are more complex, and there is a dedicated compliance budget and infrastructure.

OUTSOURCED CCO

Best for: The Emerging Manager Gap

Between these two stages lies the most common reality for emerging managers: too complex for informal oversight, but not yet large enough to support a full internal compliance department.

Trilogic Partners Approach

Trilogic Partners works with investment advisers, private fund managers, family offices, and alternative investment firms to provide outsourced compliance leadership that functions as an extension of the firm's operating team. Services typically include:

- Outsourced Chief Compliance Officer services
- Design and implementation of compliance programs
- Ongoing regulatory guidance and interpretation
- Compliance testing, monitoring, and risk assessments
- Support for SEC examinations and regulatory inquiries
- Assistance with investor due diligence requests
- Regulatory filings and ongoing compliance support
- Policy development and continuous program refinement

PART 5

Final Thoughts

Compliance is often thought of as a requirement. However, if you build your foundation appropriately, the Compliance department can actively accelerate your business:

- Identify and remediate risks before they become issues
- Speed up diligence
- Position your firm as institutionally credible and operationally mature
- Reduce friction in fundraising and investor onboarding
- Create consistency in how the firm makes and documents decisions
- Support scalable growth without proportional increases in operational risk

TRILOGIC PARTNERS***Compliance leadership for the emerging manager lifecycle.***

From formation through institutional scale, Trilogic Partners provides experienced compliance leadership without prematurely building fixed internal overhead.

GET IN TOUCH

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