

INVESTMENT ROADMAP FOR PENSION TRUSTEES

Key observations from a recent ‘straw poll’ of senior pension figures

Trustees should be:

Independent

- Think and speak independently of consultants and managers

Prepared

- Coordinate, prepare and distribute agendas to attendees in advance of investment meetings

Informed

- Understand strategy, portfolio, and issues to control the relationship

Conscientious

- Make the required resources, especially time, available that enable proactive monitoring and challenging to maximise return from relationships

Inquisitive

- Ask specific questions to get required information and persist until answered satisfactorily

Sceptical

- Balance between respecting professionals and leveraging from relationships

Confident

- Provide opportunity to seek explanations outside a group environment

Realistic

- Be aware of operational limitations and open about practical challenges in implementing ideas

Structured

- Have template to routinely compare and record information and input from all sources and revisit issues not understood

JNM Investment Governance provides:

TIME to

- Plan the investment meeting process
- Coordinate input from all interested parties
- Prepare templates, agendas and questions
- Innovate simplifying and streamlining information

INDEPENDENCE to give appropriate context to

- The development of a demonstrable monitoring and supervising process
- Evaluate investment proposals
- Provide ongoing structure
- Be devil's advocate in meetings
- Coordinate constructive challenging of professionals
- Improve understanding
- Enhance confidence

BENEFITS include

- Record keeping of process in the event of future scrutiny
- Independent investment training 'on the job'
- Investment audit process
- Greater productivity - time saved
- Greater efficiency - money saved
- Greater control
- Improved relationship with consultants
- Improved investment outcome?