



Pi Partnership Group

# Pi Breakfast Seminar: Evaluating your investment consultant and picking a Fiduciary Manager

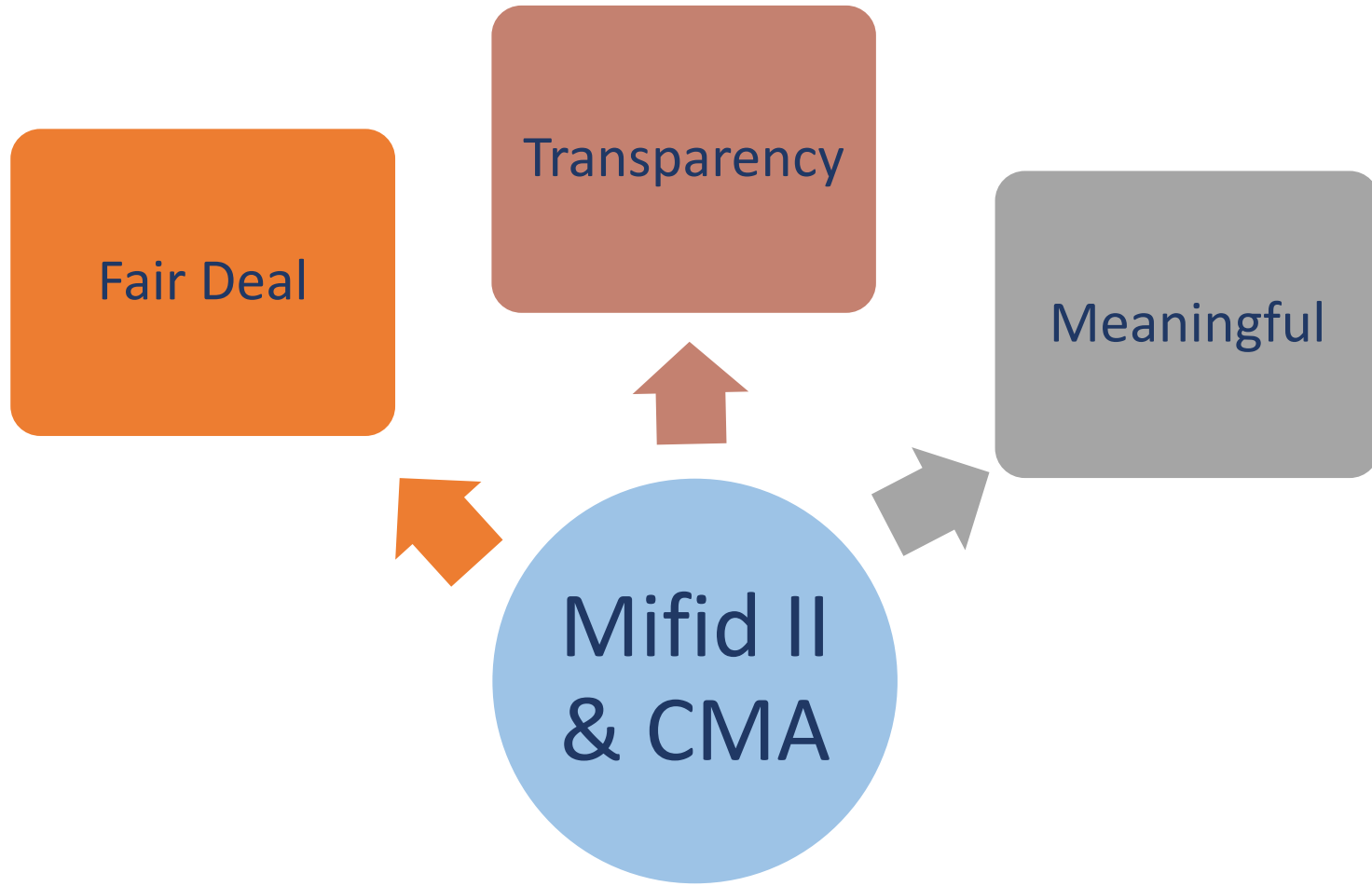


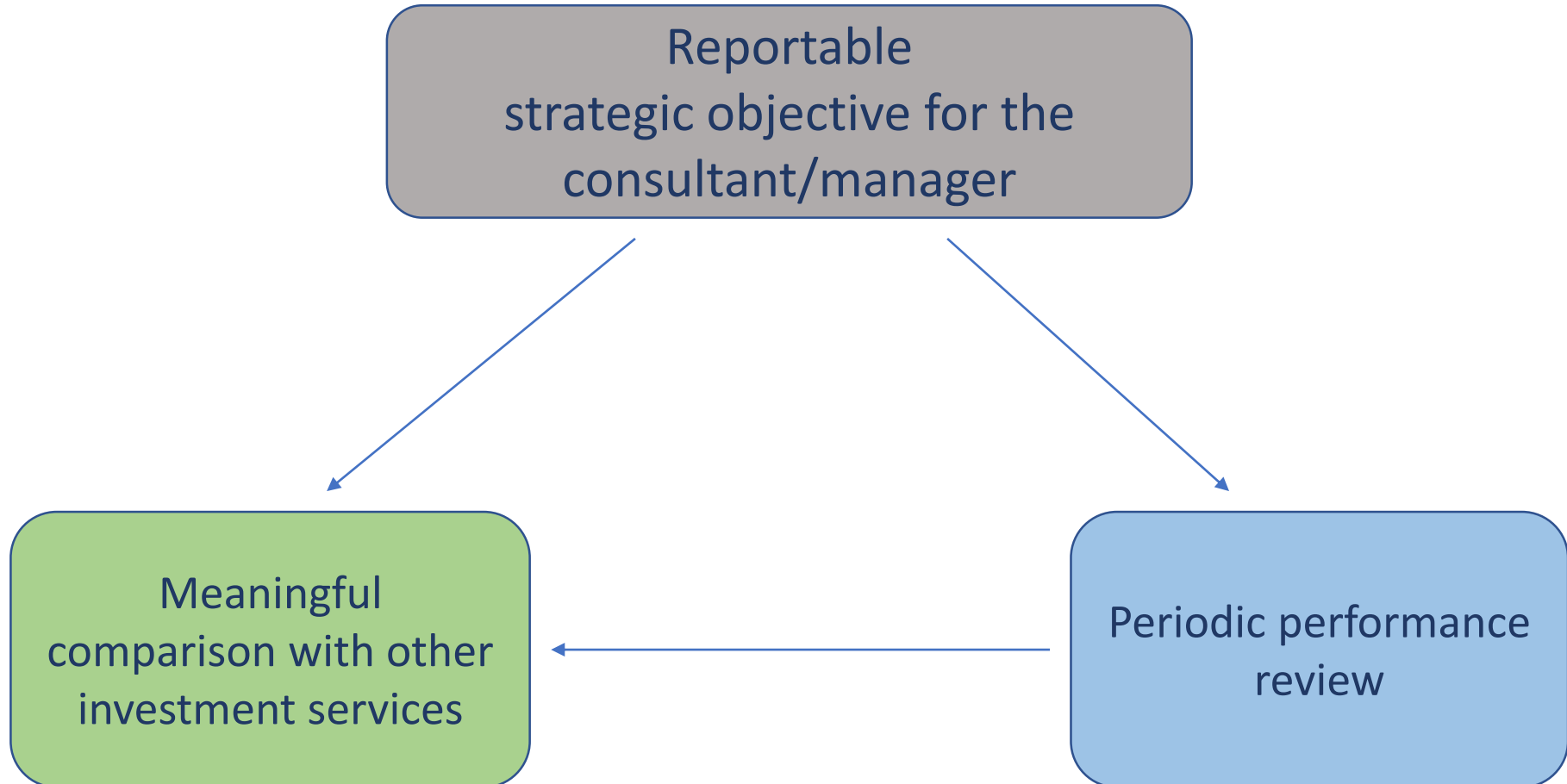
Thursday, 21 February 2019



# AGENDA

<b>08:45</b>	<b>Arrival, registration &amp; breakfast</b>
09:15	Chairman's introduction – Amanda Burden, Pi Partnership Group
09:25	Assessing your Investment Consultant – Roger Cooper, Pi Partnership Group
09:50	Picking a Fiduciary Manager – Peter Dorward, IC Select
10:20	OPEN FORUM
<b>10:30</b>	<b>Finish &amp; refreshments</b>





# Assessing your Investment Consultant

Roger Cooper, Pi Partnership Group

# Table d'Hote Investment Menu

Cash

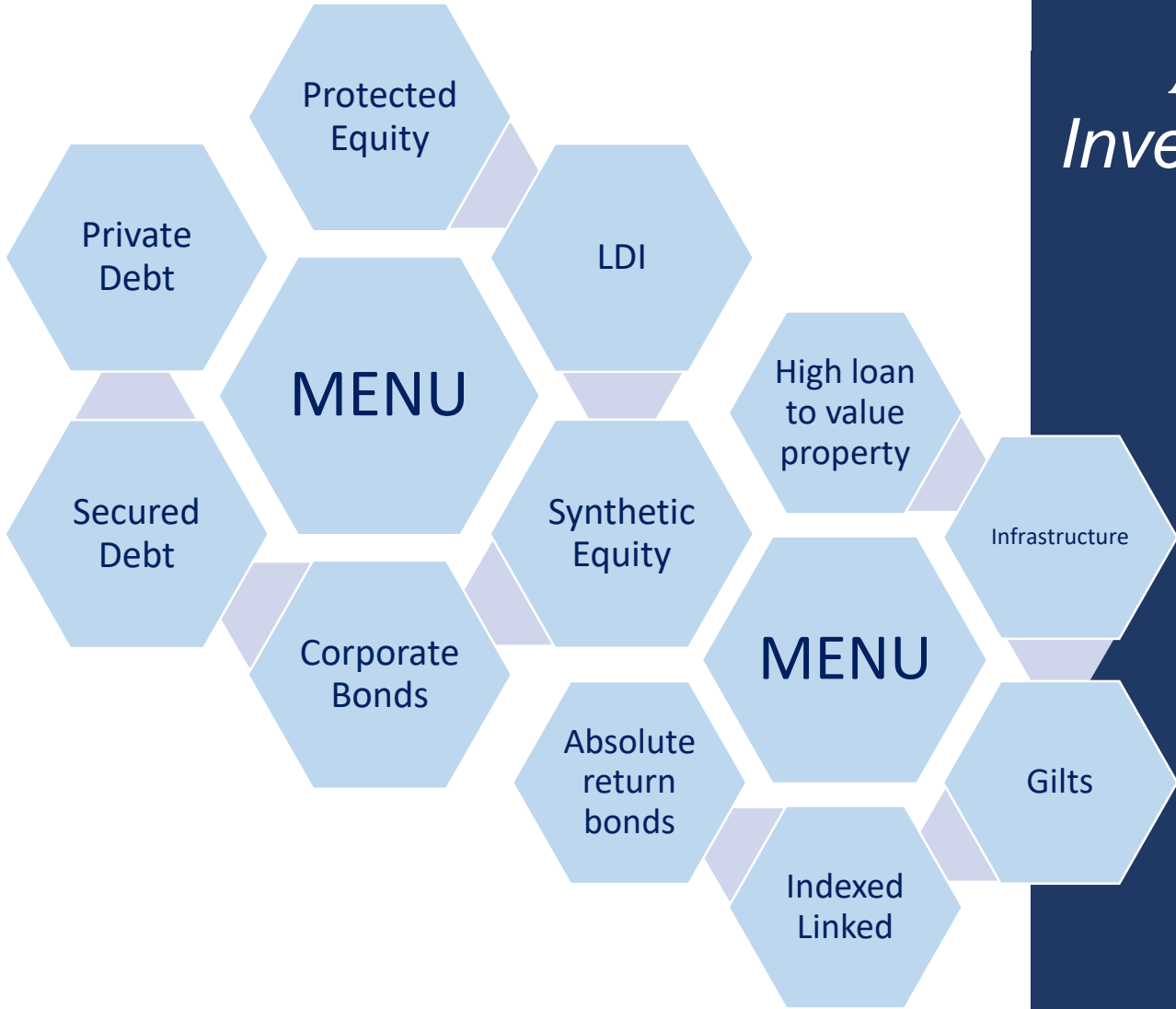
Shares

Property

Bonds

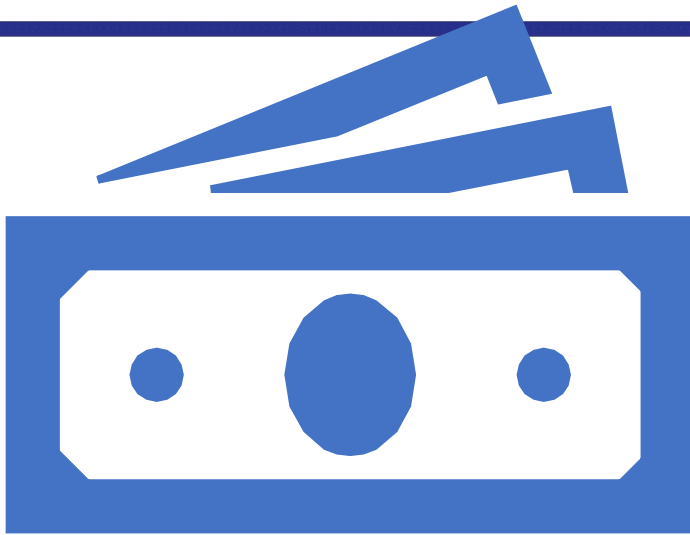
**Alternative asset classes**

M  
E  
N  
U



# *À la Carte Investment Menu*

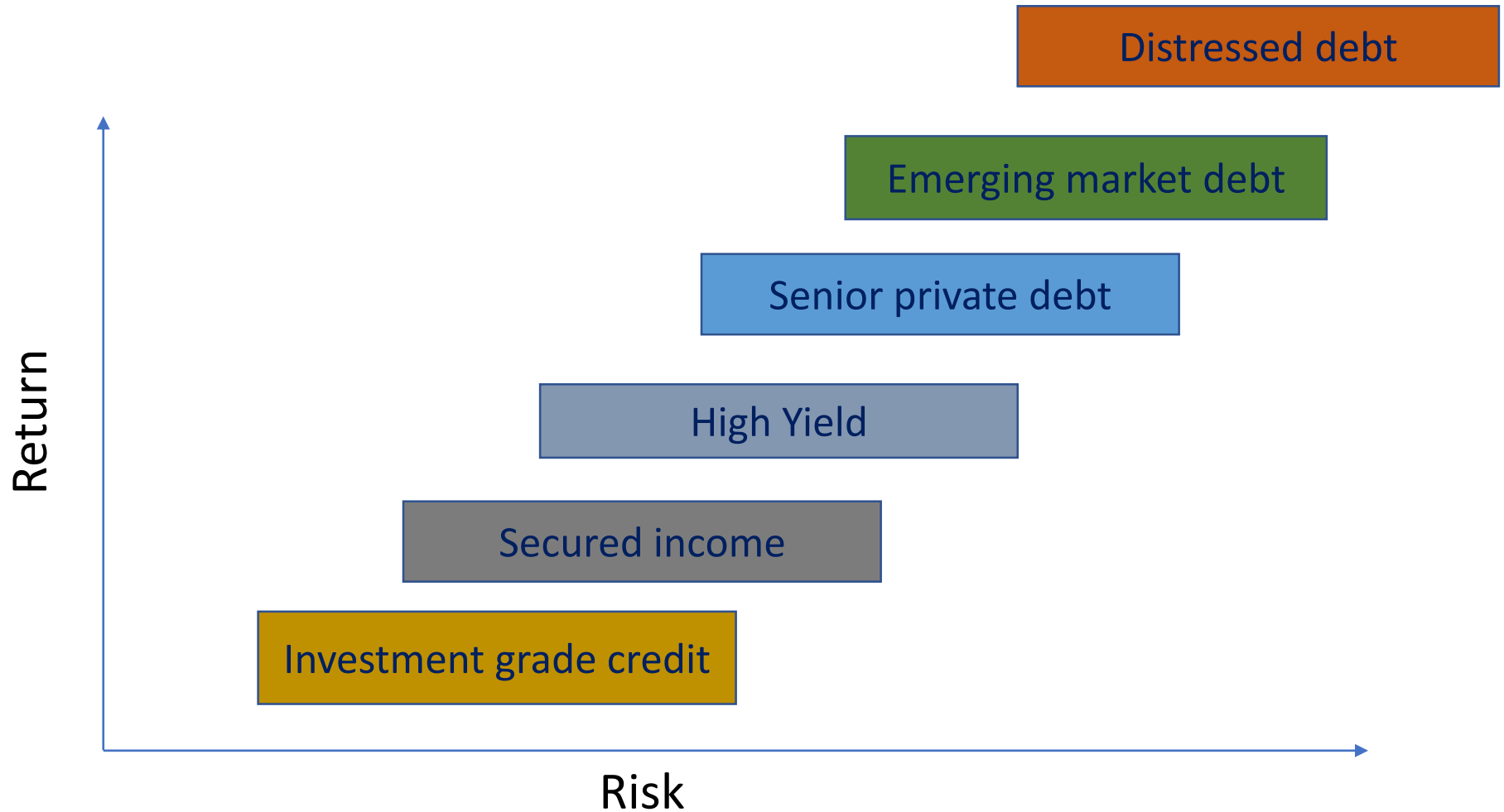




 Pi Partnership Group

How would you like your debt Sir?





# Trustee self assessment

## Key challenges

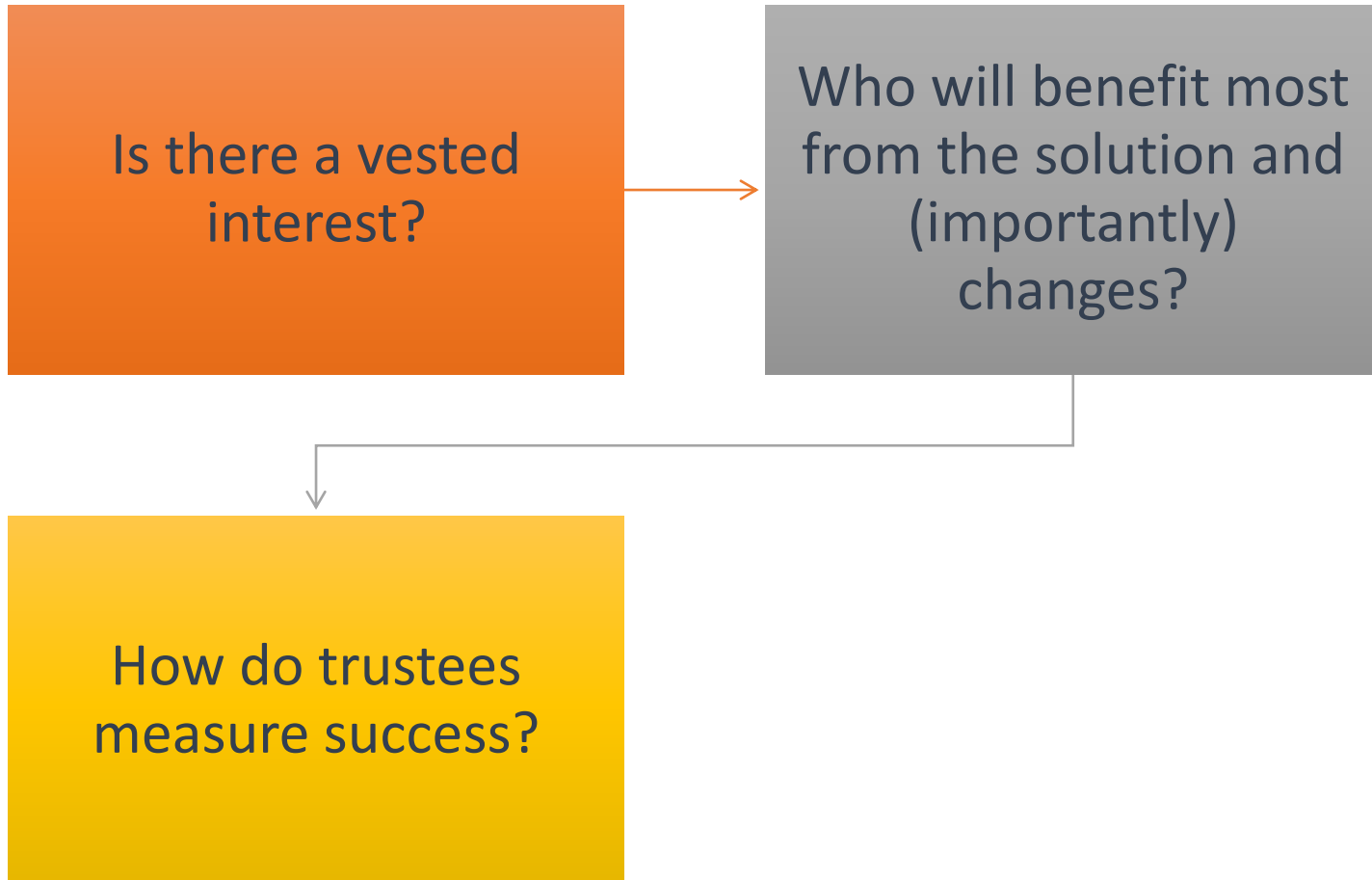
Investment expertise

Monitoring

You tell me?



## Who should we ask?





Competition  
and Markets  
Authority  
(draft order)

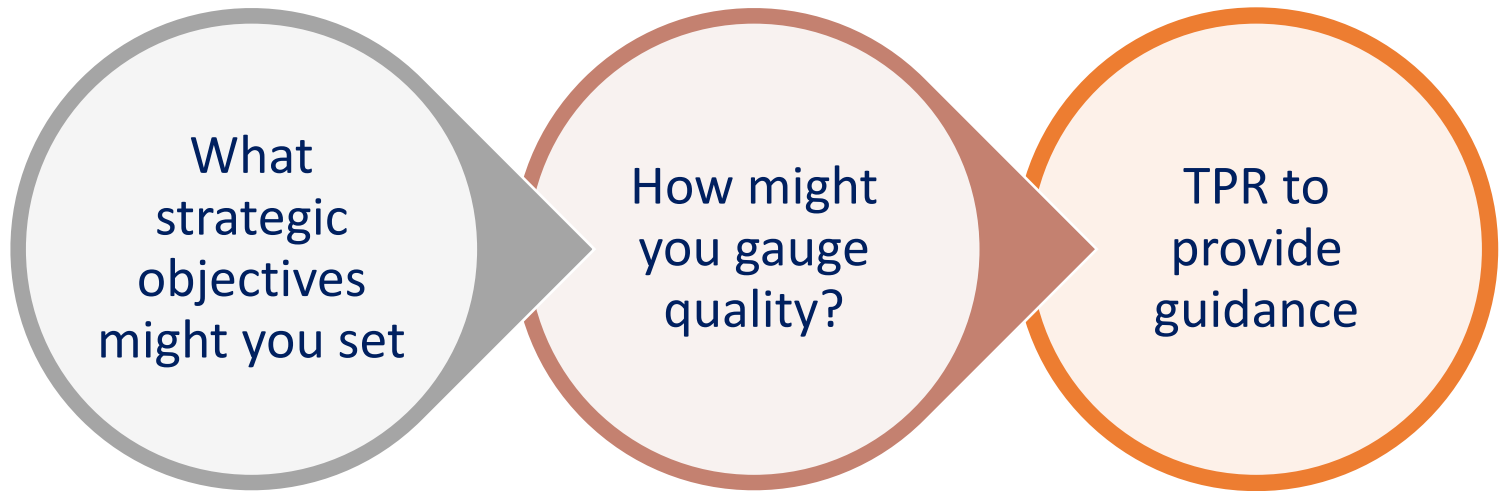
When contracting  
investment  
consultancy services

Set strategic objectives  
for consultant

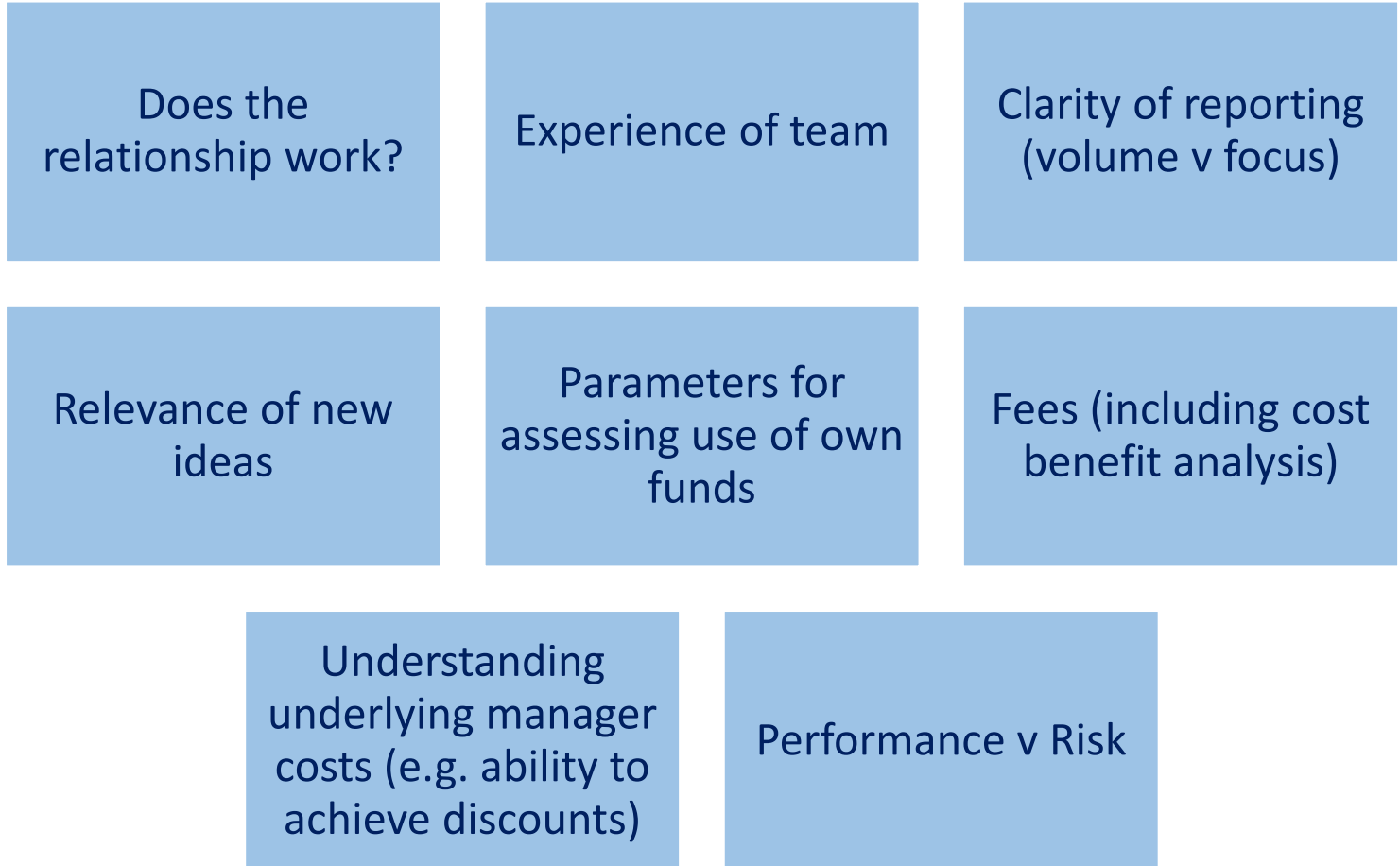
Annual reporting

Requirements for  
consistent  
performance reporting

# Strategic Objectives



# Your adviser assessment?



## Value for money?



# IC Select Fiduciary Management Performance Standard

Pi Consulting Breakfast 21<sup>st</sup> February 2019

Peter Dorward, Managing Director



# CMA Review – New Rules

## CMA REMEDIES (2019)



Mandatory competitive tendering for:

All new FM appointments; and all those appointments which did not previously have one within 5 years



Disaggregation of fees, particularly 3<sup>rd</sup> party costs



Development of Fiduciary Management Performance standards

# Performance Standards

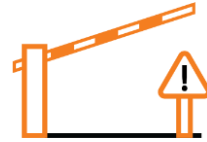
## Barriers to comparative performance



Scheme  
status



Liability  
profile



Level of  
delegation



Risk / Return  
objectives

### JUSTIFIABLE CONCERNS



Different scheme  
size



Targets



Trustee asset class  
restrictions

# Performance Standards – The Solution

## IC Select Fiduciary Management Performance Standard

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**OBJECTIVE:** measure value add from implementation (not strategic advice)

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**BASIS:** CFA Institute 's Global Investment Performance Standard (GIPS)

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### STRUCTURE

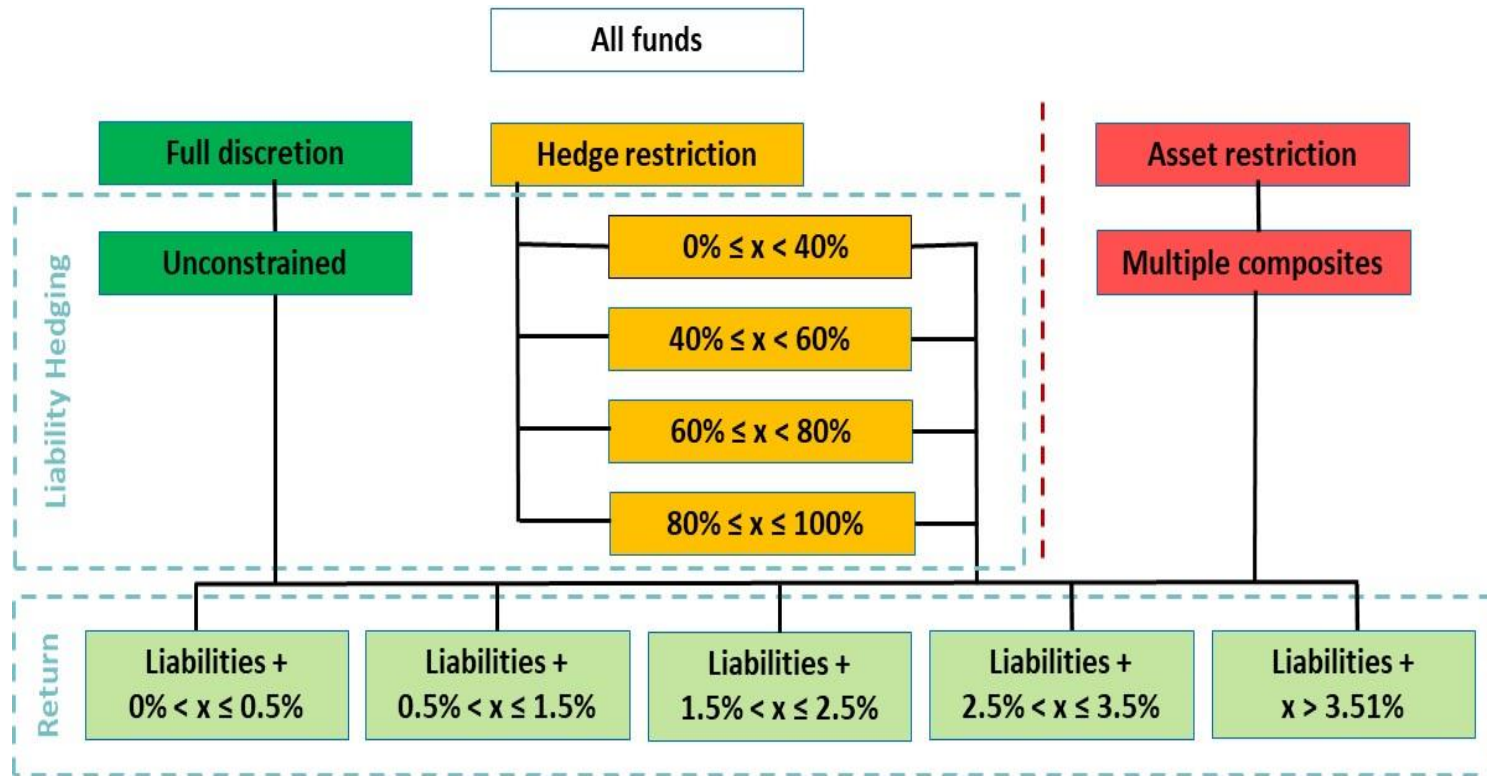
- Returns relative to liabilities
- Net of fees
- Equally weighted assets
- Verification by IC Select



Responsibility for the Standard transferring  
to CFA Institute in 2020

# IC Select Fiduciary Management Performance Standard

## Mandatory standardised composite structure



- Firms must comply with structure
- In addition, can create customised composites if they wish

# IC Select Fiduciary Management Performance Standard Support from UK fiduciary management firms



# IC Select Fiduciary Management Performance Standard

## Access and benefits for Trustees

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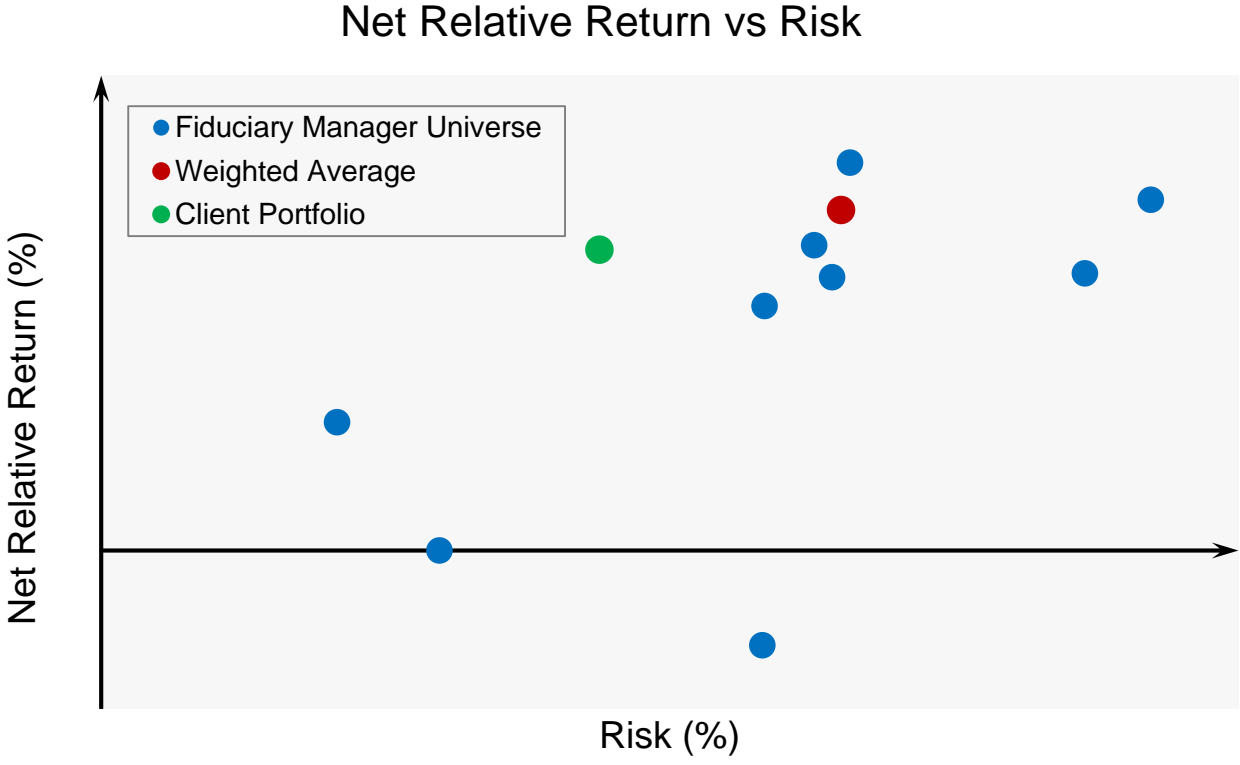
### Access

- Request information as part of tender process (from provider(s))
- Can request firm's full list of composites

### Advantages

Comparable information  
No extra cost to obtain  
Can select one or more composite group  
Prevents “cherry picking”  
Standardised basis (calculation and verification)  
Information presented in a standardised format

# IC Select Fiduciary Management Performance Standard Supporting the selection process



# IC Select Fiduciary Management Performance Standard

Confidence that performance is....

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- Accurate
- Consistent
- Comparable



## Peter Dorward

Managing Director of IC Select

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**For further information  
please contact:**

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Director

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[www.ic-select.co.uk](http://www.ic-select.co.uk)

Peter Dorward is the Managing Director of IC Select having joined the business in October 2014.

Prior to this, and for the last 20 years, he held senior positions with Scottish Widows Investment Partnership, latterly as head of the institutional business.

Peter has over 35 years' experience in investment management and broader financial services in the UK and overseas. He chairs the Royal London Independent Governance Committee and has undertaken numerous trustee board assignments assessing investment governance approaches and advising on selection and oversight of investment consultants and fiduciary managers.

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# Fiduciary

*An individual in whom another has placed the utmost trust and confidence to manage and protect property or money.*

*The relationship wherein one person has an obligation to act for another's benefit.*



Why can't the pension industry  
be more helpful?

Wednesday, 23 November 2017



# OPEN FORUM



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This seminar cannot be construed as providing advice and no one should act on any information provided without receiving appropriate, professional advice.

Pi Partnership is part of Pi Partnership Group.