

## Investment Governance and Beliefs A Health Check

Sean O'Shea Consulting offers a specialist investment governance consulting service drawing on insights gained from asset consulting (Willis Towers Watson 2013-18) product development and design (Rare Infrastructure, Absolute Capital, WTW, Cordis AM), fund operations (ABN AMRO/RBS, Apostle, WTW), and ongoing Australian compliance, licencing and regulatory requirements. The service helps boutique Investment Managers (IMs) translate their existing intellectual capital into tangible investment beliefs that can be applied to investment processes, marketing materials and stakeholder communications.

Regulators and Trustees have been concerned for some time about the consistency, rigour and execution of core investment policies by Australian IM businesses. I have developed the Health Check specifically for busy IMs using the internationally accepted principles of ISO 9000 and ISO 9001 which are an internationally recognised system designed to ensure consistency of quality across manufacturing, services and other activities.

### The Investment Beliefs Health Check

The Investment Beliefs Health Check is a 5 step process to identify, check and document the key investment beliefs that drive your asset selection, portfolio construction and investment returns. It's a hassle free, facilitated service with a clear deliverable.

The Health Check process follows 5 stages, each involving minimised time commitment from principals:

1. Interview key team members to identify the fundamental principles and implied beliefs of the organisation, including attendance at an IC meeting if appropriate;
2. Distil the findings into a survey that tests key principles and beliefs, with particular focus on the key asset class attributes sought after by the business;
3. Circulate the survey online to nominated participants and collate responses;
4. Engage in a structured discussion with all key exec and non-exec personnel to evaluate the results and explore the ranges of views on key principles and beliefs; and
5. Codify a set of Investment Beliefs and circulate as appropriate.

#### Survey Structure

The survey is typically split into different sections including:

1. Investment philosophy and process
2. Competitive advantage
3. Sustainability and ESG
4. Technology and Big Data
5. Costs fees and valuations
6. Other organisation or asset class specific sections

The survey is designed to require considered responses, but should not be time consuming – circa 30 minutes should be sufficient.

#### Benefits

The benefits of the Health Check are in providing :

- A regulator compliant set of Investment Beliefs, tangible and reviewable;
- More efficient and effective investment decision making – less haggling of ideas;
- An identifiable reference point for new collaborators, including new employees;
- A genuinely agreed differential advantage that can easily be expressed in client proposals

Furthermore, Investment Beliefs are a valuable tool to discuss with IM Research Houses, and to the extent appropriate to include in public marketing materials.

## Fee

Fee scale:

- Up to 5 survey participants: \$7,500 (+GST)
- 5-10 survey participants \$10,000 (+GST)
- >10 survey participants s.t. negotiation

## Contact Details

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*Sean O'Shea has worked as an investment consultant, dealing with a diverse range of clients ranging from Willis Towers Watson's largest Australian client to a number of its smallest. The essence of his role was to draw on WTW's enormous global IP and distil it for the benefit of each client, appropriately tailored for that client's circumstances, in particular each client's unique governance arrangements and capabilities, their investment objectives as well as Australian context and regulations. Sean focused specifically on a client's investment governance capabilities, in order to best ensure that their portfolio is fit for purpose going forward. In addition to client consulting responsibilities Sean was a key member of the development team for WTW's delegated investment (implemented consulting/OCIO) service offering in Australia. This project required setting up from scratch a funds management operations team in Australia, modelled on WTW's global (US\$100 billion) delegated business model and initially responsible for AUD450 million of client funds. WTW's delegated products and services include a range of specialist multi asset pooled funds across equities, credit, liquid alternatives and real assets, as well as best in class single strategy asset managers.*

*Prior to WTW Sean was responsible for projects to set up products and processes at Treasury Group (IML, Rare) ABN AMRO/RBS, Apostle and Fidante, and more recently developing the investment case for Cordis Asset Management's new wholesale fund.*