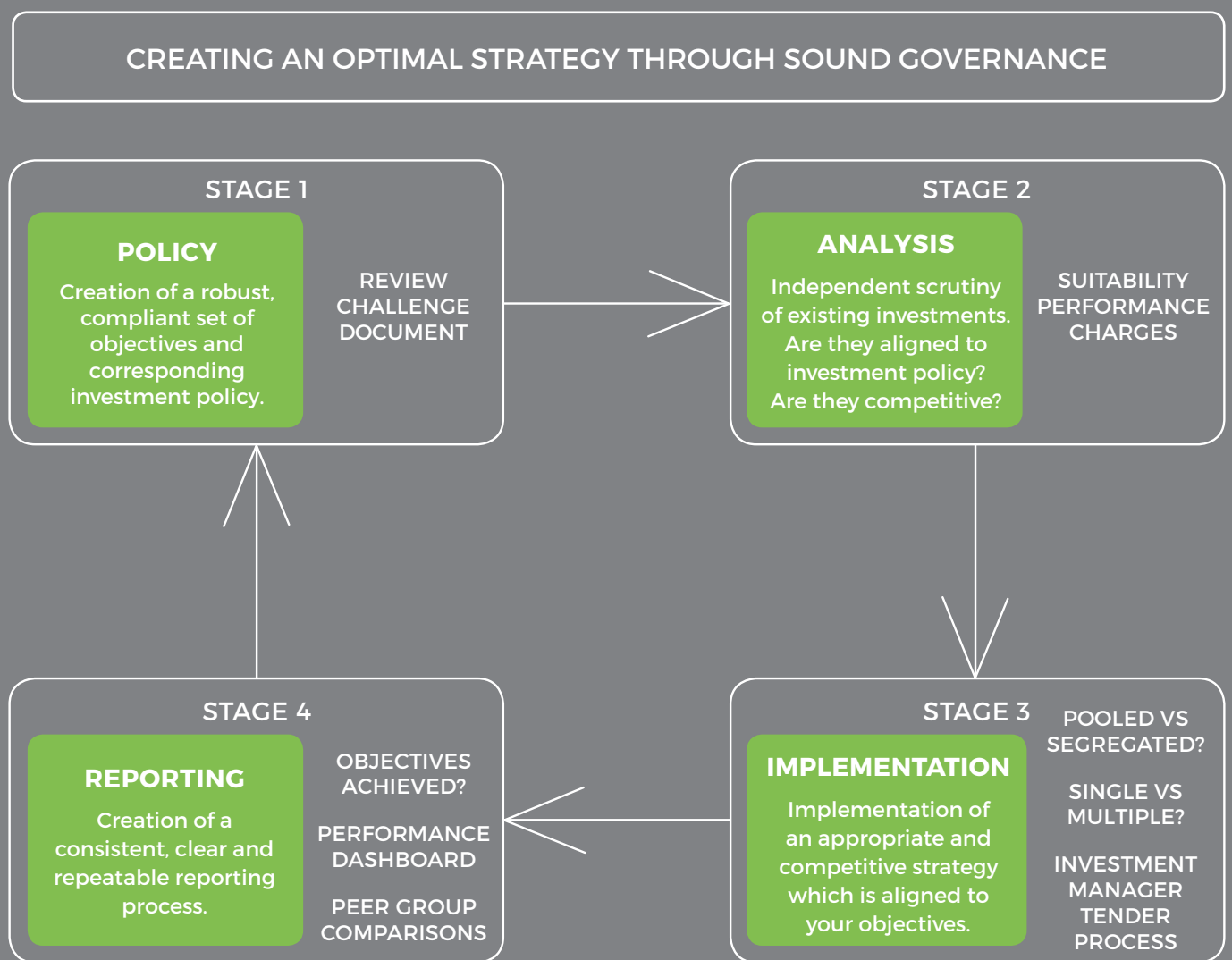


# INVESTMENT STRATEGY REVIEW SERVICE



A service aimed specifically at organisations seeking an independent review of their internal investment strategy or indeed those looking to create one for the first time.

Improving governance and ensuring there is group understanding and accountability for the chosen path, Epoch will work with you interactively to produce clear, prioritised and realistic objectives that will ensure an appropriate investment strategy is adopted.



## STAGE 1 - POLICY

In our experience, problems between clients and investment managers can often be traced back to unclear or ambiguous investment briefs.

Before reviewing an existing- or formulating a new- investment policy we need to understand exactly what you are trying to achieve.

Initially, we need to work directly with the decision makers of your organisation to establish your goals, priorities and objectives. This usually takes place in a single, interactive workshop where we carry out a group risk profiling exercise and cover all the necessary areas to ensure we emerge with a single set of objectives that pass the “Clear, Prioritised and Realistic” test.

Formally documenting these objectives is essential for your internal governance so Epoch will produce a completed **Statement of Investment Principles (SOIP)** or **Investment Policy** that covers all the agreed objectives and constraints agreed in the workshop.

 SEEING THE BIG  
PICTURE CLEARLY  
IS CRUCIAL 

## STAGE 2 - ANALYSIS

Once a clear investment policy is agreed we can review the suitability of your existing portfolio. Any organisation with funds has an investment strategy.

It could be a cash based strategy, it could be a Discretionary Managed or segregated portfolio and more often than not, it will be a combination of approaches. We have significant experience in analysing portfolios across a wide product spectrum.

### Our analysis is undertaken in two respects:

#### SUITABILITY

Is the existing strategy positioned to meet your objectives?

Is the level of income, risk and ethical screening structured at the right level? Is the size of the mandate suited to the manager?

1

#### PERFORMANCE

Investment performance is not just about how much growth or income your portfolio has achieved. There are many other aspects which determine strong or poor performance. These include: volatility, peer group comparisons, consistency of returns, value for money, and service.

2

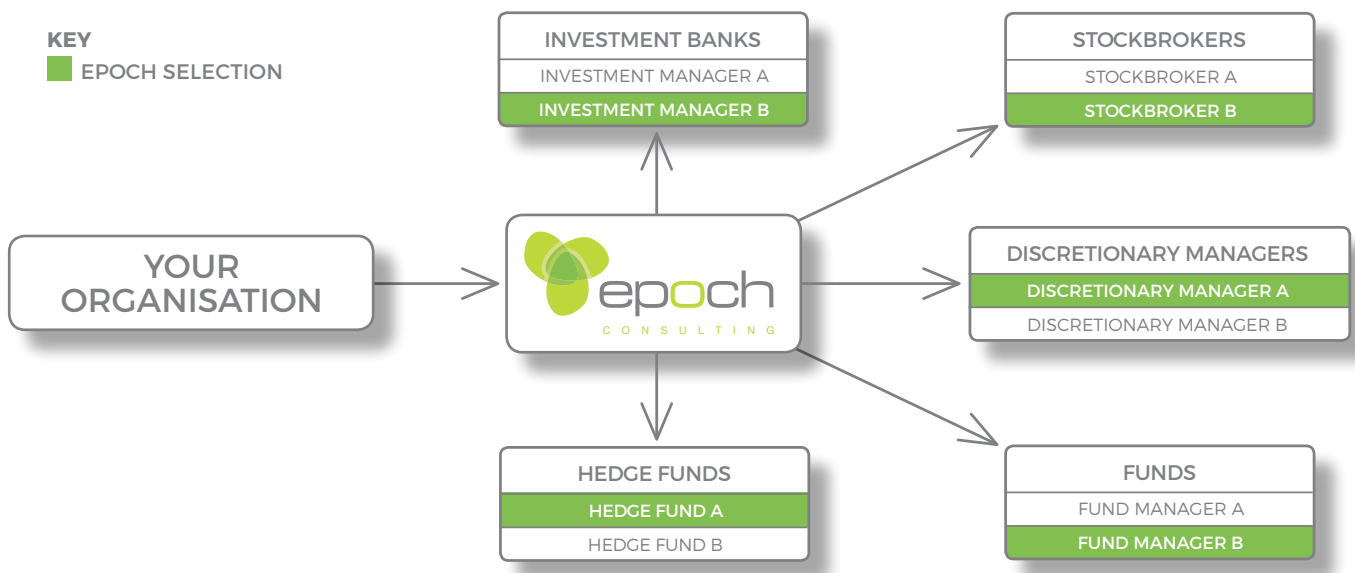
## STAGE 3 - IMPLEMENTATION

This part of the process is about ensuring that an optimal strategy- based on the investment policy clarified in stage 1- is implemented.

The universe of potential investment strategies available to most institutions is vast and it is therefore no surprise that many find selecting the right path such a daunting task! However, the process of clearly establishing your Investment Policy makes this stage of the process much more straightforward. The parameters laid out in your Investment Policy, combined with our industry knowledge and expertise makes the path much clearer. We can cut the choices down significantly by eliminating those options that we can immediately identify as being inappropriate for you.

We then work with you to narrow down the possible options further to create a shortlist of relevant and competitive solutions. At this point, our clients tend to follow one of two paths:

- 1. Outsource selection:** Engage Epoch to analyse and scrutinise the remaining options, with a view to proposing what we believe to be the most appropriate strategy.



- 2. Co-ordinated tender process:** Some clients prefer to remain actively involved in the selection process and often engage Epoch to co-ordinate and participate in an Investment Manager 'Beauty Parade'.

The most important components of this process are:

- Establishing an appropriate line up
- Ensuring that the participants are provided with a thorough brief which is relevant, consistent and measurable
- Having Epoch on the judging panel, to facilitate a thorough examination of potential managers
- Ensuring that the judging panel have a clear scoring process which allows the decision making process to be objective and without bias.

Having decided which course of action is more appropriate for you, we will- where appropriate- co-ordinate the movement of money.

## STAGE 4 - REPORTING

By this stage the hard work is done and we believe you will now have an optimal strategy implemented with sound governance that clearly demonstrates your thinking and the decision process you followed.

Once the strategy is in place, there needs to be a clear methodology so that you can measure the performance of the investments against your investment policy. A crucial element of this is ensuring that the Investment Manager(s) selected to manage the funds have strict reporting guidelines. You need to know that their reports are clear, relevant and a fair reflection of their efforts.

The frequency and level of detail contained within these reports will vary, based on your preferences. A typical arrangement would be for us to provide shortened reports, which are referred to as a 'dashboard' on a half yearly or quarterly basis with a more detailed report produced once a year, shortly after your financial year end.

There is no obligation to engage Epoch for any ongoing reporting services, however, we find that most clients see this as vital part of completing the overall strategy review process.

To discuss this further, please contact us.

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## Regulated advice

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The below table details which parts of the Epoch Consulting service are authorised and regulated by the Financial Conduct Authority.

Stage 1	Trustee Training/Workshop	Unregulated
	Guidance and Assistance on Policy Documents	Unregulated
Stage 2	Analysis of Existing Investment Portfolio	Unregulated
Stage 3	Running Formal Tender Process	Unregulated
	Appointment of Investment Managers	Regulated
Stage 4	Ongoing Reporting of Investment Manager Performance	Unregulated
	Independent investment manager scrutiny and monitoring	Unregulated
	Ongoing Guidance on Risk, Ethical & Policy Maintenance	Unregulated
	Assistance & Guidance over liquidity, cash allocation, overall investment strategy	Unregulated
	Ongoing guidance on suitability of underlying Manager	Regulated

