



Topic: "ASIC MDA Update and Starting and Maintaining an Investment Committee"

sponsored by Onevue

Presenters:

Angela Ashton – Researcher - Evergreen Consultants

Annika Bradley - Financial Services Consultant

Gordon Quah Smith – Lawyer

Toby Potter – Chairman IMAP

Dan Powell – OneVue group



Agenda

Panel discussion on the best practice for Dealer Groups in establishing and maintaining an Investment Committee, with particular reference to Managed Accounts.

Initial overview of the key changes that ASIC announce

Topics covered will include:

Objectives of an Investment Committee

Independence vs in house membership

Integration of the IC into the broader organisation structure

What should be in the Charter / Policy Statement

Monitoring and managing performance and risk metrics of the Managed Account investment programs

Fees – what should a dealer group expect to pay for independence?

What's in an Investment Charter?

Key components	Examples
1. Purpose and authority	<ul style="list-style-type: none">- Purpose: oversee investment risk and the investment management function- Authority: IC normally a sub-committee of the Board
2. Responsibilities	<ul style="list-style-type: none">- Formulate investment philosophy/guiding principles- Set investment objectives of strategies/products and investment policies- Monitor investment performance and risk
3. Composition and voting	<ul style="list-style-type: none">- E.g. 5 members (including external/independent)- Who can vote? Majority required? Unanimous?
4. Meeting frequency and attendance	<ul style="list-style-type: none">- Monthly/quarterly meetings- Can advisers dial-in to part/all of meeting?
5. Committee performance	<ul style="list-style-type: none">- Annual review of committee performance to determine if it is functioning effectively
6. Secretarial	<ul style="list-style-type: none">- Agendas to be prepared and circulated to enable all members to adequately prepare for meetings- Minutes to be taken and circulated within a reasonable timeframe
7. Charter review	<ul style="list-style-type: none">- Annual review of charter to be conducted to ensure best practice

What's in an Investment Policy Statement?

Key components of IPS	Example
1. Investment philosophy/ guiding principles	<ul style="list-style-type: none">- Active/passive/diversified/contrarian- Risk tolerance- Fees and taxes- Approach to ESG/sustainable investing
2. Investment objectives of strategies	<ul style="list-style-type: none">- Benchmark/peer-aware- CPI plus- Time horizons
3. Asset allocation(s)	<ul style="list-style-type: none">- Approach: SAA/TAA/DAA (informed by philosophy)- Target asset classes and ranges (for each product)
4. Investment selection	<ul style="list-style-type: none">- Use of external managers- Due diligence process- Contract negotiation principles (fees, transparency etc.)
5. Risk management	<ul style="list-style-type: none">- Risk definition or measure- Use of overlays- Counterparty, concentration, liquidity
6. Other	<ul style="list-style-type: none">- Approach to currency management, leverage, derivatives, illiquidity, rebalancing policy, fee budget, tax considerations/structures
7. Monitoring and reporting	<ul style="list-style-type: none">- Performance contribution/attribution- Frequency of review



IMAP ASIC MDA Class Order briefing Videoconference Event

Wednesday 26 October 2016 in person in Sydney and Melbourne

Program

- **Introduction Toby Potter, IMAP Chairman**
- **Presentation from ASIC's Tony Christie explaining timing and intent of the changes – ASIC**
- **Commercial consequences - Claire Wivell Plater, The Fold Legal in Sydney and David Court and Matthew Twomey Holley Nethercoate in Melbourne**
- **Questions**
- **Close followed by refreshments**

This is a pay to attend event.

Sydney – Macquarie Bank L10 Auditorium, 50 Martin Place, Sydney

Melbourne – Macquarie Bank L23 Conference Room, 101 Collins Street, Melbourne

Register at imap.asn.au/events

CPD points apply



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