

# Investment Consulting

**BUCK**

# Wealth: Retirement and Financial Well-Being

A unified, interdependent team serving the needs of institutional retirement clients for over 100 years

## Investment Consulting

- Implemented or Discretionary
- Performance monitoring
- Asset allocation
- Manager research
- Manager selection and monitoring
- Investment policy
- Outsourced CIO

## Retirement

- Actuarial valuations
- Retirement Readiness
- Pension Disclosure and expense calculations
- Plan design
- Compliance
- Data remediation

## Risk Management

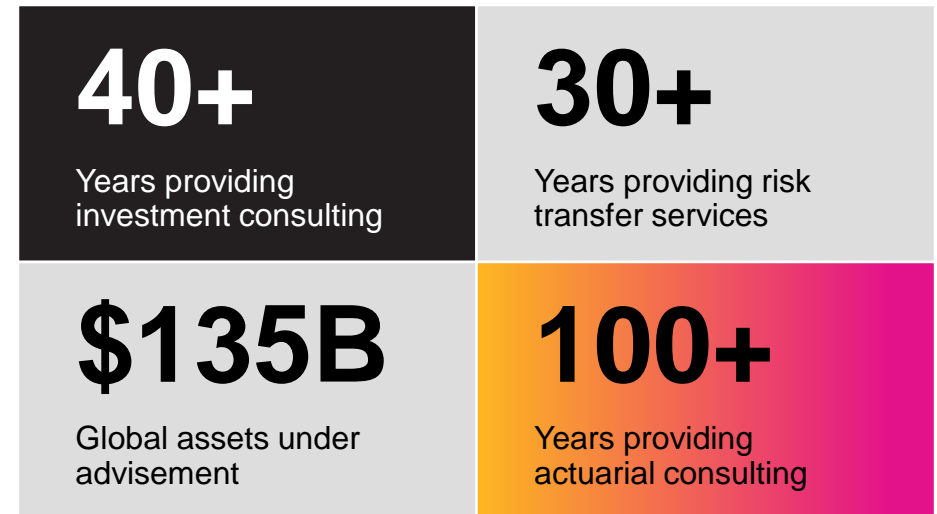
- Asset / liability modeling
- Customized liability benchmarks
- Risk right-sizing
- TV lump sums
- Annuity buy-ins and buy-outs
- Plan terminations

# How Buck is Different

Our investment solutions are optimized in our clients' best interest helping clients fulfill their fiduciary responsibilities.

- **We are an Independent Registered Investment Advisor.**  
We have no internal or proprietary funds.  
We support best-in-class manager selection through an open architecture framework picking the best investment options for you.
- **We are transparent.**  
We have no revenue sharing nor hidden fees.  
Our fee reporting is upfront, clear, and transparent.
- **We are flexible.**  
We do not require complex assets transitions.  
We work with virtually any bank or manager.
- **We are more than just investments.**  
We are experienced defined contribution professionals with extensive regulatory and compliance knowledge, experience in plan design, and vendor searches.  
We are experts in pension risk and liability valuation. We see every angle, from funding policy to plan design to risk transfer and end game strategies.

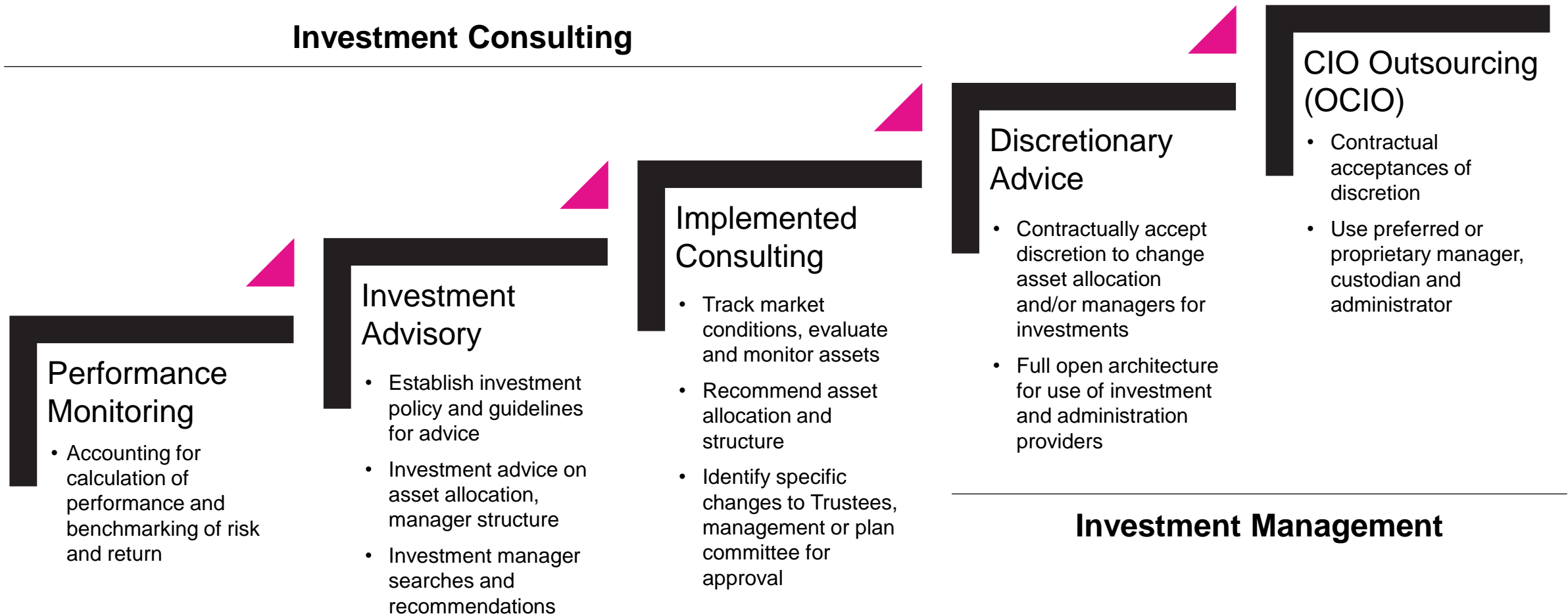
- **We have the experience.**  
Founded in 1916 and consulting on investments since 1977, we have extensive experience. Our dedicated team is highly specialized in investment management



# Spectrum of Investment Services

We provide a wide variety of service levels to Defined Benefit and Defined Contribution Plans. Whatever your client needs, we can help.

## Investment Consulting



### Performance Monitoring

- Accounting for calculation of performance and benchmarking of risk and return

### Investment Advisory

- Establish investment policy and guidelines for advice
- Investment advice on asset allocation, manager structure
- Investment manager searches and recommendations

### Implemented Consulting

- Track market conditions, evaluate and monitor assets
- Recommend asset allocation and structure
- Identify specific changes to Trustees, management or plan committee for approval

### Discretionary Advice

- Contractually accept discretion to change asset allocation and/or managers for investments
- Full open architecture for use of investment and administration providers

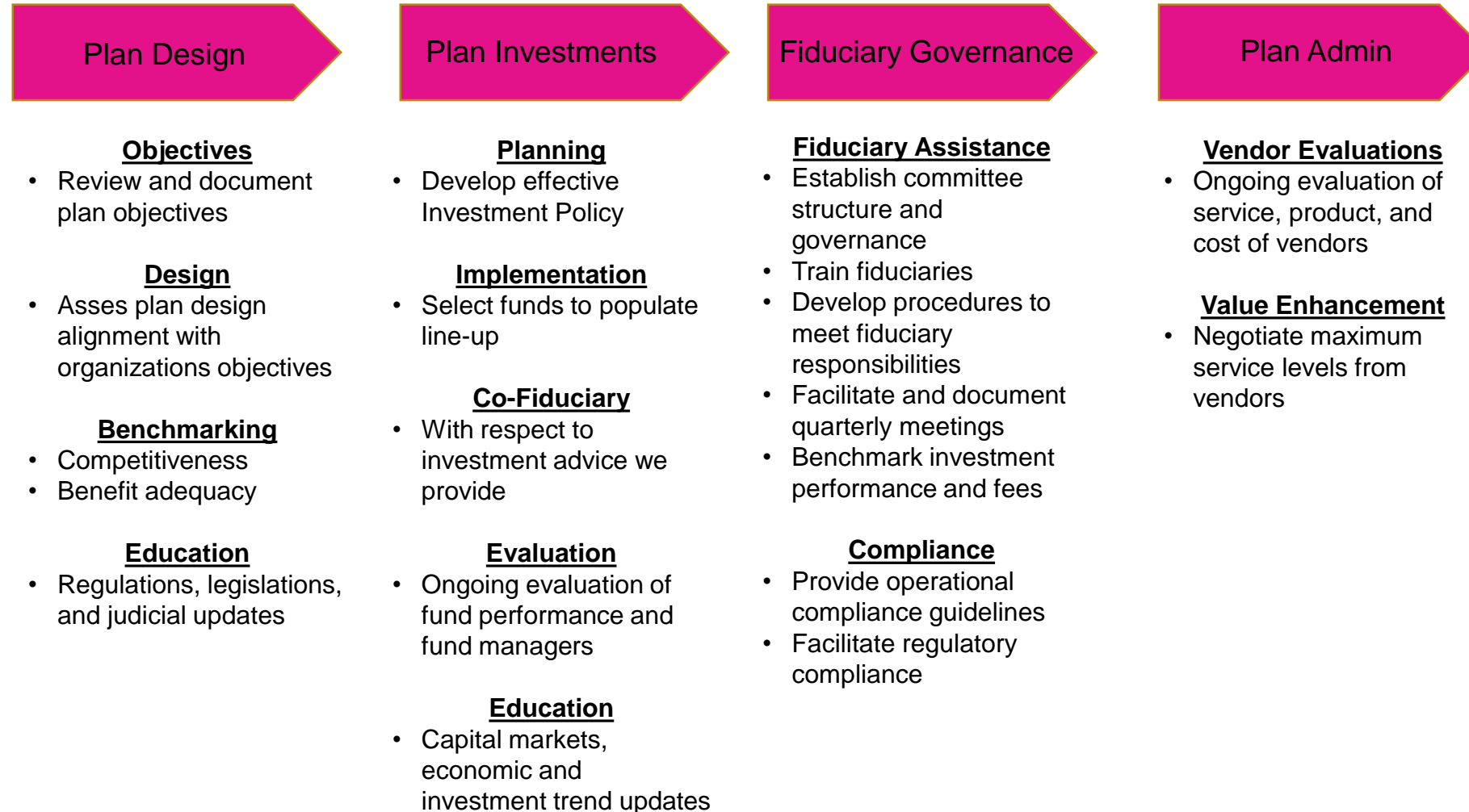
### CIO Outsourcing (OCIO)

- Contractual acceptances of discretion
- Use preferred or proprietary manager, custodian and administrator

## Investment Management

# Defined Contribution Investment Solutions

# Our DC Services Range From Formation To Delivery



# Our Investment Beliefs

1

A diligent fiduciary governance process with a functioning committee is critical to the success of a DC plan

2

Plan design is important for an effective DC plan and there needs to be an alignment between plan design and company objectives

3

An optimal plan investment structure governed by an IPS and tiered to the participant audience is necessary for an effective DC program

4

There is a best practice structure of investment options and asset allocation and diversification is just as important in a DC plan as in a DB plan

5

An effective DC platform will carefully select the default option, paying attention to plan demographics and plan objectives

6

There are significant risk factors for DC plans

# Investment Objectives and Policy

At a minimum, we believe that an investment policy statement should contain:

- General statement of the Plan’s purpose
- Investment Objectives
- Fiduciary roles and responsibilities of all parties (i.e., Investment Committee, staff, consultants, etc.) involved with the organization’s investment program
- Due diligence requirements for selecting the Plan’s investments
- Qualified Default Investment Alternative
- Procedures for reviewing results
- Performance expectations relative to peer groups, benchmarks and indices
- Procedures for watch-list, retaining and terminating investment managers
- Proxy voting, self-directed brokerage, and administrative policy issues
- Fee policy and participant disclosures

- *Establishes guidelines for the operation of the investment program*
- *Sets the stage for all the work to be done on the Plan*
- *Provides enough detail to effectively manage Plan but not “handcuff “ decision makers*
- *With these elements in place, monitoring compliance with policy objectives is straightforward and systematic, so that the Investment Committee can be alerted to any issues or concerns*

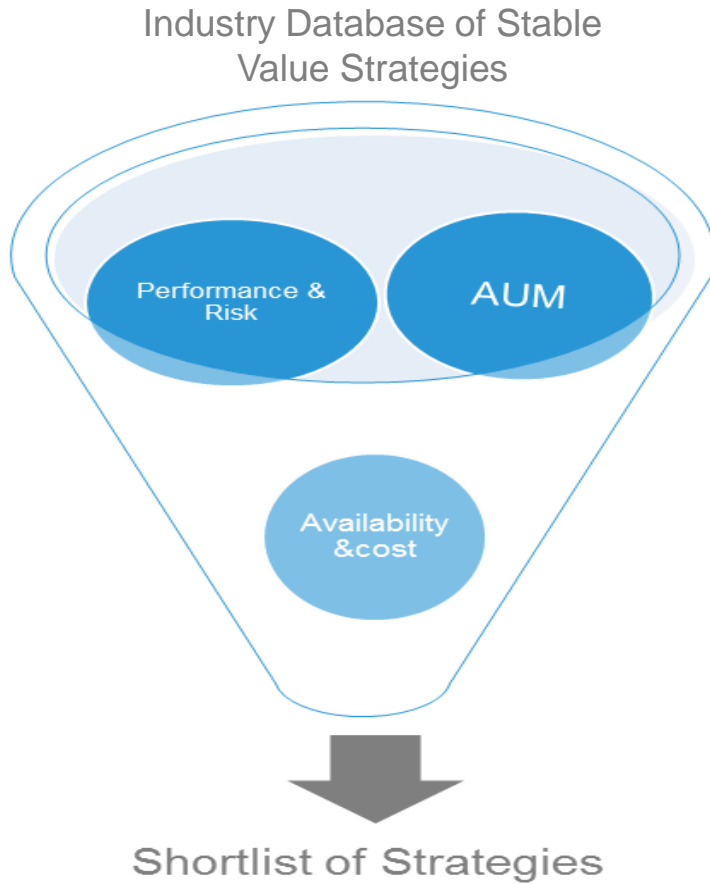


# Manager Research

# Buck's Manager Selection Process

Completely unbiased and, as a fiduciary, focused only on finding the most suitable investments for your plan

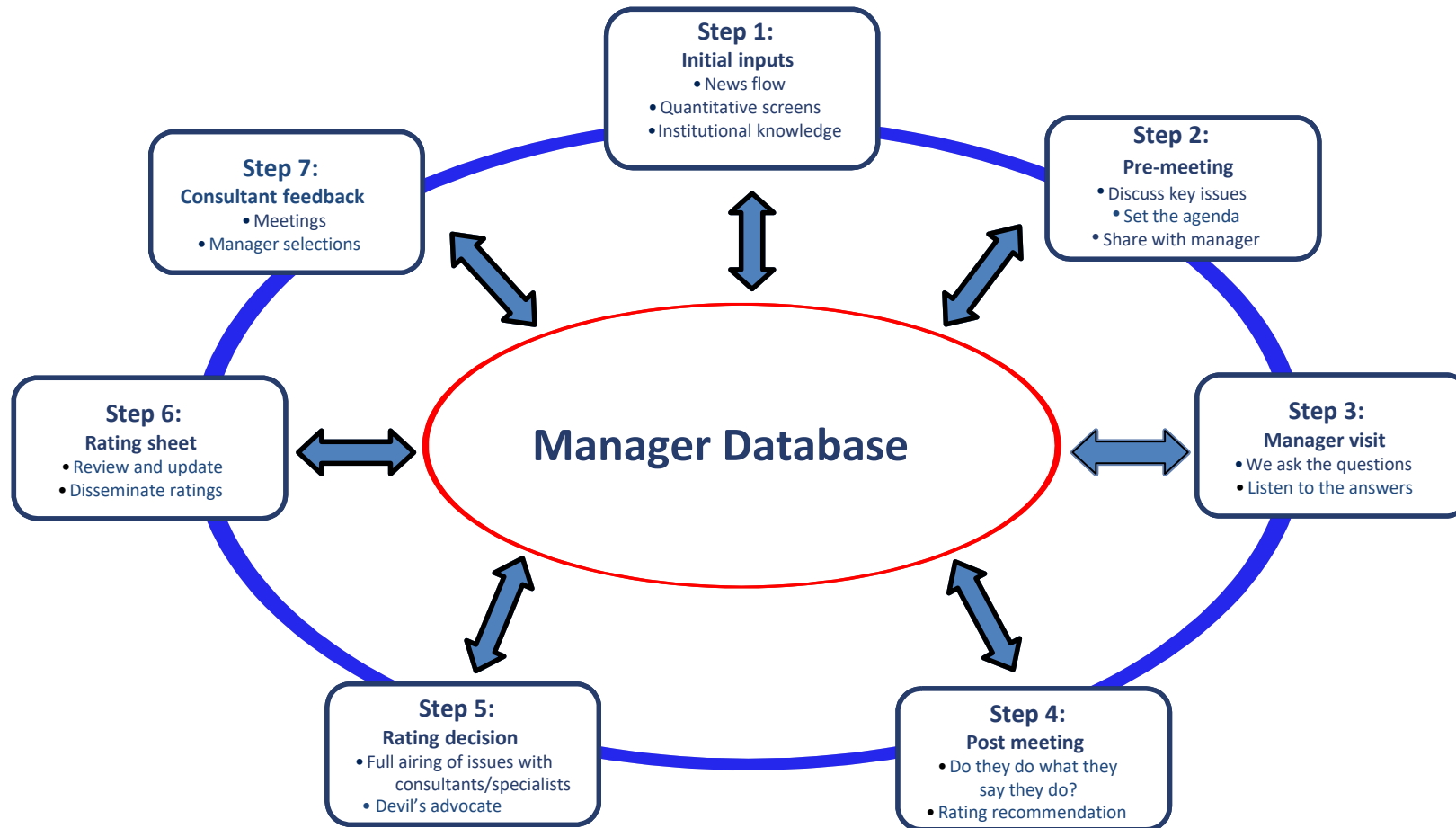
## Step 1: Screening



## Step 2: Due Diligence on short list



# Manager Research - Comprehensive Process



# Manager Research – Due Diligence Process

We apply numerous criteria to identify top managers

## Organization and People

### Depth and Stability

- ☑ Ownership structure
- ☑ Compensation policies
- ☑ Professional turnover
- ☑ Succession planning
- ☑ Business focus
- ☑ Level of assets
- ☑ Culture of organization
- ☑ Alignment of interests
- ☑ Ethical standards

## Investment Process

### Consistent and Deep Approach

- ☑ Consistent investment philosophy
- ☑ Repeatable process
- ☑ Strong research capabilities
- ☑ Demonstrated knowledge
- ☑ Adherence to style
- ☑ Style-matching attribution
- ☑ Proper risk management

## Performance Record and Fees

### Legitimate and Repeatable

- ☑ In line with style
- ☑ Attribution analysis
- ☑ Understanding of performance drivers
- ☑ Performance dispersion
- ☑ Fees/expenses
- ☑ Liquidity

# Performance Monitoring & Reporting

# Performance Monitoring

- Provide clear information to answer three questions:
  - What was performance?
  - Was performance good or bad? Measure versus peers and benchmarks using a variety of statistics
  - Why was performance good or bad? Analyze portfolio and returns to determine if manager showed skill or benefited from style
- Focus on long-term
  - Designed to accumulate assets over time
  - Manager competence hard to assess over short-term
  - Refrain from short-term performance judgments

*Goal is competitive long-term returns relative to risk taken*

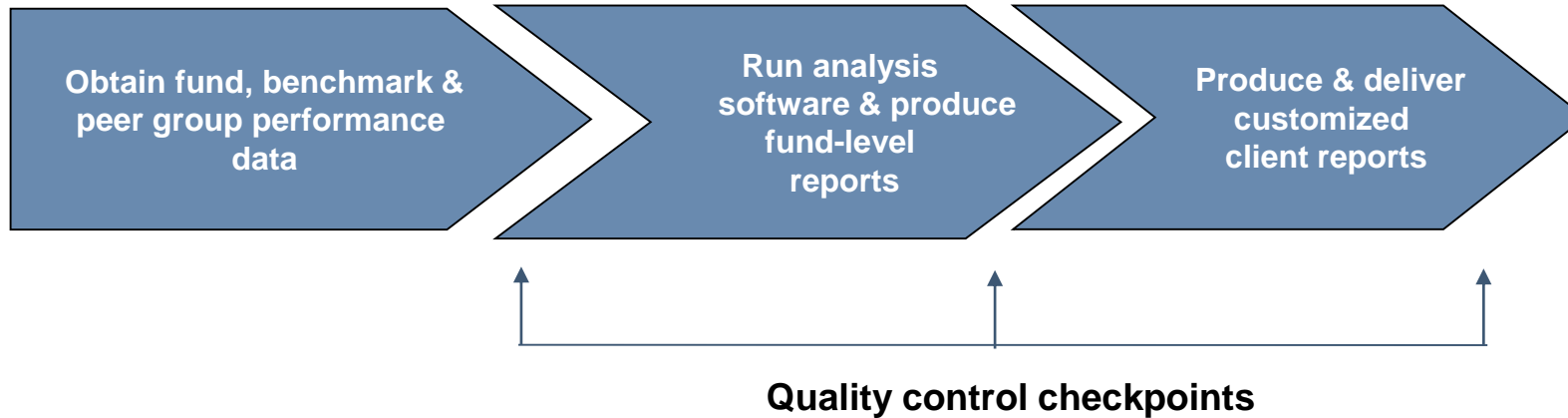
# Investment Performance Evaluation

- Buck's customized reports meet your informational and reporting requirements
  - Performance comparisons for total fund and individual managers vs. passive indexes and peer groups
  - Asset allocation review vs. policy
  - Quantitative data and qualitative analysis
    - Portfolio characteristics
    - Compliance with Policy
  - Expenses relative to peer group
  - Changes in investment management organizations that may affect future performance
  - Inclusion of special educational topics
  - Review of investment environment

# Our Analysis and Reporting Cycle is Timely

End of Month

30 to 45 Days



## Primary data sources:

- Morningstar
- eVestment Alliance
- Ibbotson
- Zephyr
- Russell Mellon
- Bloomberg
- Insurance companies, fund managers and trustees

## Analysis software:

- Zephyr StyleAdvisor
- Russell/Mellon Analytical Solutions
- Morningstar
- eVestment Alliance

## Client reports:

- Quarterly schedule
- Includes market commentary and individual fund commentaries
- Reviewed via conference call or on-site meetings
- Alerts issued for any significant fund-level events



