

Status Quo or OCIO? – A Self-Assessment

Answer the questions below. Scores of 3 or higher indicate that OCIO could be an effective solution for your organization.

Governance

← Agree Disagree →

The investment committee understands its fiduciary responsibilities and has time to educate itself on evolving standards specific to the organization's investment purpose (e.g., pension, endowment, foundation, healthcare).

N/A 1 2 3 4 5

The roles of investment committee members and other internal staff are clearly defined.

N/A 1 2 3 4 5

Investment committee meetings are well organized and attended.

N/A 1 2 3 4 5

The investment committee spends most of its time on high-level strategic objectives (risk tolerance and long-term investment goals) and little to no time on the day-to-day management of the portfolio.

N/A 1 2 3 4 5

The investment committee has sufficient financial expertise (either directly or with the help of internal staff or third parties) to select risk-appropriate asset classes and allocation targets/parameters.

N/A 1 2 3 4 5

The investment committee is comfortable and effective in communicating its investment approach and the status of the portfolio to key constituents (e.g., Board of Directors, senior management, outside donors).

N/A 1 2 3 4 5

Portfolio Construction

The investment committee/organization has sufficient time and expertise to evaluate a wide range of managers and vehicles.

N/A 1 2 3 4 5

If the investment committee receives assistance from third-party advisers (e.g., consultants):

The investment committee is capable of translating advice received from one or more advisers into a comprehensive portfolio.

N/A 1 2 3 4 5

Those advisers have an "open architecture" approach to the selection of managers/vehicles (and do not have financial incentives to recommend specific managers/vehicles to the investment committee).

N/A 1 2 3 4 5

The investment committee wants to make all investment decisions for the portfolio.

N/A 1 2 3 4 5

There is a centralized and disciplined process for making investment decisions.

N/A 1 2 3 4 5

Implementation

The investment committee has delegated the day-to-day implementation of investment decisions (hiring, firing and monitoring managers/vehicles) either to internal staff or to third parties.

N/A 1 2 3 4 5

If not, the investment committee has sufficient expertise (either directly or with the help of internal staff or third parties) to hire, monitor and fire managers and other parties (e.g., broker, custodians).

N/A 1 2 3 4 5

If appropriate, the investment committee has access to alternative investments (e.g., private equity, hedge funds) for the portfolio.	N/A	1	2	3	4	5
Risk Management						
The investment committee has the ability (either directly or with the help of internal staff or third parties) to:						
Conduct due diligence reviews on managers/vehicles (i.e., review and monitoring of corporate governance, operational processes and accounting controls of managers and vehicles).	N/A	1	2	3	4	5
Review, negotiate and execute the legal documentation required for portfolio investments.	N/A	1	2	3	4	5
Make tactical changes to the portfolio in response to unexpected market opportunities and challenges.	N/A	1	2	3	4	5
Performance						
The organization has been pleased with the performance of the investment portfolio over most periods.	N/A	1	2	3	4	5
“Back Office” and Reporting						
The investment committee receives full portfolio and performance reporting including data aggregation and attribution analysis.	N/A	1	2	3	4	5
The finance department has sufficient information regarding the portfolio to respond to audit requests.	N/A	1	2	3	4	5
The investment committee has support dealing with custodian and prime brokers.	N/A	1	2	3	4	5
Talent						
If the investment committee relies on an internal CIO/investment office:						
The investment office can attract/afford to hire top talent.	N/A	1	2	3	4	5
There is a deep pool of investment office staff to cushion unexpected departures or to manage succession.	N/A	1	2	3	4	5
Cost						
The overall resources available to the investment committee are adequate and within the organization’s budget.	N/A	1	2	3	4	5
The cost of OCIO would be significantly higher than the cost of obtaining similar resources through various internal and external providers.	N/A	1	2	3	4	5