

Status Quo or OCIO? – A Self-Assessment

Answer the questions below. A total score of 50 points or more indicates 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
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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
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Review, negotiate and execute the legal documentation required for portfolio investments.	N/A	1	2	3	4	5
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Make tactical changes to the portfolio in response to unexpected market opportunities and challenges.	N/A	1	2	3	4	5
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Performance

The organization has been pleased with the performance of the investment portfolio over most periods.	N/A	1	2	3	4	5
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“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
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The finance department has sufficient information regarding the portfolio to respond to audit requests.	N/A	1	2	3	4	5
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The investment committee has support dealing with custodian and prime brokers.	N/A	1	2	3	4	5
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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
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There is a deep pool of investment office staff to cushion unexpected departures or to manage succession.	N/A	1	2	3	4	5
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Cost

The overall resources available to the investment committee are adequate and within the organization’s budget.	N/A	1	2	3	4	5
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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
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