

**RUBICON**  
INVESTMENT CONSULTING



## Why was Rubicon Investment Consulting founded?

In recent years many pension schemes have seen large surpluses become large deficits, and have therefore become more concerned about the level of risk being taken within their funds. During the good times, many trustees did not sufficiently interrogate their investment managers or consultants regarding strategy, performance or risk. This was understandable, since returns were extremely healthy and schemes well funded. However, following the downturn in the equity market in 2000, trustees have become painfully aware of the need to pay as much attention to their scheme's assets as they do to the scheme's liabilities and, more importantly, the relationship between the two.

At Rubicon Investment Consulting, we aim to guide trustees through this complex arena by offering a range of services that make it easier for trustees to take an active and constructive role in making the investment decisions that are so crucial for the well-being of their pension schemes.

## Who we are

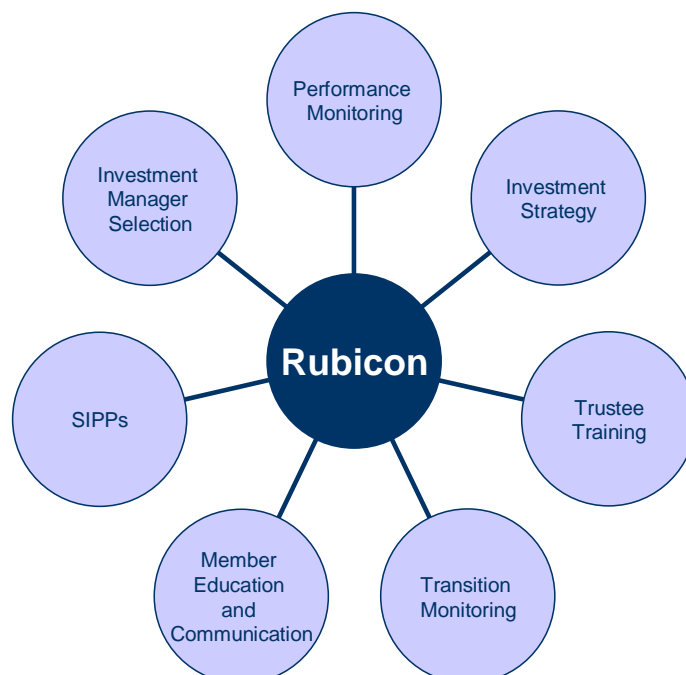
Rubicon Investment Consulting is an independent firm offering a wide range of investment consulting services to institutional investors. Founded in 2005 by Fiona Daly and Steven Harford, Rubicon was set up to meet the growing demand for clear, comprehensive, impartial and professional advice on the increasingly complex issues facing institutional investors in the modern economic environment.

Fiona Daly is an actuary with over 12 years experience in investment and pensions consulting. Previously she has worked for Irish Pensions Trust (now Mercer) in their investment consulting department, and Buck Heissmann Consultants. During her time with Buck Heissmann, she was instrumental in setting up and developing the investment consulting department, which she headed for 4 years. She qualified as a Fellow of the Institute of Actuaries in 1999, choosing investment as her specialist subject for the fellowship exam.

Dr Steven Harford is a Computer Scientist with over 10 years of industrial and academic experience. He holds a B.Sc. degree (first class honours) and a Ph.D. degree, both of which he received from Dublin City University. His doctoral research applied Artificial Neural Network technology to the problem of processing temporal patterns, with applications ranging from music retrieval to stock market analysis. Steven was formerly employed as a Software Engineer at IONA Technologies, where he worked on their flagship product *Orbix*.

## Our Services

At Rubicon we offer a wide range of investment consulting services to institutional investors. These include:



## Performance Monitoring

Within six weeks of the end of each calendar quarter, Rubicon will present the trustees with an in-depth report, detailing the performance of the pension fund's assets relative to their benchmark and, more importantly, outlining the reasons for this relative performance. Independent performance monitoring offers trustees an unbiased analysis of their investment managers' performance. This is an essential tool for trustees, who have a fiduciary responsibility to ensure that the assets of the pension scheme are managed in an appropriate manner.

## Investment Manager Selection

Whether selecting the investment manager (or managers) for a new pension scheme, or reviewing the scheme's existing investment managers, Rubicon can guide trustees through the difficult task of selecting the most appropriate investment managers for their scheme. Investment manager research is one of our core activities, and we maintain a comprehensive database of investment managers for a wide range of mandates. Using our expertise in this area, we can help trustees select the most suitable manager, whether it is for a small defined contribution scheme with a single, low-risk fund option or for a large defined benefit scheme looking to appoint a wide range of managers for sophisticated active mandates.

## Investment Strategy

It is important to focus time and attention on selecting the right investment manager and monitoring how they perform relative to their benchmark. However, it is absolutely essential that trustees ensure that the manager is following an investment strategy that is appropriate for their particular scheme, having regard to the scheme's own liability profile. In order to determine a suitable investment strategy, it is necessary to consider the behaviour of both the scheme's assets and liabilities. At Rubicon, we have considerable experience working with trustees to achieve the appropriate level of risk within a scheme's investment strategy.

## Statements of Investment Policy & Principles (SIPPs)

In 2005, new regulations were introduced requiring all pension schemes with over 100 active and deferred members to produce a Statement of Investment Policy & Principles (SIPP). The SIPP needs to be included in all future annual reports, and must be reviewed at least once every three years, as well as immediately following any change in investment policy. Rubicon can help trustees meet their regulatory requirements in this regard by preparing and updating a Statement of Investment Policy & Principles for their pension scheme.

## Trustee Training

Ultimately, trustees of pension schemes have responsibility for the performance of their scheme's assets. To this end, tasks such as the day-to-day management of the scheme's assets, and even the setting of investment strategy, are usually delegated to suitably qualified professionals. However, in order for trustees to be confident that they are making the right decisions, they need to have a thorough understanding of the tasks that they are delegating. Rubicon offers comprehensive training programmes to trustees covering the essential principles of investing, risk, investment strategy and investment management. This training facilitates trustees in confidently making fully informed, educated decisions when it comes to how their scheme's assets are managed.

## Member Education and Communication

As a consequence of the advent of Defined Contribution schemes, the responsibility for making investment decisions is falling to scheme members more and more. At Rubicon we offer member education programmes, which can be tailored for each scheme. This will enable members to have a full understanding of the implications of their fund selections and the risks of the various asset classes in which they may choose to invest.

We also offer member communication services. These include preparing detailed fact-sheets on each of the fund options (including structure, risk, suitability and performance), investment handbooks for members, regular performance updates and online projection tools.

These services can also be of value for Defined Benefit schemes that offer Additional Voluntary Contribution facilities.

## Transition Monitoring

In the event that the trustees decide to change the fund's investment manager, for whatever reason, their existing fund will be transferred to a new investment manager. There can be considerable confusion on the part of trustees when it comes to this process. Given the number of parties involved, it can be difficult to coordinate the transfer, or to make sure that the process is completed quickly and with minimum disruption to the scheme. It can be difficult to ascertain from the parties involved in the transfer exactly what the exercise has cost the scheme. Rubicon can act as a liaison between the incumbent and newly appointed managers to ensure that the transfer is carried out in a cost-effective and timely manner. Following completion of the transfer, we will prepare a clear and comprehensive review of the process for the trustees, detailing exactly how the transfer was carried out and how much it cost.

## **Contacting Rubicon Investment Consulting**

Further information can be found by visiting our website at [www.RubiconIC.ie](http://www.RubiconIC.ie). Alternatively, if you would like to discuss any of our services with us directly, please email us at [info@RubiconIC.ie](mailto:info@RubiconIC.ie) or call us on 01-6249706.

