

# WHAT SEPARATES THE BEST FROM THE REST?

Below are some of the markers of the more successful governance structures and investment programs to consider:

- 1 The governing fiduciaries clearly and consistently communicate the fund's purpose (i.e., the overarching investment objective or the fund and/or organisation) and risk appetite.
- 2 Roles and responsibilities are clearly articulated with authority appropriately delegated to staff, advisers and/or outsourced providers. Governing fiduciaries focus on 'governance' rather than 'management'. Those making the decisions have the necessary skills, experiences, and resources.
- 3 There is organisational continuity with stability among the various governance layers (e.g., investment committee membership and outsourced providers).
- 4 The governing fiduciaries adopt forward-looking perspectives focusing on the most important strategic decisions including the development and oversight of an appropriate risk management framework.
- 5 There is a holistic approach to risk management, with emphasis on developing robust policies, procedures, and reporting.
- 6 There is an emphasis on building meaningful strategic partnerships with fewer external providers, than might be typical.
- 7 Guided by strong governance documents and policies, all levels of fiduciaries at successful funds tend to work together towards common goals and objectives.
- 8 Recognising that markets change, and opportunities and risks evolve over time, the best funds are able to adapt as conditions warrant.
- 9 There is a focus on long-term objectives and risk rather than short-term and peer-relative performance. Successful investors recognise that markets are complex and volatile and that outcomes.