

# **NOVARE ACTUARIES & CONSULTANTS**

## **OPINION**

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### **IMPLEMENTED CONSULTING SUPPORTS TRUSTEES THROUGHOUT THE INVESTMENT PROCESS**

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The implemented investment consulting concept, championed in South African by Novare, represents a new and innovative approach in the investment advisory industry. It arrives in good time to help deal with the implications of the global financial crisis and, more specifically, its consequences for the trustees of retirement funds and medical schemes.

Trustees hold in trust the assets of fund members and their dependants, and on their shoulders rests a huge responsibility to make the right investment decisions at a time when that's never been more difficult to achieve.

For trustees, implemented consulting provides specialist support throughout the investment process, from the initial advisory stage through to execution and on on-going monitoring.

Besides the challenges presented by today's highly volatile financial markets, boards of trustees and other institutional investors are faced with a limited pool of top performing asset managers from which to choose. The pool changes constantly, and there's been a strong move towards specialist asset management.

At the same time, the emphasis on fund governance requires a significant commitment from trustees in terms of constantly managing risk in a complex regulatory environment.

Against this background there is pressure from fund members to maximise investment performance, and the knowledge that the cost of making bad decisions is higher when markets behave as they are now.

It was with these factors in mind that Novare developed its Comprehensive Implemented Investment Consulting offering that employs customised, liability-driven investment solutions.

However, in order to address the full spectrum of client needs, implemented consulting also provides focused and continuous investment advice, pro-active asset and liability risk management, robust governance, time efficient investment issues management and comprehensive support and service.

The implemented consulting solution is based on a single all-in fee that incorporates investment policy statement design and development, and an annual review. Portfolio structure and optimisation advice is included, as is asset allocation, initial and ongoing revisions including tactical asset allocation. We adopt a proactive approach to the management and monitoring of managers.

All other consulting and administrative services that trustees will need are also part of the implemented consulting package. These include the rebalancing of portfolios, cash flow management, operational oversight and control, coordination between managers and custodians, transition management and execution and training and member communication.

The success of implemented consulting in the investment advisory market is dependent upon a dedicated consulting service team that ensures access to and execution of innovative asset management and portfolio construction techniques.

A diversified team brings a new dimension to investment advice. Using their actuarial skills in an asset and investment context, the team focuses on performance when developing liability-driven investment solutions.

For trustees, implemented consulting provides specialist support throughout the investment process, from the determination of liabilities through to execution and on on-going monitoring. This, together with the team approach, helps deliver optimal investment solutions for the benefit of fund members.

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**Notes to Editors:**

- Novare™ is owned by the Mvelaphanda Group Limited (50.1%) and management and staff (49.9%). Mvelaphanda was established in 1998 by Tokyo Sexwale and the company has emerged as a leading black managed and owned company in South Africa.
- Novare Group comprises Novare Actuaries & Consultants, Novare Investments, Novare Botswana, Novare Actuaries Africa and Novare equity Partners.
- Novare Actuaries and Consultants strives to be the best implemented consulting firm in South Africa. The business is performance driven, with a focus on unique liability based investment solutions for each client.
- Novare Investments constructs portfolios by combining asset classes and using the best fund management skills available. When constructing portfolios, Novare looks for managers who make use of those innovative techniques and risk management tools, combining managers with skills in different areas. Novare Investments is a leader in South African hedge fund research.