



Idaho National Laboratory

Pension Plan Best Practices Plan Performance

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Plan Performance

- **Governance**
- **Committee Member Selection**
- **Investment Advisor/Consultant**
- **Fund Manager Selection**
- **Beating The Indexes**
- **Summary**

Governance

Be Certain to Include!!

Critical to Investment Success!!

Committee Member Selection

- **Background and Experience**
 - **Business, Finance or Accounting Related Professionals**
 - **Service on Other Similar Committees**
- **Commitment**
 - **Willing and Able to Devote Time and Energy**
- **Independence**
 - **Impartial, Unbiased**
- **Be Sensitive to Size**

Investment Advisor/Consultant

- **Conduct a Thorough Search**
 - **Well Designed RFP**
 - **Utilize Experts (Legal, Procurement)**
 - **Scrutinize Proposals**
 - **Analyze Report Format**
 - **Timing of Information Provided**
 - **References (Client List)**
- **Fees**
 - **Get What you Pay For; Don't Buy What You Don't Need**

Fund Manager Selection

Clearly Define Investment Objectives

- Consistent with Plan Document
 - Asset Allocation/Diversify
- Identify a Pool of Candidates Sufficient to Provide a Quality Selection
- Evaluate Performance over the Long-term
- Evaluate Investment Philosophy
- Evaluate Stability of Key Personnel

Beating The Indexes

- **Don'ts:**
 - **“Chase the Markets”**
 - **“Time the Markets”**
- **Do's**
 - **Develop a Sound Long-term Strategy**
 - **Establish Reasonable and Realistic Benchmarks**
 - **Monitor Performance Against Benchmarks**
 - **Take Corrective Action Timely**

Summary

- **Put Together the Best Team Possible**
 - **Use the Experts**
- **Be Patient**
 - **Give Your Plan Time to Work**
- **Recognize and Accept Short-term Market Fluctuations**
- **Maintain a Long-term Approach**

Thank You

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