MAKING RISK MANAGEMENT
ADD VALUE FOR OUR FUND



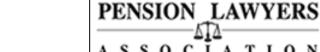


IN A MEMBER-CHOICE DC FUND

**GOOD GOVERNANCE** 

**RISK MANAGEMENT** 





- OUR RISK-BASED MANAGEMENT STRATEGY
- Mission Statement (Based on s7C/D)
- Identified Risks
  - Strategic s7C
  - Operational s7D
  - Investment
  - Hazard
- Assessed
  - Not yet
- Mitigated
  - Governance Process



- MITIGATING DELEGATED RISKS
- E.g ADMINISTRATION SUB-COMMITTEE
- MANDATE
  - Admin agreement
  - Indemnity
  - Monitoring
- HOW MUCH MONITORING IS ENOUGH?



- MITIGATING RISKS NOT DELEGATED
- E.g DEATH BENEFITS DISTRIBUTION SUB-COMMITTEE
- MANDATE
  - Wrong use of discretion
  - Process document
  - Information gathering
  - PI cover
- Also some delegated risks



- INVESTMENT RISK
  - IPS
  - Communication Policy
  - Default portfolio
  - No member advice





- RISK MANAGEMENT STRATEGY
  - Documented
  - Managed

Ends with Fidelity & PI cover

CONFORMANCE VS PERFORMANCE

