

# Where to Find Your Investment Expertise

2022 FIRMA National Training Conference

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# Insourcing Investment Management

## Advantages

- More control & transparency
- Tighter alignment with mission
- Lower cost for some

## Challenges

- Complex regulatory environment
- Middle Office functions
- Staffing

# What does insourcing look like

58

Percent of asset owners with assets in excess of \$25B manage some assets in-house

40

Percent of public pensions that manage assets internally

80

Percent of those that insource manage cash & fixed income

79

Percent of asset owners with >\$25B manage some equities internally

68

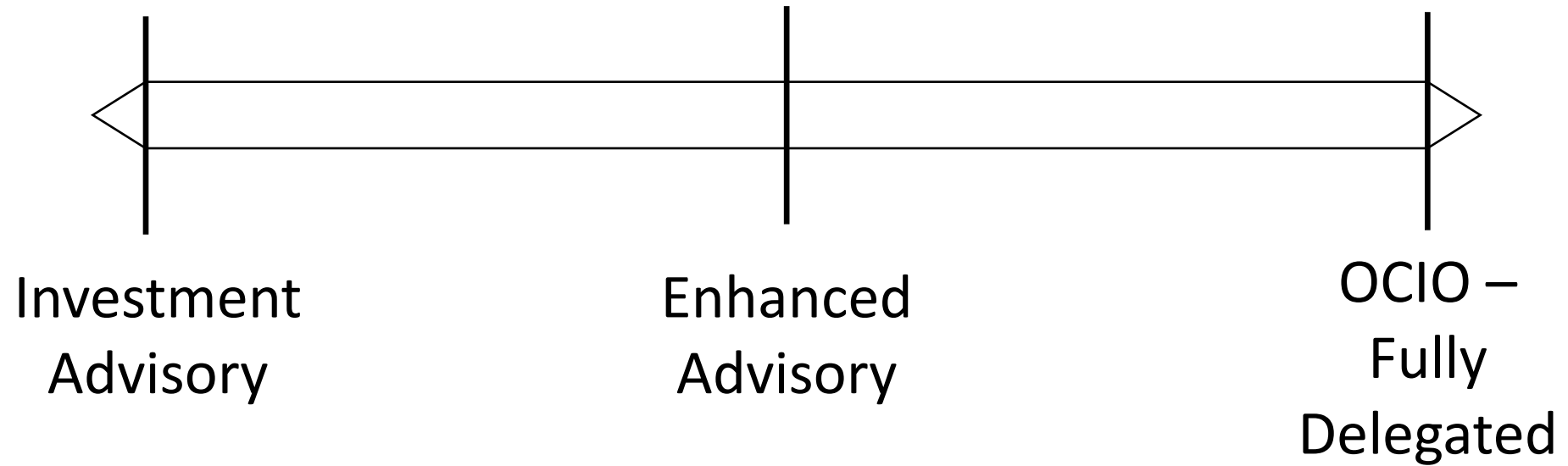
Percent of asset owners with >\$25B manage some alternatives internally

\*Source: BNY Mellon

# Types of Costs

- Implementation costs
- Staffing costs
- Opportunity costs
- Transaction costs
- Compliance costs
- Technology/Cyber security costs

# OCIO vs Advisor Consultant



# Key criteria for evaluation

- Depth & breadth of the team
- History with similar investors
- Operational support
- Fees
- Conflict-free structure
- Personality fit
- Asset management culture
- Performance

# Questions Fiduciaries are asking today

- Impact investing
- Governance
- Objectives & Risk Tolerance
- Co-investment
- Operational support