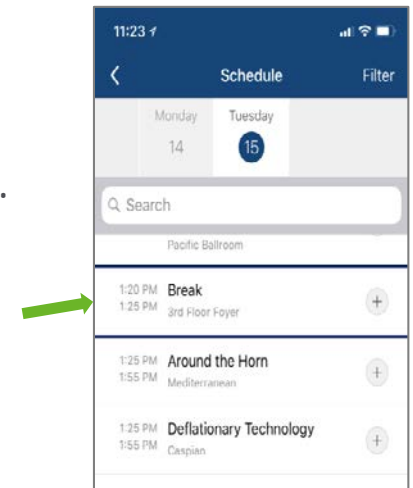


# PARTICIPATE ON OUR MOBILE APP

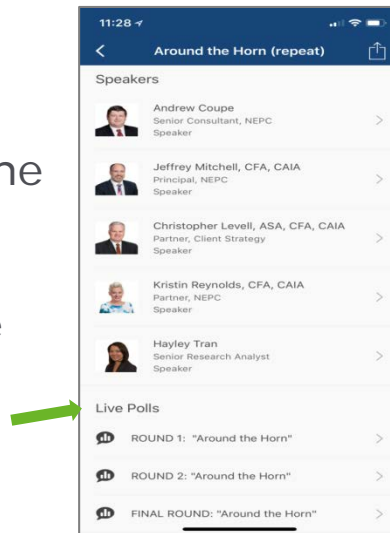
1. Tap Schedule



2. Locate your **chosen session** and tap its name.



3. On the session's page, scroll down to the **"Live Polls"** header and tap the name of the poll.



4. Once you've answered, tap **Finish**, then **Exit Poll** to submit your response.



< Edit My Responses





# OUTSOURCING (OCIO): DISRUPTION IN THE INVESTMENT INDUSTRY

**Chris Klapinsky, CFA, Partner,  
Director of Portfolio Strategy**  
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**NEPC'S 23<sup>RD</sup> ANNUAL INVESTMENT CONFERENCE**

MAY 14-15, 2018 | BOSTON, MA

# WARM UP – LET’S TAKE A POLL

What is your primary reason for considering outsourcing?

- Improve governance
- Access to lower fees
- I need back office help
- Faster implementation
- I’m already an NEPC OCIO client

<https://api.cvent.com/polling/v1/api/polls/sp-pe7vng>

# OUTSOURCED CIO DEFINED

- **“A client delegates most or a portion of their trustee governance responsibilities to a third party, potentially including asset allocation, investment decisions, implementation and on-going investment oversight”**
- **Other terms for OCIO include:**
  - Discretionary Consulting
  - Implemented Consulting
  - Delegated Services

# THE SUBSTANTIAL AND GROWING OCIO MARKET

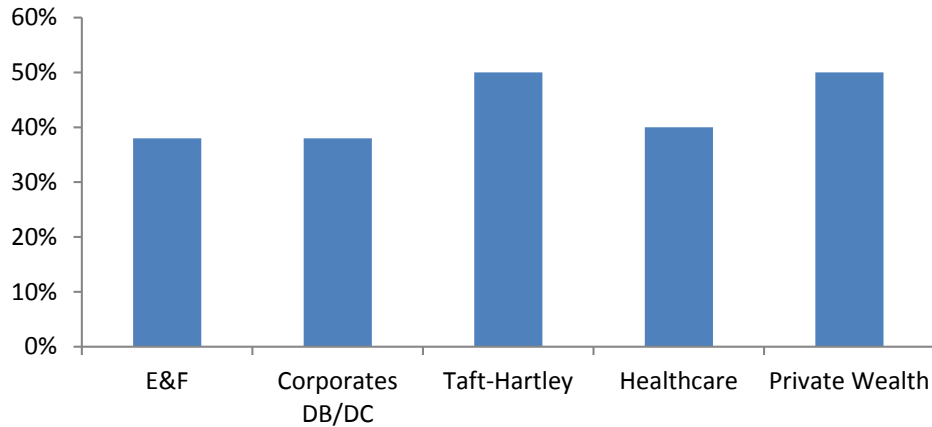


Source: Pensions and Investments, Cerulli Associates

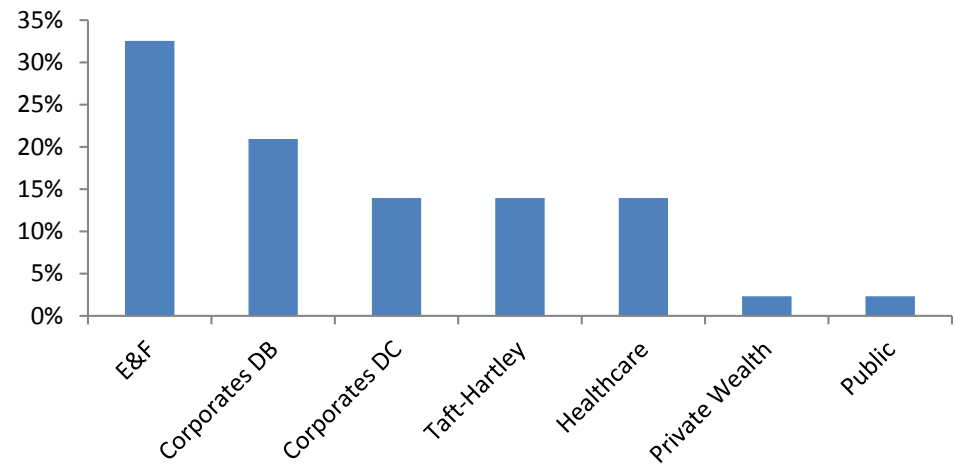
Source 2: Chestnut Advisory Group

# DEMAND HAS BEEN STRONG AND DIVERSE

## % of RFPs Requesting OCIO



## NEPC's Current OCIO Clients



- 50 clients
- \$17.7 billion AUM

# CONFUSION AROUND OCIO SERVICES

- **Single Fund**
- **Fund-of-Funds**
- **Unbundled – NEPC Model**

# REASONS TO PURSUE OCIO

Lack of Time / Resources

Increased Fiduciary Oversight



Focus on the Big Picture

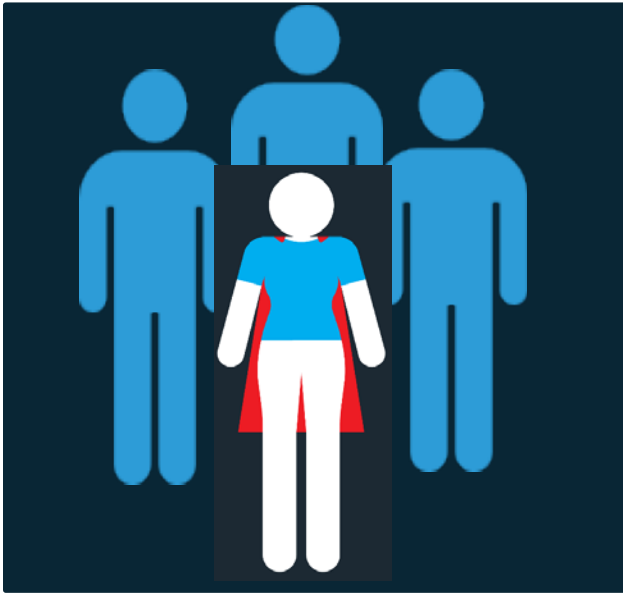
Lower Fees

Faster Implementation

Seeking Higher Returns



# OCIO OPERATIONS

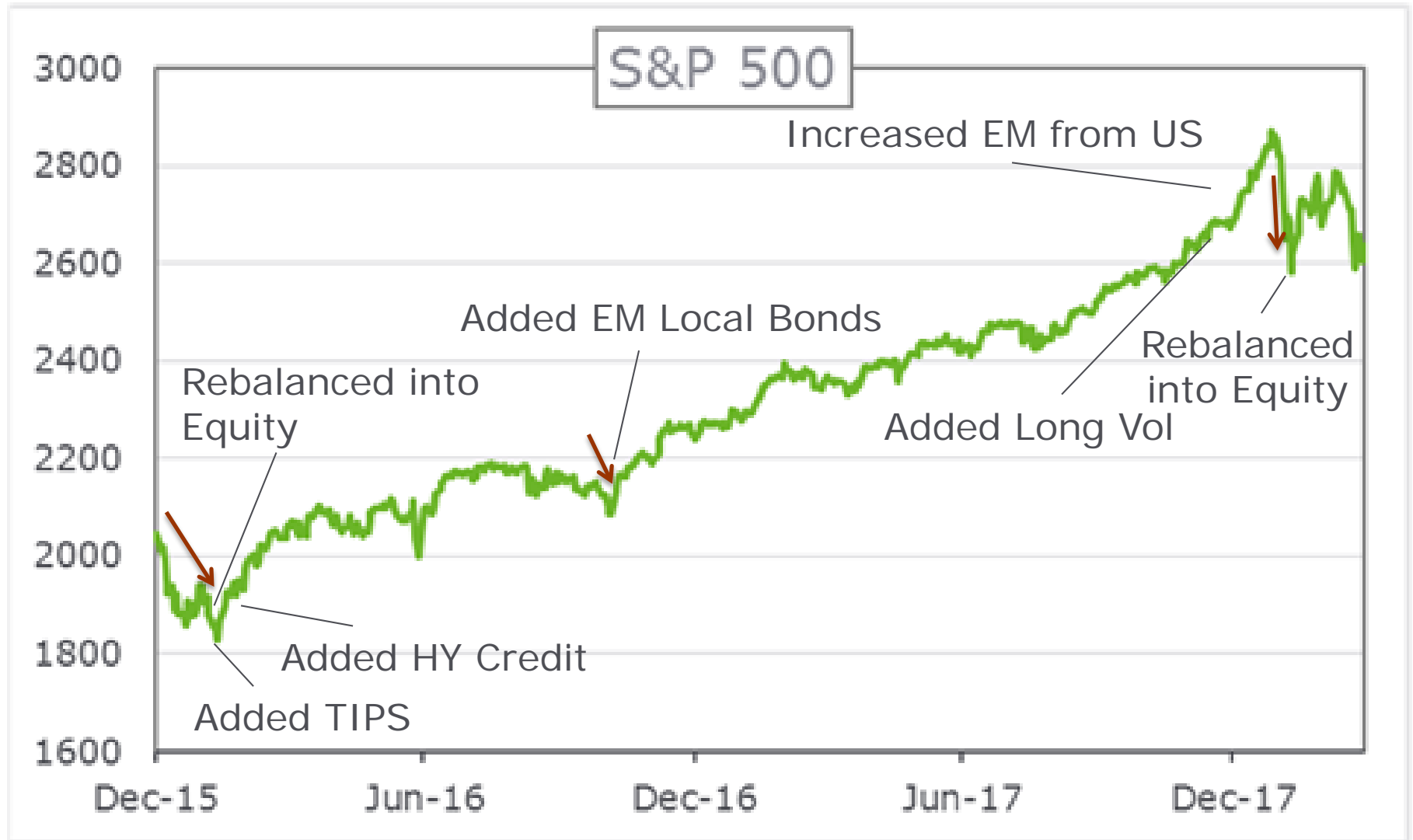


- **Dedicated Service Team** supporting trading, operations, and compliance
- **Significant experience with conversions, rebalancing, asset movements, and contracting**



- **Daily monitoring allows for immediate action, when appropriate**

# CLIENT EXAMPLE – IMPLEMENTATION SPEED



# SUMMARY

- **OCIO market continues to evolve**
- **There are compelling reasons to pursue**
- **We are here to help**

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