

CURCIO ♦ WEBB

Curcio Webb helps \$2.5 billion retirement plan sponsor evaluate and select an Outsourced Chief Investment Officer.

Situation

The sponsor of a \$1.0 billion defined benefit plan and \$1.5 billion defined contribution plan wanted to learn more about Outsourced Chief Investment Officer (OCIO) services. Both plans were in good shape. A traditional investment consultant was providing investment guidance and advice.

Challenge

The plan sponsor did not have sufficient internal resources to manage the investment operations. Additionally, the plan sponsor felt the current consulting team was complacent. As a result, they wanted to understand other options (both service model and partners) as well as related costs.

Solution

After analyzing the plan sponsor's objectives and constraints, Curcio Webb helped educate the team on the pros and cons of each investment advisory service model – traditional consulting, hybrid OCIO and fully delegated OCIO.

Curcio Webb then developed an RFP exploring all three models, and helped the plan sponsor select both the advisory model and investment advisor.

Decision

The plan sponsors settled on the hybrid OCIO model. The outsourced investment advisory team would bring specific recommendations to the investment committee for review and approval. That same investment advisor would then be given authority to implement the decisions and manage the day-to-day investment operations.

Results

Cost was 50% lower than if they had hired a fully delegated OCIO.

Treasury and Human Resources staff freed up their time to focus on other priorities.

Balanced the committee's desire to retain decision making authority with the ability to implement in a more efficient and timely manner.

More definitive and relevant benchmarks to evaluate each retirement plan's progress, easing the oversight process.

Are you considering hiring an OCIO?

Let us help you save money and reduce risk.

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