



Measuring your Consultant

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- Introduction to Unilever
 - How do we use Consultants?
 - What do we need from them?
 - What makes a good relationship?
 - Can you measure effectively?
- Summary





UNILEVER GLOBAL PENSION FUNDS

- 81 pension funds in 45 countries
- €19.5 billion in assets at end December 2007
- 12% DC / 88% DB/cash balance
- Top 10 plans – 87% of assets
- Multi-Manager Pooled Vehicle





ROLE OF CORPORATE PENSIONS

- Manage financial and reputation risk
- Design policy framework
- Select preferred providers
- Ensure governance framework of plans is appropriate
- Work in partnership with governing boards
- Provide advice and education





USE OF INVESTMENT CONSULTANTS

- Unilever has a list of preferred provider consultants
- They advise:
 - on company strategic pension and investment issues
 - Corporate Pensions on preferred investment provider selection (investment managers and custody) and periodic review of Corporate Pensions policy
 - governing bodies of pension plans
 - governing body of Multi-Manager Vehicles





INVESTMENT SERVICES

- Investment strategy advice including ALM services
- Implementation of strategy
- Special projects
- Manager selection
- Analytical work
- General investment matters





WHAT DO YOU NEED FROM A CONSULTANT?

- Partnership
- Innovation – thinking “outside the box”
- Expertise - intellectual value added
- Depth/quality of research capabilities
- High quality / timely delivery





WHAT TO ASSESS

- Business
- People and service provision
- Manager selection / research
- Manager structure design
- Asset Liability Modelling capability





WHAT MAKES A GOOD RELATIONSHIP?

- Know / understand your customer
- Partnership
- Ability to stand in the client's shoes
- Pro-active
- Commitment
- Accessible
- Reasonable fees!!





WHAT CAN BE MEASURED?

- Quality of manager research capabilities
- Robustness of ALM model
- Service standards





PITFALLS / ISSUES

- Manager research capabilities
 - take easy option / sit on fence (hold ratings)
 - sell late / buy late
 - inability to sell good ideas to clients





ISSUES

- Increasing specialist/complex world
 - wider range of consultants?
 - breadth versus depth of research
 - non-traditional providers
 - different views / making one “right” decision





SUMMARY

- Partnership is key
- Can measure to a limited extent
- Be aware of pitfalls
- Relationship is a two-way process





Question & Answers

