Investment Controlling & Monitoring

Aon Hewitt’s Investment Controlling & Monitoring is an early warning system and management tool, set apart by its proactive and incisive recommendations for governing bodies of pension funds as well as its research independent of banks and insurance firms.

An important task of a pension fund’s governing body or investment committee, is to monitor investment strategy and asset managers as well as investment performance and risk. Aon Hewitt’s Investment Controlling & Monitoring helps pension funds achieve three main objectives:

- Monitoring
- Management
- Efficiency

A good monitoring process is essential in allowing a pension fund to ensure that its asset managers comply with investment regulations and management contracts. It allows any deviations from objectives to be detected early, enabling the timely implementation of corrective measures. This improves risk management, which in turn leads to a more efficient investment process.

By working independently of asset managers, we ensure a neutral and objective monitoring process in the interest of the client.

We also provide monthly or quarterly Investment Controlling & Monitoring reports as requested by the client.

The monthly monitoring process includes controls of adherence to strategic allocation bandwidths, compliance with legislation and guidelines as well as the quality of asset managers.

The Investment Controlling & Monitoring report comprises the following elements:

**Summary of Results**
Each element to be controlled is summarized in a two-page report and evaluated using a traffic light system. This way the client can assess the assets on various levels at a glance.

- No action required
- Consider measures
- Urgent action required
Monitoring of compliance with directives

The regulations taken into account in the monitoring process include: investment regulations, statutory investment requirements (e.g. BVV2 limits), asset management contracts and other directives. Compliance with these regulations is monitored and disparities are reported.

Interpretation of asset allocation, returns and risk with respect to benchmarks and target values

Performance and risk of the pension fund’s assets are mapped into the current market context, enabling their interpretation.

Capital market assumptions

We give our clients access to our 10-year return and volatility expectations for all asset classes. This provides them with a clearer overview of the future market environment in which they operate as well as a valuable source of information to inform important decisions.

The quantitative part involves controlling the performance and risk of the individual products. Significant deviations from benchmarks or target values can lead to three different escalation levels:

- **Watch List**: the product is placed on a watch list and is given particular attention in future controls.
- **Escalation to asset manager level**: the asset manager is asked to explain the deviation in performance.
- **Escalation to client level**: we make recommendations to the client, suggesting specific measures to resolve the critical points.

Are you interested in a practice oriented service?

Our controlling reports are designed as a management tool: they focus on what is important, are easy to interpret and make specific recommendations where action is needed.

We would be happy to put together an offer tailored to the needs of your pension fund and/or a sample report for you. If you have any further questions, please do not hesitate to contact us.

About Aon Hewitt

Aon Hewitt is the global leader in human resource solutions. The company partners with organisations to solve their most complex benefits, talent and related financial challenges, and improve business performance. Aon Hewitt designs, implements, communicates and administers a wide range of human capital, retirement, investment consulting, health care, compensation and talent management strategies. Aon Hewitt is represented worldwide with 29,000 employees in 90 countries. In Switzerland, 180 employees are at your service in Aon Hewitt’s offices in Neuchâtel, Nyon and Zurich. For more information on Aon Hewitt, please visit www.aonhewitt.ch.

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