

# Global Best Practices The Argus Group



## An Informative Guide to Pension Sponsors & Investors



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*"I have confidence in the Argus Group to look after my best interests and to uphold the highest standards."*

# Our Pension Philosophy

The transition from gainful employment to retirement is a critical and important step in our financial lives - often largely reliant on the Bermuda Government's mandatory pensions investment scheme.

The responsibility of the Pension Administrator is just as important. For many, pensions investments represent a large part of the retirement savings strategy, so it is imperative that the entities entrusted to oversee these funds account for them in the best possible way.

At Argus, we embrace our duty as a Pension Administrator, offering products that meet the complex and unique needs of employees as they plan and prepare for retirement. As stewards of our clients' capital, we comply with all legislation and leverage our professional relationships with experts in the field to identify global best practices, as we seek to meet or exceed the highest standards.

By identifying growing trends in asset allocation, ensuring performance and fees are at acceptable levels, aligning interests with all stakeholders and having a robust governance model, we can accomplish this while remaining fully transparent.

# Structure

GLOBAL BEST PRACTICES	DESCRIPTION	THE ARGUS APPROACH
<b>Performance</b>	Returns are in alignment with targets, strategy structure and peer group.	The board has defined acceptable performance as 1st or 2nd quartile against an international peer group on a rolling 3- and 5-year basis.
<b>Fees</b>	Fee structure is clear, understandable and represents good value relative to the fund structure.	Our fee structure is fully disclosed and visible on our website, updated monthly. It is reviewed regularly relative to local and US market fee structures.
<b>Diversification</b>	Portfolios are appropriately diversified to manage risk, without being overly concentrated or having duplicate exposures.	In addition to the traditional classes of Fixed Income and Equities, the AIS funds invest in Real Estate, High Yield and have the ability to invest opportunistically.
<b>Structure</b>	The AIS funds are designed to be an all-weather structure. With low tracking error, a low fee structure and a simplistic suite of options to meet a broad range of client needs, this combination allows the components to fit together seamlessly, ensuring ongoing and consistent returns in alignment with the portfolio objectives.	As an umbrella mutual, the AIS funds have a prospectus, are audited annually, and have an independently calculated NAV.
<b>Benchmarking</b>	Our benchmark ensures performance reports have relevance to the investor. It provides the best ability to communicate performance and provides transparency.	Performance against the benchmark is monitored weekly and reported monthly to investors on the fact sheets.
<b>Market Dynamics</b>	The structure provides sufficient flexibility to allow modifications, providing optimal performance during changing market conditions.	1) The AWM quarterly macro meeting is an input in rebalancing. Longer term, the asset allocation is updated bi-annually with 10-year forecasted returns. 2) Provision through opportunistic allocation allows Argus to invest in market dislocations.
<b>Investment Policy Statement ("IPS")</b>	An IPS establishes a formal document and process as the basis for good governance and connects that investment structure with the board.	The IPS is updated annually and approved by the board.
<b>Diligent Rebalancing</b>	Systematic rebalancing retains alignment to the risk structure of the portfolios and adds value over time.	The IPS requires a review of rebalancing needs on a semi-annual basis.

# Due Diligence

GLOBAL BEST PRACTICES	DESCRIPTION	THE ARGUS APPROACH
<b>Transparency</b>	All costs and structure are fully disclosed so that investors understand all the components of the product.	Costs, structure and relevant benchmark information is included on the monthly fact sheets.
<b>Governance / Due Diligence / Oversight</b>	The Argus governance structure ensures accountability, adequate structure and oversight to ensure the underlying objectives are adhered to.	There is a distinct process to monitor performance and pension industry developments with a specific process to address performance which does not meet set policy and standards. Quarterly Investment Committee reviews a comprehensive reporting package, with ultimate accountability to the Argus board. The Investment Policy Statement is reviewed and updated annually. The asset allocation is reviewed and updated if required bi-annually.
<b>Conflicts of Interest</b>	Provision of investment services without any actual or perceived conflicts of interest such as use of proprietary funds, trail fees, or other commissions of any form.	The AIS funds meet this standard. The limited trail fees received by the AIS funds are passed onto the client.

# Social Commitment

GLOBAL BEST PRACTICES	DESCRIPTION	THE ARGUS APPROACH
<b>Simplicity</b>	A simple structure allows for fewer but more impactful decisions.	The full range of returns is available through making a single choice from six options.
<b>Client Education</b>	Having a better understanding of this complex product and the impact of investment choices, allows investors to make more informed decisions.	Client education is not a regulatory requirement in Bermuda. However, in alignment with global best practice, Argus offers investment education to all members.
<b>Environment Social &amp; Governance ("ESG")</b>	Three non-financial factors that measure the sustainability and societal impact of a business. Increasingly ESG is being integrated into traditional financial analysis.	The majority of active investment managers in the Argus portfolios incorporate ESG factors and considerations as part of the security selection process with a belief this leads to better portfolio outcomes.

### Argus Wealth Management Ltd.

Argus Wealth Management Ltd. ("AWM") is a wholly owned subsidiary of The Argus Group and was founded in 2005 to provide investment solutions for the pension portfolio of the Argus Group. AWM expanded its investment offering beyond the institutional space to offer its full range of services to high net worth clients, institutions and endowments.

AWM is registered under the Investment Business Act 2003 (Bermuda) and licensed to conduct Investment Business by the Bermuda Monetary Authority.

IF YOU ARE LOOKING FOR EXCEPTIONAL SERVICE IN PRIVATE WEALTH MANAGEMENT,  
PLEASE GIVE US A CALL. WE WOULD LOVE TO HELP YOU ACHIEVE YOUR GOALS.

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