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# The 7 Attributes of Highly Effective Pension Trustees



# Attribute 1



- 1) The strength not to be intimidated. Explanation: Being a pension trustee can be intimidating because of the money involved and the people who surround that money. Specifically, money managers, consultants, pension fund staffs and attorneys can intimidate trustees if trustees allow themselves to be intellectually bullied. That said, a highly effective pension trustee does not allow others to intellectually bully him or her. The highly effective pension trustee recognizes that as a "lay person" in the "larger money world" he/she must rely in part on advisors, but only in part. To give over one's fiduciary responsibility to "experts" is to destroy the very firewall between the "money people" and the contributors who are relying on the trustees to provide their best judgment.



## Attribute 2



- 2) The strength and willingness to be perpetually inquisitive A highly effective trustee recognizes the need to be perpetually inquisitive and is not afraid to ask for (demand) an explanation for anything that she/he doesn't understand. Part of the intellectual bullying game is to overwhelm nascent trustees with terminology and convoluted data so the trustee becomes trained in becoming a "bobble head". This intellectual bullying must be combatted with regular and routine inquiries from trustees. Trustees must constantly ask questions of money managers and staff so no one is lulled into believing that the trustees can be bamboozled at will.



## Attribute 3



- 3) The strength to be unwaveringly ethical - Self-evident. Ethical behavior is the foundational element of all effective trustees. Without this, pension funds are vulnerable to manipulation.



# Attribute 4



- 4) The ability and willingness to articulate clear (and as best as humanly possible) unbiased thinking. A highly effective pension trustee should always be willing and able to provide her/his best thinking about any issue. Thus, it is not enough to "know" what to do, trustees need to be ready and able to share their best thinking with others. This involves an ability to self-censor internal biases (or at least recognize them and relate them to the community) and provide the group his/her ideas/positions on critical issues.



# Attribute 5



- 5) The strength and willingness to be diligent. Highly effective Trustees need to be willing to read materials (not every page, btw, but bottom line numbers) and spend time understanding current best practices. In short, highly effective trustees must be willing to put in the time necessary to be prepared as best as possible for the task at hand. That said, the highly effective trustee recognizes there is never enough time to read/participate as much as one would like.



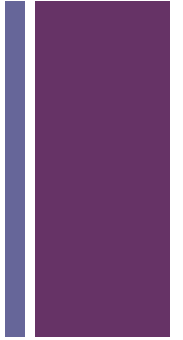
## Attribute 6



- 6) The ability to not be blinded by the deliberate distractors that are perpetually put before trustees. Highly effective trustees recognize that pension conferences are great opportunities to network with fellow trustees, not simply money managers. Highly effective trustees recognize that money managers are skilled at "distracting" trustees from the larger issues they must confront.



# Attribute 7



- 7) Highly effective trustees are great listeners and great interlocutors. They learn to speak less and listen more, while understanding that a key question, inserted at the right moment, is critical to narrowing discussion to the important issues at hand. Highly effective trustees do not allow money managers to drone on during their annual presentations. Highly effective trustees don't automatically "stay on the same page" as the money manager during presentations. The highly effective trustee listens to everyone, including herself/himself.