

POSITION SPECIFICATION

CalPERS

Chief Investment Officer

October 1, 2020

Key Responsibilities

Under the administrative direction of the Chief Executive Officer, and the policy direction of the Board of Administration's Investment Committee, the Chief Investment Officer (CIO) manages the Fund's investments and is responsible for the management and oversight of both the administration and investment functions of the CalPERS Investment Office, which includes but is not limited to: managing the fund's investments; advising the Board on asset allocation and the development of new and innovative investment strategies; implementing approved investment strategies and policies; leading a team of 350 multi-disciplinary investment professionals with 7 direct reports; establishing work flow and priorities and ensuring that investments earn returns above established benchmarks. The CIO must possess the investment acumen, experience, and knowledge to work with and gain the confidence of the CEO and CalPERS Board of Administration's Investment Committee, and to implement prudent strategies to fulfill CalPERS mission.

The CIO will be an integral leader in a large, diverse organization that administers pension benefits and purchases health care for 2 million members, and deals with a wide array of financial, economic, policy and administrative issues. The CIO is a critical member of the Executive Team for a highly visible and complex government organization and must have the skills to build and maintain cooperative relationships. The ideal candidate will be goal-oriented, organized and can carry out a complicated, highly visible, fast-paced multi-faceted role with poise and grace. Excellent communication skills are essential, as is transparency.

Additional responsibilities include:

- Implements board approved policies and ensures transparency regarding implementation.
- Educates and advises the Committee on investment theories and investment styles, quantitative strategies, and characteristics and changing conditions of U.S. and International markets.
- Continuously reviews and evaluates investment policies and objectives with the Investment Committee.
- Keeps current on domestic and international economic trends and investment vehicles to effectively foster consideration of innovative ideas to maximize returns for CalPERS member consistent with prudent risk.
- Oversees the development and implementation of the sustainable investment global governance program in conjunction with the CEO and General Counsel.
- Makes strategic investment recommendations to the Investment Committee.
- Reviews and monitors outside investment managers' performance and makes recommendations to the Investment Committee.
- Oversees CalPERS' full spectrum of internally managed assets.
- Ensures solid performance, cost effectiveness, risk management, and strategic fit with the overall portfolio.
- Manages and provides leadership to a professional staff including attracting, motivating, developing, and retaining exceptional talent.
- Negotiates fees with investment managers and the custodian, and monitors agreed upon payments.

- Upholds and maintains highly constructive shareowner activism and global governance initiatives which CalPERS champions.
- Represents CalPERS in the investment marketplace.
- Effectively communicates the overall investment strategy to diverse audiences.
- Promotes teamwork, cross-functional collaboration, and communication in support of CalPERS strategic goals.
- Builds and maintains cooperative relations with a broad variety of external and internal contacts.
- Acts as a primary spokesperson for CalPERS at investment conferences.
- Travels to meet with other domestic and international public and private pension fund investment professionals and executives, pension consultants, and external investment managers.
- Works collaboratively with actuarial staff to foster a cooperative understanding of the interrelationship between assets and liabilities.
- Contributes an innovative perspective on management issues.

Professional Experience/Qualifications

- Strong Investment foundation, equivalent to graduation from college with major work in business administration, economics, finance, or a closely related field. (Possession of an advanced degree in one of the fields included above, or closely related field; or certification as a Chartered Financial Analyst or other equivalent financial or accounting certification, such as a Certified Public Accountant, may be substituted for one year of the required experience.)
- 7+ years of increasingly responsible experience either in the private or public sector in planning and directing the work of staff engaged in the management or trading of a varied and complex investment portfolio for a major financial institution or firm or government agency.
- All employees must have general qualifications as described by California Code of Regulations, title 2, section 172.

Competencies and Characteristics

As this is a multi-faceted role, the individual must possess exceptional proficiency in many areas:

- The CIO must be an experienced and respected institutional investment professional with strong knowledge of global economic principles and trends, and their impact on diverse investment programs; investment vehicles and markets, including equities, fixed assets, real estate, and alternative investments.
- Experience must include managing both internal investment strategies as well as external managers separately or within a fund-of-fund environment.
- The CIO should possess a strong understanding of asset allocation, as an alpha generator and diversifier, across multiple asset classes. There should also be an understanding of the derivation of alpha for a \$400 billion + portfolio within the context of a strong risk management culture.

- CalPERS has adopted a set of Investment Beliefs that include, among other items, a focus on effective cost management. The CIO must embrace a philosophy and strategy that are aligned with the Investment Beliefs.
- The CIO must have a visionary/strategic approach and be able to establish, articulate, and implement clear priorities and processes for meeting the strategic goals of CalPERS, including management of a dynamic investment strategy moving forward.
- The CIO must have considerable experience managing, leading and motivating a large professional staff, and the ability to foster a collaborative working environment across the asset classes.
- The CIO must have experience developing and managing staff development and motivation through progressive training, and a multifaceted compensation strategy that fosters teamwork.
- The CIO must also possess the collaborative skills to coordinate with the Actuarial Office and the Financial Office on asset liability management, such as maintaining adequate funding to pay promised benefits is CalPERS' primary measure of success.
- The CIO must have demonstrated prudent risk management and ability to instill sound risk management principles as guides to decision-making throughout an organization.
- The CIO must have experience in investment management operations with some knowledge of systems applications.
- The successful candidate must have demonstrated a commitment to diversity throughout his/her career.
- The CIO must demonstrate leadership through integrity and accountability.
- The CIO must gather and analyze a broad range of economic and investment information and synthesize it into concise and coherent conclusions and recommendations to internal and external stakeholders.
- The CIO must evaluate a broad variety of investment options and reach prudent investment management decisions; adapt effectively to changing market conditions; maintain up-to-date knowledge of economic and investment trends and ideas and use that knowledge to develop and implement innovative investment strategies.
- The CIO must effectively promote equal opportunity in employment and maintain a work environment that is free of discrimination and harassment. He/she must promote equal opportunity in hiring and promotional development of employees.

Relationship Skills with the CalPERS Board and Organizations External to the Investment Office

- The CIO must have experience and skill dealing with governing boards and a demonstrated history of building relationships of trust, confidence, and respect with board members.
- The CIO must have the ability to work effectively with the Board to develop investment policies which balance complex interests with fiduciary duty.
- CalPERS has a long-standing commitment to promote sound global governance

principles in key companies we have an ownership stake in. The CIO must be committed to global governance and must be an impactful spokesperson for CalPERS and other institutional investors.

- The CIO's role is one that is highly interactive and visible with government officials, the legislature, industry groups, and the media. The CIO must have the experience and interpersonal skills to be a highly respected representative of CalPERS. The CIO is often the "face" of CalPERS at investment events, legislative hearings, media interview and with the membership at large. The CIO is also often required to meet with or present to CalPERS stakeholders, and requires someone who is comfortable with a higher profile yet can maintain their humility.
- The CIO must be able to perform effectively in an open, transparent public setting.