

# Chief Investment Officer: Prior Search Recap and Search Relaunch

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# Agenda

- Prior Search: Background
- Search Re-launch: Key Activities and Estimated Timeline
- Search Process Highlights
- Selected Search Firm
- Search Firm Presentation

# Prior Search: Background

## Process Recap

Initiated with prior search firm in October 2020

Search firm led the CEO and the Board in a discussion to determine minimum criteria the ideal candidate should align to

Identified candidate pool for consideration

Conducted two sets of interviews with two panels, including a six board member subcommittee

Paused the search

# Prior Search: Background, cont'd

## Ideal Candidate Criteria

Broad investment experience (10 – 15 years); large scale and high complexity

Demonstrated leadership experience over multi-functional teams

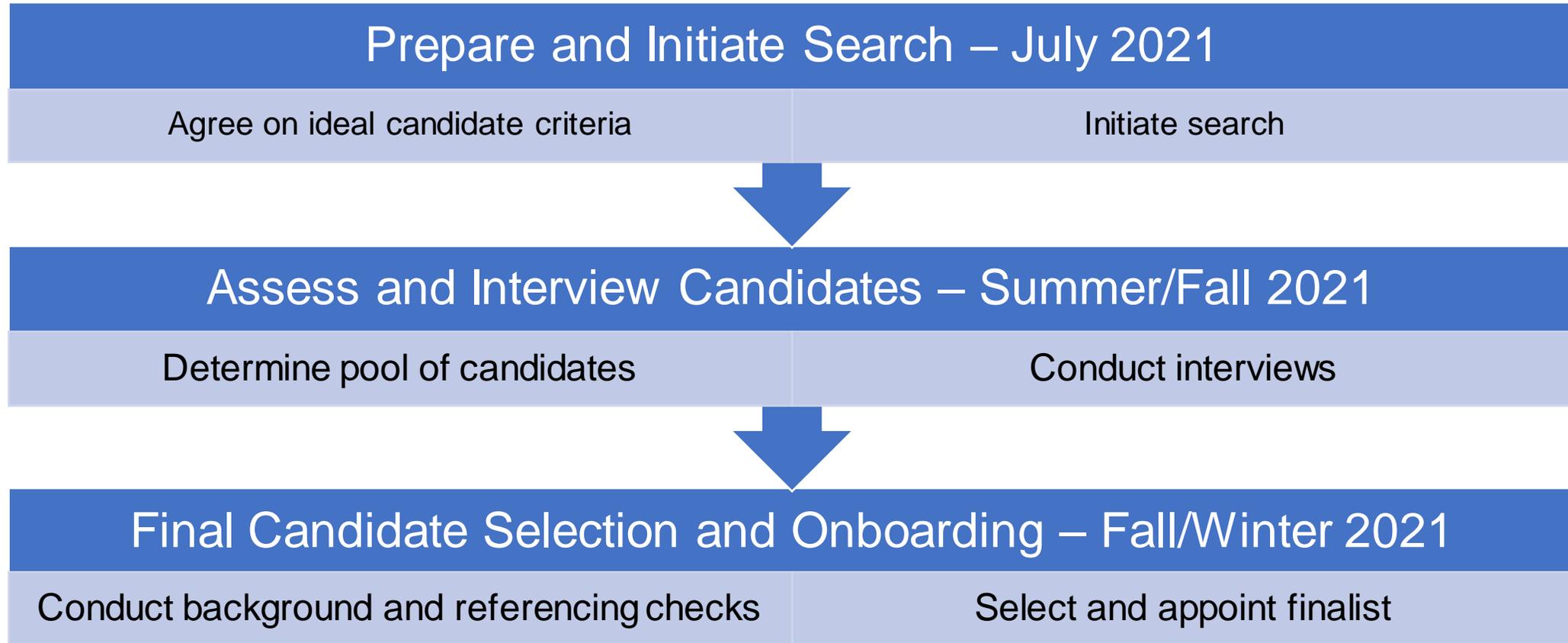
Bachelor's or master's in economics, finance, or closely related field

Adept at presenting complex information to boards, stakeholders, and other audiences with varied backgrounds

Ability to function effectively in a highly visible role

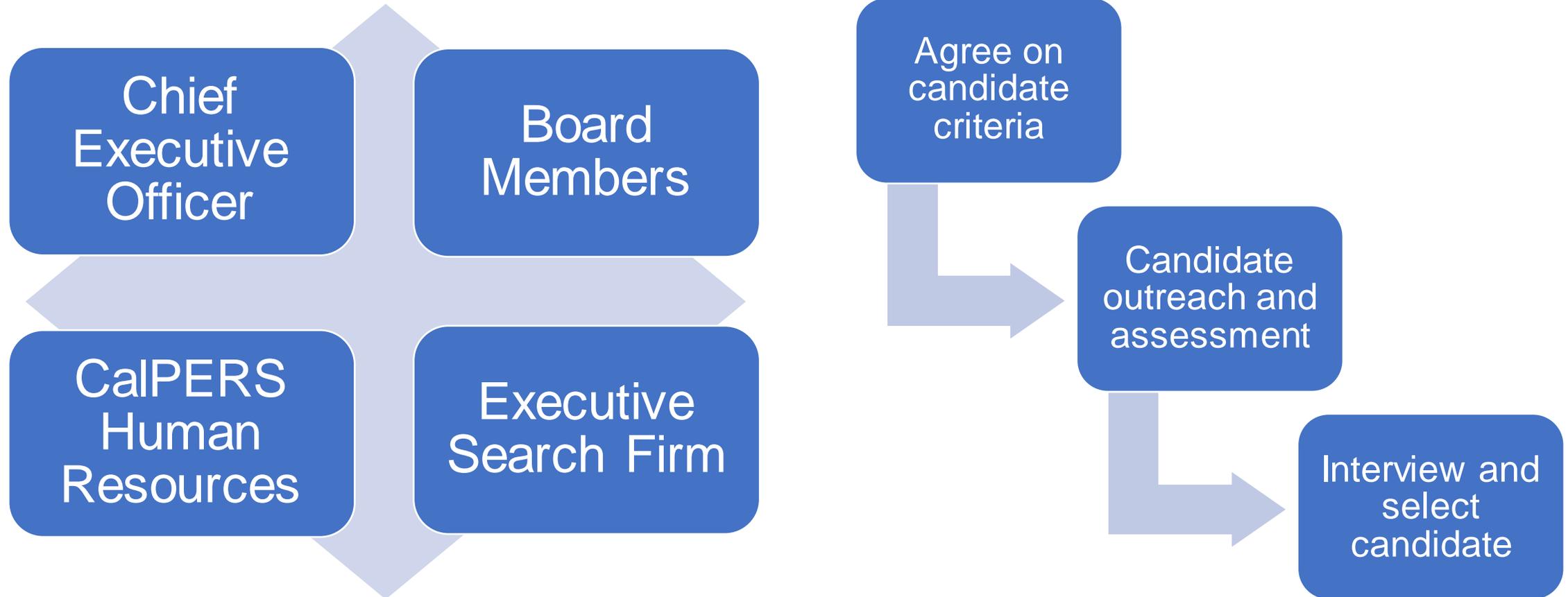
# Search Relaunch

## Key Activities and Estimated Timeline



# Search Process Highlights

Collaboration to Enhance Success



# Search Process Highlights, cont'd

## Roles and Responsibilities

### Chief Executive Officer

- Hiring Manager
- Contribute to setting ideal candidate criteria based on search firm expertise
- Lead selection process, involving the board
- Participate in all interviews

### Board of Administration

- Contribute to setting ideal candidate criteria based on search firm expertise
- Participate in selection process
  - Subcommittee participates in first interview
  - Full board participates in second interview

### Search Firm

- Lead the CEO and board in setting appropriate ideal candidate criteria
- Conduct a global search to identify a diverse and highly qualified candidate pool
- Administer appropriate candidate assessments
- Create candidate pool for consideration and liaison with candidates throughout process

### Human Resources

- Oversee and provide guidance on recruitment and interview process to ensure compliance with state-required merit-based process

# Search Firm

## Highlights and Introduction

# Dore Partnership



Demonstrated investment industry knowledge and expertise



Broad, global network of trusted clients and contacts



Proven track record placing investment professionals

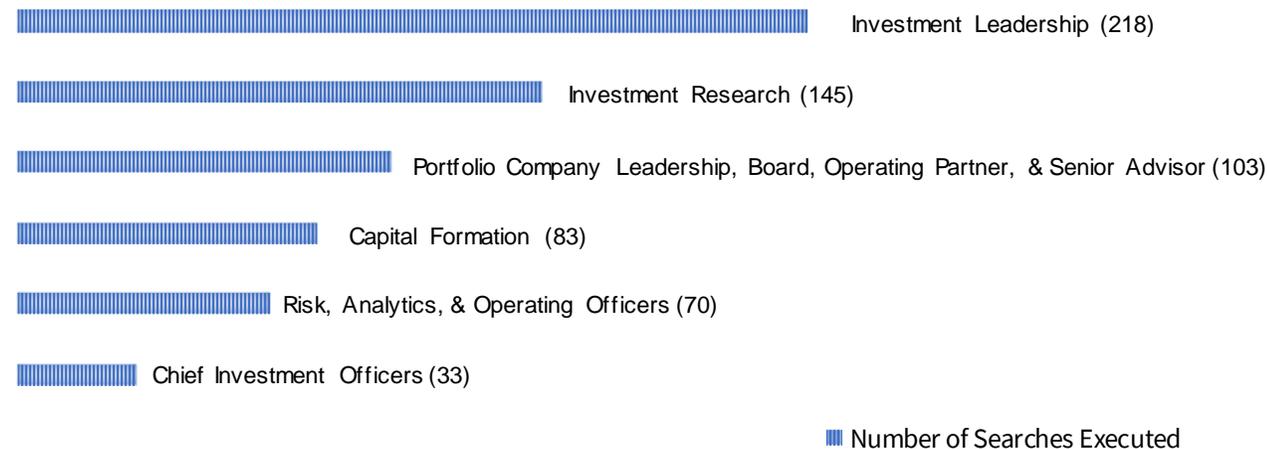
# Dore Partnership Introduction

Dore Partnership is a specialist global executive search boutique dedicated to partnering with clients to build world class investment management organizations by delivering exceptional talent and advice. The company was founded in 1997 with offices in New York, London, and Hong Kong and has made over 700 placements in over 30 countries and across 70 different cities.

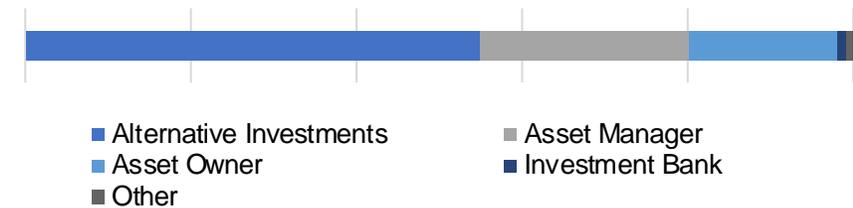
## Business Statistics

- **91%** Search Completion Rate
- **90%** of hired candidates have a tenure of >3 years
- Global portfolio of **130** retained clients since inception
- **42%** of these 130 clients have used Dore Partnership for **3+** searches

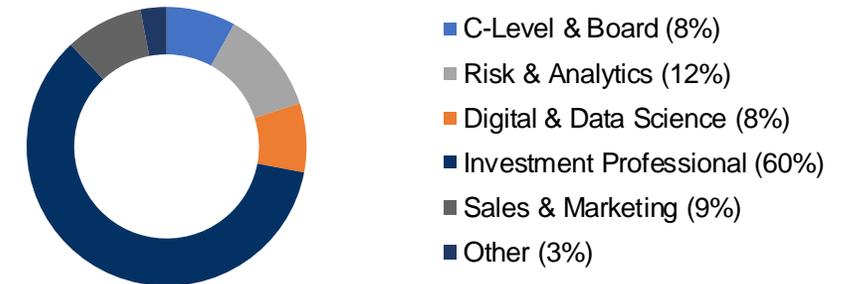
## Investment Management Track Record



## Client Breakdown



## Functional Coverage



## Geographical Coverage



## Peer Group CIO Insights (1)

Evaluation of the largest (by AUM) 60 pension plans (\$80bn-\$1.6tn), 20 E&F's (\$10bn-\$70bn), 20 SWFs (\$70bn-\$1tn) reveals:

- **Context:** 82/100 have a CIO - 5/100 currently vacant. 13/100 have a non-CIO structure
- **Tenure:** 44/82 (54%) CIOs appointed in the last 3 years
- **Continuity:** 52/82 (63%) internal vs. 30/82 (37%) external appointment
- **Diversity:** 72/82 (88%) Male, 10/82 (12%) Female, 4/82 (5%) Historically Underrepresented Groups (“HUGs”)
- **CIO Background:** 62/82 (76%) Asset Owner, 11/82 (13%) Asset &/or Wealth Manager or Hedge Fund, 9/82 (11%) Bank, Government, Corporate, Advisory.

# Peer Group CIO Insights (2)

Peer funds with 5-year annualized return of >7% = 31/100 (31%). Within this group, 2/31 CIO seat vacant, 2/31 non-CIO structure = sample set of 27:

- **AUM:** \$158bn Average
- **Tenure:** Average CIO tenure 5.1 years
- **Continuity:** 13/27 (48%) internal vs. 14/27 (52%) external appointment
- **Diversity:** 26/27 Male (96%), 1/27 Female (4%), 1/27 Historically Underrepresented Groups (4%)
- **CIO Prior Experience:**
  - o 22/27 managed <\$100bn AUM in previous role (81%)
  - o 16/27 managed <\$50bn AUM in previous role (59%)
  - o 12/27 managed <\$25bn AUM in previous role (44%)
  - o 8/27 managed <\$10bn AUM in previous role (30%)

# CIO Criteria

1. Relevant Investment Experience
  - Investment leader
  - Provides direction on overall strategic asset allocation and implementation
  - Demonstrable performance impact
  - Complexity (breadth, multiple strategies/markets/products, risk and portfolio construction)
2. Leadership
  - Experience building and leading large, diverse teams
  - Commitment to mentorship and continuity
3. Communication
  - Experience successfully working with a wide variety of stakeholders
  - Inclusivity, collaboration, and transparency
4. Fitness for Public Role
  - Ability to function effectively in a highly visible role
  - Demonstrates a calm and thoughtful demeanor
  - Process orientation and objective mindset
5. Sense of Mission
  - Will add positively to the cultural DNA and mission of the organization with energy, creativity, results-orientation, kindness, integrity and humility

# Search Process: Key Dates & Outcomes

- 1) Agree search criteria and CIO profile
- 2) Systematic, data and reference-led review of potential candidates (CIOs, Deputy CIOs, Divisional Investment Leaders) across ~300+ firms globally across all relevant firm types: SWF, Public & Corporate Plans, E&F, Family & Multi-Family Offices, OCIOs, Insurance Companies, Asset & Wealth Managers, Hedge Funds, Private Market Alternatives
- 3) Key milestones:
  - 1) Phase 1 – Research and Discrete, Inclusive Candidate Referencing
  - 2) Phase 2 – Candidate Approaches
  - 3) Phase 3 – First DP Candidate Assessment
  - 4) Phase 4 – Second DP Candidate Assessment & Education
  - 5) Phase 5 – Longlist & Shortlist Presentation to Subcommittee
  - 6) Phase 6 – Subcommittee Interviews [End of Sept]
  - 7) Phase 7 – Finalist/Board Interviews [Mid-End of Oct]
  - 8) Phase 8 – Candidate Acceptance [Early-Mid Dec]
  - 9) Phase 9 – Candidate joins CalPERS [Early-Mid March]