



Chief Investment Officer Selection Subcommittee

Agenda Item 2

November 15, 2023

Item Name: Chief Investment Officer Search: Ideal Candidate Skills and Characteristics, Search Process, and Timeline

Program: Administration

Item Type: Information

Executive Summary

CalPERS executed a Letter of Engagement with Dore Partnership to conduct a global search to identify the ideal candidate for the Chief Investment Officer (CIO) position. As a part of the shared responsibility between the CalPERS Chief Executive Officer (CEO) and the Board, the CEO and Dore Partnership will lead the board through a discussion to identify the minimum criteria the ideal CIO candidate should possess. This agenda item also outlines information about the search process and anticipated timeline to fill the CIO position.

Strategic Plan

This agenda item supports CalPERS' Strategic Goal to promote a high-performing and diverse workforce. The Board's Compensation Program for Executive and Investment Management Positions provides a means to recruit and retain highly skilled executives and investment management professionals to meet organizational priorities.

Background

In September 2023, the CIO position became vacant. CalPERS engaged with Dore Partnership to conduct this search. Dore Partnership brings very strong investment industry knowledge and has successfully completed numerous relevant searches, including at the CIO level.

Analysis

At today's meeting, Marcie Frost and consultants from Dore Partnership will lead the Chief Investment Officer Selection Subcommittee (Subcommittee) in a discussion with the goal to gain consensus on the minimum skill and characteristic requirements the ideal CIO candidate should possess. Upon the Subcommittee's agreement on the criteria, Dore Partnership will conduct a global search to identify a list of potential candidates who can successfully fill the CIO position. Dore will carry out a thorough process to assess each candidate's aptitude and interest for the

position and will establish a list of highly qualified, diverse candidates to present to CalPERS for initial consideration.

To ensure the most highly qualified final candidate is ultimately selected for the position, the process includes a thorough and comprehensive interview plan. Once a short-list of candidates is determined, a minimum of two interviews will be conducted. The interview panel will include the CEO and the Subcommittee, which was determined by the Board President. Board member involvement contributes to the diversity of the interview panel and ensures the board and CEO share responsibility in hiring a CIO, a mission critical position. In addition to the Subcommittee participating on the interview panel, all board members will participate in the final round of interviews.

CalPERS and Dore Partnership will work toward an aggressive timeline with the following key milestones occurring by early 2024:

- First and Second Round Interviews
- Final Candidate Meets the Board
- Selected Candidate Appointment Date

Budget and Fiscal Impacts

The cost to conduct this search will be a maximum of \$300,000, including all search fees, background check process, a success fee upon placement and day one appearance of the selected candidate, and travel (if applicable).

Benefits and Risks

The benefit of conducting this comprehensive process in partnership with Dore Partnership and the board improves CalPERS ability to identify, assess, and select the most highly qualified candidate for the CIO position.

Attachments

Attachment 1 – Chief Investment Officer Search Presentation Slides

Michelle Tucker, Chief
Human Resources Division

Marcie Frost
Chief Executive Officer