

**STATE OF CONNECTICUT, OFFICE OF TREASURER
PENSION FUND MANAGEMENT DIVISION**



**Principal Investment Officer, Public Equities
Position Specification**

The Pension Fund Management Division (PFM Division) of the Office of State Treasurer, one of the nation's highest performing state investment agencies in 2013, with approximately \$27 billion in assets, offers an opportunity for a strategic senior investment leader to join the Division as Principal Investment Officer, Public Equities (PIO) responsible for the management of approximately \$15 billion in domestic and international equities, within the developed and emerging markets.

State Treasurer Office Overview

The State Treasurer, as the principal fiduciary for Connecticut Retirement Plans and Trust Funds (CRPTF), which consists of six state pension funds and nine state trust funds, is responsible for managing the retirement funds for approximately 190,000 teachers, state, and municipal employees as well as the trust funds for academic programs, grants, and initiatives throughout the State.

The Teachers Retirement Fund, with \$15.0 billion of assets, is the largest fund in the CRPTF. The State Employees Retirement Fund and the Connecticut Municipal Employees' Retirement Fund are the next two largest, with \$9.6 billion and \$2.0 billion of assets, respectively.

The PFM Division is responsible for the day-to-day administration of the CRPTF and assists the Treasurer in the development of investment policy, and maintains communication and monitors the performance of investment managers and consultants. The Division's operations are conducted through three units: Investment Oversight, Accounting and Control, and Performance and Analysis.

CRPTF assets are invested in the State of Connecticut Combined Investment Funds (CIF), which comprise eleven separate, legally defined open-end portfolios. Units of the CIF are owned by the six pension funds and nine trust funds. The assets of the CRPTF are invested across global fixed income, equity and alternative markets. All assets are externally managed by managers employed by the Treasury.

Pension Fund Management Division Overview

The PFM Division, led by the Chief Investment Officer (CIO) comprises a team of 20 responsible for the management of approximately \$27 billion in assets across both public and private markets. The investment leadership team, in addition to the CIO and Deputy CIO, includes the

Assistant Treasurer, Performance Management; Principal Investment Officer (PIO), Fixed Income; PIO, Equities; PIO, Alternatives & Private Equity; and PIO, Real Estate.

PIO, Public Equities General Responsibilities

The PIO, Public Equities reports to the CIO and, working in support and collaboration with the CIO, is responsible for management of the day-to-day activities of the following funds, which are externally managed portfolios of approximately \$15 billion of assets. These assets are combined in domestic and international publicly traded securities, and are the vehicles by which the CRPTF makes investments in the public equities markets.

- Mutual Equity Fund (MEF) invests primarily in U.S. corporations' common stocks for diversification by both market capitalization and investment style, such as value and growth.
- Developed Markets International Stock Fund (DMISF) invests primarily in non-U.S. corporations' common stocks to satisfy an allocation for international equities across foreign markets.
- Emerging Markets International Stock Fund (EMISF) invests primarily in non-U.S. corporations' common stocks to satisfy an allocation for emerging markets equities.

Both DMISF and EMISF are structured to replicate the characteristics of the comparable emerging non-U.S. equity markets index, but may include an opportunistic allocation up to 30% of allocated assets.

A key priority for the PIO is to develop and implement the State's investment policies through preparation and execution of public equity investment strategies to achieve the short and long term objectives of the program. Some of the key responsibilities are listed below.

1. Perform research and analyses of economic indicators in investment markets to project trends and their impact on the investment programs; Monitor regulatory, legal, statutory and other rule-making entities for potential changes that may affect the investment landscape and prepare position statements, comment letters and investment recommendations as appropriate;
2. Conduct feasibility reviews of potential investments and makes appropriate recommendations; Initiate due diligence of external investment managers and vendors;
3. Present the merits and risks of suitable investment opportunities to the Chief Investment Officer and Treasurer; present the Treasurer's investment recommendations to the Investment Advisory Council
4. Negotiate the business aspects and investment guidelines of investment contracts;
5. Conduct periodic reviews of on-going investment programs and recommends changes in strategy as required; monitor and review program activities; stay informed on events and other factors which could affect investment programs;



6. Perform complex analysis of financial statements, investment valuations, and scenario modeling of investment holdings
7. Maintain close contact with state agencies and private sector vendors (e.g., consultants, money managers, General Partners, etc.);
8. Develop and implement procedures for the proper oversight and safeguard of portfolio assets
9. Prepare reports requested by the Chief Investment Officer; all other duties as request.

Leadership Competencies

The PIO must be an institutional leader first, one who lives for public service and embraces the Office of State Treasurer's vision. A leader, who will challenge others thinking and long-established processes and bring idea generation and innovation to further the PFM Division's strategic goals, is desired. The PIO must be able to advance an "idea to outcome."

The PIO must be loyal and respect the PFM Division culture. As a PFM investment leader, the PIO must support, embrace and affect the Treasurer's policies related to Investments, Corporate Governance, and Proxy Voting. Essential to the PIO's success is having strong project management skills and the emotional intelligence to influence investment performance so that the CRPTF becomes more nimble and efficient.

The PIO must have the poise, presence and interpersonal skills to build collaborative relationships across the PFM Division and with the Treasurer's Office, external investment managers, and other constituents and stakeholders. The ability to conceptualize and articulate complex financial and investment information in a manner that is tailored to and understood by various groups is an essential skill.

To adapt to the PFM culture, the PIO, in addition to being strategic, must also be tactical (willing to do the work) and possess the following attributes – engaging and inspiring; collegial and collaborative; a good listener; have good judgment and the highest integrity and ethics; be flexible, intellectually sharp and curious; and open and transparent in all communication.

This is a highly visible position and the PIO must understand and respect the requirements of working in a principal fiduciary structure and public environment. In such a structure, wide-ranging processes and documentation are required to support decision-making, which is careful and purposeful to ensure appropriate due diligence is completed and decisions are in compliance with state law.

Minimum Qualifications and Preferences

The Treasurer and CIO are searching for a strategic senior investment leader that has considerable knowledge of the principles and practices of publicly traded domestic and international securities (including various investment philosophies and styles). The PIO must



have strong analytical skills, the ability to handle multiple priorities, and have knowledge of:

- Asset allocation.
- Performance measures and methodologies used in evaluating managers.
- Capital market theory and related trading and investment accounting practices.

Minimum qualifications include:

- Bachelor's degree and a current track record of investment continuing education.
- Relevant and progressive public equities investment experience in:
 - Portfolio management, research and/or investment consulting.
 - Development of investment objectives, strategies and tactics.
 - Use of statistical concepts at the portfolio and securities level.
- Demonstrated track record of:
 - Leading a public equity markets portfolio and/or asset class with investment returns in excess of appropriate benchmarks.
 - Hiring, developing and retaining investment staff, preferably in the public sector.

Preferences include a CFA, MBA in Finance or related field, and experience in or with a public pension fund.

Compensation

The PIO is an exempt position and an at will employee. Compensation is designed to attract the best-qualified senior investment leader from the national market. Relocation assistance and comprehensive benefits (e.g., health care, retirement) are also provided.

Quality of Life and Living in the Greater Hartford Area

Greater Hartford (pop. 1.2 million) is located in Hartford County and centered in the state's capital of Hartford, the state's third largest city. In addition to state government, Hartford is well known nationally as the home of the American insurance industry.

In addition, Hartford is a center for medical care, research, and education. Within the city, there is the Hartford Hospital, The Institute for Living, Connecticut Children's Medical Center, and Saint Francis Hospital & Medical Center (affiliated with Mt. Sinai Hospital). Several world class educational institutions, such as Trinity College, the University of Connecticut (Business and Law Schools), and the Hartford Seminary, are also located in Hartford.

The region's economy is closely tied with Springfield, MA, as Hartford and Springfield are twin cities, only 25 miles apart. Hartford has been promoted as "New England's Rising Star" as there is renewed interest with local and national developers investing in the Hartford – Springfield



Knowledge Corridor (area comprises north-central Connecticut and the south-central Connecticut River Valley in Western Massachusetts).

The Connecticut River Valley is considered one of America's best vacation, convention and meeting destinations and is home of the Bushnell Park, the oldest public park in the country. The vibrant music and arts scene defines the region's culture and is home to the Wadsworth Atheneum Museum of Art, the Bushnell Center for the Performing Arts, and the Hartford Symphony Orchestra. Greater Hartford is also home to the Travelers Championship golf tournament (formerly the Greater Hartford Open).

Hartford is conveniently located to Boston and New York, less than 125 miles from both cities. Bradley International Airport is only 20 minutes from downtown and has over 100 daily flights. Amtrak provides service from Hartford to Vermont via Springfield, and southward to New Haven, with regular connections to New York, Boston, Providence, and Washington DC.

Contact Information

For additional information or to apply, please contact: Michelle Tedrick, Senior Consultant, or Gary Hudepohl, Principal & Managing Director, Hudepohl & Associates, 614-854-7300, info@hudepohl.com.

