

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



**Deputy Chief Investment Officer
Position Specification**

The State of Connecticut Treasurer's Office, Pension Fund Management Division (PFM Division), managing over \$46 billion in assets, is searching for a Deputy Chief Investment Officer (Deputy CIO).

State Treasurer Office Overview: Pension and Trust Funds

The Office of the Treasurer includes an Executive Office and six divisions, each with specific responsibilities, including Cash Management, Debt Management, Management Services, Pension Funds Management, Second Injury Fund, and Unclaimed Property.

As sole trustee of six state pension funds and nine trust funds, known collectively as the Connecticut Retirement Plans & Trust Funds (CRPTF), the Treasurer is responsible for overall policy, planning and general administration and management of the assets for retirement plans serving approximately 296,000 state and municipal employees, teachers, retirees, and survivors, as well as trust funds that support academic programs, grants, and initiatives throughout the state

Erick Russell was sworn in as the 84th Treasurer of Connecticut in January 2023. Previously, he worked for a Connecticut law firm where he was a partner in the firm's Public and Private Finance Group. His practice focused on representing municipalities, state agencies and the state in financing critical infrastructure projects, such as schools, affordable housing, childcare facilities, and transportation infrastructure, managing debt and restructuring pension obligations. Much of this work was through the Office of the Treasurer, which provided him with a unique understanding of the Office.

The Investment Advisory Council (IAC), created by the General Assembly, advises the Treasurer in setting investment policies and procedures. The membership of the IAC consists of the State Treasurer (ex-officio), Secretary of the Office of Policy and Management (ex-officio), five public members appointed by the Governor and legislative leadership, all of whom are required to be experienced in matters relating to investments, three representatives of the teachers' union, and two representatives of the state employees' union.

Pension Fund Management Division Overview

The PFM Division is responsible for the day-to-day administration of the CRPTF. It assists the Treasurer and IAC in developing investment policy and asset allocation strategies, supervises and monitors the performance of investment managers and consultants, and sources and diligence new investment opportunities and strategies. The Division also supports the Treasurer in the analysis of plan liabilities.

The Chief Investment Officer (CIO) leads the PFM Division and is responsible and accountable for the CRPTF investment program. The CIO leads a team of 25, including the Deputy CIO and Principal Investment Officers responsible for Global Equity, Global Fixed Income, Private Equity/Private Credit, Real Assets, Short-Term Investments, Liquidity, Risk Management, Operations and Portfolio Analytics, and Corporate Governance and Sustainable Investment.

External consulting firms providing specific research and analytical expertise are retained to augment the Division's internal resources. Meketa Investment Group currently serves as the general consultant. State Street Bank & Trust serves as the custodian, and Deutsche Bank is responsible for marketing the securities lending program.

Leadership in Diversity, Equity & Inclusion and Corporate Governance

In 2020, the Treasurer's Office launched the Connecticut Inclusive Investment Initiative (Ci³), an emerging and diverse manager program. The program is designed to increase allocations to diverse managers across all asset classes, provide a pathway for growth within the program, and strive to spotlight the best emerging diverse talent in the industry.

The Treasury's corporate governance activities are guided by the core principle that the exercise of shareholder rights, either through the voting of proxies or the filing of shareholder resolutions, is central to the fiduciary obligation to enhance the CRPTF's investment value. In addition to the voting of proxies, the Treasurer's Office also actively engages directly with companies on corporate governance best practices in an effort to positively impact shareholder value.

The Treasurer's Office has also worked with other public pension plans and institutional investors in advocating for best practices in corporate governance and risk oversight. In furtherance of board diversity, in October 2019, the Treasurer's Office launched the Northeast Investors' Diversity Initiative, a regional partnership dedicated to increasing corporate board diversity inclusive of gender, race, and ethnicity at companies headquartered in the Northeast.

Deputy CIO Responsibilities

The Deputy CIO reports to the CIO and provides support in the oversight and administration of PFM's investment program and supervises investment staff as assigned by the CIO. While the Deputy CIO has broad responsibilities across portfolio management, investment operations, administration, and risk management, a key area of focus is risk management, including leading current efforts to integrate ESG considerations into the investment process.

Some of the Deputy CIO's key responsibilities and duties include:

- Contribute to the development of investment policies and principles, asset allocation strategies, portfolio construction strategies, and risk management controls.
- Oversee implementation and compliance with investment policies across all portfolios.
- Oversee risk management controls across all portfolios.
- Oversee investment operations and implement best practices, where applicable, to improve operational efficiency.

- Evaluate PFM's technology platform and bring forward recommendations to ensure it remains current and cost effective.
- Lead the budgeting process and assist the CIO in development of the Division's budget.
- Report on fund operations, and adherence to administrative procedures, accounting rules, and risk management practices.
- Manage, in collaboration with the CIO and Principal Investment Officers, relationships with investment consultants and other external advisors and consultants engaged by PFM.
- Present reports on general market conditions/trends with implications on investment policies, operations and/or performance to the CIO, Treasurer, and the IAC.
- Work with the CIO to create professional development plans for investment staff to improve their skills and accomplish career goals.
- Work with the CIO to develop and implement market-based compensation plans to ensure PFM is competitive in recruiting and retaining highly qualified investment staff.
- In the CIO's absence, assume the CIO's responsibilities.

Leadership Competencies

The Deputy CIO is a thought partner and trusted colleague of the CIO. The individual must align and support the Treasurer's investment philosophy and policy objectives, including initiatives on diversity, inclusion, and ESG.

The Deputy CIO must be a leader of the highest integrity. A confident yet modest leader is desired who is effective building consensus and negotiating compromise. In addition to being intellectually sharp, curious, and a critical thinker, other essential skills and competencies include:

- Effective leading, motivating, and developing staff.
- Excellent judgment and strong analytical and problem-solving skills to identify issues pro-actively and present creative, practical solutions.
- Confidence and courage to put forward and defend ideas and recommendations while being open to adjusting them based on input from others.
- Social and interpersonal skills to engage and build relationships and work collaboratively with colleagues, including legal counsel, operations, and accounting staff.
- Interpersonal skills to engage and build positive relationships with the Treasurer, IAC members, outside advisors, investment managers, and others.
- Ability to conceptualize and articulate complex financial and investment information in a manner that is tailored to and understood by various groups.
- Poise and presence, and attention to detail, to expertly represent the CRPTF.

Requirements and Preferences

The Deputy CIO must have a general understanding of modern portfolio theory, portfolio construction, portfolio management, and risk management systems and controls. Requirements and preferences include:

Requirements

- Bachelor's degree in finance, economics, or related field of business.
- At least ten years of relevant investment experience.

- Strong financial modeling skills to build models and analyze data from various sources.
- Excellent writing and communication skills to effectively present ideas, methods, procedures, and instructions to a wide range of audiences.
- Dedication to public service and understanding of defined benefit plans.

Preferences

A strong background in investment strategy, asset allocation and risk management is desired.

Other preferences include:

- Advanced degree.
- CFA and/or CAIA.
- Investment experience working in or consulting in the public sector.
- Experience managing institutional assets.
- Experience sourcing and monitoring external managers.
- Experience with a variety of private investment partnership structures.
- Awareness and understanding of ESG considerations in institutional asset management.

While public sector experience is preferred, candidates with other relevant experience will be considered.

Compensation

The Deputy CIO is an exempt position and an “at will” employee serving at the pleasure of the CIO and Treasurer. The CRPTF provides competitive compensation and benefits packages that are designed to attract top talent from the national market. Relocation assistance is available within established policies and procedures.

For Additional Information or to Apply

For additional information or to apply, please contact Hudepohl & Associates, info@hudepohl.com or (614) 854-7300.