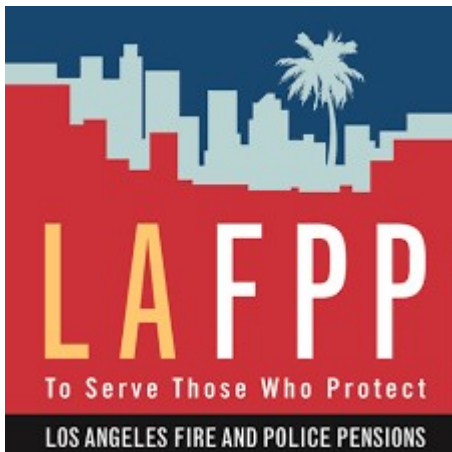




Confidential Position Specification

# Los Angeles Fire and Police Pensions

**Chief Investment Officer**



November 2020



## CONFIDENTIAL POSITION SPECIFICATION

<b>Position</b>	Chief Investment Officer
<b>Company</b>	Los Angeles Fire and Police Pensions
<b>Location</b>	Los Angeles, CA
<b>Reporting Relationship</b>	Ray Ciranna, General Manager
<b>Website</b>	www.lafpp.com

## COMPANY BACKGROUND/CULTURE



Los Angeles Fire and Police Pensions is dedicated to administering the defined benefit retirement plan for all sworn (Fire, Police and certain Port Police and Airport Police) employees of the City of Los Angeles. In addition to their core role of managing the pension plan benefits, their services include pre-retirement and retirement counseling, and retiree health and dental subsidy program administration. LAFPP has been serving eligible members and their beneficiaries since June 7, 1899. They continue their efforts to provide professional and prompt service to approximately

13,200 active members and 13,300 retirees and beneficiaries. As of September 30, 2020, the investment portfolio held a market value of \$25.315 billion across the following asset classes:

Asset Class	Market Value (Millions)	Percent Allocation
Domestic Large Cap Equity	\$6,616.3	26.13%
Domestic Small Cap Equity	1,698.9	6.72%
International Developed Markets	3,534.9	13.96%
International Emerging Markets	1,026.1	4.05%
Domestic Bonds	4,236.1	16.74%
High Yield Bonds	653.4	2.58%
Unconstrained Fixed Income	502	1.98%
Real Estate	1,965.3	7.76%
Private Equity	2,780.7	10.98%
Commodities	941.4	3.73%
Cash-House Accounts <sup>3</sup>	1,360.8	5.37%
<b>Total</b>	<b>\$25,315.9</b>	<b>100%</b>



## BOARD OF COMMISSIONERS

The Board of Fire and Police Pension Commissioners administers the LAFPP System in accordance with the City Charter, the City Administrative Code, and the State Constitution. The Board consists of nine commissioners – five appointed by the Mayor and confirmed by the City Council, and four elected by members.

## THE COMMUNITY



Los Angeles, California, is the second most populous city in the United States with an estimated population of over 3.9 million residents. Los Angeles is the principal city in the metropolitan region stretching from Ventura to the north, San Clemente to the south and San Bernardino to the east. Los Angeles and its surrounding metropolitan region have continued to experience growth in population and in economic prosperity. The City's 470 square miles contain 11.5% of the geographic area and 40% of the population of the County of Los Angeles.

The greater Los Angeles area is the most populous urbanized center in the United States. It is among the most diverse urban areas of the world, where numerous cultures, religions and lifestyles come together in a rich, interwoven tapestry.

Los Angeles is one of the largest business, financial and trade centers in the world, stimulated by the international ties of its immigrants. The transportation systems, regional port complexes and international airports rank among the busiest in the world in total trade and passenger volume. Los Angeles serves as a principal international global center as it is fueled by trade with the Pacific Rim and Latin America. Los Angeles is home to the film, television and recording industries, as well as a center for important cultural facilities.

Los Angeles offers a premiere lifestyle including world-class architecture, multiple recreation, and entertainment venues, as well as pristine coastline and 75 miles of beaches. Angelenos are as varied as any population group in the world. Statistics reveal that no single ethnic group constitutes a majority in Los Angeles, which makes it a true "World Community." Residents trace ancestries to more than 140 nationalities.

The Los Angeles Unified School District administers public instruction for grades K-12, adult, and occupational schools in the city. Major colleges and universities located within the greater Los Angeles area include the University of California, Los Angeles; University of Southern California; California Institute of Technology; California State University, Los Angeles; California State University, Northridge; Occidental College; Pepperdine University; and Loyola Marymount University. There are also nine community colleges located within the Los Angeles Community College District.

The greater Los Angeles area continues to attract millions of tourists each year. Major attractions, among others, include the Los Angeles Coliseum, Griffith Observatory, Disneyland, Universal Studios and Citywalk, Knotts Berry Farm, La Brea Tar Pits, J. Paul Getty Museum, Venice Beach,



Los Angeles Marina District, and Los Angeles Zoo and Botanical Gardens. Extensive renovations of downtown Los Angeles continue to revitalize and invigorate the City's historic core. Los Angeles is a beacon of opportunity for immigrants, an economic engine for the nation, and an example of a progressive/dynamic urban center.

## KEY RESPONSIBILITIES



The Chief Investment Officer (CIO) will perform as the senior investment professional at LAFPP and will lead the investment process, providing leadership, vision and oversight for the management and strategic growth of the retirement assets. The CIO will provide the investment expertise and counsel to achieve the plan's long-term investment objectives of superior, but prudent risk-adjusted returns. The CIO will report into the General Manager and partner closely with the Board of Commissioners with latitude for initiative and independent judgment.

The CIO will be accountable for the investment process and rigorous reviews of existing and prospective investment strategies and provide recommendations for new or revisited investment strategies. In addition to portfolio review and discussion, the CIO will provide strategy and present specific investment ideas to the General Manager and the Board of Commissioners. The Board will look to the CIO and the general investment consultant for guidance as experts in their fields. The investment process allows the CIO to take the lead, working in a consultative manner with the Board, the investment consultants, and the General Manager.

Key investment responsibilities include:

- Working with the Board of Commissioners, General Manger, and technical advisors to establish the strategic direction for investment management of the Plan. This includes the Plan's investment governance framework, funding philosophy, asset allocation strategy and risk management framework.
- Reviewing and analyzing current pension obligations, exploring opportunities to improve the risk/return profile, with consideration of initiatives and direction that contemplate all areas of risk and opportunity for the Plan's assets.
- Evaluate the asset allocation framework given the construct of the plan's funding status, projected longevity and size of plan assets and liabilities, and the overall investment environment
- Implementing the asset allocation plan and monitoring compliance with investment policies, making appropriate adjustments to rebalance the Fund as necessary to achieve the Fund's financial goals.
- Developing a cash management strategy to ensure sufficient cash flow for the pension roll and liquidly for all capital calls.
- Reviewing existing investment manager performance and recommend the possibility of and execute on, appropriate changes to investment managers, consultants, custodians, and other third-party service providers.
- In partnership with and at the direction of the General Manager and Board of



Commissioners, continually assessing alternative strategies and opportunities for improvement for the investment program.

- Overseeing the development of a variety of analytical tools designed to measure progress and identify opportunities and risks in the management and investment of Plan assets.
- Developing and implementing metrics and analytics to measure value, efficiency, and effectiveness of processes performance.
- Benchmarking industry-wide best practices both internally and externally and implementing strategies to improve operations and procedures when appropriate.
- Driving the implementation of new technology systems to better evaluate investment decisions and managers as they relate to pension industry best practices.

## PROFESSIONAL EXPERIENCE/QUALIFICATIONS



The ideal candidate will have at least 15 years of relevant investment management experience, as well as significant general management experience in a municipal plan environment. He/she must have extensive investment/market expertise, accompanied by rigorous manager selection skills. Ideal experience would be found in managing a diversity of asset classes, as well as all aspects of the investment process for public retirement plans or comparable systems.

The person must have a superior intellectual capacity who is a natural leader and able to enhance the current investment management organization. He/she will also have to be a visionary and a strategic thinker. The “right” person will have demonstrable skills in building and motivating successful teams.

The successful candidate will possess excellent interpersonal skills, a compelling presence, and strong skills in working with diverse groups to assist each in meeting its respective goals. Presentation skills, both oral and written, shall be superb. He/She must be able to explain complicated topics in an understandable manner without talking down to the audience. Mature and self-assured, the successful candidate must be able to demonstrate credibility and gain respect, both internally and externally. Effective leadership is a critical success factor. Further qualifications should include:

- Vast knowledge across all asset classes (broadly defined as public, private and real assets) and substantial breadth of experience or knowledge investing as an institutional investor preferably of a defined benefit plan. Investment experience as a manager of managers, fund of funds managers, plan sponsor, and/or highly sophisticated investment consultant is also beneficial.
- Extensive knowledge of investment concepts, strategies, styles, and analytical methodologies at the total portfolio level.
- Strong grasp of global and domestic macro-economics and capital market issues relating to investments.
- Extensive cash management experience for investment portfolios.
- Collaborative and able to work effectively with multiple constituencies, internal (General Manager and Board) and external (investment consultants, investment managers, etc.).



- Positive, results-oriented style, evidenced by listening, motivating, delegating, influencing, and monitoring the work being done.
- Great intellectual curiosity and the desire to adhere to best practices.
- High level of energy, creativity, and decisiveness coupled with the ability to remain focused and rise above pressure.
- Engaging, open interpersonal style, complemented by the analytical pragmatism necessary to quickly dissect highly complex issues.
- Establishes immediate credibility among his/her staff; a professional who engenders respect.
- Bright mind, strategic and detailed, whose presence will advance the intellectual capital of the organization.
- Unquestionable integrity, credibility, and character, demonstrating high moral and ethical behavior.

## EDUCATION

A Bachelor's degree from a four-year college or university is required. Strong advanced academic credentials, including MBA and/or CFA are preferred.

## COMPENSATION

The successful candidate will receive an attractive and commensurate compensation package based upon applicable work experience.

## KORN FERRY CONTACTS

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