



Confidential Position Specification

Minnesota State Board of Investment

Chief Investment Officer & Executive Director



May 2022



CONFIDENTIAL POSITION SPECIFICATION

Position	Chief Investment Officer & Executive Director
Company	Minnesota State Board of Investment
Location	St. Paul, Minnesota
Reporting Relationship	Board
Website	https://msbi.us/

ORGANIZATION BACKGROUND

The Minnesota State Board of Investment is an agency responsible for the investment management of various retirement funds, trust funds, and cash accounts. The various (combined) retirement funds are specifically comprised of assets from the Minnesota State Retirement System, the Public Employees Retirement System, and the Teacher's Retirement Association. These combined funds represent \$94.1 billion of the total assets. The Board is also responsible for \$41.6bn in other public assets, non-retirement programs, and cash. As of December 31, 2021, the market value of all assets was \$135.7 billion. The Board members are the Governor, the State Auditor, the Secretary of State, and the Attorney General. The Board meets quarterly and sets overall investment guidelines and oversights. The CIO and Executive Director oversees the day-to-day management of the SBI organization and staff.

The Legislature has also established a 17-member Investment Advisory Council (IAC) to advise the Board and its staff on investment-related matters. The mission statement of the IAC is: The IAC fulfills its statutory duty to the SBI by providing advice and independent due diligence review of the investment policy and implementation recommendations that guide the SBI's investment of assets. All proposed investment policies are reviewed by the Investment Advisory Council before they are presented to the Board for action.

INVESTMENT ORGANIZATION

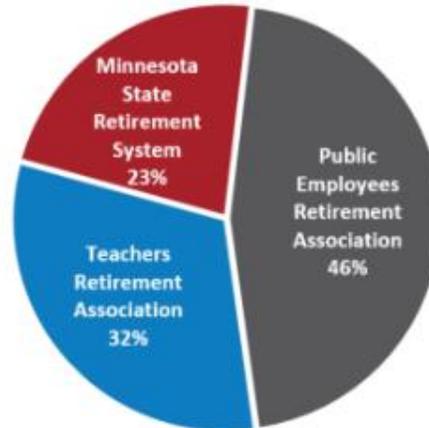
The Chief Investment Officer and Executive Director ("CIO") will serve as the agency head and perform as the senior investment executive responsible for prudently managing the \$94.1 billion dollar State Board of Investment's combined funds, as well as the \$1.1bn of Fire Relief Plans and Other Public Retirement Plans funds, \$14.5bn in Participant Directed Investments, \$5.5bn of Non-Retirement funds, and \$20.5bn in State Cash Accounts, totaling \$135.7bn.

The CIO will have two direct reports, the Assistant ED for Investment Strategy & Administration and the Assistant ED for Portfolio Management & Risk Analytics, while collectively overseeing a staff of 34 full-time employees across various internal functions.



Assets Under Management

Asset Class	Percentage (%)
Public Equity	49.6%
Fixed Income	23.8%
Private Markets	26.6%
<i>Private Markets - Invested</i>	19.8%
<i>Private Markets - Uninvested</i>	6.8%
Total	100%



The CIO will provide leadership to the State Board of Investment in strategic planning; effective execution of and compliance with investment and other policies, laws, and regulations; and management of investment operations. They will work actively with the SBI Board, keeping them fully advised on investment activities, and be accountable to establish and maintain effective communication and constructive relationships with investment advisors, consultants and SBI managers.

The CIO will collaborate in the development and recommendation of investment policy, manage external investment advisors, have responsibility for the day-to-day administration of the investment program, and lead the development of key fund performance indicators.

The CIO will be accountable for the administrative management of the Fund and related accounts, as well as the investment process and rigorous reviews of existing and prospective investments and will provide recommendations for investment strategies and external investment advisors. An Investment Advisory Council (IAC), made up of investment experts, work in a consultative manner with the CIO, with the CIO taking the lead. The advisory council is a responsive and vibrant group able to act and provide advice effectively and efficiently in partnership with the CIO.

The CIO will also have broader responsibilities in representing the SBI, both externally and with internal clients. The CIO will present the Fund's investment overview and approach to critical constituents and stakeholders, including legislators and other elected officials.

Key responsibilities include:

*Some responsibilities may be delegated to others, but ultimate accountability will reside with the CIO.

Development of Investment Policies

1. Develop and recommend investment policies that meet the needs of each fund controlled by the SBI. The policies shall be consistent with long term sustainability of the investments and shall address:
 - a. Risk tolerance.
 - b. Long term investment objectives.



- c. Long term asset allocation strategy.
 - d. Liquidity needs.
 - e. Asset class target.
 - f. Performance standards for the total fund, asset class segments, and individual managers.
 - g. Rebalancing strategy.
2. Develop and recommend an appropriate investment management structure for each fund that meets the investment policies outlined above. This task shall consider:
 - a. Mix of active and passive management.
 - b. Use of internal or external managers.
 - c. Types of investment vehicles (e.g., publicly traded securities, private placements, commingled funds, limited partnerships).
 - d. Custody relationships.
 - e. Brokerage relationships.
 - f. Accounting relationships.
 - g. Consulting relationships.
3. Assess developments within the financial markets that may positively or negatively affect the ability of the funds to meet their long-term goals/liabilities. Where appropriate, recommend modifications to the SBI's statutory authority or investment policies that take these developments into account and seek approval for those changes.

Implementation of Investment Policies Approved by the SBI

1. Develop appropriate procedures for selecting investment managers, custodians, and consultants necessary to implement the SBI's investment plan for each fund.
2. Ensure that applicable policies are communicated to each internal and external investment manager retained by the SBI.
3. Allocate and re-balance assets and contributions among the investment managers for each fund on an on-going basis.

Review and Control of Investment Policies

1. Assure that investment policies are regularly reviewed by the SBI.
2. Evaluate the performance of each fund relative to the policies established by the SBI and recommend corrective action, where appropriate.
3. Monitor the activities of internal and external investment managers to ensure they adhere to established policies.
4. Develop and administer systems to evaluate the performance of individual investment managers retained by the SBI.
5. Develop and administer appropriate internal control systems and an overall risk management program.
6. Work with investment consultants to review investment policies and recommend appropriate changes.

Administration and Management of Staff Operations

1. Prepare and exercise final review of, the SBI's biennial budget within guidelines established by the Department of Management and Budget, present the budget to the SBI for review, seek legislative approval of the SBI's general fund budget request and



- manage its execution.
2. Prepare and exercise final review of, an annual management and budget plan for the SBI's review and approval and manage its execution.
 3. Provide the retention, supervision, and evaluation of and, when necessary, the discipline and termination of all SBI staff. Staff compensation for represented employees is governed by applicable contracts and plans established by the Department of Management and Budget. Staff compensation for unclassified employees is governed by the SBI compensation plan.
 4. Negotiate, or provide for the negotiation of, favorable terms with contractors and vendors for goods and services. Contractual relationships are governed by the applicable law and the rules of the Department of Administration.
 5. Maintain, or provide for the maintenance of, accurate and complete records of all financial transactions and official activities of the SBI.
 6. Apportion actual expenses among the funds managed by the SBI according to statutory requirements.

Communication and Reporting

1. Prepare quarterly reports on investment results and the status of the management and budget plan for review by the SBI, the IAC and the SBI's consultant.
2. Meet with the SBI and the IAC on a quarterly basis and at other times as required.
3. Prepare the SBI's annual report. Prepare financial information and reports for the retirement systems and other entities who use the information to prepare their financial statements in accordance with Generally Accepted Accounting Principles (GAAP).
4. Meet with pension fund trustees and other clientele whose assets are managed by the SBI on a regular basis, or as requested, concerning the SBI's activities and investment performance.
5. Meet with representatives of the local and national financial community.
6. Where appropriate, engage and enhance relationships with interested stakeholder groups.
7. Testify before legislative committees as required. Meet with legislators as needed to discuss issues of importance to the SBI.
8. Respond promptly to special requests for information from the SBI, Legislature, pension funds, members of the press, IAC and other interested parties.
9. Provide educational forums for the SBI and others, in conjunction with the IAC and the SBI's consultant, concerning investment issues and policy alternatives.
10. Prepare other reports as requested by the SBI or required by the Legislature or by law.

PROFESSIONAL EXPERIENCE/QUALIFICATIONS

The ideal candidate will have at least 15 years of recent, full-time experience in investment management, as well as a significant general management background. They must have extensive investment/markets expertise. Ideal experiences would be founded in managing a variety of asset classes, as well as all aspects of the investment process for retirement or comparable systems.

The ideal candidate will further develop and promote SBI's ESG and DE&I frameworks, which includes but is not limited to talent acquisition and management, investment decision-making, manager selection, and organizational culture. ESG and DE&I are integrated into all facets of SBI.



The ideal candidate must possess natural leadership abilities, thus being able to enhance the current investment management organization. The right candidate will have demonstrable skills in building and motivating successful teams and will be a visionary and a strategic thinker.

The ideal candidate will have a passion for excellence, the desire to have a positive impact on the Fund and investment organization and be able to reinforce and build on SBI's current and historical success. The successful candidate will possess excellent interpersonal skills, a compelling presence, and strong business acumen. They will have experience in building, leading, and mentoring a team of professionals and demonstrated leadership qualities, including the ability to engage and inspire a talented and dedicated staff.

Presentation skills, both oral and written, must be superb. Mature and self-assured, the successful candidate must be able to demonstrate credibility and engender respect, both internally and externally. The CIO must continue to build a team that is supportive of one another, respects individual skills, is innovative, and takes opportunities to develop professional skills.

The successful candidate will have demonstrated a favorable record in one or more investment strategies, managing a portfolio of diversified assets within a similar environment to that of the Fund. The CIO will provide strategic insights on asset allocation and be able to anticipate any directional changes in financial markets and industry trends that may affect the Fund's performance.

The CIO will also need to have strong existing relationships, or the ability to develop relationships, with top-performing investment organizations. The successful candidate will have the following experience/traits:

- Success driving top tier results; a high achiever who has achieved excellence in both academic and professional pursuits, and a history of success in every challenge undertaken.
- Previous engagement with and reporting responsibility to a Board.
- Passion for safeguarding and growing pension assets.
- Superb team-building skills, with a predisposition to building consensus and achieving goals through collaboration rather than purely direct line authority.
- Positive, results-oriented style, evidenced by listening, motivating, delegating, influencing, and monitoring the work being done.
- Collaborative and able to work effectively with multiple constituencies – internal (Board, Investment Advisory Council, staffs, and stakeholders) and external (consultants, investment managers, legislators and other elected officials, etc.).
- High level of energy, sense of urgency, 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.

EDUCATION

An advanced degree in finance, economics, or a related field, and/or a CFA are strongly preferred.



COMPENSATION

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

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