



## Los Angeles City Employees' Retirement System

invites your interest in the position of

# *Chief Investment Officer*

Apply by February 15, 2012



# Los Angeles – Where the World Comes Together!

With 75 miles of sunny beaches, a vibrant array of distinct neighborhoods and eclectic cultural, educational and business opportunities. The City's principal asset is creativity in all its forms, home to world-renowned offerings in education, business, culture, recreation and sports, and dominant as the global capital of the entertainment industry. The redevelopment of downtown continues to reinvigorate the City's historic core, bringing lofts, housing and cafes to downtown adjacent to the iconic Walt Disney Concert Hall, the new L.A. LIVE, and the Grand Avenue project. Museums, theaters, libraries, community centers, parks and modern mass transit, built or re-imagined over the last decade, are bringing increased vibrancy to the city's neighborhoods and connections between them.

With a population of more than 3.8 million, Los Angeles is the second largest city in the United States and its most diverse. The backbone of the City's huge and diversified economy is entrepreneurial, driven by small and medium-sized businesses. The Los Angeles region is an economic engine for a wide array of significant industries from telecommunications, law and medicine to media production and product design and every imaginable product and professional service of international trade. With the municipally-owned Los Angeles World Airports and Port of Los Angeles as portals, Los Angeles is the country's primary link to the markets of Asia and Latin America. As the largest manufacturing center in the United States, Los Angeles is also a major production hub, producing a fantastic variety of goods from trend-setting fashion apparel to aerospace technology.

Unrivaled in cultural as well as geographic diversity, Los Angeles is home to the University of California, Los Angeles (UCLA) and University of Southern California (USC), as well as to a score of excellent liberal arts colleges and universities. From Hollywood and the San Fernando Valley, to Venice, Boyle Heights and the coastal communities, Los Angeles residents enjoy easy access to a mix of urban attractions and outdoor pursuits ranging from nearby mountains and hiking trails to rugged deserts to the inviting beaches of the Pacific Ocean.



## LACERS

The Los Angeles City Employees' Retirement System (LACERS) is a department of the City of Los Angeles, established by City Charter in 1937, to provide retirement benefits to the civilian employees of the City, representing three-fifths of the City's workforce. The remaining two-fifths of the City's workforce have retirement benefits through the Department of Water and Power Employees Retirement System, or the Los Angeles Fire and Police Pension System. Currently LACERS provides services to over 25,000 active employees, and provides benefits to 17,000 retirees and their beneficiaries. LACERS administers the benefits approved by the City (the "plan sponsor") which includes payment of approximately \$753 million in annual pension benefits, administration of retiree health care premiums of approximately \$98 million annually and management of the pension fund portfolio of \$10.7 billion (as of June 2011) to offset payment of these obligations.

Service to LACERS' members is first and foremost, not only because LACERS is bound by its fiduciary duty, but also because every Board member and staff at LACERS is committed to its mission to establish a trustworthy lifelong relationship with its members. LACERS meets this commitment to its members through the reliable and efficient delivery of benefits and ensuring that member benefits are funded by the prudent investment of plan assets.

## City Organization Structure

The City of Los Angeles is a charter city governed by the Mayor and the City Council. A fifteen-member City Council is elected by district. The other city-wide elected officers are the Controller and City Attorney. Volunteer citizen commissions (including LACERS Board of Administration) consisting of prominent business and civic leaders appointed by the Mayor and confirmed by the City Council oversee several City departments and bureaus. LACERS Board of Administration consists of four appointed members and three elected members.

This dynamic and complex City organization structure has 36 departments, bureaus, and offices for which funds are budgeted annually by the Mayor and City Council. In addition, the City has five proprietary departments, of which LACERS is one. This means that LACERS, among other things, has control over its own funds.



# Responsibilities of the Chief Investment Officer

The Chief Investment Officer (CIO) reports directly to the General Manager (who reports to LACERS seven member Board of Administration) and periodically, may act in the General Manager's absence. On a day-to-day basis, the CIO plans, organizes and directs the work of professional staff and is engaged in the oversight of a ten-billion dollar investment portfolio.

Working closely with the General Manager and in support of the Board and ultimately the membership, the CIO will:

- Act as advisor on all matters involving investment of fund assets;
- Apply sound management principles and techniques in building/maintaining an effective work force; and
- Implement industry-wide best practices for internal procedures, investment guidelines and investment strategies.

Other duties and responsibilities of the CIO include:

- Direct the development, adoption and implementation of established investment policies and strategies consistent with the fund's established financial goals;
- Coordinate settlement transactions with brokers and master custodian, including authorizing settlement of all trades executed on behalf of the fund;
- Implement and monitor asset allocation procedures to accomplish fund financial objectives;
- Recommend and negotiate contracts or amendments to contracts for investment management and consultants including costs, compensation structure, content of requests for proposals, and selection of competitors;
- Direct the recruitment of investment managers through the request for proposal process; develop recruitment and selection criteria; review proposals and prepare reports and recommendations;
- Monitor the performance of investment managers, advisors and consultants and report any exceptional events; maintain compliance with fund policies;
- Make oral presentations to the Board, the City Council, members of the investment community, the media, members of the public pension fund community, and others as necessary;

- Monitor investments to ensure sufficient funding for retirement roll; monitor capital markets and economic forecasts, and provide reports with on-going analysis of global economic conditions as it relates to the investment portfolio;
- Formulate recommendations to the Board on investment-related matters including asset allocation, external investment managers, consultants, custodians, contractors and short- and long-term investment strategy;
- Advise the Board and the General Manager as to the impact on the investments of potential legislation or information released to the public, press, and other similar matters as needed;
- Conduct comparative performance evaluations of investment managers relative to both the core index and peer group;
- Maintain performance measurement and attribution information systems products;
- Implement the automation of management and trading operations;
- May direct daily short-term investments of cash balances in accordance with projected cash receipts and expenditures; and
- Monitor cash flow to ensure sufficient liquidity for benefit payments and capital calls.

## The Ideal Candidate

The ideal candidate for CIO will be a highly qualified investment professional and have an in-depth professional knowledge of:

- Securities transaction principles and practices;
- Principles of Portfolio theory, management and asset allocation;
- Cash flow analysis for investment portfolio activities;
- Global economics, currencies and exchange rates, capital markets and interest rates;
- Asset classes to include domestic and international equities, domestic and global fixed income, money market and financial derivative instruments, institutional real estate and alternative investments;
- Risk management techniques and theory;
- Federal, State and local laws governing retirement benefits, plans and investments;
- Money and banking as applied to investment management;



- Portfolio management systems such as Bloomberg and CMS BondEdge; and
- Leadership principles and practices, including planning, delegating and overseeing the work of subordinates.

The ideal candidate will also have the ability to:

- Evaluate complex investment transactions;
- Succinctly advise the Board of Administration regarding global economic conditions;
- Analyze trends and their effect on short- and long-term investments;
- Prepare and interpret statistical computations, charts and diagrams;
- Prepare and present oral and written reports and recommendations concisely, completely, logically and convincingly;
- Present technical investment and financial information clearly before a wide variety of groups; and
- Deal decisively, tactfully and effectively with governmental officials, management, subordinates and the public.



## Qualifying Experience and Education

Professional certification as a Chartered Financial Analyst (CFA), and eight (8) years of full-time paid professional experience in directing investments or investment policy for a retirement system or corporate pension fund, endowment, foundation or investment organization with assets in excess of five billion dollars; **OR**

A Master's degree in finance, business administration, public administration, economics or related field, and ten (10) years of full-time paid professional experience in directing investments or investment policy for a retirement system or corporate pension fund, endowment, foundation or investment organization with assets in excess of five billion dollars; **OR**

A Bachelor's degree from a recognized four-year college or university, and twelve (12) years of full-time paid professional experience in directing investments or investment policy for a retirement system or corporate pension fund, endowment, foundation or investment organization with assets in excess of five billion dollars.

## To Be Considered

This is a **confidential process** and will be handled accordingly throughout the various stages of the process. Candidates should be aware that references will not be contacted until mutual interest has been established. Apply prior to February 15, 2012. This position is open until filled with first review of resumes to begin the week of February 20, 2012.

Confidential inquiries are welcome to Ms. Heather Renschler at (916) 630-4900. **Electronic submittals are required.** Interested candidates should immediately submit a resume, compelling cover letter of interest, salary history and professional references via email to [apply@ralphandersen.com](mailto:apply@ralphandersen.com).

Ralph Andersen & Associates will determine the best overall match with the established criteria as outlined in this recruitment profile. Only the top tier of candidates will be presented to the General Manager. It is anticipated that the newly selected CIO will join LACERS in April 2012 or at a mutually agreeable date.

## Executive Compensation

A competitive compensation package will be offered for this at-will executive position. Salary range is up to \$218,070 with an excellent benefits package. Candidates should be aware that this is an exempt position and not part of the Civil Service System.



*The City of Los Angeles is an Equal Employment Opportunity Employer*