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OREGON STATE TREASURY

CHIEF INVESTMENT OFFICER

POSITION SPECIFICATIONS

CLIENT

The Oregon State Treasury (OST) is led by the State Treasurer, a constitutional officer and statewide elected official. The Treasurer serves as the chief financial officer for the state and is responsible for the prudent financial management of state money. The Treasurer serves a four-year term, and if reelected, may hold the position for two terms. The current State Treasurer is Ted Wheeler.

The OST is a highly sophisticated organization with a wide range of financial responsibilities, including managing the investment of state funds, issuing all state bonds, serving as the central bank for state agencies, and administering the Oregon 529 College Savings Network. This includes overseeing the investment of approximately \$75B in assets, held in a diversified investment portfolio of domestic and international equities, fixed income securities, alternative equities, real estate and cash. The OST is managed like a business, striving to save taxpayers money by earning the highest risk-adjusted return on funds' investments. The 85 member OST staff takes great pride in its statewide and national reputation for progressive approaches to service delivery.

The Investment Division, currently comprised of 19 individuals, is one of the five divisions of OST and is responsible for managing the investments of the Oregon Public Employees Retirement Fund (OPERF), the State Accident Insurance Fund (SAIF), the Oregon Short Term Fund (OSTF), and numerous smaller funds such as the Insurance Fund, the Common School Fund and the Oregon Growth Account. The Division also manages the investment program for the state's deferred compensation plan, advises the Oregon 529 College Savings Board on the plan's investments, and acts as staff to the Oregon Investment Council. The Investment Division oversees the actual investments, which are made by a select group of outside investment managers, as well as providing internal management of some equity, fixed income and short-term assets. The Investment Division is known nationally and locally for its innovative approaches to investment strategy and execution.

The Oregon Investment Council (OIC or Council) oversees the investment of most funds managed by the OST. The Council serves as fiduciary for the funds, prescribing the allocation of investments to maximize investment returns while maintaining an appropriate level of risk. The Council also approves significant new investments and selects investment firms to manage investments on Oregon's behalf. The Council provides guidance to the professional financial managers in the Investment Division of the OST and at the private firms contracted to manage state funds as they make day-to-day investment decisions.

The OIC consists of a six-member board, made up of four gubernatorial appointees, the State Treasurer, and the Executive Director of the Public Employees Retirement System, who serves in an ex-officio, non-voting capacity. The Council is required to report to the Governor and the Legislative Assembly at each regular session and at other times the Council decides to be in the public interest.

More comprehensive information about the OST, the Investment Division, investment portfolios, and the OIC can be found at www.ost.state.or.us.

RESPONSIBILITIES

The Chief Investment Officer (CIO) provides leadership and direction to the Investment Division and its staff in the productive and prudent investment of all State funds and funds entrusted to the State for management. The CIO and Investment Division serve as the managing and operating fiduciary for funds under management and as staff to the Oregon Investment Council, which is the governing fiduciary. Under this structure, the CIO works closely with the Council to implement the investment objectives and policies established by the Council.

The CIO reports to the Deputy State Treasurer and manages seven direct reports – the Deputy Chief Investment Officer, the Senior Fixed Income Investment Officer, the Senior Real Estate Investment Officer, the Senior Private Equity Investment Officer, the Public Equity Investment Officer, the Senior Alternatives Investment Officer, and an Executive Support Specialist.

The Investment Division maintains offices in both Salem, the State capitol, and Tigard, a Portland suburb. The CIO and most Investment Division staff split their time between the two offices, which are about 45 minutes apart.

Key responsibilities include:

- Providing leadership to the Investment Division, including hiring, developing and evaluating staff, actively participating in planning for the future of the OST and strategic and business planning for the Investment Division.
- Providing investment expertise regarding overall asset allocation, reviewing existing asset classes, and evaluating the advisability of investing in new investment structure.
- Reviewing and improving policies, resourcing, and frameworks for risk management and compliance systems.
- Serving as the spokesperson for the Investment Division with external constituents and third parties, including the legislature, other government agencies, fund beneficiaries, and the media.
- Planning, organizing, directing and staffing day-to-day activities of the Investment Division, including developing and monitoring budgets and developing business continuity plans.
- Leading the Investment Division in establishment of investment goals for the various funds under management, and evaluating investment programs for necessary changes or enhancements.

- Providing timely information and recommendations to the Oregon Investment Council and serving as Executive Secretary to the Oregon Investment Council.
- Reviewing and evaluating the performance of external managers, consultants and advisors; recommending to the OIC hiring and termination of external managers, consultants and advisors.
- Developing and maintaining working relationships with the financial community and peers in other investment organizations, locally, nationally and internationally.
- Ensuring maintenance and adherence by Investment Division staff to OIC policies and procedures.

OPPORTUNITY

The OST is in the process of reviewing and considering changes in the governance and organizational structure of the Investment Division to provide more clarity and better alignment with regard to the responsibilities and authority of the OIC, the Treasurer's office, and the Investment division staff, with the ultimate goal of making the Division an independent unit under the auspices of the Oregon Investment Council. This likely will require legislative approval, and is still in the early stages, but provides an opportunity for the CIO to be an active participant in shaping the future structure of the Division. Although there is no guarantee that these efforts will be successful, the Treasurer and the other OIC members firmly believe that any potential changes will only improve an already top performing investment management function.

EDUCATION AND EXPERIENCE

- Undergraduate degree from an accredited college or university in finance, business, economics or related field; advanced degree and CFA designation preferred
- Substantial senior leadership experience in a complex investment organization with broad asset class exposure; experience leading in an environment of organizational change is highly desirable
- Strong staff leadership experience, including managing investment professionals
- Demonstrated track record of investment success through several market cycles; direct portfolio management experience or oversight of external managers at some point in one's career
- Experience dealing effectively with external constituents and the media
- Extensive knowledge and understanding of global political, economic, cultural, business, securities markets, and other trends on the world, national, and local scenes to determine their effect on interest rates and the behavior of various asset classes
- Successful experience working with/reporting to a board of trustees
- Diverse life experiences and perspective to complement Investment Division staff

PERSONAL CHARACTERISTICS

- The highest sense of ethics, integrity and fiduciary responsibility
- Outstanding communication and presentation skills, including knowing when, what and how to communicate in a timely, understandable and effective manner; ability and desire to serve as the external face of the Investment Division

- Effective leadership skills to provide vision, guidance and support to the OST, Investment Division staff, and the OIC
- Good interpersonal skills to relate to and deal effectively with a diverse group of constituents, both internal and external
- Demonstrated people management skills; ability to motivate and delegate but maintain strong sense of accountability; desire and ability to mentor less experienced staff and foster communication and a team environment
- Common sense and good judgment
- Approachable and open-minded; willing to listen to and accept opposing points of view
- Sense of humor; ability to be serious without taking oneself too seriously

COMPENSATION

Compensation will consist of base salary, incentive opportunity and benefits. The base compensation range currently in effect for the position is \$256,656 - 379,188 per year. Performance incentive opportunity of up to 30% is also available. The OST offers an attractive benefit plan that includes participation in the Oregon Public Service Retirement Plan, and provides contributions toward Public Employee Benefit Board sponsored individual and family health and dental insurance and term life insurance. Other benefits include paid holidays, and paid vacation, sick and personal leaves. Optional benefits include long- and short-term disability and participation in the Oregon Savings Growth Plan (deferred compensation).

NON-DISCRIMINATION

Our client and EFL Associates firmly support the principle and philosophy of equal opportunity for all individuals, regardless of age, race, gender, creed, national origin, disability, veteran status or any other protected category pursuant to applicable federal, state or local law.

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