

Chief Investment Officer

State Universities Retirement System

2023



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The System

SURS is the administrator of a cost-sharing, multiple employer, public employee retirement system that provides retirement, survivor, disability, and death benefits to employees of Illinois state universities, community colleges, and certain other affiliated organizations and agencies. SURS was created in 1941, by an act of the Illinois General Assembly, and is governed by the Illinois Pension Code. SURS provides benefit services to over 240,000 members who work for 61 employers. SURS is responsible for investing assets of approximately \$22.6 billion in a diversified portfolio across several functional asset classes, as of June 30, 2022. SURS also administers a defined contribution plan, the Retirement Savings Plan, which currently has assets of approximately \$3.5 billion (including forfeiture and disability reserve assets), as of June 30, 2022. In addition, SURS offers the Deferred Compensation Plan (DCP), a supplemental defined contribution 457(b) type plan.

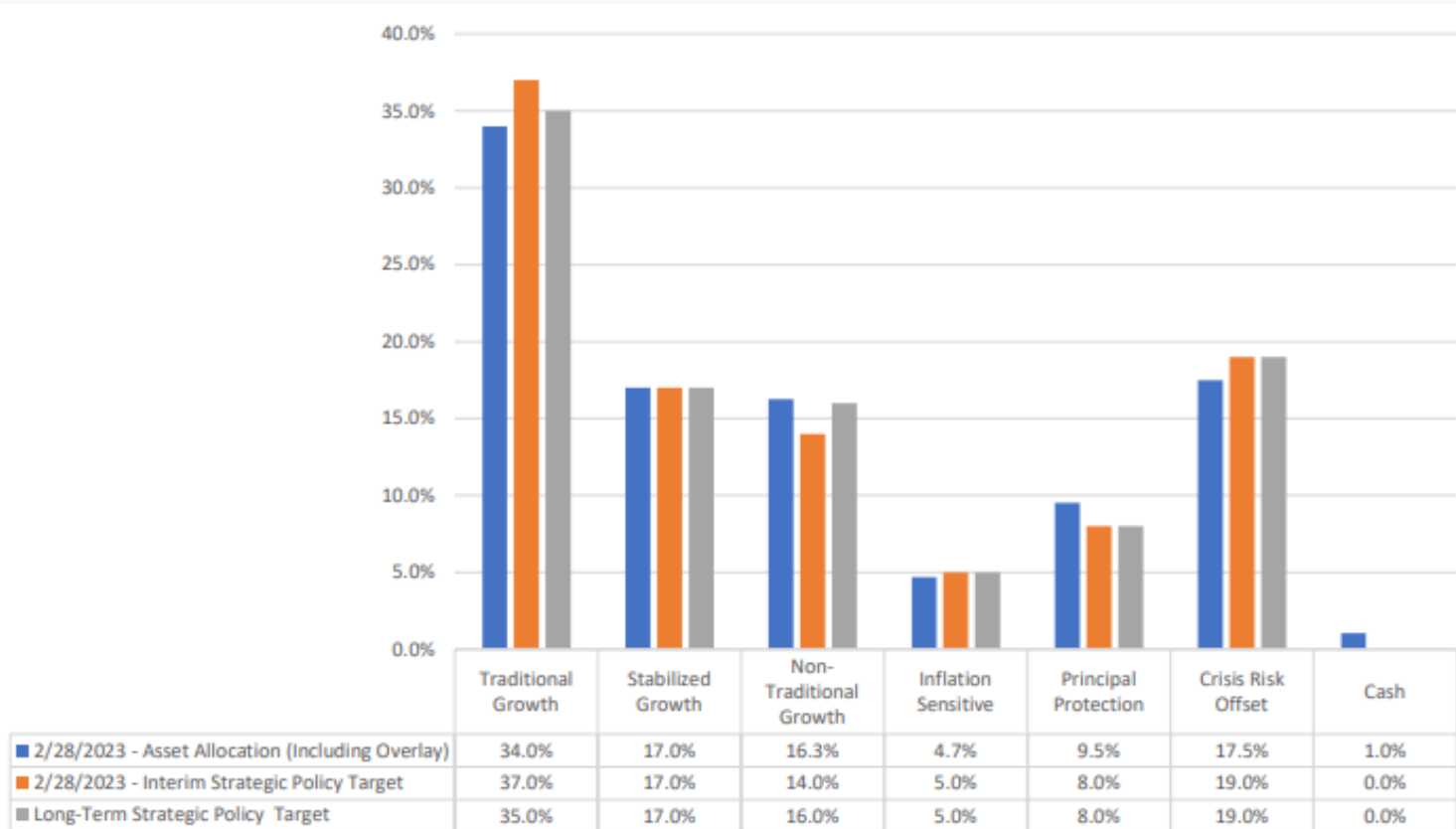
Investment Organization

The Chief Investment Officer oversees a team of eleven professionals. The senior team specialize by strategy and the analysts are structured as “generalists” and work across asset classes. The Deputy CIO supports the CIO and is also involved in investment operation activities. Although the CIO reports into the Executive Director, they work closely with and present to an 11-member Board of Trustees. The Board is composed of five members appointed by the Governor and six members elected by specific education-oriented organizations. The Chairman of the Board is appointed among the Trustees by the Governor. The Board has been characterized as collaborative. The role of the Board is to approve the appropriate asset allocation and the line-up of investment managers. The Board has engaged a leading general investment consultant who works closely with the investment team and the Board. However, the CIO leads the investment process and seeks input from the consultant prior to making recommendations to the Board. In addition, the Board has engaged two specialty consultants to assist staff in managing the real assets portfolio and defined contribution plans, respectively.

From a long-term perspective, the SURS portfolio has performed well, earning an 8.1% annualized rate of return over the past 30 years, exceeding the 7.8% policy portfolio return. This return is also in excess of the 7.9% average assumed rate of return in effect over the last 30 years and the current 6.5% assumed rate of return.

SURS is committed to providing opportunities for investment management firms and broker/dealers owned by minorities, women, and persons with a disability. Forty percent (35 of 87) of SURS' current investment managers are owned by minorities, women, or persons with a disability, as of June 30, 2022. SURS assets managed by these 35 firms total \$9.3 billion, representing 40.9% of the total investment portfolio. Minority brokerage utilization rates for U.S. equity, non-U.S. equity, global equity, and fixed income investment managers were 77.1%, 86.3%, 31.7%, and 50.4%, respectively, for FY 2022.

SURS asset allocation framework organizes assets within a functional framework rather than the descriptive-oriented asset-based framework. In this approach, assets are grouped by similar risk profiles, rather than asset class name.



Growth-oriented strategies include risk-taking assets or strategies that produce high total returns relative to other asset classes. Success in this category is often linked to economic success or failure. The three strategic components within this group are shown and described below.

Role	Group	Description
Growth	Non-Traditional Growth	Provide growth in excess of Traditional Growth through exposure to investments driven by exposure to the equity risk and illiquidity risk premiums (i.e., Private Equity and Non-Core Real Assets)
	Traditional Growth	Provide growth in line with traditional global public equity markets
	Stabilized Growth	Provide growth through strategies that are exposed to market beta, exhibiting expected returns similar to Traditional Growth but with lower volatility (i.e., Public Credit fixed income, Private Credit, and Core Real Assets)

Diversifying strategies provide two forms of diversification via anchor strategies and offset strategies. Anchor strategies are characterized by low volatility and high liquidity. Offset strategies, in contrast, tend to be higher volatility strategies that have zero-to-negative correlation to public equity markets. These strategies, described in the table that follows, are designed to perform well in the event of a prolonged equity market downturn.

Role	Group	Description
Diversifying	Inflation Sensitive	Serves a mixed role as part anchor (i.e., TIPS) and part offset depending on the market environment. Designed to help protect the portfolio during periods of high inflation.
	Principal Protection	Provide an anchor to the portfolio by exhibiting low volatility with minimal exposure to equity risk. Designed to provide consistent, stable returns during most market environments and preserve principal during periods where growth investments are experiencing significant drawdowns (i.e., Core Fixed Income).
	Crisis Risk Offset	Provide an offset to growth risk through liquid exposures to risk premiums expected to exhibit offsetting behavior to growth investments during periods of significant drawdown (i.e., Long Duration Treasury, Systematic Trend Following, Alternative Risk Premia, Tail Risk and Long Volatility)

The Opportunity

**Position****Chief Investment Officer****Location:****Champaign, IL****Reporting Relationship:****Suzanne Mayer
Executive Director****Website:****<https://surs.org/>**

Purpose of the Position

The Chief Investment Officer is an executive leadership position that reports directly to the Executive Director with a dotted line report to the SURS Board of Trustees. As the System's strategic investment leader, the CIO is responsible for directing the management of SURS' investment portfolio within the goals established by the Board and will have the board organizational responsibilities that generally accompany the position of the senior investment leader. The CIO is responsible for the development of an innovative, long-range, and comprehensive investment vision and strategy. The CIO will primarily be held accountable for and measured by investment performance and generating returns in excess of appropriate benchmarks, while appropriately managing risks. The CIO should be a strong leader that exhibits the values of SURS such as being honest, ethical, trustworthy, collaborative, inclusive and professional. The position serves on the Executive Leadership Team and also supervises the Deputy Chief Investment Officer.

Key Responsibilities

Responsibilities of the role.

- Direct the planning, design, and management of SURS Investment Program, in compliance with guidelines, policies, and statutes.
- Provide oversight and direction of the day-to-day activities of the Investment Program.

- Participate and maintain relationships with other institutional investors, investment managers, and advisors to stay abreast of best practices affecting the public pension fund sector
- Review the current organizational model and, if necessary, recommend and implement changes to ensure the appropriate structure, skills and resources exist to manage the complex investment responsibilities of the Investment Division.
- Evaluate the current risk management program and, if necessary, recommend and implement changes to ensure a robust and dynamic capability is in place to ensure risk is controlled across the portfolio.
- Evaluate the current external managers and, if necessary, recommend and implement changes to re-balance assets, and terminate and hire managers to ensure managers and investment mandates align with the investment policy.
- Prepare and present understandable written and oral reports to the SURS Board of Trustees and other stakeholder groups as required.
- Oversee the activities of investment managers, custodial bank and investment consultants.
- Partner with the Board and Executive Director by providing recommendations and education regarding Investment activities and investment related policies.
- Direct and enhance the diversity initiatives of the SURS Investment Program

The Candidate

Experience, Knowledge, and Professional Qualifications

Experience and professional qualifications required for the role.

- Ten plus years' investment experience with seven of those years in a leadership role leading a complex investment organization and positive track record of performance as compared to appropriate benchmarks.
- Proven experience in developing and implementing the overall investment strategy and vision.
- Board/Investment Committee experience. Must have extensive experience in working with a Board and/or Investment Committee. Must have led discussions on investment topics, strategies, and investment managers. Must have provided relevant investment education to Board members when needed.
- A BA or BS degree in Accounting, Business, Finance, Economics or other relevant field.
- A CFA or other relevant certification is strongly preferred; and/or an MBA from a top institution.
- Public pension fund experience is strongly preferred, however applicants with relevant investment experience leading complex investment organizations will be considered.
- Diversity, equity, and inclusion (DEI). Must have extensive DEI experience to lead efforts both internally and externally.

Skills and Competencies

Skills and competencies required for the role.

- **Job Knowledge/Skill/Professionalism** – Displays values of integrity, trust, honesty, and utmost professionalism. Exhibits level of knowledge and the ability to apply job skills to reach acceptable levels of performance. Continuously strives to learn and advance knowledge base. Presents self in behavior, appearance, and speech that meet organizational standards.
- **Communication** – Ability to make proper use of oral and written language to communicate effectively. Displays ability to relate to different personalities and/or communication styles. Initiates and develops positive and open communication with peers and team members. Listens effectively.
- **Teamwork** – Willingness to assist co-workers and members. Ability to adapt to changing environments. Makes a positive contribution to morale. Work reflects pride taken in performing job and is personally accountable for own actions.
- **Decision Making/Initiative** – Makes good, clear, concise decisions. Demonstrates a “self-starter” attitude. Seeks help when needed. Contributes toward overall goals. Makes workable suggestions for improvements. Displays commitment to self-improvement.

- **Leadership/Management** – Inspires and motivates employees to perform at their best. Delegates and assigns work based on skill and performance. Communicates, hires, and recognizes and rewards accomplishments.

SURS – Living Our Mission

- Mission:** To secure and deliver the benefits promised to our members.
- Vision:** Continue to be recognized as a respected leader among public pension plans.
- Goals:**
- Assure the financial soundness of the System.
 - Achieve high levels of member and stakeholder satisfaction.
 - Be a great place to work with an emphasis on learning, growth, diversity, equity, and inclusion.
 - Develop and sustain efficient, high-quality processes, tools, and technology.
 - Protect SURS assets through sound risk-management and ethical practices.
- Strategies:**
- Secure the annual required contribution, manage expenses, produce risk-adjusted investment returns that exceed our benchmarks and provide effective oversight of defined contribution plans.
 - Deliver accurate, timely, cost-effective, and empathetic service by meeting or exceeding our service standards.
 - Recruit and retain quality talent, develop leaders, and commit to being a diverse, equitable and inclusive organization.
 - Enhance communication, workflow processing, systems sustainability and record keeping.
 - Strengthen SURS internal controls and risk-management programs and continue our ethics training and compliance efforts.

The Champaign-Urbana Community

SURS is located in the twin cities of Champaign and Urbana. With a combined population of approximately 100,000, Champaign-Urbana is large enough to support cultural and entertainment opportunities usually associated with major metropolitan areas, yet small enough to maintain its identity as a friendly, Midwestern community. Chicago, St. Louis, and Indianapolis are all within a three-hour interstate drive and make perfect weekend getaways.

Both Champaign and Urbana are actively involved in preserving their neighborhoods, and both cities can boast of award-winning park facilities and programs. The Champaign Park system includes a terrific children’s petting zoo, and one park in Urbana includes a sculpture garden spread over 130 acres. Two full-service hospitals and two comprehensive multi-specialty health clinics serve residents’ health care needs.

Champaign-Urbana is a community with the best of both worlds: active urban living paired with easygoing affordability. We have outstanding farmers markets coupled with world-class entertainment — much of it free. Days can be spent going to museums or playing golf. Malls and neighborhood shops offer a variety of shopping experiences. Arts lovers can choose between community theater productions, nationally renowned acts, and a vibrant local music scene. Time magazine ranked us #12 on its “Best Places to Walk or Bike” list and NerdWallet named us one of the top five cities for work-life balance.

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About Korn Ferry

Korn Ferry is a global organizational consulting firm. We work with our clients to design optimal organization structures, roles, and responsibilities. We help them hire the right people and advise them on how to reward and motivate their workforce while developing professionals as they navigate and advance their careers.

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