



## **MINUTES**

**Meeting of the Ad Hoc Committee  
of the Board of Trustees of the  
State Universities Retirement System  
Monday, March 27, 2023, 2:45 p.m.  
State Universities Retirement System  
Via remote access only due to ongoing COVID-19 concerns**

The meeting on March 27, 2023, was conducted via video conference pursuant to the Governor's COVID-19 Executive Order dated March 3, 2023, and subsection (e) of Section 7 of the Illinois Open Meetings Act. Chair John Atkinson of the SURS Board of Trustees determined that a full, in-person meeting was not practical nor prudent due to the ongoing COVID-19 disaster concerns.

The following trustees were present: Mr. John Atkinson, Ms. Jamie-Clare Flaherty, Mr. Scott Hendrie (chair), Dr. Fred Giertz, Dr. Steven Rock and Mr. Antonio Vasquez.

Others present: Ms. Suzanne Mayer, Executive Director; Mr. Douglas Wesley, Chief Investment Officer (CIO); Ms. Bianca Green, General Counsel; Ms. Shauna Clayborn, Officer of Procurement and DEI; Ms. Kelly Carson, Executive Assistant; and Mr. Michael Calabrese of Foley.

Ad Hoc Committee roll call attendance was taken. Trustee Atkinson, present; Trustee Flaherty, present; Trustee Giertz, present; Trustee Hendrie, present; and Trustee Vasquez, present.

## **INTRODUCTORY COMMENTS**

Trustee Scott Hendrie provided an update regarding the planned search for the Chief Investment Officer position due to the pending retirement of the current SURS CIO and he also discussed qualifications the group is looking for in the search firm that will assist SURS with the search.

## **INTERVIEWS OF THE EXECUTIVE SEARCH FIRM FOR CIO SEARCH**

Representatives from the following executive search firms presented to SURS staff and to the committee.

- Korn Ferry – Mr. Michael Kennedy and Mr. Jim Flaherty
- EFL Associates – Mr. Daniel Cummings

Following the presentations, SURS staff and the Ad Hoc Committee discussed each candidate and addressed the overall process regarding how the executive director would retain the desired firm.

A copy of the presentation titled “SURS Presentation March 2023” and “SURS of IL 3.27.23” are incorporated as part of these minutes as [Exhibit 1](#) and [Exhibit 2](#). A summary titled “Executive Search Firm Finalists” is also included as [Exhibit 3](#).

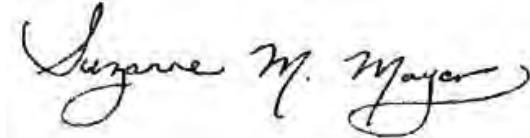
### **PUBLIC COMMENT**

There were no public comments presented to the Ad Hoc Committee.

There was no further business brought before the committee and Trustee Atkinson moved that the meeting be adjourned. The motion was seconded by Trustee Vasquez and the motion passed via the following roll call vote:

Trustee Atkinson	-	aye
Trustee Flaherty	-	aye
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Vasquez	-	aye

Respectfully submitted,

A handwritten signature in black ink, reading "Suzanne M. Mayer". The signature is written in a cursive, flowing style with a large initial 'S' and a long, sweeping underline.

Ms. Suzanne M. Mayer  
Executive Director and Secretary, Board of Trustees

SMM:kc



**CHIEF INVESTMENT OFFICER**  
**MARCH 2023**



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# KORN FERRY TEAM

**Michael Kennedy**  
Senior Client Partner  
Atlanta, GA

**Jim Flaherty**  
Senior Associate  
Boston, MA

**Kendra Marion**  
Senior Director, Assessment Services  
Toronto, ON

- **Michael Kennedy, Jim Flaherty and Kendra Marion**– Michael will lead the day-to-day execution of this project. Michael is a senior member of the Asset Management Practice and has over 20 years of recruiting experience in asset management and over 13 years in recruiting for public pension plans. Michael will lead the overall search process and all meetings/discussions with the search committee. Michael and Jim will be involved in outreach to candidates. Michael will participate in candidate interviews and other relevant meetings. Kendra will assist the team in the KF4D Assessment aspect.
- **Chief Investment Officer Experience** – Michael has led CIO projects for public pension plans since 2005. This extensive search experience will enable the Korn Ferry team to have greater access to top talent.
- **Public Pension Board Experience** – Michael served as a Trustee of the Employees Retirement System of Georgia for 15 years and served as Board Chair and Chairman of the Investment Committee for part of his tenure.. Michael has also been a member of the National Association of State Retirement Administrators (NASRA) since 2000. These experiences have allowed Michael to provide greater insights and to be more effective in collaboratively working with Public Pension Boards as part of the search process.
- **Extensive Public Pension Search Experience** – The Korn Ferry team has worked with an extensive list of public pension plans across the country. Some of these include CalPERS, CalSTRS, Chicago Teachers, Texas Teachers, New York State Common, North Carolina, Virginia Retirement System, Maryland State Retirement Agency, Illinois Teachers, Minnesota State Board of Investment, and others. This strong track record should allow Korn Ferry to be uniquely able to partner with the State Universities Retirement System.
- **Diversity** – Michael Kennedy co-leads the Diversity Practice at Korn Ferry and has an extensive track record in recruiting diverse talent to senior pension roles. Michael is the only executive search consultant who is a member of the National Association of Securities Professionals, an organization for people of color in the asset management industry. He is also a supporter of the TOIGO Fellowship Program.
- **Chicago Presence** – Korn Ferry maintains a significant office in Chicago. The KF team will leverage resources from the Chicago office in the execution of this project. In addition, the Korn Ferry team has conducted numerous CIO searches in Chicago and already has identified most of the talent relevant to this project.



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## Michael Kennedy

Michael Kennedy is a Senior Client Partner in the Atlanta office of Korn Ferry and a member of the firm's Global Financial Services Market. He leads the firm's efforts in the pension sector and has conducted senior level searches for the largest pension plans in the country. He has conducted Chief Investment Officer assignments for pension funds, endowments and foundations, Taft-Hartley plans and asset management organizations. He is also a co-leader in the firm's diversity efforts and has worked with numerous financial services organizations in the development and implementation of diversity recruiting efforts.

Prior to joining Korn Ferry, Mr. Kennedy's career experience was in corporate finance and asset management. He previously worked in senior roles at General Electric Capital Corporation and Wachovia. He started his financial services career as an Equity Research Analyst at JP Morgan Investment Management Group.

In 2010, Mr. Kennedy was nominated by President Obama, and confirmed by the US Senate, to the Federal Retirement Thrift Investment Board, the largest retirement plan in the country. In 2011, President Obama designated him as Chairman. With assets exceeding \$460 billion, the Federal Retirement Thrift Investment Board develops and establishes policies governing the Thrift Savings Plan (TSP). In 2014, Mr. Kennedy was recognized for his leadership by Sovereign Wealth Institute's publication, Sovereign Wealth Quarterly, which ranked him as #5 on its list of the top 100 public investors globally.

Also in 2014, Mr. Kennedy was reappointed by President Obama to another four-year term as Chairman.

Prior to joining the Federal Retirement Thrift Investment Board, Mr. Kennedy served for 14 years as a Trustee at the Employees Retirement System of Georgia. During part of his tenure, he served as the Board Chair and Chairman of the Investment Committee. During his term as Chairman of the Investment Committee, he was involved in moving the plan into alternative investments, including private equity.

Mr. Kennedy currently sits on the Board of the University of North Carolina at Chapel Hill Investment Foundation Fund Board and also serves as a national co-chair of the UNC capital campaign. He previously served as Chairman of the UNC Board of Visitors. In addition to his UNC involvement, Mr. Kennedy has served on the Board of Trustees of the Phillips Exeter Academy in Exeter, New Hampshire.

In the Atlanta community, he has been involved with the Communities-In-Schools program, serving in numerous leadership roles including Board Chair. He has also been involved in the Harvard Business Club of Atlanta and the National Association of Securities Professionals.

Mr. Kennedy earned a Master in Business Administration from Harvard Business School. He received a Bachelor's degree with highest honors in History and Political Science from the University of North Carolina at Chapel Hill.





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## Kendra Marion

Kendra Marion is the Vice President of Global Assessment Services and co-leads Korn Ferry's North American Search Assessment practice. In this role, she assesses executives and consults with clients to identify the most qualified candidates for the key roles that drive the success of their organizations.

In addition to selection, Ms. Marion leverages her psychology and assessment expertise to coach executives, offering insight and feedback, and helping them to accelerate into new positions.

Ms. Marion is a specialist in understanding the way talent management supports organizations. She has diverse career experience, working in the public sector as well as the private resource sector in talent management and leadership development.

Prior to joining Korn Ferry, Ms. Marion worked for a mining organization where she created and managed leadership development initiatives globally. In addition, Ms. Marion worked for a public sector organization in talent management program development and implementation. Beyond Canada, Ms. Marion has collaborated with colleagues in the United States, Africa, Australia, and South America to produce locally relevant programs.

With over 17 years' experience in talent management, executive assessment and career placement, Ms. Marion approaches assessment and coaching with a strong sense of the skills required for leaders to succeed.

She has assessed or coached in numerous industries: financial services, professional services, mining, oil & gas, consumer goods, retail, technology and the public sector.

Ms. Marion is an ICF credentialed coach. She is fluent in English and Portuguese and has lived in countries on three continents.

Ms. Marion holds a Master of Applied Science degree in Industrial/Organizational psychology from the University of Waterloo and an Honours B.A. in Psychology from Wilfrid Laurier University.







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## Jim Flaherty

Jim Flaherty is a Senior Associate in the Boston office of Korn Ferry. In his role at Korn Ferry, Jim helps place senior professionals for some of the most prominent regional, national, and international asset managers and financial services companies. He works with a variety of different partners in the asset management practice.

Jim joined Korn Ferry in 2021 from Seitz Partners, a retained executive search firm focusing on the asset management industry.

Jim graduated from the University of Massachusetts at Amherst in 2016 where he earned a B.A. in Sport Management from the Isenberg School of Management. He grew up in Foxborough, Massachusetts.





# RELEVANT SEARCH EXPERIENCE



Chief Investment Officer



Chicago Teachers' Pension Fund

Chief Investment Officer



Chief Investment Officer



Chief Investment Officer



Chief Investment Officer



Chief Investment Officer



Chief Investment Officer



Chief Investment Officer



Chief Investment Officer



Chief Investment Officer



Chief Investment Officer



Chief Investment Officer



Chief Investment Officer



Chief Investment Officer



Executive Director



Director of Investments



Chief Investment Officer



Chief Investment Officer

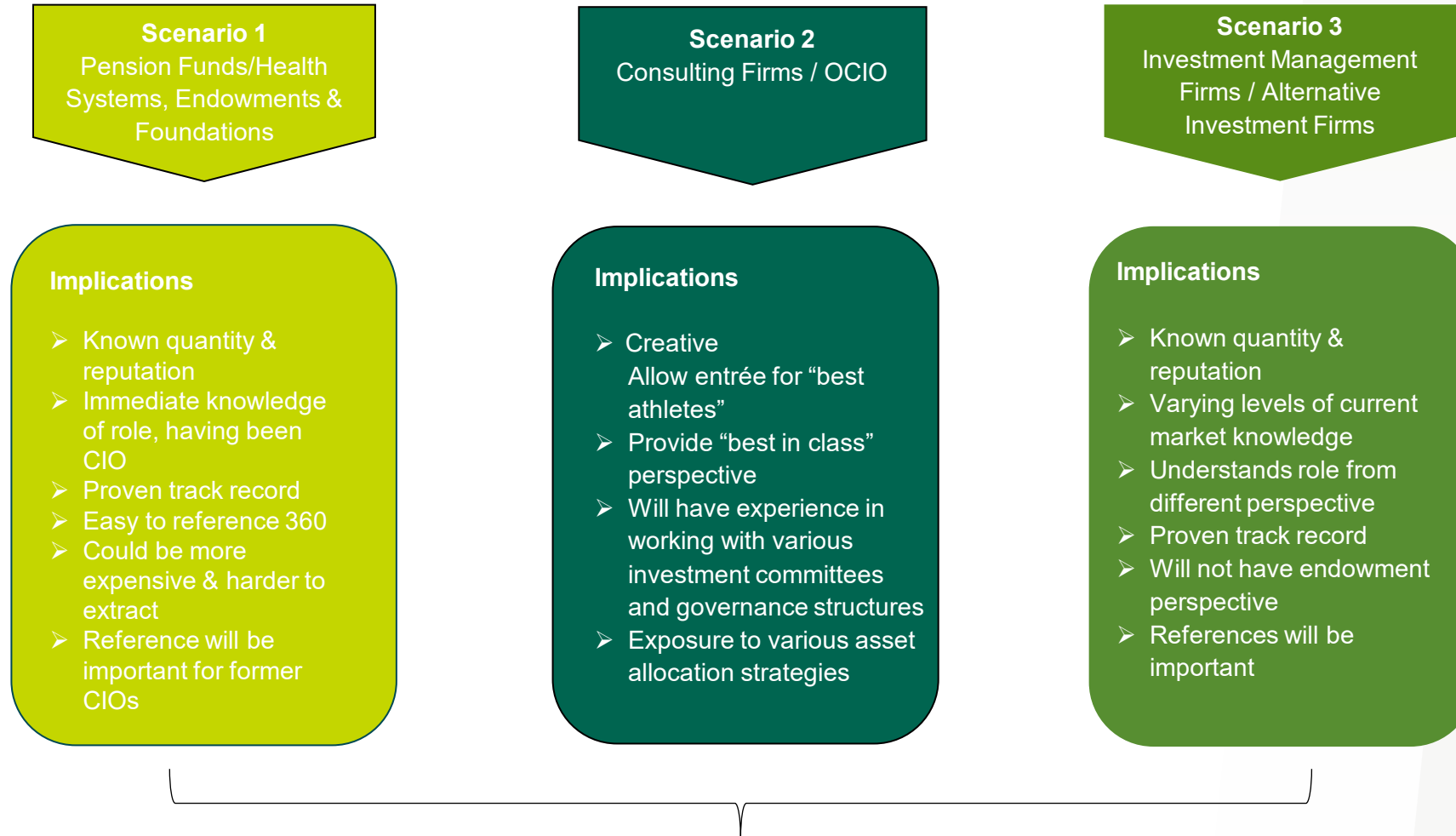


Chief Investment Officer



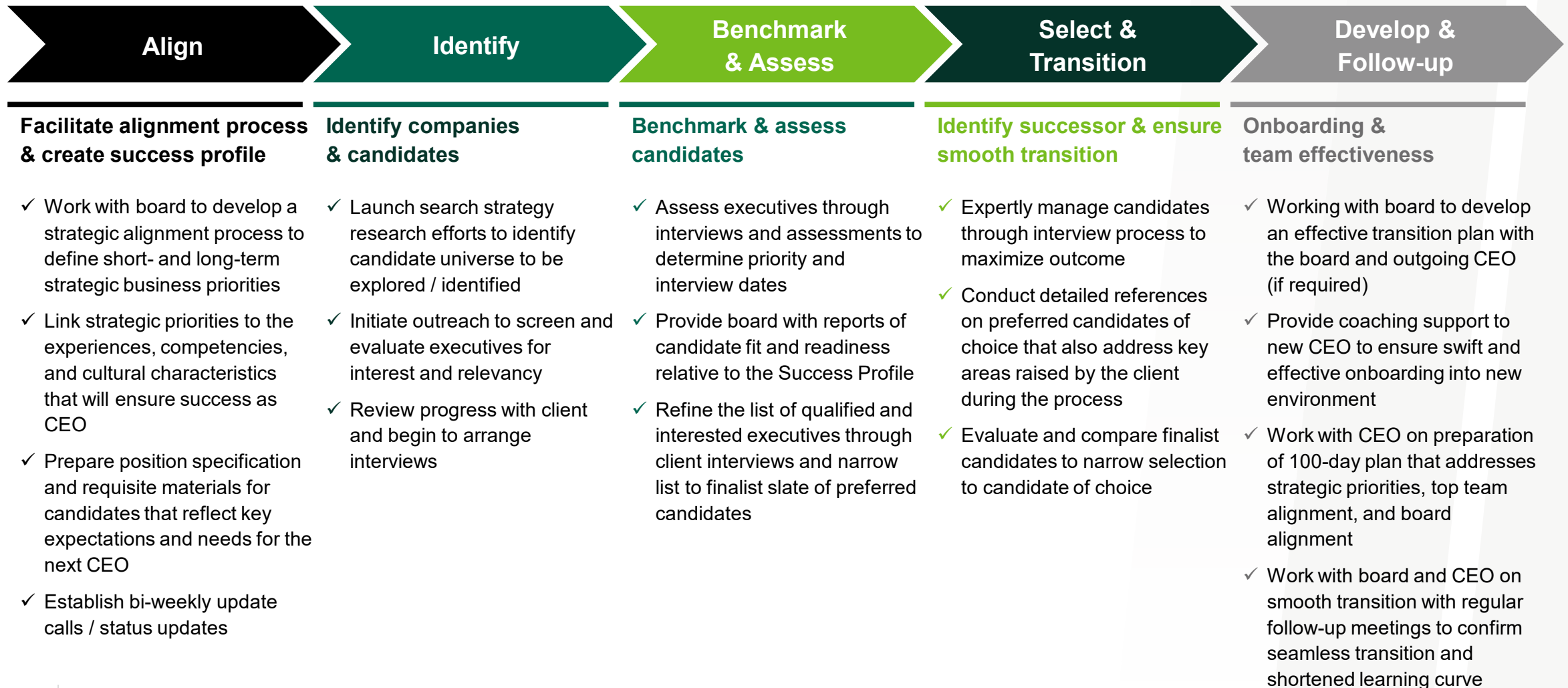
Chief Investment Officer

# Search Strategy: Potential Target Universe



**Diversity outreach efforts**

# Korn Ferry's Search Process



# Proposed Search Timeline

*We use a 6-step approach to our searches that fully integrates the client's executive team in the decision making at each critical juncture*

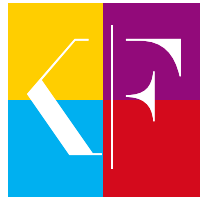


***Above is typical timing shown, however where the search is time sensitive KF endeavors to meet our clients deadlines***

Time to close based on candidate and client availability.

# KF4D

## Korn Ferry Four-Dimensional Executive Assessment



- World-Leading:** our most credible tool yet for evaluating talent.
- Powerful:** puts the range of Korn Ferry expertise at your fingertips and gives you unprecedented levels of control over the assessment process.
- Convenient:** works on any device and offers all the real-time functionality and convenience of an app.
- Validated:** predictions are made based on years of research and the results of 4.4 million assessments.
- Sophisticated:** rich visual representations of assessment results offer you deep insight into every candidate.

### The Four Dimensions of Leadership & Talent

#### Competencies

Skills and behaviors required for success that can be observed

##### FOR EXAMPLE:

Decision quality, strategic mindset, global perspective, and business insight.

#### Experiences

Assignments or roles that prepare a person for future roles.

##### FOR EXAMPLE:

Functional experiences, international assignments, turnarounds, and fix-its.

#### Traits

Inclinations and natural tendencies a person leans toward, including personality traits.

##### FOR EXAMPLE:

Assertiveness, risk taking, and confidence.

#### Drivers

Values and interests that influence a person's career path, motivation and engagement.

##### FOR EXAMPLE:

Power status, autonomy, and challenge.

What You Do

Who You Are



Thank You

**EFL Associates  
Executive Talent Solutions  
Presentation for:**





# Overview of EFL Associates



- **Industry Experts:** *More public pension executive and investment leadership searches from coast to coast than any other firm. Active engagement in industry associations.*
- **Longevity:** *Our 45th year of continuous service since our founding in 1978*
- **Ranking:** *Top two percent of 2,500 firms, nation-wide*
- **Body of work:** *Over 5,000 search projects including more public pension searches than any other firm*
- **Stability:** *Owned by NYSE-listed CBIZ*
- **Resources:**
  - *Senior consultants with **substantial public pension experience***
  - *Dedicated, in-house research staff with **substantial public pension experience***
  - *Robust network of public pension leaders from our active engagement with **NASRA, NCTR, NCPERS** and **NASD***
  - *A proprietary database with more than 500,000 professional contacts/candidates, and growing every day*

# Public Pension & Capital Markets Expertise



- *EFL Associates is recognized as a leader in identifying and placing senior public pension plan professionals. Our clientele includes state, county and municipal public pension plans from across the country.*
- *EFL is one of the few search firm members of both industry organizations such as NASRA, NCTR, NCPERS & NASD. We regularly participate in annual meetings to stay abreast of issues confronting the public pension plan sector.*
- *We're very proud of the good name we enjoy in public pension plan circles. People take and respond to our calls.*
- *Our firm is adept in the full continuum of search committee dynamics – requiring a certain*  
*3 finesse, diplomacy and foresight*



**Dan Cummings**  
EVP & Managing Director



**Tamara Wesely**  
Talent Acquisition Consultant



# ***What distinguishes EFL?***

## ***Quality, Efficiency, Diversity, & Integrity***

- ***Longevity**: Of searches we handled more than 5 years ago, 67% of our placements remained in their jobs 5 or more years and many are still in their roles today.*
- ***Efficiency**: Industry average is 130-140 days to complete (DTC) search engagements. Our 2022 average DTC was 93.2 days.*
- ***Diversity**: 53% of all searches completed by our Denver office in the past 16 years have been filled by diversity candidates.*

***And, MOST importantly...***

- ***Integrity**: We do what we say and we do it with honesty, transparency, accountability and responsiveness!*



# Work Plan Considerations

- *Meeting with your Search Committee and any other key stakeholders and senior staff leadership, as appropriate, to conduct needs analysis and draft a comprehensive position profile.*
- *Devise comprehensive, national search strategy and more detailed search process timeline.*
- *Implement approved advertising/posting plan, develop target list of potential candidates and sources of candidates, commence highly-targeted outreach.*
- *Begin comprehensive candidate vetting process (multi-step, including in-person or videoconference interviews; experiential and situational questions, etc.).*



# Work Plan Considerations

- *Prepare written profiles of select candidates highlighting their strengths and potential shortcomings relative to the Position Specifications.*
- *Finalize all candidate interview logistics, prepare suggested interview questions, be on-site to help facilitate the proceedings and post-interview discussion.*
- *Facilitate finalist interview logistics. Prepare questions and be on-site to facilitate interviews. Assist with offer parameters and candidate negotiations.*
- *Provide any desired on-boarding assistance and post-hire follow-up dialogue.*

***BE YOUR EXPERT SEARCH COUNSEL!***



# Work Plan Considerations

- *Coordinate all candidate communications responsively, professionally and transparently...REMEMBER, we're your agents and representing you to the marketplace!*
- *Our CBIZ compensation consulting colleagues can provide expert guidance on market-based compensation parameters for public pension plans.*
- *Weekly search update reports to keep leadership team, Search Committee and Board members informed throughout the search process.*
- *We'd be honored to represent SURS!*





# Why EFL Associates?

- *More public pension executive and investment leadership searches from coast to coast than any other firm. Active engagement in industry associations.*
- *We take the “Consultant” aspect of our roles to heart and can provide proven and time-honored counsel at each step in the search continuum.*
- *With our good name in public pension circles, we have a vested interest in exceeding our clients’ expectations*
- *Integrity, honesty, transparency and responsiveness in all our interactions, both with you and with potential candidates. We’ll represent SURS the way you want to be represented!*
- *Desire: We want to do this search!*
- *Don’t take our word for it. Talk to our professional references and ask them about their experience with us!*



# A Sampling of our Clients...



MARYLAND  
STATE RETIREMENT  
and PENSION SYSTEM



City of Austin Employees' Retirement System



# EFL Associates

## Executive Leadership Solutions



**Dan Cummings, SVP & Managing Director**  
**Tamara Wesely, Talent Acquisition Consultant**

*Thank you for this opportunity to share the EFL story.  
We'd love to partner with you on this important project.*



## RFP 10-23-02 Executive Search Firm Bid Finalist Summary

Vendor	RFP materials complete	MWDBE Organization*	Basis of Fee	Travel included	Timeline	Proposed Team	Notes
<b>EFL Associates (a CBIZ company)</b>	yes	no	Total time and materials not to exceed \$100,000. Includes 3 visits to SURS. Any additional meetings at \$1200 per meeting	yes	April 5, 2023 to hire date of August 7, 2023 (approx 17.5 weeks)	Daniel Cummings; Tamara Wesely	Considerable pension system CIO & other Investment positions search experience listed. Recently worked with IMRF. EFL is a company owned by CBIZ. CBIZ works with SURS on compensation; however EFL is separate and apart from the CBIZ arm that does our compensation work.
<b>Korn Ferry</b>	yes	no	Total time and materials not to exceed \$140,000; may be negotiable	yes	16 weeks to offer	Michael Kennedy; Kendra Marion; Jim Flaherty	Indicated salary is typically derived as a % of base CIO compensation so the fee stated may be negotiable. Considerable pension system CIO search experience listed. Recently worked with STRS and CTPF.

\*no MWDBE organizations responded to RFP