

**STATE OF CONNECTICUT TREASURER'S OFFICE,
PENSION FUND MANAGEMENT DIVISION**



**Principal Investment Officer, Global Fixed Income
Position Specification**

The State of Connecticut Treasurer's Office, Pension Fund Management Division (PFM Division), managing over \$48 billion in assets, is searching for a Principal Investment Officer (PIO) responsible for the management of the \$10.5 billion Global Fixed Income Fund, consisting of Core Fixed Income, High Yield, and Emerging Markets Debt funds.

State Treasurer Office Overview: Pension and Trust Funds

The Office of the Treasurer includes an Executive Office and six divisions, each with specific responsibilities, including Cash Management, Debt Management, Management Services, Pension Funds Management, Second Injury Fund, and Unclaimed Property.

As sole trustee of six state pension funds and nine trust funds, known collectively as the Connecticut Retirement Plans & Trust Funds (CRPTF), the Treasurer is responsible for overall policy, planning and general administration and management of the assets for retirement plans serving approximately 296,000 state and municipal employees, teachers, retirees, and survivors, as well as trust funds that support academic programs, grants, and initiatives throughout the state.

Shawn T. Wooden was sworn in as the 83rd Treasurer of Connecticut in January 2019; he previously spent 21 years as an investment attorney specializing in public pension plans. Treasurer Wooden's primary objective is to generate strong risk-adjusted investment returns that meet or exceed the 6.9% annual plan objective over a market cycle to address the State's unfunded pension liability. Another key priority is to engage on corporate governance issues that affect shareholder value.

The Investment Advisory Council (IAC), created by the General Assembly, advises the Treasurer in setting investment policies and procedures. The membership of the IAC consists of the State Treasurer (ex-officio), Secretary of the Office of Policy and Management (ex-officio), five public members appointed by the Governor and legislative leadership, all of whom are required to be experienced in matters relating to investments, three representatives of the teachers' unions, and two representatives of the state employees' unions.

Pension Fund Management Division Overview

The PFM Division is responsible for the day-to-day administration of the CRPTF. It assists the Treasurer and IAC in developing investment policy and asset allocation strategies, supervises and monitors the performance of investment managers and consultants, and sources and diligence new investment opportunities and strategies. The Division also supports the Treasurer in the analysis of plan liabilities.

The Chief Investment Officer (CIO) leads the PFM Division and is responsible and accountable for the CRPTF investment program. The CIO, with the Deputy CIO leads a team of 25, including the Principal Investment Officers responsible for Global Equity, Global Fixed Income, Private Equity/Private Credit, Real Assets, Short-Term Investments, Liquidity, Risk Management, Operations and Portfolio Analytics, and Corporate Governance and Sustainable Investments.

External consulting firms providing specific research and analytical expertise are retained to augment the Division's internal resources. Meketa Investment Group currently serves as the general consultant and consults on the Global Fixed Income investments. State Street Bank & Trust serves as the custodian, and Deutsche Bank is responsible for marketing the securities lending program.

Global Fixed Income Overview

The PIO of Global Fixed Income reports to the CIO and is responsible for the management of the day-to-day activities for the \$10.5 billion Global Fixed Income portfolio. The portfolio, externally managed by over 16 investment managers, consists of the Core Fixed Income Fund (\$5.5 billion), High Yield Fund (\$2.2 billion), and Emerging Markets Debt Fund (\$2.8 billion).

The Global Fixed Income asset class consists of several different investment debt strategies and investment vehicles, including externally managed separate accounts and mandates. These portfolios consist of domestic and international publicly traded securities and are the vehicles by which the CRPTF makes investments in the global fixed income markets.

- **Core Fixed Income Fund (CFIF)** - invests primarily in fixed-income securities in the domestic U.S. markets.
- **High Yield Fund (HYF)** - invests primarily in domestic below investment-grade debt securities.
- **Emerging Markets Debt Fund (EMDF)** - invests primarily in emerging market fixed income securities and currencies denominated both in U.S. dollar and foreign currencies.

Leadership in Diversity, Equity, & Inclusion and Corporate Governance

In August 2020, Treasurer Wooden launched the Connecticut Inclusive Investment Initiative (Ci³), a new emerging and diverse manager program. The program will increase allocations to diverse managers across all asset classes, provide a pathway for growth within the program, and strive to spotlight the best emerging diverse talent in the industry.

The Treasury's corporate governance activities are guided by the core principle that the exercise of shareholder rights, either through the voting of proxies or the filing of shareholder resolutions, is central to the fiduciary obligation to enhance the CRPTF's investment value. In addition to the voting of proxies, the Treasurer also actively engages directly with companies on corporate governance best practices in an effort to positively impact shareholder value.

The Treasurer also worked with other public pension plans and institutional investors in advocating for best practices in corporate governance and risk oversight. In furtherance of board diversity, in October 2019, Treasurer Wooden launched the Northeast Investors' Diversity Initiative, a regional partnership dedicated to increasing corporate board diversity inclusive of gender, race, and ethnicity at companies headquartered in the Northeast.

PIO Responsibilities

The Global Fixed Income PIO is accountable for monitoring, reporting, evaluating, and recommending investment opportunities and for risk management oversight of the debt assets within the CFIF, HYF, and the EMDF. A key priority for the Global Fixed Income PIO is to develop and implement the State's investment policies through the preparation and execution of investment strategies to achieve the short and long-term objectives of the program.

Listed below are some of the key responsibilities:

1. Perform credit research and analyses of economic indicators to project trends and their impact on the portfolio and other CRPTF investment programs.
2. Conduct feasibility reviews of potential investments and present the merits and risks of suitable investment opportunities to the CIO, Treasurer, and the IAC.
3. Participate in overall portfolio construction for the Global Fixed Income portfolio and propose allocations at the sub-asset class level, including sectors, industries, security type, geography, etc.
4. Negotiate the business terms and investment guidelines of investment contracts with external investment managers.
5. Conduct periodic reviews of on-going investment programs and recommend changes in strategy as required and stay informed on events and other factors which could affect investment programs.
6. Perform complex analysis of portfolio holdings, incorporating fixed income attribution and risk management analysis, including scenario analysis.
7. Maintain close contact with state agencies and private sector vendors (e.g., consultants, investment managers, custodian bank, etc.).
8. Develop and implement procedures for the proper oversight and safeguard of portfolio assets.
9. Prepare reports requested by the CIO.

Leadership Competencies

The Global Fixed Income PIO is a thought partner and trusted colleague of the CIO and peer PIOs. The individual must align and support the Treasurer's investment philosophy and policy objectives, including his initiatives on diversity, inclusion, and ESG. The Global Fixed Income PIO must have a strong work ethic, and be able to maintain a strategic focus, and manage complexity in a changing environment that engages with multiple constituencies.

In addition to being intellectually sharp and curious and a critical thinker, other essential skills and competencies include:

- Leadership skills to lead and oversee the portfolio and due diligence on prospective investment opportunities.
- Excellent judgment and strong analytical and problem-solving skills to identify issues proactively and present creative, practical solutions.
- Confidence and courage to put forward and defend ideas and recommendations while being open to adjusting them based on input from others.
- Social and interpersonal skills to engage and build relationships and work collaboratively with colleagues, including legal counsel and accounting staff.
- Interpersonal skills to engage and build positive relationships with the Treasurer, IAC members, outside advisors, investment managers, and others.
- Ability to conceptualize and articulate complex financial and investment information in a manner that is tailored to and understood by various groups.
- Poise and presence, and attention to detail, to expertly represent the CRPTF.

The Global Fixed Income PIO must be a leader of the highest integrity who is committed to delivering investment results that meet or exceed benchmarks and values transparency and strong governance.

Minimum Qualifications and Preferences

The PIO is accountable for oversight of the Global Fixed Income portfolio. An investment leader with relevant institutional fixed income experience is required. Requirements and preferences include:

Requirements

- Bachelor's degree in finance, economics, or related field of business.
- At least seven years of institutional investment experience in fixed income.
- Strong understanding of Fixed Income products, including securities, structured products, and derivatives.
- In-depth understanding of the public credit markets and the principles and practices of institutional investing.
- Understanding of research in fixed income, including market trends, strategies, industries, sectors, and geographies.
- Established quantitative skills with strong cognitive and problem-solving capabilities.
- Experience performing portfolio attribution as well as fixed income risk management analysis of managers, portfolios, and sub-asset classes.
- Experience working with shared staff resources and building productive alliances across external consultants and managers.
- Demonstrated ability to effectively communicate in writing and orally.
- Dedication to public service and understanding of defined benefit plans.



Preferences

- Advanced degree.
- CFA
- Investment experience working in or consulting to the public sector.

While public sector experience is preferred, candidates with other relevant experience will be considered.

Compensation

The Global Fixed Income PIO is an exempt position and an “at will” employee serving at the pleasure of the CIO and Treasurer. The CRPTF provides competitive compensation and benefits packages that are designed to attract top talent from the national market. Relocation assistance is available within established policies and procedures.

For Additional Information or to Apply

For additional information or to apply, please contact Hudepohl & Associates, info@hudepohl.com or (614) 854-7300.

