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KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM INVESTMENT OFFICER FOR PRIVATE MARKETS POSITION SPECIFICATIONS

CLIENT

Created by the Kansas Legislature in 1962, the **Kansas Public Employees Retirement System (KPERS)** or the “**System**” is charged with securing a financial foundation for those spending their careers in Kansas public service. The **System** provides disability and death benefits while employees are still working, and a dependable defined benefit when they retire. **KPERS** runs three state-wide, cost-sharing multiple employer defined benefit retirement plans as follows:

- Kansas Public Employees Retirement System
- Kansas Police and Firemen's Retirement System
- Kansas Retirement System for Judges

Retirement System benefits are offered by slightly over 1,500 state and local employers. KPERS has about 323,000 members including active, inactive and retired members. As of December 31, 2023, **KPERS** held assets of \$26.3 billion.

Along with the defined benefit plan, **KPERS** also oversees two voluntary supplemental plans, KPERS 457 and KPERS 401(a). The 457 and 401(a) plans are managed by a dedicated team within KPERS that is independent from the **System's** Investment Division.

A nine-member Board of Trustees oversees the **System**: four are appointed by the Governor, one is appointed by the President of the Senate, one is appointed by the Speaker of the House of Representatives, two are elected by System members, and one is the elected State Treasurer. The Board appoints an executive director who manages staff in carrying out daily operations. The Board approves the **System's** annual operating budget. As a component unit of the State of Kansas, the budget is also approved by the Kansas Legislature and Governor as part of the regular legislative budget process. The Legislature has traditionally approved the Investment Division expenses without any adjustments to the agency's request.

KPERS Mission

The Kansas Public Employees Retirement System in its fiduciary capacity, exists to deliver retirement, disability and survivor benefits to its members and their beneficiaries.

KPERS Investment Program

The assets held in trust by **KPERS** are invested according to the “prudent expert standard of care” for the sole purpose of providing benefits to members and beneficiaries. Subject to this standard, the Board has broad authority to establish policy guidelines that govern KPERS investment program. The Chief Investment Officer along with the Deputy Chief Investment Officer for Public Markets and the Deputy Chief Investment Officer for Private Markets work closely with the Executive Director and the Board to develop and implement these policies. The investment portfolio is broadly diversified and allocated across both public and private markets. The public market program represents approximately 70% of the portfolio’s target allocation.

The **KPERS’** Board of Trustees adopted the following long-term asset allocations in 2023:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equities	21.5%
International Equities	21.5%
Yield Driven	12.0%
Real Return	3.0%
Fixed Income	13.0%
Short Term Investments	3.0%
Real Estate	15.0%
Alternatives	<u>11.0%</u>
	100.0%

As of December 31, 2023, the **System’s** investment program produced a one-year total return of 11%. Similar annualized total returns for 3-, 5-, 10- and 25-year periods were 5.3%, 8.9%, 7.2%, and 6.9%, respectively.

KPERS’ actuarially assumed rate of return is 7%. The **System’s** funded ratio as of June 30, 2023, was 73.4%.

This past legislative session, existing statutes were revised to allow **KPERS** to expand holdings in alternative investment assets to 25% of the total portfolio. The previous statute limited such investments to no more than 15%.

KPERS’ investment portfolio is managed externally. **KPERS** has contracted with Meketa Investment Group, The Townsend Group, and Mercer Alternatives, LLC as investment consultants.

KPERS employs approximately 140 staff members with 10 of those staff members comprising the investment team. **KPERS** currently offers the investment team the option to work from home three days each week.

KPERS is headquartered in Topeka, KS and is within easy commuting distance to Lawrence KS, home of the University of Kansas, and to the western suburbs of Kansas City.

For additional information about **System**, please see the **KPERS'** website at www.kpers.org.

THE INVESTMENT OFFICER – PRIVATE MARKETS ROLE

The **Investment Officer for Private Markets** reports directly to and works closely with the Deputy Chief Investment Officer for Private Markets to develop, implement, and maintain the **System's** private markets investment portfolios. The **Investment Officer for Private Markets** has direct oversight and management responsibility for either the **System's** private real assets program (which currently includes real estate, timber, and infrastructure portfolios), or the **System's** private equity program (which consists primarily of buyout and growth equity portfolios), as assigned by the Deputy Chief Investment Officer for Private Markets. In addition to direct oversight of the assigned program, the **Investment Officer for Private Markets** participates in oversight of the entirety of the private markets portfolio. The Position has no direct reports but may oversee investment staff for special projects or assignments, as assigned by the Chief Investment Officer or Deputy Chief Investment Officer for Private Markets. This position is supported by a senior investment analyst with whom this officer works closely on a day-to-day basis.

The Private Markets team at **KPERS** is a team of 4 led by the Deputy Chief Investment Officer for Private Markets. In addition to this **Investment Officer for Private Markets**, there is a Senior Investment Officer for Private Markets and an Assistant Investment Officer for Private Markets. The entire Investment Department totals 10 professionals led by the Chief Investment Officer.

Essential responsibilities include:

- Serves as the subject matter expert on the assigned program
- Maintains an advanced understanding of the capital markets and institutional investment industry trends
- Analyzes changes and considers likely impact
- Researches and develops practical use and application of this with work within the assigned program and across the System's investment portfolio.
- Actively contributes, along with the Chief Investment Officer, Deputy Chief Investment Officer for Private Markets, and other Investment Officers in broad, investment-related discussions, research and projects.
- Directly contributes to establishing and meeting annual pacing plan goals for assigned portfolios. This typically will encompass several hundred million dollars of commitments to commingled funds on an annual basis, across a variety of investment strategies within the asset class. The private equity program is well established and will require ongoing capital commitments to maintain its target exposure.
- The Real Assets program is less established and will see increasing commitments given the planned allocation to the asset class.
- Works closely with the Deputy Chief Investment Officer for Private Markets and external consultants to identify top-tier funds and leads the due diligence efforts on investment considerations for the assigned portfolio.

- The Investment Officer for Private Markets is the primary point of contact with the general partner community for their assigned portfolios and, as such, has direct access to the top-tier professionals and firms in the industry.
- Provides expert analysis, commentary and recommendations on the assigned program.
- Closely monitors the portfolios to ensure that the Board's investment objectives are met within the bounds of investment statutes, policies, and guidelines.
- Works closely with the Deputy Chief Investment Officer for Private Markets, Chief Investment Officer, and the System's external consultant to develop strategy, structure, and manager selection for the assigned portfolios
- Proposes and advises on changes to investment policies, objectives, and guidelines to keep them current with the evolving investment environment
- Prepares and presents reports, analysis, and recommendations regarding the assigned investments to the Board of Trustees and the Board's Investment Committee, at the direction of the Chief Investment Officer and Deputy Chief Investment Officer for Private Markets.
- Has direct responsibility for ongoing portfolio management and due diligence oversight of the assigned program through monthly/quarterly reports, manager contacts, site visits, and comparative analysis.
- Thoroughly documents periodic update calls with general partners.
- Provides performance evaluation in relative and strategic terms.
- Reports discrepancies or concerns to the Chief Investment Officer or Deputy Chief Investment Officer for Private Markets, as appropriate, with proposed follow-up action, if required.
- Monitors and resolves operations and compliance issues which may arise with respect to assigned investment managers, strategies and/or asset classes.
- Monitors and evaluates the analysis produced by the System's risk management system with respect to assigned investment managers, strategies and/or asset classes.
- Manages the **System's** office building which is an investment in the real asset program and the external property management firm hired by the **System**.
- Performs other duties as assigned by the Chief Investment Officer or Deputy Chief Investment Officer for Private Markets.

EDUCATION AND EXPERIENCE

- Undergraduate degree in business, economics, finance or related field from an accredited college or university is required. An advanced degree is preferred.
- Certification as a Chartered Financial Analyst (CFA) or Chartered Alternative Investment Analyst (CAIA) is required.
- Significant (6 or more years) of relevant experience in the field of investments, portfolio management, or external investment manager oversight for a pension plan, endowment, foundation, or similar institutional investor.
- Strong understanding of the fiduciary standard in a financial environment.
- Knowledge of investment management concepts and practices in a pension fund environment.
- Understanding of global economics and the global capital markets.

- Knowledge of institutional investment program management principles and practices, including risk management systems for institutional investors.
- In-depth experience working with investment consultants and external asset managers is highly preferred.
- Knowledge of many types of investments and the methods employed in their purchase, sale or transfer, valuation, and management.
- Prior experience working with and presenting to a public Board of Trustees and/or Investment Committee is highly preferred.
- Advanced skills in quantitative modeling are desirable.
- The ability to provide analytical insight and recommendations on the development and implementation of investment strategy for broad sections of the portfolio.
- The ability to analyze, organize, synthesize, and communicate a variety of information in a logical manner, and to provide reasonable and prudent conclusions and recommendations from vast amounts of quantitative and qualitative data.
- The ability to present complex ideas, both orally and written, to a broad range of constituents in a professional and courteous manner.

PERSONAL CHARACTERISTICS

- High level of ethics and demonstrated commitment to transparency, accountability, efficiency and performance reporting
- Unassailable standards of personal and professional integrity
- Effective and persuasive oral and written communication, presentation, and negotiation skills
- Professionalism to effectively represent the **System** with investment managers and consultants, Board members, elected officials, the media, other financial community representatives, **KPERS'** members, and the general public
- Strong work ethic and dedication; results-driven and the ability to handle multiple priorities successfully
- Strong problem solving and creative skills and the ability to exercise sound judgment and make decisions based on accurate and timely analysis.
- Strong interpersonal skills and the ability to communicate and manage well at all levels of the organization
- Ability to establish and maintain positive relationships and team environment
- Ability to foster a culture of teamwork, collaboration and mutual respect with team members at all levels and across the agency

COMPENSATION

Compensation will include a competitive base salary based on experience and qualifications of the successful candidate. Compensation also includes an incentive compensation plan, which is based on objective measures of investment return, and may represent a meaningful addition to base salary. The successful candidate will also participate in **KPERS'** excellent benefits package, including health, dental, vision, life and long-term disability insurance coverages; FSA/HSA; tuition assistance and professional development opportunities; and participation in **KPERS'** retirement plans. **KPERS** offers

a generous paid time off package which includes vacation leave accrual based on the candidate's total number of years of relevant professional experience.

APPLICATION PROCESS

EFL Associates, an executive search firm, is assisting **KPERS** with this important search. All calls and inquiries should be made through the search firm. Referrals and applications will be held in confidence. Review of applications will begin immediately and will continue until the position is filled.

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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