



**LOS ANGELES FIRE AND POLICE PENSIONS
CHIEF INVESTMENT OFFICER
POSITION SPECIFICATIONS**

CLIENT

Our client, **Los Angeles Fire and Police Pensions (LAFPP or “Fund”)** was established by the City of Los Angeles (the City) in 1899 and operates under the provisions of the City Charter and Administrative Code. **LAFPP** is a single employer defined benefit plan whose function is to provide retirement benefits to the public safety members (Fire, Police, and certain Port Police and Airport Police) employed by the City.

As of June 30, 2022, the **Fund** served nearly 13,000 active members and just over 13,800 retirees and beneficiaries, and had a combined actuarial funded ratio of 95.0%. The **Fund’s** actuarial assumed rate of return on investments is 7%.

As of December 31, 2022, the **Fund** held assets of approximately \$28.129 billion (unaudited) across the following asset classes:

Asset Class	Market Value (Millions)	Actual Allocation	Target Allocation
Domestic Large Cap Equity	\$ 6,426	22.84%	23%
Domestic Small Cap Equity	1,579	5.61%	6%
International Developed Markets	3,904	13.88%	16%
International Emerging Markets	1,220	4.34%	5%
Domestic Bonds	4,435	15.76%	14.3%
High Yield Bonds	646	2.30%	5.5%
Unconstrained Fixed Income	753	2.68%	2.2%
Real Estate	3,502	12.45%	10%
Private Equity	4,853	17.25%	14%
Private Credit	0	0.00%	2%
Commodities	176	0.63%	1%
Cash-House Accounts	635	2.26%	1%
Total	\$ 28,129	100%	100%

BOARD OF COMMISSIONERS

The Board of Fire and Police Pension Commissioners (Board) administers the LAFPP System in accordance with the City Charter, the City Administrative Code, and the State Constitution. The Board consists of nine commissioners – five appointed by the Mayor and confirmed by the City Council, and four elected by members.

LAFPP's purpose, core principles and ethics are folded into the following Vision, Mission, Goals, Values, and DEI Statement:

Vision:

To be a leader and innovator in the public pension industry through an uncompromising dedication to excellence, customer service, transparency, and education.

Mission:

To advance the health and retirement security of those who dedicate their careers and risk their lives to protect the people of Los Angeles.

Goals:

- 1. Ensure a financially sound retirement system*
- 2. Manage risk throughout the organization*
- 3. Enhance customer care and stakeholder relations*
- 4. Pursue operational efficiencies*
- 5. Build and support a talented workforce*
- 6. Promote Diversity, Equity, and Inclusion (DEI) throughout the organization including our investment portfolio and business partners*

Values:

COLLABORATION - *We value teamwork to achieve success and encourage staff at all levels to share ideas and offer suggestions for improving operations. We are enriched by our engagement with the Board, our members, and our stakeholders.*

RESPECT - *We treat each other and our members with kindness and dignity. We promote a fair environment and support each other by sharing information and knowledge to ensure we deliver quality services.*

EFFICIENCY - *We continually search for ways to deliver quality services and reduce administrative expenses. We promote innovation throughout the organization and use performance measurement to drive decisions.*

ACCOUNTABILITY - *We recognize our responsibility to our members to deliver promised pension benefits. We ensure appropriate oversight to achieve excellence in service, operational and investment decision making.*

TRANSPARENCY - *We strive to always provide clear, accurate and complete information and transact business decisions in an open manner so that our members, the City, and the public can trust that our decisions are fair, honest, and ethical.*

ETHICS - We preserve the public trust by adhering to the ethical standards established by the State, the City, and our Board.

DIVERSITY - We embrace diversity, equity, and inclusion (DEI) and we believe in the power of DEI to enrich our organization.

Diversity, Equity & Inclusion Statement:

At LAFPP, we embrace diversity, equity and inclusion (DEI) in all aspects of our operations and we believe in the power of DEI to enrich our organization.

Workforce – We strive to recruit and retain a talented workforce that is representative of our City’s rich diversity.

Workplace – We recognize, appreciate, and respect our differences by promoting awareness and cultivating a welcoming, safe, and supportive workplace.

Marketplace – We commit to serving our members with consideration for their diverse perspectives and sensitivity to their emerging needs. We pledge to engage companies we invest in, about the importance of our DEI values.

At LAFPP, DEI is a shared responsibility. Each of us contributes to a diverse, equitable and inclusive work environment, with the understanding that our differences strengthen our organization and lead to improved outcomes.

ABOUT LOS ANGELES

Los Angeles is the commercial, financial, and cultural center of Southern California. It is the largest city in the state of California and the second most populous city in the United States. Los Angeles is known for its climate of dry summers and very mild winters. It is among the most diverse urban areas of the world, where numerous cultures, religions and lifestyles come together in a rich, interwoven tapestry.

The economy of Los Angeles is driven by international trade, entertainment (television, motion pictures, video games, music recording, and production), aerospace, technology, petroleum, fashion, apparel, and tourism. Other significant industries include finance, telecommunications, law, healthcare, and transportation. In the 2017 Global Financial Centres Index, Los Angeles was ranked the 19th most competitive financial center in the world and sixth most competitive in the U.S. after New York City, San Francisco, Chicago, Boston, and Washington, D.C.

Los Angeles offers a premiere lifestyle including world-class architecture, multiple recreation, and entertainment venues, as well as pristine coastline and 75 miles of beaches. Angelenos are as varied as any population group in the world. Statistics reveal that no single ethnic group constitutes a majority in Los Angeles, which makes it a true “World Community.” Residents trace ancestries to more than 140 nationalities.

The greater Los Angeles area continues to attract millions of tourists each year. Major attractions include the Los Angeles Coliseum, Griffith Observatory, Disneyland, Universal Studios and Citywalk, Knotts Berry Farm, La Brea Tar Pits, J. Paul Getty Museum, Venice Beach, Los Angeles Marina District, and the Los Angeles Zoo and Botanical Gardens. Extensive renovations of downtown Los Angeles continue to revitalize and invigorate the City's historic core. Los Angeles is a beacon of opportunity for immigrants, an economic engine for the nation, and an example of a progressive/dynamic urban center.

There are three public universities within the city limits: California State University, Los Angeles (CSULA), California State University, Northridge (CSUN), and University of California, Los Angeles (UCLA). In addition, there are numerous private institutions of higher learning, led by the University of Southern California (USC).

Los Angeles is a charter city as opposed to a general law city. The elected government consists of the City Attorney, the Controller, the Los Angeles City Council, and the Mayor of Los Angeles, which operate under a mayor–council government.

THE CHIEF INVESTMENT OFFICER ROLE

The **Chief Investment Officer (CIO)** serves as the senior investment professional at **LAFPP**, providing leadership, vision and oversight for the management and strategic growth of the Fund's assets. The **CIO** provides the investment expertise and counsel to achieve the plan's long-term investment objectives of superior, but prudent risk-adjusted returns.

The **CIO** reports to the General Manager and partners closely with the Board of Commissioners.

The **CIO** will be accountable for the investment process and rigorous reviews of existing and prospective investment strategies and provide recommendations for new or existing strategies to the General Manager and the Board of Commissioners. The Board will look to the **CIO** and the general investment consultant for guidance as experts in their fields. The **CIO** will work in a consultative manner with the Board, investment consultants, and the General Manager.

Key responsibilities include:

- Works collaboratively with the Board of Commissioners, General Manager, staff and consultants to establish the strategic direction for investment management of the Fund. This includes the Fund's investment governance framework, funding philosophy, asset allocation strategy, and risk management framework.
- Monitors capital markets and economic forecasts and provides information and advice to the Board and General Manager. Reviews the portfolio and develops a cash management strategy to ensure sufficient cash funding for the monthly pension roll, capital calls, and the Fund's administrative expenses.
- Reviews and analyzes current pension obligations, explores opportunities to improve the risk/return profile, with consideration of initiatives and direction that

contemplate all areas of risk and opportunity for the Plan's assets.

- Evaluates the asset allocation framework given the construct of the plan's funding status, projected longevity and size of plan assets and liabilities, and the overall investment environment. Implements the asset allocation plan and monitors compliance with investment policies, making appropriate adjustments to rebalance the Fund as necessary to achieve the Fund's financial goals.
- Oversees the custody operations of the **Fund** including the securities lending program.
- Monitors investment manager performance and compliance with Fund policies and investment guidelines and conducts comparative performance evaluations of investment managers using the appropriate benchmarks and peer groups. Recommends appropriate changes to investment managers, consultants, custodians, and other third-party service providers.
- Maintains relationships with members of the investment community, staying current and participating in the development of best practices in the industry. Attends various meetings on behalf of **LAFPP** with other government agencies, both inside and outside the City, and other external groups on investment-related matters. Represents **LAFPP** at conferences, seminars, and other public events.
- Works with the City Attorney and various contract counsel to represent and defend the Fund in any investment-related litigation.
- Oversees the use of a variety of analytical tools designed to measure progress and identify opportunities and risks in the management and investment of Plan assets.
- Develops and implements metrics and analytics to measure value, efficiency, and effectiveness of processes and performance.
- Drives the implementation of new technology systems to better evaluate investment decisions and managers as they relate to pension industry best practices.
- Supervises and evaluates a staff of professional and clerical employees in accordance with the EEO policies of the City, using job related criteria as the basis for all personnel actions. Provides training and opportunities for staff development to prepare employees for advancement and for knowledge transfer important for succession planning purposes.

EDUCATION AND EXPERIENCE

Minimum Requirements

1. Professional certification as a Chartered Financial Analyst (CFA), and eight years of full-time paid professional experience in directing investments or investment policy for a retirement system or corporate pension fund, endowment, foundation or investment organization with assets in excess of five billion dollars; OR
2. A Master's degree in finance, business administration, public administration, economics, or related field, and ten years of full-time paid professional experience in directing investments or investment policy for a retirement system or corporate pension fund, endowment, foundation or investment organization with assets in excess of five billion dollars; OR

3. A Bachelor's degree from a recognized four-year college or university, and twelve years of full-time paid professional experience in directing investments or investment policy for a retirement system or corporate pension fund, endowment, foundation or investment organization with assets in excess of five billion dollars.

Experience & Qualifications

- At least five years of prior experience leading, mentoring and guiding the work of investment staff in a public pension fund is preferred.
- Extensive knowledge of investment concepts, strategies, styles, and analytical methodologies at the total portfolio level.
- Proven ability to explain complicated investment topics in an understandable manner without talking down to the audience.
- Vast knowledge across all asset classes (broadly defined as public, private, and real assets) and substantial breadth of experience or knowledge investing as an institutional investor preferably of a defined benefit plan. Investment experience as a manager of managers, fund of funds managers, plan sponsor, and/or highly sophisticated investment consultant is also beneficial.
- Familiarity with the use of external managers with proven experience negotiating favorable fee terms highly desired.
- Prior experience working with external investment consultants is highly preferred.
- Strong grasp of global and domestic macro-economics and capital market issues relating to investments.
- Extensive cash management experience for investment portfolios.
- Knowledge of Federal and State regulatory policies as related to investments.
- Prior experience working with/reporting to a board and/or investment committee.
- Hands-on worker given the size of the investment staff.

PERSONAL CHARACTERISTICS

- The highest ethics and integrity; strength of character to hold self and others accountable to high standards of performance.
- Highly developed communication skills: an excellent listener who is also an accomplished presenter, both orally and in written communications.
- Proven leadership ability: can articulate a shared vision and obtain staff "buy-in".
- Solid talent management skills: inspires others to high standards of operational effectiveness and efficiency.
- Outstanding interpersonal skills: ability to work with a wide variety of constituents/personality styles and develop good rapport with consultants, staff, and other stakeholders.
- Visionary and Strategic thinker.
- Strong work ethic and sense of commitment and dedication.
- Intelligence, maturity, common sense, and good judgment.
- Fair, even and impartial; acts and responds factually and without bias.

COMPENSATION

LAFPP will offer the successful candidate a competitive compensation package with annual salary in the range of \$242,500 to \$356,000. The successful candidate will also be eligible for the City's comprehensive benefits package which includes health, dental and vision insurance, life insurance, short- and long-term disability coverage, generous vacation and sick leave benefits, and participation in a defined benefit retirement plan (LACERS) and optional participation in a deferred compensation plan. For more information regarding eligible benefits for City employees, please see <https://per.lacity.org/employee-resources/employee-benefits.html>.

APPLICATION PROCESS

EFL Associates, an executive search firm, is assisting **LAFPP** with this important search. All calls and inquiries should be made through the search firm representatives listed below. The application deadline for this opportunity is **Saturday, April 15**. All referrals and applications will be held in confidence. Review of applications will begin immediately and will continue until the position is filled. **To apply, please forward your resume and a cover letter to Tamara Wesely at tamara.wesely@eflassociates.com.**

NON-DISCRIMINATION

The City of Los Angeles does not discriminate on the basis of race, religion, national origin, sex, age, marital status, sexual orientation, gender identity, gender expression, disability, creed, color, ancestry, medical condition (cancer), or Acquired Immune Deficiency Syndrome.

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