



EFL Associates

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## CHIEF INVESTMENT OFFICER

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### POSITION SPECIFICATIONS

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#### CLIENT

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The City of San Diego (“City”) established the **San Diego City Employees’ Retirement System (SDCERS)** in 1927 to provide retirement, disability, and survivor benefits to City employees. Two additional plan sponsors were added when employees of the San Diego Unified Port District (“Port”) became members of SDCERS in 1963, and employees of the San Diego County Regional Airport Authority (“Airport”) became members in 2003.

**SDCERS’** mission is to deliver accurate and timely benefits to its participants and ensure the assets held in trust are done so with safety, integrity and growth. To guide the organization in fulfilling its mission, the Board members and staff value Customer Service, Accountability, Professionalism, Fiduciary, Integrity and Transparency.

**SDCERS** administers three separate single employer defined benefit pension plans for the City, Port and Airport, and provides service retirement, disability retirement, death and survivor benefits to its participants. The assets of the three separate plans were pooled in the SDCERS Group Trust, which was established on July 1, 2007. **SDCERS** invests and administers the Group Trust as a common investment fund and accounts separately for the proportional interest of each plan and trust that participates in the Group Trust. **SDCERS** serves nearly 21,000 members with \$11.1 billion in assets under management as of December 31, 2021.

**SDCERS** is governed by a 13-member Board of Trustees responsible for the administration of retirement benefits for participants and oversees the investment portfolio for the Group Trust. The Board is comprised of seven independent members with professional experience requirements who are appointed by the San Diego City Counsel, one member appointed by the San Diego City Mayor from his leadership team, two City employees and two City safety employees elected by the working plan members, and one retired plan member elected by the retired plan members.

The Board has exclusive authority over the administration and investment of the

SDCERS Group Trust. The Board approves the asset allocation policy which is reviewed and approved on an annual basis. The goal of **SDCERS'** investment program is to generate adequate long-term returns which, combined with employer and employee contributions, will result in sufficient assets to pay the present and future obligations of **SDCERS**. The Board emphasizes a long-term time horizon, the prudent management of risk, preservation of capital and diversification of asset classes. The investment portfolio assets are managed externally on a total return basis.

As of December 31, 2021, the following was **SDCERS'** target asset allocation policy:

Asset Class	Targeted Allocation
Domestic Equity	18.6%
International Equity	15.5%
Global Equity	8.0%
Domestic Fixed Income	22.4%
Total Return Seeking Fixed Income	5.0%
Real Estate	11.0%
Private Equity	10.0%
Infrastructure	3.0%
Opportunity Fund	6.5%
Total	100.0%

The one-year time-weighted return, net of expenses, was 15.8%. Three, five, and ten-year returns as of December 31, 2021, were 13.4%, 10.8% and 9.9%, respectively. Between 2008 and 2018, **SDCERS** methodically lowered the 8% actuarially assumed rate of return to the current 6.5% assumption. The City, Port, and Airport funding ratios in the current actuarial valuations are 74%, 78%, and 95% respectively.

**SDCERS** consultants supporting the Board, Investment Committee and staff are

- AON, general investment consultant,
- Meketa Investment Group, real estate investment consultant,
- GCM Grosvenor, private equity and infrastructure investment consultant,
- StepStone Group, private equity and infrastructure investment consultant
- Cheiron, actuarial consulting services.

For more information about **SDCERS**, please see its website [www.sdcers.org](http://www.sdcers.org).

## **THE CHIEF INVESTMENT OFFICER ROLE**

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The **Chief Investment Officer (CIO)** is responsible for the administration and management of the Investment Program. The **CIO** is a key member of the Chief Executive Officer's leadership team and, as an organizational peer, collaborates with the General Counsel, Deputy CEO, Controller, Member Services Director, Chief Information & Security Officer, Internal Auditor, and the Human Resources/Administration Manager. Additionally, the **CIO** will have considerable interaction with **SDCERS'** six-member Investment Committee, and more specifically the Investment Committee Chair. The **CIO** will work closely with **SDCERS'** investment consultants and the external manager community. The **CIO's** direct report team is comprised of two Senior Investment Officers and an Assistant Investment Officer. The **CIO** will oversee an administration operating budget of approximately \$3.0 million.

### **Essential Functions of this role include:**

- Works to generate the best risk-adjusted returns to support the Investment Program's long-term soundness
- Supports the Investment Committee in setting investment policy in collaboration with investment consultants
- Works with the General Investment consultant in leading the Asset Allocation and Manager Structure discussions, recommendations and implementation
- Collaborates with general investment consultant in performing due diligence and recommending public markets investment manager selection and termination to the Investment Committee
- Collaborates with investment consultants/advisors in performing due diligence and recommending private markets investment commitments and sales to the Investment Committee
- Monitors investment managers for compliance with Board established policy
- Reviews rebalancing activities and actively monitors cash flows
- Develops and maintains trusted relationships with **SDCERS** Board Members, **SDCERS** staff, **SDCERS** investment consultants and investment managers, plan sponsors, and retiree organizations

- Directs, provides guidance and support for the Investment Team in alignment with the **SDCERS** Mission and Values

**Key Responsibilities include:**

- Fostering a culture focused on **SDCERS** Mission in alignment with **SDCERS** Values and further developing diversity and inclusion in the investment team and program.
- Oversight of all Investment Division functions, policies, and procedures
- Compliance with applicable **SDCERS**, City of San Diego, State and Federal rules and regulations
- Directs the RFP process for the selection of the Custodial Bank, the General Investment Consultant, the Real Estate Consultant, and other investment program vendors
- Presents investment performance and other updates for the Annual Member Meeting, Retired Employees' Association, the City, Port, and Airport, and other groups
- Leads efforts in establishing, completing and reporting on all Annual Action Plan items
- Participates and provides input on contract negotiations

**EDUCATION AND EXPERIENCE**

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- Bachelor's degree from an accredited college or university with an advanced degree highly preferred
- Professional certification as a CFA, CAIA, or similar preferred
- Significant (ideally a minimum of 15 years), demonstrable institutional investment related professional experience which includes progression to senior level management experience in a complex organization or financial institution (e.g. pension fund, insurance company, investment management firm, banking institution, or governmental financial agency, foundation or endowment) is required
- Broad familiarity with all asset classes, both public and private market
- Strong understanding of investment operations, principles and techniques of investment performance analysis, trading approaches and techniques, and

factors affecting price trends; and economic, statistical, accounting and business practices

- Strong portfolio management skills and in-depth familiarity with modern portfolio theory
- Experience managing and mentoring investment staff
- Public sector pension fund administration and/or public-sector managerial experience will distinguish the most attractive candidates
- Experience working for and with a board and/or investment committee

### **PERSONAL CHARACTERISTICS**

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- The highest level of honesty, ethics and integrity
- Commitment to **SDCERS** mission, vision and values
- Commitment to operating in the open environment required in the public sector
- Excellent interpersonal skills with the ability to interact with the Board, staff, consultants, elected officials, stakeholders, and membership groups with integrity and in a way that engenders trust, confidence, and credibility
- Outstanding communication skills, including the ability to translate complex information into understandable terms
- Ability to solve problems and make timely decisions effectively and, as needed, independently
- Focused on results; welcomes and internalizes constructive input; committed to creating and maintaining a culture of excellence focused on continuous process improvement
- Demonstrated ability to lead, motivate, mentor and promote professionalism and teamwork among staff members.
- Ability to balance an external focus with internal management responsibilities
- Ability to work under time demands and pressure

### **COMPENSATION**

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Compensation will be commensurate with qualifications. The total compensation package includes a competitive base salary and the City's comprehensive benefits package, which includes medical, vision, disability, life and AD&D insurance. The City also offers a Defined Contribution Plan, Employee Assistance Program, a Flexible Benefits Plan, Flexible Spending Accounts and a generous personal time off policy. The City recently re-opened its Defined Benefit Plan and participation is required for new employees. If you are a current or former City employee, please check with EFL Associates on Defined Benefit Plan eligibility.

### **APPLICATION PROCESS**

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

### **NON-DISCRIMINATION**

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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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