Iowa Department of Administrative Services – Human Resources Enterprise
Job Classification Description

Retirement Investment
Risk and Asset Allocation Officer

Definition

Measures and monitors various types of investment risks in the Iowa Public Employees' Retirement System (IPERS), oversees the selection and use of various quantitative risk models, and assists the Chief Investment Officer and investment staff in analyzing and managing investment risks and asset allocation; performs related work as required.

> *The work examples and competencies listed below are for illustrative purposes only and not intended to be the primary basis for position classification decisions.*

Work Examples

Assists supervisor by performing such duties as instructing employees, answering questions, distributing and balancing the workload, and checking work; may make suggestions on selection, promotions, and reassignments.

Measures and monitors various types of investment risks in the IPERS investment portfolio.

Communicates risk information to Investment Board and staff members.

Creates or oversees the creation of in-house analytical tools and/or uses off-the-shelf analytical software to measure and monitor various investment risks and warns Board and staff when risk levels are reaching or have exceeded policy limits.

Evaluates and recommends different types of quantitative and analytical models for measuring and monitoring investment risks and asset allocation scenarios within the investment portfolio.

Collaborates with investment officers to coordinate and structure asset allocation review and decision-making process; assist in the evaluation of investment risk in strategic and tactical asset allocation strategies.

Maintains cutting-edge knowledge of best practices for managing investment risks.

Builds a risk-focused culture at IPERS by promoting risk management dialogue among all investment team members and by maintaining and improving a comprehensive risk management programs at IPERS.

Leads the development and review of IPERS' risk management policies; plays a key role in investment policy discussions, ensuring that the risk management perspective is brought to all investment strategy and portfolio manager decisions.

Identifies and implements the best available tools for all key risk objectives, including investment strategy risk, downside risk, active risk, liquidity, leverage, counterparty, and other measures relevant to identifying and mitigating unintended and/or unmanaged risk.

Serves as the risk management liaison between the Investment Board and IPERS staff, providing timely reports and presentations to communicate risk information and where risk levels are versus policy limits; responsible for alerting the IPERS investment Board and chief executive officer if risk level exceeds limits.

Works collaboratively with the chief investment officer and other investment staff to assist them in evaluating various risks within specific asset classes, strategies, or investment manager styles; works with chief investment officer to develop and execute risk hedging or risk mitigation strategies, including the use of financial derivatives (such as futures swaps, options, etc.).

Participates in the periodic meetings of the IPERS Investment Board and provides advice to the Board on various topics.

Competencies Required

Knowledge:

- Advanced Mathematical Analysis – Mathematics, statistics, quantitative analysis, and factor analysis.

- Investments – Characteristics of most forms of investments, including stocks, bonds, real estate, private equity, and financial derivatives (such as futures, swaps, options, etc.).

- Stocks and Bonds – Portfolio management/theories related to stocks and bonds.

- Economic Factors – Economic factors that affect security prices, interest rates, and inflation, as well as how these factors are measured and evaluated.

- Quantitative Risk Metrics – Variance, standard deviation, value at risk, etc.

- Risk Analytical Software – Software such as Barra, Aladdin, Northfield, etc.

Abilities:

- Custom Risk Modeling – Create custom risk models.

- Written Expression – Communicate information and ideas in writing so others will understand. Communicate complex risk information to others with varying degrees of financial experience and knowledge.

- Oral Expression – Communicate information and ideas in speaking so others will understand.

- Speech Clarity – Speak clearly so others can understand.

- Speech Recognition – Identify and understand the speech of another person.

Skills:

- Coordination – Adjusting actions in relation to others' actions.

- Speaking – Talking to others to convey information effectively.

- Writing – Communicating effectively in writing as appropriate for the needs of the audience.

- Active Listening – Giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.

Minimum Qualification Requirements

Applicants must meet at least one of the following minimum requirements to qualify for positions in this job classification:

1) All of the following (a, b, c, d, and e):
   a. Graduation from an accredited four-year college or university with a Bachelor's degree in finance, mathematics, quantitative finance, statistics, or equivalent highly-quantitative or finance-related field of study; and
   b. Five years of full-time experience in an institutional investment environment with assets under management of at least $1 billion performing investment risk analysis, performing risk management functions, developing tactical or strategic asset allocation strategies, evaluating current valuations of various assets types, or managing an institutional investment portfolio; and
   c. Two years of experience trading/structuring or modeling financial derivatives; and
   d. Two years of experience programming risk models and developing and evaluating factor models; and
   e. Possession of a Financial Risk Manager (FRM) certification or Chartered Financial Analyst (CFA) designation.

2) All of the following (a, b, c, and d):
   a. Graduation from an accredited four-year college or university with a Master's degree in finance, mathematics, quantitative finance, statistics, or equivalent highly quantitative or finance-related field of study; and
   b. Five years of full-time experience in an institutional investment environment with assets under management of at least $1 billion performing investment risk analysis, performing risk management functions, developing tactical or strategic asset allocation strategies, evaluating current valuations of various assets types, or managing an institutional investment portfolio; and
   c. Two years of experience trading/structuring or modeling financial derivatives; and
   d. Two years of experience programming risk models and developing and evaluating factor models.

Effective date: 05/23 SA