

**NOMINATION OF MICHAEL KENNEDY TO THE
FEDERAL RETIREMENT THRIFT INVESTMENT BOARD**

Mr. Chairman and distinguished members of the Committee.

I am honored to appear before you today as a nominee to the Federal Retirement Thrift Investment Board. I am deeply humbled by the confidence that President Obama has shown in me with this nomination. As you know, the FRTIB was established to provide guidance and oversight for the Thrift Savings Plan, the primary pension fund for federal employees. If confirmed, I look forward to working with the staff and participants in continuing to fulfill the mission of the FRTIB while strengthening the organization.

I believe I was nominated for this position due to my extensive financial services background coupled with my public pension fund experience. For the past ten years, I have had the opportunity to serve the citizens of the State of Georgia as a Trustee of the Employees Retirement System of Georgia. With assets of approximately \$14 billion, ERS has administered benefits to over 130,000 active employees and 52,000 retirees. During my tenure on the Board, I have served as a member of the Investment Committee. For five years, I served as the Board Chair. Over this past ten years, we have worked closely with staff in enhancing our communications with participants in the plan. This has been done through the implementation of an effective call center as well as revised and more interactive website. We have provided greater access to participants regarding retirement planning and education. Furthermore, we have upgraded our technology, which has allowed ERS to operate in a more efficient manner. Finally, we have attracted stronger and more experienced talent to the organization, which will benefit the organization long-term.

As an ERS Trustee, I have had the opportunity to become involved in several national pension fund organizations, such as the National Association of State Retirement Administrators (NASRA) and the National Association of Securities Professionals (NASP). My involvement in these organizations has allowed me to interact with Trustees at other states and learn about industry trends. This involvement has also allowed me to develop some "best practices" that we have implemented in the Georgia system. All of these experiences will be beneficial in my involvement with FRTIB, if confirmed.

In the first part of my professional career, I developed a broad background in the financial services industry. I started my career as an Investment Analyst at JP Morgan, where I analyzed bank and savings and loan stocks for portfolio managers. This experience allowed me to develop a foundation for understanding equity capital markets. After completing my MBA at Harvard, I worked as a banker at Wachovia. In this role, I learned about the various financing strategies for companies. Finally, my experience at GE Capital allowed me to focus on areas such as private equity and mezzanine debt. In addition to the traditional equities and fixed income asset classes, I have developed extensive knowledge of alternative investments. If confirmed, these

financial experiences should allow me to bring a broad perspective to my position as a Board member at FRTIB.

Currently I am a Senior Client Partner at Korn/Ferry International. In my position, I conduct senior-level searches for top talent in the financial services industry. Over the past several years, I have conducted searches for large pension fund organizations such as the California Public Employees Retirement System (CalPERS), the California State Teachers Retirement System (CalSTRS) and the Teacher Retirement System of Texas (Texas Teachers). These searches have allowed me to gain some insights into these complex organizations while understanding the need to recruit top investment talent. If I am confirmed, my recruiting background will be helpful in my new role at the FRTIB as the organization continues to recruit and retain top-level talent.

Should I be confirmed, I will focus my efforts in three key areas: 1) Investment oversight; 2) Communications and Education; and 3) Recruitment and Retention of top talent. Although the current investment options appear to be adequate, it is always prudent to continually review these options in light of changing financial markets. It is also prudent to analyze and review additional options in order to remain current. Although the FRTIB does a good job in its current communications and education efforts, these areas need to be continually enhanced in order to capture new plan participants. Finally, it is important to make sure that the staff at the FRTIB remains top-notch. This can be done through strategic recruiting as well as providing constructive feedback to current employees. It is important to create a welcoming culture for employees and a team-oriented environment.

I believe that my pension fund experience and financial services background have equipped me to make a positive contribution to the Federal Retirement Thrift Investment Board. If confirmed, I look forward to working with Members of the Committee and the entire Congress, in helping to strengthen the FRTIB and maintain its important mission. I would be happy to respond to any questions you may have.