**Karl Polen**

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# Summary

Following a 30 year private sector career of diverse managerial responsibilities, Karl Polen is now fulfilling a long-planned period of public service at the end of his career dedicating his work to the beneficiaries of the Arizona State Retirement System.

# Experience Highlights

*Investment experience with ASRS (current role)* – Commending September, 2010, lead a team responsible for approximately $5 billion in private markets investments including real estate, private equity, farmland and infrastructure. Implemented a separate account program for real estate investing largely replacing the former fund model. Played key role in the adoption of a private debt investing platform and co-lead its implementation with the fixed income portfolio manager.

*Investment experience with ASRS (as trustee) –* Served as trustee of ASRS from 1994 through 2007 including two years as Chairman of the Board, three years as Chariman of Investments and was a member of the investment committee throughout the board tenure. In these capacities, worked with trustees and ASRS senior team on asset allocation and investment policy.

*Acquisitions and Finance* - Fifteen years experience as chief financial officer of 1500 employee home construction and land development firm. Arranged over $1 billion in debt and equity financing for real estate projects in all major categories. Experience in loan administration, reporting and investor relations. Experienced in tax free municipal finance in multiple states. Lead deal teams and principal negotiator for real estate and operating company investments.

*Restructuring and Distressed Assets* - Experienced as both a debtor and creditor in restructuring matters. Lead company representative and witness in a $500 million bankruptcy resulting in a successful restructuring allowing the equity holder to retain ownership of asset with substantial mitigation of obligations to secured creditors. Experienced investor in distressed assets including defaulted debt and foreclosure situations.

*Project and operations management* -- Supervise teams of several hundred people involved in real estate projects and operating companies. Experience in all major real estate types including large scale community development, hotel, office, retail, industrial and apartments. Experienced in all phases of operations including construction management, country club operations, utility operations, hotel asset management and all types of rental property management. Highly experienced in zoning, entitlements, development agreements and government relations.

*Water and Environment* -- Lead environmental permitting and compliance efforts for real estate development activities. Obtained water and environmental permits for numerous large scale land development projects totaling 50,000 housing units. Successfully defended permit challenges in court settings. Active involvement in water policy formulation through participation on numerous governor-appointed commissions on water policy matters and as a member of the board of directors of the Central Arizona Project. Active in legislative matters, notably including leadership on successful effort to enact groundwater replenishment laws in Arizona. Experienced in Arizona Corporation Commissions matters including certificates of convenience and necessity, financing cases and rate setting. Supervised operation of six water and sewer companies serving 20,000 customers.

*Technical and Analytical* - Strong computer skills with early work experience as a computer programmer and controller managing a data processing and accounting department. Current proficiency in R, Latex and Markdown. Wrote code in these platforms to implement PME methods for private market performance evaluation and to create an analysis and reporting system for private markets assets now in use by ASRS.

## Private Markets Investment Track Record at ASRS

## (investments made after September 2010 through September 30, 2015)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Asset Class | Benchmark | Portfolio Inception IRR | Benchmark IRR | Outperformance |
| Real Estate | ODCE | 16.00% | 12.64% | 3.36% |
| Private Equity | Russell 2000 | 9.97% | 4.57% | 5.40% |
| Private Opportunistic | Absolute 8% | 23.90% | 8.00% | 15.90% |
| Farming/Infrastructure | CPI plus 350 | 4.38% | 5.47% | -1.09% |

## (Benchmark IRR is calculated using PME methods with cash flows in same amounts and daily timing as the related portfolio investment.)

## Employment History

Arizona State Retirement System, Head of Private Markets Investing (2010 to present)

Pivotal Group, Executive Vice President (2002-2010)

Robson Communities, Chief Financial Officer (1987-2002)

Earlier work experience as asset manager, controller and computer programmer

## Education/Honors

Master of Business Administration, Vanderbilt University (graduated tied for 151 in class)

Certified Public Accountant (passed test with highest score in state and among highest in nation, license currently inactive status)

Bachelor of Music, University of Illinois

Supplemental undergraduate studies at University of Tennessee completing over 100 semester hours in mathematics, computer science and accounting

## Community Involvement

Board of Directors of the Boys and Girls Clubs of Metropolitan Phoenix

Founder of the Jemeille Ackourey Scholarship program providing music lessons to needy children

Trustee of the Arizona State Retirement System

Board of Directors of the Central Arizona Project

Member of the Governor's Groundwater Management Advisory Commission Member of the Governor's Central Arizona Project Advisory Commission Member of the Governor's Assured Water Supply Economic Analysis Committee