

Qianyu Sun, CFA

Candidate Statement

I am an employee of the City's Finance Department and a Tier II member of the Federated Retirement System. I have been with the City for over four years and experienced increasing contribution towards the retirement system. Yet I am deeply troubled to learn that the performance of the Federated Retirement Fund continues to lag behind its peers and the system stays seriously underfunded.

I have dedicated my career to institutional investment management for over 16 years. As the Principal Investment Officer, I manage the City's operating portfolio of \$1.6 billion. During my employment with the city, I modified the investment policies multiple times, developed a credit analysis program, and further diversified the City's portfolio to closely align the investment philosophy with the mandate of safety, liquidity and yield.

I am knowledgeable with capital markets, experienced in developing investment policies and strategies. My educational background includes a BA in economics, an MBA in finance and a CFA designation. I am well trained in the discipline of institutional investment and I would like to contribute my knowledge and skills to my fellow Federated Retirement System participants and their beneficiaries.

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## Profile

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

Public members of the Board of Administration of the San Jose Police and Fire Department Retirement Plan or the Federated City Employees Retirement System must live within 50 miles of San Jose City Hall and meet specified eligibility requirements.

Employee members of the Retirement Boards must be active employees who are members of the respective retirement plan. The Police and Fire Department representative must be an employee of the Police or Fire Department respectively. The employee representatives to the Federated Board shall be employed by different departments.

Retiree members of the Retirement Boards must be persons who have retired under the provisions of the respective retirement plan.

Qianyu

First Name

Sun

Last Name

Email Address

## Which Boards would you like to apply for?

Federated City Employees' Retirement System: Submitted

## Are you a resident of San Jose?

Yes  No

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

## Member Category: \*

Employee Representative

## Length of Residency

3-5 years

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

## If not a resident, do you live within 50 miles of San Jose City Hall?

Yes  No

What district do you live in? To verify, please click here: <https://eservices.sccgov.org/rov/?tab=dt> \*

District 3

[Redacted]

Street Address

[Redacted]

Suite or Apt

San Jose

City

CA

State

95112

Postal Code

[Redacted]

Primary Phone

[Redacted]

Alternate Phone

City of San Jose

Employer

Principal Investment Officer

Job Title

[Redacted]

Address of Current Employer

N/A

Current Employer of Spouse

[Redacted]

Address of Current Employer of Spouse

N/A

Spouse's Job Title

**If retired and receiving a pension, please state source of pension.**

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## Interests & Experiences

**High School, College, Professional, Vocational, or Other Schools Attended. Please include Major or Field of Study, Dates Attended, Degree and Date of Degree.**

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List any position or office held in any governmental agency, civic, or charitable organization including the dates

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Languages Spoken

### Special Awards or Recognitions Received

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Please state why you want to become a member of this Board or Commission including specific objectives which you would work toward as a member. If you are applying for the Board of Fair Campaign and Political Practices, please indicate any familiarity or experience you may have with campaign laws.

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Please state any other information which you feel would be useful in reviewing your application

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Do you own property in the City of San José?

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Yes  No

If yes, please list the addresses here.

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Do you rent property in the City of San José?

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Yes  No

If yes, is it a month-to-month lease?

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Yes  No

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**State and local law require that you abstain from participation in decisions that may affect your financial interests, including sources of income, interest in real property, personal finances or investments. In addition, if appointed, you may be required to fill out a disclosure statement which identifies certain of your financial interest beginning with the immediate twelve-month period prior to your appointment. Please review the scopr of your board/commission in Municipal Code Chapter 2.08. Based on your best judgment, does this Board or Commission make decisions that may affect sources of income, interests in real property, personal finances or investments of you or your spouse?**

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Yes  No

**If yes, please explain. Please identify any organizations, associations, corporations, or entities by which you are employed or associated that might be affected by decisions of this Board or Commission, and the positions you hold in these entities.**

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Question applies to multiple boards

**If appointed, you will be required to fill out a disclosure statement, which identifies certain of your financial interests beginning with the immediate twelve-month period prior to your appointment and annually on or before April 1 of each year thereafter. Please confirm that you have read Fair Political Practices Commission (FPPC) Form 700 Reference Pamphlet and agree to file required FPPC Form 700 Statements of Economic Interest, as required by current City Council Conflict of Interest resolution.**

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Yes  No

Question applies to multiple boards

**Have you ever been required to file a Statement of Economic Interest (Form 700) and failed to do so?**

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Yes  No

Question applies to multiple boards

**If yes, please explain in complete detail.**

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Question applies to multiple boards

**Please confirm that you have reviewed and agree to comply with the San Jose Municipal Code Chapter 12.08 (Prohibition of Gifts), City of San Jose Ethics Policy (City Policy Manual 1.2.1), and City of San Jose Gift Policy (City Policy Manual 1.2.2).**

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Yes  No

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**Julia Cooper**

Reference 1 Name

[REDACTED]

Reference 1 Address

[REDACTED]

Reference 1 Phone

**Lisa Taitano**

Reference 2 Name

[REDACTED]

Reference 2 Address

[REDACTED]

Reference 2 Phone

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## Supplemental Questions

**Have you ever attended a meeting of the Commission(s) to which you are applying?**

Yes  No

**Would you be available to attend meetings at the scheduled time?**

Yes  No

**Please describe your experience in serving on a Commission or Board.**

**Considering your experience and activities in business, labor, professional, social, or other organizations, indicate the experience, training, knowledge and/or skills which qualify you for appointment to the selected commission(s).**

**What is your understanding of the purpose of the Commission?**

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**Please list three issues facing the City that you feel the Commission should address.**

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**I would like to say . . .**

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(Optional) Please upload a resume.

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## **Retirement Board Questions Only**

Question applies to Police and Fire Retirement Plan Board, Federated City Employees' Retirement System

**Please list your applicable experience or expertise relevant to public retirement plan administration. \***

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- Institutional investment experience
- Accounting
- Investment management

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**Please summarize your qualifications to serve as a member of the Retirement Board? Briefly highlight your skills, training, education, qualifications, experience (licenses and/or certifications) and personal qualities that you will bring to the Board and share with the organization.**

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I have almost 16 years of experience in institutional investment management. From 2008 to 2014, I also served on a retirement board for the Municipality of Anchorage. My education background includes a BA in economics, an MBA in Finance and a CFA designation. I am knowledgeable of the capital markets and have hands-on experience in investment management.

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**Please discuss your pension plan and/or investment management and oversight experience including the development of key financial policies.**

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I have managed investment portfolios for three public organizations, with sizes varying from \$200 million to \$1.6 billion. Throughout my career, I have developed many investment policies and procedures, created investment agreements with external investment managers, performed due diligence and performance monitoring.

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**Please describe your understanding of the relationship between the Retirement Board and City Council? The City Administration? Retirement Services staff? Employee bargaining units? Plan participants and beneficiaries?**

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City Council sets the policies on the Retirement Board's operation. The Retirement Board establishes oversight over the operation and investment of the retirement plans. The City Administration provides investment contribution, budgetary support and other administrative services to the Retirement Services. Retirement Service staff supports the Retirement Board. Bargaining units negotiate retirement benefits on behalf of plan participants and beneficiaries.

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**What do you perceive as the short and long-term goals of the Retirement Board?**

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Short term: maintain asset liquidity, secure funding for upcoming retirement expenditures. Long term: strive to fund the program by 100% within reasonable risk exposures for the long run.

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**Do you believe that the retirement funds that are invested by the retirement boards are public funds? Why or why not?**

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Retirement funds are invested for the benefit of retirement plan participants and beneficiaries. The sole purpose of the asset is to provide retirement benefits to eligible retirees as promised. Funding for the retirement funds is from the City's revenue, which is generally considered public funds.



Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**Have you read the report by the City Auditor entitled, “Pension Sustainability: Rising Pension Costs Threaten the City’s Ability to Maintain Service Levels?” This report is available at: <http://www.sanjoseca.gov/auditor/AuditReports/1010/1010.pdf>**

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Yes  No

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**If so, how is this report applicable to the work you would do as a Retirement Board Member?**

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Knowledgeable of the plan structures, be mindful of rising pension costs and manage plan assets judiciously and prudently. Uphold fiduciary responsibilities to the highest professional standard needed.

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**How do you ensure that you are maintaining an in-depth and up-to-date knowledge of institutional investing and the capital market environment?**

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As the Principal Investment Officer for the City, I am in the market everyday and up to date with the market conditions. As a CFA member, I read publications on investment topics regularly. My continuing education also includes conferences and seminars.

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**Given the current status of the capital markets, where do you see opportunities to increase return and reduce risk in the pension portfolios? What is your experience with risk budgeting?**

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In 2018, capital markets see more volatility than previous years. Risk is on. Assuming more risk may potentially provide more return, but the downside risk will be greater as well. Return and risk are interdependent and risk budgeting needs take a holistic view of the entire portfolio's risk exposure. Proper hedging needs to be implemented where risk exposure is more concentrated.

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**Please describe your views on the role of asset allocation and provide detail on your recommended asset classes and proportions for pension funds like those serving the employees of the City of San Jose.**

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Asset allocation is critical in risk management and budgeting. The ultimate goal is to find the combination of investment selections on the efficient frontier to achieve the required return of the retirement asset.

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**Should pension plans like those in San Jose invest in alternative investments such as private equity, commodities, infrastructure or separate account real estate? If so, how? If not, why?**

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When the allocation is appropriate, investment in alternative investments can benefit the pension plans.

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**How would you evaluate an investment manager? When would you terminate an investment manager? How should due manager diligence be conducted?**

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Investment managers are measured against a suitable benchmark. If the manager underperform the benchmark by big margins continuously for a year, it is time to consider replacements. Ongoing monitoring of manager is key to due diligence.

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**What should be included in a pension plan's statement of investment policies? Please address the roles of trustees, staff, consultants, investment managers and custodians in asset allocation, portfolio structure, manager selection and due diligence, rebalancing, reporting and analysis.**

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The pension plan investment policies should include risk and return objectives, investment restrictions on time frame, liquidity, etc., asset allocations, benchmarks, administration procedures on manager selections, performance reviews, portfolio rebalancing, and policy updates, etc. Trustees are responsible for the establishment of the policy statement, staff executes per directions from trustees, consultants provide advice on all aspects of the investment policies and managers manage the assets per investment agreements and custodians hold the pension assets and ensures transactions are carried out timely and accurately.

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**Individuals applying for appointment as public members of the Board are ineligible for appointment to the Board if they meet certain criteria. Please confirm if you meet any of the following criteria:**

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None Selected

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**Have you ever been convicted of a misdemeanor within the past five years or a felony within the past ten years (except for minor traffic offenses that resulted only in a fine)?**

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Yes  No

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**If yes, please explain in complete detail. State the nature and approximate date of the conviction, the sentence imposed, whether the sentence has been completed, and any other information you consider relevant.**

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Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**Are you or your firm currently or within the past five years been the subject of any litigation or claims resulting from any investment activity, advice, a fiduciary relationship, or regarding alleged financial improprieties?**

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Yes  No

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**If yes, please provide details.**

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Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**Are you or your firm currently or within the past five years been the subject of any investigation or disciplinary action by any governmental and/or regulatory body (SEC, NASD, states Attorney General or Insurance Commissioner, etc.)?**

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Yes  No

Question applies to Police and Fire Retirement Plan Board,Federated City Employees' Retirement System

**If yes, please provide details.**

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## Verification

By checking the box below, you agree with the following statement.

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**I agree that all of the information contained in my responses to the questions on this application are true and accurate to the best of my knowledge. I further agree that, by checking the box below and submitting this application, online or otherwise, I am affixing my digital signature to this form as of the date submitted.**

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I Agree \*

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**NOMINATION PETITION**  
 FOR APPOINTMENT TO THE BOARD OF ADMINISTRATION OF THE  
 FEDERATED CITY EMPLOYEES RETIREMENT SYSTEM  
 (TERM EXPIRES NOVEMBER 30, 2021)

**NOMINATION PAPERS DUE: WENESDAY, JUNE 13, 2018 – 5:00 P.M.**

We, being eligible Federated City Employees of the City of San José as of May 1, 2018, do hereby nominate:

Qianyu Sun

Finance

Name (Type or Print)

Department (Required)

\_\_\_\_\_  
 Ballot Designation, if any

to the City Council for appointment to the Board of Administration of the Federated City Employees Retirement System for a term ending November 30, 2021.

	<u>PRINT NAME</u>	<u>SIGNATURE*</u>	<u>DEPARTMENT</u>
1.	<u>Julia H. Cooper</u>		<u>Finance</u>
2.	<u>Jennifer Ye</u>		<u>Finance</u>
3.	<u>Kei Motonishi</u>		<u>Finance</u>
4.	<u>Lisa C. Tartano</u>		<u>Finance</u>
5.	<u>Pam Gill</u>		<u>Finance</u>
6.	<u>Jessica Lasek</u>		<u>finance</u>
7.	<u>Bonnie Hamilton</u>		<u>Finance</u>
8.	<u>Alex Rojas</u>		<u>finance</u>
9.	<u>BRYAN HOWARD</u>		<u>FINANCE</u>
10.	<u>JEFFREY RHODES</u>		<u>FINANCE</u>

\* Please sign your name as it appears on records in the Human Resources and/or Retirement Services Department

I accept the foregoing nomination.

\_\_\_\_\_  
 Nominee's Signature

5/25/18  
 Date

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 Eligibility of nominee verified:

\_\_\_\_\_  
 Name

\_\_\_\_\_  
 Date

Eligibility of signers verified:

\_\_\_\_\_  
 Name

\_\_\_\_\_  
 Date

