

Boards and Commissions Application

Profile

David

First Name

Kwan

Last Name

Email Address

Please note, applications are continuously accepted to the City of San Jose Boards and Commissions. The Board or Commission you select may or may not indicate there is a vacancy. Your application will remain on file for one year from the date of submission. During the year, your application may be considered for unanticipated vacancies.

Which Boards would you like to apply for?

Police and Fire Retirement Plan Board: Submitted

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

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.

Are you a resident of San Jose?

Yes No

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

Member Category: *

Public Member

Length of Residency

None Selected

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

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

Yes No

Ethnicity

Question applies to multiple boards

The demographic information you choose to provide is **VOLUNTARY** and **OPTIONAL**. This information will be kept separate from your application and will not be used for evaluating applications or making appointments. The City of San José will use this information to solely conduct research and compile statistical reports regarding the composition of its Board and Commission applicants.

Demographics (Optional)

Bank of New York Mellon

If you or your spouse is retired and receiving a pension, please state source of pension.

N/A

Spouse's Job Title

[Redacted]

Address of Current Employer of Spouse

Retired

Current Employer of Spouse

[Redacted]

Current Employer Address

Retired
Employer

N/A
Job Title

Primary Phone

[Redacted]

Alternate Phone

[Redacted]

City

Palo Alto

Street Address

[Redacted]

Suite or Apt

[Redacted]

CA

94301
Postal Code

District 5

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

To which gender identity do you most identify?

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.

UC Berkeley, EECS, 1979-1981, BS 1981 UCLA, System Science, 1982-1983, MS 1983 UC Berkeley, MBA, 1988-1990, MBA 1990

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

Languages Spoken

English

Special Awards or Recognitions Received

Chartered Financial Analyst

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.

After retiring from the investment industry, I am looking for an opportunity to make a contribution back to the community by leveraging my knowledge and experience in the investment field. Over the course of my career, I worked with many boards, directly or indirectly, to develop cost efficiency strategies that provided benefits to pension plans, thereby helping them achieve their return objectives. My knowledge of the risk/return trade-offs of various investment strategies could help the board make better decisions. My objective, if selected to serve on the board, would be to improve the performance of the plan, at the very least to improve the performance so that the plan is a top quartile performer.

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

Over the course of my career, I have experience in working with public pension boards, consultants, and pension plan officers. All three constituents are important in helping the plan achieve its objectives. I think that my experience in this area would add a different perspective in the decision making process, thereby helping the plan to become a "best of breed" entity in the pension arena.

Do you own property in the City of San José?

Yes No

If yes, please list the addresses here.

Do you rent property in the City of San José?

Yes No

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

Yes No

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 scope 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?

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.

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.

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?

Yes No

Question applies to multiple boards

If yes, please explain in complete detail.

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).

Yes No

Reference 1 Name

Gabriela Parcella

Reference 1 Address

[Redacted]

Reference 1 Phone

[Redacted]

Reference 2 Name

Charlie Jacklin

Reference 2 Address

[Redacted]

Reference 2 Phone

[Redacted]

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.

Although I have no previous experience in serving on a board, I do have leadership experience in serving on oversight committees within a financial service/investment firm. With my previous employer, I served on its risk and investment oversight committees where we set policies and decided on issues that affected the entire company. I see similarities in that decisions took into consideration the impact to all parties involved. Making a decision always involved weighing the appropriate trade-offs - pro/cons and/or the cost/benefits. My previous experience in these serving on these committees is very applicable.

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).

I have over 27 years of experience working in the investment management industry. During the course of my career, I've held various leadership positions in portfolio management, trading, research, and strategy development. As a result, I have vast knowledge of all the major asset classes as well as the capital markets. In addition, I have had interactions with pension boards and with consultants, where I worked collaboratively in creating solutions that would help pension plans achieve their investment objectives.

What is your understanding of the purpose of the Commission?

The primary investment objective of the Board is to ensure that current and future benefit obligations are adequately funded in a cost-effective manner. In light of the primary objective, the board makes administrative decisions related to the plan's investments and employee eligibility for benefits.

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

1. Reducing investment management costs 2. Improving the plan's investment performance to help the City narrow its funding gap 3. Improving the Plan's governance structure to reflect a "best-of-breed" structure

I would like to say . . .

(Optional) Please upload a resume.

Retirement Board Questions Only

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

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

- Institutional investment experience
- Accounting
- Investment management
- Banking

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

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.

* 27 years of investment experience working for an institutional asset manager in various capacities. * Skills include: portfolio management and research; knowledge of all major asset classes and capital markets; risk management; strategy development with experience in fixed income, multi-assets, and hedge fund/market neutral strategies; deep understanding of investment operations details. * Leadership roles within a large investment organization which include serving on important risk and investment oversight committees. * Experience in working with boards, consultants, actuaries, and pension plans around the world * A Chartered Financial Analyst (CFA) * Education: MBA with emphasis in finance/investments; BS/MS in Engineering

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

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

See answer above for relevant experience. Reinforcing my answers above, I have experience in developing financial policies under various capacities: as a portfolio manager, as fiduciary on an oversight committee, as a manager working with pension clients in developing/creating strategies.

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

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?

As all these entities are interested parties in the pension plan, I would assume that they all have a good working relationship with one another. However, I certainly understand that self interest will drive division at times and an amicable solution would need to be developed to satisfy the requirements of the parties involved.

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

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

In light of the constant pressure from rising pension costs, I perceived that the goals of the plan would be related to improving fund performance and to decrease all aspects of investment costs

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

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

My general belief is that the retirement funds are public funds. My answer is based the fact that the City is the sponsor of the pension plan and the entity supplying funds (from taxes) to this plan.

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

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: <https://www.sanjoseca.gov/DocumentCenter/View/3208>

Yes No

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

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

This report has really highlighted the cost pressure on the city in maintaining the benefits specified in its previously agreed to contracts with its employees. This issue is not unique as many DB pension plan face similar issues. As a board member, I would steer the plan to implement cost efficient solutions to achieve its objectives.

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

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

Even though I'm a retiree, I am still maintaining my Chartered Financial Analyst membership, and as such, I have access to materials and information that are current in today's investment world. Also, I'm very active in managing my own personal portfolio. Recently, I have even broaden my holdings to include private equities by joining an angel investment group.

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

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?

In today's volatile markets, I see potential opportunities in the less liquid and distressed parts of the market. On the fixed income side, credit is attractive, especially in the crossover space and in higher quality high yield. On the equity side, small cap equities is attractive as this sector has lagged large cap equities. My thought on the risk is that one should take the risk if it is well compensated. The time to take less risk is when it isn't well compensated. I have extensive experience in risk management and asset-budgeting. Throughout my career, I worked with large institutional clients on asset allocation and asset-liability problems whereby risk budgeting is a critical component of the investment process.

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

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.

My belief is that the overall asset allocation plays the most important role in the investment process. The allocation to growth assets such as equities establishes the expected return on the portfolio. For pension funds that are underfunded, my bias is to tilt the portfolio more toward growth assets and strategies. Assuming a typical risk tolerance profile that targets a 60/40 mix as its base allocation, I would tilt the portfolio to favor more growth assets if the risk is compensated. A mix closer to 70% growth assets is more typical of plans with this status.

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

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?

My bias is to allocate the bulk of the assets to public market securities and strategies that offers the biggest bang for the buck. As for alternatives, if a case can be made that strategies in this space offer a better return or better risk profile on a net of fee basis, then it may be worth considering.

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

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

The primary tool to evaluate managers is by assessing the performance numbers, using both the return and risk metrics. You want to see consistency over time. The numbers should also be consistent with the philosophy used by the manager. As for the due diligence process, I would expect that the CIO and/or consultant of the plan to perform most of the leg work in recommending the hiring and firing of managers. If no consultant is available to assist, then the process would involved the CIO/staff to review the investment management team, the process and operations, and to perform an in depth analysis of the historical performance numbers.

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

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.

All investment policies should have the following as a minimum: risk and return objectives, portfolio constraints, asset allocation target, portfolio re balancing rules, allowed asset types and securities. Each component can be expanded to provide more information/guidance. The policy could also address the roles of the various parties involved. I see that the PF Plan does have a very detailed policy that includes a description for each of these entities. I do not see any major changes are required in this area.

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

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:

None Selected

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

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)?

Yes No

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

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.

| Agree *

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.

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

Verification

If yes, please provide details.

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

Yes No

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.)?

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

If yes, please provide details.

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

Yes No

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?

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



DAVID KWAN, CFA

SUMMARY A thoughtful and analytical executive with over 25 years of investment and managerial experience in portfolio management, risk management, trading, research, and product development. In depth knowledge of all major fixed income asset classes and capital markets.

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- CAREER HIGHLIGHTS**
- **Portfolio Management** – Oversaw a wide array of fixed income strategies covering all the major asset classes including corporates, mortgage-backed and asset-backed securities, and derivatives
 - **Risk Management** – Applied numerous risk models to determine portfolio risk exposures and downside risk characteristics. Have good understanding of strengths and weaknesses of risk models.
 - **Research** - Collaborated extensively with research team to develop interest rate, currency, and credit models, as well as macro-based market timing models
 - **Strategy Development** – Supported company growth objectives by creating systematic strategies for internal and external clients encompassing areas of fixed income, asset allocation, alternatives/hedge funds, currency hedging, and risk management/tail risk hedging

-
- LEADERSHIP**
- **Head of Fixed Income** – Managed a team of investment professionals responsible for portfolios covering domestic and international assets totaling over \$40B. Team managed systematic strategies such as indexing, smart beta, convertibles, and credit long/short.
 - **Head of Trading** – Managed a team of traders responsible for trading all asset classes - equities, fixed income securities, derivatives, and currencies.
 - **Executive member of oversight committees:** Risk, Trade Oversight, and Investments

-
- EXPERIENCE** **MANAGING DIRECTOR, *FIXED INCOME STRATEGIES/STRATEGIST*, MELLON CAPITAL**
Responsible for developing strategies for institutional clients and prospects.
Accomplishments include:
- Collaborated with a mid-tier insurance company in designing an optimized asset-liability portfolio customized for the company's business line
 - Created a multi-asset hedging program for a large UK bank to mitigate impact from adverse market moves to its pension assets. Board has approved the use of this strategy with initial funding amount of over \$1B

- Developed a relative value TIPS strategy for a state pension fund. Funded with over \$200M in AUM
- Led effort to develop a suite of fixed income smart beta strategies in credit & emerging market debt

MANAGING DIRECTOR, HEAD OF FIXED INCOME, MELLON CAPITAL

Accomplishments include:

- Expanded capabilities of the team to manage more complex strategies, including active systematic strategies involving the use of derivatives and quantitative models.
- Collaborated with research to develop Merton-style structural credit models to assess corporate bond relative value and default risk.
- Worked with IT to develop more effective portfolio management systems to mitigate operational risk

VICE PRESIDENT, PORTFOLIO MANAGER, MELLON CAPITAL

Managed equity, fixed income, and multi-asset portfolios. Major accomplishment:

- Responsible for the Enhanced Asset Allocation Fund. Strategy utilized options and futures to generate incremental return. Expected alpha of 80bps/year; realized alpha of 200bps. Portfolio AUM grew from \$50mm to over \$3B during my 3-year tenor

EDUCATION

UC BERKELEY, BERKELEY CA, MASTER OF BUSINESS ADMINISTRATION

UCLA, LOS ANGELES CA, M.S. SYSTEM SCIENCE

UC BERKELEY, BERKELEY CA, B.S. ELECTRICAL ENGINEERING AND COMPUTER SCIENCE

ADDITIONAL ACHIEVEMENTS

- Designed a top quartile performing high yield strategy that utilizes advanced credit modeling and trading techniques. Stellar 5-year track record with AUM over \$4B
- Wrote white paper on the use of bond ETFs to improve credit bond liquidity. Available upon request.
- Guided the company's securities lending re-investment portfolio through the Global Financial Crisis, mitigating the credit and liquidity risk of the portfolio. The effective risk management process saved the company millions of dollars

REFERENCE

Available upon request

Boards and Commissions Application**Profile**

Sunita

First Name

Ganapati

Last Name

Email Address

Please note, applications are continuously accepted to the City of San Jose Boards and Commissions. The Board or Commission you select may or may not indicate there is a vacancy. Your application will remain on file for one year from the date of submission. During the year, your application may be considered for unanticipated vacancies.

Which Boards would you like to apply for?

Police and Fire Retirement Plan Board: Submitted

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

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.

Are you a resident of San Jose?

Yes No

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

Member Category: *

Public Member

Length of Residency

6 or more years

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

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

Yes No

Ethnicity

Question applies to multiple boards

The demographic information you choose to provide is **VOLUNTARY** and **OPTIONAL**. This information will be kept separate from your application and will not be used for evaluating applications or making appointments. The City of San José will use this information to solely conduct research and compile statistical reports regarding the composition of its Board and Commission applicants.

Demographics (Optional)

None

If you or your spouse is retired and receiving a pension, please state source of pension.

NA

Spouse's Job Title

[Redacted]

Address of Current Employer of Spouse

Entrepreneur (self employed)

Current Employer of Spouse

[Redacted]

Current Employer Address

None currently, (Wells Fargo until recently - see resume)

Job Title
NA

Primary Phone

[Redacted]

Alternate Phone

[Redacted]

City

Palo Alto

Street Address

[Redacted]

Suite or Apt

[Redacted]

State
CA

Postal Code
94303

District 5

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

To which gender identity do you most identify?

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.

MBA (Finance Major), The Wharton School, University of Pennsylvania, 1997 Post Graduate Diploma (Management/ Business), Indian Institute of Management, Ahmedabad, 1991 Bachelors of Science (Mathematics - Major) Stella Maris College, Madras, India, 1989

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

None to date

Languages Spoken

English, Hindi, Tamil

Special Awards or Recognitions Received

Institutional Investor Award for best analyst in category - 2002 and 2003 Greenwich Associates best analyst award in 2003 and 2004 Women's Bond Club Annual Award for Rising Star of the financial services industry - 2003 Published research in industry journals and books such as RISK, Handbook of Structured Financial Products

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.

After a 25 year career in the private sector, it would be an honor and privilege to be able to serve the community in general and the first responder community in particular. As a board member of the Police and Fire Department Retirement Plan, I would be able to directly leverage my experience across investment management, investment research, risk management, and commercial banking, to provide relevant and subject matter advise to the plan stakeholders.

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

We have been residents of the Santa Clara county since 2005 and have developed deep roots in the South Bay since moving to the Bay area in 2000. Mr Eswar Menon, a current board member of the San Jose Police and Fire Retirement plan, referred me to this opening, and I am excited and am looking forward to being considered for the position.

Do you own property in the City of San José?

Yes No

If yes, please list the addresses here.

[Redacted area]

Do you rent property in the City of San José?

Yes No

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

Yes No

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 scope 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?

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.

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.

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?

Yes No

Question applies to multiple boards

If yes, please explain in complete detail.

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).

Yes No

Reference 1 Name

Keb Byers

Reference 1 Address

[REDACTED]

Reference 1 Phone

[REDACTED]

Reference 2 Name

Rosy Cohen

Reference 2 Address

[REDACTED]

Reference 2 Phone

[REDACTED]

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.

I have not served on an external Commission or Board so far. I have served as a voting and non voting member on several senior management committees (investment and risk management) at my two previous employers - Wells Fargo and Lehman Brothers. I regularly presented to the Wells Fargo Board of Directors regarding investment risks, and most recently set up and ran a group to provide enterprise-wide risk reporting and intelligence for the Chief Risk officer and the Risk Committee of the Wells Fargo 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).

With over 25 years of cumulative experience in investment research, investment management, and risk management, I believe my skills experience and training are directly relevant for serving on the retirement board. In the most recent past, as a senior executive in Wells Fargo's Corporate Risk group, I was responsible for independent oversight of Wells Fargo's own \$400B investment portfolio and the asset-liability management risks and processes of the entire balance sheet. I joined Wells Fargo to manage a structured credit portfolio in the investment portfolio group after a successful investment research career at Lehman Brothers prestigious Fixed Income group. While at Lehman, I served many institutional clients including retirement funds (domestic and international) by advising them on investment ideas and trends in the sectors I covered. I bring gender diversity to the investment and banking fields, an area that continues to be mostly represented by men.

What is your understanding of the purpose of the Commission?

It is my understanding that the Police and Fire Department Retirement Plan of San Jose is a defined benefit retirement plan serving the city's retirees (current and future). Like other such plans, investment earnings and contributions (by the city and its' employee participants) are used to provide eligible retirees with defined-benefit pensions. The Board has a fiduciary oversight responsibility to oversee the retirement plan in meeting its goals.

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

Meeting current and future retirement needs during an era of reduced long term investment returns and low interest rates will continue to be a challenge the city faces. Like many other plans, returns (actual and expected) are below long term averages causing unfunded liability to remain high after the 2008-9 financial crisis. The recent COVID crisis' impact on the economy could further affect city revenues and investment returns at a time when additional contributions are likely to be needed to meet obligations. The city's employees/ retirees need education on the challenges of an underfunded defined benefit plan, and the city could face issues with negotiating with employee and retiree units regarding their future benefits. Finally, the costs of running an independent retirement fund need to justify the flexibility and the future returns for retirees. The Board can help advise the city on all of the above and be a key partner as a subject matter expert.

I would like to say . . .

Being a woman who has served as a senior executive in large financial institutions, I bring a diverse leadership perspective to not only investment advice, but to the needs of community members (retirees in this case). As I said before, the investment community tends to continue to have much less gender diversity. As for the community - women in particular tend to be less involved in financial planning and being a role model for them as I give back to society, is something I feel passionately about.

(Optional) Please upload a resume.

Retirement Board Questions Only

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

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

-
- Institutional investment experience
 - Investment management
 - Banking

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

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.

I have extensive experience in capital markets through my eight years as a leading fixed income research analyst (Lehman 1997-2005), eight years as a portfolio manager (Wells Fargo Principal Investing (2005-2013), and as a risk manager with direct oversight over the investment portfolio and ALM risks (2013-2018). This experience encompassed two major economic cycles (2000 and 2008) and I bring the fortitude to advice and manage through these downturn with thoughtfulness, a long term view on risk-returns, and a maturity that comes with having experienced investment paid during these periods. Through my risk management experience, I bring the qualities of independence and fearlessness to an investment conversation with the objective of a balanced approach to decision making.

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

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

My investment management experience covers fixed income markets extensively both as a research analyst, portfolio manager, and a risk management professional. Most recently, during my five years in risk management, I led a team to author/ present/ approve several policies for overseeing all types of financial risks (interest rate, operational, hedging, capital etc.) at Wells Fargo. Many of these policies needed to be approved by the board of Wells Fargo in addition to the senior executive team. This experience is directly relevant and contextual for being a board member in a retirement plan such as this one

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

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?

It is my understanding that the retirement board's primary responsibility is to provide arm's length oversight over the retirement plan's goals and execution. In this capacity, it has direct and indirect (through the city council) obligations/ duties and responsibilities to all of the above stakeholders. Examples of the relationship include - i) The city council appoints the Retirement Board members to serves as its advisory body ii) The CIO and CEO and their staff report to the Retirement Board iii) The Retirement Board has representation from Employee units so their voice is well understood iv) The Retirement Board has a fiduciary responsibility to the plan participants and beneficiaries. The city council appoints the board to perform this function. This advisory role of the board facilitates communication by the city council to the public.

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

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

Short term goals are to help the investment team have enough liquidity to meet the financial obligation to current retirees, while the long term goal is to bridge the gap in unfunded liabilities. Another short term goal is to carefully manage the portfolio's risks during this period of Covid driven market volatility, while taking advantages of long term investment opportunities. Another long term goal is continue to bring down the operating costs of the plan.

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

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

Public funds directly impact the retirement plan as a significant portion the plan's funding comes from city contributions. However, once the contributions are made, the retirement funds are no longer public funds and rather exclusively for city employees, who are salaried/ retirement eligible public employees. This is not dissimilar to a private pension defined benefit plan where the retirement plan's funds are separate from its sponsor that maybe a corporation. That said, the unfunded future obligations of a plan can be considered public funds. If investment returns are unable to meet these obligations, the city will have to increase its use of public funds to meet these obligations. This would be a function of the public's interest in preserving the city's growth and needs for critical services such as first responders.

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

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: <https://www.sanjoseca.gov/DocumentCenter/View/3208>

Yes No

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

The role as a board member is to understand the issues facing the retirement plan as articulated in the report and to provide sound advice to manage these risks. It will be important to understand the alternatives laid out in Chapter 6 of the report (Alternatives for a Sustainable Future) and see what the past 10 years have shown (date of report 2010).

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

I constantly follow the markets both for personal and professional interests. I do this not only by reading relevant news - WSJ, Barrons, but also by following research reports from investment banks and brokers. Attending seminars and conferences in the Pension plan investing will be another avenue to educate and keep up-to-date. In addition, I have an active dialogue with other investment professionals through my extensive network.

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?

Like all long term investors, equity market volatility presents opportunities to adjust asset allocations to increase future returns. Early in my career as a research analyst, I have had experience using risk budgeting principles and techniques for institutional investors including pension funds and insurance companies. I co-authored papers relating to these topics. More recently, at Wells Fargo's Principal investing group, these techniques were less used as the objectives as the objective was an absolute spread return buy and hold portfolio.

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.

A sound and stable asset allocation strategy is essential to managing a retirement fund. A broad mix of assets (equities, fixed income, cash equivalents and alternatives) is necessary to achieve a plan's investment return and risk objectives. An optimal asset allocation strategy involves a strategic allocation along with variance for tactical opportunities. A portfolio dominated by equities would serve well in the long term.

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?

Alternative investments provide an attractive diversification strategy and could move the theoretical efficient frontier and offer some portfolio hedging. Additionally, in an extremely low interest rate environment such as the one we have been in, it is prudent to consider an allocation to such alternatives to reduce the funding gap. An excessive allocation to alternative investments however, could add too much risk to the portfolio, and can be "heady" when returns in other asset classes are depressed. A long term view on returns and board oversight is critical to managing these risks.

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

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

Evaluating an investment manager involves a review of the manager's experience, track record, and staffing. Investment manager performance relative to benchmarks drive hiring and termination decisions. Manager due diligence involves analysis of data and interviews. Consultants can play a role as needed.

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

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.

The statement should include among other things the purpose of the plan, who the plan beneficiaries, the funding structure, and the investment objectives as path to accomplishing the purpose. The trustees have an arms length fiduciary duty to ensure the plan is operating toward its stated objective. The staff are appointed by the trustees to execute on these objectives. Consultant input can be sought for asset allocation strategies and for evaluating investment managers. Staff should define policies for manager evaluation and selection, asset allocation processes and approvals, and for operational management of the plan such as educating retirees, reporting of returns and analysis thereof for both the board and participants.

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

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:

None Selected

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

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)?

Yes No

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

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.

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

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?

Yes No

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

If yes, please provide details.

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

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.)?

Yes No

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

If yes, please provide details.

Wells Fargo has been subject to several investigations and disciplinary actions all of which are well known in the public domain. I was not directly involved in any of these investigations.

Verification

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

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.

I Agree *

SUNITA L GANAPATI

Senior banking and investment professional with deep experience in Portfolio Management, Risk Management, Investment Research and Corporate Lending.

EXPERIENCE

WELLS FARGO BANK, San Francisco

2005-2020

Executive Vice President - Head of Enterprise Risk Reporting and Intelligence

Leadership assignment to enhance top of the house risk management capabilities to facilitate better information flow to the Board of directors

- Built a team of 40+ onshore and off-shore experienced risk professionals from ground up
- Gathered intelligence across businesses through enhanced data and analytics capabilities
- Led risk forums to facilitate a cross enterprise dialogue to discuss and uncover existing and new risks facing the company
- Delivered an enhanced board report that provided a consolidated view of Wells Fargo's risks to support the Risk Committee of the Board in its governance responsibilities
- Guided the development of centralized enterprise capabilities, principles, and standards for risk reporting and data governance

Executive Vice President - Head of Banking Book Oversight

Managed a team of experienced, diverse risk professionals responsible for comprehensive and independent risk oversight of Wells Fargo's Asset Liability Management Group, the company's \$400B+ Investment Portfolio group, and any business line that had exposure to covered funds defined under the Volcker rule.

- Maintained strategic relationships with senior business leaders - heads of the Investment Portfolio, Corporate Treasurer, and CFO on risk issues
- Earned strong stature with lead regulators at the Federal Reserve and the OCC through ongoing dialogue, feedback and transparency on emerging issues
- Presented regularly to the Finance Committee of the Board regarding risk topics and emerging issues with a concise, clear, and arms-length voice
- Member of several executive management committees (Market Risk, ALCO, Capital Adequacy and Volcker); Established and co-Chaired the Investment Portfolio Risk Council
- Managed a quantitative team that developed independent models, and provides governance over appropriate use of models in the business line
- Leveraged existing data and analytics platforms for developing BCBS and G&O compliant independent risk reporting capabilities

Managing Director - Portfolio Manager - Structured Credit

Senior member of group that managed a \$40 billion fixed income credit portfolio; Portfolio manager for \$3.5+ billion of structured credit investments

- Combined securitization techniques and fundamental credit analysis to create customized investments that fit the mandated investment parameters and desired risk-return profile
- Portfolio construction involved overlaying macro and sector calls with fundamental views of credit analyst team
- Responsible for generating ideas for hedging tail events based on group's macro economic outlook

- Participated in bidding on various investments in SPVs including purchase of a Credit Derivative Product Company and creation of a tax advantaged offshore company
- Extensive, long-term relationships with securitization and structured credit professionals in dealer and investment community
- Calibrated pricing models to latest market standards and quantitative finance literature; manage technology implementation using vendors and in-house staff.

LEHMAN BROTHERS INC., San Francisco and New York
Senior Vice President, Head CDO/ Structured Credit Research

1997-2005

Senior strategist in the fixed income research group responsible for providing investment ideas and advice to institutional investors.

- Initiated research coverage for CDOs and structured credit products and covered non-real estate ABS including credit cards, autos, leases, stranded assets and other emerging classes
- Strong following from senior investment professionals at money managers, hedge funds, banks, insurance companies, and pension funds globally.
- Member of the investment screening committee of Lehman's CDO Opportunity Fund
- Collaborated with internal quantitative research professionals to educate clients on pricing models by presenting complex concepts in a simplified investment framework.
- Frequent speaker at various Lehman and industry sponsored conferences.
- Developed new investor base for subordinate tranches of credit card securitizations and took a contrarian view on California Prop 9 stranded asset class that many investors benefitted from
- Published extensively and developed frameworks for fundamental, technical, and quantitative analyses of covered sectors; research reports have been republished in industry journals such as RISK magazine and textbooks such as the Handbook of Structured Financial Products
- Ranked #1 in sector by Institutional Investor in 2003 and 2002, and by Greenwich Associates in 2004 and 2003 in their Fixed Income Research annual rankings survey; Received the Women's Bond Club Annual Award, 2003 as one of the "Rising Stars" of the financial services industry

BANK OF AMERICA NT&SA, Bombay, India
Corporate Banking and Finance Officer

1991-1995

- Conducted due diligence, prepared offering memoranda and executed debt transactions for various companies including a power project, a steel producer, and an integrated petrochemical company
- Built and managed portfolio of 15 small-business lending clients

EDUCATION

THE WHARTON SCHOOL, University of Pennsylvania
 Master of Business Administration, Finance Major

Philadelphia, PA
 1995-97

INDIAN INSTITUTE OF MANAGEMENT
 Post Graduate Diploma in Management

Ahmedabad, India
 1989-91

UNIVERSITY OF MADRAS
 Bachelor of Science, Mathematics

Madras, India
 1986-89