

## Profile

Douglas	Andrey
First Name	Last Name

Suite or Apt

CA 95129  
State Postal Code

☒ Yes ☐ No

☒ District 1

## Length of Residency

☒ 6 or more years

## Federated City Employees' Retirement System: Submitted

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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.

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

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

**Member Category: \***

☒ Public Member

OmnIndex

Employer

Head of Operations

Job Title

**Current Employer Address**

**Current Employer of Spouse**

N/A

**Address of Current Employer of Spouse**

**Spouse's Job Title**

N/A

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

Service	Percentage
Used a food bank	15%
Used a community center	25%
Used a mental health service	30%
Used a substance use service	35%
Used a housing service	40%
Used a financial counseling service	45%
Used a job training service	50%
Used a legal service	55%
Used a domestic violence service	60%
Used a substance use service	65%
Used a mental health service	70%
Used a community center	75%
Used a food bank	80%

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\_\_\_\_\_

Douglas Andrey

**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

Question applies to multiple boards

**Are you currently experiencing homelessness or have you experienced it in the past?**

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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 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?**

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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.**

---

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?**

☐ 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**

Doris Livezey

**Reference 1 Address**

[REDACTED]

**Reference 1 Email address**

**Reference 1 Phone**

[REDACTED]

**Reference 2 Name**

Marina Simionians

**Reference 2 Address**

[REDACTED]

**Reference 2 Email address**

**Reference 2 Phone**

[REDACTED]

**Supplemental Questions**

Douglas Andrey

**If applicable, have you ever attended or watched 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.**

Listening to all points of view and coming to a consensus. When I was serving as President, we undertook some of the most difficult issues that an HOA can take. Raising the dues by 15% to take care of a reserve deficit, switching management company and painting the complex.

**Considering your experience and activities in business, labor, School, professional, social, Commissions, Boards, or other organizations, indicate the experience, training, knowledge and/or skills which qualify you for appointment.**

Knowledge of financial management and operations. Managing both international and cross-functional teams.

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

To maximize returns and minimize risk to ensure the pensions of retired city employees

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

Homelessness, seniors, and crime

## Anything else you would like us to know?

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That it would be an honor to give back to the city that I grew up in lived much of my life in. I want to work towards keeping San Jose as one best big cities to live in the country.

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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. \***

- ☒ Auditing
- ☒ Accounting
- ☒ Health and welfare and/or employee benefits management
- ☒ 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.**

I am currently CFO of my company and served in this capacity at another company. I have been and currently responsible for financial and benefits plans for company employees.

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.**

I am currently an RIA licensed in CA. In a previous role, I set up and managed the accounting function along with writing financial policies. I implemented Sarbanes-Oxely procedures. The audit committee was made up of CFOs from major semiconductor companies.

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?**

The board is appointed by the city council.

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?**

Ensure the safety of employees' pensions with a minimum risk and cost to the city.

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?**

---

They are public funds held in trust for a specific purpose i.e. the pensions of employees.

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

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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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unable to access the report as it no longer available on the city website.

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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I read the Wall Street Journal cover to cover every day. Constant monitoring of financial news. If appointed, I would take classes in areas such as alternative investments to increase my knowledge.

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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An example would be a portfolio of high-dividend stocks hedged with short-term calls. It is what I do with my clients and my own personal investing.

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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The ideal situation would have asset allocations with asset classes with negative correlations. However, in 2022, most asset classes are declining in value. A sample portfolio might be 60% equity (66% domestic and 34% international), 30% fixed income, and 10% alternative investments.

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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Yes, and through private funds that have a diversity of such investments.

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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Underperformance to market returns adjusted for risk over a period of three years i.e. a negative alpha. Returns over five years to passive indexes and comparable managers.



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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• Scope and investment objectives • Roles, responsibilities, and standards of care: • Suitable and authorized investments. Investment diversification: • Safekeeping, custody, and internal controls: • Authorized financial institutions, depositories, and broker/dealers:. • Risk and performance standards: • Reporting and disclosure standards

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:**

---

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)?**

---

☐ 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.**

---

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.)?**

---

☐ 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.

---

☒ I Agree \*

Boards and Commissions Application

Profile

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.

John Cleveland  
First Name Last Name

[Redacted]  
Email Address

[Redacted] [Redacted]  
Street Address Suite or Apt

Los Gatos CA 95030  
City State Postal Code

Are you a resident of San Jose?

☐ Yes ☒ No

What district do you live in? To verify, please click here:  
<https://rovservices.sccgov.org/Home/IndexPost?selected=dt&electionId=133&distance=5&navtab=vc&asm=simple> \*

☒ N/A - Retirement Board Applicants Only

[Redacted] [Redacted]  
Primary Phone Alternate Phone

Length of Residency

☒ 6 or more years

Which Boards would you like to apply for?

Federated City Employees' Retirement System: Submitted

Question applies to multiple boards  
[Redacted]  
[Redacted]  
[Redacted]

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.

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

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

**Member Category: \***

☒ Public Member

retired  
Employer

retired  
Job Title

**Current Employer Address**

**Current Employer of Spouse**

retired

**Address of Current Employer of Spouse**

**Spouse's Job Title**

retired

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

Investments and annuities

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

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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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Master of Business Administration (M.B.A.), Pepperdine University, Malibu, CA December 1986 Bachelor of Arts (B.A.), Industrial Psychology, University of California, Berkeley, Berkeley, CA, June 1978

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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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NA

**Languages Spoken**

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English

**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.**

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I have an expertise (Human Resources and specifically retirement fund management) that can add value to the role.

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

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In my Human Resoruces role as a Compensation and Benefits executive and Chief Human Resources Office at Seagate Technolghy (\$10B revenue, 45,000 global employees) I was responsible for managing over \$2B of employee retirement funds.

**Do you own property in the City of San José?**

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☐ 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

Question applies to multiple boards

**Are you currently experiencing homelessness or have you experienced it in the past?**

---

☐ 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 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?**

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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.**

---

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?**

☐ 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**

Reverend Ricardo Avila

**Reference 1 Address**

[REDACTED]

**Reference 1 Email address**

[REDACTED]

**Reference 1 Phone**

[REDACTED]

**Reference 2 Name**

Michele Thiltgen

**Reference 2 Address**

[REDACTED]

**Reference 2 Email address**

[REDACTED]

**Reference 2 Phone**

[REDACTED]

John Cleveland

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## Supplemental Questions

If applicable, have you ever attended or watched 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 been a Board/Advisory Board member for start ups (NeoWorkVentures, Empath, Comfort Zones) as well as a Key Advisor for Skydeck Berkeley; UC Berkeley's start up incubator. Additionally I was a volunteer Board Member for over 13 years (April 2006 - January 2020) for the not for profit Santa Cruz Breakers Soccer Academy.

Considering your experience and activities in business, labor, School, professional, social, Commissions, Boards, or other organizations, indicate the experience, training, knowledge and/or skills which qualify you for appointment.

Over 40 years of progressive Human Resources Professional experience with an expertise in employee Compensation and Benefits An advanced degree with a Finance focus; Masters of Business Management

What is your understanding of the purpose of the Commission?

Administer investment employee retirement funds including employee eligablity for retirment and pension

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

Cost of investment vehicles Return on investment Practice of balancing risk with results of the investment vehicles

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## Anything else you would like us to know?

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I will take my fiduciary responsibility seriously in the role of administering retirement benefits for employees. I will be committed attending meetings and being an active participant. I believe in open, honest collaboration.

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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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☒ Health and welfare and/or employee benefits 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.**

---

Over 40 years of progressive Human Resources Professional experience with an expertise in employee Compensation and Benefits including over \$2B employee retirement fund management. An advanced degree with a Finance focus; Masters of Business 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.**

---

As a 401K committee member with fiduciary responsibility for \$1.2B of US employee contributions I helped set policy for investment criteria, cost analysis of investment funds and analysis of performance compared to the benchmarks and other available funds.

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?**

---

The Board acts to administer with oversight the retirement benefits as negotiated/agreed to by the city and its employee bargaining units. The Board serves as an adjunct to the Retirement Services Staff

John Cleveland

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?**

---

Administer the retirement benefits and enhance the long term investment results for future eligible retirees

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?**

---

Public Funds? Yes and no. They are assets/liabilities accrued on behalf of employees to ensure benefits are available for eligible employees retirement.

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

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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?**

---

We will need to manage the risk/reward of the investment vehicles to ensure a return that funds retirement benefits considering the economy, number of eligible employees, and desired outcomes. Additionally it would be prudent to consider additional benefits employees may contribute to via pre tax payroll deductions. I believe educating employees to make prudent decisions based on their individual needs is critical.

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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I subscribe to the Wall Street Journal, manage my families personal investment portfolio and regularly discuss investment opportunities with a financial advisor.

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?**

---

A focus on funds and equity that are conservative with solid returns, dividends and liquidity. As a member of the 401K committee we viewed the mix of investments to ensure a portfolio of funds that met the comfort with risk for the company and employees.

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.**

---

The asset allocation depends on the demographics of the eligible employee population, current funding and projected future funding needs. An asset allocation should be tailored to meet the funding needs.

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?**

---

Yes, if they have a history of sound management with solid returns, low costs, dividends and liquidity.

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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Stability of the investment manager - how many years have they been managing the fund. Results and costs as compared to the investment criteria. Results and costs as compared to the universe of similar funds and benchmark. If the fund underperforms it should be placed on a watch list for a set period of time and if it does not recover the investment should be terminated. Ideally the Board would utilize an objective third party provider that would collect and present the fund and manager performance

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.**

---

The investment policy should include the investment objectives, the criteria to include and exclude investments as well as the roles and responsibilities of all those involved in managing the pension plans. The Board develops and approves policies and guidelines for the administration of the retirement plan. The Board considers eligibility and requests for benefits under the plan; evaluated and selects advisors. The Staff is responsible for the implementation and administration of these decisions.

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:**

---

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)?**

---

☐ 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?**

---

☐ Yes ☒ No

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

**If yes, please provide details.**

---

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.)?**

---

☐ 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.**

---

☒ I Agree \*

Boards and Commissions Application

Profile

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Matthew Faulkner  
First Name Last Name

[Redacted]  
Email Address

[Redacted]  
Street Address

[Redacted]  
Suite or Apt

San Jose  
City

CA  
State

95112  
Postal Code

Are you a resident of San Jose?

☒ Yes ☐ No

What district do you live in? To verify, please click here:  
<https://rovservices.sccgov.org/Home/IndexPost?selected=dt&electionId=133&distance=5&navtab=vc&asm=simple> \*

☒ District 3

[Redacted]  
Primary Phone

[Redacted]  
Alternate Phone

Length of Residency

☒ Less than 1 year

Which Boards would you like to apply for?

Federated City Employees' Retirement System: Submitted

Question applies to multiple boards  
[Redacted]  
[Redacted]  
[Redacted]

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.

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

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

**Member Category: \***

☒ Public Member

San Jose State University

Employer

Assistant Professor of Finance

Job Title

**Current Employer Address**

[REDACTED]

**Current Employer of Spouse**

NA

**Address of Current Employer of Spouse**

[REDACTED]

**Spouse's Job Title**

NA

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

---

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

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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.**

1) Ph.D. Finance, Florida Atlantic University August 2019 2) International M.B.A. (dual-degree), University of North Carolina Wilmington 2013 Concentration: International Finance and Investments International M.B.A. (dual-degree), Universitat de València, Spain 2013 3) Applied Statistics - Graduate Certificate, University of North Carolina Wilmington 2012 4) B.S.B.A., Finance, University of North Carolina Wilmington 2011 Chartered Financial Analyst (CFA) Charterholder May 2019-present

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

1) Volunteer Coach, The First Tee Fall 2021-Present 2) FINRA Arbitrator Summer 2021-Present

**Languages Spoken**

English, Spanish (Intermediate)

**Special Awards or Recognitions Received**

1) Distinguished Early Career Teaching Award San José State University '21-22 2) Lucas College of Business Faculty Research Recognition San José State University '21-22 3) Faculty-in-Residence San José State University Fall 2022-Present 4) Advisor- Morgan Stanley SIE Sponsor Program San José State University Fall 2021-Present 5) Mentor- Undergraduate Research Opportunity Program (UROP) SJSU Fall 2022-Present 6) Reviewer: Journal of Futures Markets 2020-present 7) Reviewer: Emerging Markets Review 2021-present 8) Reviewer: British Journal of Management 2018-present 9) Reviewer: Journal of Economic Studies 2023-present

**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.**

As a current full time educator, I find educating and challenging future finance professional to critically think, see the multi-faceted views of investments, and take time to provide thoughtful comments on "why" they are choosing, analyzing, or interpreting situations as they do. I feel this is one skillset I've grown in and love to implement. In the setting of the Board setting asset allocations and making pertinent decisions on other hearings, I'd like to input my voice in a similar fashion. That is, bring a broad perspective of finance, providing less anecdotal evidence of finance, and more generalizable research of finance. Additionally, I am open to others stances on topics, and willing to adjust mine as they provide quality arguments as well as ask probing questions on others stances on why they believe in a certain investment, asset class, or broad portfolio view. My specific objectives being on the board would be to diligently work to make the best, fully analyzed, well thought out decisions for the plan members. This would require diligent work by me outside of board meetings, bringing new insightful thoughts, questions and research to the board, and working as a team to take care of the SJ pension beneficiaries.

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

In my analysts work, I am a current Chartered Financial Analyst (CFA) institute Charterholder. A designation I am very proud of given the amount of time and effort to complete the program in an effort to become a responsible and quality analyst of information to provide clear, concise, an quality research in the practical field of finance. Which interacts nicely with the broad view of academic research. Additionally, I serve as an arbitrator for FINRA, overseen by the SEC, in order to hear cases that disregard the fiduciary duty of those managing money for others. I believe we have an unbelievably important role as a board to take care of our members financial future expectations.

**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

Question applies to multiple boards

**Are you currently experiencing homelessness or have you experienced it in the past?**

☐ 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 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

Elizabeth Grace

Reference 1 Address

[Redacted Address]

Matthew Faulkner

Reference 1 Email address

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[REDACTED]

Reference 1 Phone

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[REDACTED]

Reference 2 Name

---

Luis Garcia-Feijoo

Reference 2 Address

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[REDACTED]

Reference 2 Email address

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[REDACTED]

Reference 2 Phone

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[REDACTED]

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Supplemental Questions

If applicable, have you ever attended or watched a meeting of the Commission(s) to which you are applying?

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☒ Yes ☐ No

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

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☒ Yes ☐ No

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

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N/A

**Considering your experience and activities in business, labor, School, professional, social, Commissions, Boards, or other organizations, indicate the experience, training, knowledge and/or skills which qualify you for appointment.**

---

I have studied finance my whole career. As shown above, I have 3 formal degrees in finance, I'm a CFA Charterholder, FINRA arbitrator, and reviewer for multiple finance research outlets. In addition, I teach what I study to stay up on the topics. I have an entire course devoted to business valuation that encompasses the process of valuing assets, and in turn, working to make asset allocation decisions. Lastly, I have an open-mind, am willing to be challenged on my convictions, and willing to ask others about their convictions in order for us to do what's best for the members of the Pension.

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

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To set asset allocation for the pensions plan, including recommendations from the CIO. To broadly monitor the CIO and team that is implementing the pension. To work with the city to provide information about the pension status for city planning purposes. To hear cases, or claims, from beneficiaries when issues arise or there are death benefits hearings.

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

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The pension underfunding. Continually finding ways to reduce the gap. Continuing to provide extreme clarity of the pension to the city and the members.

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**Anything else you would like us to know?**

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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. \***

☒ College or university professor (focus on fiduciary or trust law, quantitative background in financial theory or actuarial math)

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.**

I have studied finance my whole career. As shown above, I have 3 formal degrees in finance, I'm a CFA Charterholder, FINRA arbitrator, and reviewer for multiple finance research outlets. In addition, I teach what I study to stay up on the topics. I have an entire course devoted to business valuation that encompasses the process of valuing assets, and in turn, working to make asset allocation decisions. Lastly, I have an open-mind, am willing to be challenged on my convictions, and willing to ask others about their convictions in order for us to do what's best for the members of the Pension.

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.**

Being 33 years old, I have no formal pension plan experience (other than CalPers membership) in overseeing a pension plan. I do not believe this, at all, hinders my ability to be an effective member. I bring another skillset of 12 years of studying the finance industry, investment decision-making, and a general knowledge of the newest financial research found in the field. My ability to ask questions and thoroughly analyze a financial decision are my greatest additions.

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?**

The board sets asset allocation. They will share this within an annual report, with the CIO and team, counsel, and each of the parties listed above both willingly and on request. Most of these parties have a common goal...taking care of the city employees who deserve their pension benefits on time and in full as they begin taking their benefits.

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?**

Long-term goal should always be to make sure that members receive payments on time and in full. Continual short term goals are to be active board members doing our due diligence on understanding capital and financial markets fully and completely. Additionally, a short term goal will continue to be the presence of pension underfunding and continuing to reduce that gap.

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?**

---

They are not public funds. This is the hard-earned funds for SJ city employees throughout their careers.

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

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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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Link is broken, just an fyi. Searched and found through webpage. This work is critical to the role of the board. We have to address the issues in front of us and plan ways to meet obligations.

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?**

---

Luckily, as an active finance professor, this is a part of my day-to-day job. So, I will continue being an active researcher, an active reviewer for financial outlets, and a CFA Institute participant and stay up to date with their new research. Additionally, teaching business valuation keeps me on the edge of the newest rules, regulations, and asset classes that I must convey in a classroom.

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?**

---

Bonds are a renewed asset class that can actually be used in a portfolio for real return. For the past decade, bonds have not been a valid source of investment income given interest rate levels. Examining these opportunities, and existing allocations, will be crucial. Spending a lot of time examining diversification modeling across asset class interactions will be important. The pension is currently invested across a wide variety of asset classes. Understanding this relationship is crucial to maximizing return for a given level of risk. Avoiding fad investments is crucial for long-term investment success.

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.**

---

This question is hard to answer without knowing more detailed information about the current state of the pension, which I did see some of attending the last meeting. Ultimately, public equities are a constant, and typically large, representation of a large pension like this one. Bonds have taken different roles across pensions over the past decade than historically, so re-addressing this in a timely fashion with the past 6-months of Fed rate hikes deserves attention. Global markets also need to be a consideration for healthy diversity. There may be opportunities for PE investments, given our location that can be responsible as well as well-managed hedge funds. However, our fiduciary duty would lead us to focus on large, liquid, asset classes.

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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Yes. Diversification is crucial to asset allocation.

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 need to provide clear decision rationales when discussing their position. They need to fully understand the investments they undertake and convey pertinent information about the broad asset positions. A common metric is to use other pension funds, or the broad market index to examine investment manager performance. 100% yes there are times to terminate an investment manager. Healthy due diligence comes from examining reports from investment managers, but requires board members to spend their own time researching capital markets and asset classes so that we can ask diligent questions.

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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A policy statement shall guide investment of the assets. An investment policy statement (IPS) is issued for the guidance of the Board of Trustees, any Investment Advisory Committee, any Directors, Staff, Consultant(s), Custodian, and Investment Managers. An IPS should set forth an appropriate set of goals and objectives to assist fiduciaries and Staff in the supervision of the investments. For example: 1) Stating in a written document pension funds expectations, objectives and guidelines for the investment of assets, 2) setting forth an investment structure for managing the portfolio, like assigning various asset classes, investment management styles, asset allocation and acceptable ranges to produce an appropriate level of overall diversification and total investment return over the investment time horizon of the pension obligations, 3) Encouraging effective communications between all parties involved, 4) Clarify policy that will consider various factors, including inflation, consumption, taxes, liquidity and administrative expenses, that will affect the portfolio's short and long term total expected returns and risk, 5) Establishes formal criteria to select, evaluate, monitor, compare, and attribute the performance of Investment Managers on a regular basis; and 6) Comply with all applicable fiduciary and due diligence requirements experienced investment professionals would utilize, and with all applicable laws, rules and regulations from various local, state, federal, and international political entities that can impact the pension fund.

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.**

---

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 \*

**Boards and Commissions Application**

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**Profile**

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.

Deborah "debbie"

First Name

Abbott

Last Name

Email Address

Street Address

Suite or Apt

San Jose

City

CA

State

95124

Postal Code

**Are you a resident of San Jose?**☒ Yes ☐ No**What district do you live in? To verify, please click here:****[https://rovservices.sccgov.org/Home/IndexPost?](https://rovservices.sccgov.org/Home/IndexPost?selected=dt&electionId=133&distance=5&navtab=vc&asm=simple)****[selected=dt&electionId=133&distance=5&navtab=vc&asm=simple](https://rovservices.sccgov.org/Home/IndexPost?selected=dt&electionId=133&distance=5&navtab=vc&asm=simple) \***☒ District 9

Primary Phone

Alternate Phone

**Length of Residency**☒ 6 or more years**Which Boards would you like to apply for?**

Federated City Employees' Retirement System: Submitted

Question applies to multiple boards



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.

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

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

**Member Category: \***

☒ Public Member

San Jose State University

Employer

Lecturer

Job Title

**Current Employer Address**

**Current Employer of Spouse**

N/A

**Address of Current Employer of Spouse**

**Spouse's Job Title**

N/A

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

I am not married.

\_\_\_\_\_

\_\_\_\_\_

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

Until 2021, I worked full time, while teaching part-time at San Jose State University. I am now retired from my full-time career, and I am continuing to teach Finance, which is a passion of mine. I have the time, energy and passion to be a committed member of the Board.

**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

Question applies to multiple boards

**Are you currently experiencing homelessness or have you experienced it in the past?**

☐ 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 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

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#### Reference 1 Name

Dr. Elizabeth "Ginny" Grace, SJSU Accounting & Finance Dept. Chair

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#### Reference 1 Address

[REDACTED]

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#### Reference 1 Email address

[REDACTED]

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#### Reference 1 Phone

[REDACTED]

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#### Reference 2 Name

Rancy Scofield, former president of Cambrian School Board and neighbor

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#### Reference 2 Address

[REDACTED]

Deborah "debbie" Abbott

**Reference 2 Email address**

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[REDACTED]

**Reference 2 Phone**

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[REDACTED]

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**Supplemental Questions**

**If applicable, have you ever attended or watched a meeting of the Commission(s) to which you are applying?**

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☐ Yes ☒ No

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

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☒ Yes ☐ No

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

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I currently serve on the Board of Untold Improv, a 501c3 nonprofit, and handle all financial responsibilities for this organization. (President: Brian Teng, 408-836-3669)

**Considering your experience and activities in business, labor, School, professional, social, Commissions, Boards, or other organizations, indicate the experience, training, knowledge and/or skills which qualify you for appointment.**

---

I have an MBA in Finance from UCLA, and I have been teaching finance at San Jose State University for 16 years. In my courses, I cover a variety of financial topics, including risk and return, bond and stock valuation, interest rates, market performance, and time value of money. We discuss current examples and how economic and world events impact interest rates and market performance.

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

---

The overarching goal that guides the Board is to "ensure the prudent investment of System assets in such a manner as to provide real growth of assets over time while protecting the value of the assets from undue volatility or risk of loss."

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

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1) Unfunded pension liabilities, 2) Homelessness, 3) Quality of life: addressing crime (with a well staffed, well trained police force and mental health professionals when appropriate), park maintenance, continued support for cultural events

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Anything else you would like us to know?

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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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☒ College or university professor (focus on fiduciary or trust law, quantitative background in financial theory or actuarial math)

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.**

---

I have an MBA in Finance from UCLA, and I have been teaching finance at San Jose State University for 16 years. Each semester, I teach students about a variety of topics, including analysis of risk and return, bond and stock valuation, interest rates, market performance, and time value of money. We discuss current examples and how economic and world events impact expected returns. I stay up to date by reading the Wall Street Journal and the Economist. After receiving my MBA, I honed my analytical skills by working in Corporate Finance for ten years. I later worked in a variety of Marketing roles. I have also served as a volunteer for several organizations. I am currently the Treasurer and Board Member of Untold Improv, a 501c3 non-profit organization, and a member of the Citizens Oversight Committee for the Cambrian School District Measure R Construction Program.

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.**

---

I manage my personal retirement plan, and my investments have given me the means to have a comfortable retirement. I have invested in a diversified portfolio that is allocated to include 1) Short-term treasuries to provide ready access to capital and take advantage of higher interest rates, 2) A mix of bonds and stocks to provide both income and capital appreciation, 3) An investment in real estate for long-term appreciation I rebalance my portfolio periodically to reflect current market performance, economic forecasts, and my portfolio's results.

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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The City Council interviews and selects members of the board of the Federated City Employees' Retirement System. The Board then acts independently of the City Council. The Board includes 2 employee representatives, 1 retiree representative and 4 public representatives. A City Council member also acts a liaison between the board and the Council. The Board's specific duties include: Administration and investment of the retirement funds; Consideration of requests for retirement; Determination of eligibility for membership in the pension plans; Determination of employees' eligibility for membership in the pension plan; Determination of employees' eligibility for retirement benefits

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?**

---

The overarching goal that guides the Board is to "ensure the prudent investment of System assets in such a manner as to provide real growth of assets over time while protecting the value of the assets from undue volatility or risk of loss." The Board uses investment earnings and employer and employee contributions to provide eligible retirees with defined-benefit pensions based on their years of service and highest compensation. The System provides medical, survivorship, and permanent disability benefits to qualified members and their beneficiaries. The Board does this by reviewing the eligibility and investment recommendations of the Retirement Services staff (including the CIO and investment team). The board provides overall management of the system "with the following investment goals in mind: To clearly and explicitly establish the objectives and constraints that govern the investment of the System's assets, to establish a long-term target asset allocation with a high likelihood of meeting the System's objectives given the explicit constraints, and to protect the financial health of the System through the implementation of this stable long-term investment policy."

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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I believe that the retirement funds are for the benefit of current and retired public employees and represent an obligation by their public employer(s) to deliver on promised pension benefits. Many public employees accept lower-than-market salaries in part because of their expectation of receiving a secure pension. To the extent that investment returns are not sufficient to provide the promised pension benefits, then the employer must use public funds to fund the difference.

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

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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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I read the 2012 article authored by former Mayor Chuck Reed. I agree with the idea that "Rising Pension Costs Threaten Cities' Ability to Provide Services." My understanding is that some, but not all, of Mr. Reed's recommendations were limited by legal challenges and some were overturned by Mayor Sam Liccardo. Unfunded pension costs is a widespread problem facing many public organizations. The 2021-2022 report shows that only 55% of the pension obligations are currently funded through 2021. However, I was informed that Board and City investment staff have a plan to close that gap and reach 100% funding in 18 years. I would like to be part of the team that works to ensure that goal is achieved.

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?**

---

I read the Wall Street Journal daily and the Economist weekly.

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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The current increase in interest rates will provide greater returns on relatively safe investments, such as treasuries. The risk is that higher rates will push the country into a recession – a hard landing. That means that stocks and other long-term investments are likely to perform poorly in the near term. However, over the long run, stocks and real estate yield far higher returns than debt-based investments. I would like to understand more about alternative investments that have higher risk but higher expected returns, such as private equity, in which some public funds are investing a portion of their funds.



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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I find CIO Prabhu Palani's October 2022 letter particularly relevant to the Board's mission. He nicely captured the recent changes in the market and the opportunities this presents. I agree that, ". . . investing is not about cleverness. It is about patience and temperament. Successful investors are those who know their risk tolerance, liquidity needs, and skill sets, and build their portfolios accordingly." I believe that there needs to be an asset allocation that will provide stable source of funds for current retirees, while investment in growth assets will provide the higher returns required to fund long-term pension liabilities.

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?**

---

Alternative investments have a place in the investment portfolio. However, I believe the investments need to have a high-level of transparency, moderate expense levels, and high expected returns relative to less risky investments. Many such investments are illiquid, which makes it more difficult to measure volatility (risk), and it may be difficult to divest such investments should the need arise. Given the higher risk of these types of potentially high-return investments, they should make up a small portion of the overall portfolio.

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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An investment manager should have an established track record of working with institutional assets, delivering returns in line with industry benchmarks, be ethical and free of conflicts of interest, have personnel with deep expertise assigned to support the retirement system's investments, have satisfactory regulatory and compliance procedures and registrations in place, and provide regular performance and risk monitoring. The board, working in conjunction with the CIO and staff, needs to develop and implement ongoing reviews to track and audit compliance with policy and investment performance. An investment manager should be terminated for ethics or compliance violations. If the investment manager underperforms the agreed upon benchmarks, when other institutional managers have consistently delivered superior performance, then it may be time to change managers.

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 "San Jose Federated City Employees' Retirement System Investment Policy Statement" outlines this well. It clearly describes the Board's approach to long-term asset allocation and the actions that will be taken to help ensure the financial health of the retirement system. If selected to be on the board, I would follow this policy and contribute to its annual review and updating, as needed. Should questions arise that are not addressed in this document, I would reach out to other trustees to advise me.

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

Deborah "debbie" Abbott

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)?**

☐ 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.**

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?**

☐ Yes ☒ No

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

**If yes, please provide details.**

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.)?**

☐ Yes ☒ No

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

**If yes, please provide details.**

---

## 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 \*

Boards and Commissions Application

Profile

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.

Julian Ulrich Norbert                      Vogel  
First Name                                      Last Name

[Redacted]  
Email Address

[Redacted]  
Street Address

[Redacted]  
Suite or Apt

San Jose  
City

CA  
State

95112  
Postal Code

Are you a resident of San Jose?

☒ Yes ☐ No

What district do you live in? To verify, please click here:  
<https://rovservices.sccgov.org/Home/IndexPost?selected=dt&electionId=133&distance=5&navtab=vc&asm=simple> \*

☒ District 3

[Redacted]  
Primary Phone

[Redacted]  
Alternate Phone

Length of Residency

☒ 1-2 years

Which Boards would you like to apply for?

Federated City Employees' Retirement System: Submitted

Question applies to multiple boards  
[Redacted]  
[Redacted]  
[Redacted]

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.

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

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

**Member Category: \***

☒ Public Member

San Jose State University

Employer

Assistant Professor of Finance

Job Title

**Current Employer Address**

[REDACTED]

**Current Employer of Spouse**

California State University, Sacramento

**Address of Current Employer of Spouse**

[REDACTED]

**Spouse's Job Title**

Assistant Professor

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

Age Group	Gender	Vaccinated (%)
18-24	Male	~15
	Female	~10
25-34	Male	~25
	Female	~20
35-44	Male	~35
	Female	~30
45-54	Male	~45
	Female	~40
55-64	Male	~55
	Female	~50
65+	Male	~65
	Female	~60

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

Bachelor of Science in Business Administration and Economics, University of Passau, October 2010 to July 2014; Master of Business Administration, Murray State University, August 2015 to August 2016; Master of Science in Business Administration, University of Regensburg, October 2014 to April 2017; Ph.D. in Business Administration - Finance, The University of Texas at El Paso, August 2017 to May 2021

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

Instructor, The University of Texas at El Paso, August 2017 to May 2021; Assistant Professor, San Jose State University, August 2021 to present

English, French, German, Spanish

### Special Awards or Recognitions Received

**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.**

I want to become a member of the San Jose Pension Board of Trustees to serve my community, and take an active role in governing and managing the San Jose Pension System in accordance with applicable fiduciary standards, providing accurate, timely benefits and high-quality service to the System's members and beneficiaries, and collecting, investing, and expending system assets in a cost-effective manner.

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

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

Question applies to multiple boards

Are you currently experiencing homelessness or have you experienced it in the past?

☐ 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 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**

**Reference 1 Address**

[REDACTED]

**Reference 1 Email address**

**Reference 1 Phone**

[REDACTED]

**Reference 2 Name**

**Reference 2 Address**

[REDACTED]

**Reference 2 Email address**

**Reference 2 Phone**

[REDACTED]

**Supplemental Questions**

**If applicable, have you ever attended or watched 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, School, professional, social, Commissions, Boards, or other organizations, indicate the experience, training, knowledge and/or skills which qualify you for appointment.**

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

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



## Anything else you would like us to know?

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Through my work as a professor of finance at San José State University, I am intimately familiar with the financial system, as I regularly explain various aspects of it to students. Furthermore, in this role, I conduct research on financial topics such as asset pricing, institutional investment, financial intermediaries, information asymmetry, and ESG factors. On a corporate level, I have examined the impact of corporate governance, capital structure, and corporate payout policy, as well as the respective impacts on market valuation. Besides, as an employee of a California State University, I am already a public employee, and thus am both familiar with the additional requirements (e.g., with regards to gifts or ethics) and have proven that I can abide by these additional standards.

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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. \***

☒ College or university professor (focus on fiduciary or trust law, quantitative background in financial theory or actuarial math)

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.**

I hold four degrees, which focused on various aspects of the business environment. My Bachelor of Science in Business Administration and Economics, as well as my Master of Science in Business Administration focused on management, marketing, and innovation. My Master of Business Administration gave me a profound and holistic perspective on the interaction of various business disciplines. My Doctor of Philosophy in Business Administration was focused on finance, as well as, to a lesser degree, on accounting and economics. Thus, I am able to not only see different aspects of a company, but also consider externalities and consequences of different business decisions. In my professional expertise, I have interacted with many aspiring professionals, as well as with executives. Most recently, I have interviewed a number of active and retired CEOs and CFOs of S&P 500 companies, which allowed me even deeper insights into organizations. I am also currently on the way to becoming a CFA charterholder. One particular aspect that I personally enjoy about financial analysis, including asset pricing, investments, and portfolio management is identifying, collecting, and analyzing data from various sources to generate interesting insights. I am oftentimes to thus procure data in creative ways to aid decision-making and ultimately make better decisions.

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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For my work as a professor of finance at San José State University, I regularly manage various budgets for research, compensation of teaching and research assistants, and instructional materials. These budgets also entail consideration of different policies, restrictions, and deadlines. Additionally, as the recipient of a number of grants, I am experienced with reporting requirements such as submitting budgets and compiling reports. My research is published in several peer-reviewed academic journals, which reach scholars and practitioners alike, and form the basis of various trading strategies an investment decision of public and private investment managers.

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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The San José Pension Board of Trustees consists of seven members, two of which are city employees and directly elected, one retiree representative, and three public members from the municipal community that are otherwise unrelated to the city administration. These outside members are selected based on their investment expertise, and are approved by the City Council. Hence, the City Council has approving influence over the public board members, the city administration has three seats directly on the board, and plan participants and beneficiaries are represented by one board member. The term “retirement services staff” can refer to the members of the board of trustees, since they are considered staff and are technically working at the service of the retirees, even though they are compensated by the city. Staff working for the board, supporting them in fulfilling their duties is hired by the board of trustees directly, and could also be considered “retirement services staff”. The relationships between the pension board of trustees and various bargaining units are predominantly indirect, with the most salient intersection being representation considerations. Some participants and beneficiaries might be represented by a bargaining unit and thus are entitled to benefits different from those participants and beneficiaries not represented by a bargaining unit.

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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Based on Section 17 of Article XVI of the Constitution of the State of California, the purpose of the retirement board is, above all else, providing benefits to participants and beneficiaries. To this end, the San José Pension Board of Trustees administers and manages the funds while fulfilling its fiduciary duty. The board thus collects, invests, and spends assets to generate positive returns.

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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The funds that are invested by the retirement boards are public funds, since they are derived from county funds and thus ultimately from tax payments. This assessment is also supported by §31451 of Article 1 of the California County Employees Retirement Law, which states that “a PUBLIC OBLIGATION to county and district employees who become incapacitated by age or long service in public employment and its accompanying physical disabilities” (emphasis added) exists to provide them with compensation.

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

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☐ Yes ☒ No

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

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Unfortunately, the provided link leads to a page that is not found. Additionally, searching for the report directly by name did also not produce the desired result. Thus, I was not able to read the report. While I was not able to read the report, the title leads me to believe that the report addresses the problem of a decreasing number of contributors, who contribute a decreasing amount to the pension fund, while at the same time being faced with an increased demand for payouts to pension recipients, both in number and in value. This problem is faced by many pension funds across the US. While no systemic liquidity problems exist in the short term, the changing demographic of the US workforce does pose a problem for sustainability of pension funds. While not directly under the control of pension plans, this problem is only exacerbated by decreasing pension savings rates of workers. The issues raised are highly relevant and directly applicable to the work I would do as a Retirement Board Member, as bridging this funding gap is ultimately the responsibility of the Retirement Board Member. In isolation, this shortage of funds could be interpreted as an argument in favor of investing in investments with an elevated risk profile. However, that is not possible for pension funds, as they rightfully are subject to more stringent policies requiring them to show a larger degree of conservatism in their investment as comparable private investment funds.

**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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I am closely following the business press, for example through articles in the Wall Street Journal, the Financial Times, or CNN Business. Beyond observing day-to-day developments in the micro- and macroeconomic environment, I am also continuously engaged in professional development activities. For example, besides having earned a Ph.D. in Business Administration with a concentration in Finance, I am currently on the way to becoming a CFA charterholder.

**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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As demonstrated by a plethora of research, value-based investing in companies with strong environmental, social, and governance (ESG) factors has reliably led to portfolios outperforming the overall market, as well as several other, more specialized portfolios. In my personal research, I have also demonstrated that companies in which executives feel more like owners of the company – irrespective of their actual ownership stake – are associated with less fraudulent behavior and thus less downward risk. As the recipient of a number of state grants, I am familiar with the additional risk management requirements, and have successfully followed related policies and procedures for the past six years.

**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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Generally, higher returns are associated with higher risks. Given the additional limitations and special fiduciary duties of the pension board as the manager of public funds, preference is given to lower-risk investment opportunities. Since equity markets are on average currently on a downward trajectory, equity investments have to be selected very carefully. Investments attractive to institutional investors such as pension funds are fixed income investments and certain types of derivatives. While fixed income investments generally face a downward risk, they are secured by strong debtholder-protecting legislation and drastic implications in case of missed coupon payments. Derivatives such as options provide measures to eliminate downward risk entirely, but due to their relatively large costs, as well as potentially large volatility, might not be the most appropriate investment opportunity for public funds. Based on this general outline, the largest portion of the pension fund's portfolio should be in fixed income, with significantly smaller investments in equities and potentially derivatives. Equity investments should be carefully selected based on their impact on the Sharpe ratio of the portfolio, and significant portion of equity investments should be in indices and exchange-traded funds.

**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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There are many factors that speak in favor of investing in alternative investments. Alternative investments generate on average higher returns than traditional investments, such as equities or fixed income assets. Additionally, alternative investments might offer avenues to invest in bearish traditional market environments, or otherwise unfavorable macroeconomic conditions. Especially in the San Francisco Bay area, and in the Silicon Valley, a plethora of alternative investment opportunities could be identified. However, alternative investments usually also come with less liquidity, increasing the risk that a time mismatch between cash flows will occur. Some alternative investments are traded only on call markets, taking the liquidity risk ad extremum. Furthermore, alternative investments come with less oversight from regulators, since they are often traded brokered markets. Thus, investors have to first identify as knowledgeable and sophisticated enough to be able to adequately determine the risk associated with alternative investments. While it is sensible to assume that a board composed of financial experts would be able to determine the risks associated with alternative investments to a sufficient degree, pension plans boards manage public funds. These public funds are invested for (on average) non-sophisticated investors. Thus, the investors whose funds are invested lack the necessary resources to adequately assess the risks associated with alternative investments. Investing in alternative investments despite knowing that the investor base that provided and provides the funds for the pension plan cannot control the board managing the funds would be not in line with the value of being a good steward at best, and highly unethical at worst. Thus, pension plans like those in San José should not invest in alternative investments such as private equity, commodities, infrastructure or separate account real estate.

**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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The main tasks of an investment manager are twofold. First, especially in the case of managing public funds, investment managers have to be good stewards of the funds they manage, and at the very least ensure that they engage in value-preserving activities. This constitutes the lowest bar of evaluating an investment manager. Additionally, an investment manager should be able to generate value for its clients. Thus, any value increase of the portfolio the investment manager manages has to be related to skill of the investment manager and not luck. Considering that inflation and long(er)-term interest rates dictate a minimum value to be generated, these two tasks are partially overlapping. To show that positive returns and added value are based on an investment manager's skill, the manager has to show that they are able to reliably outperform certain market indices as well as performance benchmarks. If the performance of the investment manager falls short of reliably generating more value than market indices and performance benchmarks, the employment of the investment manager should be critically evaluated. If the investment manager fails to preserve the value of the funds in the portfolio, after consideration of inflation and long(er)-term interest rates, the manager should be terminated. Another reason for terminating the manager is if the manager does not act in line with the values of the fund they are supposed to manage. Due manager diligence should be conducted through regularly review in relatively short increments, such as quarterly or monthly. This ongoing review should monitor the development of the investment portfolio, the conduct of the investment manager, and overall development in the macroeconomic environment. At the same time, these reviews should take up as little time of the manager as possible, in order to not infringe on the main duty, managing the portfolio. In longer increments, for example in yearly intervals, a thorough audit of the investment portfolio should be conducted, that goes beyond, but is based on observations from the ongoing review.

**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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Generally, a pension plan's statement of investment policies should include the investment option evaluation guidelines, and a definition of the roles and responsibilities of the different actors on behalf of the pension plan. Trustees manage and administer the fund, including the investment of its assets to generate a positive return, and provide the benefits to the participants and beneficiaries. Staff works for the board of trustees and supports the board in fulfilling these roles. Consultants, such as members from the public with related expertise advise and guide the decisions of the board in investment. Additionally, since these outside board members are not affiliated with the city other than their membership in the board of trustees, they also have a auditory and controlling role. Investment managers also provide their expertise as part of the board, while custodians ensure conformity with applicable laws and regulations. Generally, the board is organized in different subcommittees. For example, the San Jose Pension Board of Trustees also forms an investment committee, an audit committee, a governance committee, and a joint personnel committee. These subcommittees take over specific roles of the board of trustees. Asset allocation and portfolio structure decisions (including rebalancing) are made after appropriate analyses are conducted, and typically fall in the realm of the investment committee, which also prepares a preliminary report. Manager selection is generally performed by the governance and/or joint personnel committee. Due diligence is ensured by the audit committee. This task also entails confirming the true and fair view of the preliminary report. Hence, the audit committee also fulfills reporting and analysis duties, which lead to the final report that is provided to the public.

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:**

---

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)?**

---

☐ 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.)?**

---

☐ 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.

---

☒ I Agree \*