
Profile

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

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

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

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

Vikas

First Name

Oswal

Last Name


Email Address

Which Boards would you like to apply for?

Police and Fire Retirement Plan Board: Submitted

Are you a resident of San Jose?

☐ Yes ☒ No

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

Member Category: *

☒ Public Member

Length of Residency

None Selected

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

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

☒ Yes ☐ No

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

☒ District 1

Street Address

Suite or Apt

Cupertino
City

CA
State

95014
Postal Code

Primary Phone

Alternate Phone

Self
Employer

Chief Investment Officer
Job Title

NA
Current Employer Address

NA (Homemaker)
Current Employer of Spouse

NA
Address of Current Employer of Spouse

NA
Spouse's Job Title

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

Bank of New York, Mellon.

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.

University of California, Berkeley, CA Years attended:1992-94; MBA (year of graduation: 1994) University of Oklahoma, Norman, OK. Years attended: 1982-1984; MS Chemical Engineering (1984) IIT, BHU Varanasi, India; Years attended: 1977-82; B.Tech. Chemical Engineering (1982) Central School, Pune, India (1977)

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

Air Quality Engineer II; Monterey Bay Unified Air Quality District, Monterey, CA (1992-1994)

English; Hindi, Marathi

Languages Spoken

Special Awards or Recognitions Received

CFA

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

I have nearly 20 years of experience in investment management. I am uniquely qualified to contribute and have a strong desire to give back to the community of SJ Fire and Police retirees. My objective would be to contribute to the Police and Fire Retirement Board by helping to invest its assets to achieve the highest risk adjusted returns (that are consistent with the Board's investment guidelines).

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

My last full time position was that of CEO of an investment management firm (Advisor Partners, Walnut Creek, CA). In this position, I was responsible for all aspects of running an Investment Management firm. I had overall responsibility for Investment Management, Trading, Compliance and Investment Research. This experience and my prior professional experiences spanning two decades have prepared me to contribute meaningfully as a Public Member of the Police and Fire Retirement 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

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

☐ 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

Dr. Charlie Jacklin

Reference 1 Name

[REDACTED]

Reference 1 Address

[REDACTED]

Reference 1 Phone

Lex Huberts

Reference 2 Name

[REDACTED]

Reference 2 Address

Supplemental Questions

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

☐ Yes ☒ No

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

☒ Yes ☐ No

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

Although I have not (yet) served on a Board, I have first hand knowledge of the operations of a Public Board. As a member of staff, I have participated in public meetings/proceedings of the Monterey Bay Unified Air Pollution Control Board. I have also presented to the Monterey Bay Unified Air Pollution Control Board at public meetings/hearings of the Board. During public meetings of the Board, I also responded to questions and concerns of public attendees.

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

I have been a high impact, senior executive and have 20 years of experience in Investment management and financial markets. When employed with Mellon Capital, a leading SF bay area money management firm (and a subsidiary of the Bank of New York Mellon), I made game changing contributions in asset management, research and business management. Before I retired from Mellon Capital in 2012, I was Executive Vice President and Chief Investment Strategist. As Chief Investment Strategist, I oversaw the investment management of \$220 Billion in assets. I have a passion for asset management and have experience in creating and evaluating new investment strategies, products and solutions.

What is your understanding of the purpose of the Commission?

The Commission administers the SJ City Employee Retirement Plans. This involves entering into agreements with vendors to the Plan on behalf of the City for the administration of the Plan. All actions of the Commission must be exercised in compliance with the Municipal Code and in adherence to the highest fiduciary standards. The Board also oversees the selection and oversight of the CEO, CIO and external vendors including investment managers.

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

1. Dealing with the challenge of low prospective investment returns across most asset classes 2. Achieving and Maintaining adequate funded status 3. Accurately assessing and dealing with pension liabilities.

I would like to say . . .

It would be an honor to serve on this commission and to have an opportunity to serve retirees of the city of San Jose. I will draw on my investment expertise to contribute to prudently maximizing returns (within the Plan's risk parameters) and thereby assist in improving the funded status of the City's Pension Plans.

(Optional) Please upload a resume.

Retirement Board Questions Only

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

- ☒ Institutional investment experience
- ☒ Investment management

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.

Education: MBA, Finance UC Berkeley. Professional Certification: CFA. I have deep abiding interest in investment management and have experience in creating/evaluating new investment strategies, investment products and investment solutions. I am trained in using analytical methods that help differentiate between investment skill and luck. I have been a high impact, senior executive and have 20 years of experience in Investment management and financial markets. When employed with Mellon Capital, a leading SF bay area money management firm (and a subsidiary of the Bank of New York Mellon), I made game changing contributions in asset management, research, risk management and business management. Before I retired from Mellon Capital in 2012, I was Executive Vice President and Chief Investment Strategist. As Chief Investment Strategist, I oversaw the investment management of \$220 Billion in assets.

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

I have 20 years of experience in all aspects of investment management ranging from research, to trading, portfolio management and risk management. While at Mellon Capital I also served as the Head of US and Global Asset Allocation. I also headed the firm's Currency and OTC Derivatives portfolio management. I have experience in investment oversight at the highest levels; as Chief Investment Strategist at Mellon Capital, I oversaw the investment management of \$220 Billion in assets. As CEO of Advisor Partners, an investment management organization I had oversight on all aspects of running the firm including the setting of asset allocation policy targets for our asset allocation portfolios; trading, compliance and portfolio management.

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?

Relationship between the Retirement Board and City Council: A majority of the Board Members are appointed by the City Council. The Board is an 'Appointing Authority' of the City Council. Relationship between the Retirement Board and the City Administration: The City Administration does not have the authority to hire or fire anyone employed by the Board or the CEO. The Board partners with the City Administration but is independent of the Administration. Relationship between the Retirement Board and the Retirement Services staff: The Board has oversight responsibility over the CEO and CIO of Retirement Services. (The CEO of Retirement Services oversees Retirement Services Staff). Although staff is responsible for management of plan assets, the Boards hold sole fiduciary responsibility over the assets of the plans. Relationship between the Retirement Board and the Employee bargaining units: Two members of the Board are City Employees. These two members represent the position of employee bargaining units on the Board; thus the Board effectively takes into account the interest of city employees. Since the Board sets contribution rates for employees, a good working relationship between the Board and City employees is important. Relationship between the Retirement Board and Plan participants and beneficiaries: The Board's primary fiduciary responsibility is to participants and beneficiaries. The Board must at all times act in the interest of the plan participants and retirees.

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

Short term Goals: Attend to business such as (but not limited to): Ensure the hiring of a competent CEO and CIO. Oversee the CEO Contracting for actuarial investigations and valuations of the plans Approving the hiring and firing of investment managers and other vendor to the Plans Approving the fees of investment managers and other vendor to the Plans. Long Term Goals: The Boards hold primary fiduciary responsibility over the assets of the plans; long term goals include ensuring that the plans remain actuarially sound. In order to do so, the Boards: 1. Must carefully review, assess and adopt the actuarial assumptions used in valuations. The most critical of these assumptions include the assumed rate of return on plan assets; tables on member mortality, service etc. 2. Establish contribution rates for the City and employees

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

Yes. Because retirement funds invested by the Retirement Boards exist to pay plan benefits to retirees of the City of San Jose, who by definition were public employees.

Have you read the report by the City Auditor entitled, “Pension Sustainability: Rising Pension Costs Threaten the City’s Ability to Maintain Service Levels?” This report is available at: <https://www.sanjoseca.gov/DocumentCenter/View/3208>

☒ Yes ☐ No

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

This report would be highly applicable to my (potential) work as a Board Member. This report identified several issues (1) Steady increases in pension benefits over the prior 4+decades had dramatic impacts on pension costs (even before factoring in the impact of the 2008-09 market losses) (2) Rising pension costs led to budget deficits which, in turn, required cuts to services and layoffs. Future deficits, in part due to rising pension costs, could require similar actions (3) The City’s unfunded pension liability has grown dramatically over time due to three main reasons (a) Investment losses totaling nearly\$1B from 2007-2009. (b) Granting of retroactive benefit enhancements (c) Assumptions used by the plans’ actuaries to calculate pension liabilities and contribution rates did not match reality. It is important that the Board ensure that the financial risk faced by the city after the 2007-2009 downturn is avoided in future years (to the maximum extent possible). The Board must continually strike a balance between ensuring the long-term sustainability of the City’s pension benefits and minimizing the potential deleterious impact on City operations/services from increases in contributions to the Plans (i.e. pension costs). Board members must ensure the reasonableness of the methods and assumptions used in the plans’ actuarial valuations and return assumptions. Board members must look at prudent risk taking and asset allocations that can help lift returns to match/exceed median returns achieved by comparable plans.

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

1. Regularly read institutional investment research. 2. Discuss current trends in institutional investing with my broad network of institutional investment professionals 3. participate in technical investment conferences.

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?

Recent volatility in international markets has presented several opportunities to increase returns. Below, I highlight three: 1. Emerging markets high yield debt is attractive relative to developed markets fixed income assets. Over-weighting emerging high yield debt relative to strategic allocations is likely to result in higher risk adjusted returns. Such overweights can be funded by reducing exposure to US Corporate/high yield debt. 2. International developed and emerging equity markets have lagged the US equity market over the past 1/3/5/10/15 years. Over weighting international equity exposure relative to strategic targets is currently attractive. Over the next 5-10 years, returns of international developed equity markets should likely be in line/above with US equity returns. Emerging equity market returns are likely to exceed US equity market returns by 1-2%. 3. Within all equity allocations: reducing growth equity exposure in favor of value stocks would lift risk adjusted returns. Notes: (a) Given the relative strength of the US dollar, it would make sense to buy emerging and developed international equity and fixed income exposure on an unhedged basis. (b) Selling US assets to buy international emerging equity/fixed-income assets is expected to reduce risk in two ways: (i) adding a less correlated asset and (ii) selling a relatively fully valued asset. Experience with risk budgeting: As head of Global Asset Allocation and Chief Investment Strategist and in other senior Asset Allocation roles, I dealt with efficient risk budgeting/allocation for over a decade. My team's goal everyday was to survey worldwide capital market returns and position the portfolio to maximize risk adjusted returns.

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.

I believe that asset allocation is the critical determinant of plan performance. Research by Brinson, Hood and Bierbower (1986) found that over 90% of the variation in investment returns of a large, well diversified pool of assets can typically be attributed to asset allocation decisions. Asset allocation involves setting policy targets and ranges for selected asset classes and managing asset class allocations within their policy ranges. The goal of asset allocation is robust diversification across a range of capital market environments. Effective asset allocation requires thinking beyond the allocation of capital across a diversified group of 'asset classes' to the broad diversification of risk across asset classes. Below are my recommended asset allocation policy target weight (and permitted variation around target) Proposed Asset Allocations of San Jose Plans Global Equity (passive and active) 30 % (range +/-10%) Private Equity 10% (+/- 10%) Global Long/Short Equity (fixed Income substitute): 10% (+/-5%) Global Fixed Income: 10% (+/- 5%) Global High Yield (including private debt) 10% (+/-5%) Inflation Protection (TIPS) 5% Real Estate 10% (+/-5%) Infrastructure: 10% (+/-5%) Commodities: 4% (+/-5%) Cash 1% (+/-0.25%)

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. Alternative assets can be powerful diversifiers to Pension Plans. These asset classes allow a plan to use its risk budget in smarter ways by allocating risk to asset classes that have low correlations with stocks, bonds and other holdings of the Plan. For example infrastructure funds earn returns by providing capital to communities that need to update/upgrade infrastructure (bridges, roads etc); such projects, do not rely on sales and earnings of corporations individually or broadly and hence have low correlations with other asset classes such as stocks and bonds. Similarly, commodity funds can opportunistically (or strategically) invest in commodities that face positive secular trends (but can be subject to short term declines driven by volatility in demand and supply). Commingled vehicles with competitive fees, run at an active risk of about 10% are best suited to the SJ plans. Investments in alternatives should be preceded by extensive due diligence. Two or more managers should be utilized to minimize individual firm and model risk.

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

Manager Evaluation There are several key components of effective manager evaluation. Broadly, we need to assess the strength of the manager's (a) process, (b) skill and stability of its staff and finally (c) historical performance

Process: Determine if the process is grounded in solid finance and economics. Ask if the process is likely to be repeatable over long (future) periods or whether it was a process that simply benefited from a particular set of past trends or market conditions (that may recur in the future). What matters is prospective expected performance, not statistical fits to past data.

(b) Competence, stability and cohesiveness of Investment team: Interview key members of investment to size up competence of team. Determine if the firm is overly dependent on one individual (or a small group of individuals) or whether the firm's process is institutionalized enough that modest personnel turnover is unlikely to have material deleterious impact on manager's investment strategy and performance. Cohesive teams serve investors better; so it is important to ascertain if members of the core team have worked together for a substantial period of time. It is important to evaluate (usually through in person interviews) which members of the team were key to producing the manager's investment performance and whether they are still involved in running the strategy and whether they have compelling incentives to stay involved over substantial future periods.

(c) Finally, critical to manager assessment, especially active manager assessments is ascertaining whether the manager's performance has been simply the result of luck or whether the manager has demonstrated quantifiable investment skill. Quantitative measures of skill include:

- (i) **Information Ratio**-an information ratio that is materially above zero (higher than, say 0.2) is likely to indicate skill. Another robust measure of skill is 'Style Analysis.' This measure first introduced by Nobel laureate Bill Sharpe attempts to determine whether a manager was able to generate outperform a combination of Indices-that 'replicate' the manager's style (the strategy's 'Style benchmark'); this measure is particularly useful in evaluating hedge funds and managers of non traditional asset classes
- (ii) **Sortino ratio** is critical to assessing downside protection (given two managers with identical Sharpe/Information ratios, the manager with the higher Sortino ratio is the one with superior downside protection)

When to terminate a manager Here are important red flags that can (eventually or promptly) lead to manager termination

- Material turnover in the key investment professionals
- Sudden, material changes in the investment management strategy
- Ethical issues (such as sanctions from the SEC)
- Performance that appears to be too consistent or too high for the risk taken ('Madoff' risk)

Manager due diligence: Below are the key components of an effective due diligence process. Assessment of the manager's process, people and historical performance (detailed above)

Visit to the manager's offices location to ascertain the strength of the manager's compliance processes (including but not limited to self dealing and personal securities trading controls), technology and disaster recovery processes

Review of the distribution (by clients) of the manager's Assets under management to ascertain the viability of the manager's business in the event of significant client departures

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.

Investment Policies must cover (at a minimum), the following: Overarching return and risk objectives of the Plan and for all asset classes included among plan investments. Specific areas of investment strategy, including performance objectives, asset allocation guidance, benchmark selection methodology, investment risk management, and the Plan's policies regarding derivatives, leverage and illiquid investments A process for their periodic review and revision (so that investment policies can keep up with changes in investment markets, financial instruments and economic conditions) Role of trustees As principal fiduciaries of the Plan, Trustees must: Oversee the CEO and CIO Ensure compliance with current investment policies Review plan performance and approve/disapprove staff-recommended changes to asset allocation Review and approve/disapprove addition or removal of asset classes Review and approve/disapprove staff-recommendations regarding hiring and firing of investment managers, consultants and custodians. Role of staff Staff are responsible for the day to day operational implementation of the Plan's investment policies. Staff duties include (but are not limited to): Developing and maintaining overall plan investment procedures, asset class and sub-asset class and investment manager guidelines Staying abreast of capital markets and new asset classes Proposing to trustees actions in response to changes in the investment landscape Reporting current asset allocation versus targets Implementing rebalancing when asset classes deviate from acceptable ranges Collaborating with consultants and reviewing consultants' recommendations regarding changes to allocation, the hiring and firing of managers and assessment of manager performance Reporting to Trustees on risk management including but not limited to) concentration risk; liquidity risk, counterparty risk and currency risk Reporting scenario analysis to Trustees quantifying impact of various market scenarios on 'Funded Status' of Plans. Role of consultants Work closely with staff on all matters regarding the management of the Plan Assets. Duties include (but are not limited to): Reporting on the effectiveness of the Risk Management and Asset Allocation Programs, as well as use of benchmarks relative to the Plan's Investment Policy Reporting on investment performance of each asset class and investment manager relative to benchmarks Preparing forecasts of asset class returns Conducting investment Manager searches Proposing changes to the Investment Policy Reporting to trustees the results/findings from specified audits Promptly disclosing to staff and Trustees any sanctions by any regulatory body Role of investment managers Act as fiduciaries of the Plan Manage assets in compliance with all guidelines Promptly report errors and corrective actions taken; compensate plan for errors Promptly disclose to staff and Trustees any sanctions by any regulatory body Role of custodians Act as fiduciaries of the Plan Maintain/update/implement procedures for safe custody of assets and have strong theft and fraud prevention processes Maintain/update/implement robust technology processes to prevent electronic hacks and maintain security of custody systems Manage all aspects of cash flows and dividend reinvestments Promptly report errors and corrective actions taken and compensate plan for errors Promptly disclose to staff and Trustees any sanctions by any regulatory body

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?

☐ 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 *

Profile

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

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

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

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

Ghia

First Name

Griarte

Last Name


Email Address

Which Boards would you like to apply for?

Police and Fire Retirement Plan Board: Submitted

Are you a resident of San Jose?

☐ Yes ☒ No

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

Member Category: *

☒ Public Member

Length of Residency

None Selected

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

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

☒ Yes ☐ No

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

☒ District 1

Street Address

Suite or Apt

Burlingame

City

CA
State

94010

Postal Code

Primary Phone

Alternate Phone

Ponte Partners

Employer

Managing Partner

Job Title

Current Employer Address

Pingtumi
Current Employer of Spouse

Address of Current Employer of Spouse

CEO

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

N/A

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.

El Camino High School (South San Francisco), UC Berkeley. B.S. in Electrical Engineering & Computer Science, 1985 Northwestern University, MBA, 1993 Northwestern University, Master of Engineering Management, 1993

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

Board Trustee, San Jose Police & Fire Retirement System Dec 2014 - present Member of Alumni Council of Northwestern's Kellogg School of Management 2014 - 2016 Finance Committee, Nueva School 2007 - 2010

English, Tagalog

Languages Spoken

Special Awards or Recognitions Received

Leadership and Service on Kellogg Alumni Council 2016 Philippine Development Foundation Award of Excellence in Science and Engineering Sept 2010

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

Having been a member of the Police & Fire board since Dec 2014, I have come to understand the complexities, strengths, and challenges of the system. There are board initiatives ongoing focused on sustainable long term investment performance improvement while better managing risk which I would like to see to implementation completion. Examples of such initiatives include: investment strategy, policy, and process improvement and ESG (Environmental, Social, Governance) responsible investing.

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

I serve/have served as a board director on numerous company boards and committees reviewing strategy, financial forecasts, compensation, operations against plan and providing guidance and input as necessary. I have had experience with private companies in the zone of insolvency (liabilities > assets). Boards from time to time have to resolve misalignment and conflicts of interest that arise. In these circumstances, careful consideration is required of the various shareholders as well as the interest of the party which they represent.

Do you own property in the City of San José?

☐ Yes ☒ No

If yes, please list the addresses here.

N/A

Do you rent property in the City of San José?

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ 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.

N/A

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.

N/A

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

Lilian Shackelford Murray

Reference 1 Name

[REDACTED]

Reference 1 Address

[REDACTED]

Reference 1 Phone

June Riley

Reference 2 Name

[REDACTED]

Reference 2 Address

[REDACTED]

Reference 2 Phone

Supplemental Questions

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

☒ Yes ☐ No

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

☒ Yes ☐ No

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

I have been a member of the San Jose Police & Fire board since Dec 2014. Over the course of 4 years, I've chaired the governance committee, served on the investment committee, audit committee and attended disability committee meetings as an alternate. I currently serve on an ad hoc committee aimed at improving investment strategy, policies, processes and procedures. I was instrumental in helping create the Police and Fire Retirement System dashboard as a quick reference guide to the pension system's key performance metrics in areas of: investments, actuarial, accounting, membership, and special projects.

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

I've attended numerous pension management training sessions for trustees that include important topics such as: governance, investment management, actuarial, disability, fiduciary duty, etc. I have chaired the governance committee and participated in investment, audit as well as disability committees. I've served as managing director of several funds and investment committees responsible for overall portfolio management from sourcing, negotiations, management, and liquidity. My experience on private company boards has given me tremendous experience in decision making process, fiduciary duties in the midst of conflicts of interests, and stepping in to roll up my sleeves when critical tasks need attention.

What is your understanding of the purpose of the Commission?

The mission of the San Jose Police and Fire board is to ensure prompt, professional delivery of services and benefits to our members, and to collect, invest, and expend system assets in a prudent, fair, and timely manner.

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

1) Unfunded liability of the pension plans is an issue that not only the retirement board of San Jose faces, but the boards of cities and states across the country. We continue to examine this yearly during our annual actuarial activity to determine the appropriate balance between discount rate, contribution rates, and unfunded liabilities. 2) Communication/transparency is an area of improvement. Office of Retirement System and the board have been working to improve communications around expectations, budget, financials, solvency, and appropriate reporting to City Council. 3) In an economic/financial downturn (e.g. great financial crisis 2008), the impact of increased contributions required from the City can create an issue. Given the maturity of the fund, SJ P&F pension has a moderate risk appetite in an effort to ensure inter-generational equity. The board recently conducted stress test to determine the size of the contributions from various parties recognizing that creative approaches need to be considered when there are economic downturns or shock to the system.

I would like to say . . .

I have truly appreciated the opportunity to serve on the Police & Fire pension board. I feel I have made positive contributions to the board and would like to finish out several critical initiatives that remain outstanding.

(Optional) Please upload a resume.

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. *

- ☒ Institutional investment experience
- ☒ 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 have served for almost 4 years on the San Jose Police & Fire board. I've attended numerous pension management training sessions for trustees that included important topics such as: investment management, actuarial, disability, fiduciary duty, etc. and chaired the governance committee and participated in investment, audit as well as disability committees. The personal qualities I believe I have that have been value add to the board are: ability to see an issue from various perspectives, ability to listen, ability to weigh facts and options objectively, ability to form and voice opinion as necessary, and ability to work well on a team.

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

I have served as managing member of several private equity funds and investment committees responsible for overall portfolio management from sourcing, negotiations, management, and liquidity. During my 4 year tenure at SJ P&F, I have chaired the governance committees updating all of the charters and policies. We are currently conducting a review of the investment process with an aim to improve its long term investment performance. Key financial policies which we are reviewing include: asset allocation, adjusted risk/return limits, active versus passive investment decision, manager selection/termination, delegation of authority, portfolio rebalancing, etc.

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?

City Council is the plan sponsor to both the retirement fund as well as the healthcare fund. City Administration coordinates with the board and retirement staff on matters such as budget, HR, benefits, retirement related issues. Retirement staff administers the benefits, communicates to various parties, serves the active and retired community regarding pension related matters. Employee bargaining units represent the interests of the actives/retirees. Plan participants contribute to the fund during their active years and receive benefits during retirement. Retirement board maintains communication with the various stakeholders as needed.

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

Short term goal is to maximize return while minimizing volatility and risk stemming from exposure to capital markets, non-economic events, and/or changes in demographics that deviate from actuarial assumptions. Long-term goal is to meet the retirement benefit obligations through contributions and investment income.

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

The retirement funds invested and administered by the city of San Jose are public funds. The city of San Jose contributes a portion of its budget (along with employees' contribution) to retirement funds to provide for a stable benefit upon retirement for qualified public sector employees of the city and their beneficiaries who served the city during their period of employment.

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>

☒ 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?

Pension costs have risen in recent years and will continue rise for years to come. The City's unfunded liability has grown dramatically and will also continue to face considerable financial risk for years to come. The limited options for maneuverability seriously threatens the City's ability to maintain necessary services as well as the ability to maintain inter-generational equity for the pension funds. As a Retirement Board Member, it is important to constantly examine the factors driving the long term imbalance between: employer/employee contributions and investment income against the benefits paid and administrative expenses. The actuarial assumptions, as suggested in the report, will also need to be audited more frequently to ensure reasonableness. Investment income and the associated administrative expenses are the Retirement Board's direct fiduciary responsibilities. However, the Board can provide perspective on the practical limits under which it can positively (or negatively) impact the long term sustainability against other factors (paid benefits, employer/employee contributions).

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?

My day-to-day professional responsibilities require keeping up to date on current and long-term market trends relating to: global economies, US economy, various asset classes (venture capital, public equity, private equity, debt, fixed income), relative performance of market indices, industry sectors, and any geo-political events or otherwise that may impact our investments positively or negatively.

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?

Various asset classes exhibit different risk/return trade-offs (e.g. high-returning asset classes exhibit higher short-term volatility). The alternative asset class has increasingly been an avenue to maximize return. My experience with risk management is through weekly investment committee meetings where we examine investment financing decisions against base case, pessimistic and optimistic scenarios. These scenarios examine numerous variables, from mgmt team, company, industry, to global macro perspective. In addition, my experience with risk budgeting is with the Police & Fire board, which is currently completing the analysis of risk, developing the framework to manage risk at a portfolio as well as the sub asset class level. The board aims to begin implementation of this towards the end of the year or early next year.

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.

While asset allocation is the primary determinant of investment performance, other factors such as asset-class timing, asset style, manager strategy/selection, and fees also play a factor. Asset allocation varies widely across city and county pension funds similar to San Jose. In the last decade, public pension funds (small and large) transitioned out of fixed income and into equities and alternatives. Top performing city and county pension funds, state pension and endowments have recently adopted a more aggressive allocation to equities and alternatives (e.g. real assets, private equity, hedge funds, etc.) to participate in the market upside. Given that we are in an extended bull market going into its 10th year, Police and Fire board is more defensively positioned with less allocation in public equity at 30% to avoid significant reduction in value in a downturn. Given rising pension costs, the ultimate tradeoff is whether to take the risk on the asset allocation that yields a higher risk adjusted return or whether to risk greater deterioration of the unfunded ratio with a lower risk adjusted return. I would advocate an asset allocation with a more modest fixed income and greater alternatives. While the successful endowment model suggests as much as 50% in illiquid/alternative assets (VC, buyouts, real estate, etc.), public pension plans have different stakeholders which require more conservative risk appetite. I am in favor of our new target of 22% in private markets which is up from 20%, offset by a more conservative fixed income for risk.

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, there should be continued investment in select alternatives, because they provide equity-like long term returns with less tail risk. Cumulative alternative returns have outpaced public equities and fixed income. Alternative allocations also vary widely fund to fund. Alternative allocations include: private equity, real estate, hedge funds, real assets. It is important, however, to recognize that strategy and selection in alternatives is as important as amounts allocated to the asset class. Equally important is the expense required to manage certain alternative assets. Therefore, investments in these asset classes need to generate alpha returns to justify its risk.

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

Whether conducted internally or externally, investment manager diligence should be required in the following areas: strength and stability of team/firm and their competitive edge, well articulated investment strategy, investment process consistent with strategy, portfolio construction and risk management, demonstrated ability to deliver long-term risk adjusted returns and fees. Timing of terminating a manager would be deviation from strategy, poor quarter over quarter or year over year performance, and material changes in investment staff.

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.

A statement of investment policy for both pension and health care funds should include the following (although not limited to): fund investment philosophy and objectives, fiduciary responsibilities, asset allocation with current allocation and target allocation broken further to sub-asset class targets (min & max range), policy benchmarks, investment authorization and monitoring process, restrictions, risk management, conflicts of interest, organization and roles of the board, staff, consultants, custodian and advisors.

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.

N/A

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.

N/A

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.

N/A

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 *