

Boards and Commissions Application

5d(3)

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.

Matthew

First Name

Faulkner

Last Name

Email Address

Street Address

Suite or Apt

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?](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 3

Primary Phone

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

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

NA

Spouse's Job Title

NA

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

[REDACTED]

Matthew Faulkner

[REDACTED]

☒ [REDACTED]

[REDACTED]

☒ [REDACTED]

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

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

[REDACTED]

Reference 1 Address

[REDACTED]

Reference 1 Email address

[REDACTED]

Reference 1 Phone

[REDACTED]

Reference 2 Name

[REDACTED]

Reference 2 Address

[REDACTED]

Reference 2 Email address

[REDACTED]

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.

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?

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.

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

Anything else you would like us to know?

(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. *

☒ 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>

☒ 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?

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?

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?

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.

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:

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 *