

Memo

2025-2026 CIO Performance Evaluation

Date: March 24, 2026
To: San Jose Retirement Boards of Administration Joint Personnel Committee
From: Julie Becker, Partner, Aon Fiduciary Services Practice Leader
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cc: John Flynn, Chief Executive Officer

According to the CIO Performance Evaluation Policy, the CIO is evaluated on an annual basis. Given that a new CIO will commence in that position in April 2026, Aon recommends that the Boards perform a streamlined, high-level review of the new CIO. By doing so, the Boards are balancing the new CIO's short tenure with providing the opportunity for potential performance based executive days award in 2027. We do not recommend that the Boards review the retiring CIO.

Under the CIO Performance Evaluation Policy, the CIO is evaluated on the achievement of measurable performance outcomes and how well the CIO manages the means or methods for achieving the outcomes. The evaluation criteria and weights used in last year's performance evaluation cycle are summarized below:

Investment Performance (60%)

This component assesses investment performance results, including:

- Net Fund Performance v. Investable Benchmark Portfolio
- Performance of private market portfolio v. appropriate private market benchmark
- Total Fund Sharpe Ratio v. comparable peer Ratio

Management Methods (40%)

This component assesses how results are achieved, including:

- Enterprise risk management
- Human resources management
- Stakeholder relations
- Operations management
- Leadership and management effectiveness

Evaluation Process for the Current Cycle

If adopted for the current cycle:

- The Board will receive a Background Report that consists of the following:
 - CIO self-assessment
 - Investment metrics

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- Results of the Boards' ratings/comments on the shortened CIO Management/Leadership Survey
 - Depending upon the JPC's direction, results from a separate Investment Staff Climate Survey
 - Boards will review the Background Report in closed session and discuss preliminary performance conclusions.
 - JPC designees will consolidate input, meet with the CIO, and present a final evaluation and performance based executive days award recommendation for the Boards consideration and approval.