
MAY 21, 2018

AGENDA ITEM 6
INFORMATION ITEM

CALIFORNIA SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD

Board Issue Briefing: Investments

Background

At the request of the Board, staff organized an educational session to provide the Board with an overview of the investment option landscape and how the Program's investment options will shape the CalSavers Program, including fee analysis and fund ratings metrics. In addition to the fund overview, we have included information regarding participant behavior in relation to default investment options and settings in these types of programs.

Joining staff to facilitate and present will be Mika Malone and Paola Nealon of Meketa Investment Group. Staff are also pleased to introduce two guest speakers, Jeff Holt from investment research company Morningstar, and Dr. Brad Barber from the University of California, Davis. Andrea Feirstein of AKF Consulting will also participate.

Mr. Holt will provide the Board with an overview of Morningstar's fund rating process, what goes into their evaluations, and providing an overview of mutual fund fees and their components. Dr. Barber will provide the Board with more in depth information regarding the use and effects of default settings generally, with some additional focus on participant behavior around default investment options.

Mr. Holt, CFA, is an associate director on Morningstar's manager research team, focusing primarily on multiasset strategies. Morningstar is a leading provider of independent investment research and provides data and research insights on a wide range of investment offerings. Before joining Morningstar in 2014, Holt spent nearly nine years at Jeffrey Slocum & Associates, where he was responsible for investment research to support the firm's defined contribution practice. Mr. Holt holds a bachelor's degree in management, with a concentration in corporate finance, from Brigham Young University. He also holds the Chartered Financial Analyst® designation.

Dr. Brad Barber is the Gallagher Professor of Finance, Associate Dean of Academic Affairs at the Graduate School of Management, UC Davis. Professor Barber has been recognized as one of the fifty most-cited financial economists in the world and is the President of the Financial Management Association. He was Principal Investigator for the CalPERS Sustainable Research Initiative (SIRI), founder of the annual Napa Conference on Financial Markets Research, and the finance department editor for Management Science from 2009-2012.

Professor Barber received his Ph.D. in finance from the University of Chicago in 1991. He also received an MBA from the University of Chicago and a B.S. in Economics from the University of Illinois.

Attachment

- Attachment #1 – Presentation Slides