



DEFERRED COMPENSATION COMMITTEE CALENDAR SHEET
March 5, 2025

To: Deferred Compensation Committee

From: Diane Chui Justen
Deferred Compensation Director

Date: March 5, 2025

Agenda Item: SFDCC Investment Manager Update

Recommendation:

This is a discussion only item.

Background:

Due to recent portfolio manager transitions, two SFDCC Core funds have been placed on the Watch List. Callan has been monitoring these investment firms closely and will provide an informational update on the following funds:

- T. Rowe Price Large Cap Growth Stock
- Baird Core Bond Fund
- Fidelity Low-Priced Stock Fund
- EuroPacific Growth Fund name change

Attachments

Callan Presentation

March 5, 2025



SFDCP DCC Meeting

Investment Manager Updates

Greg Ungerman, CFA

DC Practice Leader

Senior Vice President

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Overview

SFDCP Manager Updates

There are four manager updates of note:

- **T. Rowe Price Large Cap Growth Stock Fund portfolio manager change – Watch List**
 - As of January 1, 2025, the fund announced that Jim Stillwagon joined lead portfolio manager, Joe Fath in managing the fund. Joe will depart the fund on September 30, 2025, and Jim will remain as the sole manager.
 - The fund is 50% of the SFDCP Large Cap Growth Fund with \$860 million.
 - Additional details follow this page.
- **Baird Core Bond Fund co-CIO changes – Watch List**
 - As of January 9, 2025, the fund announced a promotion for Jay Schwister, Research Director. Jay will join Warren Pierson as the co-CIO of Baird. Mary Ellen Stanek was co-CIO with Warren and is now CIO Emeritus, a new position. Given the significance of the changes in title, it warrants watching closely.
 - The fund is 100% of the SFDCP Core Bond Fund with \$173 million.
- **Fidelity Low-Priced Stock Fund quant analyst departure – Informational**
 - As of January 29, 2025, the fund announced that Salim Hart transitioned off the team. Salim was a dedicated quantitative analyst. The two lead portfolio managers, Sam and Morgen remain so this is not a watch list item.
 - This fund is 100% of the SFDCP Active Equity Fund with \$133 million.
- **EuroPacific Growth Fund name change – Informational**
 - As of June 2, 2025 the fund's name will change to the "EUPAC Fund". This is only a name change given a new SEC "Name Rule" requirement and Capital Group states that the management of the fund will not change.
 - This fund is 50% of the SFDCP International Equity fund with \$187 million.

T. Rowe Price Growth Stock Fund

Details of Portfolio Management Change

T. Rowe Growth Stock Fund Change Overview:

- **Investment Summary:** The investment strategy is driven by bottom-up, fundamental research to exploit anomalies among growth stocks. The portfolio manager is focused on in-depth research to identify companies with sustainable earnings growth, which they believe will lead to long-term outperformance while controlling risk.
- **Inception:** July 1993
- **Current Portfolio Manager:** Joe Fath, joined T. Rowe in 2001 and has been the lead PM since 2014
- **New Portfolio Manager:** Jim Stillwagon, joined T. Rowe in 2017 from Lone Pine Capital and has been the lead PM of the T. Rowe Communications & Technology Fund (Ticker: TTMIX) since November 2019
- **Transition Plan:** Jim and Joe will co-manage the fund until September 30, 2025, when Jim will take over as the lead portfolio manager. T. Rowe does not expect a meaningful change to the investment profile of the fund given the US Large Cap Growth style objective and Russell 1000 Growth benchmark.
- **T. Rowe Rationale for Change:** T. Rowe asked Joe to move to their private equity group given his experience and interest in investing in private markets as the organization builds out their capabilities. T. Rowe evaluated other candidates internally including Eric DeVilbiss, the fund's current associate portfolio manager, but selected Jim given his experience managing a fund of Technology and Telecom US equities.
 - The T. Rowe Communications & Technology Fund has meaningful overlap with the Growth Stock Fund. The two funds have 32 stocks and roughly 70% of weighted assets in common.

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