



**Wednesday, July 8, 2020**

1:00 p.m.

Please take notice that the Retirement Board will begin its meeting with a closed session item. The Board will take public comment before going into closed session, limited to the topic of the closed session item. The Board will return to open session and begin the public portion of the meeting with General Public Comment, not earlier than 2:00 PM.

**Meeting Held by Teleconference Pursuant to the Governor's Executive Order N-29-20 and the Fifth Supplement to Mayoral Proclamation Declaring the Existence of a Local Emergency**

**During the Coronavirus Disease (COVID-19) emergency, the Retirement System's regular meeting room, 1145 Market Street, 6<sup>th</sup> Floor, is closed.** Commissioners and Retirement Staff will convene remotely. The special Retirement Board meeting will be streamed live on SFGovTV ([www.sfgovtv.org](http://www.sfgovtv.org)) and the public will be able to provide public comment during the meeting by live call-in. The public is encouraged to submit comments in advance of the meeting either by: (1) email to [sferspubliccomment@sfgov.org](mailto:sferspubliccomment@sfgov.org) or (2) recording your public comment on the Retirement System's public comment line 415-487-7020. Public comments submitted by 5:00 p.m. PST, Monday, July 6, 2020 will be included in the record.

**MISSION STATEMENT**

*San Francisco City and County Employees' Retirement System is Dedicated to Securing, Protecting and Prudently Investing the Pension Trust Assets, Administering Mandated Benefit Programs, and Providing Promised Benefits.*

**RETIREMENT BOARD MEMBERS**

Leona Bridges, President

Al Casciato, Vice President

Carmen Chu

Joseph Driscoll

Scott Heldfond

Ahsha Safaí

Brian Stansbury

Jay Huish, Executive Director

## Remote Retirement Board Meeting

**\*\*During Live Meeting Only \*\***

**WATCH (via SFGovTV) - [www.sfgovtv.org](http://www.sfgovtv.org)**

**PUBLIC COMMENT CALL-IN: 408-418-9388 Access Code: 146 713 5208**

### Providing Public Comment

- Public comment will be available on each item on this agenda. Both Channel 26 and SFGOVTV.org are streaming the number across the screen. Each speaker will be allowed 2 minutes to speak. Comments or opportunities to speak during the public comment period are available via phone call by calling (408) 418-9388, access code [146 713 5208], then '#' and then '#' again.
- When connected you will hear the meeting discussions, but you will be muted and in listening mode only.
- When your item of interest comes up, dial \*3 to be added to the speaker line. Best practices are to call from a quiet location, speak clearly and slowly, and turn down your television, radio or computer.

DISABILITY ACCESS

The San Francisco Employees' Retirement System is wheelchair accessible. Accessible seating is available for persons with disabilities. To obtain a disability-related modification or accommodation, including large print agendas, American Sign Language interpreters, FM sound amplification system and auxiliary aids or services, please contact Darlene Armanino at (415) 487-7012 at least two (2) business days before the meeting.

There is accessible parking in the vicinity of 1145 Market Street at Civic Center Plaza. Accessible **MUNI** lines are available at the corner of Market Street and 8<sup>th</sup> Street. The closest accessible **MUNI /BART** station is Civic Center Station.

Materials accompanying the agenda are available for public inspection and copying at SFERS, 1145 Market Street, 7th Floor. For additional information, please contact Darlene Armanino, Executive Assistant, at (415) 487-7012.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

**The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.**

**Know Your Rights Under the Sunshine Ordinance**

**(Chapter 67 of the San Francisco Administrative Code)**

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. FOR MORE INFORMATION ON YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE OR TO REPORT A VIOLATION OF THE ORDINANCE, CONTACT THE SUNSHINE ORDINANCE TASK FORCE.

Sunshine Ordinance Task Force  
City Hall  
1 Dr Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94103-4689  
(415) 554-7724  
by fax at (415) 554-7854  
or by email at [sotf@sfgov.org](mailto:sotf@sfgov.org)

**Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Mr. Darby or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, <http://www.sfgov.org/sunshine/>**

Any materials distributed to the Retirement Board (or committee) within 72 hours of the meeting or after distribution of the agenda packet to Board (or committee) members are available for public inspection at SFERS, 1145 Market Street, 7<sup>th</sup> Floor, during regular office hours.

**Lobbyist Registration and Reporting Requirements:**

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (San Francisco Campaign and Governmental Conduct Code sections 2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94103, telephone (415) 252-3100, fax (415) 252-3112 and web site: [www.sfgov.org/ethics](http://www.sfgov.org/ethics)

Meetings are recorded by SFGovTV, the Government Channel 26. For DVD copies and rebroadcast scheduling call (415) 554-4188. Video on demand is available at: <http://sfgovtv.org>



Email from John Stenson:

IN THE PAST WE HAD JOHNNY CASH, STEVE JOBS, AND BOB HOPE.  
NOW WE HAVE NO CASH NO JOBS AND NO HOPE.

WE ARE VERY HAPPY THAT WE HAVE A DEFINED BENEFIT PUBLIC PENSION PLAN.  
PLEASE BEWARE THE HEDGE FUND INDUSTRY WOULD LIKE TO DESTROY DEFINED BENEFIT PUBLIC PENSION PLANS.

P.S.--YOUR HEDGE FUND SALESMAN TOLD YOU THAT HEDGE FUNDS WOULD PROVIDE DOWN MARKET PROTECTION `` WHAT HAPPEND `` ?

There were no additional comments and General Public Comment was closed.

**5. 070820-05                    Action Item                    Approval of the Minutes of the June 10, 2020 Meeting**

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the June 10, 2020 Retirement Board Meeting

President Bridges called for public comment.

There were no comments and public comment was closed.

Action: Moved by Commissioner Casciato, Seconded by Commissioner Chu, to approve Minutes of the June 10, 2020 Retirement Board Meeting.

Ayes: Commissioners Bridges, Casciato, Chu, Driscoll, Heldfond, Safai, Stansbury

**CONSENT CALENDAR**

*All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Retirement Board. There will be no separate discussion of these items unless a member of the Retirement Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.*

<b>6. 070820-06</b>	<b>Action Item</b>	<b>Consent Calendar</b>
<b>070820-06b</b>	<b>Action Item</b>	<b>Voluntary Retirement Board List No. 01-20</b>
<b>070820-06c</b>	<b>Action Item</b>	<b>Decisions of Hearing Officers</b>

Carol L. Conley-Bodin Effective Date: 3/24/18	H20 Lieutenant, Fire Suppression Fire	Industrial Disability Retirement/Stip Granted
Kevin P. Duffy Effective Date: 10/1/18	7428 Hodcarrier Dept of Public Works	Ordinary Disability Retirement/Stip Granted
Stacy R. Hayes Effective Date: 12/29/18	Q4 Police Officer III Police	Industrial Disability Retirement/Stip Granted
Philip Lee Effective Date: 6/30/18	H2 Firefighter Fire	Industrial Disability Retirement/Stip Granted
Alberto A. Montoya Effective Date: 5/1/18	9163 Transit Operator MTA	Ordinary Disability Retirement Granted (VR – 7/1/19)
Jennifer L. Northridge Effective Date: 6/30/18	Q4 Police Officer III Police	Industrial Disability Retirement/Stip Granted
Kirk W. Richardson Effective Date: 5/5/18	H40 Battalion Chief, Fire Suppression Fire	Industrial Disability Retirement/Stip

**070820-06d**

**Action Item**

**Travel Requests**

**070820-06e**

**Discussion Item**

**Retirement Board Member  
Reports and Comments**

**Action:** This is a discussion only item.

Documents provided to the Retirement Board prior to the current meeting: Voluntary Retirement Board List, Decisions.

President Bridges called for public comment.

There were no comments and public comment was closed.

Action: Moved by Commissioner Heldfond, Seconded by Commissioner Driscoll, to approve Consent Calendar.

Ayes: Commissioners Bridges, Casciato, Chu, Driscoll, Heldfond, Stansbury

Absent: Commissioner Safaí

## INVESTMENT CALENDAR

### **7. 070820-07 Discussion Item Private Equity Strategy Update**

Documents provided to the Retirement Board prior to the current meeting: Staff Memoranda, Cambridge and Aksia (TorreyCove) Presentations

William Coaker, Chief Investment Officer, Tanya Kemp, Managing Director, Private Markets; Anita Ng, Cambridge Associates, presented an oral and written report on this item.

Staff reported that, as of December 31, 2019, the Private Equity Portfolio had approximately \$5.9 billion of NAV (or 21.6% of total Plan assets) and total exposure (NAV + unfunded) of \$9.2 billion (or 33.6% of total Plan assets). Since inception, the Private Equity Portfolio has generated a net IRR of 16.1% and a TVPI of 1.6x.

Managing Director Kemp reported that the performance of the Private Equity portfolio has been exceptional with all strategies delivering positive returns since inception. The portfolio produced long-term returns of 15.1% and 14.7% over the past 5 and 10 years and excess returns over the benchmark of 2.3% and 0.4%. Since inception excess returns are 3.8% annualized translating into \$3.3 billion in additional value-creation. She reported that, as of December 31, 2019, Private Equity portfolio weight stood at 21.6% of total Plan.

Ms. Ng, Cambridge Associates, reported that SFERS Public Equity program continues to perform well on an absolute basis and relative to public markets and has been significant contributor to overall Plan returns over the short- and long-term. She reported that 2019 was particularly strong, returning 19.4% for the year. The Private Equity program is roughly 21.5% of total Plan assets, above the 18.0% target allocation, due in large part to the Private Equity portfolio's significant outperformance over public markets in recent years.

Ms. Ng reported that 2019 was another productive year for the Private Equity program: \$1,235 million in commitments to 24 managers –17 existing relationships, 7 new; \$75 million in co-investments. She reported that 2019 was a record year of \$928 million in distributions for the program, on the heels of 2018's prior peak. Ms. Ng also reported that SFERS completed a secondary sale of 59 non-core venture and buyout funds totaling approximately \$541 million of NAV.

Ms. Ng reported that SFERS has benefitted from cultivating relationships with top-tier investment managers in advance of fundraising and continued to secure access to oversubscribed managers.

She reported that the COVID-19 pandemic is an evolving situation that has and continues to affect businesses and private market portfolios, although the degree and shape of that impact remain unknown. She further reported that, aside from managers focused on distressed opportunities, SFERS' new deal activity is expected to slow in the near term. Capital calls and distributions are likely to be reduced in the near-term as investment and exit activity decline. Valuations are expected to reset, though most private equity markets remain frothy.

Ms. Ng reported that, given current market volatility, Cambridge recommends a target annual pace of \$700 million, appropriate even under a deep stress scenario. Cambridge advised maintaining flexibility with this target and being guided primarily by opportunities in the market.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

President Bridges called for public comment.

There were no comments and public comment was closed.

**Action:** This is a discussion only item.

**8. 070820-08 Discussion Item Real Assets Strategy Update**

Documents provided to the Retirement Board prior to the current meeting: Staff Memoranda, Cambridge and Aksia (TorreyCove) Presentations

William Coaker, Chief Investment Officer, Tanya Kemp, Managing Director, Private Markets; Anita Ng, Cambridge Associates, presented an oral and written report on this item.

Managing Director Kemp reported that, as of December 31, 2019, the Real Assets Portfolio had approximately \$4.1 billion of NAV (or 15.0% of total Plan assets) and total exposure (NAV + unfunded) of \$6.7 billion (or 24.5% of total Plan assets). She reported that, since inception, the Real Assets Portfolio has generated a net IRR of 8.5% and a TVPI of 1.36x.

Managing Director Kemp reported that the investment objective of the Real Assets portfolio is to earn strong long-term returns, enhance diversification, and provide inflation protection.

Managing Director Kemp reported that the Real Assets portfolio has posted high 10-year IRR of 12.9% outperforming its benchmark (50% NCREIF ODCE and 50% CA Natural Resources) by 5.2%. In addition, the Natural Resources and Real Estate portfolios have produced substantial outperformance versus their respective benchmarks. She reported that, since inception, SFERS Real Estate portfolio's performance is lagging due to high historical exposure to core real estate. Ms. Kemp reported that the focus on opportunistic strategies within Real Estate and Natural Resources has driven strong recent returns.



Managing Director Kemp reported that the Real Assets strategy may evolve as COVID-19 could result in changes in business demand for office properties and the energy transition could impact oil and gas. Staff believes there will be attractive Real Assets investments going forward. In Real Estate, Staff anticipates increasing exposure to logistics, and in Natural Resources to non-energy strategies. Ms. Kemp reported that Staff is also focused on enhancing the data analytics of Real Assets portfolio.

Ms. Ng, Cambridge Associates, reported that SFERS real assets portfolio has outperformed the policy benchmark by 672 basis points annualized over the trailing 5 years.

Ms. Ng also reported that the portfolio outpaced the policy benchmark in 2019 by 917 basis points. She reported that total real assets exposure stands at 15.0% of total plan assets, slightly below the 17% target allocation. Ms. Ng also reported that post liquidity management-based redemption, total real assets exposure will stand at approximately 13.9% of total plan assets. Five years ago, total exposure was 9.8% vs. its 12% target.

Ms. Ng reported that 2019 was a productive year, with \$902 million committed to 12 funds, two co-investments and four follow-ons—seven existing relationships and five new. She reported that commitments in recent years have continued to focus on building out exposure to sector-focused managers in the US and abroad.

Ms. Ng reported that the Real Estate portfolio contributed \$140 million in net positive cash flows in 2019, with distributions totaling over \$1.0 billion for the year.

She reported that competition remains fierce for capacity with top funds. SFERS' proactive outreach and relationship building has been rewarded with outsized access.

Ms. Ng reported that, since the end of 2019, markets have experienced volatility related to the COVID-19 pandemic from which most real assets strategies have not been immune. She stated that SFERS real assets portfolio is well diversified and structured for long term success.

Cambridge recommended a commitment pace of approximately \$550 million in 2020.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

Commissioner Driscoll asked Staff how much leverage is attached to property values. Ed Comerford, Private Equity Director, responded that it is roughly 50%.

Commissioner Driscoll asked if any of SFERS real assets managers were holding on to more assets than expected and, if so, whether these managers were going to be selling properties and returning cash to SFERS for other investing. Managing Director Kemp responded that real assets managers have been working to sell down core real estate exposure, but the sell-down has been a bit slower than Staff anticipated. Ms. Kemp reported that Staff's priority is to rebalance the portfolio away from core real estate exposure.

President Bridges called for public comment.

There were no comments and public comment was closed.

**Action:** This is a discussion only item.

**9. 070820-09 Discussion Item Private Credit Strategy Update**

Documents provided to the Retirement Board prior to the current meeting: Staff Memoranda, Cambridge and Aksia (TorreyCove) Presentations

William Coaker, Chief Investment Officer, Kurt Braitberg, Managing Director, Public Markets; Richard Grimm, Cambridge Associates, presented an oral and written report on this item.

Managing Director Braitberg reported that, as of December 31, 2019, the Private Credit Portfolio had approximately \$1.1 billion of NAV (or 4.0% of total Plan assets) and total exposure (NAV + unfunded) of \$2.4bn (or 8.7% of total Plan assets). He reported that, since inception, the Private Credit Portfolio has generated a net IRR of 10.5% and a TVPI of 1.30x, outperforming its custom benchmark and the Cambridge Associates Private Credit Benchmark.

Mr. Braitberg stated that the investment objective of the Private Credit portfolio is to earn long-term returns of 8-10% annualized while outperforming its liquid credit benchmark (50% High Yield, 50% Bank Loans) by 1.50% annually. He stated that the strategy to meet objectives for the Private Credit portfolio emphasizes manager selection, diversification, and income, with capital appreciation an additional source of return.

Managing Director Braitberg reported that the portfolio will consist of 15-25 managers in three segments:

1. Capital Preservation (direct lending and mezzanine strategies) totaling 35-65% of the portfolio and 4-7 managers;
2. Opportunistic Strategies (credit opportunities, specialty finance, and real estate debt) totaling 15-45% of the portfolio and 6-12 managers, and;
3. Return Maximization (Distressed Debt and Special Situations) totaling 0-30% of the portfolio and up to 10 external managers. The portfolio will also consist of 3-5 Separately Managed Accounts of larger mandates and customized exposures to meet SFERS objectives.

He reported that the portfolio's geographic exposure includes North America at 66% followed by Asia at 21% and Europe at 11%.

Mr. Braitberg reported that the Private Credit portfolio has posted an IRR of 10.8% since initial

investments just over 10 years ago. He reported that the portfolio has topped benchmark by 4.76% annualized and has outperformed peers by 4.30% per year over the last 5 years.

Mr. Grimm reported that credit markets have been volatile during the beginning of 2020, and the coronavirus pandemic has the potential to undermine corporate fundamentals for some time. The scale and speed of the government's response means some liquidity issues have already been addressed, but the downturn in company fundamentals is in its early stages.

Mr. Grimm stated that, while spreads have tightened for many bonds, trading-oriented credit funds can still find attractively priced assets, especially in loans and structured credit instruments that are not being directly purchased by the Fed.

Mr. Grimm reported that distressed debt funds are still finding plenty of opportunities, but many managers are staying patient given a perception that many asset prices don't fully reflect reality on the ground - cash flow and liquidity will lead ultimate outcomes. He reported that managers able to most effectively navigate restructurings are likely to outperform those with shorter time horizons.

Mr. Grimm reported that lock-up credit funds will see the richest opportunity set, especially those that can move nimbly from playing today's dislocation to providing rescue finance for companies most impacted by the recession and later lean into the restructuring and post-restructuring period for a broader set of companies.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

President Bridges called for public comment.

There were no comments and public comment was closed.

**Action:** This is a discussion only item.

**10. 070820-10            Action Item            Recommendation to Invest up to \$400 million in a PIMCO Multi-Sector Fixed Income Separate Account**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Consultant Analysis – NEPC

William Coaker, Chief Investment Officer; Kurt Braitberg, Managing Director, Public Markets; Victoria Owens, Senior Portfolio Manager, Fixed Income, presented an oral and written report on this item.

Staff and NEPC, SFERS' generalist consultant, recommended investment in a Multi-Sector Fixed Income portfolio to be managed by Pacific Investment Management Company LLC ("PIMCO"). The

recommended mandate is anticipated to be focused largely in investment grade credit, high yield corporates, emerging market debt, and securitized investments. Staff reported that initial funding for this mandate would come from transitioning the current emerging market debt strategy managed for SFERS by PIMCO (currently about \$170 million) into a multi-sector portfolio. Should factors such as asset allocation changes at the Plan level support a larger investment, Staff requested near-term to intermediate-term discretion to invest up to a total of \$400 million in this strategy.

Staff stated that initial funding is anticipated at approximately the size of SFERS' existing mandate with PIMCO (\$170 million).

Staff reported that this recommendation is pending successful finalization of updated portfolio guidelines with PIMCO, which would also be presented to the Retirement Board for approval at a later date. Staff plans to work closely with PIMCO regarding the timing and pace of the recommended transition, in keeping with market conditions, sector valuations, and outlook.

Staff believes the depth of PIMCO's investment team and portfolio management process, as well as the complementary investment style of this strategy, will add to the long-term risk adjusted performance of the Liquid Credit portfolio.

Allan Martin, NEPC, reported that this strategy has been rated #1 by NEPC and is fully supportive of this recommendation.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

President Bridges called for public comment.

There were no comments and public comment was closed.

Action: Moved by Commissioner Heldfond, Seconded by Commissioner Safaí, to approve an investment of up to \$400 million in a multi-sector fixed income separate account managed by PIMCO, with initial funding through a transition of the emerging market debt strategy managed for SFERS by PIMCO.

Ayes: Commissioners Bridges, Casciato, Chu, Driscoll, Heldfond, Safaí, Stansbury

**11. 070820-11 Discussion Item Chief Investment Officer Report**

Documents provided to the Retirement Board prior to the current meeting: CIO Report

William Coaker, Chief Investment Officer, presented an oral and written report on this item.

CIO Coaker reported that, with updated valuations from commingled funds and private markets still

pending, SFERS has returned 2.19% for Fiscal Year 2019-20. He reported that performance results will be finalized in mid-August. CIO Coaker stated that when all of SFERS managers have reported their valuations, projected returns will be in the range of 2.00% to 2.25%.

Closed session disclosures reported:

**K5 Private Investors, L.P.**

At its meeting on May 13, 2020, the Retirement Board approved in closed session an investment of up to \$50 million in K5 Private Investors, L.P. The investment was approved by the following vote:

Ayes: Commissioners Bridges, Casciato, Chu, Driscoll, Heldfond, Safaí, Stansbury

SFERS' commitment of \$50 million closed on June 5, 2020. The investment is classified as a mid-market buyout investment within SFERS' Private Equity portfolio and is SFERS' third investment with K1 Investment Management.

More information about the firm is available at [k1capital.com](http://k1capital.com).

**Blackstone Real Estate Debt Strategies IV L.P.**

At its meeting on June 10, 2020, the Retirement Board approved in closed session an investment of up to \$50 million in Blackstone Real Estate Debt Strategies IV L.P. The investment was approved by the following vote:

Ayes: Commissioners Heldfond, Bridges, Casciato, Chu, Driscoll, Safaí, Stansbury

SFERS' investment of \$50 million in Blackstone Real Estate Debt Strategies IV L.P. closed on June 16, 2020. This investment will be classified as a Real Estate Debt fund within the SFERS' Private Credit portfolio.

More information about The Blackstone Group is available at [www.blackstone.com](http://www.blackstone.com).

**Institutional Venture Partners XVII, L.P.**

At its meeting on May 13, 2020, the Retirement Board approved in closed session an investment of up to \$80 million in Institutional Venture Partners XVII, L.P. This was approved by the following votes:

Ayes: Commissioners Bridges, Casciato, Chu, Driscoll, Heldfond, Safaí, Stansbury

SFERS closed on \$50 million in Institutional Venture Partners XVII, L.P. on June 18, 2020.

This investment will be classified as a Venture Capital investment within SFERS' Private Equity portfolio.

More information about Institutional Venture Partners is available on <https://www.ivp.com/>.

**SSG Secured Lending Opportunities III, L.P.**

At its meeting on June 10, 2020, the Retirement Board approved in closed session an investment of up to \$75 million in SSG Secured Lending Opportunities III, L.P. The investment was approved by the following vote:

Ayes: Commissioners Bridges, Casciato, Chu, Driscoll, Heldfond, Safai, Stansbury

SFERS' investment of \$75 million in SSG Secured Lending Opportunities III, L.P. closed on June 19, 2020. This investment will be classified as a Direct Lending fund within the SFERS' Private Credit portfolio.

More information about SSG is available at [www.ssgasia.com](http://www.ssgasia.com).

**Boyu Capital U.S. Fund**

At its meeting on February 12, 2020 the Retirement Board approved in closed session an additional investment of \$150 million in the Boyu Capital U.S. Fund by San Francisco Absolute Return Investors II, L.P. ("SFARI II"). The investment was approved by the following vote:

Ayes: Commissioners Bridges, Casciato, Chu, Driscoll, Heldfond, Stansbury

Absent: Commissioner Safai

SFERS's investment of \$10 million in the Boyu Capital U.S. Fund closed on June 1, 2020. The investment is classified as an Equity Long/Short investment in SFERS Absolute Return portfolio.

More information about the firm is available at: <http://www.boyucapital.com>.

CIO Coaker reported that Edward Comerford has been re-assigned as Director of SFERS Buyout Portfolio and Mr. Christopher Chow has been re-assigned as Director of SFERS Real Assets Portfolio.

CIO Coaker announced that the next Investment Committee meeting will be July 15, 2020 from 2:00 to 4:00 pm. The subjects include an educational item on Global Tactical Asset Allocation and an informational update on the Asset-Liability Study and Asset Allocation. These items provide foundational work to the Asset Allocation recommendation Staff will bring to the Retirement Board in October 2020.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

President Bridges called for public comment.

There were no comments and public comment was closed.

**Action:** This is a discussion only item.

**ADMINISTRATION CALENDAR**

**12. 070820-12                      Action Item                      Declaration of Vacancy on Retirement Board Occurring  
February 20, 2021**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Draft Election Schedule, Election Notices, Administrative Code Section 16.550 – 16.564

Jay Huish, Executive Director, presented and oral and written report on this item.

Mr. Huish announced that on February 20, 2021 Commissioner Driscoll will complete his term of office. Pursuant to the provisions of Administrative Code Section 16.550, the Retirement Board is required to declare that a vacancy will occur and establish a schedule for the election of a Retirement Board member for the five-year term commencing February 21, 2021.

President Bridges called for public comment.

There were no comments and public comment was closed.

Action: Moved by Commissioner Casciato, Seconded by Commissioner Heldfond, to declare a vacancy on the Retirement Board effective February 20, 2021.

Ayes: Commissioners Bridges, Casciato, Chu, Driscoll, Heldfond, Safaí, Stansbury

**13. 070820-13                      Action Item                      Approve Request to Adjust Industrial Disability Retirement  
Allowance from 50% to 90% until QSR - Elia Lewin-Tankel**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Confidential City Attorney Memorandum dated June 23, 2020

Caryn Bortnick, Deputy Executive Director, provided an oral and written report on this item.

Deputy Executive Director Bortnick reported that Elia Lewin-Tankel, Q3 police officer, was retired for industrial disability based on severe traumatic brain injury. Officer Lewin-Tankel was not qualified for service retirement when he became disabled. Charter Section A8.597-3 provides that the Retirement Board may adjust the retirement allowance of a member of the police department who becomes incapacitated and is not qualified for service retirement. In those instances, Charter Section A8.597-3 states the "percentage of disability shall be determined" by the Workers' Compensation Appeals Board

("WCAB"). Officer Lewin-Tankel received a 90% WCAB award for his severe traumatic brain injury. The Retirement Board should approve Officer Lewin-Tankel's request to adjust his industrial disability retirement allowance from 50% to 90% until he qualifies for service retirement ("QSR"), subject to the Retirement System's credit rights.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

President Bridges called for public comment.

There were no comments and public comment was closed.

Action: Moved by Commissioner Casciato, Seconded by Commissioner Driscoll, to approve request to adjust Elia Lewin-Tankel's Industrial Disability Retirement allowance from 50% to 90% until he qualifies for service retirement ("QSR"), subject to the Retirement System's credit rights.

Ayes: Commissioners Bridges, Casciato, Chu, Driscoll, Heldfond, Safai, Stansbury

**14. 070820-14 Discussion Item Executive Director's Report**

Documents provided to the Retirement Board prior to the current meeting: Executive Director's Report

Jay Huish, Executive Director, gave an oral and written report on this item.

Mr. Huish discussed the following administrative updates:

- *Thole v. U.S. Bank N.A.* – U.S. Supreme Court ruling re: defined benefit plan participants' standing to sue trustees for fiduciary breaches
- Department of Labor: deferred compensation plan sponsors can include certain private equity strategies in diversified investment options
- *Department of Labor Proposes Rule to Crack Down on ESG*
- 2020 Mandatory Harassment Prevention Training: deadline extended to Friday, July 31, 2020

President Bridges called for public comment.

There were no comments and public comment was closed.

Action: This is a discussion only item.

**15. 070820-15 Discussion Item Retirement Board Member Good of the Order**

Retirement Board members may request that any matter be calendared at a future meeting. All such requests shall be calendared in a reasonable time. (Board Operations Policy ¶124.) The Board



will not discuss any items requested to be calendared until a subsequent meeting when the matter is included on the agenda with the required public notice.

Commissioner Casciato recognized all Staff for the work that they have done during this pandemic and also expressed his gratitude to Investment Staff for all of their hard work over the last few years. Commissioner Casciato also asked for feedback from Administrative and Investment Staff on the article received from the Actuary regarding risks.

President Bridges joined Commissioner Casciato in his acknowledgement to Staff.

President Bridges asked Commissioners to take note of the Executive Director's listing of virtual conferences available to the Board.

President Bridges called for public comment.

There were no comments and public comment was closed.

**Action:** This is a discussion only item.

**16. 070820-16**

**Adjournment**

Having no further business, the Board adjourned the meeting at 5:15 PM



Respectfully submitted,  
Jay Huish, Executive Director