



SFERS

San Francisco Employees' Retirement System

City and County of San Francisco Employees' Retirement System

RETIREMENT BOARD MEETING

MINUTES

Wednesday, October 14, 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, 6th Floor, is closed. Commissioners and Retirement Staff will convene remotely. The special Retirement Board meeting will be streamed live on SFGovTV (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 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, Friday, October 9, 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 Safai

Brian Stansbury

Jay Huish, Executive Director

Remote Retirement Board Meeting

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

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PUBLIC COMMENT CALL-IN: 415-655-0001

Access Code: 146 579 2433

Providing Public Comment

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- 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.

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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

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OPENING CALENDAR

1. **Roll Call**

Commissioner Leona Bridges	1:10 PM
Commissioner Al Casciato	1:10 PM
Commissioner Carmen Chu	1:10 PM
President Joseph Driscoll	1:10 PM
Commissioner Heldfond	Absent
Commissioner Ahsha Safai	Absent
Commissioner Stansbury	1:16 PM

2. **Communications** Announcement regarding instructions to follow for the teleconference Retirement Board Meeting.

3. **101420-03 Action Item CLOSED SESSION**

President Bridges announced that the Retirement Board would be going into Closed Session.

President Bridges called for public comment on the Board going into Closed Session.

There were no comments and public comment was closed.

The Board entered Closed Session at 1:15 PM

The following individuals were present for the closed session re Possible Recommendation and/or Action on Sale and Purchase of Particular, Specific Pension Fund Investment under California Government Code Section 54956.81: President Leona Bridges; Jay Huish, Executive Director; Darlene Armanino, Board Secretary.

The following individuals participated in the closed session re Possible Recommendation and/or Action on Sale and Purchase of Particular, Specific Pension Fund Investment under California Government Code Section 54956.81 via teleconference: Commissioners Casciato, Chu, Driscoll, and Stansbury; Caryn Bortnick, Deputy Executive Director; William Coaker, CIO; Anna Langs, Managing Director, Asset Allocation, Risk Management and Innovative Solutions; David Francl, Managing Director, Absolute Returns; Kurt Braitberg, Managing Director, Public Markets; Tanya Kemp, Managing Director, Private Markets; Han Pham, Director, Public Equity; Ed Comerford, Director, Private Equity; Chris Chow, Director, Real Assets, Andrew Collins, Director, ESG; Justin Lo, Vicki Owens and Alo Martins, Senior Portfolio Managers; Patrick Li, Chris Terrazzano, Cynthia Wong and Kien Trinh, Investment Analysts; Karen Perez, Investment Management Assistant; Ba Do, Investment Operations Management; Robert Bryan, Deputy City Attorney; Allan Martin, NEPC; Anita Ng, and Kelly Jensen, Cambridge.

The Board ended Closed Session at 2:55 PM

The Board returned to Open Session at 3:10 PM

President Bridges called for public comment.

There were no comments and public comment was closed.

Action: Moved by Commissioner Casciato, seconded by Commissioner Driscoll, not to disclose any discussions held in Closed Sessions under San Francisco Administrative Code Section 67.12(a).

Ayes: Commissioners Bridges, Casciato, Driscoll, Stansbury

Absent: Commissioner Chu, Heldfond, Safaí

4. 101420-04 General Public Comment – Not earlier than 2:00 PM

President Bridges called for General Public Comment.

Email from John Stenson for General Public Comment:

IN YOUR SEPTEMBER BOARD MEETING YOU AGREED TO INVEST 300 MILLION DOLLARS INTO AN INVESTMENT CALLED ALATUS.

LIKE HEDGE FUNDS ALATUS WILL BE ANOTHER ONE OF YOUR BAD INVESTMENT DECISIONS. ALATUS MOSTLY INVEST IN LARGE CAP EUROPEAN SECURITIES.

IN THE PAST TEN YEARS EUROPEAN SECURITIES HAVE BEEN A POOR PERFORMING INVESTMENT, AND THEY WILL BE A POOR PERFORMING INVESTMENT FOR THE NEXT TEN YEARS.

OUR PENSION FUND IS OVER DIVERSIFIED IN HIGH RISK, HIGH COST / LOW LIQUIDITY INVESTMENTS.

TO QUOTE WARREN BUFFETT. " WIDE DIVERSIFICATION IS ONLY REQUIRED WHEN INVESTORS DO NOT UNDERSTAND WHAT THEY ARE DOING "

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

5. 101420-05 Action Item Approval of the Minutes of the September 9, 2020 Meeting

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the September 9, 2020 Retirement Board Meeting

President Bridges called for public comment.

There were no comments and public comment was closed.

Action: Moved by Commissioner Chu, Seconded by Commissioner Casciato, to approve Minutes of the September 9, 2020 Retirement Board Meeting.

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

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.

6.	101420-06	Action Item	Consent Calendar
	101420-06b	Action Item	Voluntary Retirement Board List No. 04-20
	101420-06c	Action Item	Decisions of Hearing Officers
	Angelo J. Spagnoli Effective Date: 6/14/18	Q52 Sergeant III Police	Industrial Disability Retirement/Stip Granted
	101420-06d	Action Item	Travel Requests
	101420-06e	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 Casciato, Seconded by Commissioner Chu, to approve Consent Calendar.

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

INVESTMENT CALENDAR

7. 101420-07 Discussion Item Annual ESG Update

Documents provided to the Retirement Board prior to the current meeting: Staff Memoranda

William Coaker, Chief Investment Officer, Kurt Braitberg, Managing Director, Public Markets, and Andrew Collins, Director of ESG Investing, presented an oral and written report on this item.

Staff presented an annual update on the ESG program, including an update on all three pillars of the SFERS ESG Platform, which covered engagement, ESG in investment management, and communication & collaboration. Staff presented a report on the performance impact of historical investment exclusions and an analysis of the carbon footprint of the SFERS portfolio.

Staff reported that they have implemented a process to monitor the performance impacts on the total fund due to SFERS' investment restrictions.

Staff reported that, since inception, investment restrictions are estimated to have had a small, but negative impact on risk and return. Over the past fiscal year, the impact has been small but positive.

Staff reported that they will continue to monitor performance impacts over time and report findings annually to the Board.

Staff reported that the SFERS' Public Equity portfolio has significantly reduced its weighted average carbon intensity over the last 10 years (outpacing the decline in carbon intensity of the benchmark) and is significantly less carbon intensive than benchmark. The sovereign portion of the SFERS Fixed Income portfolio is more or less equal to the analogous portion of the benchmark, while the corporate portion is higher than the analogous portion of the benchmark.

Staff reported that their analysis shows that most carbon emissions are concentrated in three sectors, reinforcing Staff's approach of developing frameworks to address carbon risks within the most intensive sectors (i.e., energy and utilities).

The Board reviewed and discussed the material and engaged in a question and answer session with staff. The Board expressed interest in disseminating the annual ESG Report more widely to the System's stakeholders. Executive Director Huish suggested adding the yearly ESG update to the SFERS Annual Report.

President Bridges called for public comment.

Jed Holtzman, 350 Bay Area, Fossil Free San Francisco, congratulated Director Andrew Collins on his work and expressed his concerns with the level of action with climate emergencies.

Jack Fleck, retiree, SFMTA, also expressed appreciation for Director Collins' report and spoke on companies and their carbon footprint and urged the Board to get out of fossil fuels.

David Page, SFERS retiree, endorsed what previous callers stated.

There were no additional comments and public comment was closed.

Action: This is a discussion only item.

8. 101420-08 Action Item Targeted Divestment of Tobacco Companies: Level III of SFERS ESG Investment Policy

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum

William Coaker, Chief Investment Officer, and Andrew Collins, Director of ESG Investing, presented an oral and written report on this item.

Staff reported that the Retirement Board elected to divest holdings of domestic companies involved in the manufacture of tobacco products at its May 26, 1998 Board meeting. Staff provided recommended updates to the list of restricted tobacco companies, detailed the performance impact of not owning U.S. Tobacco companies in the SFERS' investment portfolio over the past year and since the inception of the restriction, and provided an update on developments within the U.S. tobacco industry over the past 12 months.

Staff reported that the restriction of U.S. tobacco stocks from the eligible universe of public equity securities has had a small but negative impact on the Trust's total return over the past 21 years – the period since the divestment decision was approved by the Retirement Board.

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 Driscoll, Seconded by Commissioner Chu, to maintain the Board's policy with respect to divestment from U.S. Tobacco companies and approve the list of restricted companies as outlined in Appendix B of Staff's memorandum.

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

9. 101420-09 Action Item Targeted Divestment in Sudan: Level III of SFERS ESG Investment Policy

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum

William Coaker, Chief Investment Officer, and Andrew Collins, Director of MSG Investing, presented an oral and written report on this item.

Staff recommended updates to the list of companies restricted due to their activities in Sudan. Staff detailed the performance impact of not owning these companies in the SFERS' investment portfolio over the past year and since the inception of the restriction, and provided an update on political and humanitarian developments in Sudan over the past 12 months.

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 Driscoll, Seconded by Commissioner Chu, to maintain the Board's policy with respect to divestment from certain companies operating in Sudan and approve the list of restricted companies as outlined in Appendix C of Staff's memorandum.

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

10. 101420-10 Action Item Targeted/Investment of Firearms and Ammunition Manufacturing Companies and Retailers: Level III of SFERS Social Investment Procedures

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum

William Coaker, Chief Investment Officer, and Andrew Collins, Director of MSG Investing, presented an oral and written report on this item.

Staff recommended updates to the list of restricted firearms and ammunition manufacturing companies and retailers, detailed the performance impact of not owning these companies in the SFERS' investment portfolio over the past year and since the inception of the restriction, and provided an update on gun violence in the U.S. over the past 12 months.

President Bridges called for public comment.

There were no comments and public comment was closed.

Action: Moved by Commissioner Chu, Seconded by Commissioner Casciato, to maintain the Board's policy with respect to divestment from firearms and ammunition manufacturing companies and retailers and adopt the List of Restricted Firearms and Ammunition Manufacturers and Retailers presented in Appendix B including two additional restricted companies, Firstcash and Ezcop.

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

11. 101420-11 Action Item Targeted Divestment of Thermal Coal Companies: Level III of SFERS ESG Investment Policy

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum

William Coaker, Chief Investment Officer, and Andrew Collins, Director of MSG Investing, presented an oral and written report on this item.

Staff provided an update to the list of thermal coal companies recommended for investment restriction and provided the following recommendation:

- Add the following four companies to the restricted list based on the criteria for divestment:
 - Yankuang Group Co., Ltd
 - Jastrzebska Spolka Weglowa Spolka Akcyjna (JSW)
 - PT Indonesia Asahan Aluminium (Persero)
 - African Rainbow Minerals Ltd.
- Continue investment in South32 Ltd., Contura Energy, and Anglo American based on the companies' announced divestment plans and monitor progress towards a sale of assets.
- Continue to track activities at companies such as Glencore for which thermal coal revenues are extremely small but which are significant producers of thermal coal on an absolute tonnage basis.

President Bridges called for public comment.

Jed Holtzman, Fossil Free San Francisco, spoke of his ESG concerns and urged Board to provide more detailed information in Staff's reports on actual exposure in thermal coal.

There were no additional comments and public comment was closed.

Action: Moved by Commissioner Driscoll, Seconded by Commissioners Casciato and Chu, to maintain the Board's policy with respect to divestment from thermal coal companies and approve the list of restricted companies as outlined in Appendix B of Staff's memorandum.

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

Absent: Commissioners Heldfond, Safai

12. 101420-12 Action Item Update on Strategies to Address Climate Risk in the SFERS Portfolio – Climate Action Plan

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum

William Coaker, Chief Investment Officer, and Andrew Collins, Director of MSG Investing, presented an oral and written report on this item.

Staff reported that SFERS has made meaningful progress in addressing climate-related investment risks. Staff believes the priorities for the coming year will further achieve SFERS' objectives to understand and manage climate risk, identify climate-related opportunities, and make progress towards a net zero portfolio.

Staff provided a summary of progress that Investment Staff has continued to make to measure and manage climate risk in the SFERS portfolio which included updates on the efforts and new initiatives Staff has undertaken to manage SFERS' climate risk, referred to as SFERS' Climate Action Plan.

President Bridges called for public comment.

Jed Holtzman, Fossil Free San Francisco, expressed his concerns on missing data in reports.

Jeremy Pollock, active City employee, spoke about his concerns about the small steps taken and asked for reports to show analysis on performance.

There were no additional comments and public comment was closed.

Action: Moved by Commissioner Casciato, Seconded by Commissioner Driscoll, to approve updates to list of restricted Oil & Gas companies.

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

Absent: Commissioners Heldfond, Safai

13. 101420-13 Discussion Item Risk Review for SFERS Total Plan

Documents provided to the Retirement Board prior to the current meeting: Staff Memoranda

William Coaker, Chief Investment Officer, and Anna Langs, Managing Director, Asset Allocation, Risk Management, Innovative Solutions, presented an oral and written report on this item.

Ms. Langs provided an overview of SFERS Risk Management Framework, key risk drivers for the Total Plan and each asset class, highlighted current and historical exposures and concentrations, examined risk adjusted performance and whether SFERS was paid for taking these risks, and concluded with a review of relevant stress tests and scenario analysis.

Ms. Langs reported that, over the past 5 years, SFERS increased its concentration in four areas: technology, health care, China and active management. She reported that SFERS benefited substantially from taking those risks.

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.

14. 101420-14 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 in September 2020 SFERS investments lost -0.77%, which was much better than the S&P 500 which declined -3.8% during the month. He reported that Private Equity and Private Credit books posted positive returns during the month, up 1.29% and 0.95%, respectively. Real Assets and Fixed Income inched down, losing -0.19% and -0.22%, respectively, in September. Public Equity book lost -2.92% during the month, driven by profit-taking after the extraordinary run-up since late March, an uptick in new COVID-19 cases, and uncertainty about the future of taxation and regulation as the 2020 election season nears.

Closed Session Disclosures:

Asia Alternatives Capital Partners VI, L.P.

At its meeting on August 12, 2020, the Retirement Board approved in closed session an investment of up to \$50 million in Asia Alternatives Capital Partners VI, L.P. The investment was approved by the following vote:

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

SFERS' investment of \$50 million in Asia Alternatives Capital Partners VI, L.P. closed on September 17, 2020.

This investment is classified as a Growth Fund within SFERS' private equity portfolio and is SFERS' third investment with Asia Alternatives.

More information about Asia Alternatives is available on <https://www.asiaalt.com>

Blue Torch Credit Opportunities Fund II LP

At its meeting on September 9, 2020, the Retirement Board approved in closed session an investment of up to \$50 million in Blue Torch Credit Opportunities Fund II LP. The investment was approved by the following vote:

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

Absent: Commissioners Chu, Safaí

SFERS' investment of \$50 million in Blue Torch Credit Opportunities Fund II LP closed on October 2, 2020. This investment will be classified as a Special Situations fund within the SFERS' Private Credit portfolio.

More information about Blue Torch Capital is available at www.bluetorchcapital.com.

Hillhouse Focused Growth Fund V, L.P.

At its meeting on June 10, 2020, the Retirement Board approved in closed session two investments of up to \$75 million in aggregate in Hillhouse Fund V, L.P. and Hillhouse Focused Growth Fund V, L.P. The investments were approved by the following vote:

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

SFERS' investment of \$25 million in Hillhouse Focused Growth Fund V, L.P. closed on September 18, 2020.

This investment is classified as a Venture Capital – Late Stage Fund within SFERS' private equity portfolio and is SFERS' third investment with Hillhouse Capital.

More information about Hillhouse Capital is available on <https://www.hillhousecap.com>

Lead Edge Capital V, LP

At its meeting on August 12, 2020, the Retirement Board approved in closed session an investment of up to \$25 million in Lead Edge Capital V, LP. The investment was approved by the following vote:

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

SFERS' investment of \$22.5 million in Lead Edge Capital V, LP closed on October 2, 2020.

This investment is classified as a Venture Capital – Late Stage Fund within SFERS' private equity portfolio and is SFERS' first investment with Lead Edge Capital.

More information about Lead Edge Capital is available on <https://leadedgecapital.com>

OrbiMed Private Investments VIII, LP

At its meeting on September 9, 2020, the Retirement Board approved in closed session an investment of up to \$75 million in OrbiMed Private Investments VIII, LP. The investment was approved by the following vote:

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

Absent: Commissioners Chu, Safai

SFERS' investment of \$50 million in OrbiMed Private Investments VIII, LP closed on September 30, 2020.

This investment is classified as a Venture Capital – Multi-Stage Fund within SFERS' private equity portfolio and is SFERS' fourth investment with OrbiMed Advisors.

CIO Coaker provided the following update to Staff's list of Managers Under Review:

- Within the public equity portfolio, DFA Emerging Markets Core was added due to underperformance. AQR was removed as the Board approved the manager's termination at the May 13, 2020 Board meeting.
- Within the public fixed income portfolio, Fidelity High Yield CMBS was added due to underperformance. No managers were removed.

CIO Coaker reminded the Board of the next two Investment Committee Meetings before the end of 2020:

- Investment Committee Meeting October 21st from 1:00 to 3:30 pm
- Investment Committee Meeting November 18th from 2:00 to 4:30 pm

CIO Coaker that reported Ba Do joined SFERS as Manager of Investment Operations.

President Bridges called for public comment.

There were no comments and public comment was closed.

Action: This is a discussion only item.

DEFERRED COMPENSATION PLAN CALENDAR

15. 101420-15 Discussion Item Deferred Compensation Committee Report

Documents provided to the Retirement Board prior to the current meeting: Deferred Compensation Committee Report for March 4, 2020, August 31, 2020 and September 28, 2020.

The Deferred Compensation Committee met on Wednesday, March 4, 2020. At the meeting the Deferred Compensation Committee:

- Approved Minutes of the December 18, 2019 Deferred Compensation Committee Meeting.
- Approved Galliard as investment manager for the SFDCP's Stable Value Mandate.
- Discussion on Private Equity and Target Date Funds.
- Review of FY 2020-2021 and 2021-2022 SFDCP Division Budget.

The Deferred Compensation Committee met on Monday, August 31, 2020. At the meeting the Deferred Compensation Committee:

- Approved Minutes of the March 4, 2020 Deferred Compensation Committee Meeting.
- Discussion on Forward Calendar for the Deferred Compensation Committee.

The Deferred Compensation Committee met on Monday, September 28, 2020. At the meeting the Deferred Compensation Committee:

- Approved the Minutes of August 31, 2020 Deferred Compensation Committee Meeting.
- Approved issuance of Request for Proposals for SFDCP Investment Consulting Services.
- Reviewed FY2020-22 SFDCP Budget.
- Presented 2020-21 Committee Forward Calendar.
- Discussed National Retirement Security Month, Self-Directed Brokerage Account Update and Distributions – Rollovers Out.

President Bridges called for public comment.

There were no comments and public comment was closed.

Action: This is a discussion only item.

16. 101420-16 Discussion Item Deferred Compensation Manager Report

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, August 2020 Monthly Activity Report, National Retirement Security Month Communications.

Steve Moy, Deferred Compensation Program Manager, reported on the following:

- August 2020 Monthly Activity Report
- Updated CARES Act Statistics
- National Retirement Security Month Communications

President Bridges called for public comment.

There were no comments and public comment was closed.

Action: This is a discussion only item.

**17. 101420-17 Action Item Approval to Issue Request for Proposals for SFDCP
Investment Consulting Services**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum

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

Mr. Huish reported that Callan is currently providing investment consulting services to the San Francisco Deferred Compensation Program (SFDCP) under a consulting agreement that commenced on July 1, 2016 and will terminate on June 30, 2021. He stated that, under Retirement Board policies, contracts for SFDCP investment consulting services should be publicly bid every five years. In accordance with Board policy, Staff recommended that SFDCP issue a Request for Proposals to solicit proposals from qualified firms to provide investment consulting services for SFDCP commencing July 2021.

Staff presented this recommendation and the attached draft RFP to the Deferred Compensation Committee at its September 28, 2020 committee meeting wherein the DCC unanimously voted to forward this item to the full Board with a committee recommendation to approve.

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

Commissioner Driscoll inquired about the RFP evaluation team who would be scoring the RFP responses. Mr. Huish responded that the RFP evaluation team would be comprised of Diane Chui Justen, SFDCP Director, Steve Moy, SFDCP Manager, a member of the SFERS Public Markets investment team, and Mr. Huish, SFERS Executive Director.

President Bridges called for public comment.

There were no comments and public comment was closed.

Action: Moved by Commissioner Driscoll, Seconded by Commissioner Stansbury, to approve the Issuance of the Request for Proposals for SFDCP Investment Consulting Services

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

ADMINISTRATION CALENDAR

18. 101420-18 Discussion Item Presentation of SFERS Audited Financial Statement and Required Communications for Years Ended June 30, 2019 and June 30, 2018

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum

Jay Huish, Executive Director, and Craig Harner, MGO, presented an oral and written report on this item.

Mr. Huish reported that presentation of the 2019 Financial Statements had been continued from earlier this year due to meeting subject matter restrictions associated with the COVID-19 pandemic. Mr. Harner reported that there were no material issues or deficiencies noted in the Financial Statements.

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.

19. 101420-19 Action Item Approve request to adjust Industrial Disability Retirement allowance from 50% to 90% until QSR – James W. Perry, III

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Confidential City Attorney Memorandum dated September 16, 2020.

Caryn Bortnick, Deputy Executive Director, presented an oral and written report to the Board.

President Bridges called for public comment.

There were no comments and public comment was closed.

Action: Moved by Commissioner Casciato, Seconded by Commissioner Stansbury, to approve Staff's recommendation to adjust James W. Perry, III'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, Driscoll, Stansbury

Absent: Commissioners Chu, Heldfond, Safai

20. 101420-20 Discussion Item Executive Director's Report

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

Administrative Update:

- New Operational Risk and Quality Assurance Director Derwin Brown
- Pension & Investments article: *Appeals courts to revisit 'California rule' cases*
- Update on Service Levels during Shelter in Place Order

Attachments for Informational Purposes:

- Pension & Investments article: *Appeals courts to revisit 'California rule' cases*
- Retirement Board Forward Calendar for October 2020 to October 2021
- Request for Proposal in Progress Blackout Period
- *Public Retirement Conferences and Training Programs for SFERS Trustees – Nossaman LLP*

President Bridges called for public comment.

There were no comments and public comment was closed.

Action: This is a discussion only item.

21. 101420-21 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 Driscoll commented that he would be scheduling a Governance Committee Meeting in the coming weeks.

President Bridges called for public comment.

There were no comments and public comment was closed.

Action: This is a discussion only item.

22. 101420-22

Adjournment

Having no further business, the Board adjourned the meeting at 7:15 PM

Respectfully submitted,



Jay Hujish, Executive Director