



**SFERS**  
San Francisco Employees' Retirement System

City and County of San Francisco  
Employees' Retirement System

**RETIREMENT BOARD**

**INVESTMENT COMMITTEE  
MINUTES**

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**Wednesday, October 21, 2020**

1:00 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 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, October 19, 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.*

**INVESTMENT COMMITTEE MEMBERS**

Leona Bridges  
Al Casciato  
Carmen Chu  
Joseph Driscoll  
Scott Heldfond, Chair  
Ahsha Safai  
Brian Stansbury

Jay Huish  
*Executive Director*

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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.

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Sunshine Ordinance Task Force  
City Hall  
1 Dr Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689  
(415) 554-7724  
by fax at (415) 554-7854  
or by email at [sotf@sfgov.org](mailto:sotf@sfgov.org)

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## Investment Committee Meeting

**PUBLIC COMMENT CALL-IN:** 415-655-0001    Access Code: 146 537 7522

### Providing Public Comment

- 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 (415) 655-0001, access code [146 537 7522], 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.

**OPENING CALENDAR**

<b>1. Roll Call</b>	Commissioner Bridges	1:00 PM
	Commissioner Casciato	1:00 PM
	Commissioner Chu	Absent
	Commissioner Driscoll	1:00 PM
	Chair Heldfond	1:00 PM
	Commissioner Safai	Absent
	Commissioner Stansbury	2:12 PM

**2. 102120-02 General Public Comment**

Chair Heldfond called for General Public Comment.

There were no comments and General Public Comment was closed.

**3. 102120-03 Action Item Approval of the Minutes of the July 15, 2020 Investment Committee Meeting**

Documents provided to the Committee prior to the current meeting: Draft Minutes of the July 15, 2020 Investment Committee Meeting

Action: Moved by Commissioner Bridges, Seconded by Commissioner Casciato, to approve the Minutes of the July 15, 2020 Investment Committee Meeting.

Ayes: Commissioners Bridges, Casciato, Chu, Heldfond

Absent: Commissioners Chu, Safai, Stansbury

**4. 102120-04 Discussion Item Investing in Science, Technology and Innovation**

Documents provided to the Committee prior to the current meeting: Staff Memorandum

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

CIO Coaker discussed the importance of being thoughtful about where the world is going and investing in the leaders in where the world will be in the future. The era of science, technology and innovation began several decades ago, and it is accelerating. CIO Coaker stated that most investors are underestimating the speed, scale and impact of innovation, and that investors can earn significant returns by investing in the leaders in innovation.

CIO Coaker reported that science and technology investments have historically delivered high returns and that speed, scale, and impact of future innovations are underestimated. He stated that innovations over the next 10 to 30 years will be more disruptive than what has occurred until now and that science and tech are poised to continue delivering high returns. For science and technology to realize their potential of improving the human experience, responsible and responsive leadership from governments, business leaders, and philanthropists will be important.

Chair Heldfond called for public comment.

There were no comments and public comment was closed.

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

**5. 102120-05 Discussion Item Strategic Asset Allocation Discussion**

Documents provided to the Committee prior to the current meeting: Staff Memorandum and SFERS Retirement Board Risk Tolerance Questionnaire

William Coaker, Chief Investment Officer; Anna Langs, Managing Director, Asset Allocation Risk Management, Innovative Solutions; Allan Martin and Lynda Dennen, NEPC, presented and oral and written report on this item.

Staff and consultant reviewed SFERS' current and potential Strategic Asset Allocations and presented an update of NEPC's Asset-Liability Study. Staff and NEPC presented five potential asset mixes for strategic asset allocations for the next 3 years for discussion by the Committee. Staff and consultants' presentation included a discussion of NEPC's capital markets assumptions as well as Staff's capital market assumptions. Staff's capital markets assumptions were broken down into expected returns from beta (general market or corresponding benchmark) and alpha (access return) for each asset class.

The Committee engaged in a discussion of the presentation with staff and consultants.

Chair Heldfond called for public comment.

There were no comments and public comment was closed.

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

**6. 102120-06 Discussion Item Investment Committee Good of the Order**

Committee 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 Committee

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.

No Committee members presented any request under this item.

Chair Heldfond called for public comment.

There were no comments and public comment was closed.

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

7. 102120-07

**Adjournment**

Having no further business, the Committee adjourned the meeting at 4:25 PM



Respectfully submitted,  
Jay Huish, Executive Director