



SFERS

San Francisco Employees' Retirement System

City and County of San Francisco
Employees' Retirement System

DEFERRED COMPENSATION

COMMITTEE MINUTES

Wednesday, March 31, 2021

11:00 AM

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 public may listen to the committee meeting "live" by dialing 415-655-0001 and using Access Code: 187 423 0455 and will be able to provide public comment during the meeting using this 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, Monday, March 29, 2021 will be included in the record.

MISSION STATEMENT

Deliver an exceptional voluntary retirement program, with empowering education and advanced tools that enable participants to achieve their financial retirement goals.

DEFERRED COMPENSATION COMMITTEE MEMBERS

Al Casciato, Chair
Leona Bridges
Joseph Driscoll

Jay Huish
Executive Director

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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

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Deferred Compensation Committee Meeting

PUBLIC COMMENT CALL-IN: 415-655-0001 Access Code: 187 423 0455

- Public comment will be available on each item on this agenda. 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 [187 423 0455], 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.

now report to Rodney O. Martin, Jr., chairman and chief executive officer of Voya Financial, Inc. Charles Nelson (whom Ms. Lavalley reported to previously) will serve as a vice chairman and chief growth officer and help shape Voya's growth strategy, including customer segmentation. Mr. Merrick reported that there is no impact to the SFDCP services and commitments with these organizational changes.

Greg Ungerman, Callan, provided an update and an initial opinion of the announced sale of Wells Fargo Asset Management ("WFAM") to private equity firms GTCR LLC and Reverence Capital Partners, L.P. Galliard is owned by WFAM and operates as an independent subsidiary. Galliard manages a stable value separate account mandate for the SFDCP with just over \$1 billion. The SFDCP also has a Wells Fargo Short Duration Bond Fund within the component funds for the custom target date funds managed by Russell Investments.

Callan reported that they are working to understand which of the private equity funds this investment will be part of to get a better understanding of the potential exit strategies down the road. For now, Callan does not recommend any changes and will continue to evaluate Galliard further once the transaction is finalized later this year.

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

Commissioner Driscoll asked for an update on auto enrollment. Ms. Chui Justen reported that they are in the beginning stages and are researching procedures. Jay Huish, Executive Director, noted that there will need to be plan document changes and auto enrollment will be brought to the next Committee meeting, and then forwarded to the full board for approval after research has been completed.

Chair Casciato called for public comment.

There were no callers and public comment was closed.

Action: This is a discussion only item.

5. 033121-05 Action Item SFDCP Investment Consultant RFP Finalist Presentations and Possible Committee Action

Documents provided to the Committee prior to the current meeting: Staff Memorandum, Meketa Presentation and Callan Presentation.

Diane Chui Justen, Deferred Compensation Director, reported that based on the RFP responses and the follow up interviews, Callan LLC and Meketa Investment Group distinguished themselves as not only being able to meet SFDCP's current needs, but future needs as well. Ms. Chui Justen

announced that both firms have been invited to make 25-minute finalist presentations to the Deferred Compensation Committee.

Mika Malone, Hannah Schriener, Lisa Rubin, and Paul Cowie presented on behalf of Meketa. Greg Ungerman and Ben Taylor presented on behalf of Callan.

Ms. Chui Justen recommended staying with Callan for another five years due to their plan design results, investment monitoring skills, and their direct experience with some significant upcoming priorities for the Plan.

Kurt Braitberg, Managing Director, Public Markets, spoke of his support in the recommendation in staying with Callan.

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

Chair Casciato called for public comment

There were no callers and public comment was closed.

Action: Moved by Commissioner Driscoll, Seconded by Commissioner Bridges, to adopt staff's recommendation to approve Callan for Investment Consulting Services and forward to the Retirement Board with a recommendation for approval.

Ayes: Commissioners Bridges, Casciato, Driscoll

CHAIR CASCIATO DID NOT CALL ITEM NO. 6

6. 033121-06 Discussion Item Deferred Compensation Committee 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 ¶24.) 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.

Action: This is a discussion only item.

7. 033121-07

Adjournment

Having no further business, the Committee adjourned the meeting at 1:30 PM

Respectfully submitted,



Jay Huish, Executive Director