



Wednesday, September 8, 2021

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 2:30 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 Retirement Board meeting will be streamed live on SFGovTV (www.sfgovtv.org/sfersLIVE) and the public will be able to provide public comment during the meeting by live call-in. The public may listen to the meeting "live" by dialing **415-655-0001 and using Access Code: 146 411 9135** and 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. Written public comments are limited to 150 words or less [Admin. Code § 67.16]

Public comments submitted by 5:00 p.m. PST, Friday, September 3, 2021 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

Al Casciato, President

Ahsha Safaí, Vice President

Leona Bridges

Joseph Driscoll

Shruti Gandhi

Scott Heldfond

Brian Stansbury

Jay Huish, Executive Director

Retirement Board Meeting

PUBLIC COMMENT CALL-IN: 415-655-0001

Access Code: 146 411 9135

Providing Public Comment

- 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 [**146 411 9135**], 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 8th 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

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, 7th 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

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>

OPENING CALENDAR

- 1. Roll Call**
 - Commissioner Leona Bridges 1:30 PM
 - Commissioner Al Casciato 1:00 PM
 - Commissioner Joseph Driscoll 1:00 PM
 - Commissioner Shruti Ghandi 1:00 PM
 - Commissioner Scott Heldfond 1:00 PM
 - Commissioner Ahsha Safaí 2:30 PM
 - Commissioner Brian Stansbury 1:00 PM

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

President Casciato called for public comment.

There were no callers and public comment was closed.

- 3. 090821-03 Action Item Vote pursuant to Administrative Code Section 67.10(d) as to whether to invoke the attorney-client privilege and conduct a closed session for existing litigation with legal counsel.**

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

President Casciato called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Driscoll, to invoke the attorney-client privilege and conduct a closed session for existing litigation with legal counsel.

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

Absent: Commissioner Bridges, Safaí

- 4. 090821-04 Action Item CLOSED SESSION**

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

President Casciato called for public comment on the Closed Session items.

There were no callers and public comment was closed.

The Board entered closed session at 1:30 pm

President Casciato called Closed Session 4(a)

(a) The following individuals participated in the closed session conference with legal counsel – existing litigation (*Anthony Garibaldi v. San Francisco Employees' Retirement System*, San Francisco Superior Court, Case No. CPF-19-516669) via teleconference: Commissioners Bridges, Casciato, Driscoll, Heldfond, Stansbury; Robert Bryan, Deputy City Attorney; Jay Huish, Executive Director; Caryn Bortnick, Deputy Executive Director.

(b) The following individuals participate in the closed session to consider the employment of Executive Director via teleconference: Commissioners Bridges, Casciato, Driscoll, Gandhi, Heldfond, Safai, Stansbury; Gary Hudepohl, Hudepohl & Associates.

(c) 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 via teleconference: Commissioners Bridges, Casciato, Driscoll, Gandhi, Heldfond, Stansbury; Jay Huish, Executive Director; Darlene Armanino, Board Secretary, Caryn Bortnick, Deputy Executive Director; Kurt Braitberg, Managing Director, Public Markets; Tanya Kemp, Managing Director, Private Markets; Han Pham, Director, Public Equity; Ed Comerford, Director, Buyouts; David Francl, Absolute Return Managing Director; Chris Chow, Director, Real Assets; Justin Lo, Eunice McHugh, Senior Portfolio Managers; Adrienne von Schulthess, Chris Terrazzano, Kien Trinh, Brady Jewett, Jiada Tu, Dennis Esselsagoe, Cynthia Wong, Patrick Li, Investment Analyst; Ba Do, Investment Operations Manager; Robert Bryan, Molly Nordale, Tran Ly, Christopher Dykzeul, Deputy City Attorneys; Allan Martin, NEPC; Anita Ng, Kelly Jensen, Charles Koegler, Cambridge Associates.

The Board ended Closed Session at 3:40 pm

The Board returned to Open Session 3:45 pm

Robert Bryan, Deputy City Attorney, reported that, in Closed Session 4(a), the Retirement Board accepted the Court's decisions in *Anthony Garibaldi v. San Francisco Employees' Retirement System*, San Francisco Superior Court, Case No. CPF-19-516669, and approved a motion to implement the decisions, as follows:

1. Set aside the hearing officer's September 18, 2018 decision denying the application and January 4, 2019 decision denying the petition for rehearing; and Remand the case to Retirement System's staff with the following directions; Remand the case to the Office of Administrative Hearings to request that the hearing officer issue a decision, without hearing, consistent with the Court's determination that Garibaldi was incapacitated for the performance of his fire lieutenant job due to his work-related medical conditions, and that there was no permanent modified duty assignment that accommodated Garibaldi's work restrictions.

2. Present the hearing officer's decision on remand to the Retirement Board for approval at the soonest regularly scheduled meeting after issuance of that decision.

Robert Bryan reported the Closed Session motion and vote as follows:

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

Absent: Commissioners Gandhi, Safaí

President Casciato called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Bridges, not to disclose any discussions held in Closed Sessions 4 (b) and 4 (c) under San Francisco Administrative Code Section 67.12(a).

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

President Casciato called Item #17

- | | | |
|----------------------|--------------------|--|
| 17. 090821-17 | Action Item | Review and Approval of Amendments to <i>Executive Director Terms of Reference</i>
(THIS ITEM WAS CONTINUED FROM THE AUGUST 11, 2021 RETIREMENT BOARD MEETING) |
|----------------------|--------------------|--|

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

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

President Casciato called for public comment.

Clare Zvanski, representing Retired Employees of the City and County of San Francisco, stated that a letter was sent to the Board and hoped that it would be entered into public comment. Ms. Zvanski stated that she felt there is a conflict of interest in combining administration and CIO positions which violates the spirit of the Charter and should be kept separate.

Fred Sanchez, President of Protect our Benefits, stated that he would like to hear more about the terms and positions.

There were no further callers and public comment was closed.

Action: Moved by Commissioner Driscoll, seconded by Commissioner Stansbury, to approve recommended amendments to Executive Director Terms of Reference.

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

Presidents Casciato called Items Nos. 18, 14, 15, 7, 6 and 9

18. 090821-18 Action Item Approve proposed revisions to Retirement Board Resolution 44

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, proposed Retirement Board Resolution 44, redline and "clean" versions.

Caryn Bortnick, Deputy Executive Director, presented this item.

President Casciato called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Gandhi, to approve proposed revisions to Retirement Board Resolution 44.

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

14. 090821-14 Action Item Review and acceptance of Supplemental COLA Analysis as of July 1, 2021.

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, *Supplemental COLA Analysis as of July 1, 2021*.

Janet Brazelton, Actuarial Services Coordinator, reported that Cheiron has determined that the maximum supplemental COLA can be paid to all retirees as of July 1, 2021.

President Casciato called for public comment.

Clare Zvanski thanked all staff.

There were no further callers and public comment was closed.

Action: Moved by Commissioner Bridges, seconded by Commissioner Heldfond, to accept Cheiron's *Supplemental COLA Analysis as of July 1, 2021* and direct Retirement staff to calculate and process the Supplemental COLA payable effective July 1, 2021.

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

15. 090821-15 Action Item Request to Enclose Combined Charities Campaign Correspondence in the September 2021 Retirement Allowances

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Combined Charities Campaign Letter, Retiree Pledge Form.

President Casciato called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Gandhi, to approve request to enclose Combined Charities Campaign correspondence in the September 2021 Retirement Allowances.

Ayes: Commissioners Bridges, Casciato, Driscoll, Gandhi, Heldfond, Safaí, 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.

7. 090821-07	Action Item	Consent Calendar
090821-07b	Action Item	Voluntary Retirement Board List No. 03-21
090821-07c	Action Item	Decisions of Hearing Officers
Christian J Bowman Effective Date: 11/14/20	Q4 Police Officer III Police	Industrial Disability Retirement Granted
Janet L Brock Effective Date: 02/29/20	H2 Firefighter Fire	Industrial Disability Retirement/Stip Granted
Helen Lee Effective Date: 04/01/20	9132 Transit Fare Inspector MTA	Ordinary Disability Retirement/Stip Granted
Mary Ann P Murphy Effective Date: 12/20/19	9209 Community Police Services Aide	Ordinary Disability Retirement Granted (VR – 01/01/20)

Victor Andy Ngo Effective Date: 10/01/19	Police 9163 Transit Operator MTA	Ordinary Disability Retirement Granted
Lela B Ticer Effective Date: PERS	8304 Deputy Sheriff Sheriff	Cal-PERS – Disability Retirement Certified
Michael D Torres Effective Date: 10/01/18	9506 Senior Permit and Citation Clerk MTA	Ordinary Disability Retirement/Stip Granted
Phyllis H Warren Effective Date: PERS	8308 Sheriff's Sergeant Sheriff	Cal-PERS – Disability Retirement Certified

090821-07d

Action Item

Conference Requests

Request approval for Commissioner Leona Bridges to attend the NASP 32nd Annual Financial Services Virtual Conference, September 22, 2021.

090821-07e

Discussion Item

**Retirement Board Member Reports
and Comments**

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

President Casciato called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Bridges, to approve Consent Calendar.

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

6. 090821-06

Action Item

**Approval of the Minutes of the August 11, 2021 Retirement
Board Meeting**

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the August 11, 2021 Retirement Board Meeting.

President Casciato called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Gandhi, to approve Minutes of the August 11, 2021 Retirement Board Meeting.

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

9. 090821-09 Action Item Recommendation to adopt Euro Dollar (“EUR”) and Pound Sterling (“GBP”) guidelines and proposed change to the U.D. Dollar guidelines for the Securities Lending Collateral Reinvestment Accounts with BNY Mellon

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Securities Lending Cash Collateral Investment Guidelines for U.S. Dollars, Securities Lending Cash Collateral Investment Guidelines for Euro Dollars, Securities Lending Cash Collateral Investment Guidelines for Pound Sterling.

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

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

President Casciato called for public comment.

Clare Zvanski complimented and thanked staff and Commissioner Bridges for her expertise on the Board and what she brings to the Investment section and stated it is the Board’s fiduciary responsibility to keep the two positions separate.

There were no further callers and public comment was closed.

Action: Moved by Commissioner Driscoll, seconded by Commissioner Bridges, to adopt new Euro Dollar and Pound Sterling Guidelines and proposed change to the U.S. Dollar Guidelines for the Securities Lending Collateral Reinvestment Accounts with BNY Mellon subject to legal negotiations.

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

President Casciato called Item No. 5

5. 090821-05 General Public Comment – Not earlier than 2:30 PM

President Casciato called for General Public Comment.

Email received from John Stenson for General Public Comment:

AT YOUR AUGUST SFERS MEETING, YOU BOARD MEMBERS WERE VERY ELATED THAT YOU HAD GOOD INVESTMENT RETURNS, AND VERY DISAPPOINTED THAT YOUR CHIEF INVESTMENT OFFICER RESIGNED. FOR THE PAST TEN YEARS YOU BOARD MEMBERS AND INVESTMENT STAFF HAVE DONE A GOOD JOB AT OUTPERFORMING POOR PERFORMING PUBLIC PENSION FUNDS. IF TEN YEARS AGO YOUR CHIEF INVESTMENT OFFICER CUSTODIAN, MADE A PASSIVE INVESTMENT INTO THE S&P500. SHE WOULD HAVE A ONE YEAR RETURN OF 36% AND A AVERAGE ANNUAL TEN YEAR RETURN OF 15%. YOUR FORMER CHEIF INVESTMENT OFFICER WAS HIRED IN A BULL MARKET AND HE RESIGNED IN A BULL MARKET TO GO ONTO A (\$) GREENER PASTURE. NOW THAT YOU NEED A NEW CHIEF INVESTMENT OFFICER YOU SHOULD OFFER THE JOB TO YOUR INVESTMENT CONSULTANT THATS PROVIDING HE WOULD BE WILLING TO TAKE A BIG PAY CUT. KEEP UP THE GOOD WORK.

WITH BEST REGARDS FROM JOHN STENSON

A 46 YEAR MEMBER OF SFERS

Email received from John "Skee" Tostanoski, President, RECCS, for General Public Comment:

Dear Commissioners:

The Retired Employees of the City and County of San Francisco are very concerned about and opposed to the latest proposals to combine the positions of CEO and CIO and to also reduce the experience requirements of the CIO. It sounds like these proposals are being made to suit an external candidate or client instead of holding to the high standards that are required to continue to administer such a successful public plan that SFERS represents.

Former Deputy City Attorney Dan Maguire offered an opinion to the SFERS board some years ago indicating that the Charter clearly and deliberately keeps benefits administration and financial investments separate. The skill sets are significantly different, and the experience requirements are necessary to fit the scale and rating and sustainability of the pension system. That opinion should be resurrected and heeded.

You are our fiduciaries and representatives. We rely on your judgements to keep our pension plan safe and thriving. We rely on your judgements to sustain our benefits. Is the best CIO investment candidate already within our system? Perhaps there is value in keeping an acting CIO for a while who knows the markets, our portfolios and has been working with the prior CIO on making investment judgements that have now brought SFERS to such a successful ranking and performance. Ten years of experience is a prudent standard. Seven years sounds like an adjustment is being made to accommodate someone. It does not meet the "smell" test nor is it a prudent experience standard. Benefits administration is another specialty. Our system has a long history of appointing strong leadership with extensive experience and knowledge. While we can't compete in the same financial category as CalPERS or CalSTRS, we do compare ourselves to those systems. Holding strong to our values and experience requirements has served us well and we need to continue to do so. Please take our perspectives into consideration. Our members consist of many of those who have done the work in Human Resources over the years, and we know classifications. We also know the City and SFERS. Our opinions come from experts and are shared with you, our representatives and system experts. Please sustain the high level of expertise required for both positions in the best interest of SFERS and its members.

Thank you for your consideration. Wishing you all continued good health and safety.

John "Skee" Tostanoski
President, RECCS

Fred Sanchez, President, Protect our Benefits, stated that he strongly favors the current Executive Director and Chief Investment Officer positions.

Clare Zvanski called to backup everything Fred Sanchez stated and urged everyone to read letter from Retired Employees of City and County of San Francisco.

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

INVESTMENT CALENDAR

8. 090821-08 Discussion Item Report on Investment Performance of the Retirement Fund for the Quarter Ended June 30, 2021

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum; NEPC – Executive Summary: Quarterly Performance Review, NEPC – Investment Performance Analysis.

Allan Martin, NEPC, provided an oral and written report on this item.

Mr. Martin reported that, for the quarter ended June 30, 2021, the Retirement Fund was valued at \$34.6 Billion. The net of fee total returns for the quarter and the trailing one-year were 8.96% and 33.7%, respectively.

NEPC's report provided a detailed review of the market environment as well as risk and return information at the Total Fund and Asset Class levels.

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

President Casciato called for public comment.

Fred Sanchez, POB, complimented staff on their detailed quarterly reports.

There were no additional callers and public comment was closed.

Action: This is a discussion only item.

10. 090821-10 Discussion Item SFERS Liquidity Management Update

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, SFERS Liquidity Management Update, Staff presentation, SFERS Commitment Pacing Discussion, Cambridge Associates.

Kurt Braitberg, Interim Chief Investment Officer, Anna Langs, Managing Director, Asset Allocation, Risk Management and Innovative Solutions, provided an oral and written report on this item.

Staff presented updates on the management of SFERS' liquidity.

Ms. Langs reported that SFERS is a large investor in private markets with an aggregate strategic allocation to Private Equity, Real Assets, and Private Credit totaling 43% or over \$15 billion of NAV. She also reported that SFERS has a total of approximately \$6.5 billion in contractual commitments of uncalled capital to private markets managers. She indicated that SFERS does not control the timing of when capital is called and when distributions are received, and for a pension plan with net outflows to pay plan benefits, significant investment in private markets places an extra importance on management of liquidity, cashflows, and long-term asset allocation.

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

President Casciato called for public comment.

There were no callers and public comment was closed.

Action: This is a discussion only item.

11. 090821-11 Discussion Item Annual Review of the Securities Lending Program for the Fiscal Year Ending June 30, 2021

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Staff's presentation: "Annual Review of the Securities Lending Program for the Fiscal Year Ending June 30th, 2021."

Kurt Braitberg, Interim Chief Investment Officer, Anna Langs, Managing Director, Asset Allocation, Risk Management and Innovative Solutions, Michael McInnes, BNY Mellon, provided an oral and written report on this item.

Ms. Langs reported that, in February 2020, SFERS reinstated a securities lending program with BNY Mellon. She indicated that the key features of the program include:

- Dual Indemnification. BNY Mellon provides indemnification in case of a counterparty default and non-delivery of securities lent through the non-cash collateral program, and in the case of a counterparty default and non-delivery of repurchase agreement investments in the cash collateral account.

- Separately Managed Account. SFERS' cash collateral assets are fully segregated and managed in a separately managed account subject to SFERS-specific guidelines.
- Conservative Investment Guidelines. SFERS adopts cash collateral reinvestment guidelines that are consistent with those that govern money market funds.

Ms. Langs reported that SFERS Staff monitors and reviews the securities lending program with BNY Mellon on an ongoing basis in accordance with SFERS' processes and procedures. Staff presented an update to the Retirement Board of program's performance, activity, and initiatives.

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

President Casciato called for public comment.

There were no callers and public comment was closed.

Action: This is a discussion only item.

12. 090821-12 Discussion Item Chief Investment Officer Report

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

Kurt Braitberg, Interim Chief Investment Officer, provided an oral and written report.

Interim CIO Braitberg reported that the final calculation of SFERS' return for the fiscal year ended June 2021 is 33.70%. Mr. Braitberg reiterated that SFERS significantly outperformed its Policy Index, a 60/40 portfolio and a 60/30/10 portfolio which generated returns of 26.22%, 23.58%, and 24.08%, respectively.

Mr. Braitberg reported that SFERS' estimated assets at the end of August are \$36.0 Billion.

Interim CIO Braitberg reported out the following Board approved investments:

Ares SFERS Credit Strategies Fund LLC

At its meeting on July 14, 2021, the Retirement Board approved in closed session an investment of up to \$300 million in Ares SFERS Credit Strategies Fund LLC. The investment was approved by the following vote:

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

Absent: Commissioner Safai

SFERS' investment of \$300 million in Ares SFERS Credit Strategies Fund LLC closed on August 11, 2021. This investment is classified as a Global Senior Debt investment within SFERS' Private Credit portfolio and is SFERS' second investment in Ares Credit Strategies.

More information about Ares is available at <https://www.aresmgmt.com/>.

Placer Ranch Investors LP and Sidecar Fund

At its meeting on August 11, 2021, the Retirement Board approved in closed session an investment of up to \$40 million to Placer Ranch Investors LP ("Placer Ranch") and Sidecar Fund. The investment was approved by the following vote:

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

Absent: Commissioners Gandhi, Safai

SFERS' commitment of \$8.5 million to Placer Ranch closed on August 13, 2021. The investment sits within the Real Assets portfolio and is SFERS' second investment with JEN Partners.

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

San Francisco Asia Investors, L.P.

At its meeting on August 11, 2021, the Retirement Board approved in closed session an additional commitment of up to \$200 million to San Francisco Asia Investors, L.P. SFERS previously committed \$600 million to this vehicle through four tranches in 2014, 2015, 2017 and 2018. The investment was approved by the following vote:

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

Absent: Commissioners Gandhi, Safai

SFERS' additional investment of \$200 million closed on August 24, 2021.

This investment is classified as Growth Equity within SFERS' Private Equity portfolio.

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

Mr. Braitberg reminded the Board that the final two Investment Committee Meetings for 2021 are scheduled for September 15th and November 17th, both committee meetings starting at 1:00 p.m.

President Casciato called for public comment.

Fred Sanchez, POB, thanked staff and the Board for their efforts, helpful comments and knowledge.

There were no further callers and public comment was closed.

Action: This is a discussion only item.

DEFERRED COMPENSATION PLAN CALENDAR

**13. 090821-13 Discussion Item SFDCP (San Francisco Deferred Compensation Plan)
Monthly Report**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, July 2021 Monthly Activity Report.

Diane Chui Justen, Deferred Compensation Director, provided an oral and written report on this item.

Ms. Chui Justen announced a plan and play campaign in late September. All CCSF employees can participate.

She reminded the Committee members that the SFDCP Committee will be meeting on September 29th.

President Casciato called for public comment.

There were no callers and public comment was closed.

Action: This is a discussion only item.

16. 090821-16 Discussion Item Personnel Committee Report of August 20, 2021

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

Jay Huish, Executive Director, reported at the August 20, 2021 the Personnel Committee approved Minutes of July 22, 2021 and held a Closed Session meeting to review ED goal setting between now and the end of the year.

President Casciato called for public comment.

There were no callers and public comment was closed.

Action: This is a discussion only item.

19. 090821-19 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, reported that Ashley Dunning, the Board's Governance Consultant, is preparing a new format for the 2021 Board Self-Evaluation Survey to be submitted to the Governance Committee first for approval before distributing to each Board member.

Mr. Huish reported on SFERS' Return-to-Office Plans: All staff must conduct in-office work at least 2 days a week starting November 1, 2021. As of now there will not be in-person Board meetings before November of this year. The October Board meeting will be held remotely.

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

Commissioner Bridges spoke about bandwidth and air circulation issues in the Board Room.

President Casciato called for public comment.

There were no callers and public comment was closed.

Action: This is a discussion only item.

20. 090821-20 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 ¶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.

President Casciato called for public comment.

There were no callers and public comment was closed.

Action: This is a discussion only item.

21. 090821-21

Adjournment

Having no further business, the Board adjourned the meeting at 6:25 pm

Respectfully submitted,



Jay Hujsh, Executive Director