



Wednesday, January 12, 2022

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 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: 2495 783 0519** 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, January 7, 2022 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: 2495 783 0519

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 [**2495 783 0519**], 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.

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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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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.

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(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

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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

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imminent risks to the safety of attendees and the state of emergency continues to directly impact the ability of members to meet safely in person.

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

4. 011222-04 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 1:10 pm

President Casciato called Closed Session 4(a)

PUBLIC EMPLOYEE APPOINTMENT/HIRING, pursuant to California Government Code section 54957(b) and San Francisco Administrative Code section 67.10(b)

Title/position to be filled: Executive Director

The following individuals participate in the Closed Session 4(a) to consider the employment of Executive Director via teleconference: Commissioners Bridges, Casciato, Driscoll, Gandhi, Heldfond, Safai; Gary Hudepohl, Hudepohl & Associates.

Closed Session 4(a) ended at 2:09 pm

Entered Open Session at 2:10 pm

President Casciato called for public comment.

John Furlan stated that it would be helpful to show valuation levels of assets especially in private equity and real assets.

There were no further callers and public comment was closed.

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

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

Entered Closed Session 4(b) at 2:20 pm

(b) Possible Recommendation and/or Action on Sale and Purchase of Particular, Specific Pension Fund Investment under California Government Code Section 54956.81.

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, Safaí; Jay Huish, Executive Director; Darlene Armanino, Board Secretary, Caryn Bortnick, Deputy Executive Director; Kurt Braitberg, Interim Chief Investment Officer; Tanya Kemp, Managing Director, Private Markets; Anna Langs, Managing Director, Asset Allocation, Risk Management and Innovative Solutions; David Francl, Absolute Return Managing Director; Han Pham, Director, Public Equity; Ed Comerford, Director, Buyouts; Chris Chow, Director, Real Assets; Andrew Collins, Director, ESG; Eunice McHugh, Director, Private Credit; Chris Terrazzano, Associate Portfolio Manager; Alo Martins, Senior Portfolio Manager, Fixed Income; Rishi Garbharran, Senior Portfolio Manager, Private Equity; Adrienne von Schulthess, Kien Trinh, Brady Jewett, Jiada Tu, Dennis Esselsagoe, Patrick Li, Investment Analysts; Ba Do, Investment Operations Manager; Molly Nordale, Tran Ly, Deputy City Attorneys; Allan Martin, NEPC; Anita Ng, Kelly Jensen, Marc Cardillo, Richard Grimm, Cambridge Associates.

The Board ended Closed Session 4(b) at 2:57 pm

The Board returned to Open Session 3:05 pm

President Casciato called for public comment.

There were no callers and public comment was closed.

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

Ayes: Commissioners Casciato, Driscoll, Gandhi, Heldfond

Absent: Commissioners Bridges, Safaí, Stansbury

5. 011222-05 General Public Comment – Not earlier than 2:00 pm

President Casciato called for General Public Comment.

Email received from John Stenson for General Public Comment:

WE HAVE A RECESSION EVERY 7 TO 9 YEARS WE ARE NOW IN OUR 12 TH YEAR OF A BULL MARKET THAT WILL SHORTLY BE COMMING TO A END.

BEFORE THAT HAPPENENDS YOU SHOULD SELL YOUR BAD PERFORMING INVESTMENTS AND RAISE CASH BEFORE WE HAVE THE BIG CRASH.

RISING INTEREST RATES AND RISING INFLATION WILL CAUSE STAGFLATION LIKE WE HAD IN THE 1970s

YOU BOARD MEMBERS LIKE HEDGE FUND INVESTMENTS. THE ONLY HEDGE FUNDS THAT WILL DO GOOD IN A DOWN MARKET, WILL BE THOSE HEDGE FUNDS THAT HAVE A SHORT ONLY PUBLIC EQUITY INVESTMENT STRATEGY.

P.S--ARE YOU BOARD MEMBERS STILL PROCASTINATING ABOUT BUYING A SAN FRANCISCO OFFICE BUILDING?

President Casciato called for additional General Public Comment.

Fred Sanchez, Protect our Benefits, congratulated Commissioner Casciato for his service to the Retirement System and complimented Jay Huish, Executive Director.

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

6. 011222-06 Action Item Approval of the Minutes of the December 8, 2021 Retirement Board Meeting and December 3, 6, 7, 9, 15, 22, 29 Special Retirement Board Meetings

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the December 8, 2021 Retirement Board Meeting and December 3, 6, 7, 9, 15, 22, 29 Special Retirement Board Meetings.

President Casciato called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Bridges, seconded by Commissioner Heldfond, to approve Minutes of the December 8, 2021 Retirement Board Meeting and December 3, 6, 7, 9, 15, 22, 29 Special Retirement Board Meetings.

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

Absent: Commissioner 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. 011222-07	Action Item	Consent Calendar
011222-07b	Action Item	Voluntary Retirement Board List No. 7-21
011222-07c	Action Item	Decisions of Hearing Officers
Eamon Corry (Deceased 03/10/2021) Effective Date: 06/01/2019	7388 Utility Plumber Public Utilities Commission	Ordinary Disability Retirement Granted (VR - 02/01/2018)
Susan L. Curry Effective Date: 08/01/2019	3286 Recreation Coordinator Recreation and Park	Ordinary Disability Retirement/Stip Granted
Victor G. Hurtado Effective Date: 09/24/2020	H002 Firefighter Fire	Industrial Disability Retirement/Stip Granted
Ricky J. Jackson Jr. Effective Date: PERS	8304 Deputy Sheriff Sheriff	CalPERS - Disability Retirement Certified
Mark D. Lantrip Effective Date: 12/14/2019	Q004 Police Officer III Police	Industrial Disability Retirement/Stip Granted
Brendan G. Lewis Effective Date: 06/14/2021	Q003 Police Officer II Police	Industrial Disability Retirement Granted
Dennis W. O'Neill Effective Date: 06/29/2019	H020 Lieutenant, Fire Suppression Fire	Industrial Disability Retirement/Stip Granted
JoAnn Rackard Effective Date: 10/01/2018	1426 Senior Clerk Typist Human Service Agency	Ordinary Disability Retirement Granted
Daniel G. Romero Effective Date: 05/01/2019	H002 Firefighter Fire	Industrial Disability Retirement/Stip Granted
Mazi T. Sadiki Effective Date: 09/01/2020	Q004 Police Officer III Police	Industrial Disability Retirement Granted
Frederick Sass Effective Date: PERS	8304 Deputy Sheriff Sheriff	CalPERS - Disability Retirement Denied
Richard K. Stevens	H002 Firefighter	Industrial Disability Retirement/Stip

Effective Date: 06/06/2020	Fire	Granted
Dennis W. Sullivan Effective Date: 06/29/2019	H20 Lieutenant, Fire Suppression Fire	Industrial Disability Retirement/Stip Granted
Patricia W. Tang Effective Date: 05/01/2021	2320 Registered Nurse Department of Public Health	Ordinary Disability Retirement Granted
Patrick W. Tuohy Effective Date: PERS	8310 Sheriff's Lieutenant Sheriff	CalPERS - Disability Retirement Certified
Howard D. Weathersby Effective Date: 06/30/2018	Q052 Sergeant III Police	Industrial Disability Retirement/Stip Granted
011222-07d	Action Item	Conference Requests
011222-07e	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 Casciato called for public comment.

There were no callers and public comment was closed.

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

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

INVESTMENT CALENDAR

8. **011222-08** **Action Item** **Recommendation to terminate the DFA Emerging Markets Core Equity Strategy.**

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

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

Staff recommended the termination of the DFA (“the Firm”) Emerging Markets Core Equity (“the Strategy” or “EM Core”). Through September 30, 2021, the Strategy has underperformed its benchmark (MSCI EM IMI) for the 3- and 5-year periods. SFERS’ estimated investment in the Strategy is approximately \$155.1 million as of November 30, 2021. DFA EM Core strategy has been “under review” due to performance issues since 2Q2020.

As detailed in the Public Equity Update presented at the April 2021 Retirement Board meeting, Staff shifted its focus several years ago to specialist strategies that can add meaningful alpha. Staff will continue to buildout a portfolio of concentrated high-active share, unconstrained fundamental strategies complemented with innovative diversified quantitative strategies. Staff favors smaller, more nimble firms that have specialty skills, a singular investment focus, and niche strategies. Staff believes that exceptional managers have a unique, significant, and sustainable edge, and a high degree of alignment with investors. DFA Emerging Markets Core Equity is not consistent with Staff’s current plan for the public equity portfolio.

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

Commissioner Driscoll commented that they should not focus on size instead to continue to focus on performance and the people who are generating that performance.

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 terminate the DFA Emerging Markets Core Equity Strategy.

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

Absent: Commissioner Stansbury

9. 011222-09 Action Item Recommendation to terminate the DFA Emerging Markets Small Cap Strategy

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

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

Investment Staff (“Staff”) recommended the termination of the DFA (“the Firm”) Emerging Markets Small Cap (“the Strategy” or “EM Small Cap”). Through September 30, 2021, the Strategy has underperformed its benchmark (MSCI EM Small Cap) for 1, 3, and 5-year periods (see Appendix A for details). SFERS’ estimated investment in the Strategy is approximately \$120.2 million as of

November 30, 2021. DFA EM Small Cap strategy has been “under review” due to performance issues since 4Q2020.

Staff shifted its focus several years ago to specialist strategies that can add meaningful alpha. Staff will continue to buildout a portfolio of concentrated high-active share, unconstrained fundamental strategies complemented with innovative diversified quantitative strategies. Staff favors smaller, more nimble firms that have specialty skills, a singular investment focus, and niche strategies. Staff believes that exceptional managers have a unique, significant, and sustainable edge, and a high degree of alignment with investors. DFA Emerging Markets Small Cap is not consistent with Staff’s current plan for the public equity portfolio.

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

Allan Martin, NEPC, commented that they have reviewed this item as well as the previous recommendation and is supportive of both Staff recommendations.

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 terminate the DFA Emerging Markets Small Cap Strategy.

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

10. 011222-10 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 despite COVID-19 infection rates reaching unprecedented levels, global equities (MSCI ACWI IMI) were up 3.97% for the month while bonds (Bloomberg U.S. Aggregate Bond Index) were down -0.26%. He reported that SFERS’ assets were up an estimated 1.44% in December - Public Equity, Private Equity, Real Assets, and Private Credit generated positive returns of 2.80%, 1.40%, 1.35%, and 0.73% respectively. Fixed Income and Absolute Returns were both down for the month, generating estimated returns of -0.34% and -1.06%.

Mr. Braitberg reported that SFERS estimated assets at the end of December are \$37.1 Billion.

He reported that SFERS has generated an estimated return of 6.68% over the first half of the current fiscal year. Results have been led by Private Equity and Real Assets which have returned

16.66% and 13.84% while Private Credit and Public Equity have generated positive returns of 6.17% and 1.41%, respectively. Fixed Income and Absolute Return are down -0.69% and -1.51%.

Interim CIO Braitberg reported out the following Board-approved investments:

Kennedy Lewis Capital Partners III, L.P. and KLCP Co-Investment Opportunities III, L.P.

At its meeting on December 8, 2021, the Retirement Board approved in closed session an investment of up to \$80 million in Kennedy Lewis Capital Partners III, L.P. and up to \$40 million in KLCP Co-Investment Opportunities III, L.P. These investments were approved by the following vote:

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

Absent: Commissioners Safaí, Stansbury

SFERS' investment of \$80 million in Kennedy Lewis Capital Partners III, L.P. and \$40 million in KLCP Co-Investment Opportunities III, L.P. closed on December 16, 2021. These investments are classified as Credit Opportunities investments within SFERS' Private Credit portfolio and are SFERS' second and third investment with Kennedy Lewis Capital Partners.

More information about Kennedy Lewis is available at <https://www.klimllc.com/>.

Fifth Wall Early-Stage Ventures, L.P.

At its meeting on December 8, 2021, the Retirement Board approved in closed session an investment of up to \$25 million to Fifth Wall Early-Stage Ventures, L.P. The investment was approved by the following votes:

Ayes: Commissioners Bridges, Casciato, Driscoll, Heldfond

Abstained/Recused: Commissioner Gandhi

Absent: Commissioners Safaí, Stansbury

SFERS' investment of \$25 million closed on December 15, 2021.

This fund is classified as a Venture Capital investment within SFERS' Private Equity portfolio.

More information about Fifth Wall is available on <https://fifthwall.com/>.

New Enterprise Associates 18, L.P. and NEA 18 Venture Growth Equity, L.P.

At its meeting on December 8, 2021, the Retirement Board approved in closed session an investment of up to \$100 million to be allocated between New Enterprise Associates 18, L.P. and NEA 18 Venture Growth Equity, L.P. The investments were approved by the following vote:

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

Absent: Commissioners Safaí, Stansbury

SFERS' investment of \$50 million in New Enterprise Associates 18, L.P. and \$25 million in NEA 18 Venture Growth Equity, L.P. closed on December 22, 2021.

These investments will be classified as Venture Capital within SFERS' Private Equity portfolio. More information about NEA is available on <https://www.nea.com/>.

Biotechnology Value Fund, L.P.

At its meeting on December 22, 2021, the Retirement Board approved in closed session an investment of up to \$200 million in Biotechnology Value Fund, L.P. The investment was approved by the following votes:

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

SFERS' investment of \$50 million closed on December 28, 2021.

This investment is classified as an opportunistic investment within SFERS' public equity portfolio and is SFERS' third investment with BVF Partners, L.P.

More information about BVF Partners L.P. is available on <https://www.bvflp.com/>.

Artemis Real Estate Partners Healthcare Fund II, L.P.

At its meeting on December 8, 2021, the Retirement Board approved in closed session an investment of up to \$60 million to Artemis Real Estate Partners Healthcare Fund II, L.P. ("Artemis Healthcare Fund II"). The investment was approved by the following vote:

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

SFERS' commitment of \$60 million to Artemis Healthcare Fund II closed on December 31, 2021. The commitment is classified as a Real Estate investment within the Real Assets portfolio and is SFERS' first investment with Artemis Real Estate Partners.

More information about the firm is available at <https://www.artemisrep.com>

CIVF VI-A Australia, L.P.

At its meeting on October 13, 2021, the Retirement Board approved in closed session an investment of up to AUD \$40 million to CIVF VI-A Australia, L.P. ("CIVF VI Australia"). The investment was approved by the following vote:

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

SFERS' commitment of AUD \$33 million to CIVF VI Australia closed on December 30, 2021. The commitment is classified as a Real Estate investment within the Real Assets portfolio and is SFERS' third investment with Cabot Properties.

More information about the firm is available at <https://www.cabotprop.com>

BioTrack Capital Fund II, L.P.

At its meeting on November 10, 2021, the Retirement Board approved in closed session an investment of up to \$25 million to BioTrack Capital Fund II, L.P. The investment was approved by the following votes:

Ayes: Commissioners Bridges, Casciato, Driscoll, Heldfond

Absent: Commissioners Gandhi, Safaí, Stansbury

SFERS' investment of \$25 million closed on December 22, 2021.

This fund is classified as a Venture Capital investment within SFERS' Private Equity portfolio.

More information about BioTrack is available on <http://www.biotrackcapital.com>.

MR. Braitberg reminded the Board that the next Investment Committee Meeting is scheduled for February 16th at 1:00 p.m. and will focus on digital assets. Staff will be joined by Joe Miranda from Cambridge Associates and Sean Bill, CIO of Santa Clara Valley Transportation Authority.

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.

DEFERRED COMPENSATION PLAN CALENDAR

11. 011222-11 Discussion Item Deferred Compensation Committee Report

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

Commissioner Leona Bridges, Chair, provided a report on the December 15, 2021 Deferred Compensation Committee meeting.

President Casciato called for public comment.

Fred Sanchez, Protect our Benefits, spoke about money that is owed to people who retired before 1996.

There were no further callers and public comment was closed.

Action: This is a discussion only item.

12. 011222-12 Action Item SFDCP Target Date Funds Glidepath Refresh

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Russell's SFDCP Glidepath Review and Proposal.

Diane Chui Justen, Deferred Compensation Director, Chris Kyle, Steve Murray, Russell Investments, and Greg Ungerman, Callan, provided an oral and written report on this item.

The Deferred Compensation Committee voted on December 15, 2021 to forward proposed Target Date Funds glidepath changes to the Full Board with a recommendation for approval. Russell Investments (Russell) is the current TDF Investment Manager for the SFDCP. The Target Date Funds are the SFDCP's default investment alternative. The Retirement Board approved the SFDCP to re-enter into a five-year contractual agreement with Russell on May 9, 2016, as the result of an RFP process. The contract was successfully negotiated and effective January 1, 2017.

Russell proposed the following changes:

- Changes to Global Equity Market Cap Weights: Relative to the MSCI ACWI, the Funds are intended to have a neutral weight to US equities, underweight to non-US equities, and overweight to emerging markets; the index regional weights have shifted since the previous study, requiring an adjustment to match the latest index profile.
- Reallocation from Growth Equities to High Yield: High Yield fixed income has strong diversifying characteristics and a meaningful return profile relative to equities; reallocating from growth equities to high yield has a minimal impact on fund returns while helping lower overall risk across each Fund.
- Reallocation from Commodities to REITS and Infrastructure: Wanting to maintain the overall real asset exposure across Funds, a small portion was taken from commodities and allocated towards REITS and infrastructure, which Russell has a more favorable long-term view on given current capital market assumptions

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

She reported that this Report is separate from the actuarial funding valuation reports. SFERS' funding valuation reports do not contain GASB financial accounting disclosures.

Each of the four sponsoring employers (City and County, Trial Courts, SFUSD, and SFCCD) report pension information under GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The sponsoring employers have opted to use measurement dates 12 months prior to their fiscal year-ends. Information from this June 30, 2021 report will be used for the employers' required June 30, 2022 GASB disclosures.

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: Moved by Commissioner Driscoll, seconded by Commissioner Heldfond, to accept the GASB 67/68 Report.

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

Absent: Commissioner Safaí, Stansbury

15. 011222-15 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, provided the following administrative updates:

- Annual Review of Code of Fiduciary Conduct, Ethics and Governance
- Vaccination and Reporting Requirements for All Policy Body Members
- Charter Amendment Introduced for June 7, 2022 Election
- Update on SFERS' Return-to-Office Plans

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

President Casciato called for public comment.

Fred Sanchez, Protect our Benefits, spoke against the proposed charter amendment regarding fossil fuels.

There were no further callers and public comment was closed.

Action: This is a discussion only item.

16. 011222-16 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.

Commissioner Safaí requested the matter of survivor annuity payable to special needs trust be placed on the next agenda.

Commissioner Driscoll commented that in the upcoming search for a firm to design Glidepath that he would like to see how well a consultant does forecasting for rates of return in the RFP process.

Action: This is a discussion only item.

17. 011222-17

Adjournment

Having no further business, the Board adjourned the meeting at 4:55 pm.

Respectfully submitted,



Jay Hujsh, Executive Director