



SFERS

San Francisco Employees' Retirement System

City and County of San Francisco Employees' Retirement System

RETIREMENT BOARD

INVESTMENT COMMITTEE MINUTES

Wednesday, July 20, 2022

1145 Market Street, 6th Floor

San Francisco, CA 94103

1:00 PM

This meeting will be held in person at the location listed above. As authorized by California Government Code Section 54953(e) and Mayor Breed's 45th Supplement to her February 25, 2020 emergency proclamation, it is possible that some members of the Deferred Compensation Committee may attend this meeting remotely. In that event, those members will participate and vote by video.

Members of the public may attend the meeting to observe and provide public comment at the physical meeting location listed above 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: **2488 402 0655** 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, Monday, July 18, 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.

INVESTMENT COMMITTEE MEMBERS

Leona Bridges

Joseph Driscoll

Shruti Gandhi, Vice Chair

Scott Heldfond, Chair

Ahsha Safaí

Brian Stansbury

A.J. Thomas

Alison Romano, CEO/CIO

Investment Committee Meeting

PUBLIC COMMENT CALL-IN: 415-655-0001

Access Code: 2488 402 0655

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 [**2488 402 0655**], 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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(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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OPENING CALENDAR

1. Roll Call	Commissioner Leona Bridges	Absent
	Commissioner Joseph Driscoll	1:34 PM
	Commissioner Shruti Gandhi	1:34 PM
	Commissioner Scott Heldfond	1:34 PM
	President Ahsha Safai	Absent
	Commissioner Brian Stansbury	Absent
	Commissioner A.J. Thomas	1:34 PM

2. Communications

Chair Heldfond called for In-Person public comment.

No public present, and In-Person public comment was closed.

Chair Heldfond called for public comment Callers.

John Furlan, spoke on Private Equity performance and suggested using more realistic estimates.

There were no callers and public comment was closed.

3. 072022-03 General Public Comment

Chair Heldfond called for In-Person public comment.

No public present, and In-Person public comment was closed.

Chair Heldfond called for public comment Callers.

There were no callers and public comment was closed.

4. 072022-04 Action Item Approval of the Minutes of the April 20, 2022 Investment Committee Meeting

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the April 20, 2022 Investment Committee Meeting.

Chair Heldfond called for In-Person public comment.

No public present, and In-Person public comment was closed.

Chair Heldfond called for public comment Callers.

There were no callers and public comment was closed.

Action: Moved by Commissioner Driscoll, seconded by Commissioner Thomas, to approve Minutes of the Minutes of the April 20, 2022 Investment Committee Meeting.

Ayes: Commissioners Driscoll, Gandhi, Heldfond, Thomas

Absent: Commissioners Bridges, Safaí, Stansbury

5. 072022-05 Discussion Item SFERS Private Equity Portfolio Update

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

Alison Romano, CEO/CIO; Tanya Kemp, Managing Director of Private Markets; Justin Lo, Director; Edward Comerford, Director; Rishi Garbharran, Senior Portfolio Manager; and Anita Ng, Cambridge, prepared an oral and written report on this item.

As of December 31, 2021, the Private Equity Portfolio had \$11.1 billion in NAV (or 29.8% of total Plan assets) and total exposure (NAV + unfunded) of \$14.5 billion (or 39.0% of total Plan assets). Since inception, the Private Equity Portfolio has generated a net IRR of 17.2% and a TVPI of 1.9x, outperforming its custom benchmark and the Cambridge Associates Private Equity Benchmark.

Staff and Cambridge Associates presented an update including an overview of the Portfolio's strategy, performance, and composition and discussed the market environment along with resulting opportunities and initiatives.

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

Chair Heldfond called for In-Person public comment.

No public present, and In-Person public comment was closed.

Chair Heldfond called for public comment Callers.

John Furlan spoke about extremely great PE program and offered his congratulations.

There were no further callers and public comment was closed.

Action: This is a discussion only item.

6. 072022-06 Discussion Item SFERS Real Assets Portfolio Update

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

Tanya Kemp, Managing Director, Private Markets; Chris Terrazzano, Associate Portfolio Manager, Real Assets; Christopher Chow, Director, Real Assets; and Michael Brand, Cambridge, prepared an oral and written report on this item.

As of December 31, 2021, the Real Assets Portfolio had \$4.9 billion in NAV (or 13.0% of total Plan assets) and total exposure (NAV + unfunded) of \$7.0 billion (or 18.8% of total Plan assets). Since inception, the Real Assets Portfolio has generated a net IRR of 8.6% and a TVPI of 1.4x.

Staff and Cambridge Associates presented an update including an overview of the Portfolio's strategy, performance, and composition and discussed the market environment along with resulting opportunities and initiatives.

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

Chair Heldfond called for In-Person public comment.

No public present, and In-Person public comment was closed.

Chair Heldfond called for public comment Callers.

There were no callers and public comment was closed.

Action: This is a discussion only item.

7. 072022-07 Discussion Item SFERS Private Credit Portfolio Update

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

Kurt Braitberg, Managing Director, Public Markets; Eunice McHugh, Director, Private Credit; and Richard Grimm, Cambridge, provided an oral and written report on this item.

As of December 31, 2021, the Private Credit Portfolio had \$2.1 billion in NAV (or 5.5% of total Plan assets) and total exposure (NAV + unfunded) of \$4.0 billion (or 10.8% of total Plan assets). Since inception, the Private Credit Portfolio has generated a net IRR of 10.7% and a TVPI of 1.2x, outperforming its custom benchmark and the Cambridge Associates Private Credit Benchmark.

