



## **MONITORING AND REPORTING POLICY**

### **Background and Purpose**

- 1) In keeping with the duty of the Retirement Board of the San Francisco Employees' Retirement System ("SFERS" or "the System") to oversee the activities and performance of the System, the Retirement Board has established this Monitoring and Reporting Policy, which sets out the Retirement Board's expectations concerning the routine reports it will receive from various sources on a regular basis. Though it is intended to cover both investments and benefit administration, it is expected that some elements of this policy will be less easily applied to the benefit administration function, where performance measurement techniques and tools are still evolving at SFERS and in the pension industry.
- 2) The reporting process will address the performance of SFERS and compliance with the policies of SFERS and other requirements.

### **Roles and Responsibilities**

- 3) The Retirement Board may delegate various reporting duties to management, staff and service providers.
- 4) The Retirement Board is still responsible for supervising those to whom it has delegated duties, using appropriate monitoring and reporting processes.

### **Guidelines**

#### ***Benchmarks***

- 5) Performance benchmarks and success criteria should be specified in advance.
- 6) Performance benchmarks established to assess the performance of SFERS will generally be:
  - a) Objective and unambiguous;
  - b) Measurable; and
  - c) Achievable.

#### ***Investment***

- 7) Investment performance should be measured by independent service providers.
- 8) Investment performance reports will be prepared in accordance with the *Global Investment Performance Standards* prescribed by the CFA Institute.

- 9) The primary performance benchmarks used to evaluate the performance of public market investments will be based on passive market indices. Performance attribution, based on such indices, will constitute the primary methodology for evaluating the effectiveness of all investment decisions.
- 10) The Board recognizes the challenge in measuring the performance of private market and alternative investments, and is committed to the ongoing development of meaningful benchmarks and measurement techniques for these asset classes.
- 11) Peer comparisons of total fund performance may be considered when reviewing the performance of the investment program, but will not constitute the primary investment benchmark.

***Operations***

- 12) If available, appropriate peer group comparisons may be used as benchmarks in assessing the performance of the benefit administration function.

**Routine Reporting**

- 13) The Retirement Board will be provided routine reports outlined in and in accordance with Board Policies. The Executive Director and Board Secretary will maintain a summary of such reporting requirements, including, but not limited to, report name, frequency, responsible party and description.
- 14) Requests by Board members for additional routine reports shall require Board approval and an amendment the relevant policy.

**Policy Review**

- 15) The Retirement Board will review this policy at least once every five years to ensure that it remains relevant and appropriate.

**Policy History**

- 16) The Retirement Board adopted this policy on April 2, 2002. Amended June 8, 2004; October 4, 2006; September 11, 2007; January 11, 2011; May 13, 2015; June 9, 2021 and May 18, 2023.