



# SFERS

San Francisco Employees' Retirement System

## City and County of San Francisco Employees' Retirement System

RETIREMENT BOARD

INVESTMENT COMMITTEE MINUTES

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**Thursday, April 6, 2023**

1145 Market Street, 6th Floor

San Francisco, CA 94103

1:00 PM

Members of the Committee will attend this meeting in-person. Members of the public attending the meeting in person will have an opportunity to provide public comment on every item. There will not be an opportunity for members of the public to provide public comment remotely by phone or online, except for members of the public who have received an accommodation due to disability (as described below).

Members of the public may attend the meeting to observe and provide public comment at the physical meeting location listed above.

### **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 Helffond, Chair

Ahsha Safaí

A.J. Thomas

Alison Romano, CEO & CIO

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### **DISABILITY ACCESS**

The San Francisco Employees' Retirement System is wheelchair accessible. Remote public participation is available upon request for individuals who cannot attend in person due to disability. Making a request to participate remotely no later than one hour prior to the start of the meeting helps ensure availability of the meeting link. Sign Language Interpretation is also available upon request. If requesting remote Sign Language Interpretation, please submit an accommodation request a minimum of four business hours prior to the start of the meeting. Allowing a minimum of 48 business hours for all other accommodation requests (for example, for other auxiliary aids and services) helps ensure availability. To request accommodation, please contact the Board Secretary at [Darlene.armanino@sfgov.org](mailto:Darlene.armanino@sfgov.org) or 415.487.7012.

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 8<sup>th</sup> 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, Board Secretary, at (415) 487-7012. Written reports or background materials for calendar items are available for public inspection and are available online at <https://mysfers.org/about-sfers/retirement-board/>.

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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.**

### **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](mailto:sotf@sfgov.org)

**Citizens interested in obtaining a free copy of the Sunshine Ordinance can print a copy of 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, 7<sup>th</sup> 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](http://www.sfgov.org/ethics)

**OPENING CALENDAR**

<b>1. Roll Call</b>	Commissioner Leona Bridges	1:04 PM
	Commissioner Joseph Driscoll	1:04 PM
	Commissioner Shruti Gandhi	1:04 PM
	Commissioner Scott Heldfond	1:04 PM
	Commissioner Ahsha Safaí	1:10 PM
	Commissioner A.J. Thomas	1:04 PM

**2. 040623-02 General Public Comment**

Chair Heldfond called for General Public Comment.

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

**3. 040623-03 Action Item Approval of the Minutes of the January 11, 2023 Investment Committee Meeting**

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes

Chair Heldfond called for public comment.

No public present, and public comment was closed.

**Action:** Moved by Commissioner Thomas, seconded by Commissioner Gandhi, to approve Minutes of the Minutes of the January 11, 2023 Investment Committee Meeting.

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

**4. 040623-04 Discussion Item Educational Presentation on Sustainable & Impacting Investing**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Cambridge Associates presentation on “Sustainable & Impact Investing.”

Alison Romano, CEO & CIO; Kurt Braitberg, Managing Director, Public Markets; Andrew Collins, Director, ESG Investing; Mike Pearce (Cambridge Associates) provided an oral and written report on this item.

Staff provided information on models of social/economic impact investing and, specifically, a type of impact investment called Economically Targeted Investing or “ETI”.

Michael Pearce, an expert from Cambridge Associates, discussed the concept of impact investing and presented some considerations as SFERS continues to further ESG investing efforts.

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

Chair Heldfond called for public comment.

No public present, and public comment was closed.

**Action:** This is a discussion only item.

President Safaí left meeting at 1:57 PM

**5. 040623-05 Discussion Item SFERS Annual Public Equity Update**

Documents provided to the Retirement Board prior to the current meeting: Staff and NEPC's materials for SFERS Annual Public Equity Update.

Alison Romano, CEO & CIO; Kurt Braitberg, Managing Director, Public Markets; Han Pham, Director, Public Equity; Patrick Li, Investment Officer, Public Equity; Chris Wisdom, Associate Portfolio Manager, Public Equity; Allan Martin, NEPC, provided an oral and written report on this item.

Staff, in collaboration with NEPC, presented to the Board an annual update for the Public Equity portfolio which provided an overview of the portfolio's strategic plan, performance, activity, and initiatives.

For the year ending December 31, 2022, the Public Equity portfolio was valued at \$10.0 billion and accounted for 30.6% of the Retirement Trust.

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

Chair Heldfond called for public comment.

No public present, and public comment was closed.

**Action:** This is a discussion only item.

**6. 040623-06 Discussion Item SFERS Annual Public Fixed Income Update**

Documents provided to the Retirement Board prior to the current meeting: Staff and NEPC's materials for SFERS Annual Fixed Income Update.

Alison Romano, CEO & CIO; Kurt Braitberg, Managing Director, Public Markets; Alo Martins, Senior Portfolio Manager, Public Markets; Dennis Esselsagoe, Investment Officer, Public Fixed Income, presented an oral and written report on this item.

Staff, in collaboration with NEPC, presented to the Board an annual update for the Public Fixed Income portfolio which update provided an overview of the portfolio's strategic plan, performance, activity, and initiatives.

For the year ending December 31, 2022, the Public Fixed Income portfolio was valued at \$2.3 billion and accounted for 7.1% of the Retirement Trust.

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

Chair Heldfond called for public comment.

No public present, and public comment was closed.

**Action:** This is a discussion only item.

Chair Heldfond announced break at 3:10pm and returned at 3:23pm

**7. 040623-07 Discussion Item SFERS Absolute Return Portfolio Update**

Documents provided to the Retirement Board prior to the current meeting: Staff and Blackstone's materials for SFERS' Absolute Return Update.

Alison Romano, CEO & CIO; David Francl, Managing Director, Absolute Return; James Kraft, Associate Portfolio Manager, Absolute Return; Kien Trinh, Investment Officer; Joe Dowling, Senior Managing Director & Global Head, Blackstone Alternative Asset Management; Roberta Osborne, Managing Director Institutional Client Solutions, Blackstone Alternative Asset Management, provided an update of the Absolute Return Portfolio which included an overview of the portfolio's strategic plan, performance, activity, and initiatives.

Staff, in collaboration with Blackstone Alternative Asset Management, presented an annual update for the Absolute Return portfolio which provided an overview of the portfolio's strategic plan, performance, activity, and initiatives.

For the year ending December 31, 2022, the Absolute Return portfolio was valued at \$3.3 billion and accounted for 10.2% of the Retirement Trust.

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

Chair Heldfond called for public comment.

No public present, and public comment was closed.

**Action:** This is a discussion only item.

**8. 040623-08                  Discussion Item          Investment Committee Member Good of the Order**

Commissioner Thomas commented that he would like to see this Committee increase the frequency of meetings with a narrower scope to spend more time on individual portions of the portfolio which may require more meetings.

Chair Heldfond called for public comment.

No public present, and public comment was closed.

**Action:** This is a discussion only item.

**9. 040623-09    Adjournment**

Having no further business, the Committee adjourned the meeting at 4:09 PM