



City and County of San Francisco Employees' Retirement System

RETIREMENT BOARD

INVESTMENT COMMITTEE MINUTES

Wednesday, November 1, 2023

1145 Market Street, 6th Floor

San Francisco, CA 94103

9:00 AM

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. In addition to in-person public comment, members of the public may provide public comment remotely by phone. The Committee will hear remote public comment on each agenda item in the order that commenters add themselves to the queue to comment on the item.

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

Tim O'Connor

Ahsha Safaí

A.J. Thomas, Chair

Alison Romano, CEO & CIO

DISABILITY ACCESS

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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, 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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(Chapter 67 of the San Francisco Administrative Code)

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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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OPENING CALENDAR

1. Roll Call	Commissioner Leona Bridges	Absent
	Commissioner Joseph Driscoll	9:10 AM
	Commissioner Shruti Gandhi	Absent
	Commissioner Scott Heldfond	9:10 AM
	Commissioner O'Connor	9:10 AM
	Commissioner Ahsha Safaí	Absent
	Chair A.J. Thomas	9:10 AM

2. 110123-02 General Public Comment

Chair Thomas called for General Public Comment.

There were no comments and General Public comment was closed.

3. 110123-03 Action Item Approval of the Minutes of the April 6, 2023 Investment Committee Meeting

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the April 6, 2023 Investment Committee Meeting.

Chair Thomas called for public comment.

There were no comments and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner O'Connor, to approve the Minutes of the April 6, 2023 Investment Committee Meeting.

Ayes: Commissioners Driscoll, Heldfond, O'Connor, Thomas

Absent: Commissioners Bridges, Gandhi, Safaí

4. 110123-04 Discussion Item Risk Education for Asset and Liability Study (ALS)

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Wilshire's presentation "Risk Appetite Education: Supporting the 2023-204 SFERS ALS."

Alison Romano, CEO & CIO, Anna Langs, Managing Director, Asset Allocation Risk Management, Innovative Solutions, Ali Kazemi and Steve Foresti, Wilshire, provided an oral and written report on this item.

Wilshire presented a comprehensive Asset and Liability Study (“ALS”) to the Committee which focused on the multiple facets of risk which will enable the Board to evaluate current and potential strategic asset allocations and projected liabilities, assess these allocations relative to risk, and set strategic investment objectives.

Wilshire’s presentation framed the multiple facets of risk which included both traditional metrics like expected return and standard deviation as well newer measures. Wilshire introduced its factor framework highlighting exposures to Growth and Inflation factors and also introduced Conditional Drawdown at Risk (CDaR) as a drawdown risk measure to help compare portfolios in the context of selecting appropriate SAA.

The Committee engaged in a question and answer session.

Chair Thomas called for public comment.

Jordan Greenslade, Unite Here Local 11/Worker Power, spoke about strike against Blackstone owned hotels and asked the Board to urge Blackstone to immediately resolve the labor dispute and to also urge Fortress Investment Group to resolve their labor dispute as it is in the fund’s best interest to protect its investments and to mitigate risk.

Matthew Piña, United Here Local 11, worked as a cook in Downtown Phoenix, spoke about the many struggles and hardships he faces under the current hotel wages and is standing up for living wages, affordable health insurance and a pension so that one day he can retire and urged the Board to tell Blackstone to resolve the labor dispute with a just contract.

Ty Hudson, Unite Here Local 2, spoke about Blackstone Group and Fortress Investment Group exposing SFERS to ESG risks, headline risks, and reputational risks, due to their failure to resolve labor disputes and urged the Board to address specific engagement with Blackstone and Fortress either during this item or in closed session.

No further comments, and public comment was closed.

Action: This is a discussion only item.

5. 110123-05 Discussion Item Leverage Education and Review of Total Plan Leverage

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Wilshire’s Presentation “Leverage Education: Supporting the 2023-2024 SFERS ALS,” Staff’s presentation “Review of SFERS’ Use of Leverage.

