



San Francisco City and County
Employees' Retirement System
RETIREMENT BOARD MEETING
MINUTES

Wednesday, September 11, 2024

1145 Market Street, 6th Floor

San Francisco, CA 94103

11:00 AM

Members of the Board 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 Board 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.

RETIREMENT BOARD MEMBERS

Leona Bridges

Joseph Driscoll

Joel Engardio

Shruti Gandhi

Scott Helfond, President

Tim O'Connor

A.J. Thomas, Vice President

Alison Romano, CEO & CIO

Retirement Board Meeting

PUBLIC COMMENT CALL-IN: 415-655-0001

Access Code: 2662 631 2479

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 [**2662 631 2479**], press '#' 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, 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)

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 soft@sfgov.org

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OPENING CALENDAR

1. Roll Call	Commissioner Leona Bridges	11:03 AM
	Commissioner Joseph Driscoll	11:00 AM
	Commissioner Joel Engardio	11:00 AM
	Commissioner Shruti Gandhi	11:00 AM
	Commissioner Scott Heldfond	Absent
	Commissioner Tim O'Connor	11:00 AM
	Commissioner A.J. Thomas	11:00 AM

2. Communications

Announcement regarding public comment periods during meeting.

3. 091124-03 General Public Comment

General Public Comment was called.

There were no comments from the public and General Public Comment was closed.

4. 091124-04 Action Item Minutes of the August 14, 2024 Retirement Board Meeting

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the August 14, 2024 Retirement Board Meeting.

Public Comment was called.

There were no comments from the public and Public Comment was closed.

Action: Moved by Commissioner O'Connor, seconded by Commissioner Grandhi, to approve the Minutes of the August 14, 2024 Retirement Board Meeting.

Ayes: Commissioners Bridges, Driscoll, Engardio, Gandhi, O'Connor, Thomas

Absent: Commissioner Heldfond

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 requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

5. 091124-05	Action Item	Consent Calendar
091124-05a	Action Item	Voluntary Retirement Board List No. 03-24
091124-05b	Action Item	Decisions of Hearing Officers
Applicant – A Effective Date: 07/1/2022	9102 Transit Car Cleaner SFMTA	Ordinary Disability Retirement/Stip Granted
Applicant – B Effective Date: 01/27/2024	Q004 Police Officer III Police	Industrial Disability Retirement Granted
Applicant – C Effective Date: 05/14/2022	H020 Lieutenant, Fire Suppression Fire	Industrial Disability Retirement/Stip Granted
Applicant – D Effective Date: 02/1/2021	H003 EMT/Paramedic/Firefighter Fire	Industrial Disability Retirement/Stip Granted
Applicant – E Effective Date: 10/06/2023	Q002 Police Officer Police	Industrial Disability Retirement Granted
Applicant – F Effective Date: 05/14/2022	2708 Custodian SF Unified School District	Ordinary Disability Retirement/Stip Granted
Applicant – G Effective Date: 03/04/2022	H020 Lieutenant, Fire Suppression Fire	Industrial Disability Retirement/Stip Granted
Applicant – H Effective Date: 06/01/2023	H003 EMT/Paramedic/Firefighter Fire	Industrial Disability Retirement Granted (SR 08/01/2023)
Applicant – I Effective Date: 12/01/2021	9163 Transit Operator SFMTA	Ordinary Disability Retirement/Stip Granted
Applicant – J Effective Date: 06/01/2022	1446 Secretary II Airport Commission	Ordinary Disability Retirement/Stip Granted

091124-05c

Discussion Item

**Retirement Board Member Reports
and Comments**

Report by Commissioner Tim O'Connor who attended the CALAPRS Principals of Pension Governance, August 26-29, 2024, Tiburon, CA.

Documents provided to the Retirement Board prior to the current meeting: Voluntary Retirement Board List, Decisions, Conference Attendance Report.

Public Comment was called.

Eric Lerner, ACCE-Alliance of Californians for Community Empowerment, spoke about his concern that he read that Blackstone is using real estate funds that SFERS and other pension funds have invested in to make political contributions and to fight against policies that would benefit working people.

There were no further comments from the public and Public Comment was closed.

Action: Moved by Commissioner O'Connor, seconded by Commissioner Driscoll, to approve the Consent Calendar.

Ayes: Commissioners Bridges, Driscoll, Engardio, Gandhi, O'Connor, Thomas

Absent: Commissioner Heldfond

ADMINISTRATION CALENDAR

6. 091124-06 Discussion Item Committees Report Goals to Board

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Investment Committee Report, Deferred Compensation Committee Report, Governance Committee Report, Operations Oversight Committee Report, Personnel Committee Report.

Alison Romano, CEO & CIO, reported that she worked with each of the Committee Chairs to develop agendas for this fiscal year, based on the responsibilities of each committee as outlined in the respective Terms of Reference and in consideration of the specific business needs this year. Consistent with Board policy, committee meetings have been scheduled for Wednesdays. This year's schedule was established taking into account many factors including requisite deadlines, the requirement to have an established calendar, and the workflow of the SFERS team.

Public Comment was called.

There were no comments from the public and Public Comment was closed.

Action: This is a discussion only item.

7. 091124-07 Discussion Item Chief Executive Officer's Report

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Retirement Board Forward Calendar for September 2024 to June 2025, Public Retirement Conferences and Training Programs for SFERS Trustees – Nossaman LLP.

Alison Romano, CEO & CIO, highlighted the following administrative updates:

- Annual service awards were held and SFERS colleagues were honored for their many years of service
- Board Retreat is scheduled for September 25, 2024 with the following topics: investment, fiduciary, governance and decision quality

The Board engaged in a question and answer session.

Public Comment was called.

There were no comments from the public and Public Comment was closed.

Action: This is a discussion only item.

INVESTMENT CALENDAR

8. 091124-08 Discussion Item Report on Investment Performance of the Retirement Fund for the quarter ended June 30, 2024

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Wilshire Advisors LLC – SFERS' Quarterly Performance Summary.

Ali Kazemi, Tom Toth, Wilshire, provided a Quarterly Performance Summary report providing a detailed review of the market environment as well as risk and return information at the Total Fund and Asset Class levels.

For the quarter ended June 30, 2024, the Retirement Fund was valued at \$35.4 Billion. The net of fee total returns for the quarter and the trailing one-year were 0.73% and 7.99%, respectively.

The Board engaged in a question and answer session.

Public Comment was called.

There were no comments from the public and Public Comment was closed.

Action: This is a discussion only item.

Vice President Thomas called Item #11

11. 091124-11 Discussion Item Chief Investment Officer's Report

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Exhibit 1: Performance and Market Update, Exhibit 2: Plan Value Report, Exhibit 3: Update on Closed Investments.

Alison Romano, CEO & CIO, provided a written report on performance, market update, plan value and reported the following closed investments:

Sculptor Real Estate Fund V, LP

Under its delegated authority, SFERS invested \$50 million in Sculptor Real Estate Fund V, LP, which closed on August 27, 2024. This investment is classified as a Real Estate investment within the Real Assets portfolio and is SFERS' first investment with Sculptor Capital Management.

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

Public Comment was called.

There were no comments from the public and Public Comment was closed.

Action: This is a discussion only item.

Vice President Thomas called lunch break at 11:53 AM and returned to Open Session at 12:25 PM

9. 091124-09 Discussion Item Private Credit Asset Class Review

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Staff Presentation, Consultant Presentation – Cambridge Associates.

Kurt Braitberg, Managing Director, Public Markets, Eunice McHugh, Director, Austin Rathe, Senior Portfolio Manager, Henry Toothman, Investment Officer, Kevin Cao, Assistant Portfolio Manager, provided a written and oral report.

Staff and Richard Grimm, Cambridge Associates, presented an update including a review of the portfolio's strategy, performance, and composition and discussed the current market environment, opportunities, and initiatives.

Reported as of March 31, 2024, the Private Credit Portfolio had approximately \$2.5 billion in NAV (or 8.7% of Total Plan assets) and total exposure (NAV + unfunded) of \$5.3 billion (or 14.9% of Total Plan assets). Since inception, the Private Credit Portfolio has generated a net IRR of 9.8% and a net TVPI of 1.3x.

The Board engaged in a question and answer session.

Public Comment was called.

There were no comments from the public and Public Comment was closed.

Action: This is a discussion only item.

10. 091124-10 Discussion Item Absolute Return Asset Class Review

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

David Francl, Managing Director, Absolute Return, Ryan Fuh, Associate Portfolio Manager, Kien Trinh, Investment Officer, Steve Sullens, Roberta Osborne, Blackstone, presented an update including a review of SFERS' Absolute Return portfolio strategy, performance, composition, and activity. Additionally, Staff and Blackstone discussed the current market environment, opportunities and initiatives.

The Board engaged in a question and answer session.

Public Comment was called.

There were no comments from the public and Public Comment was closed.

Action: This is a discussion only item.

Vice President Thomas called a short break at 2:37 pm and returned to Open Session at 2:50 pm

DEFERRED COMPENSATION PLAN CALENDAR

12. 091124-12 Discussion Item Review of SFDCP Investment Performance for the First Half of 2024

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Callan Presentation, Investment Measurement Service Q2 '24 Report.

Steve Moy, Deferred Compensation Program Manager, and Greg Ungerman, Callan, presented a review of the Plan's investment performance for the first half of 2024.

The Board engaged in a question and answer session.

Public Comment was called.

There were no comments from the public and Public Comment was closed.

Action: This is a discussion only item.

13. 091124-13 Discussion Item San Francisco Deferred Compensation Plan Monthly Report

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, July 2024 Monthly Activity Report.

Steve Moy, Deferred Compensation Program Manager, reported on the monthly activity report and marketing updates.

The Board engaged in a question and answer session.

Public Comment was called.

There were no comments from the public and Public Comment was closed.

Action: This is a discussion only item.

14. 091124-14 Discussion Item Retirement Board Member Good of the Order

Commissioner Driscoll commented on the public comment made early in the meeting and stated to confirm that staff conducts ESG analysis to make sure that no fund money is used to contribute to political contributions. Ms. Romano stated that all SFERS fund investments have investment guidelines as to where the fund can invest the money, and the funds are not investing in individual political campaigns.

Commissioner Bridges requested that the meeting be closed in honor of September 11th.

Public Comment was called.

There were no comments from the public and Public Comment was closed.

Action: This is a discussion only item.

15. 091124-15

Adjournment

Having no further business, the Board adjourned the meeting in honor of those lives lost on September 11, 2001 at 3:14 PM