



**Wednesday, October 9, 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: **2660 688 7964**

### 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 [**2660 688 7964**], 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.

## Retirement Board Meeting Minutes

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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 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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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 [sof@sfgov.org](mailto:sof@sfgov.org)

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#### **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)

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**OPENING CALENDAR**

<b>1. Roll Call</b>	Commissioner Leona Bridges	Absent
	Commissioner Joseph Driscoll	11:02 AM
	Commissioner Joel Engardio	11:02 AM
	Commissioner Shruti Gandhi	11:04 AM
	Commissioner Scott Heldfond	11:02 AM
	Commissioner Tim O'Connor	Absent
	Commissioner A.J. Thomas	11:02 AM

**2. Communications**

Announcement regarding public comment periods during meeting.

**3. 100924-03 General Public Comment**

General Public Comment was called.

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

**4. 100924-04 Action Item Minutes of the September 11, 2024 Retirement Board Meeting and September 25, 2024 Special Retirement Board Meeting**

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the September 11, 2024 Retirement Board Meeting and September 25, 2024 Special Retirement Board Meeting.

Public Comment was called.

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

**Action:** Moved by Commissioner Driscoll, seconded by Commissioner Thomas, to approve the Minutes of the September 11, 2024 Retirement Board Meeting and September 25, 2024 Special Retirement Board Meeting.

Ayes: Commissioners Driscoll, Engardio, Gandhi, Heldfond, Thomas

Absent: Commissioners Bridges, O'Connor

**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.*

<b>5. 100924-05</b>	<b>Action Item</b>	<b>Consent Calendar</b>
<b>100924-05a</b>	<b>Action Item</b>	<b>Voluntary Retirement Board List No. 04-24</b>
<b>100924-05b</b>	<b>Action Item</b>	<b>Decisions of Hearing Officers</b>
Applicant – A Effective Date: 10/25/2022	Q004 Police Officer III Police	Industrial Disability Retirement Granted
Applicant – B Effective Date: 07/01/2023	Q004 Police Officer III Police	Industrial Disability Retirement Granted
Applicant – C Effective Date: 10/07/2020	H003 EMT/Paramedic/Firefighter Fire	Death as a Result of Duty Granted
Applicant – D Effective Date: 02/19/2022	H040 Battalion Chief, Suppression Fire	Industrial Disability Retirement/Stip Granted
Applicant – E Effective Date: 05/17/2022	H030 Captain, Fire Suppression Fire	Industrial Disability Retirement/Stip Granted
Applicant – F Effective Date: 11/01/2022	9163 Transit Operator SFMTA	Ordinary Disability Retirement/Stip Granted
Applicant – G Effective Date: 07/01/2021	Q004 Police Officer III Police	Industrial Disability Retirement/Stip Granted
Applicant – H Effective Date: PERS	8306 Senior Deputy Sheriff Sheriff	CalPERS Disability Retirement Certified
Applicant – I Effective Date: 05/11/2023	Q003 Police Officer II Police	Industrial Disability Retirement Granted
Applicant – J Effective Date: 01/01/2024	H003 EMT/Paramedic/Firefighter Fire	Industrial Disability Retirement Granted

**100924-05c**

**Action Item**

**Conference Request**

Request approval for Commissioner Shruti Gandhi to attend the 2025 Upfront Summit, February 25-27, 2025, Marina Del Rey, CA.

**100924-05d**

**Discussion Item**

**Retirement Board Member Reports  
and Comments**

Report by Commissioner Leona Bridges who attended the Annual Legislative Conference, September 11-15, 2024, Washington, D.C.

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

Public Comment was called.

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

**Action:** Moved by Commissioner Thomas, seconded by Commissioner Engardio, to approve the Consent Calendar.

Ayes: Commissioners Driscoll, Engardio, Gandhi, Heldfond, Thomas

Absent: Commissioners Bridges, O'Connor

### **ADMINISTRATION CALENDAR**

**6. 100924-06 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 November 2024 to June 2025, Public Retirement Conferences and Training Programs for SFERS Trustees – Nossaman LLP.

Alison Romano, CEO & CIO, provided an administrative update.

President Heldfond thanked staff, Alison Romano, CEO & CIO, and recognized Commissioner Driscoll for their assistance with the Board Retreat.

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**

- 7. 100924-07            Action Item            Proposed Changes to the Private Credit section of the Investment Guidelines for Private Equity, Real Assets, and Private Credit**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Staff’s presentation on proposed changes to the Investment Guidelines for Private Credit, Proposed Investment Guidelines for Private Equity, Real Assets, and Private Credit – **clean version**, Proposed Investment Guidelines for Private Equity, Real Assets, and Private Credit – **redlined version**, Cambridge memorandum supporting changes to the Private Credit section of the Investment Guidelines for Private Equity, Real Assets, and Private Credit.

Kurt Braitberg, Managing Director, Public Markets, presented an oral and written report on this item and recommended a new portfolio construction framework along with revised guidelines to better reflect the Private Credit opportunity set and ensure alignment with objectives of the Private Credit program.

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:** Moved by Commissioner Driscoll, seconded by Commissioner Gandhi, to approve proposed changes to the Private Credit section of the Investment Guidelines for Private Equity, Real Assets, and Private Credit.

Ayes: Commissioners Driscoll, Engardio, Gandhi, Heldfond, Thomas

Absent: Commissioners Bridges, O’Connor

- 8. 100924-08            Discussion Item            Annual Leverage Review**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Staff’s Presentation “Annual Leverage Review.”

Anna Langs, Managing Director, Asset Allocation Risk Management, Innovative Solutions, provided an oral and written report providing the summary of SFERS use of leverage in fiscal year 2023/24 (FY2024) and since inception. The use of leverage added marginally to returns while providing significant operational flexibility in rebalancing and liquidity management.

In FY2024, SFERS enhanced Leverage Policies and Procedures, refined guidelines for leverage monitoring and accounting, and introduced a Leverage Policy Benchmark of 1-Month Secured Overnight Funding Rate (SOFR) + 35 basis points as part of the Asset and Liability Study. SFERS Staff will continue to strengthen portfolio risk and analytics for monitoring leverage and will evaluate alternative leverage implementations.

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.

**9. 100924-9 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:

Level Equity Growth Partners VI, L.P. and Level Equity Opportunities Fund 2025, L.P. Under its delegated authority, SFERS invested \$55 million in Level Equity Growth Partners VI, L.P. and \$20 million in Level Equity Opportunities Fund 2025, L.P. The investments closed on September 18, 2024.

The funds will be classified as Growth Equity within SFERS' Private Equity portfolio.

More information about Level Equity is available at <https://www.levelequity.com/>.

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.



**DEFERRED COMPENSATION PLAN CALENDAR**

**10. 100924-10            Discussion Item            Deferred Compensation Committee Report**

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

Diane Chui Justen, Deferred Compensation Director, reported at their meeting of October 2, 2024, the Deferred Compensation Committee:

- Approved the Minutes of the June 5, 2024 Deferred Compensation Committee meeting.
- Discussed the Target Date Funds annual review, which highlighted key changes, performance results, and tactical allocation efforts.
- Discussed the Stable Value search process, reviewed the methodology and reasons for selecting the two semi-finalists, Galliard and Invesco, and listened to presentations by Galliard and Invesco.

President Heldfond left the Board Room at 11:42 AM and returned at 11:48 AM

Public Comment was called.

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

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

**11. 100924-11            Discussion Item            San Francisco Deferred Compensation Plan Monthly Report**

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

Diane Chui Justen, Deferred Compensation Director, reported on the monthly activity report and marketing updates.

Public Comment was called.

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

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

**12. 100924-12                  Discussion Item          Retirement Board Member Good of the Order**

Commissioner Driscoll expressed appreciation for the reporting of closed investments and noted that members have been seeking information regarding closed investments and noted that he is pleased this reporting will continue.

Public Comment was called.

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

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

**13. 100924-13**

**Adjournment**

Having no further business, the Board adjourned the meeting at 11:49 AM.