



# SFERS

San Francisco Employees' Retirement System

## San Francisco City and County Employees' Retirement System

### RETIREMENT BOARD MEETING MINUTES

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**Wednesday, March 12, 2025**

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

Shruti Gandhi

Scott Heldfond, 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 389 7361**

### 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 389 7361**], 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 [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/>**

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**OPENING CALENDAR**

<b>1. Roll Call</b>	Commissioner Leona Bridges	Absent
	Commissioner Joseph Driscoll	11:00 AM
	Commissioner Shruti Gandhi	Absent
	Commissioner Scott Heldfond	11:00 AM
	Commissioner Tim O'Connor	11:00 AM
	Commissioner A.J. Thomas	11:00 AM

**2. Communications**

Announcement regarding public comment periods during meeting.

**3. 031225-03 General Public Comment**

General Public Comment was called.

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

**4. 031225-04 Action Item Minutes of the February 12, 2025 Retirement Board Meeting**

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the February 12, 2025 Retirement Board Meeting.

Public Comment was called.

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

**Action:** Moved by Commissioner Thomas, seconded by Commissioner O'Connor, to approve the Minutes of the February 12, 2025 Retirement Board Meeting.

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

Absent: Commissioners Bridges, Gandhi

**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. 031225-05 Action Item Consent Calendar**

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<b>031225-05a</b>	<b>Action Item</b>	<b>Voluntary Retirement Board List No. 09-24</b>
<b>031225-05b</b>	<b>Action Item</b>	<b>Decisions of Hearing Officers</b>
Applicant - A Effective Date: 06/21/2024	Q052 Sergeant 3 Police	Industrial Disability Retirement Granted
Applicant - B Effective Date: PERS	8304 Deputy Sheriff Sheriff	CalPERS Disability Retirement Certified
Applicant - C Effective Date: 06/01/2024	2908 Sr Hospital Eligibility Wrkr DPH	Ordinary Disability Retirement Granted
Applicant - D Effective Date: 11/01/2023	Q003 Police Officer 2 Police	Industrial Disability Retirement Granted
Applicant - E Effective Date: PERS	8304 Deputy Sheriff Sheriff	CalPERS Disability Retirement Not incapacitated
Applicant - F Effective Date: 10/01/2023	8508 Sheriff's Sergeant (SFERS) Sheriff	Industrial Disability Retirement Granted
Applicant - G Effective Date: 02/06/2021	1404 Clerk HRD	Ordinary Disability Retirement/Stip Denied
Applicant - H Effective Date: 05/01/2021	Q062 Lieutenant 3 Police	Industrial Disability Retirement/Stip Granted
Applicant - I Effective Date: 04/19/2022	H006 Investigator, Fire Dept Fire	Industrial Disability Retirement/Stip Granted
Applicant - J Effective Date: 10/01/2022	7470 Watershed Keeper PUC	Ordinary Disability Retirement/Vest Granted
Applicant - K Effective Date: 11/25/2020	Q004 Police Officer 3 Police	Industrial Disability Retirement/Stip Granted
Applicant - L Effective Date: 01/01/2019	3632 Librarian 2 Library	Ordinary Disability Retirement/Vest Granted
Applicant - M Effective Date: PERS	8308 Sheriff's Sergeant Sheriff	CalPERS Disability Retirement Certified
Applicant - N Effective Date: PERS	8310 Sheriff's Lieutenant Sheriff	CalPERS Disability Retirement Certified

**031225-05c**

**Discussion Item**

**Retirement Board Member Reports  
and Comments**

Report by Commissioner Shruti Gandhi who attended the 2025 Upfront Summit, February 25-27, 2025, Marina Del Rey, CA.

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

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 Driscoll, to approve the Consent Calendar.

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

Absent: Commissioners Bridges, Gandhi

#### **INVESTMENT CALENDAR**

**6. 031225-06 Discussion Item Report on Investment Performance of the Retirement Fund  
for the quarter ended December 31, 2024**

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

Alison Romano, CEO & CIO, Anna Langs, Managing Director, Asset Allocation, Ali Kazemi, Tom Toth, Wilshire, provided a detailed review of the market environment as well as return, risk, and performance attribution at the Total Fund and Asset Class Levels.

For the quarter ended December 31, 2024, the Retirement Fund was valued at \$36.3 Billion. The net of fee total returns for the quarter and the trailing one-year were 0.64% and 7.78%, 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.

**7. 031225-07 Discussion Item Public Fixed Income and Cash Annual Update**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, SFERS Annual Public Fixed Income Update.

Alison Romano, CEO & CIO, Kurt Braitberg, Managing Director, Public Markets, Alo Martins, Senior Portfolio Manager, Public Markets, presented to the Board an annual update for the Public Fixed Income and Cash asset classes which provided an overview of performance, positioning, activity, and initiatives across the asset classes.

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.

President Heldfond called a break at 12:17 PM and returned to back to Open Session at 12:34 PM

**8. 031225-08 Discussion Item SFERS Annual Liquidity Management Update**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Staff Presentation - Annual Liquidity Management Update.

Alison Romano, CEO & CIO, Anna Langs, Managing Director, Asset Allocation, Kevin Cao, Associate Portfolio Manager, provided updates to the Retirement Board on the current management of SFERS' liquidity. It was highlighted that as the Plan matures, liquidity is an increasingly important consideration in establishing strategic asset allocation and its implementation glide path, and in managing through stressed market conditions.

- SFERS Trust has sufficient liquidity to meet its obligations.
- SFERS worked with Cambridge Associates to evaluate current and future liquidity needs using multiple models and stress scenarios.
- Staff are carefully managing liquidity in this more challenged market environment
  - Use 10%-percentile assumption of the "No Growth" stress scenario as liquidity plan for the next fiscal year
  - Reduced commitment pacing to accommodate additional liquidity needs.
- 2024 actual commitments of \$1 billion vs. projected \$2.35 billion due to slower fund raising environment and overallocation.
- Recommend conservative annual commitment pacing for 2025.

- Private Equity - unchanged \$1 billion
  - Real Assets – reduce to \$550 million from \$600 million in 2024
  - Private Credit –\$1 billion to account for the end of 2024 commitments of \$160 million.
- Reduced commitment pacing is in line with the glide path to reach total target allocation to private assets of 40% from current allocation of 51% over the next 7-10 years.

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. 031225-09 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:

**Qube Fund LP**

Under its delegated authority, SFERS invested \$100 million in Qube Fund LP by San Francisco Absolute Return Investors II, LP ("SFARI II"). The investment closed on March 1, 2025.

This investment is classified as a Quantitative investment within SFERS' absolute return portfolio share class B of SFARI II.

More information about the firm is available at: <https://www.qube-rt.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.

President Heldfond called a break at 1:30 PM and returned to Open Session at 1:35 PM



**DEFERRED COMPENSATION PLAN CALENDAR**

**10. 031225-10            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 March 5, 2025, the Deferred Compensation Committee:

- Approved the Minutes of the December 18, 2024 Deferred Compensation Committee meeting.
- Approved to forward SFDCP Investment Policy Statement to the Retirement Board with a recommendation for approval.
- Received an update on two SFDCP Core funds which have been placed on the Watch List.
- Approved to forward SFDCP Stable Value Guidelines to the Retirement Board with a recommendation for approval.
- Received 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.

**11. 031225-11            Discussion Item            Review of SFDCP Investment Performance for the Second Half of 2024**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Callan Presentation, Investment Measurement Service Q4 '24 Report.

Diane Chui Justen, Deferred Compensation Director, Greg Ungerman, Callan, presented a review of the Plan's investment performance for the second 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.

**12. 031225-12                      Discussion Item                      San Francisco Deferred Compensation Plan (SFDCP)  
Monthly Report**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, January 2025 Monthly Activity Report.

Diane Chui Justen, Deferred Compensation Director, provided the Monthly Activity Report and provided an update on staffing of SFDCP Retirement Counselors.

Public Comment was called.

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

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

**ADMINISTRATION CALENDAR**

**13. 031225-13                      Discussion Item                      Fiduciary Governance Training**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Fiduciary Governance Education & Update.

Ashley Dunning, Nossaman and Cecilia Mangoba, SFERS General Counsel, presented on fiduciary duties and the roles and responsibilities of Trustees.

The Board engaged in a question and answer session.

Public Comment was called.

Fred Sanchez expressed his gratitude for the Commissioners' fiduciary training.

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

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

**14. 031225-14                      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 April 2025 to February 2026, Public Retirement Conferences and Training Programs for SFERS Trustees – Nossaman LLP.

Having no further business, the Board adjourned the meeting at 2:18 PM.