



CITY AND COUNTY OF SAN FRANCISCO
RETIREE HEALTH CARE TRUST FUND BOARD

Edward F. Walsh, Jr., President
Katharine Petrucione, Vice President
Pauline A. Marx, Board Member
Clare Murphy, Board Member
David C. Salem, Board Member
Jay Huish, Administrator

RETIREE HEALTH CARE TRUST FUND
BOARD CALENDAR SHEET
Board Meeting of August 7, 2017

TO: Retiree Health Care Trust Fund Board
From: William Coaker
Chief Investment Officer, SFERS
DATE: August 7, 2017

Agenda Item

Strategic Planning

Background

The administration of the RHCTF was transferred to the SFERS Executive Director effective July 1, 2017. Mr. Huish, SFERS' Executive Director, has designated William Coaker, SFERS' Chief Investment Officer, to act as liaison with the RHCTF Board and its consultant with respect to investment-related matters. Mr. Coaker will present strategic planning considerations for discussion.

Recommendation

This is a discussion item only.

Attachments

SFERS Chief Investment Officer Strategic Planning Proposal

SAN FRANCISCO RETIREE HEALTH CARE TRUST FUND

STRATEGIC PLANNING

AUGUST 7, 2017

William J. Coaker Jr. - CFA, CFP, MBA

Chief Investment Officer

San Francisco Employees Retirement System

STRATEGIC PLANNING

- 1 - Roles and Responsibilities
 - Staff and Consultant
- 2 - Asset Allocation
 - Cash Inflows and Outflows
 - Return Requirements
 - Risk Tolerance
 - Public and Private Markets Investments (Liquid and Illiquid)
- 3 - Active and Passive Investing
 - Process for Manager Selection
- 4 - Policy Statement
- 5 - Reporting

ROLES AND RESPONSIBILITIES

- Role of the Consultant and Staff in the following:
 - 1 - Recommending an Asset Allocation Solution that meets the Board's return requirements and risk tolerance
 - 2 - Implementation of the Asset Allocation Solution
 - 3 - Recommending active managers
 - 4 - Implementation of active strategies
 - 5 - Drafting and Updating Investment Policies
 - 6 - Reporting

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ASSET ALLOCATION DISCUSSION

- Return Requirements
- Risk Tolerance
- Cash Inflows and Outflows
- Public and Private Markets Investments (Liquidity and Illiquidity)
- Review Meketa's Asset Class Assumptions

ASSET ALLOCATION DECISION EDUCATIONAL OPPORTUNITIES

- Educational Opportunities
 - Public Equities
 - U.S., International, Emerging Markets, Global, Specialists
 - Fixed Income
 - Treasuries, Core Bonds, High Yields, Floating Rates, and Emerging Market Bonds
 - Other Public Investments
 - REIT's, Hedge Funds
 - Private Markets
 - Private Equity, Venture Capital, Private Real Estate, Natural Resources, Infrastructure
- Would Education on Any of these Subjects be Helpful?

DISCUSSION ON ACTIVE AND PASSIVE INVESTING

- Perspectives on Active and Passive Investing
 - Board Members
 - Consultant
 - Staff
- Would Education on Active and Passive Investing Be Helpful?

THE INVESTMENT POLICY STATEMENT

- When we have finalized decisions on asset allocation, manager selection, and roles and responsibilities, we will be ready to draft an Updated Investment Policy Statement

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REPORTING

- Develop a Forward Calendar of Dates and Times for Future Trustee Meetings

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ADDITIONAL POTENTIAL EDUCATIONAL OPPORTUNITIES

- Life Sciences
 - Recent advances in immunotherapy, gene therapy, rare diseases, and CRISPR technology will be transformational for improvements in human health
- China
 - China is undergoing an economic modernization on a scale unprecedented in human history
- Specialist Strategies
 - Specialist strategies by sector, country, region, or other specialty have outperformed generalists

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