



# Retiree Health Care Trust Fund Board

## BOARD MEETING MINUTES

**Monday, November 17, 2025**

**1:30 p.m.**

City and County of San Francisco  
SFERS Office – 1145 Market Street, 6<sup>th</sup> Floor Conference Room  
San Francisco, CA 94103

### **RETIREE HEALTH CARE TRUST FUND BOARD MEMBERS**

*President*  
**Paul Denning**

*Vice President*  
**David Salem**

*Members*  
**Al Casciato**

**Pauline Marx**

**Katharine Petrucione**

*Trust Administrator*  
**Alison Romano**

## **Disability Access**

The meeting will be held at the SFERS Office, 1145 Market Street, 6<sup>th</sup> floor, San Francisco, CA 94103. The Retiree Health Care Trust Fund Board Meeting Room is wheelchair accessible. Accessible seating is available for persons with disabilities or wheelchairs. The following services are available upon request:

- American Sign Language interpreters will be available upon request.
- A sound enhancement system will be available upon request at the meeting.
- Minutes of the meeting are available in alternative formats.

If you require the use of any of these services, contact Kelsey Lim, Board Secretary, at (415) 487-7507 or by email at [kelsey.lim@sfgov.org](mailto:kelsey.lim@sfgov.org) at least two (2) business days before the meeting.

The closest accessible BART Station is Civic Center, three blocks from City Hall. Use the Market and 8<sup>th</sup> Street exit. Accessible MUNI lines serving this location are: 5, 9, 9L, 19, 47 and the F Line to Market and 8th and the Metro stations at Civic Center. For more information about MUNI accessible services, call (415) 923-6142. There is accessible parking in the vicinity of City Hall at Civic Center Plaza adjacent to Davies Hall and the War Memorial Complex.

In order to assist the City's effort to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

## **Summary of Retiree Health Care Trust Fund Board Policy Regarding Public Comment**

Speakers are urged to fill out a speaker card in advance, but may remain anonymous if so desired. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item. A member of the public may comment on any matter within the Board's jurisdiction at the designated time at the end of the meeting. Call Kelsey Lim, Board Secretary, for further assistance at (415) 487-7507 or email at [kelsey.lim@sfgov.org](mailto:kelsey.lim@sfgov.org).

## **Summary of Retiree Health Care Trust Fund Board Policies Regarding Cell Phones and Pagers**

The ringing and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting.

The chair of the meeting may order the removal from the meeting room of any person(s) in violation of this rule.

The chair of the meeting may allow an expelled person to return to the meeting following an agreement to comply with this rule.

## **Knowing Your Rights under the Sunshine Ordinance (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:

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 [kelsey.lim@sfgov.org](mailto:kelsey.lim@sfgov.org)

Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from the Clerk of the Sunshine Ordinance Task Force or by printing Chapter 67 of the San Francisco Administrative Code located on the Internet at <http://www.sfgov.org/sunshine/>. To review or obtain meeting documents covered under the Sunshine Ordinance contact Kelsey Lim, Board Secretary, SFERS, 1145 Market Street, 5<sup>th</sup> Floor, San Francisco, CA 94103; telephone (415) 487-7507; or send an email with your request to [kelsey.lim@sfgov.org](mailto:kelsey.lim@sfgov.org).

## **Location of materials accompanying agenda items and materials distributed less than 72 hours before meeting.**

Meeting materials are available for inspection and copying during regular business hours at SFERS, 1145 Market Street, 5th Floor, San Francisco, CA 94103; please ask for Sofia Millham, Board Secretary. Any materials distributed to the members of the Board within 72 hours of the meeting or after the agenda packet has been delivered to the members are available for inspection at the same location during regular office hours.

## **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 (SF Campaign & Governmental Conduct Code § 2.100 -2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 252-3100; fax (415) 252-3112; or web site [www.sfgov.org/ethics](http://www.sfgov.org/ethics).

## CALENDAR

- **Roll Call** **Call to Order: 1:30 PM**
  - Al Casciato - Present
  - Paul Denning – Present
  - Pauling Marx -- Present
  - Katharine Petrucione - Present
  - David Salem – Present
- **11172025-02** **Communications & General Public Comment**

Board Secretary, Kelsey Lim, reviewed public comment procedures for both in person and teleconference.

No Public comment
- **11172025-03 Action Item** **Approve the Minutes of the August 25, 2025 Board Meeting**

Documents provided to Board prior to meeting: Minutes of the August 25, 2025 Board Meeting

**Action:** Moved by Commissioner Casciato and seconded by Commissioner Marx to approve the Minutes of the August 25, 2025 Board Meeting.

Ayes: Casciato, Denning, Marx, Petrucione, Salem Nays: None
- **11172025-04 Action Item** **Review and Approve a \$150 Million Investment in Arrowstreet Global Equity- Alpha Extension Fund**

Documents provided to Board prior to meeting: Staff Memorandum; Arrowstreet Global Equity-Alpha Extension Fund

Mika Malone, of Meketa Investment Group, presented a written and oral presentation.

Commissioner Denning asked how artificial intelligence (AI) and Chat GPT are incorporated into a fund like Arrowstreet.

Han Pham, of SFERS, responded that managers like Arrowstreet are hypothesis driven. An example of a hypothesis could be that earnings growth drives returns. Arrowstreet will use AI to clean up their data, integrate it into their process, and support their hypotheses, but AI will not drive the Alpha for them.

Commissioner Salem asked about the process and risks in shorting stocks.

Ms. Pham replied that the MSCI ACWI Index tends to be larger cap stocks. The issues with shorting are mainly with small cap stocks or emerging markets stocks, where there is less liquidity.

Alison Romano, RHCTF Trust Administrator, explained Arrowstreet is managing the portfolio holistically. They evaluate the risk of both the short positions and the long positions and they constantly rebalance the portfolio. When parts of the portfolio move more or less than expected, they rebalance back towards the guardrails of their 130/30 framework. They are constantly monitoring the interaction of the risks between the long positions and their short positions.

Ms. Pham added that Arrowstreet is a risk-aware strategy. They understand how different they are from the benchmark. If a short position goes against them, they will cover the short and make adjustments to the portfolio. Their process is very dynamic.

Commissioner Petrucione asked about the significance of the “130/30” exposure levels.

Ms. Malone replied that SFERS RET Board has exposure to the Arrowstreet 130/30 strategy in its portfolio; and SFERS Staff have confidence and experience with this strategy. From Meketa’s perspective, anything between 110/10 and 140/40 is a place where the portfolio has exposure and predictability, so 130/30 fits into that broader range. To go higher at the introduction of this type of strategy may be riskier than the Board desires and to go smaller or different than the SFERS portfolio did not seem to align with the confidence Staff and Meketa have in the strategy.

**Action:** Moved by Commissioner Casciato and seconded by Commissioner Petrucione to approve a \$150 million investment in Arrowstreet Global Equity - Alpha Extension Fund

Ayes: Casciato, Denning, Marx, Petrucione, Salem Nays: None

11172025-05 Discussion Item **Introduction to Active Fixed Income Strategies**

Documents provided to Board prior to meeting: Staff Memorandum; Introduction to Active Fixed Incomes Strategies

Mika Malone, of Meketa Investment Group, presented a written and oral presentation on this item.

Commissioner Petrucione asked how big of an investment Staff would be recommending the Board invest to Active Fixed Income.

Ms. Malone replied that currently, the Trust’s portfolio has approximately \$132 million in the Blackrock US Debt Index and about \$9 million for the Community College District (CCD) Fund. Staff would not recommend more than those numbers but somewhere in between.

Commissioner Salem asked what fifty basis points means in dollar amount.

Ms. Malone answered that fifty basis points on \$100 million translates to \$500,000 per year.

Commissioner Marx asked for clarification on the term eVestment.

Ms. Malone explained it is a very large, robust software database where one can pull self-reported investment returns and portfolio characteristics for investment strategies run by investment management firms.

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

11172025-06 Discussion Item **Review of the Retiree Health Care Trust Fund Performance for the Quarter ended September 30, 2025**

Documents provided to the Board prior to meeting: Staff Memorandum; Meketa Q3 Performance Report

Mika Malone, of Meketa Investment Group, presented a written and oral presentation on this item.

Commissioner Denning asked that with the high manager fees in private equity, how do Staff justify or keep managers accountable if they under perform.

Ms. Malone responded it has been a challenging environment for private equity. One of the challenges is the Trust enters into a GP-LP relationship for a decade. Investors commit to those terms and these GPs keep that capital for quite a long time. The fees may fluctuate, but investors cannot negotiate the fees based on performance, which is unlike the relationship with GQG or ARGA. In those situations, the Board could evaluate the fund’s performance and pull the Trust’s capital if they failed to produce good results. However, with new investments, today, GPs may not reduce their headline fee, but they can provide incentives, such as discounts.

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

- 11172025-07 Action Item **Approve Resolution Commending Kurt Braitberg for His Service on the Retiree Health Care Trust Fund Board**

Documents provided to Board prior to meeting: Retiree Health Care Trust Fund Board Resolution Caryn Bortnick, SFERS COO, introduced this item.

Commissioner Salem appreciated Kurt's style of explaining investments. He was knowledgeable and helpful.

Commissioner Marx agreed and continued by saying Kurt was a great match for the Board. He explained new concepts, terms, and planned phases for the Trust that appeared to be seamless.

**Action:** Moved by Commissioner Salem and seconded by Commissioner Casciato to approve the resolution commending Kurt Braitberg for his service on the Retiree Health Care Trust Fund Board.

Ayes: Casciato, Denning, Marx, Petruccione, Salem Nays: None

- 11172025-08 Discussion Item **Trust Administrator Report**

Documents provided to Board prior to meeting: Staff Memorandum; Cortex Report

Caryn Bortnick, SFERS COO, introduced this item.

Commissioner Salem asked how the possible recommendations or decisions of the Streamlining Task Force will affect the Board and Administration team.

Ms. Bortnick responded if the voters were to approve the charter amendments, with the exception of the term limits, nothing else would change for the RHCTF Board.

Next meeting will be a Special Board Meeting held on January 26, 2026 followed by a full Special Board Meeting on February 9, 2026 at 1:30 PM

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

- 11172025-09 Discussion Item **Good of the Order**

RHCTF Board members may request that any matter be calendared at a future meeting. All such requests shall be calendared in a reasonable time. (RHCTF Board Operations Policy ¶17.) The Board will not discuss any items requested to be calendared until a subsequent meeting when the matter is included on the agenda with the required public notice.

Action: This was a discussion item only.

#### **Adjourned at 4 PM**

Next scheduled meeting is Monday, January 26, 2026 at 1:30pm