



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

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**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

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**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

- Fixed Income

- Other Public Investments

- Private Markets

- U.S., International, Emerging Markets, Global, Specialists

- Treasuries, Core Bonds, High Yields, Floating Rates, and

- Emerging Market Bonds

- REIT's, Hedge Funds

- Private Equity, Venture Capital, Private Real Estate, Natural Resources, Infrastructure

- Would Education on Any of these Subjects be Helpful?

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## 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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