Retiree Health Care Trust Fund Board

SPECIAL BOARD MEETING MINUTES

Monday, March 16, 2026

1:30 p.m.

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

Disability Access
The meeting will be held at the SFERS Office, 1145 Market Street, 6th 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 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 8th 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.

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

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, 5th Floor, San Francisco, CA 94103; telephone (415) 487-7507; or send an email with your request to 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.

CALENDAR

□ **Roll Call** **Call to Order: 1:30 PM**

Al Casciato – Not Present

Paul Denning – Present

Pauline Marx -- Present

Katharine Petrucione - Present

David Salem – Present

□ 03162026-02 **Communications & General Public Comment**

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

No Public comment

□ 03162026-03 Action Item **Approve the Minutes of the February 9, 2026 Special Board Meeting**

Documents provided to Board prior to meeting: Minutes of the February 9, 2026 Special Board Meeting

Commissioner Marx noted that the vote was not reflected in item six.

Caryn Bortnick, SFERS Chief Operating Officer, confirmed Staff would add the vote before posting.

Action: Moved by Commissioner Salem and seconded by Commissioner Marx to approve the Minutes of the February 9, 2026 Special Board Meeting.

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

□ 03162026-04 Action Item **Approve a $20 Million Commitment to Ares Pathfinder III, LP for the City and County's Sub-Trust**

Documents provided to Board prior to meeting: Staff Memorandum; Meketa Investment Group – Private Credit Manager Recommendation: Ares Pathfinder III

Alo Martins, SFERS Director, introduced this item.

Maya Ortiz de Montellano, of Meketa Investment Group, presented a written and oral presentation.

Commissioner Salem asked who is evaluating the portfolio on the manager's side and how accurate are managers (like Ares), when they report on valuations - considering their bonuses are based on performance.

Ms. Ortiz de Montellano confirmed that most of these assets are internally evaluated, according to the manager's valuation policy. It will be subject to their auditor's review. They will also bring in third party valuation agents to provide an independent valuation source. She reminded the Board that the proposed Ares strategy is not an investment that can trade or liquidate. They do not have much incentive to manipulate their books because at the end of the day, they are not getting paid if the performance comes in below what they are marketing.

Commissioner Marx asked for an example of a preferred equity transaction.

Ms. Ortiz de Montellano replied that it refers to a portfolio of assets that is now being controlled by a subordinate, with credit or equity, that is used to pay off the senior lender, as the assets mature or run into liquidation.

Commissioner Salem asked if there was an end date for Pathfinder III.

Ms. Ortiz de Montellano confirmed that it is a closed end fund with a term of eight years.

Action: Moved by Commissioner Petrucione and Seconded by Commissioner Salem to Approve a $20 Million Commitment to Ares Pathfinder III, LP for the City and County's Sub-Trust.

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

□ 03162026-05 Action Item **Approve a $50 Million Commitment to Portfolio Advisors Secondary Fund V for the City and County's Sub-Trust**

Documents provided to Board prior to meeting: Staff Memorandum; Meketa Investment Group – Private Equity Manager Recommendation: Portfolio Advisors Secondary Fund V

Mr. Martins introduced this item.

Jamie Hoffman, of Meketa Investment Group, presented a written and oral presentation.

Commissioner Marx asked for clarification on Fee Income Offsets.

Ms. Hoffman replied it is not an additional fee. There is a normal management fee that the Trust will pay, which is around the 0.9% range. If any future fees occur, such as underwriting a new deal or legal work, those fees are paid from that 0.9%.

Commissioner Denning wondered what Meketa's thoughts were on Asian markets, considering the lack of liquidity and other investors' avoidance of those markets.

Ms. Hoffman responded that considering the number of commitments this Board can make in a year, having 5% exposure in the Portfolio Advisors Fund would be acceptable. Asia continues to be an emerging market with large capital needs and fluctuating growth. Liquidity markets are facing challenges across the world, but Portfolio Advisors are likely to get more discounted rates on Asian investments- discounts as much as 20%- since investors may not have a high-risk tolerance and would need to sell off some of their portfolios. That is when Portfolio Advisors can capture and capitalize on those investments.

Action: Moved by Commissioner Salem and Seconded by Commissioner Marx to Approve a $50 Million Commitment to Portfolio Advisors Secondary Fund V for the City and County's Sub-Trust.

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

□ 03162026-06 Discussion Item **Trust Administrator Report**

Documents provided to the Board prior to meeting: Staff Memorandum, Cortex Report

Caryn Bortnick, SFERS Chief Operating Officer, introduced and presented an oral presentation on this item.

Action: This was a discussion item only.

□ 03162026-07 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.

Commissioner Salem recalled Meketa previously mentioned the Board would review its Investment Policy and Asset Allocation in May. He stated he thinks the 10% investment in Man FRM, which as of December 31, 2025 translated to about $160 Million, does not seem to be the best use of the Trust's allocation considering it has no cash out flows at the moment. He requested that Staff and Meketa present some alternative options with reduced investment amounts in the global macro strategy.

Commissioner Petrucione suggested the Board, simply have a discussion about the general benefits of the global macro strategy and risk tolerance. Then the Board can evaluate how that fits into the Trust's portfolio. She added that she is a supporter of this type of strategy but not wholly convinced with how Man FRM deploys their strategy.

Ms. Malone agreed it would be an appropriate time to dive in deeper into the Trust's asset classes and explain what they do for the portfolio. Meketa can present different scenarios to give the Board a sense of how different things may look. From that conversation, Meketa can come to the August Board Meeting with potential recommendations.

Action: This was a discussion item only.

Adjourned at 2:50 PM

Next scheduled meeting is Monday, May 18, 2026 at 1:30pm