

## Did the Fund lose \$1.5 million last year?

### Your fund is doing “amazingly well”!

- At the 12-14-2016 Retirement Board meeting, SFERS’ General Consultant, Allan Martin from NEPC, reported that the Fund’s returns for FY2016, FY2015, and FY2014 were 1.29%, 3.87%, and 18.90%, respectively. Allan Martin stated that the Fund did “amazingly well.” SFERS ranked 16<sup>th</sup>, 16<sup>th</sup>, and 3<sup>rd</sup>, respectively, for the last three fiscal years compared to 50 public pension funds with assets greater than \$1 billion.
- Staff and consultant stated that the portfolio was valued at \$20.4 billion on 6-30-2015 and \$20.2 billion on 6-30-2016. Since the Fund had a positive rate of return, the \$200 million decline in asset value was due to benefit payments.
- For the 3-year period ended 9-30-2016, the Fund earned 7.20% per year, placing SFERS as the third best performing fund in the universe of 50 public pension funds. No public funds earned returns greater than 7.50%, which is SFERS’s long-term return assumption.
- NEPC stated: “For the year ending 9-30-2016, the Fund experienced a net investment gain of \$1.89 billion, which includes a net investment gain of \$764.5 million during the third quarter.” Further, “Assets increased to \$20.96 billion from \$19.72 billion in the year ended 9-30-16, with \$639.79 million in net distributions.”
- ***SFERS’s Chief Investment Officer (CIO), Bill Coaker, verified to the full Board that the fund had not declined by \$1.5 billion for the year, as stated by MEA (Municipal Executives Association) in an email that was broadly circulated.*** Separately, Executive Director Huish stated that he would correct this misinformation that was shared with thousands of City employees.
- For the full discussion, please view Item 8 on the official videotape of the meeting at [http://sanfrancisco.granicus.com/MediaPlayer.php?view\\_id=175&clip\\_id=26782](http://sanfrancisco.granicus.com/MediaPlayer.php?view_id=175&clip_id=26782)