SFDCP Responses to Investment Consultant RFP Questions

1. Has the SFDCP seen significant increase in participant withdrawals/loans connected to the CARES ACT, compared to historical pattern? If yes, what is the magnitude of such increase?

   Please see below for SFDCP Distribution statistics:

   1) As of December 31, 2019:
      a) Total YTD cash withdrawals were $58,980,135
      b) Total outstanding loan balance was $43,045,311
   2) As of September 30, 2020:
      a) Total YTD cash withdrawals (including CARES Act Distributions) were $59,014,425
      b) Total outstanding loan balance was $43,161,864
   3) As of September 30, 2020, total YTD CARES Act statistics were as follows:
      a) Coronavirus Related Distributions – 542 issued for $18,228,540
      b) Coronavirus Related New Loans – 55 issued for $1,913,892

2. Does the SFDCP implement auto-enrollment or auto-increase provisions?

   The SFDCP currently does not utilize auto-enrollment or auto-increase provisions. The Plan does have a participant initiated Contribution Rate Escalation feature.

3. How many meetings a year are required? Are there additional meeting requirements outside of Board meetings that we should be aware of?

   The consultant is required to attend all quarterly Deferred Compensation Committee meetings, although additional Deferred Compensation Committee meetings may be necessary. Full Board meetings are monthly and while Board meeting attendance is encouraged, it is required when the consultant is requested to present on investment topics of interest to the Board, as well as the semi-annual plan reviews.

   Additionally, the consultant is also expected to attend regularly scheduled weekly joint conference calls with the recordkeeper and SFDCP staff.

4. Is the meeting schedule for 2021 available? If so, can you please provide it?

   Board Meetings are held every 2nd Wednesday of the month unless otherwise announced. Deferred Compensation Committee meetings are held quarterly. For 2021, Deferred Compensation Committee meetings are scheduled for: February 24, May 25, August 31, and November 30 but may be subject to change. You may visit www.mysfers.org for a calendar of upcoming meetings.

5. Who is the current wrapper for the SVF? Is a copy of the wrapping agreement available to share?

   Please see attached for the current Stable Value Contract Issuers.
6. Are all the current plan participants covered by a defined benefit pension plan?

Yes

7. When the Plan changes manager/fund, is an open RFP process required?

An open RFP is not required for all investment manager/fund changes; however, the investment consultant is expected to initiate and lead the fund manager search as well as provide a recommendation.

8. In the RFP Questionnaire, Question #105 asks “Does your firm warrant that all information and statements in this RFP are complete and true? Any statement or claim found to be incomplete, misleading or false will be grounds for immediate disqualification or dismissal and may be subject to legal action.” Is this asking us if we warrant all info is “complete and true” or telling us that we have to do so?

Responding firms are required to warrant that all information and statements provided in their responses to the RFP are complete and true.

9. In the RFP documents, part 2 of 3, under “Responsibilities of Investment Consultant,” (pp. 5-6 of the PDF), it states that the consultant is responsible for “reviewing, negotiating and making recommendations as to investment contract documentation relating to the Investment Options, and any amendment thereto, including with any Investment Manager or Fund.” Can you please clarify what this means? Our firm does not negotiate or control negotiation of IMAs or other documents for non-discretionary clients and while we obviously make investment recommendations, we don’t generally make them with respect to legal or other non-investment matters in agreements.

Investment consultant will work with SFDCP legal counsel and staff in reviewing, negotiating and making recommendations as to investment contract provisions and documentation relating to investment manager and fund agreements. SFDCP legal counsel and staff will lead the negotiation of all SFDCP IMAs, amendments, and other contractual agreements related to the investment and administration of the SFDCP.

10. When was the last time the Committee conducted the following reviews:

   a. Custom target date fund review
   The Glide Path for the SFDCP was reviewed in full during the June 2017 Committee Meeting. General investment performance and fee reviews for underlying investments within the Target Date Funds are ongoing and formally presented semi-annually at the Board Meetings. The last semi-annual performance review was presented at the August 2020 Board Meeting.

   b. Investment menu structure and utilization review
   The Investment Consultant presented a full Investment Structure Evaluation during the March 2017 Committee Meeting. General investment performance and fee reviews for the investment menu are ongoing and formally presented semi-annually at the Board Meetings. The last semi-annual performance review was presented at the August 2020 Board Meeting.

   c. Retirement Readiness review
   General Retirement Readiness reviews are an ongoing process.
11. What is the biggest issue the Committee is currently facing?

Minutes of the Deferred Compensation Committee meetings are available for your review on the SFERS website at www.mysfers.org.

12. Are there any strategic investment initiatives being planned for the next 12-18 months?

Yes. Potential upcoming initiatives may include review of the Target Date Funds Glidepath and an Investment Structure analysis.

13. In light of current events surrounding COVID-19, would your organization be willing and able to accept an electronic RFP submission (via email) since the vast majority of our firm’s workforce is currently working from home?

Proposals must be submitted and received by 5:00 p.m. (Pacific Time), Monday, December 14, 2020.

Proposals may be mailed or delivered to:
City and County of San Francisco Employees’ Retirement System
Attn: Deferred Compensation Plan Manager
Investment Consultant RFP
1145 Market Street, 5th Floor, San Francisco, CA 94103

Proposers shall submit eight (8) copies in a sealed envelope or box and two (2) electronic copies in Microsoft Word format, clearly marked: Deferred Compensation - Investment Consultant RFP.

Proposals, which are submitted by fax, will not be accepted.

14. If possible, can you please provide the current fee being paid for investment advisory services?

The annualized fee is currently set at $180,081. Fees are paid quarterly.
# CITY OF SAN FRANCISCO STABLE VALUE PORTFOLIO REVIEW
## CONTRACT ISSUERS

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<th>Contract Issuer</th>
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<th>% Portfolio 9/30/20</th>
<th>Rating 6/30/20</th>
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1: The quality rating shown represents the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch. Ratings shown as NR/NA are not rated or not available security ratings.
2: SBIC = Security Backed Investment Contract, SAGIC = Separate Account GIC