



THE CITY OF SAN DIEGO

MEMORANDUM

DATE: May 18, 2017

TO: Honorable Councilmember Barbara Bry, Budget Review Committee Chair, and Honorable Budget Review Committee Members

FROM: Tracy McCraner, Financial Management Director

SUBJECT: Fiscal Year 2018 Budget Review Committee Referral Responses for the May 9, 2017 Afternoon Session

This memorandum provides responses and/or follow up information to unanswered questions asked at the Budget Review Committee meeting held on the afternoon of May 9, 2017. The responses are listed by department in the order that they were reviewed by the Committee.

HOUSING COMMISSION

COUNCIL DISTRICT 9

QUESTION:

When will the Neil Good Day Center renovations contract be coming to council?

RESPONSE:

Please refer to the May 9 Budget Review Committee Morning Session referral response memorandum on the Economic Development Department.

SAN DIEGO CITY EMPLOYEES RETIREMENT SYSTEM

COUNCIL DISTRICT 5

QUESTION:

Please provide a rate of investment return by category.

RESPONSE:

Please see Attachment 1: SDCERS Returns by Asset Class and Attachment 2: SDCERS Total Fund Returns.

A handwritten signature in blue ink that reads 'Tracy McCraner'.

Tracy McCraner

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Attachments:

1. SDCERS Returns by Asset Class
2. SDCERS Total Fund Returns

cc: Honorable Mayor Kevin L. Faulconer
Honorable Members of the City Council
Stephen Puetz, Chief of Staff, Office of the Mayor

Page 2

Honorable Councilmember Barbara Bry, Budget Review Committee Chair, and Honorable
Budget Review Committee Members

May 18, 2017

cc continued:

Mike Hansen, Deputy Chief of Staff and Chief of Policy, Office of the Mayor
Marshall Anderson, Director of Council Affairs, Office of the Mayor
Jessica Lawrence, Director of Budget and Finance Policy, Office of the Mayor
Scott Chadwick, Chief Operating Officer
Stacey LoMedico, Assistant Chief Operating Officer
Mary Lewis, Chief Financial Officer
Andrea Tevlin, Independent Budget Analyst
Financial Management Staff

Attachment 1: SDCERS Returns by Asset Class

Asset Class Performance as of 12/31/2016

Asset Class*	Quarter	FYTD	1-Year	3-Years	5-Years	10-Years	Since Inception	Inception Date
U.S. Equity	5.0%	11.0%	12.9%	7.5%	14.4%	7.2%	10.6%	1/1/1989
Performance Benchmark	4.1	8.8	12.6	8.4	14.6	7.6	10.1	
Non-U.S. Equity	-2.0	4.7	4.5	-1.2	5.8	0.3	7.2	4/1/1995
Performance Benchmark	-1.7	5.3	4.8	-1.5	5.3	1.2	5.2	
Global Equity	-0.6	3.8	6.7	1.7	--	--	8.6	6/1/2012
MSCI ACW Index	1.2	6.6	7.9	3.1	--	--	10.1	
U.S. Fixed Income	-1.9	-1.3	2.2	2.1	2.3	4.9	6.7	4/1/1989
Performance Benchmark	-2.0	-1.7	2.0	2.4	1.9	3.8	5.6	
Emerging Market Debt	-4.6	-1.4	10.1	0.3	2.0	--	1.5	7/1/2011
Performance Benchmark	-5.3	-2.2	10.1	0.1	1.8	--	1.1	
Real Estate**	1.5	4.6	13.6	11.6	11.8	4.5	9.1	1/1/1989
Performance Benchmark**	1.9	4.2	10.3	11.7	11.9	6.6	8.4	
Private Equity/Infrastructure**	5.5	8.5	10.9	--	--	--	12.7	10/1/2014***
Performance Benchmark	2.4	4.9	10.0	--	--	--	10.0	
Opportunity Fund	4.5	8.5	11.0	--	--	--	7.0	6/1/2014
Opportunity Fund Benchmark	0.5	5.0	7.1	--	--	--	2.2	

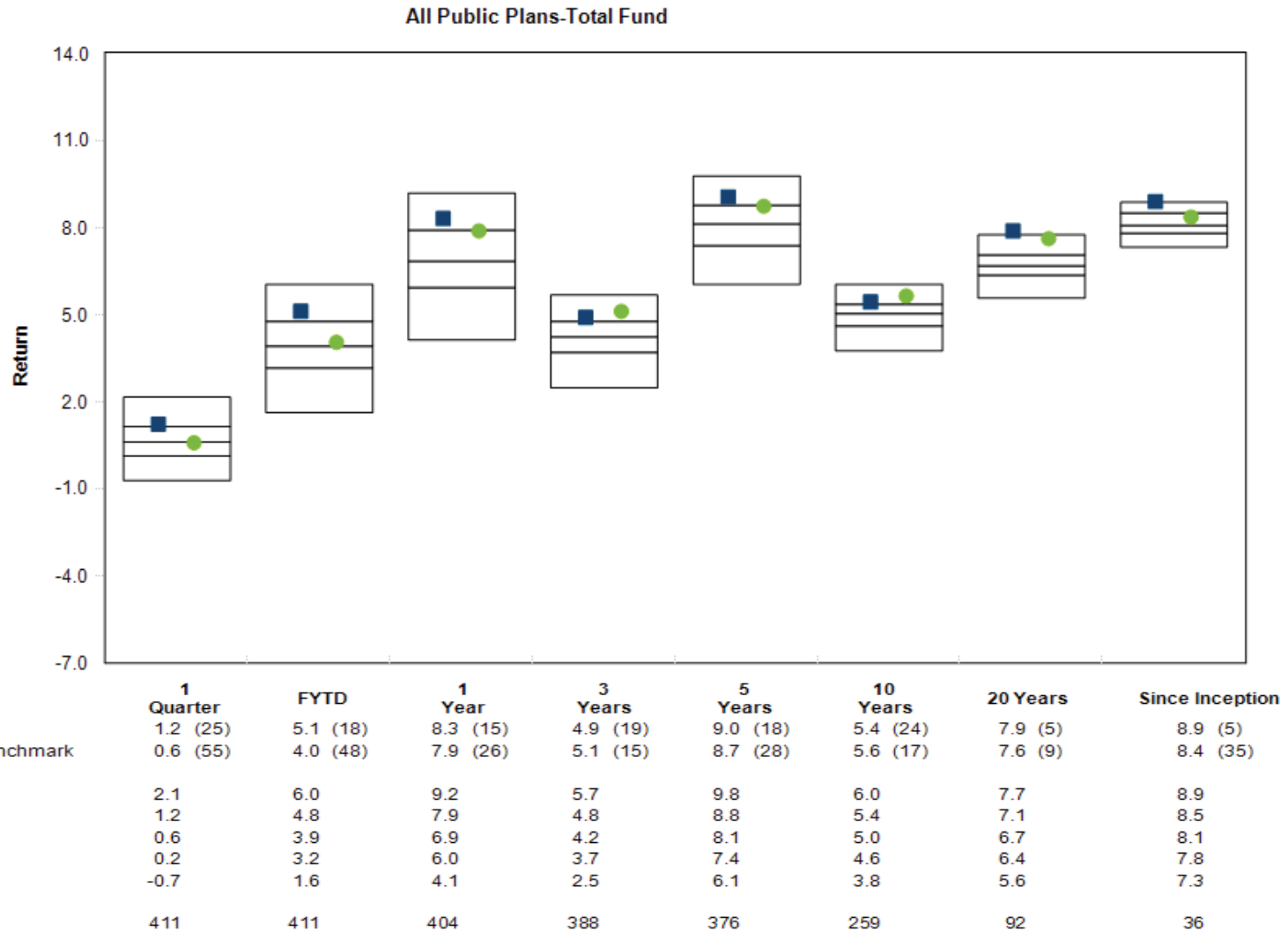
*Current period returns are shown net of investment management fees. Returns prior to July 1, 2010 are gross of investment management fees

** Real estate and private equity/infrastructure returns are shown on a one-quarter lag. Prior to 3Q 2014, only the returns for the private portion of the real estate portfolio and its benchmark are reported on a quarter lagged basis.

***Reflects the inception date for the calculation and reporting of the Private Equity/Infrastructure composite time-weighted returns. The Private Equity and Infrastructure programs began in 2009 and 2012, respectively, and the full history of Private Equity and Infrastructure returns are included in Total Fund performance. Greater private market performance detail is included in the longer quarterly performance reports.

Attachment 2: SDCERS Total Fund Returns

Total Fund Peer Universe



*Total Fund net returns are shown net of investment management fees beginning July 1, 2010. Net of fee returns are calculated as fees are actually paid out of the Fund. Returns prior to July 1, 2010 are gross of investment management fees.

**The universe shown above represents the All Public Fund Universe obtained from BNY Mellon and Investment Metrics.