



Meeting Agenda

Thursday, May 21, 2026

1:00 PM

Regular Meeting

City Hall Complex, 915 I Street, Sacramento, CA 95814

Administration, Investment, & Fiscal Management Board

*Peter Colletto, Chair
Dave O'Toole, Vice Chair*

*John Colville
Michael Tamayo
Yousaf Zamanudin*

Open Session

Roll Call

Land Acknowledgement

Pledge of Allegiance

Consent Calendar

All items listed under the Consent Calendar are considered and acted upon by one Motion.

- 1. Approval of Administration, Investment, and Fiscal Management Board Meeting Minutes**
File ID: 2026-00012
Location: Citywide
Recommendation: Pass a **Motion** approving the Administration, Investment, and Fiscal Management Board Meeting Minutes dated February 19, 2026.
Contact: Rosanna Montesinos, Administrative Analyst, (916) 808-7171, rmontesinos@cityofsacramento.org, Office of the City Clerk
Attachments: [2026-00012 STAFF REPORT](#)
- 2. Sacramento City Employees' Retirement System's (SCERS or System) Investment Policy**
File ID: 2026-00741
Location: Citywide
Recommendation: Adopt a **Resolution** approving the investment policy governing the investments and management of the SCERS funds.
Contact: Stacy Hussey, Chief Investment Officer, (916) 808-7746, shussey@cityofsacramento.org; John Colville, City Treasurer, (916) 808-8297, jcolville@cityofsacramento.org; Office of the City Treasurer
Attachments: [2026-00741 STAFF REPORT](#)
- 3. Sacramento City Employees Retirement System (SCERS) Pensioners' Cost of Living Increase**
File ID: 2026-00920
Location: Citywide
Recommendation: Review and file.
Contact: Osvaldo Lopez, Finance Manager, (916) 808-4740, olopez@cityofsacramento.org, Department of Finance
Attachments: [2026-00920 STAFF REPORT](#)

4. SCERS Monthly Investment Report

File ID: 2026-00929

Location: Citywide

Recommendation: Pass a **Motion** accepting the SCERS Monthly Investment Reports for January 2026, February 2026, and March 2026.

Contact: Stacy Hussey, Chief Investment Officer, (916) 808-7746, shussey@cityofsacramento, Office of the City Treasurer

Attachments: [2026-00929 STAFF REPORT](#)

5. Interest Rate to Credit Member Accounts for Fiscal Year 2026/2027

File ID: 2026-01004

Location: Citywide

Recommendation: Adopt a **Resolution** establishing the interest rate to be credited to member accounts for Fiscal Year 2026/2027 in the amount of 7.50%.

Contact: Patrick Zalasky, Senior Investment Officer, (916) 808-5832, pzalasky@cityofsacramento.org, City Treasurer's Office

Attachments: [2026-01004 STAFF REPORT](#)

Discussion Calendar

6. Sacramento City Employees' Retirement System (SCERS or System) Fiscal Year (FY) 2026/27 Asset Allocation Policy

File ID: 2026-00740

Location: Citywide

Recommendation: Adopt a **Resolution** to approve an Asset Allocation Policy for SCERS for FY2026/2027.

Contact: Stacy Hussey, Chief Investment Officer, (916) 808-7746 shussey@cityofsacramento.org; John Colville, City Treasurer, (916) 808-8297, jcolville@cityofsacramento.org; Office of the City Treasurer

Attachments: [2026-00740 STAFF REPORT](#)

7. SCERS Quarterly Investment Report for March 2026

File ID: 2026-00930

Location: Citywide

Recommendation: Pass a **Motion** accepting the SCERS Quarterly Investment Report dated March 31, 2026.

Contact: Stacy Hussey, Chief Investment Officer, (916) 808-7746, shussey@cityofsacramento.org, Office of the City Treasurer

Attachments: [2026-00930 STAFF REPORT](#)

8. Segal Marco Advisors Quarterly Investment Performance Report for March 2026

File ID: 2026-00931

Location: Citywide

Recommendation: Pass a **Motion** accepting the Segal Marco Advisors Quarterly Investment Performance Report dated March 31, 2026.

Contacts: Jeffrey Nipp, Senior Vice President, (770) 446-0237, jnipp@segalmarco.com; David Roll, CFA, Senior Consultant, (206) 550-1074, droll@segalmarco.com; Segal Marco Advisors

Attachments: [2026-00931 STAFF REPORT](#)

Member Comments-Ideas and Questions

Public Comments-Matters Not on the Agenda

Adjournment

Where to Find the Agenda and Staff Reports: The agenda provides a general description and staff recommendation; however, legislative bodies may take action other than what is recommended. Full staff reports are available at <https://meetings.cityofsacramento.org>.

Watch the Legislative Body Meeting Online: Live video streams and archives of past meetings are available at <https://meetings.cityofsacramento.org>.

Submit Written Comments Online: Written comments received are distributed to members, filed in the record, and will not be read aloud. Members of the public are encouraged to submit public comments electronically via eComment through the City's Upcoming Meetings website at <https://meetings.cityofsacramento.org>.

Public Comment Speaker Time Limits: In the interest of facilitating the legislative body's conduct of the business of the City, members of the public (speakers) who wish to address the legislative body during the meeting will have two minutes per speaker for Consent Calendar Items, Public Hearing Items, Discussion Calendar Items, and Matters not on the Agenda for a maximum total of eight minutes per speaker per meeting. Each speaker shall limit his/her remarks to the specified time allotment.

Notice to Lobbyists: When addressing the legislative body, you must identify yourself as a lobbyist and announce the client/business/organization you are representing.

Assistance: In compliance with the Americans with Disabilities Act, if you need special assistance, a disability-related modification or accommodation, agenda materials in an alternative format, or auxiliary aids to participate in this meeting, please contact the Office of the City Clerk at 916-808 7200 or clerk@cityofsacramento.org as soon as possible. Providing at least 72 hours' notice will help ensure that reasonable arrangements can be made.

City of Sacramento
Administration, Investment, & Fiscal Management
Board Report
915 I Street Sacramento, CA 95814
www.cityofsacramento.org

File ID: 2026-00012

5/21/2026

Approval of Administration, Investment, and Fiscal Management Board Meeting Minutes

File ID: 2026-00012

Location: Citywide

Recommendation: Pass a **Motion** approving the Administration, Investment, and Fiscal Management Board Meeting Minutes dated February 19, 2026.

Contact: Rosanna Montesinos, Administrative Analyst, (916) 808-7171,
rmontesinos@cityofsacramento.org, Office of the City Clerk

Presenter: None

Attachments:

1-Description/Analysis

2-February 19, 2026, Administration, Investment, and Fiscal Management Board DRAFT Meeting Minutes

Description/Analysis

Issue Detail: It is best practice for the Administration, Investment, and Fiscal Management Board to approve the minutes for each meeting.

Policy Considerations: The City Clerk keeps a permanent record of the Administration, Investment, and Fiscal Management Board proceedings, showing all action considered and taken and the vote of each member on matters before the Board.

Economic Impacts: None.

Environmental Considerations: None.

Sustainability: None.

Commission/Committee Action: None.

Rationale for Recommendation: After each Administration, Investment, and Fiscal Management

Board meeting, the City Clerk composes the DRAFT Minutes noting the action taken by the Board. The attached DRAFT Minutes are presented to the Board for its approval as a permanent record of the meeting actions.

Financial Considerations: None.

Local Business Enterprise (LBE): None.

DRAFT Minutes

Administration, Investment, and Fiscal Management Board

City Hall Complex

915 I Street

Sacramento, CA 95814

Published by the Office of the City Clerk

(916) 808-7200

**ADMINISTRATION, INVESTMENT, AND FISCAL
MANAGEMENT BOARD**

Peter Colletto, Chair

Yousaf Zamanudin, Vice Chair

John Colville

Dave O'Toole

Michael Tamayo

BOARD STAFF

Jeffrey Massey, Senior Deputy City Attorney

Shirley Tupaz, Investment Operations Analyst

Thursday, February 19, 2026

1:00 PM

NOTICE TO THE PUBLIC

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City of Sacramento
Administration, Investment, & Fiscal Management Board

City Hall Complex, 915 I Street, Sacramento, CA 95814

Regular Meeting DRAFT Minutes
Thursday, February 19, 2026
1:00 PM

Open Session

Regular meeting called to order by Chair Coletto at 1:00 p.m. Thursday, February 19, 2026, at the Sacramento City Hall Council Chamber.

Members Present: John Colville, Dave O'Toole, Michael Tamayo, and Chair Peter Coletto.

Members Absent: Yousaf Zamanudin

Pledge of Allegiance – Led by Chair Coletto.

Land Acknowledgement – Led by Chair Coletto.

Consent Calendar

All items listed under the Consent Calendar are considered and acted upon by one Motion.

Action: Moved/Seconded: Member Tamayo / Member O'Toole.

Yes: Members John Colville, Dave O'Toole, Michael Tamayo, and Chair Peter Coletto.

Absent: Yousaf Zamanudin

A motion **passed** to adopt the Consent Calendar in one motion except as indicated at each item.

1. Approval of Administration, Investment, and Fiscal Management Board Meeting Minutes

File ID: 2025-01995

Location: Citywide

Action: Passed a **Motion** approving the Administration, Investment, and Fiscal Management Board Meeting Minutes dated November 20, 2025.

Contact: Jacob Bredberg, Administrative Analyst, (916) 808-6846, jbredberg@cityofsacramento.org, Office of the City Clerk

2. Continuation of Bloomberg Agreement

File ID: 2026-00486

Location: Citywide

Action: Adopted a **Resolution** approving the continuation of Bloomberg Agreement for Fiscal Year 2026-2027.

Contact: Patrick Zalasky, Senior Investment Officer, (916) 808-5832, pzalasky@cityofsacramento.org, Office of the City Treasurer

3. SCERS Monthly Investment Report

File ID: 2026-00524

Location: Citywide

Action: Passed a **Motion** accepting the SCERS Monthly Investment Reports for October 2025, November 2025, and December 2025.

Contact: Stacy Hussey, Chief Investment Officer, (916) 808-7746, shussey@cityofsacramento, Office of the City Treasurer

Discussion Calendar

4. Sacramento City Employees' Retirement System's (SCERS) Quarterly Investment Report for December 2025

File ID: 2026-00525

Location: Citywide

Action: Moved/Seconded: Member O'Toole / Member Colville.

Yes: Members John Colville, Dave O'Toole, Michael Tamayo, and Chair Peter Coletto.

Absent: Yousaf Zamanudin

Passed a **Motion** accepting the Sacramento City Employees' Retirement System's (SCERS) Quarterly Investment Report dated December 31, 2025.

Contact: Stacy Hussey, Chief Investment Officer, (916) 808-7746, shussey@cityofsacramento.org, Office of the City Treasurer

5. **Segal Marco Advisors Quarterly Investment Performance Report for December 2025**

File ID: 2026-00526

Location: Citywide

Action: Moved/Seconded: Member O'Toole / Member Tamayo.

Yes: Members John Colville, Dave O'Toole, Michael Tamayo, and Chair Peter Coletto.

Absent: Yousaf Zamanudin

Passed a **Motion** accepting the Segal Marco Advisors Quarterly Investment Performance Report dated December 31, 2025.

Contact: Jeffrey Nipp, Senior Vice President, (770) 446-0237, jnipp@segalmarco.com; Michael Lyons, Vice President & Senior Consultant, (415) 656-6539, mlyons@segalmarco.com; Segal Marco Advisors

6. **SCERS Annual Financial Report for Fiscal Year (FY) 2025**

File ID: 2026-00531

Location: Citywide

Action: Received and filed.

Contact: Osvaldo Lopez, Finance Manager, (916) 808-4740, olopez@cityofsacramento.org, Department of Finance

7. **Selection of Chair and Vice Chair for Calendar Year 2026**

File ID: 2026-00259

Location: Citywide

Action: Moved/Seconded: Member O'Toole / Member Colville.

Yes: Members John Colville, Dave O'Toole, Michael Tamayo, and Chair Peter Coletto.

Absent: Yousaf Zamanudin,

Passed a **Motion** selecting Peter Coletto. as Chair for calendar year 2026.

Action: Moved/Seconded: Member Colville / Member Coletto.

Yes: Members John Colville, Dave O'Toole, Michael Tamayo, and Chair Peter Coletto.

Absent: Yousaf Zamanudin,

Passed a **Motion** selecting Dave O'Toole as Vice Chair for calendar year 2026.

Contact: Rosanna Montesinos, Administrative Analyst, (916) 808-7171, rmontesinos@cityofsacramento.org; Mindy Cuppy, City Clerk, (916) 808-5442, mcuppy@cityofsacramento.org; Office of the City Clerk

Member Comments-Ideas and Questions

None.

Public Comments-Matters Not on the Agenda

None.

Adjourned - 1:24 p.m.

City of Sacramento
Administration, Investment, & Fiscal Management
Board Report
915 I Street Sacramento, CA 95814
www.cityofsacramento.org

File ID: 2026-00741

5/21/2026

Sacramento City Employees' Retirement System's (SCERS or System) Investment Policy

File ID: 2026-00741

Location: Citywide

Recommendation: Adopt a **Resolution** approving the investment policy governing the investments and management of the SCERS funds.

Contact: Stacy Hussey, Chief Investment Officer, (916) 808-7746, shussey@cityofsacramento.org; John Colville, City Treasurer, (916) 808-8297, jcolville@cityofsacramento.org; Office of the City Treasurer

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Staff Report
- 3-Resolution
- 4-Exhibit A (SCERS Investment Policy 2026-REDLINE)
- 5-Exhibit A (SCERS Investment Policy 2026-CLEAN)

Description/Analysis

Issue Detail: The Administration, Investment and Fiscal Management Board (Board) has adopted policies (Investment Policy) governing the investment of funds held in the SCERS. The Investment Policy governs the investment practices of the Board and its investment managers. Pursuant to City Charter section 383, once the Board adopts the Investment Policy, it is to be delivered to Council for review and approval.

Policy Considerations: Sound investment practices and transparency are facilitated by the preparation of written governing policy statements. Such policies should cover all substantive aspects of the investment of funds. The Board has adopted a comprehensive Investment Policy to guide and govern the Board and its investment managers in investing the System's funds. Pursuant to City Charter section 383, the Investment Policy incorporates the "prudent person" standard as it is described in Probate Code section 16040.

Economic Impacts: None.

Environmental Considerations: This action is not subject to the California Environmental Quality Act (CEQA) because it is not a “project” as defined in section 15378 of the CEQA Guidelines.

Sustainability: None.

Commission/Committee Action: Pursuant to City Charter section 383, the Board adopted the Investment Policy prior to review and consideration of the City Council.

Rationale for Recommendation: The prudent and transparent management of funds held by SCERS on behalf of the beneficiaries of the System is enhanced by the adoption of an Investment Policy setting forth the parameters under which such funds are invested.

Financial Considerations: The investment of SCERS funds is within the exclusive purview of the Board. The System, acting through the Board, is responsible for all costs in implementing the SCERS investment program.

Local Business Enterprise (LBE): Not applicable.

**REPORT TO
Administration, Investment and Fiscal
Management Board
City of Sacramento**

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

Staff Report

May 21, 2026

**Honorable Members of the Administration, Investment,
and Fiscal Management Board**

Title: SCERS Investment Policy

Recommendation: Adopt a Resolution approving the Investment Policy for the Sacramento City Employees' Retirement System for the 2026-2027 Fiscal Year

Contact: Stacy Hussey, Chief Investment Officer, City Treasurer's Office (916) 808-7746

Presenters: Stacy Hussey

Department: Office of the City Treasurer

Division: Investment and Cash Management

Comments: Staff is proposing one minor change to the Investment Policy previously approved by the Board for the 2025-2026 Fiscal Year

Description/Analysis

Issue: The Administration, Investment and Fiscal Management Board ("Board") has adopted policies ("Investment Policy") governing the investment of funds held in the Sacramento City Employees' Retirement System ("SCERS" or "System"). The Investment Policy, presented as Exhibit A to the proposed Resolution, sets forth the philosophy, objectives and policies relating to the investment of the System's funds by the Board and its Investment Managers.

Policy Considerations: Sound investment practices and transparency are facilitated by the preparation of written governing policy statements. Such policies should cover all substantive aspects of the investment of funds. The Board has adopted a comprehensive Investment Policy to guide and govern the

Board and its investment managers in investing the System's funds. Pursuant to City Charter section 383, the Investment Policy incorporates, among other things, the "prudent person" standard as it is described in Probate Code section 16040.

Environmental Considerations: The proposed action is not subject to the California Environmental Quality Act (CEQA) because it is not a "project" as defined in Section 15378 of the CEQA Guidelines.

Commission/Committee Action: None

Rationale for Recommendation: The prudent and transparent management of funds held by SCERS on behalf of the beneficiaries of the System is enhanced by the adoption of an Investment Policy setting forth the parameters under which such funds are invested.

Financial Considerations: None.

Emerging Small Business Development (ESBD): Not applicable.

Respectfully Submitted by: 
Stacy Hussey, Chief Investment Officer

Approved by: 
John Colville, City Treasurer

Recommendation Approved:


John Colville, City Treasurer

Attachments:

1. Background
2. Resolution

ATTACHMENT 1

Background

In January, 2011, the Administration, Investment and Fiscal Management Board (the “Board”) approved an Investment Policy document applicable to the investment activities of the Board and Investment Managers it retains. The Sacramento City Charter mandates that the policy be reviewed and approved by the Board and City Council on an annual basis. The Investment Policy was last approved by the Board on May 15, 2025 and made applicable to the 2025-2026 Fiscal Year. To date, there have been no substantive changes made to the Investment Policy since its initial approval in 2011. As noted below, the current version of the Investment Policy proposed herein contains one minor change.

The policy is directed solely to the management and investment of the funds of the Sacramento City Employees’ Retirement System (the “System”), focusing on the standards and requirements applicable to the System. The System’s funds are under the exclusive control and management by the Board. The Board has elected to retain staff of the City Treasurer’s Office as its primary Investment Managers. As set forth in the Investment Policy, the Board and its Investment Managers are required to conform their actions to be consistent with the “prudent person standard” mandated by Section 383 of the Sacramento City Charter. This standard is the foundation for all investment and management decisions made by the Board and its Investment Managers.

The proposed Investment Policy contains one change to the version last approved by the Board on May 15, 2025. The new language added to the policy adds the ability for staff to utilize highly rated insurance products for the plan, if deemed prudent at some point in the future. The investment policy outlines specific requirements for any insurance products that would be considered as an investment within the plan. The investment policy is attached in both a redline and clean version for the board to review. Staff requests that the Board approve the proposed Investment Policy to apply during the 2026-2027 Fiscal Year.

RESOLUTION NO. 2026-002

Adopted by the Administration, Investment and Fiscal Management Board of the
Sacramento City Employees' Retirement System on May 21, 2026

**RESOLUTION APPROVING THE INVESTMENT POLICY FOR THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM**

BACKGROUND

- A. The Board was presented with a proposed Investment Policy for its review and consideration. The Investment Policy is attached hereto as Exhibit A. The Investment Policy sets forth the philosophy, objectives and policies relating to the investment of Sacramento City Employees' Retirement System's funds by the Board and its Investment Managers.
- B. Section 383 of the Sacramento City Charter provides that "[t]he Board shall adopt general investment standards which the City Council shall either approve or disapprove." Accordingly, if the Investment Policy is approved, the Board should direct that it be presented to the City Council for its approval or disapproval.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE ADMINISTRATION,
INVESTMENT, AND FISCAL MANAGEMENT BOARD RESOLVES AS FOLLOWS**

- 1. The Investment Policy appended hereto as Exhibit A is approved.
- 2. The City Treasurer is authorized to present the Investment Policy to the City Council for its approval or disapproval.
- 3. Exhibit A is part of this resolution.

Dave O'Toole, Chair

ATTEST:

Secretary to the Board

EXHIBIT A

Sacramento City Employees' Retirement System

Investment Policy

I. INTRODUCTION

This Investment Policy encompasses the investment goals, objectives and policies of the Sacramento City Employees' Retirement System ("SCERS" or "System"). The purpose of the Investment Policy is to assist the Administration, Investment and Fiscal Management Board ("AIFM Board" or "Board") and its Investment Managers¹ to effectively supervise and monitor SCERS' investment program.

Pursuant to Section 383 of the Sacramento City Charter ("Charter"), the AIFM Board is charged with the exclusive responsibility of managing and investing the System's funds. Also, pursuant to Section 383 of the Charter, the Board has adopted, and the Sacramento City Council has approved, this Investment Policy, which governs the investment activity undertaken by the Board.

This Investment Policy addresses the following issues:

- The investment goals of SCERS' investment program; and
- The general investment policies for the management of funds of the System.

The Investment Policy is designed to provide sufficient flexibility to capture investment opportunities as they may occur, while setting forth reasonable parameters to ensure prudence and care in the execution of the investment program.

II. INVESTMENT PHILOSOPHY

The Board believes that its investment policies, in aggregate, are to be the most important determinants of its investment success. Compliance with investment policies should therefore be monitored rigorously. The Board also believes that performance of the total portfolio and individual asset classes, as well as the performance of any retained Investment Manager, should be monitored and compared to appropriate, predetermined performance benchmarks.

¹ "Investment Managers" are financial or investment advisers and consultants retained by the Board to assist in the management and investment of the System's funds.

The Board believes that prudent management of risk is a central element of the investment function. Toward this end, the Board believes that diversification among asset classes will reduce risk and enhance returns of the overall investment portfolio in the long term.

The Board believes that market efficiency and opportunities vary among asset classes and may change over extended periods of time. Therefore, the Board believes that SCERS' portfolio management strategies should adapt over time to reflect the changing nature of capital markets.

AIFM BOARD'S MISSION STATEMENT

The Board's primary mission in managing the System's funds is described as follows:

- To ensure that sufficient funds will be available to provide participants and their beneficiaries with all benefits due as specified in SCERS' retirement plan documents
- To give priority to the financial interests of participants and beneficiaries over all other financial interests;
- To comply with all applicable fiduciary standards; and,
- To reduce the cost of funding benefits for both the City of Sacramento, as the participating employer, and the individual participants of SCERS.

III. INVESTMENT GOALS AND OBJECTIVES

In accordance with Board's Mission Statement, the overarching goal of SCERS' investment program is to generate adequate long-term returns that, when combined with employer and employee contributions, will result in sufficient assets to pay the present and future obligations of SCERS.

The following objectives are intended to assist in achieving this goal:

- SCERS should earn, on a long-term average basis, a total real rate of return in excess of SCERS' actuarial assumed rate of real return
- SCERS' assets will be managed on a total return basis, which takes into account the considerable importance of the preservation of capital. Additionally, SCERS follows the principle that different degrees of investment risk exist and each generally is rewarded with a varying degree of return.
- The Board will operate in an efficient manner that fulfills its fiduciary responsibility and contributes to the overall effectiveness of the System.

It is the purpose of the SCERS' investment program to assure that sufficient financial assets are available to provide SCERS' participants and their beneficiaries with all benefits due as specified in the System's governing provisions set forth in the Charter. Therefore, the participants' and beneficiaries' financial interests shall take precedence over all other financial interests.

To achieve these objectives, SCERS allocates its assets (asset allocation) with a strategic, long-term perspective of the capital markets.

IV. GENERAL INVESTMENT POLICIES

FIDUCIARY DUTIES

The Board's investment activity on behalf of SCERS is mandated by the Sacramento City Charter. Section 383 of the Charter establishes the broad requirement that all investments must be permissible by law for investment of trust funds pursuant to Section 16040 of the California Probate Code. Accordingly, the Board, in discharging its duties to the System, acts as a fiduciary governed by requirements imposed on trustees. In the context of the System, the Board is required to model and manage the System's investment program based on principals outlined under the prudent person standard.

Pursuant to the "prudent person" standard, the Board and its Investment Managers shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the System, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the System. Funds shall be managed not for speculation, but for investment intended to earn a reasonable rate of return on invested funds, considering the probable safety of their capital as well as the probable income or return to be derived. Despite that investment transactions are undertaken with care pursuant to the "prudent person" standard, it is recognized that invested funds are subject to the vagrancies of the markets beyond the control of the investment officers.

The fiduciary duties of the Board shall be carried forward by retained Investment Managers. The policies expressed in this Investment Policy shall be as applicable to and binding upon the Investment Managers as they are to the Board.

AUTHORITY TO INVEST AND DELEGATION THEREOF

Pursuant to Section 383 of the Charter, the AIFM Board is charged with the exclusive responsibility of managing and investing the System's funds. The Board is authorized by Sections 382 and 383 of the Charter to engage the services of one or more financial or investment advisors and consultants to assist it in the management and investment of the System's funds, collectively referenced herein as the "Investment Managers." As such, the

Board from time to time may select and retain professionals within the investment and financial field to implement the SCERS investment program. Once retained, such professionals must acknowledge in writing their fiduciary responsibility to the System and agree that SCERS' investment objectives and policies as expressed in this Investment Policy will be followed. It is expected that such professionals will at all times conduct themselves as fiduciaries in the same manner as does the Board.

PERFORMANCE MEASUREMENT

The performance of professionals retained to implement the SCERS investment program shall be reported and measured against, on an absolute basis, the actuarial assumed rate of return, and, on a relative basis, one or more market benchmarks customized as appropriate to the nature, type and extent of the investments held by the System pursuant to these policies. To the extent the Board retains Investment Managers to execute specific objectives (as opposed to broad investment objectives), such benchmarks shall be appropriate to the stated objectives.

The Board shall retain the services of a consultant to determine appropriate performance benchmarks and to report on the investment performance of the System's funds against such benchmarks. Such reports shall be made not less than a quarterly basis and shall cover varying time periods as directed by the Board, e.g. performance over the current fiscal year, the past 12-months, one or more past calendar or fiscal years, or since inception, as appropriate with the long-range investment goals of the System's funds.

DIVERSIFICATION

The Board shall diversify holdings in the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. In addition, the diversity of the portfolio among various sectors of the marketplace will minimize the impact of potential losses from any one sector. Such sectors may be demarked by market capitalization of issuers (e.g. small, middle and large capitalization corporations), by location (e.g. domestic vs. foreign corporations), by industry, and by public or private issuers of debt.

LIQUIDITY REQUIREMENTS OF THE SYSTEM

SCERS' funds shall be managed and invested in a manner to provide liquidity sufficient to pay the ongoing expenses of the System and the payment of benefits to retirees when due. To the extent feasible, the Board shall raise funds to cover expenses and benefits in an orderly and efficient manner, while minimizing adverse effects on investment strategies implemented by the Board from the untimely forced liquidation of investments.

As part of the SCERS investment program, the liquidity needs of the System shall be addressed in accordance with the following practices:

- (a) Setting aside cash generated from (i) the liquidation of securities to accomplish Board-approved asset allocations or other Board directive; (ii) the liquidation of securities in the normal course of managing the investment portfolios pursuant to this policy; and (iii) the maturity or redemption of securities as may occur from time to time within the investment portfolios; and (iv) the receipt of dividends and interest.
- (b) Structuring the investment portfolio so that securities mature to meet cash requirements of the System, thereby avoiding disadvantageous sales of fixed income securities prior to maturity.
- (c) Investing liquid funds required to pay current expenses and benefits in the City's Pool A treasury pool to be managed in accordance with investment policies adopted by the City Council.

ASSET ALLOCATION AND RISK MANAGEMENT OF INVESTMENTS

Strategic Asset Allocation

The Board annually shall review and determine the allocation of investments to various broad asset classes. The asset allocation policy shall be structured for not less than a one-year period. The asset allocation policy shall be developed with the assistance of the Investment Manager, and shall address the following considerations:

- Historical and anticipated capital market performance (returns and risks) of various asset classes;
- The expected correlation of returns among various asset classes;
- Inflation, interest rates, and other economic assumptions;
- The difference between the current and the projected asset values of the Plan; and,
- The actuarial rate of return.

The allocation of investments to various asset classes shall be reviewed annually and reflected in duly adopted resolutions of the Board. The objective of the Board's annual review of the overall asset allocation policy for the System's funds is to provide a sound, fiduciary structure to the investment process. The asset allocation target exposures are established after thorough review and analysis of the System's fund's expected rates of return opportunities and the associated risk of attempting to achieve the targeted return. The asset allocation policy identifies the asset classes to be used and designates the percentage allocation to each asset class in the System's investment portfolio. If

necessary to fulfill its fiduciary obligations to the System, the Board may revise the asset allocation policy at any time it determines that circumstances justify such revision.

As its primary risk management tool, the Board shall allocate the investment portfolio between broad asset classes, such as between fixed income assets (notes, bonds, other debt instruments, and secured real estate mortgages) and equity assets (such as stocks) (“First Tier Allocations”). Within each broad asset class, the Board may also provide allocations between investments within those broad classes of assets (“Second Tier Allocations”). An example of this is the allocation of equity investments amongst shares of foreign corporations, shares of large capitalization corporations and the selection of shares of corporations providing attractive dividend yields.

The Board formulates the overall risk profile of the investment pool by considering the above factors and establishing the First Tier Allocations. However, at any point in time, the actual First Tier Allocations may vary from the Board-approved percentage allocations by plus or minus 5.0% without altering the intended risk profile. In establishing any Second Tier Allocations, the Board, by resolution, may establish variances of allocations to allow the Board and Investment Managers greater flexibility in making advantageous investments that otherwise are consistent with the requirements of this Investment Policy. The discretion to shift funds within the limits of such variances in First and Second Tier Allocations may be exercised in order to take advantage of market dynamics, to preserve capital, to avoid liquidating investments at inopportune times, or for such other reason as to further the prudent investment of the System’s funds.

In the selection of specific investments, the Board and its Investment Managers shall adhere to the asset allocations and variances duly established by the Board, while adhering to the overriding prudent person standard.

Rebalancing of Portfolios

The target allocations and variances will guide the decision as to which asset class should receive contributions when available and how the investments are rebalanced from time to time. Rebalancing is an effective tool used to maintain the risk profile of the total fund and to potentially enhance returns. Risk is controlled by calling cash to reduce portfolio values in over-allocated asset categories and providing cash to increase portfolio values to under-allocated asset categories to maintain target asset allocation policy weights. This rebalancing shall be performed periodically, as necessary, but not less than biannually, to redistribute assets to achieve the target allocations within any established variance.

V. SUITABLE AND AUTHORIZED INVESTMENTS

AUTHORIZED INVESTMENTS

Allowable investments of SCERS' funds shall be consistent with the requirements of this Investment Policy and Sacramento City Charter Section 383. Specific allowable investment types are set forth below. As used in this Section V, exchange traded funds ("ETF's") may include (a) leveraged ETF's that result in enhanced price movements over that generated by the underlying assets held by the ETF's, (b) inverse ETF's that incorporates a contrary or short position in the underlying assets, and (c) ETF's that combine both leveraged and inverse strategies.

INVESTMENT TYPES

Domestic Equity

Investments may include equity investments provided the equity is a common or preferred stock of a domestic corporation and sold on a public or registered stock exchange within the United States. At the discretion of the Board and Investment Managers, investments may be made in mutual funds and exchange traded funds whose assets consist of such domestic equities.

International Equity

Investments may include equity investments provided the equity is a common or preferred stock of a foreign corporation provided (a) the resident country of the corporation has an operative financial exchange or over-the-counter market, a convertible currency, and a political, economic and investment structure which facilitates the availability of securities to foreign investors, and (b) the ownership of such shares are represented by American Depository Receipts (ADR) sold on a public or registered stock exchange within the United States. At the discretion of the Board and Investment Managers, investments in foreign corporations may be made in dollar-denominated mutual funds and exchange traded funds whose assets consist of such foreign equities.

Domestic Fixed Income

SCERS' funds may be invested in debt securities, including convertible bonds, issued by solvent domestic corporations or by local, state or federal governments, political subdivisions, or public agencies, including, without limitation, the City of Sacramento and Sacramento Redevelopment Agency through the City of Sacramento Financing Authority. At the discretion of the Board and Investment Managers, investments in the debt of domestic corporations may be made in individual issues and dollar-denominated mutual funds and/or exchange traded funds whose assets consist of such domestic debt securities.

International Fixed Income

SCERS' funds may be invested in investment grade foreign debt securities issued by a solvent foreign corporation or by foreign sovereignties. At the discretion of the Board and Investment Managers, investments in the debt of foreign corporations may be made in individual issues and dollar-denominated mutual funds and/or exchange traded funds whose assets consist of such foreign debt securities.

Commodities

SCERS' funds may be invested in commodities, including, without limitation, precious metals, agricultural products, oil and natural gas. Such investments may be in the form of dollar-denominated exchange traded funds that track the price changes of targeted commodities.

SECURITIES LENDING

The Board may engage in a securities lending program to provide the System with an opportunity to earn incremental income and offset administrative expenses. The program may be managed by the custodian (see Section VII.B), and/or a qualified third-party securities lending agent. The lending program should remain transparent to the Board and should not impede the SCERS investment program.

The securities lending program consists of two separate functions. The first function is the lending of SCERS' eligible portfolio securities (domestic and international equities and bonds) to approved and qualified borrowers through an agent, subject to the terms and conditions specified in SCERS' securities lending contract. Domestic loans must have a minimum initial collateralization level of 102% and international loans must have an initial collateralization level of at least 105%.

The second function is the reinvestment of cash proceeds generated by the lending of SCERS' portfolio securities. This function is an investment management function, and as a result is governed by the same prudent person rules employed by the Board and its Investment Manager. Accordingly, the investment of cash collateral shall be in securities permitted by the Board as satisfying the prudent person standard. Cash and non-cash collateral may be invested in commingled funds or in separately managed accounts.

OPTION STRATEGIES

Utilization of options is allowed as a prudent way to take advantage of certain market dynamics in order to increase the overall returns of the investment portfolio without incurring undue risk, and/or to protect positions in a declining market. By Board Resolution 09-003, dated October 26, 2009, the Board has authorized the writing and selling of call options on existing security positions and the purchase of put options to protect existing security positions. Pursuant to Resolution 09-003, the following limitations are placed on

the use of such authorized options: (1) The fair market value of securities underlying existing and proposed option contracts may not exceed 30 percent of the market value of the investment portfolio measured at the time each new option contract is evaluated, and (2) the time from the inception of an option position to its expiration date shall not exceed 90 days.

REAL ESTATE MORTGAGES

SCERS' funds may be lent to owners of real property provided the Board is satisfied with the credit worthiness of the borrower, the attributes of the real property, the suitability of the loan-to-value ratio, the interest rate on the loan, the reliability of the source of debt service funds, among other factors bearing on the desirability of the loan. No loans shall be made unless it is secured by a first position deed of trust, junior only to taxes and assessments entitled to priority by state statute, and supported by appropriate title insurance.

INSURANCE PRODUCTS

SCERS funds may be invested in insurance products that provide guaranteed lifetime income security for participants, including, without limitation, group annuity contracts, guaranteed investment contracts, and other insurance company-issued investment contracts designed to provide lifetime income benefits (collectively, "Insurance Products"). Prior to investing in any Insurance Product, the Board or its Investment Managers will evaluate the financial strength and claims-paying ability of the issuing insurance company, as assessed by one or more independent rating agencies such as AM Best, Moody's, or Standard & Poor's, and will consider the risk characteristics, liquidity profile, and legal structure of the product, such as whether the investment is held in the insurer's general account or a separate account. At the discretion of the Board or Investment Managers, the availability and adequacy of state guaranty association protections, reinsurance arrangements maintained by the issuing company, and other risk mitigation features may be considered as factors in evaluating the suitability of an Insurance Product.

VI. AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES, BROKER/DEALERS

SELECTION

Financial institutions and depositories involved in implementing the Board's investment activities are selected on a competitive basis in order to obtain high quality services by reliable, reputable and stable entities. The competitive process may be formal or informal, as determined by the Board in its discretion, with the objective of obtaining the quality of services necessary to serve the best interests of SCERS and its members, with services performed at competitive fees and rates.

Among the factors that the Board may consider in obtaining such services are (i) minimum qualifications pertaining to capacity, satisfaction of requirements to conduct required business, i.e. licenses, permits, registrations, certifications, etc.; (ii) capitalization; (iii) insurance and bonding; (iv) safekeeping and custodial experience; (v) status in good standing; (vi) ability and capacity of the firm to provide a full range of services as may be required by the Board; (vii) extent of the value added by an entity over the services provided by firms then-providing investment-related services to the Board; and (viii) other attributes as may be determined by the Board from time to time. The Board may determine the number and nature of firms to be retained to provide investment-related services based upon the volume of existing and projected investment work. Those firms that are selected to execute transactions on behalf of the System shall do so in a good faith manner and in the best interests of the System, and shall disclose to and advise the Board of material facts that bear upon the pricing of a given transaction order given by investment officers.

In lieu of conducting its own competitive process for the selection of supporting financial institutions, the Board may utilize the custodians, banks, brokers, dealers and other financial institutions utilized by the City in the management and investment of its funds. Such institutions must be duly selected and approved by the City Council. Prior to engaging any City-approved institution, the Board must be satisfied with the selection process used by the City.

PERFORMANCE REVIEW

All financial institutions and depositories shall maintain the qualifications and attributes deemed appropriate by the Board, including, but not limited to those enumerated in subsection A above, and shall perform their duties in a satisfactory manner. The Board, in its discretion, shall conduct periodic performance reviews to ensure the institutions and depositories are providing services in the best interests of the System.

VII. SAFEKEEPING AND CUSTODY

DELIVERY VS. PAYMENT

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

CUSTODY OF SYSTEM ASSETS

SCERS shall contract to utilize the services of a master custodian that shall transfer assets to and from the System's funds as directed by the Board and/or the Investment Managers. Also, the custodian shall settle purchases and sales of securities, collect income, and

disperse funds for approved expenditures or investments. Other services provided by the custodian include, but are not limited to, cash management, portfolio transition services, securities lending services, compliance monitoring services and information/accounting services. The inventory and value of cash and securities held by the custodian will be reconciled on a daily basis. The custodial institution shall annually provide a copy of their most recent report on internal controls in accordance with Statement on Standards of Attestation Engagements, No. 18 (SSAE No. 18).

INTERNAL CONTROLS

The Investment Managers shall establish and maintain an internal control structure designed to guide the activities of investment officers to ensure that the assets of the System are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimate and judgments by management. The internal controls structure shall address the following points:

- Prevention of collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

VIII. REPORTING

INVESTMENT REPORTS

The Investment Manager shall present to the Board monthly investment transaction reports and quarterly performance reports.

MARKING TO MARKET

For purposes of preparation of the investment reports, the market value of the portfolio

shall be calculated.

IX. POLICY CONSIDERATIONS

ETHICS AND CONFLICTS OF INTEREST

Board members, the Investment Manager, and all other persons materially involved in the selection of investments (collectively, “Involved Persons”) shall refrain from personal business activity that could conflict with the proper execution and management of the SCERS investment program, or that could impair their ability to make impartial decisions. All Involved Persons shall disclose any material interests in financial institutions with which they conduct business or invest in. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. All Involved Persons shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the System.

All Involved Persons shall file State Fair Political Practices Commission’s Statement of Economic Interests and make the disclosures required by the City’s conflict of interest policies.

EXEMPTION

Any investment held at the time these policies are duly adopted that does not meet the guidelines of this policy shall be exempted from the requirements of this policy, provided that as soon as practicable the Board and its Investment Manager shall take appropriate steps to address non-compliant investments in the best interest of the System. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

AMENDMENTS

This policy shall be reviewed annually by the Board. The Investment Managers may recommend changes to the Board for its consideration. Any changes adopted by the Board must be approved by the City Council.

CITY COUNCIL CONSIDERATION OF INVESTMENT POLICY

This policy shall be reviewed and approved by the City Council pursuant to Section 383 of the Charter.

EXHIBIT A

Sacramento City Employees' Retirement System

Investment Policy

I. INTRODUCTION

This Investment Policy encompasses the investment goals, objectives and policies of the Sacramento City Employees' Retirement System ("SCERS" or "System"). The purpose of the Investment Policy is to assist the Administration, Investment and Fiscal Management Board ("AIFM Board" or "Board") and its Investment Managers¹ to effectively supervise and monitor SCERS' investment program.

Pursuant to Section 383 of the Sacramento City Charter ("Charter"), the AIFM Board is charged with the exclusive responsibility of managing and investing the System's funds. Also, pursuant to Section 383 of the Charter, the Board has adopted, and the Sacramento City Council has approved, this Investment Policy, which governs the investment activity undertaken by the Board.

This Investment Policy addresses the following issues:

- The investment goals of SCERS' investment program; and
- The general investment policies for the management of funds of the System.

The Investment Policy is designed to provide sufficient flexibility to capture investment opportunities as they may occur, while setting forth reasonable parameters to ensure prudence and care in the execution of the investment program.

II. INVESTMENT PHILOSOPHY

The Board believes that its investment policies, in aggregate, are to be the most important determinants of its investment success. Compliance with investment policies should therefore be monitored rigorously. The Board also believes that performance of the total portfolio and individual asset classes, as well as the performance of any retained Investment Manager, should be monitored and compared to appropriate, predetermined performance benchmarks.

¹ "Investment Managers" are financial or investment advisers and consultants retained by the Board to assist in the management and investment of the System's funds.

The Board believes that prudent management of risk is a central element of the investment function. Toward this end, the Board believes that diversification among asset classes will reduce risk and enhance returns of the overall investment portfolio in the long term.

The Board believes that market efficiency and opportunities vary among asset classes and may change over extended periods of time. Therefore, the Board believes that SCERS' portfolio management strategies should adapt over time to reflect the changing nature of capital markets.

AIFM BOARD'S MISSION STATEMENT

The Board's primary mission in managing the System's funds is described as follows:

- To ensure that sufficient funds will be available to provide participants and their beneficiaries with all benefits due as specified in SCERS' retirement plan documents
- To give priority to the financial interests of participants and beneficiaries over all other financial interests;
- To comply with all applicable fiduciary standards; and,
- To reduce the cost of funding benefits for both the City of Sacramento, as the participating employer, and the individual participants of SCERS.

III. INVESTMENT GOALS AND OBJECTIVES

In accordance with Board's Mission Statement, the overarching goal of SCERS' investment program is to generate adequate long-term returns that, when combined with employer and employee contributions, will result in sufficient assets to pay the present and future obligations of SCERS.

The following objectives are intended to assist in achieving this goal:

- SCERS should earn, on a long-term average basis, a total real rate of return in excess of SCERS' actuarial assumed rate of real return
- SCERS' assets will be managed on a total return basis, which takes into account the considerable importance of the preservation of capital. Additionally, SCERS follows the principle that different degrees of investment risk exist and each generally is rewarded with a varying degree of return.
- The Board will operate in an efficient manner that fulfills its fiduciary responsibility and contributes to the overall effectiveness of the System.

It is the purpose of the SCERS' investment program to assure that sufficient financial assets are available to provide SCERS' participants and their beneficiaries with all benefits due as specified in the System's governing provisions set forth in the Charter. Therefore, the participants' and beneficiaries' financial interests shall take precedence over all other financial interests.

To achieve these objectives, SCERS allocates its assets (asset allocation) with a strategic, long-term perspective of the capital markets.

IV. GENERAL INVESTMENT POLICIES

FIDUCIARY DUTIES

The Board's investment activity on behalf of SCERS is mandated by the Sacramento City Charter. Section 383 of the Charter establishes the broad requirement that all investments must be permissible by law for investment of trust funds pursuant to Section 16040 of the California Probate Code. Accordingly, the Board, in discharging its duties to the System, acts as a fiduciary governed by requirements imposed on trustees. In the context of the System, the Board is required to model and manage the System's investment program based on principals outlined under the prudent person standard.

Pursuant to the "prudent person" standard, the Board and its Investment Managers shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the System, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the System. Funds shall be managed not for speculation, but for investment intended to earn a reasonable rate of return on invested funds, considering the probable safety of their capital as well as the probable income or return to be derived. Despite that investment transactions are undertaken with care pursuant to the "prudent person" standard, it is recognized that invested funds are subject to the vagrancies of the markets beyond the control of the investment officers.

The fiduciary duties of the Board shall be carried forward by retained Investment Managers. The policies expressed in this Investment Policy shall be as applicable to and binding upon the Investment Managers as they are to the Board.

AUTHORITY TO INVEST AND DELEGATION THEREOF

Pursuant to Section 383 of the Charter, the AIFM Board is charged with the exclusive responsibility of managing and investing the System's funds. The Board is authorized by Sections 382 and 383 of the Charter to engage the services of one or more financial or investment advisors and consultants to assist it in the management and investment of the System's funds, collectively referenced herein as the "Investment Managers." As such, the

Board from time to time may select and retain professionals within the investment and financial field to implement the SCERS investment program. Once retained, such professionals must acknowledge in writing their fiduciary responsibility to the System and agree that SCERS' investment objectives and policies as expressed in this Investment Policy will be followed. It is expected that such professionals will at all times conduct themselves as fiduciaries in the same manner as does the Board.

PERFORMANCE MEASUREMENT

The performance of professionals retained to implement the SCERS investment program shall be reported and measured against, on an absolute basis, the actuarial assumed rate of return, and, on a relative basis, one or more market benchmarks customized as appropriate to the nature, type and extent of the investments held by the System pursuant to these policies. To the extent the Board retains Investment Managers to execute specific objectives (as opposed to broad investment objectives), such benchmarks shall be appropriate to the stated objectives.

The Board shall retain the services of a consultant to determine appropriate performance benchmarks and to report on the investment performance of the System's funds against such benchmarks. Such reports shall be made not less than a quarterly basis and shall cover varying time periods as directed by the Board, e.g. performance over the current fiscal year, the past 12-months, one or more past calendar or fiscal years, or since inception, as appropriate with the long-range investment goals of the System's funds.

DIVERSIFICATION

The Board shall diversify holdings in the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. In addition, the diversity of the portfolio among various sectors of the marketplace will minimize the impact of potential losses from any one sector. Such sectors may be demarked by market capitalization of issuers (e.g. small, middle and large capitalization corporations), by location (e.g. domestic vs. foreign corporations), by industry, and by public or private issuers of debt.

LIQUIDITY REQUIREMENTS OF THE SYSTEM

SCERS' funds shall be managed and invested in a manner to provide liquidity sufficient to pay the ongoing expenses of the System and the payment of benefits to retirees when due. To the extent feasible, the Board shall raise funds to cover expenses and benefits in an orderly and efficient manner, while minimizing adverse effects on investment strategies implemented by the Board from the untimely forced liquidation of investments.

As part of the SCERS investment program, the liquidity needs of the System shall be addressed in accordance with the following practices:

- (a) Setting aside cash generated from (i) the liquidation of securities to accomplish Board-approved asset allocations or other Board directive; (ii) the liquidation of securities in the normal course of managing the investment portfolios pursuant to this policy; and (iii) the maturity or redemption of securities as may occur from time to time within the investment portfolios; and (iv) the receipt of dividends and interest.
- (b) Structuring the investment portfolio so that securities mature to meet cash requirements of the System, thereby avoiding disadvantageous sales of fixed income securities prior to maturity.
- (c) Investing liquid funds required to pay current expenses and benefits in the City's Pool A treasury pool to be managed in accordance with investment policies adopted by the City Council.

ASSET ALLOCATION AND RISK MANAGEMENT OF INVESTMENTS

Strategic Asset Allocation

The Board annually shall review and determine the allocation of investments to various broad asset classes. The asset allocation policy shall be structured for not less than a one-year period. The asset allocation policy shall be developed with the assistance of the Investment Manager, and shall address the following considerations:

- Historical and anticipated capital market performance (returns and risks) of various asset classes;
- The expected correlation of returns among various asset classes;
- Inflation, interest rates, and other economic assumptions;
- The difference between the current and the projected asset values of the Plan; and,
- The actuarial rate of return.

The allocation of investments to various asset classes shall be reviewed annually and reflected in duly adopted resolutions of the Board. The objective of the Board's annual review of the overall asset allocation policy for the System's funds is to provide a sound, fiduciary structure to the investment process. The asset allocation target exposures are established after thorough review and analysis of the System's fund's expected rates of return opportunities and the associated risk of attempting to achieve the targeted return. The asset allocation policy identifies the asset classes to be used and designates the percentage allocation to each asset class in the System's investment portfolio. If

necessary to fulfill its fiduciary obligations to the System, the Board may revise the asset allocation policy at any time it determines that circumstances justify such revision.

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the use of such authorized options: (1) The fair market value of securities underlying existing and proposed option contracts may not exceed 30 percent of the market value of the investment portfolio measured at the time each new option contract is evaluated, and (2) the time from the inception of an option position to its expiration date shall not exceed 90 days.

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SCERS' funds may be lent to owners of real property provided the Board is satisfied with the credit worthiness of the borrower, the attributes of the real property, the suitability of the loan-to-value ratio, the interest rate on the loan, the reliability of the source of debt service funds, among other factors bearing on the desirability of the loan. No loans shall be made unless it is secured by a first position deed of trust, junior only to taxes and assessments entitled to priority by state statute, and supported by appropriate title insurance.

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SCERS funds may be invested in insurance products that provide guaranteed lifetime income security for participants, including, without limitation, group annuity contracts, guaranteed investment contracts, and other insurance company-issued investment contracts designed to provide lifetime income benefits (collectively, "Insurance Products"). Prior to investing in any Insurance Product, the Board or its Investment Managers will evaluate the financial strength and claims-paying ability of the issuing insurance company, as assessed by one or more independent rating agencies such as AM Best, Moody's, or Standard & Poor's, and will consider the risk characteristics, liquidity profile, and legal structure of the product, such as whether the investment is held in the insurer's general account or a separate account. At the discretion of the Board or Investment Managers, the availability and adequacy of state guaranty association protections, reinsurance arrangements maintained by the issuing company, and other risk mitigation features may be considered as factors in evaluating the suitability of an Insurance Product.

VI. AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES, BROKER/DEALERS

SELECTION

Financial institutions and depositories involved in implementing the Board's investment activities are selected on a competitive basis in order to obtain high quality services by reliable, reputable and stable entities. The competitive process may be formal or informal, as determined by the Board in its discretion, with the objective of obtaining the quality of services necessary to serve the best interests of SCERS and its members, with services performed at competitive fees and rates.

Among the factors that the Board may consider in obtaining such services are (i) minimum qualifications pertaining to capacity, satisfaction of requirements to conduct required business, i.e. licenses, permits, registrations, certifications, etc.; (ii) capitalization; (iii) insurance and bonding; (iv) safekeeping and custodial experience; (v) status in good standing; (vi) ability and capacity of the firm to provide a full range of services as may be required by the Board; (vii) extent of the value added by an entity over the services provided by firms then-providing investment-related services to the Board; and (viii) other attributes as may be determined by the Board from time to time. The Board may determine the number and nature of firms to be retained to provide investment-related services based upon the volume of existing and projected investment work. Those firms that are selected to execute transactions on behalf of the System shall do so in a good faith manner and in the best interests of the System, and shall disclose to and advise the Board of material facts that bear upon the pricing of a given transaction order given by investment officers.

In lieu of conducting its own competitive process for the selection of supporting financial institutions, the Board may utilize the custodians, banks, brokers, dealers and other financial institutions utilized by the City in the management and investment of its funds. Such institutions must be duly selected and approved by the City Council. Prior to engaging any City-approved institution, the Board must be satisfied with the selection process used by the City.

PERFORMANCE REVIEW

All financial institutions and depositories shall maintain the qualifications and attributes deemed appropriate by the Board, including, but not limited to those enumerated in subsection A above, and shall perform their duties in a satisfactory manner. The Board, in its discretion, shall conduct periodic performance reviews to ensure the institutions and depositories are providing services in the best interests of the System.

VII. SAFEKEEPING AND CUSTODY

DELIVERY VS. PAYMENT

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

CUSTODY OF SYSTEM ASSETS

SCERS shall contract to utilize the services of a master custodian that shall transfer assets to and from the System's funds as directed by the Board and/or the Investment Managers. Also, the custodian shall settle purchases and sales of securities, collect income, and

disperse funds for approved expenditures or investments. Other services provided by the custodian include, but are not limited to, cash management, portfolio transition services, securities lending services, compliance monitoring services and information/accounting services. The inventory and value of cash and securities held by the custodian will be reconciled on a daily basis. The custodial institution shall annually provide a copy of their most recent report on internal controls in accordance with Statement on Standards of Attestation Engagements, No. 18 (SSAE No. 18).

INTERNAL CONTROLS

The Investment Managers shall establish and maintain an internal control structure designed to guide the activities of investment officers to ensure that the assets of the System are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimate and judgments by management. The internal controls structure shall address the following points:

- Prevention of collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

VIII. REPORTING

INVESTMENT REPORTS

The Investment Manager shall present to the Board monthly investment transaction reports and quarterly performance reports.

MARKING TO MARKET

For purposes of preparation of the investment reports, the market value of the portfolio

shall be calculated.

IX. POLICY CONSIDERATIONS

ETHICS AND CONFLICTS OF INTEREST

Board members, the Investment Manager, and all other persons materially involved in the selection of investments (collectively, "Involved Persons") shall refrain from personal business activity that could conflict with the proper execution and management of the SCERS investment program, or that could impair their ability to make impartial decisions. All Involved Persons shall disclose any material interests in financial institutions with which they conduct business or invest in. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. All Involved Persons shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the System.

All Involved Persons shall file State Fair Political Practices Commission's Statement of Economic Interests and make the disclosures required by the City's conflict of interest policies.

EXEMPTION

Any investment held at the time these policies are duly adopted that does not meet the guidelines of this policy shall be exempted from the requirements of this policy, provided that as soon as practicable the Board and its Investment Manager shall take appropriate steps to address non-compliant investments in the best interest of the System. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

AMENDMENTS

This policy shall be reviewed annually by the Board. The Investment Managers may recommend changes to the Board for its consideration. Any changes adopted by the Board must be approved by the City Council.

CITY COUNCIL CONSIDERATION OF INVESTMENT POLICY

This policy shall be reviewed and approved by the City Council pursuant to Section 383 of the Charter.

City of Sacramento
Administration, Investment, & Fiscal Management
Board Report
915 I Street Sacramento, CA 95814
www.cityofsacramento.org

File ID: 2026-00920

5/21/2026

Sacramento City Employees Retirement System (SCERS) Pensioners' Cost of Living Increase

File ID: 2026-00920

Location: Citywide

Recommendation: Review and file.

Contact: Osvaldo Lopez, Finance Manager, (916) 808-4740, olopez@cityofsacramento.org,
Department of Finance

Presenter: None

Attachments:

1-Description/Analysis

Description/Analysis

Issue Detail: The Sacramento City Employees' Retirement System (SCERS) is a closed defined benefit pension plan that is actively managed in-house. SCERS has not accepted new members since January 28, 1977, and currently one actively working member remains. There are currently 673 SCERS retirees and beneficiaries receiving pension payments.

In accordance with Charter Section 379 and Article IX, Chapter 2.124 of the Sacramento City Code, it is determined that the 2026 annual average Consumer Price Index for the San Francisco/Oakland area rose to 356.01, which reflects a 2.2% increase from calendar year 2025. The increase is calculated as follows:

2026 Index 356.01
2025 Index (348.42)
7.59 points / 348.42 = 2.2%

Under Article IX, Chapter 2.124 of the Sacramento City Code and section 379 of the City Charter, the increase or decrease shall not exceed 3%, regardless of the percentage of change in cost of living, and any excess shall be accumulated and included in the computation of increases or decreases in succeeding years.

Based on the Cost-of-Living Adjustment (COLA) banks, retirees will receive a COLA based on their year of retirement. If the retiree retired between:

- 07/01/1975 and 06/30/2022, the retiree will receive a 3% COLA.
- 07/01/2022 and 06/30/2023, the retiree will receive a 2.6% COLA.
- 07/01/2023 and 06/30/2025, the retiree will receive a 2.2% COLA
- 07/01/2025 and 06/30/2026, the retiree will receive a 2.2% COLA, pro-rated for each month retired.

Policy Considerations: Sacramento City Code Chapter 2.124.

Economic Impacts: None.

Environmental Considerations: Not applicable. This action constitutes administrative action by the Board.

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: In accordance with Sacramento City Code, Article IX, Chapter 2.124, the City is required to increase or decrease the monthly allowance of those SCERS members as outlined in the code.

Financial Considerations: Not applicable.

Local Business Enterprise (LBE): Not applicable.

City of Sacramento
Administration, Investment, & Fiscal Management
Board Report
915 I Street Sacramento, CA 95814
www.cityofsacramento.org

File ID: 2026-00929

5/21/2026

SCERS Monthly Investment Report

File ID: 2026-00929

Location: Citywide

Recommendation: Pass a **Motion** accepting the SCERS Monthly Investment Reports for January 2026, February 2026, and March 2026.

Contact: Stacy Hussey, Chief Investment Officer, (916) 808-7746, shussey@cityofsacramento, Office of the City Treasurer

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Sacramento City Employees' Retirement System Monthly Investment Reports for January 2026
- 3- Sacramento City Employees' Retirement System Monthly Investment Reports for February 2026
- 4- Sacramento City Employees' Retirement System Monthly Investment Reports for March 2026

Description/Analysis

Issue Detail: Routine monthly investment report provided to the board.

Policy Considerations: None.

Economic Impacts: None.

Environmental Considerations: Not applicable.

Sustainability: Not applicable.

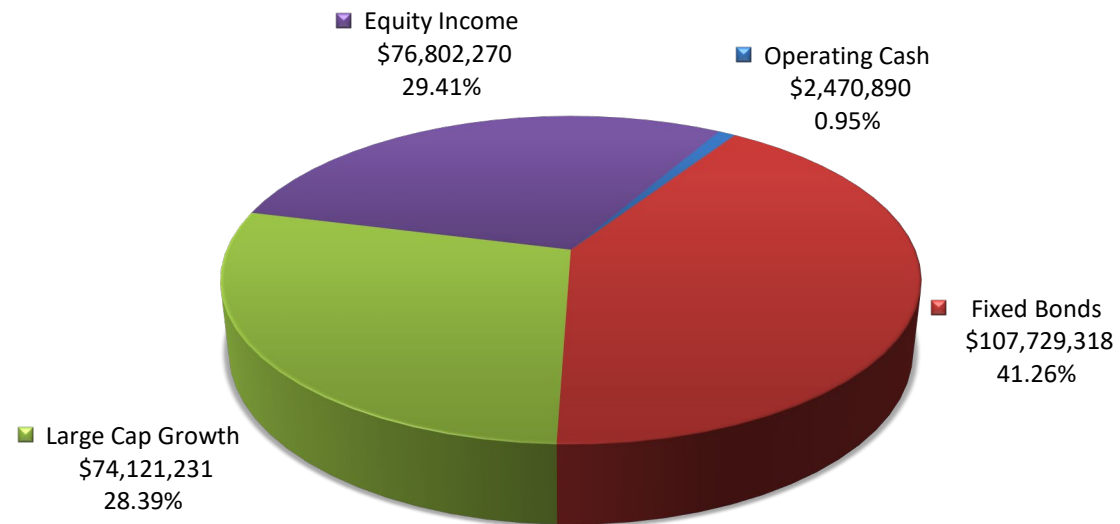
Commission/Committee Action: Not applicable.

Rationale for Recommendation: For informational purposes, the City Treasurer reports on investment transactions of SCERS funds invested by City Treasurer's Office staff.

Financial Considerations: Not applicable.

Local Business Enterprise (LBE): Not applicable.

City of Sacramento
ASSETS UNDER MANAGEMENT
Sacramento City Employees' Retirement System
(Including Operating Cash)
\$261,123,708
January 31, 2026



**SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
PERFORMANCE SUMMARY
@ Market Value *
For the Period Ending January 31, 2026**

Month To Date

	<u>January 1 - 31, 2026 Activity</u>					<u>Cash & Equivalents</u>	<u>Net Investment</u>	<u>Account IRR</u>	<u>% of Assets</u>
	<u>12/31/25 Market Value</u>	<u>Additions/ (Withdrawals)</u>	<u>Interest/ Dividends</u>	<u>Gains/ (Losses)</u>	<u>01/31/26 Market Value</u> ¹⁾				
SCERS OPERATING CASH	<u>2,509,797</u>	<u>(47,077)</u>	<u>8,169</u>	<u>-</u>	<u>2,470,890</u>	<u>2,470,890</u>	<u>-</u>	<u>0.28%</u>	<u>0.95%</u>
FIXED BONDS	<u>107,844,040</u>	<u>(398,878)</u>	<u>361,425</u>	<u>(77,269)</u>	<u>107,729,318</u>	<u>212,659</u>	<u>107,516,659</u>	<u>0.26%</u>	<u>41.26%</u>
EQUITIES:									
LARGE CAP GROWTH	<u>72,235,501</u>	<u>(21,297)</u>	<u>6,854</u>	<u>1,900,173</u>	<u>74,121,231</u>	<u>2,638,583</u>	<u>71,482,648</u>	<u>2.64%</u>	<u>28.39%</u>
EQUITY INCOME	<u>77,698,683</u>	<u>(4,009,881)</u>	<u>18,597</u>	<u>3,094,871</u>	<u>76,802,270</u>	<u>4,221,132</u>	<u>72,581,138</u>	<u>4.17%</u>	<u>29.41%</u>
Total Equities	<u>149,934,184</u>	<u>(4,031,178)</u>	<u>25,451</u>	<u>4,995,044</u>	<u>150,923,501</u>	<u>6,859,715</u>	<u>144,063,786</u>	<u>3.42%</u>	<u>57.80%</u>
Month to Date Totals	<u>260,288,021</u>	<u>(4,477,133)</u>	<u>395,045</u> a	<u>4,917,775</u> b	<u>261,123,708</u>	<u>9,543,264</u>	<u>251,580,444</u>	<u>2.06%</u>	<u>100.00%</u>
Total Interest/Dividends/Gains/Losses				<u>5,312,820</u>	sum of a & b				

Fiscal Year To Date

	<u>July 1,2025 - January 31, 2026 Activity</u>					<u>Cash & Equivalents</u>	<u>Net Investment</u>	<u>TWRR²⁾</u>	<u>% of Assets</u>
	<u>255,554,875</u>	<u>(18,016,231)</u>	<u>3,796,905</u>	<u>19,788,159</u>	<u>261,123,708</u>				
Fiscal Year to Date Totals	<u>255,554,875</u>	<u>(18,016,231)</u>	<u>3,796,905</u>	<u>19,788,159</u> b	<u>261,123,708</u>	<u>9,543,264</u>	<u>251,580,444</u>	<u>9.57%</u>	<u>100.00%</u>
Total Interest/Dividends/Gains/Losses				<u>23,585,064</u>	sum of a & b				

* Market Value = fair value of the holdings in a security on a given date

¹⁾ Realized and unrealized gains and losses

²⁾ TWRR = Time Weighted Rate of Return

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF OVER (UNDER) INVESTMENT
@ Market Value
As of January 31, 2026

	<u>01/31/26 Market Value</u>	<u>% of Portfolio</u>	<u>Current Allocation</u>	<u>FY 2025-26 Approved Allocation</u>	<u>Dollars Authorized At Market Value</u>	<u>Over (Under) Investment At Market Value</u>
FIXED BONDS:						
Investments	\$ 107,516,659	99.80%	41.57%			
Cash & Equivalents	<u>212,659</u>	<u>0.20%</u>	<u>0.08%</u>			
Total Fixed	<u>\$ 107,729,318</u>	<u>100.00%</u>	<u>41.65%</u>	40.00%	\$ 103,461,128	\$ 4,268,190
EQUITIES:						
LARGE CAP GROWTH						
Investments	71,482,648	96.44%	27.64%			
Cash & Equivalents	<u>2,638,583</u>	<u>3.56%</u>	<u>1.02%</u>			
Subtotal	<u>74,121,231</u>	<u>100.00%</u>	<u>28.66%</u>	30.00%	77,595,846	(3,474,615)
EQUITY INCOME						
Investments	72,581,138	94.50%	28.06%			
Cash & Equivalents	<u>4,221,132</u>	<u>5.50%</u>	<u>1.63%</u>			
Subtotal	<u>76,802,270</u>	<u>100.00%</u>	<u>29.69%</u>	30.00%	77,595,846	(793,576)
Total Equities	<u>\$ 150,923,501</u>		<u>58.35%</u>	<u>60.00%</u>	<u>\$ 155,191,691</u>	<u>\$ (4,268,190)</u>
GRAND TOTAL	<u>\$ 258,652,819</u>		<u>100.00%</u>	<u>100.00%</u>	<u>\$ 258,652,819</u>	<u>\$ (0)</u>

City of Sacramento
PERFORMANCE BY ASSET CLASS
GROSS OF FEES

Operating Cash
SCERS

From 12-31-25 To 01-31-26

	Fixed Income	Call Options	Put Options	Equities	Cash and Equiv.	Total Portfolio
Market Value on 12-31-25	0	0	0	0	2,509,797	2,509,797
Purchases/Contributions	0	0	0	0	4,583,457	4,583,457
Sales/Withdrawals	0	0	0	0	-4,630,534	-4,630,534
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Realized Gains	0	0	0	0	0	0
Unrealized Gains	0	0	0	0	0	0
Interest Income	0	0	0	0	8,169	8,169
Dividend Income	0	0	0	0	0	0
Market Value on 01-31-26	0	0	0	0	2,470,890	2,470,890
Average Capital Base	0	0	0	0	2,900,589	2,900,589
Total Gain before Fees	0	0	0	0	8,169	8,169
IRR for 0.08 Years	0.00%	0.00%	0.00%	0.00%	0.28%	0.28%

City of Sacramento
PERFORMANCE BY ASSET CLASS
GROSS OF FEES

Fixed Bonds

SCERS

From 12-31-25 To 01-31-26

	Fixed Income	Call Options	Put Options	Equities	Cash and Equiv.	Total Portfolio
Market Value on 12-31-25	105,269,210	0	0	1,224,000	212,496	106,705,706
Accrued Interest	1,138,334	0	0	0	0	1,138,334
Purchases/Contributions	8,020,697	0	0	0	8,414,939	0
Sales/Withdrawals	-8,414,939	0	0	0	-8,419,576	-398,878
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Realized Gains	-35,145	0	0	0	0	-35,145
Unrealized Gains	-56,374	0	0	14,250	0	-42,124
Interest Income	416,583	0	0	0	4,800	421,384
Dividend Income	0	0	0	0	0	0
Change in Accrued Interest	-59,959	0	0	0	0	-59,959
Market Value on 01-31-26	105,200,033	0	0	1,238,250	212,659	106,650,942
Accrued Interest	1,078,376	0	0	0	0	1,078,376
Average Capital Base	105,933,173	0	0	1,224,000	674,000	107,831,173
Total Gain before Fees	265,106	0	0	14,250	4,800	284,156
IRR for 0.08 Years	0.25%	0.00%	0.00%	1.16%	0.71%	0.26%

City of Sacramento
PERFORMANCE BY ASSET CLASS
GROSS OF FEES
Large Cap Growth
SCERS
From 12-31-25 To 01-31-26

	Fixed Income	Call Options	Put Options	Equities	Cash and Equiv.	Total Portfolio
Market Value on 12-31-25	0	0	0	71,979,643	255,858	72,235,501
Purchases/Contributions	0	0	0	0	2,398,603	0
Sales/Withdrawals	0	0	0	-2,398,603	-21,297	-21,297
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Realized Gains	0	0	0	37,302	0	37,302
Unrealized Gains	0	0	0	1,862,870	0	1,862,870
Interest Income	0	0	0	0	5,419	5,419
Dividend Income	0	0	0	1,435	0	1,435
Market Value on 01-31-26	0	0	0	71,482,648	2,638,583	74,121,231
Average Capital Base	0	0	0	70,200,034	2,034,780	72,234,814
Total Gain before Fees	0	0	0	1,901,608	5,419	1,907,027
IRR for 0.08 Years	0.00%	0.00%	0.00%	2.71%	0.27%	2.64%

City of Sacramento
PERFORMANCE BY ASSET CLASS
GROSS OF FEES

Equity Income

SCERS

From 12-31-25 To 01-31-26

	Fixed Income	Call Options	Put Options	Equities	Cash and Equiv.	Total Portfolio
Market Value on 12-31-25	0	0	0	77,497,866	200,816	77,698,682
Purchases/Contributions	0	0	0	0	8,021,700	0
Sales/Withdrawals	0	0	0	-8,021,700	-4,009,881	-4,009,881
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Realized Gains	0	0	0	229,020	0	229,020
Unrealized Gains	0	0	0	2,865,851	0	2,865,851
Interest Income	0	0	0	0	8,497	8,497
Dividend Income	0	0	0	10,100	0	10,100
Market Value on 01-31-26	0	0	0	72,581,137	4,221,132	76,802,269
Average Capital Base	0	0	0	71,417,376	3,313,246	74,730,621
Total Gain before Fees	0	0	0	3,104,971	8,497	3,113,468
IRR for 0.08 Years	0.00%	0.00%	0.00%	4.35%	0.26%	4.17%

City of Sacramento
PERFORMANCE BY ASSET CLASS
GROSS OF FEES

International
SCERS

From 12-31-25 To 01-31-26

	Fixed Income	Call Options	Put Options	Equities	Cash and Equiv.	Total Portfolio
Market Value on 12-31-25	0	0	0	0	0	0
Purchases/Contributions	0	0	0	0	0	0
Sales/Withdrawals	0	0	0	0	0	0
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Realized Gains	0	0	0	0	0	0
Unrealized Gains	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0
Dividend Income	0	0	0	0	0	0
Market Value on 01-31-26	0	0	0	0	0	0
Average Capital Base	0	0	0	0	0	0
Total Gain before Fees	0	0	0	0	0	0
IRR for 0.08 Years	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

City of Sacramento
TRADE ACTIVITY
From 01-01-26 to 01-31-26

Name	Number of Trades
Fixed Bonds	20
Large Cap Growth	4
Equity Income	2
International	0
TOTAL	26

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Fixed Bonds
SCERS
From 01-01-26 To 01-31-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>01-31-2026 Price</u>	<u>Difference</u>
<u>Purchases</u>							
U.S. GOVERNMENT BONDS							
01-12-2026	01-14-2026	1,500,000	U.S. Treasury Note 3.875% Due 12-31-32	99.59	1,493,906	99.11	0
					1,493,906		
FEDERAL HOME LOAN BANK							
01-14-2026	01-27-2026	1,000,000	Federal Home Loan Bank 4.190% Due 01-27-33	100.00	1,000,000	99.56	0
					1,000,000		
MUNICIPAL BONDS							
01-14-2026	01-15-2026	500,000.00	New York N Y 4.769% Due 10-01-34	101.78	508,880	100.81	-1
					508,880		
CORPORATE BONDS							
01-14-2026	01-21-2026	750,000	Barclays Bank Plc 4.550% Due 01-21-33	100.00	750,000	99.36	-1
01-06-2026	01-07-2026	450,000	Constellation Brands Inc 4.750% Due 05-09-32	101.06	454,783	100.73	0
01-06-2026	01-07-2026	500,000	Pfizer Inc 4.500% Due 11-15-32	100.78	503,905	100.32	0
01-14-2026	01-15-2026	500,000	Pfizer Inc 4.500% Due 11-15-32	100.85	504,275	100.32	-1
01-14-2026	01-15-2026	1,000,000	Qualcom Inc 4.250% Due 05-20-32	100.44	1,004,430	99.80	-1
01-14-2026	01-15-2026	500,000	Target Corp 4.500% Due 09-15-32	101.62	508,105	100.93	-1
					3,725,498		
MORTGAGE BACKED SECURITIES							
01-14-2026	01-22-2026	748,374.650	Gnma Pass-Thru M Single Family 5.000% Due 12-20-55	100.49	752,023	100.10	0
01-14-2026	01-22-2026	496,102.130	Gnma Pass-Thru M Single Family 5.500% Due 10-20-55	101.55	503,792	101.23	0
					1,255,815		
Total Purchases					7,984,099		

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS

Fixed Bonds

SCERS

From 01-01-26 To 01-31-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
<u>Sales</u>							
U.S. GOVERNMENT BONDS							
01-12-2026	01-13-2026	2,000,000	U.S. Treasury Note 1.875% Due 02-15-41	70.21	1,404,141	92.91	-453,984
					1,404,141		-453,984
FEDERAL HOME LOAN BANK							
01-12-2026	01-12-2026	500,000	Federal Home Loan Bank 5.000% Due 01-12-28	100.00	500,000	99.87	625
					500,000		625
FEDERAL FARM CREDIT BANK - FRMMT							
01-13-2026	01-14-2026	500,000	Federal Farm Credit Bank 1.650% Due 07-23-35	78.01	390,055	99.94	-109,640
					390,055		-109,640
MUNICIPAL BONDS							
01-13-2026	01-14-2026	1,500,000.00	California St 1.750% Due 11-01-30	90.40	1,356,000	98.08	-115,200
01-02-2026	01-02-2026	765,000.00	Houston Tex Arpt Sys Rev Arpt Sys 6.880% Due 01-01-28	100.00	765,000	89.19	82,658
					2,121,000		-32,542
CORPORATE BONDS							
01-13-2026	01-14-2026	1,000,000	CVS Health Corp 1.875% Due 02-28-31	87.70	877,000	100.90	-132,030
01-13-2026	01-14-2026	1,000,000	Lowes Cos Inc 1.700% Due 10-15-30	88.75	887,500	99.72	-109,690
01-13-2026	01-14-2026	1,000,000	Mondelez Intl Inc 1.500% Due 02-04-31	87.00	870,000	99.00	-119,970
01-13-2026	01-14-2026	1,000,000	Nasdaq Inc 1.650% Due 01-15-31	88.30	883,000	98.65	-103,460
					3,517,500		-465,150
Total Sales					7,932,696		-1,060,691

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Fixed Bonds
SCERS
From 01-01-26 To 01-31-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
Paydowns							
MORTGAGE BACKED SECURITIES							
01-26-2026	01-26-2026	126.950	Fannie Mae Pool #256393 6.000% Due 09-01-36	100.00	127	99.67	0
01-26-2026	01-26-2026	5,596.030	Freddie Mac Pool #SD8278 6.000% Due 12-01-52	100.00	5,596	101.37	-77
01-26-2026	01-26-2026	7,424.390	Freddie Mac Pool #SD8343 6.000% Due 07-01-53	100.00	7,424	100.06	-5
01-26-2026	01-26-2026	12,189.630	Freddie Mac Pool #SD8432 6.000% Due 05-01-54	100.00	12,190	100.41	-50
01-20-2026	01-20-2026	2,131.970	Gnma Pass-Thru M Single Family 5.500% Due 06-20-55	100.00	2,132	99.70	6
01-15-2026	01-15-2026	109.380	Gnma Pool #439515 7.000% Due 03-15-27	100.00	109	98.06	2
01-15-2026	01-15-2026	1,185.030	Gnma Pool #550718 5.000% Due 11-15-35	100.00	1,185	97.31	32
01-15-2026	01-15-2026	298.650	Gnma Pool #648348 5.500% Due 10-15-35	100.00	299	99.66	1
					29,062		-89
Total Paydowns					29,062		-89

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Large Cap Growth
SCERS
From 01-01-26 To 01-31-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
<u>Sales</u>							
COMMON STOCK							
01-09-2026	01-12-2026	4,400	Select Sector Spdr Tr Sbi Healthcare	158.47	697,273	82.19	335,625
01-09-2026	01-12-2026	9,000	Select Sector Spdr Tr Sbi Int-Finl	55.94	503,505	21.26	312,139
01-09-2026	01-12-2026	3,500	Select Sector Spdr Tr Technology	144.42	505,476	27.30	409,909
01-09-2026	01-12-2026	1,000	Spdr S&P 500 ETF Trust ETP	690.91	690,914	283.83	407,079
					2,397,167		1,464,753
Total Sales					2,397,167		1,464,753

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Equity Income
SCERS
From 01-01-26 To 01-31-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
<u>Sales</u>							
COMMON STOCK							
01-08-2026	01-09-2026	19,000	Ishares Tr Russell 1000 Val	215.80	4,100,200	119.62	1,827,482
01-09-2026	01-12-2026	18,000	Ishares Tr Russell 1000 Val	217.30	<u>3,911,400</u>	119.62	<u>1,758,299</u>
					8,011,600		3,585,781
Total Sales					<u>8,011,600</u>		<u>3,585,781</u>

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
International
From 01-01-26 To 01-31-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
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No transactions within the specified date range were found!

STOCK OPTIONS TRANSACTION DETAIL
Equity Portfolios Combined
From 07-01-25 To 01-31-26

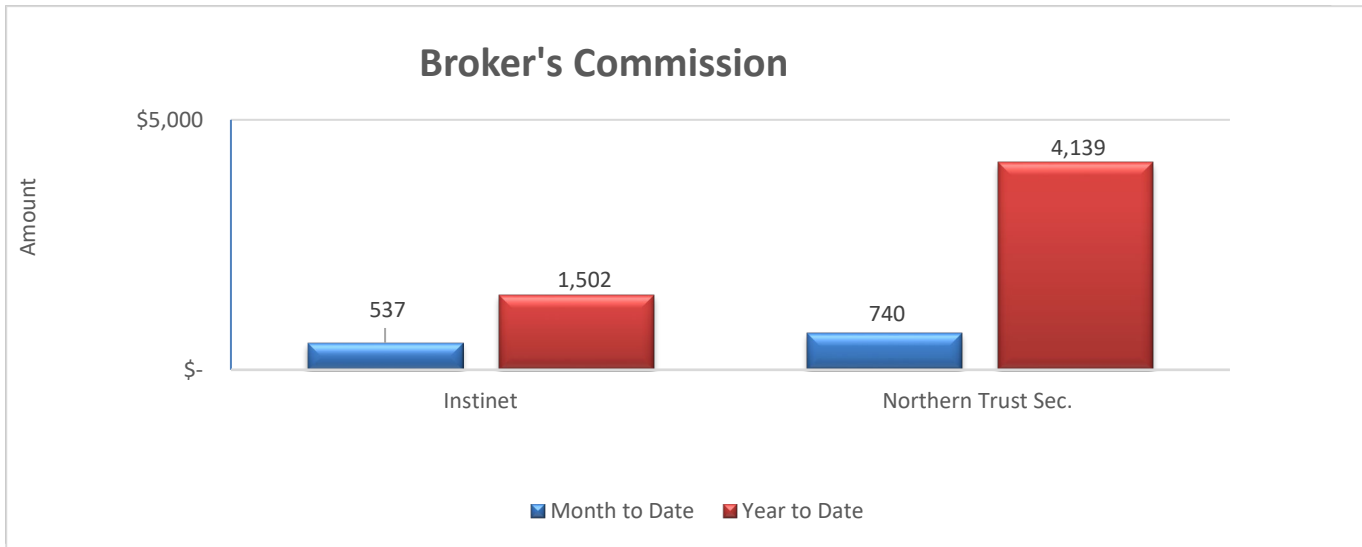
Security Type	Security Symbol	Tran Code	Security	Expiration Date	Trade Date	Settle Date	Contracts	Premium Received (Premium Paid)
Buy long								
CALL	iwm 250815c00237000	by	Ishares Tr Cll Opt 237.0000 08152025	08-15-25	08-01-25	08-04-25	45	-395
CALL	amzn 250815c00250000	by	Amazon Com Inc Cll Opt250.0000 08152025	08-15-25	08-01-25	08-04-25	40	-511
CALL	spy 250815c00655000	by	Spdr S&p 500 E Cll Opt655.0000 08152025	08-15-25	08-01-25	08-04-25	100	-1,277
CALL	smh 250815c00315000	by	Vaneck Etf Tru Cll Opt315.0000 08152025	08-15-25	08-11-25	08-12-25	100	-1,077
CALL	goog 250815c00210000	by	Alphabet Inc Cll Opt 210.0000 08152025	08-15-25	08-14-25	08-15-25	40	-1,232
CALL	goog 250919c00220000	by	Alphabet Inc Cll Opt 220.0000 09192025	09-19-25	09-17-25	09-18-25	40	-114,715
CALL	goog 251017c00255000	by	Alphabet Inc Cll Opt 255.0000 10172025	10-17-25	10-09-25	10-10-25	40	-3,461
CALL	smh 251017c00335000	by	Vaneck Etf Tru Cll Opt335.0000 10172025	10-17-25	10-09-25	10-10-25	100	-125,754
CALL	spy 251017c00685000	by	Spdr S&p 500 E Cll Opt685.0000 10172025	10-17-25	10-10-25	10-14-25	100	-2,071
CALL	spy 251121c00708000	by	Spdr S&p 500 E Cll Opt708.0000 11212025	11-21-25	11-06-25	11-07-25	100	-2,077
CALL	smh 251121c00360000	by	Vaneck Etf Tru Cll Opt360.0000 11212025	11-21-25	11-17-25	11-18-25	100	-13,077
CALL	goog 251121c00270000	by	Alphabet Inc Cll Opt 270.0000 11212025	11-21-25	11-19-25	11-20-25	40	-96,031
								-361,678
Sell short								
CALL	amzn 250815c00250000	ss	Amazon Com Inc Cll Opt250.0000 08152025	08-15-25	07-23-25	07-24-25	40	5,919
CALL	goog 250815c00210000	ss	Alphabet Inc Cll Opt 210.0000 08152025	08-15-25	07-23-25	07-24-25	40	7,519
CALL	iwm 250815c00237000	ss	Ishares Tr Cll Opt 237.0000 08152025	08-15-25	07-23-25	07-24-25	45	5,309
CALL	smh 250815c00315000	ss	Vaneck Etf Tru Cll Opt315.0000 08152025	08-15-25	07-23-25	07-24-25	100	7,008
CALL	spy 250815c00655000	ss	Spdr S&p 500 E Cll Opt655.0000 08152025	08-15-25	07-23-25	07-24-25	100	8,797
CALL	goog 250919c00220000	ss	Alphabet Inc Cll Opt 220.0000 09192025	09-19-25	08-14-25	08-15-25	40	9,160
CALL	amzn 250919c00255000	ss	Amazon Com Inc Cll Opt255.0000 09192025	09-19-25	08-14-25	08-15-25	45	4,949
CALL	smh 251017c00335000	ss	Vaneck Etf Tru Cll Opt335.0000 10172025	10-17-25	09-11-25	09-12-25	100	14,998
CALL	spy 251017c00685000	ss	Spdr S&p 500 E Cll Opt685.0000 10172025	10-17-25	09-11-25	09-12-25	100	10,598
CALL	goog 251017c00255000	ss	Alphabet Inc Cll Opt 255.0000 10172025	10-17-25	09-17-25	09-18-25	40	23,953
CALL	goog 251121c00270000	ss	Alphabet Inc Cll Opt 270.0000 11212025	11-21-25	10-09-25	10-10-25	40	16,029
CALL	smh 251121c00360000	ss	Vaneck Etf Tru Cll Opt360.0000 11212025	11-21-25	10-09-25	10-10-25	100	100,475
CALL	spy 251121c00708000	ss	Spdr S&p 500 E Cll Opt708.0000 11212025	11-21-25	10-10-25	10-14-25	100	10,303
								225,017
GRAND TOTAL								-136,660

Sacramento City Employees' Retirement System
Large Cap Portfolio Call Options Performance
From FY 2015 to January 31, 2026

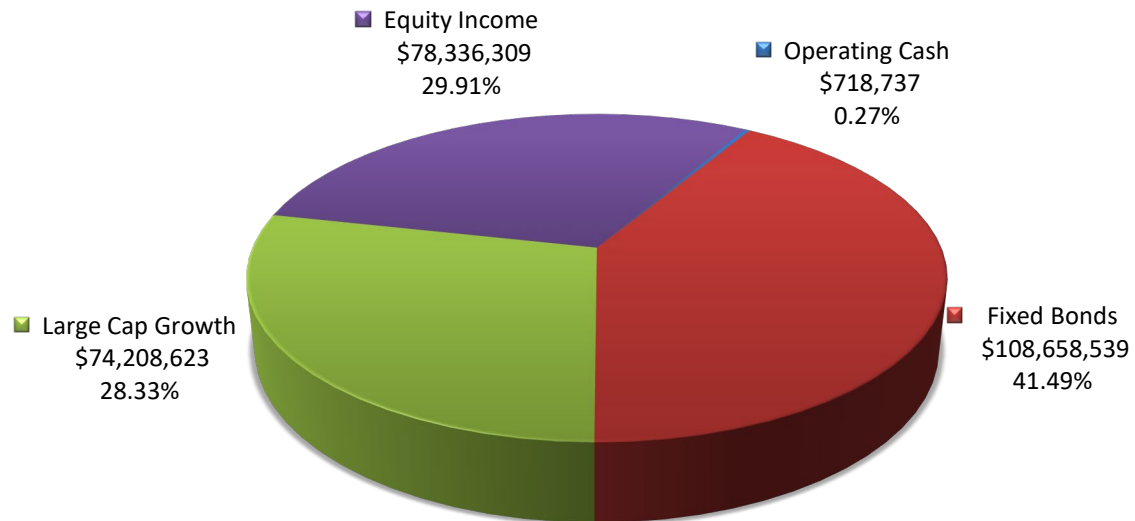
	SPX	Large Cap Portfolio	w/out Call Options	Delta
FY 2015	5.25%	7.58%	8.06%	-0.48%
FY 2016	1.73%	-0.18%	-0.91%	0.73%
FY 2017	15.46%	18.00%	18.16%	-0.16%
FY 2018	12.17%	14.19%	15.35%	-1.16%
FY 2019	8.22%	6.90%	7.02%	-0.12%
FY 2020	5.39%	7.51%	8.18%	-0.67%
FY 2021	38.62%	44.10%	44.13%	-0.03%
FY 2022	-11.92%	-12.68%	-12.68%	0.00%
FY 2023	17.57%	19.09%	19.08%	0.01%
FY 2024	22.70%	21.50%	22.38%	-0.88%
FY 2025				
Jul-24	1.13%	1.49%	1.49%	0.00%
Aug-24	2.28%	1.82%	1.83%	-0.01%
Sep-24	2.02%	1.78%	1.72%	0.06%
Oct-24	-0.99%	-1.13%	-1.16%	0.03%
Nov-24	5.73%	5.96%	5.88%	0.08%
Dec-24	-2.50%	-3.59%	-3.61%	0.02%
Jan-25	2.70%	3.02%	2.97%	0.05%
Feb-25	-1.42%	-1.25%	-1.29%	0.04%
Mar-25	-5.75%	-5.39%	-5.42%	0.03%
Apr-25	-0.76%	-1.37%	-1.41%	0.04%
May-25	6.15%	5.44%	5.64%	-0.20%
Jun-25	4.96%	5.52%	5.52%	0.00%
	13.63%	12.18%	12.04%	0.14%
FY 2026				
Jul-25	2.17%	1.75%	1.73%	0.02%
Aug-25	1.91%	2.51%	2.49%	0.02%
Sep-25	3.53%	3.35%	3.51%	-0.16%
Oct-25	2.27%	2.07%	2.31%	-0.24%
Nov-25	0.13%	0.46%	0.29%	0.17%
Dec-25	-0.05%	0.82%	0.82%	0.00%
Jan-26	1.37%	2.64%	2.64%	0.00%
	11.83%	14.39%	14.58%	-0.19%

BROKER'S COMMISSION
Sacramento City Employees' Retirement System
(Amounts Exclude Implied Commission)

	Month To Date January 1-31, 2026			Fiscal Year To Date July 1, 2025 - January 31, 2026		
	Commission Amount	Avg. Commission Per Share	Percent of Total Commission	Commission Amount	Avg. Commission Per Share	Percent of Total Commission
Instinet	537.00	0.030	42.05%	1,501.50	0.030	26.62%
Northern Trust Sec.	740.00	0.020	57.95%	4,139.05	0.015	73.38%
TOTAL	<u>1,277.00</u>	<u>0.023</u>	<u>100.00%</u>	<u>\$ 5,640.55</u>	<u>\$ 0.018</u>	<u>100.00%</u>



City of Sacramento
ASSETS UNDER MANAGEMENT
Sacramento City Employees' Retirement System
(Including Operating Cash)
\$261,922,207
February 28, 2026



**SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
PERFORMANCE SUMMARY
@ Market Value *
For the Period Ending February 28, 2026**

Month To Date

	<u>February 1 - 28, 2026 Activity</u>								
	<u>01/31/26 Market Value</u>	<u>Additions/ (Withdrawals)</u>	<u>Interest/ Dividends</u>	<u>Gains/ (Losses)</u>	<u>02/28/26 Market Value</u>	<u>Cash & Equivalents</u>	<u>Net Investment</u>	<u>Account IRR</u>	<u>% of Assets</u>
SCERS OPERATING CASH	<u>2,470,890</u>	<u>(1,758,348)</u>	<u>6,194</u>	<u>-</u>	<u>718,737</u>	<u>718,737</u>	<u>-</u>	<u>0.29%</u>	<u>0.27%</u>
FIXED BONDS	<u>107,729,318</u>	<u>(346,534)</u>	<u>373,265</u>	<u>902,490</u>	<u>108,658,539</u>	<u>425,428</u>	<u>108,233,111</u>	<u>1.18%</u>	<u>41.49%</u>
EQUITIES:									
LARGE CAP GROWTH	<u>74,121,231</u>	<u>(7,788)</u>	<u>8,155</u>	<u>87,025</u>	<u>74,208,623</u>	<u>2,638,950</u>	<u>71,569,673</u>	<u>0.13%</u>	<u>28.33%</u>
EQUITY INCOME	<u>76,802,270</u>	<u>(24,898)</u>	<u>31,566</u>	<u>1,527,371</u>	<u>78,336,309</u>	<u>4,227,800</u>	<u>74,108,509</u>	<u>2.03%</u>	<u>29.91%</u>
Total Equities	<u>150,923,501</u>	<u>(32,686)</u>	<u>39,721</u>	<u>1,614,396</u>	<u>152,544,932</u>	<u>6,866,750</u>	<u>145,678,182</u>	<u>1.10%</u>	<u>58.24%</u>
Month to Date Totals	<u>261,123,709</u>	<u>(2,137,568)</u>	<u>419,180</u> a	<u>2,516,886</u> b	<u>261,922,207</u>	<u>8,010,915</u>	<u>253,911,292</u>	<u>1.13%</u>	<u>100.00%</u>
			Total Interest/Dividends/Gains/Losses	<u>2,936,066</u>	sum of a & b				

Fiscal Year To Date

	<u>July 1, 2025 - February 28, 2026 Activity</u>								
								<u>TWRR²⁾</u>	
Fiscal Year to Date Totals	<u>255,554,875</u>	<u>(20,153,799)</u>	<u>4,216,087</u>	<u>22,305,044</u> b	<u>261,922,207</u>	<u>8,010,915</u>	<u>253,911,292</u>	<u>10.80%</u>	<u>100.00%</u>
			Total Interest/Dividends/Gains/Losses	<u>26,521,131</u>	sum of a & b				

* Market Value = fair value of the holdings in a security on a given date

1) Realized and unrealized gains and losses

2) TWRR = Time Weighted Rate of Return

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF OVER (UNDER) INVESTMENT
@ Market Value
As of February 28, 2026

	<u>02/28/26 Market Value</u>	<u>% of Portfolio</u>	<u>Current Allocation</u>	<u>FY 2025-26 Approved Allocation</u>	<u>Dollars Authorized At Market Value</u>	<u>Over (Under) Investment At Market Value</u>
FIXED BONDS:						
Investments	\$ 108,233,111	99.61%	41.44%			
Cash & Equivalents	<u>425,428</u>	<u>0.39%</u>	<u>0.16%</u>			
Total Fixed	<u>\$ 108,658,539</u>	<u>100.00%</u>	<u>41.60%</u>	40.00%	\$ 104,481,388	\$ 4,177,151
EQUITIES:						
LARGE CAP GROWTH						
Investments	71,569,673	96.44%	27.40%			
Cash & Equivalents	<u>2,638,950</u>	<u>3.56%</u>	<u>1.01%</u>			
Subtotal	<u>74,208,623</u>	<u>100.00%</u>	<u>28.41%</u>	30.00%	78,361,041	(4,152,418)
EQUITY INCOME						
Investments	74,108,509	94.60%	28.37%			
Cash & Equivalents	<u>4,227,800</u>	<u>5.40%</u>	<u>1.62%</u>			
Subtotal	<u>78,336,309</u>	<u>100.00%</u>	<u>29.99%</u>	30.00%	78,361,041	(24,732)
Total Equities	<u>\$ 152,544,932</u>		<u>58.40%</u>	<u>60.00%</u>	<u>\$ 156,722,083</u>	<u>\$ (4,177,151)</u>
GRAND TOTAL	<u>\$ 261,203,471</u>		<u>100.00%</u>	<u>100.00%</u>	<u>\$ 261,203,471</u>	<u>\$ -</u>

City of Sacramento
PERFORMANCE BY ASSET CLASS
GROSS OF FEES

Operating Cash
SCERS

From 01-31-26 To 02-28-26

	Fixed Income	Call Options	Put Options	Equities	Cash and Equiv.	Total Portfolio
Market Value on 01-31-26	0	0	0	0	2,470,890	2,470,890
Purchases/Contributions	0	0	0	0	532,983	532,983
Sales/Withdrawals	0	0	0	0	-2,291,330	-2,291,330
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Realized Gains	0	0	0	0	0	0
Unrealized Gains	0	0	0	0	0	0
Interest Income	0	0	0	0	6,194	6,194
Dividend Income	0	0	0	0	0	0
Market Value on 02-28-26	0	0	0	0	718,737	718,737
Average Capital Base	0	0	0	0	2,130,325	2,130,325
Total Gain before Fees	0	0	0	0	6,194	6,194
IRR for 0.08 Years	0.00%	0.00%	0.00%	0.00%	0.29%	0.29%

City of Sacramento
PERFORMANCE BY ASSET CLASS
GROSS OF FEES

Fixed Bonds

SCERS

From 01-31-26 To 02-28-26

	Fixed Income	Call Options	Put Options	Equities	Cash and Equiv.	Total Portfolio
Market Value on 01-31-26	105,200,033	0	0	1,238,250	212,659	106,650,942
Accrued Interest	1,078,376	0	0	0	0	1,078,376
Purchases/Contributions	0	0	0	0	558,146	0
Sales/Withdrawals	-551,297	0	0	-6,849	-346,534	-346,534
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Realized Gains	7,198	0	0	0	0	7,198
Unrealized Gains	904,892	0	0	-9,600	0	895,292
Interest Income	316,180	0	0	0	1,156	317,336
Dividend Income	0	0	0	6,849	0	6,849
Change in Accrued Interest	49,081	0	0	0	0	49,081
Market Value on 02-28-26	105,877,005	0	0	1,228,650	425,428	107,531,083
Accrued Interest	1,127,457	0	0	0	0	1,127,457
Average Capital Base	106,050,787	0	0	1,231,646	434,508	107,716,941
Total Gain before Fees	1,277,350	0	0	-2,751	1,156	1,275,755
IRR for 0.08 Years	1.20%	0.00%	0.00%	-0.22%	0.27%	1.18%

City of Sacramento
PERFORMANCE BY ASSET CLASS
GROSS OF FEES
Large Cap Growth
SCERS
From 01-31-26 To 02-28-26

	<u>Fixed Income</u>	<u>Call Options</u>	<u>Put Options</u>	<u>Equities</u>	<u>Cash and Equiv.</u>	<u>Total Portfolio</u>
Market Value on 01-31-26	0	0	0	71,482,648	2,638,583	74,121,231
Purchases/Contributions	0	0	0	0	936	0
Sales/Withdrawals	0	0	0	-936	-7,788	-7,788
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Realized Gains	0	0	0	0	0	0
Unrealized Gains	0	0	0	87,025	0	87,025
Interest Income	0	0	0	0	7,219	7,219
Dividend Income	0	0	0	936	0	936
Market Value on 02-28-26	0	0	0	71,569,673	2,638,950	74,208,623
Average Capital Base	0	0	0	71,481,980	2,638,973	74,120,953
Total Gain before Fees	0	0	0	87,961	7,219	95,180
IRR for 0.08 Years	0.00%	0.00%	0.00%	0.12%	0.27%	0.13%

City of Sacramento
PERFORMANCE BY ASSET CLASS
GROSS OF FEES

Equity Income

SCERS

From 01-31-26 To 02-28-26

	Fixed Income	Call Options	Put Options	Equities	Cash and Equiv.	Total Portfolio
Market Value on 01-31-26	0	0	0	72,581,137	4,221,132	76,802,269
Purchases/Contributions	0	0	0	0	20,011	0
Sales/Withdrawals	0	0	0	-20,011	-24,898	-24,898
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Realized Gains	0	0	0	0	0	0
Unrealized Gains	0	0	0	1,527,371	0	1,527,371
Interest Income	0	0	0	0	11,555	11,555
Dividend Income	0	0	0	20,011	0	20,011
Market Value on 02-28-26	0	0	0	74,108,508	4,227,800	78,336,309
Average Capital Base	0	0	0	72,569,984	4,231,396	76,801,380
Total Gain before Fees	0	0	0	1,547,382	11,555	1,558,938
IRR for 0.08 Years	0.00%	0.00%	0.00%	2.13%	0.27%	2.03%

City of Sacramento
PERFORMANCE BY ASSET CLASS
GROSS OF FEES

International
SCERS

From 01-31-26 To 02-28-26

	Fixed Income	Call Options	Put Options	Equities	Cash and Equiv.	Total Portfolio
Market Value on 01-31-26	0	0	0	0	0	0
Purchases/Contributions	0	0	0	0	0	0
Sales/Withdrawals	0	0	0	0	0	0
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Realized Gains	0	0	0	0	0	0
Unrealized Gains	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0
Dividend Income	0	0	0	0	0	0
Market Value on 02-28-26	0	0	0	0	0	0
Average Capital Base	0	0	0	0	0	0
Total Gain before Fees	0	0	0	0	0	0
IRR for 0.08 Years	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

City of Sacramento
TRADE ACTIVITY
From 02-01-26 to 02-28-26

Name	Number of Trades
Fixed Bonds	1
Large Cap Growth	0
Equity Income	0
International	0
TOTAL	1

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Fixed Bonds
SCERS
From 02-01-26 To 02-28-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
<u>Sales</u>							
MUNICIPAL BONDS							
02-26-2026	02-26-2026	200,000.00	Wisconsin St 2.614% Due 05-01-32	96.18	192,358	100.00	-7,642
					192,358		-7,642
Total Sales					192,358		-7,642

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Fixed Bonds
SCERS
From 02-01-26 To 02-28-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
Paydowns							
MORTGAGE BACKED SECURITIES							
02-25-2026	02-25-2026	282.050	Fannie Mae Pool #256393 6.000% Due 09-01-36	100.00	282	99.67	1
02-25-2026	02-25-2026	5,780.260	Freddie Mac Pool #SD8278 6.000% Due 12-01-52	100.00	5,780	101.37	-79
02-25-2026	02-25-2026	8,192.270	Freddie Mac Pool #SD8343 6.000% Due 07-01-53	100.00	8,192	100.06	-5
02-25-2026	02-25-2026	11,194.380	Freddie Mac Pool #SD8432 6.000% Due 05-01-54	100.00	11,194	100.41	-45
02-20-2026	02-20-2026	1,487.010	Gnma Pass-Thru M Single Family 5.000% Due 12-20-55	100.00	1,487	100.49	-7
02-20-2026	02-20-2026	12,726.460	Gnma Pass-Thru M Single Family 5.500% Due 06-20-55	100.00	12,726	99.70	38
02-20-2026	02-20-2026	1,491.260	Gnma Pass-Thru M Single Family 5.500% Due 10-20-55	100.00	1,491	101.55	-23
02-17-2026	02-17-2026	110.060	Gnma Pool #439515 7.000% Due 03-15-27	100.00	110	98.06	2
02-17-2026	02-17-2026	1,195.680	Gnma Pool #550718 5.000% Due 11-15-35	100.00	1,196	97.31	32
02-17-2026	02-17-2026	300.120	Gnma Pool #648348 5.500% Due 10-15-35	100.00	300	99.66	1
					42,760		-86
Total Paydowns					42,760		-86

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Large Cap Growth
From 02-01-26 To 02-28-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
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No transactions within the specified date range were found!

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Equity Income
From 02-01-26 To 02-28-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
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No transactions within the specified date range were found!

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
International
From 02-01-26 To 02-28-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
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No transactions within the specified date range were found!

STOCK OPTIONS TRANSACTION DETAIL
Equity Portfolios Combined
From 07-01-25 To 02-28-26

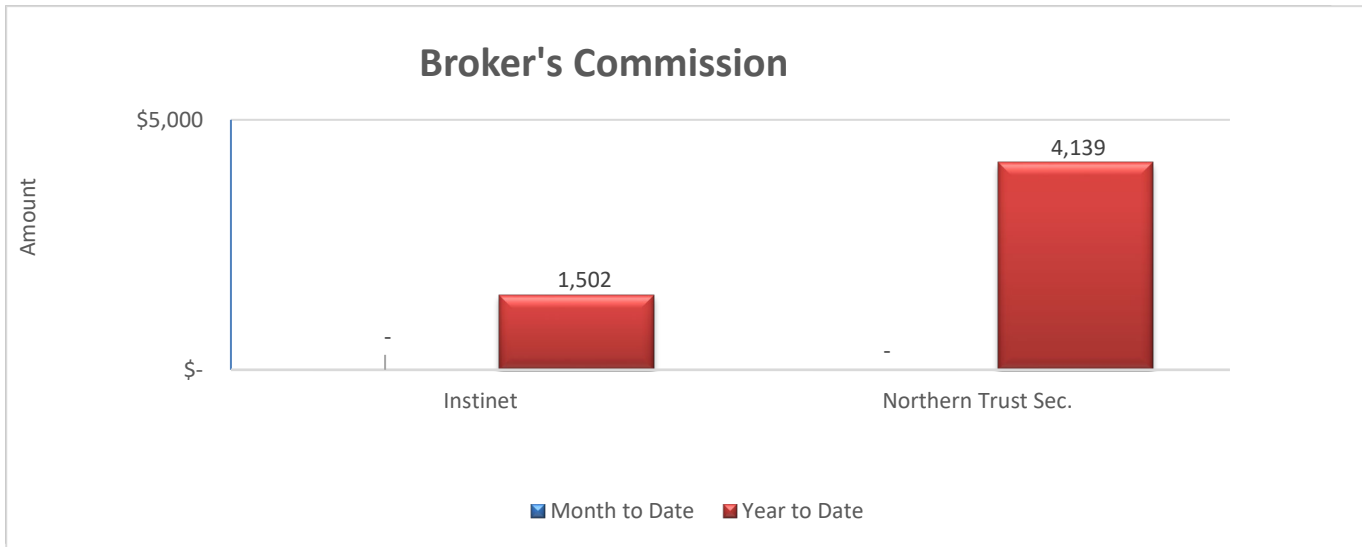
Security Type	Security Symbol	Tran Code	Security	Expiration Date	Trade Date	Settle Date	Contracts	Premium Received (Premium Paid)
Buy long								
CALL	iwm 250815c00237000	by	Ishares Tr Cll Opt 237.0000 08152025	08-15-25	08-01-25	08-04-25	45	-395
CALL	amzn 250815c00250000	by	Amazon Com Inc Cll Opt250.0000 08152025	08-15-25	08-01-25	08-04-25	40	-511
CALL	spy 250815c00655000	by	Spdr S&p 500 E Cll Opt655.0000 08152025	08-15-25	08-01-25	08-04-25	100	-1,277
CALL	smh 250815c00315000	by	Vaneck Etf Tru Cll Opt315.0000 08152025	08-15-25	08-11-25	08-12-25	100	-1,077
CALL	goog 250815c00210000	by	Alphabet Inc Cll Opt 210.0000 08152025	08-15-25	08-14-25	08-15-25	40	-1,232
CALL	goog 250919c00220000	by	Alphabet Inc Cll Opt 220.0000 09192025	09-19-25	09-17-25	09-18-25	40	-114,715
CALL	goog 251017c00255000	by	Alphabet Inc Cll Opt 255.0000 10172025	10-17-25	10-09-25	10-10-25	40	-3,461
CALL	smh 251017c00335000	by	Vaneck Etf Tru Cll Opt335.0000 10172025	10-17-25	10-09-25	10-10-25	100	-125,754
CALL	spy 251017c00685000	by	Spdr S&p 500 E Cll Opt685.0000 10172025	10-17-25	10-10-25	10-14-25	100	-2,071
CALL	spy 251121c00708000	by	Spdr S&p 500 E Cll Opt708.0000 11212025	11-21-25	11-06-25	11-07-25	100	-2,077
CALL	smh 251121c00360000	by	Vaneck Etf Tru Cll Opt360.0000 11212025	11-21-25	11-17-25	11-18-25	100	-13,077
CALL	goog 251121c00270000	by	Alphabet Inc Cll Opt 270.0000 11212025	11-21-25	11-19-25	11-20-25	40	-96,031
								-361,678
Sell short								
CALL	amzn 250815c00250000	ss	Amazon Com Inc Cll Opt250.0000 08152025	08-15-25	07-23-25	07-24-25	40	5,919
CALL	goog 250815c00210000	ss	Alphabet Inc Cll Opt 210.0000 08152025	08-15-25	07-23-25	07-24-25	40	7,519
CALL	iwm 250815c00237000	ss	Ishares Tr Cll Opt 237.0000 08152025	08-15-25	07-23-25	07-24-25	45	5,309
CALL	smh 250815c00315000	ss	Vaneck Etf Tru Cll Opt315.0000 08152025	08-15-25	07-23-25	07-24-25	100	7,008
CALL	spy 250815c00655000	ss	Spdr S&p 500 E Cll Opt655.0000 08152025	08-15-25	07-23-25	07-24-25	100	8,797
CALL	goog 250919c00220000	ss	Alphabet Inc Cll Opt 220.0000 09192025	09-19-25	08-14-25	08-15-25	40	9,160
CALL	amzn 250919c00255000	ss	Amazon Com Inc Cll Opt255.0000 09192025	09-19-25	08-14-25	08-15-25	45	4,949
CALL	smh 251017c00335000	ss	Vaneck Etf Tru Cll Opt335.0000 10172025	10-17-25	09-11-25	09-12-25	100	14,998
CALL	spy 251017c00685000	ss	Spdr S&p 500 E Cll Opt685.0000 10172025	10-17-25	09-11-25	09-12-25	100	10,598
CALL	goog 251017c00255000	ss	Alphabet Inc Cll Opt 255.0000 10172025	10-17-25	09-17-25	09-18-25	40	23,953
CALL	goog 251121c00270000	ss	Alphabet Inc Cll Opt 270.0000 11212025	11-21-25	10-09-25	10-10-25	40	16,029
CALL	smh 251121c00360000	ss	Vaneck Etf Tru Cll Opt360.0000 11212025	11-21-25	10-09-25	10-10-25	100	100,475
CALL	spy 251121c00708000	ss	Spdr S&p 500 E Cll Opt708.0000 11212025	11-21-25	10-10-25	10-14-25	100	10,303
								225,017
GRAND TOTAL								-136,660

Sacramento City Employees' Retirement System
Large Cap Portfolio Call Options Performance
From FY 2015 to February 28, 2026

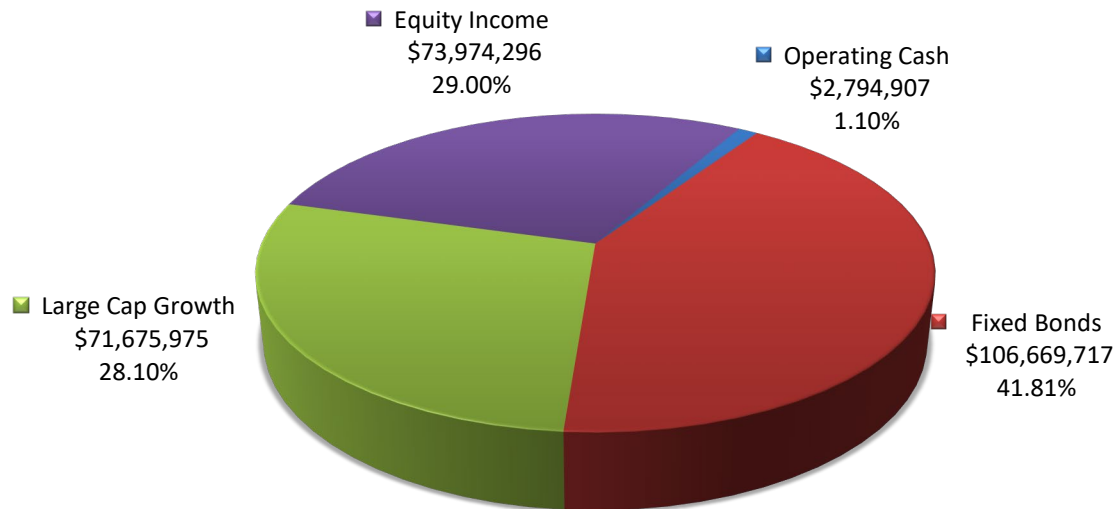
	SPX	Large Cap Portfolio	w/out Call Options	Delta
FY 2015	5.25%	7.58%	8.06%	-0.48%
FY 2016	1.73%	-0.18%	-0.91%	0.73%
FY 2017	15.46%	18.00%	18.16%	-0.16%
FY 2018	12.17%	14.19%	15.35%	-1.16%
FY 2019	8.22%	6.90%	7.02%	-0.12%
FY 2020	5.39%	7.51%	8.18%	-0.67%
FY 2021	38.62%	44.10%	44.13%	-0.03%
FY 2022	-11.92%	-12.68%	-12.68%	0.00%
FY 2023	17.57%	19.09%	19.08%	0.01%
FY 2024	22.70%	21.50%	22.38%	-0.88%
FY 2025				
Jul-24	1.13%	1.49%	1.49%	0.00%
Aug-24	2.28%	1.82%	1.83%	-0.01%
Sep-24	2.02%	1.78%	1.72%	0.06%
Oct-24	-0.99%	-1.13%	-1.16%	0.03%
Nov-24	5.73%	5.96%	5.88%	0.08%
Dec-24	-2.50%	-3.59%	-3.61%	0.02%
Jan-25	2.70%	3.02%	2.97%	0.05%
Feb-25	-1.42%	-1.25%	-1.29%	0.04%
Mar-25	-5.75%	-5.39%	-5.42%	0.03%
Apr-25	-0.76%	-1.37%	-1.41%	0.04%
May-25	6.15%	5.44%	5.64%	-0.20%
Jun-25	4.96%	5.52%	5.52%	0.00%
	13.63%	12.18%	12.04%	0.14%
FY 2026				
Jul-25	2.17%	1.75%	1.73%	0.02%
Aug-25	1.91%	2.51%	2.49%	0.02%
Sep-25	3.53%	3.35%	3.51%	-0.16%
Oct-25	2.27%	2.07%	2.31%	-0.24%
Nov-25	0.13%	0.46%	0.29%	0.17%
Dec-25	-0.05%	0.82%	0.82%	0.00%
Jan-26	1.37%	2.64%	2.64%	0.00%
Feb-26	-0.87%	0.13%	0.13%	0.00%
	10.86%	14.54%	14.73%	-0.19%

BROKER'S COMMISSION
Sacramento City Employees' Retirement System
(Amounts Exclude Implied Commission)

	Month To Date February 1-28, 2026			Fiscal Year To Date July 1, 2025 - February 28, 2026		
	Commission Amount	Avg. Commission Per Share	Percent of Total Commission	Commission Amount	Avg. Commission Per Share	Percent of Total Commission
Instinet	-	-	0.00%	1,501.50	0.030	26.62%
Northern Trust Sec.	-	-	0.00%	4,139.05	0.015	73.38%
TOTAL	-	-	0.00%	\$ 5,640.55	\$ 0.018	100.00%



City of Sacramento
ASSETS UNDER MANAGEMENT
Sacramento City Employees' Retirement System
(Including Operating Cash)
\$255,114,894
March 31, 2026



**SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
PERFORMANCE SUMMARY
@ Market Value *
For the Period Ending March 31, 2026**

Month To Date

	<u>March 1 - 31, 2026 Activity</u>								
	<u>02/28/26 Market Value</u>	<u>Additions/ (Withdrawals)</u>	<u>Interest/ Dividends</u>	<u>Gains/ (Losses)</u>	<u>03/31/26 Market Value</u>	<u>Cash & Equivalents</u>	<u>Net Investment</u>	<u>Account IRR</u>	<u>% of Assets</u>
SCERS OPERATING CASH	718,737	2,072,017	4,153	-	2,794,907	2,794,907	-	0.33%	1.10%
FIXED BONDS	108,658,539	(411,938)	370,048	(1,946,932)	106,669,717	108,667	106,561,050	-1.45%	41.81%
EQUITIES:									
LARGE CAP GROWTH	74,208,623	(95,991)	180,034	(2,616,691)	71,675,975	37,795,632	33,880,343	-3.28%	28.10%
EQUITY INCOME	78,336,309	(1,663,775)	230,828	(2,929,066)	73,974,296	38,676,522	35,297,774	-3.48%	29.00%
Total Equities	152,544,932	(1,759,766)	410,862	(5,545,757)	145,650,271	76,472,154	69,178,117	-3.38%	57.09%
Month to Date Totals	261,922,208	(99,687)	785,063 a	(7,492,689) b	255,114,894	79,375,728	175,739,166	-2.56%	100.00%
Total Interest/Dividends/Gains/Losses				(6,707,626)	sum of a & b				

Fiscal Year To Date

	<u>July 1,2025 - March 31, 2026 Activity</u>							TWRR ²⁾	
Fiscal Year to Date Totals	255,554,875	(20,253,486)	5,001,150	14,812,355 b	255,114,894	79,375,728	175,739,166	7.96%	100.00%
Total Interest/Dividends/Gains/Losses				19,813,505	sum of a & b				

* Market Value = fair value of the holdings in a security on a given date

¹⁾ Realized and unrealized gains and losses

²⁾ TWRR = Time Weighted Rate of Return

**SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF OVER (UNDER) INVESTMENT
@ Market Value
As of March 31, 2026**

	03/31/26 Market Value	% of Portfolio	Current Allocation	FY 2025-26 Approved Allocation	Dollars Authorized At Market Value	Over (Under) Investment At Market Value
FIXED BONDS:						
Investments	\$ 106,561,050	99.90%	42.23%			
Cash & Equivalents	<u>108,667</u>	<u>0.10%</u>	<u>0.04%</u>			
Total Fixed	<u>\$ 106,669,717</u>	<u>100.00%</u>	<u>42.28%</u>	40.00%	\$ 100,927,995	\$ 5,741,722
EQUITIES:						
LARGE CAP GROWTH						
Investments	33,880,343	47.27%	13.43%			
Cash & Equivalents	<u>37,795,632</u>	<u>52.73%</u>	<u>14.98%</u>			
Subtotal	<u>71,675,975</u>	<u>100.00%</u>	<u>28.41%</u>	30.00%	75,695,996	(4,020,021)
EQUITY INCOME						
Investments	35,297,774	47.72%	13.99%			
Cash & Equivalents	<u>38,676,522</u>	<u>52.28%</u>	<u>15.33%</u>			
Subtotal	<u>73,974,296</u>	<u>100.00%</u>	<u>29.32%</u>	30.00%	75,695,996	(1,721,700)
Total Equities	<u>\$ 145,650,271</u>		<u>57.72%</u>	60.00%	<u>\$ 151,391,993</u>	<u>\$ (5,741,722)</u>
GRAND TOTAL	<u>\$ 252,319,988</u>		<u>100.00%</u>	100.00%	<u>\$ 252,319,988</u>	<u>\$ 0</u>

City of Sacramento
PERFORMANCE BY ASSET CLASS
GROSS OF FEES

Operating Cash
SCERS

From 02-28-26 To 03-31-26

	Fixed Income	Call Options	Put Options	Equities	Cash and Equiv.	Total Portfolio
Market Value on 02-28-26	0	0	0	0	718,737	718,737
Purchases/Contributions	0	0	0	0	2,323,535	2,323,535
Sales/Withdrawals	0	0	0	0	-251,519	-251,519
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Realized Gains	0	0	0	0	0	0
Unrealized Gains	0	0	0	0	0	0
Interest Income	0	0	0	0	4,153	4,153
Dividend Income	0	0	0	0	0	0
Market Value on 03-31-26	0	0	0	0	2,794,907	2,794,907
Average Capital Base	0	0	0	0	1,258,491	1,258,491
Total Gain before Fees	0	0	0	0	4,153	4,153
IRR for 0.08 Years	0.00%	0.00%	0.00%	0.00%	0.33%	0.33%

City of Sacramento
PERFORMANCE BY ASSET CLASS
GROSS OF FEES

Fixed Bonds
SCERS

From 02-28-26 To 03-31-26

	Fixed Income	Call Options	Put Options	Equities	Cash and Equiv.	Total Portfolio
Market Value on 02-28-26	105,877,005	0	0	1,228,650	425,428	107,531,083
Accrued Interest	1,127,457	0	0	0	0	1,127,457
Purchases/Contributions	4,235,078	0	0	0	4,328,449	0
Sales/Withdrawals	-4,323,661	0	0	-4,788	-4,647,016	-411,938
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Realized Gains	-18,104	0	0	0	0	-18,104
Unrealized Gains	-1,904,378	0	0	-24,450	0	-1,928,828
Interest Income	406,039	0	0	0	1,807	407,846
Dividend Income	0	0	0	4,788	0	4,788
Change in Accrued Interest	-42,586	0	0	0	0	-42,586
Market Value on 03-31-26	104,271,979	0	0	1,204,200	108,667	105,584,846
Accrued Interest	1,084,871	0	0	0	0	1,084,871
Average Capital Base	106,938,502	0	0	1,224,017	482,732	108,645,251
Total Gain before Fees	-1,559,028	0	0	-19,662	1,807	-1,576,884
IRR for 0.08 Years	-1.46%	0.00%	0.00%	-1.61%	0.37%	-1.45%

City of Sacramento
PERFORMANCE BY ASSET CLASS
GROSS OF FEES
Large Cap Growth
SCERS

From 02-28-26 To 03-31-26

	Fixed Income	Call Options	Put Options	Equities	Cash and Equiv.	Total Portfolio
Market Value on 02-28-26	0	0	0	71,569,673	2,638,950	74,208,623
Purchases/Contributions	0	0	0	0	35,169,499	0
Sales/Withdrawals	0	0	0	-35,169,499	-95,991	-95,991
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Realized Gains	0	0	0	-712,197	0	-712,197
Unrealized Gains	0	0	0	-1,904,494	0	-1,904,494
Interest Income	0	0	0	0	83,175	83,175
Dividend Income	0	0	0	96,859	0	96,859
Market Value on 03-31-26	0	0	0	33,880,343	37,795,632	71,675,974
Average Capital Base	0	0	0	47,780,182	26,425,345	74,205,526
Total Gain before Fees	0	0	0	-2,519,832	83,175	-2,436,657
IRR for 0.08 Years	0.00%	0.00%	0.00%	-5.27%	0.31%	-3.28%

City of Sacramento
PERFORMANCE BY ASSET CLASS
GROSS OF FEES

Equity Income

SCERS

From 02-28-26 To 03-31-26

	Fixed Income	Call Options	Put Options	Equities	Cash and Equiv.	Total Portfolio
Market Value on 02-28-26	0	0	0	74,108,508	4,227,800	78,336,309
Purchases/Contributions	0	0	0	0	36,024,653	0
Sales/Withdrawals	0	0	0	-36,024,653	-1,663,775	-1,663,775
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Realized Gains	0	0	0	-1,172,534	0	-1,172,534
Unrealized Gains	0	0	0	-1,756,532	0	-1,756,532
Interest Income	0	0	0	0	87,845	87,845
Dividend Income	0	0	0	142,983	0	142,983
Market Value on 03-31-26	0	0	0	35,297,773	38,676,522	73,974,295
Average Capital Base	0	0	0	49,739,332	27,865,887	77,605,219
Total Gain before Fees	0	0	0	-2,786,083	87,845	-2,698,238
IRR for 0.08 Years	0.00%	0.00%	0.00%	-5.60%	0.32%	-3.48%

City of Sacramento
PERFORMANCE BY ASSET CLASS
GROSS OF FEES

International
SCERS

From 02-28-26 To 03-31-26

	Fixed Income	Call Options	Put Options	Equities	Cash and Equiv.	Total Portfolio
Market Value on 02-28-26	0	0	0	0	0	0
Purchases/Contributions	0	0	0	0	0	0
Sales/Withdrawals	0	0	0	0	0	0
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Realized Gains	0	0	0	0	0	0
Unrealized Gains	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0
Dividend Income	0	0	0	0	0	0
Market Value on 03-31-26	0	0	0	0	0	0
Average Capital Base	0	0	0	0	0	0
Total Gain before Fees	0	0	0	0	0	0
IRR for 0.08 Years	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

City of Sacramento
TRADE ACTIVITY
From 03-01-26 to 03-31-26

Name	Number of Trades
Fixed Bonds	12
Large Cap Growth	23
Equity Income	27
International	0
TOTAL	62

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Fixed Bonds
SCERS
From 03-01-26 To 03-31-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>03-31-2026 Price</u>	<u>Difference</u>
<u>Purchases</u>							
U.S. GOVERNMENT BONDS							
03-12-2026	03-13-2026	750,000	U.S. Treasury Note 4.125% Due 02-15-36	99.09	743,203	98.44	-1
					743,203		
FEDERAL HOME LOAN BANK							
03-03-2026	03-04-2026	500,000	Federal Home Loan Bank 4.100% Due 03-02-33	99.92	499,625	98.67	-1
					499,625		
CORPORATE BONDS							
03-12-2026	03-13-2026	500,000	Accenture Capital Inc 4.250% Due 10-04-31	99.32	496,585	98.82	0
03-12-2026	03-13-2026	500,000	Amphenol Corp 4.125% Due 11-15-30	99.35	496,740	98.52	-1
03-17-2026	03-18-2026	700,000	Eastman Chem Co 4.500% Due 02-20-31	98.68	690,753	97.78	-1
03-03-2026	03-04-2026	500,000	Lowes Cos Inc 4.250% Due 03-15-31	100.14	500,715	98.14	-2
03-12-2026	03-13-2026	500,000	Paychex Inc 5.350% Due 04-15-32	101.46	507,290	100.50	-1
03-03-2026	03-04-2026	250,000	Walmart Inc 4.350% Due 04-28-30	102.02	255,055	100.96	-1
					2,947,138		
Total Purchases					4,189,966		

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS

Fixed Bonds

SCERS

From 03-01-26 To 03-31-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
<u>Sales</u>							
MUNICIPAL BONDS							
03-11-2026	03-11-2026	2,350,000.00	Univ Calif Regts Med Ctr Poole 6.398% Due 05-15-31	104.20	2,448,676	107.02	-66,293
					2,448,676		-66,293
CORPORATE BONDS							
03-02-2026	03-02-2026	500,000	Colgate Palmolive Co 4.800% Due 03-02-26	100.00	500,000	100.19	-965
03-01-2026	03-02-2026	350,000	Gilead Sciences Inc 3.650% Due 03-01-26	100.00	350,000	99.42	2,044
03-16-2026	03-16-2026	500,000	Honeywell Intl Inc 4.950% Due 02-15-28	102.16	510,805	100.75	7,065
					1,360,805		8,144
Total Sales					3,809,481		-58,149

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Fixed Bonds
SCERS
From 03-01-26 To 03-31-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
Paydowns							
MORTGAGE BACKED SECURITIES							
03-25-2026	03-25-2026	121.100	Fannie Mae Pool #256393 6.000% Due 09-01-36	100.00	121	99.67	0
03-25-2026	03-25-2026	5,253.470	Freddie Mac Pool #SD8278 6.000% Due 12-01-52	100.00	5,253	101.37	-72
03-25-2026	03-25-2026	9,193.300	Freddie Mac Pool #SD8343 6.000% Due 07-01-53	100.00	9,193	100.06	-6
03-25-2026	03-25-2026	15,850.220	Freddie Mac Pool #SD8432 6.000% Due 05-01-54	100.00	15,850	100.41	-64
03-20-2026	03-20-2026	1,616.110	Gnma Pass-Thru M Single Family 5.000% Due 12-20-55	100.00	1,616	100.49	-8
03-20-2026	03-20-2026	27,913.750	Gnma Pass-Thru M Single Family 5.500% Due 06-20-55	100.00	27,914	99.70	83
03-20-2026	03-20-2026	1,424.860	Gnma Pass-Thru M Single Family 5.500% Due 10-20-55	100.00	1,425	101.55	-22
03-16-2026	03-16-2026	110.750	Gnma Pool #439515 7.000% Due 03-15-27	100.00	111	98.06	2
03-16-2026	03-16-2026	1,243.640	Gnma Pool #550718 5.000% Due 11-15-35	100.00	1,244	97.31	33
03-16-2026	03-16-2026	301.620	Gnma Pool #648348 5.500% Due 10-15-35	100.00	302	99.66	1
					63,029		-52
Total Paydowns					63,029		-52

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Large Cap Growth
SCERS
From 03-01-26 To 03-31-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
<u>Sales</u>							
COMMON STOCK							
03-11-2026	03-12-2026	1,500	Alphabet, Inc. Cl C Capital Stock	307.12	460,684	24.56	423,848
03-11-2026	03-12-2026	1,650	Amazon.com Inc.	216.03	356,455	24.74	315,634
03-11-2026	03-12-2026	1,800	Apple Inc.	261.58	470,846	22.91	429,606
03-11-2026	03-12-2026	4,000	Invesco S&P 500 Equal Weight ETF	196.47	785,894	146.44	200,129
03-11-2026	03-12-2026	2,250	Ishares Russell 2000 ETF	250.95	564,629	111.14	314,563
03-11-2026	03-12-2026	16,371	Ishares Tr Us Telecom Etf	39.24	642,355	30.12	149,186
03-11-2026	03-12-2026	11,450	Ishares U.S. Transportation ETF	75.57	865,309	38.50	424,508
03-11-2026	03-12-2026	2,500	Ishares Us Home Cons Etf	95.93	239,826	26.69	173,106
03-11-2026	03-12-2026	825	MasterCard Incorporated	512.12	422,499	145.31	302,618
03-11-2026	03-12-2026	650	Meta Platforms Inc	657.80	427,572	68.91	382,783
03-11-2026	03-12-2026	15,500	Select Sector Spdr Tr Communication	117.50	1,821,286	49.57	1,052,890
03-11-2026	03-12-2026	15,000	Select Sector Spdr Tr Sbi Cons Discr	114.75	1,721,305	40.55	1,113,003
03-11-2026	03-12-2026	20,750	Select Sector Spdr Tr Sbi Cons Stpls	84.90	1,761,629	48.84	748,110
03-11-2026	03-12-2026	19,500	Select Sector Spdr Tr Sbi Healthcare	152.51	2,973,877	82.19	1,371,121
03-11-2026	03-12-2026	24,000	Select Sector Spdr Tr Sbi Int-Energy	56.05	1,345,303	31.17	597,273
03-11-2026	03-12-2026	55,500	Select Sector Spdr Tr Sbi Int-Finl	49.77	2,762,068	21.26	1,581,979
03-11-2026	03-12-2026	14,000	Select Sector Spdr Tr Sbi Int-Inds	168.58	2,360,070	56.06	1,575,260
03-11-2026	03-12-2026	10,000	Select Sector Spdr Tr Sbi Materials	49.31	493,083	29.49	198,213
03-11-2026	03-12-2026	58,250	Select Sector Spdr Tr Technology	140.95	8,210,390	27.30	6,619,879
03-11-2026	03-12-2026	4,500	Spdr S&P 500 ETF Trust ETP	677.46	3,048,569	283.83	1,771,315
03-11-2026	03-12-2026	15,000	Spdr Series Trust Kbw Regn Bk Etf	63.84	957,624	43.89	299,330
03-11-2026	03-12-2026	4,550	Spdr Series Trust S&p Retail Etf	82.28	374,373	95.57	-60,455
03-11-2026	03-12-2026	5,000	Vaneck Vectors Semiconductor Etf	401.40	2,006,993	26.60	1,874,007
					35,072,639		21,857,907
Total Sales					35,072,639		21,857,907

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Equity Income
SCERS
From 03-01-26 To 03-31-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
<u>Sales</u>							
COMMON STOCK							
03-11-2026	03-12-2026	9,000	Bank Of America Corp	48.39	435,502	15.27	298,075
03-11-2026	03-12-2026	1,150	Home Depot Inc	353.79	406,861	147.09	237,705
03-11-2026	03-12-2026	1,550	International Bus Mach	251.89	390,426	142.41	169,684
03-11-2026	03-12-2026	17,780	Ishares Preferred & Income Securities ETF	31.15	553,877	39.07	-140,789
03-11-2026	03-12-2026	69,500	Ishares Tr Russell 1000 Val	217.41	15,110,162	119.62	6,796,799
03-11-2026	03-12-2026	4,457	Ishares Tr U.S. Real Es Etf	98.29	438,079	78.63	87,609
03-11-2026	03-12-2026	4,800	Ishares U.S. Transportation ETF	76.09	365,221	34.26	200,779
03-11-2026	03-12-2026	1,500	Jpmorgan Chase & Co	288.43	432,638	67.46	331,453
03-11-2026	03-12-2026	825	Lockheed Martin Corp	646.56	533,415	135.47	421,651
03-11-2026	03-12-2026	4,050	Merck & Co Inc (new)	116.35	471,237	49.82	269,449
03-11-2026	03-12-2026	2,800	Morgan Stanley Com New	160.57	449,605	104.00	158,410
03-11-2026	03-12-2026	2,750	RTX Corporation	205.43	564,933	66.02	383,389
03-11-2026	03-12-2026	11,350	Select Sector Spdr Tr Communication	117.52	1,333,909	52.76	735,059
03-11-2026	03-12-2026	10,750	Select Sector Spdr Tr RI Est Sel Sec	42.56	457,516	32.03	113,243
03-11-2026	03-12-2026	8,200	Select Sector Spdr Tr Sbi Cons Discr	115.21	944,747	56.34	482,744
03-11-2026	03-12-2026	8,750	Select Sector Spdr Tr Sbi Cons Stpls	84.96	743,398	65.04	174,317
03-11-2026	03-12-2026	16,000	Select Sector Spdr Tr Sbi Healthcare	152.57	2,441,187	98.58	863,979
03-11-2026	03-12-2026	34,000	Select Sector Spdr Tr Sbi Int-Energy	55.87	1,899,679	33.76	751,782
03-11-2026	03-12-2026	36,500	Select Sector Spdr Tr Sbi Int-Finl	49.95	1,823,142	28.77	772,947
03-11-2026	03-12-2026	5,400	Select Sector Spdr Tr Sbi Int-Inds	169.18	913,574	77.90	492,905
03-11-2026	03-12-2026	16,055	Select Sector Spdr Tr Sbi Int-Utills	46.28	743,080	24.65	347,368
03-11-2026	03-12-2026	21,915	Select Sector Spdr Tr Sbi Materials	49.43	1,083,326	33.29	353,880
03-11-2026	03-12-2026	9,000	Select Sector Spdr Tr Technology	141.15	1,270,312	34.32	961,409
03-11-2026	03-12-2026	7,500	Spdr Series Trust Kbw Regn Bk Etf	64.18	481,363	50.42	103,246
03-11-2026	03-12-2026	11,000	Spdr Series Trust S&p Bk Etf	58.84	647,197	39.88	208,550
03-11-2026	03-12-2026	1,725	Union Pac Corp Com	248.86	429,280	109.53	240,334
03-11-2026	03-12-2026	4,150	Wal Mart Stores Inc	124.82	518,003	39.03	356,020
					35,881,669		16,172,000
Total Sales					35,881,669		16,172,000

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
International
From 03-01-26 To 03-31-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
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No transactions within the specified date range were found!

STOCK OPTIONS TRANSACTION DETAIL
Equity Portfolios Combined
From 07-01-25 To 03-31-26

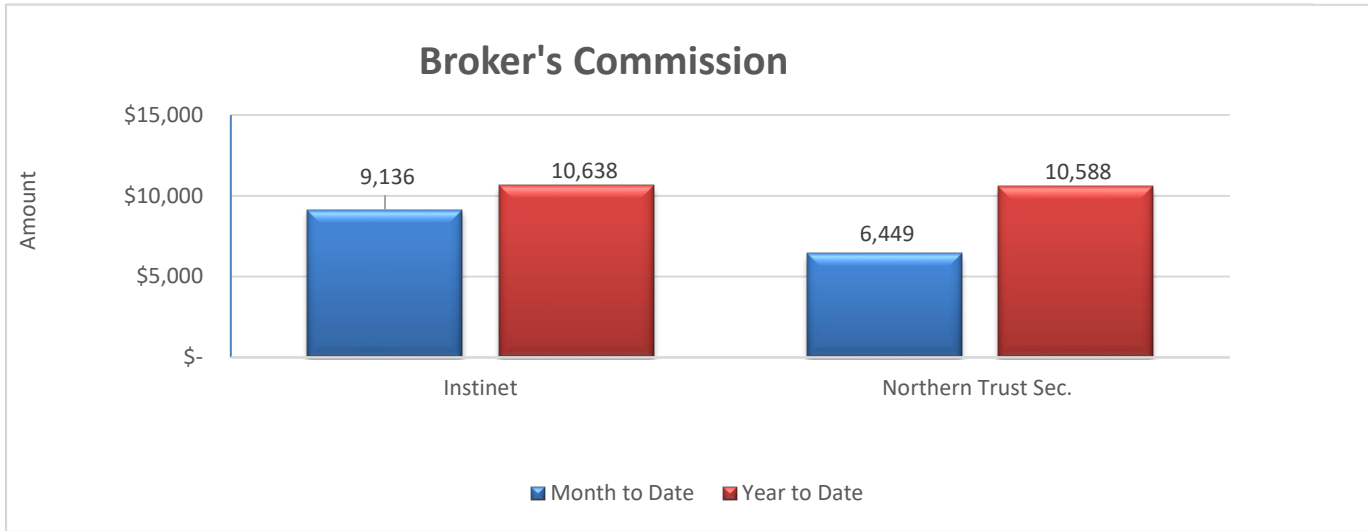
<u>Security Type</u>	<u>Security Symbol</u>	<u>Tran Code</u>	<u>Security</u>	<u>Expiration Date</u>	<u>Trade Date</u>	<u>Settle Date</u>	<u>Contracts</u>	<u>Premium Received (Premium Paid)</u>
Buy long								
CALL	iwm 250815c00237000	by	Ishares Tr Cll Opt 237.0000 08152025	08-15-25	08-01-25	08-04-25	45	-395
CALL	amzn 250815c00250000	by	Amazon Com Inc Cll Opt250.0000 08152025	08-15-25	08-01-25	08-04-25	40	-511
CALL	spy 250815c00655000	by	Spdr S&p 500 E Cll Opt655.0000 08152025	08-15-25	08-01-25	08-04-25	100	-1,277
CALL	smh 250815c00315000	by	Vaneck Etf Tru Cll Opt315.0000 08152025	08-15-25	08-11-25	08-12-25	100	-1,077
CALL	goog 250815c00210000	by	Alphabet Inc Cll Opt 210.0000 08152025	08-15-25	08-14-25	08-15-25	40	-1,232
CALL	goog 250919c00220000	by	Alphabet Inc Cll Opt 220.0000 09192025	09-19-25	09-17-25	09-18-25	40	-114,715
CALL	goog 251017c00255000	by	Alphabet Inc Cll Opt 255.0000 10172025	10-17-25	10-09-25	10-10-25	40	-3,461
CALL	smh 251017c00335000	by	Vaneck Etf Tru Cll Opt335.0000 10172025	10-17-25	10-09-25	10-10-25	100	-125,754
CALL	spy 251017c00685000	by	Spdr S&p 500 E Cll Opt685.0000 10172025	10-17-25	10-10-25	10-14-25	100	-2,071
CALL	spy 251121c00708000	by	Spdr S&p 500 E Cll Opt708.0000 11212025	11-21-25	11-06-25	11-07-25	100	-2,077
CALL	smh 251121c00360000	by	Vaneck Etf Tru Cll Opt360.0000 11212025	11-21-25	11-17-25	11-18-25	100	-13,077
CALL	goog 251121c00270000	by	Alphabet Inc Cll Opt 270.0000 11212025	11-21-25	11-19-25	11-20-25	40	-96,031
								-361,678
Sell short								
CALL	amzn 250815c00250000	ss	Amazon Com Inc Cll Opt250.0000 08152025	08-15-25	07-23-25	07-24-25	40	5,919
CALL	goog 250815c00210000	ss	Alphabet Inc Cll Opt 210.0000 08152025	08-15-25	07-23-25	07-24-25	40	7,519
CALL	iwm 250815c00237000	ss	Ishares Tr Cll Opt 237.0000 08152025	08-15-25	07-23-25	07-24-25	45	5,309
CALL	smh 250815c00315000	ss	Vaneck Etf Tru Cll Opt315.0000 08152025	08-15-25	07-23-25	07-24-25	100	7,008
CALL	spy 250815c00655000	ss	Spdr S&p 500 E Cll Opt655.0000 08152025	08-15-25	07-23-25	07-24-25	100	8,797
CALL	goog 250919c00220000	ss	Alphabet Inc Cll Opt 220.0000 09192025	09-19-25	08-14-25	08-15-25	40	9,160
CALL	amzn 250919c00255000	ss	Amazon Com Inc Cll Opt255.0000 09192025	09-19-25	08-14-25	08-15-25	45	4,949
CALL	smh 251017c00335000	ss	Vaneck Etf Tru Cll Opt335.0000 10172025	10-17-25	09-11-25	09-12-25	100	14,998
CALL	spy 251017c00685000	ss	Spdr S&p 500 E Cll Opt685.0000 10172025	10-17-25	09-11-25	09-12-25	100	10,598
CALL	goog 251017c00255000	ss	Alphabet Inc Cll Opt 255.0000 10172025	10-17-25	09-17-25	09-18-25	40	23,953
CALL	goog 251121c00270000	ss	Alphabet Inc Cll Opt 270.0000 11212025	11-21-25	10-09-25	10-10-25	40	16,029
CALL	smh 251121c00360000	ss	Vaneck Etf Tru Cll Opt360.0000 11212025	11-21-25	10-09-25	10-10-25	100	100,475
CALL	spy 251121c00708000	ss	Spdr S&p 500 E Cll Opt708.0000 11212025	11-21-25	10-10-25	10-14-25	100	10,303
								225,017
GRAND TOTAL								-136,660

Sacramento City Employees' Retirement System
Large Cap Portfolio Call Options Performance
From FY 2015 to March 31, 2026

	SPX	Large Cap Portfolio	w/out Call Options	Delta
FY 2015	5.25%	7.58%	8.06%	-0.48%
FY 2016	1.73%	-0.18%	-0.91%	0.73%
FY 2017	15.46%	18.00%	18.16%	-0.16%
FY 2018	12.17%	14.19%	15.35%	-1.16%
FY 2019	8.22%	6.90%	7.02%	-0.12%
FY 2020	5.39%	7.51%	8.18%	-0.67%
FY 2021	38.62%	44.10%	44.13%	-0.03%
FY 2022	-11.92%	-12.68%	-12.68%	0.00%
FY 2023	17.57%	19.09%	19.08%	0.01%
FY 2024	22.70%	21.50%	22.38%	-0.88%
FY 2025				
Jul-24	1.13%	1.49%	1.49%	0.00%
Aug-24	2.28%	1.82%	1.83%	-0.01%
Sep-24	2.02%	1.78%	1.72%	0.06%
Oct-24	-0.99%	-1.13%	-1.16%	0.03%
Nov-24	5.73%	5.96%	5.88%	0.08%
Dec-24	-2.50%	-3.59%	-3.61%	0.02%
Jan-25	2.70%	3.02%	2.97%	0.05%
Feb-25	-1.42%	-1.25%	-1.29%	0.04%
Mar-25	-5.75%	-5.39%	-5.42%	0.03%
Apr-25	-0.76%	-1.37%	-1.41%	0.04%
May-25	6.15%	5.44%	5.64%	-0.20%
Jun-25	4.96%	5.52%	5.52%	0.00%
	13.63%	12.18%	12.04%	0.14%
FY 2026				
Jul-25	2.17%	1.75%	1.73%	0.02%
Aug-25	1.91%	2.51%	2.49%	0.02%
Sep-25	3.53%	3.35%	3.51%	-0.16%
Oct-25	2.27%	2.07%	2.31%	-0.24%
Nov-25	0.13%	0.46%	0.29%	0.17%
Dec-25	-0.05%	0.82%	0.82%	0.00%
Jan-26	1.37%	2.64%	2.64%	0.00%
Feb-26	-0.87%	0.13%	0.13%	0.00%
Mar-26	-5.09%	-3.28%	-3.28%	0.00%
	5.21%	10.78% ₁₇	10.97%	-0.19%

BROKER'S COMMISSION
Sacramento City Employees' Retirement System
(Amounts Exclude Implied Commission)

	Month To Date March 1-31, 2026			Fiscal Year To Date July 1, 2025 - March 31, 2026		
	Commission Amount	Avg. Commission Per Share	Percent of Total Commission	Commission Amount	Avg. Commission Per Share	Percent of Total Commission
Instinet	9,136.38	0.030	58.62%	10,637.88	0.030	50.12%
Northern Trust Sec.	6,449.14	0.020	41.38%	10,588.19	0.018	49.88%
TOTAL	15,585.52	0.050	100.00%	\$ 21,226.07	\$ 0.018	100.00%



City of Sacramento
Administration, Investment, & Fiscal Management
Board Report
915 I Street Sacramento, CA 95814
www.cityofsacramento.org

File ID: 2026-01004

5/21/2026

Interest Rate to Credit Member Accounts for Fiscal Year 2026/2027

File ID: 2026-01004

Location: Citywide

Recommendation: Adopt a **Resolution** establishing the interest rate to be credited to member accounts for Fiscal Year 2026/2027 in the amount of 7.50%.

Contact: Patrick Zalasky, Senior Investment Officer, (916) 808-5832,
pzalasky@cityofsacramento.org, City Treasurer's Office

Presenter: Patrick Zalasky, Senior Investment Officer, (916) 808-5832,
pzalasky@cityofsacramento.org, City Treasurer's Office

Attachments:

- 1-Description/Analysis
- 2-AIFM Staff Report
- 3-AIFM FY 2026/2027 Interest Rate Credit Resolution
- 4-Exhibit A

Description/Analysis

Issue Detail: The Board annually determines and adopts an interest rate to be used to calculate credits to Sacramento City Employees' Retirement System (the "System") member accounts.

Policy Considerations: Charter Section 387 requires that the Board determine an interest rate for purposes of crediting interest to member accounts during the next fiscal year. The rate adopted must bear a reasonable relationship to the realized, actual rate of return on investments.

Economic Impacts: None.

Environmental Considerations: None.

Sustainability: None.

Commission/Committee Action: None.

Rationale for Recommendation: In fulfillment of its responsibility under Charter Section 387, the Board established a methodology to calculate the required interest rate that bears a reasonable relationship to the actual rate of return on the investment of the System's assets. The interest rate recommended for adoption by the Board is based upon this methodology.

Financial Considerations: The Board's approved methodology for determining the required interest rate is to establish the three-year moving average net rate of return of the invested assets. This amount is then reduced by 20 basis points, and the difference is rounded down to the next quarter of a percent. This methodology is set forth in Recital B of the accompanying Board resolution as the basis for the Board's interest rate determination. Pursuant to the foregoing methodology, the recommended interest rate is 7.50%.

Local Business Enterprise (LBE): Not Applicable.



**REPORT TO
Administration, Investment and Fiscal
Management Board
City of Sacramento**

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

STAFF REPORT
May 21, 2026

**Honorable Members of the
Administration, Investment, and Fiscal Management Board**

Title: Interest Rate to Credit Member Accounts for Fiscal Year 2026/2027

Recommendation: Adopt a resolution establishing the interest rate to be credited to member accounts for Fiscal Year 2026/2027 in the amount of 7.50%

Contact: Patrick Zalasky, Senior Investment Officer
City Treasurer's Office, (916) 808- 5832

Presenter(s): Patrick Zalasky

Department: City Treasurer's Office

Division: Investment and Cash Management

Organization No: 08000

Description/Analysis

Issue: The Board annually determines and adopts an interest rate to be used to calculate credits to Sacramento City Employees' Retirement System (the "System") member accounts.

Policy Considerations: Charter Section 387 requires that the Board determine an interest rate for purposes of crediting interest to member accounts during the next fiscal year. The rate adopted must bear a reasonable relationship to the realized, actual rate of return on investments.

Environmental Considerations: None

Commission/Committee Action: None

Rationale for Recommendation: In fulfillment of its responsibility under Charter Section 387, the Board established a methodology to calculate the required interest rate that bears a reasonable relationship to the actual rate of return on the investment of the System's assets. The interest rate recommended for adoption by the Board is based upon this methodology.

Financial Considerations: The Board's approved methodology for determining the required interest rate is to establish the three-year moving average net rate of return of the invested assets. This amount is then reduced by 20 basis points, and the difference is rounded down to the next quarter of a percent. This methodology is set forth in Recital B of the accompanying Board resolution as the basis for the Board's interest rate determination. Pursuant to the foregoing methodology, the recommended interest rate is 7.50%

Emerging Small Business Development (ESBD): Not applicable

Respectfully Submitted by: Patrick Zalasky 4/29/26
Patrick Zalasky, Senior Investment Officer

Approved by: John P. Colville Jr.
John Colville, City Treasurer

Recommendation Approved:

John P. Colville Jr.
John Colville, City Treasurer

Background

The interest rate for crediting to members' accounts is currently 8.00%.

For the fiscal years ending June 30, 2023, June 30, 2024, and June 30, 2025, the three-year moving average actual rate of return on investable assets was 7.796%. The relevant information required for the calculation of this rate was assembled and analyzed by the City's Finance Department and is shown on the attached Exhibit A.

Based on the Board's methodology described in the Financial Consideration section of this staff report and repeated in Recital B of the attached resolution, the computation for the revised interest rate credited to members' accounts is as follows:

Three-year average actual rate of return	7.796%
Less: 20 basis points	<u>(.200)%</u>
Subtotal	7.596%
Rounded down to next quarter of a percent	<u>7.500%</u>

The Board's methodology results in an interest rate of 7.50% (compared to the existing 8.00% interest rate). Accordingly, staff recommends that the interest rate be 7.50% and be credited for the 2026-2027 Fiscal Year.

RESOLUTION NO. 2026-003

Adopted by the Administration, Investment, and Fiscal Management Board of the Sacramento City Employees' Retirement System on May 21, 2026

A RESOLUTION APPROVING INTEREST RATE TO CREDIT MEMBER ACCOUNTS FOR FISCAL YEAR 2026/2027

BACKGROUND

- A. Charter Section 387 requires, for purposes of crediting interest to member accounts, that the Board determine an interest rate that is reasonably related to the actual rate of return on invested assets of the Sacramento City Employees' Retirement System.
- B. The Board's policy and methodology for determining the interest rate credit is to establish the three-year moving average net rate of return of the invested assets, then reduce that amount by 20 basis points, and then round the difference down to the next quarter of a percent.
- C. The three-year moving average actual rate of return is 7.796%.
- D. The computation of the interest rate pursuant to the methodology set forth in Recital B above results in an interest rate of 7.50%.
- E. Given the resulting computation of the interest rate, 7.50% should be the Interest rate to apply to member accounts.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE ADMINISTRATION, INVESTMENT, AND FISCAL MANAGEMENT BOARD RESOLVES AS FOLLOWS:

Section 1. The interest rate to be credited to member accounts shall be 7.50%, effective July 1, 2026 and thru June 30, 2027

Peter Coletto, Chair

ATTEST:

, Secretary to the Board

SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ANALYSIS OF NET INVESTMENT INCOME
As of June 30, 2025

Description	Fiscal Year ended June 30, 2025			Fiscal Year ended June 30, 2024			Fiscal Year ended June 30, 2023		
	Investments (Amortized Cost)	Investments (Fair Value)	Investment Income	Investments (Amortized Cost)	Investments (Fair Value)	Investment Income	Investments (Amortized Cost)	Investments (Fair Value)	Investment Income
Corporate bonds	75,078,789	67,855,345	2,669,703	67,965,336	58,326,240	2,255,240	60,799,839	50,763,478	2,242,411
Equities and exchange traded funds	78,848,783	152,628,929	2,672,557	90,362,850	157,309,785	3,314,591	112,755,733	167,096,455	3,249,129
Mortgage loans	-	-	-	-	-	-	274,343	274,343	-
Investment Trust of California (CalTRUST)	-	-	-	1,643,777	1,643,777	-	-	-	-
Money market mutual funds	395,252	395,252	-	4,882,197	4,882,197	-	-	-	-
Municipal bonds	23,127,129	22,312,408	877,860	24,149,611	22,998,782	889,270	23,481,324	22,448,683	991,641
U.S. Government obligations	4,679,734	4,589,799	180,581	2,892,865	2,758,703	106,668	1,260,109	1,128,547	49,852
U.S. Treasury bonds	4,441,365	3,952,416	155,504	4,671,785	4,152,672	160,567	3,406,831	2,971,413	131,258
Subtotal	186,571,052	251,734,148	6,556,205	196,568,421	252,072,155	6,726,335	201,978,179	244,682,919	6,664,291
Cash and cash equivalents	2,626,000	2,626,000	26,197	2,547,000	2,547,000	70,830	4,414,000	4,414,000	103,178
Subtotal	189,197,052	254,360,148	6,582,403	199,115,421	254,619,155	6,797,165	206,392,179	249,096,919	6,767,469
Additional investment revenues (expenses):									
Net gain on disposition of assets			9,621,665			10,330,132			8,697,907
Annual change in unrealized gains/losses			9,734,362			13,007,995			8,827,038
Investment expenses			(1,050,050)			(1,026,180)			(989,137)
Balance per financial statements	189,197,052	254,360,148	24,888,379	199,115,421	254,619,155	29,109,111	206,392,179	249,096,919	23,293,277
Less Items not included in rate of return calculation:									
Annual change in unrealized gains/losses			(9,734,362)			(13,007,995)			(8,827,038)
Total	189,197,052	254,360,148	15,154,017	199,115,421	254,619,155	16,101,116	206,392,179	249,096,919	14,466,239
Net rate of return = I/(A+B-I)/2	8.122%			8.270%			6.998%		
3 Year average net rate of return (based on amortized cost)	7.796%			8.343%			8.751%		
I = Net investment income									
A = Beginning net investable assets (at amortized cost)									
B = Ending net investable assets (at amortized cost)									
Objective: This workpaper calculates moving three year average rate of return on amortized cost basis for purpose of crediting interest to member contribution accounts									

City of Sacramento
Administration, Investment, & Fiscal Management
Board Report
915 I Street Sacramento, CA 95814
www.cityofsacramento.org

File ID: 2026-00740

5/21/2026

**Sacramento City Employees' Retirement System (SCERS or System) Fiscal Year (FY) 2026/27
Asset Allocation Policy**

File ID: 2026-00740

Location: Citywide

Recommendation: Adopt a **Resolution** to approve an Asset Allocation Policy for SCERS for FY2026/2027.

Contact: Stacy Hussey, Chief Investment Officer, (916) 808-7746 shussey@cityofsacramento.org; John Colville, City Treasurer, (916) 808-8297, jcolville@cityofsacramento.org; Office of the City Treasurer

Presenter: Stacy Hussey, Chief Investment Officer, (916) 808-7746 shussey@cityofsacramento.org, Office of the City Treasurer

Attachments:

- 1-Description/Analysis
- 2-AIFM Staff Report Asset Allocation Policy 2026
- 3-AIFM 2026-2027 Asset Allocation Resolution
- 4-Exhibit A (Segal Marco Advisors, 2026 Asset Allocation Review)

Description/Analysis

Issue Detail: The Administration, Investment and Fiscal Management Board (Board) has adopted policies governing the investment of funds held in SCERS which are contained in an Investment Policy document. Pursuant to the Investment Policy, the Board shall annually review and adopt an Asset Allocation Policy for the next fiscal year. Investment staff herein proposes an Asset Allocation Policy setting forth an asset mix for the SCERS portfolio for FY2026/27

Policy Considerations: The establishment of an asset allocation policy is a key tool for the Board to set the SCERS portfolio's overall risk and return characteristics. Pursuant to City Charter section 383 and the System's Investment Policy, the overarching standard governing the investment and management of the System's funds is the "prudent person" standard as described in the Probate Code section 16040. The proposed Asset Allocation Policy recommendations are consistent with that standard.

Economic Impacts: None.

Environmental Considerations: The proposed action is not subject to the California Environmental Quality Act (CEQA) because it is not a “project” as defined in Section 15378 of the CEQA Guidelines.

Sustainability: None.

Commission/Committee Action: None.

Rationale for Recommendation: The prudent and transparent management of funds held by SCERS on behalf of the beneficiaries of the System is enhanced by the adoption of an Asset Allocation Policy setting forth the parameters under which such funds are invested.

Financial Considerations: None. The investment of SCERS funds is within the exclusive purview of the Board. The System, acting through the Board, is responsible for all costs in implementing the SCERS investment program.

Local Business Enterprise (LBE): Not applicable.



**REPORT TO
Administration, Investment and Fiscal
Management Board
City of Sacramento**

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

Staff Report
May 21, 2026

**Honorable Members of the
Administration, Investment, and Fiscal Management Board**

Title: SCERS FY 2026-2027 Asset Allocation Policy

Recommendation: Adopt a Resolution approving Asset Allocation Policy for the Sacramento City Employees' Retirement System for Fiscal Year 2026-2027

Contact: Stacy Hussey, Chief Investment Officer
City Treasurer's Office, (916) 808-7746

Presenters: Stacy Hussey

Department: Office of the City Treasurer

Division: Investment and Cash Management

Organization No: 08000

Coordinator: None

Comments: Staff proposes an Asset Allocation Policy for Fiscal Year 2026-2027

Description/Analysis

Issue: The Administration, Investment and Fiscal Management Board ("Board") has adopted policies governing the investment of funds held in the Sacramento City Employees' Retirement System ("SCERS" or "System") which are contained in an Investment Policy document. Pursuant to the Investment Policy, the Board shall annually review and adopt an Asset Allocation Policy for the next fiscal year. Investment staff herein proposes an Asset Allocation Policy setting forth an asset mix for the SCERS portfolio for FY 2026-2027.

Policy Considerations: The establishment of an asset allocation policy is a key tool for the Board to set the SCERS portfolio's overall risk and return characteristics. Pursuant to City Charter section 383 and the System's Investment Policy, the overarching standard governing the investment and management of the System's funds is the "prudent person" standard as described in the Probate Code section 16040. The Asset Allocation Policy recommendations are consistent with that standard.

Environmental Considerations: The proposed action is not subject to the California Environmental Quality Act (CEQA) because it is not a "project" as defined in Section 15378 of the CEQA Guidelines.

Commission/Committee Action: None

Rationale for Recommendation: The prudent and transparent management of funds held by SCERS on behalf of the beneficiaries of the System is enhanced by the adoption of an Asset Allocation Policy setting forth the parameters under which such funds are invested.

Financial Considerations: None.

Emerging Small Business Development (ESBD): Not applicable.

Respectfully Submitted by:



Stacy Hussey, Chief Investment Officer

Recommendation Approved:



John Colville, City Treasurer

Attachments:

1. Background
2. Resolution
3. Segal Marco Advisors, "2026 Asset Allocation Review"

Background – The SCERS Plan

Unlike the vast majority of defined benefit pension plans, the Sacramento City Employees' Retirement System ("SCERS" or "System") is a closed Plan that has not accepted new members since 1978 and is approaching the full payout phase. The following information was reported by Foster & Foster with an effective date of June 30, 2025. As of June 30, 2025, the SCERS Plan has the following characteristics:

- 1 active member (the same amount as of June 30, 2024)
- Average age of 70.5 (up from 69.5 as of June 30, 2024)
- 48.3 years of service (up from 47.3 as of June 30, 2024)
- 706 retired members that draw pension benefits (down from 735 retirees as of June 30, 2024)

The SCERS Plan (the "Plan") incurs member benefit payments and administrative expenses that exceed \$27 million annually. Pursuant to the System's Investment Policy, Plan assets are to be managed, among other things, to generate sufficient liquidity to pay for such items on a timely basis. These liabilities are only nominally offset by active member contributions of approximately \$1,000 (unchanged from the fiscal year ending June 30, 2024). Retiree benefit payments and administrative expenses are paid from funds accumulated in an Operating account. The Operating account is funded mainly through three main sources: Investment income, the City's Annual Required Contribution, and cash within the SCERS investment portfolio.

1. Investment Income consists of interest paid on the System's fixed income instruments and dividends paid on equity holdings.
2. The City's Annual Required Contribution is calculated annually by the System's actuary. The City typically transmits the Contribution amount in monthly installments after the commencement of the fiscal year.
3. Portfolio cash holdings. The SCERS investment portfolios typically carry varying levels of cash during the year. While the investment managers strive to maintain fully invested status consistent with the Board's asset allocation policy, cash may exist within the portfolios from time to time. Such cash is generated by the maturity or redemption of fixed income investments, security sale transactions, and the ongoing options program. The demand for cash in the Operating account arises at various times during the year, spreading the need for cash throughout the year. Cash consistently has been available when needed due to lead time notice of such need. The investment managers are usually given ample notice to liquidate investments with the specific intent to fund the Operating account thereby avoiding untimely or unfavorable forced liquidation of securities.

For the fiscal year ending June 30, 2025, the cash required to fund the Operating account came from the three main sources:

Investment Income – Interest	\$4,023,739	15%
Investment Income – Dividends	2,647,560	10%
City Contribution	1,362,000	5%
Portfolio Cash Holdings	<u>19,491,861</u>	70%
 Total:	 \$27,525,160	 100%

The SCERS Plan is a “closed” fund, i.e., it is closed to new members, with a single active member contributing to the Plan. As noted above, the Plan has an annual cash disbursement requirement that far exceeds such contributions made by the remaining active member. Investment performance is relied upon to generate the cash needed and when possible, grow the amount of investable capital, which is the generator of required cash flow. The preservation of capital is an increasingly important objective along with investment returns and liquidity to pay retiree benefits. Accordingly, the balancing of these objectives has driven the Board to emphasize fixed income interest and equity dividend income generating investments in the investment mix. These asset classes strive to provide, to the extent possible, a balance between a firm foundation of steady, reliable income, and capital preservation. By emphasizing both income and growth aspects in the Plan’s investment mix, the Board has achieved a Plan-wide total return sufficient to maintain an acceptable funded level of the Plan for the long term. The latest actuarial report reflected a funded level of 109.6%, which equates to a policy with less need for taking unnecessary risks.

The SCERS assets are invested internally through a diversified portfolio of actively managed fixed-income and equity assets. Pursuant to the SCERS Investment Policy, investment staff monitors the performance of the SCERS portfolio by comparison with market metrics developed in conjunction with Segal Marco Advisors that are appropriate to each individual asset class within the portfolio and to the portfolio as a whole. In addition to the guidance provided by comparisons to market metrics, investment strategies within the allocations authorized by the Board are structured with the intent to achieve the System’s actuarial return assumption of 6.0% to the extent possible without violating the overall prudent investment standard required by the investment policy. Return on Plan assets is presented to the Board on a monthly and quarterly basis in addition to an annual actuarial study of the Plan.

Status of the Markets

The broad U.S. stock market closed the 2025 calendar year with a 16.3% gain as measured by the S&P 500 price-only Index. On a total return basis, the S&P 500 gained over 17.7% after adding the dividends paid by the 500 companies represented. The markets spent most of 2025 focused on the news cycle of a new president taking office, with a focus on deciphering the potential impacts in the market for the incoming administration. The calendar year started with a Fed Funds Target rate set at 4.50%. The Fed cut interest rates by 25 basis points in September, October and December, to end the calendar year at 3.75%. Equity markets welcomed these easing moves in 2025 which led to healthy equity gains in the calendar year. As of this writing, the Fed has not touched interest rates since the last cut in December 2025, and the projections for future rate cuts have diminished as international conflicts increase and

inflation has proven to be stickier than anticipated.

The Russell 1000 Value Index also had positive returns that were slightly less than the growth focused portfolios. The index had a 13.57% return for calendar year 2025. As growth equities maintained popularity and fixed income investments continued to provide higher yields, value-focused investments saw a slightly less dramatic rise than in growth portfolios.

In the bond market, the benchmark 10-year Treasury bond started 2025 at 4.57% and ended the year at 4.17%. As the front end of the curve came in significantly due to the Fed's intervention, longer dated yields came in less dramatically- continuing the steepening treasury curve trend. The Fed continues to broadcast its desire to see inflation under control before additional rate cuts are enacted, but external worldwide events and conflicts are proving difficult to make this target reachable in the near term.

Proposed Asset Allocation Strategy

The investment staff of the City Treasurer's Office assists the Board in discharging the Board's Charter-mandated duty to manage and invest the SCERS portfolio. In doing so, the Treasurer's Office utilizes modern portfolio theory and risk management techniques, together with strategic asset allocation, to best position the portfolio for desired results. The portfolio will be designed to comply with the Board's investment standards and, ultimately, to allow for the continued prudent administration of the Plan until the final payment is made to its beneficiaries. In furtherance of these purposes, the investment staff proposes minor changes to the existing asset allocation that includes both fixed income and equity components, while still keeping a slight overweight to equities. In the most recent actuarial report presented by Foster & Foster in the Fall of 2025, they recommended maintaining the Plans actuarial target at 6.0%. Their continued overall theme in the presentation was that the Plan should focus on maintaining the great gains it has achieved in the last several years by now reducing risk to the minimum amount that is necessary in the Plan to meet its actuarial assumptions. As such, ever mindful of the need for income from the Plan, we are suggesting increasing the overall fixed income allocation from 40.0% to 47.50%, with the remaining 52.50% remaining in equities. Attached to this report is the 2026 Asset Allocation Review prepared by Segal Marco Advisors. The initial report proposed a 50/50 split between fixed income and equities, but this allocation did not result in confidence in achieving long term returns of the actuarial rate of 6%. As such, staff revised this weighting and the report was updated to reflect the now proposed 47.5%/52.5% split.

This updated report models the return of the portfolio based upon the proposed ("Alternate") allocation to have a 20-year expected return between 5.8% and 6.3% (Geometric and Arithmetic). Please see attached **Exhibit A** for the Segal Marco Advisors report for full asset class and return model assumptions.

Fixed Income Component

As indicated above, the Fixed Income Component now generates 15% of the annual cash requirements of the Plan. Over the past several years interest income had trended downward in a reduced interest rate environment. However, over the last 24 months as rates increased, we have been able to allocate these funds at higher interest rate levels. Currently, funds are now being reinvested in the Fixed Income account at higher interest rates than were available in 2021-2023. We anticipate more income from the fixed fund will be allocated to the operating

account going forward. The current value of the Fixed Income Component is still historically low. It has shrunk over the past fifteen (15) years from a high of \$166 million as of June 2008 (47% of the SCERS assets), to \$140 million as of June 2011 (46%), to \$106 million as of March 2026 (42% of the SCERS assets). Despite this historically lower allocation, the Fixed Income Component plays a key role in supporting the overall SCERS' portfolio through reduced volatility and portfolio diversification. Over the last 4 years, staff has recommended additional allocations to the fixed fund. The mature and closed nature of the Plan warrants us to focus more on these income producing instruments to support the operating account for the Plans' beneficiaries.

The Fixed Income Component has an average yield of just over 4.21% as of March 2026. The fund has continued to outperform its benchmark primarily due to its allocation to parts of the curve that were not as sensitive to interest rate movements that occurred. We are confident that the Fixed Income Component will continue to serve the overall portfolio needs of the Plan and provide a lower volatility base through negative correlation with the other Plan assets. As a result of this negative correlation, traditionally the fixed income component is the asset class that exhibits lower returns in comparison to the equity components. In calendar year 2025, in an environment where the Fed was lowering interest rate, the US Broad Investment Grade Index had a positive 7.32% return versus our portfolios' 7.66% return. Going forward, we acknowledge that the returns in the fixed income portfolio will most likely underperform the equity components as we continue in a more stable interest rate environment. Regardless of portfolio returns, the additional income and the funds' hold to maturity stance offsets any mark to market paper returns. We expect the income generated by the Fixed Fund to increase significantly going forward.

Total Fixed Component: 47.5% (7.5% Increase)

Equity Component

As of this writing in early 2026, investor sentiment in the equity space is starting to turn negative, especially in a handful of very large technology sector names. The large, outsized moves in many of these names pushed index returns such as the S&P 500 up in the previous year and many perceive they are now overvalued. As a result of these large gains, the S&P 500 index's top 10 names now represent over 36% of the total index. This has led to a situation where the other approximate 490 names make up 64% of the fund. There is some room for debate as to whether the S&P 500 is truly a diversified measure of the broader markets as a result of these weightings. Markets continue to be cautious that tariffs, trade wars, and domestic and international policies may derail what has been exuberant support for the equities market over the last couple of years. In spite of the continued unrest with the Russia/Ukraine conflict and the newer Middle East incursion, earnings are still mostly focused on domestic issues moving forward

As we head into wrapping up FY 2025-2026, we are cognizant of the challenges that lie ahead both in the domestic markets and around the world. Investment staff seeks to weather these current dynamic market conditions and to best position the portfolio to meet the 6.0% actuarial assumption, while simultaneously slightly de-risking the portfolio. We believe a more balanced allocation to equities and fixed income gives us the best opportunity to achieve the actuarial objectives while still having more narrow opportunities for outperformance. High levels of

uncertainty will likely persist and may be the most important influence on markets for the foreseeable future.

The proposed adjusted asset allocation reduces the allocation to both the Large Cap Fund and the Equity Income Fund by 3.75% each. We are removing the stated allocation to the International Fund at 0%. We view the International Fund as the most aggressive asset class and as such believe it is not a necessary component in the portfolios at this time.

In terms of goals for the next fiscal year, the investment staff intends to continue to take steps to reduce the volatility of the SCERS equity portfolios. We believe that capital preservation is just as crucial as capital appreciation in a plan with such a highly funded status. We intend to efficiently manage the individual stock holdings, while maintaining a focus on the cash generation aspect of the portfolios to support needed Operating Account funds. These goals will be supported by modifying the existing allocation to the Equity Components set forth below. Investment staff believes that this recommended asset mix, subject to the 5% variance allowed under the Investment Policy, provides the best opportunity to generate returns near, and potentially in excess of, the actuarial assumption.

Large Cap Growth:	26.25% (Reduced by 3.75%)
Equity Income :	26.25% (Reduced by 3.75%)
Total Equity Component:	52.50% (Reduced by 7.5%)

FY 2026-2027 ASSET ALLOCATION
(\$ In Millions)

	Market Value on 3/31/2026	Current Allocation	FY 25-26 Approved Allocation	FY 26-27 Recommended Allocation	Recommended Dollar Allocation	Dollar Change
Fixed Bonds	\$106.67	42.28%	40.00%	47.50%	\$119.85	\$13.18
Equity						
Large Cap Growth	\$71.67	28.41%	30.00%	26.25%	\$66.23	(\$5.44)
Equity Income	73.97	29.32%	30.00%	26.25%	66.23	(7.74)
Total Equity	\$145.64	57.72%	60.00%	52.50%	\$132.46	(\$13.18)
Investment Total	\$252.31	100.00%	100.00%	100.00%	\$252.31	\$0.00
Operating Fund	2.80				2.80	0.00
Grand Total	\$255.11				\$255.11	

*The SCERS' Investment Policy allows variances in Board-approved allocations of up to Five Percent (5%).

RESOLUTION NO. 2026-004

Adopted by the Administration, Investment and Fiscal Management Board of the Sacramento City Employees' Retirement System on May 21, 2026

RESOLUTION APPROVING THE ASSET ALLOCATION POLICY FOR THE SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

BACKGROUND

- A. Pursuant to the Sacramento City Employees' Retirement System's Investment Policy, the Board is presented with a proposed Asset Allocation Policy to be applied to the System's assets for the following fiscal year. The Asset Allocation Policy sets forth the asset mix for the System's funds that is a key component to determining the portfolio's overall risk and return characteristics.
- B. The proposed Asset Allocation Policy is consistent with the City Charter's and Investment Policy's mandates to manage the System's assets in a prudent manner.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE ADMINISTRATION, INVESTMENT, AND FISCAL MANAGEMENT BOARD RESOLVES AS FOLLOWS

- 1. The asset allocation of the SCERS' investment portfolio for the fiscal year 2026-2027 and until revised by further action by the Board shall be as follows.

<u>Fixed Income Component:</u>	Fixed Income/Real Estate	47.50%
<u>Equity:</u>	Large Cap Growth	26.25%
	Equity Income	26.25%
	International	<u>0.00%</u>
	Total Equity:	<u>52.50%</u>
Total Fixed & Equity		100.00%

- 2. The City Treasurer's Office is directed to affect the necessary liquidations and transfers to implement the foregoing allocations by no later than June 30, 2026.

 Dave O'Toole, Chair

ATTEST:

 Secretary to the Board

Exhibit A

Sacramento City Employees' Retirement System

Asset Allocation Review

February 2026 / Jeffrey Nipp, Senior Consultant



Overview

Considerations on asset allocation

While we believe capital market assumptions are an important foundation to properly constructing a long-term investment portfolio, great care should be taken not to fully rely on the expected risk and return output, or the mean-variance optimization. By doing so, you would over allocate to investments that are less liquid in nature and less frequently priced. When designing your investment program, a variety of factors should also be included such as risk and drawdown tolerance, cash flow needs, liability and liquidity risk, among others.

Assumptions should be used as a guide

The creation of capital market assumptions is a multi-facet process that focuses on establishing forward-looking inputs for the purpose of making informed asset allocation decisions. These assumptions are not intended to predict the future but rather put into perspective potential outcomes and set realistic expectations. Given the inputs are forward looking and incorporate various time periods, actual outcomes may differ materially.

Diversification a key tenet

Diversification is the backbone of modern portfolio theory which suggests the best way to construct an investment portfolio is through the use of multiple asset classes and investments. By allocating capital across lesser correlated asset classes, volatility and risk can be reduced which can improve risk-adjusted return.

Current market conditions

Where possible, current macro-economic and asset class specific market conditions are incorporated into our assumptions. These market conditions are global in nature, and may include, but are not limited to, metrics such as current interest rates, inflation, growth forecasts, valuations.

Allowance for active management

- Assumptions are based on expected market returns for a specified index and do not incorporate additional return from active management. Given some asset classes can not be invested in passively such as hedge funds and private equity, these are an exception.
- All numbers represent Segal Marco Advisors' forward looking asset class assumptions, and as such, reflect estimates as of a certain date. These assumptions are not a guarantee of future performance, do reflect high levels of uncertainty, and are subject to change without notice.

Guiding Themes for 2026 Assumptions

Themes

Comments

Fed rate cuts late in 2025 reduced the yield curve at the short end, while the longer end of the curve remained relatively flat. Similarly, the European Central Bank (ECB) cut rates, though more aggressively early in 2025.

- Shorter-term U.S. rates lower and longer-term yields were relatively flat at the end of 2025, causing the U.S. yield curve to steepen.
- Cash and risk-free rate down 30 basis points for 2026 while incorporating a term premium, or higher compensation for longer dated notes, into our projection.
- Inflation remained “sticky” through much of 2025 keeping pressure on the Fed, until easing later in the year. The breakeven inflation level implied by yields on Nominal Treasuries vs. TIPS decreased marginally. Tariffs, fiscal policy and wage growth remain headwinds for lower U.S. inflation. Eurozone inflation forecast targeted at +/-2%, the data driven ECB may keep rates steady.

Global economic growth in 2026 is projected to be resilient, with the International Monetary Fund (IMF) forecasting a 3.3% expansion, driven by resilient consumers, AI investment and strong services sectors. Emerging markets (above 4%) may outpace advanced economies (approx. 1.8%). Global risks include geopolitical tensions and trade policy changes.

- The breakeven U.S. inflation level for 10-year and 20-year treasuries decreased marginally to 2.26% and 2.44% respectively by mid-December 2025.
- Labor markets and job growth are projected to stabilize in 2026 after a sluggish 2025. Job growth projections must continue to balance the push-and-pull of greater human capital demand with increased efficiency through technological advances in an already tight labor market.
- U.S. capital expenditures (capex) will be driven by massive commitments to AI focused sectors (chips, data centers, hardware). Technology, finance, services, infrastructure and transportation should widen the capex scope and benefit.

A global policy divergence has begun to materialize between the U.S. and other developed and developing economies. We are witnessing the effects of deglobalization in areas including, but not limited to, foreign policy, trade, defense and social/humanitarian efforts.

- Significant shift toward protectionist trade, a reversal on climate commitments, and a reduction in international development aid.
- Key developments include new tariffs, change in green energy incentives, and a shift away from multilateralism, creating a more fragmented, transactional global order.
- Segal Marco risk premiums generally increased for 2026, although in most asset classes, not enough to compensate for the reduction in the risk-free rate.
- Net result, diversified portfolio return calculations for 2026 are approximately +/- 10 basis points lower than in 2025. Calculated portfolio risk is marginally lower as well, though most asset class volatilities are well above historical averages.

Valuations across publicly traded equities are historically high by most measures.

- A notable valuation adjustment (-0.40%) is applied to U.S. Equity returns.
- Above mentioned drivers of volatility are a corollary to the valuation adjustment.
- Selective pockets of opportunity continue to exist as private markets either continue to adapt from prior drawdowns (private equity, real estate) or sustain growth with opportunities (infrastructure, private credit)

Capital Market Assumptions:

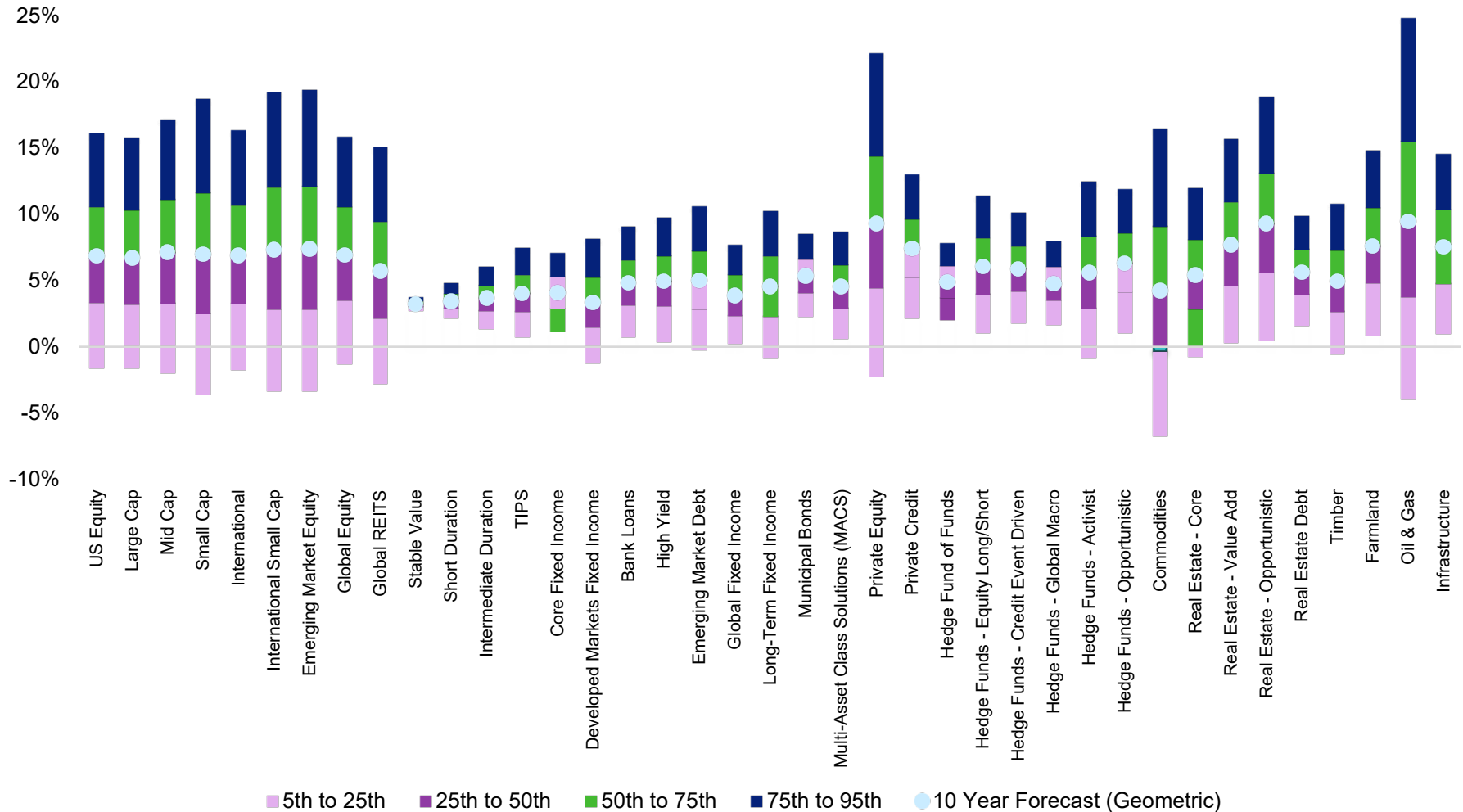
Asset Class	10 Year Arithmetic Return	10 Year Geometric Return	20 Year Arithmetic Return	20 Year Geometric Return	Standard Deviation
Equity					
Large Cap	8.0%	6.7%	8.1%	6.8%	17.0%
Fixed Income					
Core Fixed Income	4.2%	4.1%	4.3%	4.1%	5.7%
Alternatives					

Correlation Matrix

Correlations		Large Cap	Core Fixed Income
Large Cap	1		
Core Fixed Income	0.39	1	

Distribution of Asset Class Returns

Incorporating asset class risk (standard deviation of returns) provides a distribution of potential return outcomes around the expected return of the asset class.



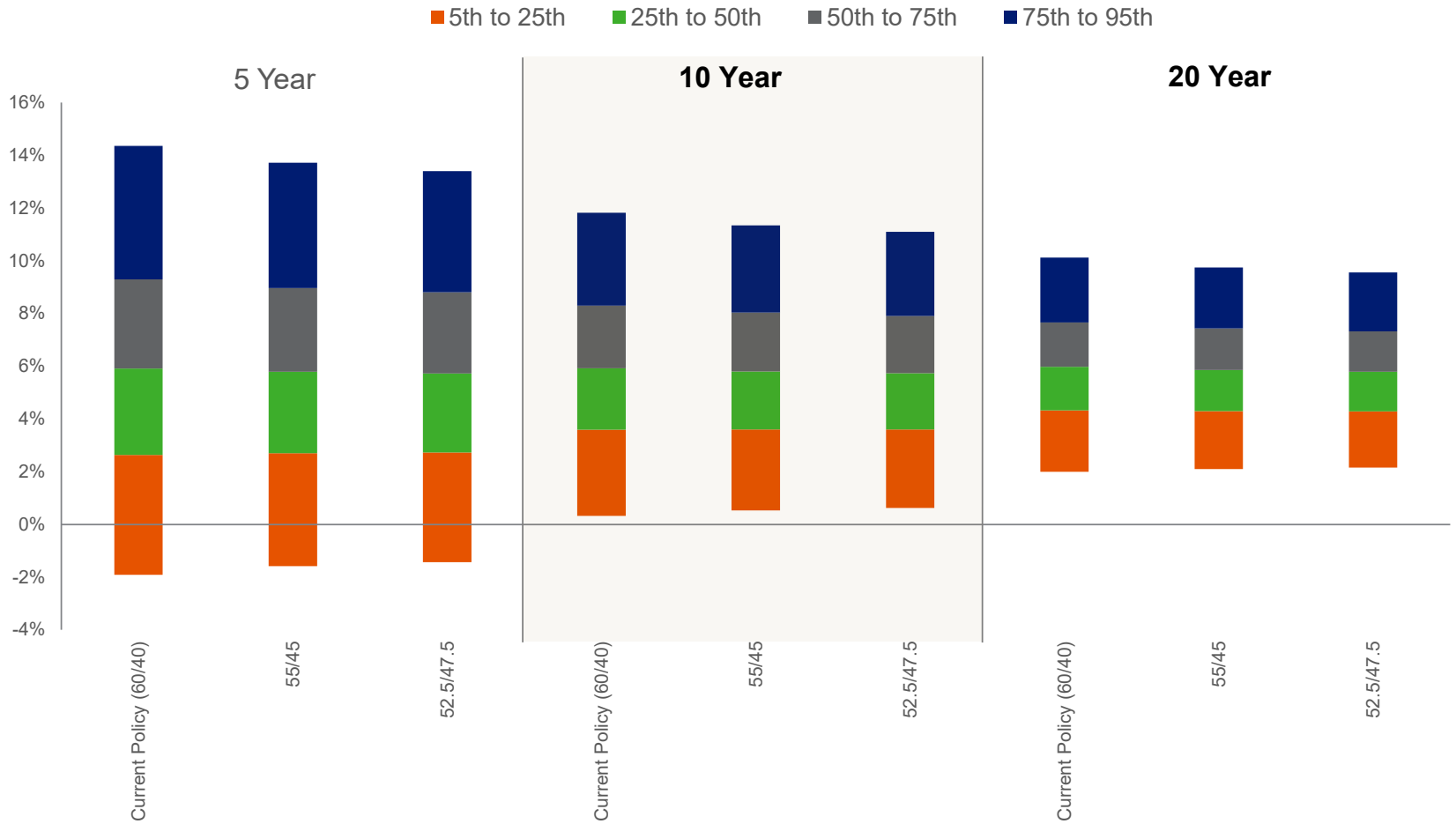
Asset and Product Mixes

	Current Policy (60/40)	55/45	52.5/47.5
Large Cap	60.0%	55.0%	52.5%
Total Equity	60.0%	55.0%	52.5%
Core Fixed Income	40.0%	45.0%	47.5%
Total Fixed Income	40.0%	45.0%	47.5%
Total Alternative	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%
10 Year Expected Return (Arithmetic)	6.5%	6.3%	6.2%
10 Year Expected Return (Geometric)	5.9%	5.8%	5.7%
Standard Deviation	11.1%	10.5%	10.1%
Sharpe Ratio	0.30	0.30	0.30
20 Year Expected Return (Arithmetic)	6.6%	6.4%	6.3%
20 Year Expected Return (Geometric)	6.0%	5.9%	5.8%
Portfolio Yield	2.5%	2.6%	2.7%

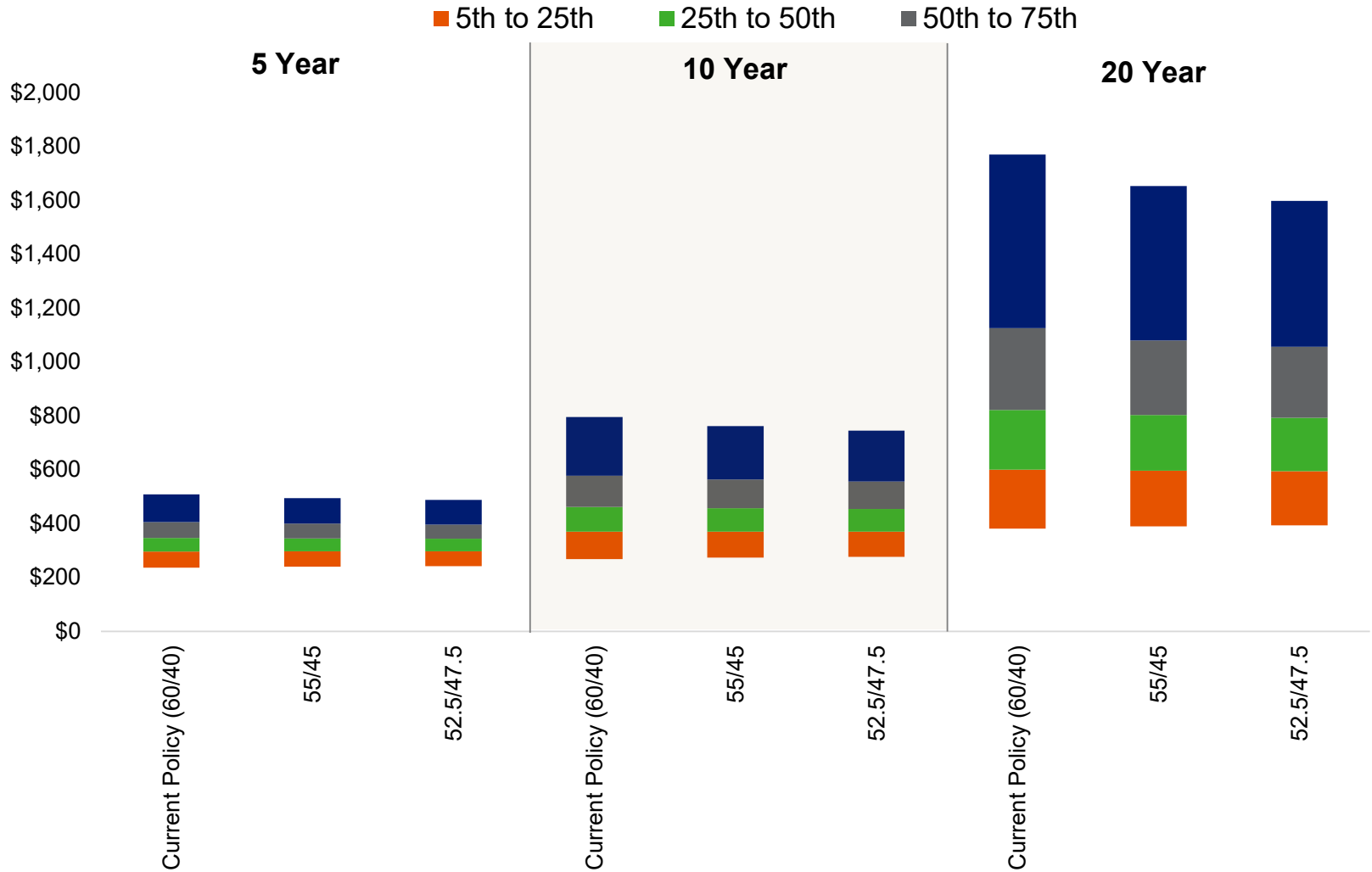
Asset Mixes

	Current Policy (60/40)	55/45	52.5/47.5
Large Cap	60.0%	55.0%	52.5%
Total Equity	60.0%	55.0%	52.5%
Core Fixed Income	40.0%	45.0%	47.5%
Total Fixed Income	40.0%	45.0%	47.5%
Total Alternative	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%
10 Year Expected Return (Arithmetic)	6.5%	6.3%	6.2%
10 Year Expected Return (Geometric)	5.9%	5.8%	5.7%
Standard Deviation	11.1%	10.5%	10.1%
Sharpe Ratio	0.30	0.30	0.30
20 Year Expected Return (Arithmetic)	6.6%	6.4%	6.3%
20 Year Expected Return (Geometric)	6.0%	5.9%	5.8%
Portfolio Yield	2.5%	2.6%	2.7%

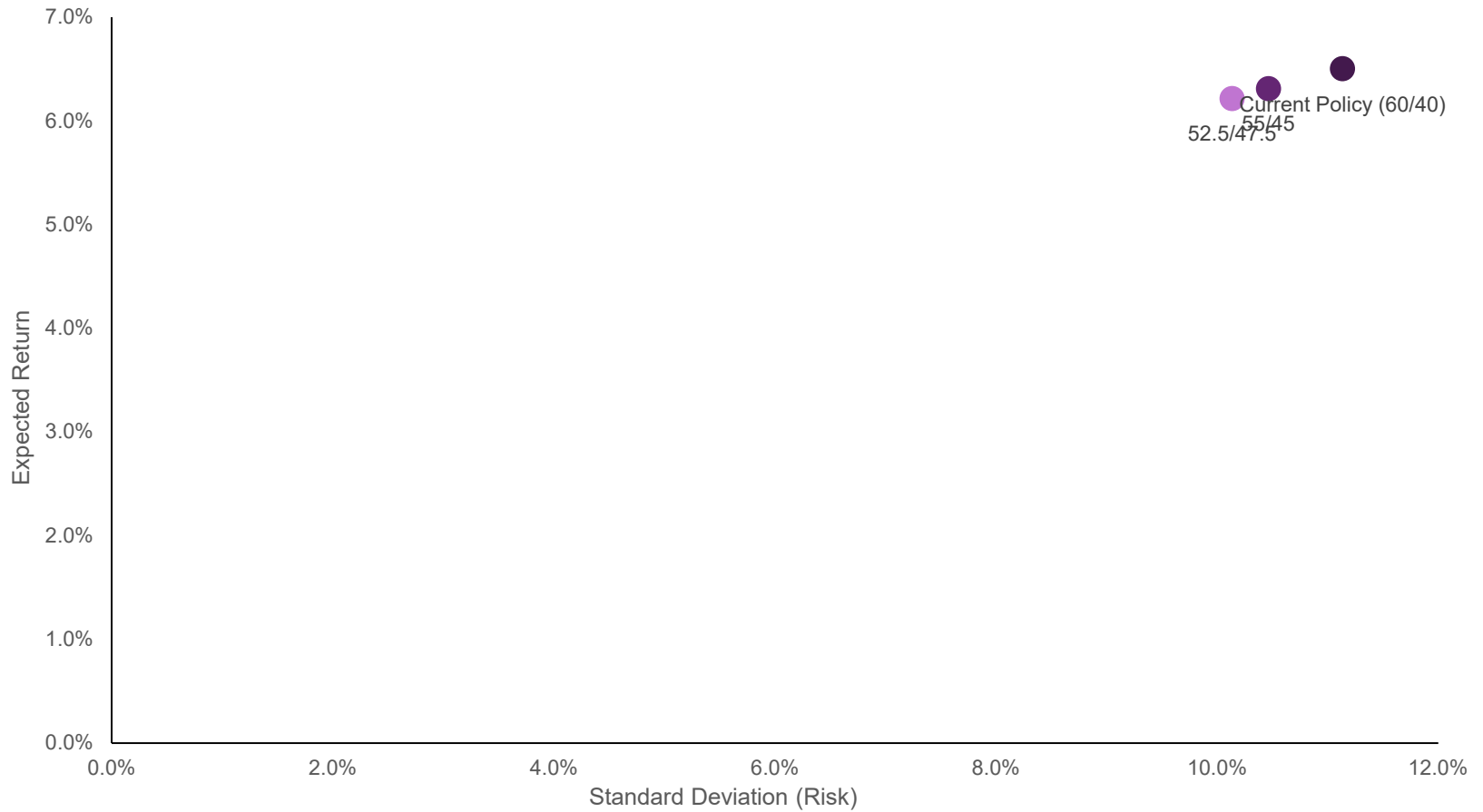
Forecast-Return Percentiles



Forecast-Wealth Percentiles (in \$millions)



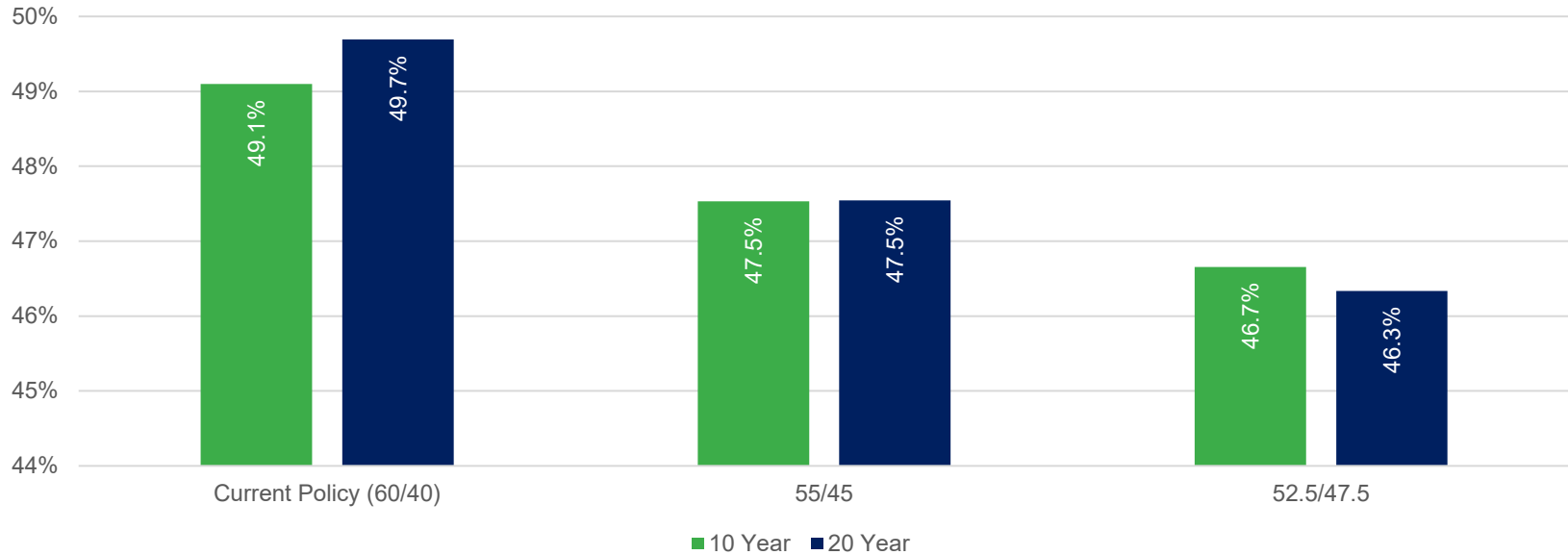
Risk Return Plot



Risk Allocation

	Current Policy (60/40)	55/45	52.5/47.5
Large Cap	88.3%	85.2%	83.5%
Total Equity	88.3%	85.2%	83.5%
Core Fixed Income	11.7%	14.8%	16.5%
Total Fixed Income	11.7%	14.8%	16.5%
Total Alternative	0.0%	0.0%	0.0%
Total Assets	100.0%	100.0%	100.0%
10 Year Expected Return (Arithmetic)	6.5%	6.3%	6.2%
10 Year Expected Return (Geometric)	5.9%	5.8%	5.7%
Standard Deviation	11.1%	10.5%	10.1%
Sharpe Ratio	0.30	0.30	0.30
20 Year Expected Return (Arithmetic)	6.6%	6.4%	6.3%
20 Year Expected Return (Geometric)	6.0%	5.9%	5.8%
Portfolio Yield	2.5%	2.6%	2.7%
10 Year Geometric VaR (1st Percentile)	-1.9%	-1.6%	-1.4%
10 Year Geometric VaR (5th Percentile)	0.3%	0.5%	0.6%

Probability of Achieving Specified Returns



	Current Policy (60/40)	55/45	52.5/47.5
10 Year			
10 Yr Prob Achieving at Least 6.25%	46.3%	44.5%	43.6%
10 Yr Prob Achieving at Least 6.00%	49.1%	47.5%	46.7%
10 Yr Prob Achieving at Least 5.75%	52.0%	50.6%	49.8%
<i>10 Yr Prob Achieving at Least 0%</i>	<i>95.9%</i>	<i>96.5%</i>	<i>96.8%</i>
20 Year			
20 Yr Prob Achieving at Least 6.25%	45.7%	43.3%	42.0%
20 Yr Prob Achieving at Least 6.00%	49.7%	47.5%	46.3%
20 Yr Prob Achieving at Least 5.75%	53.7%	51.8%	50.8%
<i>20 Yr Prob Achieving at Least 0%</i>	<i>99.4%</i>	<i>99.5%</i>	<i>99.6%</i>

Appendix

Methodology

A key tenet of strategic asset allocation is that diversification across major asset classes can enhance a portfolio's risk adjusted return. As part of the modeling process, we develop expectations for investment returns and risks for each asset class, and correlations between asset classes. These assumptions represent our best thinking for long-term expectations and establish a mid-point within a wider range of potential outcomes. To develop the components of our assumptions, we used a systematic process rooted in quantitative analysis decomposing drivers of risk and return. In addition to the quantitative analysis, qualitative feedback from market participants supplemented our analysis to help corroborate our assumptions and potential outcomes.

Expected Returns

We use a building-block approach to formulate expected returns based on the underlying principle that investors demand compensation for each component of risk in an asset class. Inflation / cash serve as two primary building blocks given that investors demand a level of return for an investment that at least equals inflation and provides a greater return than the risk-free rate (cash) in order for an investor to be willing to take incremental risk. Next, various types of risk premia are considered to establish an aggregate risk premium for each asset class, which is then added to the risk free rate. Examples of risk premia including duration, credit risk, equity risk, illiquidity risk, among others.

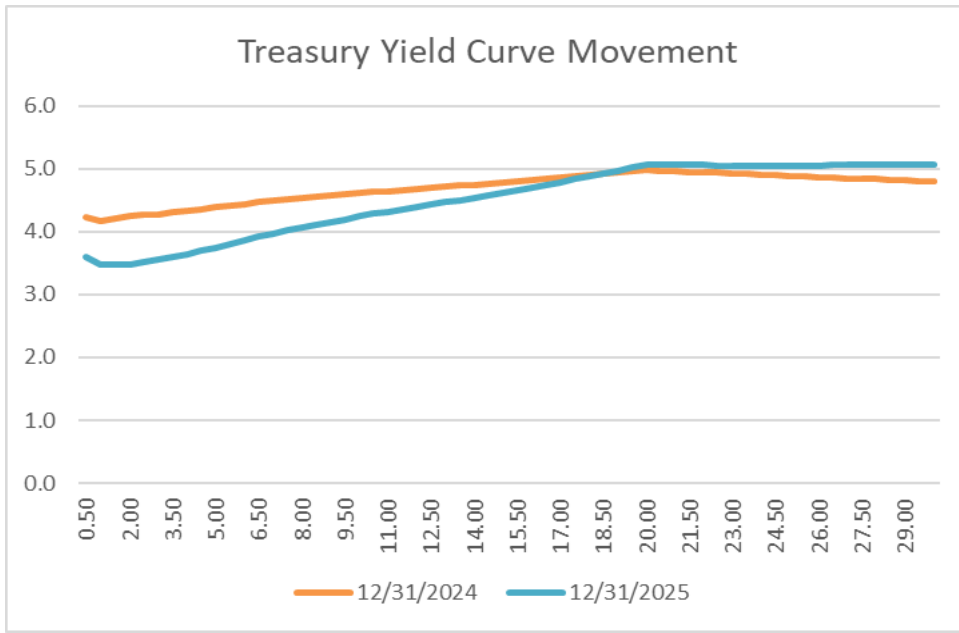
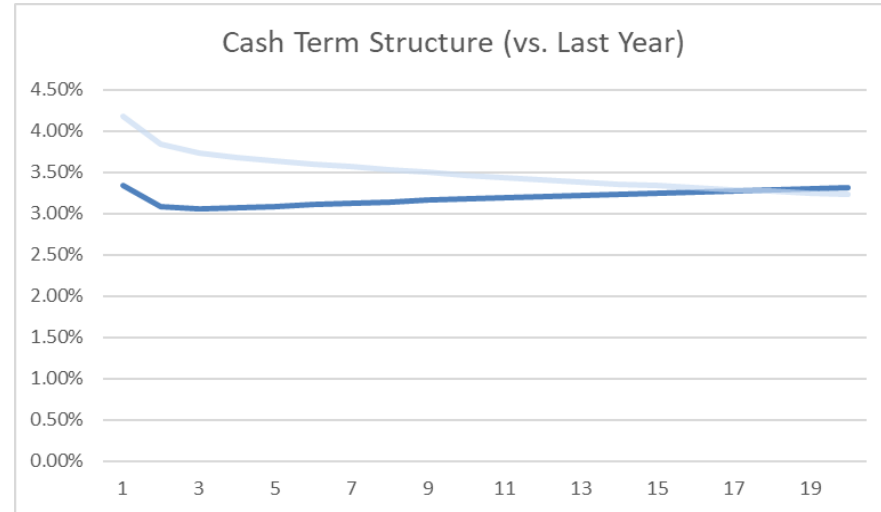
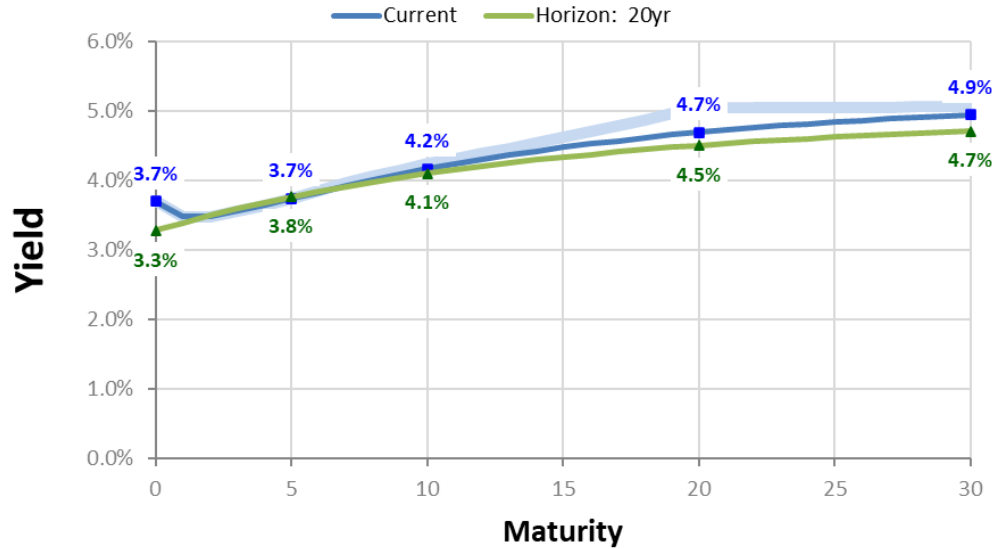
Expected Risk (Standard Deviation)

The standard deviation is a statistical measurement that estimates the volatility or variability of returns for an asset class. The greater the standard deviation, the higher (and lower) actual returns are expected to be above (and below) the projected return assumption. Where possible, our calculations of standard deviation are informed by current market prices, or market implied volatility. Additionally, volatility of historical returns is considered where relevant, primarily derived using historical returns for the underlying asset class or sub-asset class index proxies. We then make qualitative adjustments to incorporate the current macro environment to the extent we believe it is relevant.

Correlations

- Correlation is a statistical measurement of how two asset classes move in relation to each other. By including asset classes that are less correlated, the portfolio becomes more diversified and has lower projected risk. Correlation is measured using correlation coefficients that range in value between -1 and +1. A value of +1 denotes a perfect positive correlation meaning for every 1% the asset moved, a perfect positively correlated asset moved exactly 1% in the same direction. A value of -1% denotes a perfect negative correlation meaning for every 1% the asset moved, the perfect negatively correlated asset moved exactly 1% in the opposite direction.
- Our calculations of correlations are primarily derived using historical returns for the underlying asset class or sub-asset class index proxies. Correlations are calculated utilizing monthly observations, where available, and focusing on 10 year periods to maintain consistency with the 10 year risk and return outlooks.

Treasury Yield Curve Projection – Cash Assumption



Strategic Asset Class Expected Returns

Cash Component

Asset class expected returns are generally comprised of two components:

- Expected return on cash over the horizon
- The additional expected premium to be earned for accepting the volatility of not investing in cash

Given the current shape of the Treasury yield curve and our view regarding the likely future shape, expected cash returns will have a decreasing term-structure in our models (that is, an expected return that is lower for longer investment horizons)

Consequently, all asset classes will likewise have a decreasing term-structure associated with cash component of the expected return (consistent with a view that short-term Treasury yields will peak in the next 18 months before retreating to a much lower equilibrium level)

Time-varying expected cash returns:

Investment Horizon	Expected Annual Cash Return	Change vs 2025 CMA
5 Years	3.1%	-70 bps
10 Years	3.1%	-60 bps
15 Years	3.2%	-40 bps
20 Years	3.2%	-30 bps

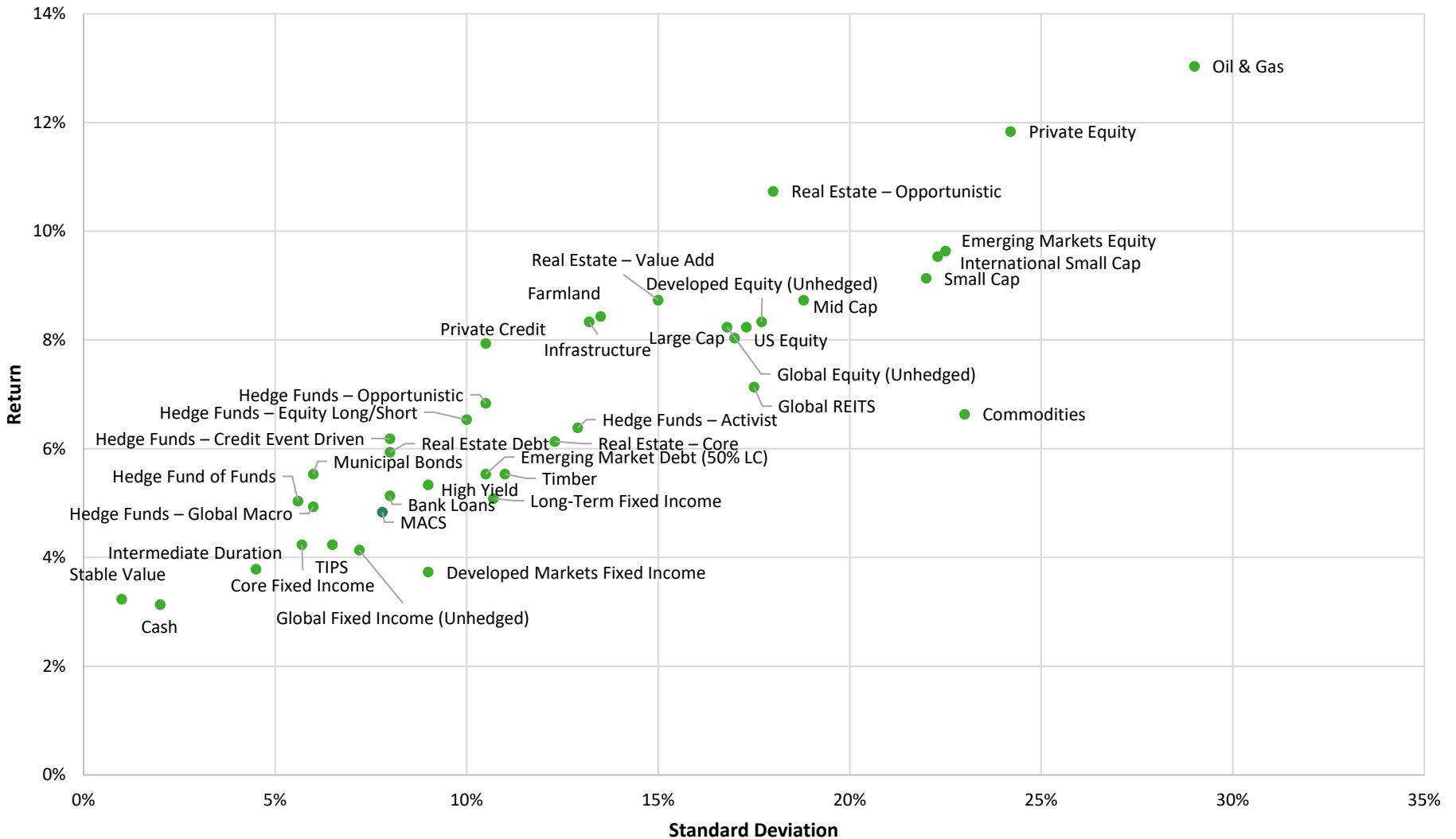
Capital Market Assumptions: 10 Year

Asset Class	Index Proxy	Arithmetic Return	Geometric Return	Standard Deviation
Fixed Income				
Cash	90 Day U.S. Treasury Bill	3.1%	3.1%	2.0%
Stable Value	Hueler Stable Value	3.2%	3.2%	1.0%
Short Duration	Bloomberg Barclays 1-5 Year Govt/Credit	3.5%	3.5%	2.5%
Intermediate Duration	Bloomberg Barclays Intermediate Govt/Credit	3.8%	3.7%	4.5%
TIPS	Bloomberg Barclays TIPS Index	4.2%	4.0%	6.5%
Core Fixed Income	Bloomberg Barclays U.S. Aggregate Index	4.2%	4.1%	5.7%
Developed Markets Fixed Income	Citigroup Non-U.S. World Gov't Bond (Unhedged)	3.7%	3.3%	9.0%
Bank Loans	Credit Suisse Leveraged Loan	5.1%	4.8%	8.0%
High Yield	Citigroup High Yield Market	5.3%	5.0%	9.0%
Emerging Market Debt (50% LC)	50% JPM EMBI / 50% JPM GBI	6.5%	5.0%	10.5%
Global Fixed Income (Unhedged)	Bloomberg Barclays Global Aggregate (Unhedged)	4.1%	3.9%	7.2%
Long-Term Fixed Income	Bloomberg Barclays U.S. Long Govt/Credit	5.1%	4.5%	10.7%
Municipal Bonds	Bloomberg Barclays Municipal Bond	5.5%	5.4%	6.0%
Equity				
US Equity	Russell 3000	8.2%	6.9%	17.3%
Large Cap	S&P 500	8.0%	6.7%	17.0%
Mid Cap	Russell Mid Cap	8.7%	7.1%	18.8%
Small Cap	Russell 2000	9.1%	7.0%	22.0%
Developed Equity (Unhedged)	MSCI EAFE (Unhedged)	8.3%	6.9%	17.7%
International Small Cap	MSCI EAFE Small Cap	9.5%	7.3%	22.3%
Emerging Markets Equity	S&P / Intl Finance Corp Investable Composite	9.6%	7.4%	22.5%
Global Equity (Unhedged)	MSCI World (Unhedged)	8.2%	7.0%	16.8%
Global REITS	FTSE EPRA Nareit Global	7.1%	5.7%	17.5%
Alternatives				
Multi-Asset Class Solutions (MACS)	MACS Custom Index	4.8%	4.5%	7.8%
Private Equity	Venture Economics – All Private Equity	11.8%	9.3%	24.2%
Private Credit	S&P / LSTA Middle Market Index	7.9%	7.4%	10.5%
Hedge Fund of Funds	HFRI Fund of Funds Composite	5.0%	4.9%	5.6%
Hedge Funds – Equity Long/Short	HFRI Equity Hedge (Total) Index	6.5%	6.1%	10.0%
Hedge Funds – Credit Event Driven	50% HFRI Event Driven / 50% HFRI Relative Value	6.2%	5.9%	8.0%
Hedge Funds – Global Macro	HFRI Macro	4.9%	4.8%	6.0%
Hedge Funds – Activist	HFRI Activist	6.4%	5.6%	12.9%
Hedge Funds – Opportunistic	HFRI Fund of Funds Composite	6.8%	6.3%	10.5%
Real Assets				
Commodities	Bloomberg Commodity Index	6.6%	4.2%	23.0%
Real Estate – Core	NCREIF Property Index	6.1%	5.4%	12.3%
Real Estate – Value Add	Courtland Partners Index – Value	8.7%	7.7%	15.0%
Real Estate – Opportunistic	Courtland Partners - Opportunistic	10.7%	9.3%	18.0%
Real Estate Debt	Bloomberg Barclays CMBS IG	5.9%	5.6%	8.0%
Timber	NCREIF Timberland	5.5%	5.0%	11.0%
Farmland	NCREIF Farmland	8.4%	7.6%	13.5%
Oil & Gas	S&P Oil & Gas Exploration & Production Select Industry	13.0%	9.5%	29.0%
Infrastructure	FTSE Global Core Infrastructure 50/50 Index	8.3%	7.5%	13.2%

Capital Market Assumptions: 20 Year

Asset Class	Index Proxy	Arithmetic Return	Geometric Return	Standard Deviation
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Farmland	NCREIF Farmland	8.5%	7.7%	13.5%
Oil & Gas	S&P Oil & Gas Exploration & Production Select Industry	13.1%	9.5%	29.0%
Infrastructure	FTSE Global Core Infrastructure 50/50 Index	8.4%	7.6%	13.2%

Relative Risk and Return



City of Sacramento
Administration, Investment, & Fiscal Management
Board Report
915 I Street Sacramento, CA 95814
www.cityofsacramento.org

File ID: 2026-00930

5/21/2026

SCERS Quarterly Investment Report for March 2026

File ID: 2026-00930

Location: Citywide

Recommendation: Pass a **Motion** accepting the SCERS Quarterly Investment Report dated March 31, 2026.

Contact: Stacy Hussey, Chief Investment Officer, (916) 808-7746, shussey@cityofsacramento.org, Office of the City Treasurer

Presenter: Stacy Hussey, Chief Investment Officer, (916) 808-7746, shussey@cityofsacramento.org, Office of the City Treasurer

Attachments:

1-Description/Analysis

2-Sacramento City Employees' Retirement System Quarterly Investment Report dated March 31, 2026

Description/Analysis

Issue Detail: Routine quarterly investment report provided to the board.

Policy Considerations: None.

Economic Impacts: None.

Environmental Considerations: Not applicable.

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: For informational purposes, the City Treasurer reports on investment transactions of SCERS funds invested by City Treasurer's Office staff.

Financial Considerations: None.

Local Business Enterprise (LBE): Not applicable.

Q3 FY2026

**Sacramento City Employees' Retirement System
Quarterly Investment Report
March 31, 2026**



Office of the City Treasurer - City of Sacramento

John Colville, City Treasurer

Q3 FY2026

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INTRODUCTION

The Sacramento City Employees' Retirement System (SCERS) is a portfolio established through the Sacramento City Charter Article XVII, Section 383. This is a defined benefit plan in which retirement benefits for City member employees are based upon the age, final compensation, and length of service. The Administration, Investment and Fiscal Management (AIFM) Board of the Sacramento City Employees' Retirement System is vested with the exclusive control of the administration of these funds provided investments are invested in permissible instruments. Unlike most defined pension plans, SCERS is a closed plan that has not accepted new members since 1978 and is approaching the full payout phase.

OBJECTIVE

The primary investment objective of SCERS is to prudently maximize income after considering the plan benefit requirements. To accomplish this objective, the Board has adopted an investment policy which emphasizes the use of cash income, fixed income and equity investments structured to meet the annual member benefit payments and administrative expenses of approximately \$27.4 million. On November 20, 2025, the Board adopted the discount rate used to compute the Actuarial Accrued Liability (AAL) to 6%.

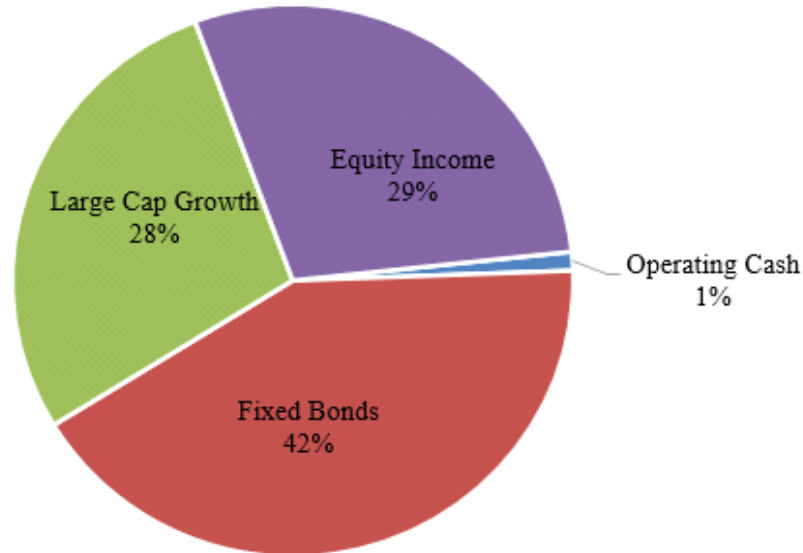
STRATEGY

Based on Board Policy, 40% of SCERS assets are allocated to fixed income investments that consist of agencies, bonds, and real estate. This portfolio is categorized as the Fixed Income portfolio. Additionally, 60% of the remaining assets are in equity investments which are allocated to Large Cap, Equity Income and International portfolios with distinct investment strategies. The following is a listing of those assets by type of investments and allocated percentages, and the specific benchmarks are identified within these reports:

Fixed Income	40.0%
Large Cap	30.0%
Equity Income	30.0%
International	0.0%

City of Sacramento
ASSETS UNDER MANAGEMENT
Sacramento City Employees' Retirement System
SCERS
March 31, 2026

TOTAL PLAN
\$255,114,893



PERFORMANCE SUMMARY

GROSS OF FEES

From 12-31-25 to 03-31-26

Portfolio	12/31/2025	Additions Withdrawals	Interest Dividends	Gain (Loss)	3/31/2026	QTD TWR	FYTD TWR
	Market Value				Market Value		
Operating Cash	2,509,797	266,592	18,517	0	2,794,907	0.91	2.53
Fixed Bonds	107,844,040	-1,157,350	1,104,738	-1,121,711	106,669,717	-0.02	3.19
Large Cap Growth	72,235,501	-125,077	195,044	-629,493	71,675,974	-0.60	10.78
Equity Income	77,698,682	-5,698,555	280,992	1,693,176	73,974,295	2.59	12.18
GRAND TOTAL	260,288,020	-6,714,390	1,599,291	-58,028	255,114,893	0.57	7.96

City of Sacramento
Operating Cash
SCERS
 March 31, 2026

Activity

From 12-31-25 to 03-31-26

Portfolio Value on 12-31-25	2,509,797
Contributions	7,439,975
Withdrawals	-7,173,383
Realized Gains	0
Unrealized Gains	0
Interest	18,517
Dividends	0
Portfolio Value on 03-31-26	2,794,907

Contributions and withdrawals accounted for as follows:

Contributions:

Employer Contribution	40,750
Employee Contribution	222
Miscellaneous Deposits	2,451
Cash Transfers In*	6,980,982
OPEB Reimb (Health Benefits Offset)	415,570
AP Check Cancellations	
	7,439,975

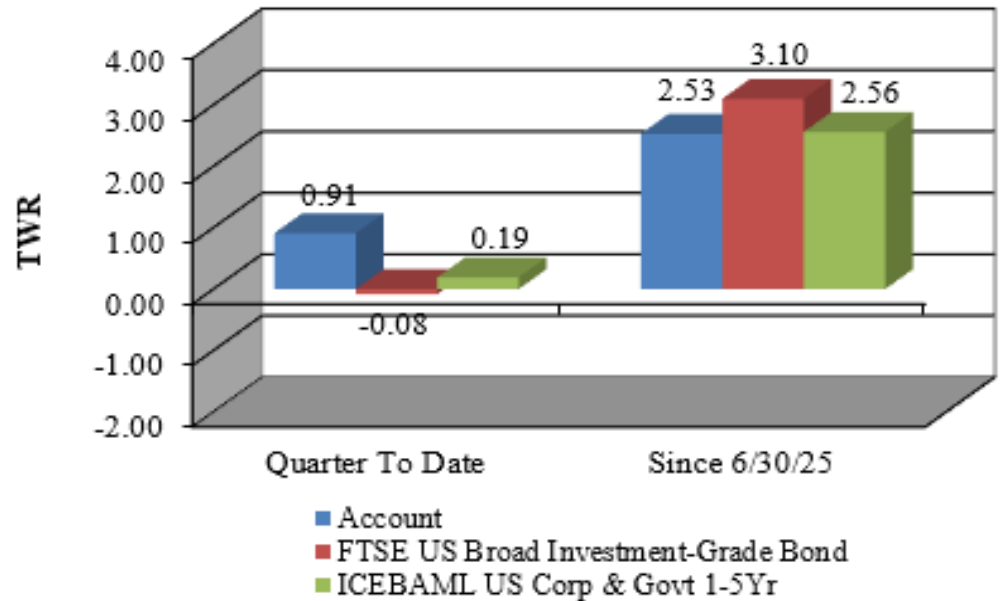
Withdrawals:

Administrative Expenses	-299,357
Benefit Payments	-6,874,026
Miscellaneous Expenses	0
	-7,173,383

*Cash Transfers In = monies transferred from Fixed and Equity portfolios to Operating Cash.

Performance

	Quarter To Date	Since 06-30-2025
Account	0.91	2.53
FTSE US Broad	-0.08	3.10
Investment-Grade Bond		
ICEBAML US Corp & Govt 1-5Yr	0.19	2.56



City of Sacramento
Fixed Bonds
SCERS
 March 31, 2026

Activity

From 12-31-25 to 03-31-26

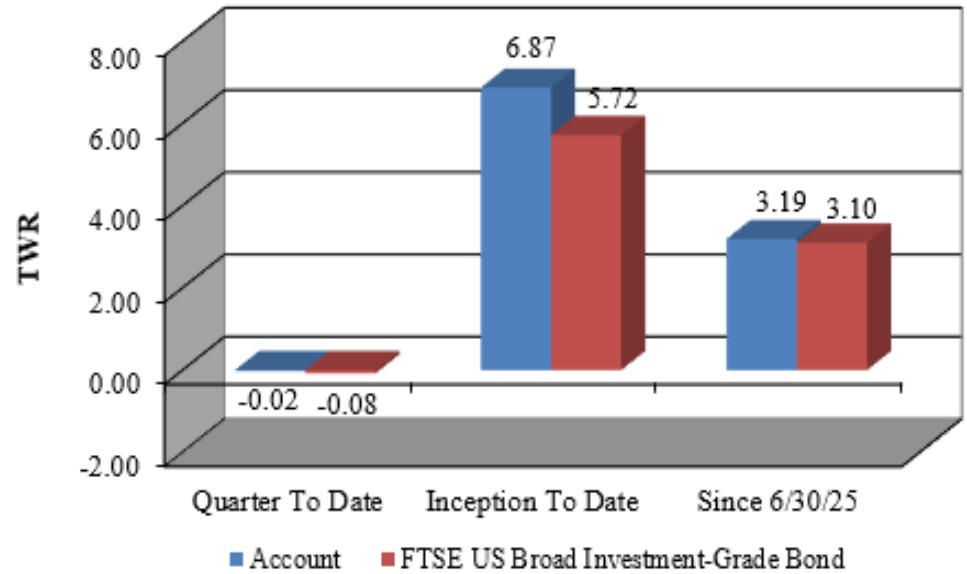
Portfolio Value on 12-31-25	106,705,706
Accrued Interest	1,138,334
Contributions	0
Withdrawals	-1,157,350
Realized Gains	-38,815
Unrealized Gains	-1,082,896
Interest	1,146,565
Dividends	11,637
Change in Accrued Interest	-53,463
Portfolio Value on 03-31-26	105,584,846
Accrued Interest	1,084,871

Performance

	Quarter To Date	Inception To Date	Since 06-30-2025
Account	-0.02	6.87	3.19
FTSE US Broad Investment-Grade Bond	-0.08	5.72	3.10

Top 10 Holdings

Securities	Market Value	Pct.
Citigroup Inc 3.400% Due 07-22-36	4,504,629	4.27
Apple Inc 3.350% Due 02-09-27	2,985,924	2.83
Sacramento Calif Pub Fing Auth 5.637% Due 04-01-50	2,965,379	2.81
Disney Walt Co 2.650% Due 01-13-31	2,784,115	2.64
Pennsylvania Economic Dev Fing 2.702% Due 06-15-34	2,602,276	2.46
California St Go Bds 6.875% Due 11-01-26	2,027,908	1.92
Verizon Communications Inc 5.050% Due 03-15-34	1,962,314	1.86
British Telecommunications Plc 3.250% Due 11-08-29	1,920,578	1.82
Constellation Brands Inc 3.150% Due 08-01-29	1,913,877	1.81
Quest Diagnostics Inc 2.950% Due 06-30-30	1,873,726	1.77



City of Sacramento
PORTFOLIO APPRAISAL
Fixed Bonds
SCERS
March 31, 2026

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Cur. Yield	S & P	Bond Status	Call Put Date
CASH AND EQUIVALENTS													
	fidfund	Fidelity Fund		103,696		103,696		103,696	0.10	3.55			
	miscintrec	Misc Interest Receivable		1,796		1,796		1,796	0.00	3.55			
	intreceiv	Pool A Interest Receivable		3,174		3,174		3,174	0.00	3.89			
				108,667		108,667		108,667	0.10	3.56			
U.S. GOVERNMENT BONDS													
500,000	91282cks9	U.S. Treasury Note 4.875% Due 05-31-26	99.98	499,922	100.16	500,824	8,170	508,994	0.47	4.87	AA+		
750,000	91282ckp5	U.S. Treasury Note 4.625% Due 04-30-29	100.62	754,687	102.27	766,992	14,565	781,557	0.73	4.52	AA+		
1,000,000	91282cpd7	U.S. Treasury Note 3.625% Due 10-31-30	99.42	994,219	98.71	987,070	15,221	1,002,291	0.93	3.67	AA+		
1,500,000	91282cpq8	U.S. Treasury Note 3.875% Due 12-31-32	99.59	1,493,906	98.55	1,478,262	14,612	1,492,873	1.40	3.93	AA+		
750,000	91282cpz8	U.S. Treasury Note 4.125% Due 02-15-36	99.09	743,203	98.44	738,281	3,675	741,956	0.70	4.19	AA+		
				4,485,938		4,471,430	56,242	4,527,672	4.23	4.12			
FEDERAL HOME LOAN BANK													
500,000	3130b4g70	Federal Home Loan Bank 4.625% Due 01-08-30	100.00	500,000	100.32	501,606	5,332	506,937	0.48	4.61	AA+		01-08-27
1,000,000	3130b1ul9	Federal Home Loan Bank 5.000% Due 06-26-31	100.00	1,000,000	100.10	1,000,988	13,194	1,014,183	0.95	5.00	AA+		06-26-26
1,000,000	3130b95y2	Federal Home Loan Bank 4.190% Due 01-27-33	100.00	1,000,000	98.52	985,186	7,449	992,635	0.93	4.25	AA+		01-27-28
500,000	3130b9kw9	Federal Home Loan Bank 4.100% Due 03-02-33	99.92	499,625	98.67	493,356	1,651	495,007	0.47	4.16	AA+		03-02-28
500,000	3130b5db1	Federal Home Loan Bank 5.200% Due 03-13-40	100.00	500,000	99.22	496,096	1,300	497,396	0.47	5.24	AA+		03-13-28
				3,499,625		3,477,231	28,926	3,506,157	3.29	4.65			
FEDERAL FARM CREDIT BANK - FRMMT													
Not Classified													
500,000	3133etnm5	Federal Farm Credit Bank 5.030% Due 07-02-35	100.05	500,250	100.07	500,363	6,218	506,580	0.47	5.03	AA+		07-02-27
				500,250		500,363	6,218	506,580	0.47	5.03			
MUNICIPAL BONDS													
Not Classified													
500,000.00	794454y69	City of Salem Oregon 5.000% Due 06-01-26	101.11	505,540	100.18	500,915	8,333	509,249	0.47	4.99			
2,000,000.00	13063bje3	California St Go Bds 6.875% Due 11-01-26	100.00	2,000,000	101.40	2,027,908	57,292	2,085,200	1.92	6.78	AA-		

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1,725,000.00	442348p36	Houston Tex Arpt Sys Rev Arpt Sys 6.880% Due 01-01-28	89.19	1,538,614	103.12	1,778,885	29,670	1,808,555	1.68	6.67	A		
500,000.00	13063d2v9	California St 5.000% Due 10-01-28	102.42	512,095	102.49	512,437	12,500	524,937	0.49	4.88	AA-		
500,000.00	977100hw9	Wisconsin St Gen Fund Annual Approp Revenue 4.346% Due 05-01-29	98.32	491,615	100.89	504,474	9,054	513,528	0.48	4.31			
500,000.00	373385mz3	Georgia State 4.400% Due 07-01-29	99.26	496,295	101.53	507,628	5,500	513,128	0.48	4.33	AAA		
500,000.00	13063d2w7	California St 5.100% Due 10-01-29	100.88	504,385	103.56	517,817	12,750	530,567	0.49	4.92	AA-		
1,500,000.00	072024xg2	Bay Area Toll Auth Calif Toll 2.019% Due 04-01-30	98.77	1,481,505	92.54	1,388,097	15,142	1,403,240	1.31	2.18	AA		
1,235,000.00	616794un1	Moreland Calif Sch Dist 4.400% Due 08-01-30	100.00	1,235,000	100.01	1,235,081	9,057	1,244,138	1.17	4.40			04-22-26
250,000.00	90566abk9	Union City Calif Cmnty Redev A 4.250% Due 10-01-30	97.83	244,587	99.80	249,497	5,312	254,809	0.24	4.26	AA-		04-02-26
2,000,000.00	64985tbf7	New York St Urban Dev Corp Sales Tax Rev 2.770% Due 03-15-31	102.82	2,056,460	93.60	1,871,912	2,462	1,874,374	1.77	2.96			09-15-29
500,000.00	20772ktn9	Connecticut State 4.598% Due 05-15-31	98.91	494,555	101.73	508,667	8,685	517,352	0.48	4.52	AA-		
500,000.00	13077dth5	California St Univ Rev 4.660% Due 11-01-31	99.50	497,500	101.49	507,464	9,708	517,172	0.48	4.59	AA-		
3,000,000.00	70869pmz7	Pennsylvania Economic Dev Fing 2.702% Due 06-15-34	102.92	3,087,690	86.74	2,602,276	23,868	2,626,144	2.46	3.11			
500,000.00	64966shv1	New York N Y 4.769% Due 10-01-34	101.78	508,880	100.37	501,848	11,922	513,771	0.48	4.75	AA	c	05-11-26
2,895,000.00	78605qaj6	Sacramento Calif Pub Fing Auth 5.637% Due 04-01-50	106.48	3,082,474	102.43	2,965,379	81,596	3,046,974	2.81	5.50	AA-		
				18,737,196		18,180,286	302,852	18,483,138	17.22	4.62			
				18,737,196		18,180,286	302,852	18,483,138	17.22	4.62			
CORPORATE BONDS													
MATERIALS													
500,000	26078jad2	Dupont De Nemours Inc 4.725% Due 11-15-28	98.52	492,610	100.59	502,931	8,925	511,856	0.48	4.70	BBB+		08-15-28
1,000,000	573284av8	Martin Marietta Material 2.500% Due 03-15-30	99.09	990,860	92.50	924,962	1,111	926,073	0.88	2.70	BBB+		12-15-29
500,000	009158bj4	Air Products And Chemicals Inc 4.750% Due 02-08-31	101.35	506,765	101.39	506,935	3,497	510,432	0.48	4.69	A		12-08-30
				1,990,235		1,934,829	13,533	1,948,361	1.83	3.74			

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INDUSTRIALS													
500,000	278865bp4	Ecolab Inc 5.250% Due 01-15-28	101.42	507,080	101.81	509,064	5,542	514,605	0.48	5.16	A-		12-15-27
600,000	24422ewr6	John Deere Capital Corp 4.750% Due 01-20-28	101.16	606,966	101.33	607,962	5,621	613,583	0.58	4.69	A		
1,000,000	260543dc4	Dow Chem Co 2.100% Due 11-15-30	101.80	1,017,970	87.92	879,213	7,933	887,147	0.83	2.39	BBB-		08-15-30
700,000	277432bb5	Eastman Chem Co 4.500% Due 02-20-31	98.68	690,753	97.78	684,439	3,587	688,026	0.65	4.60	BBB		01-20-31
500,000	88579ybr1	3M Company 5.150% Due 03-15-35	100.08	500,410	100.59	502,959	1,144	504,104	0.48	5.12	BBB+		12-15-34
1,500,000	260543cg6	Dow Chem Co 4.375% Due 11-15-42	110.20	1,653,075	78.37	1,175,544	24,792	1,200,336	1.11	5.58	BBB-		05-15-42
				4,976,254		4,359,182	48,619	4,407,802	4.13	4.56			
TELECOMMUNICATION SERVICES													
2,000,000	11102aae1	British Telecommunications Plc 3.250% Due 11-08-29	103.26	2,065,200	96.03	1,920,578	25,819	1,946,397	1.82	3.38	BBB		08-08-29
COMMUNICATION SERVICES													
300,000	87264acz6	T Mobile USA Inc 4.950% Due 03-15-28	98.89	296,664	101.04	303,117	660	303,777	0.29	4.90	BBB		02-15-28
500,000	30303m8m7	Meta Platforms Inc 4.800% Due 05-15-30	101.32	506,590	101.56	507,775	9,067	516,842	0.48	4.73	AA-		03-15-30
3,000,000	254687fx9	Disney Walt Co 2.650% Due 01-13-31	108.76	3,262,800	92.80	2,784,115	17,225	2,801,340	2.64	2.86	A		
750,000	00206rnb4	At&t Inc 4.550% Due 11-01-32	99.68	747,607	98.30	737,226	17,726	754,952	0.70	4.63	BBB		09-01-32
2,000,000	92343vbz6	Verizon Communications Inc 5.050% Due 03-15-34	113.06	2,261,260	98.12	1,962,314	4,489	1,966,803	1.86	5.15	BBB+		12-15-33
				7,074,921		6,294,549	49,167	6,343,715	5.96	4.03			
CONSUMER DISCRETIONARY													
300,000	256677an5	Dollar General Corp 5.200% Due 07-05-28	99.76	299,289	101.10	303,291	3,727	307,017	0.29	5.14	BBB		06-05-28
500,000	64105maa9	Nestle Capital Corp 4.650% Due 03-12-29	102.06	510,285	101.25	506,240	1,227	507,467	0.48	4.59	AA-		02-12-29
750,000	437076cw0	Home Depot Inc 4.900% Due 04-15-29	100.15	751,125	101.90	764,223	16,946	781,169	0.72	4.81	A		03-15-29
500,000	64110lau0	Netflix Inc. 5.375% Due 11-15-29	102.10	510,490	103.28	516,383	7,913	524,296	0.49	5.20	A		
350,000	872540at6	Tjx Cos Inc New 3.875% Due 04-15-30	99.99	349,965	98.24	343,837	6,254	350,091	0.33	3.94	A		01-15-30
250,000	931142fn8	Walmart Inc 4.350% Due 04-28-30	102.02	255,055	100.96	252,399	4,622	257,021	0.24	4.31	AA		03-28-30

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800,000	501044dp3	Kroger Co 2.200% Due 05-01-30	101.27	810,181	91.27	730,162	7,333	737,495	0.69	2.41	BBB		02-01-30
500,000	032095ay7	Amphenol Corp 4.125% Due 11-15-30	99.35	496,740	98.52	492,622	8,078	500,700	0.47	4.19	A-		10-15-30
500,000	548661ev5	Lowes Cos Inc 4.250% Due 03-15-31	100.14	500,715	98.14	490,718	944	491,663	0.46	4.33	BBB+		02-15-31
2,000,000	023135bz8	Amazon Com Inc 2.100% Due 05-12-31	100.67	2,013,350	89.61	1,792,286	16,217	1,808,503	1.70	2.34	AA		02-12-31
500,000	437076dd1	Home Depot Inc 4.850% Due 06-25-31	101.80	508,990	102.23	511,126	6,467	517,593	0.48	4.74	A		04-25-31
500,000	189054az2	Clorox Co Del 4.600% Due 05-01-32	99.12	495,580	99.16	495,799	9,583	505,383	0.47	4.64	BBB		02-01-32
750,000	713448gj1	Pepsico Inc 4.650% Due 07-23-32	102.17	766,305	100.71	755,355	6,587	761,943	0.72	4.62	A+		05-23-32
1,000,000	58013mfs8	McDonalds Corp 4.600% Due 09-09-32	100.66	1,006,565	100.18	1,001,797	2,811	1,004,608	0.95	4.59	BBB+		06-09-32
1,000,000	87612ebp0	Target Corp 4.500% Due 09-15-32	101.55	1,015,470	100.77	1,007,690	2,000	1,009,690	0.95	4.47	A		06-15-32
500,000	370334ct9	General Mills Inc 4.950% Due 03-29-33	101.12	505,610	98.85	494,245	137	494,382	0.47	5.01	BBB		12-29-32
500,000	29736rav2	Lauder Estee Cos Inc 5.000% Due 02-14-34	102.04	510,210	99.51	497,564	3,264	500,828	0.47	5.02	A-		11-14-33
500,000	571676ba2	Mars Inc 5.200% Due 03-01-35	101.12	505,595	100.95	504,760	2,167	506,927	0.48	5.15	A		12-01-34
2,000,000	278642af0	Ebay Inc 4.000% Due 07-15-42	101.10	2,022,000	80.19	1,603,803	16,889	1,620,692	1.52	4.99	BBB+		01-15-42
1,500,000	855244am1	Starbucks Corp 3.750% Due 12-01-47	107.79	1,616,910	73.48	1,102,209	18,750	1,120,959	1.04	5.10	BBB+		06-01-47
				15,450,430		14,166,510	141,917	14,308,426	13.42	4.33			
CONSUMER STAPLES													
500,000	902494bl6	Tyson Foods Inc 5.400% Due 03-15-29	100.99	504,950	102.61	513,061	1,200	514,261	0.49	5.26	BBB		02-15-29
1,000,000	191098am4	Coca Cola Co 5.250% Due 06-01-29	101.35	1,013,505	102.22	1,022,202	17,500	1,039,702	0.97	5.14	BBB+		05-01-29
2,000,000	21036pbe7	Constellation Brands Inc 3.150% Due 08-01-29	105.85	2,117,080	95.69	1,913,877	10,500	1,924,377	1.81	3.29	BBB		05-01-29
1,000,000	871829bk2	Sysco Corp 2.400% Due 02-15-30	103.53	1,035,300	91.61	916,061	3,067	919,128	0.87	2.62	BBB		11-15-29
450,000	21036pb11	Constellation Brands Inc 4.750% Due 05-09-32	101.06	454,783	99.24	446,592	8,431	455,023	0.42	4.79	BBB		02-09-32
400,000	427866bj6	Hershey Co 4.500% Due 05-04-33	101.41	405,636	99.69	398,765	7,350	406,115	0.38	4.51	A		02-04-33
				5,531,254		5,210,559	48,048	5,258,607	4.93	3.95			

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FINANCIAL													
500,000	89236tly9	Toyota Motor Credit Corp 5.000% Due 03-19-27	100.11	500,565	100.77	503,826	833	504,659	0.48	4.96	A+		
1,000,000	06051gga1	Bank of America Corp 3.248% Due 10-21-27	100.80	1,008,000	98.65	986,514	14,436	1,000,950	0.93	3.29	A-		10-21-26
500,000	025816dp1	American Express Credit Corp 5.098% Due 02-16-28	100.19	500,960	100.54	502,723	3,186	505,909	0.48	5.07	A-		02-16-27
500,000	09659w2v5	BNP Paribas 5.125% Due 01-16-29	100.07	500,330	101.03	505,160	5,552	510,712	0.48	5.07	A+		01-13-28
500,000	14913uaj9	Caterpillar Financial Services Corp 4.850% Due 02-27-29	100.84	504,200	101.76	508,785	2,290	511,075	0.48	4.77	A		
1,000,000	47233wfv3	Jefferies Financial Group Inc 6.000% Due 12-21-29	100.00	1,000,000	99.61	996,148	16,667	1,012,815	0.94	6.02	BBB		06-21-26
1,500,000	38141gwg4	Goldman Sachs Group Inc 2.600% Due 02-07-30	101.87	1,528,065	93.02	1,395,335	5,850	1,401,185	1.32	2.80	BBB+		11-07-29
1,000,000	37045xde3	General Motors Financial Co Inc 2.350% Due 01-08-31	99.99	999,870	89.08	890,845	5,418	896,263	0.84	2.64	BBB		10-08-30
1,500,000	46647pbl9	JP Morgan Chase & Co 2.522% Due 04-22-31	102.96	1,544,400	92.41	1,386,161	16,708	1,402,869	1.31	2.73	A		04-22-30
500,000	17292gcr4	Citigroup Inc. 4.550% Due 11-26-32	100.00	500,000	97.51	487,554	7,899	495,453	0.46	4.67	BBB+		05-26-27
500,000	61766yf22	Morgan Stanley 4.450% Due 11-26-32	100.00	500,000	97.00	485,015	7,726	492,741	0.46	4.59	A-		11-26-27
500,000	78014rq86	Royal Bank of Canada 4.500% Due 11-26-32	100.00	500,000	97.50	487,512	7,812	495,325	0.46	4.62	A		11-26-27
750,000	06749f6a2	Barclays Bank Plc 4.550% Due 01-21-33	100.00	750,000	97.03	727,713	6,635	734,349	0.69	4.69	A+		01-21-28
2,500,000	525esc1h2	Lehman Bros Hldg Inc Escrow 0.000% Due 12-29-99	49.69	1,242,367	0.01	250	0	250	0.00	0.00	NR	d	
				11,578,757			9,863,541	101,013	9,964,555	9.34	4.00		
HEALTHCARE													
500,000	031162dp2	Amgen Inc 5.150% Due 03-02-28	100.74	503,723	101.47	507,327	2,074	509,402	0.48	5.08	BBB+		02-02-28
200,000	444859bz4	Humana Inc 5.750% Due 12-01-28	101.25	202,500	102.54	205,084	3,833	208,918	0.19	5.61	BBB		11-01-28
750,000	883556da7	Thermo Fisher Scientific Inc 5.000% Due 01-31-29	100.42	753,150	102.02	765,162	6,354	771,516	0.72	4.90	A-		12-31-28
750,000	110122ef1	Bristol-Myers Squibb Co 4.900% Due 02-22-29	99.85	748,890	102.12	765,902	3,981	769,883	0.73	4.80	A		01-22-29
1,000,000	125523cl2	Cigna Corp 2.400% Due 03-15-30	97.87	978,740	92.38	923,784	1,067	924,851	0.87	2.60	A-		12-15-29
325,000	377372ap2	Glaxosmithkline Cap Inc 4.500% Due 04-15-30	100.15	325,487	100.62	327,020	6,744	333,764	0.31	4.47	A		03-15-30
2,000,000	74834lbb5	Quest Diagnostics Inc 2.950% Due 06-30-30	104.54	2,090,880	93.69	1,873,726	14,914	1,888,640	1.77	3.15	BBB+		03-30-30

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500,000	532457dc9	Eli Lilly & Co 4.250% Due 03-15-31	101.04	505,220	99.52	497,606	944	498,551	0.47	4.27	A+		02-15-31
2,000,000	91324ped0	Unitedhealth Group Inc 2.300% Due 05-15-31	101.30	2,026,080	89.63	1,792,571	17,378	1,809,949	1.70	2.57	A+		02-15-31
1,000,000	717081fe8	Pfizer Inc 4.500% Due 11-15-32	100.82	1,008,180	99.18	991,793	16,250	1,008,043	0.94	4.54	A		09-15-32
500,000	58933ybk0	Merck & Co. Inc 4.500% Due 05-17-33	99.40	497,000	99.71	498,543	8,375	506,918	0.47	4.51	A+		02-17-33
300,000	002824ay6	Abbott Laboratories 5.300% Due 05-27-40	102.29	306,870	101.24	303,722	5,477	309,198	0.29	5.24	A+		
				9,946,720		9,452,241	87,391	9,539,633	8.95	3.81			
INFORMATION TECHNOLOGY													
3,000,000	037833cj7	Apple Inc 3.350% Due 02-09-27	100.00	3,000,000	99.53	2,985,924	14,517	3,000,441	2.83	3.37	AA+		11-09-26
500,000	459200kx8	IBM Corporation 4.500% Due 02-06-28	100.07	500,370	100.34	501,717	3,437	505,154	0.48	4.48	A-		01-06-28
500,000	458140ce8	Intel Corp 4.875% Due 02-10-28	99.28	496,425	100.70	503,519	3,453	506,972	0.48	4.84	BBB		01-10-28
185,000	294429aw5	Equifax Inc 5.100% Due 06-01-28	99.48	184,034	101.27	187,357	3,145	190,502	0.18	5.04	BBB		05-01-28
500,000	24703dbs9	Dell Intl Llc/Emc Corp 4.500% Due 02-15-31	100.72	503,595	98.82	494,090	2,875	496,965	0.47	4.55	BBB		01-15-31
1,500,000	68389xce3	Oracle Corp 2.875% Due 03-25-31	99.57	1,493,479	88.82	1,332,292	719	1,333,011	1.26	3.24	BBB		12-25-30
1,000,000	40434laj4	HP Inc 2.650% Due 06-17-31	100.42	1,004,207	88.94	889,355	7,656	897,010	0.84	2.98	BBB		03-17-31
500,000	00440kac7	Accenture Capital Inc 4.250% Due 10-04-31	99.32	496,585	98.82	494,110	10,448	504,558	0.47	4.30	AA-		08-04-31
750,000	11135fcc3	Broadcom Inc 4.550% Due 02-15-32	100.51	753,802	99.13	743,480	4,360	747,840	0.70	4.59	A-		12-15-31
500,000	704326ab3	Paychex Inc 5.350% Due 04-15-32	101.46	507,290	100.50	502,521	12,335	514,856	0.48	5.32	BBB+		02-15-32
1,000,000	747525bq5	Qualcom Inc 4.250% Due 05-20-32	100.44	1,004,430	98.44	984,394	15,465	999,860	0.93	4.32	A		02-20-32
				9,944,218		9,618,758	78,410	9,697,168	9.11	3.88			
UTILITIES													
400,000	94106lbu2	Waste Mgmt Inc Del 4.625% Due 02-15-33	101.34	405,344	100.21	400,852	2,364	403,216	0.38	4.62	A-		11-15-32
TRANSPORTATION													
350,000	369550bl1	General Dynamics Corp 3.500% Due 04-01-27	99.47	348,145	99.46	348,111	6,125	354,236	0.33	3.52	A		02-01-27
1,000,000	911312br6	United Parcel Service Inc 3.400% Due 03-15-29	104.35	1,043,500	97.77	977,676	1,511	979,188	0.93	3.48	A		12-15-28

City of Sacramento
PORTFOLIO APPRAISAL
Fixed Bonds
SCERS
March 31, 2026

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Cur. Yield	S & P	Bond Status	Call Put Date
1,000,000	126408hq9	Csx Corp 2.400% Due 02-15-30	99.91	999,120	92.95	929,526	3,067	932,593	0.88	2.58	BBB+		11-15-29
500,000	78355hle7	Ryder Sys Inc 5.000% Due 03-15-30	100.68	503,410	101.10	505,511	1,111	506,622	0.48	4.95	BBB+		02-15-30
500,000	911312by1	United Parcel Service Inc 4.450% Due 04-01-30	97.93	489,675	100.70	503,516	11,125	514,641	0.48	4.42	A		01-01-30
1,000,000	655844ck2	Norfolk Southern Corp 2.300% Due 05-15-31	101.82	1,018,247	89.49	894,881	8,689	903,570	0.85	2.57	BBB+		02-15-31
500,000	911312bz8	United Parcel Service Inc 4.875% Due 03-03-33	100.85	504,250	101.93	509,662	1,896	511,557	0.48	4.78	A		12-03-32
500,000	666807cl4	Northrop Grumman Corp 4.900% Due 06-01-34	101.32	506,625	99.79	498,964	8,167	507,130	0.47	4.91	BBB+		03-01-34
1,500,000	097023bl8	Boeing Co 3.500% Due 03-01-45	102.60	1,538,970	69.68	1,045,265	4,375	1,049,640	0.99	5.02	BBB-		09-01-44
				6,951,942		6,213,112	46,065	6,259,177	5.88	3.89			
				75,915,276		69,434,711	642,346	70,077,058	65.76	4.03			
COMMON STOCK													
PASSIVE INDEX													
15,000	pff	Ishares Preferred & Income Securities ETF	37.08	556,217	30.32	454,800		454,800	0.43	5.87			
30,000	sjnk	Spdr Bberg Barclays ST High Yield Bond ETF	27.08	812,259	24.98	749,400		749,400	0.71	7.11			
				1,368,477		1,204,200		1,204,200	1.14	6.64			
				1,368,477		1,204,200		1,204,200	1.14	6.64			
MORTGAGE BACKED SECURITIES													
Not Classified													
859,706	36207rgy5	Gnma Pool #439515 7.000% Due 03-15-27	98.06	843	100.10	861	5	866	0.00	6.99			
46,233.280	36292ghz1	Gnma Pool #648348 5.500% Due 10-15-35	99.66	46,074	102.90	47,574	212	47,786	0.05	5.35	AA		
134,640.480	36213cyp9	Gnma Pool #550718 5.000% Due 11-15-35	97.31	131,022	102.08	137,443	561	138,004	0.13	4.90	AAA		
15,041.550	31371mxw2	Fannie Mae Pool #256393 6.000% Due 09-01-36	99.67	14,992	104.90	15,779	75	15,854	0.01	5.72	AA+		
337,104.510	3132dwt5	Freddie Mac Pool #SD8278 6.000% Due 12-01-52	101.37	341,740	102.65	346,041	1,686	347,726	0.33	5.85	AA+		
330,873.180	3132dwhu0	Freddie Mac Pool #SD8343 6.000% Due 07-01-53	100.06	331,080	102.53	339,245	1,654	340,900	0.32	5.85	AA+		
310,592.840	3132dwl3	Freddie Mac Pool #SD8432 6.000% Due 05-01-54	100.41	311,855	101.96	316,670	1,553	318,223	0.30	5.88	AA+		
448,942.900	3618n5pj2	Gnma Pass-Thru M Single Family 5.500% Due 06-20-55	99.70	447,610	100.77	452,411	2,058	454,469	0.43	5.46			
493,186.010	3618n5xq7	Gnma Pass-Thru M Single Family 5.500% Due 10-20-55	101.55	500,830	100.71	496,670	2,260	498,931	0.47	5.46			

City of Sacramento
PORTFOLIO APPRAISAL
Fixed Bonds
SCERS
 March 31, 2026

<u>Quantity</u>	<u>Security Symbol</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Accrued Interest</u>	<u>Market Value + Accrd. Int.</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>	<u>S & P</u>	<u>Bond Status</u>	<u>Call Put Date</u>
745,271.530	3618n53x5	Gnma Pass-Thru M Single Family 5.000% Due 12-20-55	100.49	748,905	99.14	738,843	3,105	741,948	0.70	5.04			
				<u>2,874,951</u>		<u>2,891,536</u>	<u>13,169</u>	<u>2,904,705</u>	<u>2.74</u>	<u>5.47</u>			
				2,874,951		2,891,536	13,169	2,904,705	2.74	5.47			
VARIABLE RATE SECURITIES													
Not Classified													
900,000	404280ck3	HSBC Holdings PLC 2.357% Due 08-18-31	102.62	923,625	90.20	811,793	2,534	814,327	0.77	2.61	A-		08-18-30
5,000,000	1730t3bl6	Citigroup Inc 3.400% Due 07-22-36	100.00	5,000,000	90.09	4,504,629	32,583	4,537,212	4.27	3.77	BBB+		04-22-26
				<u>5,923,625</u>		<u>5,316,422</u>	<u>35,117</u>	<u>5,351,539</u>	<u>5.04</u>	<u>3.60</u>			
				5,923,625		5,316,422	35,117	5,351,539	5.04	3.60			
TOTAL PORTFOLIO				113,414,004		105,584,846	1,084,871	106,669,717	100.00	4.21			

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Fixed Bonds
SCERS
From 01-01-26 To 03-31-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>03-31-2026 Price</u>	<u>Difference</u>
Purchases							
U.S. GOVERNMENT BONDS							
01-12-2026	01-14-2026	1,500,000	U.S. Treasury Note 3.875% Due 12-31-32	99.59	1,493,906	98.55	-1
03-12-2026	03-13-2026	750,000	U.S. Treasury Note 4.125% Due 02-15-36	99.09	743,203	98.44	-1
					2,237,109		
FEDERAL HOME LOAN BANK							
01-14-2026	01-27-2026	1,000,000	Federal Home Loan Bank 4.190% Due 01-27-33	100.00	1,000,000	98.52	-1
03-03-2026	03-04-2026	500,000	Federal Home Loan Bank 4.100% Due 03-02-33	99.92	499,625	98.67	-1
					1,499,625		
MUNICIPAL BONDS							
01-14-2026	01-15-2026	500,000.00	New York N Y 4.769% Due 10-01-34	101.78	508,880	100.37	-1
					508,880		
CORPORATE BONDS							
03-12-2026	03-13-2026	500,000	Accenture Capital Inc 4.250% Due 10-04-31	99.32	496,585	98.82	0
03-12-2026	03-13-2026	500,000	Amphenol Corp 4.125% Due 11-15-30	99.35	496,740	98.52	-1
01-14-2026	01-21-2026	750,000	Barclays Bank Plc 4.550% Due 01-21-33	100.00	750,000	97.03	-3
01-06-2026	01-07-2026	450,000	Constellation Brands Inc 4.750% Due 05-09-32	101.06	454,783	99.24	-2
03-17-2026	03-18-2026	700,000	Eastman Chem Co 4.500% Due 02-20-31	98.68	690,753	97.78	-1
03-03-2026	03-04-2026	500,000	Lowes Cos Inc 4.250% Due 03-15-31	100.14	500,715	98.14	-2
03-12-2026	03-13-2026	500,000	Paychex Inc 5.350% Due 04-15-32	101.46	507,290	100.50	-1
01-06-2026	01-07-2026	500,000	Pfizer Inc 4.500% Due 11-15-32	100.78	503,905	99.18	-2
01-14-2026	01-15-2026	500,000	Pfizer Inc 4.500% Due 11-15-32	100.85	504,275	99.18	-2
01-14-2026	01-15-2026	1,000,000	Qualcom Inc 4.250% Due 05-20-32	100.44	1,004,430	98.44	-2
01-14-2026	01-15-2026	500,000	Target Corp 4.500% Due 09-15-32	101.62	508,105	100.77	-1
03-03-2026	03-04-2026	250,000	Walmart Inc 4.350% Due 04-28-30	102.02	255,055	100.96	-1
					6,672,636		

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Fixed Bonds
SCERS
From 01-01-26 To 03-31-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>03-31-2026 Price</u>	<u>Difference</u>
<u>Purchases</u>							
MORTGAGE BACKED SECURITIES							
01-14-2026	01-22-2026	748,374.650	Gnma Pass-Thru M Single Family 5.000% Due 12-20-55	100.49	752,023	99.14	-1
01-14-2026	01-22-2026	496,102.130	Gnma Pass-Thru M Single Family 5.500% Due 10-20-55	101.55	503,792	100.71	-1
					1,255,815		
Total Purchases					12,174,066		

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS

Fixed Bonds

SCERS

From 01-01-26 To 03-31-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
<u>Sales</u>							
U.S. GOVERNMENT BONDS							
01-12-2026	01-13-2026	2,000,000	U.S. Treasury Note 1.875% Due 02-15-41	70.21	1,404,141	92.91	-453,984
					1,404,141		-453,984
FEDERAL HOME LOAN BANK							
01-12-2026	01-12-2026	500,000	Federal Home Loan Bank 5.000% Due 01-12-28	100.00	500,000	99.87	625
					500,000		625
FEDERAL FARM CREDIT BANK - FRMMT							
01-13-2026	01-14-2026	500,000	Federal Farm Credit Bank 1.650% Due 07-23-35	78.01	390,055	99.94	-109,640
					390,055		-109,640
MUNICIPAL BONDS							
01-13-2026	01-14-2026	1,500,000.00	California St 1.750% Due 11-01-30	90.40	1,356,000	98.08	-115,200
01-02-2026	01-02-2026	765,000.00	Houston Tex Arpt Sys Rev Arpt Sys 6.880% Due 01-01-28	100.00	765,000	89.19	82,658
03-11-2026	03-11-2026	2,350,000.00	Univ Calif Regts Med Ctr Poole 6.398% Due 05-15-31	104.20	2,448,676	107.02	-66,293
02-26-2026	02-26-2026	200,000.00	Wisconsin St 2.614% Due 05-01-32	96.18	192,358	100.00	-7,642
					4,762,034		-106,477
CORPORATE BONDS							
01-13-2026	01-14-2026	1,000,000	CVS Health Corp 1.875% Due 02-28-31	87.70	877,000	100.90	-132,030
03-02-2026	03-02-2026	500,000	Colgate Palmolive Co 4.800% Due 03-02-26	100.00	500,000	100.19	-965
03-01-2026	03-02-2026	350,000	Gilead Sciences Inc 3.650% Due 03-01-26	100.00	350,000	99.42	2,044
03-16-2026	03-16-2026	500,000	Honeywell Intl Inc 4.950% Due 02-15-28	102.16	510,805	100.75	7,065
01-13-2026	01-14-2026	1,000,000	Lowes Cos Inc 1.700% Due 10-15-30	88.75	887,500	99.72	-109,690
01-13-2026	01-14-2026	1,000,000	Mondelez Intl Inc 1.500% Due 02-04-31	87.00	870,000	99.00	-119,970
01-13-2026	01-14-2026	1,000,000	Nasdaq Inc 1.650% Due 01-15-31	88.30	883,000	98.65	-103,460
					4,878,305		-457,006
Total Sales					11,934,535		-1,126,483

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS

Fixed Bonds

SCERS

From 01-01-26 To 03-31-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
Paydowns							
MORTGAGE BACKED SECURITIES							
01-26-2026	01-26-2026	126.950	Fannie Mae Pool #256393 6.000% Due 09-01-36	100.00	127	99.67	0
02-25-2026	02-25-2026	282.050	Fannie Mae Pool #256393 6.000% Due 09-01-36	100.00	282	99.67	1
03-25-2026	03-25-2026	121.100	Fannie Mae Pool #256393 6.000% Due 09-01-36	100.00	121	99.67	0
01-26-2026	01-26-2026	5,596.030	Freddie Mac Pool #SD8278 6.000% Due 12-01-52	100.00	5,596	101.37	-77
02-25-2026	02-25-2026	5,780.260	Freddie Mac Pool #SD8278 6.000% Due 12-01-52	100.00	5,780	101.37	-79
03-25-2026	03-25-2026	5,253.470	Freddie Mac Pool #SD8278 6.000% Due 12-01-52	100.00	5,253	101.37	-72
01-26-2026	01-26-2026	7,424.390	Freddie Mac Pool #SD8343 6.000% Due 07-01-53	100.00	7,424	100.06	-5
02-25-2026	02-25-2026	8,192.270	Freddie Mac Pool #SD8343 6.000% Due 07-01-53	100.00	8,192	100.06	-5
03-25-2026	03-25-2026	9,193.300	Freddie Mac Pool #SD8343 6.000% Due 07-01-53	100.00	9,193	100.06	-6
01-26-2026	01-26-2026	12,189.630	Freddie Mac Pool #SD8432 6.000% Due 05-01-54	100.00	12,190	100.41	-50
02-25-2026	02-25-2026	11,194.380	Freddie Mac Pool #SD8432 6.000% Due 05-01-54	100.00	11,194	100.41	-45
03-25-2026	03-25-2026	15,850.220	Freddie Mac Pool #SD8432 6.000% Due 05-01-54	100.00	15,850	100.41	-64
02-20-2026	02-20-2026	1,487.010	Gnma Pass-Thru M Single Family 5.000% Due 12-20-55	100.00	1,487	100.49	-7
03-20-2026	03-20-2026	1,616.110	Gnma Pass-Thru M Single Family 5.000% Due 12-20-55	100.00	1,616	100.49	-8
01-20-2026	01-20-2026	2,131.970	Gnma Pass-Thru M Single Family 5.500% Due 06-20-55	100.00	2,132	99.70	6
02-20-2026	02-20-2026	12,726.460	Gnma Pass-Thru M Single Family 5.500% Due 06-20-55	100.00	12,726	99.70	38
03-20-2026	03-20-2026	27,913.750	Gnma Pass-Thru M Single Family 5.500% Due 06-20-55	100.00	27,914	99.70	83
02-20-2026	02-20-2026	1,491.260	Gnma Pass-Thru M Single Family 5.500% Due 10-20-55	100.00	1,491	101.55	-23
03-20-2026	03-20-2026	1,424.860	Gnma Pass-Thru M Single Family 5.500% Due 10-20-55	100.00	1,425	101.55	-22
01-15-2026	01-15-2026	109.380	Gnma Pool #439515 7.000% Due 03-15-27	100.00	109	98.06	2
02-17-2026	02-17-2026	110.060	Gnma Pool #439515 7.000% Due 03-15-27	100.00	110	98.06	2
03-16-2026	03-16-2026	110.750	Gnma Pool #439515 7.000% Due 03-15-27	100.00	111	98.06	2

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Fixed Bonds
SCERS
From 01-01-26 To 03-31-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
Paydowns							
01-15-2026	01-15-2026	1,185.030	Gnma Pool #550718 5.000% Due 11-15-35	100.00	1,185	97.31	32
02-17-2026	02-17-2026	1,195.680	Gnma Pool #550718 5.000% Due 11-15-35	100.00	1,196	97.31	32
03-16-2026	03-16-2026	1,243.640	Gnma Pool #550718 5.000% Due 11-15-35	100.00	1,244	97.31	33
01-15-2026	01-15-2026	298.650	Gnma Pool #648348 5.500% Due 10-15-35	100.00	299	99.66	1
02-17-2026	02-17-2026	300.120	Gnma Pool #648348 5.500% Due 10-15-35	100.00	300	99.66	1
03-16-2026	03-16-2026	301.620	Gnma Pool #648348 5.500% Due 10-15-35	100.00	302	99.66	1
					134,850		-228
Total Paydowns					134,850		-228

City of Sacramento
Large Cap Growth
SCERS
 March 31, 2026

Activity

From 12-31-25 to 03-31-26

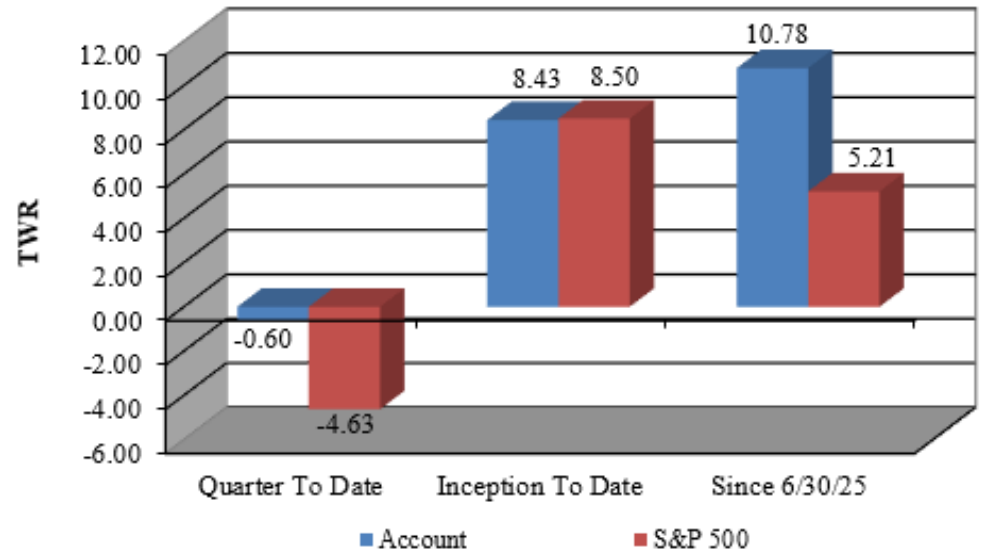
Portfolio Value on 12-31-25	72,235,501
Contributions	0
Withdrawals	-125,077
Realized Gains	300,053
Unrealized Gains	-929,546
Interest	95,813
Dividends	99,231
Portfolio Value on 03-31-26	71,675,974

Performance

	Quarter To Date	Inception To Date	Since 06-30-2025
Account	-0.60	8.43	10.78
S&P 500	-4.63	8.50	5.21

Top 10 Holdings

Securities	Market Value	Pct.
Pool A Cash	37,704,346	52.60
Select Sector Spdr Tr Technology	7,741,425	10.80
Spdr S&P 500 ETF Trust ETP	2,926,530	4.08
Select Sector Spdr Tr Sbi Healthcare	2,858,895	3.99
Select Sector Spdr Tr Sbi Int-Finl	2,740,035	3.82
Select Sector Spdr Tr Sbi Int-Inds	2,264,220	3.16
Vaneck Vectors Semiconductor Etf	1,917,000	2.67
Select Sector Spdr Tr Communication	1,718,330	2.40
Select Sector Spdr Tr Sbi Cons Stpls	1,701,085	2.37
Select Sector Spdr Tr Sbi Cons Discr	1,634,700	2.28



City of Sacramento
PORTFOLIO APPRAISAL
Large Cap Growth
SCERS
March 31, 2026

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Cur. Yield	S & P	Bond Status	Call Put Date
CASH AND EQUIVALENTS													
	divacc	Dividend Accrual		8,086		8,086		8,086	0.01	4.00			
	fidfund	Fidelity Fund		0		0		0	0.00	-3.55			
	miscintrec	Misc Interest Receivable		2,881		2,881		2,881	0.00	3.55			
	PoolA	Pool A Cash		37,704,346		37,704,346		37,704,346	52.60	3.89			
	intreceiv	Pool A Interest Receivable		80,319		80,319		80,319	0.11	3.89			
				<u>37,795,632</u>		<u>37,795,632</u>		<u>37,795,632</u>	<u>52.73</u>	<u>3.89</u>			
COMMON STOCK													
MATERIALS													
10,000	xlb	Select Sector Spdr Tr Sbi Materials	29.49	294,870	49.97	499,700		499,700	0.70	1.75			
INDUSTRIALS													
11,450	iyt	Ishares U.S. Transportation ETF	38.50	440,800	74.60	854,170		854,170	1.19	1.07			
14,000	xli	Select Sector Spdr Tr Sbi Int-Inds	56.06	784,810	161.73	2,264,220		2,264,220	3.16	1.27			
				<u>1,225,610</u>		<u>3,118,390</u>		<u>3,118,390</u>	<u>4.35</u>	<u>1.21</u>			
COMMUNICATION SERVICES													
1,500	goog	Alphabet, Inc. Cl C Capital Stock	24.56	36,836	286.86	430,290		430,290	0.60	0.29	B+		
16,371	iyz	Ishares Tr Us Telecom Etf	30.12	493,170	39.32	643,708		643,708	0.90	1.71			
650	meta	Meta Platforms Inc	68.91	44,789	572.13	371,884		371,884	0.52	0.37			
15,500	xlc	Select Sector Spdr Tr Communication	49.57	768,396	110.86	1,718,330		1,718,330	2.40	1.26			
				<u>1,343,191</u>		<u>3,164,212</u>		<u>3,164,212</u>	<u>4.41</u>	<u>1.11</u>			
CONSUMER DISCRETIONARY													
1,650	amzn	Amazon.com Inc.	24.74	40,821	208.27	343,645		343,645	0.48	0.00	B-		
2,500	itb	Ishares Us Home Cons Etf	26.69	66,719	90.55	226,375		226,375	0.32	0.71			
15,000	xly	Select Sector Spdr Tr Sbi Cons Discr	40.55	608,303	108.98	1,634,700		1,634,700	2.28	0.82			
4,550	xrt	Spdr Series Trust S&p Retail Etf	95.57	434,828	80.47	366,138		366,138	0.51	0.86			
				<u>1,150,671</u>		<u>2,570,859</u>		<u>2,570,859</u>	<u>3.59</u>	<u>0.71</u>			
CONSUMER STAPLES													
20,750	xlp	Select Sector Spdr Tr Sbi Cons Stpls	48.84	1,013,519	81.98	1,701,085		1,701,085	2.37	2.65			
ENERGY													
24,000	xle	Select Sector Spdr Tr Sbi Int-Energy	31.17	748,030	61.26	1,470,240		1,470,240	2.05	2.44			
FINANCIAL													
55,500	xlf	Select Sector Spdr Tr Sbi Int-Finl	21.26	1,180,090	49.37	2,740,035		2,740,035	3.82	1.60			
15,000	kre	Spdr Series Trust Kbw Regn Bk Etf	43.89	658,294	65.15	977,250		977,250	1.36	2.42			
				<u>1,838,383</u>		<u>3,717,285</u>		<u>3,717,285</u>	<u>5.19</u>	<u>1.82</u>			

City of Sacramento
PORTFOLIO APPRAISAL
Large Cap Growth
SCERS
March 31, 2026

<u>Quantity</u>	<u>Security Symbol</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Accrued Interest</u>	<u>Market Value + Accrd. Int.</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>	<u>S & P</u>	<u>Bond Status</u>	<u>Call Put Date</u>
HEALTHCARE													
19,500	xlv	Select Sector Spdr Tr Sbi Healthcare	82.19	1,602,756	146.61	2,858,895		2,858,895	3.99	1.71			
INFORMATION TECHNOLOGY													
1,800	aapl	Apple Inc.	22.91	41,240	253.79	456,822		456,822	0.64	0.41	B+		
825	ma	MasterCard Incorporated	145.31	119,881	499.66	412,219		412,219	0.58	0.70	A-		
58,250	xlk	Select Sector Spdr Tr Technology	27.30	1,590,511	132.90	7,741,425		7,741,425	10.80	0.57			
5,000	smh	Vaneck Vectors Semiconductor Etf	26.60	132,986	383.40	1,917,000		1,917,000	2.67	0.29			
				1,884,617		10,527,466		10,527,466	14.69	0.52			
PASSIVE INDEX													
4,000	rsp	Invesco S&P 500 Equal Weight ETF	146.44	585,765	191.92	767,680		767,680	1.07	1.62			
2,250	iwm	Ishares Russell 2000 ETF	111.14	250,066	248.00	558,000		558,000	0.78	1.02			
4,500	spy	Spdr S&P 500 ETF Trust ETP	283.83	1,277,255	650.34	2,926,530		2,926,530	4.08	1.14			
				2,113,085		4,252,210		4,252,210	5.93	1.21			
				13,214,733		33,880,343		33,880,343	47.27	1.19			
TOTAL PORTFOLIO				51,010,364		71,675,974	0	71,675,974	100.00	2.61			

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Large Cap Growth
SCERS
From 01-01-26 To 03-31-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
<u>Sales</u>							
COMMON STOCK							
03-11-2026	03-12-2026	1,500	Alphabet, Inc. Cl C Capital Stock	307.12	460,684	24.56	423,848
03-11-2026	03-12-2026	1,650	Amazon.com Inc.	216.03	356,455	24.74	315,634
03-11-2026	03-12-2026	1,800	Apple Inc.	261.58	470,846	22.91	429,606
03-11-2026	03-12-2026	4,000	Invesco S&P 500 Equal Weight ETF	196.47	785,894	146.44	200,129
03-11-2026	03-12-2026	2,250	Ishares Russell 2000 ETF	250.95	564,629	111.14	314,563
03-11-2026	03-12-2026	16,371	Ishares Tr Us Telecom Etf	39.24	642,355	30.12	149,186
03-11-2026	03-12-2026	11,450	Ishares U.S. Transportation ETF	75.57	865,309	38.50	424,508
03-11-2026	03-12-2026	2,500	Ishares Us Home Cons Etf	95.93	239,826	26.69	173,106
03-11-2026	03-12-2026	825	MasterCard Incorporated	512.12	422,499	145.31	302,618
03-11-2026	03-12-2026	650	Meta Platforms Inc	657.80	427,572	68.91	382,783
03-11-2026	03-12-2026	15,500	Select Sector Spdr Tr Communication	117.50	1,821,286	49.57	1,052,890
03-11-2026	03-12-2026	15,000	Select Sector Spdr Tr Sbi Cons Discr	114.75	1,721,305	40.55	1,113,003
03-11-2026	03-12-2026	20,750	Select Sector Spdr Tr Sbi Cons Stpls	84.90	1,761,629	48.84	748,110
01-09-2026	01-12-2026	4,400	Select Sector Spdr Tr Sbi Healthcare	158.47	697,273	82.19	335,625
03-11-2026	03-12-2026	19,500	Select Sector Spdr Tr Sbi Healthcare	152.51	2,973,877	82.19	1,371,121
03-11-2026	03-12-2026	24,000	Select Sector Spdr Tr Sbi Int-Energy	56.05	1,345,303	31.17	597,273
01-09-2026	01-12-2026	9,000	Select Sector Spdr Tr Sbi Int-Finl	55.94	503,505	21.26	312,139
03-11-2026	03-12-2026	55,500	Select Sector Spdr Tr Sbi Int-Finl	49.77	2,762,068	21.26	1,581,979
03-11-2026	03-12-2026	14,000	Select Sector Spdr Tr Sbi Int-Inds	168.58	2,360,070	56.06	1,575,260
03-11-2026	03-12-2026	10,000	Select Sector Spdr Tr Sbi Materials	49.31	493,083	29.49	198,213
01-09-2026	01-12-2026	3,500	Select Sector Spdr Tr Technology	144.42	505,476	27.30	409,909
03-11-2026	03-12-2026	58,250	Select Sector Spdr Tr Technology	140.95	8,210,390	27.30	6,619,879
01-09-2026	01-12-2026	1,000	Spdr S&P 500 ETF Trust ETP	690.91	690,914	283.83	407,079
03-11-2026	03-12-2026	4,500	Spdr S&P 500 ETF Trust ETP	677.46	3,048,569	283.83	1,771,315
03-11-2026	03-12-2026	15,000	Spdr Series Trust Kbw Regn Bk Etf	63.84	957,624	43.89	299,330
03-11-2026	03-12-2026	4,550	Spdr Series Trust S&p Retail Etf	82.28	374,373	95.57	-60,455
03-11-2026	03-12-2026	5,000	Vaneck Vectors Semiconductor Etf	401.40	2,006,993	26.60	1,874,007
					37,469,807		23,322,659
Total Sales					37,469,807		23,322,659

City of Sacramento
Equity Income
SCERS
 March 31, 2026

Activity

From 12-31-25 to 03-31-26

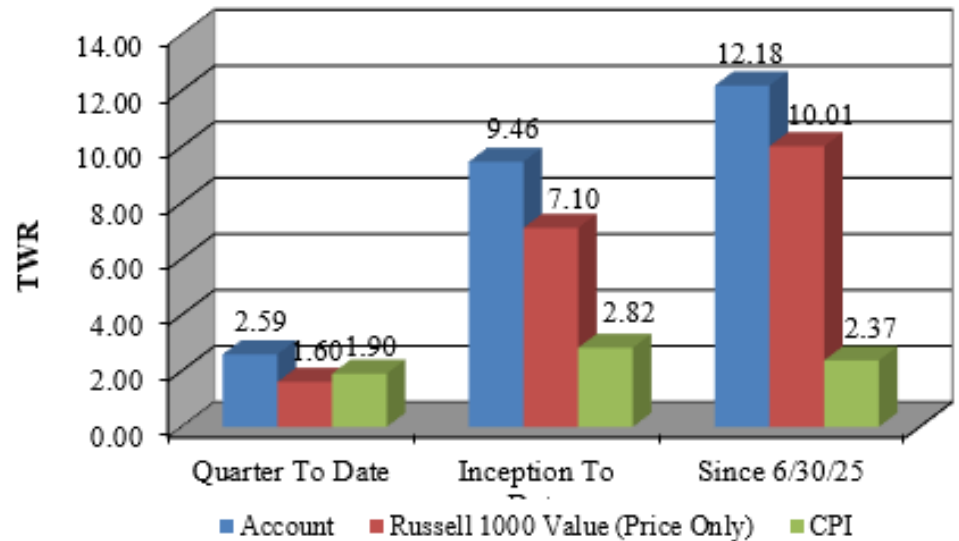
Portfolio Value on 12-31-25	77,698,682
Contributions	0
Withdrawals	-5,698,555
Realized Gains	1,253,093
Unrealized Gains	440,083
Interest	107,897
Dividends	173,094
Portfolio Value on 03-31-26	73,974,295

Performance

	Quarter To Date	Inception To Date	Since 06-30-2025
Account	2.59	9.46	12.18
Russell 1000 Value (Price Only)	1.60	7.10	10.01
CPI	1.90	2.82	2.37

Top 10 Holdings

Securities	Market Value	Pct.
Pool A Cash	38,584,167	52.16
Ishares Tr Russell 1000 Val	14,850,065	20.07
Select Sector Spdr Tr Sbi Healthcare	2,345,760	3.17
Select Sector Spdr Tr Sbi Int-Energy	2,082,840	2.82
Select Sector Spdr Tr Sbi Int-Finl	1,802,005	2.44
Select Sector Spdr Tr Communication	1,258,261	1.70
Select Sector Spdr Tr Technology	1,196,100	1.62
Select Sector Spdr Tr Sbi Materials	1,095,093	1.48
Select Sector Spdr Tr Sbi Cons Discr	893,636	1.21
Select Sector Spdr Tr Sbi Int-Inds	873,342	1.18



City of Sacramento
PORTFOLIO APPRAISAL
Equity Income
SCERS
March 31, 2026

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Cur. Yield	S & P	Bond Status	Call Put Date
CASH AND EQUIVALENTS													
	divacc	Dividend Accrual		4,470		4,470		4,470	0.01	4.00			
	miscintrec	Misc Interest Receivable		4,858		4,858		4,858	0.01	3.55			
	natcash	Nations Cash Fund		0		0		0	0.00	0.00			
	PoolA	Pool A Cash		38,584,167		38,584,167		38,584,167	52.16	3.89			
	intreceiv	Pool A Interest Receivable		83,028		83,028		83,028	0.11	3.89			
				<u>38,676,522</u>		<u>38,676,522</u>		<u>38,676,522</u>	<u>52.28</u>	<u>3.89</u>			
COMMON STOCK													
MATERIALS													
21,915	xlb	Select Sector Spdr Tr Sbi Materials	33.29	729,446	49.97	1,095,093		1,095,093	1.48	1.75			
INDUSTRIALS													
4,800	iyt	Ishares U.S. Transportation ETF	34.26	164,442	74.60	358,080		358,080	0.48	1.07			
825	lmt	Lockheed Martin Corp	135.47	111,764	604.39	498,622		498,622	0.67	2.28	A		
2,750	rtx	RTX Corporation	66.02	181,543	192.90	530,475		530,475	0.72	1.41			
5,400	xli	Select Sector Spdr Tr Sbi Int-Inds	77.90	420,669	161.73	873,342		873,342	1.18	1.27			
1,725	unp	Union Pac Corp Com	109.53	188,946	242.62	418,519		418,519	0.57	2.28	A		
				<u>1,067,365</u>		<u>2,679,038</u>		<u>2,679,038</u>	<u>3.62</u>	<u>1.62</u>			
COMMUNICATION SERVICES													
11,350	xlc	Select Sector Spdr Tr Communication	52.76	598,849	110.86	1,258,261		1,258,261	1.70	1.26			
CONSUMER DISCRETIONARY													
1,150	hd	Home Depot Inc	147.09	169,156	328.89	378,223		378,223	0.51	2.83	A+		
8,200	xly	Select Sector Spdr Tr Sbi Cons Discr	56.34	462,002	108.98	893,636		893,636	1.21	0.82			
				<u>631,159</u>		<u>1,271,859</u>		<u>1,271,859</u>	<u>1.72</u>	<u>1.42</u>			
CONSUMER STAPLES													
8,750	xlp	Select Sector Spdr Tr Sbi Cons Stpls	65.04	569,081	81.98	717,325		717,325	0.97	2.65			
4,150	wmt	Wal Mart Stores Inc	39.03	161,983	124.28	515,762		515,762	0.70	0.80	A		
				<u>731,064</u>		<u>1,233,087</u>		<u>1,233,087</u>	<u>1.67</u>	<u>1.88</u>			
ENERGY													
34,000	xle	Select Sector Spdr Tr Sbi Int-Energy	33.76	1,147,896	61.26	2,082,840		2,082,840	2.82	2.44			
FINANCIAL													
9,000	bac	Bank Of America Corp	15.27	137,427	48.75	438,750		438,750	0.59	2.30	B		
1,500	jpm	Jpmorgan Chase & Co	67.46	101,185	294.16	441,240		441,240	0.60	2.04	A-		
2,800	ms	Morgan Stanley Com New	104.00	291,195	164.57	460,796		460,796	0.62	2.43	A-		
36,500	xlf	Select Sector Spdr Tr Sbi Int-Finl	28.77	1,050,195	49.37	1,802,005		1,802,005	2.44	1.60			

City of Sacramento
PORTFOLIO APPRAISAL
Equity Income
SCERS
March 31, 2026

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Cur. Yield	S & P	Bond Status	Call Put Date
7,500	kre	Spdr Series Trust Kbw Regn Bk Etf	50.42	378,118	65.15	488,625		488,625	0.66	2.42			
11,000	kbe	Spdr Series Trust S&p Bk Etf	39.88	438,647	59.55	655,050		655,050	0.89	2.49			
				2,396,767		4,286,466		4,286,466	5.79	2.04			
HEALTHCARE													
4,050	mrk	Merck & Co Inc (new)	49.82	201,788	120.29	487,174		487,174	0.66	2.83	B-		
16,000	xlv	Select Sector Spdr Tr Sbi Healthcare	98.58	1,577,208	146.61	2,345,760		2,345,760	3.17	1.71			
				1,778,996		2,832,934		2,832,934	3.83	1.90			
INFORMATION TECHNOLOGY													
1,550	ibm	International Bus Mach	142.41	220,741	242.39	375,704		375,704	0.51	2.77	A-		
9,000	xlk	Select Sector Spdr Tr Technology	34.32	308,903	132.90	1,196,100		1,196,100	1.62	0.57			
				529,645		1,571,804		1,571,804	2.12	1.10			
REAL ESTATE													
4,458	iyr	Ishares Tr U.S. Real Es Etf	78.63	350,548	94.56	421,548		421,548	0.57	2.38			
10,750	xlre	Select Sector Spdr Tr RI Est Sel Sec	32.03	344,273	40.83	438,922		438,922	0.59	3.43			
				694,821		860,471		860,471	1.16	2.91			
UTILITIES													
16,055	xlu	Select Sector Spdr Tr Sbi Int-Utills	24.65	395,712	45.89	736,764		736,764	1.00	2.59			
PASSIVE INDEX													
17,780	pff	Ishares Preferred & Income Securities ETF	39.07	694,666	30.32	539,090		539,090	0.73	5.87			
69,500	iwd	Ishares Tr Russell 1000 Val	119.62	8,313,363	213.67	14,850,065		14,850,065	20.07	1.67			
				9,008,029		15,389,155		15,389,155	20.80	1.82			
				19,709,748		35,297,773		35,297,773	47.72	1.85			
TOTAL PORTFOLIO					58,386,271		73,974,295	0	73,974,295	100.00	2.92		

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS

Equity Income
SCERS

From 01-01-26 To 03-31-26

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
<u>Sales</u>							
COMMON STOCK							
03-11-2026	03-12-2026	9,000	Bank Of America Corp	48.39	435,502	15.27	298,075
03-11-2026	03-12-2026	1,150	Home Depot Inc	353.79	406,861	147.09	237,705
03-11-2026	03-12-2026	1,550	International Bus Mach	251.89	390,426	142.41	169,684
03-11-2026	03-12-2026	17,780	Ishares Preferred & Income Securities ETF	31.15	553,877	39.07	-140,789
01-08-2026	01-09-2026	19,000	Ishares Tr Russell 1000 Val	215.80	4,100,200	119.62	1,827,482
01-09-2026	01-12-2026	18,000	Ishares Tr Russell 1000 Val	217.30	3,911,400	119.62	1,758,299
03-11-2026	03-12-2026	69,500	Ishares Tr Russell 1000 Val	217.41	15,110,162	119.62	6,796,799
03-11-2026	03-12-2026	4,457	Ishares Tr U.S. Real Es Etf	98.29	438,079	78.63	87,609
03-11-2026	03-12-2026	4,800	Ishares U.S. Transportation ETF	76.09	365,221	34.26	200,779
03-11-2026	03-12-2026	1,500	Jpmorgan Chase & Co	288.43	432,638	67.46	331,453
03-11-2026	03-12-2026	825	Lockheed Martin Corp	646.56	533,415	135.47	421,651
03-11-2026	03-12-2026	4,050	Merck & Co Inc (new)	116.35	471,237	49.82	269,449
03-11-2026	03-12-2026	2,800	Morgan Stanley Com New	160.57	449,605	104.00	158,410
03-11-2026	03-12-2026	2,750	RTX Corporation	205.43	564,933	66.02	383,389
03-11-2026	03-12-2026	11,350	Select Sector Spdr Tr Communication	117.52	1,333,909	52.76	735,059
03-11-2026	03-12-2026	10,750	Select Sector Spdr Tr RI Est Sel Sec	42.56	457,516	32.03	113,243
03-11-2026	03-12-2026	8,200	Select Sector Spdr Tr Sbi Cons Discr	115.21	944,747	56.34	482,744
03-11-2026	03-12-2026	8,750	Select Sector Spdr Tr Sbi Cons Stpls	84.96	743,398	65.04	174,317
03-11-2026	03-12-2026	16,000	Select Sector Spdr Tr Sbi Healthcare	152.57	2,441,187	98.58	863,979
03-11-2026	03-12-2026	34,000	Select Sector Spdr Tr Sbi Int-Energy	55.87	1,899,679	33.76	751,782
03-11-2026	03-12-2026	36,500	Select Sector Spdr Tr Sbi Int-Finl	49.95	1,823,142	28.77	772,947
03-11-2026	03-12-2026	5,400	Select Sector Spdr Tr Sbi Int-Inds	169.18	913,574	77.90	492,905
03-11-2026	03-12-2026	16,055	Select Sector Spdr Tr Sbi Int-Utills	46.28	743,080	24.65	347,368
03-11-2026	03-12-2026	21,915	Select Sector Spdr Tr Sbi Materials	49.43	1,083,326	33.29	353,880
03-11-2026	03-12-2026	9,000	Select Sector Spdr Tr Technology	141.15	1,270,312	34.32	961,409
03-11-2026	03-12-2026	7,500	Spdr Series Trust Kbw Regn Bk Etf	64.18	481,363	50.42	103,246
03-11-2026	03-12-2026	11,000	Spdr Series Trust S&p Bk Etf	58.84	647,197	39.88	208,550
03-11-2026	03-12-2026	1,725	Union Pac Corp Com	248.86	429,280	109.53	240,334
03-11-2026	03-12-2026	4,150	Wal Mart Stores Inc	124.82	518,003	39.03	356,020
					43,893,269		
Total Sales					43,893,269	19,757,781	

City of Sacramento
Administration, Investment, & Fiscal Management
Board Report
915 I Street Sacramento, CA 95814
www.cityofsacramento.org

File ID: 2026-00931

5/21/2026

Segal Marco Advisors Quarterly Investment Performance Report for March 2026

File ID: 2026-00931

Location: Citywide

Recommendation: Pass a **Motion** accepting the Segal Marco Advisors Quarterly Investment Performance Report dated March 31, 2026.

Contacts: Jeffrey Nipp, Senior Vice President, (770) 446-0237, jnipp@segalmarco.com; David Roll, CFA, Senior Consultant, (206) 550-1074, droll@segalmarco.com; Segal Marco Advisors

Presenters: Jeffrey Nipp, Senior Vice President, (770) 446-0237, jnipp@segalmarco.com; David Roll, CFA, Senior Consultant, (206) 550-1074, droll@segalmarco.com; Segal Marco Advisors

Attachments:

1-Description/Analysis

2-Segal Marco Advisors Quarterly Investment Performance Report dated March 31, 2026

Description/Analysis

Issue Detail: Routine quarterly investment performance report provided to the board.

Policy Considerations: None.

Economic Impacts: None.

Environmental Considerations: Not applicable.

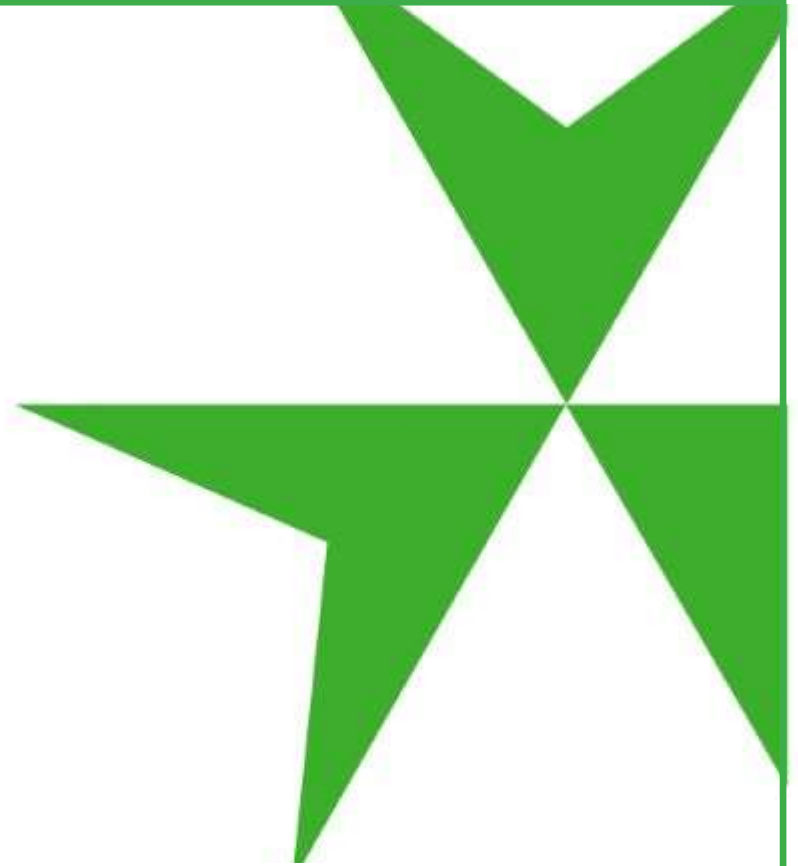
Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Per SCERS investment policy, the Board shall retain the services of a consultant to determine appropriate performance benchmarks and to report on the investment performance of the System's funds against such benchmarks on a quarterly basis.

Financial Considerations: None.

Local Business Enterprise (LBE): Not applicable.



Sacramento City Employees' Retirement System

Analysis of Investment Performance

Period Ending March 31, 2026

Jeffrey Nipp
Senior Vice President & Sr. Consultant

David Roll
Senior Consultant

Market Summary

Quarterly Review: Global Equity

Equity Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
S&P 500	-4.33	-4.33	17.80	18.32	12.06	14.16
MSCI Europe, Australasia and Far East (EAFE)	-1.24	-1.24	21.27	13.62	7.91	8.38
MSCI Emerging Markets (EM)	-0.17	-0.17	29.55	14.84	3.69	7.80

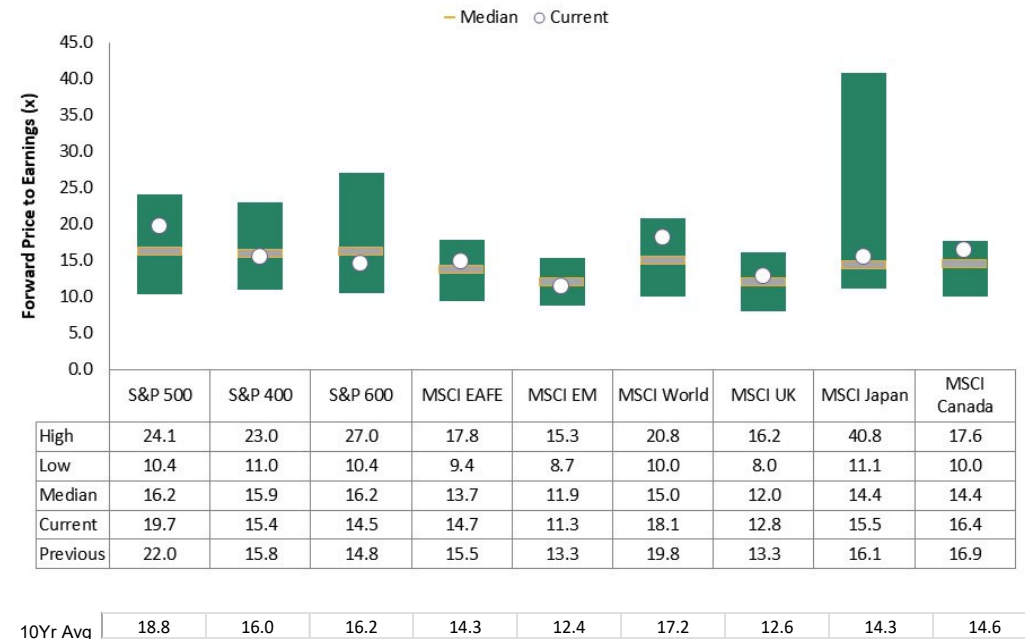
All data in the table are percentages with net dividends reinvested for MSCI.

Global Equity Performance and Valuations

- Global equity markets declined with the Iran conflict disrupting global energy supplies, along with sobering trade and growth outlooks. International Emerging Markets (-0.17%) led global equity performance in the first quarter of 2026, followed by International Developed Markets (-1.24%) and the U.S. (-4.33%).
- International developed large cap equity valuations per MSCI EAFE Index, traded at a [12 month] forward P/E ratio of 14.7 in the first quarter. Valuations declined from the prior quarter at 15.7 and are higher than the 10-year average of 14.3.
- Emerging market equity valuations per MSCI EM Index, traded at a [12 month] forward P/E ratio of 11.3 in the first quarter. Valuations declined from the prior quarter at 13.3 and are lower than the 10-year average of 12.4.
- U.S. large cap equity valuations per the S&P500 Index, continue to trade at elevated [12 month] forward P/E ratio of 19.7, Valuations declined from the prior quarter at 22.0 and are higher than the 10-year average of 18.8. US equity markets continue to trade at higher valuations compared to international developed and emerging markets.

Source: FactSet

Price to Earnings



Data range is from 3/31/00 – 03/31/26. P/E ratios are forward 12 months.

Quarterly Review: U.S. Equity

U.S. Equity Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
S&P 500	-4.33	-4.33	17.80	18.32	12.06	14.16
Russell 1000	-4.18	-4.18	17.74	18.14	11.34	13.97
Russell 1000 Growth	-9.78	-9.78	18.81	21.18	12.76	16.83
Russell 1000 Value	2.10	2.10	15.87	14.31	9.43	10.58
Russell 2000	0.89	0.89	25.72	13.05	3.77	9.88
Russell 2000 Growth	-2.81	-2.81	23.58	12.27	1.62	9.79
Russell 2000 Value	4.96	4.96	28.09	13.80	5.79	9.61
Russell Midcap	1.29	1.29	15.98	13.33	7.26	10.91
Russell 3000	-3.96	-3.96	18.09	17.86	10.87	13.72

All data in the tables are percentages.

Performance

- U.S. equities declined during the quarter, driven primarily by weakness in growth-oriented sectors. The S&P 500 fell -4.33% for the quarter, while style leadership favored value over growth. The Russell 1000 Value Index gained 2.10% during the quarter, while the Russell 1000 Growth Index declined -9.78%.
- Sector performance was mixed. Energy (+38.25%) was the top-performing sector given the oil price surge from escalating Middle East tensions, followed by Materials and Utilities. Defensive sectors such as Consumer Staples and Utilities also posted positive returns. In contrast, Communication Services, Consumer Discretionary, Financials, and Information Technology lagged, each posting negative performance.
- Over the trailing one-year period, returns remained strong across most U.S. equity indices, with smaller-capitalization and value-oriented segments demonstrating competitive performance relative to large-cap growth.

Source: FactSet

S&P 500 Sector Returns	QTD	1-Year
Communication Services	-6.94	32.51
Consumer Discretionary	-9.19	11.72
Consumer Staples	7.68	6.31
Energy	38.25	36.32
Financials	-9.35	0.72
Healthcare	-4.88	2.31
Industrials	4.61	25.17
Information Technology	-9.13	29.05
Materials	9.73	17.97
Real Estate	2.76	2.34
Utilities	8.26	19.71

Quarterly Review: International Equity

MSCI International Equity Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
World ex. U.S.	-0.94	-0.94	22.99	14.30	8.40	8.66
EAFE	-1.24	-1.24	21.27	13.62	7.91	8.38
EAFE Local Currency	0.15	0.15	17.38	13.25	9.88	9.35
Europe	-2.82	-2.82	19.11	13.25	8.79	8.49
Europe ex U.K.	-4.20	-4.20	17.25	12.23	7.73	8.61
U.K.	2.02	2.02	25.65	16.81	12.42	8.30
Japan	1.37	1.37	25.88	15.73	6.56	8.50
Pacific ex Japan	2.98	2.98	23.79	10.62	5.41	7.46

All data in the tables are percentages and net dividends reinvested.

Performance

- International developed markets trailed EM but were ahead of US markets. A stronger US dollar was a headwind for US-based investors since local currency return was positive.
- Sector performance was mixed. Energy (+40.0%) delivered the strongest returns, while Utilities (+10.9%) and Materials (+6.9%) also posted positive gains. Consumer Discretionary (-14.6%) was the weakest sector, while Financials (-3.6%) and Communication Services (-3.5%) posted modest declines.
- At the regional level, Pacific, Japan and the United Kingdom posted positive quarterly returns, while Europe lagged. The difference between Europe energy producers and importers was highlighted by positive performance differences seen in Norway (+31.7%) and UK (+2.0%) compared to Germany (-8.4%) and France (-5.4%). Japan (+1.4%) benefited from recent snap election results, weakened currency and lower energy import sensitivity.

Source: FactSet

MSCI EAFE Sector Returns	QTD	1-Year
Communication Services	-3.47	10.01
Consumer Discretionary	-14.60	-2.78
Consumer Staples	-2.90	7.41
Energy	40.01	53.91
Financials	-3.64	27.82
Healthcare	-2.96	10.30
Industrials	-0.26	28.05
Information Technology	-1.50	25.62
Materials	6.87	30.88
Real Estate	-2.03	20.15
Utilities	10.91	44.45

Quarterly Review: Emerging Market Equity

MSCI EM Equity Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
Emerging Markets	-0.17	-0.17	29.55	14.84	3.69	7.80
EM Local Currency	2.12	2.12	30.60	17.09	6.20	9.49
Asia	-1.51	-1.51	28.38	14.42	2.85	8.51
EMEA	-0.03	-0.03	21.93	15.01	3.34	4.28
Latin America	14.58	14.58	57.38	18.58	12.88	8.37

All data in the tables are percentages and net dividends reinvested.

Performance

- Emerging market equities posted a modest decline for the quarter, with the MSCI Emerging Markets Index falling -0.17%. A stronger dollar impacted gains when converted back to US currency. Performance varied significantly by region and sector, with Info Tech and Energy leading.
- The MSCI EM index is dominated by just four countries (75.8%) according to market-cap weighting ranked as follows: 1) China (25.5%), 2) Taiwan (22.5%), 3) Korea (15.3%) and 4) India (12.5%). Returns were mixed as Korea (+16.7%) and Taiwan (+9.1%) led, while China (-8.9%) and India (-18.1%) lagged.
- The difference between energy producers and importers was highlighted by Latin America as the top-performing region, while Asia declined modestly and EMEA finished flat. AI semiconductor demand drove returns in the IT sector, while higher oil prices lifted the energy sector. Consumer discretionary and communications trailed given impact of higher energy prices and AI disruption to software focused companies.

MSCI EM Sector Returns	QTD	1-Year
Communication Services	-15.28	3.21
Consumer Discretionary	-11.63	-7.21
Consumer Staples	-4.17	0.16
Energy	10.84	26.19
Financials	-3.57	16.44
Healthcare	-4.10	6.59
Industrials	1.02	36.75
Information Technology	11.29	88.30
Materials	1.20	50.43
Real Estate	-10.48	-6.59
Utilities	4.39	16.43

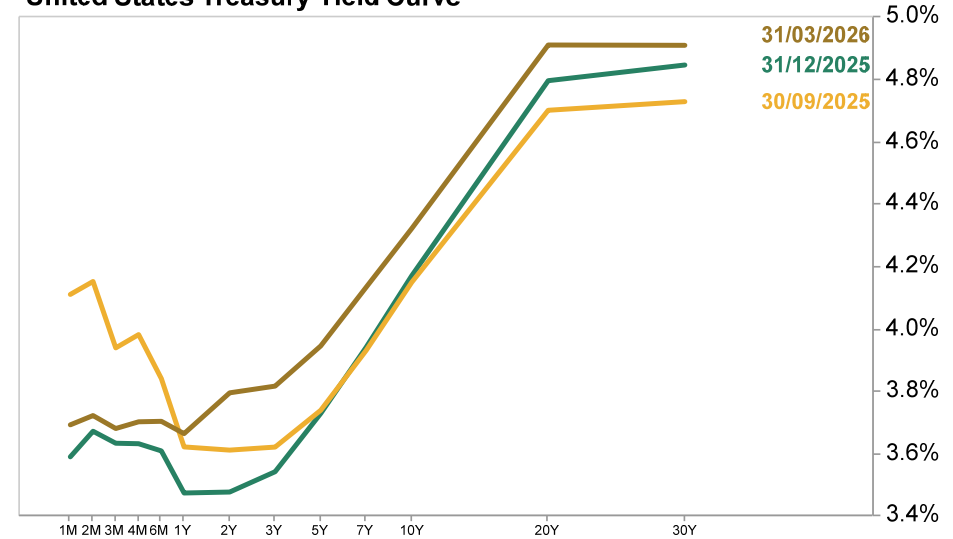
Source: FactSet

Quarterly Review: Fixed Income

Yield Curve

- The U.S. Treasury yield curve shifted throughout the quarter. It began with a normal positive slope, where longer-term rates are typically higher than shorter-term rates with at least one Fed rate cut anticipated.
- By late February, there was a bear steepening of the yield curve at the start of the Iran conflict as yields rose across the curve. Longer-dated maturities, particularly in the middle, experienced substantial yield increases given likely increases to inflation via higher energy prices and uncertainty about the Fed's next actions on rates.
- The 10-year Treasury yield opened at 4.19%, fell to a quarter-low of 3.97% in late February, then spiked to 4.48% by late March before closing at 4.30%. The 2-year closed at 3.79%, compressing the 2s/10s spread from +72 bps to +51 bps.

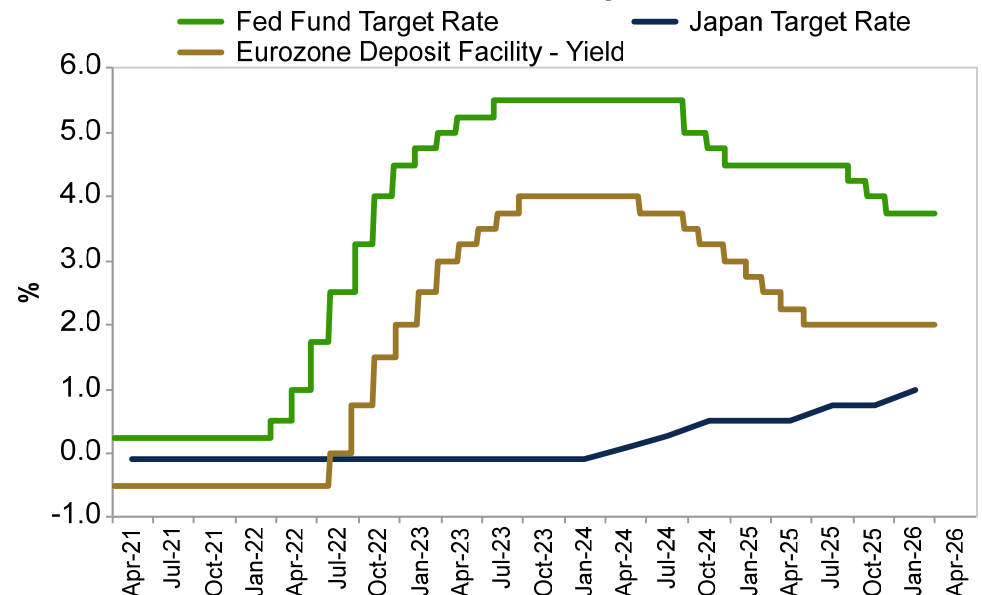
United States Treasury Yield Curve



Monetary Policies/Global Interest Rates

- The Fed held the benchmark rate steady at 3.5-3.75% in January and March meetings. FOMC members indicated a wait and see approach regarding the Persian Gulf conflict's impact on the economy that could signal as few as one possible rate cut during the year.
- European Central Bank (ECB) held their policy rate, known as a deposit facility steady at 2.0% at February and March meetings. The ECB raised its 2026 inflation forecast to 2.6% from 1.9%, citing energy price pressures from the Iran conflict.
- The Bank of Japan (BoJ) held rates steady at 0.75% with no meeting scheduled in 1Q.

Central Bank Target Rates



Source: FactSet

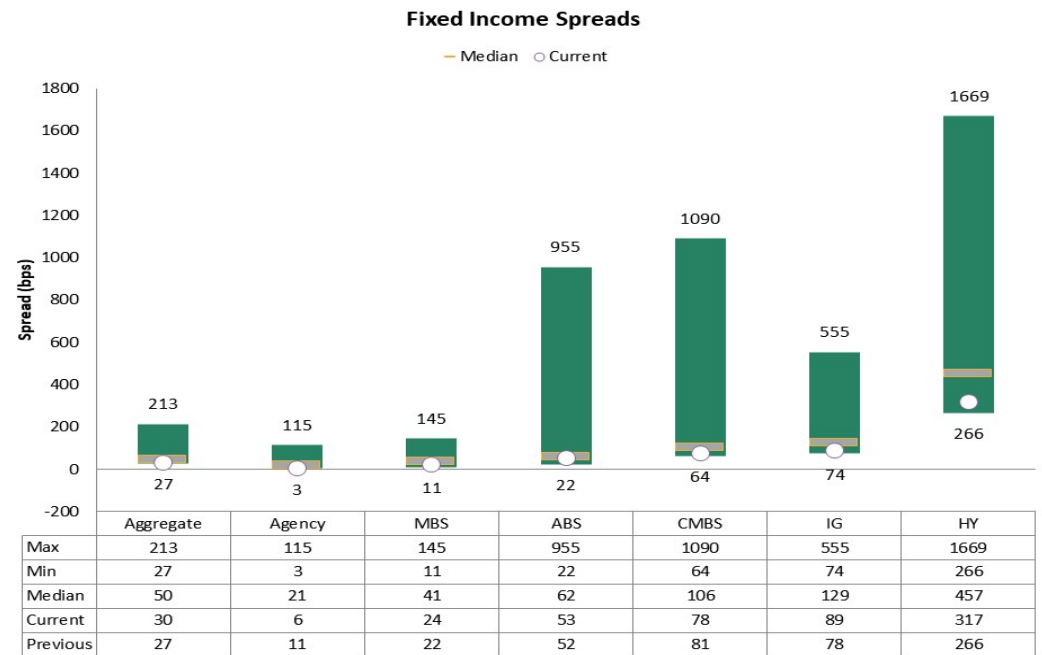
Quarterly Review: U.S. Fixed Income

U.S. Fixed Income Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
U.S. Aggregate	-0.05	-0.05	4.35	3.63	0.31	1.70
Government/Credit	-0.20	-0.20	3.86	3.41	0.24	1.79
Government	-0.04	-0.04	3.27	2.62	-0.10	1.07
Investment Grade Credit	-0.54	-0.54	4.78	4.70	0.76	2.81
Investment Grade CMBS	0.33	0.33	5.41	5.52	1.50	2.53
U.S. Corporate High Yield	-0.50	-0.50	7.01	8.60	4.23	6.12
FTSE 3-Month T-Bill	0.93	0.93	4.22	4.97	3.49	2.32

All data in the table are percentages with Bloomberg Indices, unless otherwise noted.

Performance and Spreads

- This quarter delivered broadly negative fixed income returns, reversing a promising early-quarter rally. The Bloomberg U.S. Aggregate returned -0.05% for the quarter, with March alone contributing -1.76% as the Iran conflict roiled bond markets globally. Income generation at elevated starting yields provided a meaningful cushion against price losses.
- Mortgage-backed securities and shorter-maturity bonds held up best as the bear steepening in the curve disproportionately reduced longer-duration asset prices.
- Credit spreads widened but remained historically tight.
- January and February set historic issuance records across investment grade (IG) corporate and municipal markets, driven by AI, M&A, and infrastructure needs.



Source: FactSet

Data range is from 9/30/00-03/31/26

Quarterly Review: International Fixed Income

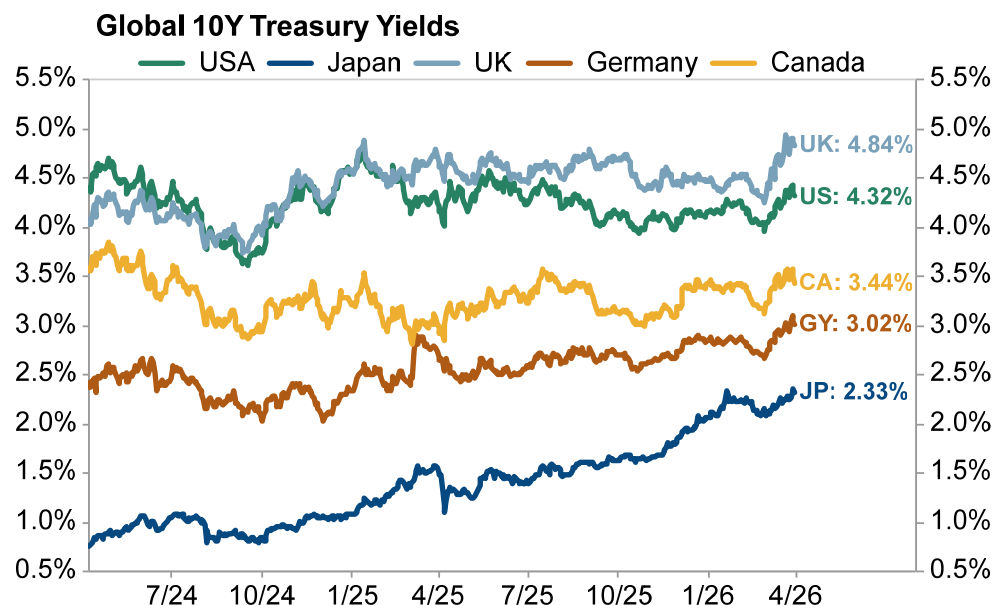
Global Fixed Income Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
Bloomberg Global Aggregate	-1.07	-1.07	4.26	2.59	-1.46	0.58
Bloomberg Global Aggregate (Hgd)	-0.15	-0.15	3.49	4.07	0.81	2.05
FTSE Non-U.S. WGBI	-1.76	-1.76	4.14	0.97	-4.29	-1.20
FTSE Non-U.S. WGBI (Hgd)	-0.20	-0.20	2.38	3.27	-0.20	1.54
JPM EMBI Global Diversified	-1.26	-1.26	10.38	9.45	2.47	3.75
JPM GBI-EM Global Diversified	-2.25	-2.25	11.76	6.84	2.06	2.57

All data in the table are percentages. JPMorgan Emerging Market Bond Index (EMBI) Global Diversified index measures government bonds in hard currencies, while the Government Bond Index (GBI) Emerging Markets (GBI-EM) Global Diversified index measures government bonds in local currencies.

Global Performance and Yields

- International fixed income markets declined during the quarter, reflecting rising global yields and currency volatility. The Bloomberg Global Aggregate Index fell -1.07%, while the currency-hedged version declined only -0.15%, highlighting the impact of foreign exchange movements.
- The quarter was dominated by geopolitical risk stemming from the Iran conflict, which drove oil prices higher, created inflationary pressures, and triggered flight-to-quality flows that benefited the dollar in March despite its weakness earlier in the quarter. EM currencies faced broad-based depreciation pressures, while developed market sovereign yields rose on inflation concerns, with the U.K. experiencing the most acute stress among major markets.
- Global bond yields remained elevated across major developed markets, contributing to ongoing pressure on prices but improving longer-term income prospects for diversified fixed income portfolios.

Source: FactSet



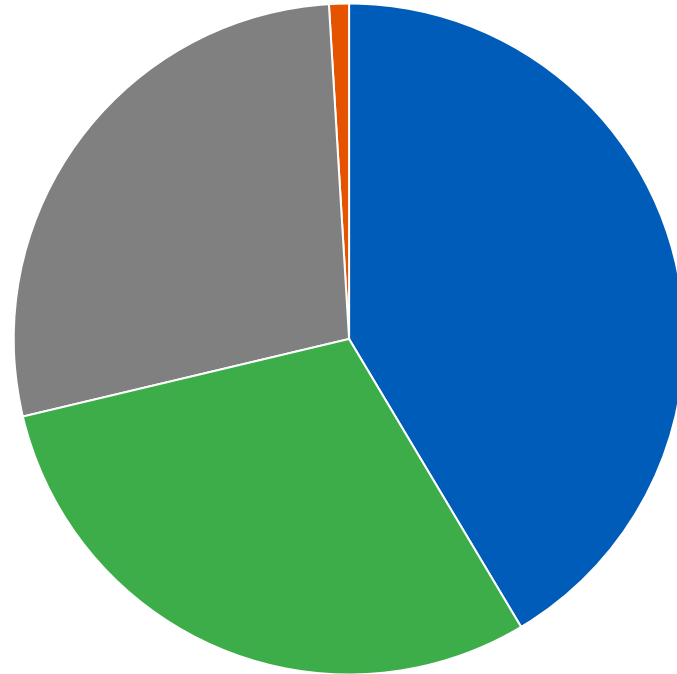
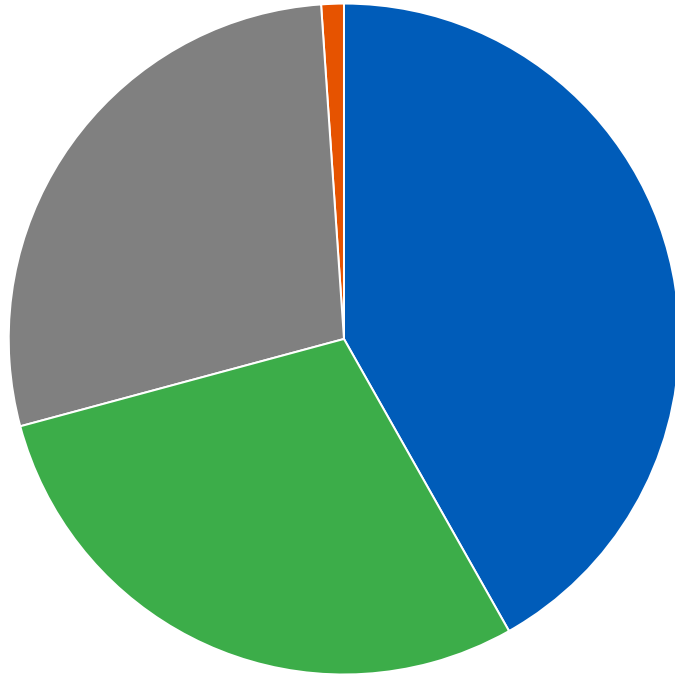
Disclaimer

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Executive Summary

March 31, 2026 : \$255,114,893.0

December 31, 2025 : \$260,288,020.0

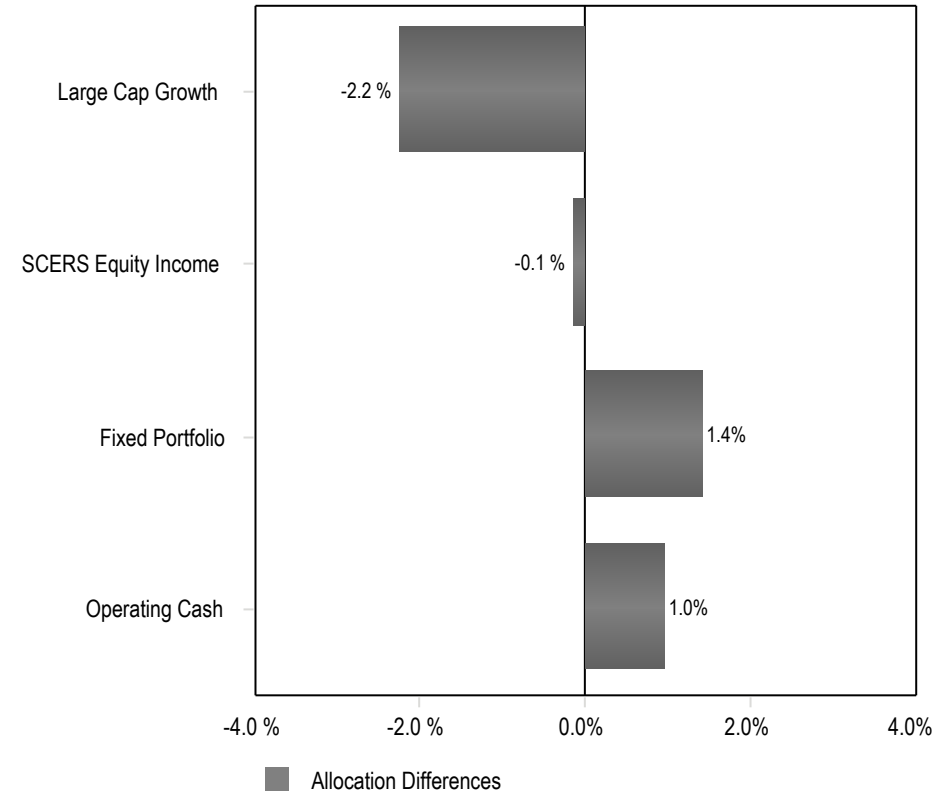
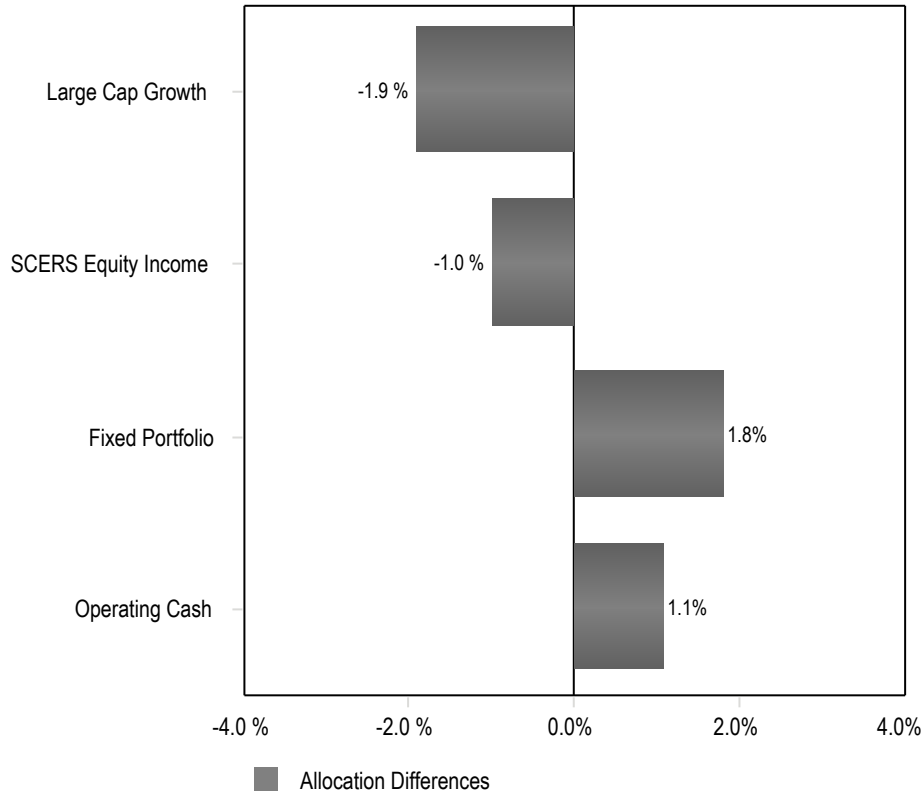


	Market Value (\$)	Allocation (%)
Fixed Portfolio	106,669,716	41.8
SCERS Equity Income	73,974,295	29.0
Large Cap Growth	71,675,975	28.1
Operating Cash	2,794,907	1.1

	Market Value (\$)	Allocation (%)
Fixed Portfolio	107,844,040	41.4
SCERS Equity Income	77,698,682	29.9
Large Cap Growth	72,235,501	27.8
Operating Cash	2,509,797	1.0

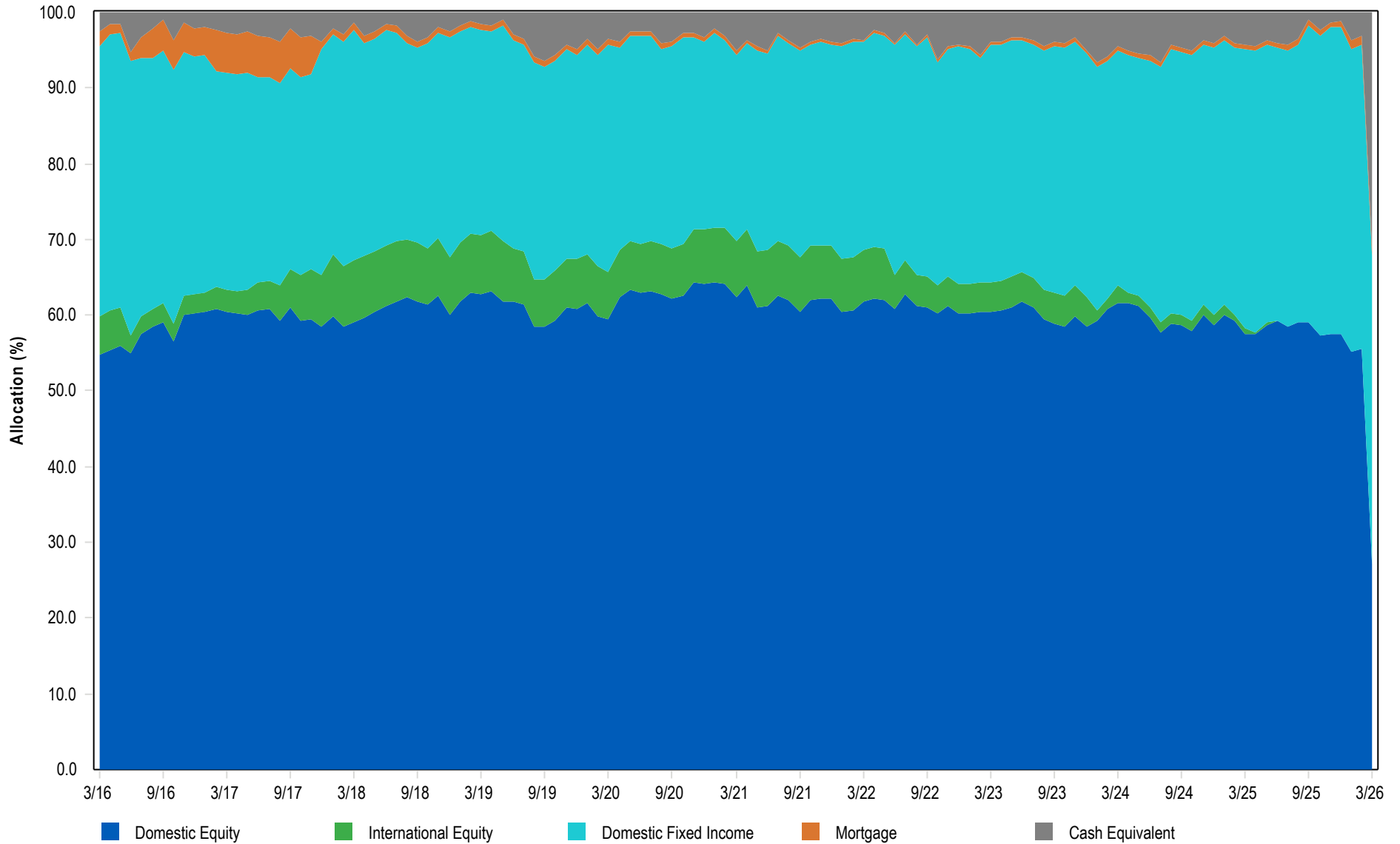
	Mar-2026		Dec-2025		
Segments	Market Value (\$)	Allocation (%)	Segments	Market Value (\$)	Allocation (%)
Domestic Equity	69,178,116	27.1	Domestic Equity	149,477,509	57.4
Domestic Fixed Income	103,656,344	40.6	Domestic Fixed Income	105,827,163	40.7
Mortgage	2,904,705	1.1	Mortgage	1,804,381	0.7
Cash Equivalent	79,375,728	31.1	Cash Equivalent	3,178,967	1.2

Mar-2026 Dec-2025



Mar-2026 Dec-2025

	Market Value (\$)	Allocation (%)	Target (%)		Market Value (\$)	Allocation (%)	Target (%)
Large Cap Growth	71,675,975	28.1	30.0	Large Cap Growth	72,235,501	27.8	30.0
SCERS Equity Income	73,974,295	29.0	30.0	SCERS Equity Income	77,698,682	29.9	30.0
Fixed Portfolio	106,669,716	41.8	40.0	Fixed Portfolio	107,844,040	41.4	40.0
Operating Cash	2,794,907	1.1	0.0	Operating Cash	2,509,797	1.0	0.0
Total Fund	255,114,893	100.0	100.0	Total Fund	260,288,020	100.0	100.0



	Allocation		Performance (%)											
	Market Value (\$000)	%	1 Quarter	Jul-2025 To Mar-2026	1 Year	3 Years	5 Years	7 Years	10 Years	1 Year Ending Jun-2024	1 Year Ending Jun-2023	1 Year Ending Jun-2022	Since Inception	Inception Date
Total Plan*	255,115	100.0	0.6	8.0	13.2	11.7	6.9	9.0	8.8	12.7	10.0	-10.6	8.5	01/01/1979
<i>Actuarial Assumption</i>			1.5	4.5	6.0	6.0	6.0	6.2	6.3	6.0	6.0	6.0	7.0	
<i>Difference</i>			-0.9	3.5	7.2	5.7	0.9	2.8	2.5	6.7	4.0	-16.6	1.5	
<i>Custom Index - Target</i>			-0.9	5.8	11.0	10.3	5.6	7.4	7.1	11.2	8.5	-11.1	8.6	
<i>Difference</i>			1.5	2.2	2.2	1.4	1.3	1.6	1.7	1.5	1.6	0.5	-0.1	
Domestic Equity Composite	145,650	57.1	1.0	11.5	19.2	16.5	10.6	12.9	12.4	18.2	15.1	-9.4	8.5	01/01/1983
<i>Domestic Equity Index</i>			-4.3	5.4	16.6	16.3	9.3	12.1	11.9	21.3	17.0	-15.1	9.2	
<i>Difference</i>			5.3	6.1	2.6	0.3	1.3	0.8	0.6	-3.1	-1.8	5.6	-0.7	
Large Cap Growth	71,676	28.1	-0.6	10.8	21.5	17.8	11.0	14.1	13.6	21.5	19.1	-12.7	7.8	12/01/1992
<i>Large Cap Index</i>			-4.6	5.2	16.3	16.7	10.4	12.7	12.2	22.7	17.6	-11.9	7.8	
<i>Difference</i>			4.0	5.6	5.2	1.1	0.5	1.4	1.4	-1.2	1.5	-0.8	0.0	
SCERS Equity Income	73,974	29.0	2.6	12.2	17.0	15.1	10.0	11.2	10.8	14.8	11.1	-6.0	9.4	04/01/1986
<i>SCERS Equity Income Index</i>			1.6	10.0	13.6	11.9	7.1	8.2	8.1	10.5	9.0	-8.7	7.9	
<i>Difference</i>			1.0	2.2	3.4	3.2	2.9	3.0	2.7	4.4	2.2	2.7	1.5	
International		0.0								8.6	12.6	-18.6		03/01/2006
<i>International Index</i>			-1.2	10.0	22.0	11.7	4.4	5.8	5.7	8.7	9.6	-21.5	2.2	
<i>Difference</i>										-0.2	3.0	2.9		
Fixed Income Composite	106,670	41.8	0.0	3.2	5.0	4.6	1.1	2.3	2.7	4.4	1.3	-12.4	7.5	01/01/1979
<i>Fixed Portfolio Index</i>			0.0	3.1	4.3	3.6	0.3	1.6	1.7	2.6	-0.9	-10.3	6.4	
<i>Difference</i>			0.0	0.1	0.6	1.0	0.8	0.7	1.0	1.7	2.2	-2.1	1.1	
Fixed Portfolio	106,670	41.8	0.0	3.2	5.0	4.6	1.1	2.3	2.7	4.4	1.3	-12.4	7.3	01/01/1979
<i>Fixed Portfolio Index</i>			0.0	3.1	4.3	3.6	0.3	1.6	1.7	2.6	-0.9	-10.3	6.4	
<i>Difference</i>			0.0	0.1	0.6	1.0	0.8	0.7	1.0	1.7	2.2	-2.1	0.9	

-Actuarial Assumption has changed from 6.50% to 6.00% effective July 1, 2021, as approved November 18, 2021.

-Segal Marco's calculation of the Fixed Portfolio's return includes accrued income starting 12/1/07. This will differ from SCERS' return calculation due to our inability to retroactively include accrued income into past market values.

*Please note that the percentage allocation does not include the Operating Cash segment. Therefore, the Total Plan will always add up to 100% less the Operating Cash.

**Please see Appendix for Custom Policy Index historical allocations.

CITY OF SACRAMENTO Large Cap Portfolio Options Performance

Comparative Performance

As of March 31, 2026

	1 Quarter	Jul-2025 To Mar-2026	1 Year	Since Inception	Inception Date
Large Cap Growth	-0.6	10.8	21.5	11.9	07/01/2014
Large Cap Growth (without options)	-0.6	11.0	22.0	12.2	
Difference	0.0	-0.2	-0.5	-0.2	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Financial Reconciliation Multi Report
As of March 31, 2026
CITY OF SACRAMENTO

Current Quarter Financial Reconciliation (\$000)

	Market Value As of 01/01/2026	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Capital Apprec./Deprec.	Market Value As of 03/31/2026
Domestic Equity Composite	149,934,183			-5,823,630			476,034	1,539,717	145,650,270
Large Cap Growth	72,235,501			-125,076			195,043	-434,450	71,675,975
SCERS Equity Income	77,698,682			-5,698,554			280,991	1,974,167	73,974,295
International									
Fixed Income Composite	107,844,040			-1,157,350			1,088,806	-16,974	106,669,716
Fixed Portfolio	107,844,040			-1,157,350			1,088,806	-16,974	106,669,716
Operating Cash	2,509,797	266,592					18,516	18,518	2,794,907
Total Plan	260,288,020	266,592		-6,980,980			1,583,356	1,541,261	255,114,893

Fiscal Year-To-Date Financial Reconciliation (\$000)

	Market Value As of 07/01/2025	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Capital Apprec./Deprec.	Market Value As of 03/31/2026
Domestic Equity Composite	151,741,539		3,068,640	-25,641,261			1,728,620	16,481,352	145,650,270
Large Cap Growth	76,579,567			-12,347,893			650,329	7,444,301	71,675,975
SCERS Equity Income	75,161,972		3,068,640	-13,293,368			1,078,291	9,037,051	73,974,295
International	69			-69					
Fixed Income Composite	101,090,081		5,500,000	-3,213,109			3,180,286	3,292,744	106,669,716
Fixed Portfolio	101,090,081		5,500,000	-3,213,109			3,180,286	3,292,744	106,669,716
Operating Cash	2,723,187	32,314					39,404	39,406	2,794,907
Total Plan	255,554,876	32,314	8,568,640	-28,854,439			4,948,310	19,813,502	255,114,893

Financial Reconciliation Multi Report
As of March 31, 2026
CITY OF SACRAMENTO

1-Year Financial Reconciliation (\$000)

	Market Value As of 04/01/2025	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Capital Apprec./Deprec.	Market Value As of 03/31/2026
Domestic Equity Composite	144,500,463		3,068,640	-28,341,081			2,324,761	26,422,248	145,650,270
Large Cap Growth	70,878,880			-13,483,818			886,108	14,280,913	71,675,975
SCERS Equity Income	73,621,583		3,068,640	-14,857,263			1,438,653	12,141,335	73,974,295
International	1,819,487			-1,905,565			304	86,078	
Fixed Income Composite	101,368,026		5,500,000	-5,225,227			4,209,169	5,026,917	106,669,716
Fixed Portfolio	101,368,026		5,500,000	-5,225,227			4,209,169	5,026,917	106,669,716
Operating Cash	2,761,054	-10,624					44,476	44,477	2,794,907
Total Plan	250,449,030	-10,624	8,568,640	-35,471,873			6,578,710	31,579,720	255,114,893

3-Year Financial Reconciliation (\$000)

	Market Value As of 04/01/2023	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Capital Apprec./Deprec.	Market Value As of 03/31/2026
Domestic Equity Composite	150,322,844		3,868,640	-78,402,613			7,937,270	69,861,399	145,650,270
Large Cap Growth	77,568,629		300,000	-44,049,739			3,253,409	37,857,085	71,675,975
SCERS Equity Income	72,754,215		3,568,640	-34,352,874			4,683,861	32,004,314	73,974,295
International	9,906,370		3,527,905	-14,809,551			607,164	1,375,276	
Fixed Income Composite	82,363,669		25,250,000	-14,111,513			11,600,537	13,167,560	106,669,716
Fixed Portfolio	82,363,669		25,250,000	-14,111,513			11,600,537	13,167,560	106,669,716
Operating Cash	5,851,421	-3,228,648					164,490	172,134	2,794,907
Total Plan	248,444,304	-3,228,648	32,646,545	-107,323,677			20,309,461	84,576,369	255,114,893

Financial Reconciliation Multi Report
As of March 31, 2026
CITY OF SACRAMENTO

5-Year Financial Reconciliation (\$000)

	Market Value As of 04/01/2021	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Capital Apprec./Deprec.	Market Value As of 03/31/2026
Domestic Equity Composite	191,992,242	-46,245,955	3,868,640	-83,063,781			13,874,095	79,099,124	145,650,270
Large Cap Growth	107,969,869	-32,311,719	300,000	-46,789,523			5,842,636	42,507,348	71,675,975
SCERS Equity Income	84,022,373	-13,934,236	3,568,640	-36,274,258			8,031,459	36,591,776	73,974,295
International	22,126,355	-9,688,876	3,527,905	-15,437,591			1,638,387	-527,793	
Fixed Income Composite	79,117,304	12,353,493	25,250,000	-16,336,492			17,814,442	6,285,411	106,669,716
Fixed Portfolio	79,117,304	12,353,493	25,250,000	-16,336,492			17,814,442	6,285,411	106,669,716
Operating Cash	10,648,544	-8,200,883					312,583	347,246	2,794,907
Total Plan	303,884,445	-51,782,221	32,646,545	-114,837,864			33,639,507	85,203,988	255,114,893

10-Year Financial Reconciliation (\$000)

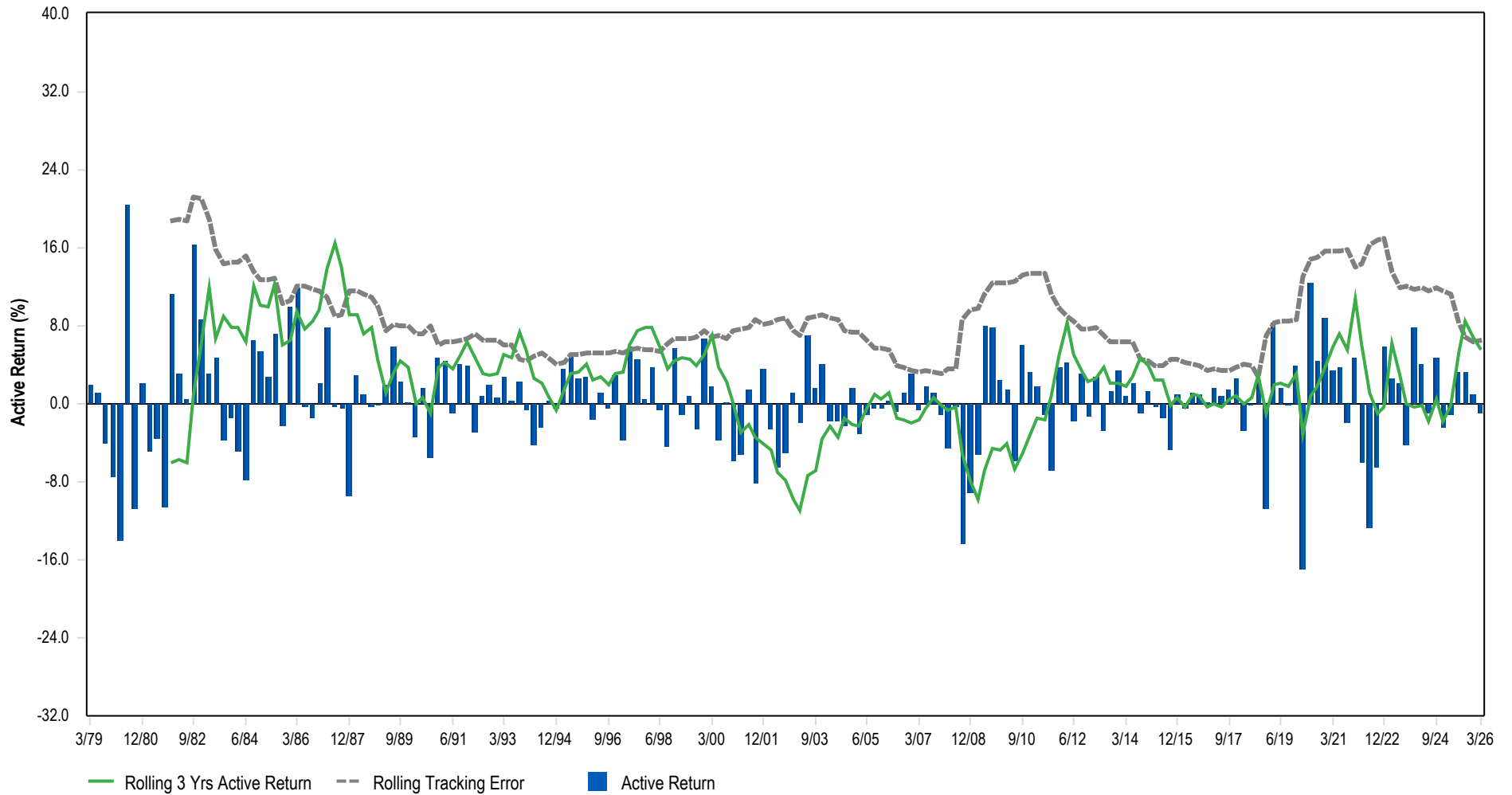
	Market Value As of 04/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Capital Apprec./Deprec.	Market Value As of 03/31/2026
Domestic Equity Composite	159,164,618	-133,382,861	3,868,640	-83,063,781			34,701,664	199,063,654	145,650,270
Large Cap Growth	105,999,816	-110,345,510	300,000	-46,789,523			16,638,237	122,511,192	71,675,975
SCERS Equity Income	53,164,802	-23,037,351	3,568,640	-36,274,258			18,063,427	76,552,462	73,974,295
International	14,597,812	-8,254,275	3,527,905	-15,437,591			4,300,914	5,566,149	
Fixed Income Composite	111,079,404	-37,657,995	25,250,000	-16,336,492			38,555,884	24,334,799	106,669,716
Fixed Portfolio	111,079,404	-37,657,995	25,250,000	-16,336,492			38,555,884	24,334,799	106,669,716
Operating Cash	1,516,663	538,191					1,685,596	740,053	2,794,907
Total Plan	286,358,497	-178,756,940	32,646,545	-114,837,864			79,244,058	229,704,655	255,114,893

Total Plan Review

Comparative Performance & 3-Year Rolling Return

Comparative Performance & Rolling Return

As of March 31, 2026



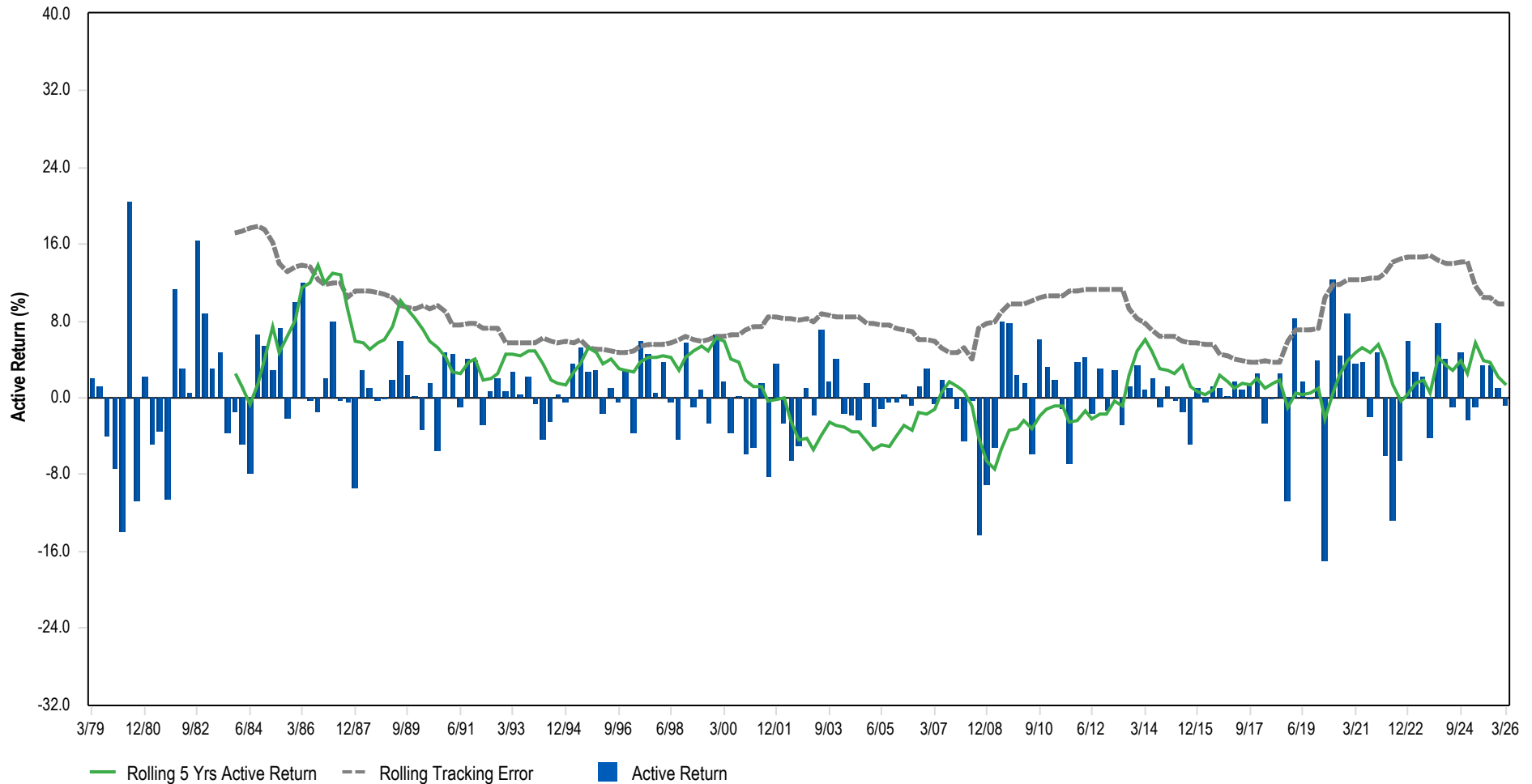
	1 Qtr	Jul-2025 To Mar-2026	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs	Since Inception	Inception Date
Total Plan	0.6	8.0	13.2	9.6	11.7	7.1	6.9	9.0	8.8	8.5	01/01/1979
Actuarial Assumption	1.5	4.5	6.0	6.0	6.0	6.0	6.0	6.2	6.3	7.0	
<i>Difference</i>	-0.9	3.5	7.2	3.6	5.7	1.1	0.9	2.8	2.5	1.5	

Gross Of Fees

Comparative Performance & 5-Year Rolling Return

Comparative Performance & Rolling Return

As of March 31, 2026



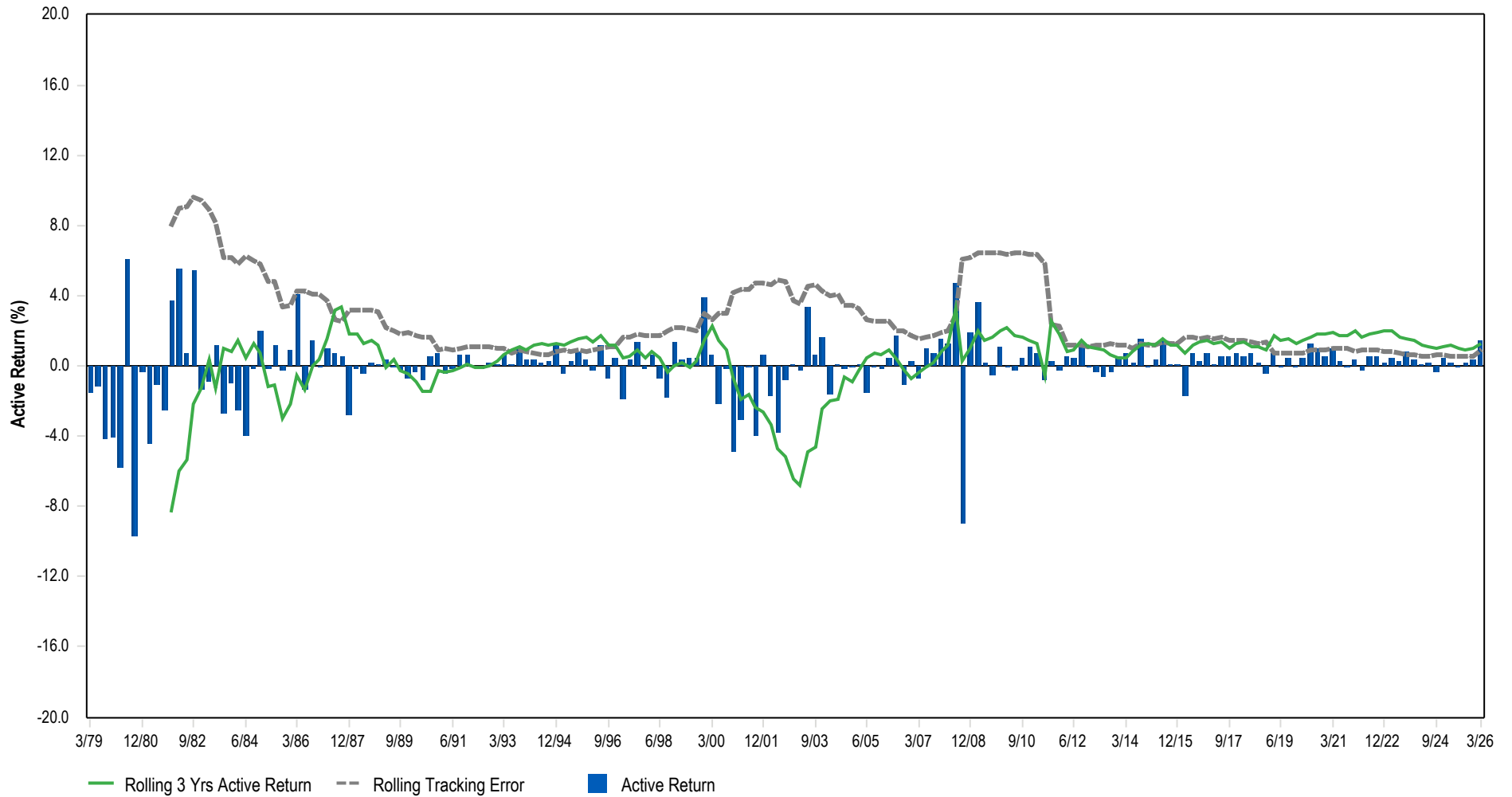
	1 Year Ending Jun-2025	1 Year Ending Jun-2024	1 Year Ending Jun-2023	1 Year Ending Jun-2022	1 Year Ending Jun-2021	1 Year Ending Jun-2020	1 Year Ending Jun-2019	1 Year Ending Jun-2018	1 Year Ending Jun-2017	1 Year Ending Jun-2016	1 Year Ending Jun-2015	1 Year Ending Jun-2014	1 Year Ending Jun-2013	1 Year Ending Jun-2012	1 Year Ending Jun-2011
Total Plan	10.6	12.7	10.0	-10.6	29.5	3.2	7.3	7.8	10.2	3.2	4.8	14.6	8.1	5.4	17.2
Actuarial Assumption	6.0	6.0	6.0	6.0	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Difference	4.6	6.7	4.0	-16.6	23.0	-3.3	0.8	1.3	3.7	-3.3	-1.7	8.1	1.6	-1.1	10.7

Gross Of Fees

Comparative Performance & 3-Year Rolling Return

Comparative Performance & Rolling Return

As of March 31, 2026



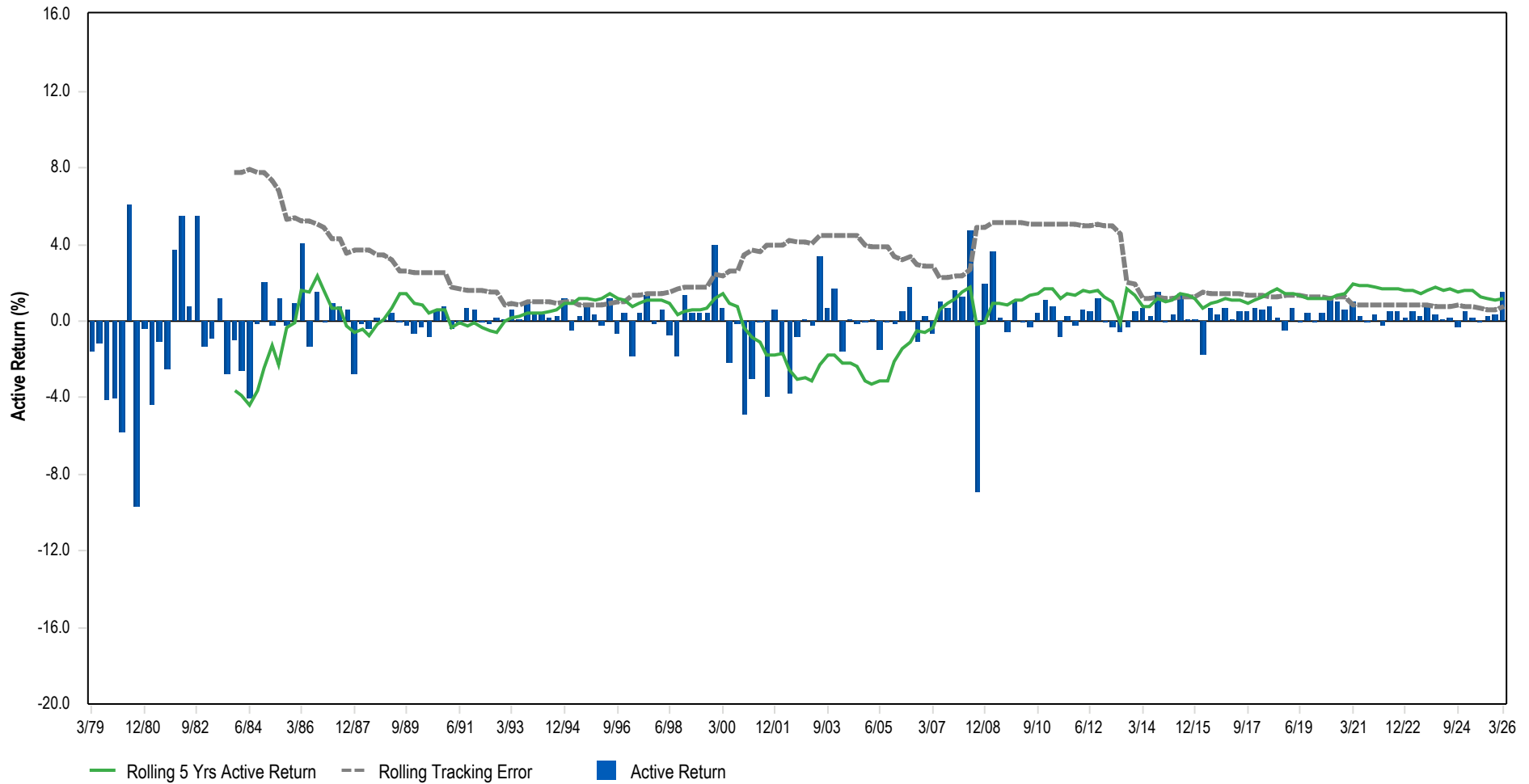
	1 Qtr	Jul-2025 To Mar-2026	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs	Since Inception	Inception Date
Total Plan	0.6	8.0	13.2	9.6	11.7	7.1	6.9	9.0	8.8	8.5	01/01/1979
Custom Index - Target*	-0.9	5.8	11.0	8.3	10.3	5.6	5.6	7.4	7.1	8.6	
<i>Difference</i>	1.5	2.2	2.2	1.3	1.4	1.5	1.3	1.6	1.7	-0.1	

*Please see Appendix for Custom Policy Index historical allocations.

Comparative Performance & 5-Year Rolling Return

Comparative Performance & Rolling Return

As of March 31, 2026



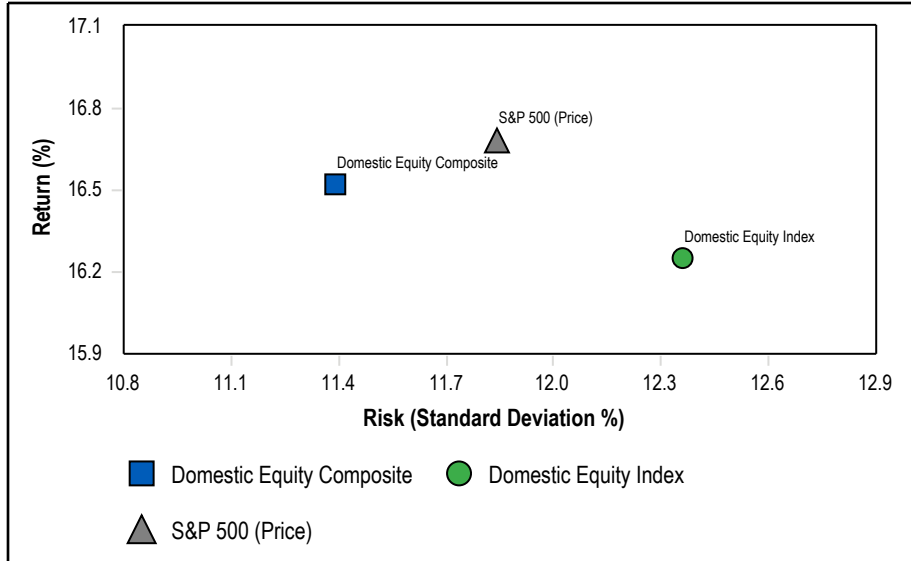
	1 Year Ending Jun-2025	1 Year Ending Jun-2024	1 Year Ending Jun-2023	1 Year Ending Jun-2022	1 Year Ending Jun-2021	1 Year Ending Jun-2020	1 Year Ending Jun-2019	1 Year Ending Jun-2018	1 Year Ending Jun-2017	1 Year Ending Jun-2016	1 Year Ending Jun-2015	1 Year Ending Jun-2014	1 Year Ending Jun-2013	1 Year Ending Jun-2012	1 Year Ending Jun-2011
Total Plan	10.6	12.7	10.0	-10.6	29.5	3.2	7.3	7.8	10.2	3.2	4.8	14.6	8.1	5.4	17.2
Custom Index - Target*	10.3	11.2	8.5	-11.1	26.0	1.1	7.1	5.1	8.5	4.0	1.4	13.3	8.0	4.3	15.7
Difference	0.3	1.5	1.6	0.5	3.4	2.1	0.2	2.7	1.7	-0.9	3.4	1.2	0.1	1.2	1.5

*Please see Appendix for Custom Policy Index historical allocations.

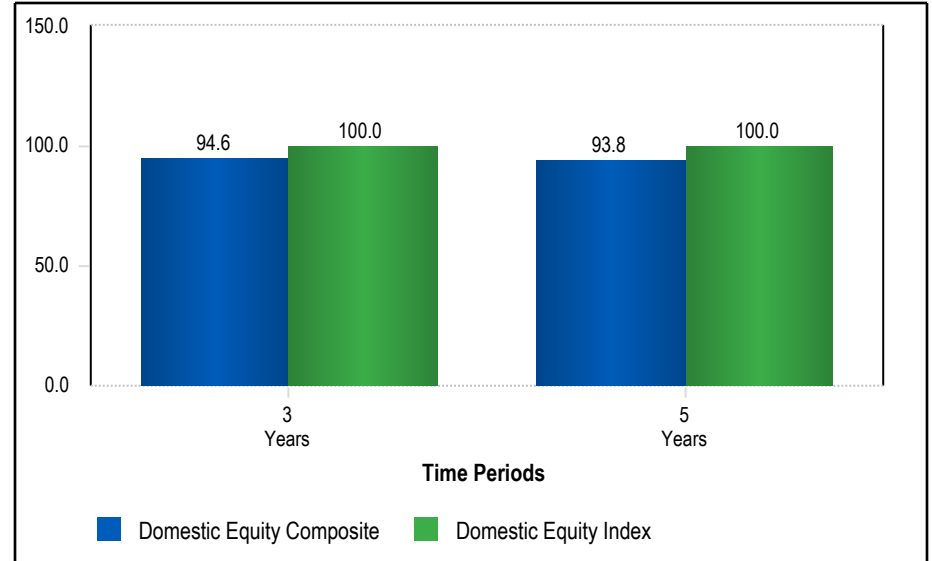
Domestic Equity Composite

CITY OF SACRAMENTO
As of March 31, 2026
Risk & Return/Market Capture Multi Report

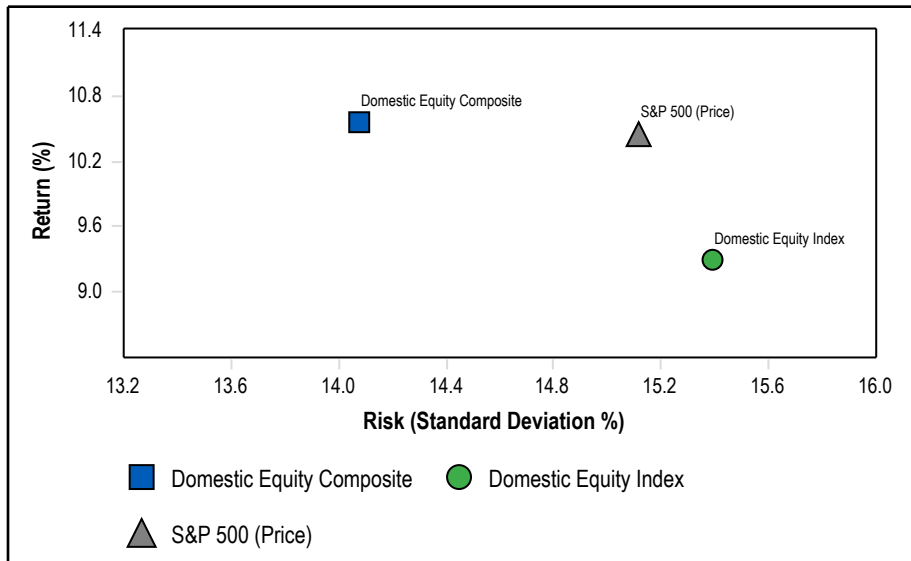
3-Year Risk and Return



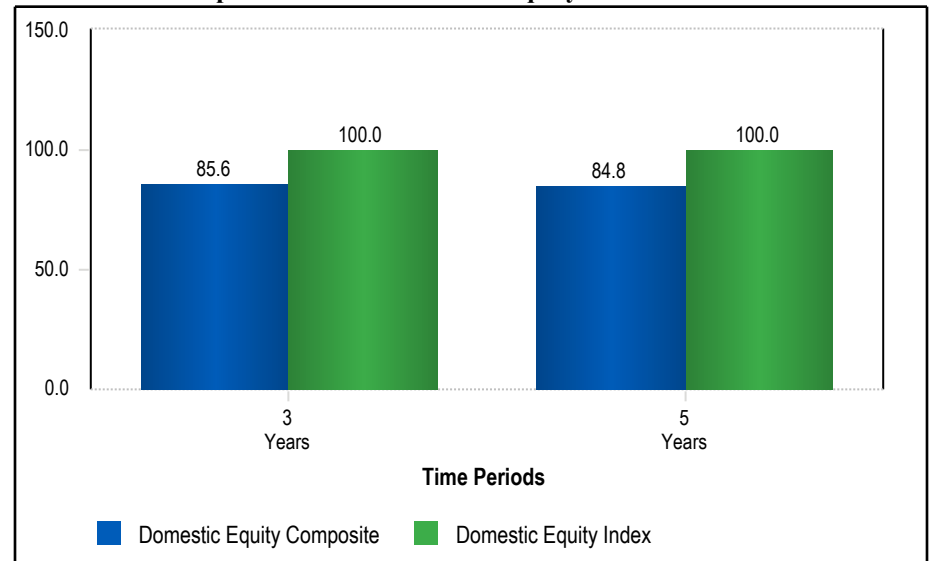
Up Market Capture Ratio vs. Domestic Equity Index



5-Year Risk and Return



Down Market Capture Ratio vs. Domestic Equity Index



Gross of fees

*Please see Appendix for Custom Policy Index historical allocations.

CITY OF SACRAMENTO

Buy and Hold Sector Attribution

1 Quarter Ending December 31, 2025

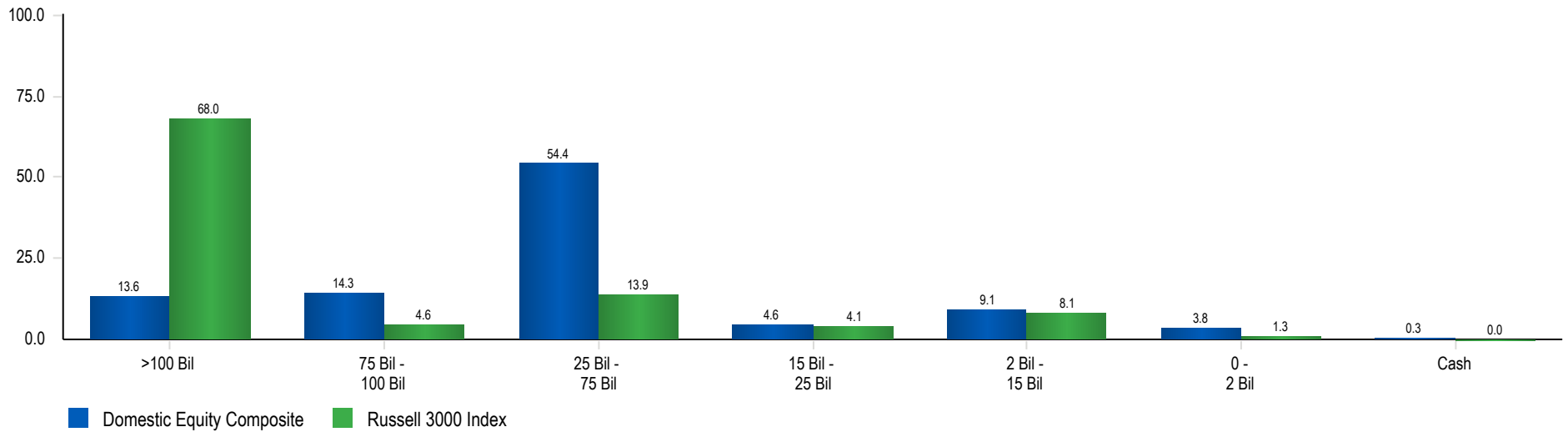
Buy and Hold Portfolio	3.4
Portfolio Trading	0.1
Actual Return	3.4
Benchmark Return	2.4
Actual Active Return	1.0
Stock Selection	4.0
Sector Selection	0.6
Interaction	-3.7
Total Selection	1.0
Portfolio Trading	0.1
Benchmark Trading	0.0
Active Trading Impact	0.1
Buy and Hold Active Return	1.0

	Allocation-10/01/2025		Performance-1 Quarter Ending December 31, 2025				Attribution		
	Portfolio	Benchmark	Portfolio	Benchmark	Stock	Sector	Interaction	Total	
Communication Services	1.4	9.7	11.6	6.0	0.5	-0.3	-0.5	-0.2	
Consumer Discretionary	1.2	10.7	-4.4	0.3	-0.5	0.2	0.4	0.1	
Consumer Staples	1.0	4.7	6.7	-0.5	0.3	0.1	-0.3	0.2	
Energy	0.0	3.0	0.0	1.1	0.0	0.0	0.0	0.0	
Financials	2.6	14.0	5.5	2.1	0.5	0.0	-0.4	0.1	
Health Care	0.4	9.3	26.5	11.7	1.4	-0.8	-1.3	-0.8	
Industrials	1.8	9.5	2.8	1.0	0.2	0.1	-0.1	0.1	
Information Technology	1.3	32.2	6.2	1.1	1.6	0.4	-1.6	0.5	
Materials	0.0	2.2	0.0	2.6	0.0	0.0	0.0	0.0	
Real Estate	0.0	2.4	0.0	-2.3	0.0	0.1	0.0	0.1	
Utilities	0.0	2.3	0.0	-1.5	0.0	0.1	0.0	0.1	
Other	90.1	0.0	3.1	0.0	0.0	0.7	0.0	0.7	
Cash	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total	100.0	100.0	3.4	2.4	4.0	0.6	-3.7	1.0	

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$)	171,999,363,235	1,241,453,699,735
Median Mkt. Cap (\$)	69,759,261,000	2,333,385,570
Price/Earnings ratio	24.2	27.4
Price/Book ratio	5.3	4.8
5 Yr. EPS Growth Rate (%)	12.4	25.2
Current Yield (%)	1.5	1.2
Beta (5 Years, Monthly)	0.9	1.0
Number of Stocks	40	2,966

Distribution of Market Capitalization (%)



*Number of stocks includes underlying ETF holdings. Actual number of stocks & ETF's = 80

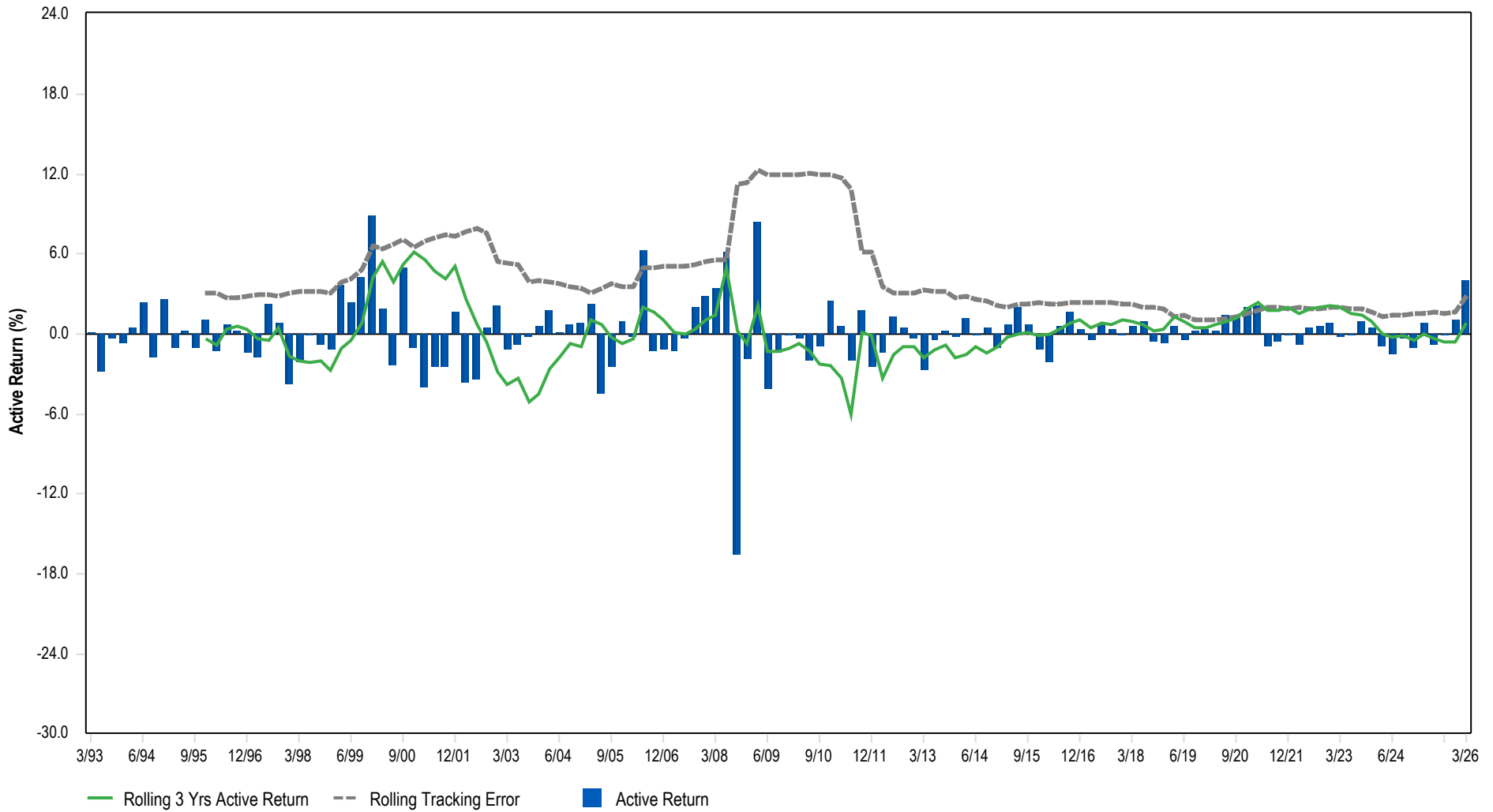
Large Cap Growth

	Mar-2026		Dec-2025		
Segments	Market Value (\$)	Allocation (%)	Segments	Market Value (\$)	Allocation (%)
Domestic Equity	33,880,343	47.3	Domestic Equity	71,979,643	99.6
Cash Equivalent	37,795,632	52.7	Cash Equivalent	255,858	0.4

Comparative Performance & 3-Year Rolling Return

Comparative Performance & Rolling Return

As of March 31, 2026



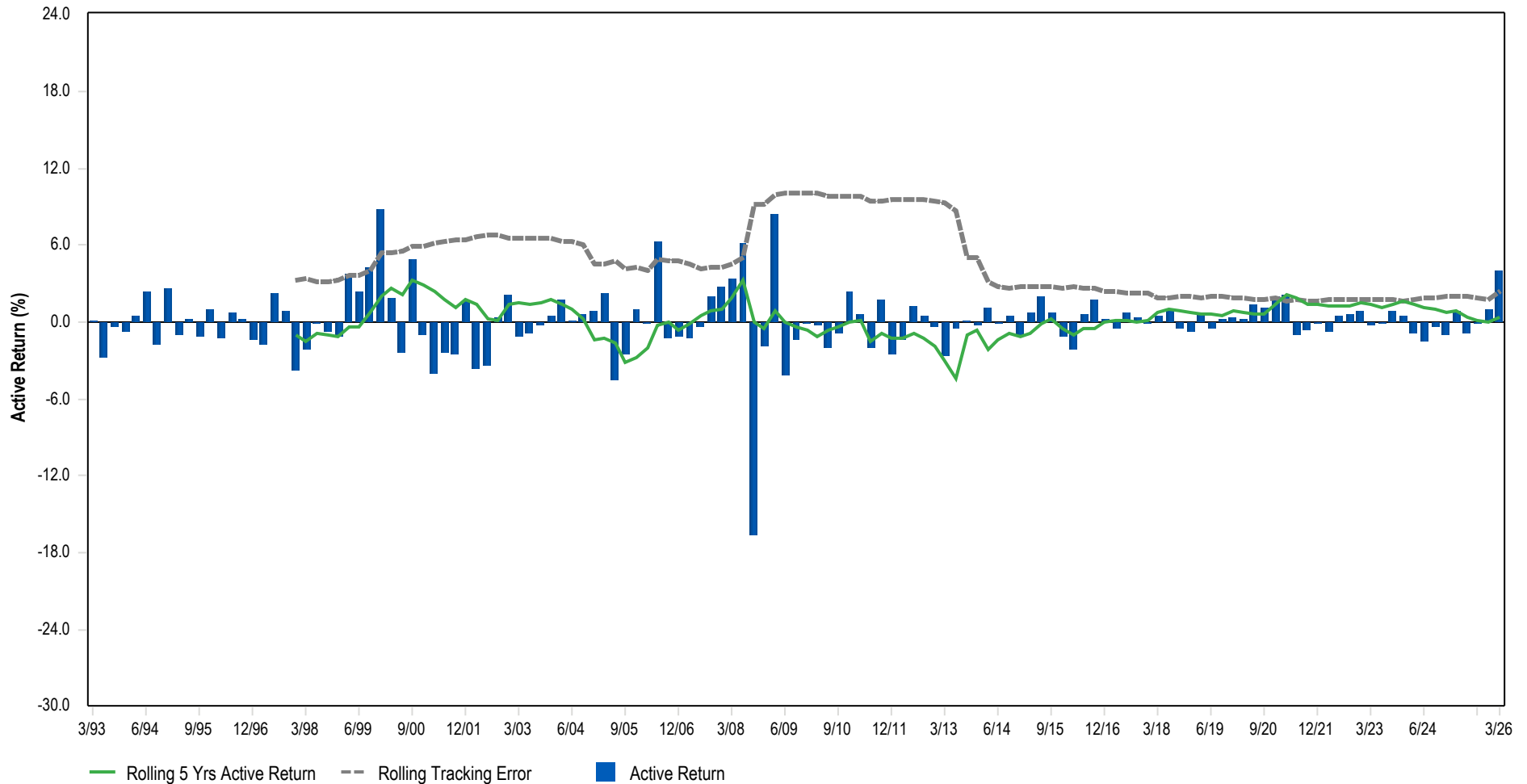
	1 Qtr	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs	Since Inception	Inception Date
Large Cap Growth	-0.6	21.5	12.8	17.8	10.9	11.0	14.1	13.6	7.8	12/01/1992
Large Cap Index*	-4.6	16.3	11.5	16.7	9.6	10.4	12.7	12.2	7.8	
<i>Difference</i>	4.0	5.2	1.3	1.1	1.3	0.5	1.4	1.4	0.0	

*Please see Appendix for Custom Policy Index historical allocations.

Comparative Performance & 5-Year Rolling Return

Comparative Performance & Rolling Return

As of March 31, 2026

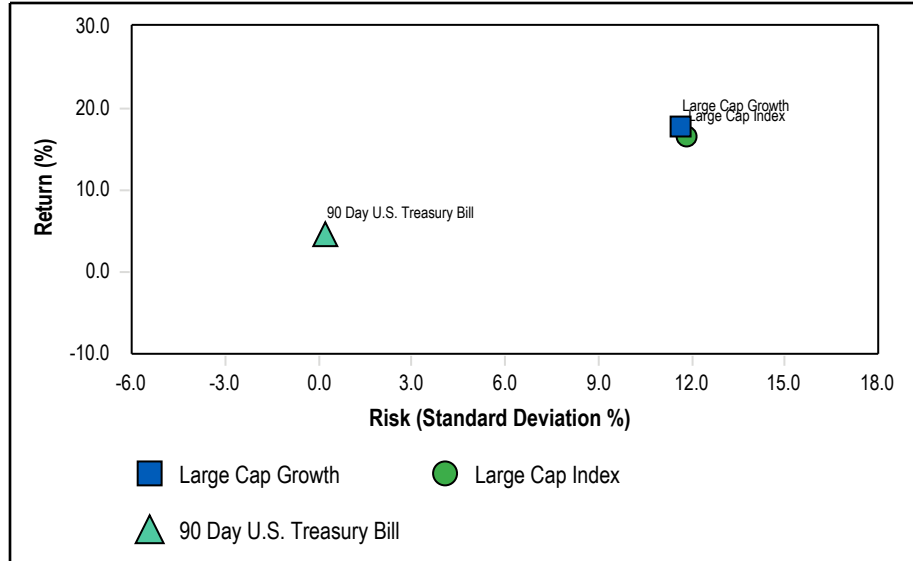


	1 Year Ending Jun-2024	1 Year Ending Jun-2023	1 Year Ending Jun-2022	1 Year Ending Jun-2021	1 Year Ending Jun-2020	1 Year Ending Jun-2019	1 Year Ending Jun-2018	1 Year Ending Jun-2017	1 Year Ending Jun-2016	1 Year Ending Jun-2015	1 Year Ending Jun-2014	1 Year Ending Jun-2013	1 Year Ending Jun-2012	1 Year Ending Jun-2011
Large Cap Growth	21.5	19.1	-12.7	44.1	7.5	6.9	14.1	18.0	-0.2	7.5	23.2	14.7	2.9	28.0
Large Cap Index*	22.7	17.6	-11.9	38.6	5.4	8.2	12.2	15.5	1.7	5.2	22.0	17.9	3.1	28.1
<i>Difference</i>	-1.2	1.5	-0.8	5.5	2.1	-1.3	1.9	2.5	-1.9	2.3	1.1	-3.2	-0.2	-0.1

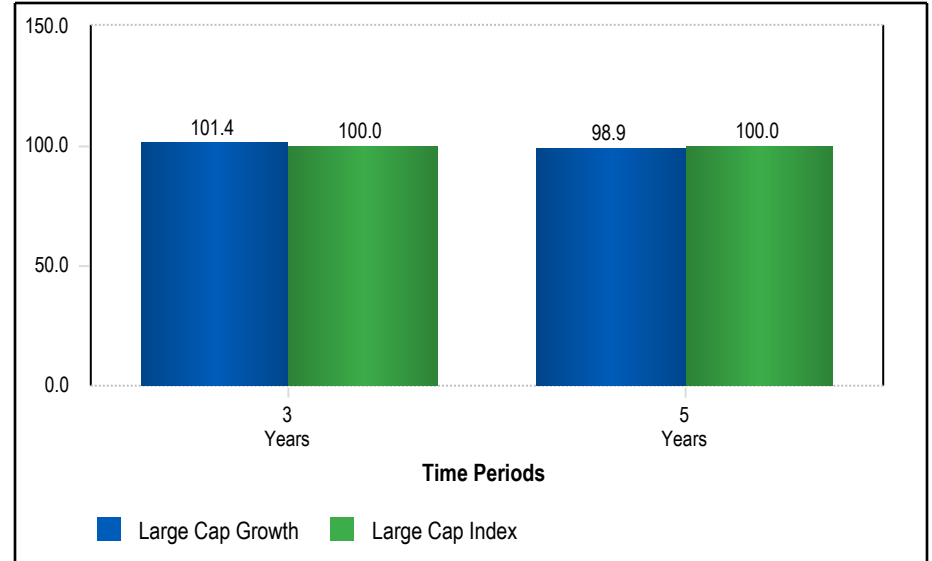
*Please see Appendix for Custom Policy Index historical allocations.

CITY OF SACRAMENTO
As of March 31, 2026
Risk & Return/Market Capture Multi Report

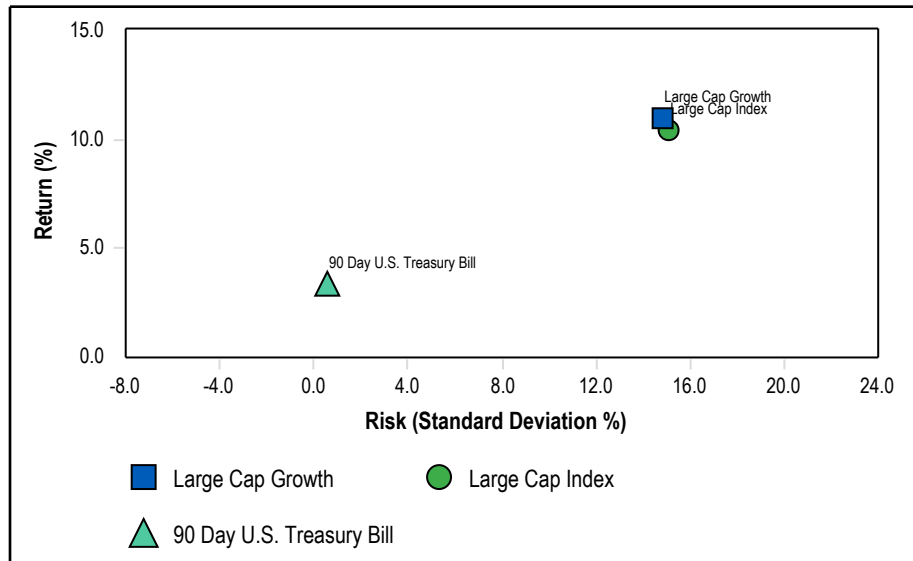
3-Year Risk and Return



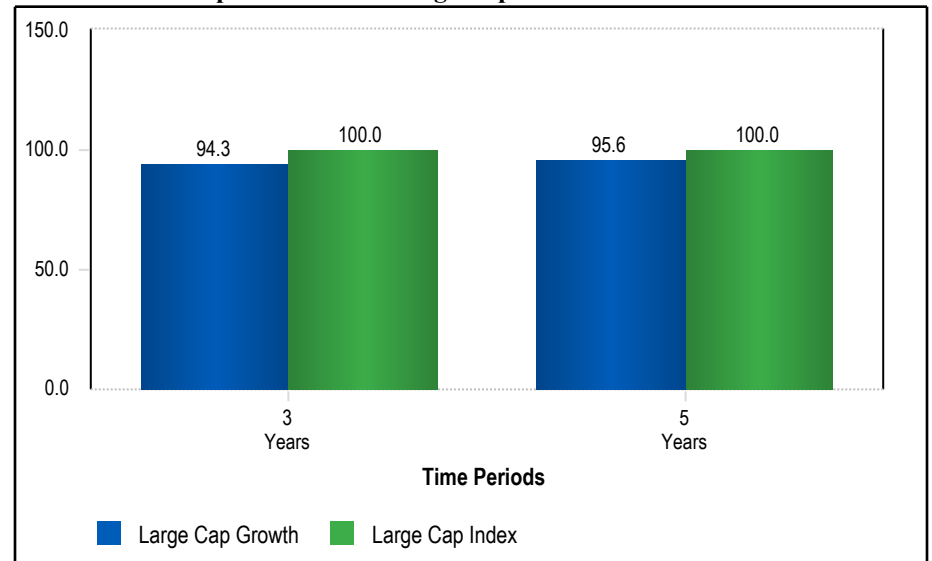
Up Market Capture Ratio vs. Large Cap Index



5-Year Risk and Return



Down Market Capture Ratio vs. Large Cap Index



Gross of fees

CITY OF SACRAMENTO

Buy and Hold Sector Attribution

1 Quarter Ending March 31, 2026

Buy and Hold Portfolio	-2.5
Portfolio Trading	1.9
Actual Return	-0.6
Benchmark Return	-4.3
Actual Active Return	3.7
Stock Selection	0.0
Sector Selection	1.9
Interaction	-0.1
Total Selection	1.8
Portfolio Trading	1.9
Benchmark Trading	0.0
Active Trading Impact	1.9
Buy and Hold Active Return	3.7

	Allocation-01/01/2026		Performance-1 Quarter Ending March 31, 2026		Stock	Attribution			Total
	Portfolio	Benchmark	Portfolio	Benchmark		Sector	Interaction		
Communication Services	2.5	10.6	-10.8	-6.9	-0.4	0.2	0.3	0.1	
Consumer Discretionary	1.1	10.4	-9.8	-9.2	-0.1	0.5	0.1	0.4	
Consumer Staples	0.0	4.7	0.0	7.7	0.0	-0.6	0.0	-0.6	
Energy	0.0	2.8	0.0	38.3	0.0	-1.2	0.0	-1.2	
Financials	1.3	13.4	-12.3	-9.3	-0.4	0.6	0.4	0.6	
Health Care	0.0	9.6	0.0	-4.9	0.0	0.1	0.0	0.1	
Industrials	0.0	8.2	0.0	4.7	0.0	-0.7	0.0	-0.7	
Information Technology	1.4	34.4	-6.6	-9.2	0.9	1.6	-0.9	1.6	
Materials	0.0	1.8	0.0	9.7	0.0	-0.3	0.0	-0.3	
Real Estate	0.0	1.8	0.0	2.8	0.0	-0.1	0.0	-0.1	
Utilities	0.0	2.2	0.0	8.3	0.0	-0.3	0.0	-0.3	
Other	93.4	0.0	-2.0	0.0	0.0	2.2	0.0	2.2	
Cash	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total	100.0	100.0	-2.5	-4.3	0.0	1.9	-0.1	1.8	

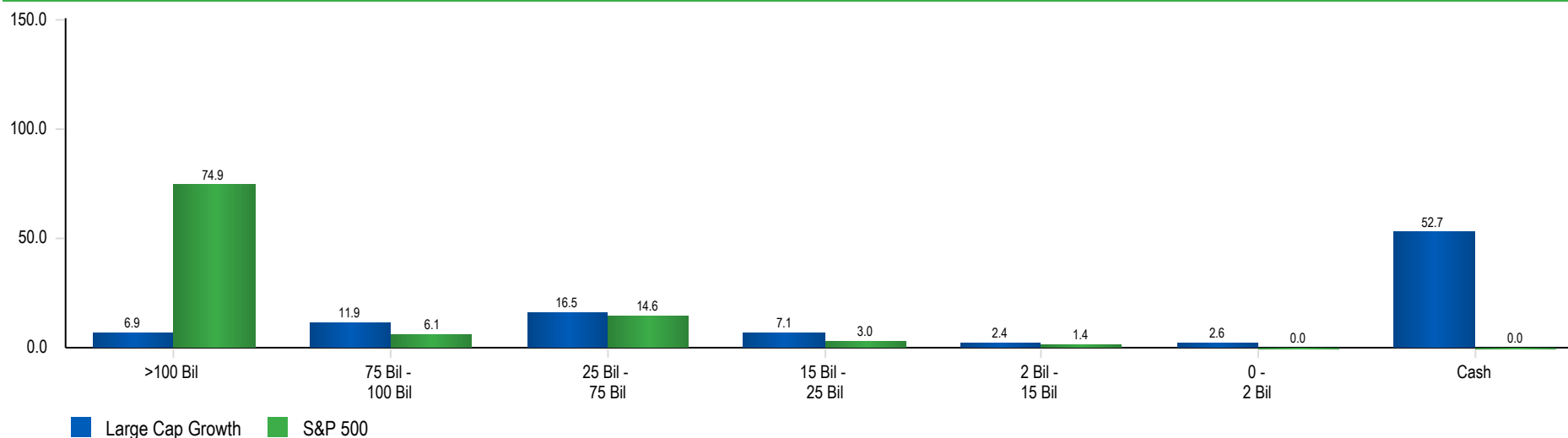
Buy and Hold Portfolio	-2.5
Portfolio Trading	1.9
Actual Return	-0.6
Benchmark Return	-4.3
Actual Active Return	3.7
Stock Selection	-1.9
Style Selection	3.4
Interaction	0.3
Total Selection	1.8
Portfolio Trading	1.9
Benchmark Trading	0.0
Active Trading Impact	1.9
Buy and Hold Active Return	3.7

	Allocation-01/01/2026		Performance-1 Quarter Ending March 31, 2026				Attribution		Total
	Portfolio	Benchmark	Portfolio	Benchmark	Stock	Style	Interaction		
Cash	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Large Growth	2.7	34.0	-9.4	-7.4	-0.7	0.9	0.6	0.9	
Large Neutral	3.5	31.0	-10.5	-6.9	-1.1	0.7	1.0	0.6	
Large Value	0.0	18.3	0.0	0.8	0.0	-0.9	0.0	-0.9	
Mid Growth	0.0	1.9	0.0	-1.7	0.0	-0.1	0.0	-0.1	
Mid Neutral	0.0	2.7	0.0	-5.6	0.0	0.0	0.0	0.0	
Mid Value	0.0	7.8	0.0	4.5	0.0	-0.7	0.0	-0.7	
Unclassified	93.4	4.4	-2.0	-0.5	-0.1	3.4	-1.3	2.0	
Total	100.0	100.0	-2.5	-4.3	-1.9	3.4	0.3	1.8	

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$)	107,875,696,593	1,210,417,602,450
Median Mkt. Cap (\$)	40,924,882,800	39,753,045,660
Price/Earnings ratio	28.3	26.2
Price/Book ratio	10.7	4.9
5 Yr. EPS Growth Rate (%)	22.6	25.8
Current Yield (%)	1.2	1.2
Beta (5 Years, Monthly)	1.0	1.0
Number of Stocks*	24	503

Distribution of Market Capitalization (%)



*ETF investments and their underlying holdings are represented as one stock position in the Funds Portfolio Characteristics, "Number of Stocks".

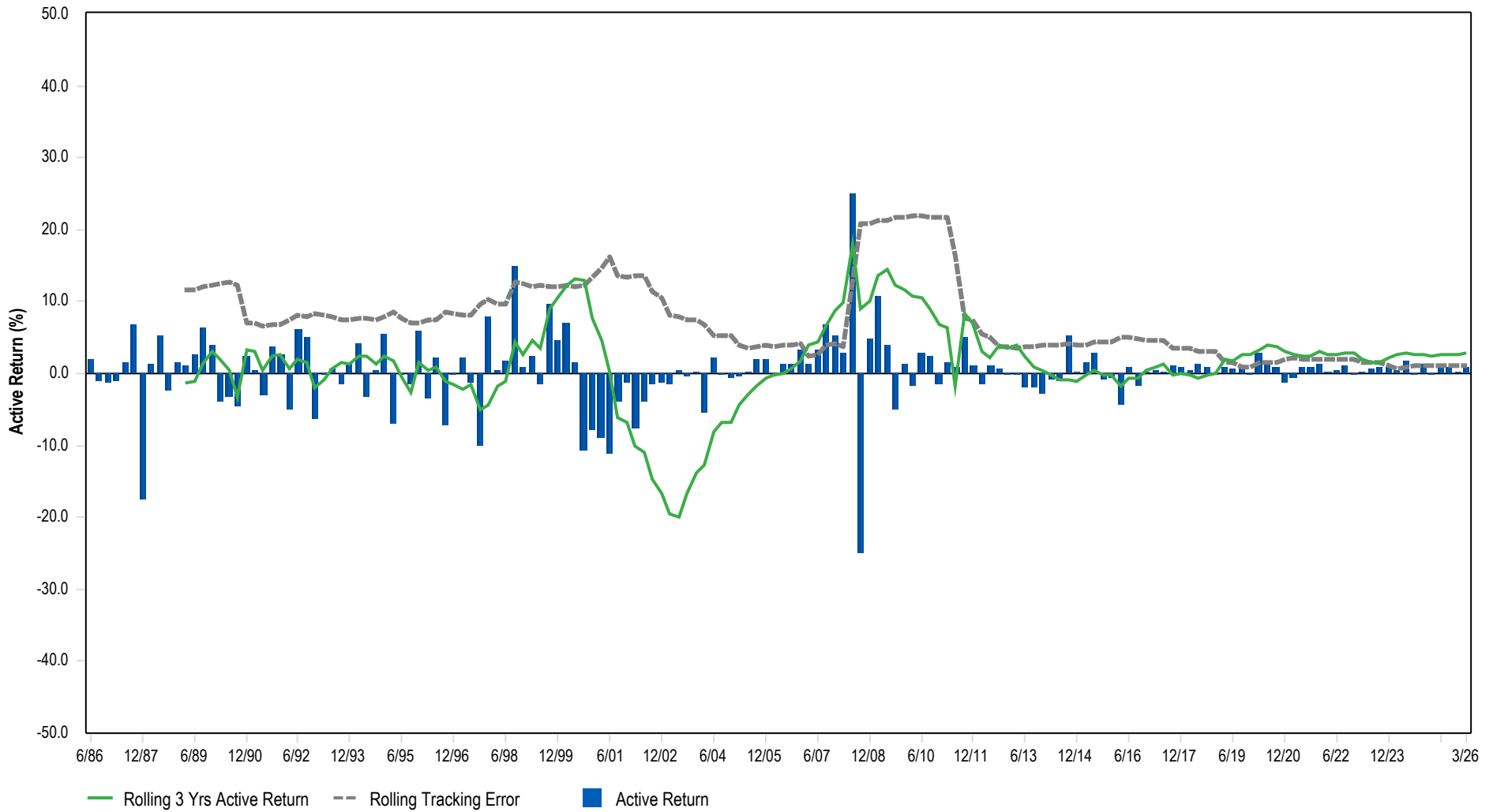
SCERS Equity Income

	Mar-2026			Dec-2025	
Segments	Market Value (\$)	Allocation (%)	Segments	Market Value (\$)	Allocation (%)
Domestic Equity	35,297,773	47.7	Domestic Equity	77,497,866	99.7
Cash Equivalent	38,676,522	52.3	Cash Equivalent	200,816	0.3

Comparative Performance & 3-Year Rolling Return

Comparative Performance & Rolling Return

As of March 31, 2026



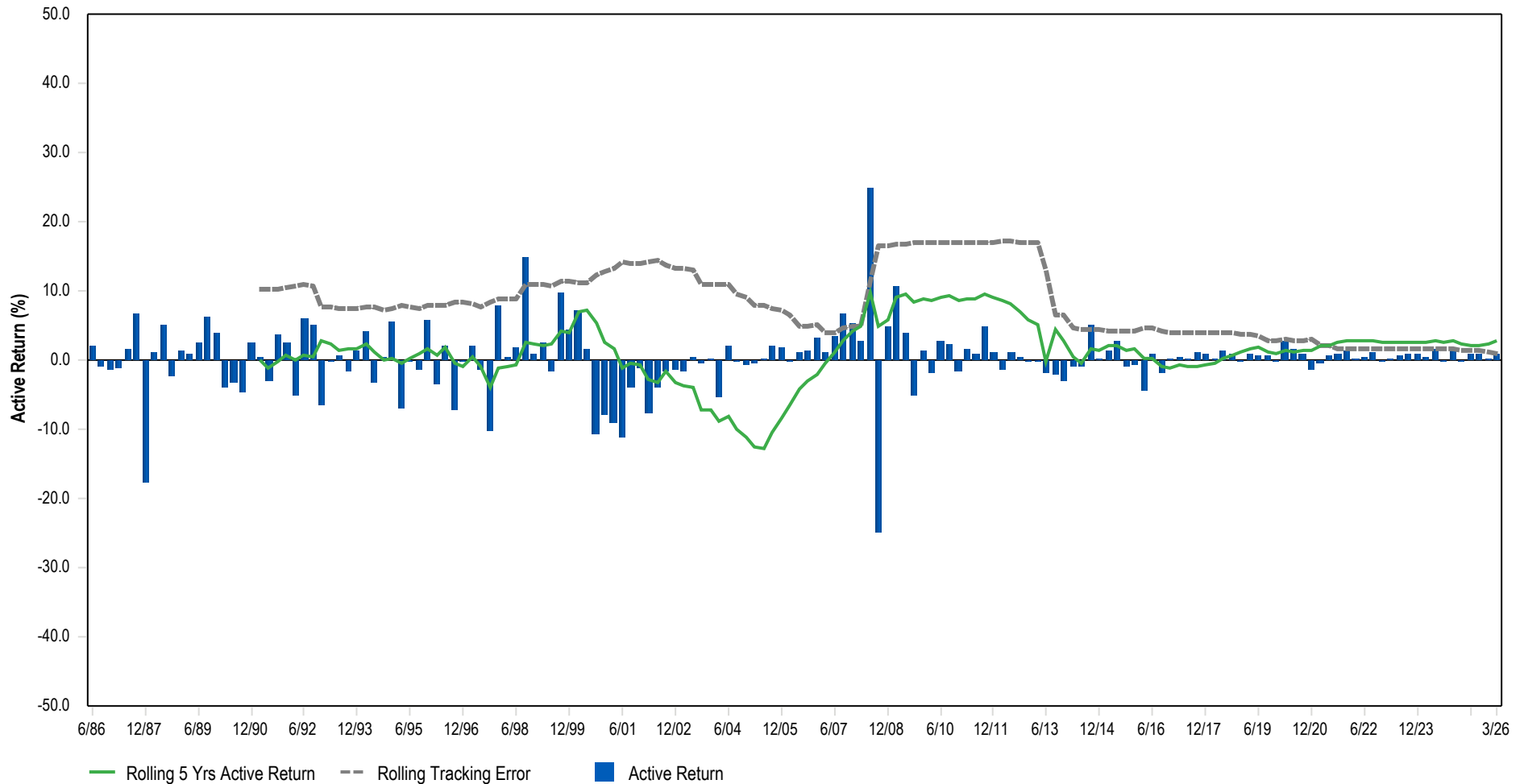
	1 Qtr	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs	Since Inception	Inception Date
SCERS Equity Income	2.6	17.0	12.4	15.1	9.3	10.0	11.2	10.8	9.4	04/01/1986
SCERS Equity Income Index*	1.6	13.6	9.2	11.9	6.5	7.1	8.2	8.1	7.9	
<i>Difference</i>	<i>1.0</i>	<i>3.4</i>	<i>3.2</i>	<i>3.2</i>	<i>2.8</i>	<i>2.9</i>	<i>3.0</i>	<i>2.7</i>	<i>1.5</i>	

*Please see Appendix for Custom Policy Index historical allocations.

Comparative Performance & 5-Year Rolling Return

Comparative Performance & Rolling Return

As of March 31, 2026

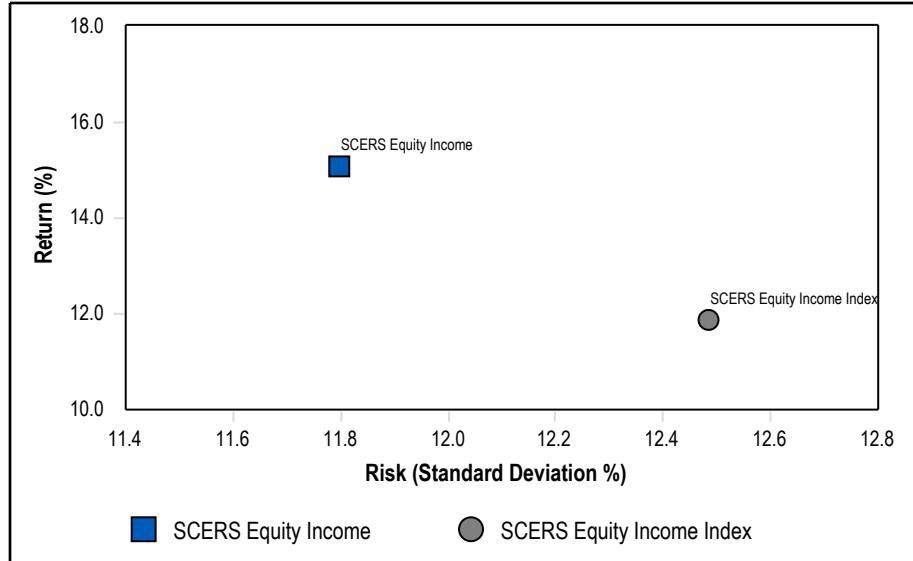


	1 Year Ending Jun-2024	1 Year Ending Jun-2023	1 Year Ending Jun-2022	1 Year Ending Jun-2021	1 Year Ending Jun-2020	1 Year Ending Jun-2019	1 Year Ending Jun-2018	1 Year Ending Jun-2017	1 Year Ending Jun-2016	1 Year Ending Jun-2015	1 Year Ending Jun-2014	1 Year Ending Jun-2013	1 Year Ending Jun-2012	1 Year Ending Jun-2011
SCERS Equity Income	14.8	11.1	-6.0	40.4	-5.7	8.0	8.1	11.7	8.0	7.8	12.4	12.0	12.6	28.7
SCERS Equity Income Index*	10.5	9.0	-8.7	40.6	-11.3	5.7	4.2	12.7	13.4	-2.3	20.1	13.9	6.0	24.8
<i>Difference</i>	4.4	2.2	2.7	-0.1	5.6	2.4	3.9	-1.0	-5.4	10.1	-7.7	-2.0	6.6	3.9

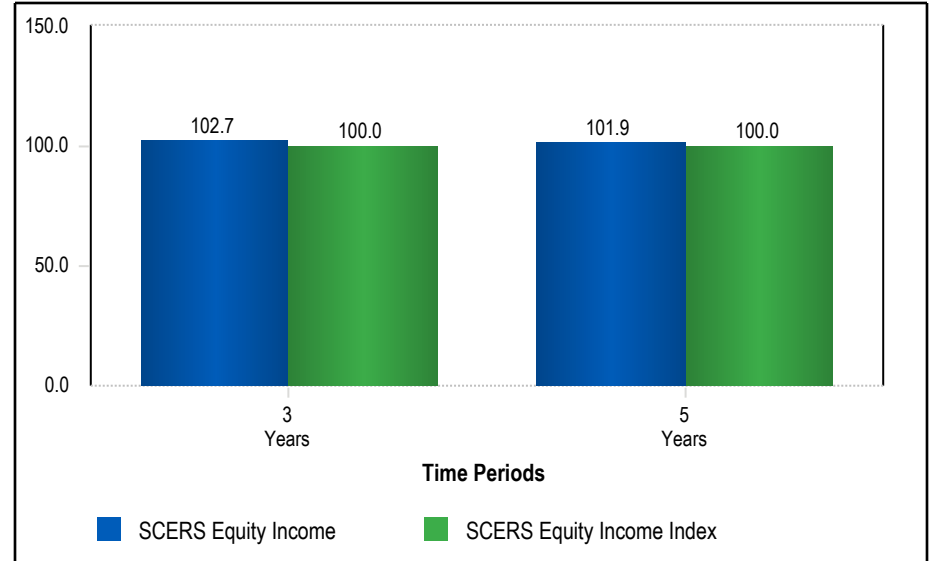
*Please see Appendix for Custom Policy Index historical allocations.

CITY OF SACRAMENTO
As of March 31, 2026
Peer Group Scattergram/Market Capture Multi Report

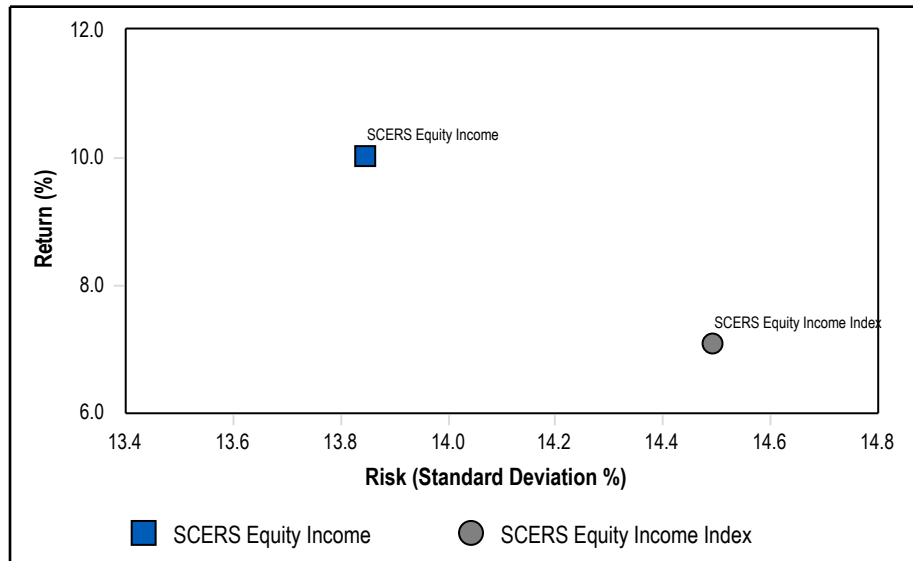
3-Year Risk and Return



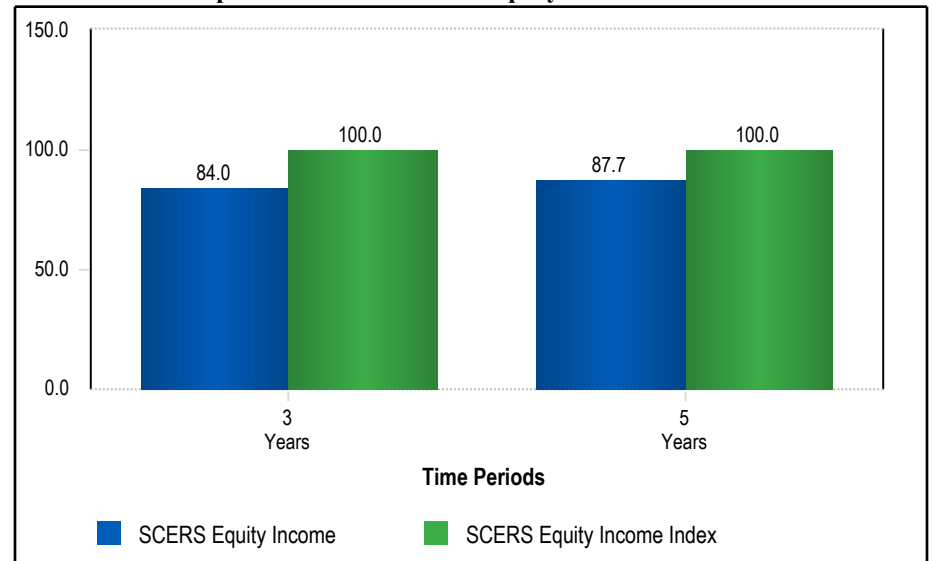
Up Market Capture Ratio vs. SCERS Equity Income Index



5-Year Risk and Return



Down Market Capture Ratio vs. SCERS Equity Income Index



Gross of fees

CITY OF SACRAMENTO

Buy and Hold Sector Attribution

1 Quarter Ending March 31, 2026

Buy and Hold Portfolio	1.7
Portfolio Trading	0.9
Actual Return	2.6
Benchmark Return	2.1
Actual Active Return	0.5
Stock Selection	0.6
Sector Selection	-0.6
Interaction	-0.5
Total Selection	-0.4
Portfolio Trading	0.9
Benchmark Trading	0.0
Active Trading Impact	0.9
Buy and Hold Active Return	0.5

	Allocation-01/01/2026		Performance-1 Quarter Ending March 31, 2026		Stock	Sector	Attribution		Total
	Portfolio	Benchmark	Portfolio	Benchmark			Interaction		
Communication Services	0.0	8.5	0.0	-3.8	0.0	0.5	0.0	0.5	
Consumer Discretionary	1.0	7.4	-3.8	-4.5	0.1	0.4	0.0	0.4	
Consumer Staples	1.2	7.2	11.8	6.6	0.4	-0.3	-0.3	-0.2	
Energy	0.0	5.7	0.0	38.1	0.0	-2.1	0.0	-2.1	
Financials	3.8	22.3	-8.6	-8.0	-0.1	1.9	0.1	1.8	
Health Care	1.1	12.2	15.1	-2.3	2.1	0.5	-1.9	0.7	
Industrials	3.4	13.0	11.6	5.9	0.8	-0.4	-0.6	-0.2	
Information Technology	1.2	11.3	-17.7	4.6	-2.5	-0.3	2.3	-0.5	
Materials	0.0	4.0	0.0	10.6	0.0	-0.3	0.0	-0.3	
Real Estate	0.0	4.0	0.0	2.1	0.0	0.0	0.0	0.0	
Utilities	0.0	4.4	0.0	9.0	0.0	-0.3	0.0	-0.3	
Other	88.1	0.0	1.8	0.0	0.0	-0.3	0.0	-0.3	
Cash	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total	100.0	100.0	1.7	2.1	0.6	-0.6	-0.5	-0.4	

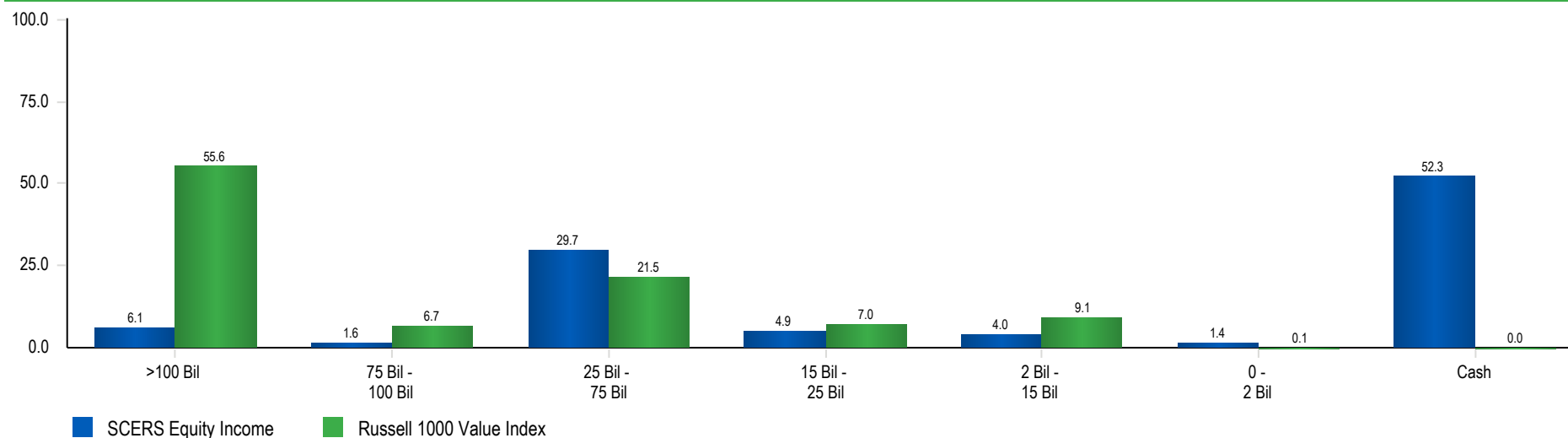
Buy and Hold Portfolio	1.7
Portfolio Trading	0.9
Actual Return	2.6
Benchmark Return	2.1
Actual Active Return	0.5
Stock Selection	-1.6
Style Selection	-1.7
Interaction	2.9
Total Selection	-0.4
Portfolio Trading	0.9
Benchmark Trading	0.0
Active Trading Impact	0.9
Buy and Hold Active Return	0.5

	Allocation-01/01/2026		Performance-1 Quarter Ending March 31, 2026				Attribution		Total
	Portfolio	Benchmark	Portfolio	Benchmark	Stock	Style	Interaction		
Cash	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Large Growth	2.0	3.5	11.0	6.9	0.1	-0.1	-0.1	0.0	
Large Neutral	4.5	26.7	3.4	2.0	0.4	0.0	-0.3	0.1	
Large Value	5.1	34.7	-5.0	1.2	-2.2	0.3	1.8	0.0	
Mid Growth	0.0	1.4	0.0	7.1	0.0	-0.1	0.0	-0.1	
Mid Neutral	0.0	6.9	0.0	1.6	0.0	0.0	0.0	0.0	
Mid Value	0.0	20.7	0.0	3.5	0.0	-0.3	0.0	-0.3	
Small Growth	0.0	0.0	0.0	-9.6	0.0	0.0	0.0	0.0	
Small Neutral	0.0	0.1	0.0	2.8	0.0	0.0	0.0	0.0	
Small Value	0.0	0.8	0.0	-1.1	0.0	0.0	0.0	0.0	
Unclassified	88.1	5.2	1.8	0.1	0.1	-1.7	1.4	-0.2	
Total	100.0	100.0	1.7	2.1	-1.6	-1.7	2.9	-0.4	

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$)	44,514,891,363	360,921,063,604
Median Mkt. Cap (\$)	43,613,934,480	14,508,417,700
Price/Earnings ratio	20.7	21.2
Price/Book ratio	4.0	3.0
5 Yr. EPS Growth Rate (%)	10.2	15.6
Current Yield (%)	1.9	1.9
Beta (5 Years, Monthly)	1.0	1.0
Number of Stocks	28	867

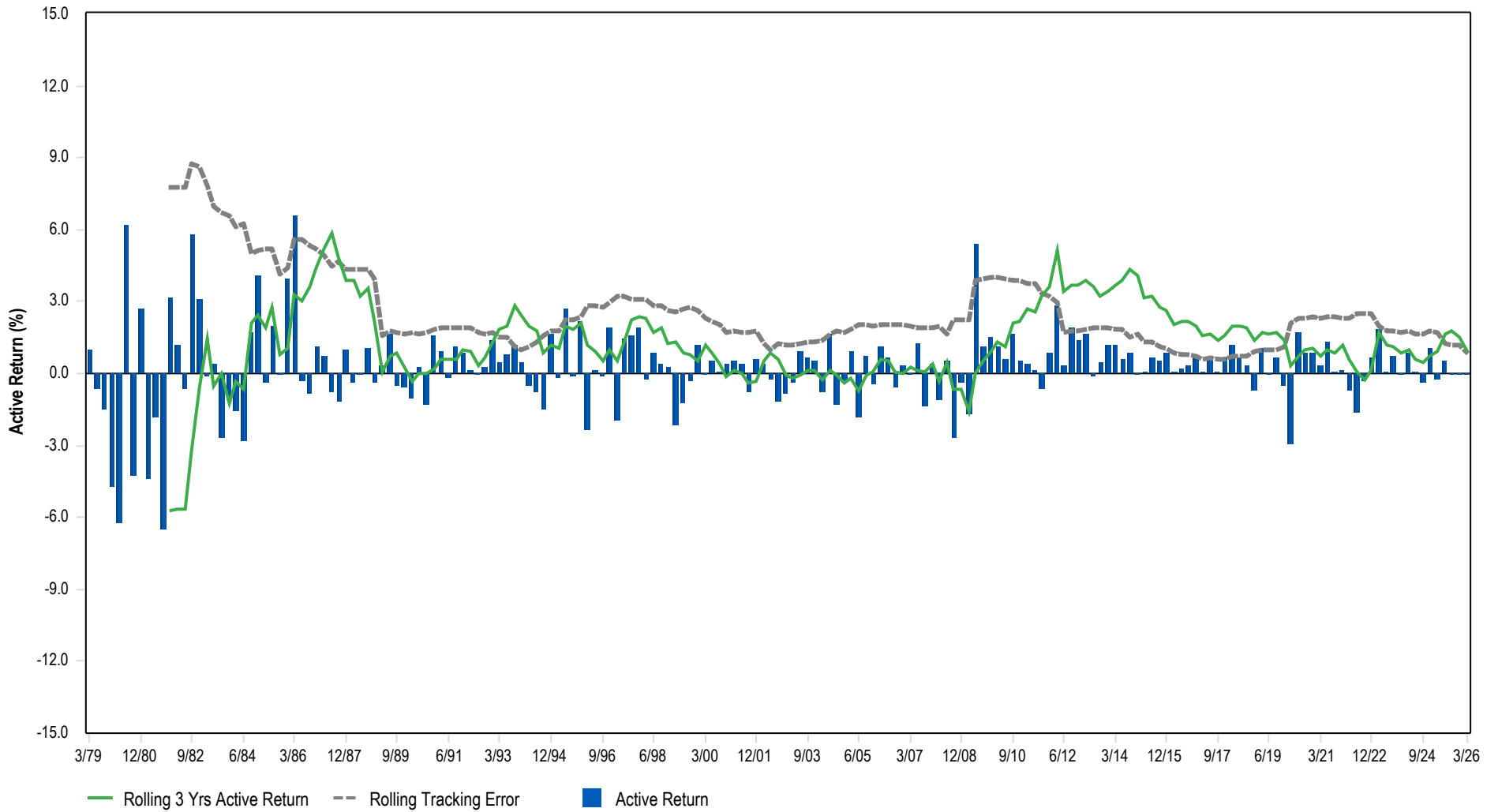
Distribution of Market Capitalization (%)



*ETF investments and their underlying holdings are represented as one stock position in the Funds Portfolio Characteristics, "Number of Stocks".

Fixed Income Portfolio

	Mar-2026		Dec-2025		
Segments	Market Value (\$)	Allocation (%)	Segments	Market Value (\$)	Allocation (%)
Domestic Fixed Income	103,656,344	97.2	Domestic Fixed Income	105,827,163	98.1
Mortgage	2,904,705	2.7	Mortgage	1,804,381	1.7
Cash Equivalent	108,667	0.1	Cash Equivalent	212,496	0.2



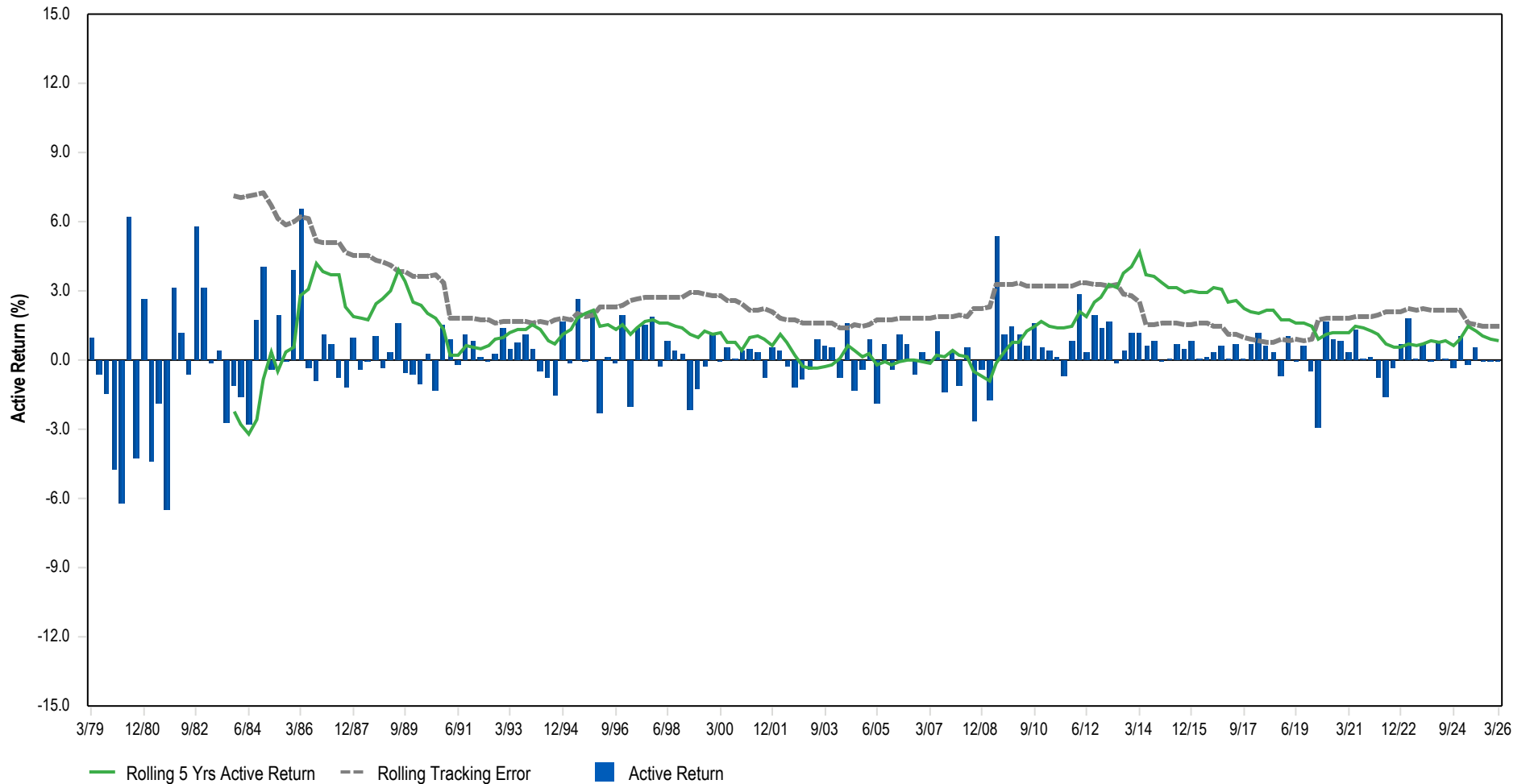
	1 Qtr	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs	Since Inception	Inception Date
Fixed Portfolio	0.0	5.0	5.2	4.6	2.3	1.1	2.3	2.7	7.3	01/01/1979
Fixed Portfolio Index*	0.0	4.3	4.6	3.6	1.5	0.3	1.6	1.7	6.4	
<i>Difference</i>	<i>0.0</i>	<i>0.6</i>	<i>0.6</i>	<i>1.0</i>	<i>0.8</i>	<i>0.8</i>	<i>0.7</i>	<i>1.0</i>	<i>0.9</i>	

*Please see Appendix for Custom Policy Index historical allocations.

Comparative Performance & 5-Year Rolling Return

Comparative Performance & Rolling Return

As of March 31, 2026

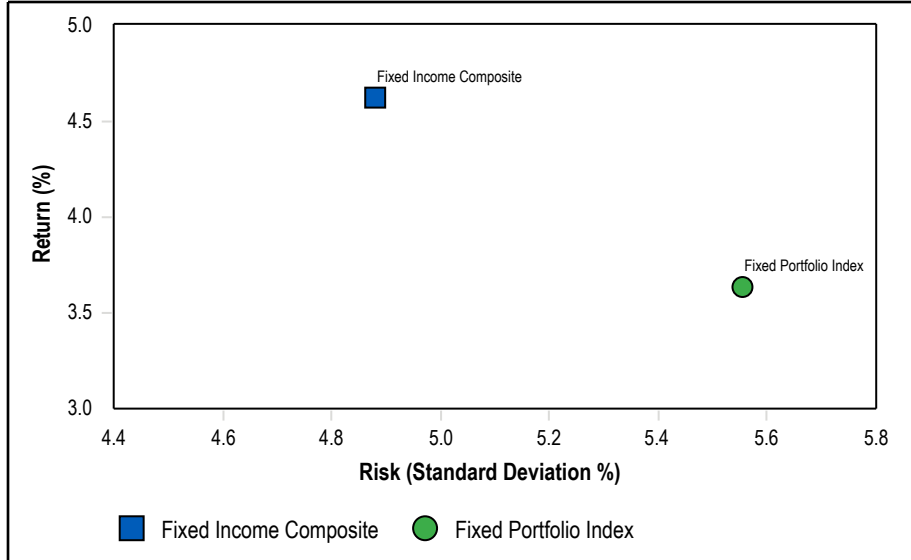


	1 Year Ending Jun-2024	1 Year Ending Jun-2023	1 Year Ending Jun-2022	1 Year Ending Jun-2021	1 Year Ending Jun-2020	1 Year Ending Jun-2019	1 Year Ending Jun-2018	1 Year Ending Jun-2017	1 Year Ending Jun-2016	1 Year Ending Jun-2015	1 Year Ending Jun-2014	1 Year Ending Jun-2013	1 Year Ending Jun-2012	1 Year Ending Jun-2011
Fixed Portfolio	4.4	1.3	-12.4	3.1	7.5	8.5	2.2	1.4	7.7	3.4	7.9	4.1	11.1	6.7
Fixed Portfolio Index*	2.6	-0.9	-10.3	-0.3	8.7	7.9	-0.4	-0.3	6.0	1.9	4.4	-0.7	7.5	3.9
<i>Difference</i>	1.7	2.2	-2.1	3.4	-1.2	0.6	2.6	1.7	1.7	1.6	3.6	4.8	3.6	2.8

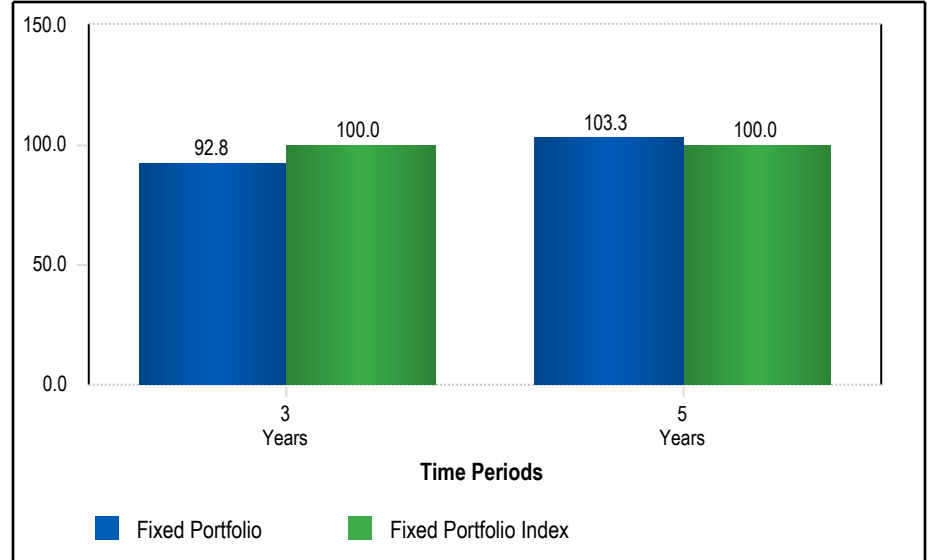
*Please see Appendix for Custom Policy Index historical allocations.

CITY OF SACRAMENTO
As of March 31, 2026
Risk & Return/Market Capture Multi Report

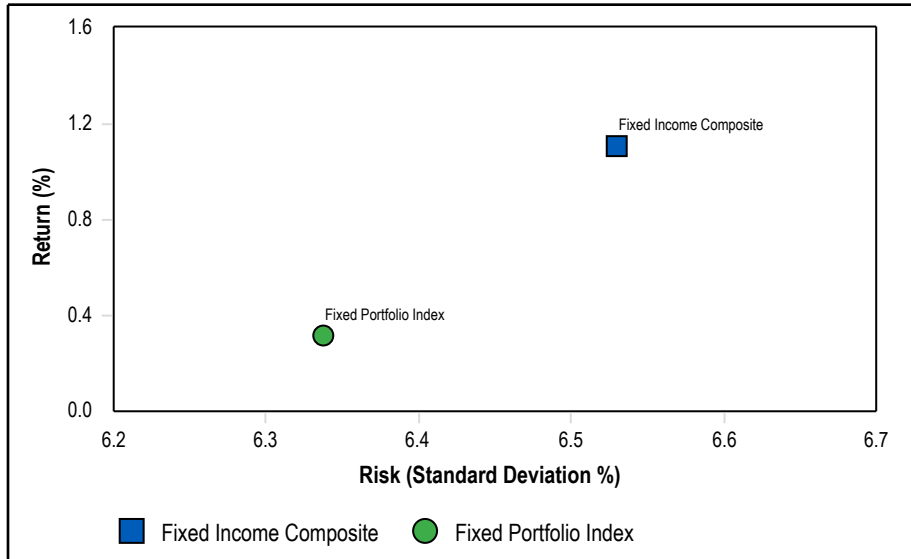
3-Year Risk and Return



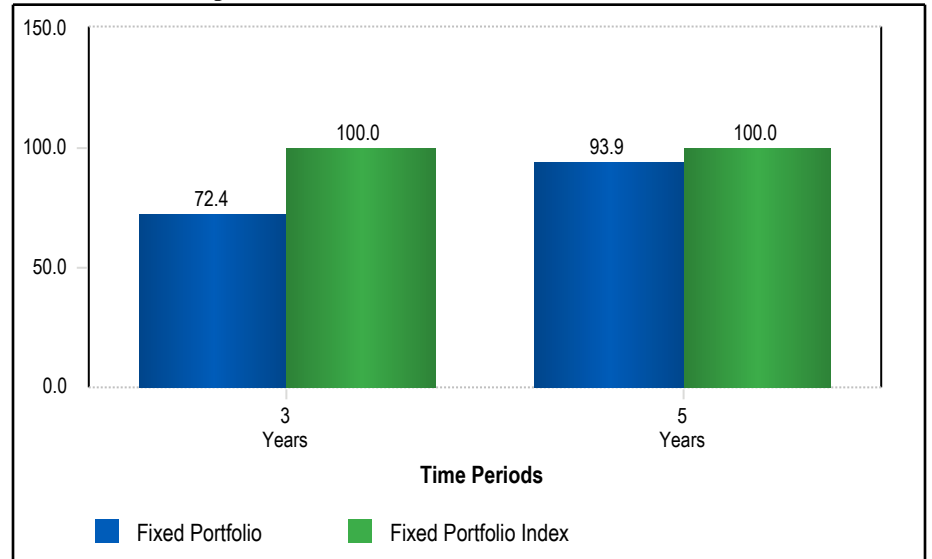
Up Market Capture Ratio vs. Fixed Portfolio Index



5-Year Risk and Return



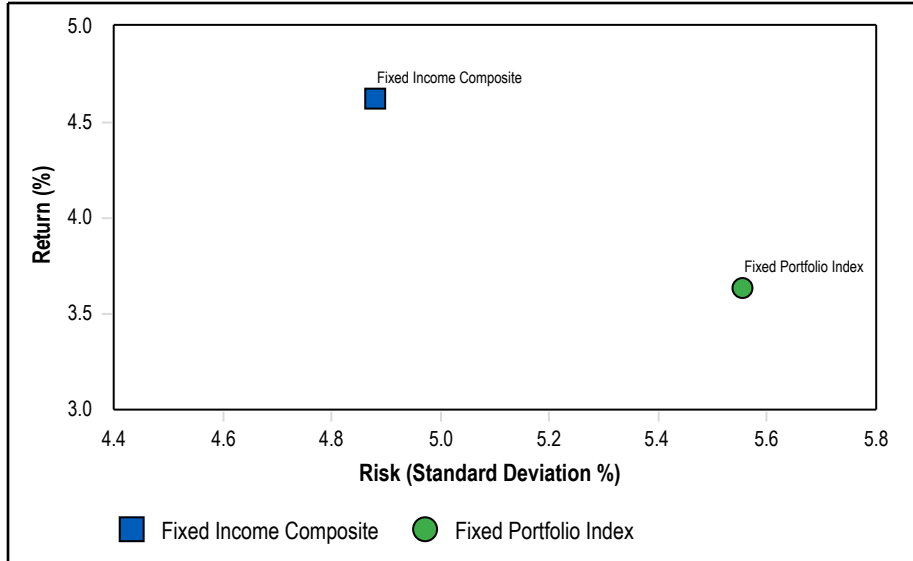
Down Market Capture Ratio vs. Fixed Portfolio Index



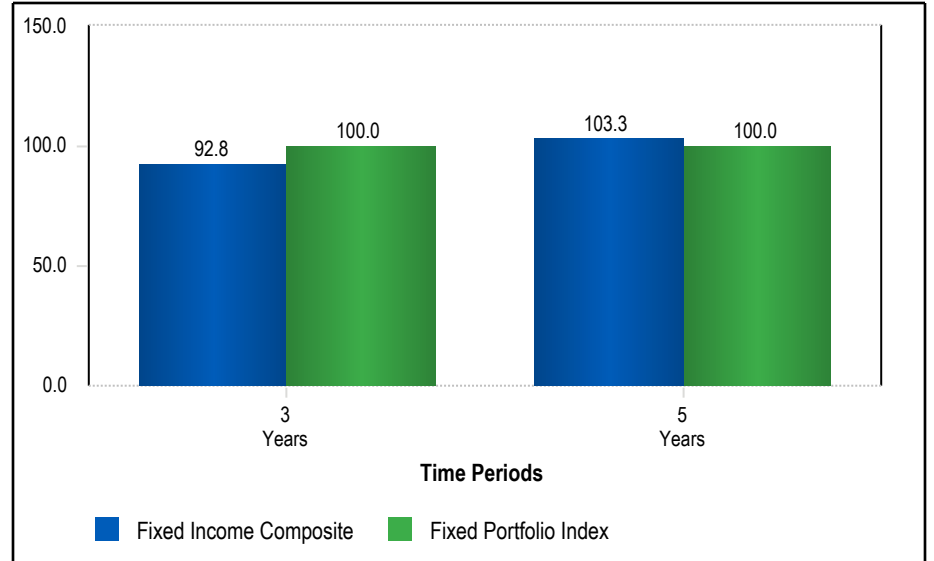
Gross of fees

CITY OF SACRAMENTO
As of March 31, 2026
Risk & Return/Market Capture Multi Report

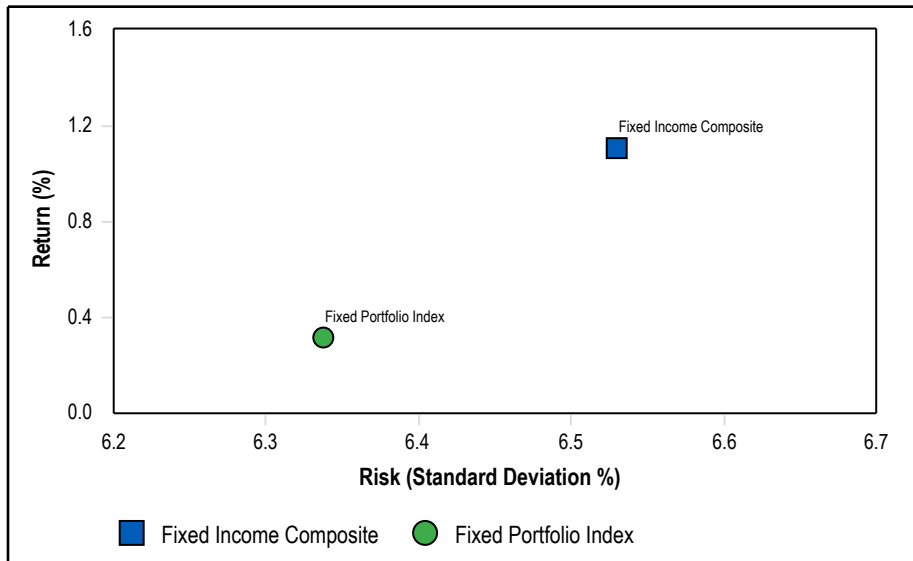
3-Year Risk and Return



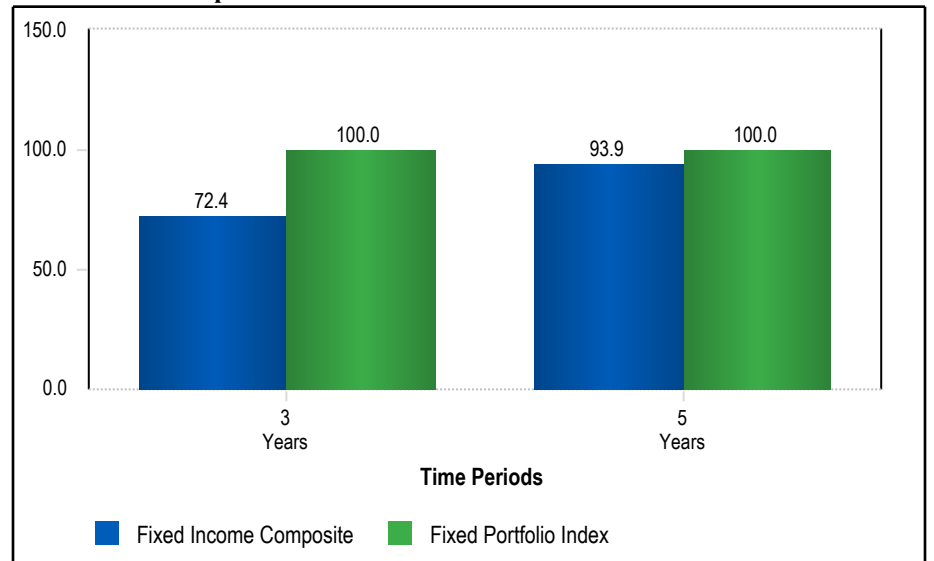
Up Market Capture Ratio vs. Fixed Portfolio Index



5-Year Risk and Return

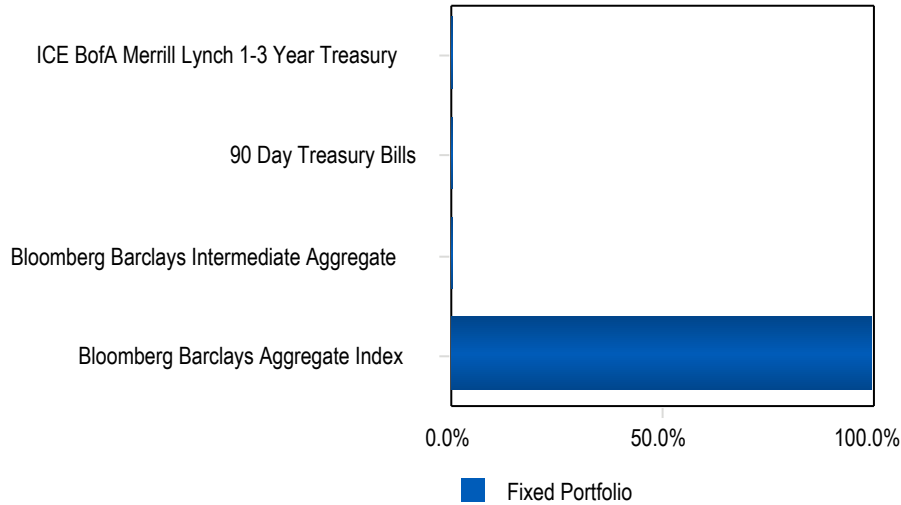


Down Market Capture Ratio vs. Fixed Portfolio Index

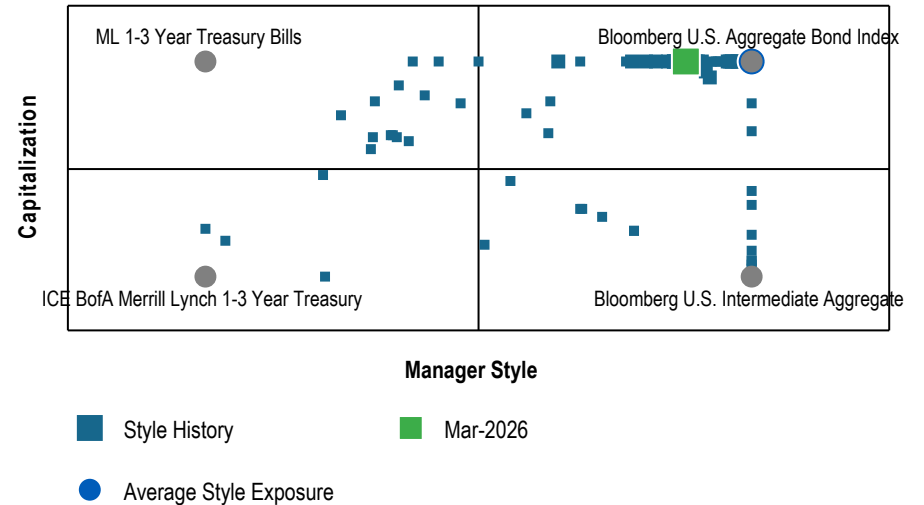


Gross of fees

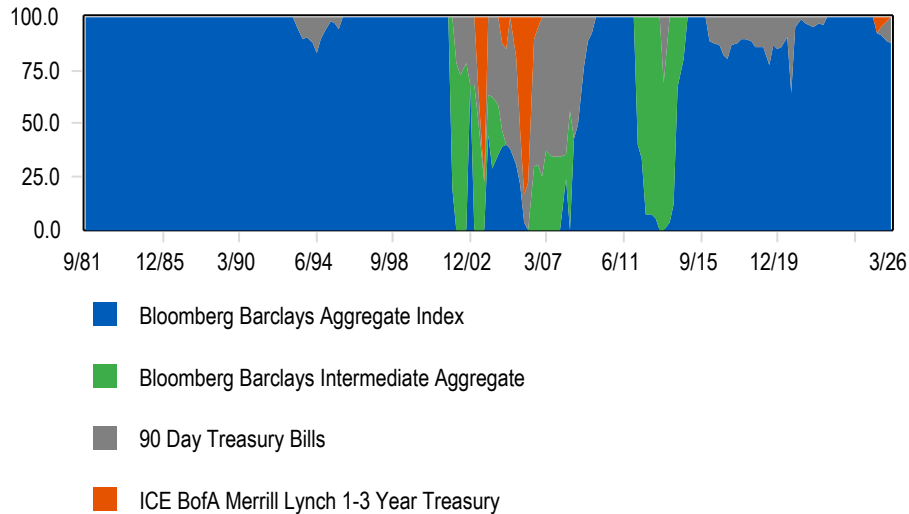
Investment Style Exposure



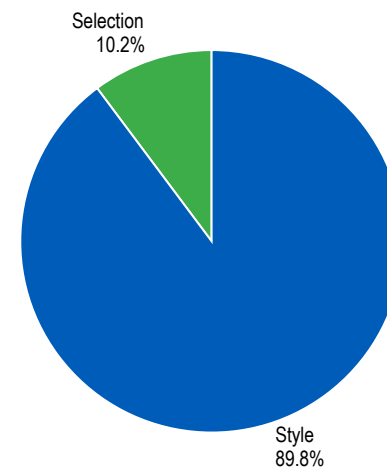
Style Map(9 Quarters)



Style History(9 Quarters)



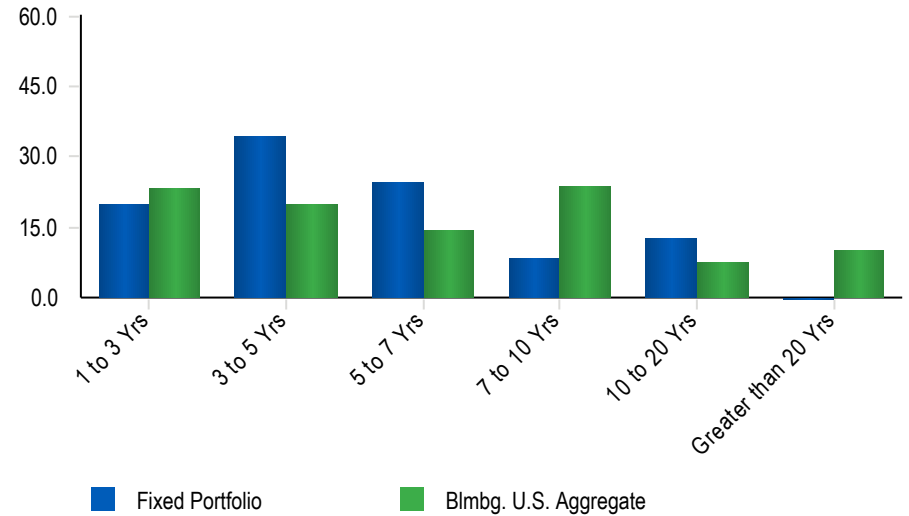
Return Variance



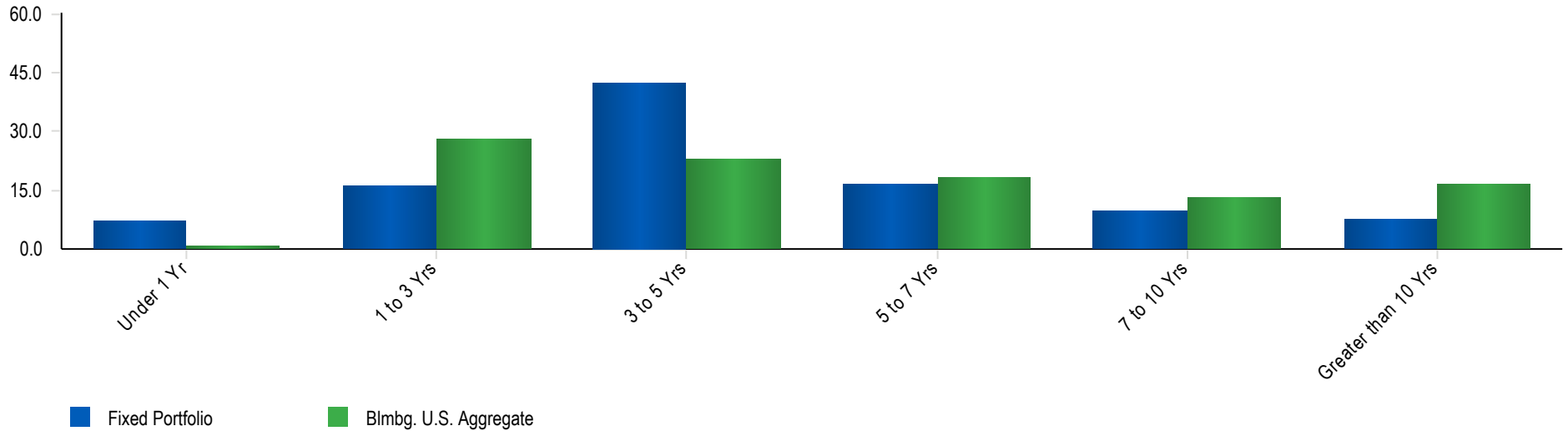
Portfolio Characteristics

	Portfolio	Benchmark
Avg. Maturity	6.0	8.2
Average Duration		5.9

Maturity Distribution (%)



Duration Distribution (%)



Appendix

All equity benchmarks reflect price only returns. Benchmarks are as follows:

Portfolio	Benchmark
Total Portfolio	Actuarial Assumption
Domestic Equity Portfolio	Russell 3000 Index (Price)
Fixed Income Portfolio	Bloomberg U.S. Aggregate Bond Index
Large Cap Growth Portfolio	S&P 500 Index (Price)
International Portfolio	MSCI ACWI ex-US (Price)
SCERS Equity Income Portfolio	Russell 1000 Value (Price)

Custom Index Historical Allocations

Custom Index - Target

July 24 - Present = 37.5% Bloomberg U.S. Aggregate Bond Index; 30 S&P 500 (Price); 30.0% Russell 1000 Value (Price), 2.5 % International Index
July 23 - June 23 = 35% Bloomberg U.S. Aggregate Bond Index; 30 S&P 500 (Price); 30.0% Russell 1000 Value (Price), 5.0 % International Index
July 22 - June 23 = 32.5% Bloomberg U.S. Aggregate Bond Index; 32.5% S&P 500 (Price); 30.0% Russell 1000 Value (Price), 5.0 % International Index.
July 18 - June 22 = 30% Bloomberg U.S. Aggregate Bond Index; 35% S&P 500 (Price); 27.5% Russell 1000 Value (Price), 7.5 % International Index.
July 17 - June 18 = 35% Bloomberg U.S. Aggregate Bond Index; 35% S&P 500 (Price); 25% Russell 1000 Value (Price), 5 % International Index.
July 16 - June 17 = 40% Bloomberg U.S. Aggregate Bond Index; 35% S&P 500 (Price); 20% Russell 1000 Value (Price), 5 % International Index.
August 12 - June 16 = 45% Bloomberg U.S. Aggregate Bond Index; 30% S&P 500 (Price); 15% Dow Jones Select Dividend Index (Price), 10 % International Index.
April 09 - July 12 = 50% Bloomberg U.S. Aggregate Bond Index; 30% S&P 500 (Price); 10% Dow Jones Select Dividend Index (Price), 10 % International Index.
March 08 - March 09 = 50% Bloomberg U.S. Aggregate Bond Index; 10% S&P/Citi Value Index; 20% S&P 500 (Price); 10% Dow Jones Select Dividend Index (Price), 10 % International Index.
Oct 07 - Feb 08 = 45% Bloomberg U.S. Intermediate Aggregate Index, 12.5% S&P/Citi Value Index; 20% S&P 500 (Price); 15% Dow Jones Select Dividend Index (Price); 7.5% International Index.
Mar 07 - Sep 07 = 45% Bloomberg U.S. Intermediate Aggregate Index; 12.5% S&P/Citi Value Index; 20% Russell 1000 Growth Index (Price); 15% Dow Jones Select Dividend Index (Price); 7.5% International Index.
Feb 06 - Feb 07 = 45% Bloomberg U.S. Intermediate Aggregate Index; 10% S&P/Citi Value; 20% Russell 1000 Growth Index (Price); 15% Dow Jones Select Dividend Index (Price); 5% Russell 2000 Index (Price); 5% International Index.
Prior to Feb 06 = Allocations to passive benchmarks are in-line with the Plan's historical asset allocation targets as determined by the AIFM Board. (Detailed information is available upon request).

Domestic Equity Index

Feb 06 - Present = 100% Russell 3000 Index (Price); Jan 83 - Jan 06 = 100% S&P 500 (Price).

Large Cap Index

Jul 07 - Present = 100% S&P 500 (Price); Dec 92 - Jun 07 = 100% Russell 1000 Growth (Price).

SCERS Equity Income Index

July 16 - Present = Russell 1000 Value (Price); Mar 92 - June 16 = 100% Dow Jones Select Dividend Index (Price); Apr 86 - Feb 92 = 100% Fixed Portfolio.

International Index

Jul 07 - Present = 100% MSCI ACWI ex US (Price); Feb 06 - Jun 07 = 33% Nikkei 225 (Price), 67% MSCI EAFE (Price).

Fixed Portfolio Index

March 08 - Present = 100% Bloomberg U.S. Aggregate Bond Index

Prior to March 08 = 100% Bloomberg U.S. Intermediate Aggregate Index