



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 11

MEETING DATE: December 10, 2025

SUBJECT: Portfolio Allocation and Rebalancing Report—Third Quarter 2025

SUBMITTED FOR: ☐ Action ☒ Information

RECOMMENDATION

Receive and file the Portfolio Allocation and Rebalancing Report for the quarter ended September 30, 2025.

PURPOSE

This item complies with the SCERS Master Investment Policy Statement reporting requirements related to the review of SCERS' current asset allocation as it compares to established targets and ranges, and physical and Overlay Program rebalancing activity that occurred during the quarter.

SUMMARY

SCERS employs an Overlay Program, which is managed by State Street Global Advisors (SSGA), to rebalance the asset allocation to policy targets and also invest available cash, in a manner which replicates SCERS' policy target strategic asset allocation.

Below is a summary of SCERS' asset category and asset class positioning relative to the target allocations as of September 30, 2025 (based on State Street market values, which can differ from those of SCERS' investment consultants). The comparisons to the benchmark allocations below, and throughout the memo, are made in two formats: (1) the difference between the actual and target allocation, and (2) the percentage amount of the actual allocation relative to the target allocation. The recent Board approved strategic asset allocation changes are newly reflected in this Portfolio Allocation and Rebalancing Report.

<u>Asset Category</u>	<u>Asset Class</u>	<u>Current Allocation</u>	<u>Target Allocation</u>	<u>Difference</u>	<u>% Relative to Target</u>
GROWTH*		57.6%	59.0%	-1.4%	98%
	Global Equity	40.8%	39.0%	1.8%	105%
	Private Equity	11.4%	11.0%	0.4%	103%
	Credit	5.4%	9.0%	-3.6%	60%
	Growth Absolute Return	0.03%	0.0%	0.0%	N/A
DIVERSIFYING*		23.3%	25.0%	-1.7%	93%
	Fixed Income	14.6%	16.0%	-1.4%	91%
	Absolute Return	6.9%	7.0%	-0.1%	98%
	Dedicated Cash	1.8%	2.0%	-0.2%	90%
REAL RETURN**		15.9%	16.0%	-0.1%	99%
	Real Estate	6.0%	8.0%	-2.0%	76%
	Real Assets	8.1%	7.0%	1.1%	116%
	Liquid Real Return	1.7%	1.0%	0.7%	169%
OTHER CASH/OVERLAY		3.2%	-	-	N/A

* Growth and Diversifying allocation weights do not include overlay proxy exposures, which are included in the Overlay allocation

** Real Return allocation includes overlay proxy exposures

During the first quarter of 2025, the following Overlay Program rebalancing occurred:

- Quarter-end rebalance:
 - Sold \$105 million in Growth proxy
 - Sold \$206 million in Diversifying proxy
 - Purchased \$33 million in Real Return proxy
 - Increased the cash allocation by \$278 million

Key current portfolio allocations relative to targets, and physical rebalancing considerations include:

- **Global Equity** has a 40.8% allocation as of September 30, 2025, down from a 42.6% allocation as of June 30, 2025, and above the 39% target allocation. As part of the revised strategic asset allocation, the Global Equity target allocation reduced from 40% to 39%.
 - **Domestic Equity** has a 22.1% allocation as of September 30, 2025, up from the 21.7% allocation as of June 30, 2025. The 22.1% allocation is slightly above the range high of 21%.
 - **International Equity** has a 14.9% allocation as of September 30, 2025, down from the 17.7% allocation as of June 30, 2025. SCERS liquidated an international large cap developed equity mandate during the quarter. The 14.9% allocation is above the 14% target allocation but below the range high of 16%.
 - **Global/Unconstrained** has a 3.8% allocation as of September 30, 2025, slightly up from the 3.2% allocation as of June 30, 2025. The 3.8% allocation is below the 6% target allocation and the range low of 4%.
 - Staff is evaluating physical rebalancing within the Domestic Equity sub-asset class to reduce the overweight while also moving toward the new Global Equity target allocation of 39% and the recently revised sub-asset class targets.

- **Fixed Income** has a 14.6% allocation as of September 30, 2025, up slightly from a 14.1% allocation as of June 30, 2025. The 14.6% allocation is below the 16% target allocation, but within range. Staff performed physical rebalancing during the quarter by adding \$160 million between the four Core Plus Fixed Income managers (PGIM, TCW, Brandywine, and Reams); however, the impact was overridden by the strong performance of public equities. Staff will evaluate additional rebalancing after implementation of rebalancing of the Global Equity asset class.
- **Alternative Asset Class** weights vs. target include:
 - **Absolute Return** – 6.9% vs. 7.0% target; within range
 - **Private Equity** – 11.4% vs. 11.0% target; within range
 - **Credit** – 5.4% vs. 9% target; below the 6% lower bound of the newly established Credit asset-class range, which was established when Public and Private Credit were consolidated and the target increased from 7% to 9%
 - **Real Assets** – 8.1% vs. 7.0% target; within range
 - **Real Estate** – 6.0% vs. 8.0% target; within range of the revised 8% target

BACKGROUND

The Overlay Program rebalances the asset allocation to policy targets and minimizes the risk that SCERS falls short of achieving its targeted return due to the asset allocation straying from policy target ranges. The Overlay Program also invests available cash, including: (1) unallocated cash; (2) the cash balances in manager portfolios; and (3) cash held for previously committed to, but un-invested private market investments, in a manner which replicates SCERS' policy target strategic asset allocation. The Overlay Program does not invest the 2% dedicated cash allocation.

While SCERS' Overlay Program reduces the need for physical rebalancing, it does not eliminate it, as there are circumstances whereby physical rebalancing would be a better solution compared to the Overlay Program, including when there is a persistently large difference between physical assets and the target allocation.

While physical rebalancing typically costs more to execute compared to the Overlay Program, it remains important to assess whether SCERS' portfolio is at a point where physical rebalancing warrants greater consideration.

The Overlay Program structure replicates SCERS' asset category targets (Growth; Diversifying; Real Return), with bands around these targets (see below). The rebalancing methodology that SSGA utilizes is quarterly rebalancing with bands, where rebalancing occurs on a quarterly basis (at the end of a quarter), unless the bands are breached on an intra-quarter basis, in which case rebalancing occurs upon the breach of a band. The Overlay targets and bands shown below were adjusted in the third quarter of 2025 in line with the revised strategic asset allocation.

Asset Category	Minimum Allocation (%)	Target Allocation (%)	Maximum Allocation (%)
Growth	54	59	64
Diversifying	22	25	28
Cash	0	2	3
Real Return	14	16	18

Each asset category has a separate overlay proxy, which contains a mixture of investments that attempt to replicate the objectives and exposures of the asset category and the underlying asset classes within the asset category, in order to minimize tracking error and costs.

The underlying components of each asset category overlay proxy are shown within Appendix B of this report.

Because SCERS' Overlay Program rebalances SCERS' total fund, it is important to note that **Tables 1-15** in Appendix A refer only to physical holdings compared to policy targets, and not the exposures provided through the Overlay Program. The exception is Table 10 (Real Return asset category exposure), which includes the SSGA Real Return Strategy within the Liquid Real Return asset class, which is the Overlay proxy for this asset category, and is implemented through physical exposures (commingled funds).

SCERS' investment staff and general investment consultant Verus monitor the asset allocation on a quarterly basis and update the Board if the asset allocation moves outside of policy ranges and conditions warrant physical rebalancing.

FULL PORTFOLIO REVIEW

GROWTH ASSET CATEGORY:

The Growth asset category is comprised of the Global Equity, Private Equity, and Credit segments of the portfolio. The Growth Absolute Return segment was eliminated from the SAA and is close to being wound down. As outlined in **Table 1 of Appendix A**, the Growth asset category currently has an allocation of 57.6%, which is below the strategic asset allocation's target of 59% but within range, and the allocation is 98% relative to the target allocation. At a more granular level, the Global Equity and Private Equity exposures are above target while the Credit asset class is below target.

The Overlay Program rebalances the Growth asset category to the 59% target allocation by purchasing or selling global equity futures to bring the Global Equity asset class to its target allocation and then adjusts the remainder of the asset category by using a combination of 88% global equity futures and 12% U.S. Treasury futures.

At the end of the quarter, SCERS' overlay manager, SSGA, sold approximately \$105 million of overlay growth proxy exposure to rebalance the Growth asset category to its target allocation.

Global Equities:

As outlined in **Table 2**, SCERS' Global Equity asset class, which includes the sub-asset classes of Domestic Equity, International Equity, and Global/Unconstrained Equity, has an actual weighting of 40.8%, which is above SCERS' policy target allocation of 39%, but within range, and the allocation is 105% relative to the target allocation.

At the sub-asset class level, Domestic Equity has an actual allocation of 22.1%, which is above its target allocation of 19% and above the range high of 21% (116% relative to the target).

International Equity has an actual allocation of 14.9%, which is above the target allocation of 14% but within range (107% relative to the target). SCERS liquidated an international large cap developed equity mandate during the quarter.

The Global/Unconstrained segment has a 3.8% allocation, which is below the 6% target allocation and below the range low of 4% (64% relative to target). This is a newer sub-asset class, and the remaining allocation will be implemented over time.

SSGA buys and sells a basket of global equity index futures to rebalance the Global Equity asset class toward the policy target allocation. Staff is evaluating physical rebalancing of the Global Equity asset class to reduce the overweight while also moving toward the new target allocation of 39% and the recently revised sub-asset class targets.

Private Equity:

As outlined in **Table 3**, SCERS' Private Equity allocation of 11.4% remains above the target allocation of 11%, but within range. The allocation is 103% relative to the target allocation.

SSGA utilizes a basket of 88% global equities and 12% U.S. Treasuries to replicate Private Equity, as part of a broader non-public equity proxy within the Growth asset category.

Credit:

As outlined in **Table 4**, SCERS' Credit allocation of 5.4% is slightly below the policy target allocation of 9%, and the allocation is 60% relative to the target allocation. As part of the revised strategic asset allocation, the Public Credit and Private Credit asset classes consolidated into a single Credit asset class with a target allocation of 9%, an increase of 2% over the prior consolidated target of 7%.

Illiquid credit valuations are lagged a quarter. SCERS was on a path toward building out the prior 5% allocation to Private Credit and was expected to reach the target by year end 2027, while the prior 2% Public Credit allocation was fully allocated. With the increase in the overall Credit asset class from 7% to 9%, Cliffwater modeled the forecasted investment pace of the asset class over a 10-year period, and projects that SCERS will reach the new 9% target allocation by 2031.

SSGA utilizes a basket of 88% global equities and 12% U.S. Treasuries to replicate Illiquid Credit, as part of a broader non-public equity proxy within the Growth asset category. SSGA utilizes a basket of 88% global equities and 12% U.S. Treasuries to replicate Illiquid Credit, as part of a broader non-public equity proxy within the Growth asset category.

Growth Absolute Return:

As outlined in **Table 5**, SCERS' Growth Absolute Return portfolio has a current allocation of 0.03%. The Growth Absolute Return Portfolio was eliminated from the revised SAA, and SCERS has nearly unwound the exposures within this portfolio. The small remaining allocation is expected to be unwound in 2026.

DIVERSIFYING ASSET CATEGORY:

The Diversifying asset category is comprised of the Fixed Income and Absolute Return segments of the portfolio, as well as the dedicated cash allocation. As outlined in **Table 6**, the Diversifying asset category currently has an allocation of 23.3%, which is below the strategic asset allocation's target of 25%, and the allocation is 93% relative to the target allocation.

The Overlay Program rebalances the Diversifying asset category to the target allocation by purchasing or selling U.S. government bond futures.

At the end of the quarter, SCERS' overlay manager, SSGA, sold approximately \$206 million of Diversifying asset category proxy exposure to rebalance the Diversifying asset category to its target allocation.

Fixed Income:

As outlined in **Table 7**, SCERS' Fixed Income allocation of 14.6% is below SCERS' policy target allocation of 16%, and the allocation is 91% relative to the target allocation.

The Overlay Program utilizes a combination of U.S. Treasury futures and Mortgage TBAs to rebalance this segment of the portfolio to its policy target allocation, as part of a broader Diversifying asset category proxy. Staff performed physical rebalancing during the quarter by adding \$160 million between the four Core Plus Fixed Income managers (PGIM, TCW, Brandywine, and Reams); however, the impact was overridden by the strong performance of public equities. Staff will evaluate additional rebalancing after implementation of rebalancing of the Global Equity asset class. Staff will evaluate additional rebalancing after implementation of rebalancing of the Global Equity asset class.

Absolute Return:

As outlined in **Table 8**, SCERS' Absolute Return allocation of 6.9% is slightly below the policy target allocation of 7%, and the allocation is 98% relative to the target allocation.

SSGA utilizes a combination of U.S. Treasury futures and Mortgage TBAs to rebalance this segment of the portfolio to its policy target allocation, as part of a broader Diversifying asset category proxy.

REAL RETURN ASSET CATEGORY:

The Real Return asset category is comprised of the Real Estate, Real Assets, and Liquid Real Return segments of the portfolio. As outlined below in **Table 10**, the Real Return asset category currently has an allocation of 15.9%, which is slightly below the strategic asset allocation's target of 16%, and the allocation is 99% relative to the target allocation.

The Overlay Program rebalances the Real Return asset category to the 16% target allocation through the SSGA real return overlay proxy, by purchasing or selling a series of commingled funds across global REITs, global infrastructure stocks, global natural resource stocks, commodities, U.S. TIPS, and floating rate notes.

At the end of the quarter, SCERS' overlay manager, SSGA, purchased approximately \$33 million of Real Return asset category proxy exposure to rebalance the Real Return asset category to its target allocation.

Real Estate:

As outlined in **Table 11**, SCERS' Real Estate allocation of 6% is below the policy target allocation of 8%, just above the range low. The allocation is 76% relative to the target allocation. As part of the revised strategic asset allocation, the Real Estate asset class target allocation reduced from 9% to 8%.

SSGA utilizes a series of listed commingled funds described above to replicate Real Estate, as part of the broader Real Return asset category proxy.

Real Assets:

As outlined in **Table 12**, SCERS' Real Assets allocation of 8.1% is above the policy target allocation of 7%, and the allocation is 116% relative to the target allocation. Private real asset valuations are lagged a quarter.

SSGA utilizes a series of listed commingled funds described above to replicate Real Assets, as part of the broader Real Return asset category proxy.

Liquid Real Return:

As outlined in **Table 13**, SCERS' Liquid Real Return allocation of 1.7% is above the policy target allocation of 1%, and the allocation is 169% relative to the target allocation. The Liquid Real Return allocation is managed by State Street Global Advisors (SSGA), and functions as part strategic mandate and part overlay program proxy for the Real Return asset category. The latter

is used to adjust broad Real Return asset category exposures during quarterly overlay rebalancing, and accounts for the slight overweight to the segment.

CASH:

As outlined in **Tables 9 and 14**, SCERS' total cash balance is approximately 4.6% as of September 30, 2025, which includes a combination of the 1.8% dedicated cash allocation and 2.8% in other cash. The dedicated cash allocation of 1.8% is 90% relative to the 2% target allocation.

The dedicated cash allocation is intended to close the gap between benefit payments and total contributions in an environment where investment earnings fall short of the targeted assumed rate of return, and also serves as a liquidity buffer.

Most of the 2.8% other cash allocation incorporates the 2025-26 pre-funded annual employer contribution, which was received in July 2025. The other cash allocation is also used to fund drawdowns within the private market segments of the portfolio, and other implementation and rebalancing activity. SCERS' Overlay Program rebalances the portfolio by eliminating cash drag by investing the non-dedicated cash allocation (2.8%) into positions that replicate SCERS' target portfolio.

ATTACHMENTS

- Board Order
- Appendix A: Quarterly Portfolio Allocation and Rebalancing Detail
- Appendix B: SCERS Overlay Proxies

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Retirement Board Order

Sacramento County Employees' Retirement System

**Before the Board of Retirement
December 10, 2025**

AGENDA ITEM:

**Portfolio Allocation and Rebalancing Report—
Third Quarter 2025**

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to receive and file the Portfolio Allocation and Rebalancing Report for the quarter ended September 30, 2025.

I HEREBY CERTIFY that the above order was passed and adopted on December 10, 2025 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES:
(Present but not voting)

Chris Giboney
Board President

Eric Stern
Chief Executive Officer and
Board Secretary

APPENDIX A: Portfolio Allocation and Rebalancing Detail–Third Quarter 2025

Fund Name	Market Value	Actual	Target	Delta	% Relative to Target
Total Fund	\$15,215,386,129				

Table 1: GROWTH ASSET CATEGORY

	Market Value	Actual	Target	Delta	% Relative to Target
GROWTH ASSET CATEGORY:	\$8,769,334,594	57.6%	59.0%	-1.4%	98%

Table 2: Global Equity Asset Class

Allowable Range: 36-44%

Global Equity	Sub-Asset Class	Market Value	Actual	Target	Delta	% Relative to Target
		\$6,210,941,569	40.8%	39.0%	1.8%	105%
	Domestic Equity	\$3,357,186,636	22.1%	19.0%	3.1%	116%
AllianceBernstein	Equity Core Index	\$1,599,475,726	10.5%			
DE Shaw Broad Market Core Alpha Extension	Equity Core Active Short Extension (130/30)	\$254,383,801	1.7%			
JP Morgan 130/30	Equity Core Active Short Extension (130/30)	\$228,338,082	1.5%			
Eagle Capital Management	Equity Large Cap Core	\$469,549,159	3.1%			
AQR US Enhanced Equity	Equity Systematic Multi-Factor Core	\$499,165,826	3.3%			
	Equity Large Cap		20.1%	17.1%	3.0%	
Snyder Capital Management	Equity Small Cap Value	\$162,810,923	1.1%			
Weatherbie & Co.	Equity Small Cap Growth	\$143,463,119	0.9%			
	Equity Small Cap		2.0%	1.9%	0.1%	
	International Equity	\$2,270,806,836	14.9%	14.0%	0.9%	107%
Lazard Asset Management	ACWI Ex-US	\$2,326,222	0.0%			
LSV Large Cap International Value	International Equity Large Cap Value	\$728,287,583	4.8%			
Walter Scott	International Equity Large Cap Growth	\$486,478,269	3.2%			
William Blair & Co.	International Equity Small Cap Growth	\$1,447,277	0.0%			
Acadian Asset Management	International Equity Small Cap Value	\$217,430,021	1.4%			
	International Developed		9.4%	9.8%	-0.4%	
ARGA Emerging Markets Equity Fund	Emerging Markets Equity - All Cap	\$279,018,610	1.8%			
Baillie Gifford	Emerging Markets Equity - All Cap	\$301,019,344	2.0%			
Oaktree Emerging Markets Equity Fund	Emerging Markets Equity - All Cap	\$254,799,510	1.7%			
	Emerging Markets		5.5%	4.2%	1.3%	
	Global/Unconstrained Equity	\$582,948,097	3.8%	6.0%	-2.2%	64%
Acadian Global Equity Extension	Global Equity	\$100,000,000	0.7%			
Artisan Partners Global Opportunities	Global Equity	\$174,806,381	1.1%			
Allspring Global Investments	Global Equity	\$118,673,748	0.8%			
Nikko Asset Management CIT	Global Equity	\$185,280,000	1.2%			
Third Point Partners Qualified, LP	Event Driven	\$4,187,968	0.0%			

APPENDIX A: Portfolio Allocation and Rebalancing Detail–Third Quarter 2025

Table 3: Private Equity Asset Class

Allowable Range: 8-14%

Private Equity	Sub-Strategy	Market Value	Actual	Target	Delta	% Relative to Target
		\$1,728,179,458	11.4%	11.0%	0.4%	103%
Accel-KKR Capital Partners V, LP	Buyout	\$31,938,975	0.2%			
Accel-KKR Capital Partners VI, LP	Buyout	\$29,554,580	0.2%			
Accel-KKR Capital Partners VII, LP	Buyout	\$1,391,117	0.0%			
Accel-KKR Growth Capital Partners II, LP	Buyout	\$6,725,565	0.0%			
Accel-KKR Growth Capital Partners III, LP	Buyout	\$35,773,746	0.2%			
Accel-KKR Growth Capital Partners IV, LP	Buyout	\$16,014,932	0.1%			
Cortec Group Fund VII, LP	Buyout	\$28,945,479	0.0%			
Cortec Group Fund VIII, LP	Buyout	\$11,918,073	0.0%			
Gridiron Capital Fund IV, LP	Buyout	\$30,772,824	0.2%			
Gridiron Capital Fund V, LP	Buyout	\$28,022,614	0.2%			
H.I.G. Capital Partners V, LP	Buyout	\$2,512,547	0.0%			
JFL Equity Investors VI, LP	Buyout	\$18,167,454	0.1%			
Linden Capital Partners III, LP	Buyout	\$18,160,623	0.1%			
Linden Capital Partners IV, LP	Buyout	\$50,501,073	0.3%			
Linden Capital Partners V, LP	Buyout	\$30,096,339	0.2%			
Linden Capital Partners VI, L.P.	Buyout	\$0	0.0%			
Marlin Equity Partners IV, LP	Buyout	\$6,676,443	0.0%			
Marlin Equity Partners V, LP	Buyout	\$30,285,715	0.2%			
Marlin Heritage Europe, LP	Buyout	\$16,257,818	0.1%			
Marlin Heritage, LP	Buyout	\$2,982,767	0.0%			
Marlin Heritage II, LP	Buyout	\$8,449,247	0.1%			
Marlin Heritage III, L.P.	Buyout	\$10,981,052	0.1%			
Oaktree Power Opportunities Fund VI, LP	Buyout	\$23,152,766	0.2%			
Oaktree Power Opportunities Fund VII, L.P.	Buyout	\$4,324,581	0.0%			
Resurgens Technology Partners III, LP	Buyout	\$280,246	0.0%			
Riverside Value Fund II, L.P.	Buyout	\$0	0.0%			
Shamrock Capital Growth Fund V	Buyout	\$21,235,062	0.1%			
Shamrock Capital Growth Fund VI	Buyout	\$4,291,446	0.0%			
Strategic Value Special Situations Fund VI, L.P.	Buyout	\$2,053,261	0.0%			
Thoma Bravo Fund XI, LP	Buyout	\$14,791,643	0.1%			
Thoma Bravo Fund XII, LP	Buyout	\$16,776,222	0.1%			
Thoma Bravo Fund XIII, LP	Buyout	\$52,161,201	0.3%			
TSG 7 A, LP	Buyout	\$4,843,128	0.0%			
TSG 7 B, LP	Buyout	\$4,371,799	0.0%			
TSG 8, LP	Buyout	\$37,855,152	0.2%			
TSG , LP	Buyout	\$14,146,258	0.1%			
Wynnchurch Capital Partners V, LP	Buyout	\$22,438,063	0.1%			
Wynnchurch Capital Partners VI, LP	Buyout	\$9,898,170	0.1%			
CVC Capital Partners IX, LP	Buyout	\$4,841,428	0.0%			
H.I.G. Europe Capital Partners II, LP	European Buyout	\$9,072,990	0.1%			
Waterland Private Equity Fund V, CV	European Buyout	\$825,422	0.0%			
Waterland Private Equity Fund VI, CV	European Buyout	\$12,445,598	0.1%			
RRJ Capital Master Fund II, LP	Asian Buyout/Special Situations	\$3,202,535	0.0%			
RRJ Capital Master Fund III, LP	Asian Buyout/Special Situations	\$10,881,751	0.1%			
Spectrum Equity Investors VII, LP	Growth Equity	\$22,981,250	0.2%			

APPENDIX A: Portfolio Allocation and Rebalancing Detail–Third Quarter 2025

Table 3: Private Equity Asset Class (continued)

Allowable Range: 8-14%

Private Equity	Sub-Strategy	Market Value	Actual	Target	Delta	% Relative to Target
		\$1,728,179,458	11.4%	11.0%	0.4%	103%
Spectrum Equity Fund VIII, LP	Growth Equity	\$21,459,222	0.1%			
Spectrum Equity Fund IX, L.P.	Growth Equity	\$23,493,293	0.2%			
Spectrum Equity X, L.P.	Growth Equity	\$8,622,914	0.1%			
Summit Partners VC Fund III, LP	Growth Equity	\$4,253,509	0.0%			
Summit Partners Venture Capital Fund IV, LP	Growth Equity	\$56,097,919	0.4%			
Summit Partners Venture Capital V, L.P.	Growth Equity	\$18,869,743	0.1%			
Summit Partners Europe Growth Equity Fund II, LP	European Growth Equity	\$50,191,551	0.3%			
Summit Partners Europe Growth Equity Fund III, L.P.	European Growth Equity	\$27,316,040	0.2%			
Canvas 3, L.P.	Venture Capital	\$17,881,728	0.1%			
CRV XVIII, L.P.	Venture Capital	\$18,579,788	0.1%			
CRV XIX, LP	Venture Capital	\$17,999,921	0.1%			
CRV Select, LP	Venture Capital	\$20,288,589	0.1%			
CRV Select II, LP	Venture Capital	\$8,484,803	0.1%			
Khosla Ventures IV, LP	Venture Capital	\$5,967,928	0.0%			
Khosla Ventures V, L.P.	Venture Capital	\$14,379,422	0.1%			
Khosla Ventures VI, L.P.	Venture Capital	\$105,238,013	0.7%			
Khosla Ventures VII, L.P.	Venture Capital	\$18,859,518	0.1%			
Khosla Ventures VIII, L.P.	Venture Capital	\$22,935,755	0.2%			
Khosla Ventures IX, L.P.	Venture Capital	\$4,480,000	0.0%			
New Enterprise Associates 14, LP	Venture Capital	\$32,352,888	0.2%			
New Enterprise Associates 15, LP	Venture Capital	\$22,427,796	0.1%			
New Enterprise Associates 16, LP	Venture Capital	\$31,855,790	0.2%			
New Enterprise Associates 17, LP	Venture Capital	\$22,105,091	0.1%			
OrbiMed Private Investments VIII, L.P.	Venture Capital	\$9,787,057	0.1%			
OrbiMed Private Investments IX, L.P.	Venture Capital	\$13,097,295	0.1%			
OrbiMed Private Investments X, L.P.	Venture Capital	\$0	0.0%			
Threshold Ventures III, LP	Venture Capital	\$22,781,360	0.1%			
Threshold Ventures IV, LP	Venture Capital	\$16,847,363	0.1%			
Threshold Ventures V, LP	Venture Capital	\$0	0.0%			
Trinity Ventures XI, LP	Venture Capital	\$457,584	0.0%			
Trinity Ventures XII, LP	Venture Capital	\$33,160,269	0.2%			
Alchemy Special Opportunities Fund V, L.P.	Distressed Debt	\$4,903,810	0.0%			
Blue Owl Asset Special Opportunities Fund V, LP	Distressed Debt	\$114,145	0.0%			
Blue Owl Asset Special Opportunities Fund VI, LP	Distressed Debt	\$347,673	0.0%			
Davidson Kempner Distressed Opportunities Fund IV, LP	Distressed Debt	\$13,235,067	0.1%			
Davidson Kempner Distressed Opportunities Fund V, LP	Distressed Debt	\$33,111,342	0.2%			
Garrison Opportunity Fund III, LP	Distressed Debt	\$0	0.0%			
H.I.G. Bayside Loan Opportunity III (Europe), LP	Distressed Debt	\$3,300,831	0.0%			
Strategic Value Special Situations Fund V, L.P.	Distressed Debt	\$34,526,756	0.2%			
TPG Opportunities Partners III, LP	Distressed Debt	\$5,645,415	0.0%			
Wayzata Opportunities Fund III, LP	Distressed Debt	\$201,955	0.0%			
Golden Capital Co-Investments, LP	Co-Investments	\$89,595,832	0.6%			
Dyal Capital Partners II, LP	Other	\$32,600,485	0.2%			
Dyal Capital Partners III, LP	Other	\$31,670,697	0.2%			
Abbott Capital ACE VI	Fund of Funds	\$9,295,598	0.1%			
HarbourVest Partners VIII	Fund of Funds	\$2,151,559	0.0%			
RCP Multi-Fund Feeder (SCERS), L.P.	Fund of Funds	\$84,207,188	0.6%			

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Table 4: Credit Asset Class

Allowable Range: 6-12%

Credit	Sub-Strategy	Market Value	Actual	Target	Delta	% Relative to Target
		\$825,846,106	5.4%	9.0%	-3.6%	60%
Ares Capital Europe Fund V, LP	Illiquid Credit - Direct Lending	\$30,269,865	0.2%			
Ares Capital Europe VI (D) Levered, L.P.	Illiquid Credit - Direct Lending	\$19,823,280	0.1%			
Ares Senior Direct Lending Fund III, LP	Illiquid Credit - Direct Lending	\$13,878,548	0.1%			
Benefit Street Partners Senior Opportunities Fund, LP	Illiquid Credit - Direct Lending	\$6,852,123	0.0%			
Benefit Street Partners Senior Opportunities Fund II, LP	Illiquid Credit - Direct Lending	\$41,359,776	0.3%			
Brookfield Infrastructure Debt Fund III, LP	Illiquid Credit - Direct Lending	\$31,202,820	0.2%			
Comvest Credit Partners VII Levered Feeder, LP	Illiquid Credit - Direct Lending	\$33,823,736	0.2%			
IFM U.S. Infrastructure Debt Fund, LP	Illiquid Credit - Direct Lending	\$63,572,991	0.4%			
Shamrock Capital Debt Opportunities Fund I, LP	Illiquid Credit - Direct Lending	\$7,598,883	0.0%			
Sixth Street Opportunities Partners IV (A), LP	Illiquid Credit - Special Situations	\$22,161,616	0.1%			
Sixth Street Opportunities Partners V, L.P.	Illiquid Credit - Special Situations	\$25,216,337	0.2%			
Summit Partners Credit Fund II, LP	Illiquid Credit - Direct Lending	\$6,136,530	0.0%			
Summit Partners Credit Fund III, LP	Illiquid Credit - Direct Lending	\$4,340,573	0.0%			
Summit Partners Credit Fund IV, LP	Illiquid Credit - Direct Lending	\$578,226	0.0%			
Tennenbaum Capital Partners Direct Lending Fund VIII (S), LLC	Illiquid Credit - Direct Lending	\$96,347,219	0.6%			
Athyrium Opportunities Fund II, LP	Illiquid Credit - Opportunistic Lending	\$3,280,668	0.0%			
Athyrium Opportunities Fund III, LP	Illiquid Credit - Opportunistic Lending	\$6,921,842	0.0%			
OrbiMed Royalty and Credit Opportunities Fund III, LP	Illiquid Credit - Opportunistic Lending	\$8,937,273	0.1%			
OrbiMed Royalty & Credit Opportunities IV, LP	Illiquid Credit - Opportunistic Lending	\$24,024,753	0.2%			
OrbiMed Royalty & Credit Opportunities V, L.P.	Illiquid Credit - Opportunistic Lending	\$0	0.0%			
MCP Private Capital Fund IV, SCSp	Illiquid Credit - Opportunistic Lending	\$32,360,549	0.2%			
Shamrock Capital Content Fund II, L.P.	Illiquid Credit - Opportunistic Lending	\$10,900,701	0.1%			
Shamrock Capital Content Fund III, L.P.	Illiquid Credit - Opportunistic Lending	\$13,676,358	0.1%			
Silver Point Specialty Credit Fund II, L.P.	Illiquid Credit - Opportunistic Lending	\$28,403,391	0.2%			
Silver Point Specialty Credit Fund III, L.P.	Illiquid Credit - Opportunistic Lending	\$16,297,550	0.1%			
Sky Leasing Fund VI, L.P.	Illiquid Credit - Opportunistic Lending	\$13,295,842	0.1%			
Brigade Capital SC Opportunities Mandate	Liquid Credit	\$259,584,655	1.7%			
Diameter Dislocation Fund III, L.P.	Liquid Credit	\$5,000,000	0.0%			

Table 5: Growth Absolute Return Asset Class

Allowable Range: 0%

Growth Absolute Return	Sub-Strategy	Market Value	Actual	Target	Delta	% Relative to Target
		\$4,367,462	0.03%	0.0%	0.03%	N/A
Grosvenor SCARF - Growth Series	Diversified Separate Account	\$4,367,462	0.03%			

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Table 6: DIVERSIFYING ASSET CATEGORY

	Market Value	Actual	Target	Delta	% Relative to Target
DIVERSIFYING ASSET CATEGORY:	\$3,540,353,748	23.3%	25.0%	-1.7%	93%

Table 7: Fixed Income Asset Class

Allowable Range: 12-20%

Fixed Income	Sub-Strategy	Market Value	Actual	Target	Delta	% Relative to Target
		\$2,218,963,492	14.6%	16.0%	-1.4%	91%
Prudential Investment Management	Core Plus Active Fixed Income	\$418,907,195	2.8%	3.0%		
TCW	Core Plus Active Fixed Income	\$419,782,344	2.8%	3.0%		
Brandywine U.S. Fixed Income	Core Plus Active Fixed Income	\$414,809,903	2.7%	3.0%		
Reams	Core Plus Active Fixed Income	\$443,753,881	2.9%	3.0%		
	Core Plus		11.2%	12.0%	-0.8%	
Neuberger Berman	US Treasuries	\$521,710,169	3.4%	4.0%	-0.6%	

Table 8: Absolute Return Asset Class

Allowable Range: 5-9%

Absolute Return	Sub-Strategy	Market Value	Actual	Target	Delta	% Relative to Target
		\$1,046,650,413	6.9%	7.0%	-0.1%	98%
Graham Absolute Return Ltd.	Discretionary Global Macro	\$50,035,191	0.3%			
Tudor BVI Global Fund Ltd	Discretionary Global Macro	\$55,369,000	0.4%			
Grosvenor SCARF - Diversifying Series	Diversified Separate Account	\$283,393,951	1.9%			
Marshall Wace Global Opportunities Fund	Equity Long/Short	\$66,904,785	0.4%			
Junto Capital Partners LP	Equity Long/Short	\$58,435,750	0.4%			
BlackRock Event Driven Equity Fund	Event Driven	\$51,715,740	0.3%			
Elliott Associates LP	Event Driven	\$95,321,809	0.6%			
Davidson Kempner Institutional Partners, LP	Event Driven	\$0	0.0%			
PSquared Event Opportunity Fund, L.P.	Event Driven	\$52,649,700	0.3%			
Aristeia Partners, L.P.	Fixed Income Relative Value	\$58,418,505	0.4%			
Capula Global Relative Value Fund L.P.	Fixed Income Relative Value	\$42,884,880	0.3%			
Capula Volatility Opportunities Fund Limited	Volatility Arbitrage	\$21,315,336	0.1%			
BlackRock Systematic Total Alpha Fund LLC	Multi-Strategy	\$50,000,000	0.3%			
Hudson Bay Fund L.P.	Multi-Strategy	\$54,163,400	0.4%			
Laurion Capital Management, LP	Volatility Arbitrage	\$62,402,836	0.4%			
Graham Tactical Trend Fund , L.P.	Systematic Global Macro	\$43,639,530	0.3%			

Table 9: Dedicated Cash

Allowable Range: 0-2%

Dedicated Cash	Market Value	Actual	Target	Delta	% Relative to Target
	\$274,739,843	1.8%	2.0%	-0.2%	90%
Dedicated Cash Account	\$274,739,843	1.8%	2.0%	-0.2%	

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Table 10: REAL RETURN ASSET CATEGORY

	Market Value	Actual	Target	Delta	% Relative to Target
REAL RETURN ASSET CATEGORY:	\$2,415,165,262	15.9%	16.0%	-0.1%	99%

Table 11: Real Estate Asset Class

Allowable Range: 7-11%

Real Estate	Sub-Strategy	Market Value	Actual	Target	Delta	% Relative to Target
		\$920,142,753	6.0%	8.0%	-2.0%	76%
Brookfield Premier Real Estate Partners, LP	Core Real Estate	\$90,875,751	0.6%			
Clarion Lion Properties Fund, LP	Core Real Estate	\$102,495,915	0.7%			
MetLife Core Property Fund, LP	Core Real Estate	\$69,258,946	0.5%			
Principal US Property Account	Core Real Estate	\$56,030,135	0.4%			
Prologis Targeted Europe Logistics Fund, LP	Core Real Estate	\$64,728,316	0.4%			
Prologis Targeted US Logistics Fund, LP	Core Real Estate	\$74,602,482	0.5%			
Townsend Real Estate Fund, LP	Core Real Estate	\$108,315,665	0.7%			
Carlyle China Realty, L.P.	Non-Core Real Estate - Opportunistic	\$3,575,901	0.0%			
Carlyle China Rome Logistics, L.P.	Non-Core Real Estate - Opportunistic	\$16,060,706	0.1%			
KKR Real Estate Partners Americas, LP	Non-Core Real Estate - Opportunistic	\$179,147	0.0%			
LaSalle China Logistics Venture, LP	Non-Core Real Estate - Opportunistic	\$9,827,459	0.1%			
Sculptor Real Estate Fund III, LP	Non-Core Real Estate - Opportunistic	\$2,623,343	0.0%			
Sculptor Real Estate Fund IV, L.P.	Non-Core Real Estate - Opportunistic	\$20,315,234	0.1%			
Sculptor Real Estate Fund V, L.P.	Non-Core Real Estate - Opportunistic	\$1,272,926	0.0%			
WCP NewCold III, L.P.	Non-Core Real Estate - Opportunistic	\$31,269,671	0.2%			
Asana Partners Fund II, L.P.	Non-Core Real Estate - Value-Added	\$31,384,441	0.2%			
Asana Partners Fund III, L.P.	Non-Core Real Estate - Value-Added	\$20,543,151	0.1%			
CIM Opportunity Fund VIII, LP	Non-Core Real Estate - Value-Added	\$9,674,952	0.1%			
DRC European Real Estate Debt Fund II, LP	Non-Core Real Estate - Value-Added	\$281,910	0.0%			
ECE European Prime Shopping Centre Fund II, SCS-SIF	Non-Core Real Estate - Value-Added	\$35,047,949	0.2%			
FPA Apartment Opportunity Fund IX, L.P.	Non-Core Real Estate - Value-Added	\$3,600,000	0.0%			
FPA Core Plus Fund VI, L.P.	Non-Core Real Estate - Value-Added	\$25,154,844	0.2%			
Hammes Partners II, LP	Non-Core Real Estate - Value-Added	\$3,243,769	0.0%			
Hammes Partners III, LP	Non-Core Real Estate - Value-Added	\$22,993,524	0.2%			
Hammes Partners IV, LP	Non-Core Real Estate - Value-Added	\$6,312,290	0.0%			
NREP Nordic Strategies Fund II, FCP-FIS	Non-Core Real Estate - Value-Added	\$13,773,367	0.1%			
NREP Nordic Strategies Fund III, FCP-FIS	Non-Core Real Estate - Value-Added	\$32,651,778	0.2%			
NREP Nordic Strategies Fund IV, FCP-FIS	Non-Core Real Estate - Value-Added	\$29,332,349	0.2%			
NREP Nordic Strategies Fund V, SCSp	Non-Core Real Estate - Value-Added	\$21,632,971	0.1%			
Seven Seas Japan Opportunity Fund, GK	Non-Core Real Estate - Value-Added	\$13,083,860	0.1%			

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Table 12: Real Assets Asset Class

Allowable Range: 5-9%

Real Assets	Sub-Strategy	Market Value	Actual	Target	Delta	% Relative to Target
		\$1,237,819,480	8.1%	7.0%	1.1%	116%
ACM Fund II, LP	Agriculture	\$9,907,738	0.1%			
Paine Schwartz Food Chain Fund V, L.P.	Agriculture	\$36,952,134	0.2%			
EnCap Energy Capital Fund IX, LP	Energy	\$7,034,418	0.0%			
EnCap Energy Capital Fund X, LP	Energy	\$18,638,083	0.1%			
NGP Royalty Partners, L.P.	Energy	\$21,585,341	0.1%			
NGP Royalty Partners II, L.P.	Energy	\$62,368,679	0.4%			
NGP Royalty Partners III, L.P.	Energy	\$18,685,262	0.1%			
Tailwater Energy Fund III, LP	Energy	\$17,039,187	0.1%			
Tailwater Energy Fund IV, LP	Energy	\$37,638,635	0.2%			
Quantum Energy Partners VI, LP	Energy	\$4,962,078	0.0%			
Quantum Energy Partners VII, LP	Energy	\$25,827,048	0.2%			
Quantum Energy Partners VIII, LP	Energy	\$25,074,887	0.2%			
Quantum Energy Partners VIII Co - Investment Fund, LP	Energy	\$4,214,950	0.0%			
Aberdeen Global Sustainable Infrastructure Partners IV, L.P.	Infrastructure	\$13,938,522	0.1%			
Ara Partners Fund II, L.P.	Infrastructure	\$11,922,696	0.1%			
ArcLight Energy Partners Fund VI, LP	Infrastructure	\$10,157,343	0.1%			
Brookfield Infrastructure Fund III, LP	Infrastructure	\$41,754,808	0.3%			
Brookfield Infrastructure Fund IV, LP	Infrastructure	\$43,375,593	0.3%			
Brookfield Super-Core Infrastructure Partners	Infrastructure	\$111,656,015	0.7%			
Digital Colony Partners II, L.P.	Infrastructure	\$41,518,612	0.0%			
EnCap Flatrock Midstream Fund III, LP	Infrastructure	\$4,914,203	0.0%			
EnCap Flatrock Midstream Fund IV, LP	Infrastructure	\$15,100,226	0.1%			
EQT Infrastructure IV, SCSp	Infrastructure	\$41,291,708	0.3%			
First Reserve Energy Infrastructure Fund II, LP	Infrastructure	\$9,956,508	0.1%			
Harrison Street Social Infrastructure Fund LP	Infrastructure	\$113,686,284	0.7%			
IFM Global Infrastructure Fund	Infrastructure	\$186,174,448	1.2%			
ISQ Global Infrastructure Fund II, LP	Infrastructure	\$61,127,907	0.4%			
ISQ Global Infrastructure Fund III, L.P.	Infrastructure	\$43,823,319	0.3%			
KKR Asia Pacific Infrastructure Fund II SCSp	Infrastructure	\$30,642,256	0.2%			
KKR Global Infrastructure Investors V SCSp	Infrastructure	\$0	0.0%			
Manulife Infrastructure Fund III, L.P.	Infrastructure	\$7,946,235	0.1%			
Meridiam Infrastructure North America III, LP	Infrastructure	\$56,059,590	0.4%			
Meridiam Infrastructure North America IV, LP	Infrastructure	\$16,002,688	0.1%			
Meridiam Sustainable Infrastructure Europe IV, SLP	Infrastructure	\$21,670,103	0.1%			
Pantheon SCERS SIRF, LLC	Infrastructure	\$32,338,494	0.2%			
Ridgewood Water & Strategic Infrastructure Fund II, LP	Infrastructure	\$12,605,493	0.1%			
Stonepeak Opportunities Fund, LP	Infrastructure	\$19,380,051	0.1%			
Wastewater Opportunity Fund, LLC	Infrastructure	\$560,100	0.0%			
Carlyle Power Partners II, LP	Power Generation	\$287,836	0.0%			

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Table 13: Liquid Real Return Asset Class

Allowable Range: 0-3%

Liquid Real Return	Sub-Strategy	Market Value	Actual	Target	Delta	% Relative to Target
		\$257,203,029	1.7%	1.0%	0.7%	169%
SSGA Real Return Overlay Strategy	Passive Liquid Real Return Proxy	\$257,116,474	1.7%			
Brookfield Liquid Real Return	Active Liquid Real Return	\$86,555	0.0%			

Table 14: Other Cash/Overlay

Other Cash/Overlay	Market Value	Actual	Target	Delta	% Relative to Target
	\$490,512,182	3.2%	-	-	N/A
Other Cash	\$422,753,312	2.8%	-		
SSgA Overlay Account	\$67,758,870	0.4%			

Appendix B: Overlay Proxies

Growth Asset Category Proxy		
	Policy Allocation	Overlay Implementation
Domestic Equities	20%	Basket of S&P 500, S&P 400, and Russell 2000 Futures
International Equities	20%	Basket of Local Index, EAFE, EM Futures plus currency
Private Equity	11%	Basket of 85% Global Equity and 15% US TSY
Public Credit	2%	Basket of 85% Global Equity and 15% US TSY
Private Credit	5%	Basket of 85% Global Equity and 15% US TSY

Diversifying Asset Category Proxy		
	Policy Allocation	Overlay Implementation
Fixed Income	16%	Basket of Treasury Futures and Mortgage TBAs (forwards)
Absolute Return	7%	Basket of Treasury Futures and Mortgage TBAs (forwards)
Cash	1%	+/- 15 bps of 1% cash target

Real Return Asset Category Proxy		
	Policy Allocation*	Overlay Implementation
Global Real Estate (REITs)	15%	FTSE EPRA/NAREIT Developed Liquid Index
Global Infrastructure Equity	25%	S&P Global Infrastructure Index
Global Natural Resources Equity	10%	S&P Global Large Mid Cap Commodity and Resources Index
Commodities	10%	Bloomberg Roll Select Commodity Index
US Intermediate TIPS	30%	Bloomberg Barclays 1-10 Year US TIPS Index
Floating Rate Notes	10%	Bloomberg Barclays US Dollar Floating Rate Note < 5 Years Index

**Relative to Real Return Asset Category*