



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 11

MEETING DATE: April 15, 2026

SUBJECT: Chief Investment Officer's Report

SUBMITTED FOR: Action Information

RECOMMENDATION

Receive and file the Chief Investment Officer's Report for the quarter ended March 31, 2026.

PURPOSE

This agenda item provides the Board with updates to the SCERS investment program and contributes to the effective management and oversight of investment activities.

DISCUSSION

The quarterly CIO Report presentation will cover investment performance, economic data and market performance, SCERS' asset class allocations relative to targets, overlay and physical rebalancing activity for the quarter, quarterly investment activity, investment manager updates, Staff updates and activity, as well as portfolio exposures.

ATTACHMENTS

- Board Order
- Quarterly CIO Report presentation

Prepared by:

/S/

Steve Davis
Chief Investment Officer

Reviewed by:

/S/

Eric Stern
Chief Executive Officer



Retirement Board Order

Sacramento County Employees' Retirement System

**Before the Board of Retirement
April 15, 2026**

AGENDA ITEM:

Chief Investment Officer's Report

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to receive and file the Chief Investment Officer's Report for the quarter ended March 31, 2026.

I HEREBY CERTIFY that the above order was passed and adopted on April 15, 2026 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

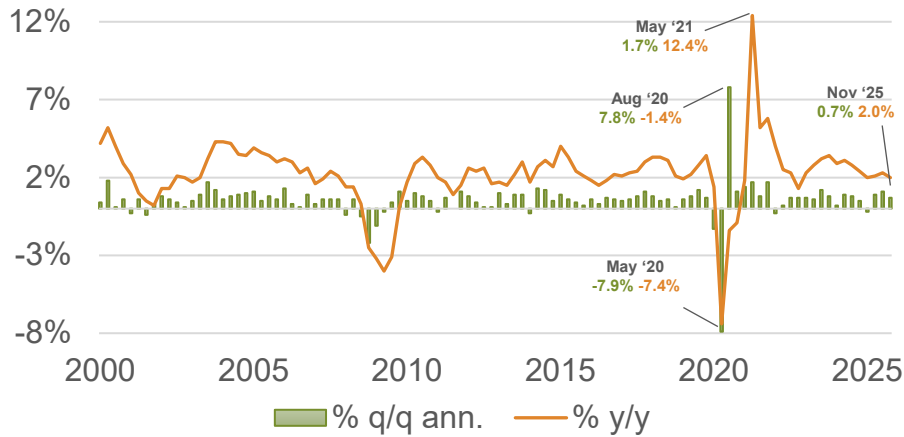


Quarterly CIO Report

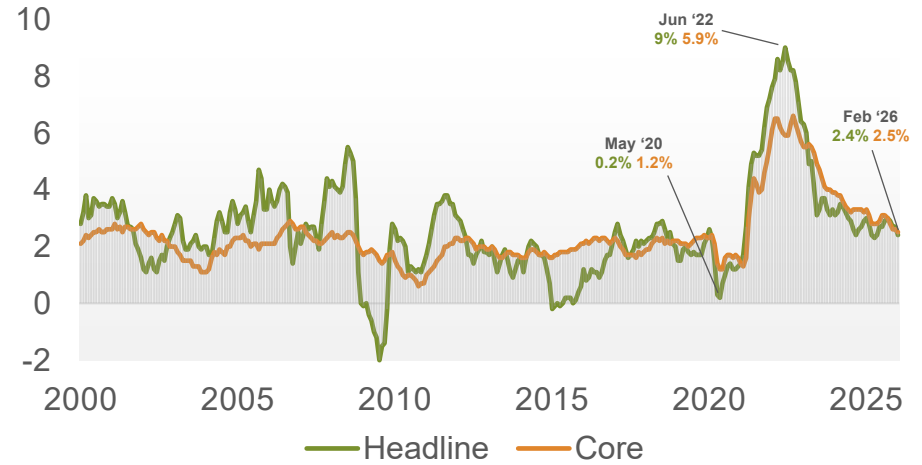
First Quarter 2026

Economic Data

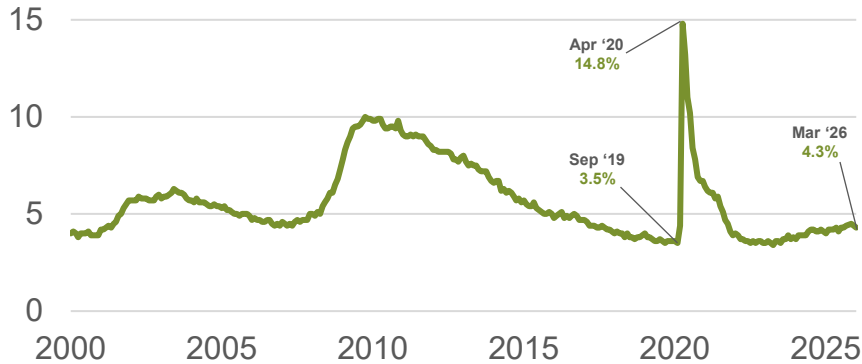
Quarterly Real U.S. GDP



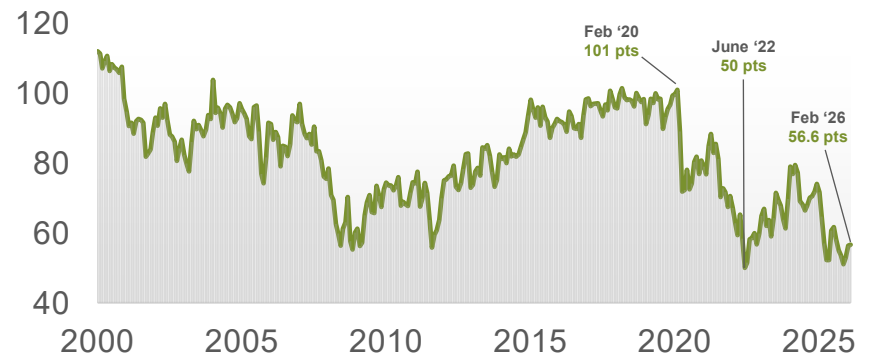
CPI Inflation (%)



Unemployment Rate (%)



Consumer Sentiment



Sources: Capital Economics, University of Michigan via FRED®

Market Performance

As of March 31, 2026

MSCI ACWI IMI Index



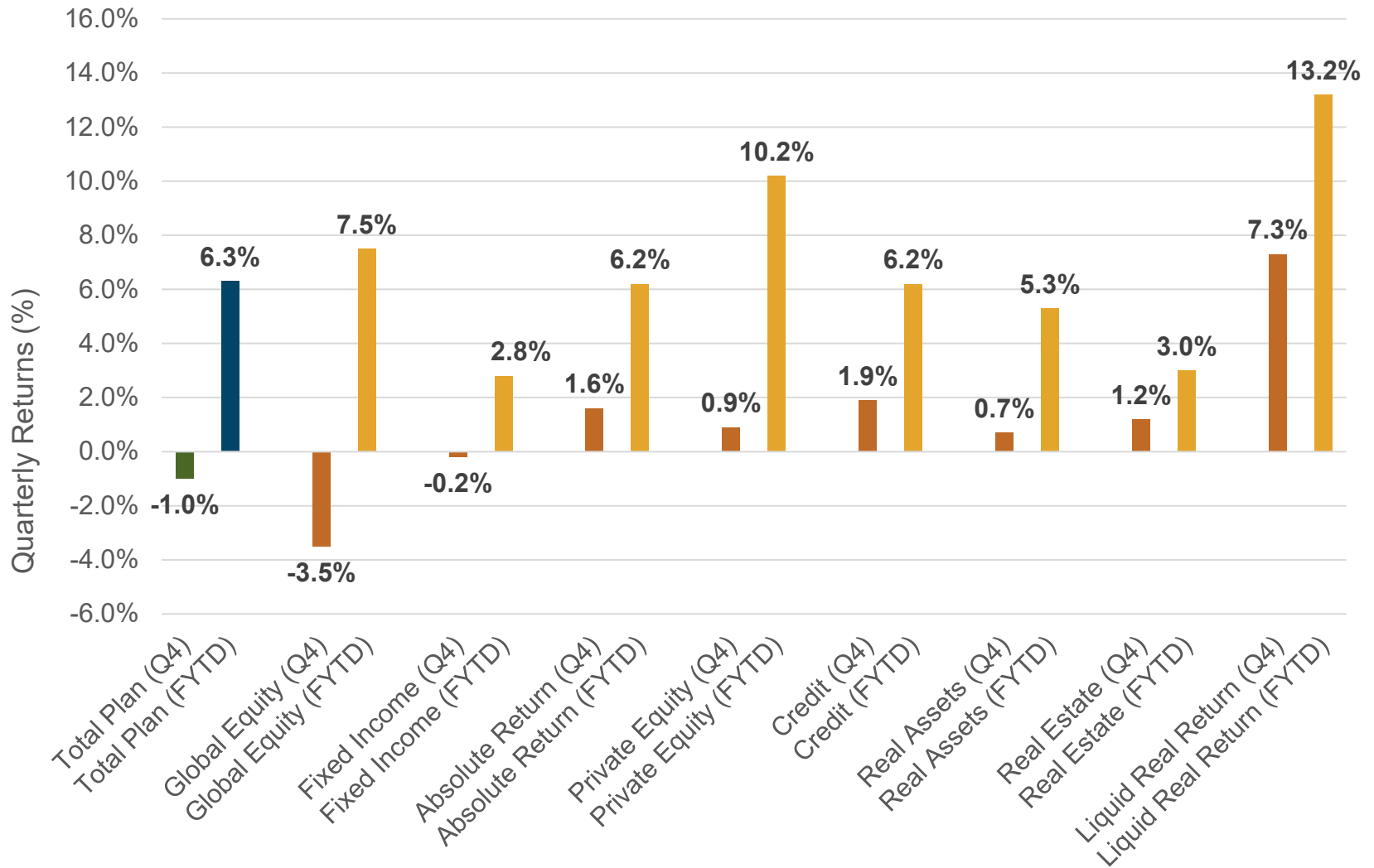
Bloomberg U.S. Aggregate Index



Market	Index	Quarter	YTD	1-Year	3-Year	5-Year	10-Year
Domestic Equity	S&P 500 Index	-4.3	-4.3	17.8	18.3	12.1	14.2
	Russell 1000 Index	-4.2	-4.2	17.7	18.1	11.3	14.0
	Russell 2000 Index	0.9	0.9	25.7	13.0	3.8	9.9
	Dow Jones Industrial Average	-3.2	-3.2	12.2	13.8	9.1	12.5
International Equity	MSCI AC World ex USA Index	-0.6	-0.6	25.6	15.1	7.6	8.9
	MSCI Emerging Markets Index	-0.1	-0.1	30.3	15.4	4.2	8.2
	MSCI EAFE Index	-1.1	-1.1	21.9	14.2	8.5	8.9
Fixed Income	Blmbg. U.S. Aggregate Index	0.0	0.0	4.3	3.6	0.3	1.7
	Blmbg. U.S. Treasury Bills	0.9	0.9	4.1	4.8	3.4	2.3
	Blmbg. U.S. Corp. High Yield Index	-0.5	-0.5	7.0	8.6	4.2	6.1

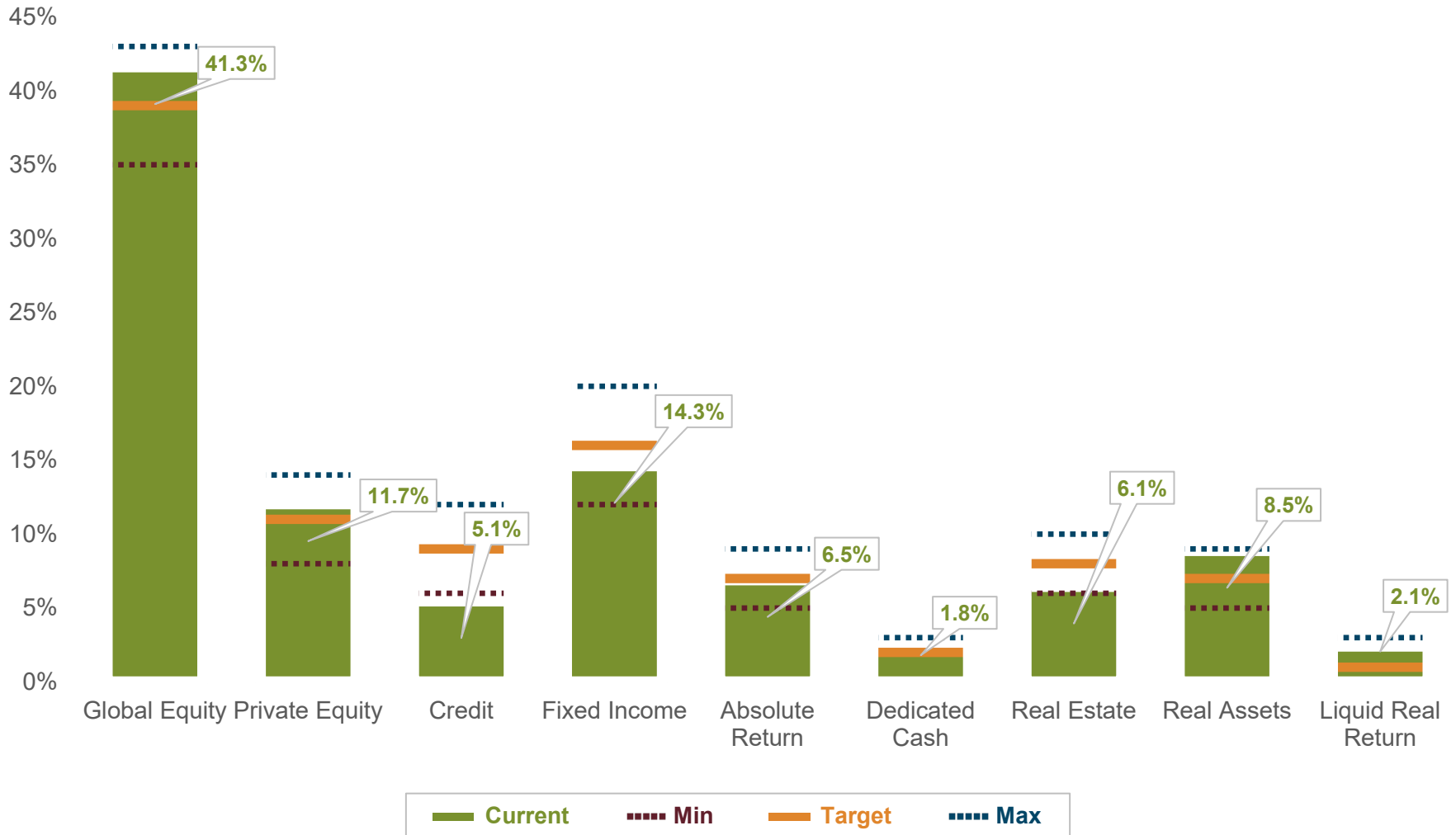
Portfolio Updates: Performance Estimate

For the quarter ended March 31, 2026



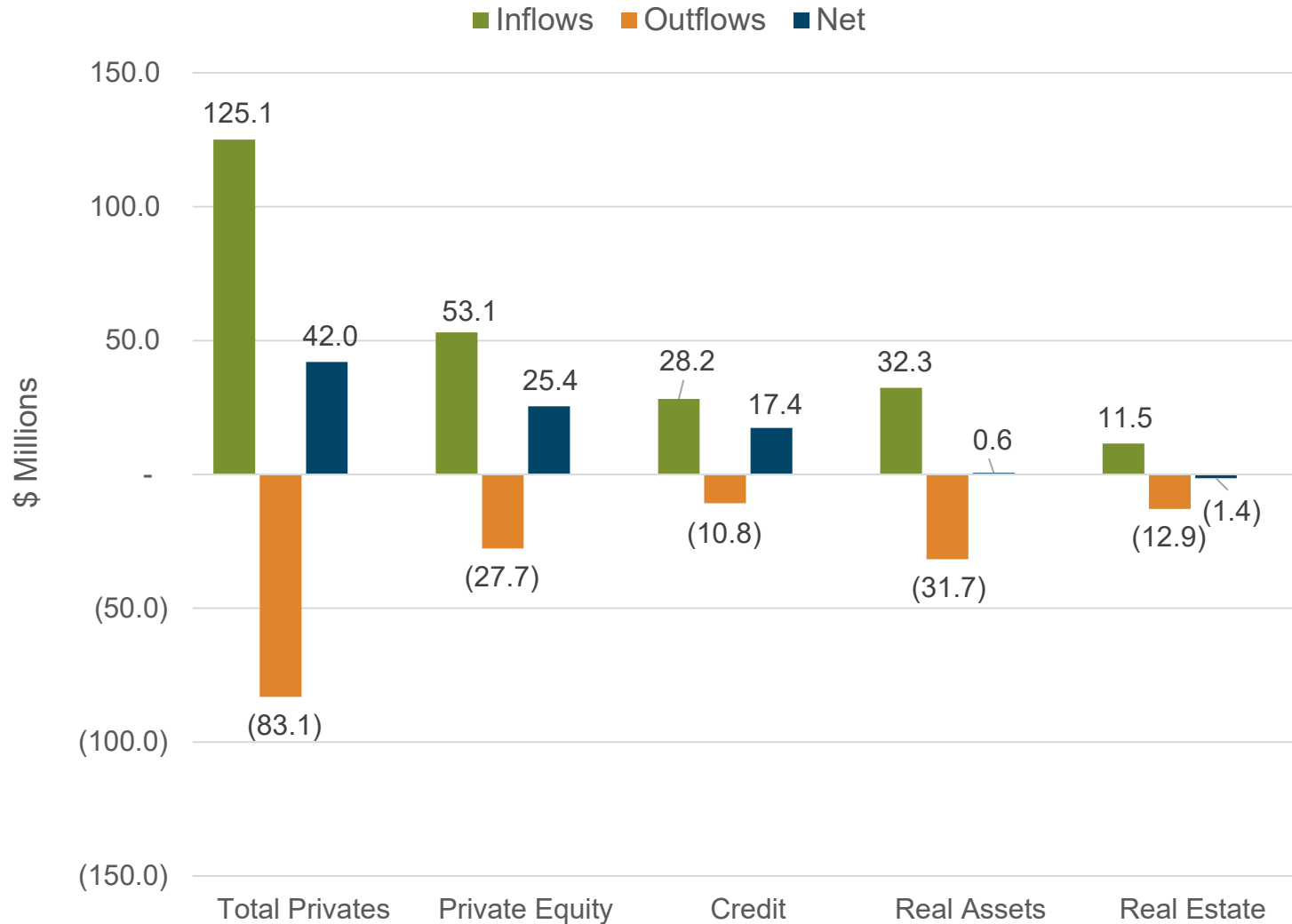
Portfolio Updates: Asset Allocation

As of March 31, 2026



Portfolio Updates: Private Market Cash Flows

For the quarter ended March 31, 2026



Portfolio Updates: Rebalancing Activity

For the quarter ended March 31, 2026



Overlay Rebalancing

Asset Category Proxy	Trade	Amount
Growth	Purchased	\$136 million
Diversifying	Sold	\$34 million
Real Return	Sold	\$102 million
Cash	Decreased	\$1 million



Physical Rebalancing

Investment Manager	Trade	Amount
PSquared	Sold	\$54 million
Alliance Bernstein	Sold	\$190 million
D.E. Shaw	Sold	\$30 million
Eagle Capital	Sold	\$30 million
AQR	Sold	\$50 million

Portfolio Updates: Transitioning & Implementation

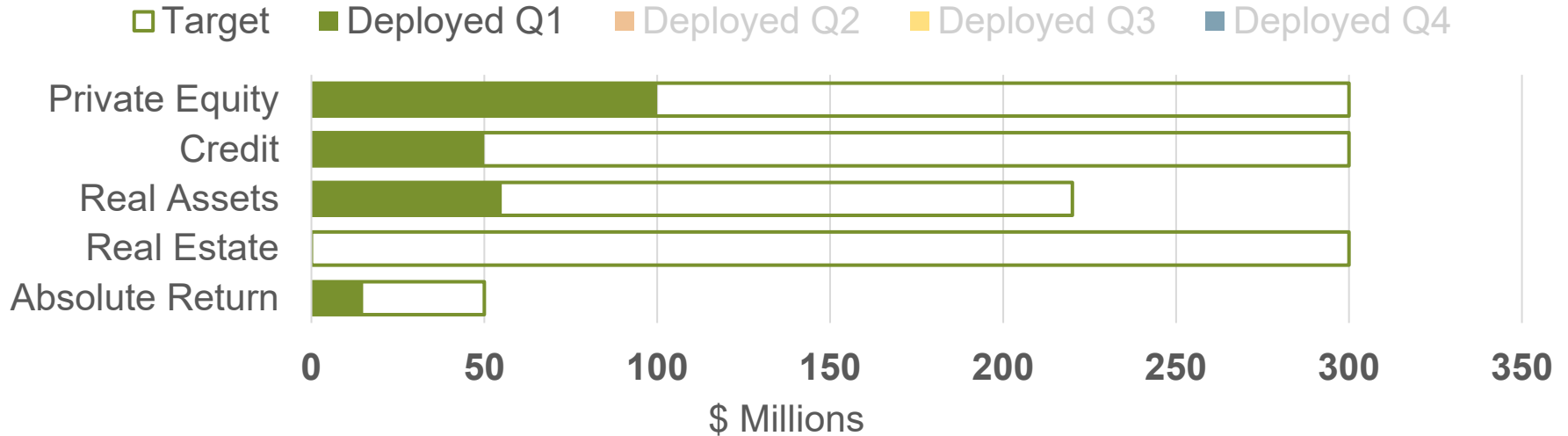
For the quarter ended March 31, 2026

Investment	Trade	Detail
Global Equity portfolio	- \$300 million	Staff completed rebalancing within the Domestic Equity portfolio given the overweight relative to target.

Portfolio Updates: New Investment Activity



2026 Investment Activity



Q1 Investment Summary

Asset Class	Commitments / Add-Ons	Total Committed / Added
Private Equity	1	\$100 million
Credit	1	\$50 million
Real Assets	1	\$55 million
Absolute Return	2	\$15 million

Initiatives and Updates

Initiatives

- Custodial bank transition complete
- General consultant RFP to be issued in April

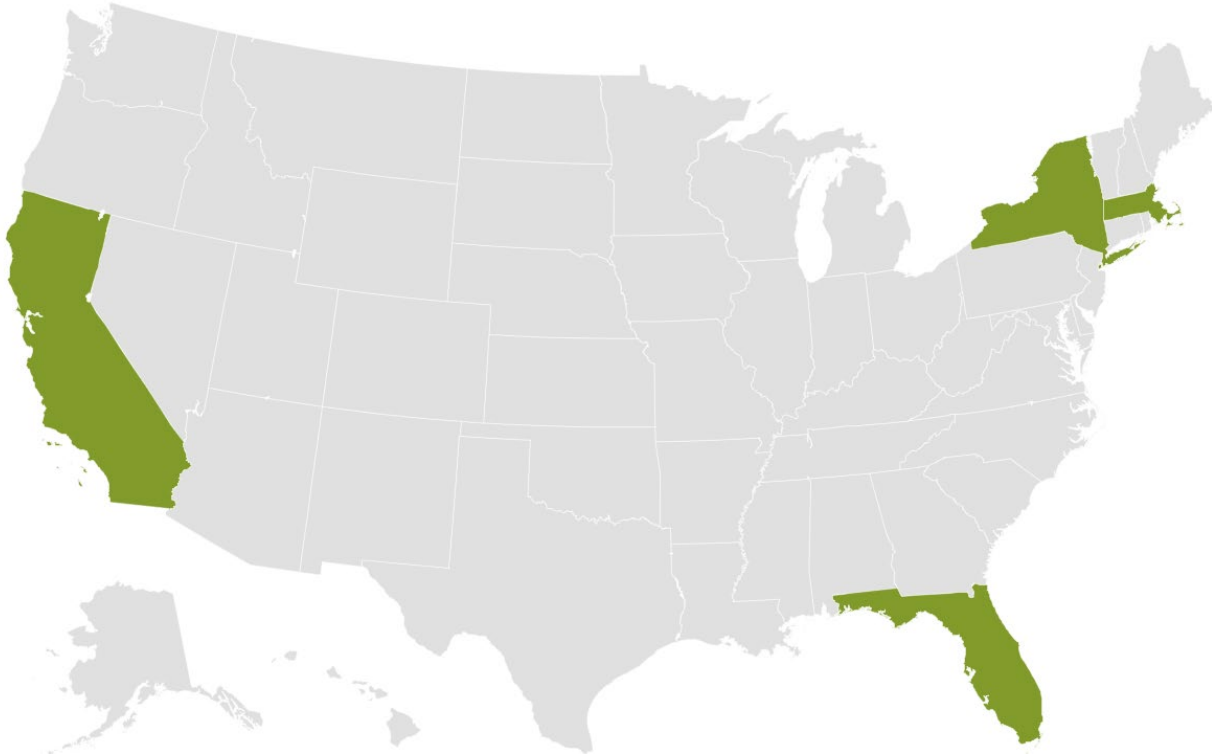
Upcoming Investment Activity

- Implementation of Man Numeric mandate expected in May
- Meaningful investment activity expected within the Credit asset class over the next couple of quarters
 - Liquid Credit multi-sector mandate search near completion
 - Upcoming private credit education

Initiatives and Updates Cont'd

Staff Travel Q1

Travel Type	Destinations
Conference / Manager Meeting	9
Due Diligence	4



- Staff attended several conferences and manager meetings and visited managers for due diligence
 - Due diligence included multiple managers in Belgium and The Netherlands

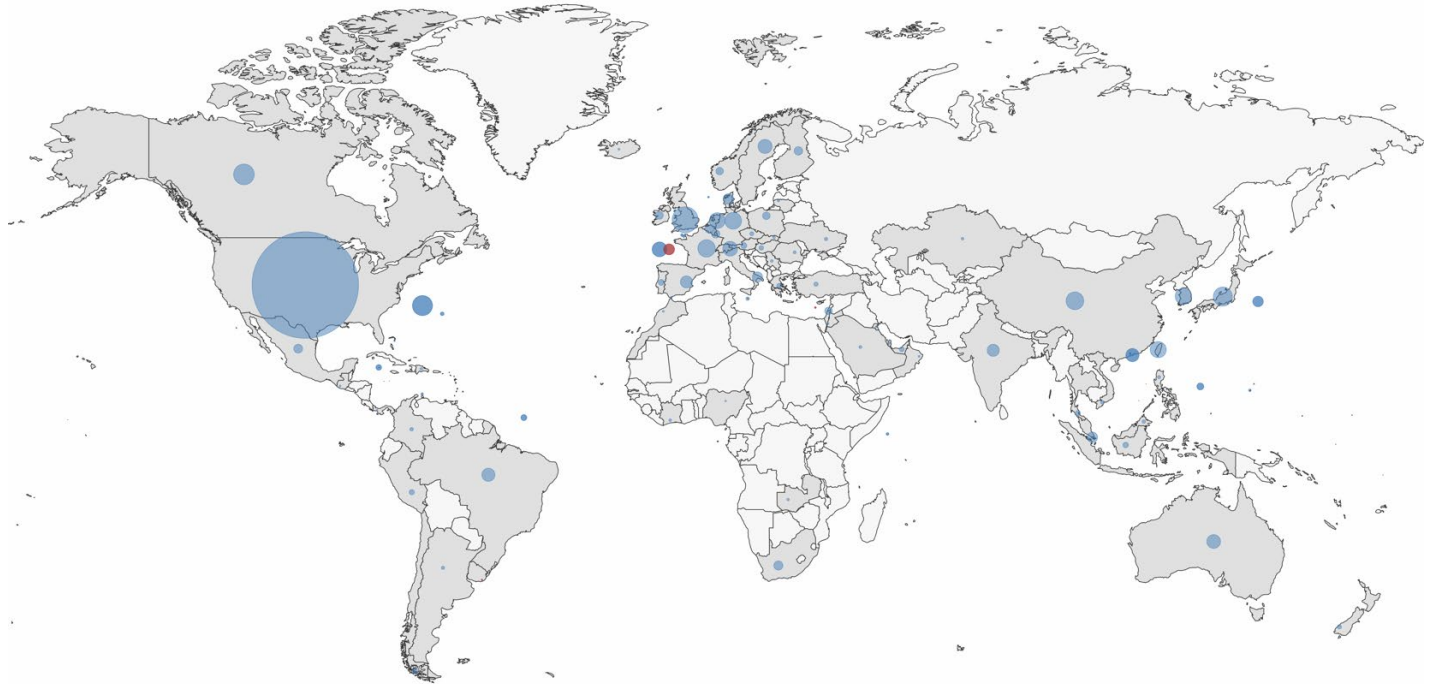
Portfolio Exposures

As of March 31, 2026

Geographic Exposure

Top Developed	Portfolio
United States	65.4%
United Kingdom	3.4%
Canada	2.2%
Japan	1.8%
France	1.4%

Top Emerging	Portfolio
China	1.6%
South Korea	1.3%
Taiwan	1.3%
Brazil	0.8%
India	0.7%



North America	70%	Europe	13%	Asia	10%	Other	7%
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Portfolio Exposures Cont'd

As of March 31, 2026

 **Sector Exposure**

 **Currency Exposure**

