



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 17

MEETING DATE: June 17, 2026

SUBJECT: Alternative Assets Consultant

SUBMITTED FOR: X Action Information

RECOMMENDATION

Authorize the Chief Executive Officer to amend the alternative assets consultant contract with Cliffwater through June 30, 2028, with expenditures not to exceed \$1,000,000 over the two-year period.

PURPOSE/STRATEGIC PRIORITY

This item complies with SCERS' Master Investment Policy Statement, which requires Board approval of key consultant relationships.

DISCUSSION

At the January 2026 Board meeting, Staff provided an update on upcoming consultant contract expirations. At that meeting, Staff's guidance was to renew the contract with Cliffwater for a 2-year term. SCERS last issued an RFP for alternative assets consulting services in 2020 and retained Cliffwater for a 3-year term ending on June 30, 2024, which was extended for an additional 2-year term ending June 30, 2026.

Cliffwater has been SCERS' alternative assets consultant since 2011. The firm has worked closely with the Board and Staff to build a diversified and strong performing alternative assets portfolio, across direct private market and absolute return investments. Cliffwater consultants have also worked well with SCERS' other plan consultants within SCERS' broader strategic asset allocation to deliver robust and consistent performance across economic and market cycles. Cliffwater has a strong reputation across the institutional investment community.

Cliffwater has experienced meaningful changes over the past several years, including a minority equity sale of its business and growth in firm assets. Cliffwater has two primary business lines, which include the advisory business, in which SCERS is a client, and an asset management business, in which SCERS is not a client. The asset management business has experienced significant growth.

Staff does not recommend issuing an RFP for alternative assets consulting services at this time but rather amending the current contract to extend for a 2-year renewal term. This extension timeframe will allow SCERS to complete the ongoing general consultant RFP evaluation process after which Staff will re-evaluate the relationship with Cliffwater. Evaluation points for Cliffwater include alternate asset coverage and capacity of the General Investment Consultant, the growth of its asset management business, whether the advisory business remains a strategic priority for Cliffwater, and any potential conflicts between the two businesses.

The amendment to the Cliffwater contract only includes the 2-year renewal with no other changes. The current \$500,000 annual fee remains unchanged. The contract also includes language that gives either party the ability to terminate the engagement upon notice, similar to all of SCERS' investment consulting contracts.

The current Cliffwater consulting team for SCERS of Jamie Feidler and Stephen Nesbitt will remain in place.

ATTACHMENTS

- Board Order

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
June 17, 2026**

AGENDA ITEM:

Alternative Assets Consultant

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to authorize the Chief Executive Officer to amend the alternative assets consultant contract with Cliffwater through June 30, 2028, with expenditures not to exceed \$1,000,000 over the two-year period.

I HEREBY CERTIFY that the above order was passed and adopted on June 17, 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