



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 12

MEETING DATE: August 19, 2026

SUBJECT: Portfolio Allocation and Rebalancing Report—Second Quarter 2026

SUBMITTED FOR: ☐ Action ☒ Information

RECOMMENDATION

Receive and file the Portfolio Allocation and Rebalancing Report for the quarter ended June 30, 2026.

PURPOSE/STRATEGIC PRIORITY

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 Investment Management (SSIM), 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 June 30, 2026 (based on Northern Trust 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.

<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*		59.7%	59.0%	0.7%	101%
	Global Equity	43.3%	39.0%	4.3%	111%
	Private Equity	11.2%	11.0%	0.2%	102%
	Credit	5.2%	9.0%	-3.8%	58%
	Growth Absolute Return	0.02%	0.0%	0.02%	N/A
DIVERSIFYING*		23.1%	25.0%	-1.9%	92%
	Fixed Income	15.0%	16.0%	-1.0%	94%
	Absolute Return	6.4%	7.0%	-0.6%	91%
	Dedicated Cash	1.7%	2.0%	-0.3%	87%
REAL RETURN**		15.4%	16.0%	-0.6%	96%
	Real Estate	5.7%	8.0%	-2.3%	72%
	Real Assets	8.3%	7.0%	1.3%	119%
	Liquid Real Return	1.3%	1.0%	0.3%	133%
OTHER CASH/OVERLAY		1.8%	-	-	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 second quarter of 2026, the following Overlay Program rebalancing occurred:

- Quarter-end rebalance:
 - Sold \$163 million in Growth proxy
 - Purchased \$83 million in Diversifying proxy
 - Purchased \$75 million in Real Return proxy
 - Increased the cash allocation by \$5 million

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

- **Global Equity** has a 43.3% allocation as of June 30, 2026, up from a 40.1% allocation as of March 31, 2026, and above the 39% target allocation.
 - **Domestic Equity** has a 21.1% allocation as of June 30, 2026, up from the 19.6% allocation as of March 31, 2026. The 21.1% allocation is slightly above the range high of 21%.
 - **International Equity** has a 17.5% allocation as of June 30, 2026, up from the 16.0% allocation as of March 31, 2026. The 17.5% allocation is above the target allocation of 14% and above the range high of 16%.
 - **Global/Unconstrained** has a 4.7% allocation as of June 30, 2026, slightly up from the 4.6% allocation as of March 31, 2026. The 4.7% allocation is below the 6% target allocation but above the range low of 4%.
 - Given the increasing overweight to Global Equity due to the continuing strong performance of public equities, Staff will evaluate physical rebalancing during the second quarter to bring the allocation closer to the 39% target allocation.
- **Fixed Income** has a 15.0% allocation as of June 30, 2026, up from the 14.3% allocation as of March 31, 2026. The 15.0% allocation is below the 16% target allocation, but within range.

- Staff performed physical rebalancing, by allocating an aggregate of \$220 million to SCERS' Fixed Income managers, at the end of the second quarter, to bring the Fixed Income allocation closer to the target allocation.
- **Alternative Asset Class** weights vs. target include:
 - **Absolute Return** – 6.4% vs. 7.0% target; within range
 - **Private Equity** – 11.2% vs. 11.0% target; within range
 - **Credit** – 5.2% vs. 9% target; below the 6% lower bound of the Credit asset-class range, which was established when Public and Private Credit were consolidated and the target increased from 7% to 9%
 - **Real Assets** – 8.3% vs. 7.0% target; within range
 - **Real Estate** – 5.7% vs. 8.0% target; slightly below the 6%-10% range

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 SSIM 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 1-14** 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 SSIM 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 Cerity 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 59.7%, which is slightly above the strategic asset allocation's target of 59% but within range, and the allocation is 101% 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, SSIM, sold approximately \$163 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 43.3%, which is above SCERS' policy target allocation of 39% and slightly above the range, and the allocation is 111% relative to the target allocation.

At the sub-asset class level, Domestic Equity has an actual allocation of 21.1%, which is above its target allocation of 19% and slightly above the range high of 21% (111% relative to the target).

International Equity has an actual allocation of 17.5%, which is above the target allocation of 14% and above the range high of 16% (125% relative to the target).

The Global/Unconstrained segment has a 4.7% allocation, which is below the 6% target allocation but within range (78% relative to target).

SSIM buys and sells a basket of global equity index futures to rebalance the Global Equity asset class toward the policy target allocation. Given the increasing overweight to Global Equity due to the continuing strong performance of public equities, Staff will evaluate physical rebalancing during the second quarter to bring the allocation closer to the 39% target allocation.

Private Equity:

As outlined in **Table 3**, SCERS' Private Equity allocation of 11.2% remains above the target allocation of 11%, but within range. The allocation is 102% relative to the target allocation.

SSIM 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 5.2% is below the policy target allocation of 9%, and the allocation is 58% 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.

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.

SSIM utilizes a basket of 88% global equities and 12% U.S. Treasuries to replicate 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 0.02%. 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 2027.

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 23.1%, which is below the strategic asset allocation's target of 25%, and the allocation is 92% 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, SSIM, purchased approximately \$83 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 15.0% is below SCERS' policy target allocation of 16%, and the allocation is 94% 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 at the end of the second quarter, to bring the Fixed Income allocation closer to the target allocation.

Absolute Return:

As outlined in **Table 8**, SCERS' Absolute Return allocation of 6.4% is slightly below the policy target allocation of 7%, and the allocation is 91% relative to the target allocation.

SSIM 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 15.4%, which is slightly below the strategic asset allocation's target of 16%, and the allocation is 96% relative to the target allocation.

The Overlay Program rebalances the Real Return asset category to the 16% target allocation through the SSIM 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, SSIM, purchased approximately \$75 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 5.7% is below the policy target allocation of 8%, and slightly below the 6% low end of the range. The allocation is 72% relative to the target allocation. Staff expects an upcoming core real estate commitment to bring the Real Estate allocation back within the targeted range during the second half of 2026.

SSIM 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 8.3% is above the policy target allocation of 7%, and the allocation is 119% relative to the target allocation. Private real asset valuations are lagged a quarter.

SSIM 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 1.3% is above the policy target allocation of 1%, and the allocation is 133% relative to the target allocation. The Liquid Real Return allocation is managed by SSIM, 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 2.9% as of March 31, 2026, which includes a combination of the 1.7% dedicated cash allocation and 1.2% in other cash. The dedicated cash allocation of 1.7% is 87% 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.

The 1.2% other cash allocation incorporates the remaining 2025/2026 pre-funded annual employer contribution, which was received in July of 2025. The other cash allocation is also used to fund capital calls 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 (1.2%) into positions that replicate SCERS' target portfolio.

ATTACHMENTS

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

Prepared by:

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Retirement Board Order

Sacramento County Employees' Retirement System

**Before the Board of Retirement
August 19, 2026**

AGENDA ITEM:

**Portfolio Allocation and Rebalancing Report—
Second Quarter 2026**

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to receive and file the Portfolio Allocation and Rebalancing Report for the quarter ended June 30, 2026.

I HEREBY CERTIFY that the above order was passed and adopted on August 19, 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

APPENDIX A: Portfolio Allocation and Rebalancing Detail–Second Quarter 2026

Fund Name		Market Value	Actual	Target	Delta	% Relative to Target
Total Fund		\$16,323,656,976				
Table 1: GROWTH ASSET CATEGORY						
		Market Value	Actual	Target	Delta	% Relative to Target
GROWTH ASSET CATEGORY:		\$9,744,085,766	59.7%	59.0%	0.7%	101%
Table 2: Global Equity Asset Class						
		Allowable Range: 36-44%				
Global Equity	Sub-Asset Class	Market Value	Actual	Target	Delta	% Relative to Target
		\$7,065,229,816	43.3%	39.0%	4.3%	111%
		Market Value	Actual	Target	Delta	% Relative to Target
Domestic Equity		\$3,440,653,723	21.1%	19.0%	2.1%	111%
AllianceBernstein	Equity Core Index	\$1,600,015,992	9.8%			
DE Shaw Broad Market Core Alpha Extension	Equity Core Active Short Extension (130/30)	\$267,035,593	1.6%			
JP Morgan 130/30	Equity Core Active Short Extension (130/30)	\$250,931,507	1.5%			
Eagle Capital Management	Equity Large Cap Core	\$457,164,691	2.8%			
AQR US Enhanced Equity	Equity Systematic Multi-Factor Core	\$512,237,059	3.1%			
Equity Large Cap			18.9%	17.1%	1.8%	
Snyder Capital Management	Equity Small Cap Value	\$194,668,189	1.2%			
Weatherbie & Co.	Equity Small Cap Growth	\$158,600,692	1.0%			
Equity Small Cap			2.2%	1.9%	0.3%	
		Market Value	Actual	Target	Delta	% Relative to Target
International Equity		\$2,857,974,333	17.5%	14.0%	3.5%	125%
LSV Large Cap International Value	International Equity Large Cap Value	\$617,812,492	3.8%			
Walter Scott	International Equity Large Cap Growth	\$465,243,936	2.9%			
Man Numeric	International Equity Large Cap Core	\$456,232,600	2.8%			
Acadian Asset Management	International Equity Small Cap Value	\$239,912,459	1.5%			
International Developed			10.9%	9.8%	1.1%	
ARGA Emerging Markets Equity Fund	Emerging Markets Equity - All Cap	\$417,937,841	2.6%			
Baillie Gifford	Emerging Markets Equity - All Cap	\$341,370,465	2.1%			
Oaktree Emerging Markets Equity Fund	Emerging Markets Equity - All Cap	\$319,464,540	2.0%			
Emerging Markets			6.6%	4.2%	2.4%	

APPENDIX A: Portfolio Allocation and Rebalancing Detail—Second Quarter 2026

		Market Value	Actual	Target	Delta	% Relative to Target
Global/Unconstrained Equity		\$766,601,760	4.7%	6.0%	-1.3%	78%
Acadian Global Equity Extension	Global Equity	\$260,023,708	1.6%			
Artisan Partners Global Opportunities	Global Equity	\$184,815,516	1.1%			
Allspring Global Investments	Global Equity	\$142,142,095	0.9%			
Amova Asset Management	Global Equity	\$175,320,000	1.1%			
Third Point Partners Qualified, LP	Event Driven	\$4,300,441	0.0%			
Table 3: Private Equity Asset Class		Allowable Range: 8-14%				
Private Equity	Sub-Strategy	Market Value	Actual	Target	Delta	% Relative to Target
		\$1,829,516,059	11.2%	11.0%	0.2%	102%
Accel-KKR Capital Partners V, LP	Buyout	\$24,573,715	0.2%			
Accel-KKR Capital Partners VI, LP	Buyout	\$31,537,569	0.2%			
Accel-KKR Capital Partners VII, LP	Buyout	\$5,021,194	0.0%			
Accel-KKR Growth Capital Partners II, LP	Buyout	\$5,591,221	0.0%			
Accel-KKR Growth Capital Partners III, LP	Buyout	\$36,520,057	0.2%			
Accel-KKR Growth Capital Partners IV, LP	Buyout	\$17,122,550	0.1%			
Cortec Group Fund VII, LP	Buyout	\$30,513,717	0.0%			
Cortec Group Fund VIII, LP	Buyout	\$12,153,217	0.0%			
Gridiron Capital Fund IV, LP	Buyout	\$32,461,861	0.2%			
Gridiron Capital Fund V, LP	Buyout	\$36,905,449	0.2%			
H.I.G. Capital Partners V, LP	Buyout	\$3,817,300	0.0%			
JFL Equity Investors VI, LP	Buyout	\$24,332,322	0.1%			
Linden Capital Partners III, LP	Buyout	\$14,233,959	0.1%			
Linden Capital Partners IV, LP	Buyout	\$31,847,345	0.2%			
Linden Capital Partners V, LP	Buyout	\$31,602,082	0.2%			
Linden Capital Partners VI, L.P.	Buyout	\$0	0.0%			
Main Capital Partners IX, L.P.	Buyout	\$0	0.0%			
Marlin Equity Partners IV, LP	Buyout	\$5,233,782	0.0%			
Marlin Equity Partners V, LP	Buyout	\$31,781,523	0.2%			
Marlin Heritage Europe, LP	Buyout	\$14,479,131	0.1%			
Marlin Heritage, LP	Buyout	\$2,651,682	0.0%			
Marlin Heritage II, LP	Buyout	\$6,820,449	0.0%			
Marlin Heritage III, L.P.	Buyout	\$16,786,278	0.1%			
Oaktree Power Opportunities Fund VI, LP	Buyout	\$20,361,498	0.1%			
Oaktree Power Opportunities Fund VII, L.P.	Buyout	\$6,088,654	0.0%			
Resurgens Technology Partners III, LP	Buyout	\$2,238,573	0.0%			
Riverside Value Fund II, L.P.	Buyout	\$493,785	0.0%			
Shamrock Capital Growth Fund V	Buyout	\$23,424,433	0.1%			
Shamrock Capital Growth Fund VI	Buyout	\$6,650,673	0.0%			
Strategic Value Special Situations Fund VI, L.P.	Buyout	\$2,115,808	0.0%			

APPENDIX A: Portfolio Allocation and Rebalancing Detail—Second Quarter 2026

Table 3: Private Equity Asset Class (continued)		Allowable Range: 8-14%				% Relative to Target
Private Equity	Sub-Strategy	Market Value	Actual	Target	Delta	
		\$1,829,516,059	11.2%	11.0%	0.2%	102%
Thoma Bravo Fund XI, LP	Buyout	\$15,409,432	0.1%			
Thoma Bravo Fund XII, LP	Buyout	\$14,115,838	0.1%			
Thoma Bravo Fund XIII, LP	Buyout	\$47,062,156	0.3%			
TSG 7 A, LP	Buyout	\$2,887,761	0.0%			
TSG 7 B, LP	Buyout	\$6,089,737	0.0%			
TSG 8, LP	Buyout	\$32,014,466	0.2%			
TSG 9, LP	Buyout	\$18,050,566	0.1%			
Wynnchurch Capital Partners V, LP	Buyout	\$22,863,462	0.1%			
Wynnchurch Capital Partners VI, LP	Buyout	\$14,346,380	0.1%			
CVC Capital Partners IX, LP	Buyout	\$10,973,326	0.0%			
H.I.G. Europe Capital Partners II, LP	European Buyout	\$7,405,506	0.0%			
Waterland Private Equity Fund V, CV	European Buyout	\$773,409	0.0%			
Waterland Private Equity Fund VI, CV	European Buyout	\$12,553,200	0.1%			
RRJ Capital Master Fund II, LP	Asian Buyout/Special Situations	\$2,974,407	0.0%			
RRJ Capital Master Fund III, LP	Asian Buyout/Special Situations	\$10,861,215	0.1%			
Spectrum Equity Investors VII, LP	Growth Equity	\$17,790,849	0.1%			
Spectrum Equity Fund VIII, LP	Growth Equity	\$19,824,644	0.1%			
Spectrum Equity Fund IX, L.P.	Growth Equity	\$24,040,951	0.1%			
Spectrum Equity X, L.P.	Growth Equity	\$12,920,975	0.1%			
Summit Partners VC Fund III, LP	Growth Equity	\$2,248,589	0.0%			
Summit Partners Venture Capital Fund IV, LP	Growth Equity	\$43,783,225	0.3%			
Summit Partners Venture Capital V, L.P.	Growth Equity	\$20,356,407	0.1%			
Summit Partners Europe Growth Equity Fund II, LP	European Growth Equity	\$53,110,084	0.3%			
Summit Partners Europe Growth Equity Fund III, L.P.	European Growth Equity	\$23,946,218	0.1%			
Canvas 3, L.P.	Venture Capital	\$12,901,828	0.1%			
CRV XVIII, L.P.	Venture Capital	\$19,068,676	0.1%			
CRV XIX, LP	Venture Capital	\$27,467,146	0.2%			
CRV Select, LP	Venture Capital	\$26,811,465	0.2%			
CRV Select II, LP	Venture Capital	\$12,165,997	0.1%			
Khosla Ventures IV, LP	Venture Capital	\$4,958,043	0.0%			
Khosla Ventures V, L.P.	Venture Capital	\$14,307,262	0.1%			
Khosla Ventures VI, L.P.	Venture Capital	\$124,358,417	0.8%			
Khosla Ventures VII, L.P.	Venture Capital	\$22,393,651	0.1%			
Khosla Ventures VIII, L.P.	Venture Capital	\$32,824,232	0.2%			
Khosla Ventures IX, L.P.	Venture Capital	\$17,027,041	0.1%			
New Enterprise Associates 14, LP	Venture Capital	\$54,744,765	0.3%			
New Enterprise Associates 15, LP	Venture Capital	\$28,453,633	0.2%			
New Enterprise Associates 16, LP	Venture Capital	\$37,668,135	0.2%			
New Enterprise Associates 17, LP	Venture Capital	\$26,329,494	0.2%			

APPENDIX A: Portfolio Allocation and Rebalancing Detail—Second Quarter 2026

Table 3: Private Equity Asset Class (continued)		Allowable Range: 8-14%				% Relative to Target
Private Equity	Sub-Strategy	Market Value	Actual	Target	Delta	
		\$1,829,516,059	11.2%	11.0%	0.2%	102%
OrbiMed Private Investments VIII, L.P.	Venture Capital	\$10,241,411	0.1%			
OrbiMed Private Investments IX, L.P.	Venture Capital	\$18,828,402	0.1%			
OrbiMed Private Investments X, L.P.	Venture Capital	\$4,021,935	0.0%			
Threshold Ventures III, LP	Venture Capital	\$21,098,663	0.1%			
Threshold Ventures IV, LP	Venture Capital	\$19,021,432	0.1%			
Threshold Ventures V, LP	Venture Capital	\$7,111,935	0.0%			
Trinity Ventures XI, LP	Venture Capital	\$513,108	0.0%			
Trinity Ventures XII, LP	Venture Capital	\$26,001,993	0.2%			
Alchemy Special Opportunities Fund V, L.P.	Distressed Debt	\$8,024,891	0.0%			
Blue Owl Asset Special Opportunities Fund V, LP	Distressed Debt	\$177,575	0.0%			
Blue Owl Asset Special Opportunities Fund VI, LP	Distressed Debt	\$212,800	0.0%			
Davidson Kempner Distressed Opportunities Fund IV, LP	Distressed Debt	\$9,224,412	0.1%			
Davidson Kempner Distressed Opportunities Fund V, LP	Distressed Debt	\$29,244,468	0.2%			
H.I.G. Bayside Loan Opportunity III (Europe), LP	Distressed Debt	\$3,344,357	0.0%			
Strategic Value Special Situations Fund V, L.P.	Distressed Debt	\$39,709,818	0.2%			
TPG Opportunities Partners III, LP	Distressed Debt	\$2,816,759	0.0%			
Wayzata Opportunities Fund III, LP	Distressed Debt	\$100,957	0.0%			
Golden Capital Co-Investments, LP	Co-Investments	\$107,197,589	0.7%			
Blue Owl GP Stakes II US Investors, LP	Other	\$35,707,859	0.2%			
Blue Owl GP Stakes III Pension Investors, LP	Other	\$30,484,393	0.2%			
Abbott Capital ACE VI	Fund of Funds	\$1,747,056	0.0%			
HarbourVest Partners VIII	Fund of Funds	\$4,173,648	0.0%			
RCP Multi-Fund Feeder (SCERS), L.P.	Fund of Funds	\$75,268,182	0.5%			

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Table 4: Credit Asset Class		Allowable Range: 6-12%				
Credit	Sub-Strategy	Market Value	Actual	Target	Delta	% Relative to Target
		\$846,573,951	5.2%	9.0%	-3.8%	58%
Ares Capital Europe Fund V, LP	Illiquid Credit - Direct Lending	\$28,741,105	0.2%			
Ares Capital Europe VI (D) Levered, L.P.	Illiquid Credit - Direct Lending	\$25,990,898	0.2%			
Ares Senior Direct Lending Fund III, LP	Illiquid Credit - Direct Lending	\$25,214,878	0.2%			
Benefit Street Partners Senior Opportunities Fund, LP	Illiquid Credit - Direct Lending	\$4,333,699	0.0%			
Benefit Street Partners Senior Opportunities Fund II, LP	Illiquid Credit - Direct Lending	\$38,367,155	0.2%			
Brookfield Infrastructure Debt Fund III, LP	Illiquid Credit - Direct Lending	\$33,389,629	0.2%			
Comvest Credit Partners VII Levered Feeder, LP	Illiquid Credit - Direct Lending	\$39,686,298	0.2%			
IFM U.S. Infrastructure Debt Fund, LP	Illiquid Credit - Direct Lending	\$60,940,948	0.4%			
Shamrock Capital Debt Opportunities Fund I, LP	Illiquid Credit - Direct Lending	\$4,988,314	0.0%			
Stonepeak Infrastructure Credit Fund II, L.P.	Illiquid Credit - Direct Lending	\$16,157,989	0.1%			
Summit Partners Credit Fund II, LP	Illiquid Credit - Direct Lending	\$2,169,086	0.0%			
Summit Partners Credit Fund III, LP	Illiquid Credit - Direct Lending	\$2,134,441	0.0%			
Summit Partners Credit Fund IV, LP	Illiquid Credit - Direct Lending	\$796,475	0.0%			
TCP Direct Lending Fund VIII (S), LLC	Illiquid Credit - Direct Lending	\$85,373,231	0.5%			
Athyrium Opportunities Fund II, LP	Illiquid Credit - Opportunistic Lending	\$3,423,465	0.0%			
Athyrium Opportunities Fund III, LP	Illiquid Credit - Opportunistic Lending	\$7,201,374	0.0%			
OrbiMed Royalty & Credit Opportunities Fund III, LP	Illiquid Credit - Opportunistic Lending	\$235,637	0.0%			
OrbiMed Royalty & Credit Opportunities IV, LP	Illiquid Credit - Opportunistic Lending	\$12,306,535	0.1%			
OrbiMed Royalty & Credit Opportunities V, L.P.	Illiquid Credit - Opportunistic Lending	\$4,463,573	0.0%			
MCP Private Capital Fund IV, SCSp	Illiquid Credit - Opportunistic Lending	\$25,828,167	0.2%			
Shamrock Capital Content Fund II, L.P.	Illiquid Credit - Opportunistic Lending	\$13,167,931	0.1%			
Shamrock Capital Content Fund III, L.P.	Illiquid Credit - Opportunistic Lending	\$17,787,386	0.1%			
Shamrock Capital Content Fund IV, L.P.	Illiquid Credit - Opportunistic Lending	\$0	0.0%			
Silver Point Specialty Credit Fund II, L.P.	Illiquid Credit - Opportunistic Lending	\$26,776,149	0.2%			
Silver Point Specialty Credit Fund III, L.P.	Illiquid Credit - Opportunistic Lending	\$21,475,221	0.1%			
Sky Leasing Fund VI, L.P.	Illiquid Credit - Opportunistic Lending	\$20,154,903	0.1%			
Sixth Street Opportunities Partners IV (A), LP	Illiquid Credit - Special Situations	\$19,950,041	0.1%			
Sixth Street Opportunities Partners V, L.P.	Illiquid Credit - Special Situations	\$26,824,453	0.2%			
Brigade Capital SC Opportunities Mandate	Liquid Credit	\$269,525,475	1.7%			
Diameter Dislocation Fund III, L.P.	Liquid Credit	\$9,169,495	0.1%			
Table 5: Growth Absolute Return Asset Class		Allowable Range: 0%				
Growth Absolute Return	Sub-Strategy	Market Value	Actual	Target	Delta	% Relative to Target
		\$2,765,941	0.02%	0.0%	0.02%	N/A
Grosvenor SCARF - Growth Series	Diversified Separate Account	\$2,765,941	0.02%			

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Table 6: DIVERSIFYING ASSET CATEGORY

	Market Value	Actual	Target	Delta	% Relative to Target
DIVERSIFYING ASSET CATEGORY:	\$3,769,462,152	23.1%	25.0%	-1.9%	92%

Table 7: Fixed Income Asset Class

Allowable Range: 12-20%

Fixed Income	Sub-Strategy	Market Value	Actual	Target	Delta	% Relative to Target
		\$2,446,282,278	15.0%	16.0%	-1.0%	94%
Prudential Investment Management	Core Plus Active Fixed Income	\$448,705,467	2.7%	3.0%		
TCW	Core Plus Active Fixed Income	\$450,281,337	2.8%	3.0%		
Brandywine U.S. Fixed Income	Core Plus Active Fixed Income	\$448,140,432	2.7%	3.0%		
Reams	Core Plus Active Fixed Income	\$478,507,243	2.9%	3.0%		
	Core Plus		11.2%	12.0%	-0.8%	
Neuberger Berman	US Treasuries	\$620,647,799	3.8%	4.0%	-0.2%	

Table 8: Absolute Return Asset Class

Allowable Range: 5-9%

Absolute Return	Sub-Strategy	Market Value	Actual	Target	Delta	% Relative to Target
		\$1,040,611,231	6.4%	7.0%	-0.6%	91%
Graham Absolute Return Ltd.	Discretionary Global Macro	\$51,789,029	0.3%			
Tudor BVI Global Fund Ltd.	Discretionary Global Macro	\$58,073,840	0.4%			
Grosvenor SCARF - Diversifying Series	Diversified Separate Account	\$276,612,695	1.7%			
Marshall Wace Global Opportunities Fund	Equity Long/Short	\$83,517,199	0.5%			
Junto Capital Partners LP	Equity Long/Short	\$59,996,664	0.4%			
BlackRock Event Driven Equity Fund	Event Driven	\$52,801,050	0.3%			
Elliott Associates LP	Event Driven	\$81,609,367	0.5%			
Aristeia Partners, L.P.	Fixed Income Relative Value	\$61,205,232	0.4%			
Capula Global Relative Value Fund L.P.	Fixed Income Relative Value	\$54,565,316	0.3%			
Capula Volatility Opportunities Fund Limited	Volatility Arbitrage	\$26,651,822	0.2%			
BlackRock Systematic Total Alpha Fund LLC	Multi-Strategy	\$54,235,696	0.3%			
Hudson Bay Fund L.P.	Multi-Strategy	\$56,108,637	0.3%			
Laurion Capital Management, LP	Volatility Arbitrage	\$63,712,337	0.4%			
Graham Tactical Trend Fund , L.P.	Systematic Global Macro	\$59,732,348	0.4%			

Table 9: Dedicated Cash

Allowable Range: 0-2%

Dedicated Cash	Market Value	Actual	Target	Delta	% Relative to Target
	\$282,568,644	1.7%	2.0%	-0.3%	87%
Dedicated Cash Account	\$282,568,644	1.7%	2.0%	-0.3%	

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Table 10: REAL RETURN ASSET CATEGORY

	Market Value	Actual	Target	Delta	% Relative to Target
REAL RETURN ASSET CATEGORY:	\$2,509,312,085	15.4%	16.0%	-0.6%	96%

Table 11: Real Estate Asset Class

Allowable Range: 6-10%

Real Estate	Sub-Strategy	Market Value	Actual	Target	Delta	% Relative to Target
		\$933,850,950	5.7%	8.0%	-2.3%	72%
Brookfield Premier Real Estate Partners, LP	Core Real Estate	\$91,476,495	0.6%			
Clarion Lion Properties Fund, LP	Core Real Estate	\$104,339,040	0.6%			
MetLife Core Property Fund, LP	Core Real Estate	\$68,052,157	0.4%			
Principal US Property Account	Core Real Estate	\$57,635,653	0.4%			
Prologis Targeted Europe Logistics Fund, LP	Core Real Estate	\$62,510,238	0.4%			
Prologis Targeted US Logistics Fund, LP	Core Real Estate	\$77,976,630	0.5%			
Townsend Real Estate Fund, LP	Core Real Estate	\$100,403,605	0.6%			
Carlyle China Realty, L.P.	Non-Core Real Estate - Opportunistic	\$3,062,945	0.0%			
Carlyle China Rome Logistics, L.P.	Non-Core Real Estate - Opportunistic	\$13,958,687	0.1%			
KKR Real Estate Partners Americas, LP	Non-Core Real Estate - Opportunistic	\$154,098	0.0%			
LaSalle China Logistics Venture, LP	Non-Core Real Estate - Opportunistic	\$7,986,712	0.0%			
Sculptor Real Estate Fund III, LP	Non-Core Real Estate - Opportunistic	\$2,162,359	0.0%			
Sculptor Real Estate Fund IV, L.P.	Non-Core Real Estate - Opportunistic	\$24,421,846	0.1%			
Sculptor Real Estate Fund V, L.P.	Non-Core Real Estate - Opportunistic	\$4,062,987	0.0%			
WCP NewCold III, L.P.	Non-Core Real Estate - Opportunistic	\$39,232,817	0.2%			
Asana Partners Fund II, L.P.	Non-Core Real Estate - Value-Added	\$24,882,242	0.2%			
Asana Partners Fund III, L.P.	Non-Core Real Estate - Value-Added	\$21,931,146	0.1%			
Asana Partners Fund III, L.P.	Non-Core Real Estate - Value-Added	\$6,586,855	0.0%			
Blue Owl Real Estate Fund VII, L.P.	Non-Core Real Estate - Value-Added	\$9,191,306	0.1%			
DRC European Real Estate Debt Fund II, LP	Non-Core Real Estate - Value-Added	\$244,861	0.0%			
ECE European Prime Shopping Centre Fund II, SCS-SIF	Non-Core Real Estate - Value-Added	\$33,474,106	0.2%			
FPA Apartment Opportunity Fund IX, L.P.	Non-Core Real Estate - Value-Added	\$9,038,135	0.1%			
FPA Core Plus Fund VI, L.P.	Non-Core Real Estate - Value-Added	\$38,309,215	0.2%			
Hammes Partners II, LP	Non-Core Real Estate - Value-Added	\$858,864	0.0%			
Hammes Partners III, LP	Non-Core Real Estate - Value-Added	\$24,823,391	0.2%			
Hammes Partners IV, LP	Non-Core Real Estate - Value-Added	\$11,283,901	0.1%			
NREP Nordic Strategies Fund II, FCP-FIS	Non-Core Real Estate - Value-Added	\$8,981,331	0.1%			
NREP Nordic Strategies Fund III, FCP-FIS	Non-Core Real Estate - Value-Added	\$30,452,799	0.2%			
NREP Nordic Strategies Fund IV, FCP-FIS	Non-Core Real Estate - Value-Added	\$21,940,042	0.1%			
NREP Nordic Strategies Fund V, SCSp	Non-Core Real Estate - Value-Added	\$26,424,226	0.2%			
Seven Seas Japan Opportunity Fund, GK	Non-Core Real Estate - Value-Added	\$7,992,261	0.0%			

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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
		\$1,357,588,235	8.3%	7.0%	1.3%	119%
ACM Fund II, LP	Agriculture	\$8,805,155	0.1%			
Paine Schwartz Food Chain Fund V, L.P.	Agriculture	\$38,463,126	0.2%			
Carlyle Power Partners II, LP	Energy and Power	\$479,334	0.0%			
EnCap Energy Capital Fund IX, LP	Energy and Power	\$4,174,739	0.0%			
EnCap Energy Capital Fund X, LP	Energy and Power	\$16,739,581	0.1%			
NGP Royalty Partners, L.P.	Energy and Power	\$24,057,032	0.1%			
NGP Royalty Partners II, L.P.	Energy and Power	\$67,284,105	0.4%			
NGP Royalty Partners III, L.P.	Energy and Power	\$39,695,960	0.2%			
Tailwater Energy Fund III, LP	Energy and Power	\$17,304,585	0.1%			
Tailwater Energy Fund IV, LP	Energy and Power	\$28,654,331	0.2%			
Quantum Energy Partners VI, LP	Energy and Power	\$4,791,894	0.0%			
Quantum Energy Partners VII, LP	Energy and Power	\$31,879,922	0.2%			
Quantum Energy Partners VIII, LP	Energy and Power	\$35,896,265	0.2%			
Quantum Energy Partners VIII Co - Investment Fund, LP	Energy and Power	\$6,354,511	0.0%			
Aberdeen Global Sustainable Infrastructure Partners IV, L.P.	Infrastructure	\$25,591,379	0.2%			
Ara Partners Fund II, L.P.	Infrastructure	\$16,803,537	0.1%			
ArcLight Energy Partners Fund VI, LP	Infrastructure	\$11,451,600	0.1%			
Brookfield Infrastructure Fund III, LP	Infrastructure	\$34,591,633	0.2%			
Brookfield Infrastructure Fund IV, LP	Infrastructure	\$44,601,718	0.3%			
Brookfield Super-Core Infrastructure Partners	Infrastructure	\$119,071,873	0.7%			
Digital Colony Partners II, L.P.	Infrastructure	\$42,525,481	0.0%			
EnCap Flatrock Midstream Fund III, LP	Infrastructure	\$2,982,399	0.0%			
EnCap Flatrock Midstream Fund IV, LP	Infrastructure	\$17,775,709	0.1%			
EQT Infrastructure IV, SCSp	Infrastructure	\$43,414,696	0.3%			
First Reserve Energy Infrastructure Fund II, LP	Infrastructure	\$11,091,242	0.1%			
Harrison Street Social Infrastructure Fund LP	Infrastructure	\$118,255,171	0.7%			
IFM Global Infrastructure Fund	Infrastructure	\$193,417,077	1.2%			
ISQ Global Infrastructure Fund II, LP	Infrastructure	\$57,009,750	0.3%			
ISQ Global Infrastructure Fund III, L.P.	Infrastructure	\$53,460,472	0.3%			
KKR Asia Pacific Infrastructure Fund II SCSp	Infrastructure	\$37,888,043	0.2%			
KKR Global Infrastructure Investors V SCSp	Infrastructure	\$10,980,649	0.1%			
Manulife Infrastructure Fund III, L.P.	Infrastructure	\$12,773,717	0.1%			
Meridiam Infrastructure North America III, LP	Infrastructure	\$58,336,844	0.4%			
Meridiam Infrastructure North America IV, LP	Infrastructure	\$19,862,725	0.1%			
Meridiam Sustainable Infrastructure Europe IV, SLP	Infrastructure	\$27,434,611	0.2%			
Pantheon SCERS SIF, LLC	Infrastructure	\$22,270,249	0.1%			
Ridgewood Water & Strategic Infrastructure Fund II, LP	Infrastructure	\$27,843,480	0.2%			
Stonepeak Opportunities Fund, LP	Infrastructure	\$23,329,628	0.1%			
Wastewater Opportunity Fund, LLC	Infrastructure	\$244,012	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
		\$217,872,900	1.3%	1.0%	0.3%	133%
SSIM Real Return Overlay Strategy	Passive Liquid Real Return Proxy	\$217,872,900	1.3%			
Table 14: Other Cash/Overlay						
Other Cash/Overlay		Market Value	Actual	Target	Delta	% Relative to Target
		\$300,796,971	1.8%	-	-	N/A
Other Cash		\$196,069,718	1.2%	-		
SSIM Overlay Account		\$104,727,253	0.6%			

Appendix B: Overlay Proxies

Growth Asset Category		
Asset Class	Policy Allocation	Overlay Implementation
Global Equity	39%	Basket of global equity futures
Private Equity	11%	Basket of 85% global equity and 15% US Treasury futures
Credit	9%	Basket of 85% global equity and 15% US Treasury futures

Diversifying Asset Category		
Asset Class	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	2%	+/- 15% of 2% cash target

Real Return Asset Category		
Asset Class	Policy Allocation*	Overlay Implementation
Real Estate	8%	Liquid Real Return Custom Strategy*
Real Assets	7%	Liquid Real Return Custom Strategy*
Liquid Real Return	1%	

*Liquid Real Return Custom Strategy		
Exposures	Allocation	Overlay Implementation
Global Real Estate (REITs)	15%	SSGA Global Real Estate Index
Global Infrastructure Equity	25%	S&P Global Infrastructure Index
Global Natural Resources Equity	10%	Resource Stock Index
Commodities	10%	State Street Bloomberg Roll Select
US Intermediate TIPS	30%	Barclays 1-10 Year TIPS
Floating Rate Notes	10%	SPDR Bloomberg Investment Grade Floating Rate ETF