SFERS
San Francisco Employees' Retirement System

San Francisco City and County
Employees' Retirement System

RETIREMENT BOARD MEETING CALENDAR SHEET
September 10, 2025

To: Retirement Board

From: Alison Romano
CEO & CIO

Date: September 10, 2025

Agenda Item: Chief Investment Officer's Report

Recommendation:
This is a discussion item only

Background:
Alison Romano, Chief Executive Officer and Chief Investment Officer, will report on the following items:

Performance and Market Update and Plan Value
Update on Closed Investments

Attachments for Informational Purposes:

- Exhibit 1: Performance and Market Update
- Exhibit 2: Plan Value Report

Exhibit 1: Performance and Market Update

September 10, 2025

Summary

- On a preliminary basis[1], the SFERS Total Plan has returned +7.1% (annualized) over the trailing three years. Public Equity (+17.3%), Private Credit (+8.5%), and Absolute Return[2] (+8.4%) were the strongest performing asset classes, followed by Public Credit (+7.4%), Treasuries (+3.4%), Private Equity (+0.9%), and Real Assets (0.0%).

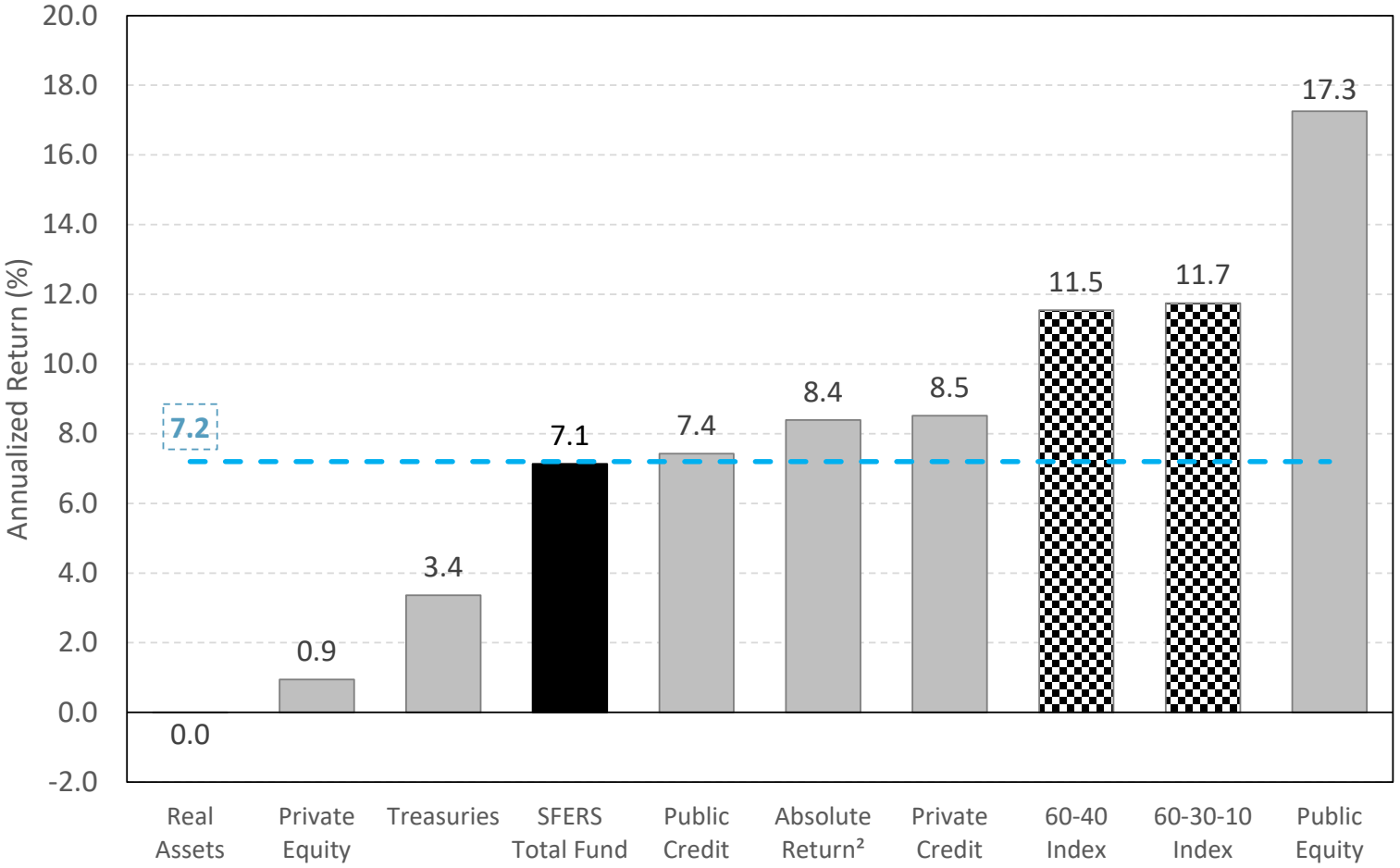
- On a preliminary basis[1], the SFERS Total Plan returned +6.3% thus far in 2025 (8 months). Public Equity (+13.7%) was the highest returning asset class, followed by Public Credit (6.3%), Treasuries (+5.1%), Private Credit (+5.0%), Absolute Return[2] (+4.8%), Private Equity (+3.1%), Cash (+2.9%), and Real Assets (+1.2%).

- On a preliminary basis[1], the SFERS Total Plan returned +1.3% in the month of August. Public Equity (+2.6%) was the best performing asset class, followed by Private Equity (+1.5%), Treasuries (+1.1%), Public Credit (+1.0%), Cash (+0.4%), Private Credit (+0.3%), and Real Assets (+0.3%). Absolute Return[2] was negative (-0.1%) in July.

Notes: Preliminary data sourced from SFERS Plan Value Report, through August 31, 2025. [1] Valuations are preliminary and are reported gross of fees. The reported returns and market values are based on prior month-end values that have been adjusted by SFERS' Custody Bank since the last report. For non-daily priced public fund vehicles, returns and market values may include estimates or be proxied using benchmarks. For private equity, private credit and real assets, returns and market values are based on the most currently available manager data. [2] Absolute Return performance is lagged by one month. 60-40 and 60-30-10 indices comprise of the MSCI ACWI IMI (ND), Bloomberg Global Aggregate and FTSE EPRA/NAREIT Global.

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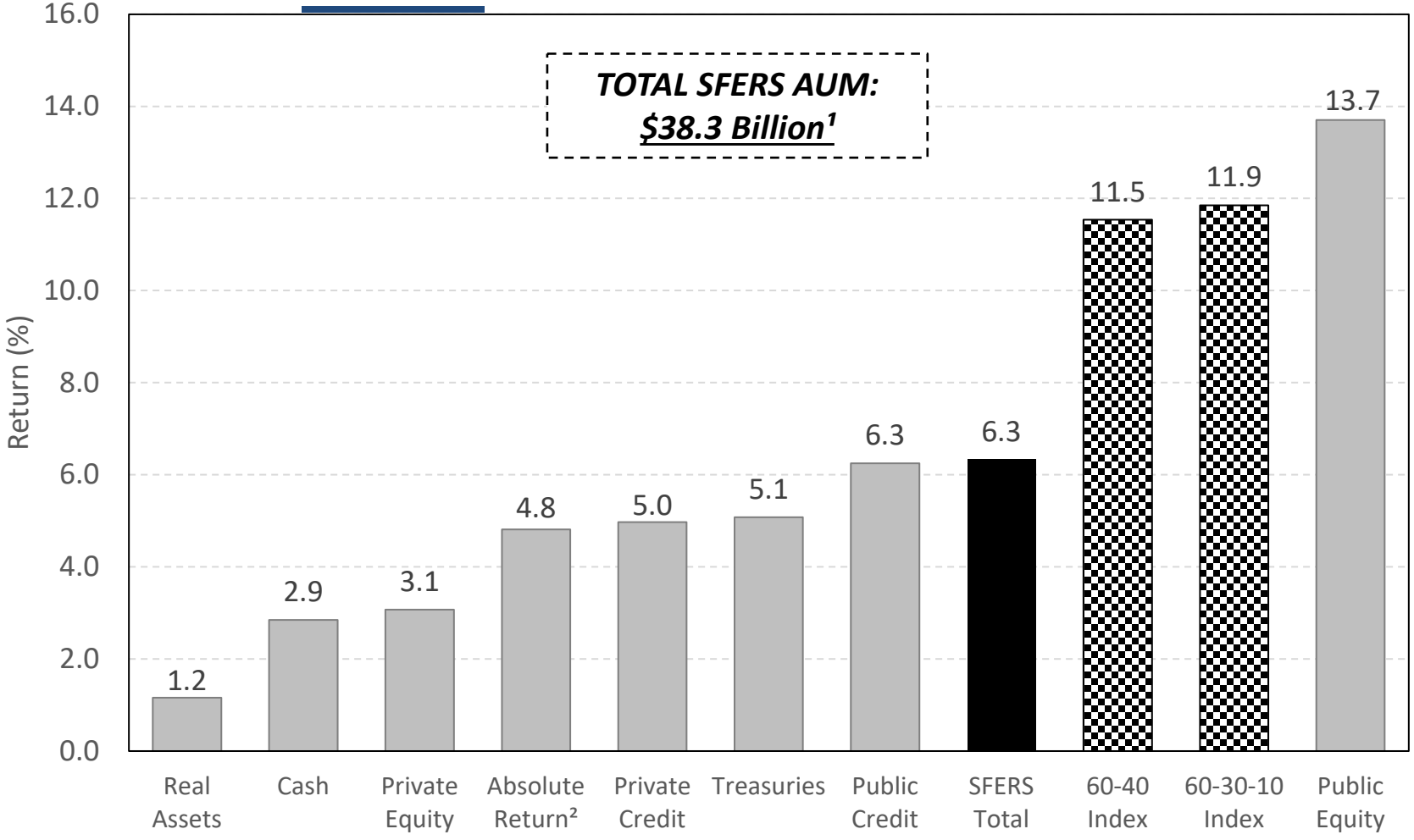
Estimated Annualized 3 Year Performance[1]



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Estimated CYTD Performance[1]

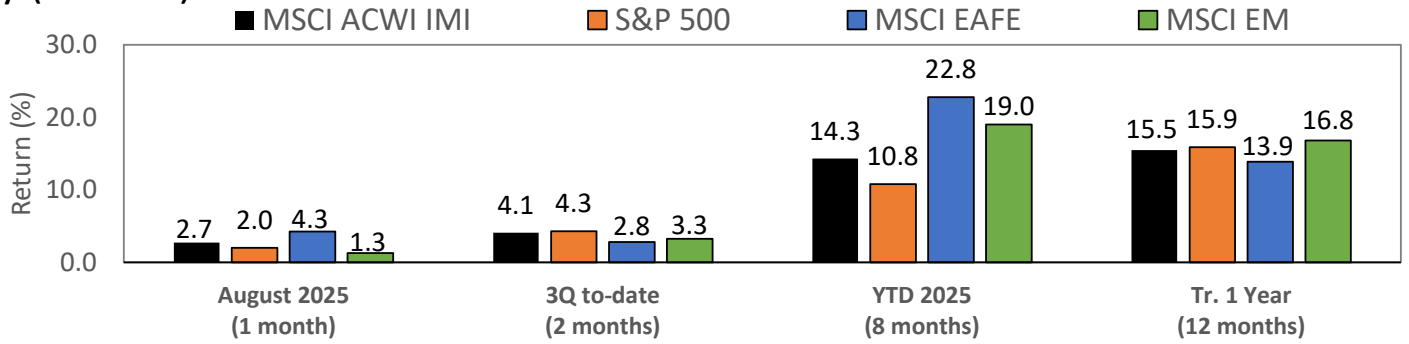


Notes: Preliminary data sourced from SFERS Plan Value Report, through August 31, 2025. [1] Valuations are preliminary and are reported gross of fees. The reported returns and market values are based on prior month-end values that have been adjusted by SFERS' Custody Bank since the last report. For non-daily priced public fund vehicles, returns and market values may include estimates or be proxied using benchmarks. For private equity, private credit and real assets, returns and market values are based on the most currently available manager data. [2] Absolute Return performance is lagged by one month.
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Public Equity

- **Geography:** Equity markets were positive in August and have had a strong start to the new fiscal year. Over July and August, U.S. Equity (+4.3%) has led returns, followed by Emerging Markets (+3.3%) and Developed ex-US (+2.8%). For the 8 months thus far in 2025, Developed ex-US (+22.8%) has outperformed Emerging Markets (+19.0%) and U.S. Equity (+10.8%).



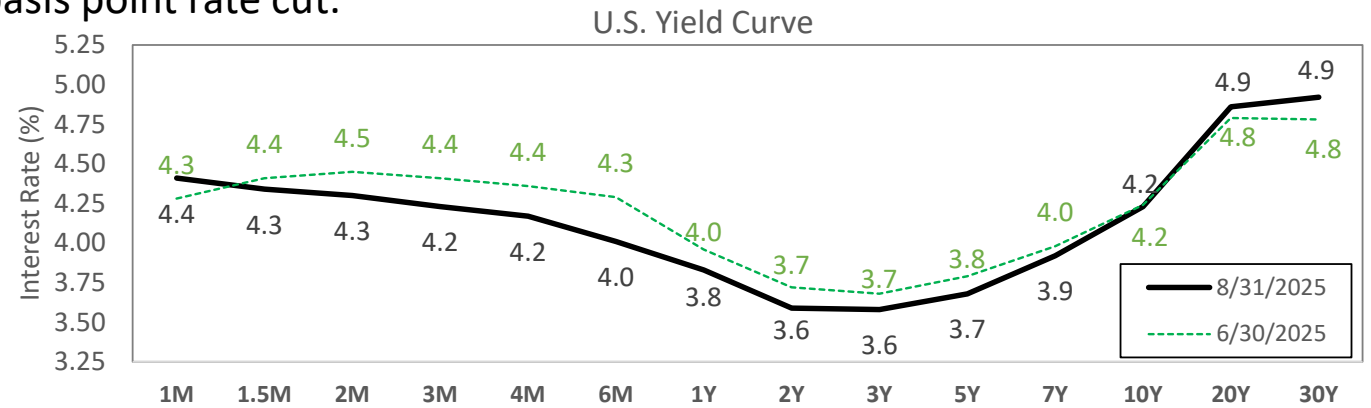
- **Sector:** For the month of August, Materials (+5.8%) and Health Care (+5.4%) were the strongest performers, while Utilities (-1.6%) was the only sector with a negative return.
- **Style:** In August, Value (+3.4%) outperformed Growth (+0.8%), however for the 2025 calendar year-to-date Growth (+13.5%) has outperformed Value (+7.8%).
- **Size:** Small Caps (+7.1%) outperformed Large Caps (+2.1%) in August. This reversed the trend thus far in 2025 with Large Caps (+10.8%) having outperformed Small Caps (+7.1%), even after factoring in the August underperformance.

Notes: Returns sourced from eVestment. Underlying sources are MSCI, S&P and Russell. Performance is reported on a total return basis through August 31, 2025. Sector and Style performance refers to S&P 500 unless stated otherwise. Size performance compares the Russell 1000 (large caps) vs Russell 2000 (small caps).

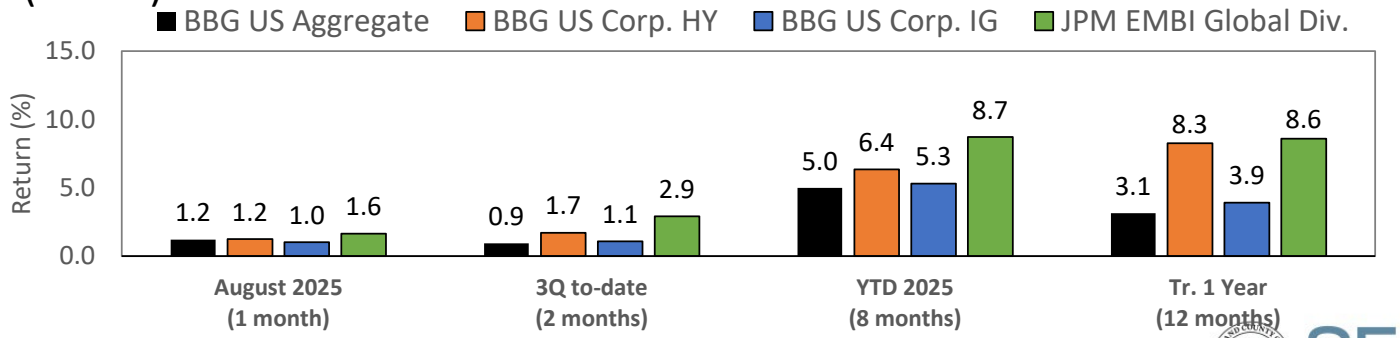
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Fixed Income

- **Rates:** During the first two months of the 3rd quarter, long-end rates rose, while short-rates and the belly of the curve fell. The FOMC met at the end of July and voted to leave the overnight rate unchanged, however the vote was split, with two Governors in favor of a 25 basis point rate cut.



- **Credit:** Fixed Income markets had positive returns in August, led by the JPM EMBI Global Diversified Index (+1.6%). The next best performing indices were U.S. High Yield Credit (+1.2%) and the Bloomberg Aggregate Index (+1.2%), followed by U.S. Investment Grade Credit (+1.0%).



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Notes: Returns sourced from eVestment. Underlying sources are Bloomberg and JP Morgan. Performance is reported on a total return basis through August 31, 2025. Yield curve data sourced from https://home.treasury.gov.

Liquid Real Assets

- Gold has been the standout performer within liquid real assets with an August return of +4.8% and a year-to-date return of +31.4%
- Global Real Estate, Midstream Energy and Commodities have also performed well over the month of August and thus far in 2025.
- Bitcoin fell in August (-7.5%) but has performed well for the year-to-date (+15.0%) and the trailing one year (+82.6%).

	Performance (%)			
	MTD	**QTD**	**YTD**	**1Y**
Wilshire Global Real Estate Securities Index	3.5	2.9	7.4	2.4
Alerian Midstream Energy Index	1.0	-0.3	4.8	19.6
Bloomberg Commodity Index	1.9	1.5	7.1	11.8
Gold	4.8	4.4	31.4	37.7
Bitcoin	-7.5	0.2	15.0	82.6

Notes: Sourced from Wilshire's Monthly Market Commentary – August 2025.

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Exhibit 2: Plan Value Report

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To: Retirement Board

Through: Alison Romano
CEO & CIO

From: Kevin Cao
Associate Portfolio Manager

Date: September 10, 2025

Re: Plan Value Report

Best available data as of August 31, 2025

	Value[1,3] (000)	Weight (%)	MTD (%)	QTD (%)	CYTD (%)	FYTD (%)
SFERS TOTAL FUND	**38,268,545**	**100.0**	**1.33**	**1.74**	**6.33**	**1.74**
Public Equity	11,436,295	29.9	2.61	4.07	13.70	4.07
Private Equity	10,043,194	26.2	1.52	1.55	3.07	1.55
GROWTH ASSETS	**21,479,489**	**56.1**				
Real Assets	5,057,606	13.2	0.25	0.06	1.16	0.06
Absolute Return[2]	3,625,792	9.5	(0.11)	(0.11)	4.81	(0.11)
DIVERSIFYING ASSETS	**8,683,398**	**22.7**				
Private Credit	3,338,005	8.7	0.30	0.33	4.97	0.33
Public Credit	1,874,090	4.9	0.98	1.50	6.25	1.50
Treasuries	1,871,574	4.9	1.10	0.86	5.08	0.86
INCOME GENERATING ASSETS	**7,083,669**	**18.5**				
NET CASH EXPOSURE[3]	**1,021,989**	**2.7**	0.44	0.76	2.85	0.76
NET LEVERAGE[3]	**0**	**0.0**	---	---	---	---

[1] Valuations are preliminary and are reported gross of fees. The reported returns and market values are based on prior month-end values that have been audited and adjusted by SFERS' Custody Bank since the last report. For non-daily priced public fund vehicles, returns and market values may include estimates or be proxied using benchmarks. For private equity, private credit and real assets, returns and market values are based on the most currently available manager data. Cash and Total Fund MTD return in July is adjusted by city pre-payment.

[2] Absolute Return market value and return are lagged by one month.

[3] Values reflect net exposures, not necessarily physical holdings.

SFERS - Asset Allocation Summary Report

As of August 31, 2025

	7/31/2025	Value In	Value Out	MV Δ[1]	8/31/2025	Current	LT Target	Range	Unfunded
		---------- ($ Mn) ----------				----- Weight (%) -----			($ Mn)
GROWTH ASSETS	**21,061.8**	**32.9**	**56.1**	**440.9**	**21,479.5**	**56.1**	**52.0**	**45 - 75**	**3,176.0**
Public Equity	*11,145.9*	*0.0*	0.0	290.4	11,436.3	29.9	32.0	20 - 45	
Private Equity	*9,915.9*	32.8	56.1	150.5	10,043.2	26.2	20.0	15 - 30	3,176.0[3]
DIVERSIFYING ASSETS	**8,683.5**	**22.9**	**31.5**	**8.4**	**8,683.4**	**22.7**	**20.0**	**15 - 30**	**1,874.5**
Real Assets	*5,053.7*	22.9	31.5	12.5	5,057.6	13.2	10.0	8 - 15	1,814.4[3]
Absolute Return	*3,629.8*	0.0	0.0	(4.0)	3,625.8	9.5	10.0	5 - 15	60.0
INCOME ASSETS	**5,185.1**	**32.5**	**33.7**	**28.2**	**5,212.1**	**13.6**	**22.0**	**8 - 30**	**2,315.0**
Public Credit	*1,856.0*	0.0	0.0	18.1	*1,874.1*	4.9	12.0	3 - 15	
Private Credit	*3,329.2*	32.5	33.7	10.0	3,338.0	8.7	10.0	5 - 15	2,315.0[3]
CAPITAL PRESERVATION	**1,848.8**	**80.0**	**80.0**	**22.8**	**1,871.6**	**4.9**	**8.0**	**3 - 12**	**0.0**
Treasuries[2]	*1,848.8*	80.0	80.0	22.8	*1,871.6*	4.9	8.0	3 - 12	
CASH[2]	1,124.0	501.3	608.3	5.0	1,022.0	2.7	1.0	0 - 5	
Investable Cash[4]	*1,124.0*	*501.3*	*608.3*	*5.0*	*1,022.0*	*2.7*			
Credit Facility	*0.0*	*0.0*	*0.0*	---	*0.0*	*0.0*			
NET LEVERAGE[2]	0.0	---	0.0	---	0.0	0.0	(3.0)	-5 - 0	
Gross Leverage	*160.6*	*80.0*	*0.0*	*2.5*	*243.0*	*0.6*			
TOTAL PORTFOLIO	**37,903.3**	**0.0**	**140.0**	**505.2**	**38,268.5**	**100.0**	**100.0**	**100.0**	**7,365.5**

Notes: Target allocations and ranges were approved by the Board in June 2024.

[1] For non-daily priced vehicles, performance may include estimates or be proxied using benchmark performance.

[2] Values reflect net exposures, not necessarily physical holdings. Month-end redemptions are moved into cash.

[3] Unfunded commitment estimates for private markets are provided by Aksia as of the current month end and include only active funds.

[4] Investable cash comprises investment, enhanced, and dedicated cash accounts.

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Cash Activities and Projections

As of August 31, 2025

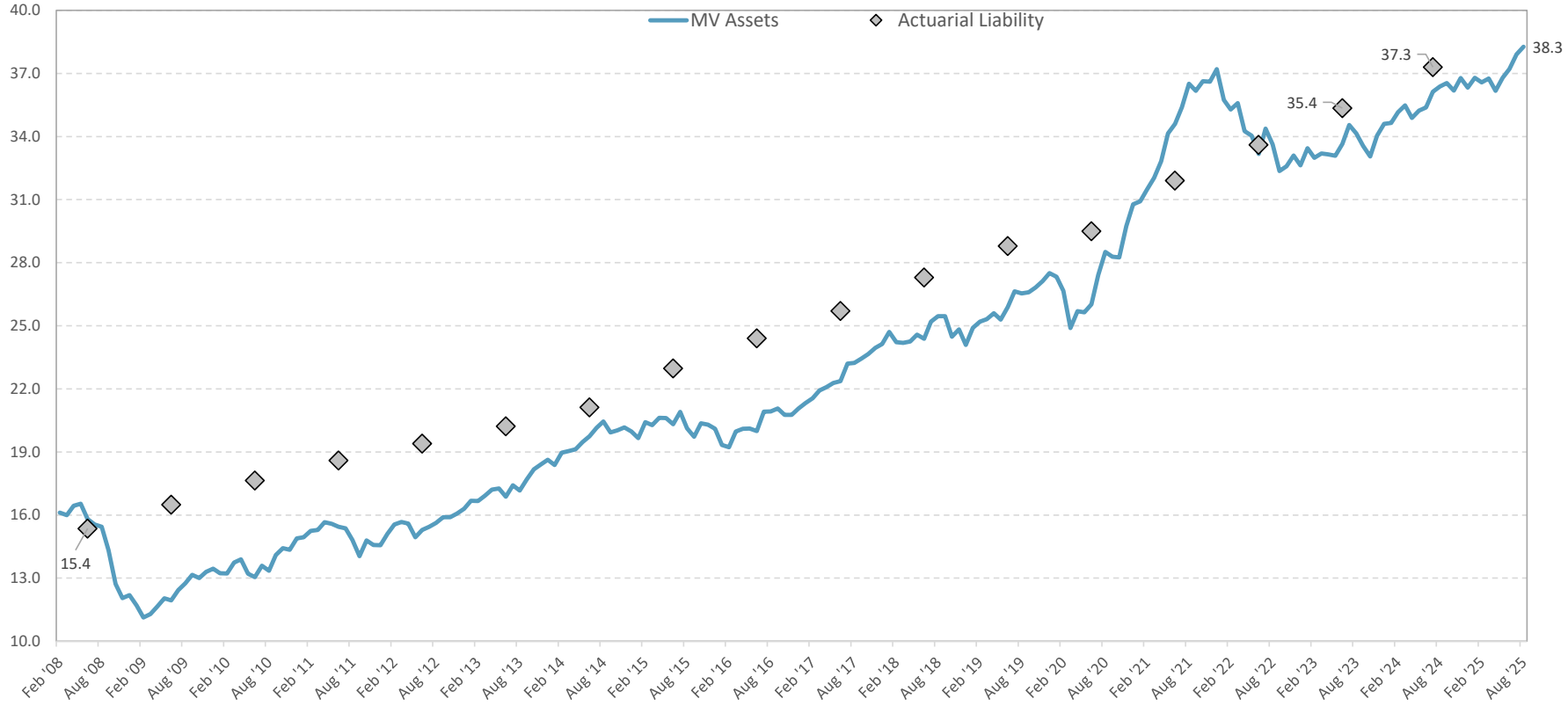
Investable Cash Account (In $ Million)[1]	
Beginning Balance as of August 1, 2025	**1,124.0**
Employer Contribution Pre-Payment	0.0
Cash from Credit Line	0.0
Return to Credit Line	0.0
Public Equity Net Flows	0.0
Public Equity Synthetic Net Flows	0.0
Private Equity Net Flows	23.3
Real Assets Net Flows	8.6
Absolute Return Net Flows	0.0
Public Credit Net Flows	0.0
Private Credit Net Flows	1.2
Treasuries Net Flows	0.0
Investable Cash Market Value Change	5.0
Net Benefit Payment for August 2025	-140.0
Ending Balance as of August 31, 2025	**1,022.0**

Credit Line	
Total Credit Available	600.0
Net Credit Drawn from BNY Mellon's Cash Release	0.0
Period of Credit Utilization	N/A
Annualized Cost of Credit (basis points)	N/A
Cost of Credit ($)	N/A
Ending Balance of Credit Drawn as of August 31, 2025	**0.0**

Note: Positive sign denotes an inflow into the cash account and a negative sign denotes an outflow from the cash account.

[1]Investable Cash comprises investment, enhanced, and dedicated cash accounts.

SFERS - Monthly Assets



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Notes: Data from January 31, 2008 through August 31, 2025. Total Plan market values through December 2022 are provided by NEPC. Data from January 2023 to June 2025 are provided by BNY Mellon and finalized. Data starting from July 2025 are provided by BNY Mellon and preliminary.