

## RETIREMENT STATISTICS

Plan Year Ended June 30, 2025

The following tables and annotations provide statistical information regarding the types and demographics of the SFERS retirements processed during Plan Year 2024-2025, as well as benefits payment summaries and comparisons.

The following table summarized major activities of the SFERS Retirement Services Division during Plan Years 2024-25 and 2023-2024:

Statistics	2024-2025	2023-2024
Responses to Email Inquiries	14,365	15,204
Calculator Visits	96,075	86,905
Retirement Appointments Attended	2,192	1,767
Service Purchase Appointments Attended	907	575
New Members Added:	4,137	4,502
Non-Safety New Hires	1,963	2,678
1040 Hours Membership	1,023	989
Non-Safety Rehires	489	527
Police	185	78
Fire	85	140
Sheriff & Misc. Safety	392	90
Retirement Planning Webinars Presented	23	24
Retirement Planning Webinars Registered Attendees	8,486	6,060

## DISABILITY RETIREMENT HEARING REPORT

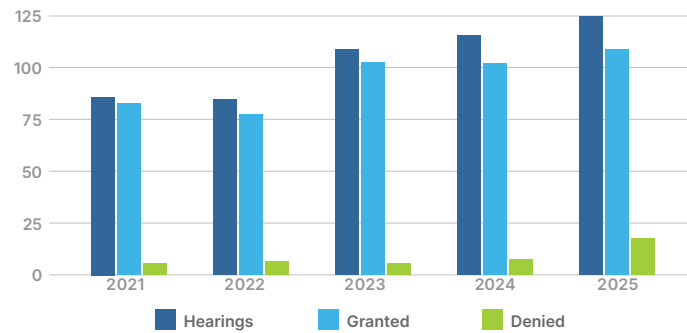
A member or legal agent, acting on behalf of a member, can initiate a claim for disability retirement (ordinary and industrial) by filing an application with SFERS. The Retirement System gathers medical documentation related to the claim and forwards the application with supporting medical documentation to the City Attorney's office for review. All such applications are adjudicated by an independent hearing officer, in accordance with the provisions of San Francisco Charter A8.518. The table below provides a summary of disability retirement hearings in the fiscal year ending June 30, 2025.

## HEARING OFFICER REPORT

Fiscal Year Ended June, 30 2025

Cases	Total # of Hearings	Total # Granted	Total # Denied
Industrial Disability Retirements	80	76	4
Ordinary Disability Retirements	26	16	10
Death Benefits	2	2	0
Petitions for Rehearing	2	0	2
CalPERS	17	15	2
<b>Total</b>	<b>127</b>	<b>109</b>	<b>18</b>

## FIVE-YEAR COMPARISON



San Francisco City and County Employees' Retirement System

# Annual Report

For the Fiscal Year Ended June 30, 2025

## ABOUT SFERS

### THE RETIREMENT SYSTEM

Initially established by approval of City voters on November 2, 1920 and the California State Legislature on January 12, 1921, the San Francisco Employees' Retirement System ("Retirement System" or "SFERS") is deeply rooted in the history and culture of the City and County of San Francisco and is committed to serving the retirement needs of its members. Originally established as a fund to assist families and orphans of firefighters and police, today the Retirement System serves more than 83,160 active, vested, and retired employees of the City and County of San Francisco and their survivors.

Under the direction of the Chief Executive Officer & Chief Investment Officer, the System's management team administers two employee benefit programs for eligible City and County employees:

- San Francisco City and County Employees' Retirement System pension plan, a defined benefit plan.
- San Francisco Deferred Compensation Plan, an IRC §457(b) deferred compensation plan.

Specific San Francisco City Charter sections and/ or Administrative Code provisions mandate each of these benefit plans.

### OUR MISSION

The San Francisco City and County Employees' Retirement System is dedicated to securing, protecting, and prudently investing the pension trust assets, administering mandated benefit programs, and providing promised benefits to the active and retired members of the City and County of San Francisco.

### THE PENSION PLAN

The SFERS Pension Plan is a tax-qualified defined benefit plan that provides the following benefits upon separation: service and disability retirement, refund or vesting allowance, and pre- and post-retirement death benefits to beneficiaries. Defined benefit plans are funded through employee and employer contributions and investment earnings.

SFERS has a reciprocity agreement with CalPERS, California county retirement systems covered by the 1937 Act Retirement Law, and certain other local, independent retirement systems that have a reciprocity contract with CalPERS (listed on the CalPERS website).

### THE SAN FRANCISCO 457 (B) DEFERRED COMPENSATION PLAN

The San Francisco Deferred Compensation Plan (SFDCP), a voluntary IRC §457(b) plan, was adopted in 1976, and allows eligible City employees to elect to voluntarily defer receipt and taxation of a portion of their regular earnings until after they retire or separate from service. The SFDCP also offers a Roth after-tax contribution option. These options offer eligible employees an opportunity to complement pension income during retirement.

### OUR MEMBERS

During the fiscal year, SFERS enrolled 4,137 new members and added 1,179 new retirees.

SFERS members include eligible employees of the City and County of San Francisco, the San Francisco Unified School District, the San Francisco Community College District, and the San Francisco Superior Court. Uniformed employees working for the City's Police and Fire Departments are covered by the SFERS Safety Plans. Eligible civilian (non-Safety) employees of the City are covered by the SFERS Miscellaneous Plans.

Sheriff, Undersheriff, and deputized personnel of the Sheriff's Department hired after January 7, 2012 are covered by the SFERS Sheriff's Plan. Probation Officers, District Attorney Investigators, and Juvenile Court Counselors hired after January 7, 2012, are covered by the SFERS Miscellaneous Safety Plan.

## SFERS PENSION PLAN AT A GLANCE (As of June 30, 2025)

Fiduciary Net Position: \$37.5 billion

Annualized Return on Total Fund: 7.87%

Total Benefits Paid (during FY 2024-2025): \$2.00 billion

Employer Contribution Rate (during FY 2024-2025): 16.91% before cost-sharing

Average Member Contribution Rate: 7.64%

Membership					
Total Membership	83,160				
Active	35,990	Retired	33,328	Inactive	13,842
Miscellaneous	31,796	Miscellaneous	27,891	Miscellaneous	13,323
Police	1,750	Police	2,994	Police	330
Fire	1,749	Fire	2,401	Fire	100
Miscellaneous Safety	335	Miscellaneous Safety	25	Miscellaneous Safety	48
Sheriff	360	Sheriff	17	Sheriff	41

## RETIREMENT

Retirements (during fiscal year 2024-2025)					
Total Retirements	1,179	Average Service Credit at Service Retirement	23.2 Years	Average Age at Service Retirement	62.7 Years
Miscellaneous	1,017	Miscellaneous	22.9 Years	Miscellaneous	63.6 Years
Police	83	Police	25.9 Years	Police	56.3 Years
Fire	70	Fire	26.7 Years	Fire	56.9 Years
Miscellaneous Safety	4	Miscellaneous Safety	5.1 Years	Miscellaneous Safety	58.0 Years
Sheriff	5	Sheriff	7.1 Years	Sheriff	58.0 Years

## ACTUARIAL ASSUMPTIONS AND METHOD

The main actuarial assumptions used to measure the System's liabilities for future benefits payments were:

Assumption	July 1, 2024	July 1, 2023
Investment Return	7.20% per year	7.20% per year
Wage Inflation	3.25% per year	3.25% per year
Price Inflation	2.50% per year	2.50% per year
Mortality	Adj. 2010 Pub-G and 2010 Pub-S Mortality Tables projected generationally with MP-2019	Adj. 2010 Pub-G and 2010 Pub-S Mortality Tables projected generationally with MP-2019

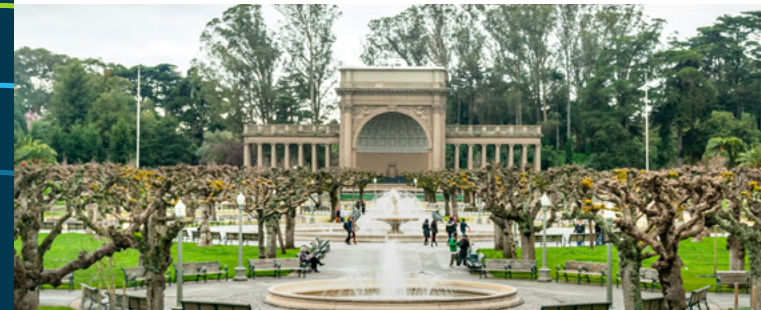
The actuarial funding methods used are as follows:

- Entry age normal cost method
- Unfunded liability due to benefit increases amortized as a level percentage of payroll over 15 years (5 years for supplemental COLAs, retirement incentive programs and amendments for inactive members)
- Unfunded liability due to actuarial gains and losses, assumption changes and miscellaneous items amortized as a level percentage of payroll over 20 years
- The increase in unfunded liability due to the 2022 Proposition A Charter amendment was amortized as a level percentage of payroll over 10 years
- Assets valued using a 5-year smoothing of investment return greater than or less than the expected investment return

## EMPLOYER (CITY AND COUNTY) CONTRIBUTION RATES

The unadjusted employer contribution rates are calculated at the valuation date prior to the fiscal year in which the contributions are paid. Employees will share in the cost of the employer rate depending on their pay rate at the beginning of the fiscal year:

Fiscal Year Contributions Due:	FY 2025-26	FY 2024-25
Valuation Date:	July 1, 2024	July 1, 2023
Normal Cost	18.29%	18.40%
Remaining Cost of Propositions	2.47%	2.40%
Other Unfunded Actuarial Liability	2.82%	3.15%
Employee Contributions	(7.65%)	(7.64%)
Administrative Expenses	0.60%	0.60%
Board Approved Employer Contribution Rate	16.53%	16.91%



## BASIC FINANCIAL STATEMENTS

Statements of Fiduciary Net Position  
June 30, 2025 and 2024 (Dollars in thousands)

	2025	2024
<b>Assets:</b>		
Deposits	24,260	20,032
Contributions receivable - members	27,962	27,530
Contributions receivable - employers	2,495	4,799
Investment income receivable:		
Interest	34,996	22,703
Dividends	2,540	3,767
Securities Lending	390	225
Receivable from brokers, general partners, and others	197,159	130,971
<b>Investments at fair value:</b>		
Short-term investments	353,894	377,444
City investment pool	6,963	23,440
<b>Debt securities:</b>		
U.S. government and agency securities	2,169,628	1,953,414
Other debt securities	1,530,133	1,051,622
Equity securities:		
Domestic	9,034,662	8,592,515
International	2,223,225	1,978,958
Real assets	5,079,195	5,208,475
Private credit	3,398,891	3,152,084
Private equity	10,088,382	10,029,898
Absolute return	3,573,142	3,046,230
Foreign currency contracts, net	(2,866)	(447)
Invested securities lending collateral	847,489	843,391
Total investments	38,302,738	36,257,024
Total assets	38,592,540	36,467,051
<b>Deferred outflows of resources:</b>		
Other postemployment benefits (OPEB)	2,366	2,379
Total assets and deferred outflows of resources	<b>38,594,906</b>	<b>36,469,430</b>
<b>Liabilities:</b>		
Payable to brokers	162,536	144,760
Other *	52,530	63,813
Payable to borrowers of securities	847,211	843,380
Obligation under repurchase agreements	80,100	-
Total liabilities *	1,142,377	1,051,953
<b>Deferred inflows of resources:</b>		
Other postemployment benefits (OPEB)	2,434	1,922
Total liabilities and deferred inflows of resources *	<b>1,144,811</b>	<b>1,053,875</b>
Fiduciary net position - restricted for pension benefits *	<b>\$37,450,095</b>	<b>\$35,415,555</b>

\* 2025 amounts are restated to implement GASB Statement No. 101. See Note 2(f) of the full report.

The accompanying Notes are an integral part of these financial statements.

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

June 30, 2025 and 2024 (Dollars in thousands)

	2025	2024
<b>Additions:</b>		
Members contributions		
Miscellaneous	370,211	356,880
Police	41,483	40,220
Fire	30,315	30,412
Total member contributions	<b>442,009</b>	<b>427,512</b>
<b>Employer contributions</b>		
Miscellaneous	583,990	573,971
Police	57,357	55,920
Fire	43,962	42,727
Total employer contributions	<b>685,309</b>	<b>672,618</b>
<b>Investment income (expenses)</b>		
Interest	133,071	103,757
Dividends	96,726	96,293
Net appreciation in fair value of investments	2,757,906	2,441,921
Securities lending income	52,798	38,775
Investment expenses *	(30,273)	(57,137)
Securities lending borrower rebates and expenses	(49,052)	(35,953)
Net investment income *	2,961,176	2,587,656
Total additions *	<b>4,088,494</b>	<b>3,687,786</b>
<b>Deductions:</b>		
Benefits	1,999,230	1,905,845
Refunds of contributions	24,771	26,201
Administrative expenses *	28,581	25,541
Other administrative expenses and offset (OPEB)	1,372	1,097
Total deductions *	<b>2,053,954</b>	<b>1,958,684</b>
Net increase in fiduciary net position *	2,034,540	1,729,102
<b>Fiduciary net position - restricted for pension benefits</b>		
Beginning of year, as previously stated	35,415,555	33,688,428
Cumulative effect of accounting change (Note 2)	-	(1,975)
Beginning of year, as restated	35,415,555	33,686,453
End of year	<b>\$37,450,095</b>	<b>\$35,415,555</b>

\* 2025 amounts are restated to implement GASB Statement No. 101. See Note 2(f) of the full report.

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## SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM

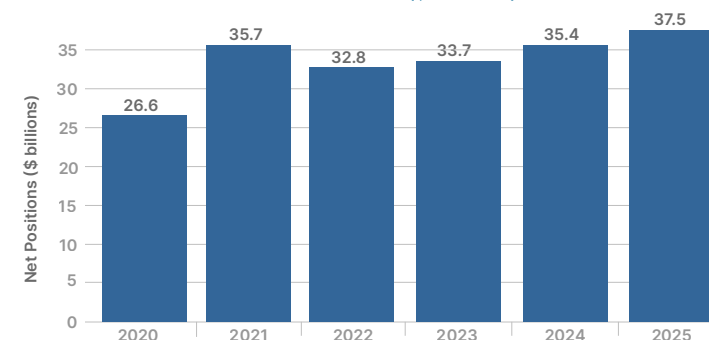
SUMMARY OF INVESTMENTS

	2025		2024	
	Market Value (\$ thousands)	Weight (%)	Market Value (\$ thousands)	Weight (%)
Public Equity	11,011,512	29.6	10,706,838	30.3
Private Equity	9,901,327	26.6	10,069,153	28.5
<b>GROWTH ASSETS</b>	<b>20,912,839</b>	<b>56.2</b>	<b>20,775,991</b>	<b>58.7</b>
Real Assets	5,083,744	13.7	5,187,437	14.7
Absolute Return	3,623,630	9.7	3,049,382	8.6
DIVERSIFYING ASSETS	8,707,374	23.4	8,236,819	23.3
Fixed Income	3,701,019	9.9	2,685,486	7.6
Private Credit	3,365,394	9.0	3,100,876	8.8
INCOME GENERATING ASSETS	7,066,413	19.0	5,786,362	16.4
Cash*	530,760	1.4	587,503	1.7
<b>Total Investment Portfolio</b>	<b>37,217,386</b>	<b>100.0</b>	<b>35,386,675</b>	<b>100.0</b>

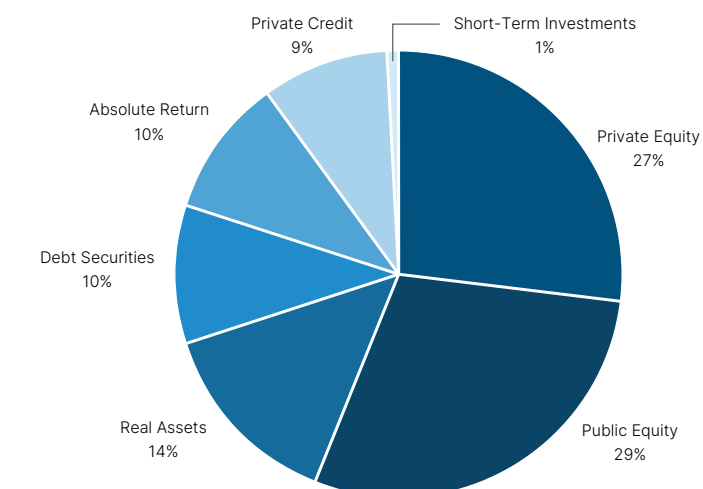
\* Includes leverage exposure

Note: Investment portfolio asset values shown here are net of management fees and expenses and based on valuation data available at the end of the fiscal year. This may differ from the SFERS audited financial statements, which take into account information on Level 2 and Level 3 assets that becomes available during the audit.

## FIDUCIARY NET POSITION AS OF JUNE 30 (\$BILLIONS)



## INVESTMENT ALLOCATION AS OF JUNE 30, 2025 - FAIR VALUE



## INVESTMENT PERFORMANCE

For the fiscal year ended June 30, 2025, the investment portfolio of the Retirement System returned 7.87%. The table below shows annualized returns for major categories of investments compared to benchmarks for various return periods.

## INVESTMENT PORTFOLIO PERFORMANCE

Annualized Returns for the Periods ending June 30, 2025 (Net of fees and expenses)

	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	20 Yrs.
Public Equity	15.13	16.98	11.63	9.71	8.12
Public Equity Policy Benchmark <sup>1</sup>	15.89	16.80	13.40	9.69	8.26
Private Equity	3.08	-0.81	13.23	12.75	12.87
Private Equity Policy Benchmark <sup>2</sup>	19.56	21.42	17.99	15.63	14.44
Real Assets	1.26	0.45	7.44	8.23	7.35
Real Assets Policy Benchmark <sup>3</sup>	2.66	1.20	8.82	5.48	6.73
Absolute Return	10.30	8.37	7.43		
Absolute Return Policy Benchmark <sup>4</sup>	8.01	8.57	7.19		
Fixed Income	7.55	4.84	0.94	2.43	3.78
Fixed Income Policy Benchmark <sup>5</sup>	7.46	5.03	1.09	2.67	3.66
Private Credit	9.65	8.27	10.65	9.50	
Private Credit Policy Benchmark <sup>6</sup>	9.96	11.11	8.04	6.73	
Cash <sup>7</sup>	5.04				
Cash Benchmark	4.86				
<b>Total Fund</b>	<b>7.87</b>	<b>6.69</b>	<b>9.59</b>	<b>8.44</b>	<b>7.75</b>
<b>Total Fund Policy Benchmark<sup>8</sup></b>	<b>12.38</b>	<b>13.33</b>	<b>11.38</b>	<b>8.92</b>	<b>8.23</b>

<sup>1</sup> The current Public Equity Policy (starting 10/1/2012) consists of 100% MSCI ACWI IMI (ND).

<sup>2</sup> The current Private Equity Policy (starting 1/1/2023) consists of 25% MSCI ACWI Ex-US IMI (ND) and 75% Russell 3000 plus 300 bps.

<sup>3</sup> The current Real Assets Policy (starting 1/1/2025) consists of 13.95% NCREIF NFI-ODCE Value Weighted Index, 39.77% Cambridge Associates Real Estate, 30.18% Natural Resource Index, and 16.10% Cambridge Associates Infrastructure Index.

<sup>4</sup> The current Absolute Return Policy (starting 7/1/2023) consists of the 90-day Treasury Bill plus 300 bps.

<sup>5</sup> The current Fixed Income Policy (starting 10/1/2024) consists of 53.33% of Public Credit Policy and 46.67% of Bloomberg Barclays Intermediate US Treasuries Index. Public Credit Policy is 50% Bloomberg Barclays US Corporate Bond Index and 50% US Corporate High Yield Index.

<sup>6</sup> The Private Credit Policy consists of 50% Bank of America Merrill Lynch US High Yield BB/B Constrained Index and 50% Credit Suisse Leveraged Loan Index plus 150bps.

<sup>7</sup> The current Cash Policy (starting 7/1/2024) consists of the 1 Month Secured Overnight Financing Rate (SOFR).

<sup>8</sup> The current SFERS interim policy benchmark (starting 4/1/2025) consists of 24% Public Equity Policy, 7% Treasury Policy Benchmark, 8% Public Credit Policy Benchmark, 9% Private Credit Policy, 14% Real Assets Policy, 28% Private Equity Policy, 9% Absolute Return Policy, and 1% Cash Policy Benchmark.

