SFERS
San Francisco Employees' Retirement System

San Francisco City and County Employees' Retirement System

RETIREMENT BOARD MEETING CALENDAR SHEET

January 14, 2026

To: Retirement Board

From: Alison Romano
CEO & CIO

Date: January 14, 2026

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:

- Exhibit 1: Performance and Market Update
- Exhibit 2: Plan Value Report
- Exhibit 3: Closed Investment

Exhibit 1: Performance and Market Update

January 14, 2026

Summary

- On a preliminary basis[1], the SFERS Total Plan has returned +9.0% (annualized) over the trailing three years. Public Equity (+20.8%) and Absolute Return[2] (+9.0%) were the strongest performing asset classes, followed by Public Credit (+8.7%), Private Credit (+8.5%), Treasuries (+4.5%), Private Equity (+3.4%), and Real Assets (-0.7%).

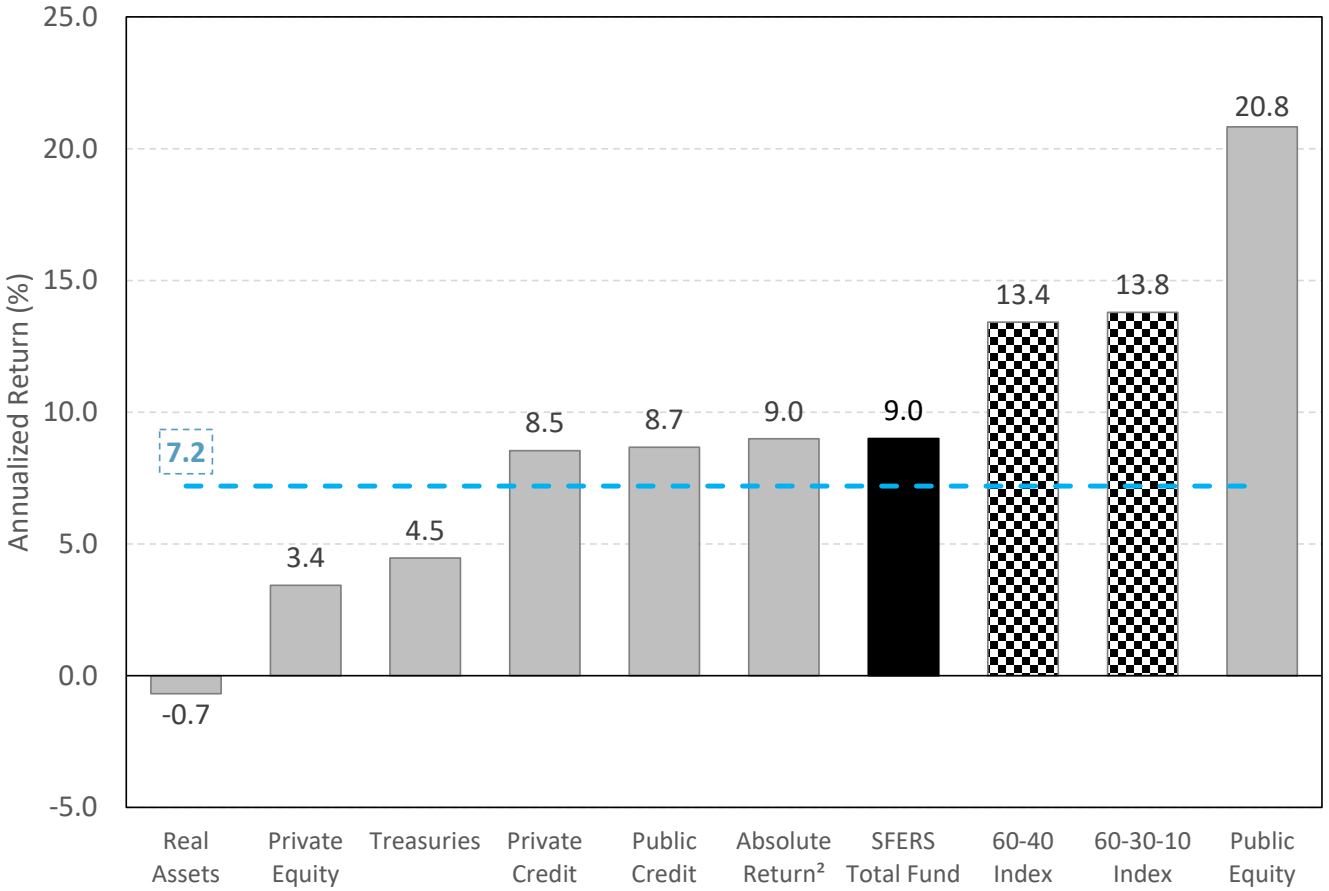
- On a preliminary basis[1], the SFERS Total Plan returned +10.9% in 2025. Public Equity (+21.7%) was the highest returning asset class, followed by Public Credit (+9.1%), Private Credit (+8.5%), Private Equity (+8.2%), Absolute Return[2] (+7.5%), Treasuries (+6.8%), Cash (+4.4%), and Real Assets (+1.7%).

- On a preliminary basis[1], the SFERS Total Plan returned +0.4% in the month of December. Public Equity (+0.7%) was the best performing asset class, followed by Cash (+0.5%), Public Credit (+0.3%), Private Equity (+0.3%), Treasuries (+0.1%), Private Credit (0.1%) and Real Assets (-0.1%). Absolute Return[2] (+0.6%) was positive in November.

Notes: Preliminary data sourced from SFERS Plan Value Report, through December 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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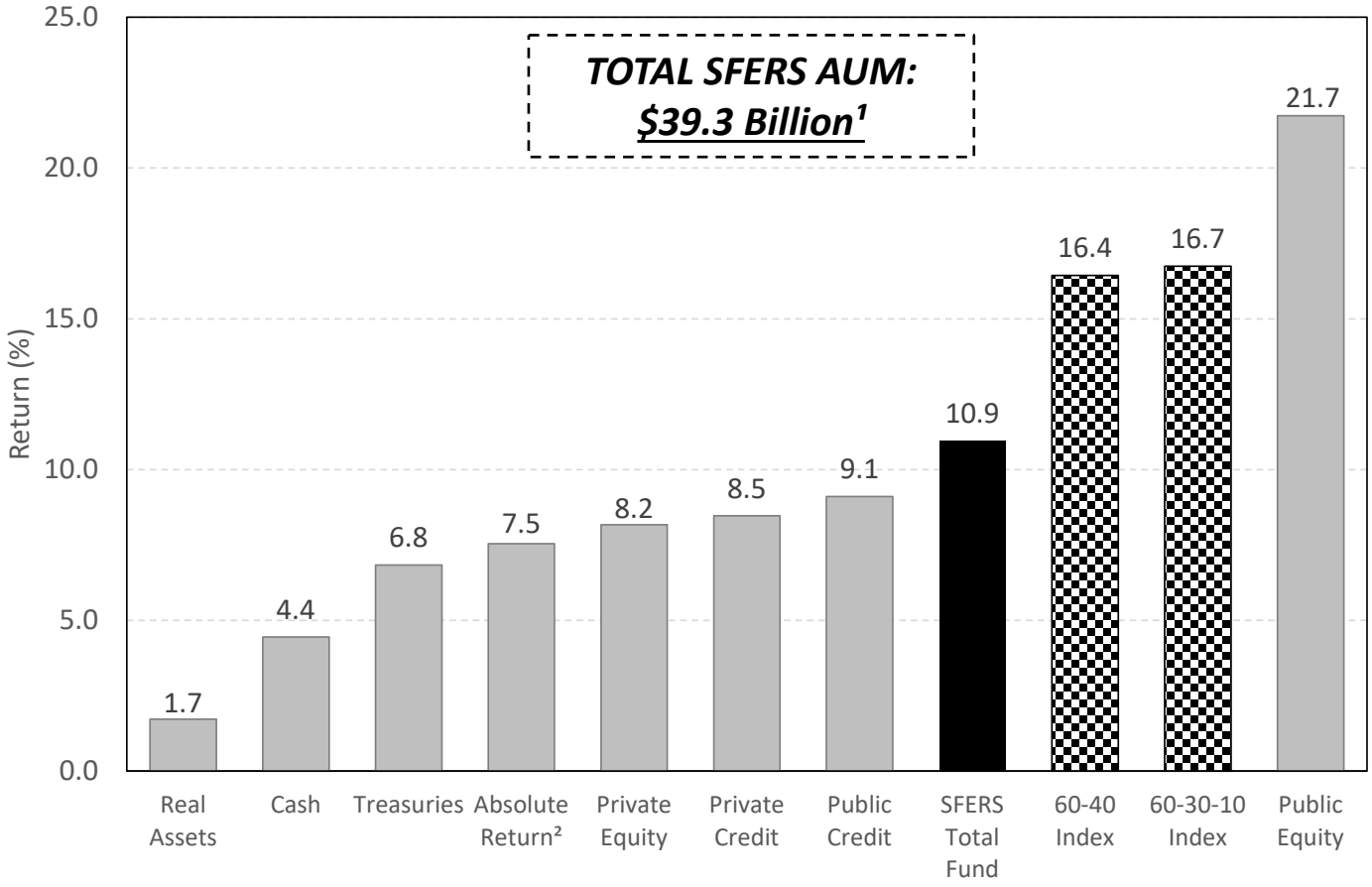
Estimated Annualized 3 Year Performance[1]



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Estimated CYTD Performance[1]

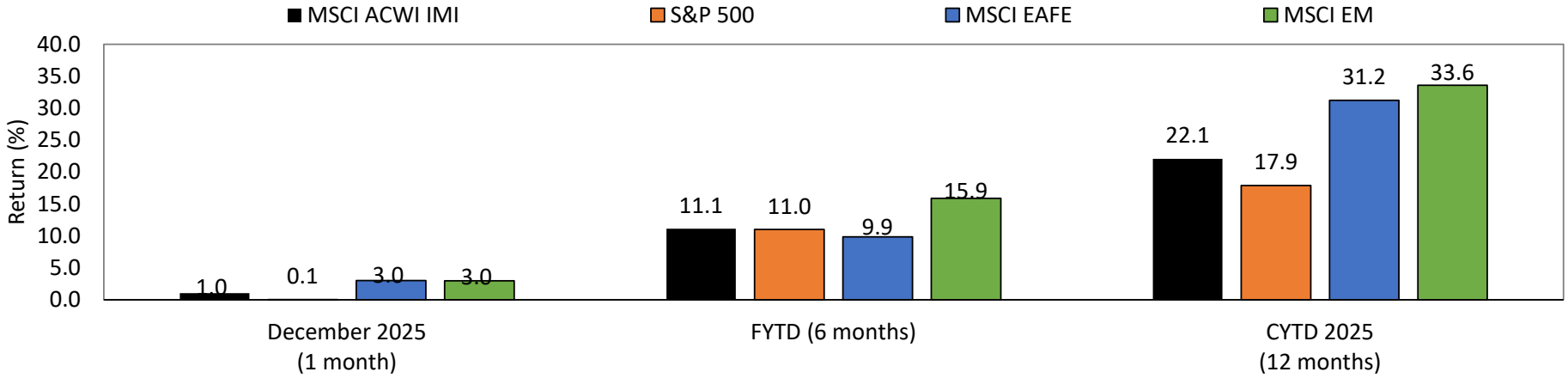


Notes: Preliminary data sourced from SFERS Plan Value Report, through December 31, 2025. [1] Valuations are preliminary and are reported gross of fees. The reported returns and market values are based on prior month-end values that have been adjusted by SFERS' Custody Bank since the last report. For 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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Public Equity

- **Geography:** For the calendar year to date Emerging Markets (MSCI EM-ND) (33.6%) led returns, followed by Developed Markets ex-US (MSCI EAFE-ND) (31.2%) and US Developed Markets (S&P 500) (17.9%).



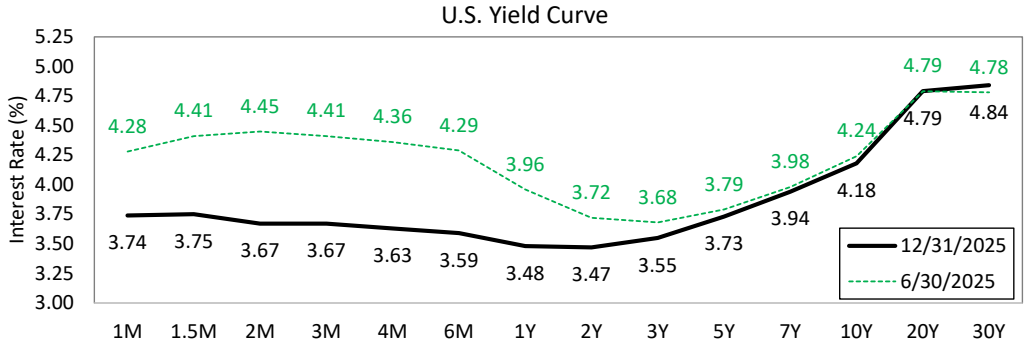
- **Sector:** Over the past month Financials (+3.1%) and Materials (+2.2%) were the strongest performers, while Utilities (-5.1%) and Real Estate (-2.2%) lagged.
- **Style:** Over the past month Value (0.4%) outperformed Growth (-0.2%). Over the calendar year to date Growth (22.2%) outperformed Value (13.2%).
- **Size:** Over the past month Large Caps (0.0%) outperformed Small Caps (-0.6%). Over the calendar year to date Large Caps (17.4%) outperformed Small Caps (12.8%).

Notes: Returns sourced from eVestment. Underlying sources are MSCI, S&P and Russell. Performance is reported on a total return basis through December 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).

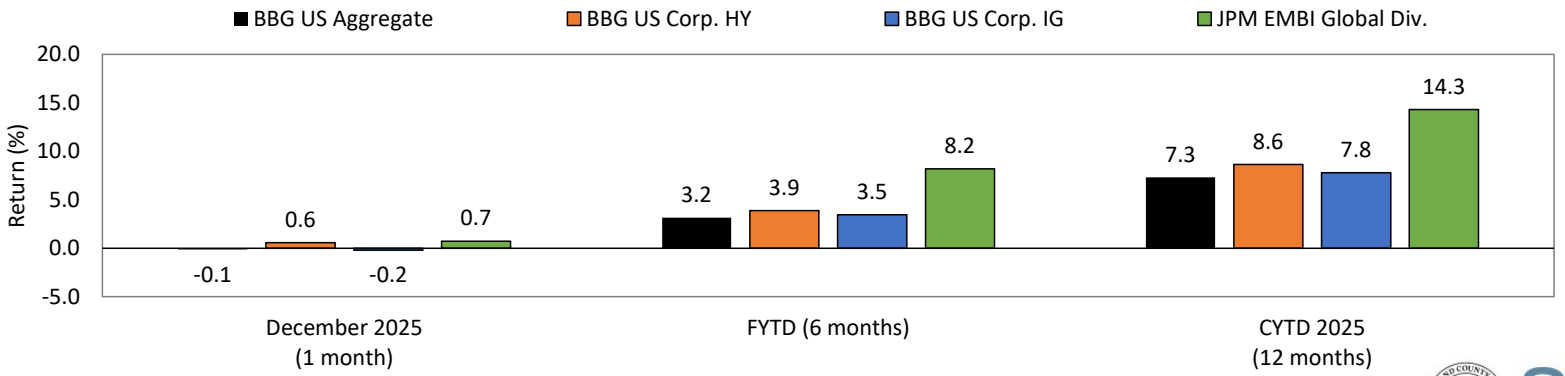
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Fixed Income

- **Rates:** Rates at the short end of the yield curve declined over the first six months of this fiscal year, driven by consecutive rate cuts at the October and December FOMC meetings. Rates have been volatile as the market digests upcoming changes in voting members and the end of Chair Powell's term in May.



- **Credit:** Fixed Income performance for the month was led by the JPM EMBI Global Diversified Index (0.7%), followed by the Bloomberg US Corporate High Yield Index (0.6%) and the Bloomberg US Aggregate Index (-0.1%).



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

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Liquid Real Assets

- Gold has been the standout performer within liquid real assets with a December return of +1.9% and a year-to-date return of +54.4%
- In December, Global Real Estate (-2.3%) and Midstream Energy (-0.6%) posted losses.
- Commodities performed negatively in December (-0.7%) but outperformed year-to-date (+7.2%).

	Performance (%)	
	MTD	YTD
Wilshire Global Real Estate Securities Index	-2.3%	0.0%
Alerian Midstream Energy Index	-0.6%	-2.6%
Bloomberg Commodity Index	-0.7%	7.2%
Gold	1.9%	54.4%

Notes: Sourced from Bloomberg, data as of 12/31/2025.

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Exhibit 2: Plan Value Report

San Francisco City and County
Employees' Retirement System

To: Retirement Board

Through: Alison Romano
CEO & CIO

From: Kevin Cao
Associate Portfolio Manager

Date: January 14, 2026

Re: Plan Value Report

Best available data as of December 31, 2025

	Value[1,3] (000)	Weight (%)	MTD (%)	QTD (%)	CYTD (%)	FYTD (%)
SFERS TOTAL FUND	**39,329,065**	**100.0**	**0.36**	**2.70**	**10.95**	**6.16**
Public Equity	11,814,149	30.0	0.67	3.98	21.73	11.42
Private Equity	10,346,786	26.3	0.31	3.52	8.17	6.57
GROWTH ASSETS	**22,160,935**	**56.3**				
Real Assets	5,052,204	12.8	(0.11)	0.41	1.73	0.62
Absolute Return[2]	3,699,367	9.4	0.58	1.36	7.54	2.49
DIVERSIFYING ASSETS	**8,751,571**	**22.3**				
Private Credit	3,375,401	8.6	0.06	2.28	8.47	3.68
Public Credit	2,064,629	5.2	0.30	1.47	9.11	4.23
Treasuries	2,000,108	5.1	0.10	1.23	6.84	2.56
INCOME GENERATING ASSETS	**7,440,138**	**18.9**				
NET CASH EXPOSURE[3]	**976,421**	**2.5**	0.46	1.15	4.45	2.33
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 December 31, 2025

	11/30/2025	Value In	Value Out	MV Δ[1]	12/31/2025	Current	LT Target	Range	Unfunded
		---------- ($ Mn) ----------				----- Weight (%) -----			($ Mn)
GROWTH ASSETS	**22,308.9**	**81.7**	**341.7**	**112.0**	**22,160.9**	**56.3**	**52.0**	**45 - 75**	**2,995.0**
Public Equity	*11,895.6*	*0.0*	161.7	80.2	11,814.1	30.0	32.0	20 - 45	
Private Equity	*10,413.3*	81.7	180.0	31.8	10,346.8	26.3	20.0	15 - 30	2,995.0[3]
DIVERSIFYING ASSETS	**8,768.2**	**87.0**	**119.1**	**15.5**	**8,751.6**	**22.3**	**20.0**	**15 - 30**	**1,953.3**
Real Assets	*5,069.1*	87.0	98.1	(5.8)	5,052.2	12.8	10.0	8 - 15	1,893.2[3]
Absolute Return	*3,699.1*	0.0	21.0	21.3	3,699.4	9.4	10.0	5 - 15	60.0
INCOME ASSETS	**5,315.8**	**181.7**	**65.2**	**7.7**	**5,440.0**	**13.8**	**22.0**	**8 - 30**	**2,297.3**
Public Credit	*1,918.2*	140.7	0.0	5.7	*2,064.6*	5.2	12.0	3 - 15	
Private Credit	*3,397.6*	41.0	65.2	2.0	3,375.4	8.6	10.0	5 - 15	2,297.3[3]
CAPITAL PRESERVATION	**1,998.2**	**200.0**	**200.0**	**1.9**	**2,000.1**	**5.1**	**8.0**	**3 - 12**	**0.0**
Treasuries[2]	*1,998.2*	200.0	200.0	1.9	*2,000.1*	5.1	8.0	3 - 12	
CASH[2]	**937.6**	**917.1**	**882.5**	**4.3**	**976.4**	**2.5**	**1.0**	**0 - 5**	
Investable Cash[4]	*937.6*	*917.1*	*882.5*	*4.3*	*976.4*	*2.5*			
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**	**0 - 5**	
Gross Leverage	*568.1*	*200.0*	*0.0*	*1.4*	*769.5*	*2.0*			
TOTAL PORTFOLIO	**39,328.7**	**0.0**	**141.0**	**141.3**	**39,329.1**	**100.0**	**100.0**	**100.0**	**7,245.5**

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 December 31, 2025

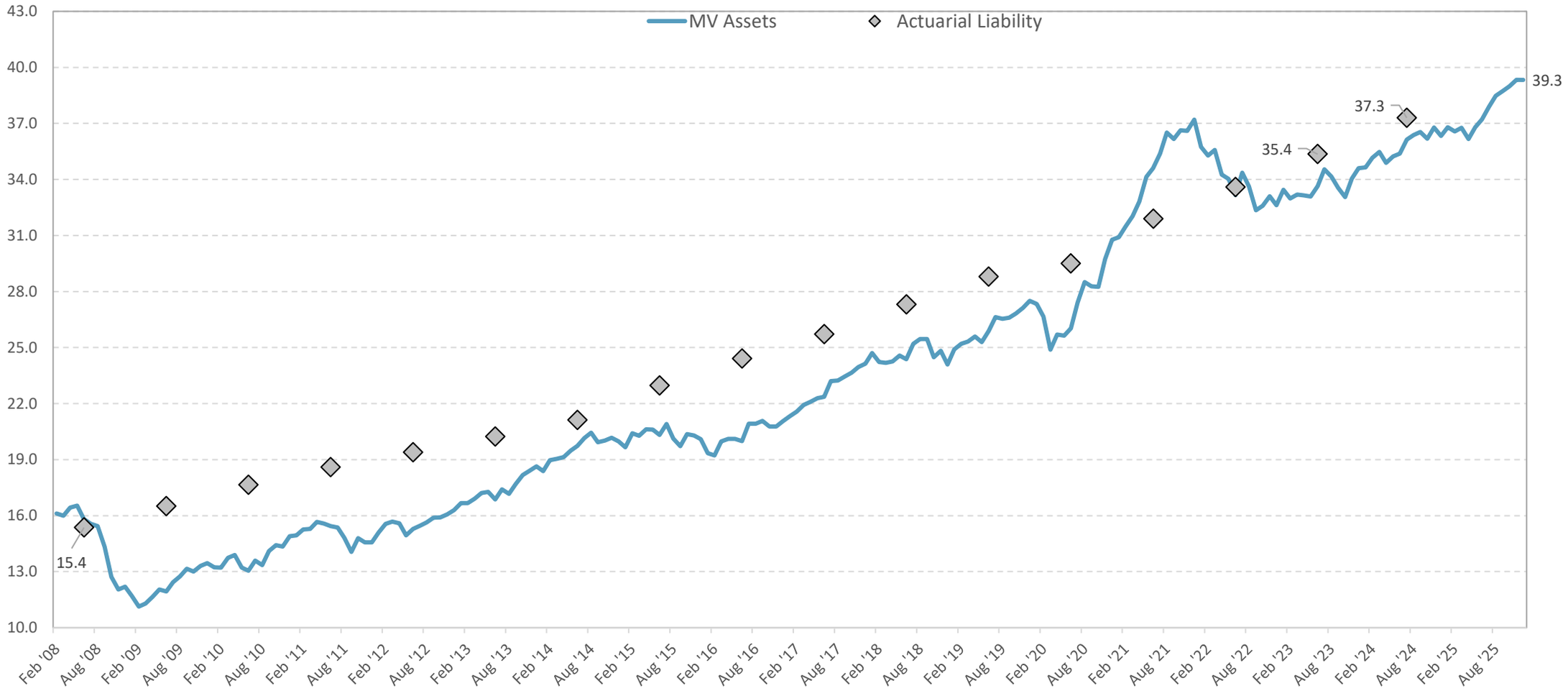
Investable Cash Account (In $ Million)[1]	
Beginning Balance as of December 1, 2025	**937.6**
Employer Contribution Pre-Payment	0.0
Cash from Credit Line	0.0
Return to Credit Line	0.0
Public Equity Net Flows	161.6
Public Equity Synthetic Net Flows	0.0
Private Equity Net Flows	98.3
Real Assets Net Flows	11.1
Absolute Return Net Flows	21.0
Public Credit Net Flows	-140.7
Private Credit Net Flows	24.2
Treasuries Net Flows	0.0
Investable Cash Market Value Change	4.3
Net Benefit Payment for December 2025	-141.0
Ending Balance as of December 31, 2025	**976.4**

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 December 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 December 31, 2025. Total Plan market values through December 2022 are provided by NEPC. Data from January 2023 to October 2025 are provided by BNY Mellon and finalized. Data starting from November 2025 are provided by BNY Mellon and preliminary.

Exhibit 3: Update on Approved Investment

Closed Investments

Lead Edge Capital VII, LP

Under its delegated authority, SFERS invested $60 million in Lead Edge Capital VII, LP. The investment closed on December 18, 2025.

The fund will be classified as Growth Equity within SFERS' Private Equity portfolio.

More information about Lead Edge Capital is available at https://leadedge.com/.

EIR PARTNERS III, LP

Under its delegated authority, SFERS committed $50 million to Eir Partners III, LP. The commitment closed on December 18, 2025.

The commitment will be classified as buyout within SFERS' Private Equity portfolio.

More information about Eir Partners is available at eirpartners.com.

JEN 9 LP

Under its delegated authority, SFERS committed $50 million in JEN 9 LP. The investment closed on January 9, 2026. The investment is classified as a Real Estate investment within the Real Assets portfolio.

More information about the firm is available at https://www.jenpartners.com/.