# 1. Introduction

Investment Policy for the Sacramento County Employee's Retirement System is documented in a Master Investment Policy Statement ('IPS') and supported by individual asset class policy documents. The Master IPS is designed to establish broad policies that will guide SCERS' investment program ('Investment Program'), including Investment Philosophies, Investment Objectives, Plan Governance, Investment Strategy, Risk Management and Portfolio Monitoring.

The Sacramento County Employees' Retirement System ('SCERS' or 'the System') was created on July 1, 1941, by Sacramento County Ordinance #283 as adopted by the Board of Supervisors on April 30, 1941, pursuant to the County Employees' Retirement Law of 1937. SCERS provides retirement, disability, and death benefits for qualified employees of Sacramento County and eleven participating special districts.

A nine-member Board of Retirement ('Board') governs SCERS. The Board has the sole and exclusive responsibility to administer SCERS in a manner that will assure prompt delivery of benefits and related services to the participants and their beneficiaries. See California Constitution at Articles XVI Section 17.

In administering the System, SCERS will value open communication, transparency and the consideration of different points of view. It will also follow the highest ethical standards in meeting its fiduciary duties of prudence and loyalty to the System's participants and beneficiaries, and will act solely in the interest of, and for the exclusive purpose of providing benefits and related services to participants and their beneficiaries.

# 2. Master IPS Purpose

The Master IPS is a principles based document that establishes broad policies that will guide SCERS' Investment Program. It is intended to provide guidance to the Board, Staff, Stakeholders and third party professionals.

The System's individual asset classes have their own dedicated investment policy statements which include detailed information specific to the asset classes. Individual asset class IPSs contain asset class objectives, investment guidelines, ranges, permissible investments, benchmarks, and monitoring and implementation protocols specific to the asset classes. The individual asset class IPSs are included as supporting documents to the Master IPS.

# 3. Investment Philosophies

The Investment Philosophies represent the System's principles on which the Investment Program is based. All investment decisions for the System are made within the context of these philosophies, which include:

- ◊ Strategic asset allocation has the greatest impact on long-term investment returns and volatility. Using quantitative asset/liability modeling coupled with qualitative evaluation, an appropriate strategic (long term) asset mix target is determined and serves as the guide for the investment allocation throughout market cycles. The qualitative evaluation emphasizes the long-term sustainability of the system, mitigation of large drawdown risk and the ability to achieve long term funding goals.
- ◊ The strategic asset allocation target is a well-diversified portfolio across asset categories and asset classes. However, it is recognized that the portfolio's risk exposure is heavily influenced by equity risk which historically has been favorably correlated with the ability to achieve long term funding objectives.
- ◊ While it is essential to hold to the Investment Program's strategic asset allocation throughout market cycles, the ranges around the targeted asset class allocations allow for marginal adjustments as market opportunities arise. Under normal market conditions, asset category and asset class exposures will be rebalanced to target periodically to enforce a "buy low/sell high" approach across the portfolio.
- ◊ An allocation to low cost investment strategies, including passive strategies, will be used in the most efficient asset classes. Active management strategies, and the fees associated with active management, are acceptable when the expected excess return over the strategy benchmark compensates the System for the active risk taken, and the fee incentives align with the System's interests.
- ◊ Given the long-term nature of the System, investments that offer an illiquidity premium in return for a longer holding or lock-up period will be utilized to the extent that overall liquidity is not imperiled.
- ◊ The strategic asset allocation should generate sufficient levels of cash flow to support the System in meeting its benefit payment obligations.

# 4. Investment Objectives

A. The primary and over-arching goals of the System are to:

- Provide for current and future benefit payments, i.e. sustain the plan through its useful life.
- Diversify plan assets as its main defense against large market drawdowns, while maintaining reasonable risk exposure to meet return requirements.
- Preserve a degree of liquidity ample to meet benefit payments and capital calls, without incurring substantial transaction costs or “fire sales” of illiquid holdings.
- Incur costs that are reasonable and consistent with industry standards.
- Achieve funding goals, including the maintenance of funded status and manageable, consistent contribution rates.

B. Investment performance objectives include:

- Returns in excess of policy benchmarks at the total fund and asset class levels over rolling three-year periods.
  - The System’s total fund performance is evaluated by applying the investment performance of the asset class benchmarks to the Investment Program’s strategic asset allocation target (‘Policy Index’). The Policy Index permits the Board to compare the Investment Program’s actual performance to its total fund benchmark, and to measure the contribution of active investment management and policy adherence.
- Achieve real (after inflation) returns at the total fund level that are at or above the actuarial real return (assumed return less per capita pay growth) over complete market cycles.
- For asset classes and actively managed portfolios, achieve net returns that exceed policy benchmarks, and rank in the top half of a competitive, after-fee universe.

# 5. Investment Program Governance

## A. ROLES AND RESPONSIBILITIES

### I. Board

With the authority noted above, the organizational structure of SCERS focuses the attention of the Board on governance and policy and not on the management of the System. The Board's primary responsibility is to set and direct investment policies set forth in this document, set and direct the strategic direction of the System, and guide its progress in achieving its goals and objectives. The Board has fiduciary responsibility for the System and the Investment Program.

While the Board may delegate certain responsibilities under the Investment Program for purposes of implementation, administrative efficiency and expertise, the following areas are the primary responsibilities of the Board, which may not be delegated:

◊ The governance model of the Investment Program

◊ Establishing and maintaining investment policy, including:

- Investment philosophy
- This Investment Policy Statement (IPS)
- Investment objectives
- Strategic asset allocation
- Allocation-level performance benchmarks
- Risk philosophy

◊ Engaging Board consultants and service providers

◊ Monitoring the Investment Program

### II. Investment Staff

The CEO is responsible for the overall management and administration of the System under the Board's direction. The CIO and other Investment Staff, along with the CEO, are responsible for the implementation and maintenance of the Investment Program. The Investment Staff shall exercise the same fiduciary responsibility under applicable law as the Board. Staff shall act reasonably as custodians of the public trust, and shall recognize that the Investment Program is subject to public review and evaluation. The overall management of the System's Investment Program shall be designed and managed with a degree of professionalism that is worthy of the public trust.

Key responsibilities of the Investment Staff include:

- Implementation and oversight of the System's Investment Program, including policies, structures, investment mandates, systems, service providers and cash flows.
- Assisting the Board in the formulation and evaluation of investment policies and strategy, the development of the strategic asset allocation and asset class structures, and the risk management framework.
- Development and recommendations regarding investment mandates, service providers and investment management tools and systems.

## III. General Consultant

General Consultant responsibilities include, but are not limited to, providing the Board guidance on strategic asset allocation and interim market tactics, selection and monitoring of plan and manager performance, assisting with documentation and guiding Board education.

The General Consultant is and shall agree to be a fiduciary to the System under California law. The General Consultant works with Investment Staff in the development of recommendations while recognizing its fiduciary duty is to provide prudent investment advice to the Board. The General Consultant provides advice without discretionary authority to execute on its advice. The specific duties of the General Consultant are contained in an Agreement for Investment Consulting Services, and generally include providing advice with respect to:

◊ Investment strategy development and implementation

◊ Investment policy development

◊ Asset allocation among asset classes and subclasses

◊ Investment manager selection, evaluation and termination

◊ Investment performance monitoring

◊ Investment risk monitoring

◊ Capital markets projections

◊ Coordination with the System's actuary in conducting periodic asset/liability studies and other required reporting

◊ Board education

◊ Collaboration with Investment Staff on maintaining an investment manager Watch List

## IV. Alternative Assets Consultants

The Alternative Assets Consultants are and shall agree to be a fiduciary to the System under California law. The Alternative Assets Consultants works with Investment Staff in the development of recommendations while recognizing their fiduciary duties are to provide prudent investment advice to the Board. The Alternative Assets Consultants provide advice without discretionary authority to execute on their advice. The specific duties of the Alternative Assets Consultants are contained in an Agreement for Investment Consulting Services.

Responsibilities of the Alternative Assets Consultants include, but are not limited to, developing and maintaining strategic plans for the System's Absolute Return, Private Equity, Private Credit, Real Assets and Real Estate Investments. This includes manager selection, monitoring and due diligence, maintaining liquidity and pacing projections, and Board education.

## V. Investment Managers

A. Investment Managers of Custodied Assets

Subject to this IPS and their specific contractual obligations to the System, Investment Managers are responsible for making investment decisions on a discretionary basis (unless stated otherwise within their investment contract) regarding assets placed under their jurisdiction, and will be accountable for achieving their investment objectives. Decisions include the purchase, sale and holding of investments in amounts and proportions that are reflective of the stated investment mandate. Such investment managers will maintain proper and adequate insurance coverages including errors & omissions, surety bond and fiduciary liability. In addition, SCERS' investment managers agree to notify the Board Chairman and/or Investment Staff, in writing, if they are unable to continue acting in the capacity of a fiduciary or investment advisor. As stated above, investment managers are expected to act as prudent experts in the management of account(s) for SCERS, and agree to be fiduciaries to the System. In fulfilling their roles, investment managers will continually educate the Board about capital market developments that pertain to their area of investment expertise.

B. Fund Managers and General Partners

Managers and General Partners of commingled funds in which SCERS is a limited partner have the responsibilities and duties set forth in their respective limited partnership agreements and side letters. With respect to such fund managers and general partners, SCERS will strive to obtain their contractual agreement to a fiduciary duty of care, in accordance with and subject to the provisions of the Alternative Assets Investment Standard of Care Policy.

### VI. Custodian Bank

The System's Custodian Bank is responsible for the safekeeping of assets, trade reconciliation and settlement, income collection, short term investing, securities lending, commission recapture and compliance monitoring.

The Board may authorize the Custodian Bank to invest in temporary short-term fixed income investments both for the investment strategies and as a part of the cash portion of the System's assets. Such investments will be managed in general accordance with short-term fixed income investment guidelines as detailed in the custodial agreement. The Custodian Bank, per the custodial bank agreement/ contract, may be authorized to conduct a securities lending program within liquidity and risk constraints as authorized by the custodial agreement.

## B. IMPLEMENTATION PROTOCOLS

### I. Vendor Procurement

The implementation protocols related to the hiring and termination of investment managers are covered within the individual asset class IPSs. However, there are several characteristics within the implementation protocols for the traditional/liquid asset classes and the alternative asset classes that are covered in the Master IPS.

a. Traditional/Liquid Asset Classes (Public Equities; Public Fixed Income; Commodities; TIPS)

- SCERS' Board approves the long-term asset allocation structure and investment plan of an asset class.
- Implementation of the long-term asset allocation structure and investment plan, including the screening, due diligence and evaluation leading to the recommendation to the Board to engage or terminate an investment manager, is delegated to Staff and General Consultant.
- For investment manager hires, Staff and General Consultant complete due diligence, negotiate deal terms, provide separate due diligence reports to SCERS' Board, and determine which investment manager to recommend to SCERS' Board for consideration and approval.
- For investment manager terminations, recommendations are provided to the Board for consideration based on evaluation and due diligence by Staff and the General Consultant.
- Questions or concerns by a Board member regarding a proposed manager can be communicated to SCERS' CEO.

b. Alternative Asset Classes (Absolute Return; Private Equity; Private Credit; Real Assets; Real Estate

- SCERS' Board approves the long-term asset allocation structure and investment plan of an asset class.

- Implementation of the long-term asset allocation structure and investment plan, including the selection of investment managers and the adjustment or termination of investment mandates, is delegated to Staff and the Alternative Assets Consultants.
- For investment manager hires, Staff and the Alternative Assets Consultants complete due diligence, negotiate deal terms, provide separate due diligence reports to SCERS' Board, and determine whether an investment should be made.
- For investment manager terminations, where applicable, Staff and the Alternative Assets Consultants complete due diligence and evaluation of an existing investment manager, provide separate termination due diligence reports to SCERS' Board, and determine whether an investment should be terminated.
- Delegation is subject to the Board's review, discussion or objection to Staff/ Consultant recommendations, through communication to SCERS' CEO.

c. Cash

- Staff and General Consultant will determine the most effective approach toward implementation of cash, and recommend any changes to the Board for approval.
- Examples of approaches toward cash implementation include short-term investment funds (STIF), short duration government bonds, and a demand deposit account (DDA) that pays an interest rate tied to overnight LIBOR rates.

## II. Vendor Termination

a. General Termination

From time to time it will be necessary for the System to terminate a contractual relationship with an investment manager. The Board has established the following criteria to assist in making termination decisions. The overriding consideration with respect to all decisions is that they shall be made solely in the best interest of the System.

Any action to terminate an investment manager may be based on one or more but not limited to, the following primary criteria:

- Significant changes in firm ownership and/or structure
- Loss of one or more key personnel
- Significant loss of clients and or/assets under management
- Shifts in the firm's investment philosophy or process
- Significant and persistent lack of responsiveness to client requests
- Changes in SCERS' investment strategy eliminating the need for a particular

style or strategy

- Persistent violations of the strategy's investment guidelines
- Investment performance that has fallen below policy benchmarks and SCERS' expectations
- Accusations of theft or fraud by a regulatory agency or other government body
- Any other issue or situation of which Investment Staff and/or Consultant become aware that is deemed material

The ability to terminate an investment manager is defined within the contractual agreement with each investment manager. Within the traditional/liquid asset classes, most of SCERS' separate account mandates are structured with immediate termination rights, while most commingled funds have specific redemption schedules, varying from daily to quarterly.

Within the alternative asset classes, the ability to terminate an investment manager is defined within the contractual agreement with the manager. Open-end funds, including Absolute Return and Real Estate investments, typically have monthly and quarterly termination rights, subject to lock-up periods and investor level gates. Closed-end funds within the private markets, including Private Equity, Private Credit, Real Assets and Real Estate, are generally illiquid structures with five to thirteen year holding periods. Any early liquidity within closed-end funds is typically achieved through the dissolving of the fund, by either the limited partners or the general partner prior to the end of a fund's term, or selling a limited partner stake in a fund in the secondary market.

b. Emergency Termination – Traditional/Liquid Asset Classes

In the case of an emergency within the traditional/liquid asset classes, SCERS may immediately terminate an investment manager for any reason without prior notice, subject to the termination language within the investment contract with the manager, and subject to liquidity provisions of the investment strategy. In most cases, any action to terminate a manager should be taken by the Board upon the recommendation for termination by Staff, with the concurrence of the Investment Consultant at either a regularly scheduled or specially called Board meeting. If the CEO and the CIO determine, in consultation with the Investment Consultant and the General Counsel, and with the concurrence of the Board President or one or more Vice-Presidents if the President is not available, that: (1) It is necessary to immediately terminate an investment manager in order to protect the assets under the control of the investment manager; (2) It is not feasible to convene a meeting of the Retirement Board for that purpose in a timely manner; and (3) Delay could result in detrimental impact to SCERS' assets or interests, the CEO or the CIO may terminate the agreement with the investment manager. The CEO or the CIO shall immediately report such termination to the

Board, along with a report of the circumstances that prompted such action.

Whenever the CEO or the CIO exercise the authority to terminate an agreement with an investment manager as provided above, he or she may also take whatever actions he or she may determine, in consultation with the Investment Consultant and the General Counsel, and with the concurrence of the Board President or one or more Vice-Presidents if the President is not available, are reasonable and necessary to transition the assets under the control of the investment manager to alternate management, including, without limitation: (1) Temporarily assigning the assets to another existing contracted investment manager; (2) Identifying and engaging an alternate investment manager to manage the assets until a permanent replacement for the terminated manager can be engaged; or (3) Contracting for the services of a transition manager to facilitate an efficient and cost effective transition of the assets between the former and interim manager. The CEO, or in his or her absence, the CIO, may execute any and all agreements reasonably necessary to facilitate an orderly and efficient transition of the affected assets, so that they will be managed and protected until they are assigned to one or more alternate investment managers. The CEO, or in his or her absence the CIO, shall immediately report any and all steps taken to transition the assets and to protect the interests of SCERS to the Board.

## III. Portfolio Rebalancing – Overlay Program and Physical

On a quarterly basis, the Investment Staff will report all rebalancing activity, either physical or via the Overlay Program.

a. Overlay Program

- The Overlay Program, which is managed by an external investment manager, is utilized to monitor and rebalance the asset allocation to policy targets.
- Under the supervision of the CIO and working with Consultants, quarterly rebalancing, primarily using derivatives, will occur in order to maintain exposures within defined bands and approaching long-term targets.
- The rebalancing frequency, rebalancing methodology and overlay proxies are defined within the Investment Management Agreement for the Overlay Program.

b. Physical Rebalancing

- When a physical rebalancing is appropriate, as determined by the CIO, it will be directed by the CIO, who will determine the most cost effective approach. Any physical rebalancing will be reported, along with associated costs, at the subsequent Board meeting.

# 6. Investment Strategy

An important component of the System's investment strategy is to view risk exposures through multiple lenses, including functional and common factor exposures, in order to manage and maintain allocations that are aligned with its investment philosophy and objectives. The multiple lens approach allows the System to better understand the sources of its returns and risks and to make informed adjustments to exposures when appropriate. Appendix One shows the Board approved desired functional asset category and asset class (Policy Index) exposures. Common factor exposure will be included in the performance reviews.

The Board will conduct periodic reviews (at least every five years) of its strategic asset allocation linked with projected liability behavior.

# 7. Asset Allocation

### A. Growth Asset Category

The Growth asset category includes assets that are exposed to equity and credit risk factors. They tend to perform best when economic growth is average or above and/or rising, and inflation is moderate and/or falling. Asset classes within the Growth asset category include:

- ◊ Public Equities, both domestic and international
- ◊ Public Credit, i.e., high yield credit and bank loans
- ◊ Private Credit
- ◊ Private Equity
- ◊ Growth Absolute Return, including equity and credit oriented absolute return strategies with meaningful beta and correlation to equity and credit markets

### B. Diversifying Asset Category

The Diversifying asset category includes assets that are expected to help preserve capital in periods of market distress, particularly in periods of low and falling growth. In such periods, diversifying assets may experience negative returns but are expected to perform better than growth assets, and are expected to enhance diversification by exhibiting low or negative correlation with both equity and credit markets. Diversifying assets are expected to have a positive return profile over market cycles. Asset classes within the Diversifying asset category include:

- ◊ Public Fixed Income, including US Treasuries, Global Bonds, and Core and Core-Plus strategies

◊ Diversifying Absolute Return, including absolute return strategies that have zero to negative correlation and low beta to equity and credit markets

### C. Real Return Asset Category

The Real Return asset category includes assets that should perform well in periods of unexpectedly rising inflation while producing positive net real returns over complete market cycles. The category should also provide moderate levels of income and cash flow generation. Additionally, Real Return assets should enhance diversification by exhibiting low or negative correlation with both equities and nominal bonds. Asset classes within the Real Return asset category include:

◊ Real Estate, including both Core and Non-Core exposures

◊ Real Assets, including infrastructure, energy and natural resources

◊ Liquid Real Return

◊ TIPS and Inflation-Linked-Bonds

### D. Opportunities

Allocation will include tactical opportunities that may arise across any of the above categories. The target allocation is 0%, but the actual allocation may be as high as 5%, with funding coming from the asset class that the opportunity most closely resembles. Opportunities investments will typically be of shorter duration (2-5 years) and are expected to enhance returns relative to their funding source.

### E. Cash

The dedicated 1% cash allocation is included in SCERS' strategic asset allocation and serves as a liquidity tool. It is intended to close the gap between annual benefit payments and total coontributions in an environment where investment earnings fall short of the targeted assumed rate of return, and is used as a source of liquidity prior to other Plan assets during a stressed liquidity environment.

## 8. Risk Management

Risk is inherent in a defined benefit pension plan's investment portfolio, putting a high premium on maintaining the appropriate risk level throughout market cycles. However, the System recognizes that there may be infrequent periods when risk levels become extreme and expected risk premia do not justify the exposure. While the System's primary risk management approach is broad diversification and disciplined rebalancing, the System will assign ranges around exposures to accommodate asset preservation during periods of market unrest, allowing for the ability to increase liquid defensive positions (i.e. Treasuries and TIPs) and reduce liquid growth exposures (i.e. Equities and Credit). The System views risk through multiple lenses in order to address the following circumstances:

◊ Large drawdowns

◊ Maintenance of real actuarial earnings expectation and purchasing power

◊ Ability to meet benefit payments and capital calls (i.e. liquidity)

◊ Avoid large volatility in contribution rates

In periodic performance reports, the System will monitor the following characteristics to keep track of various portfolio risks:

◊ Actual allocations vs. target allocations

◊ Risk Factors, including exposure to equity, credit, inflation, interest rates and currencies

◊ Exposures and liquidity/pacing provisions in private market asset classes

◊ Longer-term volatility (standard deviation) relative to policy

# 9. Portfolio Monitoring

## A. Reporting

### I. Quarterly Reporting

The Board will receive quarterly performance and exposure reports from its General and Alternative Assets Consultants. The reports will generally include performance results and comparisons to benchmarks and peers, as well as asset class and risk exposure relative to policy allocations.

### II. Annual Reporting

On an annual basis, Staff, with assistance from the Investment Consultants, will provide an 'Investment Year in Review' for the Board. This report and presentation with highlight investment activity for the total fund and individual asset categories and asset classes during the prior calendar year, and preview anticipated investment objectives and activity for the upcoming calendar year.

## B. Compliance Monitoring

Monitoring of compliance with manager investment guidelines will be performed monthly by the CIO and Investment Staff relying on data provided by the custodian, consultants and investment managers. In addition, the CIO and Investment Staff will monitor performance and attribution characteristics, and dispersion of results relative to expectations. On an annual basis, the CIO and Investment Staff will request and review each manager's form ADV Part II and will inform the Board of significant changes and apparent conflicts of interest.

## C. Watch List

The Watch List status will be determined and monitored by the Investment Staff and Consultants, focusing on relative performance and organizational instability. Decisions to add or remove an investment manager to/from the Watch List will be less rules-based

and more a function of analyzing both quantitative and qualitative factors related to the investment manager. Investment managers on the Watch List will be subject to enhanced scrutiny and are subject to termination upon Board approval of Staff recommendation.

Investment manager additions and removals from the Watch List will be communicated to SCERS' Board monthly.

### D. Manager Due Diligence

The Investment Staff and Investment Consultants will monitor individual investment managers' performance quarterly and annually. The Investment Staff and Consultants will meet with all investment managers periodically. Typically, these meetings will occur in the SCERS/ Consultants' offices. However, manager on-site meetings may be scheduled for existing managers, Watch Listed managers, and as a part of new investment manager due diligence.

# History

Amended March 17, 2021

Amended September 18, 2019

Amended on March 20, 2019

Restated on July 19, 2017 as "SCERS Master Investment Policy Statement"

Amended on February 18, 2010

Amended on December 18, 2008

Adopted on January 17, 2008 as "SCERS Investment Policy & Objectives"

# Appendix

# APPENDIX I - SCERS' ASSET ALLOCATION POLICY

| Asset Category | Asset Class | Minimum Al-location | Target Allocation | Maximum Allocation | Policy Benchmark |
|---|---|---|---|---|---|
| **Growth** | | | **58.0%** | | |
| | Domestic Equity | 18.0% | 20.0% | 22.0% | Russell 3000 Index |
| | International Equity | 18.0% | 20.0% | 22.0% | MSCI ACWI ex-US Index |
| | Private Equity | 7.0% | 9.0% | 11.0% | Cambridge Associates PE/VC Index |
| | Public Credit | 1.0% | 2.0% | 3.0% | 50% BofA High Yield/50% CS Leveraged Loan |
| | Private Credit | 2.0% | 4.0% | 6.0% | CS Leveraged Loan Index + 2% |
| | Growth Absolute Return | 1.0% | 3.0% | 5.0% | HFRI FoF Composite Index + 1% |
| **Diversifying** | | | **25.0%** | | |
| | Core/Core Plus Fixed Income | 8.0% | 10.0% | 12.0% | Barclays Aggregate Index |
| | US Treasury | 3.0% | 5.0% | 7.0% | Barclays U.S. Treasury Index |
| | Global Fixed Income | 2.0% | 3.0% | 4.0% | 80% Citi WGBI/20% JPM GBI EM Global |
| | Diversifying Absolute Return | 5.0% | 7.0% | 9.0% | HFRI FoF Conservative Index |
| **Real Return** | | | **16.0%** | | |
| | Real Estate | 5.0% | 7.0% | 9.0% | 65% NFI-ODCE/35% NFI-ODCE + 1% |
| | Real Assets | 5.0% | 7.0% | 9.0% | Real Assets Custom Blend* |
| | Liquid Real Return | 0.0% | 2.0% | 3.0% | SSGA Real Return Overlay Proxy** |
| | TIPS | 0.0% | 0.0% | 3.0% | Barclays TIPS Index |
| **Opportunities** | | 0.0% | **0.0%** | 5.0% | SCERS' Policy Index |
| **Cash** | | 0.0% | **1.0%** | 2.0% | Overnight Libor |
| | | | **100.0%** | | |

*Real Assets Custom Blend: 45% Cambridge Associates Private Infrastructure Index, 35% Cambridge Associates Private Energy Index, 10% NCREIF Agriculture Index, and 10% NCREIF Timber Index.

**SSGA Real Return Overlay Policy: 15% FTSE EPRA/NAREIT Developed Liquid Index, 25% S&P Global Infrastructure Index, 10% S&P Global Large Mid Cap Commodity and Resources Index, 10% Bloomberg Roll select Commodity Index, 30% Bloomberg Barclays 1-10 year US TIPS Index, and 10% Bloomberg Barclays US Dollar Floating Rate <5 Year Index.