

SCERS NEWSLETTER

RETIREMENT INFORMATION

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A Message from SCERS CEO

This summer we face many changes as we prepare to open our doors to the public once again and continue the process of upgrading from our old way of doing business to our new pension administration system.

Changes can be difficult, but our commitment to you is unwavering and we are working as hard as we can to get our member portal functioning at full capacity as soon as possible.

This upgrade will provide online tools for members to conduct SCERS business, and will help speed our processes and get you information faster.

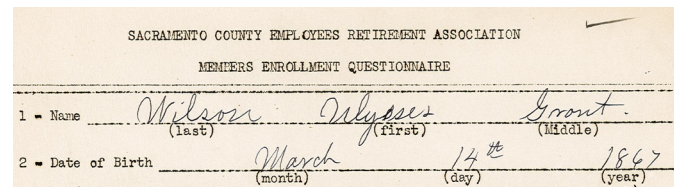
SCERS' Retirement Board is changing too, with the departure of longtime Trustee James Diepenbrock and the upcoming election.

In keeping with our 80th anniversary theme, this issue highlights our only active member also turning 80. As we have evolved since our beginning, one thing hasn't changed: our members are still our greatest asset.



— Eric Stern

A Salute to Hardworking Past Members



SACRAMENTO COUNTY EMPLOYEES RETIREMENT ASSOCIATION
MEMBERS ENROLLMENT QUESTIONNAIRE

1 - Name Wilson Ulysses Grant
(last) (first) (middle)

2 - Date of Birth March 14th 1867
(month) (day) (year)

One of the first SCERS' members to enroll in the county retirement plan was Ulysses Grant Wilson, born in 1867, just two years after Robert E. Lee surrendered to Mr. Wilson's namesake. According to his membership form, Mr. Wilson lived in the Delta town of Walnut Grove and worked as a "bridgetender" for the engineering department, earning \$120 a month to open and close moveable bridges.

At the time of SCERS' founding in 1941, several Sacramento County workers born in the years after the Civil War like Mr. Wilson were still on the job. They held their posts well into their seventies, at a time when the average life expectancy was just over sixty years of age.

It was not uncommon to work into old age during that time. When the Legislature passed the County Employees' Retirement Law of 1937, lawmakers recognized the "public obligation" to help employees who did not have the financial means to stop working, but became "incapacitated by age or long service in public employment."

The Legislature directed counties to provide retirement benefits so older employees could be replaced with "more capable employees to the betterment of public service without prejudice and without inflicting a hardship upon the employees removed," according to the original statutes.

Retirement then was not an action that employees took to enjoy life after a full career, but one that was required. Indeed, under the original legislation, upon reaching age 70, the employee "shall be retired forthwith."

While today's pension plan allows workers to better control their destiny, the mission has not changed over the last 80 years – SCERS continues to provide lifetime benefits to public employees, to allow them to retire with dignity and financial security.



Happy Birthday to SCERS and our Only Active Member Born in 1941



Felipe Tan assembling CalFresh packets

In celebrating our milestone anniversary, we wanted to know if any active SCERS members shared our 1941 birth year. We found Sacramento County Department of Human Assistance (DHA) employee Felipe Tan, a man praised by his colleagues as an exemplary employee. We caught up with Mr. Tan and asked him about his own 80-year journey.

What is your favorite memory of the 1940s? The best thing I remember about the late forties was getting ready to come to the U.S. from the Philippine Islands, then arriving on a Friday in 1952 and starting school the following Monday.

What do you believe has been the most positive change in the world since 1941? Computers and the Internet. Being able to

communicate with people all over the world at any time has to be one of the greatest creations of my lifetime.

What are you most proud of in your 80 years? My family!

What brought you to County employment, and when did you start working for DHA? In 2000 I moved to Sacramento where my daughters were living. I worked as a temp at Senior and Adult Services and also at County Utility Billing Services (CUBS) where I became permanent. The 2009 great recession cost me that job, but I was hired by DHA in 2010 and have been here ever since.

What do you like best about your job, and what keeps you going?

DHA seems to change all the time to make things easier for employees to assist their customers. I believe working in this environment will keep me going for many years.

What other jobs have you had? I retired from the retail industry prior to coming to Sacramento County. I worked for the Berkeley CO-OP for 21 years and PayLess Drug for 10 years.

Do you have plans to retire, and what does your pension mean to you?

I'm not looking forward to the day I have to retire from the County. If and when I retire I'm sure my County retirement will keep me financially stable.

Any advice to County employees who still have many years to work before retiring? They should do their work the best they can, setting doable short goals every day.

We at SCERS thank Mr. Tan for his years of dedicated service to Sacramento County and wish him a Happy 80th Birthday!

Investment Performance

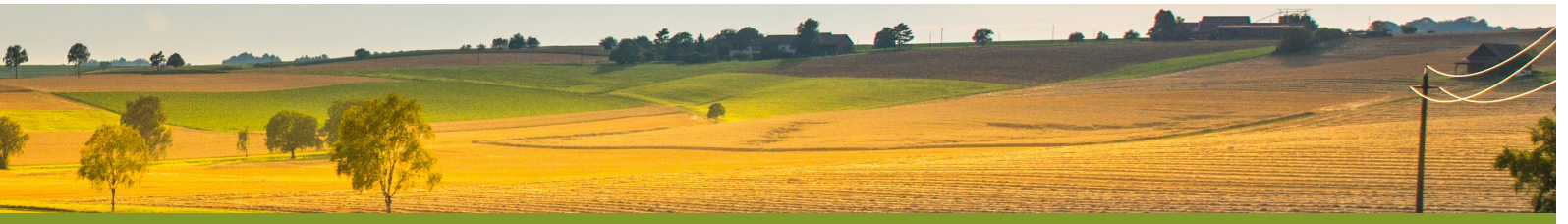
Portfolio up 24%

SCERS' portfolio ended on a high note to conclude the fiscal year that ended June 30, 2021. Coming into the fourth quarter of the 2020-21 fiscal year, SCERS' portfolio was up 19.9% net of fees, and while the return for the final quarter is yet to be finalized, SCERS estimates that the portfolio was up roughly 24% for the full fiscal year and ended with a market value of approximately \$12.1 billion. The final number will be impacted by the relative performance of active investment managers and the final calculation of private market returns.

The extraordinary returns for the fiscal year were driven by unprecedented COVID-19 related fiscal and monetary policy stimulus measures, the rollout of vaccines, and the robust rebound in economic activity that has ensued. SCERS' fiscal year return of 24% is well ahead of the 6.75% actuarial rate of return, with returns heavily driven by growth assets such as public and private equity.

Return expectations going forward are fairly tempered across most asset classes. This will factor into revisions to the strategic asset allocation as SCERS concludes its 2021 asset liability modeling study later this year.





Keep Your Information Current

If you are a retired or deferred member, it is important to keep your address and other information up to date with SCERS so you don't miss important communications from us.

Our Member's Affidavit form (scers.org/post/members-affidavit) should be updated whenever there is a change to your address, marital status, or beneficiary choice.

Active members should update their address with their employers who will automatically report the new information to SCERS, but report other life changes directly to us.

An out-of-date Affidavit can result in difficulty locating loved ones when benefits are distributed, or leave you without a timely payment or important notices. Don't wait to keep up to date!

Members can either complete and mail the Affidavit back to SCERS or request a digital (DocuSign) version by calling us or emailing sacretire@saccounty.net.

Farewell to Longtime Board Member



SCERS Retirement Board Trustee James A. Diepenbrock is stepping down at the end of his term in June.

Diepenbrock, a Certified Investment Managing Director with Diepenbrock Chapman Investment Consulting Group of Wells Fargo Advisors, joined the

SCERS Board of Retirement in August 1997 as a Trustee appointed by the Sacramento County Board of Supervisors.

Mr. Diepenbrock has been an active and thoughtful contributor to the decisions made by the SCERS Board over the years.

Having previously served as president of the Board for 11 years, Mr. Diepenbrock helped shape a modern, diversified portfolio that has grown from \$2.6 billion during his tenure to \$12 billion today.

In June, the Board of Supervisors adopted a resolution in Mr. Diepenbrock's honor. The SCERS Retirement Board and SCERS employees offer sincere gratitude for his outstanding public service and wish him the very best in his future endeavors.

SCERS Board Elections Coming Soon

Nomination petitions will soon be available for an upcoming election to fill Miscellaneous, Safety, and Alternate Safety Representative seats on the SCERS Retirement Board.

Full- or part-time permanent employees who are active Safety or Miscellaneous Members of SCERS are eligible to be candidates, to circulate or sign nomination petitions, and/or to vote in this election.

The term for the open offices will begin January 1, 2022 and end December 31, 2024.

The first day to obtain and file nomination papers is Monday, July 26, 2021. The forms will be available at the Voter Registration and Elections Office (VRE), 7000 65th Street, Suite A, Sacramento, or downloadable from elections.saccounty.gov.

Nomination papers must be filed either in person or by email on or before 5:00 p.m. on Friday, August 6, 2021.

For more information, see SCERS' Board Election page at scers.org/retirement-board-election or call VRE at (916) 875-6451.

Board of Retirement

The SCERS Board is responsible for administering the pension plan in accordance with governing law, managing risk, and protecting both plan assets and the interests of the plan beneficiaries.

Rick Fowler, President. Appointed by the Board of Supervisors

John B. Kelly, Vice President. Appointed by the Board of Supervisors

Keith DeVore, Vice President. Appointed by the Board of Supervisors

Vacant, Trustee. Appointed by the Board of Supervisors

Dave Comerchero, Elected by Miscellaneous Members

Diana Gin, Elected by Miscellaneous Members

Martha Hoover, Elected by Retired Members

Matt Petersen, Elected by Safety Members

Ben Lamera, Ex-Officio. Director of Finance

Kathy O'Neil (alternate), Elected by Retired Members

Jack Philp (alternate), Elected by Safety Members

Learn more about our Board at scers.org/board.



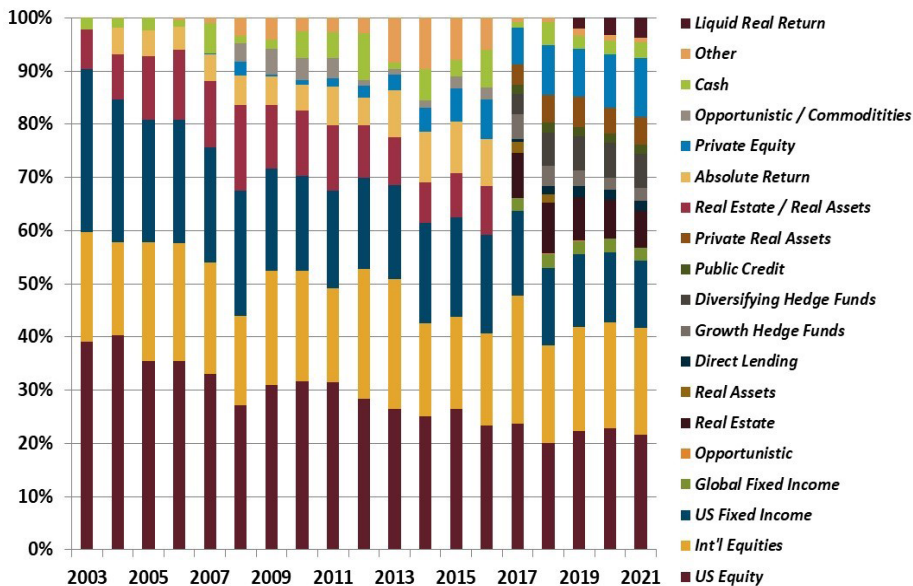
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Fast Facts

SCERS' Investment Portfolio Diversified Over Time

SCERS' asset allocation has diversified significantly since 2003, when SCERS invested mostly in traditional stocks, bonds, and real estate. As part of a 5-year review cycle, SCERS is currently studying changes to the portfolio.



Source: Verus Advisory

Upcoming Events

Board Meetings will return to in-person events in the SCERS Board Room beginning in August, with live-streaming also available. Visit scers.org/retirement-board-meetings for meeting agendas, minutes, and other Board updates. Pension Planning Webinars will continue to be conducted as Zoom events.

Board Meetings - 10:00 a.m.

- Wednesday, August 18
- Wednesday, September 15
- Wednesday, October 20

Pension Planning Webinars - 10:00 a.m.

- Wednesday, July 28
- Wednesday, September 22

Visit scers.org/pension-planning-webinars for resources and materials.