

SCERS NEWSLETTER

RETIREMENT INFORMATION

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A Message from SCERS' CEO

A new fiscal year brings renewed commitment to SCERS' strategic objectives.

We've refined our strategic plan to balance values with service and sustainability, defining six goals for continuous improvement:

1. Customer Service and Experience
2. Stakeholder Communication and Outreach
3. Funding Integrity and Sustainability
4. Investment Planning and Growth
5. Organizational Development and Culture
6. Enterprise Capability and Technology

Dive into more detail with SCERS' 2019 Strategic Management Annual Report, now available online.

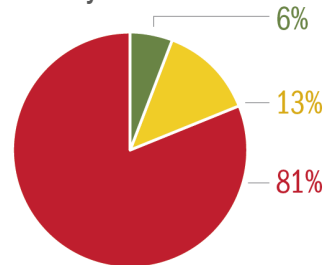
I look forward to leading SCERS into greater achievement this fiscal year and beyond.

- Eric Stern

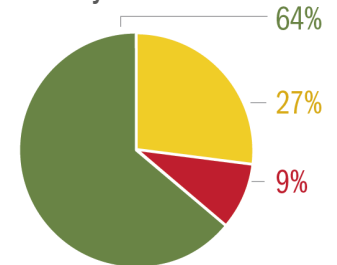


First Retirement Checks Getting Out Faster, Regularly

January - June 2018



January - June 2019



■ Within 45 Days ■ Between 45 and 60 Days ■ Greater Than 60 Days

In last winter's issue, we shared that between July and December 2018, the time it took SCERS to process a retirement application and send a first payment out was cut in half — from 90 days to 44 days.

Between January through June of 2019 — our busiest period — we held steady at around 40 days, within our target time of 45 days. The chart above shows the significant improvement from 2018.

This is because we have streamlined our operations through new internal controls, restructuring, and revitalizing procedures with a focus on data-driven performance. We have also made organizational improvements that lower staff vacancies and reallocate resources.

Modernizing our workflow does more than eliminate a gap between final paycheck and first pension check. Over the next year, we look forward to additional improvements, such as member self-service tools, that will enable greater responsiveness to our members — well before that first pension check.

Meanwhile, SCERS is also stepping up member engagement. We aim to communicate changes like these as they happen — through seminars, presentations at employer sites, retirement orientations, and more.

Faster retirement application processing time is just the beginning.



Spotlight: Your Chief Investment Officer



Steve Davis joined SCERS in 2010, serving as an Investment Officer and Deputy Chief Investment Officer before being promoted to Chief Investment Officer in 2016. Prior to SCERS, Steve had over 15 years' experience within the private sector of the investment industry, focused on equity trading, investment research, and portfolio management. Steve holds a Bachelor of Arts degree and an MBA, and is a Certified Financial Analyst and Chartered Alternative Investment Asset charter holder.

Describe what you do.

The Chief Investment Officer manages and directs SCERS' \$9.5 billion investment program, including working with the SCERS Board in the formulation, evaluation, and implementation of the strategic asset allocation, investment structures, investment policies, and program oversight. Other responsibilities include planning and developing recommendations for investment strategies, and overseeing and evaluating investment managers, consultants, and investment staff.

How do you define success?

Peace of mind. It is having a goal, planning the steps to achieve the goal, and ultimately having peace of mind that a goal has been achieved. At SCERS and within the investment program, this plays out in the overall design of the strategic asset allocation, as well as planning and execution of annual investment plans.



What do you like most about working for SCERS?

I take pride in knowing that my work — and the investment program — is playing an important role in the retirement security of our members. SCERS has a great culture that emanates from the SCERS Board, with strong leadership. We strive to be a leading edge organization that doesn't stay static, but rather seeks to evolve by implementing progressive systems and best practices.

What do you find most challenging about your position?

Staying disciplined. SCERS is a long-term investor with the objective of generating consistent performance. SCERS' asset allocation targets are therefore also long-term in nature, consistent with SCERS' benefit obligations. It is important to not get caught up in the short-term volatility of financial markets, but to stick with the objectives of the strategic asset allocation.

Investment Terminology: Passive versus Active Investing



Passive and active are two approaches to investing. Active managers make unique investment decisions with the goal of outperforming the market or certain benchmarks. Passive investments look to mirror a market index or benchmark.

Active investing can be more expensive, so investors typically demand higher returns to account for fees and expenses.

SCERS invests both passively and actively. We aim to generate returns by allocating capital to passive managers who effectively deliver index returns, and active managers who have consistently generated returns above a benchmark.

Passive investment strategies can be found across most asset classes, including listed equities and fixed income, while other investment strategies, such as real estate and private equity, tend to be managed on an active basis.



Did You Know You Can Submit Retirement Documents Now?

Copies of the following documents are essential to your retirement but often hard to track down later in life. SCERS can securely retain these with your records until you are ready to retire, saving you time and trouble down the line:

- Your birth certificate
- Birth certificate of your spouse or registered domestic partner
- Marriage certificate or partnership registration
- If divorced, court-endorsed copies of final judgment of dissolution and marital settlement agreement

Remember, SCERS only requires a copy of a certified original document.

Any time you experience a life-changing event—marriage, divorce, establishment or update of a trust—is a good time to check on — or update! — your retirement paperwork and beneficiaries.

This keeps your account current while preparing you and your beneficiaries in the case of an unexpected early retirement event.

How Do I Submit My Documents?



Email

Email is the most efficient way to send in your copies. Scan and send them to SacRetire@SacCounty.net



Mail

You may also mail copies to our office at:

SCERS Benefits Team
980 9th Street
Suite 1900
Sacramento, CA 95814

Elections Are Coming!

SCERS will soon hold elections for three Retirement Board members: **one miscellaneous representative, one retiree representative, and one alternate retiree representative.**

The three-year term of office begins January 1, 2020. Candidates and voters must be an active miscellaneous member or a retired member of SCERS.

Interested in becoming a candidate? Obtain and submit nomination papers at the County Department of Voter Registration and Elections between August 5-16. The voting period is between September 23-October 4. Get details at scers.org/elections.

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
- **James A. Diepenbrock**, Appointed by the Board of Supervisors
- **Diana Gin**, Elected by Miscellaneous Members
- **Ben Lamera**, Ex-Officio. Director of Finance
- **Alan Matré**, CPA, Elected by Miscellaneous Members
- **Kathy O'Neil**, Elected by Retired Members
- **Matt Petersen**, Elected by Safety Members
- **John Conneally**, Elected by Safety Members
- **Martha Hoover**, Elected by Retired Members

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

SCERS

Sacramento County
Employees' Retirement System

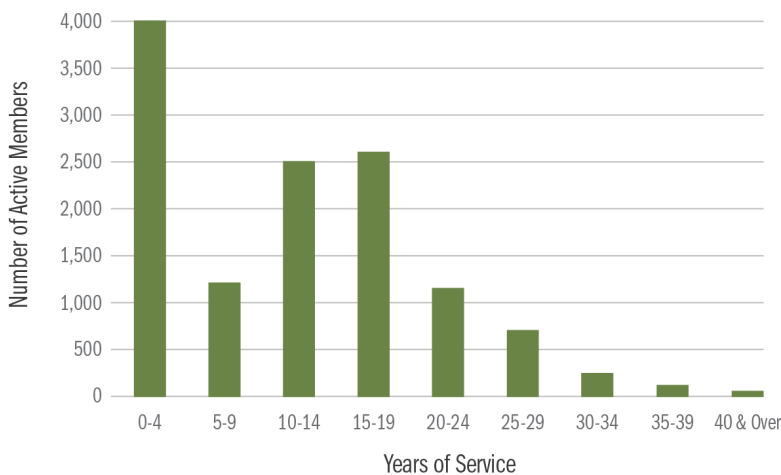
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Fast Facts

Distribution of Active Members: By Years of Service
As of June 30, 2018

- Our longest serving member has over **46 years of service!**



Upcoming Events

Board Meetings

Open to public

980 9th Street, 19th Floor at 10 a.m.

- Wednesday, August 21
- Wednesday, September 18
- Wednesday, October 16

Find agendas and minutes at:

scers.org/retirement-board-meetings

Quarterly Retirement Seminars

For members within 10 years of retirement

Board of Supervisors Chambers

700 H Street, First Floor at 9 a.m.

- October 2019
- December 2019

Details and registration at scers.org/retirement-planning-seminars