



2025

Annual Comprehensive Financial Report

For the Years Ended June 30, 2025 and 2024

San Bernardino County Employees' Retirement Association
A Multiple-Employer Pension Trust Fund | San Bernardino, CA

Proudly serving those who serve
San Bernardino communities.



2025 Annual Comprehensive Financial Report

A Multiple-Employer Pension Trust Fund | San Bernardino, California

For the Years Ended **June 30, 2025** and **2024**

A Component Unit of San Bernardino County

Debby Cherney, CPA | Chief Executive Officer

Amy McInerney, CPA | Chief Financial Officer



909.885.7980



909.885.7446



www.SBCERA.org



348 West Hospitality Lane, Ste. 100 San Bernardino, CA 92408

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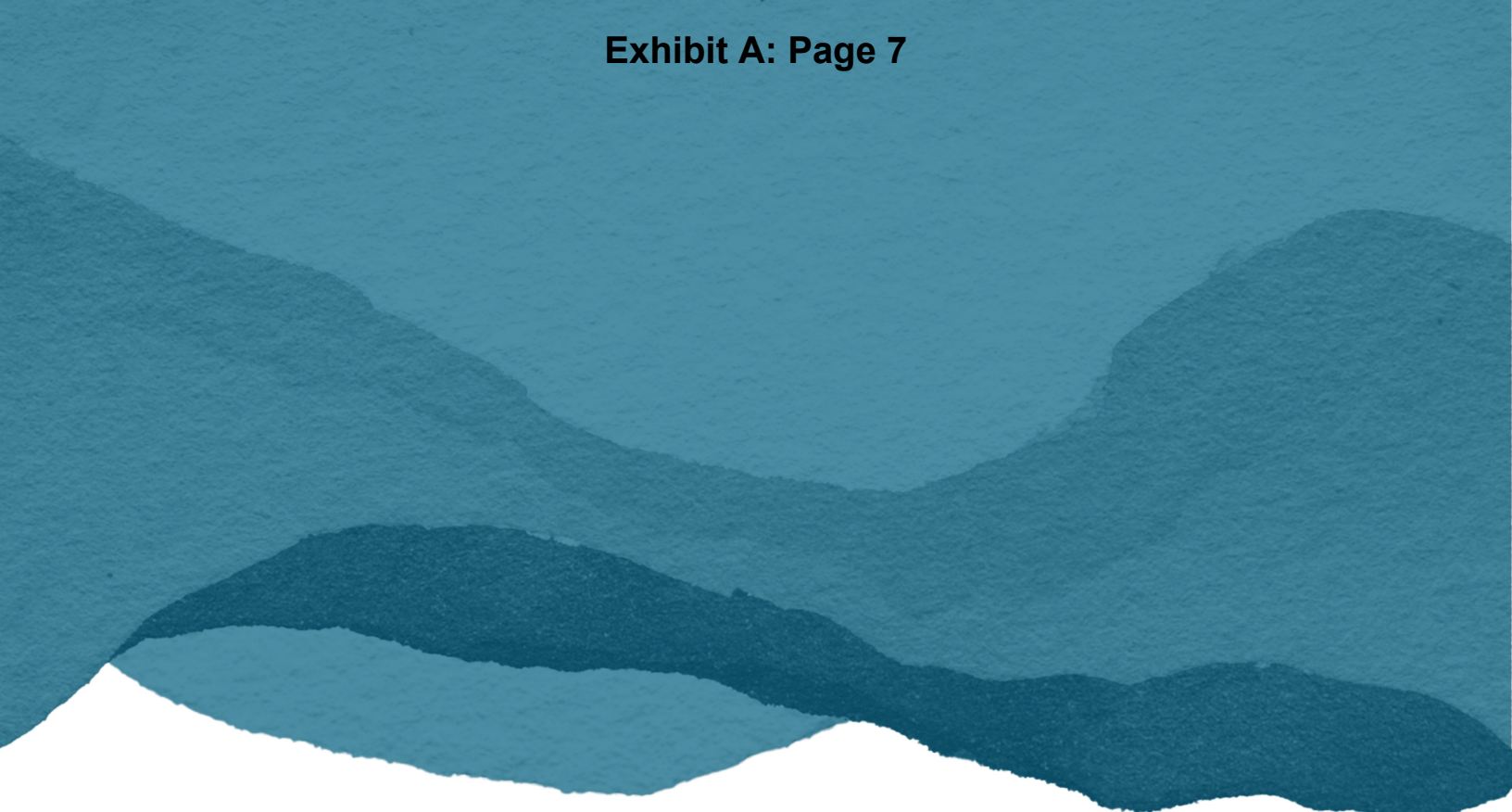
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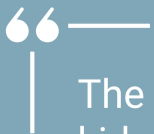
Our Mission Statement

It is the mission of the San Bernardino County Employees' Retirement Association (SBCERA) to provide the members and their beneficiaries with those retirement and related benefits and services which they have earned and which are commensurate with their years of service and compensation. It is the responsibility of those charged with administration of SBCERA to:

- Effectively **collect** contributions to fund liabilities incurred;
- **Diversify** the investments of the system so as to minimize the risk of loss and to maximize the rate of return;
- **Administer** the benefits impartially, fairly, and in accordance with the applicable law;
- **Deliver** service to the membership in an accurate, courteous, prompt, professional, and cost-efficient manner;
- Appropriately **set** employer and member contributions in accordance with responsible funding practices; and
- Strategically **plan** for the future.

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Introductory Section



The best part of my job is watching kids grow, develop new skills, and build confidence while having fun.

SARAH HAUSER

Recreation Manager

Hesperia Recreation & Park District



WE ARE
SB *cera*

Letter of Transmittal

November 4, 2025

Board of Retirement
San Bernardino County Employees' Retirement Association
348 West Hospitality Lane, Suite 100
San Bernardino, CA 92408

Dear Board Members and Plan Participants,

We are pleased to present the San Bernardino County Employees' Retirement Association (SBCERA) Annual Comprehensive Financial Report (ACFR) for the fiscal years ended June 30, 2025, and 2024. This report is created annually to provide a detailed overview of the SBCERA Plan (the Plan) and SBCERA's financial, actuarial, and investment-related activities for the year.

Established effective January 1, 1945, under the County Employees Retirement Law of 1937 following a vote by the people of San Bernardino County on May 16, 1944, SBCERA administers service retirement, disability retirement, death, and survivor benefits for over 50,000 members across 17 different active employers. A list of participating employers, as of June 30, 2025, can be found on page 36. SBCERA is an independent government entity, separate from San Bernardino County.

Providing you with retirement security is central to our mission at SBCERA. One of the ways we're able to provide that security is through long-term and opportunistic investing. This past year, our investment strategy was well-prepared to find opportunities during an improving economic climate. For the 12-month period that ended June 30, 2025, investments provided a rate of return of 8.7% (Returns are "net of fees," which means that we have already subtracted all costs associated with the investment—like management or transaction expenses.)

The investment return outpaced the plan's actuarial assumed rate of return and stands in contrast from recent fiscal years, where market conditions were influenced by a variety of economic and geopolitical challenges.

Total fund annualized returns for the five-year period ending June 30, 2025, stood at 10.7% versus our funding policy expectation of 7.25%. SBCERA has a long-term investment strategy, focused on income, and we've built an investment portfolio designed to generate positive returns over decades—rather than weeks or months.

Our Investment Team continues to demonstrate discipline and foresight. With guidance from our Board, they've remained proactive in capitalizing on market opportunities while staying true to our long-term objectives.

While our fund is not immune to short-term volatility and extreme market fluctuations, our dependable and versatile strategy helps SBCERA provide retirement security to our members now and well into the future. We will continue to find appropriate opportunities to achieve our investment return goals—no matter what the economic climate brings.

The information contained in this ACFR is designed to provide a complete and accurate review of the year's operations. SBCERA's management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls that have been established for this purpose.

Letter of Transmittal

(Continued)

We encourage you to review Management's Discussion and Analysis beginning on page 27, which provides a narrative introduction, overview, and analysis of our financial operations for the years ended June 30, 2025, and June 30, 2024. As you read the 2025 ACFR, we trust you, the members, and participating employers of SBCERA, will appreciate the detailed work of staff in developing the report and find the content helpful in understanding SBCERA's defined benefit plan.

Financial Information

Management of SBCERA is responsible for establishing and maintaining an internal control structure designed to ensure SBCERA's assets are protected from loss, theft, or misuse. Responsibility for the accuracy, completeness, fair presentation of information, and all disclosures rests with SBCERA's Management. Brown Armstrong, a firm of licensed certified public accountants, provides financial statement independent audit services to SBCERA. The financial statement audit provides reasonable assurance that SBCERA's Basic Financial Statements are presented in conformity with accounting principles generally accepted in the United States (GAAP) and are free from material misstatements.

The Independent Auditor's Report is presented as the first component of the financial section of this report. Included are all disclosures management believes necessary to enhance your understanding of the financial condition of the Plan.

SBCERA recognizes even sound internal controls have inherent limitations. SBCERA's internal controls are designed to provide reasonable, but not absolute, assurance that SBCERA's operating policies and procedures are sufficient to safeguard SBCERA's assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

This report has been prepared in accordance with GAAP as promulgated by the Government Accounting Standards Board.

Actuarial Funding Status

SBCERA contracts with an independent actuarial firm, Segal Consulting (Segal), to conduct annual actuarial valuations, which are presented to the Board each year. On a triennial basis, the actuarial firm also conducts an experience study and makes recommendations to the Board on all economic and non-economic assumptions. The most recent experience study was approved by the SBCERA Board in June 2023. Segal completes an annual actuarial valuation, which is presented annually to the Board, along with the recommended contribution rates for both employers and employees.

The funding objective of SBCERA is to maintain a well-funded plan by setting a strategic allocation that has a high probability of achieving the returns necessary to meet the expected liabilities with the lowest level of expected risk. Generally, employer contributions are relatively stable, on a percentage basis, based on Plan member payroll. However, on a five-year smoothed basis, if actual fund returns are below the actuarial hurdle rate of 7.25%, the employer will make up the shortfall on a 20-year amortized basis. The actuarial accrued liability of the SBCERA Plan on June 30, 2025, and June 30, 2024, amounts to \$18.3 billion and \$17.4 billion, respectively. The actuarial value of assets stood at \$16.2 billion on June 30, 2025. The funding ratio, on an actuarial basis, increased to 88.8% on June 30, 2025, from 87.3% for the previous fiscal year.

Letter of Transmittal

(Continued)

This ratio compares the assets of the Plan to the liabilities of the Plan. High ratios indicate a well-funded plan with assets sufficient to pay most future benefits. Lower ratios may indicate recent change in benefit structures, funding of a plan below actuarial requirements, poor asset performance, or a variety of other changes. For a more in-depth review of the funding of the Plan, see the Actuarial Section of this report (page 101).

Investments

The Board maintains sole and exclusive control of all investments of the Plan, and is responsible for the establishment of investment objectives, strategies, and policies. The Board is authorized to invest in any form or type of investment deemed prudent in the informed opinion of the Board. Members of the Board serve in a fiduciary capacity and must discharge their duties with respect to the interests of the Plan members, their beneficiaries, and the Plan.

External, professional investment management firms manage SBCERA's assets. The investment staff closely monitors the activity of these managers and assists the Board with the implementation of investment policies and long-term investment strategies. SBCERA's Investment Plan, Policy and Guidelines establish the investment program goals, asset allocation, policies, performance objectives, investment management policies, and risk controls.

For the year ended June 30, 2025, investments provided a rate of return (net of fees) of 8.7%. Total fund annualized returns for the 5-year period ending June 30, 2024, stood at 10.7% versus our policy benchmark at 7.0%. (These returns are "net of fees," which means that we've already subtracted all costs associated with the investment—like management or transaction expenses.)

On a fair value basis, the total pension Plan net position available for benefits stood at \$16.4 billion. Details of the components of this increase are included in the Statement of Changes in Fiduciary Net Position on page 35 of this report.

Professional Services

Professional consultants are appointed by the Board to perform professional services that are essential to the effective and efficient operation of the Plan. An opinion from SBCERA's certified public accountant, a certification from the Plan's independent actuary, and a report on investment activity from the Plan's investment consultant are all included in this report. The consultants appointed by the Board are listed on page 21 of this report.

Major Initiatives

In June 2025, our Board adopted a new Triennial Strategic Plan for fiscal years 2026, 2027, and 2028, centered on five co-equal strategic pillars:

- Operational Excellence and Efficiency
- Superior Service Experience
- Quality Employer and Workplace
- Prudent Fiscal Management
- Effective Communications

Letter of Transmittal

(Continued)

Major Initiatives

Each pillar is supported by strategic priorities—actionable programs and projects designed to bring our vision to life. These priorities informed the development of the [Budget for FY 2024-25](#). The Triennial Strategic Plan reinforces SBCERA’s foundational values and mission statement. Our values include:

Integrity

We will be honest, ethical, respectful, and trustworthy in all aspects in serving our members, employees, and our community.

Accountability & Transparency

We will ensure that the decisions we make and how we conduct business is clearly communicated and understood. We will be accountable for our conduct in all aspects of our service.

Commitment

We will approach our work enthusiastically.

Effectiveness

We will be results-oriented in a cost-effective manner, capitalizing on our strengths and weaknesses.

Professional Excellence

We will be skilled, confident, and capable.

Collaboration

We will work together as a team and with key stakeholders.

The Strategic Plan is available at www.SBCERA.org/Strategic-Plan.

Operational Excellence and Efficiency

Priorities in this area include a significant effort to modernize workflows and measurably improve service times to our membership. The latter effort is paired with another priority to document procedures across all areas of SBCERA to improve consistency, mitigate risk, reduce training costs, and improve internal controls.

Superior Service Experience

Notable priorities in this area include identifying key performance metrics and using them to drive greater accountability to our members and plan sponsors. On a biennial basis, we partner with an independent research firm to conduct a member engagement survey. Our last survey was conducted at the beginning of 2024, where we received important feedback from our members that we are prepared to turn into action. Honest responses have helped tell us what we’re doing well, and what our members think we can improve on.

Among the key takeaways from the 2024 survey: More members trust SBCERA to administer their retirement benefits, approve of the job we’re doing, are confident their benefits are safe, and are satisfied with their most recent contact with us. Additionally, there are more members using mySBCERA than ever before. Most members say our website is easy to navigate, is user-friendly, and because of your feedback, more members are reading our communications. In response to introducing several new online self-service options in mySBCERA, most members found their experience using them to be easy.

We will be conducting our next member engagement survey in early 2026. The purpose of this periodic survey is simple: We want to provide the best customer service to all our members.

Letter of Transmittal

(Continued)

The responses tell us what we're doing well and where we can improve. Keep an eye out for this survey and thank you in advance for letting us know how we're doing.

Quality Employer and Workplace

SBCERA is committed to being the workplace of choice in our area, and through our adopted Shared Values and Mission Statement, SBCERA seeks to have a happy, engaged workforce who are empowered to serve our members and our community. This includes providing a safe and healthy workplace, and it also includes developing and delivering training on technical and personal growth areas. SBCERA provides promotional growth opportunities within our organization and continues to strengthen its culture through thoughtful employee-focused initiatives.

Prudent Fiscal Management

SBCERA is actively working on Employer reporting improvement changes as part of the pension administration system refresh project and these changes have been added as a companion business process improvement initiative.

Effective Communications

Our Strategic Communications Plan for years 2023-25 captures a new set of actionable projects and initiatives to improve member education and stakeholder communications. As part of this plan, we've built a robust video library of quick tip videos designed to provide our members with the information they need so they can feel confident in their future retirement decisions. Driven by frequently asked questions and direct feedback from our members, these topics are among the most popular.

Earlier this year, we launched our "We Are SBCERA" video series, featuring stories about the people who define SBCERA. Through this series we share an inside look into the people who provide the important public services that communities depend on, while learning about how SBCERA provides the foundation for a secure retirement. These stories are full of personal experiences, purpose, the impact of service, and so much more. Learn more: www.SBCERA.org/We-Are-SBCERA.

About our Strategic Communications Plan: Our Strategic Communications Plan is designed to support the mission, values, and pillars outline in our Triennial Strategic Plan. Its purpose is to identify opportunities where we can effectively enhance trust, credibility, and transparency for our members and stakeholders.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to SBCERA for its Annual Report for the year ended June 30, 2024. This is the 28th consecutive year that SBCERA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily reasonable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. SBCERA also received an Award for Outstanding Achievement in Popular Annual Financial Reporting from the GFOA for its Popular Annual Financial Report (PAFR) for the year ended June 30, 2024, which is a short summary version of the ACFR.

Letter of Transmittal

(Continued)

The Public Pension Coordinating Council (PPCC) awarded a Public Pension Standards Award for Funding and Administration to SBCERA for the year ended June 30, 2025. This is the tenth consecutive year that SBCERA has applied for and received this prestigious award. In order to be awarded a Public Pension Standards Award, a public pension program must meet professional standards for plan design, administration, and funding, as set forth in the Public Pension Standards. The PPCC (a coalition of three national associations that represent public retirement systems and administrators) established the Public Pension Standards to reflect minimum expectations for public retirement system management and administration, as well as serve as a benchmark by which all defined benefit public plans should be measured.

SBCERA's Communications Team received top statewide recognition from California Association of Public Information Officials (CAPIO) for our **We Are SBCERA** video series. This series is more than a project. Focusing on the heart of our organization, this campaign features the people who define SBCERA.

SBCERA Chief Investment Officer, Donald Pierce, made the Chief Investment Officer Magazine's 2025 Power 100 list of top investment officers once again and will be receiving Markets Group's Strategy Award this spring, which recognizes a Chief Investment Officer who is applying a strategy that is working in the current economy or one that has proven successful in the past several years.

Acknowledgments

We express our sincere appreciation to the Board for bestowing their confidence in us. SBCERA has a rich history and is one of the strongest public plans in California. We are proud to administer such a successful Plan and realize the importance of efficiently managing our resources and responsibly funding the Plan over time. The successful and timely completion of this Annual Report would not be possible without the teamwork of SBCERA's incredible staff and professional providers, along with the support and leadership of the Board, and our esteemed Board Chair, Marc Bracco. To our Plan Sponsors and members, thank you for placing your trust in SBCERA. We are fully aware of our duty to you, and we will strive for continual improvement in our service and transparent communication.

Very truly yours,



Debby Cherney, CPA
Chief Executive Officer



Amy McInerney, CPA
Chief Financial Officer

SB|cera 2024-25 IN NUMBERS



52,000

MEMBERS
STRONG



88.8%

FUNDED (Actuarial
Value of Assets)



17

PARTICIPATING
EMPLOYERS



8.7%

FISCAL YEAR
NET RATE OF RETURN



\$4,389

AVERAGE
MONTHLY BENEFIT



10.7%

5-YEAR NET RATE
OF RETURN



\$16.4 BILLION

TOTAL NET POSITION

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Government Finance Officers Association

**Certificate of
Achievement
For Excellence
in Financial
Reporting**

Presented to

**San Bernardino County
Employees' Retirement Association
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2025***

Presented to

***San Bernardino County Employees'
Retirement Association***

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in black ink, reading 'Robert A. Wylie'.

Robert A. Wylie
Program Administrator

Members of the Board of Retirement

As of June 30, 2025



Marc Bracco

Elected by Safety Members
Board Chair | Executive Committee |
Audit Committee | Investment
Committee (Alternate)



Jean-Rene Basle

Appointed by Board of Supervisors
Board Vice Chair | Investment
Committee | Executive Committee |
Audit Committee



Louis Fiorino

Elected by General Members
Investment Committee



Harry Hatch

Appointed by Board of Supervisors



Ensen Mason

*Auditor-Controller/Treasurer/Tax
Collector - Ex Officio Member*
Audit Committee



Matthew Erickson

Elected by General Members
Administrative Committee | Audit
Committee



Dawn Rowe

Appointed by Board of Supervisors
Administrative Committee



Dawn Stafford

Elected by Retired Members
Investment Committee |
Administrative Committee
(Alternate)



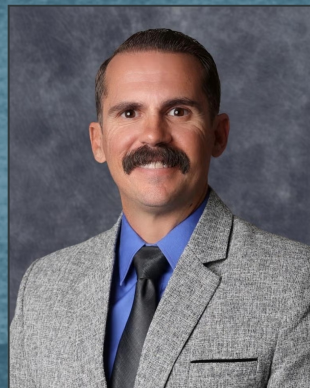
Neal Waner

Appointed by Board of Supervisors
Administrative Committee (Chair) |
Executive Committee



John Johnson

Alternate Ex Officio Member



Jared Newcomer

*Alternate Elected by Safety
Members*
Investment Committee (Chair)

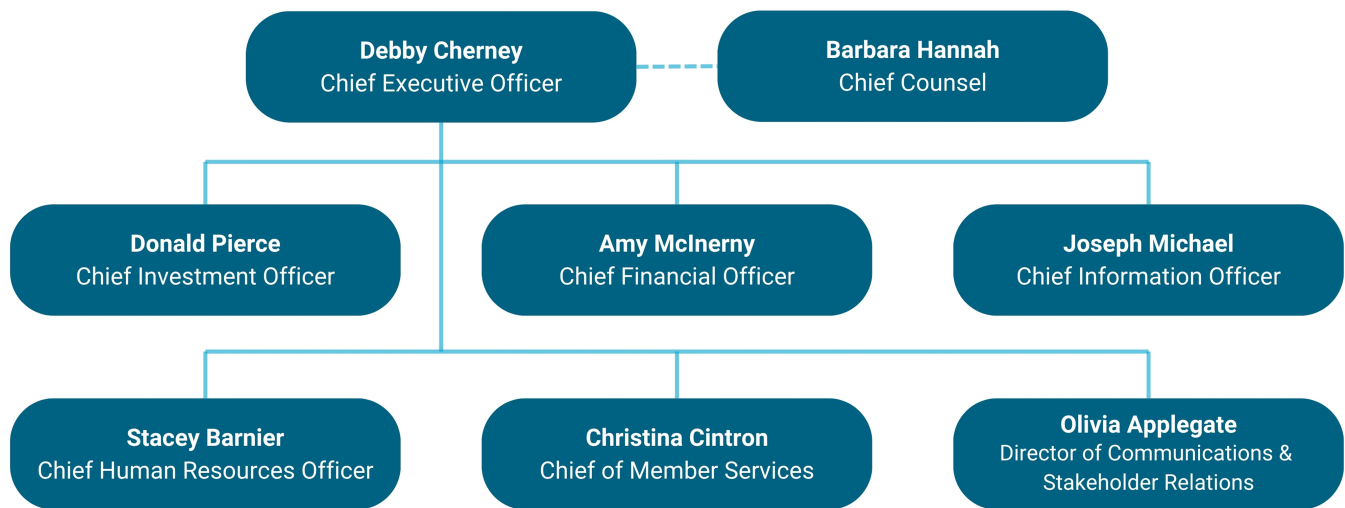


Vacant

*Alternate Elected by Retired
Members*

SBCERA's Executive Management Team

As of June 30, 2025



Outside Consultants

As of June 30, 2025

Actuary

Segal
Consulting Agency

Custodial Services

State Street Bank and Trust Company
Custodian

Independent Auditors

**Brown Armstrong
Accountancy Corporation**
Financial Statement Auditor

Investment Consultants

NEPC, LLC
Investment Advisor

Kreischer Miller
Compliance Advisor

Chantico Global, LLC
Asset Allocation Consultant

Mcube Investment Technologies LLC
Asset Allocation Consultant

Legal Counsel

Liebert Cassidy Whitmore
General Advisory Counsel

Nossaman, LLP
General Advisory Counsel

Capital Investment Counsel, LLC
Investment Counsel

Hills Stern, LLP
Investment Counsel

Morgan, Lewis & Bockius, LLP
Investment Counsel

Arias & Lockwood, APLC
Litigation & Disability Counsel

Hanson Bridgett, LLP
Tax & Trust Counsel

Note: Investment Professionals are listed on page 94 and a schedule of manager fees and commissions is located on page 99, in the Investments section.

Report From the Board Chair

San Bernardino County Employees' Retirement Association

November 4, 2025

Dear Members,

On behalf of the San Bernardino County Employees' Association (SBCERA) Board of Retirement, I am pleased to present the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025.

Over the past year, our investment strategy was well-positioned to navigate a changing economic environment, demonstrating both resilience and diversification. I am proud of our team for protecting and growing the fund during this time. With a dependable and adaptable long-term strategy, we remain committed to delivering retirement security to our members—now and for generations to come.

In June 2025, our Board adopted a new Triennial Strategic Plan for fiscal years 2026, 2027, and 2028, centered on five co-equal strategic pillars:

- Operational Excellence and Efficiency
- Superior Service Experience
- Quality Employer and Workplace
- Prudent Fiscal Management
- Effective Communications

Each pillar is supported by strategic priorities—actionable programs and projects designed to bring our vision to life. You can learn more about our strategic plan on our website at www.SBCERA.org.

This year, we continued to expand member education by partnering with Financial Knowledge to offer free financial courses led by certified financial planner professionals, helping members confidently manage their personal finances. We also advanced our retiree support efforts by hosting several well-attended workshops and launching our inaugural Retiree Volunteer Expo at the San Bernardino County Museum in collaboration with the Retired Employees of San Bernardino County.

Our team continues to build upon our important campaign called We Are SBCERA, aimed at highlighting the people who define SBCERA. These stories are full of personal experiences, purpose, the impact of service, and so much more.

SBCERA is fortunate to have a skilled and dedicated team committed to serving those who serve San Bernardino communities. I'm grateful for the leadership of our senior executive team, the hard work of our staff, and the partnership and support of my fellow Board Members. Together, we are thoughtfully planning for the future and positioning SBCERA for continued success.

To our plan sponsors and members—thank you for your continued trust. We understand the importance of the promise we've made to you, and we remain committed to delivering on it. We will always strive to improve and provide exceptional service.

Sincerely,



Marc Bracco
Board Chair

Financial Section

“—
|

Our sole purpose is patient advocacy,
and we want to ensure that patients
have great outcomes.

CARYN NUNLEY

Patient Experience Program Administrator
Arrowhead Regional Medical Center (ARMC)

WE ARE
SB *cera*

Independent Auditor's Report



www.ba.cpa
661-324-4971

INDEPENDENT AUDITOR'S REPORT

Board of Retirement
San Bernardino County Employees' Retirement Association
San Bernardino, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying Statements of Fiduciary Net Position of the San Bernardino County Employees' Retirement Association (SBCERA) as of June 30, 2025 and 2024, the related Statements of Changes in Fiduciary Net Position for the fiscal years then ended, and the related notes to the financial statements, which collectively comprise SBCERA's basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the fiduciary net position of SBCERA as of June 30, 2025 and 2024, and the changes in fiduciary net position for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SBCERA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SBCERA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

BAKERSFIELD
4200 Truxtun Avenue, Suite 300
Bakersfield, CA 93309
661-324-4971

FRESNO
10 River Park Place East, Suite 208
Fresno, CA 93720
559-476-3592

STOCKTON
2423 West March Lane, Suite 202
Stockton, CA 95207
209-451-4833

REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

Independent Auditor's Report

(Continued)

Management is also responsible for maintaining a current plan instrument, including all SBCERA plan amendments; administering SBCERA; and determining that SBCERA's transactions that are presented and disclosed in the financial statements are in conformity with the SBCERA's plan provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SBCERA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SBCERA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) and required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A and RSI in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Independent Auditor's Report

(Continued)

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise SBCERA's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

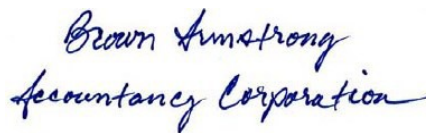
Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory, investments, actuarial, and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2025, on our consideration of SBCERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SBCERA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SBCERA's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



Bakersfield, California
November 4, 2025

Management's Discussion and Analysis

June 30, 2025 and 2024

The San Bernardino County Employees' Retirement Association (SBCERA) administers the SBCERA pension plan – a cost-sharing multiple-employer defined benefit pension plan (the Plan). As management of SBCERA, we offer this narrative overview and analysis of the financial activities of SBCERA for the years ended June 30, 2025 and 2024. Readers are encouraged to consider the information presented in this analysis in conjunction with the financial statements as presented in this report.

Financial Highlights

The net position – restricted for pensions of SBCERA as of June 30, 2025 and 2024 was \$16.43 billion and \$15.25 billion, respectively. All of the net position is available to meet SBCERA's ongoing obligations to Plan members (members) and their beneficiaries.

SBCERA's total net position – restricted for pensions increased by \$1.18 billion or 7.8% and increased by \$1.18 billion or 8.4% for the years ended June 30, 2025 and 2024, respectively. The increase for both 2025 and 2024 is primarily due to gains from investment activity.

Total additions, as reflected in the Statements of Changes in Fiduciary Net Position, for the years ended June 30, 2025 and 2024 were \$2.07 billion and \$2.01 billion, respectively. This includes employer and member contributions of \$813.90 million, net investment income of \$1.25 billion, and net securities lending income of \$314.00 thousand for the year ended June 30, 2025. For the year ended June 30, 2024, it includes employer and member contributions of \$797.90 million, net investment income of \$1.21 billion, and net securities lending income of \$317.00 thousand.

Total deductions as reflected in the Statements of Changes in Fiduciary Net Position are \$881.75 million for the year ended June 30, 2025, an increase of \$50.31 million over the year ended June 30, 2024, or approximately 6.1%. Total deductions for the year ended June 30, 2024 are \$831.44 million, an increase of \$53.30 million over the year ended June 30, 2023, or approximately 6.8%.

The net pension liability of participating employers as of June 30, 2025 and 2024 is \$1.86 billion and \$2.12 billion, respectively. The Plan fiduciary net position as a percentage of the total pension liability is 89.8% and 87.8% as of June 30, 2025 and 2024, respectively. The net pension liability as a percentage of covered payroll is 93.9% and 117.1% as of June 30, 2025 and 2024, respectively. Refer to Note 4 – Net Pension Liability of Participating Employers, and Required Supplementary Information sections of this report for further information.

Overview of the Financial Statements

The following discussion and analysis are intended to serve as an introduction to SBCERA's Basic Financial Statements. The financial statements and required disclosures are prepared in accordance with pronouncements (accounting principles and reporting guidelines) as set forth by the Governmental Accounting Standards Board (GASB). These pronouncements require certain disclosures and require SBCERA to report using the full accrual method of accounting. SBCERA complies with all material requirements of these pronouncements. SBCERA's Basic Financial Statements are comprised of Statements of Fiduciary Net Position, Statements of Changes in Fiduciary Net Position, and Notes to the Basic Financial Statements.

The **Statements of Fiduciary Net Position** are a snapshot of account balances at year-end, indicating the assets available for future payments to retirees and their beneficiaries, and any current liabilities owed as of year-end.

Management's Discussion and Analysis

June 30, 2025 and 2024 (*Continued*)

The **Statements of Changes in Fiduciary Net Position** reflect all the activities that occurred during the year and show the impact of those activities as additions to or deductions from the Plan. The trend of additions versus deductions will indicate the condition of SBCERA's financial position over time.

The Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position report information about SBCERA's activities. These statements include all assets and liabilities, using the full accrual method of accounting, which is similar to the accounting used by private sector companies. All of the current year's revenues and expenses are considered regardless of when cash is received or paid. All investment gains and losses are shown at trade date, not settlement date, and both realized and unrealized gains and losses are shown on investments. Refer to Note 2 – Summary of Significant Accounting Policies for further information.

The Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position report SBCERA's net position – restricted for pensions (net position is the difference between assets and liabilities) as one way to measure the Plan's financial position. Over time, increases and decreases in SBCERA's net position are an indicator of whether its financial health is improving or deteriorating. Other factors, such as investment earnings and SBCERA's actuarial funded status, should also be considered in measuring SBCERA's overall financial health. Refer to SBCERA's Basic Financial Statements following this analysis.

Notes to the Basic Financial Statements (Notes) are an integral part of the financial reports. The Notes provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements, including a detailed discussion of key policies, programs, investments, and activities that occurred during the year. Refer to the Notes to the Basic Financial Statements section of this report.

Other information to supplement SBCERA's Basic Financial Statements is provided as follows:

Required Supplementary Information (RSI) presents historical trend information concerning the changes in net pension liability, employer contributions, and investment returns. RSI includes notes that explain factors that significantly affect trends in the amounts reported, such as changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions over time. The information is based on actuarial valuations and contributes to the understanding of the changes in the net pension liability of participating employers over the past ten years. Refer to the Required Supplementary Information section of this report.

Other Supplementary Information includes the Schedules of Administrative and Other Expenses, Investment Expenses, and Payments to Consultants, which are presented immediately following the Required Supplementary Information section of this report.

Financial Analysis—Net Position

Net position may serve as an indication of SBCERA's financial position over time. Refer to Table 1, below, for further information. As of June 30, 2025, SBCERA had \$16.43 billion in net position, which means total assets of \$16.79 billion exceed total liabilities of \$355.66 million. All of the net position is available to meet SBCERA's ongoing obligation to members and their beneficiaries.

As of June 30, 2025, net position increased by \$1.18 billion, accounting for a 7.8% increase from the prior year. As of June 30, 2024, net position increased by \$1.18 billion, for an 8.4% increase from the prior year. The increases for 2025 and 2024 are primarily due to gains from investment activity.

Management's Discussion and Analysis

June 30, 2025 and 2024 (Continued)

Fiduciary Net Position (Table 1)

As of June 30, 2025, 2024 and 2023

(Amounts in Thousands)

				Increase (Decrease) from 2024 to 2025	
	2025	2024	2023	Amount	% Change
Assets					
Cash	\$ 20,286	\$ 22,072	\$ 20,675	\$ (1,786)	(8.09)%
Receivables	325,885	382,169	274,270	(56,284)	(14.73)%
Investments, at Fair Value	16,432,775	15,398,540	14,108,947	1,034,235	6.72 %
Capital Assets, Net	8,933	9,075	9,853	(142)	(1.56)%
Total Assets	16,787,879	15,811,856	14,413,745	976,023	6.17 %
Liabilities					
Securities Lending	98,728	25,153	48,515	73,575	292.51 %
Securities Options Payable	265	113	35,445	152	134.51 %
Payables for Securities Purchased	154,702	482,606	221,824	(327,904)	(67.94)%
Other Liabilities	101,965	55,759	36,611	46,206	82.87 %
Total Liabilities	355,660	563,631	342,395	(207,971)	(36.90)%
Net Position - Restricted for Pensions	\$ 16,432,219	\$ 15,248,225	\$ 14,071,350	\$ 1,183,994	7.76 %

In order to determine that the \$16.43 billion in net position will be sufficient to meet future obligations, SBCERA's independent actuary, Segal Consulting, performed an actuarial valuation as of June 30, 2025. The result of the funding valuation determines what future contributions are needed by the participating employers and members to pay all expected future benefits. The valuation takes into account SBCERA's policy to smooth the impact of market volatility by spreading each year's gains or losses over five years.

On the valuation date, the assets available for payment of retirement benefits are appraised. These assets are compared with the actuarial liabilities, which are the actuarial present value of all future benefits expected to be paid with respect to each member. The actuary uses assumptions regarding life expectancy, projected salary increases over time, projected retirement age, and expected rate of return for the investment portfolio (7.25% rate of return was used for the June 30, 2025 and 2024 valuations). The Board of Retirement (Board) reviews all assumptions used by the actuary every three years.

Capital Assets

SBCERA's capital assets decreased from \$9.08 million to \$8.93 million (net of accumulated depreciation and amortization) between the years ended June 30, 2024 and 2025, and decreased from \$9.85 million to \$9.08 million between the years ended June 30, 2023 and 2024. This investment in capital assets includes equipment, furniture, leasehold improvements, software, and technology infrastructure with an initial cost of \$25 thousand or more and a life expectancy over one year. The total decrease in SBCERA's investment in capital assets for the year ended June 30, 2025 was \$0.14 million from 2024. The total decrease in SBCERA's investment in capital assets for the year ended June 30, 2024 was \$0.78 million from 2023. Refer to Note 2 – Summary of Significant Accounting Policies (see section for Capital Assets) for further information.

Management's Discussion and Analysis

June 30, 2025 and 2024 (Continued)

Reserves

SBCERA's reserves are established based upon contributions and the accumulation of investment income, after satisfying investment, administrative, and other expenses. Refer to Table 2, on the following page, for further information.

Investments are stated at fair value, rather than at cost, and include the recognition of unrealized gains and losses in the current period. For actuarial purposes, it is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to fair value. Under this valuation method, the full value of market fluctuations is not recognized in a single year, rather, it is smoothed over a five-year period. This method results in more stable asset values and therefore, the plan costs are more stable. These gains and losses are shown in the net unrecognized gains/(losses) reserve account.

The total unrecognized net investment gain as of June 30, 2025 is \$191.02 million as compared to an unrecognized net investment gain of \$88.81 million as of June 30, 2024. This deferred investment gain of \$191.02 million will be recognized in the determination of the Actuarial Value of Assets for funding purposes in the next five years as part of a five-year smoothing technique.

Reserves (Table 2)

As of June 30, 2025, 2024 and 2023

(Amounts in Thousands)

Type of Reserve	2025	2024	2023
Member Deposit Reserve	\$ 2,162,236	\$ 2,046,279	\$ 1,904,197
Employer Current Service Reserve	4,317,184	3,992,716	3,700,223
Contra Account	(5,096,410)	(4,753,278)	(4,400,275)
Pension Reserve	6,902,401	6,553,819	6,193,285
Cost-of-Living Reserve	3,731,176	3,456,226	3,196,433
Annuity Reserve	4,118,456	3,761,959	3,465,737
Supplemental Disability Reserve	1,330	2,640	3,808
Survivor Benefit Reserve	104,627	98,789	93,637
Burial Allowance Reserve ¹	197	270	325
Total Reserves (Smoothed Market Actuarial Value)	16,241,197	15,159,420	14,157,370
Net Unrecognized Gains (Losses)	191,022	88,805	(86,020)
Net Position - Restricted for Pensions Including Non-Valuation Reserves, at Fair Value	\$ 16,432,219	\$ 15,248,225	\$ 14,071,350

(1) Reserve not included in valuation value of assets.

Additions to and Deductions from Fiduciary Net Position

Additions

The primary sources of financing SBCERA benefits are through the collection of participating employer and member contributions and through earnings from investment income (net of investment expenses). Additions for the year ended June 30, 2025 totaled \$2.07 billion compared to \$2.01 billion for June 30, 2024, and \$1.55 billion for June 30, 2023. Refer to Table 3, on the following page, for further information.

Management's Discussion and Analysis

June 30, 2025 and 2024 (Continued)

Overall, additions increased by \$57.43 million, or a 2.9% increase between the years ended June 30, 2024 and 2025, due primarily to a 3.4% increase in net investment income compared to the prior year. Employer and member contributions increased by 1.6% and 3.2%, respectively, or 2.0% collectively. Net securities lending income decreased by 1.0% compared to the prior year.

Overall, total employer and member contributions continue to rise due to the increase in the number of active members and their covered payroll. Refer to the SBCERA Membership section in Note 1 - Significant Provisions of the Plan and to the Schedule of Employer Contributions in the Required Supplementary Information section for further information.

Deductions

SBCERA was created to provide lifetime retirement benefits, survivor benefits, and permanent disability benefits to eligible members and their beneficiaries. The cost of such programs includes recurring Plan designated benefit payments, refunds of contributions to terminated members, and the cost of administering the Plan.

Deductions for the year ended June 30, 2025 totaled \$881.75 million, an increase of \$50.31 million or 6.1% over the June 30, 2024 total deductions. The increase in deductions for the year ended June 30, 2024 totaled \$53.30 million or 6.8% over the June 30, 2023 amount of \$778.14 million. Refer to Table 3 below for further information. The increases in all years, related to benefits and refunds, are primarily due to the overall growth in the number of retirees and the average amount of benefits paid to them. Refer to Note 1– Significant Provisions of the Plan (see section for SBCERA Membership) for further information. Deductions for administrative expenses have remained relatively stable in all years. In addition, deductions for other expenses have remained fairly consistent. Refer to Note 2 – Summary of Significant Accounting Policies (see section for Administrative Expenses) and the Other Supplementary Information (see Schedule of Administrative and Other Expenses) for further information.

Changes in Fiduciary Net Position (Table 3)

As of June 30, 2025, 2024 and 2023 (Amounts in Thousands)

				Increase (Decrease) from 2024 to 2025	
	2025	2024	2023	Amount	% Change
Additions					
Employer Contributions	\$ 603,396	\$ 593,854	\$ 555,892	\$ 9,542	1.61 %
Member Contributions	210,507	204,043	188,091	6,464	3.17 %
Net Investment Income ¹	1,251,527	1,210,102	802,201	41,425	3.42 %
Net Securities Lending Income	314	317	394	(3)	(0.95)%
Total Additions	2,065,744	2,008,316	1,546,578	57,428	2.86 %
Deductions					
Benefits and Refunds	860,777	811,055	760,785	49,722	6.13 %
Administrative Expense	13,519	13,473	11,779	46	0.34 %
Other Expenses	7,454	6,913	5,580	541	7.83 %
Total Deductions	881,750	831,441	778,144	50,309	6.05 %
Increase in Net Position	1,183,994	1,176,875	768,434	7,119	0.60 %
Net Position - Restricted for Pensions:					
Beginning of Year	15,248,225	14,071,350	13,302,916	1,176,875	8.36 %
End of Year	\$ 16,432,219	\$ 15,248,225	\$ 14,071,350	\$ 1,183,994	7.76 %

(1) Net of investment expenses of \$220,169, \$227,169, and \$160,570 for the years ending June 30, 2025, 2024, and 2023, respectively.

Management's Discussion and Analysis

June 30, 2025 and 2024 (Continued)

Net Pension Liability of Participating Employers

SBCERA is subject to the provisions of GASB Statement No. 67 (GASB 67), *Financial Reporting for Pension Plans*, and SBCERA's participating employers are subject to the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 25*. These standards require governmental employers to recognize their long-term obligation for pension benefits as a liability on their statements of fiduciary net position, and recognize their annual pension expense as a comprehensive measurement of the annual cost of pension benefits, and requires SBCERA to provide note disclosures and required supplementary information related to the Plan's net pension liability (NPL) of participating employers. NPL represents the excess of the total pension liability (using an entry age cost method, discounted at a discount rate that reflects the expected return on Plan assets) over fiduciary net position (valued at fair value). It is a measurement of pension liabilities using market assets that provides a consistent and standardized methodology allowing comparability of data and increased transparency of the pension liability across all governmental entities. SBCERA has complied with GASB 67 for the years ended June 30, 2025, 2024, and 2023.

Based on the June 30, 2025, 2024, and 2023 actuarial valuations, the NPL of participating employers on a fair value basis was \$1.86 billion, \$2.12 billion, and \$2.37 billion, respectively. Refer to Table 4, below, for further information. The decrease of \$257.56 million or 12.1% from 2024 to 2025 is primarily due to the investment return being greater than the actuarial rate of 7.25%. The decrease of \$251.34 million or 10.6% from 2023 to 2024 is primarily a result of the investment return being greater than the actuarial rate of 7.25%. Refer to Note 4 – Net Pension Liability of Participating Employers and the Required Supplementary Information sections of this report for further information.

Changes In Net Pension Liability of Participating Employers (Table 4)

As of June 30, 2025, 2024, and 2023

(Amounts in Thousands)

	Increase (Decrease) from 2024 to 2025				
	2025	2024	2023	Amount	% Change
Total Pension Liability	\$ 18,296,112	\$ 17,369,678	\$ 16,444,145	\$ 926,434	5.33 %
Less Plan Fiduciary Net Position	16,432,219	15,248,225	14,071,350	1,183,994	7.76 %
Net Pension Liability of Participating Employers	\$ 1,863,893	\$ 2,121,453	\$ 2,372,795	\$ (257,560)	(12.14)%

Overall Analysis

For the year ended June 30, 2025, SBCERA's financial position and results from operations have experienced an increase from the prior year, as net position increased by \$1.18 billion or 7.8% from the year ended June 30, 2024. For the year ended June 30, 2024, net position increased by \$1.18 billion or 8.4% from the year ended June 30, 2023. The overall increase in net position for June 30, 2025 is primarily attributable to the appreciation in the fair value of the Plan's investment portfolio due to investment gains. Despite the fluctuations in the financial markets, SBCERA remains in a sound financial position to meet its obligations to members and their beneficiaries. The overall financial position of SBCERA results from a very strong and successful investment program, risk management, and strategic planning.

Management's Discussion and Analysis

June 30, 2025 and 2024 *(Continued)*

As a long-term investor, SBCERA can take advantage of price volatility along with a diversified exposure to domestic and international equities, fixed income investments, natural resources, real estate, infrastructure, private equity, and overlay programs. Overall, this diversification minimizes the risk of loss and maximizes the rate of return for the Plan.

SBCERA'S Fiduciary Responsibilities

SBCERA's Board and management are fiduciaries of the pension trust fund. Under the California Constitution, the assets of the Plan can only be used for the exclusive benefit of members and their beneficiaries.

Requests for Information

The Basic Financial Statements are designed to provide the SBCERA Board, its membership, taxpayers, investment managers, and creditors with a general overview of SBCERA's finances and to account for the money it received. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

San Bernardino County Employees' Retirement Association (SBCERA)
Attn: Fiscal Services Department
348 West Hospitality Lane, Suite 100
San Bernardino, CA 92408

Respectfully,



Amy McInerney, CPA

Chief Financial Officer

Statements of Fiduciary Net Position

As of June 30, 2025 and 2024

(Amounts in Thousands)

	2025	2024
Assets		
Cash		
Cash in Bank	\$ 20,286	\$ 22,072
Total Cash	20,286	22,072
Receivables		
Securities Sold	272,389	320,076
Accrued Interest and Dividends	29,405	25,929
Employer and Member Contributions	22,606	34,577
Due from Withdrawn Employers	284	321
Other Receivables	1,201	1,266
Total Receivables	325,885	382,169
Investments, at Fair Value		
Short-Term Cash Investment Funds	1,950,357	2,306,066
Emerging Market Debt	42,835	29,039
United States Government Obligations and Other Municipals	286,588	290,661
Domestic Bonds	742,666	547,817
Foreign Bonds	952,974	1,034,415
Domestic Common and Preferred Stock	2,977,724	2,380,572
Foreign Common and Preferred Stock	848,329	689,326
Investments of Cash Collateral Received on Securities Lending	98,728	25,826
Real Estate	11,544	10,822
Domestic Alternatives	6,630,159	6,364,796
Foreign Alternatives	1,890,871	1,719,200
Total Investments, at Fair Value	16,432,775	15,398,540
Capital Assets, Net of Accumulated Depreciation and Amortization	8,933	9,075
Total Assets	16,787,879	15,811,856
Liabilities		
Securities Lending	98,728	25,153
Securities Options Payable	265	113
Payables for Securities Purchased	154,702	482,606
Other Liabilities	101,965	55,759
Total Liabilities	355,660	563,631
Net Position - Restricted for Pensions	\$ 16,432,219	\$ 15,248,225

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

Statements of Changes in Fiduciary Net Position

For the Years Ended June 30, 2025 and 2024

(Amounts in Thousands)

	2025	2024
Additions		
Contributions		
Employer Contributions	\$ 603,396	\$ 593,854
Member Contributions	210,507	204,043
Total Contributions	813,903	797,897
Investment Income		
Net Appreciation in Fair Value of Investments:		
Securities and Alternative Investments	1,043,679	924,518
Total Net Appreciation in Fair Value of Investments	1,043,679	924,518
Interest Income on Cash and Securities	382,390	407,833
Other Investment Income		
Dividend Income	31,856	93,265
Net Real Estate Rental Income	432	257
Other Income	13,339	11,398
Total Other Investment Income	45,627	104,920
Less Investment Expenses		
Investment Advisement Fees	(156,123)	(168,694)
Other Investment Expenses	(64,046)	(58,475)
Total Investment Expenses	(220,169)	(227,169)
Net Investment Income	1,251,527	1,210,102
Securities Lending Income		
Earnings	4,243	5,901
Less Rebates and Bank Charges	(3,929)	(5,584)
Net Securities Lending Income	314	317
Total Additions	2,065,744	2,008,316
Deductions		
Benefits and Refunds Paid to Members and Beneficiaries	860,777	811,055
Administrative Expenses	13,519	13,473
Other Expenses	7,454	6,913
Total Deductions	881,750	831,441
Net Increase in Net Position	1,183,994	1,176,875
Net Position - Restricted for Pensions		
Beginning of Year	15,248,225	14,071,350
End of Year	\$ 16,432,219	\$ 15,248,225

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

Notes to the Basic Financial Statements

June 30, 2025 and 2024

NOTE 1 – SIGNIFICANT PROVISIONS OF THE PLAN

The San Bernardino County Employees' Retirement Association (SBCERA) administers the SBCERA pension plan – a cost-sharing multiple-employer defined benefit pension plan (Plan). SBCERA was established in 1945 and operates pursuant to the provisions of the California County Employees Retirement Law of 1937 (CERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures, and policies adopted by SBCERA's Board of Retirement (Board). The Plan's provisions may be amended by the California state legislature and in some cases require approval by the San Bernardino County Board of Supervisors and/or the SBCERA Board.

SBCERA provides retirement, disability, death, and survivor benefits to its members, who are employed by 17 active Plan sponsors (participating employers), and five withdrawn employers.

Active Plan Sponsors

- Barstow Fire Protection District (BFPD)
- Big Bear Fire Authority (BBFA)
- California State Association of Counties (CSAC)
- City of Big Bear Lake (CBBL)
- City of Chino Hills (CCH)
- Consolidated Fire Agencies (CONFIRE)
- Crestline Sanitation District (CSD)
- Department of Water and Power of the City of Big Bear Lake (DWP)
- Hesperia Recreation and Park District (HRPD)
- Law Library for San Bernardino County (LL)
- Local Agency Formation Commission (LAFCO)
- Mojave Desert Air Quality Management District (MDAQMD)
- San Bernardino County (County)
- San Bernardino County Employees' Retirement Association (SBCERA)
- San Bernardino County Transportation Authority (SBCTA)
- South Coast Air Quality Management District (SCAQMD)
- Superior Court of California, County of San Bernardino (Superior Court)

Withdrawn Employers

- California Electronic Recording Transaction Network Authority (CERTNA) (withdrew June 30, 2021)
- Inland Library System (ILS) (withdrew May 31, 2019)
- Inland Valley Development Agency (IVDA) (withdrew June 30, 2012)
- Rim of the World Recreation and Park District (Rim) (withdrew May 4, 2013)
- San Bernardino International Airport Authority (SBIAA) (withdrew June 30, 2012)

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 1 – SIGNIFICANT PROVISIONS OF THE PLAN *(Continued)*

Fiduciary oversight of SBCERA is vested with the SBCERA Board, which consists of nine voting members and three alternate members. Four members are appointed by the San Bernardino County Board of Supervisors, six members (which include two alternates) are elected by the members of SBCERA (General members elect two members, Safety members elect one member and one alternate, and Retired members elect one member and one alternate), and the San Bernardino County Treasurer (County Treasurer) is an ex-officio member, elected by the residents of San Bernardino County, who has designated one alternate.

Board members serve three-year terms, with the exception of the County Treasurer, who serves during their tenure in office. The Board meets monthly. Appointed and retired members of the Board receive compensation (a stipend for meeting attendance), and all members are reimbursed for necessary business expenses pursuant to California Government Code (GC) section 31521. SBCERA's Chief Executive Officer is appointed by the Board, and implements the policies and direction set by the Board.

Membership and Benefit Eligibility

All benefits established by the CERL and PEPRA, as amended from time to time, are administered by SBCERA for its participating employers. SBCERA administers benefits for two membership classifications, General and Safety, and those benefits are tiered based upon date of SBCERA membership. Safety membership is extended to those involved in active law enforcement and fire suppression. All other members are classified as General members. Generally, those who became members prior to January 1, 2013 (effective date of PEPRA) are Tier 1 members. All other members are Tier 2. Employees become eligible for membership on their first day of regular employment, and members become fully vested after earning five years of service credit or attaining the age of 70. Additional information regarding SBCERA's benefits is included in the Summary Plan Description, also known as the Member Guide, which is available on SBCERA's website at www.SBCERA.org.

SBCERA MEMBERSHIP

An employee who is appointed to a regular position and whose service is equal to or greater than 50% of the full standard of hours required by an SBCERA participating employer must become a member of SBCERA on the first day of employment. However, membership may be delayed in accordance with SBCERA regulations for establishing reciprocity with another public retirement system as described in the CERL, and employees who have attained age 60 prior to employment may waive their membership within 90 days following the initial appointment.

SBCERA membership consists of active members, inactive members, and their beneficiaries as displayed on the following page.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 (Continued)

NOTE 1 – SIGNIFICANT PROVISIONS OF THE PLAN (Continued)

SBCERA MEMBERSHIP

As of June 30, 2025

Membership Type	Tier 1			Tier 2			Total
	General	Safety	Sub-Total	General	Safety	Sub-Total	
Active Members							
Active Members - Vested	6,538	1,025	7,563	5,694	904	6,598	14,161
Active Members - Non-Vested	18	3	21	9,159	780	9,939	9,960
Total Active Members	6,556	1,028	7,584	14,853	1,684	16,537	24,121
Inactive Members or Beneficiaries Currently Receiving Benefits							
Retirees Currently Receiving Benefits	11,675	2,115	13,790	272	64	336	14,126
Beneficiaries and Dependents Currently Receiving Benefits	1,739	519	2,258	17	3	20	2,278
Total Inactive Members or Beneficiaries Currently Receiving Benefits	13,414	2,634	16,048	289	67	356	16,404
Inactive Members Not Receiving Benefits							
Inactive Members Eligible for, but Not Yet Receiving Benefits	2,570	180	2,750	1,260	187	1,447	4,197
Inactive Members Eligible for Refund Value of Account Only ¹	1,634	47	1,681	5,480	267	5,747	7,428
Total Inactive Members Not Receiving Benefits	4,204	227	4,431	6,740	454	7,194	11,625
Total SBCERA Membership	24,174	3,889	28,063	21,882	2,205	24,087	52,150

SBCERA MEMBERSHIP

As of June 30, 2024

Membership Type	Tier 1			Tier 2			Total
	General	Safety	Sub-Total	General	Safety	Sub-Total	
Active Members							
Active Members - Vested	7,054	1,099	8,153	4,970	813	5,783	13,936
Active Members - Non-Vested	19	3	22	8,386	787	9,173	9,195
Total Active Members	7,073	1,102	8,175	13,356	1,600	14,956	23,131
Inactive Members or Beneficiaries Currently Receiving Benefits							
Retirees Currently Receiving Benefits	11,400	2,072	13,472	201	50	251	13,723
Beneficiaries and Dependents Currently Receiving Benefits	1,688	498	2,186	13	2	15	2,201
Total Inactive Members or Beneficiaries Currently Receiving Benefits	13,088	2,570	15,658	214	52	266	15,924
Inactive Members Not Receiving Benefits							
Inactive Members Eligible for, but Not Yet Receiving Benefits	2,635	184	2,819	1,102	158	1,260	4,079
Inactive Members Eligible for Refund Value of Account Only ¹	1,671	47	1,718	4,951	257	5,208	6,926
Total Inactive Members Not Receiving Benefits	4,306	231	4,537	6,053	415	6,468	11,005
Total SBCERA Membership	24,467	3,903	28,370	19,623	2,067	21,690	50,060

(1) Inactive members with fewer than five years of service credit are entitled to withdraw their refundable member contributions made, together with accumulated interest only.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 1 – SIGNIFICANT PROVISIONS OF THE PLAN *(Continued)*

MEMBERSHIP RETIREMENT BENEFITS

General Tier 1 members are eligible for retirement benefits upon completion of 10 years of service credit and attaining age 50, or 30 years of service credit regardless of age, or age 70 regardless of years of service credit. Safety Tier 1 members have the same eligibility requirements as General members except they are required to complete only 20 years of service credit, regardless of age. Retirement benefits are calculated at 2% for General Tier 1 members and 3% for Safety Tier 1 members of the highest 12 consecutive months of compensation earnable, as defined in GC sections 31462.1, 31676.15, and 31664.1 of the CERL, for each completed year of service based on a normal retirement age of 55 for General members and age 50 for Safety members.

For Tier 1 members, the maximum monthly retirement allowance is 100% of final compensation, and final compensation is capped pursuant to internal Revenue Code (IRC) section 401(a)(17), which is \$345,000 and \$330,000 for the fiscal years ending June 30, 2025 and 2024, respectively. Tier 1 members and participating employers are exempt from paying contributions on compensation earnable paid in excess of the annual cap (except for the survivor benefit contribution), and Tier 1 members are exempt from paying contributions on compensation earnable when the member reaches 30 or more years of service credit (except for the survivor benefit contribution). The annual cap, for Tier 1 members, is applied to the fiscal year for the IRC section 401(a)(17) limit in effect at the beginning of the fiscal year.

General Tier 2 members are eligible for retirement benefits upon completion of five years of service credit and attaining age 52 or attaining age 70 regardless of service credit. Safety Tier 2 members are eligible for retirement benefits upon completion of five years of service credit and attaining age 50. Retirement benefits are calculated at 2.5% at age 67 for General Tier 2 members and 2.7% at age 57 for Safety Tier 2 members of the highest 36 consecutive months of pensionable compensation, as defined in GC sections 7522.20(a) and 7522.25(d) of the PEPRA, for each completed year of service. For Tier 2 members, the monthly retirement allowance is not capped. However, pensionable compensation for all Tier 2 members is limited each year by an annual cap pursuant to GC section 7522.10, which is \$186,096 and \$181,734 for calendar years 2025 and 2024, respectively. Since pensionable compensation is capped, participating employers and Tier 2 members are exempt from paying contributions on pensionable compensation paid in excess of the annual cap (except for the survivor benefit contribution).

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse/registered domestic partner or eligible child. An eligible surviving spouse or registered domestic partner is one married to or registered with the member one year prior to the effective retirement date. To be considered a post-retirement eligible spouse/registered domestic partner, the member must have been married or legally registered at least two years prior to death, and the spouse/registered domestic partner must be 55 years or older upon the member's death, and no other person may be designated in a court order as a payee.

There are four optional retirement allowances the member may choose, each requiring a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, registered domestic partner, or named beneficiary having an insurable interest in the life of the member.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 1 – SIGNIFICANT PROVISIONS OF THE PLAN *(Continued)*

Terminated Member Benefits

If a member terminates before earning five years of service credit, the member forfeits the right to receive benefits and is entitled to withdraw refundable contributions made, together with accumulated interest. If the member enters a reciprocal retirement system within 180 days of terminating from SBCERA and elects to leave their accumulated contributions on deposit with SBCERA, the member will receive a deferred retirement allowance when eligible. A member with fewer than five years of service credit may elect to leave accumulated contributions in the retirement fund indefinitely pursuant to GC section 31629.5. If a member terminates after five years of service credit, the member may elect to withdraw the refundable contributions, including interest earned, or leave the accumulated deposits in the retirement fund and be granted a deferred retirement allowance at the time the member would have been entitled to the allowance if service had been continued. The acceptance of a refund payment cancels the individual's rights and benefits in SBCERA.

Death and Disability Benefits

The Plan provides death benefits to beneficiaries of members, and these benefits are governed by Articles 12 and 15.6 of the CERL. In accordance with applicable California law, a surviving spouse/registered domestic partner, or minor children, even if not the named beneficiary, may have certain rights superseding the rights of the named beneficiary.

DEATH BEFORE RETIREMENT WITH FEWER THAN FIVE YEARS OF SERVICE CREDIT

If a member with fewer than five years of service credit dies because of a non-work-related incident, the member's designated beneficiary will receive the member's refundable retirement contributions plus accumulated interest earned. In addition, the beneficiary will receive one month's compensation for each completed year the member served to a maximum of 50% of annual compensation pursuant to GC section 31781. If the member established reciprocity with another public pension plan, SBCERA will coordinate benefits with the last public employer, pursuant to GC sections 31839 and 31840.

DEATH BEFORE RETIREMENT WITH MORE THAN FIVE YEARS OF SERVICE CREDIT

A member who dies after earning five years of service credit, but whose death is not job-related, is entitled to leave the eligible spouse/registered domestic partner (or any eligible children) a monthly payment equal to 60% of the amount that would have been paid had the member retired with a non-service connected disability.

If the beneficiary is other than a spouse/registered domestic partner or dependent child, the beneficiary receives a lump sum payment of the refundable retirement contributions plus accumulated interest earned. In addition, the beneficiary would receive one month's compensation for each completed year the member served to a maximum of six months pursuant to GC section 31781. If the member, with five years of service credit, dies while on deferred status, SBCERA will pay to the member's designated beneficiary or estate, the member's accumulated contributions on deposit. If the member established reciprocity with another public pension plan, SBCERA will coordinate benefits with the last public employer, pursuant to GC sections 31839 and 31840.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 1 – SIGNIFICANT PROVISIONS OF THE PLAN *(Continued)*

DEATH BEFORE RETIREMENT CAUSED BY EMPLOYMENT

If a member dies due to injury or disease arising out of or in the course of employment, the surviving spouse/registered domestic partner is eligible for a monthly allowance equal to the amount that would have been paid had the employee retired with a service connected disability at the time of death. This amount is equal to 50% of the individual's final monthly compensation. If a Safety member dies while in the performance of duty, the spouse/registered domestic partner will receive an additional lump-sum payment equal to one year's salary. Furthermore, an additional death benefit of 25% of the annual death allowance may be payable for one eligible child, and increases to 40% for two eligible children, or 50% for three or more eligible children if the death qualifies pursuant to GC section 31787.5. Under GC section 31787.65, the final compensation upon which the additional death payment is calculated may be increased any time current active members, in the same classification as the deceased member, receive a compensation increase. The final compensation will be subject to these increases until the earlier of the death of the surviving spouse or eligible children, or the date that the deceased member would have attained the age of 50 years.

DEATH AFTER RETIREMENT

If the unmodified retirement option is chosen as part of a service retirement, the eligible spouse/registered domestic partner will receive 60% of the retiree's monthly pay for the remainder of the spouse/registered domestic partner's life. The continuance is 100% if the member retired with a service-connected disability. The spouse/registered domestic partner's eligibility in the case of a service retirement is determined by whether the marriage/registered domestic partnership occurred at least one year prior to retirement. In the event the member was unmarried at retirement, under GC section 31760.2, the eligibility is determined based on whether the marriage/registered domestic partnership occurred at least two years prior to the date of death of the member and the spouse/registered domestic partner has attained the age of 55 years on or prior to the date of death of the member. However, in the case of a service-connected disability, the spouse/registered domestic partner must have been married/registered at least one day prior to retirement pursuant to GC section 31786. A burial allowance of \$1,000 is also payable to the deceased retiree's beneficiary or estate (\$250 of this amount is discretionary, subject to the availability of funds in the burial allowance reserve), pursuant to GC sections 31789 and 31789.13.

If there is no eligible surviving spouse, any minor children are eligible and the unmodified option was selected at retirement, the total benefit received is 60% of the retiree's monthly compensation, which would be divided amongst the unmarried children (if more than one). The benefit continues until the unmarried child/children reach age 18 or marry, whichever comes first. If the child/children remain unmarried and are enrolled as full-time students in an accredited school, the benefit will continue up to the age of 22.

If one of the three modified retirement options are chosen by the member as part of a service retirement, the monthly allowance is reduced for the retiree's lifetime. The type of reduction is dependent on the election made by the member and is approved by the Board, upon the advice of SBCERA's independent actuary.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 1 – SIGNIFICANT PROVISIONS OF THE PLAN *(Continued)*

SURVIVOR BENEFITS

The Plan provides a General member survivor benefit to an eligible spouse/registered domestic partner, eligible dependent children, and eligible dependent parents, if the active General member had been a member continuously for at least 18 months immediately prior to death, pursuant to GC section 31855.12.

DISABILITY BENEFITS

The Plan provides disability benefits to eligible members and Article 10 of the CERL governs these benefits.

A member who is found by the Board to be permanently incapacitated as a result of a service connected injury or illness, arising out of or in the course of the member's employment, is paid an annual disability allowance equal to the greater of 50% of the employee's final average compensation or the normal service retirement benefits accumulated by the member as of the date of the disability retirement. A member, who is found by the Board to be permanently incapacitated as a result of a non-service connected injury or illness, which does not arise out of or in the course of the member's employment, is paid a monthly allowance. If the member entered the system on or after January 1, 1981, pursuant to GC section 31727.7, the benefit is 20% of final average compensation for five years of service credit and 2% for each additional whole year of service credit thereafter, up to a maximum of 40% of final average compensation. For members who entered the system prior to January 1, 1981, the non-service connected monthly disability benefit is one-third of the member's final average compensation. For all members, regardless of when they entered the system, if the service retirement benefit is higher, the member would be paid that amount.

Cost-of-Living Adjustments

Pursuant to GC section 31870, an automatic cost-of-living adjustment is provided based on changes in the local region Consumer Price Index (CPI) up to a maximum of 2% per year. Any increase greater than 2% is "banked" and may be used in years when the CPI is less than 2%. In addition, there is a one-time 7% increase at retirement for members hired before August 19, 1975 pursuant to Article 16.6 of the CERL.

Participating Employers

A district may become a participating employer in SBCERA pursuant to GC section 31557. A participating employer is eligible to withdraw from SBCERA pursuant to GC section 31564. The terminating employer remains liable to SBCERA for the employer's share of any unfunded actuarial liability of the Plan, which is attributable to the employees of the withdrawing employer who either have retired or will retire from the Plan. The liability is determined by SBCERA's actuary pursuant to GC section 31564.2.

Five employers have withdrawn from SBCERA; one remains liable for a portion of its unfunded actuarial liability at June 30, 2025.

On June 30, 2012, San Bernardino International Airport Authority (SBIAA) and the Inland Valley Development Agency (IVDA) withdrew from SBCERA. On May 31, 2019, Inland Library System's (ILS) last employee retired, effectively withdrawing membership from SBCERA as a participating employer. On June 30, 2021, CERTNA withdrew membership from SBCERA. All liabilities for these four employers have been fully paid.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 1 — SIGNIFICANT PROVISIONS OF THE PLAN *(Continued)*

On May 4, 2013, Rim of the World Recreation and Park District (Rim) withdrew from SBCERA and subsequently entered into a payment agreement with SBCERA in February 2014 to pay their unfunded actuarial liability.

See below for a summary of the amounts due from withdrawn employers as of June 30, 2025 and 2024.

DUE FROM WITHDRAWN EMPLOYERS

As of June 30, 2025 and 2024

(Amounts in Thousands)

	Balance			Balance	
Employer	July 1, 2024	Additions	Deductions	June 30, 2025	
Rim	\$ 321	\$ —	\$ (37)	\$ 284	
Total	\$ 321	\$ —	\$ (37)	\$ 284	

	Balance			Balance	
Employer	July 1, 2023	Additions	Deductions	June 30, 2024	
Rim	351	—	(30)	321	
Total	\$ 351	\$ —	\$ (30)	\$ 321	

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies followed by SBCERA.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (U.S.) known as Generally Accepted Accounting Principles (GAAP), under which revenues are recognized when earned and deductions are recorded when the liability is incurred. Employer and member contributions are recognized as revenues when due, pursuant to statutory requirements. Contributions are recorded in the period the related salaries are earned and become measurable pursuant to statutory or contractual requirements. Investment income is recognized as revenue when earned. The net appreciation/(depreciation) in fair value of investments held by SBCERA is recorded as an increase/(decrease) to investment income based on the valuation of investments at year-end, which includes both realized and unrealized gains and losses on investments. Retirement benefits and refunds are recognized when currently due and payable in accordance with the terms of the Plan. Other expenses are recognized when the corresponding liabilities are incurred.

CASH

Cash includes deposits with a financial institution.

INVESTMENTS

SBCERA is authorized by GC sections 31594 and 31595 to invest in any form or type of investment deemed prudent by the Board and does so through the Investment Plan, Policy, and Guidelines established by the Board. The assets of the Plan are held for the exclusive purpose to provide benefits to members and their beneficiaries and to defray reasonable expenses of administering SBCERA. The Board is required by statute to use care, skill, prudence, and diligence to diversify the investments of the Plan to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so. Refer to Note 7 – Deposits and Investments (see section for Investments) for further information.

Plan investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for investments of publicly traded securities is based upon closing sales prices reported on recognized securities exchanges on the last business day of the period, or for listed securities having no sales reported and for unlisted securities, based upon last reported bid prices. All purchases and sales of securities are accounted for on a trade date basis and dividends declared but not received are accrued on the ex-dividend date. Realized gains or losses of securities are determined based on average cost.

Fair value for investments in limited partnerships and/or commingled funds of debt securities, equity securities, real estate, private equity, commodities, infrastructure, and other alternatives is based on fund share price or percentage of ownership, provided by the fund manager or general partner, which is based on net asset value as determined by the fund manager or general partner. Fair value for these investments is reported by the fund manager and/or general partner on a monthly and/or quarterly basis and is supported by annual financial statements that are audited by an independent third-party accountant.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Where fair value information as of June 30, 2025 and 2024 was not available at the time of these financial statements, SBCERA has estimated fair value by using the most recent fair value information available from the fund manager/general partner and adding any contributions and/or deducting any distributions to/from the investment from the date of the most recent fair value information.

Fair value for investments in separately owned real estate is based on independent appraisals obtained every three years along with quarterly valuations performed by SBCERA's individual real estate advisors in accordance with the Real Estate Information Standards of the National Council of Real Estate Investment Fiduciaries.

The allocation of investment assets within SBCERA's portfolio is approved by the Board as outlined in the Investment Plan, Policy, and Guidelines. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan. The table below provides the Board's adopted *Asset Allocation* policy targets as of June 30, 2025 and 2024. The Board further authorizes SBCERA investment staff to invest within approved ranges surrounding each policy target.

ASSET ALLOCATION POLICY TARGETS

As of June 30, 2025 and 2024

Asset Class	Asset Allocation
Domestic Equity	17.00 %
International Equity	13.00 %
Domestic Fixed Income	15.00 %
International Fixed Income	17.00 %
Private Equity	18.00 %
Real Estate	5.00 %
Absolute Return	7.00 %
Infrastructure	2.00 %
Commodities	4.00 %
Short-Term Cash	2.00 %
Total	100.00 %

Notes to the Basic Financial Statements

June 30, 2025 and 2024 (Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DERIVATIVES

The Plan uses financial instruments such as derivatives and similar transactions to gain exposure to various financial markets and reduce its exposure to certain financial market risks for purposes of investments only. The financial instruments are valued at fair value and, as such, gains and losses are recognized daily, based on changes in their fair value. These changes are reflected as net appreciation/(depreciation) in fair value of investments on the Statements of Changes in Fiduciary Net Position. The use of these financial instruments exposes the Plan to counter-party credit risk and to market risk associated with a possible adverse change in interest rates, equity values, and currency movement. The Plan may have additional exposure to derivative instruments through investments in commingled funds whose strategies may include the use of derivatives to gain exposure to various financial markets and reduce its exposure to certain financial market risks. Refer to Note 7 – Deposits and Investments (see section for Derivatives) for further information.

RESERVES

Employer and member contributions are allocated to various reserve accounts based on actuarial determinations. Pursuant to the Board's *Interest Crediting Procedures and Undesignated Excess Earnings Allocation* policy, funds in excess of reserve requirements are allocated first to prior year shortfalls (the Contra Account), then 3% of the fair value of assets are set aside as a contingency reserve for future losses, and any excess is then allocated to the employer current service reserve, maintained as an additional contingency reserve, or held as undesignated excess earnings. Refer to Note 5 – Reserves for further information.

INCOME TAXES

SBCERA is a qualified plan under IRC section 401(a) and is exempt from federal income taxes under IRC section 501(a). Accordingly, no provision for income taxes has been made in the accompanying financial statements.

ADMINISTRATIVE EXPENSES

The Board adopts the annual operating budget for the administration of SBCERA. The administrative expenses are charged against the earnings of the Plan. Pursuant to GC section 31580.2, administrative expenses incurred in any one year are not to exceed twenty-one hundredths of one percent or 0.21% of SBCERA's actuarial accrued liabilities. Actual administrative expenses did not exceed this limitation for the years ended June 30, 2025 and 2024 (see table on next page).

Pursuant to GC sections 31522.5, 31522.7, 31580.2, 31529.9, 31596.1, and 31699.9, certain expenses are excluded from the limits described above for investment costs, actuarial service costs, legal service costs, and technology costs. Therefore, investment costs were offset against investment income, and actuarial service costs, technology costs, and non-investment legal service costs are all reported on the Statements of Changes in Fiduciary Net Position as Other Expenses. A Schedule of Administrative and Other Expenses subject to the statutory limitation described above is also included in the Other Supplementary Information section of this report.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 (Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

STATUTORY LIMITATION FOR ADMINISTRATIVE EXPENSES

For the Years Ended June 30, 2025 and 2024

(Amounts in Thousands)

		2025	2024
Actuarial Accrued Liability (AAL) ¹	a	\$ 16,446,672	\$ 15,630,124
Statutory Limit for Administrative Expenses (AAL x 0.21%)		34,538	32,823
Actual Administrative Expenses Subject to Statutory Limit	b	13,519	13,473
Excess of Limitation Over Actual Administrative Expenses		\$ 21,019	\$ 19,350
Actual Administrative Expenses as a Percentage of AAL	b/a	0.08%	0.09%

MANAGEMENT'S ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions. These affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CAPITAL ASSETS

Capital assets are recorded at cost, less depreciation or amortization, and consist of furniture, equipment, intangible assets, including computer software, and leasehold improvements with an initial cost of \$25 thousand or more and an estimated useful life in excess of one year. Depreciation is provided using the straight-line method over the estimated useful life of the assets, with a five-year life for furniture, a four-to-five year life for equipment, and fifteen-to-thirty-nine-year life for leasehold improvements. Amortization is provided using the straight-line method over the estimated useful life of the intangible assets, including computer software, with a three-to-seven year life. SBCERA's capital assets are summarized on the following page as of June 30, 2025 and 2024.

CAPITAL ASSETS

For the Years Ended June 30, 2025 and 2024

(Amounts in Thousands)

	2025			2024		
	Beginning	Additions	Ending	Beginning	Additions	Ending
Furniture, Equipment & Leaseholds	\$ 14,024	\$ 731	\$ 14,755	\$ 13,944	\$ 80	\$ 14,024
Computer Software	8,797	27	8,824	8,719	78	8,797
Accumulated Depreciation ²	(8,684)	(295)	(8,979)	(8,384)	(300)	(8,684)
Accumulated Amortization ²	(5,062)	(605)	(5,667)	(4,426)	(636)	(5,062)
Total	\$ 9,075	\$ (142)	\$ 8,933	\$ 9,853	\$ (778)	\$ 9,075

(1) The AAL, as determined by the Plan's actuary each year, is used to calculate the statutory limitation for administrative expenses for the year after next. For example, the AAL as of June 30, 2023 was approved by the Board in December 2023, and was used to establish the statutory limitation for administrative expenses for the year ended June 30, 2025.

(2) Depreciation and amortization expense totaled \$900 thousand and \$936 thousand for the years ended June 30, 2025 and 2024, respectively.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

FIDUCIARY COMPONENT UNIT

SBCERA is considered a fiduciary component unit of San Bernardino County (County) according to GASB Statement No. 84 (GASB 84), *Fiduciary Activities*. SBCERA is a legally separate entity from its participating employers, including the County. As such, it obtains its own independent financial statement audit and issues its own Annual Comprehensive Financial Report. The Board of Retirement (Board) serves as trustee of the Plan and has a constitutional, statutory, and fiduciary duty to administer the Plan. The composition of the Board consists in part of four voting members appointed by the County and one ex-officio position, an elected employee of the County. Because of this composition, the County is considered to appoint a majority of the voting body according to GASB 84.

EFFECT OF NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENT

SBCERA implemented all applicable new GASB pronouncements in the years ended June 30, 2025 and June 30, 2024, as required by each statement.

RECLASSIFICATION OF FINANCIAL STATEMENTS PRESENTATION

Certain amounts presented in the year ended June 30, 2024, financial statements were reclassified to be consistent with the current year's presentation. Such reclassifications have no effect on the net increase in fiduciary net position as previously reported.

SUBSEQUENT EVENTS

As of the report date, there were no subsequent events that require an adjustment or disclosure.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 3 – CONTRIBUTION REQUIREMENTS

Participating employers and active members are required by statute to contribute a percentage of covered payroll to the Plan. This requirement is pursuant to GC sections 31453.5 and 31454 for participating employers, and GC sections 31621.6, 31639.25, and 7522.30 for active members. The contribution requirements are established and may be amended by the Board pursuant to Article 1 of the CERL, which is consistent with the Plan's actuarial funding policy. The contribution rates are adopted yearly, based on an annual actuarial valuation, conducted by an independent actuary, that considers the mortality, service (including age at entry into the Plan, if applicable, and tier), and compensation experience of the members and their beneficiaries, and also includes an evaluation of the Plan's assets and liabilities. Participating employers may pay a portion of the active member contributions, and active members may pay a portion of the participating employer contributions, through negotiations and bargaining agreements.

One of the funding objectives of the Plan is to establish contribution rates that, over time, will remain level as a percentage of payroll unless the Plan benefit provisions are changed. Actuarial funding is based on the Entry Age Cost method. The employer contribution rate provides for current cost (normal cost) plus a level percentage of payroll to amortize the Unfunded Actuarial Accrued Liability (UAAL). Normal cost is the annual contribution rate that, if paid annually from a member's first year of membership through the year of retirement, would accumulate to the amount necessary to fully fund the member's retirement benefit if all underlying assumptions are met. The UAAL is the difference between the Actuarial Accrued Liability and the Actuarial Value of Assets. Any new UAAL after June 30, 2002 is amortized over a closed 20-year period effective with that valuation.

SBCERA's actuarial valuation for funding purposes is completed as of June 30 of each year. The rates recommended in the actuarial valuation apply to the year beginning 12 months after the valuation date. For example, the actuarial valuation dated June 30, 2025 establishes the contribution rates for the year ended June 30, 2027. Any shortfall or excess contributions, because of this implementation lag, are amortized as part of SBCERA's UAAL in the following valuation. Commencing with the June 30, 2012 valuation, any increase in UAAL resulting from Plan amendments will be amortized over its own declining 15-year period; temporary retirement incentives, including the impact of benefits resulting from additional service permitted in GC section 31641.04 (Golden Handshake) will be amortized over a declining period of up to five years. If an over funding exists (i.e., the total of all UAAL becomes negative so that there is a surplus), such surplus and any subsequent surpluses will be amortized over an "open" amortization period of 30 years. Any prior UAAL amortization layers will be considered fully amortized, and any subsequent UAAL will be amortized over 20 years as the first of a new series of amortization layers. The amortization policy components apply separately to each of SBCERA's UAAL cost sharing groups.

For funding purposes, SBCERA's actuarial valuation values the Plan's assets at the fair value of assets less unrecognized gains and losses from each of the last five years. Under this method, the assets used to determine employer contribution rates consider fair value by recognizing the differences between the actual market return and the expected market return over a five-year period.

Separate contribution rates are established by the Board for the General member survivor benefit provided by the Plan. The costs of survivor benefits are based on an annual valuation conducted by an independent actuary, and are equally shared between the participating employers and the active General members. The contribution rates are calculated to provide for the ongoing cost of this benefit, plus any amounts necessary to recognize any shortfall of reserves to the actuarial accrued liabilities associated with this benefit.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 (Continued)

NOTE 3 – CONTRIBUTION REQUIREMENTS (Continued)

For the survivor benefit valuation, the same amortization policy components as described on the previous page and above apply, except that a level dollar methodology is used instead of a level percent of payroll. Survivor benefit contribution rates for the years ended June 30, 2025 and 2024 are \$0.90 and \$0.92 per biweekly employer pay period, respectively.

The tables below provide a summary of the employer and member contributions received for the years ended June 30, 2025 and 2024. Participating employers satisfied 100% of the contribution requirements for the years ended June 30, 2025 and 2024.

EMPLOYER CONTRIBUTIONS

For the Years Ended June 30, 2025 and 2024 (Amounts in Thousands)

Contribution Type	2025	2024
Actuarially Determined Contributions	\$ 602,127	\$ 580,735
Additional Contributions toward UAAL Prepayment	792	12,657
Survivor Benefit Contributions	477	462
Total Employer Contributions	\$ 603,396	\$ 593,854

MEMBER CONTRIBUTIONS

For the Years Ended June 30, 2025 and 2024 (Amounts in Thousands)

Contribution Type	2025	2024
Actuarially Determined Contributions - Member Paid	\$ 205,735	\$ 198,985
Actuarially Determined Contributions - Employer Paid	2,017	2,226
Survivor Benefit Contributions	477	462
Purchase of Eligible Service Credit	2,278	2,370
Total Member Contributions	\$ 210,507	\$ 204,043

Note: SBCERA is also a participating employer and all SBCERA employees are eligible for membership in the Plan. The employer contributions paid by SBCERA, on behalf of these employees, are funded by earnings of the Plan, pursuant to GC section 31580.2. SBCERA paid 100% of the actuarially determined contributions, including survivor benefit contributions, in the amounts of \$2.3 million and \$2.2 million, for the years ended June 30, 2025 and 2024, respectively.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 (Continued)

NOTE 3 – CONTRIBUTION REQUIREMENTS (Continued)

The tables below summarize the actuarially determined, Board approved, required employer and member contribution rates in effect for the years ended June 30, 2025 and 2024. Contribution rates are expressed as a percentage of covered payroll.

EMPLOYER CONTRIBUTION RATES

For the Year Ended June 30, 2025

Actuarial Cost Group	Tier 1 Members ¹			Tier 2 Members ¹		
	Normal Cost	Unfunded Actuarial Accrued Liability	Total	Normal Cost	Unfunded Actuarial Accrued Liability	Total
County General Members	11.38 %	12.83 %	24.21 %	8.74 %	12.83 %	21.57 %
Safety Members	23.65 %	37.76 %	61.41 %	15.06 %	37.76 %	52.82 %
Superior Court Members	11.38 %	14.68 %	26.06 %	8.74 %	14.68 %	23.42 %
SCAQMD Members	12.39 %	29.61 %	42.00 %	7.84 %	29.61 %	37.45 %
LAFCO Members	13.79 %	14.55 %	28.34 %	8.61 %	14.55 %	23.16 %
Law Library Members	13.79 %	19.27 %	33.06 %	8.61 %	19.27 %	27.88 %
Other General Members	13.79 %	21.19 %	34.98 %	8.61 %	21.19 %	29.80 %

For the Year Ended June 30, 2024

Actuarial Cost Group	Tier 1 Members ²			Tier 2 Members ²		
	Normal Cost	Unfunded Actuarial Accrued Liability	Total	Normal Cost	Unfunded Actuarial Accrued Liability	Total
County General Members	12.09 %	13.45 %	25.54 %	9.08 %	13.45 %	22.53 %
Safety Members	24.12 %	37.81 %	61.93 %	15.77 %	37.81 %	53.58 %
Superior Court Members	12.09 %	15.63 %	27.72 %	9.08 %	15.63 %	24.71 %
SCAQMD Members	13.60 %	30.58 %	44.18 %	8.23 %	30.58 %	38.81 %
LAFCO Members	13.96 %	16.23 %	30.19 %	9.09 %	16.23 %	25.32 %
Law Library Members	13.96 %	16.69 %	30.65 %	8.40 %	16.69 %	25.09 %
Other General Members	13.96 %	21.94 %	35.90 %	9.09 %	21.94 %	31.03 %

MEMBER CONTRIBUTION RATES

For the Years Ended June 30, 2025 and 2024

Actuarial Cost Group	2025 ²		2024 ²	
	Lowest ³	Highest ³	Lowest ³	Highest ³
General Members - Tier 1	8.76 %	14.95 %	9.54 %	15.82 %
Safety Members - Tier 1	12.32 %	17.89 %	12.72 %	18.53 %
County General and Superior Court Members - Tier 2	8.74 %	8.74 %	9.08 %	9.08 %
Safety Members - Tier 2	15.06 %	15.06 %	15.77 %	15.77 %
SCAQMD Members - Tier 2	7.84 %	7.84 %	8.23 %	8.23 %
Other General Members - Tier 2	8.61 %	8.61 %	9.09 %	9.09 %

(1) Rates are in accordance with the June 30, 2023 valuation.

(2) Rates are in accordance with the June 30, 2022 valuation.

(3) Tier 1 rates are based on age at entry: Lowest rate shown represents entry age of 16, the highest rate shown represents the highest entry age rate.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 (Continued)

NOTE 4 – NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS

The components of the net pension liability of participating employers as of June 30, 2025 and 2024 are below.

NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS

As of June 30, 2025 and 2024

(Amounts in Thousands)

		As of June 30, 2025	As of June 30, 2024
Total Pension Liability	a	\$ 18,296,112	\$ 17,369,678
Plan Fiduciary Net Position	b	16,432,219	15,248,225
Net Pension Liability	a-b	\$ 1,863,893	\$ 2,121,453
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	b/a	89.81 %	87.79 %

The net pension liability of participating employers was measured as of June 30, 2025 and 2024 and determined based upon the total pension liability from actuarial valuations as of June 30, 2025 and 2024, respectively.

ACTUARIAL ASSUMPTIONS

The actuarial assumptions used to determine the total pension liability as of June 30, 2025 and 2024 were based on the results of the June 30, 2023 Actuarial Experience Study (experience study), which covered the periods from July 1, 2019 through June 30, 2022. They are the same assumptions used in the June 30, 2025 and 2024 actuarial valuations, which are used to determine future contribution rates for funding purposes. The key assumptions used in the actuarial valuations include the following items:

Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Inflation rate	2.50%
"Across-the-board" salary increase	0.50%
Salary increases	General: 4.30% to 9.50%; Safety: 4.75% to 10.00%; Salary increases vary by service and include inflation and "across-the-board" salary increase.
Cost-of-living adjustments	Retiree COLA increases of 2.00% per year
Administrative expenses	0.90% of payroll allocated to both the employer and member based on components of the total contribution rate (before expenses) for the employer and member

The notes to the required supplementary information present multiyear information for changes made to actuarial assumptions.

MORTALITY RATES

Mortality rates used in the June 30, 2025 and 2024 actuarial valuations were based on Pub-2010 Amount-Weighted Above-Median Mortality Table projected generationally with the two-dimensional MP-2021 projection scale. For healthy General members, the General Healthy Retiree rates increased by 10% were used. For healthy Safety members, the Safety Healthy Retiree rates were used. For disabled General members, the Non-Safety Disabled Retiree rates were used. For disabled Safety members, the Safety Disabled Retiree rates were used. For beneficiaries, Contingent Survivor rates increased by 10% were used.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 (Continued)

NOTE 4 - NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS (Continued)

Long-Term Expected Real Rate of Return

The long-term expected rate of return on Plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. This information is combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, and by adding expected inflation and subtracting expected investment expenses and a risk margin.

The target allocations approved by the Board, and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumptions as of June 30, 2025 and 2024, are summarized in the table below. This information will change every three years based on the triennial actuarial experience study.

LONG-TERM EXPECTED REAL RATE OF RETURN

As of June 30, 2025 and 2024

Asset Class	Investment Classification	Target Allocation ¹	Long-Term Expected Real Rate of Return (Arithmetic) ²
Large Cap U.S. Equity	Domestic Common and Preferred Stock	14.50 %	6.00 %
Small Cap U.S. Equity	Domestic Common and Preferred Stock	2.50 %	6.65 %
Developed International Equity	Foreign Common and Preferred Stock	7.00 %	7.01 %
Emerging Market Equity	Foreign Common and Preferred Stock	6.00 %	8.80 %
U.S. Core Fixed Income	U.S. Government and Municipals/Domestic Bonds	2.00 %	1.97 %
High Yield/Credit Strategies	Domestic Bonds/Foreign Bonds	13.00 %	6.48 %
Emerging Market Debt	Emerging Market Debt	6.00 %	4.76 %
Real Estate Core	Real Estate	2.50 %	3.86 %
Real Estate Non Core	Real Estate	2.50 %	5.40 %
International Credit	Foreign Alternatives	11.00 %	7.10 %
Absolute Return	Domestic Alternatives/Foreign Alternatives	7.00 %	7.10 %
Real Assets	Domestic Alternatives/Foreign Alternatives	6.00 %	10.10 %
Private Equity	Domestic Alternatives/Foreign Alternatives	18.00 %	9.84 %
Cash and Equivalents	Short-Term Cash Investment Funds	2.00 %	0.63 %
Total		100.00 %	7.12%

(1) Based on the 2023 triennial experience study.

(2) Arithmetic real rates of return are net of inflation

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 4 - NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS *(Continued)*

Discount Rate

The discount rate used to measure the total pension liability was 7.25% for the years ended June 30, 2025 and 2024. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers and active members are made at the actuarially determined contribution rate. For this purpose, only employer and member contributions that are intended to fund benefits of current members and their beneficiaries are included.

Projected employer contributions that are intended to fund the service costs of future members and their beneficiaries, as well as projected contributions from future members, are not included. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on Plan investments of 7.25% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2025 and 2024.

The table below presents the net pension liability of participating employers calculated using the discount rate of 7.25% as of June 30, 2025 and 2024, as well as what the net pension liability of participating employers would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

SENSITIVITY OF NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

As of June 30, 2025 and 2024

(Amounts in Thousands)

Net Pension Liability	1.00% Decrease 6.25%	Current Discount Rate 7.25%	1.00% Increase 8.25%
June 30, 2025	\$ 4,297,216	\$ 1,863,893	\$ (121,764)
June 30, 2024	\$ 4,435,496	\$ 2,121,453	\$ 230,416

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 5 – RESERVES

All employer and member contributions are allocated to various reserve accounts based on the recommendation of the Plan's actuary, as approved by the Board, and where applicable, as required by the CERL. SBCERA currently does not set aside a separate reserve for purposes of benefit increases or reduced employer contributions. All of the current reserves are available to pay for existing pensions or for Plan administration. All reserves, except the burial allowance reserve, are expected to be fully funded based on actuarially determined contributions. Set forth below are descriptions of the purpose of each reserve account.

Member Deposit Reserve

The reserve represents the total accumulated contributions of members.

Employer Current Service Reserve

The reserve includes the total accumulated contributions of the employers held for the benefit of non-retired General and Safety members on account of service rendered as a member of the Plan.

Contra Account

The contra account represents the amount of interest credited to the reserve accounts that has not been paid for out of current or excess earnings. A balance in this account is the result of applying the full interest crediting policy of the Board and will be replenished in subsequent periods as sufficient earnings allow.

Pension Reserve

The reserve represents total accumulated contributions of the employer held for the benefit of retired members for service rendered as a member of the retirement system less the pension payments made to retired members.

Cost-of-Living Reserve

The reserve represents the accumulated contributions of the employer to be used to pay cost-of-living payments.

Annuity Reserve

The reserve includes the total accumulated contributions of retired members less the annuity payments made to the members.

Supplemental Disability Reserve

The reserve represents the accumulated contributions of the employer to pay supplemental disability payments.

Survivor Benefit Reserve

The reserve represents the accumulated contributions of the employer and members to be used to pay retirees' survivor benefit allowances.

Burial Allowance Reserve

The reserve represents the excess earnings allocated by the Board to pay retirees' discretionary burial allowance. In 1985, the Board adopted GC section 31789.13 that provides an additional \$250 burial allowance to retired SBCERA members.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 (Continued)

NOTE 5 – RESERVES (Continued)

For funding purposes, the various reserve accounts comprise net position - restricted for pensions under the five-year smoothed market asset valuation method as displayed below.

RESERVES

As of June 30, 2025 and 2024

(Amounts in Thousands)

	2025	2024
Valuation Reserves		
Member Deposit Reserve	\$ 2,162,236	\$ 2,046,279
Employer Current Service Reserve	4,317,184	3,992,716
Contra Account	(5,096,410)	(4,753,278)
Pension Reserve	6,902,401	6,553,819
Cost-of-Living Reserve	3,731,176	3,456,226
Annuity Reserve	4,118,456	3,761,959
Supplemental Disability Reserve	1,330	2,640
Survivor Benefit Reserve	104,627	98,789
Total Reserved for Pensions	16,241,000	15,159,150
Non-Valuation Reserves		
Burial Allowance Reserve	197	270
Total Non-Valuation Reserves	197	270
Total Reserves (Smoothed Market Actuarial Value)	16,241,197	15,159,420
Net Unrecognized Gains	191,022	88,805
Net Position - Restricted for Pensions Including Non-Valuation Reserves, at Fair Value	\$ 16,432,219	\$ 15,248,225

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 6 – SECURITIES LENDING

SBCERA, pursuant to a Securities Lending Authorization Agreement (Agreement), has authorized State Street Bank and Trust Company (State Street) to act as SBCERA's agent in lending the Plan's securities to approved borrowers. State Street, as agent, enters into Securities Loan Agreements with borrowers.

State Street lent, on behalf of SBCERA, certain securities of the Plan held by State Street as custodian and received cash or other collateral including securities issued or guaranteed by the U.S. Government. The types of securities loaned are U.S. Government obligations and other municipals, domestic equity, domestic fixed income, international equity, and international fixed income securities. State Street does not have the ability to pledge or sell collateral securities delivered absent a borrower default. Borrowers are required to deliver collateral for each loan equal to 102% for domestic loans and 105% for international loans, of the fair value of the loaned securities plus accrued income, for the years ended June 30, 2025 and 2024.

SBCERA did not impose any restrictions during the two-year period ended June 30, 2025 on the amount of loans that State Street made on its behalf. Pursuant to the Agreement, State Street had an obligation to indemnify SBCERA in the event of default by a borrower. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the same two-year period that resulted in a declaration or notice of default of the borrower.

During the years ended June 30, 2025 and 2024, SBCERA and the borrowers maintained the right to terminate securities lending transactions upon notice. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment fund comprised of a liquidity pool. The pool is not rated. All securities in this pool with maturities of 13 months or less are rated at least "A1", "P1", or "F1", and maturities in excess of 13 months are rated at least "A-" or "A3", by at least two nationally recognized statistical rating organizations, or if unrated, have been determined by the bank to be of comparable quality. As of June 30, 2025, the liquidity pool had an average duration of 11 days, and a weighted average final maturity of 92 days. As of June 30, 2024, the liquidity pool had an average duration of 16 days, and a weighted average final maturity of 104. Because the securities lending transactions were terminable at will, their duration did not generally match the duration of the investments made with the cash collateral received from the borrower.

On June 30, 2025 and 2024, SBCERA had no credit risk exposure to borrowers. As of June 30, 2025, the fair value of securities on loan was \$97.1 million, with the fair value of cash collateral received for the securities on loan of \$98.7 million, and non-cash collateral of \$1.2 million. As of June 30, 2024, the fair value of securities on loan was \$177.4 million, with the fair value of cash collateral received for the securities on loan of \$25.2 million, and non-cash collateral of \$166.4 million.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 7 – DEPOSITS AND INVESTMENTS

Cash and Deposits

The Board is authorized by the CERL to deposit monies to pay benefits and administrative costs. Operational cash accounts are held with a financial institution in the amount of \$20.3 million and \$22.1 million at June 30, 2025 and 2024, respectively. Except for a nominal balance, operational cash accounts held with a financial institution are swept into a pooled money market fund that invests in repurchase agreements and U.S. Treasuries.

Investments

The Board is authorized by the CERL to invest in any form or type of investment deemed prudent in the informed opinion of the Board. The CERL vests the Board with exclusive control over SBCERA's investment portfolio. The Board has adopted its Investment Plan, Policy and Guidelines, which provide the framework for the management of SBCERA's investments, in accordance with applicable local, state, and federal laws. The Board members exercise authority and control over the management of SBCERA's assets by setting policy, which the Investment Staff executes either internally or through the use of external prudent experts. SBCERA retains investment managers specializing in specific strategies and/or investments within a particular asset class. Investment managers are subject to the guidelines and controls established in SBCERA's Investment Plan, Policy and Guidelines, various types of investment manager agreements, and other applicable policies and documents.

The Investment Plan, Policy and Guidelines encompass the following:

- Purpose and Core Beliefs
- Governing Law
- Functional Organization and Responsibilities
- General Objectives and Plan Policies
- Asset Allocation Plan and Objectives
- Investment Structure
- Investment Program Implementation
- Review and Modification of Investment Plan
- Emergency Actions

Notes to the Basic Financial Statements

June 30, 2025 and 2024 (Continued)

NOTE 7 – DEPOSITS AND INVESTMENTS (Continued)

Derivatives

SBCERA invests in investment derivative instruments, and did not enter into any synthetic guaranteed investment contracts or hedging derivative instruments. SBCERA does post collateral for investment derivatives for speculation purposes pursuant to clearing requirements or swap agreements.

The following table provides a summary of the derivative instruments outstanding as of June 30, 2025.

DERIVATIVE INSTRUMENTS OUTSTANDING

As of June 30, 2025

(Amounts in Thousands)

Investment Derivatives	Change ¹	Fair Value at June 30, 2025		
		Classification	Amount ²	Notional ³
Credit Default Swaps Bought	\$ (1,041)	Domestic & Foreign Alternatives	\$ (375)	\$ 19,109
Credit Default Swaps Written	87	Domestic & Foreign Alternatives	(26)	\$ 11,688
Equity Options Bought	(46)	Domestic & Foreign Alternatives	—	—
Equity Options Written	(139)	Securities Options Payable	(265)	(85)
Fixed Income Futures Long	(17,439)	Domestic & Foreign Alternatives	—	1,855,546
Fixed Income Futures Short	1,154	Domestic & Foreign Alternatives	—	—
Fixed Income Options Bought	3,820	Domestic & Foreign Alternatives	21,204	100,000
FX Forwards	(3,751)	Foreign Common and Preferred Stock	(2,600)	\$ 712,670
Index Futures Long	31,407	Domestic & Foreign Alternatives	—	207
Index Futures Short	11,748	Domestic & Foreign Alternatives	—	(36)
Index Options Bought	(23,674)	Domestic & Foreign Alternatives	1,298	35
Index Options Written	10,339	Securities Options Payable	—	—
Pay Fixed Interest Rate Swaps	(370)	Domestic & Foreign Alternatives	(44)	\$ 7,212
Receive Fixed Interest Rate Swaps	11	Domestic & Foreign Alternatives	11	\$ 5,306
Total Return Swaps Bond	(268)	Domestic & Foreign Alternatives	—	\$ —
Total Return Swaps Equity	1,252	Domestic & Foreign Alternatives	(278)	\$ (7,427)
Warrants	(812)	Domestic & Foreign Alternatives	5,941	\$ 14,895
Total	\$ 12,278		\$ 24,866	

(1) Negative values refer to losses; change reflected in the net appreciation (depreciation) in fair value of investments for securities and alternative investments.

(2) Negative values refer to liabilities.

(3) Notional may be a dollar amount or quantity of underlying investment; negative values refer to short positions.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 (Continued)

NOTE 7 – DEPOSITS AND INVESTMENTS (Continued)

The following table provides a summary of the derivative instruments outstanding as of June 30, 2024.

DERIVATIVE INSTRUMENTS OUTSTANDING

As of June 30, 2024

(Amounts in Thousands)

Investment Derivatives	Change ¹	Fair Value at June 30, 2024		
		Classification	Amount ²	Notional ³
Credit Default Swaps Bought	\$ 122	Domestic & Foreign Alternatives	\$ 714	\$ 25,399
Credit Default Swaps Written	(117)	Domestic & Foreign Alternatives	(18)	\$ 3,380
Equity Options Bought	(715)	Domestic & Foreign Alternatives	—	—
Equity Options Written	323	Securities Options Payable	(113)	(78)
Fixed Income Futures Long	(16,598)	Domestic & Foreign Alternatives	—	1,572,381
Fixed Income Futures Short	(302)	Domestic & Foreign Alternatives	—	—
Fixed Income Options Bought	5,530	Domestic & Foreign Alternatives	17,384	100,000
FX Forwards	(25,602)	Foreign Common and Preferred Stock	(3,426)	\$ 761,054
Index Futures Long	55,527	Domestic & Foreign Alternatives	—	2,385
Index Futures Short	2,378	Domestic & Foreign Alternatives	—	(16)
Index Options Bought	(63,150)	Domestic & Foreign Alternatives	—	—
Index Options Written	(15,648)	Securities Options Payable	—	—
Pay Fixed Interest Rate Swaps	(118)	Domestic & Foreign Alternatives	419	\$ 16,655
Total Return Swaps Bond	387	Domestic & Foreign Alternatives	—	\$ —
Total Return Swaps Equity	4,606	Domestic & Foreign Alternatives	317	\$ (11,014)
Warrants	1,880	Domestic & Foreign Alternatives	6,753	\$ 14,919
Total	\$ (51,497)		\$ 22,030	

(1) Negative values refer to losses; change reflected in the net appreciation (depreciation) in fair value of investments for securities and alternative investments.

(2) Negative values refer to liabilities.

(3) Notional may be a dollar amount or quantity of underlying investment; negative values refer to short positions.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 7 – DEPOSITS AND INVESTMENTS *(Continued)*

The counterparty credit ratings of SBCERA's non-exchange traded investment derivative instruments outstanding and subject to loss as of June 30, 2025 and 2024 are displayed below.

CREDIT QUALITY RATINGS (S&P) OF COUNTERPARTIES FOR INVESTMENT DERIVATIVES

As of June 30, 2025 and 2024

(Amounts in Thousands)

Counterparty Name	2025	2024	S&P Credit Rating
	Total Fair Value	Total Fair Value	
Bank Of America N.A.	\$ 529	\$ —	A+
Barclays Bank PLC	751	8	A+
Barclays Capital	—	176	A+
Goldman Sachs + Co Llc	—	138	A+
Goldman Sachs International	2	405	A+
Goldman Sachs London Lch Uk	11	283	BBB+
JP Morgan Ice	19	—	A
JP Morgan Securities Inc.	—	262	A-
JP Morgan Chase Bank, N.A.	29	162	AA-
Morgan Stanley Ice	—	65	A-
Royal Bank Of Canada	496	—	AA-
RBC Bank (Georgia), National Assoc.	—	243	N/A
State Street Bank And Trust Company	531	1,421	AA-
The Bank Of New York Mellon	541	—	A
Total	\$ 2,909	\$ 3,163	

The maximum exposure SBCERA would face in case of default of all counterparties is \$2.9 million and \$3.2 million as of June 30, 2025 and 2024, respectively. At June 30, 2025 and 2024, SBCERA did not have any significant exposure to counterparty credit risk with any single party. SBCERA does not have any specific policies relating to the posting of collateral or master netting agreements.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 7 – DEPOSITS AND INVESTMENTS *(Continued)*

As of June 30, 2025 and 2024, SBCERA is exposed to interest rate risk on its investments in various swap arrangements and fixed income options based on daily interest rates for SOFR (Secured Overnight Financing Rate), EURIBOR (Euro Interbank Offered Rate), and federal funds rate. The following tables describe the maturity periods of these derivative instruments.

INVESTMENT MATURITIES

As of June 30, 2025

(Amounts in Thousands)

Investment Type	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
Credit Default Swaps Bought	\$ (375)	\$ —	\$ (375)	\$ —	\$ —
Credit Default Swaps Written	(26)	(26)	—	—	—
Fixed Income Options Bought	21,204	—	21,204	—	—
Pay Fixed Interest Rate Swaps	(44)	—	(44)	—	—
Receive Fixed Interest Rate Swaps	11	11	—	—	—
Total Return Swaps Equity	(278)	—	—	(273)	(5)
Total	\$ 20,492	\$ (15)	\$ 20,785	\$ (273)	\$ (5)

INVESTMENT MATURITIES

As of June 30, 2024

(Amounts in Thousands)

Investment Type	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
Credit Default Swaps Bought	\$ 714	\$ —	\$ 714	\$ —	\$ —
Credit Default Swaps Written	(18)	(18)	—	—	—
Fixed Income Options Bought	17,384	—	17,384	—	—
Pay Fixed Interest Rate Swaps	419	—	180	239	—
Total Return Swaps Equity	317	—	—	—	317
Total	\$ 18,816	\$ (18)	\$ 18,278	\$ 239	\$ 317

Notes to the Basic Financial Statements

June 30, 2025 and 2024 (Continued)

NOTE 7 – DEPOSITS AND INVESTMENTS (Continued)

SBCERA is exposed to foreign currency risk for its investments in derivative instruments denominated in foreign currencies that may be adversely affected by changes in the currency exchange rates as displayed below.

NET EXPOSURE TO FOREIGN CURRENCY RISK FOR DERIVATIVE INSTRUMENTS

As of June 30, 2025 (Amounts in Thousands)

Currency	Fair Value	Options	Swaps	Forward Contracts	
				Net Receivables	Net Payables
Brazilian Real	\$ (104)	\$ —	\$ —	\$ —	\$ (104)
Canadian Dollar	28	—	—	28	—
Colombian Peso	80	—	—	728	(648)
Euro Currency	(896)	(120)	(31)	2,050	(2,795)
Japanese Yen	(201)	—	—	—	(201)
Pound Sterling	(1,451)	—	—	18	(1,469)
Swedish Krona	(3)	—	—	2	(5)
Swiss Franc	(204)	—	—	1	(205)
Total	\$ (2,751)	\$ (120)	\$ (31)	\$ 2,827	\$ (5,427)

NET EXPOSURE TO FOREIGN CURRENCY RISK FOR DERIVATIVE INSTRUMENTS

As of June 30, 2024 (Amounts in Thousands)

Currency	Fair Value	Options	Swaps	Forward Contracts	
				Net Receivables	Net Payables
Canadian Dollar	\$ (24)	\$ —	\$ —	\$ —	\$ (24)
Colombian Peso	(2,112)	—	—	—	(2,112)
Euro Currency	1,199	23	284	1,396	(504)
Hong Kong Dollar	(1)	—	—	—	(1)
Japanese Yen	(2,361)	—	—	—	(2,361)
Pound Sterling	266	—	74	429	(237)
South African Rand	(14)	—	—	—	(14)
Swiss Franc	2	—	—	2	—
Total	\$ (3,045)	\$ 23	\$ 358	\$ 1,827	\$ (5,253)

At June 30, 2025 and 2024, SBCERA did not hold any positions in derivatives containing contingent features.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 (Continued)

NOTE 7 – DEPOSITS AND INVESTMENTS (Continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. SBCERA seeks to maintain a diversified portfolio of debt investments in order to obtain the highest total return for the fund at an acceptable level of risk within this asset class. To mitigate credit risk, investment guidelines have been established for each manager investing on behalf of SBCERA.

Private placement investments' credit risk is controlled through limited partnership agreements and other applicable commingled fund documents. These investments are not rated by nationally recognized statistical rating organizations although they may be partly or wholly made up of individual securities rated by nationally recognized statistical rating organizations. Private placement investments considered fixed income investments are displayed as "NA" in the following tables, but amount to \$24.0 million and \$46.0 million as of June 30, 2025 and 2024, respectively. The short-term cash investment funds consist primarily of open-ended mutual funds and external investment pools. These investments are not rated by a nationally recognized statistical rating organization. Therefore, they are disclosed as such in the aforementioned tables. U.S. Treasury obligations are considered obligations of the U.S. Government, are explicitly guaranteed by the U.S. Government, are not considered to have credit risk, and are not shown in the following tables, but amount to \$271.8 million and \$277.4 million as of June 30, 2025 and 2024, respectively. The credit quality ratings of investments in fixed income securities and short-term cash investments by a nationally recognized statistical rating organization, Standard and Poor's (S&P) as of June 30, 2025 and 2024 follow.

CREDIT QUALITY RATINGS (S&P) OF FIXED INCOME AND SHORT-TERM CASH INVESTMENTS

As of June 30, 2025 (Amounts in Thousands)

S&P Rating	Asset Backed	Corporate Bonds	Collateralized Mortgage Obligations	Emerging Market Debt	Foreign Bonds	Municipals	Short-Term Cash Investment Funds	Total
AAA	\$ 1,652	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,652
AA	363	—	14,242	—	—	60	—	14,665
A	—	—	13	—	754	—	—	767
BBB	10,891	—	4,141	6,986	18,345	—	—	40,363
BB	14,074	4,775	9,372	6,216	87,335	—	—	121,772
B	65,845	36,084	12,100	2,226	155,057	—	—	271,312
CCC	925	91,680	2,277	7,800	22,884	—	—	125,566
CC	—	2,758	3	—	—	—	—	2,761
D	—	—	—	—	17,397	—	—	17,397
NR	192,414	159,477	104,181	13,187	649,396	14,311	1,950,357	3,083,323
NA ¹	1,419	13,588	392	6,420	1,806	418	—	24,043
Total	\$ 287,583	\$ 308,362	\$ 146,721	\$ 42,835	\$ 952,974	\$ 14,789	\$ 1,950,357	\$ 3,703,621

(1) Private placements listed as NA.

Note: Table above does not include U.S. Treasury obligations, which amount to \$271,799 as these obligations are not subject to credit risk.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 (Continued)

NOTE 7 – DEPOSITS AND INVESTMENTS (Continued)

CREDIT QUALITY RATINGS (S&P) OF FIXED INCOME AND SHORT-TERM CASH INVESTMENTS

As of June 30, 2024 (Amounts in Thousands)

S&P Rating	Asset Backed	Corporate Bonds	Collateralized Mortgage Obligations	Emerging Market Debt	Foreign Bonds	Municipals	Short-Term Cash Investment Funds	Total
AAA	\$ 2,629	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,629
AA	—	—	18,424	—	—	59	—	18,483
A	(474)	6,255	15	—	961	—	—	6,757
BBB	1,563	—	—	11,250	24,081	—	—	36,894
BB	3,468	4,431	10,013	—	129,865	—	—	147,777
B	2,886	65,341	15,998	1,340	150,422	—	—	235,987
CCC	4,408	78,868	2,870	2,436	29,345	—	—	117,927
CC	—	60	4	—	—	—	—	64
D	—	—	—	—	3,212	—	—	3,212
NR	95,667	106,460	100,348	1,453	692,015	12,810	2,306,066	3,314,819
NA ¹	6,411	19,532	2,640	12,560	4,514	383	—	46,040
Total	\$ 116,558	\$ 280,947	\$ 150,312	\$ 29,039	\$ 1,034,415	\$ 13,252	\$ 2,306,066	\$ 3,930,589

(1) Private placements listed as NA.

Note: Table above does not include U.S. Treasury obligations, which amount to \$277,409 as these obligations are not subject to credit risk.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a financial institution's failure, SBCERA would not be able to recover its deposits. Deposits are exposed to custodial credit risk if they are not insured or not collateralized. As of June 30, 2025 and 2024, SBCERA's deposits with a financial institution are insured up to \$250 thousand by the Federal Deposit Insurance Corporation (FDIC) with the remaining balance exposed to custodial credit risk as it is not insured. However, the financial institution does collateralize the deposit of monies in excess of the FDIC insurance amount with eligible securities held by the pledging financial institution, but not in SBCERA's name. SBCERA does not have a general policy relating to custodial credit risk.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, SBCERA would not be able to recover the value of the investment or collateral securities that are in possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in SBCERA's name, and held by the counterparty. SBCERA's investment securities and collateral received through securities lending are not exposed to custodial credit risk because all securities are held by SBCERA's custodial bank in SBCERA's name or by other qualified third-party administrator trust accounts. At June 30, 2025 and 2024, SBCERA did not hold any positions in derivatives containing contingent features.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 7 – DEPOSITS AND INVESTMENTS *(Continued)*

Concentration Risk

Concentration risk is the risk of loss that may be attributed to the magnitude of an investment in a single issuer. As of June 30, 2025 and 2024, SBCERA did not hold any investments in any one issuer that would represent 5% or more of total investments. Investments issued or explicitly guaranteed by the U.S. Government and pooled investments are excluded from this requirement.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, an investment with a longer maturity date has a greater sensitivity of its fair value to changes in market interest rates. One of the ways that SBCERA manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments, and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time, as necessary, to provide the cash flow and liquidity needed for operations.

To mitigate interest rate risk, the managers investing on behalf of SBCERA have applicable investment guidelines. Interest rate risk for emerging market and private placement debt investments is managed through limited partnership agreements and applicable fund documents.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 (Continued)

NOTE 7 – DEPOSITS AND INVESTMENTS (Continued)

As of June 30, 2025 and 2024, SBCERA had the following Fixed Income and Short-Term Cash Investments as displayed below.

INTEREST RATE RISK OF FIXED INCOME AND SHORT-TERM CASH INVESTMENTS

As of June 30, 2025

(Amounts in Thousands)

Investment Type	Fair Value	Investment Maturities			
		Less than 6 Months	6 Months to 1 Year	1-5 Years	More than 5 Years
Asset Backed	\$ 287,583	\$ 6,109	\$ 6,768	\$ 16,008	\$ 258,698
Corporate Bonds	308,362	1,757	9,956	201,594	95,055
Collateralized Mortgage Obligations	146,721	3,266	—	28,744	114,711
Emerging Market Debt	42,835	459	8,444	5,918	28,014
Foreign Bonds	952,974	8,767	37,567	157,985	748,655
Municipals	14,789	4,939	—	983	8,867
Short-Term Cash Investment Funds	1,950,357	1,950,357	—	—	—
U.S. Treasury Obligations	271,799	245,419	39,164	(12,440)	(344)
Total	\$ 3,975,420	\$ 2,221,073	\$ 101,899	\$ 398,792	\$ 1,253,656

INTEREST RATE RISK OF FIXED INCOME AND SHORT-TERM CASH INVESTMENTS

As of June 30, 2024

(Amounts in Thousands)

Investment Type	Fair Value	Investment Maturities			
		Less than 6 Months	6 Months to 1 Year	1-5 Years	More than 5 Years
Asset Backed	\$ 116,558	\$ 3,175	\$ 4,408	\$ 30,212	\$ 78,763
Corporate Bonds	280,947	9,207	22,348	164,050	85,342
Collateralized Mortgage Obligations	150,312	—	15,208	8,592	126,512
Emerging Market Debt	29,039	675	—	755	27,609
Foreign Bonds	1,034,415	20,476	1,600	184,603	827,736
Municipals	13,253	3,693	—	1,341	8,219
Short-Term Cash Investment Funds	2,306,066	2,306,066	—	—	—
U.S. Treasury Obligations	277,408	248,839	26,491	5,639	(3,561)
Total	\$ 4,207,998	\$ 2,592,131	\$ 70,055	\$ 395,192	\$ 1,150,620

Notes to the Basic Financial Statements

June 30, 2025 and 2024 (Continued)

NOTE 7 – DEPOSITS AND INVESTMENTS (Continued)

Foreign Currency Risk

SBCERA's exposure to foreign currency risk primarily derives from its positions in foreign currency denominated international equity, fixed income investments, and foreign currency overlay exposure. SBCERA's investment policy allows international managers to enter into foreign exchange contracts provided the contracts have a maturity of one year or less and are limited to hedging currency exposure existing in the portfolio. Specific managers in international equities or fixed income may engage in the active management of currencies, per individual investment agreements approved by the Board.

SBCERA's net exposure to foreign currency risk in U.S. dollars as of June 30, 2025 and 2024 is displayed below.

NET EXPOSURE TO FOREIGN CURRENCY RISK

As of June 30, 2025 and 2024 (Amounts in Thousands)

Currency	2025				2024			
	Fair Value	Fixed Income	Equity	Cash	Fair Value	Fixed Income	Equity	Cash
Argentine Peso	\$ 1	\$ —	\$ —	\$ 1	\$ 1	\$ —	\$ —	\$ 1
Australian Dollar	19,538	—	12,179	7,359	21,414	—	17,190	4,224
Brazilian Real	6,309	5,309	898	102	983	—	883	100
Canadian Dollar	19,780	1,401	18,379	—	21,228	1,378	19,497	353
Egyptian Pound	87	—	—	87	—	—	—	—
Euro Currency	1,164,592	577,022	559,044	28,526	1,039,256	542,671	453,881	42,704
Hong Kong Dollar	1,529	—	1,184	345	2,291	—	2,291	—
Indonesian Rupiah	—	—	—	—	19	—	19	—
Japanese Yen	732	—	—	732	664	—	—	664
Pound Sterling	226,615	32,061	171,336	23,218	246,937	25,765	155,072	66,100
Swedish Krona	—	—	—	—	367	—	—	367
Swiss Franc	33	—	11	22	28	—	11	17
Turkish Lira	5,053	5,053	—	—	—	—	—	—
Yuan Renminbi	—	—	—	—	56	—	—	56
Total	\$ 1,444,269	\$ 620,846	\$ 763,031	\$ 60,392	\$ 1,333,244	\$ 569,814	\$ 648,844	\$ 114,586

Rate of Return

For the years ended June 30, 2025 and 2024, the annual money-weighted rate of return on the assets of the Plan, net of investment expense, was 8.7% and 9.3%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the timing of cash flows and the changing amounts actually invested.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 7 – DEPOSITS AND INVESTMENTS *(Continued)*

Commitments to Fund Partnerships

As of June 30, 2025 and 2024, the total capital commitments to fund partnerships were \$7.9 billion and \$5.8 billion, respectively. Of this amount, \$2.3 billion and \$1.4 billion, respectively, remained unfunded and is not recorded on the SBCERA Statements of Fiduciary Net Position as of June 30, 2025 and 2024. The following tables depict the total commitments and unfunded commitments, respectively.

TOTAL COMMITMENTS AND UNFUNDED COMMITMENTS TO FUND PARTNERSHIPS BY ASSET CLASS

As of June 30, 2025 and 2024
(Amounts in Thousands)

2025		2024	
Total Commitments	Unfunded Commitments	Total Commitments	Unfunded Commitments
\$ 7,911,222	\$ 2,336,212	\$ 5,755,217	\$ 1,411,732

Fair Value Measurements

SBCERA categorizes its fair value measurements of its investments based on the fair value hierarchy established by GAAP. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are unadjusted quoted prices in active markets for identical assets. Level 2 inputs are quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs are observable. Level 3 inputs are valuations derived from valuation techniques in which significant inputs are unobservable.

The tables on the next two pages depict the fair value measurements as of June 30, 2025 and 2024.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 (Continued)

NOTE 7 – DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS AND DERIVATIVE INSTRUMENTS MEASURED AT FAIR VALUE

As of June 30, 2025 (Amounts in Thousands)

Fair Value Measurements Using					
Investment Type	June 30, 2025	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments by Fair Value Level					
Short-Term Cash Investment Funds	\$ 1,950,357	\$ 526,951	\$ 1,423,406	\$ —	
Emerging Market Debt	36,415	—	28,740	7,675	
United States Government Obligations and Other Municipals:					
U.S. Treasury	271,799	—	271,799	—	
Municipals	14,789	—	14,789	—	
Total US Government Obligations and Other Municipals:	286,588	—	286,588	—	
Domestic Bonds:					
Asset Backed	287,583	—	123,845	163,738	
Collateralized Mortgage Obligations	146,721	—	20,884	125,837	
Corporate Bonds	308,362	—	203,332	105,030	
Total Domestic Bonds	742,666	—	348,061	394,605	
Foreign Bonds	952,974	—	587,337	365,637	
Domestic Common and Preferred Stock	2,428,328	2,357,660	15,483	55,185	
Foreign Common and Preferred Stock	836,857	754,048	3,829	78,980	
Investments of Cash Collateral Received on Securities Lending	98,728	—	98,728	—	
Domestic Alternatives	153,094	—	66,570	86,524	
Foreign Alternatives	467,785	—	98,792	368,993	
Total Investments by Fair Value Level	\$ 7,953,792	\$ 3,638,659	\$ 2,957,534	\$ 1,357,599	
Investment Derivative Instruments					
Swaps	\$ (712)	\$ —	\$ (712)	\$ —	
Options	22,502	—	22,502	—	
Forward Contracts	(2,600)	(2,600)	—	—	
Warrants	5,941	\$ 33	\$ 111	\$ 5,797	
Total Investment Derivative Instruments	\$ 25,131	\$ (2,567)	\$ 21,901	\$ 5,797	
Investments Measured at the Net Asset Value (NAV)					
Emerging Market Debt	\$ 6,420				
Domestic Common and Preferred Stock	549,396				
Foreign Common and Preferred Stock	14,072				
Real Estate	11,544				
Domestic Alternatives:					
Absolute Return Composite	1,440,981				
Non-U.S. Developed Credit	220,172				
Private Equity - Commodities	731,369				
Private Equity - Composite	2,704,479				
Private Equity - Real Estate	574,491				
U.S. Credit Strategies	783,333				
Total Domestic Alternatives	6,454,825				
Foreign Alternatives:					
Absolute Return Composite	95				
Non-U.S. Developed Credit	543,807				
Private Equity - Composite	844,172				
Private Equity - Real Estate	29,521				
Total Foreign Alternatives	1,417,595				
Total Investments Measured at the NAV	\$ 8,453,852				
Total Investments Measured at Fair Value	\$ 16,432,775				

Notes to the Basic Financial Statements

June 30, 2025 and 2024 (Continued)

NOTE 7 – DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS AND DERIVATIVE INSTRUMENTS MEASURED AT FAIR VALUE

As of June 30, 2024 (Amounts in Thousands)

Investment Type	June 30, 2024	Fair Value Measurements Using		
		Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Short-Term Cash Investment Funds	\$ 2,306,066	\$ 808,672	\$ 1,497,394	\$ —
Emerging Market Debt	16,479	—	15,643	836
United States Government Obligations and Other Municipals:				
U.S. Treasury	277,409	49,716	227,693	—
Municipals	13,252	—	13,252	—
Total US Government Obligations and Other Municipals	290,661	49,716	240,945	—
Domestic Bonds:				
Asset Backed	116,558	—	23,983	92,575
Collateralized Mortgage Obligations	150,312	—	17,677	132,635
Corporate Bonds	280,947	—	201,087	79,860
Total Domestic Bonds	547,817	—	242,747	305,070
Foreign Bonds	1,034,415	—	609,347	425,068
Domestic Common and Preferred Stock	2,123,041	2,054,125	9,750	59,166
Foreign Common and Preferred Stock	564,176	533,499	6,494	24,183
Investments of Cash Collateral Received on Securities Lending	25,826	—	25,826	—
Domestic Alternatives	133,499	—	58,241	75,258
Foreign Alternatives	399,820	—	86,350	313,470
Total Investments by Fair Value Level	\$ 7,441,800	\$ 3,446,012	\$ 2,792,737	\$ 1,203,051
Investment Derivative Instruments				
Swaps	\$ 1,432	\$ —	\$ 1,432	\$ —
Options	17,384	—	17,384	—
Forward Contracts	(3,426)	(3,426)	—	—
Warrants	6,753	62	73	6,618
Total Investment Derivative Instruments	\$ 22,143	\$ (3,364)	\$ 18,889	\$ 6,618
Investments Measured at the Net Asset Value (NAV)				
Emerging Market Debt	\$ 12,560			
Domestic Common and Preferred Stock	257,531			
Foreign Common and Preferred Stock	128,576			
Real Estate	10,822			
Domestic Alternatives:				
Absolute Return Composite	1,403,729			
Non-U.S. Developed Credit	272,151			
Private Equity - Commodities	707,711			
Private Equity - Composite	2,634,211			
Private Equity - Real Estate	524,778			
U.S. Credit Strategies	670,319			
Total Domestic Alternatives	6,212,899			
Foreign Alternatives:				
Absolute Return Composite	109			
Non-U.S. Developed Credit	571,974			
Private Equity - Composite	708,174			
Private Equity - Real Estate	31,952			
Total Foreign Alternatives	1,312,209			
Total Investments Measured at the NAV	\$ 7,934,597			
Total Investments Measured at Fair Value	\$ 15,398,540			

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 7 – DEPOSITS AND INVESTMENTS *(Continued)*

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements, in their entirety, are categorized based on the lowest level input that is significant to the valuation. SBCERA's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. Investments are measured by type of investment as follows:

Short-term cash investments generally include investments in currency, classified in Level 1 of the fair value hierarchy at fair value, and money market-type securities, and other short-term investment funds, classified in Level 2 of the fair value hierarchy at fair value.

Debt securities include emerging market debt, U.S. Government obligations and other municipals, domestic bonds, and foreign bonds. Debt securities classified in Level 2 of the fair value hierarchy are valued using the matrix pricing technique or the discounted cash flow method. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Debt securities classified in Level 3 of the fair value hierarchy are valued using the discounted cash flow method or proprietary pricing information.

Equity securities include domestic and foreign common and preferred stock. Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Equity securities classified in Level 2 of the fair value hierarchy are valued using prices quoted in active markets for similar securities. Equity securities classified in Level 3 of the fair value hierarchy are valued with last trade data having limited trading volume.

Cash collateral received on securities lending consists primarily of U.S. Government debt obligations, and also includes domestic equity, domestic fixed income, international equity, and international fixed income securities classified in Level 2 of the fair value hierarchy using prices quoted in active markets for similar securities.

Alternative securities include domestic and foreign alternatives. Alternative securities classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Alternative securities classified in Level 2 of the fair value hierarchy are valued using prices quoted in active markets for similar securities. Alternative securities classified in Level 3 of the fair value hierarchy are valued using the discounted cash flow method or proprietary pricing information.

Derivative instruments classified in Level 1 of the fair value hierarchy are valued using a market approach using prices quoted in active markets for those securities. Derivative instruments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates and foreign exchange rates. Derivatives classified in Level 3 of the fair value hierarchy are valued using the discounted cash flow method or proprietary pricing information.

The fair value of investments in certain equity, fixed income, real estate, and marketable alternatives are based on the investment's net asset value (NAV) per share (or its equivalent) provided by the investee. The fair values of investments in certain private equity funds have been determined using recent observable transaction information for similar investments and nonbinding bids received from potential buyers of the investments. Such fair value measurements are shown in the tables on the next two pages as of June 30, 2025 and 2024.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 (Continued)

NOTE 7 – DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS MEASURED AT THE NET ASSET VALUE (NAV)

As of June 30, 2025

(Amounts in Thousands)

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency ¹	Redemption Notice Period
Emerging Market Debt	\$ 6,420	\$ —	NA	NA
Domestic Common and Preferred Stock	549,396	—	D	5-10 days
Foreign Common and Preferred Stock	14,072	—	NA	NA
Real Estate	11,544	—	NA	NA
Domestic Alternatives:				
Absolute Return Composite	1,440,981	420,183	D,Q,NA	65-180 days, NA
Non-U.S. Developed Credit	220,172	—	M,NA	5 days, NA
Private Equity - Commodities	731,369	7,374	A,NA	180 days, NA
Private Equity - Composite	2,704,479	1,239,163	Q,SA,NA	30-185 days, NA
Private Equity - Real Estate	574,491	186,011	Q,SA,NA	45-180 days, NA
U.S. Credit Strategies	783,333	51,354	D,Q,NA	30-180 days, NA
Total Domestic Alternatives	6,454,825	1,904,085		
Foreign Alternatives:				
Absolute Return Composite	95	1,776	NA	NA
Non-U.S. Developed Credit	543,807	—	D,Q,NA	D, 180 days, NA
Private Equity - Composite	844,172	404,633	Q,NA	90 days, NA
Private Equity - Real Estate	29,521	25,718	NA	NA
Total Foreign Alternatives	1,417,595	432,127		
Total Investments Measured at the NAV	\$ 8,453,852	\$ 2,336,212		

(1) D= Daily, M= Monthly, Q= Quarterly, SA= Semi-Annually, A= Annually, NA= Not Applicable

Notes to the Basic Financial Statements

June 30, 2025 and 2024 (Continued)

NOTE 7 – DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS MEASURED AT THE NET ASSET VALUE (NAV)

As of June 30, 2024

(Amounts in Thousands)

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency ¹	Redemption Notice Period
Emerging Market Debt	\$ 12,560	\$ —	NA	NA
Domestic Common and Preferred Stock	257,531	—	D	5-10 days
Foreign Common and Preferred Stock	128,576	—	Q,NA	60 days, NA
Real Estate	10,822	—	NA	NA
Domestic Alternatives:				
Absolute Return Composite	1,403,729	26,265	D,Q,NA	65-180 days, NA
Non-U.S. Developed Credit	272,151	—	M,NA	5 days, NA
Private Equity - Commodities	707,711	4,646	A,NA	180 days, NA
Private Equity - Composite	2,634,211	1,060,346	Q,SA,NA	30-185 days, NA
Private Equity - Real Estate	524,778	103,989	Q,SA,NA	45-180 days, NA
U.S. Credit Strategies	670,319	—	D,Q,NA	30-180 days, NA
Total Domestic Alternatives	6,212,899	1,195,246		
Foreign Alternatives:				
Absolute Return Composite	109	6,485	NA	NA
Non-U.S. Developed Credit	571,974	—	D,Q,NA	D,180 days, NA
Private Equity - Composite	708,174	168,871	NA	NA
Private Equity - Real Estate	31,952	41,130	NA	NA
Total Foreign Alternatives	1,312,209	216,486		
Total Investments Measured at the NAV	\$ 7,934,597	\$ 1,411,732		

(1) D= Daily, M= Monthly, Q= Quarterly, SA= Semi-Annually, A= Annually, NA= Not Applicable

The investment types listed in the tables above were measured at the NAV as follows:

Emerging market debt includes investments in alternative funds that invest primarily in debt in emerging markets to access income from a broader global pool of assets. The fair values of the investments in this type have been determined using the NAV per share of the investments. Investments in this category are not redeemable as of June 30, 2025 and 2024.

Domestic common and preferred stock includes investments in equities that invest in assets that focus on domestic credit strategies to provide an income-focus by utilizing credit dislocation opportunities. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments. As of June 30, 2025 and 2024, 100% of investments in this category are redeemable with a 10 day notice.

Foreign common and preferred stock includes investments in equities that invest in assets that focus on global credit strategies to provide an income-focus by utilizing credit dislocation opportunities. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments. Investments in this category are not redeemable as of June 30, 2025, but 89% were redeemable with a 60 day notice as of June 30, 2024.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 7 – DEPOSITS AND INVESTMENTS *(Continued)*

Real estate investments provide stable income and participation in broad economic growth. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Investments in this category are not redeemable as of June 30, 2025 and 2024.

Domestic alternatives: Absolute return composite provides income and diversification through below investment grade credit and distressed debt strategies. This type includes credit and debt securities. As of June 30, 2025 and 2024, 76% and 82%, respectively, of investments in this category are redeemable with a 65-180 day notice. It is expected that the underlying assets of the funds will be liquidated over the next nine years, unless the partnership agreement allows for an indefinite continuance.

Domestic alternatives: Non-U.S. developed credit provides access to income from a broader pool of assets in Europe. This type includes investments in funds that focus on corporate and sovereign bonds of developed economies issued in U.S. dollars. As of June 30, 2025 and 2024, 59% and 43%, respectively, of investments in this category are redeemable with a 5 day notice.

Domestic alternatives: Private equity – commodities provide exposure to inflation related assets and includes investments in partnerships that focus on natural resources and energy. The fair values of this investment type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. As of June 30, 2025 and 2024, 97% and 93%, respectively, of investments in this category are redeemable with a 180 day notice. It is expected that the underlying assets of the funds will be liquidated over the next four years, unless the partnership agreement allows for an indefinite continuance.

Domestic alternatives: Private equity – composite provides participation in equity and debt instruments that provide for a premium on illiquid assets. This type includes investments in partnerships as a limited partner that invest in private equity and private debt. The fair values of this investment type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. As of June 30, 2025 and 2024, 16% and 18%, respectively, of investments in this category are redeemable with a 30-185 day notice. It is expected that the underlying assets of the funds will be liquidated over the next ten years, unless the partnership agreement allows for an indefinite continuance.

Domestic alternatives: Private Equity - real estate investments provide stable income and participation in broad economic growth. This type includes real estate funds that invest in global commercial real estate and commingled funds. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. As of June 30, 2025 and 2024, 57% and 63%, respectively, of investments in this category are redeemable with a daily or 45-180 day notice. It is expected that the underlying assets of the funds will be liquidated over the next eleven years, unless the partnership agreement allows for an indefinite continuance.

Domestic alternatives: U.S. credit strategies include investments in assets that focus on U.S. credit strategies to provide an income-focus by utilizing credit dislocation. This type includes investments in funds that focus on credit strategies, including direct loans, securitized products, and public-traded debt products. As of June 30, 2025 and 2024, 77% and 81%, respectively, of investments in this category are redeemable with a 30-180 day notice. It is expected that the underlying assets of the funds will be liquidated over the next three years, unless the partnership agreement allows for an indefinite continuance.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 7 – DEPOSITS AND INVESTMENTS *(Continued)*

Foreign alternatives: Absolute return composite provides income and diversity through below investment grade global credit and distressed debt strategies. This type includes global credit and debt securities. Investments in this category are not redeemable as of June 30, 2025 and 2024. It is expected that the underlying assets of the funds will be liquidated over the next year.

Foreign alternatives: Non-U.S. developed credit provides access to income from a broader pool of assets in Europe. This type includes investments in funds that focus on corporate and sovereign bonds of developed economies. As of June 30, 2025 and 2024, 57% and 46%, respectively, of investments in this category are redeemable with a daily or 180 day notice. It is expected that the underlying assets of the funds will be liquidated over the next five years, unless the partnership agreement allows for an indefinite continuance.

Foreign alternatives: Private equity – composite provides participation in equity and debt instruments that provide for a premium on illiquid assets. This type includes investments in partnerships as a limited partner that invest in private equity and private debt. The fair values of this investment type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. As of June 30, 2025, 1% of investments in this category are redeemable with a 90 day notice. Investments in this category were not redeemable as of June 30, 2024. It is expected that the underlying assets of the funds will be liquidated over the next eleven years, unless the partnership agreement allows for an indefinite continuance.

Foreign alternatives: Private Equity - Real estate investments provide stable income and participation in broad economic growth. This type includes real estate funds that invest in global commercial real estate and commingled funds. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Investments in this category are not redeemable as of June 30, 2025 and 2024. It is expected that the underlying assets of the funds will be liquidated over the next four years.

Notes to the Basic Financial Statements

June 30, 2025 and 2024 *(Continued)*

NOTE 8 — RELATED PARTY TRANSACTIONS

SBCERA does not have any related party transactions. However, SBCERA continues to procure its employee benefits through the County's contract with various providers to obtain favorable rates.

NOTE 9 — LITIGATION

SBCERA is subject to legal proceedings and claims which have risen in the ordinary course of its business and have not been finally adjudicated. These actions, when finally concluded and determined, will not, in the opinion of the management of SBCERA, have a material adverse effect upon the financial position of SBCERA.

Required Supplementary Information

(Unaudited)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

(Amounts in Thousands)

Years Ended June 30	(a) Actuarially Determined Contributions ¹	(b) Actual Contributions ¹	(a) - (b) Contribution Deficiency (Excess) ^{3,4,5}	(c) Covered Payroll ²	(b) / (c) Contributions as a % of Covered Payroll
2016	\$ 340,512	\$ 340,512	\$—	\$ 1,309,095	26.01%
2017	360,478	360,478	—	1,346,408	26.77%
2018	378,667	378,667	—	1,406,470	26.92%
2019	446,110	446,295	(185)	1,477,131	30.21%
2020	467,943	467,986	(43)	1,542,495	30.34%
2021	493,672	493,716	(44)	1,587,324	31.10%
2022	550,295	550,346	(51)	1,626,449	33.84%
2023	555,742	555,892	(150)	1,663,991	33.41%
2024	581,197	593,854	(12,657)	1,812,216	32.77%
2025	603,341	603,396	(55)	1,985,692	30.39%

SCHEDULE OF INVESTMENT RETURNS

Years Ended June 30	Annual Money-Weighted Rate of Return, Net of Investment Expense
2016	(0.97)%
2017	13.47%
2018	8.64%
2019	5.01%
2020	(2.87)%
2021	33.17%
2022	0.03%
2023	5.02%
2024	9.27%
2025	8.71%

- (1) The Board has approved all contribution rates recommended by the Plan's actuary. Actuarially determined contributions include contributions required for the survivor benefit, and exclude employer paid member contributions, UAAL prepayments, Golden Handshake payments, funds deposited for purchase of service credit, payments made by withdrawn employers, member paid employer contributions, and member contributions. Commencing with the year ended June 30, 2015, member paid employer contributions are included in actuarially determined contributions.
- (2) Covered payroll represents the collective total of SBCERA eligible wages of all SBCERA participating employers. The covered payroll shown is an estimate based on the prior year's valuation for each date shown.
- (3) 2019 - 2025 include additional contributions made by LAFCO towards the reduction of their UAAL.
- (4) 2023 includes additional contributions made by Law Library towards the reduction of their UAAL.
- (5) 2024 includes additional contributions of \$12,604,709 made by SBCTA to pay off their UAAL as of June 30, 2023.

See accompanying notes to the Required Supplementary Information.

Required Supplementary Information

(Unaudited) (Continued)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS AND RELATED RATIOS

(Amounts in Thousands)

		June 30, 2025	June 30, 2024	June 30, 2023
Total Pension Liability				
Service Cost		\$ 410,672	\$ 381,771	\$ 370,325
Interest		1,257,872	1,190,478	1,132,274
Differences Between Expected and Actual Experience		—	—	197,315
Changes of Assumptions		118,667	164,338	(122,627)
Changes in Benefit Terms		—	—	—
Benefit Payments, Including Refunds of Member Contributions		(860,777)	(811,054)	(760,785)
Net Change in Total Pension Liability		926,434	925,533	816,502
Total Pension Liability - Beginning		17,369,678	16,444,145	15,627,643
Total Pension Liability - Ending	a	\$ 18,296,112	\$ 17,369,678	\$ 16,444,145
Plan Fiduciary Net Position				
Contributions - Employers ¹		\$ 603,396	\$ 593,854	\$ 555,892
Contributions - Members ¹		210,507	204,043	188,091
Transfer from an Outside Plan		—	—	—
Net Investment Income/(Loss)		1,251,841	1,210,419	802,596
Benefit Payments, Including Refunds of Member Contributions		(860,777)	(811,055)	(760,785)
Administrative Expenses		(13,519)	(13,473)	(11,780)
Other Expenses		(7,454)	(6,913)	(5,580)
Other ³		—	—	—
Net Change in Plan Fiduciary Net Position		1,183,994	1,176,875	768,434
Plan Fiduciary Net Position - Beginning		15,248,225	14,071,350	13,302,916
Plan Fiduciary Net Position - Ending	b	\$ 16,432,219	\$ 15,248,225	\$ 14,071,350
Net Pension Liability	a-b=c	\$ 1,863,893	\$ 2,121,453	\$ 2,372,795
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	b/a	89.81 %	87.79 %	85.57 %
Covered Payroll²	d	\$ 1,985,692	\$ 1,812,216	\$ 1,663,991
Net Pension Liability as a Percentage of Covered Payroll	c/d	93.87 %	117.06 %	142.60 %

- (1) Commencing with the year ended June 30, 2015, member paid employer contributions are included in employer contributions, and employer paid member contributions are included in member contributions.
- (2) Covered payroll represents the collective total of SBCERA eligible wages of all SBCERA participating employers. The covered payroll shown is an estimate based on the prior year's valuation for each date shown.
- (3) On July 30, 2020, the California Supreme Court issued a decision in the Alameda County Deputy Sheriff's Assn. et al., v. Alameda County Employees' Retirement Assn. litigation that clarified what should be considered compensation earnable for Tier 1 members and pensionable compensation for Tier 2 members for that and other similarly situated 1937 Act county employees' retirement systems.

See accompanying notes to the Required Supplementary Information.

Required Supplementary Information

(Unaudited) (Continued)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS AND RELATED RATIOS

(Amounts in Thousands) (Continued)

		June 30, 2022	June 30, 2021	June 30, 2020
Total Pension Liability				
Service Cost		\$ 366,076	\$ 362,444	\$ 343,547
Interest		1,084,886	1,038,764	966,648
Differences Between Expected and Actual Experience		(64,113)	51,632	24,948
Changes of Assumptions		—	—	281,860
Changes in Benefit Terms		—	(132,810)	—
Benefit Payments, Including Refunds of Member Contributions		(714,155)	(660,822)	(621,564)
Net Change in Total Pension Liability		672,694	659,208	995,439
Total Pension Liability - Beginning		14,954,949	14,295,741	13,300,302
Total Pension Liability - Ending	a	\$ 15,627,643	\$ 14,954,949	\$ 14,295,741
Plan Fiduciary Net Position				
Contributions - Employers ¹		\$ 550,346	\$ 498,747	\$ 467,985
Contributions - Members ¹		178,893	172,953	169,183
Transfer from an Outside Plan		—	—	—
Net Investment Income/(Loss)		(322,404)	3,353,153	(302,050)
Benefit Payments, Including Refunds of Member Contributions		(714,155)	(660,822)	(621,564)
Administrative Expenses		(10,454)	(9,720)	(9,019)
Other Expenses		(3,870)	(4,792)	(5,608)
Other ³		(12,293)	—	—
Net Change in Plan Fiduciary Net Position		(333,937)	3,349,519	(301,073)
Plan Fiduciary Net Position - Beginning		13,636,853	10,287,334	10,588,407
Plan Fiduciary Net Position - Ending	b	\$ 13,302,916	\$ 13,636,853	\$ 10,287,334
Net Pension Liability	a-b=c	\$ 2,324,727	\$ 1,318,096	\$ 4,008,407
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	b/a	85.12 %	91.19 %	71.96 %
Covered Payroll²	d	\$ 1,626,449	\$ 1,587,324	\$ 1,542,495
Net Pension Liability as a Percentage of Covered Payroll	c/d	142.93 %	83.04 %	259.87 %

- (1) Commencing with the year ended June 30, 2015, member paid employer contributions are included in employer contributions, and employer paid member contributions are included in member contributions.
- (2) Covered payroll represents the collective total of SBCERA eligible wages of all SBCERA participating employers. The covered payroll shown is an estimate based on the prior year's valuation for each date shown.
- (3) On July 30, 2020, the California Supreme Court issued a decision in the Alameda County Deputy Sheriff's Assn. et al., v. Alameda County Employees' Retirement Assn. litigation that clarified what should be considered compensation earnable for Tier 1 members and pensionable compensation for Tier 2 members for that and other similarly situated 1937 Act county employees' retirement systems.

See accompanying notes to the Required Supplementary Information.

Required Supplementary Information

(Unaudited) (Continued)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS AND RELATED RATIOS

(Amounts in Thousands) (Continued)

		June 30, 2019	June 30, 2018	June 30, 2017
Total Pension Liability				
Service Cost		\$ 334,062	\$ 321,931	\$ 300,779
Interest		916,790	868,277	803,778
Differences Between Expected and Actual Experience		27,389	25,714	(10,634)
Changes of Assumptions		—	—	662,714
Changes in Benefit Terms		—	—	—
Benefit Payments, Including Refunds of Member Contributions		(578,508)	(539,297)	(497,904)
Net Change in Total Pension Liability		699,733	676,625	1,258,733
Total Pension Liability - Beginning		12,600,569	11,923,944	10,665,211
Total Pension Liability - Ending	a	\$ 13,300,302	\$ 12,600,569	\$ 11,923,944
Plan Fiduciary Net Position				
Contributions - Employers ¹		\$ 446,295	\$ 378,668	\$ 360,478
Contributions - Members ¹		163,552	149,478	143,858
Transfer from an Outside Plan		—	4,312	—
Net Investment Income/(Loss)		502,753	797,480	1,098,198
Benefit Payments, Including Refunds of Member Contributions		(578,508)	(539,297)	(497,904)
Administrative Expenses		(9,383)	(8,752)	(9,961)
Other Expenses		(3,292)	(3,340)	(3,202)
Other ³		—	—	—
Net Change in Plan Fiduciary Net Position		521,417	778,549	1,091,467
Plan Fiduciary Net Position - Beginning		10,066,990	\$ 9,288,441	\$ 8,196,974
Plan Fiduciary Net Position - Ending	b	\$ 10,588,407	\$ 10,066,990	\$ 9,288,441
Net Pension Liability	a-b=c	\$ 2,711,895	\$ 2,533,579	\$ 2,635,503
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	b/a	79.61 %	79.89 %	77.90 %
Covered Payroll²	d	\$ 1,477,131	\$ 1,406,470	\$ 1,346,408
Net Pension Liability as a Percentage of Covered Payroll	c/d	183.59 %	180.14 %	195.74 %

(1) Commencing with the year ended June 30, 2015, member paid employer contributions are included in employer contributions, and employer paid member contributions are included in member contributions.

(2) Covered payroll represents the collective total of SBCERA eligible wages of all SBCERA participating employers. The covered payroll shown is an estimate based on the prior year's valuation for each date shown.

(3) On July 30, 2020, the California Supreme Court issued a decision in the Alameda County Deputy Sheriff's Assn. et al., v. Alameda County Employees' Retirement Assn. litigation that clarified what should be considered compensation earnable for Tier 1 members and pensionable compensation for Tier 2 members for that and other similarly situated 1937 Act county employees' retirement systems.

See accompanying notes to the Required Supplementary Information.

Required Supplementary Information

(Unaudited) (Continued)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS AND RELATED RATIOS

(Amounts in Thousands) (Continued)

		June 30, 2016
Total Pension Liability		
Service Cost	\$	295,458
Interest		770,842
Differences Between Expected and Actual Experience		(151,493)
Changes of Assumptions		—
Changes in Benefit Terms		—
Benefit Payments, Including Refunds of Member Contributions		(464,068)
Net Change in Total Pension Liability		450,739
Total Pension Liability - Beginning		10,214,472
Total Pension Liability - Ending	a	\$ 10,665,211
Plan Fiduciary Net Position		
Contributions - Employers ¹	\$	340,512
Contributions - Members ¹		139,132
Transfer from an Outside Plan		—
Net Investment Income/(Loss)		(80,028)
Benefit Payments, Including Refunds of Member Contributions		(464,068)
Administrative Expenses		(7,569)
Other Expenses		(2,664)
Other ³		—
Net Change in Plan Fiduciary Net Position		(74,685)
Plan Fiduciary Net Position - Beginning	\$	8,271,659
Plan Fiduciary Net Position - Ending	b	\$ 8,196,974
Net Pension Liability	a-b=c	\$ 2,468,237
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	b/a	76.86 %
Covered Payroll²	d	\$ 1,309,095
Net Pension Liability as a Percentage of Covered Payroll	c/d	188.55 %

- (1) Commencing with the year ended June 30, 2015, member paid employer contributions are included in employer contributions, and employer paid member contributions are included in member contributions.
- (2) Covered payroll represents the collective total of SBCERA eligible wages of all SBCERA participating employers. The covered payroll shown is an estimate based on the prior year's valuation for each date shown.
- (3) On July 30, 2020, the California Supreme Court issued a decision in the Alameda County Deputy Sheriff's Assn. et al., v. Alameda County Employees' Retirement Assn. litigation that clarified what should be considered compensation earnable for Tier 1 members and pensionable compensation for Tier 2 members for that and other similarly situated 1937 Act county employees' retirement systems.

See accompanying notes to the Required Supplementary Information.

Notes to the Required Supplementary Information

(Unaudited) (Continued)

Actuarial Valuation Methods and Assumptions Used in Determining Total Pension Liability

The net pension liability (NPL) of participating employers was measured as of June 30, 2016 through 2025 and determined based upon the total pension liability from actuarial valuations as of June 30, 2016 through 2025, respectively.

Changes in Benefit Terms

There were no changes in benefit terms for the years ended June 30, 2016 through 2025.

Changes of Methods and Assumptions

The actuarial methods and assumptions used in actuarial valuations, for the years ended June 30, 2014 through 2025, were based on the results of Board approved triennial actuarial experience studies prepared by the Plan's independent actuary. The actuarial methods and assumptions used in determining the net pension liability are the same actuarial methods and assumptions used in determining contribution rates, except for the asset valuation method. For purposes of determining net pension liability, the fair value of assets was used for the years ended June 30, 2014 through 2025. See schedules of changes to actuarial methods and assumptions shown on the following page for actuarial methods and assumptions used for the years ended June 30, 2014 through 2025. Note: The discount rate of return used for the years ended June 30, 2014 through 2025 is equal to the investment rate of return shown on the following page.

Actuarially determined contributions are established and may be amended by the Board, based on an annual actuarial valuation and review, pursuant to Article 1 of the CERL. The actuarially determined contribution rates in the Schedule of Employer Contributions are calculated as of June 30, two years prior to the end of the year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule for the years ended June 30, 2016 through 2025 (adjustments were made to more closely reflect actual experience unless indicated otherwise).

Notes to the Required Supplementary Information

(Unaudited) (Continued)

SCHEDULE OF ACTUARIAL EXPERIENCE STUDIES

For the Years Ended June 30, 2014 through 2025

Years Ended June 30	Date of Actuarial Experience Study	Periods Covered in Actuarial Experience Study
2014 to 2016	June 30, 2014	3 Year Period Ended 6/30/2013
2017 to 2019	June 30, 2017	3 Year Period Ended 6/30/2016
2020 to 2022	June 30, 2020	3 Year Period Ended 6/30/2019
2023 to 2025	June 30, 2023	3 Year Period Ended 6/30/2022

SCHEDULE OF CHANGES TO ACTUARIAL ECONOMIC ASSUMPTIONS

For the Years Ended June 30, 2014 through 2025

Years Ended June 30	Investment Rate of Return	Projected Salary Increases (General)	Projected Salary Increases (Safety)	Inflation	Wage Inflation	Cost of Living ¹	Administrative Expenses
2014 to 2016	7.50%	4.60% to 13.75%	4.55% to 13.75%	3.25%	3.75%	2.00%	0.60% of payroll ²
2017 to 2019	7.25%	4.50% to 14.50%	4.70% to 14.50%	3.00%	3.50%	2.00%	0.70% of payroll ²
2020 to 2022	7.25%	4.55% to 12.75%	4.75% to 12.25%	2.75%	3.25%	2.00%	0.85% of payroll ²
2023 to 2025	7.25%	4.30% to 9.50%	4.75% to 10.00%	2.50%	3.00%	2.00%	0.90% of payroll ²

SCHEDULE OF CHANGES TO AMORTIZATION METHODS

For the Years Ended June 30, 2016 through 2025

Years Ended June 30	Actuarial Cost Method	Amortization Method ³	Remaining Amortization Period ⁴	Asset Valuation Method
2016 to 2025	Entry age	Level percent of payroll	20-year closed period	5-year smoothed market

(1) Cost-of-living adjustments are contingent upon the consumer price index with a 2.00% maximum.

(2) Allocated to both the employer and member based on the components of the total contribution rate (before expenses) for the employer and member.

(3) See Schedule of Changes to Actuarial Economic Assumptions for the wage inflation used.

(4) Effective June 30, 2012, any temporary change in UAAL that arises due to Plan amendments is amortized over its own declining 15- year period (with exception of a change due to retirement incentives, which is amortized over a declining period of up to five years).

Notes to the Required Supplementary Information

(Unaudited) (Continued)

SCHEDULE OF CHANGES TO ACTUARIAL NON-ECONOMIC ASSUMPTIONS

Years Ended June 30	Marriage Assumption ¹	Mortality Rates ² (General)	Mortality Rates ² (Safety)	Reciprocity Assumption	Deferral Age for Vested Terminations
2014 to 2016	Male members 70% Female members 55%	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020: DML - SF seven years DFL - SF eight years	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020: ML - SB two years FL - SB one year DM - SF two years	General members 40% Safety members 50%	General members Age 58 Safety members Age 52
2017 to 2019	Male members 65% Female members 55%	RP-2014 Healthy Annuitant Mortality Table projected generationally with two- dimensional MP-2016 projection scale: ML - SF one year DM - SF seven years	RP-2014 Healthy Annuitant Mortality Table projected generationally with two- dimensional MP-2016 projection scale: M - SB one year DM - SB one year	General members 40% Safety members 60%	General members Age 59 Safety members Age 53
2020 to 2022	Male members 65% Female members 55%	Pub-2010 Amount- Weighted Above- Median Mortality Table projected generationally with two-dimensional MP-2019 projection scale: General Retirees - 10% increase Beneficiaries - General Contingent - 10% increase	Pub-2010 Amount- Weighted Above- Median Mortality Table projected generationally with two-dimensional MP-2019 projection scale	General members 40% Safety members 65%	General members Age 59 Safety members Age 53
2023 to 2025	Male members 65% Female members 50%	Pub-2010 Amount- Weighted Above- Median Mortality Table projected generationally with two-dimensional MP-2019 projection scale: General Retirees - 10% increase Beneficiaries - General Contingent - 10% increase	Pub-2010 Amount- Weighted Above- Median Mortality Table projected generationally with two-dimensional MP-2019 projection scale	General members 40% Safety members 65%	General members Age 59 Safety members Age 52

(1) Assumed married at retirement or pre-retirement death.

(2) Type of Member: M = Member; ML = Male Member; FL = Female Member; DM = Disabled Member; DML = Disabled Male Member; DFL = Disabled Female Member. Mortality Table Type: SB = Set Back; SF = Set Forward.

Note: The probabilities of separation from active service and expectation of life are adjusted every three years with the actuarial experience study.

Other Supplementary Information

SCHEDULE OF INVESTMENT EXPENSES

For the Years Ended June 30, 2025 and 2024
(Amounts in Thousands)

Type of Investment Expense	2025	2024
Investment Manager's Advisement Fees		
Equity Managers		
Domestic	\$ 7,970	\$ 28,019
International	6,157	3,956
Total Equity Managers	14,127	31,975
Fixed Income Managers		
Domestic	18,724	19,907
International	24,039	26,633
Total Fixed Income Managers	42,763	46,540
Alternative Managers	95,327	85,926
Total Investment Manager's Advisement Fees	152,217	164,441
Other Investment Advisement Fees		
Consultant Fees	2,315	2,487
Custodian Fees	1,399	1,432
Legal Fees	192	334
Total Investment Advisement Fees¹	156,123	168,694
Other Investment Expenses		
Other Investment Expenses ²	60,246	55,265
Investment Department Expenses	3,800	3,210
Total Other Investment Expenses	64,046	58,475
Securities Lending Rebates & Bank Charges	3,929	5,584
Total Investment Expenses	\$ 224,098	\$ 232,753

- (1) Advisement fees include amounts for investment management fees and performance fees. It does not include unrealized carried interest allocations.
- (2) These costs include, but are not limited to, foreign income tax and other indirect flow-through investment expenses such as organizational expenses in limited partnership structures.

Other Supplementary Information

(Continued)

SCHEDULE OF ADMINISTRATIVE AND OTHER EXPENSES

For the Years Ended June 30, 2025 and 2024 (Amounts in Thousands)

	2025	2024
Actuarial Accrued Liability (AAL)¹	\$ 16,446,672	\$ 15,630,124
Statutory Limit for Administrative Expenses (AAL x 0.21%)	34,538	32,823
Administrative Expenses Subject to Statutory Limit		
Personnel Services	9,464	9,225
Professional Services	779	1,199
Operational Miscellaneous	3,276	3,049
Total Administrative Expenses Subject to Statutory Limit	13,519	13,473
Other Expenses Not Subject to Statutory Limit		
Actuarial Services	138	364
Legal Services (Non-Investment)	2,467	2,229
Technology Infrastructure	4,849	4,320
Total Other Expenses Not Subject to Statutory Limit	7,454	6,913
Total Administrative and Other Expenses²	\$ 20,973	\$ 20,386

(1) Refer to Note 2 - Summary of Significant Accounting Policies (see section for Administrative Expenses) for further information.

(2) Does not include investment expenses, see Schedule of Investment Expenses for further information.

SCHEDULE OF PAYMENTS TO CONSULTANTS

For the Years Ended June 30, 2025 and 2024 (Amounts in Thousands)

Type of Service	2025	2024
Payments to Consultants Subject to the Statutory Limit		
Actuarial Services	\$ 10	\$ 10
Agreed Upon Procedures	—	40
Audit Services	52	69
Communication Services	—	21
Human Resource Services	—	—
Medical/Disability Services	513	896
Total Payments to Consultants Subject to the Statutory Limit¹	575	1,036
Payments to Consultants Not Subject to the Statutory Limit		
Actuarial Services	138	364
Custodian Services	1,399	1,432
Information Technology Services	135	129
Investment Services	2,315	2,487
Legal Services	877	1,038
Total Payments to Consultants Not Subject to the Statutory Limit	4,864	5,450
Total Payments to Consultants	\$ 5,439	\$ 6,486

(1) Pursuant to GC section 31580.2, administrative expenses incurred in any one year are not to exceed twenty-one hundredths of one percent (0.21%) of SBCERA's actuarial accrued liabilities. Refer to Note 2—Summary of Significant Accounting Policies for further information.

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Investments Section

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Our job is crucial because it directly impacts the lives of our members, ensuring their hard work is honored with the returns they deserve.

TOM KIM

Senior Investment Officer
SBCERA

WE ARE
SB | *cera*

Report on Investment Activity



Samuel M. Austin, III
Partner
September 1, 2025

Board of Retirement
San Bernardino County Employees' Retirement Association
348 West Hospitality Lane, Third Floor
San Bernardino, CA 92415-0014

Dear Board Members:

The overall objective of the San Bernardino County Employees' Retirement Association ("SBCERA") is to ensure continued access to retirement, disability and survivor benefits for current and future SBCERA participants. To ensure a solid foundation for the future of the SBCERA investment portfolio (the "Fund"), SBCERA carefully plans and implements an investment program designed to produce superior long-term investment returns, while prudently managing the risk in the portfolio. Investment policy and asset allocation are reviewed and revised by the Board of Retirement, at least annually, to reflect the Fund's actuarial assumptions, accrued liabilities, and economic and investment outlook. The following is a report on the performance of the Fund for the year ending June 30, 2025, with background on the underlying capital market environment.

Market Review for the Year Ended June 30, 2025

Fiscal year 2025 ended with strong returns in both risky assets like stocks and high yield bonds in addition to safe-haven assets like U.S. high quality fixed income. Equities had a turbulent path in the second half of the fiscal year, with U.S. equities posting the worst week since the Covid pandemic at the beginning of the second quarter of 2025 amid announcements of harsh tariffs, before rebounding as the Trump administration walked back on the timing and severity of its trade policies. The S&P 500 Index ultimately surged to new all-time highs by the end of the fiscal year, returning 15.2% for the one-year period. Non-U.S. equities benefitted from a weaker dollar and improving trade dynamics, returning 17.7% as measured by the MSCI ACW ex-U.S. Index. Interest-sensitive fixed income had positive performance for the year with U.S. high quality fixed income returning 6.1%, as represented by the Bloomberg U.S. Aggregate Bond Index, and Treasuries returning 5.3%, as represented by the Bloomberg U.S. Treasury Index. The U.S. economy decelerated during the first half of calendar year 2025, with trade policies and tariff uncertainties impacting economic growth. Inflation made progress toward the Federal Reserve's target but new tariff announcements raised concerns about potential inflationary impacts. The labor market displayed signs of cooling, as downward revisions to job growth reports suggested a weakening private sector. After delivering rate cuts in the second half of calendar year 2024, the Fed adopted a "wait and see" approach during 2025 due to persistent inflation and policy uncertainties, with market expectations pointing to potential rate cuts starting in the latter half of 2025.

The SBCERA Investment Portfolio

The SBCERA investment portfolio returned 8.7%, net of fees, for the year ended June 30, 2025, and underperformed its benchmark return by 2.8%. The median fund in the InvMetrics peer group universe of large public funds returned 10.3% in the same period. The Fund's five-year return, net of fees, was 10.7%, which outperformed the policy benchmark by 3.7% and ranked in the 8th percentile of the peer group. That is, in the past five years, SBCERA's returns were higher than 92% of its peer group.

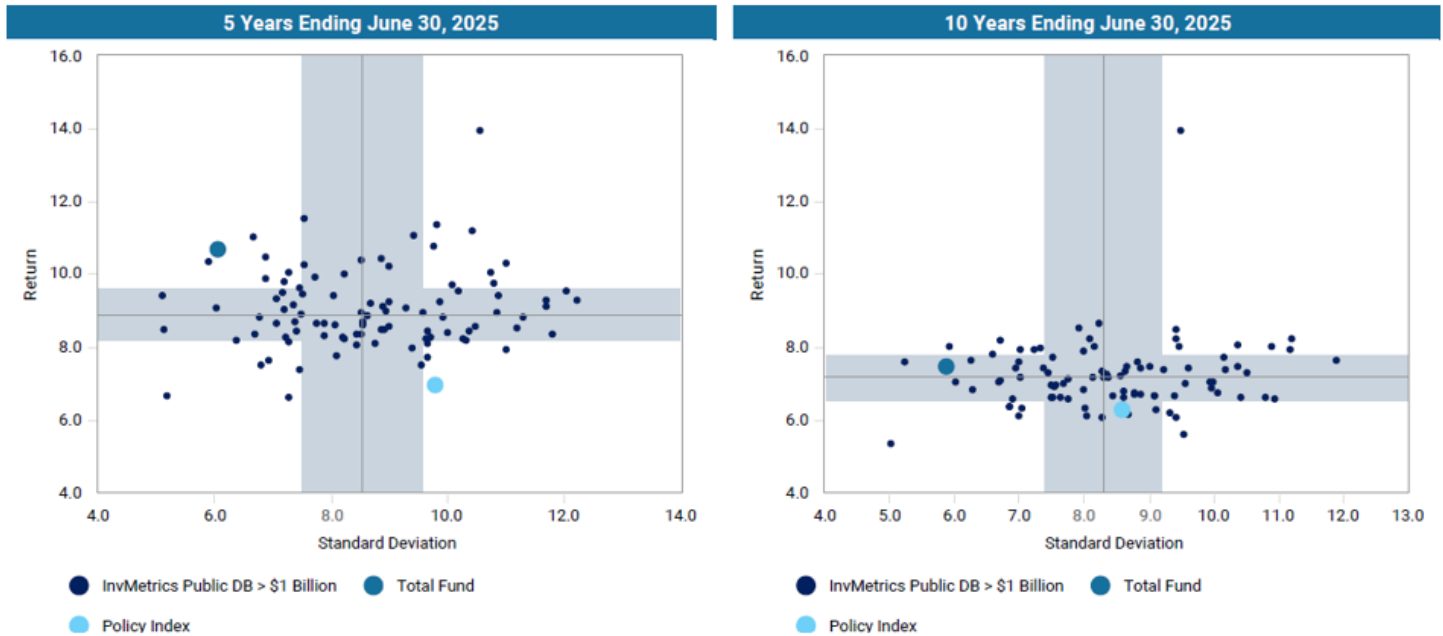
www.NEPC.com | 617.374.1300

Report on Investment Activity

(Continued)

Over the past 10 years, the Fund's return of 7.5%, net of fees, outperformed the actuarial rate of return of 7.25% and ranked in the 31st percentile in its peer group. Assessing SBCERA's risk profile, the 5-year and 10-year standard deviations ranked in the 5th and 2nd percentiles, respectively, in its peer group, signifying volatility at the lower end amongst its universe of peers. The portfolio had risk-adjusted returns (as measured by the Sharpe Ratio) that ranked in the 1st percentile over 5 years and the 4th percentile over 10 years.

InvMetrics Public Funds Greater than \$1 Billion Universe Risk-Return Comparison (Net of Fees)



As strong capital market returns were realized across risky assets like stocks in the past fiscal year, as expected, SBCERA returns trailed plans with a greater allocation to stocks. NEPC continues to be supportive of SBCERA's chosen asset allocation which reduces the Fund's volatility risk to more consistently meet its actuarial targets. Lower public equity exposure and broader diversification can help protect portfolios from significant declines. SBCERA's portfolio continues to be positioned to take advantage of contractual income-based investments which have often produced superior risk-adjusted returns over the last decade.

NEPC, LLC serves as SBCERA's independent investment consultant and provides SBCERA with asset allocation guidance, quarterly economic and investment market updates and performance reviews, together with investment manager monitoring and selection advice. SBCERA's custodian, State Street Bank and Trust Company, independently prepared the underlying performance data used in this report. Rates of return are represented using a time-weighted rate of return methodology based upon reported market values as of June 30, 2025. At that time a significant portion of SBCERA's assets were invested in private market instruments, which reflected March 31, 2025 valuations.

Sincerely,

Samuel M. Austin, III, Partner

Outline of Investment Policies

As of June 30, 2025

General

The overall goal of SBCERA's investment program is to provide members with retirement benefits as required by the California County Employees Retirement Law of 1937 (CERL). This is accomplished by employer and member contributions and the implementation of a carefully planned and executed long-term investment program. The Board has exclusive control of all investments of the Plan and is responsible for the establishment of investment objectives, strategies, and policies. The Board is composed of nine members and three alternates.

- The San Bernardino County Treasurer who serves in the capacity of ex-officio member (along with one alternate).
- Four members are appointed by the San Bernardino County Board of Supervisors.
- Two members are elected by active General members.
- One member is elected by active Safety members (along with one alternate).
- One member is elected by retired members (along with one alternate).

The Board is authorized to invest in any form or type of investment deemed prudent in the informed opinion of the Board. Members of the Board serve in a fiduciary capacity and must discharge their duties with respect to SBCERA and the investment portfolio in the following manner.

- Solely in the interest of and for the exclusive purpose of providing benefits to members and their beneficiaries; minimizing contributions thereto; and defraying reasonable expenses of administering the Plan.
- With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.
- To diversify the investments of the Plan so as to minimize the risk of loss and to maximize the rate of return, unless under circumstances it is clearly prudent not to do so.

Summary of Investment Objectives

The Board has adopted the Investment Plan, Policy, and Guidelines, which provide the framework for the management of SBCERA's investments. The Investment Plan, Policy, and Guidelines establishes investment program goals, asset allocation policies, performance objectives, investment management policies, and risk controls. It also defines the principal duties of the Board and investment staff.

SBCERA's primary investment objective is to efficiently allocate and manage the assets on behalf of the members and their beneficiaries. These assets are managed on a total return basis. While recognizing the importance of the "preservation of capital," SBCERA also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns in the long term.

The total investment portfolio return, over the long term, is directed toward achieving and maintaining a fully-funded status for the Plan. Prudent risk-taking is warranted within the context of overall portfolio diversification to meet this objective. These activities are executed in a manner that serves the best interests of SBCERA's members and their beneficiaries.

Outline of Investment Policies

As of June 30, 2025
(Continued)

Asset Allocation

A pension trust fund's strategic asset allocation policy, implemented in a consistent and timely manner, is generally recognized to be the largest determinant of investment performance. The asset allocation process determines an optimal long-term asset class mix (target allocation), which is expected to achieve a specific set of investment objectives.

Effective July 1, 2024, the Board adopted a new asset allocation plan. The following factors were used to determine this new plan:

- Projected actuarial assets, liabilities, benefit payments, and contributions
- Historical and expected long-term capital market risk and return behavior
- Future economic conditions, including inflation and interest rate levels
- SBCERA's current and projected funding status

Over time, the Board implements the asset allocation plan by hiring investment managers to invest assets on SBCERA's behalf.

Use of Proxies

SBCERA has adopted a proxy voting policy which best serves the economic interest of its beneficiaries. Investments in equity securities in particular are best viewed within the context of a long-term time horizon. The resolution of management and shareholder issues must be directed towards maximizing equity value, not to entrench the current management team or alternatively, to subject the company to excessive outside influences. SBCERA will support management if management's position appears reasonable, is not detrimental to the value of equity ownership, and reflects consideration of the impact of societal values and attitudes on the long-term viability of the corporation.

SBCERA shall support requests for additional disclosure if the requested information is on a subject relevant to the corporation's business, if it is of value to a majority of shareholders in evaluating the corporation or its managers, if the costs of disclosure are reasonable, and if the information to be disclosed will not disadvantage the corporation either competitively or economically.

Investment Professionals

As of June 30, 2025

Investment Managers

Domestic Equity

State Street Global Advisors

International Equity

State Street Global Advisors

Wasatch Global Investors

William Blair Investment Management

Domestic Fixed Income

Apollo Global Management, LLC

Bardin Hill Investment Partners

Beach Point Capital Mgmt, LP

GoldenTree Asset Mgmt, LP

Kayne Anderson Capital Advisors, LP

Waterfall Asset Management, LLC

Global Fixed Income

Alcentra Ltd

Gramercy Funds Mgmt, LLC

Marathon Asset Mgmt, LP

Polus Capital Management Limited

Principal Global Investors, LLC

Private Equity

Adams Street Partners, LLC

Apollo Global Management, LLC

Ares Management, LLC

Aurora Capital Group

Crestline Management, LP

Industry Ventures, LLC

Kayne Anderson Cap Advisors, LP

Lexington Partners

LuminArx

Partners Group

Pathway Capital Management, LLC

Patria Investments

Redding Ridge Asset Management, LLC

Tennenbaum Capital Partners, LLC

The Catalyst Capital Group, Inc

Waterfall Asset Management, LLC

Absolute Return

Apollo Global Management, LLC

Ares Management, LLC

Birch Grove Capital, LP

Corrum Capital

State Street Global Advisors

ZAIS Group, LLC

Timber

Domain Timber Advisors

Infrastructure

Kayne Anderson Cap Advisors, LP

Commodities

Energy Spectrum Capital

Pinnacle Asset Management, LP

Real Estate

Angelo, Gordon & Co., L.P.

Apollo Global Management, LLC

Bryanston Realty Partners, LLC

Fortress Investment Group, LLC

Invesco Real Estate Management

Kayne Anderson Cap Advisors, LP

Oaktree Capital Management, LP

Partners Group

PGIM, Inc.

Starwood Cap Group Global, LLC

Tricon Capital Group, Inc

Walton Street Capital, LLC

Short-Term Cash Investment Funds

State Street Global Advisors

Consultants

Chantico Global, LLC

Kreischer Miller

Mcube Investment Technologies

NEPC, LLC

Custodial Services

State Street Bank & Trust Company

Legal Counsel

Capital Investment Counsel LLC

Hills Stern LLP

Nossaman LLP

Morgan, Lewis & Bockius, LLP

Investment Results

As of June 30, 2025

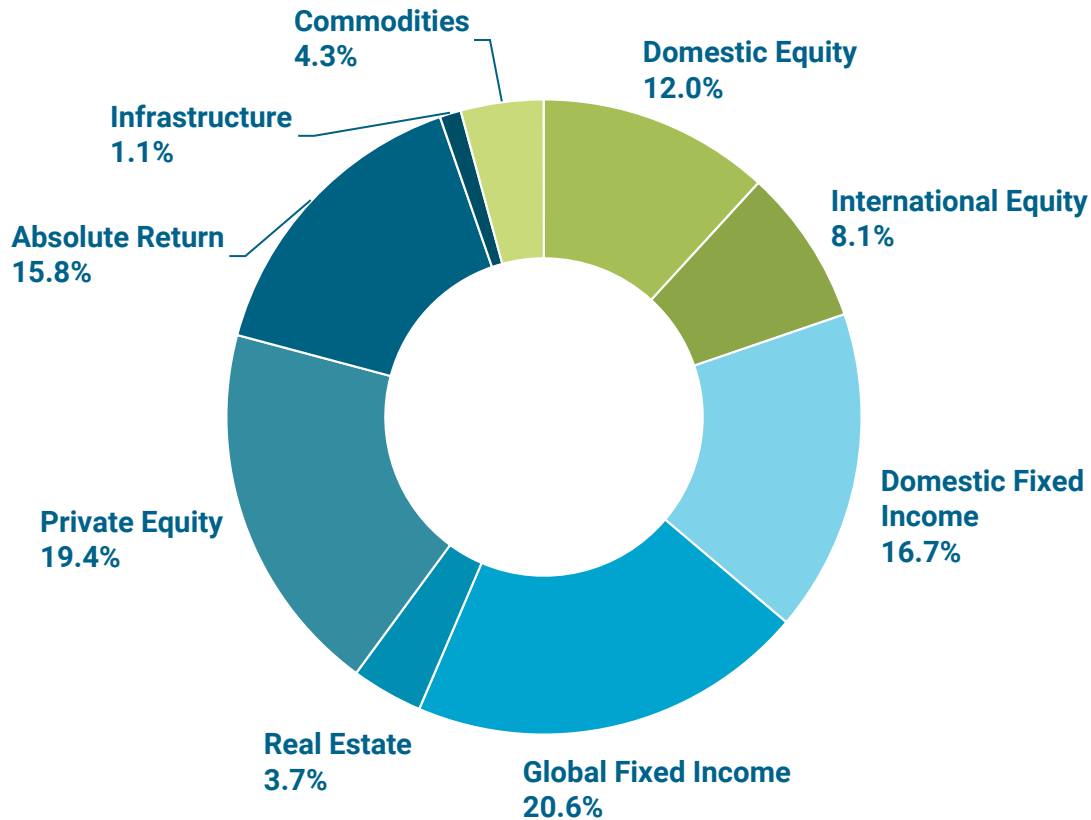
	Current Year 2025	Annualized 3 year	Annualized 5 year
Total Portfolio	8.7%	7.7%	10.7%
<i>SB Policy Benchmark</i>	11.5%	9.7%	7.0%
Cash Equivalents	5.5%	5.1%	3.0%
<i>BofA ML 3-Month T-Bill Benchmark</i>	4.7%	4.6%	2.8%
Equity Segment			
Domestic Equity	15.2%	16.9%	14.1%
<i>Russell 3000 Benchmark</i>	15.3%	19.1%	16.0%
Emerging Markets Equity	10.3%	5.8%	3.5%
<i>MSCI Emerging Markets Benchmark</i>	15.3%	9.7%	6.8%
International Equity	15.0%	9.4%	5.7%
<i>MSCI AC World ex USA Benchmark</i>	18.4%	14.6%	10.7%
Fixed Income Segment			
Domestic Fixed Income	9.5%	8.5%	10.0%
<i>CS Leveraged Loan/ICE BofA US High Yield Benchmark</i>	8.3%	9.4%	6.4%
Global and Emerging Market Fixed Income	8.7%	9.3%	9.1%
<i>Bloomberg Global Aggregate ex US Benchmark</i>	11.2%	2.7%	(1.6)%
Real Asset Segment			
Real Estate	1.1%	(2.6)%	4.1%
<i>NCREIF Property Benchmark</i>	2.7%	(2.1)%	3.2%
Infrastructure	23.9%	18.0%	26.0%
<i>Real Assets Custom Blend Benchmark</i>	2.3%	0.7%	9.0%
Commodities	1.8%	5.8%	10.2%
<i>S&P GSCI Composite Benchmark</i>	0.3%	(0.4)%	17.7%
Other Alternative Segment			
Private Equity/Venture Capital	8.5%	4.6%	16.9%
<i>Cambridge Associates PE Benchmark</i>	6.7%	2.4%	14.9%
Absolute Return	4.9%	8.5%	8.4%
<i>91 Day T-Bill + 3% Benchmark</i>	7.8%	7.7%	5.8%

Note: Calculations were prepared using a time-weighted rate of return and are net of fees.

Asset Allocation

As of June 30, 2025

TARGET VS. ACTUAL ASSET ALLOCATION PERCENTAGES

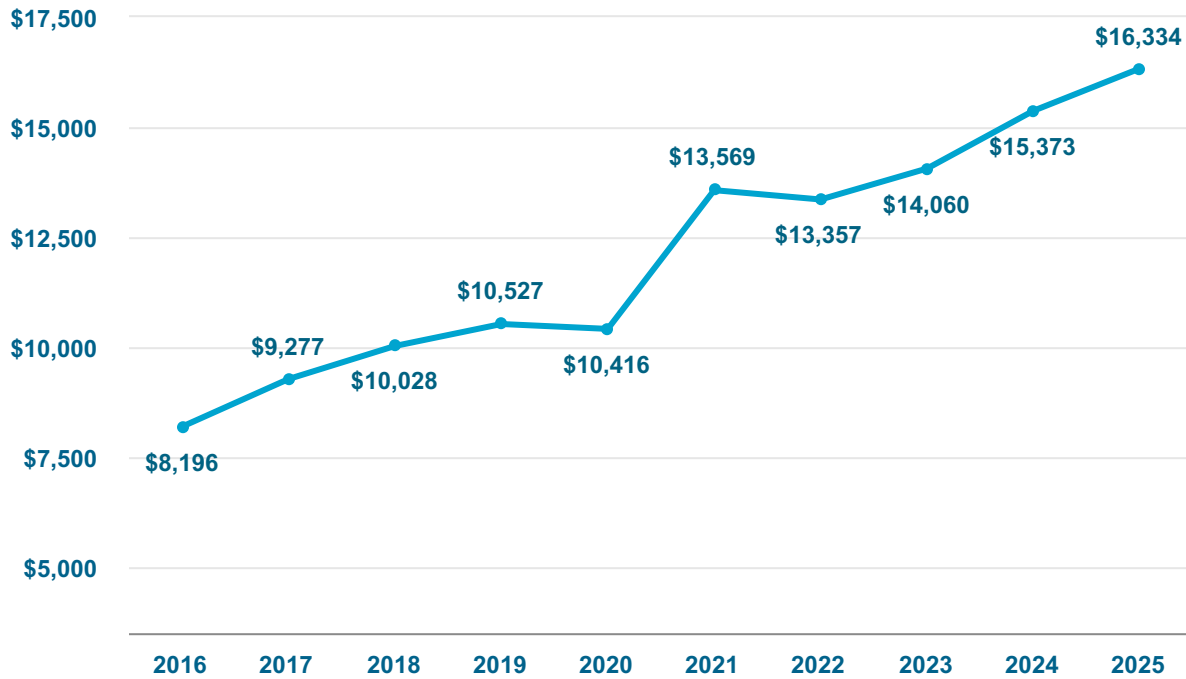


	Actual	Target	Target Ranges	
			Minimum	Maximum
Domestic Equity	12.0%	17%	10%	27%
International Equity	8.1%	13%	8%	18%
Domestic Fixed Income	16.7%	15%	10%	20%
Global Fixed Income	20.6%	17%	11%	21%
Real Estate	3.7%	5%	—%	10%
Private Equity	19.4%	18%	6%	23%
Absolute Return	15.8%	7%	—%	12%
Infrastructure	1.1%	2%	—%	6%
Commodities	4.3%	4%	(1)%	7%
Short-Term Cash Investment Funds	(1.7)%	2%	—%	10%

Note: The amounts in the pie chart above exceed 100% due to the negative allocation to Short-Term Cash Investment Funds.

FAIR VALUE GROWTH OF PLAN ASSETS HELD FOR INVESTMENTS

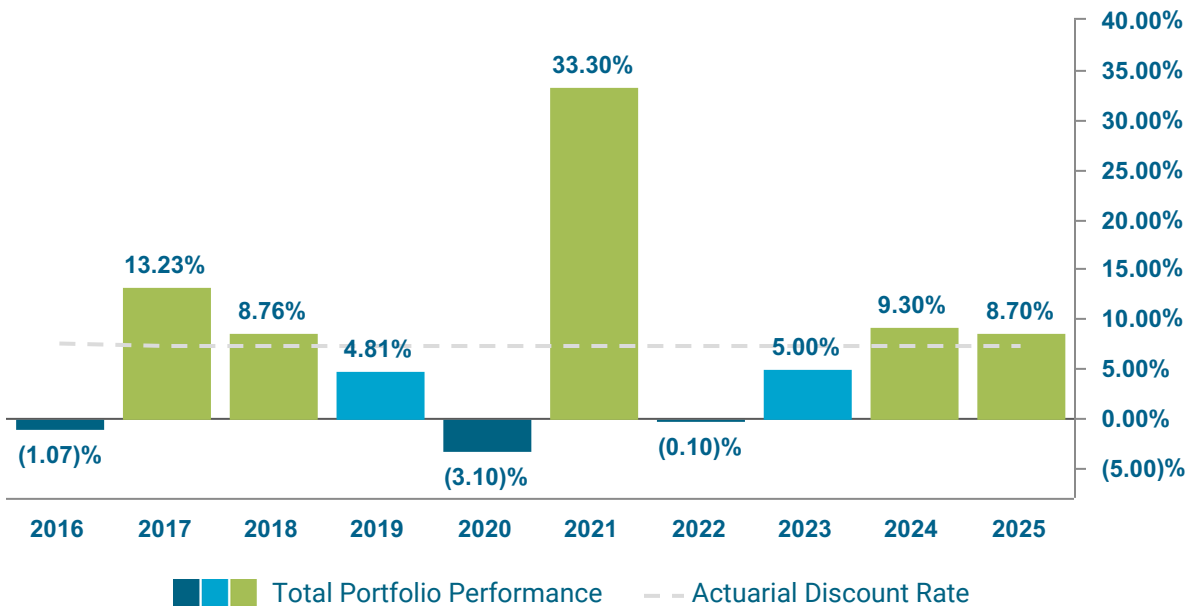
For the Years Ended June 30, 2016 through 2025 (Amounts in Millions)



Note: This chart depicts growth of plan assets held for investment excluding investments of cash collateral received on securities lending transactions.

HISTORY OF INVESTMENT PERFORMANCE

For the Years Ended June 30, 2016 through 2025 (Based on Fair Value)



Note: Calculations were prepared using a time-weighted rate of return and are net of fees.

List of Largest Assets Held

As of June 30, 2025

(Amounts in Thousands) (By Fair Value)

EQUITY HOLDINGS

Description	Shares	Fair Value
Kayne Anderson BDC Inc Common Stock	4,784	\$ 73,004
Pierre + Vacances Common Stock	26,093	53,725
Energy Transfer LP MLP	1,628	29,509
Enterprise Products Partners MLP	906	28,099
Williams Cos Inc Common Stock	368	23,136
MPLX LP MLP	418	21,545
Ready Capital Corp	3,909	17,082
Hess Midstream LP Class A Common Stock	425	16,363
MAM Engine Leasing	15,055	15,194
Cheniere Energy Inc	62	15,095
Total of Largest Equity Holdings		\$ 292,753
Total Equity Holdings		\$ 3,826,053

FIXED INCOME HOLDINGS

Description	Par	Fair Value
AP Grange Holdings LLC AA7	\$ 55,000	\$ 55,825
Treasury Bill 11/25	40,000	39,312
Treasury Bill 1/26	40,000	39,164
Treasury Bill 11/25	39,000	38,363
AP Grange Holdings LLC AB5	30,000	30,300
Treasury Bill 11/25	30,000	29,558
Treasury Bill 11/25	30,000	29,535
Treasury Bill 12/25	30,000	29,416
Treasury Bill 12/25	30,000	29,390
Alvotech Holdings SA	28,247	28,600
Total of Largest Fixed Income Holdings		\$ 349,463
Total Fixed Income Holdings		\$ 2,025,063

Note: The holdings presented above pertain to holdings of equity interests or individual securities. They do not reflect SBCERA's investments in commingled funds and may not be publicly traded. A complete list of portfolio holdings is available upon request.

Schedule of Fees and Commissions

For the Year Ended June 30, 2025

(Amounts in Thousands)

FEES

Type of Fees	Assets Under Management at Fair Value	Fees ¹
Investment Managers' Advisement Fees		
Equity Managers	\$3,826,053	\$ 14,127
Fixed Income Managers	2,025,063	42,763
Real Estate Managers	11,544	—
Alternative Managers	8,521,030	95,327
Short-Term Cash & Securities Lending Collateral	2,049,085	—
Total Investment Managers' Advisement Fees	\$ 16,432,775	\$ 152,217
Other Investment Advisement Fees		
Consultant Fees		\$ 2,315
Custodian Fees		1,399
Legal Services		192
Total Investment Advisement Fees		\$ 156,123
Securities Lending Fees		\$ 3,929
Total Fees		\$ 160,052

COMMISSIONS

Brokerage Firm	Total Shares Traded (Actual Shares)	Commissions Per Share (Actual Dollars)	Total Commissions	% of Total Commissions ³
Morgan Stanley	1,811,422	\$ 0.230	\$ 416	53.33 %
Goldman Sachs	4,486,719	0.020	91	11.67 %
UBS	7,189,773	0.001	66	8.46 %
Bank of America	24,067,170	0.002	43	5.51 %
Jefferies	4,849,739	0.005	24	3.08 %
RBC	987,300	0.025	24	3.08 %
RBC	2,788,545	0.009	24	3.08 %
JP Morgan	530,913	0.044	23	2.95 %
Other ²	3,663,396	Various ²	69	8.84 %
Total	50,374,977		\$ 780	100.00 %

(1) Fees include amounts for investment management fees and performance fees. It does not include unrealized carried interest allocations and other indirect flow-through investment expenses such as organizational expenses in limited partnership structures.

(2) Includes approximately 28 additional firms, each with less than 2.00% of total commissions. The average commission per share is \$0.0315.

(3) Results are adjusted for rounding.

Note: SBCERA has commission recapture arrangements with Russell Investment Group.

Investment Summary

As of June 30, 2025

(Amounts in Thousands)

Type of Investment	Fair Value	Percent of Total Fair Value
Short-Term Cash Investment Funds	\$ 1,950,357	11.87%
Emerging Market Debt	42,835	0.26%
U.S. Government Obligations and Other Municipals	286,588	1.74%
Domestic Bonds	742,666	4.52%
Foreign Bonds	952,974	5.80%
Domestic Common and Preferred Stock	2,977,724	18.12%
Foreign Common and Preferred Stock	848,329	5.16%
Investments of Cash Collateral Received on Securities Lending	98,728	0.60%
Real Estate	11,544	0.07%
Domestic Alternatives	6,630,159	40.35%
Foreign Alternatives	1,890,871	11.51%
Total Investments, at Fair Value	\$ 16,432,775	100.00%

Actuarial Section

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Every day, I strive to give it my all for the San Bernardino community. Helping people one person at a time is the best way for me to give back.

SOFIA LA ROCCO

Deputy Sheriff

San Bernardino County Sheriff's Department



WE ARE
SB *cera*

Actuary's Certification Letter



October 7, 2025

Board of Retirement
San Bernardino County Employees' Retirement Association
348 West Hospitality Lane, Suite 100
San Bernardino, CA 92408

**Re: San Bernardino County Employees' Retirement Association (SBCERA)
Actuarial Valuation and Review as of June 30, 2025**

Dear Members of the Board:

Segal prepared the San Bernardino County Employees' Retirement Association (SBCERA) Actuarial Valuation and Review as of June 30, 2025. We certify that the valuation was performed in accordance with generally accepted actuarial principles and practices and SBCERA's funding policy that was last reviewed with the Board of Retirement in 2024. In particular, it is our understanding that the assumptions and methods used for funding purposes meet the guidance provided by the Actuarial Standards of Practice (ASOPs).

As part of the Actuarial Valuation and Review as of June 30, 2025, Segal conducted an examination of all participant data for reasonableness. However, the scope of this examination does not qualify as an audit. Summaries of the employee data used in performing the actuarial valuations over the past several years are provided in our valuation report. We did not audit the Association's financial statements, however, the Association's auditor attested to the accuracy of the Association's financial statements. For actuarial valuation purposes, retirement plan assets are valued at actuarial value. Under this method, the assets used to determine employer contribution rates take into account fair value by recognizing the differences between the total return at fair value and the expected investment return over a five-year period. Deferred investment gains and losses as of June 30, 2023 have been combined and will be recognized in equal amounts over a period of four years from that date.

One of the general goals of an actuarial valuation is to establish contribution rates, which over time will remain level as a percentage of payroll for each generation of active members. Actuarial funding is based on the entry age cost method. Under this method, the employer contribution rate provides for current cost (normal cost) plus a level percentage of payroll to amortize any unfunded actuarial accrued liability (UAAL).

In 2002, the Board of Retirement elected to amortize the Association's UAAL as of June 30, 2002 over a declining (or closed) 20-year period. Any change in UAAL that arises due to actuarial gains or losses or due to changes in actuarial assumptions or methods at each valuation after June 30, 2002 is amortized over its own declining (or closed) 20-year period. Effective with the June 30, 2012 valuation, any change in UAAL that arises due to plan amendments is amortized over its own declining (or closed) 15-year period (with the exception of a change due to retirement incentives, which is amortized over its own declining (or closed) period of up to 5 years). The progress being made towards meeting the funding objective through June 30, 2025 is illustrated in the Schedule of Funding Progress.

Actuary's Certification Letter

(Continued)

Board of Retirement
San Bernardino County Employees' Retirement Association
October 7, 2025
Page 2

Certain information found in the Notes to the Basic Financial Statements and the Required Supplementary Information (RSI) included in the Financial Section was prepared by the Association based on the results of the Governmental Accounting Standards Board Statement No. 67 (GASB 67) Actuarial Valuation as of June 30, 2025 prepared by Segal. For the Financial Section of the Annual Comprehensive Financial Report (ACFR), Segal provided the Schedule of Changes in Net Pension Liability of Participating Employers and Related Ratios and Schedule of Employer Contributions as shown in the RSI. A listing of the other supporting schedules prepared by the Association based on additional information provided by Segal and the results of the actuarial valuation as of June 30, 2025 for funding purposes is listed below.

- Schedule of Funding Progress
- Development of Actuarial Value of Assets
- Schedule of Active Member Valuation Data
- Schedule of Retirees and Beneficiaries
- Schedule of Funded Liabilities by Type
- Analysis of Financial Experience
- Ratio of Current Compensation-to-Compensation Anticipated at Retirement
- Probabilities of Separation from Active Service
- Expectation of Life
- Retirees and Beneficiaries Added to and Removed from Rolls
- Retired Members by Type of Benefit
- Average Benefit Payments
- Membership History
- Average Monthly Retirement Benefits

Actuary's Certification Letter

(Continued)

Board of Retirement
San Bernardino County Employees' Retirement Association
October 7, 2025
Page 3

The valuation assumptions included in the Actuarial Section were adopted by the Board of Retirement based on the 2023 Actuarial Experience Study (for both the economic and non-economic assumptions). It is our opinion that the assumptions used in the June 30, 2025 valuation produce results, which, in aggregate, reflect the future experience of the retirement plan. Actuarial valuations are performed on an annual basis. An experience analysis is performed every three years and the next experience analysis is due to be performed in 2026.

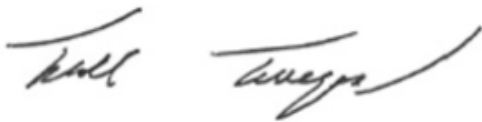
In the June 30, 2025 valuation, the ratio of the actuarial value of assets to actuarial accrued liabilities (funded percentage) increased from 87.3% to 88.8%. The average employer contribution rate has decreased from 27.99% of payroll to 25.67% of payroll, while the average member contribution rate has decreased from 10.32% of payroll to 10.17% of payroll.

Under the asset smoothing method, the total unrecognized investment gain is about \$191 million as of June 30, 2025. This investment gain will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years. The deferred gain of \$191 million represents about 1.2% of the fair value of assets as of June 30, 2025. Unless offset by future investment losses or other unfavorable experience, the recognition of the \$191 million net market gain is expected to have an impact on the Association's future funded ratio and contribution rate requirements. This potential impact may be illustrated as follows:

- If the net deferred gain was recognized immediately in the valuation value of assets, the funded percentage would increase from 88.8% to 89.8%.
- If the net deferred gain was recognized immediately in the valuation value of assets, the average employer contribution rate would decrease from 25.67% to 25.02% of payroll.

The actuarial calculations were directed under the supervision of Molly Calcagno, ASA, Enrolled Actuary, MAAA. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Sincerely,



Todd Tauzer, FSA, MAAA, FCA, CERA
Senior Vice President and Actuary



Molly Calcagno, ASA, MAAA, EA
Senior Actuary

Schedule of Funding Progress

For the Years Ended June 30, 2016 through 2025
(Amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets ^{(1),(2)} (a)	Actuarial Accrued Liability (AAL) ³ (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Projected Total Compensation (c)	UAAL as a Percentage of Projected Total Compensation ((b-a)/c)
6/30/2016	\$8,736,959,429	\$10,669,687,907	\$1,932,728,478	81.89%	\$1,346,408,201	143.55%
6/30/2017	9,385,976,561	11,928,309,718	2,542,333,157	78.69%	1,406,470,110	180.76%
6/30/2018	10,020,862,873	12,604,942,218	2,584,079,345	79.50%	1,477,131,264	174.94%
6/30/2019	10,642,400,992	13,304,683,218	2,662,282,226	79.99%	1,542,495,237	172.60%
6/30/2020	11,133,172,593	14,298,195,718	3,165,023,125	77.86%	1,587,324,431	199.39%
6/30/2021	12,258,924,608	14,957,435,405	2,698,510,797	81.96%	1,626,448,779	165.91%
6/30/2022	13,260,595,543	15,630,124,402	2,369,528,859	84.84%	1,663,990,875	142.40%
6/30/2023	14,157,370,073	16,446,671,652	2,289,301,579	86.08%	1,812,215,938	126.33%
6/30/2024	15,159,419,930	17,372,251,774	2,212,831,844	87.26%	1,985,692,240	111.44%
6/30/2025	16,241,197,095	18,298,768,447	2,057,571,352	88.76%	2,168,103,849	94.90%

- (1) Includes assets held for survivor benefits, burial allowance, general retiree subsidy (GRS), and excess earnings (EE) reserves. Some years may not include the GRS and EE reserves.
- (2) Excludes present value of additional future contributions payable from San Bernardino County to SBCERA related to the Crest Forest Fire District transfer and from the Barstow Fire Protection District and the City of Big Bear Lake (including the Big Bear Fire Authority) to SBCERA for their transfers, if any.
- (3) Includes liabilities held for survivor benefits, burial allowance, general retiree subsidy (GRS), and excess earnings (EE) reserves. Some years may not include the GRS and EE reserves.

Note: Refer to the Required Supplementary Information section (see Schedule of Employer Contributions), and Note 3—Contribution Requirements, for further information.

Latest Actuarial Valuation Methods & Assumptions

As of June 30, 2025

The Entry Age Actuarial Cost Method was used in conjunction with the following actuarial assumptions. The Unfunded Actuarial Accrued Liability (UAAL) is funded over 20 years for all UAAL prior to June 30, 2002. Any changes in UAAL after June 30, 2002, are amortized over a 20-year closed period effective with each valuation. Effective June 30, 2012, any changes in UAAL due to actuarial gains or losses or due to changes in actuarial assumptions or methods will be amortized over a 20-year closed period effective with each valuation. Any change in UAAL that arises due to plan amendments is amortized over its own declining 15-year period (with exception of a change due to retirement incentives, which is amortized over a declining period of up to 5 years). An analysis of the Plan's non-economic experience was last performed as of June 30, 2023, to establish the validity of these assumptions. An actuarial valuation is performed annually. The actuarial assumptions and methods listed below were recommended by the Plan's independent actuary, Segal Consulting, and were approved by the Board.

Investment Rate of Return	7.25% net of pension plan investment expense, including inflation
Interest Credited to Member Accounts	2.50% (Actual rate is based on six-month Treasury rate)
Inflation	2.50% per annum
Salary Scale	As shown in Table on page 114.
Asset Valuation	Smoothed market (five year average); See Development of Actuarial Value of Assets on page 107 which shows the development of the assets. As of June 30, 2025, the net unrecognized deferred return is \$191 million.
Gains and Losses	Gains and losses are reflected in the UAAL. They are funded over the period described above.
Spouses and Dependents	65% of male members and 50% of female members assumed married at retirement or pre-retirement death, with female (or male) members assumed two years younger (or three years older) than their spouses, respectively.
Rates of Termination of Employment	As shown in Table on page 115.
Years of Life Expectancy After Retirement	As shown in Table on page 117
Years of Life Expectancy After Disability	As shown in Table on page 117.
Mortality Rate: General	Healthy - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10%, projected generationally with the two-dimensional mortality improvement scale MP-2021. Disabled - Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.
Safety	Healthy - Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021. Disabled - Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021.
Reciprocity Assumption	40% of General members and 65% of Safety members who terminate with a vested benefit are assumed to enter a reciprocal system. Assume 4.30% and 4.75% compensation increases per annum, respectively.
Deferral Age for Vested Terminations	Age 59 for General members; Age 52 for Safety
Cost-of-Living Adjustment	Contingent upon consumer price index with a 2.00% maximum
Administrative Expense Assumption Load	0.90% of payroll allocated to both the employer and member based on the components of the total average contribution rate (before expenses).

Note: The above methods and assumptions were selected by the Plan's actuary as being appropriate for the Plan and are adopted for the year ended June 30, 2025.

Development of Actuarial Value of Assets

As of June 30, 2025

(Amounts in Thousands)

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to fair value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable. The amount of the adjustment to recognize fair value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

Fair Value of Assets **\$ 16,432,219**

Calculation of Unrecognized Return

	Original Amount	Unrecognized Return	
Year Ended June 30, 2025 ¹	\$ 148,802	\$ 119,041	
Year Ended June 30, 2024 ¹	191,651	114,991	
Year Ended June 30, 2023 ¹	(160,626)	(64,250)	
Year Ended June 30, 2022 ¹	(1,311,435)	(393,430)	
Year Ended June 30, 2021 ¹	2,608,242	521,648	
Year Ended June 30, 2020 ¹	(1,069,778)	(106,978)	
Total Unrecognized Return²			191,022
Actuarial Value of Assets (1) - (2)			16,241,197
Actuarial Value as a Percentage of Market Value (3) / (1)			98.8%
Non-Valuation Reserves			
Burial Allowance Reserve			197
Total			197
Preliminary Valuation Value of Assets (3) - (5)			\$ 16,241,000
Valuation Value of Assets			\$ 16,246,451

(1) Recognized at 20% per year over five years.

(2) Deferred (unrecognized) return amount as of June 30, 2025 recognized in each of the next four years as follows:

(b) Amount recognized during 2025/2026	\$ 46,585
(c) Amount recognized during 2026/2027	46,585
(d) Amount recognized during 2027/2028	68,091
(d) Amount recognized during 2028/2029	29,761

Total \$ 191,022

(3) Includes \$5.8 million that represents the present value of additional future contributions payable from San Bernardino County to SBCERA related to the Crest Forest Fire District transfer, and from the City of Big Bear Lake (including the Big Bear Fire Authority) to SBCERA for their transfers.

Schedule of Active Member Valuation Data

For the Years Ended June 30, 2016 through 2025

Valuation Date	Number of Participating Employers ¹	Number of Active Members	Annual Payroll	Annual Average Payroll	% Increase/ (Decrease) in Average Payroll
6/30/2016					
General	16	18,165	\$ 1,120,811,245	\$ 61,702	(0.57)%
Safety	3	2,373	225,596,956	95,068	0.56%
Total	17	20,538	\$ 1,346,408,201	\$ 65,557	(0.15)%
6/30/2017					
General	16	18,619	\$ 1,170,058,184	\$ 62,842	1.85%
Safety	3	2,491	236,411,926	94,906	(0.17)%
Total	17	21,110	\$ 1,406,470,110	\$ 66,626	1.63%
6/30/2018					
General	16	18,798	\$ 1,217,602,722	\$ 64,773	3.07%
Safety	4	2,667	259,528,542	97,311	2.53%
Total	18	21,465	\$ 1,477,131,264	\$ 68,816	3.29%
6/30/2019					
General	16	19,190	\$ 1,342,864,773	\$ 69,977	8.03%
Safety	3	2,633	283,584,004	107,704	10.68%
Total	17	21,823	\$ 1,626,448,777	\$ 74,529	8.30%
6/30/2020					
General	16	19,203	\$ 1,312,194,815	\$ 68,333	(2.35)%
Safety	3	2,611	275,129,614	105,373	(2.16)%
Total	17	21,814	\$ 1,587,324,429	\$ 72,766	(2.37)%
6/30/2021					
General	15	18,971	\$ 1,342,864,773	\$ 70,785	3.59%
Safety	3	2,529	283,584,004	112,133	6.42%
Total	16	21,500	\$ 1,626,448,777	\$ 75,649	3.96%
6/30/2022					
General	15	18,768	\$ 1,370,336,398	\$ 73,015	3.15%
Safety	3	2,508	293,654,474	117,087	4.42%
Total	16	21,276	\$ 1,663,990,872	\$ 78,210	3.39%
6/30/2023					
General	15	19,470	\$ 1,487,138,487	\$ 76,381	4.61%
Safety	3	2,614	325,077,451	124,360	6.21%
Total	16	22,084	\$ 1,812,215,938	\$ 82,060	4.92%
6/30/2024					
General	16	20,429	\$ 1,634,845,871	\$ 80,026	4.77%
Safety	3	2,702	350,846,369	129,847	4.41%
Total	17	23,131	\$ 1,985,692,240	\$ 85,845	4.61%
6/30/2025					
General	16	21,409	\$ 1,799,650,596	\$ 84,060	5.04%
Safety	3	2,712	368,453,253	135,860	4.63%
Total	17	24,121	\$ 2,168,103,849	\$ 89,884	4.70%

(1) Participating employers may have both General and Safety members.

Note: Refer to the Latest Actuarial Valuation Methods and Assumptions, in this section, for information on recent changes to actuarial methods and assumptions.

Schedule of Retirees and Beneficiaries

For the Years Ended June 30, 2016 through 2025

Number of Members					Annual Allowances						
Year ¹	Start of Year	Added During Year	Removed During Year	End of Year	Beginning Annual Allowance	Added During Year	Removed During Year	Annual Allowance ²	% Increase In Annual Allowance	Average Monthly Allowance ²	Average Annual Allowance ²
7/15 to 6/16	11,128	803	(301)	11,630	\$431,007,000	\$ 42,262,000	\$ (8,396,000)	\$464,873,000	7.86 %	\$ 3,331	\$ 39,972
7/16 to 6/17	11,630	869	(320)	12,179	464,873,000	49,799,000	(9,210,000)	\$505,462,000	8.73 %	3,459	41,503
7/17 to 6/18	12,179	850	(313)	12,716	505,462,000	49,124,000	(9,688,000)	\$544,898,000	7.80 %	3,571	42,851
7/18 to 6/19	12,716	859	(331)	13,244	544,898,000	49,620,000	(9,855,000)	\$584,663,000	7.30 %	3,679	44,145
7/19 to 6/20	13,244	934	(345)	13,833	584,663,000	56,441,000	(11,947,000)	\$629,157,000	7.61 %	3,790	45,482
7/20 to 6/21	13,833	884	(425)	14,292	629,157,000	54,314,000	(15,218,000)	\$668,253,000	6.21 %	3,896	46,757
7/21 to 6/22	14,292	1,032	(446)	14,878	668,253,000	66,541,000	(16,056,000)	\$718,738,000	7.55 %	4,026	48,309
7/22 to 6/23	14,878	917	(406)	15,389	718,738,000	60,869,000	(15,648,000)	\$763,959,000	6.29 %	4,137	49,643
7/23 to 6/24	15,389	953	(418)	15,924	763,959,000	67,607,000	(16,647,000)	\$814,919,000	6.67 %	4,265	51,176
7/24 to 6/25	15,924	895	(415)	16,404	814,919,000	66,258,000	(17,215,000)	\$863,962,000	6.02 %	4,389	52,668

	Retired 7/1/24 to 6/30/25		Total Retirees	
	General	Safety	General	Safety
Average Age at Retirement	62.04	52.88	59.75	51.38
Average Years of Credited Service at Retirement	23.40	22.24	19.64	21.42
Average Final Average Salary	\$ 7,821	\$ 12,697	\$ 6,129	\$ 8,506
Average Monthly Benefit	\$ 5,109	\$ 9,457	\$ 4,158	\$ 7,567

(1) Amounts listed are as of the actuarial valuation date.

(2) Excludes monthly benefits for Supplemental Disability, Survivor Benefits, General Retiree Subsidy, and beneficiaries that are only receiving a Survivor Benefit.

Summary of Major Plan Provisions

As of June 30, 2025

	TIER 1 (SBCERA membership date is prior to January 1, 2013)	TIER 2 (SBCERA membership date is on or after January 1, 2013)
Eligibility	First day of employment ¹ .	First day of employment ¹ .
Definition of Salary	Highest twelve consecutive months of compensation earnable.	Highest thirty-six consecutive months of pensionable compensation.
Service Retirement	Normal Retirement Age The later of: (1) age 55 for General members or (2) age 50 for Safety members or (3) the age at which the member vests in his/her benefits under the CERL, but not later than age 70.	Normal Retirement Age The later of: (1) age 55 for General members or (2) age 50 for Safety members or (3) the age at which the member vests in his/her benefits under the CERL, but not later than age 70.
	Early Retirement Age 70 (regardless of service credit) or age 50 and 10 years of service credit or 30 years of service credit for General members and 20 years of service credit for Safety members (regardless of age). Active part-time employees at age 55 with a minimum of 10 years of membership and five years of service credit.	Early Retirement Age 70 (regardless of service credit) or age 52 and five years of service credit for General members or age 50 and five years of service credit for Safety members.
	Benefit At normal retirement age, 2% times final average compensation for every year of "General" service credit for benefit and 3% times final average compensation for every year of "Safety" service credit for benefit.	Benefit At age 67, 2.5% times final average compensation for every year of "General" service credit for benefit. At age 57, 2.7% times final average compensation for every year of "Safety" service credit for benefit.
	Benefit Adjustments Reduced for retirement before age 55 for General members (age 50 for Safety members). Increased for retirement after age 55 up to age 65 (General members only).	Benefit Adjustments Reduced for retirement before age 67 for General members (age 57 for Safety members).
	Non-Service Connected (must have five years of service credit to be eligible) <i>Members entering on or before December 31, 1980:</i> Greater of 1.8% of final average compensation per year of service, with a maximum of 33-1/3% if projected service is used or service retirement benefit (if eligible). <i>Members entering on or after January 1, 1981:</i> 20% of final average compensation for the first five years plus 2% of final average compensation per year of service in excess of five, with a maximum of 40% of compensation or service retirement benefit (if eligible).	Non-Service Connected (must have five years of service credit to be eligible) <i>Members entering on or after January 1, 2013:</i> 20% of final average compensation for the first five years plus 2% of final average compensation per year of service in excess of five, with a maximum of 40% of compensation or service retirement benefit (if eligible).
Disability Retirement	Service Connected Greater of 50% of final average compensation or service retirement benefit (if eligible).	Service Connected Greater of 50% of final average compensation or service retirement benefit (if eligible).

- (1) Membership may be delayed for the purpose of establishing reciprocity with another public retirement system as described in the CERL. Employees who have attained age 60 prior to employment may waive membership within 90 days following initial appointment to an eligible position.

Note: SBCERA is a cost-sharing multiple-employer defined pension plan. Refer to Note 1—Significant Provisions of the Plan for further information. For funding and accounting purposes, SBCERA uses the same actuarial assumptions, except there is a 2-year lag in the assumptions for funding purposes versus the current year assumptions used to calculate total pension liability. Refer to Note 3—Contribution Requirements for further information.

Summary of Major Plan Provisions

As of June 30, 2025

(Continued)

	TIER 1 (SBCERA membership date is prior to January 1, 2013)	TIER 2 (SBCERA membership date is on or after January 1, 2013)
Death Before Retirement¹	Less Than 5-Years of Service Credit Refund of contributions plus 1/12 of compensation per year of service credit up to 50% of annual compensation.	Less Than 5-Years of Service Credit Refund of contributions plus 1/12 of compensation per year of service credit up to 50% of annual compensation.
	5 or More Years of Service Credit Lump sum refund of contributions plus 1/12 of compensation per year of service up to six months compensation.	5 or More Years of Service Credit Lump sum refund of contributions plus 1/12 of compensation per year of service up to six months compensation.
	Optional Death Allowance (If eligible for disability or service retirement): Monthly payment equal to 60% of member's accrued allowance.	Optional Death Allowance (If eligible for disability or service retirement): Monthly payment equal to 60% of member's accrued allowance.
	Modified Optional Death Allowance Lump sum of 1/12 of compensation per year of service up to six months compensation plus a reduced monthly benefit depending on the age of beneficiary.	Modified Optional Death Allowance Lump sum of 1/12 of compensation per year of service up to six months compensation plus a reduced monthly benefit depending on the age of beneficiary.
	If Service-Connected Monthly payment equal to 50% of final monthly compensation.	If Service-Connected Monthly payment equal to 50% of final monthly compensation.
	If Service-Connected and Safety Member Additional lump-sum payment of one-year compensation plus a monthly benefit for minor children.	If Service-Connected and Safety Member Additional lump-sum payment of one-year compensation plus a monthly benefit for minor children.
Death After Retirement¹	\$1,000 lump sum burial allowance (\$250 is discretionary, funded from undesignated excess earnings and is subject at all times to the availability of funds in the Burial Allowance reserve).	\$1,000 lump sum burial allowance (\$250 is discretionary, funded from undesignated excess earnings and is subject at all times to the availability of funds in the Burial Allowance reserve).
	Service Retirement or Non-Service Disability² Monthly payment equal to 60% of member's allowance.	Service Retirement or Non-Service Disability² Monthly payment equal to 60% of member's allowance.
	Service Disability² Monthly payment equal to 100% of member's allowance.	Service Disability² Monthly payment equal to 100% of member's allowance.
Survivor Benefits	General Members Only Monthly survivor benefit if General member completed at least 18 months of continuous membership with SBCERA including a one-time burial allowance of \$255.	General Members Only Monthly survivor benefit if General member completed at least 18 months of continuous membership with SBCERA including a one-time burial allowance of \$255.
Vesting	After five years of service. Must leave contributions on deposit.	After five years of service. Must leave contributions on deposit.
Member's Contributions	Percentage of compensation earnable based on entry age.	Fixed, flat-rate percentage of pensionable compensation.
Cost-of-Living Adjustment (COLA)	"Automatic" not to exceed 2% compounding COLA. A non-compounding 7% increase is payable at retirement for members hired on or before August 18, 1975.	"Automatic" not to exceed 2% compounding COLA.
Current Year Changes in Plan Provisions	None	None

(1) Payments are made payable to an eligible spouse, registered domestic partner, and/or eligible minor children.

(2) Payment may be adjusted depending on the payment option selected at time of retirement.

Note: A more detailed description of the Plan provisions is available upon request.

Analysis of Financial Experience

For the Years Ended June 30, 2016 through 2025

(Amounts in Thousands)

The following are the gains and losses in accrued liabilities during the years ended June 30, 2016 through 2025 resulting from the differences between assumed experience and actual experience.

Year Ended		Pay Increases ¹	Investment Income ²	Death After Retirement ³	Other ⁴	Composite Gain (Loss) During the Year
6/30/2016	Gain/(Loss)	\$ 135,705	\$ (143,031)	\$ (10,824)	\$ (5,849)	\$ (23,999)
6/30/2017	Gain/(Loss)	15,781	781	(9,835)	(665,842)	(659,115)
6/30/2018	Gain/(Loss) ⁵	28,311	(25,827)	(17,763)	(111,271)	(126,550)
6/30/2019	Gain/(Loss)	(3,688)	(124,316)	(46,603)	2,351	(172,256)
6/30/2020	Gain/(Loss)	18,947	(281,808)	(50,361)	(303,618)	(616,840)
6/30/2021	Gain/(Loss)	17,236	322,548	15,938	(6,355)	349,367
6/30/2022	Gain/(Loss)	29,044	124,789	13,962	19,980	187,775
6/30/2023	Gain/(Loss) ⁵	(195,214)	(29,191)	6,071	153,087	(65,247)
6/30/2024	Gain/(Loss)	(110,019)	10,610	1,061	(8,684)	(107,032)
6/30/2025	Gain/(Loss)	(107,985)	52,886	13,642	52,493	11,036

(1) If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.

(2) If there is greater investment income than assumed, there is a gain. If less income, a loss.

(3) If retirees live longer than assumed, there is a loss. If not as long, a gain.

(4) Actual contributions less than expected, retiree subsidy reserve transfer and miscellaneous gains and losses resulting primarily from employee turnover, retirement incidence and data variances, and actuarial assumption changes.

(5) The June 30, 2018 and June 30, 2023 actuarial valuations were audited by independent actuaries, Cheiron and Cavanaugh Macdonald, respectively. The valuations were found to be complete, accurate, and prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Actuarial Standards of Practice promulgated by the Actuarial Standards Board and the applicable Guides to Professional Conduct, amplifying Opinions, and supporting Recommendations of the American Academy of Actuaries.

Schedule of Funded Liabilities by Type

For the Years Ended June 30, 2016 through 2025

(Amounts in Thousands)

Actuarial Valuation Date	Aggregate Accrued Liabilities For			Actuarial Value of Assets	Portion of Accrued Liability Covered by Valuation Assets		
	(1)	(2)	(3)		(1)	(2)	(3)
	Active Member Contributions	Retirees, Beneficiaries & Vested Participants	Active Members (Employer Financed Portion)				
6/30/2016	\$ 1,084,761	\$ 5,992,772	\$ 3,592,155	\$ 8,736,959	100%	100%	46.20%
6/30/2017	1,110,149	6,714,830	4,103,331	9,385,977	100%	100%	38.04%
6/30/2018	1,151,640	7,211,256	4,242,046	10,020,863	100%	100%	39.08%
6/30/2019	1,212,740	7,717,959	4,373,984	10,642,401	100%	100%	39.13%
6/30/2020	1,262,325	8,277,430	4,758,441	11,133,173	100%	100%	33.49%
6/30/2021	1,301,481	8,747,726	4,908,229	12,258,925	100%	100%	45.02%
6/30/2022	1,303,134	9,371,648	4,955,342	13,260,596	100%	100%	52.18%
6/30/2023	1,356,943	9,931,469	5,158,260	14,157,370	100%	100%	55.62%
6/30/2024	1,475,406	10,561,970	5,334,876	15,159,420	100%	100%	58.52%
6/30/2025	1,614,954	11,112,599	5,571,215	16,241,197	100%	100%	63.07%

Ratio of Current Compensation to Compensation Anticipated at Retirement

As of June 30, 2025

Age	General Members	Safety Members
20	0.3973	0.3601
25	0.5046	0.4508
30	0.5878	0.5380
35	0.6363	0.5942
40	0.6788	0.6481
45	0.7240	0.7068
50	0.7723	0.7709
55	0.8239	0.8407
60	0.8788	0.9169
65	0.9375	1.0000
70	1.0000	

Note: Merit and promotional increases only (excludes inflation); assumes age at entry is 20. Refer to the Actuary Certification Letter for further information.

Probabilities of Separation from Active Service

As of June 30, 2025

The following tables indicate the probability of separation from active service for each of the following sources of termination:

- **Withdrawal:** Member terminates and either elects refunds of member contributions or contributions are left on deposit.
- **Death:** Member dies prior to retirement.
- **Disability:** Member receives a disability retirement; Non-service connected disability is when a disability is not employment-related; Service connected disability is when a disability is employment-related.
- **Service Retirement:** Member retires after satisfaction of requirements of age and/or service for reasons other than disability.

The probabilities shown for each cause of termination represent the likelihood that a given member will terminate at a particular age for the indicated reason.

Age	Death ¹	Disability ²	Tier 1		Tier 2
			Service Retirement		
			<30 Years of Service	>=30 Years of Service	
General Members - Male					
20	0.0004	0.0003	0.0000	0.0000	0.0000
30	0.0003	0.0004	0.0000	0.0000	0.0000
40	0.0006	0.0009	0.0000	0.0000	0.0000
50	0.0013	0.0023	0.0250	0.0250	0.0000
60	0.0028	0.0050	0.1100	0.2750	0.0800
70	0.0061	0.0100	0.2600	0.3500	0.3500
General Members - Female					
20	0.0001	0.0003	0.0000	0.0000	0.0000
30	0.0001	0.0004	0.0000	0.0000	0.0000
40	0.0003	0.0009	0.0000	0.0000	0.0000
50	0.0008	0.0023	0.0250	0.0250	0.0000
60	0.0017	0.0050	0.1100	0.2750	0.0800
70	0.0044	0.0100	0.2600	0.3500	0.3500
Safety Members - Male					
20	0.0004	0.0015	0.0000	0.0000	0.0000
30	0.0004	0.0031	0.0000	0.0000	0.0000
40	0.0005	0.0076	0.0000	0.0000	0.0000
50	0.0010	0.0258	0.1300	0.3500	0.0500
60	0.0023	0.0700	0.2500	0.4500	0.2500
Safety Members - Female					
20	0.0004	0.0015	0.0000	0.0000	0.0000
30	0.0004	0.0031	0.0000	0.0000	0.0000
40	0.0005	0.0076	0.0000	0.0000	0.0000
50	0.0010	0.0258	0.1300	0.3500	0.0500
60	0.0023	0.0700	0.2500	0.4500	0.2500

- (1) All pre-retirement deaths are assumed to be non-service connected. Note that generational projections beyond the base year (2010) are not reflected in the above mortality rates.
- (2) 60% of General member disabilities are assumed to be service connected and the other 40% are assumed to be non-service connected. 100% of Safety member disabilities are assumed to be service connected.

Probabilities of Separation from Active Service

As of June 30, 2025

(Continued)

The withdrawal rates below apply based on years of service. No withdrawal is assumed after a member is first assumed to retire.

Years of Service	General Members	Safety Members
Less than 1	0.1500	0.0800
1-2	0.1200	0.0750
2-3	0.1100	0.0650
3-4	0.0900	0.0600
4-5	0.0750	0.0500
5-6	0.0700	0.0400
5-7	0.0650	0.0300
7-8	0.0550	0.0200
8-9	0.0500	0.0190
9-10	0.0500	0.0180
10-11	0.0500	0.0160
11-12	0.0500	0.0140
12-13	0.0450	0.0120
13-14	0.0450	0.0120
14-15	0.0425	0.0120
15-16	0.0400	0.0110
16-17	0.0375	0.0110
17-18	0.0350	0.0110
18-19	0.0325	0.0110
19-20	0.0325	0.0110
20 & More	0.0325	0.0110

Below are the probabilities of electing a refund of member contributions upon withdrawal.

Years of Service	General Members		Safety Members	
	Elected Refundable Contributions	Elected Non-Refundable Contributions ¹	Elected Refundable Contributions	Elected Non-Refundable Contributions ¹
Less than 5	1.0000	1.0000	1.0000	1.0000
5	0.3500	0.1750	0.1500	0.0750
10	0.3000	0.1500	0.1500	0.0750
15	0.1500	0.0750	0.1000	0.0500
20 or More	0.1500	0.0750	0.0000	0.0000

(1) Assumes member made both refundable and non-refundable contributions during the course of employment. Only the portion attributable to the refundable contributions may be withdrawn.

Note: Ratios provided by SBCERA's independent actuary, Segal. Refer to Segal's letter in the Actuarial section for further information.

Expectation of Life

As of June 30, 2025

(Amounts in Years)

General Service Retirees¹

Age	Male	Female
50	35.07	37.52
60	25.44	27.69
70	16.62	18.45
80	9.16	10.43

Safety Service Retirees²

Age	Male	Female
50	36.53	38.21
60	26.52	28.14
70	17.44	18.95
80	9.82	11.07

General Disabled Retirees³

Age	Male	Female
20	53.09	57.83
30	43.04	47.27
40	33.99	37.88
50	26.03	29.64
60	19.34	22.56
70	13.50	15.72
80	8.11	9.34

Safety Disabled Retirees⁴

Age	Male	Female
20	64.10	66.77
30	53.78	56.22
40	43.75	46.06
50	33.86	36.03
60	24.29	26.49
70	15.84	17.96
80	8.85	10.44

- (1) Determined by SBCERA's independent actuary, Segal, using the Pub-2010 General Healthy Amount-Weighted Above-Median Mortality Tables with rates increased by 10%, projected generationally with the two-dimensional mortality improvement scale MP-2021.
- (2) Determined using the Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.
- (3) Determined by Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with rates decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.
- (4) Determined by Pub-2010 Disabled Retiree Amount-Weighted Mortality Table projected generationally with the two-dimensional mortality improvement scale MP-2021.

History of the Total Employer Contribution Rates

For Actuarial Valuation Years Ended June 30, 2016 through 2025

Cost Group / Valuation Date	Normal Cost	UAAL	Total
County General - Tier 1			
6/30/2016	11.50%	10.91%	22.41%
6/30/2017	11.70%	13.57%	25.27%
6/30/2018	11.63%	13.76%	25.39%
6/30/2019	11.63%	14.21%	25.84%
6/30/2020	12.24%	16.25%	28.49%
6/30/2021	12.18%	14.99%	27.17%
6/30/2022	12.09%	13.45%	25.54%
6/30/2023	11.38%	12.83%	24.21%
6/30/2024	11.32%	12.10%	23.42%
6/30/2025	11.31%	10.19%	21.50%
County General - Tier 2			
6/30/2016	8.45%	10.91%	19.36%
6/30/2017	9.16%	13.57%	22.73%
6/30/2018	9.10%	13.76%	22.86%
6/30/2019	9.11%	14.21%	23.32%
6/30/2020	9.09%	16.25%	25.34%
6/30/2021	9.04%	14.99%	24.03%
6/30/2022	9.08%	13.45%	22.53%
6/30/2023	8.74%	12.83%	21.57%
6/30/2024	8.74%	12.10%	20.84%
6/30/2025	8.73%	10.19%	18.92%
Safety - Tier 1¹			
6/30/2016	22.14%	28.06%	50.20%
6/30/2017	21.81%	33.76%	55.57%
6/30/2018	21.66%	33.42%	55.08%
6/30/2019	21.73%	35.38%	57.11%
6/30/2020	24.38%	37.28%	61.66%
6/30/2021	24.38%	35.37%	59.75%
6/30/2022	24.12%	37.81%	61.93%
6/30/2023	23.65%	37.76%	61.41%
6/30/2024	23.66%	32.38%	56.04%
6/30/2025	23.73%	30.01%	53.74%
Safety - Tier 2¹			
6/30/2016	15.15%	28.06%	43.21%
6/30/2017	16.54%	33.76%	50.30%
6/30/2018	16.19%	33.42%	49.61%
6/30/2019	16.13%	35.38%	51.51%
6/30/2020	16.06%	37.28%	53.34%
6/30/2021	15.84%	35.37%	51.21%
6/30/2022	15.77%	37.81%	53.58%
6/30/2023	15.06%	37.76%	52.82%
6/30/2024	14.86%	32.38%	47.24%
6/30/2025	14.69%	30.01%	44.70%

(1) For June 30, 2017, the members in the Other Safety and County Safety cost groups were combined into the Safety cost group.

Note: These are recommended rates and include a 2-year lag. For example, the rates recommended in the actuarial valuation dated June 30, 2025, will go into effect for the year ending June 30, 2027.

History of the Total Employer Contribution Rates

For Actuarial Valuation Years Ended June 30, 2016 through 2025 *(Continued)*

Cost Group / Valuation Date	Normal Cost	UAAL	Total
Other General - Tier 1			
6/30/2016	13.18%	21.35%	34.53%
6/30/2017	11.78%	25.25%	37.03%
6/30/2018	11.48%	26.54%	38.02%
6/30/2019	11.58%	26.80%	38.38%
6/30/2020	14.03%	29.04%	43.07%
6/30/2021	14.12%	26.36%	40.48%
6/30/2022	13.96%	21.94%	35.90%
6/30/2023	13.79%	21.19%	34.98%
6/30/2024	13.96%	18.33%	32.29%
6/30/2025	13.73%	16.13%	29.86%
Other General - Tier 2			
6/30/2016	8.74%	21.35%	30.09%
6/30/2017	9.05%	25.25%	34.30%
6/30/2018	9.07%	26.54%	35.61%
6/30/2019	9.06%	26.80%	35.86%
6/30/2020	9.10%	29.04%	38.14%
6/30/2021	9.12%	26.36%	35.48%
6/30/2022	9.09%	21.94%	31.03%
6/30/2023	8.61%	21.19%	29.80%
6/30/2024	8.40%	18.33%	26.73%
6/30/2025	8.31%	16.13%	24.44%
Other General - LAFCO - Tier 1¹			
6/30/2019	11.58%	24.18%	35.76%
6/30/2020	14.03%	25.89%	39.92%
6/30/2021	14.12%	21.18%	35.30%
6/30/2022	13.96%	16.23%	30.19%
6/30/2023	13.79%	14.55%	28.34%
6/30/2024	13.96%	11.34%	25.30%
6/30/2025	13.73%	9.80%	23.53%
Other General - LAFCO - Tier 2¹			
6/30/2019	9.06%	24.18%	33.24%
6/30/2020	9.10%	25.89%	34.99%
6/30/2021	9.12%	21.18%	30.30%
6/30/2022	9.09%	16.23%	25.32%
6/30/2023	8.61%	14.55%	23.16%
6/30/2024	8.40%	11.34%	19.74%
6/30/2025	8.31%	9.80%	18.11%
Other General - Law Library - Tier 1²			
6/30/2023	13.79%	19.27%	33.06%
6/30/2024	13.96%	16.69%	30.65%
6/30/2025	13.73%	14.62%	28.35%
Other General - Law Library - Tier 2²			
6/30/2023	8.61%	19.27%	27.88%
6/30/2024	8.40%	16.69%	25.09%
6/30/2025	8.31%	14.62%	22.93%

(1) For June 30, 2019, LAFCO members were tracked separately to reflect additional UAAL payments.

(2) For June 30, 2023, Law Library members were tracked separately to reflect additional UAAL payments.

Note: See Note on page 118 for further information.

History of the Total Employer Contribution Rates

For Actuarial Valuation Years Ended June 30, 2016 through 2025 (*Continued*)

Cost Group / Valuation Date	Normal Cost	UAAL	Total
Other Safety - Tier 1¹			
6/30/2016	22.52%	60.67%	83.19%
Other Safety - Tier 2¹			
6/30/2016	13.06%	60.67%	73.73%
SBCTA - Tier 1²			
6/30/2024	13.51%	0.42%	13.93%
6/30/2025	13.22%	0.99%	14.21%
SBCTA - Tier 2²			
6/30/2024	9.37%	0.42%	9.79%
6/30/2025	9.01%	0.99%	10.00%
SCAQMD - Tier 1			
6/30/2016	11.68%	23.25%	34.93%
6/30/2017	11.84%	28.50%	40.34%
6/30/2018	12.45%	29.86%	42.31%
6/30/2019	13.02%	31.20%	44.22%
6/30/2020	14.34%	35.22%	49.56%
6/30/2021	14.20%	33.24%	47.44%
6/30/2022	13.60%	30.58%	44.18%
6/30/2023	12.39%	29.61%	42.00%
6/30/2024	12.12%	27.37%	39.49%
6/30/2025	11.88%	25.42%	37.30%
SCAQMD - Tier 2			
6/30/2016	7.66%	23.25%	30.91%
6/30/2017	8.39%	28.50%	36.89%
6/30/2018	8.18%	29.86%	38.04%
6/30/2019	8.16%	31.20%	39.36%
6/30/2020	7.98%	35.22%	43.20%
6/30/2021	8.12%	33.24%	41.36%
6/30/2022	8.23%	30.58%	38.81%
6/30/2023	8.23%	30.58%	38.81%
6/30/2024	7.80%	27.37%	35.17%
6/30/2025	7.72%	25.42%	33.14%

(1) For June 30, 2017, the members in the Other Safety and County Safety cost groups were combined into the Safety cost group.

(2) For June 30, 2024, SBCTA members were transferred to a separate cost group to reflect additional UAAL payments.

Note: See Note on page 118 for further information.

History of the Total Employer Contribution Rates

For Actuarial Valuation Years Ended June 30, 2016 through 2025 *(Continued)*

Cost Group / Valuation Date	Normal Cost	UAAL	Total
Superior Court - Tier 1			
6/30/2016	11.50%	13.20%	24.70%
6/30/2017	11.70%	16.47%	28.17%
6/30/2018	11.63%	16.73%	28.36%
6/30/2019	11.63%	16.92%	28.55%
6/30/2020	12.24%	18.94%	31.18%
6/30/2021	12.18%	17.49%	29.67%
6/30/2022	12.09%	15.63%	27.72%
6/30/2023	11.38%	14.68%	26.06%
6/30/2024	11.32%	11.17%	22.49%
6/30/2025	11.31%	9.74%	21.05%
Superior Court - Tier 2			
6/30/2016	8.45%	13.20%	21.65%
6/30/2017	9.16%	16.47%	25.63%
6/30/2018	9.10%	16.73%	25.83%
6/30/2019	9.11%	16.92%	26.03%
6/30/2020	9.09%	18.94%	28.03%
6/30/2021	9.04%	17.49%	26.53%
6/30/2022	9.08%	15.63%	24.71%
6/30/2023	8.74%	14.68%	23.42%
6/30/2024	8.74%	11.17%	19.91%
6/30/2025	8.73%	9.74%	18.47%
CSAC - Tier 1¹			
6/30/2025	14.62%	16.13%	30.75%
CSAC - Tier 2¹			
6/30/2025	8.54%	16.13%	24.67%

(1) For June 30, 2025, CSAC members were transferred to a separate cost group.

Note: See Note on page 118 for further information.

Retirees and Beneficiaries

Added to and Removed from Rolls for the Years Ended June 30, 2016 through 2025

For General and Safety Members (Dollars in Thousands)

Year Ended	Added to Rolls		Removed from Rolls		Net Added/Removed from Rolls		Rolls-End of Year		% Increase in Annual Allowances	Average Annual Allowances (Actual Dollars)	
	No.	Annual Allowances ¹	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances			
6/30/2016											
General	681	\$ 31,597	269	\$ 6,759	412	\$ 24,838	9,711	\$ 342,955	7.81%	\$ 35,316	
Safety	122	10,665	32	1,637	90	9,028	1,919	121,918	8.00%	63,532	
Total	803	\$ 42,262	301	\$ 8,396	502	\$ 33,866	11,630	\$ 464,873	7.86%	\$ 39,972	
6/30/2017											
General	740	\$ 38,025	289	\$ 7,774	451	\$ 30,251	10,162	\$ 373,206	8.82%	\$ 36,726	
Safety	129	11,774	31	1,436	98	10,338	2,017	132,256	8.48%	65,571	
Total	869	\$ 49,799	320	\$ 9,210	549	\$ 40,589	12,179	\$ 505,462	8.73%	\$ 41,503	
6/30/2018											
General	720	\$ 37,229	289	\$ 8,619	431	\$ 28,610	10,593	\$ 401,816	7.67%	\$ 37,932	
Safety	130	11,895	24	1,069	106	10,826	2,123	143,082	8.19%	67,396	
Total	850	\$ 49,124	313	\$ 9,688	537	\$ 39,436	12,716	\$ 544,898	7.80%	\$ 42,851	
6/30/2019											
General	743	\$ 37,774	296	\$ 8,033	447	\$ 29,741	11,040	\$ 431,557	7.40%	\$ 39,090	
Safety	116	11,846	35	1,822	81	10,024	2,204	153,106	7.01%	69,467	
Total	859	\$ 49,620	331	\$ 9,855	528	\$ 39,765	13,244	\$ 584,663	7.30%	\$ 44,145	
6/30/2020											
General	786	\$ 43,047	309	\$ 9,713	477	\$ 33,334	11,517	\$ 464,891	7.72%	\$ 40,366	
Safety	148	13,394	36	2,234	112	11,160	2,316	164,266	7.29%	70,927	
Total	934	\$ 56,441	345	\$ 11,947	589	\$ 44,494	13,833	\$ 629,157	7.61%	\$ 45,482	
6/30/2021											
General	763	\$ 41,916	369	\$ 11,930	394	\$ 29,986	11,911	\$ 494,877	6.45%	\$ 41,548	
Safety	121	12,398	56	3,288	65	9,110	2,381	173,376	5.55%	72,816	
Total	884	\$ 54,314	425	\$ 15,218	459	\$ 39,096	14,292	\$ 668,253	6.21%	\$ 46,757	
6/30/2022											
General	863	\$ 49,695	375	\$ 11,652	488	\$ 38,043	12,399	\$ 532,920	7.69%	\$ 42,981	
Safety	169	16,846	71	4,404	98	12,442	2,479	185,818	7.18%	74,957	
Total	1,032	\$ 66,541	446	\$ 16,056	586	\$ 50,485	14,878	\$ 718,738	7.55%	\$ 48,309	
6/30/2023											
General	766	\$ 45,580	355	\$ 12,451	411	\$ 33,129	12,810	\$ 566,049	6.22%	\$ 44,188	
Safety	151	15,289	51	3,197	100	12,092	2,579	197,910	6.51%	76,739	
Total	917	\$ 60,869	406	\$ 15,648	511	\$ 45,221	15,389	\$ 763,959	6.29%	\$ 49,643	
6/30/2024											
General	846	\$ 52,419	354	\$ 12,854	492	\$ 39,565	13,302	\$ 605,614	6.99%	\$ 45,528	
Safety	107	15,188	64	3,793	43	11,395	2,622	209,305	5.76%	79,826	
Total	953	\$ 67,607	418	\$ 16,647	535	\$ 50,960	15,924	\$ 814,919	6.67%	\$ 51,176	
6/30/2025											
General	769	\$ 50,792	368	\$ 13,954	401	\$ 36,838	13,703	\$ 642,452	6.08%	\$ 46,884	
Safety	126	15,466	47	3,261	79	12,205	2,701	221,510	5.83%	82,010	
Total	895	\$ 66,258	415	\$ 17,215	480	\$ 49,043	16,404	\$ 863,962	6.02%	\$ 52,668	

(1) Includes automatic cost-of-living adjustments granted annually on April 1.

Statistics Section

“—
|

There is a brick in my backyard that says 'Faith, Family, Community,' and it's a cornerstone of how I live and work - it reflects my commitment to serving others.

NEAL WANER

Appointed Trustee
SBCERA



WE ARE
SB *cera*

Statistical Section Overview

The objective of the Statistical Section is to clearly present historical, financial, and demographic information for the Plan. This supplemental information is meant to provide additional context to users of the Basic Financial Statements, Notes to the Basic Financial Statements, and Required Supplementary Information and assist in analyzing the Plan's current financial position. Unless otherwise noted, the detailed data contained in this section is presented as a ten-year trend and is derived from a combination of sources including the general ledger, member database, and reports produced by the Plan's actuary.

As outlined below, the tables on the following pages provide information on financial trends and demographic trends.

Financial Trends - Contains historical data pertaining to Changes in Fiduciary Net Position at a more detailed level than what is presented in the Basic Financial Statements.

- Statistical Changes in Fiduciary Net Position
- Additions by Source
- Deductions by Type
- Benefit Expenses by Type

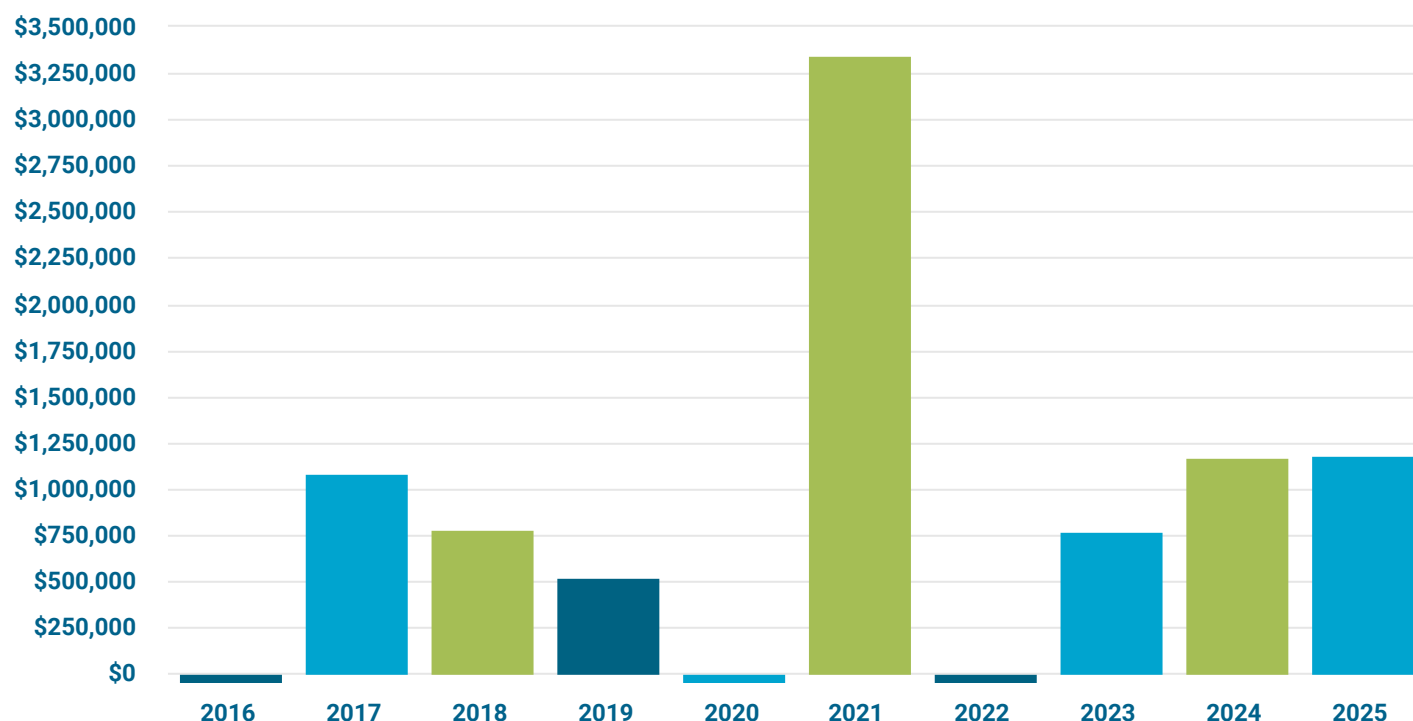
Demographic & Operating Trends - Contains historical data pertaining to the Plan's membership.

- Retired Members by Type of Benefit
- Average Benefit Payments
- History of Membership by Participating Employer
- Statistical Membership Information

Statistical Changes in Fiduciary Net Position

For the Years Ended June 30, 2016 through 2025

(Amounts in Thousands)



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Additions										
Employer Contributions ¹	\$ 340,512	\$ 360,478	\$ 381,452	\$ 446,295	\$ 467,985	\$ 498,747	\$ 550,346	\$ 555,892	\$ 593,854	\$ 603,396
Member Contributions ²	139,132	143,858	151,006	163,552	169,183	172,953	178,893	188,091	204,043	210,507
Investment Income/(Loss) ³	(80,028)	1,098,198	797,480	502,753	(302,050)	3,353,153	(321,093)	802,595	1,210,419	1,251,841
Total Additions	\$ 399,616	\$ 1,602,534	\$ 1,329,938	\$ 1,112,600	\$ 335,118	\$ 4,024,853	\$ 408,146	\$ 1,546,578	\$ 2,008,316	\$ 2,065,744
Deductions										
Benefits and Refunds	\$ 464,068	\$ 497,904	\$ 539,297	\$ 578,508	\$ 621,564	\$ 660,822	\$ 726,448	\$ 760,785	\$ 811,055	\$ 860,777
Administrative Expenses	7,569	9,961	8,752	9,383	9,019	9,720	10,454	11,779	13,473	13,519
Other Expenses	2,664	3,202	3,340	3,292	5,608	4,792	5,181	5,580	6,913	7,454
Total Deductions	\$ 474,301	\$ 511,067	\$ 551,389	\$ 591,183	\$ 636,191	\$ 675,334	\$ 742,083	\$ 778,144	\$ 831,441	\$ 881,750
Total Change in Fiduciary Net Position	\$ (74,685)	\$ 1,091,467	\$ 778,549	\$ 521,417	\$ (301,073)	\$ 3,349,519	\$ (333,937)	\$ 768,434	\$ 1,176,875	\$ 1,183,994

(1) For the year ended June 30, 2018: Includes \$2,784 thousand in Employer Contributions for a Plan Asset transfer from an outside plan.

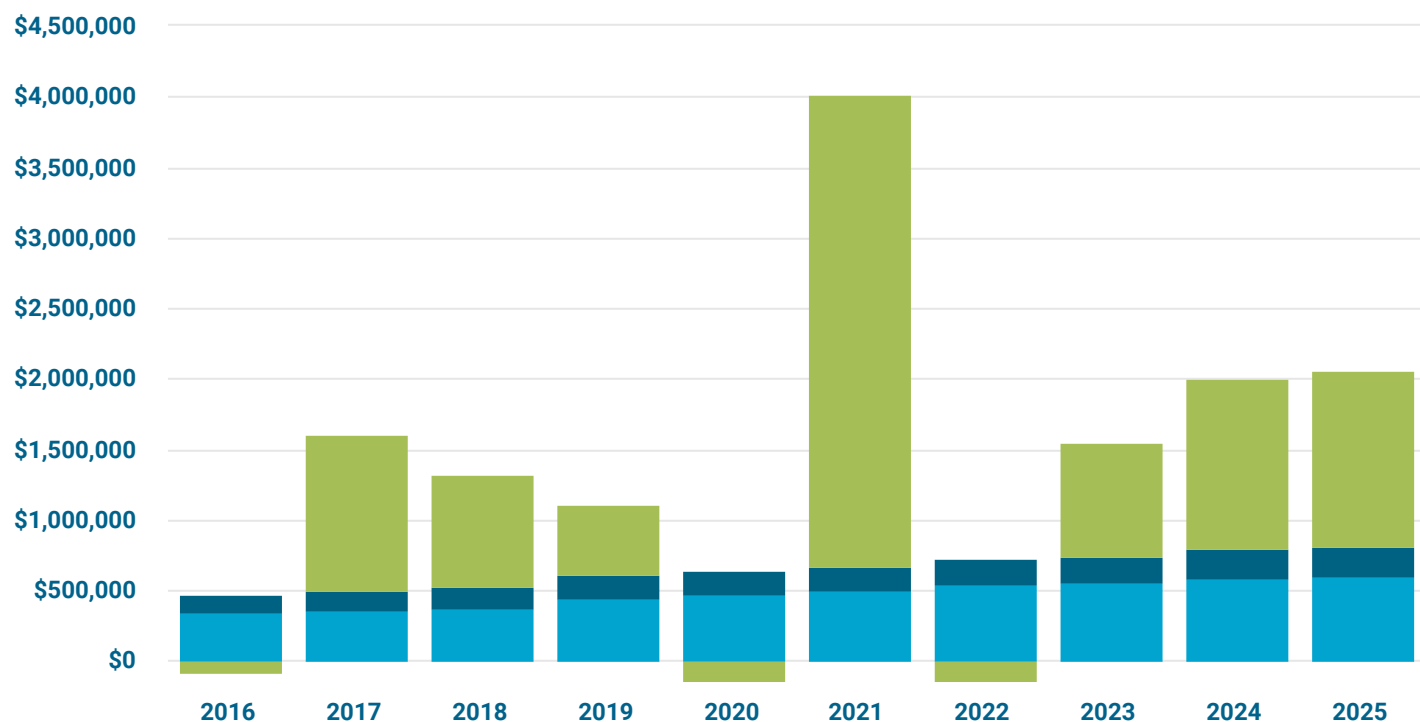
(2) For the year ended June 30, 2018: Includes \$1,528 thousand in Member Contributions for a Plan Asset transfer from an outside plan.

(3) Net of investment expenses and includes net securities lending income.

Additions by Source

For the Years Ended June 30, 2016 through 2025

(Amounts in Thousands)



Additions	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Employer Contributions ¹	\$340,512	\$360,478	\$381,452	\$446,295	\$467,985	\$498,747	\$550,346	\$555,892	\$593,854	\$603,396
Member Contributions ²	139,132	143,858	151,006	163,552	169,183	172,953	178,893	188,091	204,043	210,507
Investment Income/(Loss) ³	(80,028)	1,098,198	797,480	502,753	(302,050)	3,353,153	(321,093)	802,595	1,210,419	1,251,841
Total Additions	\$399,616	\$1,602,534	\$1,329,938	\$1,112,600	\$335,118	\$4,024,853	\$408,146	\$1,546,578	\$2,008,316	\$2,065,744
Covered Payroll⁴	\$1,309,095	\$1,346,408	\$1,406,470	\$1,477,131	\$1,542,495	\$1,587,324	\$1,626,449	\$1,663,991	\$1,812,216	\$1,985,692
Employer Contribution as a Percentage of Covered Payroll	26.01%	26.77%	27.12%	30.21%	30.34%	31.42%	33.84%	33.41%	32.77%	30.39%

(1) For the year ended June 30, 2018: Includes \$2,784 thousand in Employer Contributions for a Plan Asset transfer from an outside plan.

(2) For the year ended June 30, 2018: Includes \$1,528 thousand in Member Contributions for a Plan Asset transfer from an outside plan.

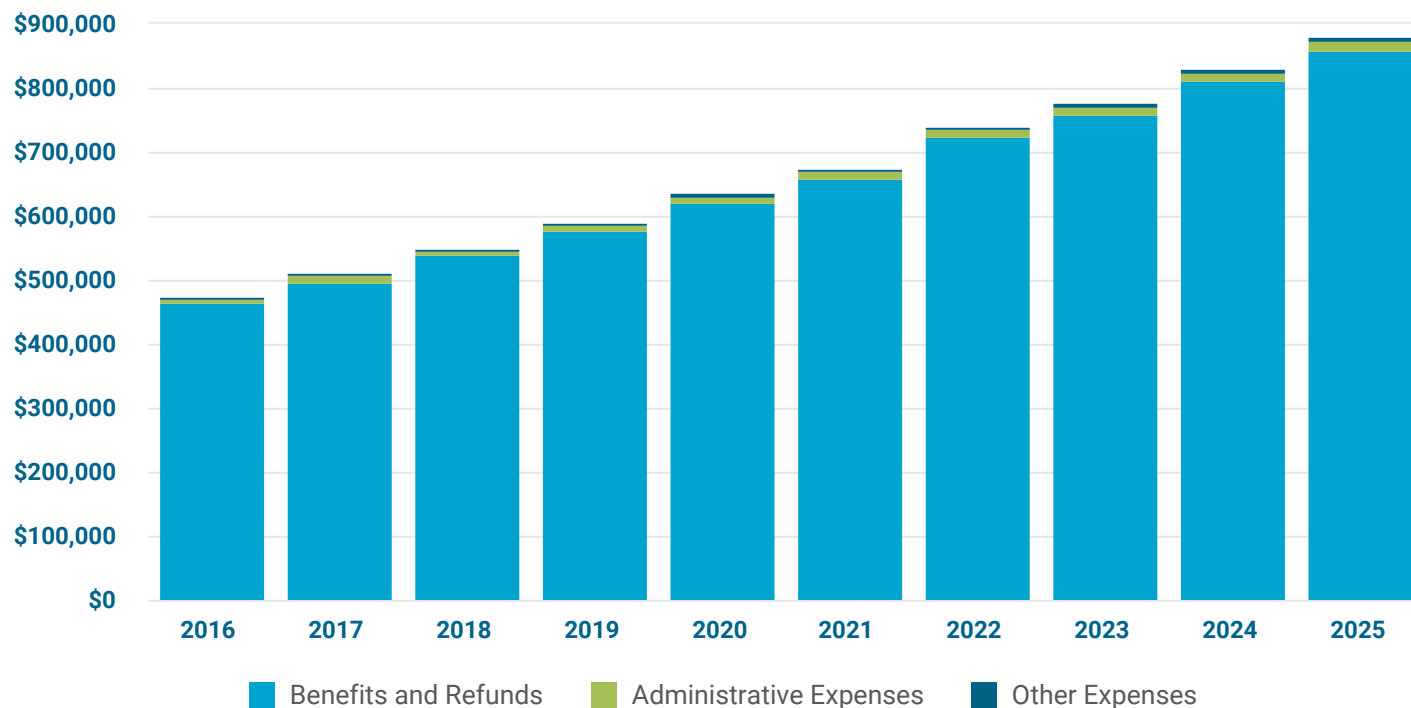
(3) Net of investment expenses and includes net securities lending income.

(4) Covered payroll represents the collective total of the SBCERA eligible wages of all participating employers. The covered payroll shown is based on the prior year's valuation for each year shown.

Deductions by Type

For the Years Ended June 30, 2016 through 2025

(Amounts in Thousands)



Deductions	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Benefits and Refunds	\$464,068	\$497,904	\$539,297	\$578,508	\$621,564	\$660,822	\$726,448	\$760,785	\$811,055	\$860,777
Administrative Expenses	7,569	9,961	8,752	9,383	9,019	9,720	10,454	11,779	13,473	13,519
Other Expenses	2,664	3,202	3,340	3,292	5,608	4,792	5,181	5,580	6,913	7,454
Total Deductions	\$474,301	\$511,067	\$551,389	\$591,183	\$636,191	\$675,334	\$742,083	\$778,144	\$831,441	\$881,750

Benefit Expenses by Type

For the Years Ended June 30, 2016 through 2025

(Amounts in Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Age & Service Benefits										
Retirees	\$354,650	\$384,184	\$418,274	\$450,480	\$483,085	\$515,309	\$565,791	\$592,801	\$632,330	\$670,009
Survivors	16,817	18,428	20,151	21,549	23,318	26,513	29,649	31,651	33,446	36,114
Death in Service Benefits	590	421	466	290	690	716	637	637	646	879
Disability Benefits										
Duty	55,037	58,519	61,904	65,824	71,290	74,849	77,616	81,321	86,743	92,787
Non-Duty	11,933	12,688	13,422	14,272	15,457	16,229	16,829	17,632	18,807	20,117
Survivor	10,902	11,946	13,064	13,971	15,117	17,188	19,221	20,519	21,683	23,413
Total Benefit Payments	449,929	486,186	527,281	566,386	608,957	650,804	709,743	744,561	793,655	843,319
Refunds										
Death	1,678	1,563	1,463	1,312	1,988	2,220	2,377	2,367	2,242	3,265
Separation	12,461	10,155	10,553	10,811	10,619	7,798	14,328	13,857	15,158	14,193
Total Refunds	14,139	11,718	12,016	12,123	12,607	10,018	16,705	16,224	17,400	17,458
Total Benefit and Refund Payments	\$464,068	\$497,904	\$539,297	\$578,509	\$621,564	\$660,822	\$726,448	\$760,785	\$811,055	\$860,777

Retired Members by Type of Benefit

For the Year Ended June 30, 2025

General Members					Safety Members				
Amount of Monthly Benefit ²	Number of Retirees	Type of Retirement ¹			Amount of Monthly Benefit ²	Number of Retirees	Type of Retirement ¹		
		A	B	C			A	B	C
\$0 - \$999	1,840	1,265	59	516	\$0 - \$999	123	38	16	69
\$1,000 - \$1,999	2,739	2,048	195	496	\$1,000 - \$1,999	182	54	25	103
\$2,000 - \$2,999	2,429	1,795	288	346	\$2,000 - \$2,999	217	67	56	94
\$3,000 - \$3,999	1,777	1,439	157	181	\$3,000 - \$3,999	320	86	171	63
\$4,000 - \$4,999	1,360	1,216	67	77	\$4,000 - \$4,999	355	67	219	69
\$5,000 - \$5,999	931	841	33	57	\$5,000 - \$5,999	221	96	86	39
\$6,000 - \$6,999	642	599	14	29	\$6,000 - \$6,999	176	111	46	19
\$7,000 - \$7,999	479	455	6	18	\$7,000 - \$7,999	200	132	49	19
\$8,000 - \$8,999	383	366	3	14	\$8,000 - \$8,999	167	111	45	11
\$9,000 - \$9,999	289	277	6	6	\$9,000 - \$9,999	172	121	41	10
\$10,000 - \$10,999	232	228	2	2	\$10,000 - \$10,999	120	81	35	4
\$11,000 - \$11,999	170	164	2	4	\$11,000 - \$11,999	132	81	40	11
Over \$12,000	432	421	1	10	Over \$12,000	316	198	107	11
Total	13,703	11,114	833	1,756	Total	2,701	1,243	936	522

	Number of Retirees	Type of Retirement ¹		
		A	B	C
Grand Total	16,404	12,357	1,769	2,278

- (1) Type of Retirement: A = Service Retirement; B = Disability Retirement; C = Beneficiary
 (2) Excludes monthly benefits for Supplemental Disability, Survivor Benefit, and Burial Allowance.
 Note: Refer to the Actuarial section, Summary of Major Plan Provisions, for further information.

Average Benefit Payments

For the Retirement Effective Dates of July 1, 2015 through June 30, 2025

	Service Years Credited						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 7/1/15 to 6/30/16							
Average Monthly Benefit	\$ 350	\$ 1,669	\$ 2,215	\$ 2,913	\$ 3,886	\$ 5,576	\$ 7,764
Monthly Final Average Salary	\$ 7,685	\$ 4,803	\$ 5,795	\$ 5,456	\$ 5,657	\$ 6,613	\$ 8,041
Number of Active Retirees	1	54	80	97	91	104	107
Period 7/1/16 to 6/30/17							
Average Monthly Benefit	\$ 574	\$ 2,042	\$ 2,239	\$ 3,306	\$ 4,470	\$ 6,253	\$ 7,770
Monthly Final Average Salary	\$ 3,227	\$ 5,955	\$ 5,187	\$ 6,294	\$ 6,493	\$ 7,224	\$ 7,793
Number of Active Retirees	3	63	103	90	86	107	145
Period 7/1/17 to 6/30/18							
Average Monthly Benefit	\$ 1,591	\$ 1,742	\$ 2,273	\$ 3,236	\$ 4,228	\$ 6,692	\$ 7,852
Monthly Final Average Salary	\$ 6,706	\$ 6,122	\$ 5,675	\$ 5,840	\$ 6,237	\$ 7,196	\$ 8,069
Number of Active Retirees	11	49	84	110	66	120	128
Period 7/1/18 to 6/30/19							
Average Monthly Benefit	\$ 2,292	\$ 1,655	\$ 2,207	\$ 2,959	\$ 4,401	\$ 6,475	\$ 7,545
Monthly Final Average Salary	\$ 5,396	\$ 6,098	\$ 5,700	\$ 5,760	\$ 6,802	\$ 7,759	\$ 7,783
Number of Active Retirees	4	28	94	128	110	89	137
Period 7/1/19 to 6/30/20							
Average Monthly Benefit	\$ 2,553	\$ 1,592	\$ 2,322	\$ 3,379	\$ 4,650	\$ 6,125	\$ 7,960
Monthly Final Average Salary	\$ 8,267	\$ 4,913	\$ 5,551	\$ 6,460	\$ 6,968	\$ 7,412	\$ 8,504
Number of Active Retirees	11	35	108	92	121	112	148
Period 7/1/20 to 6/30/21							
Average Monthly Benefit	\$ 2,052	\$ 1,567	\$ 2,605	\$ 3,499	\$ 4,397	\$ 6,524	\$ 8,074
Monthly Final Average Salary	\$ 10,854	\$ 6,972	\$ 6,212	\$ 6,712	\$ 6,794	\$ 8,291	\$ 8,874
Number of Active Retirees	3	26	82	91	122	86	144
Period 7/1/21 to 6/30/22							
Average Monthly Benefit	\$ 2,332	\$ 1,269	\$ 2,587	\$ 3,204	\$ 4,968	\$ 6,345	\$ 8,346
Monthly Final Average Salary	\$ 6,715	\$ 5,631	\$ 6,513	\$ 6,167	\$ 7,501	\$ 8,113	\$ 8,733
Number of Active Retirees	4	52	95	102	152	87	190
Period 7/1/22 to 6/30/23							
Average Monthly Benefit	\$ 1,658	\$ 1,561	\$ 2,490	\$ 3,762	\$ 4,927	\$ 7,689	\$ 8,667
Monthly Final Average Salary	\$ 11,783	\$ 7,000	\$ 6,638	\$ 7,110	\$ 7,351	\$ 9,447	\$ 8,783
Number of Active Retirees	7	66	77	77	127	80	141
Period 7/1/23 to 6/30/24							
Average Monthly Benefit	\$ 442	\$ 2,032	\$ 2,454	\$ 3,995	\$ 4,651	\$ 7,039	\$ 7,949
Monthly Final Average Salary	\$ 5,305	\$ 7,474	\$ 6,609	\$ 7,692	\$ 6,968	\$ 8,745	\$ 8,204
Number of Active Retirees	3	57	56	98	144	105	197
Period 7/1/24 to 6/30/25							
Average Monthly Benefit	\$ 2,379	\$ 1,677	\$ 2,599	\$ 4,400	\$ 5,123	\$ 7,119	\$ 8,551
Monthly Final Average Salary	\$ 12,679	\$ 8,276	\$ 7,097	\$ 8,608	\$ 7,855	\$ 8,980	\$ 8,946
Number of Active Retirees	6	61	48	81	120	111	153

Note: Active Retiree count does not include beneficiary payments. See page 133 for further information.

History of Membership by Participating Employer

For the Years Ended June 30, 2016 through 2025

Employer	2025		2024		2023		2022		2021	
	Number of Members	% of Total	Number of Members	% of Total	Number of Members	% of Total	Number of Members	% of Total	Number of Members	% of Total
BFPD	26	0.11%	26	0.11%	27	0.12%	27	0.13%	27	0.13%
BBFA ¹	59	0.24%	62	0.27%	66	0.30%	65	0.31%	61	0.28%
CERTNA ²	—	—%	—	—%	—	—%	—	—%	—	—%
CSAC	108	0.45%	106	0.46%	117	0.53%	108	0.51%	108	0.50%
CBBL	67	0.28%	66	0.29%	64	0.29%	58	0.27%	55	0.26%
CCH	153	0.63%	154	0.67%	156	0.71%	153	0.72%	154	0.72%
CONFIRE ³	63	0.26%	59	0.26%	—	—%	—	—%	—	—%
County	21,343	88.50%	20,369	88.03%	19,472	88.16%	18,778	88.24%	19,054	88.62%
CSD	20	0.08%	20	0.09%	24	0.11%	22	0.10%	19	0.09%
DWP	39	0.16%	37	0.16%	39	0.18%	38	0.18%	35	0.16%
HRPD	27	0.11%	29	0.13%	22	0.10%	17	0.08%	18	0.08%
ILS ⁴	—	—%	—	—%	—	—%	—	—%	—	—%
LL	8	0.03%	8	0.03%	6	0.03%	8	0.04%	6	0.03%
LAFCO	5	0.02%	4	0.02%	4	0.02%	4	0.02%	4	0.02%
MDAQMD	37	0.15%	36	0.16%	33	0.15%	46	0.22%	42	0.20%
SBCTA ⁵	81	0.34%	78	0.34%	75	0.34%	74	0.35%	61	0.28%
SBCERA	75	0.31%	74	0.32%	80	0.36%	75	0.35%	71	0.33%
SCAQMD	874	3.62%	855	3.70%	798	3.61%	770	3.62%	775	3.60%
Superior Court	1,136	4.71%	1,148	4.96%	1,101	4.99%	1,033	4.86%	1,010	4.70%
Total Employees	24,121	100.00%	23,131	100.00%	22,084	100.00%	21,276	100.00%	21,500	100.00%

- (1) On June 23, 2018, BBFA joined SBCERA as a participating employer. A portion of the new membership resulted from a Plan transfer from an outside plan as if those members were always members of SBCERA.
- (2) On June 30, 2021, CERTNA withdrew from SBCERA.
- (3) As of June 30, 2024, CONFIRE was treated as a separate employer. Prior to that, members were reported as County employees.
- (4) On May 31, 2019, ILS withdrew from SBCERA.
- (5) On June 24, 2017, the San Bernardino Associated Governments members transitioned to SBCTA as if no change of employer had occurred.

History of Membership by Participating Employer

For the Years Ended June 30, 2016 through 2025
(Continued)

	2020		2019		2018		2017		2016	
Employer	Number of Members	% of Total	Number of Members	% of Total	Number of Members	% of Total	Number of Members	% of Total	Number of Members	% of Total
BFPD	26	0.12%	23	0.11%	23	0.11%	20	0.09%	18	0.09%
BBFA ¹	58	0.27%	58	0.27%	32	0.15%	—	0.00%	—	0.00%
CERTNA ²	2	0.01%	2	0.01%	2	0.01%	2	0.01%	2	0.01%
CSAC	106	0.49%	114	0.52%	106	0.49%	100	0.47%	94	0.46%
CBBL	53	0.24%	50	0.23%	51	0.24%	67	0.32%	67	0.33%
CCH	154	0.71%	157	0.72%	152	0.71%	153	0.72%	153	0.74%
CONFIRE ³	—	0.00%	—	0.00%	—	0.00%	—	0.00%	—	0.00%
County	19,308	88.50%	19,338	88.62%	19,096	88.96%	18,797	89.07%	18,319	89.20%
CSD	20	0.09%	20	0.09%	19	0.09%	19	0.09%	19	0.09%
DWP	37	0.17%	38	0.17%	35	0.16%	31	0.15%	31	0.15%
HRPD	17	0.08%	24	0.11%	24	0.11%	24	0.11%	40	0.19%
ILS ⁴	—	0.00%	—	0.00%	1	0.00%	1	0.00%	1	0.00%
LL	6	0.03%	7	0.03%	6	0.03%	6	0.03%	8	0.04%
LAFCO	5	0.02%	5	0.02%	5	0.02%	5	0.02%	5	0.02%
MDAQMD	41	0.19%	42	0.19%	42	0.20%	39	0.18%	39	0.19%
SBCTA ⁵	60	0.28%	62	0.28%	57	0.27%	60	0.28%	55	0.27%
SBCERA	66	0.30%	64	0.29%	60	0.28%	64	0.30%	55	0.27%
SCAQMD	795	3.64%	759	3.48%	723	3.37%	702	3.33%	682	3.32%
Superior Court	1,060	4.86%	1,060	4.86%	1,031	4.80%	1,020	4.83%	950	4.63%
Total Employees	21,814	100.00%	21,823	100.00%	21,465	100.00%	21,110	100.00%	20,538	100.00%

Note: See Note on page 131 for further information.

Statistical Membership Information

For the Years Ended June 30, 2016 through 2025

ACTIVE MEMBERSHIP CLASSIFICATION

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General	18,165	18,619	18,798	19,190	19,203	18,971	18,768	19,470	20,429	21,409
Safety	2,373	2,491	2,667	2,633	2,611	2,529	2,508	2,614	2,702	2,712
Total	20,538	21,110	21,465	21,823	21,814	21,500	21,276	22,084	23,131	24,121

MEMBERSHIP HISTORY (ACTIVE AND DEFERRED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Active	20,538	21,110	21,465	21,823	21,814	21,500	21,276	22,084	23,131	24,121
Deferred	5,136	5,547	6,211	6,726	7,494	8,197	9,188	10,324	11,005	11,625
Total	25,674	26,657	27,676	28,549	29,308	29,697	30,464	32,408	34,136	35,746

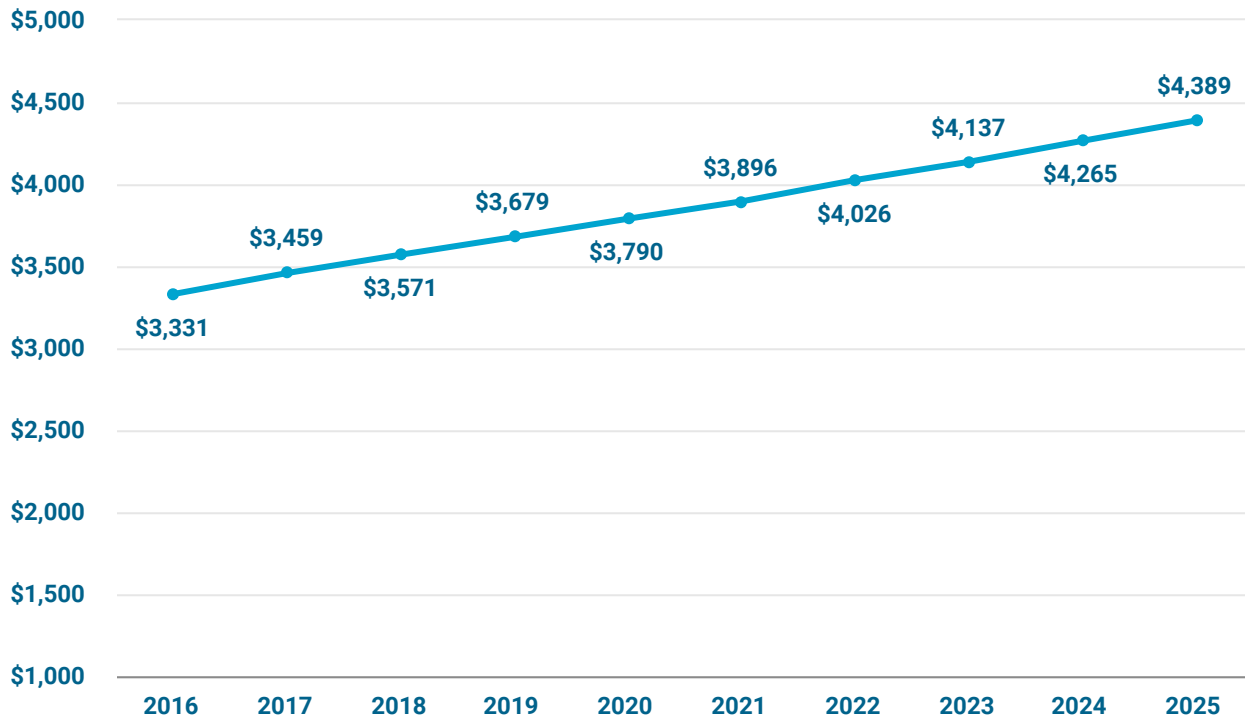
MEMBERSHIP HISTORY (RETIRED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Service Retirement	8,542	8,983	9,417	9,861	10,308	10,639	11,140	11,526	11,980	12,357
Service Connected Disability	1,168	1,207	1,242	1,281	1,351	1,362	1,358	1,380	1,425	1,463
Non-Service Connected Disability	352	363	351	339	333	325	323	320	318	306
Survivors	1,568	1,626	1,706	1,763	1,841	1,966	2,057	2,163	2,201	2,278
Total	11,630	12,179	12,716	13,244	13,833	14,292	14,878	15,389	15,924	16,404

Statistical Membership Information

For the Years Ended June 30, 2016 through 2025
(Continued)

Average Monthly Retirement Benefits



Note: Amounts above include those payments made to members who have service retired, disability retired, and their beneficiaries.

Benefits and Refunds Paid

(Amounts in Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Benefits	\$ 449,929	\$ 486,186	\$ 527,281	\$ 566,386	\$ 608,957	\$ 650,804	\$ 697,452	\$ 744,561	\$ 793,655	\$ 843,319
Refunds	14,139	11,718	12,016	12,123	12,607	10,018	28,996	16,224	17,400	17,458
Total	\$464,068	\$497,904	\$539,297	\$578,509	\$621,564	\$660,822	\$726,448	\$760,785	\$811,055	\$860,777



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