SDCERS®

San Diego City Employees' Retirement System

We nurture the SEEDS of retirement so you can enjoy the HARVEST.

2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

A defined benefit pension plan trust for employees of the City of San Diego, the San Diego Unified Port District and the San Diego County Regional Airport Authority. A fiduciary component unit of the City of San Diego, CA.

San Diego City Employees' Retirement System

A Fiduciary Component Unit of the City of San Diego

A Defined Benefit Pension Plan Trust for
Employees of the City of San Diego, the San Diego Unified Port District
and the San Diego County Regional Airport Authority.

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The San Diego City Employees' Retirement System's (SDCERS) mission
is to deliver accurate and timely benefits to its participants
and ensure the Trust Fund's safety, integrity and growth.

Issued by:

Gregg L. Rademacher
Chief Executive Officer

Marcelle Voorhies Rossman
Deputy Chief Executive Officer

Ted A. LaSalvia
Finance Director

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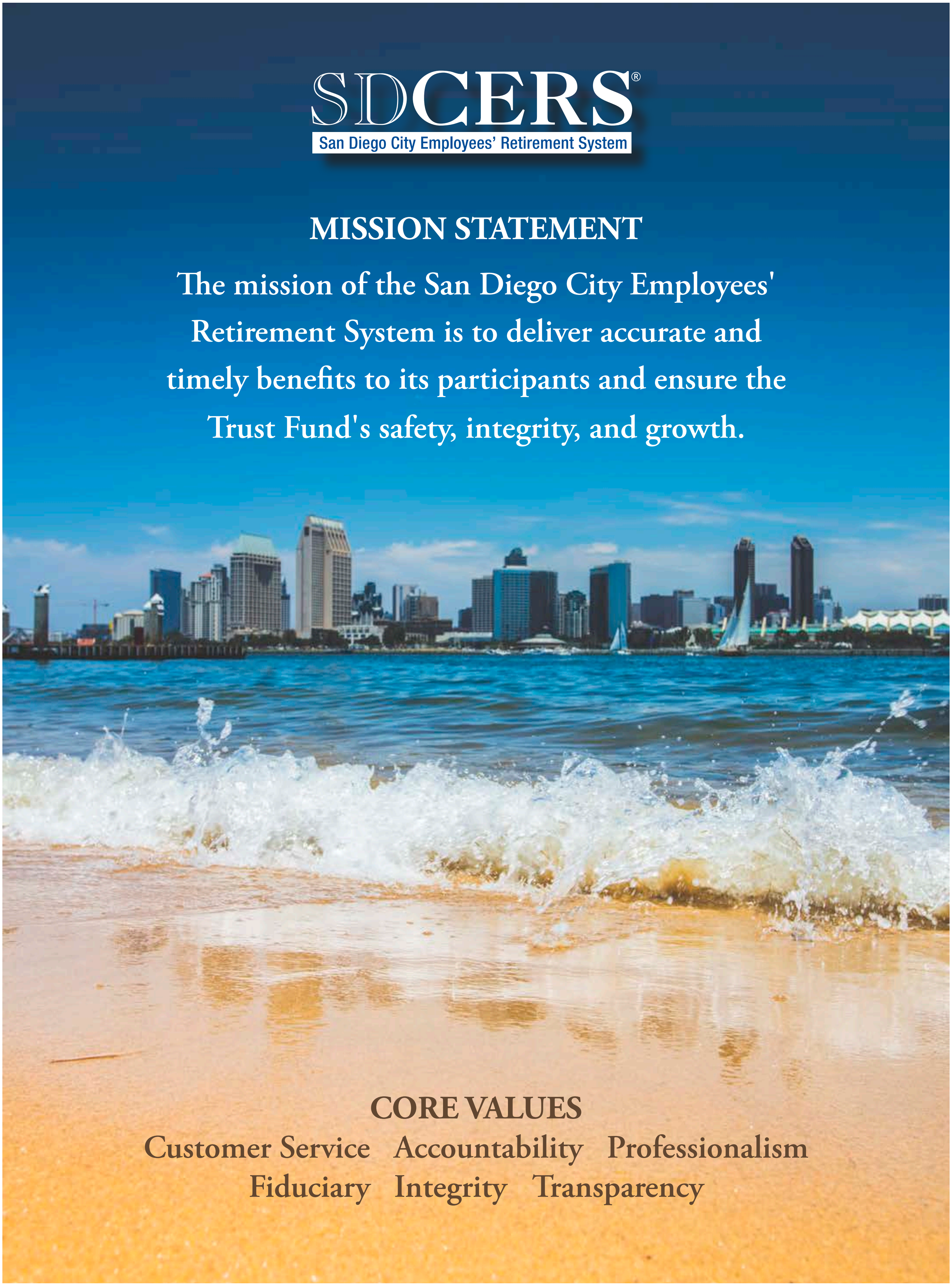


SDCERS®

San Diego City Employees' Retirement System

MISSION STATEMENT

The mission of the San Diego City Employees' Retirement System is to deliver accurate and timely benefits to its participants and ensure the Trust Fund's safety, integrity, and growth.

CORE VALUES

Customer Service Accountability Professionalism

Fiduciary Integrity Transparency

INTRODUCTORY

Transmittal Letter from the Chief Executive Officer and Board President

SDCERS
San Diego City Employees' Retirement System

November 17, 2023

To the Members, Plan Sponsors, and Board Members of the San Diego City Employees' Retirement System:

We are pleased to present the San Diego City Employees' Retirement System's (SDCERS) Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023 (FY 2023).

SDCERS' Background and History. SDCERS' mission is to deliver accurate and timely benefits to its participants and ensure the Trust Fund's safety, integrity, and growth. To guide the organization in fulfilling its mission, the Board members and staff value Customer Service, Accountability, Professionalism, Fiduciary, Integrity, and Transparency.

The City of San Diego (City) established SDCERS in 1927 to provide retirement, disability, and death benefits to City employees. Two additional Plan Sponsors were added when employees of the San Diego Unified Port District (Port) became members of SDCERS in 1963, and employees of the San Diego County Regional Airport Authority (Airport) became members in 2003.

To attain the appropriate level of funding for each member, SDCERS' actuary specifies a formula to calculate the amount that would need to be contributed by participating Plan Sponsors and members each year until retirement. SDCERS receives contributions from the plan sponsors and over 10,000 City, Port, and Airport working members, and invests these funds over the life of members' careers and throughout their retirement.

SDCERS invests the Plan Sponsor and member contributions utilizing a long-term investment strategy consisting of a diversified mix of stocks, bonds, real estate, private equity, infrastructure and opportunistic investments. SDCERS works with its actuarial and investment consultants to review funding progress, cash flow, investment risk, and portfolio returns to monitor and modify the funding plan and the portfolio's risk profile. Investment earnings, along with Plan Sponsor and member contributions, represent the three funding sources from which SDCERS pays benefits and its operational expenses.

Investment Results. SDCERS' time-weighted investment return for FY 2023 was 5.2% net of fees, compared to (1.7)% for FY 2022. As of June 30, 2023, SDCERS' annualized total investment return net of fees was 8.9% over the past three years, 6.8% over the past five years, and 7.7% over the past 10 years. Over the past 20 years, SDCERS' investment returns were 7.8%, which is in the top 3% for public pension plans with investment portfolios greater than $1 billion dollars.

SDCERS' investment philosophy strategy remains focused on long-term results. Our long-standing, disciplined strategy of a well-balanced portfolio will continue to provide members with sustainable benefits for their retirement. Each year, SDCERS reviews portfolio risk and asset allocation to manage the fiscal health of the fund. The most recent reviews indicate no significant investment policy or asset allocation changes are needed at present.

Funding Status. SDCERS engages an independent actuary to conduct annual actuarial valuations for funding purposes. Our three Plan Sponsors' June 30, 2022 actuarial valuations, the most recent available, are summarized in this ACFR. The valuations show the City's plan is 76.0% funded, the Port's plan is 79.9% funded, and the Airport's plan is 95.4% funded. All three Plan Sponsor funding ratios increased from a year ago, primarily due to the average investment experience over the actuarial multi-year smoothing period being greater than the expected 6.5% investment earnings assumption. The Plan Sponsors and their employees continued their strong funding trend of paying 100% of their Actuarially Determined Contributions. Historical trend information regarding funded status is provided in the Actuarial Section of this report.

FY 2022 ACFR Receives GFOA Certificate of Achievement. The Government Finance Officers Association (GFOA) awarded SDCERS' FY 2022 ACFR the Certificate of Achievement for Excellence in Financial Reporting. This Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. This award continues our renewed recognition that began with the FY 2008 ACFR and is the direct result of extraordinary work by our communication, finance, investment, internal audit and legal teams.

Serving our Members. A top priority for SDCERS is continued pursuit of excellence in serving our members. In FY 2023, key accomplishments included: successfully re-opening the City plan to currently working non-police employees hired between 2012 when the plan was closed and when the plan opened to new non-police employees in July 2021; completing a tax compliance review utilizing a legal tax counsel firm to provide vital assurance of SDCERS' tax compliance and to protect SDCERS' qualified tax status; established a five-year information technology audit plan to ensure the effectiveness of SDCERS' internal control system; including information technology security and control; and renegotiating SDCERS office space lease resulting in moving to a new smaller right-sized space with projected cost savings. More details on the FY 2023 Action Plan priorities and accomplishments can be found on the sdcers.org website.

Continued Pursuit of Investment Program Excellence. During the fiscal year, SDCERS conducted investment policy updates, implemented an asset class recategorization, funded a return-seeking fixed income allocation, performed strategic asset allocation study, and conducted a portfolio structure review. Additionally, SDCERS performed an investment operations risk assessment and an investment program best practice review.

SDCERS Employees Recognized for Leadership Activities. Several SDCERS employees presented at plan sponsor meetings, conferences and networking functions this past year: Carina Coleman, Ted LaSalvia, Cynthia Queen, Gregg Rademacher, Marcelle Voorhies Rossman, Jessica Taylor, Johnny Tran, and Susan St. John. We're proud of these employees for providing leadership and representing SDCERS.

Audited Financial Statements. The financial statements included in this ACFR have been prepared by SDCERS' management, who are responsible for the integrity and fairness of the data presented, including the amounts that must be based on estimates and judgments. The accounting policies followed in preparation of these financial statements conform to accounting principles generally accepted in the United States of America (GAAP). The basic financial statements presented are accompanied by a narrative introduction and financial overview and analysis in the form of Management's Discussion and Analysis (MD&A). This Transmittal Letter complements the MD&A, which follows the report of the independent auditor, and should be read in conjunction with it.

SDCERS' management is responsible for the accuracy, completeness, and fair presentation of information, and all disclosures in this report. The auditing firm of Macias Gini & O'Connell LLP provides audit services to SDCERS. Their opinion on the financial statements states that SDCERS' financial statements are presented in conformity with GAAP and are free of material misstatements.

Internal Controls. SDCERS has established and maintains a framework of internal controls to provide reasonable assurance that assets are properly safeguarded, transactions are properly executed, and the financial statements are free from material misstatement. However, we recognize that even sound internal controls have inherent limitations. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements. Therefore, internal controls are reviewed to ensure SDCERS' adherence to operating policies and procedures, and that the controls are adequate to ensure accurate and reliable financial reporting and to safeguard SDCERS' assets. The SDCERS' Internal Auditor reviews internal controls and operations, and reports regularly to the Board's Audit Committee; the Audit Committee reviews the audit findings, internal control recommendations, and management's actions to implement these recommendations. The Internal Auditor's work is subject to a periodic peer review by an external quality assessment team.

Acknowledgments. We would like to express our appreciation to the Board members and Audit Committee members who, without compensation, have provided the leadership, direction, and support that have made our recent achievements possible. Plan Sponsors, members, and the citizens of our community have been well served by the stewardship of the Board members and Audit Committee members.

Finally, we would like to thank the SDCERS staff. Each one works very hard to support our mission and our members. Their individual efforts, combined with those of a great group of professional advisors and investment managers, are essential to our ongoing success.

Gregg L. Rademacher
Chief Executive Officer

Paul R. Kaufmann
President, SDCERS Board of Administration

San Diego City Employees' Retirement System
GFOA Certificate of Achievement

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

San Diego City Employees' Retirement System
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

San Diego City Employees' Retirement System
PPCC Public Pension Standards Award

Public Pension Coordinating Council

Public Pension Standards Award For Funding and Administration 2023

Presented to

San Diego City Employees' Retirement System

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)

Alan H. Winkle
Program Administrator

San Diego City Employees' Retirement System
Board of Administration
As of June 30, 2023

Paul R. Kaufmann, President
MAYORAL APPOINTEE

Lisa Marie Harris
Vice President
MAYORAL APPOINTEE

Bret A. Bartolotta
ELECTED GENERAL MEMBER

Thomas P. Battaglia
ELECTED GENERAL MEMBER

B. Chris Brewster
ELECTED RETIREE MEMBER

Michelle L. Bush
MAYORAL APPOINTEE

Natasha L. Collura
EX-OFFICIO,
MAYORAL DESIGNEE

Paul W. Lotze
ELECTED SAFETY (FIRE)
MEMBER

Louis J. Maggi
ELECTED SAFETY (POLICE)
MEMBER

Louie D. Nguyen
MAYORAL APPOINTEE

Clifford N. Schireson
MAYORAL APPOINTEE

Roberta J. Spoon
MAYORAL APPOINTEE

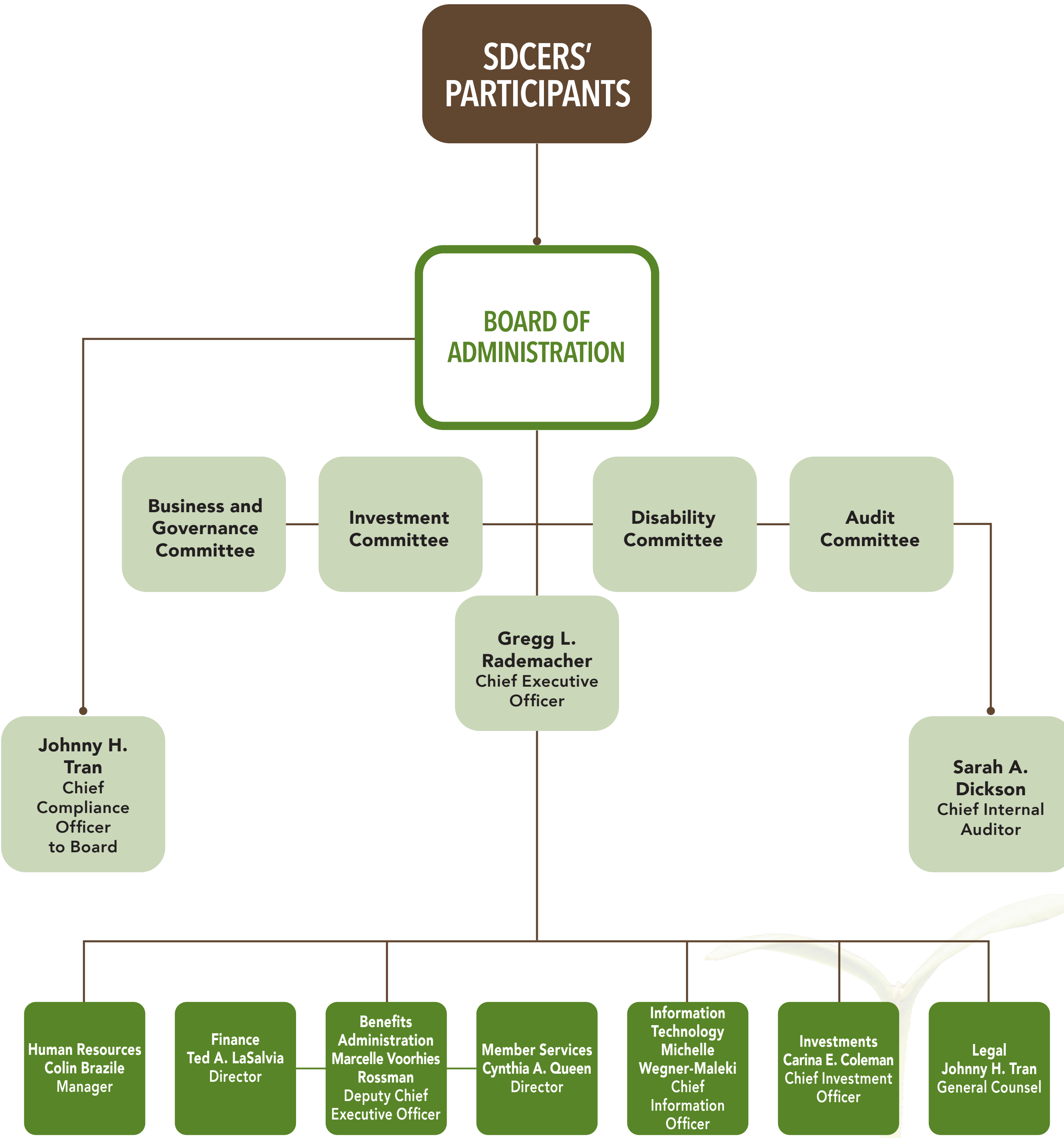
San Diego City Employees' Retirement System
Board of Administration Committees
As of June 30, 2023

In addition to regular Board duties, SDCERS' Board members also participate in one or more standing committees that review policies and procedures related to various areas of SDCERS' administration, report their findings, and make recommendations to SDCERS' Board. The composition and responsibilities of the standing committees as of June 30, 2023, were as follows:

Committee	Responsibilities
Audit Committee Lana Radchenko* – Chair Natasha L. Collura Mia Harenski* Gary McCormick* Roberta J. Spoon	Responsible for providing oversight of financial reporting process, the system of internal controls, and the independent audit process. The Audit Committee Charter requires at least three members to be independent, non-Board members appointed by the Board and such members are denoted by the "*" at left.
Business and Governance Committee Roberta J. Spoon – Chair Thomas P. Battaglia B. Chris Brewster Michelle L. Bush Paul R. Kaufmann Paul W. Lotze	Responsible for reviewing SDCERS' business and procedures, reviewing the annual budget, developing Board charters, policies and rules, evaluating candidates' qualifications for independent non-Board members of the Audit Committee, and oversee and work with the Chief Compliance Officer and the Board to develop and monitor an effective compliance policy.
Disability Committee Thomas P. Battaglia – Chair B. Chris Brewster Michelle L. Bush Natasha L. Collura Paul W. Lotze	Responsible for reviewing staff recommendations on disability applications and making recommendations to the Board, recommending to the Board final decisions on hearing officer and adjudicator findings with regard to disability retirement applications, and making recommendations for changes to the disability retirement process.
Investment Committee Clifford N. Schireson – Chair Bret A. Bartolotta Lisa Marie Harris Louis J. Maggi Louie D. Nguyen	Responsible for monitoring investment performance and market conditions, interviewing and recommending investment managers and consultants, and recommending changes to the Investment Policy Statement.

San Diego City Employees' Retirement System Organization Chart

As of June 30, 2023



San Diego City Employees' Retirement System
Professional Services
As of June 30, 2023

Actuary
Cheiron
McLean, VA

Consulting and Professional Services
Arthur J. Gallagher Risk Management Services, Inc.
Rolling Meadows, IL

Atos IT Solutions
Sugarland, TX

CGI Technologies
Fairfax, VA

Hewlett Packard
Los Angeles, CA

Sagitec Solutions, LLC
Little Canada, MN

Zensar Technologies
Westborough, MA

Custodian
State Street Bank & Trust Company
Sacramento, CA

Independent Auditor
Macias Gini & O'Connell LLP
Certified Public Accountants
San Diego, CA

Investment Consultant
Aon
Chicago, IL

Real Estate Consultant
Meketa Investment Group
Boston, MA

Private Equity and Infrastructure Consultants
GCM Grosvenor
New York, NY

StepStone Group LP
San Diego, CA

SDCERS' medical and legal service providers are identified in Other Supplemental Information in the Financial Section. SDCERS provides a listing of investment managers and a schedule of commissions in the Investment Section on pages 85 and 89, respectively.

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FINANCIAL

Independent Auditor's Report

Certified Public Accountants

Independent Auditor's Report

To the Board of Administration of the
San Diego City Employees' Retirement System
San Diego, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the San Diego City Employees' Retirement System (the System), a fiduciary component unit of the City of San Diego, California, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the System as of June 30, 2023, and the changes in its fiduciary net position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 (*Government Auditing Standards*). 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 the System, 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.

Other Matter

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the System's financial statements for the fiscal year ended June 30, 2022, from which such partial information was derived.

Macias Gini & O'Connell LLP
12264 El Camino Real, Suite 402
San Diego, CA 92130

www.mgocpa.com

Independent Auditor's Report (continued)

Report on Prior Year Comparative Information

We have previously audited the System's 2022 financial statements, and we expressed an unmodified audit opinion on the financial statements in our report dated November 16, 2022. In our opinion, the partial comparative information presented herein as of and for the fiscal year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

The System's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 the System'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.

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 to be 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 the System'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 the System's ability to continue as a going concern for a reasonable period of time.

Independent Auditor's Report (continued)

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 management's discussion and analysis, the schedules of changes in net pension liability (asset) and related ratios, the schedules of plan sponsor contributions, and the schedule of investment returns, 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 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 required supplementary information 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The statement of fiduciary net position – custodial funds, statement of changes in fiduciary net position – custodial funds, schedule of administrative expenses, schedule of investment expenses, and schedule of payments to consultants (supplementary information) are presented for the purposes of additional analysis and are 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 supplementary information 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 report. The other information comprises the introductory, investment, actuarial, and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does 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.

Independent Auditor's Report (continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2023, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 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 the System's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

San Diego, California
November 17, 2023

Management's Discussion and Analysis (Unaudited)

Management's Discussion and Analysis (MD&A) provides an overview and analysis of the San Diego City Employees' Retirement System's (SDCERS) financial condition as of and for the fiscal year ended June 30, 2023 (FY 2023), with results also compared to the fiscal year ended June 30, 2022 (FY 2022). The MD&A should be read in conjunction with the Letter of Transmittal in the introductory section and the basic financial statements that immediately follow the MD&A.

SDCERS' funding objective is to meet long-term benefit obligations through plan sponsor and member contributions and earnings on invested assets. SDCERS has three plan sponsors: the City of San Diego (City), the San Diego Unified Port District (Port) and the San Diego County Regional Airport Authority (Airport).

SDCERS' Board of Administration (Board) adopted a Declaration of Group Trust, effective July 1, 2007. The Internal Revenue Service (IRS) issued a favorable determination letter with respect to the Group Trust on September 10, 2009. Under the Group Trust, the City, Port and Airport plans are treated as separate plans, with assets of each pooled for investment purposes only. For FY 2023, the financial statements for each plan sponsor are presented in separate columns in the basic financial statements as required for retirement systems that administer more than one plan. Management's discussion and analysis compares financial information between FY 2023 and FY 2022 for the pension trust and custodial funds.

Financial Highlights

As of June 30, 2023, SDCERS had $10.587 billion in total fiduciary net position restricted for the payment of pension benefits, healthcare and Preservation of Benefit (POB) payments compared to total fiduciary net position of $9.988 billion at June 30, 2022. This represents an increase of $598.9 million from FY 2022. Operationally, the FY 2023 fiduciary net position increase reflects plan sponsor and member contributions of $785.7 million, Deferred Retirement Option Plan (DROP) member and sponsor contributions of $5.3 million, healthcare and POB contributions of $40.7 million and net investment income of $515.1 million, offset by deductions of $747.9 million for benefits payments, healthcare and POB benefits, refunds, administrative expenses, and DROP interest.

For FY 2023, total contributions plus net investment income resulted in total additions of $1.347 billion to fiduciary net position, an increase of $918.5 million from FY 2022 total additions of $428.3 million. An increase in year-over- year net investment earnings of $664.7 million and member contributions of $254.2 million were the primary factors for the increase over the prior fiscal year.

Deductions for benefits and expenses from fiduciary net position for FY 2023 totaled $747.9 million, a $26.1 million or 3.6% increase compared to FY 2022 deductions of $721.8 million. An increase in the total number of retirees and a cost of living adjustment of 2.0% in FY 2023 resulted in a $25.5 million or 4.0% increase in pension benefit payments.

The June 30, 2021 actuarial valuation for each plan sponsor determined the Actuarially Determined Contribution (ADC) amounts for FY 2023. Actuarial valuations are performed for each plan sponsor annually, as of June 30th, and are presented to the Board for approval. SDCERS' actuary conducts a triennial review of economic and demographic assumptions and presents to the Board for review and if necessary, approval.

Management's Discussion and Analysis (Unaudited) (continued)

Financial Highlights (continued)

An indicator of funding status is the ratio of the Fiduciary Net Position Restricted for Pensions (Plan Fiduciary Net Position) to the Total Pension Liability (TPL). The Net Pension Liability (NPL) is the liability of the plan sponsors to plan members for retirement benefits provided through the individual pension plans. Changes in actuarial assumptions can significantly impact the TPL and NPL, and performance in the stock and bond markets can substantially impact the fair value of assets and the Plan Fiduciary Net Position.

The NPL for the City, Port and Airport as of June 30, 2023 is $2.790 billion, $127.8 million, and $10.2 million, respectively, as compared to $2.548 billion, $121.1 million, and $5.6 million, respectively as of June 30, 2022. The Plan Fiduciary Net Position as a percentage of the TPL for the City, Port and Airport is 77.7%, 81.7%, and 96.4%, respectively, as of June 30, 2023, as compared to 78.3%, 82.1% and 97.9%, respectively, as of June 30, 2022.

Historical trend information concerning the changes in NPL, employer contributions, and investment returns are presented as Required Supplementary Information in the Schedules of Changes in Net Pension Liability (Asset) and Related Ratios, Schedules of Plan Sponsor Contributions, and Schedule of Investment Returns with associated actuarial methods and assumptions located in the Notes to Required Supplementary Information. Additional information is presented in Note 5. *Contributions*, and in the Actuarial Section. The Actuarial Valuations can be found online at www.sdcers.org.

As discussed in Note 7. *Legal Actions*, SDCERS is involved in litigation matters. SDCERS' management does not believe that the outcome of these matters will have a material adverse impact on SDCERS' financial condition.

SDCERS has implemented the California Public Employees' Pension Reform Act of 2013 (PEPRA) affecting the Port and Airport retirement plans. PEPRA was effective January 1, 2013.

At the July 10, 2020 meeting, the Board approved the actuarial experience study for the period July 1, 2015 – June 30, 2019 and those changes were incorporated in the June 30, 2021 actuarial valuation.

Management's Discussion and Analysis (Unaudited) (continued)

Overview of the Financial Statements

SDCERS' financial statements, notes to the financial statements, and supplementary information are comprised of the following five items:

1. Statement of Fiduciary Net Position,
2. Statement of Changes in Fiduciary Net Position,
3. Notes to the Basic Financial Statements,
4. Required Supplementary Information (Unaudited), and
5. Other Supplemental Information.

The **Statement of Fiduciary Net Position** presents the major categories of assets and liabilities and their related values for the pension trust funds and custodial funds. It presents the assets available for future payments of benefits to retirees and beneficiaries and current liabilities that are owed as of June 30, 2023, with comparative totals as of June 30, 2022. As of July 1, 2007, the City, Port and Airport pension plans were separated into independent, qualified, single employer governmental defined benefit plans and trusts. Accordingly, the interests of each plan and trust are accounted for separately in the Statement of Fiduciary Net Position.

The **Statement of Changes in Fiduciary Net Position** provides an income statement presentation of annual additions to and deductions from fiduciary net position for FY 2023, with comparative totals for FY 2022. The FY 2023 Statement of Changes in Fiduciary Net Position also presents separate reporting for the City, Port and Airport pension trust funds and custodial funds consistent with the Statement of Fiduciary Net Position.

The **Notes to the Basic Financial Statements** provide additional information essential to a full understanding of the data presented in the audited financial statements. This section provides a quantitative and qualitative basis for assessing SDCERS' financial condition and the changes in its net position. Note 1. *Summary of Significant Accounting Policies* provides information on the assumptions and methods used in the presentation of SDCERS' financial statements. It also provides the basis for accounting treatment of stated values under accounting principles generally accepted in the United States of America (U.S. GAAP) that are unique to a public employee retirement system.

The **Required Supplementary Information (Unaudited) (RSI)** is an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The Schedules of Changes in Net Pension Liability (Asset) and Related Ratios provide information on the sources of changes in the NPL for each plan sponsor. The schedules also provide information about the components of the NPL and related ratios, including the pension plans' fiduciary net position as a percentage of the TPL, and the NPL as a percentage of covered payroll. The RSI also presents Schedules of Plan Sponsor Contributions and a Schedule of Investment Returns.

The **Other Supplemental Information** includes a Statement of Fiduciary Net Position – Custodial Funds, a Statement of Changes in Fiduciary Net Position – Custodial Funds, a Schedule of Administrative Expenses, a Schedule of Investment Expenses and a Schedule of Payments to Consultants.

SDCERS' management is responsible for the accuracy, completeness and fair presentation of this information and all disclosures in accordance with U.S. GAAP.

Management's Discussion and Analysis (Unaudited) (continued)

Financial Analysis

Tables 1 and 2 summarize and compare SDCERS' fiduciary net position and the changes in fiduciary net position for the current and prior fiscal year.

SDCERS' total fiduciary net position restricted for the payment of defined benefit pension, healthcare and POB benefits as of June 30, 2023, totaled $10.587 billion, an increase of $598.9 million or 6.0% compared to net position of $9.988 billion as of June 30, 2022. The increases in balances on the Statement of Fiduciary Net Position primarily resulted from the increase of $698.1 million in investments, resulting from higher member contributions and investment net income, and $656.4 million in receivables, resulting from a large sale of investments at year-end, offset by an increase in current liabilities due to a large increase in the purchase of investments at year-end. The decrease in securities lending collateral is offset by the decrease in securities lending obligations and results from a decline in securities lending activity at year-end. The total fiduciary net position is available to meet SDCERS' ongoing retirement and disability payment obligations to retirees and beneficiaries. A comparative summary is presented in Table 1 below.

Table 1: Condensed Fiduciary Net Position (Dollars in Thousands)

	2023	2022	Percentage Change
Cash and Cash Equivalents	$254,810	$197,355	29.1%
Receivables	918,449	262,098	250.4
Investments, at Fair Value	10,732,832	10,034,725	7.0
Securities Lending Collateral	120,672	134,472	-10.3
Capital Assets plus Prepaid Expenses	2,069	3,698	-44.1
Total Assets	**$12,028,832**	**$10,632,348**	**13.1%**
Current Liabilities	$1,309,378	$497,699	163.1%
Supplemental Benefits Payable	11,890	12,024	-1.1
Securities Lending Obligations	120,661	134,485	-10.3
Long-Term Lease Liability	-	96	-100.0
Total Liabilities	$1,441,929	$644,304	123.8%
Fiduciary Net Position	**$10,586,903**	**$9,988,044**	**6.0%**

Reserves

Pension plans establish reserves for various anticipated liabilities. SDCERS' reserves have been established to account for employer and employee contributions, the accumulation of current retired member expected benefits and other items.

The largest reserve balance is for accumulated benefits payable to retired SDCERS members. This comprises approximately 53.2% of fiduciary net position ($5.632 billion reserved for current retired members out of $10.587 billion in fiduciary net position) as of June 30, 2023. A complete listing of SDCERS' reserves and corresponding balances for FY 2023 are presented in Note 6. *Reserve Balances*.

Management's Discussion and Analysis (Unaudited) (continued)

Current Year Results

Key elements of FY 2023 results and year-over-year comparisons are summarized below.

Additions to Fiduciary Net Position, necessary to pay current retirement benefits and accrue for future retirement benefits, are accumulated from plan sponsor and member contributions and the earnings on invested assets (net of investment management fees and related expenses). For FY 2023, contributions and investment losses combined to provide total additions of $1.347 billion, an increase of $918.5 million from FY 2022 total additions of $428.3 million. The FY 2023 increase is attributable to a higher rate of return on investments and increased City member contributions due to the reopening of the City's defined benefit plan to general, fire and lifeguard members.

Deductions from Fiduciary Net Position reflect SDCERS' administration of lifetime retirement annuities, survivor benefits, DROP benefits, permanent disability benefits and retiree healthcare. The costs of these programs include one-time and recurring pension benefit payments and refunds of contributions to terminated members. Deductions for FY 2023 were $747.9 million, an increase of $26.1 million or 3.6% compared to FY 2022 deductions of $721.8 million. The increase results from the growth in the number of retired members and an annual cost of living increase for retirement benefits.

A comparative summary of additions and deductions is presented in Table 2 below.

Table 2: Condensed Changes in Fiduciary Net Position (Dollars in Thousands)

	2023	2022	Percentage Change
Additions:			
Plan Sponsor Contributions	$449,989	$447,584	0.5%
Member Contributions and Other Contributions	335,747	81,551	311.7
DROP Contributions	5,330	5,541	-3.8
Healthcare and POB Contributions	40,652	43,191	-5.9
Net Investment Income (Loss)	515,073	(149,582)	-444.3
Total Additions	$1,346,791	$428,285	214.5%
Deductions:			
Benefit Payments	$660,947	$635,422	4.0%
Healthcare and POB Benefits	39,742	42,341	-6.1
Refund of Member Contributions	11,733	8,453	38.8
Administrative Expenses	15,545	14,558	6.8
DROP Interest Expense	19,965	21,059	-5.2
Total Deductions	$747,932	$721,833	3.6%
Changes in Fiduciary Net Position	598,859	(293,548)	304.0
Beginning Fiduciary Net Position	9,988,044	10,281,592	-2.9
Ending Fiduciary Net Position	$10,586,903	$9,988,044	6.0%

Management's Discussion and Analysis (Unaudited) (continued)

FY 2023 plan sponsor contributions totaled $450.0 million, an increase of $2.4 million or 0.5% compared to contributions of $447.6 million in FY 2022. The total ADC in FY 2023 was slightly higher for the City compared to FY 2022, and resulted from the reopening of the defined benefit plan to general, fire and lifeguard members. The Port and Airport plan sponsor contributions decreased $2.9 million and $1.4 million, respectively, and resulted from decreased ADC payments compared to the prior year as detailed in the June 30, 2021 actuarial valuations. For further information about plan sponsor contributions, see Note 5. *Contributions* in the Notes to the Basic Financial Statements and the Schedules of Plan Sponsor Contributions in the Required Supplementary Information.

FY 2023, member contributions and member contributions paid by plan sponsors totaled $335.7 million, an increase of $254.2 million, or 311.7%, compared to contributions of $81.5 million in FY 2022. The addition of approximately 4,100 active City members, resulting from the reopening of the defined benefit plan and new City hires during the fiscal year were the primary reasons for the increase.

Contributions for healthcare, healthcare administrative costs and POB benefit totaled $40.7 million for FY 2023 compared to $43.2 million for FY 2022. The payment of healthcare benefits and POB benefits decreased to $39.7 million for FY 2022 compared to $42.3 million for FY 2022. Healthcare administrative costs are reported as administrative expenses and were $0.9 million for FY 2023.

In FY 2023, net investment income totaled $515.1 million, an increase of $664.7 million from FY 2022 net investment loss of $149.6 million as a result of comparatively higher investment returns for the fiscal year compared to FY 2022. For FY 2023, net appreciation of $585.9 million in the equity portfolio and $154.6 million in dividend, interest, and other investment income offset by net depreciation of $90.0 million in the private equity and infrastructure portfolio, $49.0 million in the real estate portfolio and $42.1 million in the fixed income portfolio, were the major components of investment earnings. Investment expenses decreased $29.2 million to $44.4 million as compared to $73.6 million in FY 2022 due to legal expense for the settlement of investment litigation in the prior year.

A report on SDCERS' investment activity prepared by Aon Hewitt, SDCERS' investment consultant, is included in the Investment Section. This report provides commentary on specific asset class investment returns, index returns and peer group performance. The Investment Section also includes information about SDCERS' FY 2023 long-term investment performance.

SDCERS' one-year investment return for the fiscal year ended June 30, 2023, was 5.0%, net of investment management fees on a money-weighted rate of return basis and 5.2% on a time-weighted rate of return basis. According to Aon Hewitt, SDCERS' annualized time-weighted total investment returns for three, five and ten years were 8.9%, 6.8% and 7.7%, respectively.

In FY 2023, member benefit payments totaled $660.9 million, an increase of $25.5 million or 4.0% from FY 2022 payments of $635.4 million. An increase in the total number of retirees and a cost of living adjustment of 2.0% in FY 2023 were the primary reasons for the increased payments.

Management's Discussion and Analysis (Unaudited) (continued)

Analysis of Balances and Results – Pension Trust Funds

Tables 3 and 4 summarize and compare SDCERS' financial results for the current and prior fiscal year by plan sponsor.

Table 3: Condensed Fiduciary Net Position by Plan Sponsor (Dollars in Thousands)

	As of June 30, 2023			As of June 30, 2022		
	City	Port	Airport	City	Port	Airport
Cash and Cash Equivalents	$149,753	$33,335	$71,664	$95,335	$30,672	$71,274
Receivables	846,470	50,433	21,540	243,465	13,997	4,635
Investments, at Fair Value	9,944,354	575,107	213,371	9,302,893	536,345	195,487
Securities Lending Collateral	110,867	6,698	3,107	123,513	7,479	3,480
Capital Assets plus Prepaid Expenses	1,966	95	8	3,451	195	52
Total Assets	**$11,053,410**	**$665,668**	**$309,690**	**$9,768,657**	**$588,688**	**$274,928**
Current Liabilities	$1,190,177	$89,877	$29,281	$462,354	$26,425	$8,882
Securities Lending Obligations	110,856	6,698	3,107	123,529	7,478	3,478
Supplemental Benefits Payable	11,485	318	87	11,627	316	81
Long-Term Lease Liability	-	-	-	87	6	3
Total Liabilities	**$1,312,518**	**$96,893**	**$32,475**	**$597,597**	**$34,225**	**$12,444**
Fiduciary Net Position	**$9,740,892**	**$568,775**	**$277,215**	**$9,171,060**	**$554,463**	**$262,484**

The City fiduciary net position of $9.741 billion at June 30, 2023, increased $569.8 million or 6.2% from $9.171 billion at June 30, 2022. At June 30, 2023, total assets increased by $1.285 billion and total liabilities increased by $714.9 million from June 30, 2022. The increase in assets was primarily due to the increases in cash of $54.4 million, investments portfolio of $641.5 million resulting from higher investment returns during the fiscal year, and receivables of $603.0 million resulting from an increase in investments sold at year-end offset by decreased securities lending collateral of $12.6 million due to a reduction in security lending activity. The increase in liabilities resulted from higher current liabilities of $727.8 million resulting from an increase in the purchase of investments at year-end offset by a decrease in securities lending obligations of $12.7 million. Year-over-year changes in other assets or liabilities were not significant.

The Port fiduciary net position of $568.8 million at June 30, 2023, increased $14.3 million or 2.6% from $554.5 million at June 30, 2022. Similar to the City, at June 30, 2023, total assets increased by $77.0 million and total liabilities increased by $62.7 million from June 30, 2022. The increase in assets primarily resulted from increases in cash of $2.7 million, and the investments portfolio of $38.8 million due to higher investment returns during the fiscal year, and an increase in receivables of $36.4 million related to the sale of investments at year-end. The increase in liabilities resulted from an increase in current liabilities of $63.5 million due to an increase in investments purchased at year-end. Year-over-year changes in other assets or liabilities were not significant.

The Airport fiduciary net position of $277.2 million at June 30, 2023, increased $14.7 million or 5.6% from $262.5 million at June 30, 2022. At June 30, 2023, total assets increased by $34.8 million and total liabilities increased by $20.1 million from June 30, 2022. The increase in assets primarily resulted from an increase in the investments portfolio of $17.9 million due to higher investment returns and an increase in receivables of $16.9 million related to the sale of investments at year-end. The increase in liabilities reflects increased current liabilities of $20.4 million related to an increase in the purchase of investments at year-end. Year-over-year changes in other assets or liabilities were not significant.

Management's Discussion and Analysis (Unaudited) (continued)

Table 4: Condensed Changes in Fiduciary Net Position by Sponsor (Dollars in Thousands)

	For The Fiscal Year Ended June 30, 2023			For The Fiscal Year Ended June 30, 2022		
	City	Port	Airport	City	Port	Airport
Additions:						
Plan Sponsor Contributions	$423,120	$19,205	$7,664	$416,376	$22,106	$9,102
Member Contributions and Other Contributions	328,341	3,991	3,415	74,970	3,590	2,991
DROP Contributions	4,962	210	158	5,096	286	159
Net Investment Income (Loss)	473,106	28,674	13,293	(137,052)	(8,341)	(4,189)
Total Additions	$1,229,529	$52,080	$24,530	$359,390	$17,641	$8,063
Deductions:						
Benefit Payments	$615,848	$36,210	$8,889	$593,520	$33,740	$8,162
Refunds of Member Contributions	11,296	104	333	7,718	394	341
Administrative Expenses	13,232	882	505	12,403	844	462
DROP Interest Expense	19,321	572	72	20,393	591	75
Total Deductions	$659,697	$37,768	$9,799	$634,034	$35,569	$9,040
Changes in Fiduciary Net Position	569,832	14,312	14,731	(274,644)	(17,928)	(977)
Beginning Fiduciary Net Position	9,171,060	554,463	262,484	9,445,704	572,391	263,461
Ending Fiduciary Net Position	$9,740,892	$568,775	$277,215	$9,171,060	$554,463	$262,484

The City fiduciary net position increased $569.8 million in FY 2023 compared to a decrease of $274.6 million in FY 2022, as FY 2023 total additions increased $870.1 million over FY 2022. Net investment income of $473.1 million, reflecting an increase of $610.2 million over FY 2022 due to higher investment returns and member contributions of $328.3 million, higher by $253.4 million over FY 2022 resulting from the reopening of the pension system to certain general and safety members, accounted for most of the increase. Plan sponsor contributions increased $6.7 million or 1.6% over FY 2022 as a result of increased normal cost plan sponsor contributions as a result of the reopening of the pension system offset by a decrease in the FY 2023 ADC as calculated by SDCERS' actuary.

Total City deductions of $659.7 million increased $25.7 million or 4.0% in FY 2023. Benefit payments of $615.8 million increased $22.3 million or 3.8% primarily due to increased benefit payments to an increased number of retirees, and member refunds were higher by $3.6 million or 46.4%, which resulted from an increase in members who terminated employment. Year-over-year changes in other deduction line items were not material.

The Port fiduciary net position increased $14.3 million in FY 2023, as total additions of $52.1 million increased $34.4 million from FY 2022. Similar to the City, net investment income was responsible for the majority of the increase at $28.7 million. Net investment income increased $37.0 million in FY 2023 due to higher investment returns compared to a net investment loss of $8.3 million in FY 2022. Plan sponsor contributions decreased $2.9 million or 13.1% over FY 2022 due to a decrease in the ADC as calculated by SDCERS' actuary. Total Port deductions were $37.8 million in FY 2023, an increase of $2.2 million over FY 2022. The increase resulted from increased benefit payments to an increased number of retirees.

The Airport fiduciary net position increased $14.7 million in FY 2023, as total additions of $24.5 million increased $16.5 million from FY 2022. Net investment income of $13.3 million increased $17.5 million due to higher investment returns compared to FY 2022. Total additions were offset by total deductions of $9.8 million in FY 2023, an increase of $0.8 million from FY 2022. The increase resulted from increased benefit payments to an increased number of retirees of $0.7 million. Year-over-year changes in other deduction line items were not material.

Management's Discussion and Analysis (Unaudited) (continued)

Analysis of Balances and Results – Custodial Funds

Tables 5 - 6 summarize and compare SDCERS' financial results for the current and prior fiscal year by custodial fund.

Table 5: Fiduciary Net Position by Custodial Fund (Dollars in Thousands)

	As of June 30, 2023				As of June 30, 2022			
	HCB	City POB	Port POB	Airport POB	HCB	City POB	Port POB	Airport POB
Cash and Cash Equivalents	$37	$11	$5	$5	$37	$11	$11	$15
Receivables	6	-	-	-	1	-	-	-
Total Assets	$43	$11	$5	$5	$38	$11	$11	$15
Accounts Payable and Other Liabilities	$43	$-	$-	$-	$38	$-	$-	$-
Total Liabilities	$43	$-	$-	$-	$38	$-	$-	$-
Fiduciary Net Position	$-	$11	$5	$5	$-	$11	$11	$15

Table 6: Changes in Fiduciary Net Position by Custodial Fund (Dollars in Thousands)

	For The Fiscal Year Ended June 30, 2023				For The Fiscal Year Ended June 30, 2022			
	HCB	City POB	Port POB	Airport POB	HCB	City POB	Port POB	Airport POB
Additions:								
Healthcare and POB Contributions	$39,385	$976	$271	$20	$41,322	$1,442	$374	$53
Total Additions	$39,385	$976	$271	$20	$41,322	$1,442	$374	$53
Deductions:								
Healthcare and POB Benefits	$38,462	$974	$276	$30	$40,477	$1,442	$362	$60
Administrative Expenses	923	2	1	-	845	2	2	-
Total Deductions	$39,385	$976	$277	$30	$41,322	$1,444	$364	$60
Changes in Fiduciary Net Position	-	-	(6)	(10)	-	(2)	10	(7)
Beginning Fiduciary Net Position	-	11	11	15	-	13	1	22
Ending Fiduciary Net Position	$-	$11	$5	$5	$-	$11	$11	$15

The City Postemployment Health Care Benefit (HCB) provides healthcare for eligible members retired from City employment. SDCERS acts as a custodian for the plan and consolidates the collection of retiree and City payments for health benefits administered by the City. SDCERS remits premiums collected from retirees to the HCB healthcare providers and then invoices the City for healthcare benefits payable to the retirees as required under the City retiree healthcare plans. The HCB reports a Statement of Fiduciary Net Position – Custodial Funds and a Statement of Changes in Fiduciary Net Position – Custodial Funds in Other Supplemental Information.

Management's Discussion and Analysis (Unaudited) (continued)

Healthcare contributions consist of member withholdings for insurance premium payments and City payments for healthcare benefits and the payment of healthcare administrative costs. Healthcare contributions totaled $39.4 million in FY 2023. Healthcare payments, defined as benefit payments, totaled $38.5 million and healthcare administrative expenses were $0.9 million in FY 2023.

The City, Port and Airport POB plans are qualified excess benefit arrangements pursuant to Internal Revenue Code (IRC) Section 415(m) and provide for the payment of the portion of retirement benefits that exceeds the IRC Section 415(b) limits. The plan sponsors are invoiced by SDCERS for amounts payable to their former employees, and SDCERS subsequently pays the benefits to the retirees.

City, Port and Airport POB fund contributions consist of plan sponsor payments for excess benefit arrangements and totaled $1.0 million, $0.3 million, and $20 thousand, respectively for FY 2023. Benefit payments for the City, Port and Airport POB funds were $1.0 million, $0.3 million, and $30 thousand, respectively for FY 2023.

Other Information

Proposition B: Amendments to the San Diego City Charter Affecting Retirement Benefits

In June 2012 Proposition B (Prop B) was passed by the citizens of San Diego. Prop B closed the City's pension plan to all new hires except sworn police officers. In 2021, the San Diego Superior Court invalidated Prop B and ordered the City Council to strike all Prop B provisions from the City Charter and to conform the Municipal Code accordingly. In 2021, the City Council approved an ordinance opening the pension plan to employees initially hired on or after July 10, 2021.

In 2022, the City Council approved MOUs with the Municipal Employees Association (MEA) and American Federation of State, County and Municipal Employees Local 127 (Local 127) regarding terms to open the pension plan to current employees initially hired July 20, 2012 through July 9, 2021 (Prop B Employees). These employees and employees not represented by one of the City's Recognized Employee Organizations had a one-time, irrevocable option to either join the pension system or remain in the City's deferred compensation plan, Supplemental Pension Savings Plan (SPSP). Those that chose to join SDCERS made-up the contributions they would have made had they been in the plan.

Also in 2022, City employees represented by the Deputy City Attorneys Association (DCAA), California Teamsters Local 911 (Local 911), and the International Association of Firefighters, Local 145 (Local 145) were required to join SDCERS on July 9, 2022 and to make-up the contributions they would have made had they been in the plan. Updates to the San Diego Municipal Code, SPSP-H Plan document, 401(a) Plan document, and the 401(k) Plan document were approved at the same meeting to allow for the unwinding of Prop B.

Currently, the City is addressing former employees with Prop B time. Once SDCERS receives the City Council's decision on these former employees, SDCERS will administer the plan, accordingly.

The June 30, 2022 actuarial valuation included the financial impact of the actions taken in 2021 and 2022 to unwind Proposition B for all City employees initially hired on or after July 10, 2021. The actuarial valuation appropriately excludes the estimated impact from placing the excluded City employees hired between July 20, 2012 and July 9, 2021 into the defined benefit plan.

COVID-19

The outbreak of the novel coronavirus respiratory disease (COVID-19) was declared a global pandemic on March 1, 2020 by the World Health Organization. COVID-19 has impacted SDCERS in numerous ways. The COVID-19 pandemic has caused business disruptions for SDCERS, including but not limited to remote meetings and member seminars, adjustments to work practices, and changes to processes and updates to internal controls. Despite these challenges,

Management's Discussion and Analysis (Unaudited) (continued)

SDCERS has been able to safeguard the Trust Fund's safety, integrity, and growth. SDCERS will continue to monitor and address these challenges to ensure its mission to deliver accurate and timely benefits to its participants.

Requests For Information

This Financial Report is designed to provide a general overview of SDCERS finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: SDCERS, Finance Department, 401 West A Street, Suite 800, San Diego, CA, 92101, or by calling 800-774-4977.

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San Diego City Employees' Retirement System
Statement of Fiduciary Net Position
As of June 30, 2023 (with Comparative Totals as of June 30, 2022) (Dollars in Thousands)

	Pension Trust Funds		
	City	Port	Airport
ASSETS			
Cash and Cash Equivalents			
Cash on Deposit with Wells Fargo Bank	$575	$242	$217
Cash and Cash Equivalents on Deposit with Custodial Bank and Fiscal Agents	149,178	33,093	71,447
Total Cash and Cash Equivalents	149,753	33,335	71,664
Receivables			
Plan Sponsor and Member Contributions	5,795	168	147
Member Purchased Service Contracts and Other Receivables	468	10	4
Investment Income Receivable	12,683	726	261
Securities Sold	827,524	49,529	21,128
Total Receivables	846,470	50,433	21,540
Investments, at Fair Value			
Domestic Fixed Income Securities	2,274,669	130,174	47,203
International Fixed Income Securities	289,031	16,438	3,909
Global Fixed Income Securities	405,485	23,823	11,250
Domestic Equity Securities	2,433,790	140,983	53,676
International Equity Securities	1,537,223	88,161	31,891
Global Equity Securities	350,716	20,354	6,029
Real Estate	1,125,490	65,319	24,690
Private Equity and Infrastructure	1,527,950	89,855	34,723
Total Investments	9,944,354	575,107	213,371
Securities Lending Collateral	110,867	6,698	3,107
Total Investments Including Securities Lending Collateral	10,055,221	581,805	216,478
Prepaid Expenses	235	15	8
Capital Assets at Cost, Net of Accumulated Depreciation of $7,741	1,731	80	-
TOTAL ASSETS	$11,053,410	$665,668	$309,690
LIABILITIES			
Accounts Payable and Other Liabilities	$889	$93	$48
Accrued Investment Fees	2,055	117	56
Accrued Wages and Benefits	1,138	76	42
Supplemental Benefits Payable	11,485	318	87
Securities Purchased	1,186,095	70,388	29,135
Securities Lending Obligations for Cash Collateral	110,856	6,698	3,107
Plan Sponsor Contribution Advance	-	19,203	-
Current Lease Liability	-	-	-
Long-Term Lease Liability	-	-	-
TOTAL LIABILITIES	$1,312,518	$96,893	$32,475
FIDUCIARY NET POSITION RESTRICTED FOR PENSION, HEALTHCARE AND POB BENEFITS	$9,740,892	$568,775	$277,215

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

Custodial Funds	2023	2022
Total	Total	Total
$58	$1,092	$1,019
-	253,718	196,336
58	254,810	197,355
-	6,110	3,914
6	488	530
-	13,670	8,553
-	898,181	249,101
6	918,449	262,098
-	2,452,046	2,160,147
-	309,378	584,278
-	440,558	-
-	2,628,449	2,322,352
-	1,657,275	1,359,841
-	377,099	625,932
-	1,215,499	1,201,435
-	1,652,528	1,780,740
-	10,732,832	10,034,725
-	120,672	134,472
-	10,853,504	10,169,197
-	258	366
-	1,811	3,332
$64	$12,028,832	$10,632,348
$43	$1,073	$1,204
-	2,228	2,728
-	1,256	1,132
-	11,890	12,024
-	1,285,618	491,504
-	120,661	134,485
-	19,203	-
-	-	1,131
-	-	96
$43	$1,441,929	$644,304
$21	$10,586,903	$9,988,044

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

San Diego City Employees' Retirement System
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2023 (with Comparative Totals for the Fiscal Year Ended June 30, 2022)

(Dollars in Thousands)

	Pension Trust Funds		
	City	Port	Airport
ADDITIONS			
Contributions			
Plan Sponsor	$423,120	$19,205	$7,664
Members Portion Paid by Plan Sponsor	-	1,573	1,272
Members	324,691	2,281	2,081
Members for Purchased Service	3,636	135	62
Earned Interest on Purchased Service Installment Contracts	14	2	-
DROP Contributions	4,962	210	158
Healthcare and POB Contributions	-	-	-
Total Contributions	756,423	23,406	11,237
Investment Earnings			
Net Appreciation (Depreciation) in Fair Value of Investments			
Equity Securities	538,470	32,382	15,047
Fixed Income Securities	(38,791)	(2,233)	(1,035)
Real Estate	(45,188)	(2,588)	(1,242)
Private Equity and Infrastructure	(82,918)	(4,810)	(2,242)
Securities Lending	27	-	(2)
Total Net Appreciation (Depreciation) in Fair Value of Investments	371,600	22,751	10,526
Dividend Income	54,733	3,230	1,505
Interest Income	67,858	3,998	1,866
Real Estate Income	10,991	606	286
Private Equity and Infrastructure Income	7,744	456	213
Securities Litigation and Other Income	120	(20)	(6)
Securities Lending Income			
Gross Earnings	9,533	561	262
Less: Borrower Rebates and Bank Charges	(8,575)	(505)	(236)
Net Securities Lending Income	958	56	26
Total Investment Income (Loss)	514,004	31,077	14,416
Investment Expenses	(40,898)	(2,403)	(1,123)
Net Investment Income (Loss)	473,106	28,674	13,293
TOTAL ADDITIONS	$1,229,529	$52,080	$24,530
DEDUCTIONS			
Benefit Payments			
Monthly Retirement and Disability Allowances	$534,124	$31,230	$7,593
DROP Payments	68,899	4,642	1,165
Supplemental Benefits	6,895	312	88
Corbett Benefits	4,433	-	-
Death Benefits	1,497	26	43
Healthcare and POB Benefits	-	-	-
Total Benefit Payments	615,848	36,210	8,889
Refund of Member Contributions	11,296	104	333
Administrative Expenses	13,232	882	505
DROP Interest Expense	19,321	572	72
TOTAL DEDUCTIONS	$659,697	$37,768	$9,799
INCREASE (DECREASE) IN FIDUCIARY NET POSITION	569,832	14,312	14,731
FIDUCIARY NET POSITION RESTRICTED FOR PENSION, HEALTHCARE AND POB BENEFITS AT JULY 1	$9,171,060	$554,463	$262,484
FIDUCIARY NET POSITION RESTRICTED FOR PENSION, HEALTHCARE AND POB BENEFITS AT JUNE 30	$9,740,892	$568,775	$277,215

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

Custodial Funds	2023	2022
Total	Total	Total
$-	$449,989	$447,584
-	2,845	2,796
-	329,053	73,498
-	3,833	5,222
-	16	35
-	5,330	5,541
40,652	40,652	43,191
40,652	831,718	577,867
-	585,899	(695,470)
-	(42,059)	(294,501)
-	(49,018)	261,333
-	(89,970)	409,849
-	25	2
-	404,877	(318,787)
-	59,468	58,926
-	73,722	36,281
-	11,883	11,899
-	8,413	9,808
-	94	124,690
-	10,356	1,895
-	(9,316)	(671)
-	1,040	1,224
-	559,497	(75,959)
-	(44,424)	(73,623)
-	515,073	(149,582)
$40,652	$1,346,791	$428,285
$-	$572,947	$543,600
-	74,706	78,951
-	7,295	7,248
-	4,433	4,642
-	1,566	981
39,742	39,742	42,341
39,742	700,689	677,763
-	11,733	8,453
926	15,545	14,558
-	19,965	21,059
$40,668	$747,932	$721,833
(16)	598,859	(293,548)
37	9,988,044	10,281,592
$21	$10,586,903	$9,988,044

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

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements
June 30, 2023

1. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (GAAP). Employee and employer contributions are recognized in the period in which contributions are due pursuant to SDCERS' Group Trust Agreement, and benefits and refunds are recognized when currently due and payable in accordance with plan terms. Investment income is recognized as revenue when earned net of investment management fees and related expenses. The net appreciation/(depreciation) in the fair value of investments is recorded as an increase/(decrease) to investment income based upon investment valuations, which includes both realized and unrealized gains and losses on investments.

SDCERS is considered part of the City's financial reporting entity, and SDCERS' financial statements are included in the City's Annual Comprehensive Financial Report as a fiduciary component unit and reported as a pension trust fund in its fiduciary funds. Separate financial statements for SDCERS are presented for the retirement system group trust and custodial funds, which are excluded from the retirement system's group trust but are included in the basic financial statements.

The Board of Administration (Board) adopted a Declaration of Group Trust, effective July 1, 2007, to fulfill requirements in the City Charter and Municipal Code that the assets of each SDCERS Plan be used to pay benefits and expenses relating only to that Plan. Under the Group Trust, the City of San Diego (City), San Diego Unified Port District (Port) and San Diego County Regional Airport Authority (Airport) plans are legally treated as separate defined benefit (DB) plans. Under a group trust, the assets of one employer's plan are not legally available to pay benefits under any other employer's plan if one or more of the employers become insolvent. Assets of each sponsor's plan are pooled for investment purposes only. The financial statements for each plan sponsor are presented in separate columns in the basic financial statements as required for retirement systems that administer more than one plan.

SDCERS acts as a custodian for the City, Airport and Port Preservation of Benefit (POB) Plans and for the City Postemployment Healthcare Benefit (HCB). POB and HCB activity and assets held on behalf of the City, Port and Airport are reported in custodial funds in SDCERS' basic financial statements. POB plan sponsors are invoiced by SDCERS for amounts payable to their former employees, and SDCERS subsequently pays the benefits to the retirees. For the HCB, SDCERS consolidates the collection of retiree and City payments for health benefits administered by the City. SDCERS invoices the City for healthcare benefits payable to the retirees as required under the City retiree healthcare plans and then remits premiums collected from retirees to the HCB healthcare providers.

The California Public Employees' Pension Reform Act of 2013 (PEPRA) permits public employers to provide replacement benefit plans to employees first hired under an existing plan prior to January 1, 2013.

Receivables

SDCERS' receivables reflect accrued plan sponsor and member contributions due to SDCERS pursuant to legal requirements and member contributions for executed purchase of service credit contracts where payment is pending, net of an allowance for contract cancellations. See Note 5. *Contributions*.

Securities sold represent a receivable of cash under trade date accounting. Cash is received as of the transaction settlement date, which is typically the trade date plus one to three business days.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

Investments

The Board has the authority to delegate investment management duties to outside advisors, to seek the advice of outside investment counsel and to provide oversight and monitoring of the investment managers it hires. Additional discretion beyond the City Charter is provided for under the California State Constitution and other relevant authorities whereby the Board may, at its discretion, invest funds in any form or type of investment, financial instrument or financial transaction.

Investments are presented at fair value, and are classified by investment manager classification. SDCERS' investment managers manage all investments, which are held in SDCERS' name and stated at fair value in the accompanying Statement of Fiduciary Net Position. SDCERS' custodial bank, State Street Bank and Trust Company (State Street), provides the fair values of exchange traded assets (fixed income and equity).

Through its agents, SDCERS also holds investments in institutional investment funds, which are measured at fair value using the net asset value (NAV) per share or its equivalent. These institutional investment funds are comprised of exchange traded securities, the fair values of which are provided by the respective investment managers. Real estate assets are stated at appraised values as determined by SDCERS' real estate managers and third-party appraisal firms. Private equity and infrastructure assets are measured at fair value using NAV per share or its equivalent by their respective investment managers giving consideration to the financial condition and operating results of the portfolio companies, and other factors deemed relevant. These fair values are reviewed by the real estate, private equity and infrastructure consultants, the underlying investment managers and SDCERS' investment staff. Where fair value information as of June 30, 2023 was not available at the time of these financial statements, SDCERS has estimated fair value by using the most recent fair value information available from the fund manager/general partner and adding any contributions to and/or deducting any distributions from the investment from the date of the most recent fair value information to June 30, 2023.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

Capital Assets

Purchased capital assets are recorded at historical cost. SDCERS capitalizes assets with an estimated useful life in excess of one year and which meet or exceed a capitalization threshold of $5,000. Assets are depreciated using the straight-line method over the following useful lives:

Office Furniture and Fixtures	7-15 years
Computer Hardware and Software	3-10 years

The cost and accumulated depreciation and amortization of capital assets is as follows (Dollars in Thousands):

	June 30, 2022	Additions	Deletions	June 30, 2023
Capital Assets Not Being Depreciated:				
Construction in Progress	$196	$577	$595	$178
Total Capital Assets Not Being Depreciated	196	577	595	178
Capital Assets Being Depreciated and Amortized:				
Office Furniture and Fixtures	348	-	-	348
Computer Hardware and Software	8,431	595	-	9,026
Right-To-Use Asset – Building Lease	2,296	-	2,296	-
Total Capital Assets Being Depreciated and Amortized	11,075	595	2,296	9,374
Less Accumulated Depreciation and Amortization:				
Office Furniture and Fixtures	(343)	(4)	-	(347)
Computer Hardware and Software	(6,494)	(900)	-	(7,394)
Right-To-Use Asset – Building Lease	(1,102)	(643)	(1,745)	-
Total Accumulated Depreciation and Amortization	(7,939)	(1,547)	(1,745)	(7,741)
Total Capital Assets Being Depreciated and Amortized, Net	3,136	(952)	551	1,633
Capital Assets at Cost, Net of Accumulated Depreciation and Amortization	$3,332	$(375)	$1,146	$1,811

SDCERS completed an evaluation of GASB Statement No. 87, *Leases*, and determined that the recognition and measurement criteria applied to SDCERS' current lease population would not have a significant impact. Therefore, there are no new lease disclosures included in SDCERS' June 30, 2023 financial statements.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

Liabilities

Liabilities reflect financial obligations of SDCERS as of June 30, including the repayment of securities lending cash collateral at a future date. Securities purchased represent a payable of cash that is required under trade date accounting to settle pending purchases on a settlement date basis, which is typically the trade date plus one to three business days.

The Annual Supplemental Benefit payable to City retired members is contingent on the realization of sufficient investment earnings as established under San Diego Municipal Code Sections 24.1501 through 24.1503.5 and is measured as of June 30th of each fiscal year. Port and Airport retired members are also eligible to receive the Annual Supplemental Benefit subject to the same contingency on the realization of sufficient investment earnings as established under the relevant sections of the plan sponsor plan documents. In years in which sufficient investment earnings are not realized, the Annual Supplemental Benefit and the Corbett settlement benefit are not paid. If the payment criteria are not met, the Annual Supplemental Benefit does not accrue to future years, while the Corbett settlement benefit is accrued and paid in a future year when the Annual Supplemental Benefit is paid. Unpaid balances as of the end of the fiscal year are reported as Supplemental Benefits Payable in the Statement of Fiduciary Net Position.

Expenses

SDCERS' administrative expenses, which include actuarial services and other operational costs, are financed by contributions from plan sponsors. Investment expenses, which include fees for investment management, custodial bank services and other investment operational costs, are financed by investment earnings and contributions from plan sponsors. Both types of expenses are reflected as reductions in fiduciary net position.

Income Taxes

Under Internal Revenue Code Section 401(a) and California Revenue and Taxation Code Section 23701, SDCERS' Group Trust and the three separate defined benefit plans participating in the Group Trust are exempt from federal and state income taxes. Accordingly, no provision for income taxes is made in the financial statements.

Use of Estimates

The preparation of SDCERS' financial statements in conformity with GAAP requires SDCERS' management to make estimates and assumptions that affect the reported amounts of fiduciary net position restricted for pension benefits, healthcare and POB as of the date of the financial statements. These estimates also affect the actuarial information included in the footnotes and the Required Supplementary Information as of the valuation date, the changes in fiduciary net position during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Effect of New Governmental Accounting Standards Board (GASB) Pronouncements

GASB Statement No. 96

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued in May 2020. This statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements (SBITAs). The guidance requires the recognition of a right-to-use subscription asset and a corresponding subscription liability for contracts that convey control of the right-to-use another party's information technology software alone or in conjunction with tangible capital assets for a specified time period in an exchange or exchange- like transaction. The requirements of this statement are similar to those of GASB Statement No. 87, *Leases*. The requirements of this statement are effective with fiscal years beginning after June 15, 2022. SDCERS completed an evaluation of GASB Statement No. 96 and determined that the recognition and measurement criteria applied to SDCERS' current information technology arrangement population would not have a significant impact. Therefore, there are no new SBITA disclosures included in SDCERS' June 30, 2023 financial statements.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

Future GASB Pronouncements

GASB Statement No. 100

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, was issued in June 2022. This statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this statement are effective with fiscal years beginning after June 15, 2023. SDCERS' management is currently evaluating the impacts of this statement.

GASB Statement No. 101

GASB Statement No. 101, *Compensated Absences*, was issued in June 2022. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The requirements of this statement are effective with fiscal years beginning after December 15, 2023. SDCERS' management is currently evaluating the impacts of this statement.

Comparative Totals

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with SDCERS' financial statements as of and for the fiscal year ended June 30, 2022, from which the summarized information was derived.

2. Plan Descriptions

General

SDCERS is governed by a 13-member Board responsible for the administration of retirement benefits for City, Port and Airport members, and for overseeing the investment portfolio of the retirement system's Group Trust. The Board is comprised of seven appointed members, four active members, one retired member, and one ex-officio member. As of June 30, 2023, the Board has one vacancy.

SDCERS administers three separate single employer defined benefit pension plans for the City, Port and Airport, and SDCERS provides service retirement, disability retirement, death and survivor benefits to its participants. In addition, the retirement system provides a cost of living adjustment (COLA) benefit to all participants, subject to changes in the consumer price index, with maximum increases of two-percent per year and a cost of living (COL) annuity to most participants based upon accumulated member COL annuity contributions. Employees of the Port became members of SDCERS in 1963. Pursuant to an amendment to the San Diego City Charter in 2002, the Port contracts directly with SDCERS to administer its defined benefit plan. On January 1, 2003, the State of California established the Airport as a separate agency. In 2003, the Airport entered into an agreement with SDCERS to have SDCERS administer its defined benefit plan.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

From January 1, 2003 through June 30, 2007, SDCERS administered a qualified multiple-employer defined benefit plan for the City, Port and Airport. However, as of July 1, 2007, the City, Port and Airport plans were separated into independent, qualified, single employer governmental defined benefit plans and trusts. The assets of the three separate plans and trusts were pooled in the SDCERS Group Trust, which was established as of July 1, 2007. SDCERS invests and administers the Group Trust as a common investment fund and accounts separately for the proportional interest of each plan and trust that participates in the Group Trust.

The City, Port, and Airport approved their respective Participation and Administration Agreements, and in September 2007, the San Diego City Council adopted a necessary enabling resolution approving each Agreement. To confirm the separation of the City, Port and Airport plans, SDCERS filed requests with the IRS for separate determination letters for the Group Trust, City, Port and Airport plans. The Internal Revenue Service issued a favorable determination letter for the Group Trust in September 2009 and updated determination letters for the City in June 2014, for the Port plan and trust in November 2016, and the Airport plan and trust in September 2014. Effective January 1, 2018, the IRS has phased out its determination letter program for the five-year remedial filing cycle for individually-designed plans.

SDCERS acts as a common, independent investment and administrative agent for the City, Port and Airport, whose plans cover all eligible employees. In a defined benefit plan, pension benefits are actuarially determined by a member's age at retirement, number of years of service credit and final compensation, typically based on the highest salary earned over a one-year or three-year period. Airport members and Port Safety members who are participants under PEPRA are subject to all PEPRA provisions including a cap on pensionable salary. The Port's Miscellaneous PEPRA plan members are not subject to the PEPRA benefit formula nor the cap on pensionable salary based on the SDCERS actuary certifying that the plan has a lower normal cost. All other PEPRA provisions apply.

The Port and Airport plans provide for five-year vesting for employees to be eligible to receive pension benefits. Beginning January 1, 2009, Port non-safety employees hired on or after January 1, 2009, do not begin to earn a benefit until their sixth year of employment. The City plan requires ten years of service for its employees to vest for a pension benefit.

Contributions

SDCERS uses actuarial developed methods and assumptions to determine what level of contributions are required to achieve and maintain an appropriate funded status for each plan. The actuarial process uses a funding method that attempts to create a pattern of contributions that is both stable and predictable. The actual employer and member contributions rates in effect each year are based upon actuarial valuations performed by an independent actuary and adopted by the Board annually.

The actuarial valuations for each of the plan sponsors are completed as of June 30th each year. Once accepted by the Board, the approved contribution rates for each plan sponsor apply to the fiscal year beginning 12 months after the valuation date. For FY 2023, the actuarially determined contribution rates for plan sponsors and members were developed in the June 30, 2021 actuarial valuations. SDCERS' Board approved the valuations for the City, Port and Airport on March 11, 2022.

The funding objective of SDCERS is to fully fund the plans' actuarially accrued liabilities with contributions which, over time will remain as a level percent of payroll for the Port, Airport, and Police portion of the City plan and level dollar amounts for the City's non-Police portion of the plan. Under this approach the contribution rate is based on the normal cost rate and an amortization of any unfunded actuarial liability (UAL).

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

Membership

Except as otherwise noted, all City, Port and Airport employees receiving employment benefits participate in SDCERS. City salaried, classified, unclassified, and working at least half-time employees hired on or after August 1, 1993, but before July 20, 2012, became members of SDCERS upon employment, except for elected officials who had the option to join. In June 2012, the San Diego electorate passed Proposition B, which amended the City Charter to close entrance to the SDCERS defined benefit plan for all City employees, other than sworn police officers, who are initially hired on or after July 20, 2012. In early 2021, a trial court for the San Diego Superior Court invalidated Proposition B. On June 22, 2021, the City Council approved an ordinance, which opened the pension plan to employees initially hired on or after July 10, 2021.

During June 2022, the City Council approved an ordinance, which provided current employees who were initially hired by the City between July 20, 2012 through July 9, 2021 (Prop B Employees) with a one-time, irrevocable option to either join the SDCERS pension system or remain in the City's deferred compensation plan, Supplemental Pension Savings Plan (SPSP). The ordinance required employees of the Deputy City Attorneys Association (DCAA), California Teamsters Local 911 (L911), and the International Association of Firefighters, Local 145 (L145) Prop B Employees to join the SDCERS pension system on July 9, 2022.

The Airport and the Port Safety members initially hired on or after January 1, 2013 are subject to PEPRA. In general, PEPRA reduces the benefit formula, raises the retirement age, applies a three-year final compensation period and imposes a cap on pensionable salary. PEPRA prohibits retroactive benefit enhancements, excludes certain types of compensation from pensionable pay and requires that the member pay 50% of the normal cost. For all members employed by the Airport and Port, PEPRA eliminated the purchase of nonqualified service credit or "air time" after January 1, 2013.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

SDCERS participants consist of retirees (retired members and beneficiaries receiving benefits, and Deferred Retirement Option Plan (DROP) participants) and members (active members and inactive members who are not yet receiving a benefit).

The following membership table provides information on the number of members by category for each plan sponsor. SDCERS' total number of participants increased by 4,477 members in FY 2023, reflecting a net increase of 4,573 active, inactive and retirees offset by a decrease of 96 DROP participants. The primary reason for the membership increase is due to the reopening of the pension system to more than 4,000 existing and newly hired City general, fire and lifeguard active members.

As of June 30, 2023

	City General Members	City Safety Members	Total City Members	Port General Members	Port Safety Members	Total Port Members	Airport All Members	Total Members
Active	7,041	2,611	9,652	237	124	361	364	10,377
Inactive	2,323	797	3,120	218	57	275	199	3,594
Retirees	6,483	3,891	10,374	477	160	637	175	11,186
DROP Participants	509	286	795	23	11	34	24	853
Totals	16,356	7,585	23,941	955	352	1,307	762	26,010

City Postemployment Healthcare Benefit

SDCERS processes health insurance premium payments and healthcare reimbursement requests pertaining to the City's HCB for eligible retirees. Postemployment healthcare benefits for members retiring from City employment are based on their health eligibility status. The HCB is reported as a custodial fund within the Statement of Fiduciary Net Position and in the Statement of Changes in Fiduciary Net Position.

Preservation of Benefit (POB) Plan Activity

In 2008, the IRS issued three Private Letter Rulings approving the City, Port and Airport POB Plans and confirming that each plan is a qualified governmental excess benefit arrangement under IRC Section 415(m), established to pay promised benefits to retirees and beneficiaries of the DB Plans that exceed the IRC Section 415(b) limits.

The POB Plans are unfunded within the meaning of the federal tax laws, requiring the plan sponsor to fund the Plans on a pay-as-you-go basis. The plan sponsor retains title to any assets, including cash that they designate to pay POB Plan benefits. Benefits payable from and the costs of administering the POB Plans, as determined by SDCERS and its actuary, are paid by the respective plan sponsor.

POB Plan activity is presented within the Statement of Fiduciary Net Position, the Statement of Changes in Fiduciary Net Position, and is also included in the City's, Port's and Airport's Annual Comprehensive Financial Reports (ACFR).

3. Deposits and Investments

Cash and Cash Equivalents

At June 30, 2023, SDCERS' cash balance was $1.1 million. Cash and cash equivalents on deposit with custodial bank and fiscal agents was $253.7 million, which includes cash collateral for SDCERS' cash overlay program of $91.6 million and residual cash held in each manager's portfolio of $162.1 million, which is invested overnight by SDCERS' custodial bank. SDCERS does not have a target allocation to cash; any cash or cash equivalent balances on deposit are reserved for paying benefits and SDCERS' operational expenses.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

Investments

The Board has exclusive authority over the administration and investment of SDCERS' Group Trust assets pursuant to Section 144 of the Charter of the City and the California State Constitution Article XVI, Section 17.

The Board is authorized to invest in cash and cash equivalents, bonds, notes or other obligations, derivative securities, common stock, preferred stock, real estate investments, private equity, infrastructure and pooled vehicles. The risks and correlations of each investment are considered relative to the entire portfolio. Investment policies permit the Board to invest in financial futures contracts provided the contracts are not designated as accounting hedges for SDCERS' Group Trust portfolio. Financial futures contracts are recorded at fair value each day and must be settled at expiration date. Changes in the fair value of the contracts result in the recognition of a gain or loss.

Net investment income includes the net appreciation (depreciation) in the fair value of investments, interest income, dividend income and other income not included in the appreciation (depreciation) in the fair value of investments, less total investment expenses, including investment management and custodial fees and all other significant investment-related costs. SDCERS' net realized gains totaled $473.2 million for the fiscal year ended June 30, 2023. Realized gains and losses are independent of the calculation of net appreciation (depreciation) in the fair value of investments. Unrealized gains and losses on investments sold in the current year that had been held for more than one year were included in the net appreciation (depreciation) in the fair value of investments reported in the prior year and current year. Pursuant to the City, Port and Airport plan documents, realized gains and losses determine whether certain contingent benefits will be paid each fiscal year. Realized gains and losses are reported in the net appreciation (depreciation) in fair value of investments on the financial statements.

SDCERS' policy in regard to the allocation of invested assets is established and may be amended by SDCERS' Board. The asset allocation policy is reviewed and approved on an annual basis. Through its investment objectives and policies, the Board emphasizes generating a rate of return above inflation and the preservation of capital. Investments are made only after the risk/reward trade-offs are evaluated. SDCERS' assets are managed on a total return basis, which takes into consideration both investment income and capital appreciation. While SDCERS recognizes the importance of the preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns.

The following was SDCERS' adopted asset allocation policy as of June 30, 2023:

ASSET CLASS	TARGET ALLOCATION
Domestic Equity	19.0%
International Equity	12.0
Global Equity	8.0
Domestic Fixed Income	22.0
Return-Seeking Fixed Income	5.0
Real Estate	11.0
Private Equity	10.0
Infrastructure	3.0
Opportunity Fund	10.0
Total	100.0%

For the fiscal year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 5.01%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

Fair Value Measurements

SDCERS categorizes fair value measurements within the fair value hierarchy established by GAAP set forth in GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Level 1 Unadjusted quoted prices for identical instruments in active markets.

Level 2 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 Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent), such as commingled fund investments, are not classified in the fair value hierarchy. Rather, these investments are included in the Investments Measured at Net Asset Value (NAV) section of the table that appears on pages 44 and 45.

Where inputs used to measure fair value fall into different fair value levels, fair value measurements are categorized based on the lowest level input that is significant to the valuation. SDCERS' assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. The table on pages 44 and 45 shows the fair value leveling of the investments for the retirement system.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt and fixed income derivative securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Index linked fixed income securities are valued by multiplying the external market price by the applicable day's Index Ratio. Level 2 fixed income securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities.

Real estate assets classified in Level 3 are real estate investments generally valued using an income approach or appraisal approach by SDCERS' real estate managers and third-party appraisal firms. SDCERS' policy is to obtain an external appraisal a minimum of every three years for properties or portfolios for which the pension system has some degree of control or discretion. Appraisals are performed by an independent appraiser with preference for Member Appraisal Institute (MAI) designated appraisers. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

Investments and Derivative Instruments Measured at Fair Value
As of June 30, 2023
(Dollars in Thousands)

		Fair Value Measures Using		
	Fair Value	Quoted Prices in 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 Securities	$153,552	$ -	$153,552	$ -
Fixed Income Securities				
Asset-Backed Securities	36,506	-	36,506	-
Commercial Mortgage-Backed Securities	45,298	-	45,298	-
Collateralized Mortgage Obligations	36,795	-	36,795	-
Corporate Bonds	320,697	-	320,697	-
Government & Agency Obligations	491,193	-	491,193	-
Mortgage-Backed Securities	550,465	-	550,465	-
Total Fixed Income Securities	1,480,954	-	1,480,954	-
Equity Securities				
Consumer Discretionary	286,894	286,894	-	-
Consumer Staples	140,125	140,125	-	-
Energy	95,900	95,900	-	-
Financials	224,913	224,913	-	-
Healthcare	307,888	307,888	-	-
Industrials	205,715	205,715	-	-
Information Technology	571,983	571,983	-	-
Materials	72,631	72,631	-	-
Real Estate Investment Trust	52,443	52,443	-	-
Telecommunication Services	38,618	38,618	-	-
Utilities	42,115	42,115	-	-
Total Equity Securities	2,039,225	2,039,225	-	-
Real Estate	2,433	2,061	-	372
Total Investments by Fair Value Level	$3,676,164	$2,041,286	$1,634,506	$372
Investments Measured at the Net Asset Value (NAV)				
Equity Investments				
Commingled Domestic Equity Funds	$1,103,422			
Commingled International Equity Funds	1,432,627			
Commingled Global Equity Funds	85,193			
Total Equity Investments Measured at the NAV	2,621,242			
Fixed Income Investments				
Commingled Domestic Fixed Income Funds	970,723			
Commingled International Fixed Income Funds	207,751			
Commingled Global Fixed Income Funds	388,764			
Total Fixed Income Investments Measured at the NAV	1,567,238			
Real Estate Investments				
Real Estate Limited Partnerships	303,345			
Commingled Real Estate Funds	911,782			
Total Real Estate Investments Measured at the NAV	1,215,127			
Private Equity & Infrastructure Investments				
Commingled Private Equity & Infrastructure Funds	1,652,528			
Invested Securities Lending Collateral				
Commingled Equity Securities	20,625			
Commingled Fixed Income Securities	100,047			
Total Invested Securities Lending Collateral Measured at the NAV	120,672			
Total Investments Measured at the NAV	$7,176,807			

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

Investments and Derivative Instruments Measured at Fair Value (continued)
As of June 30, 2023
(Dollars in Thousands)

		Fair Value Measures Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investment Derivative Instruments				
Fixed Income Securities				
Credit Default Swaps	$(1,239)	$ -	$(1,239)	$ -
Foreign Currency Forwards	1,895	-	1,895	-
Interest Rate Swaps	756	-	756	-
Options – Fixed Income	(1,339)	-	(1,339)	-
Total Fixed Income Derivative Securities	73	-	73	-
Equity Securities				
Warrants	323	-	323	-
Total Investment Derivative Instruments	396	-	396	-
Total Investments Measured at Fair Value[1]	$10,853,367			

[1] Total investments measured at fair value differs from the total investments including securities lending collateral on the Statement of Fiduciary Net Position because of investment receivables and payables unrealized gains and losses. Total investments measured at fair value excludes $137 thousand of unrealized gains as of June 30, 2023.

Investments Measured at the NAV
As of June 30, 2023
(Dollars in Thousands)

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity Investments				
Commingled Domestic Equity Funds	$1,103,422	$ -	Daily	0-5 Days
Commingled International Equity Funds	1,432,627	-	Daily, Monthly	0-30 Days
Commingled Global Equity Funds	85,193	-	Daily	None
Total Equity Investments Measured at the NAV	2,621,242	-		
Fixed Income Investments				
Commingled Domestic Fixed Income Funds	970,723	-	Daily	None
Commingled International Fixed Income Funds	207,751	-	Daily	0-5 Days
Commingled Global Fixed Income Funds	388,764	40,721	Daily, Monthly, Quarterly	0-60 Days
Total Fixed Income Investments Measured at the NAV	1,567,238	40,721		
Real Estate Investments				
Real Estate Limited Partnerships	303,345	171,183	Not Eligible	N/A
Commingled Real Estate Funds	911,782	29,928	Monthly	None
Total Real Estate Investments Measured at the NAV	1,215,127	201,111		
Private Equity & Infrastructure Investments				
Commingled Private Equity & Infrastructure Funds	1,652,528	791,125	Not Eligible	N/A
Invested Securities Lending Collateral				
Commingled Equity Securities	20,625	-	Daily	3 Days
Commingled Fixed Income Securities	100,047	-	Daily	3 Days
Total Invested Securities Lending Collateral	120,672	-		
Total Investments Measured at the NAV	$7,176,807	$1,032,957		

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

The valuation method for investments measured at the NAV per share (or its equivalent) is presented on the preceding table on pages 44 and 45 and in the following paragraphs:

Equity Investments

Commingled Domestic Equity Funds consist of a large cap passive index fund, and two funds that invest in managed futures. The Commingled International Equity Funds consist of a broad international passive equity index fund with exposure to both developed and emerging markets, a fund that invests in international large cap growth equities, two funds that invest in emerging market equities, a fund that invests in non-U.S. small and mid-cap equities and one fund that invests in international small cap equities. The Commingled Global Equity Funds consists of one fund that invests in both international and U.S. equities and another fund constituting the international component of a separately managed global equity portfolio. The fair values of the investments in these types have been determined using the NAV per share (or its equivalent).

Fixed Income Investments

The Commingled Domestic Fixed Income Funds consist of four funds that invest in domestic fixed income securities and one broad based domestic fixed income passive index fund. The Commingled International Fixed Income Funds consist of three funds that invest in international credit strategies. The Commingled Global Fixed Income Funds consist of three funds that invest in global multi-asset credit strategies. The fair values of the investments in these types have been determined using the NAV per share (or its equivalent).

Real Estate Investments

The Commingled Real Estate Funds consist of 12 open-ended commingled funds and 24 real estate limited partnerships that are invested in apartments, retail, industrial and office assets throughout the United States, Europe and Asia. Although the open-ended commingled funds are private investments, they can be redeemed on a monthly basis, subject to available liquidity, and the fair value of these investments has been determined using the NAV per share (or its equivalent). Investments in the limited partnerships can never be redeemed with the funds. Instead, the nature of these investment funds is that distributions from each investment will be received as the underlying investments are liquidated. The average fund life for these investments is approximately ten years. Because it is not probable that any individual investment will be sold, the fair value of SDCERS' ownership interest in partner's capital has been determined using the NAV per share (or its equivalent).

Private Equity and Infrastructure Investments

The Commingled Private Equity and Infrastructure Funds consist of two limited partnerships that are managed by two discretionary advisors. Generally, the limited partnerships invest in venture capital, growth equity, buyouts, special situations, mezzanine, and distressed debt. These investments are considered illiquid and cannot be redeemed during the lives of the partnerships. Instead, the nature of these investments is that distributions from each investment will be received as the underlying investments are liquidated. Because it is not probable that any individual investment will be sold, the fair value of SDCERS' ownership interest in partner's capital has been determined using the NAV per share (or its equivalent).

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

Securities Lending

SDCERS has entered into an agreement with State Street, its custodial bank, to lend domestic and international equity and fixed income securities to broker-dealers and banks in exchange for pledged collateral that will be returned for the same securities plus a fee in the future. All securities loans can be terminated on demand by either the lender or the borrower.

State Street manages SDCERS' securities lending program and receives cash and/or securities as collateral. Borrowers are required to deliver collateral for each loan equal to 102% for domestic loans and 105% for international loans. State Street does not have the ability to pledge or sell collateral securities delivered absent a borrower default. During FY 2023, SDCERS had no credit risk exposure to borrowers because the amounts provided to State Street on behalf of SDCERS, in the form of collateral plus accrued interest, exceeded the amounts broker-dealers and banks owed to State Street on behalf of SDCERS for securities borrowed. In addition, State Street has indemnified SDCERS by agreeing to purchase replacement securities or return cash collateral if a borrower fails to return or pay distributions on a loaned security. SDCERS incurred no losses during the fiscal year resulting from any reported default of the borrowers or State Street. Non-cash collateral (securities and letters of credit) are not reported in SDCERS' financial statements.

When lending its securities on a fully collateralized basis, SDCERS may encounter various risks related to securities lending agreements. These risks include operational risk, borrower or counterparty default risk and collateral reinvestment risk. State Street is required to maintain its securities lending program in compliance with applicable laws of the United States and all countries in which lending activities take place, as well as all rules, regulations and exemptions from time to time promulgated and issued under the authority of those laws.

As of June 30, 2023, securities on loan collateralized by cash had a fair value of $118.4 million, and SDCERS received cash collateral of $120.7 million, which was reported as securities lending obligations in the accompanying Statement of Fiduciary Net Position. The collateral value exceeds the fair value of the securities on loan because borrowers are required to deliver collateral for each loan up to 102% for domestic loans and 105% for international loans. As of June 30, 2023, securities on loan collateralized by securities, irrevocable letters of credit or tri-party collateral had a fair value of $54.5 million, and a collateral value of $60.3 million, which was not reported as assets or liabilities in the accompanying Statement of Fiduciary Net Position. The total collateral pledged to SDCERS at June 30, 2023, for its securities lending activities was $181.0 million.

SDCERS and the borrowers maintain the right to terminate securities lending transactions upon notice. The cash collateral received for lent securities is invested by State Street, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment fund, or collateral pool. State Street maintains two collateral pools: a liquidity pool and a duration pool. As of June 30, 2023, these collateral pools are not rated by the nationally-recognized statistical rating organizations (NRSROs).

As of June 30, 2023, SDCERS had $120.7 million invested in the Compass Fund, which was formerly known as the Quality D liquidity collateral pool. The Compass Fund had a weighted average maturity of 7.2 days and an average weighted final maturity of 107.1 days. Duration is the weighted time average until cash flows are received in the collateral pool, and is measured in days. Alternatively, the weighted average final maturity measures when all final maturities in the portfolio will occur. The duration of the investments made with cash collateral does not generally match the duration of the loans. This is because the loans are terminable at any time by SDCERS or the borrower.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

Fixed Income Instruments

SDCERS' investment portfolio includes fixed income strategies to diversify the investment portfolio. The percentage allocated to these strategies is based on information derived from an Asset/Liability Study performed every three years. The returns of fixed income strategies vary less than equity returns. SDCERS' target asset allocation policy is reviewed each year. SDCERS' long-term target allocation to fixed income strategies as of June 30, 2023, was 27.0%, which includes domestic fixed income and return-seeking fixed income. The fixed income allocation is externally-managed and is comprised as follows: 22.0% to core domestic fixed income, which is benchmarked against the Bloomberg Intermediate Aggregate Bond Index; and 5% to return-seeking fixed income, which is benchmarked 33.3% to the ICE Bank of America/Merrill Lynch U.S. High Yield Master II Constrained Index, 33.3% to the Morningstar Leveraged Loan Index, 10.0% to JP Morgan Emerging Market Bond Index Global Diversified and 13.3% to JP Morgan Government Bond Index-Emerging Market Global Diversified, and 10% to the JP Morgan CEMBI Broad Diversified Index. SDCERS' overall portfolio diversification limits the fixed income invested in the debt security of any one issuer to 10% of the portfolio at the time of the initial commitment, except for U.S. Government obligations (or agencies and instruments of the U.S. Government) to minimize overall market and credit risk.

Fixed Income Credit Risk

Credit risk is the risk that an issuer or other underlying borrower to a debt instrument will not fulfill its obligations. NRSROs assign ratings to measure credit risk. These rating agencies assess a firm's or government's willingness and ability to repay its debt obligations based on many factors.

SDCERS employs two core bond managers that invest primarily in U.S. fixed income and derivative securities, fixed income mutual funds and some non-U.S. fixed income securities. SDCERS also invests in one passive core U.S. fixed income index fund, five return-seeking fixed income managers that invest in multi-asset credit strategies, and three opportunistic global credit funds. The investment management agreements between SDCERS and its two core bond managers contain specific investment guidelines that identify permitted fixed income investments. Two of SDCERS' domestic core fixed income managers have limited tactical discretion to invest in non-U.S. fixed income securities.

The permitted securities and derivatives for the two domestic core fixed income managers include U.S. Government and agency obligations, collateralized mortgage obligations, U.S. corporate securities, commercial mortgage-backed securities, asset-backed securities, futures, forwards, options, interest rate swaps and credit default swaps. Investment guidelines include minimum average portfolio quality of A1/A+ rating (fair value weighted) for both of SDCERS' domestic fixed income managers; and a minimum credit quality at time of purchase of BBB- for the two domestic fixed income managers.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

The following table identifies the credit quality of SDCERS' fixed income strategies based on portfolio holdings as of June 30, 2023.

Credit Quality of SDCERS' Fixed Income Strategies (Domestic & International)
As of June 30, 2023

(Dollars in Thousands)

S&P Quality Rating[4]	Total Fair Value	Asset-Backed Securities	Commercial Mortgage-Backed Securities	Collateralized Mortgage Obligations	Corporate Bonds[1]	Government & Agency Obligations[2]	Mortgage-Backed Securities	Short-Term/ Other
U.S. Treasuries	$219,815	$-	$-	$-	$-	$219,815	$-	$-
GNMA Securities	39,183	-	-	13,795	-	-	25,388	-
AAA	39,170	12,643	12,388	14,139	-	-	-	-
AA+	577,532	2,610	-	3,208	-	46,637	525,077	-
AA	2,915	2,459	456	-	-	-	-	-
AA-	5,973	1,308	-	35	4,630	-	-	-
A+	10,062	185	-	876	9,001	-	-	-
A	13,007	1,252	-	1,898	8,696	1,161	-	-
A-	74,118	3,643	-	112	70,363	-	-	-
BBB+	80,472	1,715	-	-	75,943	2,814	-	-
BBB	61,210	578	-	-	60,632	-	-	-
BBB-	70,925	-	442	-	70,483	-	-	-
BB+	7,174	-	-	463	5,272	1,439	-	-
BB	581	581	-	-	-	-	-	-
BB-	1,422	-	-	-	1,422	-	-	-
B+	12	-	-	12	-	-	-	-
B-	714	714	-	-	-	-	-	-
CC	2,088	2,088	-	-	-	-	-	-
NR[5]	1,995,609	6,730	32,012	2,257	14,255	219,327	-	1,721,028[3]
Totals	$3,201,982	$36,506	$45,298	$36,795	$320,697	$491,193	$550,465	$1,721,028

[1] Corporate Bonds include convertible bonds from SDCERS' convertible bond manager.

[2] Includes international and municipal holdings.

[3] Includes fixed income mutual fund investments of $1,647,581. These institutional quality fund investments are not directly rated by major credit rating agencies.

[4] Credit ratings with qualifiers and ratings outlooks have been combined to show the credit rating as of June 30, 2023.

[5] NR represents those securities that are not rated by one of the NRSROs.

Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

Fixed Income Custodial Credit Risk

Custodial credit risk is the risk that if a financial institution or counterparty fails, SDCERS would not be able to recover the value of its deposits, investments or securities. As of June 30, 2023, 100% of SDCERS' investments were held in SDCERS' name, and SDCERS is not exposed to custodial credit risk related to these investments. SDCERS' uninvested cash balances held in a demand deposit account (DDA) are subject to custodial credit risk. Such a balance or deposit with the bank establishes a debtor-creditor relationship and is not subject to the protection afforded SDCERS' other investments. Cash balances held in Short-Term Investment Funds (STIF) at State Street are held in SDCERS' name and are not subject to custodial credit risk. As of June 30, 2023, SDCERS held $227.4 million in STIF and a DDA cash balance of $26.3 million on deposit with the custodial bank. SDCERS does not have a specific policy relating to custodial credit risk because the majority of SDCERS' assets are held in SDCERS' name and are not available to satisfy the obligations of State Street to its creditors.

SDCERS' custodial bank acts as its securities lending agent. SDCERS is exposed to custodial risk for the securities lending collateral such that certain collateral is received in the form of letters of credit, tri-party collateral or securities collateral. The fair value of non-cash collateral totaled $60.3 million as of June 30, 2023. The non-cash collateral is not held in SDCERS' name and cannot be sold without a borrower default. The cash collateral held by SDCERS' custodian in conjunction with the securities lending program, which totaled $120.7 million as of June 30, 2023, is also at risk as it is invested in pooled vehicles managed by the custodian. The investment characteristics of the collateral pools are disclosed in the Securities Lending section in this Note.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the relative size of an investment in a single issuer. As of June 30, 2023, SDCERS had no single issuer that exceeded 5% of total investments or that exceeded 5% of fiduciary net position (excluding investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments). SDCERS' investment manager guidelines state that not more than 5% of the investment portfolio shall be invested in the security of any one issue at the time of initial commitment, except for U.S. Government and Agency obligations. While SDCERS does not have a general investment policy on the concentration of credit risk by issuer, each manager's specific investment guidelines place limitations on the maximum holdings in any one issuer.

Fixed Income Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Fixed income portfolios use duration to measure how a change in interest rates will affect the value of the portfolio. SDCERS does not have a general investment policy that addresses interest rate risk. Rather, each investment manager's specific investment guidelines place limits on each portfolio to manage interest rate risk.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

The following table identifies the effective durations of SDCERS' domestic and international fixed income strategies based on portfolio holdings:

SDCERS' Fixed Income Portfolios (Domestic & International)
Portfolio Duration Analysis
As of June 30, 2023
(Dollars in Thousands)

Type of Security	Effective Duration (in years)	Fair Value[1]
Asset-Backed Securities		
Asset-Backed Securities	1.24	$36,506
Commercial Mortgage-Backed Securities		
Commercial Mortgage-Backed Securities	3.12	45,298
Collateralized Mortgage Obligations		
Collateralized Mortgage Obligations	0.67	36,795
Corporate Bonds		
Corporate Bonds	3.37	320,697
Government & Agency Obligations		
Foreign	0.51	37,967
Treasury Securities	3.06	453,226
Mortgage-Backed Securities		
Mortgage-Backed Securities	6.35	550,465
Short-Term/Other[2]		
Cash Equivalents	-	-
Total	4.19	$1,480,954

[1] Fair Value does not include convertible bonds, mutual funds and derivative instruments of $1,721,028. These securities do not exhibit interest rate risk and/or duration cannot be calculated.

[2] Duration could not be calculated for the derivative instruments, short-term instruments and mutual funds of $1,721,028 within the Short-Term/Other category. Although the duration was not available for these securities, the weighted average maturity was calculated for the mutual funds. The following table depicts the weighted average maturity for the mutual funds.

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The following table depicts the weighted average maturity for the commingled mutual funds as of June 30, 2023 (Dollars in Thousands):

Name of Institutional Mutual Fund	Fair Value	Weighted Average Maturity (In Years)
Apollo MAC	$126,734	6.3
Ares MAC	101,367	5.7
BlackRock Intermediate Aggregate Index	683,187	6.9
Davidson Kempner Special Opportunities Fund III[1]	3,395	-
Davidson Kempner Special Opportunities Fund IV[1]	19,316	-
GCM WindandSea Fund	185,040	1.9
Metropolitan West Floating Rate	10,289	4.0
Metropolitan West High Yield Bond Fund	10,163	5.0
PIMCO FDS Pac Invt Mgmt Ser	34,495	2.9
PIMCO MAC	139,477	8.6
PIMCO PAPS Short-Term Floating NAV II Portfolio	232,589	0.1
Wellington Trust Company CIF II Opportunistic	101,529	9.6
Total	$1,647,581	

[1] The weighted average maturity is not applicable for the current underlying investments.

Investments Highly Sensitive to Interest Rate Changes

Certain terms in fixed income securities may increase the sensitivity of their fair values to changes in interest rates. The Portfolio Duration Analysis table discloses the degree to which SDCERS' investments are sensitive to interest rate changes due simply to the remaining term to maturity. The total values of securities that are highly sensitive to interest changes due to factors other than term to maturity are shown in the following table:

Investments Highly Sensitive to Interest Rate Changes
As of June 30, 2023
(Dollars in Thousands)

Type of Security	Fair Value	Percent of Fixed Income Portfolio
Adjustable Rate Notes	$81, 217	2.5%
Asset-Backed Securities	16,307	0.5
Floating Rate Notes	86,009	2.7
Range Notes	2,958	0.1
Total	$186,491	5.8%

Although SDCERS does not have an investment policy that pertains directly to investments that are highly sensitive to interest changes, this risk is mitigated by diversification of issuer, credit quality, maturity and security selection.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
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Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The following table represents securities held in a foreign currency as of June 30, 2023:

Foreign Currency Risk[1]
As of June 30, 2023
(All Values are in U.S. Dollars, in thousands)

Local Currency Name	Cash	Equity	Fixed Income	Total
Argentine Peso	$12	$-	$-	$12
Australian Dollar	(4)	3,305	799	4,100
Brazilian Real	64	1,534	328	1,926
British Pound	2,460	55,332	14,920	72,712
Canadian Dollar	154	9,386	-	9,540
Danish Krone	-	7,136	-	7,136
Euro Currency	1,286	156,412	17,631	175,329
Hong Kong Dollar	-	7,379	-	7,379
Japanese Yen	(599)	47,586	33,953	80,940
Mexican Peso	-	2,384	-	2,384
New Taiwan Dollar	-	1,517	-	1,517
Peruvian Sol	-	-	2,814	2,814
South Korean Won	-	2,391	-	2,391
Swiss Franc	-	29,962	-	29,962
Total	$3,373	$324,324	$70,445	$398,142

[1] This schedule does not include the foreign currency exposure to three international equity, one global equity, two emerging market equity and two emerging market debt (fixed income) institutional commingled mutual fund investments.

Foreign currency is comprised of international investment proceeds and income to be repatriated into U.S. dollars and funds available to purchase international securities. Foreign currency is not held by SDCERS as an investment. Foreign currency is held temporarily in foreign accounts until it is able to be repatriated or expended to settle trades. An important component of the diversification benefit of international investments comes from foreign currency exposure. SDCERS does not have a general investment policy in place to manage foreign currency risk or to hedge against fluctuations in foreign currency exposure. Instead, SDCERS' investment managers may hedge currencies at their discretion pursuant to their specific investment guidelines included in each of their investment management agreements.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

Derivative Instruments

As of June 30, 2023, the derivative instruments held by SDCERS are considered investments and not hedges for accounting purposes. The gains and losses arising from this activity are recognized in the Statement of Changes in Fiduciary Net Position within the net appreciation (depreciation) in fair value of investments.

SDCERS' investment managers, as permitted by their specific investment guidelines, may enter into transactions involving derivative financial instruments, consistent with the objectives established by the SDCERS' Investment Policy Statement. These instruments include futures, options, swaps, forwards, warrants and rights. By Board policy, these investments may not be used to leverage SDCERS' portfolio, i.e., use derivatives to increase the portfolio's notional exposure to any given asset class. These instruments are used in an attempt to enhance the portfolio's performance and/or reduce the portfolio's risk.

All investment derivatives discussed below are included in the investment risk discussion, which precedes this section. Investment derivative instruments are disclosed separately to provide a comprehensive and distinct view of this activity and its impact on the overall investment portfolio.

The following table provides a summary of the derivative instruments outstanding as of June 30, 2023:

Investment Derivative Disclosure
(Dollars in Thousands)

	Net Appreciation (Depreciation) in Fair Value	Fair Value at June 30, 2023		
Investment Derivative Instruments	Amount	Classification	Amount	Notional (Dollars)
Credit Default Swaps	$(934)	Domestic Fixed Income	$(1,239)	$81,300
Fixed Income Futures	(32,008)	Domestic Fixed Income	-	443,891
Fixed Income Options	290	Domestic Fixed Income	(471)	(84,800)
Foreign Currency Futures	(289)	Domestic Fixed Income	-	3,400
Futures Options	(589)	Domestic Fixed Income	(868)	(408)
Foreign Currency Forwards	3,480	Domestic Fixed Income	1,895	138,974
Index Futures	2,697	Domestic Fixed Income	-	36
Interest Rate Swaps	3,474	Domestic Fixed Income	756	278,795
Warrants	3	Domestic Equity	323	9
Total Derivative Instruments	$(23,876)		$396	$861,197

Some derivative instruments, such as credit default swaps and interest rate swaps, are not exchange traded and are priced using quarterly Over-the-Counter trading data.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

Futures contracts are financial instruments that derive their value from underlying indices or reference rates and are marked-to-market at the end of each trading day. Daily settlement of gains and losses occur on the following business day. As a result, the futures contracts do not have a fair value as of June 30, 2023. Daily settlement of gains and losses is a risk control measure to limit counterparty credit risk. Futures variation margin amounts are settled each trading day and recognized in the financial statements under net appreciation (depreciation) in fair value of investments as they are incurred.

Foreign currency forward contracts are obligations to buy or sell a currency at a specified exchange rate and quantity on a specific future date. The fair value of the foreign currency forwards is the unrealized gain or loss calculated based on the difference between the specified exchange rate and the closing exchange rate at June 30, 2023.

Derivative Counterparty Credit Risk

The following table illustrates the counterparty credit ratings of SDCERS' non-exchange traded investment derivative instruments outstanding and subject to loss:

Counterparty Credit Risk
As of June 30, 2023
(Dollars in Thousands)

Counterparty Name	Fair Value	S&P Rating
BNP	$226	A+
BNP Paribas SA	81	A+
Citibank N.A.	13	A+
Goldman Sachs Bank USA	52	BBB+
Goldman Sachs International	3	A+
JPMorgan Chase Bank N.A.	2	A+
Morgan Stanley CME	2,315	A-
Morgan Stanley ICE	23	A-
Morgan Stanley LCH	2,241	A-
Standard Chartered Bank	1	A+
State Street Bank and Trust Company	1,503	AA-
Toronto Dominion Bank	12	AA-
UBS AG	995	A+
Total	$7,467	

The aggregate fair value of investment derivative instruments in an asset position subject to counterparty credit risk at June 30, 2023, was $7.5 million. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted. At June 30, 2023, SDCERS did not have any significant exposure to counterparty credit risk with any single party. SDCERS does not have any specific policies relating to the posting of collateral or master netting agreements.

San Diego City Employees' Retirement System
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Derivative Custodial Credit Risk

At June 30, 2023, all of SDCERS' investments in derivative instruments were held in SDCERS' name and were not exposed to custodial credit risk.

Derivative Interest Rate Risk

At June 30, 2023, SDCERS was exposed to interest rate risk on its investments in interest rate swaps, options and credit default swaps. The table below illustrates the maturity periods of these derivative instruments.

Investment Maturities
(Dollars in Thousands)

		Investment Maturities (in years)			
Investment Type	Fair Value	Less Than 1	1 - 5	6 - 10	More Than 10
Credit Default Swaps	$(1,239)	$4	$(1,243)	$-	$-
Fixed Income Options	(471)	(471)	-	-	-
Interest Rate Swaps	756	(10)	(2,022)	(401)	3,189
Total	$(954)	$(477)	$(3,265)	$(401)	$3,189

Derivative Instruments Highly Sensitive to Interest Rate Changes

Credit default swaps, fixed income futures, options and interest rate swaps are highly sensitive to changes in interest rates. The table below reflects the fair value and notional amount of these derivative instruments.

Derivative Instruments Highly Sensitive to Interest Rate Changes
As of June 30, 2023
(Dollars in Thousands)

Investment Type	Fair Value	Notional
Credit Default Swaps	$(1,239)	$81,300
Fixed Income Futures	-	443,891
Fixed Income Options	(471)	(84,800)
Interest Rate Swaps	756	278,795
Total	$(954)	$719,186

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

Derivative Foreign Currency Risk

At June 30, 2023, SDCERS was exposed to foreign currency risk on its investments in options, currency forward contracts and interest rate swaps denominated in foreign currencies.

Foreign Currency Risk

(Dollars in Thousands)

Currency Name	Options/Rights/ Warrants	Foreign Currency Forwards Net Receivables	Foreign Currency Forwards Net Payables	Swaps	Total
Australian Dollar	$-	$4	$(17)	$-	$(13)
Brazilian Real	-	52	-	328	380
Euro Currency	-	(55)	(153)	(800)	(1,008)
Pound Sterling	-	8	(448)	(1,604)	(2,044)
Japanese Yen	-	(4)	2,527	1,400	3,923
Peruvian Sol	-	13	(32)	-	(19)
Subtotal	$-	$18	$1,877	$(676)	$1,219
Investments Denominated in USD	(1,016)	-	-	193	(823)
Total	$(1,016)	$18	$1,877	$(483)	$396

In addition to the investments listed in the above table, SDCERS has investments in foreign futures contracts with a total notional value of $(2.6) million. As indicated previously, futures variation margin amounts are settled each trading day and recognized as realized gains/losses as they are incurred. As a result, the foreign futures contracts have no fair value at June 30, 2023.

Contingent Features

At June 30, 2023, SDCERS did not hold any positions in derivatives containing contingent features.

Real Estate

SDCERS' long-term target allocation to real estate is 11%. The Board has established that the composition of the real estate portfolio is 100% to private real estate investments. The portfolio is diversified with a target of 70% in core real estate and 30% in non-core real estate. No more than 15% of SDCERS' real estate portfolio is allocated to non-U.S. real estate investment opportunities.

Certain real estate investments are leveraged. In those cases, partnerships have been established to purchase properties through a combination of equity contributions from SDCERS, other investors and through the utilization of debt. SDCERS engages real estate advisors and operating partners who are responsible for managing a portfolio's daily activities, performance and reporting. As of June 30, 2023, real estate investments totaled $1.215 billion and unfunded capital commitments totaled $201.1 million. Pursuant to a policy, SDCERS has established a maximum leverage limit of 45% at the portfolio level. As of June 30, 2023, SDCERS' real estate portfolio had leverage of 31.5%.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

Private Equity and Infrastructure

Private Equity assets are generally defined as direct investments in projects or companies that are privately negotiated and typically do not trade in a capital market. The risk is that these instruments are usually equity interests that are generally illiquid and long-term in nature.

Infrastructure is defined as permanent essential assets society requires to facilitate the orderly operation of the economy, such as roads, water supply, sewers, power and telecommunications. The risk is that these investments are usually equity interests that are generally illiquid and long-term in nature.

SDCERS' target allocation to private equity and infrastructure is 13%, with a portfolio composition focused on value and current income producing strategies. SDCERS utilizes two discretionary advisors to invest in private equity and infrastructure through two limited partnership vehicles. Unfunded capital commitments as of June 30, 2023, totaled $791.1 million. As of June 30, 2023, private equity and infrastructure investments totaled $1.653 billion.

4. Net Pension Liability of Plan Sponsors

The Net Pension Liability (NPL) of Plan Sponsors as of the reporting date are based on the fiduciary net position as of June 30, 2023, and the Total Pension Liability (TPL) as of the valuation date, June 30, 2022, with updated actuarial procedures to roll forward to June 30, 2023. For the City, the updated actuarial procedures included the addition of service cost and interest cost offset by actual benefit payments, plus the addition of the liability from the eligible active employees who joined the pension system on July 9, 2022. For the Port and Airport, there were no changes in actuarial demographic or economic assumptions as of the measurement date so the update procedures only included the addition of service cost and interest cost offset by actual benefit payments.

The NPL for each of the plan sponsors as of June 30, 2023, is as shown below (Dollars in Thousands):

	City	Port	Airport
Total Pension Liability	$12,531,078	$696,583	$287,459
Pension Plans' Fiduciary Net Position	9,740,892	568,775	277,215
Net Pension Liability	$2,790,186	$127,808	$10,244
Pension Plans' Fiduciary Net Position as a Percentage of the Total Pension Liability	77.7%	81.7%	96.4%

Actuarial valuations of the plan sponsors involve the use of estimates and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Actuarial measurements of the TPL are subject to revision as actual results are compared with past expectations and new estimates are made about the future.

On June 22, 2021, the City Council approved an ordinance, which opened the pension plan to employees initially hired on or after July 10, 2021. During June 2022, the City Council approved an ordinance, which provided current Municipal Employees Association (MEA), American Federation of State, County and Municipal Employees Local 127 (Local 127), and unrepresented employees who were initially hired by the City between July 20, 2012 through July 9, 2021 (Prop B Employees) with a one-time, irrevocable option to either join the SDCERS pension system or remain in the City's deferred compensation plan, Supplemental Pension Savings Plan (SPSP). The ordinance required employees of the Deputy City Attorneys Association (DCAA), California Teamsters Local 911 (L911), and the International Association of Firefighters, Local 145 (L145) Prop B Employees to join the SDCERS pension system on July 9, 2022. The June 30, 2022 actuarial valuation with updated actuarial procedures to roll forward to June 30, 2023, includes the effect of an increase to the plan's TPL by the Proposition B liability (Prop B liability) of $332.7 million and an increase to the NPL of approximately $119.1 million resulting from the shortfall between the Prop B liability and the associated member contributions received.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

The membership data, actuarial methods, and plan provisions were based upon the June 30, 2022 actuarial valuations. The actuarial assumptions used in the June 30, 2022 valuations were updated to reflect the results of an economic experience study performed by the actuary for the period July 1, 2015 – June 30, 2019 and accepted by the Board on July 10, 2020.

A summary of the actuarial assumptions as of the June 30, 2022 actuarial valuations, and the economic experience study is shown below.

Actuarial Assumptions

	City	Port	Airport
Valuation date	6/30/2022	6/30/2022	6/30/2022
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Actuarial Assumptions:			
Discount Rate	6.50%	6.50%	6.50%
Wage inflation	3.05%	3.05%	3.05%
Additional merit increase	0.75% - 10.0%	0.75% - 10.0%	0.5% - 5.0%
Cost of living increase	1.90%	1.90%	1.90%

Mortality rates for General active members are based on the sex distinct 2010 SOA Public General Employees Amount-Weighted Mortality Table, without adjustment, with generational mortality improvements projected from 2010 using a variation of Projection Scale MP-2019.

Mortality rates for Safety active members are based on the sex distinct 2010 SOA Public Safety Employees Amount-Weighted Mortality Table, without adjustment, with generational mortality improvements projected from 2010 using a variation of Projection Scale MP-2019.

Mortality rates for General healthy annuitants and beneficiaries are based on the sex distinct 2010 SOA Public General Healthy Retirees Amount-Weighted Mortality Table, without adjustment, with generational mortality improvements projected from 2010 using a variation of Projection Scale MP-2019.

Mortality rates for Safety healthy annuitants and beneficiaries are based on the sex distinct 2010 SOA Public Safety Healthy Retirees Amount-Weighted Mortality Table, adjusted by 90% for males and no adjustment for females, with generational mortality improvements projected from 2010 using a variation of Projection Scale MP-2019.

Mortality rates for General disabled annuitants are based on the sex distinct CalPERS Industrial Related Disability Retirees Mortality Table from the CalPERS December 2017 experience study, without adjustment, with generational mortality improvements projected from 2013 using a variation of Projection Scale MP-2019.

Mortality rates for Safety disabled annuitants are based on the sex distinct 2010 SOA Public Safety Disabled Retirees Amount-Weighted Mortality Table, without adjustment, with generational mortality improvements projected from 2010 using a variation of Projection Scale MP-2019.

For further information regarding actuarial assumptions and policies, see the Actuarial and Statistical Sections of this ACFR.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

Long-Term Expected Rates of Return

Expected return estimates for equity and fixed income are developed using a geometric (long-term compounded) building block approach: 1) expected returns based on observable information in the equity and fixed income markets and consensus estimates for major economic and capital market inputs, such as earnings and inflation, and 2) where necessary, judgment-based modifications are made to these inputs. Return assumptions for other assets classes are based on historical results, current market characteristics, and professional judgment from SDCERS' general investment consultant specialist research teams.

Best estimates of geometric long-term real rates of return and nominal rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023, are summarized in the following table:

Long-Term Expected Real and Nominal Rates of Return as of June 30, 2023

Asset Class	Long-Term Expected Real Rates of Return	Long-Term Expected Nominal Rates of Return
Domestic Equity	5.0%	7.5%
International Equity	5.8	8.2
Global Equity	5.5	7.9
Domestic Fixed Income	1.7	4.0
Return-Seeking Fixed Income	4.6	7.0
Real Estate	3.3	5.6
Private Equity	7.8	10.3
Infrastructure	4.8	7.2
Opportunity Fund	4.9	7.3

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

Discount Rate

The discount rate used to measure the TPL was 6.50%. The demographic and economic assumptions used to determine the discount rate assume that plan members will continue to contribute to SDCERS at the current rates and the plan sponsors will continue their historical practice of contributing to SDCERS based on an actuarially determined contribution, reflecting a payment equal to annual Normal Cost, an amount necessary to amortize the remaining UAL, annual expected administrative expenses, and the amount needed to avoid negative amortization, if any. Adherence to the actuarial funding policy described above will result in the pension plans' projected fiduciary net position of the plan being greater than or equal to the benefit payments projected for each future period. Therefore, the discount rate of 6.50% was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of the City, Port and Airport, as of June 30, 2023, calculated using the discount rate of 6.50%, as well as what the NPL for each Plan Sponsor would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate (Dollars in Thousands):

	1% Decrease 5.50 %	Discount Rate 6.50%	1% Increase 7.50 %
City's Net Pension Liability	$4,349,534	$2,790,186	$1,513,474
Port's Net Pension Liability	$214,736	$127,808	$56,167
Airport's Net Pension Liability/(Asset)	$49,072	$10,244	$(21,604)

5. Contributions

The funding objective of SDCERS is to fully fund the plans' actuarial liabilities with contributions which, over time will remain as a level percent of payroll for the Port, Airport, and Police portion of the City plan and level dollar amounts for the City's non-Police portion of the plan. Under this approach the contribution rate is based on the normal cost rate and an amortization of any UAL.

SDCERS' funding policy provides for periodic plan sponsor contributions at actuarially determined amounts designed to accumulate sufficient assets to pay vested benefits to SDCERS' members. Contributions are calculated under the Entry Age Normal (EAN) actuarial funding method, whereby the normal cost rate is computed as the average level annual percent of pay required to fund the retirement benefits for all members between their dates of hire and assumed dates of retirement.

The difference between the EAN actuarial liability and the actuarial value of assets is the UAL. The UAL as of the June 30, 2021 actuarial valuation is split into multiple tiers, each with a different remaining amortization period. The UAL is amortized by annual payments. The payments are determined as a level percentage of pay, assuming payroll increases of 3.05% per year, for the Police portion of the City plan, the Port and the Airport. The payments for the non-Police portion of the City plan are determined as level dollar amounts. The City, Port and Airport make annual plan sponsor contributions to SDCERS based upon the Actuarial Determined Contribution (ADC) as determined by SDCERS' actuary.

The complete Actuarial Valuations for the City, Port and Airport are available at www.sdcers.org.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

The following table illustrates the required FY 2023 plan sponsors' contribution rates, as a percent of payroll, as calculated annually by SDCERS' actuary, Cheiron:

FY 2023 Contribution Rates[3]

City
(June 30, 2021, Actuarial Valuation)

Plan Sponsor Contribution Rates by Member Class, Based on Valuation of:	Normal Cost[1]	Amortization Payment[2]	Administrative Expenses	Total Contribution Rate
General Old Plan	12.24%	88.58%	3.13%	103.96%
General 2009 Plan	10.97	3.77	0.46	15.21
Elected	28.90	52.65	2.53	84.09
Police Old	17.73	132.06	4.66	154.45
Police 2009	16.68	13.87	0.95	31.50
Police 2012	16.62	10.45	0.84	27.91
Police 2012 No COL	16.56	9.13	0.80	26.49
Police Prop B	17.07	2.92	0.62	20.62
Fire Old	17.72	114.82	4.12	136.66
Fire 2012	17.69	0.67	0.57	18.93
Lifeguard Old	18.50	65.98	2.63	87.10
Lifeguard 2011	17.55	1.24	0.58	19.37
Weighted Total	14.63	63.48	2.43	80.54

Port
(June 30, 2021, Actuarial Valuation)

Plan Sponsor Contribution Rates by Member Class, Based on Valuation of:	Normal Cost[1]	Amortization Payment[2]	Administrative Expenses	Total Contribution Rate
General	15.92%	59.09%	2.95%	77.95%
Miscellaneous Classic	9.85	1.37	0.44	11.66
Miscellaneous PEPRA	5.14	0.23	0.21	5.58
Executives	8.03	263.23	10.66	281.92
Safety Pre-2010	21.18	74.27	3.75	99.20
Safety Post-2010	22.95	8.04	1.22	32.21
Safety PEPRA	13.43	2.02	0.61	16.06
Weighted Total	13.76	34.82	1.91	50.49

Airport
(June 30, 2021, Actuarial Valuation)

Plan Sponsor Contribution Rates by Member Class, Based on Valuation of:	Normal Cost[1]	Amortization Payment[2]	Administrative Expenses	Total Contribution Rate
General	16.08%	5.01%	1.75%	22.84%
PEPRA	8.18	0.25	0.70	9.13
Executives	20.36	5.52	2.15	28.03
Weighted Total	12.09	2.53	1.21	15.83

[1] Rates assume that contributions are made uniformly during the plan year.

[2] In years where there is an UAL, in order to avoid "negative amortization" the amortization payment can never be less than full interest on the UAL.

[3] Numbers in this table may not always add exactly due to rounding

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

Most members are required to contribute a percentage of their annual salary to fund the annuity portion of their individual benefit. Contributions vary according to the member's age at the time of enrollment and member's group (e.g., safety, general, miscellaneous and elected officers).

Member and plan sponsor contribution rates assume an actuarial discount rate of 6.50% and a wage inflation rate of 3.05% for the City, Port and Airport. These assumptions are reflected in the June 30, 2021 valuation, which impacted contribution rates for members and plan sponsors beginning July 1, 2022.

Member weighted average contribution rates for FY 2023 from the June 30, 2021 actuarial valuations for each member class are shown below.

	City	Port	Airport
General Members[1]	12.32%	7.29%	9.91%
Safety Members[2]	17.67	14.05	n/a
All Members	15.01	9.86	9.91

[1] General Members include Elected Officers, Executives, Miscellaneous and PEPRA Members, as applicable.
[2] Safety Members include Police, Fire and Lifeguard Members, as applicable.

All or part of the member's contribution rate may be subject to a reduction for member contributions paid by the employer, as determined through annual meet and confer negotiations between the employers and employee bargaining groups. The rates above (actuarially determined amounts) are shown before any applicable reduction. Except as noted, member contributions paid by the employer and related accumulated interest are not refunded to the members at termination; only a member's actual contributions made plus credited interest are refunded to a member at termination of employment, upon the member's request. Employer paid contributions for the Port and Airport are for non-PEPRA plans only, as PEPRA plans are not eligible for employer paid contributions.

For FY 2023, the City did not have contractual agreements to pay member contributions.

For FY 2023, the Port paid the following portion of members' contributions (excluding miscellaneous members who make no contributions and members subject to PEPRA), stated as a percentage of a member's salary:

For General Members:	6.00% to 7.00%
For Safety Members:	8.80%
For Executive Members:	7.50% to 10.30%

For FY 2023, the Airport paid the following portion of members' contributions (excluding members subject to PEPRA), stated as a percentage of a member's salary:

For General Members:	7.00% to 8.50%
For Executive Members:	8.50%

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

SDCERS' members are allowed to purchase certain types of service credit, usually related to periods of missing service credit. The San Diego Municipal Code provides that City members may purchase service credit. For Airport members and Port members, their respective plan documents outline the purchase of service credit provisions.

Beginning in 1997, City and Port members became eligible to purchase an additional five years of service credit, in addition to their actual employment service credit. Airport members became eligible to purchase an additional five years of service credit at inception of their Plan on January 1, 2003. The five-year purchase may be applied toward the vesting requirements for the City members, but not for Port or Airport members. The option to purchase an additional five years of service credit was discontinued by the City, Port and Airport for employees hired on or after July 1, 2005, October 1, 2005 and October 3, 2006, respectively. As of January 1, 2013, PEPRA prohibited the purchase of additional service credit or "air time" for all Port and Airport members, regardless of hire date.

On May 17, 2013, the Board discontinued the purchase of additional service credit (permissive service), through post-tax payments and post-tax installment payment plans (excluding grandfathered members making grandfathered purchases). A member who is not a grandfathered member may pay for purchases of service credit after this date by pre-tax funds only, such as: direct transfers from the City's Supplemental Pension Savings Plan, 401(k) account, Deferred Compensation account, qualified IRAs, or any other qualified retirement plan. Purchases of service credit still allowed under PEPRA for the Port and the Airport must be made with pre-tax funds.

As of June 30, 2023, a total of 25 members were making payments on installment contracts. Service credits purchased under an installment contract are not an actuarial liability of SDCERS until the purchase is paid by the member. A receivable for purchased service contracts totaling $0.4 million is recorded at net realizable value and has been included in the accompanying Statement of Fiduciary Net Position at June 30, 2023.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 2023

6. Reserve Balances

The Board establishes reserve accounts based on the advice of its actuary. Annual adjustments to the pension trust funds' reserves are a result of realized investment gains or losses and member and plan sponsor contributions received. These changes are distributed in accordance with the Group Trust.

Reserve balances as of June 30, 2023 (Dollars in Thousands):

Reserve for Current Retired Members	$5,631,624
Reserve for Member Contributions	1,499,163
Reserve for DROP	567,275
Reserve for Plan Sponsor Contributions	555,222
Reserve for Receivables	482
Reserve for Supplemental COLA	131
Reserve for POB Benefits	21
Undistributed Earnings Reserve	254,909
Total Reserves[1]	**$8,508,827**

[1] Total reserves differ from the restricted net position for benefit payments reported in the Statement of Fiduciary Net Position because investments are reported at fair value in the financial statements. The total reserves in this table exclude the accumulated unrealized gains totaling $2.078 billion as of June 30, 2023.

Reserve for Current Retired Members. Upon retirement, member contribution balances are transferred from Reserve for Member Contributions to this reserve, along with sufficient funds from the Plan Sponsor Contributions Reserve, to fund the expected present and future cost of benefits for existing retirees.

Reserve for Member Contributions. This represents the accumulated contributions, plus accumulated allocated interest, held on account for all active and deferred members.

Reserve for Deferred Retirement Option Plan (DROP). Balances representing accumulated deferred retirement benefits, plus accumulated allocated interest, held on account for members participating in DROP. DROP accounts receive a member's pension allowance, 3.05% of salary contributed by the DROP member and a 100% matching contribution (3.05%) by the employer, plus interest calculated at the current DROP interest crediting rate, credited quarterly. Reserve for DROP for each Plan Sponsor at June 30, 2023, is as follows (Dollars in Thousands):

	City	Port	Airport	Total
Reserve for DROP	$539,962	$21,408	$5,905	$567,275

Reserve for Plan Sponsor Contributions. This represents the otherwise unallocated accumulated contributions, plus accumulated allocated interest, of all participating plan sponsors.

Reserve for Receivables. This represents the balance of funds expected to be received in the future consisting mainly of member contributions for purchase of service credit installment contracts and any invoiced contributions.

Reserve for Supplemental COLA. These are funds appropriated by the applicable plan sponsor each year as part of its budget process and transferred to SDCERS to pay the Supplemental COLA Benefit to eligible retirees of that plan sponsor whose effective date of retirement was prior to June 30, 1982, for the rest of their lives and then to their survivors for the remainder of their lives. The benefit is not paid in any month in which the plan sponsor has failed to provide sufficient funds to pay the benefit. System assets are not used to pay this benefit.

San Diego City Employees' Retirement System
Notes to the Basic Financial Statements (continued)
June 30, 20223

Reserve for POB Benefits. Balances representing unpaid IRC Section 415(m) qualified governmental excess benefits for each of the plan sponsors. Reserve for POB Benefits for each Plan Sponsor at June 30, 2023, is as follows (Dollars in Thousands):

	City	Port	Airport	Total
Reserve for POB	$11	$5	$5	$21

Undistributed Earnings Reserve. This represents the balance of earnings remaining after the annual distribution to the member and plan sponsor reserve accounts in accordance with the Board established assumed rate of interest. At the beginning of each fiscal year, any Undistributed Earnings (Losses) from the prior fiscal year are credited to the Reserve for Plan Sponsor Contributions.

7. Legal Actions

SDCERS is subject to legal proceedings and claims which have arisen 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 SDCERS, have a material adverse effect upon SDCERS' financial condition.

Conway v. SDCERS (Court of Appeal Docket D079355; Superior Court Case 37-2020-00007020-CU-FR-CTL)

In February 2020, retiree Sean Conway and his spouse filed an action against SDCERS in San Diego Superior Court. The Conways allege SDCERS' staff made misrepresentations, which caused them harm. In March 2021, the Court heard SDCERS' demurrer and found in favor of SDCERS. Plaintiffs have appealed the ruling. SDCERS believes the lawsuit is without merit and will vigorously defend against the claims. The outcome of this matter is not expected to have a material adverse impact on SDCERS' financial condition. Plaintiffs have filed an appeal but no court dates have been scheduled.

Hoot v. SDCERS (Case No. 37-2022-00031175-CU-MC-CTL)

In August 2022, Mary Hoot filed an action against SDCERS in San Diego Superior Court. Ms. Hoot alleges that she is eligible for a survivor benefit from SDCERS, even though deceased retiree Richard Hoot selected a former spouse for the benefit. SDCERS believes the lawsuit is without merit and will vigorously defend against the claims. The outcome of this matter is not expected to have a material adverse impact on SDCERS' financial condition.

Lasaga v. SDCERS (Case 37-2022-00013148-CU-WM-CTL)

In April 2022, Member Fernando Lasaga filed an action against SDCERS in San Diego Superior Court related to SDCERS' denial of his request to change his entry date into the Deferred Retirement Option Plan (DROP). SDCERS believes the lawsuit is without merit and will vigorously defend against the claims. The outcome of this matter is not expected to have a material adverse impact on SDCERS' financial condition.

Additional information on these matters is available at www.sdcers.org.

San Diego City Employees' Retirement System
Required Supplementary Information (Unaudited)

City
Schedule of Changes in Net Pension Liability and Related Ratios
For the Fiscal Years Ended June 30, (Dollars in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	$218,323	$132,557	$147,459	$127,076	$118,596	$108,872	$106,877	$93,804	$102,687	$107,003
Interest	769,694	729,931	709,283	663,824	640,508	628,499	613,530	573,760	554,988	537,875
Changes in Benefit Terms	332,673	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	137,386	8,221	77,579	186,951	143,136	58,618	71,123	21,285	46,416	-
Changes in Assumptions	-	-	-	290,843	-	266,606	249,740	620,314	-	-
Benefit Payments and Refunds of Contributions	(646,465)	(621,631)	(597,414)	(561,837)	(534,023)	(515,078)	(477,039)	(452,781)	(429,238)	(384,980)
Net Change in Total Pension Liability	811,611	249,078	336,907	706,857	368,217	547,517	564,231	856,382	274,853	259,898
Total Pension Liability - Beginning	11,719,467	11,470,389	11,133,482	10,426,625	10,058,408	9,510,891	8,946,660	8,090,278	7,815,425	7,555,527
Total Pension Liability - Ending	$12,531,078	$11,719,467	$11,470,389	$11,133,482	$10,426,625	$10,058,408	$9,510,891	$8,946,660	$8,090,278	$7,815,425
Plan Fiduciary Net Position										
Contributions - Plan Sponsor[1]	$425,602	$418,924	$369,678	$354,349	$326,982	$328,922	$265,573	$259,543	$268,061	$279,644
Contributions – Member[1]	330,821	77,518	67,026	68,652	62,709	57,936	57,050	59,377	59,042	65,481
Net Investment Income (Loss)	473,106	(137,052)	1,980,289	19,006	477,485	594,845	857,922	64,155	207,653	935,052
Benefit Payments and Refunds of Contributions	(646,465)	(621,631)	(597,414)	(561,837)	(534,023)	(515,078)	(477,039)	(452,781)	(429,238)	(384,980)
Administrative Expense	(13,232)	(12,403)	(11,160)	(10,688)	(10,239)	(10,570)	(10,778)	(10,901)	(8,693)	(10,467)
Net Change in Plan Fiduciary Net Position	569,832	(274,644)	1,808,419	(130,518)	322,914	456,055	692,728	(80,607)	96,825	884,730
Plan Fiduciary Net Position - Beginning	9,171,060	9,445,704	7,637,285	7,767,803	7,444,889	6,988,834	6,296,106	6,376,713	6,279,888	5,395,158
Plan Fiduciary Net Position - Ending	$9,740,892	$9,171,060	$9,445,704	$7,637,285	$7,767,803	$7,444,889	$6,988,834	$6,296,106	$6,376,713	$6,279,888
Net Pension Liability - Ending	2,790,186	$2,548,407	$2,024,685	$3,496,197	$2,658,822	$2,613,519	$2,522,057	$2,650,554	$1,713,565	$1,535,537
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.7%	78.3%	82.3%	68.6%	74.5%	74.0%	73.5%	70.4%	78.8%	80.4%
Covered Payroll	$525,995	$466,864	$501,204	$484,764	$455,753	$448,890	$465,100	$480,662	$480,536	$499,463
Net Pension Liability as a Percentage of Covered Payroll	530.5%	545.9%	404.0%	721.2%	583.4%	582.2%	542.3%	551.4%	356.6%	307.4%

[1] Beginning in FY 2017, contributions made by a plan sponsor to satisfy the contribution requirements of a plan member are classified as plan member contributions.

San Diego City Employees' Retirement System
Required Supplementary Information (Unaudited) (continued)

Port
Schedule of Changes in Net Pension Liability and Related Ratios
For the Fiscal Years Ended June 30, (Dollars in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	$9,305	$9,207	$9,735	$9,331	$9,212	$8,551	$8,113	$7,648	$7,969	$8,388
Interest	43,030	41,749	40,810	38,116	36,711	35,866	34,526	32,102	30,611	29,357
Differences Between Expected and Actual Experience	5,570	4,485	(3,222)	4,220	3,985	(590)	4,460	(2,244)	4,572	-
Changes in Assumptions	-	-	-	19,124	-	16,022	15,009	35,813	-	-
Benefit Payments and Refunds of Contributions	(36,886)	(34,725)	(30,586)	(28,540)	(28,151)	(25,359)	(23,090)	(23,110)	(21,775)	(18,763)
Net Change in Total Pension Liability	21,019	20,716	16,737	42,251	21,757	34,490	39,018	50,209	21,377	18,982
Total Pension Liability - Beginning	675,564	654,848	638,111	595,860	574,103	539,613	500,595	450,386	429,009	410,027
Total Pension Liability - Ending	$696,583	$675,564	$654,848	$638,111	$595,860	$574,103	$539,613	$500,595	$450,386	$429,009
Plan Fiduciary Net Position										
Contributions - Plan Sponsor[1]	$19,311	$22,249	$19,856	$19,440	$18,038	$17,858	$14,747	$16,822	$16,887	$16,595
Contributions – Member[1]	4,095	3,733	3,697	3,767	3,723	3,513	3,585	1,277	1,309	1,542
Net Investment Income (Loss)	28,674	(8,341)	119,759	1,106	28,620	35,333	50,594	3,860	12,064	53,656
Benefit Payments and Refunds of Contributions	(36,886)	(34,725)	(30,586)	(28,540)	(28,151)	(25,359)	(23,090)	(23,110)	(21,776)	(18,762)
Administrative Expense	(882)	(844)	(760)	(721)	(669)	(659)	(666)	(687)	(691)	(729)
Net Change in Plan Fiduciary Net Position	14,312	(17,928)	111,966	(4,948)	21,561	30,686	45,170	(1,838)	7,793	52,302
Plan Fiduciary Net Position - Beginning	554,463	572,391	460,425	465,373	443,812	413,126	367,956	369,794	362,001	309,699
Plan Fiduciary Net Position - Ending	$568,775	$554,463	$572,391	$460,425	$465,373	$443,812	$413,126	$367,956	$369,794	$362,001
Net Pension Liability - Ending	$127,808	$121,101	$82,457	$177,686	$130,487	$130,291	$126,487	$132,639	$80,592	$67,008
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.7%	82.1%	87.4%	72.2%	78.1%	77.3%	76.6%	73.5%	82.1%	84.4%
Covered Payroll	$39,939	$37,599	$37,311	$36,810	$35,733	$34,388	$33,685	$33,512	$33,273	$34,528
Net Pension Liability as a Percentage of Covered Payroll	320.0%	322.1%	221.0%	482.7%	365.2%	378.9%	375.5%	395.8%	242.2%	194.1%

[1] Beginning in FY 2017, contributions made by a plan sponsor to satisfy the contribution requirements of a plan member are classified as plan member contributions.

San Diego City Employees' Retirement System
Required Supplementary Information (Unaudited) (continued)

Airport
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Fiscal Years Ended June 30, (Dollars in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	$7,147	$6,980	$7,970	$7,857	$7,633	$7,391	$6,996	$6,205	$6,155	$6,099
Interest	17,355	16,489	15,694	14,257	13,355	12,621	11,417	10,278	9,327	8,466
Differences Between Expected and Actual Experience	4,183	(1,289)	(2,240)	926	(645)	(2,630)	3,975	(2,179)	346	-
Changes in Assumptions	-	-	-	6,767	-	6,416	5,871	10,474	-	-
Benefit Payments and Refunds of Contributions	(9,294)	(8,578)	(8,820)	(6,734)	(6,430)	(4,463)	(4,670)	(3,023)	(2,483)	(2,913)
Net Change in Total Pension Liability	19,391	13,602	12,604	23,073	13,913	19,335	23,589	21,755	13,345	11,652
Total Pension Liability - Beginning	268,068	254,466	241,862	218,789	204,876	185,541	161,952	140,197	126,852	115,200
Total Pension Liability - Ending	$287,459	$268,068	$254,466	$241,862	$218,789	$204,876	$185,541	$161,952	$140,197	$126,852
Plan Fiduciary Net Position										
Contributions - Plan Sponsor[1]	$7,743	$9,182	$8,596	$8,425	$7,849	$7,319	$5,481	$5,772	$5,665	$5,671
Contributions – Member[1]	3,494	3,070	3,125	3,322	3,178	3,163	2,990	1,243	1,073	1,019
Net Investment Income (Loss)	13,293	(4,189)	53,140	390	12,086	14,036	19,481	1,651	4,390	18,303
Benefit Payments and Refunds of Contributions	(9,294)	(8,578)	(8,820)	(6,734)	(6,430)	(4,463)	(4,670)	(3,023)	(2,483)	(2,914)
Administrative Expense	(505)	(462)	(423)	(387)	(359)	(350)	(324)	(319)	(332)	(332)
Net Change in Plan Fiduciary Net Position	14,731	(977)	55,618	5,016	16,324	19,705	22,958	5,324	8,313	21,747
Plan Fiduciary Net Position - Beginning	262,484	263,461	207,843	202,827	186,503	166,798	143,840	138,516	130,203	108,456
Plan Fiduciary Net Position - Ending	$277,215	$262,484	$263,461	$207,843	$202,827	$186,503	$166,798	$143,840	$138,516	$130,203
Net Pension Liability (Asset) - Ending	$10,244	$5,584	$(8,995)	$34,019	$15,962	$18,373	$18,743	$18,112	$1,681	($3,351)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	96.4%	97.9%	103.5%	85.9%	92.7%	91.0%	89.9%	88.8%	98.8%	102.6%
Covered Payroll	$32,529	$30,810	$33,329	$32,828	$31,585	$31,628	$31,132	$29,189	$27,955	$26,380
Net Pension Liability (Asset) as a Percentage of Covered Payroll	31.5%	18.1%	-27.0%	103.6%	50.5%	58.1%	60.2%	62.1%	6.0%	-12.7%

[1] Beginning in FY 2017, contributions made by a plan sponsor to satisfy the contribution requirements of a plan member are classified as plan member contributions.

San Diego City Employees' Retirement System
Required Supplementary Information (Unaudited) (continued)

City
Schedule of Plan Sponsor Contributions
For the Ten Fiscal Years Ended June 30 (2014 - 2023)
(Dollars in Thousands)

Fiscal Year	Actuarially Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution Deficiency/ (Excess)[2]	Covered Payroll[1]	Contributions as a Percentage of Covered Payroll
2023	$384,300	$421,800	$37,500	$525,995	73.06%
2022	414,900	414,900	-	466,864	88.87
2021	365,600	365,600	-	501,204	72.94
2020	350,500	350,500	-	484,764	72.30
2019	322,900	322,900	-	455,753	70.85
2018	324,500	324,500	-	448,890	72.29
2017	261,100	261,100	-	465,100	56.14
2016	254,900	254,900	-	480,662	53.03
2015	263,600	263,600	-	480,536	54.86
2014	275,400	275,400	-	499,463	55.14

1 Covered Payroll represented above is based on pensionable earnings provided by the Plan Sponsor and used by the Actuary to calculate the fiscal year ADC.

2 For FY 2023, the City made additional normal cost contributions.

Port
Schedule of Plan Sponsor Contributions
For the Ten Fiscal Years Ended June 30 (2014 - 2023)
(Dollars in Thousands)

Fiscal Year	Actuarially Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution Deficiency/ (Excess)	Covered Payroll[1]	Contributions as a Percentage of Covered Payroll
2023	$19,200	$19,200	$-	$39,939	48.07%
2022	22,100	22,100	-	37,599	58.78
2021	19,700	19,700	-	37,311	52.80
2020	19,300	19,300	-	36,810	52.43
2019	17,900	17,900	-	35,733	50.09
2018	17,700	17,700	-	34,388	51.47
2017	14,600	14,600	-	33,685	43.34
2016	14,400	14,400	-	33,512	42.97
2015	14,300	14,300	-	33,273	42.98
2014	13,900	13,900	-	34,528	40.26

1 Covered Payroll represented above is based on pensionable earnings provided by the Plan Sponsor and used by the Actuary to calculate the fiscal year ADC.

San Diego City Employees' Retirement System
Required Supplementary Information (Unaudited) (continued)

Airport
Schedule of Plan Sponsor Contributions
For the Ten Fiscal Years Ended June 30 (2014 - 2023)
(Dollars in Thousands)

Fiscal Year	Actuarially Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution Deficiency/ (Excess)[1]	Covered Payroll[2]	Contributions as a Percentage of Covered Payroll
2023	$4,944	$7,664	$(2,720)	$32,529	23.56%
2022	6,570	9,102	(2,532)	30,810	29.54
2021	6,125	8,522	(2,397)	33,329	25.57
2020	6,159	8,356	(2,197)	32,828	25.45
2019	5,740	7,783	(2,043)	31,585	24.64
2018	5,416	7,247	(1,831)	31,628	22.91
2017	3,765	5,421	(1,656)	31,132	17.41
2016	3,666	3,948	(282)	29,189	13.53
2015	3,823	3,823	-	27,955	13.67
2014	2,900	3,728	(828)	26,380	14.13

[1] Contributions for each year presented were made at a full actuarially-determined rate using the Entry Age Normal method. In addition, the Airport made contributions above this amount to achieve certain Airport internal funding level thresholds for the 2014 and 2016 – 2023 fiscal years.

[2] Covered Payroll represented above is based on pensionable earnings provided by the Plan Sponsor and used by the Actuary to calculate the fiscal year ADC.

Schedule of Investment Returns
Annual Money-Weighted Rate of Return, Net of Investment Expense[1]
For the Fiscal Years Ended June 30

Year	Return %
2023	5.01%
2022	(1.44)
2021	25.64
2020	0.24
2019	6.36
2018	8.41
2017	13.54
2016	1.00
2015	3.28
2014	16.84

[1] The Annual Money Weighted Rate of Return is applicable to all Plan Sponsors.

San Diego City Employees' Retirement System
Required Supplementary Information (Unaudited) (continued)
Notes to Required Supplementary Information

1. Changes of Benefit Terms

As a result of the City's unwinding of Proposition B, eligible active City employees joined the pension system on July 9, 2022. The shortfall between the Proposition B liability of $332.7 million and the associated member contributions received increased the NPL by approximately $119.1 million.

2. Methods and Assumptions Used to Determine Contributions

The actuarially determined contribution rates in the Schedules of Plan Sponsor Contributions for FY 2023 are calculated using the June 30, 2021 actuarial valuation, which is one year prior to the beginning of the plan year.

The following actuarial methods and assumptions were used to determine contributions reported in that schedule for the fiscal year ended June 30, 2023:

	City	Port	Airport
Valuation date	6/30/2021	6/30/2021	6/30/2021
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Asset valuation method	Expected Value Method	Expected Value Method	Expected Value Method
Amortization Method	Closed periods. Payments are a level percentage of payroll (Police) or level dollar (non-Police). Gains or losses amortized over different periods depending on the source and date established. In the 2012 valuation, as a result of Proposition B, the UAL for the non- Police portion of the Plan was re-amortized over a closed 15-year period with level dollar payments. In the 2017 valuation, a five-year layering method was adopted for certain components of the UAL in order to improve the projected stability of future employer contributions.	Closed periods. Gains or losses amortized over different periods depending on the source and date established. Payments are a level percentage of payroll. In the 2017 valuation, a five-year layering method was adopted for a portion of the UAL to improve the projected stability of future employer contributions.	Closed periods with payments as a level percentage of payroll. Gains or losses amortized over different periods depending on the source and date established.
Discount rate	6.50%. The discount rate was reduced from 7.50% to 7.25% in the 2013 valuation, from 7.25% to 7.125% in the 2015 valuation, from 7.125% to 7.00% in the 2016 valuation, from 7.00% to 6.75% in the 2017 valuation and from 6.75% to 6.50% in the 2018 valuation.	6.50%. The discount rate was reduced from 7.50% to 7.25% in the 2013 valuation, from 7.25% to 7.125% in the 2015 valuation, from 7.125% to 7.00% in the 2016 valuation, from 7.00% to 6.75% in the 2017 valuation and from 6.75% to 6.50% in the 2018 valuation.	6.50%. The discount rate was reduced from 7.50% to 7.25% in the 2013 valuation, from 7.25% to 7.125% in the 2015 valuation, from 7.125% to 7.00% in the 2016 valuation, from 7.00% to 6.75% in the 2017 valuation and from 6.75% to 6.50% in the 2018 valuation.
Amortization growth rate	3.05%. Same pattern of changes described below for salary increase assumption (excluding freezes).	3.05%. Same pattern of changes described below for salary increase assumption (excluding freezes).	3.05%. Same pattern of changes described below for salary increase assumption (excluding freezes).

San Diego City Employees' Retirement System
Required Supplementary Information (Unaudited) (continued)
Notes to Required Supplementary Information (continued)

2. Methods and Assumptions Used to Determine Contributions (continued)

	City	Port	Airport
Salary increases	3.05% (following assumed freezes in FYs 2015-2018) plus merit component based on employee classification and years of service ranging from 10.00% for new hires to 0.75% for members with 15 or more years of service. The across-the-board salary increase assumption was reduced from 3.75% to 3.30% in the 2013 valuation, from 3.30% to 3.175% in the 2015 valuation, and from 3.175% to 3.05% in the 2016 valuation. In the 2013 valuation a four-year freeze was assumed (FYs 2015-2018).	3.05% plus merit component based on employee classification and years of service ranging from 10.00% for new hires to 0.75% for members with five or more years of service. The across- the- board salary increase assumption was reduced from 3.75% to 3.30% in the 2013 valuation, from 3.30% to 3.175% in the 2015 valuation, and from 3.175% to 3.05% in the 2016 valuation.	3.05% plus merit component based on employee classification and years of service ranging from 5.00% for new hires to 0.50% for members with five or more years of service. The across- the-board salary increase assumption was reduced from 3.75% to 3.30% in the 2013 valuation, from 3.30% to 3.175% in the 2015 valuation, and from 3.175% to 3.05% in the 2016 valuation.
Cost of living increase	1.9%. The COLA assumption was reduced from 2.0% to 1.9% in the 2016 valuation.	1.9%. The COLA assumption was reduced from 2.0% to 1.9% in the 2016 valuation.	1.9%. The COLA assumption was reduced from 2.0% to 1.9% in the 2016 valuation.

Mortality

Healthy actives and annuitants: For General members, the sex distinct 2010 SOA Public General Employees and Healthy Retirees Amount-Weighted Mortality Tables, without adjustment, with generational mortality improvements projected from 2010 using a variation of Projection Scale MP-2019. For Safety active members, the sex distinct 2010 SOA Public Safety Employees Amount-Weighted Mortality Table, without adjustment, with generational mortality improvements projected from 2010 using a variation of Projection Scale MP-2019. For Safety healthy annuitants and beneficiaries are based on the sex distinct 2010 SOA Public Safety Healthy Retirees Amount-Weighted Mortality Table, adjusted by 90% for males and no adjustment for females, with generational mortality improvements projected from 2010 using a variation of Projection Scale MP-2019.

Disabled annuitants: For General members, the sex distinct CalPERS Industrial Related Disability Mortality Table from the CalPERS December 2017 experience study, without adjustment, with generational mortality improvements projected from 2013 using a variation of Projection Scale MP-2019. For Safety members, the sex distinct 2010 SOA Public Safety Disabled Retirees Amount- Weighted Mortality Table, without adjustment, with generational mortality improvements projected from 2010 using a variation of Projection Scale MP-2019.

A complete description of the methods and assumptions used to determine the contribution for the fiscal year ended June 30, 2023, can be found in the June 30, 2021 actuarial valuation reports, which are available online at www.sdcers.org.

San Diego City Employees' Retirement System
Other Supplemental Information

Statement of Fiduciary Net Position – Custodial Funds
As of June 30, 2023 (Dollars in Thousands)

	Custodial Funds				
	HCB	City POB	Port POB	Airport POB	Total
ASSETS					
Cash and Cash Equivalents					
Cash on Deposit with Wells Fargo Bank	$37	$11	$5	$5	$58
Receivables					
Other Receivables	6	-	-	-	6
TOTAL ASSETS	$43	$11	$5	$5	$64
LIABILITIES					
Accounts Payable and Other Liabilities	$43	$-	$-	$-	$43
TOTAL LIABILITIES	$43	$-	$-	$-	$43
FIDUCIARY NET POSITION RESTRICTED FOR HEALTHCARE AND POB BENEFITS	$-	$11	$5	$5	$21

Statement of Changes in Fiduciary Net Position – Custodial Funds
For the Fiscal Year Ended June 30, 2023 (Dollars in Thousands)

	Custodial Funds				
	HCB	City POB	Port POB	Airport POB	Total
ADDITIONS					
Contributions					
Healthcare and POB Contributions	$39,385	$976	$271	$20	$40,652
TOTAL ADDITIONS	$39,385	$976	$271	$20	$40,652
DEDUCTIONS					
Healthcare and POB Benefits	$38,462	$974	$276	$30	$39,742
Administrative Expenses	923	2	1	-	926
TOTAL DEDUCTIONS	$39,385	$976	$277	$30	$40,668
INCREASE DECREASE IN FIDUCIARY NET POSITION	-	-	(6)	(10)	(16)
FIDUCIARY NET POSITION RESTRICTED FOR HEALTHCARE AND POB BENEFITS AT JULY 1	-	11	11	15	37
FIDUCIARY NET POSITION RESTRICTED FOR HEALTHCARE AND POB BENEFITS AT JUNE 30	$-	$11	$5	$5	$21

San Diego City Employees' Retirement System
Other Supplemental Information

Schedule of Administrative Expenses
For the Fiscal Year Ended June 30, 2023
(Dollars in Thousands)

Salaries and Personnel[1]	$8,698
Information and Technology Services	
Data Processing and Computer Services	1,501
Contracted Services	1,007
Total Information and Technology Services	2,508
Legal/External	
Litigation/Fiduciary/Tax/General	255
Disability	36
Total Legal/External	291
General Operations	
Depreciation Expense	904
Building Expenses	851
Actuary Services	440
Office Operations Expense	339
Fiduciary Insurance	295
Travel and Training	113
Audit Services	101
Disability Processing	79
Total General Operations	3,122
Total Pension Trust Fund Administrative Expenses	$14,619
Healthcare Fund Administrative Expenses	923
City POB Fund Administrative Expenses	2
Port POB Fund Administrative Expenses	1
Total Administrative Expenses	$15,545

[1] $1.4 million of salaries and personnel expense have been reported as investment expenses in the Statement of Changes in Fiduciary Net Position.

San Diego City Employees' Retirement System
Other Supplemental Information (continued)

Schedule of Investment Expenses
For the Fiscal Year Ended June 30, 2023
(Dollars in Thousands)

	Fair Value of Assets Under Management[1]	Total Fees Paid
Domestic Equity Managers	$2,202,743	$1,357
International Equity Managers	1,425,495	3,545
Global Equity Managers	623,084	3,789
Domestic Fixed Income Managers	2,475,959	2,644
Return-Seeking Fixed Income Strategies	571,415	1,725
Real Estate Managers	1,215,500	11,883
Private Equity and Infrastructure Managers	1,652,528	8,413
Opportunistic Strategies	636,673	7,410
Cash & Cash Overlay	183,153	213
Total	$10,986,550	$40,979
Other Investment Services Fees		
SDCERS Salaries and Personnel		$1,422
Custodian Services		348
Investment Consultants		772
Legal Services		185
Investment Accounting Applications		40
General Operations		28
Taxes		538
Other		112
Total Other Investment Service Fees		$3,445
Total Fees Paid to Investment Professionals		$44,424

[1] Fair Values of Assets Under Management for SDCERS' investment managers include total investments at fair value (based on trade date), by investment strategy, as detailed in the actual asset allocation table in the Investment Section of this ACFR. The audited financial statements classify SDCERS' aggregate portfolio by security type, cash, stocks, bonds, real estate, and private equity and infrastructure.

San Diego City Employees' Retirement System
Other Supplemental Information (continued)

Schedule of Payments to Consultants
For the Fiscal Year Ended June 30, 2023
(Dollars in Thousands)

Individual or Firm	Amount	Nature of Service
CGI Technologies	$950	Computer/Applications Support
Zensar Technologies	805	Pension Administration System Development
Sagitec Solutions, LLC	799	Computer/Applications Support
Cheiron, Inc.	441	Actuary
Legal Firms & Professional Legal Services[1]	291	Legal, Arbitration, Mediation, Court Reporting
Alliant Insurance Services, Inc.	253	Fiduciary Insurance
Macias Gini & O'Connell LLP	101	Audit
Doctors & Disability Services[1]	79	Medical Consulting
GM Business Interiors	60	Workspace Creation
Arthur J. Gallagher Risk Management Services, Inc.	43	Fiduciary Insurance
Western AV	42	Audio Visual Support
Various Providers	215	Various Contractual Services
Total Payments to Consultants and Professional Service Providers	$4,079	

[1] See next page for full listing.

San Diego City Employees' Retirement System
Other Supplemental Information (continued)

Schedule of Payments to Consultants (continued)
For the Fiscal Year Ended June 30, 2023

SDCERS used the following Doctors' services:

Girard Orthopedic Surgeons
Dr. Michael Kimball, M.D.
Dr. Neil Tayyab, M.D.
Dr. Lyle Rosefield, M.D.

California Orthopaedic Institute
Dr. Steven Tradonsky, M.D.

Park Row Podiatry Inc.
Dr. Nicholas DeSantis, DPM

Other Doctors
- Dr. Jon P. Kelly, M.D.
- Dr. David G. Smith, M.D.
- Dr. Thomas Schweller, M.D

SDCERS paid the following Legal & Professional Legal Services Firms:

Bleichmar Fonti & Auld LLP
Buchalter, A Professional Corporation
Ice Miller, LLP
JAMS (Judicial Arbitration Services)
Judicate West
Kutak Rock
Meyers Nave, A Professional Corporation
Noonan Lance Boyer & Banach, LLP
Nossaman, LLP
Peterson Reporting Video & Litigation
Reed Smith, LLP

INVESTMENT

Investment Consultant's Statement

AON

August 23, 2023

Mr. Gregg Rademacher
Chief Executive Officer
San Diego City Employees' Retirement System
401 West A Street, Suite 400
San Diego, CA 92101

Dear Mr. Rademacher,

The following letter is intended to provide a brief overview of the capital markets and performance of San Diego City Employees' Retirement System's (SDCERS) investments during the fiscal year ending June 30, 2023.

Investors entered fiscal year 2023 amongst a challenging market environment, with both bonds and equities continuing to be pressured. The U.S. Federal Reserve ("Fed"), as well as other central banks, continued to combat high inflation with sharp interest rate hikes. Throughout the year, sentiment appeared to cycle through optimism on achieving a soft landing, to the reality that inflation is still above the Fed's long-term target of 2% and further hikes could lead to a recession. In June of 2022, U.S. headline inflation (CPI) peaked at 8.9% year-over-year. In response to persistently high inflation and a still strong U.S. economy, the Fed continued its rate hiking cycle with three additional 75 basis point (bp) hikes, followed by a 50bp hike in December and three 25bp hikes in the back half of the year. This represents the fastest rate increase cycle since the late 1980s. However, by mid-fiscal year, there was confidence in a declining inflationary environment that shifted sentiment.

Headline U.S. inflation showed a steady decline from its peak to end the 2023 fiscal year at 3.0% year-over-year. The declining trend in inflation was followed by a slowing pace of rate hikes by the Fed and offered a source of relief to investors. As a result, risk appetite picked up and was supported by a generally resilient economy and expectations of an interest rate pivot later in 2023. This positive outlook wasn't accepted by all investors, however, as the yield curve remained inverted throughout the year, which has historically signaled a looming recession, and prospects for any rate cuts in the near term has since proven to be premature.

Markets were also tested in the back half of the year through a regional banking crisis and the U.S. debt ceiling crisis. In March 2023, Silicon Valley Bank (SVB) entered into receivership with the Federal Deposit Insurance Corporation (FDIC), due to inadequate liquidity and solvency protection. SVB represents the largest failure of a bank since the Global Financial Crisis. Shortly after SVB's demise, investor concerns regarding Credit Suisse accelerated. Regulators swiftly stepped in with the FDIC fully protecting all depositors and launching the new Bank Term Funding Program to provide liquidity should banks require it. Swiss regulators also stepped in quickly to broker a deal between with UBS buying Credit Suisse at a significant discount. Despite all the chaos, a broader banking crisis was avoided, and markets emerged

Investment Consultant's Statement (continued)

AON

mostly unscathed. The stalemate during the debt ceiling negotiations also threatened to destabilize markets, yet investor confidence remained relatively stable through the ordeal until a resolution was passed.

Despite a rough start to the year, fiscal year 2023 ended on a more positive tone as year-over-year inflation fell throughout the year and economic readings held up stronger than expected. Global equities, as defined by the MSCI All Country World IMI Index, rose 16.1% for the year ending June 30, 2023. Developed markets, both the U.S. and non-U.S., generated strong returns of 18.9% and 18.8%, as measured by the DJ U.S. Total Stock Market Index and the MSCI EAFE Index, respectively. Emerging markets struggled in the high inflation and rising rate environment, returning 1.8% in USD terms. Driven by the Fed rate tightening magnitude and pace, yields rose sharply in the first few months, then traded range bound for the remaining part of the year. The impact on investment grade returns was relatively muted, as the Bloomberg Aggregate Bond Index declined by 0.9%. As risk-appetite returned, high yield bonds performed well and returned 9.1% over the year, as measured by the Bloomberg U.S. Corporate High Yield Index. Private markets weren't as favorable due to the lag in valuations which came in low, or even negative in some asset classes, during the year. Overall, more risk-oriented portfolios generally delivered positive mid to high single digit total returns for the 2023 fiscal year period.

The SDCERS Trust Fund ended the fiscal year with $10.6 billion in assets, which was an increase over the year of approximately $612 million driven mainly by investment gains. The Total Fund generated a positive return of 5.2%[1] over the year, driven largely by the stock market's strong rebound in the second half of the year. Given the Fund's highest exposure is to public equity, this was a significant driver of absolute returns. Additionally, the return-seeking fixed income allocation benefited from a risk-on sentiment, and Infrastructure rounded out the positive-performing asset classes as returns were supported by its inflation hedging characteristics. On the other hand, exposure to most private asset classes, including private equity and real estate, hurt with both declining for the year due to their lagged nature as both caught up to the public markets' declines of 2022. The opportunity fund also generated negative returns, reversing course after posting a robust 20% return in FY'22. Managed futures, which are the opportunity fund's largest allocation, drove the negative performance as markets became choppier in 2023, making the environment less conducive for trend-following strategies. These asset classes partially offset the positive public market returns and contributed to Total Fund underperformance compared to its Policy Benchmark.

The Total Fund underperformed its Policy Benchmark return of 7.6% by 2.4 percentage points for the 2023 fiscal year. The biggest drivers of underperformance were private equity and the opportunity fund. Private equity detracted to relative results in two ways - it underperformed its peer group benchmark and its 3% overweight position versus the policy target was a drag as it underperformed public markets. The opportunity fund is benchmarked to an "opportunity cost" benchmark which consists of 78% global equity and 22% U.S. fixed income. When equity rallies, we generally expect this allocation to underperform – and vice versa as what occurred in 2022 with this allocation driving outperformance amid a broad market selloff.

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[1] Returns quoted throughout this letter represent time-weighted rates of return. Private market data (Private Equity, Infrastructure and Real Estate) are included on a one-quarter lagged basis and represent returns from April 2022 through March 2023.

Investment Consultant's Statement (continued)

The top contributors to relative performance for the year were the non-U.S. equity and global equity allocations which both benefited from active management in a volatile market. Relative to its peer group[2], the Total Fund's fiscal year return ranked in the bottom decile over the one-year period. Overall, SDCERS' exposure to alternatives and corresponding lower weight to public equity relative to peers hurt in a year where traditional public equities rallied. Long-term, the SDCERS' Total Fund returns are strong over the trailing 3-, 5- and 10-year periods, having earned an annualized 8.9%, 6.8%, and 7.7%, respectively. The Total Fund also outperformed its Policy Benchmark over the 3- and 10-year period and ranked in the top third of its peer group[2] over the 3-, 5- and 10-year periods as well.

During the 2023 fiscal year, SDCERS transitioned its return-seeking fixed income allocation from solely emerging markets debt strategies to multi-asset credit (MAC) strategies which allocate to a variety of credit sectors. This change was approved during a previous asset allocation study. SDCERS also conducted its annual asset allocation and investment structure reviews which brought about a newly approved asset allocation strategy which will go into effect to start the 2024 fiscal year. The asset allocation changes largely included reconfiguring the opportunity fund by carving out existing managed futures and opportunistic credit strategies and creating new standalone asset classes, diversifying strategies (4%) and private debt (5%), respectively. Diversifying strategies will be initially funded with the managed futures strategies, and private debt will be built over time, following a dedicated pacing and strategic plan. As a result, the opportunity Fund will be decreased to a maximum of 3% and will be refocused on truly niche, opportunistic opportunities that don't fit well in other asset classes. The study also increased the infrastructure allocation by 1 percentage point and public equity will decrease by an aggregate of 3 percentage points. Additionally, the Board approved extending the duration of the U.S. fixed Income asset class to the full aggregate bond index from the current intermediate aggregate bond index given the higher rate environment. Overall, these changes represent modest enhancements that build additional resiliency into the portfolio and improve expected risk-adjusted returns.

The asset allocation and investment structure of the Plan undergo ongoing monitoring and evaluation to ensure they are in line with SDCERS' investment objectives and the current market environment. We continue to believe the SDCERS Trust Fund is well-diversified and appropriately structured to meet its long-term objectives.

Sincerely,

Steve Voss	Katie Comstock	Ashley Woeste
Senior Partner	Partner	Associate Partner

[2] Universe data is compiled by BNY Mellon and Investment Metrics. The universe includes total fund returns for U.S. public pension plans.

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San Diego City Employees' Retirement System
Asset Class Investment Returns[1, 2, 3]
For the Fiscal Year Ended June 30, 2023

	Annualized Performance			
	1-YEAR	3-YEAR	5-YEAR	10-YEAR
Domestic Equity Performance	**18.9%**	**16.7%**	**10.5%**	**11.9%**
Benchmark: Dow Jones U.S. Total Stock Market (100% weight)	18.9%	13.7%	11.3%	12.2%
International Equity Performance	**14.0%**	**7.6%**	**3.1%**	**4.7%**
Benchmark: MSCI AC World Ex-US IMI Index (100% weight)	12.5%	7.3%	3.4%	4.9%
Global Equity Performance	**17.7%**	**12.7%**	**8.8%**	**8.8%**
Benchmark: MSCI All-Country World Index (100% weight)	16.5%	11.0%	8.1%	8.8%
Domestic Fixed Income Performance	**-0.8%**	**-2.8%**	**0.9%**	**1.3%**
Benchmark: Bloomberg Intermediate Aggregate Bond Index (100% weight)	-0.6%	-2.9%	0.8%	1.3%
Return-Seeking Fixed Income Performance	**8.8%**	**-1.7%**	**0.4%**	**0.9%**
Benchmark: JP Morgan Emerging Markets Bond Index (40% weight) JP Morgan Government Bond Index Emerging Markets Global Diversified (60% weight)	9.6%	-2.1%	0.4%	0.9%
Opportunity Fund Performance[4]	**-1.5%**	**12.0%**	**7.1%**	**--**
Benchmark: MSCI All Country World Index IMI (78% weight) Bloomberg Intermediate Aggregate Bond Index (22% weight)	12.4%	8.0%	6.4%	--
Real Estate Performance[6]	**-3.2%**	**8.2%**	**6.9%**	**9.2%**
Benchmark: NFI-ODCE + 50 basis points (100% weight)	-3.4%	8.0%	7.1%	8.8%
Private Equity Performance[5]	**-7.8%**	**20.0%**	**14.3%**	**15.3%**
Benchmark: 50th Percentile of the Burgiss Database (100% Weight)	-4.9%	23.5%	18.0%	14.1%
Infrastructure Performance[4, 5]	**12.1%**	**15.9%**	**11.0%**	**--**
Benchmark: CPI+500bps (100% weight)	10.2%	10.6%	9.1%	--
Total Fund Performance[6]	**5.2%**	**8.9%**	**6.8%**	**7.7%**
Performance Benchmark, comprised of: Dow Jones U.S. Total Stock Market Index (20.9%); International Equity Benchmark (13.2%); Bloomberg Intermediate Agg (22.9%); Custom Real Estate Benchmark (11.0%); MSCI AC World Index (8.0%); Return-Seeking Fixed Income Benchmark (5.0%); Private Equity Benchmark (10.0%); Opportunity Fund Benchmark (6.0%); and Infrastructure Benchmark CPI + 500 basis points (3.0%)	7.6%	8.1%	7.1%	7.6%

1 Basis of calculation is time-weighted rates of return based on market values.

2 Long-Term Performance: 3-year, 5-year and 10-year performance benchmarks may have been comprised of different indices and percentage weights due to changes in SDCERS' asset allocation strategy over time.

3 Net of fees returns began to be calculated in FY2011.

4 This allocation is currently being funded. Performance will not be available until a meaningful allocation is reached.

5 Returns for Real Estate and Private Equity and Infrastructure are lagged one quarter due to the availability of data.

6 The 1-year gross of fees return for the Total Fund Performance was 5.4%.

San Diego City Employees' Retirement System
Investment Managers
As of June 30, 2023

DOMESTIC EQUITY INVESTMENT MANAGERS

BlackRock Institutional Trust Company
San Francisco, CA

William Blair
Chicago, IL

DOMESTIC FIXED INCOME INVESTMENT MANAGERS

BlackRock Institutional Trust Company
San Francisco, CA

Pacific Investment Management Company (PIMCO)
Newport Beach, CA

The TCW Group, Inc.
Los Angeles, CA

GLOBAL EQUITY INVESTMENT MANAGERS

Arrowstreet Capital LP
Boston, MA

Dodge & Cox
San Francisco, CA

Walter Scott & Partners Limited
Edinburgh, Scotland

INTERNATIONAL EQUITY INVESTMENT MANAGERS

Aberdeen Asset Management
Philadelphia, PA

AQR Capital Management
Greenwich, CT

Artisan Partners
Milwaukee, WI

BlackRock Institutional Trust Company
San Francisco, CA

Brandes Investment Partners
San Diego, CA

Neuberger Berman
New York, NY

William Blair
Chicago, IL

RETURN-SEEKING FIXED INCOME INVESTMENT MANAGERS

Apollo Global Management, Inc.
New York, NY

Ares Management LLC
Los Angeles, CA

Guggenheim Partners, LLC
Santa Monica, CA

Pacific Investment Management Company (PIMCO)
Newport Beach, CA

Wellington Management Company
Boston, MA

REAL ESTATE INVESTMENT MANAGERS

Alcion Ventures
Boston, MA

Almanac Realty Investors, LLC
New York, NY

CBRE Global Investors
Los Angeles, CA

Clarion Partners
Dallas, TX

Europa Capital
London, England

J.P. Morgan Asset Management
New York, NY

KKR
San Francisco, CA

Landmark Partners
Simsbury, CT

LaSalle Investment Management
San Francisco, CA

Long Wharf Real Estate Partners
Boston, MA

Mesa West Capital
Los Angeles, CA

MetLife Investment Management
Whippany, NJ

Morgan Stanley
New York, NY

NREP AB
Stockholm, Sweden

Oaktree Capital
Los Angeles, CA

Pacific Coast Capital Partners
Los Angeles, CA

PGIM Real Estate
Madison, NJ

Principal Global Investors, LLC
Des Moines, IA

DWS/RREEF Management
San Francisco, CA

Sares Regis Multifamily Funds
Newport Beach, CA

The Carlyle Group
Washington, DC

Torchlight Investors
New York, NY

UBS Realty Investors
Hartford, CT

Waterton Associates LLC
Chicago, IL

INFRASTRUCTURE DISCRETIONARY ADVISORS

GCM Grosvenor Private Markets
New York, NY

StepStone Group, LLC
La Jolla, CA

PRIVATE EQUITY DISCRETIONARY ADVISORS

GCM Grosvenor Private Markets
New York, NY

StepStone Group, LP
La Jolla, CA

OPPORTUNITY FUND INVESTMENT MANAGERS

Davidson Kempner Capital Management (Global Credit Fund)
New York, NY

GCM Grosvenor (Global Credit Fund)
Chicago, IL

Lynx Asset Management
Stockholm, Sweden

Systematica Investments
Geneva, Switzerland

CASH OVERLAY INVESTMENT MANAGER

Parametric
Minneapolis, MN

San Diego City Employees' Retirement System
Summary of Investment Goals and Philosophy
As of June 30, 2023

Consistent with SDCERS' Mission Statement, the goal of SDCERS' investment program is to generate long-term returns that, when combined with employer and employee contributions, will result in sufficient assets to pay the present and future obligations of SDCERS. The following objectives are intended to assist in achieving this goal:

- SDCERS should generate returns that support the long-term soundness of the fund.
- SDCERS should seek to earn a return in excess of its policy benchmark over the long term.
- SDCERS' assets will be managed on a total return basis, which takes into consideration both investment income and capital appreciation.
- SDCERS should seek to avoid taking undue risk where there is not a reasonable belief that such risk will be appropriately rewarded.

To achieve these objectives, SDCERS allocates its investment assets with a strategic, long-term perspective of the capital markets.

It is the purpose of SDCERS' investment program to ensure that sufficient financial assets are available to provide SDCERS' participants and their beneficiaries with all benefits due as specified in SDCERS' plan documents. Therefore, the participants' and beneficiaries' financial interests shall take precedence over all other financial interests. In addition, SDCERS manages its investment program based on principles outlined under the Prudent Expert standard. SDCERS also diversifies the investments so as to maximize the probability of achieving the actuarial rate of return while minimizing risk.

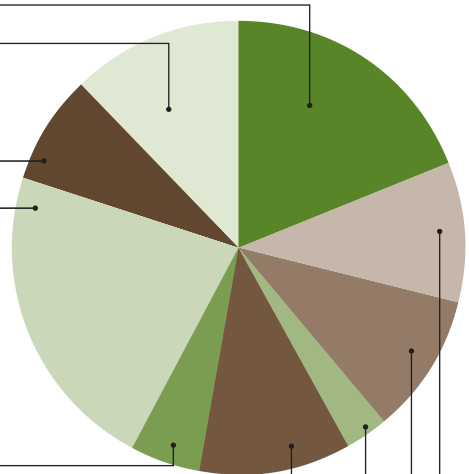
* * *

These goals and objectives are found in SDCERS' Investment Policy Statement (IPS). The IPS encompasses the investment goals, objectives and policies of the SDCERS Trust Fund. The purpose of the IPS is to assist the Board, the Investment Committee and Staff to effectively supervise and monitor SDCERS' investment program.

A copy of the IPS is available upon request or on SDCERS' website at www.sdcers.org.

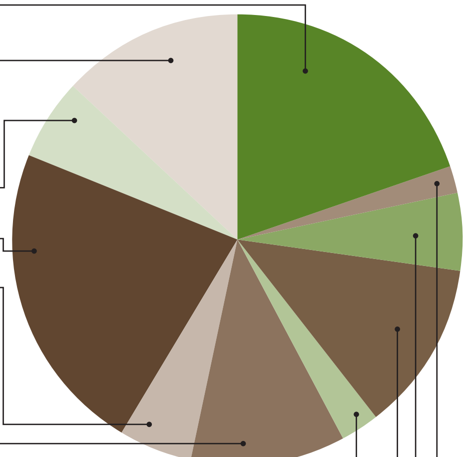
San Diego City Employees' Retirement System
Long-Term Strategic Target and Actual Asset Allocation
As of June 30, 2023
Long-Term Strategic Target Asset Allocation[1]

Domestic Equity Strategies	19.0%
International Equity Strategies	12.0
Global Equity Strategies	8.0
Domestic Fixed Income Strategies	22.0
Return-Seeking Fixed Income Strategies	5.0
Real Estate Strategies	11.0
Infrastructure Strategies	3.0
Private Equity Strategies	10.0
Opportunity Fund Strategies[6]	10.0
Total	100.0%



Actual Asset Allocation[2]

Domestic Equity Strategies	20.0%
International Equity Strategies	13.0
Global Equity Strategies	5.7
Domestic Fixed Income Strategies	22.5
Return-Seeking Fixed Income Strategies	5.2
Real Estate Strategies	11.1
Infrastructure Strategies	2.8
Private Equity Strategies	12.2
Opportunity Fund Strategies[6]	5.8
Cash[3]	1.7
Total	100.0%



	(Dollars in Thousands)
Domestic Equity Strategies	$2,202,743
International Equity Strategies	1,425,495
Global Equity Strategies	623,084
Domestic Fixed Income Strategies	2,475,959
Return-Seeking Fixed Income Strategies	571,415
Real Estate Strategies	1,215,500
Infrastructure Strategies	309,073
Private Equity Strategies	1,343,455
Opportunity Fund Strategies[6]	636,673
Cash[3]	183,153
Total Investments, At Fair Value[4]	$10,986,550
Less Pending Transactions	(373,767)
Total Net Investments[5]	$10,612,783

[1] The long-term strategic target asset allocation presented above is a long-term goal for the asset allocation. Due to the complexity of funding asset classes, SDCERS expects to move the portfolio to these asset classes and weights over time. To track the portfolio's progress, SDCERS uses the following interim asset allocation weights: domestic equity 20.4%, international equity 12.9%, global equity 8.0%, domestic fixed income 22.7%, return-seeking fixed income 5.0%, real estate 11.0%, private equity and infrastructure 13.0% and opportunity fund 7.0%.

[2] Actual asset allocation values illustrated above are based upon SDCERS' investment managers' specific strategies. Each portfolio, including all securities and cash held by an investment manager, is categorized based upon the strategy that SDCERS hired that manager to execute. Investment strategy totals by asset class here will differ from those that appear in the audited financial statements. For GASB reporting purposes, investments in the audited financial statements are classified by security type: i.e., cash, equities, fixed income, real estate, private equity and infrastructure, not by investment strategy.

[3] SDCERS does not have a target allocation to cash.

[4] Total Investments at fair value include amounts reported as Cash and Cash Equivalents on Deposit with Custodial Bank and Fiscal Agents in the Audited Financial Statements.

[5] Investment balances are presented using the accrual basis of accounting.

[6] In October 2010, the opportunity fund was added as a new asset class. Three opportunistic real estate investments, three opportunistic credit funds, and three opportunistic equity funds currently reside within this allocation.

San Diego City Employees' Retirement System
Schedule of Largest Equity and Fixed Income Holdings
As of June 30, 2023 (Shares and Dollars in Thousands)

Schedule of Largest Equity Holdings

Rank	Shares	Equity Securities	CUSIP	Fair Value	Percentage of Total Net Investments
1	474	Apple Inc.	037833100	$91,950	0.9%
2	269	Microsoft Corp.	594918104	91,685	0.9
3	298	Amazon, Inc	023135106	38,826	0.4
4	79	Nvidia Corp.	67066G104	33,544	0.3
5	239	Alphabet Inc. Class C	02079K107	28,968	0.3
6	199	Alphabet Inc. Class A	02079K305	23,867	0.2
7	86	Tesla Inc.	88160R101	22,614	0.2
8	74	Meta Platforms Inc. Class A	30303M102	21,216	0.2
9	57	Berkshire Hathaway Inc. Class B	084670702	19,476	0.2
10	40	Mastercard Inc.	57636Q104	15,777	0.1
		Total		$387,923	3.7%

Schedule of Largest Fixed Income Holdings

Rank	Shares	Fixed Income Securities	CUSIP	Fair Value	Percentage of Total Net Investments
1	91,850	FNMA TBA 30 Year 4.0% 14 Aug 2053	01F040685	$86,264	0.9%
2	78,875	U.S. Treasury Note 4.0% 30 Jun 2028	91282CHK0	78,444	0.8
3	63,600	Credit Default Swap - Rec USD Variable 3 Month Event 1% 20 Jun 2028	99S1X8N69	63,600	0.6
4	8,710,000	Interest Rate Swap - Rec JPY Variable 6 Month Tona 1% 17 Mar 2031	99S1P95U3	60,262	0.6
5	58,175	U.S. Treasury Note 4.625% 30 Jun 2025	91282CHL8	57,909	0.6
6	7,560,000	Interest Rate Swap - Rec JPY Variable 12 Month Tona 1% 16 Mar 2024	99S1PDHL1	52,306	0.5
7	53,654	FNMA TBA 30 Year 3.5% 14 Aug 2053	01F032682	48,940	0.5
8	32,450	FNMA TBA 30 Year 4.5% 14 Aug 2053	01F042681	31,213	0.3
9	130,000	Interest Rate Swap - Rec BRL Fixed 11.092% 02 Jan 2025	99S1PQQX6	27,009	0.3
10	26,275	FNMA TBA 30 Year 5.0% 13 Jul 2053	01F050676	25,745	0.2
		Total		$531,692	5.3%

A complete list of portfolio holdings is available upon request.

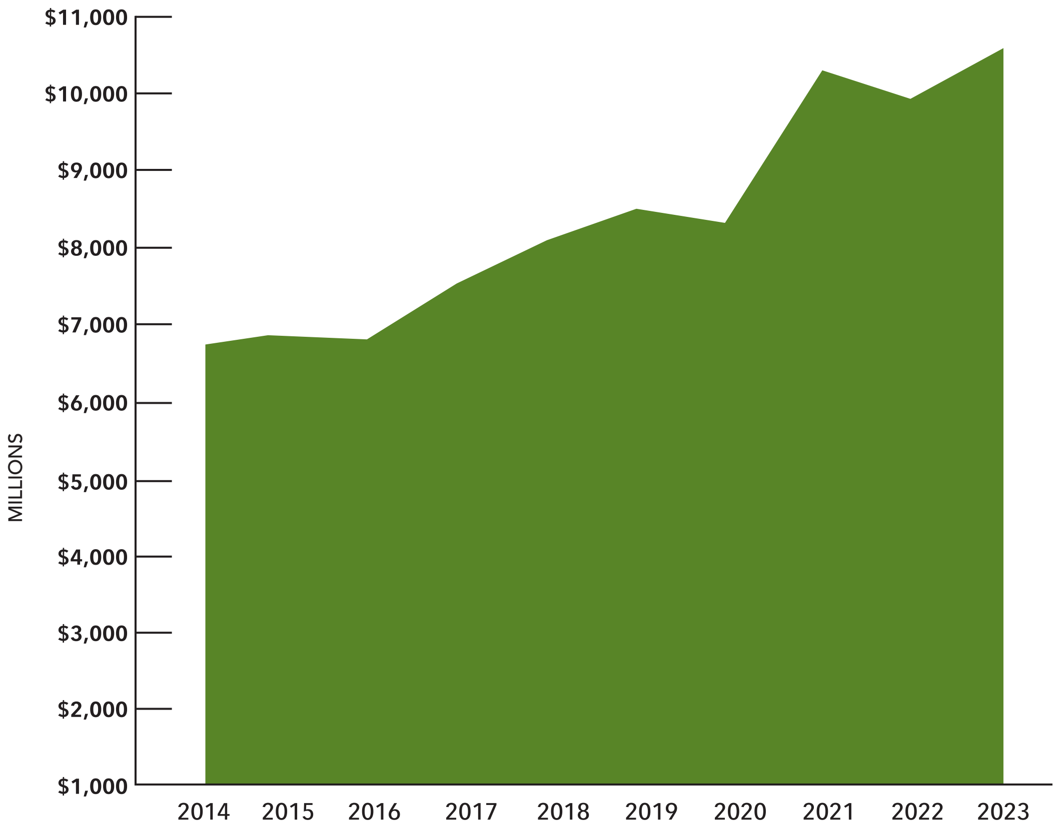
San Diego City Employees' Retirement System
Schedule of Commissions[1, 2]
Top 25 Brokerage Firms Used
For the Fiscal Year Ended June 30, 2023 (Shares and Dollars in Thousands)

Rank	Broker Name	Shares	Base Commission	Commission Per Share
1	Goldman Sachs & Co.	1,748,639	$97	0.00006
2	Citigroup Global Markets, Inc.	1,492,389	27	0.00002
3	Morgan Stanley Co., Inc.	76,659,499	24	0.00000
4	Pershing LLC	21,743	21	0.00096
5	J.P. Morgan Chase Bank	6,650,100	14	0.00000
6	Liquidnet Inc.	466	13	0.02892
7	Bernstein Autonomous LLP	2,113	13	0.00625
8	BNP Paribas S.A.	5,975,322	10	0.00000
9	Bank of America Securities, Inc.	4,280,392	8	0.00000
10	Sanford C Bernstein and Co.	790	6	0.00748
11	Credit Suisse International	1,609,451	6	0.00000
12	Jefferies and Co., Inc.	28,383	6	0.00020
13	UBS AG	472,882	5	0.00001
14	CLSA Ltd.	303	5	0.01797
15	Evercore Inc.	261	5	0.02007
16	Merrill Lynch International	1,666	5	0.00315
17	Barclays Bank PLC	1,306,605	5	0.00000
18	Robert W. Baird & Co.	190	4	0.02332
19	CACEIS S.A.	458	3	0.00654
20	HSBC Bank PLC	38,453	3	0.00007
21	Daiwa Securities Group Inc.	647,061	3	0.00000
22	Mitsubishi UFJ Securities	728,863	3	0.00000
23	BMO Capital Markets	177	3	0.01434
24	Canaccord Genuity Group Inc.	122	2	0.02000
25	Piper Sandler Cos.	72	2	0.02866
	All Other Brokers	31,548,323	21	$0.00000
	Total	133,214,723	314	$0.00000

[1] This schedule contains trading information which includes equities and fixed income. Commissions for fixed income trades are implicitly included in the price of a security that is bought or sold, rather than explicitly stated for equities. This will cause some of the commission per share numbers to seem artificially low.

[2] Investment management fees are reported by investment category in the Schedule of Investment Expenses on page 76.

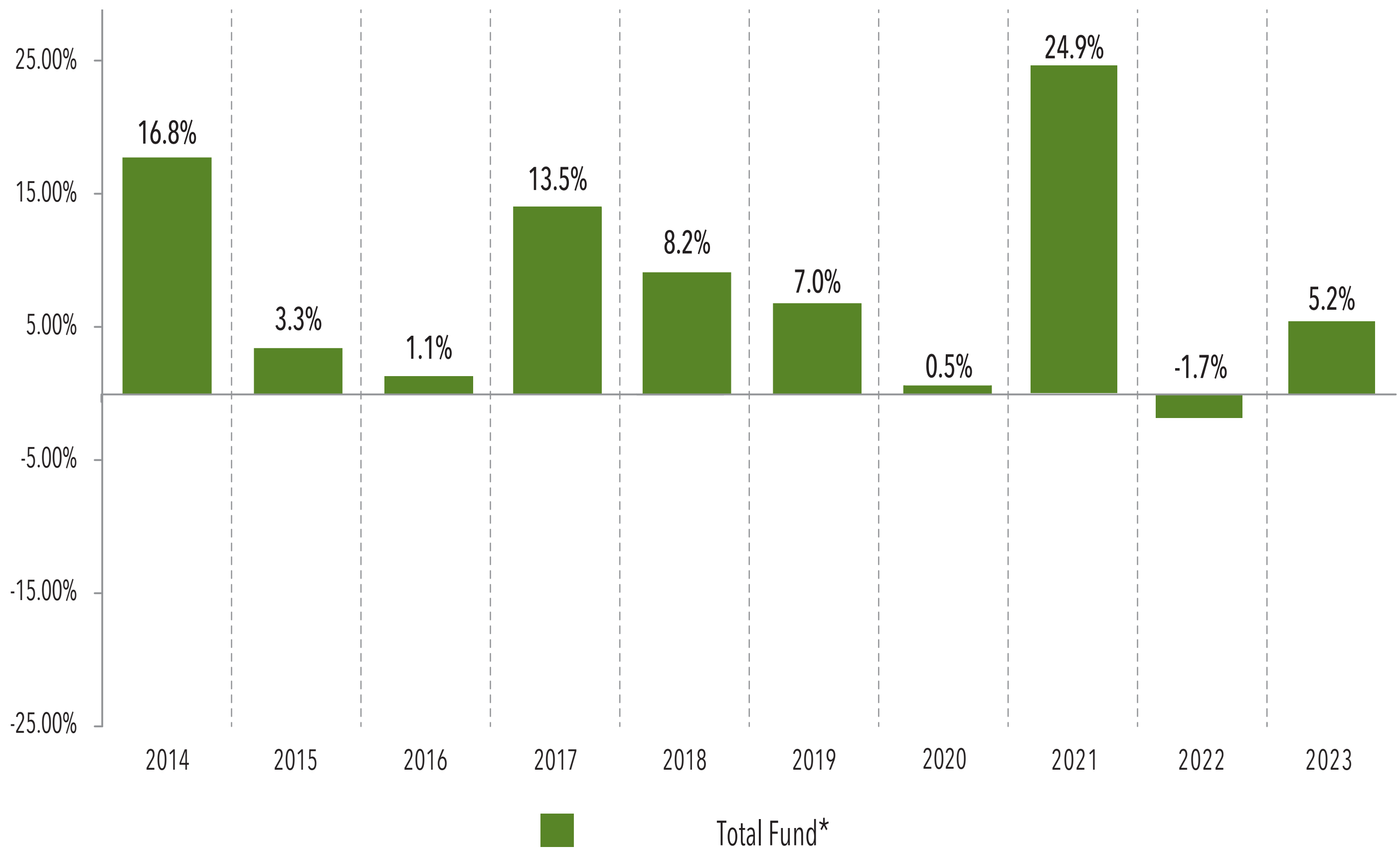
San Diego City Employees' Retirement System
Growth of Investments, at Fair Value
For Ten Fiscal Years Ended June 30



Fiscal Year	Fair Value[1] (Dollars in Thousands)
2023	$10,612,783
2022	9,997,211
2021	10,290,941
2020	8,314,703
2019	8,442,713
2018	8,082,180
2017	7,576,337
2016	6,813,762
2015	6,890,918
2014	6,768,783

[1] Fair value includes investments, cash and cash equivalents on deposit, net of pending transactions (receivable for securities sold and liability for securities purchased). Investment balances are presented using the accrual basis of accounting.

San Diego City Employees' Retirement System
Fiscal Year Investment Results
For Ten Fiscal Years Ended June 30



*Total Fund returns are shown net of investment management fees.

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ACTUARIAL

Actuary's Certification Letter

CHEIRON Classic Values, Innovative Advice

September 27, 2023

Board of Administration
San Diego City Employees' Retirement System
401 West A Street, Suite 800
San Diego, California 92101

Re: Actuarial Certification Letter

Dear Members of the Board,

The purpose of this letter is to provide the certification for the Actuarial Section of the Annual Comprehensive Financial Report (ACFR) for the San Diego City Employees' Retirement System (SDCERS, System). Actuarial valuations for the San Diego City Employees' Retirement System are performed annually. The results of the June 30, 2022 actuarial valuations of SDCERS are summarized in this letter.

Funding Objective

The overriding funding goal of SDCERS is to fully fund the System to ensure that assets are sufficient to pay benefits when due. In addition, SDCERS' Board has outlined four specific funding objectives for long-term plan funding to meet this goal. These funding objectives are benefit security, stable and predictable costs, intergenerational equity, and cost sustainability. The details of SDCERS' Funding Objective Policy can be found in the document "Charters, Policies, and Rules of the Board of Administration", adopted September 14, 2018, and reviewed September 10, 2021.

The System's funding objectives policy is adopted by the SDCERS Board with significant input from the System's actuary.

Funding Method

SDCERS is funded through plan sponsor contributions and Member contributions to meet its funding objectives. The funding method employed by SDCERS for each plan sponsor is to contribute, on an annual basis, the Actuarially Determined Contribution (ADC). The ADC consists of the employer portion of the normal cost for active Members, a payment toward the Unfunded Actuarial Liability (UAL), and a payment to cover the Plan's expected administrative expenses.

The actuarial cost method used by SDCERS is the Entry Age Normal (EAN) actuarial cost method. The normal cost rate is determined by taking the value, as of entry age into the plan, of each member's projected future benefits. This value is then divided by the value, also at entry age, of each member's expected future salary. The normal cost rate is multiplied by current salary to determine each member's normal cost. Finally, the normal cost is reduced by the member contribution to produce the employer normal cost. The actuarial liability under the EAN method is equal to the present value of all future benefits to be paid to current and former members less the present value of future employer normal costs and member contributions on behalf of current members. Finally, the difference between the EAN actuarial liability and the actuarial value of assets is the Unfunded Actuarial Liability (UAL). The UAL is amortized over the periods described below for each plan sponsor.

Members of the Board
September 27, 2023
Page ii

Amortization of Unfunded Actuarial Liability

In May 2007, the SDCERS Board adopted the following closed amortization periods which have been used to calculate the portion of the contribution that is attributable to the UAL payment for all three plan sponsors. The amortization period for the then-existing June 30, 2007 UAL for each plan sponsor was set at 20 years for the City of San Diego, and 14 years for the Unified Port District and the Airport Authority. For all three plan sponsors, the amortization of future experience gains and losses was set at 15 years. The amortization period for plan amendments was set at five years for the City of San Diego and 20 years for the Unified Port District and the Airport Authority.

With the closure of the non-Police portion of the City's plan to new hires effective July 20, 2012, the then-existing UAL amortization bases attributable to that portion of the plan were collapsed into a single amortization base that was amortized over 15 years. Subsequent gains or losses resulting in additional UAL layers are amortized over 15 years.

In September 2017, for the City of San Diego and the Unified Port District, the Board adopted extensions for select amortization bases in order to improve the projected stability of future employer contributions.

In January 2019, the SDCERS Board adopted changes to the funding methodology which affect the amortization of the unfunded actuarial liability, effective with the June 30, 2019 actuarial valuation. First, for all three plan sponsors, the amortization period for future assumption and method changes was reduced to 20 years, down from the prior policy of 30 years. Second, for the City of San Diego and the Unified Port District, a contribution floor on the UAL amortization payment was adopted, setting a minimum of $275,495,017 and $13,270,628, respectively, until the plan achieves a 100% funding ratio. This UAL payment floor was based on the Fiscal Year 2020 amortization payment as determined by the results of the June 30, 2018 actuarial valuation.

For all three plan sponsors, the amortizations are based on payments being a level percent of payroll, with the exception of the UAL amortization layers for the City's non-Police plans which are based on payments being level dollar amounts each year. Lastly, with respect to each plan sponsor, the UAL amortization payment in any year cannot be less than interest on the UAL.

Assumptions and Methods

The actuarial assumptions and methods used in the actuarial valuations are adopted by the Board of Administration with advice from the System's actuary. In our opinion, the assumptions and methods used in the actuarial valuations for funding purposes are consistent with applicable Actuarial Standards of Practice. All assumptions and methods, as outlined in the Actuarial Section of the ACFR, remain the same as in the June 30, 2021 valuations. The assumptions as a whole represent our best estimate for the future experience of SDCERS. Future actuarial measurements for funding and financial reporting purposes may differ significantly from the current results presented in this ACFR due to such factors as the following: plan experience differing from that anticipated by the assumptions, changes in assumptions, and changes in plan provisions or applicable law.

CHEIRON

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Plan Provisions

For members of the City of San Diego, the results of the June 30, 2022 valuation did not necessitate adjustments to the employee contribution rates, as required under San Diego City Charter Section 143 ("substantially equal"). For "New Members" of the Unified Port District and the Airport Authority under the California Public Employees' Pension Reform Act (PEPRA), the results of the June 30, 2022 valuation did not necessitate a recalculation of the employee contribution rates. All plan provisions remained the same as in the June 30, 2021 valuation.

Supporting Schedules

Using historical information, along with results developed by Cheiron including the June 30, 2022 actuarial valuations, we prepared the following schedules found in the Actuarial Section and in the Statistical Section of this ACFR.

- Summary of Actuarial Assumptions and Methods
- Schedule of Active Member Valuation Data
- Schedule of Retirees and Beneficiaries Added To and Removed From the Rolls
- Schedule of Funded Liabilities by Type
- Analysis of Financial Experience
- Schedule of Funding Progress and Employer Contributions
- Schedule of Allowances Being Paid – Service and Disability Retirees and Beneficiaries
- Schedule of Retired Members by Type of Benefit
- Schedule of Average Benefit Payment Amounts
- Schedule of Average Benefit Payment Amounts by Year of Retirement
- Schedule of Active Members
- Schedule of Deferred Members

Financial Reporting

For financial reporting purposes, the Total Pension Liability is based on the June 30, 2022 actuarial valuation updated to the measurement date of June 30, 2023. There were no significant events between the valuation date and the measurement date for the Unified Port District and the Airport Authority, so the update procedures only include the addition of service cost and interest cost offset by actual benefit payments.

For financial reporting purposes, the Total Pension Liability as of the measurement date of June 30, 2023 for the City of San Diego is based on the June 30, 2022 actuarial valuation results updated to include the addition of service cost and interest cost offset by actual benefit payments, as well as the addition of the calculated liability for eligible active employees who joined SDCERS on July 9, 2022, as a result of the unwinding of Proposition B.

The assumptions and methods used for financial reporting purposes meet the parameters set by Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*, as well as applicable Actuarial Standards of Practice set out by the Actuarial Standards Board.

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Please refer to our GASB 67/68 reports as of June 30, 2023, for additional information related to the financial reporting of the System. We prepared the following schedules for inclusion in the Financial Section of the ACFR based on the June 30, 2023 GASB 67/68 reports.

- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Plan Sponsor Contributions
- Notes to Schedule of Plan Sponsor Contributions
- Schedule of Investment Returns

Reliance on Others

In preparing our valuations and the schedules for the ACFR, we relied on information (some oral and some written) supplied by SDCERS' staff. This information includes, but is not limited to, plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Compliance with Code of San Diego §24.0100-0200 and Charter section 149

As we are not attorneys, we cannot confirm with absolute certainty, but to the best of our knowledge, we have complied with the Code of San Diego §24.0100-0200 in valuing the benefits provided to future and current retirees of SDCERS – City Employees. In addition to §24.0100-0200, we have complied with Charter Section 149 in valuing the benefits provided to future and current retirees of the Unified Port District and the Airport Authority.

Compliance with Actuarial Standard of Practice (ASOP) No. 51.

ASOP No. 51 was established as an Actuarial Standard of Practice that first applied to SDCERS actuarial valuations as of June 30, 2019. ASOP No. 51 deals with the assessment and disclosure of risks related to measuring pension plan liabilities and contributions. Please refer to Section II of the formal actuarial valuation reports, for each plan sponsor, for the information provided in compliance with this standard. These reports are available at www.sdcers.org.

Compliance with Actuarial Standard of Practice (ASOP) No. 56

Cheiron utilizes ProVal actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have a basic understanding of ProVal and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect the measurements presented in this ACFR.

Certification

This letter and the schedules named above have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. The schedules provided for financial reporting purposes have been prepared in accordance with our understanding of generally accepted accounting principles as promulgated by the GASB. Furthermore, as credentialed actuaries, we

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meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This letter and the schedules named above were prepared for SDCERS for the purposes described herein. Other users of this information are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

Sincerely,
Cheiron

Gene Kalwarski, FSA, EA, MAAA, FCA
Principal Consulting Actuary

Alice Alsberghe, ASA, EA, MAAA
Consulting Actuary

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San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results

Overview

The primary purpose of the actuarial valuation and this report is to measure, describe and identify as of the valuation date:

- The financial condition of the System,
- Historical trends in the financial condition of the System,
- The SDCERS actuarially determined contribution rates, and
- Information required for the Annual Comprehensive Financial Report (ACFR).

On the pages that follow, we present the following information and schedules from our actuary:

1. The actuary's general comments on the valuation,
2. Historical trends showing the System's funding progress and contributions,
3. Detailed information on the unfunded actuarial liability and the actuarially determined contribution,
4. Summary of actuarial assumptions and methods,
5. Schedule of active member valuation data,
6. Schedule of retirees and beneficiaries added to and removed from the rolls,
7. Schedule of funded liabilities by type,
8. Analysis of financial experience, and
9. Schedule of funding progress and employer contributions

SDCERS has prepared the following information:

10. Summary of SDCERS benefit provisions and Deferred Retirement Option Plan (DROP) program.

Note that these liabilities are not applicable for settlement purposes, including the purchase of annuities and the payment of lump sums.

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

1. General Comments

The City officially reopened the pension plan to all non-police employees initially hired by the City on or after July 10, 2021. New hires who entered SDCERS after the reopening of the pension plan were reflected in the June 30, 2022 valuation results. After the valuation date on July 9, 2022, eligible active employees who had been excluded from the pension plan, hired between July 20, 2012 and July 9, 2021, either elected to join or were required to join SDCERS as a result of the unwinding of Proposition B. The valuation results as of June 30, 2022 presented in this ACFR do not reflect employees impacted by Proposition B who joined the pension plan after the valuation date, whereas the Total Pension Liability for financial reporting purposes as of the June 30, 2023 measurement date does reflect liability for those employees.

In addition, for the City, the results of the June 30, 2022 actuarial valuation reflect expected across the board salary increases for FY 2023 for plan tiers with negotiated general salary increases. Effective July 1, 2022, General members were assumed to receive a 4.75% increase in pay, Elected members were assumed to receive an increase in pay of 5.00%, and Safety Police members were assumed to receive a 5.00% increase in pay. Safety Fire members were assumed to receive a 3.05% increase in pay effective July 1, 2022, as well as a 1.00% increase in pay effective January 1, 2023. Safety Lifeguard members were assumed to receive a 4.50% increase in pay effective July 1, 2022, as well as a 3.50% increase effective January 1, 2023. Any other general salary increases, new add-on pays, changes to existing add-on pays, or varying special salary adjustments that may have been negotiated were not reflected in this valuation.

For the second consecutive year for the Port, the unfunded actuarial liability (UAL) calculated amortization payment is below the UAL contribution floor. The calculated UAL payment would be $12,954,661 compared to the UAL payment floor of $13,270,628. As such, the UAL payment component of the FY 2024 Actuarially Determined Contribution (ADC) is equal to the UAL payment floor.

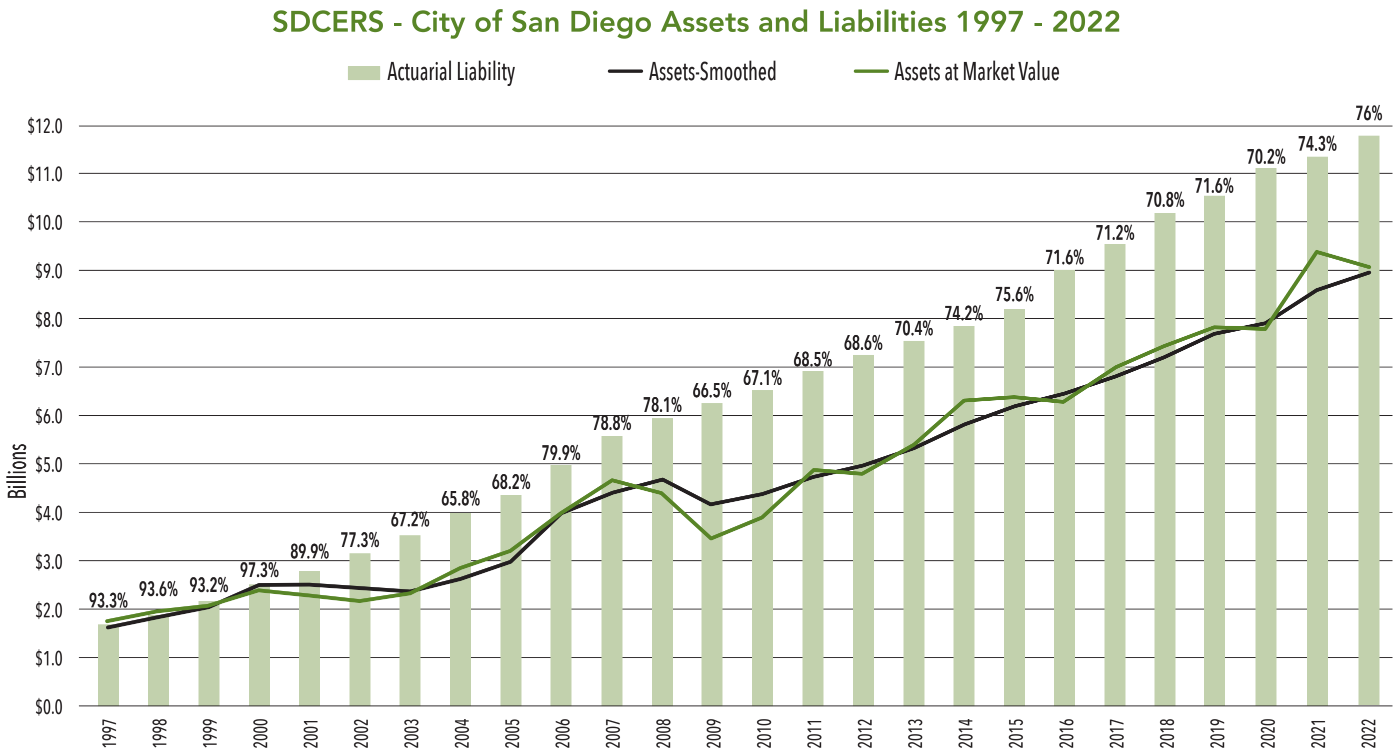
In addition, for the Port, the results of the June 30, 2022 actuarial valuation reflect expected across the board salary increases for FY 2023. General members were assumed to receive a 6.00% increase in pay and safety members were assumed to receive a 5.50% increase in pay, effective October 1, 2022.

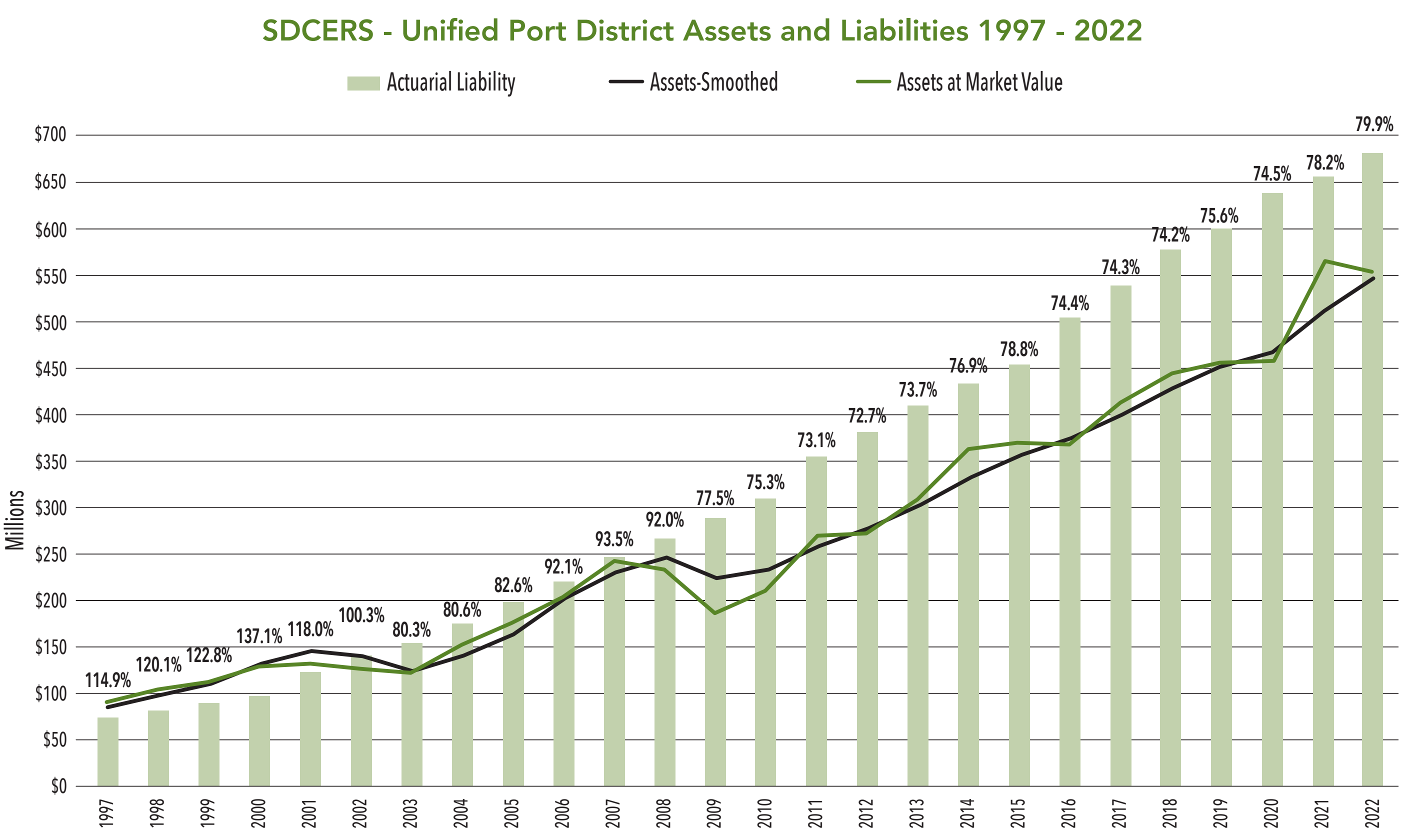
In recent years, the Airport has been consistently making contributions to the pension plan in excess of the Actuarially Determined Contribution (ADC). These excess contributions are made in accordance with the Airport's Board policy to maintain a 95% funding ratio, including a minimum of 90%. As of the June 30, 2022 actuarial valuation, the Airport's funding ratio is above 95%, at 95.4%, up from 94.6% in the prior year.

More details on the actuarial assumptions and plan provisions can be found in the Actuarial Assumptions and Methods section of this ACFR. Effective with the June 30, 2014 valuation, GASB disclosures (67 and 68, previously 25 and 27) have been removed from the Actuarial Valuation Report and are presented in a stand-alone report, which will generally be issued in October of each year.

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

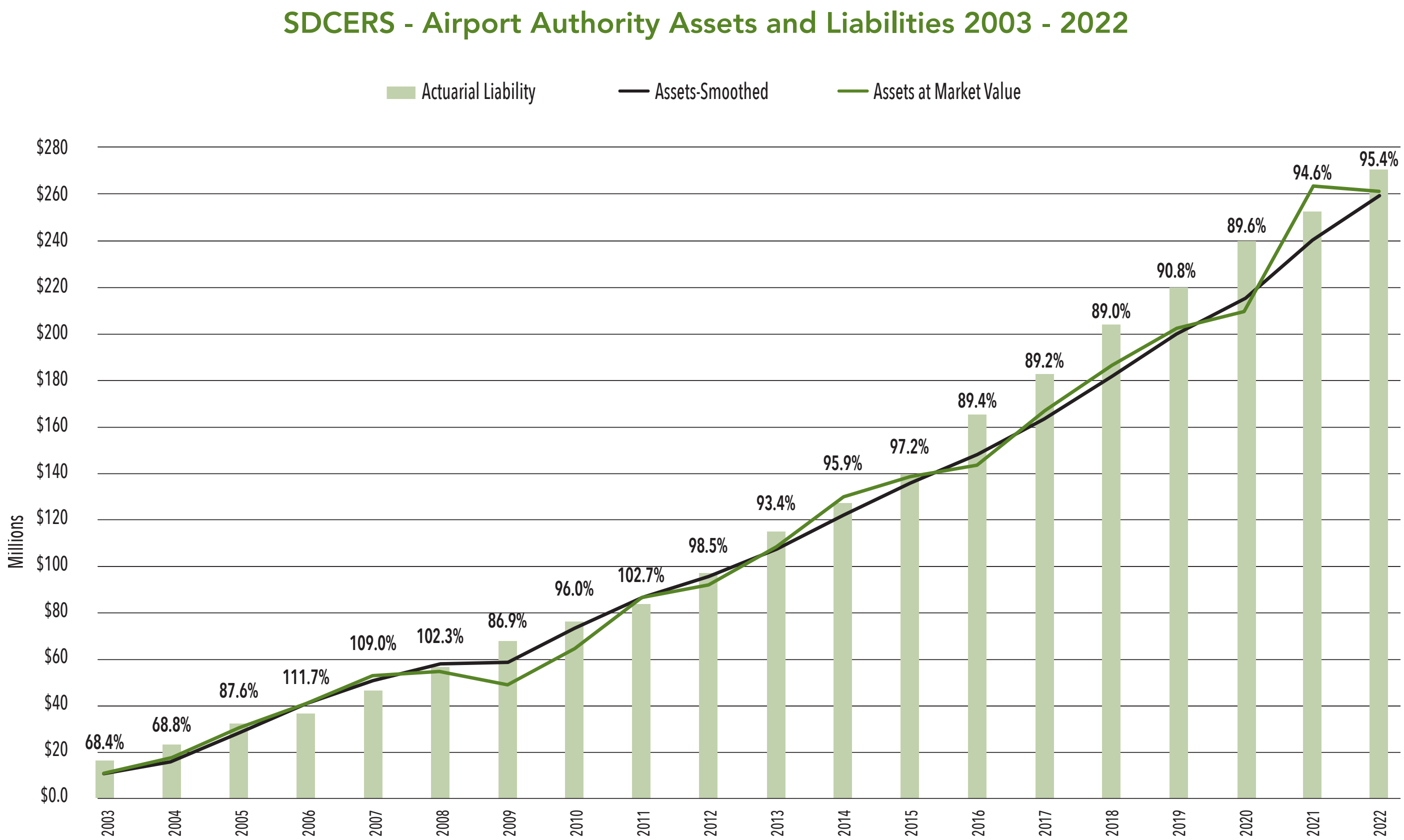
2. Historical Trends and Funding Progress Assets and Liabilities





San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

2. Historical Trends and Funding Progress Assets and Liabilities

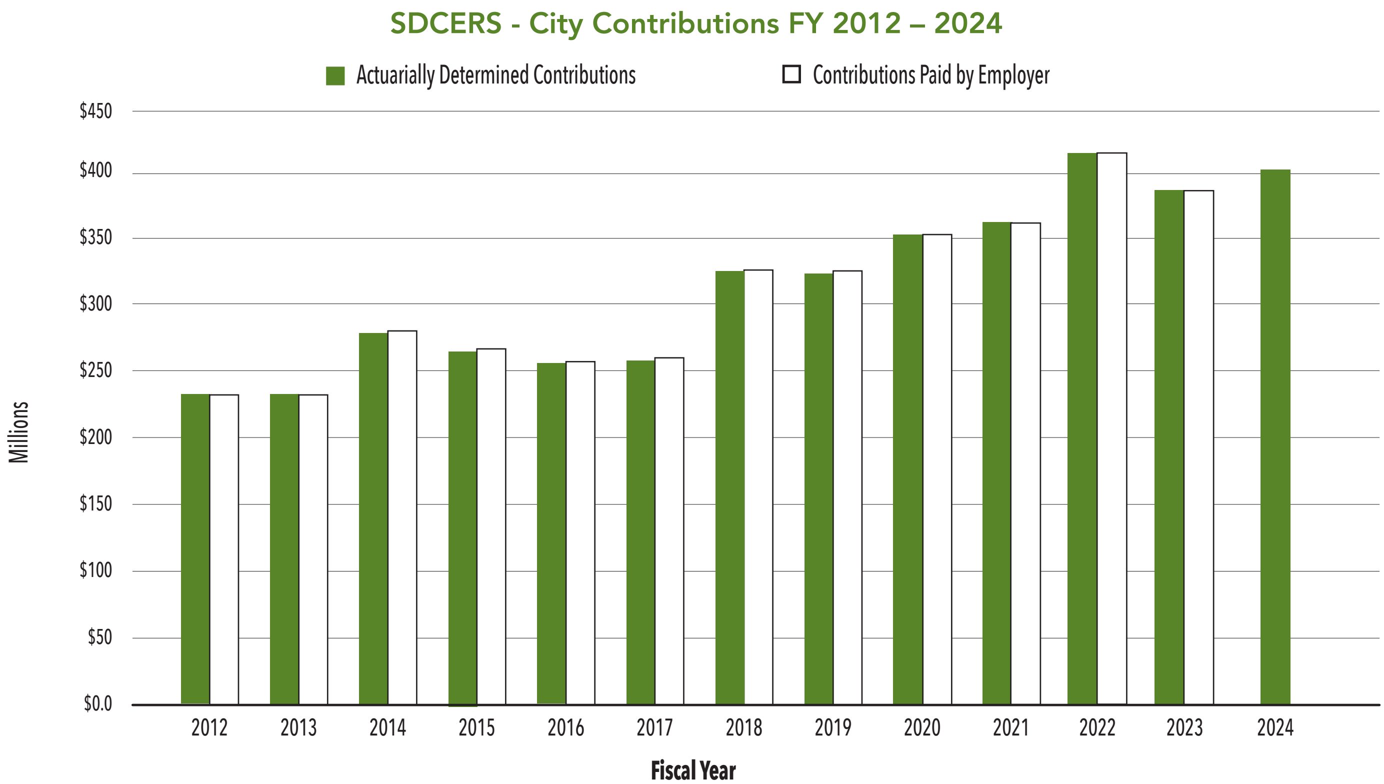


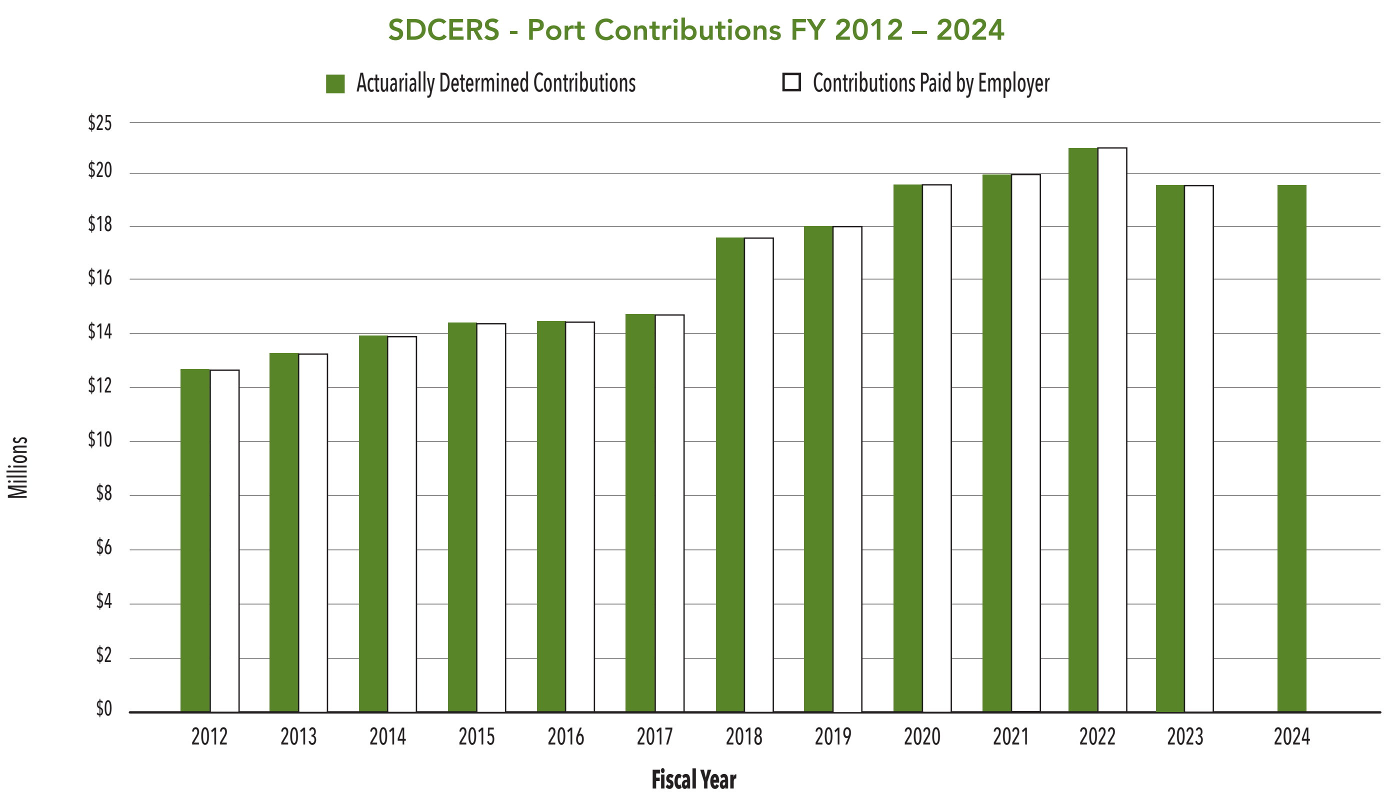
For all three plan sponsors' funding purposes, the target amount is represented by the top of the bar. We compare the smoothed actuarial value of assets to this measure of actuarial liability in developing the funding ratio, which is shown as percentages in each year.

The charts for the City and the Port show a significant decline in funded status during the period from 2001 to 2003. This was caused by the "dot com" market decline. The second serious funded status decline for all three plan sponsors occurred following the "Great Recession" of 2008/2009 where the funding ratios dropped significantly. Other than those two periods, the plans show steady improvement in their funded status. It is important to note that the improving funding ratios since 2009 were achieved while the Board lowered the discount rate from 8.00% to 6.50% and significantly strengthened its demographic assumptions, in particular mortality.

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

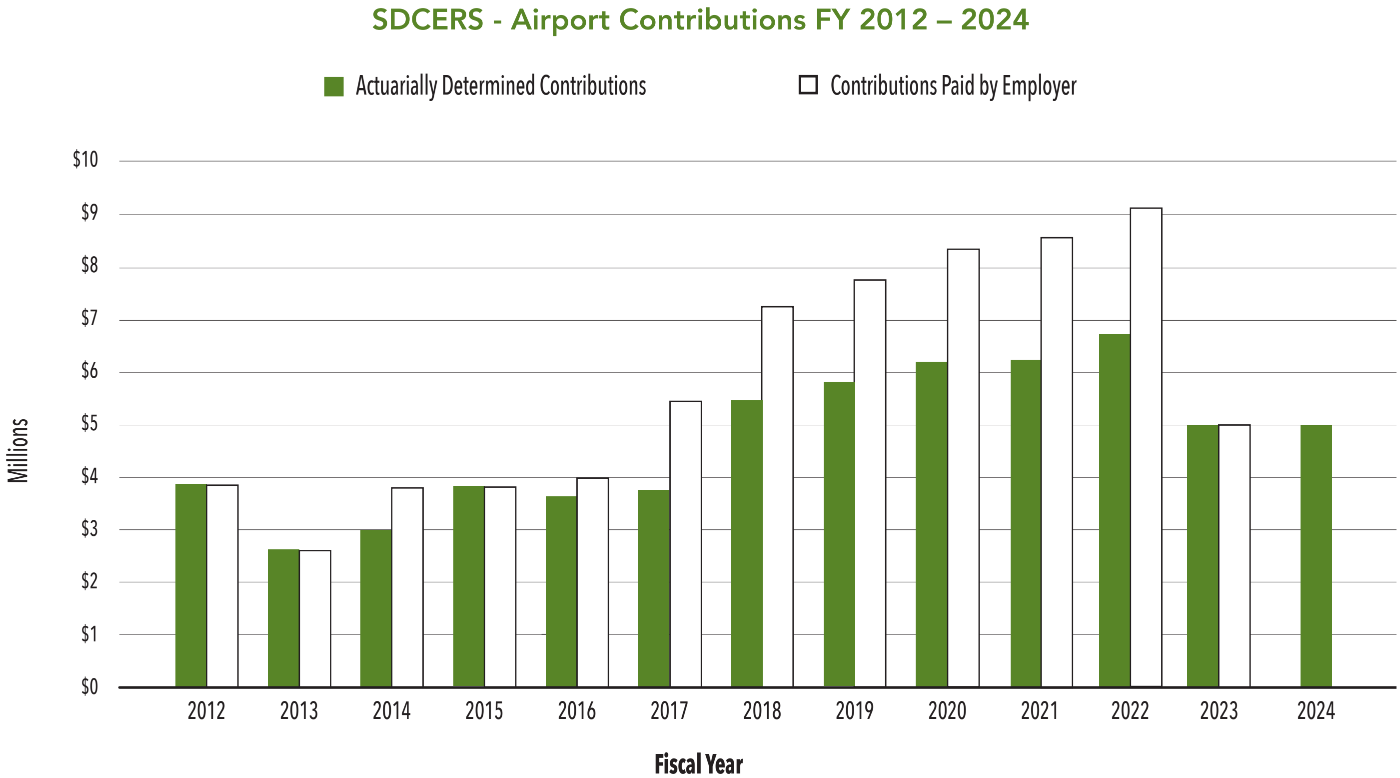
2. Historical Trends and Funding Progress Contributions





San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

2. Historical Trends and Funding Progress Contributions



These charts compare the actual contributions made by the plan sponsor to the Actuarially Determined Contributions (ADC). The contributions paid by the plan sponsor are based on the Board's adopted funding practice of normal cost plus amortization of the various UAL components, including the requirement beginning in fiscal year (FY) 2009 that there is no negative amortization and the requirement beginning in FY 2016 to fund the expected administrative expenses.

The chart for the City indicates that the City has been consistently paying at or above the ADC since FY 2006. The Port has been consistently contributing at or above the ADC for the entire period shown. The Airport has been consistently paying at or above the ADC for the entire period shown, with significant excess contribution amounts in many of the fiscal years as shown in the chart.

The FY 2024 ADC shown in the chart for the City of San Diego does not reflect the funding for Proposition B as adopted by the SDCERS Board at its January 13, 2023 meeting. The final ADC payment for FY 2024, which includes the Proposition B funding payable on July 1, 2023, is $448.1 million.

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

3. Contribution Rate, UAL and ADC Information

SDCERS - City

Valuation Date	June 30, 2022	June 30, 2021
Unfunded Actuarial Liability (millions)	$2,840.0	$2,952.0
Funding Ratio	76.0%	74.3%
City Contribution Rate	75.1%	80.5%
Fiscal Year	2024	2023
Actuarially Determined Contribution[1]		
• if paid at the beginning of the year	$400.5 million	$384.3 million

[1] *ADC reported in millions. The ADC at June 30, 2022, for FY 2024, shown here, does not reflect the funding for Proposition B as adopted by the SDCERS Board at its January 13, 2023 meeting. The final ADC payment for FY 2024, which includes the Proposition B funding payable on July 1, 2023, is $448.1 million.*

SDCERS - City - Membership Total

Valuation as of:	June 30, 2022	June 30, 2021	% Change
Active Counts	5,555	5,068	9.6%
Deferred	2,935	2,847	3.1
Disabled	1,053	1,076	-2.1
Retirees	8,420	8,265	1.9
Beneficiaries	1,556	1,517	2.6
Total City Members	19,519	18,773	4.0%
Active Member Payroll	$525,994,656	$466,863,508	12.7%
Average Pay per Active Member	94,689	92,120	2.8
Benefits in Pay Status	$595,762,445	$574,870,826	3.6%
Average Benefit	54,018	52,944	2.0

SDCERS - City - Assets & Liabilities

Entry Age Normal (EAN) Liabilities	June 30, 2022	June 30, 2021	% Change
Total Actuarial (EAN) Liability	$11,848,468,596	$11,478,108,909	3.2%
Market Value Assets	$9,182,686,922	$9,457,378,818	-2.9%
Actuarial Value Assets	9,008,489,093	8,526,118,443	5.7%
Unfunded Actuarial Liability	$2,839,979,503	$2,951,990,466	-3.8%
Funding Ratio-Actuarial Value	76.0%	74.3%	1.7%

SDCERS - City - Change in UAL[1]
(Dollars in Millions)

1. UAL at June 30, 2021:	$2,952.0
2. Expected change in UAL	(421.4)
3. Asset experience	
a. Anticipated investment loss/(gain)	(244.8)
b. Actual investment loss/(gain)*	(56.8)
c. Employee contributions paid less than expected	2.6
d. Net asset experience (b – a + c)	190.6
4. Liability experience loss*	118.7
5. Changes in economic assumptions	0.0
6. Other miscellaneous	0.0
7. Total change in UAL: sum of 2 +3d+4 through 6	(112.0)
8. UAL at June 30, 2022: 1 + 7	$2,840.0

* *Net impact of asset and liability experience is an actuarial loss of $61.9 million ($56.8 million actual investment gain less $118.7 million actual liability experience loss).*

SDCERS - City - Change in ADC[1]
(Dollars in Millions)

1. ADC at June 30, 2021	$384.3
2. Expected change in ADC	(19.4)
3. Asset experience	
a. Anticipated investment loss/(gain)	(24.6)
b. Actual investment loss/(gain)	(5.7)
c. Employee contributions paid greater than expected	0.3
d. Net asset experience (b – a + c)	19.2
4. Liability experience gain	16.4
5. Changes in economic assumptions	0.0
6. Other miscellaneous	0.0
7. Total change in ADC: sum of 2 +3d+4 through 6	16.2
9. ADC at June 30, 2022: 1 + 7[2]	$400.5

[1] *Numbers in these tables may not always add exactly due to rounding.*
[2] *The ADC at June 30, 2022, for FY 2024, shown here, does not reflect the funding for Proposition B as adopted by the SDCERS Board at its January 13, 2023 meeting. The final ADC payment for FY 2024, which includes the Proposition B funding payable on July 1, 2023, is $448.1 million.*

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

3. Contribution Rate, UAL and ADC Information

SDCERS - Port

	Valuation Date	June 30, 2022	June 30, 2021
Unfunded Actuarial Liability (millions)		$137.2	$143.4
Funding Ratio		79.9%	78.2%
Port Contribution Rate		47.5%	50.5%
	Fiscal Year	2024	2023
Actuarially Determined Contribution • if paid at the beginning of the year		$19.2 million	$19.2 million

SDCERS - Port - Membership Total

Valuation as of:	June 30, 2022	June 30, 2021	% Change
Active Counts	351	347	1.2%
Deferred	271	262	3.4
Disabled	56	57	-1.8
Retirees	525	511	2.7
Beneficiaries	84	82	2.4
Total Port Members	1,287	1,259	2.2%
Active Member Payroll	$39,939,171	$37,599,227	6.2%
Average Pay per Active Member	113,787	108,355	5.0
Benefits in Pay Status	$34,075,679	$32,611,698	4.5%
Average Benefit	51,242	50,172	2.1

SDCERS - Port - Assets & Liabilities

Entry Age Normal (EAN) Liabilities	June 30, 2022	June 30, 2021	% Change
Total Actuarial (EAN) Liability	$680,794,188	$659,059,303	3.3%
Market Value Assets	$554,779,179	$572,703,787	-3.1%
Actuarial Value Assets	543,631,218	515,649,885	5.4%
Unfunded Actuarial Liability	$137,162,969	$143,409,418	-4.4%
Funding Ratio-Actuarial Value	79.9%	78.2%	1.7%

SDCERS - Port - Change in UAL[1]
(Dollars in Millions)

1. UAL at June 30, 2021:	$143.4
2. Expected change in UAL	(23.4)
3. Asset experience	
a. Anticipated investment loss/(gain)	(15.3)
b. Actual investment loss/(gain)*	(3.6)
c. Employee contributions paid less than expected	0.1
d. Net asset experience (b – a + c)	11.8
4. Liability experience loss*	5.4
5. Changes in economic assumptions	0.0
6. Other miscellaneous	0.0
7. Total change in UAL: sum of 2 +3d+4 through 6	(6.2)
8. UAL at June 30, 2022: 1 + 7	$137.2

* Net impact of asset and liability experience is an actuarial loss of $1.8 million ($3.6 million actual investment gain less $5.4 million actual liability experience loss).

SDCERS - Port - Change in ADC[1]
(Dollars in Millions)

1. ADC at June 30, 2021	$19.2
2. Expected change in ADC	(1.8)
3. Asset experience	
a. Anticipated investment loss/(gain)	(1.3)
b. Actual investment loss/(gain)	(0.3)
c. Employee contributions paid less than expected	0.0
d. Net asset experience (b – a + c)	1.0
4. Liability experience loss	0.8
5. Changes in economic assumptions	0.0
6. Other miscellaneous	0.0
7. Total change in ADC: sum of 2 +3d+4 through 6	0.0
8. ADC at June 30, 2022: 1 + 7	$19.2

[1] Numbers in these tables may not always add exactly due to rounding.

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

3. Contribution Rate, UAL and ADC Information

SDCERS - Airport

	Valuation Date	June 30, 2022	June 30, 2021
Unfunded Actuarial Liability (millions)		$12.4	$13.7
Funding Ratio		95.4%	94.6%
Airport Contribution Rate		15.0%	15.8%
	Fiscal Year	2024	2023
Actuarially Determined Contribution			
• if paid at the beginning of the year		$5.0 million	$4.9 million

SDCERS - Airport - Membership Total

Valuation as of:	June 30, 2022	June 30, 2021	% Change
Active Counts	353	357	-1.1%
Deferred	182	163	11.7
Disabled	3	3	0.0
Retirees	172	162	6.2
Beneficiaries	12	8	50.0
Total Airport Members	722	693	4.2%
Active Member Payroll	$32,528,943	$30,809,714	5.6%
Average Pay per Active Member	92,150	86,302	6.8
Benefits in Pay Status	$9,132,255	$8,379,473	9.0%
Average Benefit	48,836	48,436	0.8

SDCERS - Airport - Assets & Liabilities

Entry Age Normal (EAN) Liabilities	June 30, 2022	June 30, 2021	% Change
Total Actuarial (EAN) Liability	$271,995,591	$253,255,628	7.4%
Market Value Assets	$262,565,673	$263,538,875	-0.4%
Actuarial Value Assets	259,606,440	239,570,733	8.4%
Unfunded Actuarial Liability	$12,389,151	$13,684,895	-9.5%
Funding Ratio-Actuarial Value	95.4%	94.6%	0.8%

SDCERS - Airport - Change in UAL[1]
(Dollars in Millions)

1. UAL at June 30, 2021:	$13.7
2. Expected change in UAL	(8.6)
3. Asset experience	
a. Anticipated investment loss/(gain)	(6.2)
b. Actual investment loss/(gain)*	(1.0)
c. Employer and Employee contributions paid greater than expected	(2.2)
d. Net asset experience (b – a + c)	3.0
4. Liability experience loss*	4.3
5. Changes in economic assumptions	0.0
6. Other miscellaneous	0.0
7. Total change in UAL: sum of 2 +3d+4 through 6	(1.3)
8. UAL at June 30, 2022: 1 +7	$12.4

** Net impact of asset and liability experience is an actuarial loss of $3.2 million ($1.0 million actual investment gain less $4.2 million actual liability experience loss).*

SDCERS - Airport - Change in ADC[1]
(Dollars in Millions)

1. ADC at June 30, 2021	$5.0
2. Expected change in ADC	(0.7)
3. Asset experience	
a. Anticipated investment loss/(gain)	(0.6)
b. Actual investment loss/(gain)	(0.1)
c. Employer and Employee contributions paid greater than expected	(0.2)
d. Net asset experience (b – a + c)	0.3
4. Liability experience gain	0.4
5. Changes in economic assumptions	0.0
6. Other miscellaneous	0.0
7. Total change in ADC: sum of 2 +3d+4 through 6	0.0
8. ADC at June 30, 2022: 1 + 7	$5.0

[1] Numbers in these tables may not always add exactly due to rounding.

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

4. Summary of Assumptions and Methods

SDCERS administers three separate single employer defined benefit pension plans for the City, Port and Airport, and provides service retirement, disability retirement, death and survivor benefits to its participants.

The SDCERS Board has the authority to select economic and demographic assumptions for the plans. The assumptions described on the following pages reflect the results of a full experience study performed by Cheiron covering the period July 1, 2015 through June 30, 2019, and adopted by the SDCERS Board in July 2020.

A. Actuarial Funding Method

The Entry Age Normal (EAN) method was used for active employees, whereby the normal cost rate is computed as the average level annual percent of pay required to fund the retirement benefits for all Members between their dates of hire and assumed dates of retirement. The EAN actuarial liability is the difference between the plan's total present value of future benefits and the present value of future normal costs, calculated for each sub-group (e.g., General). The UAL is the difference between the actuarial liability and the actuarial value of assets, and is allocated to each sub-group based on its liability.

Expected administrative expenses are included in the Actuarially Determined Contribution (ADC). The administrative expense component is assumed to increase by 2.5% per year.

The UAL is amortized by annual payments. The payments are determined as a level percentage of pay, assuming payroll increases of 3.05% per year, for the Police portion of the City plan, the Port, and the Airport. The payments for the non-Police portion of the City plan are determined as level dollar amounts.

In January 2019, the Board adopted a UAL contribution floor amortization method for the City and Port, setting a minimum of $275,495,017 and $13,270,628, respectively, on the UAL payment until the Plan achieves a 100% funding ratio. This UAL payment floor was based on the Fiscal Year 2020 amortization payment as determined by the results of the June 30, 2018 actuarial valuation.

For all three plan sponsors, if necessary, there is an additional UAL cost component to ensure that there is no negative amortization in any year.

The UAL for FY 2022 is amortized over several different periods, which as of June 30, 2022, are as follows:

City

2022 Police Experience Gain – 15 years (level percentage of pay)
2022 Non-Police Experience Loss -15 years (level dollar payments)
2021 Police Experience Gain – 14 years (level percentage of pay)
2021 Non-Police Experience Gain -14 years (level dollar payments)
2020 Police Assumption Change – 18 years (level percentage of pay)
2020 Police Experience Loss – 13 years (level percentage of pay)
2020 Non-Police Assumption Change – 18 years (level dollar payments)
2020 Non-Police Experience Loss – 13 years (level dollar payments)
2019 Police Experience Loss – 12 years (level percentage of pay)
2019 Non-Police Experience Loss – 12 years (level dollar payments)
2018 Police Assumption Change – 26 years (level percentage of pay)
2018 Police Experience Loss – 11 years (level percentage of pay)
2018 Non-Police Assumption Change – 26 years (level dollar payments)
2018 Non-Police Experience Loss – 11 years (level dollar payments)
2017 Police Assumption Change – 25 years (level percentage of pay)
2017 Police Experience Gain – 10 years (level percentage of pay)
2017 Non-Police Assumption Change – 25 years (level dollar payments)
2017 Non-Police Experience Gain – 10 years (level dollar payments)
2016 Police Assumption Change – 24 years (level percentage of pay)
2016 Police Experience Loss – 9 years (level percentage of pay)
2016 Non-Police Assumption Change – 24 years (level dollar payments)
2016 Non-Police Experience Loss – 9 years (level dollar payments)
2015 Police Assumption Change – 23 years (level percentage of pay)
2015 Police Experience Gain – 8 years (level percentage of pay)
2015 Non-Police Assumption Change – 23 years (level dollar payments)
2015 Non-Police Experience Gain – 8 years (level dollar payments)
2014 Police Experience Gain – 7 years (level percentage of pay)
2014 Non-Police Experience Gain – 7 years (level dollar payments)
2013 Police Salary Freeze – 6 years (level percentage of pay)
2013 Police Assumption Change – 21 years (level percentage of pay)
2013 Police Experience Loss – 6 years (level percentage of pay)
2013 Non-Police Salary Freeze – 6 years (level dollar payments)
2013 Non-Police Assumption Change – 21 years (level dollar payments)
2013 Non-Police Experience Loss – 6 years (level dollar payments)

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

City (continued)

2012 Non-Police UAL – (level dollar payments)
- **Layer 1 – 5 years**
- **Layer 2 – 6 years**
- **Layer 3 – 7 years**
- **Layer 4 – 8 years**
- **Layer 5 – 9 years**

2012 Method Change – 20 years
2012 Experience Loss – 5 years
2011 Assumption Change – 19 years
2011 Experience Gain – 4 years
2010 Experience Gain (PSC) – 2 years
2010 Experience Loss – 3 years
2009 Experience Loss –
- **Layer 1 – 2 years**
- **Layer 2 – 3 years**
- **Layer 3 – 4 years**
- **Layer 4 – 5 years**
- **Layer 5 – 6 years**

2008 Experience Loss – 1 year
2008 Assumption Change – 16 years
2007 Original UAL – 5 years

Port

2022 Experience Loss – 15 years
2021 Experience Gain – 14 years
2020 Assumption Change – 18 years
2020 Experience Loss – 13 years
2019 Experience Loss – 12 years
2018 Assumption Change – 26 years
2018 Experience Gain – 11 years
2017 Assumption Change – 25 years
2017 Experience Gain – 10 years
2016 Assumption Change – 24 years
2016 Experience Loss – 9 years
2015 Assumption Change – 23 years
2015 Experience Gain – 8 years
2014 Experience Gain – 7 years
2013 Assumption Change – 21 years
2013 Experience Gain – 6 years
2012 Method Change – 20 years
2012 Experience Loss – 5 years
2011 Assumption Change – 19 years
2011 Plan Change (ERIP) – 9 years
2011 Experience Gain – 4 years
2010 Experience Loss – 3 years
2009 Experience Loss –
- **Layer 1 – 2 years**
- **Layer 2 – 3 years**
- **Layer 3 – 4 years**
- **Layer 4 – 5 years**
- **Layer 5 – 6 years**

2008 Experience Loss – 1 year
2008 Assumption Change – 16 years

Airport

2022 Experience Gain – 15 years
2021 Experience Gain – 14 years
2020 Assumption Change – 18 years
2020 Experience Gain – 13 years
2019 Experience Gain – 12 years
2018 Assumption Change – 26 years
2018 Experience Gain – 11 years
2017 Assumption Change – 25 years
2017 Experience Gain – 10 years
2016 Assumption Change – 24 years
2016 Experience Loss – 9 years
2015 Assumption Change – 23 years
2015 Experience Gain – 8 years
2014 Experience Gain – 7 years
2013 Assumption Change – 21 years
2013 Experience Loss – 6 years
2012 Method Change – 20 years
2012 Experience Loss – 5 years
2011 Assumption Change – 19 years
2011 Experience Gain – 4 years
2010 Experience Gain (PSC) – 3 years
2010 Experience Gain – 3 years
2009 Experience Loss – 2 years
2008 Experience Gain – 1 year
2008 Assumption Change – 16 years

B. Asset Valuation Method

For the purposes of determining each plan sponsor's ADC, SDCERS' actuaries use a smoothed actuarial value of assets. The asset smoothing method dampens the volatility in asset values that could occur because of the fluctuations in market conditions. Use of an asset smoothing method is consistent with the long- term nature of the actuarial valuation process. Assets are assumed to be used exclusively for the provision of retirement benefits and expenses.

The actuarial value of assets each year is equal to 100% of the expected actuarial value of assets plus 25% of the difference between the current fair value of assets and the expected actuarial value of assets. In no event will the actuarial value of assets ever be less than 80% of the fair value of assets, nor ever greater than 120% of the fair value of assets.

The expected actuarial value of assets is equal to the prior year's actuarial value of assets increased with actual contributions made, decreased with actual disbursements made, and all items (prior assets, contributions, and disbursements) are further adjusted with expected investment returns for the year.

C. Method Changes Since Last Valuation

None

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

Long Term Assumptions Used to Determine System Costs and Liabilities

D. Demographic Assumptions

Rates of Mortality for Active Lives

Mortality rates for General active members are based on the sex distinct 2010 SOA Public General Employees Amount-Weighted Mortality Table, without adjustment, with generational mortality improvements projected from 2010 using a variation of Projection Scale MP-2019.

Mortality rates for Safety active members are based on the sex distinct 2010 SOA Public Safety Employees Amount-Weighted Mortality Table, without adjustment, with generational mortality improvements projected from 2010 using a variation of Projection Scale MP-2019.

Projection Scale MP-2019 was modified using the Society of Actuaries' model improvement tool with rates converging in 2035 to an ultimate rate of improvement of 0.68% up to age 95, instead of 1.00% up to age 85 and 0.85% at age 95.

25% of active member deaths for Safety members are assumed to be industrial deaths and all active member deaths for General and Elected members are assumed to be non-industrial deaths.

Rates of Mortality for Retired Healthy Lives & Terminated Vested Members

Mortality rates for General healthy annuitants and beneficiaries are based on the sex distinct 2010 SOA Public General Healthy Retirees Amount-Weighted Mortality Table, without adjustment, with generational mortality improvements projected from 2010 using a variation of Projection Scale MP-2019.

Mortality rates for Safety healthy annuitants and beneficiaries are based on the sex distinct 2010 SOA Public Safety Healthy Retirees Amount-Weighted Mortality Table, adjusted by 90% for males and no adjustment for females, with generational mortality improvements projected from 2010 using a variation of Projection Scale MP-2019.

Projection Scale MP-2019 was modified using the Society of Actuaries' model improvement tool with rates converging in 2035 to an ultimate rate of improvement of 0.68% up to age 95, instead of 1.00% up to age 85 and 0.85% at age 95.

Rates of Mortality for Retired Disabled Lives

Mortality rates for General disabled annuitants are based on the sex distinct CalPERS Industrial Related Disability Retirees Mortality Table from the CalPERS December 2017 experience study, without adjustment, with generational mortality improvements projected from 2013 using a variation of Projection Scale MP-2019.

Mortality rates for Safety disabled annuitants are based on the sex distinct 2010 SOA Public Safety Disabled Retirees Amount-Weighted Mortality Table, without adjustment, with generational mortality improvements projected from 2010 using a variation of Projection Scale MP-2019.

Projection Scale MP-2019 was modified using the Society of Actuaries' model improvement tool with rates converging in 2035 to an ultimate rate of improvement of 0.68% up to age 95, instead of 1.00% up to age 85 and 0.85% at age 95.

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

Termination of Employment (Prior to Normal Retirement Eligibility)
Rates of termination vary by plan sponsor.

Disability

Rates of Disability at Selected Ages

Age	General	Safety
20	0.01%	0.15%
25	0.02	0.15
30	0.03	0.15
35	0.04	0.15
40	0.05	0.35
45	0.08	0.35
50	0.10	0.65
55	0.20	0.65
60	0.20	--

75% of the General and Elected disabilities and 90% of the Safety disabilities are assumed to be industrial disability retirements. Non-industrial disability retirement is subject to a service requirement.

SDCERS - City
Rates of Termination

Service	General	Safety	Service	General	Safety
0	10.00%	14.00%	11	4.50	2.00
1	9.50	11.00	12	3.00	1.75
2	8.50	7.50	13	3.00	1.75
3	7.50	6.25	14	3.00	1.75
4	7.00	5.75	15+	2.50	1.00
5	6.50	5.25			
6	5.00	2.75			
7	5.00	2.50			
8	5.00	2.25			
9	4.50	2.00			
10	4.50	2.00			

For the City, 20% of terminating employees, with 10+ years of service at termination (4+ years of service for Elected), are assumed to subsequently work for a reciprocal employer and receive 3.05% pay increases per year.

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

SDCERS - Port
Rates of Termination

Service	General	Safety
0	11.00%	14.00%
1	10.00	12.00
2	9.00	9.00
3	7.00	6.00
4	6.00	5.00
5	5.75	4.25
6	5.50	4.25
7	5.00	4.25
8	5.00	4.25
9	5.00	4.25
10	5.00	4.00
11	4.50	4.00
12	4.50	4.00
13	4.50	4.00
14	4.50	4.00
15+	3.00	2.50

SDCERS - Airport
Rates of Termination

Service	General
0	16.00%
1	14.00
2	10.00
3	9.00
4	8.00
5	7.00
6	6.00
7	5.00
8	5.00
9	5.00
10	4.50
11	4.50
12	4.50
13	3.00
14	3.00
15+	2.00

For the Port and the Airport, 10% of terminating employees, with 5+ years of service at termination (For the Port members, 10+ years of service if terminated prior to December 31, 2002), are assumed to subsequently work for a reciprocal employer and receive 3.05% pay increases per year.

No terminations are assumed once retirement eligible for all plan sponsors.

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

Retirement

Rates of retirement vary by plan sponsor. Retirement rates include both service retirements and entry into DROP.

SDCERS - City
Rates of Retirement by Age and Service

	General - Old Plan		General	Elected	Safety - All Plans	
Age	Service <20	Service 20+	2009 Plan	Officials	Service <20	Service 20+
50	-%	-%	-%	-%	-%	45%
51	-	-	-	-	-	30
52	-	-	-	-	-	24
53	-	-	-	15	-	35
54	-	-	-	1	-	35
55	-	55	3	5	30	35
56	-	42	3	3	30	35
57	-	32	3	4	30	35
58	-	30	5	5	30	55
59	-	28	5	6	30	55
60	-	35	10	60	60	55
61	-	35	15	25	60	55
62	40	35	20	37	60	55
63	30	35	30	23	60	55
64	22	30	40	34	60	55
65	27	30	50	68	100	100
66	27	30	50	69	100	100
67	27	30	50	74	100	100
68	27	30	50	80	100	100
69	27	30	50	90	100	100
70+	100	100	100	100	100	100

All members are assumed to retire at the later of current age or age 70, regardless of service.

For terminated vested members of the City, we assume that retirement will occur provided they have at least 10 years of service on the later of attained age or:

General Members: Earlier of age 62 or age 55 and 20+ years of service.
General 2009 Members: Age 65.
Safety Members: Earlier of age 55 or age 50 and 20+ years of service.

For terminated vested City Elected Officials, we assume that retirement will occur provided they have at least four years of service on the later of attained age or the earlier of age 55 or age 53 and at least eight years of service.

If the inactive participant is not vested, the liability is the participant's contributions with interest.

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

SDCERS - Port
Rates of Retirement by Age and Service

	General Plans		Safety Plans	
Age	Service <20	Service 20+	Service <20	Service 20+
50	-%	-%	30.0%	60.0%
51	-	-	25.0	50.0
52	-	-	25.0	50.0
53	-	-	25.0	50.0
54	-	-	25.0	50.0
55	-	35.0	40.0	55.0
56	-	25.0	40.0	55.0
57	-	25.0	40.0	55.0
58	-	25.0	40.0	55.0
59	-	35.0	40.0	55.0
60	-	45.0	40.0	55.0
61	-	50.0	40.0	55.0
62	55.0	55.0	40.0	55.0
63	25.0	55.0	40.0	55.0
64	25.0	55.0	40.0	55.0
65	25.0	100.0	100.0	100.0
66	25.0	100.0	100.0	100.0
67	25.0	100.0	100.0	100.0
68	25.0	100.0	100.0	100.0
69	25.0	100.0	100.0	100.0
70+	100.0	100.0	100.0	100.0

SDCERS - Airport
Rates of Retirement by Age and Service

Age	Service <20	Service 20+
50	-%	-%
51	-	-
52	25.0	50.0
53	25.0	50.0
54	25.0	50.0
55	25.0	50.0
56	7.5	15.0
57	7.5	15.0
58	7.5	15.0
59	10.0	20.0
60	12.5	25.0
61	17.5	35.0
62	25.0	40.0
63	25.0	45.0
64	30.0	50.0
65	30.0	100.0
66	30.0	100.0
67	25.0	100.0
68	25.0	100.0
69	25.0	100.0
70+	100.0	100.0

All members are assumed to retire at the later of current age or age 70, regardless of service.

For terminated vested members of the Port and the Airport, we assume that retirement will occur provided they have at least five years of service (for Port members, at least 10 years of service if terminated prior to December 31, 2002) on the later of attained age or:

General Members: Earlier of age 62 (52 if PEPRA) or age 55 and 20+ years of service.

Safety Members: For those hired before January 1, 2010, earlier of age 55 or age 50 and 20+ years of service. For those hired on or after January 1, 2010, earlier of age 55 or any age and 30+ years of service. For PEPRA Members, age 50 and 5 years of service.

If the inactive participant is not vested, the liability is the contributions with interest.

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

Family Composition

80% of men and 55% of women were assumed married at retirement. A female spouse is assumed to be three years younger than her male spouse. Actual data is used for current pensioners, if available.

Member Refunds

All or part of the employee contribution rate is subject to potential "offset" by the employer. That "offset" and the related accumulated interest are not to be refunded to employees at termination. However, such offsets are not directly reflected in either the employee contributions or related refund calculations. 100% of non-vested and 0% of terminated vested members are assumed to elect a refund of member contributions at termination.

Member Contributions for Spousal Continuance

All active members, except Port Miscellaneous General Members, contribute toward a 50% survivor continuance. However, members who are unmarried at retirement may either be refunded that specific part of their contributions, or they may leave such contributions on account and receive an incremental benefit that is the actuarial equivalent of such contributions.

Deferred Member Benefit

The benefit was estimated based on information provided by SDCERS staff. The data used to value the estimated deferred benefit were date of birth, date of hire, date of termination, and last pay. Based on the data provided, service credit, highest average salary, and deferred retirement age were estimated. The estimates were used to compute the retirement benefit, upon which the liabilities are based. For those participants without sufficient data or service, accumulated participant contribution balances, with interest, were used as the actuarial liability.

DROP Account Balances

For DROP participants still working, the liability for the account balances in the asset information received from SDCERS staff was adjusted to assume average commencement in 2½ years and an interest crediting rate of 2.5%. Thereafter, it was assumed the account balance would be converted to an annuity at an interest rate of 2.9% over an average period of 10 years. The 10-year period was selected to average among the available DROP payment elections, including a lump sum, life expectancy, and 20 years. The liability for pre-2006 DROP account balances still left on account was valued assuming they would be paid out at age 72, with an interest crediting rate of 2.5%. The liability for the remaining account balances was adjusted based on the DROP annuity rate in effect at the Member's benefit effective date. These adjustments are applied to the DROP account balance values provided in the financial statements. The account balance liability is allocated to each individual Tier (e.g., General) based on the total amount of the DROP account balances for that Tier in the valuation data.

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

E. Economic Assumptions

Investment Return: SDCERS' assets are assumed to earn 6.50% net of investment expenses.

Inflation Rate: An inflation assumption of 3.05% compounded annually is used for projecting the total annual payroll growth for amortization of the UAL (except for the City non-Police tiers, which is amortized in level dollar amounts).

Interest Credited to Member Contributions: 6.50%, compounded annually.

Administrative Expense: Administrative expenses are assumed to be $11,872,063 for the City, $745,944 for the Port, and $388,731 for the Airport for FY 2024 (assuming payment at the beginning of the year), increasing by 2.50% annually.

Rate of Wage Increase: 3.05% compounded annually (freezes were assumed for FYs 2013-2018 for City). City Safety Police: Additional 5.00% upon attaining 20 years of service

Additional Merit Wage Increase:

Years of Service at Valuation Date	City General	City Safety Non-Police	City Safety Police	Port General	Port Safety	Airport
0	7.00%	9.00%	10.00%	5.00%	10.00%	5.00%
1	6.00%	7.00%	9.00%	4.00%	8.00%	4.00%
2	5.00%	6.00%	7.00%	3.00%	6.00%	3.00%
3	4.00%	4.00%	5.00%	2.00%	4.00%	2.00%
4	3.00%	2.00%	3.00%	1.00%	2.00%	1.00%
5	2.00%	1.25%	1.00%	0.75%	0.75%	0.50%
6	2.00%	1.25%	1.00%	0.75%	0.75%	0.50%
7	2.00%	1.25%	1.00%	0.75%	0.75%	0.50%
8	2.00%	1.25%	1.00%	0.75%	0.75%	0.50%
9	2.00%	1.25%	1.00%	0.75%	0.75%	0.50%
10	1.50%	1.25%	1.00%	0.75%	0.75%	0.50%
11	1.50%	1.25%	1.00%	0.75%	0.75%	0.50%
12	1.50%	1.25%	1.00%	0.75%	0.75%	0.50%
13	1.50%	1.25%	1.00%	0.75%	0.75%	0.50%
14	1.50%	1.25%	1.00%	0.75%	0.75%	0.50%
15+	1.00%	0.75%	0.75%	0.75%	0.75%	0.50%

Rate of Increase in Cost-of-Living: 1.90% per annum, compounded annually.

COL Annuity Benefit: For both active and deferred members, the actuarial liability for the COL annuity benefit is valued by adding one-sixth of accumulated member contribution accounts.

For active members of the City, the normal cost of the COL annuity benefit is equal to one-sixth of the employee contribution rate.

For active members of the Port and Airport, a load factor of 2.5% is applied on the normal cost for future member contributions.

For PEPRA participants of the Port and Airport, the normal cost of the COL annuity is equal to one-sixth of the employee contribution rate.

Members under the City Elected, City Police 2012 No COL Plan, City Police Prop B Plan do not receive a COL annuity benefit.

Members of the Miscellaneous General Plan of the Port who are not New Members under PEPRA do not make contributions towards the COL annuity benefit. The Port makes COL annuity contributions on behalf of these members calculated as 0.47% of Base Compensation.

F. Assumption Changes Since Last Valuation

Effective January 1, 2023, the DROP annuity rate used to convert the account balances to an annuity increased from 2.1%, to 2.9% reflect the Board's adoption of these rates at the November 2022 meeting.

Effective January 1, 2023, the DROP interest crediting rate used to value the liability for account balances increased from 0.8% to 2.5%, to reflect the Board's adoption of these rates at the November 2022 meeting.

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

5. Schedule of Active Member Valuation Data

SDCERS - City

Valuation Date	Active Members	Annual Payroll[1]	Average Annual Payroll	% Increase In Average Annual Pay
6/30/2022	5,555	$525,994,656	$94,689	2.79%
6/30/2021	5,068	466,863,508	92,120	1.73
6/30/2020	5,535	501,203,699	90,552	7.54
6/30/2019	5,757	484,764,465	84,204	10.25
6/30/2018	5,967	455,753,399	76,379	8.69
6/30/2017	6,388	448,889,789	70,271	1.95
6/30/2016	6,748	465,100,254	68,924	0.92
6/30/2015	7,038	480,662,378	68,295	3.35
6/30/2014	7,272	480,535,973	66,080	0.10
6/30/2013	7,566	499,463,072	66,014	-0.23

SDCERS - Port

Valuation Date	Active Members	Annual Payroll[1]	Average Annual Payroll	% Increase In Average Annual Pay
6/30/2022	351	$39,939,171	$113,787	5.01%
6/30/2021	347	37,599,227	108,355	5.13
6/30/2020	362	37,310,562	103,068	1.08
6/30/2019	361	36,810,149	101,967	4.16
6/30/2018	365	35,732,609	97,898	4.48
6/30/2017	367	34,388,005	93,700	0.70
6/30/2016	362	33,684,615	93,051	4.68
6/30/2015	377	33,512,411	88,892	2.86
6/30/2014	385	33,272,693	86,423	4.37
6/30/2013	417	34,528,283	82,802	0.41

SDCERS - Airport

Valuation Date	Active Members	Annual Payroll[1]	Average Annual Payroll	% Increase In Average Annual Pay
6/30/2022	353	$32,528,943	$92,150	6.78%
6/30/2021	357	30,809,714	86,302	0.73
6/30/2020	389	33,328,788	85,678	-0.04
6/30/2019	383	32,828,449	85,714	2.58
6/30/2018	378	31,584,841	83,558	4.09
6/30/2017	394	31,628,301	80,275	-0.73
6/30/2016	385	31,131,795	80,862	1.95
6/30/2015	368	29,189,357	79,319	2.71
6/30/2014	362	27,955,455	77,225	1.58
6/30/2013	347	26,380,323	76,024	4.37

[1] Reported payroll includes across the board increases for the upcoming fiscal year.

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

6. Schedule of Retirees and Beneficiaries Added to and Removed from the Rolls

SDCERS - City

	Added			Removed			Total				
Year Ended	Count	Annual Allowances	Avg. Age	Count	Annual Allowances	Avg. Age	Count	Annual Allowances	Avg. Age	% Increase In Annual Allowances	Average Annual Allowances
6/30/2022	422	$19,935,179	61.3	251	$10,059,029	79.8	11,029	$595,762,445	68.8	3.63%	$54,018
6/30/2021	713	42,803,448	59.2	266	8,964,318	80.7	10,858	574,870,826	68.4	8.10	52,944
6/30/2020	433	18,855,516	60.8	229	8,286,592	79.6	10,409	531,798,290	68.4	3.98	51,090
6/30/2019	421	17,057,377	60.7	240	8,666,695	79.1	10,205	511,460,382	68.0	3.58	50,119
6/30/2018	487	20,826,213	59.9	231	7,039,626	80.9	10,024	493,806,455	67.6	4.88	49,262
6/30/2017	545	25,475,201	58.2	231	6,623,297	79.4	9,768	470,812,001	67.3	6.09	48,199
6/30/2016	526	24,157,144	58.5	175	4,779,592	80.1	9,454	443,788,677	67.1	5.86	46,942
6/30/2015	507	20,835,315	59.1	226	6,281,172	80.4	9,103	419,209,660	66.9	5.17	46,052
6/30/2014	587	25,462,105	58.5	219	5,501,855	81.2	8,822	398,603,107	66.7	7.26	45,183
6/30/2013	443	19,731,540	57.5	194	4,468,578	80.8	8,454	371,628,344	66.7	6.13	43,959

SDCERS - Port

	Added			Removed			Total				
Year Ended	Count	Annual Allowances	Avg. Age	Count	Annual Allowances	Avg. Age	Count	Annual Allowances	Avg. Age	% Increase In Annual Allowances	Average Annual Allowances
6/30/2022	30	$1,303,245	61.7	15	$489,679	79.3	665	$34,075,678	69.4	4.49%	$51,242
6/30/2021	36	1,752,889	59.5	14	413,612	87.7	650	32,611,698	69.0	6.03	50,172
6/30/2020	44	2,149,368	60.7	15	371,365	78.9	628	30,758,356	69.0	8.19	48,978
6/30/2019	32	1,547,438	57.1	21	603,653	76.9	599	28,429,092	68.8	5.46	47,461
6/30/2018	31	1,213,710	60.9	20	444,174	80.9	588	26,957,893	68.8	5.05	45,847
6/30/2017	37	1,531,184	60.8	18	400,443	83.7	577	25,662,742	68.7	6.55	44,476
6/30/2016	28	1,216,201	60.9	6	100,832	83.7	558	24,084,860	68.7	5.90	43,163
6/30/2015	32	1,733,799	57.9	14	297,954	76.2	536	22,743,044	68.3	8.13	42,431
6/30/2014	42	2,319,752	59.5	9	333,982	74.5	518	21,033,503	68.2	12.65	40,605
6/30/2013	21	958,662	59.4	11	484,745	72.9	485	18,670,937	68.1	4.61	38,497

SDCERS - Airport

	Added			Removed			Total				
Year Ended	Count	Annual Allowances	Avg. Age	Count	Annual Allowances	Avg. Age	Count	Annual Allowances	Avg. Age	% Increase In Annual Allowances	Average Annual Allowances
6/30/2022	19	$802,335	65.6	5	$211,343	73.9	187	$9,132,255	67.9	8.98%	$48,836
6/30/2021	16	892,066	61.5	-	-	N/A	173	8,379,473	67.3	13.82	48,436
6/30/2020	17	815,577	62.5	1	42,665	65.8	157	7,361,817	66.9	13.92	46,891
6/30/2019	15	634,798	61.6	2	54,227	76.6	141	6,462,265	66.4	12.03	45,832
6/30/2018	21	957,244	63.0	-	-	N/A	128	5,768,246	66.2	22.27	45,064
6/30/2017	17	924,921	61.9	-	-	N/A	107	4,717,765	65.8	26.85	44,091
6/30/2016	16	664,448	62.0	2	25,785	59.6	90	3,719,054	65.5	22.04	41,323
6/30/2015	9	347,737	62.7	-	-	N/A	76	3,047,331	65.1	14.18	40,096
6/30/2014	16	614,884	60.4	-	-	N/A	67	2,668,801	64.5	32.52	39,833
6/30/2013	6	285,905	61.1	1	21,407	77.3	51	2,013,899	64.8	17.33	39,488

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

7. Schedule of Funded Liabilities by Type

SDCERS - City

	Aggregate Accrued Liabilities for (Dollars in Thousands)				Portion of Accrued Liabilities Covered by Reported Assets		
	(A)	(B)	(C)		(A)	(B)	(C)
Valuation Date	Active Member Contributions	Retirees And Beneficiaries	Remaining Active Members' Liabilities	Reported Assets[1]			
6/30/2022	$474,034	$8,330,145	$3,044,289	$9,008,489	100.00%	100.00%	6.71%
6/30/2021	879,076	8,141,804	2,457,228	8,526,118	100.00	93.92	0.00
6/30/2020[2]	935,128	7,569,083	2,702,115	7,870,672	100.00	91.63	0.00
6/30/2019	891,148	7,238,750	2,472,268	7,595,073	100.00	92.61	0.00
6/30/2018[2]	836,454	7,089,658	2,266,697	7,214,925	100.00	89.97	0.00
6/30/2017[2]	808,937	6,692,735	2,064,131	6,808,418	100.00	89.64	0.00
6/30/2016[2]	798,226	6,221,393	1,993,511	6,455,378	100.00	90.93	0.00
6/30/2015[2]	779,487	5,579,503	1,846,962	6,204,244	100.00	97.23	0.00
6/30/2014	741,628	5,304,270	1,812,805	5,828,594	100.00	95.90	0.00
6/30/2013[2]	709,796	4,975,550	1,870,181	5,317,778	100.00	92.61	0.00

SDCERS - Port

	Aggregate Accrued Liabilities for (Dollars in Thousands)				Portion of Accrued Liabilities Covered by Reported Assets		
	(A)	(B)	(C)		(A)	(B)	(C)
Valuation Date	Active Member Contributions	Retirees And Beneficiaries	Remaining Active Members' Liabilities	Reported Assets[1]			
6/30/2022	$21,301	$469,426	$190,068	$543,631	100.00%	100.00%	27.83%
6/30/2021	21,340	453,243	184,476	515,650	100.00	100.00	22.26
6/30/2020[2]	22,171	428,909	184,005	473,328	100.00	100.00	12.09
6/30/2019	22,757	388,821	188,245	453,709	100.00	100.00	22.38
6/30/2018[2]	22,945	371,025	183,875	428,619	100.00	100.00	18.84
6/30/2017[2]	23,006	346,947	169,108	400,674	100.00	100.00	18.17
6/30/2016[2]	22,964	318,513	163,286	375,301	100.00	100.00	20.71
6/30/2015[2]	21,857	285,175	146,742	357,600	100.00	100.00	34.46
6/30/2014	22,613	261,029	149,630	333,229	100.00	100.00	33.14
6/30/2013[2]	23,744	230,880	155,402	302,322	100.00	100.00	30.69

SDCERS - Airport

	Aggregate Accrued Liabilities for (Dollars in Thousands)				Portion of Accrued Liabilities Covered by Reported Assets		
	(A)	(B)	(C)		(A)	(B)	(C)
Valuation Date	Active Member Contributions	Retirees And Beneficiaries	Remaining Active Members' Liabilities	Reported Assets[1]			
6/30/2022	$17,282	$127,332	$127,382	$259,606	100.00%	100.00%	90.27%
6/30/2021	16,984	117,711	118,560	239,571	100.00	100.00	88.46
6/30/2020[2]	16,376	104,825	118,558	214,923	100.00	100.00	79.05
6/30/2019	15,896	91,171	112,591	199,386	100.00	100.00	81.99
6/30/2018[2]	14,815	81,926	107,529	181,890	100.00	100.00	79.19
6/30/2017[2]	14,393	65,368	103,316	163,316	100.00	100.00	80.87
6/30/2016[2]	14,073	50,999	100,595	148,084	100.00	100.00	82.52
6/30/2015[2]	14,033	39,380	86,373	135,859	100.00	100.00	95.45
6/30/2014	12,949	34,430	79,795	121,918	100.00	100.00	93.41
6/30/2013[2]	13,384	26,779	75,037	107,616	100.00	100.00	89.89

1 Actuarial Value of Assets.

2 Reflects revised actuarial demographic and economic assumptions.

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

8. Analysis of Financial Experience
Gain and Loss in Accrued Liability
Resulting from Differences Between Assumed Experience and Actual Experience

Development of Gain/(Loss) SDCERS - City

Valuation Date	Investment Income	Combined Liability Experience	Financial Experience Gain (or Loss)	Non-Recurring Gain (or Loss) Items	Composite Gain (or Loss) During Year
6/30/2022	$56,764,404	$(118,731,230)	$(61,966,826)	$(2,622,164)	$(64,588,990)
6/30/2021	309,169,076	437,311	309,606,387	(813,840)	308,792,547
6/30/2020	(75,024,919)	(66,942,258)	(141,967,177)	(286,976,277)	(428,943,454)
6/30/2019	60,437,032	(166,484,957)	(106,047,925)	2,651,781	(103,396,144)
6/30/2018	79,531,902	(115,830,853)	(36,298,951)	(272,658,532)	(308,957,483)
6/30/2017	63,106,890	(39,883,695)	23,223,195	(251,342,990)	(228,119,795)
6/30/2016	(49,983,430)	(49,734,740)	(99,718,170)	(539,381,258)	(639,099,428)
6/30/2015	60,483,393	(25,677,899)	34,805,494	(92,819,181)	(58,013,687)
6/30/2014	154,272,465	(28,100,573)	126,171,892	3,079,669	129,251,561
6/30/2013	24,968,204	(40,640,350)	(15,672,146)	37,857,388	22,185,242

Development of Gain/(Loss) SDCERS - Port

Valuation Date	Investment Income	Combined Liability Experience	Financial Experience Gain (or Loss)	Non-Recurring Gain (or Loss) Items	Composite Gain (or Loss) During Year
6/30/2022	$3,629,824	$(5,399,614)	$(1,769,790)	$(135,486)	$(1,905,276)
6/30/2021	18,937,271	(4,417,260)	14,520,011	(313,852)	14,206,159
6/30/2020	(4,267,838)	2,427,640	(1,840,198)	(18,940,966)	(20,781,163)
6/30/2019	3,925,776	(4,237,766)	(311,990)	131,809	(180,181)
6/30/2018	5,097,113	(3,712,942)	1,384,171	(16,329,721)	(14,945,550)
6/30/2017	4,190,865	412,147	4,603,012	(15,081,540)	(10,478,528)
6/30/2016	(2,412,140)	(1,876,829)	(4,288,969)	(33,000,161)	(37,289,130)
6/30/2015	4,094,200	1,906,267	6,000,467	(5,654,814)	345,653
6/30/2014	9,630,889	(3,907,523)	5,723,366	(382,992)	5,340,374
6/30/2013	2,471,939	2,915,682	5,387,622	(10,117,448)	(4,729,826)

Development of Gain/(Loss) SDCERS - Airport

Valuation Date	Investment Income	Combined Liability Experience	Financial Experience Gain (or Loss)	Non-Recurring Gain (or Loss) Items	Composite Gain (or Loss) During Year
6/30/2022	$1,005,289	$(4,253,543)	$(3,248,254)	$2,237,747	$(1,010,507)
6/30/2021	7,981,815	810,000	8,791,815	2,159,998	10,951,813
6/30/2020	(2,330,141)	1,975,594	(354,547)	(4,714,828)	(5,069,375)
6/30/2019	1,169,157	(1,146,700)	22,457	1,939,191	1,961,648
6/30/2018	1,565,222	506,652	2,071,874	(4,723,507)	(2,651,633)
6/30/2017	1,181,395	2,165,984	3,347,379	(4,178,086)	(830,707)
6/30/2016	(1,378,007)	(451,243)	(1,829,250)	(12,025,526)	(13,854,776)
6/30/2015	899,235	1,823,632	2,722,867	(1,592,701)	1,130,166
6/30/2014	2,845,308	(1,223,934)	1,621,374	1,115,469	2,736,843
6/30/2013	316,719	(4,308,779)	(3,992,059)	(1,715,295)	(5,707,354)

San Diego City Employees' Retirement System
Summary of June 30, 2022 Valuation Results (continued)

9. Schedule of Funding Progress and Employer Contributions (Dollars in Thousands)

The Required Supplementary Information in the Financial Section of the ACFR contains a 10-year schedule of employer contributions for each of the plan sponsors. The schedules of funding progress are shown below.

SDCERS - City

		Continuation Indicators				
Valuation Date	AVA	AL	UAL	Funded Ratio	Member Payroll[1]	UAL Ratio to Member Payroll
6/30/2022	$9,008,489	$11,848,469	$2,839,980	76.0%	$525,995	539.9%
6/30/2021	8,526,119	11,478,109	2,951,990	74.3	466,864	632.3
6/30/2020[2]	7,870,672	11,206,326	3,335,654	70.2	501,204	665.5
6/30/2019	7,595,073	10,602,166	3,007,093	71.6	484,764	620.3
6/30/2018[2]	7,214,925	10,192,808	2,977,883	70.8	455,753	653.4
6/30/2017[2]	6,808,418	9,565,802	2,757,384	71.2	448,890	614.3
6/30/2016[2]	6,455,378	9,013,130	2,557,752	71.6	465,100	549.9
6/30/2015[2]	6,204,244	8,205,953	2,001,709	75.6	480,662	416.4
6/30/2014	5,828,594	7,858,703	2,030,110	74.2	480,536	422.5
6/30/2013[2]	5,317,778	7,555,527	2,237,749	70.4	499,463	448.0

SDCERS - Port

		Continuation Indicators				
Valuation Date	AVA	AL	UAL	Funded Ratio	Member Payroll[1]	UAL Ratio to Member Payroll
6/30/2022	$543,631	$680,794	$137,163	79.9%	$39,939	343.4%
6/30/2021	515,650	659,059	143,409	78.2	37,599	381.4
6/30/2020[2]	473,328	635,085	161,758	74.5	37,311	433.5
6/30/2019	453,709	599,822	146,113	75.6	36,810	396.9
6/30/2018[2]	428,619	577,844	149,225	74.2	35,733	417.6
6/30/2017[2]	400,674	539,060	138,386	74.3	34,388	402.4
6/30/2016[2]	375,301	504,763	129,462	74.4	33,685	384.3
6/30/2015[2]	357,600	453,774	96,174	78.8	33,512	287.0
6/30/2014	333,229	433,272	100,043	76.9	33,273	300.7
6/30/2013[2]	302,322	410,026	107,705	73.7	34,528	311.9

SDCERS - Airport

		Continuation Indicators				
Valuation Date	AVA	AL	UAL	Funded Ratio	Member Payroll[1]	UAL Ratio to Member Payroll
6/30/2022	$259,606	$271,996	$12,389	95.4%	$32,529	38.1%
6/30/2021	239,571	253,256	13,685	94.6	30,810	44.4
6/30/2020[2]	214,923	239,759	24,836	89.6	33,329	74.5
6/30/2019	199,386	219,658	20,272	90.8	32,828	61.8
6/30/2018[2]	181,890	204,270	22,380	89.0	31,585	70.9
6/30/2017[2]	163,315	183,077	19,762	89.2	31,628	62.5
6/30/2016[2]	148,084	165,667	17,583	89.4	31,132	56.5
6/30/2015[2]	135,859	139,787	3,928	97.2	29,189	13.5
6/30/2014	121,918	127,174	5,256	95.9	27,955	18.8
6/30/2013[2]	107,616	115,200	7,584	93.4	26,380	28.7

[1] Beginning with FY 2012, reported payroll includes across the board increases for the upcoming fiscal year. Historical data for prior years does not include those increases.

[2] Reflects revised actuarial assumptions.

San Diego City Employees' Retirement System
Summary of SDCERS' Benefit Provisions
As of June 30, 2022

10. Summary of SDCERS' Benefit Provisions

The following pages illustrate the various benefit provisions for the City's, Port's and Airport's SDCERS participants. For a complete description of these benefits, please see the Retirement Plan Summaries under the Resources link on the SDCERS website at www.sdcers.org.

	City
1. Membership Requirements	Membership is mandatory from the first day of employment with the City for all full, three-quarter, and half-time salaried, classified and unclassified employees initially hired before July 20, 2012 or after July 9, 2021. (§24.0104) Employees hired on or after July 20, 2012 but before July 10, 2021 are "Prop B" members with one-time, irrevocable options to join SDCERS. (§24.0104) Membership is mandatory from the first day of employment for Police Recruits hired between July 1, 1991 and June 30, 2013. (§24.0104) Membership is mandatory for all sworn police officers (§24.0104) Membership is permissive for Elected Officers. (§24.1702)
2. Final Compensation for Calculation of Benefits	Highest one-year period for General Members hired before July 1, 2009 and Elected Members regardless of hire date; Police Safety Members on active City payroll before January 1, 2012; Lifeguard Safety Members on active City payroll before July 1, 2011; and Fire Safety Members on active payroll before January 1, 2012. (§24.0103) The average of the three highest years at any time during membership for General Members hired after June 30, 2009; Police Safety Members hired after December 31, 2011 but before July 1, 2013; Lifeguard Safety Members hired after June 30, 2011; and Fire Safety Members hired after December 31, 2011. (§24.0103) Highest consecutive 36 months for Police Safety Members hired after June 30, 2013. (§24.0103)
3. Service Retirement Eligibility	General Members - Age 62 with 10 years of service credit, or age 55 with 20 years of service credit. (City Charter §141) Safety Members (includes Fire, Lifeguard & Police) - Age 55 with 10 years of service credit, or age 50 with 20 years of service credit. (City Charter §141) Elected Officers - Age 55 with 4 years of service. Eligible to retire at any age with 8 years of service, however, benefit is reduced by 2% per year and for each full and fractional year under age 55. (§24.1704)

Port	Airport
Membership is mandatory upon first day of employment for all full-time Port employees. (§0103) Miscellaneous Members hired on or after January 1, 2009, are participants for purposes of establishing reciprocity, but do not begin earning service credit until the first day of their sixth year of employment. (§0102)	Membership is mandatory upon first day of employment for all full-time Airport employees. (§0103)
Highest one-year period, for General Members hired before October 1, 2006, and Safety Members hired before January 1, 2010. (§0102) Highest three-year period, for General Members hired on or after October 1, 2006 and Miscellaneous Members. (§0102) Final three-year period for Safety Members hired on or after January 1, 2010 but before January 1, 2013. (§0102) Highest consecutive 36 months for Safety Members hired on or after January 1, 2013. (Gov. Code §7522.32)	Highest one-year period for General Members hired before January 1, 2013. (§0102) Highest 36 consecutive months for General Members hired on or after January 1, 2013. (§0102)
General Members - Age 62 with 5 years of service credit, or age 55 with 20 years of service credit. (§0300) Miscellaneous Members – Age 62 with 5 years of service credit, or age 55 with 20 years of service credit. (§0301) Safety Members hired before January 1, 2010 - Age 55 with 5 years of service credit, or age 50 with 20 years of service credit. (§0302) Safety Members hired on or after January 1, 2010 but before January 1, 2013 - Age 55 with 5 years of service credit, or any age with 30 years of service credit. (§0302) Safety Members hired on or after January 1, 2013 - Age 55 with 5 or more years of service credit, or age 50 with 30 years of service credit. (Gov. Code §7522.25)	General Members hired before January 1, 2013 – Age 62 with 5 years of service credit or age 55 with 20 years of service credit. (§0300) General Members hired on or after January 1, 2013 – Age 52 with 5 years of service credit. (§0300)

San Diego City Employees' Retirement System
Summary of SDCERS' Benefit Provisions (continued)
As of June 30, 2022

	City
Benefit Formula Per Year of Service **General Members**	General Members who joined the System before July 1, 2002 - Choice of: (1) 2.0% per year of service at age 55, increasing to 2.55% at age 65, with an additional 10% added to Final Compensation; (2) 2.25% per year of service at age 55, increasing to 2.55% at age 65; or, (3) 2.5% per year of service at age 55, increasing to 2.8% at age 65, not to exceed 90% of Final Compensation. (§24.0402) General Members who joined the System on or after July 1, 2002 and prior to July 1, 2009 - 2.5% per year of service at age 55, increasing to 2.8% per year of service at age 65, not to exceed 90% of Final Compensation. (§24.0402) For General Members hired on or after July 1, 2009, 1.0% per year of service at age 55, increasing to 2.6% at age 65, not to exceed 80% of Final Compensation. (§24.0402.0001)
Safety Members (City – Fire, Police & Lifeguard, Port - Harbor Police)	Police Safety Members hired before July 1, 2009 - Choice of: (1) 2.5% per year of service at age 50, increasing to 2.99% at age 55, with an additional 10% added to Final Compensation, not to exceed 90% of Final Compensation; or, (2) 3.0% per year of service at age 50 and above, not to exceed 90% of Final Compensation. (§24.0403) Fire Safety Members hired before January 1, 2012 - Choice of: (1) 2.5% per year of service at age 50, increasing to 2.99% at age 55, with an additional 10% added to Final Compensation, not to exceed 90% of Final Compensation or (2) 3.0% per year of service at age 50 and above, not to exceed 90% of Final Compensation. (§24.0403) Lifeguard Safety Members hired before July 1, 2011 - Choice of: (1) 2.2% per year of service at age 50, increasing to 2.77% at age 55, with an additional 10% added to Final Compensation, not to exceed 90% of Final Compensation or (2) 3.0% per year of service at age 50 and above, not to exceed 90% of Final Compensation. (§24.0403) Police Safety Members hired on or after July 1, 2009 but before July 1, 2013, Fire Safety Members hired on or after January 1, 2012, and Lifeguard Safety Members hired on or after July 1, 2011 - 2.5% at age 50, increasing to 3.0% at age 55, not to exceed 90% of Final Compensation. (§24.0403.0001, §24.0403.0002 and §24.0403.0003) Police Safety Members hired on or after July 1, 2013 - 2.5% at age 50, increasing to 3.0% at age 55, not to exceed 80% of Final Compensation when retiring at age 55. A 3% annual reduction factor applies to benefits when retiring prior to age 55. (§24.0405.0002 and City Charter §141.1)
Elected Officers	3.5% per year of service. (§24.1705) A 2% reduction factor applies for each year or fractional year for Elected Officers retiring prior to age 55. (§24.1704)

Port	Airport
For General Members hired before November 10, 2001 - Choice of (1) 2.0% per year of service at age 55, increasing to 2.55% at age 65, with an additional 10% added to final compensation; (2) 2.25% per year of service at age 55, increasing to 2.55% at age 65; or (3) 2.5% per year of service at age 55, increasing to 3.0% at age 65, not to exceed 90% of final compensation. (§ 0300) General Members hired on or after November 10, 2001 - 2.5% per year of service at age 55, increasing to 3.0% at age 65, not to exceed 90% of final Average Compensation. (§ 0300) Miscellaneous Members hired on or after January 1, 2009 - (a) 0.75% per year of service for the first through fifth years of service credit; (b) 1% per year of service for the sixth through tenth years of service credit; (c) 1.25% per year of service for the eleventh through fifteenth years of service credit; and (d) 1.5% per year for each additional year of service beginning with the member's sixteenth year of service credit. (§0301) Executive Members who take office before January 1, 2013 - 3% per year of service at age 55. (§0300) Executive Members who take office on or after January 1, 2013 - a blended benefit based on their two categories of service. (§0300)	Andrecht-Covered Members (§0102) - Choice of: (1) 2.0% per year of service at age 55, increasing to 2.55% at age 65, with an additional 10% added to Final Compensation; (2) 2.25% per year of service at age 55, increasing to 2.55% at age 65; or (3) 2.5% per year of service at age 55, increasing to 3.0% at age 65, not to exceed 90% of Final Compensation. (§0300) Non- Andrecht-Covered Members (§0102) - 2.5% per year of service at age 55, increasing to 3.0% at age 65, not to exceed 90% of Final Compensation. (§0300) PEPRA Members hired on or after January 1, 2013 - 1% per year of service at age 52, increasing to 2.5% at age 67, not to exceed 90% of Final Compensation. (§0300) Executive Members who enter into that membership category before January 1, 2013 - 3% per year of service at age 55. (§0300) Executive Members who enter into that membership category on or after January 1, 2013 - a blended benefit based on their two categories of service. (§0300, §0400)
Safety Members hired before January 1, 2010 - Choice of (1) 2.5% per year of service at age 50, increasing to 2.7% at age 55, with 10% increase in final compensation or (2) 3.0% per year of service at age 50 not to exceed 90% of final compensation. (§0302) Safety Members hired on or after January 1, 2010 but before January 1, 2013 - 3% per year of service at age 50, not to exceed 90% of final compensation. (§0302) Safety Members hired on or after January 1, 2013 – 2% per year of service at age 50, increasing to 2.7% at age 57 (Gov. Code §7522.25)	N/A
N/A	N/A

San Diego City Employees' Retirement System
Summary of SDCERS' Benefit Provisions (continued)
As of June 30, 2022

	City
	Choice of:
Retirement Payment Options	**Maximum Benefit** - Provides the maximum monthly allowance to the member for their lifetime and guarantees their eligible surviving spouse or registered domestic partner, who has been designated as a beneficiary, a 50% automatic continuance after the member dies for the rest of his or her life. If unmarried, the member may choose to receive a lump sum refund of surviving spouse contributions and interest or treat them as voluntary additional contributions to provide a larger annuity benefit for the member. (§24.0402, §24.0402.0001 and §24.0403)
	Option 1 - Receive a reduced monthly retirement allowance until the member's death. If the member dies before they receive the total amount of their accumulated contributions, SDCERS will pay the balance to their beneficiary or estate. If the member dies after their annuity payments exceed their accumulated contributions, no payments will be made to the member's beneficiary or estate. (§24.0603)
	Option 2 - Receive a reduced monthly retirement allowance until the member's death. When the member dies, their beneficiary will receive a retirement allowance equal to 100% of the member's reduced monthly retirement allowance for the rest of his or her life. The amount of the reduction depends upon the age difference between the member and their beneficiary. (§24.0605)
	Option 3 - Receive a reduced monthly retirement allowance until the member's death. When the member dies, their beneficiary will receive a retirement allowance equal to 50% of the member's reduced monthly benefit for the rest of his or her life. The amount of the reduction depends upon the age difference between the member and their beneficiary. (§24.0606)
	Option 4 - Receive a reduced monthly retirement allowance until the member's death. When the member dies, their beneficiary will receive a retirement allowance based on a percentage of the member's reduced monthly benefit in an amount selected by the member, for the rest of his or her life. The higher the percentage to the beneficiary and the greater the age difference between the member and their beneficiary, the greater the reduction in the member's monthly retirement allowance. (§24.0607)
	Social Security Integrated Option - The member may select this option in addition to one of the other five payment choices only if the member is eligible to receive a Social Security benefit. The member would receive an initial increased monthly allowance from SDCERS based on their estimated Social Security benefit. When the member turns 65, SDCERS will then reduce their monthly retirement allowance for the remainder of their life. This modified allowance may be further modified on an actuarial basis under Options 1, 2, 3, or 4. (§24.0608)

Port	Airport
Choice of: **Maximum Benefit** - Provides the maximum monthly allowance to the member for their lifetime and guarantees their eligible surviving spouse or registered domestic partner who is designated as a beneficiary a 50% automatic continuance after the member dies for the rest of his or her life. If unmarried, the member may choose to receive a lump sum refund of surviving spouse contributions and interest or treat them as voluntary additional contributions to provide a larger annuity benefit for the member. (§0300, §0301, §0302)	**Maximum Benefit** - Provides the maximum monthly allowance to the member for their lifetime and guarantees their eligible surviving spouse or registered domestic partner who is designated as a beneficiary a 50% automatic continuance after the member dies for the rest of his or her life. If unmarried, the member may choose to receive a lump sum refund of surviving spouse contributions and interest or treat them as voluntary additional contributions to provide a larger annuity benefit for the member. (§0300)
Option 1 - Receive a reduced monthly retirement allowance until the member's death. If the member dies before they receive the total amount of their accumulated contributions, SDCERS will pay the balance to their beneficiary or estate. If the member dies after their annuity payments exceed their accumulated contributions, no payments will be made to the member's beneficiary or estate. (§0602)	**Option 1** - Receive a reduced monthly retirement allowance until the member's death. If the member dies before they receive the total amount of their accumulated contributions, SDCERS will pay the balance to their beneficiary or estate. If the member dies after their annuity payments exceed their accumulated contributions, no payments will be made to the member's beneficiary or estate. (§0602)
Option 2 - Receive a reduced monthly retirement allowance until the member's death. When the member dies, their beneficiary will receive a retirement allowance equal to 100% of the member's reduced monthly retirement allowance for the rest of his or her life. The amount of the reduction depends upon the age difference between the member and their beneficiary. (§0604)	**Option 2** - Receive a reduced monthly retirement allowance until the member's death. When the member dies, their beneficiary will receive a retirement allowance equal to 100% of the member's reduced monthly retirement allowance for the rest of his or her life. The amount of the reduction depends upon the age difference between the member and their beneficiary. (§0604)
Option 3 - Receive a reduced monthly retirement allowance until the member's death. When the member dies, their beneficiary will receive a retirement allowance equal to 50% of the member's reduced monthly benefit for the rest of his or her life. The amount of the reduction depends upon the age difference between the member and their beneficiary. (§0605)	**Option 3** - Receive a reduced monthly retirement allowance until the member's death. When the member dies, their beneficiary will receive a retirement allowance equal to 50% of the member's reduced monthly benefit for the rest of his or her life. The amount of the reduction depends upon the age difference between the member and their beneficiary. (§0605)
Option 4 - Receive a reduced monthly retirement allowance until the member's death. When the member dies, their beneficiary will receive a retirement allowance based on a percentage of the member's reduced monthly benefit in an amount selected by the member, for the rest of his or her life. The higher the percentage to the beneficiary and the greater the age difference between the member and their beneficiary, the greater the reduction in the member's monthly retirement allowance. (§0606)	**Option 4** - Receive a reduced monthly retirement allowance until the member's death. When the member dies, their beneficiary will receive a retirement allowance based on a percentage of the member's reduced monthly benefit in an amount selected by the member, for the rest of his or her life. The higher the percentage to the beneficiary and the greater the age difference between the member and their beneficiary, the greater the reduction in the member's monthly retirement allowance. (§0606)
Social Security Integrated Option - N/A	**Social Security Integrated Option** - The member may select this option in addition to one of the other five payment choices only if the member is eligible to receive a Social Security benefit. The member would receive an initial increased monthly allowance from SDCERS based on their estimated Social Security benefit. When the member turns 65, SDCERS will then reduce their monthly retirement allowance for the remainder of their life. This modified allowance may be further modified on an actuarial basis under Options 1, 2, 3, or 4. (§0607)

San Diego City Employees' Retirement System
Summary of SDCERS' Benefit Provisions (continued)
As of June 30, 2022

	City
4. Non-Industrial Disability Eligibility	Ten years of service credit. (City Charter §141)
Benefit Formula Per Year of Service	General Members - Greater of: (1) 1.5% per year of service multiplied by final compensation; (2) one-third of final compensation; or, (3) the earned service retirement benefit, if eligible. (§24.0502, 24.0506) Safety Members - Greater of: (1) 1.8% per year of service multiplied by final compensation; (2) one-third of final compensation; or, (3) the earned service retirement benefit, if eligible. (§24.0502, 24.0504) Elected Officers - Earned service retirement benefit. (§24.1706)
5. Industrial Disability Eligibility	No age or service requirement. (§24.0501)
Benefit Formula Per Year of Service	General Members - Greater of: (1) 50% of final compensation; or (2) the earned service retirement benefit, if eligible. (§24.0502, §24.0505 Safety Members - Greater of: (1) 50% of final compensation; or (2) the earned service retirement benefit, if eligible. (§24.0502, §24.0503) Elected Officers - Earned service retirement benefit. (§24.1706)
6. Non-Industrial Death Before Eligible to Retire	Refund of employee contributions with interest plus one-twelfth of the Member's final compensation multiplied by the Member's years of Creditable Service, not to exceed one-half of the Member's final compensation. (§24.0702)
7. Non-Industrial Death After Eligible to Retire for Service	50% of the monthly allowance the Member would have received if the Member had retired on the day they died payable to the eligible surviving spouse or domestic partner designated as a beneficiary, or dependent child(ren) under 18 years of age. (§24.0704)
8. Industrial Death	50% of the final compensation preceding death, payable to eligible surviving spouse or registered domestic partner designated as a beneficiary, or child(ren) under 18 years of age. (§24.0705)
9. Death After Retirement	$2,000 payable in lump sum to the beneficiary or to the next of kin of the retiree. If none of the above, SDCERS can pay towards funeral expenses. (§24.0706, §24.0707, §24.0710)

Port	Airport
Ten years of service credit. (§0504)	Ten years of service credit. (§0502)
General Members hired before January 1, 2009 - Greater of (1) 1.5% per year of service multiplied by final compensation; (2) one-third of final compensation; or (3) the earned service retirement benefit, if eligible. (§0506) Miscellaneous Members hired on or after January 1, 2009 - Greater of (1) 0.1875% per year of service multiplied by final compensation; (2) 11% of final compensation; or (3) earned service retirement benefit. (§0507) Safety Members - Greater of (1) 1.8% per year of service multiplied by final compensation; (2) one-third of final compensation; or (3) the earned service retirement benefit. (§0505)	Greater of: (1) 1.5% per year of service multiplied by final compensation; (2) one-third of final compensation; or (3) the earned service retirement benefit, if eligible. (§0503)
No age or service requirement for General or Safety Members. Miscellaneous Members must have 5 years of Port employment to be eligible for an industrial disability benefit. (§0500)	No age or service requirement. (§0500)
General Members hired before January 1, 2009, greater of one-third of final compensation or the earned service retirement benefit, if eligible. (§0502) Miscellaneous Members hired on or after January 1, 2009, the greater of 11% of final compensation or earned service retirement benefit, if eligible. (§0503) Safety Members greater of one-half of final compensation or the earned service retirement benefit. (§0501)	Greater of one-third of final compensation or the earned service retirement benefit, if eligible. (§0501)
Refund of employee contributions with interest plus one-twelfth of Member's final compensation multiplied by the years of service credit not to exceed one-half of the Member's final compensation. (§0701)	Refund of employee contributions with interest plus one-twelfth of Member's final compensation multiplied by the years of service credit not to exceed one-half of the Member's final compensation. (§0701)
50% of the monthly allowance the member would have received if the Member had retired on the day they died payable to eligible surviving spouse or registered domestic partner designated as a beneficiary, or dependent child(ren) under 21 years of age. (§0703)	50% of the monthly allowance the member would have received if the Member had retired on the day they died payable to eligible surviving spouse or registered domestic partner designated as a beneficiary, or dependent child(ren) under 21 years of age. (§0703)
50% of the final average salary, payable to eligible surviving spouse or registered domestic partner designated as a beneficiary, or dependent child(ren) under 21 years of age. Miscellaneous Members hired on or after January 1, 2009 must have 5 years of Port employment to be eligible for an industrial death benefit. (§0704)	50% of the final average salary, payable to eligible surviving spouse or registered domestic partner designated as a beneficiary, or dependent child(ren) under 21 years of age. (§0704)
$2,000 payable in lump sum to the beneficiary or to the next of kin of the retiree. If none of the above, SDCERS can pay towards funeral expenses. (§0705, §0706, §0708)	$2,000 payable in lump sum to the beneficiary or to the next of kin of the retiree. If none of the above, SDCERS can pay towards funeral expenses. (§0705, §0706, §0708)

San Diego City Employees' Retirement System
Summary of SDCERS' Benefit Provisions (continued)
As of June 30, 2022

	City
10. Withdrawal Provisions	If a Member's employment is discontinued other than by death or retirement the Board will pay the Member, upon request, their accumulated contributions, including interest compounded annually. (§24.0206, §24.0306)
11. Post-Retirement Cost-of-Living Adjustment	Based on changes in Consumer Price Index, increases a maximum of 2% per year and decreases limited to the initial retirement allowance. (§24.1505)
12. COL Annuity	Actuarial equivalent of accumulated contributions in cost of living annuity account at time of retirement. (§24.1507)
13. Member Contributions	Based on the Member's age at the Member's nearest birthday on the effective day of membership. (§24.0201, §24.0301)
14. Internal Revenue Code Compliance	The Plan compiles with applicable sections of the Internal Revenue Code Provisions (§24.1004)
15. Blended Benefit with Participating Agencies	Members may retire and receive benefits from multiple Plans (e.g. — a City police officer could have also worked for the Port or Airport). (§24.0103, Port and Airport Plans §0400)

Port	Airport
If a Member's employment is discontinued other than by death or retirement the Board will pay the Member, upon request, their accumulated contributions. (§0205)	If a Member's employment is discontinued other than by death or retirement the Board will pay the Member, upon request, their accumulated contributions. (§0205)
Based on changes in Consumer Price Index, increases a maximum of 2% per year and decreases limited to the initial retirement allowance. (§1301)	Based on changes in Consumer Price Index, increases a maximum of 2% per year and decreases limited to the initial retirement allowance. (§1301)
Actuarial equivalent of accumulated contributions in cost of living annuity account at time of retirement. (§0300)	Actuarial equivalent of accumulated contributions in cost of living annuity account at time of retirement. (§0300)
Based on the Miscellaneous Member's age at the Miscellaneous Member's nearest birthday on the first day of his/her sixth year of employment. (§0200). Based on the Member's age at the Member's nearest birthday on the effective day of membership. (§0200).	Based on the Member's age at the Member's nearest birthday on the effective day of membership. (§0200).
The Plan compiles with applicable sections of the Internal Revenue Code Provisions. (§1000)	The Plan compiles with applicable sections of the Internal Revenue Code Provisions. (§1000)
Members may retire and receive benefits from multiple Plans (e.g., a Port member could have also worked for the Airport or the City). (Port and Airport Plans §0400 City §24.0103)	Members may retire and receive benefits from multiple Plans (e.g. — an Airport member could have also worked for the Port or the City). (Port and Airport Plans §0400, City §24.0103)

San Diego City Employees' Retirement System
Summary of SDCERS' Benefit Provisions (continued)
As of June 30, 2022

Deferred Retirement Option Plan (DROP)

DROP is a voluntary program created by SDCERS' plan sponsors (employers) to provide SDCERS' members (employees) with an alternative method to accrue benefits in SDCERS. (City – Article 4, Division 14; Port and Airport Division 12)

The DROP benefit was eliminated and is no longer available for City employees hired on or after July 1, 2005 (§24.1402), for Port employees hired on or after October 1, 2005 (§1201), and for Airport employees hired on or after October 3, 2006 (§1200).

For actuarial valuation purposes, SDCERS' members entering DROP are considered "retired" the date they enter DROP. An SDCERS' member's decision to enter DROP is irrevocable. If an SDCERS member participates in DROP, they will have access to a lump sum benefit in addition to their normal monthly retirement allowance when they retire. SDCERS' members are eligible to participate in DROP when they are eligible for a service retirement. A DROP participant continues to work for his/her respective plan sponsor and receives a regular paycheck. Both the plan sponsor and the DROP Participant cease making normal cost retirement contributions to SDCERS, and the DROP participant stops earning creditable service. A DROP participant continues to receive most of the employer-offered benefits available to regular employees.

An SDCERS member must select a retirement option when they enter DROP. If the DROP participant elects to leave a continuance to a beneficiary, the DROP participant must name a beneficiary at that time as well. The selection of a retirement option and the designation of a beneficiary for a continuance are irrevocable and cannot be changed once the first payment is made into a DROP account.

SDCERS members electing to enter DROP must agree to participate in the program for a specific period of time, up to a maximum of five years. A DROP participant must end employment with their plan sponsor on or before the end of the selected DROP participation period, unless the participant is represented by the San Diego Fire Fighter's Local 145 bargaining unit, in which case the participant may extend their five-year DROP period by the amount of unused leave the participant has remaining at the end of their DROP period that was earned after July 1, 2002.

When an SDCERS member participates in DROP, a DROP account is set up for that individual. Money credited to a DROP account comes from six sources:

1. A DROP participant's DROP contributions — 3.05% of pensionable salary each pay period of participation in DROP (no employee contributions are made to SDCERS during this time);
2. The plan sponsor's DROP contributions — 3.05% of pensionable salary each pay period of participation in DROP (no employer contributions are made to SDCERS during this time);
3. The DROP participant's monthly retirement allowance, as determined when entering DROP;
4. The COLA increases to a monthly retirement allowance that occurs while participating in DROP;
5. SDCERS' Annual Supplemental Benefit payments made while participating in DROP; and
6. Interest credited to the DROP account each quarter, at the rate determined by SDCERS' Board.

The DROP benefit is the value of a DROP participant's account at the end of the DROP participation period. It is available either in a lump sum or periodic distribution. Once a participant leaves DROP, they begin receiving their monthly retirement allowance directly.

SDCERS will distribute the funds in a participant's DROP account when they leave employment and begin retirement. The distribution can be made as a single lump sum, periodic payments in 240 equal monthly payments, or as otherwise allowed by SDCERS' Board, subject to the applicable provisions of the Internal Revenue Code.

STATISTICAL

The Statistical section provides additional historical perspective, context and detail in order to provide a more comprehensive understanding of SDCERS' FY 2023 financial statements, note disclosures and supplementary information. Four data categories are included in this section: financial trends, demographic and economic information, revenue and expense information and Membership information.

This section provides multi-year trends of financial and operating information to facilitate comprehensive understanding of how SDCERS' financial position and performance has changed over time. More specifically, the financial and operating information provides contextual data for SDCERS' net position, additions, deductions and different types of retirement benefits.

Information of financial trends, revenues and expenses for ten years is presented in the Schedule of Changes in Fiduciary Net Position, Schedule of Changes in Fiduciary Net Position – Pension Trust Funds by Plan Sponsor, Schedules of Additions to Fiduciary Net Position by Source – Pension Trust Funds and Schedules of Deductions from Fiduciary Net Position by Type – Pension Trust Funds. The Schedule of Changes in Fiduciary Net Position – Custodial Funds is a newer schedule and no information is available prior to FY 2020.

Demographic and economic information are shown in the Schedules of Allowances Being Paid – Service and Disability Retirees and Beneficiaries and the Schedule of Retired Members by Type of Benefit. The Schedule of Average Benefit Payment Amounts shows the number of retired members by Plan Sponsor and the average monthly benefit for the last ten fiscal years. The Schedule of Average Benefit Payment Amounts by Year of Retirement provides information on benefit payments by years of service for retired members.

Membership information for both active and deferred members is provided for each Plan Sponsor in the Schedule of Active Members and Schedule of Deferred Members. SDCERS administers three separate single employer defined benefit pension plans for the City, Port and Airport, and provides service retirement, disability retirement, death and survivor benefits to its participants.

San Diego City Employees' Retirement System
Schedule of Changes in Fiduciary Net Position
For Fiscal Years Ended June 30
10-Year Review (Dollars in Thousands)

				Net Position	
Fiscal Year	Additions	Deductions	Net Change	Beginning of Year	End of Year
2023	$1,346,791	$747,932	$598,859	$9,988,044	$10,586,903
2022	428,285	721,833	(293,548)	10,281,592	9,988,044
2021	2,669,230	693,236	1,975,994	8,305,598	10,281,592
2020	522,923	653,368	(130,445)	8,436,043[1]	8,305,598
2019	940,670	579,871	360,799	8,075,204	8,436,003
2018	1,062,925	556,479	506,446	7,568,758	8,075,204
2017	1,277,423	516,567	760,856	6,807,902	7,568,758
2016	413,701	490,822	(77,121)	6,885,023	6,807,902
2015	576,144	463,213	112,931	6,772,092	6,885,023
2014	1,376,963	418,184	958,779	5,813,313[2]	6,772,092

[1] In FY 2020, SDCERS' custodial funds were accounted for under the requirements of GASB 84, which resulted in an adjustment to beginning fiduciary net position. Beginning fiduciary net position for the City POB, Port POB, and Airport POB funds was increased by $15, $2, and $23, respectively.

[2] In FY 2014, SDCERS' DROP benefits were accounted for under the requirements of GASB 67, which resulted in an adjustment to beginning fiduciary net position. Beginning fiduciary net position for the City, Port and Airport was increased by $477,478, $11,436, and $2,017, respectively.

San Diego City Employees' Retirement System
Schedule of Changes in Fiduciary Net Position – Pension Trust Funds by Plan Sponsor[1]
For Fiscal Years Ended June 30 (Dollars in Thousands)

	Fiscal Year	Additions	Deductions	Net Change	Net Position: Beginning of Year	Net Position: End of Year
City	2023	$1,229,529	$659,697	$569,832	$9,171,060	$9,740,892
	2022	359,390	634,034	(274,644)	9,445,704	9,171,060
	2021	2,416,993	608,574	1,808,419	7,637,285	9,445,704
	2020	442,007	572,525	(130,518)	7,767,803	7,637,285
	2019	867,176	544,262	322,914	7,444,889	7,767,803
	2018	981,703	525,648	456,055	6,988,834	7,444,889
	2017	1,180,545	487,817	692,728	6,296,106	6,988,834
	2016	383,075	463,682	(80,607)	6,376,713	6,296,106
	2015	534,756	437,931	96,825	6,279,888	6,376,713
	2014	1,280,177	395,447	884,730	5,395,158[2]	6,279,888
Port	2023	$52,080	$37,768	$14,312	$554,463	$568,775
	2022	17,641	35,569	(17,928)	572,391	554,463
	2021	143,312	31,346	111,966	460,425	572,391
	2020	24,313	29,261	(4,948)	465,373	460,425
	2019	50,381	28,820	21,561	443,812	465,373
	2018	56,704	26,018	30,686	413,126	443,812
	2017	68,926	23,756	45,170	367,956	413,126
	2016	21,960	23,798	(1,838)	369,794	367,956
	2015	30,260	22,467	7,793	362,001	369,794
	2014	71,793	19,491	52,302	309,699[2]	362,001
Airport	2023	$24,530	$9,799	$14,731	$262,484	$277,215
	2022	8,063	9,040	(977)	263,461	262,484
	2021	64,861	9,243	55,618	207,843	263,461
	2020	12,137	7,121	5,016	202,827	207,843
	2019	23,113	6,789	16,324	186,503	202,827
	2018	24,518	4,813	19,705	166,798	186,503
	2017	27,952	4,994	22,958	143,840	166,798
	2016	8,666	3,342	5,324	138,516	143,840
	2015	11,128	2,815	8,313	130,203	138,516
	2014	24,993	3,246	21,747	108,456[2]	130,203

[1] In March 2007, the Board adopted a Declaration of Group Trust, effective July 1, 2007. Under the Group Trust, the City, Port and Airport plans are legally treated as separate plans.

[2] In FY 2014, SDCERS' DROP benefits were accounted for under the requirements of GASB 67, which resulted in an adjustment to beginning fiduciary net position. Beginning fiduciary net position for the City, Port and Airport was increased by $477,478, $11,436, and $2,017, respectively.

San Diego City Employees' Retirement System
Schedule of Changes in Fiduciary Net Position – Custodial Funds[1]

For Fiscal Years Ended June 30 (Dollars in Thousands)

	Fiscal Year	Additions	Deductions	Net Change	Net Position	
					Beginning of Year[2]	End of Year
Healthcare	2023	$39,385	$39,385	$-	$-	$-
	2022	41,322	41,322	-	-	-
	2021	42,197	42,202	(5)	5	-
	2020	42,683	42,678	5	-	5
City POB	2023	$976	$976	$-	$11	$11
	2022	1,442	1,444	(2)	13	11
	2021	1,563	1,563	-	13	13
	2020	1,481	1,483	(2)	15	13
Port POB	2023	$271	$277	($6)	$11	$5
	2022	374	364	10	1	11
	2021	261	266	(5)	6	1
	2020	261	257	4	2	6
Airport POB	2023	$20	$30	($10)	$15	$5
	2022	53	60	(7)	22	15
	2021	43	42	1	21	22
	2020	41	43	(2)	23	21

[1] Data is not available for years prior to FY 2020.

[2] In FY 2020, SDCERS' custodial funds were accounted for under the requirements of GASB 84, which resulted in an adjustment to beginning fiduciary net position. Beginning fiduciary net position for the Healthcare, City POB, Port POB, and Airport POB funds were increased by $15, $2, and $23, respectively.

San Diego City Employees' Retirement System
Schedule of Additions to Fiduciary Net Position by Source – Pension Trust Funds - City
For Fiscal Years Ended June 30 (Dollars in Thousands)

	Fiscal Year	Plan Sponsor Contributions	Member Contri-butions Paid By Plan Sponsors	Member Contributions	Member Contributions for Service Purchased	Earned Interest on PSC Installment Contracts	DROP Contributions[1]	Net Investment Income (Loss)	Total Additions
Dollars	2023	$423,120	$-	$324,691	$3,636	$14	$4,962	$473,106	$1,229,529
% of Total		34.4%	0.0%	26.4%	0.3%	0.0%	0.4%	38.5%	100.0%
Dollars	2022	416,376	-	69,741	5,217	12	5,096	(137,052)	359,390
% of Total		115.9	0.0	19.4	1.4	0.0	1.4	(38.1)	100.0
Dollars	2021	367,136	30	60,879	3,583	16	5,060	1,980,289	2,416,993
% of Total		15.2	0.0	2.5	0.2	0.0	0.2	81.9	100.0
Dollars	2020	352,060	-	64,143	2,146	74	4,578	19,006	442,007
% of Total		79.7	0.0	14.5	0.5	0.0	1.0	4.3	100.0
Dollars	2019	324,628	-	55,970	4,335	50	4,708	477,485	867,176
% of Total		37.4	0.0	6.5	0.5	0.0	0.5	55.1	100.0
Dollars	2018	326,372	126	50,238	4,961	62	5,099	594,845	981,703
% of Total		33.3	0.0	5.1	0.5	0.0	0.5	60.6	100.0
Dollars	2017	263,000	44	49,463	4,885	86	5,145	857,922	1,180,545
% of Total		22.3	0.0	4.2	0.4	0.0	0.4	72.7	100.0
Dollars	2016	256,976	54	50,827	5,916	123	5,024	64,155	383,075
% of Total		67.1	0.0	13.3	1.5	0.0	1.3	16.8	100.0
Dollars	2015	265,660	-	52,542	3,939	162	4,800	207,653	534,756
% of Total		49.7	0.0	9.8	0.8	0.0	0.9	38.8	100.0
Dollars	2014	277,244	14	58,055	4,850	200	4,762	935,052	1,280,177
% of Total		21.7	0.0	4.5	0.4	0.0	0.4	73.0	100.0

[1] In FY 2014, SDCERS implemented GASB 67 which required the DROP benefit to be accounted for as a component of fiduciary net position with recognition of DROP contributions, interest and payments in the Statement of Changes in Fiduciary Net Position.

San Diego City Employees' Retirement System
Schedule of Additions to Fiduciary Net Position by Source – Pension Trust Funds - Port
For Fiscal Years Ended June 30 (Dollars in Thousands)

	Fiscal Year	Plan Sponsor Contributions	Member Contri-butions Paid By Plan Sponsors	Member Contributions	Member Contributions for Service Purchased	Earned Interest on PSC Installment Contracts	DROP Contributions[1]	Net Investment Income (Loss)	Total Additions
Dollars	2023	$19,205	$1,573	$2,281	$135	$2	$210	$28,674	$52,080
% of Total		36.9%	3.0%	4.4%	0.3%	0.0%	0.4%	55.0%	100.0%
Dollars	2022	22,106	1,603	1,959	5	23	286	(8,341)	17,641
% of Total		125.3	9.1	11.1	0.0	0.1	1.6	(47.2)	100.0
Dollars	2021	19,705	1,750	1,789	5	3	301	119,759	143,312
% of Total		13.8	1.2	1.2	0.0	0.0	0.2	83.6	100.0
Dollars	2020	19,306	1,937	1,689	3	5	267	1,106	24,313
% of Total		79.4	8.0	7.0	0.0	0.0	1.1	4.5	100.0
Dollars	2019	17,908	2,031	1,548	9	6	259	28,620	50,381
% of Total		35.6	4.0	3.1	0.0	0.0	0.5	56.8	100.0
Dollars	2018	17,718	2,113	1,302	(51)	10	279	35,333	56,704
% of Total		31.3	3.7	2.3	-0.1	0.0	0.5	62.3	100.0
Dollars	2017	14,618	2,226	1,232	(17)	15	258	50,594	68,926
% of Total		21.2	3.2	1.8	0.0	0.0	0.4	73.4	100.0
Dollars	2016	14,419	2,265	1,107	9	23	276	3,861	21,960
% of Total		65.7	10.3	5.0	0.0	0.1	1.3	17.6	100.0
Dollars	2015	14,321	2,440	1,137	14	33	251	12,064	30,260
% of Total		47.3	8.1	3.8	0.0	0.1	0.8	39.9	100.0
Dollars	2014	13,916	2,575	1,153	226	58	209	53,656	71,793
% of Total		19.4	3.6	1.6	0.3	0.1	0.3	74.7	100.0

[1] In FY 2014, SDCERS implemented GASB 67 which required the DROP benefit to be accounted for as a component of fiduciary net position with recognition of DROP contributions, interest and payments in the Statement of Changes in Fiduciary Net Position.

San Diego City Employees' Retirement System
Schedule of Additions to Fiduciary Net Position by Source – Pension Trust Funds - Airport
For Fiscal Years Ended June 30 (Dollars in Thousands)

	Fiscal Year	Plan Sponsor Contributions	Member Contributions Paid By Plan Sponsors	Member Contributions	Member Contributions for Service Purchased	Earned Interest on PSC Installment Contracts	DROP Contributions[1]	Net Investment Income (Loss)	Total Additions
Dollars	2023	$7,664	$1,272	$2,081	$62	$-	$158	$13,293	$24,530
% of Total		31.2%	5.2%	8.5%	0.3%	0.0%	0.6%	54.2%	100.0%
Dollars	2022	9,102	1,193	1,798	-	-	159	(4,189)	8,063
% of Total		112.9	14.8	22.3	0.0	0.0	1.9	(51.9)	100.0
Dollars	2021	8,522	1,304	1,744	3	-	148	53,140	64,861
% of Total		13.1	2.0	2.7	0.1	0.0	0.2	81.9	100.0
Dollars	2020	8,356	1,454	1,788	11	-	138	390	12,137
% of Total		68.9	12.0	14.7	0.1	0.0	1.1	3.2	100.0
Dollars	2019	7,783	1,483	1,619	10	-	132	12,086	23,113
% of Total		33.7	6.4	7.0	0.0	0.0	0.6	52.3	100.0
Dollars	2018	7,247	1,574	1,372	146	-	143	14,036	24,518
% of Total		29.6	6.4	5.6	0.6	0.0	0.6	57.2	100.0
Dollars	2017	5,421	1,672	1,293	(35)	-	120	19.481	27,952
% of Total		19.4	6.0	4.6	-0.1	0.0	0.4	69.7	100.0
Dollars	2016	3,948	1,771	1,184	3	2	107	1,651	8,666
% of Total		45.6	20.4	13.7	0.0	0.0	1.2	19.1	100.0
Dollars	2015	3,823	1,802	1,026	3	5	79	4,390	11,128
% of Total		34.4	16.2	9.2	0.0	0.0	0.7	39.5	100.0
Dollars	2014	3,728	1,895	893	73	6	95	18,303	24,993
% of Total		14.9	7.6	3.6	0.3	0.0	0.4	73.2	100.0

[1] In FY 2014, SDCERS implemented GASB 67 which required the DROP benefit to be accounted for as a component of fiduciary net position with recognition of DROP contributions, interest and payments in the Statement of Changes in Fiduciary Net Position.

San Diego City Employees' Retirement System
Schedule of Deductions from Fiduciary Net Position by Type – Pension Trust Funds - City
For Fiscal Years Ended June 30
(Dollars in Thousands)

	Fiscal Year	Retirement Benefits[1]	DROP Payments[2]	Administrative Expenses	DROP Program Interest Expense	Refund of Member Contributions	Total Deductions
Dollars	2023	$546,949	$68,899	$13,232	$19,321	$11,296	$659,697
% of Total		82.9%	10.5%	2.0%	2.9%	1.7%	100.0%
Dollars	2022	519,544	73,976	12,403	20,393	7,718	634,034
% of Total		81.9	11.7	2.0	3.2	1.2	100.0
Dollars	2021	494,035	75,764	11,160	21,218	6,397	608,574
% of Total		81.2	12.4	1.8	3.5	1.1	100.0
Dollars	2020	465,853	66,767	10,688	21,576	7,641	572,525
% of Total		81.4	11.6	1.9	3.8	1.3	100.0
Dollars	2019	441,898	64,972	10,239	21,972	5,181	544,262
% of Total		81.2	11.9	1.9	4.0	1.0	100.0
Dollars	2018	416,594	70,717	10,570	22,462	5,305	525,648
% of Total		79.3	13.4	2.0	4.3	1.0	100.0
Dollars	2017	391,292	56,844	10,778	22,794	6,109	487,817
% of Total		80.2	11.7	2.2	4.7	1.2	100.0
Dollars	2016	369,192	54,857	10,901	22,665	6,067	463,682
% of Total		79.6	11.8	2.4	4.9	1.3	100.0
Dollars	2015	347,368	54,874	8,693	22,507	4,489	437,931
% of Total		79.3	12.5	2.0	5.2	1.0	100.0
Dollars	2014	322,509	37,996	10,467	21,958	2,517	395,447
% of Total		81.6	9.6	2.6	5.6	0.6	100.0

[1] Retirement benefits consists of monthly retirement and disability allowances, which are accounted for as a single expense, supplemental benefits, Corbett benefits and Death benefits.

[2] In FY 2014, SDCERS implemented GASB 67 which required the DROP benefit to be accounted for as a component of fiduciary net position with recognition of DROP contributions, interest and payments in the Statement of Changes in Fiduciary Net Position.

San Diego City Employees' Retirement System
Schedule of Deductions from Fiduciary Net Position by Type – Pension Trust Funds - Port
For Fiscal Years Ended June 30
(Dollars in Thousands)

	Fiscal Year	Retirement Benefits[1]	DROP Payments[2]	Administrative Expenses	DROP Program Interest Expense	Refund of Member Contributions	Total Deductions
Dollars	2023	$31,568	$4,642	$882	$572	$104	$37,768
% of Total		83.6%	12.3%	2.3%	1.5%	0.3%	100.0%
Dollars	2022	29,929	3,811	844	591	394	35,569
% of Total		84.1	10.7	2.4	1.7	1.1	100.0
Dollars	2021	27,884	1,875	760	607	220	31,346
% of Total		89.0	6.0	2.4	1.9	0.7	100.0
Dollars	2020	26,117	1,578	721	580	265	29,261
% of Total		89.2	5.4	2.5	2.0	0.9	100.0
Dollars	2019	24,374	3,083	669	518	176	28,820
% of Total		84.6	10.7	2.3	1.8	0.6	100.0
Dollars	2018	22,785	1,900	659	496	178	26,018
% of Total		87.6	7.3	2.5	1.9	0.7	100.0
Dollars	2017	21,481	993	666	485	131	23,756
% of Total		90.4	4.2	2.8	2.0	0.6	100.0
Dollars	2016	20,031	2,369	687	466	245	23,798
% of Total		84.2	10.0	2.9	1.9	1.0	100.0
Dollars	2015	18,865	2,326	691	471	114	22,467
% of Total		84.0	10.3	3.1	2.1	0.5	100.0
Dollars	2014	17,192	1,037	729	454	79	19,491
% of Total		88.2	5.3	3.8	2.3	0.4	100.0

[1] Retirement benefits consists of monthly retirement and disability allowances, which are accounted for as a single expense, supplemental benefits, and Death benefits.

[2] In FY 2014, SDCERS implemented GASB 67 which required the DROP benefit to be accounted for as a component of fiduciary net position with recognition of DROP contributions, interest and payments in the Statement of Changes in Fiduciary Net Position.

San Diego City Employees' Retirement System
Schedule of Deductions from Fiduciary Net Position by Type – Pension Trust Funds - Airport
For Fiscal Years Ended June 30
(Dollars in Thousands)

	Fiscal Year	Retirement Benefits[1]	DROP Payments[2]	Administrative Expenses	DROP Program Interest Expense	Refund of Member Contributions	Total Deductions
Dollars	2023	$7,724	$1,165	$505	$72	$333	$9,799
% of Total		78.8%	11.9%	5.2%	0.7%	3.4%	100.0%
Dollars	2022	6,998	1,164	462	75	341	9,040
% of Total		77.4	12.9	5.1	0.8	3.8	100.0
Dollars	2021	6,356	2,260	423	71	133	9,243
% of Total		68.8	24.4	4.6	0.8	1.4	100.0
Dollars	2020	5,471	1,031	387	65	167	7,121
% of Total		76.8	14.5	5.4	0.9	2.4	100.0
Dollars	2019	4,815	1,325	359	59	231	6,789
% of Total		70.9	19.5	5.3	0.9	3.4	100.0
Dollars	2018	3,916	304	350	50	193	4,813
% of Total		81.4	6.3	7.3	1.0	4.0	100.0
Dollars	2017	3,254	1,236	324	49	131	4,994
% of Total		65.2	24.7	6.5	1.0	2.6	100.0
Dollars	2016	2,577	242	319	37	167	3,342
% of Total		77.1	7.2	9.6	1.1	5.0	100.0
Dollars	2015	2,218	104	332	39	122	2,815
% of Total		78.8	3.7	11.8	1.4	4.3	100.0
Dollars	2014	1,620	1,114	332	34	146	3,246
% of Total		49.9	34.3	10.2	1.1	4.5	100.0

[1] Retirement benefits consists of monthly retirement and disability allowances, which are accounted for as a single expense, supplemental benefits, and Death benefits.

[2] In FY 2014, SDCERS implemented GASB 67 which required the DROP benefit to be accounted for as a component of fiduciary net position with recognition of DROP contributions, interest and payments in the Statement of Changes in Fiduciary Net Position.

San Diego City Employees' Retirement System
Schedule of Allowances Being Paid - Service and Disability Retirees and Beneficiaries
For Fiscal Years Ended June 30

City

	As of Fiscal Year[1]	Total Service Retirements	Total Disability Retirements	Total Deaths Before Retirement[2]	Total Deaths After Retirement	Total Allowances Being Paid
No. of Allowances	2022	8,420	1,053	34	1,522	11,029
Annual Allowances		$512,498,608	$42,888,771	$1,122,966	$39,252,100	$595,762,445
No. of Allowances	2021	8,265	1,076	32	1,485	10,858
Annual Allowances		494,054,114	42,984,502	1,073,145	36,759,065	574,870,826
No. of Allowances	2020	7,838	1,100	29	1,442	10,409
Annual Allowances		453,371,014	43,142,263	1,048,845	34,236,168	531,798,290
No. of Allowances	2019	7,665	1,115	28	1,397	10,205
Annual Allowances		436,619,074	42,486,238	875,039	31,480,031	511,460,382
No. of Allowances	2018	7,522	1,150	30	1,322	10,024
Annual Allowances		422,141,424	42,730,372	886,871	28,047,788	493,806,455
No. of Allowances	2017	7,272	1,161	29	1,306	9,768
Annual Allowances		401,762,775	41,914,596	865,163	26,269,467	470,812,001
No. of Allowances	2016	6,961	1,180	31	1,282	9,454
Annual Allowances		377,042,523	41,346,765	954,846	24,444,543	443,788,677
No. of Allowances	2015	6,648	1,190	32	1,233	9,103
Annual Allowances		355,083,956	40,946,485	951,605	22,227,614	419,209,660
No. of Allowances	2014	6,414	1,197	24	1,187	8,822
Annual Allowances		337,838,017	39,993,657	696,390	20,075,043	398,603,107
No. of Allowances	2013	6,042	1,212	25	1,175	8,454
Annual Allowances		312,528,881	39,597,716	711,764	18,789,983	371,628,344

[1] Data for all years is final data from the respective June 30 valuations.

[2] Total Deaths Before Retirement represents one-time payments to members' beneficiaries and refund of members' contributions, plus interest.

San Diego City Employees' Retirement System
Schedule of Allowances Being Paid - Service and Disability Retirees and Beneficiaries (continued)
For Fiscal Years Ended June 30

Port

	As of Fiscal Year[1]	Total Service Retirements	Total Disability Retirements	Total Deaths Before Retirement [2]	Total Deaths After Retirement	Total Allowances Being Paid
No. of Allowances	2022	525	56	-	84	665
Annual Allowances		$30,058,376	$1,997,434	$-	$2,019,868	$34,075,678
No. of Allowances	2021	511	57	-	82	650
Annual Allowances		28,698,662	1,981,682	-	1,931,354	32,611,698
No. of Allowances	2020	487	56	-	85	628
Annual Allowances		26,965,817	1,853,326	-	1,939,212	30,758,355
No. of Allowances	2019	455	55	1	88	599
Annual Allowances		24,702,939	1,805,008	7,134	1,914,011	28,429,092
No. of Allowances	2018	445	56	1	86	588
Annual Allowances		23,467,215	1,680,937	7,134	1,802,607	26,957,893
No. of Allowances	2017	430	60	1	86	577
Annual Allowances		22,174,324	1,710,685	7,134	1,770,599	25,662,742
No. of Allowances	2016	415	61	1	81	558
Annual Allowances		20,802,341	1,694,793	7,134	1,580,592	24,084,860
No. of Allowances	2015	392	62	1	81	536
Annual Allowances		19,572,584	1,686,471	7,134	1,476,855	22,743,044
No. of Allowances	2014	375	64	-	79	518
Annual Allowances		17,991,965	1,616,266	-	1,425,272	21,033,503
No. of Allowances	2013	346	64	-	75	485
Annual Allowances		15,717,792	1,592,871	-	1,360,274	18,670,937

[1] Data for all years is final data from the respective June 30 valuations.

[2] Total Deaths Before Retirement represents one-time payments to members' beneficiaries and refund of members' contributions, plus interest.

San Diego City Employees' Retirement System
Schedule of Allowances Being Paid - Service and Disability Retirees and Beneficiaries (continued)
For Fiscal Years Ended June 30

Airport

	As of Fiscal Year[1]	Total Service Retirements	Total Disability Retirements	Total Deaths Before Retirement[2]	Total Deaths After Retirement	Total Allowances Being Paid
No. of Allowances	2022	172	3	1	11	187
Annual Allowances		$8,811,526	$71,492	$2,234	$247,003	$9,132,255
No. of Allowances	2021	162	3	1	7	173
Annual Allowances		8,151,071	70,112	2,234	156,056	8,379,473
No. of Allowances	2020	146	3	1	7	157
Annual Allowances		7,137,423	68,886	2,234	153,274	7,361,817
No. of Allowances	2019	131	3	1	6	141
Annual Allowances		6,284,828	67,556	2,234	107,647	6,462,265
No. of Allowances	2018	120	2	1	5	128
Annual Allowances		5,631,213	37,816	2,234	96,983	5,768,246
No. of Allowances	2017	100	2	-	5	107
Annual Allowances		4,585,571	37,088	-	95,106	4,717,765
No. of Allowances	2016	83	2	-	5	90
Annual Allowances		3,589,413	36,374	-	93,267	3,719,054
No. of Allowances	2015	68	2	2	4	76
Annual Allowances		2,913,320	35,926	25,785	72,300	3,047,331
No. of Allowances	2014	59	2	2	4	67
Annual Allowances		2,536,340	35,427	25,784	71,250	2,668,801
No. of Allowances	2013	45	2	-	4	51
Annual Allowances		1,909,883	34,380	-	69,636	2,013,899

[1] Data for all years is final data from the respective June 30 valuations.

[2] Total Deaths Before Retirement represents one-time payments to members' beneficiaries and refund of members' contributions, plus interest.

San Diego City Employees' Retirement System
Schedule of Retired Members by Type of Benefit[1]
For Fiscal Year Ended June 30, 2022[2]

City

		Type of Retirement		
Amount of Monthly Benefit	Total Allowances Paid	Service Retirements	Disability Retirements	Death Beneficiaries
$0 - $1,000	801	363	45	393
$1,001 - $2,000	1,439	636	286	517
$2,001 - $3,000	1,671	1,203	204	264
$3,001 - $4,000	1,780	1,354	232	194
$4,001 - $5,000	1,230	1,033	97	100
$5,001 - $6,000	1,016	928	52	36
$6,001 - $7,000	975	904	42	29
$7,001 - $8,000	746	696	39	11
$8,001 - $9,000	554	518	31	5
$9,001 - $10,000	339	321	17	1
Over $10,000	478	464	8	6
	11,029	8,420	1,053	1,556

Port

		Type of Retirement		
Amount of Monthly Benefit	Total Allowances Paid	Service Retirements	Disability Retirements	Death Beneficiaries
$0 - $1,000	76	50	3	23
$1,001 - $2,000	129	69	25	35
$2,001 - $3,000	68	55	3	10
$3,001 - $4,000	103	79	15	9
$4,001 - $5,000	69	63	4	2
$5,001 - $6,000	54	50	3	1
$6,001 - $7,000	48	47	0	1
$7,001 - $8,000	40	38	1	1
$8,001 - $9,000	18	17	0	1
$9,001 - $10,000	17	16	1	0
Over $10,000	43	41	1	1
	665	525	56	84

Airport

		Type of Retirement		
Amount of Monthly Benefit	Total Allowances Paid	Service Retirements	Disability Retirements	Death Beneficiaries
$0 - $1,000	12	7	0	5
$1,001 - $2,000	32	26	2	4
$2,001 - $3,000	27	25	1	1
$3,001 - $4,000	40	39	0	1
$4,001 - $5,000	20	20	0	0
$5,001 - $6,000	17	16	0	1
$6,001 - $7,000	12	12	0	0
$7,001 - $8,000	12	12	0	0
$8,001 - $9,000	7	7	0	0
$9,001 - $10,000	1	1	0	0
Over $10,000	7	7	0	0
	187	172	3	12

[1] Data above reflects the number of retirement allowances paid. Death beneficiaries include Qualified Domestic Relation Orders (QDRO), and do not include lump sum payments to beneficiaries for members who died before or after retirement.

[2] Data for FY 2022 is the most recent available from SDCERS' actuary.

San Diego City Employees' Retirement System
Schedule of Average Benefit Payment Amounts
As of Fiscal Years Ended June 30

			Averages				
Fiscal Year[1]	Number of Allowances	Annual Allowances Paid	Annual Allowance	Percentage Increase (Decrease) Over Prior Year	Attained Age	Age At Retirement[2]	Service Years At Retirement
City							
2022	11,029	$595,762,445	$54,018	2.03%	68.8	56.6	23.6
2021	10,858	574,870,826	52,944	3.63	68.4	56.5	23.6
2020	10,409	531,798,290	51,090	1.94	68.4	56.3	23.6
2019	10,205	511,460,382	50,119	1.74	68.0	56.2	23.6
2018	10,024	493,806,455	49,262	2.21	67.6	56.0	23.7
2017	9,768	470,812,001	48,199	2.68	67.3	55.9	23.7
2016	9,454	443,788,677	46,942	1.93	67.1	55.8	23.7
2015	9,103	419,209,660	46,052	1.92	66.9	55.6	23.7
2014	8,822	398,603,107	45,183	2.78	66.7	55.5	23.7
2013	8,454	371,628,344	43,959	3.00	66.7	55.4	23.8
Port							
2022	665	$34,075,678	$51,242	2.13%	69.4	58.0	18.9
2021	650	32,611,698	50,172	2.44	69.0	57.9	18.9
2020	628	30,758,355	48,978	3.20	69.0	57.9	18.8
2019	599	28,429,092	47,461	3.52	68.8	57.8	19.0
2018	588	26,957,893	45,847	3.08	68.8	57.7	19.0
2017	577	25,662,742	44,476	3.04	68.7	57.7	19.0
2016	558	24,084,860	43,163	1.72	68.7	57.8	19.0
2015	536	22,743,044	42,431	4.50	68.3	57.6	18.7
2014	518	21,033,503	40,605	5.48	68.2	57.6	18.5
2013	485	18,670,937	38,497	2.45	68.1	57.6	18.4
Airport							
2022	187	$9,132,255	$48,836	0.82%	67.9	62.1	17.3
2021	173	8,379,473	48,436	3.30	67.3	62.0	17.3
2020	157	7,361,817	46,891	2.31	66.9	61.9	16.9
2019	141	6,462,265	45,832	1.70	66.4	61.8	16.7
2018	128	5,768,246	45,064	2.21	66.2	62.0	16.6
2017	107	4,717,765	44,091	6.70	65.8	62.0	16.9
2016	90	3,719,054	41,323	3.06	65.5	61.9	16.4
2015	76	3,047,331	40,096	0.66	65.1	61.8	15.8
2014	67	2,668,801	39,833	0.87	64.5	61.6	15.9
2013	51	2,013,899	39,488	5.83	64.8	61.8	15.7

[1] Data for all years is final data from the respective June 30 valuations.

[2] Service and Disability retirees only, beneficiaries are excluded.

San Diego City Employees' Retirement System
Schedule of Average Benefit Payment Amounts by Year of Retirement[1]
As of Fiscal Years Ended June 30[2]

			Years of Creditable Service						
			0-5	6-10	11-15	16-20	21-25	26-30	31+
City	2022	Average Monthly Benefit	$1,575	$2,282	$2,323	$3,312	$4,275	$6,347	$6,516
		Average Final Monthly Salary	7,203	7,453	5,610	6,111	6,137	7,000	6,258
		Number of Retirees	186	350	914	716	2,904	2,422	1,981
	2021	Average Monthly Benefit	1,564	2,225	2,282	3,222	4,176	6,192	6,384
		Average Final Monthly Salary	6,862	7,463	5,500	5,975	6,064	6,953	6,221
		Number of Retirees	181	349	877	705	2,839	2,403	1,987
	2020	Average Monthly Benefit	1,564	2,184	2,219	3,135	4,044	5,976	6,190
		Average Final Monthly Salary	1,704	7,241	5,362	5,919	5,911	6,731	6,032
		Number of Retirees	177	342	860	691	2,671	2,293	1,904
	2019[3]	Average Monthly Benefit	976	1,816	2,571	3,105	4,080	5,681	5,857
		Average Final Monthly Salary	9,364	7,374	6,345	5,612	6,206	7,011	6,544
		Number of New Retirees	7	22	32	67	56	68	35
	2018	Average Monthly Benefit	415	2,011	2,483	3,445	4,337	5,210	5,421
		Average Final Monthly Salary	8,012	7,654	6,414	6,191	6,497	6,557	6,142
		Number of New Retirees	3	25	38	89	77	72	50
	2017	Average Monthly Benefit	563	1,739	2,573	3,522	4,598	5,664	5,376
		Average Final Monthly Salary	9,657	6,369	6,479	6,093	6,737	6,894	5,915
		Number of New Retirees	3	20	38	106	91	94	55
	2016	Average Monthly Benefit	1,315	1,848	2,454	3,220	4,654	5,802	5,651
		Average Final Monthly Salary	5,915	7,304	5,895	5,837	6,723	6,993	6,291
		Number of New Retirees	3	18	40	92	96	127	40
	2015	Average Monthly Benefit	809	2,171	2,146	3,285	4,526	5,840	5,046
		Average Final Monthly Salary	7,335	8,136	5,357	6,044	6,444	7,049	5,746
		Number of New Retirees	5	16	49	89	99	100	48
	2014	Average Monthly Benefit	791	1,829	2,377	3,114	4,330	5,694	4,805
		Average Final Monthly Salary	7,731	5,863	5,966	5,618	6,220	6,848	5,218
		Number of New Retirees	5	24	34	92	103	115	41
	2013	Average Monthly Benefit	-	2,749	1,759	2,702	3,835	5,331	5,471
		Average Final Monthly Salary	-	8,399	5,375	5,614	6,159	6,809	6,224
		Number of New Retirees	-	7	45	33	109	113	56
Port	2022	Average Monthly Benefit	$859	$1,917	$2,795	$3,863	$5,322	$7,368	$7,261
		Average Final Monthly Salary	6,990	7,031	7,277	6,863	7,941	9,137	7,875
		Number of Retirees	25	70	90	80	180	91	45
	2021	Average Monthly Benefit	845	1,928	2,686	3,753	5,237	7,176	7,202
		Average Final Monthly Salary	6,987	6,941	7,090	6,788	7,853	9,055	7,549
		Number of Retirees	24	67	91	78	176	88	44
	2020	Average Monthly Benefit	846	1,939	2,617	3,608	5,152	7,292	7,099
		Average Final Monthly Salary	5,644	6,945	7,053	6,653	7,846	8,710	7,048
		Number of Retirees	22	65	89	76	170	78	43
	2019[3]	Average Monthly Benefit	-	1,948	2,565	5,629	5,869	9,777	5,840
		Average Final Monthly Salary	-	8,156	6,853	9,343	9,409	12,233	7,283
		Number of New Retirees	-	6	4	4	5	3	1
	2018	Average Monthly Benefit	338	2,211	805	6,332	7,836	8,249	6,105
		Average Final Monthly Salary	8,599	8,501	2,530	10,360	12,339	9,770	6,688
		Number of New Retirees	5	7	1	4	3	2	1
	2017	Average Monthly Benefit	1,003	1,314	3,268	3,705	6,240	7,456	10,064
		Average Final Monthly Salary	8,872	6,313	8,708	6,531	9,058	8,655	12,013
		Number of New Retirees	4	5	6	7	5	2	1
	2016	Average Monthly Benefit	420	1,399	1,801	3,321	4,824	7,416	4,850
		Average Final Monthly Salary	6,793	11,042	4,090	5,974	7,614	8,538	5,405
		Number of New Retirees	4	1	2	5	7	2	1
	2015	Average Monthly Benefit	433	770	3,360	5,474	4,922	9,187	-
		Average Final Monthly Salary	5,816	9,410	5,683	11,593	8,338	12,163	-
		Number of New Retirees	2	3	7	6	12	3	-
	2014	Average Monthly Benefit	830	2,900	2,020	6,733	5,687	11,276	-
		Average Final Monthly Salary	5,816	9,410	5,683	11,593	8,338	12,163	-
		Number of New Retirees	2	3	7	6	12	3	-
	2013	Average Monthly Benefit	44	933	2,089	3,466	4,231	7,624	-
		Average Final Monthly Salary	2,264	7,023	5,884	7,358	6,409	9,302	-
		Number of New Retirees	1	3	2	3	2	5	-

[1] Retirees only (including DROP participants); beneficiaries excluded.

[2] Data for FY 2022 is the most recent available from SDCERS' actuary.

[3] Due to the availability of data, fiscal years prior to FY 2020 present information on the number of new retirees only.

San Diego City Employees' Retirement System
Schedule of Average Benefit Payment Amounts by Year of Retirement[1] (continued)
As of Fiscal Years Ended June 30[2]

			Years of Creditable Service						
			0-5	6-10	11-15	16-20	21-25	26-30	31+
Airport	2022	Average Monthly Benefit	$1,153	$1,711	$3,816	$4,554	$4,888	$5,650	$7,892
		Average Final Monthly Salary	11,642	6,986	9,167	7,950	7,646	7,108	9,150
		Number of Retirees	3	30	42	29	37	25	9
	2021	Average Monthly Benefit	1,131	1,743	3,828	4,590	4,708	5,336	7,739
		Average Final Monthly Salary	11,642	7,165	9,223	8,068	7,476	6,816	9,150
		Number of Retirees	3	29	38	28	35	23	9
	2020	Average Monthly Benefit	1,111	1,713	3,776	4,619	4,651	5,336	7,586
		Average Final Monthly Salary	11,642	7,165	9,176	8,151	7,517	6,689	9,251
		Number of Retirees	3	29	37	23	30	19	8
	2019[3]	Average Monthly Benefit	719	2,655	2,113	3,914	4,923	5,480	7,633
		Average Final Monthly Salary	4,771	10,515	6,299	6,843	7,447	6,569	8,367
		Number of New Retirees	1	3	2	4	2	2	1
	2018	Average Monthly Benefit	942	1,169	3,151	3,673	10,331	5,125	-
		Average Final Monthly Salary	5,556	5,274	8,258	6,609	15,608	7,350	-
		Number of New Retirees	2	2	7	2	2	1	-
	2017	Average Monthly Benefit	-	1,945	9,045	4,368	4,233	6,758	-
		Average Final Monthly Salary	-	6,913	20,350	7,412	6,247	8,634	-
		Number of New Retirees	-	7	1	3	5	4	-
	2016	Average Monthly Benefit	583	2,485	8,419	3,860	3,736	5,366	6,124
		Average Final Monthly Salary	6,932	8,958	20,783	7,799	6,643	7,202	6,722
		Number of New Retirees	1	5	1	5	2	1	1
	2015	Average Monthly Benefit	1,240	1,768	3,563	2,967	-	5,939	6,140
		Average Final Monthly Salary	10,038	6,082	9,825	5,786	-	7,711	6,808
		Number of New Retirees	1	3	2	2	-	1	1
	2014	Average Monthly Benefit	820	2,109	2,638	7,333	-	5,915	-
		Average Final Monthly Salary	4,981	8,175	7,169	13,179	-	7,683	-
		Number of New Retirees	1	6	2	3	-	1	-
	2013	Average Monthly Benefit	-	1,666	-	-	4,981	-	-
		Average Final Monthly Salary	-	8,864	-	-	9,543	-	-
		Number of New Retirees	-	2	-	-	2	-	-

[1] Retirees only (including DROP participants); beneficiaries excluded.

[2] Data for FY 2022 is the most recent available from SDCERS' actuary.

[3] Due to the availability of data, fiscal years prior to FY 2020 present information on the number of new retirees only.

San Diego City Employees' Retirement System
Schedule of Active Members
As of Fiscal Years Ended June 30

Fiscal Year[1,2]	Number of Members	Payroll	Averages: Annual Salary	Averages: Percentage Increase (Decrease) Over Prior Year	Averages: Current Age	Averages: Years of Service Credit
City						
2022	5,555	$525,994,656	$94,689	2.79%	44.4	13.3
2021	5,068	466,863,508	92,120	1.73	45.4	14.8
2020	5,535	501,203,699	90,552	7.54	45.7	15.1
2019	5,757	484,764,465	84,204	10.25	45.7	15.0
2018	5,967	455,753,399	76,379	8.69	45.5	14.5
2017	6,388	448,889,789	70,271	1.95	45.1	14.0
2016	6,748	465,100,254	68,924	0.92	45.0	13.8
2015	7,038	480,662,378	68,295	3.35	44.9	13.7
2014	7,272	480,535,973	66,080	0.10	44.7	13.4
2013	7,566	499,463,072	66,014	-0.23	44.5	13.3
Port						
2022	351	$39,939,171	$113,787	5.01%	46.9	11.2
2021	347	37,599,227	108,355	5.13	46.8	11.7
2020	362	37,310,562	103,068	1.08	46.5	11.6
2019	361	36,810,149	101,967	4.16	46.4	12.1
2018	365	35,732,609	97,898	4.48	46.6	12.3
2017	367	34,388,005	93,700	0.70	46.4	12.4
2016	362	33,684,615	93,051	4.68	46.7	12.9
2015	377	33,512,411	88,892	2.86	46.6	12.6
2014	385	33,272,693	86,423	4.37	46.5	12.6
2013	417	34,528,283	82,802	0.41	45.9	12.5
Airport						
2022	353	$32,528,943	$92,150	6.78%	47.4	10.0
2021	357	30,809,714	86,302	0.73	47.5	9.8
2020	389	33,328,788	85,678	-0.04	46.8	9.2
2019	383	32,828,449	85,714	2.58	46.8	9.3
2018	378	31,584,841	83,558	4.09	46.8	9.2
2017	394	31,628,301	80,275	-0.73	46.8	9.0
2016	385	31,131,795	80,862	1.95	47.2	9.1
2015	368	29,189,357	79,319	2.71	48.1	9.5
2014	362	27,955,455	77,225	1.58	47.6	9.2
2013	347	26,380,323	76,024	4.37	48.1	9.9

[1] Data for all years is final data from the respective June 30 valuations.

[2] Reported payroll includes across the board increases for the upcoming fiscal year.

San Diego City Employees' Retirement System
Schedule of Deferred Members[1]
As of Fiscal Years Ended June 30

Fiscal Year[2]	Number of Deferred Members	Total Contribution Balances	Averages: Current Age	Averages: Years of Service Credit	Averages: Contribution Balance
City					
2022	2,935	$209,344,058	48.9	5.9	$71,327
2021	2,847	193,629,464	49.1	6.1	68,012
2020	2,898	184,982,597	48.8	6.1	63,831
2019	2,905	171,462,115	48.4	6.0	59,023
2018	2,921	164,054,886	48.0	6.0	56,164
2017	2,851	157,417,824	48.0	6.0	55,215
2016	2,865	147,243,821	47.5	6.0	51,394
2015	2,907	137,649,546	47.1	6.1	47,351
2014	2,920	133,420,493	46.7	6.2	45,692
2013	2,971	134,186,414	46.2	6.6	45,165
Port					
2022	271	$8,358,784	52.0	4.7	$30,844
2021	262	7,682,141	52.5	4.9	29,321
2020	258	6,634,493	51.9	4.9	25,715
2019	277	7,833,874	51.6	5.2	28,281
2018	276	7,101,466	51.4	5.1	25,730
2017	274	6,249,214	51.0	4.8	22,807
2016	279	6,238,739	50.7	4.8	22,361
2015	284	5,803,736	49.9	4.7	20,436
2014	285	5,286,762	49.5	4.5	18,550
2013	286	5,071,031	49.2	4.4	17,731
Airport					
2022	182	$4,557,478	52.2	4.4	$25,041
2021	163	3,936,637	46.6	4.7	24,151
2020	149	3,622,273	46.2	4.6	24,311
2019	143	3,153,559	45.7	4.4	22,053
2018	139	3,221,978	45.6	4.3	23,180
2017	119	2,784,854	46.3	4.4	23,402
2016	112	2,626,223	46.3	4.6	23,448
2015	99	2,125,985	46.0	4.5	21,475
2014	90	1,719,513	45.6	4.1	19,106
2013	79	1,414,252	46.7	4.0	17,902

[1] Deferred members are former active members of SDCERS who have left employment of the plan sponsor and have contributions still on deposit with SDCERS. Deferred SDCERS' members may or may not be vested to receive a retirement benefit in the future.

[2] Data for all years is final data from the respective June 30 valuations.

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