

**SACRAMENTO MUNICIPAL UTILITY DISTRICT**  
Interoffice Memorandum

**TO: Deferred Compensation Participants**

**DATE:** March 5, 2025

**FROM: Deferred Compensation Committee**

**SUBJECT: MINUTES FROM 1st QUARTER DEFERRED COMPENSATION COMMITTEE OF MEETING  
March 5, 2025**

**Committee Members Present:** Laurie Rodriguez, Lisa Limcaco, Steve Lins, Scott Martin

**Support Staff Present:** Randall Hakes, Greg Pochy, Neeraja Rajan, Henry Briody, John Anderson

**Meeting Minutes of December 30, 2024** - Approved electronically by the Committee prior to the meeting. The approval of the minutes was confirmed.

**Quarterly Plan Review** – Suzanne Rogers, Fidelity Investments presented the quarterly plan statistic summary for the 401(k) and 457(b) Plans.

**Plan Statistics**

- **Total Plan Assets** as of December 31, 2024 were \$ 651.4 million, compared to \$ 656.7million at the end of the prior quarter.
- **Total Plan Participants** – As of December 31, 2024, there were 3,068 Participants in the Plans.
- **Retirement Readiness** – As of December 31, 2024, 80% of active participants are contributing to one or both plans.
- **Equity Allocation** – As of December 31, 2024, 77% of participants have an Age-Appropriate Equity Allocation of funds.
- **Average Savings Rate** – As of December 31, 2024, the average savings rates is \$16,697 per employee
- **Outstanding Loans** – As of December 31, 2024, 27.3% of participants have at least one outstanding loan.

**Fidelity Managed Accounts:**

- Committee agreed to move forward with offering employees Managed Accounts.

**Quarterly Fund Review** – Greg Coffey and Rebecca Long from Russell Investments presented the quarterly update with the following information:

**Plan Highlights:**

**Market and Performance Summary:**

- Equity market returns were mixed with US large cap equities posting positive returns while non-US equities were broadly negative. Bonds fell as interest rates rose on uncertainty around inflation and Fed monetary policy.
- Target date fund performance was negative across the series as both equities and bonds declined.

- Active equity fund performance was mixed with international and emerging markets outperforming while real assets lagged the custom benchmark.
- The Multi-Manager Bond Fund lagged during the quarter given a longer duration stance.
- Total Plan assets fell by -0.8% over the quarter, declining by \$5mn. The percentage of assets in TDFs vs asset class funds remained consistent with the prior quarter.

**Fund Updates:**

- Western Asset management was terminated within the Multi Manager Bond Fund and the Target Date Fund series with the assets reallocated to existing sub managers.
- Given expectations for continued market volatility, fund positions continue to remain close to neutral. Security selection remains the primary driver of risk within the funds.

**Target Date Fund Structure Review:**

- Almost all Target Date Fund providers include diversifying asset classes beyond pure core fixed income and global equities.
- Some providers focus asset allocations around retirement towards asset classes that are more sensitive to changes in inflation and can provide a partial hedge.
- Russell Investments' fund expenses remain below the universe average. Funds include a mix of passive and active management.
- Russell Investments is in the process of performing a more detailed target date fund review.

**Ask for Russell Investments to complete a benchmarking study against other deferred compensation providers in Q3, to be presented to the SMUD Deferred Compensation Committee.**

With no further items on the agenda, the meeting was adjourned.

Participants may submit comments or questions for the Deferred Compensation Committee through Neeraja Rajan of People Services & Strategies at MS B251. Please include your name and daytime phone number so the Committee may respond to your request.