



County Employees' Retirement Fund

Monthly ASAP Report

December 31, 2023



2018 2019 2020 2021 2022

We are proud to announce that ACG has again been named a Greenwich Associates Quality Leader - recognized as one of the top consultants in the industry.

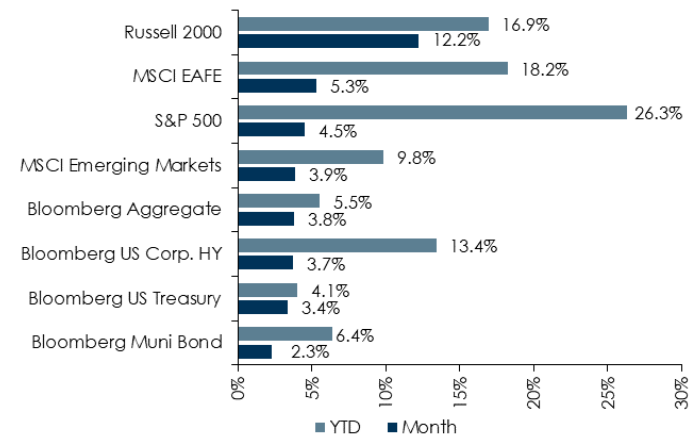
Methodology and Disclosure: Between February and November of 2022, Coalition Greenwich (previously known as Greenwich Associates), conducted in-person and phone interviews and online surveys with 727 professionals at 590 of the largest tax-exempt funds in the United States, including corporate and union funds, public funds, endowments and foundations, insurance general accounts, and healthcare organizations, with either pension or investment pool assets greater than \$150 million. Study participants were asked to provide quantitative and qualitative evaluations of their asset managers and investment consultants, including qualitative assessments of those firms soliciting their business and detailed information on important market trends. ACG is one of four firms recognized in the mid-size investment consultant category. The ratings may not be representative of any one client's experience with ACG; rather they are representative of those clients that chose to participate in the survey. The results are not indicative of ACG's future performance. ACG does not pay to have its clients participate in the study.

Economic Overview

- The US Fed held rates steady for a 3rd consecutive meeting, and dovish messaging reinforced expectations that this hiking cycle has ended
- The rate of inflation declined slightly, roughly in line with expectations, with headline CPI growing 3.1% and core CPI 4.0% for the year
- The US labor market continued to show resilience with unemployment declining from 3.9% to 3.7% and wage growth of 4.0% from a year ago

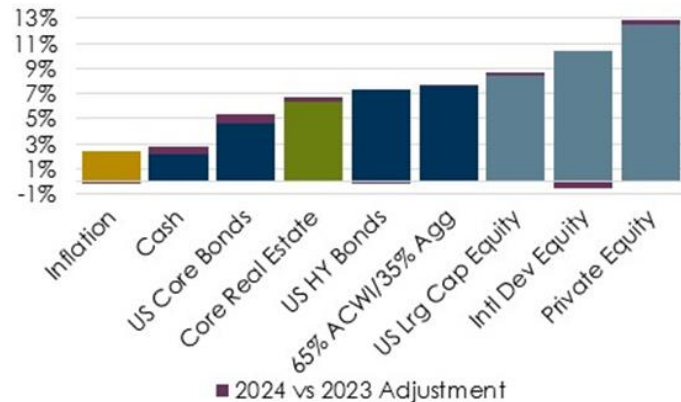
Market Returns

- Rate cut optimism fueled an “everything rally” for a 2nd month
- Huge gains for small caps after months of underperformance



Source: Bloomberg, ACG Research (as of 12/31/2023)

Average Annual Return Assumptions (Next 10 Years)



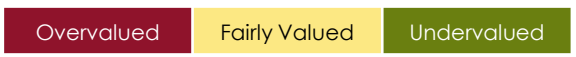
Asset Class Valuations - Rebalancing Rationale

- Equities pricing a faster pace of rate cuts than Fed guidance indicates
- Favor core bonds (US Treasuries) over high yield
- Cash remains attractive with yields around 5%

Asset Class	Current Valuation	Rationale
US Large Cap	Overvalued	Expensive valuations
US Small Cap	Fairly Valued	Balanced upside/downside risks
Int'l Developed	Fairly Valued	Favorable valuations but stagnant outlook
Emerging Mkt	Fairly Valued	Balanced upside/downside risks

Cash	Undervalued	High current yield
Core Bonds	Undervalued	Favor high quality
Multi-Sector	Fairly Valued	Duration, spreads balanced
Unconstrained	Fairly Valued	Duration, spreads balanced

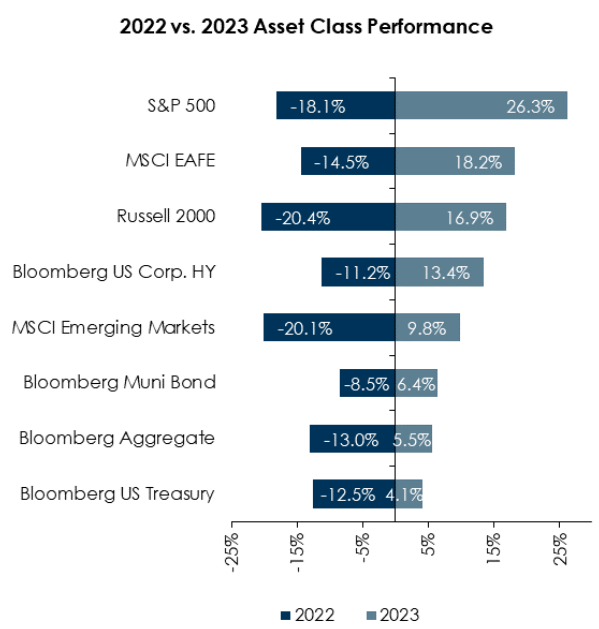
Core Real Estate: Historically low (but rising) cap rates



Key Risk Factors We Are Watching

- Inflation and labor market data
- Accumulating consumer headwinds (higher rates, student loan repayments, depleted savings...)
- Fed policy mistake
- Downward revisions to corporate earnings
- Ongoing geopolitical tensions
- Weaker than expected China recovery

Most Asset Classes Rebounded From 2022



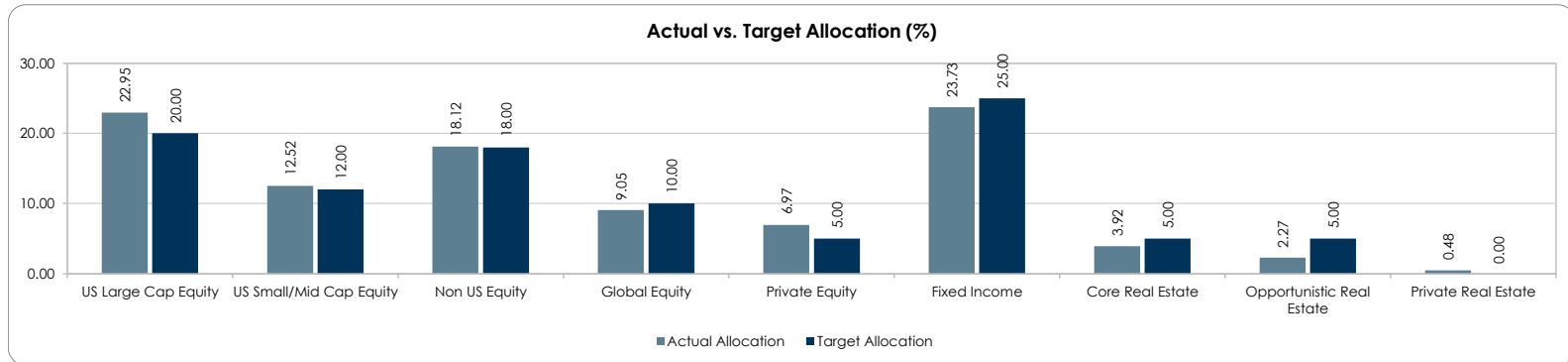
Source: Bloomberg (as of 12/31/2023)

Recent Articles (click on links below)

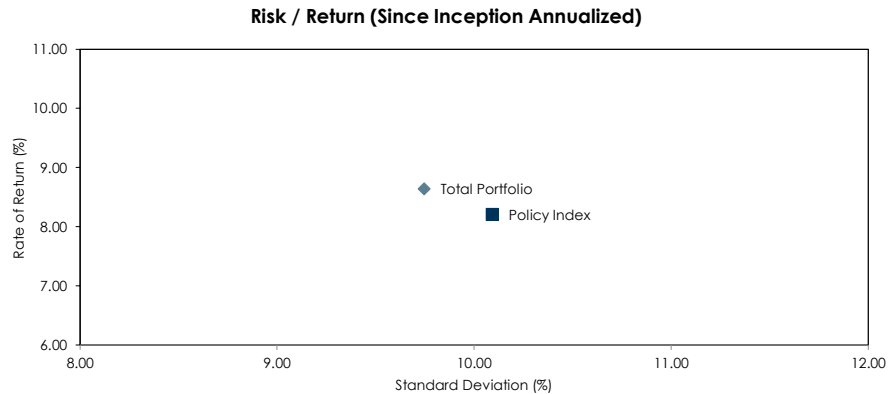
- [Japan – Can the Recent Equity Rally Continue? \(January\)](#)
- [Global Manufacturing \(November\)](#)
- [Where's the Recession? \(October\)](#)

County Employees' Retirement Fund

For the Periods Ending December 31, 2023



Asset Class	Market Value (\$000s)	Actual Allocation (%)	Target Allocation (%)	Over/Under (%)
Total Portfolio	753,126	100.00	100.00	
Equity	524,178	69.60	65.00	4.60
US Large Cap Equity	172,811	22.95	20.00	2.95
US Small/Mid Cap Equity	94,266	12.52	12.00	0.52
Non US Equity	136,440	18.12	18.00	0.12
Global Equity	68,190	9.05	10.00	-0.95
Private Equity	52,470	6.97	5.00	1.97
Fixed Income	178,716	23.73	25.00	-1.27
Real Assets	50,232	6.67	10.00	-3.33
Core Real Estate	29,505	3.92	5.00	-1.08
Opportunistic Real Estate	17,128	2.27	5.00	-2.73
Private Real Estate	3,600	0.48	0.00	0.48



Return Statistics (Since Inception Annualized)

	Total Portfolio	Policy Index
Return (%)	8.64	8.21
Standard Deviation (%)	9.75	10.09
Sharpe Ratio	0.66	0.60

Benchmark Relative Statistics

Beta	0.90
Up Capture (%)	93.91
Down Capture (%)	88.19

County Employees' Retirement Fund

For the Periods Ending December 31, 2023

		Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Total Portfolio (01/95)		753,126	100.00	3.70	7.26	13.37	4.90	9.89	7.20	8.64
	<i>Policy Index ¹</i>			3.60	8.38	14.24	2.86	8.22	7.17	8.21
US Large Cap Equity (06/01)		172,811	22.95	4.54	11.69	26.29	10.38	17.20	11.91	9.83
	<i>S&P 500</i>			4.54	11.69	26.29	10.00	15.69	12.03	8.16
US Small/Mid Cap Equity (01/02)		94,266	12.52	7.71	10.54	21.02	7.26	15.28	10.88	9.68
	<i>Russell 2500</i>			10.72	13.35	17.42	4.24	11.67	8.36	9.11
Non US Equity (11/02)		136,440	18.12	5.38	10.90	24.30	6.77	8.47	5.15	8.24
	<i>MSCI EAFE NetDiv</i>			5.31	10.42	18.24	4.02	8.16	4.28	6.96
Long/Short Equity (04/08) *		68,190	9.05	3.42	5.74	8.91	0.78	6.21	3.98	3.73
	<i>HFRI FOF: Strategic</i>			3.59	6.66	9.84	1.00	5.47	3.33	2.36
Private Equity (11/09) *		52,470	6.97	0.00	0.00	2.38	11.79	14.68	13.94	12.37
	<i>S&P 500</i>			4.54	11.69	26.29	10.00	15.69	12.03	13.58
Fixed Income (08/03)		178,716	23.73	3.60	6.54	7.28	-1.04	3.03	2.34	4.31
	<i>Bloomberg US Aggregate</i>			3.83	6.82	5.53	-3.31	1.10	1.81	3.28
Core Real Estate (10/05)		29,505	3.92	-4.48	-7.40	-14.34	2.73	2.80	6.43	5.06
	<i>NFI ODCE</i>			-4.83	-4.83	-12.02	4.92	4.24	7.28	6.31
Opportunistic Real Estate (08/22)		17,128	2.27	-8.83	-11.14	-22.50	--	--	--	-22.55
	<i>NFI ODCE</i>			-4.83	-4.83	-12.02	4.92	4.24	7.28	-11.55
Building Valuation		3,600	0.48	--	--	--	--	--	--	--

¹ Policy Index: Effective August 2022, the index consists of 65.00% MSCI ACWI NetDiv, 10.00% NFI ODCE, 25.00% Bloomberg US Aggregate.

Building Valuation is not included in performance.

County Employees' Retirement Fund

For the Periods Ending December 31, 2023

	Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Equity									
US Large Cap Equity									
Northern Trust S&P 500 Index (06/21)	172,811	22.95	4.54	11.69	26.29	--	--	--	6.68
S&P 500			4.54	11.69	26.29	10.00	15.69	12.03	6.68
US Small/Mid Cap Equity									
William Blair SMID Cap Growth (08/16)	40,068	5.32	10.18	12.64	19.08	0.69	12.51	--	12.34
Russell 2500 Growth			11.14	12.59	18.93	-2.68	11.43	8.78	10.16
Burgundy Asset Management (07/04)	54,199	7.20	5.95	9.05	22.49	12.97	17.24	11.99	12.23
Russell 2000 Value			12.45	15.26	14.65	7.94	10.00	6.76	7.47
Non US Equity									
Brandes (10/98)	74,860	9.94	4.93	10.98	31.40	11.61	9.79	5.65	8.51
MSCI EAFE NetDiv			5.31	10.42	18.24	4.02	8.16	4.28	5.17
MSCI EAFE Value NetDiv			4.88	8.22	18.95	7.59	7.08	3.16	5.37
Barings Focused EAFE Plus Equity (05/12)	61,580	8.18	5.92	10.81	16.63	1.67	7.64	4.96	5.68
MSCI EAFE NetDiv			5.31	10.42	18.24	4.02	8.16	4.28	6.19
MSCI EAFE Growth NetDiv			5.72	12.72	17.58	0.26	8.81	5.15	6.70
Long/Short Equity									
ABS Global (03/15) * 2	68,190	9.05	3.42	5.74	8.91	0.78	6.21	--	3.78
HFRI FOF: Strategic			3.59	6.66	9.84	1.00	5.47	3.33	3.21
Private Equity (11/09)	52,470	6.97	0.00	0.00	2.38	11.79	14.68	13.94	12.37
S&P 500			4.54	11.69	26.29	10.00	15.69	12.03	13.58

County Employees' Retirement Fund
For the Periods Ending December 31, 2023

	Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Fixed Income									
Loomis Sayles (04/01)	52,276	6.94	4.20	7.35	6.67	-2.51	2.55	2.94	5.02
<i>Bloomberg US Aggregate</i>			3.83	6.82	5.53	-3.31	1.10	1.81	3.64
Baird Core Plus (11/16)	52,033	6.91	3.94	7.20	7.21	-2.38	2.32	--	2.01
<i>Bloomberg Universal</i>			3.79	6.83	6.17	-2.97	1.44	2.08	1.25
BlackRock Strategic Opportunities Fund (03/17)	70,768	9.40	3.04	5.67	7.95	1.36	4.02	--	3.53
<i>Bloomberg US Aggregate</i>			3.83	6.82	5.53	-3.31	1.10	1.81	1.19
Deferred Comp (01/13)	18	0.00	0.44	1.32	4.91	2.13	1.76	1.15	1.04
Cash and Equivalents (01/13)	3,621	0.48	0.44	1.31	4.97	2.19	1.80	1.19	1.08
<i>US T-Bills 90 Day</i>			0.47	1.37	5.01	2.15	1.88	1.25	1.14
Real Assets									
Core Real Estate									
JP Morgan Strategic Property Fund (04/15)	29,505	3.92	-4.48	-7.40	-14.34	2.73	2.80	--	5.50
<i>NFI ODCE</i>			-4.83	-4.83	-12.02	4.92	4.24	7.28	6.51
Opportunistic Real Estate									
JP Morgan Special Situations Property Fund (08/22)	17,128	2.27	-8.83	-11.14	-22.50	--	--	--	-22.55
<i>NFI ODCE</i>			-4.83	-4.83	-12.02	4.92	4.24	7.28	-11.55
Building Valuation	3,600	0.48	--	--	--	--	--	--	--

Building Valuation is not included in performance.

* Performance is Net of Fees.

² Market value and performance are preliminary

Market Overview

For the Periods Ending December 31, 2023

	1 Month (%)	3 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Equity Markets - Core						
S&P 500	4.54	11.69	26.29	10.00	15.69	12.03
Russell 1000	4.94	11.96	26.53	8.97	15.52	11.80
Russell 2000	12.22	14.03	16.93	2.22	9.97	7.16
Russell 2500	10.72	13.35	17.42	4.24	11.67	8.36
Russell Mid Cap	7.73	12.82	17.23	5.92	12.68	9.42
Equity Markets - Growth						
S&P 500 Growth	3.72	10.09	30.03	6.61	16.23	13.35
Russell 1000 Growth	4.43	14.16	42.68	8.86	19.50	14.86
Russell 2000 Growth	11.98	12.75	18.66	-3.50	9.22	7.16
Russell 2500 Growth	11.14	12.59	18.93	-2.68	11.43	8.78
Russell Mid Cap Growth	7.58	14.55	25.87	1.31	13.81	10.57
Equity Markets - Value						
S&P 500 Value	5.53	13.63	22.23	13.11	14.11	10.01
Russell 1000 Value	5.54	9.50	11.46	8.86	10.91	8.40
Russell 2000 Value	12.45	15.26	14.65	7.94	10.00	6.76
Russell 2500 Value	10.49	13.76	15.98	8.81	10.79	7.42
Russell Mid Cap Value	7.79	12.11	12.71	8.36	11.16	8.26
International Markets						
MSCI EAFE NetDiv	5.31	10.42	18.24	4.02	8.16	4.28
MSCI World NetDiv	4.91	11.42	23.79	7.27	12.80	8.60
MSCI World ex US NetDiv	5.47	10.51	17.94	4.42	8.45	4.32
Fixed Income						
ICE BofA ML 1-3 Yr Treasury	1.11	2.48	4.25	-0.04	1.29	1.05
ICE BofA ML High Yield Master II	3.67	7.06	13.44	2.00	5.21	4.51
Bloomberg US Aggregate	3.83	6.82	5.53	-3.31	1.10	1.81
Bloomberg Intermediate G/C	2.32	4.56	5.24	-1.63	1.59	1.72
Bloomberg 10 Yr Municipal	2.32	7.47	5.78	-0.07	2.57	3.22
Bloomberg US Credit	4.19	8.15	8.18	-3.21	2.45	2.83

County Employees' Retirement Fund

For the Period Ending December 31, 2023

Summary of Cash Flows for 3 Months

Cash Outflows	Cash Inflows	Net Cash Flows
-515,924	1,454,940	939,016

Summary of Portfolio Inception to Date

	Inception Date	Committed	Drawn to Date	Remaining Commitment	Distributions to Date	Adjusted Ending Value	Total Value	Total Value to Paid-in	Annualized IRR (%)
Total	Nov-09	60,000,000	43,603,135	13,896,866	29,196,153	52,469,666	81,665,819	1.87x	14.59
Portfolio Advisors VI	Nov-09	10,000,000	6,474,540	1,025,461	11,693,458	2,789,740	14,483,198	2.24x	12.35
Portfolio Advisors VIII	Nov-15	20,000,000	14,753,050	5,246,950	16,447,148	17,821,326	34,268,474	2.32x	16.51
Portfolio Advisors X	Jul-20	30,000,000	22,375,545	7,624,455	1,055,547	31,858,600	32,914,147	1.47x	15.47

Cash Flow Activity for 3 Months

Fund Name	Date	Transaction Type	Cash Outflows	Cash Inflows	Net Cash Flows
Total			-515,924	1,454,940	939,016
Portfolio Advisors X	11/27/2023	Capital Call	-400,840	-	
Portfolio Advisors VI	12/08/2023	Distribution	-	76,912	
Portfolio Advisors VIII	12/22/2023	Distribution	-	1,240,909	
Portfolio Advisors VIII	12/22/2023	Distribution	-	16,684	
Portfolio Advisors VIII	12/22/2023	Interest Received	-	183	
Portfolio Advisors X	12/22/2023	Distribution	-	120,252	
Portfolio Advisors X	12/22/2023	Capital Call	-115,084	-	

Historical Benchmark Composition

Policy Index

- 12/31/1994 The index consists of 65.00% S&P 500, 35.00% Bloomberg US Aggregate.
- 01/31/2017 The index consists of 65.00% MSCI ACWI NetDiv, 5.00% NFI ODCE, 30.00% Bloomberg US Aggregate.
- 08/31/2022 The index consists of 65.00% MSCI ACWI NetDiv, 10.00% NFI ODCE, 25.00% Bloomberg US Aggregate.

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