



County Employees' Retirement Fund

Monthly ASAP Report

February 29, 2024



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.

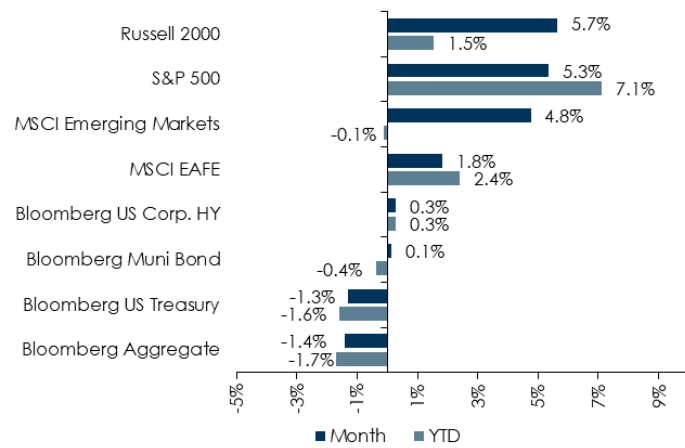
Methodology and Disclosure: Between February and November of 2022, Coalition Greenwich (previously known as Greenwich Associates), conducted in-person and phone interviews and online surveys with 727 professionals at 590 of the largest tax-exempt funds in the United States, including corporate and union 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

- Inflation rose more than expected in January, pushing market forecasts for the Fed to initiate a rate cutting cycle further into 2024
- The US jobs market exceeded expectations with 353,000 jobs added vs. 185,000 expected, and the unemployment rate held steady at 3.7%
- Consumer spending fell 0.1% in January when adjusted for inflation, its first decline since August 2023

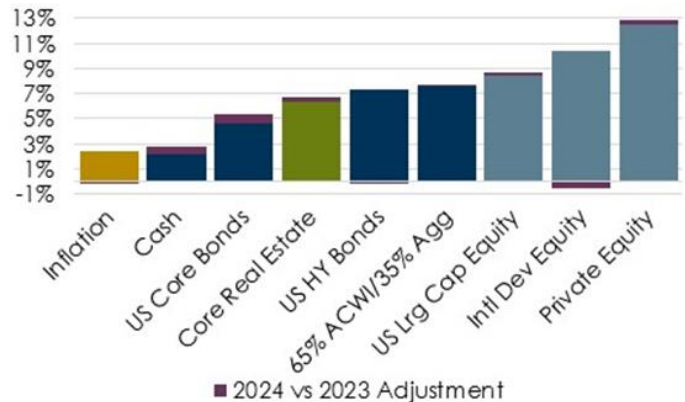
Market Returns

- Equities moved higher as tech earnings boosted sentiment
- Bond prices fell with inflation results sending yields higher



Source: Bloomberg, ACG Research (as of 2/29/2024)

ACG's Average Annual Return Assumptions (Next 10 Years)



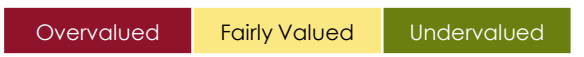
Asset Class Valuations - Rebalancing Rationale

- Equities discounting a soft landing and easing monetary policy
- 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

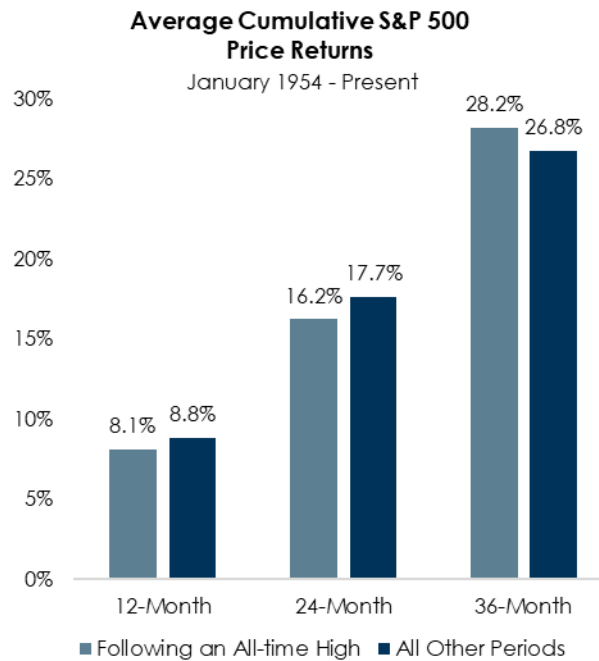
Core Real Estate	Overvalued	Historically low (but rising) cap rates
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Key Risk Factors We Are Watching

- 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

Long-Term Investors Shouldn't Fear Market Peaks



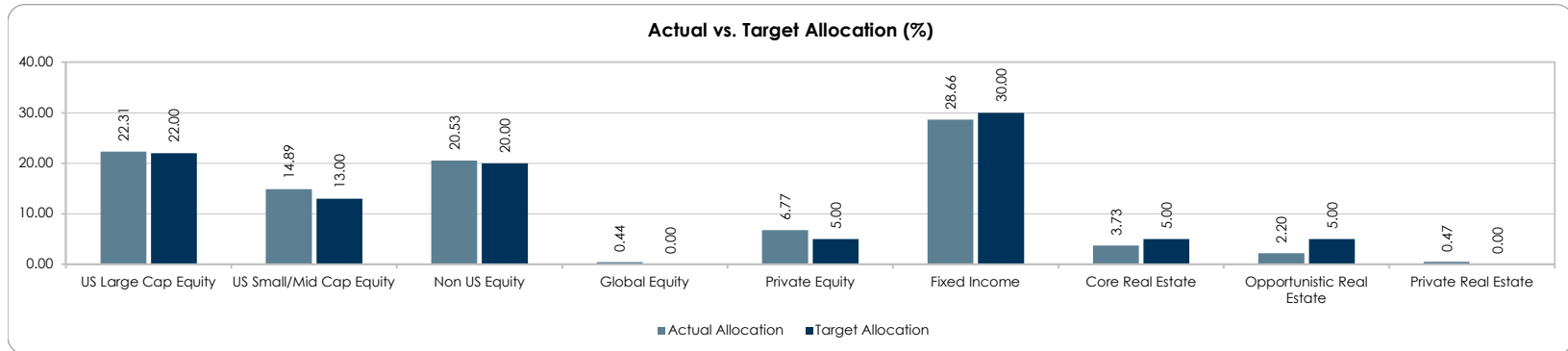
Source: Bloomberg (as of 2/29/2024)

Recent Articles (click on links below)

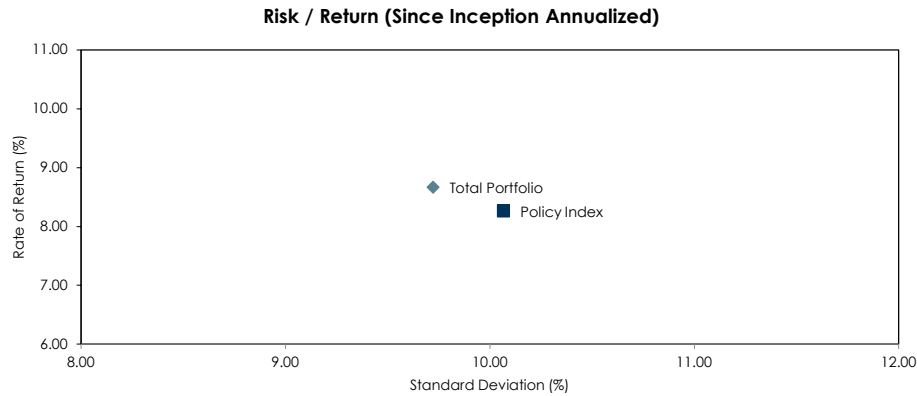
- [Is Cash King? \(February\)](#)
- [Japan – Can the Recent Equity Rally Continue? \(January\)](#)
- [Global Manufacturing \(November\)](#)

County Employees' Retirement Fund

For the Periods Ending February 29, 2024



Asset Class	Market Value (\$000s)	Actual Allocation (%)	Target Allocation (%)	Over/Under (%)
Total Portfolio	769,557	100.00	100.00	
Equity	499,768	64.94	60.00	4.94
US Large Cap Equity	171,699	22.31	22.00	0.31
US Small/Mid Cap Equity	114,570	14.89	13.00	1.89
Non US Equity	158,022	20.53	20.00	0.53
Global Equity	3,415	0.44	0.00	0.44
Private Equity	52,063	6.77	5.00	1.77
Fixed Income	220,568	28.66	30.00	-1.34
Real Assets	49,220	6.40	10.00	-3.60
Core Real Estate	28,674	3.73	5.00	-1.27
Opportunistic Real Estate	16,946	2.20	5.00	-2.80
Private Real Estate	3,600	0.47	0.00	0.47



Return Statistics (Since Inception Annualized)

	Total Portfolio	Policy Index
Return (%)	8.67	8.26
Standard Deviation (%)	9.72	10.07
Sharpe Ratio	0.67	0.60

Benchmark Relative Statistics

Beta	0.90
Up Capture (%)	93.82
Down Capture (%)	88.19

County Employees' Retirement Fund

For the Periods Ending February 29, 2024

		Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Total Portfolio (01/95)		769,557	100.00	2.11	2.19	12.07	4.97	8.67	7.29	8.67
	<i>Policy Index ¹</i>			2.44	2.76	14.21	3.60	7.29	7.32	8.26
US Large Cap Equity (06/01)		171,699	22.31	5.34	7.11	30.45	11.61	15.47	12.59	10.09
	<i>S&P 500</i>			5.34	7.11	30.45	11.91	14.76	12.70	8.42
US Small/Mid Cap Equity (01/02)		114,570	14.89	8.07	6.87	18.41	7.63	13.53	11.45	9.93
	<i>Russell 2500</i>			5.44	2.68	12.25	2.15	8.84	8.36	9.17
Non US Equity (11/02)		158,022	20.53	0.98	-0.16	15.08	5.78	6.68	5.06	8.16
	<i>MSCI EAFE NetDiv</i>			1.83	2.42	14.41	4.45	6.77	4.39	7.02
Long/Short Equity (04/08) *		3,415	0.44	--	--	--	--	--	--	--
	<i>HFRI FOF: Strategic</i>			2.32	2.78	9.29	0.46	4.75	3.31	2.41
Private Equity (11/09) *		52,063	6.77	0.00	0.00	1.60	11.43	14.50	13.85	12.16
	<i>S&P 500</i>			5.34	7.11	30.45	11.91	14.76	12.70	13.96
Fixed Income (08/03)		220,568	28.66	-0.89	-0.72	5.52	-0.91	2.53	2.07	4.24
	<i>Bloomberg US Aggregate</i>			-1.41	-1.68	3.33	-3.16	0.56	1.43	3.17
Core Real Estate (10/05)		28,674	3.73	-2.40	-2.55	-15.10	1.47	2.15	6.15	4.86
	<i>NFI ODCE</i>			0.00	0.00	-12.02	4.92	4.24	7.28	6.25
Opportunistic Real Estate (08/22)		16,946	2.20	-0.74	-0.61	-20.89	--	--	--	-20.75
	<i>NFI ODCE</i>			0.00	0.00	-12.02	4.92	4.24	7.28	-10.40
Building Valuation		3,600	0.47	--	--	--	--	--	--	--

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 February 29, 2024

	Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Equity									
US Large Cap Equity									
Northern Trust S&P 500 Index (06/21)	171,699	22.31	5.34	7.11	30.45	--	--	--	8.95
S&P 500			5.34	7.11	30.45	11.91	14.76	12.70	8.95
US Small/Mid Cap Equity									
William Blair SMID Cap Growth (08/16)	56,756	7.38	9.01	7.09	18.29	1.10	10.51	--	13.07
Russell 2500 Growth			8.10	5.66	16.06	-2.79	8.76	9.03	10.73
Burgundy Asset Management (07/04)	57,814	7.51	7.33	6.67	18.44	13.31	15.77	12.72	12.48
Russell 2000 Value			3.27	-1.42	5.61	2.49	6.62	6.55	7.32
Non US Equity									
Brandes (10/98)	74,857	9.73	0.89	-0.00	19.68	10.11	8.13	5.47	8.45
MSCI EAFE NetDiv			1.83	2.42	14.41	4.45	6.77	4.39	5.23
MSCI EAFE Value NetDiv			0.18	0.11	12.12	6.25	5.38	2.99	5.34
Barings Focused EAFE Plus Equity (05/12)	61,005	7.93	0.50	-0.93	9.30	0.98	5.51	4.97	5.51
MSCI EAFE NetDiv			1.83	2.42	14.41	4.45	6.77	4.39	6.31
MSCI EAFE Growth NetDiv			3.38	4.60	16.62	2.36	7.69	5.54	7.01
Vanguard FTSE Developed Markets ETF (03/24)	22,160	2.88	--	--	--	--	--	--	--
FTSE Developed All Cap ex US			1.81	1.45	13.82	3.85	6.98	4.80	--
Long/Short Equity									
ABS Global (03/15) * 2	3,415	0.44	--	--	--	--	--	--	--
HFRI FOF: Strategic			2.32	2.78	9.29	0.46	4.75	3.31	3.29
Private Equity (11/09)	52,063	6.77	0.00	0.00	1.60	11.43	14.50	13.85	12.16
S&P 500			5.34	7.11	30.45	11.91	14.76	12.70	13.96

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	Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Fixed Income									
Loomis Sayles (04/01)	64,102	8.33	-1.26	-1.14	4.45	-2.24	1.93	2.51	4.93
<i>Bloomberg US Aggregate</i>			-1.41	-1.68	3.33	-3.16	0.56	1.43	3.53
Baird Core Plus (11/16)	63,833	8.29	-1.24	-1.25	4.98	-2.22	1.71	--	1.79
<i>Bloomberg Universal</i>			-1.20	-1.44	4.06	-2.81	0.85	1.73	1.03
BlackRock Strategic Opportunities Fund (03/17)	88,159	11.46	-0.41	-0.10	6.77	1.12	3.66	--	3.43
<i>Bloomberg US Aggregate</i>			-1.41	-1.68	3.33	-3.16	0.56	1.43	0.92
Deferred Comp (01/13)	18	0.00	0.41	0.86	5.14	2.42	1.86	1.23	1.11
Cash and Equivalents (01/13)	4,456	0.58	0.41	0.85	5.13	2.48	1.90	1.27	1.14
<i>US T-Bills 90 Day</i>			0.41	0.84	5.22	2.43	1.97	1.33	1.20
Real Assets									
Core Real Estate									
JP Morgan Strategic Property Fund (04/15)	28,674	3.73	-2.40	-2.55	-15.10	1.47	2.15	--	5.09
<i>NFI ODCE</i>			0.00	0.00	-12.02	4.92	4.24	7.28	6.38
Opportunistic Real Estate									
JP Morgan Special Situations Property Fund (08/22)	16,946	2.20	-0.74	-0.61	-20.89	--	--	--	-20.75
<i>NFI ODCE</i>			0.00	0.00	-12.02	4.92	4.24	7.28	-10.40
Building Valuation	3,600	0.47	--	--	--	--	--	--	--

Building Valuation is not included in performance.

* Performance is Net of Fees.

² Manager Holdback

Private Equity

For the Period Ending February 29, 2024

Summary of Cash Flows for 1 Month

Cash Outflows	Cash Inflows	Net Cash Flows
-	-	-

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	52,062,649	81,258,802	1.86x	14.25
Portfolio Advisors VI	Nov-09	10,000,000	6,474,540	1,025,461	11,693,458	2,756,555	14,450,013	2.23x	12.29
Portfolio Advisors VIII	Nov-15	20,000,000	14,753,050	5,246,950	16,447,148	17,496,334	33,943,482	2.30x	16.11
Portfolio Advisors X	Jul-20	30,000,000	22,375,545	7,624,455	1,055,547	31,809,760	32,865,307	1.47x	14.46

Cash Flow Activity for 1 Month

Fund Name	Date	Transaction Type	Cash Outflows	Cash Inflows	Net Cash Flows
Total			-	-	-

Market Overview

For the Periods Ending February 29, 2024

	1 Month (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Equity Markets - Core						
S&P 500	5.34	7.11	30.45	11.91	14.76	12.70
Russell 1000	5.40	6.87	29.81	10.66	14.43	12.39
Russell 2000	5.65	1.54	10.05	-0.94	6.89	7.13
Russell 2500	5.44	2.68	12.25	2.15	8.84	8.36
Russell Mid Cap	5.59	4.08	15.46	5.51	10.35	9.45
Equity Markets - Growth						
S&P 500 Growth	7.30	10.40	38.60	10.38	15.91	14.24
Russell 1000 Growth	6.82	9.49	45.93	12.49	18.77	15.66
Russell 2000 Growth	8.12	4.66	14.18	-4.59	6.50	7.33
Russell 2500 Growth	8.10	5.66	16.06	-2.79	8.76	9.03
Russell Mid Cap Growth	7.52	6.94	25.03	3.13	11.59	10.88
Equity Markets - Value						
S&P 500 Value	3.05	3.35	21.68	12.78	12.49	10.41
Russell 1000 Value	3.69	3.80	14.01	8.41	9.38	8.74
Russell 2000 Value	3.27	-1.42	5.61	2.49	6.62	6.55
Russell 2500 Value	4.01	1.09	9.70	5.37	8.04	7.31
Russell Mid Cap Value	4.78	2.90	10.87	6.80	8.94	8.19
International Markets						
MSCI EAFE NetDiv	1.83	2.42	14.41	4.45	6.77	4.39
MSCI ACWI NetDiv	4.29	4.90	23.15	6.79	10.51	8.37
MSCI World NetDiv	4.24	5.49	24.96	8.64	11.66	9.06
MSCI World ex US NetDiv	1.71	2.15	14.01	4.65	6.88	4.41
Fixed Income						
ICE BofA 1-3 Yr Treasury	-0.41	-0.02	4.27	-0.02	1.22	1.02
ICE BofA High Yield Master II	0.30	0.33	10.97	1.88	3.99	4.26
Bloomberg US Aggregate	-1.41	-1.68	3.33	-3.16	0.56	1.43
Bloomberg Intermediate G/C	-0.99	-0.79	4.38	-1.53	1.24	1.51
Bloomberg 10 Yr Municipal	0.05	-0.45	4.63	0.15	2.14	2.85
Bloomberg US Credit	-1.44	-1.62	5.70	-2.78	1.63	2.38

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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