



County Employees' Retirement Fund

Monthly ASAP Report

January 31, 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.

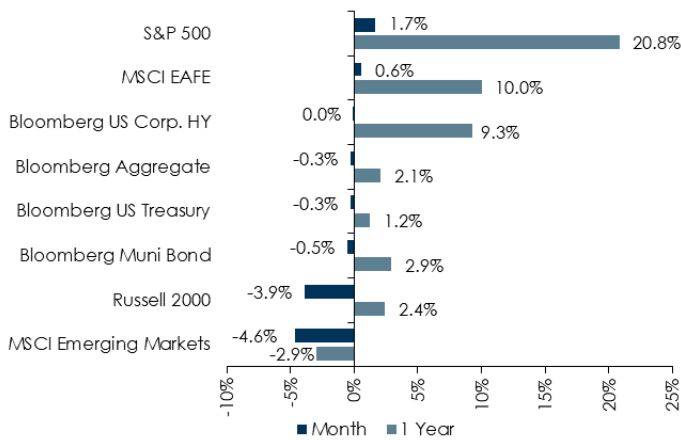
Methodology and Disclosure: Between February and November of 2022, Coalition Greenwich (previously known as Greenwich Associates), conducted in-person and phone interviews and online surveys with 727 professionals at 590 of the largest tax-exempt funds in the United States, including corporate and union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

- US GDP exceeded expectations with a 3.3% annualized growth rate in the 4th quarter, bringing total 2023 calendar year growth to 3.1%
- The US Fed held rates steady for a 4th consecutive meeting but also pushed back against expectations for imminent rate cuts
- Prices rose more than expected with headline CPI rising 3.4% as the increase in shelter costs remain a drag on inflation's path to the 2% target

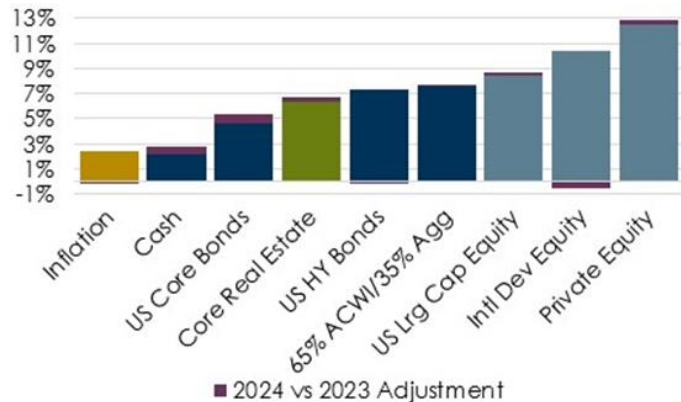
Market Returns

- Mixed returns saw large caps beat small and US beat non-US
- EM lagged as China's equity underperformance continued



Source: Bloomberg, ACG Research (as of 1/31/2024)

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



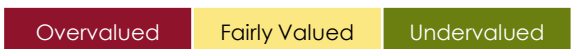
Asset Class Valuations - Rebalancing Rationale

- Equities discounting a soft landing and brisk pace of policy easing
- 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

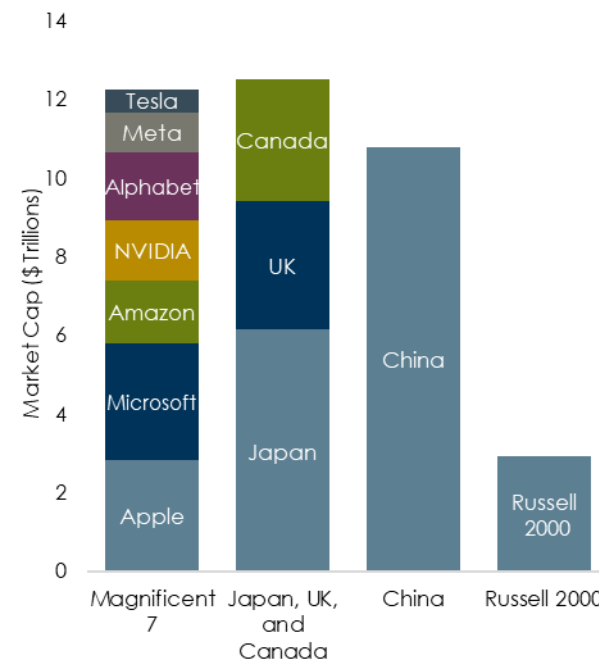
Core Real Estate	Overvalued	Historically low (but rising) cap rates
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Key Risk Factors We Are Watching

- 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

Mega Cap Values Exceed Entire Global Markets



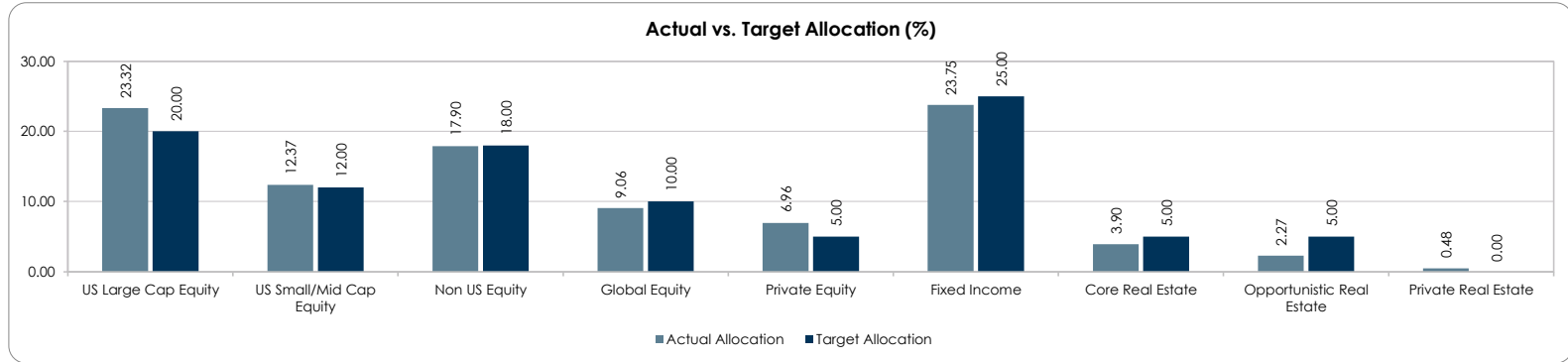
Source: Morningstar, World Federation of Exchanges (as of 1/31/2024)

Recent Articles (click on links below)

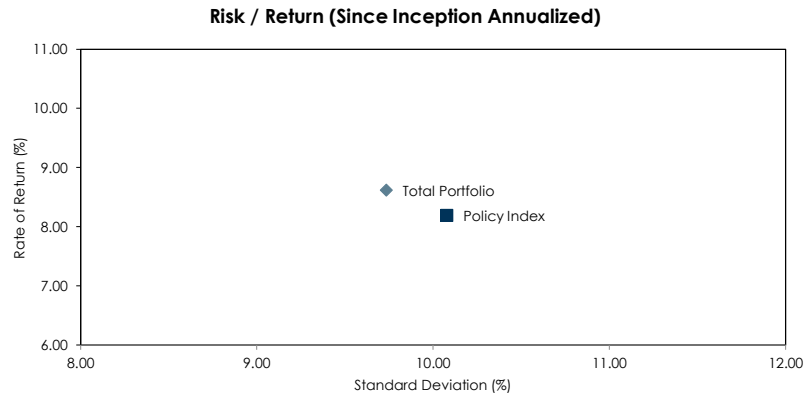
- [Is Cash King? \(February\)](#)
- [Japan – Can the Recent Equity Rally Continue? \(January\)](#)
- [Global Manufacturing \(November\)](#)

County Employees' Retirement Fund

For the Periods Ending January 31, 2024



Asset Class	Market Value (\$000s)	Actual Allocation (%)	Target Allocation (%)	Over/Under (%)
Total Portfolio	753,590	100.00	100.00	
Equity	524,567	69.61	65.00	4.61
US Large Cap Equity	175,711	23.32	20.00	3.32
US Small/Mid Cap Equity	93,225	12.37	12.00	0.37
Non US Equity	134,897	17.90	18.00	-0.10
Global Equity	68,297	9.06	10.00	-0.94
Private Equity	52,436	6.96	5.00	1.96
Fixed Income	178,972	23.75	25.00	-1.25
Real Assets	50,052	6.64	10.00	-3.36
Core Real Estate	29,381	3.90	5.00	-1.10
Opportunistic Real Estate	17,071	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 (%)	8.62	8.19
Standard Deviation (%)	9.73	10.08
Sharpe Ratio	0.66	0.60
Benchmark Relative Statistics		
Beta		0.90
Up Capture (%)		93.87
Down Capture (%)		88.19

County Employees' Retirement Fund

For the Periods Ending January 31, 2024

	Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Total Portfolio (01/95)	753,590	100.00	0.08	8.17	5.23	8.71	7.40	8.62
<i>Policy Index ¹</i>			0.31	8.70	3.14	7.14	7.40	8.19
US Large Cap Equity (06/01)	175,711	23.32	1.68	20.82	11.55	15.40	12.46	9.87
<i>S&P 500</i>			1.68	20.82	10.99	14.30	12.62	8.21
US Small/Mid Cap Equity (01/02)	93,225	12.37	-1.10	8.52	6.98	12.94	11.09	9.59
<i>Russell 2500</i>			-2.62	3.96	2.50	8.69	8.32	8.94
Non US Equity (11/02)	134,897	17.90	-1.13	12.98	6.65	6.54	5.42	8.14
<i>MSCI EAFE NetDiv</i>			0.58	10.01	4.59	6.92	4.77	6.96
Long/Short Equity (04/08) *	68,297	9.06	0.00	6.22	1.67	5.47	4.16	3.72
<i>HFRI FOF: Strategic</i>			0.87	5.51	0.81	4.63	3.31	2.30
Private Equity (11/09) *	52,436	6.96	0.00	2.31	11.77	14.67	13.93	12.29
<i>S&P 500</i>			1.68	20.82	10.99	14.30	12.62	13.63
Fixed Income (08/03)	178,972	23.75	0.17	4.34	-0.87	2.77	2.29	4.30
<i>Bloomberg US Aggregate</i>			-0.27	2.10	-3.17	0.83	1.63	3.26
Core Real Estate (10/05)	29,381	3.90	-0.15	-14.21	2.51	2.71	6.41	5.03
<i>NFI ODCE</i>			0.00	-12.02	4.92	4.24	7.28	6.28
Opportunistic Real Estate (08/22)	17,071	2.27	0.12	-21.84	--	--	--	-21.38
<i>NFI ODCE</i>			0.00	-12.02	4.92	4.24	7.28	-10.94
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 January 31, 2024

	Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Equity								
US Large Cap Equity								
Northern Trust S&P 500 Index (06/21)	175,711	23.32	1.68	20.82	--	--	--	7.13
S&P 500			1.68	20.82	10.99	14.30	12.62	7.13
US Small/Mid Cap Equity								
William Blair SMID Cap Growth (08/16)	39,361	5.22	-1.76	5.72	-0.28	10.03	--	11.93
Russell 2500 Growth			-2.26	5.66	-4.30	8.45	8.74	9.71
Burgundy Asset Management (07/04)	53,864	7.15	-0.62	10.65	13.42	15.02	12.28	12.13
Russell 2000 Value			-4.54	-0.09	4.48	6.74	6.68	7.18
Non US Equity								
Brandes (10/98)	74,194	9.85	-0.89	17.99	11.41	7.90	5.87	8.44
MSCI EAFE NetDiv			0.58	10.01	4.59	6.92	4.77	5.17
MSCI EAFE Value NetDiv			-0.07	10.35	7.85	5.69	3.53	5.35
Barings Focused EAFE Plus Equity (05/12)	60,703	8.06	-1.42	7.40	1.62	5.64	5.32	5.51
MSCI EAFE NetDiv			0.58	10.01	4.59	6.92	4.77	6.20
MSCI EAFE Growth NetDiv			1.19	9.66	1.12	7.71	5.76	6.76
Long/Short Equity								
ABS Global (03/15) *	68,297	9.06	0.00	6.22	1.67	5.47	--	3.76
HFRI FOF: Strategic			0.87	5.51	0.81	4.63	3.31	3.10
Private Equity (11/09)	52,436	6.96	0.00	2.31	11.77	14.67	13.93	12.29
S&P 500			1.68	20.82	10.99	14.30	12.62	13.63

County Employees' Retirement Fund

For the Periods Ending January 31, 2024

	Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Fixed Income								
Loomis Sayles (04/01)	52,338	6.95	0.12	2.84	-2.27	2.23	2.84	5.01
<i>Bloomberg US Aggregate</i>			-0.27	2.10	-3.17	0.83	1.63	3.61
Baird Core Plus (11/16)	52,018	6.90	-0.01	3.69	-2.23	2.02	--	1.99
<i>Bloomberg Universal</i>			-0.24	2.73	-2.84	1.11	1.92	1.21
BlackRock Strategic Opportunities Fund (03/17)	70,958	9.42	0.31	5.90	1.44	3.81	--	3.53
<i>Bloomberg US Aggregate</i>			-0.27	2.10	-3.17	0.83	1.63	1.14
Deferred Comp (01/13)	18	0.00	0.44	5.00	2.28	1.81	1.19	1.08
Cash and Equivalents (01/13)	3,640	0.48	0.44	5.07	2.34	1.85	1.23	1.11
<i>US T-Bills 90 Day</i>			0.43	5.13	2.29	1.93	1.29	1.17
Real Assets								
Core Real Estate								
JP Morgan Strategic Property Fund (04/15)	29,381	3.90	-0.15	-14.21	2.51	2.71	--	5.43
<i>NFI ODCE</i>			0.00	-12.02	4.92	4.24	7.28	6.45
Opportunistic Real Estate								
JP Morgan Special Situations Property Fund (08/22)	17,071	2.27	0.12	-21.84	--	--	--	-21.38
<i>NFI ODCE</i>			0.00	-12.02	4.92	4.24	7.28	-10.94
Building Valuation	3,600	0.48	--	--	--	--	--	--

Building Valuation is not included in performance.

* Performance is Net of Fees.

County Employees' Retirement Fund

For the Period Ending January 31, 2024

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	52,436,481	81,632,634	1.87x	14.45
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	12.31
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	16.39
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	14.96

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	-	

Market Overview

For the Periods Ending January 31, 2024

	1 Month (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Equity Markets - Core					
S&P 500	1.68	20.82	10.99	14.30	12.62
Russell 1000	1.39	20.23	9.78	13.99	12.32
Russell 2000	-3.89	2.40	-0.76	6.80	7.03
Russell 2500	-2.62	3.96	2.50	8.69	8.32
Russell Mid Cap	-1.42	6.70	5.50	10.08	9.48
Equity Markets - Growth					
S&P 500 Growth	2.89	26.67	7.81	15.21	14.02
Russell 1000 Growth	2.49	34.99	10.03	18.04	15.48
Russell 2000 Growth	-3.21	4.46	-6.03	6.17	7.00
Russell 2500 Growth	-2.26	5.66	-4.30	8.45	8.74
Russell Mid Cap Growth	-0.54	15.14	1.24	11.24	10.75
Equity Markets - Value					
S&P 500 Value	0.30	14.57	13.82	12.32	10.50
Russell 1000 Value	0.10	6.08	9.23	9.28	8.80
Russell 2000 Value	-4.54	-0.09	4.48	6.74	6.68
Russell 2500 Value	-2.81	2.49	7.00	7.85	7.41
Russell Mid Cap Value	-1.79	2.42	7.80	8.61	8.25
International Markets					
MSCI EAFE NetDiv	0.58	10.01	4.59	6.92	4.77
MSCI ACWI NetDiv	0.59	14.70	6.12	10.16	8.43
MSCI World NetDiv	1.20	16.99	8.06	11.39	9.14
MSCI World ex US NetDiv	0.43	9.48	4.94	7.06	4.79
Fixed Income					
ICE BofA 1-3 Yr Treasury	0.40	3.95	0.09	1.32	1.08
ICE BofA High Yield Master II	0.04	9.21	1.89	4.27	4.44
Bloomberg US Aggregate	-0.27	2.10	-3.17	0.83	1.63
Bloomberg Intermediate G/C	0.21	3.53	-1.47	1.46	1.65
Bloomberg 10 Yr Municipal	-0.50	2.49	-0.43	2.24	2.97
Bloomberg US Credit	-0.18	4.02	-2.88	1.97	2.64

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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