

# County Employees' Retirement Fund

***Monthly ASAP Report***

May 31, 2024



2018    2019    2020    2021    2022    **2023**

**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.**

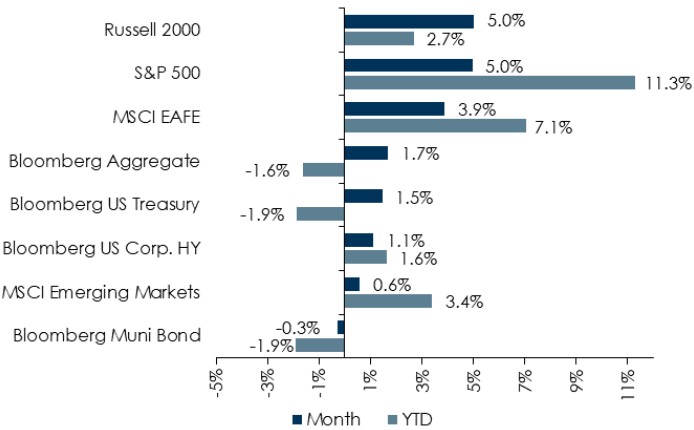
**Methodology and Disclosure:** Between February and November 2023, Coalition Greenwich conducted interviews with 708 individuals from 575 of the largest tax-exempt funds in the United States. These U.S.-based institutional investors are corporate, public, union, and endowment and foundation funds with either pension or investment pool assets greater than \$150 million. Study participants were asked to provide quantitative and qualitative evaluations of their asset management and investment consulting providers, including qualitative assessments of those firms soliciting their business and detailed information on important market trends. ACG is one of three 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

- Core CPI's year-over-year reading met expectations, falling from 3.8% to 3.6% and ending 2024's string of hotter than expected inflation reports
- US growth trended cooler in the month, with unemployment ticking up from 3.8% to 3.9% and a 0.1% decline in real consumer spending
- The FOMC held interest rates steady in May and is expected to do the same in June, with 1-2 cuts still forecast for later in 2024

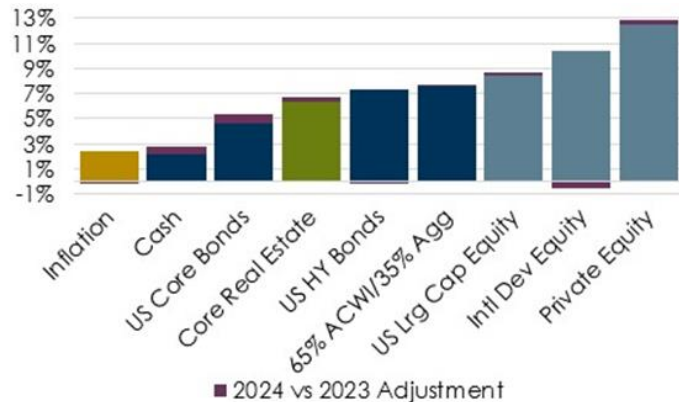
### Market Returns

- Most equity regions/styles positive; US led, EM lagged
- Bonds higher (except Munis) with rates falling on softer inflation



Source: Bloomberg, ACG Research (as of 5/31/2024)

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



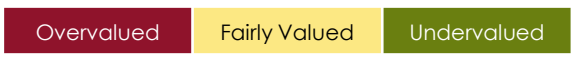
### Asset Class Valuations - Rebalancing Rationale

- Equities discounting a soft landing and eventual 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	Fair valuations, mixed growth across regions
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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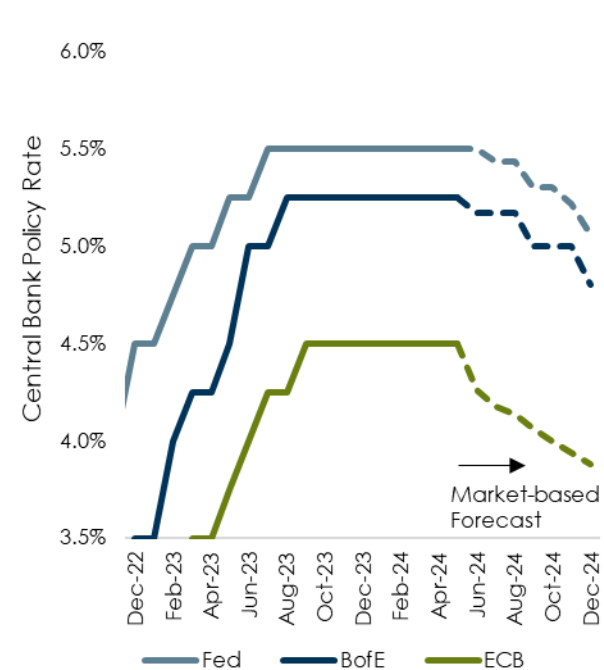
### Recent Articles (click on links below)

- [The Evolution of Private Wealth \(April\)](#)
- [Fiscal Policy Impact of 2024 Election \(April\)](#)
- [Is Cash King? \(February\)](#)

### Key Risk Factors We Are Watching

- Stronger inflation and labor market data
- Rising headwinds for consumers (higher rates, student loan repayments, depleted savings...)
- Potential Fed policy error
- Headwinds to corporate earnings
- Rising geopolitical tensions
- Weaker than expected China recovery

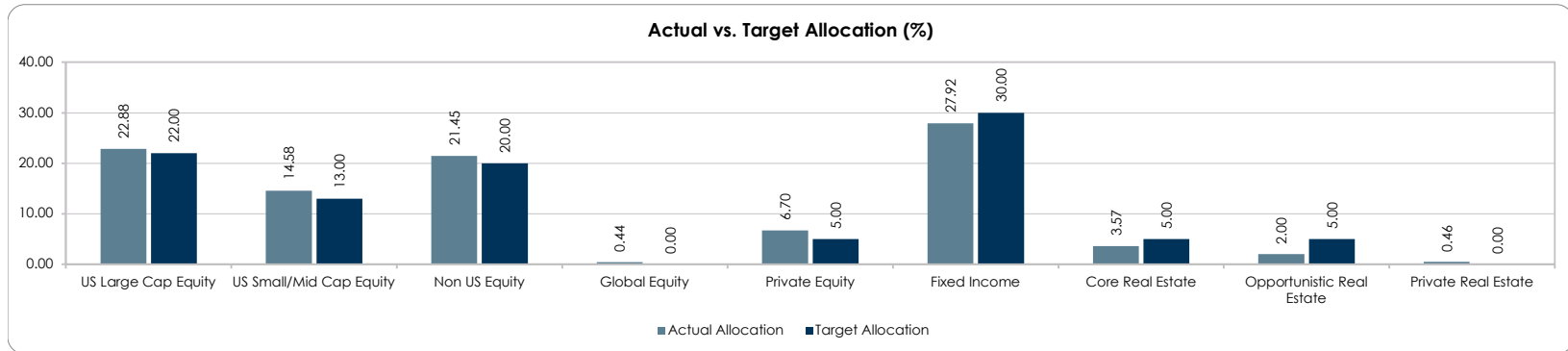
### Fed Easing Delayed but ECB Set to Cut in June



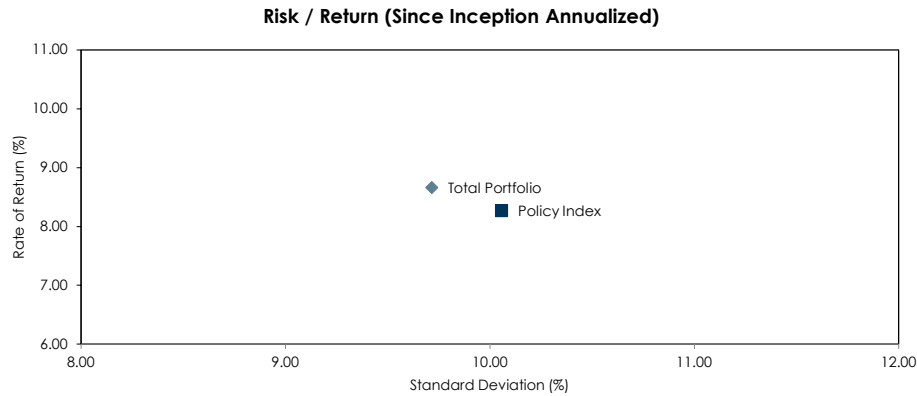
Source: Bloomberg, CME (5/31/2024)

## County Employees' Retirement Fund

For the Periods Ending May 31, 2024



Asset Class	Market Value (\$000s)	Actual Allocation (%)	Target Allocation (%)	Over/Under (%)
<b>Total Portfolio</b>	<b>779,688</b>	<b>100.00</b>	<b>100.00</b>	
<b>Equity</b>	<b>514,980</b>	<b>66.05</b>	<b>60.00</b>	<b>6.05</b>
US Large Cap Equity	178,411	22.88	22.00	0.88
US Small/Mid Cap Equity	113,699	14.58	13.00	1.58
Non US Equity	167,235	21.45	20.00	1.45
Global Equity	3,415	0.44	0.00	0.44
Private Equity	52,220	6.70	5.00	1.70
<b>Fixed Income</b>	<b>217,670</b>	<b>27.92</b>	<b>30.00</b>	<b>-2.08</b>
<b>Real Assets</b>	<b>47,037</b>	<b>6.03</b>	<b>10.00</b>	<b>-3.97</b>
Core Real Estate	27,851	3.57	5.00	-1.43
Opportunistic Real Estate	15,587	2.00	5.00	-3.00
Private Real Estate	3,600	0.46	0.00	0.46



### Return Statistics (Since Inception Annualized)

	Total Portfolio	Policy Index
Return (%)	8.66	8.27
Standard Deviation (%)	9.71	10.06
Sharpe Ratio	0.66	0.60

### Benchmark Relative Statistics

Beta	0.90
Up Capture (%)	93.82
Down Capture (%)	88.34

## County Employees' Retirement Fund

For the Periods Ending May 31, 2024

		Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
<b>Total Portfolio (01/95)</b>		<b>779,688</b>	<b>100.00</b>	<b>2.96</b>	<b>4.10</b>	<b>12.99</b>	<b>3.89</b>	<b>9.10</b>	<b>7.39</b>	<b>8.66</b>
	<i>Policy Index <sup>1</sup></i>			3.06	5.06	14.00	2.44	7.72	7.22	8.27
<b>US Large Cap Equity (06/01)</b>		<b>178,411</b>	<b>22.88</b>	<b>4.96</b>	<b>11.30</b>	<b>28.19</b>	<b>9.58</b>	<b>16.71</b>	<b>12.91</b>	<b>10.16</b>
	<i>S&amp;P 500</i>			4.96	11.30	28.19	9.57	15.80	12.69	8.51
<b>US Small/Mid Cap Equity (01/02)</b>		<b>113,699</b>	<b>14.58</b>	<b>3.83</b>	<b>6.15</b>	<b>22.61</b>	<b>5.56</b>	<b>13.43</b>	<b>11.66</b>	<b>9.79</b>
	<i>Russell 2500</i>			4.16	3.91	21.70	0.60	10.14	8.66	9.12
<b>Non US Equity (11/02)</b>		<b>167,235</b>	<b>21.45</b>	<b>3.87</b>	<b>5.74</b>	<b>21.05</b>	<b>4.49</b>	<b>8.75</b>	<b>5.41</b>	<b>8.35</b>
	<i>MSCI EAFE NetDiv</i>			3.87	7.07	18.53	3.06	8.05	4.60	7.16
<b>Long/Short Equity (04/08) *</b>		<b>3,415</b>	<b>0.44</b>	--	--	--	--	--	--	--
	<i>HFRI FOF: Strategic</i>			0.00	3.75	10.47	0.19	4.80	3.42	2.42
<b>Private Equity (11/09) *</b>		<b>52,220</b>	<b>6.70</b>	<b>0.00</b>	<b>-0.41</b>	<b>1.72</b>	<b>11.45</b>	<b>14.83</b>	<b>13.19</b>	<b>11.92</b>
	<i>S&amp;P 500</i>			4.96	11.30	28.19	9.57	15.80	12.69	14.00
<b>Fixed Income (08/03)</b>		<b>217,670</b>	<b>27.92</b>	<b>1.60</b>	<b>-0.13</b>	<b>4.37</b>	<b>-0.78</b>	<b>2.02</b>	<b>1.95</b>	<b>4.22</b>
	<i>Bloomberg US Aggregate</i>			1.70	-1.64	1.31	-3.10	-0.17	1.26	3.14
<b>Core Real Estate (10/05)</b>		<b>27,851</b>	<b>3.57</b>	<b>0.00</b>	<b>-5.10</b>	<b>-15.08</b>	<b>-0.17</b>	<b>1.46</b>	<b>5.68</b>	<b>4.65</b>
	<i>NFI ODCE</i>			0.00	-2.37	-11.29	3.37	3.45	6.76	6.02
<b>Opportunistic Real Estate (08/22)</b>		<b>15,587</b>	<b>2.00</b>	<b>0.00</b>	<b>-8.19</b>	<b>-24.66</b>	--	--	--	<b>-21.66</b>
	<i>NFI ODCE</i>			0.00	-2.37	-11.29	3.37	3.45	6.76	-10.23
<b>Building Valuation</b>		<b>3,600</b>	<b>0.46</b>	--	--	--	--	--	--	--

<sup>1</sup> 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 May 31, 2024

	Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
<b>Equity</b>									
<b>US Large Cap Equity</b>									
Northern Trust S&P 500 Index (06/21)	178,411	22.88	4.96	11.30	28.19	9.57	--	--	9.57
S&P 500			4.96	11.30	28.19	9.57	15.80	12.69	9.57
<b>US Small/Mid Cap Equity</b>									
William Blair SMID Cap Growth (08/16)	54,845	7.03	3.36	3.76	18.81	0.32	9.81	--	12.18
Russell 2500 Growth			4.06	4.49	18.26	-2.25	9.32	9.39	10.21
Burgundy Asset Management (07/04)	58,854	7.55	4.26	8.59	26.24	10.04	16.29	12.97	12.42
Russell 2000 Value			4.68	0.85	21.76	-0.17	8.77	6.87	7.35
<b>Non US Equity</b>									
Brandes (10/98)	81,120	10.40	4.37	8.36	29.41	8.47	11.19	5.86	8.70
MSCI EAFE NetDiv			3.87	7.07	18.53	3.06	8.05	4.60	5.36
MSCI EAFE Value NetDiv			3.94	7.49	23.58	5.72	7.78	3.43	5.58
Barings Focused EAFE Plus Equity (05/12)	63,027	8.08	2.94	2.35	11.54	0.10	6.35	5.44	5.68
MSCI EAFE NetDiv			3.87	7.07	18.53	3.06	8.05	4.60	6.57
MSCI EAFE Growth NetDiv			3.81	6.70	13.76	0.25	7.90	5.54	7.04
Vanguard FTSE Developed Markets ETF (03/24)	23,089	2.96	4.67	--	--	--	--	--	4.81
FTSE Developed All Cap ex US			3.63	6.05	17.98	2.17	8.36	4.98	4.54
<b>Long/Short Equity</b>									
ABS Global (03/15) <sup>2</sup>	3,415	0.44	--	--	--	--	--	--	--
HFRI FOF: Strategic			0.00	3.75	10.47	0.19	4.80	3.42	3.29
Private Equity (11/09) *	52,220	6.70	0.00	-0.41	1.72	11.45	14.83	13.19	11.92
S&P 500			4.96	11.30	28.19	9.57	15.80	12.69	14.00

## County Employees' Retirement Fund

For the Periods Ending May 31, 2024

	Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
<b>Fixed Income</b>									
<b>Loomis Sayles (04/01)</b>	<b>64,141</b>	<b>8.23</b>	<b>1.92</b>	<b>-1.08</b>	<b>1.86</b>	<b>-2.30</b>	<b>1.24</b>	<b>2.21</b>	<b>4.88</b>
<i>Bloomberg US Aggregate</i>			1.70	-1.64	1.31	-3.10	-0.17	1.26	3.50
<b>Baird Core Plus (11/16)</b>	<b>64,085</b>	<b>8.22</b>	<b>1.80</b>	<b>-0.69</b>	<b>3.54</b>	<b>-2.00</b>	<b>1.06</b>	<b>--</b>	<b>1.81</b>
<i>Bloomberg Universal</i>			1.66	-1.18	2.38	-2.74	0.21	1.56	1.03
<b>BlackRock Strategic Opportunities Fund (03/17)</b>	<b>88,875</b>	<b>11.40</b>	<b>1.24</b>	<b>0.91</b>	<b>6.89</b>	<b>1.23</b>	<b>3.46</b>	<b>--</b>	<b>3.45</b>
<i>Bloomberg US Aggregate</i>			1.70	-1.64	1.31	-3.10	-0.17	1.26	0.89
<b>Deferred Comp (01/13)</b>	<b>18</b>	<b>0.00</b>	<b>0.44</b>	<b>2.18</b>	<b>5.29</b>	<b>2.86</b>	<b>2.01</b>	<b>1.37</b>	<b>1.20</b>
<b>Cash and Equivalents (01/13)</b>	<b>551</b>	<b>0.07</b>	<b>0.37</b>	<b>2.04</b>	<b>5.13</b>	<b>2.88</b>	<b>2.02</b>	<b>1.39</b>	<b>1.22</b>
<i>US T-Bills 90 Day</i>			0.48	2.21	5.45	2.89	2.12	1.47	1.30
<b>Real Assets</b>									
<b>Core Real Estate</b>									
<b>JP Morgan Strategic Property Fund (04/15)</b>	<b>27,851</b>	<b>3.57</b>	<b>0.00</b>	<b>-5.10</b>	<b>-15.08</b>	<b>-0.17</b>	<b>1.46</b>	<b>--</b>	<b>4.64</b>
<i>NFI ODCE</i>			0.00	-2.37	-11.29	3.37	3.45	6.76	5.93
<b>Opportunistic Real Estate</b>									
<b>JP Morgan Special Situations Property Fund (08/22)</b>	<b>15,587</b>	<b>2.00</b>	<b>0.00</b>	<b>-8.19</b>	<b>-24.66</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-21.66</b>
<i>NFI ODCE</i>			0.00	-2.37	-11.29	3.37	3.45	6.76	-10.23
<b>Building Valuation</b>	<b>3,600</b>	<b>0.46</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

Building Valuation is not included in performance.

\* Performance is Net of Fees

<sup>2</sup> Manager Holdback

### County Employees' Retirement Fund

For the Period Ending May 31, 2024

#### Summary of Cash Flows for 1 Month

Cash Outflows	Cash Inflows	Net Cash Flows
-281,425	-	-281,425

#### 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 (%)
<b>Total</b>	Nov-09	60,000,000	44,529,814	12,970,187	29,848,151	52,219,654	82,067,805	1.84x	13.85
Portfolio Advisors VI	Nov-09	10,000,000	6,474,540	1,025,461	11,784,055	<b>2,658,626</b>	14,442,681	2.23x	12.24
Portfolio Advisors VIII	Nov-15	20,000,000	14,753,050	5,246,950	16,848,213	<b>17,059,295</b>	33,907,508	2.30x	15.76
Portfolio Advisors X	Jul-20	30,000,000	23,302,224	6,697,776	1,215,883	<b>32,501,733</b>	33,717,616	1.45x	13.12

#### Cash Flow Activity for 1 Month

Fund Name	Date	Transaction Type	Cash Outflows	Cash Inflows	Net Cash Flows
<b>Total</b>			-281,425	-	-281,425
Portfolio Advisors X	5/23/2024	Capital Call	-281,425	-	



### 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.

## Market Overview

For the Periods Ending May 31, 2024

	1 Month (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
<b>Equity Markets - Core</b>						
S&P 500	4.96	11.30	28.19	9.57	15.80	12.69
Russell 1000	4.71	10.58	28.01	8.46	15.42	12.40
Russell 2000	5.02	2.68	20.12	-1.65	8.61	7.66
Russell 2500	4.16	3.91	21.70	0.60	10.14	8.66
Russell Mid Cap	2.85	5.66	23.11	3.10	11.07	9.47
<b>Equity Markets - Growth</b>						
S&P 500 Growth	6.60	15.50	31.77	8.97	16.69	14.43
Russell 1000 Growth	5.99	13.08	33.60	11.12	19.37	15.80
Russell 2000 Growth	5.36	4.62	18.38	-3.34	7.79	8.06
Russell 2500 Growth	4.06	4.49	18.26	-2.25	9.32	9.39
Russell Mid Cap Growth	1.07	4.24	21.91	1.57	11.06	10.67
<b>Equity Markets - Value</b>						
S&P 500 Value	2.97	6.48	24.03	9.40	13.79	10.19
Russell 1000 Value	3.17	7.64	21.71	5.45	10.74	8.61
Russell 2000 Value	4.68	0.85	21.76	-0.17	8.77	6.87
Russell 2500 Value	4.21	3.59	23.62	2.39	9.82	7.44
Russell Mid Cap Value	3.59	6.24	23.67	3.81	10.28	8.14
<b>International Markets</b>						
MSCI EAFE NetDiv	3.87	7.07	18.53	3.06	8.05	4.60
MSCI ACWI NetDiv	4.06	8.88	23.56	5.12	11.68	8.40
MSCI World NetDiv	4.47	9.52	24.92	6.67	12.76	9.13
MSCI World ex US NetDiv	3.82	6.72	18.48	3.05	8.15	4.60
<b>Fixed Income</b>						
ICE BofA 1-3 Yr Treasury	0.69	0.67	3.43	0.16	1.05	1.07
ICE BofA High Yield Master II	1.13	1.65	11.17	1.78	4.03	4.20
Bloomberg US Aggregate	1.70	-1.64	1.31	-3.10	-0.17	1.26
Bloomberg Intermediate G/C	1.21	-0.31	2.67	-1.41	0.76	1.46
Bloomberg 10 Yr Municipal	-1.18	-3.04	1.16	-1.22	0.95	2.32
Bloomberg US Credit	1.82	-1.12	4.05	-2.67	0.85	2.16

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