



# County Employees' Retirement Fund

## *Monthly ASAP Report*

November 30, 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.***

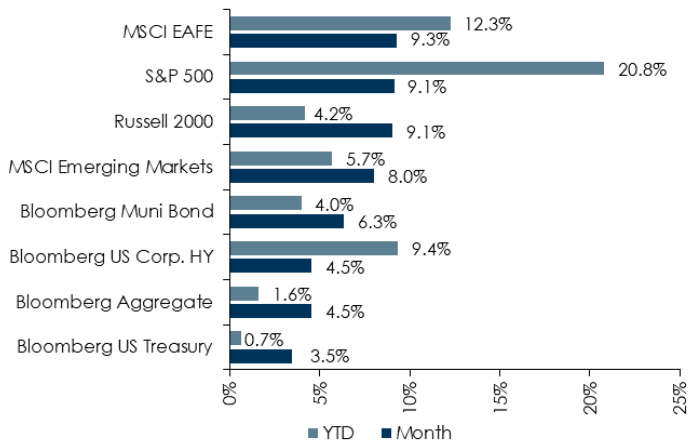
**Methodology and Disclosure:** Between February and November of 2022, Coalition Greenwich (previously known as Greenwich Associates), conducted in-person and phone interviews and online surveys with 727 professionals at 590 of the largest tax-exempt funds in the United States, including corporate and 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 at 5.25% - 5.50% in November, and cooling inflation has markets expecting this hiking cycle has ended
- Economic data was mixed, with the unemployment rate rising to 3.9%, the highest in two years, while inflation fell more than expected
- 10-year US Treasury yields tumbled to 4.33% after briefly surpassing 5.00% in the prior month as the market recalibrated Fed expectations

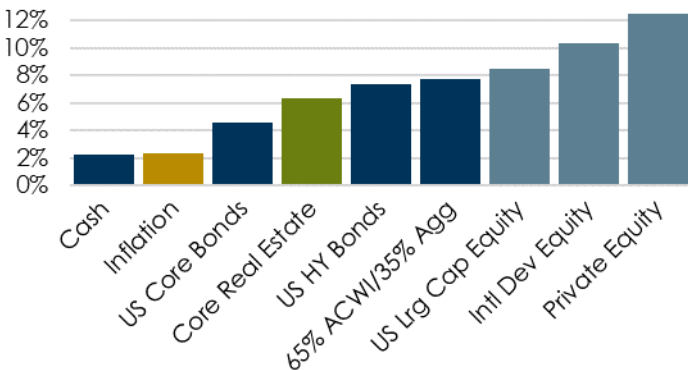
### Market Returns

- Equities and bonds both rallied on lower rates, inflation
- Equity returns were broad based with China a notable laggard



Source: Bloomberg, ACG Research (as of 11/30/2023)

### Average Annual Return Assumptions (Next 10 Years)



### Asset Class Valuations - Rebalancing Rationale

- Equities have priced the end of Fed rate hikes, 2024 cuts
- 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	Favorable valuations but asymmetric risk
Int'l Developed	Fairly Valued	Favorable valuations but stagnant outlook
Emerging Mkt	Fairly Valued	Balanced upside/downside risks

Cash	Overvalued	High current yield
Core Bonds	Overvalued	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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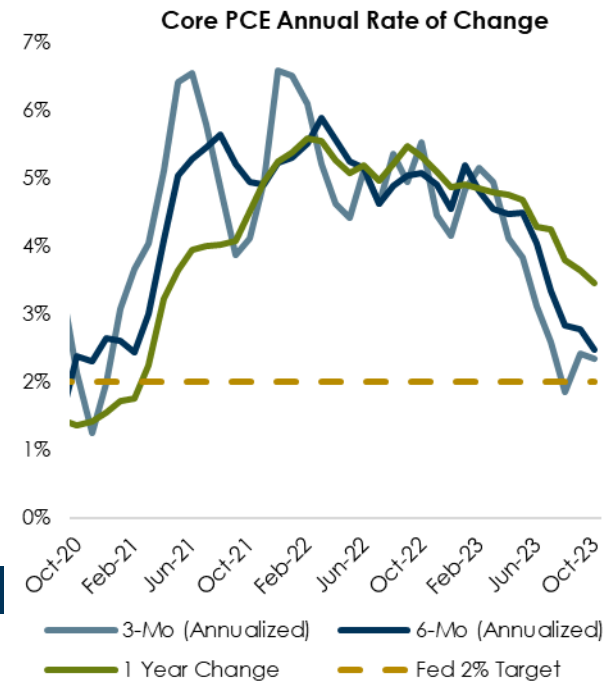
### Recent Articles (click on links below)

- [Global Manufacturing \(November\)](#)
- [Where's the Recession? \(October\)](#)
- [Artificial Intelligence \(August\)](#)

### Key Risk Factors We Are Watching

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

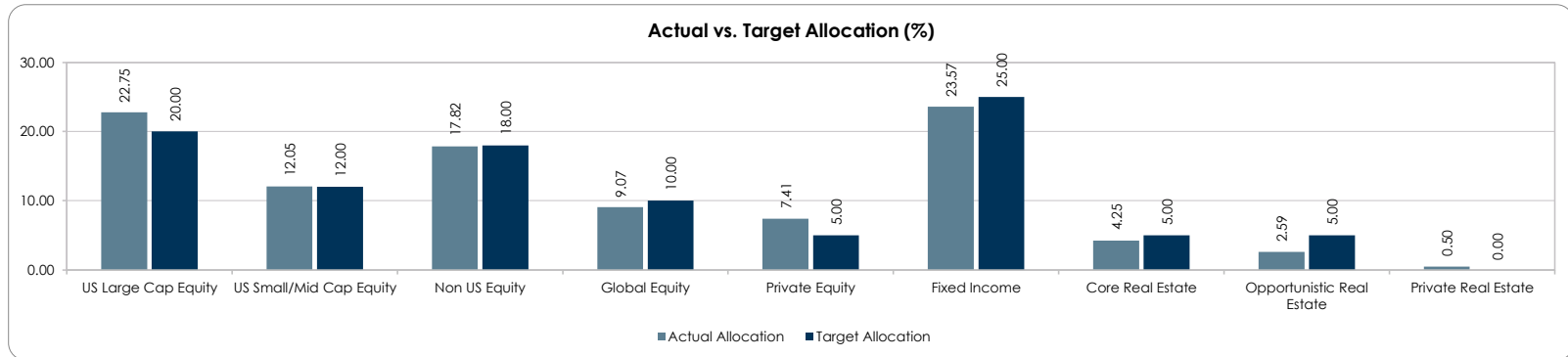
### Recent Inflation Data Approaches The Fed Target



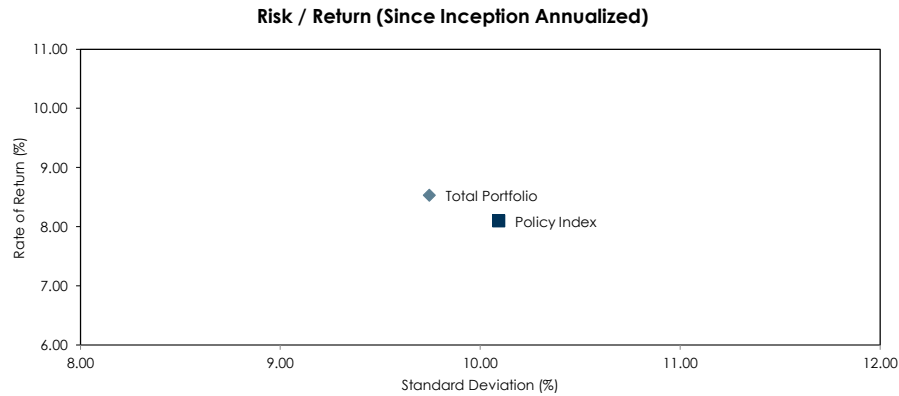
Source: Bloomberg, BEA (as of 11/30/2023)

### County Employees' Retirement Fund

For the Periods Ending November 30, 2023



Asset Class	Market Value (\$000s)	Actual Allocation (%)	Target Allocation (%)	Over/Under (%)
<b>Total Portfolio</b>	<b>726,550</b>	<b>100.00</b>	<b>100.00</b>	
<b>Equity</b>	<b>502,029</b>	<b>69.10</b>	<b>65.00</b>	<b>4.10</b>
US Large Cap Equity	165,301	22.75	20.00	2.75
US Small/Mid Cap Equity	87,521	12.05	12.00	0.05
Non US Equity	129,481	17.82	18.00	-0.18
Global Equity	65,917	9.07	10.00	-0.93
Private Equity	53,809	7.41	5.00	2.41
<b>Fixed Income</b>	<b>171,246</b>	<b>23.57</b>	<b>25.00</b>	<b>-1.43</b>
<b>Real Assets</b>	<b>53,276</b>	<b>7.33</b>	<b>10.00</b>	<b>-2.67</b>
Core Real Estate	30,888	4.25	5.00	-0.75
Opportunistic Real Estate	18,787	2.59	5.00	-2.41
Private Real Estate	3,600	0.50	0.00	0.50



#### Return Statistics (Since Inception Annualized)

	Total Portfolio	Policy Index
Return (%)	8.53	8.10
Standard Deviation (%)	9.74	10.09
Sharpe Ratio	0.65	0.59

#### Benchmark Relative Statistics

Beta	0.90
Up Capture (%)	93.85
Down Capture (%)	88.19

## County Employees' Retirement Fund

For the Periods Ending November 30, 2023

		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>726,550</b>	<b>100.00</b>	<b>5.92</b>	<b>9.32</b>	<b>6.99</b>	<b>5.20</b>	<b>8.11</b>	<b>6.99</b>	<b>8.53</b>
	<i>Policy Index <sup>1</sup></i>			7.13	10.28	6.78	2.70	6.60	6.95	8.10
<b>US Large Cap Equity (06/01)</b>		<b>165,301</b>	<b>22.75</b>	<b>9.13</b>	<b>20.80</b>	<b>13.84</b>	<b>10.15</b>	<b>13.91</b>	<b>11.72</b>	<b>9.65</b>
	<i>S&amp;P 500</i>			9.13	20.80	13.84	9.76	12.51	11.82	7.98
<b>US Small/Mid Cap Equity (01/02)</b>		<b>87,521</b>	<b>12.05</b>	<b>8.60</b>	<b>12.36</b>	<b>6.80</b>	<b>6.78</b>	<b>11.02</b>	<b>10.37</b>	<b>9.35</b>
	<i>Russell 2500</i>			9.00	6.06	-0.25	3.26	6.91	7.53	8.64
<b>Non US Equity (11/02)</b>		<b>129,481</b>	<b>17.82</b>	<b>9.83</b>	<b>17.96</b>	<b>18.87</b>	<b>6.72</b>	<b>6.16</b>	<b>4.69</b>	<b>8.00</b>
	<i>MSCI EAFE NetDiv</i>			9.28	12.27	12.36	3.80	5.99	3.89	6.72
<b>Long/Short Equity (04/08) *</b>		<b>65,917</b>	<b>9.07</b>	<b>4.38</b>	<b>5.27</b>	<b>6.07</b>	<b>1.23</b>	<b>4.92</b>	<b>3.79</b>	<b>3.53</b>
	<i>HFRI FOF: Strategic</i>			2.99	4.01	4.12	0.60	3.79	2.90	2.01
<b>Private Equity (11/09) *</b>		<b>53,809</b>	<b>7.41</b>	<b>0.00</b>	<b>2.38</b>	<b>-0.06</b>	<b>20.83</b>	<b>15.80</b>	<b>14.47</b>	<b>12.45</b>
	<i>S&amp;P 500</i>			9.13	20.80	13.84	9.76	12.51	11.82	13.31
<b>Fixed Income (08/03)</b>		<b>171,246</b>	<b>23.57</b>	<b>4.06</b>	<b>3.55</b>	<b>3.41</b>	<b>-1.96</b>	<b>2.50</b>	<b>2.00</b>	<b>4.15</b>
	<i>Bloomberg US Aggregate</i>			4.53	1.64	1.18	-4.47	0.71	1.37	3.11
<b>Core Real Estate (10/05)</b>		<b>30,888</b>	<b>4.25</b>	<b>-3.00</b>	<b>-10.32</b>	<b>-12.49</b>	<b>4.56</b>	<b>3.84</b>	<b>7.27</b>	<b>5.35</b>
	<i>NFI ODCE</i>			0.00	-7.56	-12.15	7.13	5.65	8.15	6.63
<b>Opportunistic Real Estate (08/22)</b>		<b>18,787</b>	<b>2.59</b>	<b>-2.37</b>	<b>-14.99</b>	<b>-19.04</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-18.30</b>
	<i>NFI ODCE</i>			0.00	-7.56	-12.15	7.13	5.65	8.15	-8.90
<b>Building Valuation</b>		<b>3,600</b>	<b>0.50</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</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 November 30, 2023

	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)	165,301	22.75	9.13	20.80	13.84	--	--	--	5.03
S&P 500			9.13	20.80	13.84	9.76	12.51	11.82	5.03
<b>US Small/Mid Cap Equity</b>									
William Blair SMID Cap Growth (08/16)	36,366	5.01	9.55	8.07	3.10	-0.42	7.65	--	11.01
Russell 2500 Growth			8.86	7.01	0.64	-3.42	6.62	7.92	8.70
Burgundy Asset Management (07/04)	51,156	7.04	7.93	15.62	9.60	12.98	13.48	11.56	11.95
Russell 2000 Value			9.00	1.96	-4.73	6.47	4.72	5.71	6.85
<b>Non US Equity</b>									
Brandes (10/98)	71,341	9.82	9.80	25.23	26.61	11.93	7.69	5.18	8.33
MSCI EAFE NetDiv			9.28	12.27	12.36	3.80	5.99	3.89	4.97
MSCI EAFE Value NetDiv			7.92	13.41	14.84	7.43	5.01	2.81	5.19
Barings Focused EAFE Plus Equity (05/12)	58,140	8.00	9.88	10.11	10.57	1.25	5.01	4.54	5.20
MSCI EAFE NetDiv			9.28	12.27	12.36	3.80	5.99	3.89	5.76
MSCI EAFE Growth NetDiv			10.71	11.21	9.96	-0.00	6.54	4.74	6.24
<b>Long/Short Equity</b>									
ABS Global (03/15) * 2	65,917	9.07	4.38	5.27	6.07	1.23	4.92	--	3.41
HFRI FOF: Strategic			2.99	4.01	4.12	0.60	3.79	2.90	2.60
<b>Private Equity (11/09)</b>	53,809	7.41	0.00	2.38	-0.06	20.83	15.80	14.47	12.45
S&P 500			9.13	20.80	13.84	9.76	12.51	11.82	13.31

## County Employees' Retirement Fund

For the Periods Ending November 30, 2023

	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>50,171</b>	<b>6.91</b>	<b>5.20</b>	<b>2.37</b>	<b>1.72</b>	<b>-3.64</b>	<b>1.97</b>	<b>2.50</b>	<b>4.85</b>
<i>Bloomberg US Aggregate</i>			4.53	1.64	1.18	-4.47	0.71	1.37	3.48
<b>Baird Core Plus (11/16)</b>	<b>50,073</b>	<b>6.89</b>	<b>4.72</b>	<b>3.15</b>	<b>3.06</b>	<b>-3.50</b>	<b>1.82</b>	<b>--</b>	<b>1.48</b>
<i>Bloomberg Universal</i>			4.50	2.29	1.94	-4.05	1.00	1.66	0.74
<b>BlackRock Strategic Opportunities Fund (03/17)</b>	<b>68,714</b>	<b>9.46</b>	<b>2.90</b>	<b>4.77</b>	<b>4.95</b>	<b>0.79</b>	<b>3.42</b>	<b>--</b>	<b>3.11</b>
<i>Bloomberg US Aggregate</i>			4.53	1.64	1.18	-4.47	0.71	1.37	0.65
<b>Deferred Comp (01/13)</b>	<b>18</b>	<b>0.00</b>	<b>0.43</b>	<b>4.45</b>	<b>4.79</b>	<b>1.98</b>	<b>1.71</b>	<b>1.10</b>	<b>1.01</b>
<b>Cash and Equivalents (01/13)</b>	<b>2,270</b>	<b>0.31</b>	<b>0.43</b>	<b>4.52</b>	<b>4.86</b>	<b>2.04</b>	<b>1.75</b>	<b>1.14</b>	<b>1.05</b>
<i>US T-Bills 90 Day</i>			0.45	4.53	4.91	2.00	1.82	1.21	1.11
<b>Real Assets</b>									
<b>Core Real Estate</b>									
<b>JP Morgan Strategic Property Fund (04/15)</b>	<b>30,888</b>	<b>4.25</b>	<b>-3.00</b>	<b>-10.32</b>	<b>-12.49</b>	<b>4.56</b>	<b>3.84</b>	<b>--</b>	<b>6.11</b>
<i>NFI ODCE</i>			0.00	-7.56	-12.15	7.13	5.65	8.15	7.18
<b>Opportunistic Real Estate</b>									
<b>JP Morgan Special Situations Property Fund (08/22)</b>	<b>18,787</b>	<b>2.59</b>	<b>-2.37</b>	<b>-14.99</b>	<b>-19.04</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-18.30</b>
<i>NFI ODCE</i>			0.00	-7.56	-12.15	7.13	5.65	8.15	-8.90
<b>Building Valuation</b>	<b>3,600</b>	<b>0.50</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> Market value and performance are preliminary

**Private Equity**

For the Period Ending November 30, 2023

**Summary of Cash Flows for 1 Month**

Cash Outflows	Cash Inflows	Net Cash Flows
-400,840	-	-400,840

**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	43,488,051	14,011,950	27,741,396	53,809,339	81,550,735	1.88x	14.73
Portfolio Advisors VI	Nov-09	10,000,000	6,474,540	1,025,461	11,616,546	<b>2,866,652</b>	14,483,198	2.24x	12.37
Portfolio Advisors VIII	Nov-15	20,000,000	14,753,050	5,246,950	15,189,555	<b>19,078,919</b>	34,268,474	2.32x	16.64
Portfolio Advisors X	Jul-20	30,000,000	22,260,461	7,739,539	935,295	<b>31,863,768</b>	32,799,063	1.47x	16.01

**Cash Flow Activity for 1 Month**

Fund Name	Date	Transaction Type	Cash Outflows	Cash Inflows	Net Cash Flows
<b>Total</b>			-400,840	-	-400,840
Portfolio Advisors X	11/27/2023	Capital Call	-400,840	-	



### 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 November 30, 2023

	1 Month (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
<b>Equity Markets - Core</b>						
S&P 500	9.13	20.80	13.84	9.76	12.51	11.82
Russell 1000	9.34	20.58	13.57	8.72	12.25	11.56
Russell 2000	9.05	4.20	-2.57	1.13	4.78	6.13
Russell 2500	9.00	6.06	-0.25	3.26	6.91	7.53
Russell Mid Cap	10.23	8.82	2.94	4.91	8.72	8.93
<b>Equity Markets - Growth</b>						
S&P 500 Growth	8.77	25.37	15.82	6.74	13.32	13.24
Russell 1000 Growth	10.90	36.63	26.17	8.92	16.36	14.69
Russell 2000 Growth	9.10	5.97	-0.83	-4.26	4.16	6.17
Russell 2500 Growth	8.86	7.01	0.64	-3.42	6.62	7.92
Russell Mid Cap Growth	12.20	17.00	9.98	0.43	10.05	10.11
<b>Equity Markets - Value</b>						
S&P 500 Value	9.57	15.82	11.29	12.37	10.66	9.68
Russell 1000 Value	7.55	5.61	1.36	8.27	7.52	8.09
Russell 2000 Value	9.00	1.96	-4.73	6.47	4.72	5.71
Russell 2500 Value	9.08	4.97	-1.27	7.63	6.09	6.61
Russell Mid Cap Value	9.43	4.57	-0.75	7.29	7.10	7.75
<b>International Markets</b>						
MSCI EAFE NetDiv	9.28	12.27	12.36	3.80	5.99	3.89
MSCI World NetDiv	9.38	17.99	12.98	7.04	9.98	8.31
MSCI World ex US NetDiv	9.40	11.83	11.29	4.11	6.17	3.92
<b>Fixed Income</b>						
ICE BofA ML 1-3 Yr Treasury	1.01	3.11	3.31	-0.39	1.23	0.93
ICE BofA ML High Yield Master II	4.55	9.43	8.60	1.42	3.99	4.19
Bloomberg US Aggregate	4.53	1.64	1.18	-4.47	0.71	1.37
Bloomberg Intermediate G/C	2.67	2.86	2.67	-2.31	1.39	1.43
Bloomberg 10 Yr Municipal	5.67	3.39	4.25	-0.63	2.37	2.95
Bloomberg US Credit	5.68	3.83	3.38	-4.38	1.91	2.38

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