

County Employees' Retirement Fund Administrative Office Defined Benefit

Monthly ASAP Report

August 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.***

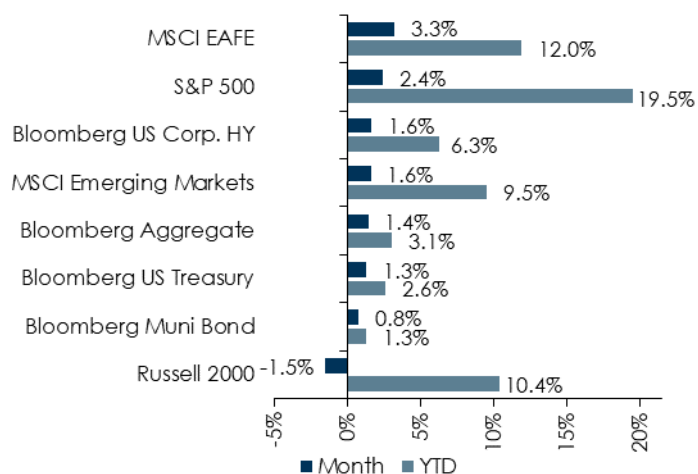
Methodology and Disclosure: Between February and November 2023, Coalition Greenwich conducted interviews with 708 individuals from 575 of the largest tax-exempt funds in the United States. These U.S.-based institutional investors are corporate, public, union, and endowment and foundation funds with either 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

- July's payroll report came in below expectations, leading unemployment to rise to 4.3% and raising concern of an economic slowdown
- Inflation results were in-line with estimates, with headline CPI rising 2.9% for the trailing 12 months, the smallest increase since March 2021
- Fed Chair Jerome Powell signaled a likely rate cut in September, and markets are currently pricing 1-2 cuts at the September FOMC meeting

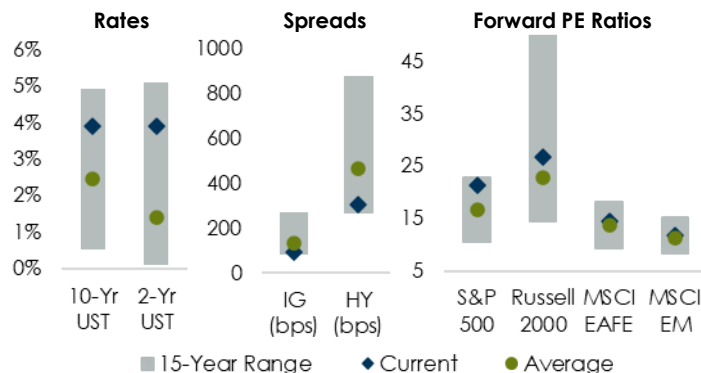
Market Returns

- Int'l Developed equities outperformed as the USD weakened
- Bonds continued to benefit from declining longer-term rates



Source: Bloomberg, ACG Research (as of 8/31/2024)

Fixed Income and Equity Valuation Metrics



Source: Bloomberg (as of 8/31/2024)

Asset Class Valuations - Rebalancing Rationale

- Equities discounting a soft landing and eventual easing monetary policy
- Favor core bonds (US Treasuries) over high yield
- Cash yields set to fall as rate cutting cycle begins

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	Fairly Valued	Cash rates likely to decline
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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Overvalued	Fairly Valued	Undervalued
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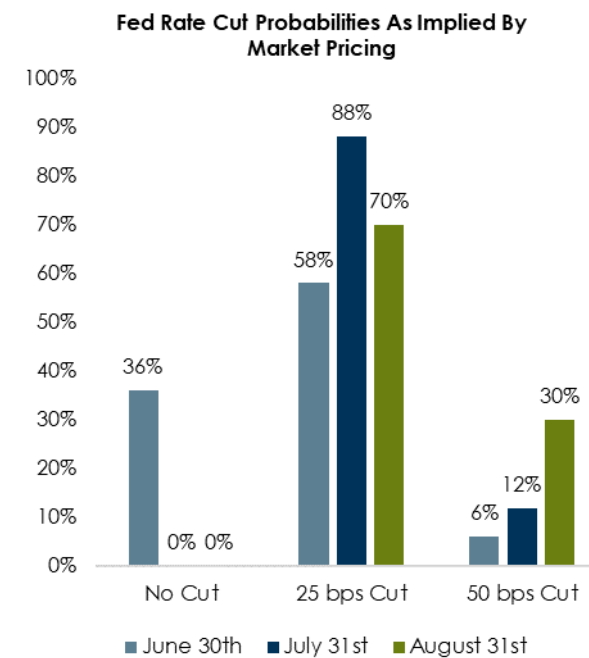
Recent Articles (click on links below)

- [Has Real Estate Hit Bottom? \(September\)](#)
- [The Evolution of Private Wealth \(April\)](#)
- [Fiscal Policy Impact of 2024 Election \(April\)](#)

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

Markets Are Confident in a September Rate Cut

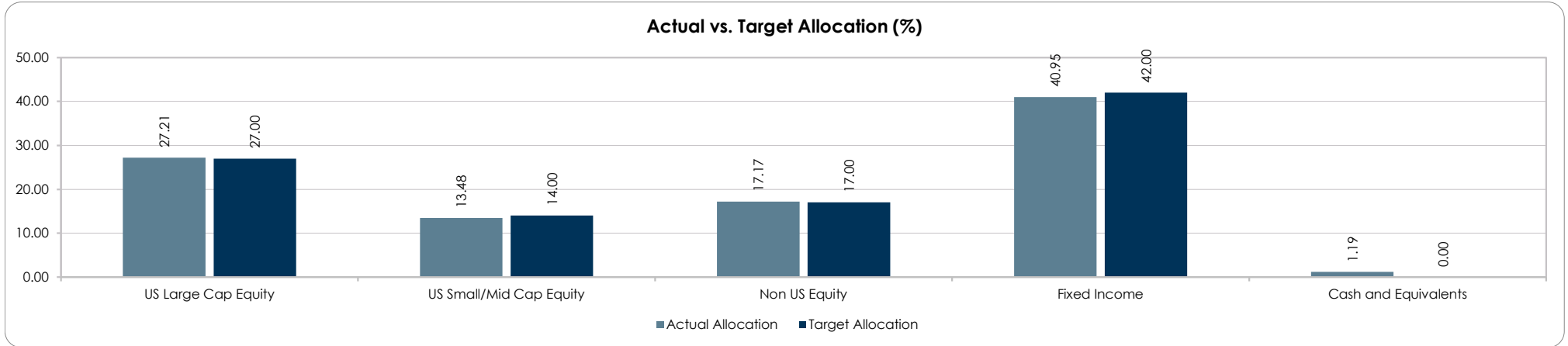


Source: CME Group (as of 8/31/2024)

County Employees' Retirement Fund Administrative Office Defined Benefit Plan

For the Periods Ending August 31, 2024

Net of Fees



Asset Class	Market Value (\$)	Actual Allocation (%)	Target Allocation (%)	Over/Under (%)
Total Portfolio	510,696	100.00	100.00	
Equity	295,481	57.86	58.00	-0.14
US Large Cap Equity	138,954	27.21	27.00	0.21
US Small/Mid Cap Equity	68,830	13.48	14.00	-0.52
Non US Equity	87,697	17.17	17.00	0.17
Fixed Income	209,154	40.95	42.00	-1.05
Cash and Equivalents	6,061	1.19	0.00	1.19

County Employees' Retirement Fund Administrative Office Defined Benefit Plan

For the Periods Ending August 31, 2024

Net of Fees

	Market Value (\$)	Actual Allocation (%)	1 Month (%)	YTD (%)	1 Year (%)	Since Inception (%)
Total Portfolio (04/23)	510,696	100.00	1.62	10.48	16.49	14.45
Policy Index ¹			2.08	10.43	16.48	14.02
Equity (04/23)	295,481	57.86	1.89	14.76	22.22	20.83
US Large Cap Equity						
Vanguard 500 Index (04/23)	138,954	27.21	2.42	19.49	27.08	27.03
S&P 500			2.43	19.53	27.14	27.08
US Small/Mid Cap Equity						
Vanguard Small Cap Index (04/23)	68,830	13.48	0.13	10.19	17.94	17.42
CRSP US Small Cap			0.12	10.17	17.91	17.36
Non-US Equity						
Vanguard Total Int'l Stock Index (04/23)	87,697	17.17	2.47	10.75	17.72	13.67
FTSE Global All Cap ex US			2.63	11.08	18.21	14.52
Fixed Income (04/23)	209,154	40.95	1.28	3.94	8.46	5.61
Core Plus Bonds						
Baird Core Plus Bond (04/23)	68,487	13.41	1.40	3.90	8.58	5.43
Bloomberg Universal			1.47	3.49	7.92	4.72
Loomis Sayles Core Plus (04/23)	67,636	13.24	1.39	3.17	7.26	3.86
Bloomberg US Aggregate			1.44	3.07	7.30	3.95
Absolute Return						
BlackRock Strategic Income Opps (04/23)	73,031	14.30	1.07	4.68	9.44	7.42
Bloomberg US Aggregate			1.44	3.07	7.30	3.95
Cash and Equivalents (04/23)	6,061	1.19	0.44	3.52	5.32	5.23
US T-Bills 90 Day			0.48	3.58	5.48	5.32

¹ Policy Index: Effective March 2023, the index consists of 58.00% MSCI ACWI NetDiv, 42.00% Bloomberg US Aggregate.

Market Overview

For the Periods Ending August 31, 2024

	1 Month (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Equity Markets - Core						
S&P 500	2.43	19.53	27.14	9.38	15.92	12.98
Russell 1000	2.37	18.64	26.60	8.34	15.55	12.66
Russell 2000	-1.49	10.39	18.47	0.60	9.68	8.03
Russell 2500	-0.26	9.67	17.37	1.87	10.49	8.76
Russell Mid Cap	2.03	12.14	20.16	3.52	11.24	9.58
Equity Markets - Growth						
S&P 500 Growth	2.19	24.63	30.52	6.91	16.97	14.72
Russell 1000 Growth	2.08	21.12	30.75	8.87	19.08	16.03
Russell 2000 Growth	-1.11	11.74	17.67	-2.07	8.35	8.21
Russell 2500 Growth	-0.77	9.41	15.77	-2.55	8.98	9.31
Russell Mid Cap Growth	2.48	9.27	19.07	-0.46	10.50	10.61
Equity Markets - Value						
S&P 500 Value	2.96	14.09	23.63	11.45	13.80	10.50
Russell 1000 Value	2.68	15.08	21.15	7.25	11.16	8.85
Russell 2000 Value	-1.88	9.15	19.25	3.05	10.38	7.46
Russell 2500 Value	-0.00	9.72	18.14	4.62	10.66	7.67
Russell Mid Cap Value	1.89	12.95	20.19	5.40	10.80	8.31
International Markets						
MSCI EAFE NetDiv	3.25	11.96	19.40	4.13	8.61	5.20
MSCI ACWI NetDiv	2.54	15.97	23.44	5.77	12.14	8.78
MSCI World NetDiv	2.64	16.72	24.44	6.90	13.11	9.57
MSCI World ex US NetDiv	3.34	11.86	19.45	4.24	8.72	5.12
Fixed Income						
ICE BofA 1-3 Yr Treasury	0.89	3.32	5.87	1.03	1.33	1.33
ICE BofA High Yield Master II	1.59	6.31	12.47	2.54	4.27	4.56
Bloomberg US Aggregate	1.44	3.07	7.30	-2.11	-0.04	1.64
Bloomberg Intermediate G/C	1.15	3.55	7.11	-0.38	0.97	1.80
Bloomberg 10 Yr Municipal	0.91	0.12	4.63	-0.45	1.04	2.50
Bloomberg US Credit	1.55	3.46	8.98	-2.03	0.59	2.47

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