

County Employees' Retirement Fund

Monthly ASAP Report

December 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.

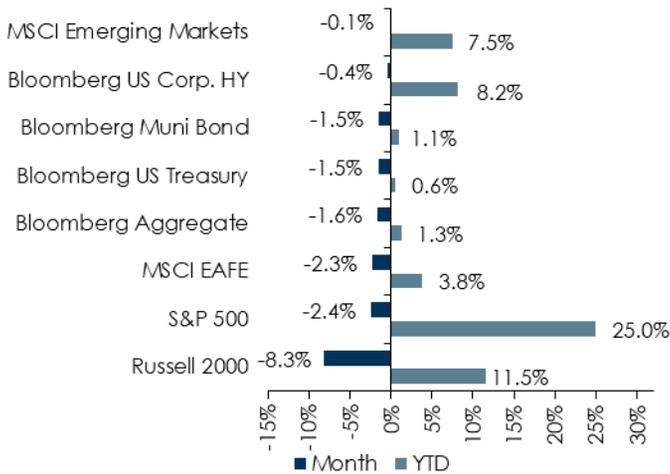
Methodology and Disclosure: Between February and November 2023, Coalition Greenwich conducted interviews with 708 individuals from 575 of the largest tax-exempt funds in the United States. These U.S.-based institutional investors are corporate, public, union, and endowment and foundation funds with either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

- The FOMC cut rates by 25 bps to 4.25% - 4.50%, as expected, however the committee's economic projections signaled hawkish policy in 2025
- Non-farm payroll growth rebounded in November to a solid 227,000, while the unemployment rate ticked higher from 4.1% to 4.2%
- Inflation remains stuck above the Fed's target, with both core CPI and core PCE unchanged from the prior month at 3.3% and 2.8%, respectively

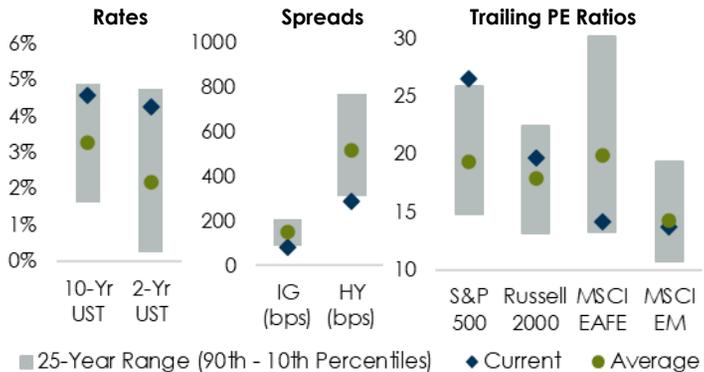
Market Returns

- Asset prices fell in Dec. as higher rates weighed on sentiment
- 2024 was positive overall for most assets, led by US equities



Source: Bloomberg, ACG Research (as of 12/31/2024)

Fixed Income and Equity Valuation Metrics



Source: Bloomberg (as of 12/31/2024)

Asset Class Valuations - Rebalancing Rationale

- Equities are discounting a soft landing and continued easing monetary policy
- Upside for duration limited with additional Fed cuts already discounted by markets
- Cash yields set to fall as Fed continues easing

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	Fairly Valued	Balanced duration risks
Multi-Sector	Fairly Valued	Attractive income; tight spreads
Unconstrained	Fairly Valued	Duration, spreads balanced

Core Real Estate	Fairly Valued	Market values stabilizing
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Recent Articles (click on links below)

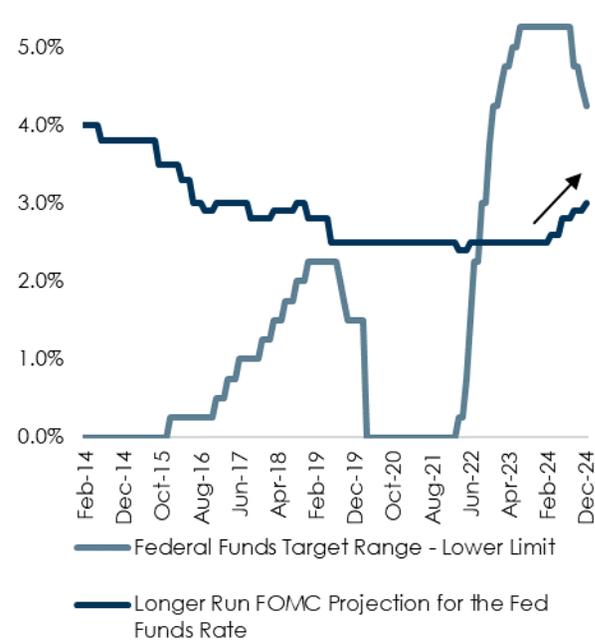
- [2025 Outlook \(January\)](#)
- [Has Real Estate Hit Bottom? \(September\)](#)
- [The Evolution of Private Wealth \(April\)](#)

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
- US policy uncertainty and rising geopolitical tensions
- Weaker than expected China recovery

US Fed Cuts but Signals Higher for Longer Rates

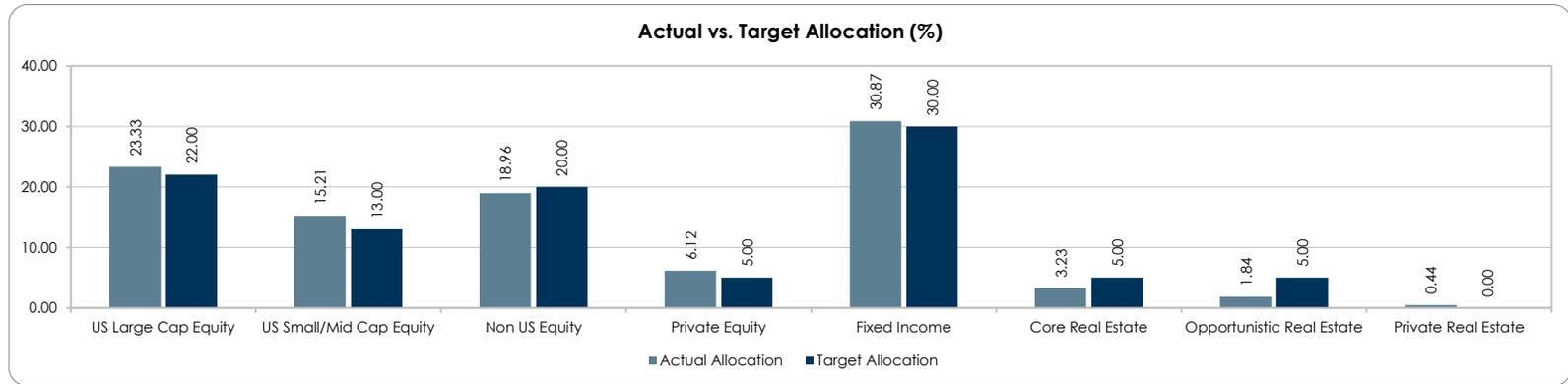
The FOMC Continues to Revise Its Neutral Rate Higher, Suggesting Fewer Total Rate Cuts



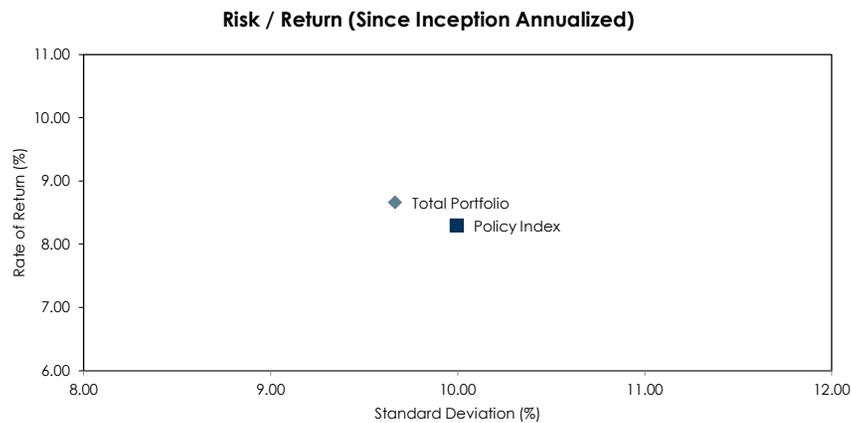
Source: Federal Reserve (as of 12/31/2024)

County Employees' Retirement Fund

For the Periods Ending December 31, 2024



Asset Class	Market Value (\$000s)	Actual Allocation (%)	Target Allocation (%)	Over/Under (%)
Total Portfolio	817,585	100.00	100.00	
Equity	520,137	63.62	60.00	3.62
US Large Cap Equity	190,723	23.33	22.00	1.33
US Small/Mid Cap Equity	124,314	15.21	13.00	2.21
Non US Equity	155,043	18.96	20.00	-1.04
Private Equity	50,057	6.12	5.00	1.12
Fixed Income	252,417	30.87	30.00	0.87
Real Assets	45,032	5.51	10.00	-4.49
Core Real Estate	26,426	3.23	5.00	-1.77
Opportunistic Real Estate	15,006	1.84	5.00	-3.16
Private Real Estate	3,600	0.44	0.00	0.44



Return Statistics (Since Inception Annualized)

	Total Portfolio	Policy Index
Return (%)	8.66	8.30
Standard Deviation (%)	9.66	9.99
Sharpe Ratio	0.66	0.60

Benchmark Relative Statistics

Beta	0.90
Up Capture (%)	93.85
Down Capture (%)	88.55

County Employees' Retirement Fund

For the Periods Ending December 31, 2024

	Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Total Portfolio (01/95)	817,585	100.00	-2.14	-1.22	9.18	2.96	7.78	7.64	8.66
<i>Policy Index ¹</i>			-1.80	-1.39	10.99	2.41	6.52	7.17	8.30
US Large Cap Equity (06/01)	190,723	23.33	-2.39	2.41	25.06	8.96	15.44	13.39	10.44
<i>S&P 500</i>			-2.38	2.41	25.02	8.94	14.53	13.10	8.83
US Small/Mid Cap Equity (01/02)	124,314	15.21	-5.81	2.83	16.17	5.79	12.08	12.00	9.96
<i>Russell 2500</i>			-7.54	0.62	12.00	2.39	8.77	8.85	9.23
Non US Equity (11/02)	155,043	18.96	-1.66	-7.97	3.03	4.13	5.46	6.04	8.00
<i>MSCI EAFE NetDiv</i>			-2.27	-8.11	3.82	1.65	4.73	5.20	6.81
Private Equity (11/09) *	50,057	6.12	0.00	0.00	0.72	-0.39	13.38	12.33	11.63
<i>S&P 500</i>			-2.38	2.41	25.02	8.94	14.53	13.10	14.30
Fixed Income (08/03)	252,417	30.87	-1.12	-1.93	3.70	0.22	1.93	2.31	4.28
<i>Bloomberg US Aggregate</i>			-1.64	-3.06	1.25	-2.41	-0.33	1.35	3.19
Core Real Estate (10/05)	26,426	3.23	0.82	1.77	-1.73	-4.14	1.57	4.94	4.69
<i>NFI ODCE</i>			1.16	1.16	-1.44	-2.33	2.87	5.87	5.89
Opportunistic Real Estate (08/22)	15,006	1.84	-1.26	0.20	-9.69	--	--	--	-17.47
<i>NFI ODCE</i>			1.16	1.16	-1.44	-2.33	2.87	5.87	-7.50
Building Valuation	3,600	0.44	--						

¹ Policy Index: Effective April 2024, the index consists of 60.00% MSCI ACWI NetDiv, 30.00% Bloomberg US Aggregate, 10.00% NFI ODCE.

Building Valuation is not included in performance.

County Employees' Retirement Fund

For the Periods Ending December 31, 2024

	Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Equity									
US Large Cap Equity									
Northern Trust S&P 500 Index (06/21)	190,723	23.33	-2.39	2.41	25.06	8.96	--	--	11.52
S&P 500			-2.38	2.41	25.02	8.94	14.53	13.10	11.51
US Small/Mid Cap Equity									
William Blair SMID Cap Growth (08/16)	59,313	7.25	-5.57	1.39	12.43	1.56	8.93	--	12.35
Russell 2500 Growth			-8.23	2.43	13.90	-0.02	8.08	9.45	10.60
Burgundy Asset Management (07/04)	65,001	7.95	-6.04	4.17	19.93	9.36	14.46	13.31	12.59
Russell 2000 Value			-8.33	-1.06	8.05	1.94	7.29	7.14	7.49
Non US Equity									
Brandes (10/98)	70,315	8.60	-1.69	-8.40	7.65	9.27	8.27	6.92	8.48
MSCI EAFE NetDiv			-2.27	-8.11	3.82	1.65	4.73	5.20	5.12
MSCI EAFE Value NetDiv			-1.79	-7.12	5.68	5.88	5.09	4.31	5.38
Barings Focused EAFE Plus Equity (05/12)	60,500	7.40	-2.12	-7.15	-1.75	-1.19	2.80	5.52	5.07
MSCI EAFE NetDiv			-2.27	-8.11	3.82	1.65	4.73	5.20	6.00
MSCI EAFE Growth NetDiv			-2.76	-9.10	2.05	-2.58	4.00	5.84	6.33
Artisan Sustainable Emerging (11/24)	24,229	2.96	-0.42	--	--	--	--	--	-4.24
MSCI EM NetDiv			-0.14	-8.01	7.50	-1.92	1.70	3.64	-3.73
Private Equity (11/09) *	50,057	6.12	0.00	0.00	0.72	-0.39	13.38	12.33	11.63
S&P 500			-2.38	2.41	25.02	8.94	14.53	13.10	14.30

County Employees' Retirement Fund

For the Periods Ending December 31, 2024

		Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Fixed Income										
Loomis Sayles (04/01)		73,832	9.03	-1.89	-3.54	1.37	-1.81	0.94	2.35	4.87
	<i>Bloomberg US Aggregate</i>			-1.64	-3.06	1.25	-2.41	-0.33	1.35	3.54
Baird Core Plus (11/16)		73,362	8.97	-1.43	-2.59	2.84	-1.23	0.86	--	2.11
	<i>Bloomberg Universal</i>			-1.51	-2.73	2.04	-1.95	0.06	1.73	1.35
BlackRock Strategic Opportunities Fund (03/17)		98,176	12.01	-0.38	-0.43	5.95	2.79	3.55	--	3.83
	<i>Bloomberg US Aggregate</i>			-1.64	-3.06	1.25	-2.41	-0.33	1.35	1.20
Deferred Comp (01/13)		19	0.00	0.38	1.16	5.14	3.84	2.36	1.66	1.38
Cash and Equivalents (01/13)		7,028	0.86	0.40	1.06	4.66	3.75	2.31	1.63	1.37
	<i>US T-Bills 90 Day</i>			0.40	1.17	5.25	3.89	2.46	1.77	1.48
Real Assets										
Core Real Estate										
JP Morgan Strategic Property Fund (04/15)		26,426	3.23	0.82	1.77	-1.73	-4.14	1.57	--	4.73
	<i>NFI ODCE</i>			1.16	1.16	-1.44	-2.33	2.87	5.87	5.67
Opportunistic Real Estate										
JP Morgan Special Situations Property Fund (08/22)		15,006	1.84	-1.26	0.20	-9.69	--	--	--	-17.47
	<i>NFI ODCE</i>			1.16	1.16	-1.44	-2.33	2.87	5.87	-7.50
Building Valuation		3,600	0.44	--	--	--	--	--	--	--

Building Valuation is not included in performance.

* Performance is Net of Fees

County Employees' Retirement Fund

For the Period Ending December 31, 2024

Summary of Cash Flows for 1 Month

Cash Outflows	Cash Inflows	Net Cash Flows
-	1,698,900	1,698,900

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	45,333,766	12,166,235	34,258,482	50,056,698	84,315,180	1.86x	13.36
Portfolio Advisors VI	Nov-09	10,000,000	6,474,540	1,025,461	12,063,730	2,463,014	14,526,744	2.24x	12.19
Portfolio Advisors VIII	Nov-15	20,000,000	14,753,050	5,246,950	18,932,799	15,146,696	34,079,495	2.31x	15.18
Portfolio Advisors X	Jul-20	30,000,000	24,106,176	5,893,824	3,261,953	32,446,988	35,708,941	1.48x	12.02

Cash Flow Activity for 1 Month

Fund Name	Date	Transaction Type	Cash Outflows	Cash Inflows	Net Cash Flows
Total			-	1,698,900	1,698,900
Portfolio Advisors VIII	12/19/2024	Distribution	-	942,474	
Portfolio Advisors X	12/20/2024	Distribution	-	756,426	

Market Overview

For the Periods Ending December 31, 2024

	1 Month (%)	3 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Equity Markets - Core						
S&P 500	-2.38	2.41	25.02	8.94	14.53	13.10
Russell 1000	-2.79	2.75	24.51	8.41	14.28	12.87
Russell 2000	-8.26	0.33	11.54	1.24	7.40	7.82
Russell 2500	-7.54	0.62	12.00	2.39	8.77	8.85
Russell Mid Cap	-7.04	0.62	15.34	3.79	9.92	9.63
Equity Markets - Growth						
S&P 500 Growth	0.85	6.17	36.07	7.70	17.09	15.29
Russell 1000 Growth	0.88	7.07	33.36	10.47	18.96	16.78
Russell 2000 Growth	-8.19	1.70	15.15	0.21	6.86	8.09
Russell 2500 Growth	-8.23	2.43	13.90	-0.02	8.08	9.45
Russell Mid Cap Growth	-6.22	8.14	22.10	4.04	11.47	11.54
Equity Markets - Value						
S&P 500 Value	-6.80	-2.67	12.29	9.16	10.49	10.01
Russell 1000 Value	-6.84	-1.98	14.37	5.63	8.68	8.49
Russell 2000 Value	-8.33	-1.06	8.05	1.94	7.29	7.14
Russell 2500 Value	-7.18	-0.26	10.98	3.81	8.44	7.81
Russell Mid Cap Value	-7.32	-1.75	13.07	3.88	8.59	8.10
International Markets						
MSCI EAFE NetDiv	-2.27	-8.11	3.82	1.65	4.73	5.20
MSCI ACWI NetDiv	-2.37	-0.99	17.49	5.44	10.06	9.23
MSCI World NetDiv	-2.61	-0.16	18.67	6.34	11.17	9.95
MSCI World ex US NetDiv	-2.68	-7.43	4.70	1.91	5.10	5.26
Fixed Income						
ICE BofA 1-3 Yr Treasury	0.24	-0.06	4.10	1.50	1.40	1.40
ICE BofA High Yield Master II	-0.41	0.16	8.22	2.91	4.04	5.08
Bloomberg US Aggregate	-1.64	-3.06	1.25	-2.41	-0.33	1.35
Bloomberg Intermediate G/C	-0.62	-1.60	3.00	-0.18	0.86	1.71
Bloomberg 10 Yr Municipal	-1.17	-1.34	-0.33	-0.50	0.99	2.32
Bloomberg US Credit	-1.89	-3.04	2.03	-2.20	0.23	2.29

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, 30.00% Bloomberg US Aggregate, 5.00% NFI ODCE.
08/31/2022	The index consists of 65.00% MSCI ACWI NetDiv, 25.00% Bloomberg US Aggregate, 10.00% NFI ODCE.
04/30/2024	The index consists of 60.00% MSCI ACWI NetDiv, 30.00% Bloomberg US Aggregate, 10.00% NFI ODCE.

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