

1st Quarter 2018

Investments *at a Glance*

As of **March 31, 2018**



Alameda County
Employees' Retirement
Association

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Tarrell Gamble
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Board of Retirement, CHAIR
Investment Committee, CHAIR

George Wood
Dave Nelsen

Investment Committee, VICE CHAIR
CEO

Kathy Foster
Betty Tse

Assistant CEO
Chief Investment Officer

Investment Highlights

Assets Under Management: **\$8.1 billion** Actuarial Interest Assumption Rate: **7.25%²**
ACERA Funded Ratio: **76.0%¹** Investment Assumption Rate: **7.40%³**

Returns	YTD Return	1 yr. Return	3 yr. Return	5 yr. Return	10 yr. Return	15 yr. Return	20 yr. Return
Total Fund (gross)	0.9	14.0	8.3	9.1	7.3	9.1	7.2
Total Fund (net)	0.9	13.7	8.0	8.7	7.0	8.8	6.9
Policy Index	0.0	12.6	8.3	9.4	7.6	9.3	7.2
Difference (gross)	0.9	1.4	0.1	-0.4	-0.2	-0.2	0.0
Rank	10	3	6	14	9	5	1

*Performance data provided by Verus.

¹As of 12/31/2017 ²As of Dec. 2017 ³As of 2015

Asset Allocation

Asset Allocation	Market Value	Current*	Target
US Equity	\$2,646,854,237	32.6%	28.0%
International Equity	\$2,465,711,755	30.3%	26.0%
Fixed Income	\$1,349,902,093	16.6%	15.0%
Real Estate	\$523,507,232	6.4%	8.0%
Private Equity	\$458,770,496	5.6%	9.0%
Absolute Return	\$353,596,866	4.4%	9.0%
Real Assets	\$306,453,516	3.8%	5.0%
Cash	\$20,621,782	0.3%	0.0%
Total	\$8,125,417,975	100.0%	100.0%

*May not sum to 100% due to rounding

Talking Points

- ACERA's Fund is a long-term, well-diversified, conservative portfolio that typically has performed in the top decile of its peer group.
- The Board's primary goals in managing the Fund are:
 - (1) To insure that sufficient funds are available to pay vested benefits and maintain supplemental benefits,
 - (2) to comply with all applicable fiduciary standards, and
 - (3) to add marginal value that will help reduce the costs of the plan and/or to increase benefits for the beneficiaries.
- The Fund is governed by the Retirement Board and its investment policies. Day-to-day administration of the Fund is provided by ACERA's Investment Department.
- Asset Allocation and Investment Manager structure drive top-tier performance.

Long-Term Funding Sources

- ACERA conducts an asset liability study every 5 years.
- ACERA's general investment consultant is Verus. ACERA's real estate consultant is Callan.

