

SBCERS

Santa Barbara County Employees' Retirement System

DATE: May 22, 2024

TO: SBCERS BOARD OF RETIREMENT

FROM: SBCERS Investment Staff

RE: **Quarterly Investment Performance Analysis**

Recommendation

That the Board of Retirement receive and file the Quarterly Investment Performance Analysis Report for the period ending 03-31-2024 presented by Principals and Co-Lead Consultants Marcia Beard and Matthias Bauer, CFA of RVK, Inc.

Summary

The quarterly report will give a detailed review of investment performance and status for the first quarter of 2024. During the quarter, the system returned 2.70% underperforming the policy benchmark by 126 basis points. SBCERS ended the quarter with a market value of \$4.36 billion. When compared to public pension funds with \$1B-\$5B AUM, the fund ranked 91th percentile for the quarter (net of fees). SBCERS continues to rank in the 19th percentile for the period ending 5 years.

In first quarter 2024, risk assets continued their impressive performance from 2023. Both U.S. and Developed Non-U.S. equity posted gains. The public Fixed Income markets posted mixed results with strong economic data. The broad Fixed Income markets experienced negative returns. The Consumer Price Index (CPI) showed an uptick of 3.5%. The Federal Open Market Committee (FOMC) communicated its intention to maintain the plan for three rate cuts during the year. The OECD forecasted the world GDP growth of 2.9% and 3% in 2024 and 2025, respectively, and projected headline inflation of 6.6% in 2024 before moderating down to 3.8% in 2025.

Broad Equity and Fixed Income domestic markets represented by the S&P 500 Index and Bloomberg U.S. Aggregate Bond Index posted returns of 10.56% and -0.78% for the quarter, respectively. Non-U.S. Developed markets had a 5.78% quarterly return illustrated by the MSCI EAFE. Emerging Markets Equities had a positive return, with 2.37% for the quarter, represented by MSCI EM index.

Attachments

- Quarterly Investment Performance Analysis - SBCERS March 2024 (Final)
- 2023-12-31 SBCERS Private Credit Report (Final)