

SBCERS

Santa Barbara County Employees' Retirement System

DATE: January 22, 2025

TO: SBCERS Board of Retirement

FROM: SBCERS Investment Staff

RE: **Monthly Investment Performance Analysis Period Ended December 31, 2024**

Recommendation

That the Board of Retirement receive and file the Monthly Investment Performance Analysis for Period Ended December 31, 2024, presented by Principals and Co-Lead Consultants Marcia Beard and Matthias Bauer, CFA of RVK, Inc.

Summary

The report will provide an overview of SBCERS' most recent performance and cover major themes in the capital markets during the previous period.

In December, the fund returned -1.58%, underperforming the Policy Benchmark by 75 basis points. The Total Fund Composite posted returns of 7.4% for the calendar year-to-date (CYTD) and 2.84% for the fiscal year-to-date (FYTD). As of December 31, 2024, the fund is valued at \$4.47 billion.

Both Equity and Fixed Income had negative returns in December 2024. Broad Equity and Fixed Income domestic markets represented by the S&P 500 Index and Bloomberg U.S. Aggregate Bond Index posted returns of -2.38% and -1.64% for December, respectively. Non-U.S. Developed markets also experienced a decrease for the month, achieving a -2.27% return for the MSCI EAFE. Emerging Markets outperformed developed equity markets, but still decreased with a -0.14% return for the month, as represented by MSCI EM index. Markets were broadly affected by tempered expectations surrounding future federal reserve rate cuts (i.e. that rate cuts will be slower going forward).

Attachments

- Preliminary Monthly Performance Report – December 2024