



ARLINGTON COUNTY EMPLOYEES' RETIREMENT SYSTEM

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**March 4, 2021**

**To: The Arlington County Board**

**Re: ACERS Update as of 12/31/20**

**Dear Board Members:**

The attached summarizes the Arlington County Employees' Retirement System's investment performance for the quarter ended December 31, 2020.

**Highlights include:**

- System assets of \$2.92 billion increased by \$240 million versus 9/30/20.
- Net investment performance of 9.5% and 16.7% for the quarter and prior year, respectively, compares to respective benchmark returns of 9.3% and 14.0%, and the actuarial assumed annual rate of return of 6.75%.
- The fund's overperformance of the benchmark for the prior year was driven by strong returns from the public equity section, while the fixed income section was a minor detractor from relative results.
- System performance was in the 72<sup>nd</sup> percentile for the quarter, relative to a universe of public fund peers. Longer term performance ranks in the 4<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup> and 33<sup>rd</sup> percentiles on a 1, 3, 5 and 10-year basis, respectively.
- County OPEB Trust assets were \$188.6 million on 12/31/20. Trust assets remain invested in Vanguard's Wellington Fund which returned 11.0% for the year versus an 15.8% benchmark return.

Additional details, including fund performance history and the current asset allocation, are presented in the attachment.

If you would like more information, please call me at (703) 228-7934.

Respectfully,

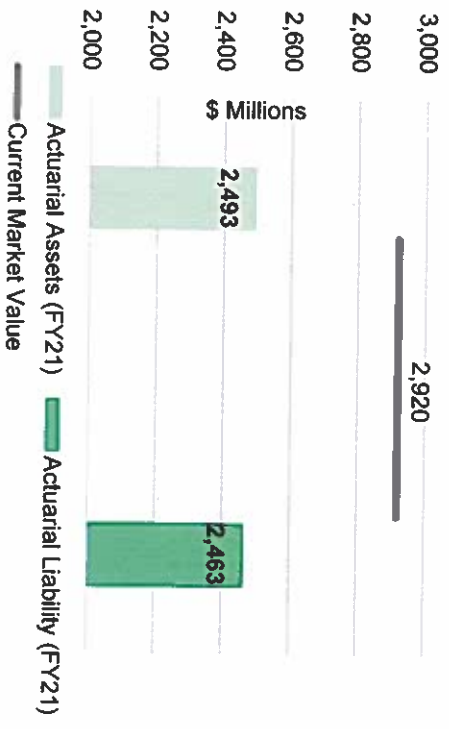
Daniel Zito  
Executive Director

Cc: Mark Schwartz, County Manager  
Clerk to the County Board

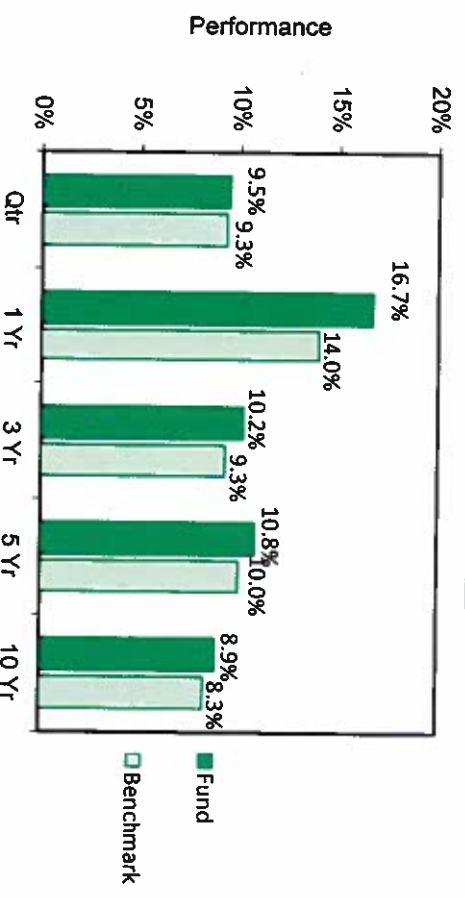
Attachment (1)

# ACERS December 2020 Update

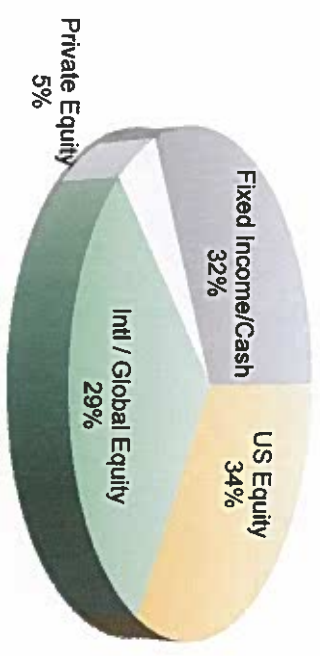
## Fund Balance



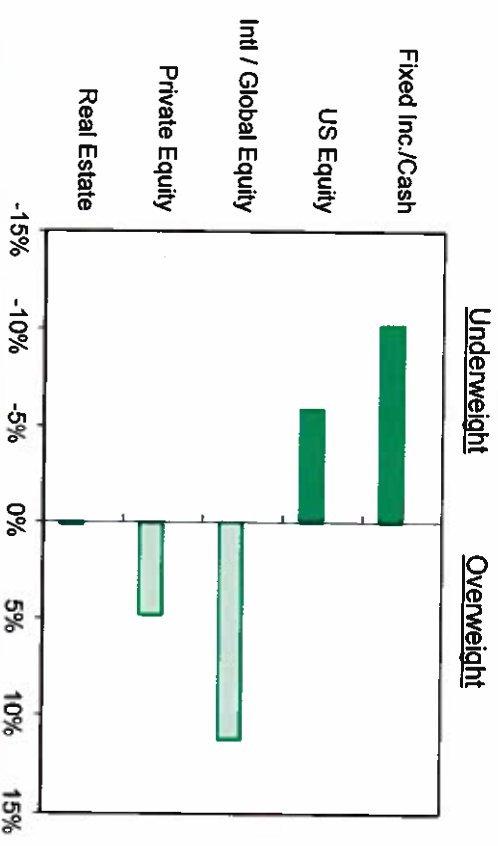
## Net Performance<sup>(1)</sup>



## Asset Allocation



## Allocation vs. Benchmark<sup>(2)</sup>



<sup>(1)</sup> Periods greater than 1 year are annualized

<sup>(2)</sup> Fixed Income/Cash: 39% BC Universal, 1.5% BC TIPS, 2% T-Bills; Equity: US: 40% Ru3000; Intl: 17.5% MSCI ACWI ex-US

Sources: Cheiron, Northern Trust, Windmark Investment Partners