Staff Report 19-190
Item 3.C.

JOINT DISTRICT/RETIREMENT BOARD MEETING

AC TRANSIT EMPLOYEES' RETIREMENT PLAN

May 15, 2019

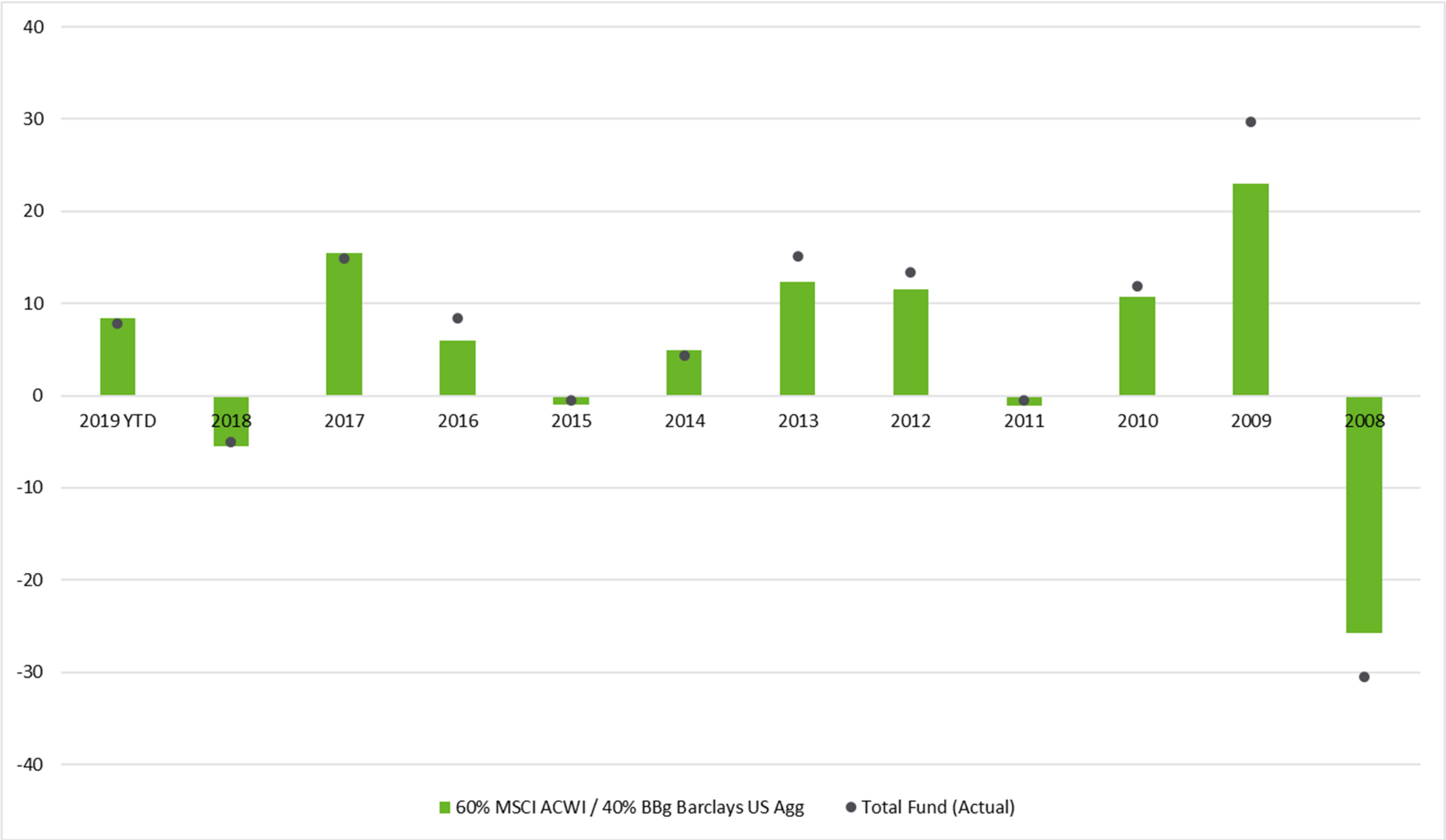
Carolyn Smith, Partner

AC TRANSIT ASSET ALLOCATION – 3/31/2019

	Current 3/31/2019			Current Target		
Domestic Large Cap Equity	$	176,414,541	25.5%	$	152,033,357	22.0%
Domestic Small Cap Equity	$	40,508,016	5.9%	$	41,463,643	6.0%
International Large Cap	$	97,202,043	14.1%	$	96,748,500	14.0%
International Small Cap	$	18,866,701	2.7%	$	20,731,821	3.0%
Emerging Markets Equity	$	25,598,983	3.7%	$	41,463,643	6.0%
Total Equities	**$**	**358,590,284**	**51.9%**	**$**	**352,440,964**	**51.0%**
Core Fixed Income	$	130,483,863	18.9%	$	131,301,536	19.0%
Credit	$	92,276,837	13.4%	$	89,837,893	13.0%
Emerging Market Debt	$	44,108,586	6.4%	$	41,463,643	6.0%
Total Fixed Income	**$**	**266,869,286**	**38.7%**	**$**	**262,603,072**	**38.0%**
Private Debt	$	25,388,976	3.7%	$	34,553,036	5.0%
Real Estate	$	37,624,699	5.4%	$	34,553,036	5.0%
Other	**$**	**63,013,675**	**9.1%**	**$**	**69,106,072**	**10.0%**
Cash	**$**	**2,587,468**	**0.4%**	**$**	**6,910,607**	**1.0%**
Total	**$**	**691,060,714**	**100.0%**	**$**	**691,060,714**	**100.0%**

The credit allocation includes investment grade corporate bonds, high yield bonds, bank loans and emerging market debt.
Private debt includes direct lending to corporations and is primarily senior secured loans.
Market values for Private Debt and Real Estate are preliminary.

60% MSCI ACWI / 40% BBG BC AGGREGATE CALENDAR YEAR RETURNS



AC TRANSIT PERFORMANCE – 3/31/2019 ANNUALIZED RETURNS

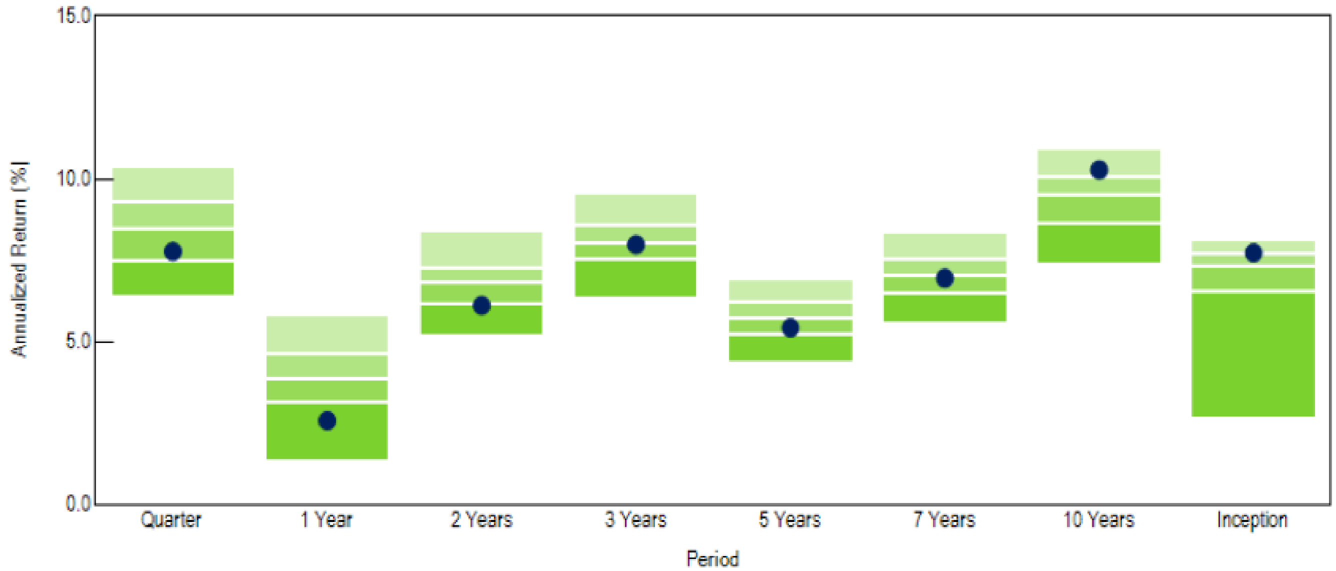
% of Portfolio	Asset Class	3 Mo(%)	1 Yr(%)	3 Yrs(%)	5 Yrs(%)	10 Yrs(%)	Inception(%)	Ending Market Value
100.0%	**Total Fund**	**7.8**	**2.6**	**8.0**	**5.4**	**10.3**	**7.7**	**691,060,714**
	Policy Index	7.5	2.7	7.6	5.4	9.7	7.4	
31.4%	**Total Domestic Equity**	**13.4**	**7.0**	**13.7**	**9.5**	**15.7**	**10.0**	**216,922,557**
	Russell 3000	14.0	8.8	13.5	10.4	16.0	9.6	
25.5%	Domestic Large Cap Equity	13.8	8.8	14.5	10.2	15.8	10.4	176,414,541
	Russell 1000	14.0	9.3	13.5	10.6	16.0	9.7	
5.9%	Domestic Small Cap Equity	11.9	-0.5	10.4	6.7	16.3	8.7	40,508,016
	Russell 2000	14.6	2.0	12.9	7.1	15.4	9.1	
16.8%	**Total International Equity**	**10.9**	**-4.7**	**7.8**	**2.3**	**8.9**	**7.3**	**116,068,744**
	MSCI EAFE	10.0	-3.7	7.3	2.3	9.0	5.9	
3.7%	**Total Emerging Markets Equity**	**8.3**	**-7.6**	**8.7**	**2.8**	**--**	**1.7**	**25,598,983**
	MSCI Emerging Markets	9.9	-7.4	10.7	3.7	8.9	1.4	
38.6%	**Total Fixed Income**	**4.2**	**3.1**	**4.0**	**3.6**	**6.7**	**5.5**	**266,869,287**
18.9%	**Total Domestic Fixed Income**	**2.9**	**4.4**	**2.0**	**2.7**	**6.0**	**5.2**	**130,483,863**
	BBgBarc US Aggregate TR	2.9	4.5	2.0	2.7	3.8	5.5	
13.4%	Credit Fixed Income	5.7	4.8	6.7	4.6	--	5.4	92,276,837
	BBgBarc US Credit TR	4.9	4.9	3.5	3.6	6.2	4.2	
6.4%	Emerging Market Debt	5.0	-4.0	4.8	3.7	--	4.1	44,108,586
	*50% JPM GBI-EM / 50% JPM EMBI	4.5	-1.9	4.7	4.1	--	5.0	
3.7%	**Private Debt**	**-0.8**	**3.3**	**5.8**	**--**	**--**	**6.3**	**25,388,976**
	S&P/LSTA Leveraged Loan Index (1 QTR Lag)	-3.5	0.4	4.8	--	--	3.0	
5.4%	**Real Estate**	**0.5**	**5.9**	**6.3**	**8.1**	**--**	**8.3**	**37,624,699**
0.4%	**Cash**	**0.7**	**2.1**	**1.6**	**1.0**	**0.6**	**2.6**	**2,587,468**
	91 Day T-Bills	0.6	2.1	1.2	0.8	0.4	2.5	

Total Plan since inception represents performance from 3/31/1992 to 3/31/2019.
Returns greater than 1-year are annualized.
Returns and values for Private Debt and Real Estate are preliminary.

TOTAL FUND RETURN SUMMARY VS. PEERS AS OF 3/31/2019

InvestorForce Public DB Net Return Comparison
Ending March 31, 2019

Ranking	Quartile
1 - 25	1st
26 - 50	2nd
51 - 75	3rd
76 - 100	4th



Return (Rank)	Quarter		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years		Inception	
5th Percentile	10.3		5.8		8.4		9.5		6.9		8.3		10.9		8.1	
25th Percentile	9.3		4.7		7.3		8.6		6.2		7.6		10.1		7.7	
Median	8.5		3.9		6.8		8.1		5.8		7.1		9.6		7.3	
75th Percentile	7.5		3.1		6.2		7.6		5.3		6.5		8.6		6.6	
95th Percentile	6.4		1.3		5.2		6.3		4.4		5.6		7.4		2.7	
# of Portfolios	270		265		259		256		240		224		188		41	
● Total Fund	7.8	(70)	2.6	(85)	6.1	(80)	8.0	(56)	5.4	(63)	7.0	(58)	10.3	(19)	7.7	(26)

PROJECTED PERFORMANCE AND RISK

	5-7 Year Expected Return	30 Year Expected Return	Current Target
Cash	2.50%	3.00%	**1.0%**
Large Cap Equities	6.00%	7.50%	22.0%
Small/Mid Cap Equities	6.25%	7.75%	6.0%
Int'l Equities (Unhedged)	6.75%	7.75%	14.0%
Int'l Sm Cap Equities (Unhedged)	7.25%	8.00%	3.0%
Emerging Int'l Equities	9.25%	9.25%	6.0%
Emerging Int'l Sm Cap Equities	9.50%	9.50%	0.0%
Total Equity			**51.0%**
Core Bonds	3.04%	4.37%	19.0%
Credit	4.97%	6.23%	13.0%
EMD (External)	4.75%	6.25%	3.0%
EMD (Local Currency)	6.50%	6.75%	3.0%
Private Debt	7.60%	8.11%	5.0%
Total Fixed Income			**43.0%**
Core Real Estate	6.00%	6.25%	2.5%
Non-Core Real Estate	7.00%	7.25%	2.5%
Total Real Assets			**5.0%**

Expected Return 5-7 yrs			**6.2%**
Expected Return 30 yrs			**7.3%**
Standard Dev			**11.3%**
Sharpe Ratio (5-7 years)			**0.32**
Sharpe Ratio (30 years)			**0.38**

Probability of 1-Year Return Under 0.0%			**29.3%**
Probability of 5-7 Year Return Under 0.0%			**9.1%**
Probability of 5-7 Year Return Over 7.0%			**42.7%**
Probability of 30 Year Return Over 7.0%			**55.9%**