



OCERS At-a-Glance

August 28, 2024

Steve Delaney, Chief Executive Officer

Molly Murphy, Chief Investment Officer ● ● ●

The Current State of OCERS



121st in the Nation

55th in Public Pensions

51st in DB Public Pensions

Per 2023 P&I Retirement Pension Listing

More than \$20.6 billion in assets as of Dec. 2022



Who We Serve



- CITY OF SAN JUAN CAPISTRANO
- COUNTY OF ORANGE
- ORANGE COUNTY CEMETERY DISTRICT
- ORANGE COUNTY CHILDREN & FAMILIES COMMISSION
- ORANGE COUNTY DEPARTMENT OF EDUCATION
(CLOSED TO NEW MEMBERS)
- ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
- ORANGE COUNTY FIRE AUTHORITY
- ORANGE COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC
AUTHORITY
- ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION
- ORANGE COUNTY PUBLIC LAW LIBRARY
- ORANGE COUNTY SANITATION DISTRICT
- ORANGE COUNTY TRANSPORTATION AUTHORITY
- SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE
- TRANSPORTATION CORRIDOR AGENCIES
- UCI MEDICAL CENTER AND CAMPUS
(CLOSED TO NEW MEMBERS)



Differences Between the 1937 Act Systems and the State Systems?

- The 1937 Act systems operate under a different set of rules governing what counts as compensation for the purposes of determining retirement benefits.
- Systems generally do not administer health care benefits for active employees or retirees.
 - Some systems provide a subsidy toward retiree health care costs.
- Plan members or stakeholders can express concerns to the local retirement system (as opposed to a larger, statewide entity) and to local officials or labor organizations.
- Administrative costs limited to 0.21% of plan liabilities.
- **PEPRA leveled the playing field.**



OCERS and the Pension Promise:

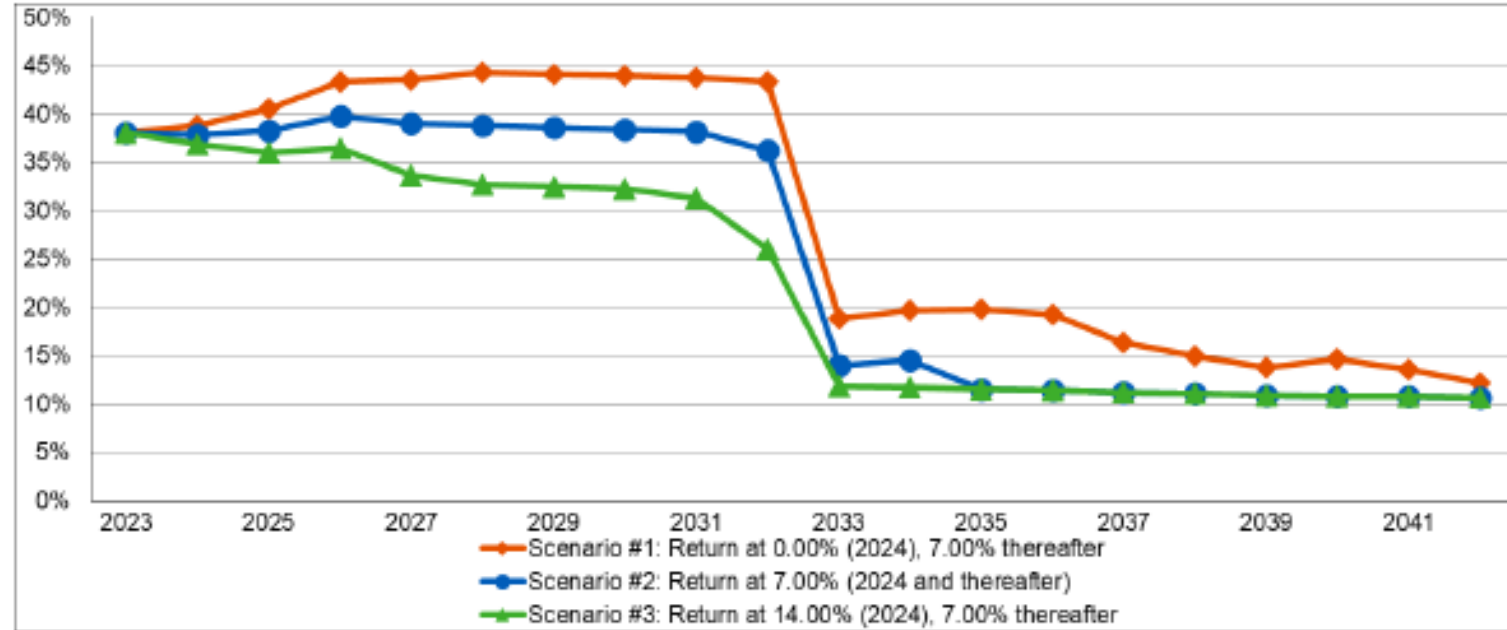
As of December 31, 2023:

▪ Present Value of Future Benefits	\$31,773,952,000
▪ OCERS Actuarial Accrued Liability	\$26,788,041,000
▪ OCERS Assets (Valuation)	\$22,135,285,000
▪ OCERS Assets (Market)	\$21,635,294,000
▪ Unfunded Actuarial Accrued Liability (UAAL)	\$4,652,756,000
▪ OCSD UAAL	\$000,000,000!



UAAL Projection

Aggregate Plan
Valuation Date (as of December 31)

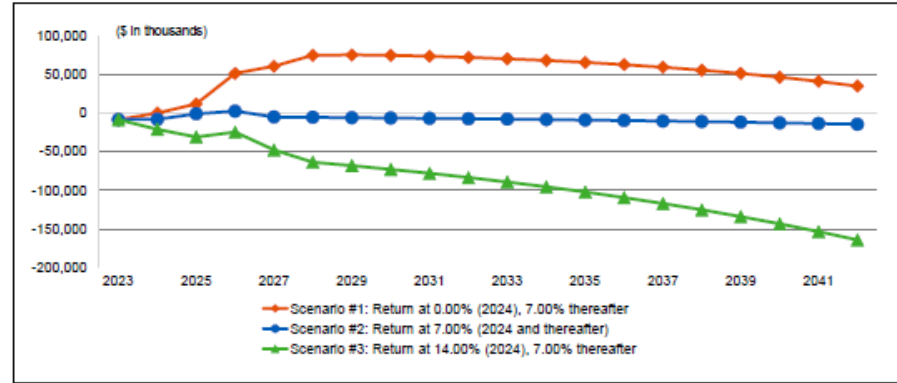


Valuation Date (as of December 31)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	38.1%	38.9%	40.5%	43.3%	43.6%	44.3%	44.1%	43.9%	43.7%	43.4%	18.8%	19.7%	19.8%	19.3%	18.4%	15.0%	13.8%	14.6%	13.5%	12.1%
#2: 7.0% for all years	38.1%	37.9%	38.2%	39.8%	39.0%	38.8%	38.6%	38.4%	38.2%	36.3%	14.0%	14.5%	11.5%	11.4%	11.2%	11.1%	10.9%	10.8%	10.7%	10.6%
#3: 14.0% (2024), 7.0% thereafter	38.1%	36.9%	36.0%	36.5%	33.7%	32.7%	32.5%	32.3%	31.3%	26.0%	11.9%	11.7%	11.5%	11.4%	11.2%	11.1%	10.9%	10.8%	10.7%	10.6%



The OCSD Story

Plans B, G, H and U (OCSD)
Valuation Date (as of December 31)



UAAL (\$000)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
#1: 0.0% (2024) and 7.0% thereafter	-8,411	0	11,873	51,401	60,615	74,784	75,251	74,785	73,556	72,047
#2: 7.0% for all years	-8,411	-8,181	-1,010	2,517	-5,059	-5,521	-6,017	-6,439	-6,889	-7,372
#3: 14.0% (2024), 7.0% thereafter	-8,411	-21,087	-30,933	-24,711	-47,758	-63,658	-68,114	-72,882	-77,983	-83,442

UAAL (\$000)	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	70,233	68,086	65,576	62,673	59,342	55,546	51,246	46,406	40,981	34,917
#2: 7.0% for all years	-7,888	-8,440	-9,030	-9,663	-10,339	-11,063	-11,837	-12,666	-13,552	-14,501
#3: 14.0% (2024), 7.0% thereafter	-89,283	-95,533	-102,220	-109,376	-117,032	-125,224	-133,990	-143,369	-153,405	-164,143

Funded Ratio	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	100.9%	100.0%	98.8%	95.1%	94.4%	93.3%	93.4%	93.6%	93.9%	94.1%	94.3%	94.6%	94.8%	95.1%	95.3%	95.6%	95.9%	96.2%	96.5%	96.9%
#2: 7.0% for all years	100.9%	100.8%	100.1%	99.8%	100.5%	100.5%	100.5%	100.5%	100.6%	100.6%	100.6%	100.7%	100.7%	100.8%	100.8%	100.9%	101.0%	101.0%	101.1%	101.3%
#3: 14.0% (2024), 7.0% thereafter	100.9%	102.1%	103.0%	102.3%	104.4%	105.7%	105.9%	106.2%	106.5%	106.8%	107.2%	107.6%	108.1%	108.6%	109.2%	109.9%	110.8%	111.8%	113.0%	114.4%

Under the return scenarios that give rise to actuarial surplus, the continued growth in that surplus is attributable to the assumption made in preparing these illustrations that no surplus would be amortized to reduce the employer's normal cost until the System as a whole is 120% funded.



Paying For Pensions

Actuarial Assumptions Produce Pension Contribution Rates (Employer)

**Normal
Cost**



UAAL

**If every assumption
is met in a year**

**If an assumption
isn't met**



Good News For OCSD

Scenario 2: 7.0% for all years
Valuation Date (as of December 31)

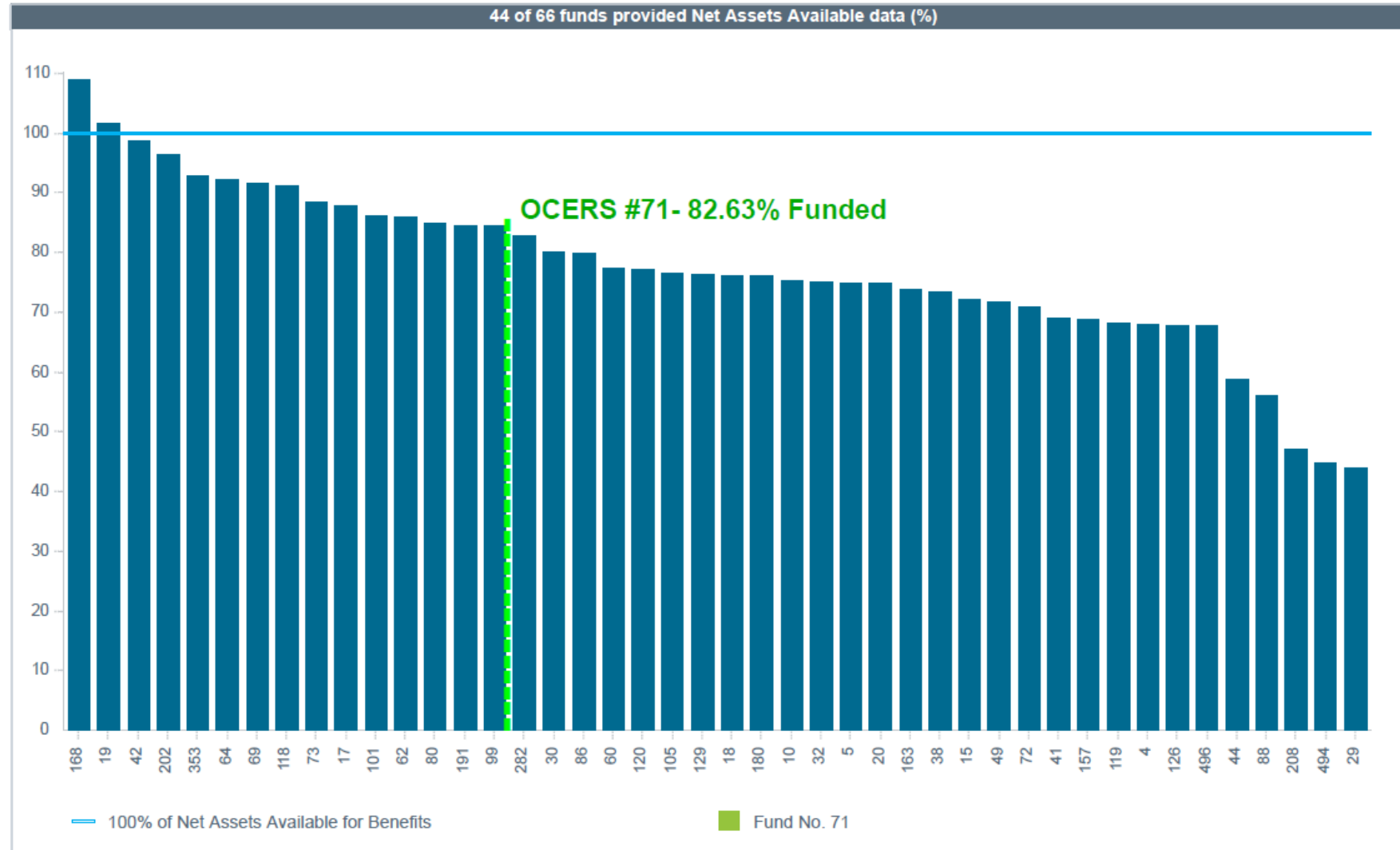
Rate Group	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
General																				
RG #2 - Plans I, J, O, P, S, T, U and W (County et al.)	38.1%	37.9%	38.2%	39.5%	38.8%	38.6%	38.3%	38.1%	37.9%	37.5%	11.3%	13.5%	8.8%	8.7%	8.5%	8.4%	8.2%	8.1%	8.0%	7.9%
RG #3 - Plans B, G, H and U (OCSD)	11.7%	11.5%	11.4%	11.5%	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%	10.7%	10.6%	10.6%	10.5%	10.4%	10.3%	10.3%	10.2%	10.2%	10.1%



OCERS Funded Level

Net Assets Available For Benefits
Expressed as a Percentage of the Pension Benefit Obligation

As of December 31, 2023



How We Pay For Benefits



Net Investment Income

This includes earnings from stocks, bonds, alternatives, real estate and other investments, minus fees.

Employer Contributions

This is the money paid to OCERS from employers for pension benefits.

Employee Contributions

This is the money active employees pay into the fund for future benefits



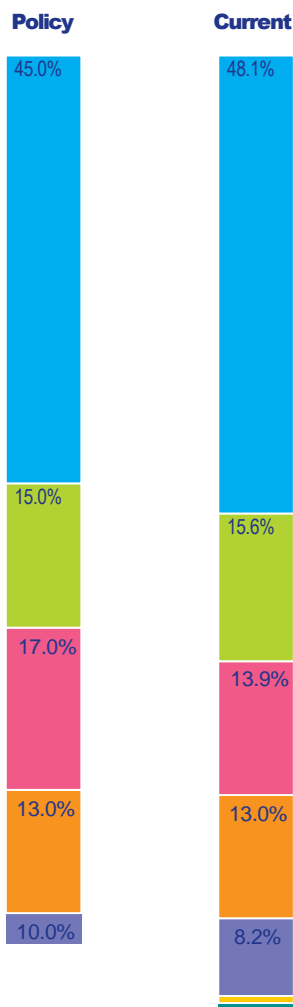


Orange County Employees Retirement System

First Quarter of 2024

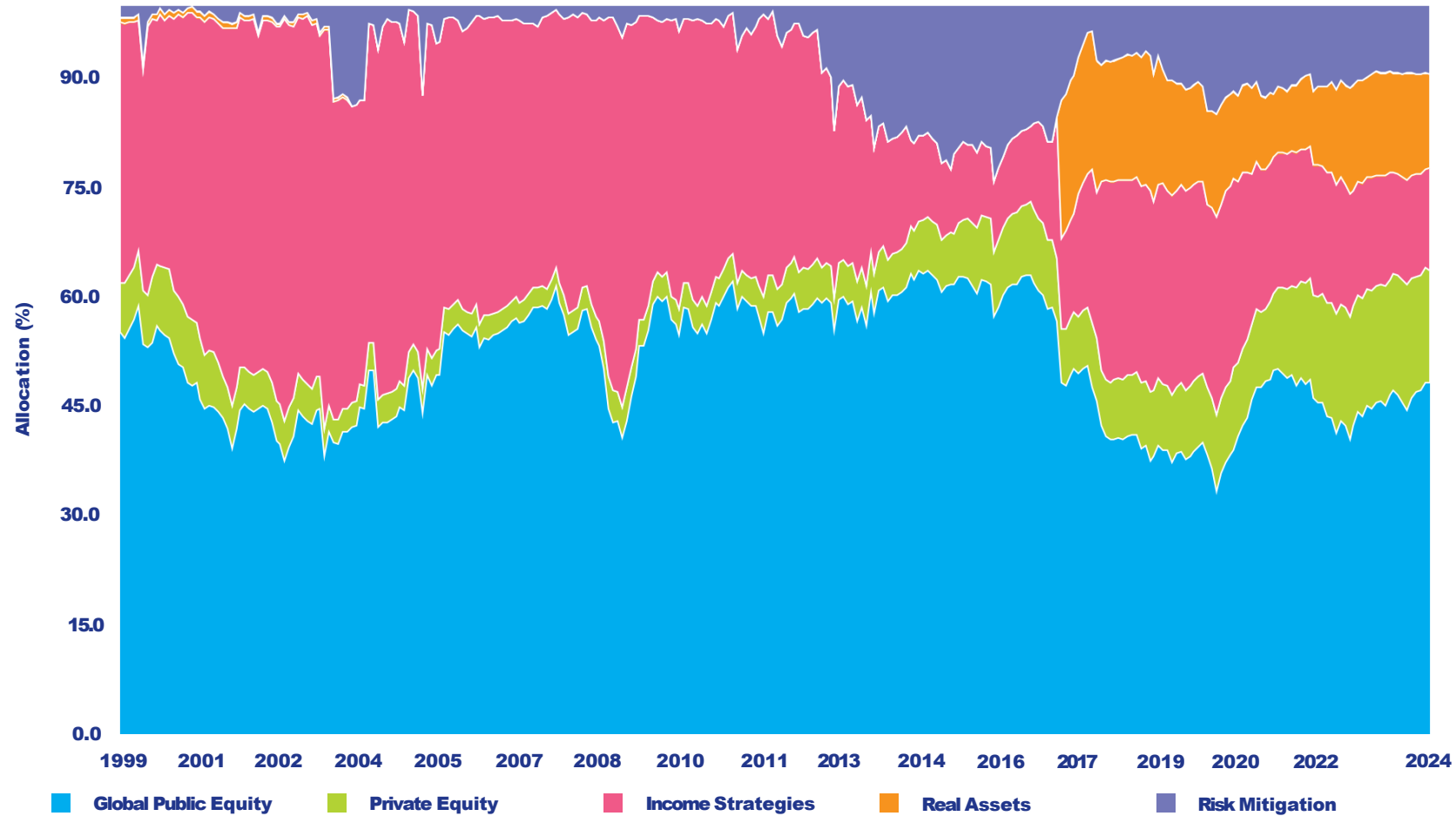
Quarterly Review

Asset Allocation Compliance | As of March 31, 2024



	Current	Current	Policy	Difference
	(%)	Policy Range	Balance (\$)	Allocation
		(%)	(%)	(%)
Global Public Equity	11,208,188,768	48.1	45.0	3.1
Private Equity	3,625,450,568	15.6	15.0	0.6
Income Strategies	3,240,006,283	13.9	17.0	-3.1
Real Assets	3,017,154,815	13.0	13.0	0.0
Risk Mitigation	1,903,723,758	8.2	10.0	-1.8
Cash	136,896,420	0.6	0.0	0.6
Total	23,297,769,176	100.0	100.0	0.0

Asset Allocation History 24 Years 6 Months Ending March 31, 2024



Performance Summary						
	Market Value \$		QTR Yrs (%)	1Yr 10 Yrs (%)	3 Yrs (%)	5 (%)
<i>Policy Benchmark</i>		4.3 (28)	12.5 (34)	(%) 6.4 (9)	8.3 (27)	7.3 (29)
Global Public Equity	11,208,188,768	8.5 (35)	24.5 (29)	6.8 (39)	11.5 (36)	9.0 (38)
<i>Global Public Equity Blended Benchmark</i>		7.7 (44)	22.5 (38)	6.3 (45)	10.6 (47)	8.5 (46)
Private Equity	3,625,450,568	2.2 (20)	5.1 (47)	13.6 (66)	15.1 (75)	14.2 (--)
<i>Cambridge Associates Private Equity Index</i>		2.7 (10)	9.1 (17)	14.6 (61)	16.0 (67)	13.9 (--)
Income Strategies	3,240,006,283	0.9 (35)	5.3 (57)	0.9 (28)	2.8 (31)	3.7 (15)
<i>Income Strategies Benchmark</i>		0.1 (54)	4.8 (61)	0.2 (36)	2.2 (42)	--
Real Assets	3,017,154,815	-1.4	-1.9	10.8	6.0	--
<i>Real Assets Custom Blend</i>		-0.4	-3.4	7.9	4.5	--
Total Real Estate	1,541,923,968	-2.3 (61)	-10.1 (84)	5.4 (1)	5.0 (1)	8.0 (1)
<i>Real Estate Custom Index</i>		-2.4 (61)	-11.3 (88)	3.4 (50)	3.5 (68)	6.5 (70)
Risk Mitigation	1,903,723,758	5.0 (36)	8.4 (70)	6.8 (3)	6.0 (40)	--
<i>Risk Mitigation Custom Index</i>		5.2 (31)	7.1 (76)	3.9 (25)	4.3 (64)	--
Unique Strategies	166,348,564	1.0	3.5	4.7	--	--
Cash*	136,896,420	3.1	7.6	3.4	2.5	1.8
<i>ICE BofA 3 Month U.S. T-Bill</i>		1.3	5.2	2.6	2.0	1.4

*One or more accounts have been excluded from the composite for the purposes of performance calculations and market value.

Peer rankings are from highest (1) to lowest (100) in the respective universes.
Please note, all private market assets are reported on a lag.