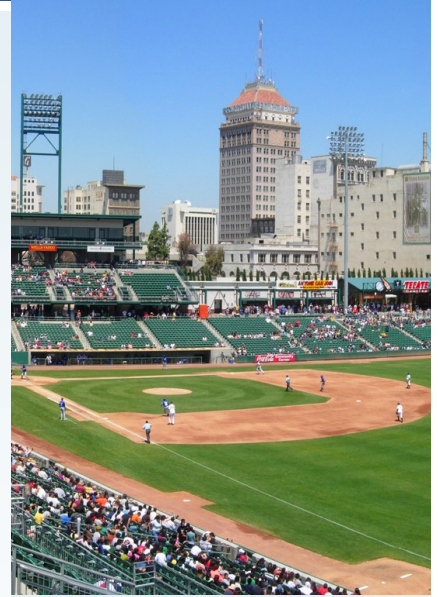




# POPULAR ANNUAL FINANCIAL REPORT

For the Fiscal Year  
Ended June 30 **2019**

A Pension Trust Fund for the County of Fresno  
and Participating Employers  
Fresno, California



## A Message to Members

This Popular Annual Financial Report (PAFR) summarizes the information contained in the Comprehensive Annual Financial Report (CAFR) that provides financial information on FCERA's activities. This PAFR is presented in conformity with generally accepted accounting principles (GAAP). The more detailed CAFR is available on FCERA's website at [www.fresnocountyretirement.org](http://www.fresnocountyretirement.org) or from the FCERA Administrative Office for a small copy fee.

Meetings of the Board of Retirement are normally held on the first and third Wednesday of each month at 8:30 a.m. Members of the Retirement Association and the public are invited to attend these meetings.

As a member of the Retirement Association, you are encouraged to contact the Retirement Office regarding these summary financial statements or to obtain other information concerning the Retirement System. Members are also encouraged to visit our website at [www.fresnocountyretirement.org](http://www.fresnocountyretirement.org) or on the County's Intranet by selecting Retirement Association under the Department Sites link for more information.

## Retirement Board

Nathan Magsig, MBA MS, Chair

Stanley L. McDivitt, Vice Chair

John Adams

Rauden H. Coburn, III, DDS

Robert Dowell

Oscar J. Garcia, CPA

Steven Jolly, AIF

John Robinson

Riley Talford

Mary Ann Rogozinski, Alternate

Nathan Magsig, MBA MS, Chair  
Board of Retirement

Donald C. Kendig, CPA  
Retirement Administrator

7772 N. Palm Ave | Fresno, CA 93711

p. (559) 457-0681 | f. (559) 457-0318

[FresnoCountyRetirement.org](http://FresnoCountyRetirement.org)

## Membership Highlights

Total membership in the Association increased by 3.60% to 19,205. The total number of active members increased by 2.9% to 7,676, retired membership increased by 2.8% to 7,656, and terminated membership increased by 6.8% to 3,873.

## Financial Highlights

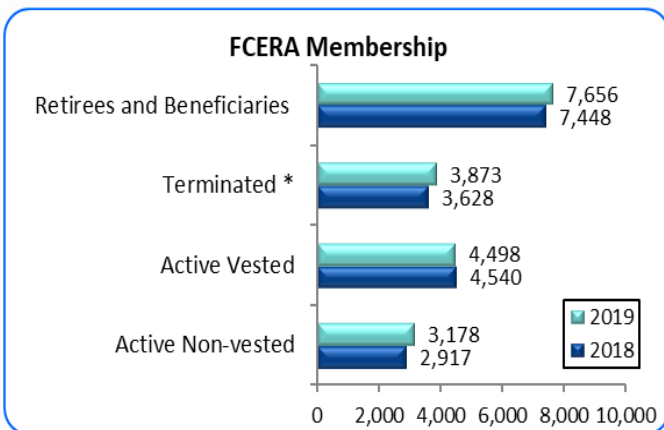
FCERA's investment portfolio consists of equities, fixed income, real estate, private equity, hedge funds, private credit, infrastructure, commodities, cash and cash equivalents.

The average rate of return on the market value basis of the investment portfolio over the past fiscal year was 5.6%, net of fees. FCERA's past performance over three, five, and ten-year periods ending June 30, 2019 respectively, were: 7.7%, 4.5% and 8.7%, net of fees.

During the fiscal year, benefit payments to retirees and beneficiaries totaled \$277 million and refunds to terminated plan members totaled \$2.6 million. Administrative expenses totaled \$6.0 million for the year, which amounts to 0.12% of net position.

As of June 30, 2019, Fresno County Employees' Retirement Association (FCERA) has total assets of \$5.1 billion. After accounting for current liabilities of \$133.9 million, FCERA has a total net position restricted for pension benefits of \$4.9 billion compared to \$4.7 billion at June 30, 2018. The net position restricted for pension benefits is available to meet FCERA's ongoing obligation to plan participants and their beneficiaries.

The increase in FCERA's net position was primarily due to the net appreciation in the fair value of investments held by FCERA. Contributions of \$266 million, when combined with net investment income of \$255 million, generated total additions of \$521 million. Total deductions including benefits paid, refunded contributions and administrative expenses amounted to \$286 million which resulted in an increase in net position of \$235 million.



\*Includes Members entitled to, but not yet receiving benefits



### Fund Revenue (in thousands)

Year Ended	Employee Contributions	Employer Contributions	Net Investment and Other Income/(Loss)
6/30/2019	\$40,463	\$225,492	\$254,801
6/30/2018	38,467	210,535	312,770
6/30/2017	36,259	198,472	417,681
6/30/2016	35,212	191,529	(4,258)
6/30/2015	33,110	184,213	406

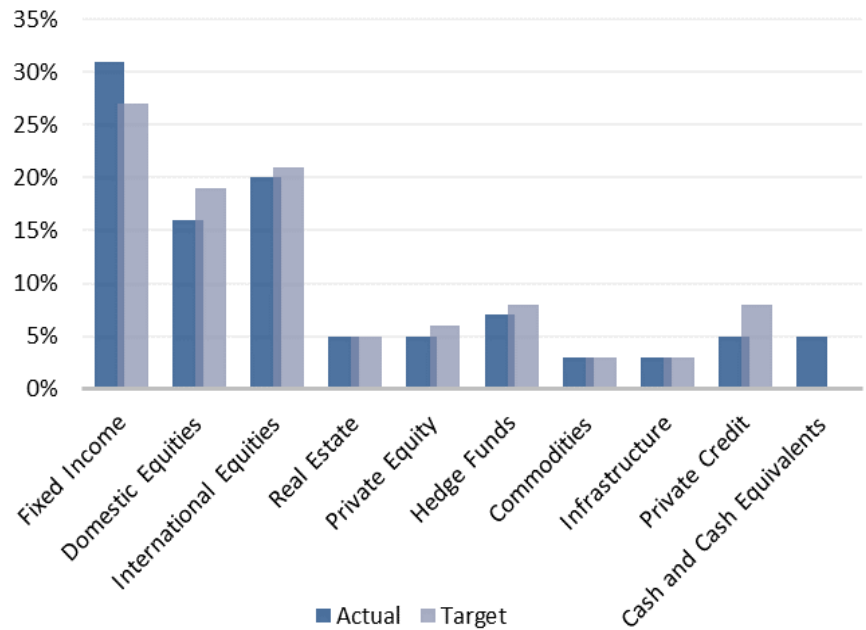
### Fund Expenses (in thousands)

Year Ended	Retiree Benefits	Refunds	Administrative Expenses
6/30/2019	\$277,417	\$2,615	\$5,981
6/30/2018	260,823	2,408	5,677
6/30/2017	247,491	2,356	4,762
6/30/2016	238,028	2,203	4,814
6/30/2015	229,115	2,282	4,297

**Asset Allocation as of June 30, 2019**  
**(Total Fair Value of Cash and Investments \$4,929,392)**

**Largest Equity Holdings**

Name	Fair Value
AMAZON.COM INC	\$32,121,646
LINDE PLC	21,696,280
MICROSOFT CORP	21,661,332
FACEBOOK INC	20,529,217
DEUTSCHE BOERSE AG NPV (REGD)	18,814,899

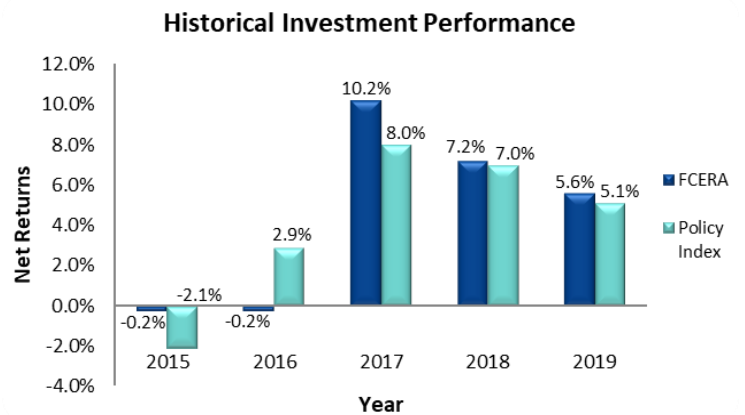


**Largest Fixed Income Holdings**

Name	Fair Value
FUT SEP 19 CBT 5Y T-NOTE	\$99,723,875
WI UNITED STATES TREAS NTS FLTG RT	37,754,923
FUT SEP 19 CBT 5Y T-NOTE	37,337,375
FUT SEP 19 CBT 5Y T-NOTE	22,331,531
FUT SEP 19 US 2YR T-NOTE	21,087,609

**Investment Performance**

The chart to the right reflects returns, net of fees, for the one-year periods ended June 30th. FCERA's policy index is composed of the Russell 3000, BBgBarc Global Aggregate, MSCI ACWI ex U.S., Russell 2000, BBgBarc US Corp. High Yield, Private Equity Neutralized, Private Credit Neutralized, HFRI FoF Composite, NCREIF ODCE Net and Bloomberg Commodity. For more information about the Association's investment policy, strategy and returns, please visit [www.fresnocountyretirement.org](http://www.fresnocountyretirement.org).



**Funded Status**

FCERA's funding status is determined based on the 6/30/18 actuarial valuation. As of June 30, 2018 the funded ratio on a valuation value of assets basis has increased from 80.3% to 81.5%. This ratio indicates that FCERA has approximately \$0.82 cents of assets for each \$1.00 of liabilities. The County of Fresno and participating agencies contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. More information about FCERA's funded status can be found in the introduction section of the CAFR.

**Funded Status (in thousands)**

Actuarial Valuation Date	Valuation Value of Assets	Actuarial Accrued Liability	Funded Ratio
6/30/2018	\$ 4,802,958	\$ 5,893,909	81.5%
6/30/2017	4,529,508	5,643,444	80.3%
6/30/2016	4,278,001	5,472,149	78.2%
6/30/2015	4,092,647	5,074,333	80.7%
6/30/2014	3,824,221	4,876,754	78.4%

Additional information regarding membership and retirement can be found in the Member Handbook, which can be viewed on FCERA's website at [FresnoCountyRetirement.org](http://FresnoCountyRetirement.org) or obtained from the FCERA Administrative Office. More in depth information regarding investments and FCERA's financial status can be found in the CAFR.



Government Finance Officers Association

**Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting**

Presented to

**Fresno County Employees'  
Retirement Association, California**

For its Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrell*

Executive Director/CEO

## PAFR Award

The Government Finance Officers Association (GFOA) awarded FCERA with the Popular Annual Financial Reporting Award (PAFR). The PAFR provides FCERA's membership with condensed and concise information in an easier to read format than presented in the CAFR. FCERA received this honor on its submission for the award for the fiscal year ended June 30, 2018.



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[FresnoCountyRetirement.org](http://FresnoCountyRetirement.org)

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Ended June 30 **2019**