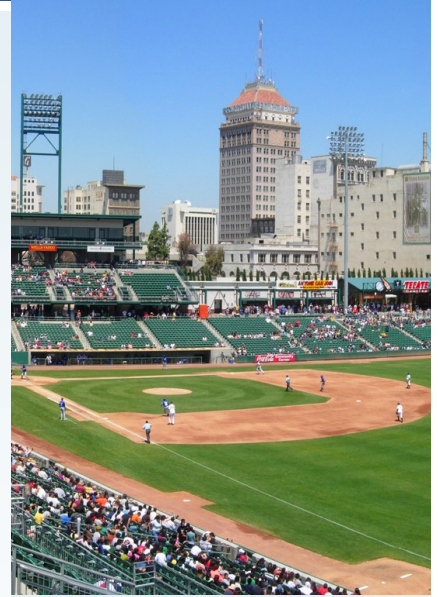




# POPULAR ANNUAL FINANCIAL REPORT

For the Fiscal Year  
Ended June 30 **2020**

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

Laura Basua

Rauden H. Coburn, III, DDS

Oscar J. Garcia, CPA

Steven Jolly, AIF

John Robinson

Riley Talford

Douglas Papagni, 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 2.70% to 19,728. The total number of active members increased by 2.6% to 7,873, retired membership increased by 2.4% to 7,841, and terminated membership increased by 3.6% to 4,014.

## Financial Highlights

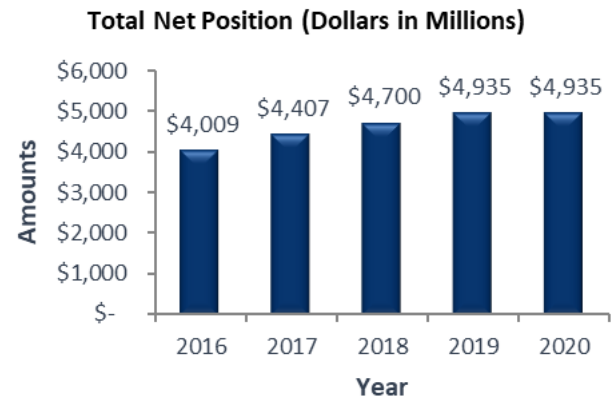
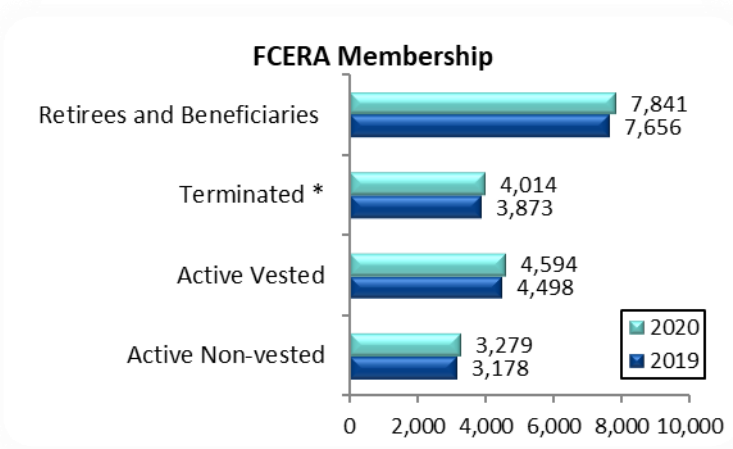
FCERA's investment portfolio consists of equities, fixed income, real estate, private equity, hedge funds, private credit, infrastructure, commodities, cash and cash equivalents.

The average rate of return on the market value basis of the investment portfolio over the past fiscal year was 1.0%, net of fees. FCERA's past performance over three, five, and ten-year periods ending June 30, 2020 respectively, were: 4.6%, 4.7% and 7.2%, net of fees.

During the fiscal year, benefit payments to retirees and beneficiaries totaled \$293 million and refunds to terminated plan members totaled \$2.2 million. Administrative expenses totaled \$6.4 million for the year, which amounts to 0.13% of net position.

As of June 30, 2020, Fresno County Employees' Retirement Association (FCERA) has total assets of \$5.3 billion. After accounting for current liabilities of \$381.6 million, FCERA has a total net position restricted for pension benefits of \$4.9 billion which remained constant from June 30, 2019 at \$4.9 billion. The net position restricted for pension benefits is available to meet FCERA's ongoing obligation to plan participants and their beneficiaries.

Contributions of \$289 million, when combined with net investment income of \$13 million, generated total additions of \$302.3 million. Total deductions including benefits paid, refunded contributions and administrative expenses amounted to \$301.5 million which resulted in an increase in net position of \$788 thousand.



\*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)
6/30/2020	\$41,761	\$247,474	\$13,097
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)

### Fund Expenses (in thousands)

Year Ended	Retiree Benefits	Refunds	Administrative Expenses
6/30/2020	\$292,775	\$2,217	\$6,422
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

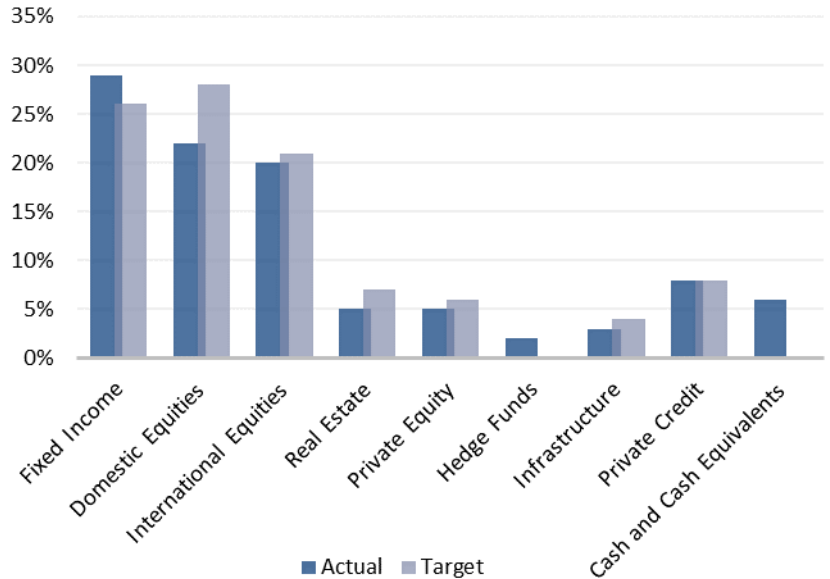
**Asset Allocation as of June 30, 2020**  
**(Total Fair Value of Cash and Investments \$4,961,114)**

**Largest Equity Holdings**

Name	Fair Value
AMAZON.COM INC	\$21,714,672
MICROSOFT CORP	14,592,277
DEUTSCHE BOERSE AG NPV (REGD)	11,914,784
ALPHABET INC	11,670,552
LINDE PLC	10,789,731

**Largest Fixed Income Holdings**

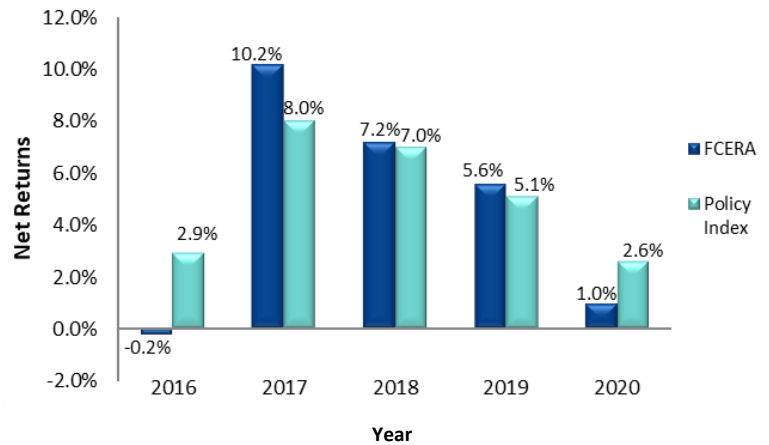
Name	Fair Value
FUT SEP 20 5Y T-NOTE	\$97,198,711
MFO PIMCO PAPS ASSET BACKED SEC	50,214,030
FUT SEP 20 5Y T-NOTE	43,381,055
FUT SEP 20 EUX EURO-BTP	31,188,574
FUT SEP 20 U.S. T-BONDS	31,069,875



**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 91 Day T-Bills. For more information about the Association’s investment policy, strategy and returns, please visit [www.fresnocountyretirement.org](http://www.fresnocountyretirement.org).

**Historical Investment Performance**



**Funded Status**

FCERA’s funding status is determined based on the 6/30/19 actuarial valuation. As of June 30, 2019 the funded ratio on a valuation value of assets basis has increased from 81.5% to 81.7%. 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
6/30/2019	\$ 4,971,225	\$ 6,086,654	81.7%
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%

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, 2019**

*Christopher P. Morill*

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, 2019.



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Ended June 30 **2020**