

Active Membership

That's 70% of all members

Enrolled 17,083 in Web Member Services at 12/31/2020/2021

Strengthening ACERA
Accomplishment Highlights
2020

COVID-19 RESPONSE • We transitioned nearly all staff to telework, implemented virtual board meetings, retirement consulting sessions, and retirement planning webinars over Zoom; implemented a virtual call center, created an electronic retirement tracker; upgraded our member portal for secure document uploads, and processed all retirements and retirement payments on schedule.

REDESIGNED OUR WEBSITE • We redesigned across using a responsive design that looks good on any sized device. Enhancements include web forms, video seminars, and totally redesigned content architecture and retirement planning content.

CONTINUED WORK ON PENSION SOFTWARE ENHANCEMENT • We made considerable headway on the project we launched in 2018 to replace our pension database software, completing planning of a new employer reporting portal, electronic document management integration, and a new benefit estimator and service credit purchase estimator. Replacements will go live in 2023 and deliver huge gains in efficiency through automation.

ACERA ALSO... increased the 60-day retirement application window to 90 days; completed a retiree payroll deduction policy audit; conducted a Large Cap Value manager search; expanded the Emerging Managers program; adopted a new Real Assets asset class structure; revised our International Equity manager structure; and adopted \$335 million in new commitments to privately placed funds.

ACERA's Membership
ACERA members are current and former employees of six participating employers who collectively share the risks of supporting a multi-employer, cost-sharing, defined benefit retirement plan. More at www.acera.org/about.

Membership Changes

2020	2019	Total members
36,480	36,262	36,480

Service Retirees

2020	2019
1,000	1,000

Active Retirees

2020	2019
1,000	1,000

Active Non-Retirees

2020	2019
1,000	1,000

Deferred

2020	2019
1,000	1,000

Reservable

2020	2019
1,000	1,000

Liability Retirees

2020	2019
1,000	1,000

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ACERA Financial Highlights

The funding sources that finance the retirement benefits are member contributions, employer contributions, and investment income. ACERA's assets are primarily used for the payment of benefits to members and their beneficiaries, the refund of contributions to terminated employees, and the cost of administering the retirement system. More at www.acera.org/about/financial.

Market Value (\$ billion)

Financial Summary (Funds Not Pension Covered)

	2020	2019	Percent Change
ADDITIONS			
Member contributions - Web Services	\$ 189	\$ 189	0%
Employer & Employee Contributions	\$ 1,017	\$ 1,039	2%
Investment Income	\$ 15	\$ 15	0%
Net Addition	\$ 1,221	\$ 1,243	2%
REDUCTIONS			
Retirement benefit payments - benefit	\$ 1,384	\$ 1,361	2%
Administrative expenses	\$ 46	\$ 46	0%
Net Reduction	\$ 1,430	\$ 1,407	2%
Net Change	\$ 791	\$ 836	6%

Actuarial Values and Funded Ratio

ACTUARIAL VALUATION AS OF DECEMBER 31	ACTUARIAL VALUE OF ASSETS	ACTUARIAL LIABILITY	UNFUNDED ACTUARIAL LIABILITY	FUNDED RATIO
2019	\$ 7,600.0	\$ 9,796.0	\$ 2,196.0	77.6%
2020	7,239.0	9,376.4	2,137.4	77.2%
2021	6,836.4	8,987.1	2,150.7	76.0%
2022	6,484.1	8,272.2	1,788.1	78.9%
2023	6,082.3	7,970.0	1,787.7	77.3%

Non-Guaranteed Benefits and the Supplemental Retirees Benefits Reserve (SRBR)

NON-GUARANTEED BENEFITS CURRENTLY OBLIGED

- Monthly Medical Allowance (MMA)
- Dental Coverage Subsidy
- Vision Coverage Subsidy
- Medicare Part B Reimbursement Plan
- Supplemental COBRA
- Implicit Liability (PBA to County)

ACERA's non-guaranteed (non-vested) benefits are subject to available funds in ACERA's Supplemental Retirees Benefits Reserve (SRBR). The SRBR receives regular interest earnings and investment earnings above the assumed rate of return. Each year, our actuary projects how many years the SRBR will last at current benefit levels. ACERA aims to keep the SRBR above a projected 15-year sustainability level. The Board of Retirement may change or not guarantee benefits to meet this goal. Below is the projection made for each of the last 13 projects.

More at www.acera.org/ret.

Investment Performance

GROSS RESULTS

The Board of Retirement has the fiduciary responsibility to prudently invest ACERA's assets in order to meet its long-term obligations. More at www.acera.org/about/financial.

Investment Fund Performance Highlights (as of 12/31/2020)

FUND	Strategy	2020 Return	Ranking vs. peer group of public funds over 12 mos.
TOTAL FUND			
2020 Total Fund Return	ACERA Total Fund Return	11.1%	10th percentile
2020 Bond Fund Return	Bond	12.5%	10th percentile
2020 Mid-Cap Stock Return	Mid-Cap	11.5%	10th percentile
2020 International Return	International	11.5%	10th percentile
2020 Large Cap Return	Large Cap	11.5%	10th percentile
2020 Small Cap Return	Small Cap	11.5%	10th percentile
2020 Real Estate Return	Real Estate	11.5%	10th percentile
2020 Private Equity Return	Private Equity	11.5%	10th percentile
2020 Hedge Fund Return	Hedge Fund	11.5%	10th percentile
2020 Commodity Return	Commodity	11.5%	10th percentile
2020 Alternative Return	Alternative	11.5%	10th percentile
2020 Fixed Income Return	Fixed Income	11.5%	10th percentile
2020 Equity Return	Equity	11.5%	10th percentile
2020 Multi-Asset Return	Multi-Asset	11.5%	10th percentile
2020 Risk Parity Return	Risk Parity	11.5%	10th percentile
2020 Global Return	Global	11.5%	10th percentile
2020 Diversified Return	Diversified	11.5%	10th percentile
2020 Core Return	Core	11.5%	10th percentile
2020 Conservative Return	Conservative	11.5%	10th percentile
2020 Aggressive Return	Aggressive	11.5%	10th percentile
2020 Risk-Neutral Return	Risk-Neutral	11.5%	10th percentile
2020 Risk-Seeking Return	Risk-Seeking	11.5%	10th percentile
2020 Risk-Averse Return	Risk-Averse	11.5%	10th percentile
2020 Risk-Neutral Return	Risk-Neutral	11.5%	10th percentile
2020 Risk-Seeking Return	Risk-Seeking	11.5%	10th percentile
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Message from the Chief Executive Officer, David Nelsen

Dear ACERA Members,

2020 was challenging. The COVID-19 worldwide pandemic caused tragic loss of life, diminished wellbeing, and economic hardship, while Americans simultaneously reckoned with profound social unrest and political division. But during it all, we witnessed extraordinary courage, generosity of spirit, and resilience as we worked through the extreme adversity.

Despite the precipitous stock market plunge at the onset of the pandemic, the market recovered throughout 2020, and ACERA's net position increased by \$0.8 billion to \$9.6 billion as of December 31, 2020, representing a robust 12.5% gross return.

Providing you with retirement security is central to our mission. Even after strongly performing years like 2020, it's important to remember that we're able to provide retirement security through long-term investing. We have built an investment portfolio designed to generate returns over decades—rather than days, weeks, or months of market ups and downs. Over the last 15 years, we've earned an average annual return of 7.6% on our investments, a period which includes two major market downturns. Learn more about our approach at www.acera.org/financial.

Our top priority at ACERA remains the health and wellbeing of our members, our employees, and our families. In order to keep ensuring your safety amid the ongoing pandemic while serving your retirement needs, we're asking members to continue connecting with us virtually and to limit visits to ACERA's office. We're regularly expanding our virtual educational resources to help you plan your retirement future. Visit www.acera.org to get started.

We wish you and your family health and safety, and we're excited to continue serving you.

Sincerely,
David Nelsen
David Nelsen, Chief Executive Officer

Board of Retirement

Consisted 452 ready-to-retain members

Processed 495 members into retirement

Dale E. Amaral
CHAIR
Elected by Salary Members

Jaime Goffrey
1st VICE CHAIR
Appointed by the Board of Supervisors

Liz Keppenhaver
2nd VICE CHAIR
Elected by Retiree Members

Ophelia B. Baguel
Elected by the Board of Supervisors

Keith Carson
Appointed by one member of the Board of Supervisors

Terrill V. Gombale
Elected by the Board of Supervisors

Henry C. Levy
EX-OFFICIO MEMBER, Treasurer, Tax Collector
County of Alameda

Nancy Reilly
ALTERNATE RETIRED
Elected by Retiree Members

Elizabeth Rogers*
Elected by Retiree Members

Darryl L. Walker, Sr.
ALTERNATE SAFETY
Elected by Salary Members

George Wood
Elected by General Members

*Elizabeth Rogers retired and resigned from the Board on April 1, 2021.

The financial data in the Popular Annual Financial Report derive from the more detailed Comprehensive Annual Financial Report. Both are consistent with generally accepted accounting principles and guidelines established by the Governmental Accounting Standards Board. You can find both reports online at www.acera.org/financial.

Message from the Chief Executive Officer, David Nelsen

Dear ACERA Members,

THIS REPORT GIVES YOU A BRIEF PICTURE OF THE PERFORMANCE OF YOUR PENSION FUND THIS PAST YEAR AND OVER TIME.

2020 was challenging. The COVID-19 worldwide pandemic caused tragic loss of life, diminished wellbeing, and economic hardship, while Americans simultaneously reckoned with profound social unrest and political division. But during it all, we witnessed extraordinary courage, generosity of spirit, and resilience as we worked through the extreme adversity.

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We wish you and your family health and safety, and we're excited to continue serving you.

Sincerely,
David Nelsen
David Nelsen, Chief Executive Officer

Popular Annual Financial Report

For the Year Ended December 31, 2020

Serving You

OUR MISSION AT ACERA IS TO PROVIDE MEMBERS AND EMPLOYERS WITH FLEXIBLE, COST-EFFECTIVE, PARTICIPANT-ORIENTED BENEFITS THROUGH PRUDENT INVESTMENT MANAGEMENT AND SUPERIOR MEMBER SERVICES. WE'VE BEEN DOING THIS SINCE OUR ESTABLISHMENT IN 1947 UNDER THE COUNTY EMPLOYEES RETIREMENT LAW OF 1917 (CERL). ACERA IS ONE OF THE FEW COUNTY RETIREMENT ORGANIZATIONS THAT HAS ADOPTED ARTICLE 5.5 OF THE CERL. THIS MEANS THAT OUR MEMBERS ALSO RECEIVE NON-GUARANTEED BENEFITS SUCH AS HEALTHCARE.

Our dedicated and diverse team at ACERA uses its expertise to provide those benefits to you, our members. On the following pages you can see some of the ways we've improved our service in 2020.

Answered 14,257 telephone calls

Scanned & indexed 23,671 member documents

Responded to 8,360 email messages

Fulfilled 674 formal written requests

Subscribed 1,543 people to email news updates of assets, subscribe

96% of callers spent less than 60 seconds on hold

Members generated 23,270 retirement estimates through Web Member Services

www.acera.org/yms

Popular Annual Financial Report

For the Year Ended December 31, 2020

Resilient Together 2020

2020