

Date: February 21, 2024

From: Dan Gjerde, MCERA Board Member

To: MCERA Board

Re: Agenda item 3A and 3B, investment report performance over 15 years

Items 3A and 3B show the performance of MCERA’s portfolio over the past 15 years, concluding December 31, 2023. In doing so it, shows annualized returns of 9.0%, with a standard deviation of approximately 12.30%.

One of Callan’s other public pension clients is the State of Nevada. The State of Nevada’s pension portfolio is widely recognized in media accounts for two reasons: they rely almost exclusively on low cost investment funds and year after year Nevada is among the highest performing pension portfolios in the nation.

Here I’ve shown a simplified, hybrid version of the State of Nevada’s portfolio with a simplified version of MCERA’s portfolio. I’ve also shown a simple portfolio of three US funds.

<https://www.portfoliovisualizer.com/backtest-portfolio?s=y&sl=2J3GacpkuoVDU8PGqxt3pw>

