

**Adams County Retirement Plan
Strategic Asset Allocation and Investment Structure
April 2023**

This document is intended to supplement the Statement of Investment Policy (“IPS”) of the Adams County Retirement Plan. The IPS is long term in nature while this Strategic Asset Allocation and Investment Structure (“Investment Strategy”) document is designed to be reviewed, and if necessary revised, annually by the Board of the Adams County Retirement Plan (“Board”).

The Investment Strategy includes the following:

- Actuarial assumed rate of return,
- Strategic asset class targets and ranges, refined within the IPS allowable ranges,
- Liquidity Policy,
- Investment structure and performance benchmarks for the Total Plan and subcomponents, and
- Contact information for vendors involved with the investments of the Plan.

Actuarial Assumed Rate of Return

The current actuarial assumed rate of return is 7.25%

Liquidity Policy

The IPS states that the Executive Director of the Plan will determine the appropriate level of cash reserves depending on the anticipated liquidity needs. The Executive Director has determined that the current liquidity requirement is \$3 million. When the balance exceeds \$4 million, excess reserve cash will be transferred into the invested assets. When the balance falls below \$500,000, the cash reserves will be replenished to \$3 million by liquidation of invested assets. The Executive Director, with the assistance of the Investment Consultant, will coordinate all investment manager cash inflows and outflows with the effected products and with the Plan’s custodial bank.

Strategic Asset Class Targets and Ranges

Asset Class	Sub-Asset Class	Current Target	Allowable Range
Equity		<u>50%</u>	<u>40% - 60%</u>
	Public Equity	40%	35% - 45%
	Private Equity	10%	5% - 15%
Debt		<u>35%</u>	<u>20% - 45%</u>
	Fixed Rate Bonds	20%	15% - 25%
	Floating Rate Debt	15%	5% - 20%
Alternatives		<u>15%</u>	<u>10% - 20%</u>
	Core Private Equity Real Estate	10%	5% - 15%
	Value-Add Private Equity Real Estate	5%	0% - 10%

Investment Structure and Performance Benchmarks

The Plan's investments, in total, by asset class and by individual manager, will be measured against appropriate benchmarks. Unless otherwise stated, performance will be compared on a net-of-investment management fees basis.

Absolute Return:	7.25%		
Relative Return:	Public Defined Benefit Pension Plans		
Benchmark Index:	40%	MSCI All Country World	(Equity – Public)
	10%	Russell 3000 (lagged one quarter)	(Equity – Private)
	20%	Bloomberg US Aggregate	(Debt – Fixed Rate)
	5%	Credit Suisse Leveraged Loan	(Debt – Floating Rate)
	10%	Credit Suisse Leveraged Loan (lagged one quarter)	(Debt – Private Credit)
	10%	NFI ODCE Net of Fees	(Equity Real Estate – Private Core)
	5%	NCREIF Property	(Equity Real Estate – Private Value-add)

Investment management structure and benchmarks are on the following pages.

Investment Manager	Investment Product	Fee Structure	Investment Style/Universe	Benchmark Index	Target Allocation
Vanguard Group	Vanguard Institutional Index fund, Ticker VINIX	0.035% Expense Ratio	U.S. Equity S&P 500 Index	S&P 500	17.5%
Vanguard Group	Vanguard Extended Market Index fund, Ticker VIEIX	0.05% Expense Ratio	U.S. Equity Smid Cap Index	S&P Completion Index	2.5%
Capital Group/American Funds	New Perspective fund – R6 shares, Ticker RNPGX	0.41% Expense Ratio	Global Equity – Growth	MSCI All Country World	10%
Dodge & Cox	Dodge & Cox Global Stock fund, Ticker DODWX	0.62% Expense Ratio	Global Equity – Value	MSCI All Country World	10%
Private Equity Program	Multiple Managers/Products	Varies	Private Equity	Russell 3000 lagged 1 Qtr.	10%
Segall Bryant & Hamill	Separate Account	0.30% on first \$25 million 0.25% on the balance	Core Fixed Income	Bloomberg US Aggregate	10%
TCW Group	MetWest Total Return Bond fund – Ticker MWTIX	0.36% Expense Ratio	Core Fixed Income	Bloomberg US Aggregate	10%
Barings LLC	MassMutual Global Floating Rate Fund – Ticker BXFIX	0.75% Expense Ratio	Floating Rate Debt	Credit Suisse Leveraged Loan	2.5%
Principal Global Investors	Principal Real Estate Open-End Debt Fund, L.P.	0.85% of Invested Assets	Mezzanine/High Yield Real Estate Loans	Credit Suisse Leverage Loan	2.5%
Private Debt/Credit Program	Multiple Managers/Products	Varies	Private Credit	Credit Suisse Leveraged Loans lagged 1 Quarter	10%

Investment Manager	Investment Product	Fee Structure	Investment Style/Universe	Benchmark Index	Target Allocation
Principal Real Estate Investors	Principal U.S. Property Account: Insurance Separate Account	1.1% under \$10 million 1.0% over \$10 million 0.95% over \$25 million	Equity Real Estate - U.S. Private Core	NFI ODCE	10%
Harbert Management Corporation	Harbert United States Real Estate Fund V – Commingled fund	1.5% of Committed/Managed Assets 20% incentive over 9% Preferred	Equity Real Estate - U.S. Private Value-add	NCREIF Property	5%
	Harbert United States Real Estate Fund VI – Commingled fund	1.25% of Committed/Managed Assets 20% incentive over 9% Preferred	Equity Real Estate - U.S. Private Value-add	NCREIF Property	
	Harbert United States Real Estate Fund VII – Commingled fund	1.35% of Committed/Managed Assets 20% incentive over 8% Preferred	Equity Real Estate - U.S. Private Value-add	NCREIF Property	

Private Equity Program Structure:

Management Firm	Investment Product	Commitment	Vintage	Investment Fees	Investment Style
Mesirow Private Equity Investments	Equity Partnership Fund III, L.P.	\$4 million	2005 - 2007	1.0% of Committed Capital	Private Equity Multi-Strategy FOF
	Equity Partnership Fund IV, L.P.	\$4.5 million	2007 - 2009	1.0% of Committed Capital	Private Equity Multi-Strategy FOF
Adams Street Partners	Partnership Fund Program - 2012 Global Offering	\$4 million	2012 - 2014	1.0% on first \$25 million: 0.5% Year 1, 0.75% Year 2, 10% decline per year after year 7	Private Equity Multi-Strategy FOF
NGP Energy Capital Management	NGP Natural Resources XI, L.P.	\$2 million	2015 - 2017	1.5% of Committed Capital 20% Carry over 8% Preferred	North American Energy
Strategic Value Partners, LLC	Strategic Value Partners Special Situations III, L.P.	\$2 million	2015 - 2017	1.75% of Committed Capital 20% Carry over 8% Preferred	Global Distressed Debt and Special Situations
RCP Advisors	RCP Fund XI, LP	\$6 million	2016 - 2018	Yrs. 1 - 5: 1% of Committed Capital Yrs. 6 - 10: 0.75% of Committed Capital 5% Carry over 12% Preferred	Private Equity - Small Buyout FOF
Crestview Partners	Crestview Partners Fund IV	\$3.75 million	2019 - 2021	Investment Period: 1.75% of Committed Capital Follow-On Period: 1.55 of Invested Capital 20% Carry over 8% Preferred	Private Equity - Middle Market Buyout

Stepstone Group	Stepstone VC Global Partners IX-B	\$5.75 million	2019 - 2021	Yrs. 1-4: 1.0% of Cmtd Capital Yrs. 4-8: 0.75% of Cmtd Capital 5% on Primary Investments 20% on Direct Investments	Private Equity - Venture Capital FOF
Stepstone Group	Stepstone VC Global Partners X-B	\$6 million	2020 - 2022	Yrs. 1-4: 1.0% of Cmtd Capital Yrs. 4-8: 0.75% of Cmtd Capital 5% on Primary Investments 20% on Direct Investments	Private Equity - Venture Capital FOF
Veritas Capital Fund Management	Veritas Capital Partners VIII, LLC	\$7.5 million	2022 - 2024	Investment Period: 1.75% of Committed Capital Follow-On Period: 1.5% of Invested Capital 20% Carry over 8% Preferred	Private Equity - Middle/Large Buyout

Private Debt/Credit Program Structure:

Management Firm	Investment Product	Commitment	Vintage	Investment Fees	Investment Style
Golub Capital Partners	Golub International 11, L.P.	\$8 million	2016 - 2018	1.25% of Middle Market Assets 0.50% of Syndicated Loan Assets 20% Carry over 8% Preferred	Middle Market Loans
Golub Capital Partners	Golub Rollover Fund 2, L.P.	\$16.75 million	2022	1.25% of Middle Market Assets 0.50% of Syndicated Loan Assets 20% Carry over 8% Preferred	Middle Market Loans
Principal Global Investors	Principal Real Estate Debt Fund II, L.P.	\$12 million	2017 - 2019	0.85% of Invested Assets 15% Incentive over 7% Preferred	Mezzanine/High Yield Real Estate Loans

Management Firm	Investment Product	Commitment	Vintage	Investment Fees	Investment Style
Principal Global Investors	Principal Real Estate Debt Fund III, L.P.	\$10 million	2019 - 2021	0.95% of Invested Assets 15% Incentive over 7% Preferred	Mezzanine/High Yield Real Estate Loans
Värde Partners	Värde Dislocation Fund, L.P.	\$7 million	2020 - 2021	1.5% of Invested Assets 20% Incentive over 8% Preferred	Credit Suisse Leveraged Loan