

# SBCERS

Santa Barbara County Employees' Retirement System

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**DATE:** February 28, 2024  
**TO:** SBCERS BOARD OF RETIREMENT  
**FROM:** SBCERS Investment Staff  
**RE:** **Board Education – Benchmark**

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## **Recommendation**

That the Board of Retirement receive and file the presentation by Rebecca M. Valdez, Investment Officer on investment benchmarks.

## **Summary**

During the January meeting, the Board received a presentation from London Stock Exchange Group (LSEG) regarding the Russell 1000, 2000, 3000 and HEDI Indexes. During the presentation, several questions were asked about indexes and benchmarks. This presentation is intended more fully explore the topic of benchmarks and their applications within the Plan portfolio.

This presentation will cover several important definitions which will aid the discussion including benchmark, index, composite, beta, alpha and tracking error. It will also cover what the CFA considers to be the standard criteria for benchmark selection and benchmark types. Lastly, the Board will hear how managers view their current benchmark: relative, aware, or agnostic.

This presentation should be considered a precursor to an upcoming presentation on the Watch List presented by RVK. Understanding benchmarks and importantly how managers view their benchmarks will have critical application for the Watch List presentation.

## **Attachments**

- Benchmarks Presentation