



Santa Barbara County Employees' Retirement System

DATE: March 24, 2023

Agenda Item #3

TO: SBCERS BOARD OF RETIREMENT

FROM: SBCERS Investment Staff

RE: Board Education – TWR vs. IRR

Recommendation

That the Board of Retirement receive educational presentations from Rebecca M. Valdez, Investment Officer on the difference between Time-Weighted Return (TWR) and Internal Rate of Return (IRR)

Summary

SBCERS receives several reports and analyses from consultants and managers which can reference performance returns. Understanding whether the performance returns are based on Time-Weighted Return or Internal Rate of Return is important. Additionally, it is important to understand which one is appropriate depending on the mandate of the consultant or the manager.

Attachments

- IRR vs TWR Performance Presentation