

**TO THE MEMBERS OF THE FRESNO COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**

This Popular Annual Financial Report (PAFR) summarizes the information contained in the Comprehensive Annual Financial Report (CAFR) that provides financial information on FCERA's activities. This PAFR is presented in conformity with generally accepted accounting principles (GAAP). The more detailed CAFR is available on FCERA's website at www.fcera.org or from the FCERA Administrative Office for a small copy fee.

Meetings of the Board of Retirement are normally held on the first and third Wednesday of each month at 8:30 a.m. Members of the Retirement Association and the public are invited to attend these meetings.

As a member of the Retirement Association, you are encouraged to contact the Retirement Office at 1111 H Street, (559) 457-0681, regarding these summary financial statements or to obtain other information concerning the Retirement System. Members are also encouraged to visit our website at www.fcera.org or on the County's Intranet by selecting Retirement Association under the Department Sites link for more information.

MEMBERSHIP HIGHLIGHTS FOR 2015-2016

Total membership in the Association increased by 3.70% to 17,649. The total number of active members increased by 4.72% to 7,298, and the retired membership increased by 2.81% to 7,035. Deferred membership increased by 1.39% to 1,457.

FINANCIAL HIGHLIGHTS

FCERA's investment portfolio consists of equities, fixed income, real estate, private equity, hedge funds, private credit, infrastructure, commodities, cash and cash equivalents.

The average rate of return on the market value basis of the investment portfolio over the past fiscal year was -0.2%, net of fees. FCERA's past performance over three, five, and ten-year periods ending June 30, 2016 respectively, were: 5.3%, 5.4% and 5.6%, net of fees.

During the fiscal year, benefit payments to retirees and beneficiaries totaled \$238 million and refunds to terminated plan members totaled \$2.2 million. Administrative expenses totaled \$4.9 million for the year, which amounts to 0.12% of net position.

For the fiscal year ended June 30, 2016, Brown Armstrong audited the financial statements of the Retirement Association and issued an unmodified opinion.

Steven J. Jolly, Chair
Board of Retirement

Donald C. Kendig, CPA
Retirement Administrator

Popular Annual Financial Report

For the Fiscal Year Ended June 30, 2016

2015 - 2016



Fresno County Employees' Retirement Association

A Pension Trust Fund for the County of Fresno
and Participating Employers
Fresno, California

**FRESNO COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

1111 H Street
Fresno, CA 93721-2515
www.fcera.org

FCERA Board of Retirement

Steven J. Jolly, Chair
Dr. Rod Coburn III, Vice Chair
Laura P. Basua
Gregory J. Baxter
Alan Cade, Jr.
Robert Dowell
Oscar J. Garcia, CPA
Eulalio Gomez
Vacant—appointment
Mary Ann Rogozinski, Alternate

Additional information regarding membership and retirement can be found in the Member Handbook, which can be viewed on FCERA's website at www.fcera.org or obtained from the FCERA Administrative Office. More in depth information regarding investments and FCERA's financial status can be found in the CAFR.



Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to
**Fresno County
Employees' Retirement Association
California**

For its Annual
Financial Report
for the Fiscal Year Ended
June 30, 2015

Executive Director/CEO

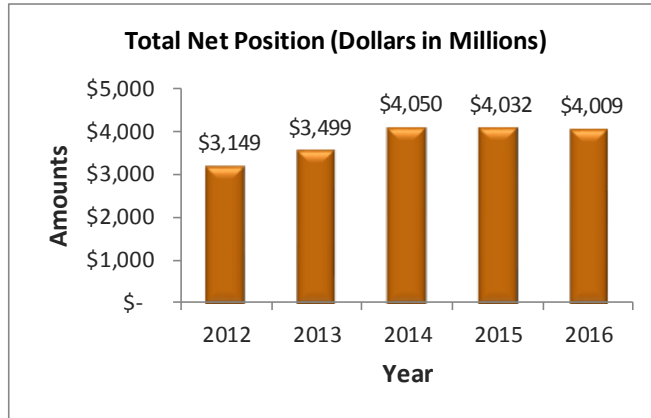
**Popular Annual Financial
Reporting Award**

The Government Finance Officers Association (GFOA) awarded FCERA with the Popular Annual Financial Reporting Award (PAFR). The PAFR provides FCERA's membership with condensed and concise information in an easier to read format than presented in the CAFR. FCERA received this honor on its submission for the award for the fiscal year ended June 30, 2015.

Total Net Position

At June 30, 2016, the Fresno County Employees' Retirement Association (FCERA) had total assets of \$4,242 million, less total liabilities of \$233 million, for total net position restricted for pension benefits of \$4,009 million compared to \$4,032 million at June 30, 2015.

The decrease in FCERA's net position was primarily due to the net depreciation in the fair value of investments held by FCERA. Contributions of \$226.7 million, when combined with net investment loss of \$4.3 million, generated total additions of \$222.5 million. Expenses for benefits paid and refunded contributions totaled \$240.2 million and administrative expenses of \$4.9 million resulted in a decrease in net position of \$22.6 million.



Fund Revenue (in thousands)

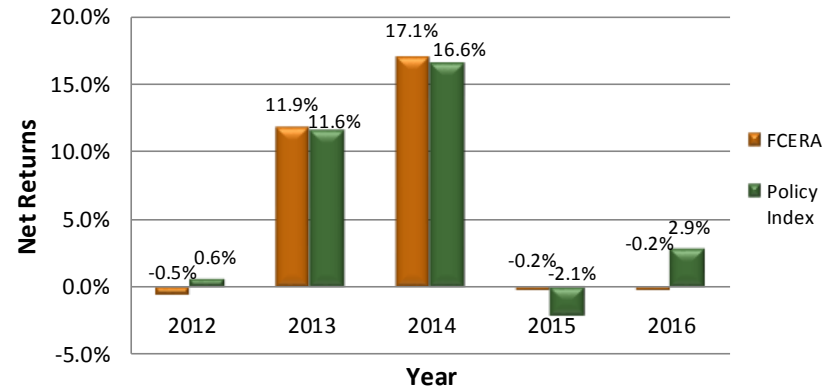
Year Ended	Employee Contributions	Employer Contributions	Net Investment and Other Income/(Loss)
6/30/2016	\$ 35,212	\$ 191,529	\$ (4,258)
6/30/2015	33,110	184,213	406
6/30/2014	30,154	165,309	583,169
6/30/2013	30,516	158,572	378,483
6/30/2012	32,627	157,869	(10,242)

Fund Expenses (in thousands)

Year Ended	Retiree Benefits	Refunds	Administrative Expenses
6/30/2016	\$ 238,028	\$ 2,203	\$ 4,814
6/30/2015	229,115	2,282	4,297
6/30/2014	222,289	2,103	3,542
6/30/2013	210,745	2,211	3,634 *
6/30/2012	193,535	1,786	3,597

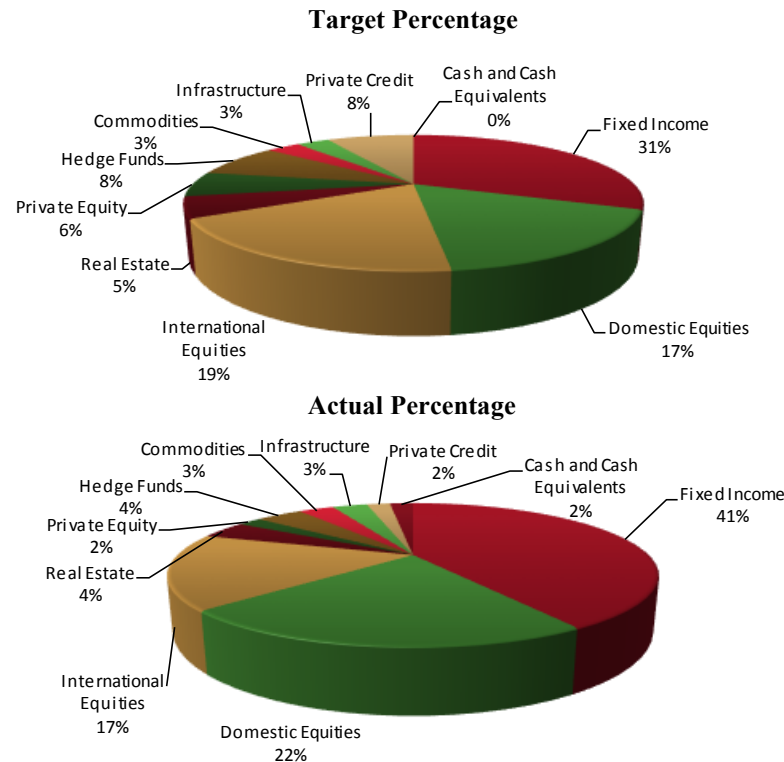
* Restated as defined in Government code section 31580.2, excludes Information Technology expenses.

Historical Investment Performance



The chart above reflects returns, net of fees, for the one-year periods ended June 30th. FCERA's policy index is composed of the Russell 3000 Index, Barclays Global Aggregate Index, MSCI ACWI ex U.S., HFRI Fund of Funds Composite, NCREIF ODCE and Bloomberg Commodity Index. For more information, please refer to the Investment Results Report on our website, www.fcera.org.

Asset Allocation as of June 30, 2016 (Total Fair Value of Investments \$3,984,549) (in thousands)



Largest Equity Holdings

Name	Fair Value	Name	Fair Value
Philip Morris Intl	\$12,531,192	Fut Sep 16 US 2 Yr T-Note	\$27,416,016
Lam Resh Corp	11,219,740	US Treas Bonds DTD	23,180,826
Amazon.com Inc	10,595,470	US Treas NTS DTD	22,980,873
Medtronic PLC	10,160,160	Brazil (Fed Rep of) 10% T-NTS	17,897,569
Microsoft Corp	10,088,780	Mexico (Untd Mex States)	17,601,402

Largest Fixed Income Holdings

Funded Status

FCERA's funding status is determined annually with the completion of the actuarial valuation. As of June 30, 2015 the funded ratio on a valuation value of assets basis has increased from 78.4% to 80.7%. This ratio indicates that FCERA has approximately \$0.81 cents of assets for each \$1.00 of liabilities. The County of Fresno and participating agencies contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. More information about FCERA's funded status can be found in the introduction section of the CAFR.

Funded Status (in thousands)

Actuarial Valuation Date	Valuation Value of Assets	Actuarial Accrued Liability	Funded Ratio
6/30/2015	\$ 4,092,647	\$ 5,074,333	80.7%
6/30/2014	3,824,221	4,876,754	78.4%
6/30/2013	3,518,982	4,694,780	75.0%
6/30/2012	3,305,045	4,345,402	76.1%
6/30/2011	3,114,483	4,237,961	73.5%

