KENT COUNTY EMPLOYEES' RETIREMENT PLAN
SUMMARY ANNUAL REPORT
Required by MCL 38.1140h(6)
December 31, 2013

a) Name of System (Pension Plan): **Kent County Employees' Retirement Plan**

b) Investment Fiduciaries: **Board of Trustees, Kent County Employees' Retirement Plan**
Bill Walker, Citizen and Chairman
David Reglin, Citizen and Vice Chairman
Kevin Bramble, Participant
Melanie Grooters, Participant
Stan Ponstein, Commissioner
Jim Saalfeld, Commissioner
Adam Waskelis, Participant

c) Service Providers:

Asset Consulting Group, Inc.
Argent Capital Management
Brandywine Global Investment Management, LLC
Brandes Investment Partners LP
Earnest Partners
INTECH Investment Management, LLC
Integrity Asset Management, LLC
JP Morgan Investment Management, Inc
Loomis Sayles & Company
Mondrian Investment Group
Northern Trust Company
Wells Fargo Bank
Westwood Management Corp
William Blair & Company

Beene Garter
Cohen Milstein Sellers & Toll PLLC
Echelbarger, Himebaugh, Tamm & Co
Gabriel Roeder Smith & Co
Miller Johnson
Rehmann Robson
Spector Roseman Kodroff & Willis

d) Assets and Liabilities:

Assets:	**Valuation Basis -**	**$693,348,539**
	Market Value -	**$757,005,057**
Actuarial Accrued Liabilities:		**$717,437,965**

Statement of Plan Net Position:

Assets		
Cash		$ 6,344
Receivables:		
Accrued interest receivable	$ 889,738	
Due from brokers	934,648	
Total receivables		1,824,386
Investments, at fair value:		
U.S. government obligations	32,378,599	
U.S. government agency obligations	35,257,553	
Municipal obligations	507,458	
Corporate obligations	37,348,608	
Common stock	320,021,204	
Foreign obligations	5,085,463	
Money market funds	12,168,407	
International equity mutual funds	146,608,078	
International fixed income mutual funds	80,374,898	
Real estate and infrastructure securities	60,733,422	
Mortgage-backed securities fund	26,465,881	
Total investments		756,949,571
Total assets		758,780,301
Liabilities		
Due to brokers		1,775,244
Net position restricted for pension benefits		**$ 757,005,057**

Statement of Changes in Plan Net Position:

Additions		
Contribution		
Employer	$ 9,741,061	
Employee	8,060,171	
Total contributions		$ 17,801,232
Investment income:		
Net appreciation in fair value of securities	104,785,253	
Net appreciation in fair value of collateral under securities lending	26,337	
Interest	4,841,744	
Dividends	8,790,861	
Total investment income	118,444,195	
Management fees	(2,792,794)	
Net investment income		115,651,401
Total additions		133,452,633
Deductions		
Benefit payments		29,267,089
Administrative expenses		817,805
Refunds of contributions		746,633
Total deductions		30,831,527
Change in net position		102,621,106
Net position restricted for pension benefits:		
Beginning of year		654,383,951
End of year		$ 757,005,057

e) Funded Ratio:

Valuation Basis:	**96.6 %**
Market Value:	**105.5 %**

f) Investment Performance (net of fees):

December 31, 2013	**1 Yr**	**3Yr**	**5Yr**	**7Yr**	**10Yr**
	17.7%	**11.0%**	**12.4%**	**6.2%**	**6.9%**

g) System Administrative and Investment Expenditures:

Investment	**Administrative**	**Travel**	**TOTAL**
$2,792,794	**$813,227**	**$4,578**	**$3,610,599**

h) Projected Expenditures for Year End 2014:

Investment Management	**$3,000,000***
Investment Consulting	**150,000***
Actuarial Services	**30,000**
Legal Services	**12,000****
Custodial Services	**135,000***
Recordkeeping Services	**14,000**
Accounting	**17,000**
Salaries and Benefits	**217,000**
Professional Training and Travel	**84,000*****
Fiduciary Liability Insurance	**22,850**
Administrative Services	**18,150**
Total	**$3,700,000**

***Fluctuates with market value of plan assets / **Needs vary from year to year /**
***Maximum allowance / ****Technology initiatives additional**

i) Annual Actuarial Valuation Data:

Active Members	**1,596**
Retirees & Beneficiaries	**1,246**
Average Annual Retirement Allowance	**$24,125**
Total Annual Retirement Allowances	**$30,059,371**
Valuation Payroll	**$91,944,708**
Employer's Computed Normal Cost	**7.87%**
Employer's Total Contribution Rate	**9.31%**
Weighted Average Member Contribution Rate	**9.69%**
Actuarial Assumed Rate of Return	**7.00%**
Actuarial Assumed Rate of Wage Inflation	**4.00%**
Smoothing Method	**4 Year**
Amortization Period	**25 Year – Closed**
Actuarial Cost Method	**Individual Entry Age**
System Membership	**Open to Eligible Positions**

j) System Contributions:

Based on review and analysis of the Plan by the actuary, the contribution required to be made in 2013 by the employer was $9,741,061 in addition to contributions of $8,060,171 from plan participants.

The Plan has received the required contribution set forth above for 2013.

Board of Trustees,
Kent County Employees' Retirement Plan
August 2014