

CERBT Account Update

Monterey Peninsula Regional Park District

March 31, 2021

OPEB Valuation Report Summary

OPEB Actuarial Valuation Report by North Bay Pensions

Measurement Date	6/30/2019	06/30/2020
Total Participants	19	19
Present Value of Benefits (PVB)	\$3,030,308	NA
Total OPEB Liability (TOL)	\$2,858,874	\$2,948,045
Valuation Assets	\$2,547,141	\$2,635,889
Net OPEB Liability (NOL)	\$311,733	\$312,156
Funded Status	89%	89%
Projected Retiree Premiums (Pay-Go Cost)	\$113,000 (fye 2020)	\$112,743 (fye 2021)
Implicit Rate Subsidy Credit	\$24,564 (fye 2020)	\$17,799 (fye 2021)
CERBT Asset Allocation Strategy	Strategy 1	Strategy 1
Discount Rate	6.50%	6.50%

CERBT Account Summary

As of March 31, 2021	Strategy 1
Initial contribution <small>(3/15/2013)</small>	\$1,729,009
Additional contributions	\$240,006
Disbursements	(\$224,697)
CERBT expenses	(\$16,801)
Investment earnings	\$1,425,388
Total assets	\$3,152,905
Money-weighted annualized net rate of return <small>(3/15/2013 – 3/31/2021 = 7.86 Years)</small>	7.86%

In PEMHCA: Yes
 CERBT agreement effective date: 2/5/2013

Cash Flow Summary by Fiscal Year

Fiscal Year	Contributions	Disbursements	Cumulative Net Contributions	Cumulative Investment Gains (Losses)	Cumulative Fees	Cumulative Ending Assets	Fiscal Year Net Rate of Return	Cumulative Net Rate of Return
2012-13	\$1,729,009	(\$0)	\$1,729,009	(\$33,653)	(\$765)	\$1,694,591	-	-
2013-14	\$67,056	(\$0)	\$1,796,065	\$280,036	(\$3,334)	\$2,072,767	18.56%	12.34%
2014-15	\$0	(\$65,618)	\$1,730,447	\$278,134	(\$5,420)	\$2,003,161	-0.09%	6.64%
2015-16	\$0	(\$76,667)	\$1,653,780	\$298,939	(\$7,072)	\$1,945,647	1.04%	4.92%
2016-17	\$0	(\$82,412)	\$1,571,368	\$505,129	(\$8,803)	\$2,067,694	10.63%	6.17%
2017-18	\$87,695	(\$0)	\$1,659,063	\$669,491	(\$10,670)	\$2,317,884	7.96%	6.48%
2018-19	\$85,255	(\$0)	\$1,744,318	\$816,171	(\$12,655)	\$2,547,835	6.32%	6.45%
2019-20	\$0	(\$0)	\$1,744,318	\$907,237	(\$14,847)	\$2,636,708	3.58%	6.05%
as of 3/31/21	\$0	(\$0)	\$1,744,318	\$1,425,388	(\$16,801)	\$3,152,905	-	7.86%

Funded Status Comparison

Measurement Date	Total OPEB Liability	CERBT Assets	Funded Status
06/30/2011	\$1,674,859	\$0	0%
06/30/2013	\$1,808,181	\$1,694,591	94%
06/30/2015	\$1,889,108	\$2,003,161	106%
06/30/2017	\$2,624,490	\$2,067,694	79%
06/30/2018	\$2,768,307	\$2,316,816	84%
06/30/2019	\$2,858,874	\$2,547,141	89%
06/30/2020	\$2,948,045	\$2,635,889	89%

CERBT Expected Rates of Return

2018 Capital Market Assumptions	Strategy 1	Strategy 2	Strategy 3
Expected Return	7.59%	7.01%	6.22%
Risk	11.83%	9.24%	7.28%

CERBT Asset Class Target Allocations

Asset Classification	Benchmark	Strategy 1	Strategy 2	Strategy 3
Global Equity	MSCI All Country World Index	59% ±5%	40% ±5%	22% ±5%
Fixed Income	Barclays Capital Long Liability Index	25% ±5%	43% ±5%	49% ±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Liquid Index	8% ±5%	8% ±5%	8% ±5%
Treasury Inflation Protected Securities (TIPS)	Barclays Capital Global Real: US TIPS Index	5% ±3%	5% ±3%	16% ±3%
Commodities	S&P GSCI Total Return Index	3% ±3%	4% ±3%	5% ±3%
Cash	3-Month Treasury Bill	0% +2%	0% +2%	0% +2%

CEPPT/CERBT Investment Returns – Time Weighted

Periods Ended December 31, 2020

Fund	Assets	1 Month	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	ITD
CERBT Strategy 1 (Inception June 1, 2007)	\$11,592,468,903	3.55%	11.02%	17.13%	13.40%	8.71%	10.04%	8.06%	5.86%
Benchmark		3.52%	10.95%	17.02%	12.98%	8.41%	9.61%	7.77%	5.43%
CERBT Strategy 2 (Inception October 1, 2011)	\$1,673,698,029	2.67%	8.26%	12.77%	12.30%	8.21%	9.00%	-	8.21%
Benchmark		2.64%	8.20%	12.67%	11.99%	7.95%	8.59%	-	7.91%
CERBT Strategy 3 (Inception January 1, 2012)	\$805,828,203	1.94%	5.77%	9.09%	10.80%	7.36%	7.69%	-	6.49%
Benchmark		1.91%	5.72%	9.01%	10.53%	7.15%	7.34%	-	6.17%
CERBT Total	\$14,071,995,135								
CEPPT Strategy 1 (Inception October 1, 2019)	\$15,338,103	2.51%	7.88%	12.08%	11.49%	-	-	-	12.37%
Benchmark		2.49%	7.74%	11.89%	11.47%	-	-	-	12.43%
CEPPT Strategy 2 (Inception January 1, 2020)	\$8,025,699	1.22%	3.86%	5.92%	-	-	-	-	8.79%
Benchmark		1.20%	3.83%	5.81%	-	-	-	-	8.66%
CEPPT Total	\$23,363,802								

Time weighted return reports the performance of the investment vehicle, not of the employer assets. Returns are gross. Historical performance is not necessarily indicative of actual future investment performance or of future total program cost. Current and future performance may be lower or higher than the historical performance data reported here. Investment return and principal value may fluctuate so that your investment, when redeemed, may be worth more or less than the original cost. The value of an employer's fund shares will go up and down based on the performance of the underlying funds in which the assets are invested. The value of the underlying funds' assets will, in turn, fluctuate based on the performance and other factors generally affecting the securities market.

We Control the Funding Policy

- Choose appropriate investment strategy
 - Based on investment time horizon and risk tolerance
- Contributions are always voluntary and never required
- Decide if and when to seek reimbursement
 - Expenses incurred in current fiscal year
 - CERBT: OPEB Pay-Go costs; implicit rate subsidies
- Choose outside consulting OPEB actuary

Funding Policy Considerations

- Will my liabilities increase or decrease over time?
- When will I reimburse trust assets?
- What are my funding status goals?
- Which investment strategy best matches my needs?
- What does your Actuary or Auditor recommend?

Financial Reporting

- CERBT is the Plan
 - Provides audited and compliant GASB 74 report in a Schedule of Changes in Fiduciary Net Position (FNP)
 - Published in February each year

FNP Fiscal Year	Availability
2015-16	Available at https://www.calpers.ca.gov/cerbt
2016-17	
2017-18	
2018-19	
2019-20	

Total Participation Cost Fee Rates

- Total all-inclusive cost of participation
 - Combines administrative, custodial, and investment fees
 - Separate trust funds
 - Self-funded, fee rate may change in the future
 - Fee is applied daily to assets under management
 - 10 basis points - CERBT
 - 25 basis points - CEPPT

CEPPT/CERBT Consistently Low Fee Rate History

Fiscal Year	CERBT	CEPPT
2007-2008	2.00 basis points	-
2008-2009	6.00 basis points	-
2009-2010	9.00 basis points	-
2010-2011	12.00 basis points	-
2011-2012	12.00 basis points	-
2012-2013	15.00 basis points	-
2013-2014	14.00 basis points	-
2014-2015	10.00 basis points	-
2015-2016	10.00 basis points	-
2016-2017	10.00 basis points	-
2017-2018	10.00 basis points	-
2018-2019	10.00 basis points	-
2019-2020	10.00 basis points	25.00 basis points
2020-2021	10.00 basis points	25.00 basis points

584 Prefunding Program Employers

578 CERBT and 28 CEPPT

- State of California
- 150 Cities or Towns
- 12 Counties
- 73 School Employers
- 31 Courts
- 317 Special Districts and other Public Agencies
 - (97 Water, 34 Sanitation, 33 Fire, 24 Transportation)