

# CERBT Account Update Summary

Town of Los Gatos

as of March 31, 2022



# OPEB Valuation Report Summary

OPEB Actuarial Valuation Report by Bartel Associates, LLC	
Valuation Date	6/30/2019
Measurement Date	-
Total OPEB Liability (TOL)	\$27,017,000
Valuation Assets	\$18,341,000
Net OPEB Liability (NOL)	\$8,676,000
Funded Status	68%
Actuarially Determined Contribution (ADC)	\$1,860,000
CERBT Asset Allocation Strategy	Strategy 1
Discount Rate	6.75%

# CERBT Account Summary

As of March 31, 2022	Strategy 1
Initial contribution (06/29/2009)	\$400,000
Additional contributions	\$14,751,000
Disbursements	\$0
CERBT expenses	(\$118,520)
Investment earnings	\$11,068,604
Total assets	\$26,101,084
Annualized net rate of return (06/29/2009-03/31/2022 = 12.76 years)	8.79%

## Cash Flow Summary by Fiscal Year

Fiscal Year	Contributions	Disbursements	Cumulative Investment Gains (Losses)	Cumulative Fees	Cumulative Ending Assets
2006-07	\$0	\$0	\$0	\$0	\$0
2007-08	\$0	\$0	\$0	\$0	\$0
2008-09	\$400,000	\$0	(\$28)	(\$2)	\$399,971
2009-10	\$550,000	\$0	\$60,907	(\$462)	\$1,010,445
2010-11	\$0	\$0	\$312,877	(\$1,958)	\$1,260,919
2011-12	\$1,910,000	\$0	\$416,755	(\$4,373)	\$3,272,382
2012-13	\$1,200,000	\$0	\$815,342	(\$9,740)	\$4,865,602
2013-14	\$1,300,000	\$0	\$1,717,930	(\$17,124)	\$7,060,806
2014-15	\$1,300,000	\$0	\$1,709,948	(\$24,242)	\$8,345,705
2015-16	\$1,500,000	\$0	\$1,828,698	(\$31,133)	\$9,957,565
2016-17	\$2,600,000	\$0	\$2,881,199	(\$39,994)	\$13,601,205
2017-18	\$1,600,000	\$0	\$3,968,811	(\$52,247)	\$16,276,565
2018-19	\$1,100,000	\$0	\$4,985,901	(\$66,129)	\$18,379,772
2019-20	\$1,100,000	\$0	\$5,646,311	(\$81,960)	\$20,124,351
2020-21	\$591,000	\$0	\$11,185,105	(\$101,574)	\$26,234,531
as of 3/31/2022	\$15,151,000	\$0	\$11,068,604	(\$118,520)	\$26,101,084

# CERBT/CEPPT Investment Returns Outperform Benchmarks

Periods ended February 28, 2022

Fund	Assets	1 Month	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	ITD
CERBT Strategy 1 (Inception June 1, 2007)	\$14,193,284,897	-1.58%	-2.77%	-1.39%	6.28%	11.04%	9.14%	8.05%	5.90%
Benchmark		-1.57%	-2.77%	-1.47%	6.14%	10.81%	8.84%	7.71%	5.49%
CERBT Strategy 2 (Inception October 1, 2011)	\$1,913,457,616	-1.32%	-2.72%	-1.25%	4.91%	9.60%	7.86%	6.83%	7.75%
Benchmark		-1.31%	-2.71%	-1.30%	4.80%	9.44%	7.59%	6.52%	7.47%
CERBT Strategy 3 (Inception January 1, 2012)	\$847,336,366	-0.81%	-2.19%	-0.40%	4.54%	8.39%	6.62%	5.68%	6.11%
Benchmark		-0.80%	-2.18%	-0.41%	4.48%	8.26%	6.40%	5.37%	5.82%
<b>CERBT Total</b>	<b>\$16,954,078,879</b>								
CEPPT Strategy 1 (Inception October 1, 2019)	\$49,324,608	-1.58%	-3.26%	-2.30%	3.06%	-	-	-	7.60%
Benchmark		-1.58%	-3.26%	-2.37%	2.88%	-	-	-	7.58%
CEPPT Strategy 2 (Inception January 1, 2020)	\$21,373,118	-1.28%	-3.21%	-2.45%	0.47%	-	-	-	3.72%
Benchmark		-1.28%	-3.23%	-2.48%	0.37%	-	-	-	3.59%
<b>CEPPT Total</b>	<b>\$70,697,726</b>								

## CERBT Portfolios

Portfolios	CERBT Strategy 1	CERBT Strategy 2	CERBT Strategy 3
Expected Return	7.59%	7.01%	6.22%
Risk	11.83%	9.24%	7.28%

## CERBT Portfolio Details

Asset Classification	Benchmark	CERBT Strategy 1	CERBT Strategy 2	CERBT Strategy 3
Global Equity	MSCI All Country World Index	59% ±5%	40% ±5%	22% ±5%
Fixed Income	Barclays Capital Long Liability Index (CERBT)	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%

## Total Participation Cost Fee Rate

- 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
2021-2022	10.00 basis points	25.00 basis points

## 612 Prefunding Program Employers

592 CERBT and 64 CEPPT

- State of California
- 155 Cities or Towns
- 10 Counties
- 80 School Employers
- 31 Courts
- 335 Special Districts and other Public Agencies
  - (101 Water, 37 Sanitation, 34 Fire, 25 Transportation)

## 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
<a href="#">2018-19</a>	Available at <a href="https://www.calpers.ca.gov/cerbt">https://www.calpers.ca.gov/cerbt</a>
<a href="#">2019-20</a>	
<a href="#">2020-21</a>	

## Questions? Where to Get Trust Fund Information?

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Program E-mail Addresses	Prefunding Programs Webpages
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<a href="http://CERBTACCOUNT.calpers.ca.gov">CERBTACCOUNT@calpers.ca.gov</a> – Online Record Keeping System	