

CERBT Account Update

Town of Los Gatos

as of March 31, 2021



OPEB Valuation Report Summary

OPEB Actuarial Valuation Report by Bartel Associates, LLC	
Valuation Date	6/30/2017
Total OPEB Liability (TOL)	\$24,773,000
Valuation Assets	\$13,605,000
Net OPEB Liability (NOL)	\$11,168,000
Funded Status	55%
Actuarially Determined Contribution (ADC)	\$2,108,000
CERBT Asset Allocation Strategy	Strategy 1
Discount Rate	6.75%

CERBT Account Summary

As of March 31, 2021	Strategy 1
Initial contribution (06/29/2009)	\$400,000
Additional contributions	\$14,160,000
Disbursements	\$0
CERBT expenses	(\$96,870)
Investment earnings	\$9,601,033
Total assets	\$24,064,163
Annualized net rate of return (06/29/2009-03/31/2021 = 11.76 years)	9.26%

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
as of 3/31/2021	\$0	\$0	\$9,601,033	(\$96,870)	\$24,064,163

CERBT/ CEPPT Investment Returns Outperform Benchmarks

Periods ended February 28, 2021

Fund	Assets	1 Month	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	ITD
CERBT Strategy 1 (Inception June 1, 2007)	\$11,797,094,997	1.44%	4.61%	18.33%	20.42%	9.40%	11.03%	7.70%	5.87%
Benchmark		1.43%	4.56%	18.19%	20.01%	9.12%	10.60%	7.42%	5.44%
CERBT Strategy 2 (Inception October 1, 2011)	\$1,705,837,808	0.55%	2.58%	12.68%	14.64%	8.72%	9.36%	-	8.06%
Benchmark		0.54%	2.53%	12.55%	14.34%	8.50%	8.95%	-	7.76%
CERBT Strategy 3 (Inception January 1, 2012)	\$797,491,056	-0.17%	1.14%	8.23%	9.75%	7.78%	7.58%	-	6.28%
Benchmark		-0.17%	1.10%	8.14%	9.50%	7.62%	7.22%	-	5.97%
CERBT Total	\$14,300,423,861								
CEPPT Strategy 1 (Inception October 1, 2019)	\$19,364,172	0.47%	2.58%	12.15%	14.29%	-	-	-	10.94%
Benchmark		0.60%	2.64%	12.05%	14.41%	-	-	-	11.05%
CEPPT Strategy 2 (Inception January 1, 2020)	\$10,034,968	-0.52%	0.21%	4.87%	6.62%	-	-	-	6.61%
Benchmark		-0.46%	0.13%	4.69%	6.45%	-	-	-	6.44%
CEPPT Total	\$29,399,140								

CERBT Expected Rates of Return & Risk

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

CERBT/CEPPT 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

586 Prefunding Program Employers

580 CERBT and 30 CEPPT

- State of California
- 151 Cities or Towns
- 12 Counties
- 73 School Employers
- 31 Courts
- 319 Special Districts and other Public Agencies
 - (97 Water, 34 Sanitation, 33 Fire, 24 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
2015-16	Available at https://www.calpers.ca.gov/cerbt
2016-17	
2017-18	
2018-19	
2019-20	

Questions? Where to Get Trust Fund Information?

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Program E-mail Addresses	Prefunding Programs Webpages
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CEPPT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CEPPT
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