

RIVERSIDE COMMUNITY COLLEGE DISTRICT
OTHER POST-EMPLOYMENT BENEFITS
IRREVOCABLE TRUST

Asset Allocation Committee

Monday, September 11, 2017 – RCCD Building, Conference Room 334A

1:00 p.m. - 3:00 p.m.

AGENDA

- I. Welcome and Call to Order
- II. Trust Activity:
 - A. OPEB Irrevocable Trust Activity for the Year Ended June 30, 2017
 - B. Market Value Summary for the Quarter Ending June 30, 2017
 - C. Statement of Transaction Detail for the Quarter Ending June 30, 2017
- III. Investment Strategy Reports as of July 31, 2017
- IV. Meeting Notes for March 14, 2017
- V. Next Meeting
 - A. TBD – Suggested Dates/Times
 - i. Monday, March 12, 2018 - 10 a.m. to 12 p.m. **or** 1 p.m. to 3 p.m.
 - ii. Tuesday, March 13, 2018 - 8 a.m. to 10 a.m. **or** 10 a.m. to 12 p.m.
 - iii. Thursday, March 15, 2018 - 8 a.m. to 10 a.m. **or** 10 a.m. to 12 p.m.

Riverside Community College District
OPEB Irrevocable Trust Activity - CalPERS CERBT
For the Year Ended June 30, 2017

Revenues	
Contributions	
Pay-As-You-Go	\$ 2,320,000
Future Retirees	285,025
Investment Earnings	171,725
Total Revenues	<u>\$ 2,776,749</u>
Expenditures	
CERBT Administrative Expense	1,312
Investment Expense	959
Distributions for Retiree Health Insurance	2,320,000
Total Expenditures	<u>2,322,271</u>
Revenues Over (Under) Expenditures	\$ 454,478
Beginning Fund Balance	<u>358,870</u>
Ending Fund Balance	<u><u>\$ 813,348</u></u>

Riverside Community College District

CERBT Strategy 2

Entity #: SKB7-1832356320-001

Quarter Ended June 30, 2017



Market Value Summary:

	QTD Current Period	Fiscal Year to Date
Beginning Balance	\$2,981,484.17	\$358,870.19
Contribution	65,729.83	2,605,024.50
Disbursement	(2,320,000.00)	(2,320,000.00)
Transfer In	0.00	0.00
Transfer Out	0.00	0.00
Investment Earnings	86,735.46	171,724.83
Administrative Expenses	(347.41)	(1,312.11)
Investment Expense	(254.01)	(959.37)
Other	0.00	0.00
Ending Balance	\$813,348.04	\$813,348.04
YTD Accrual	0.00	0.00
Grand Total	\$813,348.04	\$813,348.04

Unit Value Summary:

	QTD Current Period	Fiscal Year to Date
Beginning Units	202,120.059	25,399.246
Unit Purchases from Contributions	4,392.576	181,113.389
Unit Sales for Withdrawals	(152,803.694)	(152,803.694)
Unit Transfer In	0.000	0.000
Unit Transfer Out	0.000	0.000
Ending Units	53,708.941	53,708.941
Period Beginning Unit Value	14.751055	14.129166
Period Ending Unit Value	15.143624	15.143624

Please note that the Grand Total is your actual fund account balance at the end of the period, including all accrued Contributions and Distributions. Please review your statement promptly. All information contained in your statement will be considered true and accurate unless you contact us within 30 days of receipt of this statement. If you have questions about the validity of this information, please contact CERBT4U@calpers.ca.gov.

Statement of Transaction Detail for the Quarter Ending 06/30/2017
 Riverside Community College District
 Entity #: SKB7-1832356320-001



Date	Description	Amount	Unit Value	Units	Check/Wire	Notes
04/06/2017	Contribution	\$21,548.85	\$14.783162	1,457.662	WIRE 2017040600307 174	
05/09/2017	Contribution	\$22,262.21	\$14.889820	1,495.130	WIRE 2017050900286 059	
06/21/2017	Distribution	(\$2,320,000.00)	\$15.182879	(152,803.694)		
06/23/2017	Contribution	\$21,918.77	\$15.223647	1,439.784	WIRE 2017062300294 995	

Client Contact:
 CERBT4U@CalPERS.ca.gov

California Employers' Retiree Benefit Trust (CERBT) CERBT Strategy 1



July 31, 2017

Objective

The objective of the CERBT Strategy 1 portfolio is to seek returns that reflect the broad investment performance of the financial markets through capital appreciation and investment income. There is no guarantee that the portfolio will achieve its investment objective.

Strategy

The CERBT Strategy 1 portfolio is invested in various asset classes in percentages approved by the CalPERS Board. The specific percentages of portfolio assets allocated to each asset class are shown under "Composition". Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CERBT Strategy 2 and Strategy 3, this portfolio consists of a higher percentage of equities than bonds and other assets. Historically, equities have displayed greater price volatility and therefore this portfolio may experience greater fluctuation of value. Employers that seek higher investment returns, and are able to accept greater risk and tolerate more fluctuation in returns, may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes, in composition as well as targeted allocation percentages and ranges at any time.

Assets Under Management

As of the specified reporting month-end, the aggregate total of assets under management for all CERBT Strategies was

\$7,053,665,974.

Composition

Asset Class Allocations and Benchmarks

The CERBT Strategy 1 portfolio consists of the following asset classes and corresponding benchmarks:

Asset Class	Target Allocation ¹	Target Range	Benchmark
Global Equity	57%	± 2%	MSCI All Country World Index IMI (net)
Fixed Income	27%	±2%	Bloomberg Barclays Long Liability Index
Treasury Inflation-Protected Securities ("TIPS")	5%	± 2%	Bloomberg Barclays U.S. TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	8%	± 2%	FTSE EPRA/NAREIT Developed Liquid Index (net)
Commodities	3%	± 2%	S&P GSCI Total Return Index

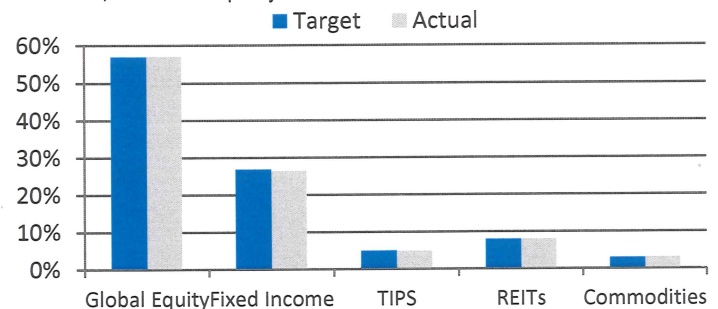
¹ Allocations approved by the Board at the October 2014 Investment Committee meeting

Portfolio Benchmark

The CERBT Strategy 1 benchmark is a composite of underlying asset class market indices, each assigned the target weight for the asset class it represents.

Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of the specified reporting month-end. CalPERS may overweight or underweight an allocation to a particular asset class based on market, economic, or CalPERS policy considerations.



CERBT Strategy 1 Performance as of July 31, 2017

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	Since Inception* (June 1, 2007)
Gross Return ^{1,3}	1.97%	3.83%	1.97%	9.40%	4.80%	8.17%	4.66%
Net Return ^{2,3}	1.96%	3.81%	1.96%	9.31%	4.70%	8.05%	4.59%
Benchmark returns	1.97%	3.74%	1.97%	8.72%	4.31%	7.73%	4.19%

Performance quoted represents past performance, which is no guarantee of future results that may be achieved by the fund.

*Returns for periods greater than one year are annualized.

¹ Gross performance figures are provided net of SSGA operating expenses.

² Net Performance figures deduct all expenses to the fund, including investment management, administrative and recordkeeping fees.

³ See the Expense section of this document.

July 31, 2017

General Information

Information Accessibility

The CERBT Strategy 1 portfolio consists of assets managed internally by CalPERS and/or external advisors. Since it is not a mutual fund, a prospectus is not available nor is information available from a newspaper source. This summary is designed to provide descriptive information. CalPERS provides a quarterly statement of the employer's account and other information about the CERBT. For total market value, detailed asset allocation, investment policy and current performance information, including performance to the most recent month-end, please visit our website at: www.calpers.ca.gov.

Portfolio Manager Information

The CalPERS Investment Committee and Board of Administration directs the investment strategy and investments of the CERBT. Under that direction, CalPERS Investment staff manages fixed income, treasury inflation-protected securities and commodities assets; and State Street Global Advisors (SSGA) manages the global equity and real estate investment trust assets.

Custodian and Record Keeper

State Street Bank serves as custodian for the CERBT. Northeast Retirement Services serves as record keeper.

Expenses

CERBT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the fee, the greater the reduction of investment return. Currently, CERBT expenses are 0.10% which consist of administrative expenses borne by CalPERS to administer and oversee the Trust assets, investment management and administrative fees paid to SSGA to manage the global equity and real estate trust assets, and recordkeeping fees paid to Northeast Retirement Services to administer individual employer accounts. The expenses described herein are reflected in the net asset value per share. CERBT's actual expenses may differ from the amount currently being accrued due to factors such as changes in average fund assets or market conditions. The expense accrual rate may change without notice in order to reflect changes in average portfolio assets or in expense amounts. The CalPERS Board annually reviews the operating expenses and changes may be made as appropriate. Even if the portfolio loses money during a period, the fee is still charged.

What Employers Own

Each employer choosing CERBT Strategy 1 owns a percentage of this portfolio, which invests in pooled asset classes managed by CalPERS and/or external advisors. Employers do not have direct ownership of the securities in the portfolio.

Price

The value of the portfolio changes daily, based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value also changes with market conditions.

Principal Risks of the Portfolio

The CalPERS CERBT Fund provides California government employers with a trust through which they may prefund retiree medical costs and other post-employment benefits. CERBT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives nor provide sufficient funding to meet these employer obligations. Further, CalPERS will not make up the difference between actual health care premiums for payment of future benefits provided to retirees should CERBT assets not be sufficient to cover future obligations.

An investment in the portfolio is not a bank deposit, and it is not insured nor guaranteed by the Federal Deposit Insurance Corporation (FDIC), CalPERS, the State of California or any other government agency.

There are risks associated with investing, including possible loss of principal. The portfolio's risk depends in part on the portfolio's asset class allocations and the selection, weighting and risks of the underlying investments. For more information about investment risks, please see the document entitled "CERBT Principal Investment Risks" located at www.calpers.ca.gov.

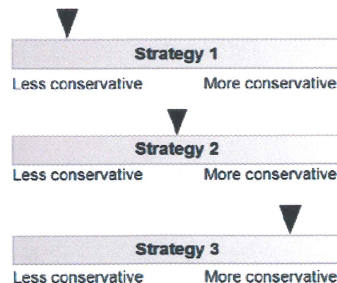
Fund Performance

Performance data shown on page 1 represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an employer's units, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than historical performance data shown. For current performance information, please visit www.calpers.ca.gov and follow the links to California Employers' Retiree Benefit Trust.

CERBT Strategy Risk Levels

CalPERS offers employers the choice of one of three investment strategies. Risk levels among strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations	Strategy 1	Strategy 2	Strategy 3
Global Equity	57%	40%	24%
Fixed Income	27%	39%	39%
Treasury Inflation-Protected Securities	5%	10%	26%
Real Estate Investment Trusts	8%	8%	8%
Commodities	3%	3%	3%



July 31, 2017

Objective

The objective of the CERBT Strategy 2 portfolio is to seek returns that reflect the broad investment performance of the financial markets through capital appreciation and investment income. There is no guarantee that the portfolio will achieve its investment objective.

Strategy

The CERBT Strategy 2 portfolio is invested in various asset classes in percentages approved by the CalPERS Board. The specific percentages of portfolio assets allocated to each asset class are shown under "Composition". Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CERBT Strategy 1 and Strategy 3, this portfolio consists of a moderate allocation of equities, bonds, and other assets. Historically, equities have displayed greater price volatility and therefore, this portfolio may experience comparatively less fluctuation of value compared to CERBT Strategy 1 but more fluctuation of value compared to CERBT Strategy 3. Employers that seek a moderate approach to investing may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes, in composition as well as targeted allocation percentages and ranges at any time.

Assets Under Management

As of the specified reporting month-end, the aggregate total of assets under management for all CERBT Strategies was

\$7,053,665,974.

Composition

Asset Class Allocations and Benchmarks

The CERBT Strategy 2 portfolio consists of the following asset classes and corresponding benchmarks:

Asset Class	Target Allocation ¹	Target Range	Benchmark
Global Equity	40%	± 2%	MSCI All Country World Index IMI (net)
Fixed Income	39%	± 2%	Bloomberg Barclays Long Liability Index
Treasury Inflation-Protected Securities ("TIPS")	10%	± 2%	Bloomberg Barclays U.S. TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	8%	± 2%	FTSE EPRA/NAREIT Developed Liquid Index (net)
Commodities	3%	± 2%	S&P GSCI Total Return Index

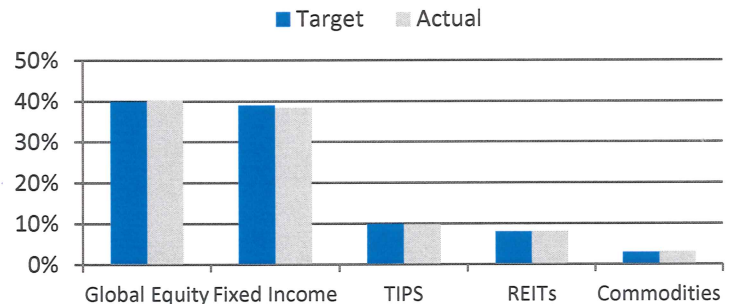
¹ Allocations approved by the Board at the October 2014 Investment Committee meeting

Portfolio Benchmark

The CERBT Strategy 2 benchmark is a composite of underlying asset class market indices, each assigned the target weight for the asset class it represents.

Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of the specified reporting month-end. CalPERS may overweight or underweight an allocation to a particular asset class based on market, economic, or CalPERS policy considerations.



CERBT Strategy 2 Performance as of July 31, 2017

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	Since Inception* (October 1, 2011)
Gross Return ^{1,3}	1.57%	3.06%	1.57%	6.28%	4.08%	6.64%	7.91%
Net Return ^{2,3}	1.56%	3.04%	1.56%	6.19%	3.99%	6.52%	7.78%
Benchmark returns	1.57%	2.97%	1.57%	5.57%	3.66%	6.22%	7.59%

Performance quoted represents past performance, which is no guarantee of future results that may be achieved by the fund.

*Returns for periods greater than one year are annualized.

¹ Gross performance figures are provided net of SSGA operating expenses.

² Net Performance figures deduct all expenses to the fund, including investment management, administrative and recordkeeping fees.

³ See the Expense section of this document.

July 31, 2017

General Information

Information Accessibility

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Portfolio Manager Information

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Custodian and Record Keeper

State Street Bank serves as custodian for the CERBT. Northeast Retirement Services serves as record keeper.

Expenses

CERBT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the fee, the greater the reduction of investment return. Currently, CERBT expenses are 0.10% which consist of administrative expenses borne by CalPERS to administer and oversee the Trust assets, investment management and administrative fees paid to SSGA to manage the global equity and real estate trust assets, and recordkeeping fees paid to Northeast Retirement Services to administer individual employer accounts. The expenses described herein are reflected in the net asset value per share. CERBT's actual expenses may differ from the amount currently being accrued due to factors such as changes in average fund assets or market conditions. The expense accrual rate may change without notice in order to reflect changes in average portfolio assets or in expense amounts. The CalPERS Board annually reviews the operating expenses and changes may be made as appropriate. Even if the portfolio loses money during a period, the fee is still charged.

What Employers Own

Each employer choosing CERBT Strategy 2 owns a percentage of this portfolio, which invests in pooled asset classes managed by CalPERS and/or external advisors. Employers do not have direct ownership of the securities in the portfolio.

Price

The value of the portfolio changes daily, based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value also changes with market conditions.

Principal Risks of the Portfolio

The CalPERS CERBT Fund provides California government employers with a trust through which they may prefund retiree medical costs and other post-employment benefits. CERBT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives nor provide sufficient funding to meet these employer obligations. Further, CalPERS will not make up the difference between actual health care premiums for payment of future benefits provided to retirees should CERBT assets not be sufficient to cover future obligations.

An investment in the portfolio is not a bank deposit, and it is not insured nor guaranteed by the Federal Deposit Insurance Corporation (FDIC), CalPERS, the State of California or any other government agency.

There are risks associated with investing, including possible loss of principal. The portfolio's risk depends in part on the portfolio's asset class allocations and the selection, weighting and risks of the underlying investments. For more information about investment risks, please see the document entitled "CERBT Principal Investment Risks" located at www.calpers.ca.gov.

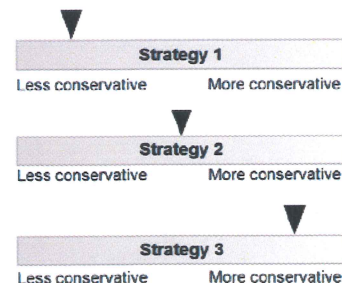
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CERBT Strategy Risk Levels

CalPERS offers employers the choice of one of three investment strategies. Risk levels among strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations	Strategy 1	Strategy 2	Strategy 3
Global Equity	57%	40%	24%
Fixed Income	27%	39%	39%
Treasury Inflation-Protected Securities	5%	10%	26%
Real Estate Investment Trusts	8%	8%	8%
Commodities	3%	3%	3%



California Employers' Retiree Benefit Trust (CERBT) CERBT Strategy 3



July 31, 2017

Objective

The objective of the CERBT Strategy 3 portfolio is to seek returns that reflect the broad investment performance of the financial markets through capital appreciation and investment income. There is no guarantee that the portfolio will achieve its investment objective.

Strategy

The CERBT Strategy 3 portfolio is invested in various asset classes in percentages approved by the CalPERS Board. The specific percentages of portfolio assets allocated to each asset class are shown under "Composition". Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CERBT Strategy 1 and Strategy 2, this portfolio consists of a lower percentage of equities than bonds, and other assets. Historically, funds with a lower percentage of equities have displayed less price volatility and therefore, this portfolio may experience less fluctuation of value. Employers that seek greater stability of value, in exchange for possible lower investment returns, may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes, in composition as well as targeted allocation percentages and ranges at any time.

Assets Under Management

As of the specified reporting month-end, the aggregate total of assets under management for all CERBT Strategies was

\$7,053,665,974.

Composition

Asset Class Allocations and Benchmarks

The CERBT Strategy 3 portfolio consists of the following asset classes and corresponding benchmarks:

Asset Class	Target Allocation ¹	Target Range	Benchmark
Global Equity	24%	± 2%	MSCI All Country World Index IMI (net)
Fixed Income	39%	± 2%	Bloomberg Barclays Long Liability Index
Treasury Inflation-Protected Securities ("TIPS")	26%	± 2%	Bloomberg Barclays U.S. TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	8%	± 2%	FTSE EPRA/NAREIT Developed Liquid Index (net)
Commodities	3%	± 2%	S&P GSCI Total Return Index

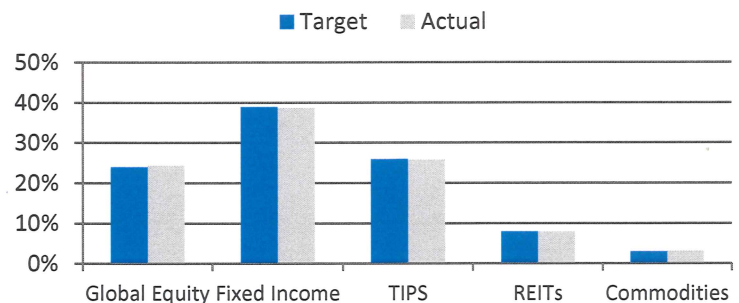
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CERBT Strategy 3 Performance as of July 31, 2017

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	Since Inception* January 1, 2012)
Gross Return ^{1,3}	1.21%	2.09%	1.21%	3.38%	3.35%	4.99%	5.78%
Net Return ^{2,3}	1.20%	2.07%	1.20%	3.29%	3.25%	4.88%	5.66%
Benchmark returns	1.20%	2.01%	1.20%	2.76%	2.94%	4.51%	5.41%

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July 31, 2017

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What Employers Own

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Price

The value of the portfolio changes daily, based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value also changes with market conditions.

Principal Risks of the Portfolio

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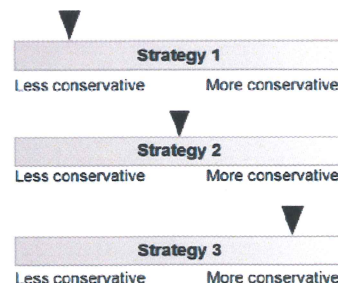
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CERBT Strategy Risk Levels

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Asset Class Target Allocations	Strategy 1	Strategy 2	Strategy 3
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Commodities	3%	3%	3%



**OTHER POST-EMPLOYMENT BENEFITS
IRREVOCABLE TRUST
Asset Allocation Committee
March 14, 2017**

Agenda & Meeting Notes

Attendees: Aaron S. Brown, Amber Casolari, Beth Gomez (Absent), Gustavo Segura,
Dwight Tate, and Melissa Elwood (Guest)

HANDOUTS:

- OPEB Irrevocable Trust financial activity for the year ended February 28, 2107
- CalPERS CERBT – Strategy 2 report as of July 31, 2017
- RCCD CalPERS CERBT statement for the quarter ended December 31, 2016

AGENDA:

- ❖ Review OPEB Irrevocable Trust Financial Activity for the Period Ended February 28, 2017
- ❖ Review of most recent CERBT Fund Facts – Strategy 2 from CalPERS for the Month Ended January 31, 2017
- ❖ Review of most recent RCCD CERBT Strategy 2 Statement for the Quarter Ended December 31, 2016

NOTES:

1. Elwood reviewed financial activity for period ended February 28, 2017 noting contributions, earnings, expenses, and ending balances.
2. Elwood mentioned a difference in the ending balance between the financial activity statement and CERBT reports arising due to cut-off/accrual differences. The differences will be corrected in the future months by delaying the preparation of financial activity statements by one week each month.
3. Casolari asked about the “pay-as-you-go” amount. Elwood responded that it was approximately \$2.3 million. Brown indicated that we pre-fund the “pay-as-you-go” amount at the beginning of the year and then reimburse the District for actual expenditures at year-end.
4. Casolari asked if we were required to pay a certain amount or if we have thought about paying more to make additional progress on the \$25 million liability. Brown responded that there is no external requirement to fund the liability. Brown also responded that any increase to the amount contributed would be an additional cost to the general fund and could take funds away from other competing needs.

5. Casolari asked if the “pay-as-you-go” amount increased due to the retirement incentive. Brown responded that it has increased by over \$1 million for retirees between ages 55 and 65.
6. Casolari asked if we should consider a more aggressive investment strategy. Tate indicated that Investment Strategy 2, for the time being, positions the District in the middle between aggressive Strategy 1 and more conservative Strategy 3, and he favors this position now.
7. Segura asked how the contribution percentage was determined. Brown responded that total payroll is estimated and percentages are evaluated to derive the \$250,000 minimum contribution.
8. Segura asked if some of the ending balance could be used to fund more of a contribution. Brown responded that yes, it could be but use of the ending balance would also impact the following year budget.
9. Casolari indicated that the last couple of years have been better financially so could some of the additional funds be used to increase the contribution. Brown responded that yes, they could be used but since we have decreasing ongoing revenues and increasing ongoing expenditures (PERS, STRS, Health, etc.), he is attempting to reserve as much funds as possible to “soft glide” the structural deficit changes are made to eliminate the differential.