

California Employers' Retiree Benefit Trust Features and Benefits

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CERBT Customer Outreach and Support

Advantages of the CERBT

- CERBT manages investment policy
- Simple, focused administrative procedures and processes
- Financial reporting compliant with governmental accounting standards
- Excellent customer service
- Lowest cost for services

District controls the funding policy

- District decides how much to contribute
 - Contributions are never required
 - District can vary contributions based on budgetary conditions
- District decides on asset allocation strategy
 - District chooses one of three asset allocation strategies
 - District may change asset allocation strategy
- District decides to seek reimbursement
 - District is eligible for reimbursement of annual OPEB expenses

Investment management

- CalPERS Board accepts investment fiduciary responsibility
 - GC 53620-53622
- CalPERS Board determines investment policy, asset classes and asset allocation strategies
- Strategies and investment transactions managed by the same skilled investment professionals that manage the Public Employees Retirement Fund (PERF)

CERBT asset allocation strategies

	Strategy 1	Strategy 2	Strategy 3
Expected Long Term Rate of Return (General Inflation Rate Assumption of 2.75%)	7.28%	6.73%	6.12%
Standard Deviation of Expected Returns	11.74%	9.32%	7.14%

- All CERBT asset allocation strategies share the same public market asset classes
 - Allocation strategies differ only to the extent to which they participate in each of the asset classes

CERBT asset class target allocations

Asset Classification	Investment Management	Strategy 1	Strategy 2	Strategy 3
Global Equity	Passive MSCI All Country World Index	57%	40%	24%
Fixed Income	Active Barclays Capital Long Liability Index	27%	39%	39%
Global Real Estate (REITs)	Passive FTSE EPRA/NAREIT Developed Liquid Index	8%	8%	8%
Treasury Inflation Protected Securities (TIPS)	Passive Barclays Capital Global Real: US TIPS Index	5%	10%	26%
Commodities	Active S&P GSCI Total Return Index	3%	3%	3%

Total service cost

- Total service cost of participation is 10 basis points of assets under management
 - Consists of administrative and investment management expenses borne by CalPERS and paid to State Street Global Advisors
 - CERBT is a self-funded trust
 - Employer account charged daily
 - CERBT does not profit
 - Rate can be changed without prior notice and may be higher or lower in the future

CERBT employers under contract

465 Total

- State of California
- 118 Cities or Towns
- 14 Counties
- **41 Schools**
- 20 Courts
- 271 Special Districts and other Public Agencies
 - (81 Water, 32 Sanitation, 28 Fire, 21 Transportation)

As of October 7, 2015

CERBT Community College Districts

- Barstow Community College District
- Butte-Glenn Community College District
- Foothill-De Anza Community College District
- Glendale Community College District
- Los Angeles Community College District
- Marin Community College District
- Mt. San Jacinto Community College District
- Napa Community College District
- Santa Monica Community College District
- West Valley-Mission Community College District

As of October 7, 2015

Questions? Where to get information?

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