RIVERSIDE COMMUNITY COLLEGE DISTRICT

OTHER POST-EMPLOYMENT BENEFITS IRREVOCABLE TRUST

Asset Allocation Committee

Monday, September 17, 2018 – RCCD Building, Conference Room 334A

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

AGENDA

I. Welcome and Call to Order

II. Meeting Notes for March 12, 2018

III. OPEB Irrevocable Trust Activity:

   A. For the Period Ended June 30, 2018

   B. For the Period Ended August 31, 2018

IV. Market Value Summary and Transaction Detail for the Quarter Ended June 30, 2018

V. Investment Strategy Reports for the Month Ended July 31, 2018

VI. Actuarial Valuations

   A. GASB 45 Actuarial Valuation Report Excerpt – July 2015 to June 2016

   B. GASB 75 Actuarial Valuation Report Excerpt – July 2017 to June 2018

VII. Next Meeting

   A. TBD

OTHER POST-EMPLOYMENT BENEFITS
IRREVOCABLE TRUST
Asset Allocation Committee
March 12, 2018

Agenda & Meeting Notes

Attendees: Aaron S. Brown, Amber Casolari, James Reeves,
Gustavo Segura, Dwight Tate, and Melissa Elwood (Guest)

HANDOUTS:

- OPEB Irrevocable Trust Activity for the Year Ended February 28, 2018
- Market Value Summary and Transaction Detail for the Quarter Ended December 31, 2017
- Investment Strategy Reports for the Month Ended January 31, 2018
- Meeting Notes for September 11, 2017

AGENDA:

- ❖ Review Activity and Report Handouts

NOTES:

1. Conference call was established. Casolari called in.
2. Elwood reviewed the OPEB Irrevocable Trust Activity Report for the period ended February 28, 2018 (posted to website).
3. Brown described Pay-As-You-Go as health insurance costs for current employees.
4. Reeves asked how the Pay-As-You-Go amount was established. Brown responded that it is based on estimated health insurance costs for current employees.
5. Segura asked how/when the Pay-As-You-Go contribution is made. Brown indicated that it is made at the beginning of the year and then it is reimbursed to the general fund at the end of the year.
6. Reeves asked if we expected health insurance costs to be about the same amount as what was transferred to the trust. Brown indicated that the transferred amount should be less than actual costs, otherwise it would be retained in the trust until the following year.
7. Tate asked if the beginning of the trust year was July 1st. Brown affirmed.
8. Segura asked what “Investment Expenses” are. Brown responded that they are the costs paid to money managers to buy and sell investments. Tate indicated that it would be similar to the fees paid for buying and selling mutual funds.
9. Segura asked what the “CERBT Administrative Expenses” are. Brown responded that they were the costs for CalPERS to administer the trust.

10. Casolari indicated that the ending fund balance from the previous year was $813,348 and indicated that the current year ending balance, less the expected Pay-As-You-Go reimbursement, will result in a trust balance of a little over $1 million.
11. Brown indicated that we plan (budget) for a minimum of $250,000 in future retiree contributions so we should be closer to $1.1 million in ending fund balance if investment earnings hold.
12. Brown discussed the CERB Strategy reports for the month ended January 31, 2018. Reports were provided for strategies 1-3. Brown asked the committee members if they were satisfied with the performance of the current OPEB Irrevocable Trust strategy (Strategy 2). All indicated that they were satisfied. They are not looking to change at this point.
13. Segura made a motion to keep the current investment strategy (Strategy 2). Brown indicated that no motion was necessary since there were no action items on the agenda and asked if any of the committee members would like to add an action item to the agenda regarding the investment strategy. No motions were made to add an action item to the agenda.
14. Brown indicated that the agenda and all supporting documents, including meeting notes will be posted to the website.
15. Next meeting date was set for Monday, September 10, 2018 at 1:00 pm.

Riverside Community College District

OPEB Irrevocable Trust Activity - CalPERS CERBT

For the Year Ended June 30, 2018

Revenues		
Contributions		
Pay-As-You-Go	$ 2,383,000	
Future Retirees	241,385	
Investment Earnings	116,869	
Total Revenues		$ 2,741,254
Expenditures		
CERBT Administrative Expense	1,269	
Investment Expense	928	
Distributions for Retiree Health Insurance	2,383,000	
Total Expenditures		2,385,197
Revenues Over (Under) Expenditures		$ 356,057
Beginning Fund Balance		813,348
Ending Fund Balance		$ 1,169,405

Riverside Community College District

OPEB Irrevocable Trust Activity - CalPERS CERBT

For the Period Ended August 31, 2018

Revenues		
Contributions		
Pay-As-You-Go	$ 1,993,270	
Future Retirees	46,758	
Investment Earnings	62,377	
Total Revenues		$ 2,102,405
Expenditures		
CERBT Administrative Expense	260	
Investment Expense	190	
Distributions for Retiree Health Insurance	-	
Total Expenditures		450
Revenues Over (Under) Expenditures		$ 2,101,955
Beginning Fund Balance		1,169,405
Ending Fund Balance		$ 3,271,360

Riverside Community College District
CERBT Strategy 2
Entity #: SKB7-1832356320-001
Quarter Ended June 30, 2018

CalPERS

Market Value Summary:

	QTD Current Period	Fiscal Year to Date
Beginning Balance	$3,465,523.54	$813,348.04
Contribution	72,746.18	2,624,384.67
Disbursement	(2,383,000.00)	(2,383,000.00)
Transfer In	0.00	0.00
Transfer Out	0.00	0.00
Investment Earnings	14,599.96	116,869.17
Administrative Expenses	(268.56)	(1,269.12)
Investment Expense	(196.40)	(928.04)
Other	0.00	0.00
Ending Balance	$1,169,404.72	$1,169,404.72
FY End Contrib per GASB 74 Para 22	0.00	0.00
FY End Disbursement Accrual	0.00	0.00
Grand Total	$1,169,404.72	$1,169,404.72

Unit Value Summary:

	QTD Current Period	Fiscal Year to Date
Beginning Units	217,680.389	53,708.941
Unit Purchases from Contributions	4,517.393	168,488.841
Unit Sales for Withdrawals	(149,430.171)	(149,430.171)
Unit Transfer In	0.000	0.000
Unit Transfer Out	0.000	0.000
Ending Units	72,767.611	72,767.611
Period Beginning Unit Value	15.920238	15.143624
Period Ending Unit Value	16.070400	16.070400

Please note the Grand Total is your actual fund account balance at the end of the period, including all contributions per GASB 74 paragraph 22 and accrued disbursements. 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 06/30/2018

Riverside Community College District

Entity #: SKB7-1832356320-001

Date	Description	Amount	Unit Value	Units	Check/Wire	Notes
04/27/2018	Contribution	$23,955.01	$15.964266	1,500.539	WIRE 2018042700353 764	
05/02/2018	Distribution	($1,930,832.00)	$15.906847	(121,383.704)		
06/04/2018	Distribution	($452,168.00)	$16.122102	(28,046.467)		
06/14/2018	Contribution	$48,791.17	$16.172864	3,016.854	WIRE 2018061400343 324	

Client Contact:
CERBT4U@CalPERS.ca.gov

California Employers' Retiree Benefit Trust (CERBT)

CERBT Strategy 1

July 31, 2018

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

$8,548,607,878.

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 Barclays US TIPS Index
Real Estate Investment Trusts ("REITs")	8%	± 2%	FTSE EPRA/NAREIT Developed Liquid Index (net)
Commodities	3%	± 2%	S&P GSCI Total Return Index
Cash	-	+2%	91 Day Treasury Bill

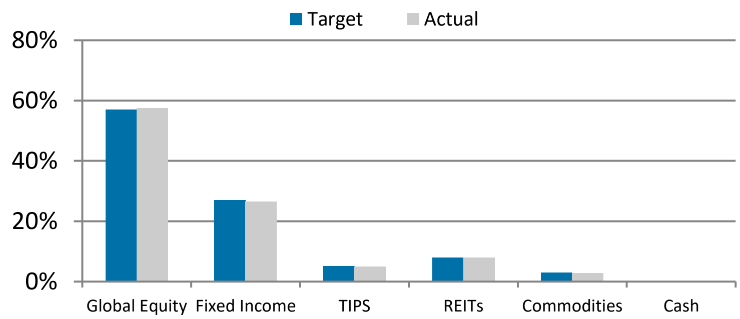
[1] Allocations approved by the Board at the October 2014 Investment Committee meeting

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, 2018								
	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (June 1, 2007)
Gross Return[1,3]	1.49%	1.99%	1.49%	7.50%	6.80%	6.99%	6.21%	4.91%
Net Return[2,3]	1.49%	1.97%	1.49%	7.41%	6.71%	6.88%	6.13%	4.84%
Benchmark returns	1.50%	1.96%	1.50%	7.17%	6.34%	6.53%	6.07%	4.45%
Standard Deviation[4]	-	-	-	-	7.19%	6.95%	12.96%	12.68%

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.

[4] Standard Deviation is from gross return.

California Employers' Retiree Benefit Trust (CERBT)

CERBT Strategy 1

July 31, 2018

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. State Street Global Advisors (SSGA) manages all asset classes for CERBT, which includes: Global Equity, Fixed Income, Real Estate Investment Trusts, Treasury Inflation-Protected Securities, and Commodities.[1]

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 all asset classes, 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 the employer's CERBT assets and the actual cost of Other Post Employment Benefits provided to employer's plan members.

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**.

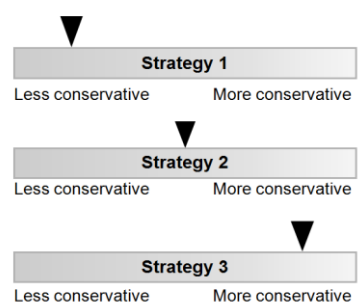
Fund Performance

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%



[1] Since June 2018 SSGA has managed passively all CERBT asset classes. Previously Fixed Income, TIPS and Commodity asset classes were internally managed.

California Employers' Retiree Benefit Trust (CERBT)

CERBT Strategy 2

July 31, 2018

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

$8,548,607,878.

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
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Real Estate Investment Trusts ("REITs")	8%	± 2%	FTSE EPRA/NAREIT Developed Liquid Index (net)
Commodities	3%	± 2%	S&P GSCI Total Return Index
Cash	-	+2%	91 Day Treasury Bill

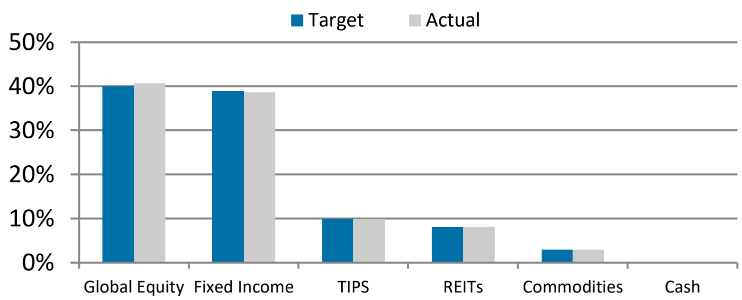
[1] Allocations approved by the Board at the October 2014 Investment Committee meeting

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, 2018							
	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	Since Inception* (October 1, 2011)
Gross Return[1,3]	0.99%	1.67%	0.99%	5.62%	5.61%	5.84%	7.57%
Net Return[2,3]	0.98%	1.65%	0.98%	5.53%	5.52%	5.73%	7.45%
Benchmark returns	0.99%	1.62%	0.99%	5.24%	5.15%	5.42%	7.24%
Standard Deviation[4]	-	-	-	-	5.76%	5.68%	6.56%

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.
[4] Standard Deviation is from gross return.

California Employers' Retiree Benefit Trust (CERBT)

CERBT Strategy 2

July 31, 2018

General Information

Information Accessibility

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Portfolio Manager Information

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Expenses

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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 the employer's CERBT assets and the actual cost of Other Post Employment Benefits provided to employer's plan members.

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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**.

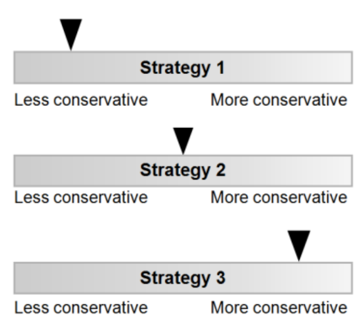
Fund Performance

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%



[1] Since June 2018 SSGA has managed passively all CERBT asset classes. Previously Fixed Income, TIPS and Commodity asset classes were internally managed.

California Employers' Retiree Benefit Trust (CERBT)

CERBT Strategy 3

July 31, 2018

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

$8,548,607,878.

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
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Real Estate Investment Trusts ("REITs")	8%	± 2%	FTSE EPRA/NAREIT Developed Liquid Index (net)
Commodities	3%	± 2%	S&P GSCI Total Return Index
Cash	-	+2%	91 Day Treasury Bill

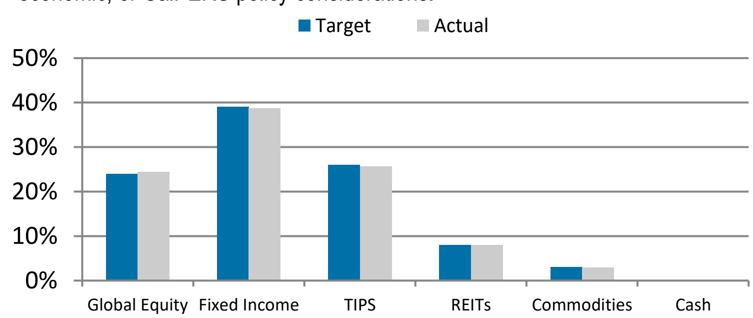
[1] Allocations approved by the Board at the October 2014 Investment Committee meeting

Portfolio Benchmark

The CERBT Strategy 3 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 3 Performance as of July 31, 2018							
	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	Since Inception* (January 1, 2012)
Gross Return[1,3]	0.47%	1.26%	0.47%	3.94%	4.33%	4.80%	5.50%
Net Return[2,3]	0.46%	1.24%	0.46%	3.85%	4.24%	4.70%	5.39%
Benchmark returns	0.47%	1.27%	0.47%	3.64%	3.95%	4.35%	5.14%
Standard Deviation[4]	-	-	-	-	4.56%	4.65%	4.97%

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.

[4] Standard Deviation is from gross return.

California Employers' Retiree Benefit Trust (CERBT)

CERBT Strategy 3

July 31, 2018

General Information

Information Accessibility

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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 all asset classes, 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 3 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 the employer's CERBT assets and the actual cost of Other Post Employment Benefits provided to employer's plan members.

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**.

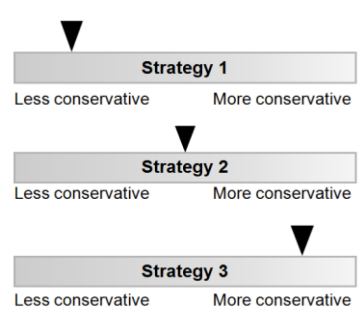
Fund Performance

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%



[1] Since June 2018 SSGA has managed passively all CERBT asset classes. Previously Fixed Income, TIPS and Commodity asset classes were internally managed.

Grant Thornton

Riverside Community College District

GASB 45 Actuarial Valuation Report

For Post-Employment Benefits Other than Pensions

July 1, 2015 – June 30, 2016 Fiscal Year

A. PLAN OVERVIEW

Riverside Community College District *("District")* provides post-employment benefits other than pensions ("OPEB") to employees who meet certain criteria. As a result of offering such benefits, the District is required to report the value of such benefits and the associated costs according to the accounting requirements of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions ("GASB 45").

The District provides medical, dental, and life insurance benefits to eligible retirees and their covered eligible dependents, and pays a portion of the cost for eligible retirees, spouses, and dependents. All active employees who retire directly from the District and meet the eligibility criteria may participate.

The summary below identifies the value of benefits at July 1, 2015 and costs for the 2015-2016 Fiscal Year according to the accounting requirements of GASB 45, and summarizes the actuarial valuation results by the District's active and retired employee groups.

Note that implicit rate subsidies as required by GASB 45 are factored into all relevant values in this report.

	July 1, 2015
Present Value of Future Benefits	
Actives	$37,125,770
Retirees	5,833,346
Total	**$42,959,116**
Actuarial Accrued Liability	
Actives	$19,514,645
Retirees	5,833,346
Total	**$25,347,991**
GASB 45 Measures	**2015-2016 FY**
Annual Required Contribution (ARC)	$3,147,095
Annual OPEB Cost	$3,022,159
Employer Contributions, reflecting implicit rate subsidies	$1,693,128
Employer Contributions, (Pay-As-You-Go)[1]	$1,309,110

$24,161,707

DIFF = $1,186,284

[1] Estimated annual employer contributions based on data received from the District.

B. LIABILITIES AND NORMAL COST

The Actuarial Accrued Liability is the liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The OPEB's Actuarial Accrued Liability (at July 1, 2015) is $25,347,991. The Actuarial Accrued Liability represents 59.00% of the Present Value of Future Benefits.

Liabilities and Normal Cost	July 1, 2015
Actuarial Accrued Liability	$25,347,991
Plan Assets	0
Unfunded Actuarial Accrued Liability	$25,347,991
Normal Cost	$1,500,847

The Normal Cost for the plan is the amount that the liabilities are expected to increase during the year based on increased eligibility and service.

Normal Cost is the value of benefits expected to be earned during the year, again based on certain actuarial methods and assumptions. The 2015-2016 Fiscal Year Normal Cost is $1,500,847.

The results were calculated based upon plan provisions and census data, as provided by the District, along with certain demographic and economic assumptions as recommended by Grant Thornton with guidance from the GASB statement and approved by the District.

C. DEMOGRAPHIC INFORMATION

Data was provided by the District for the 2015-2016 Fiscal Year.

Participant Information	2015-2016 FY
Active Participants	907
Inactive Participants	71
Total	**978**
Employer Contributions	**2015-2016 FY**
Expected OPEB Contributions:	
Active Participants	$0
Inactive Participants	1,693,128
Total Contribution	**$1,693,128**

RIVERSIDE COMMUNITY COLLEGE DISTRICT

GASB 75 ACTUARIAL VALUATION REPORT

FOR POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

July 1, 2017 – June 30, 2018 Fiscal Year

Executive Summary

A. Plan Overview

Riverside Community College District ***(District)*** provides post-employment benefits other than pensions (OPEB) to employees who meet certain criteria. As a result of offering such benefits, the District is required to report the value of such benefits and the associated costs according to the accounting requirements of Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75). This report includes measurements of the OPEB obligations, annual expense, and other required disclosure items in accordance with GASB 75.

The District provides post-employment healthcare benefits to eligible retirees and their covered eligible dependents and pays a portion of the cost. All active employees who retire directly from the District and meet the eligibility criteria may participate.

B. Summary of Key Results

The summary below identifies the key results of the costs related to the July 1, 2017 – June 30, 2018 Fiscal Year, according to the accounting requirements of GASB 75. Note that implicit rate subsidies, as required by GASB, are factored into all relevant values in this report.

Measurement Date	**June 30, 2018**
Reporting Date	**June 30, 2018**
Present Value of Future Benefits	
Actives	$52,078,985
Retirees	9,219,217
Total	**$61,298,202**
Total OPEB Liability *(Entry Age Normal)*	
Actives	$35,404,156
Retirees	9,219,217
Total	**$44,623,373**
Estimated Plan Assets[1]	(1,147,433)
Net OPEB Liability	**$43,475,940**
GASB 75 Measures	**2017/2018 FY**
OPEB Expense	**$4,516,450**
Employer Contributions, reflecting implicit rate subsidies	**$3,585,234**
Employer Contributions (Pay-As-You-Go)[2]	**$2,726,175**

[1] Estimated plan assets as of June 30, 2018 based on trust information and actual earnings through December 31, 2017.
[2] Estimated annual employer contributions based on data received from the District.

C. Demographic Information

Demographic Information	2017/2018 FY
Active Participants	1,050
Retired Participants	108
Total	**1,158**

D. Assets

As of the valuation date, the District has set aside assets in a trust to pay for future benefits. According to GASB, an employer has made a contribution to pay for future benefits if it meets one of the following criteria:

- The employer has made benefit payments directly to or on behalf of a retiree or beneficiary.
- The employer has made premium payments to an insurer.
- The employer has made contributions to an OPEB plan to fund payments of benefits as they come due in the future, and all the following apply:
  - The employer no longer has ownership or control of the assets.
  - The plan is effectively a legally separate entity under the stewardship of a board of trustees.
  - The plan assets provide benefits to retirees and their beneficiaries in accordance to the terms stated in the plan.
  - The plan assets are legally protected from creditors of the employer.

Assets	June 30, 2018
Estimated Market Value of Assets	$1,147,433
Estimated Actuarial Value of Assets	$1,147,433
Money-Weighted Rate of Return (2017/2018)	TBD

E. Discount Rate

The discount rate under GASB 75 is required to be a blend of the long-term expected rate of return (ROR) to the extent funded and the 20 year municipal bond rate. Specifically, an initial projection is made using the ROR on irrevocable OPEB plan assets and, as long as the plan's net position and projected contributions associated with current participants are expected to fully cover projected benefit payments, this long-term rate may be used. For years in which the net position is not projected to cover projected benefit payments, the discount rate used is equal to the 20 year municipal bond yield. A single discount rate is then determined as a blend of the two rates, which produces the same discounted present value of benefits as the duel rate calculation. A depletion projection was performed, which estimates the point (if any) at which plan assets are no longer sufficient to satisfy benefit obligations. The District's net position was projected to fully cover projected benefit payments, therefore the long-term expected rate of return of 6.73% was selected for all years.