

RIVERSIDE COMMUNITY COLLEGE DISTRICT
**OTHER POST-EMPLOYMENT BENEFITS
IRREVOCABLE TRUST**

Asset Allocation Committee

Friday, September 13, 2024 – Zoom

<https://rccd-edu.zoom.us/j/83652147166?pwd=H7okG7JiCagDhbgawsrJJuNOUyuch2.1>

1:00 p.m. – 2:00 p.m.

AGENDA

- I. Welcome and Call to Order
- II. Meeting Notes for December 5, 2022
- III. OPEB Irrevocable Trust Activity for the Period Ended June 30, 2024
- IV. Market Value Summary and Transaction Detail for the Quarter Ended June 30, 2024
- V. OPEB Irrevocable Trust Activity for the Period Ended July 31, 2024
- VI. Investment Strategy Reports for the Month Ended July 31, 2024
- VII. Next Meeting
 - A. March 14, 2025

**OTHER POST-EMPLOYMENT BENEFITS
IRREVOCABLE TRUST
ASSET ALLOCATION COMMITTEE**

December 5, 2022

Meeting Notes

Attendees: Aaron S. Brown, Misty Griffin, John Geraghty, Elena Santa Cruz, Michael Collins,
Dariush Haghighat, and Dwight Tate

HANDOUTS:

- OBEB Irrevocable Trust Activity for the Period Ended June 30, 2022 and September 30, 2022
- Market Value Summary and Transaction Detail for the Quarter Ended June 30, 2022
- Investment Strategy Reports for the Month Ended September 30, 2022

AGENDA:

- ❖ Review Activity and Report Handouts

NOTES:

1. Zoom was established. Griffin, Geraghty, Santa Cruz, Collings, and Haghighat zoomed in. Brown, and Tate joined in conference room 209. Brown welcomed the group.
2. Griffin reviewed the year-end closing results of June 30, 2022, and the activity year-to-date for September 30, 2022. Griffin shared the forecasting and activity and the amounts listed within the report.
3. Collins asked when the pay-as-go is paid. Griffin shared that payments are made at the beginning of the fiscal year. This year, the payment was made in October.
4. Brown shared the retiree health expenses are pre-fund to take advantage of earnings.
5. Collins inquired about the number and age of retirees covered. Brown shared the early retirees are covered 100% until the age of 65 and then they are required to contribute to their health care.
6. Griffin described the strategies. Brown shared the group selected CERBT Strategy 2 when the committee was incepted.
7. Collins inquired if the CERBT early retirees are paid upfront. Brown shared that the early retiree's health benefits are pay-as-you-go.

8. Haight inquired if staying with Strategy 2 is still the best option. Brown shared the risks and returns for the various strategies and how the current strategy aligns with CalPERS and is low-risk.
9. Brown shared that the group could decide to remain with the current selected strategy. Observe the market and discuss the potential strategy change.
10. Santa Cruz inquired if other school districts are in the same position and if there are any resources to guide the selection process. Brown shared that if districts are members of the CalPERS CERBT program, they have the same strategy options.
11. Santa Cruz inquired if there is a body that reviews all activity and provides recommendations for selecting a strategy. Brown is not aware of this type of service and knows each district makes a decision it is comfortable with.
12. Brown shared a separate meeting could be arranged with the CalPERS representative to discuss the strategy options.
13. The group shared they would provide feedback from their respective board members.

Riverside Community College District
OPEB Irrevocable Trust Activity - CalPERS CERBT
For the Period Ended June 30, 2024

Revenues		
Contributions		
Pay-As-You-Go	\$	1,930,000
Future Retirees		417,047
Investment Earnings		522,636
Total Revenues		<u>\$ 2,869,683</u>
Expenditures		
CERBT Administrative Expense		2,740
Investment Expense		2,003
Distributions for Retiree Health Insurance		1,930,000
Total Expenditures		<u>1,934,743</u>
Revenues Over (Under) Expenditures	\$	934,940
Beginning Fund Balance		<u>3,837,751</u>
Ending Fund Balance		<u><u>4,772,691</u></u>

Riverside Community College District

CERBT Strategy 2

Entity #: SKB7-1832356320-001

Quarter Ended June 30, 2024



Market Value Summary:

	QTD Current Period	Fiscal Year to Date
Beginning Balance	\$6,557,734.21	\$3,837,750.54
Contribution	121,610.84	2,347,047.02
Disbursement	(1,930,000.00)	(1,930,000.00)
Transfer In	0.00	0.00
Transfer Out	0.00	0.00
Investment Earnings	24,615.59	522,635.68
Administrative Expenses	(733.67)	(2,739.64)
Investment Expense	(536.44)	(2,003.07)
Other	0.00	0.00
Ending Balance	\$4,772,690.53	\$4,772,690.53
FY End Contrib per GASB 74 Para 22	0.00	0.00
FY End Disbursement Accrual	0.00	0.00
Grand Total	\$4,772,690.53	\$4,772,690.53

Unit Value Summary:

	QTD Current Period	Fiscal Year to Date
Beginning Units	310,476.858	195,833.011
Unit Purchases from Contributions	5,822.742	120,466.589
Unit Sales for Withdrawals	(91,121.292)	(91,121.292)
Unit Transfer In	0.000	0.000
Unit Transfer Out	0.000	0.000
Ending Units	225,178.308	225,178.308
Period Beginning Unit Value	21.121490	19.597055
Period Ending Unit Value	21.195160	21.195160

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 06/30/2024

Riverside Community College District

Entity #: SKB7-1832356320-001



Date	Description	Amount	Unit Value	Units	Check/Wire	Notes
04/17/2024	Contribution	\$38,322.12	\$20.242108	1,893.188	WIRE 2024041605	
05/16/2024	Contribution	\$37,666.49	\$21.173944	1,778.908	WIRE 2024051453	
06/05/2024	Distribution	(\$1,930,000.00)	\$21.180560	(91,121.292)		
06/12/2024	Contribution	\$44,138.76	\$21.212309	2,080.809	WIRE 2024061135	
06/27/2024	Contribution	\$1,483.47	\$21.241863	69.837	WIRE 2024062613	

Client Contact:
CERBT4U@CalPERS.ca.gov

Riverside Community College District
OPEB Irrevocable Trust Activity - CalPERS CERBT
For the Period Ended July 31, 2024

Revenues		
Contributions		
Pay-As-You-Go	\$	2,000,000
Future Retirees		-
Investment Earnings		166,605
Total Revenues		<u>\$ 2,166,605</u>
Expenditures		
CERBT Administrative Expense		221
Investment Expense		162
Distributions for Retiree Health Insurance		-
Total Expenditures		<u>383</u>
Revenues Over (Under) Expenditures	\$	2,166,222
Beginning Fund Balance		<u>4,772,691</u>
Ending Fund Balance		<u><u>6,938,913</u></u>

CERBT Strategy 1

July 31, 2024



Objective

The CERBT Strategy 1 portfolio seeks to provide capital appreciation and income consistent with its strategic asset allocation. There is no guarantee that the portfolio will achieve its investment objective.

Strategy

The CERBT Strategy 1 portfolio is invested in various asset classes. CalPERS periodically adjusts the composition of the portfolio in order to match the target allocations. 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 has a higher allocation to 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:

CERBT Strategy 1	Annual Operating Ratio
\$18,830,082,856	0.10%

Composition

Asset Class Allocations and Benchmarks

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

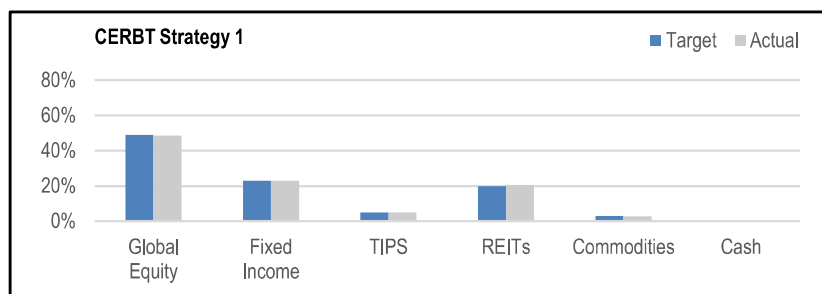
Asset Class	Target Allocation	Target Range	Benchmark
Global Equity	49%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	23%	± 5%	Bloomberg Long Liability Index
Treasury Inflation-Protected Securities ("TIPS")	5%	± 3%	Bloomberg US TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	20%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Commodities	3%	± 3%	S&P GSCI Total Return Index
Cash	-	+ 2%	ICE BofA US 3-Month Treasury Bill Index

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 temporarily deviate from the target allocation to a particular asset class based on market, economic, or other considerations.



CERBT Strategy 1 Performance as of July 31, 2024

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (June 1, 2007)
Gross Return ^{1,3}	2.84%	7.55%	2.84%	11.04%	1.31%	6.76%	6.06%	5.45%
Net Return ^{2,3}	2.83%	7.53%	2.83%	10.94%	1.22%	6.66%	5.97%	5.37%
Benchmark Returns	2.83%	7.49%	2.83%	10.81%	1.10%	6.50%	5.73%	5.06%
Standard Deviation ⁴	-	-	-	-	14.38%	14.05%	11.39%	12.99%

* Returns for periods greater than one year are annualized.

¹ Gross returns are net of SSGA operating expenses.

² Net returns are net of SSGA operating expenses, investment management, administrative and recordkeeping fees.

³ Expenses are described in more detail on page 2 of this document.

⁴ Standard deviation is based on gross returns and is reported for periods greater than 3 years.



General Information

Information Accessibility

The CERBT Strategy 1 portfolio consists of assets managed internally by CalPERS and/or by external advisors. Since it is not a mutual fund, a prospectus is not available and daily holdings are not published. 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, please visit our website at: www.calpers.ca.gov.

Portfolio Manager Information

The CalPERS Board, through its Investment Committee, directs the CERBT investment strategy based on policies approved by the Board of Administration. State Street Global Advisors (SSGA) manages all underlying investments for CERBT, which include: 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 recordkeeper.

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 expenses, 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 unit. The expense ratio is subject to change at any time and without prior notification due to factors such as changes to average fund assets or market conditions. CalPERS reviews the operating expenses annually and changes may be made as appropriate. Even if the portfolio loses money during a period, the expenses will still be charged.

What Employers Own

Each employer invested in CERBT Strategy 1 owns units 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 (OPEB). CERBT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives or provide sufficient funding to meet employer obligations. Further, CalPERS will not make up the difference between an employer's CERBT assets and the actual cost of OPEB provided to an employer's plan members.

An investment in the portfolio is not a bank deposit, nor is it insured or 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.

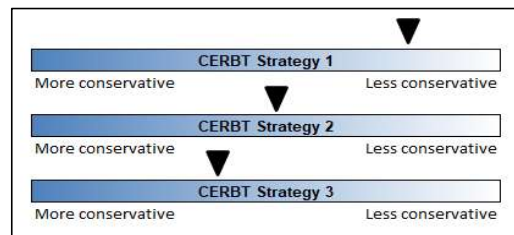
Fund Performance

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. Projected 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 ¹	Strategy 1	Strategy 2	Strategy 3
Global Equity	49%	34%	23%
Fixed Income	23%	41%	51%
Treasury Inflation-Protected Securities	5%	5%	9%
Real Estate Investment Trusts	20%	17%	14%
Commodities	3%	3%	3%



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

CERBT Strategy 2

July 31, 2024



Objective

The CERBT Strategy 2 portfolio seeks to provide capital appreciation and income consistent with its strategic asset allocation. There is no guarantee that the portfolio will achieve its investment objective.

Strategy

The CERBT Strategy 2 portfolio is invested in various asset classes. CalPERS periodically adjusts the composition of the portfolio in order to match the target allocations. 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 has a moderate allocation to 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:

CERBT Strategy 2	Annual Operating Ratio
\$2,067,066,136	0.10%

Composition

Asset Class Allocations and Benchmarks

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

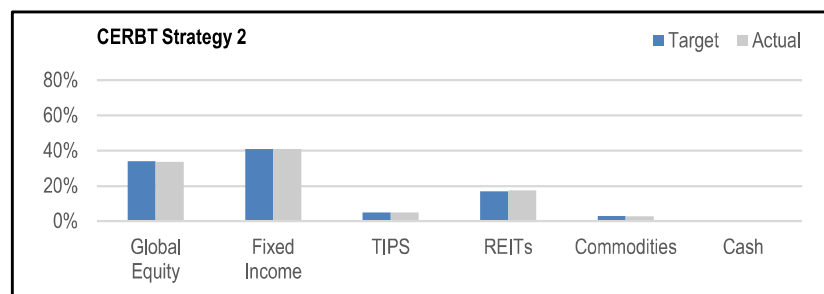
Asset Class	Target Allocation	Target Range	Benchmark
Global Equity	34%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	41%	± 5%	Bloomberg Long Liability Index
Treasury Inflation-Protected Securities ("TIPS")	5%	± 3%	Bloomberg US TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	17%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Commodities	3%	± 3%	S&P GSCI Total Return Index
Cash	-	+ 2%	ICE BofA US 3-Month Treasury Bill Index

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 temporarily deviate from the target allocation to a particular asset class based on market, economic, or other considerations.



CERBT Strategy 2 Performance as of July 31, 2024

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (October 1, 2011)
Gross Return ^{1,3}	2.85%	7.12%	2.85%	9.12%	-0.23%	4.88%	4.86%	6.42%
Net Return ^{2,3}	2.85%	7.10%	2.85%	9.02%	-0.31%	4.79%	4.77%	6.32%
Benchmark Returns	2.83%	7.05%	2.83%	8.95%	-0.36%	4.70%	4.59%	6.17%
Standard Deviation ⁴	-	-	-	-	13.11%	12.15%	9.66%	9.26%

* Returns for periods greater than one year are annualized.

¹ Gross returns are net of SSGA operating expenses.

² Net returns are net of SSGA operating expenses, investment management, administrative and recordkeeping fees.

³ Expenses are described in more detail on page 2 of this document.

⁴ Standard deviation is based on gross returns and is reported for periods greater than 3 years.



General Information

Information Accessibility

The CERBT Strategy 2 portfolio consists of assets managed internally by CalPERS and/or by external advisors. Since it is not a mutual fund, a prospectus is not available and daily holdings are not published. 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, please visit our website at: www.calpers.ca.gov.

Portfolio Manager Information

The CalPERS Board, through its Investment Committee, directs the CERBT investment strategy based on policies approved by the Board of Administration. State Street Global Advisors (SSGA) manages all underlying investments for CERBT, which include: 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 recordkeeper.

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 expenses, 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 unit. The expense ratio is subject to change at any time and without prior notification due to factors such as changes to average fund assets or market conditions. CalPERS reviews the operating expenses annually and changes may be made as appropriate. Even if the portfolio loses money during a period, the expenses will still be charged.

What Employers Own

Each employer invested in CERBT Strategy 2 owns units 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 (OPEB). CERBT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives or provide sufficient funding to meet employer obligations. Further, CalPERS will not make up the difference between an employer's CERBT assets and the actual cost of OPEB provided to an employer's plan members.

An investment in the portfolio is not a bank deposit, nor is it insured or 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.

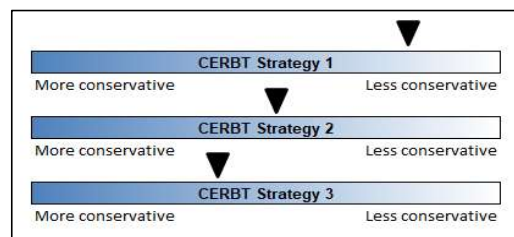
Fund Performance

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. Projected 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 ¹	Strategy 1	Strategy 2	Strategy 3
Global Equity	49%	34%	23%
Fixed Income	23%	41%	51%
Treasury Inflation-Protected Securities	5%	5%	9%
Real Estate Investment Trusts	20%	17%	14%
Commodities	3%	3%	3%



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

CERBT Strategy 3



July 31, 2024

Objective

The CERBT Strategy 3 portfolio seeks to provide capital appreciation and income consistent with its strategic asset allocation. There is no guarantee that the portfolio will achieve its investment objective.

Strategy

The CERBT Strategy 3 portfolio is invested in various asset classes. CalPERS periodically adjusts the composition of the portfolio in order to match the target allocations. 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 has a lower allocation to 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 comparatively 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:

CERBT Strategy 3	Annual Operating Ratio
\$802,802,712	0.10%

Composition

Asset Class Allocations and Benchmarks

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

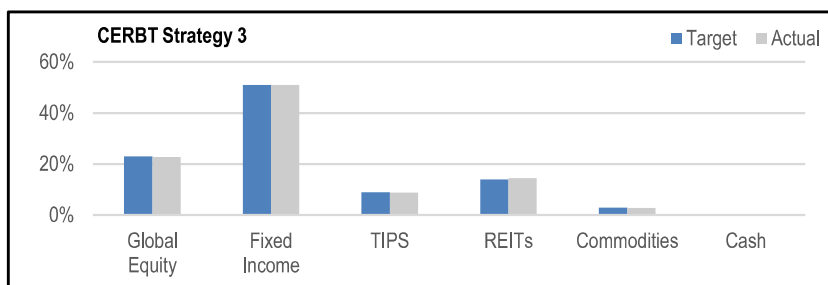
Asset Class	Target Allocation	Target Range	Benchmark
Global Equity	23%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	51%	± 5%	Bloomberg Long Liability Index
Treasury Inflation-Protected Securities	9%	± 3%	Bloomberg US TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	14%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Commodities	3%	± 3%	S&P GSCI Total Return Index
Cash	-	+ 2%	ICE BofA US 3-Month Treasury Bill Index

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 temporarily deviate from the target allocation to a particular asset class based on market, economic, or other considerations.



CERBT Strategy 3 Performance as of July 31, 2024

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (January 1, 2012)
Gross Return ^{1,3}	2.79%	6.69%	2.79%	7.72%	-0.91%	3.60%	3.91%	4.87%
Net Return ^{2,3}	2.79%	6.67%	2.79%	7.62%	-1.00%	3.51%	3.82%	4.77%
Benchmark Returns	2.77%	6.63%	2.77%	7.58%	-1.01%	3.46%	3.67%	4.61%
Standard Deviation ⁴	-	-	-	-	11.90%	10.55%	8.24%	7.75%

* Returns for periods greater than one year are annualized.

¹ Gross returns are net of SSGA operating expenses.

² Net returns are net of SSGA operating expenses, investment management, administrative and recordkeeping fees.

³ Expenses are described in more detail on page 2 of this document.

⁴ Standard deviation is based on gross returns and is reported for periods greater than 3 years.



July 31, 2024

General Information

Information Accessibility

The CERBT Strategy 3 portfolio consists of assets managed internally by CalPERS and/or by external advisors. Since it is not a mutual fund, a prospectus is not available and daily holdings are not published. 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, please visit our website at: www.calpers.ca.gov.

Portfolio Manager Information

The CalPERS Board, through its Investment Committee, directs the CERBT investment strategy based on policies approved by the Board of Administration. State Street Global Advisors (SSGA) manages all underlying investments for CERBT, which include: 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 recordkeeper.

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 expenses, 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 unit. The expense ratio is subject to change at any time and without prior notification due to factors such as changes to average fund assets or market conditions. CalPERS reviews the operating expenses annually and changes may be made as appropriate. Even if the portfolio loses money during a period, the expenses will still be charged.

What Employers Own

Each employer invested in CERBT Strategy 3 owns units 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 (OPEB). CERBT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives or provide sufficient funding to meet employer obligations. Further, CalPERS will not make up the difference between an employer's CERBT assets and the actual cost of OPEB provided to an employer's plan members.

An investment in the portfolio is not a bank deposit, nor is it insured or 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.

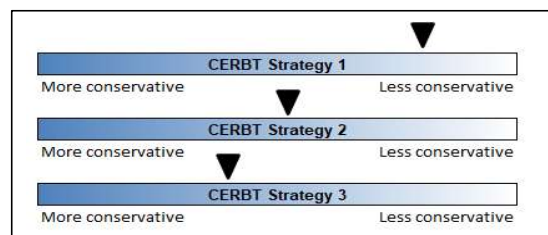
Fund Performance

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. Projected 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 ¹	Strategy 1	Strategy 2	Strategy 3
Global Equity	49%	34%	23%
Fixed Income	23%	41%	51%
Treasury Inflation-Protected Securities	5%	5%	9%
Real Estate Investment Trusts	20%	17%	14%
Commodities	3%	3%	3%



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