

Funding & Investment Options

Fallbrook Union High School District

April 26, 2021

CERBT Expected Rates of Return & Risk

Portfolios	CERBT Strategy 1	CERBT Strategy 2	CERBT Strategy 3
Expected Return	7.59%	7.01%	6.22%
Risk	11.83%	9.24%	7.28%

You Control the Funding Policy

- Choose appropriate investment strategy
 - Based on investment time horizon and risk tolerance
- Decide if, when, and how much to contribute
 - **Voluntary and never required**
- Decide if and when to seek reimbursement
 - Expenses incurred in current fiscal year
 - CERBT: OPEB Pay-Go costs; implicit rate subsidies
- District has an outside consulting OPEB actuary - Nyhart

PayGo versus Prefunding

	PayGo	Prefunding Option
Discount Rate	2.66%	6.00%
Total OPEB Liability (TOL)	\$5,194,130	\$4,084,206
Actuarially Determined Contribution (ADC)	NA	\$600,157
Retiree Premium Payments (Pay Go)	\$275,834	\$275,834
Assumed OPEB Trust Fund Contributions	\$0	\$324,323

Strategy Distribution

	CERBT S1	CERBT S2	CERBT S3
School Employers	50	11	17
San Diego County	27	5	3
All CERBT	389	135	78

San Diego County School Employers

	Strategy
Chula Vista Elementary SD	1
Del Mar Union Elementary SD	1
Grossmont Union High SD	3
Lakeside Union Elementary SD	1
Rancho Santa Fe Elementary SD	3
San Diego County Office Of Education	1
San Marcos Unified SD	1

CERBT Portfolio Details

Asset Classification	Benchmark	CERBT Strategy 1	CERBT Strategy 2	CERBT Strategy 3
Global Equity	MSCI All Country World Index	59% ±5%	40% ±5%	22% ±5%
Fixed Income	Barclays Capital Long Liability Index	25% ±5%	43% ±5%	49% ±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Liquid Index	8% ±5%	8% ±5%	8% ±5%
Treasury Inflation Protected Securities (TIPS)	Barclays Capital Global Real: US TIPS Index	5% ±3%	5% ±3%	16% ±3%
Commodities	S&P GSCI Total Return Index	3% ±3%	4% ±3%	5% ±3%
Cash	3-Month Treasury Bill	0% +2%	0% +2%	0% +2%

CERBT Investment Returns Outperform Benchmarks

Periods Ended February 28, 2021

Fund	Assets	1 Month	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	ITD
CERBT Strategy 1 (Inception June 1, 2007)	\$11,797,094,997	1.44%	4.61%	18.33%	20.42%	9.40%	11.03%	7.70%	5.87%
Benchmark		1.43%	4.56%	18.19%	20.01%	9.12%	10.60%	7.42%	5.44%
CERBT Strategy 2 (Inception October 1, 2011)	\$1,705,837,808	0.55%	2.58%	12.68%	14.64%	8.72%	9.36%	-	8.06%
Benchmark		0.54%	2.53%	12.55%	14.34%	8.50%	8.95%	-	7.76%
CERBT Strategy 3 (Inception January 1, 2012)	\$797,491,056	-0.17%	1.14%	8.23%	9.75%	7.78%	7.58%	-	6.28%
Benchmark		-0.17%	1.10%	8.14%	9.50%	7.62%	7.22%	-	5.97%
CERBT Total	\$14,300,423,861								

Time weighted return reports the performance of the investment vehicle, not of the employer assets. Returns are gross. Historical performance is not necessarily indicative of actual future investment performance or of future total program cost. Current and future performance may be lower or higher than the historical performance data reported here. Investment return and principal value may fluctuate so that your investment, when redeemed, may be worth more or less than the original cost. The value of an employer's fund shares will go up and down based on the performance of the underlying funds in which the assets are invested. The value of the underlying funds' assets will, in turn, fluctuate based on the performance and other factors generally affecting the securities market.

Questions? Where to Get Trust Fund Information?

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Program E-mail Addresses	Prefunding Programs Webpages
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