

San Mateo County Community College District



JULY 28, 2021

Presentation Overview

- ▶ The Futuris Team
- ▶ OPEB GASB 74 & 75 Compliance Overview
- ▶ Program Structure
- ▶ The Retirement Board of Authority Responsibilities
- ▶ Futuris OPEB GASB 74 & 75 Compliance Plan
- ▶ OPEB GASB Historical and Current Liabilities Funding Progress
- ▶ Futuris Plan Portfolio Results

The Team

Keenan

Financial Services

Gail Beal, Sr. Vice President – 18 years experience

Roslyn Washington, Asst. Vice President – 15 years experience



Scott Rankin, Sr. Vice President - 15 years experience

Morgan Stanley

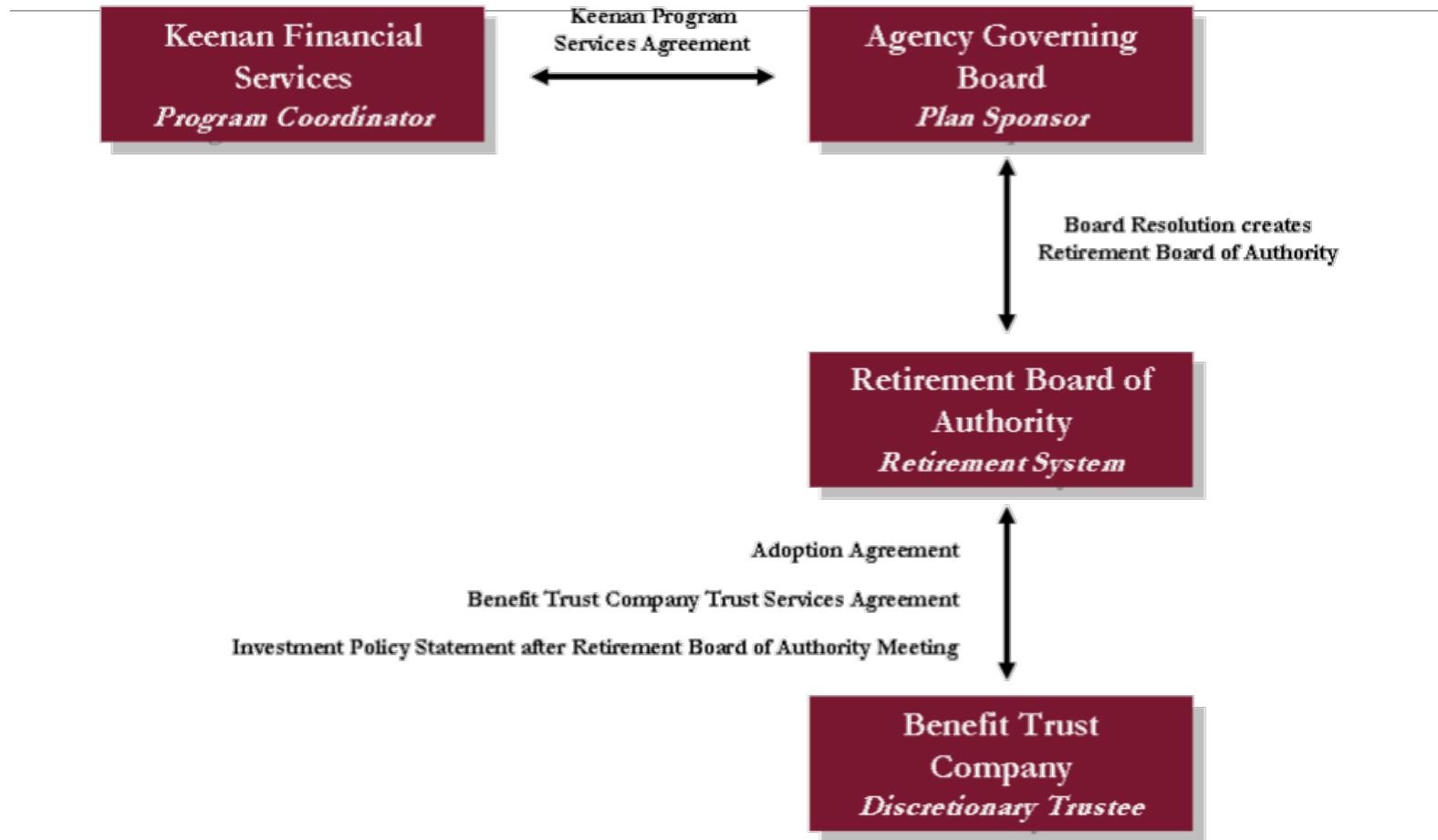
Cary Allison, Executive Director – 15 years experience

Helen Sandoval, Registered Client Services Associate

GASB Statements Overview

- ▶ **G**overnmental **A**ccounting **S**tandards **B**oard
- ▶ OPEB GASB Statements 74 & 75
- ▶ Frequency of actuarial valuations
- ▶ Recognizing OPEB liability
- ▶ Measuring OPEB liability

Program Structure



Retirement Board of Authority

- Provides high level oversight of the Program
- Adopts and executes the terms of the Trust
- Adopts the Investment Policy Statement
- Requires Brown Act meetings creating transparency
- Documents the Due Process
- Provides Local Control
- Futuris structure mitigates liability for the District and Retirement Board of Authority

No Conflict of Interest

Futuris Structurally

Program Coordinator, Trustee, and RIA roles are separate

Creates built in oversight of all parties

Creates no conflict of interest as each has their own distinct responsibility

Morgan Stanley recommends investment managers through a non-biased evaluation process free from outside influence

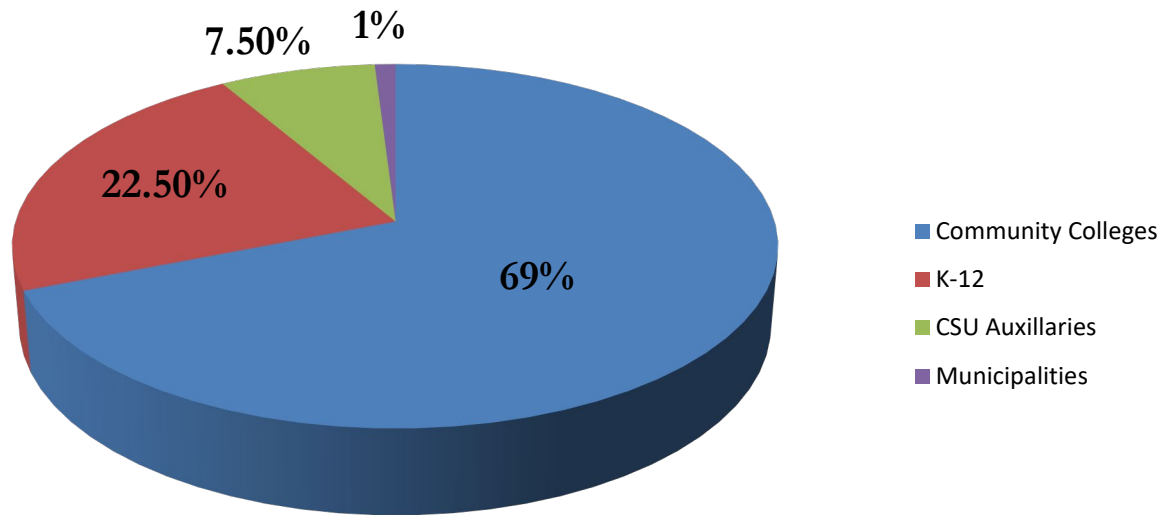
- Morgan Stanley funds are not allowed

Futuris does not accept or allow the following:

- Pay-to-play program fees, 12b-1 marketing fees, sub transfer fees, shareholder service fees, etc.

Futuris At A Glance

Over \$1.5 Billion in assets invested in OPEB Trusts



- Second largest OPEB Program in the state of California
- Eight (8) clients are fully funded

CCD Clients Fully Funded

San Mateo County CCD

San Jose Evergreen CCD

South Orange County CCD

San Bernardino CCD

Victorville CCD

El Camino CCD

Compton CCD

06/30/2021 Summary

Retiree Health Benefit Liability

Inception Date 11/30/2009, All data as of 06/30/2021

Assets

Total Deposits	\$91,800,000
Gain (net of fees)	<u>\$65,438,348</u>
Total Value	\$157,235,348
Net OPEB Liability (as of 6/30/20)	<u>\$117,982,866</u>
Excess Assets over Net OPEB Liability	\$39,252,482

Portfolio and Performance Net of Fees

Moderate Growth Portfolio	49% fixed income/51% equities
1-year	22.3%
3-year (annualized)	10.15%
5-year (annualized)	9.35%
10-year (annualized)	6.96%
Since Inception (annualized)	7.46%

Portfolio Returns (6/30/21)



<i>Portfolio</i>	<i>3 Mo</i>	<i>1-Yr</i>	<i>3-Yr</i>	<i>5-Yr</i>	<i>10-Yr</i>
Fixed Income	2.74%	4.65%	5.93%	4.51%	4.31%
<i>Benchmark (Barclay's Aggregate)</i>	<i>1.83%</i>	<i>-0.33%</i>	<i>5.34%</i>	<i>3.03%</i>	<i>3.39%</i>
Conservative	3.68%	10.30%	7.48%	6.16%	5.11%
<i>Benchmark (15% ACWI / 85% BC Agg)</i>	<i>2.62%</i>	<i>5.18%</i>	<i>6.87%</i>	<i>4.84%</i>	<i>4.49%</i>
Moderate	4.71%	16.63%	9.37%	8.12%	6.29%
<i>Benchmark (30% ACWI / 70% BC Agg)</i>	<i>3.41%</i>	<i>10.94%</i>	<i>8.33%</i>	<i>6.62%</i>	<i>5.55%</i>
Moderate Growth	5.45%	21.30%	10.72%	9.58%	7.15%
<i>Benchmark (45% ACWI / 55% BC Agg)</i>	<i>4.21%</i>	<i>16.93%</i>	<i>9.73%</i>	<i>8.38%</i>	<i>6.56%</i>
Growth	6.42%	27.71%	11.84%	11.08%	8.01%
<i>Benchmark (60% ACWI / 40% BC Agg)</i>	<i>5.01%</i>	<i>23.18%</i>	<i>11.06%</i>	<i>10.11%</i>	<i>7.53%</i>
Aggressive Growth	7.35%	34.00%	13.51%	12.99%	9.07%
<i>Benchmark (75% ACWI / 25% BC Agg)</i>	<i>5.81%</i>	<i>29.69%</i>	<i>12.31%</i>	<i>11.81%</i>	<i>8.46%</i>

NOTE: The portfolios listed above are sample representations only and may be altered from time to time at the discretion of the trustee.

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