



SBCERS Annual Review 2022

Santa Barbara County Employees Retirement System

June 28, 2022

Mission

The Santa Barbara County Employees' Retirement System is committed to fulfilling its fiduciary responsibility by providing the highest quality of service to all members and plan sponsors, and protecting promised benefits through prudent investing, while ensuring reasonable expenses of administration.



Board of Retirement and Senior Staff

11 Member Board of Retirement (inc. two alternates)

- 6 elected by membership
- 4 appointed by County Board of Supervisors
- 1 County Treasurer Tax-Collector

Senior Leadership Team

- Member Services
- Investments
- Operations
- Legal
- Communications



Operational Focus on Innovation

Data driven decision making

- Member service surveys.
- Employee engagement surveys.
- Rigorous analysis of investment performance.
- In-depth evaluation of payroll trends.

Dynamic Communication

- Establishing multiple vectors of communication with membership.
- Using digital tools to leverage lower cost member education and reduce account administration costs.
- Developing focused in-person events and going out to the member.

Team and Organization

- Significant investment in organizational development.
- Modern facilities.
- Leading on Diversity and Inclusion.



Results

FY2021 Plan Results

Net Position

**\$3.99
Billion**

FY 2021 Investment Return

25.2%

Funded Ratio

89.5%

FY 2021 Unfunded Liability

	Plan Liability	\$4.46 Billion
Less	Net Position	\$3.99 Billion
=	Unfunded Liability	\$470 Million



Demographics

Active

- 4,321 Members
- \$88,891 Average Pay

Deferred

- 1,694 Members
- 45.9 Average Age

**10,921 Total
Members and
Beneficiaries**

Retired

- 4,287 Members
- 58.8 Average Age
- \$44,953 Average Benefit

Beneficiaries

- 619 Beneficiaries
- \$25,003 Average Benefit



Trends

Bid (Qty)	Ask (Qty)	Chg	%
18590 (2)	18591 (1)	-60	-0.32%
		70	0.375%

Net Investment Performance

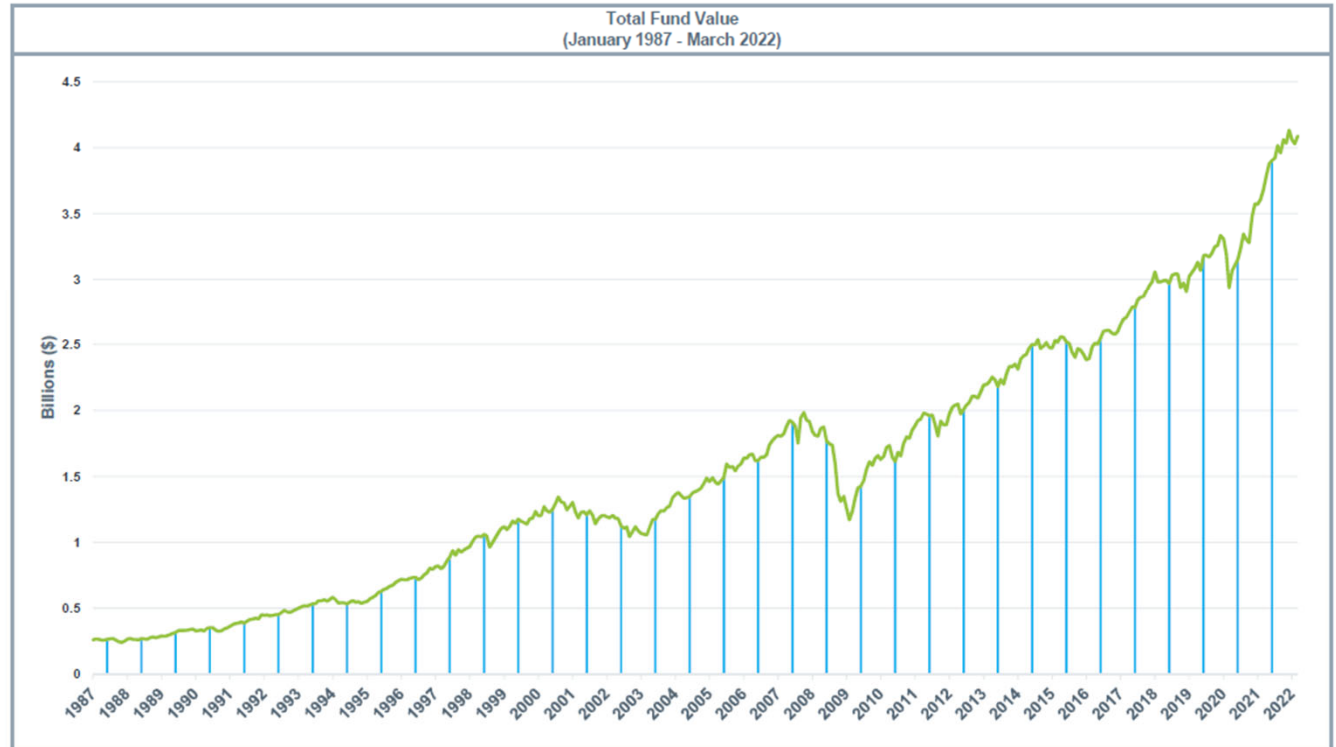
Santa Barbara County Employees' Retirement System
Plan Asset Overview

As of March 31, 2022

Trailing Returns as of 03/31/2022:

- 8.42% Since Inception
- 7.77% 10 Year
- 7.99% 7 Year
- 9.49% 5 Year
- 10.79% 3 Year

	Market Value (\$)	Performance (%)											
		FYTD	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Incep.
Total Fund	4,088,032,128	5.26	25.20	-0.10	7.74	7.80	10.49	1.37	0.42	15.25	8.10	1.99	8.42



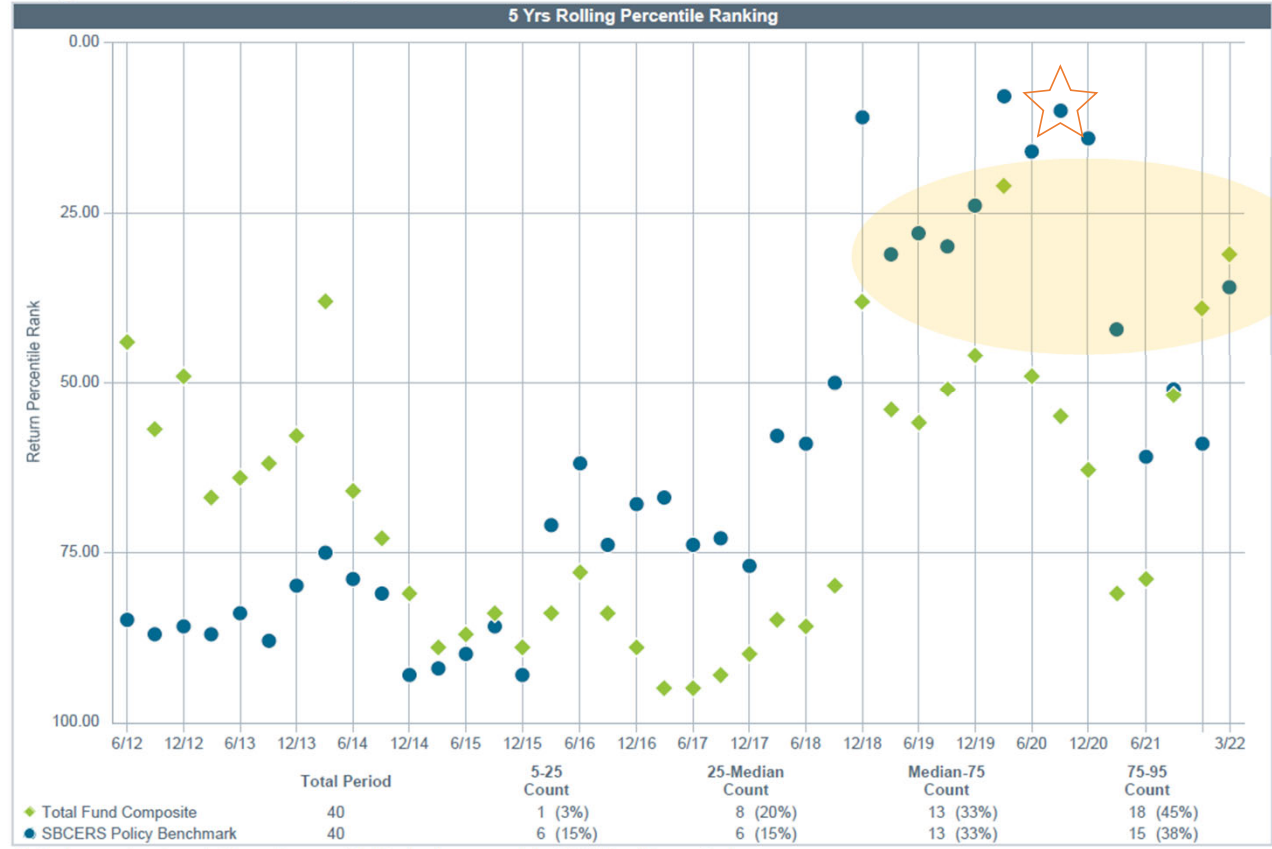
Relative Performance

Highlights

- Upward Trend in 5 years Trailing performance compared to peers.
- Outperformed peers during downside volatility events
- Policy drag driven by implementation (imperfect benchmarks).

Santa Barbara County Employees' Retirement System
 All Public Plans \$1B-\$5B
 Rolling 5-Year Return Percentile Ranking

20 Quarters Rolling Periods As of March 31, 2022



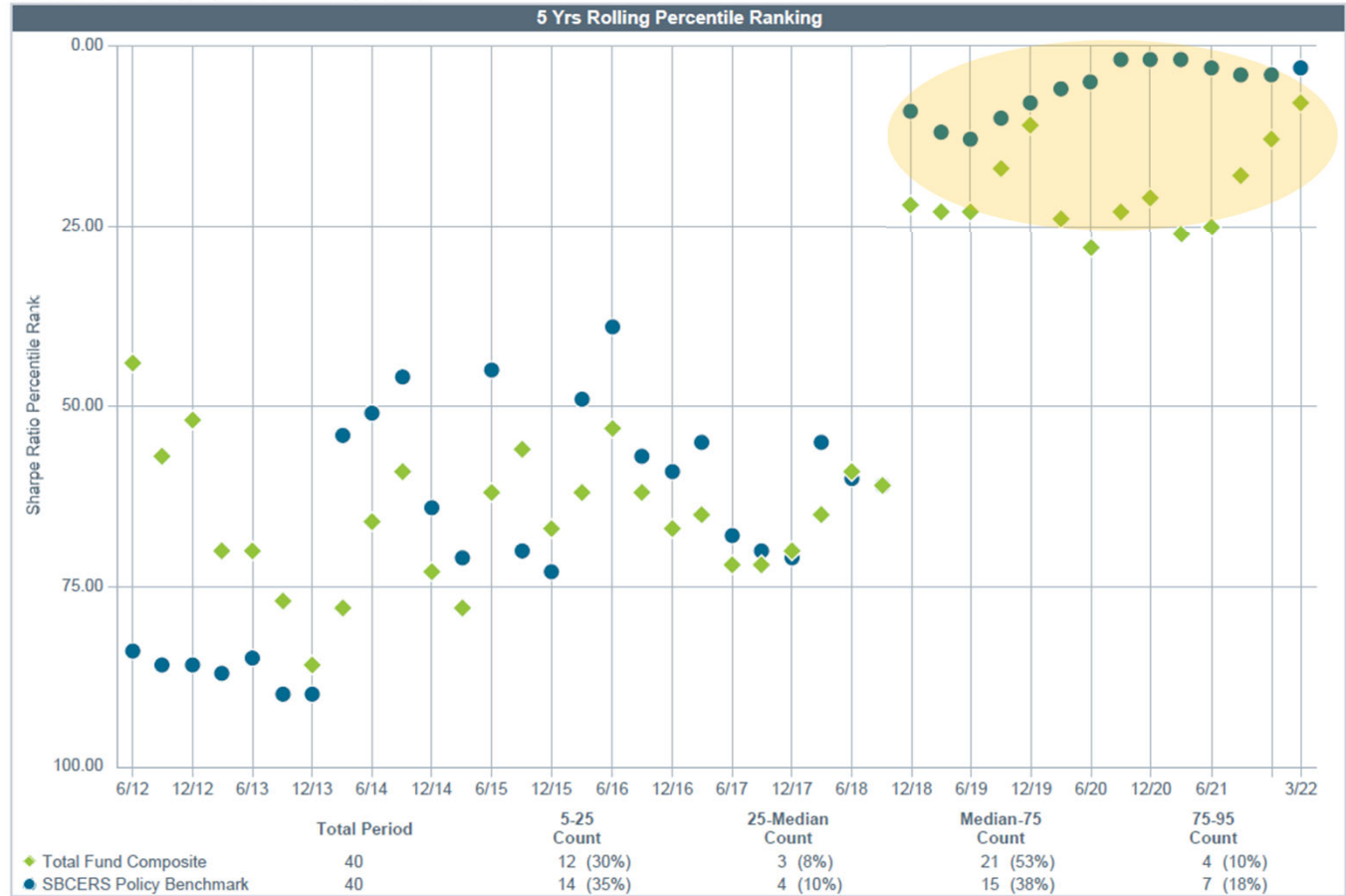
Relative Risk Adjusted Performance

Santa Barbara County Employees' Retirement System
 All Public Plans \$1B-\$5B
 Rolling 5-Year Sharpe Ratio Percentile Ranking

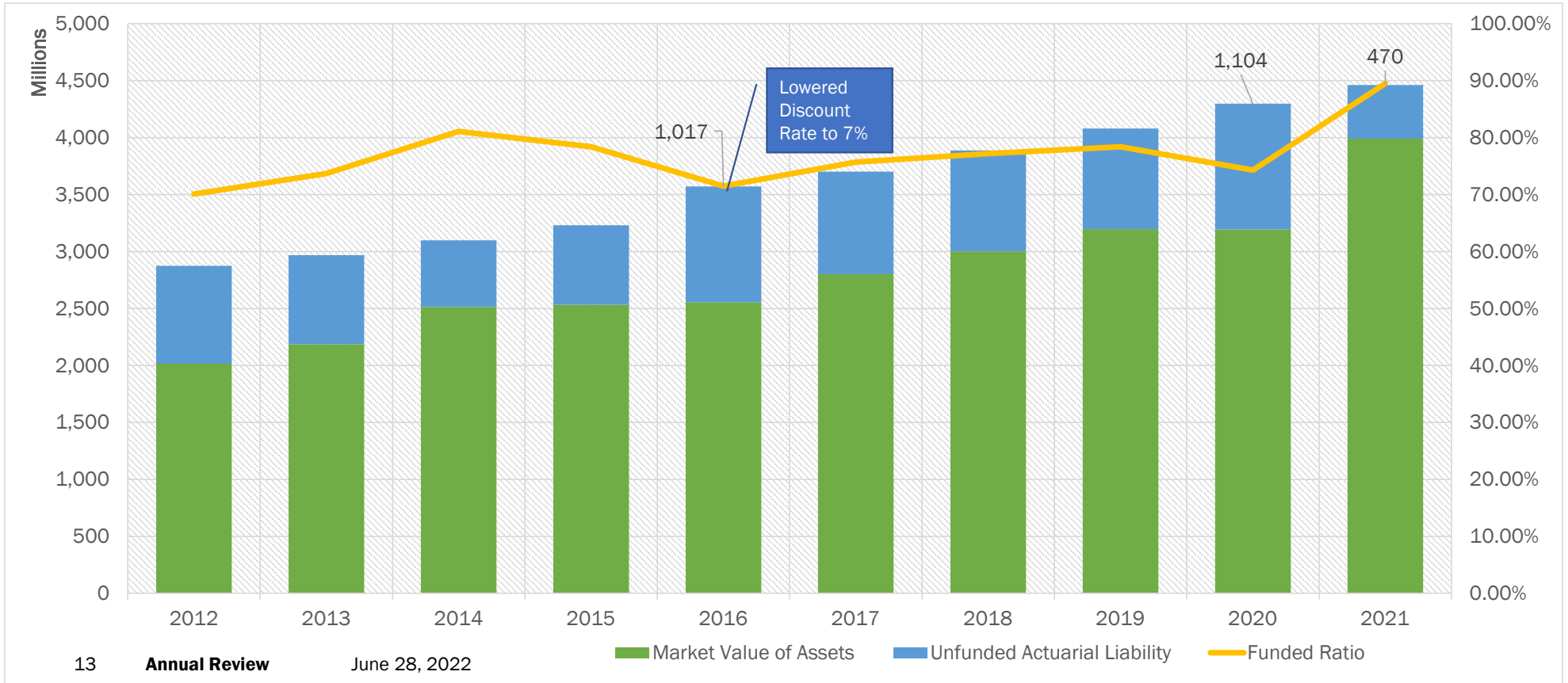
20 Quarters Rolling Periods As of March 31, 2022

Highlights

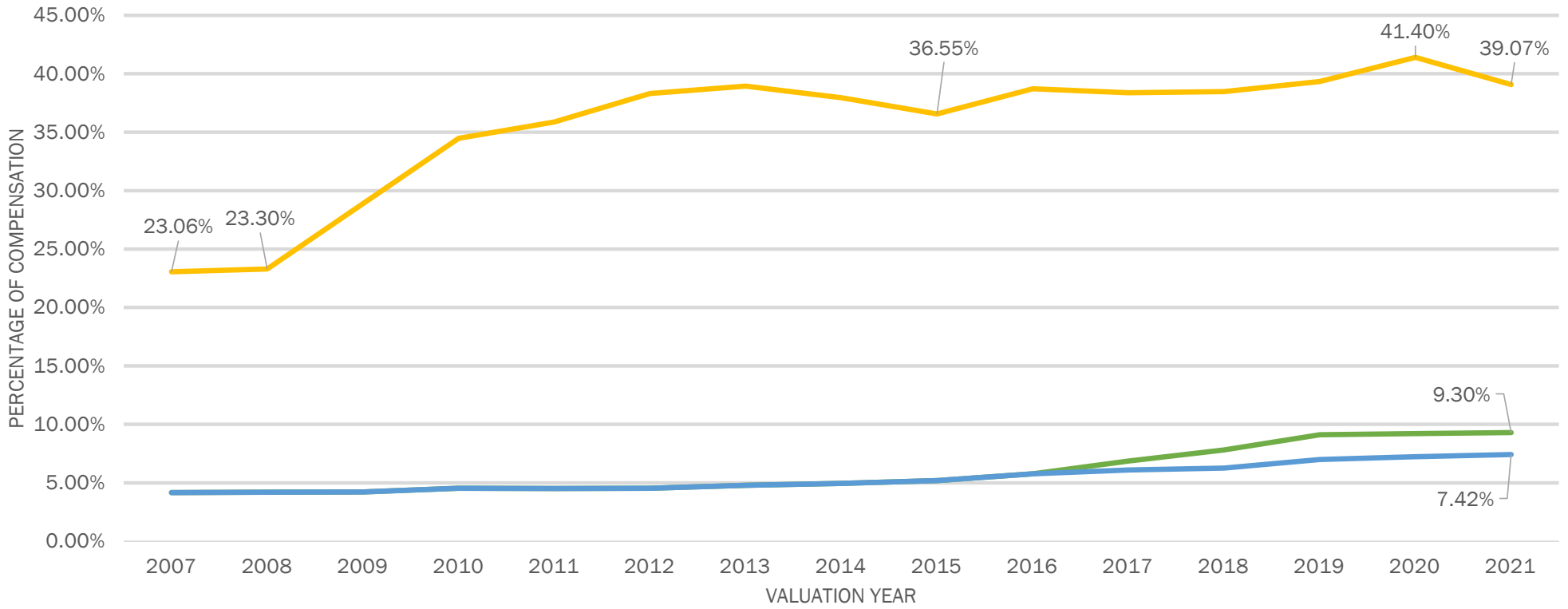
- Top quartile risk adjusted return suggests that we are earning more per dollar of risk taken than our peers.



Funded Ratio

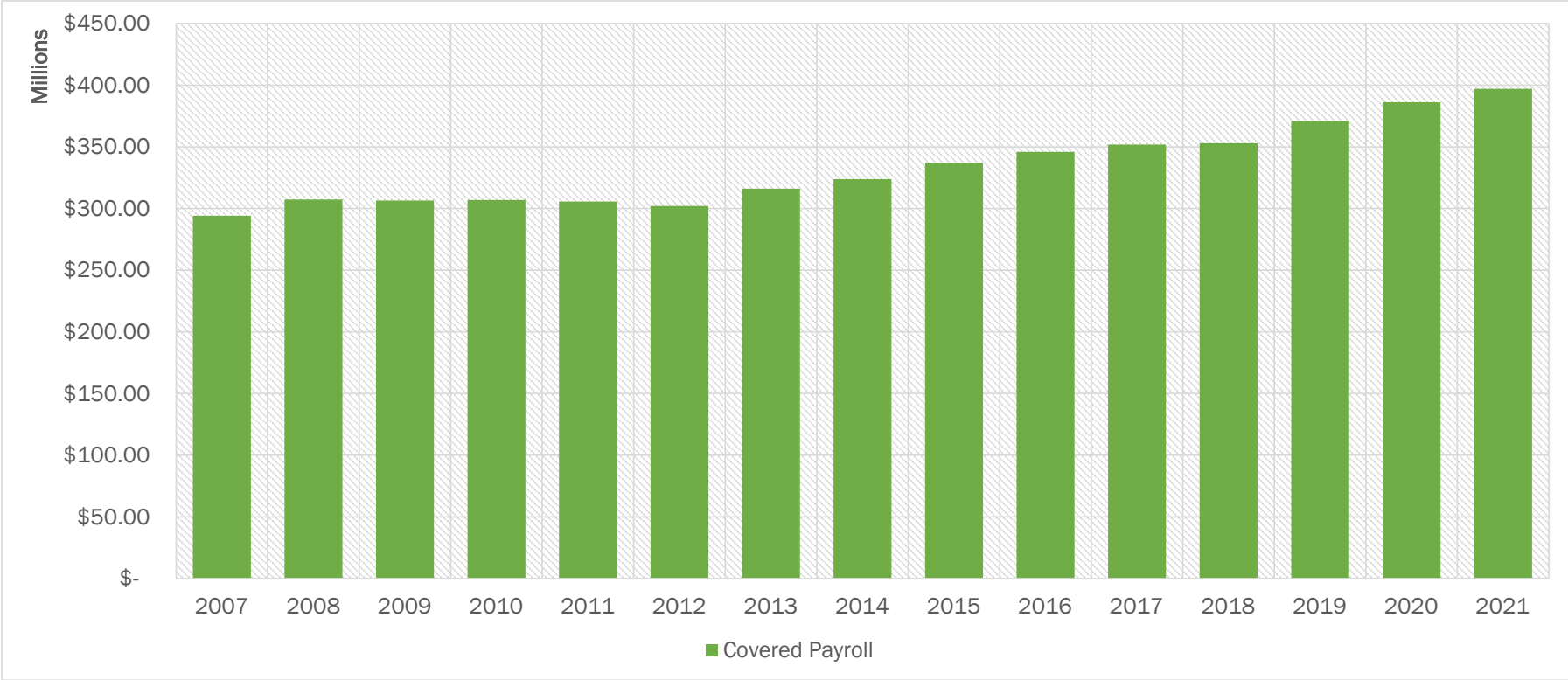


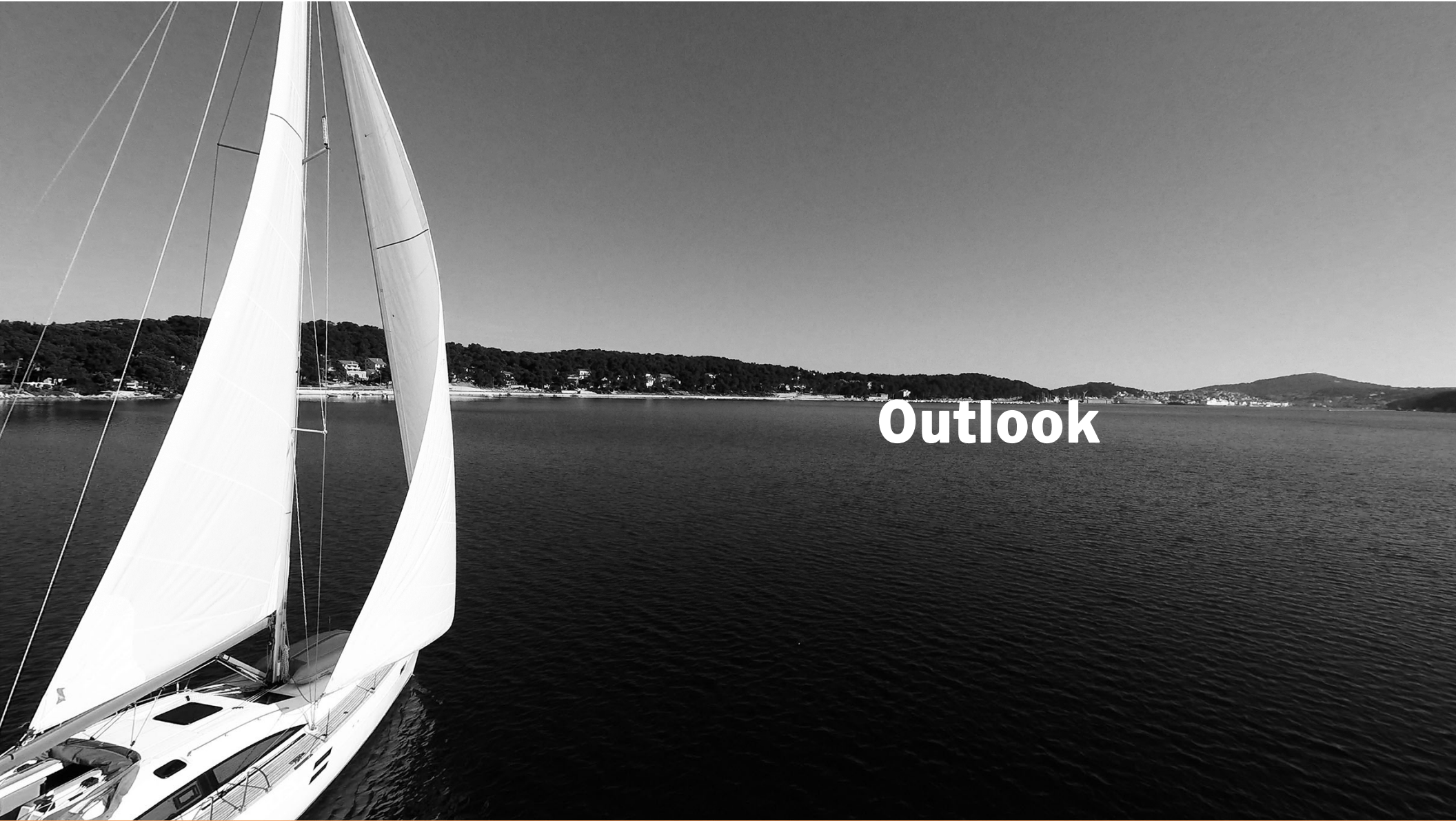
Historical Contribution Rate Trend



— Employee Rate — Employee Rate without Cost-Sharing — Employer Rate

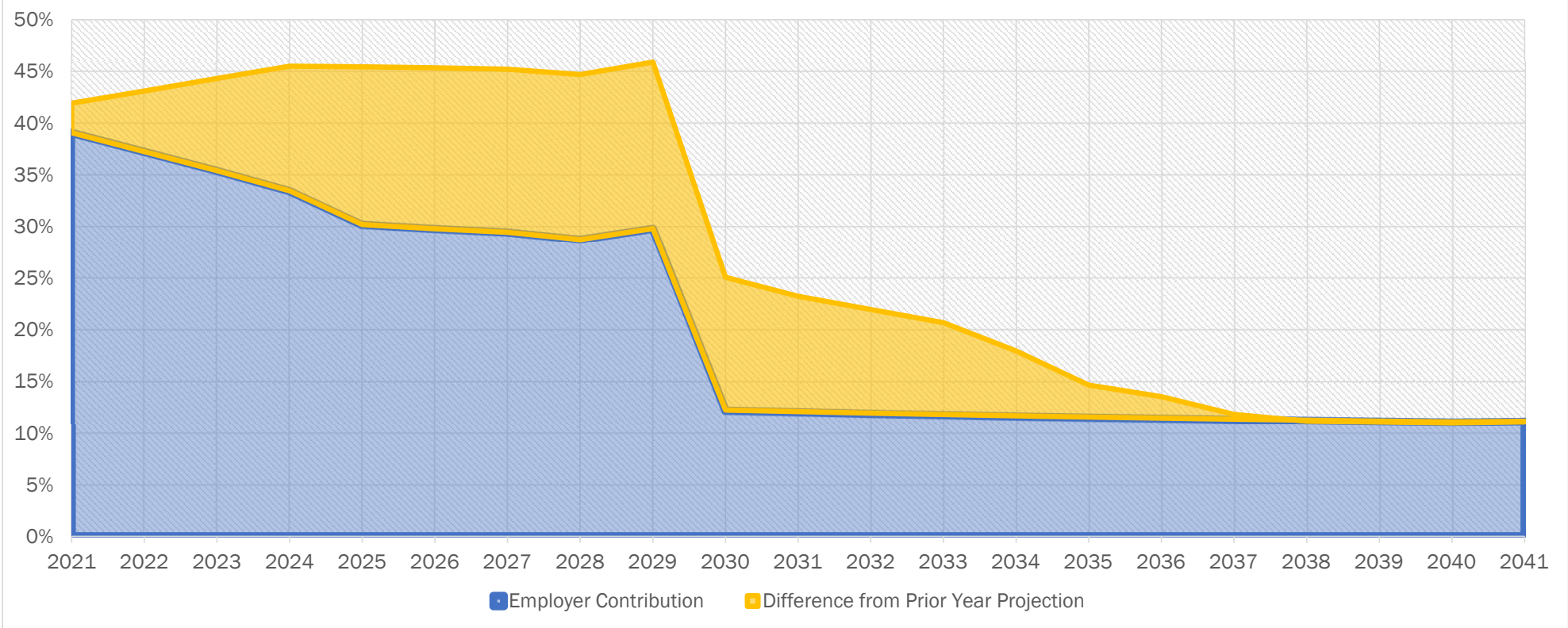
Covered Payroll



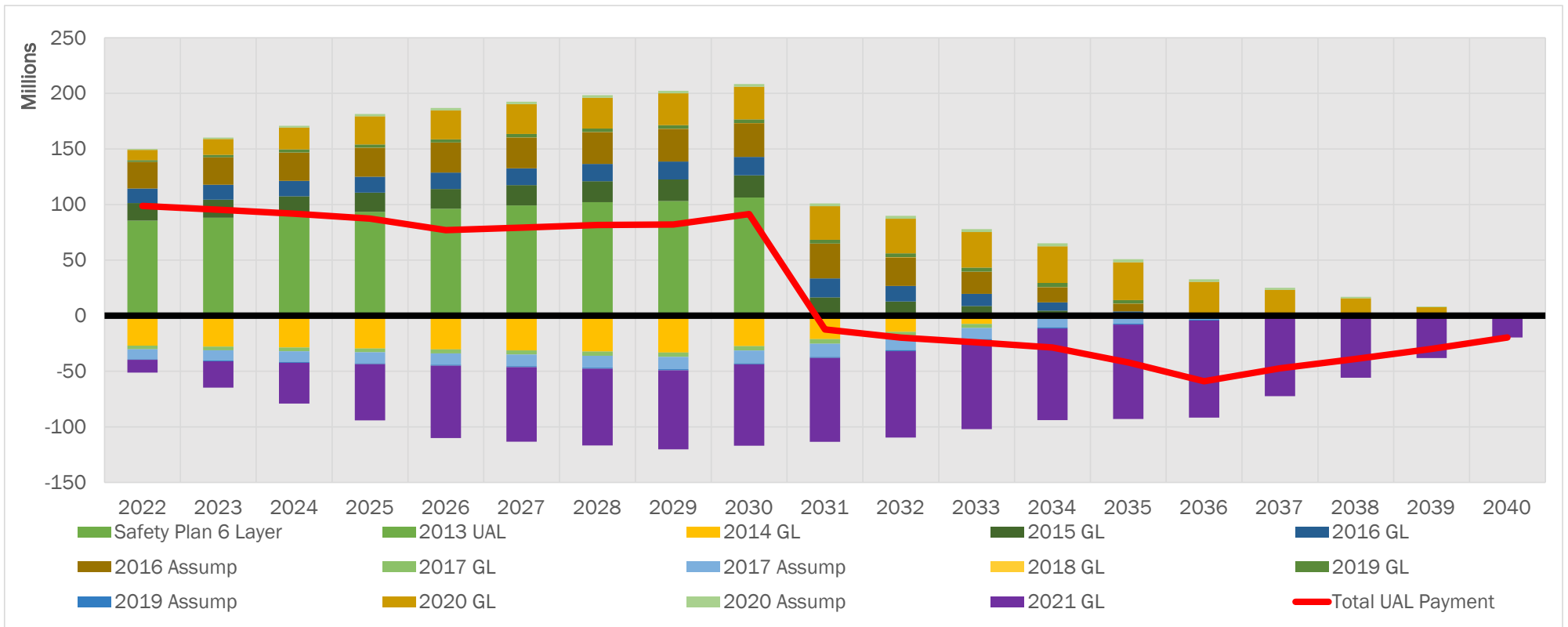


Outlook

Contribution Projections



Amortization layers and projected payment



June 30, 2022 Return-To-Date

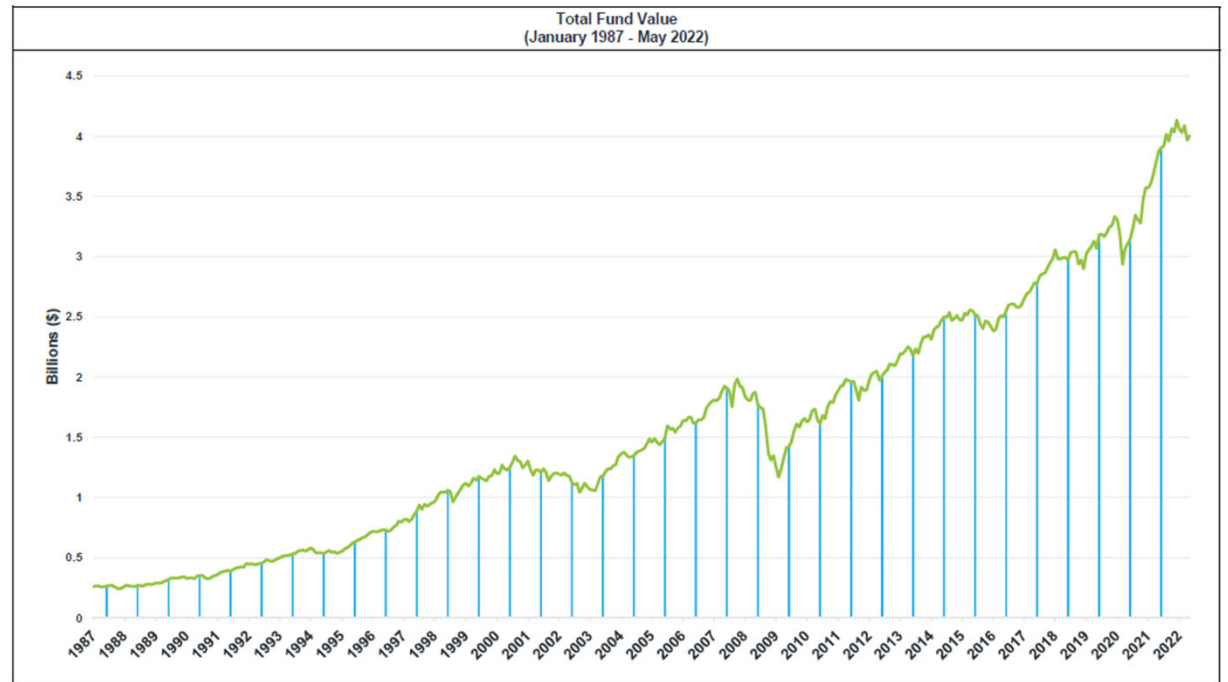
Santa Barbara County Employees' Retirement System
Plan Asset Overview

As of May 31, 2022

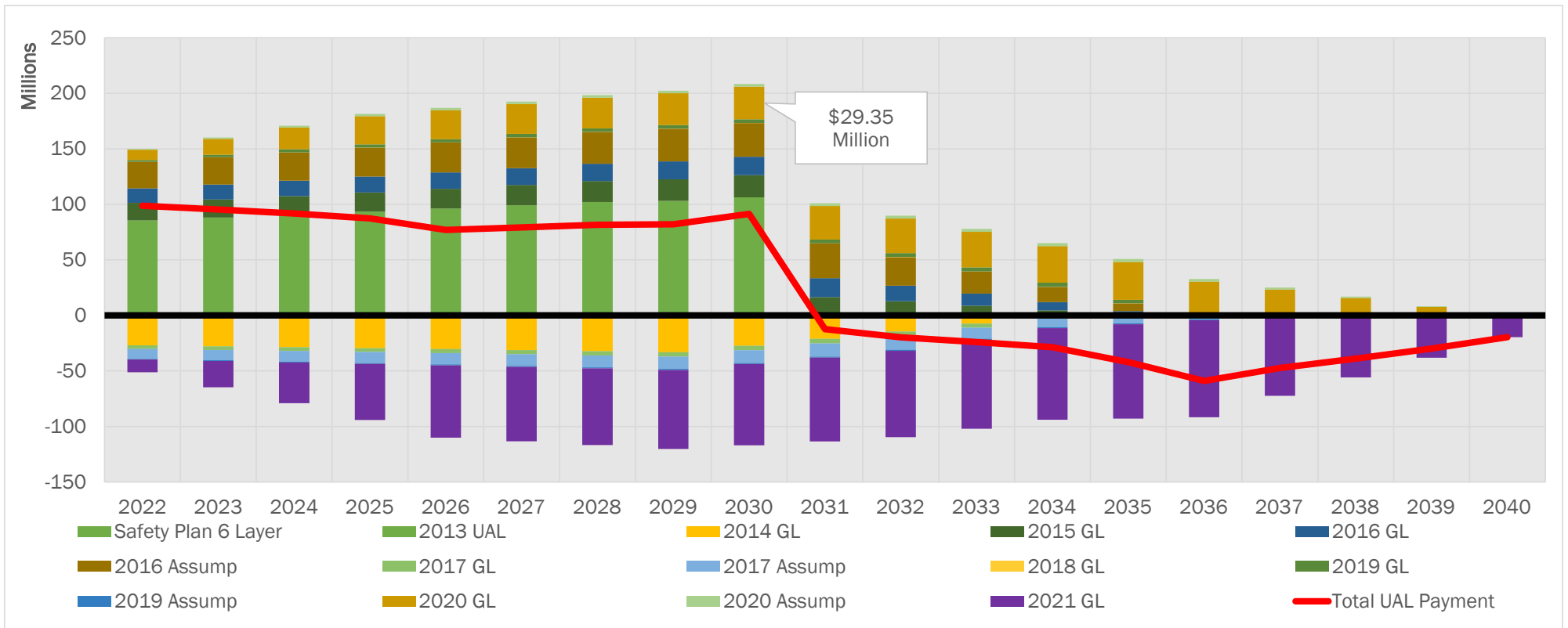
Market Climate in June

- Portfolio closed May positive 3.58% on fiscal year.
- Market volatility has persisted through middle of June (as of this writing).
- Negative 4.18% is the month-to-date performance for a 60/40 stock and bond portfolio as of June 16, 2022.
- The following slide illustrates impact of a 0% return year on amortization costs (this happened in 2020) under current assumptions.

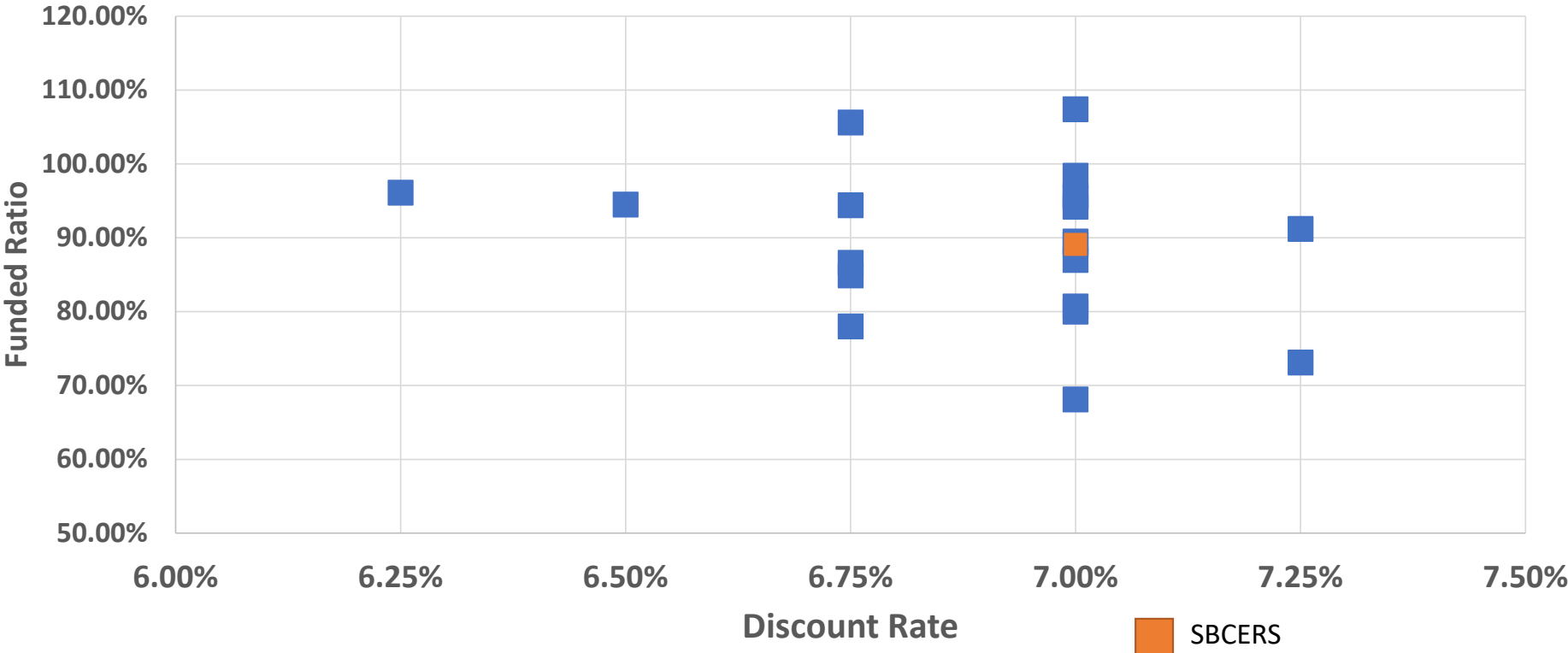
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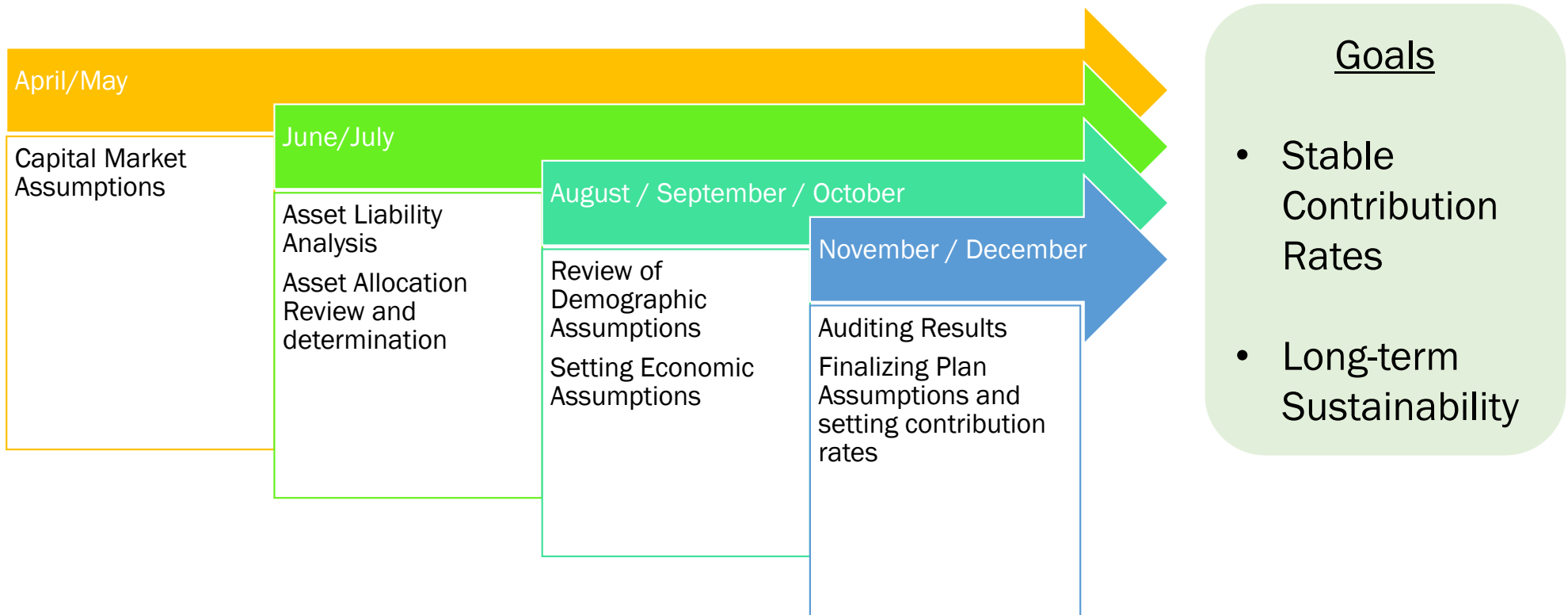
Amortization layers and projected payment



Funded Ratio and Return Assumptions of California County Systems



Triennial Assumption Setting Process





Thank you

