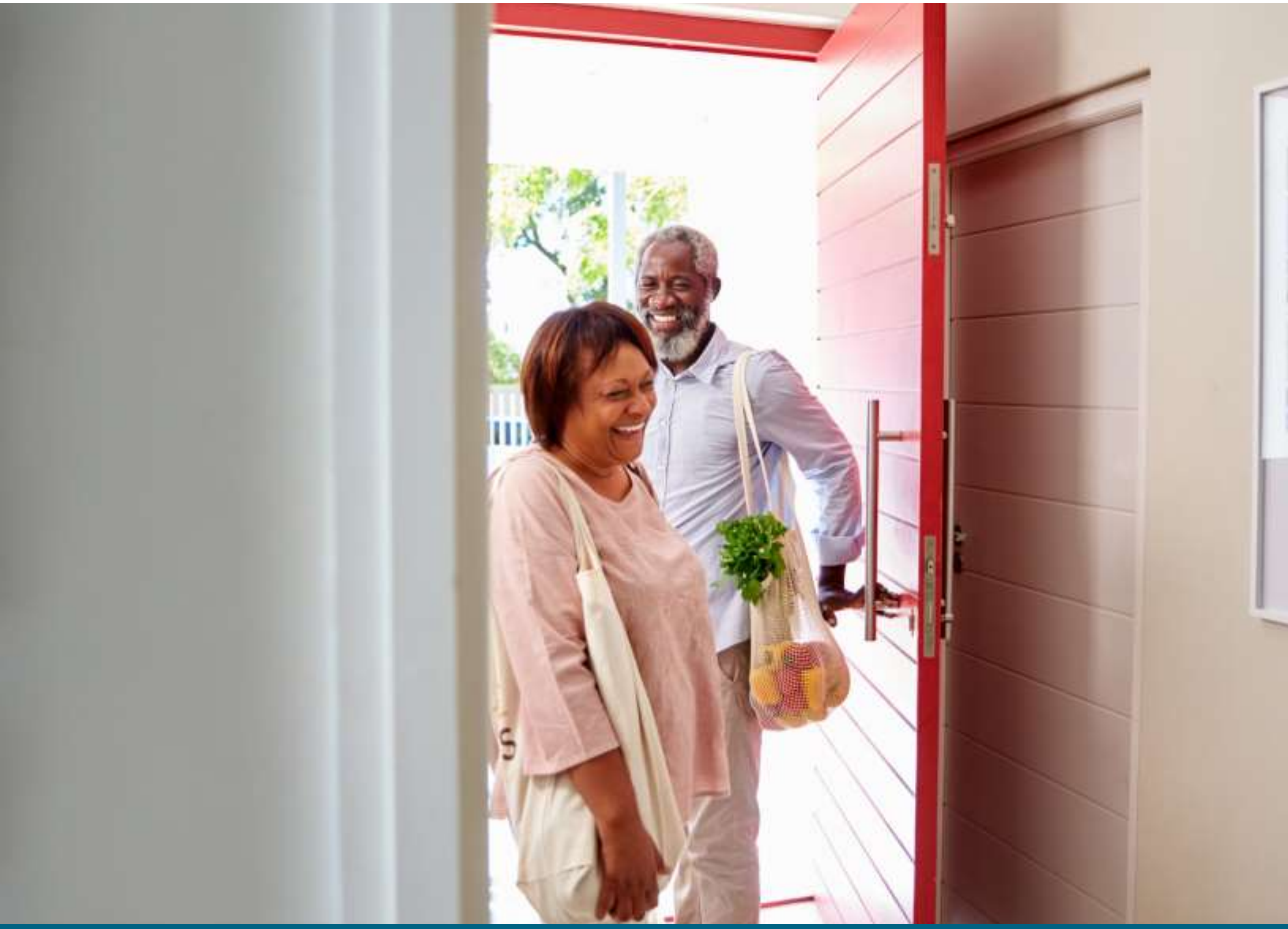
San Bernardino County Employees' Retirement Association

2020 Basic Financial Statements

A Multiple-Employer Pension Trust Fund | San Bernardino, CA

For the Years Ended June 30, 2020 and 2019

INVESTED IN YOUR FUTURE.



2020

Basic Financial Statements

A Multiple-Employer Pension Trust Fund

San Bernardino, California

For the Years Ended June 30, 2020 and 2019

Debby Cherney

Chief Executive Officer

Amy McInerny, CPA

Chief Financial Officer

SBcera

San Bernardino County Employees' Retirement Association

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Independent Auditor's Report

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BROWN ARMSTRONG
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Retirement
San Bernardino County Employees' Retirement Association
San Bernardino, California

Report on the Financial Statements

We have audited the accompanying Statements of Fiduciary Net Position of the San Bernardino County Employees' Retirement Association (SBCERA) as of June 30, 2020 and 2019, the related Statements of Changes in Fiduciary Net Position for the fiscal years then ended, and the related notes to the financial statements, which collectively comprise SBCERA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is the express and opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to SBCERA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SBCERA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report

(Continued)

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the fiduciary net position of SBCERA as of June, 2020 and 2019, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplemental information, as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical content. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidences the express an opinion or provide any assurance.

Other Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The other supplemental information and the introduction, investments, actuarial, and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information, as noted in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, investments, actuarial, and statistical sections, as noted in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2020, on our consideration of SBCERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide and opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SBCERA's internal control over financial reporting and compliance.

Independent Auditor's Report

(Continued)

Restrictions on Use

Our report is intended solely for the information and use of SBCERA management, the Audit Committee of SBCERA, the Board of Retirement of SBCERA, and SBCERA employers and their auditors and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Bakersfield, California
November 12, 2020

Brown Armstrong
Accountancy Corporation

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Management's Discussion and Analysis

June 30, 2020 and 2019

The San Bernardino County Employees' Retirement Association (SBCERA) administers the SBCERA pension plan – a cost-sharing multiple-employer defined benefit pension plan (the Plan). As management of SBCERA, we offer this narrative overview and analysis of the financial activities of SBCERA for the years ended June 30, 2020 and 2019. Readers are encouraged to consider the information presented in this analysis in conjunction with the financial statements as presented in this report.

Financial Highlights

The net position – restricted for pensions of SBCERA as of June 30, 2020 and 2019 was $10.3 billion and $10.6 billion, respectively. All of the net position is available to meet SBCERA's ongoing obligations to Plan members (members) and their beneficiaries.

SBCERA's total net position – restricted for pensions decreased by $301.1 million or 2.8% and increased by $521.4 million or 5.2% for the years ended June 30, 2020 and 2019, respectively. The changes are primarily a result of fluctuations in investment returns.

Total additions, as reflected in the Statements of Changes in Fiduciary Net Position, for the years ended June 30, 2020 and 2019 were $335.2 million and $1.11 billion, respectively. This includes employer and member contributions of $637.2 million, net investment loss of $302.3 million, and net securities lending income of $213 thousand for the year ended June 30, 2020. For the year ended June 30, 2019, it includes employer and member contributions of $609.85 million, net investment income of $502.46 million, and net securities lending income of $292 thousand.

Total deductions as reflected in the Statements of Changes in Fiduciary Net Position are $636.2 million for the year ended June 30, 2020, an increase of $45 million over the year ended June 30, 2019, or approximately 7.6%. Total deductions for the year ended June 30, 2019 were $591.2 million for the year ended June 30, 2019, an increase of $39.8 million over the year ended June 30, 2018, or approximately 7.2%.

The net pension liability of participating employers as of June 30, 2020 and 2019 were $4.0 billion and $2.7 billion, respectively. The Plan fiduciary net position as a percentage of the total pension liability was 72.0% and 79.6% as of June 30, 2020 and 2019, respectively. The net pension liability as a percentage of covered payroll is 259.9% and 183.6% as of June 30, 2020 and 2019, respectively. Refer to Note 4 – Net Pension Liability of Participating Employers, and Required Supplementary Information sections of this report for further information.

Overview of the Financial Statements

The following discussion and analysis are intended to serve as an introduction to SBCERA's Basic Financial Statements. The financial statements and required disclosures are prepared in accordance with pronouncements (accounting principles and reporting guidelines) as set forth by the Governmental Accounting Standards Board (GASB). These pronouncements require certain disclosures and require SBCERA to report using the full accrual method of accounting. SBCERA complies with all material requirements of these pronouncements. SBCERA's Basic Financial Statements are comprised of Statements of Fiduciary Net Position, Statements of Changes in Fiduciary Net Position, and Notes to the Basic Financial Statements.

Management's Discussion and Analysis

June 30, 2020 and 2019

(Continued)

Overview of the Financial Statements *(Continued)*

The **Statements of Fiduciary Net Position** are a snapshot of account balances at year-end, indicating the assets available for future payments to retirees and their beneficiaries, and any current liabilities owed as of year-end.

The **Statements of Changes in Fiduciary Net Position** reflect all the activities that occurred during the year and show the impact of those activities as additions to or deductions from to the Plan. The trend of additions versus deductions will indicate the condition of SBCERA's financial position over time.

The **Statements of Fiduciary Net Position** and the **Statements of Changes in Fiduciary Net Position** report information about SBCERA's activities. These statements include all assets and liabilities, using the full accrual method of accounting, which is similar to the accounting used by private sector companies. All of the current year's revenues and expenses are considered regardless of when cash is received or paid. All investment gains and losses are shown at trade date, not settlement date, and both realized and unrealized gains and losses are shown on investments. Refer to Note 2 – Summary of Significant Accounting Policies for further information.

The **Statements of Fiduciary Net Position** and **Statements of Changes in Fiduciary Net Position** report SBCERA's net position – restricted for pensions (net position is the difference between assets and liabilities) as one way to measure the Plan's financial position. Over time, increases and decreases in SBCERA's net position are an indicator of whether its financial health is improving or deteriorating. Other factors, such as investment earnings and SBCERA's actuarial funded status, should also be considered in measuring SBCERA's overall financial health. Refer to SBCERA's Basic Financial Statements following this analysis.

Notes to the Basic Financial Statements (Notes) are an integral part of the financial reports. The Notes provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements, including a detailed discussion of key policies, programs, investments, and activities that occurred during the year. Refer to the Notes to the Basic Financial Statements section of this report.

Other information to supplement SBCERA's Basic Financial Statements is provided as follows:

Required Supplementary Information (RSI) presents historical trend information concerning the changes in net pension liability, employer contributions, and investment returns. RSI includes notes that explain factors that significantly affect trends in the amounts reported, such as changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions over time. The information is based on actuarial valuations and contributes to the understanding of the changes in the net pension liability of participating employers over the past ten years. Refer to the Required Supplementary Information section of this report.

Other Supplementary Information includes the Schedules of Administrative and Other Expenses, Investment Expenses, and Payments to Consultants, which are presented immediately following the Required Supplementary Information section of this report.

Management's Discussion and Analysis

June 30, 2020 and 2019

(Continued)

Financial Analysis—Net Position

Net position may serve as an indication of SBCERA's financial position over time. Refer to Table 1, below, for further information. As of June 30, 2020, SBCERA had $10.3 billion in net position, which means total assets of $10.6 billion exceeded total liabilities of $302 million. All of the net position is available to meet SBCERA's ongoing obligation to members and their beneficiaries.

As of June 30, 2020, net position decreased by $301 million, accounting for a 2.8% decrease from the prior year. As of June 30, 2019, net position increased by $521 million, or a 5.2% increase from the prior year. The decrease for 2020 is primarily due to losses from investment activity and the income for 2019 is due primarily to the gains from investment activity.

FIDUCIARY NET POSITION (TABLE 1)

As of June 30, 2020, 2019 and 2018

(Amounts in Thousands)

				Increase (Decrease)	
	2020	**2019**	**2018**	**Amount**	**% Change**
ASSETS					
Cash	$12,845	$14,574	$15,314	$(1,749)	(11.86)%
Receivables	148,993	103,300	102,733	45,693	44.23%
Investments, at Fair Value	10,422,472	10,640,653	10,105,671	(218,180)	(2.05)%
Capital Assets, Net	5,268	4,907	5,811	361	7.36 %
TOTAL ASSETS	**10,589,578**	**10,763,434**	**10,229,529**	**(173,855)**	**(1.62)%**
LIABILITIES					
Securities Lending	6,607	113,695	77,807	(107,088)	(94.19)%
Securities Options Payable	199,075	270	-	198,805	73,631%
Payables for Securities Purchased	76,984	46,696	71,917	30,288	64.86%
Other Liabilities	19,578	14,366	12,815	5,212	36.28%
TOTAL LIABILITIES	**302,244**	**175,027**	**162,539**	**(127,217)**	**72.68%**
NET POSITION—RESTRICTED FOR PENSIONS	**$10,287,334**	**$10,588,407**	**$10,066,990**	**$(301,072)**	**(2.84)%**

In order to determine that the $10.3 billion in net position will be sufficient to meet future obligations, SBCERA's independent actuary, Segal Consulting, performed an actuarial valuation as of June 30, 2020. The result of the funding valuation determines what future contributions are needed by the participating employers and members to pay all expected future benefits. The valuation takes into account SBCERA's policy to smooth the impact of market volatility by spreading each year's gains or losses over five years.

On the valuation date, the assets available for payment of retirement benefits are appraised. These assets are compared with the actuarial liabilities, which are the actuarial present value of all future benefits expected to be paid with respect to each member. The actuary uses assumptions regarding life expectancy, projected salary increases over time, projected retirement age, and expected rate of return for the investment portfolio (7.25% rate of return was used for the June 30, 2020 and 2019 valuations). The Board of Retirement (Board) reviews all assumptions used by the actuary every three years.

Management's Discussion and Analysis

June 30, 2020 and 2019

(Continued)

Capital Assets

SBCERA's capital assets increased from $4.9 to $5.3 million (net of accumulated depreciation and amortization) between the years ended June 30, 2019 and 2020, and from $5.8 million to $4.9 million between the years ended June 30, 2018 and 2019. This investment in capital assets includes equipment, furniture, leasehold improvements, software, and technology infrastructure with an initial cost of $25 thousand or more and a life expectancy over one year. The total increase in SBCERA's investment in capital assets for the year ended June 30, 2020, was $361 thousand from 2019. The total decrease in SBCERA's investment in capital assets for the year ended June 30, 2019 was $904 thousand from 2018. Decreases are due to fully depreciated amortization and increases are a result of new assets.

Reserves

SBCERA's reserves are established based upon contributions and the accumulation of investment income, after satisfying investment, administrative, and other expenses. Refer to Table 2, on page 12, for further information.

Investments are stated at fair value, instead of at cost, and include the recognition of unrealized gains and losses in the current period. For actuarial purposes, it is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to fair value. Under this valuation method, the full value of market fluctuations is not recognized in a single year, rather, they are smoothed over a five-year period. This method results in more stable asset values and therefore, the plan costs are more stable. These gains and losses are shown in the net unrecognized gains/(losses) reserve account.

The total unrecognized net investment loss as of June 30, 2020 was $845.8 million as compared to an unrecognized net investment loss of $54 million as of June 30, 2019. This deferred investment loss of $845.8 million will be recognized in the determination of the Actuarial Value of Assets for funding purposes in the next five years as part of a five-year smoothing technique.

"SBCERA is committed to efficiently and strategically managing our resources and responsibly funding the Plan now and in the future. "

—Debby Cherney, SBCERA CEO

Management's Discussion and Analysis

June 30, 2019 and 2018

(Continued)

Reserves *(Continued)*

RESERVES (TABLE 2)

As of June 30, 2020, 2019 and 2018
(Amounts in Thousands)

TYPE OF RESERVE	2020	2019	2018
Member Deposit Reserve	$1,609,792	$1,517,088	$1,418,875
Employer Current Service Reserve	2,972,558	2,762,603	2,558,813
Contra Account	(3,857,261)	(3,303,286)	(2,938,180)
Pension Reserve	5,190,499	4,883,597	4,603,736
Cost of Living Reserve	2,477,844	2,277,979	2,080,398
Annuity Reserve	2,653,421	2,422,029	2,218,705
Supplemental Disability Reserve	6,792	7,439	7,819
Survivor Benefit Reserve	78,998	74,376	70,068
Burial Allowance Reserve[1]	530	576	629
TOTAL RESERVES (SMOOTHED MARKET ACTUARIAL VALUE)	**11,133,173**	**10,642,401**	**10,020,863**
Net Unrecognized Gains (Losses)	**(845,839)**	**(53,994)**	**46,127**
NET POSITION—RESTRICTED FOR PENSIONS INCLUDING NON-VALUATION RESERVES, AT FAIR VALUE	**$10,287,334**	**$10,588,407**	**$10,066,990**

(1) Reserve not included in valuation value of assets.

Additions and Deductions to Fiduciary Net Positions

ADDITIONS

The primary sources of financing SBCERA benefits are through the collection of participating employer and member contributions and through earnings from investment income (net of investment expenses). Additions for the year ended June 30, 2020 totaled $335.1 million compared to $1.1 billion for June 30, 2019, and $1.3 billion for June 30, 2018. Refer to Table 3, on the following page, for further information. Overall, additions decreased by $777.5 million or a 69.9% decrease between the years ended June 30, 2019 and 2020, due primarily to a $804.7 million decrease in net investment income compared to the prior year. Employer and member contributions also increased by 4.86% and 3.44%, respectively or 4.5%. Net securities lending income increased by 27.05% compared to the prior year.

Overall, total employer and member contributions continue to rise due to the increases in the average employer and member contribution rates and increased covered payroll, as recommended by the Plan's independent actuary. Refer to Note 3 – Contribution Requirements for further information.

Management's Discussion and Analysis

June 30, 2020 and 2019

(Continued)

Additions and Deductions to Fiduciary Net Positions *(Continued)*

DEDUCTIONS

SBCERA was created to provide lifetime retirement benefits, survivor benefits, and permanent disability benefits to eligible members and their beneficiaries. The cost of such programs includes recurring Plan designated benefit payments, refunds of contributions to terminated members, and the cost of administering the Plan.

Deductions for the year ended June 30, 2020 totaled $636.2 million, an increase of $45 million or 7.6% over the June 30, 2019 total deductions. The increase in deductions for the year ended June 30, 2019, totaled $521.4 million, an increase of $39.8 million or 7.2% over the June 30, 2018 amount of $551.4 million. Refer to Table 3, on the following page, for further information. The increases in all years, related to benefits and refunds, are primarily due to the overall growth in the number of retirees and the average amount of benefits paid to them. Refer to Note 1 – Significant Provisions of the Plan (see section for SBCERA Membership) for further information. Deductions for administrative expenses have remained relatively stable in all years. In addition, deductions for other expenses have remained fairly consistent. Refer to Note 2 – Summary of Significant Accounting Policies (see section for Administrative Expenses), and Other Supplementary Information (see Schedule of Administrative and Other Expenses) for further information.

CHANGES IN FIDUCIARY NET POSITION (TABLE 3)

As of June 30, 2020, 2019 and 2018

(Amounts in Thousands)

				Increase (Decrease)	
	2020	2019	2018	Amount	%
ADDITIONS					
Employer Contributions	$467,985	$446,295	$378,668	$21,691	4.9%
Member Contributions	169,183	163,552	149,478	5,631	3.4%
Net Investment Income[1]	(302,263)	502,461	797,242	(804,724)	(160.2)%
Net Securities Lending Income	213	292	238	(79)	(27.1)%
TOTAL ADDITIONS	**335,118**	**1,112,600**	**1,329,938**	**(777,481)**	**(69.9)%**
DEDUCTIONS					
Benefits and Refunds	621,564	578,508	539,297	43,056	7.4%
Administrative Expense	9,019	9,383	8,752	(364)	(3.9)%
Other Expenses	5,608	3,292	3,340	2,316	70.4%
TOTAL DEDUCTIONS	**636,191**	**591,183**	**551,389**	**45,008**	**7.6%**
NET INCREASE (DECREASE) IN NET POSITION	**(301,073)**	**521,417**	**778,549**	**(822,489)**	**(157.7)%**
NET POSITION—RESTRICTED FOR PENSIONS: BEGINNING OF YEAR	**10,588,407**	**10,066,990**	**9,288,441**	**521,417**	**5.2%**
END OF YEAR	**$10,287,334**	**$10,588,407**	**$10,066,990**	**$(301,072)**	**(2.8)%**

(1) Net of investment expenses of $156,158, $160,666, and $163,990 for the years ending June 30, 2020, 2019, and 2018, respectively.

Management's Discussion and Analysis

June 30, 2020 and 2019

(Continued)

Net Pension Liability for Participating Employers

SBCERA is subject to the provisions of GASB Statement No. 67 (GASB 67), Financial Reporting for Pension Plans, and SBCERA's participating employers are subject to the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 25. These standards require governmental employers to recognize their long-term obligation for pension benefits as a liability on their statements of fiduciary net position, to recognize their annual pension expense as a comprehensive measurement of the annual cost of pension benefits, and requires SBCERA to provide note disclosures and required supplementary information related to the Plan's net pension liability (NPL) of participating employers.

NPL represents the excess of the total pension liability (using an entry age cost method, discounted at a discount rate that reflects the expected return on Plan assets) over fiduciary net position (valued at fair value). It is a measurement of pension liabilities using market assets that provides a consistent and standardized methodology allowing comparability of data and increased transparency of the pension liability across all governmental entities. SBCERA has complied with GASB 67 for the years ended June 30, 2020 and 2019.

Based on the June 30, 2020, 2019, and 2018 actuarial valuations, the NPL of participating employers on a fair value basis were $4.0 billion, $2.7 billion, and $2.5 billion, respectively. Refer to Table 4, below, for further information. The increase of $1.3 million or 47.8% from 2019 to 2020 was primarily due to the investment return being less than the actuarial rate of 7.25%. The increase of $178,316 or 7.04% from 2018 to 2019 was primarily due to the investment return being less than the actuarial rate of 7.25%. Refer to Note 4 – Net Pension Liability of Participating Employers, and the Required Supplementary Information sections of this report for further information.

CHANGES IN NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS (TABLE 4)

As of June 30, 2020, 2019, and 2018

(Amounts in Thousands)

				Increase (Decrease)	
	2020	2019	2018	Amount	% Change
Total Pension Liability	$14,295,742	$13,300,303	$12,600,570	$995,439	7.48%
Less Plan Fiduciary Net Position	10,287,334	10,588,407	10,066,990	(601,073)	(2.84)%
NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS	**$4,008,408**	**$2,711,896**	**$2,533,580**	**$1,296,512**	**47.81%**

Management's Discussion and Analysis

June 30, 2020 and 2019

(Continued)

Overall Analysis

For the year ended June 30, 2020, SBCERA's financial position and results from operations have experienced a decrease from the prior year, as net position decreased by $301.1 million or 2.8% from the year ended June 30, 2019. For the year ended June 30, 2019, net position increased by $521.4 million or 5.2% from the year ended June 30, 2018. The overall decrease in net position for June 30, 2020 was primarily attributable to the depreciation in the fair value of the Plan's investment portfolio due to losses incurred from SBCERA's unique asset positioning and a strengthening financial market. Despite the fluctuations in the financial markets, SBCERA remains in a sound financial position to meet its obligations to members and their beneficiaries. The overall financial position of SBCERA results from a very strong and successful investment program, risk management, and strategic planning. As a long-term investor, SBCERA can take advantage of price volatility along with a diversified exposure to domestic and international equities, fixed income investments, natural resources, real estate, infrastructure, private equity, and overlay programs. Overall, this diversification minimizes the risk of loss and maximizes the rate of return for the Plan.

SBCERA's Fiduciary Responsibilities

SBCERA's Board and management are fiduciaries of the pension trust fund. Under the California Constitution, the assets of the Plan can only be used for the exclusive benefit of members and their beneficiaries.

Requests for Information

The Basic Financial Statements are designed to provide the SBCERA Board, its membership, taxpayers, investment managers and creditors with a general overview of SBCERA's finances and to account for the money it received. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

San Bernardino County Employees' Retirement Association (SBCERA)
Attn: Fiscal Services Department
348 West Hospitality Lane, Third Floor
San Bernardino, CA 92415-0014

Respectfully,

Amy McInerny, CPA

Chief Financial Officer

Statements of Fiduciary Net Position

As of June 30, 2020 and 2019

(Amounts in Thousands)

	2020	2019
ASSETS		
Cash		
Cash in Bank	$6,375	$4,093
Cash Pooled with County Treasurer	6,470	10,481
TOTAL CASH	**12,845**	**14,574**
Receivables		
Securities Sold	76,895	58,021
Accrued Interest and Dividends	27,235	5,804
Employer and Member Contributions	43,423	37,435
Due from Withdrawn Employers	452	485
Other Receivables	988	1,555
TOTAL RECEIVABLES	**148,993**	**103,300**
Investments, at Fair Value		
Short-Term Cash Investment Funds	1,056,304	842,709
Emerging Market Debt	74,384	31,970
United States Government Obligations and Other Municipals	70,739	259,479
Domestic Bonds	597,739	191,754
Foreign Bonds	445,178	218,185
Domestic Common and Preferred Stock	1,208,252	1,443,184
Foreign Common and Preferred Stock	741,915	827,950
Investments of Cash Collateral on Securities Lending	6,607	113,710
Real Estate	458,281	438,658
Domestic Alternatives	4,098,128	4,114,472
Foreign Alternatives	1,664,945	2,158,582
TOTAL INVESTMENTS, AT FAIR VALUE	**10,422,472**	**10,640,653**
Capital Assets, Net of Accumulated Depreciation and Amortization	**5,268**	**4,907**
TOTAL ASSETS	**10,589,578**	**10,763,434**
LIABILITIES		
Securities Lending	6,607	113,695
Securities Options Payable	199,075	270
Payables for Securities Purchased	76,984	46,696
Other Liabilities	19,578	14,366
TOTAL LIABILITIES	**302,244**	**175,027**
NET POSITION—RESTRICTED FOR PENSIONS	**$10,287,334**	**$10,588,407**

The accompanying Notes are an integral part of these financial statements.

Statements of Changes in Fiduciary Net Position

For the Years Ended June 30, 2020 and 2019

(Amounts in Thousands)

	2020	2019
ADDITIONS		
Contributions		
Employer Contributions	$467,985	$446,295
Member Contributions	169,183	163,552
TOTAL CONTRIBUTIONS	**637,168**	**609,847**
Investment Income		
Net Appreciation in Fair Value of Investments:		
Securities and Alternative Investments	(520,280)	419,930
Real Estate	(5,775)	2,021
TOTAL NET APPRECIATION IN FAIR VALUE OF INVESTMENTS	**(526,055)**	**421,951**
Interest Income on Cash and Securities	**265,019**)	**159,378**
Other Investment Income		
Dividend Income	63,556	37,921
Net Real Estate Rental Income	22,581	31,370
Other Income (Loss)	12,056	7,999
TOTAL OTHER INVESTMENT INCOME	**98,193**	**77,290**
Less Investment Expenses		
Investment Advisement Fees	(88,495)	(93,010)
Other Investment Expenses	(50,925)	(63,148)
TOTAL INVESTMENT EXPENSES	**(139,420)**	**(156,158)**
NET INVESTMENT INCOME	**(302,263)**	**502,461**
Securities Lending Income		
Earnings	1,805	2,745
Less Rebates and Bank Charges	(1,592)	(2,453)
NET SECURITIES LENDING INCOME	**213**	**292**
TOTAL ADDITIONS	**335,118**	**1,112,600**
Deductions		
Benefits and Refunds Paid to Members and Beneficiaries	621,564	578,508
Administrative Expenses	9,019	9,383
Other Expenses	5,608	3,292
TOTAL DEDUCTIONS	**636,191**	**591,183**
NET INCREASE (DECREASE) IN NET POSITION	**(301,073)**	**521,417**
NET POSITION—RESTRICTED FOR PENSIONS		
Beginning of Year	**10,588,407**	**10,066,990**
END OF YEAR	**$10,287,334**	**$10,588,407**

The accompanying notes are an integral part of these financial statements.

Notes to the Basic Financial Statements

June 30, 2019 and 2018

Note 1 — Significant Provisions of the Plan

The San Bernardino County Employees' Retirement Association (SBCERA) administers the SBCERA pension plan – a cost-sharing multiple-employer defined benefit pension plan (Plan). SBCERA was established in 1945 and operates under the provisions of the California County Employees Retirement Law of 1937 (CERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA) and the regulations, procedures, and policies adopted by SBCERA's Board of Retirement (Board). The Plan's provisions may be amended by the California state legislature and in some cases require approval by the County of San Bernardino Board of Supervisors and/or the SBCERA Board of Retirement (Board).

SBCERA provides retirement, disability, death, and survivor benefits to its members, who are employed by 17 active Plan sponsors (participating employers), and four withdrawn employers.

Active Plan Sponsors

- Barstow Fire Protection District (BFPD)
- Big Bear Fire Authority (BBFA)
- California Electronic Recording Transaction Network Authority (CERTNA)
- California State Association of Counties (CSAC)
- City of Big Bear Lake (CBBL)
- City of Chino Hills (CCH)
- Crestline Sanitation District (CSD)
- Department of Water and Power of the City of Big Bear Lake (DWP)
- Hesperia Recreation and Park District (HRPD)
- Law Library for San Bernardino County (LL)
- Local Agency Formation Commission (LAFCO)
- Mojave Desert Air Quality Management District (MDAQMD)
- San Bernardino County (County)
- San Bernardino County Employees' Retirement Association (SBCERA)
- San Bernardino County Transportation Authority (SBCTA)
- South Coast Air Quality Management District (SCAQMD)
- Superior Court of California, County of San Bernardino (Superior Court)

Withdrawn Employers

Inland Library System (ILS) (withdrew May 31, 2019)*
Inland Valley Development Agency (IVDA) (withdrew June 30, 2012)
Rim of the World Recreation and Park District (Rim) (withdrew May 4, 2013)
San Bernardino International Airport Authority (SBIAA) (withdrew June 30, 2012)

* For actuarial purposes, ILS is considered a withdrawn employer; however, until the irrevocable ILS board resolution is passed, the employer is still considered active for reporting purposes.

Notes to the Basic Financial Statements

June 30, 2019 and 2018

(Continued)

Note 1 — Significant Provisions of the Plan *(Continued)*

Fiduciary oversight of SBCERA is vested with the SBCERA Board, which consists of nine voting members and three alternate members. Four members are appointed by the County of San Bernardino's Board of Supervisors, six members (which include two alternates) are elected by the members of SBCERA (General members elect two members, Safety members elect one member and one alternate, and Retired members elect one member and one alternate), and the County of San Bernardino Treasurer (County Treasurer) is an ex -officio member who has designated one alternate.

Board members serve three-year terms, with the exception of the County Treasurer, who serves during their tenure in office. The Board meets monthly. Appointed and retired members of the Board receive compensation (a stipend for meeting attendance), and all members are reimbursed for necessary business expenses pursuant to California Government Code (GC) section 31521. SBCERA's Chief Executive Officer is appointed by the Board, and implements the policies and direction set by the Board.

Membership and Benefit Eligibility

All benefits established by the CERL and PEPRA, as amended from time to time, are administered by SBCERA for its participating employers. SBCERA administers benefits for two membership classifications, General and Safety, and those benefits are tiered based upon date of SBCERA membership. Safety membership is extended to those involved in active law enforcement and fire suppression. All other members are classified as General members. Generally, those who became members prior to January 1, 2013 (effective date of PEPRA) are Tier 1 members. All other members are Tier 2. Employees become eligible for membership on their first day of regular employment, and members become fully vested after earning five years of service credit or attaining the age of 70. Additional information regarding SBCERA's benefits is included in the Summary Plan Description, also known as The Compass, which is available on SBCERA's website at www.SBCERA.org.

SBCERA Membership

An employee who is appointed to a regular position and whose service is equal to or greater than 50% of the full standard hours required by an SBCERA participating employer must become a member of SBCERA on the first day of employment. However, membership may be delayed in accordance with SBCERA regulations for establishing reciprocity with another public retirement system as described in the CERL, and employees who have attained age 60 prior to employment may waive their membership within 90 days following the initial appointment.

SBCERA membership consists of active members, inactive members, and their beneficiaries as displayed on the following page.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 1 — Significant Provisions of the Plan *(Continued)*

MEMBERSHIP AND BENEFIT ELIGIBILITY | SBCERA MEMBERSHIP *(Continued)*

SBCERA membership consists of active members, inactive members, and their beneficiaries as follows:

SBCERA MEMBERSHIP

As of June 30, 2020

	Tier 1			Tier 2			
Membership Type	**General**	**Safety**	**Sub-Total**	**General**	**Safety**	**Sub-Total**	**Total**
Active Members							
Active Members—Vested	9,870	1,474	11,344	1,910	265	2,175	13,519
Active Members—Non-Vested	35	3	38	7,388	869	8,257	8,295
TOTAL ACTIVE MEMBERS	**9,905**	**1,477**	**11,382**	**9,298**	**1,134**	**10,432**	**21,814**
Inactive Members or Beneficiaries Currently Receiving Benefits							
Retirees Currently Receiving Benefits	10,031	1,908	11,939	44	9	53	11,992
Beneficiaries and Dependents Currently Receiving Benefits	1,437	398	1,835	5	1	6	1,841
TOTAL INACTIVE MEMBERS OR BENEFICIARIES CURRENTLY RECEIVING BENEFITS	**11,468**	**2,306**	**13,774**	**49**	**10**	**59**	**13,833**
Inactive Members not Receiving Benefits							
Inactive Members Eligible for, but not yet Receiving Benefits	2,548	166	2,714	264	71	335	3,049
Inactive Members Eligible for Refund Value of Account Only[1]	1,802	57	1,859	2,424	162	2,586	4,445
TOTAL INACTIVE MEMBERS NOT RECEIVING BENEFITS	**4,350**	**223**	**4,573**	**2,668**	**233**	**2,921**	**7,494**
TOTAL SBCERA MEMBERSHIP	**25,723**	**4,006**	**29,729**	**12,035**	**1,377**	**13,412**	**43,141**

SBCERA MEMBERSHIP

As of June 30, 2019

	Tier 1			Tier 2			
Membership Type	**General**	**Safety**	**Sub-Total**	**General**	**Safety**	**Sub-Total**	**Total**
Active Members							
Active Members—Vested	10,712	1,568	12,280	1,029	147	1,176	13,456
Active Members—Non-Vested	55	7	62	7,394	911	8,305	8,367
TOTAL ACTIVE MEMBERS	**10,767**	**1,575**	**12,342**	**8,423**	**1,058**	**9,481**	**21,823**
Inactive Members or Beneficiaries Currently Receiving Benefits							
Retirees Currently Receiving Benefits	9,625	1,829	11,454	21	6	27	11,481
Beneficiaries and Dependents Currently Receiving Benefits	1,390	369	1,759	4	-	4	1,763
TOTAL INACTIVE MEMBERS OR BENEFICIARIES CURRENTLY RECEIVING BENEFITS	**11,015**	**2,198**	**13,213**	**25**	**6**	**31**	**13,244**
Inactive Members not Receiving Benefits							
Inactive Members Eligible for, but not yet Receiving Benefits	2,401	173	2,574	174	38	212	2,786
Inactive Members Eligible for Refund Value of Account Only[1]	1,820	57	1,877	1,919	144	2,063	3,940
TOTAL INACTIVE MEMBERS NOT RECEIVING BENEFITS	**4,221**	**230**	**4,451**	**2,093**	**182**	**2,275**	**6,726**
TOTAL SBCERA MEMBERSHIP	**26,003**	**4,003**	**30,006**	**10,541**	**1,246**	**11,787**	**41,793**

(1) Inactive members with fewer than five years of service credit are entitled to withdraw their refundable member contributions made, together with accumulated interest only.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 1 — Significant Provisions of the Plan *(Continued)*

MEMBERSHIP AND BENEFIT ELIGIBILITY *(Continued)*

Membership Retirement Benefits

General Tier 1 members are eligible for retirement benefits upon completion of 10 years of service credit and attaining age 50, or 30 years of service credit regardless of age, or age 70 regardless of years of service credit. Safety Tier 1 members have the same eligibility requirements as General members except they are required to complete only 20 years of service credit, regardless of age. Retirement benefits are calculated at 2% for General Tier 1 members and 3% for Safety Tier 1 members of the highest 12 consecutive months of compensation earnable, as defined in GC sections 31462.1, 31676.15, and 31664.1 of the CERL, for each completed year of service based on a normal retirement age of 55 for General members and age 50 for Safety members.

For Tier 1 members, the maximum monthly retirement allowance is 100% of final compensation, and final compensation is capped pursuant to Internal Revenue Code (IRC) section 401(a)(17), which is $280,000 and $275,000 for fiscal years ending June 30, 2020 and 2019, respectively. Tier 1 members and participating employers are exempt from paying contributions on compensation earnable paid in excess of the annual cap (except for the survivor benefit contribution), and Tier 1 members are exempt from paying contributions on compensation earnable when the member reaches 30 or more years of service credit (except for the survivor benefit contribution). The annual cap, for Tier 1 members, is applied to the fiscal year for the IRC section 401 (a)(17) limit in effect at the beginning of the fiscal year.

General Tier 2 members are eligible for retirement benefits upon completion of five years of service credit and attaining age 52 or attaining age 70 regardless of service credit. Safety Tier 2 members are eligible for retirement benefits upon completion of five years of service credit and attaining age 50. Retirement benefits are calculated at 2.5% at age 67 for General Tier 2 members and 2.7% at age 57 for Safety Tier 2 members of the highest 36 consecutive months of pensionable compensation, as defined in GC sections 7522.20(a) and 7522.25(d) of the PEPRA, for each completed year of service. For Tier 2 members, the monthly retirement allowance is not capped. However, pensionable compensation for all Tier 2 members is limited each year by an annual cap per GC section 7522.10, which is $151,549 and $149,016 for calendar years 2020 and 2019, respectively. Since pensionable compensation is capped, participating employers and Tier 2 members are exempt from paying contributions on pensionable compensation paid in excess of the annual cap (except for the survivor benefit contribution).

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse/registered domestic partner or eligible child. An eligible surviving spouse or registered domestic partner is one married to or registered with the member one year prior to the effective retirement date. To be considered a post-retirement eligible spouse/registered domestic partner, the member must have been married/legally registered at least two years prior to death, and the spouse/registered domestic partner must be 55 years or older upon the member's death, and no other person may be designated in a court order as a payee. There are four optional retirement allowances the member may choose, each requiring a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, registered domestic partner, or named beneficiary having an insurable interest in the life of the member.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 1 — Significant Provisions of the Plan *(Continued)*

Terminated Member Benefits

If a member terminates before earning five years of service credit, the member forfeits the right to receive benefits and is entitled to withdraw refundable contributions made, together with accumulated interest. If the member enters a reciprocal retirement system within 180 days of terminating from SBCERA and elects to leave their accumulated contributions on deposit with SBCERA, the member will receive a deferred retirement allowance when eligible. A member with fewer than five years of service credit may elect to leave accumulated contributions in the retirement fund indefinitely pursuant to GC section 31629.5. If a member terminates after five years of service credit, the member may elect to withdraw the refundable contributions, including interest earned, or leave the accumulated deposits in the retirement fund and be granted a deferred retirement allowance at the time the member would have been entitled to the allowance if service had been continued. The acceptance of a refund payment cancels the individual's rights and benefits in SBCERA.

Death and Disability Benefits

The Plan provides death benefits to beneficiaries of members, and these benefits are governed by Articles 12, 15, and 15.6 of the CERL. In accordance with applicable California law, a surviving spouse/registered domestic partner, or minor children, even if not the named beneficiary, may have certain rights superseding the rights of the named beneficiary.

Death Before Retirement with Fewer Than Five Years of Service Credit

If a member with fewer than five years of service credit dies because of a non-work-related incident, the member's designated beneficiary will receive the member's refundable retirement contributions plus accumulated interest earned. In addition, the beneficiary will receive one month's compensation for each completed year the member served to a maximum of 50% of annual compensation pursuant to GC section 31781. If the member established reciprocity with another public pension plan, SBCERA will coordinate benefits with the last public employer, pursuant to GC sections 31839 and 31840.

Death Before Retirement with More Than Five Years of Service Credit

A member who dies after earning at least five years of service credit, but whose death is not job-related, is entitled to leave the eligible spouse/registered domestic partner (or any eligible children) a monthly payment equal to 60% of the amount that would have been paid had the member retired with a non-service connected disability. If the beneficiary is other than a spouse/registered domestic partner or dependent child, the beneficiary receives a lump sum payment of the refundable retirement contributions plus accumulated interest earned. In addition, the beneficiary would receive one month's compensation for each completed year the member served to a maximum of six months pursuant to GC section 31781. If the member established reciprocity with another public pension plan, SBCERA will coordinate benefits with the last public employer, pursuant to GC sections 31839 and 31840.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 1 — Significant Provisions of the Plan *(Continued)*

DEATH AND DISABILITY BENEFITS *(Continued)*

Death Before Retirement Caused by Employment

If a member dies due to injury or disease arising out of or in the course of employment, the surviving spouse/registered domestic partner is eligible for a monthly allowance equal to the amount that would have been paid had the employee retired with a service connected disability at the time of death. This amount is equal to 50% of the individual's final monthly compensation. If a Safety member dies while in the performance of duty, the spouse/registered domestic partner will receive an additional lump-sum payment equal to one year's salary. Furthermore, an additional death benefit of 25% of the annual death allowance may be payable for one eligible child, and increases to 40% for two eligible children, or 50% for three or more eligible children if the death qualifies pursuant to GC section 31787.5. Under GC section 31787.65, the final compensation upon which the additional death payment is calculated may be increased any time current active members, in the same classification as the deceased member, receive a compensation increase. The final compensation will be subject to these increases until the earlier of the death of the surviving spouse or eligible children, or the date that the deceased member would have attained the age of 50 years.

Death After Retirement

If the unmodified retirement option is chosen as part of a service retirement, the eligible spouse/registered domestic partner will receive 60% of the retiree's monthly pay for the remainder of the spouse/registered domestic partner's life. The continuance is 100% if the member retired with a service-connected disability. The spouse/registered domestic partner's eligibility in the case of a service retirement is determined by whether the marriage/registered domestic partnership occurred at least one year prior to retirement. In the event the member was unmarried at retirement, under GC section 31760.2, the eligibility is determined based on whether the marriage/registered domestic partnership occurred at least two years prior to the date of death of the member and the spouse/registered domestic partner has attained the age of 55 years on or prior to the date of death of the member. However, in the case of a service-connected disability, the spouse/registered domestic partner must have been married/registered at least one day prior to retirement pursuant to GC section 31786. A burial allowance of $1,000 is also payable to the deceased retiree's beneficiary or estate ($250 of this amount is discretionary, subject to the availability of funds in the burial allowance reserve).

If there is no eligible surviving spouse, any minor children are eligible and the unmodified option was selected at retirement, the total benefit received is 60% of the retiree's monthly compensation, which would be divided amongst the unmarried children (if more than one). The benefit continues until the unmarried child/children reach age 18 or marry, whichever comes first. If the child/children remain unmarried and are enrolled as full-time students in an accredited school, the benefit will continue up to the age of 22.

If one of the four modified retirement options are chosen by the member as part of a service retirement, the monthly allowance is reduced for the retiree's lifetime. The type of reduction is dependent on the election made by the member and is approved by the Board, upon the advice of SBCERA's independent actuary.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 1 — Significant Provisions of the Plan *(Continued)*

DEATH AND DISABILITY BENEFITS *(Continued)*

Survivor Benefits

The Plan provides a General member survivor benefit to an eligible spouse/registered domestic partner, eligible dependent children, and eligible dependent parents, if the active General member had been a member continuously for at least 18 months immediately prior to death, pursuant to GC section 31855.12.

Disability Benefits

The Plan provides disability benefits to eligible members and Article 10 of the CERL governs these benefits.

An active member, who is found by the Board to be permanently incapacitated as a result of a service connected injury or illness, arising out of or in the course of the member's employment, is paid an annual disability allowance equal to the greater of 50% of the employee's final average compensation or the normal service retirement benefits accumulated by the member as of the date of the disability retirement. A member, who is found by the Board to be permanently incapacitated as a result of a non-service connected injury or illness, which does not arise out of or in the course of the member's employment, is paid a monthly allowance determined by their entry date. If the member entered the system on or after January 1, 1981, pursuant to GC section 31727.7, the benefit is 20% of final average compensation for five years of service credit and 2% for each additional whole year of service credit thereafter, up to a maximum of 40% of final average compensation. For members who entered the system prior to January 1, 1981, the non-service connected monthly disability benefit is one-third of the member's final average compensation. For all members, regardless of when they entered the system, if the service retirement benefit is higher, the member would be paid that amount.

Cost-Of-Living Adjustments

Pursuant to GC section 31870, an automatic cost-of-living adjustment is provided based on changes in the local region Consumer Price Index (CPI) up to a maximum of 2% per year. Any increase greater than 2% is "banked" and may be used in years when the CPI is less than 2%. In addition, there is a one-time 7% increase at retirement for members hired before August 19, 1975, pursuant to Article 16.6 of the CERL.

Participating Employers

A district may become a participating employer in SBCERA pursuant to GC section 31557. A participating employer is eligible to withdraw from SBCERA pursuant to GC section 31564. The terminating employer remains liable to SBCERA for the employer's share of any unfunded actuarial liability of the Plan, which is attributable to the employees of the withdrawing employer who either have retired or will retire from the Plan. The liability is determined by SBCERA's actuary pursuant to GC section 31564.2.

Notes to the Basic Financial Statements

June 30, 2019 and 2018

(Continued)

Note 1 — Significant Provisions of the Plan *(Continued)*

PARTICIPATING EMPLOYERS *(Continued)*

Four employers have withdrawn from SBCERA, one remains liable for their unfunded actuarial liability at June 30, 2020 and at June 30, 2019, and one (ILS) has not completely withdrawn. On June 30, 2012, San Bernardino International Airport Authority (SBIAA) and the Inland Valley Development Agency (IVDA) withdrew from SBCERA and subsequently entered into a payment agreement with SBCERA in September 2013, to pay their unfunded actuarial liability of $3.6 million and $4.4 million, respectively. SBIAA and IVDA requested the payments be first applied to SBIAA until their liability was paid in full in August 2015. On May 4, 2013, Rim of the World Recreation and Park District (Rim) withdrew from SBCERA and subsequently entered into a payment agreement with SBCERA in February 2014 to pay their unfunded actuarial liability of $669 thousand.

On May 31, 2019, Inland Library System's (ILS) last employee retired; however, the participating employer will not be considered fully withdrawn until the ILS board issues an irrevocable resolution to withdraw. At that time, ILS will agree to a withdrawal liability and payment plan according the SBCERA General Policy No. 020 (Issue 1.0). For the purpose of actuarial valuations, the employer is considered withdrawn.

See below for a summary of the amounts due from withdrawn employers as of June 30, 2020 and 2019.

DUE FROM WITHDRAWN EMPLOYERS

As of June 30, 2020 and 2019

(Amounts in Thousands)

Employer	Balance at July 1, 2019	Additions	Deductions	Balance at June 30, 2020
Rim	$485	$-	$(33)	$452
TOTAL	**$485**	**$-**	**$(33)**	**$452**

Employer	Balance at July 1, 2018	Additions	Deductions	Balance at June 30, 2019
Rim	$519	$-	$(34)	$485
TOTAL	**$519**	**$-**	**$(34)**	**$485**

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 2 — Summary of Significant Accounting Policies

The following are the significant accounting policies followed by SBCERA.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (U.S.) known as Generally Accepted Accounting Principles (GAAP), under which revenues are recognized when earned and deductions are recorded when the liability is incurred. Employer and member contributions are recognized as revenues when due, pursuant to statutory requirements. Contributions are recorded in the period the related salaries are earned and become measurable pursuant to statutory or contractual requirements. Investment income is recognized as revenue when earned. The net appreciation/(depreciation) in fair value of investments held by SBCERA is recorded as an increase/(decrease) to investment income based on the valuation of investments at year-end, which includes both realized and unrealized gains and losses on investments. Retirement benefits and refunds are recognized when currently due and payable in accordance with the terms of the Plan. Other expenses are recognized when the corresponding liabilities are incurred.

Cash

Cash includes cash on hand (petty cash), deposits with a financial institution and deposits with a pooled account managed by the San Bernardino County Treasurer. Refer to Note 7 – Deposits and Investments (see section for Cash and Deposits) for further information.

Investments

SBCERA is authorized by GC sections 31594 and 31595 to invest in any form or type of investment deemed prudent by the Board and does so through the *Investment Plan, Policy and Guidelines* established by the Board. The assets of the Plan are held for the exclusive purpose to provide benefits to members and their beneficiaries and to defray reasonable expenses of administering SBCERA. The Board is required by statute to use care, skill, prudence, and diligence to diversify the investments of the Plan to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so. Refer to Note 7 – Deposits and Investments (see section for Investments) for further information.

Plan investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for investments of publicly traded securities is based upon closing sales prices reported on recognized securities exchanges on the last business day of the period or for listed securities having no sales reported and for unlisted securities, based upon last reported bid prices. All purchases and sales of securities are accounted for on a trade date basis and dividends declared but not received are accrued on the ex-dividend date. Realized gains or losses of securities are determined based on average cost.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 2 — Summary of Significant Accounting Policies *(Continued)*

BASIS OF ACCOUNTING | INVESTMENTS *(Continued)*

Fair value for investments in limited partnerships and/or commingled funds of debt securities, equity securities, real estate, private equity, commodities, infrastructure, and other alternatives is based on fund share price or percentage of ownership, provided by the fund manager or general partner, which is based on net asset value as determined by the fund manager or general partner. Fair value for these investments is reported by the fund manager and/or general partner on a monthly and/or quarterly basis and is supported by annual financial statements that are audited by an independent third party accountant. Where fair value information as of June 30, 2020 and 2019, was not available at the time of these financial statements, SBCERA has estimated fair value by using the most recent fair value information available from the fund manager/general partner and adding any contributions and/or deducting any distributions to/from the investment from the date of the most recent fair value information.

Fair value for investments in separately owned real estate is based on independent appraisals obtained every three years along with quarterly valuations performed by SBCERA's individual real estate advisors in accordance with the Real Estate Information Standards of the National Council of Real Estate Investment Fiduciaries.

The allocation of investment assets within SBCERA's portfolio is approved by the Board as outlined in the *Investment Plan, Policy and Guidelines*. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan. The table below provides the Board's adopted *Asset Allocation* policy as of June 30, 2020 and 2019, respectively.

ASSET ALLOCATION POLICY

As of June 30, 2020 and 2019

Asset Class	Target Allocation
Domestic Equity	13.00%
International Equity	15.00%
Domestic Fixed Income	15.00%
International Fixed Income	20.00%
Private Equity	16.00%
Real Estate	7.00%
Absolute Return	7.00%
Timber	2.00%
Infrastructure	1.00%
Commodities	2.00%
Short-Term Cash	2.00%
TOTAL	**100.00%**

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Notes 2 — Summary of Significant Accounting Policies

BASIS OF ACCOUNTING *(Continued)*

Derivatives

The Plan uses financial instruments such as derivatives and similar transactions to gain exposure to various financial markets and reduce its exposure to certain financial market risks for purposes of investments only. The financial instruments are valued at fair value and, as such, gains and losses are recognized daily, based on changes in their fair value. These changes are reflected as net appreciation/(depreciation) in fair value of investments on the Statements of Changes in Fiduciary Net Position. The use of these financial instruments exposes the Plan to counter-party credit risk and to market risk associated with a possible adverse change in interest rates, equity values, and currency movement. The Plan may have additional exposure to derivative instruments through investments in commingled funds whose strategies may include the use of derivatives to gain exposure to various financial markets and reduce its exposure to certain financial market risks. Refer to Note 7 – Deposits and Investments (see section for Derivatives) for further information.

Reserves

Employer and member contributions are allocated to various reserve accounts based on actuarial determinations. Pursuant to the Board's *Interest Crediting Procedures and Undesignated Excess Earnings Allocation* policy, funds in excess of reserve requirements are allocated first to prior year shortfalls (the Contra Account), then 3% of the fair value of assets are set aside as a contingency reserve for future losses, and any excess is then allocated to the employer current service reserve, maintained as an additional contingency reserve, or held as undesignated excess earnings. Refer to Note 5 – Reserves for further information.

Income Taxes

SBCERA is a qualified plan under IRC section 401(a) and is exempt from federal income taxes under IRC section 501(a). Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Administrative Expenses

The Board adopts the annual operating budget for the administration of SBCERA. The administrative expenses are charged against the earnings of the Plan. Pursuant to GC section 31580.2, administrative expenses incurred in any one year are not to exceed twenty-one hundredths of one percent or 0.21% of SBCERA's actuarial accrued liabilities. Actual administrative expenses did not exceed this limitation for the years ended June 30, 2020 and 2019 (see table on next page).

Pursuant to GC sections 31522.5, 31522.7, 31580.2, 31529.9, 31596.1, and 31699.9, certain expenses are excluded from the limits described above for investment costs, actuarial service costs, legal service costs, and technology costs. Therefore, investment costs were offset against investment income, and actuarial service costs, technology costs, and non-investment legal service costs are all reported on the Statements of Changes in Fiduciary Net Position as Other Expenses. A Schedule of Administrative and Other Expenses subject to the statutory limitation described above is also included in the Other Supplementary Information section of this report.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Notes 2 — Summary of Significant Accounting Policies *(Continued)*

BASIS OF ACCOUNTING | ADMINISTRATIVE EXPENSES *(Continued)*

STATUTORY LIMITATION FOR ADMINISTRATIVE EXPENSES

(Amounts in Thousands)

		For the Year Ended June 30, 2019	For the Year Ended June 30, 2018
Actuarial Accrued Liability (AAL)[1]	**a**	$12,604,942	$11,928,310
Statutory Limit for Administrative Expenses (AAL x 0.21%)		26,470	25,049
Actual Administrative Expenses Subject to Statutory Limit	**b**	9,019	9,383
EXCESS OF LIMITATION OVER ACTUAL ADMINISTRATIVE EXPENSES		**$17,451**	**$15,666**
ACTUAL ADMINISTRATIVE EXPENSES AS A PERCENTAGE OF AAL	**b/a**	**0.07%**	**0.08%**

Management's Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions. These affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Capital Assets

Capital assets are recorded at cost and consist of furniture, equipment, intangible assets, including computer software, and leasehold improvements with an initial cost of $25 thousand or more and an estimated useful life in excess of one year. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the assets, which range from three to thirty-nine years. SBCERA's capital assets are summarized on the following page as of June 30, 2020 and 2019.

(1) The AAL, as determined by the Plan's actuary each year, is used to calculate the statutory limitation for administrative expenses for the year after next. For example, the AAL as of June 30, 2018 was approved by the Board in December 2018, and was used to establish the statutory limitation for administrative expenses for the year ended June 30, 2020.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 2 — Summary of Significant Accounting Policies *(Continued)*

BASIS OF ACCOUNTING | CAPITAL ASSETS *(Continued)*

CAPITAL ASSETS

(Amounts in Thousands)

	2019			2020		
	Beginning	Additions	Ending	Beginning	Additions	Ending
Furniture, Equipment & Leaseholds	$10,887	$7	$10,894	$10,894	$1,108	$12,002
Computer Software	4,395	34	4,429	4,429	161	4,590
Accumulated Depreciation[1]	(6,520)	(458)	(6,978)	(6,978)	(430)	(7,408)
Accumulated Amortization[1]	(2,951)	(487)	(3,438)	(3,438)	(478)	(3,916)
TOTAL	**$5,811**	**$(904)**	**$4,907**	**$4,907**	**$361**	**$5,268**

Reclassification of Financial Statements Presentation

Certain amounts presented in the year ended June 30, 2019, financial statements were reclassified to be consistent with the current year's presentation. Such reclassifications have no effect on the net increase in fiduciary net position as previously reported.

Subsequent Events

There were no subsequent events that require an adjustment or disclosure other than the information described within these Notes.

Due to the COVID-19 pandemic, market conditions have changed significantly during 2020. While SBCERA is a long-term investor, it is impossible to determine how the pandemic may affect investment values in the future. There have been no correlations between the pandemic and SBCERA membership through its participating employers. It is impossible to determine how the pandemic may affect participating employers' employment levels in the future, and any resulting impact on the actuarial valuation and assumptions.

On July 30, 2020, the California Supreme court filed its decision in Alameda County Deputy Sheriff's Assn. v Alameda County Employees' Retirement Assn., Cal. Supreme Court Case No. S247095, which became final on August 30, 2020 (the "Alameda Decision"). The Alameda Decision overturns certain legal and equitable determinations in the First DCA in Alameda and concludes that all amendments to the definition of Compensation Earnable in Government Code section 31641, enacted as a result of the Public Employees' Pension Reform Act of 2013 and related statutory changes to CERL ("PEPRA"), effective January 1, 2013 are constitutional, and that CERL retirement boards may not be contractually bound or estopped by settlement agreements, board resolutions, or other similar actions, from implementing those amendments. The Alameda Decision further determines that CERL retirement boards may not include items in compensation earnable that section 31461 requires them to exclude. SBCERA implementation of the Alameda Decision has not been completed, and is being directed by Board resolution. Affected members will have their benefits adjusted based on new Compensation Earnable amounts that do not include the amounts that the Alameda Decision has determined must be excluded. Affected members who have not yet retired, or still have contributions on deposit with SBCERA will receive a corrective distribution that includes a return of the member contributions made for those items excluded pursuant to the Alameda Decision.

(1) Depreciation and amortization expense totaled $908 thousand and $945 thousand for the years ended June 30, 2020 and 2019, respectively.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 3 — Contribution Requirements

Participating employers and active members are required by statute to contribute a percentage of covered payroll to the Plan. This requirement is pursuant to GC sections 31453.5 and 31454 for participating employers, and GC sections 31621.6, 31639.25, and 7522.30 for active members. The contribution requirements are established and may be amended by the Board pursuant to Article 1 of the CERL, which is consistent with the Plan's actuarial funding policy. The contribution rates are adopted yearly, based on an annual actuarial valuation, conducted by an independent actuary, that considers the mortality, service (including age at entry into the Plan, if applicable, and tier), and compensation experience of the members and their beneficiaries, and also includes an evaluation of the Plan's assets and liabilities. Participating employers may pay a portion of the active member contributions, and active members may pay a portion of the participating employer contributions, through negotiations and bargaining agreements.

One of the funding objectives of the Plan is to establish contribution rates that, over time, will remain level as a percentage of payroll unless the Plan benefit provisions are changed. Actuarial funding is based on the Entry Age Cost method. The employer contribution rate provides for current cost (normal cost) plus a level percentage of payroll to amortize the Unfunded Actuarial Accrued Liability (UAAL). Normal cost is the annual contribution rate that, if paid annually from a member's first year of membership through the year of retirement, would accumulate to the amount necessary to fully fund the member's retirement benefit if all underlying assumptions are met. The UAAL is the difference between the Actuarial Accrued Liability and the Actuarial Value of Assets. The amortization period for the UAAL is 20 years for all combined UAAL existing through June 30, 2002, with two years of amortization remaining at June 30, 2020. Any new UAAL after June 30, 2002 is amortized over a closed 20-year period effective with that valuation.

SBCERA's actuarial valuation for funding purposes is completed as of June 30 of each year. The rates recommended in the actuarial valuation apply to the year beginning 12 months after the valuation date. For example, the actuarial valuation dated June 30, 2020 establishes the contribution rates for the year ended June 30, 2022. Any shortfall or excess contributions, because of this implementation lag, are amortized as part of SBCERA's UAAL in the following valuation. Commencing with the June 30, 2012 valuation, any increase in UAAL resulting from Plan amendments will be amortized over its own declining 15-year period; temporary retirement incentives, including the impact of benefits resulting from additional service permitted in GC section 31641.04 (Golden Handshake) will be amortized over a declining period of up to five years. If an overfunding exists (i.e., the total of all UAAL becomes negative so that there is a surplus), such surplus and any subsequent surpluses will be amortized over an "open" amortization period of 30 years. Any prior UAAL amortization layers will be considered fully amortized, and any subsequent UAAL will be amortized over 20 years as the first of a new series of amortization layers. The amortization policy components apply separately to each of SBCERA's UAAL cost sharing groups.

For funding purposes, SBCERA's actuarial valuation values the Plan's assets at fair value of assets less unrecognized gains and losses from each of the last five years. Under this method, the assets used to determine employer contribution rates consider fair value by recognizing the differences between the actual market return and the expected market return over a five-year period.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 3 — Contribution Requirements *(Continued)*

Separate contribution rates are established by the Board for the General member survivor benefit provided by the Plan. The costs of survivor benefits are based on an annual valuation conducted by an independent actuary, and are equally shared between the participating employers and the active General members. The contribution rates are calculated to provide for the ongoing cost of this benefit, plus any amounts necessary to recognize any shortfall of reserves to the actuarial accrued liabilities associated with this benefit. For the survivor benefit valuation, the same amortization policy components as described on the previous page and above apply, except that a level dollar methodology is used instead of a level percent of payroll. Survivor benefit contribution rates, for the years ended June 30, 2020 and 2019 were $1.35 and $1.36, respectively, per biweekly employer pay period.

The tables below provide a summary of the employer and member contributions received for the years ended June 30, 2020 and 2019. Participating employers satisfied 100% of the contribution requirements for the years ended June 30, 2020 and 2019.

EMPLOYER CONTRIBUTIONS

For the Years Ended June 30, 2020 and 2019

(Amounts in Thousands)

Contribution Type	2020	2019
Actuarially Determined Contributions - Employer Paid	$467,180	$445,426
Actuarially Determined Contributions - Member Paid	142	221
Survivor Benefit Contributions	663	648
TOTAL EMPLOYER CONTRIBUTIONS	**$467,985**	**$446,295**

MEMBER CONTRIBUTIONS

For the Years Ended June 30, 2020 and 2019

(Amounts in Thousands)

Contribution Type	2020	2019
Actuarially Determined Contributions - Member Paid	$161,834	$156,533
Actuarially Determined Contributions - Employer Paid	3,077	3,274
Survivor Benefit Contributions	663	648
Purchase of Eligible Service Credit	3,609	3,097
TOTAL MEMBER CONTRIBUTIONS	**$169,183**	**$163,552**

SBCERA is also a participating employer and all SBCERA employees are eligible for membership in the Plan. The employer contributions paid by SBCERA, on behalf of these employees, are funded by earnings of the Plan, pursuant to GC section 31580.2. SBCERA paid 100% of the actuarially determined contributions, including survivor benefit contributions, in the amounts of $1.5 million and $1.4 million, for the years ended June 30, 2020 and 2019, respectively.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 3 — Contribution Requirements *(Continued)*

The tables below summarize the actuarially determined, Board approved, required employer and member contribution rates in effect for the years ended June 30, 2020 and 2019. Contribution rates are expressed as a percentage of covered payroll.

EMPLOYER CONTRIBUTION RATES

For the Year Ended June 30, 2020

	Tier 1 Members[1]			Tier 2 Members[1]		
Actuarial Cost Group	Normal Cost	Unfunded Actuarial Accrued Liability	Total	Normal Cost	Unfunded Actuarial Accrued Liability	Total
County General Members	11.63%	13.76%	**25.39%**	9.10%	13.76%	**22.86%**
Safety Members	21.66%	33.42%	**55.08%**	16.19%	33.42%	**49.61%**
Superior Court Members	11.63%	16.73%	**28.36%**	9.10%	16.73%	**25.83%**
SCAQMD Members	12.45%	29.86%	**42.31%**	8.18%	29.86%	**38.04%**
Other General Members	11.48%	26.54%	**38.02%**	9.07%	26.54%	**35.61%**

For the Year Ended June 30, 2019

	Tier 1 Members[2]			Tier 2 Members[2]		
Actuarial Cost Group	Normal Cost	Unfunded Actuarial Accrued Liability	Total	Normal Cost	Unfunded Actuarial Accrued Liability	Total
County General Members	11.70%	13.57%	**25.27%**	9.16%	13.57%	**22.73%**
Safety Members	21.81%	33.76%	**55.57%**	16.54%	33.76%	**50.30%**
Superior Court Members	11.70%	16.47%	**28.17%**	9.16%	16.47%	**25.63%**
SCAQMD Members	11.84%	28.50%	**40.34%**	8.39%	28.50%	**36.89%**
Other General Members	11.78%	25.25%	**37.03%**	9.05%	25.25%	**34.30%**

MEMBER CONTRIBUTION RATES

For the Years Ended June 30, 2020 and 2019

	2020[1]		2019[2]	
Actuarial Cost Group	Lowest[3]	Highest[3]	Lowest[3]	Highest[3]
General Members - Tier 1	9.14%	15.53%	9.13%	15.50%
Safety Members - Tier 1	11.80%	17.99%	11.79%	17.98%
County General and Superior Court Members - Tier 2	9.10%	9.10%	9.16%	9.16%
Safety Members - Tier 2	16.19%	16.19%	16.54%	16.54%
SCAQMD Members - Tier 2	8.18%	8.18%	8.39%	8.39%
Other General Members - Tier 2	9.07%	9.07%	9.05%	9.05%

(1) Rates are in accordance with the June 30, 2018 valuation.
(2) Rates are in accordance with the June 30, 2017 valuation.
(3) Tier1ratesarebasedonageatentry:Lowestrateshownrepresentsentryage16,andthehighestrateshownrepresentsthe highest entry age rate. All Tier 2 members contributed using a single refundable rate (50% of normal cost).

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 4 — Net Pension Liability of Participating Employers

The components of the net pension liability of participating employers as of June 30, 2020 and 2019 are below.

NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS

As of June 30, 2020 and 2019

(Amounts in Thousands)

		2020	2019
Total Pension Liability	a	$14,295,742	$12,600,570
Plan Fiduciary Net Position	b	10,287,334	10,066,990
NET PENSION LIABILITY	**a-b**	**$4,008,408**	**$2,533,580**
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	**b/a**	**71.96%**	**79.89%**

The net pension liability of participating employers was measured as of June 30, 2020 and 2019 and determined based upon the total pension liability from actuarial valuations as of June 30, 2020 and 2019, respectively.

Actuarial Assumptions

The actuarial assumptions used to determine the total pension liability as of June 30, 2020 and 2019 were based on the results of the June 30, 2020 and June 30, 2017 Actuarial Experience Studies, respectively (experience study), which covered the periods from July 1, 2016 through June 30, 2019 and July 1, 2013 through June 30, 2016, respectively. They are the same assumptions used in the June 30, 2020 and 2019 actuarial valuations, respectively, which are used to determine future contribution rates for funding purposes. The key assumptions used in the actuarial valuations include the following items:

Actuarial Experience Study	3 Year Period Ending June 30, 2019	3 Year Period Ending June 30, 2016
Discount Rate	7.25% - net of Plan investment expense	7.25% - net of Plan investment expense
Inflation	2.75%	3.00%
Projected Salary Increases	General: 4.55% to 12.75%; Safety: 4.75% to 12.25% - Includes real "across the board" salary increases of 0.50% and merit and promotional increases	General: 4.50% to 14.50%; Safety: 4.70% to 14.50% - Includes real "across the board" salary increases of 0.50% and merit and promotional increases
Cost-of-Living Adjustments	Contingent upon consumer price index with a 2.00% maximum	Contingent upon consumer price index with a 2.00% maximum
Administrative Expenses	0.85% of payroll	0.70% of payroll

The notes to the required supplementary information present multiyear information for changes made to actuarial assumptions.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 4 — Net Pension Liability of Participating Employers *(Continued)*

Mortality Rates

Mortality rates used in the June 30, 2020 actuarial valuation were based on Pub-2010 Amount-Weighted Above-Median Mortality Table projected generationally with the two-dimensional MP-2019 projection scale. For healthy General members, the General Healthy Retiree rates increased by 10% were used. For healthy Safety members, the Safety Healthy Retiree rates were used. For disabled General members, the Non-Safety Disabled Retiree rates were used. For disabled Safety members, the Safety Disabled Retiree rates were used. For beneficiaries, Contingent Survivor rates increased by 10$ were used.

Mortality rates used in the June 30, 2019 actuarial valuation are based on the RP 2014 Healthy Annuitant Mortality Table projected generationally with the two-dimensional MP-2016 projection scale. For healthy General male members, the ages are set forward one year. No adjustment is made for healthy General female members. For all healthy and disabled Safety members, the ages are set back one year. For all General members that are disabled, the ages are set forward seven years. Beneficiaries are assumed to have the same mortality as a General member of the opposite sex who is receiving a service (non-disability) retirement.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 4 — Net Pension Liability of Participating Employers *(Continued)*

Long-Term Expected Real Rate of Return

The long-term expected rate of return on Plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. This information is combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, and by adding expected inflation and subtracting expected investment expenses and a risk margin.

The target allocations approved by the Board, and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumptions as of June 30, 2020 and 2019, are summarized in the table on the next page. This information will change every three years based on the triennial actuarial experience study.

LONG-TERM EXPECTED REAL RATE OF RETURN

As of June 30, 2020[1]

Asset Class	Investment Classification	Target Allocation[1]	Long-Term Expected Real Rate of Return (Arithmetic)
Large Cap U.S. Equity	Domestic Common and Preferred Stock	11.00%	5.42%
Small Cap U.S. Equity	Domestic Common and Preferred Stock	2.00%	6.21%
Developed International Equity	Foreign Common and Preferred Stock	9.00%	6.50%
Emerging Market Equity	Foreign Common and Preferred Stock	6.00%	8.80%
U.S. Core Fixed Income	U.S. Government and Municipals/Domestic Bonds	2.00%	1.13%
High Yield/Credit Strategies	Domestic Bonds/Foreign Bonds	13.00%	3.4%
International Core Fixed Income	Foreign Bonds	1.00%	(0.04)%
Emerging Market Debt	Emerging Market Debt	8.00%	3.44%
Real Estate	Real Estate	3.00%	4.57%
Value Added Real Estate	Real Estate	3.00%	6.53%
International Credit	Foreign Alternatives	11.00%	5.89%
Absolute Return	Domestic Alternatives/Foreign Alternatives	7.00%	3.69%
Real Assets	Domestic Alternatives/Foreign Alternatives	5.00%	10.64%
Private Equity	Domestic Alternatives/Foreign Alternatives	16.00%	10.70%
Cash and Equivalents	Short-Term Cash Investment Funds	2.00%	(0.03)%
TOTAL		**100.00%**	

(1) Based on the 2020 triennial experience study.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 4 — Net Pension Liability of Participating Employers *(Continued)*

LONG-TERM EXPECTED REAL RATE OF RETURN (Continued)

LONG-TERM EXPECTED REAL RATE OF RETURN

As of June 30, 2019[1]

Asset Class	Investment Classification	Target Allocation[1]	Long-Term Expected Real Rate of Return (Arithmetic)
Large Cap U.S. Equity	Domestic Common and Preferred Stock	8.00%	5.61%
Small Cap U.S. Equity	Domestic Common and Preferred Stock	2.00%	6.37%
Developed International Equity	Foreign Common and Preferred Stock	6.00%	6.96%
Emerging Market Equity	Foreign Common and Preferred Stock	6.00%	9.28%
U.S. Core Fixed Income	U.S. Government and Municipals/Domestic Bonds	2.00%	1.06%
High Yield/Credit Strategies	Domestic Bonds/Foreign Bonds	13.00%	3.65%
International Core Fixed Income	Foreign Bonds	1.00%	0.07%
Emerging Market Debt	Emerging Market Debt	6.00%	3.85%
Real Estate	Real Estate	9.00%	4.37%
International Credit	Foreign Alternatives	11.00%	6.75%
Absolute Return	Domestic Alternatives/Foreign Alternatives	13.00%	3.56%
Real Assets	Domestic Alternatives/Foreign Alternatives	5.00%	6.35%
Private Equity	Domestic Alternatives/Foreign Alternatives	16.00%	8.47%
Cash and Equivalents	Short-Term Cash Investment Funds	2.00%	(0.17)%
TOTAL		**100.00%**	

(1) Based on the 2017 triennial experience study.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 4 — Net Pension Liability of Participating Employers *(Continued)*

Discount Rate

The discount rate used to measure the total pension liability was 7.25% for the years ended June 30, 2020 and 2019. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers and active members are made at the actuarially determined contribution rate. For this purpose, only employer and member contributions that are intended to fund benefits of current members and their beneficiaries are included.

Projected employer contributions that are intended to fund the service costs of future members and their beneficiaries, as well as projected contributions from future members, are not included. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on Plan investments of 7.25% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020 and 2019.

The table below presents the net pension liability of participating employers calculated using the discount rate of 7.25% as of June 30, 2020 and 2019, as well as what the net pension liability of participating employers would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

SENSITIVITY OF NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

As of June 30, 2020 and 2019

(Amounts in Thousands)

Net Pension Liability	1.00% Decrease 6.25%	Current Discount Rate 7.25%	1.00% Increase 8.25%
June 30, 2020	$5,949,945	$4,008,408	$2,418,610
June 30, 2019	4,531,326	2,711,896	1,220,254

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 5 — Reserves

All employer and member contributions are allocated to various reserve accounts based on the recommendation of the Plan's actuary, as approved by the Board, and where applicable, as required by the CERL. SBCERA currently does not set aside a separate reserve for purposes of benefit increases or reduced employer contributions. All of the current reserves are available to pay for existing pensions or for Plan administration. All reserves, except the burial allowance reserve, are expected to be fully funded based on actuarially determined contributions. Set forth below are descriptions of the purpose of each reserve account.

Member Deposit Reserve

The reserve represents the total accumulated contributions of members.

Employer Current Service Reserve

The reserve includes the total accumulated contributions of the employers held for the benefit of non-retired General and Safety members on account of service rendered as a member of the Plan.

Contra Account

The contra account represents the amount of interest credited to the reserve accounts that have not been paid for out of current or excess earnings. A balance in this account is the result of applying the full interest crediting policy of the Board and will be replenished in subsequent periods as sufficient earnings allow.

Pension Reserve

The reserve represents total accumulated contributions of the employer held for the benefit of retired members for service rendered as a member of the retirement system less the pension payments made to retired members.

Cost-of-Living Reserve

The reserve represents the accumulated contributions of the employer to be used to pay cost-of-living payments.

Annuity Reserve

The reserve includes the total accumulated contributions of retired members less the annuity payments made to the members.

Supplemental Disability Reserve

The reserve represents the accumulated contributions of the employer to pay supplemental disability payments.

Survivor Benefit Reserve

The reserve represents the accumulated contributions of the employer and members to be used to pay retirees' survivor benefit allowances.

Burial Allowance Reserve

The reserve represents the excess earnings allocated by the Board to pay retirees' discretionary burial allowance. In 1985, the Board adopted GC section 31789.13 that provides an additional $250 burial allowance to retired SBCERA members.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 5 — Reserves *(Continued)*

For funding purposes, the various reserve accounts comprise net position - restricted for pensions under the five-year smoothed market asset valuation method as displayed below.

RESERVES

As of June 30, 2020 and 2019

(Amounts in Thousands)

	2020	2019
Valuation Reserves		
Member Deposit Reserve	$1,609,792	$1,517,088
Employer Current Service Reserve	2,972,558	2,762,603
Contra Account	(3,857,261)	(3,303,286)
Pension Reserve	5,190,499	4,883,597
Cost-of-Living Reserve	2,477,844	2,277,979
Annuity Reserve	2,653,421	2,422,029
Supplemental Disability Reserve	6,792	7,439
Survivor Benefit Reserve	78,998	74,376
TOTAL RESERVED FOR PENSIONS	**11,132,643**	**10,641,825**
Non-Valuation Reserves		
Burial Allowance Reserve	530	576
TOTAL - NON-VALUATION RESERVES	**530**	**576**
TOTAL RESERVES (SMOOTHED MARKET ACTUARIAL VALUE)	**11,133,173**	**10,642,401**
Net Unrecognized Gains/(Losses)	**(845,839)**	**(53,994)**
NET POSITION - RESTRICTED FOR PENSIONS INCLUDING NON-VALUATION RESERVES, AT FAIR VALUE	**$10,287,334**	**$10,588,407**

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 6 — Securities Lending

SBCERA, pursuant to a Securities Lending Authorization Agreement (Agreement), has authorized State Street Bank and Trust Company (State Street) to act as SBCERA's agent in lending the Plan's securities to approved borrowers. State Street, as agent, enters into Securities Loan Agreements with borrowers.

State Street lent, on behalf of SBCERA, certain securities of the Plan held by State Street as custodian and received cash or other collateral including securities issued or guaranteed by the U.S. Government. The types of securities loaned are U.S. Government obligations and other municipals, domestic equity, domestic fixed income, international equity, and international fixed income securities. State Street does not have the ability to pledge or sell collateral securities delivered absent a borrower default. Borrowers are required to deliver collateral for each loan equal to 102% for domestic loans and 105% for international loans, of the fair value of the loaned securities plus accrued income, for the years ended June 30, 2020 and 2019.

SBCERA did not impose any restrictions during the two-year period ended June 30, 2020 on the amount of loans that State Street made on its behalf. Pursuant to the Agreement, State Street had an obligation to indemnify SBCERA in the event of default by a borrower. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the same two-year period that resulted in a declaration or notice of default of the borrower.

During the years ended June 30, 2020 and 2019, SBCERA and the borrowers maintained the right to terminate securities lending transactions upon notice. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment fund comprised of a liquidity pool. The pool is not rated. All securities in this pool with maturities of 13 months or less are rated at least "A1," "P1," or "F1," and maturities in excess of 13 months are rated at least "A-" or "A3," by at least two nationally recognized statistical rating organizations, or if unrated, have been determined by the bank to be of comparable quality. As of June 30, 2020, the liquidity pool had an average duration of 27 days, and a weighted average final maturity of 70 days. As of June 30, 2019, the liquidity pool had an average duration of 23 days, and a weighted average final maturity of 105 days. Because the securities lending transactions were terminable at will, their duration did not generally match the duration of the investments made with the cash collateral received from the borrower.

On June 30, 2020, SBCERA had no credit risk exposure to borrowers. As of June 30, 2020, the fair value of securities on loan was $10.13 million, with the fair value of cash collateral received for the securities on loan of $6.61 million, and non-cash collateral of $779 thousand. As of June 30, 2019, the fair value of securities on loan was $131.30 million, with the fair value of cash collateral received for the securities on loan of $113.71 million, and non-cash collateral of $16.83 million.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 7 — Deposits and Investments

Cash and Deposits

The Board is authorized by the CERL to deposit monies to pay benefits and administrative costs. Operational cash accounts are held with a financial institution in the amount of $6.37 million and $4.09 million at June 30, 2020 and 2019, respectively. Except for a nominal balance, operational cash accounts held with a financial institution are swept into a pooled money market fund that invests in repurchase agreements and U.S. Treasuries. Operational cash accounts are also held with the County of San Bernardino Treasurer's Investment Pool (SBCIP) in the amount of $6.47 million and $10.48 million at June 30, 2020 and 2019, respectively. The SBCIP is an external investment pool and is not registered with the Securities and Exchange Commission. At June 30, 2020 and 2019, the SBCIP has a weighted average maturity of 553 and 424 days, respectively. The SBCIP is rated AAAf/S1 by Fitch. The deposits in the SBCIP are reported at fair value. For further information regarding the SBCIP, refer to the County of San Bernardino CAFR.

Investments

The Board is authorized by the CERL to invest in any form or type of investment deemed prudent in the informed opinion of the Board. The CERL vests the Board with exclusive control over SBCERA's investment portfolio. The Board has adopted its *Investment Plan, Policy and Guidelines*, which provide the framework for the management of SBCERA's investments, in accordance with applicable local, state, and federal laws. The Board members exercise authority and control over the management of SBCERA's assets by setting policy, which the Investment Staff executes either internally or through the use of external prudent experts. SBCERA retains investment managers specializing in specific strategies and/or investments within a particular asset class. Investment managers are subject to the guidelines and controls established in SBCERA's *Investment Plan, Policy and Guidelines*, various types of investment manager agreements, and other applicable policies and documents.

The *Investment Plan, Policy and Guidelines* encompass the following:

- Purpose and Core Beliefs
- Governing Law
- Functional Organization and Responsibilities
- General Objectives and Plan Policies
- Asset Allocation Plan and Objectives
- Investment Structure
- Investment Program Implementation
- Review and Modification of Investment Plan
- Emergency Actions

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 7 — Deposits and Investments *(Continued)*

Derivatives

SBCERA invests in investment derivative instruments, and did not enter into any synthetic guaranteed investment contracts or hedging derivative instruments. SBCERA does post collateral for investment derivatives for speculation purposes pursuant to clearing requirements or swap agreements.

The following table provides a summary of the derivative instruments outstanding as of June 30, 2020.

DERIVATIVE INSTRUMENTS OUTSTANDING

As of June 30, 2020

(Amounts in Thousands)

	Fair Value at June 30, 2020			
Investment Derivatives	Change[1]	Classification	Amount[2]	Notional[3]
Commodity Futures Short	$640	Short-Term Cash Investment Funds	$-	-
Commodity Futures Long	(795)	Short-Term Cash Investment Funds	-	-
Credit Default Swaps Bought	121,256	Domestic Alternatives	(1,874)	$ 202,047
Credit Default Swaps Written	(180)	Domestic Alternatives	144	$ 14,157
Equity Options Bought	26,174	Domestic Alternatives	48,047	5,359
Equity Options Written	(18,095)	Securities Options Payable	(39,121)	(8,659)
Fixed Income Futures Long	7,043	Domestic Alternatives	-	80,100
Fixed Income Futures Short	(17,100)	Domestic Alternatives	-	(458,775)
Fixed Income Options Bought	(5,437)	Domestic Alternatives	4,539	524,553
Foreign Currency Futures Short	(96)	Domestic Alternatives	-	(18,750)
Foreign Currency Options Bought	(175)	Domestic Alternatives	-	-
Futures Options Bought	(690)	Domestic Alternatives	-	-
Futures Options Written	911	Securities Options Payable	-	-
Fx Forwards	17,603	Foreign Common and Preferred Stock	2,291	$ 813,415
Index Futures Long	(84,532)	Domestic Alternatives	-	20,018
Index Futures Short	3,536	Domestic Alternatives	-	-
Index Options Bought	122,393	Domestic Alternatives	206,836	437
Index Options Written	(89,293)	Securities Options Payable	(159,954)	(659)
Pay Fixed Interest Rate Swaps	(3,912)	Domestic Alternatives	(25)	$9,689
Receive Fixed Interest Rate Swaps	(3,538)	Domestic Alternatives	(4,717)	$5,745
Total Return Swaps Bond	4,326	Domestic Alternatives	-	$1,482
Total Return Swaps Equity	(5,668)	Domestic Alternatives	(2,193)	$(9,432)
Warrants	(1,884)	Foreign Alternatives	322	$11,674
Warrants	40	Domestic Alternatives	24	$33
TOTAL	**$72,171**		**$54,329**	

(1) Negative values refer to losses; change reflected in the net appreciation in fair value of investments for securities and alternative investments.
(2) Negative values refer to liabilities.
(3) Notional may be a dollar amount or quantity of underlying investment; negative values refer to short positions.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 7 — Deposits and Investments *(Continued)*

DERIVATIVES *(Continued)*

The following table provides a summary of the derivative instruments outstanding as of June 30, 2019.

DERIVATIVE INSTRUMENTS OUTSTANDING

As of June 30, 2019
(Amounts in Thousands)

	Fair Value at June 30, 2019			
Investment Derivatives	**Change[1]**	**Classification**	**Amount[2]**	**Notional[3]**
Commodity Futures Short	$(973)	Short-Term Cash Investment Funds	$-	213
Commodity Futures Long	2,757	Short-Term Cash Investment Funds	-	(213)
Credit Default Swaps Bought	(13,877)	Domestic Alternatives	(53,287)	$968,360
Credit Default Swaps Written	(464)	Domestic Alternatives	-	$-
Equity Options Written	(29)	Securities Options Payable	(29)	51,957
Fixed Income Futures Long	2,192	Domestic Alternatives	-	210,300
Fixed Income Futures Short	(48,409)	Domestic Alternatives	-	(551,590)
Fixed Income Options Bought	(12,842)	Domestic Alternatives	9,976	1,075,982
Foreign Currency Futures Short	669	Domestic Alternatives	-	(10,375)
Futures Options Bought	554	Domestic Alternatives	82	907
Futures Options Written	455	Securities Options Payable	(241)	(106)
Fx Forwards	12,492	Foreign Common and Preferred Stock	(1,710)	$ 244,863
Index Futures Long	8,977	Domestic Alternatives	-	18,999
Index Futures Short	(7,008)	Domestic Alternatives	-	(97)
Index Options Bought	27,363	Domestic Alternatives	-	-
Index Options Written	4,773	Securities Options Payable	-	-
Total Return Swaps Bond	(7,171)	Domestic Alternatives	-	$-
Warrants	40	Domestic Alternatives	2,537	$11,451
TOTAL	**$(30,501)**		**$(42,672)**	

(1) Negative values refer to losses; change reflected in the net appreciation in fair value of investments for securities and alternative investments.
(2) Negative values refer to liabilities.
(3) Notional may be a dollar amount or quantity of underlying investment; negative values refer to short positions.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 7 — Deposits and Investments *(Continued)*

DERIVATIVES *(Continued)*

The counterparty credit ratings of SBCERA's non-exchange traded investment derivative instruments outstanding and subject to loss as of June 30, 2020 and 2019 are displayed below.

CREDIT QUALITY RATINGS (S&P) OF COUNTERPARTIES FOR INVESTMENT DERIVATIVES

As of June 30, 2020 and 2019

(Amounts in Thousands)

Counterparty Name	2020 Total Fair Value	2019 Total Fair Value	S&P Credit Rating
Bank of America	$605	$-	A+
Bank of New York	-	8	A
Barclays Bank	-	340	A
BNP Paribas	180	-	A+
Citigroup Prime Broker	36	-	BBB+
Commonwealth Bank of Australia Sydney	232	29	AA-
Conversion Non Cash	159	-	N/A
Goldman Sachs + Co LLC	223	4,490	BBB+
Goldman Sachs International	276	-	A+
JP Morgan Securities Inc.	849	-	A-
JP Morgan FX	2	-	N/A
JP Morgan Chase Bank NA London	603	-	A+
JP Morgan Chase Bank, N.A.	391	1	A+
Merrill Lynch	43	-	N/A
Morgan Stanley LCH	8	-	BBB+
Royal Bank of Canada	604	27	AA-
State Street Bank and Trust Company	690	30	AA-
UBS AG	315	37	A+
TOTAL	**$5,216**	**$4,962**	

The maximum exposure SBCERA would face in case of default of all counterparties is $5.2 million and $5.0 million as of June 30, 2020 and 2019, respectively. At June 30, 2020 and 2019, SBCERA did not have any significant exposure to counterparty credit risk with any single party. SBCERA does not have any specific policies relating to the posting of collateral or master netting agreements.

Notes to the Basic Financial Statements

June 30, 2019 and 2018

(Continued)

Note 7 — Deposits and Investments *(Continued)*

DERIVATIVES *(Continued)*

As of June 30, 2020, and 2019, SBCERA was exposed to interest rate risk on its investments in various swap arrangements and fixed income options based on daily interest rates for LIBOR (London Interbank Offered Rate), EURIBOR (Euro Interbank Offered Rate), and federal funds rate. The tables below describe the maturity periods of these derivative instruments.

INVESTMENT MATURITIES

As of June 30, 2020

(Amounts in Thousands)

		Investment Maturities			
Investment Type	**Fair Value**	**Less than 1 Year**	**1-5 Years**	**6-10 Years**	**More than 10 Years**
Credit Default Swaps Bought	$(1,874)	$ -	$(1,874)	$ -	$ -
Credit Default Swaps Written	144	-	144	-	-
Fixed Income Options Bought	4,539	-	139	3,254	1,146
Pay Fixed Interest Rate Swaps	(25)	-	(27)	-	2
Receive Fixed Interest Rate	(4,717)	-	(4,717)	-	-
Total Return Swaps Equity	(2,193)	-	-	-	(2,193)
TOTAL	**$(4,126)**	**$ -**	**$(6,335)**	**$3,254**	**$(1,045)**

As of June 30, 2019

(Amounts in Thousands)

		Investment Maturities			
Investment Type	**Fair Value**	**Less than 1 Year**	**1-5 Years**	**6-10 Years**	**More than 10 Years**
Credit Default Swaps Bought	$(53,287)	$ -	$(53,287)	$ -	$ -
Fixed Income Options Bought	9,976	1	408	6,550	3,017
TOTAL	**$(43,311)**	**$1**	**$(52,879)**	**$6,550**	**$3,017**

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 7 — Deposits and Investments *(Continued)*

DERIVATIVES *(Continued)*

SBCERA is exposed to foreign currency risk for its investments in derivative instruments denominated in foreign currencies that may be adversely affected by changes in the currency exchange rates as displayed below.

NET EXPOSURE TO FOREIGN CURRENCY RISK FOR DERIVATIVE INSTRUMENTS

As of June 30, 2020

(Amounts in Thousands)

		Forward Contracts			
Currency	**Fair Value**	**Options**	**Swaps**	**Net Receivables**	**Net Payables**
Brazilian Real	$163	$ -	$ -	$163	$ -
Canadian Dollar	(67)	-	-	-	(67)
Euro Currency	(5,370)	7	(5,103)	-	(274)
Japanese Yen	13	-	-	13	-
Pound Sterling	2,623	-	312	2,317	(6)
Saudi Riyal	140	-	-	788	(648)
South African Rand	10	-	-	10	-
Swiss Franc	(5)	-	-	-	(5)
TOTAL	**$(2,493)**	**$7**	**$(4,791)**	**$3,291**	**$(1,000)**

As of June 30, 2019

(Amounts in Thousands)

		Forward Contracts	
Currency	**Fair Value**	**Net Receivables**	**Net Payables**
Brazilian Real	$(6)	$ -	$(6)
Canadian Dollar	(282)	1	(283)
Euro Currency	(1,396)	-	(1,396)
Japanese Yen	1	1	-
Norwegian Krone	(1)	-	(1)
Pound Sterling	116	116	-
Russian Ruble	(8)	-	(8)
South African Rand	(31)	-	(31)
Swiss Franc	(103)	-	(103)
TOTAL	**$(1,710)**	**$ -**	**$(1,828)**

At June 30, 2020 and 2019, SBCERA did not hold any positions in derivatives containing contingent features.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 7 — Deposits and Investments *(Continued)*

Credit Risk

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. SBCERA seeks to maintain a diversified portfolio of debt investments in order to obtain the highest total return for the fund at an acceptable level of risk within this asset class. To mitigate credit risk, investment guidelines have been established for each manager investing on behalf of SBCERA.

Emerging market debt and private placement investments' credit risk is controlled through limited partnership agreements and other applicable commingled fund documents. These investments are not rated by nationally recognized statistical rating organizations although they may be partly or wholly made up of individual securities rated by nationally recognized statistical rating organizations. The emerging market debt is shown as "Not Rated" in the following tables. The short-term cash investment funds consist primarily of open-ended mutual funds and external investment pools. These investments are not rated by a nationally recognized statistical rating organization. Therefore, they are disclosed as such in the aforementioned tables. Private placement investments considered fixed income investments are not shown in the following tables, but amount to $95.6 million and $26.1 million as of June 30, 2020 and 2019, respectively. U.S. Treasury obligations are considered obligations of the U.S. Government, are explicitly guaranteed by the U.S. Government, are not considered to have credit risk, and are not shown in the following tables, but amount to $29.4 million and $257 million as of June 30, 2020 and 2019, respectively.

The credit quality ratings of investments in fixed income securities and short-term cash investments by a nationally recognized statistical rating organization (Standard and Poor's) as of June 30, 2020 and 2019 are as follows:

CREDIT QUALITY RATINGS (S&P) OF FIXED INCOME AND SHORT-TERM CASH INVESTMENTS

As of June 30, 2020

S&P Rating	Asset Backed	Corporate Bonds	Collateralized Mortgage Obligations	Emerging Market Debt	Foreign Bonds	Municipals	Short-Term Cash Investment Funds	Total
AAA	$18	$69	$1,409	$ -	$ -	$ -	$ -	$144,288
AA	-	15,178	31,748	-	-	1,363	-	17,950
A	18	-	-	-	-	-	-	31,766
BBB	944	14,941	584	5,805	13,542	-	-	35,816
BB	295	63,740	2,828	1,556	42,426	-	-	110,845
B	1,158	62,408	8,751	-	40,700	-	-	113,017
CCC	3,025	19,969	9,119	2,599	19,129	-	-	53,841
CC	12,419	4,214	2,009	18,147	-	-	-	36,789
D	2,954	8,143	106	17,608	1,570	-	-	30,381
NR	46,078	118,377	87,647	14,675	326,415	39,421	1,056,304	1,688,917
NA[1]	-	79,590	-	13,994	1,396	588	-	95,568
TOTAL	**$66,909**	**$386,629**	**$144,201**	**$74,384**	**$445,178**	**$41,372**	**$1,056,304**	**$2,214,977**

(1) Private placements listed as NA.

Note: Table above does not include U.S. Treasury obligations of $29,367, as these obligations are not subject to credit risk.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 7 — Deposits and Investments *(Continued)*

Credit Risk (Continued)

CREDIT QUALITY RATINGS (S&P) OF FIXED INCOME AND SHORT-TERM CASH INVESTMENTS (Continued)

As of June 30, 2019

S&P Rating	Asset Backed	Corporate Bonds	Collateralized Mortgage Obligations	Emerging Market Debt	Foreign Bonds	Municipals	Short-Term Cash Investment Funds	Total
AA	$ -	$ -	$10,819	$ -	$ -	$79	$ -	$10,898
BB	-	-	1,068	-	15,303	-	-	16,371
B	1,007	31,663	2,986	-	21,898	-	-	57,554
CCC	-	10,734	2,264	-	4,775	-	-	17,773
CC	3	-	12	-	-	-	-	15
D	1	11,493	-	-	1,880	-	-	13,374
NR	24,309	29,742	39,580	31,970	174,329	2,361	842,709	1,145,000
NA[1]	-	26,073	-	-	-	-	-	26,073
TOTAL	**$25,320**	**$109,705**	**$56,729**	**$31,970**	**$218,185**	**$2,440**	**$842,709**	**$1.287.058**

(1) Private placements listed as NA.

Note: Table above does not include U.S. Treasury obligations of $257,039, as these obligations are not subject to credit risk.

Custodial Credit Risk

Custodial Credit Risk for deposits is the risk that in the event of a financial institution's failure, SBCERA would not be able to recover its deposits. Deposits are exposed to custodial credit risk if they are not insured or not collateralized. As of June 30, 2020 and 2019, SBCERA's deposits with a financial institution were insured up to $250 thousand by the Federal Deposit Insurance Corporation (FDIC) with the remaining balance exposed to custodial credit risk as it is not insured. However, the financial institution does collateralize the deposit of monies in excess of the FDIC insurance amount with eligible securities held by the pledging financial institution, but not in SBCERA's name. Deposits with the SBCIP are not exposed to custodial credit risk as they are held in a trust fund in SBCERA's name. SBCERA does not have a general policy relating to custodial credit risk.

Custodial Credit Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, SBCERA would not be able to recover the value of the investment or collateral securities that are in possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in SBCERA's name, and held by the counterparty.

SBCERA's investment securities and collateral received through securities lending are not exposed to custodial credit risk because all securities are held by SBCERA's custodial bank in SBCERA's name or by other qualified third party administrator trust accounts.

At June 30, 2020 and 2019, SBCERA did not hold any positions in derivatives containing contingent features.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 7 — Deposits and Investments *(Continued)*

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of an investment in a single issuer. As of June 30, 2020, and 2019, SBCERA did not hold any investments in any one issuer that would represent 5% or more of total investments. Investments issued or explicitly guaranteed by the U.S. Government and pooled investments are excluded from this requirement.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, an investment with a longer maturity date has a greater sensitivity of its fair value to changes in market interest rates. One of the ways that SBCERA manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments, and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time, as necessary, to provide the cash flow and liquidity needed for operations.

To mitigate interest rate risk, the managers investing on behalf of SBCERA have applicable investment guidelines. Interest rate risk for emerging market and private placement debt investments is managed through limited partnership agreements and applicable fund documents.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 7 — Deposits and Investments *(Continued)*

Interest Rate Risk *(Continued)*

As of June 30, 2020, and 2019, SBCERA had the following Fixed Income and Short-Term Cash Investments as displayed below.

INTEREST RATE RISK OF FIXED INCOME AND SHORT-TERM CASH INVESTMENTS

As of June 30, 2020

(Amounts in Thousands)

		Investment Maturities			
Investment Type	**Fair Value**	**Less than 6 Months**	**6 Months to 1 Year**	**1-5 Years**	**More than 5 Years**
Asset Backed	$66,909	$857	$ -	$13,616	$52,436
Corporate Bonds	386,629	16,851	25,069	131,000	213,709
Collateralized Mortgage Obligations	144,201	867	62	4,990	138,282
Emerging Market Debt	74,384	2,143	7,205	22,048	42,988
Foreign Bonds	445,178	4,222	21,854	97,824	321,278
Municipals	41,372	4,508	163	4,201	32,500
Short-Term Cash Investment Funds	1,056,304	1,056,304	-	-	-
U.S. Treasury Obligations	29,367	6,222	24,973	-	(1,828)
TOTAL	**$2,244,344**	**$1,091,974**	**$79,326**	**$273,679**	**$799,365**

As of June 30, 2019

(Amounts in Thousands)

		Investment Maturities			
Investment Type	**Fair Value**	**Less than 6 Months**	**6 Months to 1 Year**	**1-5 Years**	**More than 5 Years**
Asset Backed	$25,320	$ -	$ -	$2,445	$22,875
Corporate Bonds	109,705	9,534	9,200	57,564	33,407
Collateralized Mortgage Obligations	56,729	9,471	-	-	47,258
Emerging Market Debt	31,970	211	3,006	11,498	17,255
Foreign Bonds	218,185	7,035	224	19,451	191,475
Municipals	2,440	8	-	789	1,643
Short-Term Cash Investment Funds	842,709	842,709	-	-	-
U.S. Treasury Obligations	257,039	220,765	36,274	-	-
TOTAL	**$1,544,097**	**$1,089,733**	**$48,704**	**$91,747**	**$313,913**

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 7 — Deposits and Investments *(Continued)*

Foreign Currency Risk

SBCERA's exposure to foreign currency risk primarily derives from its positions in foreign currency denominated international equity, fixed income investments, and foreign currency overlay exposure. SBCERA's investment policy allows international managers to enter into foreign exchange contracts provided the contracts have a maturity of one year or less and are limited to hedging currency exposure existing in the portfolio. Specific managers in international equities or fixed income may engage in the active management of currencies, per individual investment agreements approved by the Board.

SBCERA's net exposure to foreign currency risk in U.S. dollars as of June 30, 2020 and 2019 is displayed below.

NET EXPOSURE TO FOREIGN CURRENCY RISK

As of June 30, 2020 and 2019

(Amounts in Thousands)

	2020				2019			
Currency	**Fair Value**	**Fixed Income**	**Equity**	**Cash**	**Fair Value**	**Fixed Income**	**Equity**	**Cash**
Argentine Peso	$1,633	$1,624	$ -	$ 9	$ -	$ -	$ -	$ -
Australian Dollar	23,674	-	21,903	1,771	23,591	-	21,028	2,563
Brazilian Real	2,330	-	2,330	-	10,744	-	10,741	3
Canadian Dollar	8,610	-	8,560	50	21,699	-	21,608	91
Danish Krone	-	-	-	-	1	-	1	-
Egyptian Pound	-	-	-	-	1,639	1,639	-	-
Euro Currency	579,290	187,472	350,769	41,049	943,263	238,208	665,096	39,959
Hong Kong Dollar	3,331	-	-	3,331	2,663	-	-	2,663
Indonesian Rupiah	77	-	77	-	78	-	78	-
Japanese Yen	13,813	-	-	13,813	5,409	-	-	5,409
Mexican Peso	-	-	-	-	2,470	2,470	-	-
Norwegian Krone	-	-	-	-	42	-	42	-
Pound Sterling	122,689	12,523	95,979	14,187	158,383	102,398	45,870	10,115
Russian Ruble	-	-	-	-	1,330	1,330	-	-
Swedish Krona	-	-	-	-	1,840	-	-	1,840
Swiss Franc	16	-	1	15	10	-	10	-
TOTAL	**$755,463**	**$ 201,619**	**$479,619**	**$ 74,225**	**$1,173,162**	**$ 346,045**	**$764,474**	**$ 62,643**

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 7 — Deposits and Investments *(Continued)*

Rate of Return

For the years ended June 30, 2020 and 2019, the annual money-weighted rate of return on the assets of the Plan, net of investment expense, was (2.87)% and 5.01%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the timing of cash flows and the changing amounts actually invested.

Commitments to Fund Partnerships

As of June 30, 2020 and 2019, the total capital commitments to fund partnerships were $5.1 billion and $4.8 billion, respectively. Of this amount, $1.1 billion and $1.0 billion, respectively, remained unfunded and is not recorded on the SBCERA Statements of Fiduciary Net Position as of June 30, 2020 and 2019. The following table depicts the total commitments and unfunded commitments, respectively, by asset class.

TOTAL COMMITMENTS AND UNFUNDED COMMITMENTS TO FUND PARTNERSHIPS BY ASSET CLASS

As of June 30, 2020 and 2019

(Amounts in Thousands)

	2019		2018	
Asset Class	Total Commitments	Unfunded Commitments	Total Commitments	Unfunded Commitments
Real Estate	$752,024	$131,732	$875,120	$179,893
Alternatives	4,324,082	937,117	3,963,531	831,284
TOTAL	**$5,076,106**	**$1,068,849**	**$4,838,651**	**$1,011,177**

Fair Value Measurements

SBCERA categorizes its fair value measurements of its investments based on the fair value hierarchy established by GAAP. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are unadjusted quoted prices in active markets for identical assets. Level 2 inputs are quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs are observable. Level 3 inputs are valuations derived from valuation techniques in which significant inputs are unobservable.

The tables on the next two pages depict the fair value measurements as of June 30, 2020 and 2019, respectively.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 7 — Deposits and Investments *(Continued)*

Fair Value Measurement *(Continued)*

INVESTMENTS AND DERIVATIVE INSTRUMENTS MEASURED AT FAIR VALUE

As of June 30, 2020

(Amounts in Thousands)

Investment Type	June 30, 2020	Fair Value Measurements Using: Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Short-Term Cash Investment Funds	**$1,056,304**	**$489,007**	**$567,297**	**$-**
Emerging Market Debt	**60,390**	-	**60,282**	**108**
United States Government Obligations and Other Municipals:				
U.S. Treasury	29,367	-	29,367	-
Municipals	41,372	-	41.372	-
Total US Government Obligations and Other Municipals	**70,739**	-	**70,739**	-
Domestic Bonds:				
Asset Backed	66,909	-	66,575	334
Collateralized Mortgage Obligations	144,201	-	144,201	-
Corporate Bonds	386,629	-	382,613	4,016
Total Domestic Bonds	**597,739**	-	**593,389**	**4,350**
Foreign Bonds	**445,178**	-	**438,196**	**6,982**
Domestic Common and Preferred Stock	**1,203,528**	**1,196,686**	**2,800**	**4,042**
Foreign Common and Preferred Stock	**628,297**	**628,297**	-	-
Investments of Cash Collateral Received on Securities Lending	**6,607**	-	**6,607**	-
Domestic Alternatives	**134,102**	**2,654**	**7,991**	**123,457**
Foreign Alternatives	**404,746**	**7**	**290,980**	**113,759**
TOTAL INVESTMENTS BY FAIR VALUE LEVEL	**$4,607,630**	**$2,316,651**	**$2,038,282**	**$252,698**
Investment Derivative Instruments				
Swaps	$(8,665)	$-	$(8,665)	$-
Options	259,422	-	259,422	-
Forward Contracts	2,2,91	2,291	-	-
Warrants	356		39	317
TOTAL INVESTMENT DERIVATIVE INSTRUMENTS	**$253,404**	**$2,291**	**$250,796**	**$317**
Investments Measured at the Net Asset Value (NAV)				
Emerging Market Debt	**$13,994**			
Domestic Common and Preferred Stock	**4,724**			
Foreign Common and Preferred Stock	**111,327**			
Real Estate	**458,281**			
Domestic Alternatives:				
Absolute Return Composite	952,057			
Non-U.S. Developed Credit	188,741			
Private Equity - Commodities	302,299			
Private Equity - Composite	1,885,932			
Private Equity - Infrastructure	417			
Private Equity - Real Assets	34,176			
U.S. Credit Strategies	349,623			
Total Domestic Alternatives	**3,713,245**			
Foreign Alternatives:				
Absolute Return Composite	1,082			
Non-U.S. Developed Credit	848,136			
Private Equity - Composite	410,649			
Total Foreign Alternatives	**1,259,867**			
TOTAL INVESTMENTS MEASURED AT THE NAV	**$5,561,438**			
TOTAL INVESTMENTS MEASURED AT FAIR VALUE	**$10,422,472**			

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 7 — Deposits and Investments *(Continued)*

Fair Value Measurement *(Continued)*

INVESTMENTS AND DERIVATIVE INSTRUMENTS MEASURED AT FAIR VALUE

As of June 30, 2019

		Fair Value Measurements Using		
Investment Type	June 30, 2019	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Short-Term Cash Investment Funds	**$842,709**	**$17,738**	**$824,971**	**$-**
Emerging Market Debt	**17,802**	-	**17,517**	**285**
United States Government Obligations and Other Municipals:				
U.S. Treasury	257,039	-	257,039	-
Municipals	2,440	-	2,440	-
Total US Government Obligations and Other Municipals	**259,479**	-	**259,479**	-
Domestic Bonds:				
Asset Backed	25,320	-	24,617	703
Collateralized Mortgage Obligations	56,729	-	56,729	-
Corporate Bonds	109,705	-	89,582	20,123
Total Domestic Bonds	**191,754**	-	**170,928**	**20,826**
Foreign Bonds	**218,185**	-	**205,468**	**12,717**
Domestic Common and Preferred Stock	**1,443,184**	**1,439,421**	-	**3,763**
Foreign Common and Preferred Stock	**709,895**	**708,179**	-	**1,716**
Investments of Cash Collateral Received on Securities Lending	**113,710**	-	**113,710**	-
Domestic Alternatives	**118,284**	-	**4,913**	**113,371**
Foreign Alternatives	**49,656**	-	**6,373**	**43,283**
TOTAL INVESTMENTS BY FAIR VALUE LEVEL	**$3,964,658**	**$2,165,338**	**$1,603,359**	**$195,961**
Investment Derivative Instruments				
Swaps	$(53,287)	$-	$(53,287)	$-
Options	12,595	-	10,056	2,539
Forward Contracts	(1,710)	(1,710)	-	-
TOTAL INVESTMENT DERIVATIVE INSTRUMENTS	**$(42,402)**	**$(1,710)**	**$(43,321)**	**$2,539**
Investments Measured at the Net Asset Value (NAV)				
Emerging Market Debt	**$ 14,168**			
Foreign Common and Preferred Stock	**119,765**			
Real Estate	-			
Domestic Alternatives:				
Absolute Return Composite	1,010,399			
Non-U.S. Developed Credit	334,378			
Private Equity - Commodities	238,271			
Private Equity - Composite	1,499,975			
Private Equity - Infrastructure	12,236			
Private Equity - Real Assets	70,123			
U.S. Credit Strategies	873,712			
Total Domestic Alternatives	**4,039,094**			
Foreign Alternatives:				
Absolute Return Composite	1,935			
Non-U.S. Developed Credit	1,764,974			
Private Equity - Composite	339,803			
Total Foreign Alternatives	**2,094,703**			
TOTAL INVESTMENTS MEASURED AT THE NAV	**$ 6,718,397**			
TOTAL INVESTMENTS MEASURED AT FAIR VALUE	**$ 10,640,653**			

Notes to the Basic Financial Statements

June 30, 2019 and 2018

(Continued)

Note 7 — Deposits and Investments *(Continued)*

FAIR VALUE MEASUREMENTS *(Continued)*

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements, in their entirety, are categorized based on the lowest level input that is significant to the valuation. SBCERA's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. Investments are measured by type of investment as follows:

Short-term cash investments generally include investments in currency, classified in Level 1 of the fair value hierarchy at fair value, and money market-type securities and other short-term investment funds, classified in Level 2 of the fair value hierarchy at fair value.

Debt securities includes emerging market debt, U.S. Government obligations and other municipals, domestic bonds, and foreign bonds. Debt securities classified in Level 2 of the fair value hierarchy are valued using the matrix pricing technique or the discounted cash flow method. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Debt securities classified in Level 3 of the fair value hierarchy are valued using the discounted cash flow method or proprietary pricing information.

Equity securities includes domestic and foreign common and preferred stock. Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Equity securities classified in Level 2 of the fair value hierarchy are valued using prices quoted in active markets for similar securities. Equity securities classified in Level 3 of the fair value hierarchy are valued with last trade data having limited trading volume.

Cash collateral received on securities lending consists primarily of U.S. Government debt obligations, and also includes domestic equity, domestic fixed income, international equity, and international fixed income securities classified in Level 2 of the fair value hierarchy using prices quoted in active markets for similar securities.

Alternative securities include domestic and foreign alternatives. Alternative securities classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Alternative securities classified in Level 2 of the fair value hierarchy are valued using prices quoted in active markets for similar securities. Alternative securities classified in Level 3 of the fair value hierarchy are valued using the discounted cash flow method or proprietary pricing information.

Derivative instruments classified in Level 1 of the fair value hierarchy are valued using a market approach using prices quoted in active markets for those securities. Derivative instruments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates and foreign exchange rates.

The fair value of investments in certain equity, fixed income, real estate, and marketable alternatives are based on the investment's net asset value (NAV) per share (or its equivalent) provided by the investee. The fair values of investments in certain private equity funds have been determined using recent observable transaction information for similar investments and nonbinding bids received from potential buyers of the investments. Such fair value measurements are shown in the tables on the next two pages as of June 30, 2020 and 2019.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

INVESTMENTS MEASURED AT THE NAV

As of June 30, 2020
(Amounts in Thousands)

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency [1]	Redemption Notice Period
Emerging Market Debt	**$13,994**	**$-**	N/A	N/A
Domestic Common and Preferred Stock	**4,724**	-	N/A	N/A
Foreign Common and Preferred Stock	**111,327**	-	N/A	30 Days
Real Estate	**458,281**	**131,732**	D,Q	30-90 days
Domestic Alternatives:				
Absolute Return Composite	952,057	26,792	D,Q	65 days
Non-U.S. Developed Credit	188,741	-	D,M	20-30 days
Private Equity - Commodities	302,299	20,306	A	180 days
Private Equity - Composite	1,885,932	653,787	SA	185 days
Private Equity - Infrastructure	417	881	D	3 days
Private Equity - Real Assets	34,176	-	N/A	N/A
U.S. Credit Strategies	349,623	-	D,Q,SA	30-180 days
Total Domestic Alternatives	**3,713,245**	**701,766**		
Foreign Alternatives:				
Absolute Return Composite	1,802	8,041	N/A	N/A
Non-U.S. Developed Credit	848,136	-	D,Q	30-90 days
Private Equity - Composite	410,649	227,310	N/A	N/A
Total Foreign Alternatives	**1,259,867**	**235,351**		
TOTAL INVESTMENTS MEASURED AT THE NAV	**$5,561,438**	**$1,068,849**		

INVESTMENTS MEASURED AT THE NAV

As of June 30, 2019
(Amounts in Thousands)

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency [1]	Redemption Notice Period
Emerging Market Debt	**$14,168**	**$-**	N/A	N/A
Foreign Common and Preferred Stock	**131,773**	-	N/A	N/A
Real Estate	**438,658**	**179,893**	D,Q	30-90 days
Domestic Alternatives:				
Absolute Return Composite	1,010,399	65,327	D,Q	65 days
Non-U.S. Developed Credit	334,378	-	D,M	20-30 days
Private Equity - Commodities	238,271	21,088	A	180 days
Private Equity - Composite	1,499,975	538,982	SA	185 days
Private Equity - Infrastructure	12,236	881	D	3 days
Private Equity - Real Assets	70,123	-	N/A	N/A
U.S. Credit Strategies	873,712	-	D,Q,SA	30-180 days
Total Domestic Alternatives	**4,039,094**	**626,278**		
Foreign Alternatives:				
Absolute Return Composite	1,935	8,194	N/A	N/A
Non-U.S. Developed Credit	1,752,965	-	D,Q	30-90 days
Private Equity - Composite	339,803	196,812	N/A	N/A
Total Foreign Alternatives	**2,094,703**	**205,006**		
TOTAL INVESTMENTS MEASURED AT THE NAV	**$6,718,396**	**$1,011,177**		

(1) D= Daily, M= Monthly, Q= Quarterly, SA= Semi-Annually, A= Annually

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 7 — Deposits and Investments *(Continued)*

FAIR VALUE MEASUREMENTS *(Continued)*

The investment types listed in the tables above were measured at the NAV as follows:

Emerging market debt includes investments in alternative funds that invest primarily in debt in emerging markets to access income from a broader global pool of assets. The fair values of the investments in this type have been determined using the NAV per share of the investments. Investments in this category are not redeemable as of June 30, 2020 and 2019.

Foreign common and preferred stock includes investments in equities that invest in assets that focus on global credit strategies to provide an income-focus by utilizing credit dislocation opportunities. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments. As of June 30, 2020 and 2019, 12% and 11%, respectively, of investments in this category are redeemable with a 30 day notice be redeemed; the remaining investments include restrictions that do not allow for redemption.

Real estate investments provide stable income and participation in broad economic growth. This type includes real estate funds that invest in global commercial real estate and commingled funds. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Investments representing approximately 33% and 31% of the value of the investments as of June 30, 2020 and 2019, respectively, cannot be redeemed with the funds. It is expected that the underlying assets of the funds will be liquidated over the next ten years.

Domestic alternatives: Absolute return composite provides income and diversification through below investment grade credit and distressed debt strategies. This type includes credit and debt securities. Investments representing approximately 27% and 30% of the value of the investments as of June 30, 2019 and 2018, respectively, cannot be redeemed.

Domestic alternatives: Absolute return composite provides income and diversification through below investment grade credit and distressed debt strategies. This type includes credit and debt securities. Investments representing approximately 65% and 60% of the value of the investments as of June 30, 2020 and 2019, respectively, may be redeemed. The remaining investments will liquidate in the next four to twelve years.

Domestic alternatives: Non-U.S. developed credit provides access to income from a broader pool of assets in Europe. This type includes investments in funds that focus on corporate and sovereign bonds of developed economies issued in U.S. dollars. Investments may not be redeemed according to the provisions of the investments.

Domestic alternatives: Private equity – commodities provides exposure to inflation related assets and includes investments in partnerships that focus on natural resources and energy. The fair values of this investment type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Investments of this type cannot be redeemed with the funds. It is expected that the underlying assets of the funds will be liquidated over the next ten years, unless the partnership agreement allows for an indefinite continuance.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 7 — Deposits and Investments *(Continued)*

FAIR VALUE MEASUREMENTS *(Continued)*

Domestic alternatives: Private equity – composite provides participation in equity and debt instruments that provide for a premium on illiquid assets. This type includes investments in partnerships as a limited partner that invest in private equity and private debt. The fair values of this investment type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Investments of this type cannot be redeemed with the funds. It is expected that the underlying assets of the funds will be liquidated over the next fifteen years, unless the partnership agreement allows for an indefinite continuance.

Domestic alternatives: Private equity – infrastructure provides participation in equity and debt instruments that provide for a premium on illiquid assets. This type includes investments in partnerships that focus on infrastructure in highly regulated markets. The fair values of this investment type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. The underlying assets of the funds are currently in liquidation.

Domestic alternatives: Private equity – real assets provides exposure to inflation related assets and includes investments in partnerships that focus on real assets including timber and wetlands. The fair values of this investment type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Investments of this type cannot be redeemed with the funds. It is expected that 87% of the underlying assets of the funds, as of June 30, 2020, will be liquidated over the next three years. As of June 30, 2020, 13% of the underlying assets were in liquidation.

Domestic alternatives: U.S. credit strategies includes investments in assets that focus on U.S. credit strategies to provide an income-focus by utilizing credit dislocation. This type includes investments in funds that focus on credit strategies, including direct loans, securitized products, and public-traded debt products. Investments may be redeemed with required notice, ranging from monthly to semi-annually. As of June 30, 2020, 4% of the underlying assets were in liquidation.

Foreign alternatives: Absolute return composite provides income and diversity through below investment grade global credit and distressed debt strategies. This type includes global credit and debt securities. It is expected that 86% the underlying assets of the funds will be eligible for liquidation in one years. As of June 30, 2020, 14% of the underlying assets are currently in liquidation.

Foreign alternatives: Non U.S. developed credit provides access to income from a broader pool of assets in Europe. This type includes investments in funds that focus on corporate and sovereign bonds of developed economies. Only 7% and 4%, for the years ended June 30, 2020 and 2019, respectively, of the investments of this type may be redeemed according to the provisions in the aforementioned tables. The remaining assets may not be redeemed.

Foreign alternatives: Private equity – composite provides participation in equity and debt instruments that provide for a premium on illiquid assets. This type includes investments in partnerships as a limited partner that invest in private equity and private debt. The fair values of this investment type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Investments of this type cannot be redeemed with the funds. It is expected that the underlying assets of the funds will be liquidated over the next eleven years.

Notes to the Basic Financial Statements

June 30, 2020 and 2019

(Continued)

Note 8 — Related Party Transactions

By necessity, SBCERA has entered into a Memorandum of Understanding with the County of San Bernardino (County), a participating employer, to provide administrative services in the areas of information technology, staff payroll, telecommunications, postage and mailing, motor pool services, and Board elections. SBCERA's payments to the County for the years ended June 30, 2020 and 2019 were $360 thousand and $389 thousand, respectively.

Note 9 — Litigation

SBCERA is subject to legal proceedings and claims which have risen in the ordinary course of its business and have not been finally adjudicated. These actions, when finally concluded and determined, will not, in the opinion of the management of SBCERA, have a material adverse effect upon the financial position of SBCERA.

Note 10 — Alameda Decision

On July 30, 2020, the California Supreme court filed its decision in Alameda County Deputy Sheriff's Assn. v Alameda County Employees' Retirement Assn., Cal. Supreme Court Case No. S247095, which became final on August 30, 2020 (the "Alameda Decision"). The Alameda Decision overturns certain legal and equitable determinations in the First DCA in Alameda and concludes that all amendments to the definition of Compensation Earnable in Government Code section 31641, enacted as a result of the Public Employees' Pension Reform Act of 2013 and related statutory changes to CERL ("PEPRA"), effective January 1, 2013 are constitutional, and that CERL retirement boards may not be contractually bound or estopped by settlement agreements, board resolutions, or other similar actions, from implementing those amendments. The Alameda Decision further determines that CERL retirement boards may not include items in compensation earnable that section 31461 requires them to exclude.

SBCERA implementation of the Alameda Decision has not been completed, and is being directed by Board resolution. Affected members will have their benefits adjusted based on new Compensation Earnable amounts that do not include the amounts that the Alameda Decision has determined must be excluded. Affected members who have not yet retired, or still have contributions on deposit with SBCERA will receive a corrective distribution that includes a return of the member contributions made for those items excluded pursuant to the Alameda Decision.

Required Supplementary Information

(Unaudited)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

(Amounts in Thousands)

Years Ended June 30	(a) Actuarially Determined Contributions[1]	(b) Actual Contributions[1]	(a) - (b) Contribution Deficiency (Excess)	(c) Covered Payroll[2]	(b) / (c) Contributions as a % of Covered Payroll
2010	$163,960	$163,960	$-	$1,226,431	13.37%
2011	180,756	180,756	-	1,250,193	14.46%
2012	210,000	210,000	-	1,244,555	16.87%
2013	248,841	248,841	-	1,260,309	19.74%
2014	278,352	278,352	-	1,262,752	22.04%
2015	303,244	303,244	-	1,267,667	23.92%
2016	340,512	340,512	-	1,309,095	26.01%
2017	360,478	360,478	-	1,346,408	26.77%
2018	378,668	378,668	-	1,406,470	26.92%
2019	446,295	446,295	-	1,477,131	30.21%
2020	467,985	467,985	-	1,542,495	30.34%

SCHEDULE OF INVESTMENT RETURNS

Years Ended June 30[3]	Annual Money Weighted Rate of Return, Net of Investment Expense
2013	14.64%
2014	12.25%
2015	3.49%
2016	(0.97%)
2017	13.47%
2018	8.64%
2019	5.01%
2020	(2.87%)

(1) The Board has approved all contribution rates recommended by the Plan's actuary. Actuarially determined contributions include contributions required for the survivor benefit, and excludes employer paid member contributions, UAAL prepayments, Golden Handshake payments, funds deposited for purchase of service credit, payments made by withdrawn employers, member paid employer contributions, and member contributions. Commencing with the year ended June 30, 2015, member paid employer contributions are included in actuarially determined contributions.

(2) Covered payroll represents the collective total of SBCERA eligible wages of all SBCERA participating employers. The covered payroll shown is an estimate based on the prior year's valuation for each date shown.

(3) Data for the years ended June 30, 2011 through 2012 are not available in a comparable format.

See accompanying notes to the Required Supplementary Information.

Required Supplementary Information

(Unaudited) (Continued)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS AND RELATED RATIOS (Amounts in Thousands)

		June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total Pension Liability					
Service Cost		$343,547	$334,062	$321,931	$300,779
Interest		966,648	916,790	868,277	803,778
Differences Between Expected and Actual Experience		24,948	27,389	25,714	(10,634)
Changes of Assumptions		281,680	-	-	662,714
Benefit Payments, Including Refunds of Member Contributions		(621,564)	(578,508)	(539,297)	(497,904)
NET CHANGE IN TOTAL PENSION LIABILITY		**995,439**	**699,733**	**676,625**	**1,258,733**
Total Pension Liability - Beginning		**13,300,303**	**12,600,570**	**11,923,945**	**10,665,212**
TOTAL PENSION LIABILITY - ENDING	**a**	**$14,295,742**	**$13,300,303**	**$12,600,570**	**$11,923,945**
Plan Fiduciary Net Position					
Contributions - Employers[1]		$467,985	$446,295	$378,668	$360,478
Contributions - Members[1]		163,183	163,552	149,478	143,858
Transfer from an Outside Plan		-	-	4,312	-
Net Investment Income/(Loss)		(302,050)	502,753	797,480	1,098,198
Benefit Payments, Including Refunds of Member Contributions		(621,564)	(578,508)	(539,297)	(497,904)
Administrative Expenses		(9,019)	(9,383)	(8,752)	(9,961)
Other Expenses		(5,608)	(3,292)	(3,340)	(3,202)
NET CHANGE IN PLAN FIDUCIARY NET POSITION		**(301,073)**	**521,417**	**778,549**	**1,091,467**
Plan Fiduciary Net Position - Beginning		**10,588,407**	**10,066,990**	**9,288,441**	**8,196,974**
PLAN FIDUCIARY NET POSITION - ENDING	**b**	**$10,287,334**	**$10,588,407**	**$10,066,990**	**$9,288,441**
NET PENSION LIABILITY	**a-b=c**	**$4,008,408**	**$2,711,896**	**$2,533,580**	**$2,635,504**
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	**b/a**	**71.96%**	**79.61%**	**79.89%**	**77.90%**
COVERED PAYROLL[2]	**d**	**$1,542,495**	**$1,477,131**	**$1,406,470**	**$1,346,408**
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	**c/d**	**259.87%**	**183.59%**	**180.14%**	**195.74%**

(1) Commencing with the year ended June 30, 2015, member paid employer contributions are included in employer contributions, and employer paid member contributions are included in member contributions.

(2) Covered payroll represents the collective total of SBCERA eligible wages of all SBCERA participating employers. The covered payroll shown is an estimate based on the prior year's valuation for each date shown.

Note: Data as of June 30, 2011 through 2012 is not available in a comparable format.

See accompanying notes to the Required Supplementary Information.

Required Supplementary Information

(Unaudited) *(Continued)*

SCHEDULE OF CHANGES IN NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS AND RELATED RATIOS (Amounts in Thousands) *(Continued)*

		June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Total Pension Liability					
Service Cost		$295,458	$290,642	$271,473	$273,020
Interest		770,842	732,842	709,993	673,932
Differences Between Expected and Actual Experience		(151,493)	(75,362)	(306,201)	(97,497)
Changes of Assumptions		-	-	328,748	-
Benefit Payments, Including Refunds of Member Contributions		(464,068)	(428,475)	(397,823)	(367,396)
NET CHANGE IN TOTAL PENSION LIABILITY		**450,739**	**519,647**	**606,190**	**482,059**
Total Pension Liability - Beginning		**10,214,473**	**9,694,826**	**9,088,636**	**8,606,577**
TOTAL PENSION LIABILITY - ENDING	**a**	**$10,665,212**	**$10,214,473**	**$9,694,826**	**$9,088,636**
Plan Fiduciary Net Position					
Contributions - Employers[1]		$340,512	$303,244	$330,330	$303,080
Contributions - Members[1]		139,132	129,895	89,861	91,056
Transfer from an Outside Plan		-	-	-	-
Net Investment Income/(Loss)		(80,028)	280,842	877,018	912,310
Benefit Payments, Including Refunds of Member Contributions		(464,068)	(428,475)	(397,823)	(367,396)
Administrative Expenses		(7,569)	(6,710)	(6,386)	(6,258)
Other Expenses		(2,664)	(2,208)	(2,483)	(1,572)
NET CHANGE IN PLAN FIDUCIARY NET POSITION		**(74,685)**	**276,588**	**890,517**	**931,220**
Plan Fiduciary Net Position - Beginning		**8,271,659**	**7,995,071**	**7,104,554**	**6,173,334**
PLAN FIDUCIARY NET POSITION - ENDING	**b**	**$8,196,974**	**$8,271,659**	**$7,995,071**	**$7,104,554**
NET PENSION LIABILITY	**a-b=c**	**$2,468,238**	**$1,942,814**	**$1,699,755**	**$1,984,082**
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	**b/a**	**76.86%**	**80.98%**	**82.47%**	**78.17%**
COVERED PAYROLL[2]	**d**	**$1,309,095**	**$1,267,667**	**$1,262,752**	**$1,260,309**
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	**c/d**	**188.55%**	**153.26%**	**134.61%**	**157.43%**

(1) Commencing with the year ended June 30, 2015, member paid employer contributions are included in employer contributions, and employer paid member contributions are included in member contributions.

(2) Covered payroll represents the collective total of SBCERA eligible wages of all SBCERA participating employers. The covered payroll shown is an estimate based on the prior year's valuation for each date shown.

Note: Data as of June 30, 2010 through 2012 is not available in a comparable format.

See accompanying notes to the Required Supplementary Information.

Notes to the Required Supplementary Information

(Unaudited)

Actuarial Valuation Methods and Assumptions Used in Determining Total Pension Liability

The NPL of participating employers was measured as of June 30, 2013 through 2020 and determined based upon the total pension liability from actuarial valuations as of June 30, 2013 through 2020, respectively.

Changes in Benefit Terms

For the year ended June 30, 2013: In September 2012, Governor Edmund G. Brown, Jr. (Governor Brown) signed the PEPRA, which resulted in the creation of two new benefit formulas for members entering SBCERA on or after January 1, 2013 (and who are not “reciprocal” with another pension system) as follows: 2.5% at age 67 for General members and 2.7% at age 57 for Safety members. PEPRA also caps pensionable compensation, reduces the amount of pay items eligible for pensionable compensation, increases the final average compensation used to calculate benefits from highest one-year average to a highest three-year average, and requires members to pay at least 50% of the total normal cost of the Plan. SBCERA members subject to the provisions of PEPRA are considered Tier 2 members.

For the year ended June 30, 2014: On September 6, 2013, Governor Brown approved Assembly Bill 1380 (AB 1380), which makes various technical corrections and conforming changes that align the CERL with the provisions of the PEPRA. In particular, the bill clarifies that Tier 2 members are eligible to retire at age 70, regardless of years of service, that the Board may, but is not required to, round Tier 2 contribution rates to the nearest quarter of one percent, and that those rates may be adjusted for any change in the normal cost rate. AB 1380 was effective January 1, 2014.

The addition of a new tier of benefits and the subsequent technical corrections stated above did not result in a significant change in the net pension liability of participating employers during the year in which the change was effective.

There were no changes in benefit terms for the years ended June 30, 2015 through 2020.

Changes of Methods and Assumptions

The actuarial methods and assumptions used in actuarial valuations, for the years ended June 30, 2013 through 2020, were based on the results of Board approved triennial actuarial experience studies prepared by the Plan’s independent actuary. The actuarial methods and assumptions used in determining the net pension liability are the same actuarial methods and assumptions used in determining contribution rates, except for the asset valuation method. For purposes of determining net pension liability, the fair value of assets was used for the years ended June 30, 2013 through 2020. See schedules of changes to actuarial methods and assumptions shown on the following page for actuarial methods and assumptions used for the years ended June 30, 2013 through 2020. Note: The discount rate of return used for the years ended June 30, 2013 through 2020 is equal to the investment rate of return shown on the following page.

Notes to the Required Supplementary Information

(Unaudited) *(Continued)*

Actuarial Valuation Methods and Assumptions Used in Determining Total Pension Liability

Actuarially determined contributions are established and may be amended by the Board, based on an annual actuarial valuation and review, pursuant to Article 1 of the CERL. The actuarially determined contribution rates in the Schedule of Employer Contributions are calculated as of June 30, two years prior to the end of the year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule for the years ended June 30, 2011 through 2020 (adjustments were made to more closely reflect actual experience unless indicated otherwise).

SCHEDULE OF ACTUARIAL EXPERIENCE STUDIES

For the Years Ended June 30, 2011 through 2019

Years Ended June 30	Date of Actuarial Experience Study	Periods Covered in Actuarial Experience Study
2011 to 2013	June 30, 2011	3 Year Period Ended 6/30/2011
2014 to 2016	June 30, 2014	3 Year Period Ended 6/30/2013
2017 to 2019	June 30, 2017	3 Year Period Ended 6/30/2016
2020 to 2022	June 30, 2020	3 Year Period Ended 6/30/2019

SCHEDULE OF CHANGES TO ACTUARIAL ECONOMIC ASSUMPTIONS

For the Years Ended June 20, 2011 through 2019

Years Ended June 30	Investment Rate of Return	Projected Salary Increases (General)	Projected Salary Increases (Safety)	Inflation	Wage Inflation	Cost-of-Living[1]	Administrative Expenses
2011 to 2013	7.75%	4.75% to 14.00%	4.75% to 14.00%	3.50%	4.00%	2.00%	Offset to Investment Return
2014 to 2016	7.50%	4.60% to 13.75%	4.55% to 13.75%	3.25%	3.75%	2.00%	0.60% of payroll[2]
2017 to 2019	7.25%	4.50% to 14.50%	4.70% to 14.50%	3.00%	3.50%	2.00%	0.70% of payroll[2]
2020 to 2022	7.25%	4.55% to 12.75%	4.75% to 12.25%	2.75%	3.25%	2.00%	0.85% of payroll[2]

SCHEDULE OF CHANGES TO AMORTIZATION METHODS

For the Years Ended June 30, 2009 through 2019

Years Ended June 30	Actuarial Cost Method	Amortization Method[3]	Remaining Amortization Period[4]	Asset Valuation Method
2011 to 2020	Entry age	Level percent of payroll	20-year closed period	5-year smoothed market

(1) Cost-of-living adjustments are contingent upon the consumer price index with a 2.00% maximum.
(2) Allocated to both the employer and member based on the components of the total contribution rate (before expenses) for the employer and member.
(3) See Schedule of Changes to Actuarial Economic Assumptions for the wage inflation used.
(4) Effective June 30, 2012, any temporary change in UAAL that arises due to Plan amendments is amortized over its own declining 15-year period (with exception of a change due to retirement incentives, which is amortized over a declining period of up to five years).

Notes to the Required Supplementary Information

(Unaudited) *(Continued)*

Actuarial Valuation Methods and Assumptions Used in Determining Total Pension Liability *(Continued)*

SCHEDULE OF CHANGES TO ACTUARIAL NON-ECONOMIC ASSUMPTIONS

Years Ended June 30	Marriage Assumption[1]	Mortality Rates[2] (General)	Mortality Rates[2] (Safety)	Reciprocity Assumption	Deferral Age for Vested Terminations
2009 to 2010	Male members 75% Female members 55%	RP-2000 Combined Healthy Mortality Table: M - SB one year DML - SF five years DFL - SF six years	RP-2000 Combined Healthy Mortality Table: M - SB one year	40%	General members Age 57 Safety members Age 53
2011 to 2013	Male members 70% Female members 55%	RP-2000 Combined Healthy Mortality Table: M - SB two years DML - SF four years DFL - SF five years	RP-2000 Combined Healthy Mortality Table: M - SB three years DM - SF one year	40%	General members Age 58 Safety members Age 52
2014 to 2016	Male members 70% Female members 55%	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020: DML - SF seven years DFL - SF eight years	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020: ML - SB two years FL - SB one year DM - SF two years	General members 40% Safety members 50%	General members Age 58 Safety members Age 52
2017 to 2019	Male members 65% Female members 55%	RP-2014 Healthy Annuitant Mortality Table projected generationally with two-dimensional MP-2016 projection scale: ML - SF one year DM - SF seven years	RP-2014 Healthy Annuitant Mortality Table projected generationally with two-dimensional MP-2016 projection scale: M - SB one year DM - SB one year	General members 40% Safety members 60%	General members Age 59 Safety members Age 53
2020 to 2020	Male members 65% Female members 55%	Pub-2010 Amount-Weighted Above-Median Mortality Table projected generationally with two-dimensional MP-2019 projection scale: General Retirees - 10% increase Beneficiaries—General Contingent -10% increase	Pub-2010 Amount-Weighted Above-Median Mortality Table projected generationally with two-dimensional MP-2019 projection scale	General members 40% Safety members 65%	General members Age 59 Safety members Age 53

(1) Assumed married at retirement or pre-retirement death.
(2) Type of Member: M = Member; ML = Male Member; FL = Female Member; DM = Disabled Member; DML = Disabled Male Member; DFL = Disabled Female Member. Mortality Table Type: SB = Set Back; SF = Set Forward.

Note: The probabilities of separation from active service and expectation of life are adjusted every three years with the actuarial experience study.

Other Supplementary Information

SCHEDULE OF INVESTMENT EXPENSES

For the Years Ended June 30, 2020 and 2019

(Amounts in Thousands)

Type of Investment Expense	2020	2019
Investment Manager's Advisement Fees		
Equity Managers		
Domestic	$1,087	$2,477
International	5,065	4,126
TOTAL EQUITY MANAGERS	**6,152**	**6,603**
Fixed Income Managers		
Domestic	13,158	3,588
International	8,362	2,824
TOTAL FIXED INCOME MANAGERS	**21,520**	**6,412**
Alternative Managers	53.220	70,308
Real Estate Managers	4,437	6,477
TOTAL INVESTMENT MANAGER'S ADVISEMENT FEES	**85,329**	**89,800**
Other Investment Advisement Fees		
Consultant Fees	1,925	2,296
Custodian Fees	1,058	763
Legal Fees	183	151
TOTAL INVESTMENT ADVISEMENT FEES[1]	**88,495**	**93,010**
Other Investment Expenses		
Other Investment Expenses[2]	48,147	60,453
Investment Department Expenses	2,778	2,695
TOTAL OTHER INVESTMENT EXPENSES	**50,925**	**63,148**
SECURITIES LENDING REBATES & BANK CHARGES	**1,592**	**2,453**
TOTAL INVESTMENT EXPENSES	**$141,012**	**$158,611**

(1) Advisement fees include amounts for investment management fees and performance fees. It does not include unrealized carried interest allocations.

(2) These costs include, but are not limited to, foreign income tax and other indirect flow-through investment expenses such as organizational expenses in limited partnership structures.

Other Supplementary Information

(Continued)

SCHEDULE OF ADMINISTRATIVE AND OTHER EXPENSES

For the Years Ended June 30, 2020 and 2019

(Amounts in Thousands)

	2020	2019
Actuarial Accrued Liability (AAL)[1]	**$12,604,942**	**$11,928,310**
Statutory Limit for Administrative Expenses (AAL x 0.21%)	**26,470**	**25,049**
Administrative Expenses Subject to Statutory Limit		
Personnel Services	$6,374	$6,859
Professional Services	1,125	883
Operational Miscellaneous	1,520	1,641
TOTAL ADMINISTRATIVE EXPENSES SUBJECT TO STATUTORY LIMIT	**9,019**	**9,383**
Other Expenses Not Subject to Statutory Limit		
Actuarial Services	253	256
Legal Services (Non-Investment)	1,547	1,239
Technology Infrastructure	3,808	1,797
TOTAL OTHER EXPENSES NOT SUBJECT TO STATUTORY LIMIT	**5,608**	**3,292**
TOTAL ADMINISTRATIVE AND OTHER EXPENSES[2]	**$14,627**	**$12,675**

(1) Refer to Note 2—Summary of Significant Accounting Policies for further information.
(2) Does not include investment expenses, see Schedule of Investment Expenses for further information.

Other Supplementary Information

(Continued)

SCHEDULE OF PAYMENTS TO CONSULTANTS

For the Years Ended June 30, 2020 and 2019

(Amounts in Thousands)

Type of Service	2020	2019
Payments to Consultants Subject to the Statutory Limit		
Actuarial Services	$ -	$8
Agreed Upon Procedures	-	39
Audit Services	65	69
Communication Services	67	64
Human Resource Services	48	97
Medical/Disability Services	719	347
TOTAL PAYMENTS TO CONSULTANTS SUBJECT TO THE STATUTORY LIMIT[1]	**899**	**624**
Payments to Consultants Not Subject to the Statutory Limit		
Actuarial Services	253	256
Custodian Services	1,058	763
Human Resource Services	-	16
Information Technology Services	104	25
Investment Services	1,925	2,296
Legal Services	447	412
TOTAL PAYMENTS TO CONSULTANTS NOT SUBJECT TO THE STATUTORY LIMIT	**3,787**	**3,768**
TOTAL PAYMENTS TO CONSULTANTS	**$4,686**	**$4,392**

(1) Pursuant to GC section 31580.2, administrative expenses incurred in any one year are not to exceed twenty-one hundredths of one percent (0.21%) of SBCERA's actuarial accrued liabilities. Refer to Note 2—Summary of Significant Accounting Policies for further information.

2020

Basic Financial Statements

A Multiple-Employer Pension Trust Fund
San Bernardino, California

For the Years Ended June 30, 2020 and 2019

SBcera
San Bernardino County Employees' Retirement Association

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