



Section 115 Trust Solutions for OPEB

Presented by

Keenan Financial Services & Benefit Trust Company

December 18, 2023

GASB Statements Overview

Governmental Accounting Standards Board

OPEB GASB Statements 74 & 75

Frequency of actuarial valuations

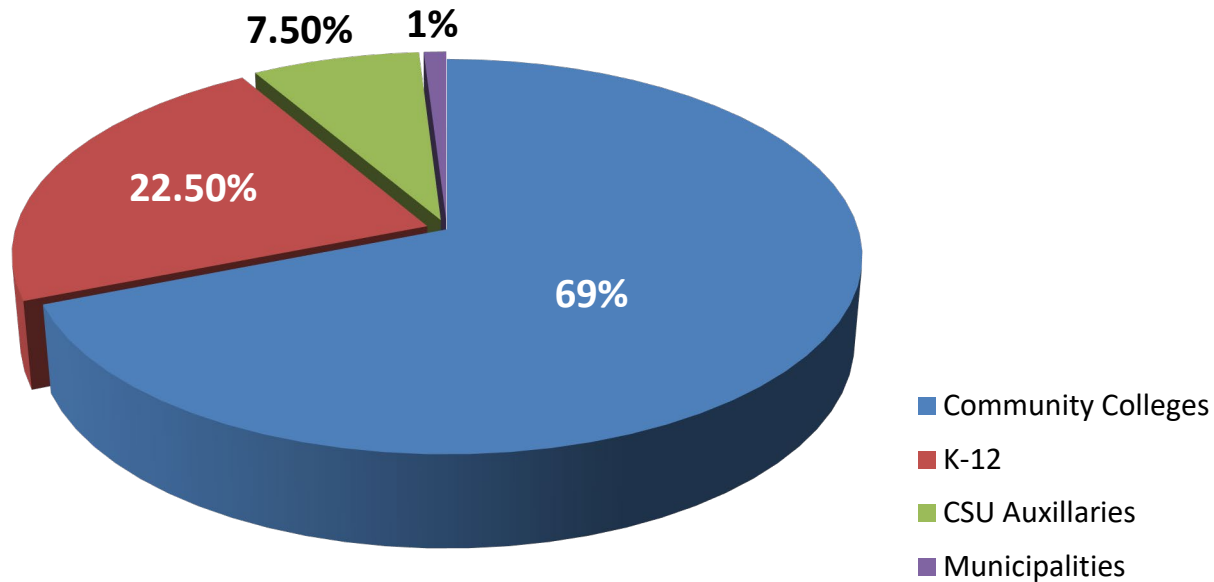
Recognizing OPEB liability

Measuring OPEB liability

Program Investment Trust At A Glance

As of October 1, 2023

**Over \$1.396 Billion in assets invested
in 115 Trusts**



**We are proud to
sponsor the second
largest Section 115 OPEB
and Pension Stabilization
Trust Program in the
state of California**

Keenan has been offering Section 115 Trusts in partnership with Benefit Trust Company since 2005

Municipalities and Special Districts

Carpinteria Sanitary District
 Central Marin Fire Authority
 Central Marin Sanitation Agency
 City of Carpinteria
 City of Berkeley
 City of Chico
 City of Folsom
 City of La Mirada
 City of La Puente
 City of Lincoln
 City of Millbrae
 City of Oceanside
 City of San Marcos
 County of Butte
 Hayward Recreation & Park District
 Palos Verdes Library District
 Town of Corte Madera
 Town of Hillsborough

Community College Districts

Antelope Valley
 Chabot Las Positas
 Chaffey
 Citrus
 Coast
 Compton
 Contra Costa
 El Camino
 Long Beach
 North Orange County
 Ohlone
 Rio Hondo
 San Bernardino
 San Jose Evergreen
 San Mateo County
 Sierra Joint
 South Orange County
 Ventura County

Victor Valley

West Kern

K-12 Districts

Antioch USD
 Beaumont USD
 Fontana USD
 Los Alamitos USD
 Orange USD
 Pajaro Valley USD
 Pittsburg USD
 Riverside USD
 Santa Maria JUHSD
 Val Verde USD
 Victor Valley USD

Cal State University Multiple Employer Auxiliaries

CSU AUX VEBA General
 ASI – Cal Poly Pomona
 ASI – CSU Dominguez Hills
 ASI – CSU Long Beach

ASI – CSU Los Angeles

ASI – CSU Northridge

ASI – CSU San Bernardino

ASI – CSU San Luis Obispo

Auxiliary Services Corp. – CSU Fullerton

Cal Poly Pomona FNDTN VEBA

CSU – Dominguez Hills Foundation

CSU – Long Beach Foundation

Humboldt State University Center

Locker Student Union

Santos Manuel Student Union

Tower Foundation – SJSU

University Enterprises Inc. CSU Sacramento

University Enterprises Inc. CSU San Bernardino

University Student Union of SJSU

University of Student Union, CSU L.A.

University Student Union – CSULB

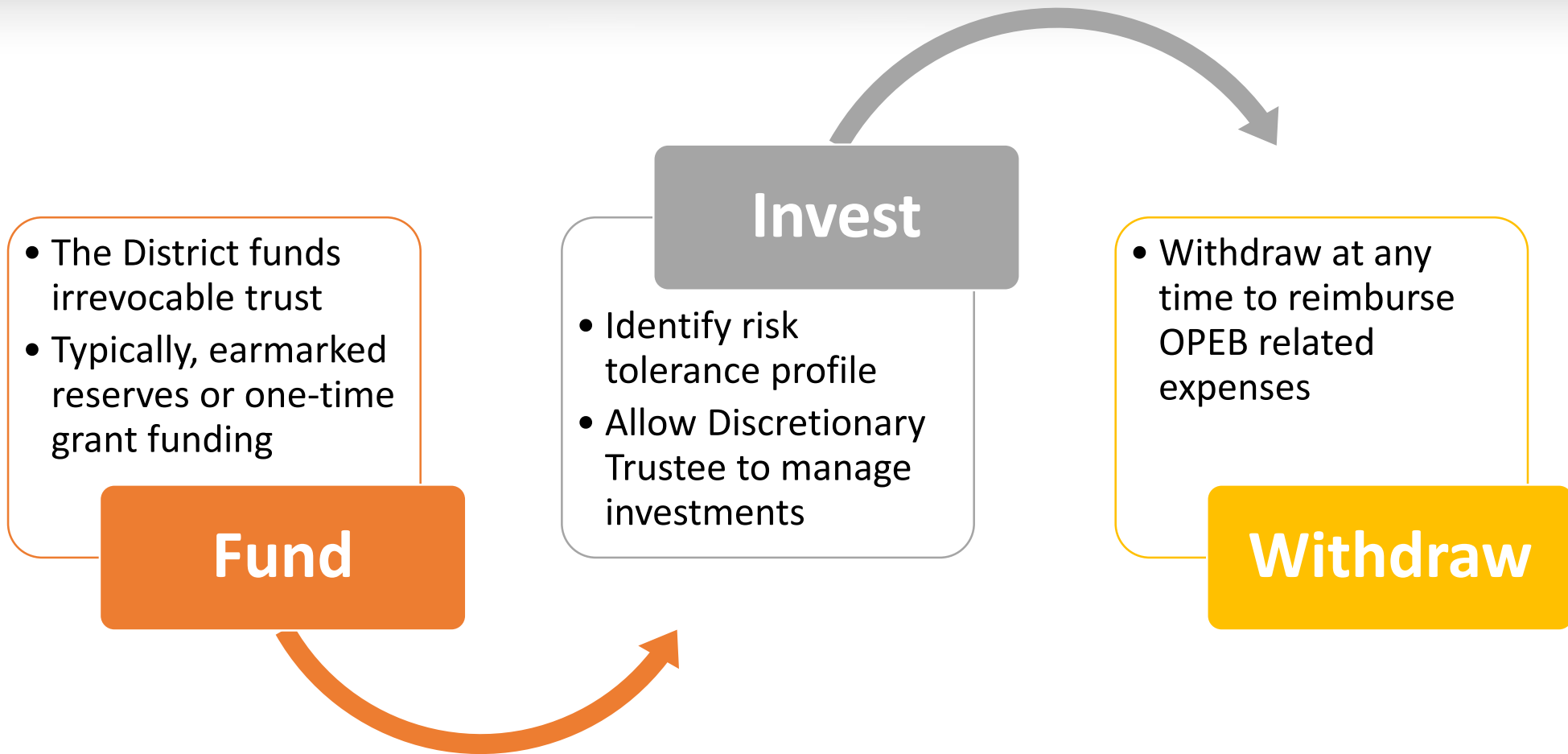
Forty Niner Shop CSULB

Clients Fully Funded

- Antelope Valley CCD
- Chaffey CCD
- Citrus CCD
- Coast CCD
- Compton CCD
- El Camino CCD
- North Orange County CCD
- San Jose Evergreen CCD
- San Mateo County CCD
- South Orange County CCD
- San Bernardino CCD
- Victor Valley CCD
- Orange USD

Our Futuris Trust is a solution designed to pre-fund OPEB costs and reduce GASB 74/75 net OPEB liabilities:

- Designed for California public agencies
- Set up as a Retirement System and Single Employer Trust
- Mitigates long-term OPEB volatility
- Provides local control, investment flexibility, and liquidity with the added benefits of a Discretionary Trustee to assume the District's investment liability, instead of just a registered investment provider
- Offers six (6) different investment portfolios with varying risk profiles
- Utilizes a proprietary risk assessment tool to help select the best option for each agency
- Investment Policy Statement is based on target asset allocation

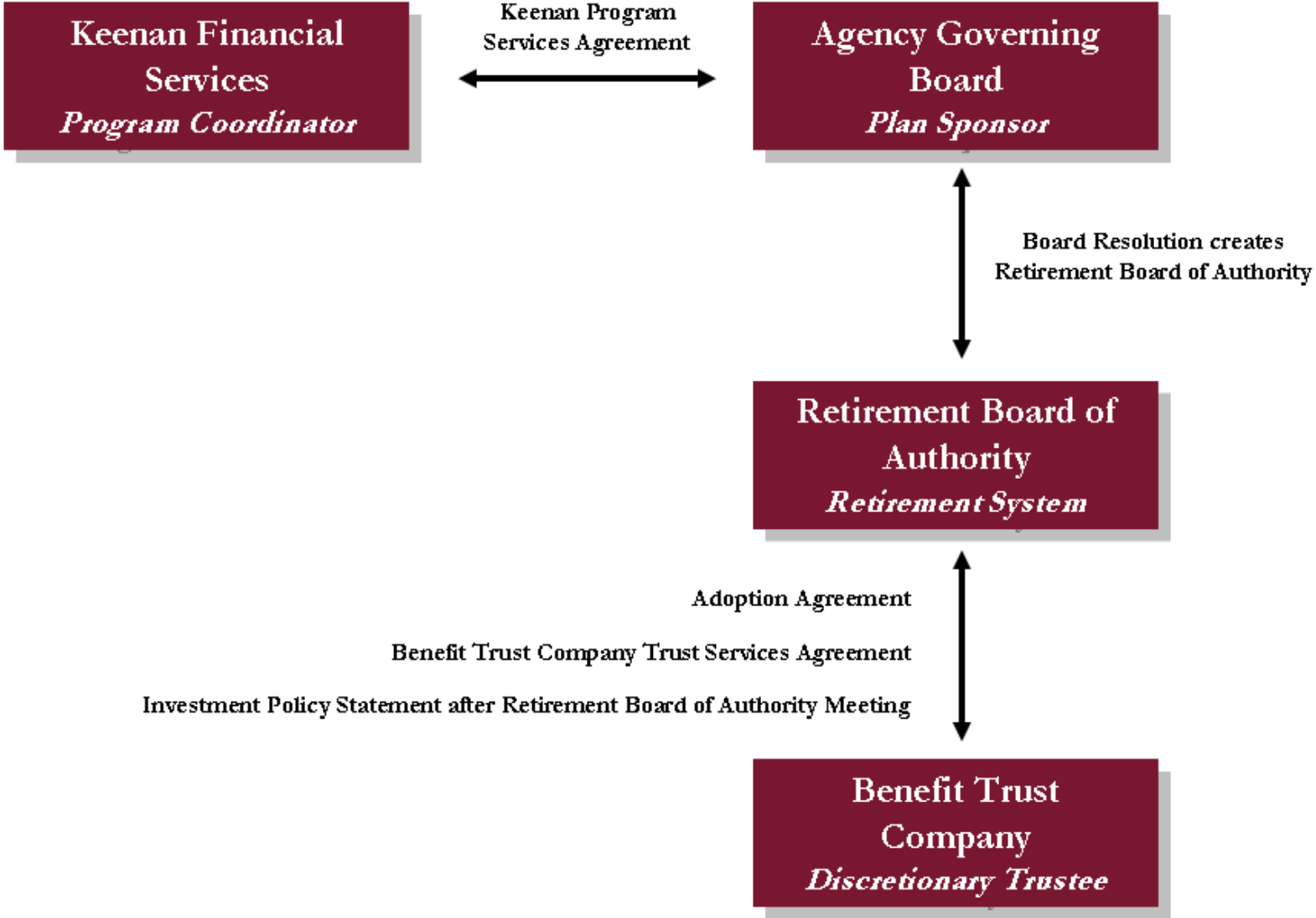


SECTION 115 TRUST TEAM

This proposal is presented by Keenan and details our Irrevocable Futuris OPEB Trust solution, a Section 115 trust and related administration and investment management services. The Futuris program is administered by Keenan and incorporates critical service components from Benefit Trust Company (BTC) and BTC's Investment Consultant, Morgan Stanley. Therefore, we have included information on the firms as appropriate.

Keenan and BTC have been working together for almost twenty years, providing innovative and efficient solutions for public agencies throughout California utilizing Section 115 trusts. Each firm is a leader in the specific functions they support for the Futuris program.

PROGRAM STRUCTURE



Section 115 Trust Team

Keenan
Financial Services

Program Coordinator/Administrator

A WEALTH OF KNOWLEDGE
Benefit.Trust

Discretionary Trustee

Morgan Stanley

Investment Advisor to BTC

No Conflict of Interest

Program Coordinator (Keenan) and Trustee (Benefit Trust Company) roles are separate

- Creates built in oversight of each party
- Creates no conflict of interest as each have their own distinct responsibility
- BTC's Trust Investment Committee selects the actual portfolio mixes through a non-biased evaluation process free from outside influence
- Futuris does not accept or allow the following:
 - Pay-to-play program fees, 12b-1 marketing fees, sub transfer fees, shareholder service fees, etc.

Board of Authority

- Provides high level oversight of the Program
- Adopts and executes the terms of the Trust
- Adopts the Investment Policy Statement
- Requires Brown Act meetings creating transparency
- Documents the Due Process
- Provides Local Control

Board Membership is based on the titles listed below:

VP of Administrative Services (Robert Suppelsa)

Director, Procurement Services (Rita McCullum)

VP of Human Resources (Jane Miyashiro)

Director of Human Resources (Maria Smith)

Business Manager, Fiscal Services (Jeffrey Hinshaw)



6/30/2023 Summary

Retiree Health Benefit Liability & Funding History

Inception Date (9/30/2012)

Total Deposits Made **\$21,306,712**

Actuarial Accrued Liability
(As of 06/30/23) **\$26,549,043**

Total Value as of (06/30/23) **\$29,990,527**

Net OPEB Liability (\$3,441,484) “Over Funded”

Original Asset Mix (Conservative Portfolio) 16% Equities/ 84% Fixed Income – (9/30/12 – 9/19/18)
Current Asset Mix (Moderate Growth Portfolio) 50% Equities/50% Fixed Income - (9/19/18 - current)

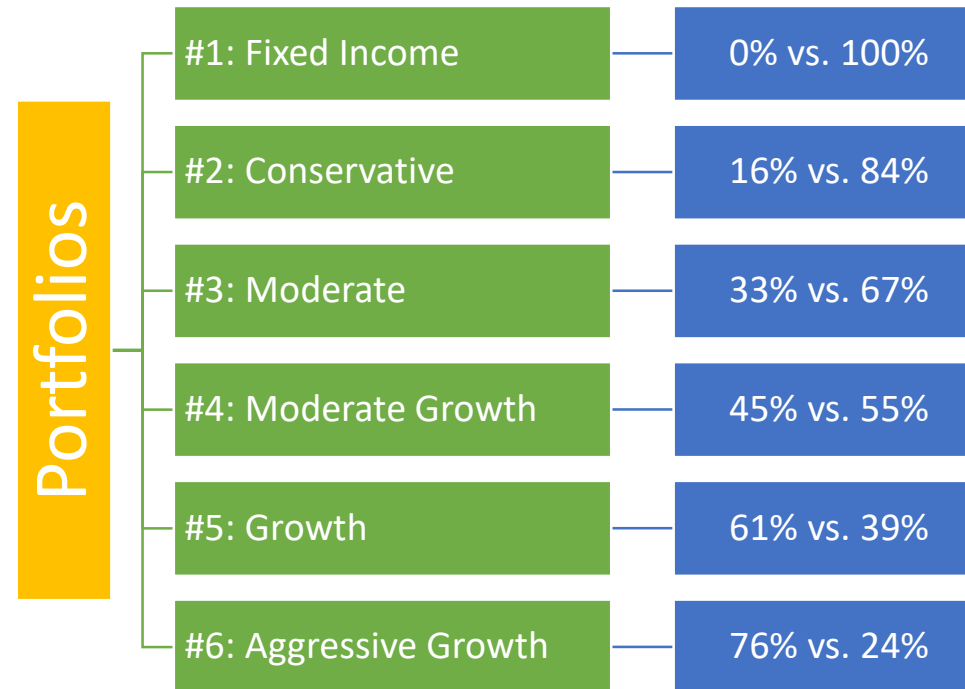
Program Fees:

Fiscal Year-to-Date Fee Totals	Keenan	BTC	Morgan Stanley	Fiscal YTD Total
2021/2022	\$72,448.06	\$43,616.94	\$41,319.73	\$157,384.73
2022/2023	\$67,170.23	\$38,425.61	\$35,912.11	\$141,507.95

SECTION 115 TRUST PORTFOLIO DESIGNS

PORTFOLIO Designs

Portfolios are designed to take minimum risk to achieve target returns over a full market cycle...



Portfolio Returns as of Sept. 30, 2023

Gross of Fees Model Portfolio Returns vs. Benchmarks

As of September 30th, 2023

<i>Portfolio</i>	<i>3Mo</i>	<i>1YR</i>	<i>3YR</i>	<i>5YR</i>	<i>10YR</i>
Fixed Income	-3.08%	3.12%	-4.85%	0.05%	1.61%
<i>Benchmark (Bloomberg Aggregate)</i>	-3.23%	0.64%	-5.21%	0.10%	1.13%
Conservative	-3.21%	5.16%	-3.45%	0.86%	2.33%
<i>Benchmark (15% ACWI / 85% BL AGG)</i>	-3.24%	3.54%	-3.37%	1.21%	2.19%
Moderate	-3.35%	7.62%	-1.87%	1.84%	3.37%
<i>Benchmark (30% ACWI / 70% BL AGG)</i>	-3.26%	6.48%	-1.53%	2.26%	3.22%
Moderate Growth	-3.45%	9.37%	-0.74%	2.55%	4.19%
<i>Benchmark (45% ACWI / 55% BL AGG)</i>	-3.28%	9.47%	0.29%	3.26%	4.21%
Growth	-3.60%	11.73%	0.71%	3.11%	4.94%
<i>Benchmark (60% ACWI / 40% BL AGG)</i>	-3.31%	12.50%	2.11%	4.21%	5.18%
Aggressive Growth	-3.73%	13.92%	2.07%	3.93%	5.91%
<i>Benchmark (75% ACWI / 25% BL AGG)</i>	-3.34%	15.58%	3.91%	5.10%	6.10%

Portfolio Returns as of Sept. 30, 2023

Net of Fees Model Portfolio Returns vs. Benchmarks

As of September 30th, 2023

<i>Portfolio</i>	<i>3Mo</i>	<i>1YR</i>	<i>3YR</i>	<i>5YR</i>	<i>10YR</i>
Fixed Income	-3.22%	2.54%	-5.39%	-0.52%	1.03%
<i>Benchmark (Bloomberg Aggregate)</i>	-3.23%	0.64%	-5.21%	0.10%	1.13%
Conservative	-3.35%	4.57%	-4.00%	0.29%	1.75%
<i>Benchmark (15% ACWI / 85% BL AGG)</i>	-3.24%	3.54%	-3.37%	1.21%	2.19%
Moderate	-3.49%	7.02%	-2.43%	1.27%	2.79%
<i>Benchmark (30% ACWI / 70% BL AGG)</i>	-3.26%	6.48%	-1.53%	2.26%	3.22%
Moderate Growth	-3.60%	8.76%	-1.30%	1.97%	3.60%
<i>Benchmark (45% ACWI / 55% BL AGG)</i>	-3.28%	9.47%	0.29%	3.26%	4.21%
Growth	-3.74%	11.11%	0.14%	2.52%	4.35%
<i>Benchmark (60% ACWI / 40% BL AGG)</i>	-3.31%	12.50%	2.11%	4.21%	5.18%
Aggressive Growth	-3.87%	13.29%	1.49%	3.34%	5.31%
<i>Benchmark (75% ACWI / 25% BL AGG)</i>	-3.34%	15.58%	3.91%	5.10%	6.10%

INVESTMENT PERFORMANCE DISCLOSURE

Gross of fees disclosure required:

Gross performance returns are calculated before the deduction of all fees and expenses that you have paid or would have paid in connection with services rendered. The data is as of 09/30/23, and obtained from Morningstar. The performance data in this document is historical. Past performance is no guarantee of future results. Investment returns and principal will fluctuate so that an investor's shares when redeemed may be worth more or less than original cost. Please note current performance may be higher or lower than the performance data shown. The sole purpose of this material is to inform, and it in no way is intended to be an offer or solicitation to purchase or sell any security, other investment, or service, or to attract any funds or deposits. Investments mentioned may not be suitable for all clients. Any product discussed herein may be purchased only after a client has carefully reviewed the offering memorandum and executed the subscription documents. Morgan Stanley has not considered the actual or desired investment objectives, goals, strategies, guidelines, or factual circumstances of any investor in any fund(s). Before making any investment, each investor should carefully consider the risks associated with the investment, as discussed in the applicable offering memorandum, and make a determination based upon their own particular circumstances, that the investment is consistent with their investment objectives and risk tolerance. This information is as of the date(s) noted and subject to daily changes. This is for BTC information purposes only and any net returns may increase or decrease based upon actual fees charged by BTC.

Net of fees disclosure required:

The data is as of 09/30/23, and obtained from Morningstar. The performance data in this document is historical. Past performance is no guarantee of future results. Investment returns and principal will fluctuate so that an investor's shares when redeemed may be worth more or less than original cost. Please note current performance may be higher or lower than the performance data shown. The sole purpose of this material is to inform, and it in no way is intended to be an offer or solicitation to purchase or sell any security, other investment, or service, or to attract any funds or deposits. Investments mentioned may not be suitable for all clients. Any product discussed herein may be purchased only after a client has carefully reviewed the offering memorandum and executed the subscription documents. Morgan Stanley has not considered the actual or desired investment objectives, goals, strategies, guidelines, or factual circumstances of any investor in any fund(s). Before making any investment, each investor should carefully consider the risks associated with the investment, as discussed in the applicable offering memorandum, and make a determination based upon their own particular circumstances, that the investment is consistent with their investment objectives and risk tolerance. This information is as of the date(s) noted and subject to daily changes. Net performance returns are calculated after the deduction from gross performance of a .568% annual fee where applicable, which represents a composite of the maximum fee that would be charged by Morgan Stanley and BTC and any expenses in connection with the services provided. This is for BTC information purposes only and any net returns may increase or decrease based upon actual fees charged by BTC.

HYPOTHETICAL PERFORMANCE DISCLAIMER

IMPORTANT INFORMATION ON HYPOTHETICAL PERFORMANCE

Summary—Please Read

This material contains hypothetical performance illustrations that are intended for investors who have the expertise and resources to understand the risk and limitations of these types of presentations.

Hypothetical performance represents returns that were not actually achieved by any portfolio of the investment adviser. They may include:

- Performance derived from model portfolios, which are typically constructed using individual securities (stocks and bonds), ETFs, mutual funds or other investment products, and can be developed with the benefit of hindsight and without actual money at risk
- Performance that is back-tested by the application of a strategy to data from prior time periods when the strategy was not actually used during those time periods—back-testing attempts to demonstrate how an investment strategy might have performed if it has been implemented historically
- Targeted or projected performance returns on a portfolio that is based on assumptions about investment returns and market behavior
- Performance during certain simulated market scenarios that measure the potential impact of discrete market events on a portfolio using a multifactor statistical risk model
- Performance during certain simulated historical scenarios that measure the profit and loss impact of instantaneous market movements between two specified dates based on risk factors in a portfolio

Hypothetical performance illustrations:

- May include investment products that you currently may not own, or may not own in the same quantities
- May appear similar to your current portfolio—but you would not necessarily have obtained the same results even if you held the same products in the same allocation for the same time periods
- Are not designed to maximize performance returns or other rewards
- Do not reflect the personal performance experience of your actual securities or accounts(s)

Hypothetical performance results have inherent limitations, including the following:

- There can be large differences between hypothetical and actual results
- These illustrations do not account for certain risk factors, including the ability to withstand losses or adhere to a particular trading strategy in the face of trading losses
- The hypothetical results do not represent actual results and are generally designed with the benefit of hindsight
- There are other factors that cannot be accounted for in these illustrations, which could potentially impact actual performance, such as market movements in general, the implementation of certain strategies, etc.

The hypothetical performance illustrations that follow are intended for your exclusive use and are not for further distribution. The sole purpose of this material is to inform. It is not intended to be an offer or solicitation to purchase or sell any security, other investment or service.

Thank you

We appreciate the opportunity to present Keenan Financial Services's Section 115 Other Post Employment Benefit (OPEB) Trust Solution

Gail Beal, Sr. Vice President

gbeal@keenand.com

(562) 400-5547

Roslyn Washington, Asst. Vice President

rwashington@keenand.com

(310) 413-8539

Scott Rankin, Sr. Vice President, Benefit Trust Company, Inc.

srankin@benefittrust.com

(310) 816-721-9983

Appendices

- Actuarial Valuation Study Summary
- Portfolio Return Summary
- Performance Report

Actuarial Valuation Study Summary

B. Key Results

El Camino CCD uses an Actuarial Measurement Date that is 12 months prior to its Fiscal Year-End. This means that these actuarial results measured as of June 30, 2021 will be used on a look back basis for the June 30, 2022 Fiscal Year-End.

Key Results	Current Year <i>June 30, 2021 Measurement Date for June 30, 2022 Fiscal Year-End</i>	Prior Year <i>June 30, 2020 Measurement Date for June 30, 2021 Fiscal Year-End</i>
Total OPEB Liability (TOL)	\$26,549,043	\$24,297,669
Fiduciary Net Position (FNP)	\$29,990,527	\$24,567,763
Net OPEB Liability (NOL)	(\$3,441,484)	(\$270,094)
Service Cost <i>(for year following)</i>	\$1,030,954	\$952,432
Estimated Pay-as-you-go Cost <i>(for year following)</i>	\$1,093,858	\$873,326
GASB 75 OPEB Expense <i>(for year ending)</i>	(\$252,379)	\$1,247,460

Portfolios Return Summary (YTD)

• Annualized Rate of Return	2.81%
• (Since Inception 2012)	
• 2023 Rate of Return(as of 6/30/2023)	8.34%
• 2022 Rate of Return	-20.87%
• 2021 Rate of Return	7.64%
• 2020 Rate of Return	14.55%
• 2019 Rate of Return	15.83%
• 2018 Rate of Return	-7.95%
• 2017 Rate of Return	7.66%
• 2016 Rate of Return	4.20%
• 2015 Rate of Return	-1.86%
• 2014 Rate of Return	4.28%
• 2013 Rate of Return	2.17%
• 2012 Rate of Return (1 st Deposit in 4th Qtr.)	1.60%

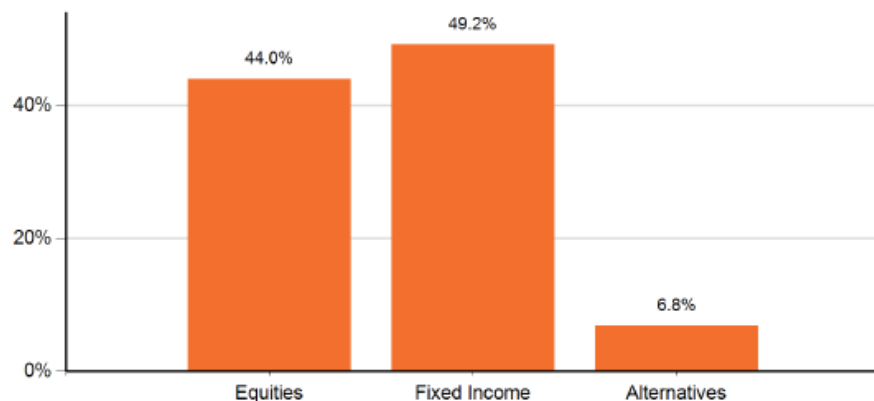
Performance Report 9/30/2023

EL CAMINO COMMUNITY COLLEGE DISTRICT FUTURIS PUBLIC E
BENEFIT TRUST ACCOUNT 0679

Portfolio Summary

Net of Fees | US Dollar
9/30/2023

Asset Allocation



Portfolio Summary

	Year to Date
Beginning Value	\$ 24,066,871.97
Net Contributions	-
Interest	-
Dividends	501,047.71
Change in Market Value	660,972.45
Management Fees	(108,228.96)
Ending Value	\$ 25,120,663.17

YTD: 12/31/2022 - 9/30/2023

Performance

	Market Value	Current Yield	Month to Date	Quarter to Date	Year to Date	Last 12 Months	Last 3 Years	Last 5 Years	Last 10 Years	Inception* to Date
Fixed Income	12,355,079.20	4.6	-2.67	-3.06	0.16	2.87	-4.99	0.23	1.38	1.26
Equities	11,052,464.40	1.5	-4.47	-3.33	11.55	20.07	4.17	5.06	6.83	7.80
Alternatives	1,713,119.57	3.4	-7.26	-7.84	-3.01	1.61	3.07	1.10	-	-
Total Account	25,120,663.17	3.2	-3.79	-3.52	4.82	9.97	-0.38	2.38	3.01	2.97
Total Account (Net of Fees)		3.2	-3.84	-3.66	4.38	9.34	-0.93	1.80	2.42	2.40
S&P 500 TR			-4.77	-3.28	13.06	21.61	10.15	9.92	11.92	12.58
MSCI EAFE			-3.37	-4.04	7.60	26.33	6.14	3.47	3.94	5.60
MSCI ACWI Ex US Net			-3.16	-3.77	5.34	20.38	3.73	2.58	3.36	4.49
BBG Agg (US)			-2.54	-3.23	-1.21	0.64	-5.21	0.10	1.13	0.87
BBG Global Agg			-2.92	-3.59	-2.21	2.24	-6.91	-1.61	-0.44	-0.64
50% MSCI ACWI/ 50% Barclays Agg			-3.34	-3.29	4.37	10.47	0.87	3.57	4.55	4.84

Performance Report 9/30/2023

PORTFOLIO APPRAISAL
EL CAMINO COMMUNITY COLLEGE DISTRICT FUTURIS PUBLIC ENTITY INVESTMENT
TR
BENEFIT TRUST ACCOUNT 0679
September 30, 2023

Quantity	Security	Security Symbol	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield
FIXED INC MUTUAL FUNDS								
TAXABLE BOND FUND								
257,169.255	BLACKROCK TOTAL RETURN FD BD FD BLKRX CL	MPHQ.X	11.73	3,016,718.26	9.50	2,443,107.92	9.7	4.3
158,713.282	GUGGENHEIM FDS TR INVT GD BD INSTL	GIUS.X	18.49	2,934,219.32	15.53	2,464,817.27	9.8	4.4
54,524.554	GUGGENHEIM FDS TR MACRO OPPTY R6	GIOS.X	26.23	1,430,103.40	23.69	1,291,686.68	5.1	5.9
217,932.297	PRUDENTIAL TOTAL RETURN BD FD	PTRQ.X	14.35	3,127,445.46	11.40	2,484,428.19	9.9	4.8
255,020.431	PRUDENTIAL GBL TOTL R TRN FD INC PGM GBL TTL R6	PGTQ.X	6.77	1,727,092.23	4.90	1,249,600.11	5.0	4.3
273,300.116	WESTERN ASSET FDS INC	WAPS.X	11.62	3,177,043.35	8.86	2,421,439.03	9.6	4.4
				15,412,622.01		12,355,079.20	49.2	4.6
				15,412,622.01		12,355,079.20	49.2	4.6
DOMESTIC EQUITY MUTUAL FUNDS								
LARGE CAP FUND								
29,755.956	ALGER FUNDS CAP APP FOCUS Y	ALGY.X	41.21	1,226,204.33	47.26	1,406,266.48	5.6	0.1
70,257.010	COLUMBIA FDS SER TR I	COFY.X	28.10	1,974,408.57	29.53	2,074,689.51	8.3	0.6
21,695.935	LEGG MASON PARTNERS EQUITY TR CLR BRID SL IS	LCSS.X	40.94	888,213.81	40.99	889,316.38	3.5	0.0
				4,088,826.72		4,370,272.36	17.4	0.3
SMALL CAP FUNDS								
56,190.755	ALGER FDS SMALL CP FOCUS Z	AGOZ.X	19.51	1,096,015.63	16.18	909,166.42	3.6	0.0
13,080.780	UNDISCOVERED MANAGERS FDS BEHAVR VAL R6	UBVF.X	69.91	914,412.58	75.26	984,459.50	3.9	1.2
				2,010,428.21		1,893,625.92	7.5	0.6
				6,099,254.93		6,263,898.28	24.9	0.4
INTERNATIONAL MUTUAL FUNDS								
INTERNATIONAL EMERGING MARKET FUND								
3,576.937	AMERICAN FUNDS NEW WORLD F-2	NFFF.X	64.28	229,938.26	70.58	252,460.21	1.0	1.1
INTERNATIONAL FUND								
14,487.115	AMERICAN FUNDS NEW PERSPECTIVE F2	ANWF.X	47.49	687,972.64	52.78	764,629.93	3.0	1.0
43,255.026	GOLDMAN SACHS TR II GQG PARTNRS	GSIY.X	15.55	672,636.72	18.03	779,888.12	3.1	4.5

Performance Report 9/30/2023

PORTFOLIO APPRAISAL
EL CAMINO COMMUNITY COLLEGE DISTRICT FUTURIS PUBLIC ENTITY INVESTMENT
TR
BENEFIT TRUST ACCOUNT 0679
 September 30, 2023

Quantity	Security	Security Symbol	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield
46,127.255	HARTFORD INTERNATIONAL VALUE Y	HILY.X	15.83	730,308.58	17.15	791,082.42	3.1	2.6
21,801.235	PRUDENTIAL WORLD FD INC JENNISON GBL Q	PRJQ.X	31.43	685,108.01	34.51	752,360.62	3.0	0.0
64,562.854	THORNBURG INVESTMENT INCOME BUILDER	TIBO.X	22.10	1,427,023.82	22.43	1,448,144.82	5.8	5.4
				4,203,049.77		4,536,105.91	18.1	3.1
				4,432,988.04		4,788,566.12	19.1	3.0
ALTERNATIVE INVESTMENT FUNDS								
ALTERNATIVE FUND								
93,524.850	COHEN & STEERS RLTY INCM NEW SHS CL Z	CSZLX	16.55	1,547,623.82	14.35	1,342,081.60	5.3	3.6
21,761.758	PRUDENTIAL GLOBAL REAL ESTATE	PGRQ.X	23.26	506,105.70	17.05	371,037.97	1.5	2.7
				2,053,729.52		1,713,119.57	6.8	3.4
				2,053,729.52		1,713,119.57	6.8	3.4
TOTAL PORTFOLIO				27,998,594.50		25,120,663.17	100.0	3.2