



Santa Barbara County Employees' Retirement System

Gregory E. Levin, CPA  
Chief Executive Officer

## Public Announcement

July 22, 2021

### Santa Barbara County Employees' Retirement System Preliminary Investment Returns for the Fiscal Year Ending June 30, 2021

The Santa Barbara County Employees' Retirement System (SBCERS) is pleased to report an estimated 25.58% gross investment return for the fiscal year ending June 30, 2021. Net of investment fees, the investment fund returned 25.11% for the fiscal year. SBCERS' asset value at the end of the fiscal year stood at \$3.88 billion, an increase of more than \$780 million over the prior fiscal year end asset value.

Over the past three, five and ten year periods, SBCERS has generated gross returns of 10.81%, 10.285% and 7.85%, respectively. SBCERS has averaged an 8.59% gross return since January 1987. Investment returns in excess of the system's current discount rate assumption of 7.00% improve SBCERS' funding ratio.

Additional information about the funded status of the plan and the impact of this year's investment performance on future contribution rates will be available in Fall 2021 upon completion of SBCERS' actuarial valuation process.

#### Total Fund Gross Annualized Performance as of June 30, 2021

<b>Fiscal Year June 30, 2021</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>Since Inception (1/1/1987)</b>
25.58%	10.81%	10.25%	7.85%	8.59%

Greg Levin, SBCERS CEO stated:

*"It is great to see SBCERS achieve investment returns over the assumed rate of return of seven percent for the past fiscal year. Our portfolio performed well over several asset classes and provided a positive result."*

*"We exceeded our 7% target for the year by over 18%. The performance will positively impact the upcoming contribution rate setting process and results in a gain that will phase in over the next five years."*

*"Investment Performance like this doesn't happen that often, in fact this is our highest fiscal year return in our modern record, which dates back to 1987."*

*"It is worth noting that investment years like this are often followed by periods of volatility and low return. Members should not expect all future periods to generate similar returns."*

*"As a result of these returns, the investment advisory industry is signaling lower return expectations for future periods"*

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*“Our investment horizon is very long, and we evaluate our performance over decades and not years. SBCERS’ Trustees and Staff work hard in order to ensure a strong and sustainable plan for our beneficiaries and the local taxpayers.”*

*“We continue to make progress reducing the risk and complexity of the fund in a thoughtful way that allows us to continue to meet investment return assumptions and pay the pensions that Santa Barbara County Employees have earned.”*

Questions Related to this Press Release should be directed to:

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