

The Pension Trust

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San Luis Obispo County Pension Trust (SLOCPT)

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Pension Trust Investments

The SLO County Retirement Plan is funded via a “Trust” – money set aside and invested for the sole benefit of providing pensions. This means that your Defined Benefit pension has a substantial amount of assets behind it - **\$1.75 billion as of year-end 2021**.

How does the SLOCPT invest those funds? The SLOCPT has historically taken a moderate level of investment risk relative to other pension systems. A pension fund can take on investment risk – and should take risk – because we have a very, very long-term outlook. We expect to pay pension benefits with no end in sight. In investments, **Risk** and **Return** are always related – you can’t get good returns without taking risk. And a pension fund with a very long future can afford to take some risks.

Does investment risk affect me? It is the SLOCPT that bears the investment risks of your pension. The individual Retirees of the SLOCPT are not directly affected by what our investment returns are. Pensions get paid year after year regardless. Investment returns – good or bad - may have an effect on pension contribution rates over many years, but they are just one of many other factors.

What is investment risk? Risk is the volatility of returns over many years. For example, in the catastrophic year of 2008 the SLOCPT had a -27.6% return. But then we had a +23.3% return in 2009 and +14.2% return in 2010.

How do you control investment risk? Diversify across different types of assets - don’t own just stocks or just bonds. Own a diversified blend of investments. Be patient – don’t overreact when the inevitable “Bear Market” years happen. The normal advice for pension funds and individual investors is – pick a level of risk appropriate for your funds and stay the course.

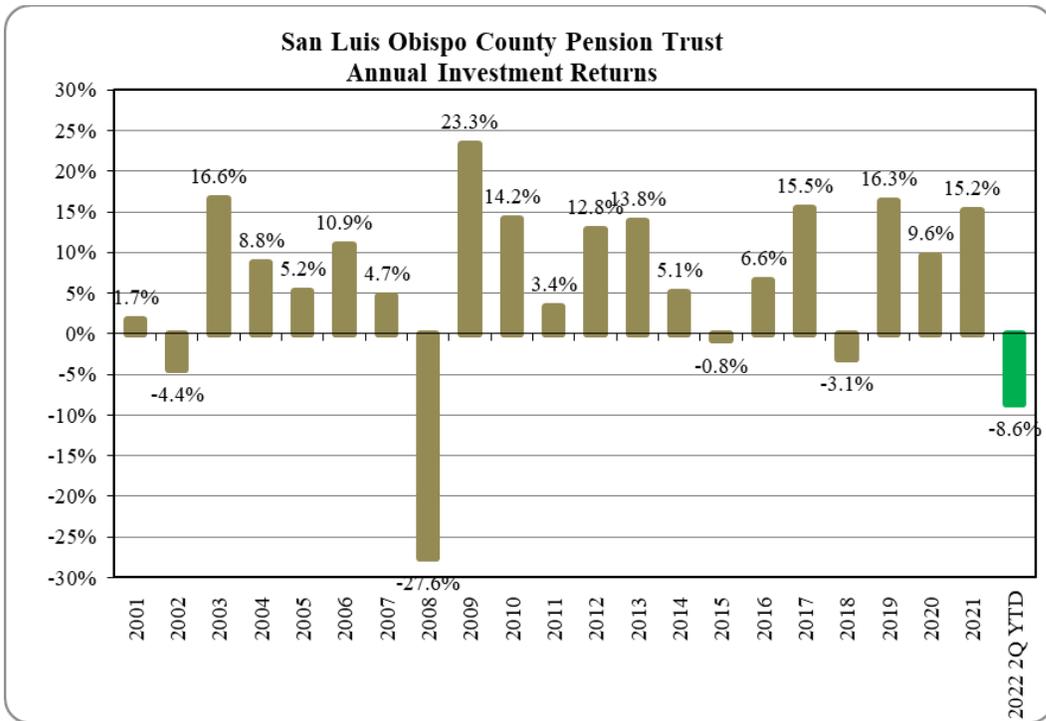
What is the SLOCPTs' target asset mix?

	2022 Interim Target	2025 Long- term Target
Liquidity	6%	10%
<u>Growth</u>		
Stocks	38%	30%
Public Credit	11%	0%
Real Estate	11%	10%
Infrastructure	2%	5%
Private Equity	10%	18%
Private Credit	<u>7%</u>	<u>12%</u>
Total Growth	79%	75%
Risk Diversifying Bonds	15%	15%
Total	100%	100%

The SLOCPT's Investment Policy Statement can be found at -

[SLOCPT - Investment Policy - Mar 2021 Amended \(ca.gov\)](#)

What have been the investment returns of the SLOCPT?



The latest quarterly investment report for the SLOCPT can be found at [2Q22 Quarterly Investment Report \(ca.gov\)](#)