

# ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

## Annual Report

*for the fiscal year ended June 30, 2015*

*St. Paul Teachers' Retirement Fund Association  
1619 Dayton Avenue, Room 309  
Saint Paul, Minnesota 55104-6276*

*Phone 651-642-2550  
Fax 651-642-2553  
[www.sptrfa.org](http://www.sptrfa.org)*

**Jill E. Schurtz**  
*Executive Director*

**Christine MacDonald**  
*Deputy Director*



# Table of Contents

## Introduction

Mission Statement .....	4
SPTRFA Board of Trustees and Staff .....	5
Transmittal Letter.....	6
Independent Professional Service Providers .....	8
Organizational Chart.....	9

## Benefits

Pre-Retirement Topics.....	11
Retirement Topics .....	12
Post-Retirement Topics.....	13
Basic Plan Summary of Benefits.....	14
Coordinated Plan Summary of Benefits .....	15
Retirement History Record .....	16

## Investments

Investment Returns .....	18
Holdings.....	19

## Actuarial Section

Actuarial Certification Letter .....	31
Summary of Valuation Results .....	33
Accounting Balance Sheet .....	34
Changes in Assets Available for Benefits .....	35
Actuarial Balance Sheet .....	36
UAAL and Supplemental Contribution Rate .....	37
Changes in Unfunded Actuarial Accrued Liability.....	38
Determination of Contribution Sufficiency.....	39
Actuarial Methods & Assumptions .....	40

<b>Appendix – State Auditor’s Report.....</b>	<b>49</b>
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## Mission

Provide our members and their beneficiaries with retirement, survivor, and disability benefits as specified in law and the Association Articles and Bylaws.

Assist our members in planning a secure retirement by providing friendly, high quality, consumer oriented service, pre-retirement education and information in a professional and cost effective manner.

Invest the assets of the fund to provide the optimum return while preserving principal by controlling portfolio risk.

## **SPTRFA Board of Trustees**

John R. Kunz, Jr.	President
Mike McCollor	Vice President
Eugene R. Waschbusch	Secretary-Treasurer
Jean O'Connell	<i>Ex-Officio</i> Trustee
W. Matt Bogenschultz	Trustee
Feryle W. Borgeson	Trustee
Lori Borgeson	Trustee
Karen A. Odegard	Trustee
James Paddock	Trustee
Stephanie Pignato	Trustee

## **SPTRFA Staff**

Jill E. Schurtz	Executive Director
Christine MacDonald	Deputy Director
Nancy Langer	Member Services and Outreach
Susan Nystrom	Finance and Member Services
Rachel Pastick	Communications and Member Services
Janet Williams	Operations and Member Services
Tamera Zielinski	Administrative Assistant

# St. Paul Teachers' Retirement Fund Association

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## TRUSTEES & OFFICERS

W. Matthew Bogenschultz	Karen Odegard	John R. Kunz, Jr. ....	President	1619 Dayton Avenue, Room 309
Feryle W. Borgeson	James Paddock	Mike McCollor .....	Vice President	Saint Paul, MN 55104-6206
Lori Borgeson	Stephanie Pignato	Eugene R. Waschbusch .....	Secretary-Treasurer	
Jean O'Connell		Jill E. Schurtz .....	Executive Director	

## Letter of Transmittal

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Members of the Association:

The trustees and staff of the St. Paul Teachers' Retirement Fund Association (SPTRFA) present the Annual Financial Report for the fiscal year ended June 30, 2015, in accordance with the provisions of Minnesota Statutes § 356.20.

This report is intended to provide readers with sufficient information to make informed assessments about the organization's financial condition, fiscal activities, actuarial status, investment performance, and compliance with laws, regulations, bylaws and policies.

This is the complete Annual Report of the Association. This report is also available on the Fund's website at: [www.sptrfa.org](http://www.sptrfa.org), or by request from the SPTRFA office.

Major sections included in this report and their content are as follows:

- **Introduction**

Mission Statement, Board of Trustees, professional service relationships, and organizational structure.

- **Benefits**

Summary information regarding Plan benefit options, calculation methods, and a history of annual retirements.

- **Investments**

Fund investment returns, security holdings, and investment advisors under contract with the Association.

- **Actuarial Valuation**

Actuary's Certification Letter and various actuarial valuation sections that assess the Plan's long-term funded status and adequacy of revenues and describe relevant actuarial methods and assumptions.

- **Appendix A – State Auditor's Report**

SPTRFA received an "unmodified opinion" – the highest opinion level possible. The report contains management's discussion and analysis of the financial performance of the Fund and is available on our website at: [www.sptrfa.org](http://www.sptrfa.org), or directly from the Minnesota Office of the State Auditor at: [www.osa.state.mn.us](http://www.osa.state.mn.us)

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The audit report was prepared in conformity with standards established by the Governmental Accounting and Standards Board. Internal controls are intended to provide the highest level of assurance, within reasonable constraints on cost, that the funds of the Association are secure and transactions undertaken are at all times consistent with law and general norms of prudent management of the organization.

The SPTRFA Board and staff are responsible for the safekeeping of the Association's assets, the prudent investment of those assets, and for ensuring that benefits are calculated properly and paid timely. Administrative costs are budgeted at a level sufficient to meet service needs of the members. We strive to be service providers of the first order and our administrative costs remain extremely efficient.

The Board and staff of the SPTRFA serve as fiduciaries on behalf of our members and their survivors and beneficiaries. We manage the assets entrusted to our care in concert with the Prudent Person Standard in Minn. Stat. § 356A.04, subd. 2, and as specified under Minn. Stat. § 356A.06, subd. 7.

Fulfilling the SPTRFA's mission requires assistance from a number of valued consultants, advisors and regulators:

**The Office of the State Auditor** audits the financial statements of the SPTRFA.

**Gabriel Roeder Smith & Company**, Minneapolis, Minnesota, performs the actuarial valuation for the Association. Key portions of its valuation, reflecting our funding status and adequacy of contributions over a long-term funding horizon, are included.

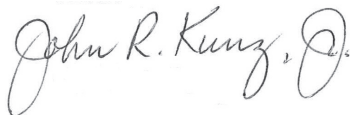
**Oppenheimer Wolff & Donnelly LLP**, Minneapolis, Minnesota, serves as primary Legal Counsel to the Board and staff, providing advice, representation, and monitoring of ongoing legal and regulatory developments.

**Asset Consulting Group**, St Louis, MO, serves as consultant to the Board and staff for investment performance measurement and certain compliance services.

**U.S. Bank Institutional Trust & Custody**, provides Custody services to the Fund.

With over 106 years of service to our members, the SPTRFA Board and staff remain committed to administering the affairs of the Association with the highest degree of diligence and efficiency.

Respectfully submitted,



John R. Kunz, Jr.



Eugene R. Waschbusch



Jill E. Schurtz

# **Independent Professional Service Providers During the Fiscal Year Ending June 30, 2015**

## **Actuary**

Gabriel Roeder Smith & Company

## **Auditor**

Minnesota Office of the State Auditor

## **Investment Managers**

Advantus Capital Management  
Allianz Global Investors  
BlackRock Institutional Trust Co.  
Barrow, Hanley, Mewhinney & Strauss, LLC  
The Boston Company Asset Management, LLC  
Brandywine Global Investment Management, LLC  
Corvex Management, LP  
Dimensional Fund Advisors, Inc.  
Dune Real Estate Partners  
EnTrust Capital  
Franklin Park  
Guggenheim Partners Investment Management, LLC  
JPMorgan Investment Management, Inc.  
Morgan Stanley Investment Management, Inc.  
North Sky Private Equity Partners IV  
Parametric Portfolio Associates  
RWI Ventures I  
RWI Ventures II  
State Board of Investment  
TCW Asset Management Co.  
Tortoise Capital Advisors  
T. Rowe Price  
UBS Realty Investors, LLC  
U.S. Bank  
Venture Investment Advisors  
Wellington Management Company, LLP

## **Investment Consultant**

Asset Consulting Group

## **Legal Counsel**

Oppenheimer Wolff & Donnelly LLP  
Rice, Michels & Walther, LLP



# Organizational Chart

## MEMBERS

ACTIVE

RETIRED

SURVIVORS

BENEFICIARIES

## BOARD OF TRUSTEES

John R. Kunz, Jr., President

Mike McCollor, Vice President

Eugene R. Waschbusch, Secretary-Treasurer

W. Matt Bogenschultz, Trustee

Feryle W. Borgeson, Trustee

Lori Borgeson, Trustee

Jean O'Connell, Ex-Officio Trustee

Karen A. Odegard, Trustee

James Paddock, Trustee

Stephanie Pignato, Trustee

## ADMINISTRATION

Jill E. Schurtz, Executive Director

Christine MacDonald, Deputy Director

Nancy Langer, Member Services and Outreach

Susan Nystrom, Finance and Member Services

Rachel Pastick, Communications and Member Services

Janet Williams, Operations and Member Services

Tamera Zielinski, Administrative Assistant

## BENEFITS ADMINISTRATION

Active Member Services

Retired Member Services

Records Management

Member Counseling

Benefit Payments & Reporting

## OPERATIONS & FINANCE

Business Administration

Accounting/Reporting

Office Payroll & Benefits

Budget Administration

Investment Mgmt. &  
Reporting

Publications

Information Systems

## PROFESSIONAL TECHNICAL SERVICES

Actuary

*Gabriel Roeder Smith & Company*

Custodian

*U.S. Bank*

Investment Managers

Legal Counsel

*Oppenheimer Wolff & Donnelly LLP*

*Rice, Michels & Walther, LLP*

Medical Advisors

*Dr. Ronald Vessey M.D.*

*Dr. David Johnson M.D.*

Performance Measurement

*Asset Consulting Group (ACG)*

## GOVERNMENTAL RELATIONS

Minnesota State Auditor

Legislative Commission on  
Pensions & Retirement

Minnesota Department of  
Management and Budget

Minnesota Department of Revenue

Minnesota Campaign Finance  
& Public Disclosure Board

U.S. Department of the Treasury

# **BENEFITS**

## **Pre-Retirement Topics**

<b>Membership</b>	SPTRFA membership is mandatory upon employment in any position requiring a license issued by the MN Department of Education for employment with Saint Paul Public Schools (SPPS), St. Paul College (SPC) – if you were first employed prior to July 1, 1995, or St. Paul Charter Schools – from July 1, 1995 through June 30, 2002. Hereinafter collectively referred to as “Saint Paul Schools.”
<b>Allowable Retirement Service Credit</b>	A full year of retirement service credit is earned after 170 days are worked during each fiscal year. Partial years are calculated based on the ratio of days worked to 170 days. No more than one year of retirement service credit is allowable during any fiscal year.
<b>Definition of Salary</b>	Minnesota Statutes Chapter 354A and the Association Articles and Bylaws define salary as the entire compensation upon which member contributions are required and made.
<b>Refund of Contributions</b>	Coordinated and Basic members who resign from St. Paul Schools may apply for a refund of employee contributions, plus applicable interest. Basic Plan members must be either under Age 55 or ineligible for a pension to receive a refund of contributions.
<b>Repaying a Refund of Contributions</b>	A member who received a refund may reinstate previous retirement service credit by repaying the amount refunded plus applicable interest. Such repayments may only be made after the member has accumulated at least two years of allowable retirement service credit since the last refund was taken.
<b>Leaves of Absence</b>	Subject to certain requirements, members may purchase retirement service credit for the following Saint Paul Schools approved leaves of absence: Sabbatical, Military, Parental, Mobility, Medical, Family Medical.
<b>Service Payments</b>	Members may repay refunds or purchase SPTRFA retirement service credit by using personal savings or by transferring money from their tax-sheltered retirement accounts, such as 403(b), 457, 401(k), IRAs, or from another plan qualified under 401(a).
<b>Beneficiary</b>	A beneficiary is the person or persons designated to receive a refund of employee contributions, plus applicable interest, upon the death of the member if no survivor or family benefit is payable. If no valid beneficiary designation form is on file for a member, a refund of contributions plus applicable interest will be paid to the member’s estate.
<b>Marriage Dissolution</b>	Minnesota Statutes Chapter 518 covers marriage dissolutions and requires that SPTRFA receive a copy of the petition and summons, including a copy of the affidavit of service, before any information may be released. In the event that a court order requires a division of pension benefits, a judge signed copy of a decree or domestic relations order is required. All inquiries are kept confidential. Any survivor benefit coverage ends at the dissolution of marriage.
<b>Disability Benefit</b>	Subject to certain requirements, a disability benefit is available to vested members who become totally and permanently disabled.

## Retirement Topics

### **Basic Plan Retirement Options**

Basic Plan members receive a formula benefit payable for life. An automatic spousal survivor benefit is also provided. This survivor benefit coverage does not cause a reduction in the member's benefit, but does terminate at any dissolution of marriage.

### **Coordinated Plan Retirement Options**

At the time of retirement, Coordinated Plan members select one of the five benefit annuity options below:

- |           |                                  |   |
|-----------|----------------------------------|---|
| <b>C1</b> | <b>Member Life Only</b>          | Monthly benefit payable for life to the member, with nothing payable after the member's death.  |
| <b>C2</b> | <b>Guaranteed Refund</b>         | Reduced monthly benefit payable for life to the member. In exchange for the member's benefit reduction, after the member's death, SPTRFA pays a refund to a designated beneficiary. The refund is equal to the difference between SPTRFA pre-retirement member contributions less cumulative SPTRFA post-retirement benefits paid to the member prior to death.   |
| <b>C3</b> | <b>15-Year Certain</b>           | Reduced monthly benefit payable for life to the member. In exchange for the member's benefit reduction, SPTRFA continues monthly payments to a beneficiary if the member's death occurs within 15 years after retirement. Beneficiary payments end after the balance of the 15 years of SPTRFA benefit payments (member and beneficiary combined) is fulfilled.   |
| <b>C4</b> | <b>100% Joint &amp; Survivor</b> | Reduced monthly benefit payable for life to the member. In exchange for the member's benefit reduction, after the member's death, the member's spouse receives the same monthly benefit for life. If the spouse predeceases the member, the member's benefit would bounceback to the full, unreduced benefit amount payable under the C1 option. Survivor benefit coverage ends at any dissolution of marriage.                         |
| <b>C5</b> | <b>50% Joint &amp; Survivor</b>  | Reduced monthly benefit payable for life to the member. In exchange for the member's benefit reduction, after the member's death, the member's spouse receives 50% of the member's benefit as a monthly benefit for life. If the spouse predeceases the member, the member's benefit would bounceback to the full, unreduced benefit amount payable under the C1 option. Survivor benefit coverage ends at any dissolution of marriage. |

## Post-Retirement Topics

### Post-Retirement SPPS Reemployment

If a retired member is reemployed by SPPS prior to Age 65, their SPTRFA monthly benefits will be reduced if the retired member earns more than \$46,000 from SPPS in any calendar year. The following year's pension will be reduced by one dollar for every three dollars in SPPS earnings over \$46,000, with the amount of the reduction forfeited to SPTRFA. After age 65, retired members have no SPPS re-employment earnings limitation. Retired members can work for any other employer without a reduction in their SPTRFA pension benefits.

### 90 Day Period of Separation

Newly retired members must have a complete and continuous 90 day separation from Independent School District No. 625 employment in any form. Importantly, "employment" for this purpose includes "any service provided to ISD #625 directly, as an independent contractor, or as an employee of an independent contractor."

### Post-Retirement Adjustment

Post-retirement adjustments are determined annually under Minnesota statutes, which may be amended from time to time. Effective July 1, 2015, post-retirement adjustments are based on SPTRFA's funding ratio in each of the two most recent actuarial valuations, according to the following table:

<u>Accrued Liability Funding Ratio (AVA)</u>	<u>Full COLA Rate</u> <u>(%)</u>
Less than 80 percent	1.0
Greater than or equal to 80 percent, but less than 90 percent	2.0
Greater than or equal to 90 percent	2.5

The postretirement benefit increase applies to each eligible member on January 1 of each year. Members in retirement payment status for at least one full year will receive the full increase noted above. Members in retirement payment status after January 1st but on or before July 1st of the preceding year will receive one-half of the full increase.

## Basic Plan - Summary of Tier Benefits

Vested members of the Basic Plan are eligible to receive a lifetime monthly pension based on the member's Final Average Salary (**FAS**), Years of Service (**YOS**) and a Percentage Multiplier.

The following chart provides an overview of the Tier 1 and Tier 2 retirement benefits:

Normal Benefit	Minimum		Computation of Annual Benefit
	Age	Service	
Tier 1			
Unreduced	Rule of 90		} FAS x YOS x 2.0%
	60	25	
	65	5	
Reduced	55	5	Reduced for early retirement by 0.25% for each month a member's age is under 65.
	55	25	Reduced for early retirement by 0.25% for each month a member's age is under 60.
Tier 2			
Unreduced	65	5	FAS x YOS x 2.5%
Reduced	55	5	Formula reduced for early retirement by the use of actuarial tables.
Deferred Retirement			
	55	5	Annual Benefit (see above).

### Formula Key:

FAS: Final Average Salary

YOS: Years of Service

2.0% or 2.5%: Percentage Multiplier

## Coordinated Plan - Summary of Tier Benefits

Vested members of the Coordinated Plan are eligible to receive a lifetime monthly pension based on the member's Final Average Salary (**FAS**), Years of Service (**YOS**) and a Percentage Multiplier. Members first hired after June 30, 1989 are only eligible for Tier 2 benefits.

The following chart provides an overview of the Tier 1 and Tier 2 retirement benefits effective as of July 1, 2015.

Normal Benefit	Minimum		Computation of Annual Benefit
	Age	Service	
Tier 1			
Unreduced	Rule of 90 62 65	30 3	<div><div>(FAS x First 10 YOS x Multiplier*)</div><div>+</div><div>(FAS x YOS greater than 10 x Multiplier*)</div></div>
Reduced	55  Any Age	3  30	
			<div>*Tier 1 Multipliers</div> <div><div>Service Prior to July 1, 2015</div><div>Service Effective July 1, 2015</div></div> <div><div>First 10 YOS</div><div>Over 10 YOS</div></div> <div><div>1.2%</div><div>1.9%</div></div>

### Tier 2

Unreduced	If first employed before July 1, 1989:			
	65	3	FAS x YOS x Multiplier*	
	If first employed on or after July 1, 1989:			
	65-66	3	FAS x YOS x Multiplier*	
Reduced	55	3	Reduced for early retirement by the use of actuarial tables.	
		*Tier 2 Multipliers	Service Prior to July 1, 2015	1.7%
			Service Effective July 1, 2015	1.9%

### Deferred Retirement

	55	3	Annual Benefit (see above) with augmentation <sup>1</sup> .
	Any Age	30	
<p>1. Augmented by 3% per year from date of resignation to January 1 after reaching Age 55, then 5% per year thereafter, if first hired prior to July 1, 2006.</p> <p>Augmented by 2.5% for all years if first hired on or after July 1, 2006.</p> <p>Augmentation for all members, regardless of hire date, changed to 2% as of July 1, 2012 for the portion of benefit deferral occurring after June 30, 2012.</p>			

### Key

FAS: Final Average Salary

YOS: Years of Service

## Retirement History Record

Fiscal Year Ending	Pensions Granted	Persons On Payroll	Benefits Paid (\$)	Fiscal Year Ending	Pensions Granted	Persons On Payroll	Benefits Paid (\$)
June 1910	15	13	\$ 4,860	December 1975	52	778	\$ 3,765,322
June 1931	8	125	69,024	December 1976	77	883	4,393,513
June 1932	8	130	72,961	December 1977	63	919	5,050,507
June 1933	2	126	74,190	December 1978	48	946	5,523,548
June 1934	6	127	74,120	December 1979	40	946	6,240,309
June 1935	9	131	74,001	December 1980	47	963	6,623,804
June 1936	14	135	75,864	December 1981	47	981	7,139,037
June 1937	19	151	80,747	December 1982	61	996	7,725,617
June 1938	17	160	89,709	December 1983	72	1,042	8,555,099
June 1939	11	161	93,184	December 1984	64	1,061	9,466,664
June 1939 to				January 1985 to			
December 1939	0	158	23,870	June 1985	59	1,103	5,324,727
December 1940	71	222	170,685	June 1986	66	1,134	11,267,144
December 1941	35	246	210,257	June 1987	117	1,191	12,478,180
December 1942	27	266	234,217	June 1988	70	1,210	14,690,455
December 1943	38	286	253,031	June 1989	67	1,236	15,506,957
December 1944	34	311	282,299	June 1990	67	1,270	17,382,410
December 1945	56	350	308,113	June 1991	80	1,309	18,811,677
December 1946	51	378	337,512	June 1992	83	1,357	20,509,335
December 1947	28	387	360,571	June 1993	120	1,426	22,763,806
December 1948	42	413	375,912	June 1994	92	1,469	25,044,494
December 1949	42	441	419,618	June 1995	113	1,539	26,792,534
December 1950	30	461	450,641	June 1996	119	1,595	29,446,215
December 1951	27	476	472,670	June 1997	179	1,720	32,056,967
December 1952	28	486	508,923	June 1998	129	1,789	37,852,099
December 1953	32	487	525,959	June 1999	114	1,861	41,724,751
December 1954	10	482	529,429	June 2000	144	1,964	47,121,179
December 1955	38	509	666,994	June 2001	130	2,050	53,851,893
December 1956	46	529	750,146	June 2002	127	2,136	58,738,724
December 1957	59	560	840,883	June 2003	126	2,248	63,357,052
December 1958	41	579	1,019,502	June 2004	141	2,361	67,941,921
December 1959	30	585	1,084,506	June 2005	192	2,505	72,448,201
December 1960	38	600	1,144,380	June 2006	146	2,624	78,420,222
December 1961	39	611	1,230,715	June 2007	138	2,744	82,809,201
December 1962	49	624	1,352,779	June 2008	122	2,851	88,273,233
December 1963	42	647	1,467,461	June 2009	114	2,933	92,137,480
December 1964	33	653	1,545,252	June 2010	166	3,044	95,299,300
December 1965	40	668	1,631,554	June 2011	233	3,212	97,264,937
December 1966	43	676	1,770,083	June 2012	141	3,292	101,989,143
December 1967	36	682	1,862,249	June 2013	166	3,404	103,237,869
December 1968	45	695	1,969,760	June 2014	177	3,529	105,742,221
December 1969	53	726	2,319,186	June 2015	178	3,633	108,877,858
December 1970	31	719	2,385,868				
December 1971	47	731	2,522,350				
December 1972	51	745	2,742,660				
December 1973	36	744	3,039,253				
December 1974	46	754	3,372,453				



## INVESTMENTS

## Investment Returns for Fiscal Year End June 30, 2015

	<b>Assets Under Management (Market Value)</b>	<b>Fiscal Year Investment Performance*</b>
<b>Domestic Equity</b>		
Barrow, Hanley, Mewhinney & Strauss, Inc.	52,173,661	6.35%
BlackRock S&P 500 (added in January 2015)	9,058,852	N/A*
The Boston Company Asset Management	49,494,822	7.85%
Dimensional Fund Advisors, Inc.	51,214,248	2.95%
State Board of Investments - Domestic Equity	199,369,309	7.29%
Wellington Management Company, LLP	53,528,764	6.47%
	<b><u>\$ 414,839,656</u></b>	
<b>International Equity</b>		
State Board of Investments - Int'l Equity	91,858,277	-3.79%
	<b><u>\$ 91,858,277</u></b>	
<b>Global Equity</b>		
Morgan Stanley Global Franchise	52,742,388	2.88%
JP Morgan Focus	54,618,778	1.44%
	<b><u>\$ 107,361,166</u></b>	
<b>Fixed Income</b>		
Brandywine Global Opportunistic Fixed	45,391,279	-5.63%
Allianz Cash Overlay	24,110,709	5.21%
T Rowe Price Global Multi-sector Bond	20	0.00%
T Rowe Price IGM (added in June 2015)	28,354,522	N/A*
Guggenheim Core Plus	107,864,216	3.77%
	<b><u>\$ 205,720,746</u></b>	
<b>Real Assets</b>		
Advantus	31,773,602	5.54%
UBS Trumbull Fund	40,854,518	11.53%
UBS Growth & Income Fund	13,392,779	15.23%
Tortoise MLP	23,696,058	-13.59%
Dune Realty Partners	1,947,269	12.32%
Parametric - TIPS	16,768,774	-1.98%
	<b><u>\$ 128,433,000</u></b>	
<b>Private Equity</b>		
Franklin Park	12,584,919	
North Sky	7,860,606	
RWI Ventures I	246,720	
RWI Ventures II	1,261,290	
TCW LLC (added in March 2015)	3,405,046	
VIA Partners	964,224	
	<b><u>\$ 26,322,805</u></b>	3.13%
<b>Alternatives</b>		
Parametric Defensive Equity (added in June 2015)	10,000,000	N/A*
	<b><u>\$ 10,000,000</u></b>	
<b>Opportunistic</b>		
Corvex (added in February 2015)	16,048,446	N/A*
Entrust (added in March 2015)	2,293,120	N/A*
	<b><u>\$ 18,341,566</u></b>	
<b>Cash</b>		
Cash - US Bank Custody	7,357,865	0.03%
Cash - US Bank Checking	3,676,885	
Parametric Cash Overlay	1,991,885	2.77%
	<b><u>\$ 13,026,634</u></b>	
<b>Total Fund (net of fees)</b>	<b><u>\$ 1,015,903,852</u></b>	<b>2.65%</b>
<b>Total Fund Benchmark</b>		<b>1.82%</b>

\*NOTE: Investment returns are calculated by Asset Consulting Group (performance measurement consultant) and Fiscal Year Investment Performance is included only for those managers with whom SPTRFA was invested for a full 12 month period. In the case of mid-year additions, performance is listed as "N/A".

## Holdings by Asset Class, Security Type, and Issuer as of June 30, 2015

Asset Class / Security Type / Issuer	Quantity <u>Shares or Units</u>	<u>Cost</u>	<u>Market Value</u>	Accrued Interest or <u>Dividends</u>	<u>Mkt + Accrued</u>
<b>Cash or Equivalents</b>					
Imprest Cash	-	\$ 500	\$ 500	\$ -	\$ 500
U.S. Bank Interest Bearing Checking Acct	-	(12,620)	(12,620)	-	(12,620)
U.S. Bank Commercial Paper Sweep	-	3,689,006	3,689,006	-	3,689,006
Custodian Short Term Investment Pool	-	24,876,553	24,876,553	99,812	24,976,366
Subtotal - Cash or Equivalents	-	\$ 28,553,438	\$ 28,553,438	\$ 99,812	\$ 28,653,251
<b>Domestic Equity Securities</b>					
Acadia Rlty Tr	13,969	\$ 351,860	\$ 406,638	\$ 3,473	\$ 410,110
Advance Auto Parts Inc	6,900	1,032,727	1,099,101	414	1,099,515
Agribank Fcb	1,000	100,000	105,000	1,719	106,719
Akorn Inc Com	14,352	619,457	626,608	-	626,608
Alexandria Real Estate Equities Inc	11,000	888,765	962,060	8,470	970,530
Alliance Data Systems Corp	1,600	284,954	467,104	-	467,104
Altria Group Inc	31,200	520,688	1,525,992	16,224	1,542,216
American Airlines Group Inc	15,300	604,292	611,006	-	611,006
American Campus Cmnty Inc	10,300	416,851	388,207	-	388,207
American Express Co	21,000	1,151,182	1,632,120	6,090	1,638,210
American Public Education	28,000	970,993	720,160	-	720,160
American Residential Propert	16,609	347,703	307,267	-	307,267
Antero Midstream Partners Lp	14,471	391,589	414,449	-	414,449
Anthem Inc	2,900	108,182	476,006	-	476,006
Apartment Invt Mgmt Co Cl A	12,626	484,132	466,278	-	466,278
Arrow Electrs Inc	15,309	659,369	854,242	-	854,242
Aspen Insurance Hldg Ltd	25,725	649,471	648,270	10,772	659,042
At&T Inc	16,700	590,327	593,184	-	593,184
Atwood Oceanics Inc	20,200	762,237	534,088	5,050	539,138
Avalonbay Cmnty Inc	9,000	1,239,346	1,438,830	11,250	1,450,080
Avnet Inc	13,950	445,559	573,485	-	573,485
Ball Corp	1,300	62,542	91,195	-	91,195
Bank Of America Corp	58,028	1,118,869	987,637	-	987,637
Beacon Roofing Supply Inc	4,417	140,981	146,733	-	146,733
Belden Inc	27,100	1,778,939	2,201,333	1,285	2,202,618
Boston Ppty Inc	12,679	1,356,990	1,534,666	8,241	1,542,908
Boston Scientific Corp	49,100	702,174	869,070	-	869,070
Bp Plc Spons A D R	32,100	1,453,745	1,282,716	-	1,282,716
Brixmor Property Group Inc	12,600	326,006	291,438	-	291,438
Buckeye Partners Lp	18,114	1,263,009	1,339,168	-	1,339,168
Camden Ppty Tr	6,900	417,061	512,532	4,830	517,362
Cameron International Corp	4,900	278,012	256,613	-	256,613
Capital One Financial Corp	12,800	918,833	1,126,016	-	1,126,016
Cardinal Health Inc	12,200	525,136	1,020,530	4,721	1,025,251
Carnival Corp	24,500	773,443	1,210,055	-	1,210,055
Cdw Corp De	42,600	1,228,169	1,460,328	-	1,460,328
Centaur Funding Corp	800	1,001,000	984,750	-	984,750
Cerner Corporation	10,500	756,439	725,130	-	725,130
Chemtura Corp	13,632	496,211	555,782	-	555,782
Chesapeake Lodging Trust	7,500	240,713	228,600	2,275	230,875

## Holdings by Asset Class, Security Type, and Issuer as of June 30, 2015

Asset Class / Security Type / Issuer	Quantity <u>Shares or Units</u>	<u>Cost</u>	<u>Market Value</u>	Accrued Interest or <u>Dividends</u>	<u>Mkt + Accrued</u>
Chevron Corporation	5,500	255,954	530,585	-	530,585
Chipotle Mexican Grill Inc	300	194,230	181,497	-	181,497
Ciena Corp	41,076	735,073	972,680	-	972,680
Cigna Corp	4,300	314,492	696,600	-	696,600
Citigroup Inc	18,610	770,568	1,028,016	-	1,028,016
Clarcor Inc	2,147	142,345	133,629	-	133,629
Cognizant Tech Solutions Cl A	7,200	330,325	439,848	-	439,848
Columbia Banking System Inc	17,682	465,525	575,372	-	575,372
Columbia Pipeline Partners L P	9,143	244,125	230,404	-	230,404
Conocophillips	14,700	374,941	902,727	-	902,727
Corelogic Inc	29,249	753,355	1,160,893	-	1,160,893
Cracker Barrel Old Ctry Store	4,200	451,673	626,472	-	626,472
Crh Plc	47,000	1,047,194	1,321,170	-	1,321,170
Cubsmart	17,057	275,582	395,040	2,729	397,769
Cvb Finl Corp	17,585	223,664	309,672	-	309,672
D R Horton Inc	48,000	1,065,945	1,313,280	-	1,313,280
Dana Holding Corp	8,153	142,861	167,789	-	167,789
Dcp Midstream Partners Lp	9,932	537,072	304,813	-	304,813
Dct Industrial Trust Inc	11,000	343,263	345,840	3,080	348,920
Ddr Corp	8,700	150,516	134,502	1,501	136,003
Dealertrack Technologies Inc	12,887	474,054	809,175	-	809,175
Deere Co	12,200	1,089,339	1,184,010	7,320	1,191,330
Digital Realty Trust Inc	3,700	243,383	246,716	-	246,716
Dollar General Corp	7,000	516,295	544,180	1,408	545,588
Dollar Tree Inc	8,600	454,282	679,314	-	679,314
Duke Realty Corporation	39,900	645,562	740,943	-	740,943
Dunkin Brands Group Inc	7,600	365,539	418,000	-	418,000
E Trade Financial Corp	38,511	557,706	1,153,404	-	1,153,404
Edwards Lifesciences Corp	3,500	448,566	498,505	-	498,505
Emerson Electric Co	17,800	661,785	986,654	-	986,654
Enbridge Energy Partners L P	26,224	992,329	874,046	-	874,046
Energy Transfer Equity L P	34,117	1,056,764	2,189,288	-	2,189,288
Enlink Midstream Llc	3,689	129,734	114,691	-	114,691
Enlink Midstream Partners Lp	6,620	200,721	145,441	-	145,441
Entergy Corporation	6,800	268,443	479,400	-	479,400
Enterprise Prods Partners L P	70,963	2,068,480	2,121,084	-	2,121,084
Envision Healthcare Holdings Inc	19,500	659,606	769,860	-	769,860
Eqst Gp Holdings Lp	3,914	118,229	133,037	-	133,037
Eqst Midstream Partners Lp	10,376	786,982	846,059	-	846,059
Equifax Inc	1,936	128,054	187,966	-	187,966
Equinix Inc	1,400	351,470	355,600	-	355,600
Equity Lifestyle Pptys Inc	8,800	475,822	462,704	3,300	466,004
Equity Residential	23,200	1,397,275	1,627,944	12,818	1,640,762
Essex Ppty Tr Inc	6,194	989,312	1,316,225	8,919	1,325,144
Everbank Financial Corp	59,767	1,129,109	1,174,422	-	1,174,422
Expedia Inc	6,870	536,098	751,235	-	751,235
Extra Space Storage Inc	10,700	524,364	697,854	-	697,854
F E I Co	16,514	1,315,230	1,369,506	-	1,369,506
Federal Rlty Invt Tr	6,400	762,104	819,776	5,568	825,344

## Holdings by Asset Class, Security Type, and Issuer as of June 30, 2015

Asset Class / Security Type / Issuer	Quantity <u>Shares or Units</u>	<u>Cost</u>	<u>Market Value</u>	Accrued Interest or <u>Dividends</u>	<u>Mkt + Accrued</u>
Fidelity National Financial Inc	31,629	625,179	1,169,957	-	1,169,957
Fidelity National Financial Inc	29,051	660,050	446,804	-	446,804
First Republic Bank San Fran	8,425	481,509	531,028	-	531,028
Five Below	2,200	69,693	86,966	-	86,966
Fleetcor Technologies Inc	2,500	336,005	390,150	-	390,150
Flir Systems Inc	30,806	991,681	949,441	-	949,441
Fluor Corp	7,838	472,947	415,492	-	415,492
Fortinet Inc	21,275	646,588	879,296	-	879,296
Generac Holdings Inc	15,076	686,978	599,271	-	599,271
General Dynamics Corp	7,300	566,409	1,034,337	5,037	1,039,374
General Growth Properties	41,500	950,795	1,064,890	-	1,064,890
Genesis Energy Lp	10,945	561,281	480,376	-	480,376
Grand Canyon Education Inc	34,400	1,390,003	1,458,560	-	1,458,560
Grubhub Inc	11,600	462,898	395,212	-	395,212
Gw Pharmaceuticals Adr	11,582	901,853	1,422,733	-	1,422,733
Haemonetics Corp	11,600	483,568	479,776	-	479,776
Harley Davidson Inc	10,800	589,870	608,580	-	608,580
Harman International	11,600	1,312,135	1,379,704	-	1,379,704
Hcp Inc	6,900	301,616	251,643	-	251,643
Hd Supply Holdings Inc	31,689	975,408	1,114,819	-	1,114,819
Health Care Reit Inc	19,100	1,233,798	1,253,533	-	1,253,533
Heartland Payment Systems Inc	11,000	446,046	594,550	-	594,550
Heartware International Inc	13,934	1,207,536	1,012,862	-	1,012,862
Highwoods Properties Inc	10,700	450,825	427,465	-	427,465
Hilton Worldwide Holdings In	13,900	369,911	382,945	-	382,945
Honeywell International Inc	11,200	367,583	1,142,064	-	1,142,064
Host Hotels Resorts Inc	51,410	1,026,621	1,019,460	10,282	1,029,742
Houghton Mifflin Harcourt Co	292	7,171	7,358	-	7,358
Hsn Inc	5,600	382,162	393,064	-	393,064
Hubbell Inc Cl B	4,603	509,256	498,413	-	498,413
Hudson Pacific Properties Inc	13,900	445,193	394,343	-	394,343
Huron Consulting Group Inc	2,361	155,261	165,482	-	165,482
Icon Plc	25,400	1,297,656	1,709,420	-	1,709,420
Ims Health Holdings Inc	35,500	952,571	1,088,075	-	1,088,075
Infoblox Inc	67,388	1,140,436	1,766,239	-	1,766,239
Ingram Micro Inc Cl A	37,135	968,779	929,489	-	929,489
Intel Corp	26,100	478,177	793,832	-	793,832
Intercontinental Exchange In	1,043	241,353	233,225	-	233,225
Interface Inc	18,903	328,302	473,520	-	473,520
Ishares Russell 2000 Index Etf	2,028	243,552	253,216	-	253,216
Itc Holdings Corp	15,560	515,642	500,721	-	500,721
J P Morgan Chase Co	25,800	1,003,732	1,748,208	-	1,748,208
Janus Capital Group Inc	63,900	1,077,557	1,093,968	-	1,093,968
Jazz Pharmaceuticals Plc	4,600	817,782	809,922	-	809,922
Jds Uniphase Corp	79,764	982,667	923,667	-	923,667
Johnson Controls Inc	21,600	1,052,961	1,069,848	5,616	1,075,464
Johnson Johnson	13,400	875,974	1,305,964	-	1,305,964
Kansas City Southern	1,100	118,669	100,320	363	100,683
Keysight Technologies Inc	25,313	878,042	789,512	-	789,512

## Holdings by Asset Class, Security Type, and Issuer as of June 30, 2015

<b>Asset Class / Security Type / Issuer</b>	<b>Quantity <u>Shares or Units</u></b>	<b><u>Cost</u></b>	<b><u>Market Value</u></b>	<b>Accrued Interest or <u>Dividends</u></b>	<b><u>Mkt + Accrued</u></b>
Kilroy Rlty Corp	5,600	318,215	376,040	1,960	378,000
Kimco Realty Corp	30,000	661,649	676,200	-	676,200
Kirby Corp	9,038	612,955	692,853	-	692,853
Kite Realty Group Trust	9,925	262,757	242,865	-	242,865
Kroger Co	5,200	226,258	377,052	-	377,052
L Brands Inc	3,700	249,619	317,201	-	317,201
Lasalle Hotel Properties	3,600	119,055	127,656	1,620	129,276
Lazard Ltd Cl A	18,639	1,034,741	1,048,257	-	1,048,257
Leucadia Natl Corp	64,068	1,468,084	1,555,571	-	1,555,571
Liberty Ppty Tr	7,000	244,882	225,540	3,325	228,865
Lincoln National Corp	16,300	911,802	965,286	-	965,286
Lkq Corp	34,913	923,567	1,055,944	-	1,055,944
Lululemon Athletica Inc	2,900	141,177	189,370	-	189,370
Mack Cali Realty Corp	12,600	244,814	232,218	-	232,218
Magellan Midstream Partners Lp	29,514	1,668,352	2,165,737	-	2,165,737
Manpowergroup Inc	5,200	363,603	464,776	-	464,776
Marathon Oil Corporation	28,600	655,222	759,044	-	759,044
Marketaxess Hldgs Inc	1,400	128,682	129,878	-	129,878
Markwest Energy Partners Lp	19,520	1,295,120	1,100,538	-	1,100,538
Media General Inc	21,172	348,155	349,761	-	349,761
Medivation Inc	5,700	580,148	650,940	-	650,940
Mednax Inc	12,842	660,344	951,721	-	951,721
Medtronic Plc	23,300	1,792,935	1,726,530	9,424	1,735,954
MellanoX Technologies Ltd A D R	8,346	343,789	405,532	-	405,532
Merck And Co Inc	20,200	852,503	1,149,986	9,090	1,159,076
Michaels Cos Inc The	48,700	1,078,596	1,310,517	-	1,310,517
Microsemi Corp	14,440	391,196	504,678	-	504,678
Microsoft Corp	32,200	607,748	1,421,630	-	1,421,630
Mid-Amer Apt Cmnty Inc	1,460	102,961	106,303	-	106,303
Miller Herman Inc	37,287	963,235	1,078,713	3,906	1,082,619
Monster Beverage Corp	3,700	250,316	495,874	-	495,874
Mplx Lp	12,145	451,233	866,910	-	866,910
Mylan Nv	12,600	617,498	855,036	-	855,036
New Gold Inc	143,211	571,949	385,238	-	385,238
Newmont Mining Corp	10,330	242,755	241,309	-	241,309
Nielsen Nv	19,120	848,135	856,002	-	856,002
Northern Tr Corp	2,800	217,799	214,088	-	214,088
Norwegian Cruise Line Holdings Ltd	12,700	669,744	711,708	-	711,708
Occidental Petroleum Corporation	13,200	362,579	1,026,564	9,900	1,036,464
Old Dominion Fgth Line Inc	11,000	795,158	754,655	-	754,655
Oneok Inc	7,771	436,228	306,799	-	306,799
Oneok Partners Lp	8,194	301,539	278,596	-	278,596
Oracle Corporation	37,300	1,532,932	1,503,190	-	1,503,190
P N C Financial Services Group Inc	12,000	707,425	1,147,800	-	1,147,800
Packaging Corp America	-	-	-	935	935
Paramount Group Inc	13,400	245,417	229,944	1,273	231,217
Parker Hannifin Corp	892	72,413	103,766	-	103,766
Pebblebrook Hotel Trust	11,600	439,456	497,408	3,596	501,004
Pentair Plc	8,500	613,114	584,375	-	584,375

## Holdings by Asset Class, Security Type, and Issuer as of June 30, 2015

<b>Asset Class / Security Type / Issuer</b>	<b>Quantity <u>Shares or Units</u></b>	<b><u>Cost</u></b>	<b><u>Market Value</u></b>	<b>Accrued Interest or <u>Dividends</u></b>	<b><u>Mkt + Accrued</u></b>
Perkin Elmer Inc	9,800	444,809	515,872	-	515,872
Pfizer Inc	39,755	1,005,069	1,332,985	-	1,332,985
Philip Morris Intl	16,900	715,401	1,354,873	16,900	1,371,773
Phillips 66	7,450	113,717	600,172	-	600,172
Phillips 66 Partners Lp	8,395	406,189	604,440	-	604,440
Pinnacle Financial Partners	13,318	571,350	724,100	-	724,100
Plains All Amer Pipeline Lp	42,922	2,378,637	1,870,112	-	1,870,112
Plains Gp Holdings Lp Cl A	12,981	310,656	335,429	-	335,429
Platform Specialty Products	8,700	230,550	222,546	-	222,546
Popeyes Louisiana Kitchen Inc	3,600	148,738	215,964	-	215,964
Pra Group Inc	17,300	977,285	1,077,963	-	1,077,963
Prologis Inc	23,650	932,980	877,415	-	877,415
Public Storage Inc	7,700	1,136,623	1,419,649	-	1,419,649
Pvh Corp	3,349	354,629	385,805	-	385,805
Qualcomm Inc	23,200	1,637,937	1,453,016	-	1,453,016
Raymond James Finl Inc	13,333	710,309	794,380	-	794,380
Raytheon Company	8,200	383,771	784,576	5,494	790,070
Realogy Holdings Corp	36,632	1,476,512	1,711,447	-	1,711,447
Regal Beloit Corp	7,782	521,237	564,895	-	564,895
Ross Stores Inc	10,400	367,629	505,544	-	505,544
Royal Gold Inc	3,487	207,093	214,764	-	214,764
Sanofi A D R	26,400	1,002,041	1,307,592	-	1,307,592
Scansource Inc	21,430	771,497	815,626	-	815,626
Seaspan Corp	36,000	902,944	909,000	-	909,000
Shell Midstream Partners L P	8,538	261,682	389,760	-	389,760
Simon Property Group Inc	17,965	2,372,933	3,108,304	-	3,108,304
Sinclair Broadcast Group Inc A	28,135	833,692	785,248	-	785,248
Skyworks Solutions Inc	5,000	154,050	520,500	-	520,500
Sl Green Rlty Corp	7,000	631,904	769,230	4,200	773,430
Slm Corp	45,164	423,783	445,769	-	445,769
Southwestern Energy Co	9,600	259,262	218,208	-	218,208
Spectra Energy Corp	19,209	683,620	626,213	-	626,213
Staples Inc	28,917	483,001	442,719	-	442,719
State Str Corp	21,900	1,052,412	1,686,300	7,446	1,693,746
Steelcase Inc Cl A	64,928	933,315	1,227,788	-	1,227,788
Strategic Hotel Cap Inc	39,100	477,747	473,892	-	473,892
Sunoco Logistics Partners L P	31,687	1,008,121	1,205,057	-	1,205,057
Sunstone Hotel Invs Inc	19,600	326,190	294,196	980	295,176
Svb Finl Group	12,833	1,083,564	1,847,695	-	1,847,695
Swift Transportation Co	11,400	297,755	258,438	-	258,438
Synaptics Inc	10,000	847,081	867,350	-	867,350
Talmer Bancorp Inc Cl A	17,270	243,434	289,273	-	289,273
Targa Resources Corp	7,451	710,531	664,778	-	664,778
Target Corp	12,200	712,142	995,886	-	995,886
Tech Data Corp	3,940	234,486	226,786	-	226,786
Teladoc, Inc.	54	1,026	1,026	-	1,026
Tesoro Logistics Lp	14,850	847,112	848,232	-	848,232
Teva Pharmaceutical Inds Ltd A D R	16,500	626,150	975,150	-	975,150
Texas Instruments Inc	22,400	556,681	1,153,824	-	1,153,824

## Holdings by Asset Class, Security Type, and Issuer as of June 30, 2015

Asset Class / Security Type / Issuer	Quantity <u>Shares or Units</u>	<u>Cost</u>	<u>Market Value</u>	Accrued Interest or <u>Dividends</u>	<u>Mkt + Accrued</u>
Textron Inc	15,600	618,105	696,228	324	696,552
Thor Industries Inc	14,700	847,427	827,316	3,969	831,285
Tiffany & Co	4,000	350,304	367,200	1,600	368,800
Travelers Cos Inc	13,600	559,481	1,314,576	-	1,314,576
Trinet Group Inc	10,700	312,476	271,245	-	271,245
Trueblue Inc	36,954	852,991	1,104,925	-	1,104,925
Tuesday Morning Corp	26,000	348,821	292,890	-	292,890
Udr Inc	21,400	602,262	685,442	-	685,442
United Health Group Inc	15,600	695,592	1,903,200	-	1,903,200
Universal Display Corporation	24,042	775,075	1,243,693	-	1,243,693
Universal Health Svcs Inc	6,300	578,111	895,230	-	895,230
Valero Energy Partners Lp	8,487	291,015	433,516	-	433,516
Valspar Corp	15,149	1,140,383	1,239,491	-	1,239,491
Vantiv Inc	16,700	514,001	637,773	-	637,773
Veeco Instrs Inc Del	34,466	1,179,150	990,553	-	990,553
Ventas Inc	14,361	913,160	891,674	-	891,674
Verint Systems Inc	19,800	1,059,599	1,202,751	-	1,202,751
Verizon Communications Inc	33,396	1,417,638	1,556,588	-	1,556,588
Vodafone Group Plc A D R	13,272	678,249	483,764	15,462	499,226
Vornado Realty Trust	13,542	1,154,092	1,285,542	-	1,285,542
Voya Financial Inc	9,470	284,476	440,071	-	440,071
Wabco Hldgs Inc	5,900	621,619	729,948	-	729,948
Waddell & Reed Financial Inc	20,800	1,061,632	984,048	-	984,048
Wal Mart Stores Inc	16,600	1,005,176	1,177,438	-	1,177,438
Web Com Group Inc	66,700	1,537,049	1,615,474	-	1,615,474
Weingarten Rlty Invts	13,900	470,720	454,391	-	454,391
Wells Fargo Co	33,900	899,174	1,906,536	-	1,906,536
Western Gas Equity Partners Lp	6,215	258,186	372,900	-	372,900
Western Gas Partners Lp	13,815	869,157	875,457	-	875,457
Whirlpool Corp	2,500	494,962	432,625	-	432,625
Williams Cos Inc	11,446	468,723	656,886	-	656,886
Williams Sonoma Inc	2,993	240,235	246,234	-	246,234
Xylem Inc	9,008	332,260	333,927	-	333,927
Yamana Gold Inc	273,152	1,698,975	819,456	-	819,456
Zebra Technologies Corp Cl A	7,700	695,317	855,085	-	855,085
Zimmer Biomet Holdings Inc	9,100	1,055,676	993,993	1,650	995,643
Subtotal - Domestic Equity	5,025,767	\$ 177,943,373	\$ 210,737,427	\$ 255,809	\$ 210,993,236
<b>Domestic Equity Commingled Accounts</b>					
BlackRock S&P	12,933	\$ 8,999,158	\$ 9,058,852	\$ -	\$ 9,058,852
Dimensional Fund Advisors	22,973	11,738,157	51,214,248	-	51,214,248
SBI Domestic Index Stock	4,985,056	175,000,000	199,369,309	-	199,369,309
Subtotal - Domestic Equity Commingled	5,020,962	\$ 195,737,315	\$ 259,642,409	\$ -	\$ 259,642,409
<b>International Equity Commingled Accounts</b>					
JPMorgan Global Focus	2,419,972	\$ 38,380,763	\$ 54,618,778	\$ -	\$ 54,618,778
SBI - International	11,434,079	90,995,156	91,858,277	-	91,858,277
Subtotal - International Equity Commingled	13,854,051	\$ 129,375,919	\$ 146,477,055	\$ -	\$ 146,477,055



## Holdings by Asset Class, Security Type, and Issuer as of June 30, 2015

Asset Class / Security Type / Issuer	Quantity <u>Shares or Units</u>	<u>Cost</u>	<u>Market Value</u>	Accrued Interest or <u>Dividends</u>	<u>Mkt + Accrued</u>
<b>International Equity Mutual Funds</b>					
Morgan Stanley Ins Glb Fra I	2,441,276	\$ 43,471,459	\$ 52,742,388	\$ -	\$ 52,742,388
Subtotal - Int'l Equity Mutual Fund	2,441,276	\$ 43,471,459	\$ 52,742,388	\$ -	\$ 52,742,388
<b>Fixed Income Commingled Accounts</b>					
Allianz Global Investors	22,000,000	\$ 22,000,000	\$ 24,110,709	\$ -	\$ 24,110,709
Brandywine Global Opportunistic Fi	1,118,505	46,113,888	45,391,279	-	45,391,279
Trowe Price IGM	2,923,147	24,753,260	28,354,522	-	28,354,522
Subtotal - Fixed Income Commingled	26,041,651	\$ 92,867,147	\$ 97,856,510	\$ -	\$ 97,856,510
<b>Fixed Income Securities</b>					
Acc Group Housing Llc	200,000	\$ 200,000	\$ 200,000	\$ 5,856	\$ 205,856
Acis Clo Ltd	600,000	582,000	598,710	5,889	604,599
Acis Clo Ltd	600,000	587,400	600,702	4,533	605,235
Acis Clo Ltd	1,000,000	995,000	996,520	5,786	1,002,306
Adams Outdoor Advertising	650,000	650,000	650,000	1,092	651,092
Adt Corp	500,000	500,000	525,000	6,597	531,597
Aes Corp Va	400,000	399,000	400,000	1,087	401,087
Aim Aviation Finance Limited	976,190	976,190	966,721	1,828	968,549
Alm Loan Funding	750,000	716,250	741,660	4,076	745,736
Alm Loan Funding	350,000	334,250	346,801	1,902	348,703
Alm Loan Funding	250,000	245,925	247,483	1,425	248,907
Amtrust Financial Services Inc	750,000	750,000	743,438	17,354	760,792
Anchorage Capital Clo Ltd	500,000	494,375	496,795	2,148	498,943
Anchorage Credit Funding Ltd	1,000,000	1,000,000	1,000,000	2,628	1,002,628
Ares Clo Funds	700,000	677,600	699,510	3,482	702,992
Army Hawaii Family Hsg	500,000	500,000	500,000	1,278	501,278
Army Hawaii Family Hsg	500,000	500,000	500,000	1,278	501,278
At T Inc	500,000	498,555	459,645	3,563	463,208
Atlantic Marine Corp Com	241,284	231,963	234,984	1,092	236,076
Avaya Inc	250,000	248,750	244,375	4,375	248,750
Avis Budget Rental Car Funding Aesop	250,000	249,969	251,310	269	251,579
Babcock Brown Air Funding Ltd	1,081,401	919,191	919,191	270	919,461
Banc Of America Commercial Mortgage	477,950	496,097	479,690	2,523	482,212
Banc Of America Funding Corporation	1,021,404	929,477	1,021,404	46	1,021,450
Banc Of America Funding Corporation	1,008,948	944,943	1,008,948	263	1,009,211
Bank Of America Corp	450,000	445,000	440,888	897	441,784
Bank Of America Corp	50,000	51,188	49,782	1,007	50,788
Bank Of America Corp	550,000	550,000	543,125	9,692	552,817
Barc Repo 00101Jak2	(427,500)	(427,500)	(427,500)	-	(427,500)
Barclays Repo	(3,000)	(3,000)	(3,000)	-	(3,000)
Barclays Repo	(10,000)	(10,000)	(10,000)	-	(10,000)
Barclays Repo 00206Rcp5	(407,193)	(407,193)	(407,193)	-	(407,193)
Barclays Repo 25714Pcw6	(398,750)	(398,750)	(398,750)	-	(398,750)
Bcap Llc Trust	995,817	932,022	935,670	50	935,719
Black Diamond Clo Ltd	750,000	745,313	749,333	4,355	753,687
Blade Engine Securitization Ltd	777,235	531,192	544,064	411	544,476
Boca Hotel Portfolio Trust	750,000	750,000	749,558	1,079	750,636

## Holdings by Asset Class, Security Type, and Issuer as of June 30, 2015

<b>Asset Class / Security Type / Issuer</b>	<b>Quantity <u>Shares or Units</u></b>	<b><u>Cost</u></b>	<b><u>Market Value</u></b>	<b>Accrued Interest or <u>Dividends</u></b>	<b><u>Mkt + Accrued</u></b>
Bon Secours Charity Hlth	500,000	500,000	510,205	3,646	513,851
Capmark Military Housing Trust	728,605	731,337	728,605	2,442	731,047
Capmark Military Housing Trust	830,000	910,925	1,212,721	3,862	1,216,583
Cent Clo Lp	250,000	250,000	249,705	1,037	250,742
Cerberus Onshore Ii Clo Llc	250,000	247,493	250,533	1,591	252,123
Cgbam Coml Mortgage	500,000	500,000	498,100	502	498,602
Chesterfield Financial Holding Llc	474,000	474,000	474,000	948	474,948
Chicago Il Brd Of Edu Cap Apprec Sch	480,000	228,360	232,819	-	232,819
Chicago Il Cabs City Colleges Agm Cr	100,000	48,872	45,719	-	45,719
Chicago Il Ref Proj Ser B	300,000	247,683	243,096	8,148	251,244
Chicago Il Wtr Rev Build America	220,000	301,783	249,513	2,472	251,985
Chinos Intermed Hldgs A	500	494	403	6	409
Churchill Financial Cayman Ltd	1,000,000	897,500	991,180	3,519	994,699
Cifc Fdg	1,000,000	1,000,000	990,030	1,577	991,607
Citigroup Inc	400,000	400,000	401,000	2,964	403,964
Citigroup Inc	720,000	720,000	721,584	11,868	733,452
Citigroup Inc	500,000	500,000	482,600	5,537	488,137
Coa Summit Clo Ltd	500,000	497,500	493,365	3,057	496,422
Comm Mortgage Trust	400,000	400,000	399,484	501	399,985
Comm Mortgage Trust	800,000	800,000	797,992	1,163	799,155
Cook Cnty Il Build Amer Bonds	650,000	699,072	646,354	5,174	651,527
Corp Financiera De Desar	200,000	204,000	201,500	4,842	206,342
Countrywide Alternative Loan Trust	684,423	698,967	710,862	2,994	713,857
Credit Acceptanc	100,000	102,500	100,250	2,314	102,564
Csmc Tr	800,000	800,000	796,288	882	797,170
Detroit Mi City Sch Dist Build	370,000	380,175	442,039	4,777	446,816
Detroit Mi City Sch Dist Qualified	300,000	296,250	317,694	3,323	321,017
Detroit Mi Swr Disp Sys Revenue	300,000	293,642	300,750	7,500	308,250
Divorce Clo	250,000	248,975	250,000	452	250,452
Dominican Republic	500,000	522,835	510,000	14,651	524,651
Drug Royalty Ii Lp 1	226,672	226,672	229,720	312	230,033
Dryden Senior Loan Fund	1,000,000	974,283	1,000,000	-	1,000,000
Dryden Senior Loan Fund	250,000	250,000	249,728	1,702	251,430
Dynagas Lng Partnersfin	300,000	292,000	282,000	3,177	285,177
Ecaf Ltd	750,000	750,000	750,000	1,237	751,237
Emerald Aviation Finance Limited	1,030,208	1,038,807	1,057,251	2,129	1,059,380
Emerald Aviation Finance Limited	447,917	446,633	459,115	1,264	460,379
Entertainment Properties	950,000	982,215	1,018,752	20,636	1,039,388
Epr Properties	250,000	249,095	245,505	3,281	248,786
Fifth Third Bancorp	489,000	462,105	458,438	69	458,507
Fifth Third Bank	400,000	400,000	381,320	4,954	386,274
Figueroa Clo Ltd	250,000	246,000	242,745	868	243,613
First Franklin Mtg Loan Asset Backed	500,000	436,250	442,545	44	442,589
Fort Benning Fam	750,000	582,188	750,000	1,814	751,814
Fortress Credit Funding Lp	1,000,000	1,000,000	994,620	3,820	998,440
Fortress Credit Investments Ltd	1,000,000	1,000,000	1,000,000	486	1,000,486
Fortress Credit Opportunities Clo	750,000	741,825	748,328	4,927	753,255
Fortress Credit Opportunities Clo Lp	250,000	245,825	247,478	1,625	249,103
Fortress Credit Opportunities Clo Lp	200,000	194,080	195,844	1,654	197,498

## Holdings by Asset Class, Security Type, and Issuer as of June 30, 2015

Asset Class / Security Type / Issuer	Quantity <u>Shares or Units</u>	<u>Cost</u>	<u>Market Value</u>	Accrued Interest or <u>Dividends</u>	<u>Mkt + Accrued</u>
Gallatin Funding Ltd	250,000	250,000	245,495	1,672	247,167
Garrison Funding Ltd	750,000	746,250	752,228	3,167	755,395
Garrison Funding Ltd	1,000,000	997,000	1,000,000	2,085	1,002,085
Gasco	613,016	1	613,016	3,916	616,933
Gasco	621,774	1	621,774	5,164	626,938
Gcat	1,551,921	1,542,221	1,560,844	930	1,561,775
Gmac Commercial Mortgage Asset Corp	382,831	364,685	382,831	1,394	384,224
Gmh Military Hsg Navy Ne	485,000	507,844	485,000	6,448	491,448
Golub Capital Partners Clo Ltd	250,000	249,238	252,353	1,808	254,160
Golub Capital Partners Clo Ltd	250,000	250,000	246,903	1,767	248,670
Great Lakes Clo Ltd	250,000	250,000	250,368	2,114	252,481
Great Lakes Clo Ltd	750,000	750,000	751,515	7,019	758,534
Halcyon Loan Advisors Funding Ltd	250,000	249,063	251,408	381	251,788
Harbinger Group Inc	472,000	493,080	497,960	17,140	515,100
Hilton Usa Trust	850,000	857,294	857,378	2,705	860,083
Hp Communities Llc	412,741	436,729	429,180	6,405	435,585
Hsbc Holdings Plc	150,000	150,000	150,375	2,763	153,138
Icahn Enterprises Fin	95,000	98,133	98,088	2,375	100,463
Illinois St Agm Credit	250,000	255,348	244,813	1,177	245,990
Illinois St Build America Bonds Agm	125,000	127,711	133,558	3,453	137,011
Illinois St Ser 2 Babs	250,000	288,383	270,853	5,750	276,603
Illinois St Ser B Agm Cr	300,000	283,557	309,240	8,025	317,265
Industry Public Ca	700,000	700,000	704,991	-	704,991
Inland Vly Ca Dev Agy Successor Agy	150,000	147,000	159,995	2,750	162,745
Ivy Hill Middle Market Credit Fund	550,000	539,825	540,348	4,098	544,445
Jefferson Cnty Al Swr Revenue	200,000	81,330	87,332	-	87,332
Jefferson Cnty Al Swr Revenue	200,000	72,050	80,804	-	80,804
Jefferson Cnty Al Swr Revenue	575,000	174,082	200,094	-	200,094
Jefferson Cnty Al Swr Revenue	375,000	113,130	121,770	-	121,770
Jefferson Cnty Al Swr Revenue	625,000	175,875	190,144	-	190,144
Jpmorgan Chase Co	500,000	500,000	496,300	5,153	501,453
Jpmorgan Chase Co	800,000	792,063	783,000	20,000	803,000
Kaiser Aluminum Corporat	500,000	566,250	541,250	3,438	544,688
Kehe Distributors Llc Fi	250,000	252,569	262,500	7,201	269,701
Kkr Financial Clo Ltd	500,000	498,750	500,605	2,357	502,962
Kkr Financial Clo Ltd	500,000	495,750	500,000	3,317	503,317
Kvk Clo Ltd	500,000	489,806	486,930	1,992	488,922
Lancer Fin Spv Ltd	353,057	357,470	346,875	1,721	348,596
Lstar Securities Investment Trust	488,131	482,349	488,131	916	489,048
Lstar Securities Investment Trust	979,619	966,867	979,619	1,839	981,458
Lstar Securities Investment Trust	1,071,095	1,057,554	1,071,095	1,947	1,073,042
Lstar Securities Investment Trust	1,032,810	1,033,396	1,036,037	2,917	1,038,955
Lstar Securities Investment Trust	985,568	975,933	985,568	598	986,166
Lvii Resecuritization Trust	1,000,000	1,042,500	1,000,000	4,301	1,004,301
Marathon Clo Ltd	1,250,000	1,244,531	1,250,475	3,838	1,254,313
Marea Clo Ltd	1,000,000	1,000,000	1,000,000	-	1,000,000
Mcf Clo Llc	350,000	334,600	339,388	2,248	341,636
Mcgraw Hill Global Ed	400,000	450,500	440,000	9,750	449,750
Miami Dade Cnty Fl Spl Oblig Cap	3,250,000	736,385	826,800	-	826,800

## Holdings by Asset Class, Security Type, and Issuer as of June 30, 2015

Asset Class / Security Type / Issuer	Quantity <u>Shares or Units</u>	<u>Cost</u>	<u>Market Value</u>	Accrued Interest or <u>Dividends</u>	<u>Mkt + Accrued</u>
Miami Dade Cnty Fl Spl Oblig Cap	500,000	107,055	111,480	-	111,480
Mid State Trust	421,395	432,457	452,523	2,458	454,982
Monroe Capital Clo Ltd	600,000	577,500	595,704	4,441	600,145
Morgan Stanley	500,000	500,000	496,375	7,863	504,238
Motel 6 Trust	1,000,000	1,000,000	998,080	3,776	1,001,856
Mt Wilson Clo	1,000,000	971,250	976,180	-	976,180
N Star Real Estate Cdo Ltd	849,409	787,068	823,409	337	823,746
Navigators Group Inc	750,000	750,000	796,005	9,104	805,109
New Century Home Equity Loan Trust	1,100,000	977,625	976,305	127	976,432
Newstar Arlington Senior Loan	250,000	243,827	241,508	5,019	246,526
Newstar Commercial Loan Funding Frn	250,000	243,438	251,830	2,263	254,093
Newstar Trust	400,000	354,000	396,348	793	397,141
Newstar Trust	750,000	750,000	745,118	1,154	746,271
Nomura Resecuritization Trust	286,396	264,884	278,541	20	278,560
Northern Group Housing	400,000	400,000	450,996	1,209	452,205
Nzcg Funding Ltd	750,000	750,000	750,000	2,253	752,253
Nzcg Funding Ltd	500,000	493,760	500,000	1,877	501,877
Nzcg Funding Ltd	500,000	473,325	500,000	2,177	502,177
Nzcg Funding Ltd	750,000	750,000	750,675	4,835	755,510
Octagon Investment Partners Xix Ltd	800,000	774,800	800,568	5,310	805,878
Pacific Northwest Commun	300,000	300,000	346,725	788	347,513
Port Auth Of New York New Jersey	190,000	210,079	200,480	4,204	204,684
Port Auth Of New York New Jersey Ny	750,000	750,000	737,483	3,014	740,497
Puerto Rico CmwltH Ref Pub Impt Ser	300,000	300,000	285,060	7,500	292,560
Puerto Rico Highway TransprtHn Auth	200,000	194,000	195,984	5,500	201,484
Race Point Clo Ltd	500,000	500,000	500,350	701	501,051
Rait Cre Cdo Ltd	1,028,967	709,080	1,028,967	178	1,029,144
Rampart Clo	1,000,000	985,000	1,000,000	-	1,000,000
Rbc Capital Repo 26884Uab5	(241,250)	(241,250)	(241,250)	-	(241,250)
Rbc Capital Repo 638904Ab8	(780,000)	(780,000)	(780,000)	-	(780,000)
Rbc Capital Repo 79588Taa8	(828,750)	(828,750)	(828,750)	-	(828,750)
Rbc Repo 29380Tat2	(1,007,000)	(1,007,000)	(1,007,000)	-	(1,007,000)
Regatta Funding Ltd	1,000,000	997,000	1,000,000	1,574	1,001,574
Republic Of Kenya	650,000	681,888	659,477	869	660,346
Resource Capital Corp Ltd	1,000,000	1,000,000	1,000,000	1,631	1,001,631
Rockwall Cdo	774,836	728,346	756,194	648	756,841
Sammons Financial Group	750,000	750,000	848,183	11,083	859,266
San Marcos Ca Unif Sch Dist Cabs	500,000	122,365	113,325	-	113,325
Scottrade Financ Service	150,000	155,328	162,216	4,339	166,555
Skyway Concession Co Llc	250,000	200,500	207,500	4	207,504
Srers Funding Ltd	1,149,944	1,021,328	1,118,620	304	1,118,924
Stockton Ca Unif Sch Dist Cap Apprec	400,000	147,856	169,988	-	169,988
Stockton Ca Unif Sch Dist Cap Apprec	615,000	214,549	249,450	-	249,450
Store Master Funding Llc	499,583	499,324	492,639	637	493,276
Suntrust Banks Inc	1,250,000	1,250,000	1,257,813	3,125	1,260,938
Teachers Insur Annuity	700,000	699,349	713,832	10,099	723,931
Telos Clo Ltd	250,000	242,500	247,945	2,356	250,301
Tenet Healthcare Corp	500,000	497,500	504,375	-	504,375
Ticc Clo Llc	250,000	251,000	250,793	1,288	252,080

## Holdings by Asset Class, Security Type, and Issuer as of June 30, 2015

Asset Class / Security Type / Issuer	Quantity <u>Shares or Units</u>	<u>Cost</u>	<u>Market Value</u>	Accrued Interest or <u>Dividends</u>	<u>Mkt + Accrued</u>
Time Warner Cable Inc	600,000	478,187	489,420	7,950	497,370
Tpc Group Inc	150,000	157,875	138,750	583	139,333
Treman Park Clo Ltd	500,000	472,755	500,000	-	500,000
Turbine Engine Securitization Ltd	754,763	751,683	754,763	1,719	756,482
U S Treasury	15,314,556	17,183,199	16,767,916	-	16,767,916
U S Treasury Bond	1,714,000	703,460	662,033	-	662,033
U S Treasury Note	2,702,000	2,675,614	2,651,543	8,092	2,659,635
Unit Corp	180,000	190,350	174,600	1,524	176,124
United Mexican States	250,000	249,960	231,250	5,047	236,297
Vector Group Ltd	500,000	529,500	535,000	14,639	549,639
Venture Cdo Ltd	250,000	245,938	244,660	736	245,396
Wendys Funding Llc	750,000	750,000	737,123	2,811	739,933
Westside Ca Union Sch Dist Cap	350,000	72,380	86,002	-	86,002
Willis Engine Securitization Trust	420,281	419,230	420,281	1,027	421,308
Wilton Re Finance Llc	625,000	634,063	648,644	9,282	657,925
Wintrust Financial Corp	600,000	600,000	612,048	1,500	613,548
Wynn Las Vegas Llc Corp	500,000	500,000	476,250	10,160	486,410
Yamana Gold Inc	750,000	755,537	722,423	17,119	739,541
Ziggurat Clo Ltd	700,000	655,200	675,080	8,881	683,961
Subtotal - Fixed Income	124,498,801	\$ 116,408,559	\$ 119,035,687	\$ 627,849	\$ 119,663,536
<b>Real Estate Commingled Fund</b>					
UBS Trumbull Property Fund	4,052	\$ 29,395,506	\$ 40,854,518	\$ -	\$ 40,854,518
UBS Growth & Income Fund	734	10,432,421	13,392,779	-	13,392,779
Dune Real Estate Partners	1,947,269	1,947,269	1,947,269	-	1,947,269
Subtotal - Real Estate Commingled	1,952,055	\$ 41,775,196	\$ 56,194,566	\$ -	\$ 56,194,566
<b>Private Equity</b>					
North Sky - PEP IV Fund		\$ 5,827,386	\$ 7,860,606	\$ -	\$ 7,860,606
Franklin Park Private Equity Fund		10,895,887	12,584,919	-	12,584,919
RWI Group - Ventures I Capital Ltd Ptnr		246,001	246,720	-	246,720
RWI Group - Ventures II Capital Ltd Ptnr		3,125,115	1,261,290	-	1,261,290
VIA Fund III		928,262	964,224	-	964,224
Subtotal - Private Equity	-	\$ 21,022,651	\$ 22,917,759	\$ -	\$ 22,917,759
<b>Private Equity / Alternative</b>					
TCW		\$ 3,510,000	\$ 3,405,046	\$ -	\$ 3,405,046
Subtotal - Private Equity / Alternative	-	\$ 3,510,000	\$ 3,405,046	\$ -	\$ 3,405,046
<b>Opportunistic</b>					
Corvex		\$ 15,000,000	\$ 16,048,446	\$ -	\$ 16,048,446
Entrust		2,260,491	2,293,120	-	2,293,120
Subtotal - Opportunistic	-	\$ 17,260,491	\$ 18,341,566	\$ -	\$ 18,341,566
<b>TOTAL FUND</b>	178,834,564	\$ 867,925,548	\$ 1,015,903,852	\$ 983,470	\$ 1,016,887,323

## ACTUARIAL SECTION

December 7, 2015

Ms. Jill E. Schurtz  
Executive Director  
St. Paul Teachers' Retirement Fund Association  
1619 Dayton Avenue, Room 309  
St. Paul, MN 55104-6206

Dear Ms. Schurtz:

We are pleased to present the report of the actuarial valuation of the St. Paul Teachers' Retirement Fund Association ("Fund") as of July 1, 2015. This report provides among other things, the required annual contribution rate of the Fund for the Plan Year commencing July 1, 2015 and ending on June 30, 2016.

The valuation was based upon information furnished by the Fund staff, concerning Retirement Fund benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. Their efforts in furnishing the materials needed are gratefully acknowledged. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the Fund.

The report has been prepared at the request of the Fund's Board of Trustees in accordance with Section 356.215 of the Minnesota Statutes as well as the Standards for Actuarial Work established by the State of Minnesota Legislative Commission on Pensions and Retirement. To the best of our knowledge, this report is complete and accurate, and has been prepared in accordance with generally accepted actuarial principles and practice. This report is intended for use by the Fund and those determined or approved by the Fund's Board of Trustees. This report may be provided to parties other than the Fund only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

This report should not be relied on for any purpose other than the purpose described in this report. Determinations of financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

Ms. Jill E. Schurtz  
December 7, 2015  
Page 2

Actuarial assumptions, including discount rates, mortality tables and others identified in this report, are prescribed by Minnesota Statutes Section 356.215, the Legislative Commission on Pensions and Retirement (LCPR), and the Board of Trustees. These parties are responsible for selecting the plan's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods and assumptions used in this valuation are those that have been so prescribed and are described in the Actuarial Basis of this report. The Fund is solely responsible for communicating to GRS any changes required thereto.

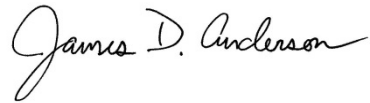
Bonita J. Wurst and James D. Anderson are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions herein. The signing actuaries are independent of the plan sponsor.

We will be pleased to review this report with you at your convenience.

Respectfully submitted,



Bonita J. Wurst, ASA, EA, MAAA



James D. Anderson, FSA, EA, MAAA

BJW/JDA:sc



## SUMMARY OF VALUATION RESULTS

	July 1, 2014	July 1, 2015
	<u>Valuation</u>	<u>Valuation</u>
A. CONTRIBUTIONS % OF PAYROLL		
1. Statutory Contributions - Chapter 354A	19.75%	20.66%
2. Required Contributions - Chapter 356	21.94%	22.26%
3. Sufficiency / (Deficiency)	(2.19%)	(1.60%)
B. FUNDING RATIOS		
1. Accrued Liability Funding Ratio		
a. Current Assets	\$ 947,972	\$ 999,736
b. Actuarial Accrued Liability	1,533,603	1,596,770
c. Funding Ratio	61.81%	62.61%
2. Projected Benefit Funding Ratio		
a. Current and Expected Future Assets	\$ 1,683,810	\$ 1,758,646
b. Current and Expected Future Benefit Obligations	1,745,155	1,833,521
c. Funding Ratio	96.48%	95.92%
C. PLAN PARTICIPANTS		
1. Active Members		
a. Number	3,876	3,597
b. Projected Annual Earnings	\$ 273,990	\$ 280,488
c. Average Annual Earnings (Projected dollars)	\$ 68,316	\$ 73,704
d. Average Age	44.7	44.4
e. Average Service	11.4	12.1
f. Additional Members on Leave of Absence	83	159
2. Others		
a. Service Retirements	3,156	3,277
b. Disability Retirements	34	33
c. Survivors	339	323
d. Deferred Retirements	1,829	1,892
e. Terminated Other Non-Vested	1,616	1,981
f. Total - Others	6,974	7,506
3. Grand Total (1.a + 1.f + 2.f)	10,933	11,262

# ACCOUNTING BALANCE SHEET

## AS OF JUNE 30, 2015

(dollars in thousands)

	<u>Market Value</u>	<u>Cost Value</u>
<b>A. ASSETS</b>		
1. Cash, Equivalents, Short-Term Securities	\$ 30,344	\$ 30,344
2. Investments		
a. Fixed Income	202,771	194,746
b. Equity	613,018	494,561
c. Real Estate	126,897	108,271
d. Alternative	44,664	41,793
3. Other Assets	<u>2,884</u>	<u>2,884</u>
<b>B. TOTAL ASSETS</b>	<u>\$ 1,020,578</u>	<u>\$ 872,599</u>
<b>C. AMOUNTS CURRENTLY PAYABLE</b>	\$ 5,609	\$ 5,609
<b>D. ASSETS AVAILABLE FOR BENEFITS</b>		
1. Member Reserves	\$ 168,912	\$ 168,912
2. Employer Reserves	<u>846,057</u>	<u>698,078</u>
3. Total Assets Available for Benefits	<u>\$ 1,014,969</u>	<u>\$ 866,990</u>
<b>E. TOTAL AMOUNTS CURRENTLY PAYABLE AND ASSETS AVAILABLE FOR BENEFITS</b>	<u>\$ 1,020,578</u>	<u>\$ 872,599</u>
<b>F. DETERMINATION OF ACTUARIAL VALUE OF ASSETS</b>		
1. Market Value of Assets Available for Benefits (D.3)	\$ 1,014,969	
2. Unrecognized Asset Returns		
a. June 30, 2015	\$ (55,629)	
b. June 30, 2014	95,762	
c. June 30, 2013	46,697	
d. June 30, 2012	(82,006)	
3. UAR Adjustment: $.80 * 2(a) + .60 * 2(b) + .40 * 2(c) + .20 * 2(d)$	<u>15,232</u>	
4. Actuarial Value of Assets: (F.1 - F.3)	<u>\$ 999,736</u>	
<b>* DERIVATION OF OTHER ASSETS</b>	<u><b>Market Value</b></u>	
Accounts Receivable		
Employer Contribution	\$ 41	
Employee Contribution	29	
Service Purchases Receivable	6	
Pensions Receivable	35	
State Contributions	838	
Real Estate Income Receivable	0	
Commission Recapture Receivable	1	
Interest Receivable	740	
Dividend Receivable	243	
Misc. Receivable	40	
Security Purchases Receivable	0	
Sale of Securities	<u>778</u>	
Total Accounts Receivable	\$ 2,751	
Fixed Assets	<u>133</u>	
Total Other Assets	<u>\$ 2,884</u>	

*\*Numbers may not add due to rounding.*

**CHANGE(S) IN ASSETS AVAILABLE FOR BENEFITS**  
**AS OF JUNE 30, 2015**  
(dollars in thousands)

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	<u>Market Value</u>	<u>Cost Value</u>
A. ASSETS AVAILABLE AT BEGINNING OF PERIOD	\$ 1,045,435	\$ 884,293
B. OPERATING REVENUES		
1. Member Contributions	\$ 17,567	\$ 17,567
2. Employer Contributions	25,505	25,505
3. Supplemental Contributions	10,665	10,665
4. Reemployed Annuitant Employer Contributions	541	541
5. Investment Income	14,656	15,735
6. Investment Expenses	(4,524)	(4,524)
7. Net Realized Gain / (Loss)	27,709	27,709
8. Other	0	0
9. Net Change in Unrealized Gain / (Loss)	<u>(12,084)</u>	<u>0</u>
10. Total Operating Revenue	\$ 80,035	\$ 93,198
C. OPERATING EXPENSES		
1. Service Retirements	\$ 97,277	\$ 97,277
2. Disability Benefits	750	750
3. Survivor Benefits	10,851	10,851
4. Refunds	875	875
5. Administrative Expenses	<u>748</u>	<u>748</u>
6. Total Operating Expenses	\$ 110,501	\$ 110,501
D. OTHER CHANGES IN RESERVES	\$ 0	\$ 0
E. ASSETS AVAILABLE AT END OF PERIOD	<u>\$ 1,014,969</u>	<u>\$ 866,990</u>
F. DETERMINATION OF CURRENT YEAR UNRECOGNIZED ASSET RETURN		
1. Average Balance		
(a) Assets available at BOY:	\$ 1,045,435	
(b) Assets available at EOY:	1,014,969	
(c) Average balance $\{[(a) + (b) - \text{Net Investment Income}] / 2\}$ {Net investment income: B.5+B.6+B.7+B.9}	\$ 1,017,324	
2. Expected Return: .080 * F.1		81,386
3. Actual Return		25,757
4. Current Year Gross Asset Gain/(Loss): F.3 - F.2		\$ (55,629)

# **ACTUARIAL BALANCE SHEET** **AS OF JULY 1, 2015** **(dollars in thousands)**

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A. CURRENT ASSETS	\$ 999,736
B. EXPECTED FUTURE ASSETS	
1. Present Value of Expected Future Statutory Supplemental Contributions*	\$ 522,159
	<u>236,751</u>
2. Present Value of Future Normal Costs	<u>\$ 758,910</u>
3. Total Expected Future Assets	<u>\$ 1,758,646</u>
C. TOTAL CURRENT AND EXPECTED FUTURE ASSETS	<u>\$ 1,833,521</u>
D. TOTAL CURRENT AND EXPECTED FUTURE BENEFIT OBLIGATIONS	<u>\$ 74,875</u>
E. CURRENT AND FUTURE UNFUNDED ACTUARIAL LIABILITY (D - C)	

\* Includes the effect of scheduled employee and employer contribution increases of 0.50% each and supplemental state contributions.

**DETERMINATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)  
AND SUPPLEMENTAL CONTRIBUTION RATE  
AS OF JULY 1, 2015  
(dollars in thousands)**

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	<b>Actuarial Present Value of Projected Benefits</b>	<b>Actuarial Present Value of Future Normal Costs</b>	<b>Actuarial Accrued Liability</b>
<b>A. DETERMINATION OF ACTUARIAL ACCRUED LIABILITY (AAL)</b>			
1. Active Members*			
a. Retirement Benefits	\$ 634,413	\$ 173,661	\$ 460,752
b. Disability Benefits	13,347	5,325	8,022
c. Surviving Spouse and Child Benefits	8,959	3,184	5,775
d. Vested Withdrawals	36,597	40,175	(3,578)
e. Refund Liability Due to Death or Withdrawal	3,165	14,406	(11,241)
f. Total	<u>696,481</u>	<u>236,751</u>	<u>459,730</u>
2. Deferred Retirements	\$ 78,303	0	\$ 78,303
3. Former Members without Vested Rights	4,913	0	4,913
4. Annuitants	<u>1,053,824</u>	<u>0</u>	<u>1,053,824</u>
5. Total	<u><u>\$ 1,833,521</u></u>	<u><u>\$ 236,751</u></u>	<u><u>\$ 1,596,770</u></u>
<b>B. DETERMINATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)</b>			
1. Actuarial Accrued Liability (A.5)			\$ 1,596,770
2. Current Assets			<u>\$ 999,736</u>
3. Unfunded Actuarial Accrued Liability (B.1 - B.2)			<u><u>\$ 597,034</u></u>
<b>C. DETERMINATION OF SUPPLEMENTAL CONTRIBUTION RATE</b>			
1. Present Value of Future Payrolls Through the Amortization Date of June 30, 2042 <sup>#</sup>			\$ 4,641,140
2. Supplemental Contribution Rate (B.3 / C.1)			12.86%

D. *Includes members on leave of absence.*

<sup>#</sup> *Calculated using 8.0% annual investment return rate.*

**CHANGES IN UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)**  
**AS OF JULY 1, 2015**  
(dollars in thousands)

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A. UAAL AT BEGINNING OF YEAR	\$ 585,631
B. CHANGE DUE TO INTEREST REQUIREMENTS AND CURRENT RATE OF FUNDING	
1. Normal Cost and Expenses	\$ 24,072
2. Contributions	(53,737)
3. Interest*	51,596
4. Total	<u>\$ 21,930</u>
C. EXPECTED UAAL AT END OF YEAR (A + B.4)	\$ 607,561
D. INCREASE / (DECREASE) DUE TO ACTUARIAL LOSSES / (GAINS) BECAUSE OF EXPERIENCE DEVIATIONS FROM EXPECTED	
1. Age and Service Retirements	\$ 31
2. Disability Retirements	(20)
3. Death-in-Service Benefits	20
4. Withdrawals	(1,560)
5. Salary Increases	(5,081)
6. Investment Income	(34,183)
7. Mortality of Annuitants	590
8. Other Items	13,580
9. Total	<u>\$ (26,623)</u>
E. UAAL AT END OF YEAR BEFORE PLAN AMENDMENTS AND CHANGES IN ACTUARIAL ASSUMPTIONS (C + D.9)	\$ 580,938
F. CHANGE IN UAAL DUE TO PLAN AMENDMENTS	(9,700)
G. CHANGE IN UAAL DUE TO CHANGES IN ACTUARIAL ASSUMPTIONS	<u>25,796</u>
H. UAAL AT END OF YEAR (E + F + G)	<u><u>\$ 597,034</u></u>

*\*Interest on assets determined at 8.00%; interest on liability determined at 8.40%.*

**DETERMINATION OF CONTRIBUTION SUFFICIENCY**  
**AS OF JULY 1, 2015**  
(dollars in thousands)

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	<u>Percent-of- Payroll</u>	<u>Dollar Amount</u>
A. STATUTORY CONTRIBUTIONS - CHAPTER 354A		
1. Employee Contributions	7.00%	\$ 19,648
2. Employer Contributions	9.85%	27,618
3. Supplemental Contribution		
a. 1996 Legislation	0.30%	838
b. 1997 Legislation	1.01%	2,827
c. 2014 Legislation	2.50%	7,000
4. Total	<u>20.66%</u>	<u>\$ 57,931</u>
B. REQUIRED CONTRIBUTIONS - CHAPTER 356		
1. Normal Cost		
a. Retirement Benefits	6.82%	\$ 19,126
b. Disability Benefits	0.19%	538
c. Surviving Spouse and Child Benefits	0.12%	329
d. Vested Withdrawals	1.45%	4,071
e. Refund Liability Due to Death or Withdrawal	0.55%	1,532
f. Total	<u>9.13%</u>	<u>\$ 25,596</u>
2. Supplemental Contribution Amortization	12.86%	36,071
3. Allowance for Administrative Expenses	0.27%	757
4. Total	<u>22.26%</u>	<u>\$ 62,424</u>
C. CONTRIBUTION SUFFICIENCY / (DEFICIENCY) (A.4 - B.4)	(1.60%)	(4,493)
Projected Annual Payroll for Fiscal Year Beginning on the Valuation Date:		\$ 280,488

# ACTUARIAL METHODS AND ASSUMPTIONS

## AS OF JULY 1, 2015

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### I. ACTUARIAL COST METHOD

An Actuarial Cost Method is a set of techniques used by the actuary to develop contribution levels under a retirement plan. The Actuarial Cost Method used in this valuation for all purposes is the Entry Age Actuarial Cost Method. Under this Method, a Normal Cost is developed by amortizing the actuarial value of benefits expected to be received by each active participant (as a level percentage of pay) over the total working lifetime of that participant, from hire to termination. Years of Service for valuation purposes was provided by the Retirement Fund. Age as of the valuation date was calculated based on the dates of birth provided by the Retirement Fund. Entry Age for valuation purposes was calculated as the age on the valuation date minus the years of service on the valuation date.

To the extent that current assets and future Normal Costs do not support participants' expected future benefits, an Unfunded Actuarial Accrued liability ("UAAL") develops. The UAAL is amortized over the closed statutory amortization period ending June 30, 2042 using level percent-of-payroll assuming payroll increases of 4.00% per annum. The total contribution developed under this method is the sum of the Normal Cost and the payment toward the UAAL.

### II. CURRENT ACTUARIAL ASSUMPTIONS

The assumptions were last updated for the July 1, 2013 valuation as a result of an experience study during the five-year period of July 1, 2006 to June 30, 2011, as well as a legislated change to the investment return assumption effective July 1, 2015.

#### A. *Demographic Assumptions*

Mortality:

1. Healthy Mortality\*:

- a. Male: RP-2000 Combined Mortality Table for males projected with Scale AA to 2020 set back 1 year
- b. Female: RP-2000 Combined Mortality Table for females projected with Scale AA to 2020 set back 3 years

2. Disabled Mortality:

- i. Male: RP-2000 Disabled Life Mortality Table for males
- ii. Female: RP-2000 Disabled Life Mortality Table for females

\* Mortality rates were adjusted to include margin for future mortality improvement as described in the table name above.



# ACTUARIAL METHODS AND ASSUMPTIONS

## AS OF JULY 1, 2015

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*Deaths Expressed as the Number of Occurrences per 10,000:*

<u>Age</u>	<u>Healthy Mortality</u>		<u>Disabled Mortality</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
20	2	1	226	75
21	2	1	226	75
22	2	1	226	75
23	3	1	226	75
24	3	1	226	75
25	3	1	226	75
26	3	1	226	75
27	3	1	226	75
28	3	2	226	75
29	4	2	226	75
30	4	2	226	75
31	4	2	226	75
32	5	2	226	75
33	5	2	226	75
34	6	3	226	75
35	6	3	226	75
36	7	3	226	75
37	8	4	226	75
38	8	4	226	75
39	9	4	226	75
40	9	4	226	75
41	9	5	226	75
42	10	5	226	75
43	10	5	226	75
44	10	6	226	75

# ACTUARIAL METHODS AND ASSUMPTIONS

## AS OF JULY 1, 2015

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*Deaths Expressed as the Number of Occurrences per 10,000:*

<u>Age</u>	<u>Healthy Mortality</u>		<u>Disabled Mortality</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
45	11	6	226	75
46	12	7	238	82
47	12	8	251	90
48	13	8	264	98
49	13	9	277	106
50	14	9	290	115
51	15	10	303	125
52	17	11	316	135
53	18	12	329	145
54	19	13	342	155
55	21	15	354	165
56	25	17	367	176
57	29	20	380	187
58	33	23	393	197
59	38	27	407	208
60	43	31	420	218
61	49	35	435	229
62	57	40	450	241
63	65	46	466	253
64	76	53	483	266
65	85	60	502	280
66	96	69	522	296
67	111	78	545	313
68	124	88	569	332
69	135	99	596	353

# ACTUARIAL METHODS AND ASSUMPTIONS

## AS OF JULY 1, 2015

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Rates of Disability:

*Disability Expressed as the Number of Occurrences per 10,000:*

Age	Disability	Age	Disability
20	2	45	5
21	2	46	5
22	2	47	5
23	2	48	5
24	2	49	5
25	2	50	10
26	2	51	10
27	2	52	10
28	2	53	10
29	2	54	10
30	3	55	20
31	3	56	20
32	3	57	20
33	3	58	20
34	3	59	20
35	3	60	40
36	3	61	40
37	3	62	40
38	3	63	40
39	3	64	40
40	3		
41	3		
42	3		
43	3		
44	3		

# ACTUARIAL METHODS AND ASSUMPTIONS

## AS OF JULY 1, 2015

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### Rates of Termination:

Years of Service	Number of Terminations per 1,000 Active Members	
	Male	Female
0	400	400
1	180	180
2	140	140
3	100	100
4	60	67
5	50	59
6	45	51
7	41	43
8	37	35
9	33	31
10	29	27
11	25	23
12	20	19
13	20	15
14	20	13
15 & Over	20	13

### Rates of Retirement:

*Retirements Expressed as the Number of Occurrences per 10,000:*

Age	Basic Members Eligible for Rule of 90 Provision	Basic Members Not Eligible for Rule of 90 Provision	Male Coordinated Members Eligible for Rule of 90 Provision	Female Coordinated Members Eligible for Rule of 90	Male Coordinated Members Not Eligible for Rule of 90 Provision	Female Coordinated Members Not Eligible for Rule of 90 Provision
55	5,000	800	3,500	3,500	700	500
56	5,000	1,300	3,500	3,500	700	500
57	4,000	1,300	3,500	3,500	700	500
58	4,000	1,800	3,500	3,500	700	500
59	3,500	1,800	3,500	3,500	700	500
60	3,500	2,000	3,500	3,500	1,100	800
61	3,500	2,000	3,500	3,500	1,500	1,100
62	3,500	4,000	3,500	3,500	1,900	1,400
63	3,500	4,000	3,500	3,500	2,300	1,900
64	4,000	4,000	3,500	4,000	2,700	2,400
65	5,000	5,000	3,500	5,000	3,100	3,500
66	3,000	5,000	3,500	5,000	3,500	3,500
67	3,000	5,000	3,500	5,000	3,500	3,500
68	3,000	5,000	3,500	5,000	3,500	3,500
69	3,000	5,000	3,500	5,000	3,500	3,500
70 & Over	10,000	10,000	10,000	10,000	10,000	10,000

## ACTUARIAL METHODS AND ASSUMPTIONS AS OF JULY 1, 2015

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### *B. Economic Assumptions*

Investment Return Rate: 8.00%

Cost of Living Increases: 1.00% per year through 2040; 2.00% beginning 2041; 2.50% beginning 2051.

Wage Inflation: 4.00% per year

Future Salary Increases: In addition to the age-based rates shown below, during the first 15 years of employment, a service-based component of  $0.20\% \times (15-T)$ , where T is completed years of service, is included in the salary increase used.

#### *Annual Salary Increases*

Ultimate Rate of Annual Salary Increases		Ultimate Rate of Annual Salary Increases	
Age		Age	
<22	5.90%	45	4.75%
23	5.85	46	4.70
24	5.80	47	4.65
		48	4.60
25	5.75	49	4.55
26	5.70		
27	5.65	50	4.50
28	5.60	51	4.45
29	5.55	52	4.40
		53	4.35
30	5.50	54	4.30
31	5.45		
32	5.40	55	4.25
33	5.35	56	4.20
34	5.30	57	4.15
		58	4.10
35	5.25	59	4.05
36	5.20		
37	5.15	60 & Over	4.00
38	5.10		
39	5.05		
40	5.00		
41	4.95		
42	4.90		
43	4.85		
44	4.80		

Asset Value: The actuarial value of assets is smoothed by using a five-year average market value.

## ACTUARIAL METHODS AND ASSUMPTIONS

### AS OF JULY 1, 2015

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#### ***C. Other Assumptions***

Marital Status:	It is assumed that 75% of male members and 60% of female members have an eligible spouse. The male spouse is assumed to be two years older than the female spouse. Married members are assumed to have two dependent children.
Deferred Benefit Commencement:	Basic Plan members who terminate vested are assumed to commence benefits at age 61. Coordinated Plan members are assumed to commence benefits at age 62. If the member is already past the assumed deferral age, the member is assumed to commence benefits one year from the valuation date.
Administrative Expenses:	Prior year administrative expenses (excluding investment expenses) are expressed as a percentage-of-payroll and then applied to current projected payroll.
Allowance for Combined Service Annuity:	7.00% load on liabilities for active members hired before July 1, 1989;  2.00% load on liabilities for active members hired after June 30, 1989; and  30.00% load on liabilities for former members.
Missing Salary and Salary Minimums:	Active members with reported salaries of \$100 or less were assumed to have the average non-zero active salary. Active members with salaries less than those reported at the prior valuation date are valued using their prior salary amount. Active members who have been hired within one year of the valuation date have had their pay annualized by dividing by months of service credited, not to exceed the average non-zero active salary. For members on leave of absence at valuation date who were not on leave at the prior valuation date, the prior year's valuation pay was used.
Missing Data for Deferred Vested Members:	Deferred vested members without salary information were assumed to have a final average salary of \$40,000.
Decrement Timing:	Retirement and Termination: end of valuation year – consistent with retirements and terminations occurring at the end of the school year.  Death and Disability: middle of valuation year.

## ACTUARIAL METHODS AND ASSUMPTIONS

### AS OF JULY 1, 2015

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**Valuation of Future Post-Retirement Benefit Increases:**

If the plan has reached the funding ratio threshold required to pay a different benefit increase, Minnesota Statutes require the benefit increase rate to be reflected in the liability calculations. If the plan has not yet reached the funding ratio threshold required to pay a benefit increase, Minnesota Statutes require a projection to be performed to determine the expected attainment of the funding ratio thresholds, and the expected payment of benefit increases must be reflected in the liability calculations.

**Supplemental Contributions:**

1996 legislation provides for a variable amortization aid contribution paid annually on July 15. We assumed the annual amortization aid contribution will equal \$838,000, which was the actual contribution for the most recent fiscal year. Additionally, according to 1997 legislation, annual supplemental contributions currently equal to \$2,827,000 are scheduled to be paid on October 1. According to 2014 legislation, the State of Minnesota will make annual additional supplemental contributions of \$7,000,000 on October 1. The contributions described herein will continue until the plan is 100% funded or until June 30, 2042, whichever occurs earlier.

**Projected Annual Payroll Calculation:**

The census data as of July 1, 2015 reflects retirements and terminations occurring during the months of May and June; however, it does not necessarily reflect the replacements hired to fill their positions who may have hire dates in August and September. We assumed that May and June retirements are replaced by members coming in at the B.A. Step 1 salary level of \$43,021; and the Projected Annual Payroll for the fiscal year ending June 30, 2015 includes this replacement salary amount.

## **APPENDIX** – *State Auditor’s Report*



# STATE OF MINNESOTA

## Office of the State Auditor



**Rebecca Otto**  
**State Auditor**

The SPTRFA received the highest possible audit opinion for its fiscal year ended June 30, 2015 financial statements. We invite you to read the full report on the website of the Minnesota Office of the State Auditor  
<http://www.osa.state.mn.us>

**ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION**  
**ST. PAUL, MINNESOTA**

**FOR THE YEAR ENDED JUNE 30, 2015**