

# ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

## Annual Report

*for the fiscal year ended June 30, 2017*

*St. Paul Teachers' Retirement Fund Association  
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*[www.sptrfa.org](http://www.sptrfa.org)*

**Jill E. Schurtz**

*Executive Director*

**Christine MacDonald**

*Deputy Director*

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## Mission

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

**A**ssist 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.

**I**nvest 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
W. Matt Bogenschultz	Secretary
Lori Borgeson	Treasurer
Feryle W. Borgeson	Trustee
Zuki Ellis	<i>Ex-Officio</i> Trustee
Michael McKay	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

\*Retired during the fiscal year.

# St. Paul Teachers' Retirement Fund Association

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## TRUSTEES & OFFICERS

Feryle W. Borgeson  
Zuki Ellis  
Michael McKay

Karen Odegard  
James Paddock  
Stephanie Pignato

John R. Kunz, Jr. .... President  
Mike McCollor ..... Vice President  
W. Matthew Bogenschultz... Secretary  
Lori Borgeson ..... Treasurer  
Jill E. Schurtz ..... Executive Director

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## 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, 2017, 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**

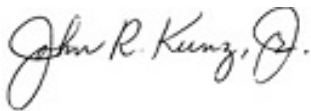
The Office of the State Auditor audits the financial statements of the SPTRFA. However, their report for the most recent fiscal year was still pending completion at the time this report went to print.

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.

With over 108 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.  
President



W. Matt Bogenschultz  
Secretary



Lori Borgeson  
Treasurer



Jill E. Schurtz  
Executive Director

# **Independent Professional Service Providers As of June 30, 2017**

## **Auditor**

Minnesota Office of the State Auditor

## **Investment Managers**

Advantus Capital Management

Allianz Global Investors

Barrow, Hanley, Mewhinney & Strauss, LLC

BlackRock Institutional Trust Co.

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

Minnesota State Board of Investment

TCW Asset Management Co.

Tortoise Capital Advisors

UBS Realty Investors, LLC

Venture Investment Advisors

Wellington Management Company, LLP

## **Investment Custodian**

U.S. Bank

## **Investment Performance Consultant**

Asset Consulting Group

## **IT Services**

Sagitec

Corporate Technologies

## **Legal Counsel**

Fox Rothschild

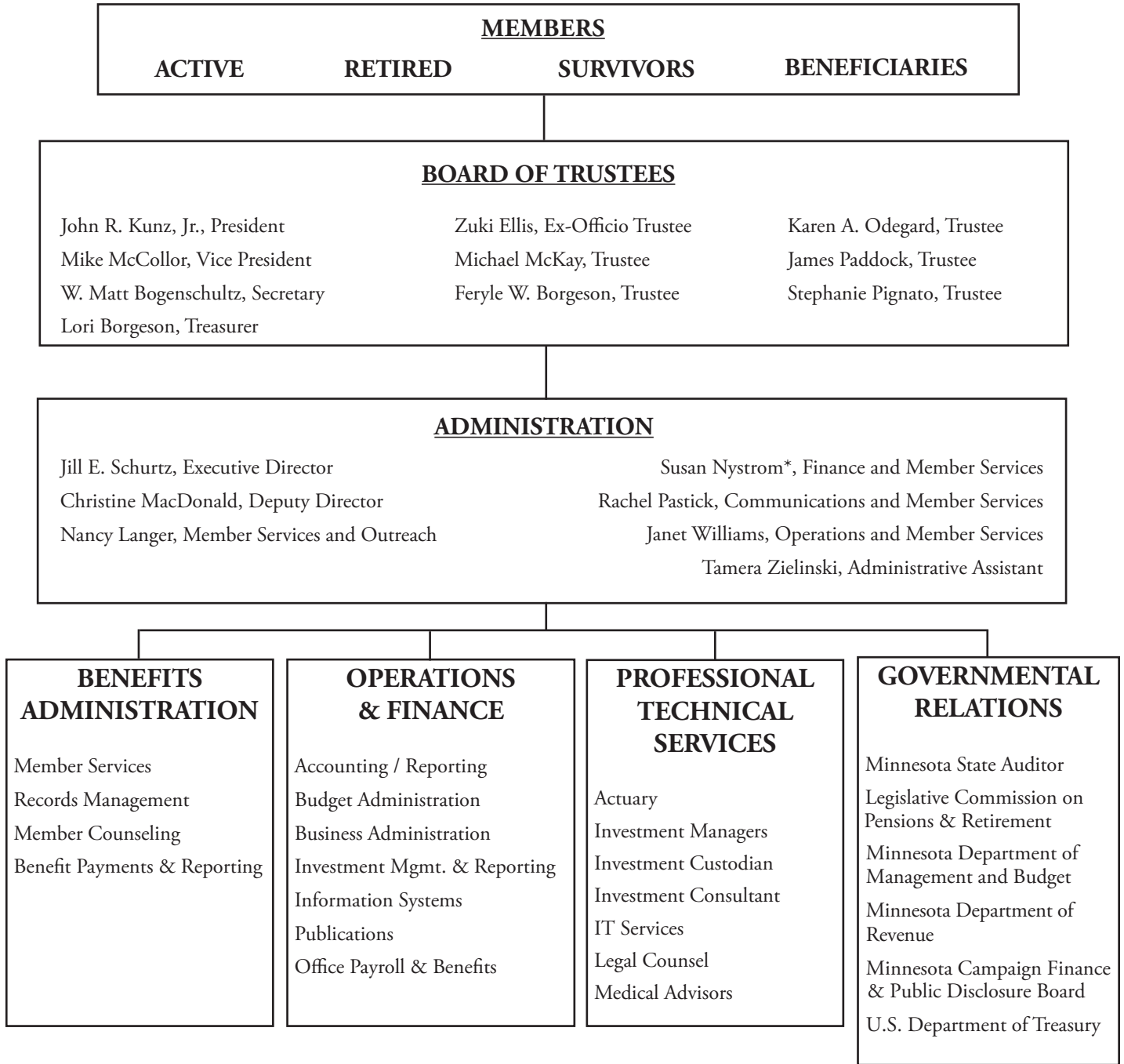
Rice, Michels & Walther, LLP

## **Medical Advisors**

Dr. Ronald Vessey M.D.

Dr. David Johnson M.D.

# Organizational Chart



\*Retired during the fiscal year.