

Saint Paul Teachers' Retirement Fund Association

Serving the retirement needs of St. Paul Teachers since 1909



ANNUAL REPORT

Democracy depends on Education
Education depends on Teachers

FYE 2025

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**SAINT PAUL TEACHERS' RETIREMENT
FUND ASSOCIATION
ANNUAL REPORT**

for the fiscal year ended June 30, 2025

*Saint Paul Teachers' Retirement Fund Association
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Phillip Tencick

Executive Director / CIO

David Andrews

Controller

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Saint Paul Teachers' Retirement Fund Association

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INTRODUCTION

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.

Saint Paul Teachers' Retirement Fund Association

SPTRFA Board of Trustees

as of June 30, 2025

<i>Lori Borgeson</i>	<i>President</i>
<i>Stephanie Pignato</i>	<i>Vice President</i>
<i>Thomas Koreltz</i>	<i>Secretary</i>
<i>Margaret Schiller</i>	<i>Treasurer</i>
<i>Halla Henderson</i>	<i>Ex-Officio Trustee</i>
<i>W. Matt Bogenschultz</i>	<i>Trustee</i>
<i>Karen Martinsen</i>	<i>Trustee</i>
<i>Mike McCollor</i>	<i>Trustee</i>
<i>Michael McKay</i>	<i>Trustee</i>
<i>Karen A. Odegard</i>	<i>Trustee</i>

SPTRFA Staff

as of June 30, 2025

<i>Phillip Tencick</i>	<i>Executive Director / CIO</i>
<i>David Andrews</i>	<i>Controller</i>
<i>Cynthia Foster</i>	<i>Fund Accountant</i>
<i>Nancy Langer</i>	<i>Member Services Manager</i>
<i>Katie Dalzell</i>	<i>Member Services Manager</i>
<i>Tamera Zielinski</i>	<i>Administrative Assistant</i>

Saint Paul Teachers' Retirement Fund Association

Letter of Transmittal

SPTRFA Board of Trustees and Members of the Association:

The management and staff of the St. Paul Teachers' Retirement Fund Association (SPTRFA) are pleased to present the Annual Financial Report for the fiscal year ended June 30, 2025, in accordance with the provisions of Minnesota Statutes § 356.20.

Overview of SPTRFA

The SPTRFA was organized October 1, 1909, under authority granted by the Laws of Minnesota, 1909, Chapter 343. SPTRFA's provides teachers at the St. Paul School district with retirement, survivor, and disability benefits as specified in Minnesota law. SPTRFA benefits are provided via a Defined Benefit Plan into which teachers are automatically enrolled. Once eligibility requirements are met, a guaranteed a lifetime, monthly retirement benefit from the SPTRFA is available. Benefits are determined by use of a formula, in which allowable retirement service credit and salary are key factors. The SPTRFA Board and staff are responsible for ensuring that benefits are calculated properly and paid timely.

Report Contents and Structure

The annual 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. The report consists of the following sections:

- Introduction: Mission Statement, Board of Trustees, professional service relationships, and organizational structure.
- Benefit Section: Summary information regarding Plan benefit options, calculation methods, and a history of annual retirements.
- Financial Section: Includes various reports and statements that provide insights into the fund's financial health including Managements Analysis and Discussion (MD&A) and the two basic financial statements; Statement of Net Position and Changes of Statement in Net Position.
- Investment Section: Includes the Fund investment results, summary, allocation, fees paid, and Fund investment advisors under contract with the Association.
- Actuarial Section: Actuary's Certification Letter and various actuarial valuation tables that measure 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 (OSA) audits the financial statements of the SPTRFA. The report for the most recent fiscal year is publicly available on the website of the Minnesota Office of the State Auditor, <https://www.osa.state.mn.us>.

Saint Paul Teachers' Retirement Fund Association

Letter of Transmittal (Cont'd)

Investments

The SPTRFA Board and staff are responsible for the safekeeping of the Association's assets, the prudent investment of those assets, and to increase the assets available to provide benefits to plan participants and beneficiaries. SPTRFA has developed a strategic asset allocation and other investment policies based on the long-term investment horizon profile of SPTRFA members and benefit recipients.

The market value of the plan assets increased from \$1,335.0 million as of June 30, 2024, to \$1,433.9 million as of June 30, 2025. The expected return on assets using the valuation investment return rate assumption of 7.0 percent was \$91.9 million. The actual return on assets was approximately \$141.9 million. Twenty percent of the asset return above the expected \$91.9 million is recognized as an actuarial gain in the development of the actuarial value of assets. The recognized gain from the current year, along with the portion of prior gains and losses recognized this year, results in an overall gain of \$37.9 million on the actuarial value of assets.

The Board and staff of the SPTRFA serve as fiduciaries on behalf of the members and their survivors and beneficiaries. Assets managed are entrusted cared for in concert with the Prudent Person Standard in Minn. Stat. § 356A.04, subd. 2, and as specified under Minn. Stat. § 356A.06, subd. 7.

Funding

On an actuarial value of assets basis, the funding ratio increased, from 67.24% on July 1, 2024, to 69.68% on July 1, 2025. Another key measure to assess SPTRFA funding health is the adequacy of employee and employer contributions including direct aid. The contribution sufficiency increased from 2.15% of payroll as of July 1, 2024, to 4.50% of payroll as of July 1, 2025. On a market value of assets basis, statutory contributions are sufficient by 5.86% of payroll as of July 1, 2025.

Included in 2023 and recent legislation is an increase in contribution rates effective July 1, 2025. Employee contribution rates will be 8.75% and employer rates will be 13.59%. The 2025 Omnibus Pensions and Retirement Bill changed the amortization method for financing the System's Unfunded Actuarial Accrued Liability (UAAL) from a single base being amortized over the period ending June 30, 2048, to a "layered" amortization approach. Under the new method, the UAAL as of July 1, 2024, and the benefit increases enacted in 2025 will each be amortized over the period ending June 30, 2048, but other bases will be amortized over varying periods depending on the source the UAAL impacts.

With over 115 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. This is the complete Annual Report of the Association. This report is also available on the Fund's website at www.sptra.org, or by request from the SPTRFA office.

Respectfully submitted,



Saint Paul Teachers' Retirement Fund Association

Independent Professional Service Providers

as of June 30, 2025

Actuary

Gabriel Roeder Smith & Company

Auditor

Minnesota Office of the State Auditor

Investment Managers

ABS Investment Management, LLC
Ares Management, LLC
Barrow, Hanley, Mewhinney & Strauss, LLC
BlackRock Institutional Trust Company, N.A.
Dune Real Estate Partners, LP
Emerald Advisers, LLC
EnTrust Global Partners, LLC
SP/FP Private Equity Fund, LP
Guggenheim Partners Investment Management, LLC
JPMorgan Chase Bank, N.A.
Kimmeridge Energy Engagement Partners II, LP
Minnesota State Board of Investment
Morgan Stanley Investment Management, Inc.
Parametric Portfolio Associates, LLC
Payden Mutual Funds
Principal Global Investors, LLC
State Street Global Advisors Trust Co.
TCW Direct Lending, LLC.
UBS Trumbull Property Growth & Income Fund, LP
Venture Investment Associates Energy III, LP
Victory Capital Management Inc.

Investment Custodian

U.S. Bank National Association

Investment Consultant

Asset Consulting Group

IT Services

Sagitec Solutions, LLC
Corporate Technologies, LLC

Legal Counsel

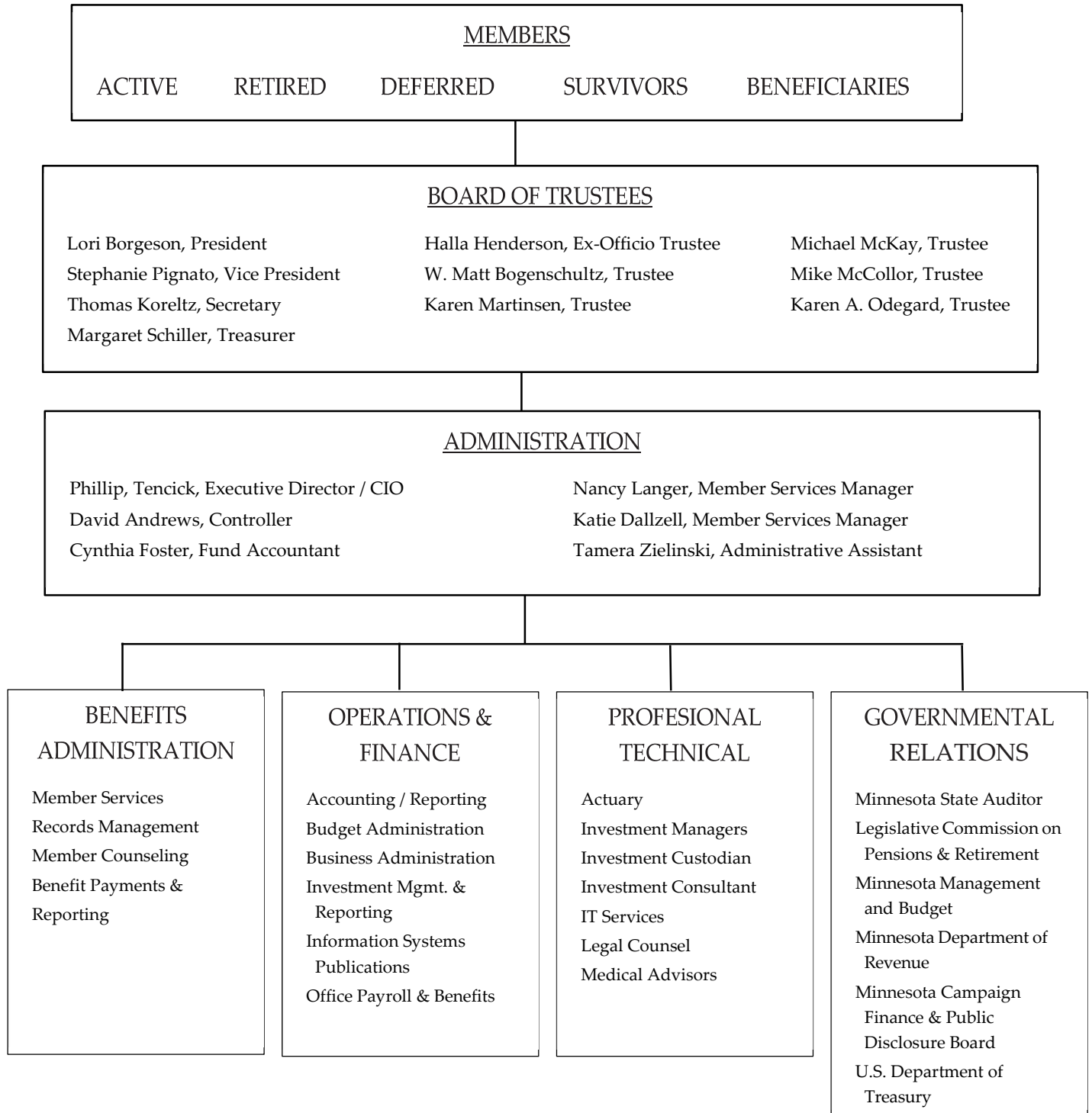
Fox Rothschild, LLP

Independent Medical examinations

ExamWorks, LLC

Saint Paul Teachers' Retirement Fund Association

Organizational Chart as of June 30, 2025



Saint Paul Teachers' Retirement Fund Association

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