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*****PRESS RELEASE*****

State Auditor Otto Releases Large Public Pension Plan Investment Report

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ST. PAUL (3/30/2017) – State Auditor Rebecca Otto today released the Large Public Pension Plan Investment Report, which reviews the investment performance of Minnesota’s large local public pension plans for the 2015 calendar year. The public pension plans included in this report are the Bloomington Fire Department Relief Association and the St. Paul Teachers’ Retirement Fund Association. The State Board of Investment, which is referenced frequently in the report, is not a pension plan, but invests the assets of certain public employee pension plans administered by the Minnesota State Retirement System, the Public Employees Retirement Association, and the Teachers Retirement Association.

This report informs lawmakers of the large plans’ investment performance, educates fiduciaries and members of the plans, and provides transparency to the public.

Highlights from the report include:

Current Trends

- During 2015, rates of return for the large plans were negative 0.4 percent (Bloomington Fire Department Relief Association), and negative 0.9 percent (St. Paul Teachers’ Retirement Fund Association). Bloomington Fire and St. Paul Teachers’ failed to exceed their benchmark rates of return.
- Bloomington Fire ended 2015 with a funding ratio above 100 percent, at 111.3 percent. St. Paul Teachers’ had a funding ratio of 63.6 percent.

Long-Term Trend

- The ten-year period from January 2006 through December 2015 was a period of market volatility. Bloomington Fire and St. Paul Teachers’ both failed to exceed their actuarial assumed rates of return over this period. St. Paul Teachers’ earned 5.7 percent over the ten-year period. The State Board of Investment’s Combined Funds returned 6.7 percent for the period, while Bloomington Fire returned 5.4 percent.

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To view the complete report, which includes an Executive Summary, graphs and tables, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20170329.000>.

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The Office of the State Auditor is a constitutional office that is charged with overseeing more than \$20 billion spent annually by local governments in Minnesota. The Office of the State Auditor does this by performing audits of local government financial statements, and by reviewing documents, data, reports, and complaints reported to the Office. The financial information collected from local governments is analyzed and is the basis of statutory reports issued by the Office of the State Auditor.

Rebecca Otto is Minnesota's 18th State Auditor. A high-resolution official photo is available for download at http://www.auditor.state.mn.us/images/otto_hires.jpg. To learn more about State Auditor Otto, see <http://www.auditor.state.mn.us/default.aspx?page=bio>.