



Board Meeting Summary 1:00 pm on June 23, 2016

MPERS Update

Value of Assets
(as of 3/31/2016)

\$1.96 billion

Funded Status

(as of 6/30/15)

52.9%

Board of Trustees

Colonel J. Bret Johnson
Board Chair
Superintendent of MSHP
Ex-Officio Member

Sue Cox
Board Vice-Chair
MoDOT Retiree
Representative

John Briscoe
Highways & Transportation
Commissioner

Patrick McKenna
Director of MoDOT
Ex-Officio Member

Michael Pace
Highways & Transportation
Commissioner

Rep. Shawn Rhoads
Appointed by the
Speaker of the House

Senator Dave Schatz
Appointed by the President
Pro Tem of the Senate

Bill Seibert
MSHP Retiree
Representative

Major Kemp Shoun
MSHP Employee
Representative

Gregg Smith
Highways & Transportation
Commissioner

Todd Tyler
MoDOT Employee
Representative

Investment Committee Report

Presenter: Mike Pace (Investment Committee Chair)

Mr. Pace presented the Investment Committee Report to the Board. The Board approved an asset allocation change and requested further research from the investment staff on the topic of asset allocation.

Investment Performance

Presenters: Larry Krummen (MPERS) and Kevin Leonard & Will Forde (NEPC)

As of March 31, 2016, MPERS' net asset value was \$1.96 billion. For fiscal year 2016, MPERS' investment staff is estimating a return of 1.25% for the portfolio and a 0.73% policy benchmark return. MPERS' one-, three-, and five-year returns rank in the top 1 or 2% of the peer universe. Mr. Krummen anticipates that the majority of the public pension funds in the U.S. will have flat or slightly negative returns for the soon to be ending fiscal year. The timber portfolio is doing as well or better than expected. In addition, the 10-year return remains in the top quartile while maintaining a lower risk profile than a majority of other plans in the peer universe over the same time period.

Budget Committee Report

Presenter: Colonel Johnson (Budget Committee Chair)

The Budget Committee recommended and the Board approved the FY 17 Budget. The Executive Director presented a 10-year budget comparison to illustrate that the operations budget has actually decreased in that 10-year period.

Legislative Update

Presenters: Scott Simon (MPERS) & Mike Winter (Michael G. Winter Consultants)

There were no bills this legislative session that directly impact the Plan or cause any changes to the Plan. One bill that was endorsed by the Board did not pass the legislature.

Risk Consultant Report

Presenters: Scott Simon (MPERS) & Bob Charlesworth (Charlesworth & Associates)

Standard Insurance has agreed to continue the present premium for disability coverage through June 30, 2020. The stability of a four-year rate guarantee is an attractive option in an environment that is often seeing costs on the rise. The Claim Fluctuation Reserve feature will capture positive claim experience and help contain premium costs.

Other Items

The Board approved MPERS' Proposed Business Plan for the upcoming three fiscal years.

The consent agenda items were also approved.

Director's Comments

Presenters: Scott Simon (MPERS) & Greg Beck (MPERS)

The Executive Director reviewed the decision to end certain benefit payroll deductions effective December 31, 2016.

The Assistant Executive Director provided an update of his activities since April 4th and a summary of the responses to a recent survey of MPERS members.

2016 Board Meeting Dates

Thursday, September 29

Thursday, November 17