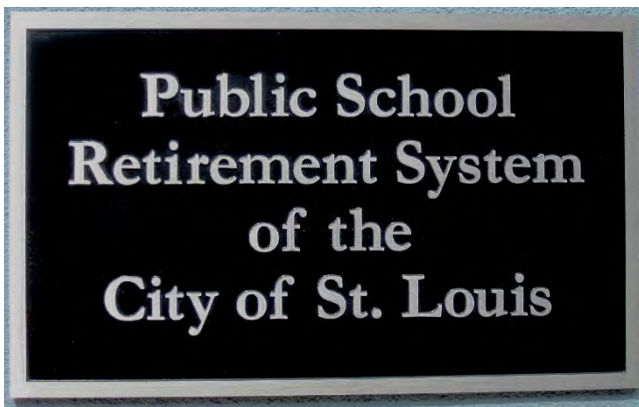


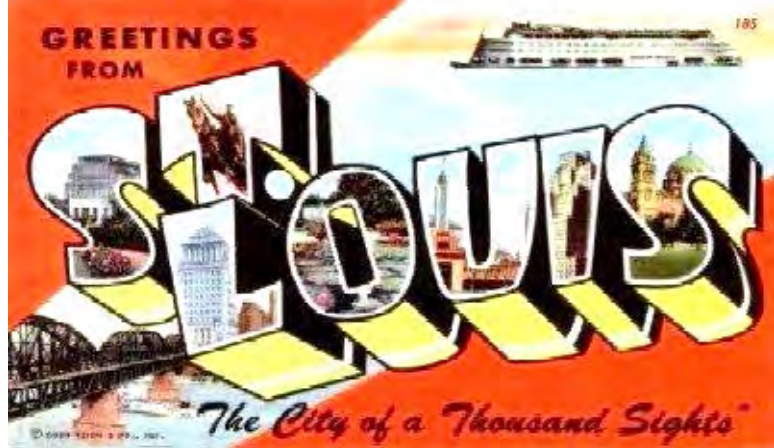
***Public  
School  
Retirement  
System of the City of  
ST. Louis, Missouri***

*A Pension Trust Fund for  
Public School Employees*



***Annual  
Report  
Summary***

*For the Fiscal Year Ended  
**December 31, 2016***





# **Public School Retirement System of the City of St. Louis**

A Pension Trust Fund for  
Public School Employees

3641 Olive Street, Suite 300  
St. Louis, Missouri 63108-3601  
(314) 534-7444  
[www.psrstl.org](http://www.psrstl.org)

## **Annual Report Summary** For the Fiscal Year Ended **December 31, 2016**

Prepared by:

Andrew Clark  
Executive Director



## Mission Statement

The mission of the Public School Retirement System of the City of St. Louis is to enhance the well-being and financial security of its members, retirees and beneficiaries through benefit programs and services which are soundly financed and prudently administered in an effective and efficient manner.

## Mission Statement Principles

The Retirement System adopts the following principles advocated by the National Council on Teacher Retirement, and with respect to such principles hereby pledges as follows:

1. ***Courteous Service.*** To give members prompt and courteous service and provide complete and accurate information.
2. ***Member Statements.*** To provide each active member with an annual statement that includes the member's accrued service credit, employee contributions, and other related information.
3. ***Information.*** To provide new participants in the system a summary plan description that clearly and simply summarizes the benefit provisions of the plan. The System will make available information on changes made in benefits.
4. ***Annual Reports.*** Full disclosure of financial, actuarial, and investment information in a detailed annual report that will be available for members, elected officials, and the public.
5. ***Financial Audits.*** To prepare or cause to be prepared an annual financial statement in accordance with generally accepted accounting principles and have an annual audit of the System's financial statement in accordance with generally accepted auditing standards.
6. ***Actuarial Studies.*** To have an annual or biennial actuarial valuation performed by an enrolled actuary in accordance with actuarial standards and an actuarial experience study at least every five years.
7. ***Adequate Funding.*** To work or obtain adequate funding of all promised benefits and to ensure the financial integrity of this System.
8. ***Independence of Retirement Systems.*** To work for a retirement system which functions as an independent trust, separate from state and local government. Such independence includes the power of trustees to set actuarial assumptions, appoint professionals such as actuaries and attorneys on whom they must rely to carry out their responsibilities, and to establish a budget for the System which ensures the delivery of high quality, cost-effective service to their members.
9. ***Exclusive Benefit.*** To act for the exclusive benefit of the members as fiduciaries entrusted with the management and payment of retirement benefits.
10. ***Prudent Investments.*** To adopt comprehensive objectives, methods for evaluation of performance, and policies which ensure both the prudent investment of plan assets and the achievement of the highest possible investment return.
11. ***Ethical Conduct.*** To adhere to the highest standards of conduct set out in the terms of the trust, state statute or other law.
12. ***State and Local Government Authority.*** To support the continuation of state and local pension plan oversight by the respective state or local government to ensure that decisions are made at the appropriate level of government.

**Public School Retirement System  
of the City of St. Louis**

**Board of Trustees**

An eleven-member Board of Trustees is responsible for general administration of the Retirement System as well as the investment of the System's assets. Active Retirement System members elect five trustees: one administrator, two teachers, and two non-teachers. Retired members elect two trustees: one retired teacher and one retired non-teacher. The St. Louis Public Schools ("SLPS") Board of Education appoints four trustees. Length of term of office is four years. The following individuals serve on the Public School Retirement System of the City of St. Louis Board of Trustees.

**Elected by Active Members**

Paula Bentley  
Sheila Goodwin  
Yvette Levy  
Bobbie Richardson  
Eural Thomas

**Elected by Retired Members**

Joseph Clark  
Vacant

**SLPS Board Appointed**

Christina Bennett  
Darnetta Clinkscale  
John Moten  
Rick Sullivan

**Administrative Staff**

Executive Director .....	Andrew Clark
Member Services Lead .....	Angela Johnson
Customer Service Representative .....	Tiffany Jones
Technology Manager.....	Thomas Kinealy II
Accounting Specialist .....	Terry Mayes
Insurance Benefits Specialist .....	Dawn Waters
Member Services Clerical Assistant .....	Robin Willis

**Professional Advisors**

**Actuarial Services**

Buck Consultants (Conduent)  
Paul Baugher  
St. Louis, MO

**Legal Counsel**

Hartnett Gladney Hetterman, L.L.C.  
Jeffrey E. Hartnett  
St. Louis, MO

**Auditor**

Anders Minkler Huber & Helm LLP  
Thomas S. Helm, CPA  
St. Louis, MO

**Property Management**

CB Richard Ellis  
St. Louis, MO

**Insurance Consultant**

Gallagher Benefit Services, Inc.  
Patrick Haraden  
Boston, MA

**Technology Consulting**

Jupiter Consulting Services, LLC  
St. Louis, MO

**Investment Consultant**

NEPC, LLC  
Kristin Finney-Cooke  
Chicago, IL

Blade Technologies, Inc.  
St. Louis, MO

**Public School Retirement System  
of the City of St. Louis  
3641 Olive Street, Suite 300  
St. Louis, MO 63108-3601**

Office of the  
Executive Director

Phone: (314) 534-7444  
Fax: (314) 533-0531

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June 1, 2017

***To the Members and Interested Parties of the Retirement System:***

On behalf of the Board of Trustees, I am pleased to present the summary of the *Comprehensive Annual Financial Report (CAFR)* of the Public School Retirement System of the City of St. Louis ("System", "fund" or "plan") for the fiscal year ended December 31, 2016. Management of the System is responsible for the contents and presentation of material in this report summary. To the best of my knowledge, I believe the information in this report summary is accurate in all material respects and presented in a manner that is a fair portrayal of the financial position and operations of the plan for fiscal year 2016.

***Overview of the Retirement System***

The Public School Retirement System of the City of St. Louis was established January 1, 1944. Through acts of the Missouri Legislature, the System provides retirement benefits to employees of the St. Louis Public Schools District, the System, a number of Charter Schools located in the St. Louis Public Schools District and certain past employees of Harris-Stowe State College. The System's members are covered by Social Security and eligible for Social Security benefits in addition to retirement benefits provided by the plan.

***Financial Information***

An independent certified accounting firm performs a financial audit each year. The financial statements of the System are prepared in conformity with accounting principles generally accepted in the U.S.A. (GAAP) within guidelines established by the Governmental Accounting Standards Board (GASB). Management uses internal controls to help protect the System's assets from loss due to unauthorized use or erroneous disposition. These internal controls are constrained to keep costs from outweighing the benefits derived from them so there are natural limits to preventing all errors or instances of fraud. Management is confident that within reason, not absolute assurance, the financial statements meet the important objective of providing information free of material misstatements.

In order to comply with recent changes to governmental accounting standards, the financial statements contain several new sections for 2016. Please refer to pages 6 and 7 to see the plan's financial statements for the fiscal year ended December 31, 2016.

***Investment Activities***

During fiscal year 2016, the Board of Trustees reduced the plan's actuarial assumed rate of return to 7.5% from 8.0%, beginning in plan year 2017. The overall investment return for the plan during 2016 was 6.3%, which was below the actuarial assumed rate of return of 8.0% for plan year 2016. Thus, the investment managers added less value to the fund than expected for the year. In comparison to other public plans in the Investor Force Universe (IFU), the System's investment return for 2016 ranked in the top 85% of the IFU while maintaining similar risk as the peer group.

## Letter of Transmittal

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The Board of Trustees governs investments of the System through the adoption of investment policies and guidelines, amended as needed, that define the plan's objectives, monitoring procedures and performance measures. The Investment Policies and Operating Guidelines lay out specific parameters for performance expectations, eligible investments and portfolio characteristics. Key to the success of this governance is the determination of an Asset Allocation Policy. The policy is reviewed by the Board of Trustees at least annually and modified as needed to maximize returns while minimizing risk within the accepted investment guidelines of the System. Through advice from the Investment Consultant, management and staff are primarily responsible for implementing and monitoring the Asset Allocation Policy adopted by the Board of Trustees.

Please refer to pages 8 and 9 for a summary of the System's investments.

### ***Funding Status and Valuation Results***

The System is a defined benefit plan, which means that certain benefit provisions are used in a formula to determine each member's retirement benefit. The formula to calculate retirement benefits is credited service (years of service) multiplied by average compensation (final average salary for three consecutive years) multiplied by 2% (pension multiplier).

Each year, the System has an actuarial valuation conducted by an independent Actuary. The actuarial valuation has two main purposes: (1) to measure the relative financial health of the System and (2) to determine the annual required contribution (ARC), the portion of covered payroll, that employers must pay during a given year to ensure assets are available for benefit obligations into the future.

To determine the relative financial health of the System, the Actuary calculates the plan's actuarial accrued liability using the System's benefit provisions and actuarial assumptions in effect at the time of the calculation. The actuarial accrued liability is then compared to the actuarial value of assets to arrive at a percentage or Funded Ratio. The Funded Ratio measures the ability of the System to pay retirement benefits over the course of the next 30 years. For plan year 2016, the Funded Ratio was 84.9%, which falls between the highest and lowest Funded Ratio's for the System over the last couple of decades.

The Actuary calculates an ARC that is adequate to fund the normal costs of the plan that includes the unfunded actuarial accrued liability amortized over a 30-year period. The Actuary presents the annual Actuarial Valuation Report to the Board of Trustees for consideration. Once the Board of Trustees accepts the actuarial valuation for the year, the employers are notified of the ARC as governed by state statute.

The historic ARC percentage rates of covered compensation and corresponding dollar amounts determined by the Actuary, and accepted by the Board of Trustees, for the past three fiscal years are summarized as follows:

<b><u>Fiscal Year</u></b>	<b><u>ARC (%)</u></b>	<b><u>ARC (\$)</u></b>
2014	16.50%	\$37,267,278
2015	15.87%	\$38,597,230
2016	15.14%	\$37,210,752

More actuarial information can be found on pages 10 and 11.

**Legislative Information**

There were no major legislative changes in 2016 that directly affected the System. The last change to the System's plan provisions occurred in 2002.

**Professional Services**

Certain professional services are provided to the System by retained consultants. The firms that provide professional services to the System appear on page 2.

**Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the System for its *CAFR* for the fiscal year ended December 31, 2015. This was the fifth year the System has achieved this prestigious award. To be awarded a Certificate of Achievement, the System must publish an easily readable and efficiently organized *CAFR*, that must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The System believes the current *CAFR* will again meet the Certificate of Achievement Program's requirements and it is being submitted to the GFOA to determine its eligibility for another certificate.

A copy of the certificate can be found in the full report.

**Acknowledgements**

On March 20, 2017, the System lost one of its own when Retired Teacher Trustee, Charles L. "BeBe" Shelton, Jr., suddenly passed away less than half-way through his second term. Mr. Shelton actively participated in his roles as Trustee, Treasurer and Chairman of the Benefits Committee. I know he is missed by everyone who knew him. This year's comprehensive annual financial report is dedicated in memory of Mr. Shelton.

I would like to thank the Board of Trustees, staff and consultants for their assistance in preparing the *CAFR*. The dedication of these groups helps to guarantee the System's continued success.

Sincerely,



Andrew Clark  
Executive Director

## Financial Statements

### Public School Retirement System of the City of St. Louis Statements of Fiduciary Net Position December 31, 2016 and 2015

#### Assets

	<u>2016</u>	<u>2015</u>
Cash	\$ 9,815,722	\$ 9,960,497
Receivables		
Accrued interest and dividends	1,788,561	1,884,189
Other receivables	<u>27,978</u>	<u>-</u>
Total Receivables	<u>1,816,539</u>	<u>1,884,189</u>
Investments, at fair value		
Cash equivalents	47,040,304	43,633,332
Bonds		
U.S. Government and agency issues	38,004,981	41,978,559
Corporate	57,455,994	52,959,179
Foreign investments (bonds and stocks)	106,066,223	110,538,386
Common and preferred stocks	210,678,307	237,621,917
Mutual funds	306,141,170	301,300,977
Real estate partnerships	52,710,452	49,354,157
Limited partnerships	19,649,576	17,940,871
Venture capital partnerships	<u>220,624</u>	<u>843,696</u>
Total Investments	837,967,631	856,171,074
Property and Building, net	<u>1,815,142</u>	<u>1,882,580</u>
Total Assets	<u>851,415,034</u>	<u>869,898,340</u>

#### Deferred Outflows of Resources

Deferred pension outflow - contributions	79,497	83,960
Deferred pension outflow - net difference between projected and actual earnings on pension plan investments	<u>171,597</u>	<u>65,479</u>
Total Deferred Outflows of Resources	<u>251,094</u>	<u>149,439</u>

#### Liabilities

Accounts Payable and Accrued Expenses	780,536	798,498
Net Pension Liability	<u>649,399</u>	<u>570,232</u>
Total Liabilities	<u>1,429,935</u>	<u>1,368,730</u>

#### Deferred Inflows of Resources

Deferred pension inflow – difference between expected and actual experience	15,674	-
Deferred pension inflow – change in proportional share	<u>40,097</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>55,771</u>	<u>-</u>

#### Net Position

Net Position Restricted for Pensions	<u>\$ 850,180,422</u>	<u>\$ 868,679,049</u>
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**Public School Retirement System of the City of St. Louis  
Statements of Changes in Fiduciary Net Position  
Years Ended December 31, 2016 and 2015**

	2016	2015
<b>Additions</b>		
Employer contributions		
St. Louis Public Schools	\$ 29,007,501	\$ 31,072,850
Sick leave conversion	714,818	1,106,017
Charter Schools	9,718,163	8,445,676
Retirement System	79,497	83,960
Plan member contributions		
St. Louis Public Schools	9,429,585	8,975,828
Charter Schools	3,196,537	2,662,779
Retirement System	<u>25,907</u>	<u>26,104</u>
	52,172,008	52,373,214
Net appreciation (depreciation) in fair value of investments		
Cash equivalents	241,229	166,083
Bonds		
U.S. Government and agency issues	680,456	819,223
Corporate	7,296,052	(873,922)
Foreign investments	(582,949)	(2,336,219)
Common and preferred stock	18,161,863	4,681,643
Mutual funds	18,347,234	(13,206,807)
Limited partnerships	1,010,105	3,341,167
Real estate partnerships	3,855,694	5,813,021
Venture capital partnerships	(623,073)	(93,034)
Credit opportunity investments	-	103,801
	<u>48,386,611</u>	<u>(1,585,044)</u>
Less investment expense	<u>5,076,345</u>	<u>5,306,939</u>
Net investment income (loss)	43,310,266	(6,891,983)
Rental income	150,427	146,007
Other miscellaneous income	<u>1,031,395</u>	<u>1,403,325</u>
Net Additions	96,664,096	47,030,563
<b>Deductions</b>		
Benefits paid		
Retirement benefits	99,419,975	99,634,429
Survivor benefits	2,973,225	2,877,844
Disability benefits	3,479,852	3,510,745
Health care subsidies	<u>2,515,000</u>	<u>2,600,225</u>
	108,388,052	108,623,243
Operating expenses	1,554,314	1,466,261
Contribution refunds due to death or resignation	<u>5,220,357</u>	<u>4,761,086</u>
Total Deductions	<u>115,162,723</u>	<u>114,850,590</u>
Net Decrease in Net Position	(18,498,627)	(67,820,027)
Net Position Restricted for Pensions Beginning of Year	<u>868,679,049</u>	<u>936,499,076</u>
Net Position Restricted for Pensions End of Year	<u>\$ 850,180,422</u>	<u>\$ 868,679,049</u>

# Public School Retirement System of the City of St. Louis

## Annual Report Summary – Fiscal Year 2016

### Investment Returns

For the fiscal year ended December 31, 2016, the fund gained 6.3%, ranking 85<sup>th</sup> within the Investor Force Universe (IFU) of Public Funds. For the three-year and five-year periods ending December 31, 2016, the fund ranked 85<sup>th</sup> and 80<sup>th</sup>, returning 3.4% and 7.6%, respectively. Investment returns for the fund's portfolio, stocks and bonds for the one-year, three-year and five-year periods ending December 31, 2016 follow:

Investment Category	Annualized Returns for Periods Ended <sup>1</sup> December 31, 2016, net of fees		
	One Year	Three Years	Five Years
	PSRS Total Portfolio Allocation Index <sup>2</sup>	6.3% 8.4%	3.4% 4.2%
PSRS Domestic Equities Russell 3000 Index	9.8% 12.7%	7.1% 8.4%	14.0% 14.7%
PSRS Domestic Bonds Barclays Aggregate Barclays High Yield	8.1% 2.6% 17.1%	4.1% 3.0% 4.7%	5.4% 2.2% 7.4%
PSRS International Equities MSCI EAFE Index	-0.6% 1.0%	-2.1% -1.6%	7.8% 6.5%
PSRS Emerging Market Equities MSCI Emerging Markets Index	12.6% 11.2%	-2.7% -2.6%	0.4% 1.3%
PSRS Global Bonds Citi World Gov Bond Index	-0.1% 1.6%	-1.3% -0.8%	-1.7% -1.0%

<sup>1</sup>Investment returns in the schedule are annualized by calculating the time weighted rates of return for the time period.

<sup>2</sup>The Allocation Index is comprised of various equity, fixed income, hedge fund, real estate and Treasury bill indices in proportion to the asset weights within the pension fund.

In 2016, the fund performed 1.7% below the assumed actuarial rate of return of 8%, adding less value than expected to the plan. Despite the lower than expected performance, the Board of Trustees remains focused on a sound Asset Allocation Policy and long-term investment objectives by actively monitoring its money managers. Lazard Asset Management was hired to manage an emerging markets debt investment, funding occurred during the 2016 First Quarter. The hedge fund portfolio was restructured during 2016 due to a merger between Entrust and Permal, and the sudden closure of Standard Pacific. Entrust was retained, Permal was terminated and Standard Pacific liquidated all assets. Grosvenor Capital Management was hired to manage a hedge fund strategy as part of the restructuring. Fort Washington Investment Advisors was hired in 2016 to manage a \$15 million private equity commitment, funding will be made from cash as called. The allocation to real assets was under review as of December 31, 2016, after Wellington Management was terminated in early 2016; the Board of Trustees eliminated the asset class from the policy in early 2017. The Board of Trustees also terminated New Amsterdam Partners in 2016, and the mid-cap equity asset class was under review as of December 31, 2016.

### Market Value of All Assets (Last Three Fiscal Years)

Investment Category	December 31, 2014		December 31, 2015		December 31, 2016	
	Market Value	% of Total	Market Value	% of Total	Market Value	% of Total
Cash, Receivables, Cash Equivalents	\$57,917,293	6.18%	\$55,478,018	6.38%	\$58,672,565	6.89%
Property and Building	1,950,018	0.21%	1,882,580	0.22%	1,815,142	0.21%
U.S. Government & Agency Issued Bonds	54,142,975	5.77%	41,978,559	4.82%	38,004,981	4.46%
Corporate Bonds	49,771,651	5.31%	52,959,179	6.09%	57,455,994	6.75%
Foreign Investments (bonds and stocks)	81,572,508	8.70%	110,538,386	12.70%	106,066,223	12.45%
Common and Preferred Stocks	277,686,810	29.61%	237,621,917	27.31%	210,678,307	24.74%
Mutual Funds	337,202,390	35.96%	301,300,977	34.63%	306,141,170	35.95%
Real Estate Partnerships	49,040,921	5.23%	49,354,157	5.67%	52,710,452	6.19%
Credit Opportunity Investments	9,939,430	1.06%	0	0.00%	0	0.00%
Alternative Investments	18,556,714	1.98%	18,784,567	2.16%	19,870,200	2.33%
Other Assets	0	0.00%	149,439	0.02%	251,094	0.03%
<b>Total</b>	<b>\$937,780,710</b>	<b>100.0%</b>	<b>\$870,047,779</b>	<b>100.0%</b>	<b>\$851,666,128</b>	<b>100.0%</b>

**Public School Retirement System of the City of St. Louis**  
**Annual Report Summary – Fiscal Year 2016**

**Asset Allocation & Investment Managers as of December 31, 2016 (in thousands)**

ASSET CLASS Money Manager	RELATIVE TO: Management Style	TOTAL PORTFOLIO						ASSET CLASS	
		MARKET VALUES		TARGET VALUES		VARIANCE		MARKET VALUE	
		\$	%	\$	%	Value	%	Value	%
<b>LARGE CAP GROWTH DOMESTIC EQUITIES</b>		80,549	9.5%	46,728	5.5%	33,821	4.0%		
Holland Capital Management	Large Cap Growth							29,618	36.8%
Intech	Large Cap Growth							22,697	28.2%
TCW Asset Management	Large Cap Growth							28,234	35.1%
<b>LARGE CAP CORE DOMESTIC EQUITIES</b>		3,472	0.4%	16,992	2.0%	(13,520)	-1.6%		
Mellon Stock Index Fund	Large Cap Core							3,472	100.0%
<b>LARGE CAP VALUE DOMESTIC EQUITIES</b>		77,633	9.1%	46,728	5.5%	30,905	3.6%		
Chicago Equity Partners	Large Cap Value							44,062	56.8%
The Edgar Lomax Company	Large Cap Value							33,571	43.2%
<b>MID CAP GROWTH DOMESTIC EQUITIES</b>		3	0.0%	25,488	3.0%	(25,485)	-3.0%		
New Amsterdam Partners	Mid Cap Growth							3	100.0%
<b>SMALL/MICRO CAP DOMESTIC EQUITIES</b>		67,996	8.0%	50,976	6.0%	17,020	2.0%		
Westfield Capital Management	Small Cap Growth							21,251	31.3%
Systematic Financial Management	Small Cap Value							25,206	37.1%
Dimensional Fund Advisors (DFA)	Micro Cap							21,539	31.7%
<b>GLOBAL TACTICAL ASSET ALLOCATION</b>		102,755	12.1%	101,952	12.0%	803	0.1%		
GMO	Balanced Fund							34,821	33.9%
Mellon Global Alpha	Balanced Fund							32,903	32.0%
PIMCO	Balanced Fund							35,031	34.1%
<b>GLOBAL EQUITIES</b>		42,034	4.9%	42,480	5.0%	(446)	-0.1%		
Ativo Capital Partners	Global Equities							10,680	25.4%
Brown Capital Management	Global Equities							10,296	24.5%
Strategic Global Advisors	Global Equities							21,058	50.1%
<b>INTERNATIONAL EQUITIES</b>		114,958	13.5%	161,424	19.0%	(46,466)	-5.5%		
Dimensional Fund Advisors (DFA)	Emerging Markets							13,532	11.8%
OFI Global Asset Management	Emerging Markets							20,594	17.9%
Fidelity Institutional Asset Management	International Equities							40,583	35.3%
Causeway	International Equities							40,249	35.0%
<b>CORE DOMESTIC BONDS</b>		64,559	7.6%	67,968	8.0%	(3,409)	-0.4%		
EARNEST Partners	Core Domestic Bonds							11,847	18.4%
Mellon Bond Index Fund	Core Domestic Bonds							688	1.1%
Manulife Asset Management	Core Domestic Bonds							41,184	63.8%
Piedmont Investment Advisors (formerly NCM Capital)	Core Domestic Bonds							10,840	16.8%
<b>HIGH YIELD DOMESTIC BONDS</b>		41,480	4.9%	42,480	5.0%	(1,000)	-0.1%		
Loomis Sayles	High Yield Bonds							41,480	100.0%
<b>EMERGING MARKETS DEBT</b>		26,162	3.1%	25,488	3.0%	674	0.1%		
Lazard Asset Management	Emerging Markets							26,162	0.0%
<b>GLOBAL BONDS</b>		34,052	4.0%	42,480	5.0%	(8,428)	-1.0%		
Mondrian	Global Bonds							34,052	100.0%
<b>HEDGED STRATEGIES</b>		72,940	8.6%	76,464	9.0%	(3,524)	-0.4%		
EnTrust Capital	Fund of Funds							21,342	29.3%
Grosvenor Capital Management	Fund of Funds							25,516	35.0%
Passport Capital	Global Strategy Direct							8,990	12.3%
Whitebox Advisors	Multi-Strategy Direct							17,092	23.4%
<b>REAL ESTATE</b>		52,711	6.2%	42,480	5.0%	10,231	1.2%		
UBS Trumbull Property & Income Funds	Commercial Real Estate							52,711	100.0%
<b>PRIVATE EQUITY &amp; PRIVATE DEBT</b>		19,870	2.3%	42,480	5.0%	(22,610)	-2.7%		
Secondary, Distressed, Mezzanine, Fund of Funds, Debt	Limited Partnerships							19,870	100.0%
<b>PRIVATE REAL ASSETS</b>		0	0.0%	16,992	2.0%	(16,992)	-2.0%		
<b>CASH (Does Not Include Managers' Residual Cash)</b>		48,426	5.7%	0	0.0%	48,426	5.7%		
U.S. Bank (checking, investment account & receivable)	Cash Accounts							48,426	
<b>TOTAL (000's Omitted)</b>		<b>\$849,600</b>	<b>100.0%</b>	<b>\$849,600</b>	<b>100.0%</b>			<b>\$849,600</b>	

The investment section of the full report provides information about the System's securities held in the portfolio and investment expenses in 2016.

**Public School Retirement System of the City of St. Louis**  
**Annual Report Summary – Fiscal Year 2016**

**Member Census (Last Two Years)**

As of January 1	2015	2016
<b>Active Members</b>		
Number	5,011	5,034
Average Age	43.77	43.77
Average Service	7.94	7.93
Average Annual Base Pay	\$ 49,032	\$ 50,085
<b>Vested Terminated Members</b>		
Number	473	479
Average Account Balance	\$ 28,080	\$ 28,905
<b>Non-vested Terminated Members</b>		
Number	1,539	1,792
Average Account Balance	\$ 3,485	3,532
<b>Benefit Recipients</b>		
Number	4,624	4,587
Average Age	73.35	73.66
Average Monthly Benefit	\$ 1,894	\$ 1,913

**Retired Members and Beneficiaries By Payment Option & Type**  
**On January 1, 2016**

Option	Service Benefit	Disability Benefit	Survivor Benefit	Total
0	3,410	200	307	3,917
1	135	17	-	152
2	83	5	-	88
3	183	16	-	199
4	182	6	-	188
5	21	4	-	25
6	11	6	-	17
7	1	-	-	1
<b>Total</b>	<b>4,026</b>	<b>254</b>	<b>307</b>	<b>4,587</b>

**Amount of Annual Benefits By Payment Option & Type**  
**On January 1, 2016**

Option	Service Benefit	Disability Benefit	Survivor Benefit	Total
0	\$ 84,559,891	\$ 2,794,350	\$ 3,421,708	\$ 90,775,949
1	2,555,597	237,245	-	2,792,842
2	1,917,967	124,270	-	2,042,237
3	3,739,065	216,148	-	3,955,213
4	4,709,722	131,227	-	4,840,949
5	545,404	34,567	-	579,971
6	227,130	50,744	-	277,874
7	30,849	-	-	30,849
<b>Total</b>	<b>\$ 98,285,625</b>	<b>\$ 3,588,551</b>	<b>\$ 3,421,708</b>	<b>\$ 105,295,884</b>

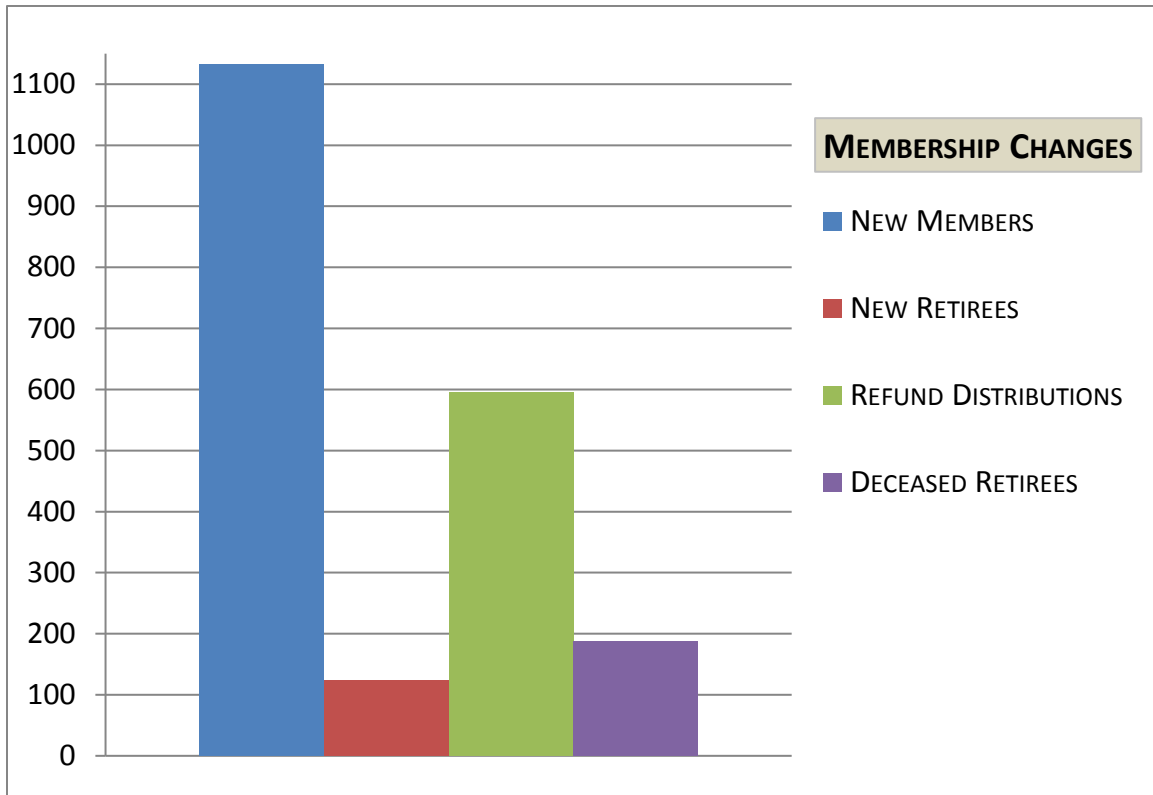
- Option 1 Same retirement allowance continued after death to the beneficiary.
- Option 2 One-half of the retirement allowance continued after death to the beneficiary.
- Option 3 Same retirement allowance continued after death to the beneficiary. If the beneficiary predeceases the participant, the retirement allowance is adjusted back to the unreduced allowance.
- Option 4 One-half of retirement allowance continued after death to the beneficiary. If the beneficiary predeceases the participant, the retirement allowance is adjusted back to the unreduced allowance.
- Option 5 Increased retirement allowance is provided up to age 62, such that benefit provided prior to age 62 is approximately equal to the sum of the reduced retirement allowance paid after age 62 and Social Security.
- Option 6 Options 1 and 5 combined.
- Option 7 Options 2 and 5 combined.

**Public School Retirement System of the City of St. Louis**  
**Annual Report Summary – Fiscal Year 2016**

**Summary of Membership Changes**

During the fiscal year ended December 31, 2016, PSRSSTL added 1,133 new members and 124 new retirees to payroll. The retirement system processed 596 refund distributions for members who left the System and bid farewell to 187 retirees due to death.

**Fiscal Year 2016**



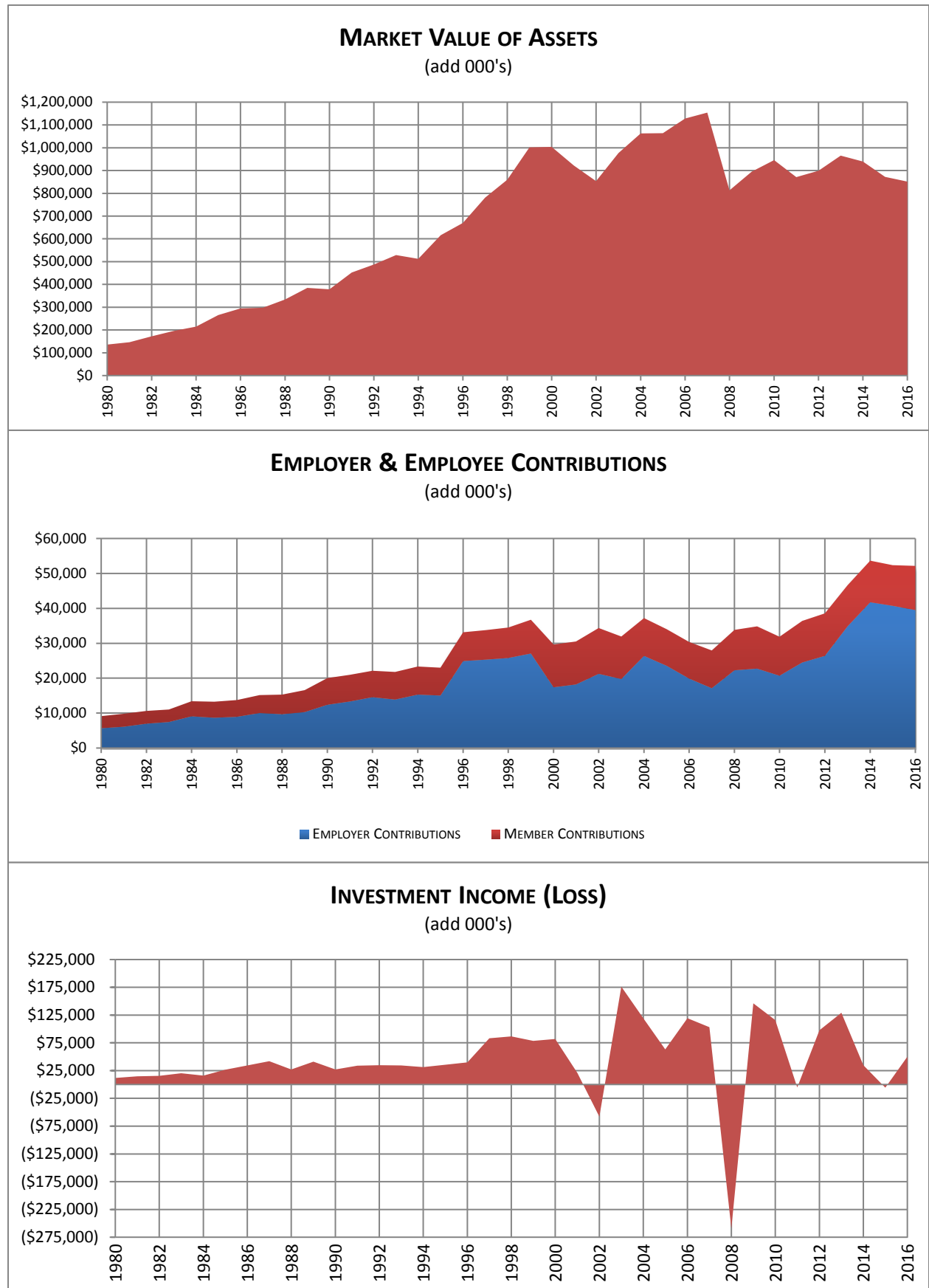
**Schedule of Funding Progress  
Last Ten Years**

Actuarial Valuation Date January 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as a % of Annual Covered Payroll ((b - a) / c)
2007	\$ 1,003,428,983	\$ 1,150,263,339	\$ 146,834,356	87.2%	\$ 222,387,289	66.0%
2008	\$ 1,014,923,381	\$ 1,158,921,113	\$ 143,997,732	87.6%	\$ 225,190,968	63.9%
2009	\$ 963,851,408	\$ 1,099,891,716	\$ 136,040,308	87.6%	\$ 234,582,326	58.0%
2010	\$ 950,709,944	\$ 1,076,002,070	\$ 125,292,126	88.4%	\$ 241,958,133	51.8%
2011	\$ 944,356,735	\$ 1,066,270,852	\$ 121,914,117	88.6%	\$ 218,308,239	55.8%
2012	\$ 925,389,359	\$ 1,090,318,706	\$ 164,929,347	84.9%	\$ 234,760,091	70.3%
2013	\$ 914,494,335	\$ 1,085,124,658	\$ 170,630,323	84.3%	\$ 225,893,514	75.5%
2014	\$ 922,922,386	\$ 1,093,394,768	\$ 170,472,382	84.4%	\$ 243,280,015	70.1%
2015	\$ 926,905,797	\$ 1,093,593,248	\$ 166,687,451	84.8%	\$ 245,699,583	67.8%
2016	\$ 915,391,079	\$ 1,077,693,143	\$ 162,302,064	84.9%	\$ 252,127,288	64.4%

The Retirement System uses the “frozen entry age actuarial cost” funding method. Please refer to the actuarial Summary of Methods and Assumptions in the full report for an explanation on the method.

**Public School Retirement System of the City of St. Louis**  
**Annual Report Summary – Fiscal Year 2016**

These charts and graphs show changes in market value of assets, contributions, and investment earnings for fiscal years ended December 31, 1980 thru December 31, 2016.



**Would you like the full report?**

The System's Annual Report Summary contains highlights of financial, investment, actuarial and statistical information for the fiscal year ended December 31, 2016. Statutes of the State of Missouri require the preparation of a thorough Annual Report that contains additional information not provided in the summary.

Because of high costs associated with mailing the complete *Comprehensive Annual Financial Report (CAFR)* to every member, the Board of Trustees instead has authorized the mailing of an Annual Report Summary to each member and other interested parties.

The *CAFR* is available for printing in its entirety online at <http://www.psrstl.org>.

or

If you would like a copy of the *CAFR* mailed to you, please provide us with your mailing information by sending it to the following address:

Public School Retirement System  
of the City of St. Louis  
3641 Olive Street, Suite 300  
St. Louis, MO 63108-3601

Here is a form for your convenience:



**Please send the PSRSSTL 2016 Comprehensive Annual Financial Report to:**

**Name** \_\_\_\_\_

**Address** \_\_\_\_\_

**City, State, Zip** \_\_\_\_\_

**Public School Retirement System  
of the City of St. Louis**  
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Saint Louis, Missouri 63108-3601

**[www.psrstl.org](http://www.psrstl.org)**



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