

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

*A Pension Trust Fund for
Public School Employees*

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

***Annual
Report
Summary***

*For the Fiscal Year Ended
December 31, 2017*





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

Annual Report Summary For the Fiscal Year Ended **December 31, 2017**

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 to 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 retirement 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
Vacant

Elected by Retired Members

Joseph Clark
Louis Cross

SLPS Board Appointed

Angela Banks
Christina Bennett
Darnetta Clinkscale
Rick Sullivan

Administrative Staff

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

Professional Advisors

Actuarial Services

Conduent HR Services
Troy Jaros
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

June 8, 2018

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 ("PSRSSTL", "System", "fund" or "plan") for the fiscal year ended December 31, 2017. 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 2017.

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.

Please refer to pages 6 and 7 to see the plan's financial statements for the fiscal year ended December 31, 2017.

Investment Activities

The overall investment return for the plan during 2017 was 16.2%, which was above the actuarial assumed rate of return of 7.5%. Thus, the investment managers added much needed value to the fund that was more than expected for the year. In comparison to other public plans in the Investor Force Universe (IFU), the System's investment return for 2017 ranked in the top 31% of the IFU while maintaining similar risk as the peer group.

The Board of Trustees governs investments of the fund 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

Letter of Transmittal

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 for members hired on or before December 31, 2017, is credited service (years of service) multiplied by average compensation (final average salary for three consecutive years) multiplied by 2% (pension multiplier). For members hired for the first time on or after January 1, 2018, the pension multiplier has been reduced to 1.75%, which changes the retirement benefits formula for these members.

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 and to guarantee actuarial soundness of the fund.

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 time, usually the next 30 years. For plan year 2017, the Funded Ratio was 79.5%, which is the lowest Funded Ratio for the System since this measurement began in 1992. The primary reason for this large decrease is due to the downgrade of the retirement system's assumed rate of return (discount rate) from 8.0% to 7.5%.

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:

<u>Fiscal Year</u>	<u>ARC (%)</u>	<u>ARC (\$)</u>
2015	15.87%	\$38,597,230
2016	15.14%	\$37,210,752
2017	15.73%	\$39,657,756

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

Legislative Information

Despite many due diligence protests from the System throughout the 2017 Legislative Session, the Missouri General assembly passed legislation that was signed into law by then Governor Eric Greitens that negatively effects the long-term actuarially soundness and financial viability of the fund. Prior to 2017, the last major 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, 2016. This was the sixth 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

I would like to thank the Board of Trustees, staff and consultants for their assistance in preparing the *CAFR*. The dedication of these groups contributes to 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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash	\$ 10,108,913	\$ 9,815,722
Receivables		
Accrued interest and dividends	778,383	1,788,561
Other receivable	<u>25,578</u>	<u>27,978</u>
Total Receivables	<u>803,961</u>	<u>1,816,539</u>
Investments, at fair value		
Cash equivalents	40,773,921	47,040,304
Bonds		
U.S. Government and agency issues	28,241,695	38,004,981
Corporate	33,283,520	57,455,994
Foreign investments (bonds and stocks)	91,518,408	106,066,223
Common and preferred stocks	216,329,735	210,678,307
Mutual and co-mingled funds	411,565,601	306,141,170
Real estate partnerships	55,324,668	52,710,452
Limited partnerships	25,708,057	19,649,576
Venture capital partnerships	<u>-</u>	<u>220,624</u>
Total Investments	902,745,605	837,967,631
Property and Building, net	<u>1,747,704</u>	<u>1,815,142</u>
Total Assets	<u>915,406,183</u>	<u>851,415,034</u>

Deferred Outflows of Resources

Deferred Outflows of Resources Related to Pensions	<u>382,152</u>	<u>251,094</u>
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Liabilities

Accounts Payable and Accrued Expenses	800,653	780,536
Net Pension Liability	<u>876,434</u>	<u>649,399</u>
Total Liabilities	<u>1,677,087</u>	<u>1,429,935</u>

Deferred Inflows of Resources

Deferred Inflows of Resources Related to Pensions	<u>28,988</u>	<u>55,771</u>
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Net Position

Net Position Restricted for Pensions	<u>\$ 914,082,260</u>	<u>\$ 850,180,422</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, 2017 and 2016**

	2017	2016
Additions		
Employer contributions		
St. Louis Public Schools	\$ 30,459,434	\$ 29,007,501
Sick leave conversion	412,970	714,818
Charter Schools	10,130,296	9,718,163
Retirement System	74,644	79,497
Plan member contributions		
St. Louis Public Schools	9,289,039	9,429,585
Charter Schools	3,275,759	3,196,537
Retirement System	<u>26,754</u>	<u>25,907</u>
	53,668,896	52,172,008
Investment Income		
Cash equivalents	294,142	241,229
Bonds		
U.S. Government and agency issues	1,165,283	680,456
Corporate	2,048,420	7,296,052
Foreign investments	24,292,282	(582,949)
Common and preferred stock	48,544,033	18,161,863
Mutual and co-mingled funds	47,184,871	18,347,234
Limited partnerships	2,622,170	1,010,105
Real estate partnerships	3,103,993	3,855,694
Venture capital partnerships	<u>(26,146)</u>	<u>(623,073)</u>
	129,229,048	48,386,611
Less investment expense	<u>5,059,535</u>	<u>5,076,345</u>
Net investment income	124,169,513	43,310,266
Rental income	153,544	150,427
Other miscellaneous income	<u>473,862</u>	<u>1,031,395</u>
Net Additions	178,465,815	96,664,096
Deductions		
Benefits paid		
Retirement benefits	99,499,140	99,419,975
Survivor benefits	3,056,046	2,973,225
Disability benefits	3,512,352	3,479,852
Health care subsidies	<u>2,442,339</u>	<u>2,515,000</u>
	108,509,877	108,388,052
Operating expenses	1,613,506	1,554,314
Contribution refunds due to death or resignation	<u>4,440,594</u>	<u>5,220,357</u>
Total Deductions	<u>114,563,977</u>	<u>115,162,723</u>
Net Increase (Decrease) in Net Position	63,901,838	(18,498,627)
Net Position Restricted for Pensions, Beginning of Year	<u>850,180,422</u>	<u>868,679,049</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 914,082,260</u>	<u>\$ 850,180,422</u>

Public School Retirement System of the City of St. Louis

Annual Report Summary – Fiscal Year 2017

Investment Returns

For the fiscal year ended December 31, 2017, PSRSSTL's portfolio gained 16.2%, ranking 31st within the Investor Force Universe (IFU) of Public Funds. For the three-year and five-year periods ending December 31, 2017, the PSRSSTL portfolio ranked 69th and 66th, returning 7.1% and 8.3%, respectively. Investment returns for the fund's portfolio, stocks and bonds for the one-year, three-year and five-year periods ending December 31, 2017 follow:

Investment Category	Annualized Returns for Periods Ended ¹		
	December 31, 2017, gross of fees		
	One Year	Three Years	Five Years
PSRS Total Portfolio Allocation Index ²	16.2%	7.1%	8.3%
	15.2%	7.3%	8.7%
PSRS Domestic Equities Russell 3000 Index	23.6%	11.4%	15.6%
	21.1%	11.1%	15.6%
PSRS International Equities MSCI EAFE Index	27.1%	8.2%	8.6%
	25.0%	7.8%	7.9%
PSRS Emerging Market Equities MSCI Emerging Markets Index	35.4%	9.1%	3.5%
	37.3%	9.1%	4.3%
PSRS Fixed Income	7.6%	4.0%	3.2%
Barclays US Aggregate	3.5%	2.2%	2.1%
Barclays GL Aggregate Hedged	3.0%	2.7%	3.1%
3-Month LIBOR + 3%	4.4%	3.8%	3.6%
50% JPM GBI-EM/50% JPM EMBI	12.3%	4.4%	1.3%

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

²The 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 2017, the fund performed 8.7% above the assumed actuarial rate of return of 7.5%, adding more value than expected to the plan. The Board of Trustees remains focused on a sound Asset Allocation Policy and long-term investment objectives by actively monitoring its money managers. During 2017, large cap growth equity money manager, Holland Capital Management, closed shop and the investment was liquidated by the end of the 2017 Third Quarter. The System's fixed income portfolio was restructured by hiring new multi-sector fixed income money manager, Neuberger Berman, and terminating global fixed income money manager, Mondrian Partners to fund it. Further restructuring of the fixed income portfolio occurred when the assets in the high yield fixed income portfolio managed by Loomis Sayles were transferred to a co-mingled fund in the firm's absolute return fixed income strategy. Basis Investment Group was hired in late 2017 to manage an \$8 million commitment to the firm's BIG Real Estate Fund I, funding of the commitment will be made from cash as called by the manager. At the Investment Committee meeting in December, the Trustees continued the expansion of the System's asset allocation in private markets by agreeing to interview several money managers in early 2018. The Board of Trustees hired four money managers offering investment opportunities in private markets during the first few months in 2018. Funding of these new commitments will be made from cash and the rebalancing of assets as called.

Market Value of All Assets (Last Three Fiscal Years)

Investment Category	December 31, 2015		December 31, 2016		December 31, 2017	
	Market Value	% of Total	Market Value	% of Total	Market Value	% of Total
Cash, Receivables, Cash Equivalents	\$55,478,018	6.38%	\$58,672,565	6.89%	\$51,686,795	5.64%
Property and Building	1,882,580	0.22%	1,815,142	0.21%	1,747,704	0.19%
U.S. Government & Agency Issued Bonds	41,978,559	4.82%	38,004,981	4.46%	28,241,695	3.08%
Corporate Bonds	52,959,179	6.09%	57,455,994	6.75%	33,283,520	3.63%
Foreign Investments (bonds and stocks)	110,538,386	12.70%	106,066,223	12.45%	91,518,408	9.99%
Common and Preferred Stocks	237,621,917	27.31%	210,678,307	24.74%	216,329,735	23.62%
Mutual and Co-Mingled Funds	301,300,977	34.63%	306,141,170	35.95%	411,565,601	44.94%
Real Estate Partnerships	49,354,157	5.67%	52,710,452	6.19%	55,324,668	6.04%
Alternative Investments	18,784,567	2.16%	19,870,200	2.33%	25,708,057	2.81%
Other Assets	149,439	0.02%	251,094	0.03%	382,152	0.04%
Total	\$870,047,779	100.0%	\$851,666,128	100.0%	\$915,788,335	100.0%

Public School Retirement System of the City of St. Louis
Annual Report Summary – Fiscal Year 2017

Asset Allocation & Investment Managers as of December 31, 2017 (in thousands)

ASSET CLASS	RELATIVE TO:	TOTAL PORTFOLIO						ASSET CLASS	
		MARKET VALUE		TARGET VALUE		VARIANCE		MARKET VALUE	
Money Manager	Management Style	Value	%	Value	%	Value	%	Value	%
LARGE CAP GROWTH DOMESTIC EQUITIES		62,026	6.8%	50,250	5.5%	11,776	1.3%		
Intech	Large Cap Growth							26,598	42.9%
TCW Asset Management	Large Cap Growth							35,428	57.1%
LARGE CAP CORE DOMESTIC EQUITIES		6,467	0.7%	18,273	2.0%	(11,806)	-1.3%		
Mellon Stock Index Fund	Large Cap Core							6,467	100.0%
LARGE CAP VALUE DOMESTIC EQUITIES		85,914	9.4%	50,250	5.5%	35,664	3.9%		
Chicago Equity Partners	Large Cap Value							49,109	57.2%
The Edgar Lomax Company	Large Cap Value							36,805	42.8%
MID/SMALL/MICRO CAP DOMESTIC EQUITIES		82,106	9.0%	82,227	9.0%	(121)	0.0%		
Westfield Capital Management	Small Cap Growth							26,700	32.5%
Systematic Financial Management	Small Cap Value							31,459	38.3%
Dimensional Fund Advisors (DFA)	Micro Cap							23,947	29.2%
GLOBAL TACTICAL ASSET ALLOCATION		107,542	11.8%	91,363	10.0%	16,179	1.8%		
GMO	Balanced Fund							36,989	34.4%
Mellon Global Alpha	Balanced Fund							33,878	31.5%
PIMCO	Balanced Fund							36,675	34.1%
GLOBAL EQUITIES		52,370	5.7%	45,682	5.0%	6,688	0.7%		
ARGA	Global Equities							14,901	28.5%
Ativo Capital Management	Global Equities							13,301	25.4%
Brown Capital Management	Global Equities							3,408	6.5%
Channing	Global Equities							2,738	5.2%
Strategic Global Advisors	Global Equities							18,022	34.4%
INTERNATIONAL EQUITIES		149,193	16.3%	173,590	19.0%	(24,397)	-2.7%		
Dimensional Fund Advisors (DFA)	Emerging Markets							18,101	12.1%
OFI Global Asset Management	Emerging Markets							27,884	18.7%
Fidelity Institutional Asset Mangement (Pyramis)	International Equities							51,007	34.2%
Causeway	International Equities							52,201	35.0%
CORE DOMESTIC BONDS		67,532	7.4%	73,091	8.0%	(5,559)	-0.6%		
EARNEST Partners	Core Domestic Bonds							12,302	18.2%
Mellon Bond Index Fund	Core Domestic Bonds							712	1.1%
Manulife Asset Management	Core Domestic Bonds							43,055	63.8%
Piedmont Investment Advisors (formerly NCM)	Core Domestic Bonds							11,463	17.0%
ABSOLUTE RETURN DOMESTIC BONDS		44,601	4.9%	45,682	5.0%	(1,081)	-0.1%		
Loomis Sayles	Unconstrained Fixed Income							44,601	100.0%
EMERGING MARKETS DEBT		27,868	3.1%	27,409	3.0%	459	0.1%		
Lazard Asset Management	Emerging Markets							27,868	0.0%
GLOBAL MULTI-SECTOR BONDS		35,910	3.9%	45,682	5.0%	(9,772)	-1.1%		
Neuberger Berman Trust Co.	Global Opportunistic Bonds							35,910	100.0%
HEDGED STRATEGIES		67,540	7.4%	63,954	7.0%	3,586	0.4%		
EnTrustPermal	Fund of Funds							21,772	32.2%
Grosvenor Capital Management	Fund of Funds							27,075	40.1%
Passport Capital	Global Strategy Direct							419	0.6%
Whitebox Advisors	Multi-Strategy Direct							18,274	27.1%
REAL ESTATE		55,325	6.1%	63,954	7.0%	(8,629)	-0.9%		
UBS Trumbull Property & Income Funds	Commercial Real Estate							55,325	100.0%
PRIVATE EQUITY & DEBT		25,708	2.8%	82,227	9.0%	(56,519)	-6.2%		
Secondary, Distressed, Mezzanine, Fund of Funds, Debt	Limited Partnerships							25,708	100.0%
CASH (Does Not Include Managers' Residual Cash)		43,531	4.8%	0	0.0%	43,531	4.8%		
U.S. Bank (checking & operating accounts)	Cash Accounts							43,531	
TOTAL (000's Omitted)		\$913,633	100.0%	\$913,633	100.0%			\$913,633	

The investment section of the full report provides information about the System's securities held in the portfolio and investment expenses in 2017.

Public School Retirement System of the City of St. Louis
Annual Report Summary – Fiscal Year 2017

Member Census (Last Two Years)

As of January 1	2016	2017
Active Members		
Number	5,034	5,101
Average Age	43.77	43.68
Average Service	7.93	7.82
Average Annual Base Pay	\$ 50,085	\$ 51,014
Vested Terminated Members		
Number	479	522
Average Account Balance	\$ 28,905	\$ 29,781
Non-vested Terminated Members		
Number	1,792	2,032
Average Account Balance	\$ 3,532	3,585
Benefit Recipients		
Number	4,587	4,561
Average Age	73.66	74.03
Average Monthly Benefit	\$ 1,913	\$ 1,926

Retired Members and Beneficiaries By Payment Option & Type
On January 1, 2017

Option	Service Benefit	Disability Benefit	Survivor Benefit	Total
0	3,400	201	303	3,904
1	134	14	-	148
2	83	5	-	88
3	177	17	-	194
4	179	6	-	185
5	21	2	-	23
6	11	6	-	17
7	2	-	-	2
Total	4,007	251	303	4,561

Amount of Annual Benefits By Payment Option & Type
On January 1, 2017

Option	Service Benefit	Disability Benefit	Survivor Benefit	Total
0	\$ 84,843,091	\$ 2,886,500	\$ 3,460,913	\$ 91,190,504
1	2,528,749	182,667	-	2,711,416
2	1,894,588	117,333	-	2,011,921
3	3,633,361	238,317	-	3,871,678
4	4,648,030	131,227	-	4,779,257
5	545,404	15,317	-	560,721
6	227,130	50,744	-	277,874
7	34,558	-	-	34,558
Total	\$ 98,354,911	\$ 3,622,105	\$ 3,460,913	\$ 105,437,929

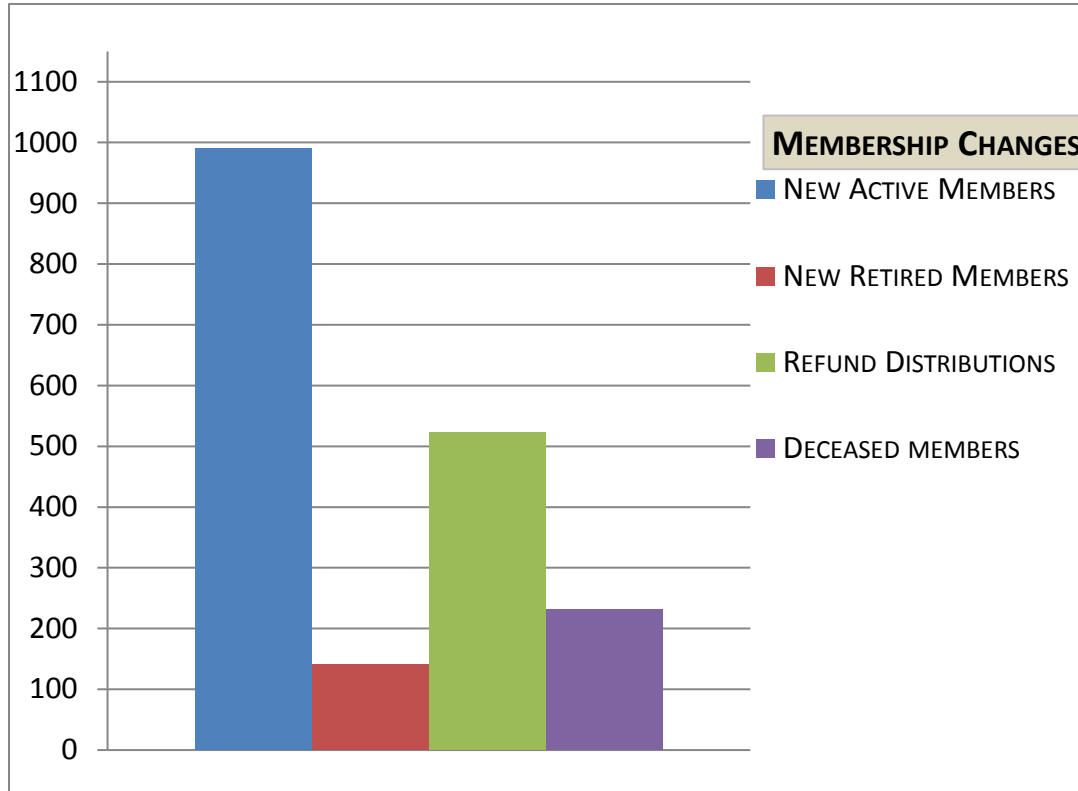
- Option 1 Same retirement allowance continued after death to the beneficiary.
- Option 2 One-half of the retirement allowance continued after death to the beneficiary.
- Option 3 Same retirement allowance continued after death to the beneficiary. If the beneficiary predeceases the participant, the retirement 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
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Summary of Membership Changes

During the fiscal year ended December 31, 2017, PSRSSTL added 929 new active members and 141 new retired members to payroll. The retirement system processed 523 refund distributions for members who left the System and bid farewell to 231 members due to death.

Fiscal Year 2017



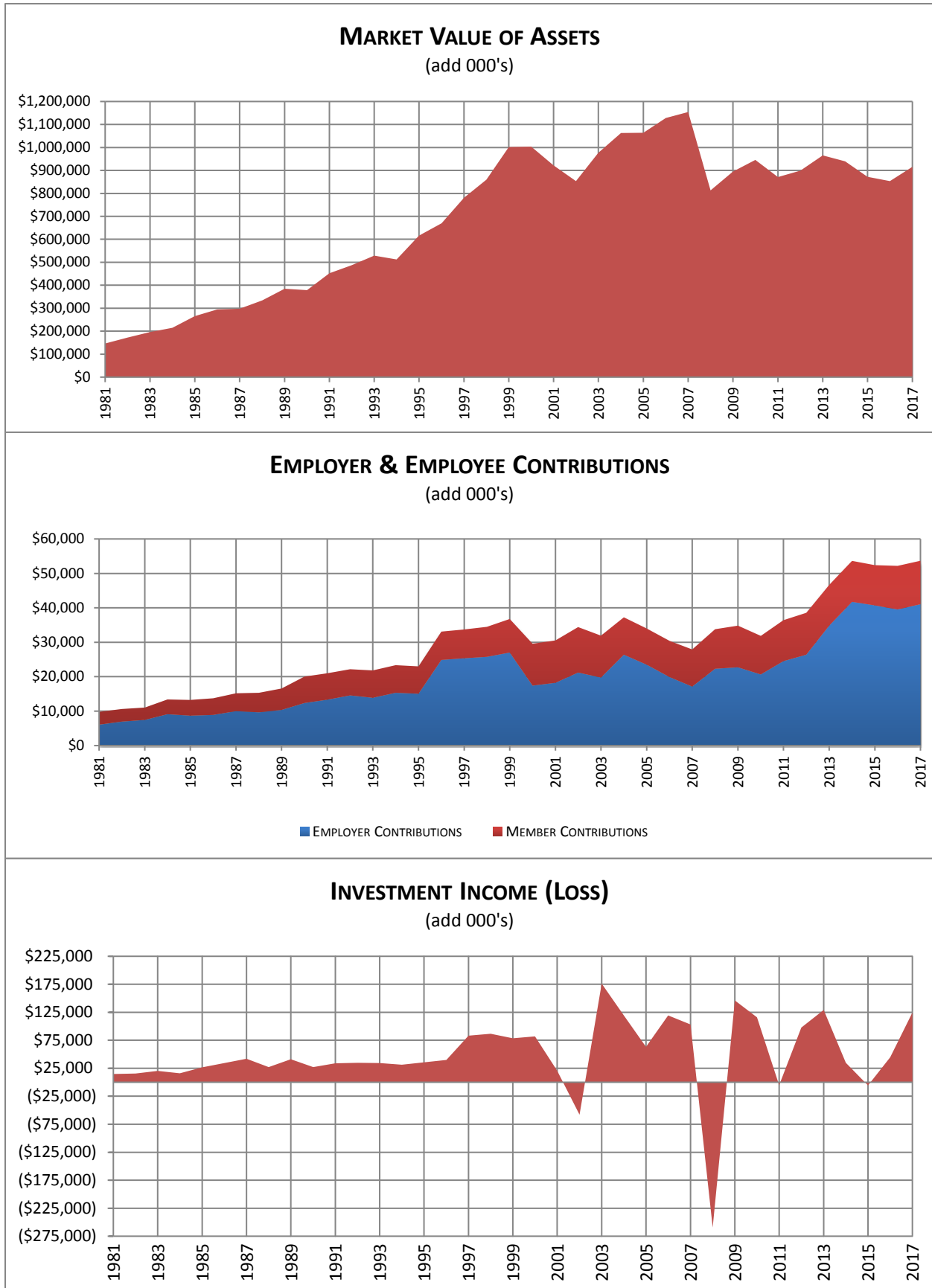
**Schedule of Funding Progress
Last Ten Years**

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)
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%
2017	\$ 901,076,683	\$ 1,133,555,454	\$ 232,478,771	79.5%	\$ 260,223,066	89.3%

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
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These charts and graphs show changes in market value of assets, contributions, and investment earnings for fiscal years ended December 31, 1981 thru December 31, 2017.



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, 2017. 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 2017 Comprehensive Annual Financial Report to:

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of the City of St. Louis**
3641 Olive Street, Suite 300
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