



Annuitant News

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A Newsletter From The St. Paul Teachers' Retirement Fund Association

September 2007

Fiscal Year Investment Performance

Your pension fund finished the fiscal year in the top 2% of all public plans within the Callan Public Fund universe, earning 19.8% (net of manager fees). Through 2Q07, domestic and international stocks were the main engines of performance, earning 21% and 30% respectively. Real Estate was another strong asset class, providing an 18% gain on the fiscal year. The five-year annualized total fund return was 13.1%. This is a full 4.6% over the return needed to keep us on a full funding trajectory, and (all else remaining the same) represents an offset to our unfunded liabilities.

June 30 was an auspicious date for official reporting purposes on a one, three and five-year basis. However, the markets have turned volatile and downward during the third quarter this year, which began on July 1. This sudden change highlights why we focus on three and five-year performance data; it protects us from over-reacting to short-term ups and downs.

Board of Trustees Call for Nominations

Three seats on the SPTRFA Board of Trustees are up for election at the Annual Meeting of the Members on January 17, 2008.

The members currently holding three-year seats up for election are Carol Adams, Matt Bogenschultz, Chong Thao.

Candidates for the position of trustee must be nominated by ten members of the SPTRFA. Nomination forms are available at the SPTRFA office. Stop in or call 651-642-2550.

The names of nominated candidates appear on the voting proxy. The proxy will be mailed to all members in December. Additional nominations may be made from the floor at the Annual Meeting of the Members.

SPTRFA — Returns for Periods Ending June 30, 2007	Annualized Rates of Return vs. Benchmarks		
	One Year	3 Years	5 Years
Domestic Equity	20.8%	14.3%	13.7%
S&P 500 Index Benchmark	20.6%	11.7%	10.7%
Domestic Fixed Income	6.7%	4.3%	4.8%
LB Aggregate Index Benchmark	6.1%	4.0%	4.5%
International Equity	29.9%	23.9%	20.1%
MSCI EAFE Index Benchmark	27.0%	22.2%	17.7%
Real Estate	18.4%	-	-
NCREIF Total Index Benchmark	17.2%	-	-
Total Fund	19.8%	14.7%	13.1%
Composite Benchmark	18.5%	13.9%	12.9%

Properly completed nomination forms must be received in the SPTRFA office no later than the close of business at 4:30 p.m. on Friday, November 9, 2007.

Phone Numbers of Interest

SPTRFA

651-642-2550

SPPS Benefits Office

651-767-8212

Social Security Office

1-800-772-1213

Please note: Figures in parenthesis denote negative numbers. All bold figures are statistics for SPTRFA. Regular type denotes benchmark figures. SPTRFA returns by asset class are gross of fees. The Total Fund return is net of manager fees and all transaction costs.



Dates for Electronic Deposit of Pension

If you have electronic deposit of your monthly pension benefit, it is deposited to your account on the first business day of the month.

September 4, 2007	March 3, 2008
October 1, 2007	April 1, 2008
November 1, 2007	May 1, 2008
December 3, 2007	June 2, 2008
January 2, 2008	July 1, 2008
February 1, 2008	August 1, 2008



Annual Calendar Items

Below are SPTRFA annual items of interest and their normal calendar schedule.

Calendar Item

Call for Board Nominations	September
Nomination Deadline	Nov. 9, 2007
Increase Letters Mailed	December
Election Proxy Mailed	After Dec. 25
Proxies Due	Jan. 15, 2008
1099-R Tax Statements Mailed	Mid-January
Annual Meeting of Members	Jan. 17, 2008
Withholding Changes	Anytime
Direct Deposit Changes	Anytime

Please contact the SPTRFA office with questions.

Repetition, Repetition . . .

It is still a good way to get new information to sink in. In our June newsletter we advised you that a law change in 2007 established a "pilot project" that modified our post-retirement benefit increase formula for the next two years. This new method will be revisited by the Legislature in the 2009 Session, after which, the Legislature may retain, modify, or sunset the new method for determining retiree benefit increases.

Increases that take effect on January 1, 2008 will be pegged to the Consumer Price Index (CPI), in a manner nearly identical with that used by the Social Security Administration. Benefit recipients in pay status for one full year on December 31, 2007, will receive the full CPI change (average 3rd qtr. 2007 over average 3rd qtr. 2006). Members commencing their benefit in 2007 will receive a pro rata increase based on full calendar quarters in pay status during the year.

Because our investment returns this year are far above those required, increases will fully match the change in CPI (as defined above), up to a maximum of 5.0% in any year.

In Memoriam

We offer our sympathies to the families and friends of the retired teachers who have passed away since our last newsletter was published.

Rest In Peace.

Firmin L. Alexander
Cecilia M. Byrne
Richard E. Czaplewski
Russell L. Haugen
Ernest R. Jenkins
Mary Ellen Kaul

Lisa Kleive
Paul R. Lefstad
Gilbert Martinucci
Norton A. Onstad
John G. Ostby
Phyllis W. Payne

Anna Peterson
Gordon B. Risch
Audrey S. Robertson
Avery M. Stickels
Mildred A. Walser
Richard Wariakois

Staff

Phillip G. Kapler, Executive Director
Chris MacDonald, Retirement Counselor & Tech.
Nancy Langer, Member Records & Accounting
Sean Pfeiffer, Accountant
Tamera Zielinski, Information Clerk
Sara Anderson, Comm. & Member Ed. Specialist

Office Hours: 8:00 a.m. to 4:30 p.m. (M-F)
Phone: 651-642-2550

Board of Trustees

Officers

John R. Kunz, President
Erma E. McGuire, Vice President
Eugene R. Waschbusch, Secretary-Treasurer

Members

Carol J. Adams
Matt Bogenschultz
Feryle W. Borgeson
John Brodrick
Mike McCollor
Karen Odegard
Chong Thao

The *Annuitant News* is published by the St. Paul Teachers' Retirement Fund Association (SPTRFA), 1619 Dayton Avenue - Room 309, Saint Paul, Minnesota 55104-6206, telephone 651-642-2550. Its purpose is to provide timely and accurate information to SPTRFA members about their retirement system. SPTRFA's office hours are 8:00 a.m. to 4:30 p.m., Monday through Friday, with the exception of designated holidays. The *Annuitant News* can be provided in an alternate format.