



# Minnesota State Board of Investment

## Minnesota Non-Retirement Fund Other Postemployment Benefits (OPEBs)



Fiscal Year 2018 Investment Prospectus

Managed by the Minnesota State Board of Investment



Minnesota State Board of Investment | 60 Empire Drive | Suite 355 | St. Paul, Minnesota 55103

Phone: 651.296.3328 Fax: 651.296.9572 website: <http://mn.gov/sbi> e-mail: [minn.sbi@state.mn.us](mailto:minn.sbi@state.mn.us)

## **MAKE SURE YOU ARE USING THE CORRECT PROSPECTUS FOR NON-RETIREMENT FUNDS**

The State Board of Investment (SBI) has established various Non-Retirement Funds to provide certain Minnesota public sector entities the opportunity to invest in a U.S. equity index fund, a U.S. bond fund, and a money market fund to facilitate the achievement of its investment objectives. The funds are available to those non-retirement entities that are authorized to invest in these asset classes with the SBI.

The SBI Staff has developed three fund prospectuses for our non-retirement investors. Given the broad array of organizations who are authorized to invest in these funds, each prospectus is tailored to a specific group based on their statutory authorization and specific operational procedures which govern their use.

The three fund prospectuses are described below:

- **Non-Retirement Fund for Qualifying Governmental Entities**
  - This prospectus provides information and procedures specific to those participating non-retirement entities authorized to invest with the State Board of Investment pursuant to the provisions of *Minnesota Statutes*, Section 118A.09. These entities are primarily counties and cities who meet the criteria provided within the statute. The statute also authorizes certain self-insurance pools to invest with the SBI as prescribed in the statute.
- **Non-Retirement Funds for Other Postemployment Benefit Trusts (OPEBs)**
  - This prospectus provides information and procedures specific to those participating non-retirement entities authorized to invest with the State Board of Investment pursuant to the provisions of *Minnesota Statutes*, Section 471.6175. These entities are those political subdivisions or other public entities authorized to establish a trust for the payment of postemployment benefits that meet the criteria provided within the statute.
- **Non-Retirement Funds for Trust and Other Participating Entities**
  - This prospectus provides information and procedures to all non-retirement participating entities authorized to invest with the State Board of Investment that are not covered by *Minnesota Statutes*, Sections 118A.09 or 471.6175. These entities generally include designated trusts or funds and other state and public sector entities.

Please ensure that you refer to the appropriate prospectus for your organization. In some cases, your organization may have more than one type of non-retirement account with the State Board of Investment. If you have any questions regarding which prospectus is appropriate for your organization's needs, please contact Shirley Baribeau, in our office, at (651) 296-3328 or via e-mail at [shirley.baribeau@state.mn.us](mailto:shirley.baribeau@state.mn.us).

# Non-Retirement Funds - Other Postemployment Benefits (OPEBs)

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## Executive Director's Letter

October 2017

I am pleased to present to you the Non-Retirement Fund Prospectus and Annual Report for the fiscal year ended June 30, 2017. This information provides you with the performance, fees, and general descriptions for each of the investment options managed by the State Board of Investment (SBI).

For the fiscal year ending June 30, 2017 the Standard and Poor's 500 Index returned 17.9%. The U.S. equity market performance was buoyed by a positive economic climate. The U.S. economy (real GDP) grew at an annualized rate of 2.6% and the U.S. labor markets reached its lowest unemployment rate since August 2007 of 4.4%. During fiscal 2017, the Federal Reserve increased the federal funds target rate from 0.25% to 1.25%. The Chair of the Federal Reserve stated that while policy remains accommodative, steady progress towards the Federal Reserve's dual mandate of maximum employment and stable prices has been achieved, and rate increases were appropriate. Markets reacted positively to the anticipation of pro-growth policies. While these prospects have softened, the U.S. economic expansion enters its eighth year with high consumer confidence and stock prices at all time highs.

The U.S. and international equity markets posted positive performance while the bond markets were negative for the fiscal year ending June 30, 2017. The S&P 500 Index, a proxy for the U.S. equity markets, returned 17.9% and the U.S. bond market, as measured by the Bloomberg Barclays U.S. Aggregate Bond Index, returned -0.3%. International equity markets, as represented by MSCI ACWI ex USA Index (net), outperformed domestic markets with a 20.5% return for the year.

**In general, economic and market conditions have a dominant influence on the returns available to any investor. As an investor in the Minnesota Non-Retirement Funds, or any other investment program, you should be prepared for periods in which the returns on financial investments may be low, or even negative. You should be aware that this possibility is much greater for accounts that emphasize relatively risky, higher return assets such as common stocks, than it is for more conservative investments such as money market instruments.**

With these considerations in mind, the State Board of Investment manages the Non-Retirement Fund to provide competitive long-term returns. I encourage you to carefully review each of the accounts available to you and to choose those options that meet your own investment needs and risk and return objectives.

On behalf of the Board Members, members of the Investment Advisory Council and the SBI staff, I would like to express our gratitude to you for your continued support and participation in the investment funds presented in this prospectus. The Minnesota State Board of Investment seeks to enhance the management and performance of the assets under its control. If you have any questions regarding the Board's investment policies and procedures, please contact the Minnesota State Board of Investment at 60 Empire Drive, Suite 355, St. Paul, MN 55103-3555, (651) 296-3328, or via e-mail at [minn.sbi@state.mn.us](mailto:minn.sbi@state.mn.us). We welcome your inquiries.

Respectfully submitted,



Mansco Perry III  
Executive Director and Chief Investment Officer  
State Board of Investment

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# Non-Retirement Funds – Other Postemployment Benefits (OPEBs)

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## Trust Administrator

### Public Employees Retirement Association (PERA)

[www.mnpera.org](http://www.mnpera.org)  
 60 Empire Drive, Suite 200  
 St. Paul, MN 55103-2088  
 (651) 296-7460


## Reporting Agency

### Minnesota State Board of Investment (SBI)

<http://mn.gov/sbi/>  
 60 Empire Drive, Suite 355  
 St. Paul, MN 55103  
 (651) 296-3328

## Investment Options/Risk Spectrum

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	<u>Fund Name</u>	<u>Asset Type</u>	<u>Management Approach</u>
 <p><b>Higher Risk</b></p> <p><b>Lower Risk</b></p>	<b>Non-Retirement Equity Fund</b>	U.S. stocks	Passive
	<b>Non-Retirement Bond Fund</b>	Bonds	Active management
	<b>Non-Retirement Money Market Fund</b>	Short-term securities	Active management

Over the long run, higher-risk assets are expected to provide higher investment returns than lower-risk assets. However, there is no guarantee that any investment will not suffer a loss of principal.

## External Portfolio Management

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The SBI offers three basic funds to help entities reach their financial goals. The external investment managers of these funds are shown below.

<p><b>Non-Retirement Equity Fund</b>                      Mellon Capital Management Corporation,                      Boston, MA</p>	<p><b>Non-Retirement Bond Fund</b>                      Prudential Global Investment Management,                      Newark, NJ</p>	<p><b>Non-Retirement Money Market Fund</b>                      State Street Global Advisors,                      Boston, MA</p>
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## Fees

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### Administrative Fees:

The Administrative Fees that will appear on your statement are deducted annually by the trust administrator and quarterly by the SBI at the account level, not at the investment option level. The trust administrator charges \$500 per plan per year, and the current SBI administrative charge approximates \$0.07 per \$1,000 annually.

### Investment Fees:

See individual fund descriptions on pages 9-11 for specific investment fees.

# Non-Retirement Funds – Other Postemployment Benefits (OPEBs)

## Summary

### What Is The Non-Retirement Fund?

The State Board of Investment established the various Non-Retirement Funds to provide certain Minnesota public sector entities the opportunity to invest in a U.S. equity fund, a U.S. bond fund, or a money market to facilitate the achievement of its investment objectives. The funds are available to those non-retirement entities that are authorized to invest in these asset classes with the SBI. Currently, all or some of these options are available to designated trust funds, local Other Postemployment Benefit (OPEB) trusts, Qualifying Governmental Entities, and other state and public sector entities. Participants may allocate their investments among one or more funds that are appropriate for their needs and are within the rules and eligibility established for the participating entity.

### What Investment Options Are Offered?

There are a total of three investment options and each one offers different advantages and risks. As of June 30, 2017, participating plans invested a total of \$3.3 billion with the Funds.

<b>Fund Options</b>	<b>Assets as of 6/30/2017</b>
Non-Retirement Equity Fund	\$ 2,104,743,210
Non-Retirement Bond Fund	\$ 1,085,050,891
Non-Retirement Money Market Fund	\$ 62,022,177
<b>Total Assets Invested</b>	<b>\$ 3,251,816,278</b>

### How Often Are The Funds Priced?

Share values in each non-retirement fund are priced on a daily basis. Contributions, withdrawals or transfers of any funds may occur on any business day during the month. (See procedures, page 13.)

### Which Options Are Best For My Organization?

Only the participating entity can answer that question. The variety of options has been designed to give the participating entity flexibility to use one or more funds in designing an investment portfolio that reflects the participating entity personal investment needs and objectives.

It is not the intent of the State Board of Investment to advise entities regarding their choice among funds. This information is provided solely as an aid in selecting the most appropriate types of investments for an entities particular circumstances.

### May An Entity Change The Way They Invest Their Contributions?

Yes, but the guidelines vary among entities. You should contact your trust administrator for more specific information.

### What Securities Are Owned By The Fund?

A listing is not provided in the Prospectus due to the large number of holdings owned in each of the funds. Please contact the SBI if you would like a complete list of holdings or you can access the list on our website at <http://mn.gov/sbi>.

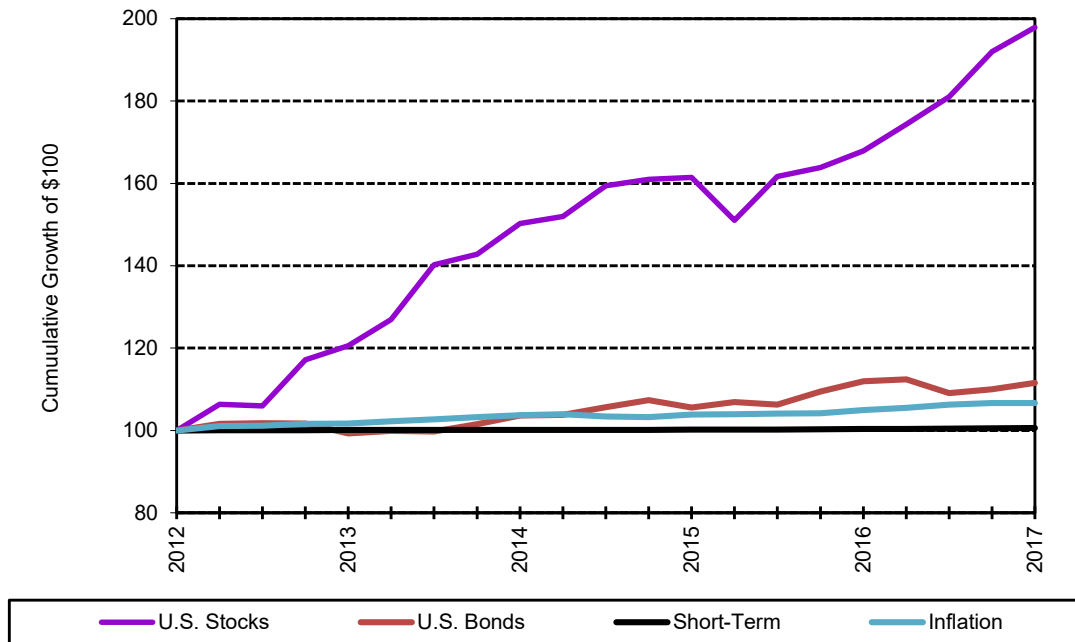
### What If An Entity Has An Account Or Administrative Fee Inquiry?

Any questions about your account should be directed to the appropriate trust administrator or reporting agency identified on the page 5. Your trust administrator handles all changes in the way you invest your contributions and maintains your records on the status of your fund. Your trust administrator or reporting agency has the authority to deduct a fee for administrative expenses after fund share values have been calculated. Participating entities should contact their trust administrator or reporting agency for more information regarding trust administrative expenses.

# The Capital Market Year in Review

## Cumulative Growth and Performance

**Cumulative Growth of \$100**  
Last Five Fiscal Years ending June 30



**Performance of Capital Markets**  
Last Five Fiscal Years Ending June 30

	Fiscal Year Ending					Annualized Returns Ending June 30, 2017	
	2017	2016	2015	2014	2013	3 Yrs	5 Yrs
<b>U.S. Stocks</b>							
S&P 500	17.9%	4.0%	7.4%	24.6%	20.6%	9.6%	14.6%
<b>U.S. Bonds</b>							
BB Barclays U.S. Aggregate	-0.3%	6.0%	1.9%	4.4%	-0.7%	2.5%	2.2%
<b>Short-Term Investments</b>							
90-Day Treasury Bill	0.5%	0.2%	0.0%	0.1%	0.1%	0.1%	0.1%
<b>Inflation Rate</b>							
Consumer Price Index-Urban	1.7%	1.0%	0.1%	2.1%	1.8%	1.0%	1.3%

# Fiscal Year 2017 in Review

## Commentary and Relative Performance

### How Have Stocks, Bonds And Other Investments Performed?

The U.S. stock market, as measured by the S&P 500 index, increased 17.9% for fiscal year ending June 30, 2017. Within the S&P 500, the relatively smaller capitalization companies outperformed the larger capitalization companies. The Information Technology sector was the best performing sector in the S&P 500 with a 33.8% return, while the Telecommunication sector was the worst performing sector with a -11.8% return.

The U.S. bond market, as measured by the Bloomberg Barclays U.S. Aggregate Bond Index, returned -0.3% for the fiscal year. Within the bond market, Corporates were the highest performers with a 2.3% return for the year. Asset-Backed Securities (ABS) had a 0.6% return, Agency bonds had a 0.2% return, Agency Mortgage-Backed Securities (MBS) had a -0.1% return, Commercial Mortgage Backed Securities (CMBS) had a -0.3% return, and U.S. Treasuries had a -2.3% return for the year.

### How Did Returns In The Non-Retirement Funds Compare For Fiscal Year 2017?

The **Non-Retirement Equity Fund** was up 17.9% during the year, which met its benchmark, the S&P 500.

Performance Ending 6/30/17	1 Yr
Non-Retirement Equity Fund	17.9%
S&P 500 Index	17.9%

The **Non-Retirement Bond Fund** posted a return of 0.84% for the fiscal year year, outperforming its benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index.

Performance Ending 6/30/17	1 Yr
Non-Retirement Bond Fund	0.8%
BB Barclays U.S. Aggregate	-0.3%

The **Non-Retirement Money Market Fund** earned 0.6% for the fiscal year outperforming its benchmark. This gain is similar to the returns for money market accounts offered by mutual funds and banks.

Performance Ending 6/30/17	1 Yr
Non-Retirement Money Market Fund	0.6%
3 Month U.S. T-Bill	0.2%

### Special Note Regarding Your Individual Account Performance.

The actual performance of your investments in the Non-Retirement Funds may be somewhat higher or lower than the reported fund performance due to the timing of contributions and withdrawals within your account. Note that performance calculations may also differ due to rounding.



# Non-Retirement Equity Fund

The Non-Retirement Equity Fund has a market value over \$2.1 billion. The objective of the fund is to generate returns that track the returns of the S&P 500 Index. The fund invests in 500 large-cap stocks and is designed to replicate the returns produced by the S&P 500. The S&P 500 is a stock market index that reflects U.S. large-cap stocks. The fund is **invested primarily in U.S. stocks.**

## Why Would An Entity Choose This Fund?

This option will be attractive to you if you believe that, over time, stocks will provide higher returns than other investments. You should note, however, that the Non-Retirement Equity Fund is passively managed. This means that no attempt is made to identify specific stocks that will perform better than others. Instead, the fund is designed to perform in line with the U.S. large-cap stocks.

The returns from the fund will rise and fall directly with movement in the stock market. As with all options that use common stocks, you must be willing to accept returns that vary widely in the short-term. In the long-term, the fund should average higher returns than you could obtain by placing your contributions in a fixed income or money market type fund.

## Who Manages The Fund?

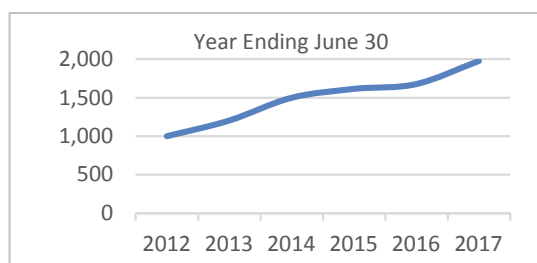
The Non-Retirement Equity Fund is managed by SBI staff and will be transitioned to Mellon Capital Management Corporation during the fourth quarter 2017.

## How Is The Value Of This Fund Determined?

You own shares in the fund, much like you would in a mutual fund. The share value is determined daily and is based on the market value of the entire fund. Any dividend income is reinvested in the Fund at the time it is earned. Your investment returns are measured by changes in the share value and reflect all realized and unrealized gains (or losses) generated by the fund.

## What Is The Past Investment Performance Of This Fund?

The graph below shows how \$1,000 invested in the fund on June 30, 2012 has grown. Cumulatively, \$1,000 would have grown to \$1,978.



The table below displays the fund's returns for the last five fiscal years. The annualized (annual compounded) return during this five year period was 14.6%.

Fiscal Year Ending June 30		
	Share Value	Rate of Return
2013	\$34.00	20.5%
2014	41.50	24.5
2015	43.70	7.5
2016	44.49	4.0
2017	51.37	17.9

## Investment Fees

The rate of return for this fund is calculated after investment manager fees, but before administrative fees are deducted. With the transition to Mellon Capital, the annual fund investment manager fee will be approximately \$0.05 per \$1,000 invested.

Top 5 Holdings	
Security Name	Portfolio Weight
Apple Inc.	3.62
Microsoft Corp	2.57
Amazon	1.84
Facebook Class A	1.72
Johnson & Johnson	1.72

Risk-Return Statistics	Ending June 30, 2017		
	1 Yr	3Yrs	5Yrs
Portfolio Standard Deviation % (1)	14.7	11.5	12.6
Benchmark Standard Deviation % (1)	14.7	11.5	12.6
Tracking Error (2)	0.0	0.0	0.0

(1) Standard Deviation is a measure of the portfolio's rate of return volatility.  
(2) Tracking Error is the standard deviation of the portfolio's excess return.

# Non-Retirement Bond Fund

The Non-Retirement Bond Fund has a market value of over \$1.08 billion. The objective of this fund is to invest in fixed income securities (bonds) to generate returns from interest income and capital appreciation.

Interest income and capital appreciation (increases in the market value of the assets) are the sources of returns for the fund. The fund invests the large majority of its assets in high quality government, corporate bonds and mortgage securities that have intermediate to long-term maturities, usually 3 to 20 years. The manager of the fund also may attempt to earn returns by anticipating changes in interest rates and adjusting bond holdings accordingly.

The fund is invested entirely in fixed income securities. No stocks are held in the fund. Cash reserves may fluctuate over time depending on the investment managers economic forecast.

## Why Would An Entity Choose This Fund?

The Non-Retirement Bond Fund is a moderately conservative investment option. It will be attractive if you want an investment option that avoids common stocks, but you also want the potential for greater returns than you can obtain from money market type funds.

The returns from the Fund generally will move in the opposite direction of interest rate changes. You must be willing to assume some risk with your investment, because the Fund could report losses in periods when interest rates are rising or during periods of economic stress.

## Who Manages The Fund?

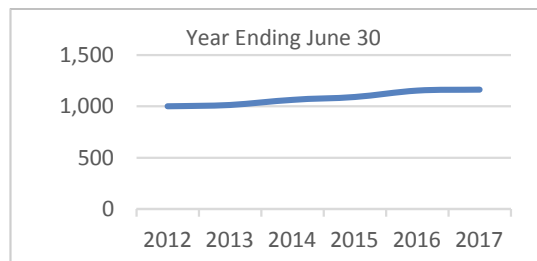
The Non-Retirement Bond Fund is managed by SBI staff and will be transitioned to Prudential Global Investment Management during the fourth quarter 2017.

## How Is The Value Of This Fund Determined?

You own shares in the fund, much like you would in a mutual fund. The share value is determined daily and is based on the market value of the entire fund. Any interest earnings are reinvested at the time they are received. Your investment returns are measured by changes in the share value and reflect all realized and unrealized gains (or losses) generated by the fund.

## What Is The Past Investment Performance Of This Fund?

The graph below shows how \$1,000 invested in the fund on June 30, 2012 has grown. Cumulatively, \$1,000 would have grown to \$1,163.



The table below displays the fund's actual share values and returns for the last five fiscal years. The annualized (annual compounded) return during this five year period was 3.1%.

Fiscal Year Ending June 30		
	Share Value	Rate of Return
2013	\$1,078.85	1.4%
2014	1,102.10	5.0
2015	1,099.47	2.5
2016	1,129.81	5.7
2017	1,106.95	0.8

## Investment Fees

The rate of return for this fund is calculated after investment manager fees are deducted but before administrative fees. With the transition to Prudential, the annual fund investment manager fee will be approximately \$1.03 per \$1,000 invested.

Top 5 Sector Weights		
	Non-Retirement Bond Fund	BB Barc U.S. Agg
Security Name	Weight (MV)	Weight (MV)
Corporate	44%	25%
U.S. Treasury	28	40
Mortgage Pass Through	13	30
ABS	11	2
CMBS	3	3
MV = Market Value		

Fixed Income Characteristics Ending June 30, 2017		
	Non-Retirement Bond Fund	BB Barclays U.S. Agg
Effective Duration (1)	5.7	5.8
Coupon Rate (2)	3.2	3.1
Yield to Maturity (3)	2.6	2.5
Moody's Rating (4)	A1	Aa2

(1) The average % change in the portfolio return given a 1 percentage points shift in the yield curve

(2) The average coupon rate of all bonds in portfolio weighted by market value

(3) The annual internal rate of return on the bonds if held to maturity

(4) Average quality rating in the portfolio weighted by market value

# Non-Retirement Money Market Fund

The return in the Non-Retirement Money Market Fund is based on the interest income produced by the fund's investments. The objective of the fund is to provide safety of principal by investing in high-quality, short-term instruments.

Unlike the funds described earlier, the Non-Retirement Money Market Fund does not own stocks or long-term bonds. The fund is invested in short-term, high-quality money market instruments.

## Why Would An Entity Choose This Fund?

The Non-Retirement Money Market Fund is a conservative investment option. You would choose the fund if you want to maintain the value of your original investment while earning competitive short-term interest rates.

The returns from the fund will vary much less than investments that include stocks or bonds and should closely follow the rise and fall in short-term interest rates.

## Who Manages The Fund?

The Non-Retirement Money Market Fund is managed by State Street Global Advisors, the organization that provides short-term investment management for a substantial portion of the Board's cash reserves.

## How Is The Value Of This Fund Determined?

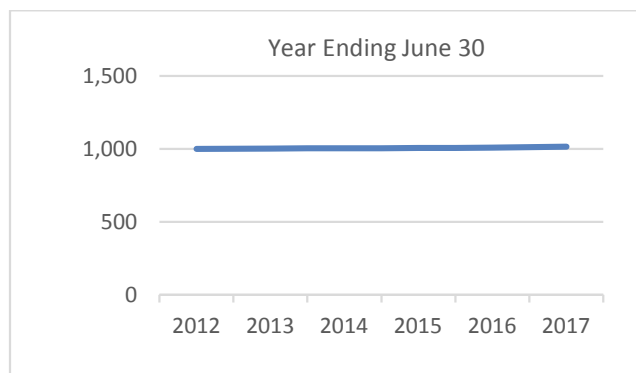
The share value for the Non-Retirement Money Market Fund is uniformly priced at \$1.00 per share. There is no assurance that the portfolio will be able to maintain a stable net asset value of \$1.00 per share. Interest earnings are credited on a daily basis by purchasing additional shares on your behalf. The credited interest rate changes only modestly from day to day and reflects the yield available for all investments in the fund.

## What Are The Risks?

While a Non-Retirement Money Market Fund's objective generally includes the preservation of capital, it is possible to lose money by investing in the fund.

## What is the Past Investment Performance of This Fund?

The graph below shows how \$1,000 invested on June 30, 2012 has grown. Cumulatively, \$1,000 would have grown to \$1,015.



The table below displays the fund's actual returns for the last five years. The annualized (annual compounded) return during this five year period was 0.2%.

Fiscal Year Ending June 30	
	Rate of Return
2013	0.3%
2014	0.1
2015	0.2
2016	0.3
2017	0.6

## Investment Fees

The rate of return for this fund is calculated after investment manager fees but before administrative fees are deducted. The annual fund investment manager fee will be approximately \$0.14 per \$1,000 invested.

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# Procedures – Other Postemployment Benefits (OPEBs)

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Non-Retirement OPEBs must follow the appropriate individual statute in determining the amount invested in any eligible fund(s). (See *Minnesota Statutes*, Section 471.6175.)

## How To Open A Plan Account

All OPEBs will need to contact PERA to open an account. PERA will then forward the trust account information to SBI. Once the trust account is setup, the SBI will send the credentials and instructions for accessing and using the website. The website will give the participating entity online access to your account's current balance, posted/pending transactions, and statements. Each participating entity must maintain an OPEB Administrative Account Agreement with PERA in order to invest through the SBI.

## Contribution, Withdrawal And Transfers

All contributions, withdrawals, and transfers must be requested through PERA, the trust administrator. PERA requires a five business day notice for all transactions. Please contact PERA for the required forms.

## Investment Options

Non-Retirement Equity Fund  
Non-Retirement Bond Fund  
Non-Retirement Money Market Fund

Your investment in the Funds should be viewed as a long-term investment. Investments carry a risk of loss, and the participating entity is responsible for determining its risk tolerance and investing accordingly. Funds needed for operations or short-term obligations should be kept at your local financial institution in an appropriate account; your trust account with the SBI is not intended for maintaining operating or short-term funds.

Investments with the State Board of Investment are subject to the policies and procedures established by the State Board of Investment.

## Administrative Fees

PERA's Administrative Fees are deducted directly from the account on an annual basis. SBI's Administrative Fees are deducted directly from the account on a quarterly basis. The fees will be deducted from the the Funds on a quarterly basis in the following order of priority:

- First: Non-Retirement Money Market Fund
- Second: Non-Retirement Equity Fund
- Third: Non-Retirement Bond Fund

## Investment Management Fees

There are no "front-end" or "back-end" loads charged on contributions, withdrawals or transfers in Funds. All transactions are made using the daily share value established for each Fund.

Investment Management Fees are deducted from the investment earnings in each Fund before the share value for the Fund is computed. These deductions will vary from Fund to Fund and from year to year depending on the actual management costs incurred.

Please refer to pages 9-11 of this prospectus for investment management fee information for each of the Funds.

## Reporting

The SBI will e-mail monthly reports and other correspondence to the contact person at the address provided to PERA at time of the trust account setup. Monthly reports display current balances, performance and transaction detail that occurred during the month.

## PERA Contact Information:

David Andrews  
Public Employees Retirement Association  
60 Empire Drive, Suite 200  
St. Paul, MN 55103  
TEL (651) 201-2648  
FAX (651) 297-2547  
Email: [david.andrews@mnpera.org](mailto:david.andrews@mnpera.org)

## SBI Contact Information:

Shirley Baribeau  
Minnesota State Board of Investment  
60 Empire Drive, Suite 355  
St. Paul, MN 55013  
TEL (651) 296-3328  
FAX (651) 297-9572  
Email: [Shirley.baribeau@state.mn.us](mailto:Shirley.baribeau@state.mn.us)

# Non-Retirement Fund – Other Postemployment Benefits (OPEBs)

## State Board of Investment

### Members

The State Board of Investment (SBI), with the advice of the Investment Advisory Council (IAC), establishes investment policies for all funds under its control. These investment policies are tailored to the particular needs of each fund and specify investment objectives, risk tolerance, asset allocation, investment management structure and specific performance standards. The Board's membership is specified in the Minnesota Constitution and is composed of the officers listed below. The Board's duties, powers, and investment authority are contained in *Minnesota Statutes*, Chapter 11A.

**Governor Mark Dayton   State Auditor Rebecca Otto   Secretary of State Steve Simon   Attorney General Lori Swanson**

### Investment Advisory Council

The Legislature has established an Investment Advisory Council to advise the Board and its staff on investment related matters. The Board appoints ten members experienced in finance and investments. The Commissioner of Minnesota Management and Budget and the Executive Directors of the three statewide retirement systems are permanent members of the council. Two active employee representatives and one retiree representative are appointed to the Council by the Governor.

Gary Martin, Chair	Chief Investment Officer	Macalester College
Kim Faust, Vice Chair	Vice President and Treasurer	Fairview Health Services
Denise Anderson	Governor's Appointee	Active Employee Representative
Doug Anderson	Executive Director	Public Employees Retirement Association
Kerry Brick	Manager, Pension Investments	Cargill, Inc.
Dennis Duerst	Director, Benefit Funds Investment	3M Company
Myron Frans	Commissioner	Minnesota Management and Budget
Susanna Gibbons	Program Director, Carlson Fixed Income Fund	Carlson School of Management
Morris Goodwin, Jr.	Sr. Vice President and CFO	American Public Media Group
Peggy Ingison	Governor's Appointee	Active Employee Representative
Erin Leonard	Executive Director	Minnesota State Retirement System
Malcolm W. McDonald	Director & Corporate Secretary, Retired	Space Center, Inc.
Carol Peterfeso	Chief Treasury and Investment Officer	University of St. Thomas
Jay Stoffel	Executive Director	Teachers Retirement Association
Shawn Wischmeier	Chief Investment Officer	Margaret A. Cargill Philanthropies

### Executive Director and Staff

To carry out its mission, SBI retains an Executive Director, an internal investment staff and external investment managers to execute its policies. The Executive Director is responsible to execute board decisions, recommend strategic planning alternatives to the IAC and Board, monitor and evaluate investment performance to ensure long-term investment objectives are met, and provide investment management for the state agency cash and non-retirement fund accounts.

Mansco Perry III, *Executive Director and Chief Investment Officer*

Charlene Olson, *Executive Assistant*

#### Senior Leadership Team

LeaAnn M. Stagg, *Asst. Exec. Director & Chief Operating Officer*

Paul T. Anderson, *Director, Investment Administration*

Andrew Krech, *Director, Private Markets*

Michael J. Menssen, *Director, Debt Management*

John Mulé, *Manager, Legal and Legislative Policy*

#### Investment Staff

Patricia Ammann, *Investment Officer*

Nathan Blumenshine, *Investment Officer*

Cassandra Boll, *Investment Officer*

Tammy Brusehaver, *Investment Officer*

Stephanie Gleeson, *Investment Officer*

Aaron D. Griga, *Investment Officer*

#### Investment Staff (continued)

Ryan O. Hill, *Investment Officer*

Steven P. Kuettel, *Investment Officer*

Jonathan Stacy, *Investment Officer*

#### Administrative Staff

Kailee Anderson, *Account Clerk, Senior*

Shirley Baribeau, *Project Team Leader*

Julie Grill, *Accounting Officer, Intermediate*

Kathy Leisz, *Information Technology Specialist 3*

Melissa Mader, *Office Admin. Specialist, Intermediate*

William J. Nicol, *Accounting Director*

Kelly Nordstrom, *Office Administrative Specialist*

Iryna Shafir, *Investment Compliance Analyst*

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**The Minnesota Non-Retirement Fund is managed by  
the Minnesota State Board of Investment**



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**Board Members:**

Governor Mark Dayton  
State Auditor Rebecca Otto  
Secretary of State Steve Simon  
Attorney General Lori Swanson

**Executive Director and Chief Investment Officer:**

Mansco Perry III