



# SBI Overview

## LCPR Presentation - March 18, 2025

Jill E. Schurtz | Executive Director and Chief Investment Officer

60 Empire Drive | Suite 100 | St. Paul, MN 55103 | 651-296-3328 | <http://mn.gov/sbi/>

# Our Mission is our North Star



The primary mission of the SBI is to provide investment returns to support the retirement security of over 840,000 Minnesota public employees and their families.

We are entrusted with this mission on behalf of PERA, MSRS, and TRA, whose plan members contribute a meaningful portion of their salaries in return for their retirement security.

We are fiduciaries and stewards of capital. Plan benefits and policy decisions are the sole responsibility of PERA, MSRS, and TRA, which are separate and independent organizations.

**140 years**  
*in operation*

**Established in 1885**  
by Article XI of the  
Minnesota Constitution

**We invest on  
behalf of:**

**PERA, MSRS, TRA**

**\$146.2 B**  
*Total Assets*  
*(as of June 30, 2024)*

**\$93.7 B**  
*Combined Funds*

**Exceptional  
Performance**  
(net of Inv. mgt. fees)

**FY '24 12.3%**  
**CY '24 11.3%**

# State Board of Investment (SBI)—Governance



Board composition is set in Article XI  
of Minnesota Constitution

## Constitutional Members of the State Board

- Governor Tim Walz
- State Auditor Julie Blaha
- Secretary of State Steve Simon
- Attorney General Keith Ellison

## **Assisted by 17-member Investment Advisory Council (IAC)**

- 10 experienced investment professionals
- Executive directors of statewide retirement plans
- Commissioner of Minnesota Management & Budget
- Two active members and one retired member appointed by the governor

# State Board of Investment (SBI)—Governance

Annual audit by the Office of the Legislative Auditor



**OLA** | OFFICE OF THE  
LEGISLATIVE AUDITOR

Judy Randall, Legislative Auditor  
State of Minnesota

January 7, 2025

Jill Schurtz, Executive Director and Chief Investment Officer  
Minnesota State Board of Investment  
60 Empire Drive, Suite 355  
Saint Paul, MN 55103  
Sent via e-mail: [Jill.Schurtz@state.mn.us](mailto:Jill.Schurtz@state.mn.us)

Dear Executive Director Schurtz:

The Office of the Legislative Auditor has completed its audit of certain financial activities at the Minnesota State Board of Investment (SBI). This work supports our audit of the State of Minnesota's financial statements for the fiscal year ended June 30, 2024. The primary objective of the audit was to render an opinion on the State of Minnesota's financial statements, which is included in the *Annual Comprehensive Financial Report*, prepared by Minnesota Management and Budget. The work in your department also supported our audit opinions on the financial statements of the three state retirement systems: Minnesota State Retirement System, Public Employees Retirement Association, and Teachers Retirement Association. This was not a comprehensive audit of the Minnesota State Board of Investment.

In planning and performing this audit, we considered SBI's internal control system to determine the appropriate audit procedures. We gained an understanding of, but did not test, SBI's internal controls. As part of this audit, we also reviewed certain investment-related financial activity presented in the financial statements and notes to the financial statements for the State of Minnesota and the three state retirement systems. This activity included, but was not limited to, investment balances, investment fees, and securities lending.

On December 13, 2024, we issued an unqualified (clean) opinion on the State of Minnesota's financial statements for the fiscal year ended June 30, 2024. Following that, we issued an unqualified (clean) opinion on the financial statements of each of the three state retirement systems. For the fiscal year ending June 30, 2024, we had no written findings or recommendations directed toward SBI.

We appreciate the cooperation and assistance provided by the staff and administration of SBI throughout our audit process.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lori Leysen'.

Lori Leysen, CPA  
Deputy Legislative Auditor

cc: Members, Minnesota State Board of Investment  
Paul Anderson, Director, Financial Services and Operations

**The SBI continues to receive the highest level of opinion from the OLA.**

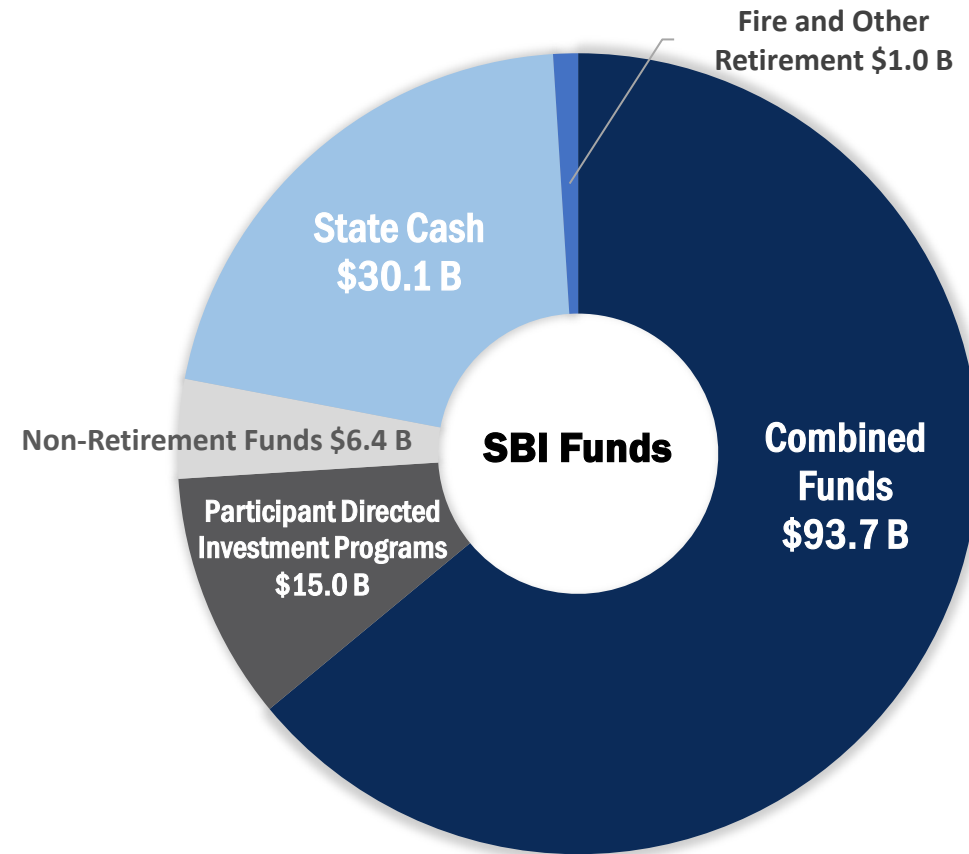
“...We issued an unqualified (clean) opinion on the State of Minnesota's *Financial Statements* for the fiscal year ended June 30, 2024. Following that, we issued an unqualified (clean) opinion on the financial statements of each of the three state retirement systems. For the fiscal year ending, June 30, 2024, we had no written findings or recommendations directed toward the SBI.”

# SBI Funds Under Management – Total Assets

As of June 30, 2024 (In \$ Billions)



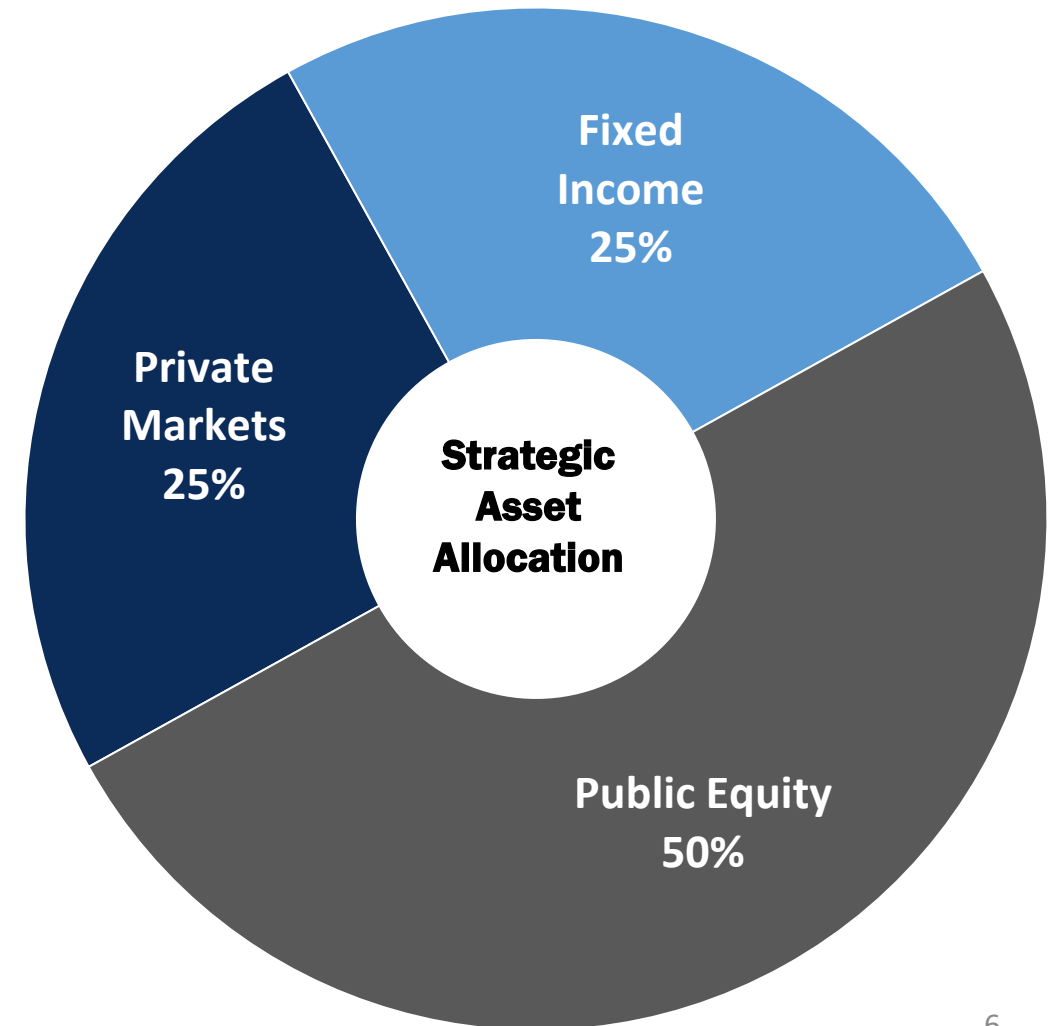
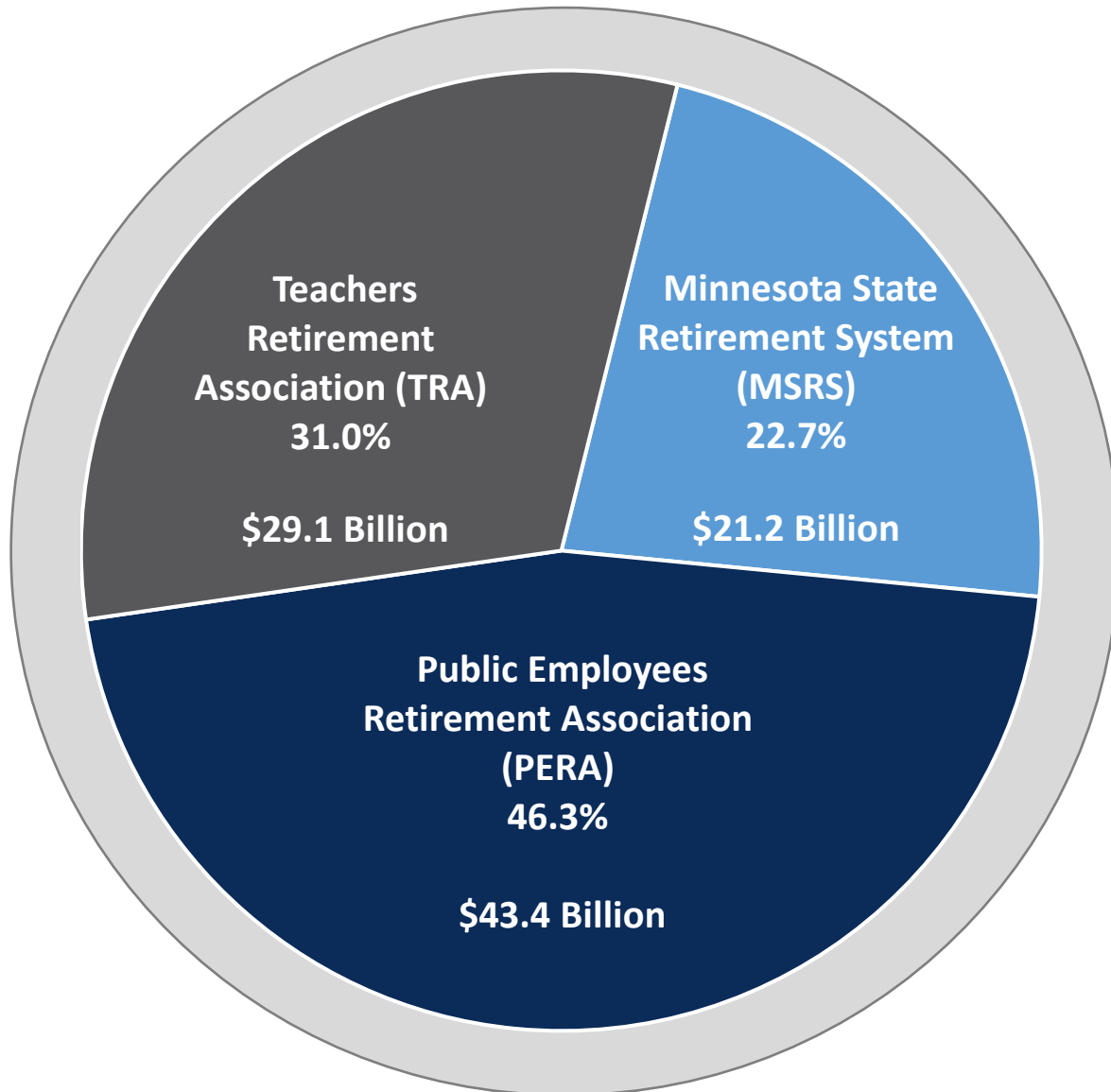
- Total assets under management as of June 30, 2024: **\$146.2 billion**
- Assets include retirement plans, trust accounts, and state cash accounts



- Participant Directed Investment Programs include the Deferred Compensation Plan, Unclassified Plan, Health Care Savings Plan, Hennepin County Supplemental Retirement Plan, Minnesota College Savings Plan, and the Minnesota Achieving a Better Life Experience (ABLE) Plan.
- Non-Retirement Funds include State Trust Funds, Other Post Employment Benefits Accounts (OPEB), and Qualifying Governmental Entities.

# Combined Funds

Constituents / Strategic Asset Allocation – June 30, 2024





# FY2024 Year-End Snapshot

## SBI Combined Funds

**\$93.7 Billion**

As of 6/30/2024

**Performance:**  
(Net of Inv. Mgmt Fees)

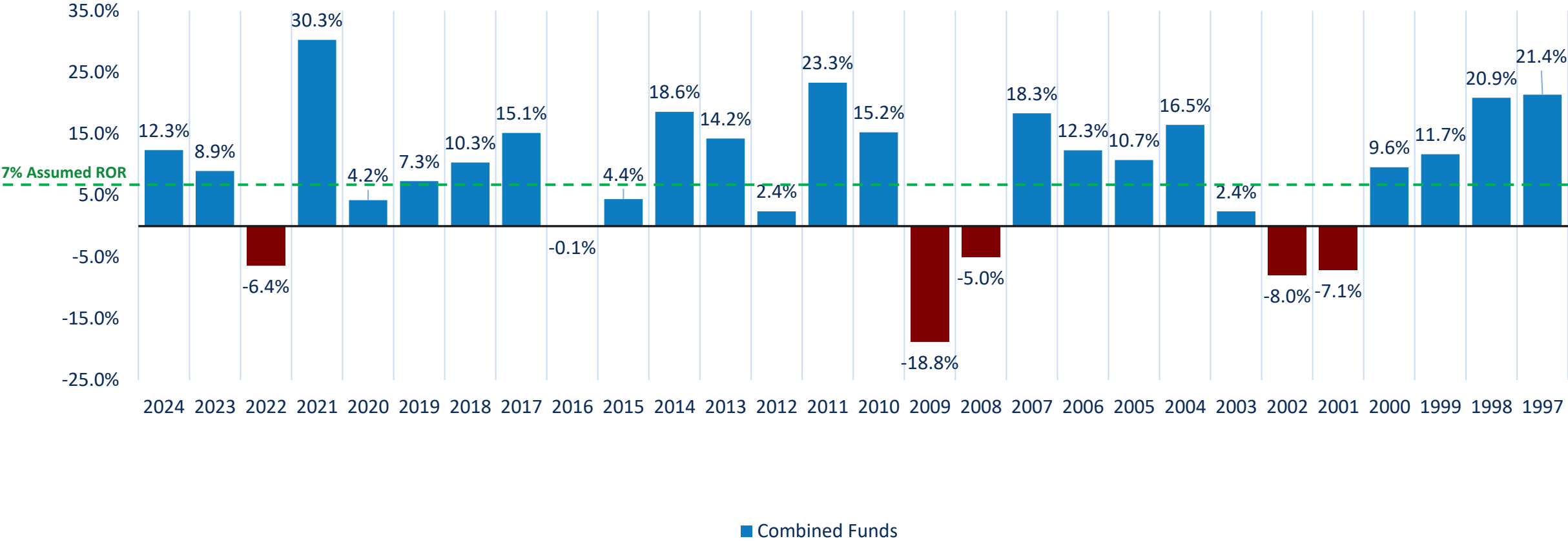
	1 Yr	3Yr	5Yr	10Yr	20Yr	30Yr
Combined Funds – Net	12.3%	4.6%	9.2%	8.3%	8.3%	8.8%
Composite Index	11.9%	4.4%	8.8%	8.0%	8.1%	8.5%

	FY 2024	Asset Size (in Billions)
California Public Employees’ Retirement System	9.3%	\$502.9
California State Teachers’ Retirement System	8.4%	\$337.9
Florida State Board of Administration	10.5%	\$198.2
New York State Teachers’ Retirement System	11.4%	\$145.8
Oregon Public Employees Retirement System	6.0%	\$94.5
Washington State Investment Board	8.5%	\$166.9
Wisconsin State Investment Board	9.7%	\$151.3

	FY 2024	Asset Size (in Billions)
Brown University (Rhode Island)	11.3%	\$7.2
Harvard University (Massachusetts)	9.6%	\$53.2
Yale University (Connecticut)	5.7%	\$41.4
Princeton University (New Jersey)	3.9%	\$34.1
U. of Pennsylvania (Pennsylvania)	7.1%	\$22.3
Dartmouth College (New Hampshire)	8.4%	\$8.3
Cornell University (New York)	8.7%	\$10.7
Columbia University (New York)	11.5%	\$14.8

# Fiscal Year Performance

as of June 30, 2024





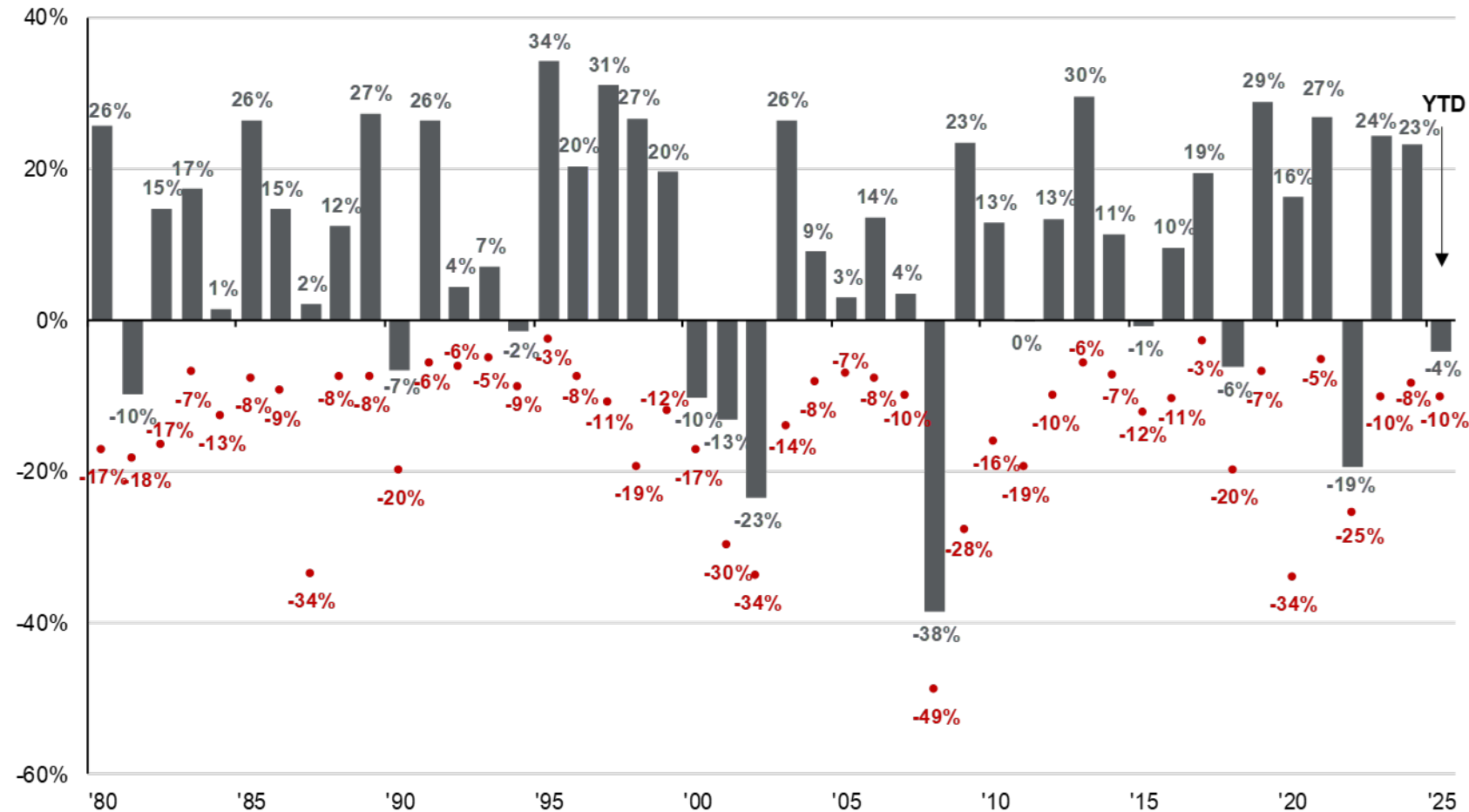
# S&P Annualized Returns and Intra-year Declines

## As of March 14



### S&P intra-year declines vs. calendar year returns

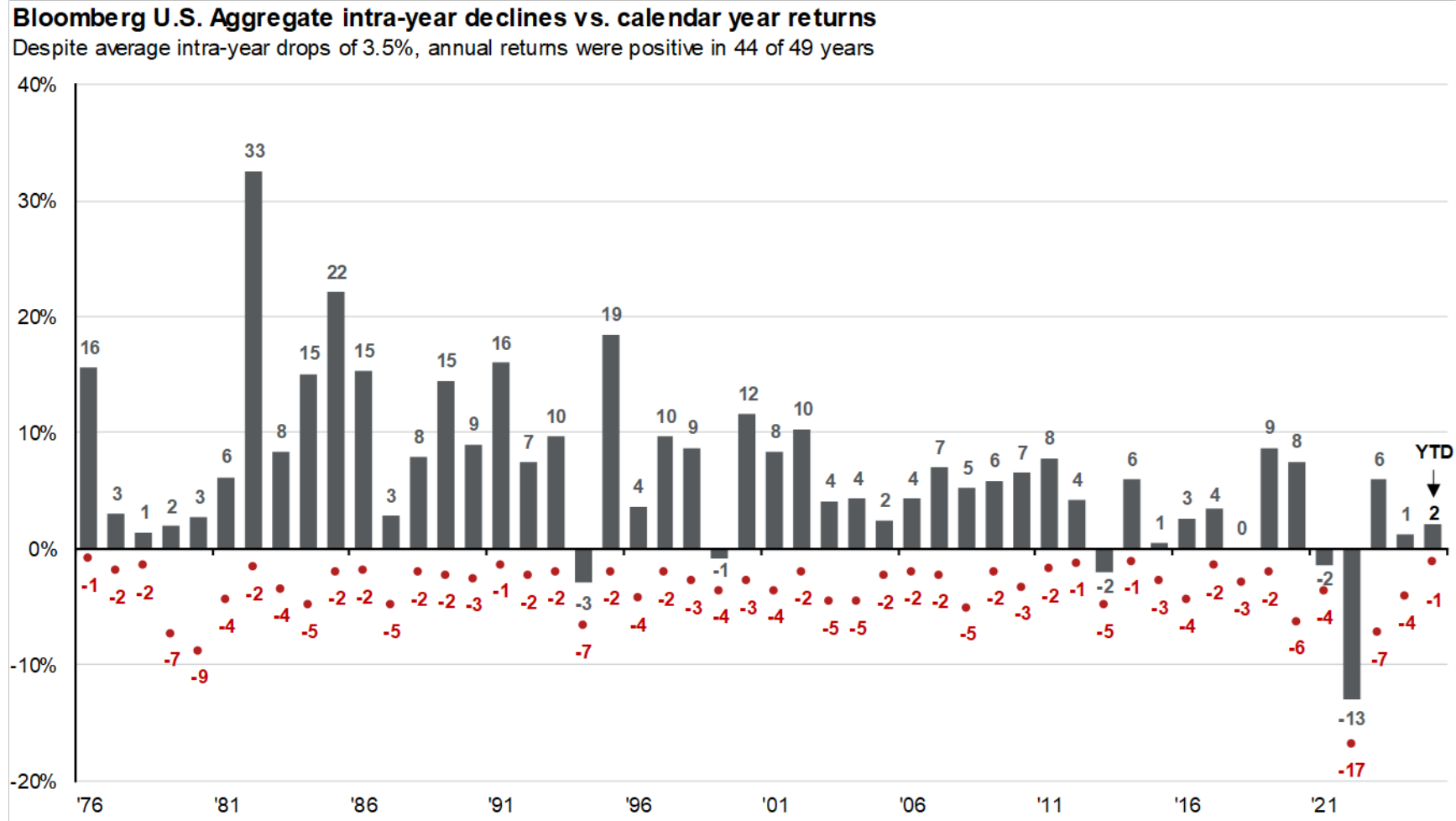
Despite average intra-year drops of 14.1%, annual returns were positive in 34 of 45 years



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.  
 Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only.  
 Returns shown are calendar year returns from 1980 to 2024, over which time period the average annual return was 10.6%.  
 Guide to the Markets – U.S. Data are as of March 14, 2025.

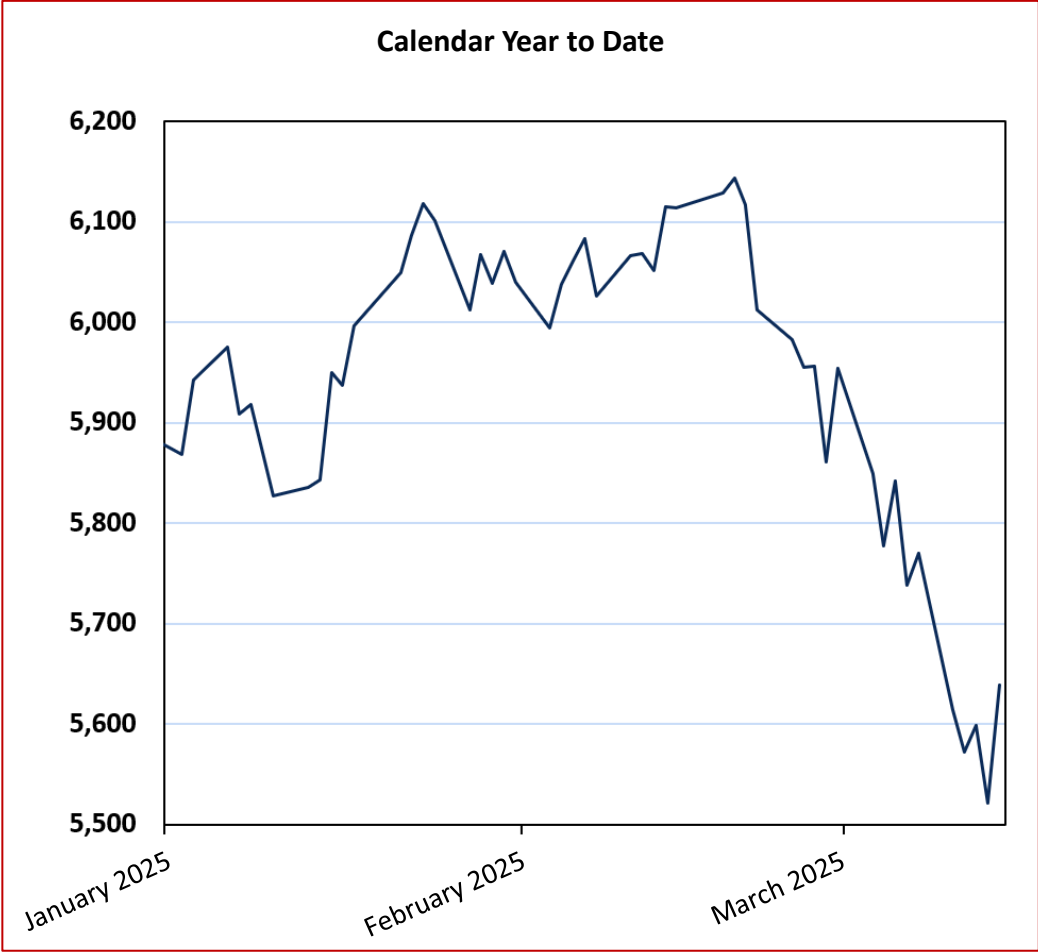
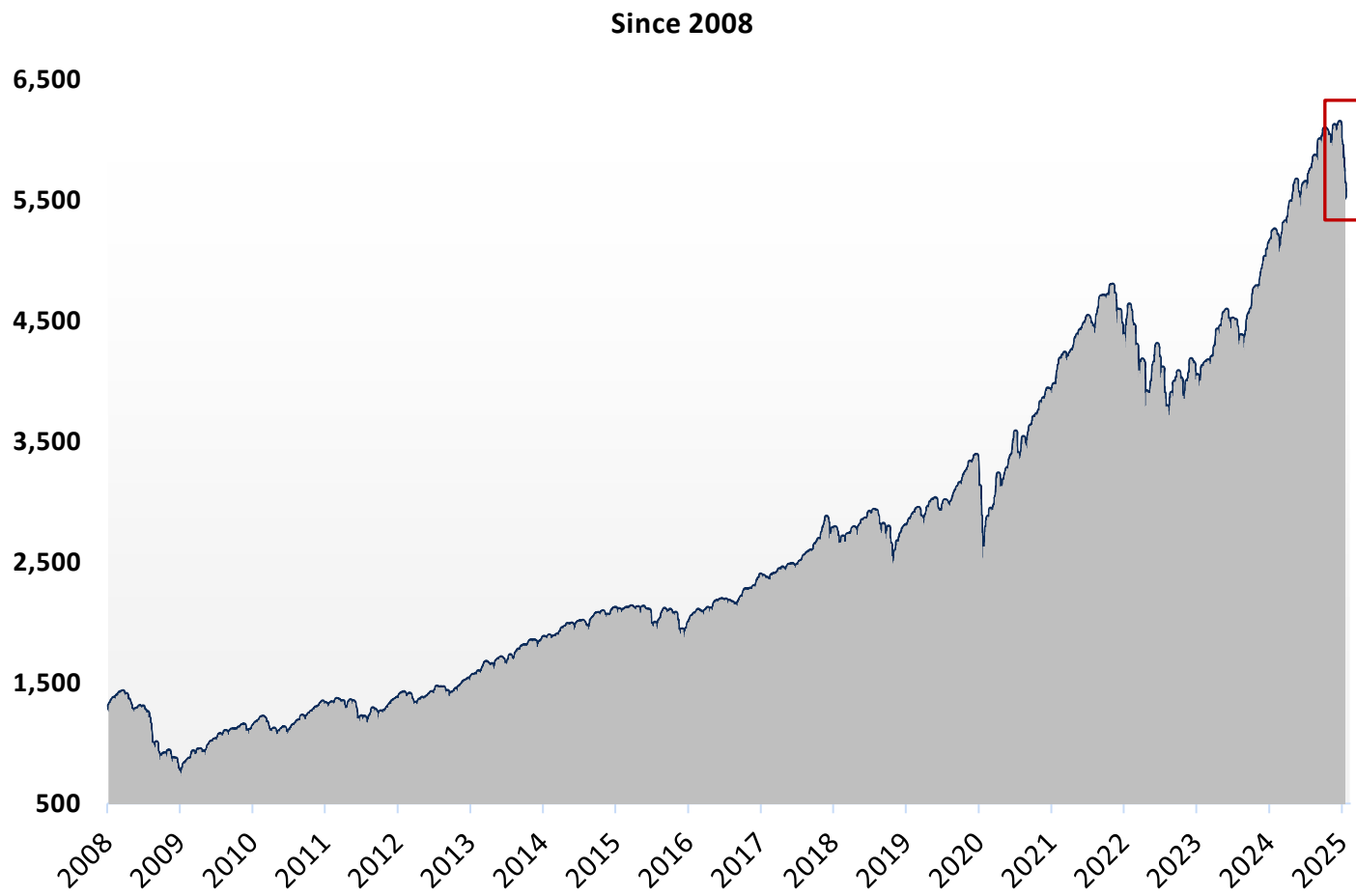
# Bloomberg U.S. Agg. Annualized Returns and Intra-year Declines

## As of March 14



Source: Bloomberg, FactSet, J.P. Morgan Asset Management.  
 Returns are based on total return. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1976 to 2024, over which time period the average annual return was 6.5%. Returns from 1976 to 1989 are calculated on a monthly basis; daily data are used afterward.  
 Guide to the Markets – U.S. Data are as of March 14, 2025.

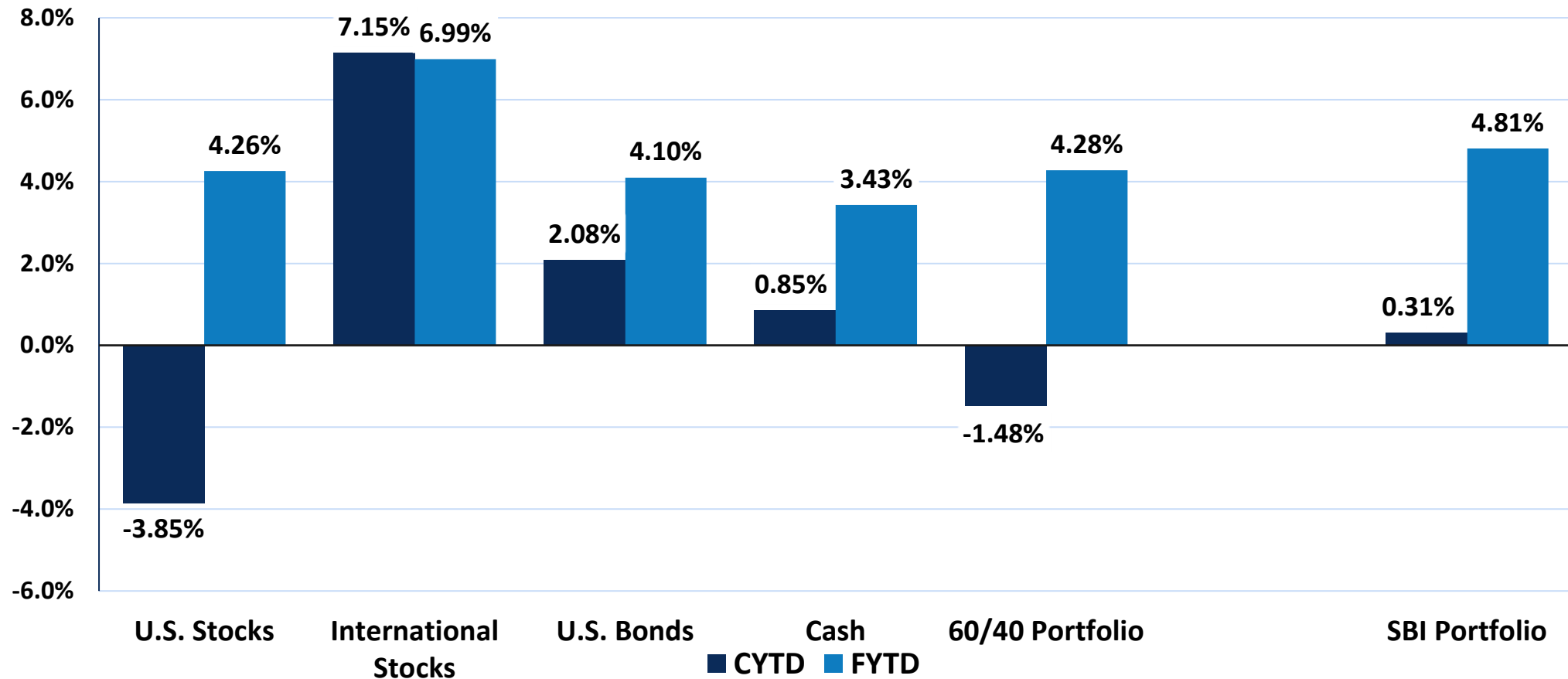
# S&P 500 As of March 14



# Importance of Diversification



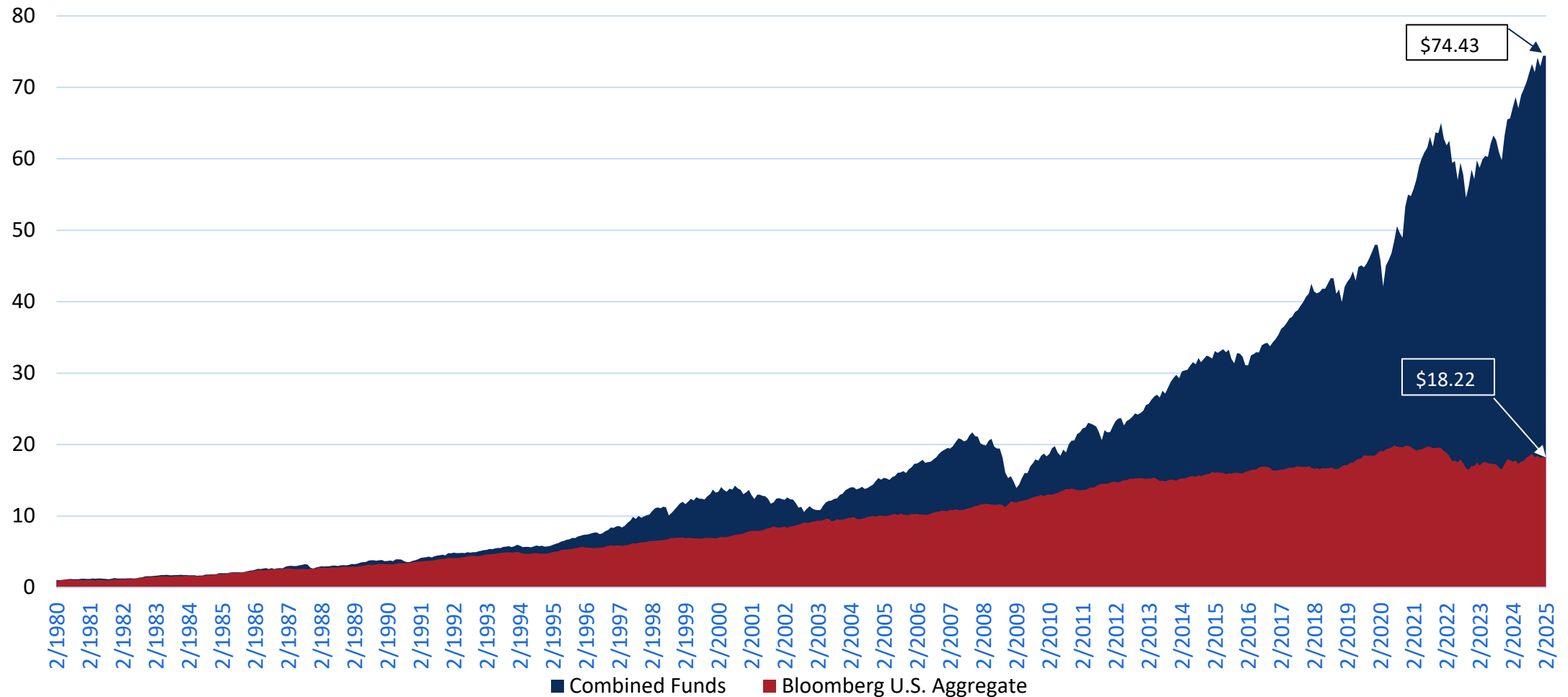
As of March 14, 2025



U.S. Stocks: S&P 500 Index  
International Stocks: MSCI ACWI Ex-U.S. Index  
U.S. Bonds: Bloomberg U.S. Aggregate Bond Index  
Cash: ICE BofA 3-Month Treasury Bill  
60/40 Portfolio: 60% S&P 500 Index, 40% Bloomberg U.S. Aggregate Bond Index

# Growth of a Dollar

## Combined Funds vs. Bloomberg U.S. Aggregate



# SBI Investments and Distributions

## FY '20-24



- ✓ Increased Combined Funds pension plan assets by \$23.02 billion, with a fiscal year average of \$4.60 billion;
- ✓ Distributed \$13.02 billion, net of contributions, to pay pension plan benefits, with a fiscal year average of \$2.60 billion;
- ✓ Increased non-retirement assets by \$2.40 billion, with a fiscal year average of \$481 million; and
- ✓ Earned \$2.54 billion for the State's Invested Treasurers Cash assets, with a fiscal year average of \$508 million.

# Volunteer Fire Relief Funds



- 288 Minnesota Volunteer Fire Relief Plans invest in the Statewide Volunteer Firefighter Account program, with assets totaling \$253.2 million.\*
- An additional 146 Minnesota Volunteer Fire Relief Plans invest across other SBI-managed investment options, with assets totaling \$401.5 million.\*
- These plans benefit from the scale of the SBI asset base, investing in the same strategies and at the same management fees and expenses as the pension funds.

\*As of 12/31/2024

# Disclaimer

**Investing in funds or securities involves risk, including possible loss of principal.**

- All figures, results and opinions expressed herein are for informational purposes only and do not constitute investment advice.
- Any historical returns or return expectations are not representative of future returns. Past performance does not guarantee future results.
- While the models utilized to produce this report are believed to be accurate, both the inputs and outputs subject to error and should not be relied upon as the basis for any investment decision.
- All data provided are current as of the date listed and are subject to change without notice.





## Jill E. Schurtz

Ms. Schurtz is the Executive Director and Chief Investment Officer of the Minnesota State Board of Investment, where she oversees investment portfolios valued at over \$150 billion. She previously served as the Executive Director and Chief Investment Officer for the St. Paul Teachers' Retirement Fund Association. Her other professional affiliations include serving as the CEO of Robeco-Sage, a NY based asset management firm; investment banking at US Bancorp Piper Jaffray; the technical research group at Knight Equity Markets; and practicing law at Skadden, Arps. Over the course of her career, she has served on a number of for-profit and nonprofit boards. She currently serves on the West Point Investment Committee; the Board and Investment Committee of the M.A. Mortenson Company; the National Institute of Retirement Security; and the Workers' Compensation Reinsurance Association. Jill is a graduate of the United States Military Academy, West Point, and served seven years in the US Army, where she attained the rank of Captain. Following her military service, she received her JD from Columbia Law School.

## Andy Christensen

Mr. Christensen is Deputy Executive Director of the Minnesota State Board of Investment, where he assists the Executive Director & CIO in the management of the agency. Prior experience includes serving as Director of Private Markets for GHR Foundation from 2017 to 2019, Director of Private Markets for Carleton College from 2008 to 2017, Portfolio Manager of Alternative Investments for the Minnesota State Board of Investment from 1999 to 2008, and Investment Analyst for Ameriprise Financial from 1995 to 1999. Andy has earned a B.S. in Economics from the University of Minnesota, an M.B.A. in Finance from the Carlson School of Management, University of Minnesota, and has achieved the Chartered Financial Analyst (CFA) and Chartered Alternative Investment Analyst (CAIA) designations.

## John Mulé

Mr. Mulé currently serves as General Counsel for the SBI and is responsible for managing the SBI's legal and legislative departments. Prior to joining the SBI in 2016, John served as an Assistant Attorney General at the Office of the Minnesota Attorney General where he represented the Department of Revenue and other state agencies in litigation and administrative proceedings. John graduated magna cum laude from the Mitchell Hamline School of Law in 2011, where he served as Editor-in-Chief of the Hamline Law Review. He received his LL.M. in Taxation from the University of Florida Levin College of Law in 2012.