

Investment Performance Information for Volunteer Fire Relief Associations

The Office of the State Auditor (OSA) is required to annually provide information to volunteer fire relief associations on the recent and historic investment performance results of the various accounts within the Minnesota State Board of Investment (SBI)'s Supplemental Investment Fund in which associations are eligible to invest. The OSA must also provide relief associations with information about how to utilize the SBI's Supplemental Investment Fund as an investment option.

In addition, the OSA must provide basic information to relief associations on the voluntary Statewide Volunteer Firefighter Retirement Plan (Plan) that is administered by the Public Employees Retirement Association (PERA).

We hope that you find this information helpful.



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The SBI Supplemental Investment Fund

The SBI was established by Article XI of the Minnesota Constitution to invest state funds. The SBI is responsible for the investment management of various retirement funds, trust funds, and cash accounts. Its membership, as specified in the Constitution, is comprised of the Governor (who serves as chair of the Board), the State Auditor, the Secretary of State, and the State Attorney General. All investments undertaken by the SBI are governed by the prudent person rule and other standards codified in Minnesota Statutes, Chapter 11A and Chapter 356A.

The Supplemental Investment Fund (SIF) is one of the funds under management by the SBI. Assets for relief associations electing to invest through the SBI are held in the SIF. The SIF consists of seven funds which have different investment objectives designed to meet a wide range of needs and objectives. Volunteer fire relief associations may use all of the funds in the SIF except for the Stable Value Fund. Assets for the voluntary statewide Plan administered by PERA are invested within a separate account in the SIF.

The SBI Supplemental Investment Fund — Continued

Additional Information

The accounts in the SIF available to relief associations are the:

- Balanced Fund (balanced asset mix);
- U.S. Stock Actively Managed Fund (actively-managed domestic stocks);
- U.S. Stock Index Fund (passively-managed domestic stocks);
- Broad International Fund (international stocks);
- Bond Fund (actively-managed bonds); and the
- Money Market Account (short-term securities).

SBI Letter to Relief Associations

Recent and historical rates of return for these SIF accounts are as follows:

Procedures for Investing with the SBI

Account	2019	5-Year	10-Year	15-Year	20-Year
Balanced Fund	21.7 %	8.2 %	9.8 %	7.5 %	6.1 %
U.S. Stock Actively Managed Fund	31.2 %	11.2 %	13.5 %	8.9 %	6.0 %
U.S. Stock Index Fund	31.1 %	11.3 %	13.4 %	9.1 %	6.3 %
Broad International Fund	22.4 %	5.9 %	5.5 %	5.7 %	4.2 %
Bond Fund	9.7 %	3.6 %	4.5 %	4.6 %	5.4 %
Money Market Account	2.4 %	1.3 %	0.7 %	1.6 %	2.0 %

SIF Prospectus

To begin investing in the SIF, a relief association must complete two forms and return them to the SBI. The “Relief Association Contact Form” provides the SBI with contact information so that monthly reports and other correspondence can be sent to the association. The “Relief Association Wire Instructions Form” provides the SBI with the name of the financial institution and wire instructions that will be used for all withdrawals. Both forms can be found on the “Local Volunteer Fire Relief Associations” page of the [SBI website](#).

SBI 2019 Annual Report

After a relief association begins investing with the SBI, the association may contribute, withdraw, or transfer funds on any business day of the month. These transactions can be done online, or by completing the “Relief Association Transaction Form” found on the SBI website at the link provided above. Detailed procedures for opening an account with the SBI, contributing funds, and withdrawing funds can also be found on the SBI website at the link above.

SBI Contact Information

**Additional
Information****Voluntary Statewide Volunteer
Firefighter Retirement Plan**

The Plan was created by the Legislature in 2009 and is a voluntary plan administered by the PERA. When a volunteer fire relief association joins the Plan, PERA takes over the administration of the pension fund. Under the Plan, a relief association's entire special fund is transferred to the SBI and the association ceases to exist as a public pension fund.

**Plan Enrollment
Process**

Currently, 189 fire departments belong to the Plan. Each entity in the Plan has its own separate account, but assets are pooled for investment purposes. The Plan investments are managed by the SBI and have a long-term expected return of six percent.

Plan Description**Plan Investment
Information**

The decision to join the Plan is made jointly by the municipality or independent nonprofit firefighting corporation operating the fire department and by the relief association (if one exists). The process for joining begins with a request from the relief association (if one exists) and the municipality or independent nonprofit firefighting corporation to PERA for a cost analysis of the prospective retirement coverage. If a decision is made to join the Plan and the process for joining is completed, coverage by the Plan begins effective the following January 1.

**Plan Benefit
Calculations****Request for Cost
Analysis**

A description of the Plan enrollment process and additional information about the Plan is provided on [PERA's website](#).

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