



*Serving those who keep us safe.*

# **VITAL SIGNS**

FISCAL YEAR  
2023



At MPERS, our mission is simple: Provide sustainable benefits for the lifetime of our members.



BENEFIT ADMINISTRATION



FINANCIAL / AUDIT



BUDGET



COMMUNICATION

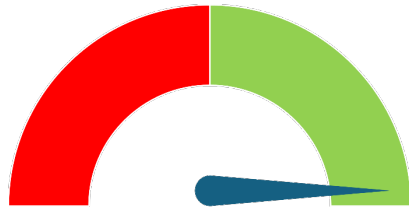


INVESTMENTS



# BENEFIT ADMINISTRATION

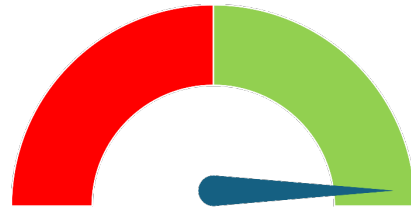
## Benefit Payments - Timeliness



**PASS**

No instances were noted of benefit payments initiated in the current year being paid out prior to the benefit effective date.

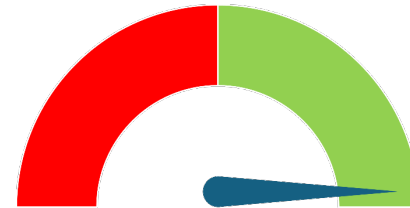
## Benefit Payments - Accuracy



**PASS**

All sampled retirements agreed to supporting documentation without exception. Benefits appeared to be accurately calculated based on the retirees' information.

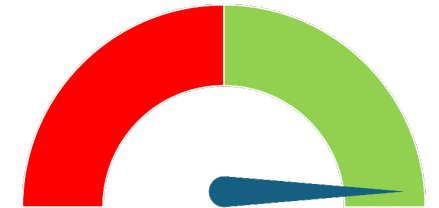
## Compliance - Laws, Regulations, Policies



**PASS**

Administration of benefits is in compliance with all laws, regulations, and policies applicable to the System.

## Cybersecurity - Policy, Up-to-Date



**PASS**

The cybersecurity policy was updated effective July 24, 2023, with the assistance of outside consultants.





# BENEFIT PAYMENTS - TIMELINESS

## Historical Results

	FY 2021	FY 2022	FY 2023
<b>PASS</b>			
<b>FAIL</b>			



# BENEFIT PAYMENTS - ACCURACY




## Historical Results

	FY 2021	FY 2022	FY 2023
<b>PASS</b>			
<b>FAIL</b>			



# COMPLIANCE - LAWS, REGULATIONS, POLICIES

## Historical Results

	FY 2021	FY 2022	FY 2023
<b>PASS</b>			
<b>FAIL</b>			



# CYBERSECURITY - POLICY, UP-TO-DATE

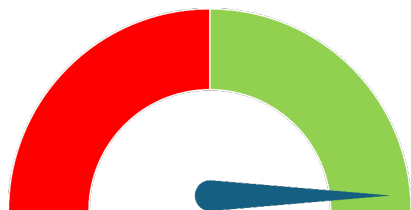
## Historical Results

	FY 2021	FY 2022	FY 2023
<b>PASS</b>			
<b>FAIL</b>			



# FINANCIAL / AUDIT

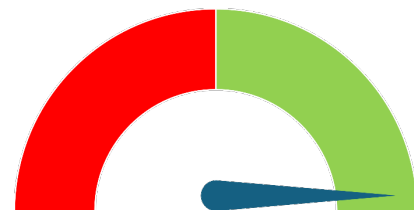
## Comprehensive Annual Financial Report - Timeliness



**PASS**

The Annual Report was dated December 23, 2022, and was submitted to GFOA on December 30, 2022.

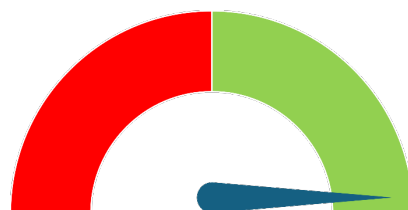
## Popular Annual Financial Report - Timeliness



**PASS**

The Popular Annual Financial Report is not a dated document. It was submitted to GFOA on December 30, 2022.

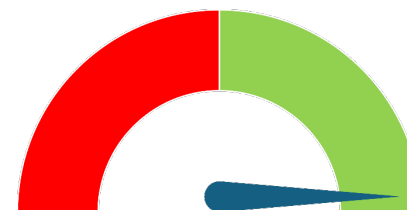
## Monthly Tax Filings - Timeliness



**PASS**

Monthly filings were completed timely, and no penalties were incurred.

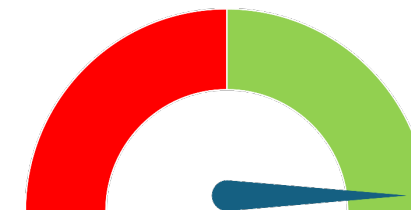
## Quarterly Tax Filings - Timeliness



**PASS**

Quarterly filings were completed timely, and no penalties were incurred.

## Annual Tax Filings - Timeliness



**PASS**

Annual filings were completed timely, and no penalties were incurred.

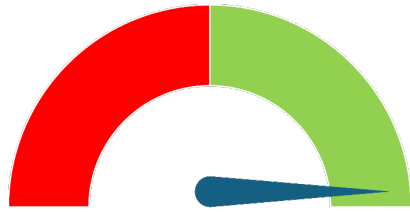






# FINANCIAL / AUDIT

## Unmodified Audit Opinion

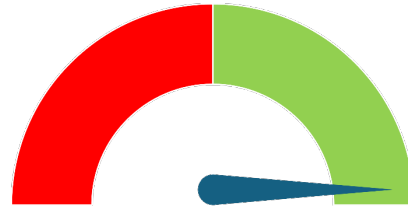


### PASS

Clean Audit Opinion

An unmodified opinion was issued for the System as of and for the year ended June 30, 2022, in a report dated November 8, 2022.

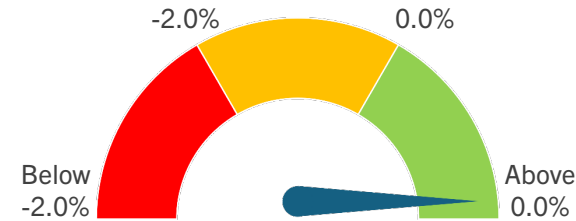
## Contributions Received



### PASS

100% of employer contributions were received at a 58% employer contribution rate for MODOT and 58.65% contribution rate for MSHP.

## Funded Status - Change

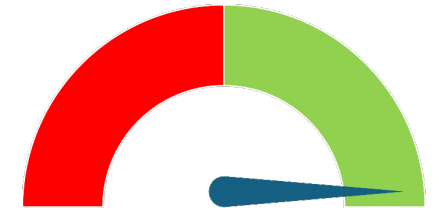


### 2.3%

Increase

The funding status increased from 66.3% as of June 30, 2022, to 69.6% as of June 30, 2023, per review of the actuarial valuation.

## Funded Status - Retiree Liability



### PASS

Fully Funded

The funding status for the retiree liability was 100% as of June 30, 2023.



# ANNUAL REPORT - TIMELINESS

## Historical Results

	FY 2021	FY 2022	FY 2023
<b>PASS</b>			
<b>FAIL</b>			



# POPULAR ANNUAL FINANCIAL REPORT - TIMELINESS

## Historical Results

	FY 2021	FY 2022	FY 2023
<b>PASS</b>			
<b>FAIL</b>			





# MONTHLY TAX FILINGS - TIMELINESS

## Historical Results

	FY 2021	FY 2022	FY 2023
<b>PASS</b>			
<b>FAIL</b>			



# QUARTERLY TAX FILINGS - TIMELINESS

## Historical Results

	FY 2021	FY 2022	FY 2023
<b>PASS</b>			
<b>FAIL</b>			





# ANNUAL TAX FILINGS - TIMELINESS

## Historical Results

	FY 2021	FY 2022	FY 2023
<b>PASS</b>			
<b>FAIL</b>			



# UNMODIFIED AUDIT OPINION

## Historical Results

	FY 2021	FY 2022	FY 2023
<b>PASS</b>			
<b>FAIL</b>			



# CONTRIBUTIONS RECEIVED

## Historical Results

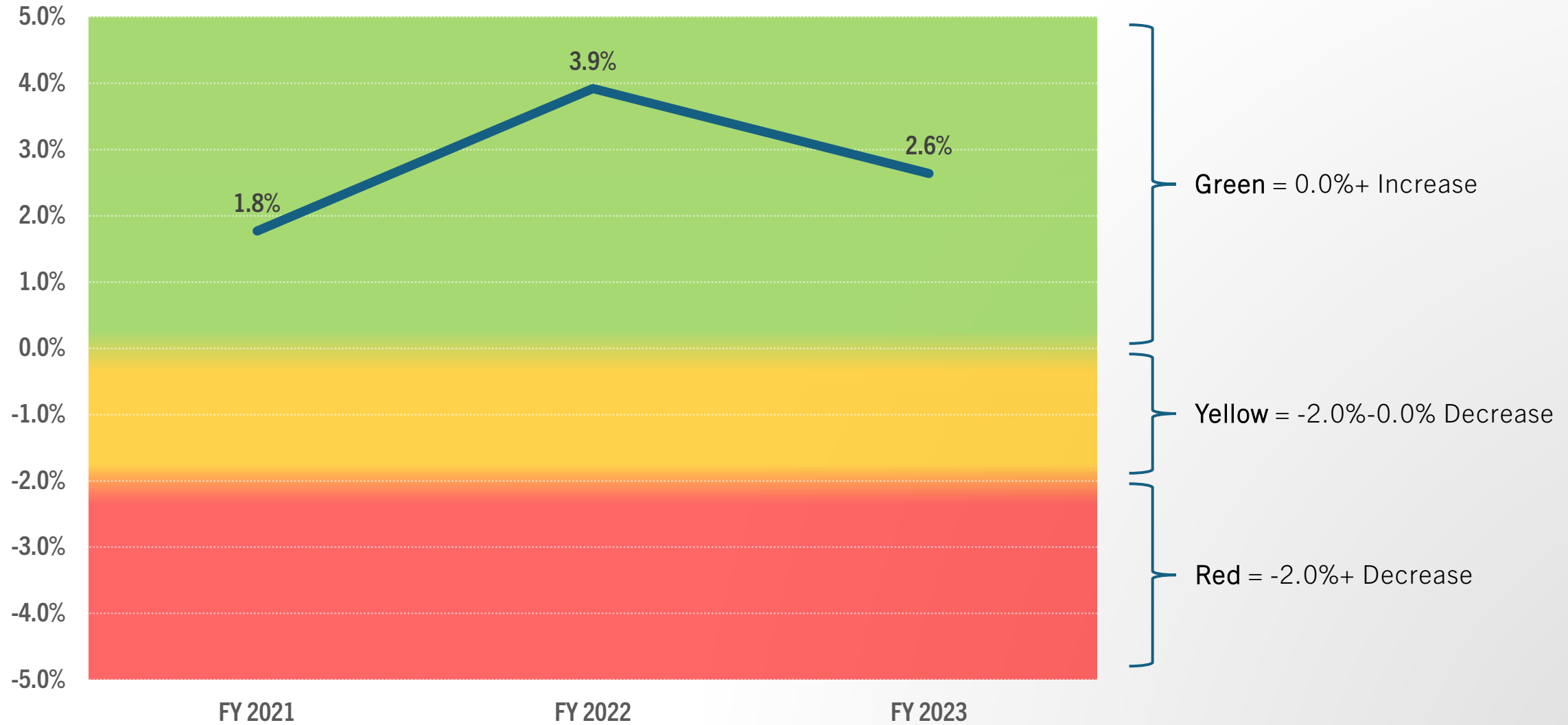
	FY 2021	FY 2022	FY 2023
<b>PASS</b>			
<b>FAIL</b>			





# FUNDED STATUS - CHANGE

## Historical Results





# FUNDED STATUS - RETIREE LIABILITY

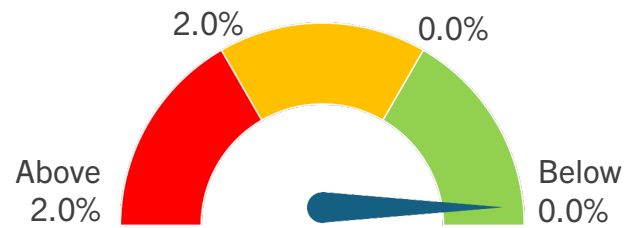
## Historical Results

	FY 2021	FY 2022	FY 2023
<b>PASS</b>			
<b>FAIL</b>			



# BUDGET

## Actual vs. Budgeted Operating Expenses

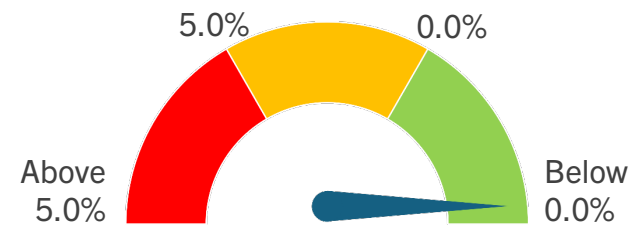


# PASS

Under Budget

Actual administrative expenses were approximately 2.6% under budget, and after consideration of the investment budget and actual expenses, the total expense for the year ended June 30, 2023, was approximately 86% of the total budget.

## Cost Per Member



# \$196

Below Average Cost

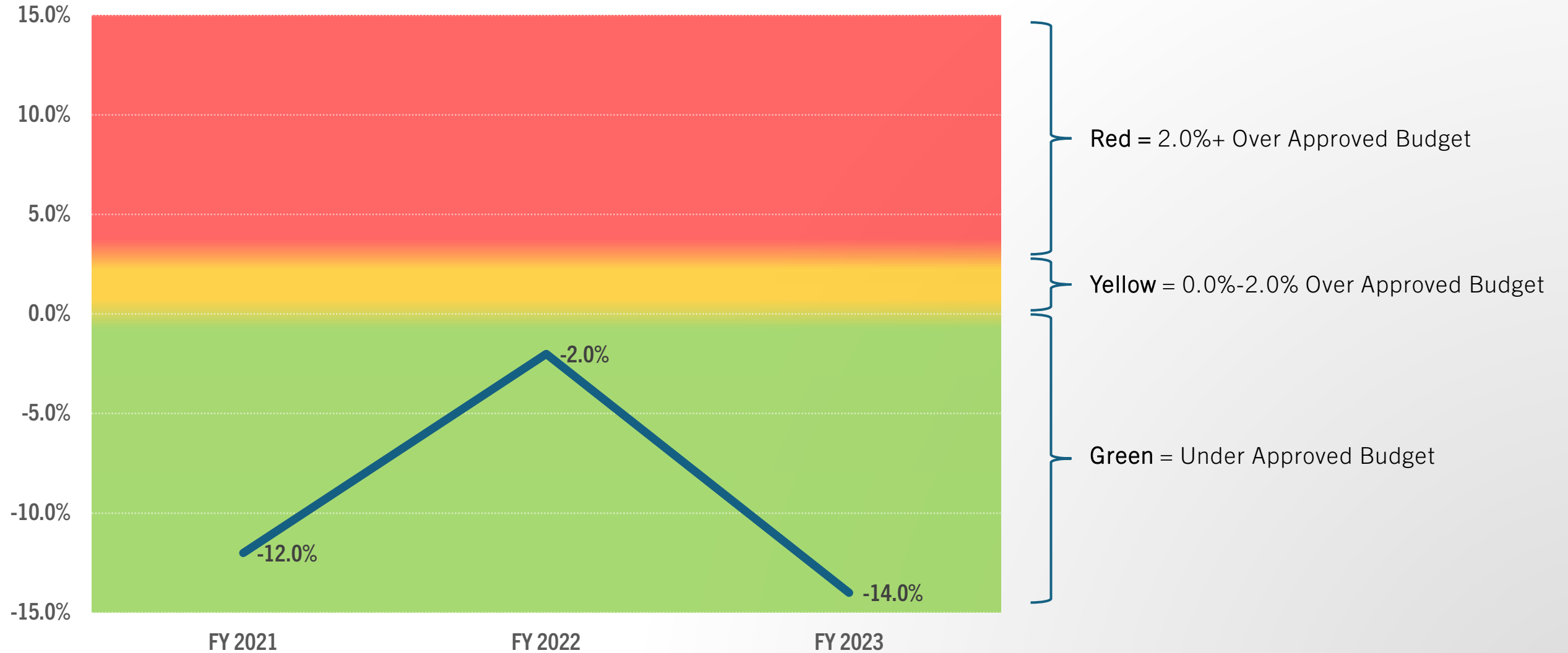
We reviewed the calculated average cost per member, noting MPERS reported spending \$196 per member as compared to the average \$313 spent per member in the reviewed peer group.





# ACTUAL VS. BUDGETED OPERATING EXPENSES

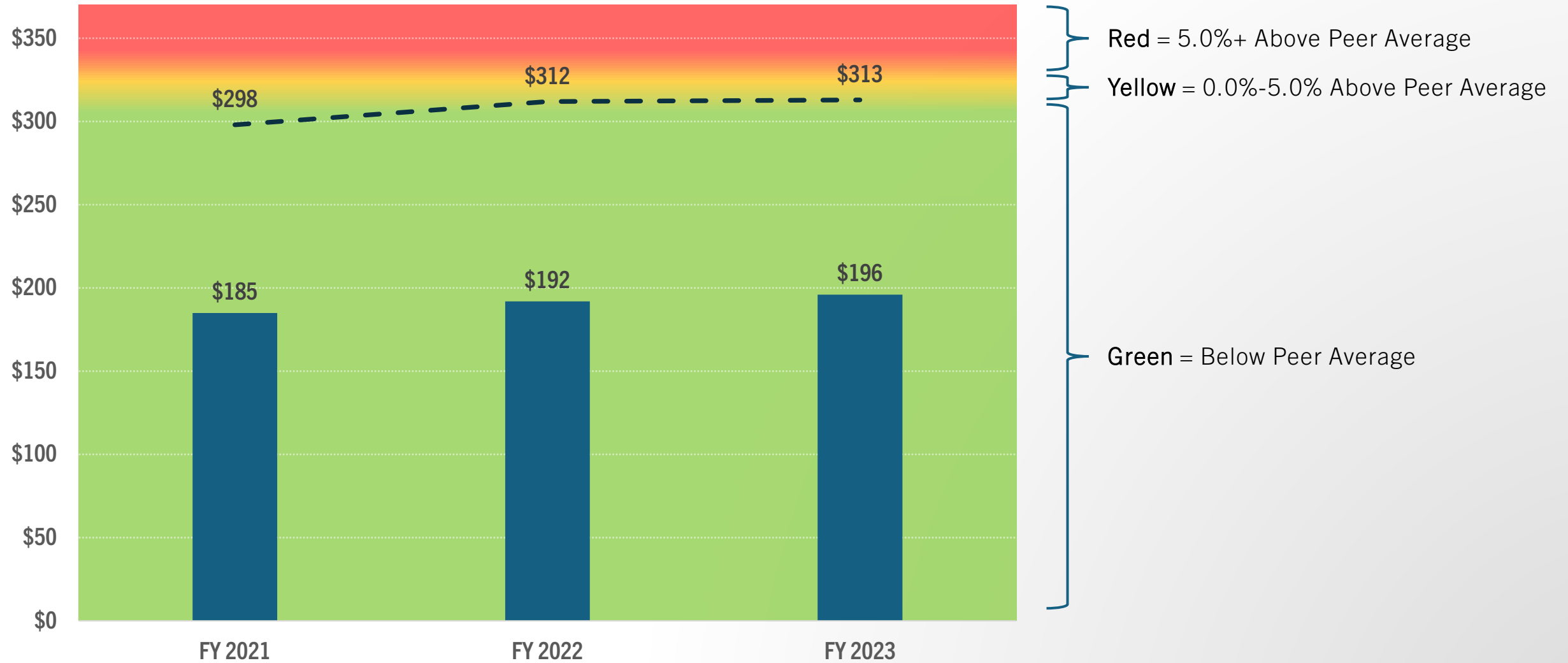
## Historical Results





# COST PER MEMBER

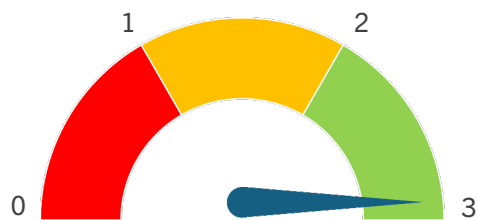
## Historical Results





# COMMUNICATION

## New Trustee Onboarding

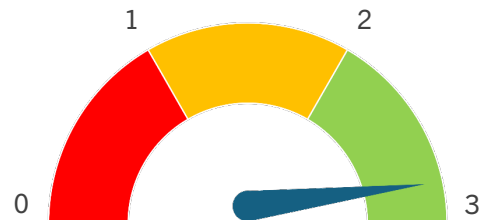


**3**

Meets Expectations

One trustee was appointed during the year ended June 30, 2023. This trustee gave their onboarding experience a rating of 3, indicating that the experience met their expectations.

## Organizational Satisfaction - Staff

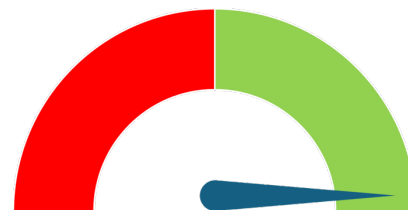


**2.76**

Excellent

Results from the staff survey noted an overall weighted average score of 2.76, exceeding the threshold of 1.5.

## Organizational Satisfaction - Board

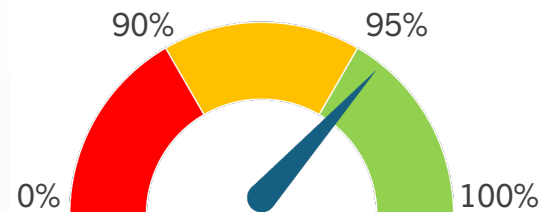


**PASS**

100% Participation

All trustees returned Code of Conduct and Conflict of Interest Acknowledgment Forms n 2023 (for FY24).

## Member Satisfaction - Seminars

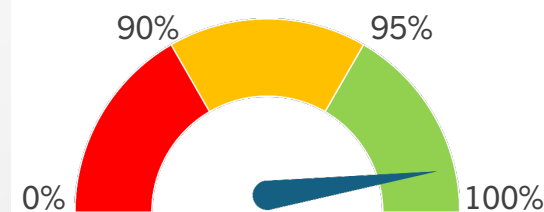


**96%**

Above Average

Member surveys noted 96% of responses indicated above-average satisfaction.

## Member Satisfaction - Staff Interactions



**99%**

Above Average

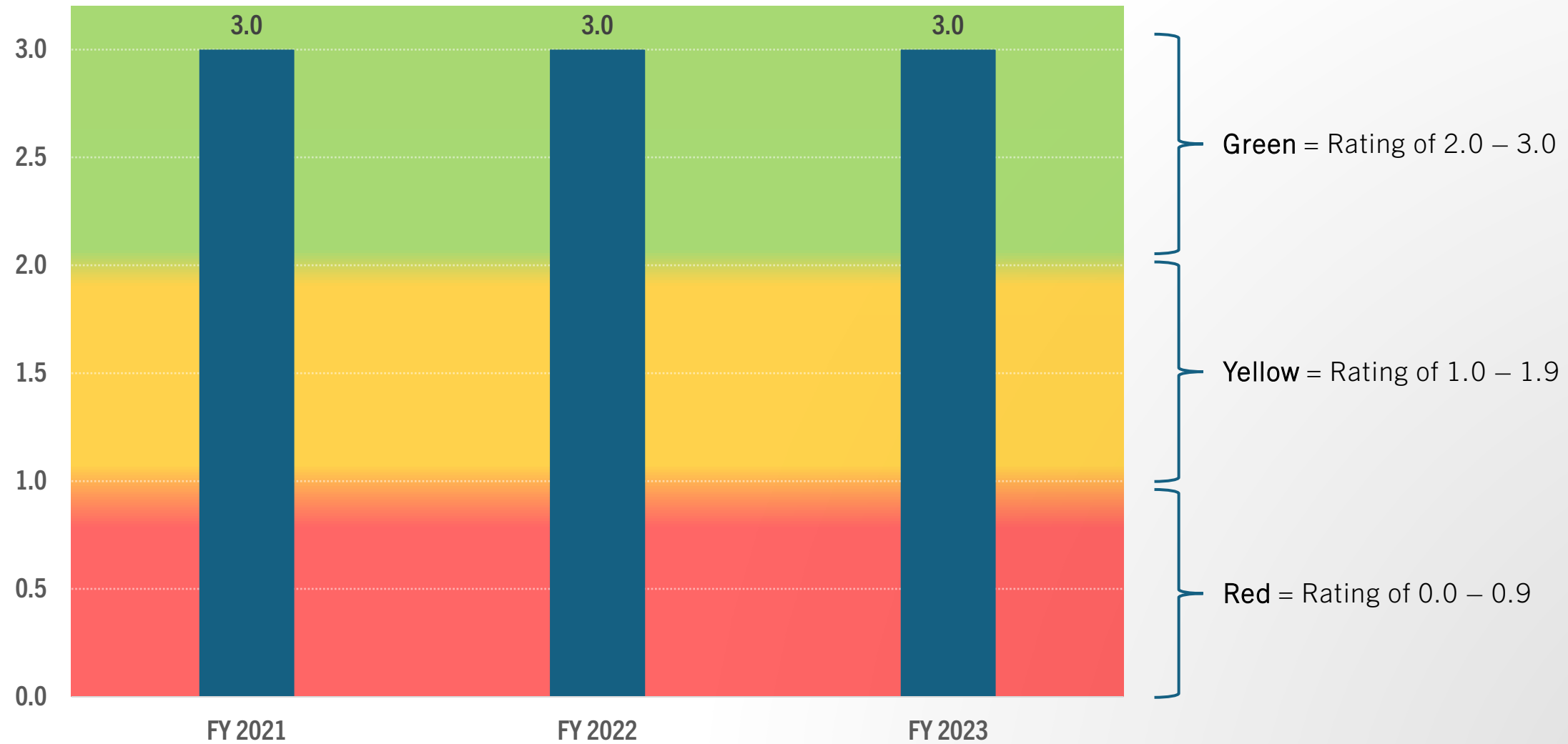
Member surveys noted 99% of responses indicated above-average satisfaction with services provided.





# NEW TRUSTEE ONBOARDING

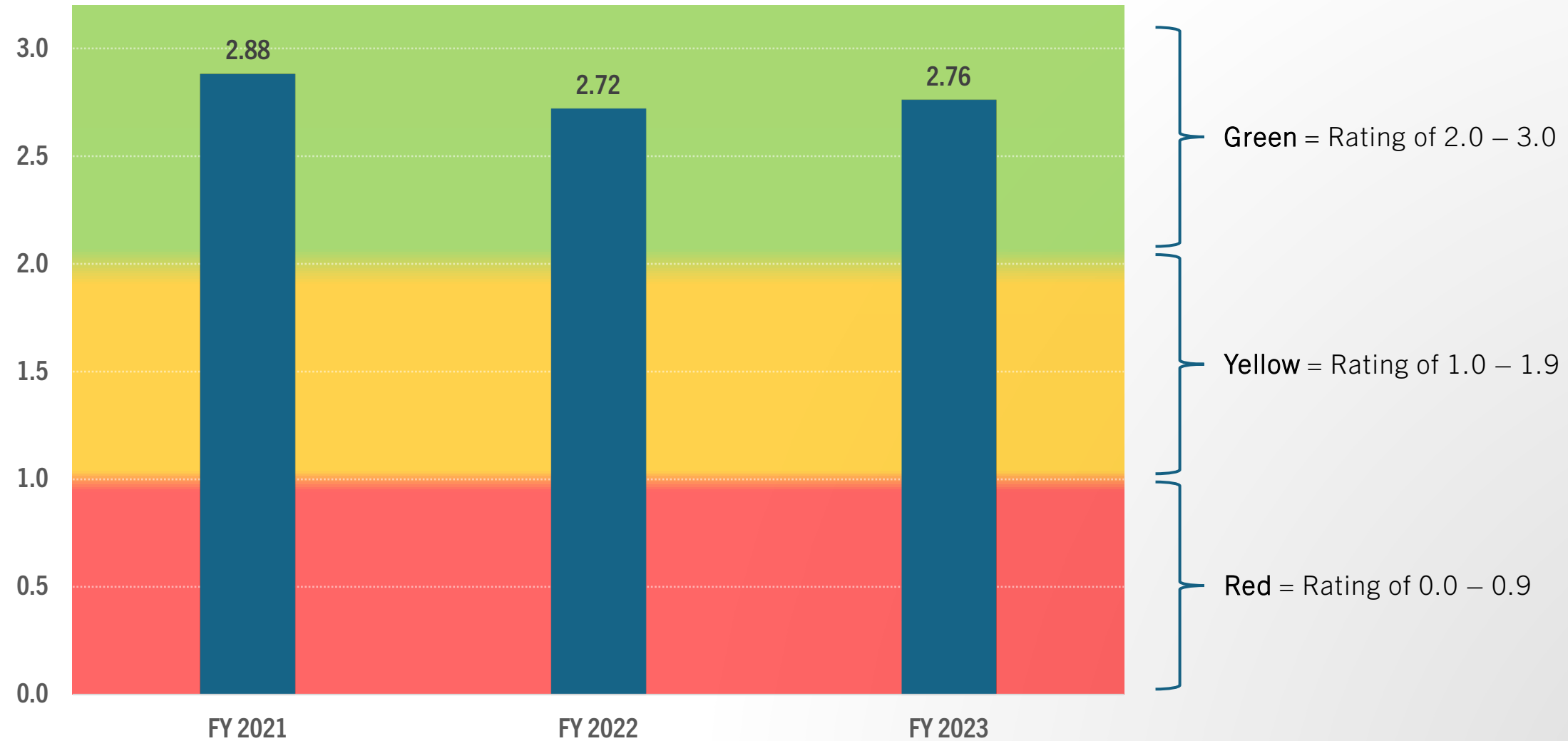
## Historical Results





# ORGANIZATIONAL SATISFACTION - STAFF

## Historical Results







# ORGANIZATIONAL SATISFACTION - BOARD

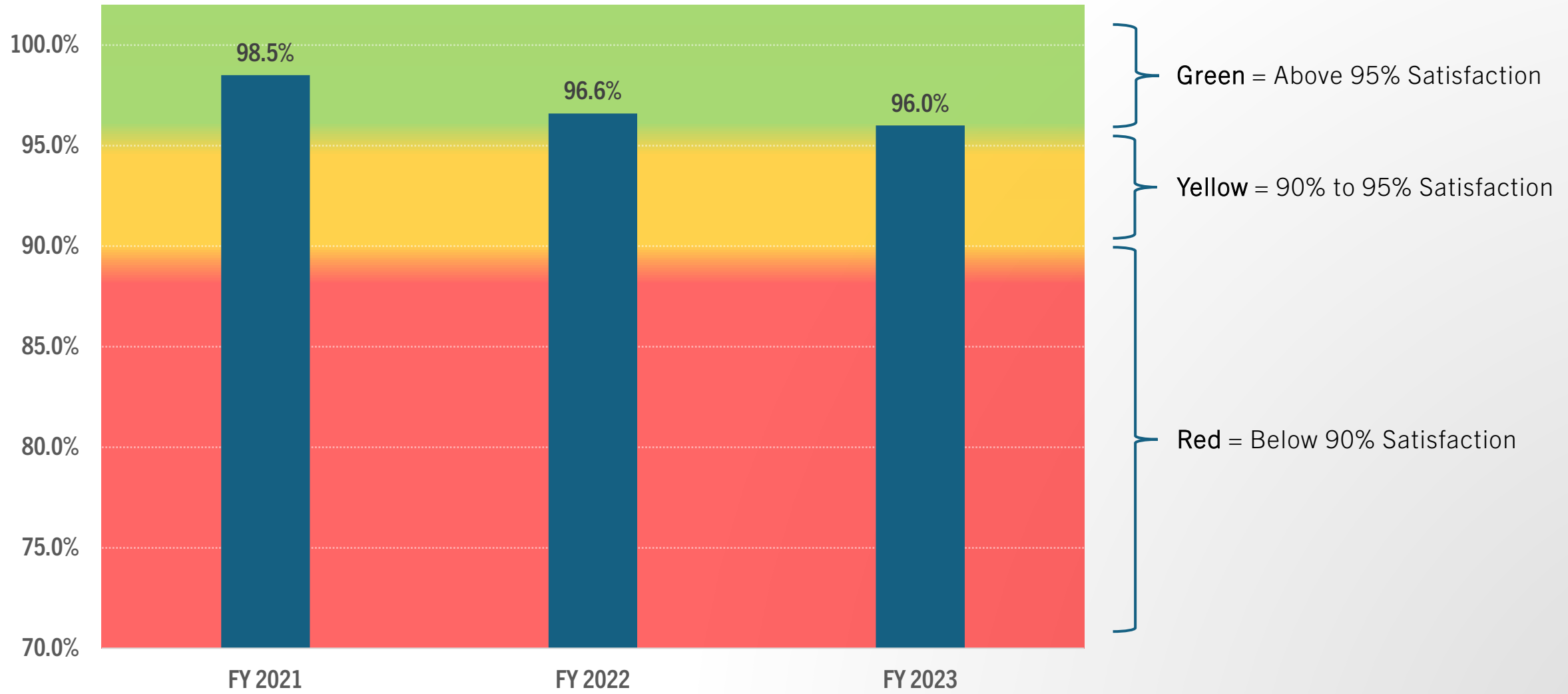
## Historical Results

	FY 2021	FY 2022	FY 2023
<b>PASS</b>			
<b>FAIL</b>			



# MEMBER SATISFACTION - SEMINARS

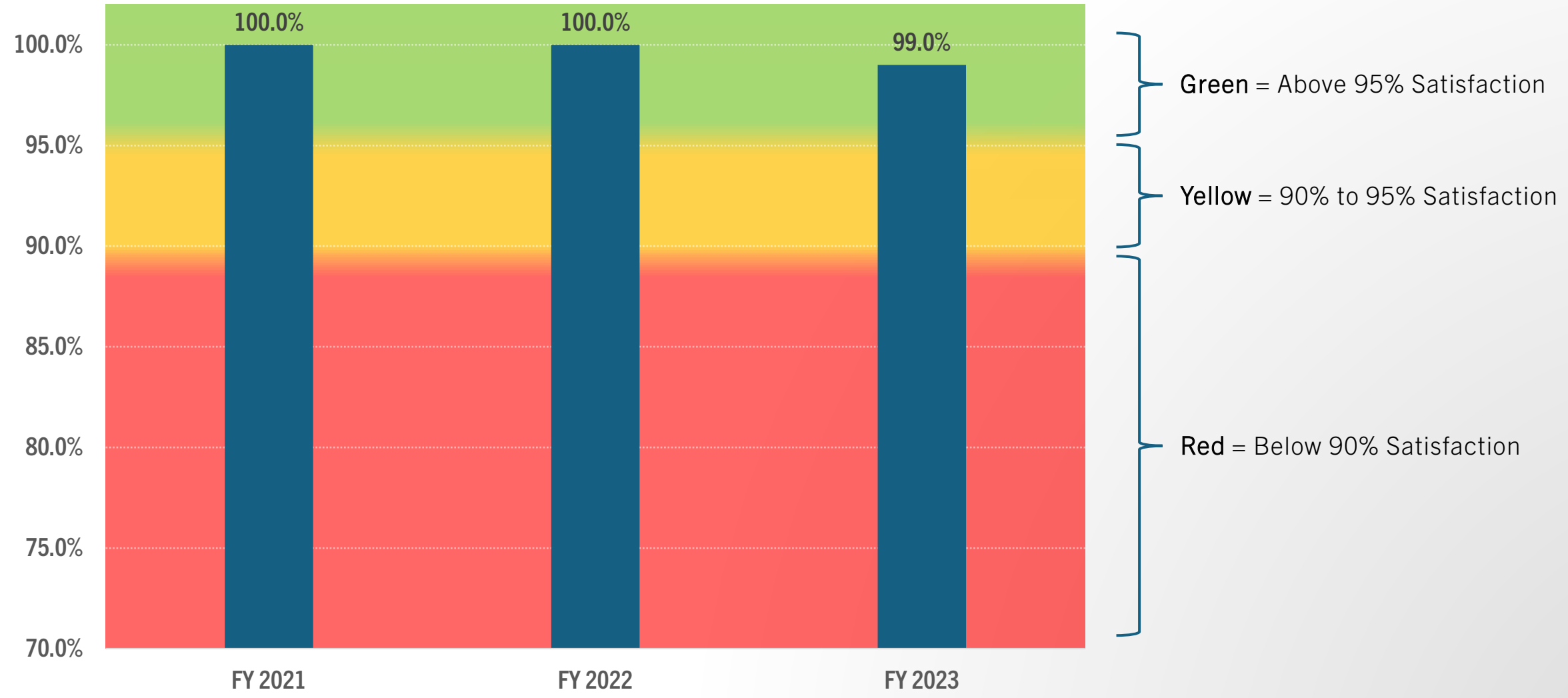
## Historical Results





# MEMBER SATISFACTION - STAFF INTERACTIONS

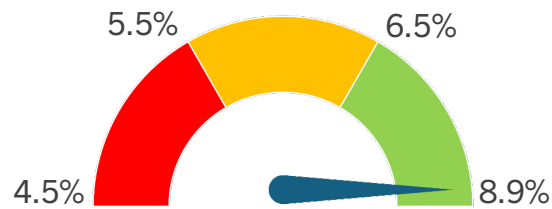
## Historical Results





# INVESTMENTS

## Total Return vs. Actuarial Assumption

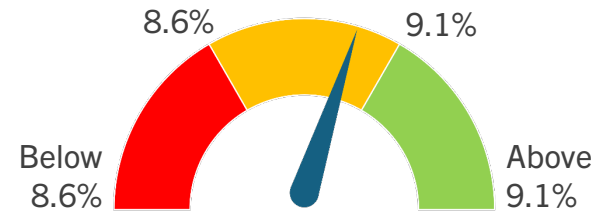


### 8.9%

Exceeds Assumed Rate

Total return of 8.9% for the year ended June 30, 2023, was above the assumed investment rate of return of 6.5%.

## Total Return vs. Peers' Return

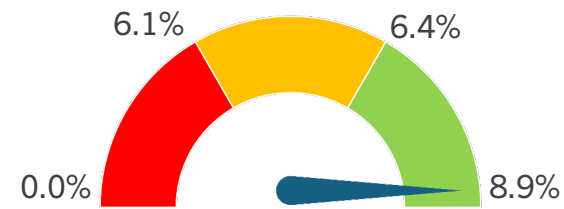


### 8.9%

Below Peer Median

Total return of 8.9% for the year ended June 30, 2023, falls below the InvMetrics Public DB Net Median 1-year investment return of 9.1%.

## Total Return vs. Policy Benchmark



### 8.9%

Above Policy Index

Total return of 8.9% for the year ended June 30, 2023, exceeds the 1-year policy index return of 6.4%.

## Current Allocation vs. Policy Allocation



### PASS

Within Ranges

Investment allocations are in compliance with the sub-asset class ranges outlined in the investment policy as of June 30, 2023.





# INVESTMENTS

## Volatility - 5-Year

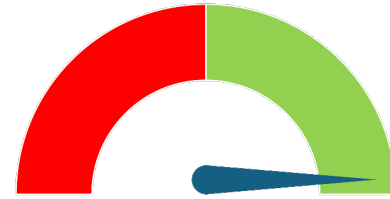


**PASS**

Below Peer Median

Volatility at five years, as measured by the standard deviation, was 7.3% for the five years ended June 30, 2023, as compared to the peer universe median of 12.4%.

## Volatility - 10-Year

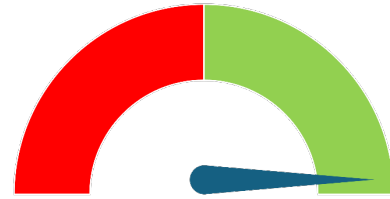


**PASS**

Below Peer Median

Volatility at ten years, as measured by the standard deviation, was 5.7% for the ten years ended June 30, 2023, as compared to the peer universe median of 9.7%.

## Sharpe Ratio - 5-Year

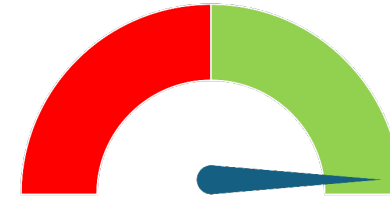


**PASS**

Above Peer Median

MPERS' five-year Sharpe ratio was 1.1% for the five years ended June 30, 2023, as compared to the peer universe median of 0.4%.

## Sharpe Ratio - 10-Year

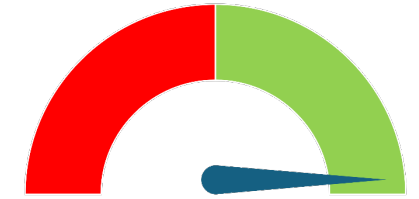


**PASS**

Above Peer Median

MPERS' ten-year Sharpe ratio was 1.4% for the ten years ended June 30, 2023, as compared to the peer universe median of 0.7%.

## Risk and Liquidity Analysis



**PASS**

Verified

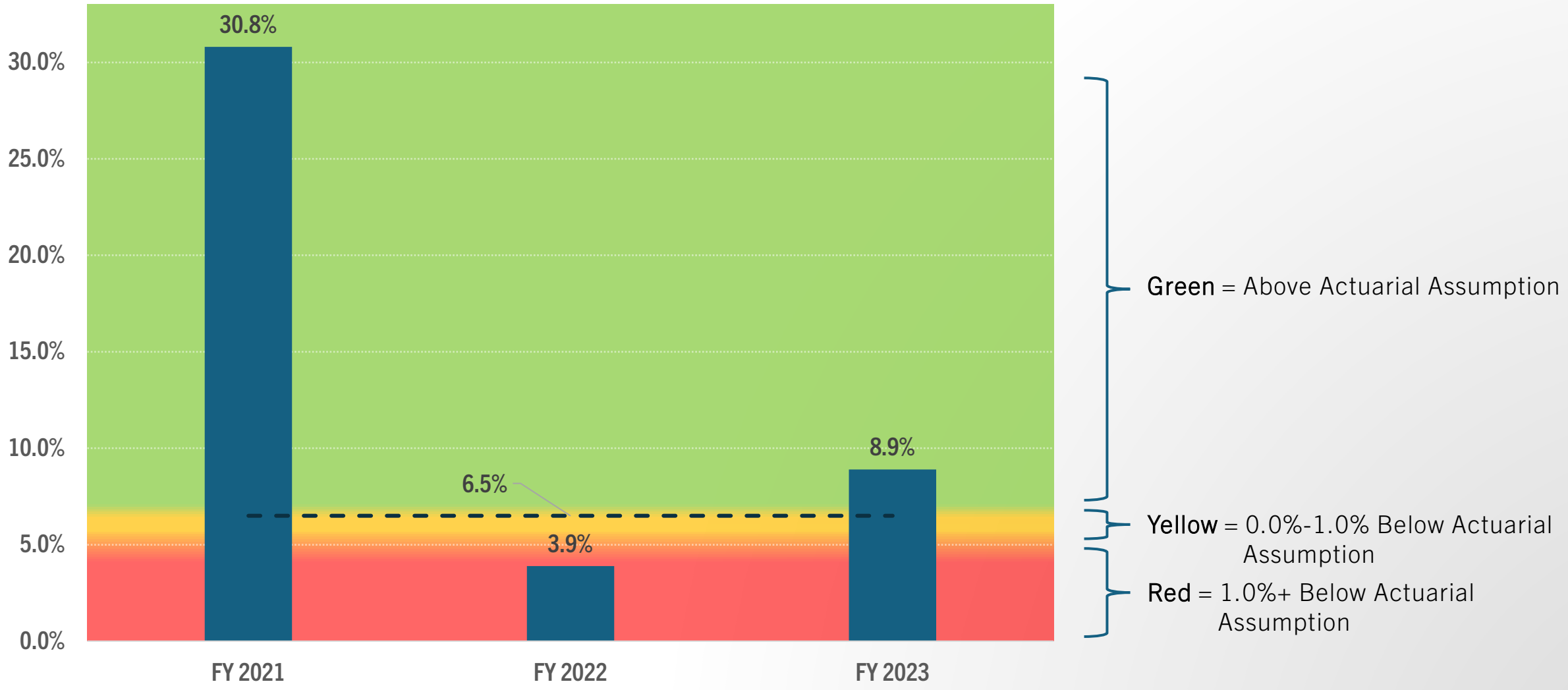
Investment Performance report as of June 30, 2023, evidence of the risk and liquidity analysis performed by NEPC, LLC.





# TOTAL RETURN VS. ACTUARIAL ASSUMPTION

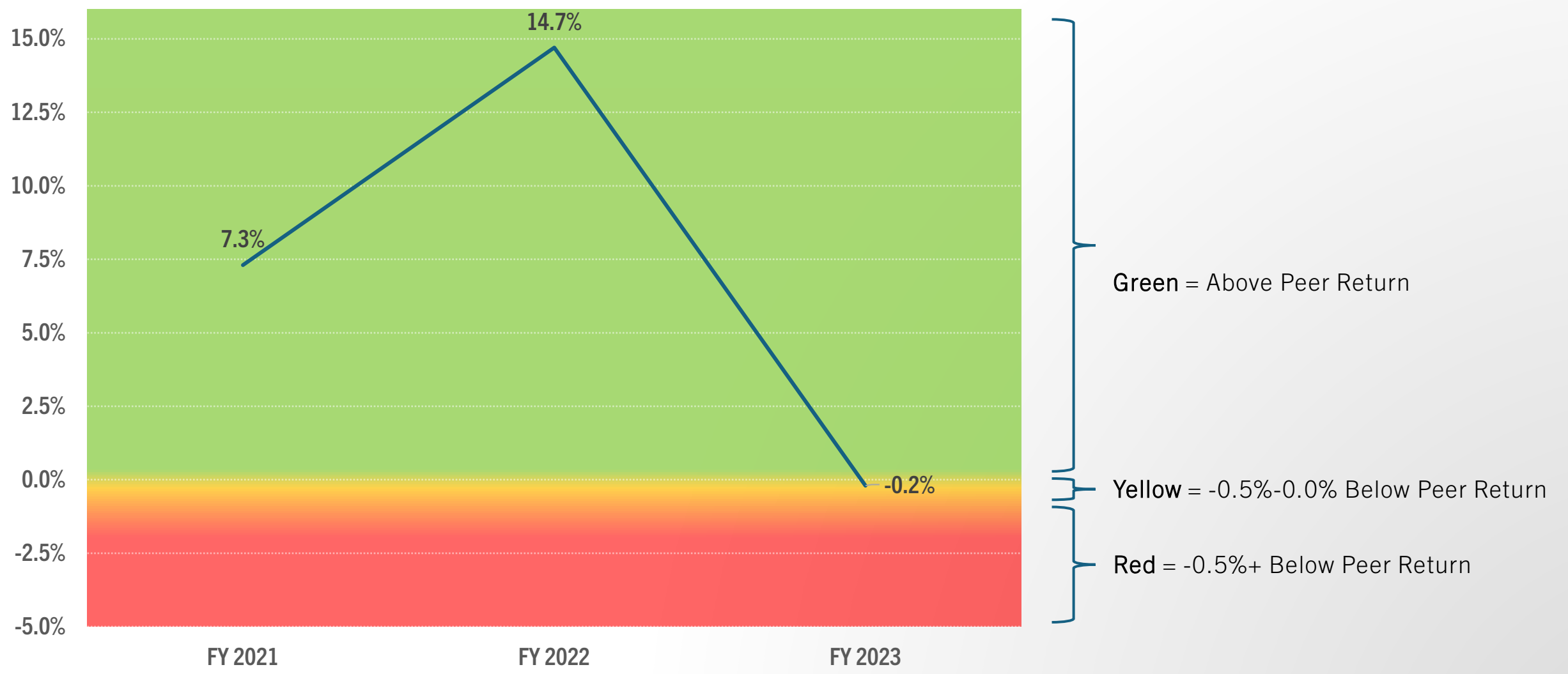
## Historical Results





# TOTAL RETURN VS. PEERS' RETURN

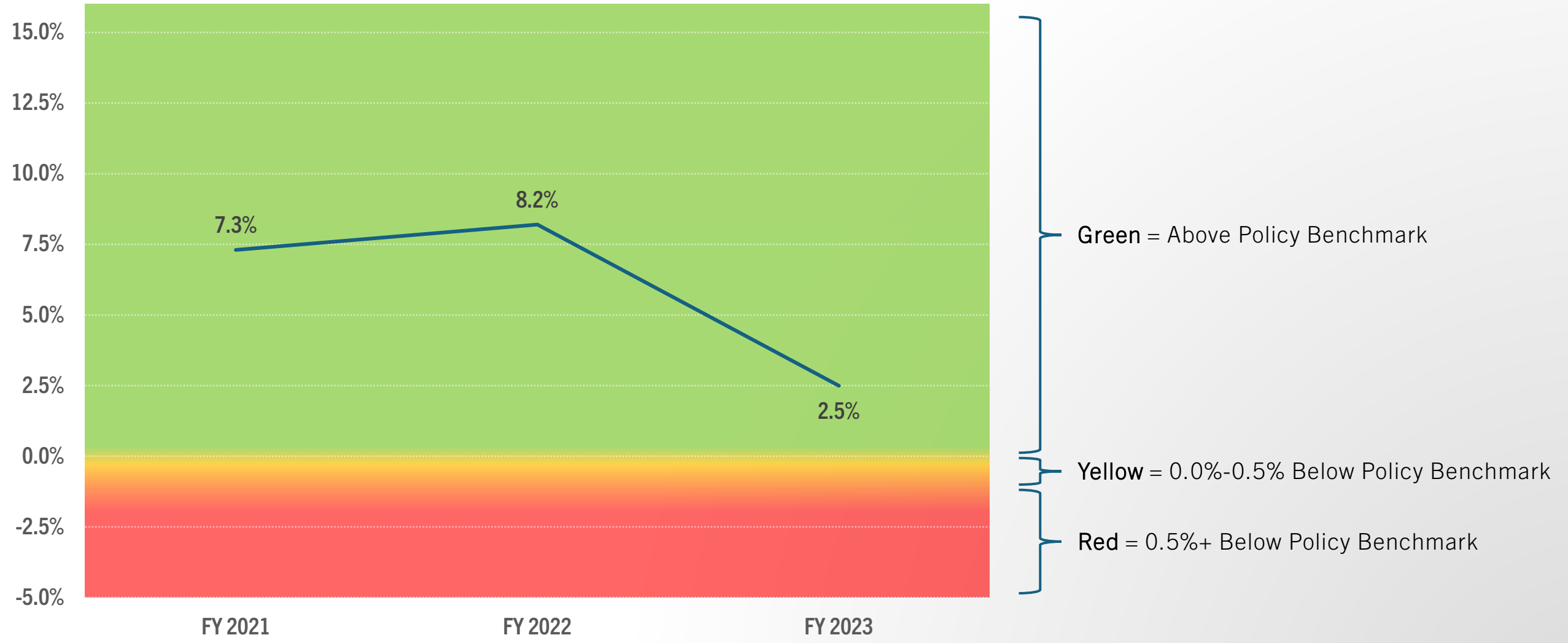
## Historical Results





# TOTAL RETURN VS. POLICY BENCHMARK

## Historical Results










# CURRENT ALLOCATION VS. POLICY ALLOCATION

## Historical Results

	FY 2021	FY 2022	FY 2023
<b>PASS</b>			
<b>FAIL</b>			



# VOLATILITY - 5-YEAR

## Historical Results

	FY 2021	FY 2022	FY 2023
<b>PASS</b>			
<b>FAIL</b>			



# VOLATILITY - 10-YEAR




## Historical Results

	FY 2021	FY 2022	FY 2023
<b>PASS</b>			
<b>FAIL</b>			



# SHARPE RATIO - 5-YEAR




## Historical Results

	FY 2021	FY 2022	FY 2023
<b>PASS</b>			
<b>FAIL</b>			



# SHARPE RATIO - 10-YEAR

## Historical Results

	FY 2021	FY 2022	FY 2023
<b>PASS</b>			
<b>FAIL</b>			



# RISK AND LIQUIDITY ANALYSIS

## Historical Results

	FY 2021	FY 2022	FY 2023
<b>PASS</b>			
<b>FAIL</b>			