



NEWS
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San Antonio Fire and Police Pension Fund to Inject \$9 million in Metropolitan Area Economy through Performance Distribution

SAN ANTONIO (November 26, 2014) – With its five-year investment returns triggering state law, the San Antonio Fire and Police Pension Fund Board voted unanimously today to distribute an additional \$9 million among its 2,374 retirees and beneficiaries for the 2014 benefits year.

Also in support were city council members Ray Saldana and Ray Lopez who represent the city on the Board. Mayor’s representative Art Hall, who could not attend the meeting, submitted a letter confirming his support and urged passage.

The performance distribution will benefit the local economy as 84% of the pensioners reside in the greater San Antonio Metropolitan area and 97% live in Texas.

For its fiscal year ended September 30, the pension fund gained 9.2%, completing a five-year run in which the Fund averaged 9.1% per year and increased the value of the pension by \$900 million, to its current \$2.7 billion in assets under management. The five-year average surpassed the average 7.65% assumed rate of return required by state law for the Board to consider the performance distribution.

“With the Dow Jones Industrial Average near all-time highs, we feel it is a good time to bring home some of San Antonio’s money from investments in New York and around the world,” said Shawn Ury, the chairman of the SAFPPF Board.

“Our pension’s value often fluctuates more than \$9 million in a single day – or even an hour – of trading on stock exchanges. This one-time special distribution will not significantly affect our funding ratio and reflects an opportunity to share the pension’s above average investment returns with people who spent their lives protecting San Antonio,” Ury said.

Michael Trainer, president of the San Antonio Fire and Police Pensioners Association, believes the Board’s decision will be well received.

“I know that many retirees use their pension benefits to meet their basic living expenses, but this distribution will provide a buffer to pay for unexpected expenses. Car transmissions fail, roofs need repair, and sometimes-family members need a boost. I think there are hundreds of different stories like this among the pensioners, all of whom will benefit from bringing San Antonio’s money home.”

Current retirees and beneficiaries of the San Antonio Fire and Police Pension Fund receive 58% of their retirement benefits from investment returns achieved the last 20 years, with the remainder coming from contributions made by them and the City of San Antonio during their decades of employment.

The Board’s decision to realize these gains and bring them back to Texas comes on the heels of another move, in September, to transfer \$110 million from equity assets to fixed income instruments. This reallocation reflects the Board’s conservative investing philosophy given the dramatic run-up in stock market valuations since the financial crisis in 2009.

The award winning San Antonio Fire and Police Pension Fund was named the “Small Public Fund of the Year” in 2013 by Money Management Intelligence for “de-risking” strategies that position the fund for steady performance amid

continuing volatility. The 2014 performance distribution is more evidence of the positive long-term investing results created by the pension Board.

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About the San Antonio Fire and Police Pension Fund (SAFPPF)

The San Antonio Fire and Police Pension Fund provides comprehensive retirement, death and disability benefits for the City of San Antonio's approximately 6,238 police officers, firefighters, retirees and their beneficiaries. With \$2.7 billion in assets under management and its 92% funded ratio, the SAFPPF is the best performing system among comparably sized Texas pension funds, and the fourth best overall. Currently 2,374 retirees and beneficiaries receive benefits and there are 3,954 active firefighters and police contributing to the pension's asset base.