

Procedures – Qualifying Governmental Entities

Qualifying Governmental Entities authorized to invest in the Non-Retirement Equity Fund must follow the appropriate statute in determining the amount invested in the eligible fund. (See *Minnesota Statutes*, Section [118A.09](#).)

How to Open A Plan Account

All Qualifying Governmental Entities will need to contact Public Employees Retirement Association (PERA) to open an account. PERA will then forward the account information to SBI. Once the account is setup, the SBI will send your account's credentials and instructions for accessing and using the Account website. The website will give the governmental entity online access to your account's current balance, posted/pending transactions, and statements. Each entity must maintain a Long-Term Equity Investment Account Agreement with PERA in order to invest through the SBI.

Investment Option

Non-Retirement Equity Fund

Your investment in the Non-Retirement Equity Fund should be viewed as a long-term investment. Equity investments carry a risk of loss, and all Qualifying Governmental Entities are responsible for determining their risk tolerance for equities and investing accordingly. Funds needed for operations or short-term obligations should be kept at your local financial institution in an appropriate account; your account with the SBI is not intended for maintaining operating or short-term funds.

The SBI's Executive Director reserves the right to suspend or close an account, or restrict withdrawals or transfers from an account, if the Executive Director determines, in the Executive Director's sole discretion, that excessive trading has occurred with respect to the account, or that such action is appropriate under the circumstances.

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

Contribution, Withdrawal and Transfers

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

Once a trade has been entered, it cannot be cancelled.

Administrative Fees

The Administrative Fees that will appear on your statement are deducted annually by the account administrator, PERA, and quarterly by the SBI at the account level, not at the investment option level.

The account administrator charges a one-time fee of \$2,500 when the account is opened and \$500 per plan per year; and the current SBI administrative fee is 0.006%, which approximates to \$0.06 per \$1,000 annually.

Investment Management Fees

There are no "front-end" or "back-end" loads charged on contributions, withdrawals or transfers in the Fund. All transactions are made using the share value established for the Fund. Investment Management Fees are deducted from the investment earnings in the Fund before the daily 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 page 5 of this Prospectus for investment management fee information for the Non-Retirement Equity Fund.

Reporting

The SBI will e-mail monthly reports and other correspondence to the contact person at the address provided to PERA at time of 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 55103-2088
TEL (651) 201-2648
FAX (651) 297-2547
Email: david.andrews@mnpera.org

SBI Contact Information:

Shirley Baribeau
Minnesota State Board of Investment
60 Empire Drive, Suite 355
St. Paul, MN 55103-3555
TEL (651) 296-3328
FAX (651) 296-9572
Email: shirley.baribeau@state.mn.us