

February 2, 2015

The Board of Trustees
Police Retirement System of St. Louis
2020 Market Street
St. Louis, MO 63103

Re: City Contribution to The Police Retirement System of St. Louis

Dear Board Members:

Cheiron has conducted the annual actuarial valuation of The Police Retirement System of St. Louis (the System) as of October 1, 2014. On the basis of that report, we find that the contribution to the System by the City of St. Louis for the System's plan year beginning October 1, 2014 and the City's 2016 fiscal year beginning July 1, 2015 is \$30,600,069. This compares to the contribution for the prior year of \$32,324,823.

This amount was determined based on October 1, 2014 census data provided by the System and the plan provisions, assumptions and methods described in our October 1, 2014 Actuarial Valuation Report. This calculation was based on the provisions of relevant statutes (Sections 86.200 to 86.366 of the Revised Statutes of Missouri, as amended through August 2011, inclusive). The assets are based on The Police Retirement System of St. Louis preliminary financial report for the year ended September 30, 2014 that was provided by Hochschild, Bloom & Company LLP.

The purpose of this letter is to present the annual contribution to the System by the City of St. Louis. This report is for the use of the System and its auditors in preparing financial reports in accordance with applicable law and accounting requirements.

In preparing our report, we relied on information (some oral and some written) supplied by the System. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

To the best of our knowledge, this report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this letter. This letter does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

This letter was prepared exclusively for The Police Retirement System of St. Louis for the purpose described herein. This letter is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.



The Board of Trustees

February 2, 2015

Page 2

Feel free to call Steve McElhaney at (703) 893-1456 ext. 1030 or Mike Noble at ext. 1209, should you have any questions.

Sincerely,

Cheiron



Stephen T. McElhaney, FSA, FCA, EA
Principal Consulting Actuary



Michael J. Noble, FSA, FCA, EA
Principal Consulting Actuary

cc: Stephen G. Olish, The Police Retirement System of St. Louis
Cheryl Donofrio, The Police Retirement System of St. Louis