



Executive Director
Steve Swanson

Comptroller
Jaime L. McCabe

Trustees
Edward L. Affolter - President
Brian Biggane - Vice President
Frank Hodorowicz - Secretary
Matthew Duggan
Cynthia Evangelisti
Steven J. Lux

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103rd ANNUAL REPORT of the PRESIDENT **YEAR ENDED DECEMBER 31, 2022**

To the participants of the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund:

It is my pleasure to present the President's 103rd Annual Report of the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund (the "Fund") for the year ended December 31, 2022.

We relocated the Fund's offices to 3500 South Morgan Street, Suite 400 on May 1, 2022, which reduced our 2023 rent expense by 45%. The Fund continues building a new pension administration system that will enhance Fund operations and allow participants access to important information via a web-based portal. A smart phone application became available in September of 2022. The Fund began a document digitization project to safekeep all of the Fund's records and to create easier access for participants and staff. A new auditor, Lauterbach and Amen, was chosen to review the Fund's finances to ensure the continued financial integrity of the Fund.

The Fund recently served in a leadership role in a case that is returning \$122.5 million to shareholders. The case concerned the merger between Viacom and CBS into the newly named company Paramount. The Fund had been a shareholder in Viacom at the time of the merger. The case alleged that Viacom shareholders were paid too little in the merger for their Viacom stock. The Fund served as a plaintiff in the case to help hold accountable the corporate insiders who were responsible for the terms of this merger. After nearly three years of hard-fought litigation, Paramount has agreed to pay an additional \$122.5 million to former Viacom shareholders, including our Fund, for the merger. This agreement is subject to Court approval.

The Fund's investment prospects in 2022 were challenging due to the overall market conditions. The Retirement Board, with the guidance of our Investment Consultant, remained steadfast in our convictions to our diversified investment strategy and our investment portfolio produced a -11% return for the year. Despite the negative investment climate, the Fund's 2022 investment performance was still in the top 15% of our peers per Investment Metrics ratings. The Fund's 10-year investment performance is still beyond the Fund's annual targeted rate of investment return of 7%. Most importantly, the Fund's need to sell assets to make benefit payments was greatly reduced in 2022 because of the larger employer contributions required by Public Act 102-0263.

Please see the following summarized information regarding the performance of the Fund in 2022. If you would like additional information regarding annual financial reports, actuarial reports, investment reports, or benefit information and forms, please visit us at www.chicagoparkpension.org.

Membership: The Fund experienced the following demographic changes in FY 2022.

<u>During the Year</u>	<u>2022</u>	<u>2021</u>
Number of new participants	451	112
Number of service retirements	142	124
Separations from service with refund	137	128
Deaths among the participants	13	10
Deaths among retired employees	151	149

Membership: The Fund experienced the following demographic changes in FY 2022 (Continued).

<u>At the End of the Year</u>	<u>2022</u>	<u>2021</u>
Number of participants	2,818	2,694
Retired employees	2,106	2,104
Widows and Widowers	631	639
Children Beneficiaries	8	9

Retirement Board Membership: The annual election for an employee representative to the Retirement Board was held on Friday, June 24, 2022. **Matthew Duggan** ran unopposed and was re-elected to a full term of four years expiring on June 30, 2026.

Financial Facts: The Fund's unaudited revenue sources during the year were \$12,669,679 from employee contributions, \$67,128,978 from employer contributions, and \$44,185,429 net loss from investments.

Total unaudited benefit payments, refunds, and administrative expenses during the year ended December 31, 2022, were \$84,805,003.

The Fund's unaudited net assets were \$365,493,430 as of December 31, 2022. The Fund's liabilities for benefits owed to participants exceed \$1 billion.

Investment Portfolio: The Fund's assets are allocated in the following manner to ensure investment portfolio diversification, and listed below is the historical performance of the Fund's investment portfolio.

<u>Asset Class</u>	<u>Allocation as of 12/31/2022</u>	<u>Target</u>
Growth Assets	52.3%	55.0%
Credit	6.7%	5.0%
Inflation Hedges	23.3%	22.0%
Risk Mitigating Strategies	17.6%	18.0%
TOTAL	<u>100.0%</u>	<u>100.0%</u>

Annualized Performance (Net of Fees) Ending December 31, 2022

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Total Fund	-11%	4%	4.5%	7.1%

On behalf of the Retirement Board,

Edward L. Affolter

Edward L. Affolter, President

Please note: This report is submitted prior to the receipt of the actuarial report and the completion of the annual audit of the accounting records by the Fund's Certified Public Accountant. The investment performance returns were provided by the Fund's Investment Consultant, Meketa Investment Group Inc.