



Executive Director
Steve Swanson

Comptroller
Jaime L. McCabe

Trustees
Edward L. Affolter - President
Matthew Duggan - Vice President
Frank Hodorowicz - Secretary
Brian Biggane
Joan Coogan
Cynthia Evangelisti

Park Employees' Annuity and Benefit Fund
3500 S. Morgan Street, Suite 400
Chicago, IL 60609
Ph. (312) 553-9265 Fax (312) 553-9114
Website: www.chicagoparkpension.org

105th ANNUAL REPORT of the PRESIDENT **YEAR ENDED DECEMBER 31, 2024**

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

It is my pleasure to present the President's 105th Annual Report of the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund (the "Fund") for the year ended December 31, 2024.

The Fund's investment prospects in 2024 were strong due to the Fund's asset allocation and improved 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 7.2% return for the year, which exceeds the Fund's actuarial assumed rate of return. The Fund achieved strong absolute returns in 2024, however the Fund's implementation of a more conservative investment posture, weighed on returns relative to peers over the one-year period. The Fund's 10-year investment performance of a 6.5% annualized return slightly trails the Fund's annual targeted rate of investment return of 7%.

The Board of Trustees continues to monitor the performance of the Fund's asset allocation and that of the Fund's Investment Managers with the assistance of the Fund's Investment Consultant, Meketa Investment Group. The Board of Trustees selected four new Investment Managers to meet the needs of the Fund's updated asset allocation. TimesSquare was selected to fill the US mid-cap growth equity allocation. LSV and William Blair were both selected to fill the emerging market equity allocation. PineStone was selected to fill the international equity allocation. The Board of Trustees has completed filling out the new asset allocation for the Fund that was approved in 2022 and has great confidence that the new asset allocation will provide enhanced retirement security to the Fund's participants.

Most importantly, the Fund's need to sell assets to make benefit payments was greatly reduced since 2021 because of the larger employer contributions required by Public Act 102-0263. The legally required employer contributions have grown from \$12.8 million in 2020 to \$59.6 million in 2024. Additionally, Public Act 102-0263 requires the Plan to be 100% funded by 2057.

Please see the following summarized information regarding the performance of the Fund in 2024. 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 2024.

<u>During the Year</u>	<u>2024</u>	<u>2023</u>
Number of new participants	570	559
Number of service retirements	104	127
Separations from service with refund	96	125
Deaths among the participants	13	7
Deaths among retired employees	128	136

Membership: The Fund experienced the following demographic changes in FY 2024 (Continued).

<u>At the End of the Year</u>	<u>2024</u>	<u>2023</u>
Number of participants	3,270	3,027
Retired employees	2,097	2,114
Widows and Widowers	606	614
Children Beneficiaries	2	3

Retirement Board Membership: The annual election for an employee representative to the Retirement Board was held on Friday, June 28, 2024. **Brian Biggane** was re-elected to a full term of four years expiring on June 30, 2028.

Financial Facts: The Fund's unaudited revenue sources during the year were \$16,467,717 from employee contributions, \$59,697,606 from employer contributions, and \$29,637,522 net gain from investments.

Total unaudited benefit payments, refunds, and administrative expenses during the year ended December 31, 2024, were \$88,042,720.

The Fund's unaudited net assets were \$417,383,521 as of December 31, 2024. 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.

	Allocation	
	as of	
<u>Asset Class</u>	<u>12/31/2024</u>	<u>Target</u>
Growth Assets	53.4%	55.0%
Credit	5.2%	5.0%
Inflation Hedges	24.2%	22.0%
Risk Mitigating Strategies	17.2%	18.0%
TOTAL	100.0%	100.0%

Annualized Performance (Net of Fees) Ending December 31, 2024

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Total Fund	7.2%	1.8%	5.9%	6.5%

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.