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106th ANNUAL REPORT of the PRESIDENT
YEAR ENDED DECEMBER 31, 2025

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

It is my pleasure to present the President's 106th Annual Report of the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund (the "Fund") for the year ended December 31, 2025.

The Fund's investment prospects in 2025 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 an 11.9% return for the year, which exceeds the Fund's actuarial assumed rate of return. The Fund achieved strong absolute returns in 2025; 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 7.5% annualized return exceeded 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, the Meketa Investment Group Inc. 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. The Board of Trustees was able to negotiate fee reductions from three investment managers in 2025.

Most importantly, the Fund's need to sell assets to make benefit payments has been greatly reduced since 2021 because of the larger employer contributions required by Public Act 102-0263. The legally required employer contributions to the Fund have grown from $12.8 million in 2020 to $59.7 million in 2025. Additionally, Public Act 102-0263 requires the Plan to be 100% funded by 2057.

The Fund began making the monthly annuity and benefit payments utilizing the Fund's new pension administration system. Additional functionality should be added to the system in 2026.

Please see the following summarized information regarding the performance of the Fund in 2025. 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 2025.

During the Year	**2025**	**2024**
Number of new participants	320	571
Number of service retirements	110	104
Separations from service with refund	90	96
Deaths among the participants	7	16
Deaths among retired employees	108	128

Membership: The Fund experienced the following demographic changes in FY 2025 (Continued).

At the End of the Year	2025	2024
Number of participants	3,251	3,270
Retired employees	2,125	2,097
Widows and Widowers	574	606
Children Beneficiaries	2	2

Retirement Board Membership: The annual election for an employee representative to the Retirement Board was held on Friday, June 27, 2025. **Edward Affolter** ran unopposed and was reelected to a full term of four years expiring on June 30, 2029.

Financial Facts: The Fund's unaudited revenue sources during the year were $17,585,720.64 from employee contributions, $59,679,376.00 from employer contributions, and $44,335,796.94 net gain from investments.

Total unaudited benefit payments, refunds, and administrative expenses during the year ended December 31, 2025, were $89,442,499.60.

The Fund's unaudited net assets were $450,165,647.50 as of December 31, 2025. 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.

Asset Class	Allocation as of 12/31/2025	Target
Growth Assets	55%	55.0%
Credit	5%	5.0%
Inflation Hedges	23%	22.0%
Risk Mitigating Strategies	17%	18.0%
TOTAL	100.0%	100.0%

Annualized Performance (Net of Fees) Ending December 31, 2025

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Total Fund	**11.9%**	**9.9%**	**6.3%**	**7.5%**

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, the Meketa Investment Group Inc.