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104th ANNUAL REPORT of the PRESIDENT **YEAR ENDED DECEMBER 31, 2023**

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

It is my pleasure to present the President's 104th Annual Report of the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund (the "Fund") for the year ended December 31, 2023.

The Fund's investment prospects in 2023 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 10.8% return for the year. The Fund achieved strong absolute returns in 2023, 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 5-year investment performance of a 7.9% annualized return continues to exceed 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. The Board of Trustees selected four new Investment Managers to meet the needs of the Fund's updated asset allocation. BH-DG was selected to fill the Risk Mitigating Strategy Hedge Fund allocation. PIMCO was selected to fill the Private Credit allocation. Garcia Hamilton & Associates was selected to fill the Short-term TIPS, Investment Grade Bonds, and the Long-term Government Bonds allocations. Loop Capital Asset Management was selected to fill the Investment Grade Bonds and the Short-term Investment Grade Bonds allocations.

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. Additionally, the Park District made supplemental contributions in excess of the legally required employer contribution to the Fund in the amount of \$13.5 million, further reducing the necessity of the sale of Fund assets to pay benefits. 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 2023. 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 2023.

<u>During the Year</u>	<u>2023</u>	<u>2022</u>
Number of new participants	559	451
Number of service retirements	127	142
Separations from service with refund	125	137
Deaths among the participants	7	13
Deaths among retired employees	136	148

Membership: The Fund experienced the following demographic changes in FY 2023 (Continued).

<u>At the End of the Year</u>	<u>2023</u>	<u>2022</u>
Number of participants	3,027	2,818
Retired employees	2,114	2,104
Widows and Widowers	614	639
Children Beneficiaries	3	9

Retirement Board Membership: The annual election for an employee representative to the Retirement Board was held on Friday, June 23, 2023. **Frank Hodorowicz** ran unopposed and was re-elected to a full term of four years expiring on June 30, 2027.

Financial Facts: The Fund's unaudited revenue sources during the year were \$13,805,020 from employee contributions, \$70,400,548 from employer contributions, and \$32,334,420 net gain from investments.

Total unaudited benefit payments, refunds, and administrative expenses during the year ended December 31, 2023, were \$87,173,224.

The Fund's unaudited net assets were \$399,488,281 as of December 31, 2023. 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 12/31/2023</u>	<u>Target</u>
Growth Assets	52.6%	55.0%
Credit	6.5%	5.0%
Inflation Hedges	20.9%	22.0%
Risk Mitigating Strategies	20.0%	18.0%
TOTAL	<u>100.0%</u>	<u>100.0%</u>

Annualized Performance (Net of Fees) Ending December 31, 2023

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Total Fund	10.8%	4.2%	7.9%	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.