# City of Cincinnati Retirement System
# Board of Trustees Meeting

## Agenda

**November 5, 2026 / 2:00 P.M.**
**City Hall, Council Chambers and via Zoom**

**Members**
Bill Moller, Chair
Tom Gamel, Vice Chair
David Rager
Mark Menkhaus, Jr.
Monica Morton
Aliya Riddle
Sonya Morris
Tom West
Mia Rivolta

**CRS Staff**
Jon Salstrom

**Law**
Maxwell Smith

**Call to Order**

**Public Comment**

**Approval of Minutes**
- October 1, 2026 (2-4)

**Report on Investment Committee**

**Informational – Staff Report**
- Marquette Investment Report (5-7)
- Investment Manager Contracts
- Update on Stabilization Fund - Waterfall (8-9)
- Staff Update
- Open enrollment update

**Old Business**
- 2026 PAFR Final (10-25)

**New Business**
- CY 2027 CRS Budget Presentation (26-39)

**Adjournment**

**Next Meeting:** Thursday, December 3, 2026, 2:00 P.M. City Hall Council Chambers and via Zoom

# City of Cincinnati Retirement System
# Board of Trustees Meeting

## Minutes

**October 1, 2026 / 2:00 P.M.**
**City Hall, Council Chambers and via Zoom**

**Members**
Bill Moller, Chair
Tom Gamel, Vice Chair
David Rager
Mark Menkhaus, Jr.
Monica Morton
Aliya Riddle
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Tom West
Mia Rivolta

**CRS Staff**
Jon Salstrom

**Law**
Maxwell Smith

### Call to Order
Chair Bill Moller called the meeting to order at 2:00 p.m. All trustees were present.

### Public Comment
Rosalind Holmes addressed the Board regarding the legal effect of her 2019 contribution withdrawal and the availability of an administrative process to challenge that determination and seek disability retirement review. She requested clarification regarding whether an administrative remedy exists and whether the Board had delegated authority to staff or the Law Department to make threshold determinations. The Law Department stated that it had been in regular correspondence with Ms. Holmes and did not believe the Board had jurisdiction in the matter. Chair Moller indicated the issue was new to the Board and requested a written explanation for Board review. Trustee Rager asked whether litigation had been filed, and the Law Department responded that none had been filed. Chair Moller thanked Ms. Holmes for her comments and stated the Board would seek additional information from Administration and the Law Department.

### Approval of Minutes
A motion to approve the September 9, 2026 Board meeting minutes was made by Trustee Rager and seconded by Trustee Menkhaus. The motion passed by unanimous roll call vote.

### Report on Governance Committee
Trustee Menkhaus reported that the Governance Committee considered an amendment to the Governance Manual that would allow the Chair, in consultation with the Executive Director, to

cancel Board meetings when appropriate rather than requiring a meeting every month. The committee approved the recommendation. Chair Moller noted no second was required because the motion came from committee. The motion was approved unanimously by roll call vote.

**Informational – Staff Report**

**Marquette Investment Report (5-7)**

Chair Moller reviewed investment performance through July 31, 2026 and noted performance remained generally favorable relative to benchmarks. Director Salstrom reported that August performance increased year-to-date returns to 8.4%, exceeding both benchmark expectations and the actuarial return assumption. He also provided updates regarding Peakview and Accolade investments and anticipated recommendations for private credit and private equity allocations at a future Investment Committee meeting.

**Investment Manager Contracts**

Director Salstrom anticipates finalizing the Peakview contract within the next month and has begun work on Accolade-related documentation.

**Staff Update**

Director Salstrom reported that the Investment Analyst position had been posted on several industry job boards, including NCPERS, 100 Women in Finance, and CAPA Allocators, and would remain posted for 30 days.

**Open enrollment update**

Director Salstrom reported that open enrollment was approaching and that no changes to premiums or coverage were anticipated.

**Update regarding CRS Annual Presentation to Council**

Director Salstrom reported that he and Chair Moller were scheduled to present to the City Budget and Finance Committee on October 12, 2026.

**2026 PAFR**

Chair Moller reported that the 2025 Popular Annual Financial Report had been reviewed by the Governance Committee and that minor revisions would be incorporated before returning to the Board for approval.

**Presentation - A resilient portfolio is designed for more efficient compounding**

Director Salstrom delivered a detailed presentation regarding the design of a resilient investment portfolio. The presentation focused on maintaining liquidity for monthly benefit payments, reducing the need to sell assets during market downturns, preserving long-term compounding interest, diversifying return streams through private credit, hedge funds, infrastructure, and other strategies, and managing liquidity risk through strategic asset allocation. Hypothetical examples were used to demonstrate the impact of market drawdowns, benefit payments, and capital calls on portfolio performance. The presentation also highlighted the value of diversification across managers, strategies, and vintage years. Chair Moller noted that periods of stress for the retirement system have historically occurred when investment underperformance coincided with an inability to meet actuarially determined contribution requirements.

**Old Business**
There was no Old Business.

**New Business**
There was no New Business.

**Adjournment**
A motion to adjourn was made by Vice Chair Gamel and seconded by Trustee Menkhaus. The motion passed by unanimous roll call vote. The meeting adjourned at 2:23 p.m.

**Meeting Video Link:** https://archive.org/details/crs-board-10-1-26

**Next Meeting:** Thursday, November 5, 2026, 2:00 P.M. City Hall Council Chambers and via Zoom

_____
Secretary

MarquetteAssociates




# Cincinnati Retirement

## Monthly Report

Executive Summary
September 30, 2026

# Total Fund Composite

Monthly Report

As of September 30, 2026

| | Market Value | % of Portfolio | Policy % | Target Allocation | Difference |
|---|---|---|---|---|---|
| Fixed Income Composite | 607,436,908 | 22.9 | 22.5 | 597,063,686 | 10,373,221 |
| Private Debt Composite | 178,953,623 | 6.7 | 8.0 | 212,289,311 | -33,335,688 |
| U.S. Equity Composite | 630,051,145 | 23.7 | 24.0 | 636,867,932 | -6,816,787 |
| Non-U.S. Equity Composite | 383,432,282 | 14.4 | 15.0 | 398,042,458 | -14,610,176 |
| Hedge Fund Composite | 125,387,284 | 4.7 | 4.0 | 106,144,655 | 19,242,628 |
| Real Estate Composite | 159,133,272 | 6.0 | 6.0 | 159,216,983 | -83,711 |
| Infrastructure Composite | 221,063,487 | 8.3 | 7.0 | 185,753,147 | 35,310,340 |
| Private Equity Composite | 305,768,796 | 11.5 | 13.5 | 358,238,212 | -52,469,416 |
| Total Fund Composite | 2,653,616,384 | 100.0 | 100.0 | 2,653,616,384 | |

| | Last Month |
|---|---|
| **Total Fund Composite** | |
| Beginning Market Value | 2,695,453,200 |
| Net Cash Flow | -13,542,449 |
| Gain/Loss | -28,294,367 |
| Ending Market Value | 2,653,616,384 |

| | 1 Mo | 3 Mo | YTD | 1 Yr | 2 Yrs | 3 Yrs | 5 Yrs | 7 Yrs | 10 Yrs | SI | Inception Date |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total Fund Composite** | **-1.1** | **-0.1** | **7.3** | **9.8** | **10.4** | **12.7** | **7.3** | **9.3** | **8.7** | **8.9** | **Jun 85** |
| Target Benchmark | -1.1 | 0.0 | 6.5 | 9.2 | 9.9 | 12.5 | 6.7 | 9.1 | 8.7 | - | |
| Actuarial Rate 7.5% | 0.6 | 1.8 | 5.6 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | |
| **Fixed Income Composite** | **-2.5** | **-3.3** | **-2.0** | **-0.8** | **1.6** | **5.0** | **0.4** | **1.9** | **2.6** | **4.9** | **Dec 95** |
| Blmbg. U.S. Aggregate Index | -2.6 | -3.5 | -2.9 | -1.8 | 0.5 | 4.1 | -0.6 | 0.4 | 1.1 | 4.0 | |
| **Opportunistic Credit Composite** | **-1.0** | **-1.3** | **1.2** | **2.3** | **5.3** | **7.5** | **4.4** | **5.9** | **6.0** | **6.4** | **Dec 11** |
| 50% Bloomberg HY / 50% S&P Leveraged Loan | -1.1 | 0.1 | 1.8 | 3.0 | 5.1 | 7.6 | 4.9 | 5.2 | 5.2 | - | |
| **Private Debt Composite** | **0.0** | **0.0** | **3.6** | **5.3** | **6.5** | **7.9** | **6.6** | **-** | **-** | **5.6** | **Oct 20** |
| MSCI Private Capital Global Private Debt | 0.0 | 0.0 | 2.6 | 4.3 | 6.4 | 7.6 | 7.4 | 8.3 | 8.1 | 9.4 | |
| **U.S. Equity Composite** | **-0.8** | **1.4** | **12.4** | **15.6** | **15.9** | **21.6** | **12.2** | **14.6** | **13.4** | **10.1** | **Mar 89** |
| Russell 3000 Index | -0.8 | 1.4 | 12.4 | 15.1 | 16.3 | 22.3 | 12.6 | 15.5 | 14.7 | 11.2 | |
| **Non-U.S. Equity Composite** | **-2.3** | **0.6** | **14.5** | **19.5** | **18.2** | **20.4** | **9.7** | **10.6** | **8.7** | **6.8** | **Jun 93** |
| MSCI AC World ex USA (Net) | -2.4 | 0.5 | 14.2 | 20.0 | 18.2 | 20.5 | 9.6 | 10.5 | 9.2 | - | |
| **Hedge Fund Composite** | **0.6** | **3.6** | **9.1** | **13.4** | **11.7** | **12.9** | **-** | **-** | **-** | **8.6** | **Feb 22** |
| HFRI Fund Weighted Composite Index | -0.9 | -0.5 | 6.9 | 9.7 | 10.4 | 11.2 | 6.5 | 8.3 | 6.9 | 7.4 | |
| **Real Estate Composite** | **0.6** | **1.2** | **4.0** | **4.4** | **4.4** | **0.8** | **1.9** | **3.8** | **4.7** | **4.8** | **Sep 07** |
| NFI-ODCE | 0.5 | 1.5 | 3.9 | 4.6 | 3.9 | -0.3 | 0.9 | 2.6 | 3.7 | 3.8 | |
| NCREIF Property Index | 1.4 | 1.4 | 3.8 | 5.0 | 4.8 | 2.0 | 2.4 | 3.7 | 4.6 | 5.5 | |
| **Infrastructure Composite** | **0.5** | **0.5** | **5.3** | **8.1** | **8.8** | **8.7** | **8.7** | **9.0** | **7.6** | **8.5** | **Sep 08** |
| 3 Month T-Bill +4% | 0.6 | 1.9 | 5.7 | 7.8 | 8.2 | 8.7 | 7.8 | 6.9 | 6.5 | 5.5 | |
| **Private Equity Composite** | **0.0** | **0.0** | **11.0** | **12.4** | **11.0** | **10.2** | **7.9** | **13.2** | **13.2** | **9.0** | **Aug 93** |
| MSCI Private Capital Global All Private Equity | 0.0 | 0.0 | 6.3 | 9.8 | 10.1 | 9.4 | 5.5 | 13.6 | 14.1 | 14.9 | |

MarquetteAssociates

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city of CINCINNATI
Interdepartment Correspondence Sheet

**October 14, 2026**

**To:** Mayor and Members of City Council 202602876

**From:** Sheryl M. M. Long, City Manager

**Subject:** **Emergency Ordinance – FY 2026 Carryover to FY 2027 – Recommended Transfers and Appropriations**

Attached is an Emergency Ordinance captioned:

**AUTHORIZING** the transfer of $2,914,217 from the unappropriated surplus of General Fund 050 to balance sheet reserve account no. 050x2580, "Reserve for Weather Events, Other Emergency and One-Time Needs," to provide resources for emergencies, including those caused by unplanned for weather events, to increase the City's reserve for weather events and other emergency and one-time needs; **AUTHORIZING** the transfer and appropriation of $5,000,000 from the unappropriated surplus of General Fund 050 to Department of Opportunity and Resident Services non-personnel operating budget account no. 050x161x7200 to provide resources for the Cincinnati Development Fund to use for affordable housing initiatives; **AUTHORIZING** the transfer and appropriation of $2,000,000 from the unappropriated surplus of General Fund 050 to City Manager's Office fringe benefits operating budget account no. 050x101x7500 to provide a one-time contribution to address the City's pension obligation to the Cincinnati Retirement System; **AUTHORIZING** the transfer of $500,000 from the unappropriated surplus of General Fund 050 to balance sheet reserve account no. 050x2535, "Reserve for Operating Budget Contingencies," to provide resources for subsequent appropriation for one-time operating needs that may arise during the remainder of the current fiscal year; **AUTHORIZING** the transfer of $500,000 from the unappropriated surplus of General Fund 050 to balance sheet reserve account no. 050x2581, "Reserve for Special Events Support," to provide resources for subsequent appropriation for identified one-time support for special events during the current fiscal year or as part of the next annual budget cycle; **AUTHORIZING** the transfer of $1,540,603 from the unappropriated surplus of General Fund 050 to balance sheet reserve account no. 050x3440, "Infrastructure and Capital Project Reserve," to provide resources for subsequent appropriation for identified one-time infrastructure and capital projects during the current fiscal year or as part of the next annual budget cycle; and **AUTHORIZING** the transfer of $1,540,603 from the unappropriated surplus of General Fund 050 to balance sheet reserve account no. 050x2582, "Housing and Economic Development Capital Project Reserve," to provide resources for subsequent appropriation for identified one-time infrastructure and capital projects supporting housing and economic development during the current fiscal year or as part of the next annual budget cycle.

.

This Emergency Ordinance would authorize the various transfers and appropriations as recommended in the FY 2026 Carryover to FY 2027 Report (Item #202602857) which includes the following transfers and appropriations:

**Application of FY 2026 Carryover Balance**

| | | |
|---|---|---|
| **Cash Basis Carryover Balance FY 2026** | | $ 23,153,534 |
| **Uses of Carryover Balance** | | |
| **Application of Stabilization Funds Policy:** | | |
| Less General Fund Carryover Balance (1.5% of operating revenue ) | | $ 9,158,112 |
| Less Transfers to Reserve Accounts: | | |
| General Fund Contingency Account (2.30% of operating revenue) | $ 2,914,217 | |
| Economic Downturn Reserve (5% of operating revenue) | $ - | |
| Working Capital Reserve (8.2% of operating revenue) | $ - | |
| Total Reserve Transfer from Stabilization Funds Policy | | $ 2,914,217 |
| **Carryover Balance Less Total Applied to Stabilization Funds Policy** | | $ 11,081,206 |
| **Less Modified Waterfall Uses:** | | |
| CRS Pension Contribution | | $ 2,000,000 |
| Affordable Housing Trust Fund | | $ 5,000,000 |
| Special Events Support Account | | $ 500,000 |
| Operating Contingencies Account | | $ 500,000 |
| **Balance Available** | | $ 3,081,206 |
| **Less One-Time Uses:** | | |
| Housing and Economic Development Capital Project Reserve | | $ 1,540,603 |
| Infrastructure and Capital Project Reserve | | $ 1,540,603 |
| **Balance Available** | | $ - |

Additional information regarding the overview of the City of Cincinnati's financial condition for the fiscal year (FY) ending June 30, 2026, can be found in the Department of Finance Report for the Fiscal Year Ended June 30, 2026 (unaudited) (Item #202602858).

The reason for the emergency is the immediate need to implement the Stabilization Funds Policy prudently and provide appropriations for necessary expenditures described in this ordinance as soon as possible.

cc: William "Billy" Weber, Assistant City Manager
Andrew Dudas, Budget Director
Steve Webb, Finance Director

Attachments

city of
CINCINNATI
RETIREMENT



# POPULAR ANNUAL FINANCIAL REPORT (PAFR)

For the Fiscal Year Ending June 30, 2025

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## ABOUT THIS REPORT

*The Popular Annual Financial Report (PAFR) includes condensed and simplified information from the 2024 City of Cincinnati Annual Comprehensive Financial Report, which is prepared in accordance with generally accepted accounting principles in the United States of America. Financial information is designed to be easy-to-understand language. The City of Cincinnati ACFR is audited annually by an independent auditing firm, and the results are confirmed by the State of Ohio. The City of Cincinnati Retirement System is a unit of the City of Cincinnati ACFR.*

# A MESSAGE FROM THE DIRECTOR

## Executive Summary

I am proud to present this Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2025. This report is designed to provide a clear and concise summary of the System's financial health, investment performance, membership statistics, and key operational highlights. It is derived from the more detailed Annual Comprehensive Financial Report (ACFR), which is prepared in accordance with generally accepted accounting principles and available on the CRS website.

## Helping Our Members Retire with Confidence

The Cincinnati Retirement System (CRS) is proud to serve the City of Cincinnati by providing secure retirement and healthcare benefits to eligible employees and retirees. Since 1931, CRS has helped thousands of public servants transition into retirement with financial stability and peace of mind. CRS is a defined benefit plan, meaning members receive guaranteed lifetime monthly payments based on their years of service and salary.

## Membership Overview

CRS serves a diverse group of over 8,000 plus active employees, retirees, and beneficiaries. Member services include retirement counseling, DROP administration, retiree healthcare coordination, and ongoing communication and education efforts. The system continues to prioritize service delivery improvements, including launching the MemberDirect portal for retirees and publishing updated member and retiree handbooks.

## 2025 Financial Highlights

- **Fiduciary Net Position:** Increased to **$2.4 billion**, a $96 million gain over FY2024, driven by strong investment performance.
- **Investment Return: 10.4%** for the fiscal year.

## Funding Status

- **Pension Funded Ratio:** 67.20%
- **City Contributions:** Increased to 17.75% of payroll
- **Healthcare Trust:** Fully funded as of 2025 at 165% with a formal funding policy adopted and approved by federal court.

## Investment Strategy

CRS follows a disciplined long-term investment strategy that emphasizes diversification, prudent risk management, and cost efficiency. The System employs both active and passive strategies, targeting a 7.5% long-term return. Over the five years ending June 30, 2025, the total fund earned an annualized return of **9.8%**.

## Looking Ahead

The CRS Board and staff continue to focus on strengthening governance, improving member experience, and achieving long-term funding goals. Following an independent fiduciary audit, CRS has implemented over 90% of recommended improvements, reinforcing our commitment to transparency and excellence in plan administration.

We thank our members, retirees, and stakeholders for their continued trust and support. CRS remains committed to its mission: helping members retire with dignity and confidence.

Sincerely,



Jon Salstrom
*Executive Director*

# OVERVIEW AND PLAN SUMMARY




The Cincinnati Retirement System (CRS) is a Defined Benefit Plan, sponsored by the City of Cincinnati as a 401(a) Plan under the United States Internal Revenue Code and qualifies as a Social Security replacement plan. As a government retirement plan, the CRS is a qualified plan for tax purposes and is exempt from the provisions of Employee Retirement Income Security Act (ERISA). The CRS is established by Chapter 203 of the Cincinnati Municipal Code and is a qualified governmental plan (401A) for tax purposes pursuant to 26 USC § 414(d).

Available pension benefits are determined exclusively by the member's service credit years, plan multiplier, and average highest compensation. The CRS was established by Ordinance #412 1931 adopted by City Council on June 24, 1931, and became effective on August 1, 1931. It was the first retirement plan for general City employees in the State of Ohio. The creation of CRS predates the establishment of the Ohio Public Employees Retirement System (OPERS) and the Social Security System in 1935.

**Our Mission:** ***Help members retire successfully***

- Assure promised pension and healthcare benefits for current and future retirees
- Assist and support CRS members in achieving a successful retirement
- Assure CRS transparency and accessibility for all stakeholders

**Established in 1931;**

- Public employees in OH do not participate in Social Security
- CRS members can be eligible for Social Security through another employer

## Administration & Governance

The Cincinnati Retirement System (CRS) is administered by the **Retirement Division** of the **City Manager's Office (CMO)**. The Division is managed by the **Executive Director**, who is appointed by the City Manager upon the recommendation of the CRS Board of Trustees. The staff of the Retirement Division report directly to the Executive Director.

The **CRS Board of Trustees** is composed of **nine members**:

- **3 Retired Members** – Elected by pensioners
- **2 Active Members** – Elected by current employees
- **4 Appointed Members** – Appointed by the Mayor of Cincinnati

**CRS Board of Trustees Mission Statement**

- Provide promised pension and healthcare benefits (where eligible) for current and future retirees
- Assist and support CRS members in achieving a successful retirement
- Assure CRS transparency and accessibility for all stakeholders

## Understanding Defined Benefit Plans

The Cincinnati Retirement System is a **defined benefit (DB) plan**, which provides eligible employees with a guaranteed monthly retirement benefit for life.

**Key Features**:

- Employees and the City of Cincinnati both contribute to the Retirement System.
- Contributions are professionally managed and invested.
- Retirement benefits are calculated using a formula based on:
  - Average highest compensation
  - Years of service credit
  - Pension multiplier
- If you are vested and leave City employment before meeting retirement eligibility, you may:
  - Be eligible for a deferred benefit payable at retirement age, ***or***
  - Receive a lump sum refund of your contributions.
- CRS offers several pension payment options and additional benefits, described in detail in the full member guide.

## How CRS is Funded

CRS benefits are funded from **three main sources**:

**1) Employee Contributions**

- Employees contribute **9%** of pensionable earnings via pre tax payroll deductions.

**2) City Contributions**

- The City of Cincinnati contributes **at least 16.25%** of payroll based on The Collaborative Settlement Agreement (CSA)

**3) Investment Returns**

- Managed by the CRS Board of Trustees and professional investment staff.

These combined resources are used to pay retirement benefits and administrative expenses.

**The Board and CRS staff are committed to transparency, fiduciary integrity, and the financial security of its members.**



See www.cincinnati-oh.gov/retirement/ for more information.

# MEMBERSHIP AND DEMOGRAPHICS

## Eligibility

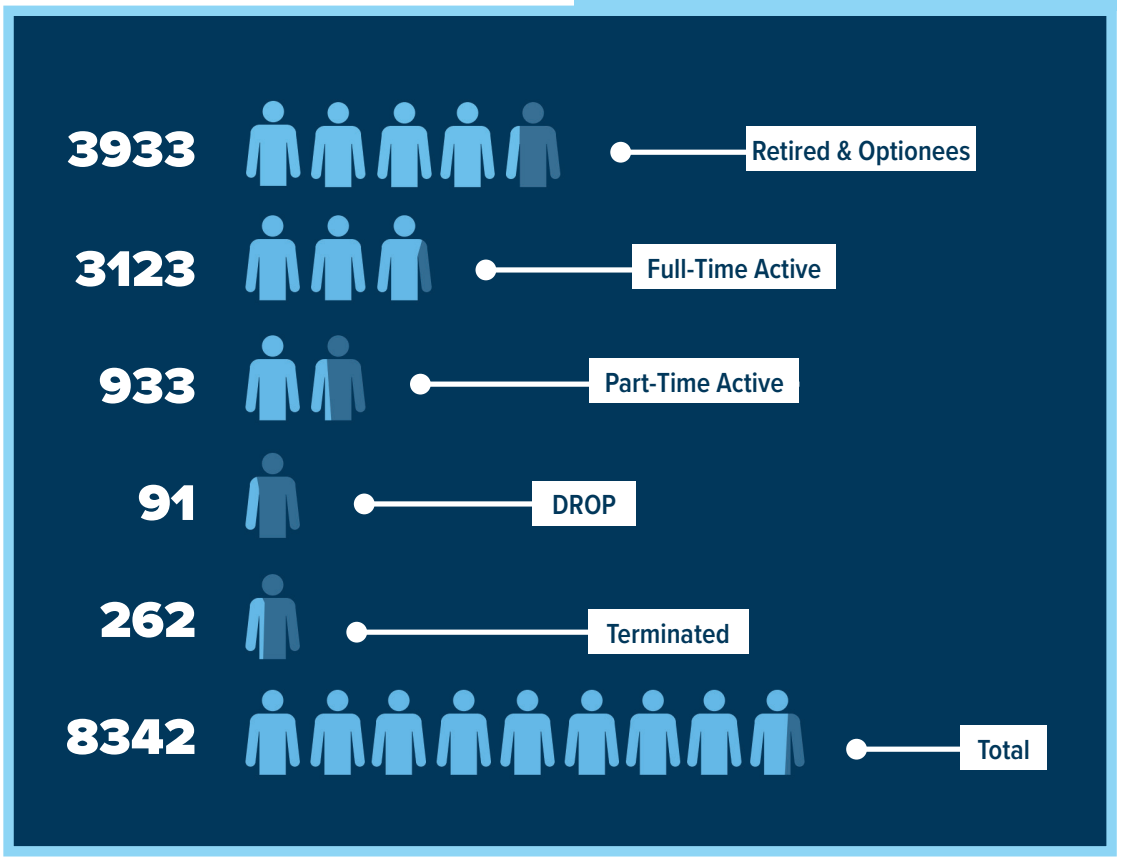
CRS covers **eligible City of Cincinnati employees**, excluding:

- Sworn Police and Fire personnel (covered by OP&F)
- Members of other Ohio retirement systems (e.g., OPERS)
- Elected Officials

## CRS Membership Includes:

- Active Employees
- Deferred Vested Members
- Retirees and Beneficiaries (Optionees)

### CRS FY2025 DEMOGRAPHICS




## Member Benefits and Services

**Core Benefits:**

- Monthly Pension Benefits
- Retiree Healthcare (where eligible)
- Deferred Retirement Option Plan (DROP)

**Administrative Services Provided:**

- Pension payroll administration
- Enrollment of new members
- Return of contributions processing
- Death benefit administration
- 457(b) Plan employer services administration
- Retiree healthcare processing and Medicare transition support
- Service purchase processing
- Survivor Benefits administration
- DROP administration and account distributions
- Member education and customer service

# FINANCIAL SUMMARY



## Assets and Liabilities

This table shows our assets and liabilities for the years ended June 30, 2023, 2024, and 2025. The fiduciary net position reflects the funds available at the end of the year to pay CRS Pension Benefits to our retired members or their beneficiaries, as well as health care insurance premium reduction payments for current and future retirees. The increase in fiduciary net position was primarily driven by strong investment returns and higher contributions resulting from the City's growing payroll. As of June 30, 2025, the fiduciary net position stood at $2.4 billion.

*During 2025, the value of our assets increased by $86 million, largely due to an increase in the fair value of investments compared to their value at June 30, 2024.*

| | 6/30/2023 | 6/30/2024 | 6/30/2025 |
|---|---|---|---|
| **Assets** (in thousands) | | | |
| Cash and Cash Equivalents, Receivables | $ 50,463 | $ 56,998 | $ 51,876 |
| Investments at fair value: | 2,237,686 | 2,306,422 | 2,394,528 |
| Collateral on Loaned Securities | 18,499 | 21,619 | 25,177 |
| **Total Assets** | **2,306,648** | **2,385,039** | **2,471,581** |
| **Liabilities** | | | |
| Accounts Payable | 55,230 | 59,520 | 46,695 |
| Obligations Under Securities Lending | 18,499 | 21,619 | 25,177 |
| **Total Liabilities** | **73,729** | **81,139** | **71,872** |
| **Fiduciary Net Position restricted for benefits** | **$ 2,232,919** | **$ 2,303,900** | **$ 2,399,709** |

## Income and Expenses

This table summarizes our income (additions) and expenses (deductions) for the fiscal years ended June 30, 2023, 2024, and 2025. In 2025, total additions from contributions and investment returns reached $319 million. Total deductions were approximately $223 million, with $219 million paid in retirement benefits including monthly CRS pension payments, health insurance premium reduction payments, death benefits, and DROP distributions to retirees and their beneficiaries.

Investment returns vary year to year; some years yield gains, while others may result in neutral or negative performance. In weaker years, we absorb the loss. As long-term investors, we focus on preserving and growing assets by minimizing costs, managing expenses, and pursuing long-term strategies to address funding challenges.

Our largest expense remains the payment of monthly CRS pension and health benefits to retirees and beneficiaries. Investment expenses, which are netted against earnings, totaled approximately $10 million in 2025. Administrative expenses cover essential operations including staffing, professional services, IT, depreciation, and building costs. Combined, investment and administrative expenses represented less than 1% of CRS's assets under management.

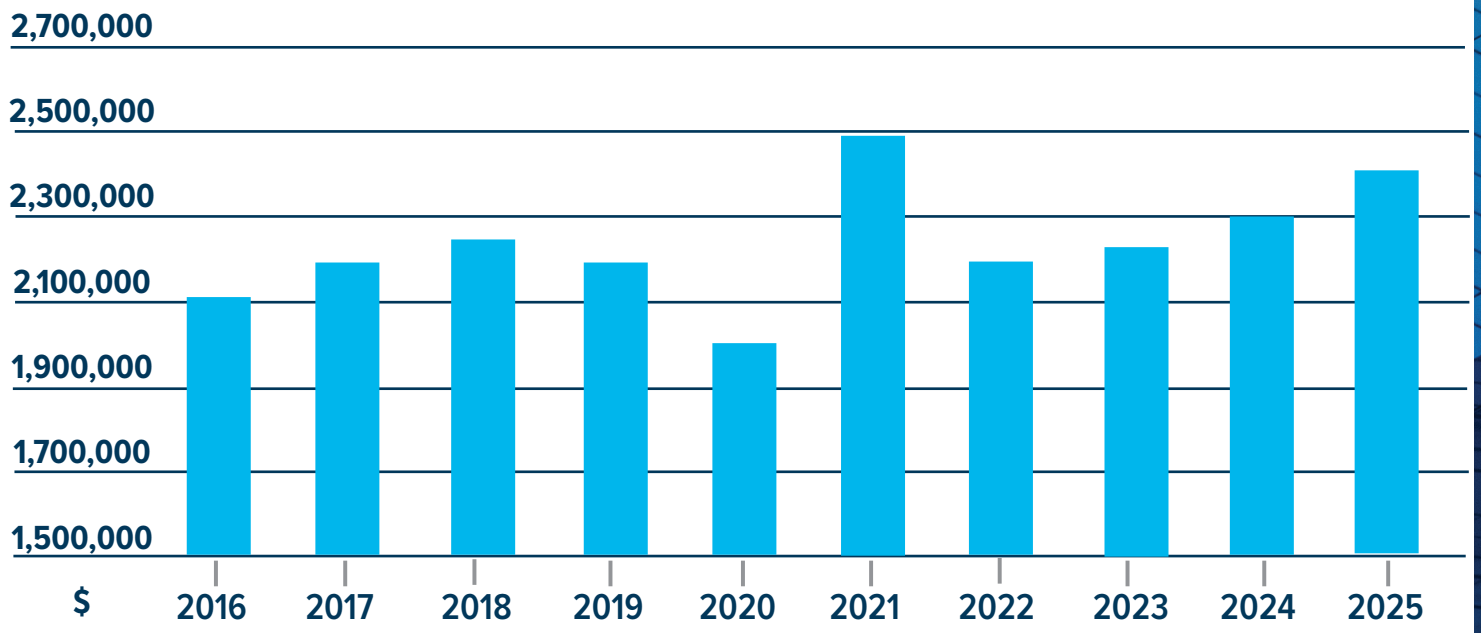
In 2025, net investment earnings increased by $15 million compared to 2024, driven by favorable market conditions. Benefits paid remain approximately same as in 2024.

| | 6/30/2023 | 6/30/2024 | 6/30/2025 |
|---|---|---|---|
| **Additions** (in thousands) | | | |
| Member Contribution | $ 21,963 | $ 23,543 | $ 26,068 |
| Employer Contribution | 42,963 | 47,353 | 54,001 |
| Transfer From Other Retirement System | 0 | 0 | 0 |
| **Investment Income** | | | |
| Net Appreciation (Depreciation) in Fair Value of Investments | 160,458 | 223,338 | 241,270 |
| Earnings on Investment | 10,515 | 10,327 | 8,187 |
| Less Investment Expense | (7,550) | (9,206) | (10,031) |
| Net Income (Loss) From Securities Lending | (121) | (182) | (134) |
| **Total Additions** | 0 | 0 | 234 |
| | **228,228** | 295,173 | 319,595 |
| **Deductions** | | | |
| Member Benefits and Refunds | 218,423 | 221,483 | 221,061 |
| Administrative Expenses | 2,424 | 2,709 | 2,725 |
| **Total Deductions** | **220,847** | **224,192** | **223,786** |
| **Fiduciary Net Position Restricted for Benefits** | **$ 2,232,919** | **$ 2,303,900** | **$ 2,399,709** |

# 10 Year Snapshot

Our Fiduciary net position represents assets available to pay pension benefits. The fund was $2.4 billion at the end of fiscal year June 30, 2025. Most asset classes performed significantly better in 2025 than 2024.

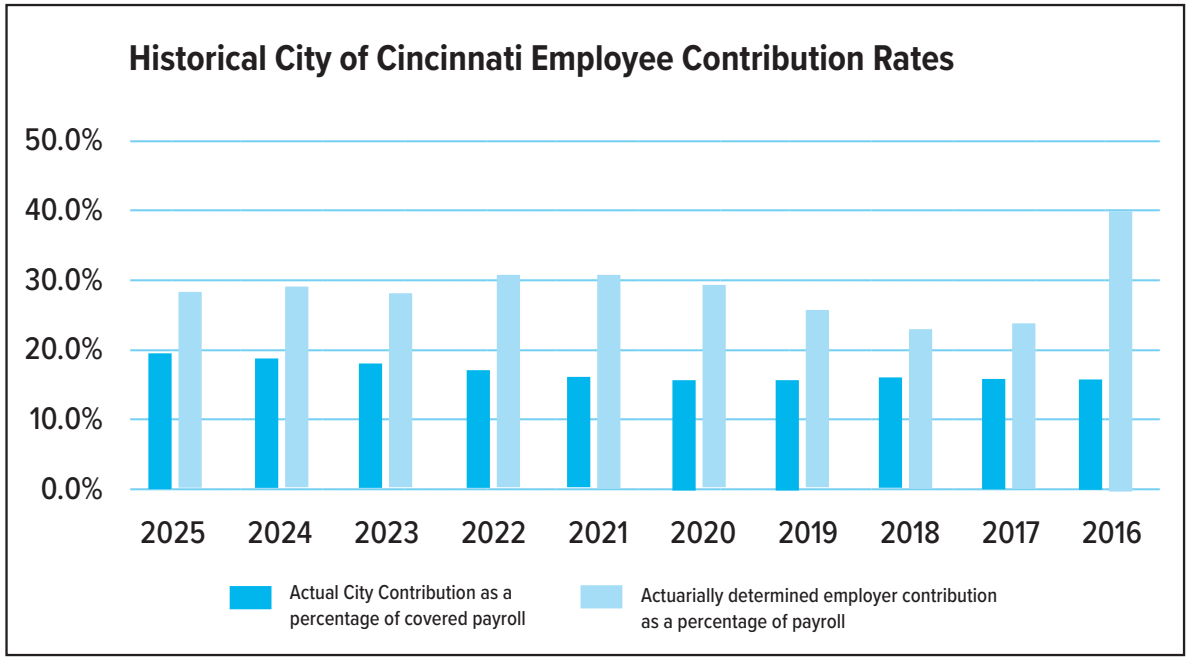
## Net Position Value of Assets



# FUNDING PROGRESS

## Historical Contribution rates from Employer and Employee

| Contribution Rates as of June, 30 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|---|---|
| Actuarially determined employer contribution | 77,940 | 75,831 | 68,354 | 70,017 | 67,309 | 63,405 | 52,709 |
| Total Actual Employer Contributions | 54,001 | 47,353 | 42,963 | 38,774 | 34,425 | 34,410 | 33.763 |
| Annual Contribution Deficiency / (excess) | 23,939 | 28,478 | 25,391 | 31,243 | 32,884 | 28,995 | 18,946 |
| Covered Payroll | 277,684 | 260,209 | 242,989 | 226,762 | 218,178 | 218,451 | 215,683 |
| Actual City Contribution as a Percentage of Covered Payroll | 19.5% | 18.2% | 17.7% | 17.1% | 15.8% | 15.8% | 15.7% |
| Actuarially Determined Employer Contribution as a Percentage of Payroll | 28.1% | 29.1% | 28.1% | 30.9% | 30.9% | 29.0% | 24.4% |




## Current & Historical Funding Status *

| Year | Pension | OPEB |
|---|---|---|
| 2025 | 67.2% | 163.0% |
| 2024 | 65.6% | 142.1% |
| 2023 | 51.4% | 146.0% |
| 2022 | 52.8% | 142.6% |
| 2021 | 75.6% | 142.2% |
| 2020 | 41.3% | 120.5% |
| 2019 | 57.9% | 74.7% |
| 2018 | 74.7% | 86.8% |
| 2017 | 76.9% | 95.4% |
| 2016 | 74.5% | 0.0%** |
| 2015 | 52.0% | 0.0%** |

**Refer to "Understanding Valuation and Funded Ratio Differences" on page 14 for detailed information.*

***OPEB included in Pension trust prior to 2017*



## Healthcare Trust

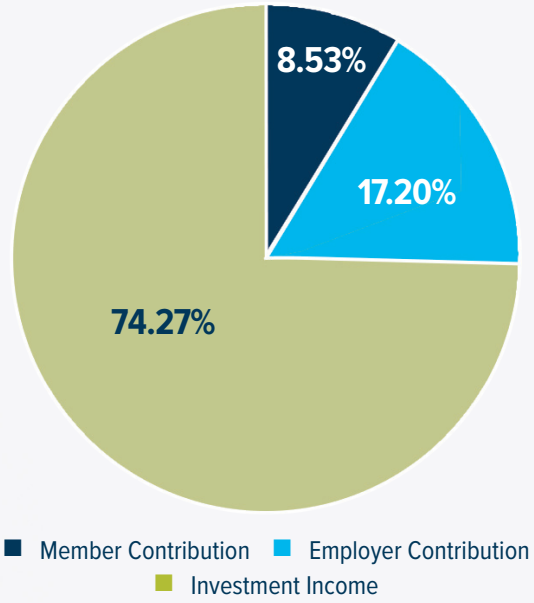
- **Status:** Fully funded
- **Funding Policy Adopted:** 2023 (approved by federal court in 2024)
- **Trigger Level:** Contributions increase if funded ratio falls below 90%

**Where does funding come from (last 3-year average from "additions" table at right):**

- **Investment returns – 74.27%**
- **Employer contributions – 17.20%**
- **Employee contributions – 8.53%**



### Funding Source 3yr Average




## Pension Trust

- **Goal:** 100% funded by 2045
- **Current Funded Ratio:** 67.2%
- **City Contributions in CY2025:** 17.75% of payroll
- **Actuarially Determined Contribution (ADC):** 28.1% of payroll
- **City's Actual Contribution:** 19.5% of payroll includes ERIP and Stabilization fund contribution

(page 165 of ACFR)

# INVESTMENTS GOVERNANCE

## Return Objectives *

*The primary return objectives of the System are to:*

**(a)** preserve the safety of principal,
**(b)** earn the highest possible total return consistent with prudent levels of risk, ***and***
**(c)** create a stream of investment returns to ensure the systematic and adequate funding of actuarially determined benefits through contributions and professional management of the System assets.

## Risk Tolerance

*While achieving the return objectives, the System can tolerate certain levels of risk, which are:*

**(a)** to accept prudent levels of short and long term volatility consistent with the near term cash flow needs, funding level, and long term liability structure of the System,
**(b)** to tolerate appropriate levels of downside risk relative to the System's actuarial assumed rate of return. In doing so, the Board of the Trustees will attempt to minimize the probability of underperforming the System's actuarial assumed rate of return over the long term and to minimize the shortfall in the event such underperformance occurs,
**(c)** to accept prudent variances in the asset allocation structure of the System relative to the broad financial markets and peer groups, ***and***
**(d)** to tolerate prudent levels of short term underperformance by the System's investment managers.

**Refer to "Return Calculation and Interpretation" on page 14 for detailed information.*

## CRS Investment Beliefs:

**Time Horizon –** The Board of Trustees maintains a long term investment horizon, recognizing that our obligations extend far into the future. Investment decisions are aimed at providing sustainable returns over the long term, rather than focusing solely on short term market fluctuat ions.

**Strategic Asset Allocation –** A long term strategic asset allocation will be adopted, and assets will be rebalanced regularly. However, in times of extreme market dislocations, tactical adjustments will be considered. The Board of Trustees recognizes that, if properly compensated for the risk, tactical shifts could benefit the portfolio.

**Diversification –** The Board of Trustees recognizes the importance of diversification across asset classes, geographies, and investment strategies. Diversification helps to mitigate risk and enhance the resilience of our portfolio against market volatility. However, over diversification is to be avoided, and investments must be sizable enough to impact the overall portfolio.

**Efficient Markets –** The Board of Trustees subscribes to modern portfolio theory which means that generally over long periods of time, major market segment asset prices reflect all available information and that consistently exceeding market returns on a risk adjusted basis is improbable.

**Risk –** An appropriate level of risk is necessary to achieve desired long term investment returns. Risk should be discussed in terms of balancing desired returns with tolerance for volatility, tracking error, beta, value at risk, and maximum draw down. The portfolio risk should be evaluated based on the System's investment capacity to recover from adverse market volatility. Since no single metric adequately conveys risk, the Board of Trustees will evaluate risk holistically, incorporating quantitative and qualitative assessments into management of the portfolio.

**Active vs. Passive –** In markets where evidence suggests that security prices are efficiently set, passive (indexed) market strategies will be employed. Conversely, in less efficiently priced markets, the Board of Trustees will use active management strategies.

**Private Markets/Illiquid Strategies –** Private markets/illiquid strategies can add value when an appropriate illiquidity premium is expected to be captured. The Board of Trustees has the ability and risk tolerance to invest in illiquid strategies.

*The following chart reflects the annual rates of return including 1 year, 5 year & 10 year annualized returns*.*

## Returns (as of June 30)

### Annual CRS Pension Rates of Investment Return & Funded Status

| Plan Year | Actuarial Rate of Return | CRS Return | Funded Status |
|---|---|---|---|
| 2015* | 7.5% | 1.0% | 52.0% |
| 2016 | 7.5% | -0.5% | 74.5% |
| 2017 | 7.5% | 12.1% | 76.9% |
| 2018 | 7.5% | 7.8% | 74.7% |
| 2019 | 7.5% | 4.2% | 57.9% |
| 2020 | 7.5% | -1.1% | 41.3% |
| 2021 | 7.5% | 26.2% | 75.6% |
| 2022 | 7.5% | -3.9% | 52.8% |
| 2023 | 7.5% | 8.3% | 51.4% |
| 2024 | 7.5% | 9.7% | 65.6% |
| 2025 | 7.5% | 10.4% | 67.2% |

*CSA
**Marquette Associiates

| | | Median Peer Plan Return** |
|---|---|---|
| 10-Year Compound Return | 7.0% | 6.8% |
| 5-Year Compound Return | 9.8% | 8.6% |
| 3-Year Compound Return | 9.4% | 9.1% |

**Refer to "Return Calculation and Interpretation" on page 14 for detailed information.*

## Asset Allocation (2024 Target Mix)

The Board of Trustees, with the assistance of the Investment Consultant, will conduct a strategic asset allocation study and an asset/liability study every 3 to 5 years. Tactical studies may take place more frequently in times of extreme market dislocations. They will take into consideration applicable statutes, the actuarial rate of return of the System, the long-term nature of the asset pool, the cash flow needs of the System, and the general asset allocation structure of their peers. They will make assumptions on the capital markets over the long-term and optimize the asset allocation to best meet the actuarial and cash flow needs of the System at a prudent level of risk.



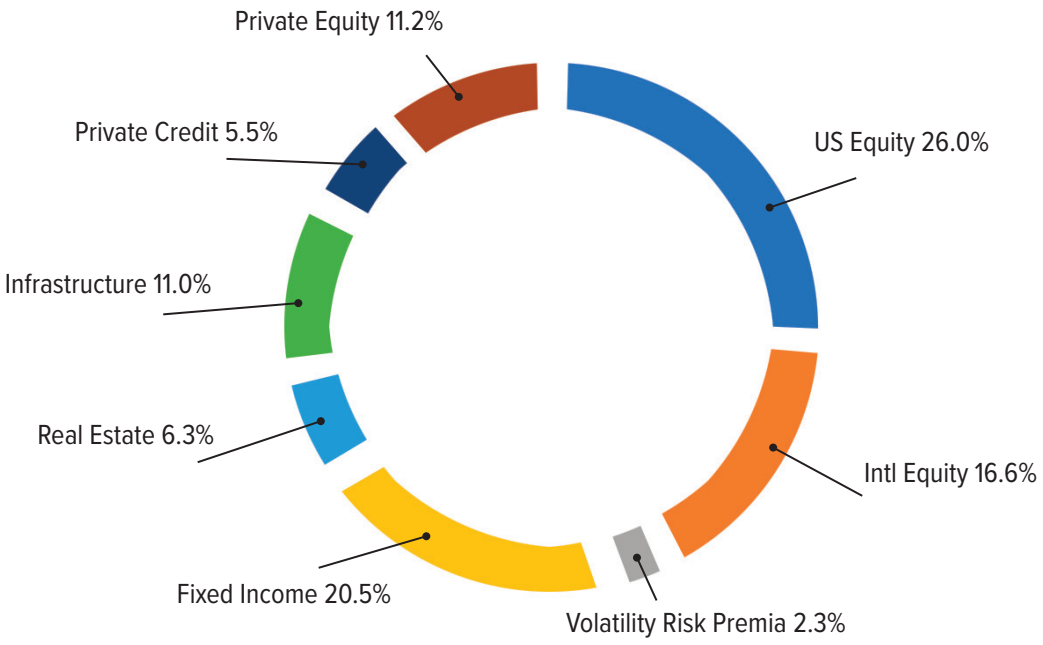
### Return Over Unit of Risk (Standard Deviation):

*More efficient use of risk relative to peers and policy benchmark*

| 5 yrs as of June 30,2024 | Return | Standard Deviation |
|---|---|---|
| Total Fund | 7.4% | 8.8% |

| Asset Class | Lower Strategic Band | Target % | Actual % | Upper Strategic Band | Benchmark Index |
|---|---|---|---|---|---|
| Domestic Equity | 16.5% | **28.5%** | **26.0%** | 37.5% | Russell 3000 |
| International Equity | 11.0% | **16.0%** | **16.6%** | 23.0% | MSCI ACWI ex. U.S. |
| Vol Risk Premia | 1.0% | **2.5%** | **2.3%** | 4.0% | CBOE Put/Write Index |
| Fixed Income | 15.0% | **22.5%** | **20.5%** | 28.0% | Bloomberg U.S. Aggregate |
| Real Estate | 2.0% | **6.0%** | **6.3%** | 8.0% | NCREIF ODCE |
| Infrastructure | 5.0% | **10.0%%** | **11.0%** | 15.0% | T-Bill + 4% |
| Private Debt | 0.0% | **6.5%** | **5.5%** | 8.0% | Burgiss Global Private Credit |
| Private Equity | 0.0% | **8.0%** | **11.2%** | 14.0% | Burgiss Global All PE |
| **Total** | | **100.00%** | | | |

## Investment Asset Allocation






# ADDENDUM

## Understanding Valuation and Funded Ratio Differences *(from page 9)*

The Cincinnati Retirement System reports asset values and funded ratios under two separate frameworks, each serving a different purpose.

The PAFR, prepared in accordance with GASB Statements No. 67 and 68, reports assets at fair value as of the fiscal year-end and presents a funded ratio intended for financial reporting and comparability across public pension plans.

The actuarial valuation report, prepared on a calendar year by the System's independent actuary, measures funded status using methods and assumptions designed to support funding policy, contribution requirements, and long-term sustainability. This valuation may incorporate techniques such as asset smoothing, different measurement dates, and actuarial assumptions that differ from those used for financial reporting.

As a result, funded ratios and asset values reported in the ACFR and the actuarial valuation report will generally differ. Both are appropriate for their respective purposes and should not be directly compared.

## Return Calculation and Interpretation *(from page 11)*

Investment returns presented in this PAFR are intended to reflect the overall investment experience of the Retirement System and therefore incorporate the impact of contributions, benefit payments, and other cash flows. Accordingly, PAFR investment returns are calculated using a cash-weighted (money-weighted) methodology.

For investment oversight purposes, the Board of Trustees and staff rely on performance reports prepared by the System's independent investment consultant. Consultant-reported returns are calculated on a time-weighted basis, which removes the effect of external cash flows and is the appropriate methodology for evaluating investment manager performance and compliance with policy benchmarks.

Due to these methodological differences, investment returns presented in this PAFR should not be directly compared to consultant-reported returns. Both measures are appropriate for their respective purposes.

# CRS HIGHLIGHTS

## Key Improvements & Activities

- Healthcare funding policy finalized in 2024
- Add Member Counselor 1Q 2024
- Publish new Member Handbook 2025
- Publish a Retiree Handbook in 2025
- 1-on-1 retirement counseling mtgs 2024
- Regular Retirement 101 trainings for actives
- Open MemberDirect portal for Retirees in 2024
- Outreach to deferred and non-vested members

***Our mission is helping our members have a successful retirement!!***

## Fiduciary Audit (Governance Report)

In accordance with its fiduciary duty, the Cincinnati Retirement System Board of Trustees engaged Funston Advisory Services to complete a fiduciary audit, entitled Cincinnati Retirement System Governance Review. The Funston report is available on the CRS website. https://www.cincinnatioh.gov/retirement

The purpose of the engagement is to review Cincinnati Retirement System (CRS) standards and practices and compare them to peer systems and system benchmarks. The six areas of focus are:

1) Legal and Regulatory
2) Governance Framework
3) Investment Program and Operations
4) Pension Operations
5) Administrative Operations, *and*
6) Compliance

***Overall, the report concludes that the CRS Board of Trustees has been functioning effectively, the Director and the staff have been effectively providing services to active and retired members, and relations among the Board, CRS staff and other City departments have been collaborative and cordial.***

As part of the report there were thirty seven recommendations for improvement. Over the past 18 months the Board has worked with administration and staff to review all recommendations and act on approximately 90% of recommendations.

city of CINCINNATI RETIREMENT

# Cincinnati Retirement System: Proposed 2027 Budget

November 2026

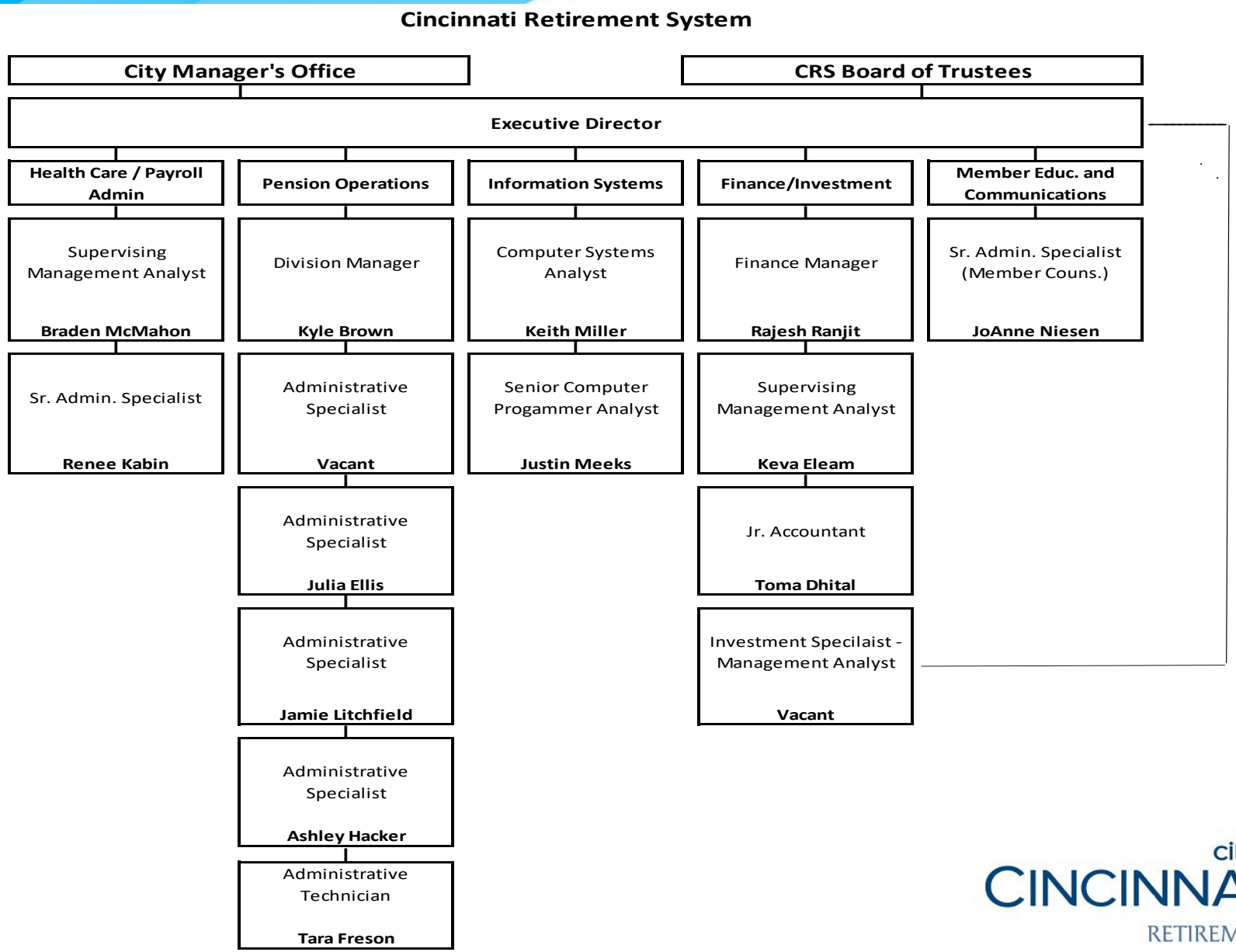
# CINCINNATI RETIREMENT SYSTEM
# →Proposed 2027 Op. Exps. Budget

- Summary of changes:

| | |
|---|---|
| • Office Staff | +$171.2k |
| • Office Expenses | +6.2k |
| • Training & Travel | +3.5k |
| • Data Processing | +149.4k |
| • Professional Services | +55.5k |
| • Other Expenses | +0.5k |
| • Insurance | -6.1k |
| • Total Op. Exps. Increase: | +$380.2k |

city of CINCINNATI RETIREMENT

# CINCINNATI RETIREMENT SYSTEM
# →Org Chart with Proposed Staffing




city of CINCINNATI RETIREMENT

# CINCINNATI RETIREMENT SYSTEM →Stabilized Staffing Needs

- Staffing: +$171.2k (-$113.0 in ’26)
  - CRS has built-in staff redundancy and increased capacity since 2023.
  - Budget assumes 16 FTE positions; 14 positions filled during 2026. Investment Analyst and Administrative Specialist vacancies are posted, with recruitment underway.
  - Increase is entirely due to COLA and step up raises to existing staff.

**2027 Objectives:**

- Customer Service and Member Education
  - Continuity of Service
  - Member Support
- Investment Program Capacity
  - Build in institutional knowledge on investment managers and asset class design.

city of CINCINNATI RETIREMENT

# CINCINNATI RETIREMENT SYSTEM →Proposed 2027 Op. Exps. Budget

- Data Processing: +$149.4k (-$26.7 in ’26)
  - CRS made substantial progress in ’25 & ‘26 on our data processing improvements to enhance customer experience: imaged member files, multi-factor authentication for security, etc.

**2027 Data improvements:**

- **Investment Software -** Increase cost from implementation of new investment software to enhance investment decision-making, data analytics, and reporting.
  - Improved data integrity
  - Enhanced daily portfolio analytics
  - Greater liquidity and cash management visibility
  - Operational efficiency: oversight and decision making
  - CRM & Investment Research

- **Hardware and Software for PCs -** Slight increase in 2026 is partially offset by lower hosting/modification and other IT expenses.

city of CINCINNATI RETIREMENT

# CINCINNATI RETIREMENT SYSTEM →Proposed 2027 Op. Exps. Budget

- Professional Svcs: +$55.5k (+6.0K in ’26)
  - Expect minimal change in professional services for 2027 budget as most professional services costs are contractual and fixed.
  - Increase costs are associated with inflation adjusted step ups for some contractual services.

city of CINCINNATI RETIREMENT

# CINCINNATI RETIREMENT SYSTEM
# →Proposed 2027 Inv. Exps. Budget

- Summary of changes:
  - Custodial Fees: +$33.0k
  - Investment Consultant: +$9.0k
  - Inv. Mgmt. Fees: +477.0k
  - Total Investment Exps: +$546.0k

city of CINCINNATI RETIREMENT

# CINCINNATI RETIREMENT SYSTEM →Proposed 2027 Inv. Exps. Budget

- Investment mgmt. fees projected to be higher based on higher overall size of the Trust at $2.6B versus $2.5B for 2026
  - Investment management fees represent approximately 43.0 basis points (bps), based on current assets, assuming 7.5% return for the year, fees are 39bps for 2027.
  - As measured by basis points, CRS is below NCPERs average investment management fee at 48.3bps (2026 Study/Survey).

Benefits to going direct versus Fund of Funds:

- Eliminates double fees (fees to be reduced), which should improve performance

city of CINCINNATI RETIREMENT

# CINCINNATI RETIREMENT SYSTEM



# →Benefits of Direct PE investment 2027

| $300M | 50 bps | $1.5M |
|---|---|---|
| Private equity assets | Assumed FoF fee | Annual savings |

**$300,000,000 × 0.50% = $1,500,000 in estimated annual fee savings**

**Benefits of investing directly with GPs**

- Greater transparency and control over investment costs
- More accurate visibility into underlying management fees and expenses
- Ability to negotiate LP-friendly economic and governance terms

# CINCINNATI RETIREMENT SYSTEM →Proposed 2027: Measured as % Assets

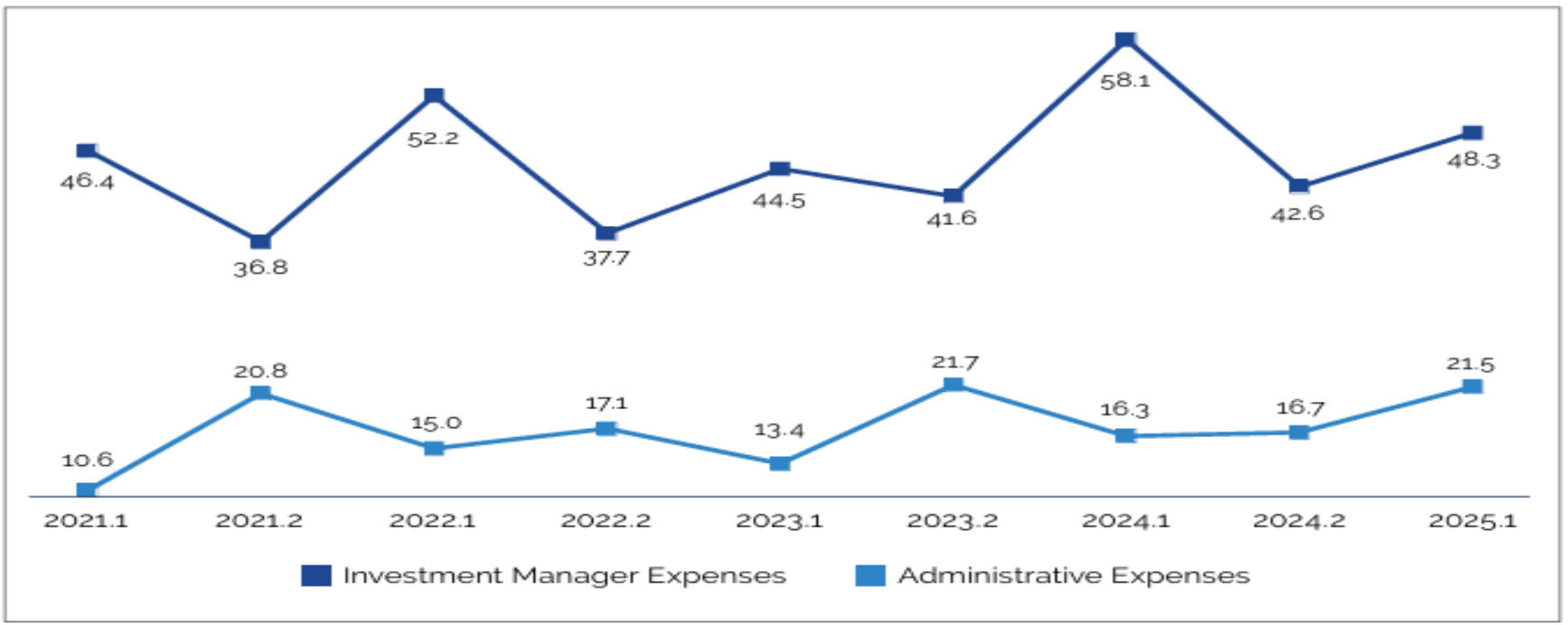
- 10/12/26 Asset Balance (unaudited) = $2,665,760,423
  - Operating Expenses: $4,160,900
    - 0.1560% or 15.60 bps
  - Investment Expenses: $11,622,000
    - 0.4349% or 43.49 bps
  - Total: 0.5909% or 59.09 bps
  - FY26 Budget: 0.5981% or 59.81 bps

city of CINCINNATI RETIREMENT

# CINCINNATI RETIREMENT SYSTEM →Peer Expenses

NCPERS 2026 Public Retirement Systems Study

*Figure 25: Investment and Administrative Expenses (in Basis Points)*




Investment manager and administrative expenses in basis points, 2021.1–2025.1. Combined average for 2025.1: approximately 70 basis points (0.70%).

city of CINCINNATI RETIREMENT

# CINCINNATI RETIREMENT SYSTEM
# →2027 Budget Priorities

- Fill budgeted Investment Analyst and Administrative Specialist positions.
- Implement investment analytics and reporting software to improve performance and risk analytics.
- Maintain member services and pension administration continuity.
- Manage printing and postage costs as member communications continue.
- Monitor contractual professional-services expenses and investment management fees.
- Maintain disciplined expense reporting to the Board.

city of CINCINNATI RETIREMENT

# CINCINNATI RETIREMENT SYSTEM

## →Budget-Related 2026 Board Objectives

- Prepare annual comprehensive financial report - Completed
- Prepare & present CRS Annual Report to Council – Completed
  - Incrementally increased contribution rate from the City to 18.5% of covered payroll - Completed
- Succession Planning: review CRS department staffing needs – Completed
- Improved board reporting- Completed
- Implemented one-on-one counseling request forms- Completed
- Satisfaction feedback surveys - Completed
- Improved members direct access - Completed
- Updated PAFR - Completed
- Continued improvement to customer service –Members Counselor position has greatly improved visibility and contact with members.

city of CINCINNATI RETIREMENT

| CRS CASH FLOW BUDGET | | | | |
|---|---|---|---|---|
| I. OPERATING EXPENSES | 2027 BUDGET | % Cost of Operations | 2026 BUDGET | % Cost of Operations |
| A Office Staff | | | | |
| 1. Salaries & Wages | 1,801,800 | 43.30% | 1,730,400 | 45.77% |
| 2. Fringe (35%) | 705,800 | 16.96% | 606,000 | 16.03% |
| 3. Temporary Services | 0 | 0.00% | 0 | 0.00% |
| A. Total Office Staff | 2,507,600 | 60.27% | 2,336,400 | 61.80% |
| B Office Expenses | | | | |
| 1. Office Improvements | 4,800 | 0.12% | 10,000 | 0.26% |
| 2. Equipment / Purchase and Rent | 4,200 | 0.10% | 4,500 | 0.12% |
| 3. Supplies | 7,000 | 0.17% | 3,300 | 0.09% |
| 4. Printing and Postage | 84,000 | 2.02% | 76,000 | 2.01% |
| B. Total Office Expenses | 100,000 | 2.40% | 93,800 | 2.48% |
| C Training and Travel | | | | |
| 1. Training/Travel Board | 18,000 | 0.43% | 15,000 | 0.40% |
| 2. Training/Travel Staff | 31,000 | 0.75% | 30,500 | 0.81% |
| C. Total Training and Travel | 49,000 | 1.18% | 45,500 | 1.21% |
| D Data Processing Expenses | | | | |
| 1. Pension Gold Hosting and Modifications | 157,000 | 3.77% | 179,841 | 4.76% |
| 2. Pension Gold Annual License Fee | 171,000 | 4.11% | 163,000 | 4.31% |
| 3. Regional Computer Center (ETS) | 7,800 | 0.19% | 7,080 | 0.19% |
| 4. Hardware and Software for PCs | 247,000 | 5.94% | 54,752 | 1.45% |
| 5. Other | 56,500 | 1.36% | 85,202 | 2.25% |
| D. Total IT Expenses | 639,300 | 15.36% | 489,875 | 12.96% |
| E Professional Services | | | | |
| 1. Actuarial Fees | 188,000 | 4.52% | 171,942 | 4.55% |
| 2. Consulting Fees | 254,500 | 6.12% | 225,500 | 5.96% |
| 3. Legal Services | 280,000 | 6.73% | 270,000 | 7.14% |
| 4. Retiree Locator Fees | 1,500 | 0.04% | 1,500 | 0.04% |
| 5. Treasury, Accounts and Audits | 10,000 | 0.24% | 9,540 | 0.25% |
| E. Total Professional Services | 734,000 | 17.64% | 678,482 | 17.94% |
| F Other Expenses | | | | |
| 1. Board Meeting Expenses | 2,500 | 0.06% | 2,500 | 0.07% |
| 2. Membership and Subscriptions | 5,500 | 0.13% | 5,000 | 0.13% |
| F. Total Other | 8,000 | 0.19% | 7,500 | 0.20% |
| G. Insurance | | | | |
| Fiduciary Insurance | 123,000 | 2.96% | 129,107 | 3.41% |
| G. Total Insurance | 123,000 | 2.96% | 129,107 | 3.41% |
| Total Operating Costs | 4,160,900 | 100.00% | 3,780,664 | 100.00% |
| II. MEMBER BENEFITS EXPENSES | | | | |
| A. Pensions | 214,820,000 | 86.25% | 211,424,300 | 86.56% |
| B. Return of Contributions | 3,246,000 | 1.30% | 3,246,000 | 1.33% |
| C. Death Benefits | 515,000 | 0.21% | 550,000 | 0.23% |
| D. Medical | 30,473,100 | 12.24% | 29,022,400 | 11.88% |
| E. Other Expenses | 0 | 0.00% | 0 | 0.00% |
| Total Benefit Costs | 249,054,100 | 100.00% | 244,242,700 | 100.00% |
| | 2027 BUDGET | % of Contributions | 2024 BUDGET | % of Contributions |
| III. CONTRIBUTIONS | | | | |
| A. City Contributions | 63,312,050 | 66.85% | 58,944,050 | 67.16% |
| B. Employee Contributions (9.0%) | 29,087,400 | 30.71% | 26,687,500 | 30.41% |
| C. Retiree Medical Premiums | 2,306,100 | 2.44% | 2,124,500 | 2.42% |
| D. Transfers In (Out) Reciprocity | (267,000) | -0.29% | (250,000) | -0.28% |
| E. Miscellaneous | 265,000 | 0.28% | 265,000 | 0.30% |
| Total Contributions | 94,703,550 | 99.99% | 87,771,050 | 100.00% |
| IV. NET INVESTMENT RETURNS | | | | |
| A. Gross Returns | 210,344,491 | | 191,892,185 | |
| B. Investment Expenses | | | | |
| 1. Custodial Fees | 215,000 | | 182,000 | |
| 2. Investment Consultant | 279,000 | | 270,000 | |
| 3. Investment Management Fees | 11,101,000 | | 10,624,000 | |
| Total Investment Expenses | 11,595,000 | 0.44% | 11,076,000 | 0.43% |
| Net Investment Returns (Budget 7.5%) | 198,749,491 | | 180,816,185 | |
| NET CHANGE IN FUND BALANCE | 40,238,041 | | 20,563,871 | |