



The Retirement Board of the FIREMEN'S ANNUITY & BENEFIT FUND of Chicago

Spring 2024

REPORT TO PARTICIPANTS

A MESSAGE FROM THE FUND PRESIDENT

ABOUT THE FIREMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO

The FABF Fund office is open Monday through Friday 8:00 AM to 4:00 PM excluding holidays. Members and guests are welcome.

Monthly Retirement Board meetings are typically held on the third Wednesday of each month, 8:30 AM at the Fund office. Members and the public are welcome to attend.

ELECTED TRUSTEES

DANIEL A. FORTUNA
Annuitant Trustee, President

ANTHONY R. MARTIN
Active Trustee, Secretary

ZACHARY PENTEK
Active Trustee

MICHAEL FLISK
Active Trustee

EX-OFFICIO TRUSTEES

ANNA VALENCIA
City Clerk, Vice-President

MELISSA CONYEARS-ERVIN
City Treasurer

CHASSE REHWINKEL
City Comptroller

MARY SHERIDAN
First Deputy Fire
Commissioner

It is good to see the City on a path of returning to its pre-Covid vibrancy. Arguably there is room for improvement, particularly in downtown commercial real estate valuations and crime prevention, but a healthy Chicago supports the continued path of improving our funding level and stabilizing cash flows.

Over the last two years the City has made voluntary additional contributions to paying down future liabilities of the Fund; \$38.72 million in 2023 and \$28.27 million in 2024, respectively. These payments are in addition to the \$828 million paid and owed collectively for 2023 and 2024 in employer contributions. Clearly, actuarial mandated funding, which was implemented in 2016, has meaningfully improved the Fund's financial footing. With that said, both active and retired members must remain vigilant to ensure the City continues the path of providing the statutorily required funding. In addition, considering the success of past funding improvements, we expect to explore the viability of achieving a mandated 100% funding level, as was proposed by the Governor for the State Pension Funds. Each action taken to improve the Fund's funding level further secures our earned benefits and retirement security.

There are several bills currently being considered by the Legislature that contemplate changes affecting Tier 2 members. This initiative is part of a broader

legislative review of Social Security Safe Harbor provisions and what (if any) changes may be necessary to assure future compliance to maintain the City's exemption from Social Security coverage. It is anticipated some movement regarding Tier 2 members' benefits will be forthcoming. However, the prevailing opinion is that any such pension legislation will not be acted upon until after the election and during the Veto Session currently scheduled for late fall 2024.

We are often asked to provide education or a position as to the impact of proposed legislation. The Fund's Legislative Committee reviews all pending legislation believed to be applicable to the Fund and its members. We endeavor to communicate promptly with members and stakeholders whenever legislation is proposed that we believe may materially impact your benefits or the Fund.

We continue to have success in educating our members nearing retirement. Our semi-annual pre-retirement seminars have been at full capacity since we revived them in 2022. The Fall Seminar is scheduled for September 28, 2024; I encourage those members near retirement to attend.

Enjoy the upcoming Memorial Day holiday and, hopefully, a warm summer. It won't be long until we are dealing with the August DNC Convention – until then be safe!

Fraternally,
Daniel Fortuna, President

REGISTER YOUR EMAIL ADDRESS WITH THE FUND

Please consider registering your email address with the Fund. Our progress towards member enhancement through technology begins with eliminating the need to send physical mail. Please consider registering your email by completing this

form: [Email Authorization Form](#). We will not use this information for any purpose other than member communications. We are legally prevented from sharing your email with any third party, other than a labor organization.

Contact Us: info@fabf.org
Web: www.fabf.org

A MESSAGE FROM THE FUND SECRETARY

The Secretary's responsibility includes acting as the Board's liaison with the Fund regarding staffing and benefit operations. This year we are expecting two of our most senior staff members to retire. Elizabeth Pauss, Senior Benefits Analyst with 33 years, and Sandra Medina, Senior Annuitant Payroll Specialist with 38 years of service to the Fund. On behalf of the Board, I want to thank them both for their career commitment to the Fund and wish them the very best as they begin their retirement. They deserve it considering the number of members that they supported in retirement over their respective careers!

Demographic update. According to the Fund's current valuation, the Fund accounts for approximately 10,220 members: 4,706 active, 145 inactive, and 5,369 retirees and beneficiaries. As noted in the Fund Summary for December of 2023, there were 176 service retirements, 2 ordinary disabilities, 15 occupational disabilities, 24 duty disabilities, 72 regular widow annuities, 9 child annuities, and two Duty Widow Compensation annuities granted in 2023.

Many annuitants are aware there were disruptions in our 1099R mailing. We determined the delay was the result of USPS disruptions, but nothing could be specifically identified as a root

cause. Staff were able to reproduce and send several hundred replacement documents to our members to help them meet their filing deadline. Going forward, we are looking at digital delivery options or a secure portal to augment our process in the future. For our members that are not able to utilize a digital solution, a mailed form continues to be the best option. However, a secure and readily available digital solution to supplement a mailed copy would provide a significant level of improvement to our membership.

To that end, we are working on a website update due this summer. Within the new site we are considering options that would allow members secure access to obtain and complete digital forms including 1009R. We are stewards of your personal information, and as such we want to proceed with the highest level of security.

As your Board Secretary, I and Fund staff are available to address questions or concerns you may have about Fund operations or future Fund service enhancements you would like considered.

Fraternally,
Anthony R. Martin, Secretary

INVESTMENT RECAP

The Fund posted a return of 14.5% for 2023. This return exceeded the Fund's actuarial assumed rate of return of 6.75%. The Fund's 2023 return was modestly ahead of the policy benchmark and ranked at the 23rd percentile of a universe of peer public pension plans. The bulk of the favorable return came from the Fund's international equity investments that gained 23.5% and domestic equities that returned 20.9% during 2023. Also, a complementary private credit strategy was recently added that gained 24.6% for the year. Furthermore, two infrastructure strategies were added during the past year.

U.S. equity markets rose throughout the year as the S&P 500 Index finished with a 26.3% gain, driven by a resilient economy, easing inflation, and market optimism about the prospect of lower interest rates. In 2023, the S&P 500's performance was led by the dramatic rise of the "Magnificent Seven" stocks and their respective sectors: Information Technology (Microsoft, Apple, and NVIDIA), Communication Services (Alphabet and Meta), and Consumer Discretionary (Amazon and Tesla). These seven stocks rose 76%, increasing their share of the S&P 500's market capitalization from 20% to 28% during the year. In the fourth quarter, market breath increased and there were gains across a broader group of stocks and sectors, including Real Estate and Financials.

For the year, the Fund's international equity investments exceeded its benchmark by over 7.8% with a 23.5% return. Value strategies significantly outperformed their growth counterparts. Dovish signaling from central banks and dropping yields led to a broad market rally in non-U.S. equity markets. Developed overseas equity investments, as represented by the MSCI ACWI ex US IMI Index, advanced approximately 15.6% for the year. Emerging markets grew almost 10%, but trailed their developed markets counterparts due to the underperformance of China which was down over 11%. International equity investments were aided by a weakened U.S. dollar.

The Fund's fixed income investments posted a strong return of 6.7% while the benchmark Bloomberg U.S. Aggregate Bond Index returned 5.5% for the full year. Corporate bonds outperformed treasuries for the year, thus Core Plus fixed income strategies enjoyed a strong 2023.

The Fund's 2023 return boosted the trailing five-year return to an annualized 8.9% return, well ahead of the Fund's actuarial return assumption. The Fund's annualized ten-year return was 6.7%, exceeding that of the policy benchmark.

The Board will continue to adhere to the long-term investment objectives as stated in the Fund's Statement of Investment Policy: to obtain the highest return possible, while at the same time managing risk. The Board's commitment to a long-term investment strategy has resulted in investment gains over the years and served to counter the headwind generated by inadequate funding. The Board will continue to collect all contributions due to the Fund as required and will prudently manage the investments so that the benefits earned by participants are paid.

Fraternally,
Anthony R. Martin, Investment Committee Chair

AS OF 12/31/2023	Mkt Val (mil)	% of Total	Policy Target	3 Mths RtnR	YTD tn	1 Yr RtnR	3 Yr tn	5 Yr RtnR	10 Yr tn
TOTAL FUND	\$ 1,042.2	100.0%	100.0%	8.7%	14.5%	14.5%	4.1%	8.9%	6.7%
Policy Target (2)				8.9%	14.4%	14.4%	4.4%	9.1%	6.6%
TOTAL BROAD US EQUITY	\$ 374.7	36.0%	33.0%	11.5%	20.9%	20.9%	6.8%	14.4%	10.8%
U.S. Equity Blended Benchmark(3)				12.1%	26.0%	26.0%	8.5%	15.2%	11.3%
TOTAL GLOBAL Ex-US EQUITY	\$ 263.0	25.2%	24.0%	12.3%	23.5%	23.5%	4.5%	9.2%	5.5%
MSCI ACWI ex US Index IMI				9.8%	15.6%	15.6%	1.5%	7.2%	4.0%
TOTAL FIXED INCOME	\$ 232.8	22.3%	22.0%	6.2%	6.7%	6.7%	-2.1%	2.3%	2.8%
Bloomberg U.S. Aggregate				6.8%	5.5%	5.5%	-3.3%	1.1%	1.8%
TOTAL REAL ESTATE	\$ 74.9	7.2%	8.0%	3.2%	-1.3%	-1.3%	4.4%	6.5%	4.9%
Real Estate Blended Index (4)				5.2%	-1.1%	-1.1%	3.7%	4.2%	6.3%
INFRASTRUCTURE	\$ 30.4	2.9%	3.0%	1.4%	-0.2%				
FTSE Dev Core Infra 50/50				11.3%	2.2%				
PRIVATE EQUITY	\$ 37.2	3.6%	4.0%	-0.1%	5.0%	5.0%	17.8%	14.6%	10.8%
Private Equity Blended Index (5)				0.9%	7.5%	7.5%	18.2%	15.0%	13.9%
PRIVATE CREDIT	\$ 8.8	0.8%	3.0%	3.2%	24.6%				
[50% Morningstar LSTA 100 TR/50% BB HY] +1%				5.5%	14.5%				
LIQUID DIVERSIFYING	\$ 17.5	1.7%	3.0%	-3.2%	-7.4%	-7.4%	-8.1%		
Liquid Diversifying Blended Index (6)				2.4%	9.5%	9.5%	6.6%		
CASH	\$ 2.8	0.3%	0.0%	1.3%	5.3%	5.3%	2.2%	1.9%	1.3%
90 Day T-Bill				1.4%	5.3%	5.3%	2.5%	2.0%	1.3%

2023 IN MEMORIAL

Mary Ann Amend 3/19/2023
Brian M Anderson 8/23/2023
Eula Anderson 12/12/2023
James J Balfanz Sr 11/6/2023
John F Barrett 1/18/2023
Albert Batiz Jr 12/1/2023
Mary A Biasi 12/15/2023
Wallace R Bieze 6/29/2023
Lillian H Bieze 6/29/2023
John M Birmingham 6/23/2023
Joan C Bissing 7/2/2023
Thomas L Black 3/25/2023
Joe Boatner 4/26/2023
Dan M Bolognani 10/3/2023
Mary J Booth 11/26/2023
Dorothy Clare Brennan 5/12/2023
John J Brennan Sr 7/26/2023
Joseph G Brichetto 11/6/2023
Jean A Brown 12/5/2023
Elaine Bruno 1/22/2023
Aaron D Buckley 1/19/2023
Cedric L Bullard 2/5/2023
Jolynn D Burke 12/28/2023
Charles Bush 9/22/2023
Lawrence J Bzdon 3/15/2023
Maureen A Cale 3/19/2023
William F Calkins 7/9/2023
Daniel J Callahan 7/5/2023
Richard C Carlson 1/20/2023
Kathleen C Case 8/9/2023
John M Casey 9/13/2023
Josephine S Cavanaugh 8/26/2023
Mary Ann Cerny 8/3/2023
Walter Chwarzynski 10/22/2023
Patricia A Ciara 4/19/2023
Gail Cizmar 6/30/2023
Ruth Marie Clancy 1/7/2023
Mary F Clancy 7/21/2023
Anna G Clark 1/9/2023
Collette M Clausen 11/22/2023
Jack W Cleary 1/25/2023
George T Coffey 10/26/2023
Constantinos G Cokkinias 2/10/2023
Russell Collins Jr 10/26/2023
James D Considine 6/15/2023
Marie E Coogan 3/8/2023
Kathleen A Corbett 1/15/2023
Francis M Craven 3/7/2023
Marilyn A Cronin 12/27/2023
Alice M Cull 8/19/2023
Emily V Cypranowski 7/6/2023
Milton L Davenport 11/14/2023
Carole A Dipinto 11/29/2023
Margot M Dolibois 3/4/2023
Robert W Donati 10/26/2023
Joseph T Dowling 12/20/2023
Daniel G Draper 1/18/2023
William S Duke 10/6/2023
William J Duszynski 4/17/2023
Peter M Eck 3/18/2023
William Engler 1/13/2023
Timothy Fitzgerald 1/9/2023
Richard Fitzpatrick 4/24/2023
Kevin Fitzpatrick 7/14/2023
Patrick Fleming 10/3/2023
Mary Ellen Foley 4/21/2023
Gregory S Foster 2/20/2023
Joseph M Furlong 11/7/2023
Kathleen Furlong 11/5/2023
Walter W Gales 6/15/2023
Elizabeth Gibbons 3/7/2023
Catherine Glad 1/23/2023
William J Gleason 9/26/2023
Curtis Glenn 10/8/2023
Grace M Goerg 8/27/2023
Joyce Gordon 8/11/2023
Richard G Groves 4/3/2023
Joseph G Guidi 2/17/2023
Paul Guttillo 12/19/2023
Milton T Hahn Jr 5/12/2023
Debra K Hahn McNulty 9/8/2023
Wilbert B Hayes 7/30/2023
Patrick J Healy 5/16/2023
Marcia A Hecht 2/24/2023
Laverne Hendrickson 9/15/2023
Miguel Hernandez 12/4/2023
Elizabeth Heskin Shigley 12/25/2023
Naile Hoehn 12/16/2023
Charles J Hoffman 12/17/2023
Linda Hoffman 11/3/2023
Robert Horbach 2/9/2023
Juan I Horton 12/26/2023
Judith L Houlihan 11/3/2023
Michael Hundrieser 12/6/2023
Vernon Ingram 7/6/2023
William H Jackson 7/24/2023
Lois Johnson 1/1/2023
Gertrude P Kelley 4/23/2023
Owen E Kelly 5/21/2023
William J Kinahan 4/15/2023
Michael C King 6/9/2023
Doris King 9/25/2023
Jay L Klasek 6/18/2023
Charlene M Klimas 9/11/2023
Timothy J Koertgen 4/28/2023
Raymond G Kolasa 7/21/2023
Richard Kolomay 9/12/2023
Audrey E Konie 2/17/2023
Mary L Koranda 6/14/2023
Bernice A Kostolansky 5/26/2023
William L Kugelman 3/31/2023
Eugene C Kulma 3/29/2023
Elaine Lange 2/15/2023
Samuel Lasco 3/31/2023
Louise D Leahy 1/16/2023
Charles C Lira 10/16/2023
Michael R Lopez 10/27/2023
Robert J Love III 7/19/2023
John T Maher 2/18/2023
William J Mahoney 3/20/2023
Ramona L Mahoney 3/3/2023
Robert G Malec 7/4/2023
Anthony A Martin 8/5/2023
William R Marx 9/12/2023
Sheila McCormick 8/11/2023
Maureen F McCormick 8/6/2023
Jordan E Mcdermott 1/31/2023
Michael J Mcdevitt 11/12/2023
Christine Milkowski 1/6/2023
Robert Milostrazich 10/24/2023
Milan Mitrovic 5/24/2023
Geraldine Mogensen 3/22/2023
Robert N Morehead 6/16/2023
Paul J Motisi 12/31/2023
Elaine C Mulcahy 12/4/2023
Francis E Mullally 2/19/2023
Michael F Murphy 3/2/2023
Timothy M Nelson 12/11/2023
William R Niemoth 9/21/2023
James Norman 10/16/2023
Anne M O'Brien 12/2/2023
Edward M O'Connor 4/18/2023
Michael J O'Donnell 5/11/2023
Kevin P Omalley 7/4/2023
Mary Ellen Omalley 2/10/2023
Robert L Parise 12/19/2023
Robert C Pascal 12/28/2023
**Jermaine A Pelt 4/4/2023,
Line Of Duty Death**
Arthur E Pincsak 8/15/2023
Edward A Porter 1/15/2023
Harry Powalski 3/18/2023
**Andrew B Price 11/13/2023,
Line Of Duty Death**
Gradie Prude Jr 12/27/2023
Patrick Thomas Purdy 4/4/2023
Mark K Racinowski 11/23/2023
John W Rae 7/2/2023
Jason P Ramirez 5/14/2023
Mary Jane Reddy 6/8/2023
Brian D Reese 1/1/2023
Vivian P Reilly 2/2/2023
Barbara Roach 8/4/2023
Virginia V Roche 4/18/2023
Ruthann Rockwell 12/13/2023
John J Rose 7/13/2023
Earle W Ruhnke 1/13/2023
Geraldine Sampey 3/3/2023
Joanne P Schiro 1/19/2023
Catherine T Schnell 5/16/2023
Fred A Schubert 4/17/2023
Michael J Shanahan 1/25/2023
Donna Shanahan 1/7/2023
John J Sheehan 8/3/2023
Dorothy Simmons 7/16/2023
Robert Skwarek 9/2/2023
Daniel W Sliwa 10/10/2023
Edwin J Smith Jr 9/2/2023
Irene G Solecki 4/1/2023
Raymond L Sonntag 10/11/2023
John J Spiekerman 9/6/2023
Stephen W Stapleton 7/26/2023
T J Strong 12/10/2023
Helen Jean Strzala 8/22/2023
Joe Stull 3/29/2023
James M Sullivan 2/16/2023
Judith Sweeney 2/11/2023
James W Syler 4/2/2023
**Jan M Tchoryk 4/5/2023,
Line Of Duty Death**
Eric M Teal 12/11/2023
Margaret F Thorsberg 2/4/2023
Katherine A Tomasovich 5/11/2023
John A Tumpich 1/17/2023
Darren J Verderber 8/6/2023
Lorraine B Vines 12/6/2023
Nancy J Vondrasek 2/23/2023
Thomas J Walsh 2/7/2023
Patrick J Walsh 12/20/2023
Ronald M Walsh 5/17/2023
Tracey C Walsh 5/30/2023
Edith I Walsh 6/27/2023
Randall W Walz 4/5/2023
**Kevin P Ward 8/28/2023,
Line Of Duty Death**
Theresa E Welch 4/24/2023
Kenneth R Westbrook 1/3/2023
Thomas P White 3/9/2023
Gardell Wilburn 10/31/2023
Shawn Wilson 10/27/2023
Daniel S Wilson 5/13/2023
Martha Wilson 8/20/2023
Ronald A Wonsowicz 8/8/2023
Patricia A Wood 5/26/2023
Ronald L Young 7/7/2023
Howard F Zelenka 4/30/2023
Maureen M Ziegler 7/26/2023



The Retirement Board of
the Firemen's Annuity &
Benefit Fund of Chicago
20 S. Clark Street, Suite 300
Chicago, IL 60603-1899
(312) 726-5823

CONTACT US:

KELLY WELLER
Executive Director
kellyweller@fabf.org

LORI LUND
Deputy Executive Director
lorilund@fabf.org

JACLYN VLAHOS
Comptroller
jmcallister@fabf.org

LORNA SCOTT
Chief Investment Officer
cio@fabf.org

**INFORMATION
REQUEST**
info@fabf.org

CHANGE OF ADDRESS

All retired participants that move, even temporarily over winter or summer, are required to complete a change of address form. The required forms can be located on our website at [FABF Print Forms](#) or you can call the Fund Office at 312-726- 5823 and a form will be mailed to you. In addition, you can now elect to complete the form digitally through the Adobe Sign and ID.me verification process. Please click this link [FABF Electronic Forms](#) to learn more.

FUND OVERVIEW

The Firemen's Annuity and Benefit Fund of Chicago (the Fund or FABF) was established in 1887 and since 1931 has been governed by the Illinois Pension Code. The Illinois Legislature is the only entity that can amend the Fund's structure. The Fund was created for the purpose of providing retirement, disability, death, and survivor benefits for employees of the City of Chicago (City) employed under the provisions of the Municipal Personnel Ordinance as fire service and for the dependents of such employees. Employees that pay into the Fund under their covered employment are exempt from Social Security. Employees hired after 1986 are covered by Medicare. The Fund does not provide healthcare benefits. Chicago Firefighters Union, Local 2, provides a retiree advocate to support healthcare questions for members approaching and in retirement.

The Fund has statutorily defined contribution minimums that come from two sources. Under current law, covered employees contribute 9.125% of their salary to the Fund, and the City of Chicago makes annual contributions based on a statutorily prescribed actuarial basis sufficient to produce a funding level of 90% by the year ended December 31, 2055. The City's contribution amount for payment year 2023 was \$399,860,000 and it was paid in full prior to year-end. The City contributed in January of 2023 an additional payment of \$38.72 million allocated from the 2023 budget year and this payment was separate from, and in addition to, the City's statutorily required contribution due and owing from the City in payment year 2023.

In January of 2024 the Fund received a similar additional contribution from the City of \$28.27 million allocated from the 2024 budget year which is separate from, and in addition to, the City's statutorily required contribution due and owing of \$429,101,178 for payment year 2024. Also, we are now receiving regular 'modest' payments from the City related to Casino revenue. These amounts reduce the annual due and owing balance dollar for dollar and should eventually contribute to stabilizing the Fund's cash flows.

CREDIT FOR PRIOR MILITARY SERVICE

Active participants who served in the Armed Forces of the United States prior to employment with the Chicago Fire Department (CFD) may be eligible to purchase up to 2 years of service credits, in 1-month increments, for pension purposes. Interest is charged to purchase these credits. A Military Service Application can be found on the Fund's website, fabf.org, under the "Active Member" tab – Forms – Military Service Application. A copy of a DD2-14 must accompany all applications. Don't hesitate to contact the Fund's calculations group at benefits@fabf.org or 312-726-5823 for more information.

HOW DO I UPDATE MY BENEFICIARY

To request a new or to update your current Death Benefit Directive, please send an email to info@fabf.org or visit our website and select the [Forms/Publications](#) Tab. If you chose the electronic option, in the drop-down list that appears, click Forms and then look for – Change of Beneficiary (Electronic Availability). From there you will be able to complete and submit a new form digitally through the ID.me authentication process. Alternatively, you can download and print the form manually. If the manual form is completed it will need to be returned to the Fund by USPS or through an Email registered with the Fund, and we will need a legible copy of a valid Driver's License or valid State ID to complete the change. A confirmation will be provided once the change is completed.

CREDIT FOR SERVICE IN THE CHICAGO POLICE DEPARTMENT

Under current law, the Firemen's Annuity and Benefit Fund of Chicago (FABF) accepts creditable service transfers from the Policemen's Annuity and Benefit Fund of Chicago (PABF). Active participants may transfer contributions earned in the PABF to the FABF for the purpose of annuity service credit. The participant must request a transfer of funds from PABF. Once the request has been made, FABF will advise of any additional costs which may be owed to complete the transfer. If you have already been refunded your contributions from PABF, this is not a problem. Contact FABF and we will determine the amount necessary to facilitate the purchase of service credit. Contact the Fund's benefit administration team at benefits@fabf.org with questions or to confirm eligibility.

EMWQ

Please consider a donation to EWWQ. Your support through a payroll deduction, annuity deduction, or direct contribution by check or on-line, goes directly to provide financial assistance to minor children upon death of an active member, and annually to the neediest widows and orphans of the members of the Chicago Fire Department. Our website is widowsandchildren.org, all donations are appreciated.

The Ende, Menzer, Walsh & Quinn Retirees', Widows' and Children's Assistance Fund is a tax exempt 501 (c)(3) Charitable Organization