EMPLOYEES' RETIREMENT SYSTEM

City of Baltimore, Maryland

ERS
EMPLOYEES' RETIREMENT SYSTEM
of the CITY OF BALTIMORE

Annual Comprehensive Financial Report

Year Ended June 30, 2024

Pension Trust of the City of Baltimore

EMPLOYEES' RETIREMENT SYSTEM

City of Baltimore, Maryland

PREPARED BY

DAVID A. RANDALL, *Executive Director*

NICHELLE LASHLEY, *Deputy Executive Director*

ADETUTU TALABI, *Senior Investment Manager*

Annual Comprehensive Financial Report

Year Ended June 30, 2024

Pension Trust of the City of Baltimore

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Employees' Retirement System

Mission Statement

The System is committed to protecting and prudently investing member assets and providing accurate and timely retirement benefits with quality service to members and beneficiaries. ERS will continually apply the principles of responsible investing and strive to balance social responsibility with its fiduciary duty to provide strong long-term investment results to the System.

Standards of Conduct

As Trustees and Staff, we are committed to:

Safeguard the members' assets.

Strive for continuous improvement.

Maintain confidentiality as appropriate.

Effectively communicate accurate information.

Provide accountable and proactive leadership.

Conduct all business in a fair and respectful manner.

Foster an atmosphere of cooperation and teamwork.

Value members as clients and advocate on their behalf.

Comply with the System's plan provisions, policies and guidelines.

Work efficiently, simplify procedures, and minimize bureaucratic hurdles.

Form alliances and partnerships to benefit the membership and the System.

Balance Environmental, Social and Governance (ESG) investing with fiduciary duty to obtain strong long-term investment results.

We expect all who interact with us to adhere to these standards of conduct.

Employees' Retirement System
City of Baltimore, Maryland
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INTRODUCTORY SECTION

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Employees' Retirement System
City of Baltimore, Maryland

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

CITY OF BALTIMORE

BRANDON M. SCOTT, Mayor

EMPLOYEE'S RETIREMENT SYSTEM,
ELECTED OFFICIALS' RETIREMENT SYSTEM
and RETIREMENT SAVINGS PLAN

DAVID A. RANDALL, Executive Director
7 E. Redwood Street
11th,12th and 13th Floors
Baltimore, Maryland 21202

November 27, 2024

The Board of Trustees and
Members of the Employees' Retirement System
Baltimore, Maryland

I am pleased to present the Annual Comprehensive Financial Report (ACFR) of the Employees' Retirement System of the City of Baltimore, Maryland (ERS), a pension trust of the City of Baltimore, Maryland, for the fiscal year ended June 30, 2024. Responsibility for the accuracy of the data and the completeness of the presentation, including all disclosures, rests with the management. We believe this report is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of ERS' operations.

For financial reporting purposes, the System adheres to accounting principles generally accepted in the United States, which requires that management provide a narrative introduction, overview, and analysis of the financial statements of the System in the form of a Management Discussion and Analysis (MD&A). The System applies all applicable pronouncements of the Governmental Accounting Standards Board (GASB). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report in the Financial Section, on page 18.

Profile of the Plan

The ERS is a defined benefit contributory plan established January 1, 1926, by legislation, for eligible members who are employed in the general administrative service of the City and for certain non-teacher employees of the Baltimore City Public School System. All System-related administrative and benefit provisions are established by City Ordinance, as contained in Article 22 of the Baltimore City Code and are amended only by the Mayor and City Council. A summary of Plan provisions is presented on pages 72 through 81. The number of active, retired, and deferred members, as well as beneficiaries of the Plan, can be found in the Notes to Basic Financial Statements starting on page 24.

Major Initiatives

Communications: In fiscal year 2024, we implemented Constant Contact as our new mass email software, significantly enhancing our communication capabilities. This upgrade allows us to streamline the creation, distribution, and tracking of email campaigns, ensuring a more targeted and professional approach to reaching stakeholders. With features such as customizable templates, detailed analytics, and improved segmentation, Constant Contact helps us optimize communication strategies, maintain engagement with our members, and manage email lists more efficiently. This shift not only strengthens internal and external communications but also supports more effective outreach and collaboration across the organization.

Investments: We made continued progress in the implementation of Fossil Fuel Divestment under Ordinance 21-043, further advancing our commitment to sustainable and responsible investing. This ordinance outlines a phased approach to reducing fossil fuel investments, and our ongoing efforts align with the broader goal of transitioning toward more environmentally conscious investment practices. In addition to this, we expanded our portfolio by introducing a Private Credit strategy. This new strategy opens a range of alternative investment opportunities, potentially offering higher returns and greater diversification. By incorporating Private Credit, we aim to enhance the resilience of our investment portfolio, better positioning it for long-term growth and financial stability while aligning with our sustainability goals.

Information Technology: We continued our efforts to modernize and strengthen our IT systems. This included replacing all devices with Windows 11, ensuring that our technology is up to date with the latest operating system features and security enhancements. Additionally, we began the process of replacing outdated servers, which are critical to maintaining the performance, reliability, and security of our network infrastructure. These strategic upgrades are designed to optimize system performance, reduce vulnerability to cyber threats, and improve overall operational efficiency. By modernizing both devices and servers, we are laying the foundation for a more resilient IT infrastructure that will better support the agency's evolving needs and long-term technological goals.

System Integrations: During fiscal year 2024, we continued enhancing our ERP system integrations with both employers. For Baltimore City, we further refined the integration with their Workday system, building on previous progress to improve data accuracy and efficiency. Meanwhile, Baltimore City Public Schools (BCPSS) initiated the implementation of their new ERP system, and we have actively joined the integration process to ensure the timely and accurate exchange of member information. Our ongoing participation with both organizations aims to streamline data processes, ultimately supporting the integrity and reliability of member data.

Document Management System: We successfully finalized the imaging of all Legal Affairs documents, marking a major milestone in our digital transformation efforts. Imaging for the Accounting, Benefits, and other departments is actively underway, ensuring that we continue to streamline and digitize important records across the organization. This ongoing initiative not only improves accessibility and security but also enhances the overall efficiency of document management processes. By converting physical files into digital formats, we are creating a more organized, secure, and easily searchable system that supports the organization's operational needs and reduces reliance on physical storage. These efforts are integral to our broader goal of creating a fully digital and paperless environment.

Investment Summary

The System's investment objective is to earn or exceed the actuarial assumption rate of 7.0% and to outperform its policy benchmark. The Board of Trustees (Board) who serves as fiduciary is responsible for investment of the System's assets in accordance with the approved asset allocation. Asset allocation for investment of the Plan's assets is comprised of 18% fixed income, 22% US equity, 15% non-US equity, 7% defensive equity,15% real estate, 4% low volatility equity, 4% private debt and 15% private equity. The Board is also responsible for establishing reasonable investment objectives and policy guidelines, selecting investment managers, and evaluating performance results; and ensuring adherence to guidelines, as well as the achievement of the System's objectives. The Board has a fiduciary duty to exercise its investment authority prudently and solely in the interest of the System's participants and beneficiaries.

For the fiscal year ended June 30,2024, ERS posted an overall return of 7.7%, outperforming the actuarial assumption rate of 7.0% by 0.7% while underperforming its policy benchmark return of 8.4% by the same margin of 0.7%. Current investment performance for the three-, five- and ten-year periods are strong with annualized returns of 3.5%, 7.5% and 7.2%, respectively. The Board utilizes external portfolio managers in active and passive strategies for investment of the System's assets. The managers are monitored and evaluated by the Board and the Investment Consultants. Further analysis is available in the investment section beginning on page 45 of this report.

Actuarial and Funding Results

The Government Finance Officers Association (GFOA) recommends that an actuarial experience study be performed at least every five years. The system's board of trustees, however, adopted a policy to perform the experience study every four years. An experience study is a review of demographic and economic assumptions. The study reviews the last four actuarial valuations, anticipates broader economic changes, and proposes adjustments to the actuarial assumptions to be used for future valuations. The system conducted an actuarial study at the end of fiscal year 2022, and as a result, some assumptions were changed. The salary increase rate was changed to salary scale by age and as a result, there were increases for most ages. The mortality rates assumption was also changed for actives, retirees, and disabled members. The mortality assumptions remained Pub-2010(B) but the percentages were changed. The scale also changed to 2026 projection using scale MP-2021.

An actuarial valuation report is prepared annually by the Board's Actuary, Cheiron Inc., to apply appropriate assumptions and determine funding requirements. As of June 30, 2024, ERS fair value of assets increased from $2.03 billion to $2.11 billion, a 4% increase over the fiscal year 2023 net value of assets. The Total Pension Liability (TPL) on June 30, 2024, was $2.76 billion. Compared with the fair value of assets of $2.11 billion, there is a Net Pension Liability (NPL) of $0.65 billion as provided on page 34. The NPL increased by $12.87 million from fiscal year 2023. The increase is attributable to the asset loss and the demographic experience loss of $62.7 million, resulting primarily from higher-than-expected pay increases among active members. The NPL is the Total Pension Liabilities (TPL) less the Plan Fiduciary Net Position (FNP). All data related to GASB 67 is provided in the required supplemental section and in the notes to the basic financial statements.

For funding purposes, the actuarial liability of $2.76 billion was based on a discount rate assumption of 7.0% for active members and 6.5% for retired members. The actuarial value of assets, which is a smoothed asset value used for funding purposes, was $2.21 billion as of June 30, 2024. When compared to actuarial liability, there was an unfunded actuarial liability of $0.55 billion. The System's actuarial funded ratio, which is the ratio of actuarial assets to actuarial liability remained flat at 80.0%.

Normal costs, which is the cost for earning an additional year of pension service, decreased from 7.69% to 7.56%. The funding policy previously adopted by the Board provides for the unfunded actuarial liability to be amortized over a fixed period of 20 years targeting 100% funding by the fiscal year ending 2032 with a one-time, one-year extension adopted in 2019. For the June 20, 2024, valuation, the Board adopted a change in amortization method such that future changes in unfunded liability due to experience gains or losses and changes in actuarial assumptions will be amortized over separate ("layered") 15-year periods. The expected UAL as of June 30,2023 based on the prior year is amortized over the remaining amortization period of 8 years.

The required employer contribution is determined actuarially, based on the normal cost of accrual of benefits and amortization of the unfunded actuarial liability offset by employee contributions. The total recommended contribution increased from $89.29 million for FYE 2024 to $98.47 million for FYE 2025. This represents an increase in cost as a percentage of payroll from 20.32% to 21.47% for FYE 2025. The expected employee contribution rate for active Plan C and Plan D members used to offset the City's cost is 5% of pay.

Accounting Systems and Internal Control

This report has been prepared in accordance with the principles of governmental accounting and reporting promulgated by GASB. The accrual basis of accounting is used to record assets and liabilities, and revenues and expenses. Revenues for the ERS are recorded when earned regardless of the date of collection, and expenses are recorded when liabilities are incurred regardless of when payment is made.

The System's administration assumes full responsibility for establishing and maintaining adequate internal controls and for the financial information contained in this report. Proper internal accounting and control exists to provide reasonable, but not absolute, assurance regarding the security of assets and the fair presentation of the financial statements and supporting schedules. Documented procedures, use of control cycles of work duties and other internal control policies are available for major job functions and operating processes. They are implemented thoughtfully and consistently. Management also understands that executing reasonable assurance of an internal control framework, the cost of control should not exceed the anticipated benefits, and that the reasonable cost benefit framework requires management to make some estimates and/ or justifications.

Other Information

Independent Auditor: The Baltimore City Code requires that the City's Board of Estimates select an independent auditor for the Retirement System, and that the auditor report findings annually to the Board of Estimates and to the Board of Trustees. The Board of Estimates elected to have UHY, LLP render an opinion as to the fairness of the System's financial statements. The auditor's report is contained in the Financial Section of this report.

Professional Services: The Board appoints consultants and investment managers, subject to approval by the City's Board of Estimates. These professionals are chosen based on their ability to provide services that are essential to the effective and efficient operation of the System. Trustees are also required to monitor and terminate investment managers as necessary for underperformance, or for other material reasons as determined by the Board. All the professionals that provide services to the Board are listed on pages 13 and 56 through 57 in the Introductory and Investment Sections of this report.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded ERS a Certificate of Achievement for Excellence in Financial Reporting by for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. That was the 41st consecutive year (fiscal years 1983-2023) that the ERS has received this prestigious award. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual financial report meets the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

This annual report was prepared by the System 's staff, with contributions from our investment consultants and actuary. It is intended to provide complete and reliable information as a basis for making management decisions, and as a means of determining compliance with legal provisions.

Copies of this report are provided to the City's Elected Officials, Agency Heads, and other interested parties. Copies are also filed with the Baltimore City Office of Legislative Reference. Other interested parties may obtain the report through the ERS website located at www.bcers.org.

Finally, my appreciation goes to the Board of Trustees, employees of ERS and advisors for their significant contributions in overseeing the successful management of the System.

Respectfully submitted,

David A. Randall

David A. Randall
Executive Director

CITY OF BALTIMORE
BRANDON M. SCOTT, Mayor

EMPLOYEE'S RETIREMENT SYSTEM,
ELECTED OFFICIALS' RETIREMENT SYSTEM
and RETIREMENT SAVINGS PLAN
DAVID A. RANDALL, Executive Director
7 E. Redwood Street
11th,12th and 13th Floors
Baltimore, Maryland 21202

December 31, 2024

To: All Members, Retirees and Beneficiaries of the

City of Baltimore Employees' Retirement System (ERS)

ERS continued to rebound in fiscal year 2024. The ERS return was 7.7%. The ERS slightly underperformed its policy benchmark return of 8.4% and was below the relative peer group ranking in a universe of over 300 public pension funds. However, ERS has returned 7.2% over the past ten years and ranked 21st. The market value funded ratio for ERS is now 80.0%.

All eligible ERS retirees received their customary annual COLA of 1.5% for members and beneficiaries under age 65 and 2.0% for members and beneficiaries aged 65 and older.

During this year, we again continued to navigate through the volatile economy and defy the expectation of the impact of higher interest rates. We witnessed all asset classes post gains, albeit Real Estate. Also, in FY 2024, fixed-income managers posted a 6.8% return, outperforming the Bloomberg US aggregate TR index by 4.2%. We are committed to growing our investments in infrastructure and alternative asset classes and achieving greater diversification. The Board continues to be dedicated to our mission to serve our members, retirees and beneficiaries and protect and grow the fund's assets.

We could not accomplish the agency's goals without the diligence and expertise of the Retirement Systems' staff. Our team approaches the agency's work daily with integrity, empathy, and precision. The staff understands that what we do impacts the real lives of our members and beneficiaries. On behalf of the Board of Trustees, I sincerely thank you for a job well done.

In closing, as we approach the end of 2024, I am pleased to announce some recent changes to the Board's composition. I, Quinton M. Herbert, and Veobia Akilo were elected to the board by active members, and Sharon Lockley was elected as the representative for retired members. I am honored to serve as the new board chair and am grateful for the opportunity to lead ERS in the years ahead. Together, we will continue to uphold the agency's mission and values, working towards the ongoing success of the retirement system.

Sincerely,

Quinton M. Herbert
Chair, Board of Trustees

Employees' Retirement System
City of Baltimore, Maryland
BOARD OF TRUSTEES

Quinton M. Herbert
Board Chair, term expires December 31, 2026
Mr. Herbert is Director and Human Capital Officer for the Department of Human Resources.
He was elected by the active membership to serve a four-year term through December 31, 2027.

Helen Holton
Board Vice-Chair, term expires December 31, 2024
Retired, City Council member for the City of Baltimore. She is also a former financial advisor and has more than 30 years' financial experience.
Appointed by Mayor, subject to City Council confirmation.

Veobia L. Akilo
Term expires December 31, 2027
Ms. Akilo is the Chief of Staff for the Department of Transportation.
She was elected by the active membership to serve a four-year term.

Bill Henry
Comptroller of the City of Baltimore and serves as an Ex-Officio Member.

Sharon A. Lockley
Term expires December 31, 2027
Retired, Auditor Supervisor for the Department of Audits.
She was elected by the retired membership to serve a four-year term.

Zakia Mahasa
Appointed by Mayor, subject to City Council confirmation.

Yoanna Moisides
Representing Finance Director of the City of Baltimore and serves as an Ex-Officio Member.

Patricia Roberts
Ms. Roberts retired with 42 years of service at the Municipal Employees Credit Union, Inc. in various leadership roles and in overseeing the operation of multiple branches.
Appointed by Mayor, subject to City Council confirmation.

LEGAL COUNSEL, GENERAL COUNSEL, ACTUARY, AND INDEPENDENT AUDITOR

LEGAL COUNSEL

City of Baltimore
Law Department
Ebony M. Thompson, Esq.

GENERAL COUNSEL

City of Baltimore
Employees' Retirement System
Etzion Brand, Esq.

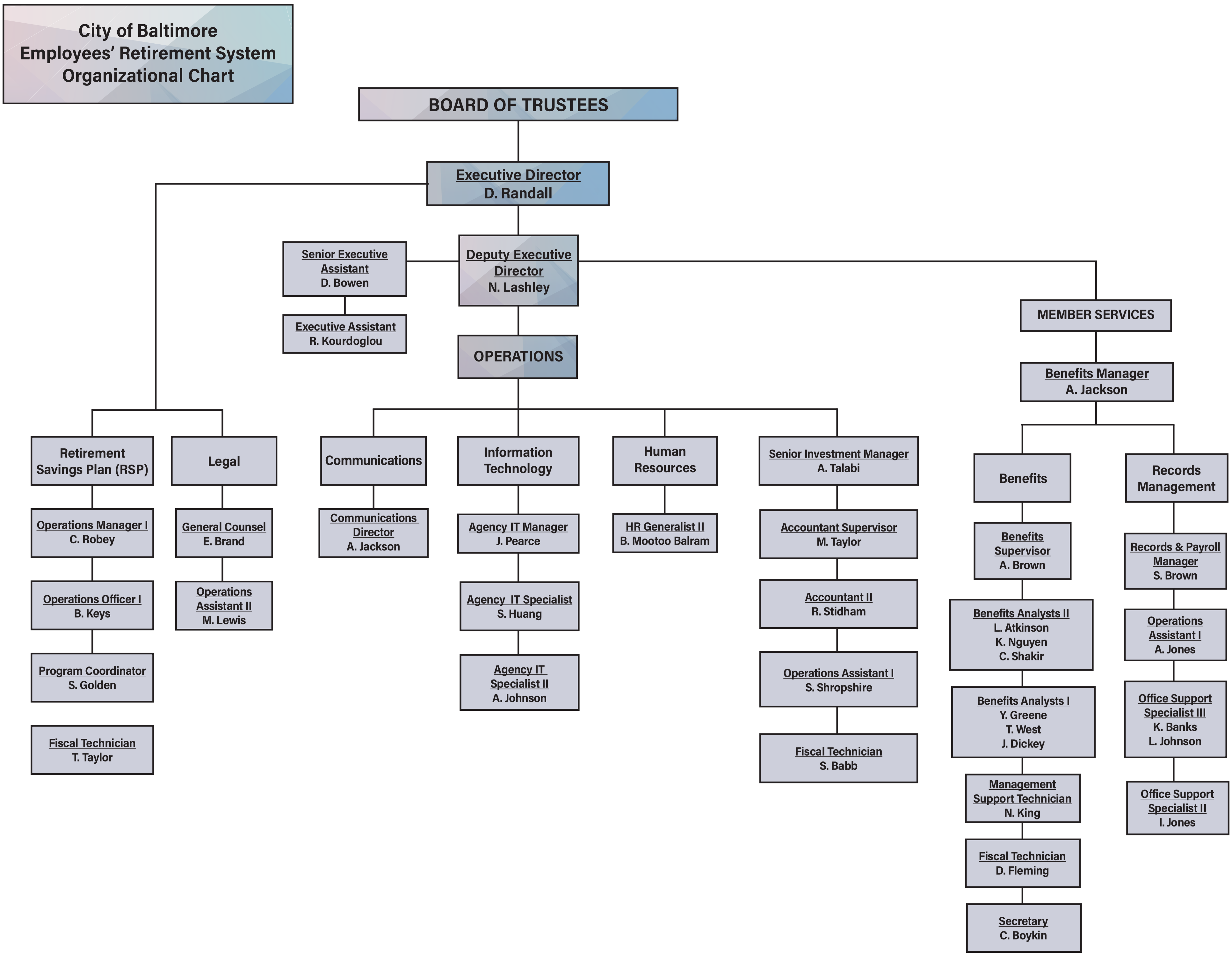
ACTUARY

Cheiron, Inc.
Anu Patel, FSA, MAAA, EA
Matt Deveney, FSA, MAAA, EA
McLean, Virginia

INDEPENDENT AUDITOR

UHY, LLP
Jason Ostroski, CPA

See pages 58 to 60 in the Investment Section for a list of investment professionals.
Schedule of fees on page 45.


City of Baltimore
Employees' Retirement System
Organizational Chart
BOARD OF TRUSTEES
Executive Director
D. Randall
Senior Executive Assistant
D. Bowen
Executive Assistant
R. Kourdoglou
Deputy Executive Director
N. Lashley
OPERATIONS
MEMBER SERVICES
Benefits Manager
A. Jackson
Retirement Savings Plan (RSP)
Operations Manager I
C. Robey
Operations Officer I
B. Keys
Program Coordinator
S. Golden
Fiscal Technician
T. Taylor
Legal
General Counsel
E. Brand
Operations Assistant II
M. Lewis
Communications
Communications Director
A. Jackson
Information Technology
Agency IT Manager
J. Pearce
Agency IT Specialist
S. Huang
Agency IT Specialist II
A. Johnson
Human Resources
HR Generalist II
B. Mootoo Balram
Senior Investment Manager
A. Talabi
Accountant Supervisor
M. Taylor
Accountant II
R. Stidham
Operations Assistant I
S. Shropshire
Fiscal Technician
S. Babb
Benefits
Benefits Supervisor
A. Brown
Benefits Analysts II
L. Atkinson
K. Nguyen
C. Shakir
Benefits Analysts I
Y. Greene
T. West
J. Dickey
Management Support Technician
N. King
Fiscal Technician
D. Fleming
Secretary
C. Boykin
Records Management
Records & Payroll Manager
S. Brown
Operations Assistant I
A. Jones
Office Support Specialist III
K. Banks
L. Johnson
Office Support Specialist II
I. Jones

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Bill Henry, Comptroller
Other Members of the Board of Estimates of the City of Baltimore and the
Board of Trustees of the Employees' Retirement System
Baltimore, Maryland

Opinion

We have audited the accompanying financial statements of the Employees' Retirement System of the City of Baltimore (the System), which comprise of the statement of fiduciary net position as of June 30, 2024, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the System, as of June 30, 2024, and the respective changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of changes in net pension liability and related ratios, employer contributions and investment returns and related notes, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the System's basic financial statements. The schedules of administrative expenses, investment expenses and payments to consultants (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory, investment, actuarial and statistical sections, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 27, 2024, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the System's internal control over financial reporting and compliance.

UHY LLP

Columbia, Maryland
November 27, 2024

Employees’ Retirement System
City of Baltimore, Maryland
MANAGEMENT’S DISCUSSION AND ANALYSIS

We are pleased to provide this overview of the financial activities of the Employees’ Retirement System (ERS) for the fiscal years ended June 30, 2024, and 2023. ERS is the administrator of cost-sharing, multiple employers, defined benefit, local government retirement plan (the Plan). Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the transmittal letter, which begins on page 7 of this report.

Financial Highlights

- The net position restricted for pensions at the close of the fiscal year 2024 was $2.11 billion. The net position is available to meet the Plan’s ongoing obligations to plan participants and their beneficiaries.

- The Plan’s total net position restricted for pensions increased by $77.56 million during fiscal year 2024. The increase was due to positive investment returns from all asset classes except real estate, which was negative. The negative return from real estate was due to lack of movement in interest rates that kept transaction volume low throughout the year as the asset class reflected a second consecutive negative year.

- Revenues (Additions to Fiduciary Net Position) for the year were $260.46 million. Revenues include employer contributions of $89.29 million, plan member contributions of $22.01 million, net investment income of $148.97 million, and net securities lending income of $0.19 million.

- Expenses (Deductions from Fiduciary Net Position) were $182.90 million. Expenses include retirement allowances, refund of member contributions, death benefits and lump sum payments totaling $177.58 million as well as administrative expenses of $5.32 million.

- The time-weighted rate of return for the fiscal year ended June 30, 2024, was 7.7% compared to the fiscal year ended June 30, 2023, return of 6.4%. The 1.3% increase from 2023 is attributable to the fixed income, international equities, private equities and low volatility composites that performed better.

- The Plan’s funding objective is to meet long-term benefit obligations through contributions and investment income. As of June 30, 2024, the System’s funded ratios are 80.0% and 76.5%, based on actuarial and fair values of assets, respectively. When compared with their June 30, 2023, values, the funded ratio based on actuarial value of assets remained flat while the funded ratio based on fair value increased by 0.3% due to positive investment returns. The plan's net position as a percentage of the total pension liability of 76.5% indicates that the Plan has approximately $0.76 of assets to cover every dollar of benefits due.

Overview of Financial Statements

The following discussion and analysis are intended to serve as an introduction to the Plan’s financial statements and the financial section of this report.

The **Statement of Fiduciary Net Position** presents the Plan’s assets and liabilities, and the net position restricted for pensions on June 30, 2024. The assets comprise cash and cash equivalents, receivables (mainly from investment activities), investments at fair value, securities lending collateral and net capital assets; while the liabilities comprise of payables, also mainly from investment activities.

The **Statement of Changes in Fiduciary Net Position** presents information showing how the Plan’s net position changed during the year. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when a formal commitment has been made by the City to provide the contributions. All investment gains and losses are shown on the trade date. Both realized and unrealized gains and losses are reported in investments. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

The **Notes to Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes are an integral part of the financial statements and include detailed information not readily evident in the basic financial statements.

The statements and the notes are in conformity with the accounting principles generally accepted in the United States. These principles require certain financial statement presentations and disclosures including the use of the accrual basis of accounting to record assets and liabilities, as well as revenues and expenses.

The **Statement of Fiduciary Net Position** and the **Statement of Changes in Fiduciary Net Position** are on pages 23 and 24 of this report.

The **Required Supplementary Information** that follows immediately after the notes to the basic financial statements includes the Schedules of Changes in Net Pension Liability and Related Ratios, Employer Contributions, Investment Returns and Notes to Required Supplementary Information. See the Required Supplementary Information beginning on page 39 of this report. The remaining supplemental schedules provide additional detailed information concerning administrative expenses, investment expenses and payments to consultants. All this information is considered useful in understanding and evaluating the financial activities of the Plan.

Financial Analysis

Net position may serve overtime as a useful indicator of the Plan's financial position. As of June 30, 2024, assets exceeded liabilities by $2.11 billion. The net position is available to meet the Plan's ongoing obligation to Plan participants and their beneficiaries. As of June 30, 2024, total net position increased by 4% from $2.03 billion to $2.11 billion. The increase in total net position when compared with last fiscal year ended June 30, 2024, is mainly due to positive and improved returns on investments. Management believes that the Plan remains in a strong financial position to meet its obligations to the members, retirees, and their beneficiaries.

Fiduciary Net Position	Fiscal Year 2024	Fiscal Year 2023	Increase / (Decrease)	Percentage Change
Cash and Receivables	$75,800,974	$74,461,003	$1,339,971	2%
Investments	2,076,409,482	1,992,478,515	83,930,967	4%
Securities Lending	48,323,980	43,880,992	4,442,988	10%
Capital Assets	339,084	336,401	2,683	1%
Total assets	2,200,873,520	2,111,156,911	89,716,609	4%
Total liabilities	89,411,434	77,259,457	12,151,977	16%
Total net position	$2,111,462,086	$2,033,897,454	$77,564,632	4%

Investment Assets

ERS is a long-term investor and manages the Plan's assets with long-term objectives in mind. A primary element of the Plan's investment philosophy is to employ diversification of assets as the best possible way to achieve its goals. After conducting an asset-liability study with the Plan's investment consultant, the Board of Trustees established an asset allocation plan considering the risk associated with each asset class as well as the financial objectives of the Plan. Investments are stated at fair value rather than at cost and include the recognition of unrealized gains and losses in the current period.

The rate of return on investments for the year ending June 30, 2024, was 7.7%, outperforming the policy investment return of 7.0% but lagging the benchmark return of 8.4%. The increase of 1.3% in investment returns when compared to the fiscal year 2023 rate of return of 6.4% is attributable to fixed income, international equities, private equities and low volatility asset classes that performed better than their respective 2023 returns. Domestic equities' returns remained flat while defensive equities and real estate composites performed lower than fiscal year 2023. The annualized rate of return for the last three-, five- and ten-year periods ended June 30, 2024, were 3.5%, 7.5% and 7.2%, respectively. The Plan's long-term actuarial investment return assumption was reduced to 7.0% beginning fiscal year 2019 in line with the City's Ordinance 16-488.

The Investment Section beginning on page 47 gives detailed information on the Plan's Investment Policies. See page 54 of this report for charts showing the asset allocation targets established by the Board of Trustees and the actual asset allocation of System assets on June 30, 2024.

Liabilities

The liabilities are payables incurred by the transaction activity of the investment assets, securities lending, the retirement benefit expenses, and administrative expenses of the Plan.

Changes in Fiduciary Net Position	Fiscal Year 2024	Fiscal Year 2023	Increase / (Decrease)	Percentage Change
Additions				
Employer contribution	$89,287,690	$94,788,090	($5,500,400)	-6%
Employee contribution	22,006,003	22,144,404	(138,401)	-1%
Net investment income	148,973,976	120,788,368	28,185,608	23%
Net Securities Lending Income	192,915	211,475	(18,560)	-9%
Total additions	260,460,584	237,932,337	22,546,807	9%
Deductions				
Retirement allowances	174,651,915	170,579,131	4,072,784	2%
Administrative expenses	5,316,122	5,068,850	247,272	5%
Refund of member's contribution	1,711,402	1,770,228	(58,826)	-3%
Death benefits	1,177,121	870,469	306,652	35%
Lump Sum cash payments	39,392	49,349	(9,957)	-20%
Total deductions	182,895,952	178,338,027	4,557,925	3%
Net increases (decreases)	$77,564,632	$59,594,310	$17,970,322	30%

Contributions and Investment Income

Net investment income increased by $28.19 million, due to an economy that remained steadfast, although signs of weakness began to emerge towards the close of the fiscal year. Net investment income includes investment expenses as a deduction. Investment expenses were $21.94 million for fiscal year 2024, higher than fiscal year 2023 by $2.71 million. Employer contributions on the other hand decreased by $5.50 million compared to last year's contributions. The employer's contributions are determined by the actuary and are calculated two fiscal years in advance. Plan member contributions also decreased by $0.14 million.

Retirement Benefits and Administrative Expenses

The Plan was created to provide lifetime service retirement benefits, survivor benefits and disability benefits to eligible members and their beneficiaries. The cost of such programs includes recurring benefit payments, lump sum death benefits, payments to terminated members, and the administrative expenses of the Plan. The primary source of expense during fiscal year 2024 was for the payment of continuing retirement benefits totaling $174.65 million, compared to $170.58 million for fiscal year 2023. Retirement allowances increased $4.07 million due to the annual cost of living adjustment of 1.5% for participants under age 65 and 2.0% for participants aged 65 and over.

Requests for Information

This financial report is designed to provide a general overview of the Plan's financial activities. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

David A. Randall
Executive Director,
Employees' Retirement System,
7 E. Redwood Street, 12th Floor,
Baltimore, Maryland 21202.

Employees' Retirement System
City of Baltimore, Maryland
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

Assets		
Cash and cash equivalents		$ 42,487,365
Receivables and other assets:		
Investments sold	$ 19,933,040	
Foreign currency contracts	9,801,380	
Accrued income	3,283,729	
Contribution and other receivables	242,960	
Prepayments	52,500	
Total receivables and other assets		33,313,609
Investments:		
Domestic equities	526,177,722	
Private equities	505,957,492	
Domestic fixed income	353,152,008	
International equities	292,579,998	
Real estate	242,683,749	
Defensive equities	140,447,635	
Private Credit	15,410,878	
Total investments		2,076,409,482
Securities lending collateral		48,323,980
Capital assets	2,968,433	
Accumulated depreciation of capital assets	(2,629,349)	
Net capital assets		339,084
Total assets		2,200,873,520
Liabilities		
Obligations under securities lending	48,323,980	
Investments purchased	26,524,284	
Foreign currency contracts	9,801,380	
Administrative expenses payable	2,819,408	
Other accounts payable	1,102,172	
Investment management fees payable	840,210	
Total liabilities		89,411,434
Net position restricted for pensions		$ 2,111,462,086

The notes to the basic financial statements are an integral part of this statement.

Employees' Retirement System
City of Baltimore, Maryland
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2024

Additions		
Contributions:		
Employers	89,287,690	
Plan members	22,006,003	
Total contributions		$111,293,693
Investment income:		
Net appreciation in value of investments	117,207,320	
Interest & dividend income	27,194,447	
Defensive equity income	15,270,377	
Real estate income	6,441,964	
Private equity income	4,773,332	
Other Income	22,490	
Less: Investment expenses	(21,935,954)	
Net investment Income		148,973,976
Securities lending income	274,877	
Less: Securities lending fees	(81,962)	
Net securities lending income		192,915
Total additions		260,460,584
Deductions		
Retirement allowances	174,651,915	
Adminstrative expenses	5,316,122	
Refund of members contributions	1,711,402	
Death benefits	1,177,121	
Lump sum cash payments	39,392	
Total deductions		182,895,952
Net increase		77,564,632
Net position restricted for pensions		
Beginning of year		2,033,897,454
End of year		$2,111,462,086

The notes to the basic financial statements are an intergral part of this statement.

1. Plan Description:

The Employees' Retirement System of the City of Baltimore (ERS) is the administrator of a cost-sharing multiple employers defined benefit local government retirement plan (the Plan). Established January 1, 1926, the Plan covers City employees and the Baltimore City Public School System's employees except for those required to join the Maryland State Retirement System, or the two other Baltimore City retirement systems, the Fire and Police Employees' Retirement System and the Elected Officials' Retirement System. Based on criteria established by the Governmental Accounting Standards Board, the ERS is a pension trust of the City of Baltimore and is included in the City's financial report as a Public Employees' Retirement System (PERS).

On June 30, 2024, the ERS membership consisted of:

Membership Status as of June 30, 2024	Classes A&B	Class C	Class D	Total
Active Plan Members	2	4,000	3,702	**7,704**
Retirees and Beneficiaries (currently receiving benefits	263	8,847	47	**9,157**
Terminated Plan members (entitled but not yet receiving benefits)	-	1,113	15	**1,128**
Total	**265**	**13,960**	**3,764**	**17,989**

The Plan provides service retirement benefits as well as death and disability benefits in accordance with the Plan Provisions, Article 22 of the Baltimore City Code. Only the Mayor and City Council may amend the Plan Provisions. The reduction of benefits is precluded by the City Code. The ERS Plan is divided into three Classes: A, C, and D for amendments of membership and benefit changes of the Plan Provisions.

The Class "A" contributory plan consists of all members hired prior to July 1, 1979, who did not elect to transfer to Class C, the non-contributory class at the time it was created. Membership was mandatory on the member's second anniversary of employment. However, the members could voluntarily enroll within the first two years of employment.

The Class "C" Plan consists of all employees hired on or after July 1, 1979, who automatically become members on the first anniversary of employment, and all members hired prior to July 1, 1979, who elected to transfer from the Class "A" contributory class. Effective July 1, 2013, Ordinance 13-144 was enacted by the Mayor and City Council introducing contributions for active ERS non-contributory members and eliminating the post retirement variable benefit increase. The Ordinance provides that effective July 1, 2013, members will contribute 1% of pay, to continue each year at 1% increments provided that 2% compensation is received for each year of contribution until employee contributions reaches 5% of compensation. The ERS defined benefit class "C" Plan was closed to new members on June 30, 2014, to establish the City of Baltimore's Retirement Savings Plan (RSP).

The Retirement Savings Plan (RSP) consists of a 401a contributory non-hybrid and a hybrid contributory defined benefit "D" Plan. The Class "D" Plan consists of all employees hired on or after July 1, 2014. The waiting period of entry for the contributory non-hybrid plan is 180 days. The hybrid contributory defined benefit Plan's waiting period is one year. Employees hired as of July 1, 2014, have 150 days of employment to select between the two Plans. Employees who do not select a Plan after 150 days of employment automatically default into the hybrid contributory defined benefit "D" plan. The mandatory contribution to each of the Plan's is 5%.

All Members in any of the City's Plan have an option to contribute to the City of Baltimore's 457 Deferred Compensation Plan. However, only non-hybrid members get a match of 50% subject to a maximum of 1% on their contributions to the 457 plans.

2. Summary of Significant Accounting Policies:

Basis of Presentation:
For accounting and financial reporting purposes, the Plan conforms with accounting principles generally accepted in the United States and reporting standards as promulgated by the Governmental Accounting Standards Board, which designates accounting principles and financial reporting standards applicable to PERS (Public Employee Retirement System). This report includes solely the accounts of the Plan, a pension trust of the City of Baltimore. There are no component units of the Plan based on the nature of operational or financial relationships.

Basis of Accounting:
These financial statements have been prepared using the economic resources measurement focus and accrual basis of accounting, whereby revenues are recorded when they are earned, expenses are recorded when they are incurred, and investment purchases and sales are recorded as of their trade date. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments:
Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at the current exchange rates. The real estate holdings are based on the most recent appraisal (either internal to the manager or third party) as then presently available. For alternative investments, which include private equity, hedge, and risk parity funds, where no readily ascertainable fair value exists, management, in consultation with the general partner and investment advisors, has determined these investments be measured at net asset value per share. The values for these investments are determined by the Plan's proportionate share of the partnership's most recent available financial information. Foreign exchange contracts are marked-to-fair value daily based on published fair value prices and quotations from national securities exchanges or securities pricing services. The changes in fair value are recognized as part of net appreciation/depreciation in the value of investments. Initial margin requirements for such financial instruments are provided by investment securities pledged as collateral or by cash.

Net investment income consists of realized and unrealized appreciation (depreciation) in the value of investments, interest and dividend income earned, less investment expenses. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Securities and securities transactions are reflected in the financial statements on a trade-date basis.

Tax Status:
The System is a tax-exempt governmental plan qualified under Section 401 and exempt under Section 501(a) of the Internal Revenue Code. IRS qualification letters have been received.

Use of Estimates in Preparing Financial Statements:
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board to make estimates and assumptions that affect the reported amounts of assets, liabilities, additions, and deductions to net position held in trust for pension benefits and disclosure of contingent assets and liabilities at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

3. Contributions:

Article 22 of the Baltimore City Code grants the authority to establish and amend the contributions of the active plan members to the Mayor and City Council of Baltimore.

The contributions required by the Plan provisions for each membership class are as follows:

Membership class	Percentage of compensation
A	4.0%
C	5.0%
D	5.0%

The employer contributions are determined through an actuarial valuation. The valuation method is stipulated in the Plan provisions.

All contributions are transferred to BNY Mellon, the ERS custodian for safekeeping and investment.

4. Post retirement increases:

Post-retirement benefit increases are granted each year to eligible retirees and beneficiaries in pay status for 12 months as at year end. The minimum guaranteed benefit increase is 1.50% for participants in pay status under age 65 and 2.00% for participants in pay status age 65 and over, effective June 22, 2010. Eligible retired members and beneficiaries with a pension entry date on or before June 30, 2022, will receive the minimum guaranteed benefit increase and is payable on January 1, 2024.

5. Cash and Investments:

The Plan's cash deposits are always covered up to statutory limits by the federal depository insurance. Custodial Credit Risk for Deposits is the risk that in the event of a bank failure, the systems' deposits may not be returned. The deposits are held in a financial institution with an insured balance of $250,000. Deposits in the bank of more than $250,000 are uninsured and uncollateralized. The system classifies cash on deposit in the custodian institution, BNY Mellon, as well as the cash management pool held by BNY Mellon as cash and cash equivalents. The system also classifies certain short-term highly liquid securities as cash equivalents if the maturity date is three months or less from the date of acquisition.

The Board of Trustees (the Board) is authorized by the Baltimore City Code to make investments in accordance with the guidelines and limitations set forth in the Code. The Board accomplishes the daily management of the Plan's investments through external investment advisors who act as fiduciaries for the Plan and through external investment managers. The Board invests the assets of the Plan using the "prudent person standard" which allows the Board to consider the probable safety of investments, avoid speculative investments, and invest as people of prudence, discretion, and intelligence would in a similar situation. The Board has adopted an investment policy and guidelines to formally document its investment objectives and responsibilities. Investments in the Plan are held under custodial agreement with BNY Mellon Financial Corporation.

ERS Plan investments as of June 30, 2024, are listed below:

Investment type	
Debt Securities:	
Commingled fixed income	$ 207,742,195
Corporate Bonds	69,049,264
U.S. Quasi and Foreign Government	56,756,214
US Treasury	19,604,335
Total Debt Securities	353,152,008
Domestic equities	526,177,722
Private equity	505,957,492
International equities	292,579,998
Real estate	242,683,749
Defensive Equity	140,447,635
Private Credit	15,410,878
Sub-total	1,723,257,474
Total Investments	$ 2,076,409,482

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rate of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024, are summarized in the following table:

Assets Class	Asset Allocation	Long-Term Expected Real rate of Return
Domestic Equity	22%	6.9%
Fixed Income	18%	4.8%
International Equity	15%	7.5%
Private Equity	15%	11.1%
Real Estate	15%	6.5%
Defensive Equity	7%	6.3%
Low Volatility	4%	6.6%
Private Debt	4%	9.7%
	100%	

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return of the Plan was 7.6%. The money-weighted rate of return expresses the Plan's investment performance, net of investment expense, adjusted for the changing amounts invested.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of investments. The Plan has selected the duration method to disclose the debt securities exposure to changes in interest rates for all debt securities. The Plan fixed income interest rate policy limits the average duration of the portfolio to within one to two years of the Barclay's Capital Bond index benchmark.

Investment Type	*Fair Value*	*Option Adjusted Duration (in years)*
Debt Securities:		
Pacific Asset Management Bank Loan Fund	$ 94,179,645	0.34
Corporate Bonds	69,049,264	6.00
BNYM Mellon DB SL Aggregate Bond Index	66,609,899	6.07
US Quasi and Foreign Government	56,756,214	5.68
Emerging Markets Bond CIT-Class B	46,952,651	6.63
US Treasury	19,604,335	8.54
Total Debt Securities	$ 353,152,008	

Credit Risk by Quality

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Board has not adopted a formal policy to limit credit risk. ERS-rated debt investments as of June 30, 2024, were rated by Standard & Poor's (S&P) and for securities with no S&P rating, the Moody's quality ratings were used.

Investments at Fair Value / Credit Risk by Quality Rating

Investment Type	*AAA-A*	*BBB-B*	*CCC-C*	*Not Rated*	*Total*
Pacific Asset Management Bank Loan Fund	$ -	$ 79,986,773	$ 7,063,473	$ 7,129,399	$ 94,179,645
Corporate Bonds	31,991,031	23,366,641	-	13,691,592	69,049,264
BNYM Mellon DB SL Aggregate Bond Index	58,484,872	8,125,027	-	-	66,609,899
US Quasi and Foreign Government	51,061,255	-	-	5,694,959	56,756,214
Emerging Markets Bond CIT-Class B	7,042,898	34,744,962	4,695,265	469,526	46,952,651
US Treasury	19,604,335	-	-	-	19,604,335
Total Debt Securities	$ 168,184,391	$ 146,223,403	$ 11,758,738	$ 26,985,476	$ 353,152,008

Foreign Currency Exposure Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. On June 30, 2024, the Employees' Retirement System did not hold any hedging foreign investment positions. ERS does not have a formal policy to limit foreign currency risk.

ERS' foreign currency risk as of June 30, 2024, is presented in the following table:

	Domestic Fixed Income	International Equity	Private Equity	Real Estate	Total Foreign Currency Exposure
Australian Dollar	$ -	$ 3,306,648	$ -	$ -	$ 3,306,648
Brazil Real	0	3,149,090	0	0	3,149,090
Canadian Dollar	(217)	6,706,241	0	18,026	6,724,050
Chinese R Yuan Hk	0	(13,059)	0	0	(13,059)
Chinese Yuan Renminbi	0	1,115,575	0	0	1,115,575
Danish Krone	0	2,485,819	0	0	2,485,819
Euro Currency Unit	12,101	34,072,088	2,204,623	0	36,288,812
Hong Kong Dollar	0	5,265,263	0	0	5,265,263
Indonesian Rupiah	0	345,505	0	0	345,505
Israeli Shekel	0	184,048	0	0	184,048
Japanese Yen	8,202	17,198,222	0	0	17,206,424
Mexican Peso	(3,451)	886,809	0	0	883,358
New Taiwan Dollar	0	3,821,961	0	0	3,821,961
New Zealand Dollar	0	36,267	0	0	36,267
Norwegian Krone	0	152,598	0	0	152,598
Polish Zloty	0	511,024	0	0	511,024
Pound Sterling	3,543	12,035,430	0	0	12,038,973
Russian Ruble (New)	0	206,354	0	0	206,354
Singapore Dollar	0	566,955	0	0	566,955
South African Rand	0	131,550	0	0	131,550
South Korean Won	0	5,586,675	0	0	5,586,675
Swedish Krona	0	1,679,357	0	0	1,679,357
Swiss Franc	0	5,078,857	0	0	5,078,857
Thailand Baht	0	183,493	0	0	183,493
UAE Dirham	0	1,038,702	0	0	1,038,702
	$ 20,178	$ 105,731,472	$ 2,204,623	$ 18,026	$ 107,974,299

Fair Value Measurements

The Plan categorizes their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Level 1	Unadjusted quoted prices for identical instruments in active markets.
Level 2	Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.
Level 3	Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan's assessment of the significance of inputs to these fair value measurements requires judgment and considers factors specific to each asset. The table on page 30 shows the fair value leveling on the investments for the Plan.

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt securities classified in Level 1 and Level 2 are valued using either a bid evaluation, mid evaluation, last trade or official close. Bid evaluations are an estimated price at which a dealer would pay for security. Mid evaluations are when a bid and ask evaluation are both present. Last trade is the most recent trade price of a security at market close time. Official close is the closing price as defined by the exchange.

The Employees' Retirement System's invested assets measured at fair value as of June 30, 2024, are presented below:

Investments by fair value level	Base Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities				
Corporate Bonds	$ 69,049,264	$ -	$ 69,018,834	$ 30,431
U.S. Quasi and Foreign Government	56,756,214	-	56,756,214	-
US Treasury	19,604,335	19,604,335	-	-
Total debt securities at fair value level	$ 145,409,813	$ 19,604,335	$ 125,775,047	$ 30,431
Equity securities				
Domestic equities	$ 390,049,277	$ 390,049,277	$ -	$ -
International equities	195,271,317	195,271,317	-	-
Total equity securities at fair value level	$ 585,320,594	$ 585,320,594	$ -	$ -
Total investments by fair value level	$ 730,730,407	$ 604,924,929	$ 125,775,047	$ 30,431
Investments measured at the net asset value (NAV)				
Private equity	$ 505,957,492			
Real estate	242,683,749			
Commingled fixed income	207,742,195			
Defensive Equity	140,447,635			
Domestic equities	136,128,445			
International equities	97,308,681			
Private Credit	15,410,878			
Total investments measured at the NAV	$ 1,345,679,075			
Total investments	$ 2,076,409,482			
Investment derivative instruments				
Foreign currency contract receivable	$ 9,747,552	$ 9,747,552	$ -	$ -
Foreign currency contract payable	(9,692,455)	(9,692,455)	-	-
Total investment derivative instruments	$ 55,097	$ 55,097	$ -	$ -

The valuation method for investments measured at the net asset value (NAV) per share, or equivalent, is presented in the table below:

Investment Measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity	$ 505,957,492	$ 243,600,000	Not eligible	N/A
Real estate	242,683,749	-	Quarterly	90-100 days
Commingled fixed income	207,742,195	-	Daily, weekly & monthly	0 - 30 days
Defensive Equity	140,447,635	-	Quarterly	90-100 days
Domestic equities	136,128,445		Daily, weekly & monthly	0 - 30 days
International equities	97,308,681	-	Daily, weekly & monthly	0 - 30 days
Private Credit	15,410,878	15,640,576	Not eligible	N/A
Total investments measured at the NAV	$ 1,345,679,075	$ 259,240,576		

(1) The System's private equity investments are in managers that are invested in Diversified, Venture Capital, Distressed Debt, Buyouts, International and Special Situations strategies. These investments are considered illiquid as redemptions are restricted over the life of the investment.

(2) The System's real estate investments are in core, partnerships, and closed-end commingled funds. Partnerships consist of non-core, value added and opportunistic strategies, which are often illiquid, and redemptions are restricted. The core funds are liquid, and the redemption frequency is quarterly with a 90-100 days' notice period. The closed-end commingled fund seeks to invest in a mix of core, value-add and opportunistic assets.

(3) Commingled fixed income Fund is in three funds. The first investment is in high quality corporate bond securities with long durations in line with the profile of invested funds; a fundamentals-based, quantitative credit modeling process is used to screen out riskier securities and determine credit quality. The second investment is in a fund whose philosophy is to participate in the upside while seeking to mitigate downside risk through a selective approach focused on the larger issuers. The last fund was added in fiscal year 2019 and it targets a 150bp alpha above the EMBI Global Diversified over a market cycle.

(4) Defensive equity investment is in a fund that seeks long-term growth of capital. The fund employs a strategy of writing collateralized put options on the S&P 500 Index. The collateral generally consists of short duration, high quality fixed income positions with a focus on U.S. Treasuries

(5) Domestic Equity investments include actively managed as well commingled funds. The active accounts invest in stocks of small, mid, and large capitalizations while seeking to outperform the S&P 500 index, maintaining a similar level of market risk over the long term. The commingled funds invest in high growth and index funds.

(6) International equity investments are in actively managed funds. About half of the investments are in securities where rigorous dividend discount analysis is used to identify value in terms of long-term flow of income. The other half of the investments are in funds which employ strategy that seeks to outperform the MSCI World index (half-hedged) while maintaining a similar level of market risk over the long term.

(7) Private credit investment is in two funds that employ direct lending approach focusing on middle market businesses. The first fund is primarily concentrated on originated senior loans while the second fund concentrates on non-cyclical companies.

6. Securities Lending:

The Plan's Securities Lending Authorization Agreement with BNY Mellon Bank (the Custodian) was revised during fiscal year 2018. Cash collateral received by the custodian is held and maintained in a separately managed cash collateral account. The cash collateral account is operated on a cost basis and the Plan assumes responsibility for the risk of loss arising from the difference between the cost and fair value of securities in the collateral account.

Approved Investments:

- Obligations of the U.S. treasury as well as agencies and instrumentalities and establishments of the U.S. Government.
- Repurchase transactions (including tri-party repurchase transactions). Collateralized at 102% or greater at the time of purchase and marked to market on each business day.
- Obligations issued by the central government of any OECD country and any of their respective agencies, instrumentalities, or establishments.
- Obligations issued by supranational organizations.
- Commercial paper, notes, bonds, and other debt obligations, whether registered under the Securities Act of 1933, as amended.
- Certificates of deposit, time deposits and other bank obligations.
- Asset-backed securities, including asset-backed commercial paper.
- Shares of money market funds registered with the Securities and Exchange Act of 1940, including affiliated funds of the Bank.
- Units of unregistered, collective investment vehicles sponsored or advised by the lending agent or an affiliate of the lending agent.

All approved investments may have fixed or floating interest rate provisions. Floating rate notes will reset no less frequently than quarterly. Cash collateral may be deposited at a central bank at the prevailing overnight interest rate (which may be negative or zero).

Credit Quality: The new guidelines as of 2018 provide that repurchase transaction counterparties must have executed a written agreement with a custodian and will be limited to those counterparties on the custodian's approved repo counterparty list. Obligations of supranational organizations should be rated minimum AAA by at least one NRSRO. Asset-Backed securities must be rated AAA by at least one NRSRO, if rated by more than one NRSRO the rating must AAA, Aaa, or aaa by two Short-term ratings must be A-1, P-1, or F1 or equivalent by an NRSRO or two of these ratings if rated by more than one NRSRO.

All other obligations must have short-term ratings of A-1, P-1, or F1 or equivalent by an NRSRO or two of these ratings if rated by more than one NRSRO and long-term ratings of A, A2, or A or equivalent by an NRSRO or two of these ratings if rated by more than one NRSRO.
U.S Government Securities do not require a rating by NRSRO and registered money market funds must be rated in the highest category available.

Concentration guidelines: Concentration of any approved investment in the cash collateral account does not exceed 5% per issuer except for U.S Government securities, repurchase agreements, shares of money market funds and collective investment vehicles.

Maturity: Investments have a maximum final maturity of 397 days except U.S Government securities that have maturity not to exceed 762 days. The weighted average of investments in cash collateral account for shorter maturities does not exceed 60 days while longer maturity does not exceed 120 days.

Liquidity: All approved investments are deemed to be liquid at the time of purchase with the exception of time deposits and repurchase agreements with maturity greater than 7 days, which are deemed illiquid. Illiquid approved investments do not exceed 5% of the total amount of approved investments in the cash collateral account.

The following table presents the fair values of the underlying loaned securities, and the fair value of collateral pledged on June 30, 2024.

Securities Lent	Fair Value of Loaned Securities	Collateral Fair value	Collateral Percentage %
Lent for cash collateral:			
Domestic Equity	$ 30,060,228	$ 30,738,223	102
U.S. Notes and Bonds	10,418,859	10,633,647	102
International Equity	6,323,423	6,952,110	110
Total Cash Collateral	46,802,510	48,323,980	
Lent for non cash collateral:			
Equity	10,278,247	10,619,120	103
U.S. Notes and Bonds	632,750	645,899	102
International Equity	516,901	652,522	126
Total non cash collateral	11,427,898	11,917,541	
Total Securities on Loan	$ 58,230,408	$ 60,241,521	

7. Derivatives Instruments:

A derivative is a unique and often complex financial arrangement entered into with another party, typically a private-sector financial firm. The value or cash flows of a derivative are determined by how the fair value prices of the hedged item change. The System has classified the following as hedging investment instruments.

The System enters forward currency contracts to manage exposure to fluctuations in foreign currency exchange rates on portfolio holdings. The System also enters forward exchange contracts to settle future obligations. A forward exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. A contract is classified as forward contract when the settlement date is more than two days after the contract date. Risk associated with such contracts includes movement in the value of a foreign currency relative to the U.S. dollar. The contracts are valued at forward exchange rates and include net appreciation/depreciation in the statement of plan position. The realized gain or loss on forward currency contracts is the difference between the original contract and the closing value of such contract and is included in the statement of changes in fiduciary net position.

The table below summarizes the fair value of foreign currency contracts as of June 30, 2024:

Currency	Receivable at Cost	Receivable at Fair Value	Payable at Cost	Payable at Fair Value	Net Unrealized Gain/(Loss)
Euro Currency Unit	$ 5,300,901	$ 5,246,425	$ (5,300,901)	$ (5,216,054)	$ 30,371
U.S. Dollar	3,155,261	3,160,750	(3,155,261)	(3,155,261)	5,489
Pound Sterling	1,148,556	1,143,715	(1,148,556)	(1,124,268)	19,447
Danish Krone	154,750	154,750	(154,750)	(154,955)	(205)
Japanese Yen	30,672	30,672	(30,672)	(30,637)	35
Hong Kong Dollar	4,309	4,309	(4,309)	(4,314)	(5)
Canadian Dollar	3,412	3,412	(3,412)	(3,416)	(4)
South Korean Won	3,278	3,278	(3,278)	(3,308)	(30)
Swedish Krona	144	144	(144)	(144)	-
Brazil Real	96	96	(96)	(97)	(1)
Singapore Dollar	1	1	(1)	(1)	-
Grand Total	$ 9,801,380	$ 9,747,552	$ (9,801,380)	$ (9,692,455)	$ 55,097

8. Net Pension Liability:

The following schedules include the Net Pension Liability (NPL) as of June 30, 2024, and the sensitivity of the NPL to the discount rate.

The components of the net pension liability of the Plan on June 30, 2024, were as follows:

Total Pension Liability	$ 2,760,157,452
Less: Plan Fiduciary Net Position	2,111,462,086
Net Pension Liability	$ 648,695,366
Plan Fiduciary Net Position as a percentage of Total Pension Liability	76.5%

The discount rates used to measure the total pension liability were 7.0% and 6.50%, for active and retired members, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the contribution rate and that Employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The sensitivity of the pension liability schedule presents the net pension liability of the Plan calculated using the discount rate 7.0% for active participants and 6.5% for retired participants as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than these current discount rates.

Sensitivity of the pension liability to changes in the discount rate.

	1% Decrease	Current Discount Rate	1% Increase
Discount Rate - Active Participants	6.0%	7.0%	8.0%
Discount Rate - Retired Participants	5.5%	6.5%	7.5%
Plan's Net Pension Liability	$947,927,735	$648,695,366	$394,532,823
Plan fiduciary net position as a percentage of total pension liability	69.0%	76.5%	84.3%

The actuarial methods and assumptions presented below are determined as part of the actuarial valuation dated June 30, 2024.

Actuarial funding method:	Entry Age Normal Method.	
Actuarial assumptions date:	Effective 7/1/1989, Revised 6/30/2019.	
Discount Rate	7.00%	Pre-Retirement
	6.50%	post-retirement
	6.72%	Weighted

Projected salary increases:	Assumed to vary with age.
Cost-of-living adjustments:	1.5% for participants in pay status under age 65 and 2.0% for participants in pay status age 65 and over.
Pre-Retirement Mortality:	1. Non-line-of-Duty - Pub-2010 Total General Employee Below-Median mortality tables adjusted by 130% for males and 140% for females with future mortality improvement through 2026 using SOA scale MP-2021. (effective 6/30/2023) 2. Line-of-Duty - 0.005% at all ages (effective 6/30/1999).
Post-Retirement Mortality:	1. Retirees and Beneficiaries – Pub-2010 General Retiree Below-Median Weighted mortality tables adjusted by 130% for males and 129% for females with future mortality improvement through 2026 using SOA's Scale MP-2021. 2. Disabled members - Pub-2010 General Disabled Annuitant mortality tables adjusted by 183% for males and 120% for females with future mortality improvement through 2026 using SOA's Scale MP-2021.

The last actuarial experience study covered the period 7/1/2018 through 6/30/2022. Generally, an experience study is conducted every four years, unless requested by the ERS Board of Trustees.

9. Capital Assets:

The capital assets purchased as of the fiscal year ending June 30, 2023, consist of leasehold improvements, office equipment and office furniture. All capital assets are recorded at cost less accumulated depreciation.

Capital Assets	July 1, 2023 Balance	Capital Acquisitions	Capital Dispositions	June 30, 2024 Balance
Leasehold Improvements	$ 1,714,439	$ 30,263	$ -	$ 1,744,702
Office Furniture	523,028	-	-	523,028
Office Equipment	632,231	-	-	632,231
Computer & Computer Equipment	9,588	58,884	-	68,472
Totals	$ 2,879,286	$ 89,147	-	$ 2,968,433

Accumulated Depreciation	July 1, 2023 Balance	Increases	Decreases	June 30, 2024 Balance
Leasehold Improvements	$ 1,567,709	$ 20,108	$ -	$ 1,587,817
Office Furniture	470,285	19,401	-	489,686
Office Equipment	495,303	35,178	-	530,481
Computer & Computer Equipment	9,588	11,777	-	21,365
Totals	$ 2,542,885	$ 86,464	-	$ 2,629,349
Net Capital Assets	$ 336,401	$ 2,683	$ -	$ 339,084

10. Subsequent Events:

The Plan evaluated subsequent events through November 27, 2024, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2024, but prior to November 27, 2024, that provided additional evidence about conditions that existed on June 30, 2024, have been recognized in the financial statements for the year ended June 30, 2024. Events or transactions that provided evidence about conditions that did not exist on June 30, 2024, but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2024.

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REQUIRED SUPPLEMENTARY INFORMATION AND SUPPORTING SCHEDULES

Employees' Retirement System
City of Baltimore, Maryland
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
For the year Ended June 30

	2024	2023	2022	2021	2020
Total Pension Liability					
Service cost (MOY)	$ 30,154,432	$ 27,907,784	$ 29,193,160	$ 29,653,748	$ 28,902,345
Interest (includes interest on service cost)	175,144,668	170,432,751	170,400,560	167,804,129	165,446,336
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	62,718,833	36,072,286	(24,334,005)	(8,388,368)	16,472,199
Changes of assumptions	-	8,054,963	-	-	-
Benefit payments, including refund of members contributions	(177,579,830)	(173,269,177)	(168,159,164)	(163,047,946)	(158,559,647)
Net change in pension liability	90,438,103	69,198,607	7,100,551	26,021,563	52,261,233
Total pension liability - beginning	**2,669,719,349**	**2,600,520,742**	**2,593,420,191**	**2,567,398,628**	**2,515,137,395**
Total pension liability - ending	**$ 2,760,157,452**	**$ 2,669,719,349**	**$ 2,600,520,742**	**$ 2,593,420,191**	**$ 2,567,398,628**
Plan fiduciary net position					
Contributions - employer	$ 89,287,690	$ 94,788,090	$ 98,640,176	$ 92,637,051	$ 86,953,801
Contributions - members	22,006,003	22,144,404	18,493,368	18,493,824	17,787,416
Net investment income	149,166,890	120,999,843	(75,735,807)	452,684,732	11,872,983
Benefit payments, including refund of member contributions	(177,579,830)	(173,269,177)	(168,159,164)	(163,047,946)	(158,559,647)
Administrative expense	(5,316,121)	(5,068,850)	(4,460,410)	(4,397,413)	(4,495,405)
Net change in plan fiduciary net position	$ 77,564,632	$ 59,594,310	$ (131,221,837)	$ 396,370,248	$ (46,440,852)
Plan fiduciary net position - beginning	**2,033,897,454**	**1,974,303,144**	**2,105,524,981**	**1,709,154,733**	**1,755,595,585**
Plan fiduciary net position - ending	**2,111,462,086**	**2,033,897,454**	**1,974,303,144**	**2,105,524,981**	**1,709,154,733**
Net pension liability - ending	**$ 648,695,366**	**$ 635,821,895**	**$ 626,217,598**	**$ 487,895,210**	**$ 858,243,895**
Plan fiduciary net postion as a percentage of the total pension liability	76.50%	76.20%	75.90%	81.20%	66.57%
Covered payroll	$ 507,685,584	$ 458,637,682	$ 439,326,244	$ 455,219,365	$ 437,242,419
Net pension liability as a percentage of covered payroll	127.80%	138.60%	142.50%	107.20%	196.29%

	2019	2018	2017	2016	2015
Total Pension Liability					
Service cost (MOY)	$ 26,666,815	$ 28,939,927	$ 25,736,202	$ 25,507,759	$ 26,107,551
Interest (includes interest on service cost)	163,000,392	159,875,336	157,784,730	155,822,464	152,621,503
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	4,243,214	11,347,778	(6,869,329)	11,578,209	2,052,377
Changes of assumptions	65,481,090	-	-	20,850,001	(3,828,646)
Benefit payments, including refund of members contributions	(154,868,174)	(149,154,499)	(144,608,910)	(139,197,716)	(134,270,657)
Net change in pension liability	104,523,337	51,008,542	32,042,693	74,560,717	42,682,128
Total pension liability - beginning	**2,410,614,058**	**2,359,605,516**	**2,327,562,823**	**2,253,002,106**	**2,210,319,978**
Total pension liability - ending	**$ 2,515,137,395**	**$ 2,410,614,058**	**$ 2,359,605,516**	**$ 2,327,562,823**	**$ 2,253,002,106**
Plan fiduciary net position					
Contributions - employer	$ 89,866,171	$ 87,541,882	$ 84,474,451	$ 77,100,573	$ 97,170,796
Contributions - members	17,246,258	12,942,622	10,656,243	10,350,709	6,728,131
Net investment income	92,814,972	139,512,271	163,156,838	40,260,042	66,818,040
Benefit payments, including refund of member contributions	(154,868,174)	(149,154,499)	(144,608,910)	(139,197,716)	(134,270,658)
Administrative expense	(3,716,362)	(3,616,054)	(3,584,506)	(3,515,492)	(3,748,434)
Net change in plan fiduciary net position	$ 41,342,865	$ 87,226,222	$ 110,094,116	$ (15,001,884)	$ 32,697,875
Plan fiduciary net position - beginning	**1,714,252,720**	**1,627,026,498**	**1,516,932,382**	**1,531,934,266**	**1,499,236,391**
Plan fiduciary net position - ending	**1,755,595,585**	**1,714,252,720**	**1,627,026,498**	**1,516,932,382**	**1,531,934,266**
Net pension liability - ending	**$ 759,541,810**	**$ 696,361,338**	**$ 732,579,018**	**$ 810,630,441**	**$ 721,067,840**
Plan fiduciary net postion as a percentage of the total pension liability	69.80%	71.10%	68.95%	65.17%	68.00%
Covered payroll	$ 419,686,035	$ 403,454,892	$ 391,121,606	$ 399,465,753	$ 408,095,216
Net pension liability as a percentage of covered payroll	180.98%	172.60%	187.30%	202.93%	176.69%

Employees' Retirement System
City of Baltimore, Maryland
Required Supplementary Information
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND INVESTMENT RETURNS
Year ended June 30

	2024	2023	2022	2021	2020
Actuarial determined contribution	$ 89,287,690	$ 94,788,090	$ 98,640,176	$ 92,637,051	$ 86,953,801
Contributions in relations to actuarially determined contribution	89,287,690	94,788,090	98,640,176	92,637,051	86,953,801
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 507,685,584	$ 458,637,682	$ 439,326,244	$ 455,219,365	$ 437,242,419
Contributions as a percentage of payroll	17.59%	20.67%	22.45%	20.35%	19.89%

	2019	2018	2017	2016	2015
Actuarial determined contribution	$ 89,866,171	$ 87,541,882	$ 84,474,451	$ 75,862,000	$ 90,489,000
Contributions in relations to actuarially	89,866,171	87,541,882	84,474,451	77,100,573	97,170,796
Contribution deficiency (excess)	$ -	$ -	$ -	$ (1,238,573)	$ (6,681,796)
Covered payroll	$ 419,686,035	$ 403,454,892	$ 391,121,606	$ 399,465,753	$ 408,095,216
Contributions as a percentage of payroll	21.41%	21.70%	21.60%	19.30%	23.81%

	2024	2023	2022	2021	2020
Annual money-weighted rate of return, net of investment expense	7.6%	6.1%	-4.1%	27.4%	0.9%

	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	5.7%	8.1%	11.7%	2.7%	4.6%

1. Plan C member contributions were contingent upon increases in pay which were yet to be negotiated at the time the July 1, 2013, valuation was completed and when the City made the contribution for fiscal year 2014, the City contribution was not offset for Plan C member contributions. To account for member contributions and credits to the city funding requirement, the fiscal year 2015 contribution of $97,170,796 previously calculated as of July 1, 2013, valuation was adjusted to account for expected Plan C member contributions of 2% of pay resulting in a net City contribution of 90,489,236. The city contribution is further reduced for payments made more than required contribution after adjusting for member contributions received. This resulted in a net recommended City contribution of $86,857,159 for FYE 2015.

2. The actuarial value of assets is offset by the normal cost reserve from plan change, due to the continued recognition of prior year's investment losses; the rate of return is below expectation with an actual rate of return for the year of 6.10%, which is compared to the expected investment return of 7.75% for the prior year. As of June 30, 2016, previous investment losses are partially being recognized and further offset by investment gains, which are being deferred for recognition in the future.

3. The unfunded actuarial liability (Actuarial Liability minus Actuarial Assets) decreased from $670.38 million on June 30, 2016, to $644.11 million on June 30, 2017. This decrease is primarily attributable to contributions toward the unfunded actuarial liability of $70.6 million and the liability gain of $11.3 million offset by the asset loss of $14interest (based on actuarial assets) and interest costs of the unfunded. The total recommended contribution for FYE 2018 was revised from $87,541,882 to $90,743,732 because the expected member contribution rate increases of 1% did not occur since the City did not increase pay by the required 2%. This resulted in a shortfall of contributions of $3.2 million for FYE 2018.
   The revision represents an increase in cost as a percent of pay from 21.91% to 22.72% for FYE 2018.

4. The unfunded actuarial liability (Actuarial Liability minus Actuarial Assets) decreased from $644.11 million on June 30, 2017, to $625.26 million on June 30, 2018. This decrease is primarily attributable to contributions being paid into the system to pay down the unfunded liability. The total recommended contributions decreased from $89,866,171 for FYE 2019 to $86,953,791 for FYE 2020. This represents a decrease in cost as a percentage of payroll from 22.98% to 21.55% for FYE 2020.

5. The unfunded actuarial liability (Actuarial Liability minus Actuarial Assets) increased from $625.26 million on June 30, 2018, to $679.98 million on June 30, 2019. The increase is primarily attributable to changes in actuarial assumptions including the reduction in the pre-commencement Regular Interest Rate. The total recommended contribution increased from $86,953,791 for FYE 2020 to $92,637,053 for FYE 2021. This represents an increase in cost as a percent of payroll from 21.55% to 22.07% for FYE 2021.

6. The unfunded actuarial liability increased from $679.98 million on June 30, 2019, to $686.06 million on June 30, 2020. The increase is primarily attributed to the lower-than-expected investment returns and pay increases that were higher than expected. The total recommended contribution increased from $92,637,053 for FYE 2021 to $98,640,175 for FYE 2022. This represents an increase in cost as a percentage of payroll from 22.07% to 22.56% for FYE 2022.

7. The total recommended contribution decreased from $98,640,175 for FYE 2022 to $94,788,090 for FYE 2023. This represents a decrease in cost as a percentage of payroll from 22.56% to 20.82% for FYE 2023. The expected employee contribution rate for active plan C and plan D members used to offset the City's cost is 5% of pay.

8. The total recommended contribution decreased from $94,788,090 for FYE 2023 to $89,287,690 for FYE 2024. This represents a decrease in cost as a percentage of payroll from 20.82% to 20.32% for FYE 2024. The expected employee contribution rate for active Plan C and Plan D members used to offset the City's cost is 5% of pay.

9. The total recommended contribution increased from $89,287,690 for FYE 2024 to $98,471,636 for FYE 2025. This represents an increase in cost as a percentage of payroll from 20.32% to 21.47% for FYE 2025. The expected employee contribution rate for active Plan C and Plan D members used to offset the City's cost is 5% of pay.

10. The total recommended contribution increased from $98,471,636 for FYE 2025 to $106,302,108 for FYE 2026. As a percentage of payroll, the contribution decreased from 21.47% to 20.94% for FYE 2026. The expected employee contribution rate for active Plan C and Plan D members used to offset the City's cost is 5% of pay. The funding policy previously adopted by the Board provides for the unfunded actuarial liability to be amortized over a fixed period of 20 years targeting 100% funding by the fiscal year ending 2032 with a one-time, one-year extension adopted in 2019. For the June 20, 2024, valuation, the Board adopted a change in amortization method such that future changes in unfunded liability due to experience gains or losses and changes in actuarial assumptions will be amortized over separate ("layered") 15-year periods. The expected UAL as of June 30,2023 based on the prior year is amortized over the remaining amortization period of 8 years.

11. The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, 2024. The following actuarial methods and assumptions were used to determine the contribution rates reported in the schedule:

Valuation Date	June 30, 2022
Timing	Actuarial determined contribution rates are calculated based on the actuarial valuation two years prior to the end of the fiscal year.

<u>Key methods and assumptions used to determine contribution rates:</u>

Actuarial cost method	Entry Age
Asset valuation method	Fair Value adjusted for 20% of the five-year aggregate investment surpluses and deficits
Amortization method	Level percent of pay closed period with 10 years remaining as of June 30, 2022
Discount rate	7.00% until retirement, 6.5% after retirement.
Investment returns	7.00%
Social Security Wage Base	3.00%
Inflation	2.55%
Post-Retirement Increases	1.5% until age 65 and 2% thereafter.
Salary increases	Age based salary scale.
Mortality	Healthy Annuitants: Pub-2010 General Retiree Below-Median Weighted mortality tables adjusted by 115% for males and 125% for females with future mortality improvement through 2022 using SOA's Scale MP-2018 Disabled annuitants: Pub-2010 General Disabled Annuitant mortality tables adjusted by 163% for males and 145% for females with future mortality improvement through 2022 using SOA's Scale MP-2018

A complete description of the methods and assumptions used to determine contribution rates for the fiscal year ending June 30, 2024, can be found on June 30, 2022, actuarial valuation report.

Employees' Retirement System
City of Baltimore, Maryland
SCHEDULE OF ADMINISTRATIVE EXPENSES
For the Year Ended June 30, 2024

Salaries and wages:		
Permanent full-time salaries	$ 2,687,370	
Total salaries and wages		$ 2,687,370
Other personnel costs:		
Social security	671,323	
Medical insurance and health care	460,069	
Total other personnel costs		1,131,392
Contractual services:		
IT Support and supplies	388,967	
Office lease payments	219,983	
Retirement payroll processing	211,759	
Professional services	132,152	
Actuarial services	97,804	
Printing and postage	86,926	
Pension systems support	63,350	
Audit Fees	40,832	
Telephone systems	36,689	
Dues and Subscriptions	15,581	
Total contractual services		1,294,043
Others:		
Depreciation expense	86,464	
Trustee Education and meetings	54,909	
Staff education and conferences	41,520	
Office Supplies	6,728	
Maintenance and repairs	5,275	
Parking	5,126	
Miscellaneous	3,295	
		203,317
Total administrative expenses		$ 5,316,122

Employees' Retirement System
City of Baltimore, Maryland
SCHEDULE OF INVESTMENT EXPENSES
SCHEDULE OF PAYMENTS TO CONSULTANTS
For the Year Ended June 30, 2024

Schedule of Investment Expenses

Investment expenses:		**Fees**
Investment management fees	$	21,377,082
Investment consultant fees		465,881
Custodial fees		92,991
Subtotal		21,935,954
Securities lending fees		81,962
Total investment expenses	**$**	**22,017,916**

Schedule of Payments to Consultants

Firm		**Fees**	**Nature of Service**
Corsica Technologies	$	211,272	Computer Network Services
Magothy Technology LLC		112,859	IT Consulting and Document Management
Cheiron, Inc.		97,804	Actuarial Services
Pension Technology, Inc.		63,350	Benefits Adminstration System
American Arbitration Association		45,824	Trustee Election
UHY, LLP		40,832	Financial Audit
RSM US Product Sales		37,884	Accounting System Ugrade and Maintenance
Robert Half International		33,232	Temporary Staff
Pension benefit Information, LLC		24,000	Death Notification
Diligent Corporation		19,847	Board meeting reports
Lexis Nexis		7,087	Death Notification
Believe Wireless		4,225	Internet Service Provider
Total of payments to consultants	**$**	**698,216**	

Note: A schedule of fees and commissions is also illustrated in the Investment Section on page 57.

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INVESTMENT SECTION

MarquetteAssociates

INVESTMENT CONSULTANT'S REPORT

Introduction

This report, prepared for the City of Baltimore Employees' Retirement System (ERS) by Marquette Associates, Inc. is based on information supplied by the System's custodian, Mellon Bank, N.A (Mellon). Mellon provides Marquette Associates, Inc. with beginning and ending market values, cash flows, transactions, and positions for the ERS as well as each manager, where applicable. Mellon audits the information contained in its accounting reports monthly. The rates of return are calculated using a time-weighted rate of return methodology based upon market values. The returns are reported on both net of fees and gross of fees to provide comparisons with the appropriate benchmarks. Investment information is reported to the greatest degree possible in conformance with the presentation standards of Global Performance Investment Standards (GIPS®) formerly known as AIMR.

Distinction of Responsibilities

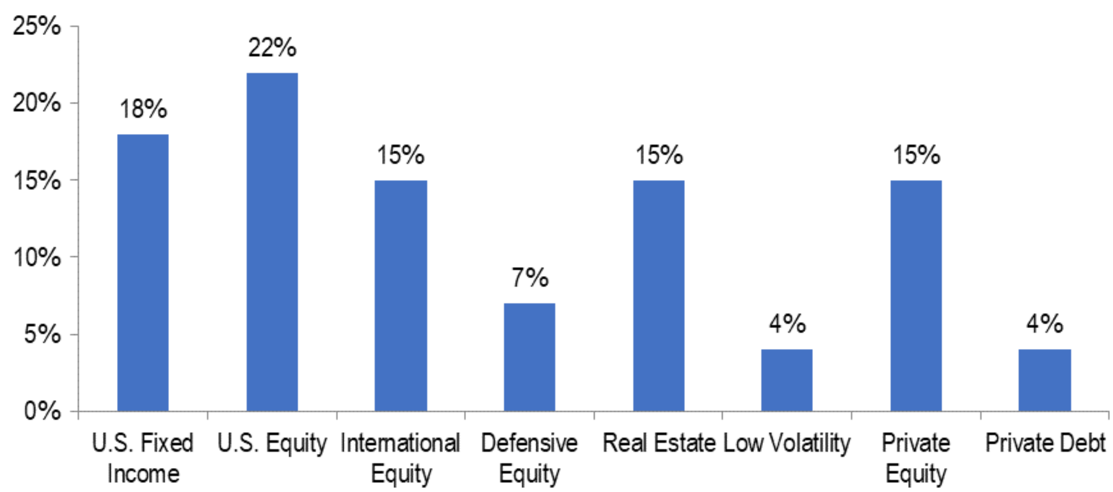
In recognition of the importance of prudent investment of System assets to both the City and the System's members, the Board, as primary fiduciary of the System, shall periodically review the asset management and actuarial characteristics of the System to ensure that investments are managed in a manner that is consistent with the retirement objectives of the System's members. These responsibilities are detailed in the Investment Guidelines.

The primary investment objectives of the System are to preserve the capital value of the System assets adjusted for inflation, to ensure adequate liquidity to meet benefit liabilities as they fall due, to meet the actuarial interest rate assumptions, and without unduly jeopardizing the above objectives, to exceed the investment return objective by the astute management of System assets.

The investment managers appointed to execute the policy will invest ERS assets in accordance with the policy guidelines and with their judgment concerning relative investment values. In particular, the investment managers are accorded full discretion to: (1) select individual securities, (2) make periodic strategic adjustments to the mix of the common stock and fixed income securities, where applicable and (3) diversify their portfolios.

Investment Asset Allocation Structure

The goal of the asset allocation structure is to provide a favorable rate of return coupled with a prudent level of risk. The System conducted an asset allocation analysis and added exposure to private credit investments in order to achieve long term return objectives while reducing risk and diversify the portfolio. The following table outlines the ERS's investment policy targets:



Investment Objective

The investment return is evaluated against a policy benchmark consisting of a pro rata representation of the asset allocation utilizing indices outlined in the Investment Policy. In addition, the ERS's performance is evaluated relative to the Investment Metrics Public Fund Universe, a universe representing the performance of 75 Public Funds with greater than $1 Billion in assets. Marquette utilizes the InvestorForce Performance Reporting network, an advanced and comprehensive analysis and performance management platform, comprised of over 100 different investment consulting firms located throughout the United States.

Market Overview

The economy remained steadfast though signs of weakness began to emerge towards the close of the fiscal year. Larger corporations and higher income households became more bifurcated from smaller firms and lower income households respectively, as the effects of inflation pricing continued to hurt the consumer. Similarly, the labor market while healthy, reflected a steady increase from 3.5% to 4.1% during the 12-month period. The markets were generally attentive to the Federal Reserve as expectations of a rate cut continued to be delayed throughout the year. On the global economic front, parallels to the United States emerged with developed countries generally reporting a fall in inflation. The European Central Bank cut its key rate in June 2024. China continued to reflect struggles in the country as domestic consumer demand remained weak after a challenging post-COVID recovery. Global equities continued to reflect strong returns in 2024. U.S equities once more led their international developed and emerging markets counterparts with double digit gains of 23.1% for the U.S. stock market and 11.5% for the international stocks. Fixed income markets were volatile, though generally closed the year in positive territory. Investment-grade bonds saw muted returns of 2.6% as the yield curve remained inverted. Sub-investment grade debt, once more posted gains, with bank loans outperforming high-yield debt given their floating-rate characteristics. Real Estate continued to weigh on investors returns as the lack of movement in interest rates kept transaction volume low throughout the year as the asset class reflected a second consecutive negative year with a -9% return.

Investment Performance

For the fiscal year ending June 30, 2024, the System posted a positive gain of 7.7% return which underperformed the policy benchmark of 8.4% and lagged in the peer group. During a period of marginal increasing rates, fixed income returns were additive once more due to the exposure to floating rate debt. Domestic equity investment strategies struggled against their respective benchmarks over the fiscal year due to a narrow market where a handful of positions led the markets. Growth-oriented investments were in favor throughout the year with the larger sized corporations faring better than their smaller counterparts.

The market value of the ERS assets increased from the prior year to finish at $2,112.9 million. The Total Fund market value for this report included both capital appreciation and cash flow activity. At the end of fiscal year 2024, the System's assets were allocated as follows:

			Fiscal Year Rate of Return	
	Fair Value (in millions)	Percent of Total	ERS	Benchmark
U.S. Equity	$445.8	21.1%	14.5%	23.1%
International Equity	$299.8	14.2%	13.2%	12.2%
U.S. Fixed Income	$355.8	16.8%	6.8%	2.6%
Real Estate*	$243.7	11.5%	-12.2%	-9.3%
Defensive Equity	$140.4	6.6%	11.9%	9.1%
Private Equity*	$503.3	23.8%	3.5%	3.3%
Low Volatility Equity	$88.2	4.2%	13.7%	6.2%
Private Debt*	$15.2	0.7%	---	---
Cash Equivalents	$20.7	1.0%	---	---
Total Fund	$2,112.9	100.0%	7.7%	8.4%

*Private Equity, Private Debt and some Real Estate values and returns are through March 31, 2024.

Luis Sierra, CFA
Vice President
Marquette Associates, Inc.

Kweku Obed, CFA, CAIA
Managing Director
Marquette Associates, Inc.

Employees' Retirement System
City of Baltimore, Maryland
OUTLINE OF INVESTMENT OBJECTIVES AND POLICIES

Investment Objectives

The primary investment objectives of the Employees' Retirement System (the Plan) are set forth below. It is recognized that maximizing any one objective may compromise the achievement of other objectives. For example, maximizing liquidity may reduce investment return; seeking maximum investment return may subject capital preservation to higher risk. Accordingly, the following investment objectives are given in descending order of priority:

1. To preserve the capital value of the Plan adjusted for inflation.
2. To ensure adequate Plan liquidity to meet benefit liabilities as they fall due.
3. To meet the actuarial interest rate assumptions.
4. Without unduly jeopardizing the above objectives, to exceed the investment return objective by the astute management of funds.

General Investment Policy

The Employees' Retirement System must comply with investment restrictions imposed by the laws of the City of Baltimore and any other State or Federal laws dealing with investment of public retirement plan assets. The Plan's investment managers are expected to familiarize themselves with these laws.

Investment policy for the Plan relates to the portfolio of all assets that comprise the total holdings of the Plan. The Board of Trustees (Board) recognizes that the objective of a sound and prudent policy is to produce investment results that will preserve the assets of the Plan, as well as to maximize earnings of the Plan consistent with its long-term needs. These long-term needs have been ascertained through various studies performed on behalf of the Board by its actuary and its investment advisor. Investment policy and the long-term average allocation of plan assets to which they refer are deemed to be consistent with the projected pattern of cash flows to the Plan and its projected benefit payments. Should the projected finances of the Plan change significantly, the applicable Federal or State statutes be amended, or changes in the Plan's asset valuation methods be adopted, these policies and average asset allocations will be reviewed and modified by the action of the Board, if appropriate.

In general, the Board recognizes that large pools of assets must be diversified over several different security classifications to reduce risk. The following asset allocation has been established as an overall objective for the total holdings of the Plan:

Asset Category	Target Allocation
Domestic equity	22%
Fixed Income	18%
International equity	15%
Private Equity	15%
Real Estate	15%
Defensive equity	7%
Low Volatility	4%
Private Debt	4%

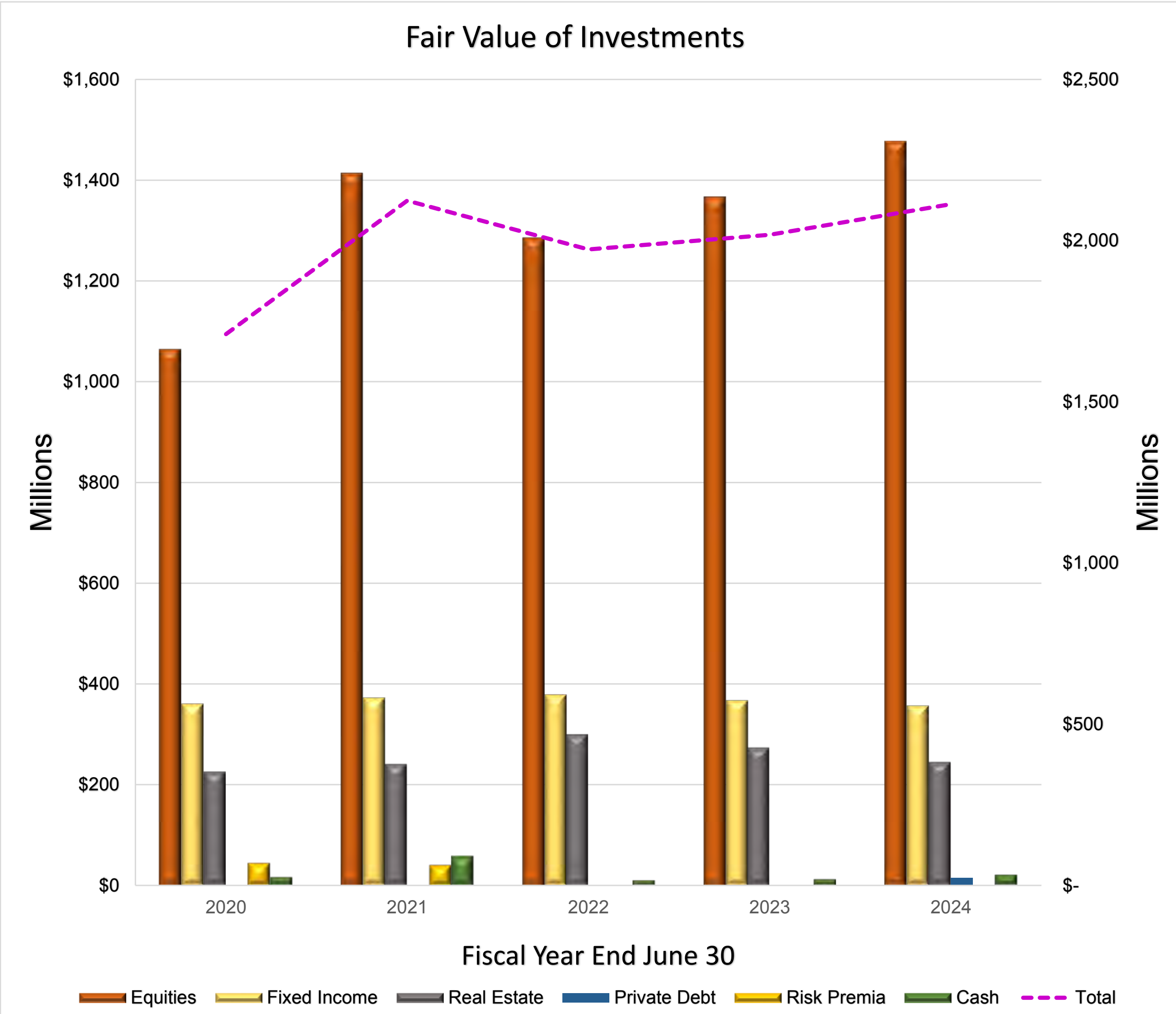
Within each major security classification, investments should be diversified and excessive concentration in any particular security, company or industry is to be avoided. Detailed guidelines in this regard have been supplied to each of the Plan's investment managers. Additionally, each is expected to be familiar with the investment provisions in Article 22 of the Baltimore City Code. Subject to these objectives and guidelines, and the Plan laws referenced herein, the investment managers shall have full discretion of investment decisions. Managers are advised to notify the Board in writing if these objectives cannot be met or if the guidelines constrict performance and are encouraged to suggest changes to these guidelines at any time.

Proxy Voting

Pursuant to a U.S. Department of Labor directive, the Board of Trustees has a long-standing policy that, when solicitations of proxies with respect to securities are received by an investment manager, the decisions as to whether and how to vote such proxies are delegated to that investment manager.

The Board also recognizes, however, that the investment manager's decisions must be made in accordance with applicable legal standards and that the Board has an obligation to ensure that those standards are being observed. Therefore, the Board requests that annually (June 30) each management firm furnish the Plan with a written statement of their policy and practices with respect to the voting of securities held in their employee benefit plan asset portfolios, together with their written assurance that such policies and practices are being followed. These statements and assurances will be included, and will be given appropriate weight, in the Board's continuing evaluation of each manager's overall investment performance.

PORTFOLIO COMPOSITION



(amounts expressed in millions)

	2020		2021		2022		2023		2024	
Equities	$ 1,065	62%	$ 1,414	67%	$ 1,286	65%	$ 1,367	68%	$ 1,477	70%
Fixed Income	360	21%	372	18%	378	19%	367	18%	356	17%
Real Estate	225	13%	240	11%	299	15%	273	13%	244	12%
Private Debt	0	0%	0	0%	0	0%	0	0%	15	1%
Risk Premia	44	3%	40	2%	0	0%	0	0%	0	0%
Cash	16	1%	58	3%	10	1%	12	1%	21	1%
Total	$ 1,710	100%	$ 2,124	100%	$ 1,973	100%	$ 2,018	100%	$ 2,113	100%

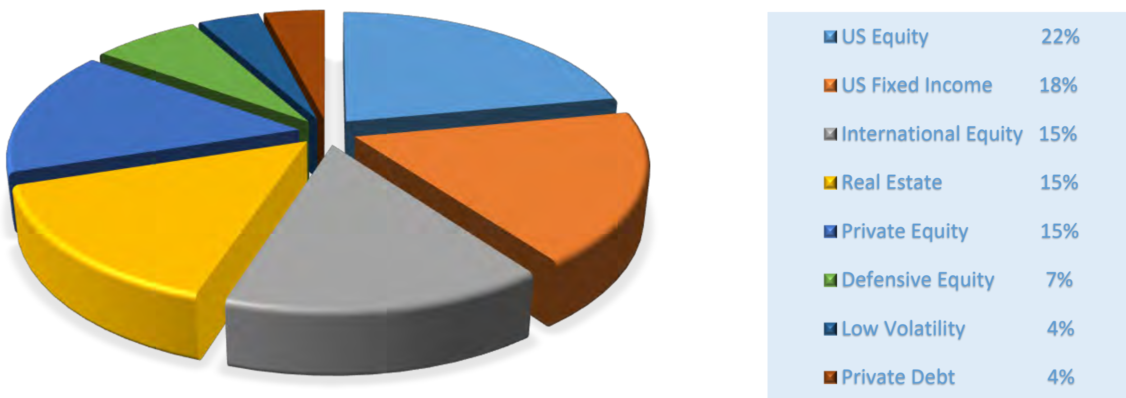
Employees' Retirement System
City of Baltimore, Maryland
INVESTMENT RESULTS
TIME WEIGHTED RATE OF RETURN, CURRENT VALUE BASIS

		Annualized		
	FY 2024	**3 Years**	**5 Years**	**10 Years**
TOTAL PORTFOLIO	7.7 %	3.5 %	7.5 %	7.2 %
Median Public Pension Fund	8.4	2.5	6.5	6.5
Target Rate of Return 7%	7.0	7.0	7.0	7.0
DOMESTIC EQUITIES	14.5	3.5	9.8	9.8
Russell 3000	23.1	8.1	14.1	12.1
DEFENSIVE EQUITIES	11.9	6.2	9.5	-
CBOE Put Write Index	9.1	7.3	8.2	6.8
50% S&P 500/50% 91 Day T-Bill	14.9	6.9	8.8	7.3
INTERNATIONAL EQUITIES	13.2	0.4	6.9	5.6
MSCI ACWI ex-US	12.2	1.0	6.1	4.3
FIXED INCOME	6.8	(0.4)	1.8	2.5
Bloomberg US Aggregate TR	2.6	(3.0)	(0.2)	1.3
REAL ESTATE	(12.2)	-	1.9	5.7
NFI-ODCE	(9.3)	1.9	3.1	6.4
CPI + 5%	8.1	10.2	9.4	7.9
PRIVATE EQUITY COMPOSITE	7.1	15.3	19.5	16.5
Cambridge Associates All PE	4.9	6.8	15.1	14.1
CPI + 6%	9.7	12.0	10.4	9.0
XPONANCE	10.5	0.5	6.9	5.5
Xponance Benchmark	11.6	0.5	5.5	4.9
Low Volatility Composite	13.7	5.6	-	-
S&P 500 Low Volatility	6.2	4.7	5.9	8.8

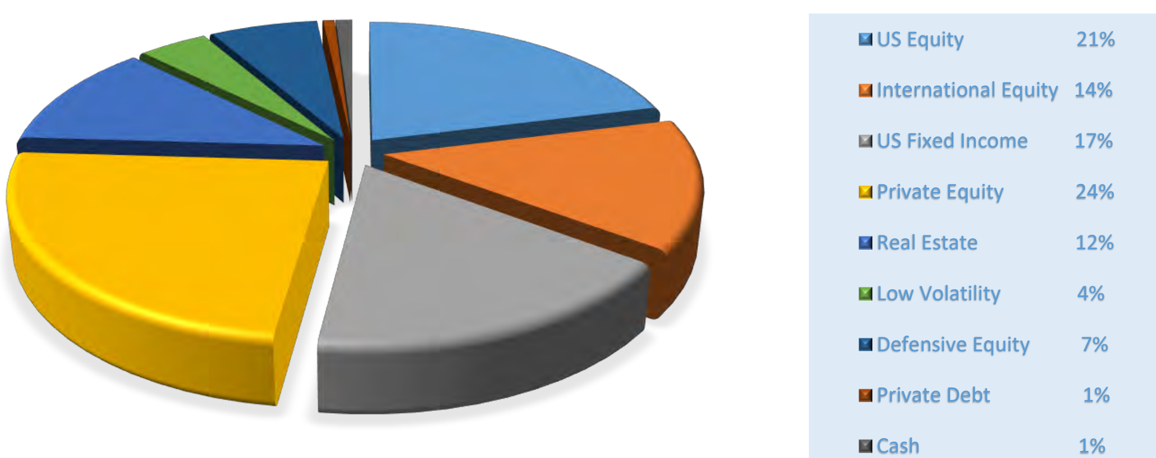
Note: The calculations above were prepared by the Employees' Retirement System's investment advisor, Marquette Associates, Inc. using a time weighted rate of return, based on market rate of return. The performance shown for the Total Portfolio does not include "Other Assets" dedicated to the payment of post-retirement benefit increases. The Median Public Pension Fund exhibits the overall rate of return for the average Public Pension Plan as measured by the Investorforce Public Universe.

Employees' Retirement System
City of Baltimore, Maryland
ASSET ALLOCATION - ACTIVELY MANAGED ACCOUNTS
June 30, 2024

TARGET ASSET ALLOCATION



ACTUAL ASSET ALLOCATION



Employees' Retirement System
City of Baltimore, Maryland
TOP EQUITY AND FIXED INCOME HOLDINGS BY FAIR VALUE
June 30, 2024

TOP TEN DOMESTIC EQUITY HOLDINGS

		Shares	Fair Value
1	Verizon Communications Inc	116,400	4,800,336
2	Fedex Corp	14,500	4,347,680
3	Advanced Energy Industries Inc	33,812	3,677,393
4	International Business Machine	19,000	3,286,050
5	Walmart Inc	47,825	3,238,231
6	Littelfuse Inc	11,669	2,982,480
7	Coca-Cola Co/The	46,600	2,966,090
8	Cisco Systems Inc	62,054	2,948,186
9	General Dynamics Corp	9,870	2,863,682
10	Chevron Corp	17,600	2,752,992
	Total		33,863,120

TOP TEN INTERNATIONAL EQUITY HOLDINGS

		Shares	Fair Value
1	CIE Generale Des Etablissement	67,056	2,595,127
2	Check Point Software Technolog	15,336	2,530,440
3	Subaru Corp	105,270	2,231,572
4	Inchcape Plc	209,645	1,971,691
5	Sanofi Sa	18,275	1,761,586
6	Asml Holding Nv	1,679	1,735,047
7	Samsung Electronics Co Ltd	29,229	1,730,594
8	Endesa Sa	91,878	1,726,676
9	Britvic Plc	114,827	1,714,255
10	Gsk Plc	88,326	1,707,731
	Total		19,704,719

TOP TEN DOMESTIC FIXED INCOME HOLDINGS

		Shares	Fair Value
1	Commit To Pur FNMA Sf Mtg	6,727,000	5,694,959
2	U S Treasury Note	2,250,000	2,232,980
3	FNMA Pool #0Ma4398	2,447,349	1,928,609
4	FNMA Pool #0Fs2041	2,069,217	1,632,674
5	FNMA Pool #0Ma4600	1,714,838	1,521,798
6	GNMA Gtd Remic P/T 23-62 Ac	1,647,334	1,444,069
7	GNMA Ii Pool #0Ma7937	1,539,532	1,343,965
8	GNMA Ii Pool #0Ma7988	1,490,003	1,300,728
9	GNMA Ii Pool #0Ma8200	1,391,021	1,288,016
10	FNMA Pool #0Ma4700	1,400,972	1,284,944
	Total		19,672,742

A complete list of portfolio holdings is available on request.

Employees' Retirement System
City of Baltimore, Maryland
INVESTMENT SUMMARY
June 30, 2024

	Fair Value	Percentage of Fair Value	Percentage of Total Fair Value
Equities - Corporate Stock			
Science and Technology	$ 126,982,828	8.6%	
Financial	106,289,856	7.2%	
Consumer and Capital Goods	79,887,843	5.4%	
Healthcare and Pharmateuticals	56,610,679	3.8%	
Energy	45,541,319	3.1%	
Industrial and Machinery	31,119,210	2.1%	
Transportation	30,272,719	2.0%	
Engineering & Construction	24,552,558	1.7%	
Aerospace/Defense	20,771,818	1.4%	
Commercial Services	20,721,544	1.4%	
Media and Entertainment	17,492,683	1.2%	
Telecommunications	12,390,971	0.8%	
Agriculture	5,603,696	0.4%	
Environmental	5,040,030	0.3%	
Others	2,042,840	0.1%	
Total Equties - Corporate Stocks	585,320,594	39.5%	
Others			
Private Equity	505,957,492	34.2%	
Defensive Equity	140,447,635	9.5%	
Commingled Domestic Equity	136,128,445	9.2%	
Commingled International Equity	97,308,681	6.6%	
Private Credit	15,410,878	1.0%	
Total Others	895,253,131	60.5%	
Total equities	**1,480,573,725**	100.0%	**71.3%**
Fixed Income:			
US Quasi and Foreign Government	56,756,214	16.1%	
U.S. Treasury	19,604,335	5.6%	
	76,360,549	21.6%	
Corporate:			
Financial	55,553,409	15.7%	
Industrial and Machinery	3,721,676	1.1%	
Healthcare and Pharmateuticals	2,245,021	0.6%	
Consumer and Capital Goods	1,994,783	0.6%	
Energy	1,673,965	0.5%	
Science and Technology	1,531,554	0.4%	
Aerospace/Defense	1,244,490	0.4%	
Transportation	416,787	0.1%	
Media and Entertainment	380,446	0.1%	
Commercial Services	248,510	0.1%	
Telecommunications	38,623	0.0%	
Total corporate	69,049,264	19.6%	
Commingled Fixed Income	207,742,195	58.8%	
Total fixed income	**353,152,008**	**100.0%**	**17.0%**
Other investments:			
Real estate	242,683,749	100.0%	
Total other investments	**242,683,749**	**100.0%**	**11.7%**
Total investments	**$ 2,076,409,482**		**100.0%**

Employees' Retirement System
City of Baltimore, Maryland
SUMMARY SCHEDULE OF FEES AND COMMISSIONS
For the Year Ended June 30, 2024

Investment managers' fees	**Assets Under Management**	**FY 2024**
Private equities	$ 505,957,492	$ 14,404,966
Real estate	242,683,749	2,583,519
International equities	292,579,998	1,854,182
Domestic equities	526,177,722	1,490,561
Domestic fixed income	353,152,008	718,789
Private Credit	15,410,878	276,833
Mutual Funds		48,232
Total investment managers' fees		**$ 21,377,082**
Other investment service fees:		
Investment consultant fees		$ 465,881
Custodial fees		92,991
Securities Lending Collateral		81,962
Total other investment service fees		**$ 640,834**

Brokerage Fees
Broker's fees on investment transactions for the year ended June 30, 2024 amounted to $270,498. The highest 30 paid brokers are listed below.

Brokerage Firms	**Amount of Commissions**	**Number of Shares Traded**	**Commission per Share**	**Brokerage Firms**	**Amount of Commissions**	**Number of Shares Traded**	**Commission per Share**
BNY Capital Markets Inc, New York	$ 26,554	694,622	$ 0.0382	RBC Capital Markets LLC, New York	$ 4,392	186,932	$ 0.0235
Raymond James & Assoc Inc, St Petersburg	16,632	504,775	0.0330	Morgan Stanley And Co., LLC, New York	3,939	656,108	0.0060
Pershing LLC, Jersey City	11,181	566,785	0.0197	Jefferies & Co Ltd, London	3,803	1,192,686	0.0032
Cowen And Company, LLC, Jersey City	10,307	329,334	0.0313	BNY Convergex, New York	3,581	119,351	0.0300
Seaport Group Securities, LLC, New York	9,249	308,288	0.0300	Citigroup Global Markets Ltd, London	3,567	4,848,459	0.0007
Jefferies & Co Inc, New York	8,805	390,867	0.0225	Merrill Lynch Intl London Equities	3,232	725,005	0.0045
William Blair & Co, Chicago	8,017	211,134	0.0380	J.P Morgan Securities Inc, New York	3,100	106,340	0.0292
Williams Capital Group Lp, Jersey City	7,559	337,974	0.0224	SMBC Nikko Capital Markets Ltd, London	3,085	418,949	0.0074
Loop Capital Markets, Jersey City	7,440	354,270	0.0210	Wells Fargo Securities, LLC, New York	2,907	123,973	0.0235
Piper Jaffray & Co., Jersey City	7,423	884,116	0.0084	Credit Lyonnais Secs (Asia), Hong Kong	2,888	4,360,600	0.0007
Cabrera Capital Markets, Chicago	5,614	229,565	0.0245	Btig LLC, New York	2,846	524,812	0.0054
Merrill Lynch & Co Inc Atlas Global, Ny	5,483	500,050	0.0110	Goldman Sachs & Co, Ny	2,798	143,359	0.0195
Instinet Pacific Ltd, Hong Kong	5,330	68,154	0.0782	Sanford C Bernstein & Co Inc, London	2,784	354,049	0.0079
Baird, Robert W & Co Inc, Milwaukee	4,840	188,028	0.0257	Cap Instl Svcs Inc - Equities, New York	2,705	98,409	0.0275
Instinet Europe Limited, London	4,784	339,711	0.0141	Citigroup Global Markets, Inc., New York	2,609	283,069	0.0092

Brokerage Commissions
Because of the highly visible nature of the Employees' Retirement System, it is important that the investment managers have as a primary objective in investment transactions to obtain the best execution in all cases. While the investment managers are permitted to direct a portion of commissions for research, it is expected that each manager will receive commission discounts which are commensurate with current discount practice. Investment managers are expected to give first preference whenever possible to brokerage firms with offices located in the Baltimore Metropolitan Area. However, the managers are expected to negotiate commission rates, and local brokerage firms should be given preference only when commission rates and transaction services are competitive with those available from other firms.

INVESTMENT PROFESSIONALS

DOMESTIC EQUITY MANAGERS

Analytic Investors
Sonya Y. Rorie, CFA, CPA
Baltimore, Maryland

DF Dent
Mike Morrill
Baltimore, Maryland

Channing Capital
Richard Turnley, III .
Atlanta, Georgia

Earnest Partners
Jeffrey Jackson
Atlanta, Georgia

The Edgar Lomax Company
Randall Eley
Springfield, Virginia

Rhumbline Advisers
Denise A. D'Entremont
Boston, Massachusetts

DEFENSIVE EQUITY MANAGER

Neuberger Berman
Carter Reynolds
New York, New York

INTERNATIONAL EQUITY MANAGERS

Ariel Capital Management
Gary L. Rozier
New York, New York

Brown Capital
Kent B. Miller
Baltimore, Maryland

Harding Loevner, LP
Alec Walsh, CFA
Bridgewater, New Jersey

SSGA Emerging SC
Rocky Granahan
Boston, Massachusetts

TSW
Vickie Mundie
Richmond, Virginia

Xponance (formerly FIS Group)
Tina Byles Williams
Philadelphia, Pennsylvania

FIXED INCOME MANAGERS

Pacific Asset Management
Michael Spitler
Newport Beach, California

Payden & Rydel
Elizabeth Westvold
Boston, Massachusetts

Pugh Capital
Deanna Hobson
Seattle, Washington

Medalist Partners (Formerly Semper)
Thomas Mandel
New York, New York

REAL ESTATE MANAGERS

American Realty Advisors
Stanley Lezman
Glendale, California

Barings Real Estate Advisors
Pamela McKoin
Hartford, Connecticut

Basis Investment Group
Tammy Jones
New York, New York

Artemis Real Estate Partners
Rachel Salerno
Chevy Cha

Thor Urban
Joseph J. Sitt
New York, New York

PRIVATE CREDIT MANAGERS

Brightwood Capital
Zakira Ralling
New York, New York

Carlyle Direct Lending
Adriana Kordes
New York, New York

PRIVATE EQUITY MANAGERS

Abbott Capital Management
Kathryn Stokel
New York, New York

Adams Street Partners, LLC
Michael Lucarelli
New York, New York

Avance Investment Partners
David Perez
New York, New York

BlackRock Global
Cathleen M. Ellsworth
Greenwich, Connecticut

Chicago Pacific Founders
Matthew P. Doyle
Chicago, Illinois

GenNx360
Carmen Rojas
Clifton, New Jersey

I Squared Capital
David Velasquez
New York, New York

Landmark Partners
Francisco L. Borger
Simsbury, Connecticut

Lightspeed Ventures
Kathleen Forte
Menlo Park, California

Oaktree Capital Management
Jason Oberg
New York, New York

RCP Advisors. LLP
Michael Feinglass
Chicago, Illinois

Reverence Capital Partners
David Pollack
New York, New York

RLJ Equity Partners, II
Rufus H. Rivers
Bethesda, Maryland

Siris Partners, IV
Phillip Lo
New York, New York

Stellex Capital
Courtney Mehrotra
New York, New York

Summit Partners
Adam Hennessey
Boston, Massachusetts

Tailwater Energy Fund, IV
Lindsay Grider
Dallas, Texas

Vivo Capital Fund, IX, L.P.
Cinthia Sheu
Palo Alto, California

The Vistria Group
Gennell Jeferson
Chicago, Illinois

Vitruvian Investment
Enno Marcard
London

Warburg Pincus
James W. Wilson, CFA
New York, New York

INVESTMENT PROFESSIONALS

PASSIVE MANAGEMENT

Mellon Capital Management Corp
Brian Hock
Pittsburgh, Pennsylvania

SECURITIES LENDING

BNY Mellon Global Securities Lending
Michael McDermott
Pittsburgh, Pennsylvania

GLOBAL CUSTODIAN

BNY Mellon Asset Servicing
Dennis Onderick
Pittsburgh, Pennsylvania

INVESTMENT ADVISORS

Marquette Associates, Inc.
Kweku Obed
Chicago, Illinois

Meketa Investment Group
Judy Chambers
New York, New York

ACTUARIAL SECTION

November 20, 2024

Board of Trustees
Employees' Retirement System
7 East Redwood Street, 12th Floor
Baltimore, Maryland 21202-3470

Re: 2024 Annual Comprehensive Financial Report
The Employees' Retirement System of the City of Baltimore

Honorable Members of the Board of Trustees:

Cheiron Inc. performs an actuarial valuation of the System at the end of each fiscal year. The most recent valuation, as of June 30, 2024, determined the employer's contribution for the plan year beginning June 30, 2025. The contribution is determined for the following year and therefore, it is our understanding the contribution plus interest is historically made during the fiscal year ending 2026.

The Employees' Retirement System's funding objective is to meet long-term benefit promises through contributions which spread the cost over the employees' service base. If the contributions to the System are soundly executed, the System will pay all promised benefits when due – the ultimate test of financial soundness.

The funding method used in the annual valuation is the Entry Age Normal Cost method. This method tends to compute level contributions as a percentage of pay over the entire working lifetime of the plan participant. The employer's contribution is increased or decreased to amortize the difference between the actuarial value of assets and the actuarial accrued liability as a level dollar amount. The funding policy previously adopted by the Board provides for the unfunded actuarial liability to be amortized over a fixed period of 20 years targeting 100% funding by the fiscal year ending 2032 with a one-time, one-year extension adopted in 2019. Effective with the June 20, 2024 valuation, the Board adopted a change in amortization method such that future changes in unfunded liability due to experience gains or losses and changes in actuarial assumptions will be amortized over separate ("layered") amortization periods of 15 years. The UAL as of June 30, 2023 is amortized over the remaining amortization period of 8 years.

The valuation is based on a closed group of membership; no new hires are assumed. The actuarial value of assets for this disclosure is equal to the market value adjusted for investment performance above or below the assumed rate of return. Such gains or losses are aggregated and recognized at the rate of 20% each year. Membership data used for the actuarial valuation is supplied by the Retirement System. The data is examined by the actuary for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23. Asset information is provided on an unaudited basis.

The valuation is based on actuarial assumptions recommended by the Actuary and approved by the Board of Trustees and are subject to formal review every five years. The assumptions and methods used for funding purposes meet the parameters set forth in the disclosures presented in the financial section by Governmental Accounting Standards Board (GASB) Statement No. 67 and the Actuarial Standards of Practice. Some actuarial assumptions are incorporated into Article 22 of the Baltimore City Code. The City Code requires a periodic review of the assumptions by the Actuary. The most recent review examined experience from 2018 to 2022 and resulted in changes that were incorporated in the June 30, 2023 valuation. The current assumptions are a reasonable estimate of the anticipated experience of the System.

The assumptions and methods used in determining the assets, liabilities, and the annual required contributions of the employer as defined by the Governmental Accounting Standards Board meet the parameters set by GASB Statement No. 67, *Financial Reporting for Pension Plans.* The supporting schedules that were prepared by Cheiron and reviewed by the System include Actuarial Funding Methods and Actuarial Assumptions, Schedule of Active Member Valuation Data, Schedule of Retirees and Beneficiaries Removed from Rolls, Solvency Test, Analysis of Financial Experience in the Actuarial Section and the Schedule of Employer Contributions and the Schedule of Funding Progress in the Financial Section. The undersigned meet the qualification standards of the American Academy of Actuaries to render the actuarial opinion contained in this letter and the actuarial report.

These results were prepared solely for the Employees' Retirement System of the City of Baltimore for the purposes described herein, except that the plan auditor may rely on these results solely for the purpose of completing an audit related to the matters herein. Other users of these results are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

The exhibits that make up the actuarial section of this report and its contents, including the methods and assumptions used for funding purposes, when taken in context with our full valuation report as of June 30, 2024, have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

Sincerely,
Cheiron

Anu Patel

Anu Patel, FSA, MAAA, EA
Principal Consulting Actuary

Matt Deveney, FSA, MAAA, EA
Principal Consulting Actuary

Attachments

ACTUARIAL FUNDING METHODS AND ACTUARIAL ASSUMPTIONS

Actuarial Funding Method

Method of Funding: (Effective 7/1/1989, Revised 6/30/2024)	Liabilities and contributions shown in this report are computed using the Entry Age Normal method of funding. The Plan's normal cost is computed as the level percentage of pay required to fund the retirement benefits between each member's date of hire and assumed retirement plus administrative expenses. The actuarial accrued liability is the difference between the present value of future benefits and the present value of future normal cost. The current Unfunded Actuarial Liability, which is the difference between the actuarial liability and the actuarial value of assets, is amortized as a level dollar amount determined by the funding policy adopted and effective as of the June 30, 2024 valuation: • The amortization period as of June 30, 2024 is 8 years for the Unfunded Actuarial Liability determined as of June 30, 2023. • Effective June 30, 2024, changes in the Unfunded Actuarial Liability as a result of Plan experience or assumption changes are amortized over new closed 15-year layers.
Asset Valuation: (Effective 6/30/1982, Revised 6/30/2011)	The actuarial value of assets is equal to the market value, adjusted for investment surpluses and deficits over a five-year period. The actuarial value of assets is the market value less cumulative unallocated earnings. Any contribution receivable for the upcoming fiscal year (as determined in the prior year's valuation) is added to the result. The actuarial value of assets will not be greater than 120% nor less than 80% of the market value of assets as of the valuation date.
Valuation Software:	Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies

(WinTech) to calculate the liabilities, normal costs and projected benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this actuarial valuation.

Post Retirement Benefit Increases: (Effective 6/30/2011)	Annual post-retirement benefit increases are 1.5% for retirees under age 65 and 2.0% for retirees over age 65.

Actuarial Assumptions

Interest: (Effective 6/30/2019)	7.00% compounded annually until retirement except employee accumulations; 6.50% compounded annually after retirement.
Expenses: (Effective 6/30/2015)	Administrative expenses are expected to be equal to the prior years' actual expenses rounded up to the next hundred thousand dollars and added as part of the annual normal cost for the year. Investment expenses are assumed to be paid out of investment earnings.
Investment Return:	A liability weighted return on assets is expected on the basis that a 7.00% return is achieved on the portion of assets attributable to active participants, and a 6.50% return is assumed for non-active based assets. The weighted expected return this year is 6.73%. The liability weighted return on assets for next year's valuation will be based on the rates listed in the interest rate section above.

ACTUARIAL FUNDING METHODS AND ACTUARIAL ASSUMPTIONS

Salary Scale:
(Effective 6/30/2023)

Salary increases are assumed to vary with age. Sample rates are as follows:

Age	Annual Rate of Salary Increase
20	0.0590
25	0.0650
30	0.0570
35	0.0500
40	0.0450
45	0.0420
50	0.0400
55	0.0370
60	0.0360
65	0.0330

The interest rate and salary assumptions are based on an inflation rate of approximately 2.55% (Effective 6/30/2019).

Social Security:
(Effective 6/30/2011)

3.00% per year compounded annually.

Additional Assumptions:

Inflation: (Effective 6/30/2019)	2.55%
Cost of Living Adjustment: (Effective 7/1/2010)	1.50% for current retirees under age 65 and 2.0% for current retirees over age 65
Percent Married: (Effective 7/1/2011)	Males 90%, Females 80%
Spouse Age:	A husband is assumed to be 4 years older than his wife.
Remarriage rates:	None
Job Elimination Benefit:	A liability load of 1.75% is applied to active retirement benefits
Inactive Liabilities:	A liability reduction of 5.00% is applied to inactive benefits to account for the election rate of joint and survivor forms of payments when compared to actual experience (effective 6/30/2019).
New Entrant Assumption:	A liability load of 0.5% is applied to active benefits for future new entrants who may have previous service restored or transferred into the System (effective 6/30/2015)

ACTUARIAL FUNDING METHODS AND ACTUARIAL ASSUMPTIONS

Active decrements and service retirement rates are the same as presented in the June 30, 2023 actuarial valuation report. (Effective 6/30/2023) Sample rates follow:

Rates of Retirement

AGE	< 30 yos	30 yos	30 + yos
45 -49	0.00	0.00	0.05
50	0.00	0.10	0.05
51	0.00	0.10	0.05
52	0.00	0.10	0.10
53	0.00	0.10	0.10
54	0.00	0.20	0.10
55	0.04	0.20	0.05
56	0.04	0.05	0.05
57	0.04	0.05	0.05
58	0.04	0.20	0.05
59	0.04	0.20	0.05
60	0.05	0.20	0.05
61	0.06	0.10	0.10
62	0.10	0.10	0.15
63	0.10	0.10	0.10
64	0.10	0.10	0.15
65	0.15	0.25	0.20
66	0.20	0.25	0.20
67	0.15	0.25	0.15
68	0.15	0.25	0.15
69	0.15	0.25	0.15
70	1.00	1.00	1.00

Withdrawals

Service	Rate
0	0.1650
1	0.1500
2	0.1350
3	0.1050
4	0.0900
5	0.0900
6	0.0850
7	0.0800
8	0.0625
9	0.0525
10	0.0525
11	0.0550
12	0.0400
13	0.0400
14	0.0400
15+	0.0275

Mortality and Disablity Rates

AGE	Non-Line-of-Duty Disability	Line-of Duty Disability	Non-Line-of-Duty Death Male	Non-Line-of-Duty Death Female	Line-of Duty Death
25	0.00040	0.00005	0.000624	0.000205	0.00005
30	0.00050	0.00004	0.000949	0.000369	0.00005
35	0.00090	0.00011	0.001361	0.000597	0.00005
40	0.00075	0.00003	0.001740	0.000798	0.00005
45	0.00189	0.00016	0.002069	0.000985	0.00005
50	0.00409	0.00016	0.002681	0.001339	0.00005
55	0.00578	0.00042	0.003883	0.002093	0.00005
60	0.00662	0.00068	0.006019	0.003333	0.00005
65	0.00216	0.00033	0.008705	0.004949	0.00005
69	0.00068	0.00007	0.011278	0.006866	0.00005

Mortality Rates for Retired and Disabled Members and Beneficiaries

1. Retirees and Beneficiaries – Pub-2010 General Retiree Below-Median Weighted mortality tables adjusted by 130% for males and 129% for females with future mortality improvement through 2026 using SOA's Scale MP-2021.
2. Disabled Members – Pub-2010 General Disabled Annuitant mortality tables adjusted by 183% for males and 120% for females with future mortality improvement through 2026 using SOA's Scale MP-2021.

	Retirees and Beneficiaries		Disabled Members	
AGE	**Male**	**Female**	**Male**	**Female**
55	0.010932	0.005773	0.036107	0.019903
60	0.013989	0.006878	0.045513	0.023482
65	0.016696	0.008340	0.054696	0.025184
70	0.024587	0.013126	0.064725	0.029392
75	0.039131	0.022760	0.082231	0.040785
80	0.066602	0.041584	0.116626	0.063524

SCHEDULE OF ACTIVE MEMBER VALUATION DATA

Valuation Date	Number	Annual Payroll	Annual Average	% Increase/ (Decrease) in Average Pay
6/30/2013	9,004	$392,868,271	$43,633	1.7%
6/30/2014	8,904	401,291,783	45,069	3.3
6/30/2015	8,673	408,095,216	47,054	4.4
6/30/2016	8,274	399,465,753	48,280	2.6
6/30/2017	8,043	391,121,606	48,629	0.7
6/30/2018	8,013	403,454,892	50,350	3.5
6/30/2019	8,204	419,686,035	51,156	1.6
6/30/2020	8,204	437,242,419	53,296	4.2
6/30/2021	8,332	455,219,365	54,635	2.5
6/30/2022	7,725	439,326,244	56,871	4.1
6/30/2023	7,534	458,637,682	60,876	7.0
6/30/2024	7,704	507,685,584	65,899	8.3

SCHEDULE OF RETIREES AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS

	Added to Rolls		Removed from Rolls		Rolls - End of Year		% Increase in	Average
Year Ended	No.	Annual Allowances*	No.	Annual Allowances*	No.	Annual Allowances*	Annual Allowances	Annual Allowances
6/30/2013	501	$10,216,250	432	$5,192,731	8,808	$125,996,428	4.2%	$14,305
6/30/2014	421	10,499,144	336	5,588,634	8,893	130,906,938	3.9	14,720
6/30/2015	393	10,089,809	388	6,224,773	8,898	134,771,974	3.0	15,146
6/30/2016	477	11,100,024	368	5,525,068	9,007	140,346,930	4.1	15,582
6/30/2017	436	10,896,681	299	5,283,016	9,144	145,960,595	4.0	15,962
6/30/2018	417	10,795,452	358	5,807,090	9,203	150,948,957	3.4	16,402
6/30/2019	481	11,869,460	417	7,598,990	9,267	155,219,427	2.8	16,750
6/30/2020	355	10,741,069	360	5,981,984	9,262	159,978,512	3.1	17,272
6/30/2021	334	11,013,835	402	7,914,464	9,194	163,077,883	1.9	17,736
6/30/2022	406	13,241,421	393	7,625,569	9,207	168,693,735	3.4	18,321
6/30/2023	352	11,201,804	374	6,821,602	9,185	173,073,937	2.6	18,842
6/30/2024	353	11,128,085	381	7,149,725	9,157	177,052,297	2.3	19,334

* Includes post-retirement adjustments.

SCHEDULE OF FUNDED LIABILITIES BY TYPE

The Employees' Retirement System's funding objective is to meet long-term benefit promises through contributions which spread the cost over the employees' service base. If the contributions to the System are soundly executed, the System will pay all promised benefits when due – the ultimate test of financial soundness.

A short-term solvency test is one means of examining progress under its funding program. In a short-term solvency test, the plan's present assets are compared with: 1) Active member contributions on deposit; 2) The liabilities for future benefits to present retired lives; 3) The liabilities for future benefits to terminated vested members; and 4) The liabilities for service already rendered by active members. In a system which has been following the discipline of allocating cost on a consistent basis to valuation years, the liabilities for active member contributions on deposit (liability 1), the liabilities for future benefits to present retired lives (liability 2), and the liabilities for future benefits to terminated vested members (liability 3) will be fully covered by present assets (except in rare circumstances). In addition, the liabilities for service already rendered by active members (liability 4) will be partially covered by the remainder of present assets. Generally, the funded portion of liability 4 will increase over time.

The schedule below illustrates the System's history of liabilities 1 through 4.

	Aggregate Accrued Liabilities For					Portion of Accrued Liabilities Covered by Report Assets			
	(1)	(2)	(3)	(4)					
Valuation Date	Active Member Contributions	Retirees and Beneficiaries	Terminated Vested Members	Active Members (Employer Financed Portion)	Valuation Assets	(1)	(2)	(3)	(4)
6/30/2013	$2,688,948	$1,270,442,197	$44,651,885	$834,209,969	$1,465,943,503	100%	100%	100%	17.8%
6/30/2014	5,070,338	1,312,440,514	52,060,082	840,749,044	1,540,327,375	100	100	100	20.3
6/30/2015	10,682,704	1,356,302,147	48,799,252	837,218,003	1,615,537,148	100	100	100	23.9
6/30/2016	19,415,031	1,408,689,345	48,210,458	851,247,989	1,657,187,748	100	100	100	21.2
6/30/2017	27,652,436	1,449,436,246	52,505,622	830,011,213	1,715,495,626	100	100	100	22.4
6/30/2018	38,220,223	1,484,169,320	52,340,433	835,884,082	1,785,356,033	100	100	100	25.2
6/30/2019	51,543,962	1,512,876,082	60,716,983	890,000,367	1,835,157,423	100	100	100	23.6
6/30/2020	65,720,855	1,543,692,888	63,491,933	894,492,953	1,881,338,075	100	100	100	23.3
6/30/2021	79,774,773	1,560,647,213	68,833,756	884,164,449	1,998,676,321	100	100	100	32.7
6/30/2022	89,859,720	1,602,929,409	72,657,615	835,073,998	2,076,981,256	100	100	100	37.3
6/30/2023	101,493,635	1,633,201,230	82,387,223	852,637,261	2,137,101,031	100	100	100	37.5
6/30/2024	118,671,361	1,651,278,310	79,374,564	910,833,217	2,209,179,816	100	100	100	39.5

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SCHEDULE OF FUNDING PROGRESS

	a	b	b-a	(a/b)	c	(b-a)/c
Valuation Date	Actuarial Value of Assets	Actuarial Liability	Unfunded Actuarial Liability	Funded Ratio	Covered Payroll	Excess of
6/30/2013	$ 1,465,943,503	$ 2,151,993,000	$ 686,049,497	68.1%	$ 392,868,271	174.6%
6/30/2014	1,540,327,375	2,210,319,978	669,992,603	69.7%	401,291,783	167.0%
6/30/2015	1,615,537,148	2,253,002,106	637,464,958	71.7%	408,095,216	156.2%
6/30/2016	1,657,187,748	2,327,562,823	670,375,075	71.2%	399,465,753	167.8%
6/30/2017	1,715,495,626	2,359,605,516	644,109,890	72.7%	391,121,606	164.7%
6/30/2018	1,785,356,033	2,410,614,058	625,258,025	74.1%	403,454,892	155.0%
6/30/2019	1,835,157,423	2,515,137,395	679,979,972	73.0%	419,686,035	162.0%
6/30/2020	1,881,338,075	2,567,398,628	686,060,553	73.3%	437,242,419	156.9%
6/30/2021	1,998,676,321	2,593,420,191	594,743,870	77.1%	455,219,365	130.6%
6/30/2022	2,076,981,256	2,600,520,742	523,539,486	79.9%	439,326,244	119.2%
6/30/2023	2,137,101,031	2,669,719,349	532,618,318	80.0%	458,637,682	116.1%
6/30/2024	2,209,179,816	2,760,157,452	550,977,636	80.0%	507,685,584	108.5%

ANALYSIS OF FINANCIAL EXPERIENCE

Gains and Losses in Accrued Liabilities During Fiscal Year Resulting from Differences Between Assumed Experience and Actual Experience

Type of Activity	Gain/(Loss) for Year 2023	Gain/(Loss) for Year 2024
Age and Service Retirements If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher pays, a loss.	$ (4,154,000)	$ 547,000
Disability Retirements If disability claims are less than assumed, there is a gain. If more claims, a loss.	543,000	(1,011,000)
Death-in-Service Benefits If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	(2,476,000)	(2,228,000)
Withdrawal from Employment If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	(1,557,000)	106,000
Pay Increases If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	(33,683,000)	(61,287,000)
Investment Income If there is greater investment income than assumed, there is a gain. If less, a loss.	(25,124,000)	(6,630,000)
Death After Retirement If retirees live longer than assumed, there is a loss. If not as long, a gain. (includes PuBF G/(L))	2,819,000	4,894,000
New Entrants New entrants create a loss because they were not assumed in the previous evaluation.	2,052,000	(453,000)
Plan Changes or Increase in Periodic Pension Plan changes or one time increase in the periodic benefit payments	0	0
Assumption, Method and Plan Changes Changes due to assumption changes and/or changes in accounting and liability.	(8,055,000)	0
Other Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc.	383,000	(3,287,000)
Gain or (Loss) During Year from Financial Experience	$ (69,252,000)	$ (69,349,000)

1. **EFFECTIVE DATE:**

The Employees' Retirement System was established by City Ordinance, effective January 1, 1926, and has been amended periodically.

2. **ELIGIBILITY:**

Any regular and permanent officer, agent, or employee of the City except for those required to join the Maryland State or other Retirement System will become a Class C member until June 30, 2014, and thereafter a Class D member of the Employees' Retirement System upon completion of one year of employment. The Board of Estimates may authorize prospective membership for any class of part-time employees. There are three classes of members as follows:

Class A - Members who were hired before July 1, 1979, and entered membership on or after January 1, 1954, or who were employed and elected prior to April 1, 1954, to contribute at the higher-Class A rate.

Class B - Members as of January 1, 1954, who did not elect Class A membership. Any Class B member may elect to become a Class A member by bringing his accumulated contributions and interest up to what they would be if he had elected Class A membership on January 1, 1954.

Class C - Members who were hired on or after July 1, 1979, and before July 1, 2014, or any other members who may have elected to transfer during various open transfer periods to Class C membership.

Class D - Members who were hired or rehired on or after July 1, 2014 and are Retirement Savings Plan "hybrid members".

3. **MEMBER CONTRIBUTIONS:**

Class C members make the following pre-tax contributions as a percentage of earnable compensation:

July 1, 2013 -- June 30, 2014	1%
July 1, 2014 -- June 30, 2015	2%
July 1, 2015 ---June 30, 2016	3%
July 1, 2016 -- June 30, 2017	4%
July 1, 2017 – Date	5%

Year-to-year increases in the contribution rate are conditioned on members' receiving a raise of at least 2%.

Class A and Class B members contribute 4% of earnable compensation. Class A and Class B contributions are not required upon attaining age 60 and completing 35 years of service.

Class D members contribute 5% of the earnable compensation.

4. **COMPENSATION:**

Earnable compensation is the annual salary authorized for the member, not including overtime, differential pay, environmental pay, hazardous duty pays for conversion of leave or other fringe benefits, or any additional payment.

Average final compensation is the average of the member's annual earnable compensation on January 1 for the three successive years of service when the member's earnable compensation is the highest or, if the member is in service on January 1 for less than three successive years, then the average during total service.

Covered compensation (for Class C members only) is the average of the FICA wage base for the 35-year period ending with the calendar year which ends immediately prior to the earlier of: (1) January 1, which is one year prior to January 1 of the calendar year in which member terminates employment; or (2) January 1 of the calendar year in which the member attains age 65.

5. **MILITARY SERVICE CREDIT:**

(A) **Classes A and B**

(1) **Military Service Prior to Employment:** A maximum of three years' service credit is granted provided the member has acquired:

(a) 10 years of service and has reached the age of 60; or
(b) 20 years of service, regardless of age.

(2) **Military Service Within Employment:** Upon retirement or death, any member who had a break in employment due to military duty, will receive service credit for the period of absence as provided by the Veterans' Reemployment Rights Act and the Uniformed Services Employment and Reemployment Rights Act of 1994.

(B) **Classes C** and D

(1) **Military Service Prior to Employment:** A maximum of three years' service credit is granted provided the member has acquired:

(a) 10 years of service and has reached the age of 62; or

(b) 20 years of service, regardless of age.

(2) **Military Service Within Employment:** Upon retirement or death, any member who had a break in employment due to military duty, will receive service credit for the period of absence as provided by the Veterans' Re-Employment Rights Act and the Uniformed Services Employment and Reemployment Rights Act of 1994. For members reemployed after military service, the City will pay their member contributions for the period of military service. If the member terminates City employment before becoming eligible for a retirement benefit or deferred vested benefit, the member will not receive the contributions made by the City for the period of military service.

6. **SERVICE RETIREMENT:**

(A) **Classes A and B**

(1) **Eligibility Requirements:**

(a) Age 60 with five years of service; or

(b) 30 years of membership service, regardless of age.

(2) **Benefit Amount:** The sum of:

(a) an annuity of the actuarial equivalent of a member's accumulated contributions; plus

(b) a pension, which together with the annuity will be equal to 1.935% for Class A members and 1.785% for Class B members for each year of service, times the member's average final compensation.

(B) **Class C**

(1) **Eligibility Requirements:**

(a) Age 65 with five years of service;

(b) 30 years of service, regardless of age; or

(c) Age 55 with five years of service, payable at age 65 or reduced for payment before age 65.

(2) **Benefit Amount:** The sum of:

(a) a pension of 1.60% for each year of service (not to exceed 30), times the member's average final compensation; plus

(b) .25% for each year of service not to exceed 30, times member's average final compensation more than covered compensation; plus

(c) 1.85% for each year of service more than 30, times the member's average final compensation.

If a member elects to have his maximum or optional pension commence prior to normal retirement date, age 65 with less than 30 years, the amount of his pension will be reduced 6.667% for each of the first five years (prorated for shorter periods) and 3.333% for each of the next five years (prorated for shorter periods) by which the commencement of his pension precedes his normal retirement age 65.

(C) **Class D**

(1) **Eligibility Requirements:**

(a) Age 65 with five years of service;

(b) 30 years of service, regardless of age; or

(c) Age 55 with five years of service, payable at age 65 or reduced for payment before age 65.

(2) **Benefit Amount:**

(a) 1.0% for each year of service times the member's average final compensation.

(b) For members who retire at age 62 with at least 20 years of service, 1.1% for each year of service times the member's average final compensation.

If a member elects to have his maximum or optional pension commence prior to normal retirement date, age 65 with less than 30 years, the amount of his pension will be reduced 6.667% for each of the first five years (prorated for shorter periods) and 3.333% for each of the next five years (prorated for shorter periods) by which the commencement of his pension precedes his normal retirement age 65.

7. **NON-LINE-OF-DUTY DISABILITY RETIREMENT:**

(A) **Classes A and B**

(1) **Eligibility Requirements:** Five years of service and determined by a hearing examiner to be mentally or physically incapacitated for the performance of duty, and that the incapacity is likely to be permanent.

(2) **Benefit Amount:** The sum of:

(a) an annuity of the actuarial equivalent of a member's accumulated contributions; plus

(b) a pension which, together with the annuity will equal 1.90% for Class A members and 1.75% for Class B members for each year of service, times the member's average final compensation.

The member will receive, as a minimum, the benefit as stated above or 25% of the member's average final compensation.

(3) **Offset to Retirement Allowance:** This benefit is offset by:

(a) workers' compensation; and

(b) earnings more than base amount (current earnable compensation in same job grade and step adjusted for longevity) with a $1 reduction for each $2 of the first $5,000 of excess and a $2 reduction for each $5 of additional excess earnings.

(B) **Classes C and D**

(1) **Eligibility Requirements:** Five years of service and determination by a hearing examiner to be mentally or physically incapacitated for the performance of duty, and that the incapacity is likely to be permanent.

(2) **Benefit Amount:** The non-line-of-duty disability pension will be the greater of:

(a) a pension equal to the member's accrued service retirement benefit; or

(b) 15% of the member's average final compensation.

(3) **Offset to Retirement Allowance:** This benefit is offset by workers' compensation.

8. **LINE-OF-DUTY DISABILITY RETIREMENT:**

(A) **Classes A and B**

(1) **Eligibility Requirements:** Immediate eligibility upon membership in the System and determined by a hearing examiner to be incapacitated for the further performance of duty, and the incapacity resulted from an accident occurring while in the actual performance of duty without willful negligence.

(2) **Benefit Amount:** The sum of:

(a) an annuity of the actuarial equivalent of the member's accumulated contributions; plus

(b) a pension equal to 66.667% of the member's average final compensation.

(3) **Offset to Retirement Allowance:** This benefit is offset by workers' compensation.

(B) **Classes C and D**

(1) **Eligibility Requirements:** Immediate eligibility upon membership in the System and determination by a hearing examiner to be incapacitated for the further performance of duty, and the incapacity resulted from an accident occurring while in the actual performance of duty without willful negligence.

(2) **Benefit Amount:** A pension equal to 66.667% of the member's average final compensation.

(3) **Offset to Retirement Allowance:** This benefit is offset by wokers' compensation.

9. **DISMEMBERMENT DISABILITY RETIREMENT (Classes C and D only):**

(A) **Eligibility Requirement:** Immediate eligibility upon membership in the System and determination by a hearing examiner that the loss of any two or more of hands, feet, sight of eye(s), or combination thereof, was a direct result of bodily injury from an accident that occurred while in the actual performance of duty.

(B) **Benefit Amount:** A pension equal to 100% of the member's average final compensation.

(C) **Offset to Retirement Allowance:** This benefit is offset by workers' compensation.

10. **TERMINATION OF EMPLOYMENT:**

(A) **Classes A and B**

(1) **Eligibility Requirement:**

(a) For a termination retirement allowance deferred to age 60, the completion of:

(i) 15 years of service; or

(ii) Five years of service, if removed from a position without fault or if an elected or appointed official not re-elected or re-appointed.

(b) For a termination retirement allowance payable immediately without reduction for age, the completion of 20 years of service, if removed from a position without fault or if an elected or appointed official not re-elected or re-appointed.

(c) Eligible for a refund of accumulated contributions if not eligible for any other benefits.

(2) **Benefit Amount:**

(a) Deferred Payment: Determined the same as for service retirement but based on membership service and average final compensation at the time of termination.

(b) Immediate Payment: Determined the same as if the member had retired with a non-line-of-duty disability retirement allowance.

(B) **Class C**

(1) **Eligibility Requirement:**

(a) For a termination retirement allowance deferred to age 65, completion of:

(i) 10 years of service; or

(ii) Five years of service, if removed from a position without fault or if an appointed official not re-appointed.

(b) For a termination retirement allowance payable immediately without reduction for age, the completion of 20 years of service, if removed from a position without fault or if an appointed official not re-appointed.

(c) Eligible for a refund of accumulated contributions if not eligible for any other benefits.

(2) **Benefit Amount:**

(a) Deferred Payment: Determined the same as for service retirement but based on membership service and average final compensation at the time of termination.

(C) **Class D**

(1) **Eligibility Requirement:**

(a) For a termination retirement allowance deferred to age 65, completion of 10 years of service.

(b) Eligible for a refund of accumulated contributions if not eligible for any other benefits.

(2) **Benefit Amount:**

Determined the same as for service retirement but based on membership service and average final compensation at the time of termination.

11. **MAXIMUM ALLOWANCE AND OPTIONAL METHODS OF RECEIVING BENEFIT PAYMENTS:**

(A) **Lump Sum:** Under $12,500 or as adjusted by the Board of Trustees.

(B) **Maximum Allowance:** Upon retiree's death, 40% of retiree's maximum allowance to unremarried spouse or dependent children until the last dies or attains age 18 (age 22 if a full-time student). All other options result in a lesser amount paid.

(C) **Reserve Guarantee Option:** Upon retiree's death, a cash refund to retiree's designated beneficiary based on present value of allowance at retirement less payments made.

(D) **100% Joint and Survivor Option:** Upon retiree's death, 100% of retiree's allowance to continue to designated beneficiary.

(E) **50% Joint and Survivor Option:** Upon retiree's death, 50% of retiree's allowance to continue to designated beneficiary.

(F) **50% Pop-Up:** Upon retiree's death 50% of retiree's allowance to continue to designated beneficiary. If designated beneficiary predeceases member, member receives Maximum and no survivorship benefit is paid.

(G) **100% Pop-Up:** Upon retiree's death 100% of retiree's allowance to continue to designated beneficiary. If designated beneficiary predeceases member, member receives Maximum and no survivorship benefit is paid.

(H) **Specific Benefit Option:** Upon the retiree's death and subject to the approval of the Board of Trustees, the member's designated beneficiary will receive:

(1) a specific lump sum amount; or

(2) a specific periodic allowance.

These options are available for service, termination, non-line-of-duty disability, and line of duty disability retirement. Any option and/or beneficiary may be changed by the retired member within 30 days after retirement.

12. **NON-LINE-OF-DUTY DEATH BENEFITS:**

(A) **Classes A and B**

(1) **Lump Sum Benefit:**

(a) **Eligibility Requirements:** Member who

(i) dies while actively employed; and

(ii) whose death does not qualify as a line-of-duty death.

(b) **Benefit Amount:** The designated beneficiary is paid:

(i) the member's accumulated contributions; plus
(ii) if member has one or more years of membership service, 50% of the greater of the member's average final compensation or current annual earnable compensation.

(2) **100% Survivorship Benefit:**

(a) **Eligibility Requirements:** This benefit is paid to the member's designated beneficiary spouse to whom he/she has been married for at least five years or his/her parent(s), provided the Member:

(i) is eligible for service retirement at the time of death; or

(ii) would have become eligible for service retirement within 90 days of the date of death; or

(iii) retired on account of service, non line of duty disability, or line of duty disability and dies within 30 days of retirement; or

(iv) is entitled to a deferred allowance at age 60 and dies anytime between the effective retirement date at age 60 and no later than 30 days following the attainment of age 60.

(b) **Benefit Amount:** The eligible beneficiary may elect in lieu of the Lump Sum Benefit or the 40% Survivorship Benefit, an allowance equal to the amount that would have been paid under the Service Retirement 100% Joint and Survivor Option.

(3) **40% Survivorship Benefit:**

(a) **Eligibility Requirements:** This benefit is paid to the member's designated beneficiary spouse with whom he has been married for at least one year prior to the date of death or to the member's unmarried children if less than age 18 (or age 22 if students), provided the Member:

(i) died in active service; and

(ii) had more than 20 years of service as of the date of death.

(b) **Benefit Amount:** The eligible beneficiary spouse or children may elect in lieu of the Lump Sum Benefit or the 100% Survivorship Benefit, an allowance equal to 40% of the member's accrued service retirement benefit.

(4) **Offset to Death Benefits:** These benefits are offset by any pension benefits paid before the members' death.

(B) **Classes C and D**

(1) Lump Sum Benefit:

(a) **Eligibility Requirements:** Member who:

(i) dies while actively employed; and

(ii) has one or more years of membership service, but whose death does not qualify as a line-of-duty death.

(b) **Benefit Amount:** The designated beneficiary is paid:

(i) the member's accumulated contributions, if any; plus

(ii) one-time payment of 50% of the greater of the member's average final compensation or current annual earnable compensation.

(2) 100% Survivorship Benefit:

(a) **Eligibility Requirements:** This benefit is paid to the member's designated beneficiary spouse to whom he/she was married for at least 5 years or his parent(s), provided the member:

(i) is eligible for service retirement at the time of death; or

(ii) would have become eligible for service retirement within 90 days of the date of death; or

(iii) retired on account of service, non line of duty disability, or line of duty disability and dies within 30 days of retirement; or

(iv) is entitled to a deferred allowance at age 65 and dies anytime between the effective retirement date at age 65 and no later than 30 days following the attainment of age 65.

(b) **Benefit Amount:** The eligible beneficiary may elect in lieu of the Lump Sum Benefit or the 40% Survivorship Benefit, an allowance equal to the amount that would have been paid under the Service Retirement 100% Joint and Survivor Option.

(3) 40% Survivorship Benefit:

(a) **Eligibility Requirements:** This benefit is paid to the member's designated beneficiary spouse to whom he has been married for at least one year prior to the date of death or to the member's unmarried children if less than age 18 (or age 22 if students), provided the member:

(i) died in active service; and

(ii) had more than 20 years of service as of the date of death.

(b) **Benefit Amount:** The eligible beneficiary spouse or eligible children may elect in lieu of the Lump Sum Benefit or the 100% Survivorship Benefit, an allowance equal to 40% of the member's accrued service retirement benefit.

(4) Offset to Death Benefits: These benefits are offset by workers' compensation.

13. **LINE-OF-DUTY DEATH BENEFITS:**

(A) **Eligibility Requirements:** A determination by a hearing examiner that the death of a member was:

(1) the direct result of bodily injury though accidental means independent of any pre-existing physical or medical conditions;

(2) occurring while in the actual performance of duty; and

(3) not caused by willful negligence on the part of the member.

(B) **Benefit Amount:** The sum of:

(1) the member's accumulated contributions (if any); plus

(2) an annual pension of 100% of current earnable compensation, payable to:

(a) the spouse during widow(er)hood, provided: (1) there is no voluntary separation agreement renouncing rights of inheritance; and (2) the member has not designated his children as beneficiaries;

(b) if no eligible spouse, or if the spouse dies or remarries, the child or children, equally, until age 18 (age 22 if a full-time student);

(c) if no eligible spouse or child surviving, then to the deceased's father and/or mother equally, or to the survivor;

(d) for Classes A and B, any member who retires and dies within 30 days after the effective date of accidental disability retirement will receive the above benefits if death is the result of injuries in the line-of-duty.

If no beneficiary and if intestate without heirs, then contributions will remain part of the System, and no death benefit is paid.

(C) **Offset to Retirement Allowance:** This benefit is offset by workers' compensation, net of legal and medical fees.

14. **POST-RETIREMENT BENEFIT INCREASES:**

(A) **Eligibility Requirements;**

Only retirees and their beneficiaries, who have been receiving periodic benefit payments as of the June 30th determination date, and members who have been retired for a minimum of 12 months, are eligible for the increase. The increase is payable commencing in the January after the June 30th determination date.

(B) **Amount:**

(1) **Classes A, B and C**

1.5% for participants in pay status under age 65 and 2.0% for participants in pay status age 65 and over.

(2) **Class D**

(a) In pay status under age 65:

1.5% if Class D funded status is 85% or more.

1.0% if Class D funded status is at least 70% but less than 85%.

No increase if Class D funded status is less than 70%.

(b) In pay status age 65 or older:

2.0% if Class D funded status is 85% or more.

1.0% if Class D funded status is at least 70% but less than 85%.

No increase if Class D funded status is less than 70%.

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STATISTICAL SECTION

STATISTICAL SECTION SUMMARY

The statistical section of the Employees' Retirement System's (System) annual comprehensive financial report presents detailed information as a context for helping the readers understand the information in the financial statements, notes disclosures, required supplementary information, and the System's overall financial health for the last ten fiscal years. The different reports contained in this section are listed below.

Financial Trends

Changes of Plan Net Position schedules detail the System's financial performance from year to year.

Revenue Capacity

The Revenue by Source schedule lists the different income streams of the System.

Expenses Capacity

The Expense by Type schedule contains information about the major costs of the System.

Demographic Information

The demographic schedules consist of various membership information used by the Actuary to determine or monitor the demographic assumptions. The tables which are used to compare current assumptions with actual experience to determine recommended assumption changes include:

- The Schedule of Active Members by Years of Service, which provides active membership information including the average service credit and member's age for each fiscal year.
- The Schedule of Retirees by Attained Age and Type of Retirement, provides the number of retirees by age and the type of retirement, and
- The Schedule of Beneficiaries By attained Age and Type of Retirement that provides membership information on beneficiaries by age and type of the member's retirement.

Benefit Expenses by Type: is a report of benefit related expenses by the type of retirement and payment for each year of service.

Average Monthly Benefit Payments: is a schedule of monthly benefit payments based on years of credited service. For each year, the schedule provides the average monthly benefit payment, Average – average Final Compensation and number of retirees grouped in years of credited service.

Employees' Retirement System
City of Baltimore, Maryland
Statement of Changes in Fiduciary Net Position

	2015	2016	2017	2018	2019
Additions					
Contributions					
Employer	$ 97,170,796	$ 77,100,573	$ 84,474,451	$ 87,541,882	$ 89,866,171
Plan members	6,728,131	10,350,709	10,656,243	12,942,622	17,246,258
Total contributions	$ 103,898,927	$ 87,451,282	$ 95,130,694	$ 100,484,504	$ 107,112,429
Investment Income					
Net appreciation in fair value of investments	$ (14,411,263)	$ 437,788	$ 72,380,195	$ 106,021,152	$ 64,633,338
Interest, dividends, and real estate income	90,342,747	48,604,366	99,449,978	41,710,664	37,296,385
Less: investment expenses	(9,321,676)	(9,138,196)	(8,914,009)	(8,639,822)	(9,649,367)
Net investment income	$ 66,609,808	$ 39,903,958	$ 162,916,164	$ 139,091,994	$ 92,280,356
Securities lending income	$ 297,447	$ 496,519	$ 340,857	$ 580,304	$ 733,012
Securities lending fees	(89,215)	(140,435)	(100,183)	(160,027)	(198,396)
Net securities lending income	$ 208,232	$ 356,084	$ 240,674	$ 420,277	$ 534,616
Total additions	$ 170,716,967	$ 127,711,324	$ 258,287,532	$ 239,996,775	$ 199,927,401
Deductions					
Retirement allowances	$ 133,129,502	$ 138,184,417	$ 142,957,078	$ 148,219,211	$ 152,947,832
Adminstrative expenses	3,748,434	3,515,492	3,584,506	3,616,054	3,716,362
Death benefits	943,540	652,743	1,225,559	497,011	988,038
Lump cash payments	125,608	124,748	77,861	28,088	116,910
Refund of Contributions	72,008	235,808	348,412	410,189	815,394
Total deductions	$ 138,019,092	$ 142,713,208	$ 148,193,416	$ 152,770,553	$ 158,584,536
Net increases / (decreases)	$ 32,697,875	$ (15,001,884)	$ 110,094,116	$ 87,226,222	$ 41,342,865
Net position held in trust for pension benefits					
Beginning Balance	$ 1,499,236,391	$ 1,531,934,266	$ 1,516,932,382	$ 1,627,026,498	$ 1,714,252,720
Ending Balance	$ 1,531,934,266	$ 1,516,932,382	$ 1,627,026,498	$ 1,714,252,720	$ 1,755,595,585

	2020	2021	2022	2023	2024
Additions					
Contributions					
Employer	$ 86,953,801	$ 92,637,051	$ 98,640,176	$ 94,788,090	$ 89,287,690
Plan members	17,787,416	18,493,824	18,493,368	22,144,404	22,006,003
Total contributions	$ 104,741,217	$ 111,130,875	$ 117,133,544	$ 116,932,494	$ 111,293,693
Investment Income					
Net appreciation in fair value of investments	$ (19,610,392)	$ 419,654,110	$ (84,958,475)	$ 86,086,878	$ 117,207,320
Interest, dividends, and real estate income	43,738,937	50,449,914	34,352,835	53,931,255	53,702,610
Less: investment expenses	(12,544,879)	(17,613,349)	(25,293,523)	(19,229,765)	(21,935,954)
Net investment income	$ 11,583,666	$ 452,490,675	$ (75,899,163)	$ 120,788,368	$ 148,973,976
Securities lending income	$ 402,867	$ 274,823	$ 233,311	$ 302,044	$ 274,877
Securities lending fees	(113,550)	(80,766)	(69,955)	(90,569)	(81,962)
Net securities lending income	$ 289,317	$ 194,057	$ 163,356	$ 211,475	$ 192,915
Total additions	$ 116,614,200	$ 563,815,607	$ 41,397,737	$ 237,932,337	$ 260,460,584
Deductions					
Retirement allowances	$ 157,251,536	$ 160,689,579	$ 165,289,884	$ 170,579,131	$ 174,651,915
Adminstrative expenses	4,495,405	4,397,413	4,460,410	5,068,850	5,316,122
Death benefits	446,328	1,469,242	1,507,307	870,469	1,177,121
Lump cash payments	24,243	15,293	15,300	49,349	39,392
Refund of Contributions	837,540	873,832	1,346,673	1,770,228	1,711,402
Total deductions	$ 163,055,052	$ 167,445,359	$ 172,619,574	$ 178,338,027	$ 182,895,952
Net increases / (decreases)	$ (46,440,852)	$ 396,370,248	$ (131,221,837)	$ 59,594,310	$ 77,564,632
Net position held in trust for pension benefits					
Beginning Balance	$ 1,755,595,585	$ 1,709,154,733	$ 2,105,524,981	$ 1,974,303,144	$ 2,033,897,454
Ending Balance	$ 1,709,154,733	$ 2,105,524,981	$ 1,974,303,144	$ 2,033,897,454	$ 2,111,462,086

Employees' Retirement System
City of Baltimore, Maryland
REVENUES BY SOURCE

		Employer Contributions			
Fiscal Year	Net Investment Income (Loss)	Amount	% of Covered Payroll	Member Contributions	Total Income (Loss)
2015	66,818,039	97,170,796	23.8	6,728,131	170,716,966
2016	40,260,042	77,100,573	19.3	10,350,709	127,711,324
2017	163,156,838	84,474,451	21.6	10,656,243	258,287,532
2018	139,512,271	87,541,882	21.7	12,942,622	239,996,775
2019	92,814,972	89,866,171	21.4	17,246,258	199,927,401
2020	11,872,983	86,953,801	19.9	17,787,416	116,614,200
2021	452,684,732	92,637,051	20.3	18,493,824	563,815,607
2022	(75,735,807)	98,640,176	22.4	18,493,368	41,397,737
2023	120,999,843	94,788,090	20.7	22,144,404	237,932,337
2024	149,166,891	89,287,690	17.69	22,006,003	260,460,584

Note: Employer contributions were made in accordance with actuarially determined contribution requirements.

Employees' Retirement System
City of Baltimore, Maryland
EXPENSES BY TYPE

Fiscal Year	Benefits	Refunds	Administrative Expenses	Total
2015	134,198,650	72,007	3,748,433	138,019,090
2016	138,961,908	235,808	3,515,492	142,713,208
2017	144,260,498	348,412	3,584,506	148,193,416
2018	148,744,310	410,189	3,616,054	152,770,553
2019	154,052,780	815,394	3,716,362	158,584,536
2020	157,722,107	837,540	4,495,405	163,055,052
2021	162,174,114	873,832	4,397,413	167,445,359
2022	166,812,491	1,346,673	4,460,410	172,619,574
2023	171,498,949	1,770,228	5,068,850	178,338,027
2024	175,868,428	1,711,402	5,316,122	182,895,952

Employees' Retirement System
City of Baltimore, Maryland
SCHEDULE OF ACTIVE MEMBERS BY YEARS OF SERVICE

Years of Credited Service	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
0-4	1,800	1,678	1,723	1,833	2,241	2,392	2,586	2,243	2,142	2,309
5-9	2,026	1,778	1,523	1,323	1,216	1,184	1,274	1,285	1,356	1,511
10-14	1,451	1,446	1,458	1,538	1,543	1,468	1,310	1,131	913	791
15-19	1,034	1,059	1,072	1,045	1,020	1,031	1,053	1,043	1,129	1,149
20-24	519	547	623	747	764	755	779	781	748	714
25-29	968	887	705	526	407	384	400	437	536	557
30+	875	879	939	1,001	1,013	990	930	805	710	673
Total Members	8,673	8,274	8,043	8,013	8,204	8,204	8,332	7,725	7,534	7,704
Average Service Credit	13.88	14.30	14.34	14.16	13.46	13.29	12.98	13.30	13.26	12.73
Average Age	50.10	50.54	50.66	50.57	50.17	50.16	50.06	50.65	50.81	50.49

Employees' Retirement System
City of Baltimore, Maryland
SCHEDULE OF RETIREES BY ATTAINED AGE AND TYPE OF RETIREMENT
June 30, 2024

		TYPE OF RETIREMENT*				
Age	Number of Recipients	0	1	2	3	4
0-29	0	0	0	0	0	0
30-39	3	0	0	0	3	0
40-44	7	1	0	0	6	0
45-49	17	0	0	0	17	0
50-54	40	10	0	3	26	1
55-59	281	87	113	10	68	3
60-64	732	255	292	41	134	10
65-69	1,654	862	470	123	190	9
70-74	1,823	1,111	411	171	122	8
75-79	1,383	862	304	146	67	4
80-84	865	526	215	85	35	4
85 and up	816	440	252	90	27	7
Totals	7,621	4,154	2,057	669	695	46
Average Annual Benefit	$21,196	$28,322	$8,583	$25,904	$10,966	$27,782

*Type of Retirement
0 - Normal retirement for age and service
1 - Early retirement
2 - Discontinued service retirement
3 - Non-line of duty disability
4 - Line of duty disability

Employees' Retirement System
City of Baltimore, Maryland
SCHEDULE OF BENEFICIARIES BY ATTAINED AGE AND TYPE OF RETIREMENT
June 30, 2024

		TYPE OF RETIREMENT*						
Age	Number of Recipients	0	1	2	3	4	5	8
0-24	12	4	1	0	4	0	0	3
25-29	0	0	0	0	0	0	0	0
30-34	1	1	0	0	0	0	0	0
35-39	1	0	0	0	1	0	0	0
40-44	2	1	0	0	1	0	0	0
45-49	5	1	2	0	1	0	0	1
50-54	17	5	1	2	3	0	5	1
55-59	41	10	6	1	16	1	7	0
60-64	105	40	21	5	29	0	10	0
65-69	209	85	44	14	32	2	32	0
70-74	275	129	48	15	65	1	17	0
75-79	256	144	41	30	26	2	13	0
80-84	262	140	44	30	32	4	9	3
85 and up	350	190	81	25	38	5	11	0
Totals	1,536	750	289	122	248	15	104	8
Average Annual Benefit	$10,093	$12,149	$4,690	$12,207	$5,926	$13,578	$16,163	$24,102

*Type of Retirement
0 - Normal retirement for age and service
1 - Early retirement
2 - Discontinued service retirement
3 - Non-line of duty disability
4 - Line of duty disability
5 - Non-line of duty death, member eligible for service retirement at death
8 - Line of duty death

Employees' Retirement System
City of Baltimore, Maryland
BENEFIT EXPENSES BY TYPE

Year	Age and Service Benefits			Death Benefits			Disability Benefits			
							Retirees			
Ending	Retirees	Beneficiaries	Lump Sum	Duty	Non-Duty	Lump Sum	Duty	Non-Duty	Beneficiaries	Total
2015	110,984,187	9,378,946	125,608	416,846	1,274,558	943,540	1,543,510	7,955,905	1,575,550	134,198,650
2016	130,663,656	7,161,289	124,748	270,961	1,059,257	652,743	1,286,253	395,782	1,098,518	142,713,208
2017	122,699,096	7,476,618	77,861	296,229	1,450,454	1,225,559	1,572,777	8,124,459	1,337,445	144,260,498
2018	127,566,983	7,721,573	28,088	235,608	1,547,785	497,011	1,474,081	8,446,982	1,226,199	148,744,310
2019	131,087,119	8,329,413	116,910	164,254	2,017,814	988,038	1,518,204	8,426,878	1,404,150	154,052,780
2020	135,538,549	8,610,774	24,243	149,659	1,880,737	446,328	1,481,181	8,380,806	1,209,830	157,722,107
2021	137,510,687	10,104,623	15,293	186,723	2,089,683	1,469,242	1,425,589	8,115,487	1,256,787	162,174,114
2022	142,042,079	8,629,683	15,300	246,198	2,090,035	1,507,307	1,666,377	9,318,734	1,296,778	166,812,491
2023	147,576,117	10,000,112	49,349	186,906	2,331,313	870,469	1,327,511	7,702,683	1,454,489	171,498,949
2024	150,082,065	9,118,468	39,392	260,142	2,217,120	1,177,121	1,760,761	9,851,837	1,361,522	175,868,428

Employees' Retirement System
City of Baltimore, Maryland
AVERAGE MONTHLY BENEFIT PAYMENTS - NEW RETIREES

Retirement Effective Dates	Years of Credited Service					
	0-10	11-15	16-20	21-25	26-30	31+
Period 7/1/14 to 6/30/15						
Average-Average Final Compensation	$ 9,360	$ 8,008	$ 14,354	$ 15,280	$ 27,270	$ 31,330
Average Monthly Benefit	780	667	1,196	1,273	2,273	2,611
Total No. of Retirees	64	43	36	28	54	96
Period 7/1/15 to 6/30/16						
Average-Average Final Compensation	$ 7,349	$ 7,995	$ 11,737	$ 14,503	$ 24,347	$ 35,011
Average Monthly Benefit	612	666	978	1,209	2,029	2,918
Total No. of Retirees	72	65	52	36	66	121
Period 7/1/16 to 6/30/17						
Average-Average Final Compensation	$ 8,927	$ 10,131	$ 12,268	$ 21,680	$ 24,233	$ 42,170
Average Monthly Benefit	744	844	1,022	1,807	2,019	3,514
Total No. of Retirees	86	73	55	23	64	79
Period 7/1/17 to 6/30/18						
Average-Average Final Compensation	$ 6,179	$ 9,601	$ 13,859	$ 16,948	$ 25,561	$ 42,186
Average Monthly Benefit	515	800	1,155	1,412	2,130	3,515
Total No. of Retirees	59	77	61	36	66	70
Period 7/1/18 to 6/30/19						
Average-Average Final Compensation	$ 6,243	$ 10,046	$ 13,670	$ 17,893	$ 25,656	$ 36,409
Average Monthly Benefit	520	837	1,139	1,491	2,138	3,034
Total No. of Retirees	71	74	46	40	59	110

Employees' Retirement System
City of Baltimore, Maryland
AVERAGE MONTHLY BENEFIT PAYMENTS - NEW RETIREES

Retirement Effective Dates	Years of Credited Service					
	0-10	11-15	16-20	21-25	26-30	31+
Period 7/1/19 to 6/30/20						
Average-Average Final Compensation	$ 7,162	$ 8,493	$ 10,799	$ 19,058	$ 27,580	$ 36,566
Average Monthly Benefit	597	708	900	1,588	2,298	3,047
Total No. of Retirees	50	63	51	36	43	112
Period 7/1/20 to 6/30/21						
Average-Average Final Compensation	$ 6,464	$ 9,317	$ 23,182	$ 23,013	$ 26,004	$ 39,572
Average Monthly Benefit	539	776	1,932	1,918	2,167	3,298
Total No. of Retirees	28	41	37	32	24	116
Period 7/1/21 to 6/30/22						
Average-Average Final Compensation	$ 9,147	$ 9,607	$ 14,358	$ 19,712	$ 26,847	$ 35,995
Average Monthly Benefit	762	801	1,196	1,643	2,237	3,000
Total No. of Retirees	42	43	59	58	33	154
Period 7/1/22 to 6/30/23						
Average-Average Final Compensation	$ 5,851	$ 10,889	$ 13,401	$ 18,486	$ 24,079	$ 39,474
Average Monthly Benefit	488	907	1,117	1,540	2,007	3,290
Total No. of Retirees	47	60	42	37	32	112
Period 07/01/23 to 06/30/24						
Average-Average Final Compensation	$ 5,903	$ 10,195	$ 15,097	$ 18,850	$ 27,407	$ 40,524
Average Monthly Benefit	492	850	1,258	1,571	2,284	3,377
Total No. of Retirees	49	66	59	47	27	85

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EMPLOYEES' RETIREMENT SYSTEM

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