

## City of Milwaukee Employees' Retirement System

### STATEMENT OF PLAN NET ASSETS DECEMBER 31, 2021 (in thousands)

<b>ASSETS:</b>	
Cash & Cash Equivalents .....	\$ 174,194
<b>Investments at Estimated Fair Value:</b>	
Fixed income.....	1,420,484
Public equity.....	2,708,323
Absolute return .....	445,831
Real assets.....	823,208
Private equity.....	793,844
<b>Total Investments</b> .....	<b>\$ 6,191,690</b>
<b>Receivables and Other Assets:</b>	
Employer .....	\$ 104
Member .....	784
Actuarially determined contributions .....	-
Interest, dividends and foreign tax recoverable .....	8,494
Investments sold .....	3,869
Settlement .....	140,394
Software development & equipment, net of depreciation .....	349
Securities lending collateral .....	342,169
<b>Total Receivables and Other Assets</b> .....	<b>\$ 496,163</b>
<b>TOTAL ASSETS</b> .....	<b>\$ 6,862,047</b>
<b>LIABILITIES:</b>	
Benefits payable .....	698
Unearned contributions.....	13,011
City of Milwaukee .....	622
Securities lending obligation .....	342,172
Investments purchased .....	74,188
<b>TOTAL LIABILITIES</b> .....	<b>\$ 430,691</b>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$ 6,431,356</b>

### STATEMENT OF CHANGES IN PLAN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, (in thousands)

	2021	2020
<b>ADDITIONS:</b>		
<b>Contributions:</b>		
Employer .....	\$ 91,177	\$ 87,661
Member .....	31,444	32,191
<b>Total Contributions</b> .....	<b>\$ 122,621</b>	<b>\$ 119,852</b>
<b>Investment Income (Loss):</b>		
Net appreciation in fair value of investments .....	\$ 926,686	367,900
Interest, dividends and other investment income.....	269,157	103,042
Total Investment Income .....	\$ 1,195,843	\$ 470,942
Less: Investment expense .....	(84,853)	(61,806)
Net Investment Income .....	\$ 1,110,990	\$ 409,136
<b>TOTAL ADDITIONS</b> .....	<b>\$ 1,233,611</b>	<b>\$ 528,988</b>
<b>DEDUCTIONS:</b>		
Administrative expenses .....	\$ (6,733)	(7,381)
Benefits paid .....	(441,092)	(425,395)
Refund of contributions .....	(4,164)	(3,555)
<b>TOTAL DEDUCTIONS</b> .....	<b>\$ (451,989)</b>	<b>\$ (436,331)</b>
<b>FUND BALANCE CHANGES:</b>		
Net increase before fund balance transfers .....	\$ 781,622	\$ 92,657
Fund balance transfers .....	-	-
Net increase after fund balance transfers .....	\$ 781,622	\$ 92,657
<b>Net position held in trust for pension benefits:</b>		
Beginning of year .....	\$ 5,649,734	\$ 5,557,077
End of year .....	<b>\$ 6,431,356</b>	<b>\$ 5,649,734</b>

### ACTUARIAL BALANCE SHEET JANUARY 1, 2022 (in thousands)

<b>ASSETS:</b>	
Market value of assets .....	\$ 6,431,356
Market adjustment .....	(696,370)
Actuarial value of assets.....	\$ 5,734,986
Unfunded actuarial accrued liability.....	1,140,941
Present value of future anticipated contributions.....	764,599
<b>Financial resources for actuarial accrued liability</b> .....	<b>\$ 7,640,526</b>
<b>LIABILITIES:</b>	
Present value of future benefits	
Annuitants.....	\$ 5,106,118
Inactive members.....	184,388
Active members.....	2,350,020
<b>TOTAL LIABILITIES</b> .....	<b>\$ 7,640,526</b>

### MEMBERSHIP STATISTICS DECEMBER 31,

	2021	2020
Active members .....	10,094	10,567
Retired, disability and survivorship .....	13,758	13,647
Members on deferred status .....	5,512	4,984
<b>Total membership</b> .....	<b>29,364</b>	<b>29,198</b>

*A list of investments held by the Employees' Retirement System as of December 31, 2021 is available for inspection at the System's office. The financial records of the Employees' Retirement System have been audited by Baker Tilly US, LLP for the year ending December 31, 2021. Complete audited Basic Financial Statements are available for inspection at the System's office or online at [www.cmers.com](http://www.cmers.com).*

**Check that your Beneficiary Designation is current.**

*Change of Beneficiary Designation forms are available at the ERS office at 789 North Water Street, Suite 300 Milwaukee, WI 53202 or by calling 414-286-3557 or 1-800-815-8418 or online at [www.cmers.com](http://www.cmers.com)*

See notes to Basic Financial Statements.

**EMPLOYEES' RETIREMENT SYSTEM  
OF THE CITY OF MILWAUKEE**

**July 27, 2022**

*Section 36.15 (9) of the Milwaukee City Charter provides that the Annuity and Pension Board "shall publish annually a report showing the fiscal transactions of the retirement system for the preceding year, the amount of the assets of the system, and the financial condition of the system as disclosed by an actuarial valuation of the retirement system."*

*The Annuity and Pension Board submits herewith its annual report for the year ending December 31, 2021.*

**ANNUITY & PENSION BOARD  
AS OF DECEMBER 31, 2021**

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**Elected Representatives - Active Members:**

Matthew Bell  
James Campbell  
Molly King

**Elected Representative - Retirees:**

Thomas Klusman, Retired

**Appointed by the President of the Common Council:**

Nik Kovac, Alderman for 3rd District  
Deborah Ford, Retired  
Rudolph Konrad, Retired

**Ex-Officio Member:**

Aycha Sawa, City of Milwaukee Comptroller

**ADMINISTRATIVE PERSONNEL  
AS OF DECEMBER 31, 2021**

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Bernard J. Allen - Executive Director and Secretary  
Melody Johnson - Deputy Director  
David M. Silber, CFA, CAIA - Chief Investment Officer  
Daniel Gopalan, CPA - Chief Financial Officer  
G. Spencer Coggs - Custodian of Funds, City of Milwaukee Treasurer  
Tearman Spencer - Legal Advisor, City of Milwaukee Attorney

**INVESTMENT MANAGERS**

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Abbott Capital Management, LLC  
Almanac Realty Investors, LLC  
Apollo Global Real Estate Management, LP  
AQR Capital Management, LLC  
BlackRock, Inc.  
Brandes Investment Partners, LP  
Bryanston Realty Partners  
CastleArk Management, LLC  
Colony Capital, LLC  
Cypress Acquisition Partners  
Deutsche Asset Management  
Dimensional Fund Advisors  
Drawbridge Realty Partners Holdings, LP  
Earnest Partners, LLC  
Fortress Investment Group  
GE Polish  
Greenfield Partners  
H/2 Capital Partners  
JP Morgan Asset Management  
LaSalle Investment Management, Inc.  
Loomis Sayles & Company, LP  
Lubert-Adler, L.P.  
M&G Real Estate  
Mesirov Financial  
MFS Investment Management  
Morgan Stanley Real Estate Advisor, Inc.  
Neuberger Berman  
Newton Investment Management  
Northern Trust Asset Management  
PA Capital  
Polen Capital  
Principal Global Investors, LLC  
Prologis, LP  
Reams Asset Management  
Standard Life  
Stockbridge Capital Partners, LLC  
UBS Hedge Fund Solutions, LLC  
Walton Street Capital  
William Blair Investment Management, LLC

**CONSULTANTS**

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Global Trading Analytics, LLC  
Bernstein Litowitz Berger & Grossman LLP  
Foley & Lardner LLP  
Ice Miller LLP  
Reinhart Boerner Van Deuren  
Wells Fargo Bank Wisconsin, NA  
Callan LLC  
The Northern Trust Company  
Baker Tilly US, LLP  
CliftonLarsonAllen LLP  
Cavanaugh Macdonald Consulting, LLC

**MEDICAL COUNCIL**

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Gregory Brotzman, M.D.  
David L. Drury, M.D.  
William Greaves, M.D.

# CITY OF MILWAUKEE

## *Employes' Retirement System*

# ***ANNUAL REPORT OF THE ANNUITY AND PENSION BOARD***

***84th  
EDITION  
December 31, 2021***