



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

Spring 2025

REPORT TO PARTICIPANTS

ABOUT THE FIREMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO

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

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

ELECTED TRUSTEES

DANIEL A. FORTUNA
Annuitant Trustee, President

ZACHARY PENTEK
Active Trustee, Secretary

JOE SENORSKI
Active Trustee

MICHAEL FLISK
Active Trustee

EX-OFFICIO TRUSTEES

ANNA VALENCIA
City Clerk, Vice-President

MELISSA CONYEARS-ERVIN
City Treasurer

JOEL FLORES
City Comptroller

OPEN
First Deputy Fire
Commissioner

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

A MESSAGE FROM THE FUND PRESIDENT

It has been an interesting start to the year with pronounced financial market volatility as companies worldwide grapple with uncertainty around the direction of U.S. trade policy, and its potential impact to U.S. economic growth and inflation. While short-term market movements can draw attention, the Fund focuses on a long-term horizon and disciplined investment policy compliance aimed at meeting or exceeding the Fund's actuarial determined annual rate of return. Please review the annual investment update that follows.

Over the last three years the City has made additional voluntary contributions to the Fund; \$38.72 million in 2023; \$28.27 million in 2024, and \$15.64 in 2025, respectively. These payments are in addition to the approximate \$1.3 billion paid and owed collectively for 2023, 2024, and 2025 in statutorily required employer contributions. Actuarial mandated funding, which was implemented in 2016, continues to meaningfully improve the Fund's financial footing. With that said, both active and retired members should remain vigilant to ensure the city continues the path of providing the required statutorily required funding.

In the new 104th General Assembly there are several bills currently being considered that contemplate changes affecting Tier 2-members, system wide reciprocity, and survivor pensions. The prevailing opinion, as of this date, is that benefit related legislation will not be acted upon before the May 31,

2025 adjournment. The Fund's Legislative Committee reviews all pending legislation believed to be applicable to the Fund and its members. It is our practice to communicate with members and stakeholders whenever legislation is enacted that we believe may materially impact your benefits or the Fund.

We continue to have success in educating our members nearing retirement. Our semi-annual pre-retirement seminars have been at full capacity since we revived them in 2022, and the Fund has received very positive feedback on the expanded content. The Fall Seminar is scheduled for September 27, 2025; I encourage those members near retirement to attend, spouses are welcome.

Sandra Medina, Senior Annuitant Payroll Specialist with 38 years of service to the Fund, will officially retire in May of this year. On behalf of the Board, I want to thank Sandy for her career commitment to the Fund and wish her the very best in retirement. The Fund brought on Daniel Gonzalez as our new Annuitant Payroll Specialist. We are excited and fortunate to have such an experienced new team member join the Fund.

With Memorial Day on the horizon, we honor and remember those who paid the ultimate sacrifice in service to our country and thank the brave men and women who have served and continue to serve proudly for our freedom.

Fraternally,
Daniel Fortuna
Annuitant Trustee, President

REGISTER YOUR EMAIL ADDRESS WITH THE FUND

Please consider registering your email address with the Fund. Our progress towards member enhancement through technology begins with eliminating the need to send physical mail. Register your email by completing this [Email Authorization Form](#).

We will not use this information for any purpose other than member communications. We are legally prevented from sharing your email with any third party, other than a labor organization.

INVESTMENT CHAIRMAN RECAP

In the first quarter of 2025, The Firemen's Annuity and Benefit Fund of Chicago's (FABF) experienced a net of fees return of -0.2% which was slightly behind its benchmark return of 0.5%.

The early months of President Trump's second term have been characterized by sweeping policy changes that have caused uncertainty across financial markets. From federal spending cuts to a shift in trade policy, the administration's "shock-and-awe" approach generated volatility across asset classes, sent inflation expectations higher, and provoked a sharp reaction from counterparts across the globe. In the first quarter, U.S. equities as measured by the representative Russell 3000 index were down 4.7%. In contrast, non-U.S. equities were positive with a 5.2% return as measured by the All-Country World ex U.S. Index (ACWI ex U.S. Index). This return was aided by a decline of the U.S. dollar of approximately 2.6%. Amidst a quarter of declining rates, the broad fixed income Bloomberg U.S. Aggregate Bond Index's returned 2.8%.

While the recent market volatility has been challenging, it is reassuring to know returns over longer periods remain positive. In addition, the recent market volatility, while extreme, is not unprecedented. Over the last 30 years investors have experienced similar equity market declines related to Long-Term Capital Management (1998), the dot-com bubble (2000), the global financial crisis (2008), and COVID-19 (2020) to name a few. Committing to a strategic allocation has proven to be a successful investment strategy over time.

The Fund posted a positive absolute return of 9.2% in 2024. This return exceeded the Fund's actuarially assumed rate of return of 6.75%. Domestic Equity and Private Credit were the top performers on an absolute basis returning 18.8% and 9.3%, respectively. A new bond core plus fixed income mandate was awarded in 2024, and a new bond core mandate will be awarded in 2025.

In 2024, U.S. equities capped off a second consecutive year of returns exceeding 20% with the Russell 3000 Index returning 23.8%. The mega-cap "Magnificent Seven of Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia, and Tesla" drove equity market strength in 2024, most notably from Nvidia and Tesla,

which were up 171.2% and 62.5% for the year, respectively. Sector dispersion remained a dominant theme during the year. Growth-oriented sectors performed well, particularly Communication Services (+39.2%), and Consumer Discretionary (+27.8%) which were supported by strong consumer demand. Some defensive sectors also generated strong returns: Financials (+31.4%), Utilities (+22.8%), and Consumer Staples (+14.8%). The Fund's domestic equity allocation returned 18.8%.

The Fund's international equity investments returned 5.3% in 2024, modestly ahead of its benchmark return of 5.2%. Developed overseas equity investments, as represented by the MSCI EAFE Index, climbed approximately 3.8% for the year. Emerging markets outperformed their developed markets counterparts as the MSCI EM Index returned 8.1%.

The Fund's fixed income investments posted a return of 2.8% exceeding the benchmark Bloomberg U.S. Aggregate Bond Index's return of 1.3% for the full year. In 2024, the Federal Reserve cut rates by 1.0%.

The Fund's private and public real estate investments outperformed their respective benchmarks in 2024. In a difficult environment for real estate, the Fund's private real estate return was flat which exceeded the benchmark return of -1.4%. Public real estate returned 1.8% outperforming the benchmark return by 0.7%.

The Fund experienced an annualized 6.7% return over the trailing five-year period ending December 31, 2024, slightly trailing its actuarial return assumption. Over the trailing ten-year period, the Fund's annualized return was 7.3%, modestly ahead of its targeted return assumption.

The Fund is built on the foundation of a long-term investment horizon, diversification of assets, and disciplined investment policy compliance. This foundation accounts for the ups and downs of financial markets. Tools such as asset smoothing, strategic asset allocation, and periodic portfolio rebalancing help the Fund maintain stability and meet long-term obligations. While short-term market movements can draw attention, they are not a reliable measure of the Fund's overall health or trajectory.

AS OF 12/31/2024 GROSS OF FEES	Annual Fee	Mkt Val (mil)	% of Total	Policy Target	3 Mths Rtn	YTD Rtn	1 Yr Rtn	3 Yr Rtn	5 Yr Rtn	10 Yr Rtn
TOTAL FUND	0.50%	\$ 1,316.2	100.0%	100.0%	-1.7%	9.2%	9.2%	2.4%	6.7%	7.3%
<i>Policy Target (2)</i>					-1.9%	10.4%	10.4%	3.0%	7.3%	7.2%
TOTAL BROAD US EQUITY	0.57%	\$ 452.5	34.4%	33.0%	1.9%	18.8%	18.8%	5.8%	12.2%	11.9%
<i>U.S. Equity Blended Benchmark(3)</i>					2.6%	23.8%	23.8%	8.0%	13.9%	12.5%
TOTAL GLOBAL Ex-US EQUITY	0.86%	\$ 300.0	22.8%	24.0%	-7.3%	5.5%	5.5%	2.3%	6.2%	6.5%
<i>MSCI ACWI ex US Index IMI</i>					-7.6%	5.2%	5.2%	0.5%	4.1%	4.9%
TOTAL FIXED INCOME	0.24%	\$ 289.8	22.0%	22.0%	-2.3%	2.8%	2.8%	-1.0%	1.0%	2.4%
<i>Bloomberg U.S. Aggregate</i>					-3.1%	1.3%	1.3%	-2.4%	-0.3%	1.3%
TOTAL REAL ESTATE	0.76%	\$ 100.4	7.6%	8.0%	-4.8%	1.4%	1.4%	-3.3%	2.7%	3.7%
<i>Real Estate Blended Index (4)</i>					-4.9%	-0.5%	-0.5%	-3.8%	1.5%	5.1%
INFRASTRUCTURE (net)	0.69%	\$ 32.3	2.5%	3.0%	2.3%	7.3%	7.3%			
<i>FTSE Dev Core Infra 50/50</i>					-5.1%	9.3%	9.3%			
PRIVATE EQUITY (net)	1.45%	\$ 41.0	3.1%	4.0%	2.1%	6.6%	6.6%	3.0%	15.2%	10.5%
<i>Private Equity Blended Index (5)</i>					2.4%	9.1%	9.1%	6.4%	15.3%	13.0%
PRIVATE CREDIT (net)	1.00%	\$ 19.6	1.5%	3.0%	3.1%	9.3%	9.3%			
<i>[50% Morningstar LSTA 100 TR/50% BB HY] +1%</i>					1.6%	9.5%	9.5%			
LIQUID DIVERSIFYING (net)	0.95%	\$ 39.9	3.0%	3.0%	4.8%	6.1%	6.1%	-6.9%	-6.9%	
<i>Liquid Diversifying Blended Index (6)</i>					2.1%	9.4%	9.4%	8.4%	6.7%	
CASH	0.13%	\$ 40.6	3.1%	0.0%	1.2%	5.4%	5.4%	4.0%	2.5%	1.9%
<i>90 Day T-Bill</i>					1.1%	5.2%	5.2%	4.2%	2.6%	1.8%

A MESSAGE FROM THE BOARD SECRETARY

The Secretary's responsibilities include acting as the Board's liaison with the Fund's Executive Director regarding staffing, benefit processing, and office operations. Currently the Fund employs fifteen full-time employees and two part-time employees. As noted in the December 2024 Fund Summary, during 2024 the Fund processed and the Board granted 190 service retirements, 3 ordinary disabilities, 9 occupational disabilities, 21 duty disabilities, 75 regular widow annuities, 13 child annuities, and thankfully no Duty Widow Compensation annuities.

The Fund is undertaking several initiatives to improve efficiency and engagement with our members. To that end, we are continuing our work on the website. Phase Two of the project includes the Tier 2 Estimator, a member's access portal to fully complete digital forms, as well as providing for safe and secure digital document uploads. We are exploring a partnership with Northern Trust to provide electronic benefit payment services and annual tax reporting. Should we move forward with this partnership, it will be a meaningful step in streamlining our benefit payment and annual tax reporting functionality in 2026.

Additionally, the Fund is meeting with vendors that specialize

in Pension Administration Software to explore opportunities in the Fund's software platform. Our current software will need to be updated to accommodate changes in benefits calculations related to Tier 2 retirement and survivor benefits, as well as to allow us to operate and integrate with Windows 2025 operating software. Our goal in improving our software platform is to modernize user dashboards, improve record keeping and data integration capabilities, provide enhanced security, and to allow members to have web/mobile access to their individual membership records.

We are planning on two Participant Reports annually. The Spring issue will review annual investment performance and recognize members who passed in 2024, while the Fall will review the results of our audit and actuarial valuation. We also provide a monthly Retirement Board letter covering topical issues and events relevant to our members. As your Board Secretary, I and Fund staff are available to address questions or concerns you may have about Fund operations.

Fraternally,
Zachary Pentek
Active Trustee, Secretary

2024 IN MEMORIAL*

Hector A. Aramburu 5/20/2024	Louis V. Florence 7/16/2024	Frank McColgin 5/6/2024	Wilson Santiago 2/19/2024
Robert J. Barrett 8/19/2024	John Franco 12/24/2024	Hugh J. McDermott 3/4/2024	Michael Scianna 10/31/2024
Kevin P. Barrett 9/24/2024	Donald J. Gillen 11/20/2024	Bernard F. McDevitt 6/7/2024	Anthony Scipione 1/20/2024
William L. Beemsterboer 6/11/2024	Philip A. Giuffre 3/1/2024	John W. McGurn 8/21/2024	James M. Sheridan 5/4/2024
George R. Billish 5/22/2024	Richard A. Graf 6/5/2024	Thomas E. McPhillips 4/17/2024	Bernard C. Shields 4/17/2024
John C. Bjorvik 8/23/2024	Emil Grocholl Jr 6/25/2024	Allen C. McReynolds 9/24/2024	Kerry P. Sieck 3/27/2024
Gordon K. Blood 6/22/2024	Phillip D. Grooms 11/9/2024	John R. Mehalek 1/30/2024	Jeffrey C. Silhan 11/20/2024
Frank R. Burens 12/27/2024	Francis P. Horan 10/31/2024	Michael C. Miller 11/22/2024	Richard B. Sinnott 3/18/2024
Thomas E. Casey 5/10/2024	Derrick F. Jackson 9/29/2024	John L. Misiewicz 11/21/2024	Donald E. Smith 9/13/2024
Isaac Chambers 12/12/2024	Eugene J. Jankowski 8/7/2024	Melvin Montgomery 2/6/2024	Dennis Sobieski 10/3/2024
Archie G. Chaney Jr. 3/23/2024	Lawrence R. Jones 11/8/2024	Michael A. Nincevich 10/8/2024	Robert J. Soukup Sr. 4/30/2024
Fred C. Collins 7/4/2024	Jerry L. Jones III 1/31/2024	Bernard O'Donnell 10/27/2024	Stanley M. Span 9/15/2024
Patricia J. Colon 11/21/2024	John R. Joyce 4/27/2024	James J. O'Donnell 3/3/2024	Samuel Spicer 12/17/2024
John P. Conley 12/3/2024	Michael Jurkash 7/30/2024	Bernard J. O'Donnell 4/24/2024	William H. Steiner 1/2/2024
Jerry J. Considine 7/6/2024	William Karda 12/6/2024	John J. Paske 2/20/2024	Peter J. Takacs 9/8/2024
Michael W. Coyne 5/27/2024	Dennis J. Kasprzyk 8/4/2024	Gerald F. Pepsnik 6/19/2024	Orville F. Taylor 1/14/2024
Gary V. Creager 10/12/2024	Patrick J. Kelly 6/2/2024	Allan J. Petrus 4/19/2024	John Torres 6/10/2024
Harold Cullinan 8/5/2024	David A. Kelly 5/14/2024	Michael Phillips 3/17/2024	George A. Tragos 3/21/2024
Thomas P. Daly 3/26/2024	David E. Koch 1/23/2024	James E. Platt 10/13/2024	Anthony K. Tramil 9/19/2024
Ronald J. Dawczak 5/15/2024	Ronald S. Kovacs 8/5/2024	Randall M. Poorman 9/25/2024	Michael J. Trott 8/22/2024
Diane J. Del Rio 4/3/2024	Howard J. Kravitz 11/29/2024	Stanley J. Prysok 11/22/2024	Anthony J. Vanbuskirk 12/7/2024
Herman J. Dimer 4/4/2024	David J. Laroche 3/25/2024	Anthony M. Ramirez 1/15/2024	Roy John Venegas 3/1/2024
Kenneth M. Duleba 2/11/2024	Lawrence J. Lillie 4/8/2024	John D. Rees 1/1/2024	Juan Villa 5/4/2024
Michael W. Dutka 9/12/2024	James A. Lucas 8/25/2024	Ronald F. Regan 12/6/2024	Robert J. Weir 4/15/2024
William J. Eaheart 2/21/2024	Gilbert Lugo 6/2/2024	Keith R. Renfroe Sr 2/2/2024	Michael Wiczus 9/14/2024
Timothy J. Edwards 3/14/2024	John S. Lunz 12/7/2024	Edward T. Roche 6/20/2024	Robert Wiegmann 4/16/2024
Donald J. Ellwood 4/9/2024	Michael P. Lynch 9/28/2024	Wilfredo Rodriguez 8/9/2024	Otto J. Wolf 11/28/2024
Lawrence P. Fahey 6/5/2024	William M. Madden 12/21/2024	Anthony E. Ross 11/18/2024	William H. Wrenn 3/14/2024
Joseph Feigl 4/9/2024	Ernest J. Manago 9/23/2024	Walter V. Rucinski 9/9/2024	
David R. Fiaoni 6/19/2024	George H. Martin 8/11/2024	Herman Rueck 11/13/2024	

*Memorial recognition is for in service and retired CFD member deaths in 2024.



The Retirement Board of
the Firemen's Annuity &
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**INFORMATION
REQUEST**
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CHANGE OF ADDRESS

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

FUND OVERVIEW

The Firemen's Annuity and Benefit Fund of Chicago (Fund or FABF) was established in 1887 and is governed by Articles 1, 1A and 6 of the Illinois Pension Code (Code). The Fund was created for the purpose of providing retirement, disability, death, and survivor benefits for employees of the City of Chicago (City) employed under the provisions of the Municipal Personnel Ordinance as fire service employees and for the dependents of such employees. All employees that pay into the Fund under their covered employment are exempt from Social Security. Employees hired after 1986 are covered by Medicare.

The Fund supports the retirement security of over 10,226 members: 4,712 active members, 270 disabled members, 3,820 retirees, 1,279 survivors and dependents of such members, and 145 inactive or deferred employees. The demographic of our current active membership as of December 2023 is broken down into 2,383 Tier 1 members and 2,329 Tier 2 members.

With respect to funding, all members, regardless of Tier status, pay 9.125% of their salary to the Fund as an employee contribution. The required employer contribution from the City is set forth in Section 6-165 of the Code. Section 6-165 provides that the City shall levy a tax annually at a rate on the dollar of the assessed valuation of all taxable property that will produce when extended an annual amount that is equal to no less than (1) the normal cost to the Fund, plus (2) an annual amount sufficient to bring the total assets of the Fund up to 90% of the total actuarial liabilities of the Fund by the end of fiscal year 2055. Employer statutory required contributions booked for 2023 (paid in 2024) were \$429.1 million and have been paid in full. Employer statutory required contributions booked for 2024 (paid in 2025) are expected to be \$444.6 million. Employee aggregate contributions for 2024 were \$50.7 million and are expected to be \$51.8 million for 2025.

The Fund's actuarial value of assets (\$1,669 billion) represents 105.4% of the market value of assets (\$1,582 billion). The total actuarial liability for the Fund is \$7,319 billion. The funded ratio based on the actuarial value of assets is 22.8%. This overview of the Fund is as of December 31, 2023, Actuarial Valuation and Review (the full report is available on our website at www.fabf.org).

CREDIT FOR PRIOR MILITARY SERVICE

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

HOW DO I UPDATE MY BENEFICIARY

The Fund pays an ordinary death benefit to the designated beneficiary or beneficiaries of deceased participants. [Click here](#) to visit the FABF website regarding this Death Benefit. Or [click here](#) to download the Death Benefit Directive form. Use this form to request a new, or to update your current, beneficiary. You can download and print the form. Once completed, it will need to be returned to the Fund accompanied by a legible copy of a valid Driver's License or State ID. Alternately, you may email FABF at info@fabf.org and request the Death Benefit Directive Form which may be completed and verified online using [ID.me](#). A confirmation will be provided once the change is completed.

CREDIT FOR SERVICE IN THE CHICAGO POLICE DEPARTMENT

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

EMWQ

Please consider donating to EMWQ. Your support—whether through payroll deductions, annuity deductions, or direct contributions via check or online—goes directly to providing financial assistance to minor children in the event of an active member's death. Additionally, we offer annual support to the minimum widows of Chicago Fire Department members. For more information, please visit our website at widowsandchildren.org. All donations are greatly appreciated.

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