EMPLOYEES' RETIREMENT SYSTEM

CITY OF BALTIMORE, MARYLAND

ERS EMPLOYEES' RETIREMENT SYSTEM of the CITY OF BALTIMORE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2025

Pension Trust of the City of Baltimore

EMPLOYEES' RETIREMENT SYSTEM

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of the CITY OF BALTIMORE

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Year Ended June 30, 2025

Pension Trust of the City of Baltimore

PREPARED BY

DAVID A. RANDALL, Executive Director

NICHELLE LASHLEY, Deputy Executive Director

ADETUTU TALABI, Senior Investment Manager

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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.

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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, 2024

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 25, 2025

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, for the fiscal year ended June 30, 2025. This report provides a thorough account of the System's financial condition, performance, and operations during the year, reflecting our continued commitment to transparency, accountability, and prudent financial stewardship. The accuracy, completeness, and fairness of the information presented, including all disclosures and data, are the responsibility of ERS management. To fulfill this responsibility, management has established and maintained a comprehensive system of internal controls designed to provide reasonable assurance regarding the reliability of financial reporting, the safeguarding of assets, and compliance with applicable laws and regulations. We believe the accompanying financial statements present fairly, in all material respects, the financial position and results of operations of the ERS for the fiscal year.

For financial reporting purposes, the System follows accounting principles generally accepted in the United States of America (GAAP), which require management to include a narrative introduction, overview, and analysis of the financial statements in the form of a Management's Discussion and Analysis (MD&A). The ERS also adheres to all applicable pronouncements issued by the Governmental Accounting Standards Board (GASB). This letter of transmittal is intended to complement the MD&A by providing additional background and context regarding the System's structure, operations, and financial highlights. It should be read in conjunction with the MD&A, which immediately follows the Independent Auditor's Report in the Financial Section, beginning on page 17.

Profile of the Plan

The Employees' Retirement System (ERS) is a defined benefit contributory pension plan established by City legislation on January 1, 1926, for eligible employees in the City's general administrative service and certain non-teacher employees of the Baltimore City Public School System. The administrative and benefit provisions of the System are governed by City Ordinance, as set forth in Article 22 of the Baltimore City Code, and may be amended only through action by the Mayor and City Council of Baltimore. A detailed summary of the System's plan provisions is presented on pages 79–88 of this report. Additional information regarding membership, including the number of active, retired, and deferred members, as well as beneficiaries, can be found in the Notes to the Basic Financial Statements beginning on page 29.

Major Initiatives

Administration: The Request for Information (RFI) process for the new Pension Administration System was initiated as part of the Employees' Retirement System's (ERS) ongoing modernization efforts. The RFI aims to gather insights from potential vendors and industry experts to identify best-in-class solutions and implementation strategies that will guide the development of a future Request for Proposals (RFP). The new system will ultimately replace legacy platforms with a modern, integrated solution designed to improve operational efficiency, enhance data accuracy and cybersecurity, and provide members with improved online access and self-service functionality. This initiative reflects ERS's continued commitment to innovation, transparency, and high-quality member service.

Governance: Council Bills 25-0043 and 25-0044, enacted on July 21, 2025, amend Article 22 of the Baltimore City Code to strengthen governance and administrative efficiency within the Employees' Retirement System (ERS). Bill 25-0044 expands the ERS Board of Trustees from nine to ten members by adding the CEO or CFO of the Baltimore City Public School System, introduces financial expertise requirements for elected and appointed trustees, and reinforces ethics and conflict-of-interest provisions to ensure transparency and accountability. Bill 25-0043 extends the filing period for Class C and Class D members from 30 to 60 days before their selected retirement date, allowing additional time for review and processing of retirement applications.

Information Technology: The System implemented several key technology modernization and cybersecurity initiatives to enhance reliability, efficiency, and data protection. Major projects included the replacement of two fully depreciated air conditioning units to improve environmental controls for critical equipment, the adoption of enhanced multi-factor authentication to strengthen network security, a system-wide operating system upgrade in preparation for the upcoming end-of-support cycle, and a comprehensive server infrastructure enhancement that replaced and updated all servers and operating systems. Collectively, these efforts improved system performance, reinforced cybersecurity, and increased the overall resilience of the organization's technology environment.

Investments: The System strengthened its investment governance and long-term strategy through the adoption of a new asset allocation framework that spins out Infrastructure as a distinct asset class and increases the overall allocation to Alternatives. This strategic refinement enhances diversification, provides greater flexibility to pursue opportunities across private markets, and improves the portfolio's ability to navigate changing market conditions. To further reinforce investment oversight and strategic alignment, the Board established a new Investment Committee consisting of five Board members, supported by staff, to provide focused leadership on investment policy, performance evaluation, and implementation of strategic initiatives. We also advanced our commitment to sustainable and responsible investing through the continued implementation of Fossil Fuel Divestment Ordinance 21-043, which establishes a phased approach to reducing fossil fuel exposure in the portfolio and demonstrates steady progress toward aligning investments with environmental sustainability, long-term stewardship, and the System's financial objectives.

Investment Summary

As of June 30, 2025, the Employees' Retirement System (ERS) continued to pursue its long-term investment objective of achieving or exceeding the actuarial assumption rate of 7.0% and outperforming its policy benchmark. The Board of Trustees, acting as fiduciary, is responsible for prudently investing the System's assets in accordance with the approved asset allocation policy and for overseeing the selection, monitoring, and evaluation of external investment managers and consultants. The approved asset allocation at fiscal year-end 2025 consisted of 22% U.S. equity, 15% non-U.S. equity, 18% fixed income, 15% real estate, 7% defensive equity, 4% low volatility equity, 4% private debt, and 15% private equity. These allocations reflect the Board's ongoing commitment to diversification, prudent risk management, and the preservation of capital in the best interests of the System's participants and beneficiaries.

For the fiscal year ended June 30, 2025, ERS achieved a total fund return of 9.5%, exceeding the actuarial assumption rate by 2.5% but slightly trailing the policy benchmark return of 10.1%. Total assets increased to $2.26 billion, up from $2.11 billion the prior year, driven by positive performance across all asset classes and continued adherence to a disciplined investment strategy. International equities were the strongest performer with a 17.4% return, followed by U.S. equities at 11.9%, while fixed income gained 7.1% amid moderating interest rate volatility, and real estate rebounded with a 4.5% return after prior-year weakness. Over the longer term, the System achieved total composite returns of 8.0%, 9.1%, and 7.7% for the three-, five- and ten-year periods, respectively, reflecting consistent performance aligned with long-term objectives. Supported by its investment consultants, Marquette Associates, Inc. and Maketa Investment Group, the Board continues to monitor manager performance, rebalance allocations as needed, and maintain a well-diversified portfolio structured to meet the System's long-term funding and risk objectives.

Actuarial and Funding Results

The Board of Trustees of the Employees' Retirement System (ERS) of the City of Baltimore continues to uphold its policy of conducting actuarial experience studies every four years, exceeding the Government Finance Officers Association's (GFOA) recommendation of every five years. The most recent study, completed at the end of fiscal year 2022, resulted in updates to several key assumptions. Notably, the salary increase assumption was revised to an age-based salary scale, leading to higher projected increases across most age groups. Mortality assumptions were also updated for active, retired, and disabled members. While the system retained the Pub-2010(B) mortality tables, the adjustment percentages were modified, and the mortality improvement scale was updated to MP-2021 with projections through 2026.

As of June 30, 2025, ERS reported a Total Pension Liability of $2.82 billion and a fair value of assets of $2.26 billion, resulting in a Net Pension Liability of $551.17 million—a $97.5 million decrease from the prior year, primarily due to strong investment returns and sustained employer contributions. Total additions to the plan during fiscal year 2025 amounted to $340.43 million, including $98.14 million from employers and $24.56 million from plan members. Net investment income contributed $217.58 million, with an additional $148,743 from securities lending. Deductions totaled $186.90 million, primarily for retirement benefits and administrative expenses, resulting in a net increase in fiduciary net position of $153.53 million and a year-end balance of $2.26 billion.

For funding purposes, the actuarial liability of $2.82 billion was calculated using a discount rate of 7.0% for active members and 6.5% for retirees. The actuarial value of assets, which smooths investment gains and losses over time, was $2.31 billion, resulting in unfunded actuarial liability (UAL) of $507.7 million. The actuarial funded ratio improved to 82.0%, up from 80.0% in the prior year, reflecting continued progress toward long-term funding goals.

Normal costs, representing the cost of earning an additional year of pension service, decreased slightly from 7.56% to 7.34%. The Board's funding policy, originally adopted to amortize the UAL over a fixed 20-year period targeting full funding by fiscal year 2032 (with a one-year extension adopted in 2019), was revised as of June 30, 2024, valuation. Under the updated policy, future changes in the UAL due to experience gains or losses and assumption changes will be amortized over separate 15-year layers, while the expected UAL as of June 30, 2023, continues to be amortized over the remaining 7 years.

The required employer contribution for fiscal year 2026 was actuarially determined based on the normal cost, amortization of the UAL, and offset by employee contributions. The total recommended contribution increased from $106.30 million in FY26 to $107.27 million for FY27. However, due to a significant increase in covered payroll, the cost as a percentage of payroll decreased from 20.94% to 19.08%. The expected employee contribution rate for active Plan C and Plan D members remains unchanged at 5% of pay.

Accounting Systems and Internal Control

This report has been prepared in accordance with governmental accounting and reporting standards established by the Governmental Accounting Standards Board (GASB). The accrual basis of accounting is applied, whereby revenues are recorded when earned and expenses when liabilities are incurred, regardless of when cash is received or paid.

The administration of the System is responsible for both the accuracy of this report and the adequacy of internal controls. These controls are designed to safeguard assets and ensure the fair presentation of the financial statements and supporting schedules, providing reasonable—though not absolute—assurance. Documented procedures, control cycles, and internal policies guide key functions and are applied consistently. Management also recognizes that effective internal control requires balancing costs with expected benefits, and that certain estimates and judgments are necessary in applying this framework.

Other Information

Independent Auditor: In accordance with the Baltimore City Code, the City's Board of Estimates appoints an independent auditor for the Retirement System each year. The auditor's findings are reported to both the Board of Estimates and the Board of Trustees, ensuring an additional layer of transparency and accountability. For the fiscal year ended June 30, 2025, the Board engaged UHY, LLP to render an independent opinion on the fairness and accuracy of the System's financial statements. The Independent Auditor's Report can be found in the Financial Section of this report.

Professional Services: To help fulfill its fiduciary responsibilities, the Board, with approval from the City's Board of Estimates, retains professional consultants and investment managers whose expertise is essential to the System's effective management. Trustees closely monitor these professionals to ensure that services are delivered responsibly and in the best interest of the members. Engagements may be adjusted or terminated if performance expectations are not met or if other significant issues arise. A complete list of professional service providers appears on pages 13 and 62-64 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 the ERS a Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This marked the 42nd consecutive year (fiscal years 1983–2024) that the ERS received this prestigious recognition. The Certificate of Achievement is valid for one year, and we believe the current report continues to meet the program's high standards. Accordingly, it has been submitted to the GFOA for consideration for another certificate.

This annual report was prepared by the staff of the System, with valuable support from our investment consultants and actuary. It is designed to provide complete and reliable information to support sound management decisions and to demonstrate compliance with legal requirements.

Copies of this report are distributed to the City's elected officials, agency heads, and other key stakeholders. A copy is also filed with the Baltimore City Office of Legislative Reference, and the report is publicly available on the ERS website at **www.bcers.org**.

In closing, I extend my sincere appreciation to the Board of Trustees, ERS staff, and professional advisors for their dedication and contributions to the continued sound management of the System. Their collective efforts ensure the ongoing strength and reliability of the ERS for all members and beneficiaries.

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, 2025

To: All Members, Retirees and Beneficiaries of the

City of Baltimore Employees' Retirement System (ERS)

The ERS continued to rebound in fiscal year 2025. The ERS return was 9.5%. The ERS slightly underperformed its policy benchmark return of 10.1% and was below the relative peer group ranking in a universe of over 300 public pension funds. However, ERS has returned 7.7% over the past ten years and ranked 23rd. The market value funded ratio for ERS is now 82.0%.

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, which was applied on January 1, 2025.

During this year, we again continued to navigate through the volatile economy, amid the lingering tariffs and policy uncertainties. All asset classes post gains, and fixed-income managers continued to add value posting a 7.1% return, outperforming the Bloomberg US aggregate TR index of 6.1%. 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, I am pleased to announce some recent changes to the Board's composition. The Board was increased to 10 members by the change in Article 22, adding representation of the Baltimore City Public Schools and the Board elected myself and Sharon Lockley as Chair and Vice-Chair, respectively. 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,

Dr. Helen Holton
Chair, Board of Trustees

Employees' Retirement System
City of Baltimore, Maryland

BOARD OF TRUSTEES

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
LaTonya Reynolds, Esq.

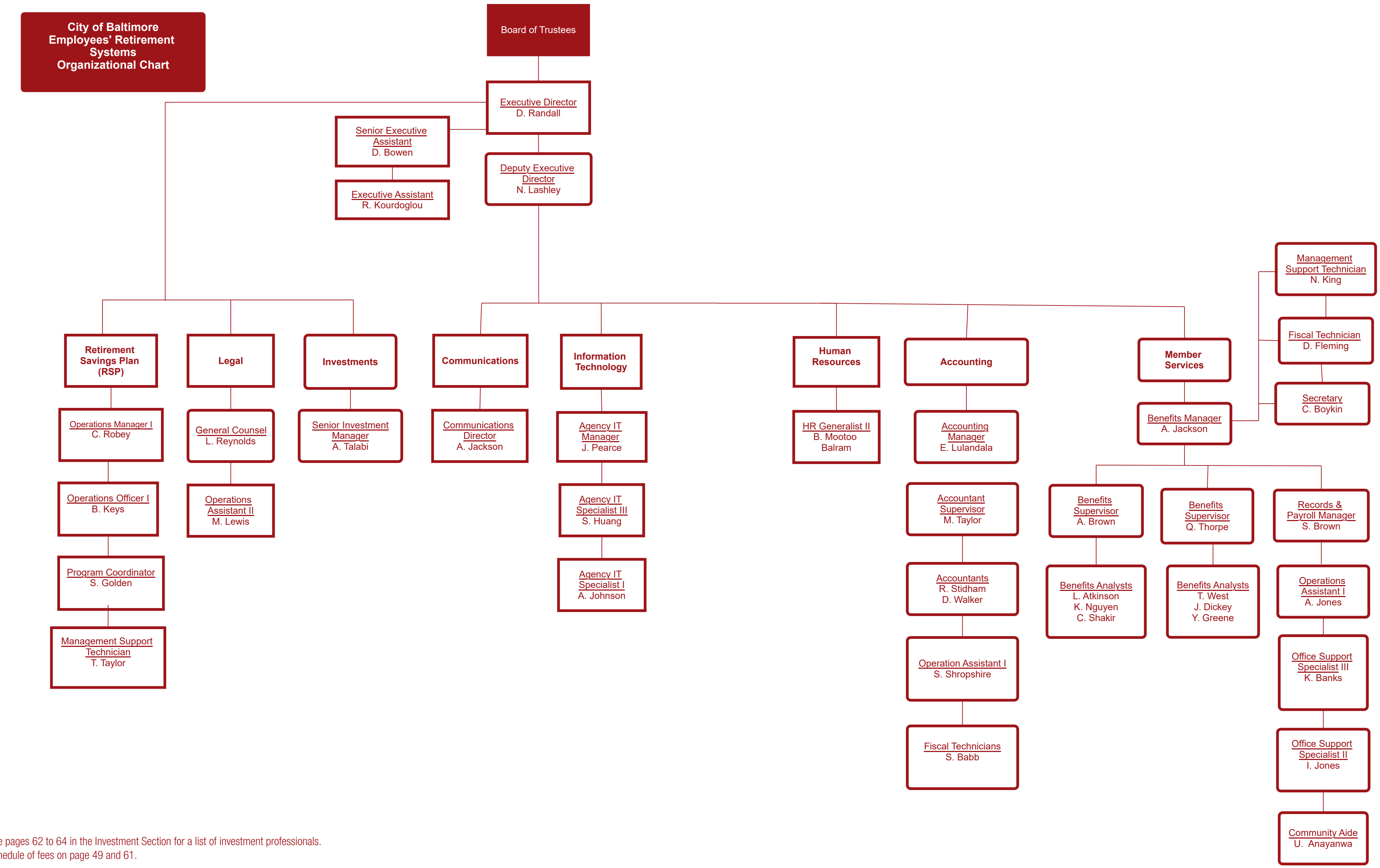
ACTUARY

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

INDEPENDENT AUDITOR

UHY, LLP
Jason Ostroski, CPA

See pages 62 to 64 in the Investment Section for a list of investment professionals.
Schedule of fees on page 49 and 61.



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Schedule of fees on page 49 and 61.

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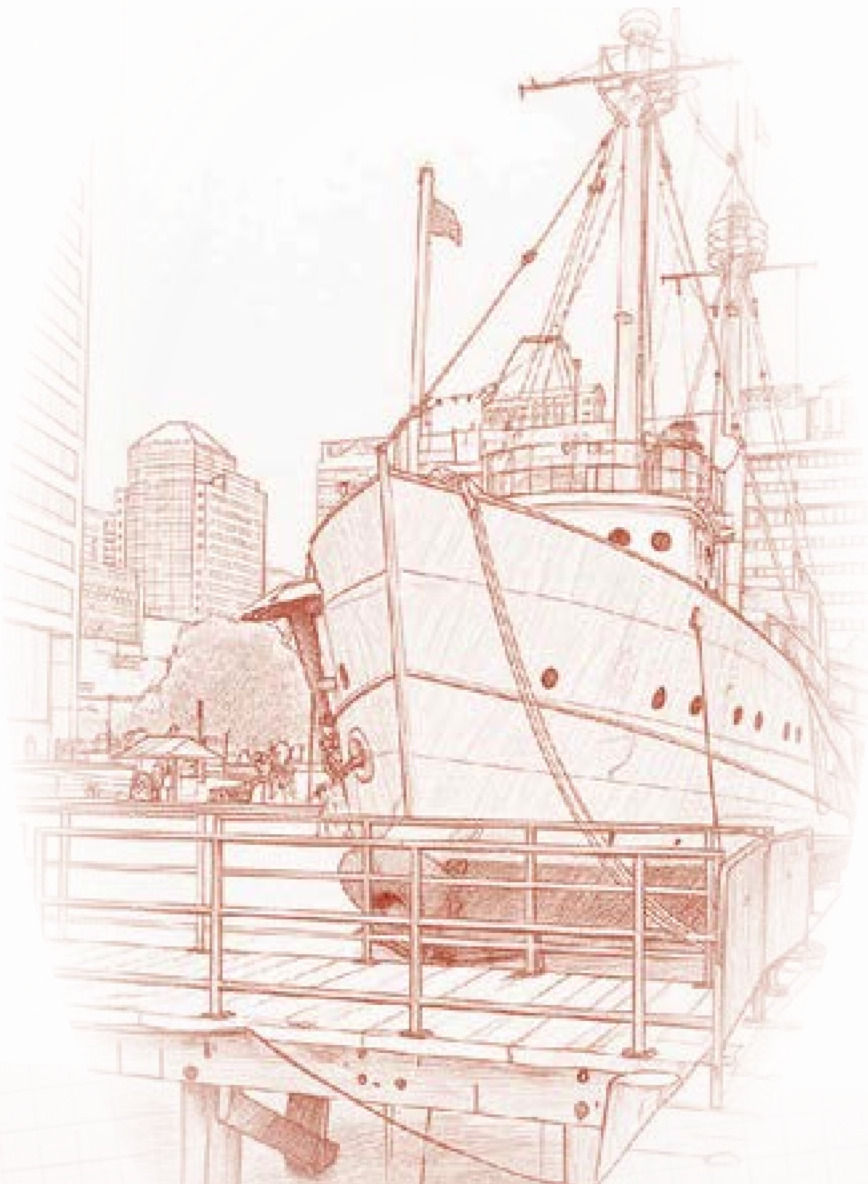
FINANCIAL SECTION



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 fiduciary net position & the related statement of changes in fiduciary net position of the Employees' Retirement System of the City of Baltimore (the System), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the System's basic 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 respective financial net position of the System, as of June 30, 2025, and the respective changes in its financial 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 generally accepted 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 investments 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 opinions on the financial statements that collectively comprise the System's basic financial statements. The schedule 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 auditing standards generally accepted in the United States of America. 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 25, 2025, 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 25, 2025

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

This Management's Discussion and Analysis (MD&A) provide an overview of ERS' financial activities for the fiscal years ended June 30, 2025, and 2024. It explains changes in net position, investment performance, contributions, and expenses, as well as significant initiatives and conditions that may affect future operations. Key developments include an upcoming office relocation, implementation of a new pension administration system, and an investment monitoring platform for alternative assets. These initiatives aim to improve efficiency and oversight while maintaining ERS' long-term financial stability.
This discussion should be reviewed alongside the transmittal letter and the accompanying financial statements for a complete understanding of ERS' financial position and outlook.

A. Overview of the Financial Statements

The financial statements of the Employees' Retirement System (ERS) provide a structured and comprehensive view of the Plan's financial position and activities for the fiscal year ended June 30, 2025. These statements are prepared in accordance with generally accepted accounting principles (GAAP) and follow the accrual basis of accounting, which recognizes revenues when earned and expenses when incurred, regardless of when cash transactions occur.

The Statement of Fiduciary Net Position presents a snapshot of the Plan's financial condition at year-end. It details the Plan's assets, liabilities, and resulting net position restricted for pensions. This statement focuses on what the Plan owns and owes at a specific point in time, including investments, receivables, and payables primarily related to investment activities.

In contrast, the Statement of Changes in Fiduciary Net Position explains how the net position changed over the course of the fiscal year. It reports additions, such as contributions and investment income, and deductions including benefit payments and administrative expenses. This statement provides insight into the operational flow of resources and the financial performance of the Plan during the reporting period.

The Notes to Basic Financial Statements serve as an essential complement to the two primary statements. They provide detailed explanations of accounting policies, investment strategies, actuarial assumptions, and other relevant disclosures. These notes are critical for understanding the context and methodology behind the reported figures.

Following the notes, the Required Supplementary Information (RSI) section includes key metrics that help assess the Plan's financial health and funding progress. This includes schedules of changes in net pension liability and related ratios, employer contributions, and investment returns. RSI enhances transparency and allows stakeholders to evaluate long-term trends and actuarial soundness.

Together, these components offer a complete picture of ERS's financial status. While the Statement of Fiduciary Net Position focuses on the Plan's financial standing at a single point in time, the Statement of Changes in Fiduciary Net Position highlights the dynamics of financial activity. The notes and RSI provide the necessary depth and context to interpret the financial statements accurately and responsibly.

B. Financial Summary

- As of June 30, 2025, the Employees' Retirement System (ERS) reported a net position restricted for pensions of $2.26 billion, reflecting a $153.53 million increase from the prior year's ending balance of $2.11 billion. This growth was driven by strong investment performance and steady contribution inflows, significantly outpacing the $77.56 million increase recorded in FY24.

- In FY25, total revenues reached $340.43 million, a substantial increase over the $260.46 million reported in FY24. Investment returns were the primary driver, rising to $217.58 million from $148.97 million the previous year. Employer contributions increased to $98.14 million, up from $89.29 million, while member contributions rose to $24.56 million from $22.01 million. Net securities lending income remained relatively stable, with a slight decrease from $0.19 million in FY24 to $0.15 million in FY25.

- Total expenses for FY25 were $186.90 million, slightly higher than the $182.90 million recorded in FY24. Retirement allowances increased to $179.32 million from $174.65 million, while administrative expenses decreased slightly to $5.18 million from $5.32 million. Other benefit-related payments, including refunds, death benefits, and lump sum cash payments, remained relatively consistent year-over-year.

- In fiscal year 2025, the Employees' Retirement System portfolio demonstrated a strong rebound, achieving a time-weighted rate of return of 9.5%, up from 7.7% in the previous year. This performance surpassed the target rate of 7%, though it slightly trailed the Median Public Pension Fund return of 10.1%. The portfolio's growth was driven by impressive gains in international equities, which led with a 17.4% return, followed by domestic equities at 11.9%. Private equity contributed a solid 7.9%, while fixed income delivered 7.1%, reflecting favorable market conditions. After two years of negative returns, real estate investments recovered with a 4.5% gain. Additional contributions came from low volatility strategies at 10.4% and defensive equities at 7.2%, further supporting the portfolio's overall positive trajectory. These results reflect broad-based strength across asset classes and a resilient investment strategy in a dynamic market environment.

- The funded status of the plan also showed improvement. The actuarial funded ratio rose slightly to 82.0% in FY25 from 80.0% in FY24, while the fair value funded ratio increased to 80.4% from 76.5%. This indicates that the plan now holds approximately $0.80 in assets for every dollar of pension liability, up from $0.76 the previous year.

- Overall, FY25 reflected stronger financial performance and improved investment outcomes compared to FY24, positioning ERS on a more favorable path toward achieving its long-term funding objectives

C. Detailed Financial Analysis

Overview

Net position serves over time as a useful indicator of the Plan's financial health. As of June 30, 2025, ERS reported a net position of $2.26 billion, an increase of $153.53 million, or 7%, from the prior year. This improvement reflects strong investment performance, higher contributions, and disciplined expense management.

Investment Assets

ERS is a long-term investor and manages the Plan's assets with objectives focused on sustainability and growth. A key principle of its investment philosophy is diversification, considered the most effective way to achieve its goals. Following an asset-liability study with its investment consultant, the Board of Trustees established an allocation plan that balances risk and return across asset classes. Investments are reported at fair value, with unrealized gains and losses recognized in the current period.

For FY25, the time-weighted rate of return was 9.5%, outperforming the prior year's 7.7% return. Gains were led by international equities at 17.4%, domestic equities at 11.9%, private equities at 7.9%, and fixed income at 7.1%. Real estate rebounded with a 4.5% return after two years of negative performance. These results underscore the effectiveness of ERS's strategic allocation and its ability to capitalize on market recovery. The Plan's long-term actuarial investment return assumption remains at 7.0%, consistent with the City's Ordinance 16-488.

Assets and Liabilities

Cash and receivables decreased by $14.55 million, or 19%, to $61.25 million. This reduction reflects a strategic reallocation of assets toward investments, aligned with ERS's prudent cash management approach.

In contrast, investments increased by $149.14 million, or 7%, reaching $2.23 billion. The growth was driven by favorable market conditions and ERS's diversified portfolio strategy, aimed at enhancing long-term returns.

Securities lending activity rose sharply by $22.02 million, or 46%, to $70.35 million, reflecting higher demand and improved collateral management while capital assets remained stable, increasing slightly by $23,060, or 7%, to $362,144.

Liabilities represent payables, incurred through investment transactions, securities lending, retirement benefit expenses, and administrative costs. For FY25, total liabilities increased by $3.10 million, or 3%, to $92.51 million, consistent with higher investment activity and benefit payments.

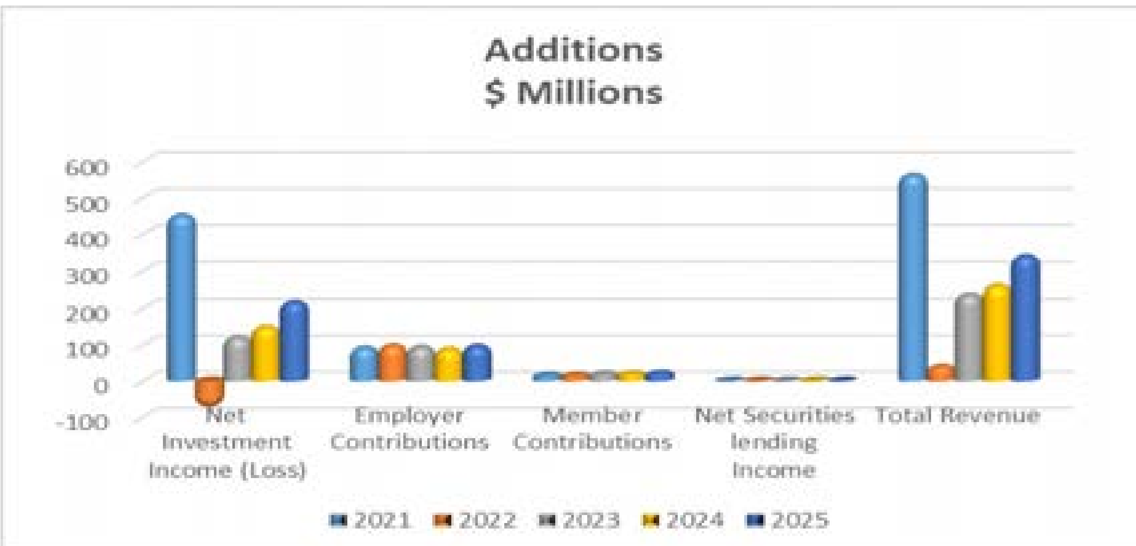
Overall, total assets climbed to $2.36 billion, while total liabilities increased modestly by $3.10 million, or 3%, to $92.51 million, consistent with higher investment activity and benefit payments.

Fiduciary Net Position	Fiscal Year 2025	Fiscal Year 2024	Increase / (Decrease)	Percentage Change
Cash and Receivables	$61,247,203	$75,800,974	($14,553,771)	-19%
Investments	2,225,547,573	2,076,409,482	149,138,091	7%
Securities Lending	70,346,125	48,323,980	22,022,145	46%
Capital Assets	362,144	339,084	23,060	7%
Total assets	2,357,503,045	2,200,873,520	156,629,525	7%
Total liabilities	92,512,255	89,411,434	3,100,821	3%
Total net position	$2,264,990,790	$2,111,462,086	$153,528,704	7%

Additions

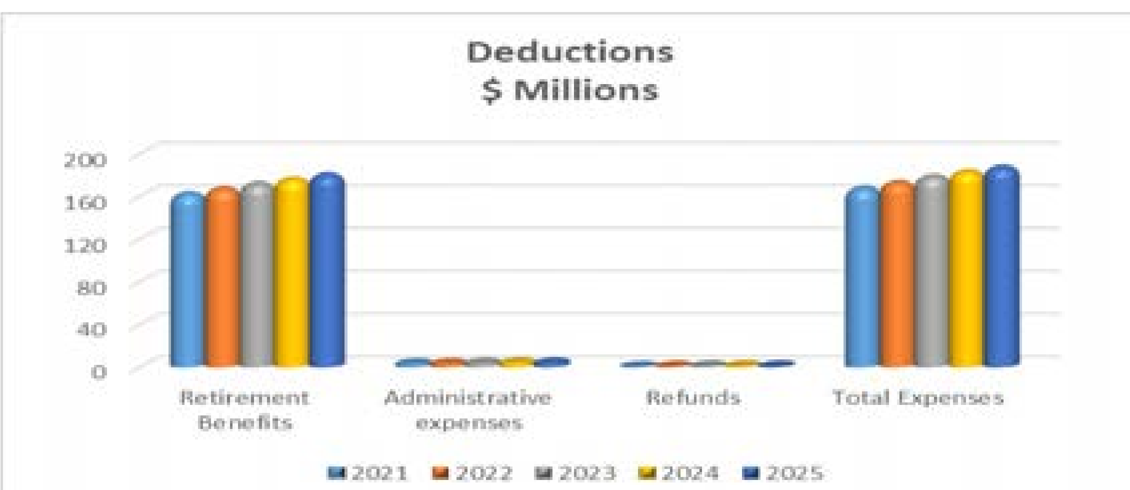
Additions to fiduciary net position were a major driver of growth. Employer contributions increased by $8.85 million, or 10%, to $98.14 million, reflecting improved funding practices and actuarial adjustments. Employee contributions rose by $2.55 million, or 12%, to $24.56 million, signaling stable participation and confidence in the Plan.

The most significant contributor was net investment income, which surged by $68.61 million, or 46%, to $217.58 million, due to strong market performance and ERS' disciplined investment approach. Net securities lending income declined slightly by $44,172, or 23%, to $148,743, despite higher lending activity, due to lower spreads. Overall, total additions reached $340.43 million, a 31% increase over FY24.



Deductions

On the deductions side, retirement allowances grew by $4.67 million, or 3%, to $179.32 million, primarily driven by cost-of-living adjustments of 1.5% for participants under age 65 and 2.0% for those aged 65 and older. Administrative expenses decreased slightly by $134,773, or 3%, to $5.18 million, reflecting improved operational efficiency.



Refunds of member contributions fell by $334,471, or 20%, to $1.38 million, while death benefits declined by $170,545, or 14%, to $1.01 million. Lump sum cash payments dropped sharply by $20,679, or 52%, to $18,713, indicating fewer one-time distributions. Overall, total deductions increased modestly by $4.01 million, or 2%, to $186.90 million.

Overall Performance

The net effect of these changes was a $153.53 million increase in fiduciary net position, nearly doubling the prior year's growth of $77.56 million. This 98% improvement underscores the combined impact of strong investment returns, higher contributions, and effective expense management. ERS' financial position remains robust, positioning the Plan to meet its long-term obligations and sustain its funding trajectory.

Changes in Fiduciary Net Position	Fiscal Year 2025	Fiscal Year 2024	Increase / (Decrease)	Percentage Change
Additions				
Employer contribution	$98,138,744	$89,287,690	$8,851,054	10%
Employee contribution	24,560,734	22,006,003	2,554,731	12%
Net investment income	217,582,466	148,973,976	68,608,490	46%
Net Securities Lending Income	148,743	192,915	(44,172)	-23%
Total additions	340,430,687	260,460,584	80,014,275	31%
Deductions				
Retirement allowances	179,318,414	174,651,915	4,666,499	3%
Administrative expenses	5,181,349	5,316,122	(134,773)	-3%
Refund of member's contribution	1,376,931	1,711,402	(334,471)	-20%
Death benefits	1,006,576	1,177,121	(170,545)	-14%
Lump Sum cash payments	18,713	39,392	(20,679)	-52%
Total deductions	186,901,983	182,895,952	4,006,031	2%
Net increases (decreases)	$153,528,704	$77,564,632	$75,964,072	98%
Net Position - Beginning of Year	$2,111,462,086	$2,033,897,454	$77,564,632	4%
Net Position - End of Year	$2,264,990,790	$2,111,462,086	$153,528,704	7%

D. Significant Capital Asset and Long-Term Financing Activity

In FY25, ERS recorded modest capital asset activity focused on office improvements and technology upgrades. Total acquisitions were $112,776, with no disposals. The largest additions included $65,204 for leasehold improvements and $47,572 for computer equipment, supporting operational efficiency and modernization. Accumulated depreciation increased by $89,716, bringing the total to $2.72 million. Net capital assets rose slightly from $339,084 to $362,144, an increase of $23,060. Further details are available on page 41.

There were no significant policy changes, new commitments, or economic factors impacting capital assets. Similarly, ERS did not enter into new debt agreements, leases, or partnerships during FY25. No changes occurred in credit ratings or debt limitations, and subscription-based IT arrangements remained consistent. The Plan continues to operate without reliance on long-term debt, maintaining a conservative financial posture.

Overall, capital activity was limited and targeted, while long-term financing activity remained nonexistent, reflecting ERS' commitment to prudent resource management and financial stability.

E. Currently Known Facts, Decisions, or Conditions

Currently known factors expected to influence ERS’s financial position and future operations include organizational changes, technology upgrades, and economic conditions. ERS is planning an office relocation in the upcoming fiscal year, which will involve one-time moving costs and potential lease adjustments. No new leases beyond the relocation arrangement are expected, and these costs are not expected to materially impact long-term financial stability.

Additionally, ERS is implementing a new pension administration system to enhance efficiency and improve member services. This initiative will require upfront investment in technology and training, temporarily increasing administrative costs. Over time, the system is expected to deliver operational benefits through streamlined processes and improved data management. ERS is also introducing a new investment monitoring system specifically for alternative investments, aimed at improving oversight, risk management, and reporting capabilities for private equity, real estate, and other non-traditional asset classes.

Economic factors such as inflation and market volatility remain key risks that could influence investment returns and contribution requirements. FY25 produced modest investment returns of 9.5%, and future performance may fluctuate based on global economic conditions. Demographic trends, including an ageing membership base and steady retirements, will continue to increase benefit payments, while cost-of-living adjustments (COLA) are expected to remain in place.

ERS does not anticipate significant changes in long-term financing activity, as the Plan continues to operate without reliance on debt. No new public-private partnerships or subscription-based IT arrangements beyond the pension system upgrade and investment monitoring system are planned. Legislative or regulatory changes affecting pension funding or reporting requirements could influence future operations, though none have been enacted to date.

Overall, ERS remains financially strong, but future results may differ from FY25 due to modest investment expectations, demographic trends, inflationary pressures, and the impact of strategic initiatives such as the office move, pension system upgrade, and enhanced investment monitoring capabilities.

F. 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, 2025

Assets		
Cash and cash equivalents		$ 45,117,025
Receivables and other assets:		
Foreign currency contracts	$ 10,781,031	
Accrued income	2,426,421	
Investments sold	1,863,837	
Contributions and other receivables	1,058,889	
Total receivables and other assets		16,130,178
Investments:		
Private equities	559,400,104	
Domestic equities	490,202,657	
International equities	349,560,852	
Domestic fixed income	333,667,965	
Real estate	307,832,902	
Defensive equities	150,575,291	
Private Credit	34,307,802	
Total investments		2,225,547,573
Securities lending collateral		70,346,125
Capital assets	3,081,210	
Accumulated depreciation of capital assets	(2,719,066)	
Net capital assets		362,144
Total assets		2,357,503,045
Liabilities		
Obligations under securities lending	70,346,125	
Foreign currency contracts	10,781,031	
Investments purchased	6,793,068	
Administrative expenses payable	2,139,726	
Member Stales	1,179,177	
Investment management fees payable	787,542	
Other accounts payable	485,586	
Total liabilities		92,512,255
Net position restricted for pensions		$ 2,264,990,790

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, 2025

Additions		
Contributions:		
Employers	98,138,744	
Plan members	24,560,734	
Total contributions		$122,699,478
Investment income:		
Net appreciation in value of investments	191,925,327	
Interest & dividend income	24,154,988	
Defensive equity income	10,504,553	
Private equity income	9,527,079	
Private credit income	8,909,291	
Real estate income	3,777,012	
Other Income	8,425	
Less: Investment expenses	(31,224,209)	
Net investment Income		217,582,466
Securities lending income	212,428	
Less: Securities lending fees	(63,685)	
Net securities lending income		148,743
Total additions		340,430,687
Deductions		
Retirement allowances	179,318,414	
Administrative expenses	5,181,349	
Refund of members contributions	1,376,931	
Death benefits	1,006,576	
Lump sum cash payments	18,713	
Total deductions		186,901,983
Net increase		153,528,704
Net position restricted for pensions		
Beginning of year		2,111,462,086
End of year		$2,264,990,790

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, 2025, the ERS membership consisted of:

Membership Status as of June 30, 2025	Classes A&B	Class C	Class D	Total
Active Plan Members	2	3,684	4,543	**8,229**
Retirees and Beneficiaries (currently receiving benefits	246	8,847	61	**9,154**
Terminated Plan members (entitled but not yet receiving benefits)	-	1,108	23	**1,131**
Total	**248**	**13,639**	**4,627**	**18,514**

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.

New Accounting Pronouncement:

In fiscal year 2025, ERS adopted GASB Statement No. 102, which requires disclosure of certain concentrations and constraints that could expose the entity to a risk of substantial financial impact. Upon evaluation, management determined that no such concentrations or constraints exist that meet the criteria for disclosure. No relevant events have occurred, are occurring, or are expected to occur within the next 12 months. Accordingly, no disclosure under GASB 102 is considered necessary for FY25.

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, 2024, will receive the minimum guaranteed benefit increase and is payable on January 1, 2026.

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, 2025, are listed below:

Investment type	
Debt Securities:	
Commingled fixed income	$ 177,031,468
Corporate bonds	73,234,052
U.S. Quasi and Foreign Government	56,660,006
US Treasury	26,742,439
Total Debt Securities	333,667,965
Private equities	559,400,104
Domestic equities	490,202,657
International equities	349,560,852
Real estate	307,832,902
Defensive equities	150,575,291
Private credit	34,307,802
Sub-total	1,891,879,608
Total Investments	$ 2,225,547,573

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, 2025, are summarized in the following table:

Assets Class	Asset Allocation	Long-Term Expected Real rate of Return
Domestic Equity	22%	7.2%
Fixed Income	18%	4.7%
International Equity	15%	7.3%
Private Equity	15%	10.3% LBO and 11.7% Venture Capital
Real Estate	15%	6.4%
Defensive Equity	7%	6.5%
Low Volatility	4%	5.6%
Private Debt	4%	9.0%
	100%	

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return of the Plan was 10.6%. 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	$ 90,478,669	0.31
BNYM Mellon DB SL Aggregate Bond Index	86,552,800	5.86
Corporate Bonds	73,234,050	5.87
US Quasi and Foreign Government	56,660,007	5.46
US Treasury	26,742,439	7.36
Total Debt Securities	$ 333,667,965	

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, 2025, were rated by Standard & Poor's (S&P) and for securities with no S&P rating, 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	$ -	$ 72,346,744	$ 13,734,662	$ 4,397,263	$ 90,478,669
BNYM Mellon DB SL Aggregate Bond Index	76,245,627	10,307,173	-	-	86,552,800
Corporate Bonds	33,891,377	20,217,952	-	19,124,721	73,234,050
US Quasi and Foreign Government	53,071,100	703,276	-	2,885,631	56,660,007
US Treasury	26,742,439	-	-	-	26,742,439
Total Debt Securities	$ 189,950,543	$ 103,575,145	$ 13,734,662	$ 26,407,615	$ 333,667,965

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, 2025, 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, 2025, is presented in the following table:

	Domestic Fixed Income	International Equity	Private Equity	Real Estate	Total Foreign Currency Exposure
Australian Dollar	$ -	$ 4,275,630	$ -	$ -	$ 4,275,630
Brazil Real	-	2,515,637	-	-	2,515,637
Canadian Dollar	(217)	7,651,157	-	18,077	7,669,017
Chinese R Yuan Hk	-	(13,310)	-	-	(13,310)
Chinese Yuan Renminbi	-	1,831,733	-	-	1,831,733
Danish Krone	-	1,087,047	-	-	1,087,047
Euro Currency Unit	12,101	38,950,566	6,922,700	-	45,885,367
Hong Kong Dollar	-	7,529,121	-	-	7,529,121
Indonesian Rupiah	-	913,059	-	-	913,059
Israeli Shekel	-	152,525	-	-	152,525
Japanese Yen	8,202	20,888,238	-	-	20,896,440
Malaysian Ringgit	-	153,891	-	-	153,891
Mexican Peso	(3,451)	398,802	-	-	395,351
New Taiwan Dollar	-	5,595,997	-	-	5,595,997
New Zealand Dollar	-	52,017	-	-	52,017
Norwegian Krone	-	422,239	-	-	422,239
Polish Zloty	-	559,829	-	-	559,829
Pound Sterling	3,543	13,384,728	-	-	13,388,271
Russian Ruble (New)	-	20,030	-	-	20,030
Singapore Dollar	-	827,588	-	-	827,588
South African Rand	-	605,518	-	-	605,518
South Korean Won	-	5,684,310	-	-	5,684,310
Swedish Krona	-	1,207,151	-	-	1,207,151
Swiss Franc	-	6,718,386	-	-	6,718,386
Thailand Baht	-	1	-	-	1
UAE Dirham	-	2,057,052	-	-	2,057,052
	$ 20,178	$ 123,468,942	$ 6,922,700	$ 18,077	$ 130,429,897

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, 2025, 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	$ 73,234,052	$ -	$ 73,166,646	$ 67,406
U.S. Quasi and Foreign Government	56,660,006	-	56,660,006	-
US Treasury	26,742,439	26,742,439	-	-
Total debt securities at fair value level	$ 156,636,497	$ 26,742,439	$ 129,826,652	$ 67,406
Equity securities				
Domestic equities	$ 259,470,122	$ 259,470,122	$ -	$ -
International equities	140,994,128	140,994,128	-	-
Total equity securities at fair value level	$ 400,464,250	$ 400,464,250	$ -	$ -
Total investments by fair value level	$ 557,100,747	$ 427,206,689	$ 129,826,652	$ 67,406
Investments measured at the net asset value (NAV)				
Private equity	$ 559,400,104			
Real estate	307,832,902			
Commingled fixed income	177,031,468			
Defensive Equity	150,575,291			
Domestic equities	230,732,535			
International equities	208,566,724			
Private Credit	34,307,802			
Total investments measured at the NAV	$ 1,668,446,826			
Total investments	$ 2,225,547,573			
Investment derivative instruments				
Foreign currency contract receivable	$ 10,911,185	$ 10,911,185	$ -	$ -
Foreign currency contract payable	(11,064,717)	(11,064,717)	-	-
Total investment derivative instruments	$ (153,532)	$ (153,532)	$ -	$ -

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	$ 559,400,104	$ 196,700,000	Not eligible	N/A
Real estate	307,832,902	62,752,078	Quarterly	90-100 days
Commingled fixed income	177,031,468	-	Daily, weekly & monthly	0 - 30 days
Defensive Equity	150,575,291	-	Quarterly	90-100 days
Domestic equities	230,732,535	-	Daily, weekly & monthly	0 - 30 days
International equities	208,566,724	-	Daily, weekly & monthly	0 - 30 days
Private Credit	34,307,802	34,963,501	Quarterly	N/A
Total investments measured at the NAV	$1,668,446,826	$ 294,415,579		

(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 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, 2025.

Securities Lent	Fair Value of Loaned Securities	Collateral Fair value	Collateral Percentage %
Lent for cash collateral:			
Domestic Equity	$ 48,514,834	$ 49,626,015	103
U.S. Notes and Bonds	10,765,994	10,986,914	102
International Equity	8,622,747	9,733,196	113
Total Cash Collateral	67,903,575	70,346,125	
Lent for non cash collateral:			
Equity	6,081,523	6,207,950	102
U.S. Notes and Bonds	2,286,744	2,333,916	102
International Equity	658,111	744,237	113
Total non cash collateral	9,026,378	9,286,103	
Total Securities on Loan	$ 76,929,953	$ 79,632,228	

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, 2025:

Currency	Receivable at Cost	Receivable at Fair Value	Payable at Cost	Payable at Fair Value	Net Unrealized Gain/(Loss)
	$ 2,480	$ 2,480	$ (2,480)	$ (2,496)	$ (16)
Canadian Dollar	2,435	2,435	(2,435)	(2,453)	(18)
Euro Currency Unit	8,948,758	9,042,224	(8,948,758)	(9,232,348)	(190,124)
Hong Kong Dollar	13,940	13,940	(13,940)	(13,945)	(5)
Japanese Yen	19,280	19,280	(19,280)	(19,343)	(63)
New Taiwan Dollar	6,095	6,095	(6,095)	(6,083)	12
Pound Sterling	4,822	4,822	(4,822)	(4,828)	(6)
Singapore Dollar	237	237	(237)	(237)	-
U.S. Dollar	1,782,984	1,819,672	(1,782,984)	(1,782,984)	36,688
Grand Total	$ 10,781,031	$ 10,911,185	$ (10,781,031)	$ (11,064,717)	$ (153,532)

8. Net Pension Liability:

The following schedules include the Net Pension Liability (NPL) as of June 30, 2025, and the sensitivity of the NPL to the discount rate.

The components of the net pension liability of the Plan on June 30, 2025, were as follows:

Total Pension Liability	$ 2,816,160,718
Less: Plan Fiduciary Net Position	2,264,990,790
Net Pension Liability	$ 551,169,928
Plan Fiduciary Net Position as a percentage of Total Pension Liability	80.4%

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	$854,742,160	$551,169,928	$293,240,223
Plan fiduciary net position as a percentage of total pension liability	72.6%	80.4%	88.5%

The actuarial methods and assumptions presented below are determined as part of the actuarial valuation dated June 30, 2025.

Actuarial funding method:	Entry Age Normal Funding Method.
Actuarial assumptions date:	Effective 7/1/1989, Revised 6/30/2019. New policy adopted 6/30/24 to amortize 6/30/23 unfunded actuarial liability over remaining 7 years of previous policy. All other changes in actuarial liability are amortized in level-dollar amounts as follows: Actuarial gains and losses – 15 years Assumption changes – 15 years Plan changes for active members – 10 years Plan changes for inactive members – 1 year

Discount Rate	7.00%	Pre-Retirement
	6.50%	post-retirement
	6.73%	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, 2025, consist of leasehold improvements, office equipment and office furniture. All capital assets are recorded at cost, less accumulated depreciation.

Capital Assets	July 1, 2024 Balance	Capital Acquisitions	Capital Dispositions	June 30, 2025 Balance
Leasehold Improvements	$ 1,744,702	$ 65,204	$ -	$ 1,809,906
Office Furniture	523,028	-	-	523,028
Office Equipment	632,231	-	-	632,231
Computer & Computer Equipment	68,472	47,572	-	116,044
Totals	$ 2,968,433	$ 112,776	-	$ 3,081,209

Accumulated Depreciation	July 1, 2024 Balance	Increases	Decreases	June 30, 2025 Balance
Leasehold Improvements	$ 1,587,817	$ 20,443	$ -	$ 1,608,260
Office Furniture	489,686	15,952	-	505,638
Office Equipment	530,481	35,178	-	565,659
Computer & Computer Equipment	21,365	18,143	-	39,508
Totals	$ 2,629,349	$ 89,716	-	$ 2,719,065
Net Capital Assets	$ 339,084	$ 23,060	$ -	$ 362,144

10. Subsequent Events:

The Plan evaluated subsequent events through November 25, 2025, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2025, but prior to November 25, 2025, provided additional evidence about conditions that existed on June 30, 2025, have been recognized in the financial statements for the year ended June 30, 2025. Events or transactions that provided evidence about conditions that did not exist on June 30, 2025, 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, 2025.

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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
SCHEDULE OF EMPLOYER CONTRIBUTIONS
SCHEDULE OF INVESTMENT RETURNS
For the year Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost (MOY)	$ 32,987,853	$ 30,154,432	$ 27,907,784	$ 29,193,160	$ 29,653,748	$ 28,902,345	$ 26,666,815	$ 28,939,927	$ 25,736,202	$ 25,507,759
Interest (includes interest on service cost)	181,450,833	175,144,668	170,432,751	170,400,560	167,804,129	165,446,336	163,000,392	159,875,336	157,784,730	155,822,464
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	23,285,214	62,718,833	36,072,286	(24,334,005)	(8,388,368)	16,472,199	4,243,214	11,347,778	(6,869,329)	11,578,209
Changes of assumptions	-	-	8,054,963	-	-	-	65,481,090	-	-	20,850,001
Benefit payments, including refund of members contributions	(181,720,634)	(177,579,830)	(173,269,177)	(168,159,164)	(163,047,946)	(158,559,647)	(154,868,174)	(149,154,499)	(144,608,910)	(139,197,716)
Net change in pension liability	56,003,266	90,438,103	69,198,607	7,100,551	26,021,563	52,261,233	104,523,337	51,008,542	32,042,693	74,560,717
Total pension liability - beginning	**2,760,157,452**	**2,669,719,349**	**2,600,520,742**	**2,593,420,191**	**2,567,398,628**	**2,515,137,395**	**2,410,614,058**	**2,359,605,516**	**2,327,562,823**	**2,253,002,106**
Total pension liability - ending	**$ 2,816,160,718**	**$ 2,760,157,452**	**$2,669,719,349**	**$2,600,520,742**	**$2,593,420,191**	**$2,567,398,628**	**$2,515,137,395**	**$2,410,614,058**	**$2,359,605,516**	**$2,327,562,823**
Plan fiduciary net position										
Contributions - employer	$ 98,138,744	$ 89,287,690	$ 94,788,090	$ 98,640,176	$ 92,637,051	$ 86,953,801	$ 89,866,171	$ 87,541,882	$ 84,474,451	$ 77,100,573
Contributions - members	24,560,734	22,006,003	22,144,404	18,493,368	18,493,824	17,787,416	17,246,258	12,942,622	10,656,243	10,350,709
Net investment income	217,731,209	149,166,890	120,999,843	(75,735,807)	452,684,732	11,872,983	92,814,972	139,512,271	163,156,838	40,260,042
Benefit payments, including refund of member contributions	(181,720,634)	(177,579,830)	(173,269,177)	(168,159,164)	(163,047,946)	(158,559,647)	(154,868,174)	(149,154,499)	(144,608,910)	(139,197,716)
Administrative expense	(5,181,349)	(5,316,121)	(5,068,850)	(4,460,410)	(4,397,413)	(4,495,405)	(3,716,362)	(3,616,054)	(3,584,506)	(3,515,492)
Net change in plan fiduciary net position	$ 153,528,704	$ 77,564,632	$ 59,594,310	$ (131,221,837)	$ 396,370,248	$ (46,440,852)	$ 41,342,865	$ 87,226,222	$ 110,094,116	$ (15,001,884)
Plan fiduciary net position - beginning	**2,111,462,086**	**2,033,897,454**	**1,974,303,144**	**2,105,524,981**	**1,709,154,733**	**1,755,595,585**	**1,714,252,720**	**1,627,026,498**	**1,516,932,382**	**1,531,934,266**
Plan fiduciary net position - ending	**2,264,990,790**	**2,111,462,086**	**2,033,897,454**	**1,974,303,144**	**2,105,524,981**	**1,709,154,733**	**1,755,595,585**	**1,714,252,720**	**1,627,026,498**	**1,516,932,382**
Net pension liability - ending	**$ 551,169,928**	**$ 648,695,366**	**$ 635,821,895**	**$ 626,217,598**	**$ 487,895,210**	**$ 858,243,895**	**$ 759,541,810**	**$ 696,361,338**	**$ 732,579,018**	**$ 810,630,441**
Plan fiduciary net postion as a percentage of the total pension liability	80.40%	76.50%	76.20%	75.90%	81.20%	66.57%	69.80%	71.10%	68.95%	65.17%
Covered payroll	$ 562,327,316	$ 507,685,584	$ 458,637,682	$ 439,326,244	$ 455,219,365	$ 437,242,419	$ 419,686,035	$ 403,454,892	$ 391,121,606	$ 399,465,753
Net pension liability as a percentage of covered payroll	98.00%	127.80%	138.60%	142.50%	107.20%	196.29%	180.98%	172.60%	187.30%	202.93%

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarial determined contribution	$ 98,138,744	$ 89,287,690	$ 94,788,090	$ 98,640,176	$ 92,637,051	$ 86,953,801	$ 89,866,171	$ 87,541,882	$ 84,474,451	$ 75,862,000
Contributions in relations to actuarially determined contribution	98,138,744	89,287,690	94,788,090	98,640,176	92,637,051	86,953,801	89,866,171	87,541,882	84,474,451	77,100,573
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,238,573)
Covered payroll	$ 562,327,316	$ 507,685,584	$ 458,637,682	$ 439,326,244	$ 455,219,365	$ 437,242,419	$ 419,686,035	$ 403,454,892	$ 391,121,606	$ 399,465,753
Contributions as a percentage of payroll	17.45%	17.59%	20.67%	22.45%	20.35%	19.89%	21.41%	21.70%	21.60%	19.30%

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	10.6%	7.6%	6.1%	-4.1%	27.4%	0.9%	5.7%	8.1%	11.7%	2.7%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. The total recommended contribution increased from $106,302,108 for FYE 2026 to $107,265,091 for FYE 2027. As a percent of payroll the contribution decreased from 20.94% to 19.08% for FYE 2027. 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 total recommended contribution for FYE 2025, as determined in the June 30, 2023 actuarial valuation, was $98,471,636. During the year, a refund of employer contributions was reimbursed to the Department of Education in the amount of $332,892 after it was determined the Department of Education made contributions on behalf of an individual who was incorrectly reported as a member of the System. The net actual employer contribution for FYE 2025 was $98,138,744 after reflecting the employer contribution refund.

11. The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, 2025. The following actuarial methods and assumptions were used to determine the contribution rates reported in the schedule:

Valuation Date	June 30, 2023
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation two years prior to the end of the fiscal year.

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Asset valuation method	Market 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, 2023.
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 130% for males and 129% for females with future mortality improvement through 2026 using SOA's Scale MP-2021. Disabled annuitants: 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.

A complete description of the methods and assumptions used to determine contribution rates for the fiscal year ending June 30, 2025, can be found on June 30, 2023, actuarial valuation report.

Employees' Retirement System
City of Baltimore, Maryland
SCHEDULE OF ADMINISTRATIVE EXPENSES
For the Year Ended June 30, 2025

Salaries and wages:		
Permanent full-time salaries	$ 2,548,656	
Overtime & Contracts	7,184	
Total salaries and wages		$ 2,555,840
Other personnel costs:		
Social security and pensions	742,449	
Medical insurance and health care	332,547	
Other employee benefits	25,676	
Total other personnel costs		1,100,672
Contractual services:		
IT Support and supplies	441,245	
Office lease payments	308,620	
Retirement payroll processing	217,611	
Actuarial services	99,747	
Printing and postage	65,516	
Pension systems support	64,346	
Audit Fees	42,064	
Professional services	36,853	
Telephone systems	28,619	
Dues and Subscriptions	17,625	
Total contractual services		1,322,246
Others:		
Depreciation expense	89,717	
Trustee Education and meetings	43,416	
Staff education and conferences	38,569	
Miscellaneous	17,347	
Maintenance and repairs	13,542	
		202,591
Total administrative expenses		$ 5,181,349

Employees' Retirement System
City of Baltimore, Maryland
SCHEDULE OF INVESTMENT EXPENSES
SCHEDULE OF PAYMENTS TO CONSULTANTS
For the Year Ended June 30, 2025

Schedule of Investment Expenses

Investment expenses:		**Fees**
Investment management fees	$	30,645,553
Investment consultant fees		483,477
Custodial fees		95,179
Subtotal		31,224,209
Securities lending fees		63,685
Total investment expenses	**$**	**31,287,894**

Schedule of Payments to Consultants

Firm		**Fees**	**Nature of Service**
Magothy Technology LLC	$	217,544	IT Consulting and Document Management
Corsica Technologies		215,707	Computer Network Services
Cheiron , Inc.		99,747	Actuarial Services
Pension Technology Group		77,500	Benefits Adminstration System
UHY LLP		42,064	Financial Audit
Pension Benefit Information, LLC		24,000	Death Notification
Quality Associates, Inc.		23,356	Document Management Services
RSM US LLP		19,173	Accounting System Maintenance
RSA Security LLC		9,720	Network Security Services
MOI Inc		7,605	Board Meeting Reports
Adobe Systems Incorporated		7,463	Death Notification
LexisNexis Risk Data Management Inc		6,659	Death Notification
S&P Dow Jones Indices LLC		6,000	Investment Benchmarking
DocuSign Inc.		3,804	Document Workflow
Believe Wireless, LLC		3,575	Internet Service Provider
Total of payments to consultants	**$**	**763,917**	

Note: A schedule of fees and commissions is also illustrated in the Investment Section on page 61.

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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

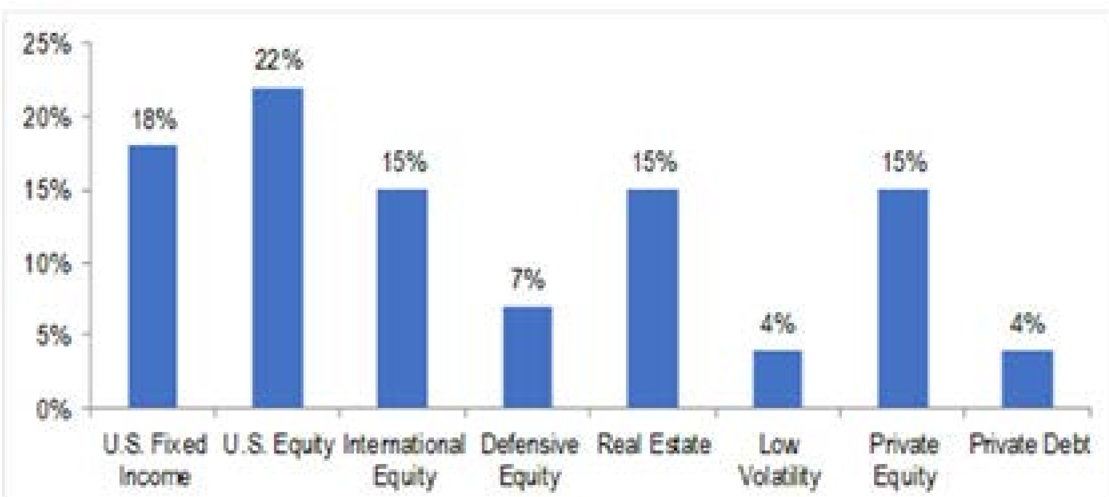
In recognition of the importance of prudent investment of System assets to both the City and the System's members, the Board, as primary fiduciary of the System, shall periodically review the asset management and actuarial characteristics of the System to ensure that investments are managed in a manner 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 80 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 closed the fiscal year on a cautiously optimistic note. Markets remained attentive to the Federal Reserve, anticipating rate cuts that materialized in late 2024 and held steady through the first half of 2025. The unemployment rate declined to 4.1%, supported by payroll growth. Average hourly earnings rose 3.7% year-over-year, suggesting minimal upward pressure on wage-driven inflation. On the trade front, lingering tariff and policy uncertainties weighed on sentiment and forecasts for the latter half of the year. Nevertheless, general risk indicators pointed to a relatively benign environment. Fixed income markets delivered strong performance across sectors over the rolling 12-month period, despite significant interest rate volatility following the "Liberation Day" tariff announcements in April. The Bloomberg U.S. Aggregate Index posted a solid gain of 6.1%, with all major bond indices finishing in positive territory. Sub-investment grade debt led the way once again, with high-yield bonds outperforming bank loans. International equities, long trailing their U.S. counterparts, surged ahead to close the fiscal year with a 17.7% gain, outpacing the 15.3% return for U.S. equities. Real estate, previously weighed down by a locked up market and high interest rates, rebounded with a 4.2% return, marking its first positive year after consecutive fiscal year performance declines.

Investment Performance

For the fiscal year ending June 30, 2025, the System posted a positive gain of 9.5% return which underperformed the policy benchmark of 10.1% and lagged in the peer group. During a volatile time period, fixed income returns were additive once again due to active management, with allocations to mortgage-backed securities leading performance for the fixed income portfolio. Domestic equity investment strategies struggled against their respective benchmarks over the fiscal year due to a continued narrow market with a few high performing securities. International equities were the best performing public asset class for the fiscal year.

The market value of the ERS assets increased from the prior year to finish at $2,265.4 million. The Total Fund market value for this report included both capital appreciation and cash flow activity. At the end of fiscal year 2025, 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	$415.8	18.4%	11.9%	15.3%
International Equity	$352.6	14.2%	17.4%	18.4%
U.S. Fixed Income	$335.2	14.8%	7.1%	6.1%
Real Estate*	$308.3	13.6%	4.5%	2.7%
Defensive Equity	$150.6	6.6%	7.2%	9.3%
Private Equity*	$559.2	24.7%	7.9%	5.3%
Low Volatility Equity	$80.6	3.6%	10.4%	14.4%
Private Debt*	$33.8	1.5%	---	---
Cash Equivalents	$29.3	1.3%	---	---
Total Fund	$2,265.4	100.0%	9.5%	10.1%

*Private Equity, Private Debt and some Real Estate values and returns are through March 31, 2025.

Luis Sierra, CFA
Vice President
Marquette Associates, Inc.

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

Prepared by Marquette Associates, Inc.

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%

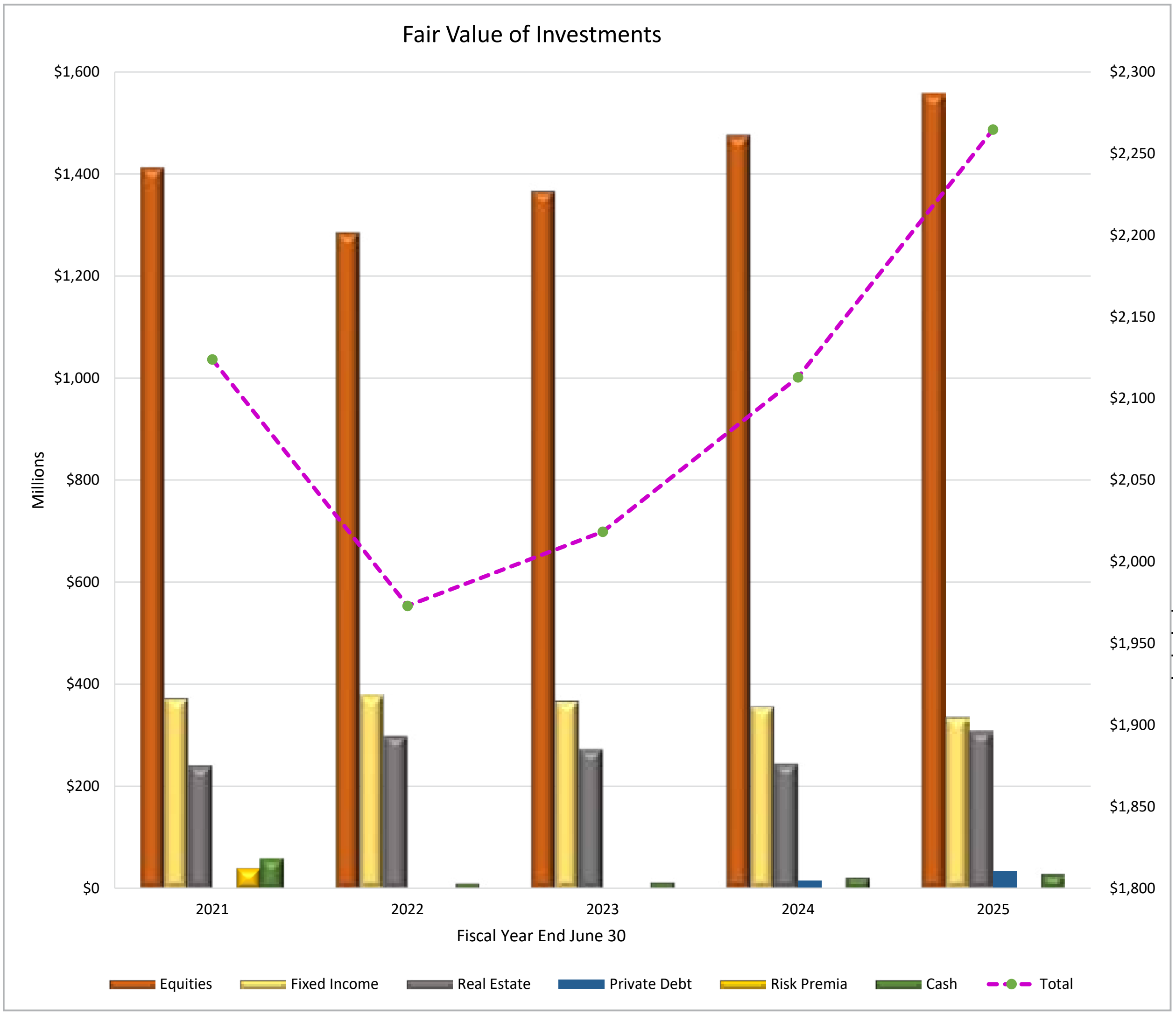
Within each major security classification, investments should be diversified and excessive concentration in any particular security, company or industry is to be avoided. Detailed guidelines in this regard have been supplied to each of the Plan’s investment managers. Additionally, each is expected to 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.
Employees’ Retirement System
City of Baltimore, Maryland

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)

	2021		2022		2023		2024		2025	
Equities	$ 1,414	67%	$ 1,286	65%	$ 1,367	68%	$ 1,477	70%	$ 1,559	69%
Fixed Income	372	18%	378	19%	367	18%	356	17%	335	15%
Real Estate	240	11%	299	15%	273	14%	244	12%	308	14%
Private Debt	0	0%	0	0%	0	0%	15	1%	34	2%
Risk Premia	40	2%	0	0%	0	0%	0	0%	0	0%
Cash	58	3%	10	1%	12	1%	21	1%	29	1%
Total	$ 2,124	100%	$ 1,973	100%	$ 2,018	100%	$ 2,113	100%	$ 2,265	100%

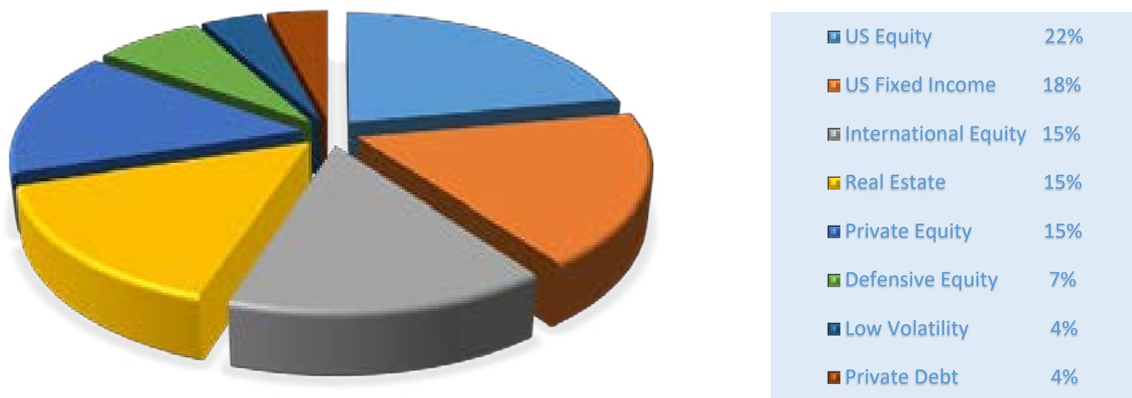
Employees' Retirement System
City of Baltimore, Maryland
INVESTMENT RESULTS
TIME WEIGHTED RATE OF RETURN, CURRENT VALUE BASIS

		Annualized		
	FY 2025	**3 Years**	**5 Years**	**10 Years**
TOTAL PORTFOLIO	9.5 %	8.0 %	9.1 %	7.7 %
Median Public Pension Fund	10.1	8.5	8.5	7.1
Target Rate of Return 7%	7.0	7.0	7.0	7.0
FIXED INCOME	7.1	5.9	2.1	3.0
Bloomberg US Aggregate TR	6.1	2.5	(0.7)	1.8
DOMESTIC EQUITIES	11.9	13.6	12.4	10.4
Russell 3000	15.3	19.1	16.0	13.0
INTERNATIONAL EQUITIES	17.4	13.7	10.7	7.6
MSCI ACWI ex-US	18.4	14.6	10.7	6.6
XPONANCE	18.0	14.8	11.3	7.0
Xponance Benchmark	17.7	14.0	10.1	6.6
Low Volatility Composite	10.4	9.9	10.1	-
S&P 500 Low Volatility	14.4	8.1	10.4	9.7
DEFENSIVE EQUITIES	7.2	10.7	10.3	-
CBOE Put Write Index	9.3	10.1	11.8	7.3
50% S&P 500/50% 91 Day T-Bill	10.0	10.2	9.9	8.0
REAL ESTATE	4.5	(6.6)	2.1	4.8
NFI-ODCE	2.7	(6.2)	2.5	4.4
CPI + 5%	7.8	8.0	9.8	8.2
PRIVATE EQUITY COMPOSITE	7.9	7.5	20.3	15.8
Cambridge Associates All PE	6.7	1.8	16.0	13.7
CPI + 6%	8.5	9.8	10.6	9.3

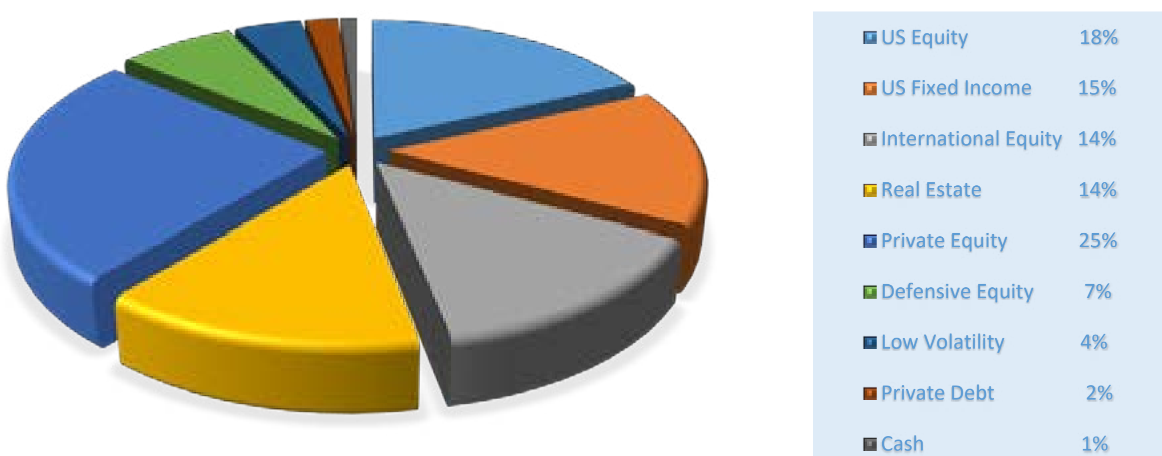
Note: The calculations above were prepared by the Employees' Retirement System's investment advisor, Marquette Associates, Inc. using a time weighted rate of return, based on market rate of return. The performance shown for the Total Portfolio does not include "Other Assets" dedicated to the payment 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, 2025

TARGET ASSET ALLOCATION



ACTUAL ASSET ALLOCATION



Employees' Retirement System
City of Baltimore, Maryland
TOP EQUITY AND FIXED INCOME HOLDINGS BY FAIR VALUE
June 30, 2025

		Shares	Fair Value
TOP TEN DOMESTIC EQUITY HOLDINGS			
1	Verizon Communications Inc	80,797	3,496,086
2	Advanced Energy Industries Inc	25,851	3,425,258
3	Coca-Cola Co/The	48,108	3,403,641
4	Johnson & Johnson	21,532	3,289,013
5	Mondelez International Inc	47,687	3,216,011
6	Cvs Health Corp	43,600	3,007,528
7	Littelfuse Inc	13,091	2,968,122
8	Ecolab Inc	10,702	2,883,547
9	Hexcel Corp	50,308	2,841,899
10	Heico Corp	10,056	2,601,990
	Total		31,133,095
TOP TEN INTERNATIONAL EQUITY HOLDINGS			
1	Taiwan Semiconductor Manufactu	74,000	2,685,198
2	Siemens Ag	9,375	2,395,204
3	Sanofi Sa	18,461	1,781,527
4	Fresenius Medical Care Ag	30,979	1,769,143
5	Check Point Software Technolog	7,674	1,697,873
6	Bandai Namco Holdings Inc	46,365	1,659,825
7	Redeia Corp Sa	77,085	1,642,325
8	Publicis Groupe Sa	13,752	1,544,542
9	Sk Hynix Inc	7,126	1,541,784
10	Orange Sa	100,071	1,517,104
	Total		18,234,525
TOP TEN DOMESTIC FIXED INCOME HOLDINGS			
1	FNMA Pool #0Ma4398	2,289,356	1,820,588
2	FNMA Pool #0Ma5296	1,632,214	1,632,590
3	FHLMC Multiclass Mtg 5500 Nv	1,506,005	1,538,715
4	GNMA Gtd Remic P/T 23-62 Ac	1,625,691	1,472,096
5	NYC Commercial Mort 3Bp B 144A	1,460,000	1,447,225
6	FNMA Pool #0Ma4600	1,577,866	1,423,835
7	FHLMC Multiclass Mtg 5499 Hv	1,331,111	1,379,497
8	Commit To Pur FNMA Sf Mtg	1,475,000	1,328,370
9	FHLMC Multiclass Mtg 5500 Wv	1,271,043	1,318,695
10	Commit To Pur FNMA Sf Mtg	1,507,000	1,303,133
	Total		14,664,744

A complete list of portfolio holdings is available on request.

Employees' Retirement System
City of Baltimore, Maryland
INVESTMENT SUMMARY
June 30, 2025

		Fair Value	Percentage of Fair Value	Percentage of Total Fair Value
Equities - Corporate Stock				
Science and Technology	$	92,199,027	5.8%	
Financial		84,563,862	5.3%	
Consumer and Capital Goods		43,406,826	2.7%	
Healthcare and Pharmateuticals		31,184,061	2.0%	
Energy		28,336,304	1.8%	
Industrial and Machinery		20,427,012	1.3%	
Media and Entertainment		17,592,132	1.1%	
Aerospace/Defense		16,840,204	1.1%	
Engineering & Construction		16,322,593	1.0%	
Commercial Services		14,636,068	0.9%	
Transportation		14,267,431	0.9%	
Telecommunications		12,605,788	0.8%	
Environmental		2,979,837	0.2%	
Advertising		2,094,118	0.1%	
Agriculture		1,867,948	0.1%	
Others		1,141,040	0.1%	
Total Equties - Corporate Stocks		400,464,250	25.3%	
Others				
Private Equity		559,400,104	35.3%	
Commingled Domestic Equity		230,732,535	14.6%	
Commingled International Equity		208,566,724	13.2%	
Defensive Equity		150,575,291	9.5%	
Private Credit		34,307,802	2.2%	
Total Others		1,183,582,456	74.7%	
Total equities		**1,584,046,706**	100.0%	**71.2%**
Fixed Income:				
US Quasi and Foreign Government		56,660,006	17.0%	
U.S. Treasury		26,742,439	8.0%	
		83,402,445	25.0%	
Corporate:				
Financial		59,985,055	18.0%	
Industrial and Machinery		3,267,533	1.0%	
Healthcare and Pharmateuticals		2,460,957	0.7%	
Consumer and Capital Goods		2,259,965	0.7%	
Science and Technology		1,681,649	0.5%	
Energy		1,647,745	0.5%	
Aerospace/Defense		745,442	0.2%	
Transportation		546,715	0.2%	
Commercial Services		437,310	0.1%	
Telecommunications		201,681	0.1%	
			0.0%	
Total corporate		73,234,052	21.9%	
Commingled Fixed Income		177,031,468	53.1%	
Total fixed income		**333,667,965**	**100.0%**	**15.0%**
Other investments:				
Real estate		307,832,902	100.0%	
Total other investments		**307,832,902**	**100.0%**	**13.8%**
Total investments	**$**	**2,225,547,573**		**100.0%**

Employees' Retirement System
City of Baltimore, Maryland
SUMMARY SCHEDULE OF FEES AND COMMISSIONS
For the Year Ended June 30, 2025

Investment managers' fees	**Assets Under Management**	**FY 2025**
Private equities	$ 559,400,104	$ 22,093,291
Real estate	307,832,902	2,938,683
Private Credit	34,307,802	1,674,274
Domestic equities	490,202,657	1,441,182
International equities	349,560,852	1,313,628
Domestic fixed income	333,667,965	756,300
Defensive equities	150,575,291	376,897
Mutual Funds		51,298
Total investment managers' fees		**$ 30,645,553**

Other investment service fees:	
Investment consultant fees	$ 483,477
Custodial fees	95,179
Securities Lending Collateral	63,685
Total other investment service fees	**$ 642,341**

Brokerage Fees

Broker's fees on investment transactions for the year ended June 30, 2025 amounted to $283,435.53. The highest 20 paid brokers are listed below.

Brokerage Firms	**Amount of Commissions**	**Number of Shares Traded**	**Commission per Share**
BNY Convergex, New York	$ 19,859	653,480	$ 0.0571
BNY Capital Markets Inc, New York	19,313	530,314	0.0364
Raymond James & Assoc Inc, St Petersburg	13,585	539,158	0.0501
Williams Capital Group LP, Jersey City	12,293	350,452	0.0551
Piper Jaffray & Co., Jersey City	9,503	1,524,938	0.0312
Jefferies & Co Inc, New York	8,972	368,176	0.0538
Southwest Securities Inc, New York	8,808	293,600	0.0300
Instinet Europe Limited, London	8,579	745,799	0.0305
Apex Clearing Corporation, Dallas	8,417	291,314	0.0289
Pershing Llc, Jersey City	8,326	510,200	0.0382
Loop Capital Markets, Jersey City	7,923	315,777	0.0456
Barclays Capital Inc, Whippany	7,664	748,051	0.0322
Penserra Securities, New York	6,930	282,964	0.0346
Cap Instl Svcs Inc - Equities, New York	5,871	170,970	0.0600
Citigroup Global Markets, Inc., New York	5,824	902,403	0.0622
Goldman Sachs & Co, Ny	5,660	451,994	0.0377
J.P Morgan Securities Inc, New York	4,638	167,253	0.0427
Rbc Capital Markets Llc, New York	4,494	162,919	0.0630
Merrill Lynch & Co Inc Atlas Global, Ny	4,472	566,667	0.0079
Barclays Capital Le, New York	4,431	356,337	0.0341

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

Allspring Global Investments
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

Aristotle Pacific
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

Clarion Partners
Karen Kasteel
New York, New York

Thor Urban
Joseph J. Sitt
New York, New York

INVESTMENT PROFESSIONALS

PRIVATE CREDIT MANAGERS

Brightwood Capital
Zakira Ralling
New York, New York

Carlyle Direct Lending
Adriana Kordes
New York, New York

TPG Angelo Gordon
Courtney Beilder
New York, New York

Turning Rock Partners
Guantong Sun
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

Frazier Life Sciences
Ailsa Dalgliesh
Palo Alto, California

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

October 30, 2025

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

Re: 2025 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, 2025, determined the employer's contribution for the plan year beginning June 30, 2026. 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 2027.

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 30, 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 7 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.

Board of Trustees
Employees' Retirement System
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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, Schedule of Covered Employees by Participating Employer, 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 Schedule of Employer Contributions shows the actual employer contributions compared to the Actuarially Determined Contributions over the past 10 years in accordance with the required supplemental information.

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, 2025, 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
Attachments

Matt Deveney

Matt Deveney, FSA, MAAA, EA
Principal Consulting Actuary

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, 2025 is 7 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, 2025 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
6/30/2014	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
6/30/2025	8,229	562,327,316	68,335	3.7

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
6/30/2014	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
6/30/2025	313	12,097,797	316	6,542,333	9,154	182,607,761	3.1	19,947

* 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)
6/30/2014	$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
6/30/2025	136,562,654	1,677,476,198	82,936,819	919,185,047	2,308,464,587	100	100	100	44.8

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
6/30/2014	$ 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%
6/30/2025	2,308,464,587	2,816,160,718	507,696,131	82.0%	562,327,316	90.3%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution *	Contribution Deficiency/(Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2014	$ 94,917,886	$ 94,917,886	$ 0	$ 401,291,783	23.7%
6/30/2015	97,170,796	97,170,796	0	408,095,216	23.8%
6/30/2016	77,100,573	77,100,573	0	399,465,753	19.3%
6/30/2017	84,474,449	84,474,451	(2)	391,121,606	21.6%
6/30/2018	87,541,882	87,541,882	0	403,454,892	21.7%
6/30/2019	89,866,171	89,866,171	0	419,686,035	21.4%
6/30/2020	86,953,791	86,953,801	(10)	437,242,419	19.9%
6/30/2021	92,637,053	92,637,051	2	455,219,365	20.3%
6/30/2022	98,640,175	98,640,176	(1)	439,326,244	22.5%
6/30/2023	94,788,090	94,788,090	0	458,637,682	20.7%
6/30/2024	89,287,690	89,287,690	0	507,685,584	17.6%
6/30/2025	98,471,636	98,138,744	332,892	562,327,316	17.5%

** For FYE 6/30/2025, the contribution of $ 98,138,744 reflects total employer contribution of $98,471,636 less $332,892 for contribution refund to the Department of Education.*

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 2024	Gain/(Loss) for Year 2025
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.	$ 547,000	$ 4,426,000
Disability Retirements If disability claims are less than assumed, there is a gain. If more claims, a loss.	(1,011,000)	737,000
Death-in-Service Benefits If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	(2,228,000)	(2,414,000)
Withdrawal from Employment If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	106,000	(3,922,000)
Pay Increases If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	(61,287,000)	(18,859,000)
Investment Income If there is greater investment income than assumed, there is a gain. If less, a loss.	(6,630,000)	7,561,000
Death After Retirement If retirees live longer than assumed, there is a loss. If not as long, a gain. (includes PuBF G/(L))	4,894,000	(2,869,000)
New Entrants New entrants create a loss because they were not assumed in the previous evaluation.	(453,000)	288,000
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.	0	0
Other Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc.	(3,287,000)	(673,000)
Gain or (Loss) During Year from Financial Experience	$ (69,349,000)	$ (15,725,000)

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%.

STATISTICAL SECTION

Employees' Retirement System
City of Baltimore, Maryland
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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Additions										
Contributions										
Employer	$ 98,138,744	$ 89,287,690	$ 94,788,090	$ 98,640,176	$ 92,637,051	$ 86,953,801	$ 89,866,171	$ 87,541,882	$ 84,474,451	$ 77,100,573
Plan members	24,560,734	22,006,003	22,144,404	18,493,368	18,493,824	17,787,416	17,246,258	12,942,622	10,656,243	10,350,709
Total contributions	$ 122,699,478	$ 111,293,693	$ 116,932,494	$ 117,133,544	$ 111,130,875	$ 104,741,217	$ 107,112,429	$ 100,484,504	$ 95,130,694	$ 87,451,282
Investment Income										
Net appreciation in fair value of investments	$ 191,925,327	$ 117,207,320	$ 86,086,878	$ (84,958,475)	$ 419,654,110	$ (19,610,392)	$ 64,633,338	$ 106,021,152	$ 72,380,195	$ 437,788
Interest, dividends, and real estate income	56,881,348	53,702,610	53,931,255	34,352,835	50,449,914	43,738,937	37,296,385	41,710,664	99,449,978	48,604,366
Less: investment expenses	(31,224,209)	(21,935,954)	(19,229,765)	(25,293,523)	(17,613,349)	(12,544,879)	(9,649,367)	(8,639,822)	(8,914,009)	(9,138,196)
Net investment income	$ 217,582,466	$ 148,973,976	$ 120,788,368	$ (75,899,163)	$ 452,490,675	$ 11,583,666	$ 92,280,356	$ 139,091,994	$ 162,916,164	$ 39,903,958
Securities lending income	$ 212,428	$ 274,877	$ 302,044	$ 233,311	$ 274,823	$ 402,867	$ 733,012	$ 580,304	$ 340,857	$ 496,519
Securities lending fees	(63,685)	(81,962)	(90,569)	(69,955)	(80,766)	(113,550)	(198,396)	(160,027)	(100,183)	(140,435)
Net securities lending income	$ 148,743	$ 192,915	$ 211,475	$ 163,356	$ 194,057	$ 289,317	$ 534,616	$ 420,277	$ 240,674	$ 356,084
Total additions	$ 340,430,687	$ 260,460,584	$ 237,932,337	$ 41,397,737	$ 563,815,607	$ 116,614,200	$ 199,927,401	$ 239,996,775	$ 258,287,532	$ 127,711,324
Deductions										
Retirement allowances	$ 179,318,414	$ 174,651,915	$ 170,579,131	$ 165,289,884	$ 160,689,579	$ 157,251,536	$ 152,947,832	$ 148,219,211	$ 142,957,078	$ 138,184,417
Adminstrative expenses	5,181,349	5,316,122	5,068,850	4,460,410	4,397,413	4,495,405	3,716,362	3,616,054	3,584,506	3,515,492
Refund of Contributions	1,376,931	1,711,402	1,770,228	1,346,673	873,832	837,540	815,394	410,189	348,412	235,808
Death benefits	1,006,576	1,177,121	870,469	1,507,307	1,469,242	446,328	988,038	497,011	1,225,559	652,743
Lump cash payments	18,713	39,392	49,349	15,300	15,293	24,243	116,910	28,088	77,861	124,748
Total deductions	$ 186,901,983	$ 182,895,952	$ 178,338,027	$ 172,619,574	$ 167,445,359	$ 163,055,052	$ 158,584,536	$ 152,770,553	$ 148,193,416	$ 142,713,208
Net increases / (decreases)	$ 153,528,704	$ 77,564,632	$ 59,594,310	$ (131,221,837)	$ 396,370,248	$ (46,440,852)	$ 41,342,865	$ 87,226,222	$ 110,094,116	$ (15,001,884)
Net position held in trust for pension benefits										
Beginning Balance	$ 2,111,462,086	$ 2,033,897,454	$ 1,974,303,144	$ 2,105,524,981	$ 1,709,154,733	$ 1,755,595,585	$ 1,714,252,720	$ 1,627,026,498	$ 1,516,932,382	$ 1,531,934,266
Ending Balance	$ 2,264,990,790	$ 2,111,462,086	$ 2,033,897,454	$ 1,974,303,144	$ 2,105,524,981	$ 1,709,154,733	$ 1,755,595,585	$ 1,714,252,720	$ 1,627,026,498	$ 1,516,932,382

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

Fiscal Year	Net Investment Income (Loss)	Employer Contributions Amount	Employer Contributions % of Covered Payroll	Member Contributions	Total Income (Loss)
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
2025	217,731,209	98,138,744	17.5	24,560,734	340,430,687

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
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
2025	180,343,703	1,376,931	5,181,349	186,901,983

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

Years of Credited Service	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
0-4	1,678	1,723	1,833	2,241	2,392	2,586	2,243	2,142	2,309	2,833
5-9	1,778	1,523	1,323	1,216	1,184	1,274	1,285	1,356	1,511	1615
10-14	1,446	1,458	1,538	1,543	1,468	1,310	1,131	913	791	788
15-19	1,059	1,072	1,045	1,020	1,031	1,053	1,043	1,129	1,149	1081
20-24	547	623	747	764	755	779	781	748	714	725
25-29	887	705	526	407	384	400	437	536	557	536
30+	879	939	1,001	1,013	990	930	805	710	673	651
Total Members	8,274	8,043	8,013	8,204	8,204	8,332	7,725	7,534	7,704	8,229
Average Service Credit	14.30	14.34	14.16	13.46	13.29	12.98	13.30	13.26	12.73	11.80
Average Age	50.54	50.66	50.57	50.17	50.16	50.06	50.65	50.81	50.49	49.72

Employees' Retirement System
City of Baltimore, Maryland
SCHEDULE OF RETIREES BY ATTAINED AGE AND TYPE OF RETIREMENT
June 30, 2025

		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	5	0	0	0	5	0
45-49	18	0	0	0	18	0
50-54	32	7	0	3	21	1
55-59	226	65	99	9	51	2
60-64	690	245	285	30	123	7
65-69	1,594	846	453	103	181	11
70-74	1,814	1,081	419	171	134	9
75-79	1,496	940	324	157	72	3
80-84	904	561	218	84	38	3
85 and up	821	451	240	97	25	8
Totals	7,603	4,196	2,038	654	671	44
Average Annual Benefit	$21,897	$29,141	$8,860	$26,563	$11,237	$28,201

*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, 2025

		TYPE OF RETIREMENT*						
Age	Number of Recipients	0	1	2	3	4	5	8
0-24	12	3	1	0	4	0	0	4
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	6	2	2	0	1	0	0	1
50-54	15	4	2	2	3	0	3	1
55-59	34	10	7	0	10	1	6	0
60-64	106	34	21	6	31	0	14	0
65-69	194	80	46	11	28	2	27	0
70-74	278	133	51	12	59	1	22	0
75-79	290	162	46	29	37	2	14	0
80-84	254	137	48	25	30	4	8	2
85 and up	358	197	78	30	37	4	12	0
Totals	1,551	764	302	115	242	14	106	8
Average Annual Benefit	$10,386	$12,511	$4,557	$12,329	$6,040	$12,589	$17,938	$27,048

*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
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
2025	155,175,162	10,937,665	18,713	313,157	2,521,832	1,006,576	1,328,946	7,554,523	1,487,129	180,343,703

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 7/1/15 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
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

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 7/1/20 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
Period 07/01/24 to 06/30/25						
Average-Average Final Compensation	$ 6,512	$ 8,998	$ 16,730	$ 21,790	$ 27,081	$ 47,663
Average Monthly Benefit	543	750	1,394	1,816	2,257	3,972
Total No. of Retirees	31	44	49	38	40	93

Employees' Retirement System
City of Baltimore, Maryland
SCHEDULE OF COVERED EMPLOYEES BY PARTICIPATING EMPLOYER

	2025		2024		2023		2022		2021	
Employer Group	**Covered Employees**	**Percentage of Total System**	**Covered Employees**	**Percentage of Total System**	**Covered Employees**	**Percentage of Total System**	**Covered Employees**	**Percentage of Total System**	**Covered Employees**	**Percentage of Total System**
City of Baltimore	6,256	76.0%	5,982	77.7%	5,943	78.9%	6,086	78.8%	6,606	79.3%
City of Baltimore Public Schools	1,973	24.0%	1,722	22.3%	1,591	21.1%	1,639	21.2%	1,726	20.7%
Total Actives	8,229	100.0%	7,704	100.0%	7,534	100.0%	7,725	100.0%	8,332	100.0%

	2020		2019		2018		2017		2016	
Employer Group	**Covered Employees**	**Percentage of Total System**	**Covered Employees**	**Percentage of Total System**	**Covered Employees**	**Percentage of Total System**	**Covered Employees**	**Percentage of Total System**	**Covered Employees**	**Percentage of Total System**
City of Baltimore	6,603	80.6%	6,613	79.4%	6,612	81.4%	6,579	81.1%	6,749	81.7%
City of Baltimore Public Schools	1,601	19.4%	1,591	20.6%	1,401	18.6%	1,464	18.9%	1,525	18.3%
Total Actives	8,204	100.0%	8,204	100.0%	8,013	100.0%	8,043	100.0%	8,274	100.0%

EMPLOYEES' RETIREMENT SYSTEM

CITY OF BALTIMORE, MARYLAND

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EMPLOYEES' RETIREMENT SYSTEM

of the CITY OF BALTIMORE