MUNICIPAL EMPLOYEES' AND OFFICERS' ANNUITY & BENEFIT FUND OF CHICAGO

FINANCIAL STATEMENTS

DECEMBER 31, 2021

MUNICIPAL EMPLOYEES' AND OFFICERS' ANNUITY & BENEFIT FUND OF CHICAGO
(A FIDUCIARY UNIT OF THE CITY OF CHICAGO)

FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2021 AND 2020

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

The Retirement Board
Municipal Employees' and Officers'
Annuity & Benefit Fund of Chicago
Chicago, Illinois

Opinion

We have audited the accompanying financial statements of Municipal Employees' and Officers' Annuity & Benefit Fund of Chicago (the Plan), a Fiduciary Unit of the City of Chicago, which comprise the statements of fiduciary net position as of December 31, 2021 and 2020, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the fiduciary net position of Municipal Employees' and Officers' Annuity & Benefit Fund of Chicago as of December 31, 2021 and 2020, and the changes in fiduciary net position for the years then ended, in conformity 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 (GAAS). 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 Municipal Employees' and Officers' Annuity & Benefit Fund of Chicago, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 the 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 Municipal Employees' and Officers' Annuity & Benefit Fund of Chicago's ability to continue as a going concern for twelve months beyond the financial statement date, including any currency 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 opinion. 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 including 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 Municipal Employees' and Officers' Annuity & Benefit Fund of Chicago'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipal Employees' and Officers' Annuity & Benefit Fund of Chicago's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to 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 on pages 4 through 11, schedules of changes in employer's net pension liability, schedules of employer's net pension liability, schedule of employer contributions, schedule of investment returns, notes to required supplementary information – pension, schedules of changes in employer's net OPEB liability, and schedules of employer's net OPEB liability on pages 45 through 50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not 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 inquires 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 audits 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Municipal Employees' and Officers' Annuity & Benefit Fund of Chicago's basic financial statements. The supplementary information such as the schedules of administrative expenses, investment management compensation, and professional and consulting costs on pages 51 through 55 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 audits 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 relation to the basic financial statements taken as a whole.

Calibre CPA Group, PLLC

Chicago, IL
May 26, 2022

MUNICIPAL EMPLOYEES' AND OFFICERS' ANNUITY & BENEFIT FUND OF CHICAGO

Management's Discussion and Analysis (Unaudited)

This Management Discussion and Analysis (MD&A) of the Municipal Employees' and Officers' Annuity and Benefit Fund of Chicago ("MEABF" or the "Plan") provides a narrative overview and analysis of the financial activities of MEABF for the years ended December 31, 2021 and 2020. Readers are encouraged to read the MD&A in conjunction with the financial statements to better understand the financial condition and performance of MEABF during the year ended December 31, 2021. Information for fiscal years 2020 and 2019 is presented for comparative purposes.

FINANCIAL HIGHLIGHTS

- The Plan's fiduciary net position increased by $218.1 million to $4,308.3 million as of December 31, 2021, compared to an increase of $9.6 million, from $4,080.6 million to $4,090.2 as of December 31, 2020.

- The Plan has continued to liquidate portfolio assets to supplement the disbursement of benefit payments. During fiscal year 2021, approximately $321.3 million in portfolio assets were liquidated compared to $366.3 million in fiscal year 2020 and $471.1 million in fiscal year 2019.

- MEABF's total investment portfolio generated a return of 13.6 percent in 2021 on a net-of-fees basis. The net returns in 2020 and 2019 were 10.0 percent and 16.8 percent, respectively. The total portfolio return in 2021 was above the 7.0 percent actuarial investment return assumptions.

- On a fair value basis, this year's money weighted investment rate of return net of investment expense, was 14.0 percent, compared with the last year's return of 9.3 percent.

- Total additions as reported in the statements of changes in fiduciary net position increased by $243.6 million or 24.6 percent to $1,235.4 million in 2021 from $991.8 million in 2020.

- Total deductions as reported in the statements of changes in fiduciary net position increased by $35.1 million or 3.6 percent to $1,017.3 million in 2021 from $982.2 million in 2020.

- Annuity benefits paid to retirees and beneficiaries increased by $31.3 million or 3.3 percent to $971.8 million for fiscal year 2021, compared to an increase of $25.8 million or 2.8 percent to $940.5 million in fiscal year 2020 from $914.7 million in fiscal year 2019.

- The December 31, 2021 financial actuarial valuation calculated a total pension liability of $18,401.6 million and the net pension liability of $14,093.3 million.

FINANCIAL HIGHLIGHTS (CONTINUED)

- As of the December 31, 2021, the most recent funding actuarial valuation, the Plan's unfunded actuarial accrued liability increased to $14,376.1 million from $13,870.2 million from the prior year. As of the December 31, 2021, the most recent funding actuarial valuation, the Plan's funded ratio was 21.9 percent compared with a funded ratio of 22.3 percent for the prior year.

Overview of the Financial Statements

This discussion and analysis are an introduction to the Plan's basic financial statements prepared on an accrual basis of accounting in accordance with Governmental Accounting Standards Board (GASB) pronouncements and reflect all financial activities. The Plan's basic financial statements include (1) statements of fiduciary net position, (2) statements of changes in fiduciary net position, and (3) notes to the financial statements. In addition to the basic financial statements, this financial report also contains required supplementary information and other supplementary schedules.

1. Basic Financial Statements: The *statements of fiduciary net position* restricted for pension benefits report Plan assets at fair value, liabilities, and the resulting fiduciary net position (assets - liabilities = fiduciary net position) at year-end. The *statements of changes in fiduciary net position* report the results of financial activities that occurred during the fiscal year, disclosing the additions to fiduciary net position, such as contributions and net investment income, and deductions from fiduciary net position such as benefit payments and administrative expenses. The resulting net increase (decrease) in fiduciary position (additions - deductions = net increase (decrease) in fiduciary position) reflects the change in net fiduciary position reported in the *statements of fiduciary net position.*

2. Notes to the Basic Financial Statements: The *notes to the financial statements* are an integral part of the financial statements and include additional information not readily evident in the financial statements themselves. The notes also include schedules to provide a better understanding of the data provided in the financial statements.

3. Required Supplementary Information: The required supplementary information following the notes to the financial statements is required by GASB. It provides historical information and additional details considered useful in evaluating the financial condition of the Plan. It includes schedules related to the net pension liability, contributions from employer, the annual money weighted rate of return on pension plan investments, and net OPEB liability.

4. Other Supplementary Schedules: Additional supplemental schedules include detailed information regarding administrative expenses, consulting costs, and investment management fees.

Fiduciary Net Position Restricted for Pension Benefits (in millions)
(As of December 31, 2021, 2020 and 2019)

	2021	2020	2019
Assets			
Cash, receivables and other assets	$ 618.0	$ 478.2	$ 467.5
Investments, at fair value	3,717.8	3,635.2	3,631.0
Invested securities lending collateral	250.9	184.0	144.9
Total assets	4,586.7	4,297.4	4,243.4
Liabilities			
Accrued expenses and other liabilities	27.5	23.2	17.9
Securities lending collateral	250.9	184.0	144.9
Total liabilities	278.4	207.2	162.8
Fiduciary net position restricted for pension benefits	$ 4,308.3	$ 4,090.2	$ 4,080.6

Fiduciary net position restricted for pension benefits increased by $218.1 million during fiscal year 2021 to $4,308.3 million from $4,090.2 million in 2020. Invested assets at fair value increased by $82.6 million in 2021 to $3,717.8 from $3,635.2 million in 2020. The gain in assets would have been significantly higher if portfolio assets were not liquidated to supplement the disbursement of benefit payments during the year. During 2021, approximately $321.3 million in portfolio assets were liquidated compared to $366.3 million during 2020 and $471.1 million during 2019.

Summary of Investments (in millions)
(As of December 31, 2021, 2020 and 2019)

	2021	2020	2019
Fixed income	$ 792.4	$ 783.2	$ 840.7
Domestic equity	1,110.7	1,006.1	961.0
International equity	677.6	718.9	751.4
Hedged equity	433.0	410.6	404.2
Real estate	337.6	346.5	366.0
Private equity	108.8	113.5	141.2
Infrastructure	74.3	72.6	16.8
Short-term investments	183.4	183.8	149.7
	$ 3,717.8	$ 3,635.2	$ 3,631.0

The asset values reflected above fluctuate from year-to-year, both in aggregate and by asset class, based on the combination of factors such as investment performance, liquidations within certain asset classes, and rebalancing of assets within the overall portfolio.

Investment performance: For fiscal year 2021, the Plan's total investment portfolio generated a 13.6 percent return net-of fees, compared to 13.0 percent of the policy benchmark. 2021 returns were above the 10.0 percent return net-of-fees generated in 2020. All asset classes outperformed their respective benchmarks for the fiscal year 2021. Fixed income and global equity performance were the highlights of the portfolio performing above their respective benchmarks for the year. Per asset class, domestic equity generated 27.1 percent net-of-fees compared to 26.7 percent for Wilshire 5000 Total Market Index. International equity generated 10.7 percent return net-of-fees compared to 8.5 percent for the MSCI ACWI ex US. Global Equity generated 16.4 percent return net-of-fees compared to 13.9 percent for the MSCI ACWI Minimum Volatility Index. Hedged equity generated 13.0 percent net-of-fees compared to 12.1 percent of HFRX Equity Hedge Index. Fixed income generated 1.5 percent return net-of-fees compared to the Barclays Aggregate Bond Index of negative 1.5 percent. Real estate generated a 19.5 percent return net-of-fees compared to 17.7 percent for the NCREIF Property Index. Lastly, Infrastructure generated a 5.7 percent return net-of-fees compared to 4.2 percent for the benchmark of LIBOR + 4%.

Liquidations within certain asset classes: Liquidations are due to the large operating cash flow deficits that the Plan faces as a result of the shortfall between inflows, in the form of contributions, and outflows, primarily comprised of retirement benefits and refunds required to pay by law. In total, MEABF had to liquidate approximately $321.3 million of investments to meet the Plan's cash flow needs for 2021 compared to $366.3 million in 2020. Liquidity came mainly from liquid assets; domestic equity, international equity, and real estate.

Rebalancing of assets within the overall portfolio: In 2021, there was no new asset classes added to the portfolio. The regular sale of assets to meet the Plan's cash flow needs was done in accordance with aligning the Plan's investment portfolio with its target allocation.

Additions and Deductions to Fiduciary Net Position (in millions)
(As of December 31, 2021, 2020 and 2019)

	2021	2020	2019
Additions			
Employer contributions	$ 573.7	$ 498.6	$ 421.0
Member contributions	163.4	157.8	146.6
Total contributions	737.1	656.4	567.6
Net investment income (loss)	497.8	334.7	560.3
Net security lending income (loss)	0.5	0.7	0.6
Total additions	1,235.4	991.8	1,128.5
Deductions			
Annuity benefits	971.8	940.5	914.7
Disability benefits	10.4	9.5	10.3
Healthcare subsidy	0.5	1.6	2.7
Refunds of contributions	27.9	23.5	27.7
Administrative expense	6.7	7.1	6.7
Total deductions	1,017.3	982.2	962.1
Net change	218.1	9.6	166.4
Fiduciary net position restricted for pensions			
Beginning of year	4,090.2	4,080.6	3,914.2
End of year	$ 4,308.3	$ 4,090.2	$ 4,080.6

Additions

Total additions as reported in the statements of changes in fiduciary net position increased by $243.6 million or 24.6 percent in 2021 to $1,235.4 million from $991.8 million in 2020.

Additions from employer contributions increased by $75.1 million to $573.7 million in 2021 from $498.6 million in 2020. The net increase is due to the amendment of Public Act 100-0023 (new funding structure) that was put into law during 2017 that requires the employer to remit $576.0 million in 2022 for 2021 contributions and $499.0 million in 2021 for 2020 contributions. For financial reporting purposes the net employer contribution includes the required amount and adjustments. Funds allocated to the Plan's separate 415 Plan of $2.0 million along with a $.03 million adjustment from previous years is reflected as a reduction in 2021 contributions. Implicit and explicit cost due to a prepayment agreement with the employer is reflected as a reduction of $.04 million in 2020. Additions from member contributions increased by $5.6 million to $163.4 million in 2021, from $157.8 million in 2020. The increase is mainly due to a $5.0 million increase in contributions from Board of Education members. Detail regarding active member contribution requirement can be found in Note 7 Pension and Other Postemployment Benefit.

Additions (continued)

Additions from investment income increased by $163.1 million in 2021 to $497.8 million in 2021 from $334.7 million in 2020. The increase was mainly due to the investment portfolio generating higher returns of 13.6 percent in 2021 compared to 10.0 percent in 2020. Other contributing factors were:

- Increase in net appreciation on investments by $170.5 million to $450.5 million in 2021 compared to $280.0 million in 2020.

- Decrease in income from investments by $6.2 million to $63.6 million in 2021 compared to $69.8 million in 2020.

- Increase in direct investment fees by $1.2 million to $16.3 million in 2021 from $15.1 million in 2020.

MEABF can earn additional investment income by allowing a third-party provider to lend a portion of its securities to borrowers on its behalf. The borrower provides collateral on borrowed securities, which is invested in order to earn interest. Securities lending activities generated net income of $0.5 million in 2021 compared to $0.7 million in 2020.

Deductions

MEABF's assets are primarily used to pay annuity benefits, disability benefits, refunds of contributions, and the costs of administering the Plan. Deductions from fiduciary net position increased by $35.1 million or 3.6 percent to $1,017.3 million in 2021 from $982.2 million in 2020. Benefits paid out exceed member and employer contributions by $412.2 million, $341.8 million, and $468.1 million in fiscal years 2021, 2020, and 2019, respectively. In order to supplement benefit payments, the Plan liquidated portfolio assets by approximately $321.3 million, $366.3 million, and $471.1 million in fiscal years 2021, 2020, and 2019, respectively.

Annuity benefits paid increased by $31.3 million or 3.3 percent to $971.8 million in 2021 from $940.5 million in 2020. The net increase is primarily due to the compounded annual 3.0 percent adjustment for eligible annuitants. The average annual employee annuity benefit increased to $43,390 in 2021 from $42,053 in 2020. The number of new employee annuitants increased in 2021 to 1,433 from 1,207 in 2020. There were 25,683 retirees and beneficiaries at year-end December 31, 2021 compared to 25,471 at the beginning of the year.

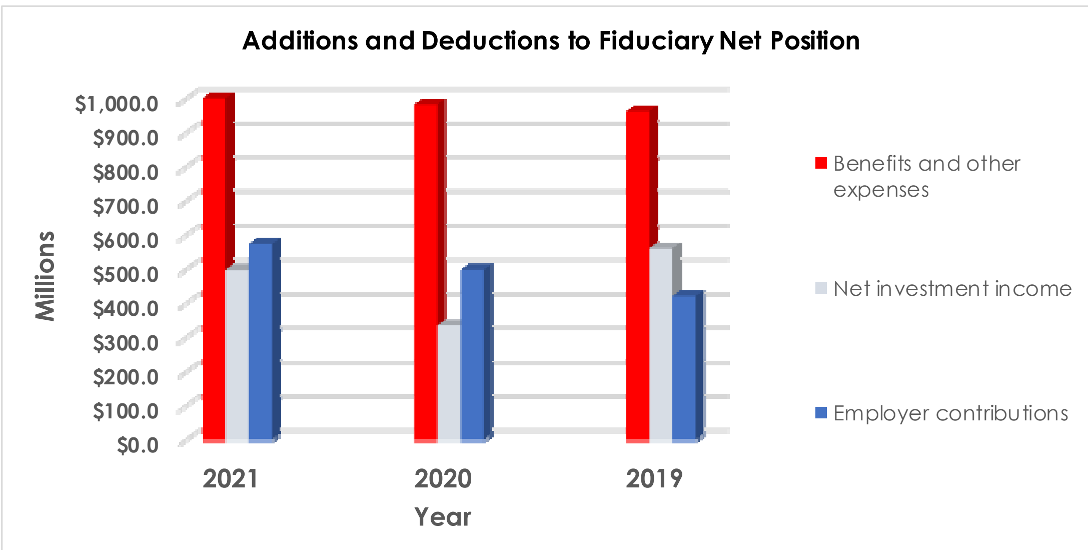
Disability benefits paid increased by $0.9 million or 9.5 percent to $10.4 million in 2021 from $9.5 million paid in 2020. This net increase is attributable to an increase in the number of days in which participants were paid for disability benefits. There were 273 participants on disability at year-end December 31, 2021 compared to 276 at the beginning of the year.

Refunds of contributions increased by $4.4 million to $27.9 million in 2021 from $23.5 million in 2020. The increase is mainly due to an increase in refund of spousal contributions.

Deductions (continued)

Refund of spousal contributions increased by $ 3.2 million to $ $11.8 million in 2021 compared to $8.6 million in 2020. Other refunds of contribution distributed to employees not eligible for annuities increased by $1.2 million to $16.1 million in 2021 compared to $14.9 million in 2020.

Administrative expenses decreased slightly by $0.4 million to $6.7 million in 2021 from $7.1 million in 2020. Detail relating to administrative expenses can be found in the schedule of administrative located under supplementary information.



Total Pension Liability (TPL) and Net Pension Liability (NPL)

The total pension liability (TPL) determines the total obligation for the Plan's pension benefits related to costs incurred as a result of years of service, changes in benefit terms, changes in actuarial assumptions, and any differences between the actuarial assumptions and actual experience. The Plan's fiduciary net position (FNP) determines the assets available for future pension payment stream. Analogous to the unfunded actuarial accrued liability, net pension liability (NPL) is the total pension liability (TPL), net of the Plan's fiduciary net position (FNP).

At December 31, 2021, the components of the net pension liability of the employer were as follows (in millions):

Total pension liability	$ 18,401.6
Plan fiduciary net position	4,308.3
Employer's net pension liability	$ 14,093.3
Plan fiduciary net position as a percentage of the total pension liability	23.41%

Total OPEB Liability and Net OPEB Liability

The total OPEB liability determines the total obligation for the Plan's postemployment healthcare benefits related to costs incurred as a result of years of service, changes in benefit terms, changes in actuarial assumptions, and any differences between the actuarial assumptions and actual experience. The Plan's fiduciary net position determines the assets available for future postemployment healthcare benefit payment stream. Analogous to the unfunded actuarial accrued liability, net OPEB liability is the total OPEB liability, net of the Plan's fiduciary net position.

Total OPEB liability	$ 16.4
Plan fiduciary net position	-
Employer's net OPEB liability	$ 16.4
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%

Funding Status

The Plan, since inception, has been funded by utilizing a static multiple of employee contributions. This structure has led to significant underfunding of the Plan which continues to reduce assets as benefits paid far exceed contributions received.

Over the last few years, attempts to change the funding mechanism for the Plan to ensure the long-term solvency have been declared unconstitutional due to changes made to the existing benefit structure. On July 6, 2017, a new funding structure was included in Public Act 100-0023 to increase employer contributions from the City of Chicago.

Public Act 100-0023 requires contributions from the City of Chicago to be equal to $266 million in payment year 2018; $344 million in payment year 2019; $421 million in payment year 2020; $499 million in payment year 2021, and $576 million in payment year 2022. For payment years 2023 through 2058, the City of Chicago is required to make contributions on an actuarial calculated funding plan that is projected to bring the Fund to 90% funding by 2058. The Plan's actuary has calculated the expected employer contributions (by statute) for 2022 (payable in 2023) to be $960 million.

Request for Information

Additional information is available on our website www.meabf.org or by request.
Please direct your request to:

Mr. Dennis White
Executive Director
Municipal Employees' and Officers'
Annuity and Benefit Fund of Chicago
321 N. Clark Street, Suite 700
Chicago, IL 60654

MUNICIPAL EMPLOYEES' AND OFFICERS' ANNUITY & BENEFIT FUND OF CHICAGO (A FIDUCIARY UNIT OF THE CITY OF CHICAGO)

STATEMENTS OF FIDUCIARY NET POSITION

DECEMBER 31, 2021AND 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 400	$ 519,448
Receivables		
Contributions from the City of Chicago, net of allowance for loss of $0 in 2021 and $2,626,780 in 2020	581,145,813	445,634,439
Member contributions	10,336,396	10,009,273
Interest and dividends	9,847,429	9,749,906
Due from broker	14,571,449	10,181,307
Miscellaneous	1,619,939	1,672,787
Total receivables	617,521,026	477,247,712
Investments, at fair value		
Fixed income	792,421,371	783,202,603
Hedged equity	432,986,981	410,553,990
Domestic and international equity	1,788,302,921	1,725,000,698
Real estate	337,610,569	346,508,144
Private equity	108,765,054	113,531,723
Infrastructure	74,303,752	72,568,452
Short-term investments	183,400,584	183,815,715
Total investments	3,717,791,232	3,635,181,325
Invested securities lending collateral	250,946,224	184,008,488
Property and equipment, net of accumulated depreciation and amortization of $271,464 in 2021 and $124,711 in 2020	462,304	441,976
Total assets	4,586,721,186	4,297,398,949
Liabilities		
Due to broker	17,521,036	14,070,692
Accounts payable and accrued expenses	9,984,902	9,080,685
Securities lending collateral	250,946,224	184,008,488
Total liabilities	278,452,162	207,159,865
Net position restricted for pension benefits	$ 4,308,269,024	$ 4,090,239,084

See accompanying notes to financial statements.

MUNICIPAL EMPLOYEES' AND OFFICERS' ANNUITY & BENEFIT FUND OF CHICAGO (A FIDUCIARY UNIT OF THE CITY OF CHICAGO)

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Additions		
Contributions from the City of Chicago	$ 573,701,021	$ 498,598,904
Member contributions	163,410,877	157,797,710
Total contributions	737,111,898	656,396,614
Investment income		
Net appreciation in fair value of investments	450,551,681	280,011,860
Interest	18,937,705	25,745,499
Dividends	36,958,659	34,825,310
Income from real estate investments	7,687,579	9,237,207
	514,135,624	349,819,876
Less investment expenses	(16,349,259)	(15,136,414)
Net income (loss) from investing activities	497,786,365	334,683,462
Security lending activities		
Securities lending income	638,294	1,623,485
Borrower rebates	2,540	(656,790)
Bank fees	(128,039)	(247,198)
Net income from securities lending activities	512,795	719,497
Total additions	1,235,411,058	991,799,573
Deductions		
Benefits		
Annuity payments	971,820,479	940,526,176
Disability benefits	10,427,376	9,511,321
Post-employment healthcare subsidies	502,375	1,607,400
Total benefits	982,750,230	951,644,897
Refund of member contributions	27,943,549	23,440,140
Administrative expenses	6,687,339	7,117,942
Total deductions	1,017,381,118	982,202,979
Net change	218,029,940	9,596,594
Net position restricted for pension benefits		
Beginning of year	4,090,239,084	4,080,642,490
End of year	$ 4,308,269,024	$ 4,090,239,084

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - As defined by U.S. generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

(1) Appointment of a voting majority of the component unit's board and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or

(2) Fiscal dependency on the primary government.

Based upon the required criteria, the Plan has no component units. The Plan is considered a fiduciary unit fund of the City of Chicago and, as such, is included in the City of Chicago's financial statements as a pension trust fund. Accordingly, these financial statements present only Municipal Employees' and Officers' Annuity & Benefit Fund of Chicago ("MEABF") and are not intended to present fairly the financial position of the City of Chicago and the result of its operations in conformity with U.S. generally accepted accounting principles.

Basis of Accounting - The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized in the period when due, pursuant to formal commitments as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Use of Estimates - The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and fiduciary net position at the date of the financial statements and the actuarial information included in the required supplementary information as of the valuation date, the changes in fiduciary net position during the reporting period and, when applicable, disclosures of the contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risks and Uncertainties - The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of fiduciary net position.

Cash and Cash Equivalents - Cash and cash equivalents include cash on hand and on deposit with the Treasurer of the City of Chicago as well as investments held by the City Treasurer on behalf of the Plan with original maturities of less than 90 days. As of December 31, 2021, the Plan no longer has deposits or investment held by the City Treasurer of Chicago on behalf of the Plan.

Investments - The Plan is authorized to invest in bonds, notes, and other obligations of the U.S. Government; corporate debentures and obligations; insured mortgage notes and loans; common and preferred stocks; stock options; real estate; and other investment vehicles as set forth in the Illinois Compiled Statutes. Income on all investments is recognized on the accrual basis. Gains and losses on sales and exchanges of investments are recognized on the transaction date of such sale or exchange. Dividend income is recognized based on dividends declared.

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values of marketable securities are based primarily on quotations from national security exchanges. Investments in short-term obligations are carried at cost which approximates fair value. Certain short-term obligations, such as United States Treasury Bills and discount paper, are carried at fair value. Fair values for bonds, stocks, forward contracts, future contracts, rights, and warrants are determined by quoted market prices. Fair values of hedged equity investments and fixed income funds are determined using quoted market prices of underlying funds, when available. If quoted market prices are not available, then fair value is determined by underlying fund managers. Fair values of real estate and infrastructure are based upon independent appraisals. Fair values of private equity investments are primarily based on the general partner determined fair value.

Administrative Expenses - Administrative expenses are budgeted and approved by MEABF's Board of Trustees (Board). Funding for these expenses is included in the employer contributions as mandated in the Illinois State Statutes Chapter 40, Pension Article 5/8-190.

Income Taxes - The Plan is exempt from federal and state income taxes and has received a favorable determination letter under Internal Revenue Code (IRC) section 401(a).

Issued Accounting Pronouncements Not Yet Effective - GASB Statement No. 87, *Leases* was established to improve accounting and financial reporting for leases by governments. This statement increases the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for leases that

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

were previously classified as operating leases. Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Statement No. 87 is effective for the Plan's fiscal year ending December 31, 2022.

The Plan is currently evaluating the impact of adopting the aforementioned GASB Statement.

NOTE 2. INVESTMENT POLICIES, ASSET ALLOCATION AND MONEY-WEIGHTED RATE OF RETURN

Investment Policy - The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. It is the policy of the Board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except to meet liquidity needs, and aims to refrain from dramatically shifting asset class allocations over the short term.

The following table represents the Board's adopted asset allocation policy as of December 31, 2021 and 2020:

Asset Class	2021 Target	2020 Target
Fixed income	25%	25%
Global Equity	5%	5%
Domestic equity	26%	26%
International equity	17%	17%
Hedge funds	10%	10%
Private equity	5%	5%
Real estate	10%	10%
Infrastructure	2%	2%
	100%	100%

Money-Weighted Rate of Return - For the years ended December 31, 2021 and 2020, the annual money-weighted rate of return on plan investments, net of investment expense, 14.0 percent and 9.3 percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits that are held locally in the Plan's name are held by the Treasurer of the City of Chicago, ex-officio Treasurer of the Plan. At December 31, 2021 and 2020, the Plan's book balances of cash are $400 and $519,448, respectively. The actual bank balances at December 31, 2021 and 2020 are $-0- and $519,048, respectively. All non-investment related bank balances at year end are insured or collateralized at 102% of the principal amount.

Custodial credit risk is the risk that, in the event of a financial institution failure, the Plan will not be able to recover deposits or collateral securities that are in possession of an outside party. Deposits are exposed to custodial credit risk if they are not covered by deposit insurance and are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution's trust department or agent but not in the Plan's name. The Plan does not have a formal policy relating to custodial risk. As of December 31, 2021 and 2020, $3,881,516 and $11,109,770, respectively, of the Plan's deposits with its custodian Northern Trust were exposed to custodial credit risk.

Certain Plan investments are held by a bank administered trust fund. There were no individual investments representing 5% or more of the Plan's net position as of December 31, 2021 and 2020.

The Plan's investments are reported at fair value in the accompanying statements of fiduciary net position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Accounting standards provide the framework for measuring fair value which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include other significant observable inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following are descriptions of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

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

Equity and equity derivative securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt securities and short-term investment securities classified in Level 2 are valued using matrix pricing techniques maintained by the various pricing vendors. Matrix pricing is used to value securities based on the securities relationship to a benchmark's quoted price. Equity securities classified in Level 2 are securities with a theoretical price calculated by applying a standardized formula to derive a price from a related security.

Equity securities and other assets classified in Level 3 are valued with last trade data having limited trading volume.

The valuation method for certain fixed income and alternative investments is based on the investments' NAV per share (or its equivalent), provided by the investment managers. The NAV is based on the fair value of the underlying investments held by the fixed income and alternative investment less their liabilities. This practical expedient is not used when it is determined to be probable that the Plan will sell the investment for an amount different than the reported NAV.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The following table summarizes the valuation of MEABF investments by the fair value hierarchy levels as of December 31, 2021.

	December 31, 2021			
Description	Total	Quoted Market Prices for Asset (Level 1	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value				
Equity securities				
Common stock	$ 1,782,670,617	$ 1,780,985,231	$ 647,530	$ 1,037,856
Preferred stock	3,088,260	2,392,636	-	695,624
Stapled securities	1,477,687	1,477,687	-	-
Rights/warrants	815,931	2,048	286	813,597
Funds - equities ETF	8,526	8,526	-	-
Convertible equity	241,900	-	-	241,900
Total equity securities	1,788,302,921	1,784,866,128	647,816	2,788,977
Debt securities				
Government bonds	122,463,125	-	122,463,125	-
Government agencies	19,421,756	-	19,421,756	-
Municipal/provincial bonds	23,731,381	-	23,731,381	-
Corporate bonds	294,443,045	-	294,442,381	664
Corporate convertible bonds	949,447	-	949,447	-
Bank loans	140,209,456	-	140,109,315	100,141
Government mortgage-backed securities	79,796,681	-	79,796,681	-
Government-issued commercial mortgage-backed	9,130,131	-	9,130,131	-
Commercial mortgage-backed	6,592,179	-	6,592,179	-
Asset backed securities	15,818,143	-	15,818,143	-
Non-government backed CMO's	6,833,600	-	6,833,600	-
Index linked government bonds	5,862,764	-	5,862,764	-
Total debt securities	725,251,708	-	725,150,903	100,805
Short-term investment securities				
Funds - short-term investment securities	183,400,584	-	183,332,176	68,408
Total investments measured by fair value levels	2,696,955,213	$ 1,784,866,128	$ 909,130,895	$ 2,958,190
Investments measured at NAV				
Commingled fixed income funds	67,169,663			
Commingled Infrastructure	74,303,752			
Hedge funds	432,986,981			
Private equity partnerships	108,765,054			
Real estate	337,610,569			
Total investments measured at NAV	1,020,836,019			
Total investments measured at fair value	$ 3,717,791,232			
Collateral from securities lending	$ 250,946,224		$ 250,946,224	
Liabilities				
Securities lending collateral	$ 250,946,224		$ 250,946,224	

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The following table summarizes the valuation of MEABF investments by the fair value hierarchy levels as of December 31, 2020.

Description	December 31, 2020 Total	Quoted Market Prices for Asset (Level 1	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value				
Equity securities				
Common stock	$ 1,718,095,358	$ 1,716,178,724	$ 971,830	$ 944,804
Preferred stock	2,456,125	2,400,546	-	55,579
Stapled securities	2,890,260	2,890,260	-	-
Rights/warrants	746,470	21,849	5,994	718,627
Funds - equities ETF	638,720	638,720	-	-
Unit Trust equity	173,765	173,765	-	-
Total equity securities	1,725,000,698	1,722,303,864	977,824	1,719,010
Debt securities				
Government bonds	97,661,552	-	97,661,552	-
Government agencies	47,542,667	-	47,542,667	-
Municipal/provincial bonds	21,423,293	-	21,423,293	-
Corporate bonds	314,636,482	-	314,635,581	901
Corporate convertible bonds	634,138	-	634,138	-
Bank loans	126,988,595	-	126,988,595	-
Government mortgage-backed securities	70,546,101	-	70,546,101	-
Government-issued commercial mortgage-backed	9,673,954	-	9,673,954	-
Commercial mortgage-backed	7,054,290	-	7,054,290	-
Asset backed securities	12,860,206	-	12,860,206	-
Non-government backed CMO's	6,908,076	-	6,908,076	-
Index linked government bonds	3,531,556	-	3,531,556	-
Total debt securities	719,460,910	-	719,460,009	901
Short-term investment securities				
Funds - short-term investment securities	183,815,715	-	183,790,507	25,208
Total investments measured by fair value levels	2,628,277,323	$ 1,722,303,864	$ 904,228,340	$ 1,745,119
Investments measured at NAV				
Commingled fixed income funds	63,741,693			
Commingled Infrastructure	72,568,452			
Hedge funds	410,553,990			
Private equity partnerships	113,531,723			
Real estate	346,508,144			
Total investments measured at NAV	1,006,904,002			
Total investments measured at fair value	$ 3,635,181,325			
Collateral from securities lending	$ 184,008,488		$ 184,008,488	
Liabilities				
Securities lending collateral	$ 184,008,488		$ 184,008,488	

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments measured at NAV for fair value are not subject to level classification. The Plan's investments in certain entities that are measured at the NAV per share (or its equivalent) is presented on the following tables.

2021	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled fixed income funds	$ 67,169,663	$ -	Quarterly	60 Days
Commingled infrastructure	74,303,752	-	Quarterly	45 Days
Hedge funds	432,986,981	-	Monthly, Quarterly	5, 7, 30,60, or 90 Days
Private equity funds	108,765,054	28,772,370	Not Eligible	N/A
Real estate funds	337,610,569	286,388	Quarterly, Annually - Open-end, Not Eligible - Closed - end	10, 30 or 45 Days - Open-end
	$ 1,020,836,019	$ 29,058,758		

2020	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled fixed income funds	$ 63,741,693	$ -	Quarterly	60 Days
Commingled infrastructure	72,568,452	-	Quarterly	45 Days
Hedge funds	410,553,990	-	Monthly, Quarterly	5, 7, 30, or 90 Days
Private equity funds	113,531,723	24,082,920	Not Eligible	N/A
Real estate funds	346,508,144	286,388	Quarterly - Open-end, Not Eligible - Closed - end	10, 30 or 365 Days - Open-end
	$ 1,006,904,002	$ 24,369,308		

Commingled Fixed Income Funds - This type of investment consists of fixed income securities diversified in high yield, bank loans, and private debt securities.

Commingle Infrastructure - This type includes investment in open-end infrastructure fund. Investment in open-end funds have limited redemption availability as redemption opportunities are based on available liquidity.

Hedge Funds - This type of investment consists of multi-strategy and long/short equity hedge fund-of-funds.

Private Equity Funds - This type of investment includes limited partnerships. Generally, the types of partnership strategies included in these portfolios are venture capital, buyouts, special situations, mezzanine, and distressed debt. Private equity partnerships have an approximate life of 10-15 years and are considered illiquid. Redemptions are restricted over the life of the partnership. During the life of the partnerships, distributions are received as underlying investments are realized. The Plan has no plans to liquidate the total portfolio.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Real Estate Funds - This type includes investments in open and closed-end real estate funds. Investments in open-end funds have limited redemption availability as redemption opportunities are based on available liquidity. Closed-end funds do not offer redemptions. Distributions from closed-end funds will be received as the underlying investments are liquidated. The Plan has no plans to liquidate the total portfolio.

Foreign Currency Risk

Foreign currency risk is the risk that changes in currency exchange rates will adversely affect the fair value of an investment or a deposit. Forward currency contracts may be used to manage exposure to foreign currencies. The Plan has not adopted a formal policy related to foreign currency risk. The Plan's exposure to foreign currency risk at December 31, 2021 was as follows:

Currency	Equities *	Fixed Income	Short-term Investments	Total	Percentage
Australian dollar	$ 27,284,832	$ -	$ 358,555	$ 27,643,387	4.1%
Brazilian real	6,696,230	-	82,075	6,778,305	1.0%
British pound sterling	90,862,532	-	627,831	91,490,363	13.4%
Canadian dollar	33,941,885	-	173,218	34,115,103	5.0%
Chilean peso	36,575	-	46,450	83,025	0.0%
Chinese yuan renminbi	703,048	-	(77,277)	625,771	0.1%
Colombian peso	39,572	-	26,175	65,747	0.0%
Czech koruna	26,998	-	(47)	26,951	0.0%
Danish krone	17,426,038	-	(15,482)	17,410,556	2.6%
Egyptian pound	174,852	-	9,955	184,807	0.0%
Euro	141,240,160	-	218,363	141,458,523	20.8%
HK offshore Chinese yuan renminbi	7,694,362	-	391,721	8,086,083	1.2%
Hong Kong dollar	48,618,347	-	176,215	48,794,562	7.2%
Hungarian forint	1,207,798	-	31,875	1,239,673	0.2%
Indian Rupee	29,116,508	-	209,149	29,325,657	4.3%
Indonesian rupiah	3,972,341	-	6,770	3,979,111	0.6%
Japanese yen	110,764,880	-	346,104	111,110,984	16.3%
Kenyan shilling	256,193	-	-	256,193	0.0%
Kuwaiti dinar	137,898	-	4,026	141,924	0.0%
Malaysian ringgit	2,509,846	-	41,904	2,551,750	0.4%
Mexican peso	5,656,123	-	37,067	5,693,190	0.8%
New Israeli shekel	6,176,357	-	24,961	6,201,318	0.9%
New Taiwan dollar	28,279,128	-	139,117	28,418,245	4.2%
New Zealand dollar	586,961	-	23,440	610,401	0.1%
Norwegian krone	8,083,134	-	(366)	8,082,768	1.2%
Philippine peso	2,869,138	-	41,291	2,910,429	0.4%
Polish zloty	3,306,548	-	27,913	3,334,461	0.5%
Qatari riyal	196,415	-	29,543	225,958	0.0%
Russian ruble	362,400	-	-	362,400	0.1%
Singapore dollar	8,304,555	-	254,458	8,559,013	1.3%
South African rand	2,074,565	-	34,892	2,109,457	0.3%
South Korean won	18,377,333	-	26,087	18,403,420	2.7%
Swedish krona	21,057,846	-	91,529	21,149,375	3.1%
Swiss franc	47,691,345	-	229,350	47,920,695	7.0%
Thai baht	996,042	-	27,716	1,023,758	0.2%
Turkish lira	416,617	-	51,489	468,106	0.1%
United Arab Emirates dirham	482,692	-	6,679	489,371	0.1%
Total held in foreign currency	$ 677,628,094	$ -	$ 3,702,746	$ 681,330,840	100.0%

* Includes forward contracts, rights, and warrants.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

For comparative purposes, the Plan's exposure to foreign currency risk at December 31, 2020 was as follows:

Currency	Equities *	Fixed Income	Short-term Investments	Total	Percentage
Australian dollar	$ 31,137,009	$ -	$ 193,493	$ 31,330,502	4.3%
Brazilian real	7,590,350	-	133,678	7,724,028	1.1%
British pound sterling	79,806,382	-	2,450,242	82,256,624	11.3%
Canadian dollar	27,678,210	-	186,401	27,864,611	3.8%
Chilean peso	111,864	-	50,829	162,693	0.0%
Chinese yuan renminbi	870,026	-	(370,663)	499,363	0.1%
Colombian peso	238,368	-	30,098	268,466	0.0%
Czech koruna	961,025	-	4,262	965,287	0.1%
Danish krone	21,364,108	-	693,045	22,057,153	3.0%
Egyptian pound	269,362	-	9,942	279,304	0.0%
Euro	156,361,611	-	1,556,846	157,918,457	21.6%
HK offshore Chinese yuan renminbi	16,030,073	-	405,571	16,435,644	2.2%
Hong Kong dollar	59,477,430	-	526,459	60,003,889	8.2%
Hungarian forint	713,953	-	11,571	725,524	0.1%
Indian Rupee	19,800,778	116	3,257,835	23,058,729	3.2%
Indonesian rupiah	2,352,283	-	56,690	2,408,973	0.3%
Japanese yen	142,149,596	-	1,158,571	143,308,167	19.6%
Kenyan shilling	273,169	-	-	273,169	0.0%
Kuwaiti dinar	171,664	-	5	171,669	0.0%
Malaysian ringgit	508,062	-	43,433	551,495	0.1%
Mexican peso	3,633,716	-	158,494	3,792,210	0.5%
New Israeli shekel	6,390,074	-	44,463	6,434,537	0.9%
New Taiwan dollar	23,877,495	-	92,920	23,970,415	3.3%
New Zealand dollar	3,757,971	-	21,707	3,779,678	0.5%
Norwegian krone	5,531,808	-	95,378	5,627,186	0.8%
Philippine peso	2,284,099	-	43,140	2,327,239	0.3%
Polish zloty	2,476,295	-	29,572	2,505,867	0.3%
Qatari riyal	185,261	-	15,158	200,419	0.0%
Russian ruble	406,574	-	-	406,574	0.1%
Singapore dollar	8,232,738	-	173,680	8,406,418	1.2%
South African rand	4,794,576	-	76,971	4,871,547	0.7%
South Korean won	21,094,122	-	45,223	21,139,345	2.9%
Swedish krona	23,282,694	-	620,401	23,903,095	3.3%
Swiss franc	43,557,879	-	(1,901)	43,555,978	6.0%
Thai baht	627,904	-	30,903	658,807	0.1%
Turkish lira	738,522	-	(10,071)	728,451	0.1%
United Arab Emirates dirham	171,494	-	6,771	178,265	0.0%
Total held in foreign currency	$ 718,908,545	$ 116	$ 11,841,117	$ 730,749,778	100.0%

* Includes forward contracts, rights, and warrants.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk

As of December 31, 2021, the Plan had the following investments and maturities:

Investment Type	Total Fair Value	1 Year or Less	1 - 6 Years	6 - 10 Years	10 or More Years	Maturity not Determined
Asset backed	$ 15,818,143	$ -	$ 6,262,827	$ 3,152,228	$ 6,403,088	$ -
Bank loans	140,209,456	1,046,222	97,472,127	41,596,157	-	94,950
Commercial mortgage backed	6,592,179	-	-	755,136	5,837,043	-
Corporate bonds	294,443,045	8,051,938	171,306,371	99,367,683	15,717,053	-
Corporate convertible bonds	949,447	-	949,447	-	-	-
Government agencies	19,421,756	-	16,578,910	2,842,846	-	-
Government bonds	122,463,125	12,785,193	56,257,743	36,785,281	16,634,908	-
Government mortgage backed	79,796,681	2,364	275,679	3,907,096	75,611,542	-
Government-issued commercial mortgage-backed	9,130,131	1,583,777	6,889,277	358,959	298,118	-
Index linked government bonds	5,862,764	-	1,253,409	4,609,355	-	-
Municipal / provincial bonds	23,731,381	-	12,292,658	966,006	10,472,717	-
Non-government backed CMO's	6,833,600	-	-	158,187	6,675,413	-
Other fixed incomes	67,169,663	-	-	-	-	67,169,663
Total	$792,421,371	$ 23,469,494	$369,538,448	$194,498,934	$137,649,882	$ 67,264,613

As of December 31, 2020, the Plan had the following investments and maturities:

Investment Type	Total Fair Value	1 Year or Less	1 - 6 Years	6 - 10 Years	10 or More Years	Maturity not Determined
Asset backed	$ 12,860,206	$ -	$ 5,492,507	$ 322,327	$ 7,045,372	$ -
Bank loans	126,988,595	2,116,031	105,250,519	19,525,823	-	96,222
Commercial mortgage backed	7,054,290	-	-	932,485	6,121,805	-
Corporate bonds	314,636,482	7,022,936	177,332,708	113,099,690	17,181,148	-
Corporate convertible bonds	634,138	-	634,138	-	-	-
Government agencies	47,542,667	17,986,374	22,442,519	7,113,774	-	-
Government bonds	97,661,552	5,652,877	42,347,648	46,672,406	2,988,621	-
Government mortgage backed	70,546,101	5,114	524,824	5,692,955	64,323,208	-
Government-issued commercial	-					
mortgage-backed	9,673,954	-	8,834,035	523,550	316,369	-
Index linked government bonds	3,531,556	-	2,986,277	545,279	-	-
Municipal / provincial bonds	21,423,293	-	5,105,840	6,819,350	9,498,103	-
Non-government backed CMO's	6,908,076	-	-	210,822	6,697,254	-
Other fixed incomes	63,741,693	-	-	-	-	63,741,693
Total	$783,202,603	$ 32,783,332	$370,951,015	$201,458,461	$114,171,880	$ 63,837,915

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk

The following table reflects credit ratings of fixed income securities held by the Plan as of December 31, 2021:

S & P Credit Rating	Fair Value	Asset Backed Securities	Bank Loans	Commercial Mortgage Backed	Corporate Bonds	Corporate Convertible Bonds	Government Agencies	Government Bonds	Government Mortgage Backed	Government Issued Commercial Mortgage Backed	Index Linked Government Bonds	Municipal/ Provincial Bonds	Non-Government Backed CMO's	Other Fixed Income
U.S. Government	$ 220,230,828	$ -	$ -	$ -	$ -	$ -	$ 2,978,127	$122,463,125	$ 79,796,681	$ 9,130,131	$ 5,862,764	$ -	$ -	$ -
AAA	13,263,225	4,774,655	-	913,654	906,535	-	1,950,562	-	-	-	-	4,717,819	-	-
AA	41,964,816	1,476,338	-	221,867	9,465,845	-	14,493,067	-	-	-	-	14,844,891	1,462,808	-
A	75,079,890	1,922,649	-	-	70,281,222	-	-	-	-	-	-	2,087,375	788,644	-
BBB	119,348,207	1,240,911	7,133,227	-	110,137,813	285,950	-	-	-	-	-	-	550,306	-
BB	92,518,983	180,373	33,239,890	-	58,808,995	-	-	-	-	-	-	-	289,725	-
B	100,855,335	89,449	65,728,315	-	34,474,227	-	-	-	-	-	-	-	563,344	-
CCC	14,441,680	286,445	9,201,461	-	4,290,277	663,497	-	-	-	-	-	-	-	-
CC	732,151	-	732,151	-	-	-	-	-	-	-	-	-	-	-
C	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D	1,644,794	-	1,518,779	-	126,015	-	-	-	-	-	-	-	-	-
NR	112,341,462	5,847,323	22,655,633	5,456,658	5,952,116	-	-	-	-	-	-	2,081,296	3,178,773	67,169,663
Total	$ 792,421,371	$ 15,818,143	$140,209,456	$ 6,592,179	$294,443,045	$ 949,447	$ 19,421,756	$122,463,125	$ 79,796,681	$ 9,130,131	$ 5,862,764	$ 23,731,381	$ 6,833,600	$ 67,169,663

The following table reflects credit ratings of fixed income securities held by the Plan as of December 31, 2020:

S & P Credit Rating	Fair Value	Asset Backed Securities	Bank Loans	Commercial Mortgage Backed	Corporate Bonds	Corporate Convertible Bonds	Government Agencies	Government Bonds	Government Mortgage Backed	Government Issued Commercial Mortgage Backed	Index Linked Government Bonds	Municipal/ Provincial Bonds	Non-Government Backed CMO's	Other Fixed Income
U.S. Government	$ 194,323,590	$ 144,714	$ -	$ -	$ -	$ -	$ 12,765,713	$ 97,661,552	$ 70,546,101	$ 9,673,954	$ 3,531,556	$ -	$ -	$ -
AAA	11,025,055	4,093,531	-	508,922	2,447,976	-	-	-	-	-	-	3,974,626	-	-
AA	61,678,357	1,045,046	-	128,783	11,181,543	-	34,776,954	-	-	-	-	12,385,499	2,160,532	-
A	92,843,715	2,026,927	-	-	87,703,445	-	-	-	-	-	-	2,162,305	951,038	-
BBB	121,496,194	745,000	5,091,812	-	115,064,099	184,188	-	-	-	-	-	-	411,095	-
BB	82,326,451	246,050	28,527,162	-	52,847,010	-	-	-	-	-	-	-	706,229	-
B	90,250,879	-	58,919,620	-	30,940,973	-	-	-	-	-	-	-	390,286	-
CCC	15,408,846	516,699	7,333,815	-	7,108,382	449,950	-	-	-	-	-	-	-	-
CC	948,877	-	948,877	-	-	-	-	-	-	-	-	-	-	-
C	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D	1,821,322	-	1,442,058	-	178,095	-	-	-	-	-	-	-	201,169	-
NR	111,079,317	4,042,239	24,725,251	6,416,585	7,164,959	-	-	-	-	-	-	2,900,863	2,087,727	63,741,693
Total	$ 783,202,603	$ 12,860,206	$126,988,595	$ 7,054,290	$314,636,482	$ 634,138	$ 47,542,667	$ 97,661,552	$ 70,546,101	$ 9,673,954	$ 3,531,556	$ 21,423,293	$ 6,908,076	$ 63,741,693

U.S. Government = Guaranteed by U.S. Government   NR = Not Rated

The Plan does not have a formal policy in regard to aggregate credit quality of fixed income holdings. The Plan utilizes external investment management firms to invest in fixed income securities and credit quality is addressed within the guidelines of the mandate. Unless allowed by the mutually agreed upon guidelines of the mandate, all securities invested in are investment grade. If a holding falls below investment grade, the manager will either sell the security or will inform the Plan of the lower rating and why they believe that it is prudent to continue to hold the security as they believe that the security will return to investment grade.

NOTE 4. DERIVATIVES

The derivative instruments were recorded at fair value as of December 31, 2021 and 2020. Derivative instruments include forward foreign exchange contracts, futures contracts, rights, and warrants. Derivative transactions involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to terms. Market risk is the possibility that a change in market prices or currency rates will cause the value of a financial instrument to decrease or become more costly to settle. The Plan's investment managers may invest in derivatives if permitted by the guidelines of their mandate.

Foreign Currency Forward Contracts

Foreign currency forward contracts are used by certain investment managers to protect against the currency risk in the Plan's international equity portfolios. A foreign currency forward contract is an agreement to buy or sell a specific amount of a foreign currency at a specified delivery or maturity date for an agreed-upon price. Foreign currency forward contracts are marked-to-market on a daily basis. The gains or losses resulting from changes in contract values are included in investment income in the statement of changes in fiduciary net position. The Plan experienced a realized loss of $(24,253) and $(7,896) on foreign currency forward contracts in 2021 and 2020, respectively. As of December 31, 2021, the Plan's outstanding foreign currency forward contracts were as follows:

	Pending Foreign Exchange Purchases	Pending Foreign Exchange Sales	Unrealized Gain (Loss)	Changed in Unrealized Gain (Loss)
Australian dollar	$ 5,594	$ -	$ 74	$ (511)
British pound sterling	327,808	-	4,819	(2,271)
Canadian dollar	13,533	-	68	90
Czech koruna	-	(24,893)	(701)	(496)
Danish krone	-	(79,905)	(615)	(115)
Euro	201,504	(25,518)	495	1,058
Hong Kong dollar	36,064	(458,411)	(110)	(91)
Japanese yen	114,133	-	(1,770)	(3,757)
New Zealand dollar	9,074	-	71	976
Norwegian krone	-	(40,510)	(702)	486
Singapore dollar	-	(9,644)	(122)	(66)
South African rand	-	(37,222)	(166)	(338)
Swedish krona	43,490	-	66	865
Swiss franc	-	(29,501)	(365)	200
Turkish lira	-	(15,794)	(484)	1,383
United States dollar	717,974	(747,218)	-	-
	$ 1,469,174	$ (1,468,616)	$ 558	$ (2,587)

NOTE 4. DERIVATIVES (CONTINUED)

For comparative purposes, as of December 31, 2020, the Plan's outstanding foreign currency forward contracts were as follows:

	Pending Foreign Exchange Purchases	Pending Foreign Exchange Sales	Unrealized Gain (Loss)	Changed in Unrealized Gain (Loss)
Australian dollar	$ 25,909	$ -	$ 585	$ 295
Brazilian real	-	-	-	(517)
British pound sterling	218,701	-	7,090	6,092
Canadian dollar	10,827	(21,172)	(22)	(313)
Czech koruna	-	(25,529)	(205)	(205)
Danish krone	-	(58,104)	(500)	(500)
Euro	47,833	(113,640)	(563)	(1,727)
Hong Kong dollar	148,982	-	(19)	(19)
Japanese yen	320,254	-	1,987	2,466
Malaysian ringgit	-	-	-	6
New Taiwan dollar	-	-	-	140
New Zealand dollar	-	(51,194)	(905)	(905)
Norwegian krone	-	(42,466)	(1,188)	(1,341)
Philippine peso	-	-	-	(27)
Polish zloty	-	-	-	(218)
Singapore dollar	-	(5,367)	(56)	(56)
South African rand	7,110	-	172	172
Swedish krona	-	(28,250)	(799)	(799)
Swiss franc	12,656	(117,247)	(565)	(663)
Turkish lira	-	(29,217)	(1,867)	(1,867)
United States dollar	485,015	(781,956)	-	-
	$ 1,277,287	$ (1,274,142)	$ 3,145	$ 14

Futures Contracts

Certain international investment managers utilize equity futures contracts to replicate underlying securities they wish to gain exposure to in the portfolio. A financial futures contract is an agreement to buy or sell a specific amount of an asset at a specified delivery or maturity date for an agreed-upon price. Futures contracts are traded on organized exchanges, thereby minimizing credit risk. The net change in the futures contract value is settled daily in cash with the exchanges which results in the contract having a fair value of zero at the end of each trading day. The cash or securities to fulfill these obligations are held in the investment portfolio. As the fair value of the futures contract varies from the original contract price, a gain or loss is paid to or received from the clearinghouse and recognized in the statement of changes in fiduciary net position. The realized gain on equity futures contracts as of December 31, 2021 and 2020 was $464,987 and $25,796, respectively.

NOTE 4. DERIVATIVES (CONTINUED)

As of December 31, 2021 and 2020, open futures contracts had the following values:

	2021	2020
Total futures	$ 2,271,406	$ 3,441,606

Rights and Warrants

Rights and warrants provide investment managers the right, but not the obligation, to purchase or sell a company's stock at a fixed price until a specified expiration date. Rights are normally issued with common stock and expire after two to four weeks. Warrants typically are issued together with a bond or preferred stock and may not expire for several years. The fair value of rights and warrants is reported in the investments in the statement of fiduciary net position. The gain or loss from rights and warrants is included in the investment income in the statement of changes in fiduciary net position. As of December 31, 2021, the Plan's investments in rights and warrants were as follows:

Derivative Type	Notional Value	Fair Value	Change in Fair Value
Total rights and warrants	$ 156,354	$ 815,931	$ (1,848,089)

For comparative purposes, as of December 31, 2020, the Plan's investments in rights and warrants were as follows:

Derivative Type	Notional Value	Fair Value	Change in Fair Value
Total rights and warrants	$ 194,866	$ 746,470	$ 330,633

NOTE 5. SECURITIES LENDING

Under the provisions of state statutes, the Plan utilizes a securities lending agent to lend securities (both equity and fixed income) to qualified third parties in exchange for collateral that will be returned for the same securities in the future. Northern Trust manages the securities lending program and receives cash, securities, or irrevocable letters of credit as collateral. The collateral received cannot be pledged or sold by the Plan unless the borrower defaults. All loans can be terminated on demand by either the Plan or the borrower. At December 31, 2021, the average term of the loans was 115 days (116 days in 2020). Marking to market is performed every business day and the borrower is required to deliver additional collateral when necessary, so that the collateral held for all loans to the borrower will at least equal the fair value of all borrowed securities. U.S. security loan agreements are initially collateralized at 102% of the fair value of loaned securities.

NOTE 5. SECURITIES LENDING (CONTINUED)

International securities are initially collateralized at 105% of the fair value of loaned securities. Cash collateral is invested in tri-party repurchase agreements and bank deposits, which at December 31, 2021 had a weighted average maturity of 28 days (30 days in 2020). As of December 31, 2021 and 2020, the Plan had loaned to borrower's securities with a fair value of $256,266,765 and $201,891,859, respectively. As of December 31, 2021 and 2020, the Plan received from borrowers' cash collateral of $250,946,224 and $184,008,488, respectively. As of December 31, 2021 and 2020, the Plan received non-cash collateral from borrowers of $11,443,037 and $22,570,535, respectively.

Securities lending net income for the years ended December 31, 2021 and 2020 was $512,795 and $719,497, respectively.

A summary of securities loaned at fair value as of December 31:

	2021	2020
Securities loaned - cash collateral		
Fixed income		
Domestic corporate fixed income	$ 36,956,193	$ 18,993,085
U.S. Government agencies	4,588,246	16,640,936
U.S. Government bonds	67,676,143	45,484,771
Equity		
Domestic equities	129,449,177	93,000,064
International equities	6,867,074	6,079,920
Total securities loaned - cash collateral	245,536,833	180,198,776
Securities loaned - non cash collateral		
Fixed income		
U.S. Corporate fixed	274,512	-
U.S. Government bonds	5,188,581	11,585,215
Equity		
Domestic equities	2,968,853	2,792,965
International equities	2,297,986	7,314,903
Total securities loaned - non cash collateral	10,729,932	21,693,083
Total	$ 256,266,765	$ 201,891,859

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation has been provided using the straight-line method over periods ranging from 5-8 years. Leasehold improvements are amortized using the straight-line method over the remaining term of the lease. Major outlays for additions and improvements are capitalized if equal to or greater than $4,000. Maintenance and repairs are charged to expense. A summary of property and equipment at December 31, 2021 and 2020 is as follows:

	2021	2020
Pension benefit system	$ 679,236	$ 512,155
Computers	33,849	33,849
Office equipment	20,683	20,683
	733,768	566,687
Less: accumulated depreciation and amortization	271,464	124,711
Net property and equipment	$ 462,304	$ 441,976

Depreciation and amortization expense was $146,754 and $108,175 for the years ended December 31, 2021 and 2020, respectively.

NOTE 7. PENSION AND OTHER POSTEMPLOYMENT BENEFIT-RELATED NOTE DISCLOSURES

A. Pension Plan Description

General

Municipal Employees' and Officers' Annuity and Benefit Fund of Chicago (MEABF, or the Plan) is the administrator of a single employer defined benefit plan that was established in 1921 to provide retirement annuities and disability benefits for covered employees and for survivors and other beneficiaries of such employees. The Plan is administered under Chapter 40, Act 5, Article 8 of the Illinois Compiled Statutes. Benefit and contribution provisions are established by the Statutes and may be amended only by the Illinois state legislature. The Retirement Board, comprised of two ex-officio members (the City Comptroller and the City Treasurer) and three elected members, is authorized to carry out the provisions of Chapter 40, Act 5, Article 8 of the Illinois Compiled Statutes. The Retirement Board appoints the executive director, an actuary, an auditor, consultants, and employees necessary for the transaction of business. The Retirement Board meets monthly and receives no compensation but is reimbursed for necessary expenses. The Plan is included in the City of Chicago's financial reports as a component unit.

NOTE 7. PENSION AND OTHER POSTEMPLOYMENT BENEFIT-RELATED NOTE DISCLOSURES (CONTINUED)

Membership

Any employee of the City of Chicago or the Board of Education employed under the provisions of the municipal personnel ordinance except for policemen, firemen, teachers, and those classified by the municipal personnel ordinance as labor service, or any person employed by the Municipal Employees' and Officers' Annuity and Benefit Fund of Chicago (Plan) who is not participating in any other pension fund or retirement system is also covered by the Plan. The payroll for employees covered by the Plan for the years ended December 31, 2021 and 2020 were $2,001,180,743 and $1,861,905,323, respectively.

Plan membership at December 31 is as follows:

	2021	2020
Active employees (includes members currently receiving disability benefits)		
Vested	13,198	13,707
Non-vested	19,727	17,620
	32,925	31,327
Retirees and beneficiaries currently receiving benefits	25,683	25,471
Terminated employees entitled to benefits but not yet receiving them	2,201	2,132
Terminated employees entitled to a refund of contributions	19,103	18,007
Total	79,912	76,937

Pension legislation (Public Act 96-0889) was approved during 2010 and established two distinct classes of membership with different retirement eligibility conditions and benefit provisions levels. On July 6, 2017, Illinois Public Act 100-0023 was enacted which added a third class of membership with different retirement eligibility conditions and contribution levels. For convenience, the Plan uses a tier concept to distinguish these groups, generally:

Tier 1 - Participants that became members before January 1, 2011.
Tier 2 - Participants that first became members on or after January 1, 2011.
Tier 3 - Participants that first became members on or after July 6, 2017; or a Tier 2 member who irrevocably elected between October 1 and November 15, 2017 to be subject to Tier 3 eligibility conditions and contribution levels ("Elective Tier 3 Member").

A member's classification is determined based upon the date the member becomes a contributing member in a designated reciprocal system/fund codified in the Illinois Pension Code.

NOTE 7. PENSION AND OTHER POSTEMPLOYMENT BENEFIT-RELATED NOTE DISCLOSURES (CONTINUED)

Refunds of Employee Contributions

If an employee leaves covered employment without qualifying for an annuity, accumulated contributions are refunded with interest at 3% per annum, to the date of termination of services subject to certain exceptions. Certain disability pension credits are not refundable.

Employee Pension

Tier 1 employees age 55 or more with at least 10 years of service are entitled to receive a money purchase annuity with partial City contributions if under age 60 with less than 20 years of service. Employees age 60 or more with at least 10 years of service or age 55 or more with at least 20 years of service or age 50 or more with at least 30 years of service are entitled to receive a minimum formula annuity of 2.4% per year of service times the final average salary (highest (average or predominate, whichever is greater) annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of retirement). If the employee retires prior to age 60, the annuity shall be reduced by ¼ of 1% for each month the employee is under age 60 if the employee has less than 25 years of service. The annuity is not discounted if the employee is age 50 with at least 30 years of service. An employee with at least 10, 20, or 30 years of service can withdraw and receive a minimum formula annuity at 60, 55, or 50, respectively. The original annuity is limited to 80% of the highest average annual salary, adjusted for annual IRC §401(a) (17) and §415 limitations. Employees withdrawing from service at age 60 or older with at least 10 years of service are entitled to a minimum annuity of $850 per month.

Tier 2 employees age 67 or more with at least 10 years of service are entitled to receive an unreduced annuity benefit or a reduced annuity benefit at age 62 with 10 years of service. The annuity is discounted 1/2 percent for each full month the employee is under age 67. Final average salary is calculated using salary from the eight highest consecutive years within the last 10 years of service prior to retirement.

Tier 3 employees age 65 or more with at least 10 years of service are entitled to receive an unreduced annuity benefit or a reduced annuity benefit at age 60 with 10 years of service. The annuity is discounted 1/2 percent for each full month the employee is under age 65. Final average salary is calculated using salary from the eight highest consecutive years within the last 10 years of service prior to retirement.

Under Tier 2 and Tier 3, pensionable salary was limited to $116,740 in 2021 and $115,929 in 2020, increased each year by the lesser of 3 percent or one-half of the annual unadjusted percentage increase in the Consumer Price Index-U (but not less than zero). These figures are provided to the Plan by the Illinois Department of Insurance.

NOTE 7. PENSION AND OTHER POSTEMPLOYMENT BENEFIT-RELATED NOTE DISCLOSURES (CONTINUED)

Automatic Increase in Employee Annuity

Tier 1: An employee annuitant under Tier 1 is eligible to receive an increase of 3.0 percent of the currently payable annuity (compound). This increase begins in January of the year of the first payment date following the earlier of:

1) the later of the third anniversary of retirement or age 53, or
2) the later of the first anniversary of retirement or age 60.

Tier 2: An employee annuitant under Tier 2 who is eligible to receive an increase in annuity benefit, shall receive an annual increase equal to the lesser of 3.0 percent or one-half of the annual unadjusted percentage increase in the Consumer Price Index-U (but not less than zero) as measured in the preceding 12-month period ending with the September preceding the increase. The increase is based on the amount of the originally granted benefit (simple). This increase begins in January of the year of the first payment date following the later of:

1) the attainment of age 67, or
2) the first anniversary of the annuity start date.

Tier 3: An employee annuitant under Tier 3 who is eligible to receive an increase in annuity benefit, shall receive an annual increase equal to the lesser of 3.0 percent or one-half of the annual unadjusted percentage increase in the Consumer Price Index-U (but not less than zero) as measured in the preceding 12-month period ending with the September preceding the increase. The increase is based on the amount of the originally granted benefit (simple). This increase begins in January of the year of the first payment date following the later of:

1) the attainment of age 65, or
2) the first anniversary of the annuity start date.

Surviving Spouse Pension

Tier 1: Upon the death of an employee under Tier 1, the surviving spouse meeting certain eligibility requirements, is entitled to a spouse annuity. There are three basic methods ("money purchase method", "minimum formula annuity method" and the "minimum annuity method") used to determine the amount of spouse's annuity for an ordinary death (not duty-related death). The surviving spouse is entitled to the largest benefit, but the annuity cannot exceed an amount equal to 50% of the highest salary earned by the employee.

Under Tier 2 and Tier 3, the annuity payable to the surviving spouse of an employee is equal to 66 2/3% of the participant's earned retirement annuity at the date of death without a reduction due to age.

NOTE 7. PENSION AND OTHER POSTEMPLOYMENT BENEFIT-RELATED NOTE DISCLOSURES (CONTINUED)

Automatic Increase in Spouse Annuity

Under Tier 2 and Tier 3, the surviving spouse of an employee shall receive an annual increase equal to the lesser of 3.0 percent or one-half of the annual unadjusted percentage increase in the Consumer Price Index-U (but not less than zero) as measured in the preceding 12-month period ending with the September preceding the date of the increase. This increase is based on the amount of the originally granted survivor's benefit (simple). This annual increase begins on January 1 following the commencement of the surviving spouse's annuity if the deceased member died while receiving an annuity benefit or on January 1 following the first anniversary of the commencement of the annuity otherwise.

Child Annuity

Under Tier 1, Tier 2, and Tier 3, an annuity is provided for any unmarried child of a deceased employee who is under the age of 18 if the child was conceived or born before withdrawal from service. The employee's death must occur while the employee is in service or in receipt of an annuity. The child's annuity is an amount equal to $220 a month when there is a surviving spouse and $250 when there is no surviving spouse, subject to maximum limitations.

Ordinary Disability

Under Tier 1, Tier 2, and Tier 3, an employee who becomes disabled as the result of any cause other than an accidental injury incurred while in the performance of an act of duty is entitled to an ordinary disability benefit at the amount equal to 50% of the employee's annual salary at the time of disablement. An employee can receive ordinary disability for a period equal to one fourth of his service credits up to a lifetime maximum of 5 years.

Duty Disability

Under Tier 1, Tier 2, and Tier 3, an employee who becomes disabled as the result of an accidental injury incurred while in the performance of an act of duty is entitled to a duty disability benefit in the amount equal to 75% of the employee's annual salary at the time of injury, reduced by any benefits received by the employee under the provisions of the Workers' Compensation Act. This benefit is limited to age 65 or 5 years from the latest injury, whichever is latest.

Funding Policy

The funding objective is to meet all expected future obligations to Plan participants through its Plan assets and contributions from employee and employer. Member and employer contribution rates are established by state law and may be amended only by the Illinois State Legislature.

NOTE 7. PENSION AND OTHER POSTEMPLOYMENT BENEFIT-RELATED NOTE DISCLOSURES (CONTINUED)

Member Contributions

Active members are required to contribute a percentage of their pensionable salary to MEABF. Tier 1 and Tier 2 members contribute 8.5% of their salary (6.5% to provide employee annuity, 1.5% to provide a surviving spouse annuity, and .5% to provide post-retirement increases in annuity) in accordance with the statutes. Tier 3 members contribute 11.5% of their pensionable salary (9.5% to provide employee annuity, 1.5% to provide a surviving spouse annuity, and .5% to provide post-retirement increases in annuity) in accordance with the statutes.

Under Tier 1, Tier 2, and Tier 3, the employer deducts or picks up the employee's contributions before federal income tax is withheld and remits the contributions collected to the Plan. Member contributions earn interest at the rate of 3% per annum and may be refundable. Employees receiving ordinary or duty disability benefits are credited with a percentage of salary for pension purposes just as though the employee were working but these credits are not refundable. Tier 1 and Tier 2 are credited with 8.5% of salary and Tier 3 is credited with 11.5% of salary.

While the amount of pensionable salary upon which member contributions are made under Tier 1 has no limitation, pensionable salary of active employees under Tier 2 and Tier 3 was limited to $116,740 in 2021 and $115,929 in 2020, increased each year by the lesser of 3 percent or one-half of the annual unadjusted percentage increase in the Consumer Price Index-U (but not less than zero) as measured in the preceding 12 month period ending with the September preceding the November 1, which is the date the new amount will be calculated and made available to the pension funds.

Employer Contributions

The City of Chicago is required by state statutes to contribute the remaining amounts necessary to finance the requirements of MEABF. Effective July 6, 2017, legislation (Public Act 100-0023) which included a new funding structure to increase employer contributions was put into law. The new structure provides for fixed dollar contributions for payment years 2018 through 2022. For payment years 2023 to 2058 the employer's required annual contribution shall be equal to the sum of the employer's portion of the projected normal cost for that fiscal year, plus an amount determined on a level percentage of employee payroll that is sufficient to bring the total actuarial assets of the Plan up to 90% of the total actuarial liabilities of the Plan by the end of 2058.

The actuarial determined contribution (ADC) is determined by using the entry age normal actuarial funding method. MEABF uses the level dollar open method to amortize the unfunded liability over a thirty-year period. The actuarial valuation of the Plan shows that an actuarially determined contribution needed to adequately finance MEABF is $1,218,360,892 and $1,167,153,830 for fiscal years 2021 and 2020, respectively. The statutory employer contributions have been less than the actuarially determined contributions for the past nineteen years. Contribution rates may be increased only by an amendment by the State Legislature to the Illinois Pension Code.

NOTE 7. PENSION AND OTHER POSTEMPLOYMENT BENEFIT-RELATED NOTE DISCLOSURES (CONTINUED)

Net Pension Liability of Participating Employer

The components of the net pension liability as of December 31, 2021 and 2020, were as follows:

	2021	2020
Total pension liability	$ 18,401,579,972	$ 17,814,812,242
Plan fiduciary net position	4,308,269,024	4,090,239,084
Employer's net pension liability	14,093,310,948	13,724,573,158
Plan fiduciary net position as a percentage of total pension liability	23.41%	22.96%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2021 and 2020, using actuarial assumptions applied to all periods included in the measurement.

	2021	2020
Inflation	2.50%	2.50%
Salary increase	3.50% to 7.75% (1.50% to 6.50% for 2020-2022), varying by years of service	3.50% to 7.75% (1.50% to 6.50% for 2020-2022), varying by years of service
Investment rate of return	7.00%, net of investment expense	7.00%, net of investment expense
Municipal bond rate	2.06% based on the Bond Buyer 20-Bond Index of general obligation municipal bonds as of December 31, 2021	2.12% based on the Bond Buyer 20-Bond Index of general obligation municipal bonds as of December 31, 2020
Cost of living adjustments	Tier 1: 3.0% compound	Tier 1: 3.0% compound
	Tier 2 & 3: the lesser of 3.0% or one-half the change in CPI, simple	Tier 2 & 3: the lesser of 3.0% or one-half the change in CPI, simple

Post-retirement mortality rates for December 31, 2021 and 2020 were based on the RP-2014 Healthy Annuitant Mortality Table, set forward two years for males and one year for females, and projected generationally using scale MP-2016. Pre-retirement mortality rates were based on 120% of the RP-2014 Employee Mortality Tables projected generationally using scale MP-2016.

NOTE 7. PENSION AND OTHER POSTEMPLOYMENT BENEFIT-RELATED NOTE DISCLOSURES (CONTINUED)

The actuarial assumptions used in the December 31, 2021 and 2020, valuation was based on the results of actuarial experience study for the period January 1, 2012 through December 31, 2016.

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 of return (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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2021 and 2020 are summarized in the table below.

	2021		2020	
	Target allocation	Long-term expected real rate of return	Target allocation	Long-term expected real rate of return
Fixed income	25%	2.0%	25%	2.3%
Global equity	5%	6.8%	5%	7.5%
Domestic equity	26%	7.4%	26%	7.3%
International equity	17%	7.4%	17%	7.5%
Hedge funds	10%	5.6%	10%	5.5%
Private equity	5%	11.4%	5%	10.8%
Real estate	10%	5.8%	10%	6.0%
Infrastructure	2%	7.0%	2%	7.3%

Discount rate

The discount rate used to measure the total pension liability was 7.0% for December 31, 2021 and 2020. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made according to the contribution rate applicable for each member's tier and that employer contributions will be made as specified by Public Act 100-0023. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service cost of future plan members and their beneficiaries are not included. 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 total pension liability.

NOTE 7. PENSION AND OTHER POSTEMPLOYMENT BENEFIT-RELATED NOTE DISCLOSURES (CONTINUED)

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

The following presents the net pension liability as of December 31, 2021, calculated using the discount rate of 7.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net pension liability December 31, 2021	$ 16,366,261,505	$ 14,093,310,948	$ 12,203,639,823

For comparative purposes, the net pension liability as of December 31, 2020, calculated using the discount rate of 7.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net pension liability December 31, 2020	$ 15,939,911,322	$ 13,724,573,158	$ 11,883,469,820

B. Other Post Employment Benefit Plan (OPEB) - Healthcare Subsidy for City of Chicago Retirees

During the year ended December 31, 2019, in response to a lawsuit, the Circuit Court of Cook County ruled that all eligible City of Chicago employee annuitants (both current and future employee annuitants, but not spousal or child annuitants) of MEABF are entitled to receive a health insurance premium subsidy of $25 per month from MEABF, representing partial reimbursement for healthcare costs, for each month after December 31, 2016, in which they qualify.

City of Chicago employee annuitants hired before April 4, 2003 who retired on or after August 23, 1989 with 15 years of service and age 65 years or older are eligible for this subsidy. On June 30, 2020, the Appellate Court of Illinois (First District) revised the eligibility date for the subsidies from the hire date of April 4, 2003 to June 30, 2003. As such, City of Chicago employee annuitants hired before April 4, 2003 who retired on or after August 23, 1989 with 15 years of service and age 65 years or older are eligible for the subsidy. City of Chicago retirees must participate in the current City-sponsored or Labor-sponsored healthcare plans and have deductions taken from their annuities in order to qualify for the reimbursement, effective January 1, 2020, and going forward.

NOTE 7. PENSION AND OTHER POSTEMPLOYMENT BENEFIT-RELATED NOTE DISCLOSURES (CONTINUED)

The health insurance premium subsidy payments described above are funded from the statutorily required contributions received by the City of Chicago. In 2021 and 2020, the contributions allocated for this benefit and payments for the health insurance premium subsidies totaled $502,375 and $1,607,400, respectively. In 2020, amounts represent subsidy payments to eligible employee annuitants for each month after December 31, 2016 through December 31, 2020, in which they qualify.

At December 31, 2021 and 2020, participants consisted of the following:

	2021	2020
Active members	5,462	5,956
Annuitants currently receiving subsidy benefits	6,846	6,858
Inactive members entitled to subsidy benefits but not yet receiving them	314	293
Total	12,622	13,107

Net OPEB Liability of Participating Employer

The components of the net OPEB liability as of December 31, 2021 and 2020, were as follows:

	2021	2020
Total OPEB liability	$ 16,442,920	$ 32,414,697
Plan fiduciary net position	-	-
Employer's net OPEB liability	16,442,920	32,414,697
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%

NOTE 7. PENSION AND OTHER POSTEMPLOYMENT BENEFIT-RELATED NOTE DISCLOSURES (CONTINUED)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2021 and 2020, using the actuarial assumptions applied to all periods included in the measurement.

	2021	2020
Inflation	2.50%	2.50%
Investment rate of return	7.00%, net of investment expense	7.00%, net of investment expense
Municipal bond rate	2.06% based on the Bond Buyer 20-Bond Index of general obligation municipal bonds as of December 31, 2021	2.12% based on the Bond Buyer 20-Bond Index of general obligation municipal bonds as of December 31, 2020

Post-retirement mortality rates for December 31, 2021 and 2020 were based on the RP-2014 Health Annuitant Mortality Tables, set forward two years for males and one year for females, and projected generationally using scale MP-2016. Pre-retirement mortality rates were based on 120% of the RP-2014 Employee Mortality Tables projected generationally using scale MP-2016.

The actuarial assumptions used in the December 31, 2021and 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2012 through December 31, 2016.

Discount Rate

Since there are no assets dedicated to the OPEB plan, the discount rate used to measure the total OPEB liability was 2.06% and 2.12%, based on the municipal bond index for December 31, 2021 and 2020, respectively.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability as of December 31, 2021, calculated using the discount rate of 2.06%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.06%) or 1 percentage point higher (3.06%) than the current rate:

	1% Decrease (1.06%)	Current Discount Rate (2.06%)	1% Increase (3.06%)
Net OPEB liability December 31, 2021	$ 18,260,303	$ 16,442,920	$ 14,906,798

NOTE 7. PENSION AND OTHER POSTEMPLOYMENT BENEFIT-RELATED NOTE DISCLOSURES (CONTINUED)

For comparative purposes, the net OPEB liability as of December 31, 2020, calculated using the discount rate of 2.12%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.12%) or 1 percentage point higher (3.12%) than the current rate:

	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
Net OPEB liability December 31, 2020	$ 36,083,739	$ 32,414,697	$ 29,322,504

NOTE 8. NET POSITION HELD IN TRUST FOR PENSION BENEFITS

Reserves represent the components of the Plan's net position. Reserves are established from member and employer contributions and the accumulation of investment income after satisfying investment and administrative expenses. At least once a year, before any transfer is made from these reserves, interest at 3% is credited to these reserves. The reserves do not represent the present value of assets needed, as determined by actuarial valuation, to satisfy retirement and other benefits as they become due. The Plan's major classes of reserves are as follows:

	2021	2020
City Contribution Reserves	$ 2,051,426,797	$ 2,014,087,534
Salary Deduction Reserves	2,079,742,104	2,031,724,824
Prior Services Reserves	11,575,520,801	11,214,990,625
Annuity Payment Reserve	2,709,949,826	2,585,076,896
Optional Reserve Account	1,383,364	1,161,700
	18,418,022,892	17,847,041,579
Unreserved Net Deficit	(14,109,753,868)	(13,756,802,495)
	$ 4,308,269,024	$ 4,090,239,084

City Contribution Reserves

Amounts contributed by the City for age and service annuity, surviving spouse annuity and supplemental annuity shall be credited to this reserve. When the employee annuity or surviving spouse annuity is granted the amount in this reserve for such annuity will be transferred to the annuity payment fund reserves.

NOTE 8. NET POSITION HELD IN TRUST FOR PENSION BENEFITS (CONTINUED)

Salary Deduction Reserves

Amounts contributed by the employee or amounts credited for the employee for age and service annuity and surviving spouse annuity shall be credited to this reserve. When the employee annuity or surviving spouse annuity is granted the amount in this reserve for such annuity will be transferred to the annuity payment fund reserves.

Annuity Payment Reserves

Amounts transferred from the City contribution reserves and the salary deduction reserves for annuities which have been granted will be credited to this reserve.

Prior Service Reserves

Amounts contributed by the City for minimum annuities shall be credited to this reserve.

Optional Reserves

Amounts contributed by the aldermen for the alternative plan.

NOTE 9. OPERATING LEASES

Office Lease

MEABF moved to a new office location on March 1, 2011 under a fifteen-year, non-cancelable lease agreement with Hines REIT 321 North Clark Street LLC. The lease currently requires monthly payments of $64,410. The Plan received rent abatements for the initial six full months of the term of the lease, and the initial three calendar months of the third, the fourth, the fifth and sixth lease year and the initial two calendar months of the seventh lease year. Monthly lease payments are subject to an escalation clause for increases in real estate taxes and maintenance expenses.

Following is a summary of estimated future lease payments under the Plan's operating lease as of December 31, 2021:

Year Ending December 31,	
2022	$ 790,239
2023	811,368
2024	832,886
2025	854,804
January & February 2026	145,052
Total	$ 3,434,349

NOTE 9. OPERATING LEASES (CONTINUED)

Total rent expense was $694,633 and $719,690 for 2021 and 2020, respectively.

NOTE 10. RISK MANAGEMENT

MEABF carries liability insurance coverage provided by private insurance carriers. In order to limit the risk of asset loss from theft, fraud, robbery or burglary, the Plan carries a government crime policy. The Plan carries fiduciary liability insurance that limits the risk of loss arising from court challenges to fiduciary decisions. The Plan also carries cyber liability insurance that limits the risk of defense costs and settlements as a result of failure to protect or the wrongful release of confidential information of participants, beneficiaries, and employees of the Plan.

NOTE 11. COMMITMENTS AND CONTINGENCIES

Investment Commitments

As of December 31, 2021, approximately $29.1 million of capital committed to investments in private equity were undrawn. As of December 31, 2020, approximately $24.3 million in commingled infrastructure, private equity, and real estate funds were undrawn. The Plan believes that the capital may take up to three years to be fully requested.

Litigation

The Plan is subject to claims arising in the ordinary course of its operations. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Plan's management and legal counsel, the resolution of these matters will not have a material adverse effect on the Plan's financial statements.

In July 2013, a group of plaintiffs purporting to represent retirees in four Chicago public pension funds filed a civil action, *Underwood v. City of Chicago et. al.* (13- CH-17450; 1-17-162356), seeking class certification and an order requiring the City and the defendant pension funds to continue subsidizing retiree healthcare insurance premiums past the June 30, 2013, statutory expiration date. Following litigation filed in both the federal and state courts, the Illinois Appellate Court, on June 29, 2017, issued an order which in part affirmed the Circuit Court's dismissal order and held that the subsidies under the 1983 and 1985 amendments are protected benefits under the pension protection clause of the Illinois Constitution. As such, under the Appellate Court Mandate those employee-retirees that joined the defendant pension funds prior to June 30, 2003 are entitled to continue to receive the 1983 provided subsidies (as it relates to the police and fire funds) of $55 per month if non-Medicare-eligible and $21 per month if Medicare-eligible subsidies or $25 (as it relates to the municipal and laborer funds) if the employee- annuitant is 65 years or older with at least 25 years of service. The Appellate Court remanded the case back

NOTE 11. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Litigation (continued)

to the Circuit Court for the purpose of allowing the presiding judge to determine the mechanics of the payments. Thereafter, the Circuit Court issued several orders which in substance: (i) further defined the group of employee annuitants entitled to the statutory subsidies and (ii) reaffirmed prior rulings that the funds have no obligation to contract for insurance. The Circuit Court confirmed that under the 1983 and 1985 amendments, employee-retirees that are otherwise eligible to receive the subsidies must participate in a group retiree healthcare plan and facilitate the payment of the retiree's healthcare premium through a deduction of his or her monthly annuity check. Obligations related to the payment of the statutory subsidy to qualified annuitants under the 1985 amendment are reflected in the financial statements which represent payments made by the Fund in 2021 for amounts owed to qualified annuitants for subsidy payments consistent with the requirements of the Circuit Court order and Appellate Court Mandate.

NOTE 12. DEFERRED COMPENSATION PLAN

The Plan is a governmental eligible employer within the meaning of Code Section 457(e)(1)(A) and has established a deferred compensation plan (457(b)) for eligible employees. Individual contributions to the plan are equal to the amount of salary reductions elected by each participant for the year up to a maximum allowable by Internal Revenue Service regulations. Total employee contributions were $290,670 and $292,911 for 2021 and 2020, respectively. Employer contributions are not allowed.

NOTE 13. SIGNIFICANT UNCERTAINTIES

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad impact on commerce and financial markets around the world. The extent of the impact of the pandemic on the Plan's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Plan's members, vendors, and City of Chicago, all of which, at present, cannot be determined. Accordingly, the extent to which the pandemic may impact the Plan's fiduciary net position and changes in fiduciary net position is uncertain, and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

NOTE 14. SUBSEQUENT EVENTS

All subsequent events have been evaluated through May 26, 2022, which is the date the financial statements were available to be issued. This review and evaluation revealed no material event or transaction which would require an adjustment to or disclosure in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

MUNICIPAL EMPLOYEES' AND OFFICERS' ANNUITY & BENEFIT FUND OF CHICAGO

REQUIRED SUPPLEMENTARY INFORMATION – PENSION

DECEMBER 31, 2021

SCHEDULES OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	$ 246,065,733	$ 236,301,503	$ 228,465,350	$ 223,528,365	$ 572,533,631	$ 619,743,849	$ 226,816,035	$ 247,243,416
Interest	1,228,904,759	1,190,694,341	1,159,252,774	1,123,347,772	915,710,984	878,369,406	909,066,895	1,025,763,903
Change of benefit terms	-	-	-	-	-	-	2,140,009,339	(1,990,706,362)
Differences between expected and actual experience	121,988,642	100,937,565	16,675,541	95,540,469	(177,754,999)	(127,119,398)	(109,835,037)	(5,504,116)
Changes of assumptions	-	-	-	-	(7,431,191,282)	(578,920,424)	8,711,754,654	-
Benefit payments, including refunds of employee contributions	(1,010,191,404)	(973,477,637)	(952,651,511)	(916,198,485)	(888,173,535)	(859,671,662)	(826,036,323)	(798,622,811)
Net change in total pension liability	586,767,730	554,455,772	451,742,154	526,218,121	(7,008,875,201)	(67,598,229)	11,051,775,563	(1,521,825,970)
Total pension liability - beginning	17,814,812,242	17,260,356,470	16,808,614,316	16,282,396,195	23,291,271,396	23,358,869,625	12,307,094,062	13,828,920,032
Total pension liability - ending (a)	$18,401,579,972	$17,814,812,242	$17,260,356,470	$16,808,614,316	$16,282,396,195	$23,291,271,396	$23,358,869,625	$12,307,094,062
Plan fiduciary net position								
Contributions - employer	573,198,646	496,991,504	418,268,575	349,574,257	261,763,635	149,718,491	149,225,191	149,746,748
Contributions - employee	163,410,877	157,797,710	146,645,216	138,399,727	134,764,920	130,390,848	131,428,103	129,971,981
Net investment income (loss)	498,299,160	335,402,959	560,940,002	(204,974,702)	610,515,096	281,419,146	114,025,290	283,281,925
Benefit payments, including refunds of employee contributions	(1,010,191,404)	(973,477,637)	(952,651,511)	(916,198,485)	(888,173,535)	(859,671,662)	(826,036,323)	(798,622,811)
Administrative expenses	(6,687,339)	(7,117,942)	(6,740,268)	(6,638,608)	(6,473,006)	(7,056,784)	(6,701,000)	(6,567,842)
Other - OPEB termination	-	-	-	-	5,393,581	-	-	-
Net change in plan fiduciary net position	218,029,940	9,596,594	166,462,014	(639,837,811)	117,790,691	(305,199,961)	(438,058,739)	(242,189,999)
Plan fiduciary net position - beginning	4,090,239,084	4,080,642,490	3,914,180,476	4,554,018,287	4,436,227,596	4,741,427,557	5,179,486,296	5,421,676,295
Plan fiduciary net position - ending (b)	$ 4,308,269,024	$ 4,090,239,084	$ 4,080,642,490	$ 3,914,180,476	$ 4,554,018,287	$ 4,436,227,596	$ 4,741,427,557	$ 5,179,486,296
Employer's net pension liability ending (a)-(b)	$14,093,310,948	$13,724,573,158	$13,179,713,980	$12,894,433,840	$11,728,377,908	$18,855,043,800	$18,617,442,068	$ 7,127,607,766

**This is a 10-year schedule however, the information is not required to be presented retroactively. Information will be added to this schedule until 10 years of information is available.*

REQUIRED SUPPLEMENTARY INFORMATION – PENSION

DECEMBER 31, 2021

SCHEDULES OF EMPLOYER'S NET PENSION LIABILITY

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability	$18,401,579,972	$17,814,812,242	$17,260,356,470	$16,808,614,316	$16,282,396,195	$23,291,271,396	$23,358,869,625	$12,307,094,062
Plan fiduciary net position	4,308,269,024	4,090,239,084	4,080,642,490	3,914,180,476	4,554,018,287	4,436,227,596	4,741,427,557	5,179,486,296
Employer's net pension liability	14,093,310,948	13,724,573,158	13,179,713,980	12,894,433,840	11,728,377,908	18,855,043,800	18,617,442,068	7,127,607,766
Plan fiduciary net position as a percentage of total pension liability	23.41%	22.96%	23.64%	23.29%	27.97%	19.05%	20.30%	42.09%
Covered payroll	$ 2,001,180,743	$ 1,861,905,323	$ 1,802,790,156	$ 1,734,595,691	$ 1,686,532,720	$ 1,646,939,238	$ 1,643,480,973	$ 1,602,977,593
Employer's net position liability as a percentage of covered payroll	704.25%	737.13%	731.07%	743.37%	695.41%	1144.85%	1132.81%	444.65%

**This is a 10-year schedule however, the information is not required to be presented retroactively. Information will be added to this schedule until 10 years of information is available.*

REQUIRED SUPPLEMENTARY INFORMATION – PENSION

DECEMBER 31, 2021

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended December 31,	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contributions Deficiency	Covered Payroll	Contributions as a Percentage of Employee Payroll
2021	$1,218,360,892	$ 573,198,646	$ 645,162,246	$ 2,001,180,743	28.6%
2020	1,167,153,830	496,991,504	670,162,326	1,861,905,323	26.7%
2019	1,117,387,759	418,268,575	699,119,184	1,802,790,156	23.2%
2018	1,049,915,647	349,574,257	700,341,390	1,734,595,691	20.2%
2017	1,005,456,621	261,763,635	743,692,986	1,686,532,720	15.5%
2016	961,769,955	149,718,491	812,051,464	1,646,939,238	9.1%
2015	677,200,246	149,225,191	527,975,055	1,643,480,973	9.1%
2014	839,038,303	149,746,748	689,291,555	1,602,977,593	9.3%
2013	820,022,689	148,196,884	671,825,805	1,580,288,709	9.4%
2012	690,822,553	148,858,655	541,963,898	1,590,793,702	9.4%

Prior to 2014, the Actuarially Determined Contribution is the same as the Annual Required Contributions as determined under GASB 25.

SCHEDULE OF INVESTMENT RETURNS

Year Ended December 31,	Annual Money-Weighted Rate of Return, Net of Investment Expense
2021	14.0%
2020	9.3%
2019	16.4%
2018	(5.2%)
2017	14.9%
2016	6.4%
2015	2.1%
2014	4.8%

This is a 10-year schedule however, the information is not required to be presented retroactively. Information will be added to this schedule until 10 years of information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION

DECEMBER 31, 2021

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	December 31, 2021
Actuarial cost method	Entry-Age Normal
Amortization method	30 years open, level dollar amortization
Asset valuation method	5-year smoothed fair market
Actuarial assumptions:	
Investment rate of return	7.00%, net of investment expense
Projected salary increases	3.5% to 7.75% (1.5% to 6.5% for 2020-2022), varying by years of service.
Mortality	Post-retirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Tables, set forward two years for males and one year for females and projected generationally using Scale MP-2016. Pre-retirement mortality rates were based on 120% of the RP-2014 Employee Mortality Tables projected generationally using Scale MP-2016.
Inflation rate	2.50%
Cost of living adjustments	Tier 1: 3% compound Tier 2 & 3: The lesser of 3% or one-half of the change in CPI simple

MUNICIPAL EMPLOYEES' AND OFFICERS' ANNUITY & BENEFIT FUND OF CHICAGO

REQUIRED SUPPLEMENTARY INFORMATION - OPEB

DECEMBER 31, 2021

SCHEDULES OF CHANGES IN EMPLOYER'S NET OPEB LIABILITY

	2021	2020	2019	
Total OPEB liability				
Service cost	$ 173,216	$ 263,826	$ 118,424	
Interest	685,539	969,934	1,295,859	
Change of benefit terms	-	-	-	
Differences between expected and actual experience	(84,240)	(5,128,018)	(350,163)	
Changes of assumptions	(16,243,917)	1,977,443	4,752,619	
Benefit payments	(502,375)	(1,607,400)	(2,731,425)	
Net change in total OPEB liability	(15,971,777)	(3,524,215)	3,085,314	
Total OPEB liability - beginning	32,414,697	35,938,912	32,853,598	*
Total OPEB liability - ending (a)	$ 16,442,920	$ 32,414,697	$ 35,938,912	
Plan fiduciary net position				
Contributions - employer	$ 502,375	$ 1,607,400	$ 2,731,425	
Contributions - employee	-	-	-	
Net investment income (loss)	-	-	-	
Benefit payments	(502,375)	(1,607,400)	(2,731,425)	
Administrative expenses	-	-	-	
Other	-	-	-	
Net change in plan fiduciary net position	-	-	-	
Plan fiduciary net position - beginning	-	-	-	
Plan fiduciary net position - ending (b)	$ -	$ -	$ -	
Employer's net OPEB liability ending (a)-(b)	$ 16,442,920	$ 32,414,697	$ 35,938,912	

** Beginning balance as of January 1, 2019 established to reflect Circuit Court of Cook County ruling requiring health insurance subsidy benefit retroactive for each month after December 31, 2016 for certain employee annuitants.*

This is a 10-year schedule however, the information is not required to be presented retroactively. Information will be added to this schedule until 10 years of information is available.

MUNICIPAL EMPLOYEES' AND OFFICERS' ANNUITY & BENEFIT FUND OF CHICAGO

REQUIRED SUPPLEMENTARY INFORMATION - OPEB

DECEMBER 31, 2021

SCHEDULES OF EMPLOYER'S NET OPEB LIABILITY

	2021	2020	2019
Total OPEB liability	$ 16,442,920	$ 32,414,697	$ 35,938,912
Plan fiduciary net position	-	-	-
Employer's net OPEB liability	16,442,920	32,414,697	35,938,912
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%
Covered payroll	$ 2,001,180,743	$ 1,861,905,323	$ 1,802,790,156
Employer's net OPEB liability as a percentage of covered payroll	0.82%	1.74%	1.99%

This is a 10-year schedule however, the information is not required to be presented retroactively. Information will be added to this schedule until 10 years of information is available.

SUPPLEMENTARY INFORMATION

MUNICIPAL EMPLOYEES' AND OFFICERS' ANNUITY & BENEFIT FUND OF CHICAGO

SCHEDULES OF ADMINISTRATIVE EXPENSES

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Personnel		
Administrative salaries	$ 2,985,832	$ 3,206,961
Payroll taxes	42,428	45,400
Employee benefits	1,178,001	1,338,722
	4,206,261	4,591,083
Professional services		
Actuarial valuation	65,360	63,347
Legal services	176,408	156,773
Medical	68,750	75,000
Audit	46,000	42,500
Legislative liaison services	30,000	19,700
Benefit payment services	418,044	419,764
IT consulting	116,786	90,641
Other consulting	73,256	187,596
	994,604	1,055,321
Communication		
Printing and publications	51,247	43,866
Postage	58,513	82,712
Telephone and communications	45,908	54,291
	155,668	180,869
Occupancy and utilities		
Office rent	694,633	719,690
Utilities	9,171	8,787
Office maintenance	732	2,514
	704,536	730,991
Other operating expense		
Fiduciary and insurance	253,485	245,637
Office supplies and equipment	5,386	10,053
Technical expense	134,596	133,986
Depreciation	146,754	108,175
Equipment rental and maintenance	9,834	5,867
Training and travel	8,139	1,320
Contractual services	41,992	34,350
Dues and subscriptions	15,977	17,466
Miscellaneous	10,107	2,824
	626,270	559,678
Total administrative expense	$ 6,687,339	$ 7,117,942

MUNICIPAL EMPLOYEES' AND OFFICERS' ANNUITY & BENEFIT FUND OF CHICAGO

SCHEDULES OF INVESTMENT MANAGEMENT COMPENSATION

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Fixed income managers		
Crescent Capital Management	$ 429,130	$ 378,589
Garcia Hamilton	143,245	142,901
LM Capital Group	205,964	210,321
MacKay Shields	455,362	444,708
NIS	144,484	142,023
Segall Bryant & Hamill	149,892	166,352
Symphony Asset Management	568,362	521,162
Total fixed income managers	2,096,439	2,006,056
Domestic equity managers		
Ariel Investments	457,005	369,802
Great Lakes Advisors	-	140,649
Kayne Anderson	523,960	361,780
Nuveen	284,540	218,482
Rhumbline Advisers	91,515	82,755
Total domestic equity managers	1,357,020	1,173,468
Global equity managers		
Acadian Asset Management	200,806	155,291
Attucks Asset Management	1,227,221	949,094
BMO	187,970	150,656
Total global equity managers	1,615,997	1,255,041
International equity managers		
Cornerstone Capital Management	460,244	383,731
Acadian ISC	528,759	-
Kayne Anderson	584,265	-
LSV Asset Management	535,826	430,932
Northern Trust Company	40,951	62,763
Segall Bryant & Hamill	38,578	370,336
Walter Scott & Partners	672,409	585,931
William Blair	856,676	836,061
Total international equity managers	3,717,708	2,669,754

MUNICIPAL EMPLOYEES' AND OFFICERS' ANNUITY & BENEFIT FUND OF CHICAGO

SCHEDULES OF INVESTMENT MANAGEMENT COMPENSATION (CONTINUED)

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Hedged equity managers		
K2 Advisors	$ -	$ 249,194
The Rock Creek Group	1,541,327	1,412,601
Parametric Defensive Equity	376,585	333,675
Neuberger Berman US PutWrite	206,754	168,742
Total hedged equity managers	2,124,666	2,164,212
Real estate managers		
AFL-CIO Building Trust	798,692	937,034
American Realty	837,230	800,325
J P Morgan	1,027,304	1,137,949
Mesirow Real Estate	192,237	220,583
Total real estate managers	2,855,463	3,095,891
Private equity managers		
Adams Street Partners	175,341	223,455
GoldPoint Partners	33,089	58,207
Hispania Partners	20,607	-
Hopewell Ventures	16,254	17,651
Levine Leichtman	71,930	157,304
Mesirow Financial	157,286	165,324
Midwest Mezzanine Fund	55,915	72,024
Muller & Monroe	10,000	40,000
Prudential Capital Partners	223,969	280,286
Stepstone	49,682	47,628
TRG Management	20,853	14,696
Total private equity managers	834,926	1,076,575
Infrastructure managers		
Ullico	1,145,250	940,957

MUNICIPAL EMPLOYEES' AND OFFICERS' ANNUITY & BENEFIT FUND OF CHICAGO

SCHEDULES OF INVESTMENT MANAGEMENT COMPENSATION (CONTINUED)

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Total investment management fees	$ 15,747,469	$ 14,381,954
Other investment expenses		
Investment consultant	290,000	290,000
Master custodian	313,391	464,278
Investment legal services	(1,601)	182
Total other investment expenses	601,790	754,460
Total investment expenses	$ 16,349,259	$ 15,136,414

MUNICIPAL EMPLOYEES' AND OFFICERS' ANNUITY & BENEFIT FUND OF CHICAGO

SCHEDULES OF PROFESSIONAL AND CONSULTING COSTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Legal advisors	$ 176,408	$ 156,773
Medical advisors	68,750	75,000
Consulting actuary	65,360	63,347
Other consulting	220,042	297,937
Auditor	46,000	42,500
Benefit payment services	418,044	419,764
Total professional and consulting costs	$ 994,604	$ 1,055,321