

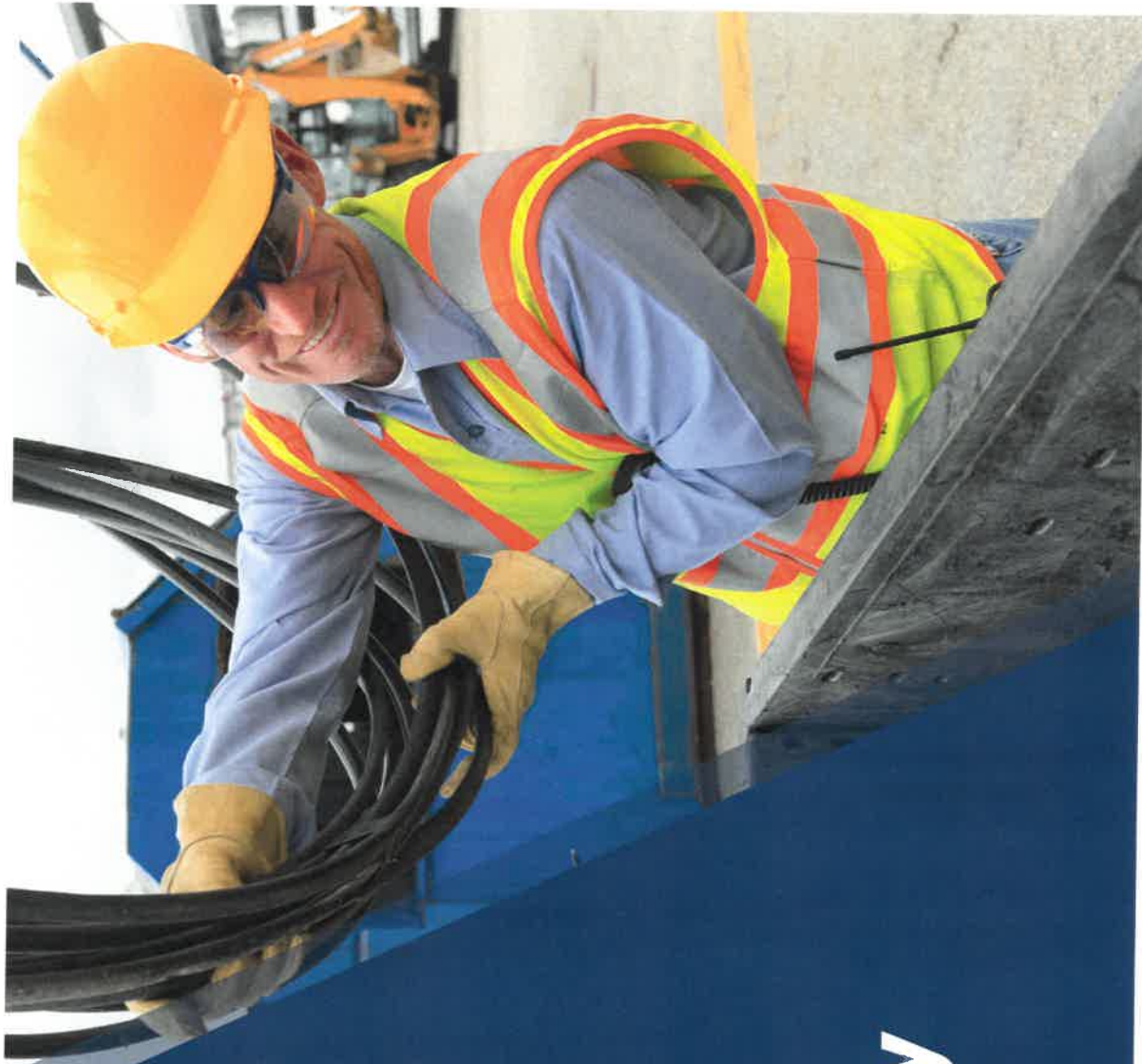


2021 Plan Review and 2022 Strategy

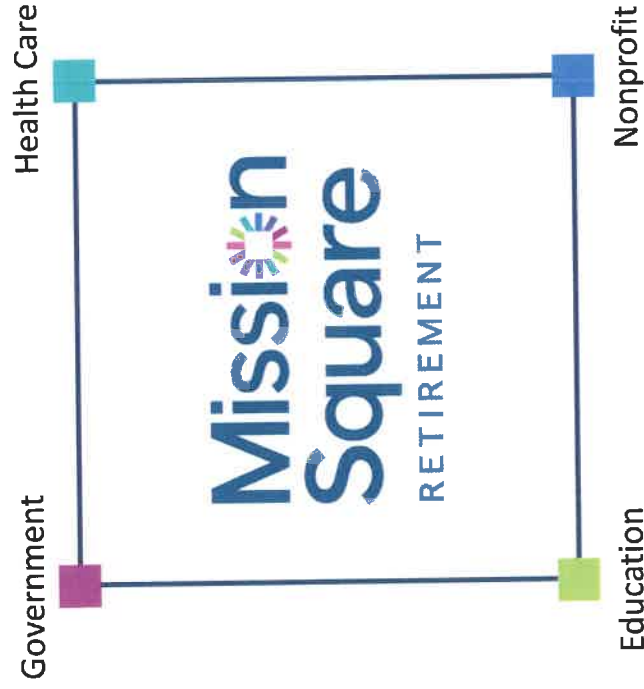
Date: February 23, 2022

Presented by: MissionSquare Retirement

MissionSquare
RETIREMENT

The logo for MissionSquare Retirement, with "MissionSquare" in a large, bold, blue font and "RETIREMENT" in a smaller, blue font below it. A small graphic of a sun or starburst is positioned between the two words.

The Mission and the Square

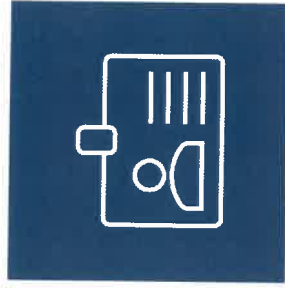


We love having the word “Mission” in our name because it’s what we’re focused on every day – **our mission to serve more people and communities.**

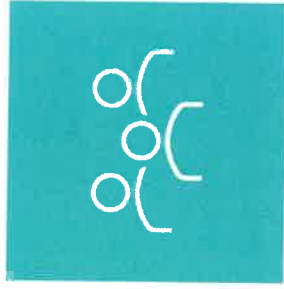
“Square” is a nod to the **town square** — the center of a community — where government, education, health care, and nonprofit professionals come together to impact lives.

We’ve been serving the square for years. **Our clients represent the four corners of the square.**

Our Approach



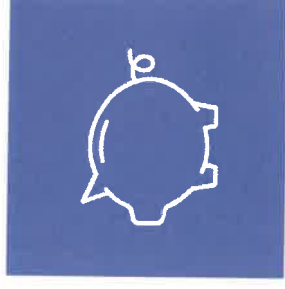
Provide Positive Experiences



Serve More Employees

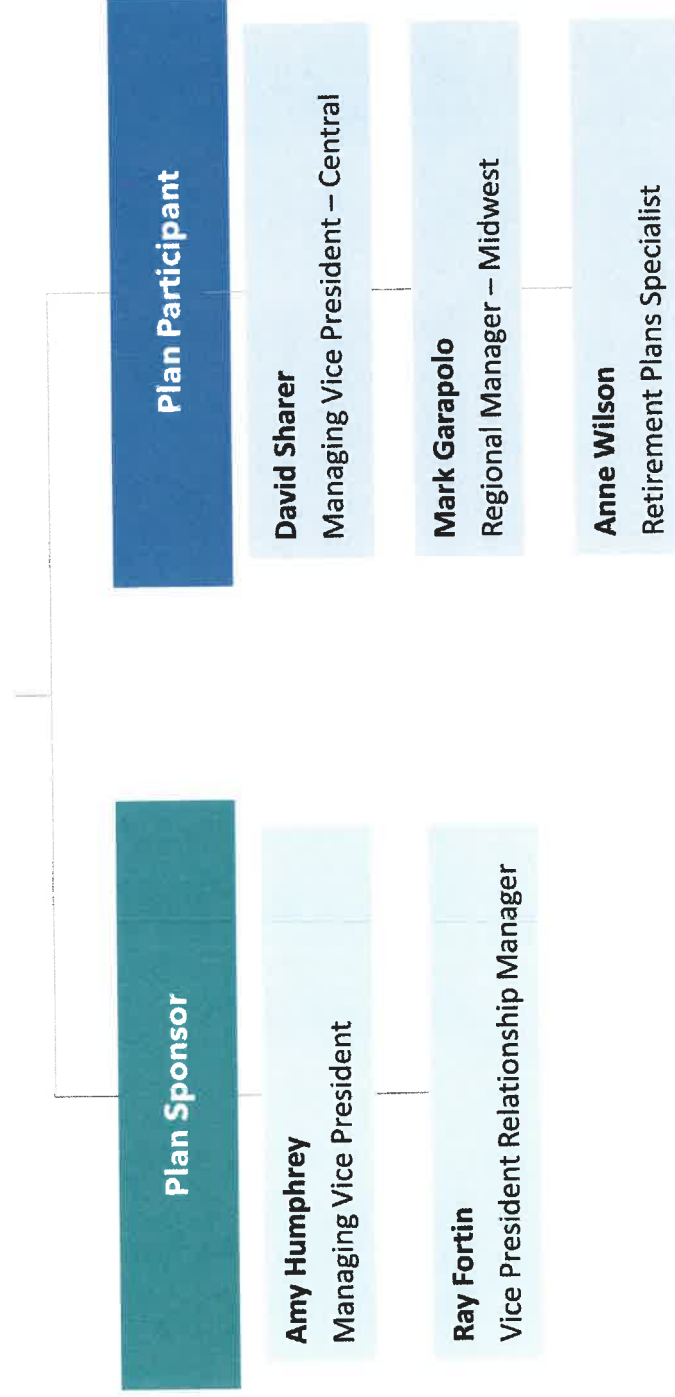


Deliver the Right Products, Services, & Solutions



Promote Long-Term Financial Wellness

Service Team



Agenda



2021 Plan Review

Accomplishments & Results



2022 Strategy

Participant Engagement



2021 Investment Review



2021 Plan Review

MissionSquare
RETIREMENT

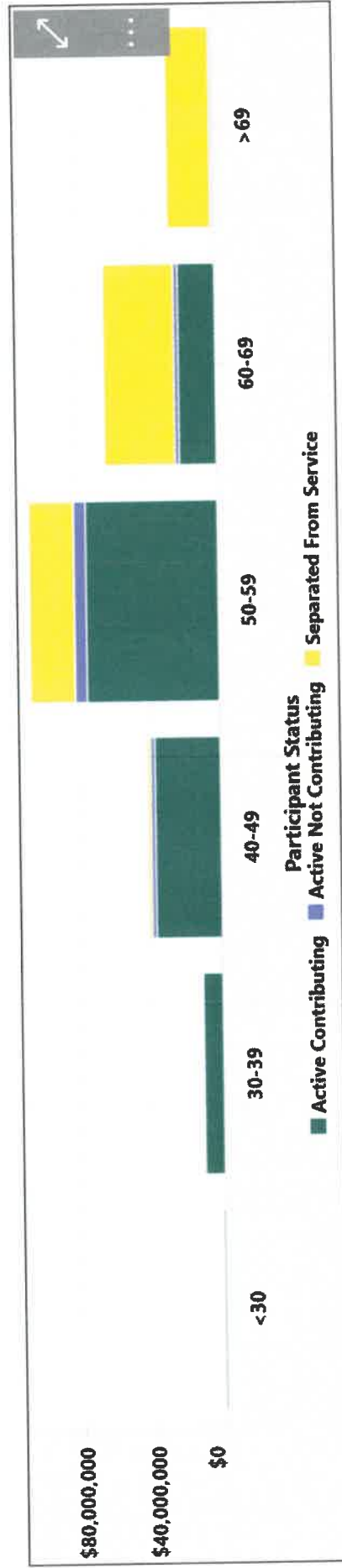
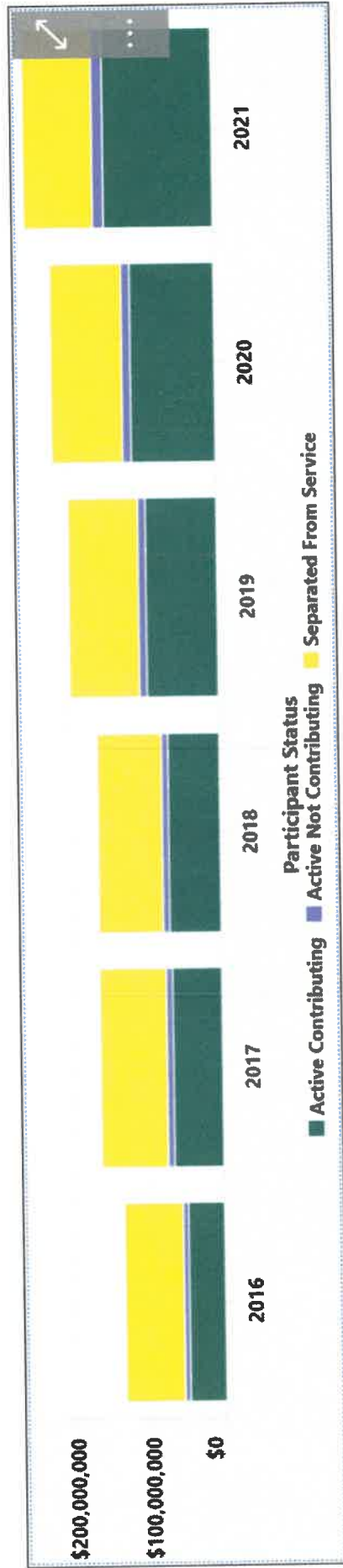
Plan Analytics



	2019	2020	2021
Plan Balance	\$199,376,944	\$218,348,810	\$251,787,274
Average Participant Balance	\$71,615	\$77,870	\$86,525
Outstanding Loan Balance	\$4,694,192	\$4,455,577	\$3,989,160

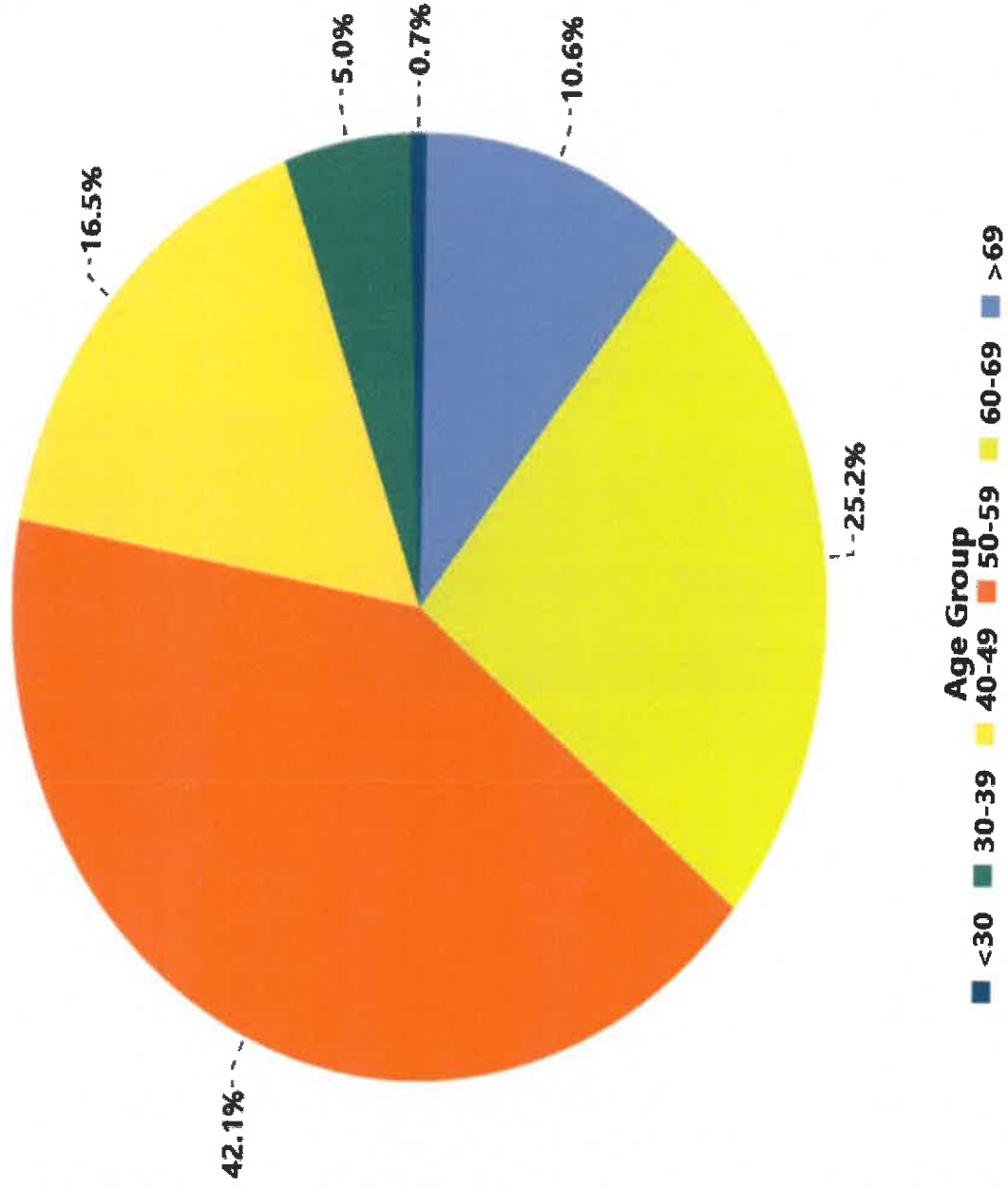
Participant Status - 457

As of December 31, 2021



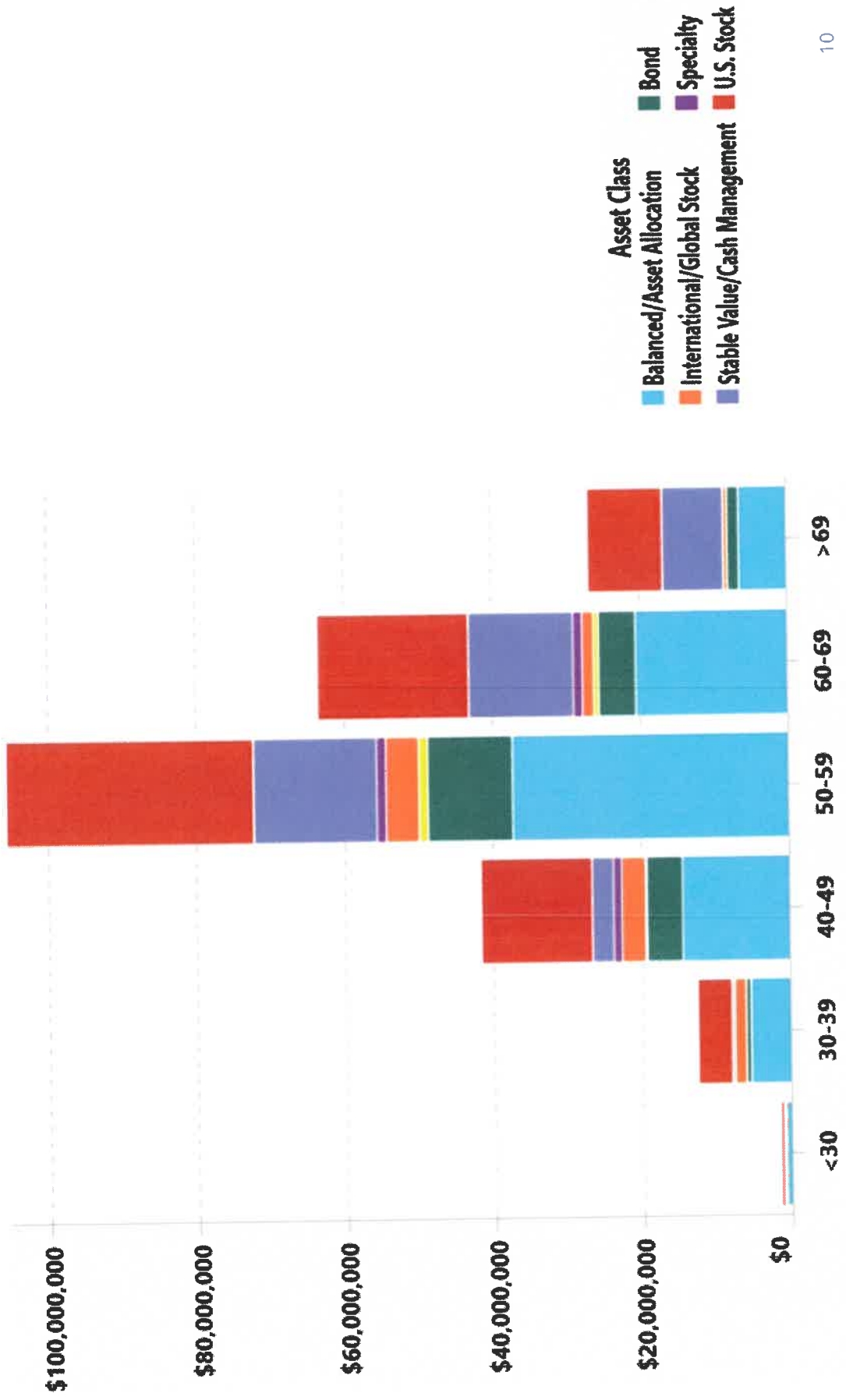
Asset Allocation by Age

As of December 31, 2021



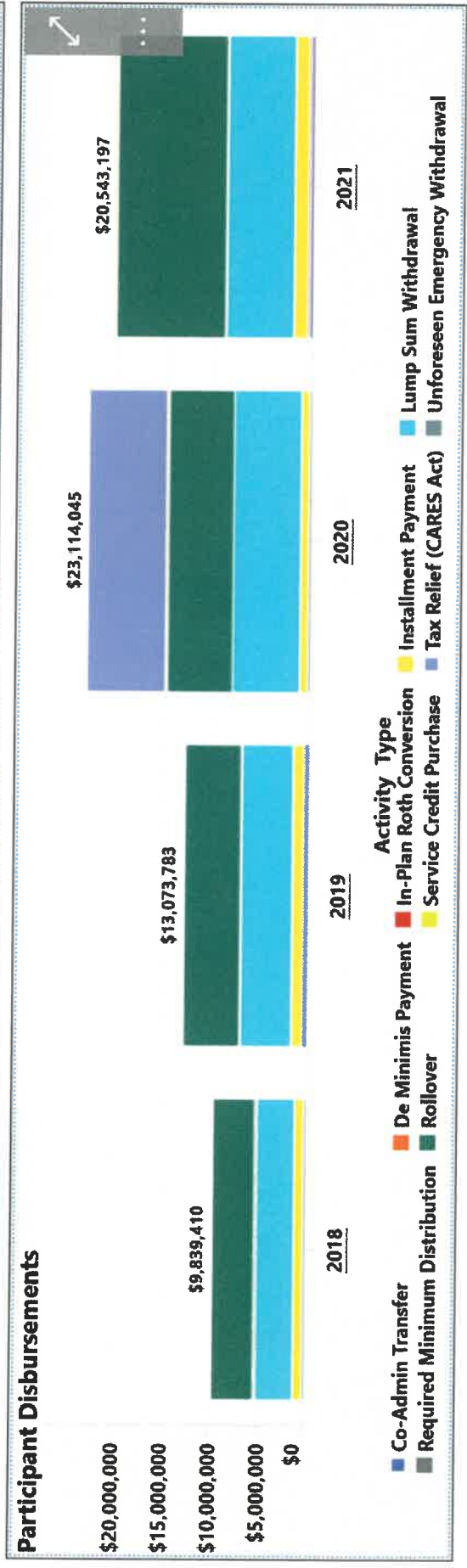
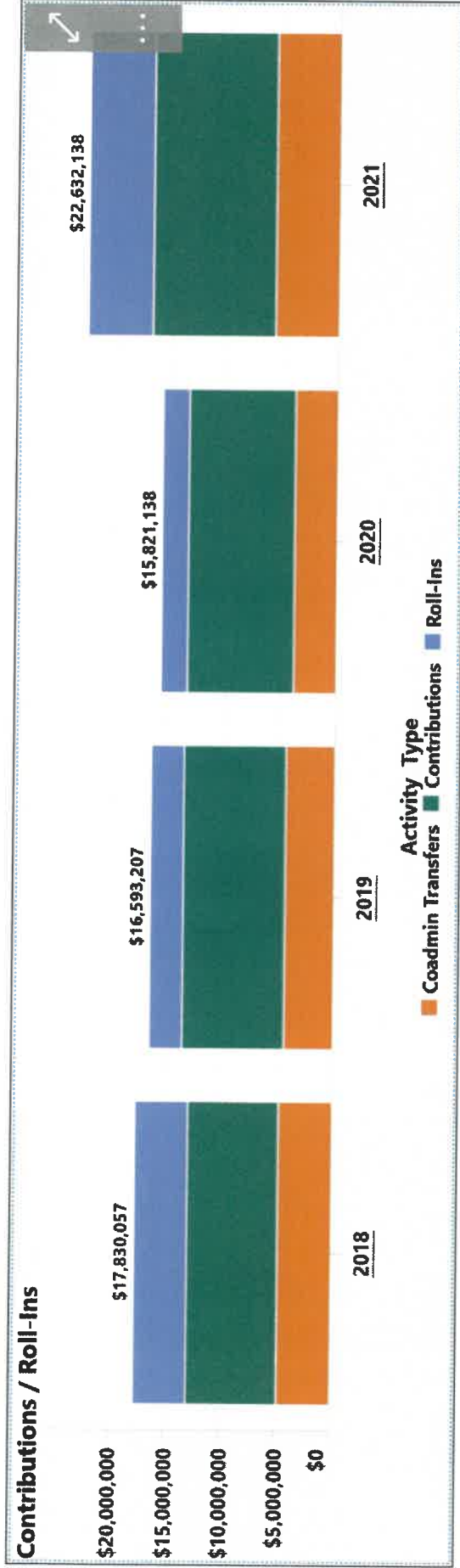
Participant Asset Allocation

As of December 31, 2021



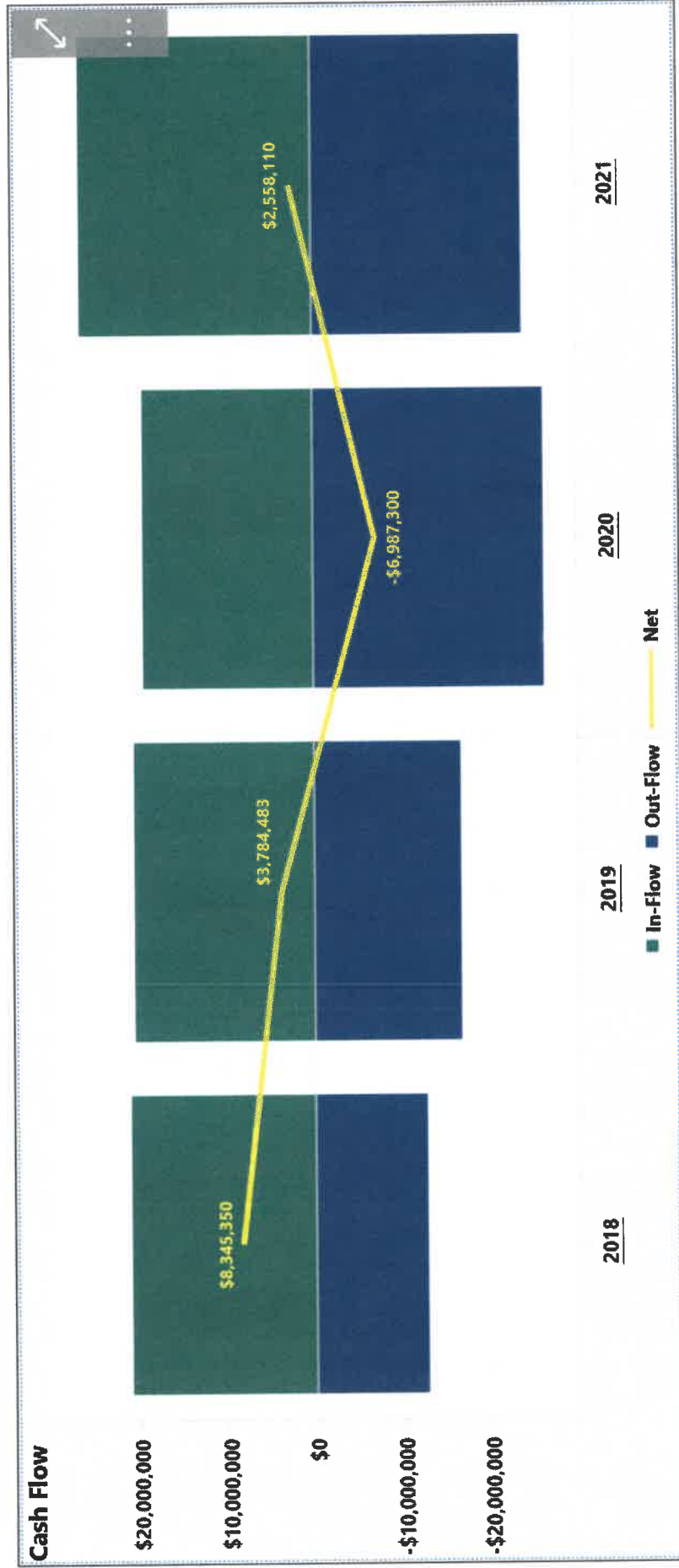
Contributions & Distributions

As of December 31, 2021



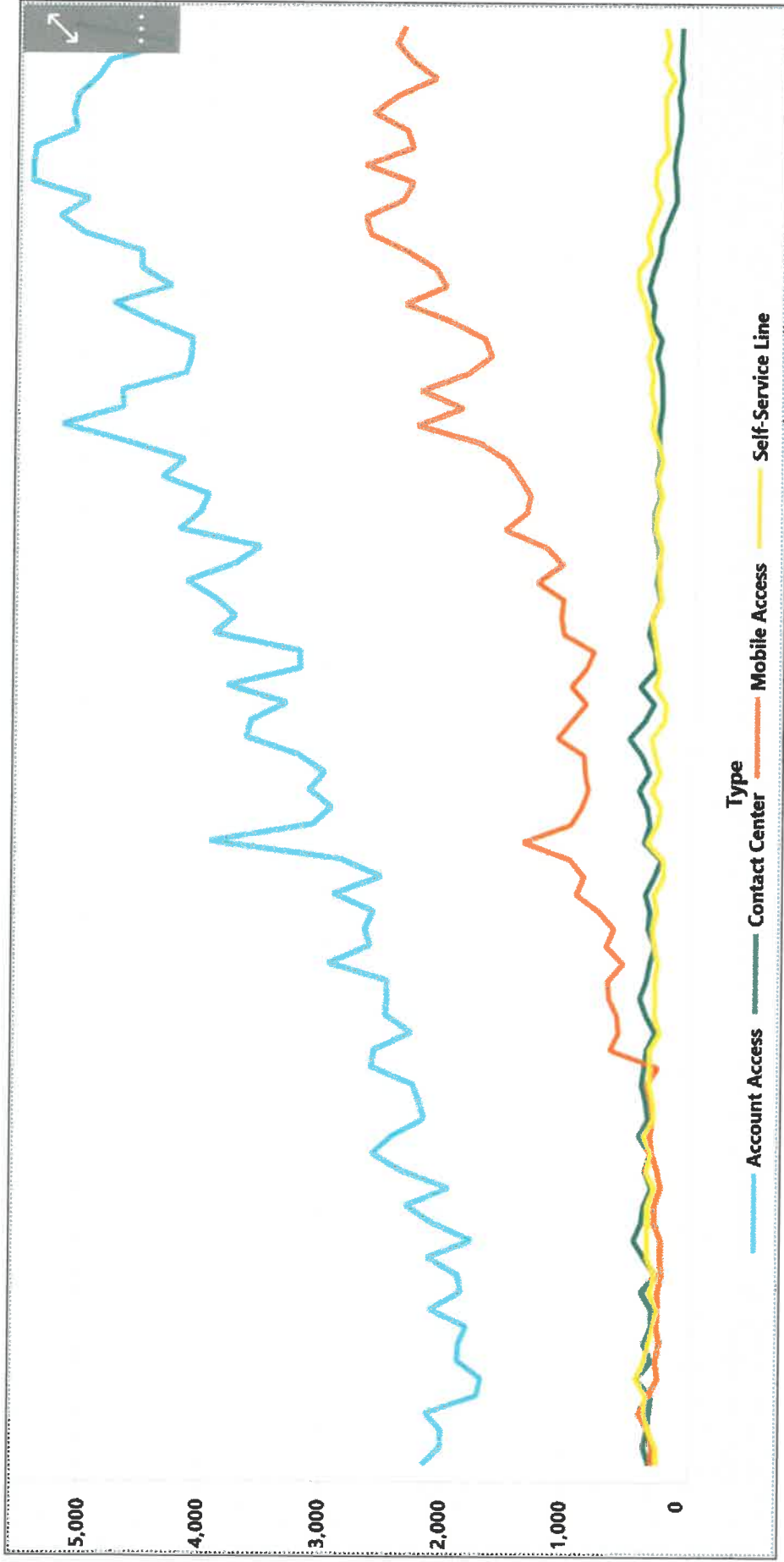
Cash Flow - 457

As of December 31, 2021



MissionSquare Service Usage

As of December 31, 2021



Participant Engagement Program

Consultation and webinar registrations climbed steadily as a result of MissionSquare's digital and personal outreach (2021)*

CFP® Consultations

- Increased 67% in 2020 (propelled by audience expansion)
- Increased 33% in 2021 (impacted by strategy change)

RPS Consultations




- Increased 9% in 2020 (aided by accessibility of registration links)
- Increased 23% in 2021 (aided by custom email registration links)

CFP® Webinars

- Increased 286% in 2020 (propelled by audience expansion)
- Decreased 24% in 2021 (impacted by strategy change and offerings)

Participant Engagement Program

MissionSquare emails exceeded most campaign benchmarks (2021)*

	MissionSquare	Benchmark
Open Rate	35.3% 	24.8%
Click Rate	2.7% 	2.7%
Click-to-Open Rate	7.5% 	10.6%
Unsubscribe Rate	0.05% 	0.10%

*January-October. Campaign Monitor - Financial Services

Plan Education and Outreach

	2020	2021	2020	2021
Education	664 RPS Consultations	670 RPS Consultations	66 On-Site Days	83 On-Site Days
Participation & Savings	136 Enrollments	213 Enrollments	Topics Covered Your 457 Roth Options new feature (2021), New Enrollment, Guided Pathways, 5 Reasons for a Roth IRA, Investing in Volatile Markets	
Financial Wellness	49 Webinars with 780 Attendees	123 Webinars with 1,541 Attendees	11 Union Meetings	31 Union Meetings

Education and Events

- Spoke at all police and fire academy classes both years (2020 & 2021) for enrollments.
- Send monthly emails City wide with Event Registration link as well as educational topics and sign-up links for Certified Financial Planner presentations.
- Became a member the FOPA (Fraternal Order of Police Association) and attended most monthly FOP meetings through 2021.
- 2022 Plan - Continue covering as all locations; Find new locations where employees need service.
- HR Department doesn't allow either of Deferred Comp Plans to speak at the New Employee Orientation, we believe it would be beneficial
- Continue to serve unions and work with other unions.

2022 Cash Flow Analysis *

Annual Cash Outflows:

Pension Benefits	\$	195,800,000	83.7%
Health Benefits		31,600,000	13.5%
Return of Contributions		2,874,000	1.2%
Department Costs		2,892,300	1.2%
Death Benefits		670,000	0.3%
Total Cash Outflows		233,836,300	99.9%

Funding of Outflows:

City Contributions		38,100,000	16.3%
Member Contributions		20,210,000	8.6%
Health Care Premium		2,351,000	1.0%
Liquidation of Investments		173,175,300	74.1%
		233,836,300	100.0%

Change in Fund Balance

Returns of Investments (7.5%)		184,288,654
Funding Outflows (7.2%)		(173,175,300)
Cash Inflow (Outflow)	\$	11,113,354

* Figures based on 2022 Budget

2022 CRS CASH FLOW BUDGET

I. OPERATING EXPENSES	2022 BUDGET	% Cost of Operations	2021 Actual	% Cost of Operations	2021 Positive(Negative) Variance	2021 BUDGET	% Cost of Operations
<u>A Office Staff</u>							
1. Salaries & Wages	1,330,000	45.98%	1,130,796	50.85%	83,204	1,214,000	44.77%
2. Fringe (35%)	466,000	16.11%	330,011	14.84%	94,989	425,000	15.67%
3. Temporary Services	10,000	0.35%	0	0.00%	10,000	10,000	0.37%
A. Total Office Staff	1,806,000	62.44%	1,460,807	65.69%	188,193	1,649,000	60.81%
<u>B Office Expenses</u>							
1. Office Improvements	28,000	0.97%	0	0.00%	11,000	11,000	0.41%
2. Equipment / Purchase and Rent	11,000	0.38%	2,780	0.12%	7,220	10,000	0.37%
3. Supplies	2,300	0.08%	1,941	0.09%	59	2,000	0.07%
4. Printing and Postage	89,700	3.10%	58,046	2.61%	20,454	78,500	2.89%
B. Total Office Expenses	131,000	4.53%	62,767	2.82%	38,733	101,500	3.74%
<u>C Training and Travel</u>							
1. Training/Travel Board	32,500	1.12%	0	0.00%	32,500	32,500	1.20%
2. Training/Travel Staff	29,000	1.00%	355	0.02%	21,145	21,500	0.79%
C. Total Training and Travel	61,500	2.12%	355	0.02%	53,645	54,000	1.99%
<u>D Data Processing Expenses</u>							
1. Pension Gold Hosting and Modifications	186,000	6.43%	214,206	9.63%	294	214,500	7.91%
2. Pension Gold Annual License Fee	140,000	4.84%	130,798	5.88%	(1,798)	129,000	4.76%
3. Regional Computer Center (ETS)	3,000	0.10%	0	0.00%	3,000	3,000	0.11%
4. Hardware and Software for PCs	40,000	1.38%	25,763	1.16%	13,237	39,000	1.44%
5. Other	59,800	2.07%	25,556	1.15%	4,444	30,000	1.11%
D. Total IT Expenses	428,800	14.82%	396,323	17.82%	19,177	415,500	15.33%
<u>E Professional Services</u>							
1. Actuarial Fees	178,000	6.16%	114,133	5.13%	47,867	162,000	5.97%
2. Consulting Fees	63,000	2.18%	63,324	2.85%	46,676	110,000	4.06%
3. Legal Services	110,000	3.80%	33,583	1.51%	76,417	110,000	4.06%
4. Retiree Locator Fees	3,000	0.10%	0	0.00%	3,000	3,000	0.11%
5. Treasury, Accounts and Audits	25,000	0.87%	18,269	0.82%	6,731	25,000	0.92%
E. Total Professional Services	379,000	13.11%	229,309	10.31%	180,691	410,000	15.12%
<u>F Other Expenses</u>							
1. Board Meeting Expenses	2,500	0.09%	0	0.00%	2,500	2,500	0.09%
2. Membership and Subscriptions	4,500	0.16%	3,175	0.14%	925	4,100	0.15%
F. Total Other	7,000	0.25%	3,175	0.14%	3,425	6,600	0.24%
<u>G Insurance</u>							
Fiduciary Insurance	79,000	2.73%	71,127	3.20%	3,873	75,000	2.77%
G. Total Insurance	79,000	2.73%	71,127	3.20%	3,873	75,000	2.77%
Total Operating Costs	2,892,300	100.00%	2,223,863	100.00%	487,737	2,711,600	100.00%

2022 CRS CASH FLOW BUDGET							
(Continued)							
	2022 BUDGET	% Cost of Operations	2021 Actual	% Cost of Operations	2021 Positive(Negative) Variance	2021 BUDGET	% Cost of Operations
II. MEMBER BENEFITS EXPENSES							
A. Pensions	195,800,000	84.78%	188,440,428	84.96%	(5,540,428)	182,900,000	83.59%
B. Return of Contributions	2,874,000	1.25%	2,790,175	1.26%	(330,175)	2,460,000	1.12%
C. Death Benefits	670,000	0.29%	668,867	0.30%	(118,867)	550,000	0.25%
D. Medical	31,600,000	13.68%	29,886,274	13.48%	3,013,726	32,900,000	15.04%
Total Benefit Costs	230,944,000	100.00%	221,785,744	100.00%	(2,975,744)	218,810,000	100.00%
	2022 BUDGET	% of Contributions	2021 ACTUAL	% of Contributions	2021 Positive(Negative) Variance	2021 BUDGET	% of Contributions
III. CONTRIBUTIONS							
A. City Contributions @16.25%	38,100,000	62.81%	37,605,176	62.74%	3,570,176	34,035,000	62.09%
B. Employee Contributions (9.0%)	20,460,000	33.73%	20,189,491	33.68%	1,339,491	18,850,000	34.39%
C. Retiree Medical Premiums	2,351,000	3.87%	2,361,453	3.94%	181,453	2,180,000	3.98%
D. Transfers In (Out) Reciprocity	(250,000)	-0.41%	(215,116)	-0.36%	34,884	(250,000)	-0.46%
Total Contributions	60,661,000	100.00%	59,941,004	100.00%	5,126,004	54,815,000	100.00%
IV. NET INVESTMENT RETURNS							
A. Gross Returns	193,580,654		415,642,483		231,236,995	184,405,488	
B. Investment Expenses							
1. Custodial Fees	232,000		302,019		(6,019)	296,000	
2. Investment Consultant	235,000		235,000		0	235,000	
3. Investment Management Fees	8,825,000		8,413,373		171,627	8,585,000	
Total Investment Expenses	9,292,000	0.36%	8,950,392	0.36%	165,608	9,116,000	0.39%
Net Investment Returns (Budget 7.5%)	184,288,654		406,692,091		231,071,387	175,289,488	
NET CHANGE IN FUND BALANCE	11,113,354		242,623,488		234,040,600	8,582,888	
Net Assets Beginning Balance	2,575,518,715	1/1/2022	2,332,895,227	1/1/2021		2,332,895,227	1/1/2021
Net Assets Ending Balance Projected	2,586,632,069	12/31/2022	2,575,518,715	12/31/2021		2,341,478,115	12/31/2021

CRS 2022 Budget with 2021 Actual vs Budget Commentary

I Operating Expenses

A 1 Salaries and Wages

Salaries and wages increased for 2022 Budget to reflect filling of all positions, staff retirement, lump sum payments, wage increases, and the addition of one new position.

B 1 Office Improvements

The 2022 budget is increased to include improvements from 2021 which were not completed and additional improvements for 2022.

B 4 Printing and Postage

The 2022 Budget includes pension checks and stubs, forms, newsletters, booklets, tax forms, and election documents.

C 2 Training/Travel

The 2022 Budget has increased from 2021 to provide for employees to attend training in person. During 2021 training and conferences were online.

D 1 Pension Gold Hosting and Modifications

The 2022 budget is less than 2021 because the Advise Printing project was completed in 2021.

D 2 Pension Gold Annual License Fee

2021 Expenses were higher than anticipated due to an increase in the license fee which was greater than the historical increase. The increase was within the contractual limits.

D 4 Hardware and Software for PCs

2022 Budget is higher than 2021 Actual expenses due to non-recurring costs for PC replacements. It includes funding for the possible replacement of aging scanners and printers.

D 5 Other

The 2022 Budget increase relates to the maintenance and repair costs related to the system utilized for special retirement calculations.

E Professional Fees

2021 was under budget since the amount budgeted was to ensure adequate funding for unforeseen needs.

E 3 Legal Services

Legal Services were under budget as billings for investment contract assistance during 2021 will be received in 2022.

II Member Benefits Expenses

A Pensions

The 2021 benefit expenses were higher than anticipated due to an unexpected increase in retirements.

The 2022 Budget increase reflects the COLA and the disbursement of DROP accounts.

D Medical

The 2021 costs were lower than budgeted due to an increase in credits received.

III Contributions

A,B Member and City Contributions

The 2022 Budget is based on 2021 contributions plus a 1.5% increase. The City Contribution includes the second ERIP liability payment.

The 2021 Actual City contributions included the first payment for the ERIP liability.

IV Net Investment Returns

B 1 Custodial Fees

The 2021 Actual Custodial Fees were greater than budget due to the billing of 2020 expenses in 2021.

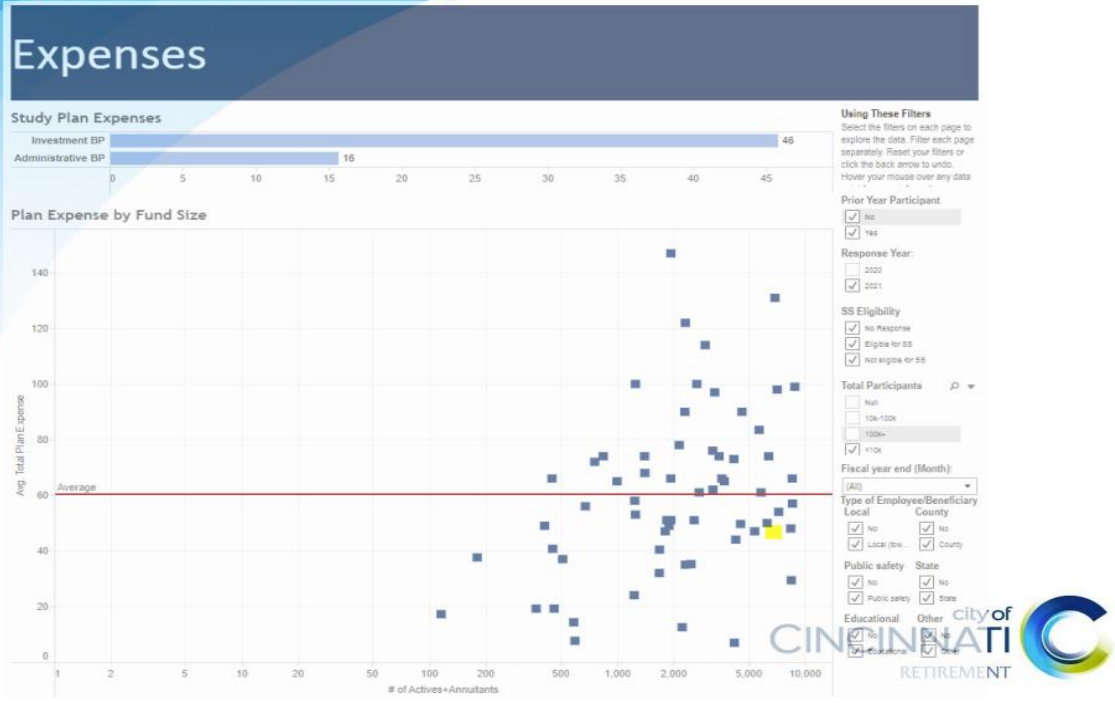
**City of Cincinnati Retirement System
2022 Cash Flow Budget Summary**

Office Staff	\$ 1,806,000
Office Expenses	131,000
Training and Travel	61,500
Data Processing	428,800
Professional Fees	379,000
Other	7,000
Fiduciary Insurance	<u>79,000</u>
Operating Budget Total	<u><u>2,892,300</u></u>
Member Costs	<u><u>230,944,000</u></u>
Contributions	<u><u>60,661,000</u></u>
Net Investment Returns	<u><u>184,288,654</u></u>
2022 Net Addition to Fund Balance	\$ <u><u>11,113,354</u></u>

CRS Budget Analysis, CY2022	2017	2018	2019	2020	2021	2022 Proposed		
Operating Costs Budget	\$2,623,270	\$2,433,950	\$2,401,100	\$2,608,600	\$2,711,600	Operating Costs Budget	\$2,892,300	5yr YOY annualized
YOY Difference		-7.22%	-1.35%	8.64%	3.95%	YOY Difference	6.66%	1.97%
Op Costs Budget %	0.12%	0.10%	0.11%	0.11%	0.1162%	Op Costs Budget %	0.1123%	
Operating Costs Actual	\$1,945,423	\$2,041,291	\$2,160,943	\$2,292,033	\$2,223,863	Operating Costs if Budget = Actual	\$2,892,300	5yr YOY annualized
YOY Difference		4.93%	5.86%	6.07%	-2.97%	YOY Difference	30.06%	8.25%
Actual to Budget Under/Over %	-25.84%	-16.13%	-10.00%	-12.14%	-17.99%	Actual Under/Over Budget %	n/a	
Investment Fees Actual	\$13,726,916	\$12,487,952	\$9,317,661	\$8,942,769	\$8,950,392	Investment Fees Budget	\$9,292,000	
Op Costs Actual %	0.09%	0.09%	0.10%	0.10%	0.10%	Op Costs Budget %	0.11%	
Inv Fees Actual %	0.63%	0.53%	0.44%	0.39%	0.38%	Inv Fees Budget %	0.36%	
Total Costs Actual	\$15,672,339	\$14,529,243	\$11,478,604	\$11,234,802	\$11,174,255	Total Costs Budget	\$12,184,300	
Total Costs Actual %	0.72%	0.62%	0.54%	0.49%	0.4790%	Total Costs Budget %	0.4731%	
BOY Assets	\$2,177,815,562	\$2,339,372,610	\$2,108,566,453	\$2,300,097,384	\$2,332,895,227		\$2,575,518,715	

CINCINNATI RETIREMENT SYSTEM

→ Expenses: Comparison



CINCINNATI RETIREMENT SYSTEM TRUSTEES

CINCINNATI RETIREMENT SYSTEM TRUSTEES										
July 2016	Active #1	Active #2	Retired #1	Retired #2	Retired #3	Appointed #1	Appointed #2	Appointed #3	Appointed #4	
Name	Tom West	Donald Steins	Tom Gamel	Don Beets	Steven Dietrich	Christopher Baucom	Christopher Meyer	William Moller	Mark Berliant	
Oath/Confirmation Date	7/27/2016	7/27/2016	7/27/2016	7/27/2016	7/27/2016	6/8/2016	6/8/2016	6/8/2016	6/8/2016	
Term Length	4	2	4	4	2	4	4	4	4	
Class	Class of 2020	Class of 2018	Class of 2020	Class of 2020	Class of 2018	Class of 2020	Class of 2020	Class of 2020	Class of 2020	
Notes	Resigns --> Kathy Rahtz									
July 2018	Active #1	Active #2	Retired #1	Retired #2	Retired #3	Appointed #1	Appointed #2	Appointed #3	Appointed #4	
Name	Tom West	Donald Steins	Tom Gamel	Kathy Rahtz	Steven Dietrich	Christopher Baucom	Christopher Meyer	William Moller	Mark Berliant	
Oath/Confirmation Date	7/27/016	8/2/2018	7/26/2016	11/1/2018	8/2/2018	6/8/2016	6/8/2016	6/8/2016	6/8/2016	
Term End	Class of 2020	Class of 2022	Class of 2020	Class of 2020	Class of 2022	Class of 2020	Class of 2020	Class of 2020	Class of 2020	
Notes	Resigns --> Amy Scarlato				Resigns --> Kathy Rahtz			Resigns --> Betsy Sunderman	Resigns--> Vacant	
July 2020	Active #1	Active #2	Retired #1	Retired #2	Retired #3	Appointed #1	Appointed #2	Appointed #3	Appointed #4	
Name	Mark Menkhaus, Jr.	Don Steins	Tom Gamel	William Moller	Kathy Rahtz	Erica Winstead	John Juech	Betsy Sunderman	Vacant	
Oath/Confirmation Date	8/18/2020	8/2/2018	8/18/2020	8/18/2020	10/8/2020	9/23/2020	6/17/2020	6/24/2020		
Term End	Class of 2024	Class of 2022	Class of 2022	Class of 2024	Class of 2022	Class of 2024	Class of 2024	Class of 2022	Class of 2022	
Notes								Resigns--> Jeff Cramerding		
July 2022	Active #1	Active #2	Retired #1	Retired #2	Retired #3	Appointed #1	Appointed #2	Appointed #3	Appointed #4	
Name	Mark Menkhaus, Jr.	TBD	Tom Gamel	William Moller	TBD	Erica Winstead	John Juech	Jeff Cramerding	TBD	
Oath/Confirmation Date	8/18/2020		8/18/2020	8/18/2020		9/23/2020	6/17/2020			
Term End	Class of 2024	Class of 2026	Class of 2024	Class of 2024	Class of 2026	Class of 2024	Class of 2024	Class of 2026	Class of 2026	
Notes										
CMC Exp./Educ. For Appointees	n/a	n/a	n/a	n/a	n/a	MBA/18yrs benefits		JD/21 yrs labor law		
Board Officer			Vice Chair	Chair						
Investment Committee	Member	Member	Vice Chair	Chair	Member	Member	Member	Member		
Benefits Committee	Member	Member	Chair	Member		Vice Chair	Member			
Governance Committee	Chair	Vice Chair	Member		Member	Member		Member		
Performance Eval Committee		Member	Vice Chair	Member	Chair	Member	Member			
Elections Committee	Member		Vice Chair				Chair	Member		