



Boston Retirement System
Annual Statement
2023

Annual Statement of the Boston Retirement System for the Year Ended December 31, 2023

FUNDS 2023

Organized Under the Laws of the Commonwealth of Massachusetts to the Public Employee Retirement Administration Comm.

Date of Certificate June 30, 1946 Effective Date October 1, 1946

ADMINISTRATIVE OFFICE

City Hall, Room 816 Boston, MA 02201 (617) 635-4305
Street & Number City/Town, State and Zip Code Telephone Number

We, the undersigned, members of the Boston Board of Retirement certify under the penalties of perjury, that we are the official board members of said retirement system, and that on the thirty-first day of December last, all of the herein-described assets were the absolute property of said retirement system, free and clear from any liens or claims thereon, except as stated, and the following statements, with the schedules and explanations therein contained, annexed, or referred to, are a full and correct exhibit of all the assets, liabilities, income and disbursements, changes in fund balances, and of the conditions and affairs of the said retirement system on the said thirty-first day of December last, and for the year ended on that date, according to the best of our information, knowledge, and belief, respectively.

BOARD OF RETIREMENT

Ex-Officio Member

Scott Finn _____
(Name) (Signature)

Appointed Member **Term Expires** _____

DANIEL J. GREENE, CHAIRMAN _____
(Name) (Signature)

Elected Member **Term Expires** 9/30/2026

MICHAEL D. O'REILLY _____
(Name) (Signature)

Elected Member **Term Expires** 9/30/2026

KAREN T. CROSS _____
(Name) (Signature)

Member Appointed by Other Members **Term Expires** 1/15/2027

THOMAS V. J. JACKSON _____
(Name) (Signature)

INVESTMENT MANAGERS

SEE ATTACHED SCHEDULES _____
(Name) (Address)

(Name) (Address)

(Name) (Address)

INVESTMENT CONSULTANT

NEPC 255 STATE ST., BOSTON, MA 02109
(Name) (Address)

CUSTODIAN

STATE STREET BANK & TRUST 1 LINCOLN ST., BOSTON, MA 02111
(Name) (Address)

Annual Statement of the Boston Retirement System for the Year Ended December 31,

ANNUAL STATEMENT BALANCE TESTS

1. ASSET BALANCE

Assets Previous Year	8,532,760,088
Income Current Year	1,887,499,914
Disbursements Current Year	<u>(833,829,344)</u>
Assets Current Year	<u><u>9,586,430,657</u></u>

2. ASSET DIFFERENCE

Assets Current Year	9,586,430,657
Assets Previous Year	<u>8,532,760,088</u>
Difference	<u><u>1,053,670,570</u></u>

3. INCOME DIFFERENCE

Income Current Year	1,887,499,914
Disbursements Current Year	<u>(833,829,344)</u>
Difference	<u><u>1,053,670,570</u></u>

4. FUND CHANGE DIFFERENCE – Add interfund transfer CRs and DRs respectively to Income and Disburseme

Total Fund Change Credits Current Year	2,168,780,854
Total Fund Change Debits Current Year	<u>(1,115,110,285)</u>
Difference	<u><u>1,053,670,570</u></u>

Annual Statement of the Boston Retirement System for the Year Ended December 31, 2023

ASSETS & LIABILITIES

	<u>2023</u>	<u>2022</u>	<u>2021</u>
1. 1040s Cash	497,396,228	369,064,381	310,870,059
2. 1100 Individually Owned Short Term Investments	67,750,221	91,736,305	136,342,120
3. 1180 Fixed Income Securities (Market Value)	1,276,144,980	1,188,757,014	1,351,109,133
4. 1101 Pooled Short Term Funds			
5. 1170 Equities	920,161,701	796,679,685	1,002,046,913
6. 1172 Pooled Domestic Equity Funds	707,212,350	588,314,216	715,270,700
7. 1173 Pooled International Equity Funds	1,635,278,393	1,384,062,915	1,642,301,802
8. 1174 Pooled Global Equity Funds	0	0	0
9. 1181 Pooled Domestic Fixed Income Funds	0	0	0
10. 1182 Pooled International Fixed Income Funds	0	0	0
11. 1183 Pooled Global Fixed Income Funds	416,676,340	352,560,480	382,945,000
12. 1193 Pooled Alternative Investments / Private Equity	729,531,598	675,672,015	637,748,040
13. 1194 Pooled Real Estate Funds	620,548,721	661,670,629	628,727,195
14. 1195 Pooled Domestic Balanced Funds	0	0	0
15. 1196 Pooled International Balanced Funds	0	0	0
16. 1197 Hedge Funds	349,494,723	328,744,988	347,370,129
17. 1198 PRIT Cash Fund	239,260,287	197,309,267	179,375,624
18. 1199 PRIT Core Fund	2,131,247,154	1,907,913,972	2,187,775,165
19. 1350 Prepaid Expenses	287,228	953,934	1,726,016
20. 1398 Accounts Receivable (A)	46,802,449	35,085,542	45,991,493
21. 1550 Interest Due and Accrued	17,632,339	13,925,999	12,286,934
22. 2020 Accounts Payable (A)	(68,994,055)	(59,691,252)	(98,256,001)
TOTAL	<u><u>9,586,430,657</u></u>	<u><u>8,532,760,088</u></u>	<u><u>9,483,630,323</u></u>
FUNDS			
1. 3293 Annuity Savings Fund	2,209,020,282	2,112,390,293	2,041,838,572
2. 3294 Annuity Reserve Fund	405,705,606	433,103,354	443,892,855
3. 3295 Special Military Service Credit Fund	1,107,537	1,237,441	50,189
4. 3296 Pension Fund	1,097,213,685	811,024,102	594,969,218
5. 3298 Expense Fund	0	0	0
6. 3297 Pension Reserve Fund	5,873,383,547	5,175,004,898	6,402,879,489
TOTAL ASSETS AT MARKET VALUE	<u><u>9,586,430,657</u></u>	<u><u>8,532,760,088</u></u>	<u><u>9,483,630,323</u></u>

Annual Statement of the Boston Retirement System for the Year Ended December 31, 2023

	Balance Dec. 31 Prior Year	Receipts	Interfund Transfers	Disbursements	Balance Dec. 31 Current Year
Annuity Savings Fund	2,112,390,293	220,024,591	(100,604,260)	(22,790,342)	2,209,020,282
Annuity Reserve Fund	433,103,354	12,478,602	100,735,402	(140,611,751)	405,705,606
Military Service Fund	1,237,441	1,237	(131,141)	0	1,107,537
Pension Fund	811,024,102	715,151,360	180,545,539	(609,507,316)	1,097,213,685
Expense Fund	0	60,919,935	0	(60,919,935)	0
Pension Reserve Fund	5,175,004,898	878,924,188	(180,545,539)	0	5,873,383,547
TOTAL ALL FUNDS	<u>8,532,760,088</u>	<u>1,887,499,914</u>	<u>0</u>	<u>(833,829,344)</u>	<u>9,586,430,657</u>

List below all transfers:

Transfer from ASF Fund to the ARF Fund in the Amount of \$ 100,735,402. on Account of Retirements.

Transfer from PRF Fund to the PF Fund in the Amount of \$ 180,545,539. on Account of PERAC Approp.

Transfer from MSF Fund to the ASF Fund in the Amount of \$ 131,141.49 on Account of Military Retirement

Transfer from _____ Fund to the _____ Fund in the Amount of \$ _____ on Account of _____.

Transfer from _____ Fund to the _____ Fund in the Amount of \$ _____ on Account of _____.

Transfer from _____ Fund to the _____ Fund in the Amount of \$ _____ on Account of _____.

Annual Statement of the Boston Retirement System for the Year Ended December 31, 2023

RECEIPTS

	<u>2023</u>	<u>2022</u>	<u>2021</u>
1. Annuity Savings Fund:			
(a) 4891 Members' Deductions	210,504,347	187,973,820	179,115,205
(b) 4892 Transfers from Other Systems	6,267,004	4,462,202	5,224,956
(c) 4893 Members' Make up Payments & Re-deposits	609,115	561,660	834,581
(d) 4900 Member Payments from Rollovers	632,339	1,080,091	544,463
(e) Investment Income Credited to Members' Accounts	2,011,786	1,932,178	1,869,354
Subtotal	<u>220,024,591</u>	<u>196,009,951</u>	<u>187,588,558</u>
2. Annuity Reserve Fund:			
(a) 4750 Recovery of Annuity from Reinstatement	0	0	3,538
(b) Investment Income Credited to Annuity Reserve Fund	12,478,602	13,008,603	12,968,021
Subtotal	<u>12,478,602</u>	<u>13,008,603</u>	<u>12,971,559</u>
3. Pension Fund:			
(a) 4898 3(8)(c) Reimbursements from Other Systems	4,308,913	4,342,417	4,086,194
(b) 4899 Received from Comm. for COLA and Survivor Benefits	3,798,151	0	478,582
(c) 4894 Pension Fund Appropriation	706,962,840	605,643,643	550,225,930
(d) 4840 Workers' Compensation Settlements	79,150	95,577	0
(e) 4751 Recovery of Pension from Reinstatement	0	0	59,499
(f) 4841 Recovery of 91A Overearnings	2,307	0	0
Subtotal	<u>715,151,360</u>	<u>610,081,637</u>	<u>554,850,206</u>
4. Military Service Fund:			
(a) 4890 Contributions Received for Military Service	0	1,187,202	0
(b) Investment Income Credited to Military Service Fund	1,237	50	50
Subtotal	<u>1,237</u>	<u>1,187,252</u>	<u>50</u>
5. Expense Fund:			
(a) Investment Income Credited to Expense Fund	60,919,935	58,905,554	56,492,998
Subtotal	<u>60,919,935</u>	<u>58,905,554</u>	<u>56,492,998</u>
6. Pension Reserve Fund:			
(a) 4897 Federal Grant Reimbursement	0	0	0
(b) 4895 Pension Reserve Appropriation	0	0	0
(c) 4822 Interest Not Refunded	(551,305)	(533,941)	(558,545)
(d) 4825 Miscellaneous Income	103,502	98,242	4,427
(e) Excess Investment Income	879,371,991	(1,032,005,931)	1,128,023,447
Subtotal	<u>878,924,188</u>	<u>(1,032,441,630)</u>	<u>1,127,469,329</u>
TOTAL RECEIPTS	<u><u>1,887,499,914</u></u>	<u><u>(153,248,633)</u></u>	<u><u>1,939,372,700</u></u>

Annual Statement of the Boston Retirement System for the Year Ended December 31, 2023

DISBURSEMENTS

	<u>2023</u>	<u>2022</u>	<u>2021</u>
1. Annuity Savings Fund:			
(a) 5757 Refunds to Members	13,195,623	13,166,230	11,123,400
(b) 5756 Transfers to Other Systems	9,594,719	2,631,180	3,981,079
Subtotal	<u>22,790,342</u>	<u>15,797,410</u>	<u>15,104,479</u>
2. Annuity Reserve Fund:			
(a) 5750 Annuities Paid	138,941,651	132,336,427	124,700,015
(b) 5759 Option B Refunds	1,670,100	1,122,496	1,169,200
Subtotal	<u>140,611,751</u>	<u>133,458,924</u>	<u>125,869,215</u>
3. Pension Fund:			
(a) 5751 Pensions Paid	598,696,491	579,278,849	554,178,797
Regular Pension Payments	473,625,714	459,231,644	436,605,507
Survivorship Payments	14,147,932	13,034,055	13,358,800
Ordinary Disability Payments	3,371,173	3,389,309	3,581,144
Accidental Disability Payments	92,999,101	88,444,161	86,060,731
Accidental Death Payments	11,474,051	12,078,555	11,246,794
Section 101 Benefits	3,078,520	3,101,125	3,325,822
(b) 5755 3(8)(c) Reimbursements to Other Systems	10,810,825	10,180,866	8,971,422
(c) 5752 COLAs Paid	0	0	0
(d) 5753 Chapter 389 Beneficiary Increase Paid	0	0	0
Subtotal	<u>609,507,316</u>	<u>589,459,715</u>	<u>563,150,219</u>
4. Expense Fund:			
(a) 5118 Board Members' Stipend	27,819	16,399	20,938
(b) 5119 Staff Salaries	3,776,965	3,809,396	4,067,723
(c) 5304 Management Fees	52,236,660	49,707,562	45,844,864
(d) 5305 Custodial Fees	265,957	275,359	291,332
(e) 5307 Investment Consultant Fees	687,500	662,500	650,000
(f) 5308 Legal Expenses	216,304	184,434	126,471
(g) 5309 Medical Expenses	93,273	58,229	65,384
(h) 5310 Fiduciary Insurance	439,489	550,573	366,846
(i) 5311 Service Contracts	12,901	12,652	68,075
(j) 5312 Rent Expense	0	0	0
(k) 5315 Professional Services	1,930,407	2,239,209	2,724,314
(l) 5316 Actuarial Services	48,409	121,696	54,000
(m) 5317 Accounting Services	201,960	197,200	190,562
(n) 5320 Education and Training	1,452	0	0
(o) 5589 Administrative Expenses	938,238	1,039,475	2,006,395
(p) 5599 Furniture and Equipment	29,500	22,906	14,554
(q) 5719 Travel Expense	13,100	7,964	1,540
(r) 5829 Depreciation Expense: Building	0	0	0
Subtotal	<u>60,919,935</u>	<u>58,905,554</u>	<u>56,492,998</u>
TOTAL DISBURSEMENTS	<u><u>833,829,344</u></u>	<u><u>797,621,602</u></u>	<u><u>760,616,911</u></u>

Annual Statement of the Boston Retirement System for the Year Ended December 31, 2023

INVESTMENT INCOME

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Investment Income received from:			
(a) Cash (from Schedule 1)	20,117,973	6,505,964	247,803
(b) Short Term Investments (from Schedule 2)	4,413,135	1,633,816	259
(c) Fixed Income Securities (from Schedules 3A and 3C)	83,080,648	58,946,766	39,262,214
(d) Equities (from Schedules 4A and 4C)	45,939,469	41,758,624	54,186,913
(e) Pooled Funds (from Schedule 5)	77,232,672	76,879,223	71,775,938
(f) Commission Recapture and Securities Litigation	0	0	0
4821 TOTAL INVESTMENT INCOME	230,783,897	185,724,394	165,473,127
Plus:			
4884 Realized Gains (Profits)	115,464,772	90,324,525	400,812,510
4886 Unrealized Gains (Increase in Market Value)	1,203,836,339	499,229,495	872,680,337
1550 Interest/Dividends Due and Accrued - Current Year	15,779,169	13,106,466	10,672,144
Less:			
4823 Paid Accrued Interest on Fixed Income Securities	4,221,065	3,026,964	2,663,572
4885 Realized Losses	40,127,823	146,722,237	9,100,872
4887 Unrealized Losses (Decrease in Market Value)	541,212,741	1,571,428,123	221,749,286
1550 Interest/Dividends Due and Accrued - Prior Year	13,925,999	12,286,934	9,057,353
Additional Adjustments:			
4701 Carried Interest Expense	(3,347,493)	(5,552,701)	(4,498,076)
4702 Equalization Expense	57,400	(2,338,912)	(1,190,137)
4703 Miscellaneous Investment Expenses	(8,302,904)	(5,188,554)	(2,024,951)
NET INVESTMENT INCOME	954,783,551	(958,159,546)	1,199,353,870
Income Required:			
Annuity Savings Fund (from Supplementary Schedule)	2,011,786	1,932,178	1,869,354
Annuity Reserve Fund	12,478,602	13,008,603	12,968,021
Special Military Service Credit Fund	1,237	50	50
Expense Fund	60,919,935	58,905,554	56,492,998
TOTAL INCOME REQUIRED	75,411,560	73,846,386	71,330,423
Net Investment Income	954,783,551	(958,159,546)	1,199,353,870
Less Income Required	75,411,560	73,846,386	71,330,423
EXCESS INCOME TO PENSION RESERVE FUND	879,371,991	(1,032,005,931)	1,128,023,447

**Annual Statement of the BOSTON RETIREMENT BOARD
for the year ended December 31, 2023**

	Group 1	Groups 2 and 4	Total
Active Members			
Active membership, December 31, previous yr	18,216	4,273	22,489
Inactive membership, December 31, previous yr	<u>16,287</u>	<u>679</u>	<u>16,966</u>
Enrolled during current year	2,536	304	2,840
Transfers between groups	-1	1	0
Reinstatements of disabled members	0	0	0
Subtotal	<u>37,038</u>	<u>5,257</u>	<u>42,295</u>
 Deduct			
Death	32	13	45
Withdrawals	566	24	590
Retirements	384	204	588
Subtotal	<u>36,056</u>	<u>5,016</u>	<u>41,072</u>
 Active membership, December 31, current yr	18,963	4,448	23,411
Inactive membership, December 31, current yr	<u>17,093</u>	<u>568</u>	<u>17,661</u>
 Retired Members, Beneficiaries, and Survivors			
Retired, Beneficiary, and Survivor membership, December 31, previous year	11,362	4,074	15,436
 Retirements during the year:			
Superannuation	374	142	516
Ordinary disability	3	0	3
Accidental disability	7	62	69
Termination retirement allowance	0	0	0
Beneficiary of Deceased Retiree	47	29	76
Survivor Benefits from Active membership	32	13	45
Subtotal	<u>463</u>	<u>246</u>	<u>709</u>
 Deduct			
Death of retired members	377	92	469
Termination of survivor benefits	94	84	178
Reinstatements of disabled pensions	0	0	0
Subtotal	<u>471</u>	<u>176</u>	<u>647</u>
 Retired Membership, end of period			
Superannuation	9,436	2,027	11,463
Ordinary disability	108	24	132
Accidental disability	478	1,198	1,676
Termination retirement allowance	26	14	40
Beneficiaries from Section 100	122	277	399
Beneficiaries from accidental death	15	27	42
Beneficiaries from Section 101	99	197	296
Beneficiaries under Option (c)	745	371	1,116
Option (d) Survivor Allowance	518	155	673
Section 12B Survivor Allowance	2	19	21
Retired, Beneficiary, and Survivor membership,	11,549	4,309	15,858
 Total membership:			
Active, inactive, retired, beneficiary, survivor, December 31, current year	<u>47,605</u>	<u>9,325</u>	<u>56,930</u>

Annual Statement of the Boston Retirement System for the Year Ended December 31, 2023

Schedule A

Detail of Accounts Receivable and Accounts Payable

Accounts Receivable		<u>DATE</u>
4825 - Miscellaneous Income - Teacher Administrative Expense Reimbursement		
4891 - Members Deductions	317,064	<u>12/31/23</u>
4892 - Transfers From Other Systems		
4893 - Member Make Up Payments and Redeposits	2,552	
4900 - Member Payments from Rollovers	0	
4898 - 3-(8)(c) Reimbursements From Other Systems	9,837,606	<u>12/31/23</u>
4899 - Received from Commonwealth for COLA and Survivor Bene	0	
4884 - Profit on Sale of Investments	0	
4894 - Pension Fund Appropriation	20,898,091	<u>12/31/23</u>
4890 - Contr Rec'd from municipality on a/c of mil serv	0	
4896 - Expense Fund Appropriation	0	
4897 - Federal Grant Reimbursement	0	
4895 - Pension Reserve Appropriation	0	
4901 -Workmen's Compensation	0	
4902 - Refund of Section 91A	0	
4903 - Warrants Receivable	0	
4904 - Interest Receivable	0	
4905 - Receivable for Foreign Currency Sold	0	
4905 - Open Trades - International	-440	<u>12/31/23</u>
4905 - Open Trades - Domestic Equities and Fixed Income	15,747,577	<u>12/31/23</u>
Total Receivables	46,802,449	
Accounts Payable		
5757 - Refunds to Members	0	
5756 - Transfers to Other Systems	0	
5750 - Annuities Paid	0	
5759 - Option B Refunds	0	
5751 - Pensions Paid	0	
5755 - 3(8)(c) Reimbursements To Other Systems	-30,699,769	<u>12/31/23</u>
5752 - COLA's Paid	0	
5753 - Chapter 389 Beneficiary Increase Paid	0	
4885 - Loss on Sale of Investments	0	
4890 - Return to Municipality For Members who withdrew funds	0	
5118 - Board Member Stipend	0	
5119 - Salaries	-145,575	<u>12/31/23</u>
5304 - Management Fees as offset to Expense Fund	-5,041,761	<u>12/31/23</u>
5305 - Custodial Fees as offset to Expense Fund	-133,623	<u>12/31/23</u>
5307 - Consultant Fees	0	
5308 - Legal Expenses	-20,269	<u>12/31/23</u>
5309 - Medical Expenses	-13,261	<u>12/31/23</u>
5315 - Professional Services	-5,975	<u>12/31/23</u>
5316 - Actuarial Fees	-48,409	<u>12/31/23</u>
5589 - Administrative Expenses	-28,582	<u>12/31/23</u>
5599 - Furniture and Equipment	0	<u>12/31/23</u>
5719 - Travel	-611	
5901 - Payable for Foreign Currency Purchased	0	
5901 - Investments Payable - International	0	
5901 - Investments Payable - Domestic Equities and Fixed Income	-32,855,530	<u>12/31/23</u>
5901 - Management Fees	0	
5902 - Federal Grant Reimbursement due to City of Boston	0	
5903 - Investment Payable		
5904 - Investment Payable	0	
5310 - Fiduciary Insurance	0	
5311 - Service Contracts	-692	<u>12/31/23</u>
5312 - Rent Expense	0	
Total Payables	-68,994,055	