It is time to elect one employee member to the MWRD Retirement Fund Board of Trustees to serve a 4-year term beginning December 1, 2019. Incumbent Stephen Carmody’s term of office expires on November 30, 2019. The nominations of the two candidates have been certified. The candidates are:

Stephen Carmody

Robert Quezada

Election ballots will be mailed on September 27th to eligible District employees. Only ballots received at the Postal Lockbox by 10:00 a.m. on October 15th will be counted. Votes will be tabulated that day. All ballots must be sent in the self-addressed envelope to the Postal Lockbox. No ballots can be accepted at the Fund office.

Contact the Fund office (at x13229) if you do not receive a complete set of election materials by October 4th. Unfortunately, retirees are not eligible to vote.

The Retirement Fund encourages its active members to vote!

Thanking Trustees Joseph F. Kennedy and MWRD Vice President Barbara J. McGowan

After over 30 years of faithful service to the District, Trustee Joseph F. Kennedy retired from his position as Managing Civil Engineer effective August 1, 2019. His retirement culminated 20 years of service as an employee trustee, leading the Retirement Board as President from 2005 to 2018.

MWRD Vice President Barbara J. McGowan stepped down from the Board in 2019 after 12 years of selfless service to the Fund members.

At its August 28, 2019 meeting, the Retirement Board read resolutions into the record commemorating both Mr. Kennedy and District Vice President McGowan for their service to the Fund members.
Investment Update

The Fund’s investment portfolio as of June 30, 2019 was $1.37 billion compared to $1.24 billion at the beginning of the year, and $1.39 billion a year ago. Through the 2nd quarter, the Retirement Fund returned +11.3% for 2019. Over a ten-year period, we are proud to report the Fund’s annualized return was 9.8%. This 10-year return ranked in the 13th percentile of the InvestorForce Public Defined Benefit Net of Fees Universe, outpacing 87% of our peers.

2ND QUARTER FUND REVIEW

<table>
<thead>
<tr>
<th>Fund performance as of</th>
<th>2nd Quarter</th>
<th>YTD</th>
<th>1 Yr.</th>
<th>3 Yr.</th>
<th>5 Yr.</th>
<th>10 Yr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Fund (net of fees)</td>
<td>2.6%</td>
<td>11.3%</td>
<td>3.3%</td>
<td>8.3%</td>
<td>5.6%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Actuarial Rate</td>
<td>1.8%</td>
<td>3.6%</td>
<td>7.4%</td>
<td>7.5%</td>
<td>7.5%</td>
<td>7.6%</td>
</tr>
</tbody>
</table>

ASSET ALLOCATION CHANGES

In April of this year, the Retirement Fund Board of Trustees approved changes to the Fund’s asset allocation model. Among the adjustments was a higher allocation to Core Real Estate from 5% to 10%. Core Real Estate is a valuable component of an institutional investor’s asset allocation for several reasons. First, Core Real Estate provides diversification as the asset class has a low correlation to publicly traded securities, such as the equity markets. Second, Core Real Estate typically invests in high quality, well-financed properties that provide consistent income streams and steady appreciation over time. The increase in Core Real Estate establishes a portfolio with higher expected returns and lower volatility going forward.

To increase the Core Real Estate mandate, the Board eliminated their exposure to a standalone global fixed income relationship.

Given the potential headwinds facing global bonds, the Board made a proactive decision to move away from an allocation devoted solely to global fixed income. It should be noted that the Fund’s allocation to Core Plus Fixed Income allows the Fund to invest a portion of assets into global fixed income, if deemed appropriate. However, any future allocation would be much smaller than a devoted mandate.

Also during the year, the Board issued a RFP for a Core Plus Fixed Income mandate with a Diverse manager. It is projected that the selected Manager would manage 4% of the Fund’s assets or approximately $55 million based on the current level of Fund assets. This allocation will come from the remaining proceeds of the elimination of the standalone global fixed income mandate described above. The Board interviewed 3 finalists at the August 2019 Board Meeting and will continue to discuss this matter at their September 25, 2019 Board meeting.

Core Plus Fixed Income managers invest in traditional “core” fixed income securities such as U.S. treasuries, mortgage-based securities, and investment-grade corporate bonds. Additionally, these managers invest in “plus” fixed income securities such as high yield, taxable municipals, and international bonds. The Fund currently has an allocation to Core Plus Fixed Income via a relationship with Chicago-based Neuberger Berman that began in 2012. The addition of a Diverse Core Plus manager will help compliment the existing relationship and increase the Fund’s allocation to the asset class from 8% to 12%.

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RETIREES (Since July 2019)

Join us as we congratulate our recent retirees!

<table>
<thead>
<tr>
<th>Bichkoff, Rose</th>
<th>Gottardo, Glenn</th>
<th>Kennedy, Joseph</th>
<th>Meyer, Kenneth</th>
<th>Ruhl, Daniel</th>
</tr>
</thead>
<tbody>
<tr>
<td>DeMooy, Adele</td>
<td>lwuchukwu, Sylvester</td>
<td>Larisey, Maureen</td>
<td>Pochrzast, Halina</td>
<td>Walsh, Robert</td>
</tr>
<tr>
<td>Evans, Sophia</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

DECEASED EMPLOYEES AND RETIREES (since July 2019)

We thank them for their service and extend condolences to their families.

<table>
<thead>
<tr>
<th>Badili, Zuberi*</th>
<th>Donlon, Thomas</th>
<th>Jones, Charles*</th>
<th>Slovey, Robert</th>
<th>Viollt, Kenneth</th>
</tr>
</thead>
<tbody>
<tr>
<td>DePass, Martin</td>
<td>Gonzales, Petcelita</td>
<td>Kelly, George</td>
<td>Strickland, John</td>
<td></td>
</tr>
</tbody>
</table>

*Death in Service
**Welcome Aboard**

In accordance with Illinois law, the Retirement Board appointed **Kevin Young** to complete Joseph Kennedy’s term. Mr. Young began his Fund membership in 1996 as Programmer for the Retirement Fund. In 2007, Kevin continued his Fund membership in MWRD’s IT Department, where he now serves as a Senior Applications Administrator. Mr. Young will take his oath of office at the next meeting of the Board of Trustees on September 25, 2019. Please join us in welcoming Kevin Young to the Board.

Please join us in also recognizing **Commissioner Kimberly Du Buclet**, who joined the Board at the beginning of the year. A Commissioner since December 2018, she is a former member of the Illinois House of Representatives, proudly representing the 26th District. Commissioner Du Buclet is a graduate of the University of Illinois at Urbana-Champaign and received her master’s in business administration from the University of Chicago. We look forward to the continued value that the Commissioner brings to the administration of the Fund.

**New Email Addresses**

The Retirement Fund staff has changed email addresses. Please refer to the back of the newsletter for our new email addresses. We ask that you begin to use the new addresses as soon as possible. Messages sent to our old email addresses will be forwarded to our new email addresses for a short transition period.

**How does this effect you?**

<table>
<thead>
<tr>
<th>Active Employees</th>
<th>Annuitants (Retirees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• RF staff will not be on the list of contacts on the District’s internal email system. Active employees wanting to reach us will need to type out the RF staff member’s email address.</td>
<td>• If you have saved RF staff email addresses in your contacts, you will need to update the contact information in your email account.</td>
</tr>
<tr>
<td>• Employees may add RF staff members as a contact on Outlook for future quick reference.</td>
<td>• Check your spam filter for messages sent by the Retirement Fund. Mark them as “Not Spam” if they are in your spam folder. This will ensure that you will receive our newsletters and other messages in the future.</td>
</tr>
</tbody>
</table>

**Have You Ever Seen the Rain?**

Are you retired? Do you make small talk about the weather? Have you upped your game to conversations on meteorology and climate? Do you watch The Weather Channel or cling to everything Tom Skilling says? If so, you might enjoy participating in weather spotter classes. Each spring, the National Weather Service offers in-person weather spotter classes. If you are unable to attend a class in your area, you may take an online weather spotter class. Check out [https://www.weather.gov/SKYWARN](https://www.weather.gov/SKYWARN) to register for a class. Trained weather spotters are called upon for localized storm reporting and are essential for weather preparedness.

**Back to School**

Retirement Fund staff has the pleasure of discussing retirement plans with District retirement applicants. Some plan to return to school. If your post-retirement plans include studying for a new career or learning for the sake of learning, you might benefit from free courses through Coursera. To learn what free courses are available, check out [https://www.coursera.org](https://www.coursera.org). Courses cover numerous topics and skill levels. Best of all, the courses are free!

**District Holiday Party**

The District’s Holiday and Retirement Party will take place on December 7, 2019 from 6:30 p.m. to 10:30 p.m. at the Guaranteed Rate Field, 333 West 35th Street, Chicago. This event sells out quickly. If you are interested in attending, continue to check your mailbox for the invitation and order your tickets promptly. We hope to see you there.
MWRD Retirement Fund Staff Directory  (312) 751-3222

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Asst. Benefits Analyst ............................................... Jessica Taylor .................................................. x3224 .......... TaylorJ@mwrdf.org
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Office Services Assistant ........................................ Ka Yu Cuchra ................................................ x3222 .......... CuchraK@mwrdf.org

Contact us by...

Phone From District locations dial 1 + the underlined phone extension, above.
From non-District locations, dial (312) 751 + the underlined phone extension above

E-mail Contact us via our e-mail addresses, shown above. Provide a phone number where you can be contacted on weekdays between 8:45 a.m. and 4:30 p.m. (Central time).

U.S. mail Refer to our mailing address above.