

FY 2025 Report to Participants

Organizational Overview As of June 30, 2025



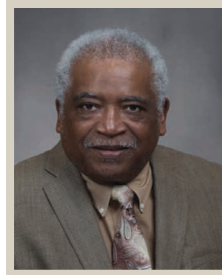
Sherry Mose
Chairman



Lenard Polk
Vice Chairman



Rhonda Smith
Secretary



Roderick J. Newman
Elected Trustee



Roy W. Sanchez
Elected Trustee



Lonnie Vara
Elected Trustee

BOARD OF TRUSTEES



Carole Snyder
Appointed Trustee



David Donnelly
Mayoral Appointee



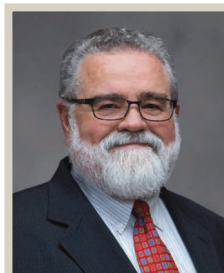
Felix Chevalier
Controller Appointee



Adrian Patterson
Council Appointee



Denise Castillo-Rhodes
Council Appointee



David L. Long
Executive Director

BOARD COMMITTEES

- Audit Committee
- Budget and Oversight Committee
- Disability Committee
- External Affairs Committee
- Investment Committee
- Personnel and Procedures Committee

ADMINISTRATIVE ORGANIZATION

EXECUTIVE DIRECTOR

GENERAL COUNSEL

CHIEF INVESTMENT OFFICER

- Investment Managers' Services
- Market Research
- Performance Measurement

MEMBER SERVICES

- Benefit Administration Services
- Communications

OPERATIONS

- Accounting
- Financial Reporting
- Records
- Technology Support

FY 2025 Report to Participants

Financial Information as of June 30, 2025

SUMMARY COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION

ASSETS	2025	2024
Cash and cash equivalents	\$ 9,846	\$ 34,750
Receivables	14,348	13,566
Investments	4,745,526	4,352,608
Net OPEB asset	5,864	5,562
Capital assets, net	1,697	1,655
Total Assets	4,777,281	4,408,141
Deferred outflows of resources	454	141
LIABILITIES		
Payables on asset purchases	\$ 5,047	\$ 3,015
Accrued liabilities	48,886	44,389
Total liabilities	53,933	47,404
Deferred inflows of resources	801	706
FIDUCIARY NET POSITION	\$ 4,723,001	\$ 4,360,172

SUMMARY COMPARATIVE STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

ADDITIONS	2025	2024
Contributions	\$ 250,142	\$ 247,604
Investment and interest (loss) income, net	485,168	403,867
Other income	414	657
Total Additions	735,724	652,128
DEDUCTIONS		
Benefits paid	\$ 366,619	\$ 358,255
Administration expenses and professional fees	6,276	6,046
Total Deductions	372,895	364,301
Net increase (decrease) in net position	362,829	287,827
Fiduciary net position restricted for benefits Beginning of year	4,360,172	4,072,345
END OF YEAR	\$ 4,723,001	\$ 4,360,172

FINANCIAL HIGHLIGHTS (IN THOUSANDS OF DOLLARS, UNLESS OTHERWISE NOTED)

FY 2025 Report to Participants

Membership as of June 30, 2025

SCHEDULE OF MEMBERS AND ANNUITANTS BY TYPE

	JUNE 30, 2025			JUNE 30, 2024		
	MEMBERS	BENEFITS PAID (\$000)	AVERAGE BENEFIT (\$000)	MEMBERS	BENEFITS PAID (\$000)	AVERAGE BENEFIT (\$000)
Retirees Receiving Benefits	10,081	263,740	26,162	9,867	255,114	25,855
Retired on Disability	194	2,499	12,882	204	2,662	13,049
Survivors and Beneficiaries	2,104	39,985	19,004	2,133	38,912	18,243
Former Participants Eligible But Not Yet Receiving Benefits	5,038	-	-	4,046	-	-

HISTORICAL ACTIVE PARTICIPANT DATA

FISCAL YEAR	GROUP A	GROUP B	GROUP D	TOTAL	ANNUAL PAYROLL (\$000)	AVERAGE SALARY (\$)	% SALARY INCREASE
2016	5,537	1,417	5,149	12,103	608,210	50,253	1.8
2017	5,165	1,312	5,589	12,066	623,577	51,681	2.8
2018	4,788	1,198	5,894	11,880	624,266	52,548	1.7
2019	4,427	1,107	5,973	11,507	636,463	55,311	5.3
2020	4,116	1,019	6,459	11,594	657,876	56,743	2.6
2021	3,827	936	6,816	11,579	669,217	57,796	1.9
2022	3,482	847	7,073	11,402	696,890	61,120	5.8
2023	3,196	765	7,617	11,578	729,928	63,044	3.1
2024	2,921	686	8,276	11,883	774,994	65,219	3.4
2025	2,174	409	8,233	10,816	744,736	68,855	5.6



**Our members
make Houston
a place to
celebrate.**

FY 2025 Report to Participants

Investments as of June 30, 2025

The investment objective of the System's portfolio is to produce an annualized investment return over the long term that exceeds the System's actuarial assumed rate of return. This will help the Board to achieve its overall objective of providing adequate retirement benefits to the participants of the System.

The System's asset allocation provides an efficient mix of assets that is designed to provide a return profile that is consistent with the System's long-term portfolio risk and return objectives. The System's current asset allocation became effective July 1, 2023.

The System invests in six major asset classes (Global Equity, Fixed Income, Real Estate, Private Equity, Inflation-Linked and Private Credit) as a method to maximize overall fund diversification. Further, the System invests with both public market investment managers and private market entities with demonstrated skills and expertise in their respective asset class.

For the fiscal year ended June 30, 2025, the System returned 11.8%. For the trailing 10 years, the System returned 9.8%, which exceeded the median public fund return of 8.0%.

ASSET ALLOCATION

ASSET CLASS	TARGET	ACTUAL
Global Equity	28.0%	31.3%
Private Equity	17.0%	24.9%
Fixed Income	10.0%	5.2%
Real Estate	12.5%	8.9%
Inflation-Linked	20.0%	21.1%
Private Credit	12.5%	6.8%
Cash/Liquidation	0.0%	1.8%
TOTAL	100%	100%

INVESTMENT RETURNS AS OF JUNE 30, 2025

PERIOD	RETURN
1 Yr.	11.8%
3 Yrs.	9.5%
5 Yrs.	13.9%
10 Yrs.	9.8%



NOTICE

Election Of Trustees For The Houston Municipal Employees Pension System (HMEPS) Board Of Trustees

Candidate applications are being accepted for two (2) employee trustee positions and one (1) retiree trustee position on the HMEPS Board. The election is for the following positions:

- Employee Position #5 (Incumbent is M. Arif Rasheed)
- Employee Position #6 (Incumbent is Roy W. Sanchez)
- Retiree Position #8 (Incumbent is Roderick J. Newman)

QUALIFICATIONS

An employee trustee candidate must be a full-time City of Houston employee and a member of HMEPS with at least five years of credited service at the time of application.

A retiree trustee candidate must be a retired member of HMEPS, and must be receiving retirement benefits at the time of application.

All qualifying candidates must be willing to: 1) serve a four-year trustee term without compensation; 2) take an oath of office; 3) attend Board meetings, which occur at least once a month; 4) serve on committees as appointed; 5) attend required committee meetings; and 6) obtain ongoing training and education in pension and pension-related matters.

APPLICATIONS

An active employee interested in running for an employee trustee position, or **a retiree** interested in running for the retiree trustee position, may obtain an application and a copy of election guidelines in person from the HMEPS Office at 1201 Louisiana, Suite 900 during the application period from 9:00 a.m. (Houston time), Monday, June 1, 2026 to 4:00 p.m. (Houston time), Friday, June 5, 2026.

Candidates must submit applications in person at the HMEPS Office during the application period. Each applicant must present an official photo identification when picking up and submitting an application. No application will be accepted after 4:00 p.m. (Houston time), Friday, June 5, 2026.

2026 Pension Payment Schedule: May - September

The schedule below indicates the dates set for payment of benefits. Direct Deposits (ACH) will be deposited on the last business day of each month. If you receive your pension benefit by mail it is typically mailed 3-4 days before the last business day of the month. To enroll in direct deposit, please call the HMEPS office at 713-595-0100.

May							June							July							August							September						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2		1	2	3	4	5	6					1	2	3	4					1				1	2	3	4	5
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8	6	7	8	9	10	11	12
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15	13	14	15	16	17	18	19
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22	20	21	22	23	24	25	26
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29	27	28	29	30			
31																					30	31												