The District of Columbia Retirement Board (the Board) held elections during its meeting of February 18, 2021 to determine the Trustees who would serve as Board officers for 2021. I am pleased to report that the Trustees elected me to serve as Board Chair for this year. In addition, I am happy to advise you that the Trustees also elected Edward C. Smith as the Board’s Vice Chair/Secretary, and Tracy S. Harris as Treasurer/Audit Committee Chair.

Over this past very unusual year, the Board has experienced several changes in its membership; some because of election results and others due to resignations and retirements. In December 2020, Trustees were presented with and certified the results of the regular Trustee elections, and a special election, all of which began in September 2020 (elections underway for 2021 are noted on page 2). The results of the 2020 elections are as follows:

**Regular Scheduled Elections:**
- Active Firefighter Trustee—Edward C. Smith
- Retired Police Officer Trustee—Danny C. Gregg
- Active Teacher Trustee—Nathan A. Saunders

**Special Election:**
- Retired Firefighter Trustee—Geoffrey P. Grambo

**Trustee Resignations and Appointments**

On November 4, 2021, Trustee Janice M. Adams stepped down from the Board to focus on her business. Trustee Adams was appointed to the Board by the Mayor on February 24, 2017, and served on its Audit, Operations, and Investment committees.

As a result of his impending retirement from DC Fire and EMS, Trustee Edward C. Smith will be leaving the Board on December 31, 2021. Trustee Smith was elected as the Board’s Active Firefighter representative effective January 28, 2009. During his 12 years on the Board, Trustee Smith served as Vice-Chair of the Board, Chair of the Benefits and Operations committees, and he was a member of many of the Board’s standing committees.

Trustee Michael J. Warren, a DC Council Appointee, resigned from the Board on November 11, 2020. Trustee Warren served on the Board for the past fifteen years. During that time, he was elected Chair of the Board, Vice Chair/Secretary, and most recently, Chair of the Investment Committee. During his tenure, Trustee Warren served as a member of several of the Board’s standing and special committees. Effective November 4, 2021, the Council has appointed Adam Weers to replace Mr. Warren. Mr. Weers is Chief Operating Officer of Trammell Crow Company, a leading commercial real estate developer and investor.

**Trustee Pemberton Elected to Head DC Police Union**

In January 2020, Trustee Gregory J. Pemberton was elected Chairman of the DC Police Union. Trustee Pemberton won election to DCRB’s Board effective January 28, 2019.

**New Executive Director**

On September 7, 2021, Gianpiero (JP) Balestrieri became DCRB’s Executive Director, replacing Sheila Morgan-Johnson, who retired in March of this year. During the national search for new leadership, former District Councilwoman, Betty Ann Kane, who served

*Continued on page 6*
Year End Information

Tax Information for Calendar Year 2021
In January 2022, the U. S. Department of the Treasury’s Bureau of the Fiscal Service will issue 1099-R forms for the payments that retirees and survivors received from the District of Columbia Police Officers and Firefighters’ Retirement Plan and the District of Columbia Teachers’ Retirement Plan (the Plans) during tax year 2021. To assure timely receipt of your 1099-R form, if you have moved since you received your 2020 1099-R form, please advise us of the change as soon as possible.

Federal Tax Withholding Amounts
To make certain that the amount of federal taxes being withheld from your benefit payments is adequate to cover your tax obligations for 2022, this might be a good time to review your earnings statement. You should consult with your tax advisor on this matter. Under federal law, you may have taxes withheld or not. The amount of taxes withheld does not, of course, affect the amount of taxes that you owe. You may change the amount of your tax withholding at any time.

You should be aware that DCRB does not provide advice regarding the amount of taxes that should be withheld. One way to estimate your taxes owed and assure that your tax withholdings are sufficient to avoid any penalties is to use the IRS’ Tax Withholding Estimator located on the IRS website at: https://www.irs.gov/individuals/tax-withholding-estimator.

To change your federal tax withholding amount, you should submit a Form W-4P to DCRB’s Member Services Center (MSC). You may send the form via U.S. mail to: District of Columbia Retirement Board, Member Services Center, 900 7th Street, NW, Second Floor, Washington, DC 20001; by fax at (202) 566-5001; or you may call DCRB’s MSC at (202) 343-3272 (or toll free at 1-866-456-3272) or visit DCRB’s website, under Ask Member Services, to request a secure upload link. You can also call the above numbers to request W-4P forms, and separate state tax forms (for MD, VA and DC only), or you can print forms from the DCRB website at www.dcrb.dc.gov (under Retirement, Member Forms, Tax Forms) or the IRS website at www.irs.gov (under Forms and Instructions). Active members who wish to make withholding changes should file a Form W-4 with their payroll office.

Changes of Address or Direct Deposit Information
If you have moved or soon plan to do so, you should contact the DCRB MSC (see number above) with your new address and bank change information, if any, as soon as possible to assure that you continue to receive your benefit payments and tax information promptly. As an alternative, you can print out forms for making address or direct deposit changes from DCRB’s website at www.dcrb.dc.gov (under Retirement, Member Forms, General Forms). The completed form(s) should be sent to the MSC at the address noted above. Please be aware that since any changes to your address may impact your health care coverage, you should review your current coverage area when making a location change.

Trustee Elections

Regular Election
The term of the Board’s Retired Teacher representative will expire on January 27, 2022. As a result, an election is in progress to fill that seat on the Board. A notice of election was distributed on September 10, 2021, and the final day for the submission of ballots is December 13, 2021. The Board will certify the winner of that election at its meeting on December 16, 2021. The term of the winner will be from January 28, 2022 to January 27, 2026.

Special Election
In addition, due to the retirement of Edward C. Smith on December 31, 2021, a special election is in progress to fill the Active Firefighter seat on the Board. A notice of election was sent to eligible members on November 9, 2021, and the final day to submit ballots is March 1, 2022. The term of the winner will begin on March 18, 2022 and end on January 27, 2025.

DCRB will announce the winners on its website at www.dcrb.dc.gov under the News Room, Press Release section following the December and March Board meetings, and the results will subsequently be published in the DC Register.
Health Care Open Enrollment

Each year, you have an opportunity to review your health care coverage and decide whether you wish to make a change. The District of Columbia Human Resources Office (DCHR) and the Federal Government’s Office of Personnel Management (OPM) have indicated that this year, their respective health care open enrollment’s will take place from Monday, November 8, 2021 through Monday, December 13, 2021. To be effective, all materials submitted must be postmarked no later than December 13 at 5:00 p.m., Eastern Time (ET).

Abbreviated Open Enrollment packets, containing information about the plans being offered were distributed to eligible members during the week of November 1, 2021. Due to continued COVID-19 concerns, DCRB will not be holding any health fairs this year.

Members seeking more information on the plans, the Open Enrollment process, or how to enroll in either the District or federal plans, may do so by visiting DCRB’s website at www.dcrb.dc.gov via the homepage announcement labelled “Health Benefits Open Enrollment.” That announcement provides links to both the District and the federal Open Enrollment programs. The announcement also contains information for Medicare eligible retirees.

With respect to Medicare, under the District health care plans, you are assumed to have enrolled in Medicare (Parts A and B) as soon as you are eligible to do so; you will incur a penalty of 10% of the premium cost for each year that you are not enrolled. Information on the District’s Medicare Advantage Plans can be found on DCRB’s website at: https://dcrb.dc.gov/node/1364381 or on DCHR’s website at: https://dchr.dc.gov/page/medicare-advantage-plans.

An OPM website (www.opm.gov) feature allows participants to enter their zip code to locate health care plans that have facilities near their homes. That feature also lets participants select plans they are interested in and have the provisions, costs and premiums of those plans displayed on comparison charts. The OPM website also lists plan premiums for 2022.

It is your responsibility to choose the correct health care coverage level for your situation. Once you have received and reviewed the information you need for your health care decision, you can submit materials for any changes you wish to make for either the District or federal plans via any of the following methods:

- Secure Fax: (202) 566-5001
- U. S. Mail:
  District of Columbia Retirement Board,
  Attn: Member Services Center (Open Enrollment)
  900 7th Street, NW,
  Second Floor
  Washington, DC 20001

Forms and applications submitted via fax requesting changes in coverage must be dated no later than 5:00 p.m. (ET) on December 13, 2021. Documents sent by U.S. Mail must be postmarked by that date.

Active District members, who are eligible for District health care coverage, should submit any changes online using the District’s PeopleSoft employee self-service portal, and should direct any questions they may have to the District’s Human Resources (DCHR) office at (202) 442-7627.

Self-Service Project

Over the past year, members of DCRB’s Benefits Department staff have been working with U.S. Treasury’s Office of DC Pensions staff (Treasury) to add self-service functionality to Treasury’s System to Administer Retirement (STAR) program. Once operational, the application will allow eligible retirees and survivors to view retirement information online (e.g., payment statements, 1099-Rs) and to make certain changes (e.g., address, direct deposit). About 1,000 annuitants served as a focus group to test the system from July 2021 through the end of this calendar year. We expect that the new features will be available for all annuitant groups in early summer 2022. DCRB will provide you with updates on this important project in the coming months.
Fiscal Year 2020 Investment Commentary

At the end of fiscal year (FY) 2020 (September 30), the Fund’s assets totaled $9.0 billion, an increase of $511 million from the end of FY 2019. The Fund generated a gross return of 5.4% during FY 2020.

Global Market Review

The fiscal year started with global equity markets continuing their strong run during the fourth quarter of 2019. Bullish sentiment carried over from the first quarters of 2019 as global central banks continued to provide meaningful stimulus primarily attributable to low inflation, persistent weakness in global economic growth, and manufacturing. U.S. equity markets climbed 9%, developed international equity markets rose 8%, and emerging markets equities gained 12%. It was one of the best quarters for the global equity markets in recent history.

Following the strong performance of 2019, the most significant story of 2020 was COVID-19. Equity markets tumbled steeply in the first quarter of 2020. U.S. equities experienced their worst quarter since 2008, falling 21%. Developed international and emerging markets equities plummeted 23% and 24%, respectively. Diversified bond holdings provided minimal protection, with the Bloomberg Barclays U.S. Aggregate Bond Index advancing 3.1%. A flight-to-quality boosted the returns of risk-free US Government Bonds.

As rapidly as markets declined during the first quarter of 2020, the second quarter rebound was equally as swift. Following unprecedented monetary easing and the Congressional passage of a $2.2 trillion economic stimulus package at the end of March, U.S. stocks posted second quarter gains of 22%, with emerging markets equities and developed international markets following suit, adding 18% and 15%, respectively. Lower interest rates and other Federal Reserve actions helped U.S. bond markets add another 3%. The impact of widespread stay-at-home orders and business closures proved less detrimental to company earnings than initially expected but record high unemployment claims diverged from stock markets and the real economy.

Markets closed the fiscal year with another strong result, as the recovery marched on through the third quarter of 2020. Investors looked ahead to the coming U.S. presidential election and the next phase of economic stimulus. Markets experienced a significant rotation out of high-growth stocks and into value stocks in late September, as volatility roared back. However, the Russell 3000 closed the quarter up another 9%, developed international market stocks gained 5%, and emerging market stocks added 10%.

Investment Results for FY 2020

As noted above, at the end of FY 2020, the Fund held assets totaling $9.0 billion. The Fund generated a gross return of 5.4% for the fiscal year, 1.2% below the Fund’s interim policy benchmark return of 6.6% for the same period. Over the intermediate term, the Fund generated an annualized gross return of 4.9% over the last three years, 7.4% over the last five years, and 6.9% over the last ten years. Since inception (October 1982), the Fund’s gross return was 8.5% per year, exceeding the actuarial target return, of 6.5%, by 2.0%. The Fund’s slight underperformance during the fiscal year was driven by a few factors, including subpar results by several active mandates, led by the absolute return allocation and our value-oriented strategies. A stronger U.S. dollar over the period also dented non-U.S. investments.

Effect of COVID-19 on DCRB Operations

To assure the safety of our members, staff, trustees, and stakeholders, and in compliance with the Mayor's COVID-19 order, DCRB suspended all in-person services in March of 2020, and our administrative services and Board meetings are now being performed remotely.

If you need to contact DCRB’s Member Services Center, you can do so via the following options:

Website: “Ask Member Services” inquiry form. https://dcrb.dc.gov/page/ask-member-services
Phone: (202) 343-3272 or toll-free at (866) 456-3272, Monday through Friday, 8:30 a.m. to 5:00 p.m., Eastern Time
Secure Fax to the Benefits Department: (202) 566-5001

Given COVID-19 changes and the usual year end activities, we are experiencing a high volume of phone calls to our Member Services Center. To avoid long waits, you can log onto our website link noted above, where you can complete the Ask Member Services form to submit your inquiry. Our Member Services team will follow up via email or contact you by telephone in the order your inquiry was received.

Since other adjustments may be necessary to make this process more timely, please look for information on our website and in our newsletters for other operational tools we may adopt to improve our communication with you. Active members should contact their human resources office to change their address, correct payroll information, etc.
DCRB Financial Statements for Fiscal Year 2020

For fiscal year (FY) 2020, the Board once again received an unmodified, clean opinion from its independent auditor. The following schedules compare the FY 2020 financial statements with those of FY 2019.

### Statements of Net Position (in $000s) for the Fiscal Years ending:

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2020</th>
<th></th>
<th>September 30, 2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Teachers' Retirement Fund</td>
<td>Police Officers and Fire Fighters' Retirement Fund</td>
<td>Total</td>
<td>Teachers' Retirement Fund</td>
</tr>
<tr>
<td>Cash and short-term investments</td>
<td>$8,814</td>
<td>$24,227</td>
<td>$33,041</td>
<td>$20,298</td>
</tr>
<tr>
<td>Receivables &amp; Prepaid expenses</td>
<td>15,823</td>
<td>35,830</td>
<td>51,652</td>
<td>3,959</td>
</tr>
<tr>
<td>Investments at fair value</td>
<td>2,397,395</td>
<td>6,589,423</td>
<td>8,986,818</td>
<td>2,244,990</td>
</tr>
<tr>
<td>Net Capital Assets</td>
<td>20</td>
<td>55</td>
<td>75</td>
<td>-</td>
</tr>
<tr>
<td>Total Assets</td>
<td>2,422,051</td>
<td>6,649,535</td>
<td>9,071,586</td>
<td>2,176,106</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other payables</td>
<td>2,225</td>
<td>6,158</td>
<td>8,383</td>
<td>1,848</td>
</tr>
<tr>
<td>Investment commitments payable</td>
<td>8,436</td>
<td>23,187</td>
<td>31,623</td>
<td>2,917</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>10,661</td>
<td>29,345</td>
<td>40,006</td>
<td>4,765</td>
</tr>
<tr>
<td><strong>Net Assets Held in Trust For Pension Benefits</strong></td>
<td>$2,411,390</td>
<td>$6,620,190</td>
<td>$9,031,580</td>
<td>$2,256,482</td>
</tr>
</tbody>
</table>

### Statements of Changes in Net Position (in $000s) for the Fiscal Years ending:

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2020</th>
<th></th>
<th>September 30, 2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>District government contributions</td>
<td>Employee contributions</td>
<td>Total</td>
<td>District government contributions</td>
</tr>
<tr>
<td>Additions</td>
<td>$58,888</td>
<td>$93,061</td>
<td>$151,949</td>
<td>$53,343</td>
</tr>
<tr>
<td>Total contributions</td>
<td>101,244</td>
<td>130,941</td>
<td>232,185</td>
<td>93,775</td>
</tr>
<tr>
<td>Net investment income</td>
<td>138,936</td>
<td>381,595</td>
<td>520,531</td>
<td>85,047</td>
</tr>
<tr>
<td>Other income</td>
<td>803</td>
<td>2,207</td>
<td>3,010</td>
<td>883</td>
</tr>
<tr>
<td>Total additions</td>
<td>240,933</td>
<td>514,743</td>
<td>755,726</td>
<td>179,705</td>
</tr>
<tr>
<td>Deductions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit payments</td>
<td>85,679</td>
<td>140,044</td>
<td>225,723</td>
<td>81,471</td>
</tr>
<tr>
<td>Refunds</td>
<td>4,873</td>
<td>1,236</td>
<td>6,109</td>
<td>6,418</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>3,511</td>
<td>9,648</td>
<td>13,159</td>
<td>3,440</td>
</tr>
<tr>
<td>Total deductions</td>
<td>94,063</td>
<td>150,928</td>
<td>244,991</td>
<td>91,329</td>
</tr>
<tr>
<td>Increase in net position</td>
<td>146,920</td>
<td>363,815</td>
<td>510,735</td>
<td>88,376</td>
</tr>
<tr>
<td>Allocation Adjustments</td>
<td>(12)</td>
<td></td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>Net position restricted for pensions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>2,256,482</td>
<td>6,256,363</td>
<td>8,520,845</td>
<td>2,176,106</td>
</tr>
<tr>
<td>End of year</td>
<td>$2,411,390</td>
<td>$6,620,190</td>
<td>$9,031,580</td>
<td>$2,264,482</td>
</tr>
</tbody>
</table>
Inside this DCRB Report
Year End Information, Health Care Open Enrollment, FY 2020 Financial information, and more

From the Chair continued from page one

on DCRB’s Board from 1993 to 2002, and was its Executive Director from 2002 to 2005, served as Interim Executive Director. We are grateful to Ms. Kane for stepping out of retirement to assist us during this transitional period.

Mr. Balestrieri joined DCRB from Corporate Finance Associates (CFA), where he was Managing Partner and Board Director, specializing in mergers and acquisitions, private equity and investing, corporate capitalization, debt management, and project and corporate finance. Mr. Balestrieri completed his undergraduate education in Finance at York University, and is a graduate in law and management from the American University/Washington College of Law and the Harvard Business School, respectively.

Other changes to the DCRB executive team include the promotions of Patrick Sahm, from Interim Chief Investment Officer to Chief Investment Officer, and Daniel Hernandez, from Interim Pension Administrator to Pension Administrator, effective October 11, 2021.

Plan Information
At the Board’s January 2021 meeting, its actuaries presented Trustees with the report on the actuarial valuations of the District of Columbia Police Officers and Firefighters’ Retirement Plan and the District of Columbia Teachers’ Retirement Plan (collectively known as the Plans) and the Board voted to accept the report. The valuations were prepared as of October 1, 2020, for Fiscal Year (FY) 2022.

The results of the valuations were that the market value of the assets of the Plans grew 5.6% during FY 2020, from $8.5 billion at the end of FY 2019 to $9.0 billion at the end of FY 2020. The Plan’s funded ratio (the ability to pay benefits over the long term) was 105.1%, meaning they are very capable of paying benefits to eligible members and their survivors and beneficiaries. At the end of FY 2020, Plan membership totaled 20,721, which included: 10,908 actives, 8,000 retirees and survivors receiving benefits, and 1,813 terminated-vested members entitled to a deferred benefit. There were also 6,258 retirees and survivors receiving or entitled to a benefit under the frozen federal plans.

Benefit Statements
Due to operational challenges posed by COVID-19, DCRB’s Benefits Department needed to delay the issuance of benefit statements to active members of the Plans to April of this year. Statements are expected to be issued again in the spring of 2022.