



Pension Press

The Newsletter of the Houston Municipal Employees Pension System



Update From the Chairman

Sherry Mose
Chairman

Dear Participants,

I hope this Fall finds you well. Students are back in school, and peak hurricane season has passed, thankfully without a major storm striking the Houston area. As we continue the return to normalcy after the challenges of the last few years, I grow more optimistic each day.

I am pleased to report that HMEPS' investment performance for the fiscal year that ended June 30, 2022, was 5.2% - surpassing the index benchmark and ranking the System in the top 3% of the Wilshire Trust Universe Comparison Service (TUCS), a widely recognized public fund database.

The 2022 performance follows the 38.7% return in Fiscal Year 2021, the best performance in the history of the System. Given the tremendous recent volatility in public markets, I am proud of our Board members, investment staff and financial professionals' outstanding work in achieving this investment return.

HMEPS is a long-term investor with a well-diversified and professionally managed portfolio that allows the fund to weather short-term volatility. Participants should have confidence that the System is on strong footing for the long term.

This summer, an election was held for several HMEPS Board of Trustees positions. Trustee Rod Newman and I were elected to new terms without opposition, and Trustee Roy Sanchez was also elected to a new term.

(Cont. on Page 2)

Inside This Issue

<i>HMEPS Investment Update</i>	Page 2
<i>HMEPS Investment Resilience</i>	Page 3
<i>Financial Retirement</i>	
<i>Educational Event (F.R.E.E.)</i>	Page 3
<i>Election Results</i>	Pages 4-5
<i>One-Time Distributions</i>	Page 6
<i>New Retiree Forms</i>	Page 6
<i>Retirements</i>	Page 7
<i>Pension Payment Schedule</i>	Page 7



Congratulations to Sherry Mose, Rod Newman and Roy W. Sanchez

on their re-election to the HMEPS Board.

Turn to pages 4-5 for more information.

Update From the Chairman cont.

(Cont. from Page 1)

I congratulate my Board colleagues on their election, and I thank the participants for their confidence in me for another term. We look forward to continuing to serve on behalf of the hardworking HMEPS participants.

I want to remind participants that the HMEPS office is open to schedule in-person meetings with our Benefit Counselors. To schedule a meeting, participants should call the office at (713) 595-0100. Participants may also submit completed documents in the reception area of the HMEPS office during business hours from 8:00 am to 5:00 pm.

In just a few months, the Texas Legislature will convene for its 88th Regular Session in Austin. While we currently do not anticipate significant pension-related legislation, we will closely monitor any developments and keep you informed.

Finally, I am delighted to announce our 16th annual Financial Retirement Educational Event (F.R.E.E.) on Thursday, October 13th was a great success! See page 3 for more information.

As always, I am grateful to participants for the privilege of serving as your Chairman. I am proud to work alongside my Board colleagues and our staff on your behalf, and to strengthen the System for today and tomorrow.

Your Chairman,



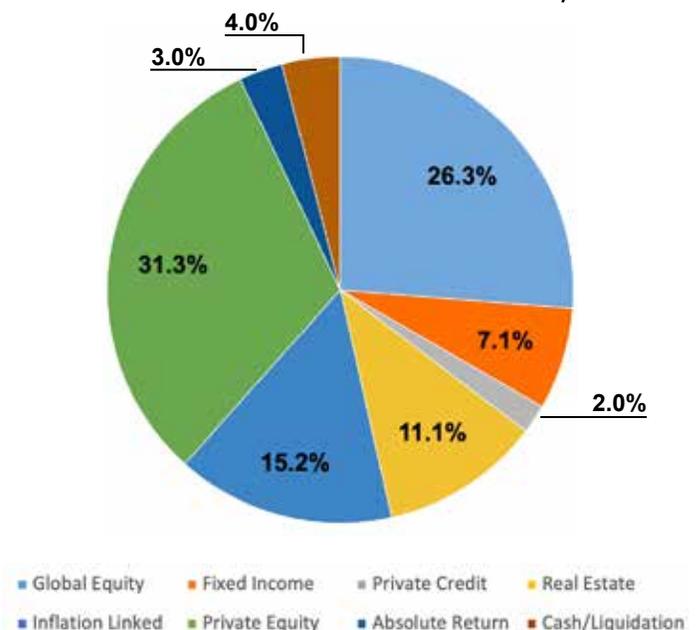
Sherry Mose

HMEPS Investment Update

Market Value by Asset Class

	March 31, 2022	June 30, 2022
Global Equity	\$1,167,190,178	\$1,038,997,649
Fixed Income	299,334,542	256,672,072
Private Credit	113,249,235	104,326,520
Real Estate	465,508,034	419,807,825
Inflation Linked	620,447,014	594,680,520
Private Equity	1,249,440,157	1,235,479,178
Absolute Return	136,650,946	130,057,515
Cash/ Liquidation	120,191,467	157,866,924
Total	\$4,172,011,573	\$3,937,888,203

Asset Allocation as of June 30, 2022



HOUSTON MUNICIPAL EMPLOYEES PENSION SYSTEM INVESTMENT RESILIENCE

The Houston Municipal Employees Pension System’s (HMEPS) investment portfolio has performed very well over the long run and ended fiscal year 2022 with \$3.9 billion in assets. Following our 38.7% return for fiscal year 2021, the HMEPS’ portfolio grew in fiscal year 2022 with a total return of 5.2%, easily beating the index benchmark and ranking in the top 3% of the Wilshire Trust Universe Comparison Service (TUCS) – Public Plans for the one-year period. HMEPS’s well-diversified portfolio has provided a five-year annualized return of 11.1%, in excess of the actuarial assumed rate of return of 7.0%. In addition, the HMEPS fund ranks in the top 3% over the trailing ten-year period ending June 30, 2022, with an annualized return of 10.3%, outperforming nearly all other similarly situated pension plans in the TUCS – Public Plans universe.

HMEPS employs a seasoned professional investment staff with experience across multiple asset classes and market conditions. With the advice of nationally recognized investment consulting firms, HMEPS seeks to create a well-diversified portfolio managed by top performing investment managers across the world. With investments including global equities, global fixed income, global real estate, and commodities such as energy and timber, the HMEPS portfolio is positioned to take advantage of investment opportunities when markets outperform and protect capital when markets are volatile.

HMEPS’ investment returns provide the majority of funds used to pay HMEPS benefits in most years, in addition to member and employer contributions. However, it is important to remember that HMEPS benefits are “defined” benefits and are not directly affected by fluctuations in the market. That’s what sets us apart from those who only have individual investment accounts as their retirement savings. In times of market volatility such as those that have been experienced recently, our HMEPS retirees and active members should feel secure that their benefits and pensions are safe and will be paid.

FINANCIAL RETIREMENT EDUCATIONAL EVENT (F.R.E.E.)



The Financial Retirement Educational Event (F.R.E.E.) provides an opportunity to learn more about your pension, deferred compensation, Social Security and Medicare. We had a wonderful line-up of speakers join us Thursday, October 13, 2022, including Mayor Sylvester Turner. Good financial behavior includes starting early with retirement savings, controlling spending, and limiting debt. The Financial Retirement Educational Event helps you better prepare for your future in retirement.

MAKE PLANS TO JOIN US IN 2023 FOR OUR NEXT FINANCIAL RETIREMENT EDUCATIONAL EVENT (F.R.E.E.).

2022 HMEPS BOARD OF TRUSTEES ELECTION RESULTS



The 2022 Trustee Election results are in! Sherry Mose was re-elected unopposed to employee trustee Position 5, Roderick J. Newman was re-elected unopposed to retiree trustee Position 8, and Roy W. Sanchez won in an election for employee trustee Position 6. Read more about your Trustees here and at www.hmeps.org/hmeps-board.html.



SHERRY MOSE

CHAIRMAN, EMPLOYEE TRUSTEE

Sherry Mose is Plan Administrator of the City of Houston Deferred Compensation Plan. She is responsible for all aspects of this program, which is available to over 23,000 employees.

Ms. Mose serves as the Chairman of HMEPS. She holds the positions of Chair of the External Affairs Committee and Chair of the Investment Committee. Ms. Mose serves on the Texas Association of Public Employee Retirement Systems' (TEXPERS) Board of Directors where she currently serves as First Vice President. Ms. Mose currently also serves on the Board of Directors for the National Conference on Public Employee Retirement Systems (NCPERS), and is a member of Houston Organization of Public Employees (HOPE).

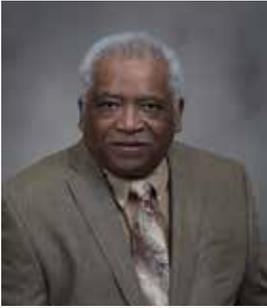
Ms. Mose served as President for the National Association of Government Defined Contribution Administrators (NAGDCA) and is a frequent speaker at deferred compensation and pension conferences. Ms. Mose has received her Chartered Trustee (CT) and Chartered Pension Executive (CPE) designations from the National Society of Pension Professionals, as well as Certified Retirement Administrator (CRA) and Certified Retirement Counselor (CRC) certifications from The International Foundation for Retirement Education (InFRE).

She has obtained certificates from the Program for Advanced Trustee Studies at Harvard Law School and has completed the TEXPERS Certified Trustee Training (CTT), an in-depth course on ethics, investments, fiduciary duties, actuarial matters and accounting matters. She received her bachelor's degree from the University of Louisiana at Lafayette, Louisiana and completed her financial planning courses at the University of St. Thomas.

Ms. Mose received the Director's Award for Outstanding Achievement, the City of Houston Communicator Award for excellence in employee communication, the NAGDCA Leadership Recognition Award, and the National Association of Securities Professionals (NASP) Joyce Johnson Award for outstanding leadership in advancing the ideals and principles of NASP and its mission to make a difference for minorities and women professionals in the securities industry.

Ms. Mose was involved in the School-To-Work program with the Houston Independent School District. As a former member of Brentwood Baptist Church, she served as President of the New Members Orientation Committee, and she currently volunteers as a kindergarten associate at River Pointe Church (RPC+).

2022 HMEPS BOARD OF TRUSTEES ELECTION RESULTS



RODERICK J. NEWMAN

RETIREE TRUSTEE

Mr. Newman graduated from the University of Houston in 1977 with degrees in Social Science Teacher Education and Sociology. Prior to attending college, he served honorably in the United States Air Force and is also a Vietnam veteran.

Mr. Newman worked for the City of Houston for thirty-five years, all in the Human Resources Department, where he became Division Manager of the Selection Services Division, Employee Relations, and Employee Health Services Section, and was first elected to the HMEPS Board in 1992. He was the first African American elected to the Board and has served in a Trustee position for 22 years.

He was also the first African American to serve as Chairman of the HMEPS Board and has also held the positions of Vice Chairman and Secretary. He has chaired or served on committees such as Disability, Personnel and Procedures, External Affairs, and Budget and Oversight.

He has completed Certified Trustee Training offered by the Texas Association of Public Employee Retirement Systems (TEXPERS) at Baylor University and has received training in Finance, Ethics, Pension Law, Actuarial Science and Fiduciary responsibilities.

He also serves on the Boards of the Association of Retired Houston Municipal Employees (ARHME), the Houston Employee Relief Organization (HERO), and the Houston Metropolitan Federal Credit Union (HMFCU).

In his personal life, he is married and the father of two lovely children and is also actively involved in school, church, and community activities.



ROY W. SANCHEZ

EMPLOYEE TRUSTEE

Roy W. Sanchez was elected to the Board of Trustees in 2010. He currently serves as Chair of the Audit Committee and Vice Chair of the Budget and Oversight Committee. He has over 28 years of service in the City of Houston as a Senior Electrical Inspector in the Code Enforcement Division of Houston Public Works Department.

Mr. Sanchez is currently serving as President of the Houston Organization of Public Employees AFSCME Local 123, and is the former Treasurer of HOPE AFSCME Local 123.

He also serves as a Departmental Union Representative and was part of the negotiation team for the Meet and Confer for all Houston municipal employees. Mr. Sanchez also is currently a Member of the Executive Board of the Texas Gulf Coast Area Labor Federation, AFL-CIO, and Texas AFL-CIO Vice President of District 3.

Mr. Sanchez completed the Certified Trustee Training (CTT) offered by the Texas Association of Public Employee Retirement Systems, an in-depth course on ethics, investments, fiduciary duties, actuarial matters and legal matters. He also completed the Program for Advanced Trustee Studies at Harvard Law School. Mr. Sanchez attended San Jacinto Junior College, Houston Community College and Eastern Community College.

ONE-TIME DISTRIBUTIONS & NEW FORMS FOR RETIREES

ONE-TIME DISTRIBUTIONS

(DROP, LUMP SUM, REFUNDS, CASH BALANCE ACCOUNT)

All non-rollover one-time distributions (DROP partial or lump sum payments, Early Lump Sum Benefit payments, Refunds, Cash Balance Account distributions) will be mailed from HMEPS' retiree payroll provider, State Street Retiree Services, to participants' address of record.

Beginning January 2023, if a participant instead wants to pick up his or her check in the HMEPS office, the participant must notify HMEPS in writing ("Check Pickup Request" Form) by the 15th day of the month so that HMEPS can have State Street send the check to HMEPS. The check will be available at the HMEPS office on the 3rd of the following month (or the next business day after the 3rd if the 3rd is a Saturday, Sunday or Holiday). For 2023, a participant who has timely notified HMEPS can pick up his or her check at the HMEPS office as follows:

CHECK DATE	AVAILABLE FOR PICKUP
• January 2023	February 3, 2023
• February 2023	March 3, 2023
• March 2023	April 3, 2023
• April 2023	May 3, 2023
• May 2023	June 5, 2023
• June 2023	July 3, 2023
• July 2023	August 3, 2023
• August 2023	September 5, 2023
• September 2023	October 3, 2023
• October 2023	November 3, 2023
• November 2023	December 4, 2023
• December 2023	January 3, 2024

NEW FORMS FOR RETIREES

If you are changing your address, contact information, or account where HMEPS sends your monthly pension benefit through direct deposit, new and updated forms are available at the HMEPS office or by downloading fillable forms at <http://www.hmeps.org/retirees.html>.



ADDRESS/CONTACT CHANGE

If you change your address or contact information, the new Address and Contact Change form replaces the old Change of Address form. Please note that you must provide and maintain with HMEPS the physical address where you reside. The new form allows you to enter a mailing address in addition to your physical residence address. The form also must be notarized to provide greater security and help HMEPS ensure that benefits are paid as authorized.

ELECTRONIC FUNDS TRANSFER DIRECT DEPOSIT ENROLLMENT AUTHORIZATION

Similarly, if you change the account where you want HMEPS to electronically direct deposit your monthly benefit payment, the new Electronic Funds Transfer Direct Deposit Enrollment Authorization form replaces the old form. This form also must be notarized for enhanced security and benefit payment authorization.

RETIREMENTS: 2022 SECOND QUARTER RETIREMENTS

Admin & Regulatory Affairs

Alice Carter
Sherry Luera
Terry Taylor

Aviation

Dan Lacy
Michael Sigler
Elizabeth Snow
Efrain Osorto
Cheryl Barber
Elsa Macedo
Charles Farina

Controller

Brenda Jackson

Finance

Wade Jones

Fleet

Ronald Garrett
Winston Toppin
Gary Tran
Chinye Okolie

General Services

Kenneth Mersiovsky

Health & Human Services

Jennie Bland
Roger Jones
Richard Stancil

Houston Emergency Center

Yokisia Johnson
Lettie Preston

Human Resources

Philip Malek

Legal

Penn Phillips-Price

Library Department

Maurice Williams
Derek Lyons
Juan Benavides
Iona Joseph
Eduardo Champa

Municipal Courts

Toby Black

Parks & Recreation

J. Isidro Barroso
Kathy Navarre

Planning & Development

Bala Balachandran
Patricia Benavides-Foley

Police Department

Murial Hughes-Castle
Max Triola
Cheryl Johnson
Mary Boozier
Jamey Wolf-Jattar

Public Works & Engineering

Inger Smith
Kerwin Honhensee
Gloria Williams
Eddie Emanuel
Terri Turner
Kerry Parker
Lettie Taylor
Carmen Gordon

Solid Waste Management

Steven Warren
Katherine Jones
Cedric Brown

The Retirements section lists names and departments of those retiring participants who have indicated on their retirement applications that they wished to have an announcement of their retirement included.

2022 PENSION PAYMENT SCHEDULE: OCTOBER - DECEMBER 2022

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 or visit the retiree page at www.hmeps.org. The ACH payment schedule for October – December 2022 is:

October 31, 2022 • November 30, 2022 • December 30, 2022



LONG-TIME SENIOR BENEFITS COUNSELOR IRMA NASER RETIRES

Senior Benefits Counselor Irma Naser retired from HMEPS in August 2022. Irma worked over 20 years at HMEPS, diligently providing excellent service to participants and to the pension system.

In addition to the thousands of participants that Irma has helped over her career, she trained and mentored HMEPS benefit counselors to ensure the continuation of high quality service to members, retirees and their families. She also was a frequent presenter at the City of Houston's new employee orientation where she educated new members about the HMEPS plan. Irma was known for her knowledge, skill and friendly attitude, and she was always professional, composed and available to help.

Irma enjoys cooking, travel and spending quality time with her family, all of which she looks forward to continuing in retirement. Join us in congratulating Irma on her retirement as we wish her happiness in the next chapter of her life.

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Rhonda Smith, *Secretary*
Roderick J. Newman
Roy W. Sanchez
Lonnie Vara
Barbara Chelette, *Appointed*

CITY APPOINTED TRUSTEES

Denise Castillo-Rhodes
David Donnelly
Edward J. Hamb II
Adrian Patterson

Pension Press

David L. Long,
Executive Director

Thanks to the HMEPS staff for their contributions to the ongoing success of the *Pension Press*.



HMEPS

HOUSTON MUNICIPAL EMPLOYEES PENSION SYSTEM

NEWSLETTER CONTENT

The material contained in this newsletter is intended to provide you with important information about your pension participation. The content cannot be taken as the basis of any contractual rights between HMEPS and its participants. If there is a question of interpretation, retirement laws are the final authority.