



**The lifelong  
benefit of  
doing good**

**2024 ANNUAL REPORT**

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# Message from the President and CEO



Michael B. Cefole,  
President &  
Chief Executive Officer

## The Legacy of a Century of Service

As CEO of the YMCA Retirement Fund, it is my privilege to present the Fiscal Year 2024 Annual Report. This past year we completed our new strategic plan, strengthened our long-term financial outlook, bolstered our technology infrastructure, systems and security and refreshed our brand.

With an emphasis on communications and education, we ensured that help-

ing YMCA people with lifetime income in retirement is at the center of everything that we do. We introduced the new Learning Center on our website where you can explore the topics that interest you most – whether retirement is around the corner or many (many) years down the road.

For more details I encourage you to read the Report from the COO & CAO

on pages 6 - 9 and the Report from the CIO on pages 10 - 11.

My colleagues and I are awed by the legacy of more than a century of service and support that Y Retirement has provided to the YMCA Movement, and it's our sacred responsibility to continue this legacy. All of this is encapsulated in our new mission and vision statements.

### Mission

To partner with YMCAs to help those who serve others build a foundation for financial security in retirement.

### Vision

Generations of YMCA employees approach the future with anticipation and confidence.

## New Strategic Plan

With values being at the core of YMCA work across the country, we too at Y Retirement have articulated Core Values and Guiding Principles:

- **Teamwork:** We leverage the collective wisdom and diverse thinking of our team.
- **Excellence:** We hold ourselves accountable and put forth our best work every time.
- **Authenticity:** We show up with integrity and honesty, upholding the highest ethical standards.
- **Adaptability:** We embrace change and maintain flexibility to embrace new challenges.
- **Development:** We promote a culture of continuous improvement.



## Strategic Themes

To complete our strategic plan, we identified five Strategic Themes that will guide our work and frame our annual operating plans for the next several years:



Partnership with the YMCA Movement



Participant Retirement Preparation and Confidence



Plan Design, Competitiveness and Sustainability



Organizational Development



Culture and Talent Attraction



## Gratitude for Dedicated Trustee Service

Our Board of Trustees is led by Board Chair William D. Rueckert and Vice Chair Patricia Haverland, both longtime board members at their local YMCAs, as is the case for many of our Y Retirement Trustees. Our board members bring an understanding of YMCA work, and pair this with a high level of expertise in areas critical to building the long-term strength of Y Retirement. It's not just Y Retirement staff who feel a sacred responsibility, it's the Trustees too.

Throughout each year they volunteer their collective expertise, including at quarterly three-day meetings away from their homes and jobs, not to mention phone and virtual calls between the quarterly meetings.

In December 2023, the Board of Trustees welcomed Jayesh Bhansali, Chief Investment Officer at IRIQIV, a multi-family office. He currently serves as an independent director for VanEck Mutual Fund, as an advisor to the Connecticut Public Broadcasting Retirement Plan, and an adjunct faculty member at Fordham University's Gabelli Business School.

As an industry expert, Mr. Bhansali has contributed to the development of policy guidelines for the President's Economic Recovery Advisory Board, Federal Reserve Bank & Basel III forums, and the Counterparty Risk Management Policy Group.

In December 2024, our board will say farewell to Jurij Kushner, Trustee since 2013. His dedication to Y Retirement and to the entire YMCA Movement

is matched only by his keen insight, teamwork and support as Y Retirement navigated some significant and challenging issues during his 12 years on the board.

Perhaps more important to us than his stellar professional career in corporate finance, Mr. Kushner is a respected supporter of the YMCA of Greater Rochester (NY), serving on the board

of directors from 1994 to 2005. He recently rejoined the Board of Directors of the Rochester YMCA, continues to serve on the finance committee, and was named the chair of the Strengthening Our Communities Comprehensive Campaign. We will miss him at Y Retirement and strive to continue to live up to his standards.

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## Looking Forward

Y Retirement's new mission and vision are our way of recognizing that the work of Y Retirement spans the present and the future. So, I reflect often on the simple phrase that drives every decision we make: Our goal is to pay the best retirement income possible while ensuring we are here to deliver on the promises we make to generations of YMCA staff.

On behalf of all of us at Y Retirement, we thank you for the good work you do in your communities. I truly feel that Y Retirement is the lifelong benefit of doing good.

Michael B. Cefole,  
President & CEO



# Report from the COO and CAO



Derrick Stewart,  
Executive Vice President  
& Chief Operating Officer



Gordon Bailey,  
Chief Administrative Officer

*Fiscal Year 2024 was marked by a variety of transformative projects that will continue to help Y Retirement serve Ys across the country and continue to meet the needs of the Y community.*

## Lifetime Income Projections: Designed to be More Stable

Lifetime income projections are an important tool to help plan participants understand the value of their retirement benefit and to assist in their retirement planning efforts. Y Retirement seeks to provide lifetime income projections that are:

**Enduring:** Markets are unpredictable and will move up and down throughout a person's career. It is important that our projections reflect a long-term view of financial markets and are not overly impacted by short-term economic cycles.

**Conservative:** Projections are not a guarantee, and actual results may differ. Understanding the importance of lifetime income projections in assisting

with retirement planning, we aspire to provide projections that are more conservative than aggressive to limit surprises as participants near retirement.

While Y Retirement does not expect these projected rates to change frequently (absent notable changes in long-term market conditions or changes in our liabilities), projections will adjust annually based on the actual declared rate for the applicable fiscal

year. The long-term projected rates will continue to apply to future years.

These projection assumptions will be reviewed annually as part of the rate-setting framework, which includes input from various members of Y Retirement leadership and the Board of Trustees and is supported by our Actuary and Asset Liability Management consultant.

3%

### Salary Growth Projection

- Increased salary growth projection factor to 3%
- This estimate is more consistent with the average Y Employee experience

4%

### Annuity Conversion Rate Projection

- Increased the projected ACR to 4% for balances accruing in future undeclared years
- Based on long-term assumptions for interest rates that drive key planning assumptions

5%

### Interest Credit Rate Projection

- A long-term projection for contributions & subsequent interest accruing during future undeclared years
- Based on long-term assumptions for interest rates



## The 403(b) Savings Plan Expands to Add Roth Savings Options

Calendar year 2024 saw the launch of the much-anticipated Roth Account and Roth Rollover Account. The addition of these accounts – which grow free from federal tax – to the 403(b) Savings Plan was a result of participant feedback and provides added flexibility for Y employees to save in a way that works best for their unique circumstances and retirement savings goals.

In just six months, we've seen steady adoption of the Roth Account options and we anticipate continued growth.

### Snapshot

January 1 – June 30, 2024

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# \$2.3 Million

Roth Contributions

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# 2,252

People Contributing to Roth

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# 340

YMCAs with at least 1 Roth Contributor

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## A Modern, Refreshed Look and Voice for Y Retirement

Y Retirement has exclusively served the YMCA community for more than 100 years. Y Retirement's partnership with Ys is critical to its success and ability to serve those who serve their communities. So, in 2024, Y Retirement embarked on a highly strategic brand refresh for two main reasons:

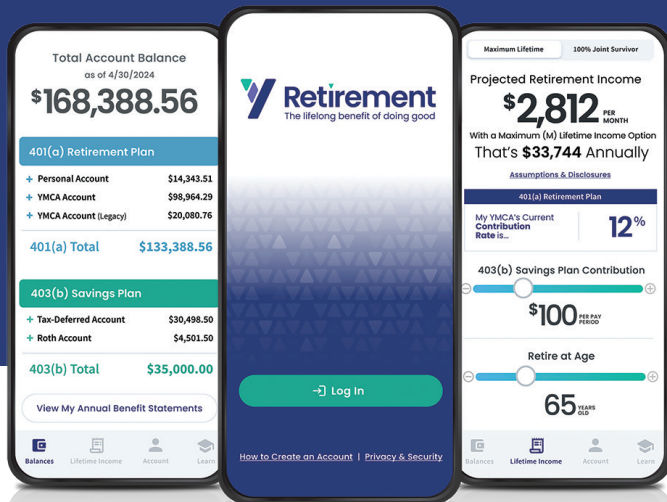
- To help today's Y employees better understand the uniqueness and value of the Y Retirement benefit
- To help Y employees see Y Retirement as more closely aligned with the Y community

The process included extensive research into how Y staff view us now, and internal review to understand what motivates our own team members to do the work we do every day. The result was a modern logo, a tagline that better articulates what we do, and fresh pops of color that convey strength, caring, and financial expertise.



## Account Access on the Go!

Y Retirement's new mobile app provides Participants with quick access to their retirement benefit summary. They can view account balances, download Annual Benefit Statements, utilize the Lifetime Income Tracker, view beneficiary and personal account information, check out learning resources, and more.





# Participant Engagement Survey

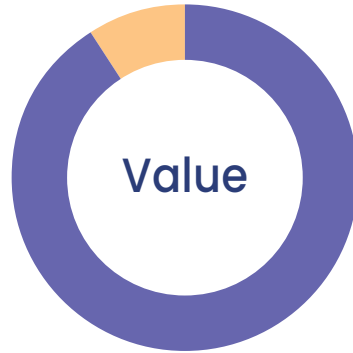
Overall, Plan Participants continue to give high marks to the YMCA Retirement Fund when it comes to the key indicators of Value, Retention, Trust, and Satisfaction.



## Satisfaction

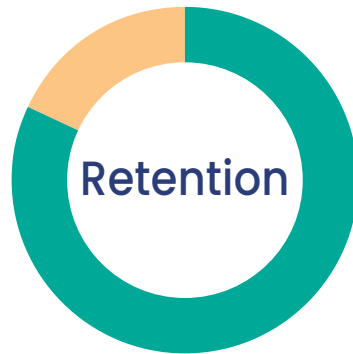
# 87%

...are satisfied with the Y Retirement benefit.



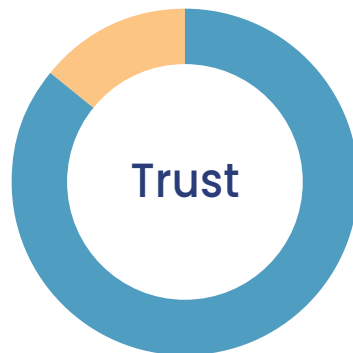
# 91%

...agree that the Fund is a valuable benefit.



# 82%

...agree that it is a factor in their plan to continue working for the Y.



# 86%

...agree that they trust the Fund to act in Participants' best interest.

*Participant Engagement Survey was conducted in Spring 2024. Percentages represent the two most favorable responses to each question combined.*



# Report from the CIO



Hunter S. Reisner,  
Chief Investment Officer

## Highlights from Fiscal Year 2024

Y Retirement continues to achieve its investment objectives. The most essential of these is to grow the portfolio over the long term in a diversified, risk-controlled fashion, aiming to generate long-term annualized returns of 6+% so we can provide enhanced benefits going forward and fulfill our promises.

To that end, we are pleased to report another year of strong performance at Y Retirement. For the most recent fiscal year ending June 30, 2024 (FY 24), the Y Retirement Investment Portfolio returned 8.7% bringing total asset value to \$9.1 billion. With each year of positive performance (this being Y Retirement’s 8th consecutive one), we are evermore mindful of our sacred role in stewarding your retirement savings prudently, enhancing the value of the Portfolio over time, and empowering the employees and retirees of the YMCA, one of the great institutions of the U.S. and the world.

Looking over the long-term, the Portfolio has successfully exceeded its goal of 6+%, having compounded annual-

ized returns net of all investment manager fees at

- 8.4% over the last 5 years,
- 8.1% over the last 7 years, and
- 7.0% over the last 10 years.

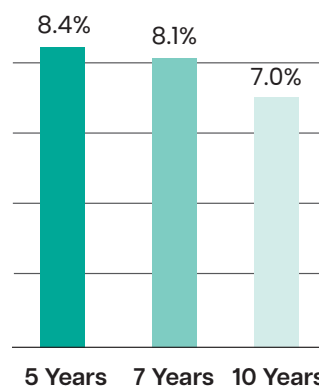
The Portfolio’s consistency has enabled the interest crediting rate to steadily increase – recently growing to 5.5% – while ensuring the multi-decade annuity promises can be fulfilled.

During FY 24 all of our nine asset classes delivered positive returns. The most notable contributors to our 8.7% Port-

folio-level returns were our Public Equities portfolio (+14.4%) and our Credit portfolio (+15.8%).

Universally positive returns across a portfolio as diversified as ours is almost certain not to continue in most individual years (although it has and should over long periods of time). While we are pleased with the recent outcome, we have concern that such performance reflects some excessive market exuberance and some investor complacency, especially as the global economy is slowing and some monetary stimulus has abated. We have made – and continue to make – adjustments to ensure that the Portfolio remains forward-looking and resilient.

### Annualized Returns Net of Fees



### Market Update: Rising Tides with a Chance of Thunderstorms

FY 24 featured similar sentiment and positioning as was seen in the final half of FY 23. U.S. equities (as measured by the S&P 500) continued to be driven by a handful of mega cap stocks, coined the “Magnificent 7” as the remaining



## PROTECT AND GROW

493 stock constituents lagged notably behind. Positive sentiment around consumer spending, economic growth, and research efforts relating to Artificial Intelligence has driven strong momentum in portions of the equity markets. International equity market indexes have not fared as well as the growth-oriented U.S. stock market index.

Simultaneously, uncertainty in global finance and the geopolitical trajectory remains. Heading into 2024, national elections were scheduled to be held in almost 50% of the global community, including the upcoming U.S. elections in November. Results will likely prove consequential for years to come. We continue to aim to build a diversified portfolio, with the goal of producing attractive returns without taking explicit bets on political outcomes or other events.

Beyond geopolitical developments, the market continues to assess ever-changing expectations around inflation, economic growth, and interest rates. We approach such a backdrop with patience and humility with one-third of the Portfolio in defensive or risk-reducing assets. Over 16% of the Portfolio is in defensive-oriented asset classes (U.S. Treasuries and Cash exposures), with an additional 12% in strategies intended to diversify away from equity risk and 5% in credit-oriented fixed income instruments. The Portfolio's positioning is designed to protect against excessive downside volatility, which ultimately should allow the Portfolio to lean into opportunities.

## Our Go-Forward Positioning

We continue to refine our portfolio construction to increase the likelihood of generating long-term returns of 6-7% to meet the significant and sacred benefit promises we have historically made and ones we intend to make in the future.

- ④ To build more downside protection into the Portfolio without compromising liquidity and to benefit from the higher interest rate environment, we increased the duration of our Rates (Treasuries) Portfolio. Such positioning should provide protection from a large stock market sell-off and, importantly, allow us the capital to rebalance the Portfolio by buying what would then be less-costly stocks.
- ④ With structural changes to the banking system paired with an increased cost of capital, banks' willingness to lend in certain areas has diminished. We have been increasing our exposure to more opportunistic credit strategies to take advantage of this longer-term backdrop.
- ④ Y Retirement continues to pursue long-term, compounding growth stories in all areas, particularly those involving technological innovation in the U.S. and elsewhere.

Building on these strategic efforts, we remain steadfast in our commitment to protect and grow the retirement savings of the more than 123,000 constituents of Y Retirement. It is a privilege to have enduring partnerships with YMCAs across the country, and we look forward to serving you for many decades to come.

Hunter S. Reisner,  
Chief Investment Officer

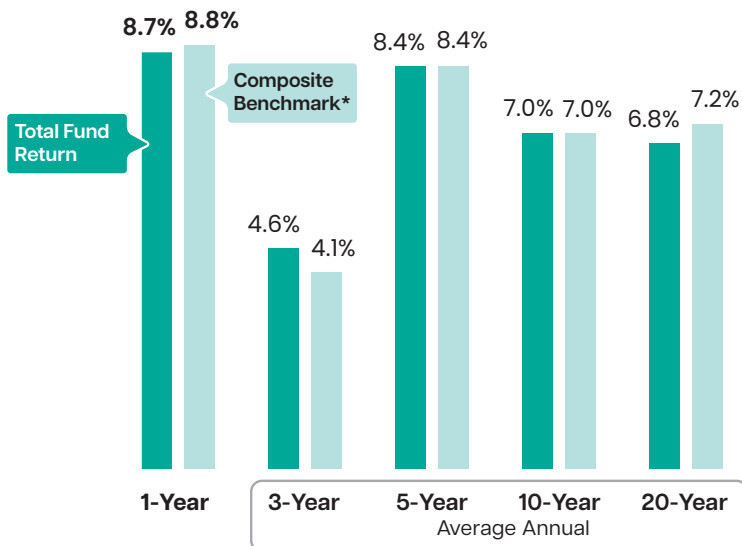


# Financial Data & Participant Statistics, Fiscal Years Ending June 30

8.7%

## Total Fund Return

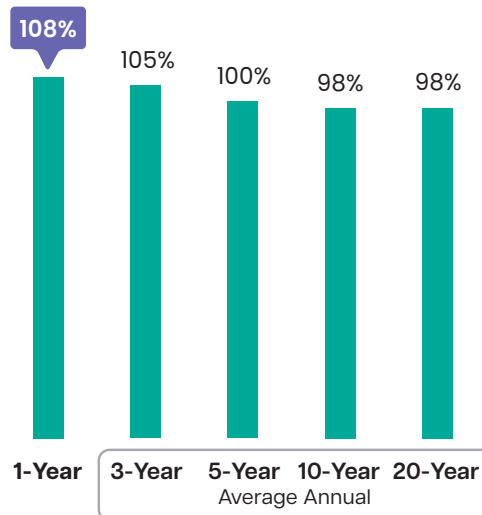
10-Year & 20-Year Return Approximately 7%



108%

## Funding Level

Consistent Funding Level Growth

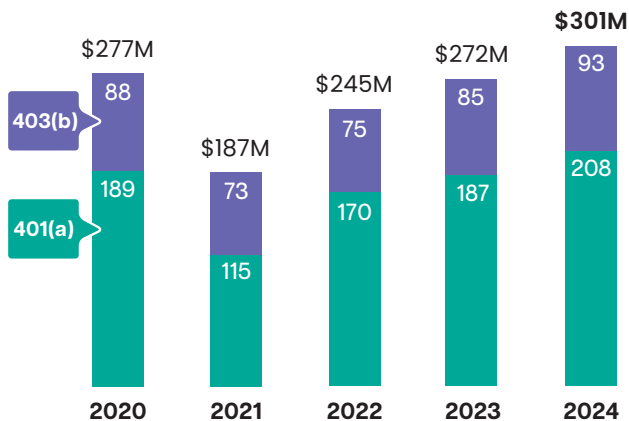


Funding Level = Assets/Liabilities

\$301M

## Plan Contributions

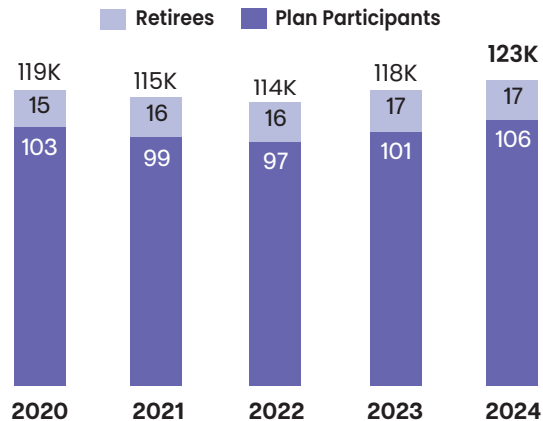
Contributions Increased More than 10% in FY 24



123K

## People Served

Strong Participant Growth Over the Past 2 Fiscal Years



\*Weighted blend of asset class benchmarks reflecting the YMCA Retirement Fund's long-term investment strategy



# Leadership & Consultants

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Southport, CT

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Dalio Family Office, New York, NY

### Jayesh Bhansali

Chief Investment Officer, IRIQIV,  
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New Castle, NH

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Capabilities Prudential, Hartford, CT

### W. Kelvin Walker

Chief Executive Officer,  
Dallas Citizens Council, Dallas, TX

### Joseph R. Weist

Chief Financial Officer,  
Tampa Metropolitan Area YMCA,  
Tampa, FL

### Carmelita Gallo

*Retiree Liaison (Non-voting)*  
Retired SVP & COO,  
YMCA of Metropolitan Dallas,  
Dallas, TX

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President & CEO

### Derrick Stewart

Executive Vice President &  
Chief Operating Officer

### Gordon Bailey

Chief Administrative Officer

### Robert Chamerda

Vice President of Retirement  
Research, Competitive Intelligence &  
Chief of Staff

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Customer Service

### Elizabeth Delgado

Vice President – Human Resources &  
Chief Human Resources Officer

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### Kerri R. Hayes

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### Elizabeth A. Kurilla

Vice President - Internal Audit

### Patrick Lachanski

Senior Vice President &  
Head of Finance

### Joseph Maksoud

Senior Director of Infrastructure

### John Quiñones

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### Hunter S. Reisner

Chief Investment Officer

### Gerard Rescigno

Chief Information Officer

### Mark Sinni

Deputy Chief Investment Officer

### Sweta Vaidya

Senior Vice President – Actuary

### Lisa Worthy

Senior Vice President – Finance

## Independent Consultants

### Actuary

WTW

### Attorney

Patterson, Belknap, Webb & Tyler LLP

### Auditor

KPMG LLP

### Compensation

Mercer

### Custodian Bank

JP Morgan Chase

### Information Technology

Rapid 7

### Investment

Cambridge Associates

### Total & Permanent Disability

### Claims Administrator

Lincoln Life Assurance Company  
of Boston

YMCA Retirement Fund  
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[www.yretirement.org](http://www.yretirement.org)