



July 18, 2025

Ben Huxen  
Executive Director and General Counsel  
Municipal Police Employees' Retirement System  
7722 Office Park Boulevard, Suite 200  
Baton Rouge, Louisiana 70809-7601

Dear Ben:

Pursuant to your request, we have estimated the rate of return on the actuarial value of assets for fiscal 2025. Based upon R.S. 11:2221, certain former DROP participants earn interest at a rate of one-half of one percent below the percentage rate of return of the system's investment portfolio as certified by the actuary. We will not have a final answer with regard to the DROP interest rate for fiscal 2025 until the annual valuation is complete and we have final, audited financial statements. Therefore, please note that these figures are subject to change.

If the retirement system's net market rate of return calculated based upon final, audited financial statements were to be 11.2% for Fiscal 2025 (as shown in the NEPC June 30, 2025 flash report), we estimate that given the 6.75% valuation interest rate in effect during Fiscal 2025 and the returns of the most recent four fiscal years, the actuarial rate of return will be approximately 7.98%. Therefore, when this amount is reduced by 0.5%, the expected DROP interest rate for Fiscal 2025 would be 7.48%.

Of course, retirees should be reminded that the final calculation could be less than this amount. Final non-investment cash flows and asset values will affect the calculation but are not available to us at this time.

If you have any questions about this calculation, please give us a call.

Sincerely,

A handwritten signature in blue ink that reads "Gregory M. Curran".

Gregory M. Curran, FCA, MAAA, ASA  
Consulting Actuary