

# **NOTICE OF A REGULAR MEETING OF THE EFFINGHAM POLICE PENSION FUND BOARD OF TRUSTEES**

The Effingham Police Pension Fund Board of Trustees will conduct a regular meeting on **Monday, April 17, 2023 at 10:00 a.m.** in the Effingham Police Department Training Room located at 110 South 3<sup>rd</sup> Street, Effingham, Illinois 62401, for the purposes set forth in the following agenda:

## **AGENDA**

1. Call to Order
2. Roll Call
3. Public Comment
4. Approval of Meeting Minutes
  - a.) January 16, 2023 Regular Meeting
  - b.) February 9, 2023 Special Meeting
5. Accountant's Report – Lauterbach & Amen, LLP
  - a.) Monthly Financial Report
  - b.) Presentation and Approval of Bills
  - c.) Additional Bills, if any
    - i. Illinois Department of Insurance Compliance Fee
  - d.) Review/Update – Cash Management Policy
6. Investment Report
  - a.) IPOPIF – Verus Advisory, Inc
    - i. State Street Statement
7. Communications and Reports
  - a.) Statements of Economic Interest
  - b.) Affidavits of Continued Eligibility
8. Trustee Training Updates
  - a.) Approval of Trustee Training Registration Fees and Reimbursable Expenses
9. Applications for Membership/Withdrawals from Fund
10. Applications for Retirement/Disability Benefits
11. Old Business
12. New Business
  - a.) Appointed Member Term Expiration – John Richards
  - b.) Review/Possibly Approve – Resolution for Authorized Agents and Account Representatives from IPOPIF
  - c.) Discussion/Possible Action – Lauterbach & Amen, LLP Engagement Letter
13. Attorney's Report – Asher, Gittler & D'Alba, Ltd
  - a.) Legal Updates
14. Closed Session, if needed
15. Adjournment

**MINUTES OF A REGULAR MEETING OF  
THE EFFINGHAM POLICE PENSION FUND BOARD OF TRUSTEES  
JANUARY 16, 2023**

A regular meeting of the Effingham Police Pension Fund Board of Trustees was held on Monday, January 16, 2023 at 10:00 a.m. in the Effingham Police Department located at 110 South Third Street, Effingham, Illinois 62401, pursuant to notice.

**CALL TO ORDER:** Trustee Dust called the meeting to order at 10:00 a.m.

**ROLL CALL:**

**PRESENT:** Trustees Daniel Dust, Jeremy Kyle, John Richards, Cleone Bloemker, and Steve Miller

**ABSENT:** None

**ALSO PRESENT:** Treasurer Catelyn Vail and Deputy City Administrator Dennis Presley, City of Effingham; Josi Elder, Lauterbach and Amen, LLP (L&A)

**PUBLIC COMMENT:** There was no public comment.

**APPROVAL OF MEETING MINUTES:** *October 17, 2022 Regular Meeting:* The Board reviewed the October 17, 2022 regular meeting minutes. A motion was made by Trustee Dust and seconded by Trustee Bloemker to approve the October 17, 2022 regular meeting minutes as written. Motion carried unanimously by voice vote.

*Semi-Annual Review of Closed Session Meeting Minutes:* There were no closed session meeting minutes for review.

**ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP:** *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the seven-month period ending November 30, 2022 prepared by L&A. As of November 30, 2022, the net position held in trust for pension benefits is \$19,317,786.13 for a change in position of (\$596,279.96). The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and the Vendor Check Report for the period September 1, 2022 through November 30, 2022 for total disbursements of \$54,046.84. A motion was made by Trustee Bloemker and seconded by Trustee Dust to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$54,046.84. Motion carried unanimously by voice vote.

*Additional Bills, if any:* There were no additional bills presented for approval.

*Review/Update – Cash Management Policy:* The Board reviewed the Repeat Monthly Withdrawal Instructions and Cash Reserve Guidelines provided by L&A. A motion was made by Trustee Kyle and seconded by Trustee Miller to establish the cash reserve balance in the BMO Harris account as \$300,000 and to direct L&A to generate an ACH form to transfer surplus funds once the balance exceeds the cash reserve from the BMO Harris Bank account to the State Street account for investment purposes. Motion carried unanimously by voice vote.

**INVESTMENT REPORT:** *IPOPIF – Verus Advisory, Inc:* The Board reviewed the IPOPIF Investment Performance Review prepared by Verus Advisory, Inc. for the period ending October 31, 2022. As of October 31, 2022, the one-month total net return is 3.2% and the year-to-date total net return is (11.4%) for an ending market value of \$6,915,531,709.

*State Street Statements:* The Board reviewed the State Street Statement for the period ending November 30, 2022. The beginning value was \$17,503,022.22, the ending value was \$18,455,377.47 and the net return was 5.44%.

**COMMUNICATIONS AND REPORTS:** *Statements of Economic Interest:* The Board noted that the List of Filers must be submitted to the County by the City by February 1, 2023. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2023.

**TRUSTEE TRAINING UPDATES:** The Board reviewed the Trustee Training summary and discussed upcoming training opportunities. Trustees were reminded to submit any certificates of completion to L&A for recordkeeping.

*Approval of Trustee Training Registration Fees and Reimbursable Expenses:* There were no trustee training registration fees or reimbursable expenses presented for approval.

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND:** There were no applications for membership or withdrawals from the Fund.

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** There were no applications for retirement or disability benefits.

**OLD BUSINESS:** There was no old business to discuss.

**NEW BUSINESS:** *Approve Annual Cost of Living Adjustments for Pensioners:* The Board reviewed the 2023 Cost of Living Adjustments calculated by L&A. A motion was made by Trustee Kyle and seconded by Trustee Richards to approve the 2023 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried unanimously by voice vote.

*Review Trustee Term Expirations and Election Procedures:* The Board noted that the appointed member position held by Trustee Richards is expiring in April 2023 and he is interested in remaining on the Board. The Board will contact the City and seek reappointment of Trustee Richards to the Board.

*Updated Local Bank Account Collateralization Agreements:* The Board reviewed the memorandum prepared by L&A regarding the successor of the third-party custodian from Bank of America to The Bank of New York Mellon to continue collateralization of the BMO Harris Bank operating account. A motion was made by Trustee Richards and seconded by Trustee Miller to authorize Trustee Dust to execute the updated tri-party pledge depository agreement on behalf of the Fund. Motion carried unanimously by voice vote.

*Discussion/Possible Action – Fiduciary Liability Insurance Renewal:* The Board reviewed the fiduciary liability insurance renewal provided by Weis Insurance Agency, LLC. Further discussion will be held at the next regular meeting.

*Review/Approve – Asher, Gittler & D’Alba Rate Increase:* The Board reviewed the Asher Gittler & D’Alba, Ltd rate increase memo. A motion was made by Trustee Kyle and seconded by Trustee Bloemker to approve the rate increase effective April 1, 2023. Motion carried unanimously by voice vote.

**ATTORNEY’S REPORT – ASHER, GITTLER & D’ALBA, LTD:** *Legal Updates:* There was no attorney’s report or legal updates presented.

**CLOSED SESSION, IF NEEDED:** There was no need for closed session.

**ADJOURNMENT:** A motion was made by Trustee Dust and seconded by Trustee Kyle to adjourn the meeting at 10:52 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for April 17, 2023 at 10:00 a.m.

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Board President or Secretary

Minutes approved by the Board of Trustees on \_\_\_\_\_

*Minutes prepared by Josi Elder, Pension Services Administrator, Lauterbach & Amen, LLP*

**MINUTES OF A SPECIAL MEETING OF THE  
EFFINGHAM POLICE PENSION FUND BOARD OF TRUSTEES  
FEBRUARY 9, 2023**

A special meeting of the Effingham Police Pension Fund Board of Trustees was held on Thursday, February 9, 2023 at 10:00 a.m. in the Effingham Police Department located at 110 South Third Street, Effingham, Illinois 62401, pursuant to notice.

**CALL TO ORDER:** Trustee Dust called the meeting to order at 10:08 a.m.

**ROLL CALL:**

**PRESENT:** Trustees Daniel Dust, John Richards, Cleone Bloemker, and Steve Miller

**ABSENT:** Trustee Jeremy Kyle

**ALSO PRESENT:** Treasurer Catelyn Vail and Deputy City Administrator Dennis Presley, City of Effingham; Greg Kiesewetter (*via videoconference*), Cook Castle Associates, LLC; Josi Elder, Lauterbach and Amen, LLP (L&A)

**PUBLIC COMMENT:** There was no public comment.

**DISCUSSION/POSSIBLE ACTION – FIDUCIARY LIABILITY INSURANCE RENEWAL:** The Board reviewed the fiduciary liability insurance proposal provided by Hudson Insurance Company through Cook Castle Associates, LLC. A motion was made by Trustee Bloemker and seconded by Trustee Dust to approve payment of the fiduciary liability insurance renewal effective January 24, 2023 through January 24, 2024 in the amount of \$4,421. Motion carried unanimously by voice vote.

**CLOSED SESSION, IF NEEDED:** There was no need for closed session.

**ADJOURNMENT:** A motion was made by Trustee Dust and seconded by Trustee Bloemker to adjourn the meeting at 10:33 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for April 17, 2023 at 10:00 a.m.

\_\_\_\_\_  
Board President or Secretary

Minutes approved by the Board of Trustees on \_\_\_\_\_

*Minutes prepared by Josi Elder, Pension Services Administrator, Lauterbach & Amen, LLP*

# Effingham Police Pension Fund

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Monthly Financial Report

For the Month Ended

February 28, 2023

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Prepared By



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

# Effingham Police Pension Fund

## Table of Contents

	Starting on Page
Accountants' Compilation Report.....	1-1
Financial Statements	
Statement of Net Position - Modified Cash Basis.....	2-1
Statement of Changes in Net Position - Modified Cash Basis.....	2-2
Other Supplementary Information	
Cash & Investments - Pie Chart.....	3-1
Cash Analysis Report.....	4-1
Cash Analysis Summary - Graph.....	5-1
Revenue Report.....	6-1
Expenses - Bar Chart.....	7-1
Expense Report.....	8-1
Member Contribution Report.....	9-1
Payroll Batch Report.....	10-1
Quarterly Vendor Check Report.....	11-1



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## Accountants' Compilation Report

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March 24, 2023

Effingham Police Pension Fund  
PO Box 648  
Effingham, IL 62401

To Members of the Pension Board:

Management is responsible for the accompanying interim financial statements of the Effingham Police Pension Fund which comprise the statement of net position - modified cash basis as of February 28, 2023 and the related statement of changes in net position - modified cash basis for the ten months then ended in accordance with the modified cash basis of accounting and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the interim financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these interim financial statements.

The interim financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in interim financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the interim financial statements and other supplementary information, they might influence the user's conclusions about the Pension Fund's assets, liabilities, net position, additions and deductions. Accordingly, the interim financial statements and other supplementary information are not designed for those who are not informed about such matters.

Other Matter

The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The other supplementary information was subject to our compilation engagement. We have not audited or reviewed the other supplementary information nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the other supplementary information.

Cordially,

*Lauterbach & Amen, LLP*

Lauterbach & Amen, LLP



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## Financial Statements

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**Effingham Police Pension Fund**  
**Statement of Net Position - Modified Cash Basis**  
**As of February 28, 2023**

**Assets**

Cash and Cash Equivalents \$ 182,604.02

Investments at Fair Market Value

Pooled Investments 19,286,512.58

Total Cash and Investments 19,469,116.60

Prepays 3,378.00

**Total Assets 19,472,494.60**

**Liabilities**

Expenses Due/Unpaid 2,502.85

**Total Liabilities 2,502.85**

**Net Position Held in Trust for Pension Benefits 19,469,991.75**

**Effingham Police Pension Fund**  
**Statement of Changes in Net Position - Modified Cash Basis**  
**For the Ten Months Ended February 28, 2023**

**Additions**

Contributions - Municipal	\$	885,030.07
Contributions - Members		236,320.50
Total Contributions		1,121,350.57
Investment Income		
Interest and Dividends Earned		108,234.42
Net Change in Fair Value		(383,218.13)
Total Investment Income		(274,983.71)
Less Investment Expense		(3,816.62)
Net Investment Income		(278,800.33)
<b>Total Additions</b>		<b>842,550.24</b>

**Deductions**

Administration		37,535.06
Pension Benefits and Refunds		
Pension Benefits		1,259,089.52
Refunds		0.00
Total Deductions		<b>1,296,624.58</b>

**Change in Position** **(454,074.34)**

**Net Position Held in Trust for Pension Benefits**

Beginning of Year		19,924,066.09
<b>End of Period</b>		<b>19,469,991.75</b>



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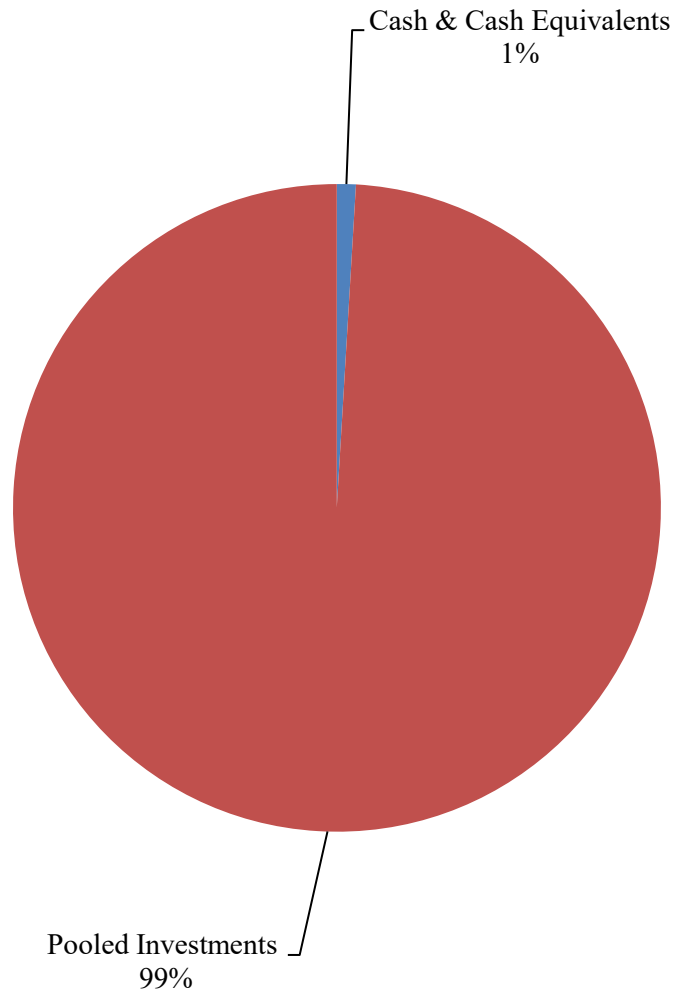
## Other Supplementary Information

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# Effingham Police Pension Fund

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## Cash and Investments

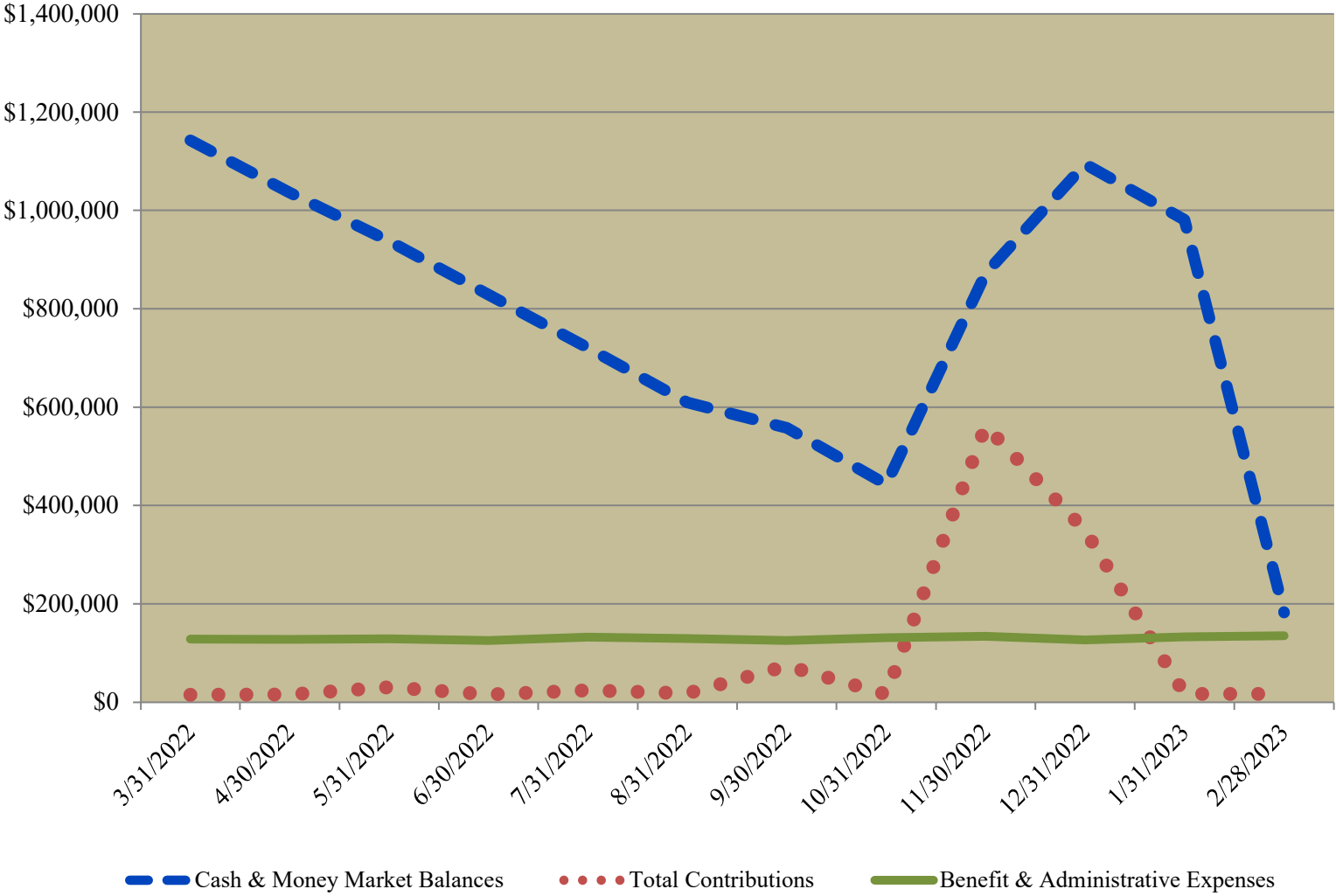


**Effingham Police Pension Fund**  
**Cash Analysis Report**  
**For the Twelve Periods Ending February 28, 2023**

	<u>03/31/22</u>	<u>04/30/22</u>	<u>05/31/22</u>	<u>06/30/22</u>	<u>07/31/22</u>	<u>08/31/22</u>	<u>09/30/22</u>	<u>10/31/22</u>	<u>11/30/22</u>	<u>12/31/22</u>	<u>01/31/23</u>	<u>02/28/23</u>
<b><u>Financial Institutions</u></b>												
Harris Bank - CK #319-589-8	\$ 30,269	435,611	337,369	227,590	720,363	609,369	557,680	443,014	871,534	1,094,249	980,943	182,604
	<u>30,269</u>	<u>435,611</u>	<u>337,369</u>	<u>227,590</u>	<u>720,363</u>	<u>609,369</u>	<u>557,680</u>	<u>443,014</u>	<u>871,534</u>	<u>1,094,249</u>	<u>980,943</u>	<u>182,604</u>
Busey Bank - MM #1055013990	1,112,598	600,479	600,513	600,736	-	-	-	-	-	-	-	-
	<u>1,112,598</u>	<u>600,479</u>	<u>600,513</u>	<u>600,736</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>1,142,867</u></b>	<b><u>1,036,090</u></b>	<b><u>937,882</u></b>	<b><u>828,326</u></b>	<b><u>720,363</u></b>	<b><u>609,369</u></b>	<b><u>557,680</u></b>	<b><u>443,014</u></b>	<b><u>871,534</u></b>	<b><u>1,094,249</u></b>	<b><u>980,943</u></b>	<b><u>182,604</u></b>
<b><u>Contributions</u></b>												
Current Tax	-	-	-	-	-	-	-	-	545,608	324,507	-	-
Personal Property Replacement Tax	-	-	14,915	-	-	-	-	-	-	-	-	-
Contributions - Current Year	15,308	15,374	15,443	15,566	23,817	17,863	17,080	16,295	16,330	24,495	16,416	16,439
Contributions - Prior Year	-	-	-	-	-	-	11,851	-	-	-	-	-
Interest Received from Members	-	-	-	-	-	-	42,537	-	-	-	-	-
Other Member Revenue	-	-	-	-	-	-	2,189	-	-	-	-	-
	<u>15,308</u>	<u>15,374</u>	<u>30,358</u>	<u>15,566</u>	<u>23,817</u>	<u>17,863</u>	<u>73,657</u>	<u>16,295</u>	<u>561,938</u>	<u>349,002</u>	<u>16,416</u>	<u>16,439</u>
<b><u>Expenses</u></b>												
Pension Benefits	125,346	125,346	125,346	125,346	125,346	125,346	125,346	125,346	125,346	125,346	128,161	128,161
Administration	2,971	2,388	3,440	82	6,935	4,107	1	5,860	8,285	1,280	4,483	6,879
	<u>128,317</u>	<u>127,734</u>	<u>128,786</u>	<u>125,428</u>	<u>132,281</u>	<u>129,453</u>	<u>125,347</u>	<u>131,206</u>	<u>133,631</u>	<u>126,626</u>	<u>132,644</u>	<u>135,040</u>
<b>Total Contributions less Expenses</b>	<b><u>(113,009)</u></b>	<b><u>(112,360)</u></b>	<b><u>(98,428)</u></b>	<b><u>(109,862)</u></b>	<b><u>(108,464)</u></b>	<b><u>(111,590)</u></b>	<b><u>(51,690)</u></b>	<b><u>(114,911)</u></b>	<b><u>428,307</u></b>	<b><u>222,376</u></b>	<b><u>(116,228)</u></b>	<b><u>(118,601)</u></b>

# Effingham Police Pension Fund

## Cash Analysis Summary





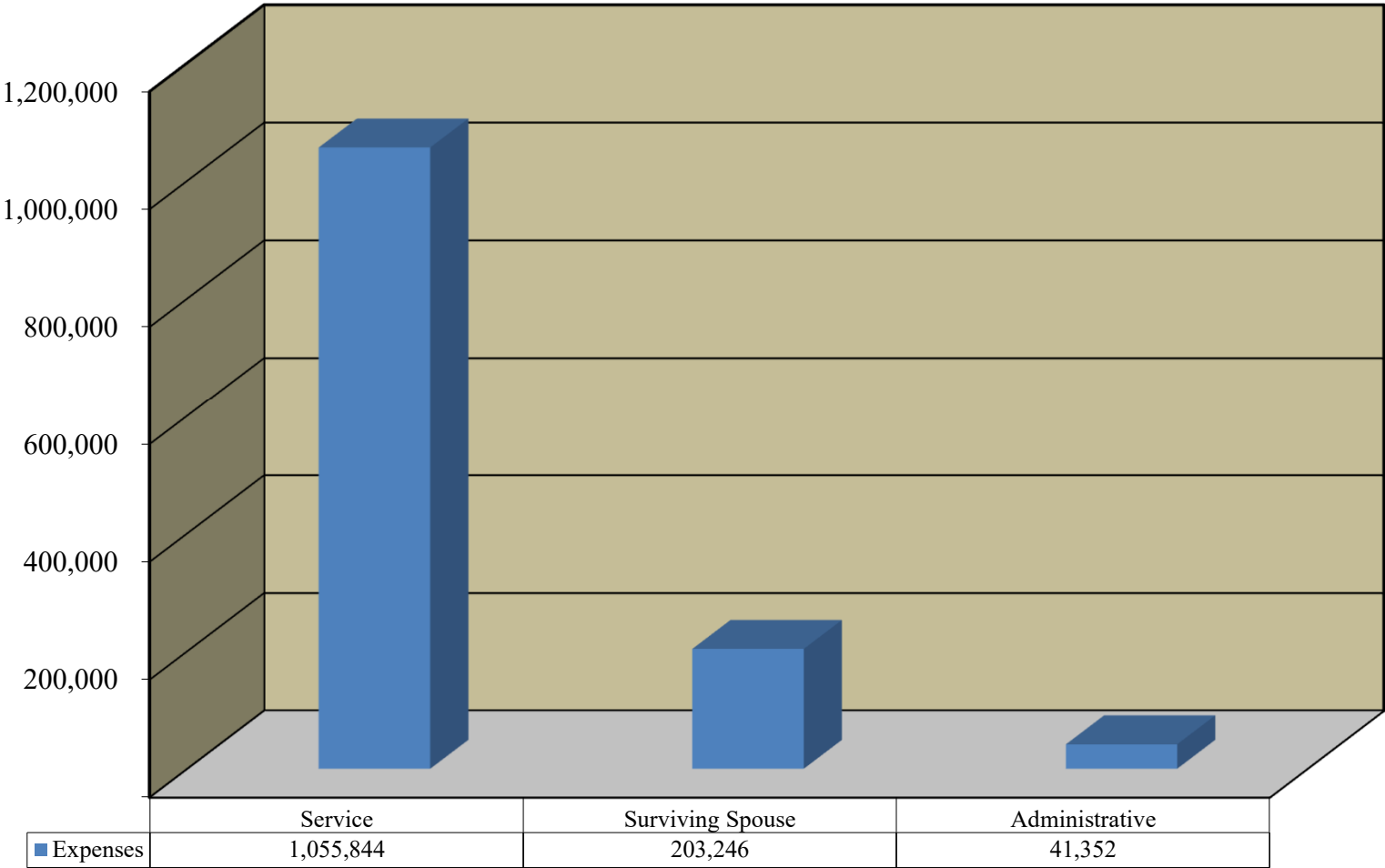
# Effingham Police Pension Fund

## Revenue Report as of February 28, 2023

	<u>Received this Month</u>	<u>Received this Year</u>
<b><u>Contributions</u></b>		
Contributions - Municipal		
41-210-00 - Current Tax	\$ 0.00	870,114.98
41-230-00 - Personal Property Replacement Tax	0.00	14,915.09
	0.00	885,030.07
Contributions - Members		
41-410-00 - Contributions - Current Year	16,439.11	179,743.21
41-420-00 - Contributions - Prior Year	0.00	11,850.80
41-440-00 - Interest Received from Members	0.00	42,537.41
41-450-00 - Other Member Revenue	0.00	2,189.08
	16,439.11	236,320.50
<b>Total Contributions</b>	<b>16,439.11</b>	<b>1,121,350.57</b>
 <b><u>Investment Income</u></b>		
Interest and Dividends		
43-102-09 - Harris Bank - CK #319-589-8	458.88	1,624.72
43-252-01 - Busey Bank - Fixed Income #1055013990	0.00	1,615.67
43-800-01 - IPOPIF Consolidated Pool Income	7,703.87	105,124.13
	8,162.75	108,364.52
Gains and Losses		
44-800-01 - IPOPIF Consolidated Pool - Unrealized	(442,507.32)	(314,517.70)
44-800-02 - IPOPIF Consolidated Pool - Realized	838.86	(68,700.43)
	(441,668.46)	(383,218.13)
Other Income		
45-200-00 - Accrued Interest	0.00	(130.10)
	0.00	(130.10)
<b>Total Investment Income</b>	<b>(433,505.71)</b>	<b>(274,983.71)</b>
 <b>Total Revenue</b>	 <b>(417,066.60)</b>	 <b>846,366.86</b>

# Effingham Police Pension Fund

## Pension Benefits and Expenses



# Effingham Police Pension Fund

## Expense Report as of February 28, 2023

	<b>Expended this Month</b>	<b>Expended this Year</b>
<b><u>Pensions and Benefits</u></b>		
51-020-00 - Service Pensions	\$ 107,836.65	1,055,844.02
51-060-00 - Surviving Spouse Pensions	20,324.55	203,245.50
<b>Total Pensions and Benefits</b>	<b><u>128,161.20</u></b>	<b><u>1,259,089.52</u></b>
 <b><u>Administrative</u></b>		
Insurance		
52-150-01 - Fiduciary Insurance	4,421.00	4,421.00
	<u>4,421.00</u>	<u>4,421.00</u>
Professional Services		
52-170-01 - Actuarial Services	0.00	5,790.00
52-170-03 - Accounting & Bookkeeping Services	925.00	12,720.00
52-170-06 - PSA/Court Reporter	730.00	7,990.00
	<u>1,655.00</u>	<u>26,500.00</u>
Investment		
52-190-01 - Investment Manager/Advisor Fees	0.00	406.56
52-190-04 - Bank Fees	0.00	46.61
52-195-01 - Other Fees & Expenses (IPOPIF)	0.00	7.66
52-195-02 - Administrative Expense (IPOPIF)	424.34	595.98
52-195-03 - Investment Expense (IPOPIF)	349.01	429.32
52-195-04 - Investment Manager Fees (IPOPIF)	29.30	48.46
52-195-05 - IFA Loan Repayment (IPOPIF)	0.00	2,282.03
	<u>802.65</u>	<u>3,816.62</u>
Other Expense		
52-290-25 - Conference/Seminar Fees	0.00	750.00
52-290-26 - Association Dues	0.00	1,590.00
52-290-34 - IDOI Filing Fee Expense	0.00	4,274.06
	<u>0.00</u>	<u>6,614.06</u>
 <b>Total Administrative</b>	 <b><u>6,878.65</u></b>	 <b><u>41,351.68</u></b>
 <b>Total Expenses</b>	 <b><u>135,039.85</u></b>	 <b><u>1,300,441.20</u></b>

**Effingham Police Pension Fund  
Member Contribution Report  
As of Month Ended February 28, 2023**

Name	Thru Prior Fiscal Year	Current Fiscal Year	Service Purchase	Refunds	Total Contributions
Bloemker, Troy L.	\$ 167,374.73	8,368.87	54,388.21	0.00	230,131.81
Bloemker, Zachary L.	13,430.71	5,778.64	0.00	0.00	19,209.35
Brandt, Jesse	5,950.36	5,482.54	0.00	0.00	11,432.90
Dasenbrock, Trey K.	35,311.44	6,375.42	0.00	0.00	41,686.86
Davis, Kurt T.	108,399.67	8,849.90	0.00	0.00	117,249.57
Depoister, Derek M.	34,796.93	6,854.26	0.00	0.00	41,651.19
Douthit, Joshua P.	53,618.03	6,969.85	0.00	0.00	60,587.88
Dust, Daniel A.	33,262.83	6,400.19	0.00	0.00	39,663.02
Gouchenouer, Jason A.	33,179.67	6,375.42	0.00	0.00	39,555.09
Hartke, Cody	11,476.36	5,738.25	0.00	0.00	17,214.61
Hoelscher, Matthew R.	69,404.91	6,400.19	0.00	0.00	75,805.10
Holsapple, Ryan	33,270.65	6,400.19	0.00	0.00	39,670.84
Kyle, Jeremy	18,499.68	5,991.61	0.00	0.00	24,491.29
Lange, Aaron P.	109,475.28	7,006.84	0.00	0.00	116,482.12
Lustig, Jacob T.	82,576.73	6,400.19	0.00	0.00	88,976.92
McFarland, Jason M.	138,139.26	10,052.74	0.00	0.00	148,192.00
Meyers, Andrew	30,531.45	6,375.42	0.00	0.00	36,906.87
Myers, David B.	2,914.47	5,311.99	0.00	0.00	8,226.46
Poland, Brennan C.	3,828.82	5,328.29	0.00	0.00	9,157.11
Purcell, Jared M.	27,259.82	6,854.26	0.00	0.00	34,114.08
Quandt, Justin M.	20,206.92	6,106.56	0.00	0.00	26,313.48
Simpson, Matthew J.	13,488.94	5,828.19	0.00	0.00	19,317.13
Slater, Douglas L.	4,999.44	5,394.09	0.00	0.00	10,393.53
Volpi, Scott L.	121,560.83	6,651.76	0.00	0.00	128,212.59
Warner, Andrew D.	90,001.82	8,074.86	0.00	0.00	98,076.68
Webb, Brittany M.	24,377.56	6,342.00	0.00	0.00	30,719.56
Webb, Thomas E.	76,603.15	8,030.69	0.00	0.00	84,633.84
<b>Totals</b>	<b>1,363,940.46</b>	<b>179,743.21</b>	<b>54,388.21</b>	<b>0.00</b>	<b>1,598,071.88</b>

**Effingham Police Pension Fund  
Member Contribution Report  
As of Month Ended February 28, 2023**

Name	Thru Prior Fiscal Year	Current Fiscal Year	Service Purchase	Refunds	Total Contributions
<b>Service Purchases</b>					
		41-420-00	41-440-00	41-450-00	
<b>Name - Type of Purchase</b>		<b>Prior Year Contributions</b>	<b>Interest from Members</b>	<b>Other Member Revenue</b>	<b>Total</b>
Bloemker, Troy L. - Limited Time Transfer - Principal		9,661.72	0.00	0.00	9,661.72
Bloemker, Troy L. - Limited Time Transfer - Interest		0.00	31,423.31	0.00	31,423.31
Bloemker, Troy L. - Limited Time Transfer - Prior Fund		2,189.08	0.00	0.00	2,189.08
Bloemker, Troy L. - Limited Time Transfer - Prior Fund		0.00	11,114.10	0.00	11,114.10
Bloemker, Troy L. - Limited Time Transfer - Prior Fund		0.00	0.00	2,189.08	2,189.08
<b>Totals</b>		<b>11,850.80</b>	<b>42,537.41</b>	<b>2,189.08</b>	<b>56,577.29</b>

Batches 59647

Effingham Police Pension Fund

Multiple Batch Report

Check Date 2/28/2023

SSN	Family ID	Employee Name Alt Payee Name	ACH	Retro Check #	Net Amount	Member Gross	Health Insurance	QILDRO Deduct	Federal Tax
<u>QILDRO</u>									
***-**-0823									
	Q118831	Monnet, Mary E.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$1,226.85	\$1,301.85	\$0.00	\$0.00	\$75.00
		***-**-0823 Subtotal:			\$1,226.85	\$1,301.85	\$0.00	\$0.00	\$75.00
		QILDRO Subtotal:			\$1,226.85	\$1,301.85	\$0.00	\$0.00	\$75.00
<u>Service</u>									
***-**-5756									
	118802	Baker, Stanley G.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$3,684.65	\$3,837.57	\$0.00	\$0.00	\$152.92
		***-**-5756 Subtotal:			\$3,684.65	\$3,837.57	\$0.00	\$0.00	\$152.92
***-**-6188									
	118803	Bence, Richard W.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$3,782.20	\$4,039.24	\$0.00	\$0.00	\$257.04
		***-**-6188 Subtotal:			\$3,782.20	\$4,039.24	\$0.00	\$0.00	\$257.04
***-**-1308									
	118806	Dillow, James D.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$3,609.61	\$3,891.98	\$0.00	\$0.00	\$282.37
		***-**-1308 Subtotal:			\$3,609.61	\$3,891.98	\$0.00	\$0.00	\$282.37
***-**-7463									
	118807	Ebbert, Todd R.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$4,565.37	\$5,568.98	\$0.00	\$0.00	\$1,003.61

Batches 59647

Effingham Police Pension Fund

Multiple Batch Report

Check Date 2/28/2023

SSN	Family ID	Employee Name Alt Payee Name	ACH	Retro Check #	Net Amount	Member Gross	Health Insurance	QILDRO Deduct	Federal Tax
				***-**7463 Subtotal:	\$4,565.37	\$5,568.98	\$0.00	\$0.00	\$1,003.61
***-**2200	118808	Frese, William F.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$5,017.05	\$5,650.44	\$0.00	\$0.00	\$633.39
				***-**2200 Subtotal:	\$5,017.05	\$5,650.44	\$0.00	\$0.00	\$633.39
***-**3845	118809	Gardner, Paul	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$4,934.70	\$5,348.90	\$0.00	\$0.00	\$414.20
				***-**3845 Subtotal:	\$4,934.70	\$5,348.90	\$0.00	\$0.00	\$414.20
***-**0907	118811	Gray, Ronald E.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$4,564.07	\$4,878.87	\$0.00	\$0.00	\$314.80
				***-**0907 Subtotal:	\$4,564.07	\$4,878.87	\$0.00	\$0.00	\$314.80
***-**5160	119504	Kinkelaar, Laura K.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$3,890.35	\$4,211.00	\$0.00	\$0.00	\$320.65
				***-**5160 Subtotal:	\$3,890.35	\$4,211.00	\$0.00	\$0.00	\$320.65
***-**4444	118812	Klein, Leonard E.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$3,315.06	\$3,557.27	\$0.00	\$0.00	\$242.21
				***-**4444 Subtotal:	\$3,315.06	\$3,557.27	\$0.00	\$0.00	\$242.21

See Accountants' Compilation Report

Batches 59647

Effingham Police Pension Fund

Multiple Batch Report

Check Date 2/28/2023

SSN	Family ID	Employee Name Alt Payee Name	ACH	Retro Check #	Net Amount	Member Gross	Health Insurance	QILDRO Deduct	Federal Tax
***-**-1273	118813	Lake, Danny M.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$4,495.53	\$4,898.71	\$0.00	\$0.00	\$403.18
		***-**-1273 Subtotal:			\$4,495.53	\$4,898.71	\$0.00	\$0.00	\$403.18
***-**-2165	118814	Landers, David R.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$4,173.66	\$4,435.22	\$0.00	\$0.00	\$261.56
		***-**-2165 Subtotal:			\$4,173.66	\$4,435.22	\$0.00	\$0.00	\$261.56
***-**-4886	118815	Merry, Orville E.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$4,660.21	\$5,085.85	\$0.00	\$0.00	\$425.64
		***-**-4886 Subtotal:			\$4,660.21	\$5,085.85	\$0.00	\$0.00	\$425.64
***-**-5261	118830	Monnet, John	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$2,803.10	\$4,520.33	\$0.00	\$1,301.85	\$415.38
		***-**-5261 Subtotal:			\$2,803.10	\$4,520.33	\$0.00	\$1,301.85	\$415.38
***-**-0293	118816	Niemann, James J.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$4,261.83	\$4,890.51	\$312.49	\$0.00	\$316.19
		***-**-0293 Subtotal:			\$4,261.83	\$4,890.51	\$312.49	\$0.00	\$316.19
***-**-2471	118817	Patton, Larry P.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$4,368.55	\$4,754.41	\$0.00	\$0.00	\$385.86

See Accountants' Compilation Report



Batches 59647

Effingham Police Pension Fund

Multiple Batch Report

Check Date 2/28/2023

SSN	Family ID	Employee Name Alt Payee Name	ACH	Retro Check #	Net Amount	Member Gross	Health Insurance	QILDRO Deduct	Federal Tax
				0					
				***-**2471	Subtotal: \$4,368.55	\$4,754.41	\$0.00	\$0.00	\$385.86
***-**3395									
	118818	Pike, Mark F.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$5,129.98	\$5,570.81	\$0.00	\$0.00	\$440.83
				0					
				***-**3395	Subtotal: \$5,129.98	\$5,570.81	\$0.00	\$0.00	\$440.83
***-**4849									
	118819	Probst, Gerald J.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$4,541.85	\$5,263.75	\$0.00	\$0.00	\$721.90
				0					
				***-**4849	Subtotal: \$4,541.85	\$5,263.75	\$0.00	\$0.00	\$721.90
***-**5197									
	118824	Schutzbach, Michael J.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$6,512.70	\$7,883.56	\$152.50	\$0.00	\$1,218.36
				0					
				***-**5197	Subtotal: \$6,512.70	\$7,883.56	\$152.50	\$0.00	\$1,218.36
***-**1320									
	120324	Stephens, Anthony T.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$3,790.32	\$4,044.44	\$0.00	\$0.00	\$254.12
				0					
				***-**1320	Subtotal: \$3,790.32	\$4,044.44	\$0.00	\$0.00	\$254.12
***-**7484									
	118825	Westjohn, Gary M.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$3,841.00	\$4,299.63	\$0.00	\$0.00	\$458.63
				0					
				***-**7484	Subtotal: \$3,841.00	\$4,299.63	\$0.00	\$0.00	\$458.63

See Accountants' Compilation Report

Batches 59647

Effingham Police Pension Fund

Multiple Batch Report

Check Date 2/28/2023

SSN	Family ID	Employee Name Alt Payee Name	ACH	Retro Check #	Net Amount	Member Gross	Health Insurance	QILDRO Deduct	Federal Tax
***-**-4881	118826	Whitten, Keith E.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$2,922.94	\$3,241.03	\$0.00	\$0.00	\$318.09
		***-**-4881 Subtotal:			\$2,922.94	\$3,241.03	\$0.00	\$0.00	\$318.09
***-**-2505	118827	Willis Jr, Herman E.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$3,600.22	\$4,316.91	\$312.49	\$0.00	\$404.20
		***-**-2505 Subtotal:			\$3,600.22	\$4,316.91	\$312.49	\$0.00	\$404.20
***-**-2967	118828	Willis, Kevin R.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$3,437.24	\$3,647.24	\$0.00	\$0.00	\$210.00
		***-**-2967 Subtotal:			\$3,437.24	\$3,647.24	\$0.00	\$0.00	\$210.00
		Service Subtotal:			\$95,902.19	\$107,836.65	\$777.48	\$1,301.85	\$9,855.13
<u>Surviving Spouse</u>									
***-**-0699	118800	Arnold, Dorothy	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$3,457.86	\$4,307.86	\$0.00	\$0.00	\$850.00
		***-**-0699 Subtotal:			\$3,457.86	\$4,307.86	\$0.00	\$0.00	\$850.00
***-**-7713	118804	Bloemker, Cleone	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$3,161.01	\$3,571.96	\$33.15	\$0.00	\$377.80
		***-**-7713 Subtotal:			\$3,161.01	\$3,571.96	\$33.15	\$0.00	\$377.80

See Accountants' Compilation Report

Batches 59647

Effingham Police Pension Fund

Multiple Batch Report

Check Date 2/28/2023

SSN	Family ID	Employee Name Alt Payee Name	ACH	Retro Check #	Net Amount	Member Gross	Health Insurance	QILDRO Deduct	Federal Tax
***-**-8126	118832	Renfrow, Janet S.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$3,740.71	\$3,943.23	\$0.00	\$0.00	\$202.52
		***-**-8126 Subtotal:			\$3,740.71	\$3,943.23	\$0.00	\$0.00	\$202.52
***-**-9088	118820	Rich, Janet S.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$3,702.19	\$4,126.54	\$0.00	\$0.00	\$424.35
		***-**-9088 Subtotal:			\$3,702.19	\$4,126.54	\$0.00	\$0.00	\$424.35
***-**-7423	118822	Robey, Bonnie A.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 0	\$3,899.76	\$4,374.96	\$0.00	\$0.00	\$475.20
		***-**-7423 Subtotal:			\$3,899.76	\$4,374.96	\$0.00	\$0.00	\$475.20
		Surviving Spouse Subtotal:			\$17,961.53	\$20,324.55	\$33.15	\$0.00	\$2,329.87

Batches 59647

Effingham Police Pension Fund

### Multiple Batch Report

Check Date 2/28/2023

SSN	Family ID	Employee Name	ACH	Retro	Net Amount	Member Gross	Health Insurance	QILDRO Deduct	Federal Tax
		Alt Payee Name		Check #					

### Totals

ACH Flag	Payments	Net Payment Total	Gross	Health Insurance	QILDRO Deduct	Federal Tax
Yes	29	\$115,090.57	\$129,463.05	\$810.63	\$1,301.85	\$12,260.00
No	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total	29	\$115,090.57	\$129,463.05	\$810.63	\$1,301.85	\$12,260.00

# Effingham Police Pension Fund Quarterly Vendor Check Report

All Bank Accounts  
December 1, 2022 - February 28, 2023

Check Date	Check Number	Vendor Name	Invoice Amount	Check Amount
12/02/22	50056	<b>IPPPFA</b> 52-290-25 Registration Refund	-375.00	
			<b>Check Amount</b>	<u>(375.00)</u>
12/12/22	30083	<b>Lauterbach &amp; Amen, LLP</b> 52-170-06 #72924 11/22 PSA 52-170-03 #72924 11/22 Accounting & Benefits	730.00 925.00	
			<b>ACH Amount (Direct Deposit)</b>	<u>1,655.00</u>
12/30/22	30084	<b>City of Effingham - Insurance</b> 20-220-00 Insurance - 12/22	810.63	
			<b>ACH Amount (Direct Deposit)</b>	<u>810.63</u>
12/30/22	30085	<b>Internal Revenue Service</b> 20-230-00 Internal Revenue Service	12,489.79	
			<b>ACH Amount (Direct Deposit)</b>	<u>12,489.79</u>
01/24/23	30088	<b>IPPPFA</b> 52-290-25 2023 8hr Online Training Registration 52-290-25 Bloemker,C #Online-333	0.00 275.00	
			<b>ACH Amount (Direct Deposit)</b>	<u>275.00</u>
01/30/23	30089	<b>Lauterbach &amp; Amen, LLP</b> 52-170-06 #74385 12/22 PSA 52-170-03 #74385 12/22 Accounting & Benefits	730.00 925.00	
			<b>ACH Amount (Direct Deposit)</b>	<u>1,655.00</u>
01/31/23	30086	<b>City of Effingham - Insurance</b> 20-220-00 Insurance - 01/23	810.63	
			<b>ACH Amount (Direct Deposit)</b>	<u>810.63</u>
01/31/23	30087	<b>Internal Revenue Service</b> 20-230-00 Internal Revenue Service	12,260.00	
			<b>ACH Amount (Direct Deposit)</b>	<u>12,260.00</u>
01/31/23	50057	<b>IPOPIF</b> 52-195-02 Administrative Expenses 52-195-03 Investment Expenses 52-195-04 Investment Manager Fee 52-195-05 IFA Loan Repayments	171.64 80.31 19.16 2,282.03	
			<b>Check Amount</b>	<u>2,553.14</u>
02/10/23	30090	<b>Cook Castle Associates, LLC</b> 52-150-01 Policy #SFD31212162 52-150-01 01/24/23 - 01/24/24 #2677	4,421.00 0.00	
			<b>Check Amount</b>	<u>4,421.00</u>

# Effingham Police Pension Fund Quarterly Vendor Check Report

All Bank Accounts  
December 1, 2022 - February 28, 2023

Date	Check Number	Vendor Name	Invoice Amount	Check Amount
02/17/23	30094	<b>State Street Bank And Trust Company</b> 13-800-01 Effingham Police Pension Fund	681,000.00	
			<b>ACH Amount (Direct Deposit)</b>	<u>681,000.00</u>
02/21/23	30091	<b>Lauterbach &amp; Amen, LLP</b> 52-170-03 #74684 01/23 Accounting & Benefits 52-170-06 #74684 01/23 PSA	925.00 730.00	
			<b>ACH Amount (Direct Deposit)</b>	<u>1,655.00</u>
02/28/23	30092	<b>City of Effingham - Insurance</b> 20-220-00 Insurance - 02/23	810.63	
			<b>ACH Amount (Direct Deposit)</b>	<u>810.63</u>
02/28/23	30093	<b>Internal Revenue Service</b> 20-230-00 Internal Revenue Service	12,260.00	
			<b>ACH Amount (Direct Deposit)</b>	<u>12,260.00</u>
02/28/23	50058	<b>IPOPIF</b> 52-195-04 Investment Manager Fees 52-195-03 Investment Expense 52-195-02 Administrative Expense	29.30 349.01 424.34	
			<b>Check Amount</b>	<u>802.65</u>
			<b>Total Payments</b>	<u><u>733,083.47</u></u>



**PERSPECTIVES  
THAT DRIVE  
ENTERPRISE  
SUCCESS**



**PERIOD ENDING: December 31, 2022**

Investment Performance Review for

**Illinois Police Officers' Pension Investment Fund**

# Table of Contents



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Executive Summary **Page 3**

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Investment Landscape **Page 5**

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Investment Performance  
Review **Page 23**



# Executive Summary

Executive Summary

- Total assets grew from \$5.7 billion to \$8.4 billion over the quarter, as assets continued to transfer into the Fund, and investment gains for the quarter exceeded \$400 million.
- The challenging market environment that persisted through most of 2022 reversed in the final two months of the year, as the S&P 500 returned 7.6% in the 4<sup>th</sup> quarter. The IPOPIF benefited from recovering markets over the quarter as well, as the Total Fund<sup>1</sup> returned 6.7%, which was in line with the Policy Index return of 6.6% over the same period. The Broad-Based Index performed even better with a return of 8.4% for the period, reflecting its higher equity exposure in a resurgent equity market.
- Since its inception in April of 2022, the IPOPIF Portfolio returned -9.0% through the end of the year, which is modestly better than the Policy Index of -9.3% and significantly ahead of the equity heavy Broad-Based Policy Index of -12.6%.
- As a primarily passively invested investment strategy (through the transition period), the IPOPIF Portfolio experienced minimal variation to its Policy Index in the 4<sup>th</sup> quarter. The modest variance that occurred is primarily attributable to remaining “benchmark mismatch” (which has been addressed by recent adjustments to the Policy Index approved by the Board at the February 2023 Board meeting).
- As expected, individual managers also performed in line with their strategy-specific benchmarks during the quarter with one modest exception. The SSgA Emerging Markets Equity Index fund exceeded its benchmark by 60 basis points (10.3% vs. 9.7%), reversing similar underperformance in the previous quarter. Performance variance in this fund has been due to a formulaic “fair valuation adjustment” designed to keep investors from taking advantage of timing differences across global markets.
- The IPOPIF Portfolio ranked in the 12<sup>th</sup> percentile relative to a representative universe of Public Pensions with assets greater than \$1 billion for the quarter. Like the relatively low rank in previous quarters, the favorable ranking in the 4<sup>th</sup> quarter continues to be largely attributable to a relatively high public markets equity allocation and an absence of alternatives, most notably private equity, compared to peers<sup>3</sup>.
- The investment team actively monitors current asset allocations vs. policy targets and conducts rebalancing trades as appropriate. As of 12/31/22, all asset allocation values were in line with policy targets.

Notes

<sup>1</sup>Total Fund assets includes Member Fund and Transition accounts that have not yet been invested in the IPOPIF Investment Portfolio.

<sup>2</sup>The Broad-Based Policy Index represents a passively invested 70/30 global stock/bond portfolio.

<sup>3</sup>IPOPIF has implemented a short-term asset allocation which is primarily passively invested in public markets. Following the Transition Period IPOPIF will move toward the long-term asset allocation, including active management and private market assets.

# Investment Landscape

# 4<sup>th</sup> quarter summary

## THE ECONOMIC CLIMATE

- Real GDP increased at a 2.9% rate in the fourth quarter (1.0% year-over-year growth), slightly exceeding expectations. Consumer spending, private inventory investment, government expenditures, and nonresidential investment were supportive of growth.
- Unemployment remained near historic lows during the quarter, at 3.5% in December. While this figure suggests a strong and resilient job market, the workforce remains much smaller than pre-pandemic times as more than two million workers remain out of the labor force.

## PORTFOLIO IMPACTS

- Inflation fears continue to ease as domestic inflation fell further. Headline inflation was 6.5% year-over-year in December—the lowest since October 2021—while core inflation came in at 5.7%. Prices for most goods and services have moderated with the exception of shelter costs, which increased at a worryingly fast pace of 10.0% annualized in December.
- U.S. real personal spending held steady at 2.0% year-over-year in August. Households focused spending on services over goods, which has removed some stress from supply chains and likely helped to normalize global transportation issues. Relatively strong spending seems to suggest it is possible that inflation moderates without a painful slowdown in the economy.

## THE INVESTMENT CLIMATE

- China’s rapid pivot away from a “Zero Covid” policy towards the end of Q4 added a large tailwind to emerging market equity performance and the global growth outlook. Despite this positive news, an uptick in virus cases poses challenges for China’s reopening.
- Credit performed well in the fourth quarter, as resilient U.S. economic growth combined with expectations for the Fed to ease their tightening cycle helped mitigate investor concerns of a near-term cyclical downturn.

## ASSET ALLOCATION ISSUES

- Calendar year 2022 proved to be a year of *reversal* regarding asset class performance. Top performing investments of the past decade, such as U.S. growth and small cap stocks, suffered some of the largest losses. Meanwhile, many of the worst performing investments of the past decade, including commodities and value stocks, significantly outperformed.
- Value stocks outperformed markedly during 2022, outpacing growth stocks by 10.2% in Q4 and 21.6% for the year. Energy, industrials, and materials—sectors heavily tilted toward value—showed strong returns, with energy ending the year up 64.6%.

Markets have partially recovered as inflation fears eased

Recession risks and an earnings slowdown may come into focus in 2023

# What drove the market in Q4?

## “Has Inflation Peaked?”

### HEADLINE CONSUMER PRICE INFLATION (YEAR-OVER-YEAR)

Jul	Aug	Sep	Oct	Nov	Dec
8.5%	8.3%	8.2%	7.7%	7.1%	6.5%

Article Source: Financial Times, December 8<sup>th</sup>, 2022

## “The Labor Market is Still Hot”

### CHANGE IN U.S. NONFARM PAYROLLS

Jul	Aug	Sep	Oct	Nov	Dec
+537k	+292k	+269k	+284k	+263k	+223k

Article Source: Axios, November 1<sup>st</sup>, 2022

## “Fed Raises Rate by 0.5 Percentage Point, Signals More Increases Likely”

### FOMC MEETING RATE HIKE DECISIONS

May	Jun	July	Sep	Nov	Dec
+50 bps	+75 bps	+75 bps	+75 bps	+75 bps	+50 bps

Article Source: Wall Street Journal, December 14<sup>th</sup>, 2022

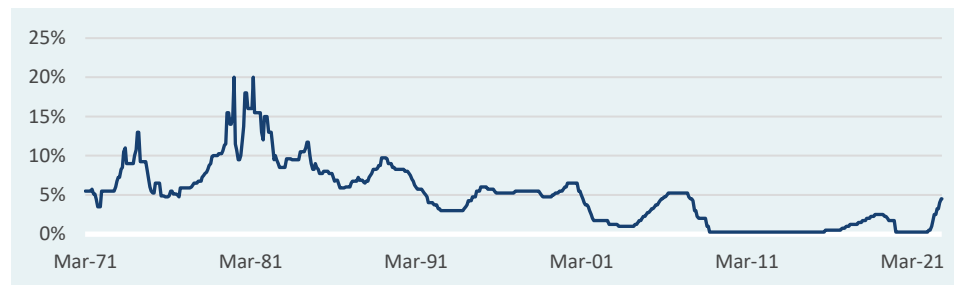
## “China’s Covid Pivot Accelerates as Cities Ease Testing Rules”

### CHINESE REPORTED NEW CASES (DAILY AVERAGE FOR THE MONTH)

Jul	Aug	Sep	Oct	Nov	Dec
559	1,629	1,158	1,340	18,914	14,748

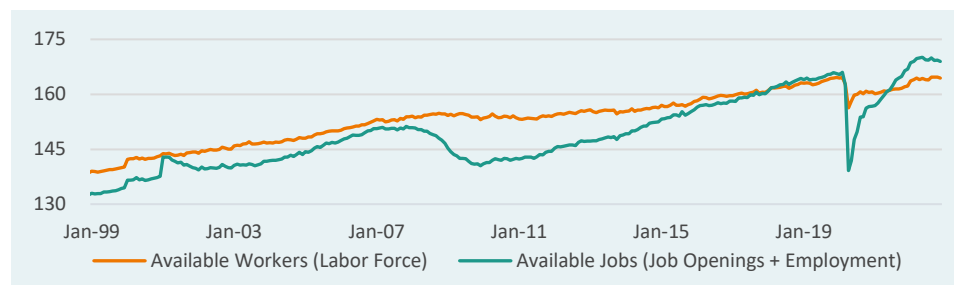
Article Source: Bloomberg, December 5<sup>th</sup>, 2022. Dataset from Our World in Data

## FED FUNDS RATE UPPER BOUND



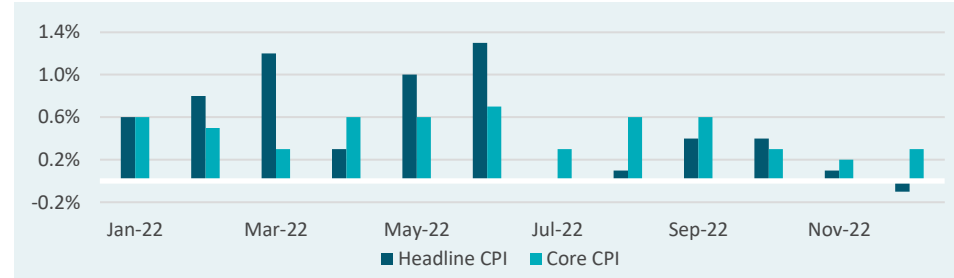
Source: Federal Reserve, as of 12/31/22

## U.S. AVAILABLE WORKERS VS. AVAILABLE JOBS (MILLIONS)



Source: Bureau of Labor Statistics, as of 11/30/22

## U.S. HEADLINE & CORE CPI (MONTH-OVER-MONTH)



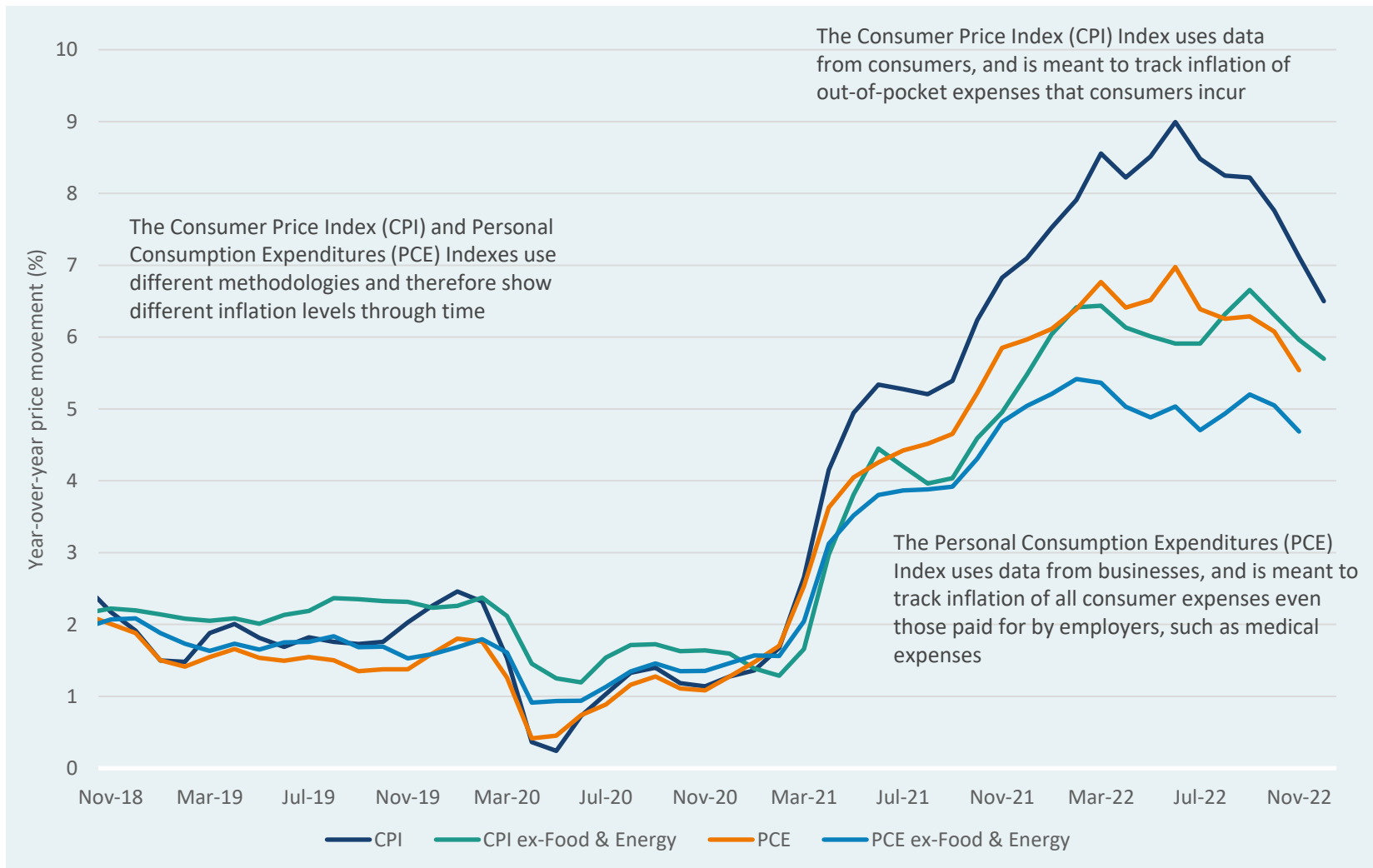
Source: Bureau of Labor Statistics, as of 12/31/22

# U.S. economics summary

- Real GDP increased at a 2.9% rate in Q4 (1.0% year-over-year growth). Consumer spending, private inventory investment, government expenditures, and nonresidential investment supported the economy.
- Inflation fears continue to ease as domestic inflation fell further. December headline inflation came in at 6.5% year-over-year while core inflation (excluding food & energy) came in at 5.7%. Most goods and services price rises have slowed, with the exception of shelter costs, which increased at a worryingly fast pace of 10% annualized in December.
- Unemployment remained very low during the quarter, at 3.5% in December. While this official figure suggests a strong and resilient job market, the workforce remains much smaller than pre-pandemic times as more than two million workers are missing from the labor force.
- Consumer spending kept steady though savings rates dropped to 2.3%—a depressed level not seen since the mid-2000s. A low household savings rate is sometimes seen as an indicator of strong consumer confidence and spending, though we suspect household budgets are currently being hit hard by higher costs.
- Consumer sentiment improved during Q4 but is still very downbeat. In the most recent University of Michigan survey, respondents showed less concern around inflation, reported better business conditions and long-term outlook, but were pessimistic over personal finances.
- U.S. home prices peaked in June 2022 and have been falling since then, according to S&P CoreLogic. Significantly higher mortgage interest rates have led to the worst home affordability on record, according to the National Association of Realtors.

	Most Recent	12 Months Prior
Real GDP (YoY)	1.0% 12/31/22	5.7% 12/31/21
Inflation (CPI YoY, Core)	5.7% 12/31/22	5.5% 12/31/21
Expected Inflation (5yr-5yr forward)	2.2% 12/31/22	2.3% 12/31/21
Fed Funds Target Range	4.25% – 4.50% 12/31/22	0.00% – 0.25% 12/31/21
10-Year Rate	3.87% 12/31/22	1.51% 12/31/21
U-3 Unemployment	3.5% 12/31/22	3.9% 12/31/21
U-6 Unemployment	6.5% 12/31/22	7.3% 12/31/21

# How are inflation conditions evolving?



Price rises have slowed considerably in recent months, which is bringing down official year-over-year inflation figures

Source: FRED, Verus, PCE data as of 11/30/22, CPI data as of 12/31/22

# Labor market

Unemployment remained very low during the quarter, at 3.5% in December. This official figure suggests a strong and resilient job market for those workers who seek employment, although this data contrasts with media reports of fairly widespread layoff activity.

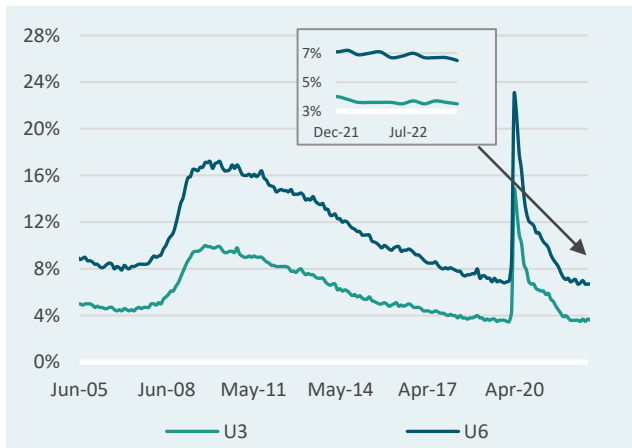
The labor participation rate also remained unchanged during the quarter. Low labor participation paints a different and much weaker picture of the job market, because this figure takes into account the workers *who are not seeking employment*. More than two million workers remain out of the labor force, relative to the pre-pandemic job market. Survey

and government-reported data suggests that much of this effect is due to “Long Covid” health troubles. Other variables such as early retirements, and parents taking time off to care for children, have also likely had a material impact on the size of the workforce.

The result of millions of Americans dropping out of the workforce has been a historically large mismatch regarding the number of jobs available and the number of workers available to fill those jobs. This gap remains wide, but has been closing recently as job openings have fallen.

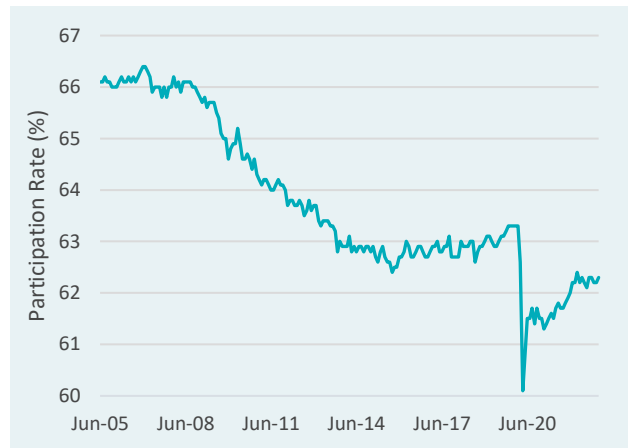
The labor market remains tight, though the size of workforce is much smaller relative to pre-pandemic times

U.S. UNEMPLOYMENT



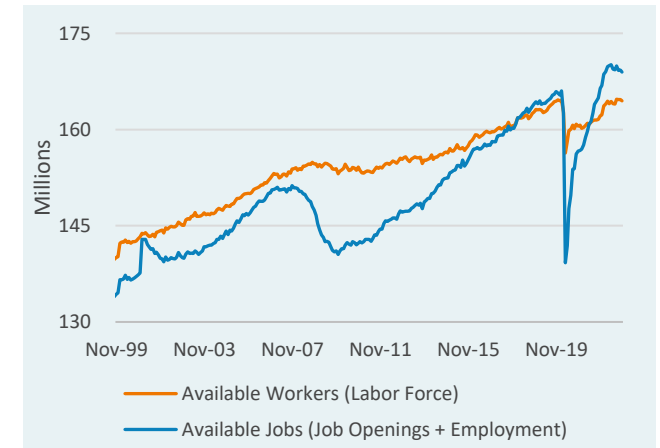
Source: FRED, as of 12/31/22

LABOR FORCE PARTICIPATION RATE



Source: FRED, as of 12/31/22

WORKERS AVAILABLE VS. AVAILABLE JOBS



Source: BLS, as of 11/30/22



# The consumer

U.S. real (inflation-adjusted) personal consumption expenditures held steady in August, at 2.0% year-over-year. Households have focused spending on services rather than goods, which removed some stress from supply chains and likely helped to normalize transportation issues. Relatively strong spending seems to suggest it is possible that inflation moderates without a painful slowdown in the economy.

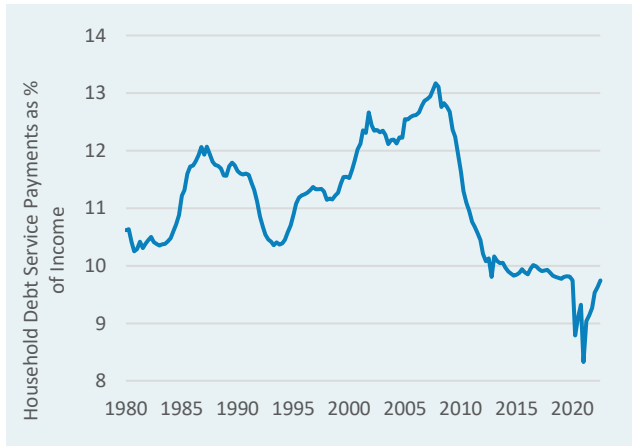
Spending has slowed but savings rates have also dropped to 2.3%—a depressed level not seen since the mid-2000s. A low household savings rate is sometimes seen as an indicator of

strong consumer confidence and spending, though in the current environment we suspect that household budgets are being hit hard by inflation and higher living costs.

Big ticket items such as automobiles have seen falling sales as higher interest rates make purchases less affordable and household budgets come under strain. The pressure of higher interest rates is reflected in *average debt payments relative to average income*—a metric which has risen towards pre-pandemic levels.

Household spending remains strong, though a very low savings rate may suggest budgets are being squeezed

DEBT SERVICE AS % HOUSEHOLD INCOME



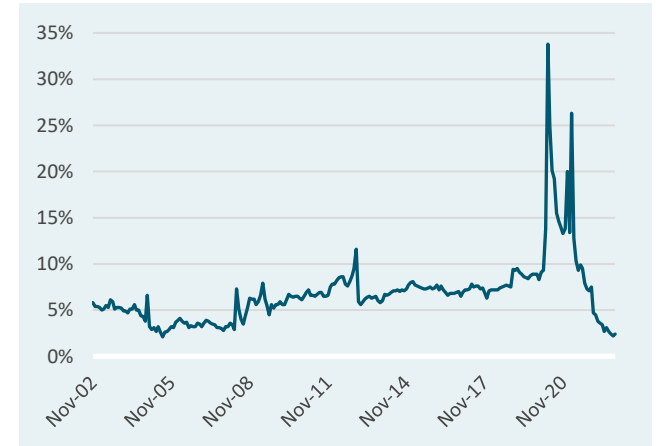
Source: FRED, as of 9/30/22

REAL PERSONAL CONSUMPTION



Source: FRED, as of 11/30/22

PERSONAL SAVINGS RATE



Source: FRED, as of 11/30/22

# Housing

U.S. home prices peaked in June 2022 and have been falling since that time, according to the S&P CoreLogic Case-Shiller U.S. National Index. Significantly higher mortgage interest rates have led to the worst home affordability on record, as indicated by the National Association of Realtors.

Higher home prices and interest rates have also resulted in a sharp slowdown in sales activity—a notable change from the frothy environment that had occurred post-pandemic. Existing home sales activity has now fallen to a rate not seen since the real estate market was recovering from the housing

crisis during the early 2010s.

Conditions in housing today appear to be helping to *rebalance* the housing market, as suggested by the monthly supply of homes. Weaker sales volumes and worse affordability has meant that potential buyers have much more inventory to select from. The monthly supply of homes is now at 8.6 months, up from an all-time-low of 3.3 months in August 2020. As homes sit on the market unsold for longer, prices may need to fall further to attract buyers.

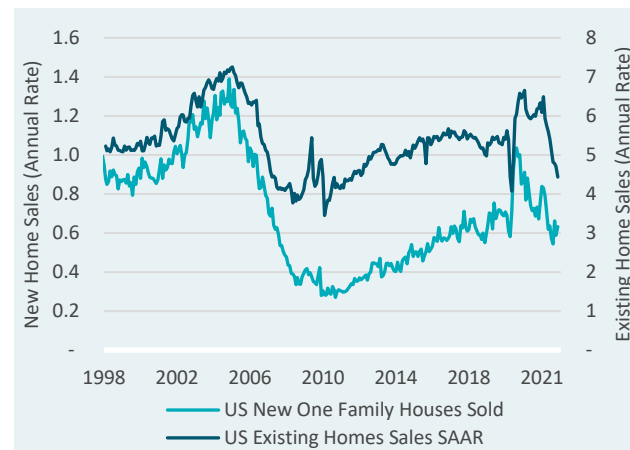
## HOUSING AFFORDABILITY INDEX



Source: NAR, as of 11/30/22

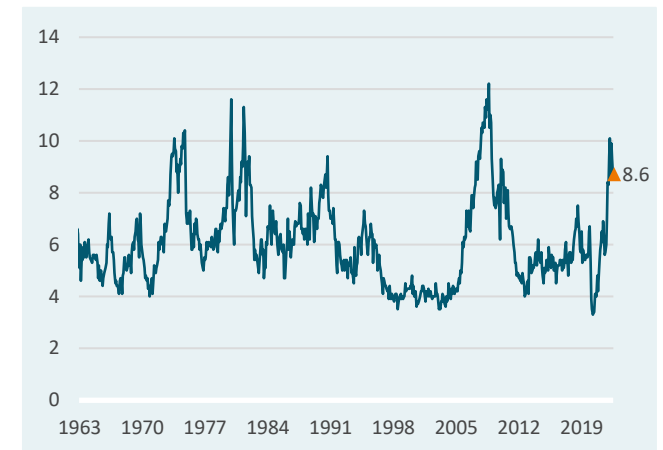
The Monthly Housing Affordability Index measures whether or not a typical family earns enough income to qualify for a mortgage loan on a typical home at the national and regional levels based on the most recent monthly price and income data

## HOME SALES: NEW & EXISTING (MILLIONS)



Source: FRED, as of 10/31/22

## MONTHLY SUPPLY OF HOMES



Source: FRED, as of 11/30/22

# International economics summary

- Economic growth expectations continued to weaken, although the GDP outlook for emerging economies is starting to paint a more optimistic picture. Developed economies, specifically across the Eurozone and United Kingdom, are still facing the negative growth impacts of tighter financial conditions as inflation remains elevated.
- Inflation in both the Eurozone and U.K. has reinforced tighter policies from the ECB and BOE. While U.K. inflation fell to 10.7% from the 11.1% peak in October, interest rates are expected to be raised further (but in smaller increments). Eurozone inflation has shown signs of moving past its peak, although core inflation hit a new high of 5.2%, stoking fears that inflation may be spreading to core goods and services.
- Unemployment rates have remained stable over the quarter.

India stood out as an exception, where unemployment jumped from 6.4% to 8.3%.

- The war in Ukraine carried on despite temporary “ceasefires” declared by Russia. The fighting has intensified in Eastern Ukraine around Kharkiv, with a supporting effort in Southern Ukraine, as Russian forces attempt to secure frontline positioning in the Kherson Oblast.
- China’s rapid pivot away from a “Zero Covid” policy towards the end of the quarter added a large tailwind to the global growth outlook. Despite this positive news, a rapid uptick in COVID-19 cases challenges the timeline of the reopening story. Additionally, many wonder how a large uptick in global demand might impact inflation pressures at a time when advanced economies struggle specifically to reign in spending.

Area	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	1.0% 12/31/22	6.5% 12/31/22	3.5% 12/31/22
Eurozone	2.3% 9/30/22	9.2% 12/31/22	6.5% 11/30/22
Japan	1.5% 9/30/22	4.0% 12/31/22	2.4% 11/30/22
BRICS Nations	3.6% 9/30/22	3.5% 12/31/22	5.2% 12/31/21
Brazil	3.6% 9/30/22	5.8% 12/31/22	8.3% 10/31/22
Russia	(3.7%) 9/30/22	11.9% 12/31/22	3.7% 11/30/22
India	6.3% 9/30/22	5.7% 12/31/22	8.3% 12/31/22
China	3.9% 9/30/22	1.8% 12/31/22	5.7% 11/30/22

*NOTE: India lacks reliable government unemployment data. Unemployment rate shown above is estimated from the Centre for Monitoring Indian Economy. The Chinese unemployment rate represents the monthly surveyed urban unemployment rate in China.*

# International economics

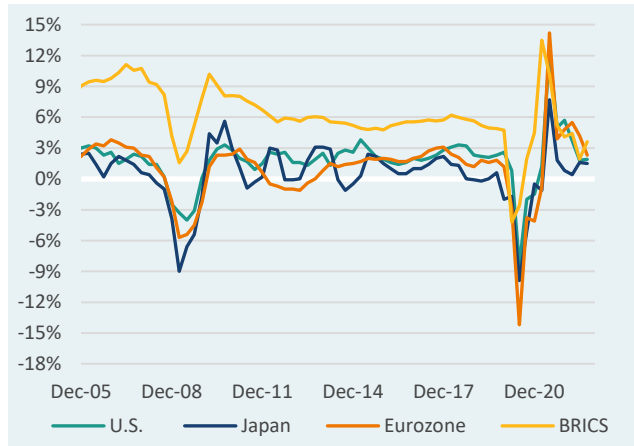
Growth expectations outside of the U.S. contracted over the quarter, with the largest moves coming from developed economies. The IMF cut its GDP forecast by 0.7% and 0.2% for the Eurozone and U.K. in their October outlook (now expecting 2023 GDP of 0.5% and 0.3%, respectively) as the European Central Bank and Bank of England struggle to rein in record high inflation. Japan saw a smaller downward revision of 0.1%, with 2023 growth expectations now at 1.6%.

The outlook for emerging markets is much more optimistic. Most countries have avoided the high inflation seen in developed markets. A rapid reopening of the Chinese economy

is likely providing a tailwind to growth, although the timing remains unclear due to another wave of COVID-19 infections. The 2023 GDP forecast for emerging economies per Bloomberg ticked down from 4.3% to 3.9% over the quarter, but emerging economy growth is still expected to far exceed that of developed economies (developed economy 2023 GDP expectations sit at 0.4%, according to the IMF).

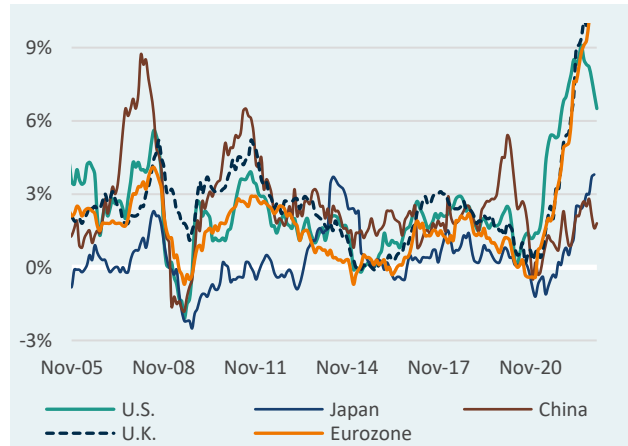
Despite the slowdown in economic growth, employment remains stable amongst the regions we track. India stood out as an exception, where unemployment jumped from 6.4% to 8.3% during Q4.

**REAL GDP GROWTH (YOY)**



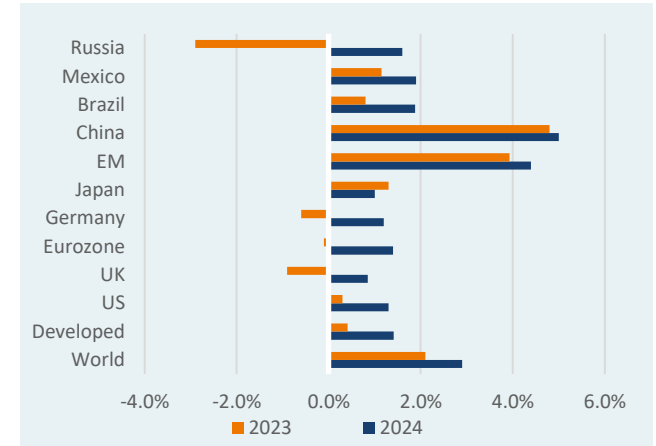
Source: Bloomberg, as of 9/30/22

**INFLATION (CPI YOY)**



Source: Bloomberg, as of 12/31/22 – or most recent release

**ECONOMIC GROWTH FORECASTS**



Source: Bloomberg, as of 12/31/22 – or most recent release

# Equity environment

- U.S. equities delivered their only positive quarterly return of 2022 during Q4 (S&P 500 +7.6%), helping to dampen the index's worst calendar year performance since 2008 (-18.1% loss in 2022). Higher interest rates and recession fears contributed to poor returns.
- U.S. corporate earnings in Q3 grew 2.4% from the year prior, marking the slowest rate of growth since Q3 2020. Per FactSet, earnings are projected to decline by -4.1% in Q4, which would mark the first decline in U.S. earnings since 2020.
- Many equity markets now trade at valuation levels near historical averages as rising rates and growth concerns have contributed to more attractive pricing. The S&P 500 forward P/E ratio of 18.3 (as of November 30<sup>th</sup>) is under the five-year average of 18.6 and the ten-year average of 20.2.
- Currency movements continued to create portfolio volatility for investors with unhedged exposure to foreign currencies. The U.S. dollar depreciated sharply during Q4 which resulted in a large gain of 7.6% for investors with unhedged foreign currency exposure (+17.3% MSCI EAFE unhedged, +9.7% MSCI EAFE hedged).
- Value stocks outpaced growth stocks by 10.2% in Q4 and by 21.6% for the year. Energy, industrials, and materials—sectors which are heavily tilted toward value—showed strong returns, with energy ending the year up 64.6%.
- Implied volatility fell significantly over the quarter, as the Cboe VIX Index moved from 31.6 to 21.7. Equity markets advanced on cooling inflation, potential for less aggressive central bank action, and perhaps optimism around China's reopening.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
U.S. Large Cap (S&P 500)	7.6%		(18.1%)	
U.S. Small Cap (Russell 2000)	6.2%		(20.4%)	
U.S. Equity (Russell 3000)	7.2%		(19.2%)	
U.S. Large Value (Russell 1000 Value)	12.4%		(7.5%)	
US Large Growth (Russell 1000 Growth)	2.2%		(29.1%)	
Global Equity (MSCI ACWI)	9.8%	7.6%	(18.4%)	(15.5%)
International Large (MSCI EAFE)	17.3%	9.7%	(14.5%)	(4.6%)
Eurozone (EURO STOXX 50)	24.8%	15.7%	(15.1%)	(7.0%)
U.K. (FTSE 100)	17.1%	9.3%	(7.0%)	5.9%
Japan (NIKKEI 225)	11.3%	1.4%	(18.9%)	(5.2%)
Emerging Markets (MSCI Emerging Markets)	9.7%	6.7%	(20.1%)	(16.3%)

Source: Russell Investments, MSCI, STOXX, FTSE, Nikkei, as of 12/31/22

# Equity valuations

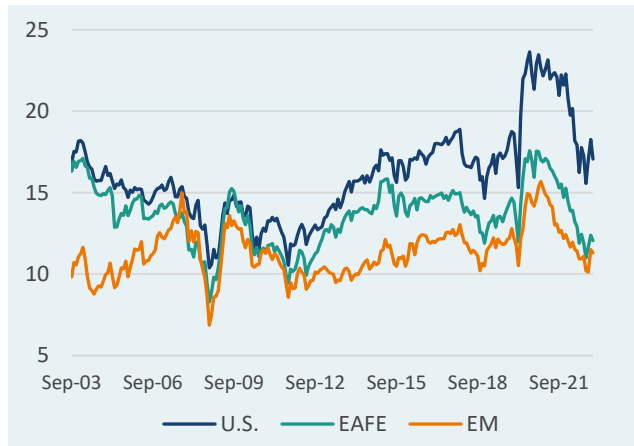
Many markets now trade at valuation levels near their historical average as inflation and rising interest rates have brought prices down. The S&P 500 forward P/E ratio of 17.1 is below the five- and ten-year averages of 18.6 and 20.2, respectively. The Federal Reserve remains in focus for U.S. investors as valuations over the past decade have been lifted by low interest rates. International equity valuations are depressed but may be further challenged by inflation and recession. Emerging market equities appear to be poised for a strong recovery, given a more positive growth outlook, and

as China's reopening could improve fundamentals and bring the asset class back into favor.

International developed equities remain inexpensive relative to U.S. equities, but developed markets face significant long-term headwinds. In Q4, gains in the Euro and Yen and an easing energy crisis boosted international developed equity returns, but high inflation, high debt and low growth in Japan, poor demographics, and a hawkish ECB make for a challenged long-term outlook.

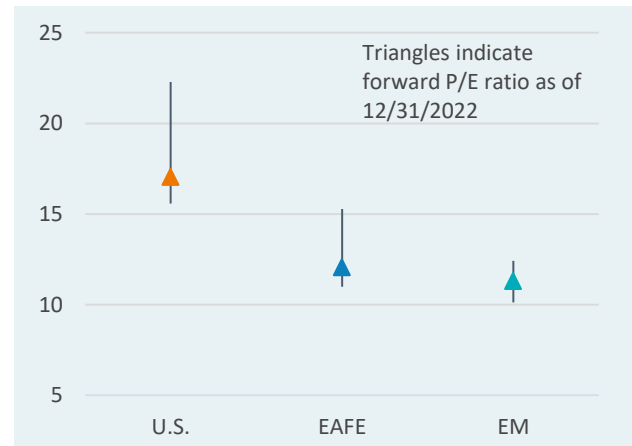
International developed equities remain extremely cheap relative to U.S. markets

**FORWARD P/E RATIOS**



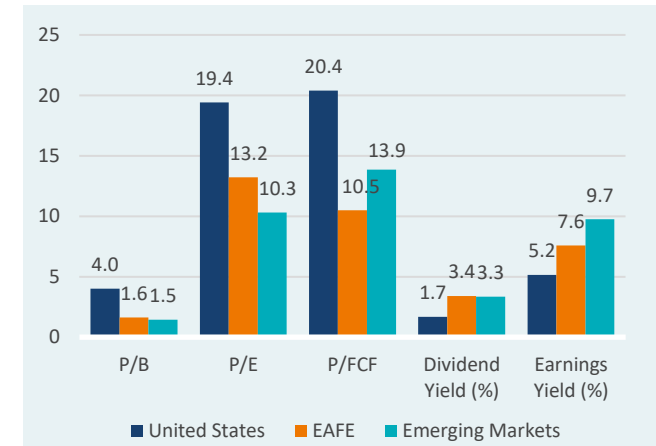
Source: MSCI, 12m forward P/E, as of 12/31/22

**FORWARD P/E RATIO RANGES (DURING 2022)**



Source: MSCI, 12m forward P/E, as of 12/31/22

**VALUATION METRICS (3-MONTH AVERAGE)**



Source: Bloomberg, MSCI, as of 12/31/22 - trailing P/E

# Fixed income environment

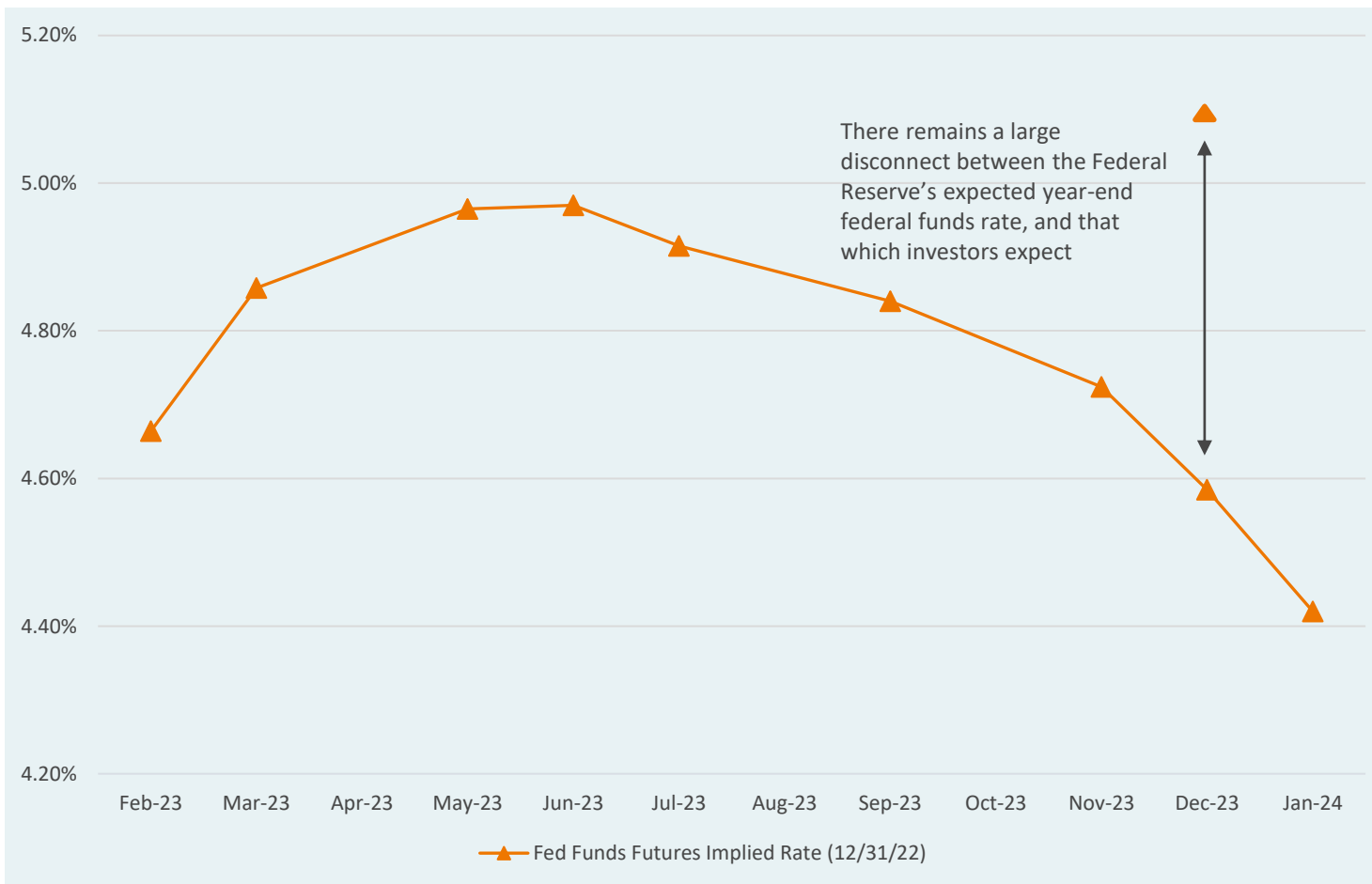
- The 10-year U.S. Treasury yield ended the quarter unchanged at 3.8%. It is possible that long-term interest rates have already reached a cyclical peak, assuming inflation continues to fall and the Federal Reserve becomes less aggressive.
- Credit performance was positive during the fourth quarter, with riskier exposures such as U.S. high yield and emerging market debt (both local and hard currency) leading the pack. Expectations for a slowdown in Federal Reserve rate hikes, and a rosier U.S. economic environment, have provided a tailwind to the credit space.
- Default activity in high yield bonds and bank loans remained subdued during Q4. Throughout the year, 17 companies defaulted totaling \$26.3 billion, with large defaults concentrated in the Healthcare sector which accounted for over 36% of total dollar volume. Default rates for par-weighted U.S. high yield and bank loans remained very low at 0.8% and 1.0%, respectively.
- The U.S. yield curve inversion reached historically negative levels, with the 10-year 2-year yield spread seeing its widest inversion since 1981 (short-term interest rates being higher than long-term interest rates). The negative spread bottomed out at ~81 bps on December 5<sup>th</sup> before gradually easing during the latter half of the month.
- Derivative markets are beginning to clash with Federal Reserve projections, as investors are pricing in a shorter tightening cycle relative to that indicated by comments from Federal Reserve officials. Federal Funds futures reflect a target interest rate of approximately 4.6% by the end of 2023, which compares to 5.1% indicated by the Federal Reserve's December Summary of Economic Projections.

	QTD Total Return	1 Year Total Return
Core Fixed Income (Bloomberg U.S. Aggregate)	1.9%	(13.0%)
Core Plus Fixed Income (Bloomberg U.S. Universal)	2.2%	(13.0%)
U.S. Treasuries (Bloomberg U.S. Treasury)	0.7%	(12.5%)
U.S. High Yield (Bloomberg U.S. Corporate HY)	4.2%	(11.2%)
Bank Loans (S&P/LSTA Leveraged Loan)	2.7%	(0.6%)
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	8.5%	(11.7%)
Emerging Market Debt Hard (JPM EMBI Global Diversified)	8.1%	(17.8%)
Mortgage-Backed Securities (Bloomberg MBS)	2.1%	(11.8%)

Source: Bloomberg, as of 12/31/22

# Markets more optimistic than the Fed

FED FUNDS FUTURES IMPLIED FED RATE



Markets expected the federal funds rate to rise to a peak of near 5.0% in Spring of 2023, followed by rate cuts throughout the remainder of the year

This contrasts sharply with forecasts from the Federal Reserve, which indicates a federal funds rate projection for the end of 2023 of **5.1%**

Source: Bloomberg, as of 12/31/22



# Credit environment

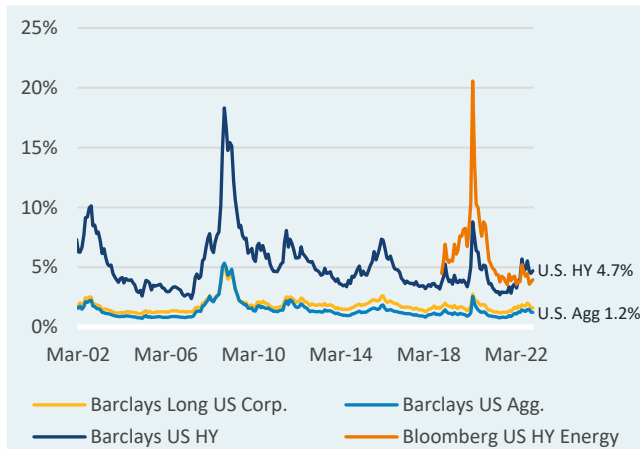
During the fourth quarter, markets began pricing in an eventual end to the Federal Reserve rate hiking cycle. This supported the performance of credit assets, as well as stronger-than-expected U.S. economic data which helped alleviate recession fears. High yield credit returns led the way with 4.2%, followed by 3.6% from investment grade credit and 2.3% from bank loans.

Credit spreads broadly tightened, with investment grade spreads falling to 130 bps from their high of 165 bps in Q3. High yield spreads compressed further, moving from 552 bps to 469 bps over the quarter. Despite calendar year returns of investment grade credit being the worst on record at -15.8%, and two consecutive years of negative returns, spreads have

widened less than anticipated. This suggests spreads could expand from these levels if conditions deteriorate.

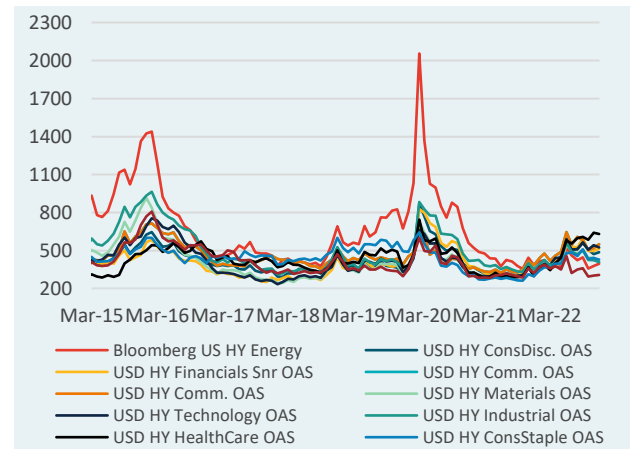
The total yield of high yield credit declined modestly throughout Q4, ending the quarter at 9.0%, which was 71 bps below Q3 yields but still elevated far above yields to start 2022. The Bloomberg US Corporate Investment Grade Index saw similar movement, with yields declining to 5.4% from 5.7% during the quarter, though still significantly higher than 2.4% to start the year. More attractive yield levels have the potential to drive demand for fixed income broadly, though concerns around growth and recession may act as headwinds to the spread-sensitive performance of higher risk credit.

## SPREADS



Source: Barclays, Bloomberg, as of 12/31/22

## HIGH YIELD SECTOR SPREADS (BPS)



Source: Bloomberg, as of 12/31/22

Market	Credit Spread (OAS)	
	12/31/22	12/31/21
Long U.S. Corp	1.6%	1.3%
U.S. Inv Grade Corp	1.3%	0.9%
U.S. High Yield	4.7%	2.8%
U.S. Bank Loans*	5.9%	4.3%

Source: Barclays, Credit Suisse, Bloomberg, as of 12/31/22

\*Discount margin (4-year life)

# Currency

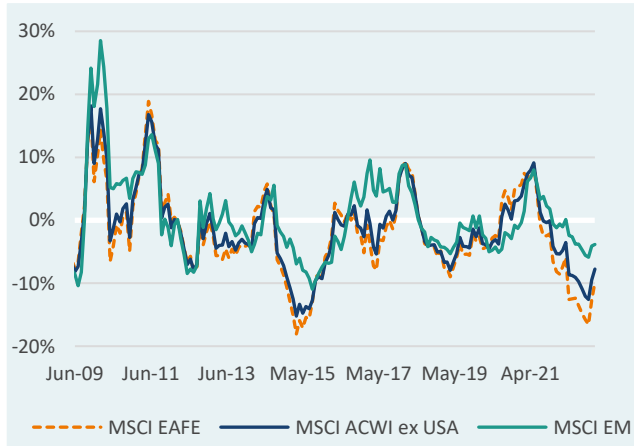
Currency volatility has translated to much higher portfolio volatility for investors with unhedged exposure to foreign currencies. The U.S. dollar depreciated relative to major currencies during the fourth quarter which resulted in large gains for investors with unhedged foreign currency exposure. These currency gains amounted to 7.6% for investors with unhedged exposure to the MSCI EAFE Index (+17.3% MSCI EAFE unhedged, +9.7% MSCI EAFE hedged).

U.S. dollar strength of 2022 was reversed in Q4 as markets began pricing in a shorter Federal Reserve tightening cycle. Expectations for lower rates in the U.S., combined with an ongoing struggle to control high inflation (and therefore tighter financial policies from respective central banks)

within developed economies, likely played a major role in the U.S. dollar sell-off.

Despite currency gains seen this quarter, we believe that a thoughtful currency program may allow an investor to reduce their total portfolio risk while also increasing long-term expected returns. The MSCI Currency Factor Mix Index—a representation of a passive investment in the currency market—has shown a positive one-year rolling return over most periods with very low volatility. This contrasts to the unhedged currency exposure (what we refer to as “embedded currency”) that most investors own, which has shown high volatility and frequent losses.

**EFFECT OF CURRENCY (1-YEAR ROLLING)**



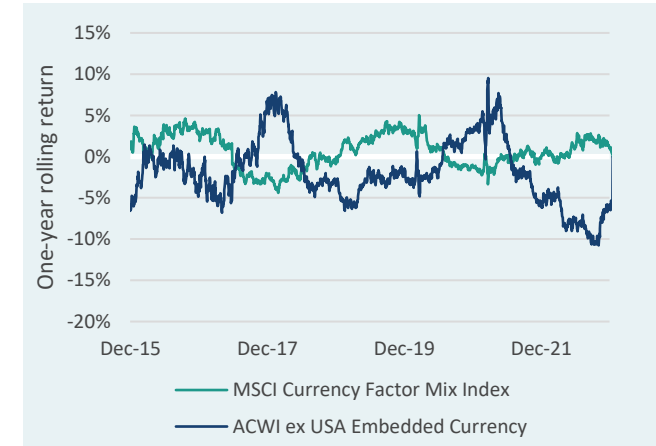
Source: MSCI, as of 12/31/22

**BLOOMBERG DOLLAR SPOT INDEX**



Source: Bloomberg, as of 12/31/22

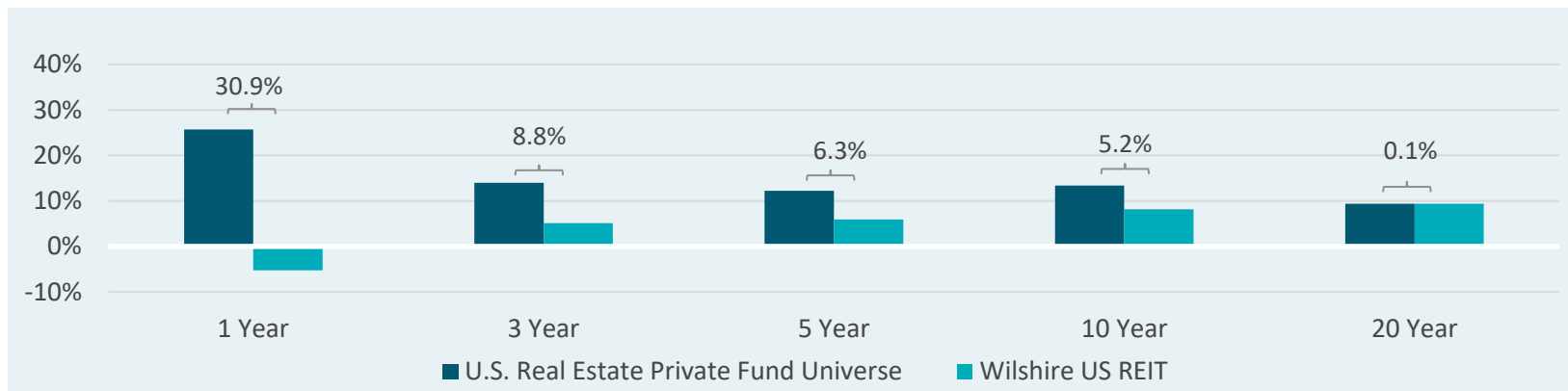
**EMBEDDED CURRENCY VS CURRENCY FACTORS**



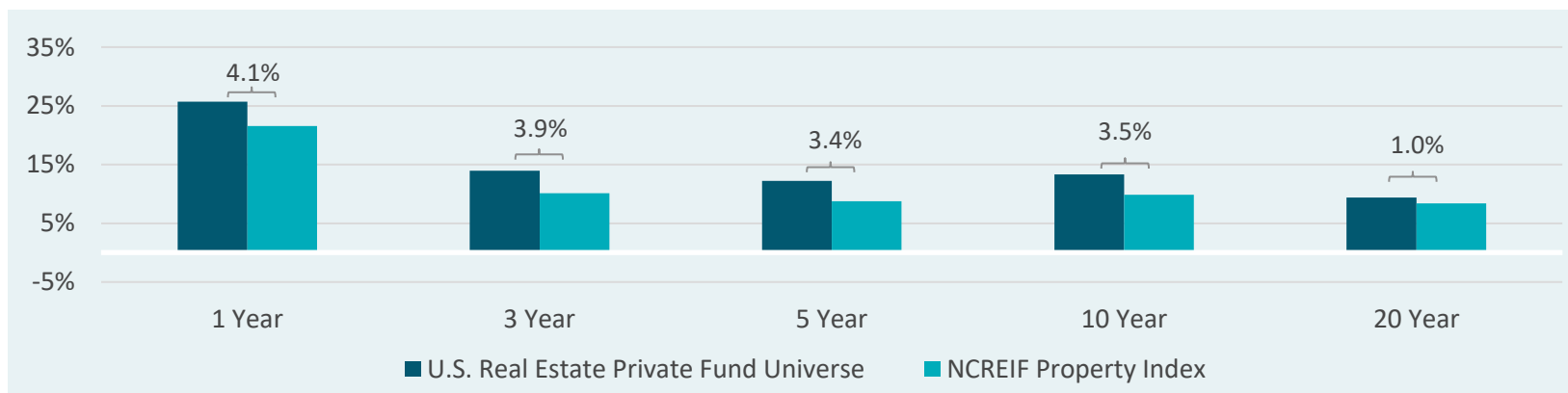
Source: Bloomberg, as of 12/31/22

# Private vs. liquid and core real estate performance

## U.S. PRIVATE REAL ESTATE FUNDS VS. LIQUID UNIVERSE



## U.S. PRIVATE REAL ESTATE FUNDS VS. CORE FUNDS



U.S. Private R.E. funds outperformed the Wilshire U.S. REIT Index across all time periods, though short-term outperformance may be transitory due to appraisal lags

U.S. Private R.E. Funds outperformed across all periods

Sources: Refinitiv PME: U.S. Real Estate universes as of June 30, 2022. Public Market Equivalent returns resulted from identical cash flows invested into and distributed from respective liquid real estate universes.

# Detailed index returns

## DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Core Index</b>							
S&P 500	(5.8)	7.6	(18.1)	(18.1)	7.7	9.4	12.6
S&P 500 Equal Weighted	(4.7)	11.6	(11.4)	(11.4)	9.0	9.1	12.4
DJ Industrial Average	(4.1)	16.0	(6.9)	(6.9)	7.3	8.4	12.3
Russell Top 200	(6.0)	6.6	(19.8)	(19.8)	7.9	9.9	12.9
Russell 1000	(5.8)	7.2	(19.1)	(19.1)	7.3	9.1	12.4
Russell 2000	(6.5)	6.2	(20.4)	(20.4)	3.1	4.1	9.0
Russell 3000	(5.9)	7.2	(19.2)	(19.2)	7.1	8.8	12.1
Russell Mid Cap	(5.4)	9.2	(17.3)	(17.3)	5.9	7.1	11.0
<b>Style Index</b>							
Russell 1000 Growth	(7.7)	2.2	(29.1)	(29.1)	7.8	11.0	14.1
Russell 1000 Value	(4.0)	12.4	(7.5)	(7.5)	6.0	6.7	10.3
Russell 2000 Growth	(6.4)	4.1	(26.4)	(26.4)	0.6	3.5	9.2
Russell 2000 Value	(6.6)	8.4	(14.5)	(14.5)	4.7	4.1	8.5

## INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Index</b>							
MSCI ACWI	(3.9)	9.8	(18.4)	(18.4)	4.0	5.2	8.0
MSCI ACWI ex US	(0.7)	14.3	(16.0)	(16.0)	0.1	0.9	3.8
MSCI EAFE	0.1	17.3	(14.5)	(14.5)	0.9	1.5	4.7
MSCI EM	(1.4)	9.7	(20.1)	(20.1)	(2.7)	(1.4)	1.4
MSCI EAFE Small Cap	1.1	15.8	(21.4)	(21.4)	(0.9)	(0.0)	6.2
<b>Style Index</b>							
MSCI EAFE Growth	(1.1)	15.0	(22.9)	(22.9)	0.5	2.5	5.6
MSCI EAFE Value	1.3	19.6	(5.6)	(5.6)	0.6	0.2	3.5
<b>Regional Index</b>							
MSCI UK	(0.4)	17.0	(4.8)	(4.8)	0.3	1.0	3.1
MSCI Japan	0.3	13.2	(16.6)	(16.6)	(1.0)	0.2	5.6
MSCI Euro	(0.5)	23.0	(17.2)	(17.2)	0.5	0.8	4.3
MSCI EM Asia	(0.8)	10.8	(21.1)	(21.1)	(1.3)	(0.6)	3.6
MSCI EM Latin American	(4.0)	5.7	8.9	8.9	(4.8)	(1.1)	(2.1)

## FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Index</b>							
Bloomberg US TIPS	(1.0)	2.0	(11.8)	(11.8)	1.2	2.1	1.1
Bloomberg US Treasury Bills	0.4	0.9	1.3	1.3	0.7	1.2	0.8
Bloomberg US Agg Bond	(0.5)	1.9	(13.0)	(13.0)	(2.7)	0.0	1.1
Bloomberg US Universal	(0.3)	2.2	(13.0)	(13.0)	(2.5)	0.2	1.3
<b>Duration</b>							
Bloomberg US Treasury 1-3 Yr	0.2	0.7	(3.8)	(3.8)	(0.5)	0.7	0.7
Bloomberg US Treasury Long	(1.7)	(0.6)	(29.3)	(29.3)	(7.4)	(2.2)	0.6
Bloomberg US Treasury	(0.5)	0.7	(12.5)	(12.5)	(2.6)	(0.1)	0.6
<b>Issuer</b>							
Bloomberg US MBS	(0.4)	2.1	(11.8)	(11.8)	(3.2)	(0.5)	0.7
Bloomberg US Corp. High Yield	(0.6)	4.2	(11.2)	(11.2)	0.0	2.3	4.0
Bloomberg US Agency Interm	0.0	0.8	(6.5)	(6.5)	(1.3)	0.4	0.7
Bloomberg US Credit	(0.4)	3.4	(15.3)	(15.3)	(2.9)	0.4	1.8

## OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Index</b>							
Bloomberg Commodity	(2.4)	2.2	16.1	16.1	12.7	6.4	(1.3)
Wilshire US REIT	(5.6)	4.0	(26.8)	(26.8)	(0.5)	3.4	6.3
CS Leveraged Loans	0.4	2.3	(1.1)	(1.1)	2.3	3.2	3.8
S&P Global Infrastructure	(2.2)	11.0	(0.2)	(0.2)	1.7	3.9	6.5
Alerian MLP	(4.7)	10.5	31.4	31.4	8.3	3.6	2.1
<b>Regional Index</b>							
JPM EMBI Global Div	0.3	8.1	(17.8)	(17.8)	(5.3)	(1.3)	1.6
JPM GBI-EM Global Div	2.2	8.5	(11.7)	(11.7)	(6.1)	(2.5)	(2.0)
<b>Hedge Funds</b>							
HFRI Composite	(0.4)	2.2	(4.3)	(4.3)	5.7	4.4	4.7
HFRI FOF Composite	0.9	2.4	(4.7)	(4.7)	3.9	3.2	3.6
<b>Currency (Spot)</b>							
Euro	3.7	8.9	(6.2)	(6.2)	(1.7)	(2.3)	(2.1)
Pound Sterling	1.0	7.8	(11.2)	(11.2)	(3.2)	(2.3)	(3.0)
Yen	5.8	9.7	(12.7)	(12.7)	(6.3)	(3.1)	(4.1)

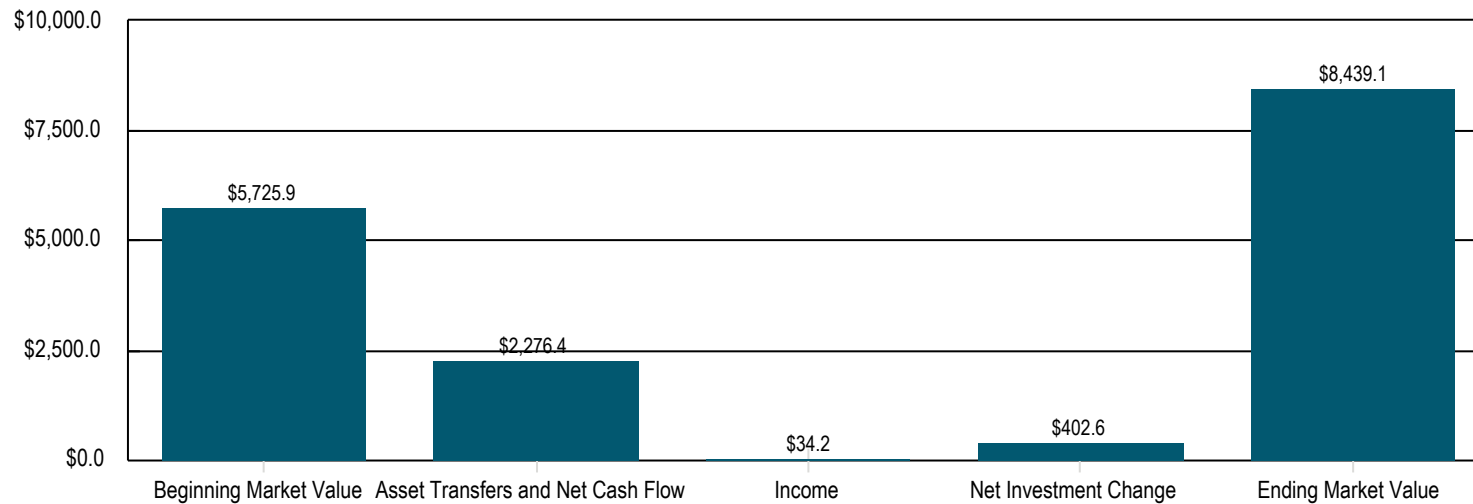
Source: Morningstar, HFRI, as of 12/31/22.

# Investment Performance

Portfolio Reconciliation

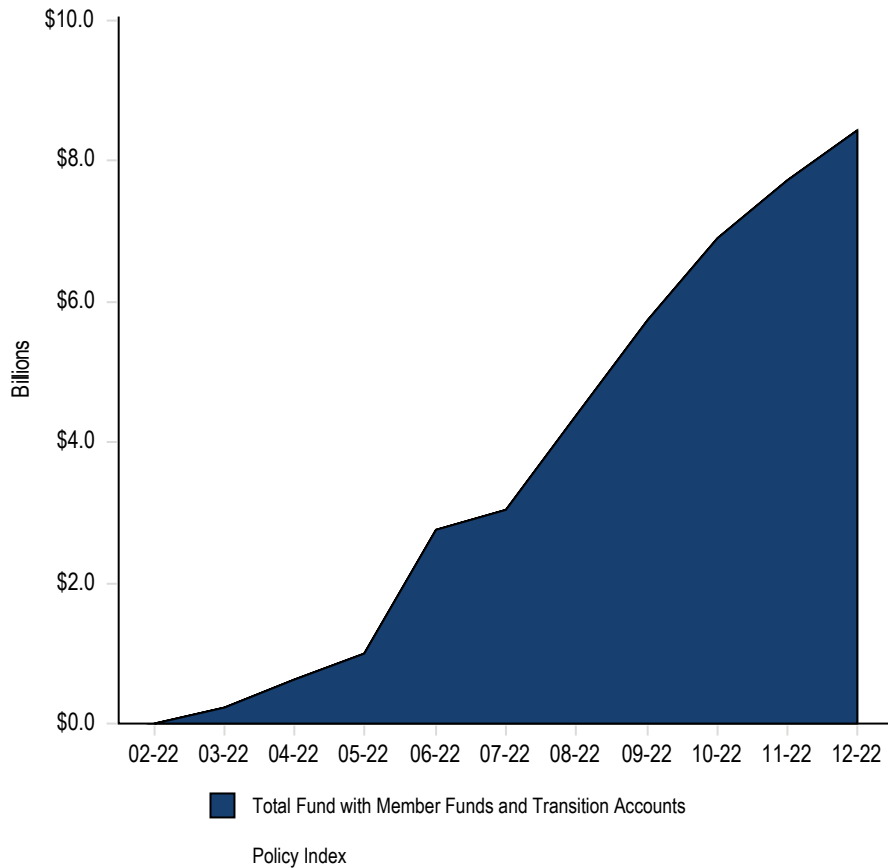
	Quarter-To-Date
Beginning Market Value	\$5,725,892,654
Asset Transfers and Net Cash Flow	\$2,276,402,324
Income	\$34,217,421
Net Investment Change	\$402,611,437
Ending Market Value	\$8,439,123,835

Change in Market Value  
Last Three Months



The portfolio reconciliation includes the Member Funds and Transition Account. Income excludes Member Funds and Transition Account. Income is calculated using the actual dividend and income received from separate accounts and estimated income and dividends for commingled funds. The income and dividends for RhumbLine Russell 1000 Index, RhumbLine Russell 2000 Index, SSgA US TIPS Index and Cash are sourced from State Street custodial reports. The income and dividends for the SSgA commingled funds are an estimate based on the current yield for bond funds and the dividend yield for equity funds. SSgA can use dividend and income to cover fund expenses, so the actual income that flows to the IPOPIF may be different than reported. Income for the Principal RE fund is based on a monthly income spreadsheet received from Principal via email.

Market Value History



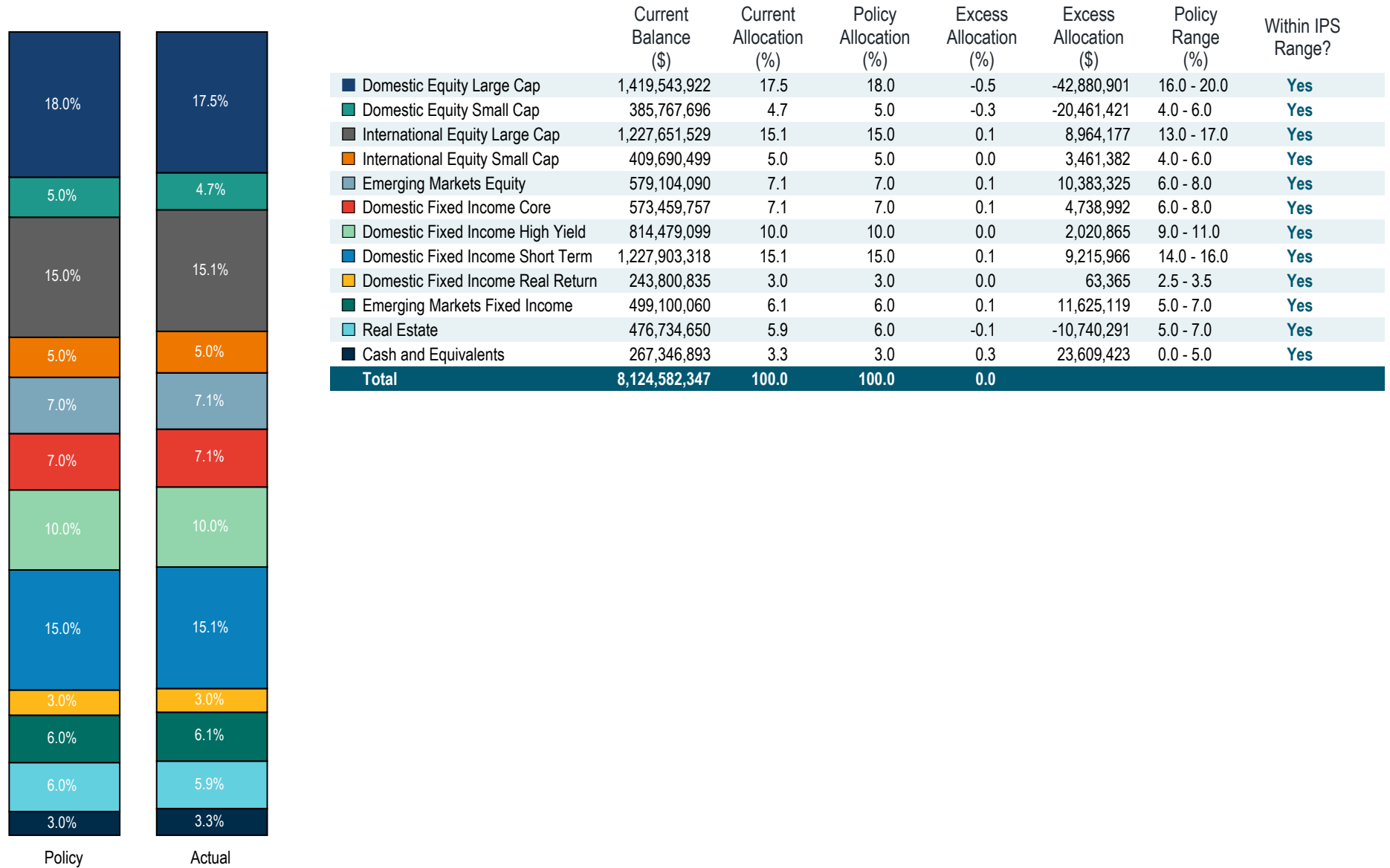
Asset Allocation History



\*Market value and asset class history includes Transition Accounts and Member Funds as represented by the Other category in the asset allocation history chart. The Other category reflects the June 24th transfers into the Members Funds account.

IPOPIF Investment Portfolio  
Asset Allocation vs. Policy

Illinois Police Officers' Pension Investment Fund  
Period Ending: December 31, 2022



Asset Allocation reflects short-term policy targets and excludes the Transition Account and Member Funds.



Total Fund  
Executive Summary (Gross of Fees)

Illinois Police Officers' Pension Investment Fund  
Period Ending: December 31, 2022

	Market Value	% of Portfolio	3 Mo	Since 04/01/2022
<b>Total Fund with Member Funds and Transition Accounts</b>	<b>8,439,123,835</b>	<b>100.0</b>	<b>6.7</b>	<b>-8.8</b>
<i>Policy Index</i>			6.6	-9.3
<i>Policy Index- Broad Based</i>			8.4	-12.6
<b>IPOPIF Investment Portfolio</b>	<b>8,124,582,347</b>	<b>96.3</b>	<b>6.8</b>	<b>-9.0</b>
<i>Policy Index</i>			6.6	-9.3
<i>Policy Index- Broad Based</i>			8.4	-12.6
<b>Growth</b>	<b>4,021,757,736</b>	<b>47.7</b>	<b>11.0</b>	<b>-12.8</b>
<i>Growth Benchmark</i>			10.4	-13.2
<b>Income</b>	<b>1,313,579,159</b>	<b>15.6</b>	<b>5.8</b>	<b>-9.1</b>
<i>Income Benchmark</i>			5.7	-6.8
<b>Inflation Protection</b>	<b>720,535,485</b>	<b>8.5</b>	<b>0.7</b>	<b>-9.1</b>
<i>Inflation Protection Benchmark</i>			1.5	-11.6
<b>Risk Mitigation</b>	<b>2,068,709,968</b>	<b>24.5</b>	<b>1.1</b>	<b>-2.8</b>
<i>Risk Mitigation Benchmark</i>			1.2	-2.7
Transition Accounts	280,635,591	3.3		
Member Accounts	33,905,897	0.4		

*Policy Index constituents include 3% 90 day T-bill, 15% Bloomberg 1-3 Year Gov/Credit Index, 7% Bloomberg U.S. Aggregate Index, 3% Bloomberg U.S. TIPS 0-5 Year, 10% Bloomberg U.S. Corporate High Yield Index, 6% 50/50 JPM EMBI/GBI EM Global Diversified, 23% Russell 3000, 20% MSCI AC World Ex USA IMI (Net), 7% MSCI Emerging Markets IMI (Net), 4% Wilshire US REIT Index and 2% NCREIF Property Index. Broad Based Policy Index constituents: 70% MSCI ACWI IMI (Net), 30% Bloomberg Global Multiverse. The growth, income, inflation protection and risk mitigation benchmarks are underlying asset class benchmarks normalized for composite weights.*

Total Fund  
Executive Summary (Gross of Fees)

Illinois Police Officers' Pension Investment Fund  
Period Ending: December 31, 2022

	Market Value	% of Portfolio	3 Mo	Since 04/01/2022
<b>Total Fund with Member Funds and Transition Accounts</b>	<b>8,439,123,835</b>	<b>100.0</b>	<b>6.7</b>	<b>-8.8</b>
<i>Policy Index</i>			6.6	-9.3
<i>Policy Index- Broad Based</i>			8.4	-12.6
<i>All Public Plans &gt; \$1B-Total Fund Rank</i>			12	66
<b>IPOPIF Investment Portfolio</b>	<b>8,124,582,347</b>	<b>96.3</b>	<b>6.8</b>	<b>-9.0</b>
<i>Policy Index</i>			6.6	-9.3
<i>Policy Index- Broad Based</i>			8.4	-12.6
<i>All Public Plans &gt; \$1B-Total Fund Rank</i>			12	76
<b>Growth</b>	<b>4,021,757,736</b>	<b>47.7</b>	<b>11.0</b>	<b>-12.8</b>
<i>Growth Benchmark</i>			10.4	-13.2
RhumbLine Russell 1000 Index	1,419,543,922	16.8	7.2	-14.9
<i>Russell 1000 Index</i>			7.2	-14.8
<i>eV US Large Cap Core Equity Rank</i>			76	86
RhumbLine Russell 2000 Index	385,767,696	4.6	6.2	-14.2
<i>Russell 2000 Index</i>			6.2	-14.0
<i>eV US Small Cap Core Equity Rank</i>			85	81
SSgA Non-US Developed Index	1,227,651,529	14.5	16.2	-9.7
<i>MSCI World ex U.S. (Net)</i>			16.2	-10.0
<i>eV EAFE Core Equity Rank</i>			54	45
SSgA Non-US Developed SC Index	409,690,499	4.9	15.1	-14.1
<i>MSCI World ex U.S. Small Cap Index (Net)</i>			15.2	-14.4
<i>eV EAFE Small Cap Core Rank</i>			79	77
SSgA Emerging Markets Equity Index	579,104,090	6.9	10.3	-13.3
<i>MSCI Emerging Markets (Net)</i>			9.7	-14.1
<i>eV Emg Mkts Equity Rank</i>			53	51
<b>Income</b>	<b>1,313,579,159</b>	<b>15.6</b>	<b>5.8</b>	<b>-9.1</b>
<i>Income Benchmark</i>			5.7	-6.8
SSgA High Yield Corporate Credit	814,479,099	9.7	4.4	-7.7
<i>Bloomberg U.S. High Yield Very Liquid Ind</i>			4.3	-7.4
<i>eV US High Yield Fixed Inc Rank</i>			32	88
SSgA EMD Hard Index Fund	499,100,060	5.9	8.2	-10.7
<i>JPM EMBI Global Diversified Index</i>			8.1	-9.3
<i>Emerging Markets Bond Rank</i>			70	96

Policy Index constituents include 3% 90 day T-bill, 15% Bloomberg 1-3 Year Gov/Credit Index, 7% Bloomberg U.S. Aggregate Index, 3% Bloomberg U.S. TIPS 0-5 Year, 10% Bloomberg U.S. Corporate High Yield Index, 6% 50/50 JPM EMBI/GBI EM Global Diversified, 23% Russell 3000, 20% MSCI AC World Ex USA IMI (Net), 7% MSCI Emerging Markets IMI (Net), 4% Wilshire US REIT Index and 2% NCREIF Property Index. Broad Based Policy Index constituents: 70% MSCI ACWI IMI (Net), 30% Bloomberg Global Multiverse. Principal USPA does not show a Since 4/1/2022 return because the fund was inception on 4/6/2022.

Total Fund  
Executive Summary (Gross of Fees)

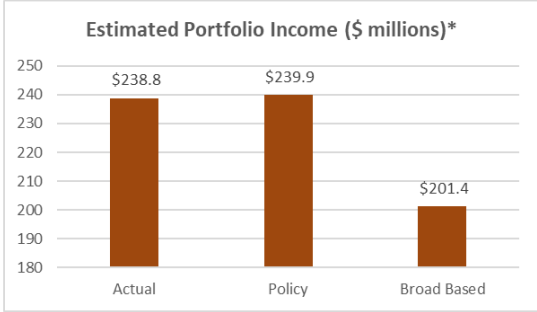
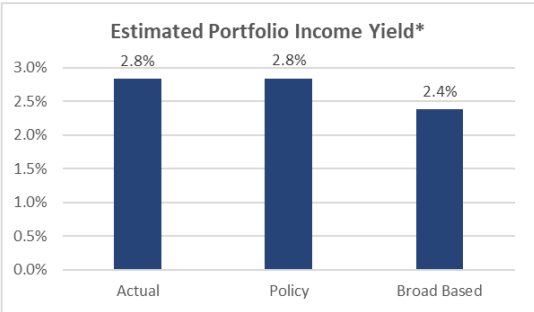
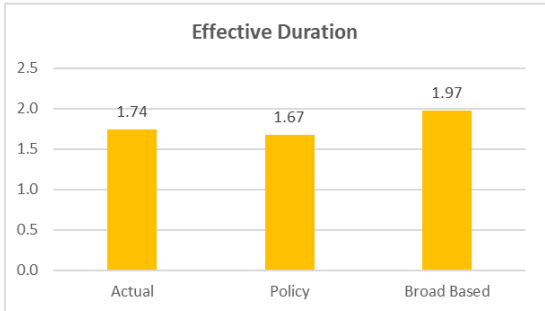
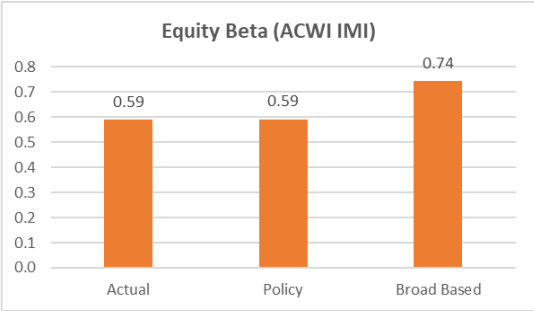
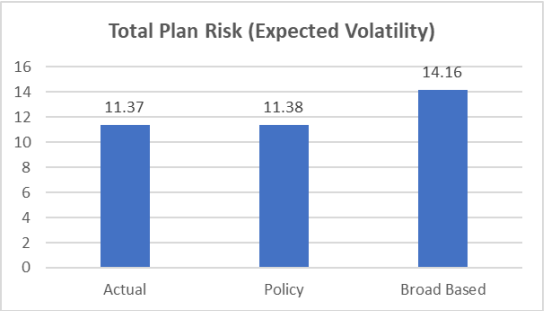
Illinois Police Officers' Pension Investment Fund  
Period Ending: December 31, 2022

	Market Value	% of Portfolio	3 Mo	Since 04/01/2022
<b>Inflation Protection</b>	<b>720,535,485</b>	<b>8.5</b>	<b>0.7</b>	<b>-9.1</b>
<i>Inflation Protection Benchmark</i>			1.5	-11.6
SSgA US TIPS Index	243,800,835	2.9	1.3	-2.9
<i>Blmbg. U.S. TIPS 0-5 Year</i>			1.3	-2.5
<i>eV US TIPS / Inflation Fixed Inc Rank</i>			98	1
SSgA REITs Index	299,184,364	3.5	4.7	-23.1
<i>Dow Jones U.S. Select REIT</i>			4.8	-23.1
<i>eV US REIT Rank</i>			28	80
Principal USPA	177,550,286	2.1	-6.0	-
<i>NCREIF ODCE</i>			-5.2	-0.6
<b>Risk Mitigation</b>	<b>2,068,709,968</b>	<b>24.5</b>	<b>1.1</b>	<b>-2.8</b>
<i>Risk Mitigation Benchmark</i>			1.2	-2.7
SSgA Core Fixed Income Index	573,459,757	6.8	1.7	-7.8
<i>Blmbg. U.S. Aggregate Index</i>			1.9	-7.5
<i>eV US Core Fixed Inc Rank</i>			66	72
SSgA Short-Term Gov't/Credit Index	1,227,903,318	14.6	0.9	-1.2
<i>Blmbg. 1-3 Year Gov/Credit index</i>			0.9	-1.2
<i>eV US Short Duration Fixed Inc Rank</i>			83	53
Cash	267,346,893	3.2	0.5	0.8
<i>90 Day U.S. Treasury Bill</i>			0.8	1.4
Transition Account	280,635,591	3.3		
Member Accounts	33,905,897	0.4		

Policy Index constituents include 3% 90 day T-bill, 15% Bloomberg 1-3 Year Gov/Credit Index, 7% Bloomberg U.S. Aggregate Index, 3% Bloomberg U.S. TIPS 0-5 Year, 10% Bloomberg U.S. Corporate High Yield Index, 6% 50/50 JPM EMBI/GBI EM Global Diversified, 23% Russell 3000, 20% MSCI AC World Ex USA IMI (Net), 7% MSCI Emerging Markets IMI (Net), 4% Wilshire US REIT Index and 2% NCREIF Property Index. Broad Based Policy Index constituents: 70% MSCI ACWI IMI (Net), 30% Bloomberg Global Multiverse. Principal USPA does not show a Since 4/1/2022 return because the fund was incepted on 4/6/2022.

Illinois Police Officers' Pension Investment Fund  
 Period Ending: December 31, 2022

Portfolio Characteristics



\*Income Yield and Income are estimated based on dividend yields and coupon rates applied to benchmark weights and does not include factors such as dividend re-investment rates.  
 Source: Barra One using index holdings as representative proxies

IPOPIF Investment Portfolio  
Investment Fund Fee Analysis

Illinois Police Officers' Pension Investment Fund  
Period Ending: December 31, 2022

Name	Asset Class	Vehicle Type	Market Value	% of Portfolio	Estimated Fee Value	Expense Fee (%)
RhumbLine Russell 1000 Index	Domestic Equity	Separate Account	\$1,419,543,922	17.4722	\$70,977	0.005
RhumbLine Russell 2000 Index	Domestic Equity	Separate Account	\$385,767,696	4.7482	\$19,288	0.005
SSgA Non-US Developed Index	Non-U.S. Equity	Commingled Fund	\$1,227,651,529	15.1103	\$196,424	0.016
SSgA Non-US Developed SC Index	Non-U.S. Equity	Commingled Fund	\$409,690,499	5.0426	\$65,550	0.016
SSgA Emerging Markets Equity Index	Emerging Markets Equity	Commingled Fund	\$579,104,090	7.1278	\$92,657	0.016
SSgA High Yield Corporate Credit	Fixed Income	Commingled Fund	\$814,479,099	10.0249	\$130,317	0.016
SSgA EMD Hard Index Fund	Fixed Income	Commingled Fund	\$499,100,060	6.1431	\$79,856	0.016
SSgA US TIPS Index	Fixed Income	Separate Account	\$243,800,835	3.0008	\$39,008	0.016
Principal USPA	Real Estate	Commingled Fund	\$177,550,286	2.1853	\$1,420,402	0.800
SSgA REITs Index	Real Estate	Commingled Fund	\$299,184,364	3.6825	\$47,869	0.016
SSgA Core Fixed Income Index	Fixed Income	Commingled Fund	\$573,459,757	7.0583	\$91,754	0.016
SSgA Short-Term Gov't/Credit Index	Fixed Income	Commingled Fund	\$1,227,903,318	15.1134	\$196,465	0.016
Cash	Cash and Equivalents	Commingled Fund	\$267,346,893	3.2906		
<b>IPOPIF Investment Portfolio</b>			<b>\$8,124,582,347</b>	<b>100.0000</b>	<b>\$2,450,568</b>	<b>0.030</b>

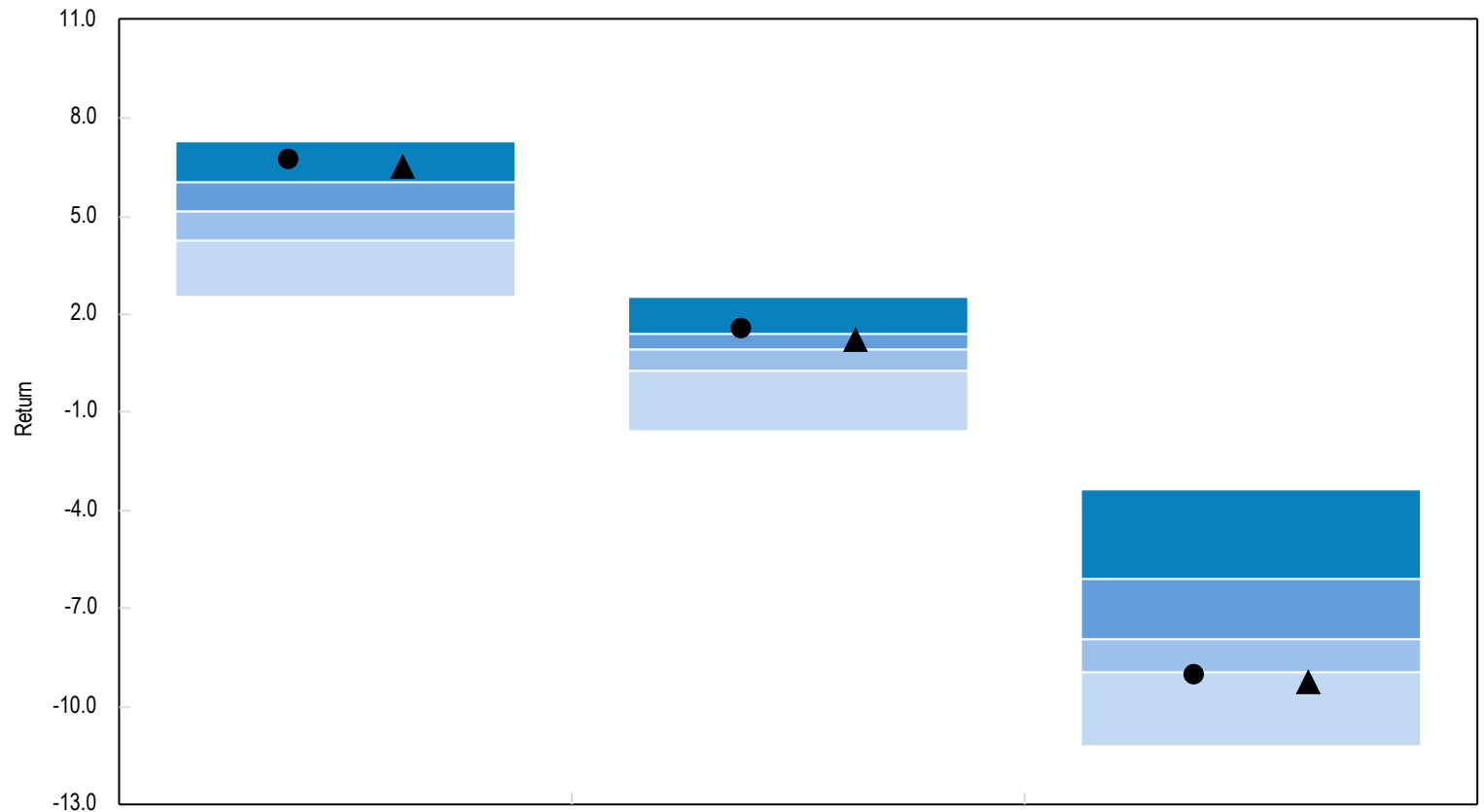
SSGA charges a flat 0.0155% fee through 2022 and an aggregate asset-based fee thereafter.

Total Fund  
Cash Flow by Manager - Last Three Months

Illinois Police Officers' Pension Investment Fund  
Period Ending: December 31, 2022

Name	Beginning Market Value	Contributions	Distributions	Net Cash Flows	Income	Net Investment Change	Ending Market Value
RhumbLine Russell 1000 Index	\$918,224,466	\$463,615,912	-\$30,000,000	\$433,615,912	\$4,784,628	\$62,918,916	\$1,419,543,922
RhumbLine Russell 2000 Index	\$258,500,642	\$121,961,398	-\$10,000,000	\$111,961,398	\$1,403,743	\$13,901,913	\$385,767,696
SSgA Non-US Developed Index	\$772,835,123	\$373,391,077	-\$64,000,000	\$309,391,077	\$5,015,108	\$140,410,222	\$1,227,651,529
SSgA Non-US Developed SC Index	\$248,834,737	\$130,717,536	-\$16,000,000	\$114,717,536	\$1,502,631	\$44,635,595	\$409,690,499
SSgA Emerging Markets Equity Index	\$348,737,532	\$185,080,527	-	\$185,080,527	\$2,217,825	\$43,068,206	\$579,104,090
SSgA High Yield Corporate Credit	\$535,666,126	\$253,166,887	-	\$253,166,887	\$6,834,326	\$18,811,761	\$814,479,099
SSgA EMD Hard Index Fund	\$309,251,249	\$157,733,663	-	\$157,733,663	\$3,709,329	\$28,405,820	\$499,100,060
SSgA US TIPS Index	\$168,606,330	\$72,859,994	-	\$72,859,994	\$151,771	\$2,182,741	\$243,800,835
Principal USPA	\$150,200,989	\$37,418,183	-	\$37,418,183	\$1,020,763	-\$11,089,649	\$177,550,286
SSgA REITs Index	\$172,312,336	\$116,799,027	-	\$116,799,027	\$1,399,947	\$8,673,054	\$299,184,364
SSgA Core Fixed Income Index	\$373,858,495	\$191,298,639	-	\$191,298,639	\$2,161,339	\$6,141,283	\$573,459,757
SSgA Short-Term Gov't/Credit Index	\$826,841,690	\$427,113,380	-\$35,000,000	\$392,113,380	\$3,399,059	\$5,549,190	\$1,227,903,318
Cash	\$166,369,677	\$129,307,826	-\$29,429,452	\$99,878,374	\$616,953	\$481,889	\$267,346,893
Transition Account	\$457,977,873	\$2,238,478,848	-\$2,431,237,396	-\$192,758,548	-	\$15,416,266	\$280,635,591
Member Accounts	\$17,675,391	\$2,211,825,984	-\$2,218,699,709	-\$6,873,724	-	\$23,104,230	\$33,905,897
<b>Total Fund with Member Funds and Transition Accounts</b>	<b>\$5,725,892,654</b>	<b>\$7,110,768,881</b>	<b>-\$4,834,366,557</b>	<b>\$2,276,402,324</b>	<b>\$34,217,421</b>	<b>\$402,611,437</b>	<b>\$8,439,123,835</b>

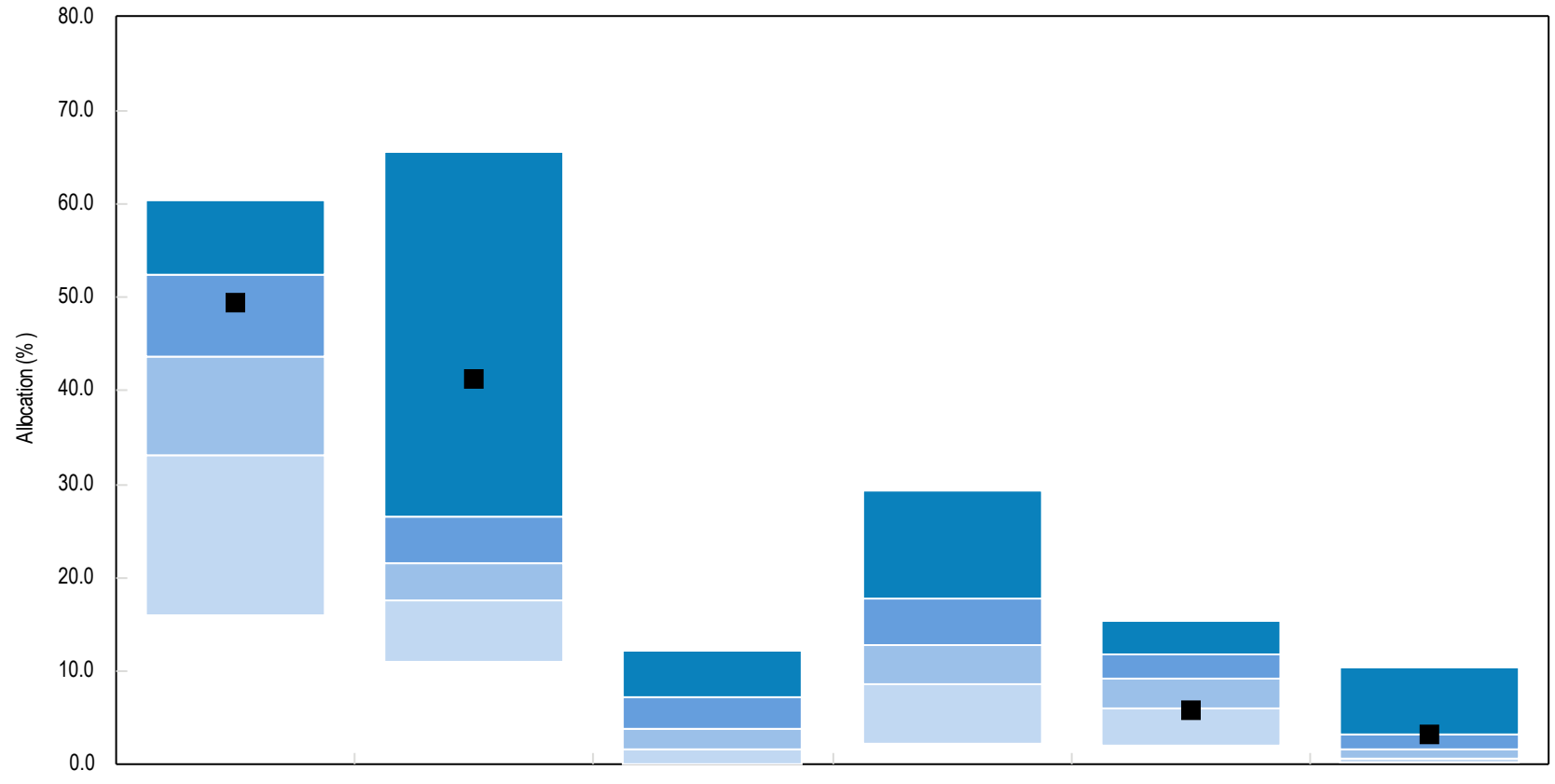
IPOPIF Investment Portfolio vs. All Public Plans > \$1B-Total Fund



	Quarter	2 Quarters	3 Quarters
● IPOPIF Investment Portfolio	6.8 (12)	1.6 (21)	-9.0 (76)
▲ Policy Index	6.6 (13)	1.2 (37)	-9.3 (79)
5th Percentile	7.3	2.5	-3.4
1st Quartile	6.1	1.4	-6.1
Median	5.2	0.9	-7.9
3rd Quartile	4.2	0.3	-8.9
95th Percentile	2.5	-1.6	-11.2
Population	141	140	136

Parentheses contain percentile rankings. Performance shown for IPOPIF Investment Fund which excludes the Transition Account and Member Funds.

Total Plan Allocation vs. All Public Plans > \$1B-Total Fund  
As of December 31, 2022

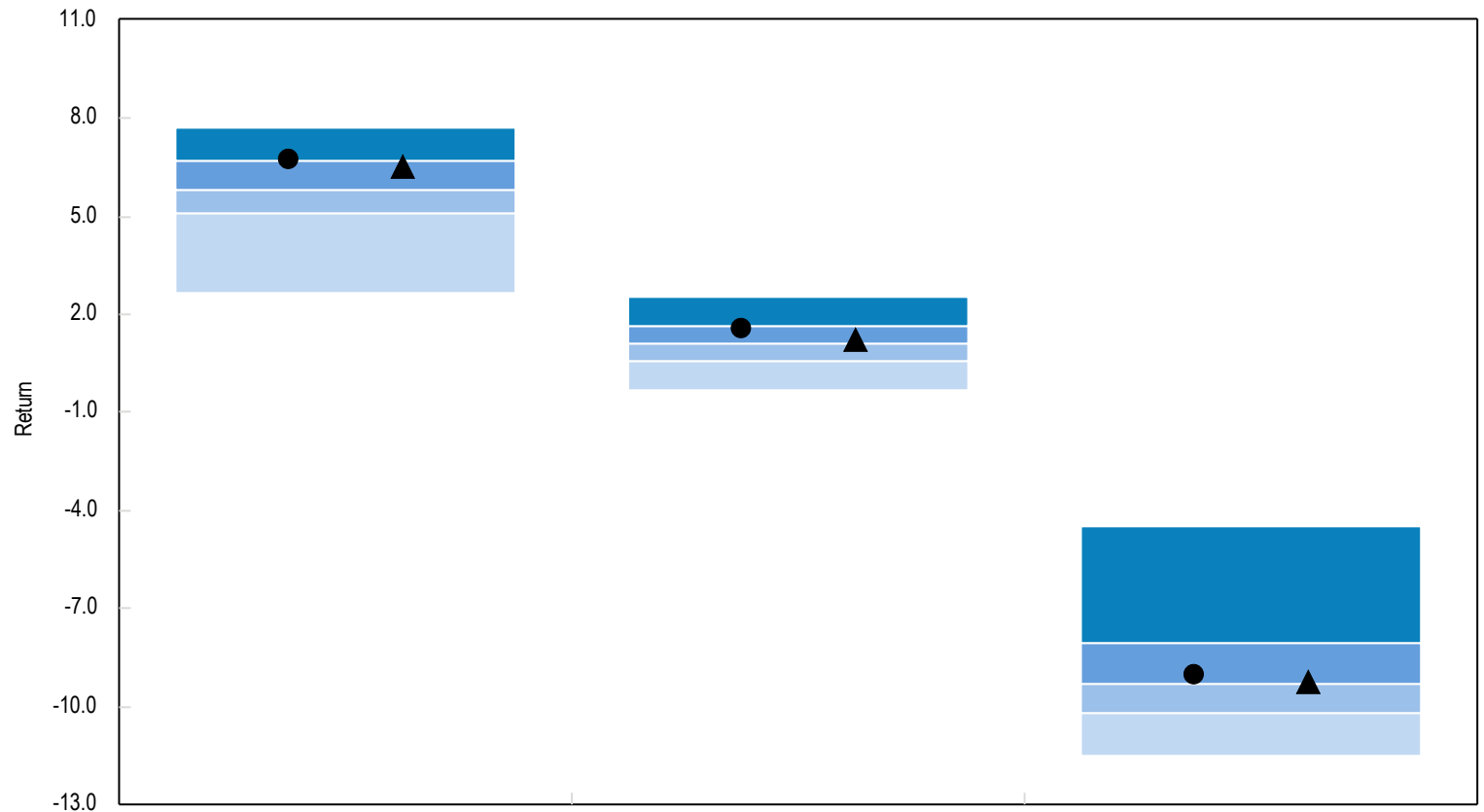


	Total Equity 49.5 (33)	Total Fixed Income 41.3 (7)	Hedge Funds -	Private Equity -	Total Real Estate 5.9 (76)	Cash & Equivalents 3.3 (24)
■ IPOPIF Investment Portfolio						
5th Percentile	60.5	65.7	12.1	29.4	15.4	10.3
1st Quartile	52.5	26.5	7.1	17.8	11.7	3.2
Median	43.7	21.6	3.8	12.7	9.2	1.6
3rd Quartile	33.1	17.6	1.6	8.6	5.9	0.7
95th Percentile	15.9	10.9	0.1	2.1	2.0	0.2
Population	128	136	34	52	104	93

Parenteses contain percentile rankings. Excludes Transition Account and Member Funds. Real Assets contains Core Real Estate and REITs.



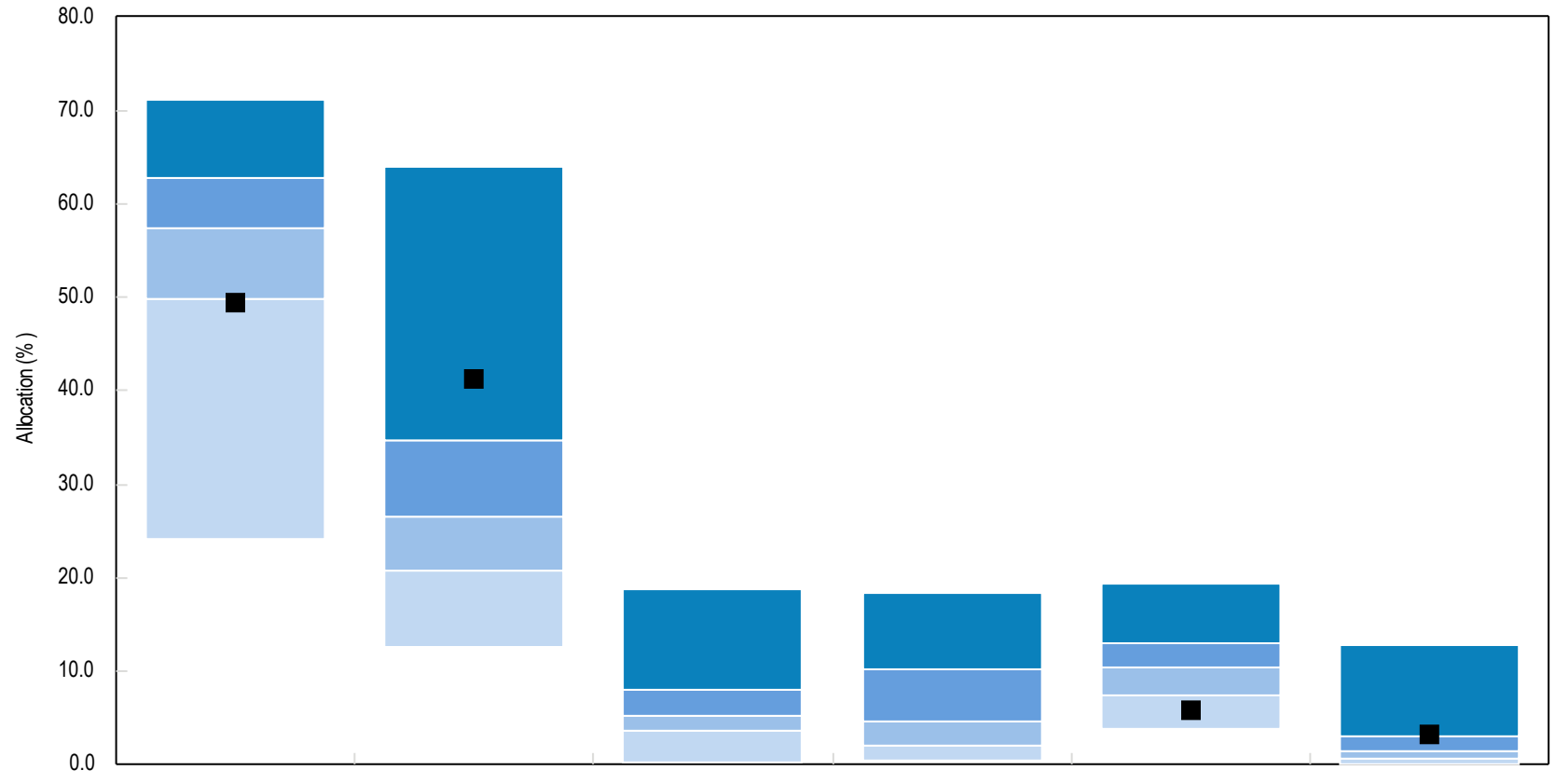
IPOPIF Investment Portfolio vs. All Public Plans < \$1B-Total Fund



	Quarter	2 Quarters	3 Quarters
● IPOPIF Investment Portfolio	6.8 (24)	1.6 (29)	-9.0 (43)
▲ Policy Index	6.6 (30)	1.2 (45)	-9.3 (49)
5th Percentile	7.7	2.5	-4.5
1st Quartile	6.7	1.7	-8.1
Median	5.8	1.1	-9.3
3rd Quartile	5.1	0.6	-10.2
95th Percentile	2.7	-0.3	-11.5
Population	361	357	349

Parentheses contain percentile rankings. Performance shown for IPOPIF Investment Fund which excludes the Transition Account and Member Funds.

Total Plan Allocation vs. All Public Plans < \$1B-Total Fund  
As of December 31, 2022



	Total Equity 49.5 (77)	Total Fixed Income 41.3 (11)	Hedge Funds -	Private Equity -	Total Real Estate 5.9 (84)	Cash & Equivalents 3.3 (22)
■ IPOPIF Investment Portfolio						
5th Percentile	71.3	64.1	18.8	18.3	19.4	12.7
1st Quartile	62.9	34.8	8.0	10.1	12.9	3.0
Median	57.4	26.6	5.1	4.6	10.4	1.5
3rd Quartile	49.9	20.8	3.6	2.0	7.5	0.7
95th Percentile	24.2	12.6	0.3	0.5	3.8	0.1
Population	555	611	72	131	354	465

Parenteses contain percentile rankings. Excludes Transition Account and Member Funds. Real Assets contains Core Real Estate and REITs.

**Performance Return Calculations**

Performance is calculated using Time Weighted Rates of Return (TWRR) methodologies. Monthly returns are geometrically linked and annualized for periods longer than one year.

**Data Source**

Verus is an independent third party consulting firm and calculates returns from best source book of record data. Returns calculated by Verus may deviate from those shown by the manager in part, but not limited to, differences in prices and market values reported by the custodian and manager, as well as significant cash flows into or out of an account. It is the responsibility of the manager and custodian to provide insight into the pricing methodologies and any difference in valuation.

**Illiquid Alternatives**

Due to the inability to receive final valuation prior to report production, closed end funds (including but are not limited to Real Estate, Hedge Funds, Private Equity, and Private Credit) performance is typically reported at a one-quarter lag. Valuation is reported at a one-quarter lag, adjusted for current quarter flow (cash flows are captured real time). Closed end fund performance is calculated using a time-weighted return methodology consistent with all portfolio and total fund performance calculations. For Private Markets, performance reports also include Verus-calculated multiples based on flows and valuations (e.g. DPI and TVPI) and manager-provided IRRs.

**Manager Line Up**

Manager	Inception Date	Data Source
RhumbLine Russell 1000 Index Fund	3/15/2022	State Street
RhumbLine Russell 2000 Index Fund	3/15/2022	State Street
SSgA Non-US Developed Index Fund	3/10/2022	State Street
SSgA Non-US Developed SC Index Fund	3/10/2022	State Street
SSgA Emerging Markets Equity Index Fund	3/10/2022	State Street
SSgA High Yield Corporate Credit	3/18/2022	State Street
iShares JPM Emerging Market Bond Index ETF	3/14/2022	State Street

Manager	Inception Date	Data Source
SSgA US TIPS Index Fund	3/17/2022	State Street
Principal USPA	4/6/2022	State Street
SSgA REITs Index Fund	3/10/2022	State Street
SSgA Core Fixed Income Index Fund	3/17/2022	State Street
SSgA Short-Term Gov't/Credit Index Fund	3/17/2022	State Street
Cash	3/22/2022	State Street

**Policy Index Composition**

As of 3/31/2022	Policy	Growth	Income	Inflation Protection	Risk Mitigation
Russell 3000	23%	46.0%			
MSCI ACWI ex USA IMI	20%	40.0%			
MSCI Emerging Markets IMI	7%	14.0%			
Bloomberg US Aggregate Index	7%				28.0%
Bloomberg 1-3 Year Gov/Credit Index	15%				60.0%
Bloomberg US Corporate High Yield Index	10%		62.5%		
Bloomberg US TIPS 0-5 Year	3%			33.3%	
50% JPM EMBI GD/50% JPM GBI EM GD	6%		37.5%		
NCREIF Property Index	2%			22.2%	
Wilshire US REIT Index	4%			44.5%	
90 Day US Treasury Bill Index	3%				12.0%

# Glossary

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**Allocation Effect:** An attribution effect that describes the amount attributable to the managers' asset allocation decisions, relative to the benchmark.

**Alpha:** The excess return of a portfolio after adjusting for market risk. This excess return is attributable to the selection skill of the portfolio manager. Alpha is calculated as:  $\text{Portfolio Return} - [\text{Risk free Rate} + \text{Portfolio Beta} \times (\text{Market Return} - \text{Risk free Rate})]$ .

**Benchmark R squared:** Measures how well the Benchmark return series fits the manager's return series. The higher the Benchmark R squared, the more appropriate the benchmark is for the manager.

**Beta:** A measure of systematic, or market risk; the part of risk in a portfolio or security that is attributable to general market movements. Beta is calculated by dividing the covariance of a security by the variance of the market.

**Book to Market:** The ratio of book value per share to market price per share. Growth managers typically have low book to market ratios while value managers typically have high book to market ratios.

**Capture Ratio:** A statistical measure of an investment manager's overall performance in up or down markets. The capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen (up market) or fallen (down market). The capture ratio is calculated by dividing the manager's returns by the returns of the index during the up/down market, and multiplying that factor by 100.

**Correlation:** A measure of the relative movement of returns of one security or asset class relative to another over time. A correlation of 1 means the returns of two securities move in lock step, a correlation of -1 means the returns of two securities move in the exact opposite direction over time. Correlation is used as a measure to help maximize the benefits of diversification when constructing an investment portfolio.

**Excess Return:** A measure of the difference in appreciation or depreciation in the price of an investment compared to its benchmark, over a given time period. This is usually expressed as a percentage and may be annualized over a number of years or represent a single period.

**Information Ratio:** A measure of a manager's ability to earn excess return without incurring additional risk. Information ratio is calculated as: excess return divided by tracking error.

**Interaction Effect:** An attribution effect that describes the portion of active management that is contributable to the cross interaction between the allocation and selection effect. This can also be explained as an effect that cannot be easily traced to a source.

**Portfolio Turnover:** The percentage of a portfolio that is sold and replaced (turned over) during a given time period. Low portfolio turnover is indicative of a buy and hold strategy while high portfolio turnover implies a more active form of management.

**Price to Earnings Ratio (P/E):** Also called the earnings multiplier, it is calculated by dividing the price of a company's stock into earnings per share. Growth managers typically hold stocks with high price to earnings ratios whereas value managers hold stocks with low price to earnings ratios.

**R Squared:** Also called the coefficient of determination, it measures the amount of variation in one variable explained by variations in another, i.e., the goodness of fit to a benchmark. In the case of investments, the term is used to explain the amount of variation in a security or portfolio explained by movements in the market or the portfolio's benchmark.

**Selection Effect:** An attribution effect that describes the amount attributable to the managers' stock selection decisions, relative to the benchmark.

**Sharpe Ratio:** A measure of portfolio efficiency. The Sharpe Ratio indicates excess portfolio return for each unit of risk associated with achieving the excess return. The higher the Sharpe Ratio, the more efficient the portfolio. Sharpe ratio is calculated as:  $\text{Portfolio Excess Return} / \text{Portfolio Standard Deviation}$ .

**Sortino Ratio:** Measures the risk adjusted return of an investment, portfolio, or strategy. It is a modification of the Sharpe Ratio, but penalizes only those returns falling below a specified benchmark. The Sortino Ratio uses downside deviation in the denominator rather than standard deviation, like the Sharpe Ratio.

**Standard Deviation:** A measure of volatility, or risk, inherent in a security or portfolio. The standard deviation of a series is a measure of the extent to which observations in the series differ from the arithmetic mean of the series. For example, if a security has an average annual rate of return of 10% and a standard deviation of 5%, then two thirds of the time, one would expect to receive an annual rate of return between 5% and 15%.

**Style Analysis:** A return based analysis designed to identify combinations of passive investments to closely replicate the performance of funds

**Style Map:** A specialized form or scatter plot chart typically used to show where a Manager lies in relation to a set of style indices on a two dimensional plane. This is simply a way of viewing the asset loadings in a different context. The coordinates are calculated by rescaling the asset loadings to range from -1 to 1 on each axis and are dependent on the Style Indices comprising the Map.

## Disclaimer

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The information presented may be deemed to contain forward-looking information. Examples of forward looking information include, but are not limited to, (a) projections of or statements regarding return on investment, future earnings, interest income, other income, growth prospects, capital structure and other financial terms, (b) statements of plans or objectives of management, (c) statements of future economic performance, and (d) statements of assumptions, such as economic conditions underlying other statements. Such forward-looking information can be identified by the use of forward looking terminology such as believes, expects, may, will, should, anticipates, or the negative of any of the foregoing or other variations thereon comparable terminology, or by discussion of strategy. No assurance can be given that the future results described by the forward-looking information will be achieved. Such statements are subject to risks, uncertainties, and other factors which could cause the actual results to differ materially from future results expressed or implied by such forward looking information. The findings, rankings, and opinions expressed herein are the intellectual property of Verus and are subject to change without notice. The information presented does not claim to be all-inclusive, nor does it contain all information that clients may desire for their purposes. The information presented should be read in conjunction with any other material provided by Verus, investment managers, and custodians.

Verus will make every reasonable effort to obtain and include accurate market values. However, if managers or custodians are unable to provide the reporting period's market values prior to the report issuance, Verus may use the last reported market value or make estimates based on the manager's stated or estimated returns and other information available at the time. These estimates may differ materially from the actual value. Hedge fund market values presented in this report are provided by the fund manager or custodian. Market values presented for private equity investments reflect the last reported NAV by the custodian or manager net of capital calls and distributions as of the end of the reporting period. These values are estimates and may differ materially from the investments actual value. Private equity managers report performance using an internal rate of return (IRR), which differs from the time-weighted rate of return (TWRR) calculation done by Verus. It is inappropriate to compare IRR and TWRR to each other. IRR figures reported in the illiquid alternative pages are provided by the respective managers, and Verus has not made any attempts to verify these returns. Until a partnership is liquidated (typically over 10-12 years), the IRR is only an interim estimated return. The actual IRR performance of any LP is not known until the final liquidation.

Verus receives universe data from InvMetrics, eVestment Alliance, and Morningstar. We believe this data to be robust and appropriate for peer comparison. Nevertheless, these universes may not be comprehensive of all peer investors/managers but rather of the investors/managers that comprise that database. The resulting universe composition is not static and will change over time. Returns are annualized when they cover more than one year. Investment managers may revise their data after report distribution. Verus will make the appropriate correction to the client account but may or may not disclose the change to the client based on the materiality of the change.

Total Fund  
Asset Allocation & Performance (preliminary)

Illinois Police Officers' Pension Investment Fund  
Period Ending: February 28, 2023

	Market Value	% of Portfolio	Target (%)	1 Mo	3 Mo	Since 04/01/2022
<b>Total Fund with Member Funds and Transition Accounts</b>	<b>8,858,278,672</b>	<b>100.0</b>		<b>-2.2</b>	<b>0.8</b>	<b>-6.2</b>
<i>Policy Index</i>				-2.2	1.1	-6.6
<i>Policy Index- Broad Based</i>				-2.9	0.4	-10.0
<b>IPOPIF Investment Portfolio</b>	<b>8,839,352,291</b>	<b>99.8</b>	<b>100.0</b>	<b>-2.2</b>	<b>0.9</b>	<b>-6.4</b>
<i>Policy Index</i>				-2.2	1.1	-6.6
<i>Policy Index- Broad Based</i>				-2.9	0.4	-10.0
<b>Growth</b>	<b>4,403,749,683</b>	<b>49.7</b>	<b>50.0</b>	<b>-3.0</b>	<b>1.3</b>	<b>-8.8</b>
<i>Growth Benchmark</i>				-3.3	0.7	-9.8
RhumbLine Russell 1000 Index Fund	1,549,913,681	17.5	18.0	-2.4	-1.9	-11.4
<i>Russell 1000 Index</i>				-2.4	-1.9	-11.2
RhumbLine Russell 2000 Index Fund	436,202,659	4.9	5.0	-1.7	0.9	-7.4
<i>Russell 2000 Index</i>				-1.7	0.9	-7.2
SSgA Non-US Developed Index Fund	1,357,096,850	15.3	15.0	-2.3	5.2	-4.5
<i>MSCI World ex U.S. (Net)</i>				-2.3	5.2	-4.9
SSgA Non-US Developed SC Index Fund	450,268,110	5.1	5.0	-2.4	5.6	-9.9
<i>MSCI World ex U.S. Small Cap Index (Net)</i>				-2.4	5.6	-10.1
SSgA Emerging Markets Equity Index Fund	610,268,383	6.9	7.0	-7.0	-1.6	-12.6
<i>MSCI Emerging Markets (Net)</i>				-6.5	-0.5	-13.3
<b>Income</b>	<b>1,401,349,288</b>	<b>15.8</b>	<b>16.0</b>	<b>-1.7</b>	<b>1.5</b>	<b>-7.3</b>
<i>Income Benchmark</i>				-1.8	2.0	-5.0
SSgA High Yield Corporate Credit	874,571,978	9.9	10.0	-1.3	1.7	-5.3
<i>Bloomberg U.S. High Yield Very Liquid Ind</i>				-1.5	1.6	-5.1
SSgA EMD Hard Index Fund	526,777,310	5.9	6.0	-2.3	1.3	-9.8
<i>JPM EMBI Global Diversified Index</i>				-2.2	1.2	-8.5
<b>Inflation Protection</b>	<b>772,075,879</b>	<b>8.7</b>	<b>9.0</b>	<b>-2.3</b>	<b>-0.8</b>	<b>-7.1</b>
<i>Inflation Protection Benchmark</i>				-2.2	-0.5	-9.0
SSgA US TIPS Index Fund	256,486,970	2.9	3.0	-0.3	0.4	-2.6
<i>Blmbg. U.S. TIPS 0-5 Year</i>				-0.4	0.1	-2.2
SSgA REITs Index Fund	335,176,391	3.8	4.0	-4.9	0.0	-18.9
<i>Dow Jones U.S. Select REIT</i>				-4.9	0.0	-18.9
Principal USPA	180,412,518	2.0	2.0	0.1	-3.7	-

Policy Index constituents include 3% 90 day T-bill, 15% Bloomberg 1-3 Year Gov/Credit Index, 7% Bloomberg U.S. Aggregate Index, 3% Bloomberg U.S. TIPS 0-5 Year, 10% Bloomberg U.S. Corporate High Yield Index, 6% JPM EMBI Global Diversified, 18% Russell 1000, 5% Russell 2000, 15% MSCI World Ex US (Net), 5% MSCI World ex US Small Cap (Net), 7% MSCI Emerging Markets IMI (Net), 4% Wilshire US REIT Index and 2% NFI-ODCE Equal-Weight. Broad Based Policy Index constituents: 70% MSCI ACWI IMI (Net), 30% Bloomberg Global Multiverse. Prior to July 2022, SSgA EMD Hard Index Fund was iShares JPM EMD Index ETF and benchmark returns reflect JPM EMBI Global Core Index. The Principal USPA real estate fund is benchmarked against the NCREIF ODCE index on a quarterly basis and against itself for the purpose of monthly flash reports due to quarterly index data availability.

Total Fund  
Asset Allocation & Performance (preliminary)

Illinois Police Officers' Pension Investment Fund  
Period Ending: February 28, 2023

	Market Value	% of Portfolio	Target (%)	1 Mo	3 Mo	Since 04/01/2022
<b>Risk Mitigation</b>	<b>2,262,177,440</b>	<b>25.5</b>	<b>25.0</b>	<b>-1.1</b>	<b>0.3</b>	<b>-2.5</b>
<i>Risk Mitigation Benchmark</i>				-1.1	0.3	-2.5
SSgA Core Fixed Income Index Fund	603,994,976	6.8	7.0	-2.6	0.0	-7.2
<i>Blmbg. U.S. Aggregate Index</i>				-2.6	0.0	-7.1
SSgA Short-Term Gov't/Credit Index Fund	1,288,424,928	14.5	15.0	-0.7	0.3	-1.1
<i>Blmbg. 1-3 Year Gov/Credit index</i>				-0.7	0.2	-1.2
Cash	369,757,536	4.2	3.0	0.3	0.8	1.4
<i>90 Day U.S. Treasury Bill</i>				0.3	1.0	2.1
<b>Transition Accounts</b>	<b>16,847,372</b>	<b>0.2</b>	<b>-</b>			
<b>Member Funds</b>	<b>2,079,010</b>	<b>0.0</b>	<b>-</b>			

Policy Index constituents include 3% 90 day T-bill, 15% Bloomberg 1-3 Year Gov/Credit Index, 7% Bloomberg U.S. Aggregate Index, 3% Bloomberg U.S. TIPS 0-5 Year, 10% Bloomberg U.S. Corporate High Yield Index, 6% JPM EMBI Global Diversified, 18% Russell 1000, 5% Russell 2000, 15% MSCI World Ex US (Net), 5% MSCI World ex US Small Cap (Net), 7% MSCI Emerging Markets IMI (Net), 4% Wilshire US REIT Index and 2% NFI-ODCE Equal-Weight. Broad Based Policy Index constituents: 70% MSCI ACWI IMI (Net), 30% Bloomberg Global Multiverse. Prior to July 2022, SSgA EMD Hard Index Fund was iShares JPM EMD Index ETF and benchmark returns reflect JPM EMBI Global Core Index. The Principal USPA real estate fund is benchmarked against the NCREIF ODCE index on a quarterly basis and against itself for the purpose of monthly flash reports due to quarterly index data availability.

## February 2023 Statement Notes

### Statement Overview Moved

- The statement overview and explanation has been removed as the monthly report cover and has been posted online at <https://www.ipopif.org/reports/article-3-reports/>

### NAV and Receivable Calculations Under Development

- The IPOPIF [Valuation and Cost Rule](#), AR-2022-01, stipulates that the Net Asset Value (NAV) for each Participating Police Pension Fund will include a proportionate share of the IFA Loan and also receivables representing proportionate amounts due from late-transferring pension funds.
- These calculations are still under development.

### February Highlights

- The IPOPIF Pool (the main investment fund) declined 2.22% in February.
- Asset Flows
  - New Asset Transfers: \$24 million
  - Cash Contributions: \$72 million
  - Cash Withdrawals: \$23 million
- Expenses
  - Administrative Expenses: \$198,410
  - Non-manager Investment Expenses: \$163,187
  - Investment Manager Fees \$13,699
  - Expenses are paid from the IPOPIF Pool
- Total Fund ending value: \$8.858 billion
  - IPOPIF Pool: \$8.839 billion
  - Transition Pool \$16.8 million
  - Participant accounts: \$2.1 million

### Resources

- Monthly financial reports: <https://www.ipopif.org/reports/monthly-financial-reports/>
- Monthly and quarterly investment reports are available on the IPOPIF website at <https://www.ipopif.org/reports/investment-reports/>
- Meeting Calendar: <https://www.ipopif.org/meetings/calendar/>





**Market Value Summary:**

	Current Period	Year to Date
Beginning Balance	\$19,040,279.82	\$18,100,454.96
Contributions	\$681,000.00	\$681,000.00
Withdrawals	\$0.00	\$0.00
Transfers In/Out	\$0.00	\$0.00
Income	\$7,703.87	\$12,917.40
Administrative Expense	(\$424.34)	(\$595.98)
Investment Expense	(\$349.01)	(\$429.32)
Investment Manager Fees	(\$29.30)	(\$48.46)
IFA Loan Repayment	\$0.00	(\$2,282.03)
Realized Gain/Loss	\$838.86	\$666.46
Unrealized Gain/Loss	(\$442,507.32)	\$494,829.55
Ending Balance	\$19,286,512.58	\$19,286,512.58

**Performance Summary:**

	MTD	QTD	YTD	One Year	Three Years	Five Years	Ten Years	Inception to Date	Participant Inception Date
Net of Fees:	(2.22%)	2.87%	2.87%	N/A	N/A	N/A	N/A	(6.48%)	04/01/2022

EFFINGHAM POLICE PENSION FUND

Fund Name: IPOPIF Pool

Month Ended: February 28, 2023



Market Value Summary:

	Current Period	Year to Date
Beginning Balance	\$19,040,279.82	\$18,100,454.96
Contributions	\$681,000.00	\$681,000.00
Withdrawals	\$0.00	\$0.00
Transfers In/Out	\$0.00	\$0.00
Income	\$7,703.87	\$12,917.40
Administrative Expense	(\$424.34)	(\$595.98)
Investment Expense	(\$349.01)	(\$429.32)
Investment Manager Fees	(\$29.30)	(\$48.46)
IFA Loan Repayment	\$0.00	(\$2,282.03)
Realized Gain/Loss	\$838.86	\$666.46
Unrealized Gain/Loss	(\$442,507.32)	\$494,829.55
Ending Balance	<u>\$19,286,512.58</u>	<u>\$19,286,512.58</u>

Unit Value Summary:

	Current Period	Year to Date
Beginning Units	1,908,552.101	1,908,552.101
Unit Purchases from Additions	68,719.160	68,719.160
Unit Sales from Withdrawals	0.000	0.000
Ending Units	<u>1,977,271.261</u>	<u>1,977,271.261</u>
Period Beginning Net Asset Value per Unit	\$9.976283	\$9.483855
Period Ending Net Asset Value per Unit	\$9.754094	\$9.754094

Performance Summary:

EFFINGHAM POLICE PENSION FUND

	MTD	QTD	YTD	One Year	Three Years	Five Years	Ten Years	Inception to Date	Participant Inception Date
Net of Fees:	(2.22%)	2.87%	2.87%	N/A	N/A	N/A	N/A	(4.57%)	04/14/2022

Contact Information: Illinois Police Officers' Pension Investment Fund, 456 Fulton Street, Suite 402 Peoria, Illinois 61602 Phone: (309) 280-6464 Email: Info@ipopif.org

Statement of Transaction Detail for the Month Ending 02/28/2023

EFFINGHAM POLICE PENSION FUND

Date	Description	Amount	Unit Value	Units
IPOPIF Pool				
02/16/2023	Contribution	681,000.00	9.909900	68,719.1596

# Certified Trustee Training

Organization: Effingham Police Pension Fund

Year: 2023

## Daniel Dust

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	8				
2					
3					
4					
5					
6					

## Jeremey Kyle

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	8				
2					
3					
4					
5					
6					

## Steve Miller

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	16				
2					
3					
4					
5					
6					

## John Richards

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	8				
2					
3					
4					
5					
6					

## Cleone Bloemker

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	8	IPPFA	8	1/29/2023	Yes
2					
3					
4					
5					
6					

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1					
2					
3					
4					
5					
6					

## 2023 IPPFA Illinois Pension Conference



May 10 - 12, 2023

1:00PM - 12:30PM

444 Eagle Ridge Drive, Galena, IL 61036

Julie Guy

Registration is Open!

May 10 - 12, 2023

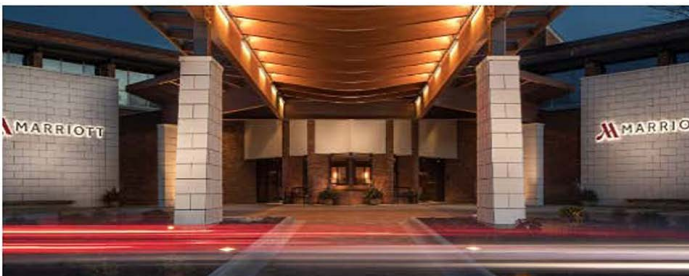
**DUE TO LIMITED CAPACITY NO WALK-IN REGISTRATIONS WILL BE ALLOWED.**

Eagle Ridge Resort  
444 Eagle Ridge Drive  
Galena, IL 61036

Additional Room Block  
Irish Cottage Inn & Suites  
9853 US Highway 20  
Galena, Illinois 61036

The Irish Cottage is located 10 minutes from the Eagle Ridge Resort Room rate is \$89 per night/ plus tax & amenity fee. To make a reservation call 1-815-776-0707 Ext 0

## 2023 MidAmerican Pension Conference



October 4 - 6, 2023

12:00PM - 12:30PM

10 Marriott Drive, Lincolnshire, IL 60069

Julie Guy

*The MidAmerican Pension Conference is the perfect way to complete your 8-hours of pension trustee training. Highlights include dynamic speakers, informative exhibits, and many networking opportunities. For over 30 years, the IPPFA has given attendees the very best training in ethics, fiduciary responsibilities, and legal and legislative updates, all covering every aspect of pension trustee training.*

## 2023 MidAmerican Pension Conference

- The 2023 MidAmerican Pension Conference will be held at the Marriott Lincolnshire Resort
- October 4 - 6, 2023
- The IPPFA room rate is \$189.00 per night, plus taxes and fees
- Check-in 4:00 pm, Check-out 12:00 pm
- To make a room reservation call 1(800)228-9290 and mention IPPFA Room Block

## 2023 IPPFA Trustee Training Opportunities

### **IPPFA ONLINE SEMINAR COURSE**

- WHEN:** Ongoing
- Online 8 hr. seminar (Recorded from the 2021 MidAmerican Pension Conference)
- WHERE:** IPPFA Website:  
[www.ippfa.org/education/online-classes/](http://www.ippfa.org/education/online-classes/)
- COST:** IPPFA MEMBER: \$275.00/seminar  
IPPFA NON-MEMBER: \$525.00/seminar

This online seminar agenda includes:

- Pension Obligation Bond Panel
- Consolidation Update Panel
- Mock Disability Trial
- Keynote Speaker Admiral Foggo
- Ask an Attorney and Legal Updates
- Covid-19 Vaccinations and Workplace Rules
- Ask an Administrator
- Re-Entry into Active Service and How it has Evolved Over Time

*-this online seminar satisfies 8 hours of the required continuing pension trustee training*

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### **IPPFA IN PERSON SEMINAR COURSE**

- WHEN:** November 14, 2023
- WHERE:** John A. Logan College  
700 Logan College Road, F104  
Carterville, IL 62918
- TIME:** 8:00 a.m. – 4:30 p.m.
- COST:** IPPFA MEMBER: \$225.00  
IPPFA NON-MEMBER: \$450.00

## 16-hour Certified Trustee Programs\* offered through IPPFA

### IPPFA **ONLINE** Certified Trustee Program

**COST:** IPPFA MEMBER: \$ 550.00  
IPPFA NON-MEMBER: \$1,100.00

Registration is online at the IPPFA website [www.ippfa.org/education/trustee-program/](http://www.ippfa.org/education/trustee-program/)

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### IPPFA **IN PERSON** Certified Trustee Program

**WHEN:** December 5-6, 2023

**TIME:** 7:30 a.m. – 5:00 p.m.

**WHERE:** NIU Outreach Campus  
1120 E. Diehl Road, Room 266  
Naperville, IL 60563

**COST:** IPPFA MEMBER: \$500.00  
IPPFA NON-MEMBER: \$1,000.00  
\*Walk-ins will be charged an additional \$25

Registration is online at the IPPFA website [www.ippfa.org/education/trustee-program/](http://www.ippfa.org/education/trustee-program/)

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\*On December 18, 2019, Governor J.B. Pritzker signed SB 1300, making it Public Act 101-0610. This act will consolidate all Article 3 and 4 pension fund's investment assets. Under Public Act 101-0610, **training requirements have now been reduced from 32-hours to 16-hours of new trustee training**, however all pension trustees will still need 4-hours of mandatory consolidation transition training.

All Article 3 & 4 Pension Trustees elected or appointed are required to complete the 16-hour trustee certification course within 18 months of election or appointment to the board.

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# 2023 IPFA SPRING PENSION SEMINAR

## Friday May 5, 2023 Gold Shift

Empress Banquets 200 East Lake Street Addison, IL 60101 630-279-5900



### IN-PERSON SEMINAR REGISTRATION FORM

*(please print or type)*

Municipality, District, or Firm: \_\_\_\_\_ Address: \_\_\_\_\_

City: \_\_\_\_\_, IL Zip: \_\_\_\_\_ Phone: \_\_\_\_\_

**SEMINAR FEES: IPFA Members: \$ 200.00 Non - Members: \$ 250.00 Walk-In Registration: \$ 270.00**

*Avoid the walk-in surcharge – register on or before Monday, May 1, 2023*

First Name:	Last Name:	e-mail Address:	Member	Non-Member
_____	_____	_____	\$ _____.	\$ _____.
_____	_____	_____	\$ _____.	\$ _____.
_____	_____	_____	\$ _____.	\$ _____.
_____	_____	_____	\$ _____.	\$ _____.
_____	_____	_____	\$ _____.	\$ _____.

**TOTAL CHECK ENCLOSED \$ \_\_\_\_\_.**

Payment must accompany this Registration Form and be received in our office **on or before** Monday, May 1, 2023 to qualify for lower rates. Reservations received after the above date will be charged walk-in registration fee. Requests for refunds also must be received on or before Monday, May 1 for full fee credit. **No credits** of seminar fees after this date. Please mail the completed form to IPFA, 188 Industrial Drive, Suite 134, Elmhurst, IL 60126-1608, fax it to 630-833-2412, or scan & e-mail to [ipfa@aol.com](mailto:ipfa@aol.com). Any questions, call 630-833-2405. For Tax Reporting Purposes our Federal I.D. Number is: 36-2650496.

**The Illinois Pension Statute requires continuing education for all pension board members. This seminar provides up to 8 hours of credits.**

For IPFA Office Use: Date: \_\_\_\_\_ Check #: \_\_\_\_\_ Amount: \_\_\_\_\_ Payer: \_\_\_\_\_





# News Release



**For Immediate Release:**

February 15, 2022

**Contact:** Brad Cole, Executive Director

217.525.1220

[bcole@iml.org](mailto:bcole@iml.org)

## Illinois Municipal League Launches Free Pension Fund Trustee Training Program

**SPRINGFIELD** - Today, the Illinois Municipal League (IML) launched a free education platform for all local police (Article 3) and firefighter (Article 4) pension fund trustees. The platform, available online at [iml.org/pensiontrustees](https://iml.org/pensiontrustees), provides the statutorily-required training certification for all trustees.

The training program provides all required training for pension fund trustees. IML provides this training program at no charge to the trustee, the pension fund and the municipality. Upon completion of each training module, a certificate will be issued to the trustee to prove compliance with statutory training requirements.

“One of the core tenets of the Illinois Municipal League is to educate municipal officials in a cost effective manner,” said **Decatur Mayor Julie Moore Wolfe, IML President**. “Providing this training ensures all trustees are receiving the resources they need to successfully represent public safety personnel on local pension boards.”

“IML’s investment in this program will provide training at no cost to all pension trustees and will result in millions of dollars of savings that will stay in the pension funds—to pay pension benefits—instead of going to private entities that charge thousands of dollars per person for the same training,” said **Brad Cole, IML Executive Director**. “This makes it easier for the trustees, free for the boards, strengthens the funds and saves taxpayer dollars. It’s a win-win.”

The online curriculum includes educational seminars on the following topics:

- Articles 3 and 4 Pension Disability Pension Overview
- Duties and Ethical Obligations of a Pension Fund Fiduciary
- Board Oversight of Cyber Risk: Before a Breach
- Illinois Public Employee Disability Act and Public Safety Employee Benefits Act
- Developments and Potential Changes in Federal and Illinois Labor and Employment Laws
- Qualified Domestic Relations Order
- Pension Plan Funding 101
- Pension Plan Assumptions 101
- Freedom of Information Act and Open Meetings Act
- Cyber Security Best Practices
- Managing Generational Differences and Unconscious Bias in the Workplace
- How to Identify, Address and Prevent Sexual Harassment and Discrimination
- Let Me Ask You a Question

This training program is provided completely online at no cost to the user and is available 24 hours a day through a partnership with Eastern Illinois University's School of Extended Learning. The training program is available at [iml.org/pensiontrustees](http://iml.org/pensiontrustees). Questions about the program may be directed to IML by email at [pensiontrustees@iml.org](mailto:pensiontrustees@iml.org).

###

#### **ABOUT THE ILLINOIS MUNICIPAL LEAGUE**

IML is the statewide organization representing local communities throughout Illinois. Founded in 1913, IML has worked continuously for the benefit of all 1,296 municipalities in Illinois to provide a formal voice on matters involving common interests.

# ARTICLE 3 AND ARTICLE 4 PENSION TRUSTEE CERTIFICATION



All elected and appointed Article 3 (Police) and Article 4 (Firefighters) local pension board trustees are required to participate in state-mandated trustee certification training.

## WHAT IS THE FIRST YEAR CERTIFICATION REQUIREMENT?

The trustee certification training requirement for a first year trustee is at least 16 hours.

## WHAT IS THE ANNUAL CERTIFICATION REQUIREMENT?

Annually, all trustees must complete a minimum of eight hours of continuing trustee education.

## WHERE CAN TRUSTEES RECEIVE THEIR TRAINING?

The Illinois Municipal League provides this certification training at **no charge** to all trustees.

More information is available at [iml.org/pensiontrustees](http://iml.org/pensiontrustees).

Trustee certification training is provided online and in accordance with all statutory requirements. If you have questions regarding pension trustee certification, please contact us by email at [pensiontrustees@iml.org](mailto:pensiontrustees@iml.org).

## HOW MUCH DOES THE TRAINING COST?

\$0. The Illinois Municipal League provides this certification training at no charge. Really — it's free = no charge.

## WHAT ARE SOME TRUSTEE EDUCATION TOPICS?

- Articles 3 and 4 Pension Disability Pension Overview
- Duties and Ethical Obligations of a Pension Fund Fiduciary
- Board Oversight of Cyber Risk: Before a Breach
- Illinois Public Employee Disability Act and Public Safety Employee Benefits Act
- Developments and Potential Changes in Federal and Illinois Labor and Employment Laws
- Qualified Domestic Relations Order
- Pension Plan Funding 101
- Pension Plan Assumptions 101
- Freedom of Information Act and Open Meetings Act
- Cyber Security Best Practices
- Managing Generational Differences and Unconscious Bias in the Workplace
- How to Identify, Address and Prevent Sexual Harassment and Discrimination
- Let Me Ask You a Question



EASTERN ILLINOIS UNIVERSITY in partnership with



## 2022 Pension Trustee Training Course Hours

<b>Course Titles</b>	<b>Credit Hours</b>
Articles 3&4 Disability Pension Overview Video	2.5 Hours
Duties and Ethical Obligations of a Pension Fund Fiduciary Video	1.5 Hours
Board Oversight of Cyber Risk: Before a Breach	2 Hours
IL Public Employee Disability Act and Public Safety Employee Benefits Act Video	1.5 Hours
Developments and Potential Changes in Federal IL Labor and Employment Laws Video	1.5 Hours
Qualified Domestic Relations Order "QILDRO" Video	1.5 Hours
Pension Plan Funding 101: The Basics of Public Pension Funding Mechanics Video	.75 Hours
Pension Plan Assumptions 101: Common Approaches to Setting Actuarial Assumptions Video	.75 Hours
The IL Freedom of Information Act and Open Meetings Act Video	1.5 Hours
Cyber Security Best Practices Video	1 Hour
Managing Generational Differences and Unconscious Bias in the Workplace	1.5 Hours
How to Identify, Address and Prevent Sexual Harassment and Discrimination Video	1 Hour
Let Me Ask You a Question Video	2 Hours

IPOPIF

March 2, 2023

**BOARD MEMBERS****Shawn Curry***Participant Representative  
Peoria, IL***Lee Catavu***Participant Representative  
Aurora, IL***Paul Swanlund***Participant Representative  
Bloomington, IL***Daniel Hopkins***Beneficiary Representative  
Collinsville, IL***Mark Poulos***Beneficiary Representative  
Rock Island, IL***Elizabeth Holleb***Municipal Representative  
Lake Forest, IL***Michael Inman***Municipal Representative  
Macomb, IL***Phil Suess***Municipal Representative  
Wheaton, IL***Brad Cole***Illinois Municipal League  
Representative  
Carbondale, IL*To the Article 3 Police Pension Fund Board Members:

Please find enclosed in this mailing, a couple of forms for your review and necessary action that will assist the Consolidated Police Fund with our future communications between your fund and us.

The first form for your review is **Administrative Rule 2023-01** which was passed by the IPOPIF Board of Trustees on February 10, 2023. This new administrative rule will enable your fund to appoint authorized agents for interactions with the IPOPIF in the post-transition period.

This rule replaces the Administrative Rule 2021-03 which appointed authorized agents during the transition period. It is anticipated that the IPOPIF will continue to accept the authorized agents appointed under this rule, but it would be appreciated if **Administrative Rule 2023-01** could be updated at this time now that the transition of assets process is completed, and used for any future appointments or changes that are made to the authorized agents.

In addition, Administrative Rule 2021-01 Appointment of Authorized Representatives has been repealed. This is no longer a valid appointment form and has been replaced by **Administrative Rule 2023-01**.

The second form enclosed in the mailing is a roster for listing the names and contact information of all Board Members of your Article 3 police pension fund.

The information on this form will be used internally by the IPOPIF and kept in our database for any necessary interactions, if any, between us and the board member(s). This information will not be disseminated or shared with any entity outside of the IPOPIF. There is also an ability to use this form to sign-up for the IPOPIF newsletter which is sent out on a monthly basis with information about the IPOPIF.

In conclusion, your attention to these requests is appreciated and I would like to emphasize that Illinois Police Officers' Pension Investment Fund is a transparent, trusted and financially responsible steward of the pension assets entrusted to our care, and we will diligently serve all our stakeholders.

Thank you for your time and for your service on behalf of your members and communities. We look forward to working with you.

Sincerely,



Richard White, Executive Director

**RESOLUTION:  
APPOINTING PENSION FUND AUTHORIZED AGENTS**

No. \_\_\_\_\_

**WHEREAS**, the \_\_\_\_\_ Participating Police Pension Fund (the "Pension Fund") is established pursuant to Article 3 of the Illinois Pension Code; and

**WHEREAS**, Public Act 101-610 established the Police Officers' Pension Investment Fund ("IPOPIF") to take custody of, manage, and invest reserves, funds, assets, securities, and monies of the Pension Fund (hereinafter the "Pension Fund Assets"); and

**WHEREAS**, the Pension Fund transferred its Pension Fund Assets (hereinafter the "Investment Assets") to IPOPIF in accordance with Section 22B-120 of the Illinois Pension Code; and

**WHEREAS**, pursuant to Section 22B-120(d) of the Pension Code, IPOPIF has assumed fiduciary control of the Investment Assets; and

**WHEREAS**, the Participating Police Pension Fund will continue to receive and exchange information and conduct financial transactions with the IPOPIF;

**WHEREAS**, the Authorized Agent shall have the following powers and duties:

- A. To promptly forward to the Board of Trustees of their Participating Police Pension Fund all communications, notices, reports, and other documents delivered to the Authorized Agent by the IPOPIF.
- B. To execute authorizations and consents for the Participating Police Pension Fund to share information with the IPOPIF, all investment account related information and such other information relating to the Participating Police Pension Fund as is necessary for the administration of the IPOPIF investment trust fund.
- C. To take such other actions on behalf of the Participating Police Pension Fund as may be required or advisable to carry out the purposes and intent of this Administrative Rule and to assist the IPOPIF as necessary.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Trustees of the Participating Police Pension Fund, acting pursuant to Sections 3-132.1 and 22B-120 of the Illinois Pension Code, IPOPIF Rule 2023-01 and other applicable laws and rules, as follows:

**Section 1:** The above recitals are incorporated by reference as if fully stated herein.

**Section 2:** The following persons are appointed as the Participating Police Pension Fund's Authorized Agents:

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_

City: \_\_\_\_\_

State, Zip Code: \_\_\_\_\_

State, Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Email: \_\_\_\_\_

**Section 3:** Each Authorized Agent is authorized and directed to take actions on behalf of the Participating Police Pension Fund as may be required or advisable to carry out the purposes and intent of this resolution and that any and all actions heretofore or hereafter taken by each Authorized Agent be approved, ratified, and confirmed.

**Section 4:** A certified copy of this resolution be delivered to IPOPIF.

**Section 5:** This resolution shall supersede any resolution or motions, or parts of resolutions or motions, in conflict with any part herein, and any such resolutions or motions, or part thereof, are hereby repealed.

**Section 6:** If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect any of the remaining provisions of this resolution.

**Section 7:** The Board of Trustees of the Participating Police Pension Fund reserves the right to revoke or amend this resolution Appointing Authorized Agents at any time. Any such revocation or amendment shall be in writing, adopted by resolution of the Board of Trustees of the Pension Fund, and a certified copy of the same delivered to IPOPIF.

**ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023 by a roll call vote as follows:

**AYES:** \_\_\_\_\_

**NAYS:** \_\_\_\_\_

**ABSENT:** \_\_\_\_\_

\_\_\_\_\_  
President, Board of Trustees

\_\_\_\_\_  
Police Pension Fund





**Addendum to Exhibit A**

The Illinois Police Officers' Pension Investment Fund (IPOPIF) would like to request information pertaining to the members of each fund's board. This will permit for future correspondence between IPOPIF and each fund. The information provided is for 'IPOPIF use only' and will only be used for in-house communication with each fund. This form can be re-submitted at any time, as vacancies can occur throughout the year. We would like to thank you in advance for your assistance.

-IPOPIF Staff

Board Position	Member Name:	Email Address:	Phone Number: (XXX) XXX-XXXX	Authorized Agent: Yes/No	Would like IPOPIF newsletter emailed: Yes/No
President					
Vice President					
Secretary					
Trustee					
Trustee					
Treasurer					
Attorney					

Official contact information for the fund:

USPS mailing address:	Contact telephone #:



March 31, 2023

Members of the Pension Board of Trustees  
Effingham Police Pension Fund  
201 E Jefferson Avenue  
Effingham, Illinois 62401

We are pleased to confirm our acceptance and understanding of the services we will provide for the Effingham Police Pension Fund for the fiscal years ending April 30, 2023 through April 30, 2025. It is our understanding that Lauterbach & Amen, LLP will prepare the Police Funding Actuarial Valuation and Police GASB 67/68 Actuarial Valuation for the Pension Fund.

You agree to assume all management responsibilities for the actuarial services we provide; you will oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; you will evaluate the adequacy and results of the services and will accept responsibility for them.

Lauterbach & Amen, LLP does not assume any management responsibilities for the Pension Fund. These services cannot be relied upon to detect errors, irregularities, or illegal acts that may exist. However, we will inform you of any such matters that may come to our attention.

**Costs for our services are as follows:**

	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended
Annual Actuarial Reports	04/30/2023	04/30/2024	04/30/2025
• Preparation of Police Funding Actuarial Valuation	\$3,200	\$3,330	\$3,460
• Preparation of Police GASB 67/68 Actuarial Valuation	\$2,820	\$2,930	\$3,050
• Preparation of Audit Friendly Exhibits	Included	Included	Included
• Attendance at Meeting to Present Results	Included	Included	Included
<b>Total Annual Actuarial Reports</b>	<b>\$6,020</b>	<b>\$6,260</b>	<b>\$6,510</b>

The fees as depicted above include attendance for up to 2 meetings per year, as requested, to discuss actuarial results. Meeting attendance includes virtual and in-person attendance as mutually determined. Any meeting attendance required above and beyond the 2 included meetings will be billed at the rate of \$275 per meeting.

**Out of Scope Services:**

Out of scope services will be billed on a time and charges basis. The hourly rate for out of scope services is \$275 per hour. We will provide an estimate of costs for any out of scope services when the service is requested and the scope is defined. You will not be charged any additional costs under this section unless written approval, including email confirmation, is provided ahead of time.

In connection with this agreement, the Effingham Police Pension Fund authorizes Lauterbach & Amen, LLP to automatically debit the Pension Fund's disbursement account at BMO Harris Bank N.A. upon completion of any past, present, or future services for the cost agreed upon in the respective engagement letter. Either the Pension Fund or Lauterbach & Amen, LLP may terminate this auto debit arrangement at any time by providing prior written notice to the other.

Either party may terminate all or a portion of the services contemplated by this engagement at any time for any reason upon 30 days written notice to the other. Subcontracting will be disclosed to the Pension Fund's Board of Trustees prior to beginning work. This agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

We appreciate the opportunity to be of service to the Effingham Police Pension Fund and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please indicate your acceptance by signing below and returning it to us.

Cordially,

*Lauterbach & Amen, LLP*

Lauterbach & Amen, LLP

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**RESPONSE:**

This letter correctly sets forth the understanding of the Effingham Police Pension Fund:

Accepted by: \_\_\_\_\_

Title: \_\_\_\_\_