Agenda
Village of Glen Ellyn
Police Pension Board
Wednesday, October 21, 2020
4:30 PM
Glen Ellyn Civic Center, Galligan Board Room
and Via Zoom

This meeting will be conducted by audio and video conference without a physically present quorum of the Commission because of a disaster declaration related to COVID-19 and public health concerns affecting the Village of Glen Ellyn. The Illinois General Assembly passed Senate Bill 2135 on May 23, 2020, which was signed by the Governor on June 12, 2020. Senate Bill 2135 (now Public Act 1010640) amends the Open Meetings Act and allows the Village Board and Commissions to participate electronically in Board and Commission meetings when it is not feasible due to a disaster such as COVID-19. The Village President has determined that an in person meeting at the Civic Center is not practical or prudent because of the disaster. Physical attendance at the Civic Center by the public is also not feasible because of the disaster. The Finance Director will be in attendance at the Civic Center in compliance with the Act.

To participate in the meeting at the appointed date and time, please click the link below to join the webinar:

https://us02web.zoom.us/j/81814545633?pwd=Z3VVVnpxZVBzRFluYXhXYmVpTDJCQT09
Passcode: 488302
Or Telephone:
Dial(for higher quality, dial a number based on your current location):
US: +1 312 626 6799 or +1 646 558 8656 or +1 301 715 8592 or +1 253 215 8782 or +1 346 248 7799 or +1 669 900 9128
Webinar ID: 818 1454 5633
Passcode: 488302

A. Call to Order

B. Public Comment (Non Agenda Items)

C. Approval of Minutes

1) Regular Meeting Minutes - July 15, 2020 7:30 PM

D. Quarterly Investment Report

1) Motion to accept the third quarter 2020 investment report and recommendations from the investment consultant.

E. Annual Report to the Village Board

1) Motion to Approve the Annual Report to the Village Board

F. Approval of Expenses

1) Approve the Expense Vouchers in the amount of $102,110.10 and Pension Expenses in the amount of $620,110.29 for a total of $722,220.39

G. Approval of Membership Changes / Contribution Refunds / Transfers

1) Membership Changes / Transfers / Contribution Refunds

H. Other Business

1) Meeting Schedule for 2021: January 20, April 21, July 21, October 20

I. Adjournment

Minutes
Village of Glen Ellyn
Police Pension Board
Regular Meeting
Wednesday, July 15, 2020
7:30 PM
Police Station Community Room
65 S Park Blvd Glen Ellyn
And Via Zoom

A. Call to Order

Attendee Name	Title	Status
John Adduci	Board Member	Present
Anthony Terranova	Board Member	Present
Bill Housey	Board Member	Present
Jim Monson	Board Member	Present
Jim King	Board Member	Present

Also Present: Finance Director Coyle, Investment Consultant Chris Caparelli (Marquette Associates), Trustee Liaison Gary Fasules and Recording Secretary Elisa Pollina.

President Adduci called the meeting to order at 7:35 pm.

Director Coyle reads the following statement: This meeting will be conducted by audio and video conference without a physically present quorum of the Board because of a disaster declaration related to COVID19 and public health concerns affecting the Village of Glen Ellyn. The Illinois General Assembly passed Senate Bill 2135 on May 23, 2020, which was signed by the Governor on June 12, 2020. Senate Bill 2135 (now Public Act 1010640) amends the Open Meetings Act and allows the Village Boards and Commissions to participate electronically in Board and Commission meetings when it is not feasible due to a disaster such as COVID19. The Village President has determined that an in person meeting at the Police Department is not practical or prudent because of the disaster. Physical attendance at the Police Department by the public is also not feasible because of the disaster. Police Pension Board Trustee Monson will be in attendance at the Police Department in compliance with the Act.

B. Public Comment (Non Agenda Items)
None.

C. Approval of Minutes

1. Police Pension Board – Regular Meeting – April 16, 2020 7:30 PM

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	James Monson, Trustee
SECONDER:	Anthony Terranova, Trustee
AYES:	Adduci, Terranova, King, Monson, Housey

D. Investment Consultant Report and Recommendations

1. Investment Report – Christopher Caparelli – Marquette & Assoc.

Mr. Caparelli reports that the market is a few percentage points away from our pre covid numbers. Currently the market it relatively smooth. The biggest reason has to do with the government's federal stimulus plan that was put in place and the fact that more stimulus will be on its way. The S&P 500 -3.8% YTD (this number does not fully capture the health and status of companies). Internet and tech companies are able to survive this and are masking the index. Small Caps are -13% YTD (the average company has a long way to go to recover). The energy side of the market is -35% and info tech +14.95%. Emerging markets -9-10%; Fixed Income held up well, but not a ton of return. The portfolio is close in line to its targets. Total Fund Composite -3.4% ytd, U.S. Fixed income +5.8% ytd, U.S Equities -9.6% ytd., Non U.S. equities -11.7% ytd., Global Tactical -3.4% ytd, and Real Estate -1.2% ytd.. Trustee Housey asks what the property type breakdown in real estate is. Mr. Caparelli replies 40% of the fund is in office, 10-15% retail, 30% industrial, 15% apartment/other. The biggest area of concern was retail; now office space is a concern with people working from home. Office space may be cut in the next few years or maybe people will want more space. Office space is hanging in there for now.

Mr. Caparelli adds we rebalanced in April into U.S equities which was a good decision. Mr. Caparelli adds there are no recommendations on action items or rebalancing at this time.

Trustee Housey motions to accept the investment report. Trustee King seconds the motion.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	James Monson, Trustee
SECONDER:	Anthony Terranova, Trustee
AYES:	Adduci, Terranova, King, Monson, Housey

E. Approval of Expenses

1. Approve the Expense Vouchers in the amount of $33,297.37 and Pension Expenses in the amount of $619,698.54 for a total of $652,995.91.

Trustee Monson motions to approve the expense vouchers in the amount of $33,297.37 and Pension Expenses in the amount of $619,698.54 for a total of $652,995.91. Trustee Terranova seconds the motion.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	James Monson, Trustee
SECONDER:	Anthony Terranova, Trustee
AYES:	Adduci, Terranova, King, Monson, Housey

F. Approval of Membership Changes / Contribution Refunds / Transfers

1. Motion to approve a refund of contributions for Emmanuel Berger, payable to Charles Schwab & Co, fbo Emmanuel Berger, in the amount of $86,190.10

   Trustee Monson motions to approve a refund of contributions for Emmanuel Berger, payable to Charles Schwab & Co, fbo Emmanuel Berger, in the amount of $86,190.10 Trustee King seconds the motion.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	James Monson, Trustee
SECONDER:	James King, Trustee
AYES:	Adduci, Terranova, King, Monson, Housey

G. Election of Officers

1. President Adduci asks the Police Pension board if anyone would be interested in taking on the President role for next year. Trustee Terranova motions to keep the existing officers for next year. Trustee King seconds the motion.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Anthony Terranova, Trustee
SECONDER:	James King, Trustee
AYES:	Terranova, King, Monson, Housey
NAYES:	Adduci,

1. Motion to accept the Department of Insurance report for the year ending December 31, 2019.

   Trustee Monson motions to accept the Department of Insurance report for the year ending December 31, 2019. Trustee King seconds the motion.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	James Monson, Trustee
SECONDER:	James King, Trustee
AYES:	Adduci, Terranova, King, Monson, Housey

2. **Other Business**

Trustee Terranova asks Director Coyle if she has heard anything from the state regarding Pension Fund consolidations. Director Coyle replies she has not seen or heard anything about this lately.

President Adduci and Trustee Housey thanks the Police Officers for all they do.

3. **Adjournment**

Trustee Terranova moves and Trustee Monson seconds to adjourn the meeting. The meeting was adjourned at 8:24 pm.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Anthony Terranova, Trustee
SECONDER:	James Monson, Trustee
AYES:	Adduci, Terranova, King, Monson, Housey

Glen Ellyn Police Pension Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 10/21/2020 4:30 PM
Department: Finance
Department Head: Christina Coyle
Category: Report
Prepared By: Christina Coyle

AGENDA ITEM (ID # 2020-598)

DOC ID: 2020-598

Motion to accept the third quarter 2020 investment report and recommendations from the investment consultant.

Statement of the Issue:
Please see attached the third quarter reports from Marquette Associates. Chris Caparelli will be in attendance at the meeting to present these to the Pension Board.

Analysis:
N/A

Budget Impact:
N/A

Action Requested:
1. Motion to accept the third quarter investment report.
2. Motion to approve any recommendations highlighted during the report.

Attachments:

1. 3Q 2020 Market Environment - For Clients
2. 3Q20 Glen Ellyn Police
3. 2020 - 9 - How Will the 2020 Election Affect the Markets

3Q 2020

Market Environment

U.S. Economy

U.S. economy overview

- Biden is favored to win the election over Trump in the betting markets and polls; second debate is cancelled after Trump contracts COVID-19
- The country has widely reopened as active coronavirus cases begin to level off
- September unemployment rate dropped again to 7.9% from 8.4%. Weekly claims are still higher than normal but are coming down
- Schools are back in session with both in-person and online classes
- Analysts are expecting a notable bounce back in 3rd quarter GDP. Atlanta Fed's GDP Now tool projects +35.2%

Fixed Income

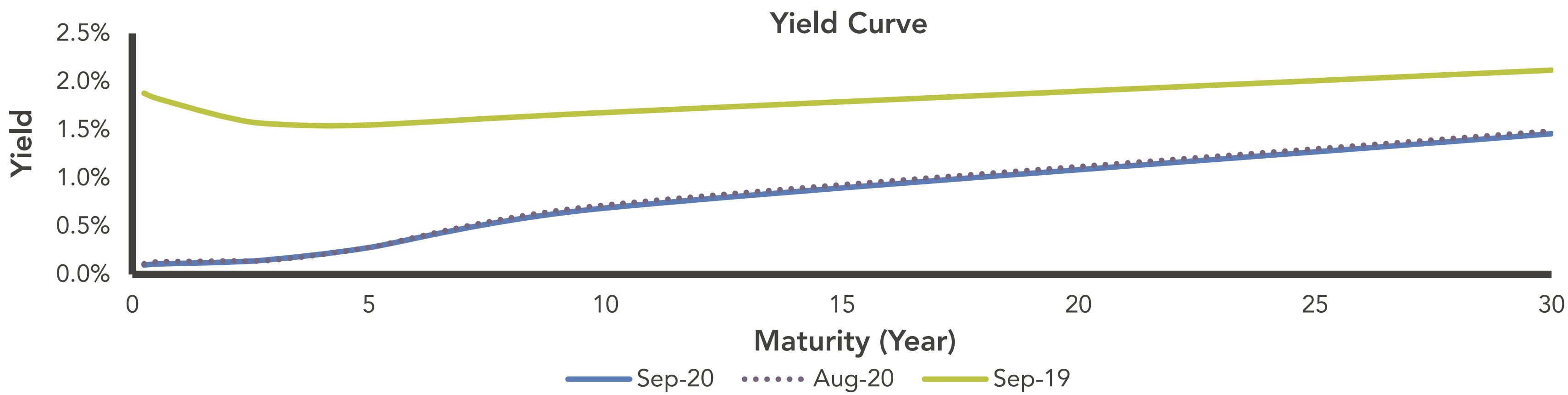
Fixed income: We're not out of the woods yet

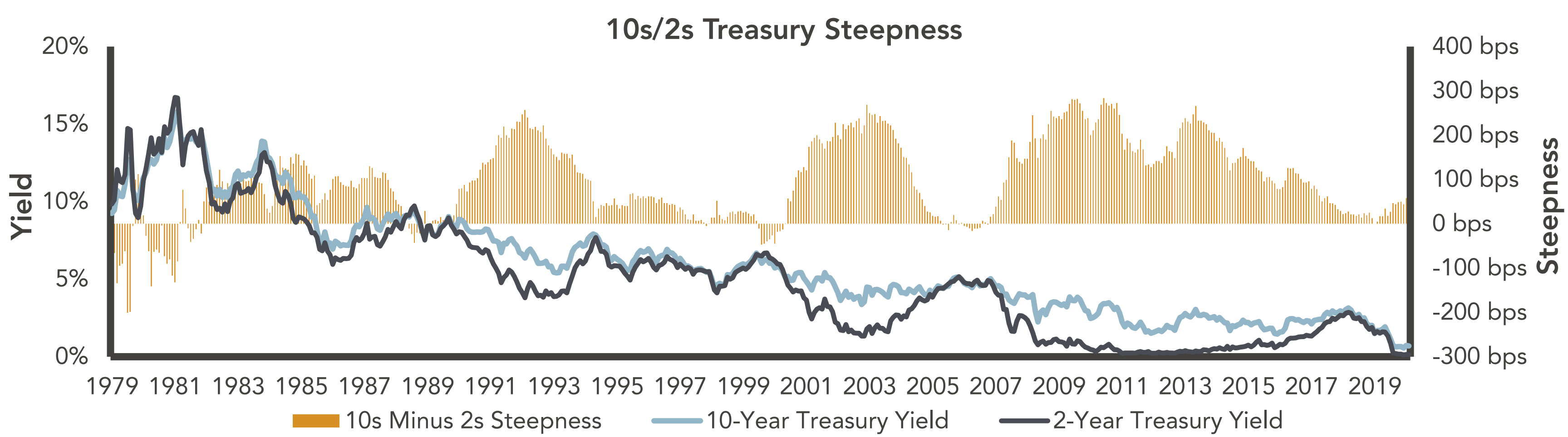
In July and August spreads tightened and the yield curve steepened but that largely reversed in September as vaccine and relief package momentum stalled and cases resurged in certain regions due in part to back-to-school and social distancing fatigue

		Month (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Indices	Blm BC Aggregate	-0.1	0.6	6.8	7.0	5.2	4.2	3.6
Intermediate Indices	Blm BC Int. Gov./Credit	0.0	0.6	5.9	6.3	4.4	3.4	2.9
Government Only Indices	Blm BC Long Gov.	0.4	0.1	21.1	16.2	11.8	8.2	7.2
	Blm BC Int. Gov.	0.1	0.2	6.0	6.0	4.0	2.8	2.3
	Blm BC 1-3 Year Gov.	0.0	0.1	3.1	3.6	2.7	1.8	1.3
	Blm BC U.S. TIPS	-0.4	3.0	9.2	10.1	5.8	4.6	3.6
Credit Indices	Blm BC U.S. Long Credit	-0.5	2.0	8.0	9.3	8.6	8.8	7.3
	Blm BC High Yield	-1.0	4.6	0.6	3.3	4.2	6.8	6.5
	CS Leveraged Loan Index	0.7	4.1	-0.8	0.8	3.2	4.0	4.4
Securitized Bond Indices	Blm BC MBS	-0.1	0.1	3.6	4.4	3.7	3.0	3.0
	Blm BC ABS	0.1	0.8	4.1	4.5	3.5	2.7	2.4
	Blm BC CMBS	0.4	1.9	6.3	6.0	5.3	4.2	4.5
Non-U.S. Indices	Blm BC Global Aggregate Hedged	0.4	0.7	4.7	4.1	5.1	4.3	3.9
	JPM EMBI Global Diversified	-1.9	2.3	-0.5	1.3	3.5	6.1	5.4
	JPM GBI-EM Global Diversified	-2.0	0.6	-6.3	-1.4	0.2	4.8	0.5
Municipal Indices	Blm BC Municipal 5 Year	0.2	1.3	3.5	4.6	3.3	2.8	2.8
	Blm BC HY Municipal	0.1	3.1	0.4	1.3	5.8	6.0	6.0

Note: The local currency GBI index is unhedged and denominated in local currencies. Sources: Bloomberg Barclays, Credit Suisse, JPMorgan, as of September 30, 2020

Yield curve slightly declined and flattened in September



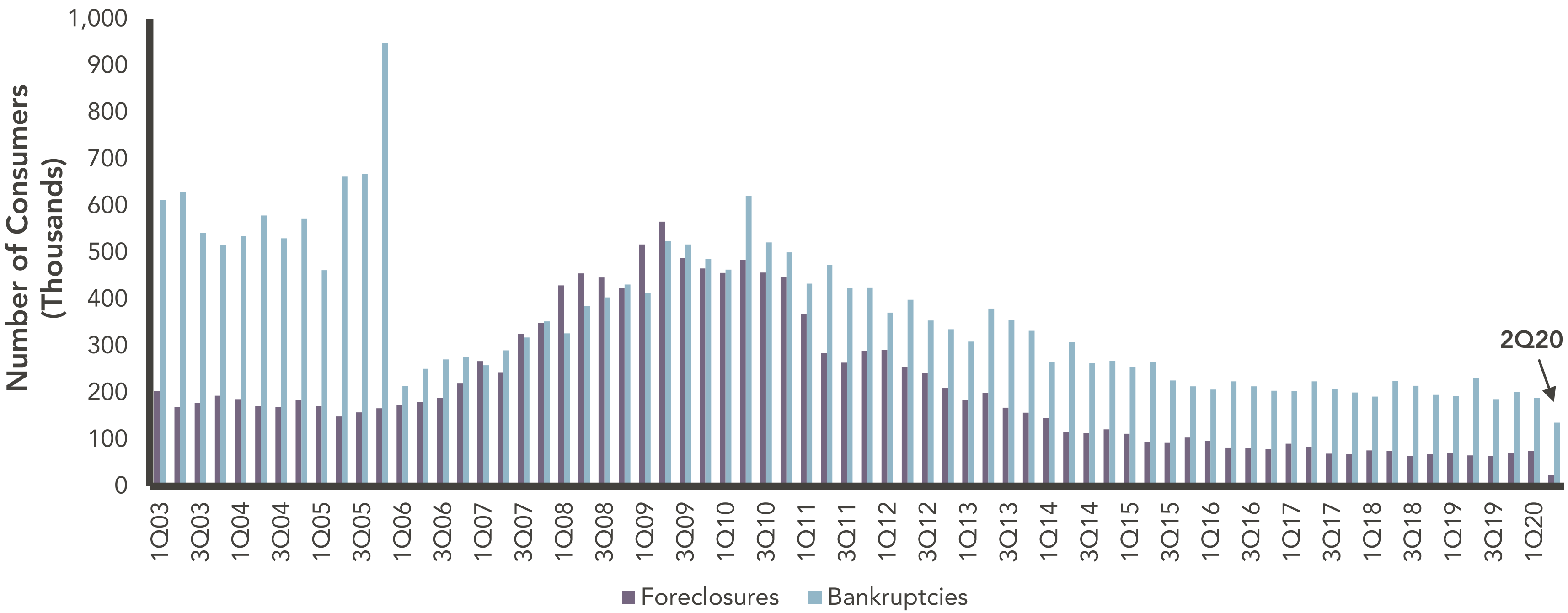


Source: Federal Reserve as of September 30, 2020

U.S. consumer still in moderate shape

Foreclosures and bankruptcies remain very low — the Congressional stimulus packages are working at least for now

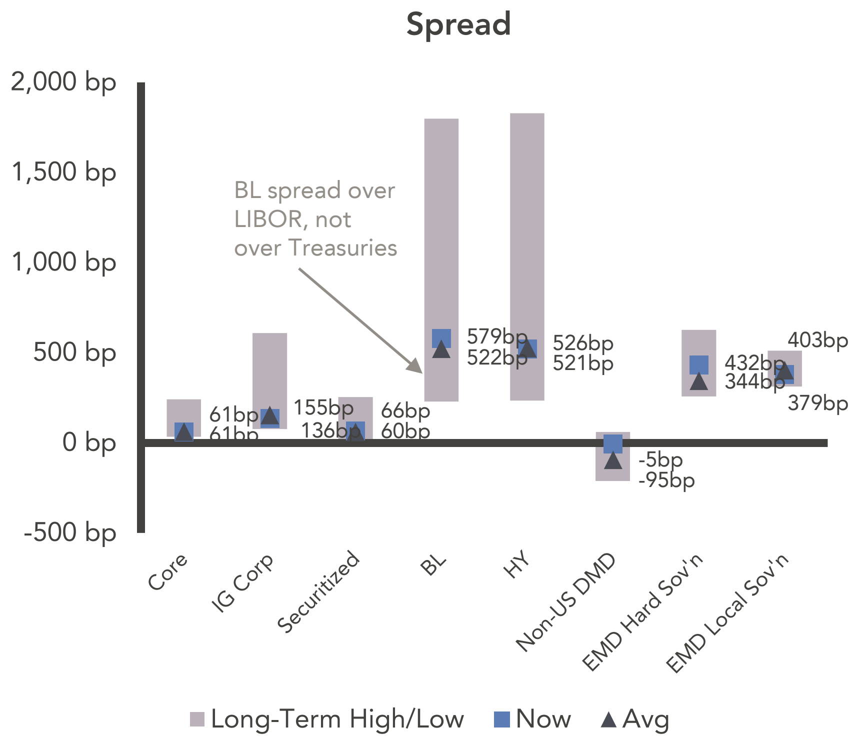
New Foreclosures and Bankruptcies

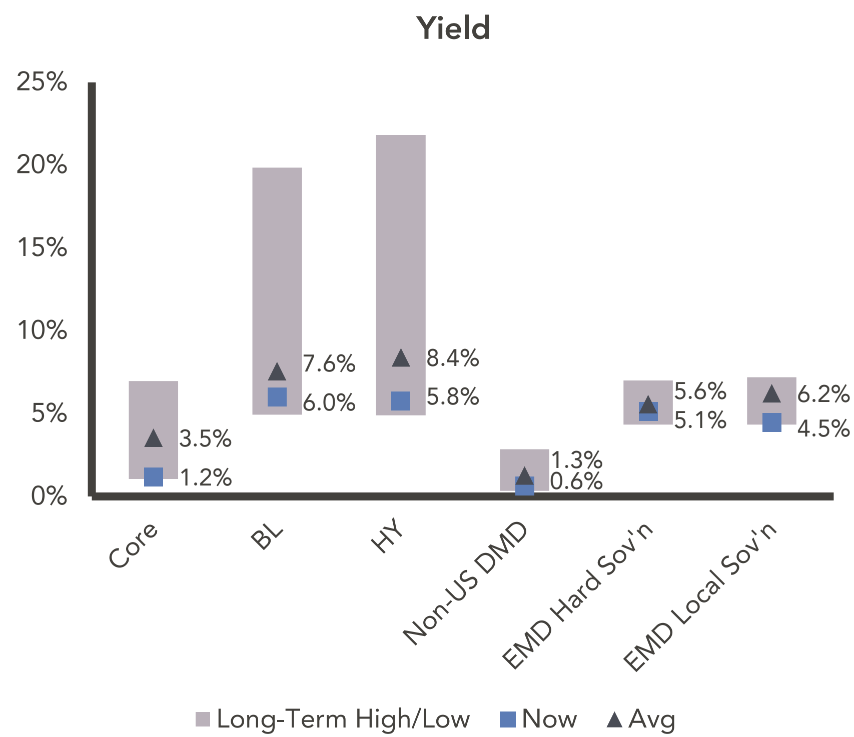


Note: Bankruptcies were higher in 2005 and earlier due to prior law
Sources: NY Fed Consumer Credit Panel/Equifax as of 2Q2020; latest as of September 30, 2020

Spreads no longer attractive for IG/HY

However, current spreads for bank loan and EMD have proven to be historically profitable when allocating at these valuations





Note: Long-term high, low and average based on longest available data for each index
Sources: Bloomberg Barclays, Credit Suisse, Deutsche, JPMorgan; as of September 30, 2020

U.S. Equities

U.S. equities: September pullback

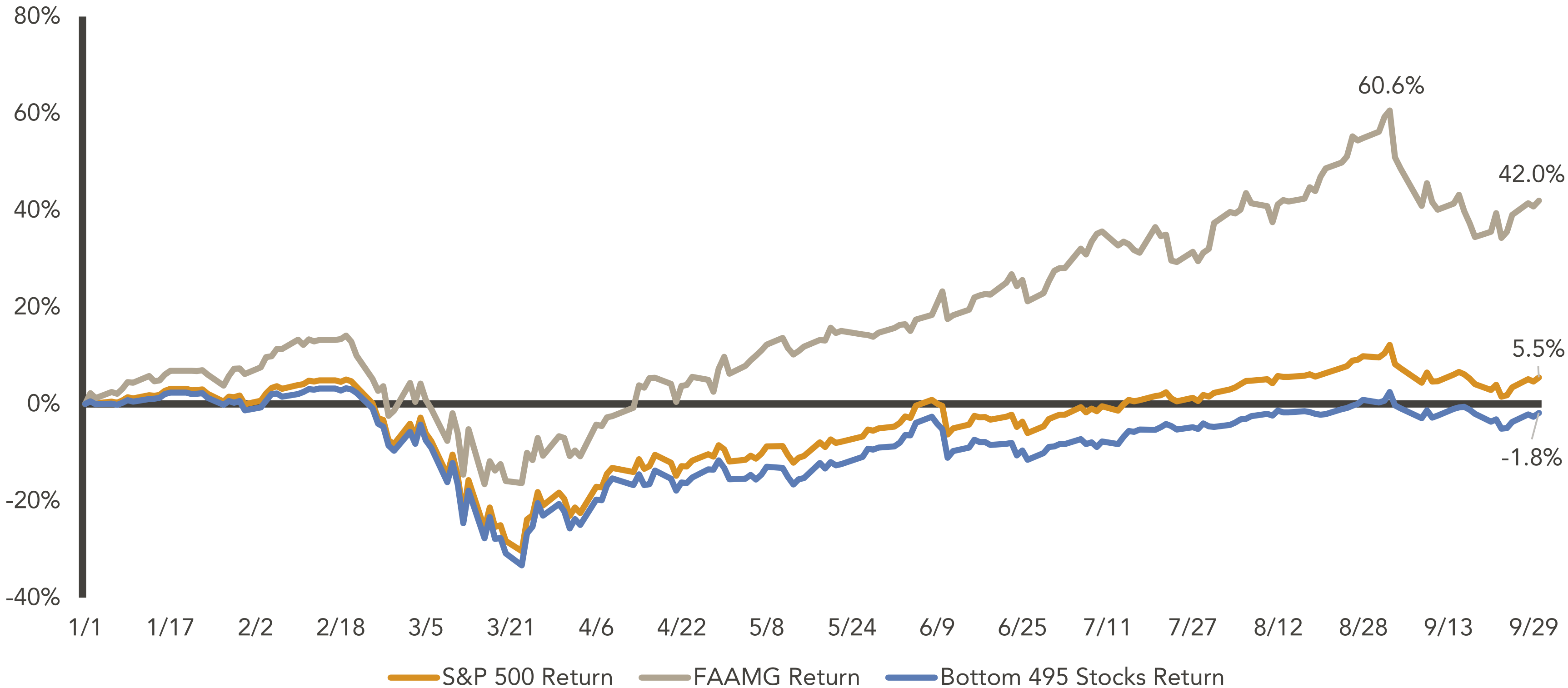
U.S. equity index returns

	Month (%)	3-Month (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)
Broad Market Indices							
Dow Jones	-2.2	8.2	-0.9	5.7	10.0	14.0	12.7
Wilshire 5000	-3.7	9.1	5.5	15.1	11.7	13.8	13.5
Russell 3000	-3.6	9.2	5.4	15.0	11.6	13.7	13.5
Large-Cap Market Indices							
S&P 500	-3.8	8.9	5.6	15.1	12.3	14.1	13.7
Russell 1000	-3.7	9.5	6.4	16.0	12.4	14.1	13.8
Russell 1000 Value	-2.5	5.6	-11.6	-5.0	2.6	7.7	9.9
Russell 1000 Growth	-4.7	13.2	24.3	37.5	21.7	20.1	17.3
Mid-Cap Market Indices							
Russell MidCap	-1.9	7.5	-2.3	4.6	7.1	10.1	11.8
Russell MidCap Value	-2.3	6.4	-12.8	-7.3	0.8	6.4	9.7
Russell MidCap Growth	-1.4	9.4	13.9	23.2	16.2	15.5	14.6
Small-Cap Market Indices							
Russell 2000	-3.3	4.9	-8.7	0.4	1.8	8.0	9.9
Russell 2000 Value	-4.7	2.6	-21.5	-14.9	-5.1	4.1	7.1
Russell 2000 Growth	-2.1	7.2	3.9	15.7	8.2	11.4	12.3

Source: Morningstar Direct as of September 30, 2020

FAAMG corrects in Sept. but remains supreme

Year to date performance of the largest five companies

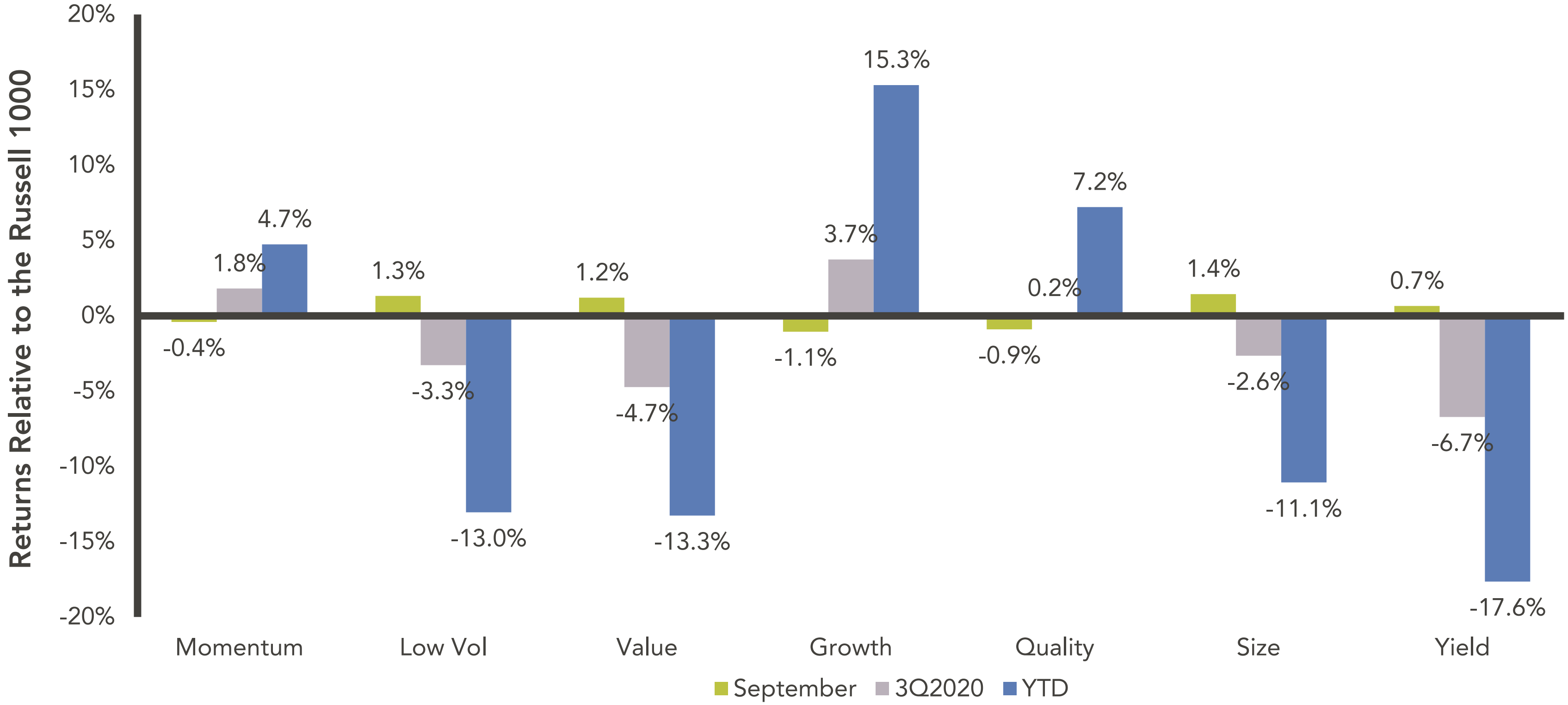


Source: FactSet; SPY ETF is used as a proxy for the S&P 500 index; returns from December 31, 2019 through September 30, 2020

MarquetteAssociates

Growth leadership continues for quarter and year

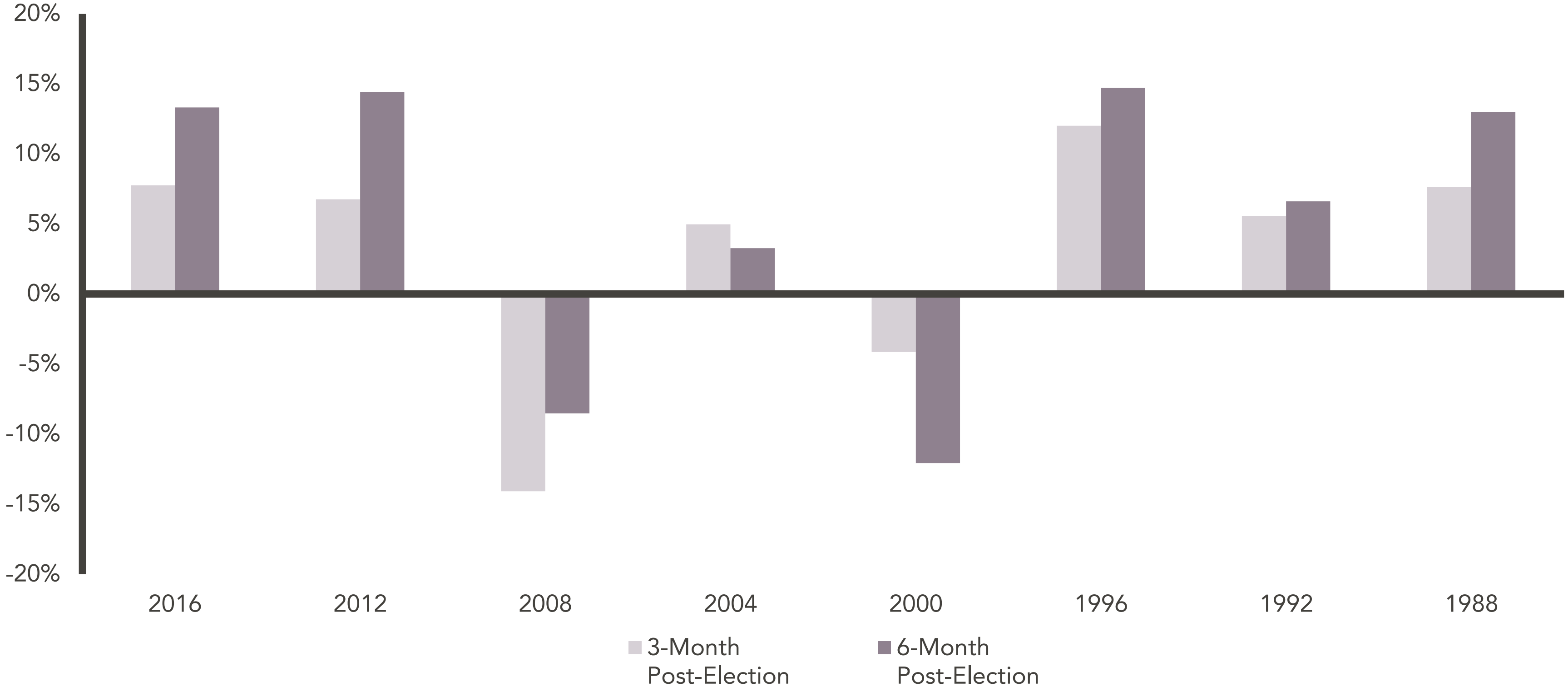
YTD factor performance



Source: Bloomberg; data as of September 30, 2020

Markets are generally positive after the election

Post-election returns for the S&P 500



Source: Bloomberg as of September 30, 2020

Valuations soar on lower earnings expectations

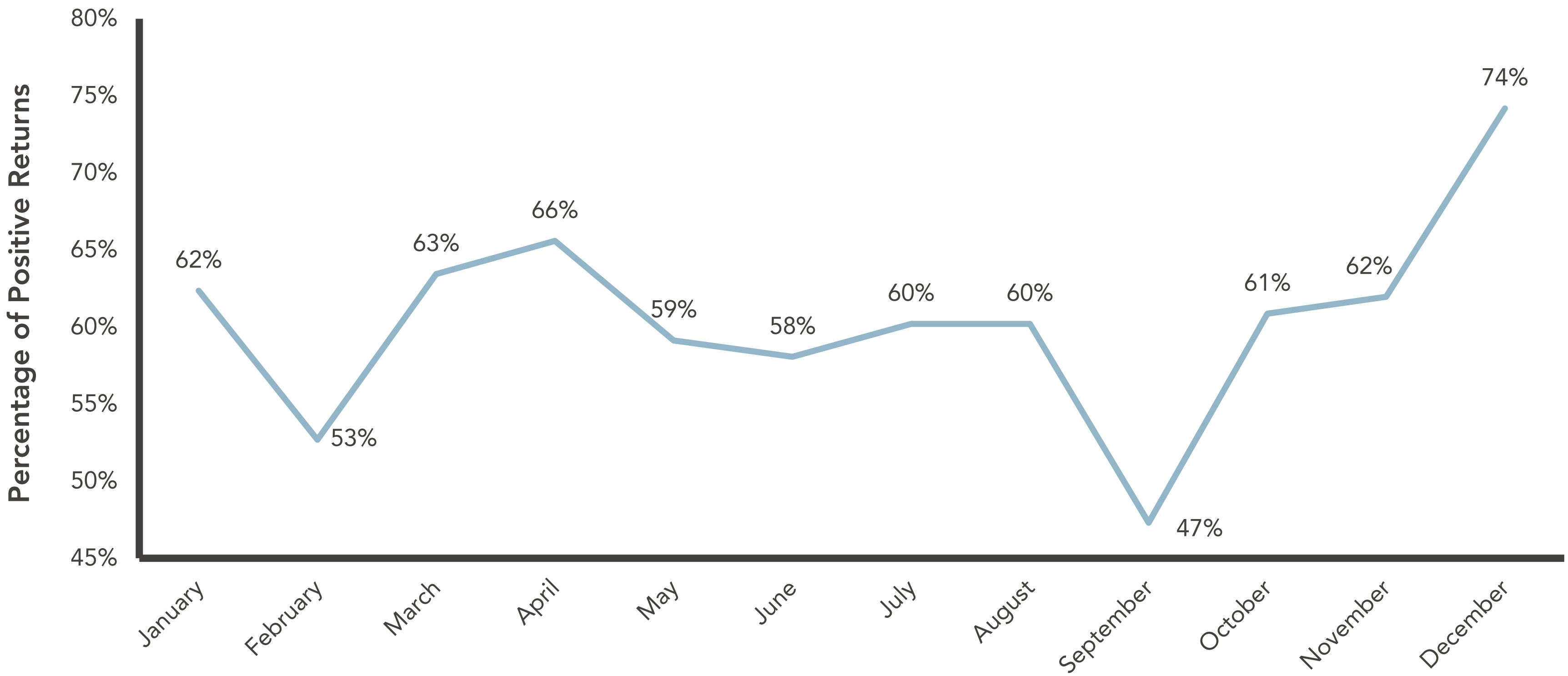
U.S. equity core index valuations

Valuation Metrics	S&P 500 Current	S&P 500 Historical Percentile (%)	Russell 1000 Current	Russell 1000 Historical Percentile (%)	Russell Mid Cap Current	Russell Mid Cap Historical Percentile (%)	Russell 2000 Current	Russell 2000 Historical Percentile (%)
P/E	25.0	92	24.9	93	20.0	73	17.0	36
Forward P/E	25.6	98	26.8	100	31.1	99	15.1	59
P/B	3.8	87	3.7	93	2.8	81	1.9	29
P/S	2.5	100	2.5	100	1.6	90	1.1	61
P/CF	13.9	77	14.1	82	11.2	54	11.5	28
EV/EBITDA	16.4	100	17.3	100	19.6	100	31.3	100
Average		**92**		**94**		**83**		**52**

Source: Bloomberg. TTM P/E is adjusted for negative earnings. Small-cap forward P/E is adjusted for negative earnings. Percentiles are based on data Jan. 1995 – Sept. 2020

September's decline is not totally surprising

S&P 500 historical percentage of positive returns



Source: Bloomberg as of September 30, 2020

Non-U.S. Equities

First negative month since March

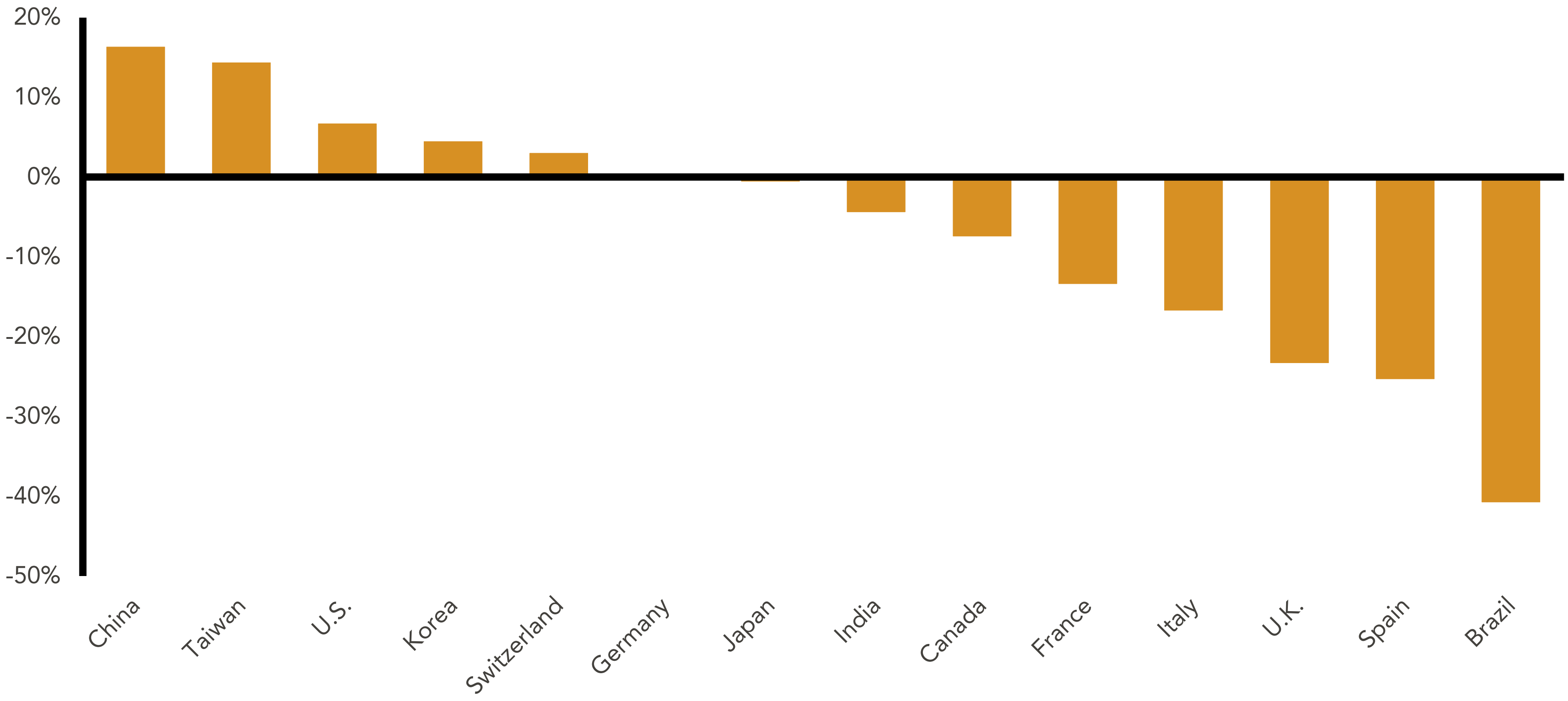
Equities pull back after five straight months of gains

	Month (%)	3-Month (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)
MSCI ACWI	-3.2	8.1	1.4	10.4	7.1	10.3	8.6
MSCI ACWI ex. U.S.	-2.5	6.3	-5.4	3.0	1.2	6.2	4.0
MSCI EAFE	-2.6	4.8	-7.1	0.5	0.6	5.3	4.6
MSCI EAFE Local	-1.0	1.2	-9.4	-4.7	0.6	4.8	6.3
MSCI Emerging Markets	-1.6	9.6	-1.2	10.5	2.4	9.0	2.5
MSCI EM Local	-1.7	8.7	2.7	12.5	4.8	9.6	5.6
MSCI EAFE Small-Cap	-0.7	10.3	-4.2	6.8	1.4	7.4	7.3
MSCI EM Small-Cap	-1.6	11.9	-2.4	6.9	-1.1	4.6	1.0
MSCI Frontier	0.7	8.3	-8.8	-2.7	-1.7	3.8	3.0

Source: eVestment as of September 30, 2020

YTD all country returns

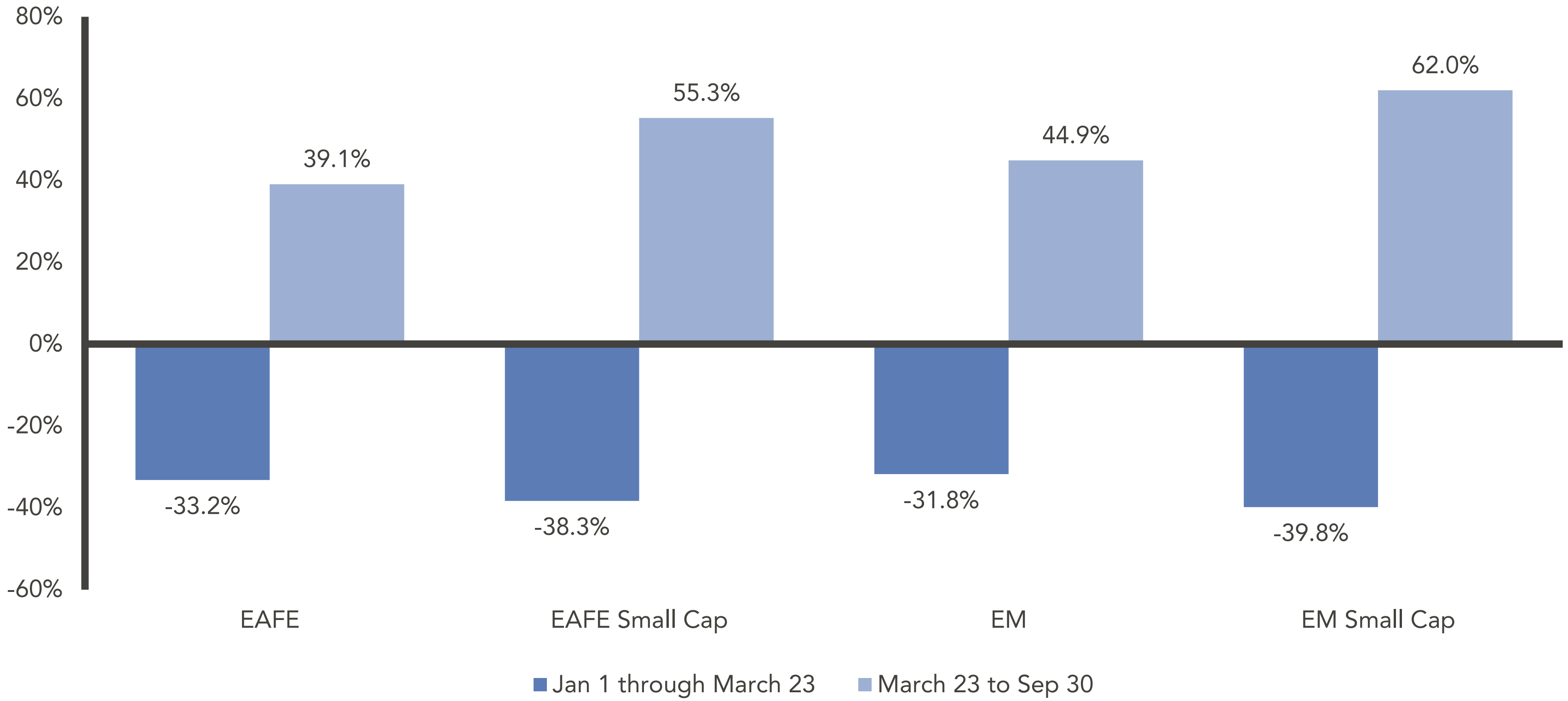
EM Asia is the top performer, while Brazil has suffered the most



Source: Bloomberg as of September 30, 2020

Size returns: Recent trough vs. recent rebound

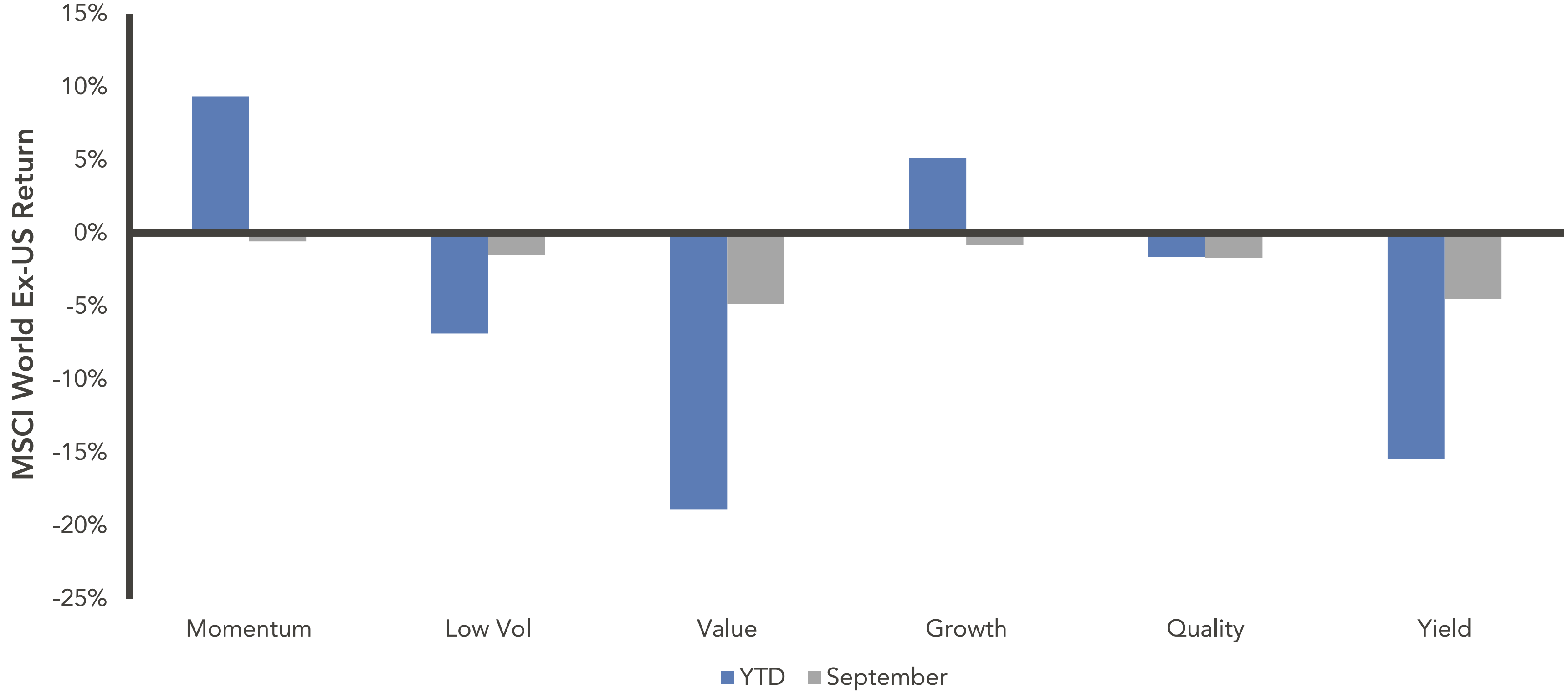
Large-caps led on the way down, but small-caps have outperformed on the recent rise



Source: Bloomberg as of September 30, 2020

Growth leadership continues

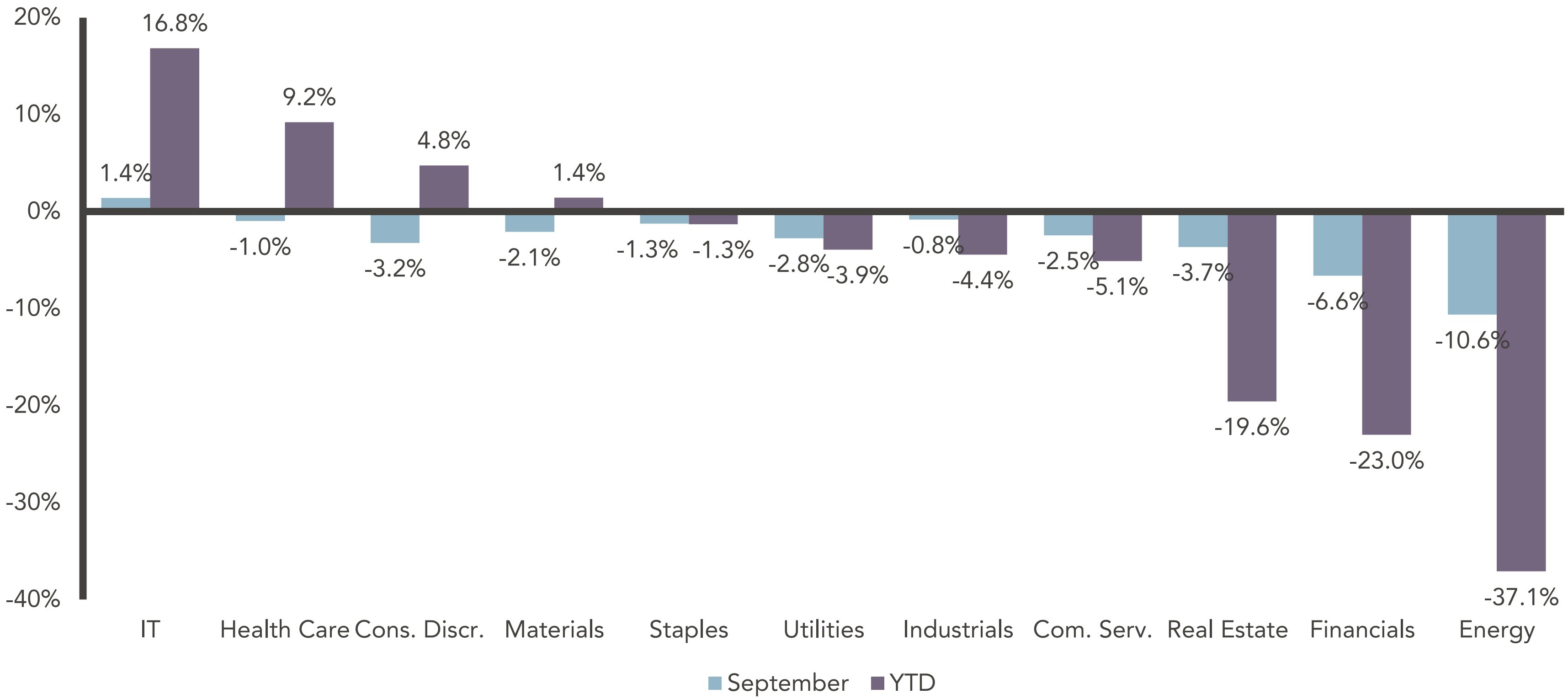
YTD factor performance for the MSCI World ex-U.S. Index



Source: eVestment as of September 30, 2020

ACWI ex U.S. sector performance

IT and Health Care have generated the strongest returns



Source: Bloomberg as of September 30, 2020

Real Estate

Real estate performance snapshot

Private core real estate experienced a pullback in Q2 due to the impact of COVID-19

Indices	2Q20 (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	10 Yr Risk (%)
NPI	-1.0	-0.3	2.7	5.4	6.8	9.7	2.0
Income	1.0	2.1	4.4	4.5	4.6	5.1	0.3
Appreciation	-2.0	-2.4	-1.6	0.9	2.1	4.4	1.7
NFI-ODCE	-1.6	-0.6	2.2	5.7	7.3	10.8	2.5
Income	0.9	1.9	4.1	4.2	4.3	4.8	0.3
Appreciation	-2.5	-2.5	-1.8	1.4	2.9	5.8	2.2
FTSE NAREIT All Eq. REITs	13.3	-13.0	-6.5	3.4	6.5	10.4	15.9
Property Type							
NPI Apartment	-0.6	0.3	3.0	5.1	6.2	9.7	2.5
NPI Office	-0.5	0.8	4.0	5.8	6.4	9.0	1.8
NPI Industrial	1.0	3.6	10.3	12.7	12.8	12.9	1.1
NPI Retail	-3.9	-5.8	-5.6	0.2	3.8	8.6	3.5
NPI Hotel	-16.6	-19.7	-18.1	-2.6	0.9	5.5	6.5
Geographic Sectors							
NPI East	-0.9	-0.3	1.9	4.0	5.2	8.3	2.2
NPI Midwest	-1.8	-2.0	-0.7	2.7	4.6	8.1	2.2
NPI South	-1.2	-0.7	2.2	5.3	6.6	9.8	2.1
NPI West	-0.8	0.3	4.2	7.3	8.7	11.3	1.9

Source: NCREIF as of June 30, 2020

Near-term and long-term impacts on real estate

	Timing	Severity	Near-Term Impact	Long-Term Impact
LODGING	Immediate	High	Hit to tourism and travel is already affecting hotel demand, particularly in major travel hubs. Hardest hit will be to markets that rely heavily on overseas travelers and popular corporate and conference destinations.	Expect leisure travel to recover quickly, but business travel will take longer before employees begin traveling again. Depending on the severity of the outbreak, companies may encourage employees to conduct more business remotely (e.g., video conferencing) rather than travel.
RETAIL	Weeks	High	Public shopping venues, particularly restaurants and malls in popular tourist destinations, are likely to see reduced foot traffic, exacerbating the ongoing challenges for bricks-and-mortar retail. Of greater concern is the impact on consumption if consumer confidence weakens materially from current high levels. We will continue to monitor rent collection data.	Disruption may accelerate ecommerce adoption, particularly among the elderly, who might have been reluctant to shop online before the virus outbreak.
SENIORS HOUSING	Weeks	High	Dramatically higher mortality rates for those 60+ years old creates serious challenges for senior housing operating companies in the near term, especially with regard to staffing.	The threat of COVID encourages seniors to age-in-place in current home settings rather than move to a closed community. Occupancy rates and property valuations bare monitoring over the coming quarters.
INDUSTRIAL	Weeks/ Months	Low	More insulated, but near-term supply chain disruptions may impact utilization rates due to reduced flow of goods from abroad and pull-back in global demand. For companies whose business models rely on "high-throughput" ecommerce distribution, supply chain disruptions could create a cash flow squeeze.	Supply chain disruptions may encourage companies to maintain higher inventory levels as a buffer against random shocks or consider "on-shoring" production to minimize risk of disruption.
OFFICE	Months	Medium/ High	Long-term leases and ability of office workers to work remotely should help insulate office properties in the near-term, but leasing decisions may be postponed as companies evaluate the financial impact of the outbreak. Co-working likely to be hit hard as workers avoid shared spaces, which could impact cash flow for operators and building owners. New leasing activity remains very much non-existent.	Forced work-from-home experiments may accelerate broader adoption of flexible working environments (e.g., "hot desking") and contribute to the ongoing trend toward shrinking office footprints. Alternatively, social distancing the need for more square footage, could somewhat offset this trend. Greater acceptance of remote working arrangements could also have implications for the relative value of cities within countries.
MULTI-FAMILY	Year	Low	Apartments should be most insulated from the fallout due to the virus but will face increasing risks if the outbreak extends longer than expected and employment lay offs persist.	May discourage widespread adoption of co-living concept.

Sources: Barings Real Estate and Marquette Associates

Purpose:

Guide institutional investment programs

Mission
Enable institutions to become more effective investment stewards

Vision
Leading investment consultant of risk-adjusted returns & client services

Principles

- ✓ Real-world experience
- ✓ Independent expertise
- ✓ Focused client service
- ✓ Careful research

Disclosure

The sources of information used in this report are believed to be reliable. Marquette Associates, Inc. has not independently verified all of the information and its accuracy cannot be guaranteed. Opinions, estimates, projections and comments on financial market trends constitute our judgment and are subject to change without notice. References to specific securities are for illustrative purposes only and do not constitute recommendations. Past performance does not guarantee future results.

Marquette is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training. More information about Marquette including our investment strategies, fees and objectives can be found in our ADV Part 2, which is available upon request.

About Marquette Associates

Marquette Associates is an independent investment consulting firm that guides institutional investment programs with a focused client service approach and careful research. For more than 30 years Marquette has served this mission in close collaboration with clients – enabling institutions to be more effective investment stewards. Marquette is a completely independent and 100% employee-owned consultancy founded with the sole purpose of advising institutions. For more information, please visit www.marquetteassociates.com.

Pension Fund

Glen Ellyn Police

Pension Fund

Executive Summary

September 30, 2020

Market Value: $33.1 Million and 100.0% of Fund

Investment Manager	Asset Class	Status	Reason
Great Lakes Advisors	Int. Fixed Income	In Compliance	---
Vanguard Value Index	Large-Cap Value	In Compliance	---
Vanguard 500 Index	Large-Cap Core	In Compliance	---
Vanguard Mid-Cap Growth ETF	Mid-Cap Growth	In Compliance	---
Nuveen Small Cap Value	Small-Cap Value	In Compliance	---
Vanguard Developed Markets	Non-U.S. Large-Cap Core	In Compliance	---
Goldman Sachs International Small Cap Insights	Non-U.S. Small-Cap Core	In Compliance	---
DFA Emerging Markets Core Equity Fund	Emerging Markets	Alert	Performance
BlackRock Multi-Asset Income	Global Tactical Asset Allocation	In Compliance	---
Principal U.S. Property Separate Account	Core Real Estate	In Compliance	---

Open-End Investment Manager Evaluation Terminology

The following terminology has been developed by Marquette Associates to facilitate efficient communication among the Investment Manager, Investment Consultant, and the Plan Sponsor. Each term signifies a particular status with the Fund and any conditions that may require improvement. In each case, communication is made only after consultation with the Trustees and/or the Investment Committee of the Plan.

In Compliance – The investment manager states it is acting in accordance with the Investment Policy Guidelines.

Alert – The investment manager is notified of a problem in performance (usually related to a benchmark or volatility measure), a change in investment characteristics, an alteration in management style or key investment professionals, and/or any other irregularities.

On Notice – The investment manager is notified of continued concern with one or more Alert issues. Failure to improve upon stated issues within a specific time frame justifies termination.

Termination – The Trustees have decided to terminate the investment manager. The investment manager is notified and transition plans are in place.

Total Fund Composite

Market Value: $33.1 Million and 100.0% of Fund

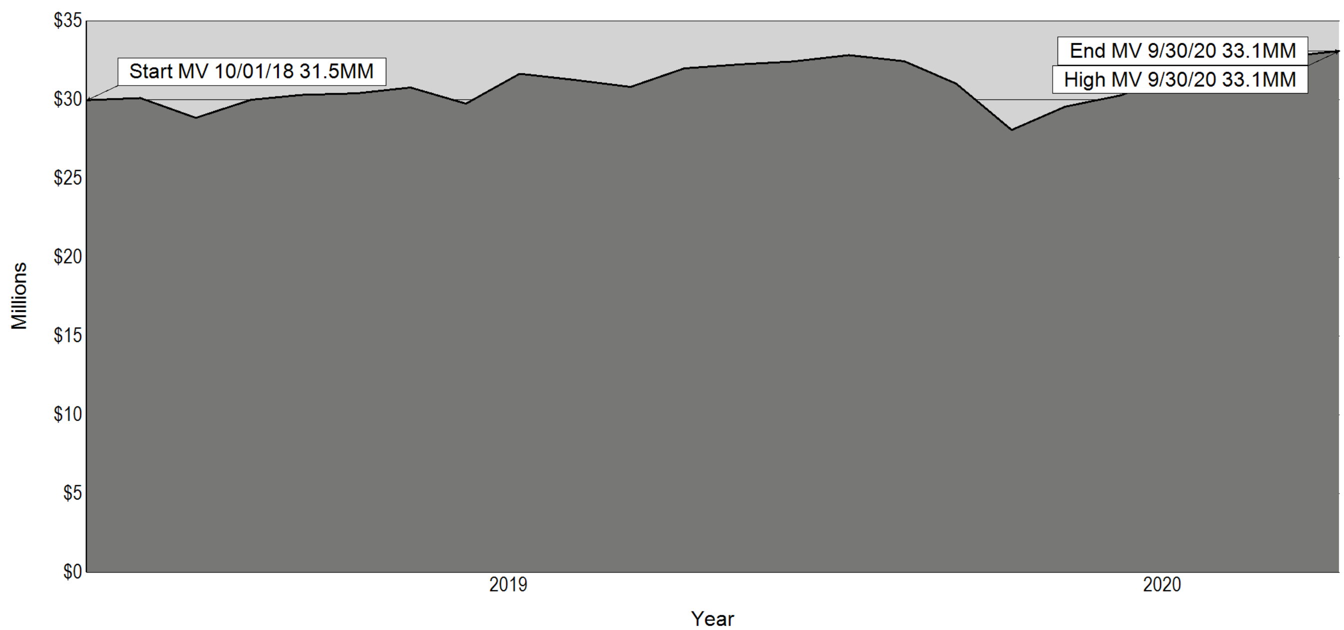
Ending September 30, 2020

	Asset Class	Market Value ($)	3 Mo Net Cash Flows ($)	% of Portfolio	Policy %	Policy Difference ($)
Total Fund Composite		**33,078,706**	**307,625**	**100.0**	**100.0**	**0**
U.S. Fixed Income Composite		**10,778,526**	**0**	**32.6**	**35.0**	**-799,021**
Great Lakes Advisors	Int. Fixed Income	10,778,526	0	32.6	35.0	-799,021
U.S. Equity Composite		**10,022,102**	**-3,398**	**30.3**	**30.0**	**98,490**
Vanguard Value Index	Large-Cap Value	2,789,200	0	8.4	9.0	-187,884
Vanguard 500 Index	Large-Cap Core	3,368,005	0	10.2	9.0	390,922
Vanguard Mid-Cap Growth ETF	Mid-Cap Growth	2,329,210	-3,398	7.0	6.0	344,488
Nuveen Small Cap Value	Small-Cap Value	1,535,687	0	4.6	6.0	-449,035
Non U.S. Equity Composite		**6,893,372**	**0**	**20.8**	**20.0**	**277,631**
Vanguard Developed Markets	Non-U.S. Large-Cap Core	3,408,284	0	10.3	10.0	100,414
Goldman Sachs International Small Cap Insights	Non-U.S. Small-Cap Core	1,778,321	0	5.4	5.0	124,386
DFA Emerging Markets Core Equity Fund	Emerging Markets	1,706,767	0	5.2	5.0	52,832
Global Tactical Composite		**1,660,063**	**0**	**5.0**	**5.0**	**6,127**
BlackRock Multi-Asset Income	Global Tactical Asset Allocation	1,660,063	0	5.0	5.0	6,127
Real Estate Composite		**2,192,323**	**0**	**6.6**	**10.0**	**-1,115,548**
Principal U.S. Property Separate Account	Core Real Estate	2,192,323	0	6.6	10.0	-1,115,548
Cash Composite		**1,532,320**	**311,023**	**4.6**	**0.0**	**1,532,320**
US Bank Money Market	Cash & Equivalents	1,532,320	311,023	4.6	0.0	1,532,320

Total Fund Composite

Market Value History

Market Value: $33.1 Million and 100.0% of Fund



Summary of Cash Flows

	Third Quarter	Year-To-Date	One Year	2019	2018
Beginning Market Value	**$31,544,214**	**$32,814,921**	**$31,974,429**	**$28,836,431**	**$30,434,632**
Net Cash Flow	$307,625	$166,929	-$383,166	-$449,321	$76,821
Net Investment Change	$1,226,867	$96,856	$1,487,443	$4,427,811	-$1,675,022
Ending Market Value	**$33,078,706**	**$33,078,706**	**$33,078,706**	**$32,814,921**	**$28,836,431**

Total Fund Composite

Annualized Performance (Net of Fees)

Market Value: $33.1 Million and 100.0% of Fund

Ending September 30, 2020

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund Composite	**-1.3**	**3.9**	**0.3**	**4.7**	**3.8**	**3.8**	**5.4**	**5.8**	**5.2**	**5.6**
Total Fund Composite Benchmark	*-1.3*	*3.9*	*0.9*	*5.8*	*4.9*	*5.4*	*6.7*	*7.7*	*7.5*	*8.5*
U.S. Fixed Income Composite	**-0.1**	**0.6**	**6.4**	**6.7**	**6.8**	**4.2**	**4.5**	**5.0**	**4.1**	**4.1**
BBgBarc US Aggregate TR	*-0.1*	*0.6*	*6.8*	*7.0*	*8.6*	*5.2*	*3.9*	*4.2*	*4.0*	*3.6*
U.S. Equity Composite	**-3.0**	**6.7**	**-3.6**	**3.9**	**2.5**	**6.1**	**9.4**	**9.7**	**9.0**	**11.1**
Wilshire 5000	*-3.7*	*9.1*	*5.5*	*15.1*	*8.9*	*11.7*	*13.5*	*13.8*	*12.2*	*13.5*
Non U.S. Equity Composite	**-1.1**	**7.4**	**-5.2**	**3.6**	**0.0**	**0.3**	**--**	**--**	**--**	**--**
MSCI ACWI ex USA	*-2.5*	*6.3*	*-5.4*	*3.0*	*0.9*	*1.2*	*5.5*	*6.2*	*3.2*	*4.0*
Global Tactical Composite	**-0.7**	**3.5**	**0.0**	**2.4**	**4.4**	**--**	**--**	**--**	**--**	**--**
BBgBarc US Govt/Credit Int TR	*0.0*	*0.6*	*5.9*	*6.3*	*7.2*	*4.4*	*3.4*	*3.4*	*3.1*	*2.9*
Real Estate Composite	**-0.4**	**0.0**	**-1.2**	**0.1**	**2.9**	**--**	**--**	**--**	**--**	**--**
NFI	*0.1*	*0.3*	*-0.7*	*0.5*	*2.6*	*4.3*	*4.9*	*5.7*	*7.6*	*9.3*

Total Fund Composite Benchmark is 40% BBgBarc US Govt/Credit Int, 9% CRSP US Large Cap Value, 9% S&P 500, 6% CRSP US Mid Cap Growth, 6% Russell 2000 Value, 10% FTSE Developed ex US All Cap, 5% MSCI EAFE Small Cap, 5% MSCI Emerging Markets, 10% NFI. Prior to 12/31/2017, the Benchmark was 60/40 S&P 500/BBgBarc US Aggregate.

Investment Manager

Annualized Performance (Net of Fees)

Market Value: $33.1 Million and 100.0% of Fund

Ending September 30, 2020

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Total Fund Composite	**-1.3%**	**3.9%**	**0.3%**	**4.7%**	**3.8%**	**3.8%**	**5.4%**	**5.8%**	**5.2%**	**5.6%**	**5.6%**	**Oct-93**
Total Fund Composite Benchmark	*-1.3%*	*3.9%*	*0.9%*	*5.8%*	*4.9%*	*5.4%*	*6.7%*	*7.7%*	*7.5%*	*8.5%*	*7.7%*	*Oct-93*
U.S. Fixed Income Composite	**-0.1%**	**0.6%**	**6.4%**	**6.7%**	**6.8%**	**4.2%**	**4.5%**	**5.0%**	**4.1%**	**4.1%**	**5.0%**	**Dec-01**
BBgBarc US Aggregate TR	*-0.1%*	*0.6%*	*6.8%*	*7.0%*	*8.6%*	*5.2%*	*3.9%*	*4.2%*	*4.0%*	*3.6%*	*4.7%*	*Dec-01*
Great Lakes Advisors	-0.1%	0.6%	6.4%	6.7%	6.8%	4.3%	--	--	--	--	4.3%	Sep-17
BBgBarc US Govt/Credit Int TR	*0.0%*	*0.6%*	*5.9%*	*6.3%*	*7.2%*	*4.4%*	*3.4%*	*3.4%*	*3.1%*	*2.9%*	*4.4%*	*Sep-17*
U.S. Equity Composite	**-3.0%**	**6.7%**	**-3.6%**	**3.9%**	**2.5%**	**6.1%**	**9.4%**	**9.7%**	**9.0%**	**11.1%**	**8.4%**	**Dec-01**
Wilshire 5000	*-3.7%*	*9.1%*	*5.5%*	*15.1%*	*8.9%*	*11.7%*	*13.5%*	*13.8%*	*12.2%*	*13.5%*	*8.4%*	*Dec-01*
Vanguard Value Index	-2.2%	5.6%	-10.7%	-3.3%	0.1%	4.4%	--	--	--	--	5.3%	Jun-17
CRSP US Large Cap Value TR USD	*-2.2%*	*5.6%*	*-10.7%*	*-3.3%*	*0.1%*	*4.4%*	*7.6%*	*9.3%*	*8.8%*	*11.0%*	*5.3%*	*Jun-17*
Vanguard 500 Index	-3.8%	8.9%	5.5%	15.1%	9.5%	12.2%	--	--	--	--	12.8%	Jun-17
S&P 500	*-3.8%*	*8.9%*	*5.6%*	*15.1%*	*9.6%*	*12.3%*	*13.8%*	*14.1%*	*12.7%*	*13.7%*	*12.8%*	*Jun-17*
Vanguard Mid-Cap Growth ETF	-1.3%	9.3%	14.1%	22.6%	13.4%	14.8%	15.0%	--	--	--	16.5%	Jan-16
CRSP US Mid Cap Growth TR USD	*-1.4%*	*9.3%*	*14.1%*	*22.7%*	*13.4%*	*14.9%*	*15.0%*	*14.1%*	*12.3%*	*13.8%*	*16.5%*	*Jan-16*
Nuveen Small Cap Value	-5.3%	0.3%	-27.5%	-24.0%	-17.8%	--	--	--	--	--	-13.3%	Nov-17
Russell 2000 Value	*-4.7%*	*2.6%*	*-21.5%*	*-14.9%*	*-11.6%*	*-5.1%*	*0.7%*	*4.1%*	*3.3%*	*7.1%*	*-6.4%*	*Nov-17*
Non U.S. Equity Composite	**-1.1%**	**7.4%**	**-5.2%**	**3.6%**	**0.0%**	**0.3%**	**--**	**--**	**--**	**--**	**2.0%**	**Jun-17**
MSCI ACWI ex USA	*-2.5%*	*6.3%*	*-5.4%*	*3.0%*	*0.9%*	*1.2%*	*5.5%*	*6.2%*	*3.2%*	*4.0%*	*2.9%*	*Jun-17*
Vanguard Developed Markets	-2.0%	5.7%	-5.7%	2.2%	0.0%	0.9%	--	--	--	--	2.5%	Jun-17
FTSE Developed ex US All Cap	*-2.4%*	*5.9%*	*-6.2%*	*1.9%*	*-0.3%*	*0.7%*	*5.0%*	*5.6%*	*3.2%*	*--*	*2.4%*	*Jun-17*
Goldman Sachs International Small Cap Insights	0.4%	9.6%	-4.1%	5.1%	-1.4%	-0.2%	--	--	--	--	-0.2%	Sep-17
MSCI EAFE Small Cap	*-0.7%*	*10.3%*	*-4.2%*	*6.8%*	*0.3%*	*1.4%*	*6.2%*	*7.4%*	*5.7%*	*7.3%*	*1.4%*	*Sep-17*
DFA Emerging Markets Core Equity Fund	-0.8%	8.5%	-6.1%	3.8%	1.0%	-0.2%	--	--	--	--	-0.2%	Sep-17
MSCI Emerging Markets	*-1.6%*	*9.6%*	*-1.2%*	*10.5%*	*4.1%*	*2.4%*	*7.1%*	*9.0%*	*3.7%*	*2.5%*	*2.4%*	*Sep-17*
Global Tactical Composite	**-0.7%**	**3.5%**	**0.0%**	**2.4%**	**4.4%**	**--**	**--**	**--**	**--**	**--**	**3.6%**	**Nov-17**
BBgBarc US Govt/Credit Int TR	*0.0%*	*0.6%*	*5.9%*	*6.3%*	*7.2%*	*4.4%*	*3.4%*	*3.4%*	*3.1%*	*2.9%*	*4.8%*	*Nov-17*
BlackRock Multi-Asset Income	-0.7%	3.5%	0.0%	2.4%	4.4%	--	--	--	--	--	3.6%	Nov-17
BBgBarc US Govt/Credit Int TR	*0.0%*	*0.6%*	*5.9%*	*6.3%*	*7.2%*	*4.4%*	*3.4%*	*3.4%*	*3.1%*	*2.9%*	*4.8%*	*Nov-17*
Real Estate Composite	**-0.4%**	**0.0%**	**-1.2%**	**0.1%**	**2.9%**	**--**	**--**	**--**	**--**	**--**	**4.5%**	**Dec-17**
NFI	*0.1%*	*0.3%*	*-0.7%*	*0.5%*	*2.6%*	*4.3%*	*4.9%*	*5.7%*	*7.6%*	*9.3%*	*4.0%*	*Dec-17*
Principal U.S. Property Separate Account	-0.4%	0.0%	-1.2%	0.1%	2.9%	--	--	--	--	--	4.5%	Dec-17
NFI	*0.1%*	*0.3%*	*-0.7%*	*0.5%*	*2.6%*	*4.3%*	*4.9%*	*5.7%*	*7.6%*	*9.3%*	*4.0%*	*Dec-17*

Calendar Performance (Net of Fees)

Market Value: $33.1 Million and 100.0% of Fund

	Calendar Year										
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Fund Composite	**15.3%**	**-5.5%**	**12.0%**	**6.1%**	**0.4%**	**6.7%**	**8.1%**	**6.5%**	**4.1%**	**10.1%**	**10.0%**
Total Fund Composite Benchmark	16.0%	-4.0%	14.2%	8.3%	1.3%	10.6%	17.6%	11.3%	4.7%	12.1%	18.4%
InvMetrics Public DB < $50mm Net Rank	98	81	87	83	23	26	97	98	3	76	93
U.S. Fixed Income Composite	**6.3%**	**0.4%**	**5.3%**	**6.4%**	**0.6%**	**3.8%**	**-1.7%**	**5.0%**	**11.9%**	**6.8%**	**4.1%**
BBgBarc US Aggregate TR	8.7%	0.0%	3.5%	2.6%	0.5%	6.0%	-2.0%	4.2%	7.8%	6.5%	5.9%
InvMetrics Public DB Total Fix Inc Net Rank	90	37	46	22	35	48	59	58	2	70	89
Great Lakes Advisors	6.3%	0.3%	--	--	--	--	--	--	--	--	--
BBgBarc US Govt/Credit Int TR	6.8%	0.9%	2.1%	2.1%	1.1%	3.1%	-0.9%	3.9%	5.8%	5.9%	5.2%
eV US Interm Duration Fixed Inc Net Rank	75	86	--	--	--	--	--	--	--	--	--
U.S. Equity Composite	**27.4%**	**-8.1%**	**23.5%**	**8.7%**	**-0.2%**	**11.3%**	**32.7%**	**14.7%**	**-1.3%**	**21.1%**	**34.1%**
Wilshire 5000	31.0%	-5.3%	21.0%	13.4%	0.7%	12.7%	33.1%	16.1%	1.0%	17.2%	28.3%
InvMetrics Public DB US Eq Net Rank	94	83	6	93	52	43	84	77	79	16	11
Vanguard Value Index	25.8%	-5.4%	--	--	--	--	--	--	--	--	--
CRSP US Large Cap Value TR USD	25.9%	-5.4%	17.2%	16.9%	-0.9%	13.3%	33.3%	16.7%	1.4%	16.1%	18.4%
Large Value MStar MF Rank	50	21	--	--	--	--	--	--	--	--	--
Vanguard 500 Index	31.5%	-4.4%	--	--	--	--	--	--	--	--	--
S&P 500	31.5%	-4.4%	21.8%	12.0%	1.4%	13.7%	32.4%	16.0%	2.1%	15.1%	26.5%
Large Blend MStar MF Rank	26	24	--	--	--	--	--	--	--	--	--
Vanguard Mid-Cap Growth ETF	33.8%	-5.5%	21.8%	6.9%	--	--	--	--	--	--	--
CRSP US Mid Cap Growth TR USD	33.9%	-5.6%	21.9%	6.8%	-0.9%	13.6%	33.0%	15.8%	-2.2%	27.5%	38.4%
Mid-Cap Growth MStar MF Rank	50	52	73	45	--	--	--	--	--	--	--
Nuveen Small Cap Value	17.3%	-20.6%	--	--	--	--	--	--	--	--	--
Russell 2000 Value	22.4%	-12.9%	7.8%	31.7%	-7.5%	4.2%	34.5%	18.0%	-5.5%	24.5%	20.6%
Small Value MStar MF Rank	91	95	--	--	--	--	--	--	--	--	--
Non U.S. Equity Composite	**20.4%**	**-15.9%**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
MSCI ACWI ex USA	21.5%	-14.2%	27.2%	4.5%	-5.7%	-3.9%	15.3%	16.8%	-13.7%	11.2%	41.4%
InvMetrics Public DB Glbl Eq Net Rank	99	95	--	--	--	--	--	--	--	--	--
Vanguard Developed Markets	22.0%	-14.5%	--	--	--	--	--	--	--	--	--
FTSE Developed ex US All Cap	22.1%	-15.0%	26.1%	2.9%	-2.0%	-4.6%	20.3%	--	--	--	--
Foreign Large Blend MStar MF Rank	47	42	--	--	--	--	--	--	--	--	--
Goldman Sachs International Small Cap Insights	21.7%	-18.8%	--	--	--	--	--	--	--	--	--
MSCI EAFE Small Cap	25.0%	-17.9%	33.0%	2.2%	9.6%	-4.9%	29.3%	20.0%	-15.9%	22.0%	46.8%
Foreign Small/Mid Value MStar MF Rank	13	39	--	--	--	--	--	--	--	--	--
DFA Emerging Markets Core Equity Fund	16.0%	-15.2%	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets	18.4%	-14.6%	37.3%	11.2%	-14.9%	-2.2%	-2.6%	18.2%	-18.4%	18.9%	78.5%
Diversified Emerging Mkts MStar MF Rank	81	35	--	--	--	--	--	--	--	--	--

Calendar Performance (Net of Fees)

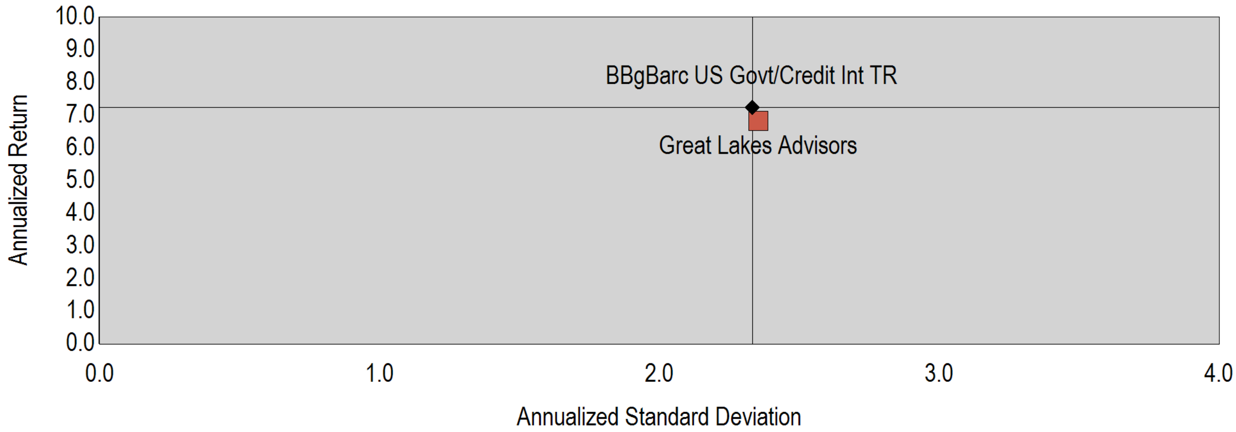
Market Value: $33.1 Million and 100.0% of Fund

	Calendar Year										
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Global Tactical Composite	**14.0%**	**-3.5%**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
BBgBarc US Govt/Credit Int TR	*6.8%*	*0.9%*	*2.1%*	*2.1%*	*1.1%*	*3.1%*	*-0.9%*	*3.9%*	*5.8%*	*5.9%*	*5.2%*
InvMetrics Corp DB Global Tactical Net Rank	*58*	*3*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
BlackRock Multi-Asset Income	14.0%	-3.5%	--	--	--	--	--	--	--	--	--
BBgBarc US Govt/Credit Int TR	*6.8%*	*0.9%*	*2.1%*	*2.1%*	*1.1%*	*3.1%*	*-0.9%*	*3.9%*	*5.8%*	*5.9%*	*5.2%*
Multialternative MStar MF Rank	*13*	*42*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
Real Estate Composite	**5.8%**	**7.9%**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
NFI	*4.4%*	*7.4%*	*6.7%*	*7.8%*	*13.9%*	*11.5%*	*12.9%*	*9.8%*	*15.0%*	*15.3%*	*-30.4%*
InvMetrics Public DB Real Estate Pub Net Rank	*87*	*2*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
Principal U.S. Property Separate Account	5.8%	7.9%	--	--	--	--	--	--	--	--	--
NFI	*4.4%*	*7.4%*	*6.7%*	*7.8%*	*13.9%*	*11.5%*	*12.9%*	*9.8%*	*15.0%*	*15.3%*	*-30.4%*

As of September 30, 2020

Market Value: $10.8 Million and 32.6% of Fund

Risk/Return - 2 Years



Characteristics

	Portfolio Q3-20	Index Q3-20
Yield to Maturity	0.9%	0.7%
Avg. Eff. Maturity	4.3 yrs.	4.4 yrs.
Avg. Duration	4.0 yrs.	4.1 yrs.
Avg. Quality	A	--

Region	Number Of Assets
United States	142
Europe Ex U.K.	3
United Kingdom	1
Pacific Basin Ex Japan	1
Other	0
Total	**147**

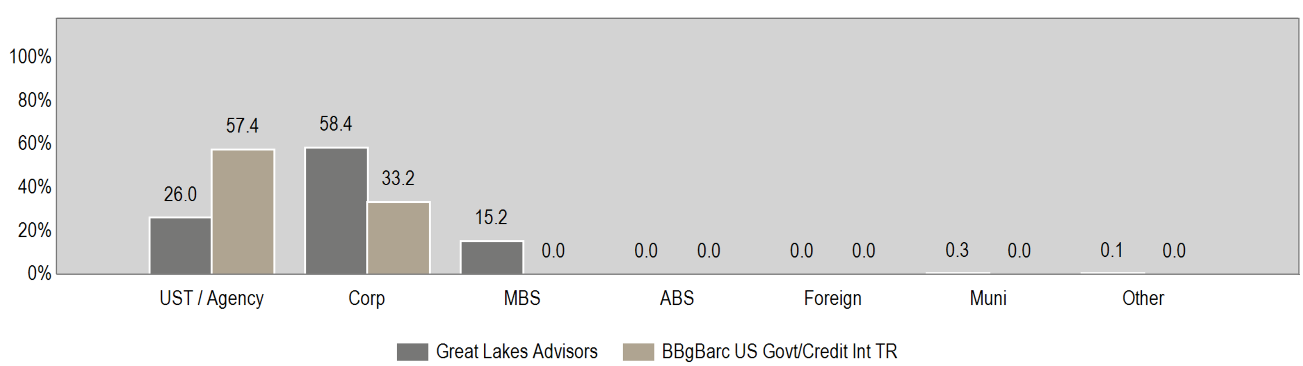
Sector

	Portfolio Q3-20	Index Q3-20
UST/Agency	26.0%	57.4%
Corporate	58.4%	33.2%
MBS	15.2%	--
ABS	--	--
Foreign	--	--
Muni	0.3%	--
Other	0.1%	--

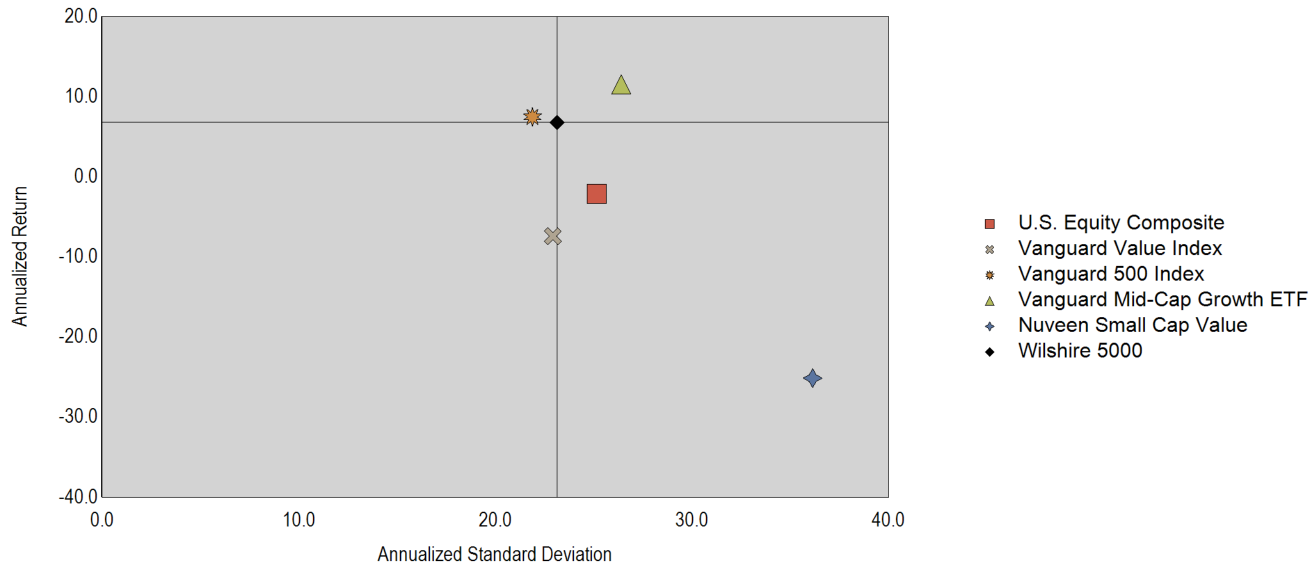
Maturity

	Q3-20
<1 Year	8.3%
1-3 Years	28.1%
3-5 Years	24.7%
5-7 Years	24.6%
7-10 Years	13.6%
10-15 Years	0.7%
15-20 Years	0.0%
>20 Years	0.0%
Not Rated/Cash	0.0%

Sectors
Great Lakes Advisors



Risk / Return - 1 Year



Characteristics

	Portfolio	Dow Jones U.S. Total Stock Market
Number of Holdings	693	3,743
Weighted Avg. Market Cap. ($B)	161.8	310.0
Median Market Cap. ($B)	16.5	0.8
Price To Earnings	19.3	22.4
Price To Book	3.2	4.0
Price To Sales	2.3	2.5
Return on Equity (%)	18.9	18.7
Yield (%)	2.0	1.7
Beta	1.0	1.0
R-Squared	1.0	1.0

Characteristics

	Portfolio	Dow Jones U.S. Total Stock Market
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	3.6	2.6
Materials	2.9	2.7
Industrials	11.8	8.6
Consumer Discretionary	8.9	11.3
Consumer Staples	6.5	6.3
Health Care	15.6	14.9
Financials	14.5	10.7
Information Technology	20.0	26.5
Communication Services	7.1	9.8
Utilities	3.7	2.9
Real Estate	5.0	3.6
Unclassified	0.0	0.0

Largest Holdings

	End Weight	Return
MICROSOFT CORP	2.0	29.4
APPLE INC	1.9	43.8
AMAZON.COM INC	1.5	41.5
JOHNSON & JOHNSON	1.4	8.0
BERKSHIRE HATHAWAY INC	1.3	-2.4

Top Contributors

	Beg Wgt	Return	Contribution
APPLE INC	1.7	43.8	0.7
MICROSOFT CORP	1.9	29.4	0.6
AMAZON.COM INC	1.3	41.5	0.5
FACEBOOK INC	0.6	36.1	0.2
UNITEDHEALTH GROUP INC	1.1	18.8	0.2

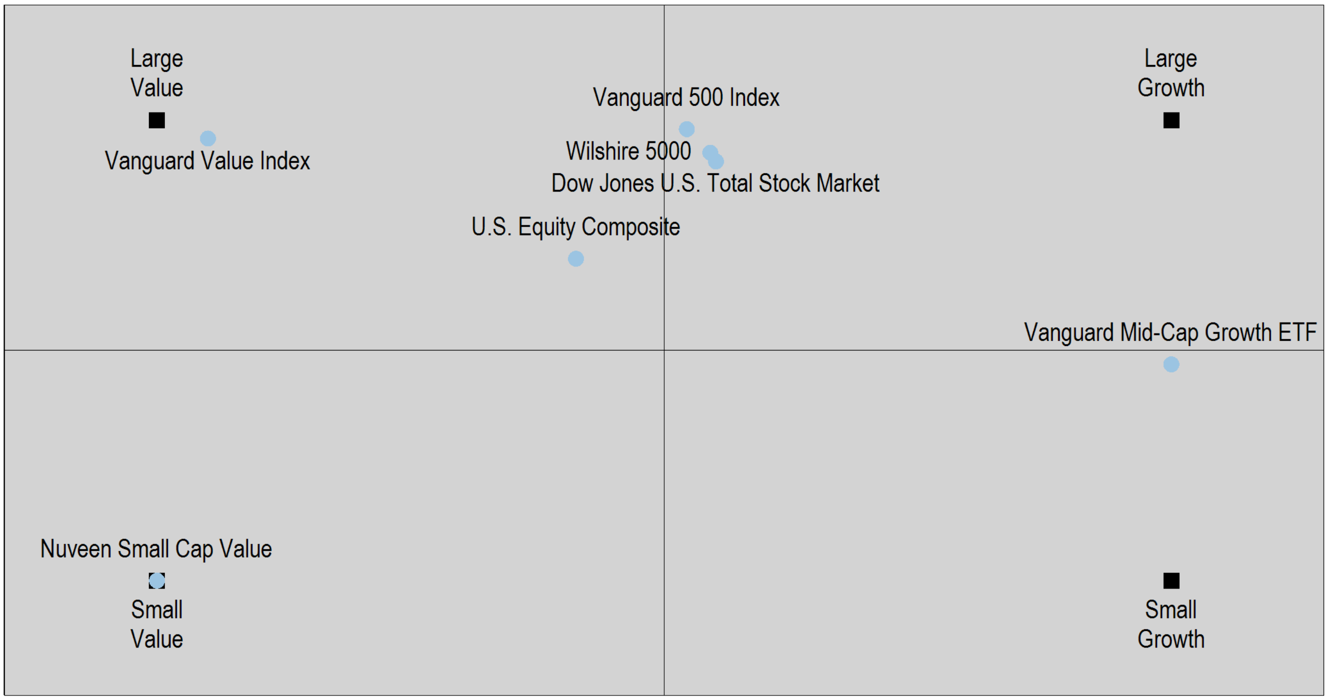
Bottom Contributors

	Beg Wgt	Return	Contribution
WELLS FARGO & CO	0.5	-9.0	0.0
GENERAL ELECTRIC CO	0.3	-13.8	0.0
J2 GLOBAL INC	0.3	-15.6	0.0
BIOGEN INC	0.3	-15.4	0.0
BERKSHIRE HATHAWAY INC	1.6	-2.4	0.0

Market Capitalization

	Small Cap	Small/ Mid	Mid Cap	Mid/ Large	Large Cap
U.S. Equity Composite	11.9%	6.3%	25.1%	25.7%	31.0%
Dow Jones U.S. Total Stock Market	4.7%	7.4%	15.2%	25.4%	47.3%
Weight Over/Under	*7.3%*	*-1.1%*	*9.9%*	*0.3%*	*-16.3%*

Equity Style Map - 1 Year



Common Holdings Matrix

	Vanguard Value Index		Vanguard 500 Index		Vanguard Mid-Cap Growth ETF		Nuveen Small Cap Value	
	#	%	#	%	#	%	#	%
Vanguard Value Index	--	--	305	47	22	6	0	0
Vanguard 500 Index	305	98	--	--	108	68	0	0
Vanguard Mid-Cap Growth ETF	22	1	108	7	--	--	0	0
Nuveen Small Cap Value	0	0	0	0	0	0	--	--

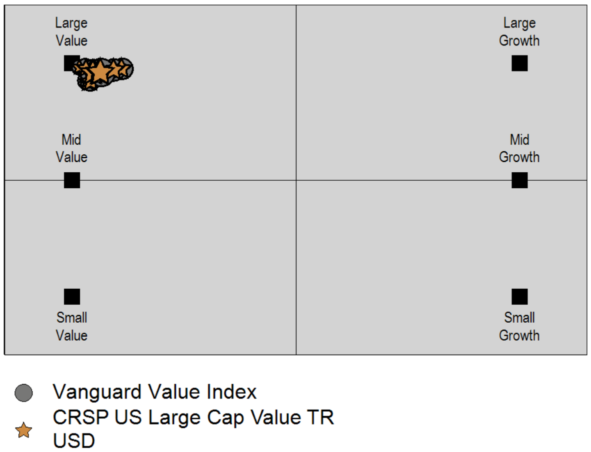
Vanguard Value Index

Characteristics

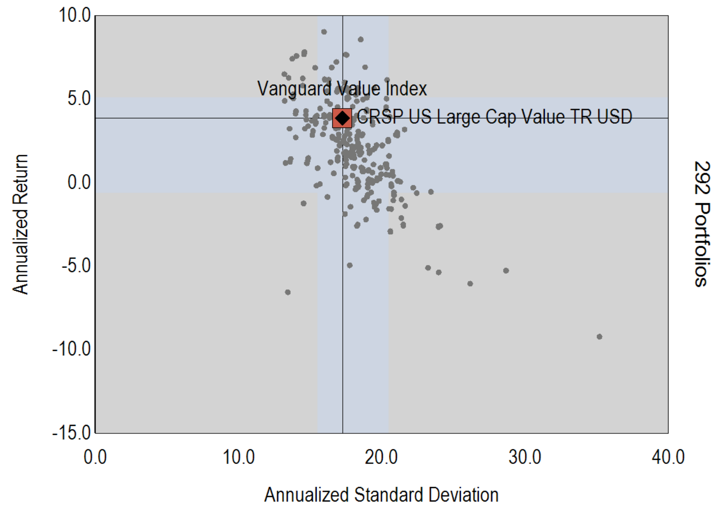
As of June 30, 2020

Market Value: $2.6 Million and 8.4% of Fund

Style Drift - 2 Years



Risk/Return - 2 Years



Characteristics

	Portfolio	CRSP US Large Cap Value TR USD
Number of Holdings	347	344
Weighted Avg. Market Cap. ($B)	125.5	125.0
Median Market Cap. ($B)	16.8	16.8
Price To Earnings	16.1	16.1
Price To Book	2.6	2.6
Price To Sales	1.8	1.8
Return on Equity (%)	19.8	19.8
Yield (%)	3.0	3.0
Beta	1.0	1.0
R-Squared	1.0	1.0

Largest Holdings

	End Weight	Return
JOHNSON & JOHNSON	3.2	8.0
BERKSHIRE HATHAWAY INC	2.9	-2.4
PROCTER & GAMBLE CO (THE)	2.5	9.4
UNITEDHEALTH GROUP INC	2.4	18.8
JPMORGAN CHASE & CO	2.3	5.6

Top Contributors

	Beg Wgt	Return	Contribution
UNITEDHEALTH GROUP INC	2.3	18.8	0.4
CHEVRON CORP	1.3	24.9	0.3
CISCO SYSTEMS INC	1.6	19.7	0.3
ABBVIE INC	1.0	30.7	0.3
EXXON MOBIL CORP	1.6	20.1	0.3

Characteristics

	Portfolio	CRSP US Large Cap Value TR USD
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	5.4	5.3
Materials	3.0	3.0
Industrials	10.8	10.8
Consumer Discretionary	3.7	3.7
Consumer Staples	12.3	12.3
Health Care	21.7	21.7
Financials	18.9	18.9
Information Technology	8.7	8.7
Communication Services	7.2	7.2
Utilities	6.7	6.7
Real Estate	1.6	1.6
Unclassified	0.0	0.0

Bottom Contributors

	Beg Wgt	Return	Contribution
WELLS FARGO & CO	1.1	-9.0	-0.1
GENERAL ELECTRIC CO	0.7	-13.8	-0.1
BIOGEN INC	0.6	-15.4	-0.1
BERKSHIRE HATHAWAY INC	3.4	-2.4	-0.1
CME GROUP INC	0.6	-5.6	0.0

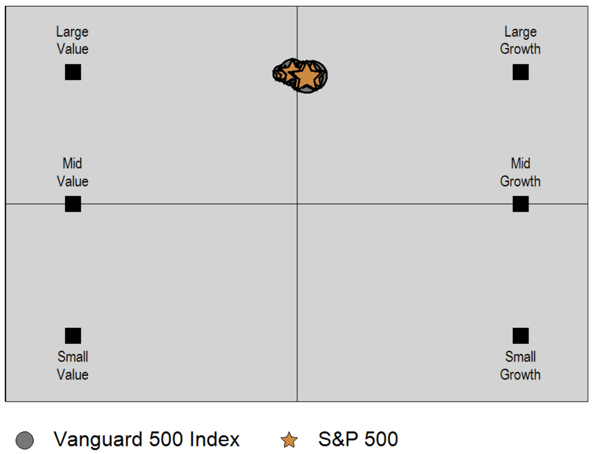
Market Capitalization

	Small Cap	Small/ Mid	Mid Cap	Mid/ Large	Large Cap
Vanguard Value Index	1.1%	8.4%	6.8%	14.0%	69.7%
CRSP US Large Cap Value TR USD	1.1%	8.2%	6.8%	14.2%	69.7%
Weight Over/Under	*0.0%*	*0.2%*	*0.1%*	*-0.2%*	*0.0%*

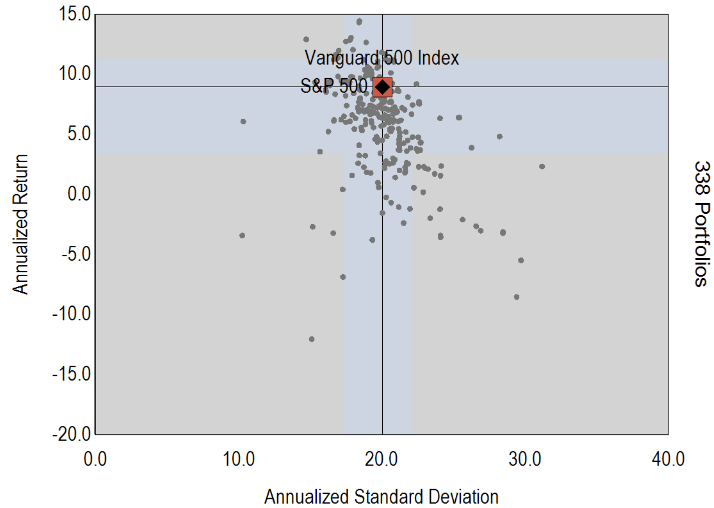
As of June 30, 2020

Market Value: $3.1 Million and 9.8% of Fund

Style Drift - 2 Years



Risk/Return - 2 Years



Characteristics

	Portfolio	S&P 500
Number of Holdings	509	505
Weighted Avg. Market Cap. ($B)	365.8	370.7
Median Market Cap. ($B)	21.3	21.3
Price To Earnings	22.8	22.9
Price To Book	4.2	4.2
Price To Sales	2.8	2.7
Return on Equity (%)	26.6	26.5
Yield (%)	1.8	1.8
Beta	1.0	1.0
R-Squared	1.0	1.0

Largest Holdings

	End Weight	Return
MICROSOFT CORP	6.0	29.4
APPLE INC	5.8	43.8
AMAZON.COM INC	4.5	41.5
FACEBOOK INC	2.1	36.1
ALPHABET INC	1.7	22.0

Top Contributors

	Beg Wgt	Return	Contribution
APPLE INC	4.9	43.8	2.2
MICROSOFT CORP	5.6	29.4	1.6
AMAZON.COM INC	3.8	41.5	1.6
FACEBOOK INC	1.9	36.1	0.7
PAYPAL HOLDINGS INC	0.5	82.0	0.4

Characteristics

	Portfolio	S&P 500
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	2.8	2.7
Materials	2.5	2.5
Industrials	8.0	7.9
Consumer Discretionary	10.8	11.3
Consumer Staples	7.0	7.6
Health Care	14.6	14.2
Financials	10.0	10.3
Information Technology	27.5	26.9
Communication Services	10.8	10.9
Utilities	3.1	2.9
Real Estate	2.8	2.7
Unclassified	0.0	0.0

Bottom Contributors

	Beg Wgt	Return	Contribution
WELLS FARGO & CO	0.5	-9.0	0.0
GENERAL ELECTRIC CO	0.3	-13.8	0.0
BIOGEN INC	0.3	-15.4	0.0
BERKSHIRE HATHAWAY INC	1.7	-2.4	0.0
CME GROUP INC	0.3	-5.6	0.0

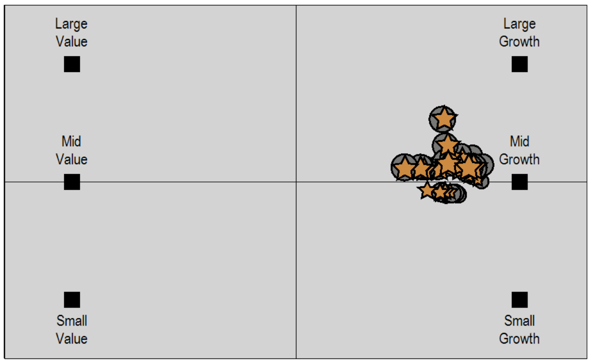
Market Capitalization

	Small Cap	Small/ Mid	Mid Cap	Mid/ Large	Large Cap
Vanguard 500 Index	0.0%	1.7%	14.1%	29.0%	55.2%
S&P 500	0.1%	1.6%	13.8%	28.4%	56.1%
Weight Over/Under	*-0.1%*	*0.1%*	*0.2%*	*0.7%*	*-0.9%*

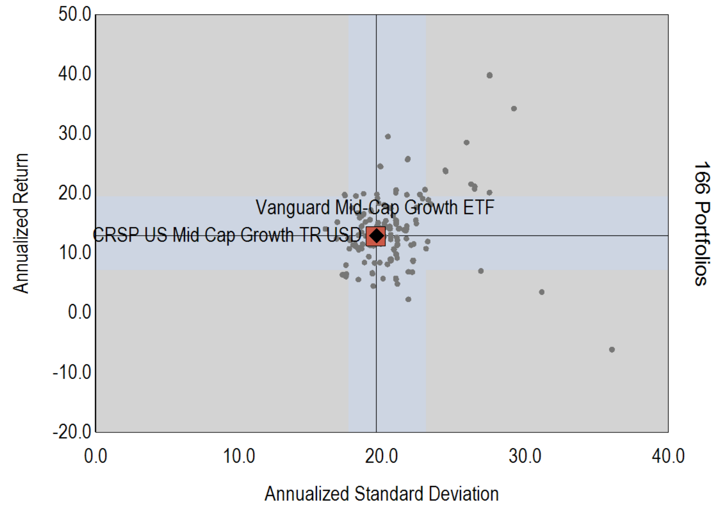
As of June 30, 2020

Market Value: $2.1 Million and 6.8% of Fund

Style Drift - 3 Years



Risk/Return - 3 Years



Characteristics

	Portfolio	Russell MidCap Growth
Number of Holdings	167	330
Weighted Avg. Market Cap. ($B)	21.7	18.2
Median Market Cap. ($B)	15.1	9.3
Price To Earnings	34.3	34.0
Price To Book	5.6	9.3
Price To Sales	4.5	4.3
Return on Equity (%)	13.0	17.0
Yield (%)	0.7	0.6
Beta	1.0	1.0
R-Squared	1.0	1.0

Largest Holdings

	End Weight	Return
DIGITAL REALTY TRUST INC	1.6	3.1
DEXCOM INC	1.6	50.6
LULULEMON ATHLETICA INC	1.6	64.6
CENTENE CORP	1.6	7.0
SBA COMMUNICATIONS CORP	1.4	10.5

Top Contributors

	Beg Wgt	Return	Contribution
TWILIO INC	0.6	145.2	0.9
LULULEMON ATHLETICA INC	1.3	64.6	0.8
DEXCOM INC	1.4	50.6	0.7
MATCH GROUP INC	0.8	80.4	0.6
SNAP INC	0.7	97.6	0.6

Characteristics

	Portfolio	Russell MidCap Growth
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	2.4	0.4
Materials	2.1	2.2
Industrials	16.0	11.9
Consumer Discretionary	9.0	10.8
Consumer Staples	2.4	4.2
Health Care	18.3	22.8
Financials	5.2	3.8
Information Technology	29.6	36.9
Communication Services	5.5	5.4
Utilities	0.1	0.1
Real Estate	9.4	1.5
Unclassified	0.1	0.0

Bottom Contributors

	Beg Wgt	Return	Contribution
TIFFANY & CO.	0.4	-5.4	0.0
EXTRA SPACE STORAGE INC	0.7	-2.6	0.0
LIVE NATION ENTERTAINMENT INC	0.4	-2.5	0.0
WATERS CORP	0.7	-0.9	0.0
MARKEL CORP	0.7	-0.5	0.0

Market Capitalization

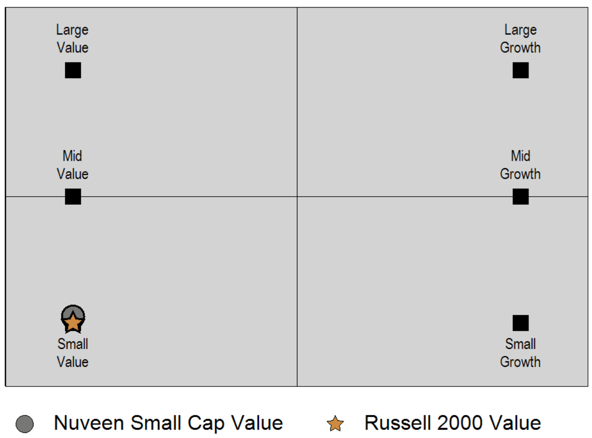
	Small Cap	Small/ Mid	Mid Cap	Mid/ Large	Large Cap
Vanguard Mid-Cap Growth ETF	0.3%	4.0%	65.2%	30.5%	0.0%
Russell MidCap Growth	0.8%	17.0%	59.4%	22.9%	0.0%
Weight Over/Under	*-0.5%*	*-13.0%*	*5.8%*	*7.7%*	*0.0%*

Nuveen Small Cap Value

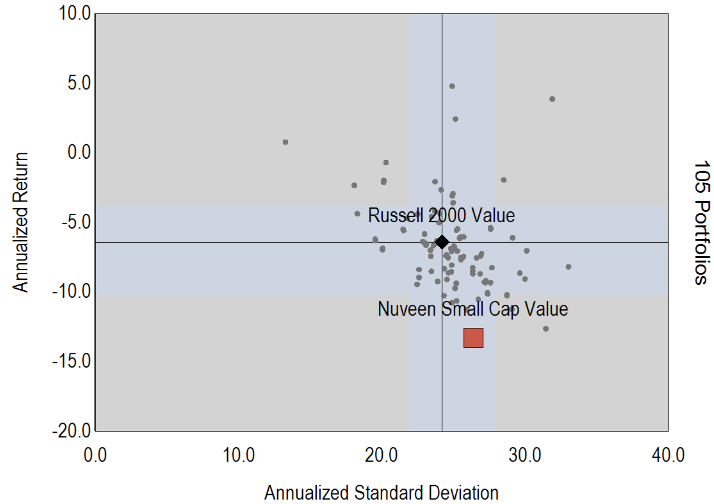
As of June 30, 2020

Market Value: $1.5 Million and 4.9% of Fund

Style Drift - 1 Year



Risk/Return - 1 Year



Characteristics

	Portfolio	Russell 2000 Value
Number of Holdings	87	1,439
Weighted Avg. Market Cap. ($B)	2.1	1.7
Median Market Cap. ($B)	1.7	0.5
Price To Earnings	12.4	12.3
Price To Book	1.7	1.7
Price To Sales	1.2	1.0
Return on Equity (%)	7.8	1.7
Yield (%)	2.1	2.3
Beta		1.0
R-Squared		1.0

Largest Holdings

	End Weight	Return
RADWARE LTD	1.9	12.0
GIBRALTAR INDUSTRIES INC	1.9	11.9
AIR TRANSPORT SERVICES GROUP INC	1.8	21.8
PINNACLE FINANCIAL PARTNERS INC	1.8	12.3
BANNER CORP	1.7	16.5

Top Contributors

	End Weight	Return	Contribution
M/I HOMES INC	1.7	108.3	1.8
AARON'S INC	1.6	99.5	1.6
JACK IN THE BOX INC.	1.3	111.4	1.5
BRUNSWICK CORP	1.6	81.8	1.3
LADDER CAPITAL CORP	1.2	74.5	0.9

Characteristics

	Portfolio	Russell 2000 Value
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	3.9	4.4
Materials	4.8	5.5
Industrials	15.6	16.1
Consumer Discretionary	13.7	10.9
Consumer Staples	1.6	3.5
Health Care	3.3	6.2
Financials	29.1	29.0
Information Technology	10.8	6.2
Communication Services	1.8	2.4
Utilities	4.8	5.4
Real Estate	9.4	10.4
Unclassified	0.0	0.0

Bottom Contributors

	End Weight	Return	Contribution
J2 GLOBAL INC	1.3	-15.6	-0.2
BLACK HILLS CORP	1.5	-10.7	-0.2
SUNCOKE ENERGY INC	0.7	-21.7	-0.1
SPIRE INC	1.3	-11.0	-0.1
AEGION CORP	1.1	-11.5	-0.1

Market Capitalization

	Small Cap	Small/ Mid	Mid Cap	Mid/ Large	Large Cap
Nuveen Small Cap Value	74.7%	25.3%	0.0%	0.0%	0.0%
Russell 2000 Value	83.1%	16.8%	0.0%	0.1%	0.0%
Weight Over/Under	*-8.4%*	*8.5%*	*0.0%*	*-0.1%*	*0.0%*

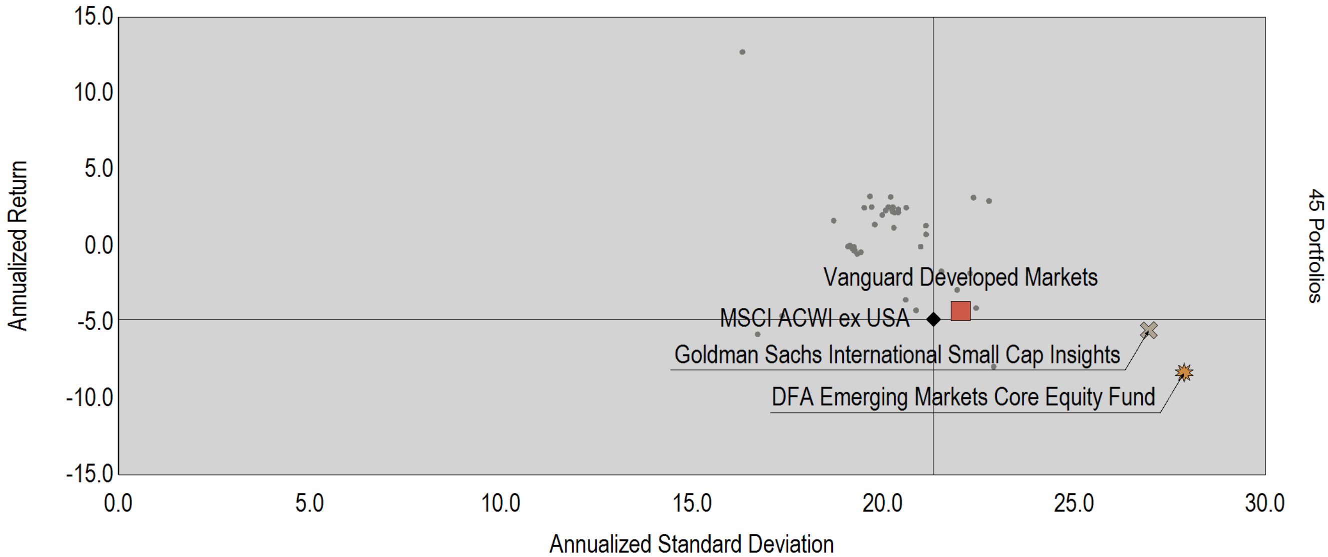
Non U.S. Equity Composite

Characteristics

As of June 30, 2020

Market Value: $6.4 Million and 20.4% of Fund

Risk/Return - 1 Year



Characteristics

	Portfolio	MSCI ACWI ex USA
Number of Holdings	8,787	2,372
Weighted Avg. Market Cap. ($B)	45.8	79.4
Median Market Cap. ($B)	0.9	7.4
Price To Earnings	15.0	16.4
Price To Book	2.5	2.7
Price To Sales	1.0	1.3
Return on Equity (%)	13.1	14.2
Yield (%)	2.8	2.9
Beta	1.1	1.0
R-Squared	1.0	1.0

Region	% of Total	% of Bench
North America ex U.S.	4.3%	6.5%
United States	0.4%	0.0%
Europe Ex U.K.	31.3%	31.3%
United Kingdom	6.8%	9.1%
Pacific Basin Ex Japan	13.0%	7.5%
Japan	20.3%	16.5%
Emerging Markets	23.6%	28.6%
Other	0.4%	0.4%
Total	**100.0%**	**100.0%**

Characteristics

	Portfolio	FTSE Developed ex North America
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	3.7	3.3
Materials	7.6	7.5
Industrials	14.9	14.6
Consumer Discretionary	10.7	11.2
Consumer Staples	9.4	11.4
Health Care	11.0	13.6
Financials	15.8	15.8
Information Technology	10.4	10.1
Communication Services	5.3	5.6
Utilities	3.7	3.9
Real Estate	3.7	3.0
Unclassified	0.5	0.1

Market Capitalization

	Small Cap	**Mid Cap**	**Large Cap**
Non U.S. Equity Composite	44.7%	16.6%	38.7%
MSCI ACWI ex USA	7.7%	22.8%	69.5%
Weight Over/Under	*36.9%*	*-6.1%*	*-30.8%*

As of June 30, 2020

Market Value: $6.4 Million and 20.4% of Fund

Equity Style Map - 1 Year

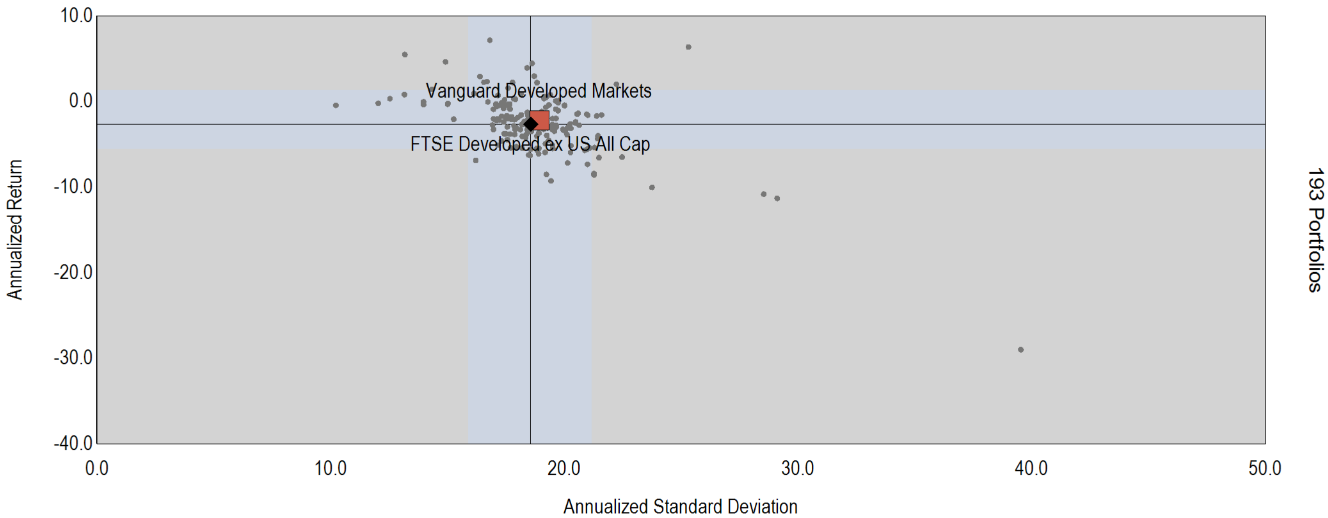
Common Holdings Matrix

	Vanguard Developed Markets #	Vanguard Developed Markets %	Goldman Sachs International Small Cap Insights #	Goldman Sachs International Small Cap Insights %	DFA Emerging Markets Core Equity Fund #	DFA Emerging Markets Core Equity Fund %
Vanguard Developed Markets	--	--	435	87	453	14
Goldman Sachs International Small Cap Insights	435	3	--	--	1	0
DFA Emerging Markets Core Equity Fund	453	5	1	0	--	--

As of June 30, 2020

Market Value: $3.2 Million and 10.2% of Fund

Risk/Return - 2 Years



Characteristics

	Portfolio	FTSE Developed ex North America
Number of Holdings	3,842	1,503
Weighted Avg. Market Cap. ($B)	51.5	59.0
Median Market Cap. ($B)	1.4	5.7
Price To Earnings	16.3	16.8
Price To Book	2.5	2.6
Price To Sales	1.1	1.1
Return on Equity (%)	12.3	12.9
Yield (%)	2.8	2.9
Beta	1.0	1.0
R-Squared	1.0	1.0

Region	% of Total	% of Bench
North America ex U.S.	9.0%	0.0%
United States	0.4%	0.0%
Europe Ex U.K.	42.6%	44.2%
United Kingdom	6.4%	13.9%
Pacific Basin Ex Japan	11.5%	11.8%
Japan	24.4%	25.1%
Emerging Markets	5.1%	4.6%
Other	0.7%	0.5%
Total	**100.0%**	**100.0%**

Characteristics

	Portfolio	FTSE Developed ex North America
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	3.7	3.3
Materials	7.6	7.5
Industrials	14.9	14.6
Consumer Discretionary	10.7	11.2
Consumer Staples	9.4	11.4
Health Care	11.0	13.6
Financials	15.8	15.8
Information Technology	10.4	10.1
Communication Services	5.3	5.6
Utilities	3.7	3.9
Real Estate	3.7	3.0
Unclassified	0.5	0.1

Market Capitalization

	Small Cap	**Mid Cap**	**Large Cap**
Vanguard Developed Markets	40.4%	22.0%	37.6%
FTSE Developed ex North America	32.9%	22.8%	44.4%
Weight Over/Under	*7.5%*	*-0.8%*	*-6.8%*

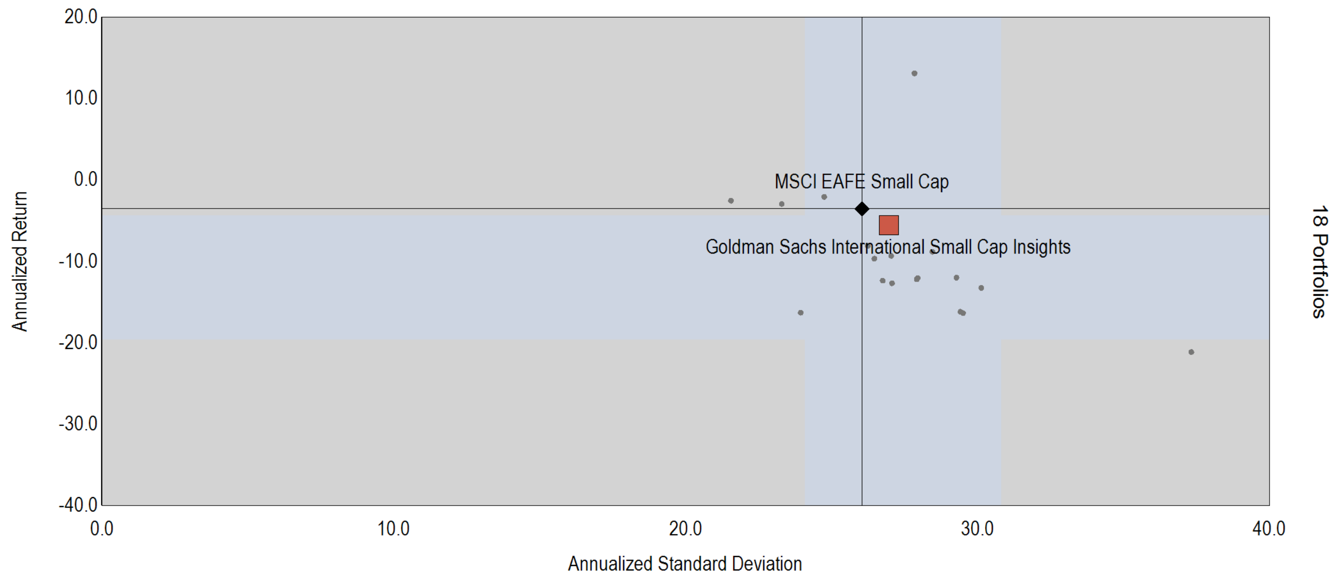
Goldman Sachs International Small Cap Insights

Characteristics

As of June 30, 2020

Market Value: $1.6 Million and 5.1% of Fund

Risk/Return - 1 Year



Characteristics

	Portfolio	MSCI EAFE Small Cap
Number of Holdings	517	2,322
Weighted Avg. Market Cap. ($B)	2.5	2.4
Median Market Cap. ($B)	1.3	1.0
Price To Earnings	14.8	15.2
Price To Book	2.4	2.2
Price To Sales	0.9	0.9
Return on Equity (%)	14.8	10.8
Yield (%)	2.5	2.5
Beta		1.0
R-Squared		1.0

Region	% of Total	% of Bench
North America ex U.S.	0.0%	0.0%
United States	0.0%	0.0%
Europe Ex U.K.	40.9%	36.7%
United Kingdom	14.0%	16.6%
Pacific Basin Ex Japan	12.6%	13.6%
Japan	32.5%	31.2%
Emerging Markets	0.0%	0.0%
Other	0.0%	1.9%
Total	**100.0%**	**100.0%**

Characteristics

	Portfolio	MSCI EAFE Small Cap
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	0.7	1.7
Materials	10.1	8.1
Industrials	20.1	21.7
Consumer Discretionary	14.2	12.4
Consumer Staples	8.0	6.8
Health Care	10.4	8.1
Financials	9.1	10.7
Information Technology	13.1	10.7
Communication Services	2.9	4.5
Utilities	1.2	2.8
Real Estate	10.4	12.3
Unclassified	0.0	0.4

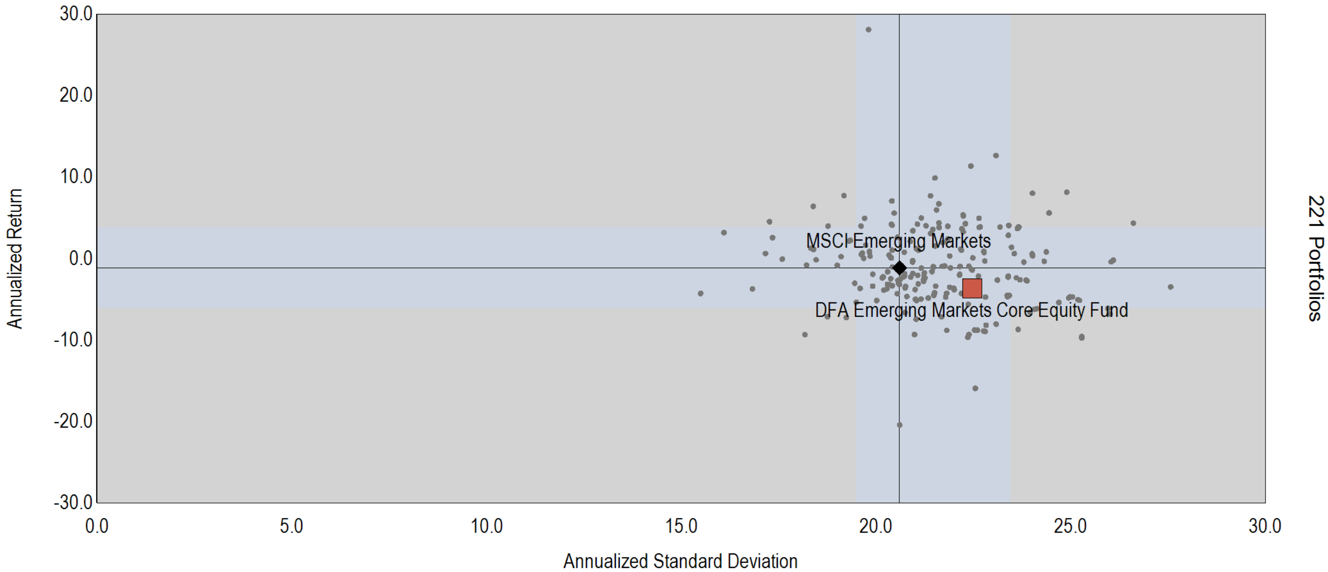
Market Capitalization

	Small Cap	**Mid Cap**	**Large Cap**
Goldman Sachs International Small Cap Insights	95.4%	4.6%	0.0%
MSCI EAFE Small Cap	96.0%	4.0%	0.0%
MSCI EAFE Small Cap	96.0%	4.0%	0.0%
Weight Over/Under	*-0.5%*	*0.5%*	*0.0%*

As of June 30, 2020

Market Value: $1.6 Million and 5.0% of Fund

Risk/Return - 1 Years



Characteristics

	Portfolio	MSCI Emerging Markets
Number of Holdings	5,315	1,385
Weighted Avg. Market Cap. ($B)	80.5	130.7
Median Market Cap. ($B)	0.5	5.4
Price To Earnings	13.3	15.6
Price To Book	2.4	2.9
Price To Sales	1.0	1.5
Return on Equity (%)	13.9	15.6
Yield (%)	3.1	2.7
Beta		1.0
R-Squared		1.0

Region	% of Total	% of Bench
EM Asia	63.6%	79.2%
EM Latin America	9.7%	7.9%
EM Europe & Middle East	3.4%	4.7%
EM Africa	4.8%	3.9%
Other	18.5%	4.3%
Total	**100.0%**	**100.0%**

Characteristics

	Portfolio	MSCI Emerging Markets
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	5.8	6.0
Materials	9.8	6.8
Industrials	7.4	4.7
Consumer Discretionary	11.5	17.3
Consumer Staples	7.2	6.3
Health Care	4.1	4.2
Financials	16.2	19.2
Information Technology	19.4	16.8
Communication Services	10.7	13.3
Utilities	3.2	2.3
Real Estate	4.6	2.6
Unclassified	0.1	0.0

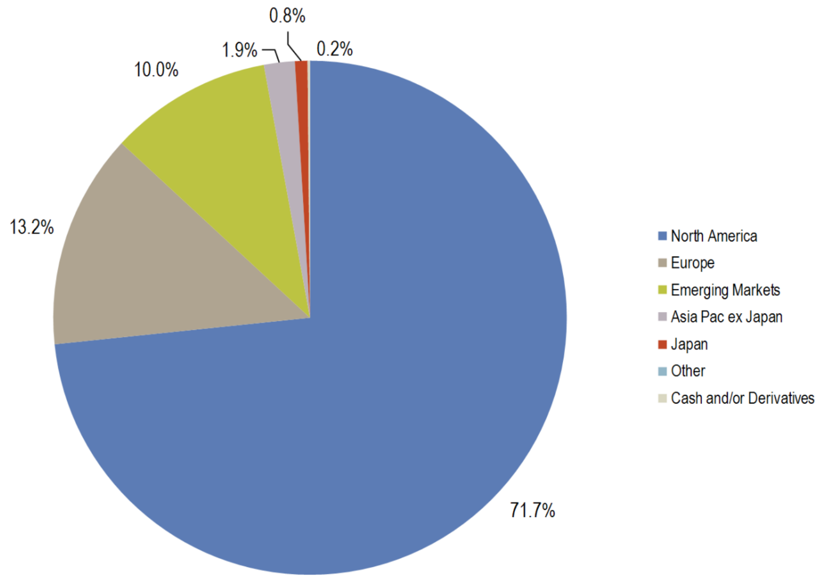
Market Capitalization

	Small Cap	**Mid Cap**	**Large Cap**
DFA Emerging Markets Core Equity Fund	28.6%	20.7%	50.7%
MSCI Emerging Markets	5.1%	17.5%	77.4%
Weight Over/Under	*23.4%*	*3.2%*	*-26.6%*

As of June 30, 2020

Market Value: $1.6 Million and 5.1% of Fund

Geographic Allocation



Asset Class

Fixed-Income	66.3%
Equity	30.6%

Credit Quality

AAA Rated	12.8%
AA Rated	2.6%
A Rated	6.6%
BBB Rated	18.9%
BB Rated	25.2%
B Rated	19.4%
Below B	7.6%
Not Rated	7.0%
Cash and/or Derivatives	0.0%

As of June 30, 2020

Market Value: $2.2 Million and 6.9% of Fund

Characteristics

Fund GAV ($MM)	$10,351.1
Fund NAV ($MM)	$7,998.5
Cash (% of NAV)	2.1%
# of Investments	133
% in Top 10 by NAV	32.8%
Leverage %	20.2%
Occupancy	91.2%
# of MSAs	41
1-Year Dividend Yield	0.0%
As of Date	30-Jun-20

Strategy Breakdown

	% of Portfolio
Pre-Development	0.6%
Development	4.0%
Initial Leasing	5.5%
Operating	90.0%
Re-Development	0.0%
Other	0.0%

Top Five Metro Areas	% of NAV
Seattle, WA	7.9%
Cambridge, MA	7.6%
Austin, TX	7.6%
New York, NY	7.4%
Phoenix, AZ	5.8%

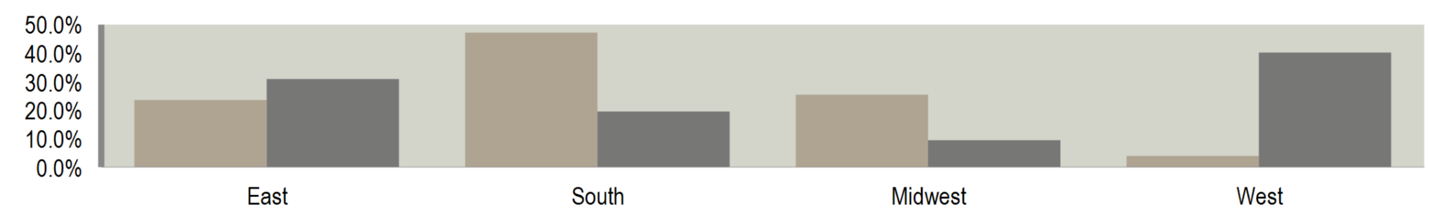
Queue In:	
Contribution Queue ($MM)	$950.11
Anticipated Drawdown (Months)	

Queue Out:	
Redemption Queue ($MM)	$490.54
Anticipated Payout (Months)	

Top Ten Holdings Investment Detail

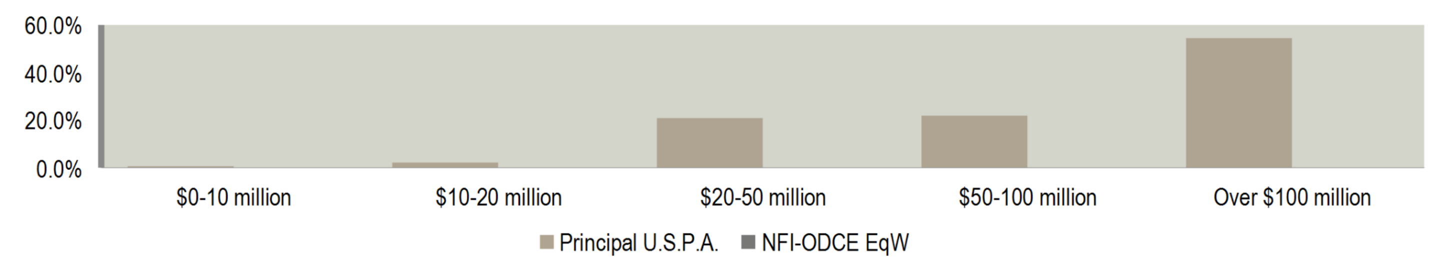
#	Property	Type	Location	% of Fund NAV
1	500 West Second Street	Office	Austin, TX	5.2%
2	Charles Park	Office	Cambridge, MA	5.0%
3	Nine Two Nine	Office	Seattle, WA	4.7%
4	555 City Center	Office	Oakland, CA	3.3%
5	Park Place	Other	Anaheim, CA	2.9%
6	225 West Santa Clara	Office	San Jose, CA	2.8%
7	Watermark Kendall East & West	Apartment	Cambridge, MA	2.7%
8	Hazard Center	Other	San Diego, CA	2.1%
9	Valley Centre Corporate Park	Industrial	Seattle, WA	2.1%
10	Sonoran Village	Apartment	Phoenix, AZ	2.1%
Total				32.8%

Regional Breakdown by NAV (Excluding Cash & Debt)



Property Type Breakdown by NAV (Excluding Cash & Debt)

Property Size Breakdown by NAV (Excluding Cash & Debt)



Market Value: $33.1 Million and 100.0% of Fund

Asset Class	Investment Manager	Fee Schedule	Expense Ratio & Estimated Annual Fee [1]	Industry Median [2]
Int. Fixed Income	Great Lakes Advisors	0.30% on the first $10 million 0.20% on the balance	0.29% $31,557	0.30%
Large-Cap Value	Vanguard Value Index	0.06% on the balance	0.06% $1,674	0.72%
Large-Cap Core	Vanguard 500 Index	0.04% on the balance	0.04% $1,347	0.11%
Mid-Cap Growth	Vanguard Mid-Cap Growth ETF	0.07% on the balance	0.07% $1,630	0.16%
Small-Cap Value	Nuveen Small Cap Value	0.97% on the balance	0.97% $14,896	1.00%
Non-U.S. Large-Cap Core	Vanguard Developed Markets	0.07% on the balance	0.07% $2,386	0.24%
Non-U.S. Small-Cap Core	Goldman Sachs International Small Cap Insigh	0.88% on the balance	0.88% $15,649	0.97%
Emerging Markets	DFA Emerging Markets Core Equity Fund	0.53% on the balance	0.53% $9,046	1.35%
Global Tactical Asset Allocation	BlackRock Multi-Asset Income	0.52% on the balance	0.52% $8,632	0.65%
Core Real Estate	Principal U.S. Property Separate Account	1.10% on the balance	1.10% $24,116	1.00%
Total Investment Management Fees			**0.34%** **$110,933**	**0.47%**
Investment Consultant	Marquette Associates, Inc.	$50,000 Annual Fee	0.15% $50,000	
Custodian	US Bank	0.02% on the balance $7,500 annual minimum	0.02% $7,500	
Total Fund			**0.51%** **$168,433**	

[1] Expense Ratio & Estimated Annual Fee are Based on Market Value at Quarter End.
[2] Source: 2019 Marquette Associates Investment Management Fee Study.

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Perspectives

SEPT 2020

How Will the 2020 Election Affect the Markets?

The 2020 presidential election is fast approaching on November 3rd and key election issues pertaining to the economy will be viewed with respect to a backdrop of crisis and uncertainty more than ever. Curbing the spread of COVID-19 is at odds with reopening the economy while racial injustice remains a focal point. A potential Biden presidency and Democrat-controlled Senate could result in tax increases aimed at stimulating the economy through public projects and providing a social safety net. In contrast, a second term with Trump would likely mean more of the status quo in terms of keeping the 2017 tax cuts, further trade negotiations with China, and his attempt to nullify Obama's Affordable Care Act.

In the following, we will assess the platforms of both Biden and Trump with a focus on Biden's proposed tax policies and a perspective on how they are expected to affect the economy and markets. We will next examine the historical effect of politics on the markets such as equity performance based on which party controls the White House, Senate, and House of Representatives. Lastly, we will take a look at 2020 election expectations based on recent polls and markets.

Ben Mohr, CFA
Director of Fixed Income

Mollie Zugger
Research Associate

CONTENTS

PLATFORMS: BIDEN VS. TRUMP

Exhibit 1: Biden's Key Tax Proposals & Estimated Revenue

	Tax Increase	10-Year Revenue
Individual	Raise top rate from 37% to 39.6%	$191B
	Itemized deductions capped at 28% for higher tax brackets	$310B
	Raise capital gains from cap of 23.8% to ordinary income rates for income >$1M	$800B
Corporate	Increase statutory corporate tax rate to 28% (CBO: every % increase = ~$100B)	$700B
	Fee on certain liabilities of firms with >$50B in assets	$100B
	15% minimum tax on book income	$400B
	Raise Global Intangible Low Tax Income rate from 10.5% to 21%	$340B
	End fossil fuel tax incentives	$40B
	End real estate tax benefits (exemption for rental loss, like-kind exchanges, rental depreciation)	$500B
Estate	End estate tax stepped-up basis	$105B
	Estate tax rate up to 77% for estates >$1B	$2.2T
Other	Carbon tax $25 per tons of carbon dioxide equivalent emitted	$1.1T
	Financial transactions tax 0.1% on sale of stocks, bonds, or derivatives	$800B
	Wealth tax 2% on net worth above $50M, rising to 6% above $1B	$3.75T

Sources: Congressional Budget Office, Bloomberg, Ernst & Young Tax Advisory, Tax Policy Center, Tax Foundation, American Enterprise Institute, Senate Finance Committee.

In summary, Biden's economic platform primarily consists of tax increases that will become revenue sources for health, education, and climate plans. Exhibit 1 highlights some of these potential tax increase proposals, ranging from increasing the highest tax bracket to 39.6% from 37% to raising the corporate tax rate to 28% from 21%, which had been reduced from 35% by the 2017 tax cut. The three main Washington-based think tanks — the Tax Policy Center, the Tax Foundation, and the American Enterprise Institute — all estimate the subsequent revenue enhancement to be in the multi-trillions of dollars over 10 years. As shown in the right-most column of Exhibit 1, many of these tax increases are estimated by Biden and the Democrats to each largely provide revenue in the hundreds of billions of dollars over the next 10 years, with some potentially single-handedly providing revenue in the multi-trillions of dollars.

Through these proposals, Biden is expected to put forward tax increases that harken back to the Obama era to counter Trump's deficit spending. Recently, however, deficit concerns have taken a back seat because the pandemic has necessitated an unprecedented response — deficit or not. As such, Biden is expected to emphasize the Democrats' touchstone, which is to make wealthy individuals and corporations "pay their fair share," and call for more progressive taxes. In contrast, Trump's reelection, if coupled with a Senate still controlled by the Republicans, likely means a refinement of provisions from the 2017 tax cut and continuing to put deficit concerns on the back burner.

If voters were to choose Biden, they may likely choose a Democrat-controlled Senate as well, and in such a case we would expect a quick response towards economic stimulus via a series of proposed tax increases. As shown in Exhibit 2, Biden's tax proposals are earmarked for projects such as infrastructure and clean energy, and for R&D towards next-generation scientific applications such as 5G, artificial intelligence, and electric vehicles. In addition, Biden recently announced a plan for childcare and eldercare as well as healthcare priorities including coronavirus response measures, all as part of an aim by the Democrats to reinforce safety net programs. For example, Biden plans to roll back parts of the 2017 tax cut and raise the ceiling on capital gains taxes, which would provide part of the revenue for his healthcare projects.

Exhibit 2: Biden's Key Tax Proposals & What They Would Pay For

			Child & Elder Care	Climate/ Infra.	Education	Housing	Healthcare	Made in USA, R&D
Individual	Top Income Tax Rate	Raise from 37% to 39.6%					■	
	Business Owners	Phase out 199A deduction for income >$400k					■	
	Capital Gains	Raise from cap of 23.8% to ordinary income rates for income >$1M					■	
	Itemized Deductions	Capped at 28% for higher tax brackets			■			
	Social Security	Impose 12.4% payroll tax for income >$400k						
Corporate	Corporate Income Tax	Raise from 21% to 28%		■				
	Surtax	15% minimum tax on book income >$100M		■				
	International Tax	Raise Global Intangible Low Tax Income rate from 10.5% to 21%		■				■
		Lower incentives for "tax havens, evasion, and outsourcing"		■				■
		Tighter rules on anti-inversion		■				■
		"Harmful tax competition" and "illegal corporate tax avoidance" sanctions		■				■
	Real Estate	No use of real estate losses and like-kind exchanges to reduce taxes	■					
	Other	Fee on certain liabilities of firms with >$50B in assets				■		
		Repeal CARES Act excess business losses provision			■			
		End advertising deduction for pharma companies					■	
		Repeal fossil fuel subsidies		■				
Estate	Estate Tax	End stepped-up basis for estate tax			■			

Note: Biden's proposed social security payroll tax has not been earmarked for any specific projects.
Sources: Congressional Budget Office, Bloomberg, Ernst & Young Tax Advisory, Tax Policy Center, Tax Foundation, American Enterprise Institute, Senate Finance Committee.

One caveat here, however: if the Democrats were to win a Senate majority, that majority may likely be very narrow. Add on top of that the ideological splits between progressive Democrats vs. moderate Democrats and there may still be tremendous obstacles as Biden — if he were to win — and the Democrats try to push legislation through.

In addition to tax increases, Biden also proposes a number of tax incentives, highlighted in Exhibit 3. These tax incentives are geared towards childcare and eldercare, the environment, and housing.

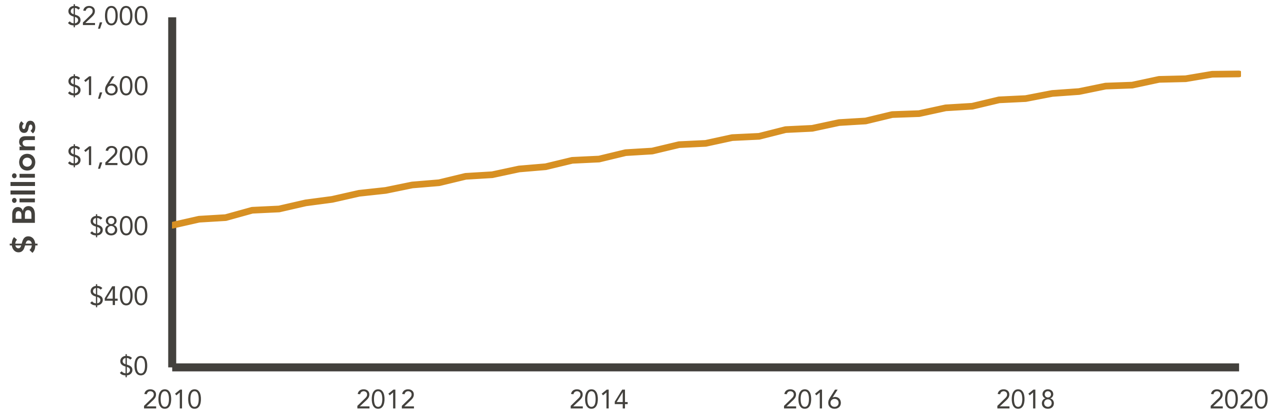
Exhibit 3: Biden's Proposed Tax Incentives

Category	Incentive
Child & Elder Care	Tax credits for businesses to build child care facilities onsite
	$5k tax credit for informal elder care providers
	Expand earned income tax credit for those age 65+
	$8k tax credit for childcare
Climate/ Infrastructure	Expand tax deductions for energy retrofits, smart metering systems, emissions-reduction in buildings
	Tax credits for residential energy efficiency
	Reinstate solar investment tax credit
	Restore full electric vehicle tax credit
	Make permanent the new markets tax credit
	Tax incentives for carbon capture, use & storage
	Establish a manufacturing communities tax credit
Housing	Expand low-income housing tax credit
	First down payment tax credit up to $15k
	Renter's credit to reduce rent & utilities to 30% of income

Sources: Congressional Budget Office, Bloomberg, Ernst & Young Tax Advisory, Tax Policy Center, Tax Foundation, American Enterprise Institute, Senate Finance Committee.

Education and its impact on the economy is another controversial battleground for Biden and Trump. Desperate to reopen the economy for the election, Trump pushed for schools to fully reopen this fall. Facing criticism from both policymakers and parents, he has stressed the risks of remote learning for both parents and children. According to the Census Household Pulse Survey, since May, approximately seven million people per week have not worked due to a lack of childcare.[1] Aiming to support the working parents of children, Trump is encouraging Congress to pass the School Choice Now Act, which offers money to families for education, allocating 10% of emergency education aid to scholarship-granting organizations in every state. This funding would allow more parents to send their child(ren) to the school of their choice. On the other hand, Biden remains hesitant to reopen schools, acknowledging that implementing strict health protocols may prove challenging as the virus is not yet under control. Looking forward, the reopening of schools remains one of many concerns that may influence voting decisions on November 3rd.

Exhibit 4: A Growing Concern: Student Loans Owned & Securitized Outstanding



Source: Federal Reserve as of June 30, 2020; latest available as of August 21, 2020.

As it relates to where education dovetails with the economy, Biden is focusing on college affordability, with a promise to reinstate some Obama era guidelines that Trump has rolled back. Should he win, Biden intends to take a progressive approach and partially adopt Bernie Sanders' plan of free higher education. As shown in Exhibit 4, student loans outstanding have more than doubled from $800 billion in 2010 to $1.7 trillion in 2020. Biden plans to cancel student loan debt to further stimulate the economy, vowing to make four-year public colleges free for students living in a household with total family income below $125,000. Furthermore, he is proposing free two-year community college educations for all students regardless of their family income. Through his education platform, Biden is urging federal and state governments to join forces to make public higher education more accessible to lower income students. Moreover, Biden intends to expand funding for the largest federally-funded educational program, Title 1, to provide supplemental funds to teachers at schools with the highest concentrations of low-income students. Biden's education policies would cost the government approximately $850 billion over a 10-year period.[2]

To summarize this section, Biden is campaigning on a platform of increased taxes across the individual, corporate, and estate levels to support healthcare, R&D, infrastructure, climate-control, child and elder care, and education projects aimed at providing a safety net for Americans and stimulating the economy so that recovery from the coronavirus pandemic might be swift and sustained. With Trump on the other hand, we would largely expect the status quo, continued deficit spending, further refinement of his 2017 tax cuts, and a focus on trade negotiations with China. The Washington-based think tank Tax Foundation estimates that Biden's proposals, if enacted, would reduce GDP growth by 1.5% while the American Enterprise Institute estimates a 0.2% reduction. The third Washington-based think tank Tax Policy Center does not have an official estimate. None of these three think tanks have produced an updated estimate on Trump's second term from the one they produced during Trump's campaign for his first term. As such, we could think of GDP growth scenarios under Trump's second term, if he were to win, as the baseline because of the expected "more of the same" and Biden's potential GDP reduction to be a headwind for the markets. Biden's tax plan features tax increases primarily falling on the top 1% of income earners and his proposals would make the federal tax code more progressive but they would also increase taxes for all income levels across the spectrum. Finally, additional important points to consider are the control of the Senate and House by either party. A Biden victory along with a Senate that going forward has a Democrat majority will be expected to be most able, along with a House that remains in Democrat control, to pass tax increases, attenuated by the fact that the progressive vs. moderate split among Democrats may slow or potentially reduce the legislative pipeline.

Exhibit 5: Divided We Stand?

U.S. Equity Market (S&P 500) Performance by Party Control of White House, Senate, and House

President/Senate/House	DDD	DDR	DRD	DRR	RDD	RDR	RRD	RRR
Average Return	14.3%	16.0%	-	15.9%	8.7%	-17.0%	19.9%	13.0%
# of Years	22	4	0	10	22	2	9	6
% Positive	82%	100%	-	90%	73%	0%	78%	83%
You May Remember...	Early Obama & Clinton Years	Late Obama Years		Late Clinton Years	"H. W." Bush Years	Early "W" Bush Years	Reagan & Trump Years	Iraq War & Trump Years

Sources: Bloomberg, U.S. Senate, U.S. House of Representatives, 1945–2019.

We will now examine how politics has historically impacted the markets. As shown in the previous section, party control of the presidency as well as both houses of Congress is paramount to passing legislation swiftly. Therefore, we begin by assessing how the stock market has performed based on which party controls the White House, Senate, and House of Representatives. Exhibit 5 shows the average return of the S&P 500 under each of the eight scenarios, with DDD representing the presidency, Senate, and House all controlled by the Democrats. The average S&P 500 return was 14.3% under this combination, with a large majority of the years, 82%, under this combination resulting in a positive-returning market. Examples are the early Obama years as well as the early Clinton years.

The key takeaway here is that these combinations are not a good predictor of stock market returns, although, interestingly, the RDR combination representing a Republican White House, a Senate controlled by Democrats and a Republican House produced only negative returns averaging -17.0%. However, that corresponded to the two worst years of the tech bubble collapse, 2001 and 2002.

Exhibit 6: It Doesn't Matter Which Party is in Office – What Matters is the Market Cycle

U.S. Equity Market (S&P 500) Annual Return (%) by Party Control of White House, Senate, and House

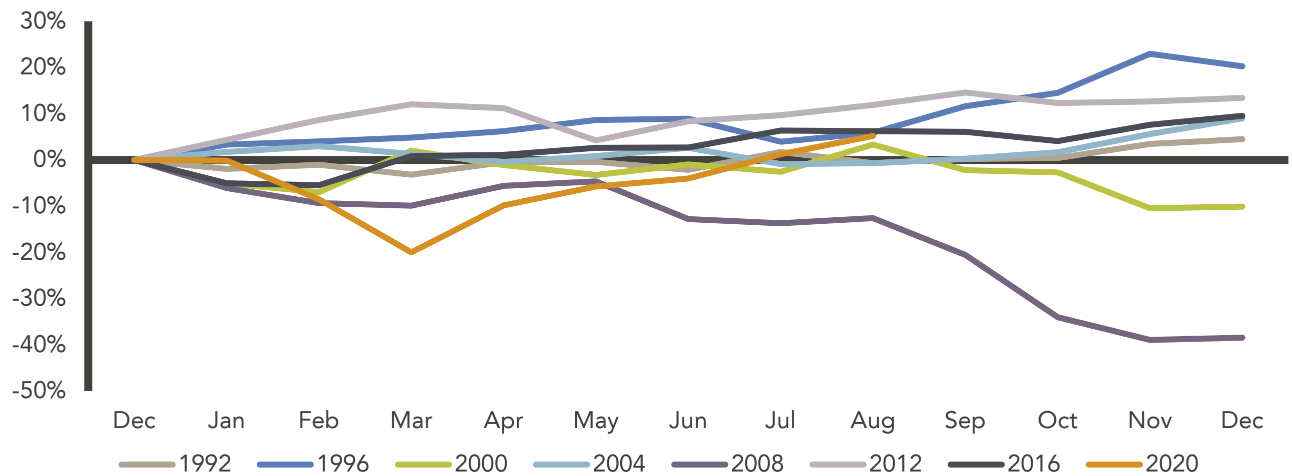
	Year	DDD	DDR	DRD	DRR	RDD	RDR	RRD	RRR
Clinton	1993	10.1							
	1994	1.3							
	1995				37.6				
	1996				23.0				
	1997				33.4				
	1998				28.6				
	1999				21.0				
	2000				-9.1				
G.W. Bush	2001						-11.9		
	2002						-22.1		
	2003								28.7
	2004								10.9
	2005								4.9
	2006								15.8
	2007					5.5			
	2008					-37.0			
Obama	2009	26.5							
	2010	15.1							
	2011		2.1						
	2012		16.0						
	2013		32.4						
	2014		13.7						
	2015				1.4				
	2016				12.0				
Trump	2017								21.8
	2018								-4.4
	2019							31.5	

Source: Bloomberg.

Exhibit 6 more clearly confirms the hypothesis that party control is not an accurate predictor of market performance by examining the annual return of the S&P 500 corresponding to which president was in office and which party controlled the White House and both houses of Congress. The important takeaway here is that the market will perform under each presidency based on which part of the market cycle each president inherits. In other words, it does not matter which party is in office or which party controls the houses of Congress. What matters is the market cycle. The 1990s boom enjoyed by Clinton was based more so on the Internet boom. The tech bubble burst of 2000, Clinton's final year as president, and 2001 and 2002, George W. Bush's first two years, were due primarily to Internet companies going public at exorbitant prices based on "eyeballs" — the term used at the time to represent page views — despite negative cash flows. A similar paradigm existed in the late 2000s as mortgage companies made it easy for subprime and Alt-A borrowers to purchase multiple homes, creating a housing bubble that burst in 2008, Bush's last year, paving the way for the rebound under Obama.

Exhibit 7 further reinforces this notion that it is the market cycle that determines market performance rather than who is in office or who controls either house of Congress, but focuses only on election years. This chart profiles the full year of S&P 500 performance for each of the last eight election years, including 2020 to date.[3] We could see 2008, Obama's election year, as an extreme — a massive down year caused by the housing market crash. 1996 was an up-market extreme, the year of Clinton's reelection, when the tech boom was taking hold. 2020 took a dramatic dip in March with the panic brought on by the spread of COVID-19 but has rebounded back to previous heights due to vaccine potential and economic re-openings.

Exhibit 7: Nothing to See Here – Election Year U.S. Equity Market (S&P 500) Performance



Source: Bloomberg, based on month-end performance of the S&P 500.

One final phenomenon we will examine is called the Presidential Election Cycle. The idea was popularized by Yale Hirsh, author of the Stock Trader's Almanac that was first published in 1967. In addition to his Presidential Election Cycle, Hirsh also popularized other stock market concepts such as the January Barometer, the Santa Claus Rally, and the saying, "Sell in May and Go Away."[4]

The Presidential Market Cycle theory suggests that the market tends to struggle during the first year of a president's term. The logic is that the new president's policies that are considered "tough medicine" are enacted quickly (the "first 100 days"). The markets then tend to perform better in the second half of a presidential term because the next election is approaching and the president focuses on policies that will stimulate growth to boost the economy and support their reelection. Exhibit 8 breaks out the average returns for the S&P 500 for each of the four years over the last 18 presidential cycles. While the first-year struggle can't be seen in the data, the better performance in the second half appears to hold true.

Exhibit 8: Presidential Election Cycle

U.S. Equity Market (S&P 500) Performance During Presidential Cycle Since 1948 (%)

	All Periods	Year 1	Year 2	Year 3	Year 4
Average Return	12.9	10.6	9.8	20.6	10.3
% of Years Positive	78.9	61.1	66.7	100.0	88.2
Exceptions		2009 Rebound 2013 Taper Tantrum		2011 Eurocrisis 2015 Shale Crisis	2000 Tech Crisis 2008 Housing Crisis

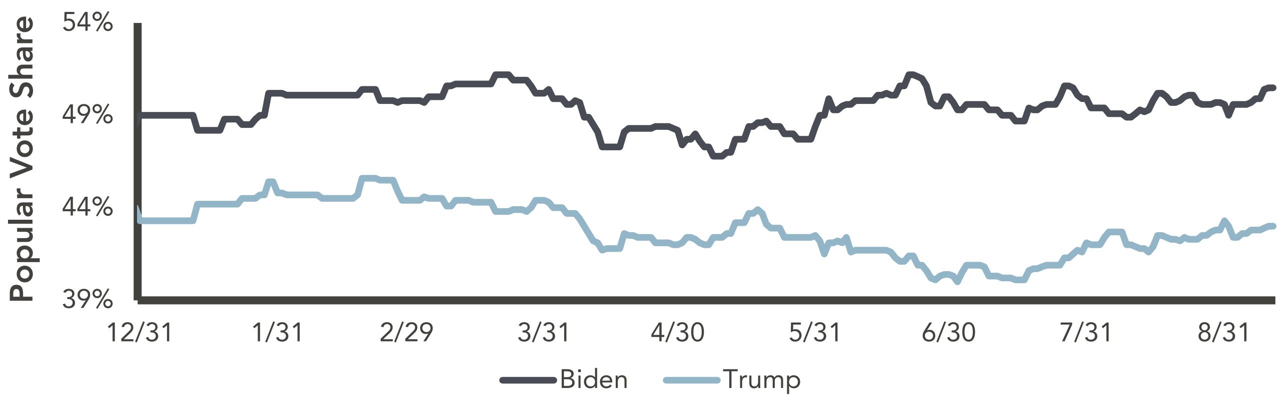
Source: Bloomberg, 1949–2019.

To recap this section, it has been proven over numerous presidencies that what matters most is the equity market cycle, not which party controls the White House, Senate, or House. Similarly, election years show no set pattern and are likewise determined by where we are in the market cycle. Lastly, there is some truth to the Presidential Election Cycle in that the last two years of a presidential term will typically be characterized by stronger market returns than the first two years. It is important to note that while we have focused on equity returns, by extension the same applies to credit returns since credit and equity returns are highly correlated and both are based on the strength of corporate earnings. However, Treasury bonds will largely have an opposite effect, as they are viewed as safe haven assets in contrast to equity and credit as risk assets. In a weak economy when equity and credit investments are struggling, the Fed is likely to cut rates, a tailwind for Treasury bonds. In contrast, in a strong economy when equity and credit are strong, the Fed is likely to hike rates, a headwind for Treasury bonds.

We now turn to expectations for the upcoming election based on the polls and the markets.

2020 ELECTION EXPECTATIONS

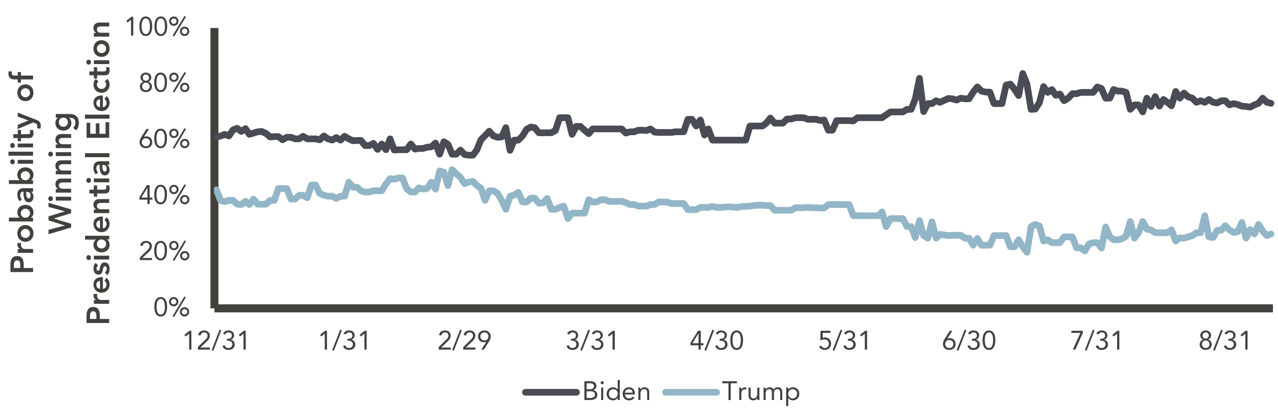
Exhibit 9: What Are the Polls Saying?



Sources: Bloomberg, Real Clear Politics as of September 11, 2020.

Exhibit 9 shows that Biden holds a fairly wide margin over Trump based on popular vote polling and that margin appears to have grown throughout the year so far. Voters may be signaling that they want a change in the administration. The markets are confirming this indicator, as shown in Exhibit 10, which profiles the probability of each candidate's winning the election based on futures contracts. Again, Biden's margin of victory appears to be expanding.

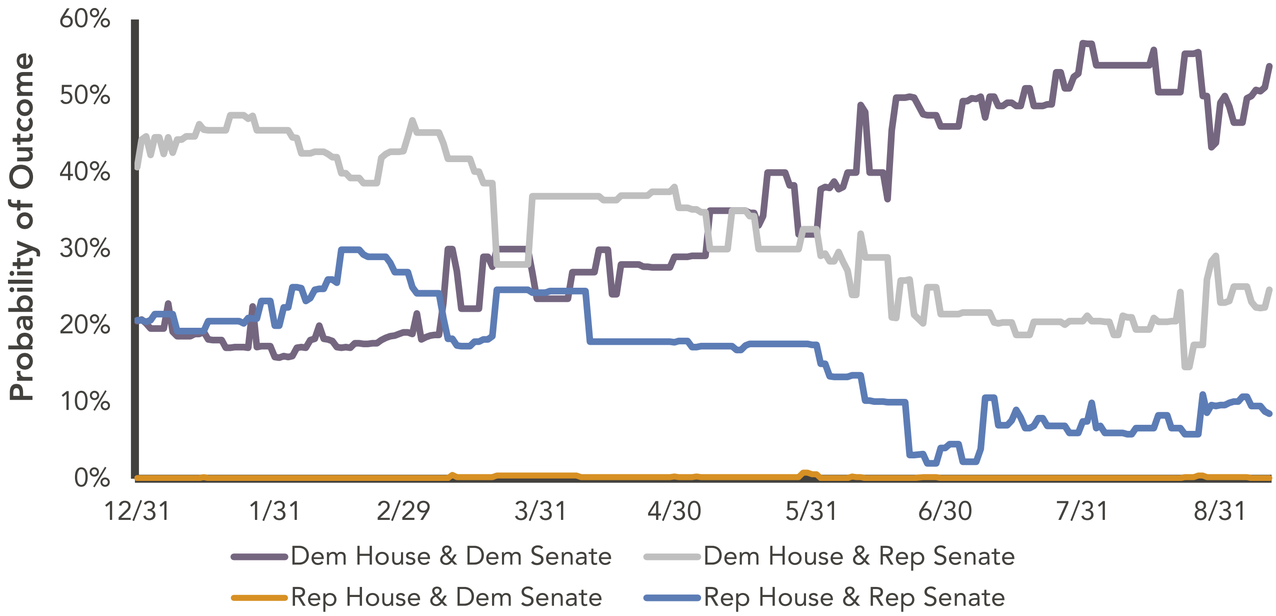
Exhibit 10: What Are the Markets Saying?



Source: Iowa Electronic Markets as of September 11, 2020.

On the Congressional side, a similar futures market exists for party control of both houses. Exhibit 11 shows the probability of each of the four combinations of party control throughout 2020. The probability of a Democrat-controlled House and a Democrat-controlled Senate has been gaining since the shutdowns began in March and that combination is now in the lead.

Exhibit 11: How About Congress? Democrats Expected to Take Both Senate and House



Source: Iowa Electronic Markets as of September 11, 2020.

To recap this section, both the polls and the futures markets are predicting a Biden victory with the futures market predicting the Democrats to take both the Senate and House.

CONCLUSION

In conclusion, we have shown that Biden's platform focuses on a number of key tax increases that will enhance revenue in order to fund the various healthcare, R&D, infrastructure, climate, and education policies that he has planned. If the Democrats gain both a presidential as well as a Senate victory while keeping the House under their control — which appears likely as indicated by both the polls and futures markets — Biden will have the highest probability of successfully enacting many of his proposed policies as possible, notwithstanding the ideological split between progressive vs. moderate Democrats that may hinder such legislation to a certain extent. Meanwhile, under Trump we would expect more of the status quo: further refinement of the 2017 tax cut, more trade negotiations with China, and additional efforts to nullify Obama's Affordable Care Act. If Trump wins and the Republicans retain control of the Senate as well as somehow win control of the House, we would expect a more robust Republican agenda over the next four years, characterized by more deficit spending while keeping taxes low in order to stimulate the economy post-COVID.

At the end of the day, financial market performance ultimately depends on the market cycle, corporate earnings, technological innovation, and geopolitics. Whichever administration that is in office will either butt heads or work together with Congress to pass legislation that will, in theory, support corporate growth and technological innovation and provide for geopolitical stability. The overwhelming force that drives the markets, however, is not which party controls the White House, Senate, or House, as we have shown previously, but, rather, the market cycle and technological innovation coupled with risk-taking by companies to equate supply and demand from consumers. These are the primary factors that drive equity and credit returns. Treasury bonds will largely have an opposite effect, as they are viewed as safe-haven assets in contrast to equity and credit as risk assets. In a weak economy when equity and credit are weak, the Fed is likely to cut rates, a tailwind for Treasury bonds. In contrast, in a strong economy when equity and credit are strong, the Fed is likely to hike rates, a headwind for Treasury bonds.

While the polls and futures markets are predicting a Biden win and both houses of Congress to be under Democratic control — potentially paving the way for meaningful tax increases that may be a headwind for GDP growth and the markets according to the Washington think tanks — Marquette recommends taking polls and predictions with a grain of salt. Going into the 2016 election, Hilary Clinton was predicted to win but a vast number of her supporters ended up not showing up to vote. The upcoming election will feature a significantly greater quantity of mail-in ballots due to the COVID pandemic, further reinforcing the notion that this election is anything but normal. As such, Marquette recommends maintaining strategic allocations and expecting elevated volatility due to the uncertainty stemming from both the election as well as the ongoing COVID-induced economic headwinds.

NOTES

[1] Tappe, Anneken. 4 Aug 2020. "Many parents may have to stop working entirely if schools don't reopen, Goldman Sachs says." CNN Business.

[2] Barrow, B. & Madhani, A. 30 July 2020. "Trump vs. Biden: Where they stand on health, economy, more." Nation World.

[3] Through August 31, 2020.

[4] The January Barometer is a theory of the markets that indicates that performance in January provides a prediction for the performance of the rest of the year. The Santa Claus Rally is a market phenomenon that shows a tendency for the market to rally during December due to holiday shopping and the holiday spirit. "Sell in May and Go Away" refers to avoiding the markets during the summer lull as the months of November through April produce stronger market growth.

PREPARED BY MARQUETTE ASSOCIATES

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About Marquette Associates

Marquette Associates is an independent investment consulting firm that guides institutional investment programs with a focused client service approach and careful research. Marquette has served a single mission since 1986 – enable institutions to become more effective investment stewards. Marquette is a completely independent and 100% employee-owned consultancy founded with the sole purpose of advising institutions.

For more information, please visit www.marquetteassociates.com.

Glen Ellyn Police Pension Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 10/21/2020 4:30 PM
Department: Finance
Department Head: Christina Coyle
Category: Report
Prepared By: Lori Thomas

AGENDA ITEM (ID # 2020-580)

DOC ID: 2020-580

Motion to Approve the Annual Report to the Village Board

Statement of the Issue:
Attached to this item is the Annual Report to the Village Board that is required to be approved by the Pension Board and submitted to the Village Board. The information contained in the report is a summary of the actuarial report.

Jason Franken from Foster & Foster will be in attendance at the meeting to present the actuarial report and answer any questions the Pension Board may have.

Analysis:
N/A

Budget Impact:
N/A

Action Requested:
Staff also requests that the Pension Board approve the annual report to be provided to the Village Board.

Attachments:

1. VOGE Police Municipal Compliance Report - December 31 2019
2. Glen Ellyn Police IPS 07_2017 - Executed
3. Actuarial Valuation Report - Glen Ellyn Police - 2020

VILLAGE OF GLEN ELLYN, ILLINOIS
POLICE PENSION FUND

Municipal Compliance Report (40 ILCS 5/3-143, report by pension board)
For the Year Ended December 31, 2019

The Glen Ellyn Police Pension Board certifies to the Village Board on the condition of the Pension Fund at the end of its most recently completed fiscal year the following information:

1. The total assets of the fund in its custody at the end of the fiscal year and the current market value of those assets:

Total Assets	$32,808,661
Market Value	$32,808,661

2. The estimated receipts during the next succeeding fiscal year from deductions from the salaries of police officers and from other sources:

Estimated Receipts - Employee Contributions	$354,789
Estimated Receipts - All Other Sources	
Investment Earnings	N/A
Municipal Contributions	$2,058,218

3. The estimated amount required during the next succeeding fiscal year to (a) pay all pensions and other obligations provided in Article 3 of the Illinois Pension Code, and (b) to meet the annual requirements of the fund as provided in Sections 3-125 and 3-127:

(a) Pay all Pensions and Other Obligations	$2,058,218
(b) Annual Requirement of the Fund as Determined by:	
Illinois Department of Insurance	N/A
Private Actuary - Report Dated May 15, 2020 (Entry Age Normal)	$2,058,218
Private Actuary - Report Dated May 15, 2020 (PA096-1495)	$1,643,342

VILLAGE OF GLEN ELLYN, ILLINOIS
POLICE PENSION FUND

Municipal Compliance Report (40 ILCS 5/3-143, report by pension board)
For the Year Ended December 31, 2019

4. The total net income received from investment of assets along with the assumed investment return and actual investment return received by the fund during its most recently completed fiscal year compared to the total net income, assumed investment return, and actual investment return received during the preceding fiscal year:

	Current Fiscal Year	Preceding Fiscal Year
Net Income Received from Investment of Assets	$4,394,123	$(1,747,048)
Assumed Investment Return		
Illinois Department of Insurance - Actuarial Report	N/A	N/A
Private Actuary - Report Dated May 15, 2020	6.50%	6.50%
Actual Investment Return	4.87%	3.79%

5. The total number of active employees who are financially contributing to the fund:

Number of Active Members	38

6. The total amount that was disbursed in benefits during the fiscal year, including the number of and total amount disbursed to (i) annuitants in receipt of a regular retirement pension, (ii) recipients being paid a disability pension, and (iii) survivors and children in receipt of benefits:

	Number of	Total Amount Disbursed
(i) Regular Retirement Pension	31	$2,064,597
(ii) Disability Pension	2	$ 135,497
(iii) Survivors and Child Benefits	4	$ 130,219

7. The funded ratio of the fund:

Illinois Division of Insurance - Actuarial Report	N/A	N/A
Private Actuary - Report Dated May 15, 2020	59.2%	59.4%

Municipal Compliance Report (40 ILCS 5/3-143, report by pension board)
For the Year Ended December 31, 2019

8. The unfunded liability carried by the fund, along with an actuarial explanation of the unfunded liability:

Unfunded Liability:	
Illinois Department of Insurance - Actuarial Report	N/A
Private Actuary - Report Dated May 15, 2020	$22,377,198

The accrued liability is the actuarial present value of the portion of the projected benefits that has been accrued as of the valuation date based upon the actuarial valuation method and the actuarial assumptions employed in the valuation. The unfunded accrued liability is the excess of the accrued liability over the actuarial value of assets.

9. The investment policy of the Pension Board under the statutory investment restrictions imposed on the fund.

Investment Policy - See Attached

CERTIFICATION OF MUNICIPAL POLICE
PENSION FUND COMPLIANCE REPORT

We, the undersigned Trustees of the Glen Ellyn Police Pension Fund, based upon information and belief, and to the best of our knowledge, certify pursuant to §5/3-134 of the Illinois Pension Code, that the preceding report is true and accurate.

____ President

____ Secretary

Dated: ________________________

GLEN ELLYN POLICE PENSION FUND INVESTMENT POLICY

I. Authority to manage the Village of Glen Ellyn's Police Pension Fund is derived from the Illinois Pension Code (40 ILCS 5/1-101 et seq. and 5/1A-101 et seq.) and other laws as may be applicable to investments under Article 3 of the Illinois Pension Code (40 ILCS 5/3-101 et seq.) and as such statutes may be amended hereafter. The plan is created for the plan participants and beneficiaries for the exclusive purpose of providing retirement and other benefits to plan participants and beneficiaries.

II. **Policy**:

The fundamental goal of the Glen Ellyn Police Pension Fund is to provide retirement benefits to plan participants. The Pension Fund Board of Trustees (Board) will invest fund assets solely in the interest of fund participants and beneficiaries for the exclusive purpose of providing retirement and other benefits to plan participants and beneficiaries. This investment policy applies to the assets of the Glen Ellyn Police Pension Fund.

III. **Prudence**:

The Board shall prudently oversee the plan assets for the sole benefit of the Fund's beneficiaries. Investments shall be made with care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. That standard of prudence to be used shall be the prudent expert standard. Pension Fund Trustees acting in accordance with the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

IV. **Investment Philosophy**:

The Board believes that fund assets should be managed in a fashion that reflects the fund's unique assets and liabilities, incorporated accepted investment theory and empirical evidence. Specifically, the Board has adopted the following principles:

A. Asset allocation is the key determinant of return and, therefore, commitments to asset allocation targets will be maintained through a disciplined rebalancing program.
B. Diversification, both by and within asset classes, is the primary risk control element.
C. Passive and active management are suitable investment strategies, with passive management especially suitable in highly efficient markets.
D. Frequent trading is precluded as an acceptable investment strategy.

V. **Goals and Objectives**:

The goals and objectives of the Glen Ellyn Police Pension Fund are as follows:

A. To preserve the actuarial soundness of the plan in order to meet benefit obligations.
B. To achieve long-term (one or two market cycles) rates of return consistent with the actuarial earnings rate.
C. To prudently manage the inherent investment risks that are related to the achievement of investment goals.

VI. **Asset Allocation:**

Priority: The asset allocation decision is generally regarded as the most important decision to be made in the investment management process. To further the long-term goals and objectives set out in Section IV, the following asset allocation guidelines are established:

ASSET CLASS	TARGET	MINIMUM	MAXIMUM
Certificates of Deposit	0.0%	0.0%	7.0%
Int. Govt./Credit Fixed Income	35.0%	35.0%	45.0%
Total Fixed Income	**35.0%**	**35.0%**	**45.0%**
Large-Cap Value Equity	9.0%	5.0%	13.0%
Large-Cap Core Equity	9.0%	5.0%	13.0%
Mid-Cap Growth Equity	6.0%	3.0%	9.0%
Small-Cap Value Equity	6.0%	3.0%	9.0%
Total U.S. Equity	**30.0%**	**25.0%**	**35.0%**
Non-U.S. Large-Cap Equity	10.0%	5.0%	15.0%
Non-U.S. Small-Cap Equity	5.0%	2.0%	8.0%
Emerging Markets Equity	5.0%	2.0%	8.0%
Total International Equity	**20.0%**	**15.0%**	**25.0%**
Private Core Real Estate	10.0%	5.0%	10.0%
Total Real Estate	**10.0%**	**5.0%**	**10.0%**
Global Tactical	5.0%	0.0%	10.0%
Total Alternative Investments	**5.0%**	**0.0%**	**10.0%**
Total Cash	**0%**	**0%**	**10%**
TOTAL	**100%**		

Rebalancing Policy: The primary purpose of rebalancing is to ensure that the Fund adheres to its strategic asset allocation, which is the Fund's explicit statement of its investment approach. Secondly, historical analysis of portfolio returns when rebalancing is used indicates that rebalancing reduces volatility and may add modest value, in comparison to a similar portfolio that is not rebalanced.

Rebalancing will be carried out in a cost-effective manner. The fund will rebalance as follows:

A: If feasible, cash, as well as indexed investment strategies, will be used to maintain target allocations.

B: Securities will be liquidated from the over-funded asset classes until the target allocations are met.

The Glen Ellyn Police Pension Fund Board will review the portfolio annually for rebalancing and no more frequently than quarterly.

VII. Target Rate of Return

The Board has adopted a 6.5% target rate of return for the Glen Ellyn Police Pension Fund. In order to achieve that return, the Board maintains the following long-term nominal return targets for the following asset classes (with an inflation expectation of 2.25%):

Intermediate Govt./Credit Fixed Income = 2.5%
U.S. Large-Cap Value Equity = 7.3%
U.S. Large-Cap Core Equity = 7.1%
U.S. Mid-Cap Growth Equity = 7.5%
U.S. Small-Cap Value Equity = 8.2%
Non-U.S. Large-Cap Equity = 7.4%
Non-U.S. Small-Cap Equity = 8.1%
Emerging Markets Equity = 8.2%
Private Core Real Estate = 7.7%
Global Tactical = 4.1%

VIII. Authorized and Suitable Investments:

The fund may invest in any type of security allowed for within Illinois Pension Code (40 ILCS 5/1-113.2; 40 ILCS 5/1-113.3; 40 ILCS 5/1-113.4; and 40 ILCS 5/1-113.4a), as they may be amendment from time to time:

1) Interest bearing direct obligations of the United States of America.

2) Interest bearing obligations to the extent that they are fully guaranteed or insured as to payment of principle and interest by the United States of America.

3) Interest bearing bonds, notes, debentures, or other similar obligations of agencies of the United States of America. For the purposes of this Section, "agencies of the United States of America" includes: (i) the Federal National Mortgage Association; (ii) federal land banks, federal intermediate credit banks, federal farm credit banks, and any other entity authorized to issue direct debt obligations of the United States of America under the Farm Credit Acts of 1971 or amendments to that Act; (iii) federal home loan banks and the Federal Home Loan Mortgage Corporation; and (iv) any agency created by Act of Congress that is authorized to issue direct debt obligations of the United States of America.

4) Interest bearing savings accounts or certificates of deposit, issued by federally chartered banks or savings and loan associations, to the extent that the deposits are insured by agencies or instrumentalities of the federal government.

5) Interest bearing savings accounts or certificates of deposit, issued by State of Illinois chartered banks or savings and loan associations, to the extent that the deposits are insured by agencies or instrumentalities of the federal government.

6) Investments in credit unions, to the extent that the investments are insured by agencies or instrumentalities of the federal government.

7) Interest bearing bonds of the State of Illinois.

8) Pooled interest bearing accounts managed by the Illinois Public Treasurer's Investment Pool (Illinois Funds) in accordance with the Deposit of State Moneys Act and interest bearing funds or pooled accounts managed, operated, and administered by banks, subsidiaries of banks, or subsidiaries of bank holding companies in accordance with the laws of the State of Illinois.

9) Interest bearing bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois.

10) Direct obligations of the State of Israel, subject to the conditions and limitations of item (5.1) of Section 1-113.

11) Money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open ended management investment companies; provided that the portfolio of the money market mutual fund is limited to the following: (i) bonds, notes certificates of indebtedness, treasury bills, or other securities that are guaranteed by the full faith and credit of the United States of America as to principal and interest; (ii) bonds, notes debentures, or other similar obligations of the United States of America or its agencies; and (iii) short term obligations of corporations organized in the United States with assets exceeding $400,000,000, provided that (A) the obligations mature no later than 180 days from the date of purchase, (B) at the time of purchase, the

obligations are rated by at least 2 standard national rating services at one of their 3 highest classifications, and (C) the obligations held by the mutual fund do not exceed 10% of the corporation's outstanding obligations.

12) General accounts of life insurance companies authorized to transact business in Illinois.

13) Any combination of the following, not to exceed 65% of the pension fund's net assets: (1) separate accounts that are managed by life insurance companies authorized to transact business in Illinois and are comprised of diversified portfolios consisting of common or preferred stocks, bonds, or money market instruments; (2) separate accounts that are managed by insurance companies authorized to transact business in Illinois, and are comprised of real estate or loans upon real estate secured by first or second mortgages and (3) Mutual Funds that meet the following requirements: (i) the mutual fund is managed by an investment company and registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953; (ii) the mutual fund has been in operation for at least 5 years; (iii) the mutual fund has total net assets of $250 million or more, and; (iv) the mutual fund is comprised of a diversified portfolio of common or preferred stocks, bonds, or money market instruments. (4) through an investment adviser, invest a portion of the assets in common and preferred stocks authorized for investments of trust funds under the laws of the State of Illinois. The stocks must meet all of the following requirements: (a) The common stocks are listed on a national securities exchange or board of trade (as defined in the Federal Securities Exchange Act of 1934 and set forth in Section 3.G of the Illinois Securities Law of 1953) or quoted in the National Association of Securities Dealers Automated Quotation System National Market System (NASDAQN MS), (b) The securities are of a corporation created or existing under the laws of the United States or any state, district, or territory thereof and the corporation has been in existence at least 5 years, (c) The corporation has not been in arrears on payment of dividends on its preferred stock during the preceding 5 years, (d) the market value of stock in any one corporation does not exceed 5 % of the cash and invested assets of the pension fund, and the investments in the stock of any one corporation do not exceed 5% of the total outstanding stock of that corporation, (e) the straight preferred stocks or convertible preferred stocks are issued or guaranteed by a corporation whose common stock qualifies for investment by the board, (f) the issuer of the stocks has been subject to the requirements of Section 12 of the federal Securities Exchange Act of 1934 and has been current with the filing requirements of Sections 13 and 14 of that Act during the preceding 3 years.

14) Corporate bonds managed through an investment advisor must meet all of the following requirements:

(1) The bonds must be rated as investment grade by one of the 2 largest rating services at the time of purchase.

(2) If subsequently downgraded below investment grade, the bonds must be liquidated from the portfolio by the managers within 90 days after being downgraded.

IX. Safekeeping and Custody

Securities will be held by one third party custodian designated by the treasurer and evidenced by safekeeping receipts. The treasurer shall be authorized to instruct security transactions and cash flow activity on behalf of the Glen Ellyn Police Pension Fund Board.

X. Performance Benchmarks

As a primary return target, the Glen Ellyn Police Pension Fund's asset allocation has been optimized to meet the 6.5% rate set forth by the Pension Board over full market cycles. The Board is cognizant that natural market volatility over shorter term measurement periods can cause the Fund's return to fluctuate around this absolute return target. As such, a customized blended benchmark has been established as a secondary and relative return target. This benchmark is constructed as a passive implementation of the Fund's target asset allocation. Further detail surrounding the underlying benchmarks used in the construction of this benchmark can be found in Addendum A.

XI. Investment Manager Performance Review and Evaluation

Performance reports generated by the Investment Consultant shall be compiled at least quarterly and communicated to the Trustees for review. The investment performance of total portfolios as well as asset class composite and individual managers will be measured against commonly accepted performance benchmarks. Consideration shall be given to the investment objectives, goals and guidelines as set forth in this statement of investment policy. The Trustees intend to evaluate the portfolio over at least a three to five year period, but reserve the right to terminate a manager for any reason, including the following:

A. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification for poor results.
B. Failure to adhere to any aspect of this statement of investment policy, including communication and presorting requirements.
C. Significant qualitative changes to the investment management organization(s).

Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

The following terminology has been developed to facilitate efficient communication between the investment managers, investment consultant, and the Board. Each term signifies a particular status with the Fund and any conditions that may require improvement. In each case, communication is made only after consultation with the Board and staff.

	STATUS	***DESCRIPTION***
A.	***"In Compliance"***	The investment manager is acting in accordance with the Investment Policy Statement.
B.	***"Alert"***	The investment manager is notified of a problem in performance (usually related to a benchmark or volatility measure), a change in investment characteristics, an alteration in management style or key investment professionals, and/or any other irregularities.
C.	***"On Notice"***	The investment manager is notified of continued concern with one or more Alert issues. Failure to improve upon stated issues within a specific time frame justifies termination.
D.	***"Termination"***	The Board has decided to terminate the investment manager. The investment manager is notified and transition plans are in place.

XII. Reporting:

An investment report shall be regularly provided to the Police Pension Board. The report will include the following:

A. A listing of individual securities held at the end of the reporting period.
B. The percentage of the total portfolio which each type of investment represents.
C. The percentage of the total portfolio which each institution is holding.
D. Principal and type of investment by fund.

Operational Guidelines

Intermediate Govt./Credit Fixed Income Management – Separate Account

This document contains the guidelines and restrictions that apply to the intermediate government bond and mortgage manager of the Pension Fund (see addendum A).

Permissible Investments

1. The manager shall comply with all of the provisions of the Illinois Pension Code relating to Article 4 Pension Funds, specifically Sections 1-113.1, 1-113.2, 1-113.3, 1-113.4, and 1-113.4a relating to Permissible Investments (40 ILCS 5/1-113.2 et. seg.). In accord with the applicable portions of the Pension Code, above referenced, the manager may invest in the following fixed income securities:

   a) Investment Grade Corporate Bonds
   b) Treasury Bills
   c) Treasury Notes
   d) Government Agencies (This includes bonds issued by the Federal National Mortgage Association, Student Loan Marketing Association, federal land banks, federal intermediate credit banks, entities authorized to issue debt obligations of the United States of America under the Farm Credit Act of 1971, federal home loan banks, Federal Home Loan Mortgage Corporation, and any other agency created by Act of Congress that is authorized to issue direct obligations of the United States of America)
   e) Certificates of Deposit
   f) Investments in credit unions
   g) State of Illinois interest bearing_Bonds
   h) Illinois Public Treasurers Investment Pool
   i) Interest bearing Bonds and Tax Anticipant Warrants of any county, township, or municipal corporation of the State of Illinois
   j) State of Israel - Direct Obligations
   k) Money Markets Mutual Funds (See Section 1-113.2(11) for restrictions)

2. No single security should comprise more that 10% of the portfolio's overall allocation after accounting for price appreciation.

3. The average duration of the portfolio is not to vary more than +/-30% of the duration of the index (refer to Addendum A).

4. The manager may invest up to 10% of its portfolio in cash or cash equivalents.

Investment Objective

Over reasonable measurement periods (3 to 5 years), the portfolio's return net of fees should exceed the return of the appropriate benchmark index (see Addendum A).

Investment Guidelines for the Mutual or Commingled Fund Equity Managers

This document contains the guidelines and restrictions that apply to the equity manager(s) of the Pension Fund invested in commingled or mutual fund vehicles (see Addendum A).

Permissible Investments

1. These funds are governed by the guidelines and restrictions contained in their prospectuses or participation agreements.

Investment Objective

Over reasonable measurement periods (3 to 5 years), the portfolio's return net of fees should exceed the return of the respective benchmark indexes (refer to Addendum A).

Addendum A
Defining the Investment Professionals and Benchmark Indexes

ASSET CLASS	INVESTMENT MANAGER	BENCHMARK INDEX
CD Portfolio	Various	91 Day T-Bill
Int. Govt./Credit Fixed Income	Great Lakes Advisors	Bloomberg BarCap Int. Govt./Credit
U.S. Large-Cap Value Equity	Vanguard	Russell 1000 Value
U.S. Large-Cap Core Equity	Vanguard	S&P 500
U.S. Mid-Cap Growth Equity	Vanguard	CRSP US Mid Growth
U.S. Small-Cap Value Equity	TBD	Russell 2000 Value
Non-U.S. Large-Cap Equity	Vanguard	FTSE Developed ex US All-Cap
Non-U.S. Small-Cap Equity	Goldman Sachs	MSCI EAFE Small Cap
Emerging Markets Equity	DFA	MSCI Emerging Markets
Global Tactical	TBD	Bloomberg BarCap Int. Govt./Credit
Private Core Real Estate	Principal	NFI-ODCE

INVESTMENT PROFESSIONAL	SERVICE PROVIDER
Custodian	U.S. Bank
Investment Consultant	Marquette Associates

Addendum B – Board of Trustees Adoption of Policy

This Investment Policy Statement was adopted by the Board of Trustees of the Glen Ellyn Police Pension Fund on 7/19/2017.

Board of Trustees' Acknowledgments:

We have received this copy of the Pension Fund's Investment Policy. We have studied its provisions and believe that we can both abide by its restrictions and fulfill its goals and expectations over the timetables set forth in the Policy.

Name	Name
Trustee	Trustee - President
Title	Title
Name	Name
Trustee	
Title	Title
Name	Name
Trustee - Secretary	
Title	Title
Name	Name
Trustee	
Title	Title

<u>**Addendum C – Investment Professional Adoption of Policy**</u>

Investment Professional's Acknowledgments:

We have received this copy of the Pension Fund's Investment Policy. We have studied its provisions and believe that we can both abide by its restrictions and fulfill its goals and expectations over the timetables set forth in the Policy.

MARQUETTE ASSOCIATES, INC

Firm Name

CHRISTOPHER CAPARELLI, CFA

Investment Professional Name

Investment Professional Signature

VILLAGE OF GLEN ELLYN
POLICE PENSION FUND

ACTUARIAL VALUATION
AS OF JANUARY 1, 2020

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING DECEMBER 31, 2021

GASB 67/68 DISCLOSURE INFORMATION
AS OF DECEMBER 31, 2019

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

May 15, 2020

Ms. Christina Coyle
Finance Director
Village of Glen Ellyn
535 Duane St.
Glen Ellyn, IL 60137

Re: Actuarial Valuation Report (including GASB Statements No. 67 and No. 68) – Village of Glen Ellyn Police Pension Fund

Dear Ms. Coyle:

We are pleased to present to the Village this report of the annual actuarial valuation of the Village of Glen Ellyn Police Pension Fund. Included are the related results for GASB Statements No. 67 and No. 68. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and could produce significantly different results.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Article 3, Illinois Pension Code, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the Village, financial reports prepared by the custodian bank and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The total pension liability, net pension liability, and certain sensitivity information shown in the GASB results are based on an actuarial valuation performed as of the valuation date.

The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Village of Glen Ellyn, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Village of Glen Ellyn Police Pension Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 630-620-0200.

Respectfully submitted,

Foster & Foster, Inc.

By: Jason L. Franken
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By: Heidi Andorfer
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JLF/lke
Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the Village of Glen Ellyn Police Pension Fund, performed as of January 1, 2020, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ended December 31, 2021.

The contribution requirements, compared with those set forth in the January 1, 2019 actuarial report, are as follows:

Valuation Date Applicable to Fiscal Year Ending	1/1/2020 12/31/2021	1/1/2019 12/31/2020
Total Recommended Contribution	$2,413,007	$2,278,462
% of Projected Annual Payroll	67.4%	63.8%
Member Contributions (Est.)	354,789	353,887
% of Projected Annual Payroll	9.9%	9.9%
Village Recommended Contribution	2,058,218	1,924,575
% of Projected Annual Payroll	57.5%	53.9%

As you can see, the Total Recommended Contribution shows an increase when compared to the results determined in the January 1, 2019 actuarial valuation report. The increase is attributable to Tier 2 benefit changes and the natural increase in the amortization payment due to the payroll growth assumption.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. The primary source of unfavorable experience was an investment return of 4.87% (Actuarial Asset Basis) which fell short of the 6.50% assumption. These losses were offset in part by an average salary increase of 3.91% which fell short of the 5.03% assumption.

CHANGES SINCE PRIOR VALUATION

Plan Changes Since Prior Valuation

As a result of Public Act 101-0610, signed into law on December 18, 2019, the following updates were made to the Tier 2 benefits:

- The surviving spouse benefit for non-line of duty death was updated to mirror Tier 1 benefits, whereby Tier 2 surviving spouses will now receive 54% of final average salary, even prior to achieving vesting at 10 years of service.
- The pensionable salary cap increased retroactive to 2011 to alleviate safe harbor concerns, updating the annual adjustment to be CPI-U instead of 50% of CPI-U. The 3% annual growth cap remains in place.
- The final average salary was increased from averaging the highest consecutive 96 of the last 120 months of salary to averaging the highest consecutive 48 of the last 60 months of salary.

Actuarial Assumption/Method Changes Since Prior Valuation

There were no assumption or method changes since the prior valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Benefits 1/1/2020	Old Benefits 1/1/2020	1/1/2019
A. Participant Data			
Number Included			
Actives	37	37	38
Service Retirees	31	31	29
Beneficiaries	4	4	3
Disability Retirees	2	2	3
Terminated Vested	6	6	6
Total	80	80	79
Total Annual Payroll	$3,580,113	$3,580,113	$3,571,005
Payroll Under Assumed Ret. Age	3,580,113	3,580,113	3,571,005
Annual Rate of Payments to:			
Service Retirees	2,153,924	2,153,924	1,948,059
Beneficiaries	178,995	178,995	128,311
Disability Retirees	86,722	86,722	136,000
Terminated Vested	0	0	116,879
B. Assets			
Actuarial Value	32,459,565	32,459,565	31,371,025
Market Value	32,808,661	32,808,661	28,842,655
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	22,247,123	21,512,425	21,150,822
Disability Benefits	2,075,403	2,013,629	2,010,195
Death Benefits	279,175	233,126	221,190
Vested Benefits	2,184,092	2,147,799	2,064,183
Service Retirees	33,578,820	33,578,820	30,550,878
Beneficiaries	1,889,698	1,889,698	1,397,429
Disability Retirees	1,198,956	1,198,956	1,855,336
Terminated Vested	58,678	58,678	1,903,648
Total	63,511,945	62,633,131	61,153,681

C. Liabilities - (Continued)	New Benefits 1/1/2020	Old Benefits 1/1/2020	1/1/2019
Present Value of Future Salaries	39,885,426	38,815,167	40,457,054
Present Value of Future Member Contributions	3,952,646	3,846,583	4,009,294
Normal Cost (Retirement)	621,195	585,113	599,931
Normal Cost (Disability)	104,775	102,804	105,282
Normal Cost (Death)	13,719	10,786	10,265
Normal Cost (Vesting)	110,224	108,805	110,890
Total Normal Cost	849,913	807,508	826,368
Present Value of Future Normal Costs	8,675,182	7,955,494	8,349,089
Accrued Liability (Retirement)	15,680,559	15,537,387	14,875,452
Accrued Liability (Disability)	954,158	945,156	888,030
Accrued Liability (Death)	133,147	132,692	122,487
Accrued Liability (Vesting)	1,342,747	1,336,250	1,211,332
Accrued Liability (Inactives)	36,726,152	36,726,152	35,707,291
Total Actuarial Accrued Liability	54,836,763	54,677,637	52,804,592
Unfunded Actuarial Accrued Liability (UAAL)	22,377,198	22,218,072	21,433,567
Funded Ratio (AVA / AL)	59.2%	59.4%	59.4%

	New Benefits 1/1/2020	Old Benefits 1/1/2020	1/1/2019
D. Actuarial Present Value of Accrued Benefits			
Vested Accrued Benefits			
Inactives	36,726,152	36,726,152	35,707,291
Actives	4,415,022	4,337,132	4,080,900
Member Contributions	3,287,591	3,287,591	3,153,467
Total	44,428,765	44,350,875	42,941,658
Non-vested Accrued Benefits	1,038,781	1,041,123	1,152,265
Total Present Value Accrued Benefits	45,467,546	45,391,998	44,093,923
Funded Ratio (MVA / PVAB)	72.2%	72.3%	65.4%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	75,548	0	
Assumption Changes	0	0	
New Accrued Benefits	0	1,240,678	
Benefits Paid	0	(2,720,298)	
Interest	0	2,777,695	
Other	0	0	
Total	75,548	1,298,075	

	New Benefits	Old Benefits	
Valuation Date	1/1/2020	1/1/2020	1/1/2019
Applicable to Fiscal Year Ending	12/31/2021	12/31/2021	12/31/2020
E. Pension Cost			
Normal Cost [1]	$905,157	$859,996	$880,082
% of Total Annual Payroll [1]	25.3	24.0	24.6
Administrative Expenses [1]	20,040	20,040	20,517
% of Total Annual Payroll [1]	0.6	0.6	0.6
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 21 years (as of 1/1/2020) [1]	1,487,810	1,477,231	1,377,863
% of Total Annual Payroll [1]	41.5	41.2	38.6
Total Recommended Contribution	2,413,007	2,357,267	2,278,462
% of Total Annual Payroll [1]	67.4	65.8	63.8
Expected Member Contributions [1]	354,789	354,789	353,887
% of Total Annual Payroll [1]	9.9	9.9	9.9
Expected Village Contribution	2,058,218	2,002,478	1,924,575
% of Total Annual Payroll [1]	57.5	55.9	53.9

F. Past Contributions	
Plan Years Ending:	12/31/2019
Total Recommended Contribution	2,122,647
Village Requirement	1,770,649
Actual Contributions Made:	
Members (excluding buyback)	351,998
Village	1,959,000
Total	2,310,998
G. Net Actuarial (Gain)/Loss	890,908

[1] Contributions developed as of 1/1/2020 displayed above have been adjusted to account for assumed interest.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

Year	Projected Unfunded Accrued Liability
2020	22,377,198
2021	22,343,906
2022	22,256,376
2027	20,802,961
2032	16,992,942
2036	11,448,511
2041	0

I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

		Actual	Assumed
Year Ended	12/31/2019	3.91%	5.03%
Year Ended	12/31/2018	8.67%	4.89%
Year Ended	12/31/2017	4.92%	5.57%

(ii) 3 Year Comparison of Investment Return on Actuarial Value

		Actual	Assumed
Year Ended	12/31/2019	4.87%	6.50%
Year Ended	12/31/2018	3.79%	6.50%
Year Ended	12/31/2017	5.64%	6.50%

DEVELOPMENT OF JANUARY 1, 2020 AMORTIZATION PAYMENT

(1)	Unfunded Actuarial Accrued Liability as of January 1, 2019	$21,433,567
(2)	Sponsor Normal Cost developed as of January 1, 2019	472,481
(3)	Expected administrative expenses for the year ended December 31, 2019	19,265
(4)	Expected interest on (1), (2) and (3)	1,424,519
(5)	Sponsor contributions to the System during the year ended December 31, 2019	1,959,000
(6)	Expected interest on (5)	63,668
(7)	Expected Unfunded Actuarial Accrued Liability as of December 31, 2019, (1)+(2)+(3)+(4)-(5)-(6)	21,327,164
(8)	Change to UAAL due to Benefits Change	159,126
(9)	Change to UAAL due to Actuarial (Gain)/Loss	890,908
(10)	Unfunded Accrued Liability as of January 1, 2020	22,377,198
(11)	UAAL Subject to Amortization (100% AAL less Actuarial Assets)	22,377,198

Date Established	Years Remaining	1/1/2020 Amount	Amortization Amount
1/1/2020	21	22,377,198	1,397,005

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of January 1, 2019	$21,433,567
(2)	Expected UAAL as of January 1, 2020	21,327,164
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	508,546
	Salary Increases	(135,679)
	Active Decrements	(14,541)
	Inactive Mortality	(51,867)
	Benefit Payments	387,736
	Other	196,713
	Change in UAAL due to (Gain)/Loss	890,908
	Change to UAAL due to Benefits Change	159,126
(4)	Actual UAAL as of January 1, 2020	$22,377,198

RECONCILIATION OF CHANGES IN CONTRIBUTION REQUIREMENT

(1)	Contribution Determined as of January 1, 2019	$ 1,924,575
(2)	Summary of Contribution Impact by component:	
	Change in Normal Cost	(20,086)
	Change in Assumed Administrative Expense	(477)
	Investment Return (Actuarial Asset Basis)	33,812
	Salary Increases	(9,021)
	New Entrants	-
	Active Decrements	(967)
	Inactive Mortality	(3,449)
	Contributions (More) or Less than Recommended	(12,930)
	Increase in Amortization Payment Due to Payroll Growth Assumption	48,225
	Change in Expected Member Contributions	(902)
	Benefits Change	55,740
	Other	43,698
	Total Change in Contribution	133,643
(3)	Contribution Determined as of January 1, 2020	$2,058,218

STATUTORY MINIMUM REQUIRED CONTRIBUTION

Contribution requirements shown on this page are calculated according to statutory minimum funding requirements of the Illinois Pension Code. We do not believe this method is sufficient to fund future benefits; as such, we recommend funding according to the contributions developed in Section E of this report.

	New Benefits	Old Benefits	
Valuation Date	1/1/2020	1/1/2020	1/1/2019
Applicable to Fiscal Year Ending	12/31/2021	12/31/2021	12/31/2020
Actuarial Accrued Liability (PUC)	52,214,546	52,102,513	50,487,731
Actuarial Value of Assets	32,459,565	32,459,565	31,371,025
Unfunded Actuarial Accrued Liability (UAAL)	19,754,981	19,642,948	19,116,706
UAAL Subject to Amortization	14,533,526	14,432,697	14,067,933
Normal Cost [1]	$1,011,789	$981,839	$974,187
% of Total Annual Payroll [1]	28.3	27.4	27.3
Administrative Expenses [1]	20,040	20,040	20,517
% of Total Annual Payroll [1]	0.6	0.6	0.6
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 21 years (as of 1/1/2020) [1]	966,302	959,598	904,361
% of Total Annual Payroll [1]	26.9	26.8	25.3
Total Required Contribution	1,998,131	1,961,477	1,899,065
% of Total Annual Payroll [1]	55.8	54.8	53.2
Expected Member Contributions [1]	354,789	354,789	353,887
% of Total Annual Payroll [1]	9.9	9.9	9.9
Expected Village Contribution	1,643,342	1,606,688	1,545,178
% of Total Annual Payroll [1]	45.9	44.9	43.3

Assumptions and Methods:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	90% Funding by 2040

All other assumptions and methods are as described in the Actuarial Assumptions and Methods section.

[1] Contributions developed as of 1/1/2020 displayed above have been adjusted to account for assumed interest.

PROJECTION OF BENEFIT PAYMENTS

Year	Payments for Current Actives	Payments for Current Inactives	Total Payments
2020	87,822	2,460,728	2,548,550
2021	147,595	2,459,022	2,606,617
2022	200,692	2,506,238	2,706,930
2023	249,127	2,551,497	2,800,624
2024	291,039	2,594,241	2,885,280
2025	329,946	2,647,385	2,977,331
2026	371,592	2,686,276	3,057,868
2027	431,046	2,720,721	3,151,767
2028	512,237	2,749,983	3,262,220
2029	658,968	2,773,342	3,432,310
2030	855,828	2,790,118	3,645,946
2031	1,043,998	2,799,697	3,843,695
2032	1,257,689	2,801,589	4,059,278
2033	1,476,279	2,795,463	4,271,742
2034	1,730,498	2,781,158	4,511,656
2035	1,965,629	2,758,678	4,724,307
2036	2,181,257	2,728,180	4,909,437
2037	2,377,938	2,689,948	5,067,886
2038	2,571,370	2,644,361	5,215,731
2039	2,758,031	2,591,823	5,349,854
2040	2,917,301	2,532,774	5,450,075
2041	3,071,605	2,490,408	5,562,013
2042	3,252,149	2,421,064	5,673,213
2043	3,408,549	2,346,529	5,755,078
2044	3,637,153	2,267,363	5,904,516
2045	3,788,567	2,184,094	5,972,661
2046	3,969,274	2,097,199	6,066,473
2047	4,188,598	2,007,056	6,195,654
2048	4,367,111	1,913,999	6,281,110
2049	4,616,085	1,818,261	6,434,346
2050	4,784,134	1,720,043	6,504,177
2051	4,935,410	1,619,537	6,554,947
2052	5,048,011	1,516,926	6,564,937
2053	5,143,316	1,412,435	6,555,751
2054	5,223,383	1,306,509	6,529,892
2055	5,290,296	1,199,825	6,490,121
2056	5,344,022	1,093,266	6,437,288
2057	5,385,444	987,944	6,373,388
2058	5,411,782	885,080	6,296,862
2059	5,424,873	785,846	6,210,719

ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rate	6.50% per year compounded annually, net of investment related expenses.
Mortality Rate	***Active Lives:*** PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2019. 10% of active deaths are assumed to be in the line of duty. ***Inactive Lives:*** PubS-2010 Healthy Retiree mortality, projected 5 years past the valuation date with Scale MP-2019. ***Beneficiaries:*** PubS-2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2019. ***Disabled Lives:*** PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2019. The mortality assumptions sufficiently accommodate anticipated future mortality improvements.
Retirement Age	See table later in this section. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.
Disability Rate	See table later in this section. 60% of the disabilities are assumed to be in the line of duty. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.
Termination Rate	See table later in this section. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.
Inflation	2.50%.
Cost-of-Living Adjustment	<u>Tier 1</u>: 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55. <u>Tier 2:</u> 1.25% per year after the later of attainment of age 60 or first anniversary of retirement.

Salary Increases

See table below. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.

Salary Scale	
Service	Rate
0	11.00%
1	10.75%
2	8.75%
3	8.50%
4	7.00%
5	6.25%
6	5.25%
7	4.25%
8 - 16	4.00%
17 - 32	3.75%
32+	3.50%

Marital Status

80% of Members are assumed to be married.

Spouse's Age

Males are assumed to be three years older than females.

Funding Method

Entry Age Normal Cost Method.

Actuarial Asset Method

Investment gains and losses are smoothed over a 5-year period.

Funding Policy Amortization Method

The UAAL is amortized according to a Level Percentage of Payroll method over a period ending in 2041. The initial amortization amount is 100% of the Accrued Liability less the Actuarial Value of Assets.

Payroll Growth

3.50% per year.

Administrative Expenses

Expenses paid out of the fund other than investment-related expenses are assumed to be equal to those paid in the previous year.

Decrement Tables

% Terminating During the Year		% Becoming Disabled During the Year		% Retiring During the Year (Tier 1)		% Retiring During the Year (Tier 2)	
Age	Rate	Age	Rate	Age	Rate	Age	Rate
20	14.00%	20	0.000%	50 - 51	15%	50 - 54	5%
25	10.40%	25	0.030%	52 - 54	20%	55	40%
30	5.60%	30	0.140%	55 - 64	25%	56 - 64	25%
35	3.10%	35	0.260%	65 - 69	40%	65 - 69	40%
40	1.90%	40	0.420%	70+	100%	70+	100%
45	1.50%	45	0.590%				
50	1.50%	50	0.710%				
56+	0.00%	55	0.900%				
		60	1.150%				

GLOSSARY

Total Annual Payroll is the projected annual rate of pay for the fiscal year following the valuation date of all covered members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded.

Unfunded Accrued Liability is a liability which arises when a pension plan is initially established or improved and such establishment or improvement is applicable to all years of past service.

Total Recommended Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over a period ending in 2041. The recommended amount is adjusted for interest according to the timing of contributions during the year.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

(a) The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined under various assumption scenarios. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- <u>Investment Return</u>: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.

- <u>Salary Increases</u>: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.

- <u>Payroll Growth</u>: The plan's payroll growth assumption, if one is used, causes a predictable annual increase in the plan's amortization payment in order to produce an amortization payment that remains constant as a percentage of payroll if all assumptions are realized. If payroll does not increase according to the plan's payroll growth assumption, the plan's amortization payment can increase significantly as a percentage of payroll even if all assumptions other than the payroll growth assumption are realized.

- <u>Demographic Assumptions:</u> Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

- Contribution Risk: This risk results from the potential that actual employer contributions may deviate from actuarially determined contributions, which are determined in accordance with the Board's funding policy. The funding policy is intended to result in contribution requirements that if paid when due, will result in a reasonable expectation that assets will accumulate to be sufficient to pay plan benefits when due. Contribution deficits, particularly large deficits and those that occur repeatedly, increase future contribution requirements and put the plan at risk for not being able to pay plan benefits when due.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature plans with a substantial inactive liability. Similarly, mature plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled "Plan Maturity Measures and Other Risk Metrics". Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has decreased from 95.2% on January 1, 2017 to 86.0% on January 1, 2020, indicating that the plan has been rapidly maturing.

- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 67.0%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors can be made up over a longer time horizon than would be needed for a more mature plan.

- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has increased from 57.5% on January 1, 2017 to 59.2% on January 1, 2020, due mainly to assumption changes.

- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, decreased from 0.2% on January 1, 2017 to -1.3% on January 1, 2020. The current Net Cash Flow Ratio of -1.3% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

It is important to note that the actuary has identified the risks above as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	1/1/2017	1/1/2018	1/1/2019	1/1/2020
Support Ratio				
Total Actives	40	38	38	37
Total Inactives	42	41	41	43
Actives / Inactives	95.2%	92.7%	92.7%	86.0%
Asset Volatility Ratio				
Market Value of Assets (MVA)	27,402,987	30,480,565	28,842,655	32,808,661
Total Annual Payroll	3,500,618	3,485,670	3,571,005	3,580,113
MVA / Total Annual Payroll	782.8%	874.5%	807.7%	916.4%
Accrued Liability (AL) Ratio				
Inactive Accrued Liability	30,876,054	29,985,118	35,707,291	36,726,152
Total Accrued Liability	49,939,337	49,324,821	52,804,592	54,836,763
Inactive AL / Total AL	61.8%	60.8%	67.6%	67.0%
Funded Ratio				
Actuarial Value of Assets (AVA)	28,704,932	30,118,735	31,371,025	32,459,565
Total Accrued Liability	49,939,337	49,324,821	52,804,592	54,836,763
AVA / Total Accrued Liability	57.5%	61.1%	59.4%	59.2%
Net Cash Flow Ratio				
Net Cash Flow [1]	42,285	(198,316)	109,138	(428,117)
Market Value of Assets (MVA)	27,402,987	30,480,565	28,842,655	32,808,661
Ratio	0.2%	-0.7%	0.4%	-1.3%

[1] Determined as total contributions minus benefit payments and administrative expenses.

STATEMENT OF FIDUCIARY NET POSITION
December 31, 2019

ASSETS	MARKET VALUE
Cash and Cash Equivalents:	
Money Market	805,734
Total Cash and Equivalents	805,734
Receivables:	
Accrued Past Due Interest	78,149
Total Receivable	78,149
Investments:	
Municipal Obligations	30,383
Corporate Bonds	5,600,008
U.S. Gov't and Agency Obligations	5,608,154
Insurance Company Contracts	2,218,171
Mutual Funds	18,480,713
Total Investments	31,937,429
Total Assets	32,821,312
LIABILITIES	
Liabilities:	
Payable:	
Expenses	12,651
Total Liabilities	12,651
Net Assets:	
Active and Retired Members' Equity	32,808,661
NET POSITION RESTRICTED FOR PENSIONS	32,808,661
TOTAL LIABILITIES AND NET ASSETS	32,821,312

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED December 31, 2019
Market Value Basis

ADDITIONS		
Contributions:		
Member	351,998	
Village	1,959,000	
Total Contributions		2,310,998
Investment Income:		
Miscellaneous Income	48,922	
Net Realized Gain (Loss)	138,044	
Unrealized Gain (Loss)	3,383,283	
Net Increase in Fair Value of Investments		3,570,249
Interest & Dividends		906,484
Less Investment Expense [1]		(82,610)
Net Investment Income		4,394,123
Total Additions		6,705,121
DEDUCTIONS		
Distributions to Members:		
Benefit Payments	2,330,313	
Refund of Contributions/Transfers	389,985	
Total Distributions		2,720,298
Administrative Expenses		18,817
Total Deductions		2,739,115
Net Increase in Net Position		3,966,006
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		28,842,655
End of the Year		32,808,661

[1] Investment Related expenses include investment advisory, custodial and performance monitoring fees.

ACTUARIAL ASSET VALUATION
December 31, 2019

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of the Market Value of Assets.

Gains/(Losses) Not Yet Recognized

Plan Year		Amounts Not Yet Recognized by Valuation Year				
Ending	Gain/(Loss)	2020	2021	2022	2023	2024
12/31/2016	(194,370)	(38,874)	0	0	0	0
12/31/2017	1,501,145	600,458	300,229	0	0	0
12/31/2018	(3,731,832)	(2,239,099)	(1,492,733)	(746,366)	0	0
12/31/2019	2,533,264	2,026,611	1,519,958	1,013,306	506,653	0
Total		349,096	327,454	266,940	506,653	0

Development of Investment Gain/Loss

Market Value of Assets, 12/31/2018	28,842,655
Contributions Less Benefit Payments & Administrative Expenses	(428,117)
Expected Investment Earnings[1]	1,860,859
Actual Net Investment Earnings	4,394,123
2019 Actuarial Investment Gain/(Loss)	2,533,264

[1] Expected Investment Earnings = 6.50% x (28,842,655 + 0.5 x -428,117)

Development of Actuarial Value of Assets

Market Value of Assets, 12/31/2019	32,808,661
(Gains)/Losses Not Yet Recognized	(349,096)
Actuarial Value of Assets, 12/31/2019	32,459,565
(A) 12/31/2018 Actuarial Assets:	31,371,025
(I) Net Investment Income:	
1. Interest and Dividends	955,406
2. Realized Gains (Losses)	138,044
3. Change in Actuarial Value	505,817
4. Investment Expenses	(82,610)
Total	1,516,657
(B) 12/31/2019 Actuarial Assets:	32,459,565
Actuarial Asset Rate of Return = (2 x I) / (A + B - I):	4.87%
Market Value of Assets Rate of Return:	15.35%
12/31/2019 Limited Actuarial Assets:	32,459,565
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	(508,546)

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2019
Actuarial Asset Basis

INCOME		
Contributions:		
Member	351,998	
Village	1,959,000	
Total Contributions		2,310,998
Earnings from Investments		
Interest & Dividends	906,484	
Miscellaneous Income	48,922	
Net Realized Gain (Loss)	138,044	
Change in Actuarial Value	505,817	
Total Earnings and Investment Gains		1,599,267
EXPENSES		
Administrative Expenses:		
Investment Related[1]	82,610	
Other	18,817	
Total Administrative Expenses		101,427
Distributions to Members:		
Benefit Payments	2,330,313	
Refund of Contributions/Transfers	389,985	
Total Distributions		2,720,298
Change in Net Assets for the Year		1,088,540
Net Assets Beginning of the Year		31,371,025
Net Assets End of the Year[2]		32,459,565

[1] Investment Related expenses include investment advisory, custodial and performance monitoring fees.
[2] Net Assets may be limited for actuarial consideration.

STATISTICAL DATA

	1/1/2017	1/1/2018	1/1/2019	1/1/2020
Actives - Tier 1				
Number	29	27	24	23
Average Current Age	40.4	41.9	41.6	42.0
Average Age at Employment	25.4	25.5	25.5	24.5
Average Past Service	15.0	16.4	16.1	17.5
Average Annual Salary	$98,152	$102,584	$105,527	$108,768
Actives - Tier 2				
Number	11	11	14	14
Average Current Age	26.9	27.2	27.5	27.5
Average Age at Employment	25.1	24.9	24.9	24.1
Average Past Service	1.8	2.3	2.6	3.4
Average Annual Salary	$59,474	$65,082	$74,168	$77,032
Service Retirees				
Number	28	28	29	31
Average Current Age	66.2	67.2	66.8	66.8
Average Annual Benefit	$62,467	$64,082	$67,174	$69,481
Beneficiaries				
Number	4	3	3	4
Average Current Age	77.3	72.1	73.1	73.0
Average Annual Benefit	$36,095	$42,770	$42,770	$44,749
Disability Retirees				
Number	3	3	3	2
Average Current Age	61.3	62.3	63.3	61.7
Average Annual Benefit	$44,080	$44,865	$45,333	$43,361
Terminated Vested				
Number	7	7	6	6
Average Current Age	34.1	35.6	40.9	36.4
Average Annual Benefit [1]	N/A	N/A	$58,440	N/A

[1] Average Annual Benefit for Terminated Vested members reflects the benefit for members entitled to a future annual benefit from the plan.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	1	0	0	0	0	0	0	0	0	0	0	1
25 - 29	2	2	2	3	1	0	0	0	0	0	0	10
30 - 34	0	0	0	0	0	3	1	0	0	0	0	4
35 - 39	0	0	0	0	0	0	4	2	0	0	0	6
40 - 44	0	0	0	0	0	0	2	6	3	0	0	11
45 - 49	0	0	0	0	0	0	2	0	0	0	0	2
50 - 54	0	0	0	0	0	0	0	0	1	1	0	2
55 - 59	0	0	0	0	0	0	0	0	0	0	1	1
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	3	2	2	3	1	3	9	8	4	1	1	37

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 1/1/2019	38
b. Terminations	
i. Vested (partial or full) with deferred benefits	(1)
ii. Non-vested or full lump sum distribution received	(2)
iii. Transferred service to other fund	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(1)
f. Continuing participants	34
g. New entrants	3
h. Total active life participants in valuation	37

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested Deferred	Total
a. Number prior valuation	29	3	3	6	41
Retired	2	0	0	(1)	1
Vested Deferred	0	0	0	1	1
Death, With Survivor	0	1	(1)	0	0
Death, No Survivor	0	0	0	0	0
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	0	0
Rehires	0	0	0	0	0
Transfer Service to New Fund	0	0	0	(1)	(1)
Data Corrections	0	0	0	0	0
Hired/Termed in Same Year	0	0	0	1	1
b. Number current valuation	31	4	2	6	43

SUMMARY OF CURRENT PLAN

Article 3 Pension Fund	The Plan is established and administered as prescribed by "Article 3. Police Pension Fund – Municipalities 500,000 and Under" of the Illinois Pension Code.
Plan Administration	The Plan is a single employer defined benefit pension plan administered by a Board of Trustees comprised of: a.) Two members appointed by the Municipality, b.) Two active Members of the Police Department elected by the Membership, and c.) One retired Member of the Police Department elected by the Membership.
Credited Service	Complete years of service as a sworn police officer employed by the Municipality.
Normal Retirement	
Date	**Tier 1**: Age 50 and 20 years of Credited Service. **Tier 2:** Age 55 with 10 years of Credited Service.
Benefit	**Tier 1:** 50% of annual salary attached to rank on last day of service plus 2.50% of annual salary for each year of service over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is $1,000 per month. **Tier 2**: 2.50% per year of service times the average salary for the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest prior to retirement times the number of years of service, up to a maximum of 75% of average salary. The minimum monthly benefit is $1,000 per month. For Tier 2 participants, the salary is capped at a rate of $106,800 as of 2011, indexed annually at a rate of CPI-U, but not to exceed 3.00%.
Form of Benefit	**Tier 1:** For married retirees, an annuity payable for the life of the Member; upon the death of the member, 100% of the Member's benefit payable to the spouse until death. For unmarried retirees, the normal form is a Single Life Annuity. **Tier 2**: Same as above, but with 66 2/3% of benefit continued to spouse.

Early Retirement

Date	**Tier 1**: Age 60 and 8 years of Credited Service. **Tier 2:** Age 50 with 10 years of Credited Service.
Benefit	**Tier 1:** Normal Retirement benefit with no minimum. **Tier 2**: Normal Retirement benefit, reduced 6.00% each year before age 55, with no minimum benefit.
Form of Benefit	Same as Normal Retirement

Disability Benefit

Eligibility	Total and permanent as determined by the Board of Trustees.
Benefit Amount	A maximum of: a.) 65% of salary attached to the rank held by Member on last day of service, and; b.) The monthly retirement pension that the Member is entitled to receive if he or she retired immediately. For non-service connected disabilities, a benefit of 50% of salary attached to rank held by Member on last day of service.

Cost-of-Living Adjustment

Tier 1:

Retirees: An annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55.

Disabled Retirees: An annual increase equal to 3.00% per year of the original benefit amount beginning at age 60. Those that become disabled prior to age 60 receive an increase of 3.00% of the original benefit amount for each year since benefit commencement upon reaching age 60.

Tier 2: An annual increase each January 1 equal to 3.00% per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

Pre-Retirement Death Benefit

Service Incurred	100% of salary attached to rank held by Member on last day of service.
Non-Service Incurred	A maximum of: a.) 54% of salary attached to the rank held by Member on last day of service, and; b.) The monthly retirement pension earned by the deceased Member at the time of death, regardless of whether death occurs before or after age 50. For non-service deaths with less than 10 years of service, a refund of member contributions is provided.

Vesting (Termination)

Vesting Service Requirement	**Tier 1:** 8 years. **Tier 2**: 10 years.
Non-Vested Benefit	Refund of Member Contributions.
Vested Benefit	Either the termination benefit, payable upon reaching age 60 (55 for Tier 2), provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is 2.50% of annual salary held in the year prior to termination (8-year final average salary for Tier 2) times creditable service.

Contributions

Employee	9.91% of Salary.
Municipality	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability.

SUMMARY OF PARTICIPANT DATA

Plan Membership:

	1/1/2020	1/1/2019
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	37	35
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	6	6
Active Plan Members	37	38
Total	80	79
Covered Payroll	$3,580,113	$3,571,005

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
PLAN AND VILLAGE REPORTING

GASB 68 Reporting Period Ending	12/31/2019	12/31/2018
Measurement Date	12/31/2019	12/31/2018
Total Pension Liability		
Service Cost	835,473	868,643
Interest	3,362,848	3,154,921
Changes of Benefit Terms	151,633	-
Differences Between Expected and Actual Experience	367,487	664,880
Changes of Assumptions	-	993,650
Benefit Payments, Including Refunds of Employee Contributions	(2,720,298)	(2,179,786)
Net Change in Total Pension Liability	1,997,143	3,502,308
Total Pension Liability - Beginning	52,260,801	48,758,493
Total Pension Liability - Ending (a)	$ 54,257,944	$ 52,260,801
Plan Fiduciary Net Position		
Contributions - Employer	1,959,000	1,959,000
Contributions - Employee	351,998	349,189
Net Investment Income	4,394,123	(1,745,798)
Benefit Payments, Including Refunds of Employee Contributions	(2,720,298)	(2,179,786)
Administrative Expense	(18,817)	(20,515)
Net Change in Plan Fiduciary Net Position	3,966,006	(1,637,910)
Plan Fiduciary Net Position - Beginning	28,842,655	30,480,565
Plan Fiduciary Net Position - Ending (b)	$ 32,808,661	$ 28,842,655
Net Pension Liability - Ending (a) - (b)	$ 21,449,283	$ 23,418,146
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.47%	55.19%
Covered Payroll	$ 3,580,113	$ 3,571,005
Net Pension Liability as a Percentage of Covered Payroll	599.12%	655.79%

STATEMENT OF CHANGES IN NET PENSION LIABILITY
VILLAGE REPORTING

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2018	$ 52,260,801	$ 28,842,655	$ 23,418,146
Changes for a Year:			
Service Cost	835,473	-	835,473
Interest	3,362,848	-	3,362,848
Differences Between Expected and Actual Experience	367,487	-	367,487
Changes of Assumptions	-	-	-
Changes of Benefit Terms	151,633	-	151,633
Contributions - Employer	-	1,959,000	(1,959,000)
Contributions - Employee	-	351,998	(351,998)
Net Investment Income	-	4,394,123	(4,394,123)
Benefit Payments, Including Refunds of Employee Contributions	(2,720,298)	(2,720,298)	-
Administrative Expense	-	(18,817)	18,817
Net Changes	1,997,143	3,966,006	(1,968,863)
Balances at December 31, 2019	$ 54,257,944	$ 32,808,661	$ 21,449,283

Sensitivity of Net Pension Liability to changes in the Discount Rate:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Sponsor's Net Pension Liability	$ 29,707,034	$ 21,449,283	$ 14,767,733

Pension Plan Fiduciary Net Position

Detailed information about the Pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
YEAR-END DECEMBER 31, 2019

For the year ended December 31, 2019, the Sponsor will recognize a pension expense of $3,177,809.
On December 31, 2019, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	961,181	107,015
Changes of assumptions	1,229,513	767,300
Net difference between projected and actual earnings on pension plan investments	0	349,098
Total	$2,190,694	$1,223,413

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year-ended December 31:	
2020	$513,196
2021	($26,569)
2022	$390,945
2023	($208,472)
2024	$298,181
Thereafter	$0

COMPONENTS OF PENSION EXPENSE
YEAR-END DECEMBER 31, 2019

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	$ 23,418,146	$ 2,153,509	$ 6,308,462	
Total Pension Liability Factors:				
Service Cost	835,473	-	-	835,473
Interest	3,362,848	-	-	3,362,848
Changes in Benefit Terms	151,633	-	-	151,633
Differences Between Expected and Actual Experience With Regard to Economic or Demographic Assumptions	367,487	-	367,487	-
Current Year Amortization	-	(53,641)	(246,243)	192,602
Changes in Assumptions About Future Economic or Demographic Factors or Other Inputs	-	-	-	-
Current Year Amortization	-	(324,866)	(809,957)	485,091
Benefit Payments, Including Refunds of Employee Contributions	(2,720,298)	-	-	-
Net Change	1,997,143	(378,507)	(688,713)	5,027,647
Plan Fiduciary Net Position:				
Contributions - Employer	1,959,000	-	-	-
Contributions - Employee	351,998	-	-	(351,998)
Projected Net Investment Income	1,860,859	-	-	(1,860,859)
Difference Between Projected and Actual Earnings on Pension Plan Investments	2,533,264	2,533,264	-	-
Current Year Amortization	-	(806,881)	(1,151,083)	344,202
Benefit Payments, Including Refunds of Employee Contributions	(2,720,298)	-	-	-
Administrative Expenses	(18,817)	-	-	18,817
Net Change	3,966,006	1,726,383	(1,151,083)	(1,849,838)
Ending Balance	$ 21,449,283	$ 3,501,385	$ 4,468,666	$ 3,177,809

AMORTIZATION SCHEDULE – EXPERIENCE

Year Base Established	Differences Between Expected and Actual Experience	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience: 2019	2020	2021	2022	2023	Thereafter
2019	$ 367,487	6	$ 61,247	$ 61,248	$ 61,248	$ 61,248	$ 61,248	$ 61,248
2018	$ 664,880	7	$ 94,983	$ 94,983	$ 94,983	$ 94,983	$ 94,983	$ 94,983
2017	$ (176,284)	6	$ (29,381)	$ (29,381)	$ (29,381)	$ (29,381)	$ -	$ -
2016	$ 540,079	6	$ 90,013	$ 90,013	$ 90,013	$ -	$ -	$ -
2015	$ (140,172)	5.78	$ (24,260)	$ (18,872)	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			192,602	197,991	216,863	126,850	156,231	156,231

AMORTIZATION SCHEDULE – CHANGES OF ASSUMPTIONS

Year Base Established	Effects of Changes in Assumptions	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions: 2019	2020	2021	2022	2023	Thereafter
2018	$ 993,650	7	$ 141,950	$ 141,950	$ 141,950	$ 141,950	$ 141,950	$ 141,950
2017	$ (705,405)	6	$ (117,568)	$ (117,568)	$ (117,568)	$ (117,568)	$ -	$ -
2016	$ (1,243,789)	6	$ (207,298)	$ (207,298)	$ (207,298)	$ -	$ -	$ -
2015	$ 3,830,149	5.78	$ 668,007	$ 519,763	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ 485,091	$ 336,847	$ (182,916)	$ 24,382	$ 141,950	$ 141,950

AMORTIZATION SCHEDULE – INVESTMENTS

Year Base Established	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2019	2020	2021	2022	2023	Thereafter
			Increase (Decrease) in Pension Expense Arising from the Recognition of the Differences Between Projected and Actual Earnings on Pension Plan Investments					
2019	$ (2,533,264)	5	$ (506,652)	$ (506,653)	$ (506,653)	$ (506,653)	$ (506,653)	$ -
2018	$ 3,731,832	5	$ 746,366	$ 746,366	$ 746,366	$ 746,366	$ -	$ -
2017	$ (1,501,145)	5	$ (300,229)	$ (300,229)	$ (300,229)	$ -	$ -	$ -
2016	$ 194,370	5	$ 38,874	$ 38,874	$ -	$ -	$ -	$ -
2015	$ 1,829,215	5	$ 365,843	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ 344,202	$ (21,642)	$ (60,516)	$ 239,713	$ (506,653)	$ -

SCHEDULE OF CONTRIBUTIONS

Plan Year-End	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2019	1,770,649	1,959,000	(188,351)	3,580,113	54.72%
12/31/2018	1,817,304	1,959,000	(141,696)	3,571,005	54.86%

The following assumptions were used to determine the Actuarially Determined Contribution for the plan year ending December 31, 2019:

Calculation Timing	The Actuarially Determined Contribution is calculated using a January 1, 2018 valuation date.
Interest Rate	6.50%
Mortality Rate	***Healthy Lives:*** RP-2014 Blue Collar Total Healthy Annuitant mortality table, sex distinct with generational mortality improvement using Scale MP-2016 and a base year of 2013. 10% of active deaths are assumed to be in the line of duty. ***Disabled Lives:*** RP-2014 Blue Collar Total Healthy Annuitant mortality table, sex distinct, with rates increased by 15% and generational mortality improvement using Scale MP-2016 and a base year of 2013.
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the January 1, 2018 Actuarial Valuation Report for the Village of Glen Ellyn Police Pension Fund prepared by Foster & Foster.

SCHEDULE OF INVESTMENT RETURNS

For the year ended December 31, 2019, the annual money-weighted return on Pension Plan investments, net of pension plan investment expense, was 15.30 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Plan Year-End	Annual Money-Weighted Rate of Return Net of Investment Expense
12/31/2019	15.30%
12/31/2018	-5.67%

ASSUMPTIONS – GASB PENSION LIABILITY AND PENSION EXPENSE

The GASB 67/GASB 68 Pension Liability as of December 31, 2019 and GASB 68 Pension Expense were determined as follows:

Valuation Date	January 1, 2020
Measurement Date	December 31, 2019
GASB 68 Expense Measurement Period	January 1, 2019 - December 31, 2019
Reporting Period	January 1, 2019 - December 31, 2019
Discount Rate	6.50%
Inflation	2.50%
Salary Increases	Service-based rates
Other Assumptions	A summary of complete assumptions can be found in the accompanying Actuarial Valuation as of January 1, 2020 for the Village of Glen Ellyn Police Pension Fund prepared by Foster & Foster Actuaries and Consultants.

NOTES TO THE FINANCIAL STATEMENTS

Support for Long-Term Expected Rate of Return

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation adopted as of December 31, 2019, as provided by Marquette Associates, Inc., are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Fixed Income	35.0%	2.1%
US Equity	30.0%	5.6%
International Equity	20.0%	5.8%
Global Tactical	5.0%	3.7%
Real Estate - Core	10.0%	5.0%
Total	100.0%	

Inflation rate of investment advisor 2.20%

Concentrations

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

Discount Rate

The Discount Rate used to measure the Total Pension Liability was 6.50 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments (6.50 percent) was applied to all periods of projected benefit payments to determine the Total Pension Liability.

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50 percent. The municipal bond rate is 3.26 percent (based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index). The resulting single discount rate is 6.50 percent.

SUMMARY OF CURRENT PLAN

Article 3 Pension Fund	The Plan is established and administered as prescribed by "Article 3. Police Pension Fund – Municipalities 500,000 and Under" of the Illinois Pension Code.
Plan Administration	The Plan is a single employer defined benefit pension plan administered by a Board of Trustees comprised of: a.) Two members appointed by the Municipality, b.) Two active members of the Police Department elected by the Membership. c.) One retired member of the Police Department elected by the Membership.
Benefits Provided	The Plan provides retirement, termination, disability and death benefits. A summary of the benefit provisions can be found in the accompanying Actuarial Valuation as of January 1, 2020 for the Village of Glen Ellyn Police Pension Fund prepared by Foster & Foster. The valuation reflects benefit changes noted on the page "Changes Since Prior Valuation".

Glen Ellyn Police Pension Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 10/21/2020 4:30 PM
Department: Finance
Department Head: Christina Coyle
Category: Vouchers
Prepared By: Lori Thomas

AGENDA ITEM (ID # 2020-581)

DOC ID: 2020-581

Approve the Expense Vouchers in the amount of $102,110.10 and Pension Expenses in the amount of $620,110.29 for a total of $722,220.39

Statement of the Issue:
Please see the voucher information attached.

Analysis:
N/A

Budget Impact:
N/A

Action Requested:
Approve the Expense Vouchers in the amount of $102,110.10 and Pension Expenses in the amount of $620,110.29 for a total of $722,220.39

Attachments:

1. Vouchers October 2020_Optimized

POLICE PENSION FUND
APPROVAL OF VOUCHERS
For the meeting in October 2020

Expenses	Check Date:	Paid amount	
IPPFA (training)	8/21/2020	$ 435.00	
Chase Bank - IPPFA (training)	9/25/2020	$ 435.00	
Marquette Associates (Investment consultant)	7/24/2020	$ 12,500.00	
US Bank (Custody Fee - July)	7/31/2020	$ 625.00	
US Bank (Custody Fee - August)	8/31/2020	$ 625.00	
US Bank (Custody Fee - September)	9/30/2020	$ 625.00	
Lauterbach & Amen - Audit Services	8/7/2020	$ 675.00	
Charles Schwab - Employee Contribution Refund	9/1/2020	$ 86,190.10	
		$ 102,110.10	
			$ 102,110.10

Pension Expenses	**July**	**August**	**September**	
Service Pensions	$ 174,513.27	$ 174,513.27	$ 174,513.27	
Duty Disability Pensions	$ 7,264.68	$ 7,264.68	$ 7,264.68	
Non-Duty Disability Pensions	$ -	$ -	$ -	
Surviving Spouse Pension	$ 24,925.48	$ 24,925.48	$ 24,925.48	
Total Payroll:	**$ 206,703.43**	**$ 206,703.43**	**$ 206,703.43**	
				$ 620,110.29
			Grand Total	**$ 722,220.39**

7138

IPPFA

Summary Agenda Fees Keynote Speakers Speakers Staff

450 -2

2020 MidAmerican Pension Conference

September 30, 2020—October 2, 2020
8:00 AM-4:00 PM

Embassy Suites Hotel
1823 Abriter Ct.
Naperville, IL 60563

Order Summary

Review your order information and submit your payment.

If you are paying by check, please mail it to the IPPFA Office at 2587 Millennium Dr., Unit C in Elgin, IL 60124.

Anthony Terranova

Police Pension

Admission Item

In-Person Registration $435.00

CODE	AMOUNT	APPROVAL	DATE
90000 -	435.00	DF	8-13-20
520600		@	8/15/20

Subtotal $435.00

Order Total **$435.00**

Payment

Select Payment Method:

○ Credit Card

◉ Check

Total Due $435.00

Previous | Cancel | Submit

CHASE CREDIT CARD CHARGES BY VENDOR & ACCOUNT NUMBER

NAME: James Monson

STATEMENT DATE: 9/7/2020

VENDOR	DESCRIPTION	AMOUNT	ORG	OBJECT	WIRE (FINANCE ONLY)	INVOICE (FINANCE ONLY)
IPPFA	Pension Board training-conference	435.00	90000	520600	25885	MONJ-21
US Fleet Tracking	GPS montly monitoring fee	39.95	134300	520600	25886	MONJ-22
	Total:	474.95				

Cardholder Signature Sgt. [signature] #85 Date 9-14-20

Department Director Signature [signature] Date 9-17-20

**Each charge receipt should be enterered separately onto this spreadsheet. All receipts should be attached to your Chase statement along with this form. Please have your Director approve and send to Finance by the 15th of every month.*

U:\GEPD Credit Card\Copy of Chase Credit Card Charges Template- 2020, Copy of Chase Credit Card Charges Template- 2020 9/14/2020

J.P.Morgan

JPMORGAN CHASE BANK NA
PO BOX 15918
MAIL SUITE DE1-1404
WILMINGTON DE 19850

MEMO STATEMENT
THIS IS NOT A BILL

ACCOUNT NUMBER	-7913
STATEMENT DATE	09-07-20
NET CHARGES	$474.95

JAMES MONSON
EXEMPT E9997 4452 07
535 DUANE STREET
FINANCE DEPT
GLEN ELLYN IL 60137-4675

** 0000000

FOR RECONCILIATION PURPOSES ONLY. DO NOT SEND PAYMENT.

NAME: JAMES MONSON

CYCLE LIMIT: $2,500

ACCOUNTING CODE:

CARDHOLDER ACTIVITY

Purchasing Activity

Post Date	Tran Date	Reference Number	Transaction Description	Amount
08-19	08-18	85345510231900010260508	ILLINOIS PUBLIC PENSIO ELGIN IL P.O.S.: AC1E2F9B8195 SALES TAX: 0.00	435.00
09-03	09-02	85180890246717746423722	US FLEET TRACKING LLC 405-726-9900 OK P.O.S.: 73372 SALES TAX: 3.04	39.95
			Total Purchasing Activity	474.95

CODE	AMOUNT	APPROVAL	DATE
13430 -	39.95		
520600			
9000 -	435.00		
520600			

FOR CUSTOMER SERVICE CALL:
1-800-316-6056

FOR LOST/STOLEN CARDS CALL:
1-800-316-6056

FOR TTY/TDD SERVICE CALL:
1-800-955-8060

ACCOUNT NUMBER
7913

STATEMENT DATE:
09/07/20

ACCOUNT SUMMARY

PURCHASES & OTHER CHARGES	474.95
CASH ADVANCES	.00
CREDITS	.00
CASH ADVANCE FEE	.00
NET CHARGES	**$474.95**
DISPUTE AMOUNT	.00

SEND BILLING INQUIRIES TO:

JPMORGAN CHASE BANK NA
COMMERCIAL CARD SOLUTIONS
P.O. BOX 2015
MAIL SUITE IL1-6225
ELGIN, IL 60121

10574

MarquetteAssociates
180 N La Salle St, Suite 3500
Chicago, IL 60601

Invoice Date	Invoice #
7/1/20	2007077

Account # **1295**

Balance Due **$12,500.00**

Glen Ellyn Police
535 Duane St.
Glen Ellyn, IL 60137

Amount paid: $________________

Check number: ________________

☐ Please check box if address is incorrect or has changed, and indicate change(s) on reverse side.

Have E-Mail? Please write it here: ________________________

PLEASE DETACH AND RETURN TOP PORTION WITH PAYMENT

Glen Ellyn Police
535 Duane St.
Glen Ellyn, IL 60137

Due Date	7/1/20

Description	Amount
Investment consulting services for the period April 1, 2020 through June 30, 2020.	12,500.00

RECEIVED
JUL 1 9 2020

wire

CODE	AMOUNT	APPROVAL	DATE
90000 - 520800	$12,500.00	C	7/10/20

Police Pension

Terms: Due on receipt

Wire Transfer Information:
Send ACH/EFT to: Marquette Associates, Inc.
Bank: CIBC
Routing Number:071006486
Bank Account:
Please reference the Invoice #.

wire

Billing Inquiries? Call 312.527.

Marquette Associates, Inc Attn: Accts Rec, 180 N LaSalle, Ste 3500, Chicago, IL 60601
www.marquetteassociates.com

MARKET AND COST RECONCILIATION

	07/31/2020 MARKET	07/31/2020 BOOK VALUE
Beginning Market And Cost	**18,643,602.90**	**17,505,178.65**
Investment Activity		
Interest	3.21	3.21
Dividends	6,456.87	6,456.87
Realized Gain/Loss	- 27.75	- 27.75
Change In Unrealized Gain/Loss	736,260.35	.00
Net Accrued Income (Current-Prior)	2.46	2.46
Total Investment Activity	**742,695.14**	**6,434.79**
Plan Expenses		
Trust Fees	- 625.00	- 625.00
Total Plan Expenses	**- 625.00**	**- 625.00**
Other Activity		
Transfers Out	- 290,000.00	- 290,000.00
Total Other Activity	**- 290,000.00**	**- 290,000.00**
Net Change In Market And Cost	**452,070.14**	**- 284,190.21**
Ending Market And Cost	**19,095,673.04**	**17,220,988.44**

MARKET AND COST RECONCILIATION

	08/31/2020 MARKET	08/31/2020 BOOK VALUE
Beginning Market And Cost	**19,095,673.04**	**17,220,988.44**
Investment Activity		
Interest	5.67	5.67
Dividends	6,398.95	6,398.95
Realized Gain/Loss	.86	.86
Change In Unrealized Gain/Loss	813,834.96	.00
Net Accrued Income (Current-Prior)	.10	.10
Total Investment Activity	**820,240.54**	**6,405.58**
Plan Expenses		
Trust Fees	- 625.00	- 625.00
Total Plan Expenses	**- 625.00**	**- 625.00**
Other Activity		
Transfers Out	- 190,000.00	- 190,000.00
Total Other Activity	**- 190,000.00**	**- 190,000.00**
Net Change In Market And Cost	**629,615.54**	**- 184,219.42**
Ending Market And Cost	**19,725,288.58**	**17,036,769.02**

MARKET AND COST RECONCILIATION

	09/30/2020 MARKET	09/30/2020 BOOK VALUE
Beginning Market And Cost	**19,725,288.58**	**17,036,769.02**
Investment Activity		
Interest	4.50	4.50
Dividends	74,690.61	74,690.61
Realized Gain/Loss	- 18.69	- 18.69
Change In Unrealized Gain/Loss	- 482,813.68	.00
Net Accrued Income (Current-Prior)	.95	.95
Total Investment Activity	**- 408,136.31**	**74,677.37**
Plan Expenses		
Trust Fees	- 625.00	- 625.00
Total Plan Expenses	**- 625.00**	**- 625.00**
Other Activity		
Transfers In	979,500.00	979,500.00
Transfers Out	- 190,000.00	- 190,000.00
Total Other Activity	**789,500.00**	**789,500.00**
Net Change In Market And Cost	**380,738.69**	**863,552.37**
Ending Market And Cost	**20,106,027.27**	**17,900,321.39**

Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

9266

Village of Glen Ellyn
535 Duane Street
Glen Ellyn, IL 60137

Invoice No: 47065
Date: 07/08/2020
Client No: GLENELLYN

SERVICE	AMOUNT
For professional services rendered in connection with:	
Preparation of the audit of the financial statements for the fiscal year ended December 31, 2019 - Final Billing	2,000.00
Preparation of the Illinois Department of Insurance report for the fiscal year ended December 31, 2019	675.00
TIF Compliance Opinion Letter - December 31, 2019	370.00
Current Amount Due $	3,045.00

2370.00

As Lauterbach & Amen, LLP is trying to accommodate everyone working remotely, we want to provide information on how to pay your invoice via ACH. If you have any questions please reach out to AR@lauterbachamen.com.

Vendor: Lauterbach & Amen, LLP
Bank Name & Address: BMO Harris Bank, N.A * 503 North Washington Street * Naperville, IL 60563
Transit/Routing Number: 071000288
Bank Account Number:
Account Type: Checking Account

CODE	AMOUNT	APPROVAL	DATE
122100-520820	$2,000	@	7/30/20
70000 - 520830	$675		
25000-520835	$370		
25			

policepension

668 NORTH RIVER ROAD * NAPERVILLE, ILLINOIS 60563
PHONE 630.393.1483 * FAX 630.393.2516
www.lauterbachamen.com

Police Pension

Application for Withdrawal of Contributions
Glen Ellyn Police Pension Fund
Account #

I, EMMANUEL BERGER do hereby make an application for withdrawal from participation in the **Glen Ellyn Police Pension Fund** and request that the amounts contributed by me to date of my termination be refunded to me.

Non-Taxable Amount (contributions prior to __________) $ 86190.10

Taxable Amount (contributions after __________) $ 0.00

Total $ 86190.10

The above amount is acknowledged by me to be complete and final settlement of all monies due to me from **Glen Ellyn Police Pension Fund.**

CERTIFICATION

I, __________________ direct the **Glen Ellyn Police Pension Fund** to rollover the following part of the taxable portion of my withdrawal:

☐ None: Entire amount less 20% withholding will be made payable to individual.

☒ All: Entire amount will be made payable to the IRA, 401 (k) or eligible retirement plan named below.

☐ _____% or $_______________ (Enter EITHER a percentage OR dollar amount. The percentage or dollar amount indicated will be rolled over to the IRA, 401 (k) or eligible retirement plan named below.)

Note: **Glen Ellyn Police Pension Fund** is required by law to withhold 20% of the taxable portion of any refund not directly rolled over to an IRA or other qualified retirement plan. This direct rollover is limited to the taxable portion of the refund. Any portion that was previously taxed will be paid directly to the individual without withholding.

I certify that this account is an individual retirement plan or a qualified plan, and is eligible to receive this rollover distribution. I hereby waive my right to 30 days prior notice of the tax consequences of this distribution and demand immediate payment.

ACCOUNT INFORMATION
(Required for direct rollovers)

☒ IRA ☐ Retirement Plan ☐ Other

Name of Financial Institution CHARLES SCHWAB AND CO.

Signature ______________ Date 6-18-20

Participant Authorization

Signature ______________ Date 6-18-20

Address ______________ SSN ______________

Date of Birth ______________

Pension Fund Authorization

Authorized Signature ______________ Date 7/15/2020

Authorized Signature ______________ Date 7/16/20

Police Pension Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting: 07/15/20 07:30 PM
Department: Police Pension Board
Department Head: Christina Coyle
Category: Personnel
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 4548) DOC ID: 4548

Motion to approve a refund of contributions for Emmanuel Berger, payable to Charles Schwab & Co, fbo Emmanuel Berger, in the amount of $86,190.10

Membership Changes

1. Emmanuel Berger resigned from the department effective May 7, 2020.
2. Christina Pisano left the department effective April 23, 2020.

Contribution Refunds

1. Emmanuel Berger has requested a refund of his contributions into an eligible retirement account. His contributions through his separation date were $86,190.10

Transfers

None.

Action Requested

1. Motion to approve a refund of contributions for Emmanuel Berger, payable to Charles Schwab & Co, fbo Emmanuel Berger, in the amount of $86,190.10.

Glen Ellyn Police Pension Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 10/21/2020 4:30 PM
Department: Finance
Department Head: Christina Coyle
Category: Personnel
Prepared By: Lori Thomas

AGENDA ITEM (ID # 2020-582)

DOC ID: 2020-582

Membership Changes / Transfers / Contribution Refunds

Statement of the Issue:
N/A

Analysis:
Membership Changes

1. Derek Wilke was hired by the Village on August 17, 2020 and should be accepted into the Police Pension Fund.

2. Nicholas Kostantinidis resigned from the department effective September 3, 2020.

Transfers
None.

Contribution Refunds

Nicholas Kostantinidis is requesting a contribution refund of $6,310.61. He is requesting the payment be paid to himself, so the entire refund will be taxed.

Transfers

None.

Budget Impact:
N/A

Action Requested:
Action Requested

1. Motion to accept Derek Wilke into the Police Pension Fund, effective August 17, 2020.

2. Motion to approve the contribution refund to Nicholas Kostantinidis in the amount of $6,310.61.

Attachments:

Glen Ellyn Police Pension Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 10/21/2020 4:30 PM
Department: Finance
Department Head:
Category: Other
Prepared By:

AGENDA ITEM (ID # 2020-575)

DOC ID: 2020-575

Meeting Schedule for 2021: January 20, April 21, July 21, October 20

Statement of the Issue:

Analysis:

Budget Impact:

Action Requested:

Attachments: