

**WASHINGTON POLICE PENSION BOARD
301 WALNUT STREET
WASHINGTON, IL 61571**

NOTICE OF MEETING CHANGE

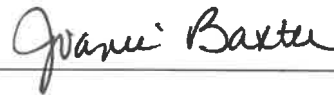
NOTICE IS HEREBY GIVEN, that the Washington Police Pension Board has rescheduled its July 27, 2020 Quarterly Meeting to be held on Monday, August 3, 2020 8:30 a.m. In light of the current COVID-19 public health emergency, this meeting will be held remotely only. The public can also attend the ZOOM Webinar meeting remotely by connecting online or calling:

Online Access: <https://us02web.zoom.us/j/85800816432>

Phone Access: 1-312-626-6799.

Meeting ID: 858 0081 6432.

All public comments shall be submitted by email prior to 8:00 a.m. on August 3, 2020 to jbaxter@ci.washington.il.us. Please put Police Pension Board Comment in the subject line of your email. Comments shall be read aloud during the appropriate portion of the agenda.



**WASHINGTON POLICE PENSION FUND
 QUARTERLY BOARD MEETING
 Monday, August 3, 2020 - 8:30 A.M.**

AGENDA

1. Call to Order
2. Roll Call
3. Review Agenda – Deletions or Additions (Discussion Items Only)
4. Investment Reporting by Mitchell, Vaught, & Taylor
5. Approval of May 11, 2020 Quarterly Meeting Minutes
6. Public comment
7. Financial Reports
8. Action Items:

A. Ratify investments made via phone/memo approval (roll call vote):

<u>Bank Name</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>	<u>Action Taken</u>
			<u>\$0</u>	

B. Investments Maturing before next quarterly meeting:

<u>Name</u>	<u>Bank</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
IPAVA State Bank		1.50%	08/23/20	\$136,988.88
IPAVA State Bank		2.00	08/31/20	\$105,098.15
				<u>\$242,087.03</u>

- C. Ratification of Police Pension Fund Expenses (roll call vote)
- D. Ratification of 2nd Quarter 2020 Investment Transactions – MVT (roll call vote)
- E. Approval of Fiduciary Liability Policy – Ullico (roll call vote)
- F. Approval of Officer Nathan Thompson to the Fund
- G. Acceptance of Police Pension Fund Annual Report per 40 ILCS 5/3-141
- H. Approval of Investment Policy Amendment – Sustainability Factors
- I. Election of Officers

9. Discussion Items:
 - A. Pension Reform Update
 - B. Predatory Lending Law Compliance Update
 - C. Training requirements and opportunities

10. Adjournment (roll call vote)

Next meeting Monday, October 26, 2020 @ 8:30 a.m.

**Mitchell,
& Vaught
Taylor Inc.**
Investment Advisors

53 W. Jackson Suite 905
Chicago, IL 60604
312-922-1717 phone
312-922-1772 fax

July 9, 2020
Statement for Third Quarter 2020
For Services Rendered

To: Washington Police Pension Fund

Investment Management Fee
Third Quarter 2020
July 1 through September 30, 2020

June 30, 2020 Portfolio Value: \$5,724,850.82

Quarterly Fee

First \$2 Million at 0.50%	=	\$2,500.00
Next \$3 Million at 0.40%	=	\$3,000.00
Next \$5 Million at 0.35%	=	\$634.24

Total Fee:		\$6,134

Allocate bill to individuals within group:

Name	Acct. Number	Portfolio Value	Bill Amount
Washington Police Bonds		\$2,426,222.20	\$2,600
Washington Police Equity		\$3,298,628.62	\$3,534

Each account listed above at Charles Schwab has been charged its corresponding fee. Charles Schwab, as custodian, makes no independent verification of the calculation of the billing amount, which is the client's responsibility.

July 1, 2020



Portfolio Statement
As of 06/30/2020

Washington Police Pension Fund Group

<u>Weight</u>	<u>Symbol</u>	<u>Trade Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Value</u>
Washington Police Bonds							
Fixed Income							
Money Funds							
Money Funds							
0.5%	SNVXX	06/24/2020	Schwab Government Money	30,000	30,000.00	1.000	30,000.00
0.0%	SWGXX		Schwab U. S. Treasury		2,003.20		2,003.20
					<u>32,003.20</u>		<u>32,003.20</u>
U. S. Treasury							
US Treasury							
0.7%		02/27/2019	Treasury Note 02/15/2021 3.625%	40,000	40,875.47	102.125	40,850.00
							547.78
1.1%		04/19/2018	US Treasury Note 03/31/2023 2.50%	60,000	59,302.39	106.375	63,825.00
							377.05
1.6%		05/23/2019	US Treasury Note 07/31/2025 2.875%	80,000	87,577.04	112.938	90,350.00
							960.44
0.4%		06/18/2019	US Treasury Note 05/15/2026 1.625%	20,000	19,631.32	107.125	21,425.00
							41.51
<u>3.8%</u>					<u>207,386.22</u>		<u>218,376.78</u>
TIPS							
2.0%		11/08/2016	Treasury Inflation-Indexed 07/15/2024 0.125%	100,000	102,512.85	104.453	112,811.55
							6.00
Treasury Inflation-Indexed							
2.1%		08/03/2016	Treasury Inflation-Indexed 01/15/2021 1.125%	100,000	116,430.20	100.906	118,292.34
							58.62
<u>4.0%</u>					<u>218,943.05</u>		<u>231,168.51</u>

Portfolio Statement
As of 06/30/2020

Washington Police Pension Fund Group

<u>Weight</u>	<u>Symbol</u>	<u>Trade Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Value</u>
Washington Police Bonds							
Fixed Income							
Corporate Bonds							
Corporate Bond							
0.4%		02/27/2019	State Street Cor 08/18/2020 2.55%	20,000	19,958.80	100.307	20,061.40
			Accrued Income				188.42
0.4%		02/01/2016	American Express 09/14/2020 2.60%	20,000	20,160.20	100.244	20,048.76
			Accrued Income				154.56
0.9%		01/13/2017	Cisco Systems 02/28/2021 2.20%	50,000	50,027.00	101.220	50,609.95
			Accrued Income				369.72
1.3%		09/08/2016	Morgan Stanley 04/21/2021 2.50%	75,000	75,995.50	101.629	76,221.90
			Accrued Income				363.73
0.9%		10/12/2016	AbbVie 05/14/2021 2.30%	50,000	50,320.50	101.371	50,685.70
			Accrued Income				150.14
0.9%		07/13/2017	Toronto Dominion 07/13/2021 1.80%	50,000	49,151.00	101.493	50,746.55
			Accrued Income				420.00
0.9%		07/22/2016	Wells Fargo 07/26/2021 2.10%	50,000	50,107.14	101.746	50,872.95
			Accrued Income				452.88
0.9%		01/13/2017	Procter & Gamble 02/06/2022 2.30%	50,000	50,366.90	103.249	51,624.50
			Accrued Income				463.19
0.3%		12/20/2019	Bank of Nova Scotia 03/07/2022 2.525%	15,000	15,164.50	100.494	15,074.04
			Accrued Income				119.39
1.8%		05/10/2017	Bank Of Nova Scotia 03/07/2022 2.70%	100,000	101,107.50	103.735	103,735.40
			Accrued Income				855.00
1.8%		03/29/2017	Qualcomm Inc 05/20/2022 3.00%	100,000	101,441.00	104.494	104,494.30
			Accrued Income				341.67
0.8%		08/07/2017	Sysco Corporation 06/12/2022 2.60%	45,000	45,496.00	103.208	46,443.42
			Accrued Income				61.75
0.9%		05/23/2017	Toyota Motor Credit 07/13/2022 2.80%	50,000	50,792.00	104.315	52,157.70
			Accrued Income				653.33
0.2%		10/16/2019	Anheuser-Busch 07/15/2022 2.50%	13,000	0.00	103.744	13,486.69
			Accrued Income				149.86
0.9%		07/18/2017	Altria Group Inc 08/09/2022 2.85%	50,000	51,234.00	104.179	52,089.60
			Accrued Income				562.08
1.8%		08/29/2018	Bank Of Montreal 09/11/2022 2.35%	100,000	96,342.30	104.116	104,115.60
			Accrued Income				718.06
0.4%		07/19/2018	John Deere 10/15/2022 2.75%	20,000	19,620.00	103.732	20,746.34
			Accrued Income				116.11

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As of 06/30/2020

Washington Police Pension Fund Group

<u>Weight</u>	<u>Symbol</u>	<u>Trade Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Value</u>
Washington Police Bonds 5994-4800 Fixed Income							
Fixed Income							
Corporate Bonds							
Corporate Bond							
1.4%		06/26/2018	Bank Of America 01/11/2023 3.30%	75,000	74,045.50	106.504	79,877.70
			Accrued Income				1,168.75
0.9%		10/06/2017	Brown Forman 01/15/2023 2.25%	50,000	49,338.00	102.900	51,450.15
			Accrued Income				518.75
0.9%		07/13/2017	Anheuser-Busch 01/17/2023 2.625%	50,000	50,012.50	104.853	52,426.40
			Accrued Income				597.92
0.5%		06/26/2018	John Deere Capital 01/27/2023 2.80%	25,000	24,467.00	105.501	26,375.25
			Accrued Income				299.44
0.4%		03/09/2018	IBM Credit 02/06/2023 3.00%	20,000	19,856.51	106.234	21,246.88
			Accrued Income				240.66
0.9%		02/11/2020	Goldman Sachs Variable Rate 02/23/2023 2.659%	50,000	50,704.50	99.534	49,766.95
			Accrued Income				140.90
0.9%		10/06/2017	Bnp Paribas 03/03/2023 3.25%	50,000	51,533.00	106.594	53,297.20
			Accrued Income				532.64
0.8%		12/04/2017	Philip Morris 03/06/2023 2.625%	45,000	44,781.40	105.562	47,502.99
			Accrued Income				377.34
0.5%		06/26/2018	Bank Of NY Mellon 04/28/2023 3.50%	25,000	25,076.00	108.032	27,008.10
			Accrued Income				153.13
0.9%		10/06/2017	Altria Group Inc 05/02/2023 2.95%	50,000	50,951.77	105.358	52,678.85
			Accrued Income				241.74
0.9%		07/19/2018	State Street Corp 05/15/2023 3.10%	50,000	49,402.50	107.505	53,752.35
			Accrued Income				198.06
1.5%		08/28/2018	Bank Of NY Mellon 08/11/2023 3.45%	80,000	80,168.80	108.363	86,690.24
			Accrued Income				1,073.33
0.9%		10/06/2017	Bank of NY Mellon Corp 08/16/2023 2.20%	50,000	49,064.00	104.230	52,114.80
			Accrued Income				412.50
1.9%		11/30/2018	Royal Bank of Canada 10/05/2023 3.70%	100,000	99,840.00	109.097	109,097.00
			Accrued Income				883.89
1.9%		11/16/2018	Schlumberger Inc 12/01/2023 3.65%	100,000	99,969.00	107.357	107,356.70
			Accrued Income				304.17
1.0%		05/06/2020	CBOE 01/12/2027 3.65%	50,000	54,295.50	112.099	56,049.25
			Call 10/12/2026, 100.00				
			Accrued Income				857.35
1.1%		07/11/2019	Comcast Corp 01/15/2027 2.35%	60,000	58,222.60	106.476	63,885.48
			Accrued Income				650.17

Portfolio Statement
As of 06/30/2020

Washington Police Pension Fund Group

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Washington Police Bonds 5994-4800 Fixed Income							
Fixed Income							
Corporate Bonds							
Corporate Bond							
1.0%		11/22/2019	Unitedhealth Gro 10/15/2027 2.95%	50,000	52,366.50	111.561	55,780.60
			Accrued Income				311.39
<hr/>					1,831,379.42		1,944,673.71
34.0%							
<hr/>					2,289,711.89		2,426,222.20
42.4%							
<hr/>					2,289,711.89		2,426,222.20
42.4%							
Washington Police Equity Mutual Funds							
Fixed Income							
Money Funds							
Money Funds							
3.8%	SNVXX	04/02/2020	Schwab Government Money	216,117.21	100,036.29	1.000	216,117.21
0.0%	SWGXX		Schwab U. S. Treasury		1,090.34		1,090.34
<hr/>					101,126.63		217,207.55
3.8%							
Domestic Equities							
Domestic							
Index Fund							
8.4%	VTSAX	05/18/2016	Vanguard Total Stock Admiral	6,268.766	346,305.05	76.260	478,056.10
Large Growth							
8.0%	PNAIX	10/24/2018	T Rowe Price New America	7,443.604	404,756.39	61.670	459,047.06
Large Value							
7.6%	VDIGX	01/20/2016	Vanguard Dividend Growth Fund	15,350.991	371,238.23	28.340	435,047.08
Mid Cap Growth							
3.0%	BMDIX	01/20/2016	Baird Midcap Institutional	7,203.402	119,048.73	23.920	172,305.38
Small Growth							
2.4%	TQALX	09/06/2018	T Rowe Price Qm US Small Grow	3,601.497	106,040.07	37.630	135,524.33
Small Value							
1.7%	JSCOX	12/23/2019	Janus Henderson Small	5,431.334	125,000.00	17.520	95,156.97
Small/MidCap							
2.1%	DHMIX	01/26/2016	Diamond Hill Small Mid Cap Inst	6,882.324	135,256.89	17.630	121,335.37
<hr/>					1,607,645.36		1,896,472.29
33.1%							
Alternatives							
ESG							
2.7%	DSI	05/27/2020	iShares Trust MSCI KLD400 Soc	1,312	150,000.96	118.020	154,842.24
Technology							
2.6%	BGSIX	09/27/2019	Blackrock Science and Tech	3,061.68	99,284.91	48.110	147,297.42

Portfolio Statement
As of 06/30/2020

Washington Police Pension Fund Group

<u>Weight</u>	<u>Symbol</u>	<u>Trade Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Value</u>
Washington Police Equity 2084-2258 Mutual Funds							
Domestic Equities							
Alternatives							
Health Care							
2.6%	THISX	09/06/2018	T Rowe Price Health	1,705.973	117,313.88	87.100	148,590.25
Infrastructure							
1.6%	GLIFX	05/01/2018	Lazard Global Listed Infrastructur	6,531.451	98,279.47	14.190	92,681.29
Real Estate							
1.1%	CSRIX	07/15/2016	Cohen & Steers Institutional	1,669.47	77,846.92	39.320	65,643.56
<hr/>							
10.6%					542,726.14		609,054.76
<hr/>							
43.8%					2,150,371.50		2,505,527.05
<hr/>							
International Equities							
International							
Global Allocation							
0.4%	FNPFX	06/29/2020	American Fund New Perspective I	422.93	20,000.00	47.850	20,237.20
Large Growth							
2.1%	APDIX	08/03/2017	Artisan International Fund	3,906.158	126,180.40	30.510	119,176.88
Large Value							
1.5%	ARTKX	06/24/2020	Artisan Intl Value Fund	2,766.475	86,397.02	31.340	86,701.33
1.6%	GCIIX	07/31/2018	Goldman International Insights	8,000.36	107,960.43	11.540	92,324.15
<hr/>							
3.1%					194,357.45		179,025.48
Small Cap							
1.8%	OSMYX	01/27/2016	Invesco Oppenheimer Intl Smid C	2,250.677	91,222.66	46.860	105,466.72
Emerging Markets							
1.4%	GERIX	10/24/2018	Goldman Sachs Emerging Market	9,231.864	82,046.29	8.960	82,717.50
1.2%	ODVYX	07/14/2016	Invesco Oppenheimer Developing	1,665.15	56,668.48	41.600	69,270.24
<hr/>							
2.7%					138,714.77		151,987.74
<hr/>							
10.1%					570,475.28		575,894.02
<hr/>							
57.6%					2,821,973.41		3,298,628.62
<hr/>							
99.7%					5,111,685.30		5,707,757.40
<hr/>							
100.0%							17,093.42
							5,724,850.82

This report includes data currently available to the investment manager. Past performance is no guarantee of future performance. Indices are not available for direct investment. An investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns. We urge our clients to compare MVT statements with those from custodians.

July 15, 2020

Income Report
From 04/01/2020 to 06/30/2020

Washington Police Pension Fund

Interest: Tax Free

<u>Account Number</u>	<u>Last Date Received</u>	<u>Name of Payer</u>	<u>Symbol</u>	<u>Activity</u>	<u>Non-Qualifi Amount</u>	<u>Qualified Amount</u>	<u>Unclassifi Dividend Amount</u>	<u>Total Amount</u>
[REDACTED]	05/14/2020	AbbVie	00287YAU3	Interest	575.00			575.00
		05/14/2021 2.30%						
	05/02/2020	Altria Group Inc	02209SAP8	Interest	737.50			737.50
		05/02/2023 2.95%						
	06/07/2020	Bank of Nova Scot	064159JF4	Interest	62.14			62.14
		03/07/2022 2.525						
	04/28/2020	Bank Of NY Mello	06406RAG2	Interest	437.50			437.50
		04/28/2023 3.50%						
	05/26/2020	Goldman Sachs V	38141GWU4	Interest	310.85			310.85
		02/23/2023 2.659						
	04/15/2020	John Deere	24424CBT7	Interest	275.00			275.00
		10/15/2022 2.75%						
	04/21/2020	Morgan Stanley	61746BEA0	Interest	937.50			937.50
		04/21/2021 2.50%						
	05/20/2020	Qualcomm Inc	747525AE3	Interest	1,500.00			1,500.00
		05/20/2022 3.00%						
	04/06/2020	Royal Bank of Can	78013XW20	Interest	1,850.00			1,850.00
	10/05/2023 3.70%							
06/01/2020	Schlumberger Inc	806854AH8	Interest	1,825.00			1,825.00	
	12/01/2023 3.65%							
05/15/2020	State Street Corp	857477AL7	Interest	775.00			775.00	
	05/15/2023 3.10%							
06/12/2020	Sysco Corporation	871829AQ0	Interest	585.00			585.00	
	06/12/2022 2.60%							
04/30/2020	Treasury Bill	912796TS8	Sell	218.43			218.43	
	04/30/2020							
04/15/2020	Unitedhealth Gro	91324PDE9	Interest	737.50			737.50	
	10/15/2027 2.95%							
	Accrued interest paid at purchase				(167.99)			(167.99)

Income Report
From 04/01/2020 to 06/30/2020

Washington Police Pension Fund

Interest: Tax Free

<u>Account Number</u>	<u>Last Date Received</u>	<u>Name of Payer</u>	<u>Symbol</u>	<u>Activity</u>	<u>Non-Qualifi Amount</u>	<u>Qualified Amount</u>	<u>Unclassifi Dividend Amount</u>	<u>Total Amount</u>
	05/15/2020	US Treasury Note	912828R36	Interest	162.50			162.50
		05/15/2026 1.625						
Accrued paid					(167.99)			(167.99)
Total interest: tax free						10,820.93		10,820.93

Dividends: Tax Free

<u>Account Number</u>	<u>Last Date Received</u>	<u>Name of Payer</u>	<u>Symbol</u>	<u>Activity</u>	<u>Non-Qualifi Amount</u>	<u>Qualified Amount</u>	<u>Unclassifi Dividend Amount</u>	<u>Total Amount</u>
	06/30/2020	Cohen & Steers In	CSRIX	Qualified Dividen		434.02		434.02
	06/19/2020	iShares Trust MS	DSI	Dividend		457.37		457.37
	06/22/2020	Lazard Global List	GLIFX	Qualified Dividen		1,284.53		1,284.53
	06/15/2020	Schwab Governm	SNVXX	Dividend			60.93	60.93
	06/15/2020	Schwab U. S. Trea	SWGXX	Dividend	3.23			3.23
	06/26/2020	Vanguard Dividen	VDIGX	Qualified Dividen		3,385.26		3,385.26
	06/24/2020	Vanguard Total St	VTSAX	Qualified Dividen		2,114.91		2,114.91
Total dividends: tax free					3.23	7,676.09	60.93	7,740.25
Total accrued paid					(167.99)			(167.99)
Total Income					10,824.16	7,676.09	60.93	18,561.18

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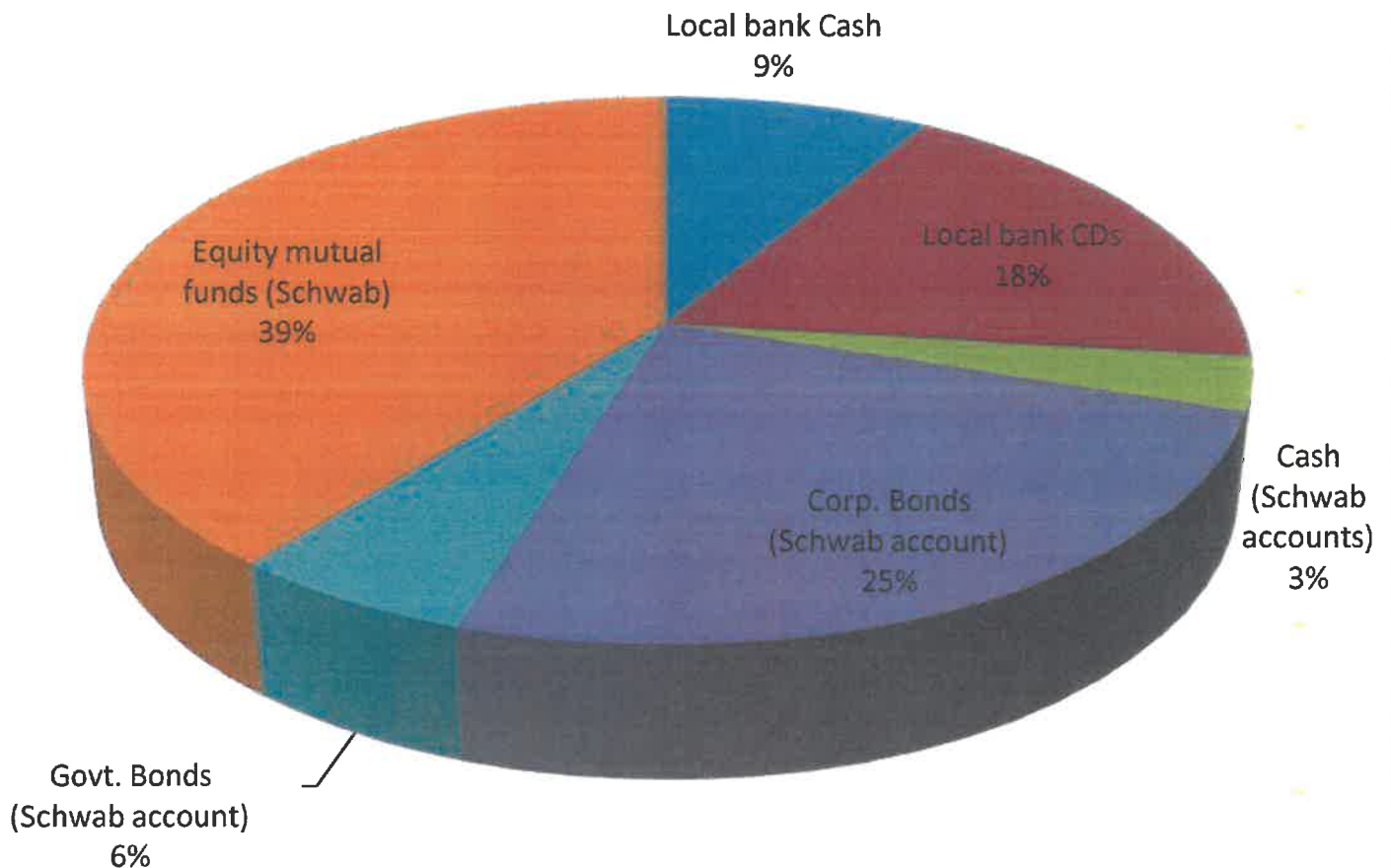
Washington Police Pension Fund

Total Asset Allocation

As of June 30, 2020

<u>Asset Class</u>	<u>Value</u>	<u>% of assets</u>	<u>Sector</u>
Local bank Cash	\$674,305	8.6%	
Local bank CDs	\$1,428,545	18.2%	
Cash (Schwab accounts)	\$249,211	3.2%	30.0% total cash and CD
Corp. Bonds (Schwab account)	\$1,944,674	24.8%	24.8% total corp.
Govt. Bonds (Schwab account)	\$449,545	5.7%	5.7% total govt.
Equity mutual funds (Schwab)	\$3,081,421	39.4%	39.4% total mutual funds
Total	\$7,827,701		

Total Asset Allocation



WASHINGTON POLICE PENSION FUND
BOARD MEETING
City Hall Conference Room
Monday, May 11, 2020 - **Minutes**

1. **Call to Order.** President Michael Hillary called the meeting to order at 8:30 a.m.
2. **Roll Call.** Finance Director Joanie Baxter took the roll.

Present

Michael Hillary, President
James Wetzel, Vice President
Greg Gordon, Secretary
Troi Westbrook, Assistant Secretary
James Fussner, Representative

Also, in attendance were Finance Director Joanie Baxter, Treasurer Ellen Dingleline, Accountant Jeanette Glueck, City Administrator Ray Forsythe, Alderman Liliya Stevens, Dwight Ower with Mitchell, Vaught and Taylor and Administrative Assistant Audrey Miller.

3. **Review Agenda.** The agenda was reviewed and Treasurer Dingleline requested to add to the Illinois Sustainable Investment Act under the discussion items.
4. **Investment Reporting.** Dwight Ower from Mitchell, Vaught & Taylor was present for the meeting via Zoom. He stated it was the worst first quarter ever in U.S. Stock Market history but there was a nice recovery in April. He reviewed the timeline and explained that at the end of the year, the GDP was at 2.1%. They just received the first quarter GDP which was at -4.8% which is a preliminary amount since there is more information to analyze. It is expected to be lower and it is also expected that the 2nd quarter amount will be lower yet. The Fed cut rates to near 0.0% which has an impact on the bond yields and Congress approved a \$2.2 trillion package to aid laid off workers and businesses. The Portfolio Performance Summary included information from 04/30/2019 thru 04/30/2020. Beginning value as of 04/30/2019 was \$5,594,021.74 and the ending value as of 04/30/2020 was \$5,460,500.42 with an investment loss of \$32,528.32. The gains from last year helped offset the losses from the first quarter of this year. Finance Director Baxter commented that the IML has made a request to extend the amortization period by ten years which could have an impact on the tax levy.
5. **Meeting Minutes Approval.** No changes needed to be made to the January 27, 2020 meeting minutes. Gordon made a motion to approve the minutes. Fussner seconded the motion. The motion carried and the minutes were approved.
6. **Public Comment.** There were no public comments.
7. **Financial Reports.** Financial Director Baxter reviewed the reports which were results as of 03/31/20. Treasurer Dingleline commented that Ipava is still paying an APY of 2.7 right now on the general bank accounts. Wetzel made a motion to approve the financial reports. Hillary seconded the motion. All approved. Motion carried and reports were approved.
8. **Action Items.**
 - A. **Ratify Investment made via phone/memo approval.** Redeemed CD with Washington State Bank at 1.50% that matured on 02/22/20 for \$136,662.83 and deposited it into an

Ipava State Bank Money Market account. Memo had been approved over the phone. Gordon made a motion to approve the ratification. Wetzel seconded. Roll call vote: Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

- B. Investments Maturing before next quarter. None
- C. Ratification of Police Pension Fund Expenses. There was one expense from 02/17/20 for the IPPFA Conference for \$925.00. A refund of \$540.00 was issued on 03/17/20 for four attendees who did not attend. Total expense amount of \$385.00. No indication at this time of when the next conference will be scheduled. Westbrook motioned to approve the expenses. Hillary seconded. Roll call vote: Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.
- D. Ratification of 1st Quarter 2020 Investment Transactions with MVT. Wetzel made a motion to approve and Hillary seconded. Roll call vote: Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.
- E. Approval of Atwell & Atwell Invoice. The invoice is for \$200.00 for professional services which included advisory emails regarding the Open Meetings Act. Gordon motioned to approve. Fussner seconded the motion. Roll call vote: Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.
- F. Approve extension of required training deadline. Board of Trustees training has been extended for up to 6 (six) months which would take the deadline from August to February. Gordon made a motion to approve the training extension deadline. Fussner seconded the motion. All approved. Motion carried.

9. **Discussion Items.**

- A. Pension Reform Update. Dwight Ower from MVT had previously discussed this. Any further updates will be forwarded to the Board.
- B. Predatory Lending Law Compliance. Accountant Glueck sent out the forms to the local banks and all have been received except for ones from Ipava and Busey. A second request was sent to them requesting a response by the end of the month.
- C. Illinois Sustainable Investment Act (ISIA). Treasurer Dingleline explained the Illinois Sustainable Investment Act was passed last fall and a portion of it relates to pension plans. It explains that the investment policy must incorporate reference to this Act. She wanted to get Mr. Ower's response regarding this and to see if any changes needed to be made to the policy to ensure compliance. Mr. Ower acknowledged that they have received similar requests and have already drafted a paragraph which incorporates language directly from the ISIA which he will forward so the Board can vote and approve it at the next meeting. It will then need to be filed with the Department of Insurance after the Board approves the amendment.
- D. Jim Wetzel's Board Resignation. Wetzel has been on the Board since 2012. Hillary and board members thanked him for his time and service on the Board.

10. **Adjournment.** Wetzel made a motion to adjourn. Gordon seconded the motion. Roll call vote: Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried. Meeting was adjourned at 9:21 a.m.

Respectfully Submitted,

Greg Gordon, Secretary

**WASHINGTON POLICE PENSION FUND
CASH AND INVESTMENTS
06/30/20**

Ipava State Bank Money Market	\$	672,822.40
Cefcu Savings	\$	1,482.21
Charles Schwab Money Market - Fixed Income	\$	2,003.20
Charles Schwab Money Market - Fixed Income Non-Sweep	\$	30,000.00
Charles Schwab Money Market - Equity Sweep	\$	1,090.34
Charles Schwab Money Market - Equity Non-Sweep	\$	216,117.21

Certificates of Deposit:

CEFCU

[REDACTED] 1.79% due 1/10/22	\$	100,000.00
[REDACTED] 2.32% due 6/28/24	\$	100,000.00
	<u>\$</u>	<u>200,000.00</u>

Heartland Bank
No CD's at this time.

IPAVA State Bank

[REDACTED] 1.50% due 08/23/20	\$	136,988.88
[REDACTED] 2.00% due 08/31/20	\$	105,098.15
	<u>\$</u>	<u>242,087.03</u>

Washington State Bank

[REDACTED] 2.55% due 1/25/23	\$	215,769.95
[REDACTED] 2.30% due 4/10/23	\$	111,702.70
[REDACTED] 2.75% due 5/01/21	\$	111,868.96
[REDACTED] 2.75% due 4/17/21	\$	144,571.87
	<u>\$</u>	<u>583,913.48</u>

Morton Community Bank

[REDACTED] 2.70% due 9/05/21	\$	188,702.56
	<u>\$</u>	<u>188,702.56</u>

Busey Bank

[REDACTED] 2.90% due 1/11/24	\$	103,673.66
[REDACTED] 2.76% due 8/30/23	\$	110,168.12
	<u>\$</u>	<u>213,841.78</u>

Mitchell, Vaught, & Taylor
No CD's at this time.

Total Certificates of Deposits	\$	<u>1,428,544.85</u>
Total Local Cash and Investments	\$	2,102,849.46
Mitchell, Vaught, & Taylor Investments	\$	5,724,851.54
Total Cash and Investments	<u>\$</u>	<u>7,827,701.00</u>

**WASHINGTON POLICE PENSION FUND
REVENUE AND EXPENSE REPORT
MAY 1, 2019 TO APRIL 30, 2020**

REVENUES:

Property Taxes	531,655.57	
Property Replacement Taxes	24,157.82	
Interest	108,466.78	
Employee Contributions	153,914.52	
Miscellaneous Income	0.00	
TOTAL		818,194.69

EXPENSES:

Pensions	625,188.20	
Insurance	3,182.00	
Legal	0.00	
Compliance Fee	1,539.33	
Training	385.00	
Membership Dues	795.00	
Contributions Refund	0.00	
Investment Expense	23,745.00	
Miscellaneous	31.81	
TOTAL		654,866.34

INVESTMENTS:

Dividends (<i>Cash/Reinvested</i>)	125,841.43	
Realized Gain/Loss	142,757.91	
Unrealized Gain/Loss	(336,908.77)	
TOTAL		(68,309.43)

REVENUES LESS EXPENSES

95,018.92

**WASHINGTON POLICE PENSION FUND
REVENUE AND EXPENSE REPORT
MAY 1, 2020 THROUGH JUNE 30, 2020**

REVENUES:

Property Taxes	0.00	
Property Replacement Taxes	3,327.83	
Interest	13,497.88	
Employee Contributions	33,425.48	
Miscellaneous Income	0.00	
TOTAL		50,251.19

EXPENSES:

Pensions	106,283.32	
Insurance	0.00	
Legal	0.00	
Compliance Fee	1,615.60	
Training	0.00	
Membership Dues	0.00	
Subscriptions	0.00	
Postage	0.00	
Contributions Refund	0.00	
Investment Expense	0.00	
Miscellaneous	0.00	
TOTAL		107,898.92
		(57,647.73)

INVESTMENTS:

Dividends (Cash/Reinvested)	6,738.72	
Realized Gain/Loss	(8,942.95)	
Unrealized Gain/Loss	164,150.67	
TOTAL		161,946.44

NET REVENUES OVER EXPENSES

104,298.71

MONTHLY PENSIONS PAID (GROSS): RETIREMENT

Kimberly Beard (Britt)	2,869.58	
David Densberger	3,362.65	
Mary Densberger	1,329.42	
James Fussner	4,314.74	
Rosalie Gerkin	4,783.53	
James Kuchenbecker	7,542.25	
Joyce Libotte (Thomas)	4,625.40	
Gwendolyn Marshall	2,965.62	
David Stark	3,936.30	
Donald Volk	6,883.19	
Michael Williams	3,165.93	
Kathleen Witmer (William)	3,056.13	
Charles Woolley	4,306.92	
TOTAL		53,141.66

MONTHLY PENSIONS PAID (GROSS): DISABILITY

No Disability Pensions at this time.

0.00

TOTAL

0.00

POLICE PENSION - ACTIVE OFFICERS' CONTRIBUTIONS AS OF 06/30/20

	Contributions	Years
Danton Althiser	\$ 13,085.11	1
Lyle Baele	\$ 134,875.94	21
Zachary Bean	\$ 57,073.75	9
Michael Brown	\$ 35,652.60	5
Jacob Cernek	\$ 48,813.26	9
Ashley Clare	\$ 24,982.31	4
Daniel Foster	\$ 58,465.96	10
Greg Gordon	\$ 122,781.26	22
Frank Grossman	\$ 46,727.03	8
Jeffrey Hensley	\$ 3,646.59	0
Steve Hinken	\$ 57,555.09	10
Ryan Hunsunger	\$ 82,142.18	14
Ramadan Moore	\$ 11,420.54	2
Brian Simpson	\$ 41,647.77	7
Steven Smith	\$ 76,037.28	10
Stuart Stevens	\$ 127,699.64	20
Joshua Sutter	\$ 37,711.75	4
Dramane Taylor	\$ 34,560.64	5
Derek Thomas	\$ 97,212.09	17
Troi Westbrook	\$ 42,092.25	6
Tyler Willi	\$ 71,875.54	11
TOTAL ACTIVE CONTRIBUTIONS	\$ 1,226,058.58	

POLICE PENSION - INACTIVE OFFICERS' CONTRIBUTIONS AS OF 06/30/20

	Contributions	Years
Lindsay Bond	<i>Terminated 3/5/15</i> \$ 5,662.02	
Michael Heitz	<i>Terminated 5/11/13</i> \$ 624.14	
April Schrementi	<i>Terminated 7/21/10</i> \$ 5,253.25	
Keegan Smith	<i>Terminated 10/23/19</i> \$ 46,938.65	
TOTAL INACTIVE CONTRIBUTIONS	58,478.06	

TOTAL CONTRIBUTIONS

1,284,536.64

**WASHINGTON POLICE PENSION FUND
301 WALNUT STREET
WASHINGTON, IL 61571**

MEMO MEMO MEMO MEMO MEMO MEMO MEMO MEMO

TO: Washington Police Pension Board
FROM: Jeanette Glueck
DATE: 6/30/20
SUBJECT: Ratification of Police Pension Fund Expenses

The following is a list of any expenses incurred by the Police Pension Board during the last quarter:

Payee Date Amount Reason

IL Dept. of Insurance	05/19/20	1615.60	FY2021 Compliance Fee
	TOTAL	<u>\$1,615.60</u>	

Transaction Detail
 From 04/01/2020 to 06/30/2020

Washington Police Pension Fund

Portfolio Account Number	Trade Date	Security Symbol	Description	Activity	Quantity	Net Amount
	04/01/2020		Schwab U. S. Treasury	Management Fee		(5,385.00)
	04/02/2020	SNVXX	Schwab Government Money	Receipt of Securities	146,080.92	
	04/02/2020	SNVXX	Schwab Government Money	Transfer of Securities	(146,080.92)	
	04/06/2020	78013XW20	Royal Bank of Canada 10/05/2023 3.70%	Interest		1,850.00
	04/09/2020	ODVYX	Invesco Oppenheimer Devel	Sell	(1,359.065)	49,975.00
	04/13/2020	VTSAX	Vanguard Total Stock Admir	Sell	(745.823)	49,975.00
	04/14/2020	SNVXX	Schwab Government Money	Buy	100,000	(100,000.00)
	04/15/2020	24424CBT7	John Deere 10/15/2022 2.75%	Interest		275.00
	04/15/2020	SNVXX	Schwab Government Money	Dividend		24.32
	04/15/2020	SNVXX	Schwab Government Money	Dividend	17.3	17.30
	04/15/2020	SWGXX	Schwab U. S. Treasury	Dividend		1.33
	04/15/2020	SWGXX	Schwab U. S. Treasury	Dividend		0.18
	04/15/2020	91324PDE9	Unitedhealth Gro 10/15/2027 2.95%	Interest		737.50
	04/21/2020	61746BEA0	Morgan Stanley 04/21/2021 2.50%	Interest		937.50
	04/28/2020	06406RAG2	Bank Of NY Mellon 04/28/2023 3.50%	Interest		437.50
	04/30/2020	SNVXX	Schwab Government Money	Buy	6,000	(6,000.00)
	04/30/2020	912796TS8	Treasury Bill 04/30/2020	Sell	(75,000)	75,000.00
	05/02/2020	02209SAP8	Altria Group Inc 05/02/2023 2.95%	Interest		737.50
	05/06/2020	12503MAA6	CBOE 01/12/2027 3.65%	Buy	50,000	(54,883.56)
	05/07/2020	SNVXX	Schwab Government Money	Receipt of Securities	55,000	
	05/07/2020	SNVXX	Schwab Government Money	Transfer of Securities	(55,000)	
	05/12/2020	SNVXX	Schwab Government Money	Buy	20,000	(20,000.00)
	05/14/2020	00287YAU3	AbbVie 05/14/2021 2.30%	Interest		575.00
	05/14/2020	CSRIX	Cohen & Steers Institutional	Sell	(425.894)	14,975.00
	05/14/2020	OANIX	Oakmark International Fund I	Sell	(4,108.723)	64,975.00
	05/15/2020	SNVXX	Schwab Government Money	Dividend	0.28	0.28
	05/15/2020	SNVXX	Schwab Government Money	Dividend	17.25	17.25
	05/15/2020	SWGXX	Schwab U. S. Treasury	Dividend		0.19
	05/15/2020	857477AL7	State Street Corp 05/15/2023 3.10%	Interest		775.00


Transaction Detail
From 04/01/2020 to 06/30/2020

Washington Police Pension Fund

<u>Portfolio Account Number</u>	<u>Trade Date</u>	<u>Security Symbol</u>	<u>Description</u>	<u>Activity</u>	<u>Quantity</u>	<u>Net Amount</u>
	05/15/2020	912828R36	US Treasury Note 05/15/2026 1.625%	Interest		162.50
	05/15/2020	VTSAX	Vanguard Total Stock Admir	Sell	(5,001.429)	349,975.00
	05/19/2020	912828Y79	US Treasury Note 07/31/2025 2.875%	Buy	50,000	(56,850.60)
	05/19/2020	SNVXX	Schwab Government Money	Sell	(81,000.28)	81,000.28
	05/20/2020	747525AE3	Qualcomm Inc 05/20/2022 3.00%	Interest		1,500.00
	05/26/2020	38141GWU4	Goldman Sachs Variable Rat 02/23/2023 2.659%	Interest		310.85
	05/27/2020	DSI	iShares Trust MSCI KLD400	Buy	1,312	(150,000.96)
	05/27/2020	GLIFX	Lazard Global Listed Infrastr	Buy	2,081.597	(30,000.00)
	05/27/2020	THISX	T Rowe Price Health	Buy	354.608	(30,000.00)
	05/27/2020	PNAIX	T Rowe Price New America	Buy	3,456.785	(200,000.00)
	06/01/2020	806854AH8	Schlumberger Inc 12/01/2023 3.65%	Interest		1,825.00
	06/07/2020	064159JF4	Bank of Nova Scotia 03/07/2022 2.525%	Interest		62.14
	06/12/2020	871829AQ0	Sysco Corporation 06/12/2022 2.60%	Interest		585.00
	06/15/2020	SNVXX	Schwab Government Money	Dividend		0.04
	06/15/2020	SNVXX	Schwab Government Money	Dividend	1.74	1.74
	06/15/2020	SWGXX	Schwab U. S. Treasury	Dividend		0.24
	06/15/2020	SWGXX	Schwab U. S. Treasury	Dividend		1.29
	06/19/2020	DSI	iShares Trust MSCI KLD400	Dividend		457.37
	06/22/2020	GLIFX	Lazard Global Listed Infrastr	Qualified Dividend	89.452	1,284.53
	06/23/2020	OANIX	Oakmark International Fund I	Sell	(4,371.372)	86,397.02
	06/24/2020	ARTKX	Artisan Intl Value Fund	Buy	2,766.475	(86,397.02)
	06/24/2020	SNVXX	Schwab Government Money	Buy	30,000	(30,000.00)
	06/24/2020	VTSAX	Vanguard Total Stock Admir	Qualified Dividend	28.248	2,114.91
	06/26/2020	VDIGX	Vanguard Dividend Growth F	Qualified Dividend	122.654	3,385.26
	06/29/2020	FNPFX	American Fund New Perspe	Buy	422.93	(20,000.00)
	06/30/2020	CSRIX	Cohen & Steers Institutional	Qualified Dividend	11.038	434.02
	06/30/2020	CSRIX	Cohen & Steers Institutional	Long Gain	38.963	1,532.02
						2,797.92

This report includes data currently available to the investment manager. Past performance is no guarantee of future performance. Indices are not available for direct investment. An investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns.

**CITY OF WASHINGTON
POLICE PENSION FUND**

TO: Police Pension Board
FROM: Joanie Baxter, Finance Director 
DATE: July 31, 2020
SUBJECT: Fiduciary Liability Insurance Renewal

A proposal was received from Ullico for the renewal of the fiduciary liability insurance policy. The renewal was quoted at \$3,228 compared to \$3,182 in the prior year which represents a modest 1.4% increase.

Approval of the renewal is an action item on the agenda for the Police Pension Board meeting of August 3, 2020.



ULLICO ORGANIZED LABOR PROTECTION GROUP, LLC

a voluntary membership organization operating pursuant to the Liability Risk Retention Act of 1986 and whose principal office is: 1625 Eye Street NW, Washington, DC 20006

GOVERNMENTAL FIDUCIARY LIABILITY INSURANCE PREMIUM QUOTATION

DATE ISSUED: 07/29/2020 **UNDERWRITER:** Kimberly Allen

QUOTATION NO: QT0000061093 **RENEWAL:** Y

ISSUED BY: Markel American Insurance Company

INSURANCE REPRESENTATIVE: Ullico Casualty Group, LLC
8403 Colesville Road, 13th Floor
Silver Spring, MD 20910

PRODUCER: Mesirow Insurance Services, Inc

ADDRESS: 353 N Clark St
Chicago, IL 60654

TRUST(S) OR PLAN(S): City of Washington Police Pension Fund

ADDRESS: 301 Walnut Street
Washington, IL 61571

POLICY PERIOD: 09/01/2020 to 09/01/2021

PRIOR & PENDING LITIGATION DATE: 09/01/2016

LIMITS OF LIABILITY: (a) \$1,000,000 **Limit of Liability for all Loss (Aggregate)**
(b) \$100,000 **Voluntary Compliance Program Expenditure Sub-Limit: Aggregate Limit of Liability for all Voluntary Compliance Program Expenditures (included within and not in addition to the maximum Aggregate Limit of Liability set forth in Item 04(a) of the Policy Certificate.**

SELF-INSURED RETENTION: \$0 each Claim

COVERAGE: Markel American Insurance Company
Governmental Fiduciary Liability Insurance **Claims-Made** Policy Form GOV-1000 (11/2014), **Claims Expenses Inclusive**

PREMIUM:	(a)	\$3,228.00	Basic Premium
	(b)	\$0.00	Tax/Other
	(c)	\$3,228.00	Total

CONDITIONS/COVERAGE SUBJECT TO:

1. Confirm Insured's Legal Name

THE FOLLOWING ENDORSEMENTS WILL ATTACH TO THE POLICY:

<u>END NO./REF NO.</u>	<u>ENDORSEMENT</u>
1. MIL 1214 (09/17)	Trade or Economic Sanctions
2. MIL 1217 (01/20)	Extended Reporting Period for Terrorism Coverage
3. MIL 1310 (01/20)	Conditional Exclusion Of Terrorism
4. MPIL 1121 (01/20)	Notice To Policyholders of Potential Restrictions of Terrorism Coverage
5. MPIL 1113-IL (04/18)	Notice To Policyholder Illinois Important Notice
6. TRIA (06/15)	Cap on Losses From Certified Acts of Terrorism
7. GOV-IL (09/15)	Illinois Amendatory Endorsement
8. GOV-044 (06/15)	Defense and Settlement Endorsement
9. GOV-054 (05/16)	Modification Endorsement

This quotation is valid for a period of thirty (30) days from the Issue Date shown above unless amended or withdrawn by **Markel American Insurance Company (Insurer)**, with or without cause, prior to its acceptance and binding, and is subject to the terms and conditions of the policy (ies) to be issued. If the information supplied by the **Trust or Plan** in the application changes between the date of the application for this insurance and the **Effective Date** of the insurance or the time when the policy is bound (whichever is later), the **Trust or Plan** must immediately notify **Insurer** in writing of such changes and the **Insurer** may withdraw or amend any outstanding quotations based upon such changes.

Ullico Organized Labor Protection Group, LLC is administered by Ullico Casualty Group, LLC, a/k/a Ullico Insurance Agency, LLC in CA, and Ullico Casualty Agency in NY. CA License #OH86030 and FL (Craig Arneson) License # A008437.

**Washington Police Pension Fund
Annual Report per 40 ILCS 5/3-141 (Unaudited)
For year ending April 30, 2020**

Revenues:

Interest Revenue	110,459.07	
Dividend Revenue	5,918.34	
Miscellaneous Revenue	257.48	
Employee Contributions	153,914.52	
Employer Contribution	555,813.39	
Total Revenue		\$ 826,362.80

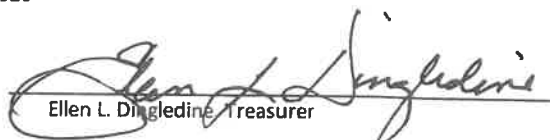
Expenses:

Pensions	627,456.20	
Insurance	3,182.00	
Contribution Refunds	-	
Compliance Fee	1,539.33	
Legal Fees	-	
Membership Dues	795.00	
Training	385.00	
Investment Expense	23,745.00	
Miscellaneous	31.81	
Total Expenses		\$ 657,134.34

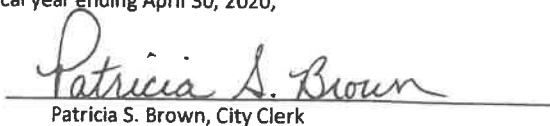
**Excess of Revenues
over Expenses** **\$ 169,228.46**

Note: The above revenue and expenses are exclusive of realized and unrealized investment gains and losses.

Subscribed and sworn to this 15th day of May 2020


Ellen L. Dingleline, Treasurer

I, Patricia S. Brown, Clerk of City of Washington, Tazewell County, Illinois do hereby certify that the above is a true copy of the Annual Police Pension Fund Report per 40 ILCS 5/3-141 for the fiscal year ending April 30, 2020,


Patricia S. Brown, City Clerk

? KeyCite Yellow Flag - Negative Treatment
Proposed Legislation

West's Smith-Hurd Illinois Compiled Statutes Annotated
Chapter 40. Pensions
Act 5. Illinois Pension Code (Refs & Annos)
Article 1. General Provisions: Short Title, Effect of Code and Other Provisions (Refs & Annos)

40 ILCS 5/1-113.6

5/1-113.6. Investment policies

Effective: January 1, 2020

Currentness

§ 1-113.6. Investment policies. Every board of trustees of a pension fund shall adopt a written investment policy and file a copy of that policy with the Department of Insurance within 30 days after its adoption. Whenever a board changes its investment policy, it shall file a copy of the new policy with the Department within 30 days.

The investment policy shall include a statement that material, relevant, and decision-useful sustainability factors have been or are regularly considered by the board, within the bounds of financial and fiduciary prudence, in evaluating investment decisions. Such factors include, but are not limited to: (1) corporate governance and leadership factors; (2) environmental factors; (3) social capital factors; (4) human capital factors; and (5) business model and innovation factors, as provided under the Illinois Sustainable Investing Act.¹

Credits

Laws 1963, p. 161, § 1-113.6, added by P.A. 90-507, § 4, eff. Aug. 22, 1997. Amended by P.A. 101-473, § 110, eff. Jan. 1, 2020.

Footnotes

¹ 30 ILCS 238/1 et seq.

40 I.L.C.S. 5/1-113.6, IL ST CH 40 § 5/1-113.6

Current through P.A. 101-629. Some statute sections may be more current, see credits for details.

End of Document

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Insert language for Washington Police Pension Fund investment policy:

D. INVESTMENT POLICY OBJECTIVES

6. **Sustainability Factors** - The board has considered and regularly considers material, relevant, and decision-useful sustainability factors, within the bounds of financial and fiduciary prudence, in evaluating investment decisions. Such factors include, but are not limited to: (1) corporate governance and leadership factors; (2) environmental factors; (3) social capital factors; (4) human capital factors; and (5) business model and innovation factors, as provided under the Illinois Sustainable Investing Act.

WASHINGTON POLICE PENSION FUND
INVESTMENT POLICY

Updated and Adopted July 23, 2018

Amended August 3, 2020

A. PURPOSE OF AN INVESTMENT POLICY

The investment of public monies is a major responsibility and a statutory requirement of the Board of Trustees of the City of the Washington Police Pension Fund (the "Pension Board" or "WPPF") as provided by law, including but not limited to Pension Code Sections 40 ILCS 5/3-135, 1-113.1, and 1-113.6.

The Board of Trustees of the City of Washington Police Pension Fund sets forth this "Statement of Investment Policy" in order to:

- A. Provide eligible employees with retirement benefits; to provide eligible and qualified employees with disability benefits, as may be provided pursuant to the applicable provisions of the Illinois Police Pension Code (*40 ILCS 5/3-101 et seq.*), and; to provide eligible and qualified employees with the benefits as may be applicable pursuant to the provisions of the Illinois Police Pension Code;
- B. Define and assign the responsibilities of all involved parties;
- C. Establish a clear understanding for all involved parties of the investment goals and objectives for Fund assets;
- D. Offer guidance and limitations to all "Investment Consultants, Managers, and Brokers" regarding the investment of Fund assets;
- E. Establish a basis for evaluating investment results;
- F. Ensure the Fund assets are managed in accordance with the State of Illinois Department of Insurance Regulations and the requirements of 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 Code (*40 ILCS 5/3-101 et seq.*) and as such Statutes may be amended hereinafter; and
- G. Establish the relevant investment horizon for which Fund assets will be managed.
- H. Make a copy of the investment Policy available to the public at the main office of the Pension Fund.
- I. File a copy of the Investment Policy with the Illinois Department of Insurance within thirty (30) days of its adoption or subsequent amendment.

In general, the purpose of this statement is to outline a philosophy and attitude, which will guide the investment Advisors, Managers, and Brokers of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

B. SCOPE

This investment policy applies to the WPPF and to those who with whom the WPPF interacts. The investments of the plan will be diversified so as to minimize the risk of large losses, unless it is clearly prudent not to do so. The Pension Board seeks to attain market rates of return on its investments, consistent with constraints imposed by its safety objectives, cash flow considerations, the prudent person's standard, and Illinois state laws that restrict the investment of pension funds.

Each investment manager will be provided a copy of this investment policy covering the whole Plan and will also be provided policies and objectives related to their specific investment assignment.

C. PRUDENCE AND INDEMNIFICATION

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the objectives of safety as well as the attainment of market rates of return. The standard of prudence to be used by investment officials shall be that of the "Prudent Investor Rule" and shall be applied in the context of managing an overall portfolio. The members of the Pension Board and other employees acting in good faith, in accordance with this investment policy, the Illinois Pension Code set forth in 40 ILCS 5/1-113.1 *et seq.* and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectation are reported in a timely fashion and appropriate action is taken to control adverse developments.

The Pension Fund will invest in a mutual fund only if (a) it is managed by an investment company as defined and registered under the federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953; (b) it has been in operation for at least 5 years; (3) it has total net assets of \$250 million or more; and (d) it is comprised of diversified portfolios of common or preferred stocks, bonds, or money market instruments. 40 ILCS 5/1-113.2(13)(iii).

D. INVESTMENT POLICY OBJECTIVES

1. Safety of principal is considered the foremost priority of the Pension Board. Each investment that is made shall seek to insure that capital losses are avoided, whether they are from default or erosion of market values.
2. Liquidity is considered to be the next important objective. The investment portfolio shall remain sufficiently liquid to enable the Pension Fund to meet all operating requirements which may be reasonably anticipated.
3. Diversification. In order to further guarantee asset safety, the Pension Board shall diversify investments to avoid incurring unreasonable risks from the practice of concentrating investments in specific security types and/or individual financial institutions.
4. Maximum rate of return. The investment portfolio shall be designed with the purpose of outperforming the designated benchmarks. The investment program

shall seek returns above these benchmarks, consistent with risk limitations identified herein and in Illinois State Statutes.

5. Public confidence in the investment program is imperative. The Pension Fund will avoid any transaction that might impair public confidence. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs. Such standards, therefore, avoid unwarranted speculation. Trading securities for capital gain is permissible provided the purchase is justifiable in a buy and hold scenario where the long-term benefit meets established investment parameters established by the Pension Fund, and approved by the Pension Board.
6. Sustainability Factors - The board has considered and regularly considers material, relevant, and decision-useful sustainability factors, within the bounds of financial and fiduciary prudence, in evaluating investment decisions. Such factors include, but are not limited to: (1) corporate governance and leadership factors; (2) environmental factors; (3) social capital factors; (4) human capital factors; and (5) business model and innovation factors, as provided under the Illinois Sustainable Investing Act.

E. DELEGATION OF AUTHORITY

Management responsibility for the investment program is the responsibility of the Pension Board, which shall establish written procedures for the operation of the investment program, consistent with this investment policy. Such procedures shall include explicit delegation of authority to other persons responsible for investment transactions and investment records.

No person may engage in investment transactions except as provided for by the terms of this policy and the procedures established by the Pension Board. The Pension Board may appoint an investment advisor (the "Investment Advisor", per 40 ILCS 5/1-113.5) which shall receive funds for investment from the Treasurer of the Pension Board pursuant to law and Pension Board direction and which shall be responsible for implementation of all transactions undertaken consistent with investment guidance prescribed by law and periodically clarified from time-to-time by the Pension Board. The Investment Advisor shall closely coordinate with the Treasurer to establish a system of internal controls to regulate these activities on behalf of the Pension Board. These controls will be designed to prevent losses of public funds arising from fraud, misrepresentation by third parties, or imprudent actions by fiduciaries and public officials involved with the WPPF.

F. ETHICS AND CONFLICTS OF INTEREST

Fiduciaries, officers, members of the Pension Board and any employees of the City of Washington involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions. These individuals must disclose any material financial interests in financial institutions or dealers that conduct business with the WPPF to the Pension Board President and Treasurer. Said individuals must further disclose any personal financial/investment positions that could be related to the

performance of the WPPF, particularly with regard to the timing of purchases and sales.

G. AUTHORIZED, SUITABLE AND UNAUTHORIZED INVESTMENTS

Investments of the WPPF are limited to those authorized by statutes governing suburban and downstate Police Pension Funds (40 ILCS 5/1-113 to 1-113.10). Any investment that is not specifically authorized by law is an unauthorized investment; which includes (but is not limited to) all illegal investments as set forth in 40 ILCS 5/1-113.9 and all prohibited transactions set forth in 40 ILCS 5/1-110.

Additional investments in instruments authorized by law are to be approved at meetings held by the Pension Board and this investment policy updated accordingly.

The WPPF will specifically avoid any direct purchase of financial forwards or futures, options, derivatives and other instruments which will leverage the portfolio or cause increased risk exposure to the assets.

H. POLICIES TO ACHIEVE INVESTMENT RETURN OBJECTIVES AND SPECIFIC INVESTMENT GOALS

Active Portfolio Management: It is the policy of the WPPF assisted by its Investment Advisor, if any, to actively manage the investment portfolio within the constraints outlined in these investment policies. By using an active management philosophy, rather than a "buy and hold" philosophy, portfolio return will be enhanced without any appreciable increase in risk.

Performance will be measured against appropriate benchmarks provided by the investment managers and/or consultants.

I. BIDDING REQUIREMENTS FROM AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

When making *direct* (as opposed to Investment Advisor supervised or managed) purchases or sales of investments, it shall be the policy of the WPPF to seek no less than three competitive quotes from primary dealers or national banks, both of which must be authorized to do business in the State of Illinois. Purchase will be made from the entity providing the most favorable, responsible bid to the WPPF. Documentation will be retained for all bids, with the most favorable and responsible bid clearly identified. If for any reason a purchase is made that was not the most favorable bid or if three bids were not obtained, reasons for such action will be documented.

J. SAFEKEEPING AND CUSTODY OF INVESTMENTS

Securities will be held by a third party custodian in a custodial trust account designated by the Treasurer or authorized depository such as those utilized by any mutual fund holdings or by a broker-dealer in compliance with Section 1-113.7 of the Illinois Pension Code (40 ILCS 5/1-113.7). This trust account shall be established in a trust department of a national or state bank or a trust company authorized to conduct a trust business in the State of Illinois. The securities shall be registered in the name of the City of WPPF or in the name of a nominee created for the express purpose of registration of securities by the trust department or trust company designated for safekeeping. The responsibilities of the custodian will include collection of investment earnings it is holding and monthly reporting

of the performance and current market value of securities held in custody. Quarterly reports will be made available to each member of the Pension Board.

K. DELIVERY VERSUS PAYMENT METHOD REQUIRED FOR SECURITY TRANSACTIONS

All individual security transactions entered into by the WPPF shall be conducted on a delivery versus payment (DVP) basis. That is, simultaneous to the release of funds to purchase securities, there will be a delivery of the securities purchased to the third party custodial trust account. Likewise, for any sale of securities, there will be a simultaneous transfer of monies to the third party custodial account designated by the WPPF. This policy insures a transfer of monies or securities will not occur before the other portion of the transaction. Both transactions are to occur simultaneously through the custodial trust account. This policy shall not conflict, however, with the normal and customary methodology for the purchase and sale of mutual funds, separate accounts or commingled funds.

L. INVESTMENT MANAGER - HIRING OF AND RELATIONSHIP WITH THE PENSION BOARD

The Pension Board recognizes that the ultimate responsibility for asset value, preservation, and growth rests with them. The Pension Board believes that its responsibility is best exercised by hiring and guiding an independent investment manager(s) rather than self-administering the investment decisions through "in-house" specialists. It is recognized that the expertise involved the determination of investment strategy and security selection must lie with the professional manager(s) and not with the Pension Board of Trustees. The Pension Board believes they can instead best exercise their responsibilities by:

1. Setting guidelines and objectives which are mutually supported by the independent manager and the Pension Board;
2. Selecting qualified investment managers;
3. Communicating closely with the investment managers;
4. Monitoring performance to insure the guidelines and objectives are being met; and
5. Taking appropriate action if guidelines and objectives are not being met.

Therefore, pursuant to the Illinois Pension Code, the Pension Board may enter into an agreement whereby it hires investment managers to manage all or part of the Pension Fund assets. The investment manager and/or advisor may also be referred to as the Pension Fund's "Investment Advisor".

It is understood:

A person is an "investment manager" with respect to a retirement system or pension fund established under this code if that person:

1. is a fiduciary appointed by the Pension Board in accordance with section 1-109.1;

2. has the power to manager, acquire, or dispose of any asset of the Pension Fund;
3. is either:
 - a. registered as an investment advisor under the Investment Advisors Act of 1940;
 - b. a bank or trust company authorized to conduct a trust business in Illinois;
 - c. a life insurance company authorized to transact business in Illinois; or
 - d. an investment company as defined and registered under the federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953; and
4. has acknowledged in writing that he is a fiduciary with respect to the retirement system or pension fund;
5. Has adequate insurance for "errors and omissions" and has surety bond coverage at levels deemed acceptable to the Board and naming the WPPF as an additional insured; and
6. Has agreed in a written contract to adhere to the "prudent investment expert" standard. This standard will explicitly state that the manager will conduct his (her) duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent investment expert acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; provided, however, that this standard of care shall in no case be, or interpreted to be, less stringent or less restrictive than any investment standard or standards, now in effect or included by amendment effective in the future, prescribed for investments by Illinois law.

All agreements with the manager(s) shall be in writing. All investments made by the managers(s) shall conform with all aspects of this investment policy. The manager(s) shall report to the Pension Board on no less than a quarterly basis. All investments made by the investment manager(s) shall be reviewed at each quarterly meeting of the Pension Board to insure that investments are in compliance with Illinois law as well as its investment policy and shall take steps to ratify that review at each quarterly meeting.

It is understood that whether the investment manager has discretionary authority (without requiring approval to purchase or sell investments from WPPF) or nondiscretionary (requiring approval to purchase or sell investment from the WPPF), the investment manager(s) must still comply with this investment policy.

The manager(s) shall prepare a written report on a quarterly basis and mail to the WPPF a copy of all investment transactions made for each quarterly meeting.

As a condition to act in any kind of investment managerial capacity, said investment manager must sign a document that this investment policy has been read, fully understood, and will be complied with accordingly. Further, the Pension Board expects to be apprised of any significant changes in investment outlook and strategy; as well as

important changes in the organization structure, financial condition, or senior personnel changes (including any personnel who will be assigned to any and all aspects of the WPPF) of the investment manager's firm.

The current and future investment manager(s), if any, retained by the Pension Board shall execute an "Acknowledgement of Fiduciary" substantially in the form included at the conclusion of this Policy.

M. ACCOUNTING

The Pension Fund shall maintain its financial reports records on the basis of fund accounting. The Pension Fund is considered an accounting entity separate from the other funds of the City of Washington. All investment transactions shall be recorded in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board.

N. FINANCIAL INSTITUTIONS

It shall be the policy of the Pension Fund to select financial institutions for direct "in-house" investments of assets on the following basis:

1. Security. The Pension Fund will maintain funds in federally insured financial institutions only. The Pension Fund will not maintain funds at any financial institution in excess of federally insured limitations without sufficient collateral.
2. Size. The Pension Fund will not maintain deposits at any financial institutions where total City of Washington funds on deposit exceed 50% of the institution's capital stock and surplus.
3. Statement of Condition. The Pension Board may request from time to time, an inspection of current statements of conditions for each financial institution named as a depository. Any institution unwilling or unable to provide a current statement of condition will have all pension funds withdrawn immediately upon notice of refusal.

O. COLLATERAL REQUIREMENTS

Except for bank managed money market mutual funds (which by definition invest directly in high liquid government backed securities), deposits in excess of federally insured limits in financial institutions will be required to be secured by some form of collateral. The WPPF will accept any of the following assets as collateral:

1. United States Treasury Bills, Notes or Bonds
2. United States Government Agency Notes or Bonds as authorized by the Public Funds Investment Act but excluding the government sponsored agencies prohibited by the DOI.

The amount of collateral provided will not be less than 110% of the fair market value of the net amount of WPPF funds secured. The ratio of fair market value of collateral to the

amount of funds secured will be reviewed quarterly by the Pension Board Treasurer, and additional collateral will be required when the ratio declines below the level required and will be released if the market value exceeds the required level. Pledged collateral will be held in safekeeping by a depository designated by the WPPF and evidenced by a safekeeping agreement. Collateral agreements will prohibit the release of the pledged assets without the authorized signature from the Pension Board Treasurer. The WPPF realizes there is a cost factor involved with collateralization and will pay reasonable and customary fees.

P. FREQUENCY OF REPORTING

The Investment Advisor, or City Treasurer should the Pension Board not retain the services of an Investment Advisor (or investment managers or advisors), shall submit a report to the Pension Board on no less than a quarterly as well as year-end basis. The report shall summarize the investment strategies employed in the most recent quarter and describe the portfolio in terms of investment securities, maturities, risk characteristics, and other features. The report shall explain the quarter's total investment return and compare the return with budgetary expectations. The report shall disclose all transactions made for the quarter. Upon the completion of the reviewing process conducted by the Trustees, an annual report of the Fund shall be presented to the Board of Trustees of the City of Washington by the Pension Board Trustees in compliance with Section 3-141 of the Illinois Pension Code (40 ILCS 5/3-141).

Q. INVESTMENT SELECTION

The Board may invest the Fund only in investments authorized by Articles 1 and 3 of the Illinois Pension Code, as amended from time to time, and as authorized by other applicable law, including but not limited to Sections 1-113.1 through 1-113.11 of the Illinois Pension Code (40 ILCS 5/1-113.1 -1-113.11), and as provided in Articles Q, R, S and T, and the Aggregate Plan Asset Allocation Guidelines included as an Addendum attached to and included as part of this Policy.

As of the date of adoption of this Policy, permitted investments (40 ILCS 5/1-113.2) are:

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 principal 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 and the Student Loan Marketing 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 Act 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 in accordance with the Deposit of State Moneys Act, interest bearing funds or pooled accounts of the Illinois Metropolitan Investment Funds, 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 10% of the pension fund's net assets:

- (i) 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;
- (ii) 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
- (iii) mutual funds that meet the following requirements:
 - a. the mutual fund is managed by an investment company as defined and registered under the federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953;
 - b. the mutual fund has been in operation for at least 5 years;
 - c. the mutual fund has total net assets of \$250 million or more; and
 - d. the mutual fund is comprised of diversified portfolios of common or preferred stocks, bonds, or money market instruments.

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

- (i) The bonds must be rated as investment grade by one of the 2 largest rating services at the time of purchase.
- (ii) If subsequently downgraded below investment grade, the bonds must be liquidated from the portfolio within 90 days after being downgraded by the manager.

R. ADDITIONAL INVESTMENTS AUTHORIZED FOR POLICE & FIREFIGHTER PENSION FUNDS WITH AT LEAST \$2,500,000 BUT LESS THAN \$5,000,000 IN NET ASSETS:

As of the date of this Policy, the investments listed below are permitted (40 ILCS 5/1-113.2), in addition to those listed in Article Q above, as the Pension Board has appointed an investment advisor and complies with section 1-113.5 of the Pension Code, and has required level of fund assets.

- 1. If the Fund has net assets of at less than \$2,500,000 the Board may invest a portion of its net assets in the following items:
 - (i) Mutual funds that meet the following requirements:

- a. the mutual fund is managed by an investment company as defined and registered under the federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953;
- b. the mutual fund has been in operation for at least 5 years;
- c. the mutual fund has total net assets of \$250 million or more; and
- d. the mutual fund is comprised of diversified portfolios of common or preferred stocks, bonds, or money market instruments.

The Fund's total investment in the items authorized under this Section shall not exceed 10% of the market value of the Fund's net present assets stated in its most recent annual report on file with the Illinois Department of Insurance.

- 2. If the Fund has net assets of more than \$2,500,000 but less than \$5,000,000, the Board may invest up to 45% in mutual fund securities.

S. ADDITIONAL INVESTMENTS AUTHORIZED FOR POLICE & FIREFIGHTER PENSION FUNDS WITH MORE THAN \$5,000,000 IN NET ASSETS:

The investments listed below are permitted (40 ILCS 5/1-113.4), in addition to those listed in Articles Q and R above, if the Pension Board has appointed an investment advisor and complies with section 1-113.5 of the Pension Code.

- 1. Mutual funds that meet the following requirements:
 - a. the mutual fund is managed by an investment company as defined and registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953;
 - b. the mutual fund has been in operation for at least 5 years
 - c. the mutual fund has total net assets of 250 million or more; and
 - d. the mutual fund is comprised of diversified portfolios of common or preferred stocks, bonds, or money market instruments.
- 2. Common stocks and preferred stocks authorized for investments of trust funds under the laws of the State of Illinois
- 3. The Stocks must meet all of the below criteria:
 - a. The common stocks are listed on a national securities exchange or board of trade or quoted in the National Association of Securities Dealers Automated Quotation System National Market System (NASDAQNMS).
 - b. The securities 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 for 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 stock or convertible preferred stocks are issued or guaranteed by the 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.
- g. The pension fund's total investment in the items authorized under this Section and Section 1-113.3 shall not exceed 35% of the market value of the pension fund's net assets stated in its most recent annual report on file with the Illinois Department of Insurance.
- h. The Limitation on the investment in common and preferred stocks is in addition to the limits on the investments permitted in separate accounts of insurance companies investing in common and preferred stocks. Thus, the Fund, may invest a total of 45% in common and preferred stocks. However, the limits apply strictly to each class of investment, separate account (10%) and direct equity investments (35%).

The investment adviser shall have the power to manage, acquire, or dispose of any asset of the retirement system pension fund and comply with the following requirements:

1. Has acknowledged in writing that the manager is a fiduciary with respect to the pension fund and is at least one of the following:
 - a. Registered as an investment advisor under the Federal Investment Advisers Act of 1940, and registered as an investment advisor under the Illinois Securities Law of 1953.
 - b. A bank, defined under the Investment Advisor Act of 1940 or a trust company authorized to do business in the State of Illinois, or an insurance company authorized to transact business in this State.

Bonds purchased hereunder shall be registered in the name of the Pension Board or held under custodial agreement at a bank.

No bank or savings and loan association shall receive investment funds as permitted by this Section, unless it has complied with the requirements established pursuant to Section 6 of "An Act relating to certain investments of public funds by public agencies", approved July 23, 1943, as now or hereafter amended. The limitations set forth in such investments

shall be applicable only at the time of investment and shall not require the liquidation of any investment at any time. (Source P.A. 90-507)

T. ADDITIONAL INVESTMENTS AUTHORIZED FOR POLICE & FIREFIGHTER PENSION FUNDS WITH MORE THAN \$10,000,000 IN NET ASSETS:

In addition to the investments permitted above, if the Fund has net assets of \$10,000,000 or more and has appointed an investment adviser under Sections 1-101.4 and 1-113.5, it may (40 ILCS 5/1-113.4a), through that investment adviser, invest an additional portion of its assets in common and preferred stocks and mutual funds that meet all of the requirements outlined above.

These stocks must meet all of the following requirements:

1. The common stocks must be listed on a national securities exchange or board of trade (as defined in the Federal Securities Exchange Act of 1934 and set forth in paragraph G of Section 3 of the Illinois Securities Law of 1953) or quoted in the National Association of Securities Dealers Automated Quotation System National Market System.
2. The securities must be of a corporation in existence for at least 5 years.
3. The market value of stock in any one corporation may not exceed 5% of the cash and invested assets of the pension fund, and the investments in the stock of any one corporation may not exceed 5% of the total outstanding stock of that corporation.
4. The straight preferred stocks or convertible preferred stocks must be issued or guaranteed by a corporation whose common stock qualifies for investment by the board.

These mutual funds must meet the following requirements:

1. The mutual fund must be managed by an investment company registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953.
2. The mutual fund must have been in operation for at least 5 years.
3. The mutual fund must have total net assets of \$250,000,000 or more.
4. The mutual fund must be comprised of a diversified portfolio of common or preferred stocks, bonds, or money market instruments.

If the Fund has net assets of \$10,000,000 or more, the Fund's total investment in the equity investments shall not exceed 50% effective July 1, 2011 and 55% effective July 1, 2012 of the market value of the pension fund's net present assets stated in its most recent annual report on file with the Illinois Department of Insurance.

U. EFFECTIVE DATE

This policy was prepared under the authority of the WPPF pursuant to law (Pension Code Section 40 ILCS 5/1-113.6). The policy will be effective immediately. A copy of the policy will be distributed to the independent auditor of the Pension Fund as well as the City of Washington Police Pension Board of Trustees and to those who interact for investment purposes with the WPPF. Further, this policy shall be reviewed from time to time (no less than annually) and any changes will be presented to the Pension Board for approval and distribution to the above parties.

A copy of this investment policy shall be filed with the Illinois Department of Financial and Professional Regulation's Division of Insurance within thirty days of its adoption or revision. The Pension Board shall make a copy of this Policy available to the public at the main administrative office of the WPPF.

Approved by the Board of Trustees of the WPPF this ____ day of _____, 2020.

President, Board of Trustees
WPPF

Attest:

Secretary, Board of Trustees
WPPF

ADDENDUM

Aggregate Plan Asset Allocation Guidelines (at market value)

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Preferred</u>
Equities	<u>25</u> %	<u>45</u> %	<u>45</u> %
Fixed Income			
Gov't & Corp Bonds	<u>0</u> %	<u>40</u> %	<u>20</u> %
Cert. of Deposit	<u>0</u> %	<u>40</u> %	<u>20</u> %
US Gov't Securities	<u>0</u> %	<u>40</u> %	<u>10</u> %
Cash and Equivalents	<u>0</u> %	<u>15</u> %	<u>5</u> %

The following shall be used as target indices to form a blended index for the entire fund and to measure the performance of each individual asset class. The blended index will reflect the asset classes comparable to the investment portfolio:

<u>Asset Class</u>	<u>Target Index</u>
Domestic Equities	Russell 3000
International Equities	MSCI ACWI-Ex US
Fixed Income	Barclays Intermediate Govt.
Corporate Bond	Barclays A+ 1-5 Year Corporate
Cash and CD	Barclays 1-3 Year US Treasury

The pension fund will often maintain some assets in bank certificates of deposit and cash. Those assets will be considered as part of the fixed income allocation. They will not be considered under the management of the investment advisor. The investment advisor will manage assets to the proportionate benchmarks for the assets under direct management of the advisor.

The Board of Trustees may employ managers whose investment disciplines require investment outside the established asset allocation guidelines. However, taken as a component of the aggregate plan, such disciplines must fit within the overall asset allocation guidelines established in this Statement. Such investment managers will receive written direction from the Board of Trustees regarding specific objectives and guidelines.

ACKNOWLEDGEMENT OF FIDUCIARY

Mitchell, Vaught, and Taylor, Inc., Investment Advisors, an SEC registered investment advisor under the Investment Advisors Act of 1940, hereby acknowledges that it is a fiduciary within the meaning of the Illinois pension code to the Washington Police Pension Fund under its contract with said fund, and that it is and has acted as a fiduciary under all its contracts with said fund from the inception of the relationship.

Mitchell, Vaught and Taylor, Inc., shall follow the investment policy of the Washington Police Pension Board and will invest in accordance with the appropriate Illinois Pension Code as permitted under 40 ILCS 5/1-113, 3/135 and the Public Funds Investment Act, 30 ILCS 235/0.01-7.

John Mitchell, Director

Subscribed and sworn to before me this

_____ day of _____, 2020.

Notary Public

HIGH RISK HOME LOAN ACT
 (Effective August 28, 2007)

COMPLIANCE FOR CALANDER YEAR 2020
 (Due by May 15th annually)

INSTITUTION	DATE MAILED	DATE COMPLIED	ADDITIONAL COMMENTS
Morton Community Bank 721 West Jackson Morton, IL 61550	2/6/2020	2/13/2020	
CEFCU P.O. Box 1715 Peoria, IL 61656-1715 Attn: VP Mortgage Lending	2/6/2020	3/2/2020	
Heartland Bank & Trust 401 North Hershey Road P.O. Box 67 Bloomington, IL 61702-0067	2/6/2020	2/17/2020	
Ipava State Bank 116 Washington Square Washington, IL 61571	2/6/2020	5/11/2020	Remailed 5/7/20
Busey Bank P.O. Box 328 Washington, IL 61571 Attn: Craig Meyer	2/6/2020	5/18/2020	Remailed 05/07/20
Washington State Bank 1110 Peoria Street Washington, IL 61571	2/6/2020	2/10/2020	
PNC Bank 1996 Freedom Parkway Washington, IL 61571 Attn: Emily Geerts	2/6/2020	x	No Response



Summary Agenda Fees
Keynote Speakers Speakers
Staff

Register Now

[Already Registered?](#)

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

*For this year's MidAmerican Pension Conference, we will be offering you the option to attend **in-person** or **virtually**. Please be aware that in order for us to stay in accordance with social distancing guidelines, in-person registration will be limited and will be on a first come, first serve basis. Additionally, there will be no onsite, walk-in registrations allowed this year.*

IMPORTANT NOTE: we will only be accepting registrations from member boards in good standing.

On December 18, 2019, Governor J.B. Pritzker signed SB 1300, making it Public Act 101-0610. This act will consolidate all Article 3 and 4 pension fund's investment assets. Under Public Act 101-0610,

training requirements have now been reduced from 16-hours of continuing education training to 8-hours for annual renewal. In addition to this, current pension trustees are also now required to obtain 4-hours of **consolidation transition training** regarding this new law.

The 2020 MidAmerican Pension Conference will include all 8-hours of continuing education training for annual renewal, as well as 4-hours of required **consolidation transition training**. This specialized consolidation training will be offered on the last day of the conference, October 2nd. The mandatory, 4-hour **consolidation transition training** will be brought to you with the cooperation of the Brookfield Fire Pension Fund and Northern Illinois University.

We will also be offering 8-hours of **Public Safety Benefits training**, including topics such as: Social Security Survivor's Benefits, GPO, WEP, Medicare, Benefits Overview, Taxation of Benefits, Illinois Insurance Continuation Privilege, PEDA, PSEBA, Supplemental Retirement Benefits, and IMRF.

Register today* for the 2020 MidAmerican Pension Conference, where you will have the option to attend either *in-person* or *virtually*.**

* Please note that a \$25.00 fee will apply, per person, if you need an IPPFA staff member to register you.

** Please be aware that in-person attendance will be on a first come, first serve basis as we will have to limit our in-person attendance to stay in accordance with social distancing guidelines.

Since 1985, the IPPFA has offered Public Pension Trustees the best and latest in trustee training. With the recent far-reaching changes in pension law, and with the difficult changes yet to come, the IPPFA strives to prepare pension trustees for the future.

Register Now